RCBC
Partners Through Generations

April 5, 2024

Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Sir/Ma'am,

We submit herewith the following reports of Rizal Commercial Banking Corporation as of December 31, 2023:

1. RCBC SEC 17-A (notarized)
2. Audited Financial Statements (AFS) with the complete supplementary schedules
3. BIR acknowledgement copy of AFS
4. Sustainability Report

Very truly yours,

Florentino M. Madonza
FSVP, Head-Controllership Group

cc: Philippine Dealing Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, 1226 Makati City

COVER SHEET

						1	7	5	1	4

S.E.C. Registration Number

RIZAL COMMERCIAL BANKING
CORPORATION AND SUBSIDIARIES

(Company's Full Name)

YUCHENGCO TOWER, RCBC PLAZA,
6819 AYALA AVENUE, MAKATI CITY

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

MARIETA O. MIRANDA	8 8 9 4 9 9 3 2
Contact Person	Company Telephone Number

1 2	3 1	1 7 - A	0 6	2 4
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

S E C	
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

74 6		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number 17514 3. BIR Tax Identification No. 000-599-760-000
4. Exact name of registrant as specified in its charter:

RIZAL COMMERCIAL BANKING CORPORATION

5. Philippines

   Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. RCBC Plaza Yuchengco Tower 6819 Ayala Ave. cor. Sen. Puyat Avenue, Makati City 1200

   Address of principal office Postal Code

8. (632) 8894-9000

   Registrant's telephone number, including area code

9. Not applicable

   Former name, former address & former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, P10 par value	2,419,536,120 (as of December 31, 2023)

11. Are any or all of these securities listed on the Philippine Stock Exchange

    Yes (x) No ( )

12. Check whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the SRC thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

    Yes (x) No ( )

    (b) has been subject to such filing requirements for the past 90 days

    Yes (x) No ( )

13. Aggregate market value of the voting stock held by non-affiliates:

Php31,682,480,197.0

NOTE

For transparency, we are providing you the computation used for #13 Aggregate market value of the voting stock held by non-affiliates below as of December 31, 2023.

	Value
Total Number of Shares	2,419,536,120
YGC Shares*	1,042,036,981
Non YGC Shares	1,377,499,139
Share Price	Php 23.0
Aggregate Market Value	Php 31,682,480,197.0

***YGC Combined Ownership in RCBC**

Rank	Name	Common Shares	%
1	Pan Malayan Management and Investment Corp.	820,634,773	33.92%
2	GPL Holdings Inc.	103,117,787	4.26%
3	Malayan Insurance Co., Inc.	33,706,375	1.39%
4	MICO Equities, Inc.	32,811,695	1.36%
5	RCBC Retirement Plan	16,834,220	0.70%
6	RCBC Land	9,780,620	0.40%
7	Hydee Management & Res. Corporation	8,696,516	0.36%
8	House of Investments, Inc.	7,064,986	0.29%
9	Grepa Realty Holdings Corp.	3,141,537	0.13%
10	A.T. Yuchengco, Inc.	1,649,806	0.07%
11	RCBC Capital Corporation	1,462,289	0.06%
12	Manila Memorial Park Cemetery	1,237,630	0.05%
13	Enrique T. Yuchengco, Inc	1,171,247	0.05%
14	AY Holdings, Inc.	727,500	0.03%
	Total	**1,042,036,981**	**43.07%**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Rizal Commercial Banking Corporation (RCBC or the Bank) is a universal bank in the Philippines that provides a wide range of banking and financial products and services. The Bank has total resources of over P1.2 trillion becoming the fifth (5th) largest privately-owned bank in the country as of end-December 2023 with a total net worth of P152.3 billion. It has a consolidated network of 458 business centers and supplemented by 1,460 automated teller machines (ATMs) and 3,861 ATM Go terminals strategically located nationwide.

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

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

RCBC's common shares are 33.92% directly and indirectly owned by Pan Malayan Management and Investment Corporation (PMMIC), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions comprising the Yuchengco Group of Companies (YGC) and other investments. In 2023, Sumitomo Mitsui Banking Corporation (SMBC) has completed its acquisition of an additional 15.01% equity stake in RCBC resulting in an increase of SMBC's shareholding to 20.00%. SMBC is a global financial institution and a member of the Sumitomo Mitsui Financial Group, Inc. It is one of the largest banks in Japan with headquarters in Tokyo. Another significant investor is Cathay Life Insurance Co. Ltd., a wholly-owned subsidiary of Cathay Financial which is the largest publicly listed financial holding company in Taiwan, with 18.68% ownership.

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

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

The Bank's subsidiaries are as follows:

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

RCBC Securities, Inc. (RCBC Securities), a wholly-owned subsidiary of RCBC Capital, is engaged in the electronic and traditional trading of listed securities and in providing corporate and market research.

RCBC Bankard Services Corporation (RCBC Bankard), a wholly-owned subsidiary of RCBC Capital is engaged in providing services to the credit card business of the Bank.

RCBC Forex Brokers Corporation (RCBC Forex), a wholly-owned subsidiary of the Bank, was incorporated in 1998. RCBC Forex is primarily engaged in dealing and brokering currencies in foreign exchange contracts with local and international clients. The Company is registered to operate as a money changer/ foreign exchange dealer with a Type "E" registration (as an authorized agent bank's subsidiary foreign exchange corporation) under the regulatory supervision of the BSP. The Company deals with money changers, foreign exchange dealers and remittance agents.

RCBC International Finance Limited (RCBC IFL), a wholly-owned subsidiary of the Bank, was established on July 31, 1962 and is the Bank's overseas branch in Hong Kong. ***RCBC Investment Ltd. (RCBC IL)*** is a 100% owned subsidiary of RCBC IFL established on August 1, 1980 to engage in the business of remittance, money exchange, retail lending and investment. RCBC IL was placed under dormant status in May 2009 and RCBC IFL took over its businesses using the Money Service Operator's (MSO) and Money Lender's (ML) licenses.

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

RCBC Leasing and Finance Corporation (RCBC LFC), a 99.67% owned subsidiary of the Bank acquired in March 2012***,*** is a pioneer in the leasing and financing industry in the Philippines as the company started its operations in 1957. RCBC LFC is a non-bank financial institution with a quasi-banking license granted by the BSP. It serves the requirements of corporate, commercial and consumer markets through its innovative loans, leases and investment products. ***RCBC Rental Corporation*** is a wholly-owned subsidiary of RCBC LFC engaged in renting and leasing business machines, transport vehicles and heavy equipment under an operating lease arrangement.

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

RCBC-JPL Holding Company, Inc. (RCBC-JPL), 99.41% owned, was renamed with a corresponding change in primary business to handle the disposition of the remaining assets of the former JPL Rural Bank. On April 1, 2012, RMB acquired selected assets and liabilities of JPL Rural Bank.

Products and Services. Through the years, RCBC has developed a wide range of financial products and services covering deposit taking, international banking services, remittance, lending, cash-management services, digital banking, project financing and merchant banking.

In 2023, the following additional products and electronic services were introduced:

1. Electronic Banking

   1.1 RCBC Pulz – RCBC launched the rebirth of RCBC Digital – the new cutting-edge digital banking platform, RCBC Pulz – in 2023. The revamped app is designed to power up users' growing demand through its unparalleled features, speed and efficiency.

   1.2 RCBC Boz – launched in November 2023, is the newest all-in app for small business owners. They can prepare e-invoices, manage payroll, organize transactions, set budget, financial goals, and do fund management all within the app, so less time and stress are spent on tedious and confusing paperworks.

2. Credit Cards

   2.1 RCBC Hexagon Club Priority World Mastercard – a free-for-life complimentary top-tier credit card for RCBC Hexagon Club Priority members. Qualified cardholders enjoy world-class travel, lifestyle perks and non-expiring rewards points.

   2.2 Unli 0%, Unli Installment – RCBC Credit Card benefits made available in RCBC Pulz including the proprietary UnliPay (use of the Philippine Peso-dominated RCBC Credit Card to make payments in Philippine Pesos (Php) to any bank account or e-wallet via bank transfer) and Unli Installment (on-demand conversion of straight purchases for up to 36 months installment).

3. Consumer Loans

   3.1 Auto Loan FlexiLite – is an auto loan variant with zero down payment and term that can be extended for another 3 years. The product is available only to Hexagon Club depositors and valued clients.

   3.2 Payroll Advance (Payday NOW) – RCBC Payday NOW is a fully digital loan product that allows prequalified RCBC payroll account holders to advance up to 40% of their net monthly salaries with just a few taps in RCBC's mobile app. Loan proceeds will be credited to their payroll account in real time. Payment will be automatically deducted from their upcoming salary credit within the next 45 days. The amount and frequency of repayment will depend on how often the employees receive their salary credit to make it lighter for the borrower.

4. Treasury

   4.1 BSP Securities – Securities issued by the BSP for its monetary policy implementation and liquidity management operations. BSP has expanded the sale of BSP securities in the Secondary Market to include Unit Investment Trust Funds of trust entities.

   4.2 Retail Dollar Bonds (RDBs) – These are US dollar-denominated medium to long-term debt securities issued by the Republic of the Philippines through the Bureau of the Treasury.

4.3 Asset Forwards – this is a structured investment product providing an effective all-in Php Investment yield.

Listed below are the products and services of RCBC:

A. DEPOSITS

<u>Peso Deposits</u>

- Checking Accounts
  - eWoman Checking
  - Dragon Checking
  - One Account (Retail)
  - One Account Business

- Savings Accounts
  - Regular Savings (with ATM and with Passbook variants)
  - iSave
  - Dragon Savings
  - eWoman Savings
  - SSS Pensioner
  - Payroll Savings
  - GoSavers Savings
  - Basic Savings
  - Telemoney ATM Savings Account (either with an ATM or Passbook)
  - Contractual Savings - Passbook-based & connected to loan availment

- Time Deposits
  - Peso Regular Time Deposit (30 days to 1 Year)
  - Peso Green Time Deposit (30 days to 1 year)
  - Peso Time Deposit (2 Year, 3 Year, 4 Year, 5 Year + 1 day)

<u>Foreign Currency Deposits</u>

- Savings Accounts
  - Regular Savings
    - US Dollar
    - Japanese Yen
    - Euro
    - British Pounds
    - Canadian Dollar
    - Chinese Yuan
    - Australian Dollar
    - Swiss Franc

  - Dragon Dollar Savings
    - US Dollar

- Time Deposits
  - USD Regular Time Deposit (30 days to less 1 Year)
  - USD Time Deposit 1 Year, 2 Year, 3 Year, 4 Year, 5 Year + 1 day
    - Japanese Yen
    - Euro Dollar
    - British Pounds
    - Canadian Dollar
    - Australian Dollar
    - Swiss Franc

Exclusive Membership Program

- Hexagon Club
  - Hexagon Club Privilege for Individuals
  - Hexagon Club Priority for Individuals
  - Hexagon Club Prestige for Retail SMEs

B. ELECTRONIC BANKING PRODUCTS / SERVICES AND CHANNELS

Product and Services

- RCBC MyDebit Mastercard
- RCBC MyWallet Visa

Electronic Banking Channels

- Automated Teller Machines
- RCBC Online Banking for Corporate
- RCBC Online Banking for Retail
- RCBC ATM Go
- DiskarTech Financial Super App
- RCBC MoneyBela Barangayan Banking
- RCBC Pulz
- RCBC Boz

C. CREDIT CARDS

RCBC Credit Card Products

- RCBC Classic: Mastercard, JCB
- RCBC Gold: Mastercard, JCB
- Flex Visa: Classic, Gold
- YGC Rewards Plus Visa: Classic, Gold
- YGC Rewards Plus Platinum Mastercard
- RCBC Black Platinum Mastercard: Peso, Dollar
- RCBC Diamond Platinum Mastercard
- RCBC Hexagon Club Platinum Mastercard
- RCBC Hexagon Club Priority World Mastercard
- RCBC World Mastercard
- RCBC Balesin World Mastercard
- RCBC The City Club World Mastercard
- RCBC Platinum VISA
- RCBC Visa Infinite
- RCBC Platinum JCB
- RCBC UnionPay Diamond
- RCBC Landmark Anson Mastercard
- RCBC MANGO Mastercard
- RCBC Phoenix Mastercard
- Air Asia Visa
- RCBC Web Shopper
- RCBC Corporate Card Mastercard
- Zalora Credit Card
- Installment Online
- QR Payment Acceptance
- UniliPay
- Unli 0%, Unli Installment

D. LOANS

Commercial Loans (Peso and/or Foreign Currency)

- Short-Term Revolving Facilities
  - Non-Trade Facilities
    - Credit Line
    - Accounts Receivable Line (ARL)
    - Bills Purchased Line (BPL)
    - Second Endorsed Checks Line (SECP)
  - Trade Facilities
    - Import / Domestic Trade Facilities
      - Letter of Credit Line
      - Trust Receipt (TR) Line
      - Shipping Guarantee
    - Export Financing
      - Export Advance Loan / Line
      - Export Bills Purchased Line
  - Others
    - Standby LC Facility
    - Bank Guarantee
- Long- Term Non-Revolving Facilities
  - Corporate Finance Loans
  - Project Finance Loans

Consumer Loans

- Auto Loan
  - Regular Auto Loan
  - Auto Loan Plus
  - Second Hand Car Loan
  - Auto Loan FlexiLite
- Home Loan
  - Regular Home Loan
  - Home Loan Plus
- Salary Loan
- Personal Loan
- Payroll Advance (Payday NOW)

Microenterprise and Small Business Loans

- Small Business Term Loan (Regular & Lite)
- Small Business Revolving Credit Line Facility

Agricultural Value Chain Financing

- Agri-Finance Term Loan (Regular & Lite)
- Agri-Finance Revolving Credit Line Facility
- Agri-Production Loan (Regular & Lite)

Special Lending Facilities

- BSP Rediscounting Facility

Leasing and Financing Services

- Finance Lease
- Term Loan
- Receivables Financing
- Car Loan Program
- Money market investment

E. TREASURY AND GLOBAL MARKETS

Foreign Exchange

- Foreign Exchange Spot (Buy and Sell of USD and Other Third currencies)

RCBC FX Online

- Purchase of Foreign Currencies
- Sale of Foreign Currencies for Travel and Investment

Fixed Income

- Peso Denominated Government Securities and other Debt Instruments
    - Treasury Bills
    - Fixed Rate Treasury Notes (FXTNs)
    - Retail Treasury Bonds (RTB)
    - BSP Securities
    - Corporate Bonds and Other Debt Instruments

- Foreign Currency Denominated Bonds
    - Republic of the Philippines (RoP) Bonds
    - Retail Dollar Bonds (RDBs)
    - 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

Derivatives

- Foreign Exchange Forwards
- Foreign Exchange Swaps
- Foreign Exchange Options
- Interest Rate Swaps
- Cross Currency Swaps
- Asset Swaps
- Asset Forwards

F. TRUST SERVICES

Trusteeship

- Retirement Fund Management
- Corporate and Institutional Trust
- Pre-Need Trust Fund Management
- Customized Employee Savings Plan
- Employee Savings Plan
- Personal Management Trust
- Estate Planning Complementary Services
- Mortgage/Collateral Trust
- Bond Trusteeship
- Legislated and Quasi-judicial Trust

Project Accounts Trusteeship

Agency

- Safekeeping
- Escrow
- Investment Management
- Loan and Paying Agency
- Bond Registry and Paying Agency
- Facility Agency
- Receiving Agency
- Sinking Fund Management
- Stock Transfer and Dividend Paying Agency

Unit Investment Trust Funds

- RCBC Peso Money Market Fund
- RCBC Peso Cash Management Fund
- RCBC Peso Fixed Income Fund
- RCBC Multi-Asset Fund
- RCBC Equity Fund
- RCBC Dollar Money Market Fund
- Rizal Dollar Fixed Income Fund
- RCBC Peso Short Term Fund
- RCBC R25 Blue-Chip Equity Fund
- RCBC R25 Dividend Equity Fund
- RCBC US Equity Index Feeder Fund

G. TRANSACTION BANKING

Check Clearing

Domestic Letters of Credit

Fund Transfers

- Demand Drafts (Peso and Dollar)

Trade Products and Services

- Import Services
  - Commercial Letters of Credit
    - Foreign
    - Domestic
  - Import Collections
    - Under LC
    - Documents against Payment
    - Documents against Acceptance
  - Open Account
  - Direct Remittance
  - Advance Payment
  - Intercompany Netting Arrangements
  - Resident-to-Resident Trade Payables

- Export Services
  - Export LC Advising and Confirmation
  - Export Bills for Collection (under LC/DP/DA)

- Other Trade Services
  - Standby Letters of Credits and Bank Guarantees
    - Bid Bond

- Performance Bond
- Advance Payment
- Warranty Bond
- Retention Bond

Shipping Guarantee / Shipside Bond
Bank Endorsement
OA/DA Registration
Payment of PAS 6 Customs Duties and Taxes

Trade Finance
- Import Bills under LC
- Trust Receipt Loans
  - Under Sight & Usance LC
  - Under DP/DA/OA/DR
- Export Bills Purchased (under LC/DP/DA)
- Vendor Invoice Program (VIP) Financing
  - VIPP - Vendor Invoice Program - Payables
  - VIPR - Vendor Invoice Program - Receivables

<u>Collection and Receivables Services</u>
- Bills Collections
  - Over the Counter (OTC)
  - Auto Debit Agreement (ADA)
  - Automated Teller Machine (ATM)
  - Corporate Internet Banking
  - Mobile
  - Partner Payment Centers (PPC)
  - RCBC QR and non-QR Bills Pay
- PDC Warehousing
- PDC Warehousing with Printing Facility
- Remote Bulk Check Deposit
- Cash & Check Pick-up / Cash Delivery via Armored Truck
- Cash & Check Pick-up via Motorized Collector
- Cash Acceptance Machines (CAM)
- Pay Portal
- RCBC QR Pay

<u>Disbursements Services</u>
- Payroll
- Check Printing Facility (Corporate Check and Manager's Check)
- Electronic Fund Transfers via Pesonet, Instapay, RTGS, SWIFT and PDDTS
- Auto-Credit Arrangement (Electronic fund transfers to RCBC accounts)

<u>Government Payment</u>
- BIR payments
- Bureau of Customs (PAS6) Payments

<u>Payment Management Services</u>
- Bancnet eGov - SSS/Pag-Ibig/Philhealth

<u>Remittance Services</u>
- RCBC TeleMoney Products and Services
  - RCBC TeleRemit (Cash Pick-Up)
  - RCBC TeleCredit (Credit to a Bank Account)
  - RCBC TeleDoor2Door (Cash Delivery)

RCBC TelePay (International Bills Payment)

H. INVESTMENT BANKING

Arrangement, Issue Management and/or Underwriting of:

Debt

- Corporate and Local Government Retail Bonds
- Project Finance
- Acquisition Finance
- Corporate Notes
- Long or Short Term Commercial Papers
- Promissory Notes
- Syndicated Term Loans

Initial Public Offerings, Follow-On-Offerings, Stock Rights Offering, Private Placements of:

Equities

- Common Shares and Preferred Shares
- Real Estate Investment Trusts (REITs)

Financial Advisory and Consultancy

- Mergers & Acquisition
- Corporate Restructuring
- Company Valuations
- Spin-offs

I. WEALTH MANAGEMENT

Financial Planning Advisory

- Goal-based Investing
- Retirement Planning
- Estate Planning Complimentary Services
- Open Architecture Platform

Investments & Financial Products

- Government Securities
- Fixed Income Securities
- Mutual Funds and UITFs
- Equities (Common and Preferred Shares, ETFs, REITs)
- Insurances
- Promissory Notes and Private Placements

J. ANCILLARY SERVICES

- Day & Night Depository Services
- Foreign Currency Conversions
- Foreign Trade Information
- Safety Deposit Box

Revenue Derived from Foreign Operations

The contribution of RCBC IFL, a foreign subsidiary, accounted for at 0.02%, 0.03% and 0.03% of gross revenues for the years 2023, 2022 and 2021, respectively.

Competition. The Bank faces competition from both domestic and foreign banks as a result of the liberalization of the banking industry by the government. Since 1994, a number of foreign banks have been granted licenses to operate in the Philippines. These foreign banks have focused their operations on large corporations and selected consumer finance products, such as credit cards. They have increased competition in the corporate market and caused more domestic banks to focus on the commercial middle-market, placing pressure on margins in both markets. In 2023, there were 45 Universal and Commercial Banks, 19 are locally owned and 26 are foreign owned. There are also 6 Digital Banks which started operations in 2022.

Competition in corporate banking is intense especially with the larger banks. Pricing of loans and yield of deposit and investment products are factors limiting the expansion in this area. As such, the focus has been diverted to SMEs, consumer loans, cash management services, and micro-financing for the expansion of the Bank's client-base, loan portfolio and revenues. The Bank has also continued its emphasis on product and service improvement through investment in technology and systems.

With the advances in digital and mobile banking products and services, the Bank also faces competition from digital banks (licensed by BSP) and non-banks like financial technology companies and electronic money institutions. These digital banks, fintech companies, and e-money providers have generally lower cost of operations and can afford to offer higher deposit rates and low payment transfer fees.

Despite the intense competition in the banking space, RCBC ranked 5th in terms of Total Assets among private universal and commercial banks.

Customers. The Bank's key market segments are consumer, top corporate and middle market to whom it offers consumer, commercial & corporate loans and asset & cash management services. These services are provided through its branch network, ATMs and electronic delivery channels (internet and mobile banking).

To better serve the needs of its clients, the Bank has segmented its market to the following:

a) *Corporate/Institutional Market*

Since 2021, the group has been recognized by one of the United Kingdom's leading banking publications, Global Banking & Finance Awards (GBAF) for being the Best Corporate Bank - Philippines four years in a row. This is a testament to Corporate Banking Group (CBG's) unwavering commitment to provide excellent customer experience among its corporate clients.

The Corporate Banking Group sustained its solid performance in 2023, keeping in step with the bank's overall growth and performance. In the midst of a high interest rate environment and intense competition, the Group managed to grow its asset base by 7.6%, while total deposits increased by 9.3%, in both cases outpacing the industry's growth of 6.9% and 6.7%, respectively. Growth was seen from sectors such as power, infrastructure, telecommunication, petroleum, trading, logistics, and e-commerce, among others.

The digital revolution which soared during the pandemic, continued to be evident with more customers migrating to our digital channels, enabling them to seamlessly perform their banking transactions wherever they may be. Customers benefited from the superior features offered by the RCBC Online Corporate (ROC), the bank's electronic banking platform as well as its suite of innovative cash management solutions that bring efficiency, coupled with a customer-friendly onboarding process.

As the economic environment gets better, CBG continues to focus on major industries such as infrastructure and power, as well as other essential industries. Another area of concentration is on sustainable financing, as we incorporate environmental, social and corporate governance (ESG) dimensions in our activities for the purpose of creating long term value for all stakeholders.

Working together with the rest of the Bank, the Corporate Banking Group continues to work towards becoming our clients' go-to corporate bank.

b) *SMEs/Commercial Middle Market*

The SME team was established in 2007 when RCBC decided to establish its footprint in the SME market.

SME Banking started off as a segment under the Corporate Banking Group, then manned by only four lending centers and stationed in just a handful of satellite offices. Fueled by the vision for SME Banking to account for 20% of the Bank's total loan portfolio, the team has undergone several changes in structure and has grown both its organization and portfolio. In 2019, the team emerged stronger as a separate group focused on the holistic banking needs of the country's small and medium enterprises.

Today, the SME Banking Group or SMEBG is composed of seven regional divisions, further broken down into 17 lending centers strategically located across the nation. It has another division dedicated to onboarding of smaller ticket accounts through a simple set of underwriting parameters; and two support divisions focused on business development and business administration. SMEBG employs a holistic approach in helping clients grow their businesses, focusing not only on the clients' lending requirements, but going beyond by offering bundled products and services in synergy with other groups within RCBC or affiliate companies within the YGC. In 2023, the SMEBG has been recognized by Global Banking & Finance, The Digital Banker and Asian Banking & Finance as the Best SME Bank in the Philippines.

The Bank has also launched a new app, "RCBC Boz" during the 4th Quarter of 2023. The RCBC Boz app was designed with entrepreneurs, freelancers, and similar clients in mind, helping them to easily keep track and manage their business' performance and help them achieve their goals.

In 2023, the SMEBG loans portfolio ended with an outstanding balance of P125.3 billion, a 16.6% increase from P107.4 billion in 2022.

This 2024, the SMEBG team gears up towards growing its loan and deposit portfolio further, reaching out to even more customers, encouraging innovation and accelerating digital adoption, and advancing customer obsession to deliver the best-in-class customer experience to Filipino SMEs.

c) *Consumer/Retail Market*

RCBC provides a comprehensive range of products and services designed to meet the diverse needs of Consumers and Retail Market across its distribution network. Our offerings include a various range of deposit options designed to match each client's unique financial profile and needs. Furthermore, we offer an array of products from Treasury & Trust, Bancassurance (both life and non-life insurance), credit cards and consumer loans (including auto, housing, personal and salary loans), all easily available to our customers. Retail lending facilities are also extended to sole proprietors and small businesses, catering to their additional capital requirements.

For our exclusive and preferred clients, the RCBC Hexagon Club is dedicated to providing premier membership to our valued clients. Members of the club, catering to mass affluent and retail entrepreneurs, enjoy special perks and privileges that are both valuable and affordable. The program is uniquely aimed at rewarding clients as they engage in further business with the bank, offering them increased incentives as they grow their deposits, thereby enhancing their financial journey.

In 2023, the Retail Banking Group was again awarded *"The Best Retail Bank in the Philippines"* by Global Banking & Finance; and by the Retail Banker International Asia Trailblazer Awards. In addition, the Hexagon Club was awarded as the "*Best Banking Product"* by the Global Banking and Finance.

The Bank continues to strengthen its reach with branches and ATMs located in strategic growth areas and having stronger thrust to promote digital channels such as the RCBC Assist and RCBC Digital through social media and other e-commerce platforms.

Credit Card Business

RCBC Credit Cards posted a 48.4% growth in Receivables from P50.3 billion year-end 2022 to P74.7 billion year-end 2023. This was driven by a 44.7% growth in Issuing Billings from P96.3 billion year-end 2022 to P139.4 billion year-end 2023. It also hit a milestone growth in its cards-in-force reaching more than 1 million cards in 2023. RCBC Credit Cards ranks top 5 in terms of Issuing Billings and Receivables and top 6 in terms of Cards-In-Force.

While RCBC Credit Cards experienced aggressive growth in 2023, it remained prudent in credit standards, used data science and analytics to target good quality customers, and ensured that tools are provided to cardholders to help them better manage their finances. As of year-end 2023, the past due rate of RCBC Credit Cards was at 3.5%.

Committed to enabling cardholders to "Live Life Unlimited," RCBC Credit Cards has implemented a series of initiatives and offerings that showcase its dedication to providing unparalleled value and experiences. Notable highlights include the Travel Fairs, cardholder privileges such as access to airport lounges, the seasonal launch of the Lowest Foreign Currency Conversion Fee and Japan Rebate Promotions, and numerous Dining, Shopping, and Wellness Offers at over a hundred in-store and online merchants. To further enhance the overall customer experience, RCBC embedded the popular credit card features including UnliPay and Unli Installment in the Bank's digital app, RCBC Pulz.

Further, it has remained true to its commitment to being a responsible corporate citizen. RCBC Credit Cards turned over P2.9 million in donations to Gawad Kalinga coming from its Diamond Cares Program.

For 2023, RCBC Credit Cards bagged several esteemed international awards, including Credit Card Initiative of the Year - Philippines at the Asian Banking & Finance Awards 2023, Credit Card of the Year - ASEAN at the Global Retail Banking Innovation Awards 2023, Best Credit Card Initiative – Highly Commended at the Retail Banker International Asia Trailblazer Awards 2023, and Outstanding Digital CX at the Digital CX Awards 2023.

Rizal Microbank

RMB is the thrift banking arm of RCBC that is focused on providing financial products and services to micro and small entrepreneurs in the Philippines. Although its main focus is the microenterprise segment or those enterprises with total assets Php3.0 million and below, RMB has been providing since 2013 small business loan products for those whose loan requirements put them above microfinance yet their financing needs are still below the lending floor of small & medium enterprise loans. In 2015, RMB introduced agricultural loan products using the value chain finance framework/approach. The agricultural loan product seeks to provide financing to agricultural value chain players such as traders, consolidators, aggregators, processors and farmers. Over the past years, RMB has expedited its reach within the agricultural sector by augmenting its partnerships with private and public entities, including the Agricultural Cooperative Development International (ACDI) /Volunteers in Overseas Cooperative Assistance (VOCA) and the Department of Agriculture. In 2023, RMB scaled its partnership with Franklin Baker Philippines wherein coconut farmers and traders were given access to an invoice receivable financing program. Php184.8 Million in loans were extended to more than 25 suppliers through the said project.

Aside from loans, RMB also offers its target clientele with deposit products such as regular savings, checking account and certificate-based time deposits. As part of its commitment to truly advance financial inclusion in the country and provide the much-needed financial products towards the unbanked and underserved markets, RMB introduced a Basic Deposit Account in 2019 where clients may open a formal savings account with a minimal initial deposit of Php 50 and only one valid ID.

In addition, the bank has implemented an agency banking program called Bangko ng Bayan (RMB-BNB) wherein local merchants in the barangays are tapped to serve as cash agents, thereby providing formal financial access points for the underserved and unbanked segments of the populations. With its cloud-based core-banking system, financial services such as cash-in (deposit), cash-out (withdrawal), bills payment, and opening of basic deposit accounts can be done real time through a secured electronic platform provided to the accredited agents. It has also partnered with RCBC Digital Enterprise and Innovation Group in deploying ATM Go across its partner agents, enabling ATM withdrawals in more unbanked and underserved areas. To date, RMB has accredited and partnered with 80 cash agents across its trade areas, and has processed more than Php 53.3 Million in transactions since the program institution.

d) *Overseas Filipino Workers (OFW)*

An estimated 2.3 million Filipinos working abroad, as of 2023 according to the Department of Migrant Workers, accounted for a significant contribution to Philippine Gross Domestic Product (GDP) and foreign exchange. These Overseas Filipino Workers (OFWs) send money back to the Philippines via direct remittance to their families. RCBC addresses the need of these OFWs by offering a wide range of remittance products through reliable automated systems and support services.

RCBC Telemoney, the Bank's OFW remittance brand, has been enjoying strong recall, loyalty, and patronage in the market for over 30 years. Through this quarter century, Telemoney is present in 18 countries and has maintained a strong foothold in mature markets in the Middle East particularly in the Kingdom of Saudi Arabia, the United Arab Emirates, Bahrain, Oman, Kuwait, and Qatar. In addition, RCBC Telemoney is expanding its presence in new markets in Europe, North America, and Asia, RCBC Telemoney is relentless in its pursuit to expand traditional and digital networks with tie-up partners worldwide, to offer the best customer service experience to both our overseas Filipinos abroad and their beneficiaries here in the Philippines through safe, reliable, and effective remittance services.

e) *High Net Worth Individuals Market*

RCBC Wealth Management was formally established in 2007 as the private banking arm of RCBC in order to address the needs of the high-net-worth segment.

It has since evolved, and covered the affluent segment in addition to its network of high net worth clients, and expanded its services from investment and financial planning, to retirement and estate planning and other services relevant to the financial requirements of RCBC's high net worth clients through an open architecture platform.

With a thorough understanding of the client's financial needs and objectives, a dedicated internationally-accredited relationship manager guides the client in making informed investment decisions, provides investment opportunities in different asset classes, and acts as the single point of contact to manage the financial matters of the client and ensures privacy and confidentiality at all times.

Today, RCBC Wealth Management serves not only the high-net-worth clients, but also the next generation and emerging wealthy through our five (5) office locations in Makati, Binondo, Greenhills, Cebu and Davao.

Digital Enterprise and Innovation Banking

RCBC's success as an inclusive digital financial institution is largely due to the visionary leadership of the Digital Enterprise and Innovations Group (DEIG), whose core business philosophy is providing customer-centric service with excellence. The multi-awarded and pioneering digital challenger bank is built upon a solid foundation of accelerating innovative digital transformation through its inclusive finance solutions at scale.

To fulfill RCBC's vision of Filipinos thriving in a digital-forward, cash-lite society, the leading digital solutions provider promotes a strategic, multi-pronged ecosystem approach involving meaningful partnerships with key stakeholders. Working together for the betterment of the nation is how DEIG is able to scale its impact and reach more underserved and unbanked segments of society that benefit from fusing digital innovations with social purpose.

RCBC Pulz

RCBC launched the rebirth of RCBC Digital – the new cutting-edge digital banking platform, RCBC Pulz – in 2023. The revamped app is designed to power up users' growing demand through its unparalleled features, speed, and efficiency.

With state-of-the-art technology and hyper-personalized interactions, RCBC Pulz transcends the boundaries of traditional banking, embodying RCBC's commitment to meeting the ever-changing preferences of its valued customers. The app offers pioneering ultra-digital features, supported by an artificial intelligence-based cross-selling and upselling process that prioritizes customer lifecycle value.

RCBC Pulz is an all-in-one banking app that ensures a convenient, effortless banking experience. One of its standout features is its strong focus on security, utilizing advanced technology and multiple security checks for safe financial transactions. RCBC Pulz also allows customers to open an account anytime, anywhere, without a minimum balance requirement. Filipinos worldwide can also create their bank accounts through RCBC Pulz using any international mobile number.

Customers can easily perform various banking tasks, such as depositing or withdrawing money using QR codes, depositing local checks just by taking a photo, and directly transferring funds locally or abroad, with the trailblazing digital concierge service.

Customers can pay bills, convert purchases into installments, load up their telco SIM and gaming wallets, make toll payments effortlessly, buy and sell of up to six foreign currencies in real time such as US Dollars, Hong Kong Dollars, Euro, British Pounds, Japanese Yen, and Singapore Dollars. The app also has a dedicated section for financial literacy information and on top of it all, Filipinos can now manage or place new investments through the country's first digital, in-app unit investment trust fund or UITF.

RCBC Pulz recorded growth in terms of the following:

- 26.8% surge in transaction volume (19.9 million)
- 34.7% increase in transaction value (Php230.1 billion)
- 22.7% growth in transaction value in PESONet transactions (Php16.6 billion)
- 16.6% leap in transaction volume in PESONet transactions (597.3 thousand)
- 32.8% increase in transaction value in InstaPay transactions (Php87.9 billion)
- 31.2% increase in transaction volume in InstaPay transactions (9.9 million)

RCBC ATM Go

RCBC ATM Go is the country's first grassroots-based, bank agnostic, and last mile automated teller machine which utilizes mobile point-of-sale devices to dispense financial services in unbanked and underserved communities. RCBC is currently the only Philippine bank that has the most extensive reach covering 100% of the country across all its 82 provinces, making it the largest network of mobile-point-of-service ATM services. Approximately 95% of transactions are done in the provinces with over 70% of customers are rural women.

More than 65%of its financial transactions are social grants and cash withdrawals by conditional cash transfers/Pantawid Pamilyang Pilipino Program (CCT/4Ps) household beneficiaries of the national government in geographically isolated and disadvantaged areas. Aside from these functions, RCBC ATM Go dispenses vital financial services like cash withdrawals, deposits, bank transfers, account management, bills payments, and e-loading services to community hotspots in rural areas, like in the public markets, transportation hubs, shopping centers, and others.

ATM Go extends its digital financial services to areas that need them the most, like Lake Sebu in South Cotabato, Busuanga and Cullon both in Palawan, and Turtle Island, Tawi-Tawi - the southwestern tip of the Philippines and a brief 30-minute boat ride from Sabah, Malaysia.

The significant contribution of RCBC to the government's welfare efforts is supported by RCBC ATM Go's 6,000 withdrawal access points in all provinces, covering 97% of cities and 54% of municipalities nationwide.

RCBC's partnerships also revolve around digital literacy and financial awareness. Through its partnerships with the Department of Social Welfare and Development nationwide, RCBC has launched financial literacy webinars and modules that equip Filipinos with digital and financial aptitude to use financial products and digital services such as RCBC ATM Go and RCBC DiskarTech for their benefit.

RCBC ATM Go recorded its performance in terms of the following:

- 46.1% leap in transaction volume/count (5.7 million)
- 44.1% jump in transaction value (Php14.8 billion)
- 23.8% increase in CASA Contribution (Php1.6 billion)
- 77.0% compounded annual growth rate of transaction volume and 73.4% compounded annual growth rate of transaction value for 6 years

RCBC DiskarTech

RCBC DiskarTech is a financial inclusion app that caters to the mass market, comprising approximately 98 percent of the socio-economic class in the country. It is the world's first multi-lingual financial inclusion super app in the vernacular Tagalog-English or Taglish and Cebuano that makes financial services such as savings, fund transfers, mobile loads, telemedicine, insurance, and loans accessible and convenient to the Filipino mass market.

RCBC DiskarTech epitomizes diversity, equality, and inclusion, as its features are strategically designed to cater to the unbanked and underserved minority groups and indigenous people from far-flung, geographically-disadvantaged areas. It helps to empower individuals and enable enterprises to take the next step in their financial journey by offering accessible and innovative banking solutions through a full end-to-end customer journey. It allows users to save their wealth, with an attractive 6.5% annual interest that can be earned in their digital savings accounts with no required initial deposit, no maintaining balance, and no dormancy fees.

On July 4, 2023, RCBC also concluded the RCBC DiskarTechPreneur bootcamp program, a business case competition launched by the Bank to train future entrepreneurs to harness their business acumen by leveraging on digital platforms. A panel of mentors consisted of officials from the Department of Trade and Industry, Securities and Exchange Commission, social enterprises Hapinoy and Growsari, and United States Agency for International Development screened over 70 entries from senior high schools in the National Capital Region and Region IV-A. RCBC DiskartechPreneur was formally launched in 2022 alongside the rollout of the Aralin sa Madiskarteng Pananalapi (A Study on Strategic Financial Management) digital module, embedded in the senior high school curriculum in partnership with the Department of Education.

RCBC continued its expansion drive by partnering with like-minded organizations in the digital finance industry. These partnerships include MLhuillier, which will enable RCBC to penetrate communities and provide them with RCBC ATM Go services, and PeraHub and Remitly, which will enable Filipinos to receive remittances through RCBC DiskarTech. RCBC also partnered with Bayad Center, which expands the number of billers that RCBC DiskarTech users can engage with; and Express Pay and DragonPay to ease e-commerce transactions of RCBC users and encourage them to embrace digital shopping and banking.

RCBC DiskarTech recorded its performance in terms of the following:

- 114.6% increase in transaction volume (5.2 million)
- 7.2% leap in transaction value (Php15.3 billion)
- 138.2% increase in Customer Deposit Size (Php257.1 million)
- 29.7% jump in the transaction value of cardless withdrawals (Php128.1 million)
- 158.8 % growth in the count of bills payment transactions (89.8 thousand)
- 118.3% increase in DiskarTech Eloads/Pins transaction value (Php11.6 million) and 163.2% increase in transaction volume (225.6 thousand)
- 50.4% increase in DiskarTech to RCBC fund transfer transaction value (Php609.0 million) and 46.9% increase in transaction volume (93.0 thousand)

RCBC MoneyBela Barangayan Banking

In an effort to champion more empathy-driven, financially-inclusive banking innovations, RCBC introduced RCBC MoneyBela Barangayan Banking, a Philippines' first that hybridizes physical-digital or phygital blended banking services. It fuses the best features of digital banking and the warmth of human connection to bring basic financial services – including RCBC's award-winning and world-renowned digital solutions - RCBC DiskarTech and RCBC ATMGo – to marginalized and rural communities from geographically-disadvantaged, underserved areas.

RCBC reaches rural barangays to bring banking services closer to the target market they serve. The program was lauded by both the former Finance Secretary Benjamin Diokno and former BSP Governor Felipe Medalla for also aligning with the environment, social, and governance framework or ESG and the United Nations' sustainable development goals.

The Moneybela campaign also engaged micro, small, and medium enterprises (MSMEs) through the RCBC NegosyanTech program which empowered sari-sari store owners, family-owned establishments, and grassroots businesses to earn additional income and capital by facilitating digital transactions such as cash deposits and withdrawals, bank transfers, bills payments, e-loading, and availment of teleconsultation plans and microinsurance.

RCBC conceptualized the Moneybela Barangayan Campaign as a response to the call of the BSP to expand financial inclusion and literacy efforts. RCBC had special launches of this initiative during the Dinagyang Festival of Iloilo City and in the Pinya Festival of Calauan, Laguna in 2023.

These two local government units are valuable for RCBC as they both have untapped potential and needs in the field of digital finance and financial literacy. RCBC took its collaboration with the Calauan Local Government Unit (LGU) under the leadership of Mayor Osel Caratihan further by launching Pay by RCBC which enables residents to settle government dues and payments through online channels facilitated by RCBC.

Working with several LGUs, RCBC took the lead to fully adopt PalengQR which empowered merchants and market vendors in different pilot cities and provinces' public markets to accept digital payments through the interoperable QRPh code. RCBC is also the first Philippine bank to adopt the BSP's BillsPay PH with biller Converge which allows users to pay their bills across different billers and banks with just a single scan of the QR code found on their billing statements. The launch was led by former BSP Governor Medalla at the BSP Headquarters.

This initiative is a part of RCBC's commitment to be a dependable and reliable partner of the BSP in realizing the twin goals of the Digital Payments Transformation Roadmap which aims to onboard 70% of Filipino adults into the formal financial system and digitize 50% of all retail payments by end of 2023.

RCBC Boz

MSMEs are increasingly embracing digital transformation, relying on e-commerce, digital marketing, fintech, and exploring big data and artificial intelligence (AI). With greater tech access, MSMEs can boost productivity, competitiveness, and resilience, fueling economic growth.

RCBC launched RCBC Boz in November 2023, the newest all-in app for small business owners. They can prepare e-invoices, manage payroll, organize transactions, set budget, financial goals, and do fund management all within the app, so less time and stress are spent on tedious and confusing paperworks. It is an empowering financial management tool to help Filipinos grow their business with professional assistance and streamline operations.

The Boz app also provides real-time financial reports and e-learning webinars for consumer education. It can also analyze transactions and provide loan facilities. RCBC will soon complete the end-to-end journey and allow them to apply for financing and leveraging.

RCBC Boz empowers the entrepreneurial spirit of Filipinos. The groundbreaking app ensures that business owners can focus on realizing their aspirations and achieving their strategic goals.

RCBC Boz had recorded its first year highlights in the following:

- Php4.0 million transaction volume (PesoNet, InstaPay, Bills Payment and Fund Transfers)
- 4,287 downloads
- 7,570 registrations

Local and Global Industry Accolades

The Bank continued its winning streak locally and internationally, showcasing its highly innovative digital solutions paired with financial inclusion efforts and empathy-driven engagements. For the past four years, RCBC won Best Bank for Digital Solutions from AsiaMoney, with the prestigious award giving body releasing a statement: "When it comes to digital solutions, RCBC remains the bank to beat."

Below are the other digital awards in 2023:

- Bankers Institute of the Philippines (BAIPHIL)
  Grand Champion, Digital Payments and Financial Inclusion
- 2023 Balikat ng Bayan Awards
  Best SSS Disbursement Partner for Digital Bank Category
- Retail Bankers International
  Best CSR Initiative - Financial Literacy
- Global Business Review Magazine Award
  Best Digital Bank Philippines 2023
- Global Business Magazine 2023
  Best Digital Bank 2023
- World Economic Magazine
  Best Bank for Digital 2023
  Best Bank for Financial Inclusion
- Infosys Finacle Innovation Awards 2023
  Gold Award, Ecosystem-Led Innovation
- Asian Banking and Finance Retail Banking Awards
  Marketing & Brand Initiative of the Year
- The Asian Banker Excellence in Retail Financial Services and Technology Innovation Philippines Awards 2023
  Best Financial Inclusion Initiative - RCBC ATM Go & Moneybela Barangayan Banking
- International Business Magazine Awards 2023
  Best Digital Bank Philippines 2023
- The Digital Banker 6th Annual Global Retail Banking Innovation Awards 2023
  Best Financial Inclusion Initiative
- The Asset ESG Corporate Awards
  Best Initiative in Social Responsibility
- 5th Bank Marketing Awards
  Best Program in Digital Marketing - Pulz
  Best Electronic Channel Program - ATM GO
  Best Brand Program - DiskarTech

- International Innovation Awards
  Service and Solution Category - RCBC DiskartechPreneur
- Asian Technology Excellence Awards
  Philippine Technology Excellence Award for Digital Banking (ATM QR Withdrawal Project)
- Corporate Treasurer Awards
  Best for Digital Solutions
- Regulation Asia Awards for Excellence
  Excellence in Fraud Awareness and Education Programme

In 2023, RCBC received other awards as follows:

- AsiaMoney
  Best for Next Gen/Millenials in the Philippines
- Global Business Review Magazine Award
  Best Innovation Management Team Philippines 2023
- Global Business Magazine 2023
  Most Innovative Internet Banking Service Philippines 2023
- Asian Banking and Finance Retail Banking Awards
  Remittance Company of the Year
  Philippines' Domestic Trade Finance Bank of the Year
  Philippines' Domestic Cash Management Bank of the Year
- The Asian Banker Excellence in Retail Financial Services and Technology Innovation Philippines Awards 2023
  Best Cash Management Bank – Philippines
- The Asset ESG Corporate Awards
  Platinum Award
- Asia Pacific Enterprise Awards (APEA) 2023
  Inspirational Brand Award
- The Digital Banker
  Best Product Deposit of the Year (One Account)
  Best Mass Affluent Banking Offering
  Best ATM Innovation
  Best Bank for Trade Finance – Philippines
  Best Cash Management Bank – Philippines
- Global Banking and Finance
  Best Cash Management Bank
  Best Trade Finance Bank – Philippines
  Best Bank for Sustainable Development
- Global Good Governance Award
  3G Eco-Friendly Financial Services Award
  3G Enterprise Risk Management Award
- The Asset - Benchmark Research Award
  Rank 1 for Philippine Peso Bond Research (M.L. Ricafort)
- CFA Society Philippines
  Best Managed Fund of the year – RCBC Peso Bond Fund (now known as RCBC Peso Fixed Income Fund)
- Asia Corporate Excellence and Sustainability Awards
  Top Community Centric Companies in Asia
- People Management Association of the Philippines
  Regional Exemplar Employer of the Year – NCR
  Employer of the Year Exemplar

Transactions and/or Dependence on Related Parties. The information required is contained in item 12 on page 106.

Principal Terms and Expiration Dates of All Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements Held. The Bank has registered various trademarks for its business operations and files trademark applications for new products and services as the need arises. The Bank believes that this is a common practice in the banking industry in the Philippines. The Bank is not subject of any pending disputes relating to its intellectual property rights.

Effect of Existing or Probable Governmental Regulations on the Business. The normal operations of the Bank is not adversely affected by any existing governmental regulation nor is it expected that any probable governmental regulation would have a material adverse effect on the operations of the Bank.

To bolster financial stability and in response to increasing demand for sustainable finance, BSP issued the following key directives: Sustainable Finance Framework (Circular No. 1085 dated 29 April 2020), Environmental and Social Risk Management (ESRM) Framework (Circular No. 1128 dated 26 October 2021), and the Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks (Circular No. 1149 dated 23 August 2022). These mandates reduce bank exposure to climate-related losses while positioning them for growth in the green economy.

Amount Spent on Research and Development Activities. The Group's total investment in IT Software is P381 million in 2023, P334 million in 2022 and P494 million in 2021. Percent (%) to total revenue is 0.8% in 2023, 0.8% in 2022 and 1.4% in 2021. This is also disclosed in Note 15.3 of the AFS as part of the movement of the Group's software.

Employees. The Bank, excluding subsidiaries, has a total manpower of 6,184 as of December 31, 2023 (1,928 non-officers and 4,256 officers) from 5,717 as of December 31, 2022 (1,912 non-officers and 3,805 officers). Although not all non-officer employees are members of the RCBC Employees Association, all are covered by the Collective Bargaining Agreement (CBA). All of the Bank's non-managerial employees, other than those expressly excluded under the CBA, are represented by an independent union, the RCBC Employees Association. In November 2021, the Bank (excluding subsidiaries) and the RCBC Employees Association agreed on the 3-year economic provisions (2021-2024) and the 5-year non-economic terms of the CBA for the period 01 October 2021 to 30 September 2026.

The Parent Bank has not suffered any strikes nor was there any threat of a strike as a result of a dispute in the past five years, and the management believes that its relationship with its employees and the union is good.

The supplemental benefits that the Bank has for its associates include hospitalization, medical and dental benefits, group insurance and bereavement assistance. Associates are also entitled to vacation and sick leaves.

In 2023, Human Resources Group (HRG) continued the conduct of activities to sustain the promotion of health, safety and welfare of RCBC employees with the following highlights:

- Hospitalization, emergency care and other medical services with 2,915 availments for employees and 2,813 availments for dependents in 2023;
- Executive Check-Up for employees with total cost of Php10.8 million in 2023;
- Outpatient consultation services for employees with 8,133 availments in 2023;
- The Bank also partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and serviced more than 350 availments in 2023. Moreover, there is a clinic set-up at the A. T. Yuchengco Centre in BGC to give free check-up and consultation services to more than 1,075 employees at said location.

The Bank spent more than Php179.0 million in 2023 for health benefits of employees and their dependents.

In support of the Bank's growth strategy and plans, the 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 and corporate social responsibility.

The Bank invests in training and developing employees, and upgrading employee skills. The Bank is fully committed to providing learning and development opportunities across all job levels. Management has introduced and offered various training programs and seminars. In 2023, while most learning sessions were done on-line, some programs were conducted face-to-face. There were more than 26,000 attendees to both internal and external trainings. A total of 43,318 eLearning courses were recorded as taken by the employees in 2023.

RCBC is committed to provide a strong learning and development platform for all employees across all job levels. The HRG continued to strengthen the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars benefiting 23,134 (internal training) attendees, addressing the competencies of Leadership, Customer Service, Sales Planning and Management, Product and Technical Knowledge, Risk Management, AML/Compliance, while a total of 63 participants were enrolled in a number of specialized/IT external training programs. A total of 3,727 employees were also sent to various external training programs, including eLearning courses offered by external providers.

The Bank continues to invest in its employees through various training programs strategically focused on digital transformation and customer-centricity, sales planning and management, product knowledge, leadership, risk management, and technical skills. The Bank's commitment to up-skill the knowledge and capabilities of its employees in order for them to be ready to face the changes in the business landscape were supported by the following initiatives:

- The ELITE (Entry Level IT Education) Program was reviewed and re-launched in 2023. ELITE is the management training program for the IT Group. There were 2 tracks to this program: Infrastructure and Application. Eleven employees successfully completed the program.

- For the branches, a Branch Program Assessment (BPA) tool was designed. The aim of the assessment tool is to qualify existing service personnel in various topics in the Board of Senior Secondary Studies Curriculum to ascertain that they possess sufficient knowledge on various important subject matters for branch personnel. Those who fail the assessment will be given support in the form of a training session. Four topics were part of the BPA launched in 2023: Advanced AML/Red Flag Detection, Branch Operation and Control Segment, Check Clearing, and Corporate and Legal Documents. A total of 7,975 passed the certification.

- For the Bank's Senior Leaders to better understand the digital landscape, the Coursera program "AI is for Everyone" delivered by highly acclaimed Stanford Professor Andrew Ng was required under the RCBC Digital Academy. This intends to provide the Group Heads, Segment and Division Heads the opportunity to learn more about AI. 159 were certified in 2023.

- The RCBC Internship Program was launched in 2023. The program ran for 8 weeks, and allowed 3rd and 4th year students from the top universities of the Philippines to gain experience in the field of banking. The program was designed in a way that would expose the interns to different bank processes, clients, products, and other day-to-day activities, and allow them to apply the knowledge that they gained in a practical manner. It also provided the interns with program-related and career-related work experience, as they were assigned to areas that aligned with their respective courses. A total of 17 interns joined the program, 2 of the interns after graduation from university joined RCBC Data Science and Analytics Group.

The RCBC University also had the following milestones:

- For the RCBC Leadership Academy, the following management training programs were completed. The Digital Excellence and Leadership Academy (DELTA) with 8 graduates, there are also 2 graduates who will proceed to the DELTA-CODEX, the leadership development program of Regulatory Affairs Group; General Operations Learning and Development Program (GOLD) batch 9, launched in 2022 was completed in 2023 with 7 graduates, batch 10 was also launched in 2023; and ELITE (mentioned above) with 11 graduates.

- Three runs of the SRO (Service and Reserve Officer) Bootcamp were completed and produced 60 new branch service officers; while 4 runs of the BRO (Branch Relationship Officer) Development Program were completed and produced 49 new branch sales officers.

- For RCBC Digital Academy, the following courses launched in 2021 as part of the Bank's Digital and Customer Centricity Culture Transformation continued to be offered. A total 82 employees attended Design Thinking, 149 employees attended Agile Scrum Project Management, and 81 employees attended Virtual Consultative Selling. Another initiative of the Digital Academy is the Fintech Foundation Program Flex, an online, self-paced program offered by 10x1000.org. A total of 2,295 employees completed this in 2023. Under the Digital Academy, 2 executive learning sessions were arranged for senior officers, YGC Leaders and members of the Board of Directors: The Future of AI, with 37 attendees; and ESG Best Practices for Business Innovations with 168 attendees.

- For the RCBC CX Excellence Academy, after the certification of the CX Champs and the finalization of the CX Fundamentals program that was designed to be able to cascade Customer Experience and the 6 Emotional Drivers to the rest of the bank in 2022, the rest of the Bank were able to attend the training in 2023. A total of 5,648 attended. The CX Fundamentals Training remains to be a staple program and all new hires are invited to attend it. The CX Award for Customer Excellence (ACE) on its second year, were awarded to 11 individuals and 5 groups.

- For the Corporate Banking Group, the Core Credit Course was launched in 2019. This is a 10-day program for Relationship Managers aimed at standardizing and improving knowledge on Financial Analysis and Projections, and Credit Fundamentals. Apart from CBG and SMEBG Relationship Managers, the program was offered to Credit Officers and Auditors. A total of 64 participants attended 2 runs in 2023. To support the development of the Marketing Assistants, a run of the MA Track was conducted with 11 participants.

- In 2023, three e-Learning programs launched by the Bank were required to the employees: UN Sustainable Development Goals (SDGs) eLearning, Fraud Risk Management eLearning, and Data Privacy eLearning.

- In compliance with the BSP Directive to have all UITF selling personnel accredited, the Bank conducted 5 review sessions to prepare those who will take the Trust Officers Accreditation Program. A total of 114 employees attended the review sessions and 104 were registered with Trust Officers Association of the Philippine to take the accreditation exam.

- The Bank also conducts regular trainings and examinations to ensure that all employees and those with direct contracts with RCBC are familiar and reminded of the Bank's anti-corruption policies.

- Under the Bank's Corporate Governance Framework, the Board of Directors are provided with the Annual Continuing Training Program. This is a mandatory program which aims for the directors to be continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. It involves courses on corporate governance, matters relevant to the company, including audit, internal controls, risk management, sustainability, and strategy. The annual continuing training shall be at least for four hours. The program offered for Corporate Governance in 2023 is Building Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success.

- As part of safeguarding the well-being of employees, the Bank continued to offer "Your Well-Being Matters" webinar, with our resident expert Dr. Michele Alignay. The following webinars were offered in 2023:
  - 1st quarter, From Bent to Breakthrough, 299 pax
  - 2nd quarter, It Could Happen: Understanding Key Concepts in Mental Health, 451 pax
  - 3rd quarter, Emotions Matter, 345 pax
  - 4th quarter, Dealing with Relationship Burnout, 208 pax

***Risk Management*.** 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. The RCBC Group's Risk Governance 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.

Overall responsibility for risk management is with the Board of Directors (BOD).

The Board of Directors:

- 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

The BOD has created committees to perform oversight responsibilities. Five committees of the BOD are relevant in this context:

- The **Executive Committee (EXCOM)** has the authority to act on matters as the BOD may entrust to it for action in between meetings of the Board. Among others, it reviews and approves loans and other credit-related matters, investments, purchase of stocks, bonds, securities and other commercial papers for the Bank.

- The **Risk Oversight Committee (ROC)** is a board-level committee to which the Board delegated some of its functions with respect to the oversight and management of risk exposures of the RCBC Group. In this regard, the ROC exercises authority over 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.

- **Anti-Money Laundering (AML) Board Committee** is constituted by the BOD for the purpose of carrying out its mandate to fully comply with the Anti-Money Laundering Act, as amended, its Revised Implementing Rules and Regulations and the Anti-Money Laundering Regulations under the MORB; and to ensure that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee has oversight on all AML-related matters such as the implementation of the Bank's Anti Money Laundering and Terrorist Financing Prevention Program (MTPP), AML findings, alerts management, and CTRs & STRs. This Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

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

    - Oversee senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiencies and effectiveness of operations, and safeguarding assets.

    - Oversight of the institution's financial reporting policies, practices and controls, as well as of the internal and external audit functions. This includes responsibility for the setting up of an internal audit unit and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit and Compliance Committee. Based on its mandated assurance activities, in accordance with its authority coming from the Board of Directors through the Audit and Compliance Committee, Internal Audit provides reasonable assurance to Senior Management, the Audit and Compliance Committee and the Board of Directors that the Bank's internal control, corporate governance, and risk management systems and processes are adequate and generally effective. It collaborates with and complements the activities of the Risk Management Group, Regulatory Affairs Group, and other assurance and oversight units, as well as the Bank's external auditors.

    - Provides authority to investigate any matter within its terms of reference, with full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and adequate resources to enable it to effectively discharge its functions.

    - Ensuring that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, information technology security and risk management, is conducted at least annually. Through this comprehensive system of monitoring and review of risks, controls and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting their respective businesses.

- Oversee the Compliance Program, and shall ensure that compliance issues are expeditiously resolved.

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

Ensuring that Bank personnel and affiliated parties adhere to the pre-defined compliance standards of the Bank rest collectively with senior management, of which the Chief Compliance Officer (CCO) is the lead operating officer on compliance. The Senior Management through the CCO shall periodically report to the Audit and Compliance Committee matters that affect the design and implementation of the compliance program. Any changes, updates and amendments to the compliance program must be approved by the BOD. However, any material breaches of the compliance program shall be reported to and promptly addressed by the CCO within the mechanisms defined by the compliance manual.

- The **Related Party Transactions (RPT) Committee** is composed of at least three three (3) members of the BOD, two (2) of whom are independent directors, including the Chairperson. The RPT Committee, which meets monthly and as necessary, reviews proposed material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. On favorable review, the RPT Committee endorses material RPTs to the BOD for approval.

Four (4) senior management committees also provide a regular forum, at a lower-level, to take up risk issues:

- The **Credit and Collection Committee (CRECOLCOM)** is chaired by the President and Chief Executive Officer (CEO) and composed of the heads of credit risk-taking business groups. The Heads of Corporate Banking Group (CBG), SME Banking Group (SMEBG), Treasury Group (TG), Asset Management and Remedial Group (AMRG), and Operations Group (OG) meet every Tuesday of the week unless rescheduled or cancelled for lack of quorum or accounts to discuss. The Committee has the authority to review and approve credit exposures within its authority limit. It also reviews plans and progress on the resolution of problem loan accounts. And lastly, it reports and recommends to the Executive Committee (EXCOM) immediate measures to reduce the level of past due accounts.

- The **Asset-Liability Management Committee (ALCO)** is chaired by the Treasurer and joined by the President and CEO together with the heads of various business and support groups. The ALCO coordinates the management of assets and liabilities of the bank with the objective of earning acceptable returns and assure adequate liquidity to meet regulatory and banking needs.

- The **Related Party Transactions Management Committee (RPT ManCom)** is composed of the Group Heads of different business units or their respective designates as specified in its charter. The RPT ManCom meets monthly to review and approve proposed non-material RPTs or those that do not require BOD approval to ensure that said RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT ManCom approves the non-material RPT and submits the same to the BOD for confirmation.

- The **Anti-Money Laundering Management Committee (AML ManCom)**, which meets weekly, evaluates the unusual/suspicious transaction cases reported by the different bank units. RCBC Business Centers' alerts that are generated by the Screening System (Accuity), Transaction Monitoring System (Predator) and other referrals from relevant regulators determine the filing of Suspicious Transaction Reports (STRs) to the Anti-Money Laundering Council (AMLC).

  The AML ManCom is composed of the Chief Compliance Officer as the Chairperson and Presiding Officer and the Heads of Operations Group, Retail Banking Group, Controllership Group, Legal Affairs Group, Risk Management Group or their duly appointed designates, as members, and Investigators from the Compliance Operations Division (COD) as the Rapporteur. The COD, through the Chief Compliance Officer, reports to the AML Board Committee its monthly activities including the results of the AML ManCom Meetings.

Capital Adequacy Management. In addition to the risk management systems and controls, the Group holds capital commensurate with the level of risks it undertakes in accordance with minimum regulatory capital requirements. This interaction of risk and capital management is best expressed in the Bank's ICAAP framework, which is a continuous evaluation of capital adequacy versus the current and prospective risk profile of the Group.

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

a) **Credit Risk** – Credit Risk is the risk of loss arising from counterparty's failure to meet the terms of any contract with the Bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed investment, or otherwise exposed through actual or implied contractual agreements, whether reflected in the banking book or off-balance sheet. Credit risk is not limited to the loan portfolio.

   The Bank is exposed to credit risk as trading counterparty to dealers and customers, as direct lender and as a holder of securities. Categories of credit risk include contingent credit risk (risk that potential counterparty or customer obligations become actual and will not be repaid on time), country risk (risk that actions of sovereign governments or other uncontrollable events will adversely affect the ability of counterparties or customers to fulfill obligations to the Bank), underwriting risk (risk that an issue will lose its value after launching but before trading in the secondary markets), and custody risk (risk that arises when the Bank has assets in the form of securities entrusted to a third party as a custodian).

   The Bank's goal of credit risk management is to maximize its risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The credit policies of the Bank are reviewed and approved by the ROC are set out in the Bank's Credit Risk Policy Manual.

b) **Credit Concentration Risk** – This is the risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.

c) **Market Risk** – Market Risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both in the banking book and off-balance sheet.

To manage market risks inherent in the Bank's portfolio, three (3) related measures of risk values are estimated or established:

- The sensitivity of the position or portfolio to a movement in the market risk factor to which it is exposed;

- The volatility of the position (the maximum expected movement in the market risk factor for a given time horizon at a specified level of confidence); and

- The Value-at-Risk, (the likely impact on earnings for a given time horizon due to expected movements in the market factors), interest rate sensitive instruments of the Bank's trading portfolio are covered by a system of Loss Limit and Management Action Trigger (MAT) controls which quantify management's tolerance for losses on year to date and month to date cumulative loss. In addition, Value-at-Risk (VaR) is computed per product group to determine potential loss.

d) **Interest Rate Risk in the Banking Book** – This is the current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions. The Bank follows a policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. The Bank's risk measurement system addresses different risk factors of different categories of instruments within each significant currency where the Bank holds interest rate sensitive positions.

The Bank employs "gap analysis" to measure the interest rate sensitivity of its assets and liabilities. The asset/liability gap analysis measures, for any given period, any mismatch between the amounts of interest-earning assets and interest-bearing liabilities which would mature, or would be subject to re-pricing during that period.

e) **Liquidity Risk** – Liquidity Risk is the current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

The Bank's liquidity policy is to manage its operations to ensure that funds available are more than adequate to meet demands of its customers and to enable deposits to be repaid on demand or upon maturity. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients and wholesale deposits. The Bank also maintains a portfolio of High Quality Liquid Assets (HQLA) to further strengthen its liquidity position. The Bank ensures compliance to the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). At least once annually, the Bank presents a request for liquidity limits to the Risk Oversight Committee for final approval and ratification by the Board of Directors. The Bank's Treasury formulates an annual Funding Plan at the start of the year that effectively serves as a projection of funding requirement based on assumptions from the forecasted balance sheet.

To ensure that the Bank has sufficient liquidity at all times, the Bank formulates a Contingency Plan using extreme scenarios of adverse liquidity and evaluates the Bank's ability to withstand these prolonged scenarios. The contingency plan focuses on the Bank's strategy for coordinating managerial action during a crisis and includes procedures for making up cash-flow shortfalls in adverse situations. The plan details the funding options and the scenarios under which it could use them.

f) **Operational Risk** – This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk, but excludes strategic and reputational risk. The Bank has a Medium residual risk tolerance to losses arising from operational incidents or business as usual activities.

The Bank has an established Operational Risks Management Framework (ORMF) for assessing and communicating operational risk, and the overall effectiveness of the control environment of the Bank including the subsidiaries. The ORM approach allows the Bank to anticipate material risks and increase our ability to demonstrate, with a high degree of confidence that risks are well controlled. It also clarifies and reinforces the need for clear ownership and accountability for all processes across the Bank by defining the three lines of Defense's roles and responsibilities and enhances our risk culture.

The Bank has taken steps to improve resilience through its institutional Business Continuity Plans, based on several crisis severity levels, which is tested at least annually and updated for any major changes in systems procedures. These include basic components of Business Continuity Management such as Risk Evaluation and Control, Business Impact Analysis, Business Continuity Strategies, Emergency Response, Plan Impementations, Awareness, Training and Testing Exercises.

The Bank is currently using a transaction monitoring system that has real-time monitoring capabilities and machine learning features which enhances fraud detection rates. The Bank also ensures that fraud trends are incorporated into existing controls to mitigate potential fraud losses. The Bank's "DontGetFooled" cybersecurity awareness campaign, launched in August 2022, is a permanent initiative designed to empower customers with the knowledge to protect their accounts from various scams and schemes. This ongoing campaign spans across different platforms, delivering valuable tips for safe online practices and serving as a constant reminder to exercise vigilance against fraudulent transactions, both online and offline.

The Bank acknowledges through its digital initiatives that measures to safeguard the security and integrity of its IT systems must extend beyond its traditional boundaries. Solutions that improve its mobile applications and cloud solutions are in place. To ensure the integrity of transactions, one-time pin and notifications are implemented on both online and mobile channels to protect its customers. As technology advances, the Bank will adjust its strategy to include AI and other emerging technologies, in order to provide an enhanced and safe customer experience.

In addition, the Bank places emphasis on the security of its computer system and has a comprehensive IT security policy. The Bank designates a security administrator independent of the front office who is responsible for maintaining strict control over user access privileges to the Bank's information systems. The Bank's IT Shared Services Group has a Disaster Recovery Plan to ensure business continuity, recovery of critical data and uninterrupted processing of transactions in the event of a disaster. To address the changing cyber security landscape, the Bank also updated its business continuity plan to include current threats such as ransomware. It also enhanced its program in addressing phishing and social engineering threats.

g) **Regulatory Risk and Compliance Risk** – Regulatory Risk is the risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy. Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards. The Bank's Compliance Program, the implementation of which is overseen and coordinated by the Compliance Office, is the primary control process for regulatory risk issues, including money laundering and terrorist financing risks. The Compliance Office is responsible for communicating and disseminating applicable new rules and regulations to all affected units, analyzing and addressing compliance issues, monitoring embedded procedures, performing periodic compliance testing on business centers and Head Office units through the use of the Hub & Spoke operating model and reporting compliance findings to the Audit and Compliance Committee and the BOD. On a case-to-case basis, when the Audit and Compliance Committee is not immediately available, the Compliance Officer may initially report urgent matters to the President and Chief Executive Officer, and thereafter to the Audit and Compliance Committee.

h) **Reputational Risk** – This is the risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding. The RCBC Group has very low tolerance for engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group.

   The Bank has defined its drivers that may cause or affect its good name such as corporate risk governance, personnel/management ethics, staff competence, organizational structure, business practice, product/service quality, employee and customer relations (including handling of feedback or resolution of complaints), financial soundness/business viability and legal and regulatory compliance, exposures to credit, market and operational risk and exposures to environmental, social and governance risk.

   A complaints tracking system where complaint cases received from clients are lodged, monitored and effectively managed based on a defined turnaround time in resolving them including documentation of actions taken for analytics purposes is in place. The complaints management process is implemented in four steps, namely: (1) Acknowledgement, (2) Investigation/Analysis by designated Customer Care Representative or Senior Officer, (3) Decision/disposition and communicating of resolution/feedback to the customer, and (4) Closing of complaint.

i) **Strategic Risk** – This is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.

j) **Environmental and Social (E&S) Risk** – This is the risk of potential financial, legal, and/or reputational negative effect of E&S issues on the Bank. E&S issues include environmental pollution, climate risk (both physical and transition risks), hazards to human health, safety and security, and threats to community, biodiversity and cultural heritage, among others.

(See accompanying Note 4 to Financial Statements for a detailed discussion of Risk Management.)

Item 2. Properties

RCBC Head Office is located at RCBC Plaza, corner Ayala Avenue and Sen. Gil Puyat Avenue Ext., Makati City. The Bank and some of its subsidiaries lease the premises occupied with lease contracts of five (5) years and are renewable upon mutual agreement of both parties under certain terms and conditions.

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment benefit plan as contribution to the plan assets (see Notes 13 and 23.2 of the Notes to the Financial Statements).

The Group's total lease related expenses comprising of rent, right-of-use amortization, and interest on lease liability amounted to P2.0 billion in 2023. The lease periods are from 1 to 20 years. Most of the lease contracts contain renewal options, which give the Parent Company and its subsidiaries the right to extend the lease on terms mutually agreed upon by both parties.

The Bank's leased premises in RCBC Plaza and ATY Centre (excluding business centers at the ground floors) cover an area of 18,455.2 and 19,944.1 square meters with monthly rental of P34.2 million and P27.9 million, inclusive of VAT, respectively.

The Bank's leased premises of business centers and warehouses are listed below:

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts)	LEASE TERM	
		(inclusive of 12% VAT)	**START**	**END**
METRO MANILA AREA				
3rd Ave. BGC	G/F, Mckinley Park Residences Bldg., 3rd Ave. corner 31st Street, BGC, Taguig	307,857.8	1-Jun-21	31-May-26
4th Ave. BGC	27th Street Corner 4th Avenue, Bonifacio Global City, Taguig	287,243.0	1-Aug-22	31-Jul-27
7th Ave. BGC	Unit E2 G/F, W City Center Bldg., 7th Avenue corner 30th Street, Bonifacio Global City, Taguig, Metro Manila 1634	573,402.1	15-Jun-21	14-Jun-26
9th Ave. BGC	Ecoprime Tower Building, G/F Units 5 & 6 Lane R Cor. 9th Avenue, Bonifacio GLobal City, Taguig	223,122.9	1-Nov-21	31-Oct-26
11th Ave. BGC	G/F BGC Corporate Center Bldg., 11th Ave. cor. 30th St., Bonifacio Global City, Taguig	435,723.6	1-Jun-21	31-Dec-25
25th Street BGC	G/F One McKinley Place Condominium, 4th Ave., cor. 25th St., Bonifacio Global City, Taguig	185,592.0	1-Sep-22	31-Aug-27
A. Mabini	1353 Tesoro Bldg. A. Mabini St. Ermita Manila	364,493.4	19-Oct-19	14-Oct-24
Abad Santos	1628 Jose Abad Santos Avenue, Tondo, Manila	271,007.6	1-May-17	30-Apr-27
Acropolis	191 Triquetra Bldg., E. Rodriguez Jr. Ave., Bagumbayan, Quezon City	247,112.4	1-Jun-20	31-May-25
Acropolis EastWood	Unit G8A-B, G/F MDC 100 Building, No. 188 E. Rodriquez Jr. Avenue cor. Eastwood Avenue, Barrio Bagumbayan, Quezon City	158,698.3	21-Dec-20	21-Dec-25

BC NAME	BUSINESS ADDRESS	Monthly Lease Rate (in absolute amounts)	LEASE TERM	
		(inclusive of 12% VAT)	START	END
ADB Avenue-Garnet	Unit 110 AIC Burgundy Empire Tower ADB Ave. corner Garnet Road, Ortigas Center, Pasig City	359,275.5	1-May-22	30-Apr-27
Adriatico	Hostel 1632 G/F Unit No. 1632 M. Adriatico St. Malate, City of Manila	327,749.1	1-May-17	14-May-27
Aguirre-BF Homes	G/F Fitness & Beauty Mall Bldg., 290 Aguirre Avenue. Cor. Gov. Santos St., BF Homes, Paranaque City	216,844.5	1-Jan-22	1-Jan-27
Alabang	Tierra Nueva Subd. Alabang-Zapote Road, Alabang, Muntinlupa City	195,328.0	31-Mar-23	31-Mar-28
Alabang - Filinvest	Units G04 & G05 Vivere Hotel 5102 Bridgeway Ave., Filinvest Corporate City, Alabang, Muntinlupa City	170,757.3	21-Oct-20	21-Oct-25
Alabang Madrigal Business Park	Unit 5 and 6, Ground Floor CTP Alpha Bldg., Investment Drive, Madrigal Business Park, Ayala Alabang, Muntinlupa City	271,315.9	15-Sep-15	15-Nov-25
Alabang Warehouse	Alabang-Zapote Road, Las Piñas City, Parañaque	2,316,860.0	31-Mar-23	31-Mar-28
Amang Rodriguez	1249 A. Rodriguez Ave., Dela Paz, Pasig City	70,195.5	1-Jul-17	30-Jun-27
Amoranto	Units 1-F and 1-G Edificio Enriqueta 422 N.S. Amoranto St., cor. D. Tuason Ave. Quezon City	158,412.1	1-Mar-17	28-Feb-27
Ampid	122 General Luna St., Ampid 1, San Mateo Rizal	233,490.2	7-Nov-20	7-Nov-25
Anonas	69 Anonas cor Chico St. Project 2, Quezon City	86,730.0	31-Mar-23	31-Mar-28
Aurora Blvd-Madison	Madison 101, Aurora Blvd cor. Madison St., Quezon City	323,605.6	1-Dec-15	30-Nov-25
Ayala	Unit 709 & 710 Tower I Ayala Triangle Ayala, Makati City	996,230.1	1-Oct-21	30-Sep-24
Ayala Vicente Madrigal	Unit 100-B G/F, Vicente Madrigal Bldg., 6793 Ayala Avenue, Makati City	521,416.3	1-Aug-21	31-Jul-26
Ayala-Paseo	GF 8767 Philamlife Tower, Paseo De Roxas Makati City	395,132.1	1-Sep-20	31-Aug-25
Annapolis-Missouri	G/F Unit 102 The Victoria Plaza, #41 Annapolis St. San Juan City	204,751.1	19-Feb-18	15-Feb-33
Antipolo	Antipolo Triangle Mall, San Lorenzo Sumulong Memorial Circle, Brgy. San Jose, Antipolo City	105,093.1	15-Oct-21	14-Oct-31
Araneta Center	G/F Unit 111 Sampaguita Theatre Bldg., Gen. Araneta & Gen.Roxas Sts., Cubao, Quezon City	436,594.5	1-Mar-22	30-Apr-24
Arnaiz	843 G/F B & P Realty Inc. Building., Arnaiz Ave., Legaspi Village, Makati City	133,180.0	1-Dec-21	30-Nov-26
Arranque	1001 Orient Star Bldg. cor. Masangkay and Soler Sts., Sta. Cruz, Manila	441,468.4	15-May-17	14-May-27
ATY Center	26th and 25th Streets, Bonifacio Global City, Taguig City	672,671.3	1-Oct-22	30-Sep-27
Baclaran	21 Taft Avenue, Baclaran, Parañaque	269,463.6	31-Mar-23	31-Mar-28

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts) **(inclusive of 12% VAT)**	LEASE TERM	
			START	**END**
Baclaran-Quirino Ave	#3916 Qurino Avenue corner Aragon Street, Baclaran, Paranaque City	122,905.9	1-Oct-20	1-Oct-25
Banawe	Unit I-K, CTK Bldg. 385 Banawe cor. N.Roxas Sts. Quezon City	288,943.4	15-Feb-20	15-Feb-25
Bayani Road	30B Bayani Road AFPOVAI Subdivision, Fort Bonifacio, Taguig City	183,312.1	1-Sep-2022	31-Aug-32
Bel Air	Unit 101 Dona Consolacion Bldg., 122 Jupiter St., Bel-Air, Makati City	194,502.2	1-Oct-21	30-Sep-26
Betterliving	#14 Doña Soledad St. Betterliving Bicutan, Paranaque	203,126.7	15-Sep-23	14-Sep-28
Better Living - Bicutan	#133 Doña Soledad Ave., Brgy. Don Bosco Betterliving, Parañaque City	894,312.2	31-Mar-23	31-Mar-28
BF Homes	Ground Floor, Centermall Building (Matrix Center), Presidents Avenue, BF Homes, Parañaque City	184,184.0	31-Mar-23	31-Mar-28
BF Resort	J Studio HQ Building, BF Resort Drive, BF Resort Village, Talon Uno, Las Pinas City	215,712.0	1-Sep-22	31-Aug-27
Binondo	ETY Building, 484 Quintin Paredes St., Binondo, Manila	576,177.6	1-Apr-23	31-Mar-28
Binondo (GF-3F)	ETY Bldg., 484 Quintin Paredes St., Binondo, Manila	1,688.376.0	31-Mar-23	31-Mar-28
Blumentritt	1876,Blumentritt cor. Andrade St. Sta Cruz Manila	167,932.8	31-Mar-23	31-Mar-28
Boni Ave.	617 Boni Ave. Mandaluyong City	175,403.6	30-Apr-21	30-Apr-26
Buendia	Grepalife Bldg. 221 Sen. Gil J. Puyat Ave., Makati City	623,156.1	1-Jan-24	31-Dec-28
C. Raymundo	261 Unit C, C. Raymundo Avenue, Brgy. Maybunga, Pasig City	147,487.1	1-Feb-17	31-Jan-27
Cainta	Multicon Bldg., F.P. Felix Ave., Cainta	154,122.1	16-Nov-17	15-Nov-27
Camarin	Sacred Heart Village, Susano Road, Bgy. 175, Camarin Novaliches Quezon City	274,223.0	31-Mar-23	31-Mar-28
Carlos Palanca	GF BSA Suites, C. Palanca Street, Legaspi Village, Makati City	191,923.2	31-Mar-23	31-Mar-28
Caruncho	Prima 3 Commercial Center #7 Caruncho Avenue Pasig City	204,843.2	1-Jul-17	30-Jun-27
Cogeo	Cogeo Trade Hall Bldg., Sitio Kasapi, Brgy. Bagong Nayon, Antipoli City	98,823.4	5-Oct-21	31-Oct-26
Commonwealth	G/F Verde Oro Bldg., 535 Commonwealth Ave.,Diliman Quezon City	377,323.5	1-Jan-23	31-Dec-27
Commonwealth-Balara	Commonwealth Avenue, Old Balara, Quezon City	368,480.0	31-Mar-23	31-Mar-28
Commonwealth-Casa Milan	L24 B157 Commonwealth Ave., Greater Lagro Quezon City	260,052.8	1-Mar-22	28-Feb-27
Congressional	Ground Floor, Unit A & B, 188 Congreassional Avenue, Quezon City	205,174.4	1-Jan-22	31-Dec-31
Concepcion, Marikina	# 17 Bayan-Bayanan Ave., Concepcion Uno Marikina City	140,437.5	1-Aug-22	31-Jul-32
Connecticut (Greenhills)	No. 51 Connecticut Street, Northeast Greenhills, San Juan City	320,036.8	31-Mar-23	31-Mar-28

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts)	LEASE TERM	
		(inclusive of 12% VAT)	**START**	**END**
D. Tuazon	G/F Academe Foundation Bldg., No. 47 D. Tuazon St., Sta. Mesa Heights, Quezon City	189,728.9	15-Sep-20	14-Sep-25
Del Monte	180 Del Monte Avenue, Quezon City	232,638.2	1-May-17	30-Apr-27
Dela Rosa	G/F Sterling Center Ormaza Coner Dela Rosa St. Legaspi Village Makati City	425,241.0	1-May-19	30-Apr-24
Dela Rosa - Pasong Tamo	Ground Floor, King's Court 2 Building, 2129 Chino Roces Avenue, Makati City	492,316.5	1-Mar-17	28-Feb-27
Diliman	Cor. Matalino St. & Kalayaan Ave., Diliman, Quezon City	273,389.7	16-Nov-21	15-Nov-26
Divisoria	Mezzanine, New Divisoria Condominium Center, Sta. Elena, Divisoria, Manila	654,617.6	31-Mar-23	31-Mar-28
Don Jesus Blvd.	Don Gesu Bldg., Don Jesus Blvd., Brgy. Cupang, Muntinlupa City	86,402.5	1-May-22	30-Apr-27
E. Rodriguez	444 E. Rodriguez Sr. Blvd. Cor. Jacinto St. Quezon City	117,600.0	31-Mar-23	31-Mar-28
East Capitol Drive	Ground Floor, Tinity Bldg., No. 26 East Capitol Drive, Brgy, Kapitolyo, Pasig City	195,010.7	1-Jan-17	31-Dec-26
Edsa Kalookan	520 E. Delos Santos Ave., Kalookan city	230,036.6	1-Oct-21	30-Sep-31
Edsa Taft	Giselle's Park Plaza Edsa cor. Taft Ave. Pasay City	312,859.5	1-Sep-22	31-Aug-27
Elcano	676 Elcano cor Lavezares St., Binondo, Manila	265,458.8	1-May-22	30-Apr-27
Ermita	550 UN Ave., Ermita Manila	542,689.8	01-Jan-24	31-Dec-28
Evangelista	Hernandez Building, Evangelista St., cor. Gen. Alejandrino St., Brgy Bangkal, Makati City	315,622.4	1-Jun-17	31-May-27
Fairview	Medical Arts Bldg., Dahlia St. North Fairview, Quezon City	158,766.9	01-May-15	30-Apr-25
Felix Avenue	Karangalan Village, Phase II, Felix Avenue, Cainta Rizal	140,960.0	31-Mar-23	31-Mar-28
Fort Bonifacio	Unit 1D Crescent Park Residences, 30th St Cor 2nd Ave., Burgos Circle, Fort Bonifacio, Taguig City	357,283.7	1-May-22	30-Apr-27
Frontera Verde	9F Ortigas Bldg., Ortigas Avenue, Pasig City	328,039.6	01-Mar-23	29-Feb-28
Garnet	Unit No. 106 Parc Chateau Condominium, Garnet cor. Onyx St., Ortigas Center, Pasig City	211,191.3	14-Apr-20	14-Apr-25
Gilmore	100 Granada St. Brgy. Valencia, Quezon City	312,469.1	1-Jan-23	31-Dec-27
Greenbelt	Ground Floor, BSA Tower, Legaspi Street, Legaspi Village, Makati City	253,052.8	31-Mar-23	31-Mar-28
Greenhills	Unit 104 Grace Building, Ortigas Ave., Greenhills, San Juan, MM	73,161.4	31-Mar-23	31-Mar-28
Greenhills (Form.Unimart)	Unit LG030, LGF Greenhills Mall, San Juan City	401,635.2	23-Nov-23	31-Jan-29

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts) **(inclusive of 12% VAT)**	LEASE TERM	
			START	**END**
Greenhills-P. Guevarra	G/F Ongapauco Bldg. P. Guevarra St. Wilson Greenhills San Juan City	93,312.0	15-Mar-16	14-Mar-24
Hermosa-Limay	Hermosa cor. Limay Sts., Tondo, Manila	186,407.3	1-Jan-17	31-Dec-26
HV Dela Costa	Shop 1 G/F, Alpha Salcedo Condominium, 124 H.V. Dela Costa St., Salcedo Village, Makati City	291,620.5	1-Apr-21	31-Apr-26
Intrepid-E.Rodriguez	GF Unit 3, Intrepid Plaza, E Rodriguez Jr., Ave., Libis Quezon City	237,379.5	1-Jan-23	31-Dec-27
JP Rizal	773 JP Rizal Avenue, Brgy. Poblacion, Makati	184,543.2	1-Nov-16	31-Oct-26
Kalookan	No.259 Rizal Avenue, Kaloocan City	324,352.0	31-Mar-23	31-Mar-28
Kalentong	49 C&D Building New Panaderos St. Kalentong Sta. Ana Manila	162,482.2	01-May-22	30-Apr-27
Kapitolyo	615 Shaw Boulevard, Bgy. Kapitolyo, Pasig City	243,824.0	31-Mar-23	31-Mar-28
Katipunan	Torres Building, Katipunan, Loyola Heights, Quezon City	262,080.0	31-Mar-23	31-Mar-28
Lagro	Km 23 Quirino Highway, Greater Lagro, Novaliches, Quezon City	179,760.0	07-Apr-22	6-Apr-2027
La Huerta	G/F Delos Santos Bldg 1003 Quirino Ave Lahuerta Paranaque City	88,647.3	1-Sep-19	31-Aug-24
Las Pinas	Veraville Bldg., Alabang-Zapote Rd. Las Piñas City	655,981.1	16-May-23	15-May-33
Las Pinas-Pamplona	G/F Elena Bldg. Alabang-Zapoted Rd Pamplona 3 Las Piñas City	137,062.7	9-Nov-23	8-Nov-28
La Vista-Katipunan	Petron La Vista Building, Katipunan Ave. cor. Mangyan St., Brgy. Pansol, Quezon City	81,048.0	15-Sep-22	14-Feb-24
Lee-Shaw Blvd.	Lee Gardens Condominium, Shaw Blvd. cor. Lee St. Mandaluyong City	179,117.4	16-Jul-22	15-Jul-27
Legaspi Village (ACCRA)	ACCRA Condominium, cor. Salcedo & Gamboa St., Legaspi Village, Makati	700,983.4	31-Mar-23	31-Mar-28
Leviste-Salcedo	G/F Eurovilla III Condominium, LP Leviste St. cor. San Agustin St., Salcedo Village, Makati City	536,291.5	15-Sep-23	14-Sep-28
Linden Suites	G/F Linden Suites Tower II, #37 San Miguel Ave., Ortigas Center, Pasig City	175,255.7	1-Oct-20	30-Sep-25
Loyola Heights	G/F MQI Centre 42 E. Abada St. cor. Rosa Alvero St., Loyola Heights, Quezon City	179,976.7	31-Jan-22	31-Jan-32
Macapagal Avenue-EDSA	EDSA cor Macapagal Avenue, Pasay City	415,155.3	1-Dec-22	30-Nov-27
Macapagal Avenue-Pearl Drive	Scape Bldg., Macapagal Ave. corner Pearl Drive, Business Park 1, Barangay 76, San Rafael, Pasay City	264,735.7	1-Jan-17	31-Dec-26
Magallanes	G/F BMG Centre, Paseo de Magallanes, Makati City	118,510.6	1-Oct-20	30-Sep-25

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		(inclusive of 12% VAT)	**START**	**END**
Maginhawa Avenue	Ground Floor, Unit #129 Maginhawa St., Brgy Teachers Village, Quezon City	223,688.8	1-Mar-17	28-Feb-27
Makati Avenue	G/F Executive Bldg. Center Inc., 369 Sen. Gil Puyat cor. Makati Ave.	687,368.0	2-Nov-23	2-Nov-28
Makati Rada	One Legaspi Park, 121 Rada St. Legaspi Village Makati City	222,134.3	23-Mar-22	22-Mar-27
Malabon	685 J.P. Rizal Ave., San Agustin, Malabon	149,392.9	1-Jun-14	31-May-24
Malate	470 Maria Daniel Bldg., San Andres St., cor. M.H. del Pilar, Malate, Manila	181,134.1	1-May-20	30-Apr-25
Malayan Plaza	Unit G3 and G4 GF Malayan Plaza, ADB Ave. cor Opal Road, Pasig City	357,280.0	31-Mar-23	31-Mar-28
Mandaluyong	Unit 102 G/F, EDSA Central Square, Greenfield District, Mandaluyong City	383,262.1	1-Dec-22	30-Nov-25
Mapua-Pablo Ocampo	Unit 1 G/F Mapua University Bldg., 1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz, Makati City	186,804.4	1-Sep-22	31-Aug-27
Marikina	No.36 Gil Fernando Ave., cor. Sta. Ana Ext. San Roque, Marikina City	253,545.8	1-Jan-15	31-Dec-24
Marulas	Mc Arthur H-way, Marulas Valenzuela Metro Manila	76,832.0	31-Mar-23	31-Mar-28
Masinag	259,Sumulong Hi-way, Mayamot, Antipolo Rizal	72,028.3	31-Mar-23	31-Mar-28
Mckinley Hills	G/F Two World Hill Building, Upper McKinley Road, McKinley Town Center Fort Bonifacio, Taguig City	807,616.6	1-Aug-21	31-Jul-24
Mendiola	163 E. Mendiola St., cor Concepcion Aguila St., San Miguel, Manila	173,374.2	1-Sep-20	31-Aug-25
Meralco Ave.	G/F Regency Bldg., Meralco Ave., cor. Exchange Road Ortigas, Pasig City	212,672.9	23-Feb-22	22-Feb-27
Metallim Compound	No. 95 T. Arguelles (formerly Brixton St.), Brgy. Imelda, Quezon City	271,582.1	31-Mar-23	31-Mar-28
Mindanao Ave-Tandang Sora	GF 003 MC Square Bldg., Mindanao Ave cor. Tandang Sora, Quezon City	365,346.0	1-Nov-20	31-Oct-25
Moonwalk-Paranaque	No. 2 Armstrong St., Moonwalk Village, Paranaque City	228,850.8	1-Dec-20	30-Nov-25
Morayta	828 Nicanor Reyes St., Sampaloc, Manila City	85,500.0	1-Sep-21	31-Aug-26
Morong	T. Claudio St. Brgy. San Juan Tanay Rizal	50,000.4	1-Jun-22	1-Jun-27
Muntinlupa	National H-way, Muntinlupa City	115,679.2	31-Mar-23	31-Mar-28
NAIA Terminal 1	G/F, Arrival Area, NAIA Terminal 1, MIA Road, Pasay City	14,694.6	1-Jul-21	20-Jun-24
Navotas	Estrella cor. Yangco St. Navotas East, Metro Manila	209,440.0	31-Mar-23	31-Mar-28
New Manila	Upper Ground Hemady Square Building 86 Dona Hemady cor E. Rodriguez Sr. Avenue Brgy Kristong Hari, Diliman, Quezon City	301,669.3	1-May-23	30-Apr-33

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		(inclusive of 12% VAT)	START	END
Newport City	G/F Plaza 66 Manlunas Street, Newport Blvd., Pasay City	259,650.3	1-May-22	30-Apr-27
Novaliches	882 Quirino Highway, Novaliches, Quezon City	374,708.5	1-Jan-19	30-Jun-24
Novaliches-Gulod	917 Bo. Gulod.,Quirino Highway	116,056.6	31-Mar-23	31-Mar-28
One Bonifacio High Street	5/F PSE Bldg. - One Bonifacio High Street, 28th St., corner 5th Ave., BGC Taguig 1630	1,061,353.9	15-Dec-17	14-Dec-27
Ortigas-EDSA	Honda Cars Greenhills, Ortigas Ave. corner Columbia St., Mandaluyong	105,930.0	15-Mar-22	28-Feb-28
Ortigas Ave-San Juan	Medecor Bldg. 222 Ortigas Avenue, Greehills, San Juan City	262,199.3	1-Aug-17	30-Jul-27
Ortigas Extension	G/F Merijr Building Corner Riverside Village Ortigas Ave. Extension Brgy. Sta. Lucia Pasig City 1608	218,386.0	1-Sep-23	31-Aug-28
Ortigas Extension	Ortigas Ave. Extn. Brgy.Sta.Lucia Pasig City 2nd District Metro Manila	118,421.2	31-Mar-23	31-Mar-28
Otis	Isuzu Manila 1502 Paz M. Guazon St. Paco Manila	145,524.9	1-May-16	30-Apr-26
P. Ocampo-FB Harrison	Ground Floor Unit Sunrise Center Bldg.,#488 Pablo Ocampo Sr., Avenue, Malate Manila	245,611.2	1-Jan-17	31-Dec-26
P. Tuazon	Unit 102 GF Spark Place, P. Tuazon Blvd. Cor 10th Ave, Brgy. Socorro, Cubao, Quezon City	332,915.5	7-Feb-23	6-Feb-28
Pablo Ocampo-Venecia	G/F Savanna Commercial Center Bldg., 1201 Pablo Ocampo St. and Venecia St., Brgy. Sta. Cruz, Makati City	215,084.4	1-Dec-21	30-Nov-26
Pacific Place	Ground Floor, Pacific Place Building, Pearl Drive, Ortigas Center, Pasig City	916,764.8	31-Mar-23	31-Mar-28
Padre Rada	# 649 Padre Rada St. Cor. Juan Luna Brgy Padre Rada Tondo, Metro Manila	451,360.0	31-Mar-23	31-Mar-28
Palanan-Bautista	G/F Shalimar Bldg., 3696 Bautista St., Palanan, Makati City	112,417.9	1-Oct-22	1-Oct-27
Pasay	2015 San Bell Bldg., Gil Puyat Ext. cor. Leveriza St., Pasay City	249,181.0	15-May-20	14-May-25
Pasay-Libertad	2350 Taft Avenue Cor. Libertad Pasay City	163,490.7	1-Mar-23	28-Feb-28
Paseo de Roxas	8747 G/F Lepanto Bldg., Paseo De Roxas, Makati City	647,884.2	16-Nov-19	15-Nov-24
Pasig	#92 Dr. Sixto Ave. Cor. Raymundo St. Pasig City	424,139.9	31-Jul-19	31-Jul-24
Pasig Kapitolyo	G/F D'Ace Water Spa Plaza, United St., cor. Brixton St., Brgy. Kapitolyo, Pasig City	70,181.3	15-Feb-22	14-Feb-27
Pasig Westlake	Unit A G/F 168 Westlake Bldg., Pasig Blvd.,Brgy. Bagong Ilog, Pasig City	120,537.5	10-Dec-20	9-Dec-25
Pasong Tamo	2283 Pasong Tamo Ext. cor. Lumbang St., Makati City	379,616.6	16-Mar-21	15-Mar-26
Pasong Tamo-Bagtikan	1173 Don Chino Roces Ave., Brgy. San Antonio, Makati City	271,126.1	15-Nov-23	14-Nov-28

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		(inclusive of 12% VAT)	**START**	**END**
Pasong Tamo-EDSA	Wilcon IT Hub, 2251 Chino Roces, Makati City	235,934.3	1-Nov-21	30-Oct-26
Pasong Tamo-Pio Del Pilar	G/F Matrinco Bldg., 2178 Pasong Tamo Makati City	168,960.0	15-Feb-19	14-Feb-25
Pateros	M. Almeda St. Bo. San Roque, Pateros Metro Manila	113,400.0	31-Mar-23	31-Mar-28
Perea	G/F Sunrise Terrace Bldg. 100 Perea Street, Legaspi Village, Makati City	215,712.0	16-Aug-21	15-Aug-26
Pioneer	2B Pioneer St. Barangay Highway Hills Mandaluyong City	375,182.6	1-Jun-17	30-Apr-27
Presidents Avenue-Paranaque	Lot 22, Blk 9 Presidnet's Avenue, Sucat, Paranaque City	147,487.1	1-Feb-17	31-Jan-27
P. Tuazon (GF-4F)	P. Tuazon Cor. 12th Ave. Cubao Q. C.	537,734.4	31-Mar-23	31-Mar-28
Quezon Avenue	1405 Quezon Avenue, Quezon City	697,088.0	31-Mar-23	31-Mar-28
Quezon Ave-Araneta	141 Quezon Avenue, Quezon City	152,475.0	25-Sep-22	24-Sep-27
Quezon Ave-Cordillera	78 Cordillera St., Cor. Quezon Avenue Quezon City	189,176.0	1-Jan-22	31-Dec-26
Quirino Ave.	555 Quirino Avenue, Tambo, Paranaque	334,437.9	1-Jun-19	31-May-29
Raffles Ortigas	78 Cordillera St., Cor. Quezon Avenue Quezon City	268,304.4	1-Apr-22	31-Mar-27
Raon, Sales	655-657 Gonzalo Puyat St. Quiapo, Mla.	129,051.2	1-Jun-23	31-May-28
RCBC Plaza	6819 RCBC Plaza, Ayala Avenue, Makati	1,307,851.8	1-Jan-21	31-Dec-25
Reliance	Unit 2 Ground Floor	215,085.4	8-Jun-17	31-Jul-27
Rockwell	GF, Phinma Plaza, Hidalgo Street, Rockwell Center, Makati City	254,484.3	31-Mar-23	31-Mar-28
Roosevelt	300 Roosevelt Ave., San Francisco Del Monte, Quezon City	126,116.2	21-Feb-21	15-Feb-26
Roxas Blvd.	Unit 1 Russel Mall, Russel St. cor. Roxas Blvd. Pasay City	204,408.8	1-Jan-22	31-Dec-24
Roxas Blvd-Service Road	Roxas Blvd cor. Arquiza St., Ermita, Manila	329,348.6	1-Nov-20	31-Oct-25
Rufino	Coherco Corporate Center, 116 V.A. Rufino Street, Legazpi Village, Makati City	228,070.5	1-Mar-22	28-Feb-27
San Lorenzo	1018 L & R Bldg. Pasay Road, Makati City.	439,544.2	17-Aug-19	16-Aug-24
Salcedo Village	Ground Floor, Y Tower II Building, Leviste (Alfaro) corner Gallardo Streets, Salcedo Village, Makati City	309,241.0	31-Mar-23	31-Mar-28
Salcedo Village (8/F Y TOWER)	8/F Y Tower II Building, Alfaro cor. Gallardo, Sts., Salcedo Village, Makati City (with 2 covered, 1 semi-covered and 1 open parking space)	362,880.0	31-Mar-23	31-Mar-28
San Joaquin	227 MConcepcion St. San Joaquin, Pasig City 2nd District, Metro Manila	51,643.2	31-Mar-23	31-Mar-28

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San Roque	319 J.P. Rizal St., San Roque Marikina City	163,632.0	31-Mar-23	31-Mar-28
Sangandaan	A. Mabini cor. Plaridel, Caloocan City	237,216.0	31-Mar-23	31-Mar-28
Shaw Blvd. Lawson	G/F SCT Bldg., 143 Shaw Blvd. Mandaluyong City	157,500.0	1-Oct-21	30-Sep-26
Sta. Mesa	4463 Old Sta. Mesa, Brgy 587 Zone 58, Sta. Mesa, 6th District, Manila	132,357.1	31-Mar-23	31-Mar-28
South Harbor	Harbor Centre I, cor. Chicago and 23rd Sts., Port Area, Manila	203,258.0	1-Jan-24	31-Dec-24
St. Ignatius	Katipunan Ave., St. Ignatius, Quezon City	112,069.1	1-Aug-21	31-Jul-31
Sta. Lucia East	Ground Level Building 2 Sta. Lucia Mall Marcos Hi -way cor Felix Ave., Cainta Rizal	129,705.4	1-Jul-23	30-Jun-28
Sta. Mesa	1-B G. Araneta Ave. Brgy. Dona Imelda Quezon City	284,304.4	1-Jul-21	30-Jun-31
Starmall Edsa-Shaw	444 Edsa Cor. Shaw Blvd Mandaluyong City	160,028.0	1-Aug-22	31-Jul-25
Sucat	2F Santana Grove, Dr. A. Santos Ave. cor. Soreena St., Sucat, Paranaque City	106,733.2	15-Apr-23	14-Apr-28
Sucat Dr. A. Santos Ave. (Formerly Sucat Virramall Sept 2019)	8223 Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Paranaque	165,626.4	1-Nov-19	31-Oct-24
Taft-Remedios	1932 Taft Avenue, Manila	150,763.2	31-Mar-23	31-Mar-28
Taytay	Manila East Road, Taytay, Rizal	161,784.8	1-Jan-23	31-Dec-32
Tanay	M.L. Quezon St. Cor J.P. Laurel St. Brgy. Plaza Aldea Tanay Rizal	94,117.5	1-Aug-22	1-Aug-32
Tektite	1904-A East Tower, PSE Center, Exchange Road, Pasig City	278,073.6	31-Mar-23	31-Mar-28
Teresa	Magsaysay Ave., Brgy. San Gabriel, Teresa, Rizal	69,635.2	15-Jun-22	15-Jun-32
T. Alonzo	1461-1463 Soler St., Sta. Cruz, Manila	367,691.8	30-Jul-14	30-Jun-24
The Beacon	G/F The beacon, Roces Tower, Chino Roces Ave cor Arnaiz Ave, Makati City	215,040.0	31-Mar-23	31-Mar-28
The Firm	CVC Law Center 11th Ave. cor 39th St., Fort Bonifacio, Taguig	619,912.0	1-May-20	30-Apr-30
The Fort – JY Campos	JY Campos Center, 9th Ave., Bonifacio Global Center, Taguig City 1634	468,205.2	20-May-23	19-May-33
The Fort Sunlife	Ground Floor, Sunlife Building, 5th Avenue corner Rizal Drive, BGC, Taguig City	259,185.8	15-Feb-22	14-Feb-27
Timog	36 Timog Avenue, Barangay Laging Handa, Quezon City	198,240.0	31-Mar-23	31-Mar-28
Timog-Picture City Center	#88 Picture City Center Timog Ave, Q.C.	111,849.9	16-Feb-16	15-Feb-25
Tomas Mapua	626 Tomas Mapua St., Sta Cruz Manila	267,593.0	1-May-23	30-Apr-28

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			START	END
Tomas Morato	169 Tomas Morato cor. Sct. Castor, Quezon City	132,720.0	31-Mar-23	31-Mar-28
Tordesillas	Le' Metropole Building, Sen. Gil Puyat Avenue corner Tordesillas, Salcedo Village, Makati City	361,536.0	31-Mar-23	31-Mar-28
Trinoma	Space P015B Level 1, Trinoma EDSA cor. North Avenue, Quezon City	424,894.0	1-Sep-19	31-Aug-24
Tutuban	G/F Center Mall I, Tutuban Center corner C.M. Recto Ave., Tondo, Manila	87,968.0	16-Apr-13	15-Apr-28
Valenzuela	231 Mac Arthur Highway, Karuhatan, Valenzuela City	180,658.8	1-Sep-23	31-Aug-38
Visayas Ave.	6 Visayas Ave. Tandang Sora, Quezon City	82,490.2	31-Mar-23	31-Mar-28
Wack Wack	Unit K Facilities Center Bldg., 548 Shaw Blvd, Mandaluyong City	126,322.4	1-Feb-20	1-Feb-25
West Ave	Unit 101 West Insula Condominium, 135 West Ave., Brgy. Bungad, District 5, Quezon City	171,607.4	1-Sep-23	31-Aug-28
LUZON AREA				
Alaminos	Marcos Ave. Cor Montemayor St., Poblacion, Alaminos City, Pangasinan	150,851.9	1-Sep-21	31-Aug-26
Alfonso-Cavite	Fenway Commons Bldg., B2 L6 Gen. Emilio Aguinaldo Highway, Alfonso, Cavite	59,920.0	1-Apr-22	27-Sep-27
Angeles	Sto. Rosario Street corner Teresa Avenue, Angeles City	197,406.7	31-Mar-23	31-Mar-28
Angono	Quezon Avenue, Brgy. San Pedro, Angono, Rizal	31,169.6	31-Mar-23	31-Mar-28
Apalit	National Road, San Vicente, Apalit, Pampanga	33,645.6	31-Mar-23	31-Mar-28
Aparri	108 J.P. Rizal St., Brgy. Centro 14, Aparri, Cagayan	73,139.0	16-Feb-21	15-Feb-26
Angeles-Sto. Cristo	243 Sto. Entierro St. Brgy. Sto. Cristo Angeles City Pampanga	102,421.6	18-Feb-17	17-Feb-27
Bacao	Yokota Commercial Bldg., Bacar Road, Gen. Trias, Cavite	83,233.7	16-Mar-20	16-Mar-25
Bacoor	Maraudi Bldg., Aguinaldo Highway, Brgy. Niog Bacoor City Cavite	92,579.6	1-May-18	1-May-28
Bacoor-Salinas	#333 Gen. Emilio Aginaldo Hi-way, Salinas IV, Bacoor City, Cavite	133,726.9	31-Mar-23	31-Mar-28
Bacoor (Condo)	Hawaii St., Salinas, Habay, Bacoor, Cavite	114,624.0	31-Mar-23	31-Mar-28
Baguio	Session Road, Baguio City	1,138,368.0	31-Mar-23	31-Mar-28
Baguio-Mabini St	Rm 104 GP Shopping Arcade Upper Mabini St., Baguio City	210,648.1	22-Jun-20	22-Jun-27
Balagtas	McArthur Highway, Borol 1st, Balagtas, Bulacan	102,421.6	16-Nov-17	15-Nov-27
Balanga	Don M. Banzon Ave cor. Cuaderno St., Balanga City, Bataan	89,300.0	1-Oct-22	30-Sep-27

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		(inclusive of 12% VAT)	START	END
Baler	Quezon St. corner Bonifacio St. Poblacion, Baler, Aurora	61,740.0	1-May-14	30-Apr-34
Balibago	McArthur Highway, Barangay Balibago, Angeles City	67,858.6	31-Mar-23	31-Mar-28
Baliuag	01 J. P. Rizal cor. Tagle Sts., Baliuag, Bulacan	183,183.3	16-Aug-17	15-Aug-27
Bataan	RCBC Bldg. AFAB Mariveles, Bataan	58,580.7	28-Mar-19	27-Mar-24
Batac	Marcos Highway, Batac, Ilocos Norte	66,133.0	31-Mar-23	31-Mar-28
Batangas	No. 17 Rizal Avenue cor. P. Gomez, Batangas City	92,378.5	1-Apr-22	31-Mar-32
Bauan	J.P. Rizal St., Poblacion, Bauan, Batangas	60,000.0	12-Sep-21	15-Sep-26
Binan Liip	G/F Admin Bldg Laguna International Industrial Park., Mamplasan, Biñan, Laguna	75,032.6	1-Oct-21	30-Sep-26
Binakayan	Aguinaldo H-way, Binakayan Kawit, Cavite	31,772.2	31-Mar-23	31-Mar-28
Binangonan	M.L. Quezon St. cor Zamora St. Binangonan Rizal	44,800.0	31-Mar-23	31-Mar-28
Biñan	126 A. Bonifacio St. Poblacion Biñan Laguna	225,415.7	31-Mar-23	31-Mar-28
Boac	Governor Damian Reyes St. Brgy. San Miguel, Boac, Marinduque	38,000.0	1-Jun-23	1-Jun-33
Bocaue	249 Binang 2 Mc Arthur H-way Bocaue, Bulacan	97,440.0	31-Mar-23	31-Mar-28
Cabanatuan	1051 Burgos Ave, Cabanatuan City, Nueva Ecija	98,598.6	1-Oct-21	30-Sep-31
Calapan	Homemark Bldg., J.P. Rizal St., Camilmil, Calapan City, Oriental Mindoro 5200	105,391.8	1-Oct-21	1-Oct-26
Carmelray 1	Adm. Bldg., Carmelray Industrial Park 1, Canlubang, Calamba, Laguna	155,028.6	1-Nov-19	31-Oct-24
Candon	National Hi-Way, San Jose, Ccandon City, Ilocos Sur	152,424.5	1-Oct-19	30-Sep-24
Carmelray 2	Adm. Bldg., Carmelray Industrial Park 2, Bgy. Tulo, Calamba, Laguna	185,572.7	1-Jul-21	1-Jul-26
Carmona	People's Technology Complex (SEZ) Governor's Drive, National Highway, Bo. Maduya, Carmona, Cavite	183,839.5	16-Jul-02	15-Jul-27
Catanduanes	Stall 21 VTC Riverside Bldg., Virac Town Center, Rizal Avenue, Gogon Sirangan, Virac, Catanduanes	249,866.4	1-Jun-21	31-May-26
Cabanatuan	Maharlika Highway cor. Paco Roman St.Extension, Brgy. Barrera District Cabanatuan City, Nueva Ecija	218,736.0	31-Mar-23	31-Mar-28
Cabuyao	J.P. Rizal cor. Del Pilar St. Cabuyao, Laguna	134,400.0	31-Mar-23	31-Mar-28
Calamba	National Highway cor. Dolor St., Crossing, Calamba City, Laguna	152,409.6	31-Mar-23	31-Mar-28

BC NAME	BUSINESS ADDRESS	Monthly Lease Rate (in absolute amounts) (inclusive of 12% VAT)	LEASE TERM START	LEASE TERM END
Carmen	McArthur Highway, Carmen, Rosales, Pangasinan	382,201.1	31-Mar-23	31-Mar-28
Cauayan	Calahi Bldg. FN Dy Blvd, Cauayan City	76,678.9	1-Aug-17	31-Jul-27
Cavite City	Big 5 Bldg., 633 P. Burgos Avenue, Caridad, Cavite City 4100	114,000	1-Dec-23	30-Nov-28
Cavite Warehouse	Maguyam Road, Brgy. Maguyam Silang, Cavite	5,900,086.1	31-Mar-23	31-Mar-28
Clark 1	Berthaphil 8 Mercedez Benz Bldg., MA Roxas Highway, Clarkfield, Pampanga 2023	USD1,914.0	1-Nov-17	31-Dec-27
Clark 2	Bertaphil III Clark Center, Jose Abad Santos Avenue, Clark Freeport Zone	USD2,815.0	1-Jun-16	31-Jul-26
CPIP-Batino	Citigold Bldg., Calamba Premiere Industrial Park, Batino, Calamba, Laguna	138,216.1	1-Jun-15	31-May-25
Daang Hari-Verdana	L & R Building, Verdana Village Center, Molino 4 Daang Hari, Bacoor	69,364.9	15-Aug-21	14-Aug-26
Dagupan	RCBC Bldg AB Fernandez Avenue, Dagupan City	243,308.0	1-Jul-19	30-Jun-29
Dagupan-Tapuac	Units 101 & 102, Rvr Bldg., Tapuac District, Dagupan City	129,675.0	1-Jan-23	31-Dec-27
Dasmariñas-San Agustin	San Agustin 1, Aguinaldo H-way, Dasmariñas Cavite	111,481.4	31-Mar-23	31-Mar-28
Dasmariñas (FCIE-Cavite)	FCIE Compound, National Highway, Barangay Langkaan, Dasmariñas, Cavite	76,860.0	31-Mar-23	31-Mar-28
CIAC Terminal 2	Bldg. 7549 (portion), A. Bonifacio Avenue, Clark Civil Aviation Complex, Clark Freeport Zone, Pampanga	USD2,750.0	20-Jun-22	1-May-25
First Phil. Industrial Park (FPIP)	Unit 1 & 2, Ground Floor, Oasis Commercial Center, R.S. Diaz Ave., FPIP Brgy. Sta. Anastacia, Sto. Tomas, Batangas	123,816.3	14-Jun-21	13-Jun-26
Gateway	Gateway Industrial Park, Brgy. Javalera, General Trias, Cavite	61,630.8	31-Mar-23	31-Mar-28
Gapan	Tinio St., San Vicente, Gapan City, Nueva Ecija	97,544.4	1-Jul-16	30-Jun-26
GMA	Block 2, lot 10 Bgy. San Gabriel, Congressional Rd.,GMA, Cavite	23,587.2	31-Mar-23	31-Mar-28
General Trias	G/F Samantha's Place Commercial Bldg., Governors Drive, Manggahan, Gen. Trias Cavite	94,243.5	1-Aug-21	31-Jul-26
Gen. Trias	#59 Gov. Luis Ferrer Ave, Gen Trias Cavite	44,224.2	31-May-18	31-May-28
GMA, Cavite	Citi Appliance Bldg., Brgy. San Gabriel,Governor's Drive, GMA, Cavite	111,479.3	1-Aug-19	31-Jul-24
Guagua	760 Omicron Bldg., Sto. Cristo, Guagua, Pampanga	120,503.4	1-May-22	30-Apr-27
Guimba	Afan Salvador St., Guimba, Nueva Ecija	78,750.0	30-Sep-22	30-Sep-27
Hacienda Luisita	Robinson's Plaza, San Miguel, Tarlac City	112,414.1	1-Jan-2024	31-Dec-26

BC NAME	BUSINESS ADDRESS	Monthly Lease **Rate** (in absolute amounts)	LEASE TERM	
		(inclusive of 12% VAT)	**START**	**END**
Ilagan, Isabela	RKChy Building, Maharlika Road, Calamagui 2nd, Ilagan City, Isabela	52,706.7	1-Dec-17	30-Nov-27
Imus	Esguerra Bldg., Palico IV, Aguinaldo Hi-way, Imus, Cavite	87,892.9	1-Oct-20	30-Sep-25
Imus-Nueno Ave.	Bayan Luma, Imus Cavite	134,400.0	31-Mar-23	31-Mar-28
Laguna Technopark	LTI Administration Building II, Laguna Technopark, Brgy. Malamig, Binan, Laguna	226,906.4	16-Mar-23	15-Mar-28
Laoag	Jackie's Commercial Building II, J. Rizal St., Laoag City	161,143.3	1-Feb-21	31-Jan-26
La Trinidad	Peliz Loy Centrum Bldg., Km 5, La Trinidad, Benguet	267,251.8	1-Sep-23	31-Aug-28
La Union	Quezon cor. P. Burgos, San Fernando, La Union	60,406.1	31-Mar-23	31-Mar-28
Legaspi City	G/F M. Dy Bldg. Rizal St. Legazpi City	106,666.6	1-Dec-21	30-Nov-31
Legazpi-Landco Business Park	Ground Floor, Delos Santos Commercial Building, Landco Business Park, Legazpi City	208,946.8	1-Jul-20	1-Jul- 30
Lemery	Ilustre Ave. District Ii Lemery Batangas	142,089.3	13-Dec-22	17-Dec-32
Lima	Lima Technology Center, Malvar, Batangas	316,882.7	31-Mar-23	31-Mar-28
Lingayen	G/F Columban Plaza, Avenida Rizal East, Poblacion, Lingayen, Pangasinan 2401	130,000.0	1-Sep-23	31-Aug-28
Lipa	C M Recto Ave. cor. E. Mayo St., Lipa City	193,422.0	1-Feb-15	31-Jan-25
Lipa-Ayala Highway	G/F Trinity Business Center, Ayala Highway Lipa City	129,894.9	6-Feb-15	6-Feb-25
LISP III Extension Office	LISP III Admin Bldg., Millenium Drive, Brgy. San Rafael Sto. Tomas Batangas	77,548.6	1-Apr-23	31-Mar-28
Lucena	Quezon Ave. cor. Tagarao St., Lucena City	173,776.9	1-Jul-23	30-Jun-33
Lucena-Evangelista	Maharlika Highway Red-V, Lucena City	84,373.0	22-Dec-18	21-Dec-28
Malolos-Paseo Del Congreso	Paseo del Congreso, Malolos Bulacan	159,685.1	31-Mar-23	31-Mar-28
Malolos	FC Building, McArthur Highway, Bo. Sumapang Matanda, Malolos, Bulacan	78,035.5	1-Dec-23	30-Nov-28
Marinduque	EDG Building, Bgy. Lapu-lapu, Sta. Cruz, Marinduque	43,124.9	01-Jan-18	01-Jan-28
Masbate	460 Quezon St., Brgy F. Magallanes, Masbate City	46,189.2	12-Dec-18	12-Dec-28
Mexico Branch Lite	Clk Bldg. Jose Abad Santos Avenue, Brgy. Lagundi Mexico Pampanga	86,227.3	1-Mar-19	28-Feb-29
Meycauayan-Malhacan	Sterling Square, Sterling Industrial Compound, Iba Malhacan Natl Highway, Meycauayan City, Bulacan	104,818.9	16-Nov-15	15-Oct-25

BC NAME	BUSINESS ADDRESS	Monthly Lease Rate (in absolute amounts) (inclusive of 12% VAT)	LEASE TERM START	LEASE TERM END
Meycauyan - Requino	831 Mc Arthur Highway, Calvario, Meycauyan, Bulacan	144,480.0	31-Mar-23	31-Mar-28
Molino	Grd. Flr. Rfc Molino Mall Molino 2 Bacoor Cavite	181,040.4	1-Jul-18	30-Jun-28
Montalban	Jose Rizal cor. Linco St. Montalban Rizal	300,384.0	31-Mar-23	31-Mar-28
Muzon, SJDM	Diaz Bldg., Carriedo Street, Brgy. Muzon, City Of San Jose Del Monte, Bulacan	117,700.0	1-Nov-23	31-Oct-24
Naga	G/F, Crown Hotel Bldg, Penafrancia Ave., Naga City	158,548.3	1-Jul-21	30-Jun-31
Naic	Capt. Ciriaco, Nazareno St. Naic, Cavite	36,929.5	31-Mar-23	31-Mar-28
Noveleta	Magdiwang Hiwahway, Noveleta, Cavite	58,786.6	31-Mar-23	31-Mar-28
Olongapo	1055 Rizal Ave., Extn West Tapinac Olongapo City	110,027.5	1-Sep-18	31-Aug-28
Padre Garcia	45 A Mabini Poblacion Padre Garcia Batangas	52,368.8	1-Nov-20	31-Oct-25
Palawan	Junction 1, Rizal Avenue cor National Highway, Puerto Princesa City, Palawan	94,210.4	31-Mar-23	31-Mar-28
Palawan National Highway	Lustre Arcade, National Highway, Brgy. Tiniguiban, Puerto Princesa, Palawan	98,766.9	1-Aug-22	31-Jul-32
Plaridel	Cagayan Valley Road, Banga 1, Plaridel Bulacan	291,038.1	31-Mar-23	31-Mar-28
Plaridel Bypass Access Road	Mark One Building (Jolly Industrial Park), Plaridel Bypass Access Rd., Brgy. Parulan, Plaridel, Bulacan	50,557.5	1-Mar-22	28-Feb-27
Puerto Princesa	175 Rizal Avenue Pacific Plaza Building Puerto Princesa City, Palawan	64,025.5	16-Nov-22	16-Nov-27
Rosario	Cavite Export Processing Zone Authority, Rosario, Cavite	41,153.0	7-Jan-17	6-Jan-27
San Fernando Pampanga	Ground Floor Emerald Business Center, Mac Arthur Highway, Dolores, City Of San Fernando, Pampanga	107,856.0	1-Nov-22	31-Oct-27
San Fernando – JASA	Unit 3 & 4, Ground Floor., Kingsborough Commercial Center, Jose Abad Santos Avenue, City of San Fernando	127,975.8	1-May-19	30-Apr-29
San Fernando-Sindalan	Phoenix Building, McArthur Highway, City of San Fernando, Pampanga	121,735.4	1-Apr-18	31-Mar-28
San Ildefonso	Villa Amelia Buencamino St.San Jose San Miguel Bulacan	116,592.6	23-May-21	23-May-31
San Jose	Abar 1st Maharlika Highway San Jose City Nueva Ecija	82,945.9	1-Sep-18	1-Sep-28
San Jose Batangas	G/F Cameco Bldg., Makalintal Ave., Poblacion 4, San Jose, Batangas	78,803.7	31-Aug-23	23-Aug-28
San Mateo	Gen. Luna St., Brgy.Gitnang Bayan II, San Mateo, Rizal	75,135.4	31-Mar-23	31-Mar-28
San Pablo	Ultimart Shopping Plaza, M. Paulino St., San Pablo City	140,983.2	1-Jan-21	31-Dec-26

BC NAME	BUSINESS ADDRESS	Monthly Lease Rate (in absolute amounts) (inclusive of 12% VAT)	LEASE TERM START	LEASE TERM END
San Pedro	EM Arcade 1 Building, Brgy. Poblacion, National Highway, San Pedro Laguna	113,289.7	3-Feb-22	2-Feb-32
San Pedro-Nueva	National Highway, Brgy. Nueva, San Pedro Laguna	87,846.0	13-Apr-15	14-Apr-25
Santiago-Centro West	# 29 City Road, Centro West, Santiago City, Isabela 3311	182,082.2	16-Apr-21	15-Apr-26
Science Park	Admin Bldg., LISP1, Pulo Road, Brgy Diezmo, Cabuyao, Laguna	82,107.5	1-Nov-18	31-Oct-24
Skyline-San Jose Del Monte	Unit 109-111, Skyline Drive Plaza, Quirino Highway, San Jose Del Monte City Bulacan	169,488.0	1-Sep-2023	31-Aug-33
Solano	211 JP Rizal Ave., National Highway, Solano, Nueva Vizcaya	63,124.4	1-Jun-22	31-May-32
Sorsogon	LKY Property Holdings Bldg., Rizal Street, Talisay, Sorsogon City	115,046.4	1-Jun-21	31-May-26
Sta. Cruz	A. Regidor corner P. Burgos, Brgy V Poblacion, Sta. Cruz, Laguna	310,590.0	31-Mar-23	31-Mar-28
Sta. Rosa	J. Rizal Blvd. Cor. Perlas Village, Brgy. Tagapo Sta. Rosa, Laguna	102,641.3	31-Mar-23	31-Mar-28
Sta. Rosa Bel-Air	Cw Home Depot Sta.Rosa-Tagaytay Road Brgy.Pulong Sta.Cruz, Santa Rosa City Laguna 4026	77,242.4	20-Dec-22	19-Dec-27
Sta. Rosa Solenad	Unit M 20 Bldg 2 Nuvali Solenad 2, National Road Brgy. Sto. Domingo, Sta. Rosa City, Laguna	58,348.1	1-Jan-23	31-Dec-24
Sta. Cruz-National Road	Teoxon Bldg., Unit 1 Sitio Narra, Brgy. Labuin, Sta. Cruz Laguna	73,483.4	1-Jan-24	31-Dec-28
Sta. Maria, Bulacan	173 J.P. Rizal St., Poblacion, Sta. Maria Bulacan	90,567.9	1-Jun-22	31-May-32
Sta. Rosa	Paseo 5, Paseo de Sta. Rosa, Greenfield City, Don Jose, Sta. Rosa, Laguna	389,354.4	1-Jun-20	31-May-25
Sta. Rosa Balibago*	Carvajal Building, Old National Highway, Balibago, Sta. Rosa, Laguna	99,517.4	1-May-22	30-Apr-27
Starmall Daang Hari	Starmall Prima Daang Hari cor. Molino Road, Brgy Molino 4, Bacoor, Cavite	156,012.4	21-Dec-22	20-Dec-25
Subic	Precision Tek Motor Service Corporation	USD 3,872.3	1-Mar-19	1-Mar-29
Tabaco	232 Ziga Avenue, Tabaco, Albay	50,551.2	31-Mar-23	31-Mar-28
Tagaytay	Unit 1 Olivarez Plaza, E.Aguinaldo Highway, Tagaytay City	126,685.4	1-Jul-20	30-Jun-25
Tanauan	G/F Reyes Bldg Jp Laurel Highway Poblacion 4 Tanauan City Batangas 4232	70,279.2	15-Jul-21	14-Jul-26
Tanza	A.Soriano Highway,Tanza,Cavite	109,803.8	1-Aug-22	31-Jul-27
Tarlac-Sto. Cristo	Mc Arthur Highway, Blossomville Subd. Brgy. Sto Cristo, Tarlac City	56,044.8	31-Mar-23	31-Mar-28
Tarlac	F. Tañedo St., Tarlac City	156,862.5	1-Oct-21	30-Sep-26
Tayug	A. Bonifacio St., Brgy. A, Tayug, Pangasinan	57,289.1	1-Apr-17	31-Mar-27

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts) **(inclusive of 12% VAT)**	LEASE TERM	
			START	**END**
Trece Martirez	Brgy. San Agustin, Trece Martires City	109,888.9	1-Aug-23	31-Jul-28
Tuguegarao	Bonifacio cor. Gomez St., Centro 7 Tuguegarao City	143,390.2	1-Mar-15	28-Feb-25
Urdaneta	E.F. Square Bldg. McArthur Highway, Urdaneta City, Pangasinan	138,504.8	1-Apr-23	31-Mar-33
Vigan	Nueva Segovia Street, Vigan City, Ilocos Sur	110,821.3	1-Jun-15	31-May-25
VISAYAS AREA				
Antique	Del Carmen Bldg, Solana St. corner T.Fornier St. , San Jose, Antique	80,750.0	1-Apr-2019	31-Mar-29
Bacolod-Main	Rizal corner Locsin Streets, Bacolod City	350,164.0	31-Mar-23	31-Mar-28
Bacolod-Mandalagan	Lacson St., Mandalagan, Bacolod City	515,088.0	31-Mar-23	31-Mar-28
Bacolod – Lacson	GF Lourdes C. Bldg II, 14th Lacson St., Bacolod City	111,844.4	1-Nov-21	31-Oct-26
Bacolod – Libertad	Libertad Extension, Bacolod City	42,750.0	1-May-21	30-Apr-26
Bacolod – Shopping	Hilado Extension, Capitol Shopping Center, Bacolod City	135,286.1	10-Oct-16	9-Oct-26
Balamban	D.C. Sanchez St., Balamban, Cebu	97,648.2	15-Aug-21	14-Aug-31
Banilad	A.S Fortuna St., Banilad, Cebu City	235,566.4	16-Feb-22	15-Feb-32
Bayawan	National Highway, Bayawan, Negros Oriental	81,603.2	31-Mar-23	31-Mar-28
Boracay	Station 1, Brgy Balabag Boracay, Malay, Aklan	169,076.9	1-Nov-19	31-Oct-29
Cadiz	Abelarde corner Mabini Streets, Cadiz City	38,984.4	31-Mar-23	31-Mar-28
Calbayog	Corner Magsaysay Boulevard and Rueda Streets, Calbayog City	129,374.7	1-Sep-17	31-Aug-27
Catarman	Ang Ley Building, JP Rizal St., Brgy. Sampaguita, Catarman, North Samar	112,138.9	1-Jan-22	31-Dec-31
Catbalogan	Del Rosario St., Catbalogan , Western Samar	100,584.2	1-Nov-22	31-Oct-32
Cebu Business Park	Lot 1 Blk 6, Along Mindanao Ave. & Siquijor Rd., Cebu Business Park, Cebu City	252,534.2	31-Mar-23	31-Mar-28
Cebu IT Park	Block 2 Lot 4 Asiatown IT Park Subdivision, Brgy. Apas, Cebu City	184,154.5	1-Jul-22	30-Jun-27
Cebu Manalili	Tan Sucheng Bldg., V. Gullas St. (formerly Manalili St) Cebu City	260,167.2	31-Jan-22	31-Jan-28
Cebu Paseo Arcenas	Don Ramon Arcenas St., R. Duterte St., Banawa, Cebu City	185,811.9	27-Feb-19	26-Feb-24
Cebu – Sto. Nino	Belmont Hardware Depot Building cor. P. Burgos and Legaspi sts. Bgy. San Roque, Cebu City	111,766.0	1-Nov-23	31-Oct-28
Consolacion	ADM Building, Cansaga, Consolacion, Cebu	167,640.7	5-May-18	4-May-33
Dumaguete	Dr. V. Locsin St., Dumaguete City	144,450.0	1-Feb-23	31-Jan-28

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		(inclusive of 12% VAT)	**START**	**END**
Escario	N. Escario Street, Cebu City	674,076.5	31-Mar-23	31-Mar-28
F. Cabahug	Ground Floor Pacific Square Bldg, F. Cabahug St., Mabolo, Cebu City 6000	129,149.0	1-Dec-22	30-Nov-27
Fuente Osmena	GPL Tower, Fuente Osmena, Rotonda, Cebu City	272,487.7	31-Mar-23	31-Mar-28
Guadalupe	63 M. Velez & A. Abellana Sts., Guadalupe, Cebu City	57,591.5	1-Jan-12	31-Dec-37
Hinigaran	Rizal St., National Road, Hinigaran, Negros Occidental	60,698.4	30-May-20	30-Apr-30
Iloilo-Ledesma	MJM Building Cor. Ledesma & Quezon Sts., Iloilo City	156,800.0	2-May-18	30-Apr-28
Iloilo (Main)	J. M. Basa Iloilo Business Center cor. JM Basa and Arsenal Sts., Iloilo City	201,600.0	31-Mar-23	31-Mar-28
Jalandoni	Jalandoni St. San Agustin Iloilo City	80,721.7	31-Mar-23	31-Mar-28
Jaro	Cor. E. Lopez and Seminario Sts., Jaro, Iloilo City	140,255.2	1-Dec-14	30-Nov-24
Kabankalan	Guanzon St., Kabankalan City, Negros Occidental	31,785.6	31-Mar-23	31-Mar-28
Kalibo	Lu Bldg. Roxas Avenue, Poblacion, Kalibo, Aklan	109,575.5	1-Apr-18	31-Mar-28
La Paz	Calle Luna, Bantud, Iloilo City	242,760.0	31-Mar-23	31-Mar-28
Liloan	MU Building, National Highway, Poblacion, Liloan, Cebu	150,000.0	1-Aug-22	31-Jul-27
Luzuriaga Bacolod	G/F Golden Heritage Bldg., San Juan-Luzuriaga Sts., Bacolod City	133,705.7	1-Jun-19	30-May-24
Maasin Leyte	Tomas Oppus St., Brgy. Abgao, Maasin City, Southern Leyte, Phils., 6600	61,298.7	1-Feb-19	23-Jan-24
Mactan	Mepz Bldg., Mepz 1, Lapu-Lapu City, Cebu	28,675.2	9-Jan-17	8-Jan-32
Mactan-LG Garden Walk	LG Garden Walk, Mactan, Cebu	102,078.0	1-Jun-22	31-May-27
Magsaysay, Naga	G/F Sarap Realty Bldg.,Magsaysay Avenue, Balatas, Naga City	103,241.0	1-May-16	30-Apr-26
Mandaue A.C. Cortes	A. Cortez Avenue, Barangay Ibabao, Mandaue City	147,877.6	31-Mar-23	31-Mar-28
Mandaue Warehouse	A. Cortez Avenue, Barangay Ibabao, Mandaue City	327,501.1	31-Mar-23	31-Mar-28
Mandaue M.C. Briones	M.C. Briones St., Brgy. Guizo, Highway. Mandaue City	93,318.4	31-Mar-23	31-Mar-28
MEPZ 2 Ext. Office	Pueblo Verde, Mactan Economic Zone II (MEZII) Baranggay Basak, Lapulapu City	306,234.0	1-Nov-23	31-Oct-26
North Reclamation	G/F CIFC Tower, Humabon St., cor Juan Luna Ave., North Reclamation Area, Cebu City	305,344.4	1-Aug-21	1-Aug-26
Ormoc	GF MFT Bldg., Real cor Carlos Tans Sts., Ormoc City	193,968.2	17-May-23	16-May-28

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts) **(inclusive of 12% VAT)**	LEASE TERM	
			START	**END**
Oton Iloilo	Lord's Place, J.C Zulueta St., Oton, Iloilo	63,814.1	1-Mar-17	28-Feb-26
Panglao-Bohol	Yap Bldg., Panglao Circumferential Road, Tawala, Panglao, Bohol	174,407.3	1-Aug-21	31-Jul-26
P. del Rosario	P. del Rosario st., Bo. Sambag, Cebu City	162,400.0	31-Mar-23	31-Mar-28
Roxas City	Plaridel Street, Banquerojan, Roxas City	69,014.4	31-Mar-23	31-Mar-28
San Carlos	S. Carmona St., San Carlos City, Negros Occidental	29,925.0	1-Nov-18	31-Oct-28
Sara	Don Victorino Salcedo Street, Sara, Iloilo	84,516.4	31-Mar-23	31-Mar-28
Silay	Rizal corner Burgos Streets, Zone1, Silay City	117,600.0	31-Mar-23	31-Mar-28
Taboan	C. Padilla St., Brgy San Nicolas, Cebu City	208,614.7	1-Feb-23	31-Jan-28
Tacloban	Corner P.Zamora St.and Sto. Nino Sts ,Brgy.15, Tacloban City	220,973.0	31-Mar-23	31-Mar-28
Tagbilaran	C.P.G. Avenue, Tagbilaran City	298,968.3	31-Mar-23	31-Mar-28
Talamban Cebu	G/F Ecotrade Bldg., J. Panis St., Talamban, Cebu City	121,554.9	1-Apr-23	31-Mar-24
Talisay-Bulacao	South Road, Bulacao, Talisay, Cebu	63,144.7	31-Mar-23	31-Mar-28
Talisay	South Central Square, Lawaan 111, Talisay City, Cebu	103,710.7	16-Sep-20	15-Sep-25
Toledo	G/F FGM Bldg II, Macapagal Highway, Toledo City	107,000.0	1-Apr-22	30-Apr-27
MINDANAO AREA				
Bolton	Bolton St. Davao City	252,675.4	31-Mar-23	31-Mar-28
Buhangin	Dr A and B Bldg 2010 Km 7 Diversion Road Buhangin, Davao City	52,156.8	1-Jun-19	1-Jun-24
Butuan	Dy Teban Building II, Ester Luna St., Butuan City	178,312.1	1-Oct-23	30-Sep-31
CDO Carmen	G/F Macaibay Bldg., Waling-waling St., Cagayan de Oro City	122,523.0	1-Jan-17	31-Dec-26
CDO Velez	Don Apolinar Velez St. and Cruz Taal St., Cagayan de Oro City	259,411.4	1-Oct-18	30-Sep-25
CDO-Masterson Avenue	Xavier Estates, Masterson Avenue, Upper Balulang, Cagayan de Oro City 9000	162,574.0	1-Oct-16	30-Sep-26
CDO Limketkai	Gateway Tower 1, Limketkai Center, Cagayan de Oro City	323,522.0	1-Nov-19	31-Oct-29
Calinan	National Highway, Poblacion Calinan, Davao City	21,786.5	1-Apr-21	31-Mar-24
Carrascal	National Highway, Brgy.Gamuton, Carrascal, Surigao del Sur	49,797.6	1-Apr-14	1-Mar-24
Cotabato	M. Bldg Quezon Ave., Cotabato City	87,891.6	1-Jun-20	31-May-30
Dadiangas	Pioneer Avenue, General Santos City	183,545.0	31-Mar-23	31-Mar-28

BC NAME	BUSINESS ADDRESS	Monthly Lease Rate (in absolute amounts) (inclusive of 12% VAT)	LEASE TERM START	END
Damosa Gateway	Corner Mamay Road and JP Laurel Avenue, Lanang, Davao City	109,937.6	1-Aug-22	31-Jul-27
Davao - Bajada	JP Laurel Ave., corner Villa Abrille st., Davao City	289,977.4	1-Sep-19	31-Dec-29
Davao-Recto	C. M. Recto and Palma Gil, Davao City	265,608.0	31-Mar-23	31-Mar-28
Davao-Quirino	E.Quirino Ave., Brgy. 3-A, Poblacion, Davao City	91,640.2	1-Oct-21	30-Sep-26
Davao Matina (former NCCC Mall)	Km. 2 McArthur Highway, Matina, Davao City	155,195.0	27-Jun-18	27-Jun-28
Digos	Rizal Avenue, Digos, Davao del Sur	186,816.0	31-Mar-23	31-Mar-28
Dipolog	cor General Luna & Lacaya Sts., Dipolog City	95,497.5	1-Oct-21	30-Sep-27
Dole	Pavilion Lobby, Dole Phils Inc., Cannery Site, Polomolok, South Cotabato	42,735.9	31-Dec-23	31-Dec-28
General Santos	RGH Bldg., J. Catolico Ave., Lagao, General Santos City	82,074.9	1-Mar-22	1-Mar-27
Gen. Santos-National Highway	National Highway, Brgy. City Heights, Gen. Santos City	69,919.8	1-Jul-23	30-Jun-28
Iligan	Lanao Fil-Chinese Chamber of Commerce Inc. Bldg. Quezon Ave. cor. B. Labao St. Iligan City	137,195.0	1-Feb-21	30-Jan-31
Ipil	National Highway, Barangay Luiz Ruiz Sr., Poblacion, Ipil, Zamboanga del Sur	138,062.4	31-Mar-23	31-Mar-28
Isulan	National hi-way cor. Lebak Road, Kalawag III, Isulan, Sultan Kudarat	78,288.0	31-Mar-23	31-Mar-28
JP Laurel Bajada	G/F Ana Soccoro Bldg. J.P. Laurel Ave., Bajada, Davao City 8000	98,846.1	1-Jan-23	28-Dec-31
Kabacan	National Highway, Poblacion, Kabacan, Cotabato	61,002.1	1-Jan-22	31-Jan-31
Kidapawan	KMCC Bldg. Dayao St., Kidapawan City, North Cotabato	182,849.6	16-Jul-18	15-Jul-28
Lapasan	Lapasan Highway, Lapasan, Cagayan de Oro City	163,072.0	31-Mar-23	31-Mar-28
Malaybalay	Don Carlos St., Poblacion, Malaybalay City	110,000.0	1-Aug-20	31-Jul-30
Maranding	Rj Homes Building, National Highway, Maranding, Lala, Lanao del Norte	53,432.4	1-Oct-22	30-Sep-24
Marbel	Cor. General Santos Drive and Roxas Sts., Koronadal City, South Cotabato	321,109.6	1-Nov-19	31-Oct-31
Monteverde Davao	Door 5 & 6 Veterans Building Monteverde Davao City	131,862.9	1-Jan-24	31-Mar-24
Nabunturan	SMPTC Bldg, L. Arabejo Avenue, Brgy Poblacion, Nabunturan, Compostela Valley	70,381.0	1-Jul-22	30-Jun-27

BC NAME	BUSINESS ADDRESS	**Monthly Lease Rate** (in absolute amounts) **(inclusive of 12% VAT)**	LEASE TERM	
			START	**END**
Ozamis	Don Anselmo Bernad corner A. Mabini Street, Ozamis City	55,036.8	31-Mar-23	31-Mar-28
Pagadian	Rizal Avenue, Pagadian City	140,268.8	31-Mar-23	31-Mar-28
Panabo	Greatsun Ventures Bldg., National Highway, Purok Atis, Sto. Nino, Panabo City	175,480.00	1-Jul-19	30-Jun-24
Polomolok	B-French Street, Polomolok, South Cotabato	87,985.0	31-Mar-23	31-Mar-28
San Francisco	Grace Ong Property, Brgy 4 San Francisco, National Highway, Agusan Del Sur	104,485.5	1-May-22	30-Apr-27
SASA	KM. 9 Bo. Pampanga, Sasa beside ONB Bldg. Davao City	125,366.6	1-Sep-23	31-Aug-28
Sta. Ana	Corner Monteverde and Sales Sts., Sta. Ana, Davao City	511,245.4	7-Jun-22	6-Jun-27
Surallah	National Highway cor Mabini St.,, Surallah, South Cotabato	57,596.0	31-Mar-23	31-Mar-28
Surigao	Cor. San Nicolas & Burgos Sts., Surigao City	72,094.4	1-Feb-18	31-Jan-28
Tacurong	Corner Mariano Marcos, National Highway & Ramon Magsaysay Ave., Tacurong City Sultan Kudarat	96,020.3	16-Nov-16	15-Nov-26
Tagum	Pioneer Avenue and Quirante II Sts., Tagum, Davao del Norte	103,488.0	31-Mar-23	31-Mar-28
Tandag	Pimentel Bldg., Donasco St., Tandag, Surigao del Sur	122,464.1	1-Jul-16	30-Jun-26
Toril	McArthur Highway, Toril Proper, Toril, Davao City	67,304.7	1-Aug-20	31-Jul-25
Valencia	Sayre Highway, corner G. Laviña Avenue, Valencia City, Bukidnon	151,727.8	1-Oct-22	30-Sep-29
Velez	Velez Street, Cagayan de Oro City	93,735.0	31-Mar-23	31-Mar-28
Victoria Plaza	Victoria Plaza Mall, J.P. Laurel Ave., Davao City	238,374.8	1-Jul-19	30-Jun-24
Zamboanga	SIA Bldg., Tomas Claudio St. Zone III Zamboanga City	201,014.4	1-May-23	1-May-26
Zamboanga-Gov. Lim Ave.	G/F Jesus Wee Bldg., Gov. Lim Ave., Zamboanga City	75,000.0	1-May-19	30-Apr-24
Zamboanga Veterans	YPC Bldg., Veterans Ave., Zamboanga City	100,882.2	1-Jan-20	31-Dec-24

All the facilities and properties of the Bank are in good condition. Likewise, there are no liens and encumbrances on said properties of the Bank.

Item 3. Legal Proceedings

See accompanying Notes to FS for the detailed discussion of the Bank's Legal Proceedings under Commitments and Contingencies (Note 28).

Item 4. Submission of Matters to a Vote of Security Holders

In the Bank's annual meeting of stockholders held on July 3, 2023 where 84.47% of the outstanding capital stock was present, the stockholders representing more than a majority of the outstanding capital stock elected the following directors to serve as such for a term of one year:

As Regular Directors:

1. Ms. Helen Y. Dee
2. Mr. Cesar E. A. Virata
3. Mr. Eugene S. Acevedo
4. Mr. Gil A. Buenaventura
5. Mr. Armando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Mr. Arnold Kai Yuen Kan
9. Atty. Lilia B. de Lima, and
10. Ms. Gayatri P. Bery

As Independent Directors:

1. Mr. Juan B. Santos
2. Mr. Gabriel S. Claudio
3. Mr. Vaughn F. Montes
4. Mr. Laurito E. Serrano
5. Ms. Erika Fille T. Legara

At the said annual meeting, the stockholders also approved the following:

1. Minutes of the June 27, 2022 Annual Stockholders Meeting
2. Annual Report and Audited Financial Statements for 2022
3. Ratification of actions of the Board of Directors, different Committees and Management
4. Confirmation of Significant Transactions with DOSRI and Related Parties, including the sale of 213,437,248 common stock held as treasury shares in the Bank and issuance of 168,619,976 authorized and unissued common stock of the Bank to Sumitomo Mitsui Banking Corporation
5. Appointment of External Auditor

During the meeting of the Board of Directors on July 31, 2023, the following directors were elected in accordance with the Bank's Bylaws to fill the vacancy arising from the resignation of Mr. Arnold Kai Yuen Kan and the appointment of Atty. Lilia B. de Lima as Advisory Board Member.

As Regular Directors:

1. Mr. Hiroki Nakatsuka
2. Mr. Katsufumi Uchida

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The common shares of the Bank are listed in the Philippine Stock Exchange. As of April 3, 2024, the market price of RCBC's common shares closed at P23.50 per share. The trading prices of said shares for the different quarters of the years 2023, 2022 and 2021 are as follows:

		Q1		Q2		Q3		Q4	
		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date	
2023	High	25.00	2.22.23	24.45	4.03.23	25.50	7.31.23	24.00	10.17.23
	Low	21.50	1.11.23	22.80	6.23.23	22.00	9.01.23	20.60	12.13.23
2022	High	22.70	3.03.22	20.80	4.5.22	21.45	9.30.22	28.30	11.03.22
	Low	19.94	1.17.22	19.02	6.2.22	18.84	7.18.22	20.75	10.03.22
2021	High	19.00	1.19.21	28.50	6.29.21	23.55	7.01.21	21.90	11.08.21
	Low	16.80	3.31.21	16.50	5.18.21	18.50	9.29.21	18.00	10.06.21

Source: Philippine Stock Exchange

There were 72 preferred shareholders and 746 common shareholders of record as of December 31, 2023. Likewise, preferred shares and common shares outstanding as of December 31, 2023 were 267,410 and 2,419,536,120, respectively.

As of December 31, 2023, total equity ownership of foreigners on the Bank's common shares was at 44.1% or 1,067,075,681 shares.

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

The top 20 common certificated stockholders as of December 31, 2023

	Name	No. of Shares	% to Total
1	PCD NOMINEE CORP - NON FILIPINO	898,240,109	37.12%
2	PCD NOMINEE CORP – FILIPINO	728,859,982	30.12%
3	PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	594,248,085	24.56%
4	SUMITOMO MITSUI BANKING CORPORATION	168,619,976	6.97%
5	SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800	0.97%
6	HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349	0.09%
7	MARTIN HARLEY PE SY	520,000	0.02%
8	MATTHEW HARLEY PE SY	520,000	0.02%
9	SAMANTHA MORI PE SY	519,985	0.02%
10	A. T. YUCHENGCO, INC.	255,190	0.01%
11	ALAS, CARLOS DE LAS	114,298	0.005%
12	ALAS, CORNELIO DE LAS	114,195	0.005%
13	CHAN, FREDERICK	111,677	0.005%
14	YANG JIN LIANG	100,000	0.004%
15	RUFINO, JOSIE PADILLA	92,865	0.004%

	Name	No. of Shares	% to Total
16	LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574	0.003%
17	MANUEL A. SANTIAGO OR ELLA C. SANTIAGO	65,900	0.003%
18	YAO, SHUOBIN	57,000	0.002%
19	YAO, SHUOYU	57,000	0.002%
20	RUFINO, JOSEFINA PADILLA	54,292	0.002%

The top 20 preferred certificated stockholders as of December 31, 20223

	Name	No. of Shares	% to Total
1	ROSARIO, RODOLFO P. DEL	81,521	30.49%
2	GO, HOMER	46,355	17.33%
3	CONCEPCION, CARMENCITA	31,842	11.91%
4	OPTIMUM SECURITIES CORP.	16,666	6.23%
5	BDO SECURITIES CORP.	9,304	3.48%
6	NGO, LORETA	8,600	3.22%
7	MANDARIN SECURITIES CORPORATION	7,583	2.84%
8	TAN, LUCIANO H.	7,309	2.73%
9	ABACUS SECURITIES CORP.	6,021	2.25%
10	HWANG, HANS YAP	5,558	2.08%
11	ANG, TONY ANG &/OR ROSEMARIE	5,372	2.01%
12	SIA, JOHNSON CHUA	5,000	1.87%
13	CAMPOS LANUZA & CO. INC.	3,535	1.32%
14	ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371	1.26%
15	CO, JUSTINA DY	3,258	1.22%
16	CHENG, SUSAN	2,665	1.00%
17	GLOBALINKS SEC. & STOCKS	2,454	0.92%
18	BEDAN CORPORATION	2,100	0.79%
19	LUYS SECURITIES CO. INC.	1,852	0.69%
20	GO, ROBERTO CHAN	1,367	0.51%

The details of the 2021, 2022 and 2023 cash dividend distributions follow:

Nature of Securities	Dividend		Record Date	Date Approved by BOD	Date Paid /Payable
	Per Share	Total Amount (in Million Php)			
Hybrid Tier 1 Securities	-	P472.40	26-Feb-21	22-Feb-21	26-Feb-21
Preferred	P0.0560	P0.01	21-Mar-21	22-Feb-21	31-Mar-21
Common	P0.4850	P938.78	10-May-21	26-Apr-21	25-May-21
Preferred	P0.4850	P0.13	10-May-21	26-Apr-21	25-May-21
Preferred	P0.0559	P0.01	21-Jun-21	31-May-21	25-Jun-21
Hybrid Tier 1 Securities	-	P486.04	26-Aug-21	26-Jul-21	26-Aug-21
Preferred	P0.0545	P0.01	21-Sep-21	31-Aug-21	24-Sep-21
Preferred	P0.0537	P0.01	21-Dec-21	29-Nov-21	24-Dec-21
Hybrid Tier 1 Securities	-	P500.57	28-Feb-22	31-Jan-22	28-Feb-22
Preferred	P0.0553	P0.01	21-Mar-22	28-Feb-22	23-Mar-22
Common	P0.6180	P1,259.16	11-Apr-22	28-Mar-22	27-Apr-22
Preferred	P0.6180	P0.17	11-Apr22	28-Mar-22	27-Apr-22
Preferred	P0.0748	P0.02	21-Jun-22	30-May-22	23-Jun-22
Hybrid Tier 1 Securities	-	P547.59	26-Aug-22	25-Jul-22	26-Aug-22
Preferred	P0.1047	P0.03	21-Sep-22	30-Aug-22	22-Sep-22
Preferred	P0.1407	P0.04	21-Dec-22	28-Nov-22	27-Dec-22
Hybrid Tier 1 Securities	-	P534.98	27-Feb-23	30-Jan-23	27-Feb-23
Preferred	P0.1685	P0.05	21-Mar-23	27-Feb-23	23-Mar-23
Common	P1.0800	P2,200.48	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P1.0800	P0.29	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P0.1789	P0.05	21-Jun-23	29-May-23	26-Jun-23
Hybrid Tier 1 Securities	-	P553.41	27-Aug-23	31-Jul-23	27-Aug-23
Preferred	P0.1920	P0.05	21-Sep-23	29-Aug-23	25-Sep-23
Preferred	P0.1870	P0.05	21-Dec-23	29-Nov-23	29-Dec-23

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

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

Item 6. Management's Discussion and Analysis or Plan of Operation

2023

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

Due from Bangko Sental ng Pilipinas (BSP) decreased by 3.1% or P4.9 billion year-on-year. It represented 12.3% of Total Resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Statement

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

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

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

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

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

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

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

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

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

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

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

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2023	2022	2023	2022
Return on Average Assets (ROA)	1.1%	1.2%	1.1%	1.2%
Return on Average Equity (ROE)*	9.5%	11.2%	9.5%	11.2%
Risk-based Capital Adequacy Ratio (CAR)	17.4%	15.3%	17.2%	15.0%
Common Equity Tier 1 Ratio	14.7%	12.3%	14.5%	12.0%
Non-Performing Loans (NPL) Ratio	1.6%	2.0%	1.5%	1.9%
Non-Performing Assets (NPA) Ratio	1.3%	1.5%	1.2%	1.4%
Net Interest Margin (NIM)	3.4%	3.7%	3.4%	3.7%
Cost-to-Income Ratio	59.2%	56.5%	59.5%	55.8%
Loans-to-Deposit Ratio**	65.1%	63.4%	64.3%	62.4%
Current Ratio	0.9	1.0	0.9	1.0
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	7.1	8.9	7.1	8.8
Asset-to- Equity Ratio	8.1	9.9	8.1	9.8
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.9	1.4	2.0
Earnings per Share (EPS)*				
Basic	PHP 5.07	PHP 5.42	PHP 5.07	PHP 5.42
Diluted	PHP 5.07	PHP 5.42	PHP 5.07	PHP 5.42

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

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

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

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

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

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

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

**In the process of liquidation*

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

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)*	2023	2022
Net Income	Not Applicable	Php 53,003
Return on Average Assets (ROA)		9.4%
Return on Average Equity (ROE)		10.1%
Capital to Total Assets		93.7%
Non-Performing Loans (NPL) Ratio		0.0%
Non-Performing Assets (NPA) Ratio		0.0%
Earnings per Share (EPS)		Php 38.11

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

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	2023	2022
Net Loss	Php (445,311)	Php (107,834)
Return on Average Assets (ROA)	-4.1%	-0.9%
Return on Average Equity (ROE)	-22.9%	-4.7%
Risk-based Capital Adequacy Ratio (CAR)	13.5%	19.3%
Non-Performing Loans (NPL) Ratio	10.3%	13.0%
Non-Performing Assets (NPA) Ratio	10.3%	11.2%
Loss per Share	Php (0.15)	Php (0.04)

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except EPS)*	2023	2022
Net Loss	Not Applicable	Php (430)
Return on Average Assets (ROA)		-0.8%
Return on Average Equity (ROE)		-0.8%
Capital to Total Assets		99.9%
Non-Performing Loans (NPL) Ratio		0.0%
Non-Performing Assets (NPA) Ratio		0.0%
Loss per Share		Php (0.72)

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

Notes to the Computations:

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

2022

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Statement

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

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

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

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

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

As a result, net interest income increased by 8.3% or P2.4 billion from P28.8 billion to P31.2 billion.

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

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

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

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

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

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

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2022	2021	2022	2021
Return on Average Assets (ROA)	1.2%	0.8%	1.2%	0.8%
Return on Average Equity (ROE)*	11.2%	6.7%	11.2%	6.7%
Risk-based Capital Adequacy Ratio (CAR)	15.3%	15.2%	15.0%	14.9%
Common Equity Tier 1 Ratio	12.3%	12.2%	12.0%	11.8%
Non-Performing Loans (NPL) Ratio	2.0%	3.3%	1.9%	3.2%
Non-Performing Assets (NPA) Ratio	1.5%	2.7%	1.4%	2.6%
Net Interest Margin (NIM)	3.7%	4.1%	3.7%	4.1%
Cost-to-Income Ratio	56.5%	61.9%	55.8%	61.4%
Loans-to-Deposit Ratio**	63.4%	76.3%	62.4%	74.9%
Current Ratio	1.0	1.7	1.0	1.6
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	8.9	7.6	8.8	7.6
Asset-to- Equity Ratio	9.9	8.6	9.8	8.6
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.9	1.9	2.0	2.0
Earnings per Share (EPS)*				
Basic	Php 5.42	Php 3.09	Php 5.42	Php 3.09
Diluted	Php 5.42	Php 3.09	Php 5.42	Php 3.09

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

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

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

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except EPS)	2022	2021
Net Income	Php 5,761	Php 1,725
Return on Average Assets (ROA)	3.5%	1.0%
Return on Average Equity (ROE)	3.7%	1.1%
Capital to Total Assets	95.9%	95.7%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Common Share (EPS)*	Php (36.48)	Php (44.55)

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

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

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

**In the process of liquidation*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	2022	2021
Net Income (Loss)	Php 8,028	Php (3,458)
Return on Average Assets (ROA)	5.7%	-2.2%
Return on Average Equity (ROE)	-7.5%	3.1%
Capital to Total Assets	-70.8%	-80.1%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings (Loss) per Share (EPS)	Php 0.04	Php (0.02)

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	2022	2021
Net Income	Php 53,003	Php 22,490
Return on Average Assets (ROA)	9.4%	4.0%
Return on Average Equity (ROE)	10.1%	4.3%
Capital to Total Assets	93.7%	93.6%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	Php 38.11	Php 16.17

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	2022	2021
Net Income (Loss)	Php (107,834)	Php 147,883
Return on Average Assets (ROA)	-0.9%	1.3%
Return on Average Equity (ROE)	-4.7%	6.8%
Risk-based Capital Adequacy Ratio (CAR)	19.3%	18.9%
Non-Performing Loans (NPL) Ratio	13.0%	8.3%
Non-Performing Assets (NPA) Ratio	11.2%	5.4%
Earnings (Loss) per Share (EPS)	Php (0.04)	Php 0.05

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except EPS)	2022	2021
Net Loss	Php (430)	Php (476)
Return on Average Assets (ROA)	-0.8%	-0.9%
Return on Average Equity (ROE)	-0.8%	-0.9%
Capital to Total Assets	99.9%	100.0%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share (EPS)	Php (0.72)	Php (0.80)

Notes to the Computations:

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

2021

The Philippine economy rebounded in 2021 despite the continuing resurgence of COVID-19, posting a full-year GDP growth of 5.6% after the record of 9.6% drop in 2020. Domestic output grew faster than expected as low base effects magnified the improvement in economic activity that is now less sensitive to infections and containment measures compared to previous lockdowns. Quarantine measures imposed by the government throughout 2021 restricted overall mobility less than the previous year, while households and firms have learned to cope with infections and diminished mobility.

Domestic demand managed to pick up despite the implementation of several lockdowns, which is primarily driven by the recovery in household spending, from a 7.9% contraction last year to a 4.2% growth in 2021, due to more relaxed quarantine measures as well as the increasing vaccination rate that protected the population against the severe outcomes of COVID-19. Household spending was also supported by steady growth in OFW remittances throughout the year, or by 5.2% in the first eleven months of 2021, despite weaker labor market conditions abroad, mainly due to the reopening of many host economies worldwide and low base effects. However, it is still tempered by elevated inflation and unemployment, lockdowns, and low consumer confidence. Meanwhile, government spending eased, in part due to the base effects from the swift disbursement of economic stimulus packages a year ago.

External demand, on the other hand, has shown some recovery as the country benefitted from robust global activity in merchandise trade. Export of goods in 2021 reached record highs, surpassing its pre-pandemic levels, as it registered a 14.5% growth mainly driven by the increased demand for electronics, the country's largest export commodity. However, services trade remained weak, as lingering restrictions in travel and tourism weighed heavily on travel and transport export services, which contracted by 52.6% and 5.4%, respectively. Meanwhile, imports grew strongly as importation of consumption goods, raw materials, and capital goods picked up due to increased economic activity and a strong rebound in the manufacturing industry. This, along with elevated global commodity prices due to supply chain disruptions, ultimately led to a wider trade deficit year-on-year.

On the supply side, economic activity was supported by growth in the industry and services sectors. The industry sector rebounded to 8.2% in 2021 vs. -13.2% in 2020. Its strong performance was driven by a strong rebound in manufacturing amid a more supportive external environment, along with increased infrastructure spending. The services sector, which accounts for a huge chunk (or 61%) of GDP among the three major economic sectors, posted a more moderate expansion of 5.3% in 2021 as key services such as wholesale and retail trade, transportation, and accommodation and food services continue to struggle amid the pandemic. However, sectors such as health and information and communication fueled growth, benefitting from increased demand on their services. Lastly, the agriculture sector contracted by 0.3% as farm output continued to suffer from the ongoing outbreak of African swine fever and the damages brought by several strong typhoons that hit the country during the year.

The monetary authority maintained a low interest rate to support the economic recovery. Headline inflation averaged by 4.5% in 2021, breaching the upper bound of the government's 2%-4% target band. Supply-side constraints drove inflation higher with food adversely affected by weather disturbances alongside rising global commodity prices. Core inflation, on the other hand, which excluded volatile food and energy items, remained stable, averaging 3.3% in 2021, which indicates weak underlying price pressure especially as aggregate demand remained generally tempered by the pandemic. To support the country's economic recovery prospects in terms of relatively lower borrowing costs, BSP kept its key policy rate to the record low of 2.0% and the reserve requirement ratio (RRR) to 12.0% despite elevated headline inflation. Local short-term interest rates (PHP BVAL yields) continued to hover near record lows as a result, but long-term interest rates have already started to go up by late-2021.

The fiscal stance remains supportive of economic recovery, but the policy space is narrowing. Public spending accelerated to 24.6% of GDP in the first three quarters of 2021, vs. 23.6% in the same period in 2020, due to increased government spending especially on infrastructure to boost economic recovery and ongoing fiscal support to mitigate the economic fallout due to the pandemic. Infrastructure outlays increased to 4.7% of GDP in the first three quarters of 2021, vs. 3.5% in the previous year. Increased public spending coupled with a shrinking tax base amid multiple lockdowns that slowed down tax revenue collections ultimately widened the fiscal deficit to 8.3% of GDP in the first three quarters of 2021, vs. 6.9% in the same period last year. The sharp increase in the fiscal deficit resulted in the public debt ratio reaching its highest level in 15 years to 63.1% as of 3Q 2021. Yet, the country's long-term fiscal sustainability remains manageable, benefitting from years of prudent fiscal management by the government.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	**2021**	**2020**	**2019**
Total Assets	959,133	772,106	767,079
Investment Securities	219,235	88,064	160,719
Loans and Receivables (Net)	538,302	491,284	449,219
Total Deposits	672,459	535,788	456,581
Capital Funds	111,080	101,378	82,850

RCBC's Total Assets stood at P959.1 billion.

Cash and other Cash Items decreased by 11.1% or P1.8 billion from P16.5 billion to P14.7 billion due to the decline in cash on hand and cash in ATMs.

Due from Bangko Sentral ng Pilipinas (BSP) increased by 12.7% or P14.7 billion from P115.5 billion to P130.2 billion mainly attributable to the increase in Demand Deposit Account with the BSP and higher Term Deposit.

Due from Other Banks decreased by 22.6% or P3.5 billion from P15.7 billion to P12.2 billion, mainly due to decrease in foreign bank placements as a result of redeployment of funds.

Loans Arising from Reverse Repurchase Agreement decreased by 12.5% or P1.7 billion from P13.4 billion to P11.7 billion due to lower placements with the BSP.

Total Investment Securities, representing 22.9% of Total Resources, increased by 149.0% or P131.2 billion from P88.1 billion to P219.2 billion attributable to the 280.3% or P120.6 billion increase in Investment Securities at Amortized Cost from P43.0 billion to P163.6 billion; 23.9% or P9.6 billion increase in Financial Assets at Fair Value Other Comprehensive Income (FVOCI) from P40.2 billion to P49.8 billion; and 20.0% or P975.0 million increase in Financial Assets at Fair Value Through Profit or Loss (FVTPL) from P4.9 billion to P5.9 billion.

Loans and Receivables – net, grew by 9.6% or P47.0 billion from P491.3 billion to P538.3 billion attributable to the increase in total loan to customers amounting to P56.2 billion, which grew by 12.3% versus last year, net of the decrease in level of Interbank Loans by 28.4% or P12.2 billion. It represented 56.1% of Total Resources.

Deferred Tax Assets (DTA) increased by 5.3% or P162.0 million from P3.0 billion to P3.2 billion mainly due to net DTA set-up during the year.

Other Resources – net, increased by 13.5% or P1.6 billion from P11.5 billion to P13.1 billion largely attributable to the increase in Non-current Assets Held for Sale.

Deposit Liabilities were recorded at P672.5 billion and represented 70.1% of Total Resources. Demand deposits grew by 35.1% or P37.6 billion from P107.2 billion to P144.8 billion and accounted for 15.1% of Total Resources. Savings deposits grew by 17.1% or P33.3 billion from P195.2 billion to P228.5 billion and accounted for 23.8% of Total Resources. Time deposits reached P299.2 billion, which grew by 28.2% or P65.7 billion from P233.5 billion to P299.2 billion and accounted for 31.2% of Total Resources.

Bills Payable increased by 324.6% or P42.7 billion from P13.2 billion to P55.9 billion primarily due to increase in foreign borrowings as an alternative source of funding.

Total Liabilities stood at P848.1 billion and represented 88.4% of Total Resources.

Treasury Shares decreased by 32.3% or P4.4 billion from P13.7 billion to P9.3 billion due to the re-issuance of the 101,850,000 common shares to Sumitomo Mitsui Banking Corporation (SMBC) in July 2021.

Other Comprehensive Income increased by 7.1% or P147.0 million from loss of P2.1 billion to P1.9 billion mainly due to the improvement in the valuation of retirement plan , net of the decline in Net Unrealized Gains on Financial Assets at FVOCI securities as compared with previous year.

Retained Earnings increased by 13.9% or P5.2 billion from P37.2 billion to P42.4 billion mainly on account of the net income during the year, net of cash dividends paid during the year.

Total Capital Funds were recorded at P111.1 billion and accounted for 11.6% of Total Resources.

Income Statement

INCOME STATEMENT			
In Million Pesos	2021	2020	2019
Interest Income	37,111	36,952	37,578
Interest Expense	8,280	10,671	15,210
Net Interest Income	28,831	26,281	22,368
Other Operating Income	7,563	11,632	13,490
Impairment Losses	6,048	9,375	7,397
Operating Expenses	22,535	22,045	21,798
Tax Expense	728	1,475	1,275
Net income	7,083	5,018	5,388
Attributable to:			
Parent Company's Shareholders	7,082	5,020	5,387
Non-controlling Interests	1	(2)	1

Total interest income slightly increased by 0.4% or P159.0 million from P37.0 billion to P37.1 billion and accounted for 102.0% of total operating income. Interest income on loans and receivables went down by 5.9% or P2.0 billion from P33.9 billion to P31.9 billion due to lower average yield, net of growth in average volume. It accounted 87.7% of total operating income. Interest income on Investment Securities increased by 114.0% or P2.4 billion from P2.1 billion to P4.4 billion as a result of the increase in volume and improvement in average yield; it accounted 12.2% of total operating income. Other interest income, on the other hand, decreased by 20.9% or P201.0 million from P964.0 million to P763.0 million due to lower yield on net placements with the BSP.

Total interest expense went down by 22.4% or P2.4 billion from P10.7 billion to P8.3 billion and accounted for 22.8% of total operating income. Interest expense on Deposit Liabilities decreased by 23.2% or P1.2 billion from P5.3 billion to P4.1 billion primarily due to decrease in average costs, net of the increase in average volume; it represented 11.2% of total operating income. Interest expense on Bills Payable and Other Borrowings decreased by 21.6% or P1.2 billion from P5.4 billion to P4.2 billion due to combined effects of lower average volume and lower average costs, year-on-year.

As a result, net interest income increased by 9.7% or P2.6 billion from P26.3 billion to P28.8 billion.

As business environment started to improve, the Bank booked total Impairment losses of P6.0 billion, down by 35.5% or P3.3 billion from P9.4 billion last year. It represented 16.6% of total operating income.

Other operating income decreased by 35.0% or P4.1 billion from last year's P11.6 billion to P7.6 billion. This accounted for 20.8% of total operating income, and is broken down as follows:

- Trading and securities gain – net, decreased by 85.8% or P5.2 billion from P6.1 billion to P863.0 million mainly due to lower realized trading gains from sale of investment securities. It accounted 2.4% of total operating income;
- Service fees and commissions increased by 30.0% or P1.0 billion from P3.5 billion to P4.5 billion mainly due to improvement in fee income from across all products. It represented 12.5% of total operating income;
- Foreign exchange gains – net, decreased by 68.5% or P393.0 million from P574.0 million to P181.0 million due to lower revaluation profits as a result of the weakening of the peso.
- Trust fees increased by 21.4% or P69.0 million from P323.0 million to P392.0 million due to significant increase in volume of managed funds;

- Share in net earnings of subsidiaries and associates increased by 112.8% or P106.0 million due to higher equity earnings from Investments in Associates;
- Miscellaneous income increased by 26.4% or P327.0 million from P1.2 billion to P1.6 billion mainly due to higher gain on sale of assets and other income.

Operating expenses, which accounted for 61.9% of total operating income, slightly increased by 2.2% or P490.0 million from P22.0 billion to P22.5 billion due to the following:

- Total Employee benefits decreased by 3.9% or P255.0 million from P6.6 billion to P6.4 billion. It represented 17.5% of total operating income;
- Taxes and licenses, which accounted for 9.6% of total operating income, increased by 9.1% or P291.0 million from P3.2 billion to P3.5 billion mainly due to higher documentary stamp tax, which is volume-related;
- Depreciation and amortization was recorded at P3.0 billion, up by 3.3% or P96.0 million from P2.9 billion from previous year. It represented 8.3% of total operating income;
- Occupancy and equipment-related expenses slightly increased by 0.0% or P1.0 million from P2.8 billion to P2.8 billion year-on-year. It represented 7.8% of total operating income;
- Miscellaneous expenses increased by 5.5% or P357.0 million to P6.8 billion from P6.5 billion to P6.8 billion largely due to the increase in regulatory related fees as a result of the growth in deposit liabilities and total resources. It accounted for 18.8% of total operating income.

Tax expense decreased by 50.6% or P747.0 million from P1.5 billion to P728.0 million mainly due to lower final tax on investment securities and the impact of the implementation of Corporate Recovery and Tax Incentives for Enterprise Act Law reducing the corporate income tax rate by 5% effective July 1, 2020.

Net profit attributable to non-controlling interest settled at P1.0 million.

Overall, net income increased by 41.2% or P2.1 billion from P5.0 billion to P7.1 billion.

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2021	2020	2021	2020
Return on Average Assets (ROA)	0.8%	0.7%	0.8%	0.7%
Return on Average Equity (ROE)*	6.7%	5.5%	6.7%	5.6%
Risk-based Capital Adequacy Ratio (CAR)	15.2%	16.1%	14.9%	15.9%
Common Equity Tier 1 Ratio	12.2%	12.6%	11.8%	12.3%
Non-Performing Loans (NPL) Ratio	3.3%	2.9%	3.2%	2.8%
Non-Performing Assets (NPA) Ratio	2.7%	2.8%	2.6%	2.7%
Net Interest Margin (NIM)	4.1%	4.3%	4.1%	4.3%
Cost-to-Income Ratio	61.9%	58.2%	61.4%	57.8%
Loans-to-Deposit Ratio**	76.3%	85.2%	74.9%	83.6%
Current Ratio	1.7	2.1	1.6	2.2
Liquid Assets-to-Total Assets Ratio	0.2	0.3	0.2	0.3
Debt-to-Equity Ratio	7.6	6.6	7.6	6.5
Asset-to- Equity Ratio	8.6	7.6	8.6	7.5
Asset -to- Liability Ratio	1.1	1.2	1.1	1.2
Interest Rate Coverage Ratio	1.9	1.6	2.0	1.6
Earnings per Share (EPS)*				
Basic	Php 3.09	Php 2.43	Php 3.09	Php 2.43
Diluted	Php 3.09	Php 2.43	Php 3.09	Php 2.43

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK In Php 000s (Except EPS)	Audited 2021	 2020
Net Loss	Php (9,938)	Php (88,981)
Return on Average Assets (ROA)	-0.7%	-4.9%
Return on Average Equity (ROE)	-2.0%	-15.7%
Risk-based Capital Adequacy Ratio (CAR)	31.0%	30.7%
Non-Performing Loans (NPL) Ratio	3.0%	1.9%
Non-Performing Assets (NPA) Ratio	4.6%	2.9%
Loss per Share (EPS)	Php (0.88)	Php (7.90)

RCBC CAPITAL CORPORATION and Subsidiaries In Php 000s (Except EPS)	Audited 2021	 2020
Net Income	Php 315,427	Php 160,673
Return on Average Assets (ROA)	7.3%	3.5%
Return on Average Equity (ROE)	9.6%	4.6%
Risk-based Capital Adequacy Ratio (CAR)	38.5%	39.9%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	Php 2.67	Php 1.36

RCBC FOREX BROKERS CORPORATION In Php 000s (Except EPS)	Audited 2021	 2020
Net Income	Php 1,725	Php 5,503
Return on Average Assets (ROA)	1.0%	3.2%
Return on Average Equity (ROE)	1.1%	3.3%
Capital to Total Assets	95.7%	92.1%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Common Share (EPS)*	Php (44.55)	Php (37.12)

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

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Loss	Php (8,176)	Php (9,101)
Return on Average Assets (ROA)	-7.5%	-7.6%
Return on Average Equity (ROE)	-7.7%	-7.8%
Capital to Total Assets	95.4%	103.2%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share	Php (3.27)	Php (3.64)

RCBC TELEMONEY EUROPE S.P.A *	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income	Php 0.0	Php 0.0
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	-158.5%	-158.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	Php 0.00	Php 0.00

**In the process of liquidation*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income (Loss)	Php (3,458)	Php 2,276
Return on Average Assets (ROA)	-2.2%	1.4%
Return on Average Equity (ROE)	3.1%	-2.0%
Capital to Total Assets	-80.1%	-72.6%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings (Loss) per Share (EPS)	Php (0.02)	Php 0.01

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income	Php 22,490	Php 13,695
Return on Average Assets (ROA)	4.0%	2.3%
Return on Average Equity (ROE)	4.3%	2.4%
Capital to Total Assets	93.6%	93.1%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	Php 16.17	Php 9.85

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income (Loss)	Php 147,883	Php (61,919)
Return on Average Assets (ROA)	1.3%	-0.5%
Return on Average Equity (ROE)	6.8%	-2.9%
Risk-based Capital Adequacy Ratio (CAR)	18.9%	19.0%
Non-Performing Loans (NPL) Ratio	8.3%	11.2%
Non-Performing Assets (NPA) Ratio	5.4%	7.2%
Earnings (Loss) per Share (EPS)	Php 0.05	Php (0.04)

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Loss	Php (476)	Php (119)
Return on Average Assets (ROA)	-0.9%	-0.2%
Return on Average Equity (ROE)	-0.9%	-0.2%
Capital to Total Assets	100.0%	100.0%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share (EPS)	Php (0.80)	Php (0.20)

Notes to the Computations:

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

Key Variable and Other Qualitative and Quantitative Factors

Plans for 2024

Philippines was forecasted to grow faster in 2024 compared to previous year despite the overhang of high inflation, geopolitical risks, and El Niño/weather disturbances.

The Bank will ride this momentum to grow its loans and investment securities. Strategies to grow the business and customers include, using data science to identify cross sell opportunities, expanding partnerships and collaborations, and tapping ecosystems and supply chains. The Bank will also launch new products and features of our digital offerings.

To improve customer engagement and employee productivity, RCBC will continue to redesign processes and use AI.

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

Item 7. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 8. Information on Independent Accountant and other Related Matters

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

For the audit of the Group's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount to be billed excluding out-of-pocket expenses, by its independent accountant amounted to P13.8 million and P13.0 million for 2023 and 2022, respectively. Additionally, approximately P5.6 million was paid for other services rendered by the independent accountant in 2023.

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, 2023 and 2022, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The names, ages, citizenship and positions of all the Bank's directors are as follows:

Regular Directors

Helen Y. Dee

Ms. Dee, 79, Filipino, is the Bank's Chairperson. Ms. Dee is also the Chairperson of House of Investments, Inc, Petroenergy Resources Corp, all of which are PSE-listed companies. She is also the Chairperson of Pan Malayan Management and Investment Corporation, Malayan Insurance Co. Inc., Landev Corporation, Hi-Eisai Pharmaceutical Inc., Malayan Educational Systems, Inc. and Manila Memorial Park Cemetery. Among the top companies where she holds a directorship position are Philippine Long Distance Telephone Company and Sun Life Grepa Financial, Inc. She graduated from Assumption College with a Bachelor of Science degree in Commerce and completed her Master's in Business Administration at De La Salle University.

Cesar E.A. Virata

Mr. Virata, 93, Filipino, 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, Luisita Industrial Park Corporation, RCBC Bankard Services Corporation, AY Foundation, Inc., City and Land Developer Corporation, UCM Philippines Foundation, Inc., and Cavitex Holdings Corporation, among others. He is an adviser of Lopez Holdings Corporation and ICCP, 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 Chairman of the Board of Investments, Undersecretary for Industry. He was also Chairman of the Land Bank of the Philippines and Philippine National Bank. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank. Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata has also held membership in various international committees in the past, including: Bretton Woods Committee, Group of 30, Institute of International Finance, Rockefeller Tripartite Commission for Asia, Davos Forum, World Development Committee of the World Bank and IMF, ADB Forum.

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

Eugene S. Acevedo

Mr. Acevedo, 60, Filipino, is the Bank's President and Chief Executive Officer. He has over thirty five years (35) years of banking experience gained from local and multinational banks including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank Philippines, Singapore and Hong Kong.

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

Gil A. Buenaventura

Mr. Buenaventura, 71, Filipino, 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 trusteeship positions in De La Salle Philippines School System, Malayan Insurance Company, Inc., House of Investments, Inc., and Manila Memorial Park Cemetery, Inc. He is also an Independent Director of Basic Energy Corporation. He graduated with a Bachelor of Arts degree, major in Economics, from the University of San Francisco, California, and with a Master's of Business Administration in Finance from the University of Wisconsin.

Armando M. Medina

Mr. Medina, 74, Filipino, was an Independent Director of the Bank from 2003 to 2020. He became a regular director of the Bank starting January 1, 2021. He is a member of the Bank's Executive Committee. He was an Independent Director of Malayan Insurance, Co. Inc. until September 28, 2023. He served as an Independent Director of RCBC Capital Corporation until December 31, 2021. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

John Law

Mr. Law, 73, a dual citizen of France and Taiwan, has been a Director of the Bank since April 2015. He is also currently a Director of Far East Horizon Ltd. in Hong Kong and Khan Bank in Mongolia. He served as Senior Advisor for Greater China for Oliver Wyman from Jan 2013 through December 31, 2020. He holds a Bachelor of Science degree, major in Psychology, from Chung Yuan University in Taiwan; a Master's of Business Administration degree from Indiana University; and a Master's of Arts degree, major in Poetry, from the University of Paris, France.

Shih-Chiao (Joe) Lin

Mr. Lin, 52, Taiwanese, 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.

Gayatri P. Bery

Ms. Bery, 58, American, has been a Director of the Bank and Risk Oversight Committee member since July 2020. Ms. Bery most recently served as Chief Operating Officer, Asia Pacific Global Capital Markets at Morgan Stanley (Hong Kong) where she was also a member of the Steering Committee of Morgan Stanley's HK Women's Business Alliance Team. Her past work experiences include being an investment advisor in Hong Kong and roles at Morgan Stanley & Co. Incorporated (New York), Ranieri & Company (New York), and Drexel Burnham Lambert (New York). Ms. Bery graduated with a Bachelor of Science degree in Applied Mathematics/Computer Science from Carnegie Mellon University (Pennsylvania, USA), and obtained a Master of Business Administration (Beta Gamma Sigma) from Columbia Business School (New York, USA). In 2023, she was conferred as a Qualified Risk Director® after being awarded a Certificate in Risk Governance® from the DCRO Institute.

Hiroki Nakatsuka

Mr. Nakatsuka, 54, Japanese, was an Advisory Board Member the Bank from 2021 until 2023. He has been a Director and a Member of the Executive Committee of the Bank since 2023. He has been with Sumitomo Mitsui Banking Corporation (SMBC) for over 30 years and is currently the Managing Director of Asia Growing Markets Department of SMBC. He used to be the General Manager of the Manila Branch and the Chief Representative of the Manila Representative Office of SMBC. During his stay in Manila at the time, he was also a director of the Bankers Association of the Philippines. He was a guest professor of Kindai University from 2010 until 2012. He graduated with a Bachelor of English degree from Kansai Gaidai University. He finished the BIPA Program (Indonesian Language Program) at Universitas Indonesia.

Katsufumi Uchida

Mr. Uchida, 56, Japanese has been a Director of the Bank since July 31, 2023. He currently holds positions in SMBC as Managing Executive Officer, Head of Asia Business Development Division, and Deputy Head of APAC Division. He also serves as Managing Executive Officer of SMFG based in Tokyo. He joined SMBC in 1990 and has spent over 19 of his more than 30 years with the company outside Japan, including Brussels, Hong Kong, Singapore and London, assuming various leadership roles. He graduated from the Waseda University of Japan, major in Political Science and Economics.

Juan B. Santos

Mr. Santos, 85, Filipino, has been an Independent Director of the Bank since November 2016. He serves as Lead Independent Director of the Bank. He holds director, trustee, and advisory positions in various companies as detailed below. Prior to joining the Bank, he was the Chairman of the Social Security Commission. He served briefly as Secretary of Trade and Industry and was CEO and Chairman of Nestle Philippines, Singapore, and Thailand. He also served as Director of various publicly listed companies, including the Philippine Long Distance Telephone Company, Philex Mining Corporation, San Miguel Corporation, Equitable Savings Bank, Inc., and PCI Leasing and Finance, Inc. He holds a Bachelor of Science in Business Administration degree from the Ateneo de Manila University and a degree in Foreign Trade from the Thunderbird School of Management in Arizona, USA. He completed his Advanced Management Course at the International Institute for Management Development in Lausanne, Switzerland.

Gabriel S. Claudio

Mr. Claudio, 69, 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), and Toby's Youth Sports Foundation. He served as political adviser to former presidents Fidel V. Ramos and Gloria Macapagal-Arroyo and held various positions in the Cabinet and government including: Presidential Political and Legislative Adviser, Chief of the Presidential Legislative Liaison Office, Cabinet Officer for Regional Development for Eastern Visayas, and Acting Executive Secretary. He also previously served as Director of the Philippine Amusement and Gaming Corporation (PAGCOR), Chairman of the Board of Trustees of the Metropolitan Water and Sewerage System, Director of the Development Bank of the Philippines, and Director of the Philippine Charity Sweepstakes Office. He holds an AB Communication Arts degree from the Ateneo de Manila University.

Vaughn F. Montes, Ph.D.

Mr. Montes, 73, Filipino, has been an Independent Director of the Bank since September 2016. He is a former Trustee at the Institute of Corporate Directors (ICD) as well as a current Teaching Fellow on Corporate Governance courses of the ICD. He is a Director of the Center for Excellence in Governance, and President of the Center for Family Advancement. He was a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant from December 2011 to October 2022. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is an Adjunct Faculty member at the Asian Institute of Management. He 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.

Laurito E. Serrano

Mr. Serrano, 63, Filipino, has been an independent director of the Bank since March 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. He likewise serves as an independent director of Axelum Resources Corp., Pacific Online Systems Inc., Anglo Philippine Holdings Inc, Premium Leisure Corporation, and as a director in MRT Development Corporation.

Mr. Serrano's past experience includes, among others, directorships in 2Go Group, Inc., Atlas Mining & Development Corporation, 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 Master's in Business Administration degree from the Harvard Graduate School of Business.

Erika Fille T. Legara, Ph.D.

Ms. Legara, 40, Filipino, has been an independent director of the Bank since July 2022. She is a scientist, educator, and an advisor on data science and artificial intelligence (AI), data and AI strategy and governance, infrastructure, and education. She holds the following positions at the Asian Institute of Management (AIM): Associate Professor of Data Science; Founding Director of the Master of Science in Data Science Program; Deputy Director and Senior Scientist of the Analytics, Computing, and Complex Systems Laboratory; and Aboitiz Chair in Data Science. Prior to joining AIM in 2017, Ms. Legara was a scientist at A*STAR, Singapore, where she worked closely with government institutions and the industry sector on different R&D initiatives. She is a TOYM and TOWNS awardee and received the National Academy of Science and Technology Outstanding Young Scientist award in 2020. She is an Asia 21 Young Leader (Class of 2022). Ms. Legara graduated cum laude from the University of the Philippines, Diliman with the degree of BS in Physics. She obtained her MS and PhD in Physics also from the same university. She took up Leading Smart Policy Design at JF Kennedy School of Government, Harvard University, Executive Education in 2021.

The Directors of the Bank are elected at the annual shareholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Vacancies occurring during the year are filled for the unexpired term by election or appointment made by the remaining Directors, and the person so elected or appointed shall hold office until the election at the next annual stockholders' meeting.

None of the Bank's Directors are related to one another or to any of the Bank's executive officers.

<u>Executive Officers</u>

The names and positions of the Bank's executive officers are as follows:

Eugene S. Acevedo, 60, Filipino, President and Chief Executive Officer effective July 1, 2019. He joined the Bank on January 2, 2019 as Deputy Chief Executive Officer. Mr. Acevedo has over thirty five years (35) years of solid banking experience which he gained from local and multinational banks. With his expertise in strategy formulation, business development, origination, relationship building, cost reduction and risk control, he has successfully handled challenging roles and led sales and revenue generating teams in the said banks. His exposure focused on the following areas: Corporate Banking, Retail Banking, Treasury, Trust, Consumer Finance, Marketing, Credit and Remittance.

He was last connected with Union Bank of the Philippines where he was a Senior Executive Vice President for Corporate and Retail Banking from November 2011 to Nov 6, 2018. In a concurrent capacity, he served as the Chairman of CitySavings Bank, Unionbank's thrift bank subsidiary from March 2013 to Nov 6, 2018. Prior to this, he was the President and Chief Executive Officer/Vice Chairman of the Board of the Philippine National Bank from May 2010 to July 2011.

He gained most of his banking experience at Citigroup (1987-2010) where he started as a Management Associate for Citibank Philippines, N.A. in 1987. The following are the various roles he handled in the said institution: Managing Director and Head of Global Markets-Hong Kong and Taiwan Cluster; Country Treasurer-Hong Kong; Managing Director, Country Treasurer & Head of Emerging Markets Sales and Trading; Director/Asia Pacific Regional Derivatives Sales Head; Head of Sales and Structuring/Vice President; Vice President for Derivatives Marketing–Asia; Assistant Vice President for Corporate Audit-North Asia; Manager/Assistant Vice President-Money Market, Foreign Exchange, Bond Trading and Derivatives Trading; and Operations Officer.

During his stints with the banks, he also concurrently performed significant roles for subsidiaries and actively participated in community and industry affairs.

Mr. Acevedo 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 finished his Masters in Business Administration, ranking first in the graduating class in 1987, at the Asian Institute of Management. He completed an Advanced Management Program at the Harvard Business School in 2014.

Redentor C. Bancod, 60, Filipino, Senior Executive Vice President, is the Bank's Chief of Staff and the Head of the IT Shared Services Group. He has thirty nine (39) years of professional experience focused on Information Technology and Operations. He was appointed on 1 July 2018 as concurrent Head of the Operations Group of the Bank. He was also designated as Chief of Staff on 2 November 2017. Prior to assuming these roles, he was the Head of IT Shared Services & Operations Group and the concurrent Head of Digital Banking Group before assuming his current role. Previously, he was Vice-President & General Manager, Central Systems Asia of Sun Life Financial, Asia and Senior Vice-President and Chief Technology Officer of Sun Life Of Canada (Philippines) Inc. from October 2003 to 2007; Senior Vice-President & Chief Information Officer of Equitable Bank from July 1996 to September 2003; Assistant Vice-President and Head of Applications Development in Far East Bank from October 1993 to June 1996; Assistant Vice-President of Regional Operations (Asia Pacific) of Sequel Concepts, Inc. USA/Ayala Systems Technology Inc. from November 1992 to September 1993; Project Manager in Union Bank of Switzerland, NA from April 1988 to November 1992; and Chief Designer and Technical Adviser in Computer Information System Inc. from March 1984 to April 1998. He obtained his Bachelor of Arts degree in Philosophy from the University of the Philippines and is a candidate for a Master of Science degree in Information Management from the Ateneo de Manila University.

Reginaldo Anthony B. Cariaso, 56, Filipino, Executive Vice President is currently the Group Head for Operations effective February 4, 2024. He has twenty seven (27) years of experience gained from local and overseas firms focused on Transaction Banking, Remittance & Funds Transfer, Special Accounts Management (NPLs), Strategy Management & Marketing, and Systems & Project Development as well as in Investment Banking particularly on equity capital market transactions, debt capital raising and M&A transactions. Prior to joining RCBC, he was the Head of Institutional Banking Strategy, Products and Support Group/Senior Vice President at the Bank of the Philippine Islands. Positions held in other financial firms are as follows: President of BPI Capital Corporation (2013-2019), Executive Director of Nomura International, Hong Kong (2009-2012), Executive Director of J.P. Morgan, Hong Kong; Junior Research Management Staffer (1996-2008). He served the United States Navy under the Submarine Force as Lieutenant from 1990-1996. He is a graduate of the University of Pennsylvania, Philadelphia where he obtained a degree in Bachelor of Arts in Chemistry in 1990.

Elizabeth E. Coronel, 55, Filipino, Executive Vice-President, is the Head of Corporate Banking Group. She has thirty four (34) years of banking experience. She joined RCBC in June 2013 as Senior Banker and Head of Conglomerate Banking Division. She was assigned as Segment Head of Conglomerates and Global Corporate Banking, a role which she performed on August 2014 until she was appointed as Group Head in June 2018. Previously, she was the Senior Vice-President and Chief Operations Officer of Equicom Savings Bank, a position she held for more than five years. She also held various positions in local and foreign banks namely Mizuho Corporate Bank as Vice President and Co-Head of Corporate Finance Department (January 2007 to February 2008), Equitable PCIBank as Vice-President and Head of Corporate Banking Division 4 (1996-2007) and Citibank as Relationship Manager of Global Consumer Bank (1993-1996). She started her career in the banking industry when she joined RCBC in 1989 as Marketing Assistant for Corporate Banking. Ms. Coronel obtained her Bachelor of Arts degree in Behavioral Science from the University of Santo Tomas and earned MBA units from the Ateneo Graduate School of Business. She also completed the Mizuho-ICS (MICS) Mini-MBA program at Hitotsubashi University Graduate School of International Corporate Strategy.

Richard C. Lim, 55, Filipino, Executive Vice President, is the Head of Retail Banking Group effective September 14, 2018. He has thirty one (31) years of banking experience. Prior to his current role, he was seconded to RCBC Savings Bank as Chief Operating Officer. Mr. Lim previously worked with Maybank Inc. Last position he held in the said bank was Head of Retail Banking. He also handled the following roles in the said bank: Head of Retail Marketing Management, Assistant Vice President for Cash Management Services, Head of Consumer Sales Department, and Cluster Head for Binondo Manila area. He also had stints with other banks namely, Philam Bank-AIG where he worked as Manager for Binondo Branch, International Exchange where he functioned as Assistant Manager/Sales Officer, Banco De Oro where he was a Marketing Officer, Urban Bank where he performed the role of a Marketing Associate, and Chinabank where he was designated as Officer's Assistant at Cash Department. He graduated from the University of Santo Tomas in 1991 with a degree in Bachelor of Science major in Biology.

Bennett Clarence D. Santiago, 54, Filipino, Executive Vice President, is the Head of the Credit Management Group. He has over twenty one (21) years of professional experience in risk management with significant years focused to commercial credit risk management and evaluation as well as enterprise risk management. Prior to joining RCBC, he was the Business Head for Small Business Loans in the Consumer Lending Group of Banco De Oro Unibank. His experiences also include serving as Head, Commercial Banking Credit Evaluation Unit, Risk Management Group of BDO; Risk Head of Citibank N.A.; Chief Compliance Officer, Union Bank of the Philippines; and various officer positions in International Exchange Bank, Globe Telecom Inc., and Hongkong and Shanghai Banking Corporation. He graduated from the University of the Philippines in 1991 with a Bachelor of Science degree in Business Administration. He finished his Master's in Business Administration in 2001 from Ateneo Business School.

Angelito M. Villanueva, 52, Filipino, Executive Vice President, is the Bank's Chief Innovation and Inclusion Officer/Head of Digital Enterprise and Innovations Group. He has thirty (30) years of professional experience. Prior to joining RCBC, he pioneered the financial technology business in firms such as PLDT Group and was among the founding executives of PayMaya wallet. He was the Managing Director of FINTQnologies Corp, the financial technology (FinTech) arm of Voyager Innovations from June 2013 to March 31, 2019. He was also a Member of the Board of Directors in FINTQnologies (June 2017 to March 2019) and FINTQSurelite Insurance Agency (June 2017 to March 2019).

His previous stints include the following roles in various institutions and organizations: Founder and Lead Convenor of KasamaKa Financial Inclusion Movement (September 2017 to March 31, 2019); Head, Customer Strategy and Market Activation, Visa, Nov 2011-Jan 2013; Short-term Consultant on Mobile Money Transfer in Mongolia at IFC World Bank Group, Aug 2011-Dec 2011; Monitoring and Evaluation (M&E) Consultant at Department of Social Welfare and Development-World Bank, March 2011-February 2012; VP and Head, Mobile Financial Services-Smart Communications, Inc., Feb 2007-Jan 2009; Regional Manager for Marketing and Special Projects for APAC and EMEA at BCD Travel 2003 - 2006; Executive Director and VP at Luntiang Pilipinas (Green PH) Foundation, Inc. 2000-2003; Chief of Division, Overseas Correspondent Banking Department, Global Banking Group at Land Bank of the Philippines, 1995-2000; Senior Research Associate and Associate Editor at Economist Intelligence Unit (EIU) Phils., 1993-1995.

Mr. Villanueva graduated from the University of Santo Tomas in 1992 with a degree in Bachelor of Arts in Political Science. He completed a Master in National Security Administration at the National Defense College of the Philippines in 2000. He also finished his Master in Public Administration as Magna Cum Laude at the University of Santo Tomas in 2000.

Ma. Christina P. Alvarez, 53, Filipino, First Senior Vice-President, is the Head of Corporate Planning Group. She has thirty two (32) years of professional experience gained from the financial and banking industry. Prior to assuming her current position, she was the OIC of Corporate Planning Group from October to December 2014 and the Financial Planning and Development Division Head from August 2006 to September 2014. She worked with various institutions in the following capacities: Financial Planning Officer at Banco de Oro from July 2005 to July 2006, Corporate Planning Officer at RCBC from 1999 to 2005, Risk Management and Planning Officer of Malayan Bank from 1998 to 1999, Research Officer of Unicapital, Inc. from 1995 to 1996 and Credit/Financial Analyst of Multinational Investment Corporation from 1991 to 1995. Ms. Alvarez graduated from Ateneo de Manila University in 1991 with a Bachelor of Arts degree in Management Economics. She earned her Masters in Business Management degree from the Asian Institute of Management in 1998.

George Gilbert G. Dela Cuesta, 56, Filipino, First Senior Vice President, is the Group Head of the Legal Affairs Group and the Bank's Corporate Secretary. He has thirty one (31) years of legal experience. He joined RCBC in November 2016 as Deputy Head for Legal and Regulatory Affairs Group. Previously, he was Head of Legal for Asian Terminals for more than seven (7) years. He previously worked also as General Counsel for Hanjin Heavy Industries & Construction Co. Ltd. and for Mirant (Phils) Corporation. He had previous consultancy engagements and employment with Follosco Morallos & Herce Law Office, PNOC-EDC and at the Department of Environmental and Natural Resources. He started his career at Quisumbing and Torres. Atty. dela Cuesta graduated from the University of the Philippines in 1988 with a degree in Bachelor of Arts major in Political Science. He earned his Law degree from the same university in 1992.

Brent C. Estrella, 40, Filipino, First Senior Vice President, is the Chief Compliance Officer and Head of Regulatory Affairs Group effective December 2, 2020. He has sixteen (16) years of compliance and risk management experience which he gained from the Hong Kong and Shanghai Banking Corporation (HSBC) across various jurisdictions in Southeast Asia (the Philippines), the Middle East (UAE) and Sub Saharan Africa (Mauritius). He is a Certified Anti-Money Laundering Specialist, with broad experience in supporting multiple lines of business specifically Wealth and Personal Banking, Commercial Banking, and Global Banking and Markets. Prior to joining RCBC, he was the Senior Vice President and Country Head for Financial Crime Compliance and an Executive Committee member at Hong Kong and Shanghai Banking Corporation (HSBC) – Philippines. He has handled this role since October 2018. He handled other positions prior his current post as follows: HSBC Mauritius (April 2016 to October 2018) as Chief Compliance Officer/Executive Committee Member; HSBC United Arab Emirates (December 2012 to April 2016) as Country Head of AML and UAE Money Laundering Reporting Officer, Regional Manager, Global Banking and Markets Compliance Advisory; HSBC Philippines (September 2004 to December 2012) as Vice President, Compliance & Money Laundering Control Officer, Assistant Vice President, Fraud Risk Management, Security and Fraud Risk, Supervisor, Legal and Compliance, and Compliance Staff for Legal and Compliance. He graduated with a degree in Bachelor of Science in Legal Management (Academic Scholar) at the Ateneo De Manila University in 2004.

Florentino M. Madonza, 53, Filipino, First Senior Vice-President, is the Head of Controllership Group effective October 14, 2014. He has thirty (30) years of professional experience. Prior to assuming his current role, he was the Deputy Group Head of Controllership from August 2014 to October 2014, General Accounting and Services Division Head from July 2004 to July 2014, General Accounting Department Head from September 2001 to July 2004, Assistant to the Department Head of General Accounting from January 1998 to September 2001, Asset Management and Sundry Section Head from September 1997 to December 1997 and Corporate Disbursement and Payroll Section Head from June 1996 to September 1997. Prior to joining the Bank, he worked for Sycip, Gorres, Velayo and Co. from July 1993 to May 1996 as Auditor. Mr. Madonza completed his Bachelor of Science in Commerce major in Accounting (Cum Laude) from the Araullo University, and is a Certified Public Accountant.

Jane N. Manago, 59, Filipino, First Senior Vice-President, is the Group Head of Wealth Management. She has thirty seven (37) years of banking experience. Prior to her appointment as Group Head, she was the OIC of Wealth Management Group from December 2015 to January 2016, Segment Head of Wealth Management 1 from September 2014 to November 2015, Division 2 Head of Wealth Management from December 2006 to August 2014 and Relationship Manager for Division 2 from April 2006 to December 2006. She also worked for YGC Corporate Services Inc. as Officer-In-Charge and Marketing Head. Prior to joining the Bank, she worked with Citibank as Cash Product Manager for Global Transaction Services (September 1998 to January 1999), Account Manager (April to August 1998) and Head of Corporate Banking for Chinatown Branch (November 1996 to March 1998); and at Equitable Banking Corporation from May 1986 to October 1996, where her last appointment was the Head of the Research and Special Projects Unit. She obtained her Bachelor of Science degree in Commerce degree majoring in Business Administration and her Bachelor of Arts degree majoring in Behavioural Science from the University of Santo Tomas.

Alberto Magno N. Pedrosa, 54, Filipino, First Senior Vice President, is currently the Treasurer and Head of Treasury Group. He has twenty seven (27) years of professional experience gained from financial and banking firms. Prior to his appointment to this role on 04 March 2022, he was Head of Asset and Liability Management in Treasury Group. He handled other roles in the bank as the Head of Balance Sheet Management and Investment & Markets Trading Group from July 2017 to April 2019; Head of Investment and Markets Trading Segment from July 2013 to June 2017 and Investment Portfolio Management Division Head from August 2009 to June 2013. He has previous employment with other financial institutions where he handled significant roles as Vice-President and Head of Global Liquid Products Trading for JG Summit Capital Markets (2000-2008), Assistant Vice-President of Asset and Liquidity Management & Investment and Trading for PCIBank (1995-2000) and Senior Assistant Manager and Junior FX Trader for the Bank of the Philippine Islands (1993-1995). Mr. Pedrosa started his career when he joined BPI's Officer Training Program in 1993. He completed his Bachelor of Science degree in Commerce major in Philosophy at the London School of Economics.

Robert Rol Richard Raymond B. Ramos, 50, Filipino, First Senior Vice President, is the Trust Officer and Head of Trust and Investments Group. He has twenty eight (28) years of professional experience gained from the banking industry. Prior to joining RCBC, he was connected with East West Banking Corporation as Chief Trust Officer and Chief Investment Officer/Senior Vice President for Trust and Asset Management Group. His employment background includes previous employment with the following local banks: Union Bank where he handled various roles such as Trust Officer and Chief Investment Officer, Business Development Head and Portfolio Manager; BDO Private Bank, Inc. (formerly Banco Santander Philippines, Inc.) where he worked as Senior Manager/Relationship Manager; Bank of the Philippine Islands where he handled roles such as Branch Manager/Branch Service Officer/Treasury Staff/Trust Staff.

He rendered services with the United States Agency for International Development Project as Project Development Officer from January 1996 to May 1997 and with the World Health Organization Strategy Development Project as Technical Writer from March 1995 to December 1995.

Mr. Ramos completed his undergraduate degree of Bachelor of Science in Management Engineering from the Ateneo de Manila in 1995. He finished his masteral degrees at the Asian Institute of Management (Business Management) in 1999 and the University of Asia and the Pacific (Business Economics) in 2012. He completed his doctoral degree in Business and Economics from De La Salle University in 2016.

He is a Chartered Financial Analyst (CFA), a Chartered Alternative Investment Analyst (CAIA), a Certificant for the Certificate in Investment Performance Measurement (CIPM), Certified Securities Representative, a Registered Financial Consultant, a Certified Treasury Professional and he completed a one-year Balance Sheet Management course on Trust Operations with distinction.

Joseph Colin B. Rodriguez, 57, Filipino, First Senior Vice President, is the President and CEO of RCBC Forex Brokers Corporation. He has thirty four (34) years of banking experience. Upon merger of RCBC with RCBC Savings Bank (RSB) in 2019, he was also assigned at Treasury Group as Head of Subsidiaries Treasury Risk Positions Segment. Prior to this appointment, he served as Treasurer of RSB effective September 2016. Before assuming this post, he was the President and Chief Executive Officer of RCBC Forex Brokers Corporation from April 2015 to August 2016 and Senior Vice President and Treasurer of RCBC Savings Bank from August 2011 to March 2015. He also assumed various positions in RCBC as Head of the FX Risk Division and Head of Institutional Relationship Management Division. Before joining RCBC, he spent over two decades at the Treasury division of several foreign /local banks. He was Vice President and Head of the Foreign Exchange and Swap Desk at ING Bank Manila. He was a Dealer at the Manila office of Banque Indosuez and Assistant Dealer at the Riyadh office of Banque Al Hollandi (ABN AMRO Bank). He also headed the FX and Swaps division of Bank of the Philippine Islands. He graduated from De La Salle University with a double degree in Liberal Arts & Commerce, Major in Marketing and in Political Science.

Rowena F. Subido, 57, Filipino, First Senior Vice-President, is the Group Head of Human Resources. She has more than thirty five (35) years of HR management experience in both local and multinational institutions. She was initially appointed as Deputy Group Head of Human Resources prior to assuming her current role. Prior to joining the Bank, she worked with Citibank, N.A. as Senior Vice President/Country Lead Human Resources Generalist, prior to which she was Senior Vice President and Head of Human Resources for the Institutional Clients Group for almost two years. She also worked with Citifinancial Corporation, the Consumer Finance Division of Citigroup, as its Vice President and Human Resources Head for four years. She also has HR experience in retail, distribution and manufacturing industries, having worked for California Clothing Inc. where she was Human Resources Head, International Marketing Corporation as Division Manager for Human Resources & Operations, Tricom Systems (Philippines), Inc. as Personnel and Administration Officer and Seamark Enterprises, Inc. as a Personnel Officer. Ms. Subido obtained her Bachelor of Science degree major in Psychology from the University of Santo Tomas and earned units in Masters in Psychology major in Organizational /Industrial Psychology at De La Salle University.

Martin Roberto G. Tirol, 52, Filipino, First Senior Vice President, is the Group Head of Global Transaction Banking Group. He was initially hired by the Bank in October 2022 as Deputy Group Head for Global Transaction Banking. He has twenty nine (29) years of experience focused on transaction banking and corporate coverage work experience gained from the banking sector. He was able to gain vast customer relationships with multinational and large local corporate customer segments, significant experience in leadership roles, received local and regional citations in recognition of outstanding contributions to strengthening customer relationships and completed relevant training and certifications. Before joining RCBC, he was connected with Deutsche Bank AG, Manila Branch as Head of Transaction Banking/Director. Prior to assuming this role in January 2021, he was Head of Global Subsidiary Coverage/Director from June 2018 to December 2020.

His employment stints include the following: Head of Transaction Banking Group/Head of Transformation Group in Maybank Philippines, Inc; Head of Cash Management Department at Philippine National Bank; Head of Trade Finance Department in Australia and New Zealand Banking; Vice President for Global Transaction Services in Citibank, N.A. and Assistant Vice President; Assistant Vice President for Cash Management, Trade and Supply Chain Sales at Standard Chartered Bank; Management Associate for Global Consumer Banking at Citibank, N.A. and Marketing Assistant of Institutional Banking Group at Rizal Commercial Banking Corporation.

He graduated in 1994 from Ateneo de Manila University with a degree in Economics. In 1997, he was able to complete a Master of Science in Management from Arthur D. Little School of Management in Boston.

Arniel Vincent B. Ong, 38, Senior Vice President 2, is the President and CEO of RCBC Bankard Corporation. He has seventeen (17) years of professional experience. Upon joining RCBC in December 2, 2019, he was seconded to RCBC Bankard Services Corporation as Head of Cards Strategic Initiatives and functioned as such until July 15, 2020. Prior to joining RCBC, he was connected with HSBC Philippines where last position held was as Head of Contact Management Centre and Digital of Retail Banking and Wealth Management since January 2016. He started as Management Trainee of the said bank in 2006. He held various roles which included the following: Vice President of Policy, Acquisition and Portfolio Management in Retail Banking and Wealth Management; Head of Consumer Credit Risk for Short Term Attachment assigned at HSBC Vietnam (stint from February 2013 to May 2013); various roles within Retail Credit Risk Management; and Manager for Payment Services. He also worked as an Assistant Instructor at Ateneo De Manila University after graduation from college. He graduated with a double degree in Bachelor of Science major in Management Engineering and AB Economics. He finished his undergraduate course with honors at Ateneo de Manila University, 2006.

Juan Gabriel R. Tomas IV, 53, Filipino, Senior Vice President 2, is the Chief Risk Officer/Head of Risk Management Group. He has twenty nine (29) years of professional experience. Prior to assuming his current role, he was under Operations Group as Head of the Customer Service Support Segment. His experiences include serving as Head of Capital Markets and Custody, Operations Group (2012-2016), Citibank N.A., Head of Treasury Services Unit, Citibank N.A (2008-2011)., Production Officer for Treasury Services Unit, Citibank (2001-2007), Consultant for Controllers' Department, Deutsche Bank AG Manila (2001), and Consultant, for Process Competency Group at Accenture (formerly Andersen Consulting), from 1994 to 1999. Mr. Tomas graduated from Ateneo de Manila University in 1993 with a Bachelor of Science degree in Management. He completed his Masters in Business Management major in Finance in 2001 at the Asian Institute of Management.

Jacqueline Grace B. Wieneke, 56, Filipino, Senior Vice President 2, is currently the Group Head Designate for Wealth Management. She has thirty (30) years of significant experience, with expertise on wealth management and retail banking. Her professional years were largely spent in Citbank N.A. where she acquired competencies in setting up premier team, revenue generation, client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and project transformation. Prior to joining RCBC, she was connected with Maybank Philippines, Inc. as Head of Wealth Management and Bancassurance (2019-2023). During her stint with Citibank, N.A., she handled positions as follows: Branch Manager (2004-2018); Senior Citigold Relationship Manager (1999-2004); and Senior Personal Banker (1993-1999). She graduated Cum Laude with a degree in Bachelor of Science in Commerce major in Marketing from Assumption College in 1992.

Jose Maria P. Borromeo, 57, Filipino, Senior Vice President 1, is the Head of Reserves and Liquidity Management Segment in Treasury Group. He has thirty five (35) years of professional experience. Prior to assuming this current role, he was Head of Balance Sheet Management Segment from July 2018 to April 2019. He joined the Bank in February 2016 and was initially assigned as Head of Central Funding. He was previously employed at Standard Chartered Bank as Head of Asset and Liability Management, Financial Markets Group. He had a stint with the Bank of the Philippine Islands where he had the following roles: Head of FX Swaps and Domestic Liquidity Department; Head of Product Development and Financial Markets Research Department; Head of Risk Management Department in Treasury Group, and Dealer for Financial Derivatives Division. He had previous experience with Citytrust Banking Corporation where he worked as Head of Balance Sheet Management Unit. He started as a Management Associate Trainee in the said bank. Early in his professional career, he was connected with the Private Development Corporation of the Philippines as an Account Officer for Project Loans and as an Associate Economist for Economic and Corporate Research. He earned his undergraduate degree, Bachelor of Science in Economics from the University of the Philippines in 1988. He took up Masters in Business Administration in 1993 in the same university.

Enrique C. Buenaflor, 53, Filipino, Senior Vice President 1, is the Head of Corporate Cash Management Segment. He has thirty one (31) years of professional experience. He joined RCBC in 2010 as Business Development Manager of Global Transaction Banking Group and was later appointed as Head of Business Development Division in 2011. Prior to joining RCBC, he was the Group Head/Vice-President of Structure Products for Philippine Bank of Communications (August 2005 to March 2010), Operations Head of Central Verification Unit for Citifinancial Corporation (July 2004 to July 2005), Sales Head/Assistant Vice-President of Corporate Cash Management Services (2001-2004) and Product Manager (1999-2001) for ABN AMRO Bank. He also worked for Philippine Global Communications Corporation as Senior Manager for Corporate Planning (July 1999 to November 1999) and Capitol Wireless, Inc as Business Development Director/Marketing and Sales Manager (March 1997 to May 1999). He started his career in Citibank N.A. as Operations Staff in 1992 and then as Management Associate in 1996. Mr. Buenaflor earned his undergraduate degree, Bachelor of Science in Business Management from Ateneo de Manila University and finished his Masters in Business Management at Asian Institute of Management.

Ma. Pamela Katrina M. Cabudoy, 47, Filipino, Senior Vice President 1, is the Head of Data Science and Analytics Group. She has twenty five (25) years of professional experience. Prior to joining the Bank, she was connected with Globe Telecom as Director for Advanced Analytics, Enterprise Data Office from September 2017 up to her separation from the said company in 2022. She also served as a Director for Customer Data Analytics for the Marketing Services Hub of the same company from April 2021 to December 2021. She previously worked at SAS Institute Philippines, Inc. where she was assigned with the following roles: Head of Solutions and Practices, Presales Manager from April 2014 to September 2017; Customer Intelligence Practice Lead from April 2007 to April 2014; Principal Consultant from June 2005 to April 2007; Senior Consultant/Project Manager from June 2001 to June 2005; and Associate Consultant from June 1998 to June 2001.

She graduated with a degree in Bachelor of Science in Statistics in 1998 from the University of the Philippines in Diliman.

Jose Manuel E. Caniza, 54, Filipino, Senior Vice President 1, is currently the Head of Trading Division in Treasury Group. He has thirty one (31) years of Treasury experience in the banking industry. Prior to being designated as such, he was the Head of Interest Rate Risk Division from July 2009 up to the time he assumed the position of Head of Domestic Interest Division in January 2013. Before joining RCBC, he was connected with Citibank, N.A. where he handled the following roles: Vice President for Debt & Interest Rate Derivatives from 2007 to 2009, Assistant Vice President from 2004 to 2007; Manager for FX Desk from 1997 to 2003; Assistant Manager for Treasury Marketing from 1996 to 1997; and as Staff from 1992 to 1996.

He graduated from De La Salle University in 1991 with a degree in Bachelor of Science in Mechanical Engineering. He earned his Masters in Business Administration from the University of San Francisco in 1996.

Karen K. Canlas, 49, Filipino, Senior Vice-President 1, is the Division 2 Head of Wealth Management Segment 2. She has twenty nine (29) years of professional experience. She was the OIC of Division 1 from February to August 2011 and the Senior Relationship Manager of the same division from February 2010 to February 2011. Prior to joining RCBC, she was the Corporate Sales Unit Head/Vice President of Export Bank from August 2005 to January 2010, Relationship Manager/Senior Manager of Equitable PCI Bank from February 2003 to August 2005, Branch Head (Main Office) of Bank of Commerce from May 2002 to January 2003, Manager (Relationship Banking Group) of Export and Industry Bank from September 2001 to May 2002 and Branch Head of Global Business Bank from September 2000 to September 2001. She also held various positions at Urban Bank for almost 6 years in which her last appointment was as Manager of Alabang Regional Office, Business Development Group. Ms. Canlas started her career as Technical Staff at the National Economic Development Authority in March 1994.

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

Antonio Manuel E. Cruz, Jr., 56, Filipino, Senior Vice President 1, is the Head of Chinese Banking Segment. He has thirty three (33) years of banking experience. Prior to being designated to his current role, he was the Division 1 Head for Emerging Corporates Segment. He joined the Bank in 2008 and assumed the following positions for Commercial & Small Medium Enterprises under National Corporate Banking: Metro Manila-Luzon Head from December 2012 to September 2013, Makati Lending Center Head from September 2009 to December 2012 and Metro Manila Lending Center Head from January 2008 to September 2009. Before joining RCBC, he was the Ortigas Lending Center Head for Philippine National Bank from December 2005 to December 2007 and the Relationship Manager for Asia United Bank from September 2000 to November 2005. He started his banking career at Solidbank Corporation where he assumed the following positions: Relationship Manager from January 1994 to August 2000, Management Trainee from July 1993 to December 1993, Senior Analyst from January 1993 to June 1993 and Junior Analyst from July 1990 to December 1992. Mr. Cruz obtained his degree in AB Economics from the Ateneo de Manila University in 1990.

Ramil M. De Villa, 50, Filipino, Senior Vice President 1, is the Head of Consumer Lending Group. He has twenty four (24) years of professional experience. Prior to this appointment, he was Head of the Consumer Collection Segment in Credit Management Group. Before he joined RCBC, he was connected with Maybank Phils, Inc as Head/Senior Vice President of Asset Quality Management in Consumer Finance. Prior to assuming this in July 2019, he was Head of Asset Quality Management in Group Finance with the rank of Vice President from 2017 to June 2019. He started his employment with the said bank in 2014 as Head of Asset Quality Management with the rank of Senior Assistant Vice President. He previously worked with Premier Development Bank where he was initially hired in February 1999 as Legal Assistant/Officer. He left the said bank in December 1999 to work in a law office and joined the same bank again in 2001. During this second employment, he was assigned to handle the following roles: as Head of the Documentation Unit of Legal Services Department from 2007 to 2012 and as Litigation Lawyer of Legal Department from 2001 to 2007. He also gained legal experience from Demetria Escondo Maloloyon Law Offices where he was a Senior Associate from 1999 to 2001. He graduated with a degree in Bachelor of Laws (LLB) at University of Santo Tomas, 1997. He finished his undergraduate studies, Bachelor of Arts major in Philosophy in 1993 from the same university. He passed the Philippine Bar Exams on September 1998.

Crispina D. Del Rosario, 57, Filipino, Senior Vice President 1, is a Sales Director for North East Luzon Region in Retail Banking Group. She has twenty eight (28) years of professional experience. She was formerly with RCBC Savings Bank where she held various roles as follows: Regional Sales Director, North Metro Manila & Rizal (2015-2019); District Sales Director, Central Luzon District (2014-2015); Marketing Sales Director, Central Luzon District (2013-2014); Regional Sales Manager (2012-2013); District Sales Manager (2010-2012); Team Leader, Central Luzon (2003-2010); Manager, Meycauayan (1998-2003); Branch Manager, Central Luzon (1996-1998). Prior to joining RSB, she worked as a Cashier at Ralen Pawnshop in 1995 to 1996. She graduated from Polytechnic University of the Philippines in 1987 with a degree in Bachelor of Science in Accountancy. She finished her Masters in Business Administration from De La Salle University in 2003.

Simplicio B. Dela Cruz, Jr 51, Filipino, Senior Vice President 1 is currently the Division Head for Central East Visayas Area (CEVA) in SME Banking Group. He has twenty eight (28) years of banking experience. Prior to assuming his current role, he was a Lending Center Head for Central Visayas from 2011 to 2019. Previous work experience include stints with other local banks as follows: at Planters Development Bank as Department Head–Visayas (2007-2011); as Business Development Officer (2004-2007); and as Account Relationship Officer (2002-2004); at Equitable PCIBank as Account Officer (2002); as Credit Reviewer (1997-2001); at Philippine Commercial International Bank as Documentation Specialist (1995-1996). He earned a degree in Bachelor of Arts in Economics from the University of Santo Tomas in 1994.

Sheila Ricca G. Dioso, 40, Filipino, Senior Vice President 1, is the Chief Audit Executive/Head of Internal Audit Group. She has eighteen (18) years controllership and auditing experience. Prior to joining the Bank, she was connected with R. G. Manabat and Co. (KPMG in the Philippines) as Partner for Audit Services, a position she held since October 2019 up to her separation from the firm in 2022. Prior to assuming this role, she was a Director for Advisory Services from June 2017 to September 2019.

She had previous employment with the following firms: Suyen Corporation where she worked as Finance Controller from February 2014 to May 2017; Ernst & Young Singapore where she served as a Manager for Audit Services from November 2008 to February 2014; and SGV & Co. where she was employed as Senior for Audit Services from November 2005 to October 2008.

Ms. Dioso graduated with a degree in Bachelor of Science in Business Administration and Accountancy at the University of the Philippines in 2005. She passed CPA Licensure Examination in November 2005.

Evangeline M. Dy, 48, Filipino, Senior Vice President 1 is currently a Regional Sales Director of Retail Banking Group, supervising the Makati Regional Office Group. She has twenty six (26) years of banking experience. Before assuming her current role in November 2020, she was the Regional Sales Director for Pasig Region from August 2019 to November 16, 2020. Prior to her promotion to the Regional Sales Director role, she was designated as District Sales Director June 2016 to August 2019 supervising Bel-Air/South East initially and Pasig Region subsequently. She rose from the ranks from a secretarial post in 1997 to branch positions starting with a PB New Accounts role in 2002 and then as Senior Personal Banker from 2005 to 2011 for Wack Wack and Unimart branches. She became a Business Center Manager in 2011 for the business center at the The Fort Sapphire Residences until 2013. Thereafter, she was assigned as Business Manager for other business centers in Ayala and Buendia from 2013 to 2016. She earned a Bachelor of Science degree in Secondary Education from the University of Santo Tomas in 1997.

Benjamin E. Estacio, 53, Filipino, Senior Vice-President 1, is the Regional Service Head of Mindanao. He has thirty one (31) years of banking experience. Prior to assuming his current position, he was the District Service Head of Southern Mindanao from May 2004 to March 2011. Mr. Estacio started his career with the Bank as SA Bookkeeper in February 1992 after which he assumed various positions in the branch. He graduated from the University of San Carlos, Cebu City with a Bachelor of Science in Commerce major in Accounting in 1991.

Mary Grace P. Macatangay, 53, Filipino, Senior Vice-President 1, is the Head of Consumer Services and Collections Segment in Consumer Lending Group until December 31, 2023. She has thirty two (32) years of professional experience, mostly gained in banking. Prior to this role which she assumed on January 16, 2021, she was assigned in Credit Management Group as Consumer Loan Segment Head. She was previously, the Group Head of Credit Management in RCBC Savings Bank from March 01, 2016 to July 21, 2019. Prior to this, she held the following positions in RCBC Savings Bank: Group Head for Asset Management and Remedial: Head for Loan Operations Division; Head for Planning and Budgeting Department and Head of Collection and Admin Department in Mortgage Banking Division. She also had previous experience in other banks such as Capitol Development Bank where she was Head of Admin and Collections Department; Asiatrust Development Bank where she was assigned with roles such as Assistant Manager for Trust Department and Account Officer for Business Development Group. She had exposure in a non-banking institution such as Nikon Industrial Corporation where she was Head of Corporate Planning Department. She earned her degree in Bachelor of Science in Business Administration in 1990 at the University of the Philippines. She completed her Masters in Business Administration from the same university in 1997.

Mercelu S. Mariano, 55, Filipino, Senior Vice President 1, is currently the Head of Division 3 in Wealth Management Group. She has twenty seven (27) years of significant experience gained from both multinational and local banks where she acquired competencies in client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and underwriting for personal and business loans, cash operations and client servicing, and talent management and development. Prior to joining RCBC, she worked with Citibank, N.A. from 2014 to 2022 where she held positions such as Branch Head, Sales Head/Deputy Branch Head and Sales Head for Citigold Priority Channel. She also had stints with other banks as follows: Branch Manager, VP of Citibank Savings, Inc. (2011-2014); Region Head, VP for Philippine National Bank (2010-2011); Area Head/Branch Manager, AVP at Citibank Savings, Inc. (2005-2010). During her first employment with Citibank, N.A from 1996 to 2005, she handled the following positions: Relationship Manager (2004-2005); Personal Banker (1997-2004); Citigold Sales Acquisition Officer (1996-1997). She also worked at Citytrust Banking Corporation where she was a Relationship Manager (1995-1996). She was first employed by Duncan Pharmaceutical Philippines as a Medical Representative (1990-1993). She graduated with a degree in Bachelor of Arts in Communication from Miriam College in 1990.

Jose Jayson L. Mendoza, 53, Filipino, Senior Vice President 1, is currently seconded to RCBC Leasing and Finance Corporation as President and CEO effective February 1, 2024. He has thirty (30) years of professional experience. Prior to his current assignment, he was the Head of North Metro Manila Division in SME Banking. Prior to this, he held positions as Head of Metro Manila Division and VisMin Lending Region. He joined the Bank in 2008 as Lending Center Head for Small & Medium Enterprises Division-Luzon. Previously, he worked with MayBank Philippines as Head of Retail Loans Management (January 2005 to August 2008), Philippine National Bank as Account Officer (January 2003 to December 2004), Philippine Savings Bank as Account Officer (August 1996 to December 2002) and Islacom as Senior Credit Investigator (May 1994 to July 1996). He started his banking career when he joined Allied Banking Corp. as Credit Investigator in 1993. Mr. Mendoza graduated in 1993 from De La Salle University with a degree of AB Management.

Gerardo G. Miral, 58, Filipino, Senior Vice-President 1, is the Head of Japanese & Economic Zone Banking Segment – Division 2. He has thirty six (36) years of banking experience. He was previously the Head of Consumer Lending Group of RCBC Savings Bank. Prior to his secondment to RCBC Savings Bank, he was the Division II Head of Global and Ecozone Segment from April 2011 to January 2016 and Relationship Manager for JES Division II from February 2002 to April 2011. He also assumed various positions in the branch from September 1987 to February 2002. Mr. Miral obtained his Bachelor of Arts major in Economics degree from the University of Sto.Tomas in 1986.

Richard M. Peralta, 50, Filipino, Senior Vice President 1, is currently the Head of Branch Services Support Segment in Operations Group. He has more than twenty nine (29) years of banking experience. Prior to assuming his current role in May 2022, he was Head of Branch Operations and Control Segment from October 2020 to April 2022. Upon the merger of RCBC and RCBC Savings Bank (RSB), he was designated as Regional Service Head for Central Metro Manila and Rizal Region, role which he performed from August 2019 to October 2020. At RSB, he was assigned to roles as follows: National Service Head from 2016 to 2019; Regional Service Head from 2012 to 2016; District Service Head from 2010 to 2012; Operations Specialist from 2002 to 2009; and Business Center Control Officer from 1998 to 2002. He was formerly connected with Capitol Bank where he started as a General Bookkeeper in 1994 and later assumed a Branch Accountant function in 1996. His career in the banking industry started in 1994 when he joined Insular Savings Bank as a Corplan Analyst.

He graduated in 1994 at the University of the Philippines in Los Banos with a degree in Bachelor of Science in Economics. He finished the program for Doctor of Jurisprudence in 2009 at the University of Batangas.

Nancy J. Quiogue, 55, Filipino, Senior Vice-President 1, is the Regional Service Head of North Metro Manila. She has thirty two (32) years of banking experience. Prior to assuming her current position, she was the Regional Service Head for North Metro Manila and Central Metro Manila. She was the Regional Service Head for Metro Manila from April 2010 to December 2014 and District Service Head for Metro Manila from May 2004 to April 2010. She also held various positions at the Bank since 1991. Ms. Quiogue graduated from the Philippine School of Business Administration with a Bachelor of Science degree in Business Administration major in Accounting.

Elsie S. Ramos, 58, Filipino, Senior Vice-President 1, is the Head of Litigation/Labor Division. She has thirty five (35) years of experience in handling legal functions. Prior to her current appointment, she was the Head of Legal Affairs Division. She joined the Bank in 2006 and assumed the position of Litigation Department Head. Prior to joining RCBC, she was the Corporate Lawyer and Head of Legal and Corporate Affairs Division for Empire East/Land Holdings (2004-2006), Senior Associate and Lawyer-In-Charge of the Docket/Records Section for Ponce Enrile Reyes and Manalastas (2003-2004), Senior Associate for Martinez and Mendoza (2001-2002), Senior/Junior Associate for Ponce Enrile Reyes and Manalastas (1996-2000) and Legal Consultant for Companero Y Companera (1997-1998). She held various positions in the University of the Philippines, Department of History such as Assistant Professor (1994-1998), Assistant to the Chairman (1992-1993) and Instructor (1988-1994). She was also a Part-Time Instructor at the St. Scholastica's College, Manila from 1987 to 1989. She obtained her Bachelor of Arts and Master of Arts degree in History from the University of the Philippines, Diliman. She also finished her Bachelor of Law in the same university.

Alma D. Reyes, 59, Filipino, Senior Vice President 1, is a Sales Director for Central Luzon Region in Retail Banking Group. She has thirty five (35) years of banking experience. Before assuming her current role, she was then designated as Regional Sales Director for North Luzon Regional Office from 2021-2022. Her assignments in Retail Banking include the following: Assistant Regional Sales Director – Roving assigned at the Office of the District–Pampanga (2019-2021); District Sales Director for Pampanga (2014-2019); Marketing Sales Director for PampBatZam Directorship in 2013; District Sales Manager for Northern Luzon Regional Office (2012-2013); Manager for Clark 1 (2011-2012), Business Manager for Clark 2 (2009-2011); and as Business Manager for Clark 1 in 2008. Prior to joining RCBC, she was connected with the Philippine National Bank where last position held was Business Manager for Clark (2007-2008); Business Manager – Dolores, Philippine National Bank, 2003-2007; Assistant Cashier – Clark (2002-2002); Import Doc/SEC – Clark (1997-2002) Loans & Credit Officer – Apalit (1995-1997); Teller–San Fernando (1988-1995); General Clerk–Macabebe (1988). She obtained a degree in Bachelor of Science in Commerce major in Management from the University of Assumption in 1986.

Ismael S. Reyes, 58, Filipino, Senior Vice-President 1, is currently the Head of Marketing and Strategy Segment in Retail Banking Group. He has thirty six (36) years of banking experience. Prior to assuming his current role on March 21, 2022, he was assigned as Regional Sales Director for Metro Central Region and Quezon City after serving as Head of Retail Banking Marketing Segment. He was formerly the National Sales Director when he joined the Bank in 2013.

Prior to joining RCBC, he assumed various positions in Philippine Savings Bank as Head of the Loans Operations Group, Branch Banking Group Head, Deputy Branch Banking Group Head and Business Development Unit Head. He worked for iRemit Inc. where he handled roles such as Division Head for Market Management and Deputy Head for the Global Sales and Marketing Division. He also worked with Bank of the Philippine Islands where he was assigned as Operations Manager/Section Head for Funds Transfer Department. His banking career started in Far East Bank in 1987 when he was hired as Staff for International Operations Division. By 1990 he was promoted to a supervisory rank in the same division and as an officer in 1993. He later held the position of a Department Head in International Operations and became a Project Officer also for the Remittance Center.

Mr. Reyes earned his Bachelor of Science degree in Commerce major in Economics at the University of Santo Tomas.

Maria Evangeline T. Reyes, 56, Filipino, Senior Vice President 1, is currently the Segment Head of Head Office Operations in Operations Group. She has twenty six (26) years of professional experience. Prior to assuming her current role, she was Division Head for Transaction Banking Services (formerly named as Remittance and Payments) from February 2011 to January 2021 and Operations Head of the Contact Center Department from April 2012 to 2011. She was hired by the Bank in February 2011 as a Business Process Management Officer for Retail and Channels Division. Before joining RCBC, she was connected with Banco De Oro Unibank as Backroom Support Head from 2009 to 2011. She had a stint at GE Money Bank where she worked as a Customer Service Leader from 2007 to 2009 and at Citytrust Banking Corporation from 1989 to 1997 as Phonebanking Officer. She had employment stints at non-banking firms such as Globe Telecom where she worked as Call Center head from 2005 to 2007 and Customer Interaction Center Head from 1999 to 2004. She also worked previously with MBF Mastercard as a Customer Service Management Officer from 1997 to 1999. She obtained a degree in Bachelor of Science in Home Economics in 1989 at the University of the Philippines.

Yvonne A. Roque, 58, Filipino, Senior Vice President 1, is currently the Segment Head for Branch Operations and Control in Operations Group. She has thirty six (36) years of professional experience. Before being appointed to her current role, she was Head of Capital Markets Services Division (2014-2022); Operations Head for Treasury Operations (2011-2014); and Department Head of Treasury Operations (2010-2011). Prior to working with the Bank, she was connected with Deutsche Knowledge Service, Pte. Ltd., as Senior Associate under Service Excellence Division from 2008 to 2011. She had also a longer stint with Citibank, N.A. where she handled positions as follows: Treasury Head-Citifinancial Corporation, Citibank, N.A. (2007-2008); Treasury Analyst-Citibank GCG Treasury Risk Analytics (2005-2007); Foreign Currency Portfolio Manager-GCG Treasury Funds Management Division (1998-2004); Balance Sheet Analyst – Balance Sheet Management Division (1992-1998); Trading Assistant-Treasury Sales Unit (1991-1992); Administrative Assistant, Consumer Treasury Director's Office (1989-1991); at Jardine Davies, as Inventory Assistant under the Agchem Division (1987-1989).

She graduated from the University of the Philippines in 1987 where she earned a Bachelor of Arts in Economics degree.

Raoul V. Santos, 57, Filipino, Senior Vice-President 1, is currently seconded to RCBC Securities, Inc. as President. He has thirty three (33) years of professional experience. Prior to this current assignment, he was the Head of Trust Investment Segment in Trust and Investments Group and concurrently handled the role of the Head for Institutional Relationship Management Division. He joined RCBC in 2001 as Portfolio Management Section Head before assuming the Investment Services Department Head position in 2008. He also worked for Metropolitan Bank and Trust Company (2000-2001), Solidbank Corporation (1999-2000). Phinma, Inc. (1991-1999) and SGV & Co. (1990-1991). Mr. Santos obtained his Bachelor of Science degree in Management of Financial Institutions and Bachelor of Arts degree in Asian Studies from the De La Salle University.

Carren T. Saria, 57, Filipino, Senior Vice President 1, is currently a Regional Sales Director of Metro North Regional Office in Retail Banking Group. She has thirty five (35) years of banking experience. She started her banking career when she joined our bank in 1988 as a Marketing Assistant. She was later designated as an Authorized Signer in Binondo branch in 1991. She rose from the ranks until she assumed an Account Manager role from 1996 to 2000. She became a Branch Manager in 2000 and was then assigned at Arranque branch until she was promoted to a District Sales Manager role for Chinatown (Manila) District in 2007. She was reassigned in the same role for Chinese Uptown District from 2009 to 2013 and Chinatown from 2013 to 2015. Her position was then retitled to District Sales Director which she handled from 2016 to 2018 for Midtown and Chinatown Metro. She was promoted to a Regional Sales Director role in 2018 handling West Metro Manila Regional Office. She finished a Bachelor of Arts degree major in Psychology and Bachelor of Science in Commerce major in Marketing Management at De La Salle University in 1988.

Jose Rene Y. Sarmiento, 39, Filipino, Senior Vice President 1, is the Head of Conglomerates & Strategic Corporate Segment in Corporate Banking Group. He has fourteen (14) years of professional experience. Prior to assuming his present role, he was Division Head at the Global Ecozone Segment from 2016 to 2019. He joined RCBC as Head of Credit Business Management in March 2014 and functioned as such up until 2016. He previously worked with Security Bank Corporation as an Enterprise Risk Manager from 2010 to 2012 and at Citibank NA where his banking career started as a Credit Risk Associate from 2009 to 2010. He also previously worked as a Manager at Greenfield Tech Innovations Company from 2007 to 2009.

He is a graduate of Ateneo De Manila University in 2007 where he obtained a degree in Bachelor of Science in Business Management. He obtained his Masters in Business Administration degree at the Asian Institute of Management in 2013 and completed an Executive Program in Management at the Columbia Business School (New York USA) in 2019.

Libertine R. Selirio, 58, Filipino, Senior Vice-President 1, is the Head of Business Development Division in Corporate Banking Group. She has thirty six (36) years of banking experience. Before assuming her current role on November 2021, she was designated as Division I Head of Global and Ecozone Segment in Corporate Banking. Prior to this, she was the Deputy Division Head of JES II from June 2011 to October 2012, Relationship Manager of JES Division II from February 2002 to May 2011, Branch Manager of Dasmarinas from September 2000 to February 2002, Branch Manager of Carmona from July 1998 to September 2000 and Branch Manager of Imus from September 1997 to July 1998. Before joining RCBC, she worked for Pilipinas Bank and assumed the following positions: Account Officer (1993-1997), Financial Analysis and Evaluation Section Head (1991-1993), Credit Analyst (1989-1991) and EDP Teller (1987-1989). Ms. Selirio earned her Bachelor of Science in Commerce major in Accounting from St. Scholastica's College in 1986.

Johan C. So, 53, Filipino, Senior Vice-President 1, is currently the Head of Division 1 in National Corporate Banking Segment. He has twenty seven (27) years of banking experience. Prior to the Group's reorganization, he was designated as Head of Division 1 in Local Corporate Banking Segment. Before assuming the Division 1 Head role, he was the Head of Kaloocan Division from July 2013 to January 2014 and Head of Chinese Banking Division III from June 2008 to June 2013. From August 2005 to May 2008, he worked for Philippine Bank of Communications in which the last position he assumed was as Vice-President/Unit Head of Corporate Banking Group 5. He also worked for Standard Chartered Bank from May 1999 to May 2002, T.A. Bank of the Philippines, Inc. from February 1997 to May 1999 and China Banking Corporation from 1993 to 1997. Mr. So graduated from De La Salle University in 1992 with a degree in Bachelor of Science in Applied Economics and Bachelor of Science in Commerce major in Marketing Management. He obtained his Masters degree in Business Administration from the Ateneo Graduate School of Business in 1999.

Elvira D. Soriano, 58, Filipino, Senior Vice President 1, is the Division 4, Team 1 Head of Internal Audit Group. She has thirty five (35) years of experience. Prior to assuming this role in view of the reorganization, she was designated as Segment Head of BLC Audit of Internal Audit Group. She also had a prior assignment to handle the Head Office Audit Segment. Before assuming this role in September 2017, she was an Audit Cluster Head since January 2008. She previously worked with other banks namely: United Coconut Planters Bank where she performed roles in Audit and Credit Review; PDCP Bank where she was assigned with roles such as Account Officer, Project Analyst, Accountant and Audit Assistant. She earned a Bachelor of Science degree in Commerce at the University of Bohol in 1986.

Gianni Franco D. Tirado, 51, Filipino, Senior Vice President 1, is the Regional Sales Director of Mindanao. He has thirty (30) years of banking experience. Prior to assuming his current role, he was the Marketing and Sales Director of Central Mindanao (February 2013 to September 2013), District Sales Manager of Central Mindanao (March 2009 to February 2013) and Branch Manager for several branches in Mindanao (November 2000 to February 2009). He assumed the Branch Operations Head of Marbel (February 1998 to October 2000), CI/Appraiser/Loans Clerk (June 1996 to January 1998) and CASA Bookkeeper of Dadiangas (October 1993 to May 1996). Mr. Tirado earned his Bachelor of Science in Commerce major in Accounting Degree from the Notre Dame of Dadiangas University in 1993. He also completed his Master's in Education major in Special Education at the Holy Cross of Davao College in 2009.

Lea B. Torres, 59, Filipino, Senior Vice President 1, is the Head of Remedial Management Division in Asset Management and Remedial Group. She has thirty eight (38) years of professional experience .Prior to assuming her current position she was a Department Head for Account Management for nearly fifteen years. She rose from the ranks from an initial assignment as a Loan Review Assistant in the Credit and Supervision Division upon hiring by the Bank in May 1988. Four and a half years later, she was promoted as Credit Review Section Head/Authorized Signer in 1992. By August 1994, she transferred to a Junior Account Officer role in Corporate Banking Group which she handled for more than 3 years and was then transferred thereafter to the Special Accounts Department as an Account Officer up until 2004. She got her promotion to a Senior Remedial Account Officer role in March 2004 and then to a Department Head role by 2006.

Her first banking experience was gained from a short employment stint as an Export Clerk in Security Bank and Trust Corporation in 1985. Aside from banking, she had a 9-month teaching engagement as an instructor for the College of Commerce at the Divine Word College in Legazpi.

She graduated from the University of Santo Tomas in 1985 with a degree in Bachelor of Science in Commerce. She has earned units for a Master in Management degree from Bicol University in 1986 to 1987.

Emmanuel Mari K. Valdes, 51, Filipino, Senior Vice President 1, is currently the Cross- Sell Division Head in Retail Banking Group. He has twenty eight (28) years of banking experience. Prior to assuming his current position, he was the Regional Sales Director for Metro East. Before this movement to the region last March 21, 2022, he was assigned as the Head of Customer Acquisition and Retention Division (formerly named as Products and Promotions Division) in Retail Banking Group. Prior to assuming this role, he was the Head of Retail Financial Products Division with the rank of First Vice President from October 2013 to June 2017. He joined the RCBC in 2010 as Head of Cash Management Services Department and was assigned in 2013 as Financial Center Head under Retail Banking Group. He started his banking career in January 1996 when he joined CityTrust Banking Corporation as a Sales Officer in Retail Banking Branch. He then transferred to Bank of Southeast Asia in 1997 where he handled the same role. He had previous stints thereafter with other banks such as UnionBank of the Philippines where he was Head of Sales Department for Cash Management Services and Standard Chartered where he was a Sales Head also. He graduated from De La Salle University in 1995 with a degree in Bachelor of Science in Commerce major in Business Management.

Anna Christina M. Vicente, 57**,** Filipino, Senior Vice President 1 is currently the Group Head of SME Banking. She has more than thirty seven (37) years of professional experience gained from banking and financial institutions. Prior to her current assignment, she was seconded as President and Chief Executive Officer of RCBC Leasing and Finance Corporation. Prior to her secondment to this subsidiary in June 2021, she was a Segment Head in Small and Medium Enterprises Banking Group and a Division Head for North Metro Manila, a position which she has held since hired in June 2016.

She gained her banking experience and acquired competencies in the various roles she handled in her employment with other banks. Her banking stints include the following: Head for Business Banking in Retail Banking Group at Maybank Philippines; Team Head of Metro Manila, Corporate & Commercial Banking Division, Head, Credit Control Division, Department Head, Supervised Credit Division, Account Officer, Institutional Recovery Management Division, Account Officer, Corporate Banking Division at United Coconut Planters Bank; Manager of Branch Banking Group I at Bank of Commerce; Manager for Commercial Loans at UCPB Savings Bank and Staff Assistant, Retail Banking Group-Marketing Division, Loans Assistant, Greenhills Branch, Credit Analyst Trainee, Credit Division and Money Market Trader, Greenhills Branch at Far East Bank and Trust Company.

Ms. Vicente graduated from Ateneo de Manila University in 1986 with a degree in Bachelor of Arts major in Interdisciplinary Studies.

Paula Fritzie C. Zamora, 53, Filipino, Senior Vice President 1, is the Head of Financial Institutions and Support Segment (formerly named as Financial Institutions Management Segment) in Treasury Group, a role which she has been handling since June 2012. She has thirty one (31) years of banking experience. Prior to assuming her current role, she was the Head of Derivatives Department and Head of Financial Engineering Department. She had previous work experience which she gained from other firms like Tokio Marine Malayan Insurance Co. where she was a Finance Officer for Cash Department and Far East Bank & Trust Company where she was employed as Treasury Trader. She graduated from the Ateneo De Manila University in 1992 with a degree in Bachelor of Science in Management.

Nilo C. Zantua, 58, Filipino, Senior Vice President 1, is the Chief Technology Officer. He has thrity six (36) years of Information Technology experience. He was initially hired by the Bank as Deputy Chief Technology Officer. Prior to joining RCBC, he was connected with Nexus Technologies, Inc as Vice President) and was a Director-Group Advisory for Jupiter Systems, Inc. (under the Nexus Group of Companies). He also had a stint with Trends & Technologies, Inc. as Group Head – Managed ICT Services.

He previously worked with Philam Life where he handled significant roles as Chief Technology Officer and Deputy Head of IT and Head of IT Infrastructure. He was previously employed at Sunlife Financial Asia where he performed roles as follows: Head of Shared IT Infrastructure and Operations-Asia, Asia Shared IT Services; IT Director of Manila Shared Services Center; and Head of Regional IT Infrastructure and Operations in Sun Life of Canada Philippines, Inc.; Manager for Operations and Network Computing; Network Services Supervisor for Sun Life Assurance Company of Canada.

He also worked in KSA with Binzagr Co. as Technical Services Supervisor and in other institutions and firms as Senior Computer Operator/Programmer at the Department of Health, Central Office Manila; and at Capitol Wireless Inc. as Telecoms Engineer.

He graduated with a degree in Bachelor of Science major in Electronics and Communications Engineering in University of Santo Tomas, 1987. He passed the licensure examination in 1987. He completed a Management Diploma - BMP, a four-month short course in Asian Institute of Management, 1999.

Xavier Y. Zialcita, 47, Filipino, is a Senior Vice President 1, for Strategic Initiatives. He has over twenty four (24) years of professional experience with particular focus on investment banking. Prior to joining the Bank, he was Senior Account Officer/Senior Vice President (effective July 2022) for Investment Banking at RCBC Capital Corporation. He was involved in various deals helping clients meet their financial and strategic goals. Other roles he handled include the following in RCBC Capital Corporation and other firms: as Senior Account Officer/First Vice President for Investment Banking from January 2018 to June 2022; Account Officer (Manager to Vice President) from June 2008 to December 2017; Liaison Officer/Assistant Vice President at YGC Corporate Services, Inc. from 2001 to 2007; Staff Associate at SGV & Co from 1999 to 2001; and as Systems Analyst at Joaquin Cunanan & Co. from 1998 to 1999.

He is involved in other pursuits being a non-executive director of DBP Daiwa Corporation, a stock brokerage, as well as RCBC Realty Corporation, a property development and management corporation.

He graduated from Ateneo De Manila University in 1998 with a degree in Bachelor of Science major in Management Information Systems. He earned a Post Graduate Diploma in Strategy and Innovation at the University of Oxford – Said Business School in 2012.

Nine of the Directors and most of the executive officers mentioned above have held their positions for at least five years. Executive officers with the rank of Assistant Vice President and above are appointed annually by the Board of Directors in its Organizational Board Meeting right after the shareholders meeting which is held annually every last Monday of June. None of the Bank's executive officers are related to one another or to any of the Bank's Directors. There are no binding contracts or arrangements with regard to the tenure of the Bank's executive officers.

All of the officers identified above are Filipino citizens.

To the knowledge and/or information of the Bank, the present members of the Board of Directors and its executive officers are not, presently or during the last five (5) years, involved or have been involved in any legal proceeding adversely affecting/involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere arising from their duties as such. To the knowledge and/or information of the Bank, the said persons have not been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or of the laws of any other nation/country.

Item 10. Executive Compensation

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

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
Names	Principal Position	Aggregate Compensation (net of Bonuses)	Bonuses	Fees and Other Compensation *
2024 Estimate				
Eugene S. Acevedo	President & CEO	104,948	34,983	-
Reginaldo Anthony B. Cariaso	EVP			
Richard C. Lim	EVP			
Alberto Magno N. Pedrosa	EVP			
Angelito M. Villanueva	EVP			
2023 Actual				
Eugene S. Acevedo	President & CEO	98,146	33,829	-
Redentor C. Bancod	Senior EVP			
Richard C. Lim	EVP			
Alberto Magno N. Pedrosa	EVP			
Angelito M. Villanueva	EVP			
2022 Actual				
Eugene S. Acevedo	President & CEO	94,538	38,394	-
Redentor C. Bancod	Senior EVP			
John Thomas G. Deveras	Senior EVP			
Emmanuel T. Narciso	EVP			
Angelito M. Villanueva	EVP			
Officers as a Group Unnamed				
2024 Estimate		4,596,523	1,214,631	-
2023 Actual		4,178,657	1,104,210	-
2022 Actual		3,690,851	973,127	-
Directors as a Group Unnamed				
2024 Estimate		-	-	125,774
2023 Actual		-	-	155,118
2022 Actual		-	-	92,037

**Inclusive of per diem of Directors amounting to P13.1 million in 2022, P14.2 million in 2023 and P15.2 million in 2024 (estimate).*

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

Likewise, Article XI of the By-Laws the Bank entitles the members of the Board of Directors, the Advisory Board and the Executive Committee of the Bank to profit sharing bonus at a maximum of 2% but not less than 1% of the net earnings resulting from the operation of the Bank during the preceding year, after provisions for taxes and after deductions as may be required by law or regulations. For the year 2023, total fees and other compensation of all Directors amounted to P155.1 million, inclusive of P14.2 million representing per diem paid for the meetings they attended during the year.

For the protection and security of its directors and officers, the Bank opted to disclose the annual compensation on aggregate basis.

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2023, RCBC knows of no one who beneficially owns in excess of 5% of RCBC's common stock except as set forth in the table below:

(1) Title of Class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) Number of Shares Held	(6) Percent
Common	**Pan Malayan Management & Investment Corporation** Address: 48/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City Relationship with Issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation *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.*	Filipino	820,634,773*	33.92%
Common	**Sumitomo Mitsui Banking Corporation** Address: 1-1-2 Marunouchi, Chiyoda-Ku, Tokyo, Japan 100-0005 Relationship with Issuer: Stockholder		Non-Filipino	483,907,222	20.00%
Common	**Cathay Life Insurance Corp.** Address: 296 Ren Al Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder		Non-Filipino	452,018,582	18.68%

**Combined Direct and Indirect Shares of PMMIC*

(2) Security ownership of management*:

	(1) Title of Class	(2) Name of beneficial owner	(3) Amount and nature of record / beneficial ownership		(4) Citizenship	(5) Percent of class (%)
			Par Amount	Nature		
Directors						
1	Common	Helen Y. Dee	14,923,060	R / B	Filipino	0.06
2	Common	Gil A. Buenaventura	50	B	Filipino	0.00
3	Common	Cesar E.A. Virata	1,384,340	R / B	Filipino	0.01
4	Common	John Law	10	R	French	0.00
5	Common	Gayatri P. Bery	10	R	American	0.00
6	Common	Armando M. Medina	1,950	R	Filipino	0.00
7	Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00
8	Common	Hiroki Nakatsuka	10	R	Japanese	0.00
9	Common	Katsufumi Uchida	10	R	Japanese	0.00
10	Common	Gabriel S. Claudio	10	R	Filipino	0.00
11	Common	Laurito E. Serrano	10	R	Filipino	0.00
12	Common	Juan B. Santos	50	R	Filipino	0.00
13	Common	Eugene S. Acevedo	3,441,000	R / B	Filipino	0.01
14	Common	Erika Fille T. Legara	50,010	R / B	Filipino	0.00
15	Common	Vaughn F. Montes	50	R	Filipino	0.00
		Sub-total	***19,800,580***			
Executive Officers						
1	Common	Xavier Y. Zialcita	244,880	B	Filipino	0.00
		Sub-total	***244,880***			
		TOTAL	**20,045,460**			**0.08**

*There are no additional shares which the listed beneficial or record owners have the right to acquire within thirty (30) days, from options, warrants, rights, conversion privilege or similar obligations, or otherwise.

The aggregate number of shares owned of record by all directors and executive officers as a Group named herein as of December 31, 2023 is 2,004,546 common shares equivalent to 20,045,460 at P10.0 per share or approximately 0.08% of the Bank's outstanding common shares.

Other than the above-named persons or groups holding more than 5% of the Bank's outstanding Common stock, there are no other persons that hold more than 5% of any class of stock under a voting trust or similar agreement.

There are also no arrangements, existing or otherwise, which may result in a change in control of the Bank.

Item 12. Certain Relationships and Related Transactions

The Bank and its subsidiaries, in the ordinary course of business, engage in transactions with entities within the YGC. The Bank adheres to the policy that transactions with related parties are conducted at arm's length basis or above board, with any transaction, whether or not a price is charged, in connection with any such transaction being on terms no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances. The same has been institutionalized in the Bank's Policy on Related Party Transactions (the Policy).

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

Transactions with related parties involving an amount of at least Php10.0 million pesos, or significant transactions with related parties requiring Board approval regardless of amount, are reportable to the RPT Board Committee. On the other hand, related party transactions involving amounts below the materiality threshold of Php10.0 million pesos are reportable to the RPT Management Committee.

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

If a transaction is determined to be a related party transaction, the said transaction and all its relevant details are required to be submitted to the appropriate RPT Committee for evaluation. Once determined to be on arm's length terms, related party transactions evaluated by the RPT Board Committee are thereafter endorsed to the Board of Directors for approval. Transactions reviewed and approved by the RPT Management Committee are presented to the Board of Directors for confirmation. In the event that a member of the Board has an interest in the transaction under evaluation, the said member shall not participate in the discussion and shall abstain from voting on the approval of the related party transaction. Pursuant to BSP Circular No. 895, as amended, and the Bank's Corporate Governance Manual, the Bank's significant transactions with its DOSRI and related parties were confirmed by majority vote of the Bank's stockholders during the last annual stockholders' meeting on July 3, 2023.

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

The Group's significant transactions with its related parties as of end December 2023 include loans and receivables and deposit liabilities. The total amount of loans outstanding was at P26.7 billion (Note 27.2, Notes to Financial Statements) while total deposit liabilities was at P31.9 billion (Note 27.3, Note to Financial Statements) as of December 31, 2023.

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

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

Under current BSP regulations, the amount of loans to each DOSRI, 70% of which must be secured, should not exceed the amount of his unencumbered deposit and book value of his investment in the Bank. In the aggregate, loans to DOSRIs, generally, should not exceed the total capital funds or 15% of the total loan portfolio of the Bank and/or any of its lending and non-banking financial subsidiaries, whichever is lower. However, non-risk loans are excluded in both individual and aggregate ceiling computations. As of December 31, 2023 and 2022, the Group and the Parent Company are in compliance with these requirements.

The total amount of Group and Parent Company DOSRI loans, excluding loans granted as fringe benefits to officers which are excluded from the individual ceiling were both nil in 2023 and 2022.

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

- *Sale and Purchase of Securities* - The Parent Company and certain subsidiaries engage in the trading of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period (Note 27.4, Notes to Financial Statements).

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

- *Sale and leaseback of properties to Frame Properties, Inc.* - The Parent Company transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets (Note 27.4, Notes to Financial Statements).

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

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

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

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

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

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

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

- The Bank has service agreements with RBSC for the in-sourced internal audit services. The Bank provides limited audit services to RBSC, specifically IT audit, operations audit and financial statements review. Also, the Bank has formalized the service agreements for the internal audit services being provided to subsidiaries namely: RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Rizal Microbank, Inc., 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 has a service agreement with RCBC International Finance Limited (RIFL) to facilitate the remittance tie-up and account solicitation arrangement agreement with RIFL which is based in Hongkong.

- The Bank has an agreement with RCBC Rental Corporation for the financing of the lease of 1,600 new ATMs with a term of 60 months.

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

The Bank does not have any transactions with promoters within the past five (5) years. The Bank does not have transactions with parties that fall outside the definition of related parties under regulations, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Reports on SEC Form 17-C

Reports under SEC Form 17-C (Current Reports) that were filed during the last twelve months covered by this report:

01-14-2023 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Bangladesh Bank against RCBC and other persons before the Supreme Court of the State of New York, County of New York was amended to provide an update on the decision of the New York court on the Motion to Dismiss filed by RCBC and its current previous employee defendants.

01-20-2023 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Bangladesh Bank against RCBC and other persons before the Supreme Court of the State of New York, County of New York was amended to update the information regarding the Notice of Appeal filed by RCBC from the denial of its Motion to Dismiss.

01-30-2023 Other Events
01-30-2023 Change in Directors/Officers
01-30-2023 Postponement of Annual Stockholders' Meeting (PSE Disclosure Form 7-2)
01-30-2023 Notice of Annual or Special Stockholders' Meeting (PSE Disclosure Form 7-1)

During the January 30, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Senior Note Issuance Out of Medium Term Note Programme (subject to market conditions).

2. Postponement/Resetting of the June 2023 Board and Organizational Meetings, and 2023 Annual Stockholders' Meeting to July 3, 2023.

3. Appointment of FVP Atty. Angeluz B. Torres-Guerzon as Head of Asset Management and Remedial Group, replacing SEVP Mr. John Tomas G. Deveras, who is retiring, effective February 15, 2023, subject to BSP and other regulatory approvals, as may be required.

02-27-2023 Other Events

During the February 27, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. The Audited Financial Statements of Rizal Commercial Banking Corporation and RCBC—Trust and Investments Group as of year ended December 31, 2022, as audited by Punongbayan & Araullo, for final approval of the stockholders.

2. Declaration of cash dividends on convertible preferred shares amounting to P0.16846 (US$0.00308) per share or a total of P45,047.15 (US$824.44 @ P54.640). The cash dividend is payable to holders of convertible preferred shares as of March 21, 2023 (record date) and payable within 5 trading days from record date. The cash dividend is for unlisted preferred shares.

3. Interlocking Directorship / Officership of RCBC Officers to Frame Properties, Inc. (subject to BSP/other regulatory approvals, as may be required).

Name	Rank & Current Position in RCBC	Position in Frame Properties, Inc.
Eugene S. Acevedo	President and CEO	President and CEO/Incorporator
Ma. Christina P. Alvarez	FSVP and Head, Corporate Planning Group	Incorporator/Director
Florentino M. Madonza	FSVP and Head of Controllership Group	Incorporator/Director
Alberto Magno N. Pedrosa	FSVP and Treasurer/ Head of Treasury Group	Incorporator/Director
Rowena F. Subido	FSVP and Head of Human Resources Group	Incorporator/Director
Robert Rol Richard Raymond B. Ramos	FSVP and Trust Officer/ Head of Trust and Investments Group	Treasurer

4. Interlocking Directorship/Officership roles of SVP Xavier Y. Zialcita, Strategic Initiatives, in subsidiaries (subject to BSP/other regulatory approvals, as may be required).

Position in Other YGC Companies	Name of Institution/Company
Director	Rizal Microbank, Inc. – A Thrift Bank of RCBC
Director	RCBC Leasing and Finance Corporation
Director	RCBC Rental Corporation

Director – Chairman of the Board Officer – President	Cajel Realty Corporation
Director – Chairman of the Board Officer – President	Niyog Property Holdings, Inc.

03-15-2023 Legal Proceedings (Amendment)

The disclosure on the legal proceeding filed by Inang Nag-Aaruga sa Anak Foundation before the Court of Appeals was amended to update the information regarding the Decision dated February 28, 2023 of the Court of Appeals.

03-27-2023 Other Events
03-27-2023 Declaration of Cash Dividends (PSE Disclosure Form 6-1)
03-27-2023 Acquisition/Disposition of Shares of Another Corporation (PSE Disclosure Form 4-2)

During the March 27, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Annual Cash Dividend Declaration on Common and Convertible Preferred Shares amounting to P1.08 per share, or a total of approximately P2.20 Billion to holders of Preferred and Common Class shares as of the close of the 10th trading day from Board approval ("record date") and payable within ten (10) trading days from record date.

2. Interlocking officerships of Ms. Janice B. Aguiluz, Vice President/Head of Consumer Banking Compliance Division of the Regulatory Affairs Group of RCBC as Chief Compliance Officer of Rizal Microbank, Inc. (A Thrift Bank of RCBC) (subject to BSP/other regulatory approvals, as may be required).

3. The proposed sale and transfer to Filinvest Land, Inc. ("FLI") of shares held in Niyog Property Holdings, Inc. and Cajel Realty Corporation, wholly owned subsidiaries of the Bank, subject to completion of FLI's due diligence and compliance with conditions to be agreed by the parties.

04-24-2023 Other Events
04-24-2023 Notice of Annual or Special Stockholders' Meeting (PSE Disclosure Form 7-1) (Amendment)

During the April 24, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Interlocking Directorship / Officership of RCBC Officers in RCBC Trust Corporation (subject to BSP/other regulatory approvals, as may be required).

Name	Rank & Current Position in RCBC	Position in RCBC Trust
Eugene S. Acevedo	President and CEO	Incorporator and Director
Robert Rol Richard Raymond B. Ramos	FSVP and Trust Officer/ Head of Trust and Investments Group	Incorporator and Director
Raoul V. Santos	SVP / Segment Head, Trust Investment and concurrent Division Head, Institutional Portfolio Management	Treasurer -in-Trust

2. The 2023 Annual Stockholders' Meeting be conducted virtually, and that the stockholders be allowed to participate and to vote through remote communication or *in absentia*. The meeting is scheduled to be held on July 3, 2023 at 4:00 p.m.

04-25-2023 Legal Proceedings (Amendment)

The disclosure on the legal proceeding filed by Inang Nag-Aaruga sa Anak Foundation before the Court of Appeals was amended to update the information regarding the complainants' Motion for Partial Reconsideration dated April 5, 2023.

05-11-2023 Notice of Annual Special Stockholders' Meeting (PSE Disclosure Form 7-1) (Amendment)

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

05-29-2023 Other Events

During the May 29, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration of cash dividends on convertible preferred shares amounting to P0.17885 (US$0.00323) per share or a total of P47,825.95 (US$863.60 @ P55.380). The cash dividend is payable to holders of convertible preferred shares as of June 21, 2023 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

07-03-2023 Other Events
07-03-2023 Change in Directors/Officers
07-03-2023 Results of Annual Stockholders' Meeting
07-03-2023 Results of Organizational Meeting

Items approved by Stockholders at their Annual meeting and Board of Directors at their regular and organizational meetings respectively held on July 3, 2023.

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

1. Promotion/appointment of Officers effective July 1, 2023 (subject to BSP/other regulatory approvals, as may be required):

   <u>From First Senior Vice President to Executive Vice President</u>
   Alberto Magno N. Pedrosa
   Bennett Clarence D. Santiago

   <u>From Senior Vice President 1 to Senior Vice President 2</u>
   Juan Gabriel R. Tomas IV
   Arniel Vincent B. Ong

   <u>From First Vice President to Senior Vice President 1</u>
   Crispina D. Del Rosario
   Simplicio B. Dela Cruz, Jr.
   Alma D. Reyes
   Yvonne A. Roque

<u>Annual Stockholders' Meeting</u>

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

<u>As Regular Directors</u>
Ms. Helen Y. Dee
Mr. Cesar E. A. Virata
Mr. Eugene S. Acevedo
Mr. Gil A. Buenaventura
Mr. Armando M. Medina
Mr. John Law
Mr. Shih-Chiao (Joe) Lin
Mr. Arnold Kai Yuen Kan
Atty. Lilia B. De Lima
Ms. Gayatri P. Bery

<u>As Independent Directors</u>
Mr. Juan B. Santos
Mr. Gabriel S. Claudio
Mr. Vaughn F. Montes

Mr. Laurito E. Serrano
Ms. Erika Fille T. Legara

2. Approval of the 2022 Annual Report and 2022 Audited Financial Statements
3. Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2023

<u>Organizational Board of Directors Meeting:</u>

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

2. Appointment the following as Members of the Advisory Board:
   Ms. Yvonne S. Yuchengco
   Mr. Francis C. Laurel
   Mr. Hiroki Nakatsuka

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

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

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

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

Committee	*Names*	*Position*
AML Committee	Gabriel S. Claudio Gil A. Buenaventura Vaughn F. Montes, Ph.D. Eugene S. Acevedo Hiroki Nakatsuka	Chairperson Member Member Observer Observer
Related Party Transactions Committee	Gabriel S. Claudio Shih-Chiao (Joe) Lin Erika Fille T. Legara, Ph.D.	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

07-31-2023 Other Events
07-31-2023 Change in Directors/Officers

During the July 31, 2023 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment of New Board Directors

   Appointment/Election of Hiroki Nakatsuka as Director, and Member of the Executive Committee, and of Katsufumi Uchida as Director, and Member of the Risk Oversight Committee, to take effect at the close of business on July 31, 2023, and their interlocking positions (subject to BSP/other regulatory approvals, as may be required)

   Mr. Hiroki Nakatsuka and Mr. Katsufumi Uchida are filling the vacancies arising from the resignations of Arnold Kai Yuen Kan and Atty. Lilia B. de Lima as Directors, to take effect at the close of business on July 31, 2023.

2. Appointment of Advisory Board Members

   Reappointment of Atty. Lilia B. de Lima and appointment of Masayuki Kawakami as Advisory Board Members, to take effect at the close of business on July 31, 2023 (subject to BSP/other regulatory approvals, as may be required)

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, the City of Makati on April 5, 2024.

RIZAL COMMERCIAL BANKING CORPORATION
Issuer

By :

EUGENE S. ACEVEDO
President & Chief Executive Officer

ALBERTO MAGNO N. PEDROSA
EVP, Treasurer & Head – Treasury Group

FLORENTINO M. MADONZA
FSVP, Head – Controllership Group

MA. CHRISTINA P. ALVAREZ
FSVP, Head – Corporate Planning Group

ATTY. GEORGE GILBERT G. DELA CUESTA
FSVP, Corporate Secretary & Head – Legal Affairs & Corporate Secretariat Group

APR 0 8 2024

SUBSCRIBED AND SWORN to before me this ___th day of April, 2024 affiants exhibiting to me their Community Tax Certificates, as follows:

NAMES	ID/NUMBER/ EXPIRY	DATE OF	PLACE OF
Eugene S. Acevedo	[redacted]		
Alberto Magno N. Pedrosa			
Florentino M. Madonza			
Ma. Christina P. Alvarez			
Atty. George Gilbert G. Dela Cuesta			

DOC No. 201
Page No. 42
Book No. XIV
Series of 2024

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

Tristan John Kabigting <takabigting@rcbc.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 8, 2024 at 1:15 PM
To: TAKABIGTING@rcbc.com
Cc: takabigting@rcbc.com

Hi RIZAL COMMERCIAL BANKING CORPORATION,

Valid files

- EAFS000599760ITRTY122023.pdf
- EAFS000599760AFSTY122023.pdf
- EAFS000599760RPTTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MP14SQRT0BG5E9BC9PYRZ3TM40MNPPM3WR**
Submission Date/Time: **Apr 08, 2024 01:15 PM**
Company TIN: **000-599-760**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

RCBC
Partners Through Generations

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of Rizal Commercial Banking and Subsidiaries (the Group), is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of and for the year ended December 31, 2023 (including the comparative financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021), in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

RCBC
Partners Through Generations

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

SUBSCRIBED AND SWORN TO BEFORE ME, this MAR 14 2024 day of ____, 2024 at Makati City, Philippines, affiants exhibited to me their valid identifications, to wit:

Name [redacted]
Helen Y. Dee
Eugene S. Acevedo
Alberto N. Pedrosa
Florentino M. Madonza

Doc. No. 249;
Page No. 50;
Book No. 696;
Series of 2024

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No. M-095 (2023-2024)
PTR No. 10074586; 01/02/24; Makati City
IBP No. 302199; 01/08/24; Makati City
ROLL NO. 40145
MCLE Compliance VII-0009943-15 Feb 2022
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Rizal Commercial Banking Corporation and Subsidiaries

December 31, 2023, 2022 and 2021

P&A Grant Thornton

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

T +63 2 8988 2288

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rizal Commercial Banking Corporation and subsidiaries (together hereinafter referred to as the Group) and of Rizal Commercial Banking Corporation (the Parent Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and of the Parent Company as at December 31, 2023 and 2022, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

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

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

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

Description of the Matter

As at December 31, 2023, the Group's and the Parent Company's expected credit losses (ECL) allowance for loans and receivables amounted to P17,395 million and P16,021 million, respectively, while the carrying amount of loans and receivables amounted to P649,929 million and P643,681 million, respectively (as disclosed in Note 11). We have identified the Group's and the Parent Company's ECL model significant to our audit as this:

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

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

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

In accordance with the Group's and the Parent Company's policy to appropriately validate its credit risk assessment models, management engaged an independent consultant to conduct a validation of its ECL model parameters, assumptions, design, and calibration in 2023. This included a review of the governance framework for ECL computation, the related processes and systems, input data quality checks, and methodologies used in the calculation of ECL. This also involved the validation of the robustness, consistency and accuracy of the ECL model as well as its continued relevance to the loans and receivables of the Group and the Parent Company. As a result, the Group and the Parent Company incorporated adjustments through an enhancement on application of criteria to identify SICR, exclusion of periods affected by COVID-19, and refresh of its probability of default, overlay and LGD models.

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

How the Matter was Addressed in the Audit

We obtained an understanding of the Group's and the Parent Company's accounting policies and methodologies applied and evaluated whether those: (a) are established and implemented consistent with the underlying principles of PFRS 9; (b) are appropriate in the context of the Group's lending activities and asset portfolio that takes into consideration the different segments of credit exposures and the relevant regulatory framework; and, (c) are supported by pertinent processes and controls, including documentations of the accounting policies that capture in sufficient detail the judgment, including estimation applied in the development of the Group's refreshed ECL model. We also obtained an understanding of the model validation process and the corresponding results, and evaluated whether: (a) the validation process is conducted by an independent party with the necessary experience and expertise; (b) the scope, methodologies and assumptions used in the model validation are appropriate; and (c) the recommendations from the model validation are reviewed and resulting changes to the ECL model are approved.

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

- engaged our Firm specialist to assist in evaluating the appropriateness of methodologies and assumptions used in the ECL calculation, including the changes on the Group's refreshed ECL model;

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

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

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

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

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

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

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

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

(b) Fair Value Measurement of Unquoted Equity Securities

Description of the Matter

The Group and the Parent Company have significant investments in unquoted equity securities measured at fair value through other comprehensive income amounting to P2,480 million and P2,402 million, respectively, as of December 31, 2023 (as disclosed in Note 10). The valuation of these financial instruments involves complex valuation techniques (i.e., price-to-book value method and discounted cash flow method) and significant estimation which are highly dependent on underlying assumptions and inputs such as price-to-book ratios of selected comparable listed entities, application of a certain haircut rate, and appropriate discount rate in computing the present value of future cash flows expected from dividend or redemption payments. These inputs are considered Level 3 unobservable inputs in the fair value hierarchy under PFRS 13, *Fair Value Measurement*, as discussed in Notes 3 and 7 to the financial statements. Accordingly, we assessed the valuation of the unquoted equity securities as a key audit matter.

How the Matter was Addressed in the Audit

We evaluated the appropriateness of management's valuation methodology in accordance with PFRS 13. For equity securities valued using the price-to-book value method, we engaged our Firm valuation specialist to assess and challenge the valuation assumptions used, including the identification and selection of comparable listed entities and the related financial information such as net book value per share and quoted prices of those listed entities. In testing the reasonableness of the haircut rate used, we reviewed available non-financial information relevant to the assessment of the potential marketability of the subject security, and the consistency of the application of the haircut rate used in prior period in light of the current industry and economic circumstances. With respect to the equity securities measured using the net asset value method, we involved our Firm valuation specialist to evaluate the appropriateness of the valuation method and reasonableness of the fair value of the net assets of the counterparties. We also verified the mathematical accuracy of the calculation for both valuation techniques used by management.

(c) Recoverability of Goodwill and Branch Licenses

Description of the Matter

The Group and the Parent Company has goodwill of P426 million and P269 million, respectively, and branch licenses with indefinite useful lives amounting to P1,000 million as of December 31, 2023. These are reported as part of Other Resources in the 2023 statement of financial position of the Group and Parent Company (as disclosed in Note 15).

Under PFRS, the Group and the Parent Company are required to annually test the amount of goodwill and branch license with indefinite useful lives for impairment. This annual impairment testing of goodwill and branch licenses with indefinite useful lives for impairment is considered to be a key audit matter because of the complexity of the management's process in assessing the recoverability of the intangible assets. In addition, the assumptions used in determining the cash generating units (CGUs) where the goodwill and branch licenses with indefinite useful lives are allocated and estimating the recoverable amount involves significant judgment. The recoverable amount of the CGUs has been computed using discounted cash flows method. This valuation method uses several key assumptions, including estimates for forecasted statements of financial position and income of CGUs, terminal value growth rates and discount rates. Hence, we assessed this as a key audit matter.

The Group and the Parent Company's disclosures about goodwill and branch licenses are included in Notes 2, 3 and 15 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to impairment of goodwill and branch licenses with indefinite useful lives included, among others, evaluating the appropriateness of valuation methodologies and related assumptions used by the management, in particular, those relating to the forecasted statements of financial position and statement of income as well as the discount and growth rates used. We have engaged our Firm valuation specialist to assist in evaluating the appropriateness of the valuation method and assumptions used in estimating the recoverable amount of CGUs. In addition, our audit of the financial statements of the Group and the Parent Company as of and for the year ended December 31, 2023 did not identify events or conditions that may indicate impairment of the Group's and the Parent Company's goodwill and branch licenses.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's and the Parent Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As discussed in Note 25 to the financial statements, the Parent Company presented the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) 15-2010 in a supplementary schedule filed separately from the basic financial statements. RR 15-2010 requires the supplementary information to be presented in the notes to financial statements. The supplementary information for the year ended December 31, 2023, 2022 and 2021 required by the Bangko Sentral ng Pilipinas (BSP) as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis. Such supplementary information required by the BIR and BSP are the responsibility of management and are not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Maria Isabel E. Comedia.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

CPA Reg. No. 0092966
TIN 189-477-563
PTR No. 10076138, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 92966-SEC (until financial period 2027)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-021-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 26, 2024

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP 2023	GROUP 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
RESOURCES					
CASH AND OTHER CASH ITEMS	9	**P 19,875**	P 18,078	**P 19,812**	P 18,024
DUE FROM BANGKO SENTRAL NG PILIPINAS	9	**151,762**	156,664	**150,771**	155,340
DUE FROM OTHER BANKS	9	**14,892**	5,836	**14,630**	5,383
LOANS ARISING FROM REVERSE REPURCHASE AGREEMENTS	9	**35,799**	8,724	**34,948**	8,552
TRADING AND INVESTMENT SECURITIES - Net	10	**330,742**	374,365	**328,443**	371,732
LOANS AND RECEIVABLES - Net	11	**649,929**	558,869	**643,681**	551,214
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - Net	12	**509**	379	**6,401**	7,035
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	13	**9,129**	11,264	**7,805**	9,546
INVESTMENT PROPERTIES - Net	14	**543**	2,616	**543**	2,488
DEFERRED TAX ASSETS - Net	25	**5,775**	3,740	**5,351**	3,508
OTHER RESOURCES - Net	15	**19,377**	13,573	**18,505**	11,927
TOTAL RESOURCES		**P 1,238,332**	P 1,154,108	**P 1,230,890**	P 1,144,749

See Notes to Financial Statements.

	Notes	GROUP 2023	GROUP 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	17	**P 956,712**	P 857,244	**P 957,369**	P 857,639
BILLS PAYABLE	18	**50,858**	66,660	**43,957**	58,391
BONDS PAYABLE	19	**34,939**	74,411	**34,939**	74,411
ACCRUED INTEREST, TAXES AND OTHER EXPENSES	20	**12,082**	8,428	**11,786**	8,192
OTHER LIABILITIES	21	**31,466**	31,004	**30,573**	29,832
Total Liabilities		**1,086,057**	1,037,747	**1,078,624**	1,028,465
EQUITY	22				
Attributable to:					
Parent Company's Shareholders		**152,269**	116,353	**152,266**	116,284
Non-controlling Interests		**6**	8	**-**	-
		152,275	116,361	**152,266**	116,284
TOTAL LIABILITIES AND EQUITY		**P 1,238,332**	P 1,154,108	**P 1,230,890**	P 1,144,749

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	Notes	GROUP 2023	GROUP 2022	GROUP 2021	PARENT COMPANY 2023	PARENT COMPANY 2022	PARENT COMPANY 2021
INTEREST INCOME							
Loans and receivables	11	**P 49,407**	P 34,970	P 31,900	**P 48,569**	P 34,367	P 31,095
Trading and investment securities	10	**13,239**	9,755	4,448	**13,171**	9,683	4,379
Due from BSP and other banks	9	**3,643**	1,110	763	**3,544**	1,077	755
		66,289	45,835	37,111	**65,284**	45,127	36,229
INTEREST EXPENSE							
Deposit liabilities	17	**28,035**	10,057	4,059	**28,056**	10,055	4,056
Bills payable and other borrowings	13, 18, 19, 21, 23	**4,625**	4,562	4,221	**4,246**	4,173	3,837
		32,660	14,619	8,280	**32,302**	14,228	7,893
NET INTEREST INCOME		**33,629**	31,216	28,831	**32,982**	30,899	28,336
IMPAIRMENT LOSSES - Net	16						
Financial assets	4, 10, 11	**6,677**	5,347	5,013	**5,864**	5,131	4,912
Non-financial assets	14, 15	**211**	359	1,035	**210**	358	1,021
		6,888	5,706	6,048	**6,074**	5,489	5,933
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		**26,741**	25,510	22,783	**26,908**	25,410	22,403
OTHER OPERATING INCOME							
Gain on assets sold - net	13, 14, 15	**6,714**	3,088	101	**6,656**	2,985	196
Service fees and commissions	2	**6,658**	5,469	4,549	**6,362**	5,112	4,047
Trading and securities gains (losses) - net	10	**444**	(37)	863	**429**	22	856
Trust fees	26	**423**	415	392	**423**	415	392
Gain on disposal of subsidiaries	12	**243**	-	-	**243**	-	-
Share in net earnings (losses) of subsidiaries and associates	12	**92**	32	12	**(157)**	154	477
Foreign exchange gains (losses) - net	19	**(15)**	1,567	181	**(22)**	1,555	171
Miscellaneous - net	24	**1,809**	2,704	1,465	**1,373**	2,012	575
		16,368	13,238	7,563	**15,307**	12,255	6,714
TOTAL OPERATING INCOME *(Forward)*		**P 43,109**	P 38,748	P 30,346	**P 42,215**	P 37,665	P 29,117

See Notes to Financial Statements.

	Notes	GROUP 2023	GROUP 2022	GROUP 2021	PARENT COMPANY 2023	PARENT COMPANY 2022	PARENT COMPANY 2021
TOTAL OPERATING INCOME		**P 43,109**	P 38,748	P 30,346	**P 42,215**	P 37,665	P 29,117
OTHER OPERATING EXPENSES							
Employee benefits	23	**7,150**	6,563	6,371	**6,321**	5,794	5,686
Taxes and licenses		**6,534**	4,645	3,475	**6,416**	4,508	3,341
Depreciation and amortization	13, 14, 15	**3,365**	3,037	3,020	**3,014**	2,544	2,524
Occupancy and equipment-related	27, 28	**3,262**	2,908	2,820	**3,172**	2,813	2,763
Miscellaneous	24	**9,283**	7,947	6,849	**9,791**	8,408	7,196
		29,594	25,100	22,535	**28,714**	24,067	21,510
PROFIT BEFORE TAX		**13,515**	13,648	7,811	**13,501**	13,598	7,607
TAX EXPENSE	25	**1,298**	1,568	728	**1,283**	1,518	525
NET PROFIT		**P 12,217**	P 12,080	P 7,083	**P 12,218**	P 12,080	P 7,082
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 12,218**	P 12,080	P 7,082			
NON-CONTROLLING INTERESTS		**(1)**	-	1			
		P 12,217	P 12,080	P 7,083			
Earnings Per Share							
Basic and diluted	29	**P 5.07**	P 5.42	P 3.09			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

		GROUP			PARENT COMPANY		
	Notes	**2023**	2022	2021	**2023**	2022	2021
NET PROFIT		**P 12,217**	P 12,080	P 7,083	**P 12,218**	P 12,080	P 7,082
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will not be reclassified subsequently to profit or loss							
Actuarial gains (losses) on defined benefit plan	23	**(1,366)**	782	425	**(1,324)**	782	375
Fair value gains on equity securities at fair value through other comprehensive income (FVOCI)	10, 22	**263**	191	548	**276**	272	490
Share in other comprehensive income (losses) of the subsidiaries and associates:							
Actuarial gains (losses) on defined benefit plan	12	**16**	4	(3)	**(26)**	4	47
Fair value gains (losses) on equity securities at FVOCI	12, 22	**-**	-	-	**(13)**	(81)	58
		(1,087)	977	970	**(1,087)**	977	970
Items that will be reclassified subsequently to profit or loss							
Fair value gains (losses) on debt securities at FVOCI	10, 22	**1,432**	(5,446)	(823)	**1,432**	(5,446)	(823)
		1,432	(5,446)	(823)	**1,432**	(5,446)	(823)
Total Other Comprehensive Income (Loss)	22	**345**	(4,469)	147	**345**	(4,469)	147
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**P 12,562**	P 7,611	P 7,230	**P 12,563**	P 7,611	P 7,229
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 12,563**	P 7,611	P 7,229			
NON-CONTROLLING INTERESTS		**(1)**	-	1			
		P 12,562	P 7,611	P 7,230			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

		GROUP												
		ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS												
	Notes	COMMON STOCK	PREFERRED STOCK	CAPITAL PAID IN EXCESS OF PAR	HYBRID PERPETUAL SECURITIES	REVALUATION RESERVES	TREASURY SHARES	RESERVE FOR TRUST BUSINESS	OTHER RESERVES	GENERAL LOAN LOSS RESERVE	SURPLUS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2023		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	(P 86)	P 3,824	P 48,294	P 116,353	P 8	P 116,361
Transactions with owners:														
Reissuance of treasury shares	22	-	-		-	-	9,287	-	-	-	-	9,287	-	9,287
Issuance of common stock	22	1,686	-	15,735	-	-	-	-	-	-	-	17,421	-	17,421
Cash dividends	22	-	-	-	-	-	-	-	-	-	(3,289)	(3,289)	-	(3,289)
		1,686	-	15,735	-	-	9,287	-	-	-	(3,289)	23,419	-	23,419
Net profit for the year		-	-	-	-	-	-	-	-	-	12,218	12,218	(1)	12,217
Other comprehensive income		-	-	-	-	345	-	-	-	-	-	345	(1)	344
General loan loss appropriation	22	-	-	-	-	-	-	-	-	775	(775)	-	-	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22	-	-	-	-	3					(3)	-	-	-
Changes in ownership interest of a subsidiary	22	-	-	-	-	-	-	-	-	-	(66)	(66)	-	(66)
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	19	-	-	(19)	-	-	-
		-	-	-	-	348	-	19	-	775	11,355	12,497	(2)	12,495
Balance at December 31, 2023		**P 24,195**	**P 3**	**P 58,228**	**P 14,463**	**(P 6,044)**	**P -**	**P 551**	**(P 86)**	**P 4,599**	**P 56,360**	**P 152,269**	**P 6**	**P 152,275**
Balance at January 1, 2022		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	(P 97)	P 3,617	P 38,764	P 111,062	P 18	P 111,080
Transactions with owners:														
Reissuance of treasury shares	22	-	-	(12)	-	-	-	-	-	-	-	(12)	-	(12)
Cash dividends	22	-	-	-	-	-	-	-	-	-	(2,308)	(2,308)	-	(2,308)
		-	-	(12)	-	-	-	-	-	-	(2,308)	(2,320)	-	(2,320)
Net profit for the year		-	-	-	-	-	-	-	-	-	12,080	12,080	-	12,080
Other comprehensive loss		-	-	-	-	(4,469)	-	-	-	-	-	(4,469)	-	(4,469)
General loan loss appropriation	22	-	-	-	-	-	-	-	-	207	(207)	-	-	-
Changes in ownership interest of a subsidiary	22	-	-	-	-	-	-	-	11	-	(11)	-	(10)	(10)
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	24	-	-	(24)	-	-	-
		-	-	-	-	(4,469)	-	24	11	207	11,838	7,611	(10)	7,601
Balance at December 31, 2022		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	(P 86)	P 3,824	P 48,294	P 116,353	P 8	P 116,361
Balance at January 1, 2021		P 22,509	P 3	P 42,568	P 14,463	(P 2,070)	(P 13,719)	P 499	(P 97)	P 3,451	P 33,754	P 101,361	P 17	P 101,378
Transactions with owners:														
Issuance of hybrid perpetual securities	22	-	-	(63)	-	-	4,432	-	-	-	-	4,369	-	4,369
Cash dividends	22	-	-	-	-	-	-	-	-	-	(1,897)	(1,897)	-	(1,897)
		-	-	(63)	-	-	4,432	-	-	-	(1,897)	2,472	-	2,472
Net profit for the year		-	-	-	-	-	-	-	-	-	7,082	7,082	1	7,083
Other comprehensive income		-	-	-	-	147	-	-	-	-	-	147	-	147
General loan loss appropriation	22	-	-	-	-	-	-	-	-	166	(166)	-	-	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	9	-	-	(9)	-	-	-
		-	-	-	-	147	-	9	-	166	6,907	7,229	1	7,230
Balance at December 31, 2021		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	(P 97)	P 3,617	P 38,764	P 111,062	P 18	P 111,080

See Notes to Financial Statements.

	Notes	PARENT COMPANY									
		COMMON STOCK	PREFERRED STOCK	CAPITAL PAID IN EXCESS OF PAR	HYBRID PERPETUAL SECURITIES	REVALUATION RESERVES	TREASURY SHARES	RESERVE FOR TRUST BUSINESS	GENERAL LOAN LOSS RESERVE	SURPLUS	TOTAL EQUITY
Balance at January 1, 2023		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	P 3,823	P 48,140	P 116,284
Transactions with owners:											
Reissuance of treasury shares	22	-	-		-	-	9,287	-	-	-	9,287
Issuance of common stock	22	1,686	-	15,735	-	-	-	-	-	-	17,421
Cash dividends	22	-	-	-	-	-	-	-	-	(3,289)	(3,289)
		1,686	-	15,735	-	-	9,287	-	-	(3,289)	23,419
Net profit for the year		-	-	-	-	-	-	-	-	12,218	12,218
Other comprehensive income		-	-	-	-	345	-	-	-	-	345
General loan loss appropriation	22	-	-	-	-	-	-	-	766	(766)	-
Transfer of fair value gain on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 23	-	-	-	-	3	-	-	-	(3)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	19	-	(19)	-
		-	-	-	-	348	-	19	766	11,430	12,563
Balance at December 31, 2023		**P 24,195**	**P 3**	**P 58,228**	**P 14,463**	**(P 6,044)**	**P -**	**P 551**	**P 4,589**	**P 56,281**	**P 152,266**
Balance at January 1, 2022		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	P 3,616	P 38,599	P 110,993
Transactions with owners:											
Reissuance of treasury shares	22	-	-	(12)	-	-	-	-	-	-	(12)
Cash dividends	22	-	-	-	-	-	-	-	-	(2,308)	(2,308)
		-	-	(12)	-	-	-	-	-	(2,308)	(2,320)
Net profit for the year		-	-	-	-	-	-	-	-	12,080	12,080
Other comprehensive loss		-	-	-	-	(4,469)	-	-	-	-	(4,469)
General loan loss appropriation	22	-	-	-	-	-	-	-	207	(207)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	24	-	(24)	-
		-	-	-	-	(4,469)	-	24	207	11,849	7,611
Balance at December 31, 2022		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	P 3,823	P 48,140	P 116,284
Balance at January 1, 2021		P 22,509	P 3	P 42,568	P 14,463	(P 2,070)	(P 13,719)	P 499	P 3,440	P 33,599	P 101,292
Transactions with owners:											
Issuance of hybrid perpetual securities	22	-	-	(63)	-	-	4,432	-	-	-	4,369
Cash dividends	22	-	-	-	-	-	-	-	-	(1,897)	(1,897)
		-	-	(63)	-	-	4,432	-	-	(1,897)	2,472
Net profit for the year		-	-	-	-	-	-	-	-	7,082	7,082
Other comprehensive income	22	-	-	-	-	147	-	-	-	-	147
General loan loss appropriation		-	-	-	-	-	-	-	176	(176)	-
Transfer from surplus to reserve for trust business		-	-	-	-	-	-	9	-	(9)	-
		-	-	-	-	147	-	9	176	6,897	7,229
Balance at December 31, 2021		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	P 3,616	P 38,599	P 110,993

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP 2023	GROUP 2022	GROUP 2021	PARENT COMPANY 2023	PARENT COMPANY 2022	PARENT COMPANY 2021
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		**P 13,515**	P 13,648	P 7,811	**P 13,501**	P 13,598	P 7,607
Adjustments for:							
Interest income	9, 10, 11	**(66,289)**	(45,835)	(37,111)	**(65,284)**	(45,127)	(36,229)
Interest received		**47,718**	45,379	35,416	**46,932**	44,516	34,676
Interest expense	17, 18, 19, 21, 23	**32,660**	14,619	8,280	**32,302**	14,228	7,893
Interest paid		**(30,830)**	(12,577)	(8,244)	**(30,476)**	(12,145)	(7,892)
Impairment losses - net	16	**6,888**	5,706	6,048	**6,074**	5,489	5,933
Gain on assets sold - net	13, 14, 15	**(6,714)**	(3,088)	(101)	**(6,656)**	(2,985)	(196)
Depreciation and amortization	13, 14, 15	**3,365**	3,037	3,020	**3,014**	2,544	2,524
Recoveries from written-off assets	24	**600**	(486)	(223)	**600**	(486)	(223)
Dividend income	24	**(318)**	(311)	(105)	**(252)**	(227)	(39)
Gain on disposal of subsidiaries	12	**(243)**	-	-	**(243)**	-	-
Share in net losses (earnings) of subsidiaries and associates	12	**(92)**	(32)	(12)	**157**	(154)	(477)
Operating loss (profit) before working capital changes		**260**	20,060	14,779	**(331)**	19,251	13,577
Increase in financial assets at fair value through profit and loss		**(4,741)**	(1,174)	(975)	**(4,815)**	(1,260)	(1,064)
Increase in loans and receivables		**(70,902)**	(35,643)	(62,435)	**(71,714)**	(35,452)	(62,076)
Decrease (increase) in investment properties		**2,072**	2,093	(359)	**1,842**	2,009	(363)
Decrease (increase) in other resources		**(6,100)**	180	(2,636)	**(2,717)**	725	(1,806)
Increase in deposit liabilities		**99,468**	184,785	136,671	**99,730**	183,225	137,666
Increase in accrued interest, taxes and other expenses		**2,590**	256	130	**2,552**	189	194
Increase (decrease) in other liabilities		**(694)**	10,688	(1,628)	**(462)**	10,585	(2,729)
Cash generated from operations		**21,953**	181,245	83,547	**24,085**	179,272	83,399
Income taxes paid		**(4,099)**	(2,069)	(859)	**(3,910)**	(1,973)	(773)
Net Cash From Operating Activities		**17,854**	179,176	82,688	**20,175**	177,299	82,626
CASH FLOWS FROM INVESTING ACTIVITIES							
Disposal of securities at fair value through other comprehensive income (FVOCI)	10	**476,584**	60,578	117,158	**476,576**	59,863	116,890
Acquisition of securities at FVOCI	10	**(442,380)**	(131,018)	(127,044)	**(442,360)**	(130,903)	(126,809)
Proceeds from redemption and maturity of securities at amortized cost	4	**31,956**	61,045	110,217	**29,688**	59,894	110,418
Additional investments in securities at amortized cost	4	**(16,099)**	(149,832)	(230,816)	**(14,092)**	(148,342)	(230,816)
Proceeds from disposals of bank premises, furniture, fixtures and equipment	13	**9,836**	2,487	88	**3,796**	2,032	95
Acquisitions of bank premises, furniture, fixtures, and equipment	13	**(3,716)**	(1,627)	(1,333)	**(1,432)**	(1,251)	(995)
Acquisitions of software	15	**(381)**	(334)	(494)	**(362)**	(333)	(493)
Cash dividends received	12, 24	**318**	293	105	**344**	798	663
Net Cash From (Used in) Investing Activities *(Forward)*		**P 56,118**	(P 158,408)	(P 132,119)	**P 52,158**	(P 158,242)	(P 131,047)

See Notes to Financial Statements.

	Notes	GROUP 2023	GROUP 2022	GROUP 2021	PARENT COMPANY 2023	PARENT COMPANY 2022	PARENT COMPANY 2021
CASH FLOWS FROM FINANCING ACTIVITIES							
Maturity of bonds payable	19, 30	**(P 39,041)**	(P 31,170)	(P 18,810)	**(P 39,041)**	(P 31,170)	(P 18,810)
Payments of bills payable	18, 30	**(29,767)**	(52,865)	(104,018)	**(28,399)**	(44,867)	(98,411)
Net proceeds from issuance of shares of stock	22	**17,421**	-	-	**17,421**	-	-
Proceeds from availments of bills payable	30	**15,333**	62,142	148,820	**15,333**	55,380	142,675
Reissuance of treasury shares	22	**9,287**	(12)	4,369	**9,287**	(12)	4,369
Dividends paid	22	**(3,289)**	(2,308)	(1,897)	**(3,269)**	(2,308)	(1,897)
Payment of lease liabilities	21, 30	**(2,131)**	(2,265)	(1,360)	**(2,044)**	(2,189)	(1,205)
Issuance of bonds payable	19, 30	**-**	14,756	17,873	**-**	14,756	17,873
Net Cash From (Used in) Financing Activities		**(32,187)**	(11,722)	44,977	**(30,712)**	(10,410)	44,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**41,785**	9,046	(4,454)	**41,621**	8,647	(3,827)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9						
Cash and other cash items		**18,078**	14,691	16,520	**18,024**	14,663	16,464
Due from Bangko Sentral ng Pilipinas		**156,664**	130,170	115,467	**155,340**	128,931	113,949
Due from other banks		**5,836**	12,162	15,707	**5,383**	11,860	15,214
Loans arising from reverse repurchase agreements		**8,724**	11,691	13,356	**8,552**	11,656	13,226
Interbank loans receivable		**19,021**	30,563	42,681	**19,021**	30,563	42,647
		208,323	199,277	203,731	**206,320**	197,673	201,500
CASH AND CASH EQUIVALENTS AT END OF YEAR	9						
Cash and other cash items		**19,875**	18,078	14,691	**19,812**	18,024	14,663
Due from Bangko Sentral ng Pilipinas		**151,762**	156,664	130,170	**150,771**	155,340	128,931
Due from other banks		**14,892**	5,836	12,162	**14,630**	5,383	11,860
Loans arising from reverse repurchase agreements		**35,799**	8,724	11,691	**34,948**	8,552	11,656
Interbank loans receivable		**27,780**	19,021	30,563	**27,780**	19,021	30,563
		P 250,108	P 208,323	P 199,277	**P 247,941**	P 206,320	P 197,673

See Notes to Financial Statements

(Amounts in Millions of Philippine Pesos, Except Share and Per Share Data or As Indicated)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

Rizal Commercial Banking Corporation (the Parent Company, the Bank or RCBC), a universal bank engaged in all aspects of banking, was originally incorporated on September 23, 1960. The Bank renewed its corporate existence on December 10, 2009. It provides products and services related to traditional loans and deposits, trade finance, domestic and foreign fund transfers or remittance, cash management, treasury, and trust and custodianship services. Under relevant authority granted by the Bangko Sentral ng Pilipinas (BSP), the Bank is also licensed to deal in different types of derivative products such as, but not limited, to foreign currency forwards, interest rate swaps and cross currency swaps. The Parent Company and its subsidiaries (together hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (credit cards, auto loans, mortgage/housing and microfinance loans), remittance, leasing and stock brokering.

As a banking institution, the Group's operations are regulated and supervised by the BSP. As such, the Group is required to comply with banking rules and regulations such as those relating to maintenance of reserve requirements on deposit liabilities and deposit substitutes and those relating to the adoption and use of safe and sound banking practices, among others, as promulgated by the BSP. The Group's activities are subject to the provisions of Republic Act (R.A.) No. 8791, the *General Banking Law of 2000*, and other related banking laws.

The Parent Company's common shares are listed in the Philippine Stock Exchange (PSE).

The Group and the Parent Company's banking network within and outside the Philippines as of December 31 follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Automated teller machines (ATMs)	**1,460**	1,352	**1,460**	1,352
ATM Go	**3,861**	1,559	**3,861**	1,559
Branches	**454**	456	**438**	440
Extension offices	**4**	6	**2**	4

RCBC is a 33.92%-owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC or Ultimate Parent), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC), with registered business address at 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City. As of December 31, 2023 and 2022, Cathay Life Insurance Corporation (Cathay) also owns 18.68% and 22.19% interest in RCBC, respectively.

On August 26, 2022 and September 30, 2022, respectively, the BSP and Securities and Exchange Commission (SEC) approved the amendment of Articles of Incorporation (AOI) of the Parent Company to allow foreign ownership to exceed 40% (see Note 22.1).

In 2023, Sumitomo Mitsui Banking Corporation (SMBC) has completed its acquisition of an additional 15.01% equity stake in RCBC resulting in an increase of SMBC's shareholding to 20.00% (see Note 22.2), effectively making RCBC 44.10% foreign-owned. To comply with constitutional requirements on land ownership, the Bank committed to dispose of its land through the following strategies:

- sale and leaseback transaction of bank premises and investment properties with AT Yuchengco Center Inc. (ATYCI) [see Notes 13 and 27.7(a)];
- disposal of 119 Bank-owned real estate properties to a property holding company - Frame Properties Inc. (see Notes 13, 23.2 and 27.5);
- sale of subsidiaries Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (Cajel) to Filinvest Land Inc. (FLI) (see Notes 12 and 15.1); and,
- disposal of other consolidated properties of the Bank until June 2024 (see Note 15.1).

With the endorsement of the Group's Trust Committee, on November 28, 2022, the Bank's BOD approved the spin-off of the trust operations from the Parent Company into a separate corporate entity by establishing a Stand-Alone Trust Corporation in accordance with the Manual of Regulations for Non-Bank Financing Institutions. The BOD approved the capital infusion by the Parent Company equivalent to 40% of the required capital under the capital build-up plan.

On March 27, 2023, the Bank's BOD approved the incorporation of the RCBC Trust Corporation (RTC), where the Bank subscribed to 400,000 shares amounting to P40, equivalent to 40% of the subscribed share capital of RTC. RTC was officially incorporated on June 29, 2023, while its application of Trust License from BSP – Stage 3 was approved on October 10, 2023. RTC started operations on January 2, 2024 (see Notes 12 and 26).

The Parent Company's registered address, which is also its principal office, is at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City.

1.2 Subsidiaries and Associates

The Parent Company holds ownership interests in the following subsidiaries and associates at the end of 2023 and 2022:

Subsidiaries and Associates	Line of Business	Explanatory Notes	Effective Percentage of Ownership 2023	2022
Subsidiaries:				
RCBC Forex Brokers Corporation (RCBC Forex)	Foreign exchange dealing		**100.00**	100.00
RCBC Telemoney Europe (RCBC Telemoney)	Remittance		**100.00**	100.00
RCBC International Finance Limited (RCBC IFL)	Remittance		**100.00**	100.00
RCBC Investment Ltd.	Remittance	(a)	**100.00**	100.00
RCBC Capital Corporation (RCBC Capital)	Investment house		**99.96**	99.96
RCBC Securities, Inc. (RSI or RCBC Securities)	Securities brokerage and dealing	(b)	**99.96**	99.96
RCBC Bankard Services Corporation (RBSC)	Credit card management	(b)	**99.96**	99.96
RCBC-JPL Holding Company, Inc. (RCBC JPL)	Property holding		**99.41**	99.41
Rizal Microbank, Inc. (Rizal Microbank)	Thrift banking and microfinance		**100.00**	100.00
RCBC Leasing and Finance Corporation (RCBC LFC)	Financial leasing		**99.67**	99.67
RCBC Rental Corporation (RRC)	Property leasing	(c)	**99.67**	99.67
Cajel	Real estate buying and selling	(d)	-	100.00
NPHI	Real estate buying and selling	(d)	-	100.00
Associates:				
YGC Corporate Services, Inc. (YCS)	Support services for YGC		**40.00**	40.00
RTC	Trust, fiduciary and investment management	(e)	**40.00**	-
Luisita Industrial Park Co. (LIPC)	Real estate buying, developing, selling and rental		**35.00**	35.00
Honda Cars Phils., Inc. (HCPI)	Sale of motor vehicles		**12.88**	12.88

Except for RCBC Telemoney (Italy), RCBC IFL (Hongkong) and RCBC Investment Ltd. (Hongkong), all other subsidiaries and associates are incorporated and conducting their businesses in the Philippines. RCBC Telemoney was operational only until March 1, 2016 and is currently in the process of liquidation.

Explanatory Notes:

(a) A wholly-owned subsidiary of RCBC IFL.
(b) Wholly-owned subsidiaries of RCBC Capital.
(c) A wholly-owned subsidiary of RCBC LFC.
(d) In 2019, SPCs other than NPHI and Cajel were liquidated pursuant to BSP recommendation and upon receipt of necessary regulatory clearance. In 2023, the Bank sold and transferred its ownership interest with NPHI and Cajel to FLI (see Notes 12 and 15.1).
(e) In 2023, the Bank subscribed to 400 thousand shares equivalent to 40% of subscribed share capital of RTC (see Note 1.1).

1.3 Approval of Financial Statements

The consolidated financial statements of the Group and the separate financial statements of RCBC as of and for the year ended December 31, 2023 (including the comparative financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were approved and authorized for issue by the Board of Directors (BOD) of the Parent Company on February 26, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below. The accounting policies have been consistently applied to all the years presented, except when otherwise indicated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group and the separate financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by Philippine Board of Accountancy.

These financial statements have been prepared using the measurement bases specified by PFRS for each type of resource, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income and expenses in two statements: a "statement of profit or loss" and a "statement of comprehensive income".

The Group presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that have a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Group's functional and presentation currency (see Note 2.10). All amounts are in millions, except share and per share data or when otherwise indicated.

Items included in the financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates. The financial statements of the Group's foreign currency deposit unit (FCDU), which is reported in United States (US) dollar, are translated to Philippine peso based on Philippine Dealing System (PDS) closing rates at the end of reporting period for the statement of financial position accounts and at the average PDS rate for the period for the profit and loss accounts.

2.2 Adoption of Amended PFRS

(a) Effective in 2023 that are Relevant to the Group and Parent Company

The Group adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from a Single Transaction

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies.* The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Group and Parent Company's financial statements under Notes 2 and 3.

(ii) PAS 8 (Amendments), *Definition of Accounting Estimates.* The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Group and Parent Company's financial statements.

(iii) PAS 12 (Amendments), *Deferred Tax Related to Assets and Liabilities from a Single Transaction.* The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Group and Parent Company's financial statements.

(b) Effective in 2023 that is not Relevant to the Group and Parent Company

Among the amendments to PFRS which are mandatorily effective for annual periods beginning on or after January 1, 2023, the Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, is not relevant to the Group and Parent Company's financial statements.

(c) Effective Subsequent to 2023 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements below in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group and Parent Company's financial statements:

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

(v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Basis of Consolidation and Accounting for Investments in Subsidiaries and Associates in the Separate Financial Statements

The Parent Company's investments in subsidiaries are initially recognized at cost and subsequently accounted for in its separate financial statements using the equity method.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Accordingly, entities are deconsolidated from the date that control ceases.

Acquired subsidiaries are subject to either of the following relevant policies:

(i) *Purchase method* – is applicable if the business combination does not involve entities under common control. The method involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of a subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of a subsidiary prior to acquisition.

(ii) *Pooling of interest method* – is applicable for business combinations involving entities under common control. On initial recognition, the assets and liabilities of a subsidiary are included in the consolidated statement of financial position at their book values. Adjustments, if any, are recorded to achieve uniform accounting policies. The combining entities' results and financial positions are presented in the consolidated financial statements as if they had always been combined.

No goodwill or negative goodwill is recognized. Any difference between the cost of the investment and the subsidiary's identifiable net assets is recognized on consolidation in Capital Paid in Excess of Par account in equity.

Acquired investments in associates are subject to purchase method of accounting as described above. However, any goodwill that represents the excess of identifiable net assets of the acquiree at the date of acquisition or fair value adjustment attributable to the Group's share in the associate is included in the amount recognized as investments in associates.

The Group reassesses whether or not an entity qualifies as an associate in the occurrence of changes to facts and circumstances surrounding its ability to exert significant influence.

2.4 Financial Instruments

(a) Financial Assets

(i) Classification and Measurement of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with basic lending arrangements, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangements, the related financial asset is classified and measured at FVTPL.

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

Financial Assets at Fair Value Through Other Comprehensive Income

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or a contingent consideration recognized arising from a business combination. The Group has made irrevocable designation of equity instruments not held for trading into this category.

Financial Assets at Fair Value Through Profit or Loss

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

(ii) Effective Interest Rate Method and Interest Income

Interest income on financial assets measured at amortized cost and all interest-bearing debt financial assets classified as at FVTPL, or at FVOCI, is recognized using the effective interest rate method.

The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of effective interest rate. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument; hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset with an increase or reduction in interest income. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

(iii) Impairment of Financial Assets

The Group's ECL model follows a three-stage impairment approach, which guide in the determination of the loss allowance to be recognized in the financial statements. The staging of financial assets and definition of default for purposes of determining ECL are further discussed in Note 4.4.

ECL is a function of the probability of default (PD), loss-given default (LGD), and exposure-at-default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement. These elements are discussed more fully in Note 4.4.

The Group calculates ECL either on an individual or a collective basis. For consumer loans which were carried out on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics, such as but not limited to instrument type, credit risk rating, collateral type, product type, historical net charge-offs, industry type, and geographical locations of the borrowers or counterparties. The Group calculates ECL for corporate loans, finance lease receivables, and investment securities at amortized cost on an individual basis.

The Group applies a simplified ECL approach for its accounts receivables and other risk assets wherein the Group uses a provision matrix that considers historical changes in the behavior of the portfolio of credit exposures based on internally collected data to predict conditions over the span of a given observation period. These receivables include claims from various counterparties, which are not originated through the Group's lending activities. For these instruments, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account. With respect to investments in debt securities that are measured at FVOCI, the related loss allowance account is recognized in other comprehensive income and accumulated in the Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

For loan commitments, the loss allowance is recognized as provisions (presented and included as part of Other Liabilities account in the statement of financial position). Where a financial instrument includes a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn commitment; the Group presents a combined allowance for ECL for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as provisions.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(iv) Modification of Loans

When the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers, the Group assesses whether or not the new terms are substantially different to the original terms of the instrument.

In making such assessment, the Group considers, among others:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced that will affect the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and/or,
- Insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation, including for the purpose of determining whether significant increase in credit risk (SICR) has occurred.

However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount between the old financial asset derecognized and the fair value of the new financial asset are recognized in profit or loss as either gain or loss on derecognition of financial assets.

As to the impact on ECL measurement, the expected fair value of the "new" financial asset is treated as the final cash flow from the existing financial asset at the date of derecognition. Such amount is included in the calculation of cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes the gain or loss arising from the modification in profit or loss.

The new gross carrying amount is recalculated by discounting the modified cash flows of the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

As to the impact on ECL measurement, the derecognition of the existing financial asset will result in the expected cash flows arising from the modified financial asset to be included in the calculation of cash shortfalls from the existing financial asset.

(b) Financial Liabilities

Financial liabilities including deposit liabilities, bills payable, bonds payable, accrued interest and other expenses, and other liabilities (except derivatives with negative fair value, tax-related payables, post-employment defined benefit obligation and deferred income)

(c) Financial Guarantees and Undrawn Loan Commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract or agreement. Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized under Other Liabilities account in the statement of financial position.

(d) Derivative Financial Instruments and Hedge Accounting

The Group is a party to various foreign currency forward contracts, cross currency swaps, futures, interest rate swaps, debt warrants, options and credit default swap. These contracts are entered into as a service to customers and as a means of reducing or managing the Group's foreign exchange and interest rate exposures as well as for trading purposes. Amounts contracted are recorded as contingent accounts and are not included in the statement of financial position.

2.5 Bank Premises, Furniture, Fixtures and Equipment

Land is stated at cost less impairment losses, if any. All other bank premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Buildings	20-50 years
Furniture, fixtures and equipment	3-15 years

Leasehold rights and improvements are amortized over the term of the lease or the estimated useful lives of the improvements of 1 to 12 years, whichever is shorter.

2.6 Investment Properties

Investment properties pertain to land, buildings or condominium units acquired by the Group, in settlement of loans from defaulting borrowers through foreclosure or dacion in payment, which are either held by the Group for sale in the next 12 months or being used in the rendering of services or for administrative purposes. This also includes properties held for rental.

Investment properties are stated at cost, less accumulated depreciation and any impairment losses (see Note 2.11).

Transfers from other accounts (such as bank premises, furniture, fixtures and equipment) are made to investment properties when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or holding the property for capital appreciation, while transfers from investment properties are made when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Investment properties, except land, are depreciated on a straight-line basis over a period of 10 to 50 years.

2.7 Intangible Assets

Intangible assets include goodwill, branch licenses, trading right, and computer software licenses which are accounted for under cost model and are reported under Other Resources account in the statement of financial position.

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired at the date of acquisition (see Note 2.3).

Branch licenses represent the rights given by the BSP to the Group to establish a certain number of branches in various areas in the country.

Goodwill and branch licenses are classified as intangible assets with indefinite useful life and, thus, not subject to amortization but are tested annually for impairment (see Note 2.11). After initial recognition, goodwill and branch licenses are subsequently carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those generating units is represented by each primary reporting segment.

Trading right, included as part of Miscellaneous under Other Resources account, represents the right given to RSI, a subsidiary engaged in stock brokerage, to preserve its access to the trading facilities and to transact business at the PSE. Trading right is assessed as having an indefinite useful life. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment, if any. The trading right is tested annually for any impairment in value (see Note 2.11).

Acquired computer software licenses are amortized on a straight line basis over the expected useful lives of the software of three to ten years.

Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives (not exceeding ten years).

2.8 Other Income and Expense Recognition

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all its revenue arrangements except for certain brokerage transactions.

For revenues arising from various services which are to be accounted for under PFRS 15, *Revenue from Contracts from Customers*, the following provides information about the nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

(a) Service fees and Commissions

The following service fees and commissions are recognized as follows:

(i) Commissions and fees – these income arising from loans, deposits, and other banking and brokerage transactions are recognized as income based on agreed terms and conditions with customers, which are generally when the services have been performed.

(ii) Annual membership fees – pertains to annual fees charged to credit cardholders. Revenues from membership fees are recognized over time from the date of renewal of the credit card until the validity date covered by the said renewal, usually termed as the expiry date of the issued cards. The credit card's validity period is deemed to be the servicing period.

(iii) Interchange fees, net of interchange costs – are recognized as income upon presentation by member establishments of charges arising from RBSC and non-RBSC (associated with MasterCard, JCB, VISA and China UnionPay labels) credit card availments passing through the Point of Sale (POS) terminals of the Parent Company. These discounts are computed based on agreed rates and are deducted from the amounts remitted to member establishments. Interchange costs pertain to the other credit card companies' share in RBSC's merchant discounts whenever their issued credit cards transact in the Parent Company's POS terminals.

The Parent Company has a rewards program related to its deposit, loans and credit card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the cardholder. Accordingly, the Parent Company allocates a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders based on relative stand-alone selling price and recognizes liability equivalent to the estimated loyalty points until these are redeemed. Revenue is recognized upon actual redemption by the cardholder.

(iv) Loan syndication fees – are recognized as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.

(v) Underwriting and arrangers fees – are fees arising from negotiating, or participating in the negotiation of a transaction for a third party such as arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized at the completion of the underlying transaction and where there are no further obligations to perform under the agreement.

(b) Trust Fees

These are service fees calculated in reference to the net asset value of the funds managed and deducted from the customer's account balance on a monthly basis which are recognized over time as the asset management services are provided. These are also applicable for wealth management and asset custody services that are continuously provided over an extended period of time.

For other income outside the scope of PFRS 15, the following provides information about the nature and the related revenue recognition policies:

(a) Trading and Securities Gains (Losses)

These are recognized when the ownership of the securities is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the securities disposed of. These also include trading gains and losses as a result of the mark-to-market valuation of investment securities classified as FVTPL.

(b) Gain on Assets Sold

Gain on assets sold arise from the disposals of bank premises, furniture, fixtures and equipment, investment properties, real estate properties for sale, and assets held-for-sale. The Group recognizes the gain on sale at the time the control of the assets is transferred to the buyer, when the Group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the assets sold, and when the collectability of the entire sales price is reasonably assured. Gain on assets sold are included as part of Other Operating Income account in the statement of profit or loss.

(c) Dividend Income

Dividend income is recognized when the Group and Parent Company's right to receive payment is established.

(d) Recoveries from Assets Written Off

These are income recognized from the increase in carrying amount of assets previously written off. The amount of reversal does not exceed the amount of impairment loss previously recognized for the related asset.

Collections from accounts, which did not qualify for revenue recognition are treated as customers' deposit included as part of Accounts payable under Other Liabilities account in the statement of financial position.

2.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease (see Note 3.1).

(c) *Sale and Leaseback Transaction*

As a seller-lessee, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

2.10 Foreign Currency Transactions and Translations

Except for the foreign subsidiaries and accounts of the Parent Company's FCDU, the accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the period are translated into the functional currency at exchange rates which approximate those prevailing at transaction dates. Resources and liabilities denominated in U.S. dollars are translated to Philippine pesos at the prevailing Philippine Dealing System closing rates (PDSCR) at the end of the reporting period.

For financial reporting purposes, the accounts of the FCDU are translated into their equivalents in Philippine pesos based on the prevailing PDSCR at the end of each reporting period (for resources and liabilities) and at the weighted average PDSCR for the period (for income and expenses). Any foreign exchange difference is recognized in profit or loss.

The translation of the financial statements into Philippine peso should not be construed as a representation that the amounts stated in currencies other than the Philippine peso could be converted in Philippine peso amounts at the translation rates or at any other rates of exchange.

2.11 Impairment of Non-financial Assets

Investments in subsidiaries and associates, bank premises, furniture, fixtures and equipment (including right-of-use asset), investment properties, and other resources (including intangible assets, and assets held for sale and disposal group) and other non-financial assets are subject to impairment testing.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested for impairment either individually or at the CGU level. Except for intangible assets with an indefinite useful life (i.e., goodwill, branch licenses and trading right) or those not yet available for use, individual assets or CGU are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

All assets, except for intangible assets with indefinite useful life, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.12 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group and Parent Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group and Parent Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Application of ECL to Financial Assets at Amortized Cost and Financial Assets at FVOCI

The Group uses the general approach to calculate ECL for all debt instruments carried at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts. The allowance for impairment is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(b) Evaluation of Business Models Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely, its core deposit funding arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

The Group's business models reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belongs to taking into consideration the objectives of each business model established by the Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Group's investment, trading and lending strategies.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with the HTC business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

There is no disposal of HTC investments in 2023 and 2022.

In 2022, the Parent Company started to perform evaluation of its business models for HTC and FVOCI investments as a result of internal changes on how it manages these financial assets. Such changes are determined by senior management as significant to the Parent Company's operations wherein it implemented adjustments to its portfolio strategies in light of the revised long-term outlook following the pandemic and other global developments. Revisions in the business models may result in reclassifications in the categories of portfolio investments to be effected only at the beginning of the next reporting period following the change in business model. The Parent Company expects to complete its assessment before the end of year 2024.

(c) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

(d) Determination of Timing of Satisfaction of Performance Obligation

The Group determines that its revenue shall be recognized at a point in time for loan syndication and underwriting fees and commission. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The services provided by the Group would need substantial reperformance from other entities. This demonstrates that the customers do not simultaneously receive and consume the benefits provided by the Group.

For the revenues from services related to credit card membership and account management, the Group determines that its revenues shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided to the customers. As the work is performed, the Group becomes entitled to payments. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of these services as it performs.

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of offices, branches, and equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract.

The Group did not include renewal options as part of the lease term as the terms are renewable upon mutual agreement.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(f) Distinction Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production, supply process, and in the Group's banking operation.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease) then these portions can be accounted for separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in operations or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property.

(g) Determination of the Classification of Assets/Liabilities under Assets Held-for-Sale and Disposal Group

The Group classifies an asset (or disposal group) as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In determining whether reclassification is in order, the asset (or disposal group) must be available for immediate sale in its present condition subject to usual terms and the same must be highly probable, evidenced by a commitment to a plan to sell the asset, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except if a delay will be caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

(h) Distinction Between Operating and Finance Leases where the Group is the Lessor

The Group has entered into various lease agreements as a lessor. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets or liabilities (see Note 2.9).

In determining whether the lease arrangements of the Parent Company and RCBC LFC qualify as a finance lease, the following factors have been considered:

(i) the lease provides the lessee an option to purchase the asset; or,

(ii) the lease transfers ownership of the property at the end of the lease and the related lease terms approximate the estimate useful life of the asset being leased.

(i) Classification and Determination of Fair Value of Acquired Properties

The Group classifies its acquired properties as Bank Premises, Furniture, Fixtures and Equipment if used in operations, as Assets held-for-sale and disposal group presented under Other Resources account if the Group expects that the assets will be sold within one year from the date of recognition, or as Investment Properties if held for rental or for currently undetermined future use and is regarded as held for capital appreciation, or as financial assets. At initial recognition, the Group determines the fair value of acquired properties through internal and external appraisal depending on the Group's threshold policy. The appraised value is determined based on the current economic and market conditions, as well as the physical condition of the property.

The Group's methodology in determining the fair value of Investment Properties are further discussed in Note 7.4.

(j) Assessment of Significant Influence on HCPI in which the Group and the Parent Company Holds Less than 20% Ownership

The management considers that the Group and the Parent Company have significant influence on HCPI even though it holds less than 20% of the outstanding ordinary shares of the latter. In making this judgment, management considered the Group's and the Parent Company's agreement with another stockholder of HCPI to commit and undertake to vote, and to regulate the conduct of voting and the relationship between them with respect to their exercise of their voting rights (see Note 12.1).

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

In dealing with the Group's various legal proceedings, the Group's estimate of the probable costs that may arise from claims and contingencies has been developed in consultation and coordination with the Group's internal and outside counsels acting in defense for the Group and the Parent Company's legal cases and are based upon the analysis of probable results.

Although the Group does not believe that its on-going proceedings, as disclosed in Note 28, will have material adverse effect on the Group's financial position, it is possible that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies conducted relating to those proceedings.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are described in the succeeding page:

(a) Estimation of Expected Credit Loss on Financial Assets

When measuring allowance for ECL for relevant categories of financial assets, management applies judgment in defining the criteria in assessing whether a financial asset has experienced SICR since initial recognition, and in the estimation of the contractual cash flows due from counterparty and those that the Group would expect to receive, taking into account the cash flows from the realization of collateral and integral credit enhancements. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions about future economic conditions and credit behavior of counterparties (e.g., the likelihood of counterparties defaulting and the resulting losses). The computation of the ECL also considers the use of reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other that may result in different levels of loss allowance.

Significant factors affecting the estimates on the ECL model include:

- internal rating matrix which determines the PD to be assigned to a financial asset;
- criteria for assessing if there has been an SICR and when a financial asset will be transferred between the three stages;
- the Group's definition of default for different segments of credit exposures that considers the regulatory requirements;
- establishing groups of similar financial assets (i.e., segmentation) for the purposes of measuring ECL on a collective basis;
- establishment of LGD parameters based on historical recovery rates of claims against defaulted counterparties across different group of financial instruments; and,
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

The explanation of inputs, assumptions and estimation techniques used in measuring ECL and the analysis of the allowance for ECL on various groups of financial instruments is further discussed in Note 4.4.

(b) Fair Value Measurement for Financial Assets at FVTPL and at FVOCI

The Group carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument or other more appropriated valuation techniques (see Note 7.2).

The amount of changes in fair value would differ if the Group had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit or loss or other comprehensive income. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques using the net present value computation (see Note 7.2).

The carrying values of the Group's and the Parent Company's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 10.

(c) Estimation of Useful Lives of Bank Premises, Furniture, Fixtures and Equipment, Right-of-use Assets, Investment Properties, Computer Software, Goodwill, Branch Licenses and Trading Right

The Group estimates the useful lives of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The Group's goodwill, branch licenses and trading right were regarded as having indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

The carrying amounts of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software are analyzed in Notes 13, 14 and 15, respectively, while the carrying amounts of goodwill, branch licenses and trading right are analyzed in Note 15. Based on management's assessment as of December 31, 2023 and 2022, there are no changes in the useful lives of these assets.

(d) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Significant judgment is applied by management to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of the Group's future taxable income together with its future tax planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets.

The carrying values of recognized and unrecognized deferred tax assets as of December 31, 2023 and 2022 are disclosed in Note 25.1.

(e) Estimation of Impairment Losses of Non-financial Assets

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indications are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.11.

The Group assesses impairment on these non-financial assets and considers the following important indicators:

- significant changes in asset usage;
- significant decline in assets' market value;
- obsolescence or physical damage of an asset;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and,
- significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Though management believes that the assumptions used in the estimation of fair values of non-financial assets are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

(f) Determination of Fair Value of Investment Properties

The Group's investment properties are composed of parcels of land, buildings and condominium units which are measured using cost model. The estimated fair value of investment properties disclosed in Note 7.4 is determined by either an independent or internal appraiser on the basis of current appraised values of the properties or similar properties in the same location and condition.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if their fair value will indicate evidence of impairment.

(g) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment.

(h) Recognition of Reward Points

The Group has a reward program related to its deposits, loans and credit card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products.

The Group allocated a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders based on relative stand-alone selling price and recognizes liability equivalent to the estimated loyalty points until these are redeemed.

(i) Valuation of Post-employment Defined Benefits

The determination of the Group's obligation and cost of post-employment defined benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or loss, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and related income or expense, and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions used in estimating such obligation, are presented in Note 23.2.

(j) Determination of Recoverable Amount of Assets Held-for-Sale

In determining the recoverable amount of assets the Group's assets held-for-sale, the estimated fair value less cost to sell are determined by an independent appraiser or internal appraiser based on current appraised values of the properties or similar properties in the same location and condition.

The amount of assets classified as held-for sale by the Group, its impairment and recovery are presented in Notes 15.1 and 16, respectively.

4. RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group is exposed to risks in relation to its operating, investing, and financing activities, and the business environment in which it operates. The Group's objectives in risk management are to ensure that it identifies, measures, monitors, and controls the various risks that arise from its business activities, and that it adheres strictly to the policies, procedures, and control systems which are established to address these risks.

A committee system is a fundamental part of the Group's process of managing risk. The following five committees of the Parent Company's BOD are relevant in this context:

- The Executive Committee, which meets weekly, has the power to act and pass upon such matters as the BOD may entrust to it for action in between BOD meetings. It may also consider and approve loans and other credit related matters, investments, purchase of shares of stock, bonds, securities and other commercial papers for the Bank's portfolio. The Executive Committee also has the power to review an asset or loan to ensure timely resolution and recognition of losses of impaired assets.

- The Risk Oversight Committee (ROC), which meets monthly, carries out the BOD's oversight responsibility for Group's capital adequacy and risk management strategy and actions covering credit, market and operational risks under Pillar I of the Basel framework; as well as the management of other material risks determined under Pillar II and the Internal Capital Adequacy Assessment Process (ICAAP) (see Note 5.2). Risk limits are reviewed and approved by the ROC.

- The Audit and Compliance Committee (ACC), which meets monthly, reviews the results of the Internal Audit examinations and recommends remedial actions to the BOD as appropriate. The ACC also performs oversight functions over the Regulatory Affairs Group on matters such as compliance risk assessment, annual testing work plan, compliance breaches, and other regulatory issues.

- The Related Party Transactions (RPT) Committee, which meets monthly and as necessary, reviews proposed material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. On favorable review, the RPT Committee endorses material RPTs to the BOD for approval.

- The Anti-Money Laundering (AML) Board Committee, which meets monthly, oversees the implementation of the Bank's Money Laundering and Terrorist Financing Prevention Program (MTPP) and ensures that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

Four senior management committees also provide a regular forum to take up risk issues.

- The Credit and Collection Committee (CRECOL), chaired by the Chief Executive Officer (CEO) and composed of the heads of credit risk-taking business units and the head of credit management group, meets weekly to review and approve credit exposures within its authority. It also reviews plans and progress on the resolution of problem loan accounts.

- The Asset/Liability Committee (ALCO), chaired by the Treasurer of the Parent Company and with the participation of the CEO and key business and support unit heads meets weekly to appraise market trends, and economic and political developments. It provides direction in the management of interest rate risk, liquidity risk, foreign currency risk, and trading and investment portfolio decisions. It sets prices or rates for various asset and liability, and trading products, in light of funding costs and competitive and other market conditions. It receives confirmation that market risk limits (as described in the succeeding pages) are not breached; or if breached, it provides guidance on the handling of the relevant risk exposure in between ROC meetings.

- The Related Party Transactions Management Committee (RPT ManCom), composed of the Group Heads of the business units as specified in the charter or their respective designates. It meets monthly to review and approve proposed non-material RPTs or those that do not require Board approval to ensure that the said RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT ManCom approves the non-material RPT and submits the same to the BOD for confirmation.

- The Anti-Money Laundering Management Committee (AML ManCom), which meets weekly, evaluates the unusual/suspicious transaction reported by the different bank units, RCBC Business Centers, alerts that are generated by the Bank's Screening System (Accuity), Transaction Monitoring System (Predator) and other referrals from relevant Regulators to determine the filing of Suspicious Transaction Reports (STRs) to the Anti-Money Laundering Council (AMLC).

  The AML ManCom is composed of the Chief Compliance Officer as the Chairperson and Presiding Officer and the Heads of Operations Group, Retail Banking Group, Controllership Group, Legal Affairs Group, Risk Management Group or their duly appointed designates, as members, and Investigators from the Compliance Operations Division (COD) as the Rapporteur. The AML Monitoring and Reporting Division (AMRD), through the Chief Compliance Officer, reports to the AML Board Committee its monthly activities including the results of the AML ManCom meetings.

The Parent Company established a Risk Management Group (RMG), headed by the Chief Risk Officer, to ensure that consistent implementation of the objectives of risk identification, measurement and/or assessment, mitigation, and monitoring are pursued via practices commensurate with the group-wide risk profile.

In addition to established risk management systems and controls, the Group holds capital commensurate with the levels of risk it undertakes (see Note 5), in accordance with regulatory capital standards and internal benchmarks set by the Parent Company's BOD.

4.1 Group's Strategy in Using Financial Instruments

It is the Group's intent to generate returns mainly from the traditional financial intermediation and service-provision activities, augmented by returns from positions based on views on the financial markets. The main source of risk, therefore, remains to be that arising from credit risk exposures. Nevertheless, within BSP regulatory constraints, and subject to limits and parameters established by the BOD and/or the ROC, the Group is exposed to liquidity risk and interest rate risk inherent in the Group's operations, and other market risks, which include foreign exchange risk.

In the course of performing financial intermediation function, the Group accepts deposits from customers at fixed and floating rates, and for various periods, and seeks to earn interest margins by investing these funds in high-quality assets. The conventional strategy to enhance net interest margin is the investment of short-term funds in longer-term assets, such as fixed-income securities. While, in doing so, the Group maintains liquidity at prudent levels to meet all claims that fall due, the Group fully recognizes the consequent interest rate risk exposure.

The Group's investment portfolio is composed mainly of marketable, sovereign and corporate debt instruments.

The Parent Company was granted by the BSP additional derivatives authorities effective January 2011. Products approved under the Limited Dealer Authority (Type 2) are foreign currency forwards, non-deliverable forwards, interest rate and cross currency swaps while credit-linked notes and bond options were approved under the Limited User Authority (Type 3). In February 2012, bond forwards, non-deliverable swaps and foreign exchange options have been included under the same Type 3 license. In June 2013, the Parent Company was granted a Type 2 license non-deliverable swaps, foreign currency options, bond and interest rate options, and asset swaps. During the same period, additional Type 3 licenses for foreign exchange-option and bond-option linked notes were likewise approved. The Parent Company's derivatives portfolio consists mostly of short-term currency forward contracts and swaps, and interest rate swaps and futures.

4.2 Liquidity Risk

Liquidity risk refers to current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. The Group manages liquidity risk by limiting the maturity mismatch between assets and liabilities, and by holding sufficient liquid assets of appropriate quality and marketability.

The Group recognizes the liquidity risk inherent in its activities, and identifies, measures, monitors and controls the liquidity risk inherent to the members of the Group which are financial intermediaries.

The Group's liquidity policy is to manage its operations to ensure that funds available are more than adequate to meet demands of its customers and to enable deposits to be repaid on maturity. The Group's liquidity policies and procedures are set out in its funding and liquidity plan which contains certain funding requirements based on assumptions and uses resources and liability maturity gap analysis.

The Group uses Maximum Cumulative Outflow (MCO) model to measure liquidity risk arising from mismatches of assets and liabilities. MCO is a liquidity gap tool to project cash flow expectations on a status quo condition. The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time buckets based cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products.

The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report which realistically captures the behavior of the products and creates a forward-looking cash flow projection.

The Group monitors MCO regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO. The subsidiaries generate at least monthly their respective MCO reports. The liquidity profile of the Group is reported monthly to the Parent Company's ROC. To supplement the status quo scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and events to the Group's liquidity profile.

The gap analyses as of December 31, 2023 and 2022 are presented below.

	Group 2023					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 190,847	P 1,502	P 1,727	P 1	P 56,031	P 250,108
Investment - net	9,989	3,818	112,095	201,914	2,926	330,742
Loans and receivables - net	38,995	29,486	153,155	151,395	249,118	622,149
Other resources - net	7,716	6,507	1,100	1,354	18,656	35,333
Total resources	247,547	41,313	268,077	354,664	326,731	1,238,332
Liabilities:						
Deposit liabilities	184,137	15,725	22,859	7	733,984	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	12,833	16,507	297	411	13,500	43,548
Total liabilities	239,668	65,334	31,635	814	748,606	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	239,668	65,334	31,635	814	900,881	1,238,332
On-book gap	7,879	(24,021)	236,442	353,850	(574,150)	-
Cumulative on-book gap	7,879	(16,142)	220,300	574,150	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	(18,527)
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	**(10,599)**	**(24,070)**	**236,442**	**353,850**	**(574,150)**	**18,527**
Cumulative total gap	**(P 10,599)**	**(P 34,669)**	**P 201,773**	**P 555,623**	**(P 18,527)**	**P -**

	Group					
	2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 143,756	P 1,941	P 2,583	P 1	P 60,042	P 208,323
Investment - net	104,192	6,773	69,882	187,972	5,546	374,365
Loans and receivables - net	31,278	23,537	39,306	47,412	398,315	539,848
Other resources - net	3,230	4,109	1,195	294	22,744	31,572
Total resources	282,456	36,360	112,966	235,679	486,647	1,154,108
Liabilities:						
Deposit liabilities	182,086	24,074	10,413	4	640,667	857,244
Bills payable	48,571	10,848	6,863	-	378	66,660
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	14,506	11,385	428	-	13,113	39,432
Total liabilities	270,244	60,050	53,291	4	654,158	1,037,747
Equity	-	-	-	-	116,361	116,361
Total liabilities and equity	270,244	60,050	53,291	4	770,519	1,154,108
On-book gap	12,212	(23,690)	59,675	235,675	(283,872)	-
Cumulative on-book gap	12,212	(11,478)	48,197	283,872	-	-
Contingent resources	41,796	-	-	-	-	41,796
Contingent liabilities	62,608	-	-	-	-	62,608
Off-book gap	(20,812)	-	-	-	-	(20,812)
Cumulative off-book gap	(20,812)	(20,812)	(20,812)	(20,812)	(20,812)	-
Periodic gap	(8,600)	(23,690)	59,675	235,675	(283,872)	20,812
Cumulative total gap	(P 8,600)	(P 32,290)	P 27,385	P 263,060	(P 20,812)	P -

	Parent Company					
	2023					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 170,128	P 20,756	P 1,118	P 1	P 55,938	P 247,941
Investments - net	10,134	408	112,095	203,726	2,080	328,443
Loans and receivables - net	38,525	28,726	148,270	151,286	249,094	615,901
Other resources - net	7,630	6,350	1,100	1,499	22,026	38,605
Total resources	226,417	56,240	262,583	356,512	329,138	1,230,890
Liabilities:						
Deposit liabilities	183,600	15,579	22,856	8	735,326	957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	11,853	16,483	297	1,275	12,451	42,359
Total liabilities	237,767	62,871	28,530	1,679	747,777	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	237,767	62,871	28,530	1,679	900,043	1,230,890
On-book gap	(11,350)	(6,631)	234,053	354,833	(570,905)	-
Cumulative on-book gap	(11,350)	(17,981)	216,072	570,905	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	**(29,833)**	**(6,680)**	**234,053**	**354,833**	**(570,905)**	**18,532**
Cumulative total gap	**(P 29,833)**	**(P 36,513)**	**P 197,540**	**P 552,373**	**(P 18,532)**	**P -**

	Parent Company 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 142,520	P 1,525	P 1,316	P 1	P 60,958	P 206,320
Investments - net	102,319	6,773	69,882	187,972	4,786	371,732
Loans and receivables - net	30,438	22,856	32,869	47,409	398,621	532,193
Other resources - net	3,106	4,109	1,195	294	25,800	34,504
Total resources	278,383	35,263	105,262	235,676	490,165	1,144,749
Liabilities:						
Deposit liabilities	181,529	23,903	10,410	4	641,793	857,639
Bills payable	48,142	8,995	1,254	-	-	58,391
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	13,975	11,366	428	-	12,255	38,024
Total liabilities	268,727	58,007	47,679	4	654,048	1,028,465
Equity	-	-	-	-	116,284	116,284
Total liabilities and equity	268,727	58,007	47,679	4	770,332	1,144,749
On-book gap	9,656	(22,744)	57,583	235,672	(280,167)	-
Cumulative on-book gap	9,656	(13,088)	44,495	280,167	-	-
Contingent resources	41,767	-	-	-	-	41,767
Contingent liabilities	48,956	-	-	-	-	48,956
Off-book gap	(7,189)	-	-	-	-	(7,189)
Cumulative off-book gap	(7,189)	(7,189)	(7,189)	(7,189)	(7,189)	-
Periodic gap	2,467	(22,744)	57,583	235,672	(280,167)	7,189
Cumulative total gap	P 2,467	(P 20,277)	P 37,306	P 272,978	(P 7,189)	P -

Pursuant to applicable BSP regulations, the Group is required to maintain reserves against deposit liabilities which are based on certain percentages of deposits. The required reserves against deposit liabilities shall be kept in the form of deposits placed in the Group's demand deposit accounts with the BSP. The BSP also requires the Parent Company to maintain asset cover of 100% for foreign currency-denominated liabilities of its FCDU.

4.2.1 Foreign Currency Liquidity Management

The liquidity risk management policies and objectives described also apply to the management of any foreign currency to which the Group maintains significant exposure. Specifically, the Group ensures that its measurement, monitoring, and control systems account for these exposures as well. The Group sets and regularly reviews limits on the size of the cash flow mismatches for each significant individual currency and in aggregate over appropriate time horizons. The Group also assesses its access to foreign exchange markets when setting up its risk limits.

Following MORB Section 130 and Appendices 94, 95, and 96 on ICAAP, the Group likewise calculates and maintains a level of capital needed to support unexpected losses attributable to liquidity risk (see Note 5.2).

4.2.2 Liquidity Risk Stress

To augment the effectiveness of the Group's gap analysis, the Group regularly assesses liquidity risk based on behavioral and hypothetical assumptions under stress conditions. Survivability and resilience of the Group are assessed for a minimum stress period of 30 days for all crisis scenarios enumerated in MORB Section 145 and Appendix 71: *Guidelines on Liquidity Risk Management*. The results of these liquidity stress simulations are reported monthly to ALCO and ROC.

4.3 Market Risk

The Group's exposure to market risk is the potential diminution of earnings arising from the adverse movement of market interest rates and foreign exchange rates, as well as the potential loss of market value, primarily of its holdings of foreign exchange currencies, debt securities and derivatives.

The market risks of the Group are: (a) foreign exchange risk, (b) interest rate risk and (c) equity price risk. The Group manages these risks via a process of identifying, analyzing, measuring and controlling relevant market risk factors, and establishing appropriate limits for the various exposures. The market risk metrics in use, each of which has a corresponding limit, include the following:

- Nominal Position – an open risk position that is held as of any point in time expressed in terms of the nominal amount of the exposure.

- Dollar Value of 01 (DV01) – an estimate of the price impact due to a one-basis point change in the yield of fixed income securities. It effectively captures both the nominal size of the portfolio as well as its duration. A given DV01 limit accommodates various combinations of portfolio nominal size and duration, thus providing a degree of flexibility to the trading/risk taking function, but at the same time represents a ceiling to the rate sensitivity of the exposure according to the Group's risk appetite.

- Value-at-Risk (VaR) – an estimate of the amount of loss that a given risk exposure is unlikely to exceed during a given time period, at a given level of statistical confidence. Analytically, VaR is the product of: (a) the sensitivity of the market value of the position to movements of the relevant market risk factors, and (b) the volatility of the market risk factor for the given time horizon at a specified level of statistical confidence. Typically, the Group uses a 99% confidence level for this measurement. VaR is used as a risk measure for trading positions, which are marked-to-market (as opposed to exposures resulting from banking, or accrual, book resources and liabilities). Foreign Exchange Position VaR uses a one-day holding period, while Fixed Income VaR uses a defeasance period assessed periodically as appropriate to allow an orderly unwinding of the position. VaR models are back-tested to ensure that results remain consistent with the expectations based on the chosen statistical confidence level. The Bank employs appropriate back-testing methodology to perform a "reality check" on the models used. More specifically, the current back-test procedure employs the "hypothetical P&L" method where the daily position from which the VaR was computed is marked-to-market using the closing price of that day and the closing price of the next trading day. Any change in value in excess of the day's VaR is treated as an exception.

The Parent Company uses VaR as an important tool for measuring market risk, they are cognizant of its limitations, notably the following:

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

In addition to the limits corresponding to the above measurements, the following are also in place:

- Loss Limit – represents a ceiling on accumulated month-to-date and year-to-date losses. For trading positions, a Management Action Trigger (MAT) is also usually defined to be at 50% of the Loss Limit. When MAT is breached, the risk-taking unit must consult with ALCO for approval of a course of action moving forward.
- Product Limit – the nominal position exposure for certain specific financial instruments is established.

Stress Testing, which uses more severe rate/price volatility and/or holding period assumptions, (relative to those used for VaR) is applied to marked-to-market positions to arrive at "worst case" loss estimates. This supplements the VaR measure, in recognition of its limitations mentioned above.

A summary of the VaR position of the trading portfolios at December 31 is as follows:

	Group and Parent Company			
	At December 31	**Average**	**Maximum**	**Minimum**
2023:				
Foreign currency risk	P 45	P 77	P 215	P 14
Interest rate risk	638	374	640	225
Overall	**P 683**	**P 451**	**P 855**	**P 239**
2022:				
Foreign currency risk	P 54	P 56	P 106	P 27
Interest rate risk	639	435	639	376
Overall	P 693	P 491	P 745	P 403

	Group and Parent Company							
	At December 31		Average		Maximum		Minimum	
2021:								
Foreign currency risk	P	51	P	56	P	112	P	37
Interest rate risk		501		425		769		183
Overall	P	552	P	481	P	881	P	220

4.3.1 Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The net foreign exchange exposure, or the difference between foreign currency denominated assets and foreign currency denominated liabilities, is capped by current BSP regulations. Compliance with this ceiling by the Group and the respective foreign currency positions of its subsidiaries are reported to the BSP on a daily basis as required. Beyond this constraint, the Group manages its foreign exchange exposure by limiting it within the conservative levels justifiable from a return/risk perspective. In addition, the Group regularly calculates VaR for each currency position, which is incorporated in the foregoing market risk management discussion.

The following table sets forth the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity of the Group and Parent Company:

	Group and Parent Company					
	2023			2022		
	Change in currency rate in %	**Effect on profit before tax**	**Effect on equity**	Change in currency rate in %	Effect on profit before tax	Effect on equity
Currency:						
USD	**+1.00%**	**(P 4)**	**(P 4)**	+1.00%	P -	P -
	-1.00%	**4**	**4**	-1.00%	-	-
EUR	**+1.00%**	**(4)**	**(4)**	+1.00%	(1)	(1)
	-1.00%	**4**	**4**	-1.00%	1	1
GBP	**+1.00%**	**2**	**2**	+1.00%	(2)	(2)
	-1.00%	**(2)**	**(2)**	-1.00%	2	2
Others	**+1.00%**	**7**	**7**	+1.00%	5	5
	-1.00%	**(7)**	**(7)**	-1.00%	(5)	(5)

Closing exchange rates and weighted average rates (WAR) of USD to Philippine peso as of and for each of the year ended December 31 are as follows:

		2023		2022		2021
Closing	**P**	**55.37**	P	55.76	P	50.99
WAR		**55.51**		55.58		49.26

The breakdown of the financial resources and financial liabilities as to foreign and Philippine peso-denominated balances, after elimination of intercompany accounts or transactions, as of December 31 follows:

	Group		
	Foreign Currencies	**Philippine Pesos**	**Total**
2023:			
Resources:			
Cash and other cash items	P 1,146	P 18,729	P 19,875
Due from BSP	-	151,762	151,762
Due from other banks	13,836	1,056	14,892
Loans arising from reverse repurchase agreements	-	35,799	35,799
Financial assets at FVTPL	3,788	7,990	11,778
Financial assets at FVOCI	17,582	64,855	82,437
Investment securities at amortized cost - net	87,444	149,083	236,527
Loans and receivables - net	85,639	564,290	649,929
Other resources - net	40	1,419	1,459
	P 209,475	**P 994,983**	**P 1,204,458**
Liabilities:			
Deposit liabilities	P 189,457	P 767,255	P 956,712
Bills payable	43,957	6,901	50,858
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,716	10,745
Other liabilities	1,610	25,380	26,990
	P 251,106	**P 829,138**	**P 1,080,244**
2022:			
Resources:			
Cash and other cash items	P 1,111	P 16,967	P 18,078
Due from BSP	-	156,664	156,664
Due from other banks	4,866	970	5,836
Loans arising from reverse repurchase agreements	-	8,724	8,724
Financial assets at FVTPL	392	6,645	7,037
Financial assets at FVOCI	46,124	68,822	114,946
Investment securities at amortized cost - net	118,135	134,247	252,382
Loans and receivables - net	85,911	472,958	558,869
Other resources - net	417	787	1,204
	P 256,956	P 866,784	P 1,123,740
Liabilities:			
Deposit liabilities	P 170,613	P 686,631	P 857,244
Bills payable	58,391	8,269	66,660
Bonds payable	41,782	32,629	74,411
Accrued interest and other expenses	1,507	6,350	7,857
Other liabilities	1,028	24,305	25,333
	P 273,321	P 758,184	P 1,031,505

	Parent Company		
	Foreign Currencies	Philippine Pesos	Total
2023:			
Resources:			
Cash and other cash items	P 1,146	P 18,666	P 19,812
Due from BSP	-	150,771	150,771
Due from other banks	13,819	811	14,630
Loans arising from reverse repurchase agreements	-	34,948	34,948
Financial assets at FVTPL	3,788	7,166	10,954
Financial assets at FVOCI	17,576	64,181	81,757
Investment securities at amortized cost - net	87,444	148,288	235,732
Loans and receivables - net	85,639	558,042	643,681
Other resources - net	40	1,417	1,457
	P 209,452	**P 984,290**	**P 1,193,742**
Liabilities:			
Deposit liabilities	P 189,457	P 767,912	P 957,369
Bills payable	43,957	-	43,957
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,446	10,475
Other liabilities	1,610	24,608	26,218
	P 251,106	**P 821,852**	**P 1,072,958**
2022:			
Resources:			
Cash and other cash items	P 1,111	P 16,913	P 18,024
Due from BSP	-	155,340	155,340
Due from other banks	4,866	517	5,383
Loans arising from reverse repurchase agreements	-	8,552	8,552
Financial assets at FVTPL	392	5,747	6,139
Financial assets at FVOCI	46,124	68,141	114,265
Investment securities at amortized cost - net	118,135	133,193	251,328
Loans and receivables - net	85,911	465,303	551,214
Other resources - net	417	785	1,202
	P 256,956	P 854,491	P 1,111,447
Liabilities:			
Deposit liabilities	P 170,613	P 687,026	P 857,639
Bills payable	58,391	-	58,391
Bonds payable	41,782	32,629	74,411
Accrued interest and other expenses	1,507	6,156	7,663
Other liabilities	1,028	23,259	24,287
	P 273,321	P 749,070	P 1,022,391

4.3.2 Interest Rate Risk in the Banking Book (IRRBB)

The interest rate risk inherent in the Group's financial statements arises from re-pricing mismatches between financial assets and financial liabilities. The IRRBB Management Framework details the Group's policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

To aid the Group in managing IRRBB, the following measurement techniques are used. These are prepared and reported to ALCO and ROC, on a monthly basis.

Technique	Description
Interest Rate Gap or Re-pricing Gap	*Contractual Gap* Measures the sensitivity of assets, liabilities and off-balance sheet items towards changes in the market interest rates based on the re-pricing frequency of each item. *Behavioral Gap* Behavioral assumption (BeA) is applied to the contractual cash flows to reflect sensitivity to market conditions or behavioral characteristics (i.e., early redemption of deposits, prepayment of loans, etc.).
Earnings Approach	
Net Interest Income at Risk	Measures the sensitivity of earnings to market interest rates movements over a short- and medium-term horizon. Interest rate volatility is based on the maximum volatility of the 1-mo, 3-mo, 6-mo and 1-yr tenors over a 260-day look back.
Economic Value Approach	
Earnings-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting Net Interest Income (NII)-at-Risk and fair value through profit and loss portfolio value-at-risk (FVTPL VaR).
Capital-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting EaR and fair value through other comprehensive income value-at-risk (FVOCI VaR).
Economic Value of Equity (EVE)	Measures the sensitivity of economic value of all non-trading book assets, liabilities and interest rate sensitive off-balance sheet products to interest rate movements over a longer time horizon.
Stress Test	Assesses the ability to withstand such changes, usually in relation to the capacity of its capital and earnings to absorb potentially significant loses. Stress testing, which includes both scenario and sensitivity analysis, is an integral part of IRR management. Scenario analysis estimates possible outcomes given an event or series of events, while sensitivity analysis estimates the impact of change in one or only a few of model's significant parameters. *Earnings approach*: NII-at-Risk Stress Test assumes gradual increase in Peso and USD interest rates to 400bps and 300bps, respectively. These are based on past local and global market events. *Economic Value approach*: The EVE Stress Test uses Basel's six interest rate scenarios to capture parallel and non-parallel gap risks. The standardized scenarios are as follows: 1) parallel shock up; 2) parallel shock down; 3) steepener shock (short rates down and long rates up); 4) flattener shock (short rates up and long rates down; 5) short rates shock up; and, 6) short rates shock down.

The interest rate gap analyses of financial assets and financial liabilities as of end of the reporting period based on re-pricing maturities are shown in the succeeding pages. It should be noted that such interest rate gap analyses are based on the following key assumptions:

- Loans and time deposits are subject to re-pricing on their contractual maturity dates. Non-performing loans (NPL), however, are not re-priced;
- Debt securities at amortized cost are bucketed based on their re-pricing profile;
- Held-for-trading securities and derivatives are considered as non-rate sensitive; and,
- For financial assets and financial liabilities with no definite re-pricing schedule or maturity, slotting is based on the Group's empirical assumptions.

These assumptions are reviewed on a regular basis. Similarly, other assumptions and behavioral models used in the preparation of other IRRBB metrics are also being reviewed, annually, at the minimum.

	Group 2023					
	One to Three Months	**Three Months to One Year**	**One to Five Years**	**More than Five Years**	**Non-rate Sensitive**	**Total**
Resources:						
Cash and cash equivalents	P 166,452	P 2,103	P 29,153	P 32,376	P 20,024	P 250,108
Investments - net	1,822	3,286	69,910	243,158	12,566	330,742
Loans and receivables - net	391,011	58,068	132,177	5,557	35,336	622,149
Other resources - net	7,772	988	1,113	1,693	23,767	35,333
Total resources	567,057	64,445	232,353	282,784	91,693	1,238,332
Liabilities:						
Deposit liabilities	458,990	44,396	237,728	215,292	306	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	55	223	44	1,574	41,652	43,548
Total liabilities	501,743	77,721	246,251	217,262	43,080	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	501,743	77,721	246,251	217,262	195,355	1,238,332
On-book gap	65,314	(13,276)	(13,898)	65,522	(103,662)	-
Cumulative on-book gap	65,314	52,038	38,140	103,662	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	(18,527)
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	**46,836**	**(13,325)**	**(13,898)**	**65,522**	**(103,662)**	**(18,527)**
Cumulative total gap	**P 46,836**	**P 33,511**	**P 19,613**	**P 85,135**	**(P 18,527)**	**P -**

	Group 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 162,611	P 4,970	P 1,403	P 21,010	P 18,329	P 208,323
Investments - net	99,525	6,838	69,910	187,876	10,216	374,365
Loans and receivables - net	229,590	92,608	132,177	30,710	54,763	539,848
Other resources - net	3,283	1,082	1,113	423	25,671	31,572
Total resources	495,009	105,498	204,603	240,019	108,979	1,154,108
Liabilities:						
Deposit liabilities	476,848	76,158	156,993	146,761	484	857,244
Bills payable	48,571	10,848	6,863	-	378	66,660
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	839	132	252	-	38,209	39,432
Total liabilities	551,339	100,881	199,695	146,761	39,071	1,037,747
Equity	-	-	-	-	116,361	116,361
Total liabilities and equity	551,339	100,881	199,695	146,761	155,432	1,154,108
On-book gap	(56,330)	4,617	4,908	93,258	(46,453)	-
Cumulative on-book gap	(56,330)	(51,713)	(46,805)	46,453	-	-
Contingent resources	41,796	-	-	-	-	41,796
Contingent liabilities	62,608	-	-	-	-	62,608
Off-book gap	(20,812)	-	-	-	-	(20,812)
Cumulative off-book gap	(20,812)	(20,812)	(20,812)	(20,812)	(20,812)	-
Periodic gap	(77,142)	4,617	4,908	93,258	(46,453)	(20,812)
Cumulative total gap	(P 77,142)	(P 72,525)	(P 67,617)	P 25,641	(P 20,812)	P -

	Parent Company 2023					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 126,153	P 1,547	P 28,545	P 71,884	P 19,812	P 247,941
Investments - net	282	3,286	112,230	195,089	17,556	328,443
Loans and receivables - net	425,330	57,308	98,344	5,538	29,381	615,901
Other resources - net	15,137	988	1,061	115	21,304	38,605
Total resources	566,902	63,129	240,180	272,626	88,053	1,230,890
Liabilities:						
Deposit liabilities	458,452	44,250	238,758	215,909		957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	-	199	44	1,273	40,843	42,359
Total liabilities	500,766	75,258	244,179	217,578	40,843	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	500,766	75,258	244,179	217,578	193,109	1,230,890
On-book gap	66,136	(12,129)	(3,999)	55,048	(105,056)	-
Cumulative on-book gap	66,136	54,007	50,008	105,056	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	**47,653**	**(12,178)**	**(3,999)**	**55,048**	**(105,056)**	**(18,532)**
Cumulative total gap	**P 47,653**	**P 35,475**	**P 31,476**	**P 86,524**	**(P 18,532)**	**P -**

	Parent Company 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 161,376	P 4,554	P 136	P 22,230	P 18,024	P 206,320
Investments - net	97,653	6,838	69,910	187,876	9,455	371,732
Loans and receivables - net	228,750	91,927	125,740	30,708	55,068	532,193
Other resources - net	3,159	1,081	1,113	423	28,728	34,504
Total resources	490,938	104,400	196,899	241,237	111,275	1,144,749
Liabilities:						
Deposit liabilities	476,290	75,987	157,801	147,395	166	857,639
Bills payable	48,142	8,995	1,254	-	-	58,391
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	308	114	252	-	37,350	38,024
Total liabilities	549,821	98,839	194,894	147,395	37,516	1,028,465
Equity	-	-	-	-	116,284	116,284
Total liabilities and equity	549,821	98,839	194,894	147,395	153,800	1,144,749
On-book gap	(58,883)	5,561	2,005	93,842	(42,525)	-
Cumulative on-book gap	(58,883)	(53,322)	(51,317)	42,525	-	-
Contingent resources	41,767	-	-	-	-	41,767
Contingent liabilities	48,956	-	-	-	-	48,956
Off-book gap	(7,189)	-	-	-	-	(7,189)
Cumulative off-book gap	(7,189)	(7,189)	(7,189)	(7,189)	(7,189)	-
Periodic gap	(66,072)	5,561	2,005	93,842	(42,525)	7,189
Cumulative total gap	(P 66,072)	(P 60,511)	(P 58,506)	P 35,336	(P 7,189)	P -

The table below summarizes the potential impact on the Group and the Parent Company's annual interest income of parallel rate shifts using the re-pricing.

	Changes in Interest Rates (in basis points)			
	- 100	**- 200**	**+ 100**	**+ 200**
December 31, 2023				
Group	**(P 517)**	**(P 1,033)**	**P 517**	**P 1,033**
Parent Company	**(529)**	**(1,058)**	**529**	**1,058**
December 31, 2022				
Group	P 459	P 918	(P 459)	(P 918)
Parent Company	480	960	(480)	(960)

4.3.3 Equity Price Risk

The Group's exposure to price risk on equity securities held and classified in the statement of financial position as financial assets at FVTPL or financial assets at FVOCI (under Trading and Investment Securities account) as of December 31, 2023 and 2022 is managed through diversification of portfolio and monitoring of changes in market prices. Diversification of the portfolio is done in accordance with the limits set by the Group.

Moreover, RCBC Capital and RSI estimate the potential loss and determine the market and position risk requirement on equity securities at FVTPL in the computation of the market and position risk requirement for all equity positions.

RCBC Capital uses the delta-normal approach as its VaR model to estimate the daily potential loss that can be incurred from equity securities held for trading. VaR is a key measure in the management of market price risk. RCBC Capital uses a 99% confidence level and a minimum 260-day observation period in VaR calculation. In addition, RSI computes its market and position risk for all equity positions, if any, in conjunction with the Risk Based Capital Adequacy ratio required to be maintained. Market and position risk requirement is calculated using position risk factor multiplied by mark-to-market value security.

4.4 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default, and arises from lending, trade finance, treasury, derivatives and other activities undertaken by the Group. The Group manages credit risk through a system of policies and authorities that govern the processes and practices of all credit-originating and borrowing relationship management units.

The Enterprise Risk Division of RMG assists senior management: (a) in establishing risk concentration limits at the portfolio level; and (b) in the continuous monitoring of the actual credit risk portfolio from the perspective of those limits and other risk management objectives. The Credit Management Group (CMG), on the other hand, is responsible for: (a) the development of credit policies relating to account management; (b) the financial evaluation and credit risk rating of borrowers; and, (c) asset quality review.

At the individual borrower level, exposure to credit risk is managed via adherence to a set of policies, the most notable features of which, in this context, are: (a) credit approving authority, except as noted below, is not exercised by a single individual but rather, through a hierarchy of limits that is effectively exercised collectively; (b) business center (BC) managers have limited approval authority only for credit exposure related to deposit-taking operations in the form of bills purchase, acceptance of second endorsed checks and 1:1 loan accommodations; (c) an independent credit risk assessment by the CMG of large corporate and middle-market borrowers, summarized into a borrower risk rating, is provided as input to the credit decision-making process; and, (d) borrower credit analysis is performed at origination and at least annually thereafter or co-terminus with the renewal of the credit line. In addition, adverse economic and market conditions that may impact a certain borrower or a group of borrowers may trigger the Group to conduct a special credit review prior to expiry of credit line.

CMG also identifies homogenous target market and design Credit Programs that will accelerate credit processing of accounts without sacrificing underwriting quality, and, set up enhanced data framework that would deepen the Bank's ability to identify potential problem accounts earlier.

In 2023, the Bank engaged an independent consultant to conduct an independent validation and refresh of the Bank's ECL model parameters, assumptions, design, and calibration. As a result of this refresh, the Bank made the following adjustments to its model:

- accounts with 1 to 30 days past due (DPD) are classified as Stage 1 instead of Stage 2 (see Note 4.4.3);
- a 12-month performance window is observed to consider the probability of an account defaulting in the future (see Note 4.4.5);
- periods affected by the COVID-19 were excluded from the computation of default rates (Note 4.4.6);
- a mean reversion approach was used for consumer loans to project the macroeconomic variables (MEVs) influencing the associated credit risk of the borrowers (Note 4.4.5); and
- the Vasicek equation was used to transform through-the-cycle PDs into point-in-time PDs (Note 4.4.5).

The updated ECL framework of the Bank was approved by ROC on January 19, 2024.

4.4.1 Concentrations of Credit Risk

Credit risk concentration in the context of banking generally denotes the risk arising from an uneven distribution of counterparties in credit or in any other business relationships, or from a concentration in business sectors or geographic regions which is capable of generating losses large enough to jeopardize an institution's solvency. The Group monitors concentrations of credit risk by sector.

An analysis of concentrations of credit risk of the loan portfolio at the end of the reporting period is shown in Note 33.

In the course of the Group's implementation of ICAAP (see Note 5.2), it adopts a quantification of credit risk concentration following frameworks prescribed by some of the more advanced European central banks as well as established concentration metrics. Using sector distribution as a tool, the Group performs a straightforward application of the Herfindahl-Hirshman Index (HHI) to determine the existence of credit risk concentration. The Group supplements this methodology with the use of the Comprehensive Concentration Index (CCI) to monitor and analyze name concentration.

The Group, however, recognizes the inherent limitations of the use of HHI and CCI to assess credit concentration risk. To augment this measure and to appropriately manage said risk, the Group performs an in-depth analysis of its large borrowing groups. To ensure the independence of this process, the review and analysis are done during the ROC meetings.

4.4.2 Credit Risk Assessment

The Group's credit risk assessment is performed based on the different segments of financial asset portfolio such as (a) corporate, which generally include corporate banking group loans, commercial and small-medium size segment loans, lease contract and finance receivables, and unquoted debt securities classified as loan (UDSCL), (b) retail, which include housing, auto, credit cards, and microfinance lending; and, (c) treasury, which covers credit exposures on debt securities under the Group's HTC portfolio and financial assets at FVOCI. The Group also established credit risk assessment procedures for sales contract receivables and other risk assets including accounts receivables.

i. *Corporate Loans*

Loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. The Group's estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions (or industry performance), expected cash flows, and the passage of time. The assessment of credit risk of a portfolio of assets requires further estimations as to the PDs occurring, of the associated loss ratios, and of default correlations between counterparties; accordingly, such credit risk is measured using PD, LGD, and EAD, for purposes of measuring ECL.

The Group uses its internal credit risk rating system (ICRRS) to determine any evidence of potential deterioration in the quality of an instrument that takes into consideration both quantitative and qualitative criteria. The rating system classifies performing accounts from a scale of AAA indicating an extremely strong capacity of the counterparty to meet financial commitments down to ratings lower than CCC demonstrating weakness in the counterparty's economic and financial condition that could lead to payment default on financial commitments. Past due accounts, accounts identified for phase-out and those that exhibit the characteristics of classified loans shall be risk-rated following the guidelines on credit classification per BSP Manual of Regulations for Banks and under the BSP Circular No. 1011, i.e., Especially Mentioned, Substandard, Doubtful or Loss. These guidelines are used by the Group to assign the individually assessed loan or a group of loans within a particular portfolio segment to a specific stage category under the PFRS 9 loan impairment standards (i.e., Stage 1, 2, 3).

The ICRRS is established by the Group in congruence with and with reference to the credit risk rating methodology used by Standard & Poor's (S&P) in measuring the creditworthiness of an individual borrower, whether the related borrowing is still performing or current in status. The risk ratings determined by the Group for its portfolio of loans and receivables at a given review date is updated to consider the possible shift in the economy or business environment or circumstances affecting the industry and the entity or borrower, in particular. Accordingly, a periodic assessment of credit quality may improve the borrower's rating or it could lead to one or more rating downgrades over time; hence, could lead to the transfer of credit exposure in different stages of impairment. The credit risk ratings in ICRRS are calibrated such that the risk of default increases exponentially at each higher risk rating (e.g., a difference in the PD between a risk rating of A and A- is lower than the difference in the PD between a B and B- risk rating).

In the process of applying the Group's ICRRS in determining the credit quality of loans and receivables, the Group analyzes the credit quality of the borrowers and counterparties through a set of criteria and rating scale classified into the following:

Rating Scale	Rating Description/Criteria
AAA	Extremely strong capacity to meet financial commitments.
AA*	Very strong capacity to meet financial commitments.
A*	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.
BBB*	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

Rating Scale	Rating Description/Criteria
BB*	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
B*	More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
CCC and below*	Not at risk of loss at the moment and the borrower has the financial capacity to meet its obligations but its exposure to adverse business, financial or economic conditions has weakened it and, unless present trends are reversed, could eventually lead to losses.
Especially Mentioned	Has potential weaknesses that deserve management's close attention and if left uncorrected, these weaknesses may affect the repayment of the loan.
Substandard	Have well-defined weakness(es), that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.
Doubtful	Loans and credit accommodations that exhibit more severe weaknesses than those classified as "Substandard", whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable.
Loss	Loans considered absolutely uncollectible or worthless.

** Ratings from AA to CCC are modified by a plus (+) or minus (-) sign to show relative standing within the rating categories.*

As part of credit risk assessment documentation and reporting, the Group includes financial instruments rated as AAA to B- under the "Pass" classification, while instruments rated CCC+ and below are grouped under the Watchlisted classification. Generally, "Pass" classification includes loans and other credit accommodations that do not have a greater-than-normal credit risk and do not possess the characteristics of classified loans. These are credits that have the apparent ability and willingness to satisfy their obligations in full and therefore, no loss in ultimate collection is anticipated. On the other hand, watchlisted counterparties are characterized by the following:

- those that belong to an unfavorable industry or has company-specific risk factors which represent a concern;
- the operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance;
- borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility; and,
- borrower incurs net losses and has salient financial weaknesses, reflected on their financial statements, specifically in profitability.

Split classification/rating may apply for non-performing secured loans and other credit accommodations, depending on the recoverability and liquidity of the collateral. The secured portion may be classified as "substandard" or "doubtful", as appropriate, while the unsecured portion shall be classified "loss" if there is no other source of payment other than the collateral.

In the case of syndicated loans, the Group shall maintain credit information on the borrower, and grade and make provision for its portion of the syndicated loan in accordance with its policy. The lead financial institution or bank shall provide participating financial institutions with the credit information on the borrower upon request by the participating financial institutions and inform the latter if the loan will be classified so as to achieve uniform classification of the syndicated loan.

(ii) Retail and Other Products

CMG is tasked to measure, control and manage credit risk on the consumer loans business of the Group through the performance of regular monitoring, reporting and recommendation of risk mitigation measures of the actual credit risk portfolio to the CRECOL and ROC, as well as accomplishment of the corresponding review and development of credit policies and guidelines to sustain asset quality.

For consumer loans, risk assessment is performed on an individual borrower through the use of a credit application scorecard for Housing, Auto and Personal Loans while for Corporate Salary Loans, rule-based credit criteria on company accreditation and borrower evaluation has been established. The credit application scorecard makes use of customer, loan and collateral characteristics which have been assigned weights based on their predictive power in determining the propensity of an account to default or maintain a satisfactory credit performance. Credit decisions are based on recommended score cut-offs.

Asset quality of the Group is monitored through a regular portfolio performance review including customer segmentation and loan concentration risk assessment to identify sources of risk and to determine risk mitigation on segments that drive delinquency or manifests triggers for default. Likewise, close monitoring and review of industry performance, economic changes and market conditions that may affect the consumer loans business is also taken into consideration to establish a holistic risk assessment process.

For the credit card portfolio of the Group, credit risk assessment is performed through segmentation process to diversify the portfolio risk into different homogeneous populations or segments. Over-all account distribution is analyzed for three different snapshots with respect to month-on-month DPD to see consistency in the portfolio.

For microfinance and small business loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. Credit risk assessment is performed based on groups of loan portfolio segmented by product type such as (a) credit accommodations to small-medium size borrowers; and, (b) agricultural and microfinance loans.

The Group classifies the consumer, microfinance and small business loans based on days past due following the categories that are consistent with the manner applied under the Group's internal credit risk assessment and regulatory reporting as follows:

Bucket	Classification	Secured	Unsecured
Current	Unclassified	Unclassified	Unclassified
One to 30 days	Especially Mentioned	Unclassified	Especially Mentioned
31 to 60 days	Especially Mentioned	Especially Mentioned	Especially Mentioned
61 to 90 days	Substandard	Especially Mentioned	Substandard
91 to 180 days	Substandard	Substandard	Substandard
181 to 365 days	Doubtful	Doubtful	Doubtful
More than 365 days	Loss	Loss	Loss

The Group assigns consumer, microfinance and small business loans based on classification into stages of impairment as follows:

Classification	Stage
Unclassified	1
Especially Mentioned	2
Defaulted	3

For purposes of the information disclosed for credit risk exposures, 'defaulted' accounts include those which are classified as Substandard, Doubtful, and Loss.

The groupings of financial instruments into a pool of shared credit quality are subject to the regular review by the Group's CMG in order to ensure that credit exposures within a particular group remain appropriately homogenous.

(iii) Debt Securities at Amortized Cost and at FVOCI

For debt securities, the Group adopts similar credit risk ratings published by reputable external rating agency (e.g., S&P). These ratings are continuously monitored and updated. The PD associated with each rating is determined based on realized default rates over the previous 12 months, as published by the rating agency.

4.4.3 Assessment of SICR

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group assesses the change in the risk of a default occurring over the remaining life of the financial instrument. In making this assessment, the Group assesses on a periodic basis both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information as appropriate. These may include macroeconomic conditions, economic sector and geographical region relevant to the counterparty or borrower and other factors that are counterparty-specific. As the Group holds various arrays of financial instruments, the extent of assessment may depend on the materiality of the financial instrument or the complexity of the portfolio being assessed.

The Group ECL model follows a three-stage impairment approach in determining the loss allowance to be recognized in the financial statements:

(i) Stage 1 – comprises of all credit exposures that are considered 'performing' and with no observed SICR since initial recognition. These include those financial instruments with low credit risk. For these financial instruments, the loss allowance is determined based on a 12-month ECL. PFRS 9 provides a rebuttable presumption that credit risk is considered to have significantly increased since initial recognition if the contractual payment is more than 30 days past due. The rebuttal must be in consideration of a reasonable and supportable information that is available without undue cost or effort.

(ii) Stage 2 – comprises of all financial instruments assessed to have SICR since initial recognition based on the Group's quantitative and qualitative criteria, though not yet deemed to be credit-impaired. Using the Group's ICRRS, Stage 2 includes credit exposures that are considered 'under-performing' in which risk ratings were downgraded by at least three notches and/or downgraded to CCC+ to Especially Mentioned. Stage 2 financial instruments may also include those facilities where the credit risk has improved and have been reclassified from Stage 3 subject to the Group's observation period on the creditworthiness of the counterparty. A lifetime ECL is recognized for these financial instruments.

(iii) Stage 3 – comprises credit exposures which are assessed as 'credit-impaired', thus considered by the Group as 'non-performing', which is assessed consistently with the Group's definition of default. Generally, this includes accounts classified as Substandard, Doubtful and Loss. The Group recognizes a lifetime ECL for all credit-impaired financial assets.

The Group considers low credit risk for listed debt security when its credit risk rating is equivalent to a globally understood definition of 'investment grade' (which should be from at least one major rating agency); other debt securities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired assets. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses. Under the Group's ICRRS, these are exposures rated at least Especially Mentioned. For exposures with no internal credit risk rating performed, if contractual payments are more than a specified days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Depending on the number of days past due which differ across the various retail products of the Group, a credit exposure may be transferred to Stage 2 or Stage 3. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL. As a general rule, an upgrade or transfer of credit exposure from Stage 3 to Stage 1 is allowed when there is sufficient evidence to support that full collection of principal and interest is probable, consistent with the Group's definition of curing period which is 6 months of satisfactory performance before an account is moved from Stage 3 to Stage 2 and another 6 months from Stage 2 to Stage 1.

For portfolios in respect of which the Group has limited historical data, external benchmark information (e.g., Basel LGD) is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL include exposures to foreign borrowers and low default borrower segments.

4.4.4 Definition of Default and Credit-impaired Assets

i. Loans and Receivables

The Group defines a loan instrument as in default, which is aligned with the definition of credit-impaired, when the borrower is more than 90 days past due on its contractual payments, except for the 30 days past due threshold for retail loans of the Group and one day past due for microfinance loan portfolio of Rizal Microbank. As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances and factors that may indicate unlikeliness to pay which may include (a) significant financial difficulty of the issuer or borrower; (b) the restructuring of a loan by the Group, for economic or legal reasons relating to the borrower's financial difficulty, on terms that the Group would not consider otherwise; or (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganization. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

An instrument is considered to be no longer in default or have cured when the borrower is able to repay the installments in arrears and the account no longer meets any of the default criteria for a consecutive period of 180 days observation period, within which the borrower shall make consecutive payments.

The definitions of default and observation period have been aligned with the definition used for regulatory capital purposes. Definitions of default and cure period can be rebutted and the rebuttal will be monitored and reviewed by the CMG on annual basis to ensure definitions remains appropriate.

These criteria are consistent with the definition of default used for internal credit risk management purposes that is aligned with the default criteria used for regulatory capital purposes. Such definition is consistently applied in determining PD, LGD, and EAD for each loan portfolio segment and throughout the ECL calculations of the Group.

ii. Investments in Debt Securities

Investments in debt securities is assessed as credit-impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of an event that occurred after the initial recognition of the security (a "loss event") and that loss event has impact on the estimated future cash flows of the securities. Losses expected as a result of future events, shall also be considered in estimating the ECL.

Objective evidence that the security is impaired includes observable data that comes to the attention of the holder of the security about the following loss events:

- significant financial difficulty of the issuer or obligor;
- breach of contract, such as a default or delinquency in interest or principal payments;
- the financial institution, for economic or legal reasons relating to the issuer's financial difficulty, granting to the issuer a concession that the financial institution would not otherwise consider;
- it becoming probable that the issuer will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that security because of financial difficulties; or,
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of securities since the initial recognition of those assets, although the decrease cannot yet be identified with the individual securities in the portfolio, including adverse change in the payment status of issuers in the portfolio; or national or local economic conditions that correlate with defaults on the securities in the portfolio.

The disappearance of an active market because a financial institution's held securities are no longer publicly traded is not evidence of impairment. A downgrade of an issuer's credit rating is not, by itself, evidence of impairment, although it may be evidence of impairment when considered with other available information. A decline in the fair value of a security below its cost or amortized cost is not necessarily evidence of impairment (for example, a decline in fair value of an investment in debt security that results from an increase in the risk-free interest rate).

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessment of credit-worthiness;
- the country's ability to access the capital markets for new debt issuance;

- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; or,
- the internal support mechanism in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfill the required criteria.

4.4.5 ECL Measurement Inputs

Integral in the Group's established policies in measuring and calculating ECL on financial instrument is the use of appropriate model for each segment of financial asset that applies relevant inputs and assumptions, including forward-looking information as appropriate.

(a) Key Inputs and Assumptions in the ECL Model

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment.

(i) PD represents an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. PD is calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures which considers both quantitative and qualitative factors. In determining PD, the Group performed segmentation of its credit exposures based on homogenous characteristics [including corporate loan and retail loan (including credit-card and microfinance)] and developed a systematic PD methodology for each portfolio. Generally, if a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD.

(ii) LGD pertains to estimate of loss related to the amount that may not be recovered after the borrower defaults. The Group estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties, which takes into consideration the realization of any collateral that is integral to the financial asset. For secured credit exposure, the determination of LGD is dependent on the Group's collateral data which are available at the origination of the instrument which takes into account the amount and timing of the cash inflows (actual recovery) and outflows (actual expenses) and on the time value of money. Recoveries are calculated on a discounted cash flows basis using the effective interest rate as the discounting factor.

(iii) EAD represents the gross carrying amount of the exposure in the event of default which include the amortized cost amount of an instrument and any accrued interest receivable. For lending commitments, the EAD includes the amount of drawn and undrawn irrevocable loan commitments under the contract, which are estimated based on historical observations and forward-looking forecast. For some financial assets (e.g., credit card lending), EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical technique which considers the ability of borrowers to increase its exposure from the time of ECL calculation to the time of default (i.e., credit conversion factor).

These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to and summed at the end of the reporting period. The discount rate used in the ECL calculation is the original effective interest rate or the relevant fund transfer pricing rate, whichever is more applicable.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the instrument. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. Such profile is supported by a historical analysis (i.e., an observation period of five years) which uses, among others the number of rated accounts and ratings of bad accounts at the time of default. Bad accounts are defaulted accounts classified into three classes such as the non-performing loans, accounts classified as Substandard, Doubtful or Loss, and real past due accounts.

For consumer loans, the PD models are used to compute a through-the-cycle (TTC) PD, which are PDs neutral to changes in conditions over the economic cycle covering the lifetime of the exposure. These TTC PDs are adjusted using a single factor Vasicek model to reflect the impact of macroeconomic factors to arrive at forward-looking Point-In-Time (PIT) PDs to consider the probability of default in current economic conditions in accordance with PFRS 9.

In a risk rating model applied by the Group for corporate loans, a better rating or score denotes less probability of default than those of a worse rating. Identifying the counterparty default is done through a computation of the portfolio's observed default rate (ODR). In cases when ODR method and the data to be used is limited, the Group may also employ the implied probability of default frequency (IPD) and the application of overlay factors in the PD.

Using the historical defaults under the Group's ICRRS based on S&P scale, ODR is calculated for each rating bucket as the ratio of the total number of defaults in next 12 months divided by the total count of accounts. On the other hand, unrated accounts are distributed to existing S&P rating classes using normal distribution assumption.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For loans with periodic amortization and one-time full payment at end of the term, EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation.

For revolving products (such as credit cards and credit line facilities), EAD is determined by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default, and may vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market or book values due to forced sales, time to repossession and recovery costs observed. For unsecured products, LGD is typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. The LGD is influenced by collection strategies.

For cash and cash equivalents and debt securities, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a SICR since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from S&P to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. With the changes in the current economic condition and granular behavior analysis of customers, the management has enhanced its existing ECL model in 2022 to reflect the continuing impact of the COVID-19 pandemic and the Group's and Parent Company's financial support program to its customers on a reasonable and supportable basis. In 2023, the Bank conducted an independent model validation which encompasses comprehensive model testing to assess model robustness. A refresh is applied to update the ECL model to ensure it remains relevant and effective in estimating credit losses.

The determination of the 12-month and lifetime PD, LGD, and EAD includes the overlay of forward-looking economic information discussed below.

(b) Overlay of Forward-looking Information

The Group incorporates forward-looking information (FLI) in its calculation of ECL. The Group has performed historical analysis and has identified the key MEVs impacting credit risk associated with its borrowers and/or counterparties and the ECL for relevant portfolio of debt instruments.

The MEVs and their associated impact on the PD, LGD and EAD vary by financial instrument. For corporate loans, a multivariate analysis in the context of Vector Autoregressive (VAR) model is used to assess the effect of macroeconomic factors as historical and deterministic regressors to the portfolios PD. To determine the MEV, all possible combinations of the time series and considered lags with NPL ratio were considered and evaluated based on the soundness of economic theory, goodness of fit, and in accordance with the assumptions of VAR. For consumer loans, to project the MEVs for the full remaining life of each financial instrument, a mean reversion approach has been used for consumer loans, which means that MEVs tend to converge to either A long run average rate (e.g., for unemployment) or a long run average growth rate [e.g., Gross Domestic Product (GDP)] over a period of two to five years.

The impact of these economic variables on the PD, LGD and EAD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The MEVs considered by the Group include economic data and forecasts published by government bodies (e.g., BSP and Philippine Statistics Authority), international organizations (e.g., International Monetary Fund), and certain reputable private and academic organizations involved in forecasting. Accordingly, the Group has identified key drivers for credit risk for its corporate loans portfolio, which include among others, GDP growth rate, inflation rate, unemployment rate, interest rate (i.e., based on 91-day T-bill Yield), household consumption expenditure growth, OFW remittances, and foreign currency exchange rates. On the other hand, the key drivers for the Group's retail and consumer loans portfolio include unemployment rate, GDP growth rate, consumer price index (CPI), foreign currency exchange rates, inflation rate, and bank lending rates. Using an analysis of historical data, the Group has estimated relationships between MEVs and credit risk and credit losses.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different to those projections. The Group considers these forecasts to represent its best estimate of the possible outcomes.

Management has also considered other FLI not incorporated within the above economic scenarios, such as any regulatory, legislative, or political changes, but are not deemed to have a significant impact on the calculation of ECL. Management reviews and monitors the appropriateness of FLIs on a regular basis and additional factors may be incorporated from time to time as deemed appropriate.

4.4.6 Impact of COVID-19 on Measurement of ECL

In response to the post-pandemic landscape and the economic effects on the Group, there has been a reassessment and adjustment of the key conditions and assumptions used in calculating ECL. The Group has reviewed economic scenarios and forward-looking macroeconomic assumptions that underpin the ECL calculation. Given the economic recovery in the Philippines post-pandemic, the impact of COVID-19 on the historical data of the Bank has been excluded, as default rates during the pandemic were unusually high.

Prior 2023, the Group utilized its revised business-as-usual (BAU) ECL methodology, incorporating the impacts of COVID-19 on historical trends, correlations, and forward-looking economic scenarios of the Bank under its new normal assessments, eliminating the necessity for separate post-model adjustments. Notwithstanding that the measurement inputs and assumptions, including forward-looking macroeconomic assumptions were recalibrated in response to the COVID-19 situation, the fundamental ECL mechanics and methodology underpinning the Group's measurement of ECL have remained consistent with the prior periods.

In assessing the impact of the COVID-19 pandemic on the Group's customers, the loan portfolio was re-segmented based on perceived and expected COVID-19 impacts on customers' businesses and industries, considering additional qualitative characteristics that would classify COVID-19 changes as SICR, such as distinguishing temporary liquidity needs from permanently impacted SICR.

Supporting the re-segmentation is the COVID-19 Assistance and Recovery Enhancement (CARE) Program, primarily designed to: (1) provide financial assistance to customers through extended repayment plans due to cash flow constraints and (2) promptly reintroduce customers to regular payment habits based on manageable amounts. Additionally, in compliance with regulatory guidance, the Group implemented mandatory payment holidays for all eligible loans (refer to Note 4.4.12). As of December 31, 2023, the Bank is no longer offering the CARE program, but it continues to offer regular restructuring programs to its customers.

With the expected full recovery of the Philippines from the impact of COVID-19 and the improving portfolio performance, the Group tailored its newly validated ECL model to exclude abnormally high default rates recorded during the pandemic period from their historical data set of 3 to 5 years used for ECL computation.

To identify the exclusion periods related to COVID-19, the Group employed a 12-month performance window in which any accounts that defaulted anytime in the subsequent 12 months were considered for the computation of historical default rates. Months with significantly high default rates were excluded from the dataset. This ensures that the average default rate computed by the Bank reflects the changes in the country's macroeconomic variables and their impact on customer payment behavior.

4.4.7 Credit Risk Exposures

An analysis of the maximum credit risk exposure relating to receivables from customers is shown below:

	Group			
	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2023				
Loans and discounts:				
Corporate	P 414,311	P 356,230	P 58,081	P 356,230
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Leasing and finance	2,801	3,900	-	2,801
Microfinance and small business	1,276	5,978	-	1,276
Other receivables	45,402	5,504	39,898	5,504
	P 667,324	**P 517,117**	**P 175,423**	**P 491,901**
2022				
Loans and discounts:				
Corporate	P 380,722	P 334,727	P 45,995	P 334,727
Consumer*	107,776	145,007	1,434	106,342
Credit card receivables	50,380	-	50,380	-
Leasing and finance	3,233	12,248	-	3,233
Microfinance and small business	1,235	3,178	-	1,235
Other receivables	31,553	1,919	29,634	1,919
	P 574,899	P 497,079	P 127,443	P 447,456

**The net exposure balance pertains to the unsecured personal and salary loans*

	Parent Company			
	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2023				
Loans and discounts:				
Corporate	P 411,706	P 351,499	P 60,207	P 351,499
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Other receivables	44,462	5,504	38,958	5,504
	P 659,702	**P 502,508**	**P 176,609**	**P 483,093**
2022				
Loans and discounts:				
Corporate	P 377,420	P 334,727	P 42,693	P 334,727
Consumer*	107,776	145,005	1,434	106,342
Credit card receivables	50,380	-	50,380	-
Other receivables	30,726	1,799	28,927	1,799
	P 566,302	P 481,531	P 123,434	P 442,868

**The net exposure balance pertains to the unsecured personal and salary loans*

The table below sets out the gross carrying amounts of the exposures to credit risk on financial assets with low credit risk measured at amortized cost and debt securities at FVOCI as of December 31.

	Group		Parent Company	
	2023	2022	**2023**	2022
Cash and cash equivalents	**P 250,108**	P 208,323	**P 247,941**	P 206,320
Debt securities:				
At amortized cost	**236,688**	252,545	**235,803**	251,399
At FVOCI	**78,533**	111,314	**78,417**	111,205
	P 565,329	P 572,182	**P 562,161**	P 568,924

Cash and cash equivalents include loans and advances to banks [i.e., Due from BSP, Due from Other Banks, Loans Arising from Repurchase Agreements, and Interbank Loans Receivables (see Note 9)]. Debt securities includes government and corporate bonds and bills. These are held with central bank, financial institutions and other counterparties that are reputable and with low credit risk; corresponding allowance for ECL is shown in the succeeding pages.

The information about the credit exposures on the above financial assets as well as on loan commitments by stages of impairment as of December 31, 2023 and 2022, shown at their gross carrying amounts with the corresponding allowance for ECL are shown in the succeeding pages. All instruments, which were not assessed by the Group for ECL based on individual credit risk rating were evaluated on a collective basis, applying applicable PD and LGD based on the segment of instrument.

The maximum exposure to credit risks for other financial assets is limited to their carrying values as of December 31, 2023 and 2022.

a) Loans and receivables

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
2023					
Corporate Loans					
Pass					
AAA to BBB	P 16,339	P 1	P -	P -	P 16,340
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	20,104	836	4	-	20,944
Especially mentioned	-	4,565	4,395	-	8,960
Substandard	-	-	9,032	-	9,032
Defaulted	-	-	518	20	538
Unrated	6,955	1	31	-	6,987
	394,872	5,435	13,984	20	414,311
Allowance for ECL	(923)	(222)	(7,891)	(16)	(9,052)
Carrying Amount	**393,949**	**5,213**	**6,093**	**4**	**405,259**
Consumer loans					
Current	111,978	-	-	-	111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	**117,636**	**3,406**	**5,800**	**-**	**126,842**
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556	-	74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	**69,978**	**500**	**538**	**-**	**71,016**
Leasing and finance receivables*					
AAA+ to B+	512	-	-	-	512
B-	136	-	-	-	136
CCC below	-	1,216	937	-	2,153
	648	1,216	937	-	2,801
Allowance for ECL	(85)	(235)	(716)	-	(1,036)
Carrying amount	**563**	**981**	**221**	**-**	**1,765**
Micro and small business loans**					
Unclassified	994	-	-	-	994
Especially Mentioned	-	79	-	-	79
Defaulted	-	-	203	-	203
	994	79	203	-	1,276
Allowance for ECL	(1)	(1)	(66)	-	(68)
Carrying amount	**993**	**78**	**137**	**-**	**1,208**
Balance forwarded	**P 583,119**	**P 10,178**	**P 12,789**	**P 4**	**P 606,090**

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
Balance carried forward	**P 583,119**	**P 10,178**	**P 12,789**	**P 4**	**P 606,090**
Other receivables					
Current	43,050	-	1	-	43,051
Past due	-	344	2,007	-	2,351
	43,050	344	2,008	-	45,402
Allowance for ECL	(188)	(29)	(1,346)	-	(1,563)
Carrying amount	**42,862**	**315**	**662**	**-**	**43,839**
Total gross amount	628,622	12,007	26,675	20	667,324
Allowance for ECL	(2,641)	(1,514)	(13,224)	(16)	(17,395)
Carrying amount	**P 625,981**	**P 10,493**	**P 13,451**	**P 4**	**P 649,929**

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
2022					
Corporate Loans					
Pass					
AAA to BBB	P 14,666	P -	P 2	P -	P 14,668
BBB- to B-	323,944	1	3	-	323,948
Watchlisted	15,794	205	125	-	16,124
Especially mentioned	3,845	3,620	400	-	7,865
Substandard	-	-	8,533	-	8,533
Defaulted	-	-	348	20	368
Unrated	9,164	11	41	-	9,216
	367,413	3,837	9,452	20	380,722
Allowance for ECL	(1,607)	(1,200)	(5,818)	(18)	(8,643)
Carrying Amount	365,806	2,637	3,634	2	372,079
Consumer loans					
Current	89,533	1,730	-	-	91,263
1-30 dpd	-	4,465	-	-	4,465
31-90 dpd	-	3,166	-	-	3,166
Defaulted	-	-	8,882	-	8,882
	89,533	9,361	8,882	-	107,776
Allowance for ECL	(210)	(222)	(2,024)	-	(2,456)
Carrying amount	89,323	9,139	6,858	-	105,320
Credit cards					
Current	46,988	30	-	-	47,018
1-29 dpd	725	10	-	-	735
30-59 dpd	-	386	-	-	386
60-89 dpd	-	326	-	-	326
Defaulted	-	-	1,915	-	1,915
	47,713	752	1,915	-	50,380
Allowance for ECL	(718)	(310)	(1,662)	-	(2,690)
Carrying amount	46,995	442	253	-	47,690
Balance forwarded	P 502,124	P 12,218	P 10,745	P 2	P 525,089

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
Balance carried forward	P 502,124	P 12,218	P 10,745	P 2	P 525,089
*Leasing and finance receivables***					
AAA+ to B+	742	-	-	-	742
B-	399	-	-	-	399
CCC below	-	1,286	806	-	2,092
	1,141	1,286	806	-	3,233
Allowance for ECL	(26)	(100)	(624)	-	(750)
Carrying amount	1,115	1,186	182	-	2,483
*Micro and small business loans****					
Unclassified	982	-	-	-	982
Especially Mentioned	-	67	-	-	67
Defaulted	-	-	186	-	186
	982	67	186	-	1,235
Allowance for ECL	(1)	(2)	(65)	-	(68)
Carrying amount	981	65	121	-	1,167
Other receivables					
Current	29,187	-	-	-	29,187
Past due	-	494	1,872	-	2,366
	29,187	494	1,872	-	31,553
Allowance for ECL	(128)	(57)	(1,238)	-	(1,423)
Carrying amount	29,059	437	634	-	30,130
Total gross amount	535,969	15,797	23,113	20	574,899
Allowance for ECL	(2,690)	(1,891)	(11,431)	(18)	(16,030)
Carrying amount	P 533,279	P 13,906	P 11,682	P 2	P 558,869

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Pass					
AAA to BBB	P 15,793	P 1	P -	P -	P 15,794
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	19,761	295	4	-	20,060
Especially mentioned	-	4,294	4,395	-	8,689
Substandard	-	-	8,326	-	8,326
Defaulted	-	-	340	-	340
Unrated	6,955	1	31	-	6,987
	393,983	4,623	13,100	-	411,706
Allowance for ECL	(923)	(222)	(7,890)	-	(9,035)
Carrying amount *(Balance forwarded)*	**P 393,060**	**P 4,401**	**P 5,210**	**P -**	**P 402,671**

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	**P 393,060**	**P 4,401**	**P 5,210**	**P -**	**P 402,671**
Consumer loans					
Current	111,978	-	-	-	111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	**117,636**	**3,406**	**5,800**	**-**	**126,842**
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556	-	74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	**69,978**	**500**	**538**	**-**	**71,016**
Other receivables					
Current	42,401	-	-	-	42,401
Past due	-	344	1,717	-	2,061
	42,401	344	1,717	-	44,462
Allowance for ECL	(187)	(29)	(1,094)	-	(1,310)
Carrying amount	**42,214**	**315**	**623**	**-**	**43,152**
Total gross amount	625,442	9,900	24,360	-	659,702
Allowance for ECL	(2,554)	(1,278)	(12,189)	-	(16,021)
Carrying amount	**P 622,888**	**P 8,622**	**P 12,171**	**P -**	**P 643,681**
2022					
Corporate Loans					
Pass					
AAA to BBB	P 14,666	P -	P 2	P -	P 14,668
BBB- to B-	323,944	1	3	-	323,948
Watchlisted	15,794	205	125	-	16,124
Especially mentioned	3,845	3,620	400	-	7,865
Substandard	-	-	8,533	-	8,533
Defaulted	-	-	348	-	348
Unrated	5,882	11	41	-	5,934
	364,131	3,837	9,452	-	377,420
Allowance for ECL	(1,607)	(1,200)	(5,818)	-	(8,625)
Carrying amount	362,524	2,637	3,634	-	368,795
Consumer loans					
Current	89,533	1,730	-	-	91,263
1-30 dpd	-	4,465	-	-	4,465
31-90 dpd	-	3,166	-	-	3,166
Defaulted	-	-	8,882	-	8,882
	89,533	9,361	8,882	-	107,776
Allowance for ECL	(210)	(222)	(2,024)	-	(2,456)
Carrying amount	89,323	9,139	6,858	-	105,320
Balance forwarded	P 451,847	P 11,776	P 10,492	P -	P 474,115

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 451,847	P 11,776	P 10,492	P -	P 474,115
Credit cards					
Current	46,988	30	-	-	47,018
1-29 dpd	725	10	-	-	735
30-59 dpd	-	386	-	-	386
60-89 dpd	-	326	-	-	326
Defaulted	-	-	1,915	-	1,915
	47,713	752	1,915	-	50,380
Allowance for ECL	(718)	(310)	(1,662)	-	(2,690)
Carrying amount	46,995	442	253	-	47,690
Other receivables					
Current	28,589	-	-	-	28,589
Past due	-	461	1,676	-	2,137
	28,589	461	1,676	-	30,726
Allowance for ECL	(76)	(52)	(1,189)	-	(1,317)
Carrying amount	28,513	409	487	-	29,409
Total gross amount	529,966	14,411	21,925	-	566,302
Allowance for ECL	(2,611)	(1,784)	(10,693)	-	(15,088)
Carrying amount	P 527,355	P 12,627	P 11,232	P -	P 551,214

b) *Investments in debt securities at amortized cost and at FVOCI*

	Group		**Parent Company**	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2023				
Government securities				
AAA to A+	P 16,991	P 808	P 16,991	P 808
BBB+ to BBB-	194,460	65,154	193,575	65,154
	211,451	65,962	210,566	65,962
Corporate debt securities				
AAA	-	515	-	515
AA+ to A+	-	-	-	-
A to A-	1,243	-	1,243	-
BBB+ to BBB-	13,008	9,089	13,008	9,089
BB+ to BB-	10,823	2,967	10,823	2,851
B+ and below	163	-	163	-
	25,237	12,571	25,237	12,455
Allowance for ECL	(161)	(13)	(71)	(13)
	25,076	12,558	25,166	12,442
	P 236,527	**P 78,520**	**P 235,732**	**P 78,404**

	Group		Parent Company	
	HTC	FVOCI	HTC	FVOCI
2022				
Government securities				
AAA to A+	P 28,000	P 31,495	P 28,000	P 31,495
BBB+ to BBB-	190,163	21,997	189,017	21,997
	218,163	53,492	217,017	53,492
Corporate debt securities				
AAA	8,685	32,552	8,685	32,552
AA+ to A+	276	241	276	241
A to A-	695	-	695	-
BBB+ to BBB-	13,584	18,777	13,584	18,777
BB+ to BB-	10,979	6,252	10,979	6,143
B+ and below	163	-	163	-
	34,382	57,822	34,382	57,713
Allowance for ECL	(163)	(13)	(71)	(13)
	34,219	57,809	34,311	57,700
	P 252,382	P 111,301	P 251,328	P 111,192

Credit exposures for debt securities not held for trading are all classified as Stage 1.

c) Loan Commitments

The credit quality of the Group and Parent Company's irrevocable loan commitments with amounts determined after considering credit conversion factor, as of December 31 follows:

	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Corporate loans				
Pass				
AAA to BBB	P 474	P -	P -	P 474
BBB- to B-	7,150	-	-	7,150
Watchlisted	59	-	-	59
Especially mentioned	-	3	-	3
Unrated	599	-	-	599
	8,282	3	-	8,285
ECL provisions	(11)	-	-	(11)
	8,271	3	-	8,274
Credit cards				
Current	23,718	-	-	23,718
ECL provisions	(293)	-	-	(293)
	23,425	-	-	23,425
	P 31,696	**P 3**	**P -**	**P 31,699**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate loans				
Pass				
AAA to BBB	P 132	P -	P -	P 132
BBB- to B-	8,297	-	-	8,297
Watchlisted	13	-	-	13
Unrated	488	-	-	488
	8,930	-	-	8,930
ECL provisions	(29)	-	-	(29)
	8,901	-	-	8,901
Credit cards				
Current	15,568	-	-	15,568
ECL provisions	(185)	-	-	(185)
	15,383	-	-	15,383
	P 24,284	P -	P -	P 24,284

4.4.8 Maximum Exposure to Credit Risk of Financial Instruments not Subject to Impairment

The following table contains analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e., FVTPL).

	Group		**Parent Company**	
	2023	2022	**2023**	2022
Government securities	**P 9,647**	P 3,883	**P 9,615**	P 3,834
Corporate debt securities	**28**	38	**19**	38
Derivative financial assets	**1,320**	2,267	**1,320**	2,267
	P 10,995	P 6,188	**P 10,954**	P 6,139

4.4.9 Allowance for ECL

The following tables show the reconciliation of the loss allowance for ECL by class of significant financial instruments.

a) *Loans and receivables*

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2023					
Corporate Loans					
Balance at beginning of year	P 1,607	P 1,200	P 5,818	P 18	P 8,643
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	81	(81)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	52	-	(52)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,254)	(126)	(270)	(2)	(1,652)
New assets originated:					
Remained in Stage 1	604	-	-	-	604
Moved to Stages 2 and 3	-	44	1,700	-	1,744
Write-offs	-	-	(287)	-	(287)
	(684)	(978)	2,073	(2)	409
Balance at end of year	**923**	**222**	**7,891**	**16**	**9,052**
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	**558**	**280**	**1,187**	**-**	**2,025**
Balance forwarded	**P 1,481**	**P 502**	**P 9,078**	**P 16**	**P 11,077**

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	**P 1,481**	**P 502**	**P 9,078**	**P 16**	**P 11,077**
Credit cards					
Balance at beginning of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 2	-	40	(40)	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 3 to Stage 1	53	-	(53)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)	-	(2,115)
New assets originated:					
Remained in Stage 1	1,558	-	-	-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	**886**	**747**	**2,018**	**-**	**3,651**
Leasing and finance receivables*					
Balance at beginning of year	26	100	624	-	750
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 3 to Stage 1	5		(5)	-	-
Assets derecognized or repaid	(6)	(32)	(73)	-	(111)
New assets originated:					
Remained in Stage 1	93	-	-	-	93
Moved to Stages 2 and 3	-	134	242	-	376
Write-offs	-	-	(72)	-	(72)
	59	135	92	-	286
Balance at end of year	**85**	**235**	**716**	**-**	**1,036**
Micro and small business loans**					
Balance at beginning of year	1	2	65	-	68
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to 1	2	(2)	-	-	-
Stage 2 to 3	-	(1)	1	-	-
Assets derecognized or repaid	-	-	(9)	-	(9)
New assets originated:					
Remained in Stage 1	-	-	-	-	-
Moved to Stages 2 and 3	-	1	17	-	18
Write-offs	-	-	(9)	-	(9)
	-	(1)	1	-	-
Balance at end of year	**1**	**1**	**66**	**-**	**68**
Balance forwarded	**P 2,453**	**P 1,485**	**P 11,878**	**P 16**	**P 15,832**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 2,453**	**P 1,485**	**P 11,878**	**P 16**	**P 15,832**
Other receivables					
Balance at beginning of year	128	57	1,238	-	1,423
Transfers:					
Stage 1 to Stage 2	(7)	7	-	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(19)	19	-	-
Assets derecognized or repaid	(3)	(32)	(293)	-	(328)
New assets originated:					
Remained in Stage 1	68	-	-	-	68
Moved to Stages 2 and 3	-	18	382	-	400
	60	(28)	108	-	140
Balance at end of year	**188**	**29**	**1,346**	**-**	**1,563**
	P 2,641	**P 1,514**	**P 13,224**	**P 16**	**P 17,395**
2022					
Corporate Loans					
Balance at beginning of year	P 2,064	P 29	P 5,218	P 40	P 7,351
Transfers:					
Stage 1 to Stage 2	(120)	120	-	-	-
Stage 1 to Stage 3	(17)	-	17	-	-
Stage 2 to Stage 1	17	(17)	-	-	-
Stage 2 to Stage 3	-	(10)	10	-	-
Stage 3 to Stage 1	8	-	(8)	-	-
Stage 3 to Stage 2	-	7	(7)	-	-
Assets derecognized or repaid	(1,055)	(108)	(314)	(22)	(1,499)
New assets originated:					
Remained in Stage 1	710	-	-	-	710
Moved to Stages 2 and 3	-	1,179	902	-	2,081
	(457)	1,171	600	(22)	1,292
Balance at end of year	1,607	1,200	5,818	18	8,643
Consumer loans					
Balance at beginning of year	363	357	3,772	-	4,492
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	(272)	-	272	-	-
Stage 2 to Stage 1	228	(228)	-	-	-
Stage 2 to Stage 3	-	(187)	187	-	-
Stage 3 to Stage 2	-	183	(183)	-	-
Assets derecognized or repaid	(387)	(31)	(781)	-	(1,199)
New assets originated:					
Remained in Stage 1	324	-	-	-	324
Moved to Stages 2 and 3	-	82	455	-	537
Write-offs	-	-	(1,698)	-	(1,698)
	(153)	(135)	(1,748)	-	(2,036)
Balance at end of year	210	222	2,024	-	2,456
Balance forwarded	P 1,817	P 1,422	P 7,842	P 18	P 11,099

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 1,817	P 1,422	P 7,842	P 18	P 11,099
Credit cards					
Balance at beginning of year	572	325	2,150	-	3,047
Transfers:					
Stage 1 to Stage 2	(22)	22	-	-	-
Stage 1 to Stage 3	(106)	-	106	-	-
Stage 2 to Stage 3	-	(271)	271	-	-
Stage 3 to Stage 2	-	43	(43)	-	-
Stage 2 to Stage 1	41	(41)	-	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Assets derecognized or repaid	(846)	(139)	(288)	-	(1,273)
New assets originated:					
Remained in Stage 1	1,028	-	-	-	1,028
Moved to Stages 2 and 3	-	371	2,993	-	3,364
Write-offs	-	-	(3,476)	-	(3,476)
	146	(15)	(488)	-	(357)
Balance at end of year	718	310	1,662	-	2,690
*Leasing and finance receivables**					
Balance at beginning of year	31	35	654	-	720
Transfers:					
Stage 1 to Stage 2	(177)	177	-	-	-
Stage 1 to Stage 3	(140)	-	140	-	-
Stage 2 to Stage 3	-	(176)	176	-	-
Assets derecognized or repaid	(18)	(31)	(414)	-	(463)
New assets originated:					
Remained in Stage 1	330	-	-	-	330
Moved to Stages 2 and 3	-	95	68	-	163
	(5)	65	(30)	-	30
Balance at end of year	26	100	624	-	750
*Micro and small business loans***					
Balance at beginning of year	49	16	66	-	131
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 2 to Stage 3	-	(11)	11	-	-
Assets derecognized or repaid	(19)	(5)	(6)	-	(30)
New assets originated:					
Remained in Stage 1	6	-	-	-	6
Moved to Stages 2 and 3	-	1	5	-	6
Write-offs	(34)	-	(11)	-	(45)
	(48)	(14)	(1)	-	(63)
Balance at end of year	1	2	65	-	68
Balance forwarded	P 2,562	P 1,834	P 10,193	P 18	P 14,607

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 2,562	P 1,834	P 10,193	P 18	P 14,607
Other receivables					
Balance at beginning of year	140	16	2,367	-	2,523
Transfers:					
Stage 1 to Stage 2	(35)	35	-	-	-
Stage 2 to Stage 3	-	(31)	31	-	-
Stage 3 to Stage 1	17	-	(17)	-	-
Assets derecognized or repaid	(152)	(- 126)	(386)	-	(664)
New assets originated:					
Remained in Stage 1	158	-	-	-	158
Moved to Stages 2 and 3	-	163	336	-	499
Write-offs	-	-	(1,093)	-	(1,093)
	(12)	41	(1,129)	-	(1,100)
Balance at end of year	128	57	1,238	-	1,423
	P 2,690	P 1,891	P 11,431	P 18	P 16,030

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Balance at beginning of year	P 1,607	P 1,200	P 5,818	P -	P 8,625
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	80	(80)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	47	-	(47)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,244)	(117)	(322)	-	(1,683)
New assets originated:					
Remained in Stage 1	600	-	-	-	600
Moved to Stages 2 and 3	-	34	1,459	-	1,493
	(684)	(978)	2,072	-	410
Balance at end of year *(Balance forwarded)*	**P 923**	**P 222**	**P 7,890**	**P -**	**P 9,035**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 923**	**P 222**	**P 7,890**	**P -**	**P 9,035**
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	**558**	**280**	**1,187**	**-**	**2,025**
Credit cards					
Balance at beginning of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 2	-	40	(40)	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 3 to Stage 1	53	-	(53)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)	-	(2,115)
New assets originated:					
Remained in Stage 1	1,558	-	-	-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	**886**	**747**	**2,018**	**-**	**3,651**
Other receivables					
Balance at beginning of year	76	52	1,189	-	1,317
Transfers:					
Stage 1 to Stage 2	(10)	10	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to Stage 1	11	(11)	-	-	-
Stage 2 to Stage 3	-	(36)	36	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	1	(1)	-	-
Assets derecognized or repaid	(13)	(4)	(472)	-	(489)
New assets originated:					
Remained in Stage 1	123	-	-	-	123
Moved to Stages 2 and 3	-	17	342	-	359
	111	(23)	(95)	-	(7)
Balance at end of year	**187**	**29**	**1,094**	**-**	**1,310**
	P 2,554	**P 1,278**	**P 12,189**	**P -**	**P 16,021**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2022					
Corporate Loans					
Balance at beginning of year	P 2,064	P 29	P 5,218	P -	P 7,311
Transfers:					
Stage 1 to Stage 2	(120)	120	-	-	-
Stage 1 to Stage 3	(17)	-	17	-	-
Stage 2 to Stage 1	17	(17)	-	-	-
Stage 2 to Stage 3	-	(10)	10	-	-
Stage 3 to Stage 1	8	-	(8)	-	-
Stage 3 to Stage 2	-	7	(7)	-	-
Assets derecognized or repaid	(1,055)	(108)	(314)	-	(1,477)
New assets originated:					
Remained in Stage 1	710	-	-	-	710
Moved to Stages 2 and 3	-	1,179	902	-	2,081
	(457)	1,171	600	-	1,314
Balance at end of year	1,607	1,200	5,818	-	8,625
Consumer loans					
Balance at beginning of year	363	357	3,772	-	4,492
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	(272)	-	272	-	-
Stage 2 to Stage 1	228	(228)	-	-	-
Stage 2 to Stage 3	-	(187)	187	-	-
Stage 3 to Stage 2	-	183	(183)	-	-
Assets derecognized or repaid	(387)	(31)	(781)	-	(1,199)
New assets originated:					
Remained in Stage 1	324	-	-	-	324
Moved to Stages 2 and 3	-	82	455	-	537
Write-offs	-	-	(1,698)	-	(1,698)
	(153)	(135)	(1,748)	-	(2,036)
Balance at end of year	210	222	2,024	-	2,456
Credit cards					
Balance at beginning of year	572	325	2,150	-	3,047
Transfers:					
Stage 1 to Stage 2	(22)	22	-	-	-
Stage 1 to Stage 3	(106)	-	106	-	-
Stage 2 to Stage 3	-	(271)	271	-	-
Stage 3 to Stage 2	-	43	(43)	-	-
Stage 2 to Stage 1	41	(41)	-	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Assets derecognized or repaid	(846)	(139)	(288)	-	(1,273)
New assets originated:					
Remained in Stage 1	1,028	-	-	-	1,028
Moved to Stages 2 and 3	-	371	2,993	-	3,364
Write-offs	-	-	(3,476)	-	(3,476)
	146	(15)	(488)	-	(357)
Balance at end of year	718	310	1,662	-	2,690
Balance forwarded	P 2,535	P 1732	P 9,504	P -	P 13,771

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 2,535	P 1,732	P 9,504	P -	P 13,771
Other receivables					
Balance at beginning of year	132	16	2,341	-	2,489
Transfers:					
Stage 1 to Stage 2	(7)	7	-	-	-
Stage 2 to Stage 3	-	(19)	19	-	-
Stage 3 to Stage 1	17	-	(17)	-	-
Assets derecognized or repaid	(247)	(112)	(397)	-	(756)
New assets originated:					
Remained in Stage 1	181	-	-	-	181
Moved to Stages 2 and 3	-	160	336	-	496
Write-offs	-	-	(1,093)	-	(1,093)
	(56)	36	(1,152)	-	(1,172)
Balance at end of year	76	52	1,189	-	1,317
	P 2,611	P 1,784	P 10,693	P -	P 15,088

Presented below are the composition of allowance for ECL as by loan portfolio (see Note 11):

	Group		**Parent Company**	
	2023	2022	**2023**	2022
Corporate	**P 9,052**	P 8,643	**P 9,035**	P 8,625
Credit card receivables	**3,651**	2,690	**3,651**	2,690
Consumer	**2,025**	2,456	**2,025**	2,456
Leasing and finance	**1,036**	750	**-**	-
Microfinance and small business	**68**	68	**-**	-
Other receivables	**1,563**	1,423	**1,310**	1,317
	P 17,395	P 16,030	**P 16,021**	P 15,088

b) Investments in debt securities at amortized cost and at FVOCI

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
HTC				
2023				
Balance at beginning of year	P 163	P -	P -	P 163
Net remeasurement of loss allowance	(2)	-	-	(2)
Balance at end of year	**P 161**	**P -**	**P -**	**P 161**
2022				
Balance at beginning of year	P 147	P -	P -	P 147
Net remeasurement of loss allowance	19	-	-	19
Derecognition of financial assets	(3)	-	-	(3)
Balance at end of year	P 163	P -	P -	P 163

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2023				
Balance at beginning of year	P 71	P -	P -	P 71
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	**P 71**	**P -**	**P -**	**P 71**
2022				
Balance at beginning of year	P 52	P -	P -	P 52
Net remeasurement of loss allowance	19	-	-	19
Balance at end of year	P 71	P -	P -	P 71

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
FVOCI				
2023				
Balance at beginning of year	P 13	P -	P -	P 13
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	**P 13**	**P -**	**P -**	**P 13**
2022				
Balance at beginning of year	P 12	P -	P -	P 12
Net remeasurement of loss allowance	1	-	-	1
Balance at end of year	P 13	P -	P -	P 13

c) *Loan commitments*

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2023				
Corporate Loans				
Balance at beginning of year	P 29	P -	P -	P 29
Assets derecognized or repaid	(26)	-	-	(26)
New assets originated: Remained in Stage 1	8	-	-	8
	(18)	-	-	(18)
Balance at end of year	**11**	**-**	**-**	**11**
Credit Cards				
Balance at beginning of year	185	-	-	185
New assets originated: Remained in Stage 1	108	-	-	108
	108	-	-	108
Balance at end of year	**293**	**-**	**-**	**293**
	P 304	**P -**	**P -**	**P 304**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate Loans				
Balance at beginning of year	P 18	P -	P 5	P 23
Transfers:				
Stage 3 to 1	5	-	(5)	-
New assets originated:				
Remained in Stage 1	6	-	-	6
	11	-	(5)	6
Balance at end of year	29	-	-	29
Credit Cards				
Balance at beginning of year	122	-	-	122
New assets originated:				
Remained in Stage 1	63	-	-	63
	63	-	-	63
Balance at end of year	185	-	-	185
	P 214	P -	P -	P 214

The information on how the significant changes in the gross carrying amount of the financial instruments contributed to the changes in the amount of allowance for ECL are presented in Note 4.4.10.

4.4.10 Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables below and in the succeeding pages provides information how the significant changes in the gross carrying amount of financial instruments in 2023 and 2022 contributed to the changes in the allowance for ECL.

a) *Loans and receivables*

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Balance at beginning of year	P 367,413	P 3,837	P 9,452	P 20	P 380,722
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(794)	-	794	-	-
Stage 2 to Stage 1	472	(472)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	105	-	(105)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(196,871)	(204)	(769)	-	(197,844)
New assets originated:					
Remained in Stage 1	227,918	-	-	-	227,918
Moved to Stages 2 and 3	-	1,723	2,079	-	3,802
Write-offs	-	-	(287)	-	(287)
	27,459	1,598	4,532	-	33,589
Balance at end of year *(Balance forwarded)*	**P 394,872**	**P 5,435**	**P 13,984**	**P 20**	**P 414,311**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 394,872**	**P 5,435**	**P 13,984**	**P 20**	**P 414,311**
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	**118,194**	**3,686**	**6,987**	**-**	**128,867**
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	**70,864**	**1,247**	**2,556**	**-**	**74,667**
Leasing and finance receivables*					
Balance at beginning of year	1,141	1,286	806	-	3,233
Transfers:					
Stage 1 to Stage 2	(472)	472	-	-	-
Stage 2 to Stage 1	14	(14)	-	-	-
Stage 3 to Stage 1	12	-	(12)	-	-
Assets derecognized or repaid	(696)	(934)	(241)	-	(1,871)
New assets originated:					
Remained in Stage 1	649	-	-	-	649
Moved to Stages 2 and 3	-	406	456	-	862
Write-offs	-	-	(72)	-	(72)
	(493)	(70)	131	-	(432)
Balance at end of year	**648**	**1,216**	**937**	**-**	**2,801**
Balance forwarded	**P 584,578**	**P 11,584**	**P 24,464**	**P 20**	**P 620,646**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 584,578	P 11,584	P 24,464	P 20	P 620,646
Micro and small business loans*					
Balance at beginning of year	982	67	186	-	1,235
Transfers:					
Stage 1 to Stage 2	(29)	29	-	-	-
Stage 1 to Stage 3	(29)	-	29	-	-
Stage 2 to Stage 1	5	(5)	-	-	-
Stage 2 to Stage 3	-	(2)	2	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	8	(8)	-	-
Assets derecognized or repaid	(671)	(46)	(38)	-	(755)
New assets originated:					
Remained in Stage 1	735	-	-	-	735
Moved to Stages 2 and 3	-	28	42	-	70
Write-offs	-	-	(9)	-	(9)
	12	12	17	-	41
Balance at end of year	**994**	**79**	**203**	**-**	**1,276**
Other receivables					
Balance at beginning of year	29,187	494	1,872	-	31,553
Transfers:					
Stage 1 to Stage 2	(84)	84	-	-	-
Stage 1 to Stage 3	(80)	-	80	-	-
Stage 2 to Stage 1	68	(68)	-	-	-
Stage 2 to Stage 3	-	(246)	246	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(2,186)	(232)	(693)	-	(3,111)
New assets originated:					
Remained in Stage 1	16,145	-	-	-	16,145
Moved to Stages 2 and 3	-	291	524	-	815
	13,863	(150)	136	-	13,849
Balance at end of year	**43,050**	**344**	**2,008**	**-**	**45,402**
	P 628,622	**P 12,007**	**P 26,675**	**P 20**	**P 667,324**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2022					
Corporate Loans					
Balance at beginning of year	P 352,089	P 654	P 10,720	P 45	P 363,508
Transfers:					
Stage 1 to Stage 2	(2,910)	2,910	-	-	-
Stage 1 to Stage 3	(2,392)	-	2,392	-	-
Stage 2 to Stage 1	293	(293)	-	-	-
Stage 2 to Stage 3	-	(130)	130	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(170,111)	(3,585)	(5,221)	(25)	(178,942)
New assets originated:					
Remained in Stage 1	190,393	-	-	-	190,393
Moved to Stages 2 and 3	-	4,260	1,503	-	5,763
	15,324	3,183	(1,268)	(25)	17,214
Balance at end of year	367,413	3,837	9,452	20	380,722
Consumer loans					
Balance at beginning of year	81,363	12,513	16,118	-	109,994
Transfers:					
Stage 1 to Stage 2	(4,551)	4,551	-	-	-
Stage 1 to Stage 3	(1,070)	-	1,070	-	-
Stage 2 to Stage 1	5,962	(5,962)	-	-	-
Stage 2 to Stage 3	-	(2,061)	2,061	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2,085	(2,085)	-	-
Assets derecognized or repaid	(4,225)	(2,389)	(6,708)	-	(13,322)
New assets originated:					
Remained in Stage 1	12,054	-	-	-	12,054
Moved to Stages 2 and 3	-	624	124	-	748
Write-offs	-	-	(1,698)	-	(1,698)
	8,170	(3,152)	(7,236)	-	(2,218)
Balance at end of year	89,533	9,361	8,882	-	107,776
Credit cards					
Balance at beginning of year	32,235	792	2,536	-	35,563
Transfers:					
Stage 1 to Stage 2	(603)	603	-	-	-
Stage 1 to Stage 3	(2,002)	-	2,002	-	-
Stage 2 to Stage 1	122	(122)	-	-	-
Stage 2 to Stage 3	-	(634)	634	-	-
Stage 3 to Stage 1	65	-	(65)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(83,655)	(411)	(2,658)	-	(86,724)
New assets originated:					
Remained in Stage 1	101,551	-	-	-	101,551
Moved to Stages 2 and 3	-	473	2,993	-	3,466
Write-offs	-	-	(3,476)	-	(3,476)
	15,478	(40)	(621)	-	14,817
Balance at end of year	47,713	752	1,915	-	50,380
Balance forwarded	P 504,659	P 13,950	P 20,249	P 20	P 538,878

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 504,659	P 13,950	P 20,249	P 20	P 538,878
*Leasing and finance receivables**					
Balance at beginning of year	1,101	755	737	-	2,593
Transfers:					
Stage 1 to Stage 2	(1,641)	1,641	-	-	-
Stage 1 to Stage 3	(446)	-	446	-	-
Stage 2 to Stage 1	-	-	-	-	-
Stage 2 to Stage 3	-	(325)	325	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2	(2)	-	-
Assets derecognized or repaid	(496)	(1,072)	(898)	-	(2,466)
New assets originated:					
Remained in Stage 1	2,623	-	-	-	2,623
Moved to Stages 2 and 3	-	285	198	-	483
	40	531	69	-	640
Balance at end of year	1,141	1,286	806	-	3,233
*Micro and small business loans***					
Balance at beginning of year	684	322	67	-	1,073
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	-	-	-	-	-
Stage 2 to Stage 3	-	(53)	53	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2	(2)	-	-
Assets derecognized or repaid	(297)	(276)	(72)	-	(645)
New assets originated:					
Remained in Stage 1	677	-	-	-	677
Moved to Stages 2 and 3	-	26	149	-	175
Write-offs	(36)	-	(9)	-	(45)
	298	(255)	119	-	162
Balance at end of year	982	67	186	-	1,235
Other receivables					
Balance at beginning of year	39,996	327	3,512	-	43,835
Transfers:					
Stage 1 to Stage 2	(84)	84	-	-	-
Stage 2 to Stage 3	-	(313)	313	-	-
Stage 3 to Stage 1	114	-	(114)	-	-
Assets derecognized or repaid	(11,783)	(252)	(1,082)	-	(13,117)
New assets originated:					
Remained in Stage 1	944	-	-	-	944
Moved to Stages 2 and 3	-	648	336	-	984
Write-offs	-	-	(1,093)	-	(1,093)
	(10,809)	167	(1,640)	-	(12,282)
Balance at end of year	29,187	494	1,872	-	31,553
	P 535,969	P 15,797	P 23,113	P 20	P 574,899

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2023					
Corporate Loans					
Balance at beginning of year	P 364,131	P 3,837	P 9,452	P -	P 377,420
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(787)	-	787	-	-
Stage 2 to Stage 1	434	(434)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	94	-	(94)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(194,253)	(202)	(1,042)	-	(195,497)
New assets originated:					
Remained in Stage 1	227,735	-	-	-	227,735
Moved to Stages 2 and 3	-	871	1,177	-	2,048
	29,852	786	3,648	-	34,286
Balance at end of year	**P 393,983**	**P 4,623**	**P 13,100**	**P -**	**P 411,706**
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	**118,194**	**3,686**	**6,987**	**-**	**128,867**
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	**70,864**	**1,247**	**2,556**	**-**	**74,667**
Balance forwarded	**P 583,041**	**P 9,556**	**P 22,643**	**P -**	**P 615,240**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 583,041**	**P 9,556**	**P 22,643**	**P -**	**P 615,240**
Other receivables					
Balance at beginning of year	28,589	461	1,676	-	30,726
Transfers:					
Stage 1 to Stage 2	(126)	126	-	-	-
Stage 1 to Stage 3	(92)	-	92	-	-
Stage 2 to Stage 1	96	(96)	-	-	-
Stage 2 to Stage 3	-	(293)	293	-	-
Stage 3 to Stage 1	3	-	(3)	-	-
Stage 3 to Stage 2	-	168	(168)	-	-
Assets derecognized or repaid	(2,573)	(232)	(825)	-	(3,630)
New assets originated:					
Remained in Stage 1	16,504	-	-	-	16,504
Moved to Stages 2 and 3	-	210	652	-	862
	13,812	(117)	41	-	13,736
Balance at end of year	**42,401**	**344**	**1,717**	**-**	**44,462**
	P 625,442	**P 9,900**	**P 24,360**	**P -**	**P 659,702**
2022					
Corporate Loans					
Balance at beginning of year	P 348,002	P 654	P 10,720	P -	P 359,376
Transfers:					
Stage 1 to Stage 2	(2,910)	2,910	-	-	-
Stage 1 to Stage 3	(2,392)	-	2,392	-	-
Stage 2 to Stage 1	293	(293)	-	-	-
Stage 2 to Stage 3	-	(130)	130	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(169,306)	(3,585)	(5,221)	-	(178,112)
New assets originated:					
Remained in Stage 1	190,393	-	-	-	190,393
Moved to Stages 2 and 3	-	4,260	1,503	-	5,763
	16,129	3,183	(1,268)	-	18,044
Balance at end of year *(Balance forwarded)*	P 364,131	P 3,837	P 9,452	P -	P 377,420

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 364,131	P 3,837	P 9,452	P -	P 377,420
Consumer loans					
Balance at beginning of year	P 81,363	P 12,513	P 16,118	P -	P 109,994
Transfers:					
Stage 1 to Stage 2	(4,551)	4,551	-	-	-
Stage 1 to Stage 3	(1,070)	-	1,070	-	-
Stage 2 to Stage 1	5,962	(5,962)	-	-	-
Stage 2 to Stage 3	-	(2,061)	2,061	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2,085	(2,085)	-	-
Assets derecognized or repaid	(4,225)	(2,389)	(6,708)	-	(13,322)
New assets originated:					
Remained in Stage 1	12,054	-	-	-	12,054
Moved to Stages 2 and 3	-	624	124	-	748
Write-offs	-	-	(1,698)	-	(1,698)
	8,170	(3,152)	(7,236)	-	(2,218)
Balance at end of year	89,533	9,361	8,882	-	107,776
Credit cards					
Balance at beginning of year	32,235	792	2,536	-	35,563
Transfers:					
Stage 1 to Stage 2	(603)	603	-	-	-
Stage 1 to Stage 3	(2,002)	-	2,002	-	-
Stage 2 to Stage 1	122	(122)	-	-	-
Stage 2 to Stage 3	-	(634)	634	-	-
Stage 3 to Stage 1	65	-	(65)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(83,655)	(411)	(2,658)	-	(86,724)
New assets originated:					
Remained in Stage 1	101,551	-	-	-	101,551
Moved to Stages 2 and 3	-	473	2,993	-	3,466
Write-offs	-	-	(3,476)	-	(3,476)
	15,478	(40)	(621)	-	14,817
Balance at end of year	47,713	752	1,915	-	50,380
Other receivables					
Balance at beginning of year	39,249	312	3,309	-	42,870
Transfers:					
Stage 1 to Stage 2	(28)	28	-	-	-
Stage 2 to Stage 3	-	(284)	284	-	-
Stage 3 to Stage 1	114	-	(114)	-	-
Assets derecognized or repaid	(11,727)	(224)	(1,046)	-	(12,997)
New assets originated:					
Remained in Stage 1	981	-	-	-	981
Moved to Stages 2 and 3	-	629	336	-	965
Write-off	-	-	(1,093)	-	(1,093)
	(10,660)	149	(1,633)	-	(12,144)
Balance at end of year	28,589	461	1,676	-	30,726
	P 529,966	P 14,411	P 21,925	P -	P 566,302

The amounts of "Transfers to" include the changes in the ECL on the exposures transferred from one stage to another during the year.

The Group's receivables arising from salary loans are generally fully recoverable as those are collected through salary deductions, except for those receivables from resigned employees which were provided with full ECL allowance.

b) Investment in debt securities at amortized cost and at FVOCI

	Group		Parent Company	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2023				
Balance at beginning of year	P 252,545	P 111,314	P 251,399	P 111,205
Assets purchased	16,099	442,380	14,092	442,360
Assets derecognized	(31,956)	(476,587)	(29,688)	(476,579)
Fair value gain	-	1,426	-	1,431
Balance at end of year	**P 236,688**	**P 78,533**	**P 235,803**	**P 78,417**
2022				
Balance at beginning of year	P 163,758	P 46,094	P 162,951	P 45,611
Assets purchased	149,832	131,018	148,342	130,903
Assets derecognized	(61,045)	(60,578)	(59,894)	(59,863)
Fair value loss	-	(5,220)	-	(5,446)
Balance at end of year	P 252,545	P 111,314	P 251,399	P 111,205

c) Loan Commitments

	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Corporate Loans				
Balance at beginning of year	P 8,930	P -	P -	P 8,930
Assets derecognized or repaid	(7,043)	-	-	(7,043)
New assets originated:				
Remained in Stage 1	6,395	-	-	6,395
Moved to Stage 2	-	3	-	3
	(648)	3	-	(645)
Balance at end of year	**8,282**	**3**	**-**	**8,285**
Credit Cards				
Balance at beginning of year	9,607	-	-	9,607
New assets originated:				
Remained in Stage 1	14,111	-	-	14,111
	14,111	-	-	14,111
Balance at end of year	**23,718**	**-**	**-**	**23,718**
	P 32,000	**P 3**	**P -**	**P 32,003**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate Loans				
Balance at beginning of year	P 4,106	P 4	P 13	P 4,123
Transfers:				
Stage 2 to 1	4	(4)	-	-
Stage 3 to 1	13	-	(13)	-
New assets originated:				
Remained in Stage 1	4,807	-	-	4,807
	4,824	(4)	(13)	4,807
Balance at end of year	8,930	-	-	8,930
Credit Cards				
Balance at beginning of year	9,607	-	-	9,607
New assets originated:				
Remained in Stage 1	5,961	-	-	5,961
	5,961	-	-	5,961
Balance at end of year	15,568	-	-	15,568
	P 24,498	P -	P -	P 24,498

4.4.11 Collateral Held as Security and Other Credit Enhancements

The Group holds collateral against loans and advances to customers in the form of hold-out deposits, real estate mortgage, standby letters of credit or bank guaranty, government guaranty, chattel mortgage, assignment of receivables, pledge of equity securities, personal and corporate guaranty and other forms of security. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are generally updated annually.

Generally, collateral is not held over loans and advances to other banks, except when securities are held as part of reverse repurchase and securities borrowing arrangements. Collateral is not usually held against trading and investment securities, and no such collateral was held as of December 31, 2023 and 2022.

The estimated fair value of collateral and other security enhancements held against the loan portfolio as of December 31 are presented below.

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Real properties	P 143,141	P 4,320	P 9,761	P 157,222
Chattel	139,159	3,287	5,297	147,743
Hold-out deposits	6,890	9	10	6,909
Equity securities	6,121	9	248	6,378
Others	185,498	2,493	10,874	198,865
	P 480,809	**P 10,118**	**P 26,190**	**P 517,117**

	Group							
	Stage 1		Stage 2		Stage 3		Total	
2022								
Real properties	P	120,659	P	9,862	P	11,157	P	141,678
Chattel		66,648		8,404		6,974		82,026
Hold-out deposits		10,993		1		7		11,001
Equity securities		15,681		-		247		15,928
Others		237,070		2,524		6,852		246,446
	P	451,051	P	20,791	P	25,237	P	497,079

	Parent Company							
	Stage 1		**Stage 2**		**Stage 3**		**Total**	
2023								
Real properties	P	137,841	P	3,996	P	9,471	P	151,308
Chattel		136,681		2,903		3,700		143,284
Hold-out deposits		6,797		6		4		6,807
Equity securities		6,121		9		248		6,378
Others		182,520		2,324		9,887		194,731
	P	**469,960**	**P**	**9,238**	**P**	**23,310**	**P**	**502,508**
2022								
Real properties	P	117,894	P	9,197	P	10,842	P	137,933
Chattel		64,833		6,049		5,606		76,488
Hold-out deposits		10,936		-		5		10,941
Equity securities		15,681		-		247		15,928
Others		233,118		1,136		5,987		240,241
	P	442,462	P	16,382	P	22,687	P	481,531

The Group and the Parent Company have recognized certain properties arising from foreclosures in settlement of loan account amounting to P675 and P614, respectively, in 2023 and P761 and P760, respectively, in 2022.

The Group and the Parent Company's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place. The Group and the Parent Company do not generally use the non-cash collateral for its own operations.

There were no changes in the Group and the Parent Company's collateral policies in 2023 and 2022.

4.4.12 Modifications of Financial Assets

(a) Financial Reliefs Provided by the Group

In certain cases, the Group modifies the terms of the loans provided to the borrowers due to commercial renegotiations, or for distressed loans, with a view of maximizing recovery of the contractual amount of obligation that the Group is owed to. Restructuring policies and practices are based on indicators or criteria which, in the management's judgment, indicate that payment will most likely continue. Such policies are continuously reviewed and updated as necessary. Restructuring is most commonly applied to term or corporate loans.

On top of the government reliefs, the Group has offered financial relief through its CARE Program, which was approved by the Executive Committee on May 4, 2020, in response to the COVID-19 situation. These relief measures were granted to eligible customers to allow them to get back into the habit of paying loans and included the following:

- payment relief including extension of contractual terms;
- principal and interest relief including lower amortization on extended term with interest payment only on the first year; and,
- extension of balloon repayment terms.

The outstanding balance of loans modified under the CARE Program in 2023 and 2022 amounted to P29,554 and P35,695, respectively, for the Group, and P27,473 and P33,086, respectively for the Parent Company.

The following tables provide a summary of the outstanding balance of modified loans resulting from the financial reliefs provided by the Group as of December 31:

	Group		Parent Company	
	2023	2022	**2023**	2022
Stage 1 (Performing)				
Corporate	**P 14,815**	P 21,121	**P 14,815**	P 21,121
Consumer	**4,016**	2,956	**4,016**	2,956
Credit card	**232**	654	**232**	654
Leasing and finance	**817**	115	**-**	-
Microfinance and small business	**20**	47	**-**	-
	P 19,900	P 24,893	**P 19,063**	P 24,731
Stage 2 (Underperforming)				
Corporate	**P 3,016**	P 205	**P 3,016**	P 205
Consumer	**905**	2,218	**905**	2,218
Credit card	**61**	120	**61**	120
Leasing and finance	**427**	1,738	**-**	-
Microfinance and small business	**53**	55	**-**	-
	P 4,462	P 4,336	**P 3,982**	P 2,543
Stage 3 (Nonperforming)				
Corporate	**P 2,492**	P 1,818	**P 2,492**	P 1,818
Consumer	**1,844**	3,830	**1,844**	3,830
Credit card	**92**	164	**92**	164
Leasing and finance	**640**	554	**-**	-
Microfinance and small business	**124**	100	**-**	-
	P 5,192	P 6,466	**P 4,428**	P 5,812

(b) Assessment of SICR

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the performance of the financial asset subsequent to its modification.

The Group may determine that the credit risk has significantly improved after restructuring (in accordance with the new terms for six consecutive months or more), so that the assets are moved from Stage 3 or Stage 2.

The Group continues to monitor if there is a subsequent SICR in relation to such modified assets through the use of specific models for modified assets [see also Note 4.4.6(a)].

4.4.13 Write-offs

The Group and the Parent Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include: cessation of enforcement activity; and, where the Group and Parent Company's recovery method is through foreclosure of collateral and the value of the collateral is less than the outstanding contractual amounts of the financial assets to be written-off.

The Group and Parent Company may write off financial assets that are still subject to enforcement activity. The outstanding amounts of such assets written off in 2023 and 2022 amounted to P4,179 and P6,312, respectively, for the Group, and P3,811 and P6,267, respectively, for the Parent Company. The Group and the Parent Company still seek to recover amounts legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

4.4.14 Credit Risk Stress Test

To enhance the assessment of credit risk, the Group adopted a credit risk stress testing framework using break-even sales and cash flow debt service to determine a borrower's vulnerability and ultimately impact to the Group's capital adequacy. The Parent Company adopted a portfolio credit risk testing framework that takes into consideration the causal relationships among industry sectors.

4.4.15 Sensitivity Analysis on ECL Measurement

Set out below are the changes to the Group's ECL as of December 31, 2023 and 2022 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions:

	Change in MEVs		Impact on ECL	
	Upside Scenario	**Downside Scenario**	**Upside Scenario**	**Downside Scenario**
2023				
Credit card receivables			(P 3,748)	P 4,372
GDP	**+ 7.00%**	**- 6.50%**		
CPI	**- P123.70**	**+ P124.30**		
Unemployment rate	**- 2.00%**	**+ 4.00%**		
Corporate loans			(234)	197
Inflation rate	**- 0.50%**	**+ 5.00%**		
91D TD bill	**- 0.50%**	**+ 5.00%**		
Consumer loans:				
Salary loans			(128)	303
Unemployment rate	**- 2.00%**	**+ 13.00%**		
USD-Php exchange rate	**- P52.50**	**+ P66.00**		
Inflation rate	**-3.60%**	**+ 9.10%**		
Bank lending rate	**-5.70%**	**+ 11.20%**		
Housing loans			(505)	564
GDP	**+ 6.50%**	**- 0.50%**		
CPI	**- P124.30**	**+ P130.27**		
Unemployment rate	**- 4.00%**	**+ 13.00%**		
Auto loans			(971)	1,164
GDP	**+ 6.50%**	**- 0.50%**		
CPI	**- P124.30**	**+ P130.27**		
Unemployment rate	**- 4.00%**	**+ 13.00%**		
Personal loans			(122)	145
GDP	**+ 7.00%**	**- 6.50%**		
CPI	**- P123.70**	**+ P124.30**		
Unemployment rate	**- 2.00%**	**+ 4.00%**		

	Change in MEVs		Impact on ECL	
	Upside Scenario	Downside Scenario	Upside Scenario	Downside Scenario
2022				
Credit card receivables			(P 461)	P 1,477
Unemployment rate	- 5.80%	+ 5.20%		
Inflation rate	- 0.20%	+ 5.30%		
Corporate loans			(99)	871
USD-Php exchange rate	- P3	+ P10.50		
Inflation rate	- 0.50%	+ 5.00%		
91D TD bill	- 0.50%	+ 5.00%		
Consumer loans:				
Salary loans			(11)	20
Unemployment rate	- 2.00%	+ 9.00%		
USD-Php exchange rate	- P3	+ P10.50		
Inflation rate	-0.50%	+ 5.00%		
Bank lending rate	-0.50%	+ 5.00%		
Housing loans			(5)	45
Unemployment rate	- 2.00%	+ 9.00%		
Inflation rate	- 0.50%	+ 5.00%		
Bank lending rate	- 0.50%	+ 5.00%		
Auto loans			(1)	7
GDP	+ P26,008	- P338,098		
USD-Php exchange rate	- P3	+ P10.50		
Bank lending rate	- 0.50%	+ 5.00%		
Personal loans			(6)	37
GDP	+ P26,008	- P338,098		
USD-Php exchange rate	- P3	+ P10.50		
Bank lending rate	- 0.50%	+ 5.00%		

4.5 Operational Risk

Operational risks are risks arising from the potential inadequate information systems and systems, operations or transactional problems (relating to service or product delivery), breaches in internal controls, fraud, or unforeseen catastrophes that may result in unexpected loss. Operational risks include the risk of loss arising from various types of human or technical error, settlement or payments failures, business interruption, administrative and legal risks, and the risk arising from systems not performing adequately.

The Operational Risk Management Division (ORMD) assists management in meeting its responsibility to understand and manage operational risk exposures and to ensure consistent application of operational risk management tools across the Group.

The ORMD applies a number of techniques to efficiently manage operational risks. Among these are as follows:

- Each major business line has an embedded designated Deputy Operational Risk Officer (DORO) who acts as a point person for the implementation of various operational risk tools. The DOROs attend quarterly DORO forums conducted by the ORMD to keep them up-to-date with different operational risk issues, challenges and initiatives;

- With ORMD's bottom up Risk Control Self-Assessment (RCSA) process, which is conducted at least annually, material operational processes and controls are assessed and examined to the Bank's overall risks and controls. The result of said self-assessment exercise also serves as one of the inputs in identifying specific key risk indicators (KRIs) and Control Sample Tests (CSTs);

- KRIs are used to monitor the operational risk profile of the Group and of each business unit, and alert management of impending problems in a timely fashion;

- CSTs is for the business units to self-assure against key process controls, effective implementation and execution of controls in its day-to-day activities. CSTs are conducted periodically to detect control failures and address any process weaknesses in a timely manner before control failures can be systemic.

- Internal loss information is collected, reported, and utilized to model operational risk; and,

- The ORMD reviews product and operating manuals, policies, procedures and circulars, thus allowing the embedding of desired operational risk management practices in all business units.

Operational Risk Management, as it relates to capital adequacy, is currently under Basic Indicator Approach (see Note 5.2).

The Group has an institutional Business Continuity Plan (BCP) based on several crisis severity levels which is tested at least annually and updated for any major changes in systems and procedures. Central to the Group's BCP is a disaster recovery plan to address the continued functioning of systems, recovery of critical data, and contingency processing requirements in the event of a disaster.

4.5.1 Reputation Risk

Reputation risk is the risk to earnings, capital and liquidity arising from negative public opinion. This affects the Group's ability to establish new relationships or services, or to continue servicing existing relationships. This risk can expose the Group to litigation, financial loss, or damage to its reputation. Reputation risk arises whenever technology-based banking products, services, delivery channels, or processes may generate adverse public opinion such that it seriously affects the Group's earnings or impairs its capital. This risk is present in activities such as asset management and regulatory compliance.

The RCBC Group has very low tolerance for engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group. The management of reputational risk in the Bank is guided by its Reputational Risk Management Framework in accordance with BSP Circular 1114. The Bank's Reputational Risk Management Framework (RRMF) is in place in order to have an enterprise-wide approach and scope of implementation, beyond the assessment of reputational risk that is focused on customer complaints. While growth is projected to emanate from various drivers, the Bank recognizes that potential failure in the same ushers in a potential damage to reputation.

4.5.2 Legal Risk and Regulatory Risk Management

Changes in laws and regulations and fiscal policies could adversely affect the Group's operations and financial reporting. In addition, the Group faces legal risks in enforcing its rights under its loan agreements, such as foreclosing of collateral. Legal risk is higher in new areas of business where the law remains untested by the courts. The Group uses a legal review process as the primary control mechanism for legal risk. Such a legal review aims to verify and validate the existence, genuineness and due execution of legal documents, and verify the capacity and authority of counterparties and customers to enter into transactions. In addition, the Group seeks to minimize its legal risk by using stringent legal documentation, imposing certain requirements designed to ensure that transactions are properly authorized, and consulting internal and external legal advisors.

Regulatory risk refers to the potential for the Group to suffer financial loss due to mid-stream changes in regulatory regime affecting current position and/or strategy. Compliance Risk is the risk of loss resulting from failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities.

The Group's Compliance Program, the design and implementation of which is overseen and coordinated by the Chief Compliance Officer, is the primary control process for regulatory and compliance risk issues. The Compliance Office is committed to safeguard the integrity of the Group by maintaining a high level of regulatory compliance. It is responsible for communicating and disseminating new rules and regulations to all units, assessing and addressing identified compliance issues, performing periodic compliance testing an, and reporting compliance findings to the ACC and the BOD.

4.6 Anti-Money Laundering Controls

The AMLA or RA No. 9160 was passed in September 2001. It was subsequently amended by RA No. 9194, RA No. 10167, and RA No. 10365, R.A.11521 in March 2003, June 2012 and February 2021, respectively. Together with the Terrorism Financing Prevention and Suppression Act (TFPSA) which was passed in June 2012 by virtue of RA No. 10168, and Anti-Terrorism Act of 2020 or R.A. 11479 these laws provide the regulatory framework for the Philippine Anti-Money Laundering and Terrorist Financing Prevention regulations. The Anti-Money Laundering Council is the financial intelligence unit tasked to implement AMLA, as amended. It is also the government agency that issues implementing guidelines to the AMLA and the TFPSA.

RCBC, as a BSP-supervised covered person, is subject to the Anti-Money Laundering and Combatting the Financing of Terrorism Regulations under Part Nine of the Manual of Regulations for Banks (MORB). Recent amendments to the said regulations were covered by BSP Circular Nos. 950 and 1022.

RCBC's Anti-Money Laundering and Terrorism Financing Prevention Program (MTPP) is aligned with the foregoing laws, rules, and regulations, and follows a risk-based approach in identifying, assessing, and mitigating money laundering, terrorist financing, and proliferation financing risks. It includes the policies, procedures, and controls that are designed to prevent, detect, and deter money laundering and terrorist financing, proliferation financing, and other financial crimes. Some of these controls include the following:

- Delineation of the sales and the service functions of the first line of defense. The Sales function is focused on marketing and sales, relationship management, cross-selling, credit-related matters and documentation, and loan-related referrals and documentation; while the Service function is focused on BC operations such as: (a) customer servicing, which includes know your customer (KYC) and account opening, account maintenance and tellering, cash and vault management and ATM servicing, (b) BC administration, (c) customer experience management such as inquiries, feedback, and problem resolution, and (d) compliance and audit.

- The Group also created middle offices under the Branch Operations and Control Segment, comprised of Middle Office Support Division (MOSD) and Branch Control Division (BCD), tasked to review and validate KYC documents. The MOSD ensures the uniqueness of Customer Information Files and accuracy of information captured in the Credit Risk Mitigation (CRM). It also reviews the completeness of account opening documents. The BCD, on the other hand, ensures the proper implementation of KYC, the performance of independent enhanced due diligence based on customer risk profile, and monitoring adherence of BCs to standard operating procedures. It also acts as the additional control layer to track exceptions and decides on dispositions, recommends sanctions or additional trainings for BCs, and recommends process improvements. The key processes of the BCD are KYC, exceptions reporting, and quality assurance.

- Use of technology in automating compliance activities such as client risk profiling, watch list and sanctions screening, transaction monitoring, and regulatory reporting. The Bank has also initiated the use of proactive compliance analytics and investigation to gain more actionable insights and typologies. As recent updates, the Bank has enhanced its sanctions policy to ensure the prohibition of dealing with "designated" individuals or entities. Too, it has updated its policy regulating the onboarding and monitoring of transactions with Designated-Non Financial Businesses and Professions (DNFBPs) customers.

For the controls to remain effective, the RCBC Group assesses its key exposures to ML (money laundering)/TF (terrorist financing)/PF (proliferation financing) risks by performing an Institutional ML/TF/PF Risk Assessment (IRA) focusing on evaluating the inherent ML/TF/PF risks presented by the Bank's business activities and the controls in place to mitigate the inherent ML/TF/PF risks so as to determine the overall residual risks. The institutional risk assessment is conducted at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous risk assessment, or other relevant AML/Countering Financing of Terrorism developments that may have an impact on the covered person's operations.

4.7 Impact of London Interbank Offered Rate (LIBOR) Reform

The Group currently has exposure to contracts which reference LIBOR and extend beyond 2021, including swaps which will transition under the International Swaps and Derivatives Association (ISDA) protocols.

In 2021, the Group established working team consisting of key personnel from treasury, finance, risk, IT, legal, compliance and lending groups to oversee the Group's transition plan. This working group put in place a transition project for those contracts which reference USD LIBOR to transition them to Secured Overnight Financing Rate (SOFR), with the aim of minimizing the disruption to business and mitigating operational risks and possible financial losses. This transition project is considering changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications. Significant risk areas affected by the replacement of LIBOR include:

(i) updating systems and processes which capture USD LIBOR referenced contracts;
(ii) amending affected contracts, or existing fallback/transition clauses not operating as anticipated; and (iii) reviewing mismatches in timing of derivatives and loans transitioning from USD LIBOR and the resulting impact on economic risk management.

As confirmed by the United Kingdom's Financial Conduct Authority that LIBOR setting will either cease to be provided or no longer representative for:

- All Sterling, Euro, Swiss Franc and Japanese Yen settings and the 1-week and 2-month USD settings by December 31, 2021

- Remaining overnight, 1-month, 3-month and 12-month USD settings by June 30, 2023

The Group has decided to continue the use of USD LIBOR for its outstanding contracts until June 30, 2023. On the other hand, beginning January 1, 2022, the Group will use the Interbank Offered Rates (IBOR) Fallback Rates from Bloomberg for legacy deals while Overnight Index Swap (OIS) Rates as specified in the ISDA protocols will be used for normal Interest Rate Swaps upon cessation of LIBOR and other rates.

In 2022, the Group has initiated set-up of the required changes to systems and processes. Internal briefings were held across all lending units to disseminate the use of the new benchmark. The Group also sent notice to identified clients advising them of benchmark developments and the Group's adoption of CME Term SOFR for new loans beginning 2022. Loan documentations have also been reviewed for consistency with the new benchmark. As of July 2023, the necessary updates to internal systems and processes have been implemented.

The Group continues to engage with industry participants and the BSP, to ensure an orderly transition to SOFR and to minimize the risks associating from transition, and it will continue to identify and assess risks associated with the USD LIBOR replacement.

(a) *Risks Arising from the Interest Rate Benchmark Reform*

The following are the key risks for the Group arising from the transition:

- Liquidity Risk: There are fundamental differences between LIBOR and the alternative benchmark rate which the Group will be adopting. LIBOR are forward-looking term rates published for a period (e.g., 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments which will require additional liquidity management. The Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.

- Accounting: If transition to alternative benchmark rates for certain contracts is finalized in a manner that does not permit the application of reliefs, this could lead to volatility in profit or loss if non-derivative financial instruments are modified or derecognized. In particular, the Group is not seeking to novate derivatives or close out derivatives and enter into new on-market derivatives where derivatives have been designated in hedging relationships.

- Operational Risk: The Group's current treasury management system will undergo upgrades to fully manage the transition to alternative benchmark rates and there is a risk that such upgrades are not fully functional in time, resulting in additional manual procedures which give rise to operational risks. The Group is working closely with its system provider to ensure the relevant updates are made in good time and the Group has plans in place for alternative manual procedures with relevant controls to address any potential delay.

- Litigation Risk: If no agreement is reached to implement the interest rate benchmark reform on prospective contracts, there is a risk of prolonged disputes with counterparties which could give rise to additional legal and other costs. The Group is working closely with all counterparties to avoid this from occurring.

5. CAPITAL MANAGEMENT

5.1 Regulatory Capital

The Group's lead regulator, the BSP, sets and monitors the capital requirements of the Group.

In implementing the current capital requirements, the BSP requires the Group to maintain a prescribed ratio of qualifying regulatory capital to total risk-weighted assets including market risk and operational risk computed based on BSP-prescribed formula provided under its circulars.

On January 15, 2013, the BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. Circular No. 781 is effective on January 1, 2014.

The BSP has adopted the Basel III risk-based capital adequacy framework effective January 1, 2014, which requires the Group to maintain at all times the following:

(a) Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
(d) Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET1 Capital.

Under the relevant provisions of the current BSP regulations, the required minimum capitalization for the Parent Company, Rizal Microbank, RCBC Capital and RCBC LFC is P20,000, P400, P300 and P300, respectively.

In computing for the capital adequacy ratio (CAR), the regulatory qualifying capital is analyzed into two tiers which are: (i) Tier 1 Capital comprised of CET1 and Additional Tier 1 (AT1) capital, and, (ii) Tier 2 Capital, defined as follows and are subject to deductions as defined in relevant regulations:

(a) CET1 Capital includes the following:

(i) paid-up common stock;
(ii) common stock dividends distributable;
(iii) additional paid-in capital;
(iv) deposit for common stock subscription;
(v) retained earnings;
(vi) undivided profits;
(vii) other comprehensive income from net unrealized gains or losses on financial assets at FVOCI and cumulative foreign currency translation; and,
(viii) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(b) AT1 Capital includes:

(i) instruments that do not qualify as CET1, but meet the criteria set out in Annex B of BSP Circular No. 781;
(ii) financial liabilities meeting loss absorbency requirements set out in Annex E of BSP Circular No. 781;
(iii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iv) additional paid-in capital resulting from issuance of AT1 capital;
(v) deposit for subscription to AT1 instruments; and,
(vi) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(c) Tier 2 Capital includes:

(i) instruments issued that are not qualified as Tier 1 capital but meet the criteria set forth in Annex C of BSP Circular No. 781;
(ii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iii) deposit for subscription of Tier 2 capital;
(iv) appraisal increment reserve on bank premises, as authorized by the Monetary Board (MB) of the BSP;
(v) general loan loss provisions; and,
(vi) minority interest in subsidiary banks that are less than wholly-owned, subject to regulatory conditions.

In the calculation of Risk-based CAR, the total Qualifying Capital is expressed as a percentage of Total Risk-Weighted Assets based on book exposures, where Risk Weighted Assets is composed of Credit Risk, Market Risk and Operational Risk, net of specific provisions and exposures covered by CRM.

Banking book exposures shall be risk-weighted based on third party credit assessment of the individual exposure given by eligible external credit institutions and the corresponding external credit assessment are mapped with the corresponding risk weights following the Standardized Credit Risk Weights table as provided under BSP Circular No. 538, *Revised Risk-Based Capital Adequacy Framework*.

BSP Circular No. 856, *Implementing Guidelines on the Framework for Dealing with Domestic Systemically Important Banks under Basel III*, covers the implementing guidelines on the framework for dealing with domestic systemically important banks (D-SIBs) in accordance with the Basel III standards. Banks identified as D-SIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019.

The Group and Parent Company's regulatory capital position based on the Basel III risk-based capital adequacy framework as reported to the BSP follows:

	Group	Parent Company
2023:		
Tier 1 Capital		
CET 1	**P 115,046**	**P 111,616**
AT1	**14,466**	**14,466**
	129,512	**126,082**
Tier 2 Capital	**6,586**	**6,522**
Total Qualifying Capital	**P 136,098**	**P 132,604**
Total Risk – Weighted Assets	**P 783,300**	**P 771,479**
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	**17.37%**	**17.19%**
Tier 1 Capital Ratio	**16.53%**	**16.34%**
Total CET 1 Ratio	**14.69%**	**14.47%**
2022:		
Tier 1 Capital		
CET 1	P 85,637	P 81,242
AT1	14,466	14,466
	100,103	95,708
Tier 2 Capital	6,081	6,025
Total Qualifying Capital	P 106,184	P 101,733
Total Risk – Weighted Assets	P 694,421	P 679,361
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	15.29%	14.97%
Tier 1 Capital Ratio	14.42%	14.09%
Total CET 1 Ratio	12.33%	11.96%

5.2 Internal Capital Adequacy Assessment and Pillar 2 Risk-Weighted Assets

In January 2009, the BSP issued Circular No. 639 on the ICAAP and Supervisory Review Process covering universal and commercial banks on a group-wide basis. As a supplement to BSP Circular No. 538 on the Risk-Based Capital Adequacy Framework, ICAAP sets out the following principles:

(a) Banks must have a process for assessing capital adequacy relative to their risk profile, operating environment, and strategic/business plans;

(b) The Bank's ICAAP is the responsibility of the BOD, must be properly documented and approved and with policies and methodologies integrated into banking operations;

(c) The Bank's ICAAP should address other material risks – Pillar 2 risks – in addition to those covered by Pillar 1, with risk measurement methodologies linked to the assessment of corresponding capital requirement both on a BAU and stressed scenario;

(d) The minimum CAR prescribed by the BSP after accounting for Pillar 1 and other risks is retained at 10%; and,

(e) The Bank's ICAAP document must be submitted to the BSP every March 31 of each year.

The Group identified the following Pillar 2 risks as material to its operations, and consequently set out methodologies to quantify the level of capital that it must hold.

(a) *Credit Risk Concentration* – The Group has so far limited its analysis to credit risk concentration arising from the uneven sector distribution of the Group's credit exposures. Aside from using a simplified application of the HHI, concentration is estimated using the CCI. The capital charge is estimated by calculating the change in the Economic Capital (EC) requirement of the credit portfolio as an effect of credit deterioration in the largest industry exposure.

(b) *IRRBB* – It is the current and prospective negative impact on earnings and capital arising from interest rate shifts. The Group IRRBB estimates as its NII-at-risk, and accordingly deducts the same from regulatory qualifying capital. Stressed IRRBB is calculated by applying the highest observed market volatilities over a determined timeframe.

(c) *Liquidity Risk* – The Group estimates its liquidity risk under BAU scenario using standard gap analysis. Stressed liquidity risk on the other hand assumes a repeat of a historical liquidity stress, and estimates the impact if the Group were to partially defend its deposits and partially pay-off by drawing from its reserve of liquid assets.

(d) *IT Risk* – It is the current and prospective negative impact to earnings arising from failure of IT systems and realization of cyber security threats. The Group treats this risk as forming part of Operational Risk.

(e) *Compliance Risk* – It is the current and prospective negative impact on earnings and capital arising from violation of laws, regulations, ethical standards, and the like. For BAU scenario, the Group estimates compliance risk charge from historical fines and penalties as the worst-case loss determined via a frequency-severity analysis of each penalty type. The resulting compliance risk charge calculation is likewise directly deducted from earnings.

(f) *Strategic Business Risk* – It is the current and prospective negative impact on earnings and capital arising from adverse business decisions, improper implementation, and failure to respond to industry changes. The Group treats strategic business risk as a catch-all risk, and expresses its estimate as a cap on additional risk-weighted assets given other risks and the desired level of capital adequacy. The Group maintains that the assessment of strategic risk is embedded in the budget of the Group. Its capital impact therefore on a BAU case is already expressed in the amount of risk projected to be taken on in the forecast years. However, the Group does recognize the need to set up processes that would enable to put a number to the risk incurred by going into specific strategies.

(g) *Reputation Risk* – From the adoption of a theoretical measure, the Group amended its approach to reputation risk in 2011 by adopting instead a reputation risk monitoring and reporting process, run primarily by its Marketing Committee. The measurement of reputation risk under stress is folded into the Group's assessment of stressed liquidity risk.

5.3 Basel III Leverage Ratio

BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides the implementing guidelines on the leverage ratio framework designed to act as a supplementary measure to the risk-based capital requirements. It sets out a minimum leverage ratio of 5.00% on a solo and consolidated basis and shall be complied with at all times. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 per BSP Circular No. 990, *Amendments to the Basel III Leverage Ratio Framework*, issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III leverage ratio intends to restrict the build-up of leverage to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the ratio of capital measure (Tier 1 Capital) and the exposure measure. Exposure measure includes: on-balance sheet exposures, securities financing transactions exposures and off-balance sheet.

The Group and Parent Company's Basel III leverage ratio as reported to the BSP are as follows:

	Group	Parent Company
2023:		
Tier 1 Capital	**P 129,512**	**P 126,082**
Exposure measure	**1,326,242**	**1,314,888**
	9.77%	**9.59%**
2022:		
Tier 1 Capital	P 100,102	P 95,708
Exposure measure	1,198,389	1,184,364
	8.35%	8.08%

5.4 Liquidity Coverage Ratio and Net Stable Funding Ratio

On March 10, 2016, the BSP issued Circular No. 905, *Implementation of Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio and Disclosure Standards*, which provides the implementing guidelines on liquidity coverage ratio (LCR) and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows, which should not be lower than 100.00%. Compliance with the LCR minimum requirement commenced on January 1, 2018 with the prescribed minimum ratio of 90.00% for 2018 and 100.00% effective January 1, 2019.

To promote the short-term resilience of the liquidity risk profile, the Bank maintains adequate stock of unencumbered high-quality liquid assets (HQLAs) that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least 30 calendar days, which would give time for corrective actions to be taken by the Bank management and/or the BSP. Details of the Group's and Parent Company's LCR are summarized below.

	Group		Parent Company	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
December 31, 2023				
Total stock of HQLA	**P 445,894**	**P 437,927**	**P 443,228**	**P 435,553**
Expected Net Cash Outflows*	**1,459,085**	**256,891**	**1,460,162**	**257,561**
Liquidity Coverage Ratio		**170.47%**		**169.11%**
December 31, 2022				
Total stock of HQLA	P 429,188	P 420,715	P 426,745	P 418,521
Expected Net Cash Outflows*	1,258,367	259,722	1,257,964	258,974
Liquidity Coverage Ratio		161.99%		161.61%

**Includes Restricted Term Deposits and Deposits pledged as collateral or under hold-out arrangements*

Net Stable Funding Ratio (NSFR), as detailed in BSP Circular No. 1007, *Implementing Guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio*, measures the availability of medium and long-term stable funding to support illiquid assets and business activities on an on-going basis. It is an assessment of the level of sustainable funding required to reduce funding risk over a one-year time horizon. The NSFR complements the LCR, which promotes short-term resilience of the Group's liquidity profile.

To promote long-term resilience against liquidity risk, the Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and seeks to meet this objective by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

Details of the Group's and Parent Company's Basel III NSFR are summarized in the succeeding page.

	Group	Parent Company
December 31, 2023		
Available stable funding	**P 760,231**	**P 755,299**
Required stable funding	**633,006**	**634,968**
Basel III NSFR	**120.10%**	**118.95%**
December 31, 2022		
Available stable funding	P 694,870	P 687,997
Required stable funding	553,443	554,141
Basel III NSFR	125.55%	124.16%

The Bank has complied with the daily minimum regulatory requirement of 100% for both ratios beginning in 2019.

6. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Carrying Amounts and Fair Values by Category

The following table summarizes the carrying amounts and corresponding fair values of financial assets and financial liabilities presented in the statements of financial position.

	Group			
	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**P 250,108**	**P 250,108**	P 208,323	P 208,323
Investment securities - net	**236,527**	**213,708**	252,382	220,523
Loans and receivables - net	**622,149**	**640,850**	539,848	555,018
Other resources - net	**1,459**	**1,459**	1,204	1,204
	1,110,243	**1,106,125**	1,001,757	985,068
At fair value:				
Investment securities at FVTPL	**11,778**	**11,778**	7,037	7,037
Investment securities at FVOCI	**82,437**	**82,437**	114,946	114,946
	94,215	**94,215**	121,983	121,983
	P 1,204,458	**P 1,200,340**	P 1,123,740	P 1,107,051
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 956,712**	**P 929,590**	P 857,244	P 857,299
Bills payable	**50,858**	**50,858**	66,660	66,660
Bonds payable	**34,939**	**34,356**	74,411	72,446
Accrued interest and other expenses	**10,745**	**10,745**	7,857	7,857
Other liabilities	**26,990**	**26,990**	25,333	25,333
	1,080,244	**1,052,539**	1,031,505	1,029,595
At fair value –				
Derivative financial liabilities	**1,690**	**1,690**	2,116	2,116
	P 1,081,934	**P 1,054,249**	P 1,033,621	P 1,031,711

	Parent Company			
	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**P 247,941**	**P 247,941**	P 206,320	P 206,320
Investment securities - net	**235,732**	**213,097**	251,328	219,806
Loans and receivables - net	**615,901**	**633,825**	532,193	546,950
Other resources - net	**1,457**	**1,457**	1,202	1,202
	1,101,031	**1,096,320**	991,043	974,278
At fair value:				
Investment securities at FVTPL	**10,954**	**10,954**	6,139	6,139
Investment securities at FVOCI	**81,757**	**81,757**	114,265	114,265
	92,711	**92,711**	120,404	120,404
	P 1,193,742	**P 1,189,031**	P 1,111,447	P 1,094,682
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 957,369**	**P 930,262**	P 857,639	P 857,694
Bills payable	**43,957**	**43,957**	58,391	58,391
Bonds payable	**34,939**	**34,356**	74,411	72,446
Accrued interest and other expenses	**10,475**	**10,475**	7,663	7,663
Other liabilities	**26,218**	**26,218**	24,287	24,287
	1,072,958	**1,045,268**	1,022,391	1,020,481
At fair value –				
Derivative financial liabilities	**1,690**	**1,690**	2,116	2,116
	P 1,074,648	**P 1,046,958**	P 1,024,507	P 1,022,597

Except for investment securities at amortized cost, deposit liabilities, loans and receivables, and bonds payable with fair value disclosed different from their carrying amounts, management considers that the carrying amounts of other financial assets and financial liabilities presented above which are measured at amortized cost, approximate the fair values either because those instruments are short-term in nature or the effect of discounting for those with maturities of more than one year is not material. The fair value information disclosed for the Group and Parent Company's investment securities at amortized cost and other financial assets and liabilities measured at fair value on a recurring basis are determined based on the procedures and methodologies discussed in Note 7.3.

6.2 *Offsetting Financial Assets and Financial Liabilities*

The following financial assets presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar arrangements:

	Group				
	Notes	Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position – Financial instruments	Related amounts not set off in the statements of financial position – Collateral received	Net amount
December 31, 2023					
Loans and receivables – Receivable from customers	11	**P 621,922**	**(P 8,153)**	**P -**	**P 613,769**
Trading and investment securities – Investment securities at amortized cost	10	**236,527**	**(41,597)**	**-**	**194,930**
Other resources – Margin deposits	15	**243**	**-**	**(243)**	**-**
December 31, 2022					
Loans and receivables – Receivable from customers	11	P 543,346	(P 11,001)	P -	P 532,345
Trading and investment securities – Investment securities at amortized cost	10	252,382	(40,481)	-	211,901
Other resources – Margin deposits	15	240	-	(240)	-

	Parent Company				
	Notes	Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position – Financial instruments	Related amounts not set off in the statements of financial position – Collateral received	Net amount
December 31, 2023					
Loans and receivables – Receivable from customers	11	**P 615,240**	**(P 8,152)**	**P -**	**P 607,088**
Trading and investment securities – Investment securities at amortized cost	10	**235,732**	**(41,597)**	**-**	**194,135**
Other resources – Margin deposits	15	**243**	**-**	**(243)**	**-**
December 31, 2022					
Loans and receivables – Receivable from customers	11	P 535,576	(P 10,941)	P -	P 524,635
Trading and investment securities – Investment securities at amortized cost	10	251,328	(40,481)	-	210,847
Other resources – Margin deposits	15	240	-	(240)	-

The following financial liabilities presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar agreements:

		Group			
			Related amounts not set off in the statements of financial position		
	Notes	Gross amounts recognized in the statements of financial position	Financial instruments	Collateral received	Net amount
December 31, 2023					
Deposit liabilities	17	**P 956,712**	**(P 8,153)**	**P -**	**P 948,559**
Bills payable	18	**50,858**	**(41,597)**	**-**	**9,261**
Other liabilities – Derivative financial liabilities	21	**1,690**	**-**	**(243)**	**1,447**
December 31, 2022					
Deposit liabilities	17	P 857,244	(P 11,001)	P -	P 846,243
Bills payable	18	66,660	(40,481)	-	26,179
Other liabilities – Derivative financial liabilities	21	2,116	-	(240)	1,876

		Parent Company			
			Related amounts not set off in the statements of financial position		
	Notes	Gross amounts recognized in the statements of financial position	Financial instruments	Collateral received	Net amount
December 31, 2023					
Deposit liabilities	17	**P 957,369**	**(P 8,152)**	**P -**	**P 949,217**
Bills payable	18	**43,957**	**(41,597)**	**-**	**2,360**
Other liabilities – Derivative financial liabilities	21	**1,690**	**-**	**(243)**	**1,447**
December 31, 2022					
Deposit liabilities	17	P 857,639	(P 10,941)	P -	P 846,698
Bills payable	18	58,391	(40,481)	-	17,910
Other liabilities – Derivative financial liabilities	21	2,116	-	(240)	1,876

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and its counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis. However, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

For purposes of presenting the above information, the related amounts not set off in the statements of financial position pertains to: (a) hold-out deposits and equity securities which serve as the Group's collateral enhancement for certain loans and receivables; (b) collaterized bills payable under sale and repurchase agreements; and, (c) margin deposits which serve as security for outstanding financial market transactions and other liabilities. The financial instruments that can be set off are only disclosed to the extent of the amounts of the Group's obligations to counterparties.

7. FAIR VALUE MEASUREMENT AND DISCLOSURES

7.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3. Changes in assumptions could also affect the reported fair value of the financial instruments. The Group uses judgment to select a variety of valuation techniques and to make assumptions that are mainly based on market conditions existing at the end of each reporting period.

7.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the statements of financial position on a recurring basis as of December 31, 2023 and 2022.

	Group			
	Level 1	Level 2	Level 3	Total
2023:				
Financial assets at FVTPL:				
Government securities	**P 9,647**	**P -**	**P -**	**P 9,647**
Equity securities	**783**	**-**	**-**	**783**
Corporate debt securities	**28**	**-**	**-**	**28**
Derivative assets	**10**	**1,310**	**-**	**1,320**
	10,468	**1,310**	**-**	**11,778**
Financial assets at FVOCI:				
Equity securities	**863**	**561**	**2,480**	**3,904**
Government securities	**65,962**	**-**	**-**	**65,962**
Corporate debt securities	**12,571**	**-**	**-**	**12,571**
	79,396	**561**	**2,480**	**82,437**
Total Resources at Fair Value	**P 89,864**	**P 1,871**	**P 2,480**	**P 94,215**
Derivative liabilities	**P -**	**P 1,690**	**P -**	**P 1,690**
2022:				
Financial assets at FVTPL:				
Government securities	P 3,883	P -	P -	P 3,883
Corporate debt securities	38	-	-	38
Equity securities	849	-	-	849
Derivative assets	20	2,247	-	2,267
	4,790	2,247	-	7,037
Financial assets at FVOCI:				
Equity securities	515	1,005	2,112	3,632
Government securities	53,492	-	-	53,492
Corporate debt securities	57,822	-	-	57,822
	111,829	1,005	2,112	114,946
Total Resources at Fair Value	P 116,619	P 3,252	P 2,112	P 121,983
Derivative liabilities	P 33	P 2,083	P -	P 2,116

	Parent Company			
	Level 1	Level 2	Level 3	Total
2023:				
Financial assets at FVTPL:				
Government securities	**P 9,615**	**P -**	**P -**	**P 9,615**
Corporate debt securities	**19**	**-**	**-**	**19**
Derivative assets	**10**	**1,310**	**-**	**1,320**
	9,644	**1,310**	**-**	**10,954**
Financial assets at FVOCI:				
Equity securities	**381**	**557**	**2,402**	**3,340**
Government securities	**65,962**	**-**	**-**	**65,962**
Corporate debt securities	**12,455**	**-**	**-**	**12,455**
	78,798	**557**	**2,402**	**81,757**
Total Resources at Fair Value	**P 88,442**	**P 1,867**	**P 2,402**	**P 92,711**
Derivative liabilities	**P -**	**P 1,690**	**P -**	**P 1,690**
2022:				
Financial assets at FVTPL:				
Government securities	P 3,834	P -	P -	P 3,834
Corporate debt securities	38	-	-	38
Equity securities	-	-	-	-
Derivative assets	20	2,247	-	2,267
	3,892	2,247	-	6,139
Financial assets at FVOCI:				
Equity securities	622	350	2,088	3,060
Government securities	53,492	-	-	53,492
Corporate debt securities	57,713	-	-	57,713
	111,827	350	2,088	114,265
Total Resources at Fair Value	P 115,719	P 2,597	P 2,088	P 120,404
Derivative liabilities	P 33	P 2,083	P -	P 2,116

Described below and in the succeeding page are the information about how the fair values of the Group's classes of financial assets and financial liabilities were determined.

(a) *Government and Corporate Debt Securities*

The fair value of the Group's government and corporate debt securities are categorized within Level 1 of the fair value hierarchy.

Fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.

Fair values of actively traded corporate debt securities are determined based on their market prices quoted in the Philippine Dealing Holdings System or based on the direct reference price per Bloomberg at the end of each reporting period; hence, categorized within Level 1.

(b) Equity Securities

The fair values of certain equity securities classified as financial assets at FVTPL and at FVOCI as of December 31, 2023 and 2022 were valued based on their market prices quoted in the PSE at the end of each reporting period; hence, categorized within Level 1.

Level 2 category includes the Group's investments in proprietary club shares as their prices are not derived from a market considered as active due to lack of trading activities among market participants at the end of each reporting period.

For equity securities which are not traded in an active market and with fair value categorized within Level 3, their fair value is determined through valuation techniques such as net asset value method, dividend discounted model or market-based approach (price-to-book value method) using current market values of comparable listed entities.

The price-to-book value method used to value a certain equity security of the Parent Company uses the price-to-book ratio of comparable listed entities as multiple in determining the fair value adjusted by a certain valuation discount. The price-to-book ratio used in the fair value measurement as of December 31, 2023 and 2022 ranges from 0.25:1 to 3.72:1 and from 0.82:1 to 1.35:1, respectively. Increase or decrease in the price-to-book ratio and net asset value would result in higher or lower fair values, all else equal.

For a certain preferred equity security, the Group has used the discounted cash flow applying a discount rate of 7.4% and 9.2%, which is based on the latest available weighted cost of capital of the investee company, in 2023 and 2022, respectively, to determine the present value of future cash flows from dividends or redemption expected to be received from the instrument.

A reconciliation of the carrying amounts of Level 3 FVOCI equity securities at the beginning and end of 2023 and 2022 is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 2,112**	P 1,815	**P 2,088**	P 1,788
Fair value gains - net	**368**	297	**314**	300
Balance at end of year	**P 2,480**	P 2,112	**P 2,402**	P 2,088

There were neither transfers between the levels of the fair value hierarchy nor gains or losses recognized in the statements of profit or loss for Level 3 financial assets in 2023 and 2022.

(c) Derivative Assets and Liabilities

The fair value of the Group's derivative assets categorized within Level 1 is determined be the current mid-price based on the last trading transaction as defined by third-party market makers.

On the other hand, the fair values of certain derivative financial assets and liabilities categorized within Level 2 were determined through valuation techniques using net present value computation which makes use of the streams of cash flows related to the derivative financial instruments such as interest rate swaps and currency swaps.

7.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group and Parent Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
2023:				
Financial Assets:				
Cash and other cash items	**P 19,875**	**P -**	**P -**	**P 19,875**
Due from BSP	**151,762**	**-**	**-**	**151,762**
Due from other banks	**14,892**	**-**	**-**	**14,892**
Loans arising from reverse repurchase agreements	**35,799**	**- -**	**- -**	**35,799**
Interbank loans	**27,780**	**-**	**-**	**27,780**
Investment securities at amortized cost	**213,708**	**-**	**-**	**213,708**
Loans and receivables - net	**-**	**-**	**640,850**	**640,850**
Other resources - net	**-**	**-**	**1,459**	**1,459**
	P 463,816	**P -**	**P 642,309**	**P 1,106,125**
Financial Liabilities:				
Deposit liabilities	**P -**	**P -**	**P 929,590**	**P 929,590**
Bills payable	**-**	**-**	**50,858**	**50,858**
Bonds payable	**-**	**34,356**	**-**	**34,356**
Accrued interest and other expenses	**-**	**-**	**10,745**	**10,745**
Other liabilities	**-**	**-**	**26,990**	**26,990**
	P -	**P 34,356**	**P 1,018,203**	**P 1,052,539**
2022:				
Financial Assets:				
Cash and other cash items	P 18,078	P -	P -	P 18,078
Due from BSP	156,664	-	-	156,664
Due from other banks	5,836	-	-	5,836
Loans arising from reverse repurchase agreements	8,724	- -	- -	8,724
Interbank loans	19,021	-	-	19,021
Investment securities at amortized cost	220,523	-	-	220,523
Loans and receivables - net	-	-	555,018	555,018
Other resources - net	-	-	1,204	1,204
	P 428,846	P -	P 556,222	P 985,068
Financial Liabilities:				
Deposit liabilities	P -	P -	P 857,299	P 857,299
Bills payable	-	-	66,660	66,660
Bonds payable	-	72,446	-	72,446
Accrued interest and other expenses	-	-	7,857	7,857
Other liabilities	-	-	25,333	25,333
	P -	P 72,446	P 957,149	P 1,029,595

	Parent Company			
	Level 1	Level 2	Level 3	Total
2023:				
Financial Assets:				
Cash and other cash items	**P 19,812**	**P -**	**P -**	**P 19,812**
Due from BSP	**150,771**	**-**	**-**	**150,771**
Due from other banks	**14,630**	**-**	**-**	**14,630**
Loans arising from reverse repurchase agreements	**34,948**	**-**	**-**	**34,948**
Interbank loans	**27,780**	**-**	**-**	**27,780**
Investment securities at amortized cost	**213,097**	**-**	**-**	**213,097**
Loans and receivables - net	**-**	**-**	**633,825**	**633,825**
Other resources - net	**-**	**-**	**1,457**	**1,457**
	P 461,038	**P -**	**P 635,282**	**P 1,096,320**
Financial Liabilities:				
Deposit liabilities	**P -**	**P -**	**P 930,262**	**P 930,262**
Bills payable	**-**	**-**	**43,957**	**43,957**
Bonds payable	**-**	**-**	**34,356**	**34,356**
Accrued interest and other expenses	**-**	**-**	**10,475**	**10,475**
Other liabilities	**-**	**-**	**26,218**	**26,218**
	P -	**P -**	**P 1,045,268**	**P 1,045,268**
2022:				
Financial Assets:				
Cash and other cash items	P 18,024	P -	P -	P 18,024
Due from BSP	155,340	-	-	155,340
Due from other banks	5,383	-	-	5,383
Loans arising from reverse repurchase agreements	8,552	-	-	8,552
Interbank loans	19,021	-	-	19,021
Investment securities at amortized cost	219,806	-	-	219,806
Loans and receivables - net	-	-	546,950	546,950
Other resources - net	-	-	1,202	1,202
	P 426,126	P -	P 548,152	P 974,278
Financial Liabilities:				
Deposit liabilities	P -	P -	P 857,694	P 857,694
Bills payable	-	-	58,391	58,391
Bonds payable	-	72,446	-	72,446
Accrued interest and other expenses	-	-	7,663	7,663
Other liabilities	-	-	24,287	24,287
	P -	P 72,446	P 948,035	P 1,020,481

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) Due from BSP and Other Banks, and Loans and Receivables Arising from Reverse Repurchase Agreements

Due from BSP pertains to deposits made to the BSP for clearing and reserve requirements, overnight and term deposit facilities, while loans and receivables arising from reverse repurchase agreements pertain to loans and receivables from BSP arising from overnight lending from excess liquidity. Due from other banks includes items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on the discounted cash flows using prevailing money market interest rates for debt with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(b) Investment Securities at Amortized Cost

The fair value of investment securities at amortized cost consisting of government securities and corporate debt securities is determined based on reference prices appearing in Bloomberg.

(c) Deposits Liabilities and Borrowings

The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The Level 2 fair value of bonds payable and subordinated debt is determined based on the average of ask and bid prices as appearing on Bloomberg. For bills payable categorized within Level 3, fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values.

(d) Other Resources and Other Liabilities

Due to their short duration, the carrying amounts of other resources and liabilities in the statements of financial position are considered to be reasonable approximation of their fair values.

7.4 Fair Value Disclosures for Investment Properties Carried at Cost

Details of Group's and Parent Bank's investment properties and the information about the fair value hierarchy as of December 31, 2023 and 2022 are shown in the succeeding page.

	Group			
	Level 1	Level 2	Level 3	Total
2023				
Land	P -	P -	P 10	P 10
Building and improvements	-	-	534	534
	P -	**P -**	**P 544**	**P 544**
2022				
Land	P -	P -	P 7,168	P 7,168
Building and improvements	-	-	1,520	1,520
	P -	P -	P 8,688	P 8,688

	Parent			
	Level 1	Level 2	Level 3	Total
2023				
Land	P -	P -	P 9	P 9
Building and improvements	-	-	534	534
	P -	**P -**	**P 543**	**P 543**
2022				
Land	P -	P -	P 6,843	P 6,843
Building and improvements	-	-	1,416	1,416
	P -	P -	P 8,259	P 8,259

The fair values of the Group and Parent Company's investment properties were determined based on the following approaches:

(a) *Fair Value Measurement for Land*

The Level 2 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations as determined by an independent or internal appraiser. Under this approach, when sales prices and/or actual sales transaction of comparable land in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2.

On the other hand, if the observable and recent prices of the reference properties were adjusted for differences in key attributes such as property size, location and zoning, and accessibility, or any physical or legal restrictions on the use of the property, the fair value will be categorized as Level 3. The most significant input into this valuation approach is the price per square feet, hence, the higher the price per square feet, the higher the fair value.

(b) *Fair Value Measurement for Buildings and Improvements*

The Level 3 fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change in the valuation techniques for investment properties in both years.

8. SEGMENT INFORMATION

8.1 Business Segments

The Group's operating businesses are managed separately according to the nature of services provided (primary segments) and the different geographical markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments follow:

(a) *Retail* – principally handles the BCs offering a wide range of consumer banking products and services. Products offered include individual customer's deposits, credit cards, home and mortgage loans, auto, personal and microfinance loans, overdraft facilities, payment remittances and foreign exchange transactions. It also upsells bank products [unit investment trust funds (UITFs), etc.] and cross-sells bancassurance products. The segment includes the net assets of the servicing entity, RBSC, and portfolios of Rizal Microbank.

(b) *Corporate* – principally handles distinct customer segments: (i) conglomerates; (ii) large corporations; (iii) emerging corporates, which focus on large middle accounts often referred to as the "Next 500 Corporations"; (iv) Japanese multinationals with a strong presence in the country; (v) Filipino-Chinese businesses; and, (vi) Korean businesses. This segment includes portfolio of RCBC LFC.

(c) *Small and Medium Enterprises (SME)* – principally handles the financial needs of the country's small businesses or the SMEs and the Commercial Middle Market segments. The SME Banking Group provides a holistic approach serving both the financial (e.g., loans, deposits, investments, insurance, etc.) and non-financial needs (e.g., networking, financial literacy trainings, etc.) of client to help them grow their business. Clients are the entrepreneurs located in different parts of the country and spread in various industry sectors such as manufacturing, wholesale and retail trade, construction, hotels, agriculture, and healthcare, among others.

(d) *Treasury* – principally provides money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking.

(e) *Others* – consists of other subsidiaries except for RBSC and Rizal Microbank, which is presented as part of Retail, and RCBC LFC which is presented under Corporate.

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

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

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

There were no changes in the Group's operating segments in 2023 and 2022.

8.2 Analysis of Primary Segment Information

Primary segment information (by business segment) on a consolidated basis as of and for the years ended December 31, 2023, 2022 and 2021 follow:

	Retail	Corporate	SME	Treasury	Others	Total
2023:						
Revenues						
From external customers						
Interest income	**P 61,183**	**P 47,375**	**P 10,457**	**P 20,894**	**P 138**	**P 140,047**
Interest expense	**(35,960)**	**(25,639)**	**(9,867)**	**(16,450)**	**(9)**	**(87,925)**
Net interest income	**25,223**	**21,736**	**590**	**4,444**	**129**	**52,122**
Non-interest income	**9,859**	**5,647**	**284**	**933**	**1,092**	**17,815**
	35,082	**27,383**	**874**	**5,377**	**1,221**	**69,937**
Intersegment revenues						
Interest income	**-**	**4**	**4,386**	**-**	**28**	**4,418**
Non-interest income	**742**	**-**	**-**	**-**	**-**	**742**
	742	**4**	**4,386**	**-**	**28**	**5,160**
Total net revenues	**35,824**	**27,387**	**5,260**	**5,377**	**1,249**	**75,097**
Expenses						
Operating expenses excluding impairment, depreciation and amortization	**18,000**	**4,167**	**1,362**	**1,493**	**300**	**25,322**
Impairment losses – net	**5,015**	**1,022**	**692**	**11**	**(1)**	**6,739**
Depreciation and amortization	**1,685**	**800**	**76**	**23**	**24**	**2,608**
	24,700	**5,989**	**2,130**	**1,527**	**323**	**34,669**
Segment operating income	**P 11,124**	**P 21,398**	**P 3,130**	**P 3,850**	**P 926**	**P 40,428**
Total resources	**P 229,909**	**P 315,840**	**P 104,513**	**P 468,411**	**P 3,973**	**P 1,122,646**
Total liabilities	**P 701,541**	**P 500,825**	**P 128,867**	**P 90,495**	**P 558**	**P 1,422,286**
2022:						
Revenues						
From external customers						
Interest income	P 33,539	P 27,865	P 6,325	P 12,615	P 100	P 80,444
Interest expense	(14,272)	(14,491)	(4,258)	(7,674)	(7)	(40,702)
Net interest income	19,267	13,374	2,067	4,941	93	39,742
Non-interest income	8,152	6,671	240	673	1,075	16,811
	27,419	20,045	2,307	5,614	1,168	56,553
Intersegment revenues						
Interest income	-	5	2,372	-	13	2,390
Non-interest income	650	-	-	-	-	650
	650	5	2,372	-	13	3,040
Total net revenues	28,069	20,050	4,679	5,614	1,181	59,593
Expenses						
Operating expenses excluding impairment, depreciation and amortization	15,436	2,763	1,507	1,053	59	20,818
Impairment losses -net	3,529	1,544	400	19	214	5,706
Depreciation and amortization	1,239	880	27	23	23	2,192
	20,204	5,187	1,934	1,095	296	28,716
Segment operating income	P 7,865	P 14,863	P 2,745	P 4,519	P 885	P 30,877
Total resources	P 163,956	P 307,379	P 88,807	P 357,684	P 4,224	P 922,050
Total liabilities	P 570,994	P 417,070	P 107,165	P 43,284	P 571	P 1,139,084
2021:						
Revenues						
From external customers						
Interest income	P 22,901	P 21,285	P 5,164	P 5,613	P 91	P 55,054
Interest expense	(7,648)	(10,564)	(2,273)	(2,193)	(10)	(22,688)
Net interest income	15,253	10,721	2,891	3,420	81	32,366
Non-interest income	6,188	2,257	162	1,524	1,163	11,294
	21,441	12,978	3,053	4,944	1,244	43,660
Intersegment revenues						
Interest income	-	8	1,271	-	11	1,290
Non-interest income	564	-	-	-	-	564
	564	8	1,271	-	11	1,854
Total net revenues *(Balance forwarded)*	22,005	12,986	4,324	4,944	1,255	45,514

	Retail	Corporate	SME	Treasury	Others	Total
Balance carried forward	22,005	12,986	4,324	4,944	1,255	45,514
Expenses						
Operating expenses excluding impairment, depreciation and amortization	14,404	2,286	352	777	604	18,423
Impairment losses -net	4,718	954	256	14	106	6,048
Depreciation and amortization	1,200	694	27	51	24	1,996
	20,322	3,934	635	842	734	26,467
2021:						
Segment operating income	P 1,683	P 9,052	P 3,689	P 4,102	P 521	P 19,047
Total resources	P 155,373	P 295,922	P 76,409	P 236,958	P 4,944	P 769,606
Total liabilities	P 450,053	P 352,807	P 88,464	P 23,076	P 1,395	P 915,795

8.3 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2023	2022	2021
Revenues			
Total segment revenues	**P 75,097**	P 59,593	P 45,514
Elimination of intersegment revenues	**(25,100)**	(15,139)	(9,120)
Net revenues as reported in profit or loss	**P 49,997**	P 44,454	P 36,394
Profit or loss			
Total segment operating income	**P 40,428**	P 30,877	P 19,047
Elimination of intersegment profit	**(28,211)**	(18,797)	(11,964)
Group net profit as reported in profit or loss	**P 12,217**	P 12,080	P 7,083
Resources			
Total segment resources	**P 1,122,646**	P 922,050	P 769,606
Unallocated resources (elimination of intersegment liabilities)	**115,686**	232,058	189,527
Total resources	**P 1,238,332**	P 1,154,108	P 959,133
Liabilities			
Total segment liabilities	**P 1,422,286**	P 1,139,084	P 915,795
Unallocated liabilities (elimination of intersegment liabilities)	**(336,229)**	(101,337)	(67,742)
Total liabilities	**P 1,086,057**	P 1,037,747	P 848,053

8.4 Analysis of Secondary Segment Information

Secondary information (by geographical locations) as of and for the years ended December 31, 2023, 2022 and 2021 follow:

	Philippines	Asia and Europe	Total
2023:			
Statement of profit or loss			
Total income	**P 82,643**	**P 14**	**P 82,657**
Total expenses	**70,418**	**22**	**70,440**
Net profit (loss)	**P 12,225**	**(P 8)**	**P 12,217**
Statement of financial position			
Total resources	**P 1,238,229**	**P 103**	**P 1,238,332**
Total liabilities	**P 1,086,053**	**P 4**	**P 1,086,057**
Other segment information			
Depreciation and amortization	**P 3,365**	**P -**	**P 3,365**
2022:			
Statement of profit or loss			
Total income	P 59,057	P 16	P 59,073
Total expenses	46,971	22	46,993
Net profit (loss)	P 12,086	(P 6)	P 12,080
Statement of financial position			
Total resources	P 1,153,994	P 114	P 1,154,108
Total liabilities	P 1,037,741	P 6	P 1,037,747
Other segment information			
Depreciation and amortization	P 3,037	P -	P 3,037
2021:			
Statement of profit or loss			
Total income	P 44,660	P 14	P 44,674
Total expenses	37,569	22	37,591
Net profit (loss)	P 7,091	(P 8)	P 7,083
Statement of financial position			
Total resources	P 959,022	P 111	P 959,133
Total liabilities	P 848,048	P 5	P 848,053
Other segment information			
Depreciation and amortization	P 3,020	P -	P 3,020

9. CASH AND CASH EQUIVALENTS

The components of Cash and Cash Equivalents follow:

	Group		Parent Company	
	2023	2022	**2023**	2022
Cash and other cash items	**P 19,875**	P 18,078	**P 19,812**	P 18,024
Due from BSP	**151,762**	156,664	**150,771**	155,340
Due from other banks	**14,892**	5,836	**14,630**	5,383
Loans arising from reverse repurchase agreements	**35,799**	8,724	**34,948**	8,552
Interbank loans receivables (see Note 11)	**27,780**	19,021	**27,780**	19,021
	P 250,108	P 208,323	**P 247,941**	P 206,320

Cash consists primarily of funds in the form of Philippine currency notes and coins, and includes foreign currencies acceptable to form part of the international reserves in the Group's vault and those in the possession of tellers, including ATMs. Other cash items include cash items other than currency and coins on hand, such as checks drawn on other banks or other branches after the clearing cut-off time until the close of the regular banking hours.

Due from BSP represents the aggregate balance of deposit accounts maintained with the BSP primarily to meet reserve requirements (see Note 17), to serve as clearing account for interbank claims and to comply with existing trust regulations.

Loans arising from repurchase agreements, which normally mature within 30 days, represent overnight placements with private entities where the underlying securities cannot be sold or repledged to parties other than the contracting party.

Due from BSP includes:

	Group		Parent Company	
	2023	2022	**2023**	2022
Demand deposit and secured settlement accounts	**P 83,701**	P 76,582	**P 82,771**	P 75,340
Term deposit	**68,000**	72,050	**68,000**	72,000
Overnight deposit	**61**	8,032	**-**	8,000
	P 151,762	P 156,664	**P 150,771**	P 155,340

The balance of Due from other banks account represents regular deposits with the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Foreign banks	**P 13,626**	P 4,689	**P 13,593**	P 4,681
Local banks	**1,266**	1,147	**1,037**	702
	P 14,892	P 5,836	**P 14,630**	P 5,383

Interest on placements with BSP and other banks, which is presented as Interest Income on Due from BSP and other banks in the statements of profit or loss, consist of:

	Group					
	2023		2022		2021	
BSP	**P**	**3,256**	P	1,037	P	755
Other banks		**387**		73		8
	P	**3,643**	P	1,110	P	763

	Parent Company					
	2023		2022		2021	
BSP	**P**	**3,248**	P	1,033	P	752
Other banks		**296**		44		3
	P	**3,544**	P	1,077	P	755

The Group's deposits in other banks and in BSP other than mandatory reserves earn annual interest of 0.00% to 6.68% and 0.00% to 6.30% in 2023, 0.00% to 1.60% and 1.50% to 4.80% in 2022, and 2.00% and 1.50% to 2.50% in 2021, respectively.

10. TRADING AND INVESTMENT SECURITIES

This account is comprised of:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Financial assets at FVTPL	**P**	**11,778**	P	7,037	**P**	**10,954**	P	6,139
Financial assets at FVOCI		**82,437**		114,946		**81,757**		114,265
Investment securities at amortized cost		**236,527**		252,382		**235,732**		251,328
	P	**330,742**	P	374,365	**P**	**328,443**	P	371,732

10.1 Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL is composed of the following:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Government securities	**P**	**9,647**	P	3,883	**P**	**9,615**	P	3,834
Derivative financial assets		**1,320**		2,267		**1,320**		2,267
Equity securities		**783**		849		**-**		-
Corporate debt securities		**28**		38		**19**		38
	P	**11,778**	P	7,037	**P**	**10,954**	P	6,139

The carrying amounts of financial assets at FVTPL are classified as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Held-for-trading	**P 10,458**	P 4,770	**P 9,634**	P 3,872
Derivative financial assets	**1,320**	2,267	**1,320**	2,267
	P 11,778	P 7,037	**P 10,954**	P 6,139

Equity securities are composed of listed shares of stock traded at the PSE. Dividend income earned on these equity securities amounted to P19 in 2023, P18 in 2022, and P22 in 2021 for the Group which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1). There were no similar transactions for the Parent Company.

Treasury bills and other debt securities issued by the government and other private corporations earn annual interest as follows:

	2023	2022	2021
Peso denominated	**0.00% - 12.38%**	1.41% - 12.38%	1.37% - 8.12%
Foreign currency denominated	**0.00% - 9.63%**	0.28% - 9.63%	1.37% - 10.62%

Derivative instruments used by the Group include foreign currency short-term forwards, cross-currency swaps, debt warrants and options. Foreign currency forwards represent commitments to purchase/sell on a future date at a specific exchange rate. Foreign currency short-term swaps are simultaneous foreign currency spot and forward deals with tenor of one year.

Debt warrants attached to the bonds and other debt securities allows the Group to purchase additional debt securities from the same contracting issuer at the same price and yield as the initial purchased security. Option is a derivative financial instrument that specifies a contract between two parties for a future transaction on an asset at a reference price.

The aggregate contractual or notional amount of derivative financial instruments and the aggregative fair values of derivative financial assets and financial liabilities as of December 31 both in the Group and Parent Company's financial statements are shown below.

	Notional Amount	Fair Values	
		Assets	Liabilities
2023:			
Currency swaps and forwards	**P 213,972**	**P 1,217**	**P 1,447**
Interest rate swaps and futures	**5,199**	**79**	**59**
Debt warrants	**5,824**	**10**	**-**
Options	**560**	**14**	**-**
Credit default swap	**1,827**	**-**	**184**
	P 227,382	**P 1,320**	**P 1,690**
2022:			
Currency swaps and forwards	P 156,832	P 2,053	P 1,949
Interest rate swaps and futures	16,067	203	130
Debt warrants	5,864	9	-
Options	1,320	2	4
Credit default swap	613	-	33
	P 180,696	P 2,267	P 2,116

Derivative liabilities are shown as Derivative financial liabilities as part of Other Liabilities account in the statements of financial position (see Note 21). The significant portion of such derivative liabilities have maturity periods of less than a year.

Other information about the fair value measurement of the Group and Parent Company's financial assets at FVTPL are presented in Note 7.2.

10.2 Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at FVOCI as of December 31 consist of:

	Group		Parent Company	
	2023	2022	**2023**	2022
Quoted equity securities	**P 1,483**	P 1,520	**P 937**	P 972
Unquoted equity securities	**2,421**	2,112	**2,403**	2,088
Government debt securities	**65,962**	53,492	**65,962**	53,492
Corporate debt securities	**12,571**	57,822	**12,455**	57,713
	P 82,437	P 114,946	**P 81,757**	P 114,265

The reconciliation of the carrying amounts of these financial assets are as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at the beginning	**P 114,946**	P 49,761	**P 114,265**	P 48,399
Additions	**442,380**	131,018	**442,360**	130,903
Disposals	**(476,584)**	(60,578)	**(476,576)**	(59,863)
Fair value gains (losses) – net	**1,695**	(5,255)	**1,708**	(5,174)
Balance at end of year	**P 82,437**	P 114,946	**P 81,757**	P 114,265

Unquoted equity securities include investments in non-marketable equity securities of private companies. The fair value of the Group's unquoted equity securities as of December 31, 2023 and 2022 is determined using the net asset value method, dividend discounted model, or a market-based approach (price-to-book value method); hence, categorized under Level 3 of the fair value hierarchy (see Note 7.2).

In 2023, 2022 and 2021, dividends recognized on equity securities amounting to P299, P293 and P83 by the Group and, P252, P227 and P39 by the Parent Company, respectively, which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1).

10.3 Investment Securities at Amortized Cost

Investment securities at amortized cost as of December 31 consist of:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Government securities	**P**	**211,451**	P	218,163	**P**	**210,566**	P	217,017
Corporate debt securities		**25,237**		34,382		**25,237**		34,382
		236,688		252,545		**235,803**		251,399
Allowance for impairment		**(161)**		(163)		**(71)**		(71)
	P	**236,527**	P	252,382	**P**	**235,732**	P	251,328

Interest rates per annum on government securities and corporate debt securities range from the following:

	2023	2022	2021
Peso denominated securities	**2.63% - 8.75%**	2.90% - 6.87%	2.63% - 5.26%
Foreign currency-denominated securities	**0.28% - 10.63%**	0.28% - 7.65%	0.18% - 7.65%

There is no disposal of HTC investment in 2023 and 2022. The decrease in the HTC portfolio is attributable to maturities in both years.

Certain government securities are deposited with the BSP as security for the Group's faithful compliance with its fiduciary obligations in connection with its trust operations (see Note 26).

As of December 31, 2023 and 2022, certain investment securities of both the Group and Parent Company were pledged as collateral for bills payable under repurchase agreements (see Note 18).

10.4 Interest Income from Trading and Investment Securities

Interest income from trading and investment securities recognized by the Group and Parent Company in 2023, 2022 and 2021 are shown below and in the succeeding page.

	Group					
	2023		2022		2021	
Financial assets at FVTPL	**P**	**227**	P	150	P	96
Debt securities at FVOCI		**4,375**		2,094		1,343
Investment securities at amortized cost		**8,637**		7,511		3,009
	P	**13,239**	P	9,755	P	4,448

	Parent		
	2023	2022	2021
Financial assets at FVTPL	**P 227**	P 150	P 92
Debt securities at FVOCI	**4,369**	2,074	1,320
Investment securities at amortized cost	**8,575**	7,459	2,967
	P 13,171	P 9,683	P 4,379

10.5 Trading and Securities Gains (Losses)

The Group and the Parent Company recognized trading and securities gains (losses) in its trading or disposals of investment securities, including their fair value changes, in 2023, 2022, and 2021 are as follows:

	Group		
	2023	2022	2021
Profit or loss:			
Financial assets at FVTPL	**P 306**	(P 42)	P 309
Debt securities at FVOCI	**138**	5	554
	P 444	(P 37)	P 863
Other comprehensive income (loss):			
Equity securities at FVOCI	**P 263**	P 191	P 548
Debt securities at FVOCI	**1,432**	(5,446)	(823)
	P 1,695	(P 5,255)	(P 275)

	Parent		
	2023	2022	2021
Profit or loss:			
Financial assets at FVTPL	**P 306**	P 34	P 314
Debt securities at FVOCI	**123**	(12)	542
	P 429	P 22	P 856
Other comprehensive income (loss):			
Equity securities at FVOCI	**P 276**	P 272	P 490
Debt securities at FVOCI	**1,432**	(5,446)	(823)
	P 1,708	(P 5,174)	(P 333)

11. LOANS AND RECEIVABLES

This account consists of the following:

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Receivables from customers:				
Loans and discounts	**P 525,041**	P 465,160	**P 520,581**	P 459,956
Credit card receivables	**74,667**	50,380	**74,667**	50,380
Customers' liabilities on acceptances, import bills and trust receipts	**16,345**	22,587	**16,345**	22,587
Bills purchased	**3,894**	2,888	**3,894**	2,888
Lease contract receivables	**2,710**	3,084	**-**	-
Receivables financed	**91**	149	**-**	-
	622,748	544,248	**615,487**	535,811
Unearned discount	**(826)**	(902)	**(247)**	(235)
	621,922	543,346	**615,240**	535,576
Other receivables:				
Interbank loans receivables (see Note 9)	**27,780**	19,021	**27,780**	19,021
Accrued interest receivables	**9,519**	7,828	**9,306**	7,669
Accounts receivables [see Note 27.7(b)]	**5,425**	4,015	**4,748**	3,479
Sales contract receivables	**2,678**	689	**2,628**	557
	45,402	31,553	**44,462**	30,726
	667,324	574,899	**659,702**	566,302
Allowance for impairment (see Notes 4.4.9 and 16)	**(17,395)**	(16,030)	**(16,021)**	(15,088)
	P 649,929	P 558,869	**P 643,681**	P 551,214

Receivables from customers' portfolio earn average annual interest or range of interest as follows:

	2023	2022	2021
Loans and discounts:			
Philippine peso	**8.35%**	6.12%	7.37%
Foreign currencies	**6.25%**	4.92%	4.37%
Credit card receivables	**16.10% - 21.15%**	16.21% - 18.12%	14.23% - 18.87%
Lease contract receivables	**8.00% - 26.00%**	7.25% - 26.00%	8.00% - 26.00%
Receivables financed	**11.00% - 16.00%**	10.00% - 22.00%	11.00% - 22.00%

Effective November 3, 2020, interest rates and cash advance fees charged by the Parent Company to its credit card holders were updated to comply with BSP Circular No. 1098, *Ceiling on Interest of Finance Charges of Credit Card Receivables*. Interest or finance charges on all credit card transactions are not to exceed an annual interest rate of 24%, except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%. In addition, the maximum amount that can be charged for Cash Advances is capped at P200 (absolute amount) per transaction.

In January 2023, the BSP issued Circular No. 1165, *Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables*, amending the cap on interest rate for credit cards back to an annual interest rate of 36%. The Parent Company updated its interest rates and cash advance fees accordingly.

In 2022, the Parent Company wrote off a 10-year UDSCL amounting to P989 bearing 6.44% interest per annum pertaining to an agreement entered into in June 2017 with a third party for the sale of various foreclosed real properties. Write-off amounting to P108 is included as part of Impairment losses in 2022 statement of profit or loss (see Note 16).

Also included in the Parent Company's accounts receivables is the amount due from RCBC JPL which was acquired from Rizal Microbank in 2015 amounting to P222. As of December 31, 2023 and 2022, the outstanding balance amounted to P92 and P127, respectively. The receivable amount is unsecured, noninterest-bearing and payable in cash on demand (see Note 27.2). The receivable has been appropriately provided with allowance for ECL.

Interest income earned by the Bank from its loans and other receivables is broken down as follows:

	Group		
	2023	2022	2021
Loans and discounts	**P 35,088**	P 27,068	P 25,827
Credit card receivables	**11,072**	6,289	4,890
Finance lease receivables	**323**	202	319
Others	**2,924**	1,411	864
	P 49,407	P 34,970	P 31,900

	Parent Company		
	2023	2022	2021
Loans and discounts	**P 34,861**	P 26,889	P 25,924
Credit card receivables	**11,072**	6,289	4,890
Others	**2,636**	1,189	281
	P 48,569	P 34,367	P 31,095

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Secured:				
Real estate mortgage	**P 184,910**	P 169,253	**P 183,828**	P 168,045
Chattel mortgage	**51,280**	44,003	**49,214**	41,542
Hold-out deposits	**8,153**	11,001	**8,152**	10,941
Other securities	**11,119**	11,286	**8,034**	7,938
	255,462	235,543	**249,228**	228,466
Unsecured	**366,460**	307,803	**366,012**	307,110
	P 621,922	P 543,346	**P 615,240**	P 535,576

A reconciliation of the allowance for impairment on loans and receivables at the beginning and end of 2023 and 2022 is shown below (see Note 16).

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 16,030**	P 18,264	**P 15,088**	P 17,339
Impairment losses during the year	**6,574**	5,259	**5,759**	5,043
Accounts written off and others	**(5,209)**	(7,493)	**(4,826)**	(7,294)
Balance at end of year	**P 17,395**	P 16,030	**P 16,021**	P 15,088

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The components of the carrying values of investments in and advances to subsidiaries and associates are as follows (refer to Note 1.2 for the effective percentage of ownership, line of business, and country of incorporation of subsidiaries and associates):

	Note	Group and Parent Company	
		2023	2022
Acquisition costs of associates:			
HCPI		**P 91**	P 91
LIPC		**57**	57
RTC	1.1	**40**	-
YCS		**4**	4
		192	152
Accumulated equity in changes in net assets:			
Balance at beginning of year		**227**	192
Share in net earnings for the year		**92**	32
Share in actuarial gains on defined benefit plan		**16**	4
Others		**(18)**	(1)
Balance at end of year		**317**	227
		P 509	P 379

	Parent Company	
	2023	2022
Acquisition costs of subsidiaries:		
RCBC Capital	**P 2,231**	P 2,231
Rizal Microbank	**1,253**	1,253
RCBC LFC	**1,987**	1,987
RCBC JPL	**403**	403
RCBC Forex	**150**	150
RCBC Telemoney	**72**	72
RCBC IFL	**58**	58
NPHI	**-**	609
Cajel	**-**	51
Total acquisition costs *(balance forwarded)*	**P 6,154**	P 6,814

	Parent Company	
	2023	2022
Total acquisition costs *(balance carried forward)*	**P 6,154**	P 6,814
Accumulated equity in changes in net assets:		
Balance at beginning of year	**(158)**	(120)
Share in net earnings (losses) for the year	**(249)**	122
Disposal of subsidiaries	**285**	-
Share in actuarial gains on defined benefit plan	**(42)**	-
Share in fair value loss on financial assets at FVOCI	**(13)**	(81)
Cash dividends	**(92)**	(71)
Others	**7**	(8)
Balance at end of year	**(262)**	(158)
Investments in subsidiaries	**5,892**	6,656
Investments in associates	**509**	379
	P 6,401	P 7,035

On March 27, 2023, the Bank's BOD approved the proposed sale and transfer to FLI of its ownership interest in NPHI and Cajel, subject to completion of FLI's due diligence and compliance with conditions to be agreed by the parties. NPHI and Cajel, as owners of certain parcels of land located in Bacoor, Cavite have joint development agreements with FLI, wherein FLI undertook to develop the land properties into an exclusive residential subdivision, now known as Princeton Heights.

On July 14, 2023, the Bank and FLI executed a Deed of Absolute Sale for the sale and transfer of the Bank's 100% ownership in NPHI and Cajel to FLI. The total consideration for the shares amounted to P544 for NPHI and P89 for Cajel. The sale resulted in a gain amounting to P243 presented as Gain on disposal of subsidiaries under Other Operating Income in the 2023 statement of profit or loss.

At the end of each reporting period, the Group has no material interest in unconsolidated structured entities.

Also, the Parent Company and its subsidiaries did not enter in any contractual arrangements to provide financial support to any entities under the Group.

The Parent Company earned dividends from its subsidiaries amounting to P92 and P71 in 2023 and 2022, respectively. No dividends were earned from associates for 2023 and 2022. Dividends receivable as of December 31, 2023 and 2022 both amounted to nil.

12.1 Information About Investments in Associates

The Parent Company, under a shareholder's agreement, agreed with another stockholder of HCPI to commit and undertake to vote, as a unit, the shares of stock thereof, which they proportionately own and hold, and to regulate the conduct of the voting and the relationship between them with respect to their exercise of their voting rights. As a result of this agreement, the Parent Company is able to exercise significant influence over the operating and financial policies of HCPI. Thus, HCPI has been considered by the Parent Company as an associate despite holding only 12.88% ownership interest.

The investments in LIPC and YCS have an aggregate carrying value of P11 as of December 31, 2023 and 2022, respectively, which are insignificant to the Group.

The table below presents the summary of the unaudited financial information of HCPI as of and for the years ended December 31, 2023 and 2022. HCPI uses a fiscal year ending March 31 as its reporting period.

		2023		2022
Financial position:				
Current assets	**P**	**10,066**	P	4,832
Noncurrent assets		**788**		1,101
Current liabilities		**6,822**		2,604
Noncurrent liabilities		**384**		403
Financial performance:				
Revenues		**19,920**		13,508
Gross income		**1,913**		952
Operating income		**835**		152
Net income		**690**		203
Other comprehensive loss		**-**		-
Total comprehensive income		**690**		203
Cash flows:				
Net cash from:				
Operating activities		**207***		55
Investing activities		**150***		731
Cash at the beginning		**774***		679
Cash at the end		**1,009***		1,465

**Based on the audited financial statements of HCPI for the fiscal year ended March 31, 2023*

The table presented below summarized the reconciliation of equity interest to HCPI as of December 31, 2023 and 2022.

		2023		2022
Net asset of HCPI	**P**	**3,648**	P	2,926
Proportion of interest		**12.88%**		12.88%
		470		377
Nominal goodwill in equity ownership		**2**		2
Carrying amount of investment	**P**	**472**	P	379

13. BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of bank premises, furniture, fixtures and equipment at the beginning and end of 2023 and 2022 are shown below.

	Group					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
December 31, 2023						
Cost	P -	P -	P 12,948	P 2,381	P 11,399	P 26,728
Accumulated depreciation and amortization	-	-	(9,407)	(1,209)	(6,983)	(17,599)
Net carrying amount	**P -**	**P -**	**P 3,541**	**P 1,172**	**P 4,416**	**P 9,129**
December 31, 2022						
Cost	P 918	P 2,385	P 12,537	P 1,900	P 9,842	P 27,582
Accumulated depreciation and amortization	-	(1,435)	(8,431)	(899)	(5,553)	(16,318)
Net carrying amount	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264
January 1, 2022						
Cost	P 1,267	P 3,822	P 11,470	P 1,509	P 6,967	P 25,035
Accumulated depreciation and amortization	-	(1,742)	(6,697)	(595)	(3,341)	(12,375)
Net carrying amount	P 1,267	P 2,080	P 4,773	P 914	P 3,626	P 12,660

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
December 31, 2023						
Cost	P -	P -	P 7,997	P 2,212	P 11,437	P 21,646
Accumulated depreciation and amortization	-	-	(6,107)	(1,073)	(6,661)	(13,841)
Net carrying amount	**P -**	**P -**	**P 1,890**	**P 1,139**	**P 4,776**	**P 7,805**
December 31, 2022						
Cost	P 917	P 2,385	P 7,538	P 1,737	P 9,831	P 22,408
Accumulated depreciation and amortization	-	(1,436)	(5,526)	(772)	(5,128)	(12,862)
Net carrying amount	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546
January 1, 2022						
Cost	P 1,222	P 3,788	P 8,828	P 1,411	P 7,134	P 22,383
Accumulated depreciation and amortization	-	(1,720)	(6,577)	(531)	(2,984)	(11,812)
Net carrying amount	P 1,222	P 2,068	P 2,251	P 880	P 4,150	P 10,571

A reconciliation of the carrying amounts of bank premises, furniture, fixtures and equipment at the beginning and end of 2023 and 2022 is shown below.

	Group					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-Use Asset	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264
Additions	-	1,551	1,532	633	1,557	5,273
Disposals	(918)	(2,488)	(1,095)	(152)	-	(4,653)
Depreciation and amortization charges for the period	-	(13)	(1,002)	(310)	(1,430)	(2,755)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P -**	**P -**	**P 3,541**	**P 1,172**	**P 4,416**	**P 9,129**
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 1,267	P 2,080	P 4,773	P 914	P 3,626	P 12,660
Additions	1	389	605	632	2,023	3,650
Disposals	(350)	(1,306)	(479)	(241)	-	(2,376)
Depreciation and amortization charges for the period	-	(213)	(793)	(304)	(1,360)	(2,670)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546
Additions	-	103	704	625	1,606	3,038
Disposals	(917)	(1,039)	(248)	(150)	-	(2,354)
Depreciation and amortization charges for the period	-	(13)	(578)	(301)	(1,533)	(2,425)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P -**	**P -**	**P 1,890**	**P 1,139**	**P 4,776**	**P 7,805**

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 1,222	P 2,068	P 2,251	P 880	P 4,150	P 10,571
Additions	1	291	577	382	1,845	3,096
Disposals	(306)	(1,306)	(271)	(56)	-	(1,939)
Depreciation and amortization charges for the period	-	(104)	(545)	(241)	(1,292)	(2,182)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546

Under BSP rules, investments in bank premises, furniture, fixtures and equipment should not exceed 50% of the respective unimpaired capital of the Parent Company and its bank subsidiaries. As of December 31, 2023 and 2022, the Parent Company and its bank subsidiary have satisfactorily complied with this BSP requirement.

The cost of the Group and the Parent Company's fully depreciated bank premises, furniture, fixtures and equipment that are still in use in operations is P7,095 and P7,090, respectively, as of December 31, 2023, and P8,740 and P7,905, respectively, as of December 31, 2022. Moreover, no impairment losses were recognized for the Group and the Parent Company's Bank Premises, Furniture, Fixtures and Equipment in 2023, 2022 and 2021, respectively.

As part of strengthening the Parent Company's capital position, on September 30, 2022, the Parent Company sold and immediately leased back for five years a portion of its bank premises and investment properties pertaining to AT Yuchengco Centre (ATYC), with carrying amount of P1,501 and P1,361, respectively [see Notes 14 and 27.5(a)]. The sale qualified as a sale and leaseback and accounted under the applicable financial reporting standard (see Note 2.9). The total selling price amounted to P6,065, of which P2,426 is still outstanding as part of Loans and discounts under Loans and Receivables – net in the statements of financial position. The loan receivable from ATYCI is secured, bears 6.04% interest and payable in 3 years. The impairment loss recognized on this loan receivable under the Parent Company's ECL model amounted to P9 and P10 in 2023 and 2022, respectively. [see Notes 11 and 27.7(a)].

The gain on sale recognized over the aforementioned sale and leaseback transaction amounted to P2,352 and is reported as part of the Gain on assets sold – net under Other Operating Income in the 2022 statement of profit or loss. Right-of-use asset and lease liability recognized amounted to P760 and P1,611, respectively (see Note 21).

On March 16, 2023, the Bank transferred and leased back certain real estate properties with total net book value of P1,796 to Frame Properties, Inc. in exchange for 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (Notes 23.2 and 27.5). The total fair value of shares received amounted to P6,208 resulting in a gain of P3,051 presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss. The sale qualified as a sale and leaseback and was accounted under the applicable financial reporting standard. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively.

The Group has leases for certain offices and branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected as a right-of-use asset and a lease liability as part of Bank Premises, Furniture, Fixtures and Equipment and Other Liabilities, respectively. The total short-term leases and leases of low-value entered into contract by the Parent Company amounted to P39 and P39 in 2023 and 2022, respectively. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The table below describes the nature of the Company's leasing activities at December 31, 2023 and 2022:

	Number of right-of-use Assets leased		Range of remaining lease terms (in years)		Average remaining lease terms (in years)	
	2023	2022	**2023**	2022	**2023**	2022
Buildings	**10**	7	**2 to 4**	1 to 5	**2**	2
Warehouses	**11**	6	**1 to 2**	1 to 3	**3**	1
ATM batches	**21**	18	**1 to 5**	3 to 5	**3**	4
Branches	**433**	334	**1 to 11**	1 to 11	**4**	4

The lease liabilities are secured by the related underlying assets and are presented as part of Other Liabilities in the statements of financial position (see Note 21). The undiscounted maturity analysis of lease liabilities at December 31, 2023 and 2022 are as follows:

	Within 1 Year	**Within 2 Years**	**Within 3 Years**	**Within 4 Years**	**Within 5 Years**	**More than 5 Years**	**Total**
2023:							
Group							
Lease payments	P 2,107	P 2,064	P 1,470	P 1,158	P 228	P 499	P 7,526
Finance charges	(316)	(228)	(143)	(69)	(30)	(53)	(839)
Net present value	**P 1,791**	**P 1,836**	**P 1,327**	**P 1,089**	**P 198**	**P 446**	**P 6,687**
Parent Company							
Lease payments	P 2,217	P 2,174	P 1,563	P 1,215	P 238	P 422	P 7,829
Finance charges	(303)	(218)	(136)	(64)	(28)	(51)	(800)
Net present value	**P 1,914**	**P 1,956**	**P 1,427**	**P 1,151**	**P 210**	**P 371**	**P 7,029**

	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	More than 5 Years	Total
2022:							
Group							
Lease payments	P 1,458	P 1,296	P 1,096	P 895	P 610	P 884	P 6,239
Finance charges	(222)	(171)	(125)	(85)	(53)	(83)	(739)
Net present value	P 1,236	P 1,125	P 971	P 810	P 557	P 801	P 5,500
Parent Company							
Lease payments	P 1,495	P 1,328	P 1,156	P 980	P 698	P 973	P 6,630
Finance charges	(215)	(165)	(122)	(83)	(51)	(81)	(717)
Net present value	P 1,280	P 1,163	P 1,034	P 897	P 647	P 892	P 5,913

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over branches and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

On January 1, 2021, the Parent Company and RCBC Realty Corporation renewed the terms for the lease of RCBC Plaza's several floors. The amendments in the terms include a new rental rate and extended term of five years based on the mutual agreement of both parties. In addition, the Parent Company has also entered a five-year lease agreement with ATYCI in October 2022 which is effective until September 30, 2027.

The total cash outflow in respect of leases in 2023, 2022 and 2021 amounted to P2,131, P2,265 and P1,360, respectively, for the Group, and P2,044, P2,189 and P1,205, respectively, for the Parent Company. Interest expense in relation to lease liabilities in 2023, 2022 and 2021 amounted to P335, P189 and P170, respectively, for the Group, and P362, P218 and P185, respectively, for the Parent Company and is presented as part of Interest Expense in the statements of profit or loss.

14. INVESTMENT PROPERTIES

Investment properties pertain to land, buildings or condominium units acquired by the Group, in settlement of loans from defaulting borrowers through foreclosure or dacion in payment and properties which are held for rental.

The gross carrying amounts and accumulated depreciation and impairment losses of investment properties at the beginning and end of 2023 and 2022 are shown below.

	Group			Parent Company		
	Land	Buildings	Total	Land	Buildings	Total
December 31, 2023						
Cost	P 13	P 828	P 841	P 12	P 828	P 840
Accumulated depreciation	-	(294)	(294)	-	(294)	(294)
Accumulated impairment (see Note 16)	(4)	-	(4)	(3)	-	(3)
Net carrying amount	**P 9**	**P 534**	**P 543**	**P 9**	**P 534**	**P 543**
December 31, 2022						
Cost	P 1,781	P 1,784	P 3,565	P 1,643	P 1,763	P 3,406
Accumulated depreciation	-	(675)	(675)	-	(665)	(665)
Accumulated impairment (see Note 16)	(22)	(252)	(274)	(1)	(252)	(253)
Net carrying amount	P 1,759	P 857	P 2,616	P 1,642	P 846	P 2,488
January 1, 2022						
Cost	P 1,658	P 3,096	P 4,754	P 1,518	P 3,070	P 4,588
Accumulated depreciation	-	(905)	(905)	-	(892)	(892)
Accumulated impairment (see Note 16)	(17)	(260)	(277)	(1)	(260)	(261)
Net carrying amount	P 1,641	P 1,931	P 3,572	P 1,517	P 1,918	P 3,435

The reconciliations of the carrying amounts of investment properties at the beginning and end of 2023 and 2022 follow:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at January 1, net of accumulated depreciation and impairment	**P 2,616**	P 3,572	**P 2,488**	P 3,435
Additions	**689**	784	**677**	767
Disposals	**(316)**	(1,672)	**(293)**	(1,648)
Reclassification (see Note 15.1)	**(2,341)**	(10)	**(2,225)**	(10)
Depreciation charges for the year	**(104)**	(57)	**(103)**	(56)
Impairment losses	**(1)**	(1)	**(1)**	-
Balance at December 31, net of accumulated depreciation and impairment	**P 543**	P 2,616	**P 543**	P 2,488

As of December 31, 2023 and 2022, there is no restriction on the realizability of investment properties or the remittance of income and proceeds of disposal therefrom.

14.1 Additions, Disposals and Reclassification of Investment Properties

The Group and the Parent Company foreclosed real and other properties totaling P689 and P677, respectively, in 2023, and P784 and P767, respectively, in 2022, in settlement of certain loan accounts.

As of December 31, 2023, and 2022, foreclosed investment properties still subject to redemption period by the borrowers amounted to P634 and P918, respectively, for the Group and P602 and P894, respectively, for the Parent Company.

The total gain recognized by the Group and the Parent Company from disposals of investment properties amounted to P604 and P660, respectively, in 2023, and P510 and P502, respectively, in 2022, and P30 and P18, respectively, in 2021, which is presented as part of Gain on assets sold – net under Other Operating Income account in the statements of profit or loss.

14.2 Income and Expenses from Investment Properties Held for Rental

The Group and Parent Company earned rental income from investment properties amounting to P12 in 2023, P199 in 2022 and P229 in 2021, and are presented as part of Rentals under Miscellaneous Income account in the statements of profit or loss [see Notes 24.1 and 27.7(b)]. Expenses incurred by the Group and Parent Company in relation to the investment properties include taxes and licenses amounting to P98 in 2023, P48 in 2022 and P16 and P13, respectively, in 2021.

15. OTHER RESOURCES

Other resources consist of the following:

		Group		**Parent Company**	
	Notes	**2023**	2022	**2023**	2022
Assets held-for-sale and disposal group	15.1	**P 4,503**	P 3,440	**P 4,027**	P 2,665
Creditable withholding taxes		**4,280**	3,257	**4,262**	3,211
Net defined benefit asset	23.2, 27.5	**2,665**	-	**2,665**	-
Prepaid expenses	15.2	**1,645**	1,795	**1,417**	1,573
Software – net	15.3	**1,237**	1,362	**1,235**	1,359
Branch licenses	15.4	**1,000**	1,000	**1,000**	1,000
Refundable and other deposits		**955**	803	**953**	801
Deferred charges		**660**	547	**657**	529
Unused stationery and supplies		**618**	559	**609**	545
Goodwill	15.5	**426**	426	**269**	269
Margin deposits	15.6	**243**	240	**243**	240
Returned checks and other cash items		**221**	80	**221**	80
Miscellaneous	15.7	**1,992**	1,287	**1,837**	721
		20,445	14,796	**19,395**	12,993
Allowance for impairment	15.1, 15.5	**(1,068)**	(1,223)	**(890)**	(1,066)
		P 19,377	P 13,573	**P 18,505**	P 11,927

15.1 Assets Held-for-Sale and Disposal Group

Assets held-for-sale represents assets that are approved by management to be immediately sold in its present condition and management believes that the sale is highly probable at the time of reclassification. Asset held-for-sale and disposal group consists of the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Equity securities	**P 1,809**	P 1,894	**P 1,809**	P 1,889
Foreclosed automobiles	**713**	918	**380**	546
Foreclosed real properties	**1,981**	628	**1,838**	230
	4,503	3,440	**4,027**	2,665
Allowance for impairment	**(881)**	(1,048)	**(861)**	(1,048)
Balance at end of year	**P 3,622**	P 2,392	**P 3,166**	P 1,617

On May 29, 2023, the Bank's BOD approved the sale of its consolidated ROPA, recognized as part of Investment properties. The program consists of three phases of execution, namely; (a) the sale of high-end properties; (b) the sale of a property in Tarlac, and (c) the sale of consolidated ROPA nationwide, which includes properties of both the Bank and its subsidiaries. The carrying values of these investment properties which were reclassified to assets held for sale amounted to P831, while the related appraised values amounted to P5,131. Further reclassification of investment properties with carrying value of P1,394 and appraised value of P3,103 was made during the last quarter of 2023 as part of the commitment of the Bank to dispose of the properties to comply with the constitutional requirements on land ownership of the Bank after additional investment of SMBC (see Notes 1.1 and 22.5).

During 2023, the Bank partially disposed of aforementioned properties with a total carrying value of P427 for a gross consideration of P3,236, resulting in a gain amounting to P2,809, which was presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss.

The Bank targets to dispose of the remaining properties during the first half of the year 2024. Disposal of the assets on a business as usual basis via auctions and negotiated sales are still underway. The Parent Bank is also negotiating for a possible bulk purchase of the assets. The viability and acceptability of these options are still being studied.

Recovery on assets held for sale for Group and Parent amounted to nil and P135 in 2023 and 2022, respectively, and are presented as part of the Impairment losses – net on non-financial asset (see Note 16).

15.1.1 HHIC Equity Securities

In May 2019, RCBC, together with other local banks, entered into a Detailed Implementing Agreement with Hanjin Heavy Industries and Construction Philippines, Inc. (HHIC-Phil), a subsidiary of Hanjin Heavy Industry Co., Ltd. (HHIC-Korea), a Korean shipbuilding company, to convert a part of the former's debt into a 20% stake in HHIC-Korea (see Note 28.2). Accordingly, in June 2019, the Bank received 7,100,129 common shares representing 8.53% ownership in HHIC-Korea in settlement of HHIC-Phil's gross outstanding loan amounting to USD63.5 million or P3,286. In 2023 and 2022, the Parent Company recognized impairment of the HHIC-Korea equity securities amounting to P160 and P516, respectively, which are included as part of Impairment Losses – net in the statements of profit or loss (see Note 16). There is no similar transaction in 2021.

As of December 31, 2023, with the Bank's BOD approval, the Bank commits to sell the HHIC-Korea shares through an active disposal plan which the Bank estimates that it will take more than a year to complete the sale, but nothing will preclude the Bank from selling it sooner given the availability of a buyer. This is covered by the exception in PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, which states that an extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset. As a result, the carrying amount of the investment is measured at the lower of their carrying amount, immediately prior to its classification as held-for-sale and its fair value less costs to sell.

15.2 Prepaid Expenses

Prepaid expenses include prepayments for insurance, taxes and licenses, and software maintenance.

15.3 Software

A reconciliation of the carrying amounts of software at the beginning and end of 2023 and 2022 is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 1,362**	P 1,338	**P 1,359**	P 1,332
Additions	**381**	334	**362**	333
Amortization	**(506)**	(310)	**(486)**	(306)
Balance at end of year	**P 1,237**	P 1,362	**P 1,235**	P 1,359

Amortization charges for software are included as part of Depreciation and Amortization account in the statements of profit or loss.

15.4 Branch Licenses

Branch licenses represent the rights granted by the BSP to the Parent Company in 2015 to establish a certain number of branches in the restricted areas in the country. Branch licenses are annually tested for impairment either individually or at the CGU level, as appropriate when circumstances indicate that the intangible asset may be impaired.

Branch licenses is subject to annual impairment testing and whenever is an indication of impairment. The recoverable amount used to determine impairment on the branch licenses was based on Value-in-Use (VIU) calculation computed through discounting the five-year cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The recoverable amount was computed by determining the excess of the projected interest income from the projected interest expense. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects. The discount rate applied to cash flow projections is 9.52% and 10.91% in 2023 and 2022, respectively, while the growth rate used to extrapolate cash flows covering a five-year period is 5.64% and 5.67%, in 2023 and 2022, respectively.

15.5 Goodwill

The Parent Company recognized goodwill amounting to P269 which arose from its acquisition of the net assets of another bank in 1998 from which it had expected future economic benefits and synergies that will result from combining the operations of the acquired bank.

Goodwill is subject to annual impairment testing and whenever there is an indication of impairment. In 2023 and 2022, the Parent Company engaged a third party consultant to perform an independent impairment testing of goodwill. The recoverable amount of the CGU has been based on VIU calculation using the cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects.

The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities within the industry. In 2023 and 2022, the discount rate applied to cash flow projections is 11.05% and 13.86%, respectively, while the growth rate used to extrapolate cash flows beyond five-year period is 6.18% and 5.67% for 2023 and 2022, respectively. On the basis of the report of the third-party consultant dated February 1, 2024 and January 18, 2023 with valuation date as of the end of 2023 and 2022, respectively, the Group has assessed that the recoverable amount of the goodwill is higher than its carrying value. Accordingly, no impairment loss is required to be recognized in the statements of profit or loss in both years.

In addition, the goodwill pertaining to the acquisition of Rizal Microbank amounting to P157 was fully provided with impairment in 2011.

15.6 Margin Deposits

Margin deposits serve as security for outstanding financial market transactions and other liabilities. These are designed to provide additional credit risk protection for counterparty exposures.

15.7 Miscellaneous

Miscellaneous account includes various deposits, advance rentals, service provider fund, trading right and other assets.

16. ALLOWANCE FOR EXPECTED CREDIT LOSS AND IMPAIRMENT

Changes in the amounts of allowance for impairment are summarized below.

	Notes	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Balance at beginning of year					
Loans and receivables	11	**P 16,030**	P 18,264	**P 15,088**	P 17,339
Investment securities at amortized cost	10.3	**163**	147	**71**	52
Loan commitments	21	**214**	145	**214**	145
Investment properties	14	**274**	277	**253**	261
Other resources - net	15	**1,223**	1,268	**1,066**	1,135
		17,904	20,101	**16,692**	18,932
Impairment losses – net:					
Loans and receivables	11	**6,574**	5,259	**5,759**	5,043
Investment securities at amortized cost	10.3	**(2)**	19	**-**	19
Loan commitments	4.4	**105**	69	**105**	69
Investment properties	14	**1**	1	**1**	-
Other resources - net	15	**210**	358	**209**	358
		6,888	5,706	**6,074**	5,489
Charge-offs and other adjustments during the year		**(5,860)**	(7,903)	**(5,477)**	(7,729)
Balance at end of year					
Loans and receivables	11	**17,395**	16,030	**16,021**	15,088
Investment securities at at amortized cost	10.3	**161**	163	**71**	71
Loan commitments	21	**304**	214	**304**	214
Investment properties	14	**4**	274	**3**	253
Other resources - net	15	**1,068**	1,223	**890**	1,066
		P 18,932	P 17,904	**P 17,289**	P 16,692

17. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities (see also Note 27.3):

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Demand	**P 214,395**	P 174,563	**P 215,284**	P 175,230
Savings	**287,738**	246,242	**287,776**	246,524
Time	**450,999**	430,357	**450,729**	429,803
Long-term Negotiable Certificate of Deposits (LTNCD)	**3,580**	6,082	**3,580**	6,082
	P 956,712	P 857,244	**P 957,369**	P 857,639

The Parent Company's LTNCD as of December 31, 2023 and 2022 are as follows:

Issuance Date	Maturity Date	Coupon Interest	2023	2022
September 28, 2018	March 28, 2024	5.50%	**P 3,580**	P 3,580
August 11, 2017	February 11, 2023	5.50%	**-**	2,502
			P 3,580	P 6,082

The Parent Company's LTNCD were used in the expansion of its term deposit base to support long-term asset growth and for other general funding purposes.

The Group's deposit liabilities bear annual interest as follows:

	2023	2022	2021
Demand, Savings and Time deposits	**0.10% - 6.50%**	0.07% - 6.13%	0.10% - 6.00%

The total interest expense incurred by the Group and the Parent Company on deposit liabilities are as follows:

	Group		
	2023	2022	2021
Time	**P 22,389**	P 7,995	P 2,639
Savings	**3,388**	894	597
Demand	**2,044**	868	524
LTNCD	**214**	300	299
	P 28,035	P 10,057	P 4,059

	Parent Company		
	2023	2022	2021
Time	**P 22,402**	P 7,987	P 2,632
Savings	**3,392**	895	597
Demand	**2,048**	873	528
LTNCD	**214**	300	299
	P 28,056	P 10,055	P 4,056

Non-FCDU deposit liabilities, including tax exempt LTNCDs, of the Parent Company And Rizal Microbank is subject to reserve requirement of 14% and 4%, respectively, based on BSP regulations effective July 31, 2020. In 2023, BSP reduced the reserve requirements for both the Parent Company and Rizal Microbank effective June 30 by 250 basis points and 100 basis points, respectively. The reserve requirement ratio for the Parent Company and Rizal Microbank is at 9.5% and 2%, and 12% and 3% in 2023 and 2022, respectively.

Peso-denominated LTNCDs of the Parent Company are subject to reserve requirement equivalent of 4% in both years. As of December 31, 2023 and 2022, the Group is in compliance with such regulatory reserve requirements.

Under BSP Circular No. 1063, *Reduction in Reserve Requirements*, cash in vault and regular reserve deposit accounts with BSP are excluded as eligible forms of compliance for the reserve requirements. The required reserve shall only be kept in the form of demand deposit accounts with the BSP. Available reserves consist of Due from BSP amounting to P83,701, P76,582, and P65,074 for the Group and P82,771, P75,340, and P63,931 for the Parent Company as of December 31, 2023, 2022 and 2021, respectively (see Note 9).

18. BILLS PAYABLE

This account consists of borrowings from:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Foreign banks	**P**	**36,653**	P	40,482	**P**	**36,653**	P	40,482
Local banks		**14,165**		26,178		**7,304**		17,909
Others		**40**		-		**-**		-
	P	**50,858**	P	66,660	**P**	**43,957**	P	58,391

Borrowings from foreign and local banks are subject to annual fixed interest rates as follows:

	2023	2022	2021
Group			
Peso denominated	**3.00% - 8.00%**	4.66% - 8.00%	4.15% - 7.50%
Foreign currency denominated	**2.50% - 6.42%**	0.0001% - 0.725%	0.0001% - 0.725%
Parent Company			
Peso denominated	**-**	4.66% - 4.96%	4.66% - 4.96%
Foreign currency denominated	**2.50% - 6.42%**	0.0001% - 0.725%	0.0001% - 0.725%

The total interest expense incurred by the Group on the bills payable amounted to P2,449 in 2023, P824 in 2022, and P420 in 2021. The total interest expense incurred by the Parent Company on the bills payable amounted to P2,042 in 2023, P420 in 2022, and P22 in 2021.

As of December 31, 2023 and 2022, bills payable availed under repurchase agreements amounting to P29,797 and P58,391, respectively, are secured by the Group and Parent Company's investment securities (see Note 10.3). Investment securities used as collateral to the bills payable are government securities and corporate debt securities that are measured at amortized cost. The average interest rate is 2.80% in 2023, 4.05% in 2022, and 8.60% in 2021 for government securities, and 3.70% in 2022 and 3.10% in 2021 for corporate debt securities. Average remaining terms before maturity of these investment securities as of 2023, 2022, and 2021 is 13 years, 3 years, and 4 years, respectively, for government securities, and 7 years, and 12 years for corporate debt securities in 2022 and 2021, respectively. There are no corporate debt securities collaterals in 2023.

19. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

Issuance Date	Maturity Date	Coupon Interest	Face Value (in millions)		Outstanding Balance 2023		Outstanding Balance 2022	
February 21, 2022	May 21, 2024	3.00%	P	14,756	**P**	**14,756**	P	14,756
March 31, 2021	September 30, 2023	3.20%	P	13,743		**-**		13,743
March 31, 2021	June 30, 2026	4.18%	P	4,130		**4,130**		4,130
September 11, 2019	September 11, 2024	3.05%	$	300		**16,053**		16,727
March 15, 2018	March 16, 2023	4.13%	$	450		**-**		25,055
					P	**34,939**	P	74,411

On February 21, 2022, the Parent Company issued unsecured Peso-denominated Senior Notes with principal amount and outstanding balance as of December 31, 2022 of P14,756 bearing an interest of 3.00% per annum. The senior notes will mature on May 21, 2024.

On March 31, 2021, the Parent Company issued unsecured Peso-denominated Senior Notes with outstanding balance as of December 31, 2022 of P13,743 and P4,130 bearing an interest of 3.20% and 4.18% per annum, respectively, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The P13,743 senior notes matured last September 30, 2023, while the remaining note will mature on June 30, 2026.

In September 2019, the Parent Company issued unsecured US$-denominated Senior Notes with principal amount of US$300 bearing an interest of 3.05% per annum, payable semi-annually in arrears every March 11 and September 1 of each year. The senior notes, unless redeemed, will mature on September 11, 2024. As of December 31, 2023 and 2022, the peso equivalent of this outstanding bond issue amounted to P16,053 and P16,727, respectively.

In March 2018, the Parent Company issued unsecured US$-denominated Senior Notes with principal amount of US$450 bearing an interest of 4.13% per annum, payable semi-annually in arrears every March 16 and September 16 of each year. The senior notes, matured last March 16, 2023.

The debt issue cost incurred in 2023 and 2022 is nil and P111, respectively. The unamortized debt issue cost as of December 31, 2023 and 2022 amounted to P43 and P150, respectively. The related amortization of unamortized debt issue cost is recorded as part of Interest Expense in the statements of profit or loss.

The interest expense incurred on these bonds payable amounted to P1,768 in 2023, P3,397 in 2022, and P3,503 in 2021. The Group and Parent Company recognized foreign currency exchange losses related to these bonds payable amounting to P450, and P2,312 in 2023 and 2021, respectively, while P567 foreign currency exchange gains in 2022. Foreign currency exchange losses are netted against foreign exchange gains presented under Other Operating Income account in the statements of profit or loss.

20. ACCRUED INTEREST, TAXES AND OTHER EXPENSES

The composition of this account follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Accrued expenses	**P 5,550**	P 4,492	**P 5,286**	P 4,302
Accrued interest	**5,195**	3,365	**5,187**	3,361
Taxes payable	**1,337**	571	**1,313**	529
	P 12,082	P 8,428	**P 11,786**	P 8,192

Accrued expenses represent mainly the accruals for utilities, employee benefits and other operating expenses. Accrued interest primarily includes unpaid interest on deposit liabilities, bills payable and bonds payable at the end of each reporting period.

21. OTHER LIABILITIES

Other liabilities consist of the following:

		Group		Parent Company	
	Notes	**2023**	2022	**2023**	2022
Accounts payable	27.7(c)	**P 10,197**	P 7,756	**P 9,769**	P 7,041
Lease liabilities	13	**6,687**	5,500	**7,029**	5,913
Bills purchased – contra		**2,673**	2,113	**2,673**	2,113
Manager's checks		**1,878**	1,680	**1,878**	1,680
Derivative financial liabilities	10.1	**1,690**	2,116	**1,690**	2,116
Outstanding acceptances payable		**1,467**	4,587	**1,467**	4,587
Unclaimed balances-deposit		**1,398**	1,128	**1,320**	1,128
Withholding taxes payable		**1,108**	714	**1,101**	708
Unearned income		**824**	602	**819**	589
Deposit on lease contracts		**796**	776	**18**	33
Other credits		**381**	432	**381**	432
ECL provisions on loan commitments	4.4.9(c)	**304**	214	**304**	214
Sundry credits		**269**	355	**268**	357
Payment orders payable		**147**	241	**147**	241
Due to BSP		**108**	66	**108**	66
Post-employment defined benefit obligation	23.2	**40**	1,986	**-**	1,972
Guaranty deposits		**6**	66	**6**	66
Advance rentals		**1**	10	**1**	10
Miscellaneous		**1,492**	662	**1,594**	566
		P 31,466	P 31,004	**P 30,573**	P 29,832

Accounts payable is mainly composed of prepaid card balances of customers, settlement billing from credit card operations and the Group's expenditure purchases which are to be settled within the next reporting period.

Miscellaneous liabilities include due to treasury, government-related contributions, and other miscellaneous liabilities.

Interest expense incurred on other liabilities for 2023, 2022 and 2021 amounted to P80, P11 and P15 for the Group, and P80, P11 and P15 for the Parent Company, respectively.

22. EQUITY

22.1 Capital Stock

Preferred and common stock represent the nominal value of shares of stock that have been issued (see Notes 22.2 and 22.3).

Capital paid in excess of par includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares of stock are deducted from capital paid in excess of par, net of any related income tax benefits (see Note 22.2).

The movements in the outstanding capital stock of the Parent Company are as follows:

	Number of Shares		
	2023	2022	2021
Preferred stock – voting, non-cumulative non-redeemable, participating, convertible into common stock – P10 par value			
Authorized – 200,000,000 shares			
Issued and outstanding			
Balance at beginning and end of year	**267,410**	267,410	267,410
Common stock – P10 par value			
Authorized:			
Balance at beginning and end of year	**2,600,000,000**	2,600,000,000	2,600,000,000
Issued and outstanding:			
Balance at beginning of year	**2,037,478,896**	2,037,478,896	1,935,628,896
Issuance of new shares	**168,619,976**	-	-
Reissuance of shares during the year	**213,437,248**	-	101,850,000
Balance at end of year	**2,419,536,120**	2,037,478,896	2,037,478,896

As of December 31, 2023, and 2022, there are 746 and 748 holders of the Parent Company's listed shares holding an equivalent of 93.00% of the Parent Company's total issued and outstanding shares, respectively. Such listed shares closed at P23.00 and P23.70 per share for years December 31, 2023 and 2022, respectively.

In 1986, the Parent Company listed its common shares with the PSE. The historical information on the Parent Company's issuance of common shares arising from the initial and subsequent public offerings, including private placements is presented in the succeeding page.

Issuance	Subscriber	Issuance Date	Number of Shares Issued
Initial public offering	Various	November 1986	1,410,579
Stock rights offering	Various	April 1997	44,492,908
Stock rights offering	Various	July 1997	5,308,721
Stock rights offering	Various	August 1997	830,345
Stock rights offering	Various	January 2002	167,035,982
Stock rights offering	Various	June 2002	32,964,018
Follow-on offering	Various	March 2007	210,000,000
Private placement	International Finance Corporation (IFC)	March 2011	73,448,275
Private placement	Hexagon Investments B.V.	September 2011	126,551,725
Private placement	PMMIC	March 2013	63,650,000
Private placement	IFC Capitalization Fund	April 2013	71,151,505
Private placement	Cathay	April 2015	124,242,272
Stock rights offering	Various	July 2018	535,710,378
Private placement	SMBC	July 2021	101,850,000
Private placement	SMBC	July 2023	382,057,224

On May 29, 2006, the Parent Company's stockholders approved the issuance of up to 200,000,000 convertible preferred shares with a par value of P10 per share, subject to the approval, among others, by the PSE. The purpose of the issuance of the convertible preferred shares is to raise the Tier 1 capital pursuant to BSP regulations, thereby strengthening the capital base of the Parent Company and allowing it to expand its operations. On February 13, 2007, the PSE approved the listing application of the underlying common shares for the 105,000 convertible preferred shares, subject to the compliance of certain conditions of the PSE.

Preferred shares have the following features:

(a) Entitled to dividends at floating rate equivalent to the three-month LIBOR plus a spread of 2.0% per annum, calculated quarterly;

(b) Convertible to common shares at any time after the issue date at the option of the Parent Company at a conversion price using the adjusted net book value per share of the Parent Company based on the latest available financial statements prepared in accordance with PFRS, adjusted by local regulations;

(c) Non-redeemable; and,

(d) Participating as to dividends on a pro rata basis with the common stockholders in the surplus of the Parent Company after dividend payments had been made to the preferred shareholders.

On June 28, 2010, the Parent Company's stockholders owning or representing more than two-thirds of the outstanding capital stock confirmed and ratified the approval by the majority of the BOD on their Executive Session held on May 21, 2010, the proposed increase in Parent Company's authorized capital stock and removal of pre-emptive rights from holders of capital stock, whether common or preferred, to subscribe for or to purchase any shares of stock of any class, by amending the Parent Company's Articles of Incorporation.

The proposed P16,000 authorized capital stock is divided into the following classes of stocks:

(a) 1,400,000,000 common shares with a par value of ten pesos (P10.00) per share.

(b) 200,000,000 preferred shares with a par value of ten pesos (P10.00) per share.

The removal of pre-emptive rights was approved by the BSP and SEC on October 20, 2010 and November 4, 2010, respectively. On the other hand, the increase in authorized capital stock of the Parent Company was approved by the BSP and SEC on August 24, 2011 and September 16, 2011, respectively.

On June 27, 2022, the Bank amended its AOI to delete Articles four and seven of the AOI stating the term of existence of the Bank and transfer of voting stocks to foreign nationals, respectively to allow foreign ownership of the bank to exceed 40% and to be consistent with R.A. No. 11232, which grants perpetual corporate terms. The amendment of AOI was approved by BSP and SEC on August 26, 2022 and September 30, 2022, respectively (see Note 1.1).

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share for a total consideration amounting to P27,125. The additional capital infusion was made on July 31, 2023 [see Notes 22.2 and 27.7(d)].

22.2 Issuance of Common Shares

The capital infusion from SMBC on July 31, 2023 involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 [see Notes 22.3 and Note 27.7(d)]. This resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

On July 22, 2019, the effective date of merger, the Parent Company issued 315,287,248 common shares in exchange of the transfer of net assets of RSB at carrying value. The Parent Company recognized P10,507 as additional paid-in capital, which pertains to the difference between the par value of the shares issued and the carrying value of the net assets of RSB.

On November 27, 2017, the BOD of the Parent Company approved the increase in the Parent Company's authorized capital through the increase in the authorized common stock from 1,400,000,000 shares to 2,600,000,000 shares at P10 par value per share or for a total capital stock of P14,000 to P26,000. The BOD also approved the amendment of the Parent Company's Articles of Incorporation for the principal purpose of reflecting the said increase in authorized capital. These resolutions were approved by the Parent Company's stockholders representing at least two-thirds of its outstanding capital stock in a special meeting held on January 29, 2018. In the same meeting, the Parent Company's BOD approved the stock rights offering (Rights Offer) to be subscribed out of the increase in the authorized capital. The increase in authorized capital stock and the Rights Offer were approved by the BSP and SEC on June 29, 2018 and July 4, 2018, respectively. The offering of the stock rights representing 535,710,378 common shares (with equivalent amount of P5,357) occurred from June 25 to June 29, 2018 and the shares were listed at the PSE on July 16, 2018. The Rights Offer and issuance generated P15,000 proceeds, reduced by P217 issue costs; hence, resulting in P9,426 excess of consideration received over par value recognized in Capital Paid in Excess of Par account.

In 2015, the Parent Company issued common shares to Cathay at P64 per share for a total issue price of P7,951. This issuance resulted in the recognition of Capital Paid in Excess of Par amounting to P6,709 reduced by the total issuance cost of P222. The acquisition involves Cathay: (i) acquiring from Hexagon Investments B.V., an entity controlled by funds managed by CVC Asia Pacific Limited, 118,935,590 secondary shares at P64 per share, pursuant to a Sale and Purchase Agreement; (ii) acquiring 36,724,138 secondary common shares from IFC Capitalization Fund also at P64 per share, pursuant to a Sale and Purchase Agreement; and, (iii) entering into a shareholders agreement with PMMIC and the Parent Company.

In 2013, the Parent Company issued common shares to PMMIC and IFC Capitalization Fund at P64 and P58 per share for a total issue price of P4,074 and P4,127, respectively. These issuances resulted in the recognition of Capital Paid in Excess of Par amounting to P3,437 and P3,415, respectively, reduced by total issuance costs of P101.

22.3 Treasury Shares

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Parent Company's equity holder until the shares are cancelled, reissued or disposed of.

On July 31, 2023, as a result of the capital infusion of SMBC, the Bank reissued 213,437,248 treasury shares at cost of P43.51 per share or P9,287 (see Notes 22.1 and 22.2).

On July 23, 2021, the Parent Company sold 101,850,000 shares to SMBC at P44.00 per share. This came from the treasury shares resulting from the merger of Parent Company and RSB. The sale of shares held by the Parent Company in treasury is equivalent to 4.999% of the total outstanding Common Stock. The issuance resulted in a recognition of additional Capital Paid in Excess of Par amounting to P50. In 2021, the Parent Company incurred expenses related to the issuance amounting to P113 which was charged to equity resulting in a P63 net decrease in the Capital Paid in Excess of Par. In 2022, the Parent Company incurred additional expenses amounting to P12 in relation to this treasury shares reissuance and this was charged against the 2022 Capital Paid in Excess of Par account.

In 2019, subsequent to the effective date of the merger, the Parent Company acquired the 315,287,248 common shares issued in exchange of the net assets of RSB equal to the Parent Company's investment in RSB as at December 31, 2018.

On September 23, 2011, the Parent Company issued 5,821,548 common shares (equivalent of 18,082,311 preferred shares and with total par value of P58) from the treasury account reissuance (with total cost of P182) and an additional 120,730,177 common stock (with total par value of P1,207) from unissued portion of the increase in authorized capital stock on September 23, 2011 to Hexagon Investments B.V. that is equivalent to approximately 15.00% of the outstanding common shares. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P2,264.

On March 17, 2011, the Parent Company issued 73,448,275 common shares, comprising of 50,427,931 treasury shares reissuance (with total cost of P771) and 23,020,344 unissued stock (with total par value of P230), to IFC Capitalization Fund for a total consideration of P2,130 representing 7.20% ownership interest. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P1,078.

22.4 Hybrid Perpetual Securities

Hybrid perpetual securities are non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards.

In August 27, 2020, the Parent Company issued US$300 non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards. As of December 31, 2023 and 2022, the hybrid perpetual securities amounted to P14,463, net of issuance costs.

The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

The proceeds of the hybrid perpetual securities are used to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

22.5 Surplus and Dividend Declarations

The details of the cash dividend distributions follow:

Date Declared	Dividend Per Share	Dividend Total Amount	Record Date	Date Approved by BOD	Date Paid/Payable
February 22, 2021	0.0560	0.01	March 21, 2021	February 22, 2021	March 31, 2021
February 22, 2021*	-	472.40	February 26, 2021	February 22, 2021	February 26, 2021
April 26, 2021	0.4850	938.78	May 10, 2021	April 26, 2021	May 25, 2021
April 26, 2021	0.4850	0.13	May 10, 2021	April 26, 2021	May 25, 2021
May 31, 2021	0.0559	0.01	June 21, 2021	May 31, 2021	June 25, 2021
July 26, 2021*	-	486.04	August 26, 2021	July 26, 2021	August 26, 2021
August 31, 2021	0.0545	0.01	September 21, 2021	August 31, 2021	September 24, 2021
November 29, 2021	0.0537	0.01	December 21, 2021	November 29, 2021	December 24, 2021
January 31, 2022*	-	500.57	February 28, 2022	January 31, 2022	February 28, 2022
February 28, 2022	0.0553	0.01	March 21, 2022	February 28, 2022	March 23, 2022
March 28, 2022	0.6180	1,259.16	April 11, 2022	March 28, 2022	April 27, 2022
March 28, 2022	0.6180	0.17	April 11, 2022	March 28, 2022	April 27, 2022
May 30, 2022	0.0748	0.02	June 21, 2022	May 30, 2022	June 23, 2022
July 25, 2022*	-	547.59	August 26, 2022	July 25, 2022	August 26, 2022
August 30, 2022	0.1047	0.03	September 21, 2022	August 30, 2022	September 22, 2022
November 28, 2022	0.1407	0.04	December 21, 2022	November 28, 2022	December 27, 2022
January 30, 2023*	-	534.98	February 27, 2023	January 30, 2023	February 27, 2023
February 27, 2023	0.1685	0.05	March 21, 2023	February 27, 2023	March 23, 2023
March 27, 2023	1.0800	2,200.48	April 13, 2023	March 27, 2023	April 27, 2023
March 27, 2023	1.0800	0.29	April 13, 2023	March 27, 2023	April 27, 2023
May 29, 2023	0.1789	0.05	June 21, 2023	May 29, 2023	June 26, 2023
July 31, 2023*	-	553.41	August 27, 2023	July 31, 2023	August 27, 2023
August 29, 2023	0.1920	0.05	September 21, 2023	August 29, 2023	September 25, 2023
November 29, 2023	0.1870	0.05	December 21, 2023	November 29, 2023	December 29, 2023

**Dividends for Hybrid Perpetual Securities*

In 2015, the BSP, through the MB, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity.

A portion of the Parent Company's surplus corresponding to the equity in net earnings of certain subsidiaries and associates amounted to P5,727 and P5,885 as of December 31, 2023 and 2022, respectively, and treasury shares of the Parent Company amounting to nil and P9,287 as of December 31, 2023 and 2022, respectively.

22.6 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the statements of changes in equity of the Group and Parent Company at their aggregate amount under Revaluation Reserves account are shown below.

	Revaluation of Financial Assets at FVOCI	Accumulated Translation Adjustments on Foreign Operations	Actuarial Gains (Losses) on Defined Benefit Plan	Total
Balance as of January 1, 2023	(P 4,866)	P 54	(P 1,580)	(P 6,392)
Actuarial gains on defined benefit plan	-	-	(1,350)	(1,350)
Fair value gain on financial assets at FVOCI	1,695	-	-	1,695
Other comprehensive income (loss)	1,695	-	(1,350)	345
Transfers of fair value gain on financial assets at FVOCI to surplus	3	-	-	3
Balance as of December 31, 2023	**(P 3,168)**	**P 54**	**(P 2,930)**	**(P 6,044)**
Balance as of January 1, 2022	P 389	P 54	(P 2,366)	(P 1,923)
Actuarial gains on defined benefit plan	-	-	786	786
Fair value loss on financial assets at FVOCI	(5,255)	-	-	(5,255)
Other comprehensive income (loss)	(5,255)	-	786	(4,469)
Balance as of December 31, 2022	(P 4,866)	P 54	(P 1,580)	(P 6,392)
Balance as of January 1, 2021	P 664	P 54	(P 2,788)	(P 2,070)
Actuarial gains on defined benefit plan	-	-	422	422
Fair value loss on financial assets at FVOCI	(275)	-	-	(275)
Other comprehensive income (loss)	(275)	-	422	147
Balance as of December 31, 2021	P 389	P 54	(P 2,366)	(P 1,923)

22.7 Appropriation for General Loan Loss Reserves

Pursuant to the requirements of the BSP under Circular No. 1011, the Group shall recognize general loan loss provisions equivalent to one percent of all outstanding loans as of the end of the reporting period, except for accounts considered as credit risk-free under the existing BSP regulations. In cases when the computed allowance for ECL on those exposures is less than one percent of the general loan loss provisions required, the deficiency is recognized through appropriation from the Group's available Surplus. Such appropriation is considered as Tier 2 capital subject to the limit provided under the CAR framework. The outstanding balance of appropriation for General Loan Loss Reserves as of December 31, 2023 and 2022 amounted to P4,599 and P3,824 for the Group, and P4,589 and P3,823 for the Parent Company, respectively. The additional appropriation made in 2023 amounted to P775 and P766 respectively, for the Group and Parent Company.

22.8 Reserve for Trust Business

Reserve for trust business representing the accumulated amount set aside by the Group under existing regulations requiring the Parent Company to appropriate and transfer to surplus 10% of its net profits accruing from their trust business until the surplus shall amount to 20% of the regulatory capital. The reserve shall not be paid out in dividends, but losses accruing in the course of the trust business may be charged against this account.

22.9 Other Reserves

Other reserves refer to the amount attributable to the Parent Company arising from the changes in the ownership of the Non-controlling Interest (NCI) in the Group.

As of December 31, 2023 and 2022, this account consists of reserves arising from the acquisition of RCBC LFC amounting to P86 for both years.

In 2022, the Parent Company has acquired remaining interest to Rizal Microbank making it a wholly-owned subsidiary of the Parent Company (see Note 1.2). This acquisition resulted in the reduction of Other Reserves and NCI accounts amounting to P11 and P10, respectively. There is no similar transaction in 2023.

23. EMPLOYEE BENEFITS

23.1 Short-Term Employee Benefits

Expenses recognized for salaries and other employee benefits are shown below.

	Group					
	2023		2022		2021	
Short-term employee benefits	**P**	**6,732**	P	6,100	P	5,888
Post-employment defined benefits		**418**		463		483
	P	**7,150**	P	6,563	P	6,371

	Parent Company					
	2023		2022		2021	
Short-term employee benefits	**P**	**5,938**	P	5,368	P	5,247
Post-employment defined benefits		**383**		426		439
	P	**6,321**	P	5,794	P	5,686

23.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Parent Company and certain subsidiaries maintain a funded, tax-qualified, non-contributory post-employment benefit plan that is being administered by the Parent Company's Trust and Investment Group (TIG), covering all regular full-time employees. The Parent Company's TIG manages the fund in coordination with the Parent Company's Retirement Plan Committee (RPC), Trust Committee and the respective committees of the subsidiaries which act in the best interest of the plan assets and are responsible for setting the investment policies.

The normal retirement age of the Group's employees ranges between 55 to 60 but the plan also provides for an early retirement at age 50 to 55 with a minimum of 10 to 20 years of credited service. The maximum retirement benefit is the lump sum equivalent to two months pay per year of continuous employment based on the employees' salary at retirement. Any fraction of a year shall be computed proportionately.

(b) *Explanation of Amounts Presented in the Financial Statements*

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from independent actuaries in 2023 and 2022.

The amounts of post-employment benefit obligation (asset) recognized in the financial statements are determined as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Present value of the obligation	**P 5,932**	P 5,130	**P 5,603**	P 4,857
Fair value of plan assets	**(9,697)**	(3,145)	**(9,407)**	(2,885)
Effect of asset ceiling test	**1,140**	1	**1,139**	-
Deficiency (excess) of plan assets	**(P 2,625)**	P 1,986	**(P 2,665)**	P 1,972

The Group and Parent Company's post-employment defined benefit plan is included under Other Resources and Other Liabilities as of December 31, 2023. The post-employment defined benefit plan is included under Other Liabilities as of December 31, 2022 (see Notes 15 and 21).

The movements in the present value of the defined benefit obligation follow:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 5,130**	P 5,604	**P 4,857**	P 5,309
Current and past service cost	**418**	463	**383**	426
Interest expense	**382**	280	**361**	266
Business combinations	**-**	(11)	**-**	-
Remeasurements – actuarial gains arising from changes in:				
– financial assumptions	**301**	(730)	**271**	(700)
– experience adjustments	**201**	(44)	**207**	(57)
– demographic assumptions	**(1)**	(1)	**-**	-
Benefits paid by the plan	**(499)**	(431)	**(476)**	(387)
Balance at end of year	**P 5,932**	P 5,130	**P 5,603**	P 4,857

The movements in the fair value of plan assets are presented below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 3,145**	P 3,104	**P 2,885**	P 2,822
Interest income	**451**	152	**430**	139
Gains on plan assets (excluding amounts included in net interest)	**275**	7	**293**	25
Contributions paid into the plan	**6,326**	313	**6,275**	286
Business combination	**(1)**	-	**-**	-
Benefits paid by the plan	**(499)**	(431)	**(476)**	(387)
Balance at end of year	**P 9,697**	P 3,145	**P 9,407**	P 2,885

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 27.5). There are no similar transactions in 2022.

The composition of the fair value of plan assets at the end of each reporting period by category and risk characteristics is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Cash and cash equivalents	**P 701**	P 556	**P 644**	P 506
Debt securities:				
Government bonds	**243**	105	**230**	-
Corporate debt securities	**208**	337	**62**	300
Equity securities:				
Transportation and communication	**514**	185	**514**	185
Financial intermediaries	**420**	1,256	**418**	1,256
Diversified holding companies	**201**	89	**200**	89
Electricity, gas and water	**138**	133	**137**	133
Quoted equity securities	**23**	30	**-**	-
Others	**50**	56		11
Unquoted long-term equity investments	**6,929**	139	**6,927**	139
UITF	**260**	256	**260**	256
Investment properties	**7**	7	**7**	7
Loans and receivables	**8**	4	**8**	3
Others	**(5)**	(8)	**-**	-
	P 9,697	P 3,145	**P 9,407**	P 2,885

The fair values of the above debt securities and quoted equity securities are determined based on market prices in active markets. Long-term equity investments represent investment in corporations not listed in active and organized markets. Fair values are determined based on the book value per share based on latest audited financial statements of the investee company. The fair value of the UITF is determined based on the net asset value per unit of investment held in the fund.

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITF which are at Level 2 and unquoted long-term equity investments, loans and receivables, investment properties and other investments which are at Level 3.

The net gains on plan assets are as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Interest income	**P 451**	P 152	**P 430**	P 139
Fair value gains - net	**275**	7	**293**	25
Actual gains - net	**P 726**	P 159	**P 723**	P 164

The amounts of post-employment benefit expense recognized in the profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are determined below as follows:

	Group		
	2023	2022	2021
Reported in profit or loss:			
Current and past service cost	**P 418**	P 463	P 483
Net interest expense	**(69)**	141	113
	P 349	P 604	P 596
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Financial assumptions	**(P 301)**	P 730	P 80
– Experience adjustments	**(201)**	44	254
– Demographic assumptions	**1**	1	1
Effect of asset ceiling test	**(1,140)**	-	(1)
Gains on plan assets (excluding amounts included in net interest)	**275**	7	91
	(P 1,366)	P 782	P 425

	Parent Company		
	2023	2022	2021
Reported in profit or loss:			
Current service costs	**P 383**	P 426	P 439
Net interest expense	**(69)**	127	112
	P 314	P 553	P 551
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Financial assumptions	**(P 271)**	P 700	P 28
– Experience adjustments	**(207)**	57	248
– Demographic assumptions	**-**	-	1
Changes in effect of asset ceiling	**(1,139)**	-	-
Gains on plan assets (excluding amounts included in net interest)	**293**	25	98
	(P 1,324)	P 782	P 375

Current service costs, including the effect of curtailment and past service cost, form part of Employee Benefits under the Other Operating Expenses account, while net interest expense or income is presented as part of Interest Expense on Bills payable and other borrowings in the statements of profit or loss.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of post-employment obligation, the following ranges of actuarial assumptions were used:

	2023	2022	2021
Group			
Discount rates	**6.28% - 7.00%**	7.22% - 7.56%	4.98% - 5.09%
Expected rate of salary increases	**4.00% - 8.00%**	5.00% - 8.00%	3.50% - 8.00%
Parent Company			
Discount rates	**6.88%**	7.44%	5.01%
Expected rate of salary increases	**5.00%**	5.00%	4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at the Group's normal retiring age of 60 is based on the 2017 Philippine Intercompany Mortality table. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group and Parent Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plan assets of the Group and Parent Company are significantly invested in equity and debt securities, while the Group and Parent Company also invests in cash and cash equivalents and other investments. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group and Parent Company's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the post-employment plan are described below and in the succeeding page.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2023 and 2022:

	Group		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2023:			
Discount rate	+/-1 %	**(P 462)**	**P 537**
Salary growth rate	+/-1 %	**565**	**(495)**
2022:			
Discount rate	+/-1 %	(P 437)	P 506
Salary growth rate	+/-1 %	513	(449)

	Parent Company		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2023:			
Discount rate	+/- 1%	**(P 469)**	**P 543**
Salary growth rate	+/- 1%	**548**	**(481)**
2022:			
Discount rate	+/- 1%	(P 413)	P 477
Salary growth rate	+/- 1%	484	(425)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation at the end of each reporting period has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Parent Company through its RPC in coordination with the Parent Company's TIG, ensures that the investment positions are managed considering the computed retirement obligations under the retirement plan. This strategy aims to match the plan assets to the retirement obligations due by investing in assets that are easy to liquidate (i.e., government securities, corporate bonds, equities with high value turnover).

As the Group's retirement obligations are in Philippine peso, all assets are invested in the same currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, various investments are made in a portfolio that may be liquidated within a reasonable period of time.

A large portion of the plan assets as of December 31, 2023 and 2022 consists of equity securities with the balance invested in fixed income securities and cash and cash equivalents. The Group believes that equity securities offer the best returns over the long term with an acceptable level of risk.

(iii) Funding Arrangements and Expected Contributions

The plan is currently overfunded by P1,560 and P1,615 in 2023 for the Group and Parent Company, respectively, based on the latest funding actuarial valuations in 2023.

The maturity profile of undiscounted expected benefit payments from the end of each reporting period follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Less than one year	**P 416**	P 264	**P 405**	P 240
More than one year to five years	**1,966**	1,608	**1,850**	1,560
More than five years to ten years	**4,906**	4,139	**4,683**	4,047
More than ten to fifteen years	**23**	24	**-**	-
More than fifteen years	**22**	20	**-**	-
	P 7,333	P 6,055	**P 6,938**	P 5,847

The Group and Parent Company expect to contribute P60 and nil, respectively, to the plan in 2024.

24. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

24.1 Miscellaneous Income

	Notes	Group 2023	Group 2022	Group 2021
Recoveries from written off assets		**P 600**	P 486	P 223
Rentals	14.2	**424**	872	926
Gain on extinguishment of loan		**390**	890	-
Dividend income	10.1, 10.2	**318**	311	105
Others		**77**	145	211
		P 1,809	P 2,704	P 1,465

	Notes	Parent Company 2023	Parent Company 2022	Parent Company 2021
Recoveries from written off assets		**P 600**	P 486	P 223
Gain on extinguishment of loan		**390**	890	-
Dividend income	10.2	**252**	227	39
Rentals	14.2, 27.7(b)	**57**	261	287
Others		**74**	148	26
		P 1,373	P 2,012	P 575

In 2022, the Parent Company received the full payment of its outstanding receivables from HHIC-Phil. The excess of the settlement amount over the carrying value of loans receivable amounting to P890 was recognized as Gain on extinguishment of loan. This amount is net of Asset Purchase Agreement-related taxes and fees amounting to P390. In 2023, the Bank recovered the amount from HHIC-Phil and was recognized as Gain on extinguishment of loan under Miscellaneous income in the statement of profit or loss.

Miscellaneous income classified as Others includes rebates, penalty charges and other income items that cannot be appropriately classified under any of the foregoing income accounts.

24.2 Miscellaneous Expenses

	Group					
	2023		2022		2021	
Insurance	**P**	**1,821**	P	1,543	P	1,215
Credit card-related expenses		**1,756**		1,302		1,114
Service and processing fees		**845**		776		540
Litigation/assets acquired expenses		**823**		600		739
Communication and information services		**631**		582		604
Management and other professional fees		**539**		505		514
Advertising and publicity		**501**		322		324
Banking fees		**417**		376		319
Employee activities		**302**		315		308
Stationery and office supplies		**208**		140		118
Information services		**204**		111		122
Donation and charitable contribution		**182**		107		79
Transportation and travel		**167**		225		133
Other outside services		**132**		122		135
Representation and entertainment		**51**		55		15
Fines and penalties		**33**		137		178
Membership fees		**22**		21		17
Christmas expenses		**14**		13		6
Others		**635**		695		369
	P	**9,283**	P	7,947	P	6,849

	Parent Company					
	2023		2022		2021	
Insurance	**P**	**1,819**	P	1,541	P	1,213
Credit card-related expenses		**1,744**		1,279		1,655
Service and processing fees		**1,581**		1,418		540
Litigation/assets acquired expense		**818**		589		729
Communication and information services		**604**		552		572
Advertising and publicity		**499**		318		321
Management and other professional fees		**495**		465		438
Banking fees		**412**		370		316
Employee activities		**300**		314		306
Stationery and office supplies		**204**		135		115
Information services		**204**		110		121
Transportation and travel		**151**		213		126
Other outside services		**132**		122		135
Donations and charitable contributions		**108**		106		79
Representation and entertainment		**42**		48		11
Fines and penalties		**31**		136		173
Membership fees		**20**		19		16
Christmas expenses		**14**		13		6
Others		**613**		660		324
	P	**9,791**	P	8,408	P	7,196

The Group's other expenses are composed of freight, various processing fees, fines and penalties, and seasonal giveaways. The Group and Parent Company's other expenses also include fees for records, facilities and management services to a related party under common control amounting to P387, P362, and P298 in 2023, 2022 and 2021, respectively (see Note 27).

25. INCOME AND OTHER TAXES

Under Philippine tax laws, the regular banking unit (RBU) of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as Taxes and Licenses in the statements of profit or loss), as well as income taxes. Percentage and other taxes paid consist principally of the gross receipts tax (GRT) and documentary stamp tax (DST).

RA No. 9238, which was enacted on February 10, 2004, provides for the reimposition of GRT on banks and non-bank financial intermediaries performing quasi-banking functions and other non-bank financial intermediaries beginning January 1, 2004.

The recognition of liability of the Parent Company and certain subsidiaries for GRT is based on the related regulations issued by the tax authorities.

Income taxes include the regular corporate income tax (RCIT), and final tax paid at the rate of 20%, which represents the final withholding tax on gross interest income from government securities and other deposit substitutes.

Interest allowed as a deductible expense is reduced by an amount equivalent to certain percentage of interest income subjected to final tax. Minimum corporate income tax (MCIT) of 1% or 2% on modified gross income is computed and compared with the RCIT. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against regular income tax liability in the next three consecutive years. In addition, ordinarily, the Group's net operating loss carry over (NOLCO) is allowed as a deduction from taxable income in the next three consecutive years.

However, pursuant to Section 4 (bbb) of Bayanihan to Recover as One (BARO) Act and as implemented under Revenue Regulation 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2021 and 2022 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Effective May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10% gross income tax.

Interest income on deposits with other FCDUs and offshore banking units is subject to 15.0% final tax effective January 1, 2018.

In 2023, 2022 and 2021, the Group opted to continue claiming itemized deductions for income tax purposes.

The Parent Company's foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the countries and/or jurisdictions where they operate.

25.1 Current and Deferred Taxes

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Company.

- RCIT was reduced from 30% to 25% starting July 1, 2020;
- MCIT was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- The allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

Starting July 1, 2023, corporations, excluding non-profit proprietary educational institutions and hospitals, and non-resident foreign corporations, will be subject to the original 2% MCIT rate based on their gross income.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax return of the Parent Company, would be lower by P165 and P151, respectively, than the amount presented in the 2020 financial statements and such amount was charged to 2021 profit or loss.

In 2021, the recognized net deferred tax assets as of December 31, 2020 was remeasured using the 25% tax rate. This resulted in a decline in the recognized deferred tax asset as of December 31, 2020 by P508 and P460 for the Group and Parent, respectively, and such was recognized in the 2021 profit or loss. There are no similar transactions in 2022 and 2023.

The tax expense as reported in the statements of profit or loss consists of:

	Group		
	2023	2022	2021
Current tax expense:			
Final tax	**P 2,659**	P 1,564	P 635
Excess MCIT over RCIT	**452**	252	228
RCIT at 25%	**222**	286	192
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(165)
	3,333	2,102	890
Deferred tax income arising from:			
Origination and reversal of temporary differences	**(2,035)**	(534)	(670)
Effect of change in income tax rate	**-**	-	508
	(2,035)	(534)	(162)
	P 1,298	P 1,568	P 728

	Parent Company		
	2023	2022	2021
Current tax expense:			
Final tax	**P 2,578**	P 1,553	P 618
Excess MCIT over RCIT	**431**	251	226
RCIT at 25%	**117**	209	80
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(151)
	3,126	2,013	773
Deferred tax income arising from:			
Origination and reversal of temporary differences	**(1,843)**	(495)	(708)
Effect of change in income tax rate	**-**	-	460
	(1,843)	(495)	(248)
	P 1,283	P 1,518	P 525

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is as follows:

	Group		
	2023	2022	2021
Tax on pretax profit at at 25%	**P 3,379**	P 3,412	P 1,952
Adjustments for income subjected to lower income tax rates	**(2,702)**	(399)	(108)
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	343
Tax effects of:			
Non-deductible expenses	**1,268**	504	406
Non-taxable income	**(699)**	(562)	(680)
Unrecognized temporary differences	**(692)**	(852)	(396)
Excess MCIT over RCIT	**431**	252	228
FCDU income	**296**	(780)	(402)
Recognition of previously unrecognized deferred tax asset	**-**	-	(614)
Others	**17**	(7)	(1)
	P 1,298	P 1,568	P 728

	Parent Company		
	2023	2022	2021
Tax on pretax profit at at 25%	**P 3,375**	P 3,399	P 1,902
Adjustments for income subjected to lower income tax rates	**(2,757)**	(397)	(104)
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	309
Tax effects of:			
Non-deductible expenses	**1,227**	481	239
Unrecognized temporary differences	**(684)**	(925)	(404)
Non-taxable income	**(605)**	(511)	(627)
Excess MCIT over RCIT	**431**	251	226
FCDU income	**296**	(780)	(402)
Recognition of previously unrecognized deferred tax asset	**-**	-	(614)
	P 1,283	P 1,518	P 525

The deferred tax assets of the Group recognized in the consolidated statements of financial position as of December 31, 2023 and 2022 relate to the operations of the Parent Company and certain subsidiaries as shown in the succeeding page.

	Statements of Financial Position		Statements of Profit or Loss		
	2023	2022	**2023**	2022	2021
Allowance for impairment	**P 3,360**	P 2,925	**P 435**	P 140	(P 49)
Post-employment benefit obligation	**1,387**	83	**1,304**	(19)	(36)
Excess MCIT over RCIT	**990**	538	**452**	252	281
NOLCO	**38**	194	**(156)**	161	(34)
Deferred tax assets – net	**P 5,775**	P 3,740			
Deferred tax income – net			**P 2,035**	P 534	P 162

The deferred tax assets of the Parent Company recognized in its statements of financial position as of December 31, 2023 and 2022 is shown below.

	Statement of Financial Position		Statements of Profit of Loss		
	2023	2022	**2023**	2022	2021
Allowance for impairment	**P 3,018**	P 2,747	**P 271**	P 99	(P 33)
Post-employment benefit obligation	**1,387**	91	**1,296**	(15)	22
Excess MCIT over RCIT	**908**	477	**431**	251	226
NOLCO	**38**	193	**(155)**	160	33
Deferred tax assets	**P 5,351**	P 3,508			
Deferred tax income – net			**P 1,843**	P 495	P 248

The Parent Company and certain subsidiaries have not recognized deferred tax assets on certain temporary differences since management believes that the Parent Company and certain subsidiaries may not be able to generate sufficient taxable profit in the future against which the tax benefits arising from those deductible temporary differences, NOLCO and other tax credits can be utilized.

The unrecognized deferred tax assets relate to the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Allowance for impairment	**P 1,551**	P 1,551	**P 759**	P 1,190
Post-employment benefit obligation	**406**	406	**-**	402
NOLCO	**221**	221	**-**	-
Excess MCIT over RCIT	**33**	33	**-**	-
	P 2,211	P 2,211	**P 759**	P 1,592

Consequently, deferred tax liabilities were also not recognized on certain taxable temporary differences as the settlement of those can be offset by the available deductible temporary differences in the future.

In addition, deferred tax liabilities on accumulated translation adjustments, relating to its foreign subsidiaries were not recognized since their reversal can be led, and it is probable that the temporary difference will not reverse in the foreseeable future.

NOLCO can be claimed as deduction from future taxable income within three and five years from the year the taxable loss was incurred. In accordance with BARO Act, NOLCO incurred in 2020 and 2021 can be claimed as a deduction from the gross income until 2025 and 2026, respectively. The details of the Group's NOLCO are shown in the succeeding page.

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2023	P 209	P -	P -	P 209	2026
2022	749	490	-	259	2025
2021	416	316	-	100	2026
2020	25	-	-	25	2025
	P 1,399	**P 806**	**P -**	**P 593**	

The details of the Parent Company's NOLCO are shown below:

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2022	P 640	P 490	P -	P 150	2025
2021	132	132	-	-	2026
	P 772	**P 622**	**P -**	**P 150**	

The breakdown of the Group's excess MCIT over RCIT with the corresponding validity periods follows:

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2023	P 438	P -	P -	P 438	2026
2022	264	-	-	264	2025
2021	230	-	-	230	2024
2020	8	-	8	-	2023
	P 940	**P -**	**P 8**	**P 932**	

The breakdown of the Parent Company's excess MCIT over RCIT with the corresponding validity periods follows:

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2023	P 431	P -	P -	P 431	2026
2022	251	-	-	251	2025
2021	226	-	-	226	2024
	P 908	**P -**	**P -**	**P 908**	

25.2 Supplementary Information Required Under Revenue Regulation No. 15-2010

The Bureau of Internal Revenue (BIR) issued RR 15-2010 on November 25, 2010 which require certain tax information to be disclosed as part of the notes to financial statements. Such supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the SEC rules and regulations covering form and content of financial statements under the Revised Securities Regulation Code Rule 68.

The Parent Company presented this tax information required by the BIR as a supplemental schedule filed separately from the basic financial statements.

26. TRUST OPERATIONS

The Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The resources, liabilities and income or loss arising thereon are excluded from these financial statements, as these are neither resources nor income of the Group.

Securities and properties (other than deposits) held by the Parent Company in fiduciary or agency capacity for its customers are not included in the financial statements, since these are not resources of the Parent Company. The Group and Parent Company's total trust resources amounted to P155,705 and P143,170 as of December 31, 2023 and 2022, respectively (see Note 33).

Investment in government securities which are shown as part of Investment securities at amortized cost (see Note 10.3) with a total face value of P1,324 and P1,489 as of December 31, 2023 and 2022, respectively, for both the Group and the Parent Company are deposited with the BSP as security for faithful compliance with fiduciary obligations.

Income from trust operations, shown as Trust fees under Other Operating Income account, amounted to P423, P415 and P392 in 2023, 2022 and 2021, respectively, in the Group and Parent Company's statements of profit or loss.

On November 28, 2022, the Parent Company's BOD approved the spin-off of the Bank's Trust operations into a separate corporate entity, which materialized on March 27, 2023 when RTC was incorporated to become a separate trust corporation, which commenced operations in January 2, 2024 (see Note 1.1).

27. RELATED PARTY TRANSACTIONS

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

The RPT Committee, which meet monthly and as necessary, review proposed RPT within the materiality threshold to determine whether or not the transaction is on terms no less favorable to the Group than terms available to any unconnected third party under the same or similar circumstances. On favorable review, the RPT Committee endorse transactions to the BOD for approval.

All material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Transactions amounting to 10% or more of the consolidated total resources based on the latest audited consolidated financial statements entered into with related parties are considered material

A summary of the Group and Parent Company's transactions and outstanding balances of such transactions with related parties as of and for the years ended December 31, 2023, 2022 and 2021 is presented below.

		Group					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**P 1,860**	**P 1,896**	(P 2,299)	P 36	(P 5)	P 2,335
Loans and receivables	27.2	**-**	**-**	(96)	-	(55)	96
Deposit liabilities	27.3	**840**	**3,510**	670	2,670	745	2,000
Bills payable	27.6	**14,160**	**14,160**	-	-	-	-
Interest expense on deposits	27.3	**60**	**-**	46	-	15	-
Cash received from issuance of shares of stock	22.3	**9,287**	**-**	-	-	4,369	-
Interest income from loans and receivables	27.2	**-**	**-**	-	-	9	-
Associates							
Loans and receivables	27.2	**104**	**104**	-	-	(203)	-
Deposit liabilities	27.3	**553**	**669**	33	116	(984)	83
Interest expense on deposits	27.3	**12**	**-**	2	-	1	-
Sale of investment securities	27.4	**4,410**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,414**	**-**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**(424)**	**3,173**	2,782	3,597	(2,818)	815
Deposit liabilities	27.3	**6,204**	**13,229**	4,009	7,025	397	3,016
Interest income from loans and receivables	27.2	**176**	**-**	98	-	37	-
Interest expense on deposits	27.3	**105**	**-**	56	-	24	-
Gain on assets sold	27.7(a)	**3,106**	**-**	2,352	-	-	-
Occupancy and equipment-related expenses	27.7(b)	**1,436**	**-**	6,997	2,426	967	-
Miscellaneous expenses – others	24.2	**387**	**-**	362	-	298	-

		Group					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**P 7**	**P 41**	P 14	P 34	(P 8)	P 20
Deposit liabilities	27.3	**337**	**762**	106	425	75	319
Interest expense on deposits	27.3	**7**	**-**	4	-	2	-
Salaries and employee benefits	27.7(g)	**582**	**-**	565	-	538	-
Other Related Interests							
Loans and receivables	27.2	**2,506**	**23,421**	1,903	20,915	10,466	19,012
Deposit liabilities	27.3	**(54)**	**13,752**	8,372	13,806	914	5,434
Interest income from loans and receivables	27.2	**855**	**-**	824	-	716	-
Interest expense on deposits	27.3	**133**	**-**	137	-	33	-
Occupancy and equipment-related expenses	27.7(b)	**434**	**-**	-	-	-	-
Other resources – net	15.1	**2,673**	**2,139**	-	-	-	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**P 1,860**	**P 1,896**	(P 2,299)	P 36	(P 5)	P 2,335
Loans and receivables	27.2	**-**	**-**	(96)	-	(55)	96
Deposit liabilities	27.3	**840**	**3,510**	670	2,670	745	2,000
Bills payable	27.6	**14,160**	**14,160**	-	-		-
Interest expense on deposits	27.3	**60**	**-**	46	-	15	-
Cash received from reissuance of treasury shares	22.3	**9,287**	**-**	-	-	4,269	-
Interest income from loans and receivables	27.2	**-**	**-**	-	-	9	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Subsidiaries							
Loans and receivables	27.2	**40**	**40**	-	-	-	-
Deposit liabilities	27.3	**426**	**1,919**	(1,159)	1,493	2,211	2,652
Interest expense on deposits	27.3	**8**	**-**	6	-	6	-
Dividend	12	**92**	**-**	71	-	524	-
Rental income	27.7(a)	**68**	**-**	62	-	60	-
Occupancy and equipment-related expenses	27.7(a)	**473**	**-**	436	-	420	-
Service and processing fees	27.7(b)	**744**	**-**	650	-	564	-
Sale of investment securities	27.4	**828**	**-**	1,780	-	1,034	-
Purchase of investment securities	27.4	**2**	**-**	620	-	497	-
Assignment of receivables	11	**(22)**	**105**	-	127	(20)	127
Associates							
Loans and receivables	27.2	**104**	**104**	-	-	(203)	-
Deposit liabilities	27.3	**553**	**669**	15	116	(984)	101
Interest expense on deposits	27.3	**12**	**-**	2	-	1	-
Sale of investment securities	27.4	**4,410**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,414**	**-**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**(424)**	**3,173**	2,782	3,597	(2,818)	815
Deposit liabilities	27.3	**6,204**	**13,229**	2,112	7,025	(1,483)	4,913
Interest income from loans and receivables	27.2	**176**	**-**	98	-	37	-
Interest expense on deposits	27.3	**105**	**-**	56	-	24	-
Gain on assets sold	27.7(a)	**3,106**	**-**	2,352	-	-	-
Occupancy and equipment-related expenses	27.7(b)	**1,433**	**-**	6,985	2,426	961	-
Miscellaneous expenses – others	24.2	**387**	**-**	362	-	298	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**P 4**	**P 30**	P 11	P 26	P 14	P 15
Deposit liabilities	27.3	**345**	**758**	107	413	62	306
Interest expense on deposits	27.3	**7**	**-**	4	-	2	-
Salaries and employee benefits	27.7(g)	**395**	**-**	334	-	335	-
Other Related Interests							
Loans and receivables	27.2	**2,501**	**23,399**	1,886	20,898	10,466	19,012
Deposit liabilities	27.3	**(49)**	**13,749**	5,794	13,798	3,484	8,004
Interest income from loans and receivables	27.2	**854**	**-**	823	-	716	-
Interest expense on deposits	27.3	**133**	**-**	137	-	33	-
Occupancy and equipment-related expenses	27.7(b)	**432**	**-**	-	-	-	-
Other resources – net	15.1	**2,673**	**2,139**	-	-	-	-

27.1 Due from Other Banks

The outstanding balances for due from other banks with certain Directors, Officers, Stockholders and Related Interests (DOSRIs) as of and for the periods ended December 31, 2023, 2022 and 2021 amounted to P1,896, P36, and P2,335, respectively.

27.2 Loans and Receivables

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for loans and receivables with its related parties as of and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	Group			
Related Party Category	**Issuances**	**Repayments**	**Interest Income**	**Loans Outstanding**
2023:				
Stockholders	P -	P -	P -	P -
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	21	14	-	41
Other related interests	7,820	5,314	855	23,421
	P 8,645	**P 6,452**	**P 1,031**	**P 26,739**
2022:				
Stockholders	P -	P 96	P -	P -
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	16	2	-	34
Other related interests	4,276	2,373	824	20,915
	P 9,652	P 5,049	P 922	P 24,546
2021:				
Stockholders	P -	P 55	P 9	P 96
Associates	-	203	-	-
Related parties under common ownership	360	3,178	37	815
Key management personnel	2	10	-	20
Other related interests	12,827	2,361	716	19,012
	P 13,189	P 5,807	P 762	P 19,943

	Parent Company			
Related Party Category	**Issuances**	**Repayments**	**Interest Income**	**Loans Outstanding**
2023:				
Stockholders	P -	P -	P -	P -
Subsidiaries	40	-	-	40
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	4	-	-	30
Other related interests	7,797	5,296	854	23,399
	P 8,645	**P 6,420**	**P 1,030**	**P 26,746**

Related Party Category	Parent Company Issuances	Repayments	Interest Income	Loans Outstanding
2022:				
Stockholders	P -	P 96	P -	P -
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	12	1	-	26
Other related interests	4,247	2,361	823	20,898
	P 9,619	P 5,036	P 921	P 24,521
2021:				
Stockholders	P -	P 55	P 9	P 96
Associates	-	203	-	-
Related parties under common ownership	360	3,178	37	815
Key management personnel	15	1	-	15
Other related interests	12,827	2,361	716	19,012
	P 13,202	P 5,798	P 762	P 19,938

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

As of December 31, 2023, 2022 and 2021, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2023, 2022 and 2021, the Group has not recognized impairment loss on loans and receivables from DOSRI.

27.3 Deposit Liabilities

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for deposit liabilities with its related parties as of and for the years ended December 31, 2023, 2022 and 2021 are as follows (see Note 17):

Related Party Category	**Group Deposits**	**Withdrawals**	**Interest Expense**	**Outstanding Balance**
2023:				
Stockholders	P 10,505	P 9,665	P 60	P 3,510
Associates	49,646	49,093	12	669
Related parties under common ownership	200,946	194,742	105	13,229
Key management personnel	862	525	7	762
Other related interests	192,634	192,688	133	13,752
	P 454,593	**P 446,713**	**P 317**	**P 31,922**

Related Party Category	Group Deposits		Group Withdrawals		Group Interest Expense		Group Outstanding Balance	
2022:								
Stockholders	P	10,299	P	9,629	P	46	P	2,670
Associates		48,691		48,658		2		116
Related parties under common ownership		198,903		194,894		56		7,025
Key management personnel		844		738		4		425
Other related interests		191,435		183,063		137		13,806
	P	450,172	P	436,982	P	245	P	24,042
2021:								
Stockholders	P	10,349	P	9,604	P	15	P	2,000
Associates		50,457		51,459		1		83
Related parties under common ownership		199,399		200,899		24		3,016
Key management personnel		840		765		2		319
Other related interests		186,805		185,891		33		5,434
	P	447,850	P	448,618	P	75	P	10,852

Related Party Category	**Parent Company Deposits**		**Parent Company Withdrawals**		**Parent Company Interest Expense**		**Parent Company Outstanding Balance**	
2023:								
Stockholders	P	10,505	P	9,665	P	60	P	3,510
Subsidiaries		144,725		144,299		8		1,919
Associates		49,646		49,093		12		669
Related parties under common ownership		200,946		194,742		105		13,229
Key management personnel		862		517		7		758
Other related interests		192,634		192,683		133		13,749
	P	**599,318**	**P**	**590,999**	**P**	**325**	**P**	**33,834**
2022:								
Stockholders	P	10,299	P	9,629	P	46	P	2,670
Subsidiaries		141,887		143,046		6		1,493
Associates		48,673		48,658		2		116
Related parties under common ownership		197,006		194,894		56		7,025
Key management personnel		845		738		4		413
Other related interests		188,857		183,063		137		13,798
	P	587,567	P	580,028	P	251	P	25,515
2021:								
Stockholders	P	10,349	P	9,604	P	15	P	2,000
Subsidiaries		143,387		141,176		6		2,652
Associates		48,173		49,157		1		101
Related parties under common ownership		195,506		196,989		24		4,913
Key management personnel		825		763		2		306
Other related interests		187,707		184,223		33		8,004
	P	585,947	P	581,912	P	81	P	17,976

Deposit liabilities transactions with related parties have similar terms with third party depositors.

27.4 Sale and Purchase of Securities

The Parent Company and certain subsidiaries engage in the trading of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period.

27.5 Retirement Fund

The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by the Parent Company's TIG in accordance with the respective trust agreements covering the plan.

The retirement funds have transactions with the Group and Parent Company as of December 31, 2023, 2022 and 2021 as follows:

	Group		Parent Company	
Nature of Transactions	**Net Amount of Transaction**	**Outstanding Balance**	**Net Amount of Transaction**	**Outstanding Balance**
2023:				
Investment in common shares of Parent Company	**(P 862)**	**P 393**	**(P 862)**	**P 387**
Investments in corporate debt securities of Parent Company	**(2)**	**-**	**-**	**-**
Deposits with the Parent Company	**4**	**38**	**(4)**	**-**
Fair value gains	**(12)**	**-**	**(12)**	**-**
Interest income	**2**	**-**	**-**	**-**
Post-employment benefit asset	**3,127**	**2,665**	**3,127**	**2,665**
2022:				
Investment in common shares of Parent Company	P 215	P 1,255	P 214	P 1,249
Investments in corporate debt securities of Parent Company	(2)	2	-	-
Deposits with the Parent Company	(49)	34	(49)	4
Fair value gains	1	-	191	-
Interest income	1	-	-	-
2021:				
Investment in common shares of Parent Company	P 23	P 1,040	P 58	P 1,035
Investments in corporate debt securities of Parent Company	(558)	4	(498)	-
Deposits with the Parent Company	46	83	30	53
Fair value gains	58	-	58	-

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 23.2). The sale qualified as a sale and leaseback and was accounted under PFRS 16. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively. Lease payments made on the lease amounted to P321 during 2023.

The carrying amount and the composition of the plan assets as of December 31, 2023, 2022 and 2021 are disclosed in Note 23.2. Investments in corporate debt securities include LTNCD issued by the Parent Company.

The information on the Group and Parent Company's contributions to the retirement fund and benefit payments through the fund are disclosed in Note 23.2.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments in its own shares of stock covered by any restriction and liens.

27.6 Bills Payable

The outstanding balances for bills payable with its related parties as of and for the periods ended December 31, 2023 amounted to P14,160. There are no similar transactions as of December 31, 2022 and 2021.

27.7 Other Related Party Transactions

(a) Sale of ATYC to ATYCI

In 2022, the Parent Company sold to ATYCI and immediately leased back from the later a portion of its bank premises and investment properties pertaining to ATYC (see Notes 13 and 14).

(b) Lease Contracts with ATYCI and RRC and Sublease Agreement with Subsidiaries

The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC [see Note 28.3(b)]. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI [see Notes 13 and 27.5 (a)]. Amortization of right-of-use of asset amounted to P719 and P400 for the years ended December 31, 2023 and 2022, respectively, and are presented as part of Depreciation and Amortization account in the statements of profit or loss. The Parent Company's lease contract with RRC and ATYCI is effective until December 31, 2025 and September 30, 2027, respectively.

The Parent Company entered into sublease agreements with certain subsidiaries which occupy several floors of RCBC Plaza. Rental income by Parent Company related to these sublease arrangements is included as part of Rentals under the Miscellaneous income account in the statements of profit or loss (see Notes 14.2 and 24.1). The outstanding receivable on the lease contracts, if any, is presented as part of Accounts receivable under Loans and Receivables account in the statements of financial position (see Note 11). The related outstanding receivable is unsecured, noninterest-bearing and payable in cash on demand. Management believes that the receivables on the sublease agreements are fully recoverable.

(c) Service Agreement with RBSC

The Parent Company has Service Agreement (the Agreement) with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of the Parent Company's credit card, and personal and salary loans business. The total service processing fees incurred by the Parent Company is recognized as part of the Service and processing fees under the Miscellaneous expenses account in the statements of profit or loss (see Note 24.2). The outstanding payable related to the service agreement is presented as part of Accounts payable under Other Liabilities account in the statements of financial position (see Note 21). The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.

(d) Increase in Shareholding of SMBC

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share. The additional capital infusion was made on July 31, 2023 (see Notes 22.1 and 22.2).

(e) Donation of Properties from NPHI to RCBC

On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Bank certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Bank to PMMIC for a total consideration amounting to P57.

(f) Sale of Tarlac Property to a Subsidiary of HOI

On December 29, 2023, the Parent Company sold a property located in Tarlac with a selling price of P2,673 and a carrying amount of P385 resulting to a P2,288 gain, presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss (see Note 15.1).

(g) Key Management Personnel Compensation

The breakdown of key management personnel compensation follows:

	Group		
	2023	2022	2021
Short-term employee benefits	**P 566**	P 555	P 526
Post-employment defined benefits	**16**	10	12
	P 582	P 565	P 538

	Parent Company		
	2023	2022	2021
Short-term employee benefits	**P 395**	P 334	P 335

28. COMMITMENTS AND CONTINGENCIES

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

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

28.1 Alleged Unauthorized Transfer of Funds – Bank of Bangladesh

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

28.1.1 U.S. Litigation relating to the Bangladesh Bank Incident

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

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

The Bank timely filed its Answer within the extension period granted by the NY State Court. The Bank likewise participated in the May 16, 2023 court-mandated mediation; which, however, failed and was terminated. The parties are currently availing of the different modes of discovery as directed by the NY State Court.

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

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

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

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

28.1.3 Philippine Litigation Relating to the Bangladesh Bank Incident

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

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

28.2 HHIC-Phil Rehabilitation Proceedings

On January 9, 2019, HHIC-Phil filed a Petition for corporate rehabilitation under R.A. No. 10142, the *Financial Rehabilitation and Insolvency Act of 2010*, which was given due course by the Regional Trial Court, Branch 72, Olongapo City (the "Rehabilitation Court").

After negotiating with HHIC-Phil/HHIC-Korea, which resulted in the creditors or Rehabilitation Court-approved Modified Rehabilitation Plan with Clarifications ("MRP-C"), the Bank and four (4) other creditor banks successfully negotiated the sale of the Subic Shipyard/certain other assets to third-party buyers, as called for by the MRP-C. In the Order dated December 6, 2021, the Rehabilitation Court approved the Asset Purchase Agreement ("APA") dated October 5, 2021.

In April 2022, the outstanding loan obligation of HHIC-Phil to the Bank has been fully settled.

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

28.3 Lease Commitments – Group as a Lessor

a. *Finance Lease*

The Group, as a lessor, enters into finance leases covering various equipment and vehicles with lease term ranging one to more than five years. To manage its risks over these finance leases, the Group retains its legal title over the underlying assets and are used as securities over the finance lease receivables. The Group's future minimum lease payments receivable (MLPR) under this finance lease together with the present value of net minimum lease payments receivable (NMLPR) are shown below:

	2023		2022	
	Future MLPR	**PV of NMLPR**	Future MLPR	PV of NMLPR
Within one year	**P 244**	**P 233**	P 923	P 867
After one year but not more than two years	**521**	**474**	571	503
After two years but not more than three years	**622**	**531**	252	209
After three years but not more than four years	**143**	**117**	69	54
After four years but not more than five years	**289**	**222**	25	18
More than five years	**13**	**10**	3	2
Total MLPR	**1,832**	**1,587**	1,843	1,653
Unearned lease income	**(245)**	**-**	(190)	-
Present value of MLPR	**P 1,587**	**P 1,587**	P 1,653	P 1,653

The only change in the carrying amount of the net investment in finance leases during the year is the amortization of finance income. The net investment relating to this finance lease is presented as Lease contract receivables under Loans and Receivables account in the statements of financial position (see Note 11). The interest income from the finance leases amount to P323, P202, and P319 in 2023, 2022 and 2021, respectively and is presented as part of is recognized as part of Interest Income in the statements of profit or loss (see Note 11).

b. *Operating Lease*

Prior to the sale of the ATYC, the Group and Parent Company has entered into various lease contracts related to this property, with lease terms ranging from one to five years and with monthly rent depending on market price with 6% escalation rate every year. Moreover, RRC entered into several lease agreements for lease of machineries and equipment for a period of one to more than five years. Total rent income earned from these leases amounted to P424, P872, and P926 in 2023, 2022, and 2021, respectively, which are presented as Rentals under the Miscellaneous Income account in the statements of profit or loss (see Note 24.1).

The Group is subject to risk incidental to the leasing operations which include, among others, changes in the market rental rates, inability to renew leases upon lease expiration and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. To mitigate these risks, lessees pay guarantee deposit ranging from 10% to 20% of the value of the leased assets, which is forfeited in case a lessee pre-terminates without prior notice or before the expiry of lease terminate without cause.

There are no variable lease rentals as of December 31, 2023, 2022, and 2021.

The Group's and Parent Company's future minimum rental receivables under this non-cancellable operating lease arrangement are as follows:

	Group		
	2023	2022	2021
Within one year	**P 338**	P 598	P 1,347
After one year but not more than two years	**312**	444	959
After two years but not more three five years	**126**	392	718
After three years but not more than four years	**31**	173	583
After four years but not more than five years	**7**	13	257
More than five years	**-**	-	45
	P 814	P 1,620	P 3,909

	Parent Company		
	2023	2022	2021
Within one year	**P -**	P -	P 498
After one year but not more than two years	**-**	-	421
After two years but not more three five years	**-**	-	269
After three years but not more than four years	**-**	-	182
After four years but not more than five years	**-**	-	72
More than five years	**-**	-	13
	P -	P -	P 1,455

28.4 Capital Commitments

As of December 31, 2023 and 2022, the Group and Parent bank has no contractual commitment for the acquisition of Bank premises, furniture, fixtures and equipment, Intangible assets, and Investment properties (see Notes 13, 14 and 15).

29. EARNINGS PER SHARE

The following shows the Group's profit and per share data used in the basic and diluted EPS computations for the three years presented:

	2023	2022	2021
Net profit attributable to Parent Company's shareholders	**P 12,218**	P 12,080	P 7,082
Dividends paid to preferred shareholders and distributions allocated to holders of hybrid perpetual securities	**(1,068)**	(1,037)	(964)
	11,150	11,043	6,118
Weighted average number of outstanding common shares of stock	**2,198**	2,037	1,979
Basic and diluted EPS	**P 5.07**	P 5.42	P 3.09

The convertible preferred shares did not have a significant impact on the EPS for each of the periods presented. The Group and the Parent Company has no potential dilutive shares as of the end of each reporting period.

30. SUPPLEMENTARY INFORMATION TO STATEMENTS OF CASH FLOWS

Significant non-cash transaction of the Group and the Parent Company includes additional leases under PFRS 16 as discussed in Notes 13 and 27; disposals of bank premises and investment properties as discussed in Notes 13 and 14; sale and leaseback of properties to Frame Properties, Inc. for a 100% ownership which was subsequently transferred to retirement fund as discussed in Notes 13 and 27.4; reclassifications between investment properties to NCAHS as discussed in Notes 14 and 15; additions of real properties, chattel properties and other assets through foreclosures, dacion in payment and repossessions as discussed in Notes 14.1 and 15; and, partial settlement of certain loan in exchange of equity securities as discussed in Note 15.

In 2023, the Parent Company sold a property located in Tarlac with a total selling price of P2,673, which is paid partly in cash and through issuance of sales contract receivables [see Notes 14, 15 and 27.7 (f)]. In 2022, the Parent Company disposed of a portion of its bank premises and investment properties with total selling price P6,065, which is paid partly in cash and through issuance of notes receivables [see Notes 11, 13, 14 and 27.7(a)].

On July 14, 2023, the Parent Company sold NPHI and Cajel to FLI for a total consideration price of P544, broken down into cash amounting to P190 and loans receivable amounting to P364 (see Note 12).

Presented below is the reconciliation of the Group and Parent Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Group				
	Bills Payable (see Note 18)	Bonds Payable (see Note 19)	Lease Liabilities (see Note 21)	Hybrid Perpetual Securities (see Note 22.4)	Total Financing Activities
Balance at January 1, 2023	P 66,660	P 74,411	P 5,500	P 14,463	P 161,034
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(29,767)	(39,041)	(2,131)	-	(70,939)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,983	-	2,983
Foreign exchange (losses)	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	335	-	354
Balance at December 31, 2023	**P 50,858**	**P 34,939**	**P 6,687**	**P 14,463**	**P 106,947**
Balance at January 1, 2022	P 55,904	P 87,215	P 4,050	P 14,463	P 161,632
Cash flow from financing activities:					
Availments/proceeds from issuance	62,142	14,756	-	-	76,898
Payments/redemption	(52,865)	(31,170)	(2,265)	-	(86,300)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,526	-	3,526
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	189	-	241
Balance at December 31, 2022	P 66,660	P 74,411	P 5,500	P 14,463	P 161,034

	Group				
	Bills Payable (see Note 18)	Bonds Payable (see Note 19)	Lease Liabilities (see Note 21)	Hybrid Perpetual Securities (see Note 22)	Total Financing Activities
Balance at January 1, 2021	P 13,167	P 90,439	P 4,385	P 14,463	P 122,454
Cash flow from financing activities:					
Availments/proceeds from issuance	148,820	17,873	-	-	166,693
Payments/redemption	(104,018)	(18,810)	(1,360)	-	(124,188)
Non-cash financing activities:					
Additional lease liabilities	-	-	855	-	855
Foreign exchange gains	(2,065)	(2,312)	-	-	(4,377)
Amortization of discount and interest	-	25	170	-	195
Balance at December 31, 2021	P 55,904	P 87,215	P 4,050	P 14,463	P 161,632

	Parent Company				
	Bills Payable (see Note 18)	**Bonds Payable (see Note 19)**	**Lease Liabilities (see Note 21)**	**Hybrid Perpetual Securities (see Note 22.4)**	**Total Financing Activities**
Balance at January 1, 2023	P 58,391	P 74,411	P 5,913	P 14,463	P 153,178
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(28,399)	(39,491)	(2,044)	-	(69,934)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,976	-	2,976
Lease termination	-	-	(178)	-	(178)
Foreign exchange losses	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	362	-	381
Balance at December 31, 2023	**P 43,957**	**P 34,489**	**P 7,029**	**P 14,463**	**P 99,938**
Balance at January 1, 2022	P 46,399	P 87,215	P 4,479	P 14,463	P 152,556
Cash flow from financing activities:					
Availments/proceeds from issuance	55,380	14,756	-	-	70,136
Payments/redemption	(44,867)	(31,170)	(2,189)	-	(78,226)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,551	-	3,551
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	72	-	115
Balance at December 31, 2022	P 58,391	P 74,411	P 5,913	P 14,463	P 153,178
Balance at January 1, 2021	P 4,200	P 90,439	P 4,319	P 14,463	P 113,421
Cash flow from financing activities:					
Availments/proceeds from issuance	142,675	17,873	-	-	160,548
Payments/redemption	(98,411)	(18,810)	(1,205)	-	(118,426)
Non-cash financing activities:					
Additional lease liabilities	-	-	1,180	-	1,180
Foreign exchange losses	(2,065)	(2,312)	-	-	(4,377)
Amortization of discount and interest	-	25	185	-	210
Balance at December 31, 2021	P 46,399	P 87,215	P 4,479	P 14,463	P 152,556

31. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	2023					
	Group			Parent Company		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	P 19,875	P -	P 19,875	P 19,812	P -	P 19,812
Due from BSP	94,369	57,393	151,762	93,714	57,057	150,771
Due from other banks	14,526	366	14,892	14,630	-	14,630
Loans and receivables arising from reverse repurchase agreements	35,799	-	35,799	34,948	-	34,948
Interbank loans receivables	27,780	-	27,780	27,780	-	27,780
Financial assets at FVTPL	7,166	4,612	11,778	6,342	4,612	10,954
Financial assets at FVOCI - net	2,256	80,181	82,437	3,814	77,943	81,757
Investments at amortized cost - net	4,385	232,142	236,527	386	235,346	235,732
Loans and other receivables - net	68,481	553,668	622,149	67,251	548,650	615,901
Other resources - net	1,459	-	1,459	1,457	-	1,457
	276,096	928,362	1,204,458	270,134	923,608	1,193,742
Non Financial Assets						
Investment in subsidiaries and associates - net	-	509	509	-	6,401	6,401
Bank premises, furnitures, fixtures and equipment - net	-	9,129	9,129	-	7,805	7,805
Investment properties - net	-	543	543	-	543	543
Deferred tax asset - net	-	5,775	5,775	-	5,351	5,351
Other resources - net	12,764	5,154	17,918	12,523	4,525	17,048
	12,764	21,110	33,874	12,523	24,625	37,148
	P 288,860	**P 949,472**	**P 1,238,332**	**P 282,657**	**P 948,233**	**P 1,230,890**
Financial Liabilities						
Deposit liabilities	P 199,862	P 756,850	P 956,712	P 199,179	P 758,190	P 957,369
Bills payable	44,991	5,867	50,858	42,314	1,643	43,957
Bonds payable	30,809	4,130	34,939	30,809	4,130	34,939
Accrued interest and other expenses	5,985	4,760	10,745	5,695	4,780	10,475
Other liabilities	19,252	9,428	28,680	18,665	9,243	27,908
	300,899	781,035	1,081,934	296,662	777,986	1,074,648
Non Financial Liabilities						
Accrued interest and other expenses	1,337	-	1,337	1,311	-	1,311
Other liabilities	2,747	39	2,786	2,665	-	2,665
	4,084	39	4,123	3,976	-	3,976
	P 304,983	**P 781,074**	**P 1,086,057**	**P 300,638**	**P 777,986**	**P 1,078,624**

	2022					
	Group			Parent Company		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	P 18,078	P -	P 18,078	P 18,024	P -	P 18,024
Due from BSP	112,871	43,793	156,664	111,089	44,251	155,340
Due from other banks	5,080	756	5,836	5,383	-	5,383
Loans and receivables arising from reverse repurchase agreements	8,724	-	8,724	8,552	-	8,552
Interbank loans receivables	19,021	-	19,021	19,021	-	19,021
Financial assets at FVTPL	5,568	1,469	7,037	4,670	1,469	6,139
Financial assets at FVOCI - net	74,914	40,032	114,946	74,914	39,351	114,265
Investments at amortized cost - net	30,482	221,900	252,382	29,508	221,820	251,328
Loans and other receivables - net	54,815	485,033	539,848	53,294	478,899	532,193
Other resources - net	1,204	-	1,204	1,202	-	1,202
	330,757	792,983	1,123,740	325,657	785,790	1,111,447
Non Financial Assets						
Investment in subsidiaries and associates - net	-	379	379	-	7,035	7,035
Bank premises, furnitures, fixtures and equipment - net	-	11,264	11,264	-	9,546	9,546
Investment properties - net	-	2,616	2,616	-	2,488	2,488
Deferred tax asset-net	-	3,740	3,740	-	3,508	3,508
Other resources - net	7,155	5,214	12,369	7,033	3,692	10,725
	7,155	23,213	30,368	7,033	26,269	33,302
	P 337,912	P 816,196	P 1,154,108	P 332,690	P 812,059	P 1,144,749
Financial Liabilities						
Deposit liabilities	P 206,160	P 651,084	P 857,244	P 205,432	P 652,207	P 857,639
Bills payable	59,419	7,241	66,660	57,137	1,254	58,391
Bonds payable	38,823	35,588	74,411	38,824	35,587	74,411
Accrued interest and other expenses	3,365	4,492	7,857	3,361	4,302	7,663
Other liabilities	14,919	10,414	25,333	14,303	9,984	24,287
	322,686	708,819	1,031,505	319,057	703,334	1,022,391
Non Financial Liabilities						
Accrued interest and other expenses	571	-	571	529	-	529
Other liabilities	1,997	3,674	5,671	1,904	3,641	5,545
	2,568	3,674	6,242	2,433	3,641	6,074
	P 325,254	P 712,493	P 1,037,747	P 321,490	P 706,975	P 1,028,465

32. OTHER MATTERS

32.1 Impact of Global Conflicts

The ongoing Russia-Ukraine war since February 24, 2022 led to higher global crude oil and other commodity prices in 2022 which partly bloated the Philippines' imports and trade deficit to record levels. This resulted in elevated inflation worldwide which triggered aggressive Federal rate hikes that supported a strong U.S. dollar earlier in 2022.

This event prompted BSP to implement local policy rate hikes totaling 350 basis points in 2022 and another 50 bps this February 2023 to temper the high domestic inflation and be in sync with US Federal hikes to help manage the peso exchange rate. Further, the BSP also made a surprise 25 basis points off-cycle rate hike effective October 27, 2023, after the Israel-Hamas war started on October 7, 2023; for a total of rate hikes of 450 basis points since May 2022.

The increase in BSP policy rates resulted in higher cost of deposits. It has also led to unrealized mark-to-market losses in FVOCI portfolio which fluctuates according to market condition; unless sold, these losses are recorded as part of the other comprehensive income or loss under Statement of comprehensive income.

The Group has implemented strategies to mitigate the increase in cost by issuances of loans with higher rates and growing low-cost deposits. BSP policy rates are also seen to come down in the second half of 2024 as inflation decelerates.

32.2 Issuance of Sustainability Bonds

On January 10, 2024, the Group priced a US$400 5-year Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its US$3,000 Medium Term Note Program.

The net proceeds from the issue of the Notes will be applied by the Group to support and finance its loans to customers or its own operating activities in eligible green and social categories as defined in the Group's Sustainable Finance Framework.

32.3 Dividend Declaration on Hybrid Perpetual Securities

On January 29, 2024, the BOD approved the dividend declaration amounting to US$9.75 payable on February 27, 2024. This dividend declaration is relative to the Bank's US$300 non-cumulative hybrid perpetual securities payable on a semi-annual basis.

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP

Presented below are the supplementary information required by the BSP under Section 174 (Appendix 55) of the BSP MORB to be disclosed as part of the notes to financial statements based on BSP Circular No. 1074, *Amendments to Regulations on Financial Audit of Banks*.

(a) Selected Financial Performance Indicators

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Group		
	2023	2022	2021
Return on average equity			
Net profit / Average total equity	**9.53%**	11.24%	6.71%
Return on average resources			
Net profit / Average total resources	**1.06%**	1.20%	0.84%
Net interest margin			
Net interest income / Average interest earning resources	**3.43%**	3.70%	4.07%

	Parent Company		
	2023	2022	2021
Return on average equity			
Net profit / Average total equity	**9.52%**	11.24%	6.72%
Return on average resources			
Net profit / Average total resources	**1.07%**	1.21%	0.85%
Net interest margin			
Net interest income / Average interest earning resources	**3.39%**	3.70%	4.06%

(b) *Capital Instruments Issued*

(i) *Common Stock*

As of December 31, 2023, the Parent Company's common stock amounted to P24,195 representing 2,419,536,120 issued common shares as compared to December 31, 2022 common stock amounted to P22,509 representing 2,250,916,144 common shares.

On July 31, 2023, the Bank received a total consideration amount of P27,125 as a capital infusion coming from SMBC which involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 (see Note 22.3). The investment of SMBC resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

(ii) *Preferred Stock*

As of December 31, 2023 and 2022, the Parent Company's issued and outstanding preferred stock amounted to P3 representing 267,410 preferred shares. These preferred shares are voting, non-cumulative, non-redeemable, participating and convertible into common stock.

(iii) *Hybrid Perpetual Securities*

In August 27, 2020, the Parent Company issued US$300 non-cumulative, unsecured, subordinated AT1 capital securities. The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

(c) Significant Credit Exposures for Loans

The Group and Bank's concentration of credit as to industry for its receivables from customers gross of allowance for ECL follows:

	Group					
	2023			2022		
	Amount		Share	Amount		Share
Consumer	**P**	**201,949**	**32%**	P	158,481	29%
Real estate, renting and other related activities		**100,918**	**16%**		80,276	15%
Electricity, gas and water		**70,407**	**11%**		73,970	14%
Wholesale and retail trade		**63,963**	**10%**		69,080	13%
Manufacturing (various industries)		**58,061**	**9%**		50,441	9%
Transportation and communication		**53,146**	**9%**		49,605	9%
Financial intermediaries		**49,479**	**8%**		39,878	7%
Agriculture, fishing, and forestry		**5,076**	**1%**		5,285	1%
Hotels and restaurants		**4,079**	**1%**		4,616	1%
Other community, social and personal activities		**2,847**	**1%**		2,817	1%
Mining and quarrying		**2,243**	**-**		1,193	-
Others		**9,754**	**2%**		7,704	1%
	P	**621,922**	**100%**	P	543,346	100%

	Parent Company					
	2023			2022		
	Amount		Share	Amount		Share
Consumer	**P**	**201,860**	**33%**	P	158,475	30%
Real estate, renting and other related activities		**99,982**	**16%**		79,139	15%
Wholesale and retail trade		**69,363**	**11%**		67,985	13%
Electricity, gas and water		**63,905**	**10%**		73,856	14%
Manufacturing (various industries)		**56,972**	**9%**		49,240	9%
Transportation and communication		**50,524**	**8%**		46,436	9%
Financial intermediaries		**49,477**	**8%**		39,872	7%
Agriculture, fishing, and forestry		**4,726**	**1%**		4,940	1%
Hotels and restaurants		**3,997**	**1%**		4,514	1%
Other community, social and personal activities		**2,838**	**1%**		2,734	-
Mining and quarrying		**2,077**	**-**		988	-
Others		**9,519**	**2%**		7,397	1%
	P	**615,240**	**100%**	P	535,576	100%

The BSP considers that loan concentration exists when the total loan exposure to a particular industry exceeds 30% of the total loan portfolio plus the outstanding interbank loans receivable or 10% of Tier 1 capital.

As of December 31, 2023, 10% of Tier 1 capital of the Group and Parent Company amounted to P12,951 and P12,608, respectively. As of December 31, 2022, 10% of Tier 1 capital of the Group and Parent Company amounted to P10,010 and P9,571, respectively. The table below show the industry groups exceeding this level (amounts in millions).

	2023		2022	
	Group	**Parent**	Group	Parent
Consumer	**P 203,890**	**P 203,802**	P 158,481	P 158,475
Real estate, renting and other related activities	**98,976**	**98,041**	80,276	79,139
Electricity, gas and water	**70,407**	**63,905**	73,970	73,856
Wholesale and retail trade	**63,963**	**69,363**	69,080	67,985
Manufacturing (various industries)	**58,061**	**56,972**	50,441	49,240
Transportation and communication	**53,146**	**50,524**	49,605	46,436
Financial intermediaries	**49,479**	**49,477**	39,878	39,872

(d) *Credit Status of Loans*

The breakdown of receivable from customers as to status is shown below.

Group

	2023		
	Performing	**Non-performing**	**Total Loan Portfolio**
Gross carrying amount:			
Corporate	P 404,158	P 12,954	P 417,112
Consumer	194,878	9,932	204,810
	599,036	22,886	621,922
Allowance for ECL	(3,856)	(11,976)	(15,832)
Net carrying amount	**P 595,180**	**P 10,910**	**P 606,090**

	2022		
	Performing	Non-performing	Total Loan Portfolio
Gross carrying amount:			
Corporate	P 373,172	P 10,475	P 383,647
Consumer	148,777	10,922	159,699
	521,949	21,397	543,346
Allowance for ECL	(4,642)	(9,965)	(14,607)
Net carrying amount	P 517,307	P 11,432	P 528,739

Parent Company

	2023		
	Performing	**Non-performing**	**Total Loan Portfolio**
Gross carrying amount:			
Corporate	P 399,965	P 11,741	P 411,706
Consumer	193,949	9,585	203,534
	593,914	21,326	615,240
Allowance for ECL	(3,687)	(11,024)	(14,711)
Net carrying amount	**P 590,227**	**P 10,302**	**P 600,529**

	2022		
	Performing	Non-performing	Total Loan Portfolio
Gross carrying amount:			
Corporate	P 368,535	P 8,885	P 377,420
Consumer	147,235	10,921	158,156
	515,770	19,806	535,576
Allowance for ECL	(4,538)	(9,232)	(13,770)
Net carrying amount	P 511,232	P 10,574	P 521,806

NPLs included in the total loan portfolio of the Group and the Parent Company as of December 31 as reported to the BSP are presented below.

	Group		**Parent Company**	
	2023	2022	**2023**	2022
Gross NPLs	**P 22,886**	P 21,397	**P 21,326**	P 19,806
Allowance for impairment	**(11,976)**	(9,965)	**(11,024)**	(9,232)
	P 10,910	P 11,432	**P 10,302**	P 10,574

Under banking regulations, loan accounts shall be considered non-performing, even without any missed contractual payments, when they are considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal or interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least 6 months; or (b) written-off. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

As of December 31, 2023, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 3.34% and 1.59%, and 3.15% and 1.52%, respectively. As of December 31, 2022, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 3.75% and 2.00%, and 3.52% and 1.88%, respectively. Most of the NPLs are secured by real estate or chattel mortgages.

The breakdown of restructured receivables from customers follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Loans and discounts	**P 4,786**	P 3,833	**P 2,383**	P 1,021
Credit card receivables	**-**	1	**-**	1
	P 4,786	P 3,834	**P 2,383**	P 1,022

Interest income from restructured receivables from customers amounted P112, P18, and P10 in 2023, 2022, 2021, respectively, for both the Group and the Parent Company.

(e) Analysis of Loan Portfolio as to Type of Security

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Secured:				
Real estate mortgage	**P 184,910**	P 169,253	**P 183,828**	P 168,045
Chattel mortgage	**51,280**	44,003	**49,214**	41,542
Hold-out deposits	**8,153**	11,001	**8,152**	10,941
Other securities	**11,119**	11,286	**8,034**	7,938
	255,462	235,543	**249,228**	228,466
Unsecured	**366,460**	307,803	**366,012**	307,110
	P 621,922	P 543,346	**P 615,240**	P 535,576

(f) Information on Related Party Loans

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

Under the current BSP regulations, the amount of individual loans to a DOSRI, 70% of which must be secured, should not exceed the amount of the encumbered deposit and book value of the investment in the Bank and/or any of its lending and nonbank financial subsidiaries. In the aggregate, loans to DOSRIs, generally, should not exceed the total equity or 15% of the total loan portfolio of the Bank. However, non-risk loans are excluded in both individual and aggregate ceiling computation.

The following table shows the information relating to the loans, credit accommodations and guarantees to DOSRI, excluding loans granted as fringe benefits to officers which are excluded from the individual ceiling as of December 31 in accordance with BSP reporting guidelines:

	Group		Parent Company	
	2023	2022	**2023**	2022
Total outstanding DOSRI loans	**P -**	P -	**P -**	P -
Unsecured DOSRI	**-**	-	**-**	-
Past due DOSRI	**-**	-	**-**	-
Non-accruing DOSRI	**-**	-	**-**	-
Percent of DOSRI loans to total loan portfolio	**0.00%**	0.00%	**0.00%**	0.00%
Percent of unsecured DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of past due DOSRI Loans to total DOSRI	**0.00%**	0.00%	**0.00%**	0.00%
Percent of non-accruing DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to related parties (inclusive of DOSRI) as of December 31 as reported to the BSP:

	Group		Parent Company	
	2023	2022	**2023**	2022
Total outstanding Related Party loans	**P 26,739**	P 24,546	**P 26,746**	P 24,521
Unsecured Related Party	**19,268**	16,765	**19,257**	16,763
Past due Related Party	**1**	1	**1**	1
Percent of Related Party loans to total loan portfolio	**4.30%**	4.52%	**4.35%**	4.58%
Percent of unsecured Related Party loans to total Related Party loans	**72.06%**	68.30%	**72.00%**	68.36%
Percent of past due Related Party loans to total Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of non-accruing Related Party loans to total Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%

In accordance with existing BSP regulations, the reported DOSRI performing loans exclude loans extended to certain borrowers before these borrowers became DOSRI. Under BSP regulations, total outstanding exposures to each of the Parent Company's subsidiaries and affiliates shall not exceed 10.0% of the Group's net worth, the unsecured portion of which shall not exceed 5.0% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.0% of the net worth of the Parent Company.

As of December 31, 2023, 2022 and 2021, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2023, 2022 and 2021, the Group has not recognized impairment loss on loans and receivables from DOSRI.

(g) Secured Liabilities and Assets Pledged as Security

Assets pledged as security for liabilities of the Group and Parent Company are shown below.

	2023	2022
Aggregate amount of secured liabilities	**P 29,797**	P 58,391
Aggregate amount of resources pledged as security	**P 41,597**	P 73,160

(h) Contingencies and Commitments Arising from Off-balance Sheet Items

The following is a summary of contingencies and commitments arising from transactions not given recognition in the statement of financial position, expressed at their equivalent peso contractual amounts as of December 31, 2023 and 2022:

	2023	2022
Outstanding guarantees issued	**P 205,268**	P 127,837
Trust Investment Group accounts	**155,705**	143,170
Derivative assets	**142,921**	111,212
Derivative liabilities	**84,461**	69,485
Unused commercial letters of credit	**25,079**	17,242
Spot exchange sold	**16,985**	6,493
Spot exchange bought	**16,980**	6,497
Inward bills for collection	**8,061**	18,451
Late deposits/payments received	**872**	642
Outward bills for collection	**1**	27
Others	**64**	64

P&A
Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rizal Commercial Banking Corporation and subsidiaries (together hereinafter referred to as the Group) for the year ended December 31, 2023, on which we have rendered our report dated February 26, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

CPA Reg. No. 0092966
TIN 189-477-563
PTR No. 10076138, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 92966-SEC (until financial period 2027)
Firm - No. 0002 (until financial 2024)
BIR AN 08-002511-021-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 26, 2024

Rizal Commercial Banking Corporation and Subsidiaries
List of Supplementary Information
December 31, 2023

**Information therein are based on the separate financial statements of the Parent Company.*

Rizal Commercial Banking Corporation and Subsidiaries
Schedule A - Financial Assets
December 31, 2023
(Amount in Millions of Philippine Pesos, Except Share Data)

Name of issuing entity and association of cash issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Value based on the market quotation at balance sheet date	Income received and accrued
Financial Asset at Fair Value Through Profit or Loss				
Government securities	P 9,479,449,400	P 9,647	P 9,647	P 185
Corporate debt securities	P 28,948,020	28	28	1
Equity securities	136,796,248	783	783	-
Derivative financial assets	P 227,381,707,974	1,320	1,320	41
		11,778	11,778	227
Financial Asset at Fair Value Through Other Comprehensive Income				
Quoted equity securities	150,895,945	1,483	1,483	-
Unquoted equity securities	21,300,901	2,421	2,421	-
Government securities	P 65,657,237,930	65,962	65,962	4,095
Corporate debt securities	P 14,923,248,580	12,571	12,571	280
		82,437	82,437	4,375
Investment Securities at Amortized Cost				
Government securities	P 207,344,989,258	211,451	190,433	7,814
Corporate debt securities	P 26,083,848,220	25,237	23,436	823
		236,688	213,869	8,637
Allowance for impairment		(161)	(161)	-
		236,527	213,708	8,637
		P 330,742	**P 307,923**	**P 13,239**

Rizal Commercial Banking Corporation and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Not Current*	*Balance at end of period*
Rizal Commercial Banking Corporation							
Loans Receivable							
House of Investments Inc.	330	700	979	-	51	-	51
Petrogreen Energy Corporation	240	-	80	-	-	160	160
RCBC Realty Corporation	601	-	65	-	-	536	536
ATYC, Inc.	2,426	-	-	-	-	2,426	2,426
Credit Card Receivables							
Bankard (Officers)	96	401	384	-	113	1	114
Due from Other Banks							
Sumitomo Mitsui Banking Corporation (SMBC)	23	14,577	12,714	-	1,886	-	1,886
Cathay United Bank Co. Ltd.	13	5	8	-	10	-	10
RCBC Capital Corporation							
Loans Receivable							
Employee Loans - RCAP	1	0	1	-	-	-	-
Employee Loans- RSEC	1	4	2	-	3	-	3
RCBC Leasing and Finance Corp.							
Loans Receivable							
Employee Loans	-	-	-	-	-	-	-
RCBC Bankard Services Corporation							
Loans Receivable							
Employee Loans	17	15	10	-	9	14	23
Accounts Receivables	67	831	832	-	66	-	66
Rizal Microbank Inc., - A Thrift Bank of RCBC							
Loans Receivable							
Employee Loans	6	20	19	-	2	5	7

Rizal Commercial Banking Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	*Balance at beginning of period*	*Additions*	*Deductions*		*Classification*		*Balance at end of period*
			Amounts collected	*Amounts written off*	*Current*	*Not Current*	
Rizal Microbank, Inc.							
Due from other banks - RCBC	77	4,451	(4,435)	-	93	-	93
RCBC Capital Corporation							
Due from other banks - RCBC	163	78,974	(79,042)	-	96	-	96
Accounts Receivable - RBSC	67	831	(832)	-	66	-	66
RCBC Leasing and Finance Corp.							
Due from other banks - RCBC	761	52,203	(52,093)	-	871	-	871
RCBC International Finance, Ltd.							
Due from other banks - RCBC	28	827	(836)	-	19	-	19
RCBC Forex Brokers Corp.							
Due from other banks - RCBC	163	-	(136)	-	27	-	27
RCBC - JPL Holding Company							
Assignment of receivables	127	-	(35)	-	92	-	92

Rizal Commercial Banking Corporation and Subsidiaries
Schedule D - Long Term Debt
December 31, 2023
(Amount in Millions)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Rizal Commercial Banking Corporation			
P 4,130,000,000 Senior Notes	P4,130		P 4,130
Interest Rate: 4.18% Fixed Rate			
Maturity Date: 6/30/2026			
Number of periodic installments: Not applicable			
US$ 300,000,000 Senior Notes			
Interest Rate: 3.00% Fixed Rate			
Maturity Date: 9/11/2024			
Number of periodic installments: Not applicable	US$ 300	-	P 16,053
P 3,580,000,000 Long Term Negotiable Certificate of Deposit			
Interest Rate: 5.5%			
Maturity Date: 3/28/2024			
Number of periodic installments: Not applicable	P 3,580	-	P 3,580
P 14,756,260,000 Senior Notes			
Interest Rate: 3.0% Fixed Rate			
Maturity Date: 5/21/2024			
Number of periodic installments: Not applicable	P 14,756		P 14,756

Rizal Commercial Banking Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name of related party	*Balance at beginning of period*	*Balance at end of period*

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	*Title of issue of each class of securities guaranteed*	*Total amount guaranteed and outstanding*	*Amount owned by person for which statement is filed*	*Nature of guarantee*

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule G - Capital Stock
December 31, 2023
(Amount in Millions of Philippine Pesos, Except Share Data)

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by related parties*	*Directors, officers and employees*	*Others*
Preferred Shares *voting, non-cumulative,* *non-redeemable, participating* *convertible into common shares*	200,000,000	267,410	267,410	-	-	-
Common Shares	2,600,000,000	2,419,536,120	-	2,131,121,118	2,004,546	286,410,456

RIZAL COMMERCIAL BANKING CORPORATION
Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen Gil Puyat Avenue, Makati City
Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023
(Amounts in Millions of Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year		**P 44,409**
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(P 3,289)	
Appropriation for general loan loss provision	(766)	
Appropriation of retained earnings to trust reserves	(19)	
Transfer of fair value gain on financial asset at fair value through other comprehensive income (FVOCI) to surplus	(3)	(4,077)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		40,332
Add: Net Income for the Current Year		12,218
Less: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		(1,843)
Sub-total		
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 50,707**

Rizal Commercial Banking Corporation and Subsidiaries
Schedule of Recent Public Offerings
December 31, 2023

2017 - P2,502,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P2,502,000,000 (Issue Price: P2,502,000,000 @ 100.00%)
Related Expenses: P15,703,828
Use of Proceeds: To be used for general funding purposes.

2018- P3,580,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P3,580,000,000 (Issue Price: P3,580,000,000 @ 100.00%)
Related Expenses: P30,915,597.18
Use of Proceeds: To be used for general funding purposes.

2018 - US$ 450,000,000 Senior Note

Gross Proceeds: US$450,000,000 (Issue Price: US$ 420,000,000 @ 100.00%)
Related Expenses: US$885,914.99
Use of Proceeds: To be used for general banking and re-lending purposes.

2018 - P15,000,000,000 Stock Rights Offering (535,710,378 shares)

Gross Proceeds: P15,000,000,000 (Issue Price: P28 per share)
Related Expenses: P217,262,589
Use of Proceeds: To strengthen the Bank's capital ratio and fund its business expansion (i.e. loan growth).

2019 - US$ 300,000,000 Senior Note

Gross Proceeds: US$300,000,000 (Issue Price: US$ 300,000,000 @ 99.751%)
Related Expenses: US$862,031.65

2020 - US$ 300,000,000 Hybrid Perpetual Securities

Gross Proceeds: US$ 300,000,000 (Issue Price: US$ 300,000,000 @ 100.00%)
Related Expenses: US$796,991.93
Use of Proceeds: To to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

2021 - P13,742,840,000 Senior Note

Gross Proceeds: P13,742,840,000 (Issue Price: P13,742,840,000 @ 100.00%)
Related Expenses: P103,071,300
Use of Proceeds: To be used for general banking and re-lending purposes.

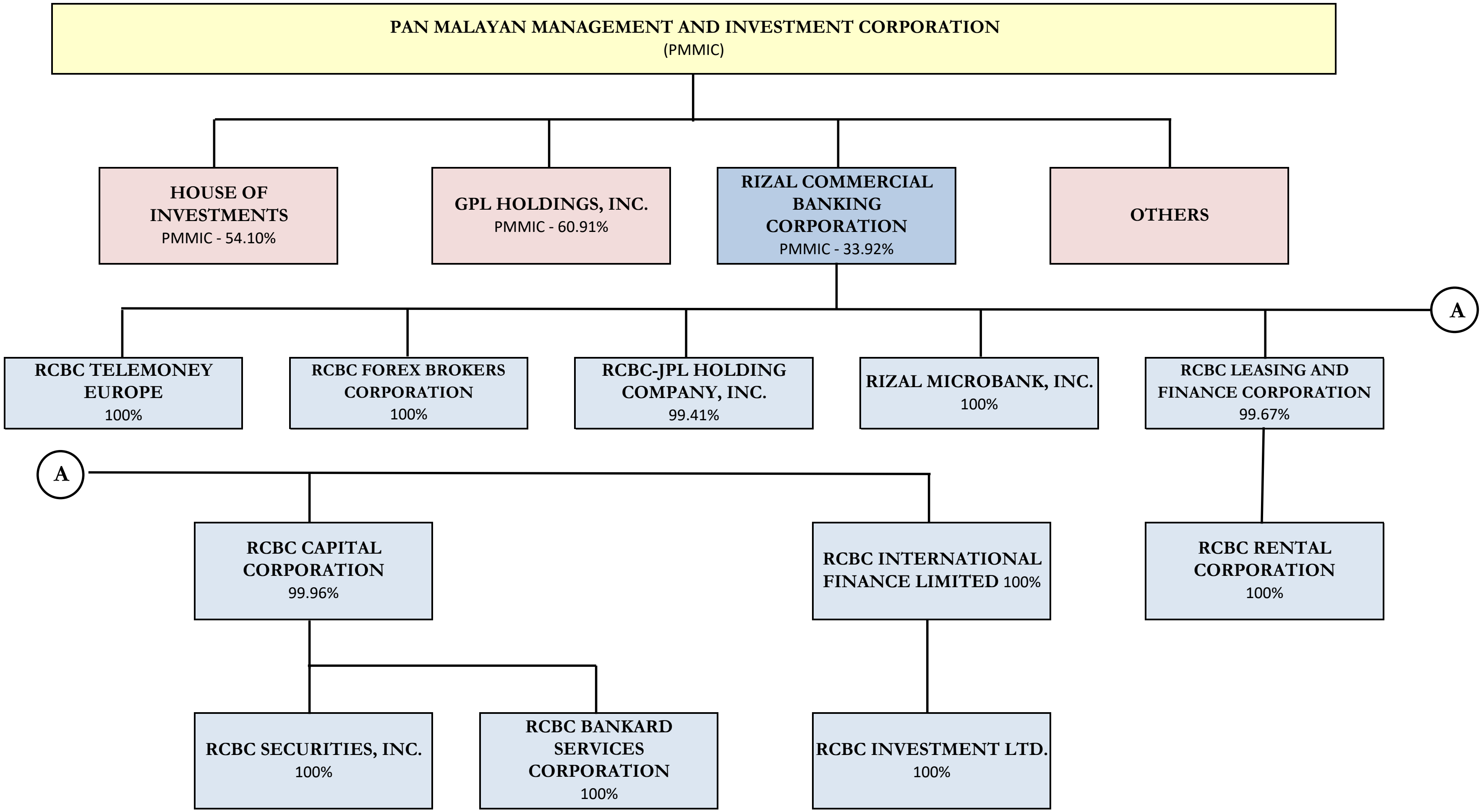
2021 - P4,129,730,000 Senior Note

Gross Proceeds: P4,129,730,000 (Issue Price: P4,129,730,000 @ 100.00%)
Related Expenses: P30,972,975
Use of Proceeds: To be used for general banking and re-lending purposes.

2022 - P14,756,260,000 Senior Note

Gross Proceeds: P14,756,260,000(Issue Price: P P14,756,260,000 @ 100.00%)
Related Expenses: P110,671,950
Use of Proceeds: To be used for general banking and re-lending purposes.

Rizal Commercial Banking Corporation and Subsidiaries
Map Showing the Relationships Between and Among the RCBC and Its Related Parties
December 31, 2023



P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rizal Commercial Banking Corporation and subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, on which we have rendered our report dated February 26, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

CPA Reg. No. 0092966
TIN 189-477-563
PTR No. 10076138, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 92966-SEC (until financial period 2027)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-021-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 26, 2024

Rizal Commercial Banking Corporation and Subsidiaries
Supplemental Schedule of Financial Soundness Indicators
(Amount in Millions of Philippine Pesos, Except Share Data)
December 31, 2023 and 2022

Ratio	**Formula**	**2023**		2022	
Current ratio	Total current assets	**288,860**	**0.95**	337,912	1.04
	Total current liabilities	**304,983**		325,254	
Acid test ratio	Quick assets	**261,886**	**0.86**	215,360	0.66
	Total current liabilities	**304,983**		325,254	
Solvency ratio	Total liabilities	**1,086,057**	**87.70%**	1,037,747	89.92%
	Total resources	**1,238,332**		1,154,108	
Debt-to-equity ratio	Total liabilities	**1,086,057**	**7.13**	1,037,747	8.92
	Total equity	**152,275**		116,361	
Resources-to-equity ratio	Total resources	**1,238,332**	**8.13**	1,154,108	9.92
	Total equity	**152,275**		116,361	
Interest rate coverage ratio	Earnings before interest and taxes	**46,175**	**1.41**	28,267	1.93
	Interest expense	**32,660**		14,619	
Return on equity	Net profit (net of AT1)	**11,150**	**9.53%**	11,042	11.24%
	Average total equity	**117,046**		98,243	
Return on resources	Net profit	**12,217**	**1.06%**	12,080	1.20%
	Average total resources	**1,153,713**		1,004,977	
Net profit margin	Net profit	**12,217**	**24.44%**	12,080	27.17%
	Revenues	**49,997**		44,454	
Other ratios:					
Net interest margin	Net interest income	**33,744**	**3.43%**	31,442	3.70%
	Average interest earning resources	**983,672**		850,682	
Cost-to-income ratio	Total other operating expenses	**29,594**	**59.19%**	25,100	56.46%
	Gross income	**49,997**		44,454	
Capital adequacy ratio	Total qualifying capital	**136,098**	**17.37%**	106,183	15.29%
	Total risk-weighted assets	**783,300**		694,421	