BUILDING Partnerships To last a lifetime

2020 Annual Report





ABOUT THE THEME

"A diamond is forever." The precious stone achieves its perfect cut and clarity over the course of time.

Much like RCBC.

In 2020, the COVID-19 global pandemic upended lives and highlighted the interconnectedness of people and businesses. It took place just when we were celebrating RCBC's diamond anniversary.

Like in many other crises we have overcome, we have emerged stronger than ever, toughened by time, and strengthened by the partnerships we have forged.

Much like the diamond.

Our 2020 Annual and Sustainability Report chronicles our continuing journey to achieve sustainability and staying power as a bank that is built to last for a lifetime.

BUILDING PARTNERSHIPS TO LAST A LIFETIME

The COVID-19 global pandemic has changed our view of the present and the future. Some business models may no longer work, while opportunities may arise in new ways of doing things.

In this new milieu, any responsible institution would need to look into the future through a different set of lenses while remaining focused on goals to build a sustainable world.

Our 2020 Annual and Sustainability Report is of unique importance as we take stock of the impact of COVID-19 on our business and our operating environment, as well as on our employees, customers, suppliers, and the community. The outbreak has laid bare the importance of managing material social risks and opportunities among our key stakeholder groups. RCBC's response in relation to these matters is discussed at length in this report, in addition to our financial, economic, and environmental performance.

This 2020 Annual & Sustainability Report was designed in accordance with the following guidelines:

- Checklist of Bangko Sentral ng Pilipinas (BSP) Requirements in the Submission of Financial Audit Report (FAR), Annual Audit Report (AAR) and Reports Required Under Section 7 of Circular No. 410;
- BSP Circular 1085 which mandates banks to adopt a Sustainable Finance Framework;
- Sustainability Reporting Guidelines for Publicly Listed Companies under the Securities and Exchange Commission Memorandum Circular No. 4 Series of 2019; and
- RCBC's Sustainable Finance Framework, which articulates our strategy to deploy Sustainable Financing Instruments to fund loans and projects that have clear environmental and/or social benefits. Under this framework, RCBC is required to annually report the allocation and the aggregated impact of the net proceeds of our Eligible Green and Social Portfolio. This will enable investors to see the positive impact of our sustainable financing activities.

This report also references the United Nations Sustainable Development Goals (SDGs) wherever applicable. The relationship between the related sections and the SDGs are marked with SDG icons throughout the Report.

Scope of the Report

This report's content and scope are based on our primary business areas and sustainability-related initiatives undertaken in RCBC Plaza in Makati City, A.T. Yuchengco Centre in Taguig City, in our subsidiaries and associate offices, and in our 447 branches nationwide between January 1, 2020 and December 31, 2020. While the figures in the employees' section of the Report are inclusive of our branch personnel, the Report's scope does not include the impacts stemming from our overseas operations, joint ventures, or suppliers. The economic value tables, including audited financial statements, reflect consolidated figures.

Feedback and Access

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

Email: investor_relations@rcbc.com Tel.: (632) 8894-9000

An electronic version of this Report is available at: https://www.rcbc.com/annual-reports

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Our Business at A Glance



VISION

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

MISSION

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

OUR BUSINESS AT A GLANCE

Rizal Commercial Banking Corporation (RCBC) started as a development bank in 1960 and grew to become one of the largest universal banks in the Philippines. As of end-2020, it has total resources of Php772 billion, including its subsidiaries and affiliates.

Clientele Base

As a diversified financial services institution, RCBC serves corporate and individual banking needs, providing a wide range of financial services to its customers through its retail and investment bank, microfinance unit, foreign exchange brokerage house, leasing company and overseas remittance tie-ups. In synergy with SunLife GREPA Financials (SLGFI) and Malayan Insurance Company, Inc. (MICO), RCBC also offers investmentlinked life insurance products, auto, fire, personal accident, and other non-life insurance products.

Delivery Channels

RCBC has an extensive network of 447 branches and operates from its corporate headquarters in Makati City, Philippines. In addition to its strategic branch locations, its traditional delivery channel, the Bank serves customers via its 1,426 ATMs all over the country, through the internet, and mobile banking (IOS and android applications).

It also serves the country's microenterprise and small business operators, as well as value chain players in the agricultural sector, through its microfinance arm, Rizal MicroBank, which operates in key areas in Luzon, Visayas and Mindanao with a total of 16 branches and two micro-banking offices.

Business Model

RCBC derives its funding from customer deposits, which account for nearly 69.4% of its total resources. This is supported by other borrowings at 17.5% and capital at 13.1%. Its main source of revenue is from its lending business, which account for 63.6% of total resources. RCBC lends to corporations and individuals. Net interest income comprises 69.3% of its total operating income, while other income accounts for 30.7% of the balance. The Bank also earns income from other financial services and activities by charging fees or earning commissions, and trading income from proprietary trading activities.

Ownership

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

Awards and Recognitions in 2020

RCBC employs best practices and has garnered several awards and recognitions for various areas of its banking operations and innovations, as follows:

- The Asset ESG Corporate Awards: Best Practice
- The Asset Asian Awards: Best Issuer for Sustainable Finance
- The Asset Asian Awards: Best Sustainability Bond Philippines
- Asian Banking & Finance Awards-Wholesale Banking Awards 2020: Philippines Domestic Initiative of the Year for Sustainable Financing
- e Global Banking & Finance Review 2020: Best Green Bank Philippines
- Morgan Stanley Capital International (MSCI) ESG Ratings: Upgraded to "AA" rating from "A" — Leader ESG ranking (MSCI ESG ratings of AA and AAA).
- Annual Alpha Southeast Asia Best FI Awards: Best Digital Bank in the Philippines
- Asiamoney: Best Digital Bank in the Philippines
- The Global Economics Limited: Most Innovative Internet Banking Service Provider
- CFA Society Philippines: Best Managed Peso Balanced Fund
- Association of Marketing and Communications Professional (AMCP): Platinum for Creative Effectiveness and Gold in Digital Marketing
- Triple A Asia Infrastructure Awards 2020: Transport Deal of the Year
- 11th Annual Trailblazer Summit and Awards: Best Credit Card Initiative in Asia
- The Asset Country Awards: Best Capital Bond
- 2020 Global Retail Banking Innovation Summit & Awards: Winner, Loan Offering of the Year for the Bayanihan Balance Conversion Program
- 2020 Global Retail Banking Innovation Summit & Awards: Winner, Best CSR Initiative for the COVID-19 Relief Efforts Rewards Donation Program
- Retail Banker International Asia Trailblazer Summit and Awards: Winner, Best Credit Card Initiative
- Retail Banker International Asia Trailblazer Summit and Awards: Best Social Media Marketing Campaign – Highly Commended
- Asia-Pacific Enterprise Award: Most Inspirational Brand, Financial Services Category
- Asia IOT Business Platform: 2020 Enterprise Innovation
- International Innovation Awards: Best Digital Financial Inclusion Initiative

Corporate Citizenship

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

Message from the Chairperson

HELEN YUCHENGCO DEE

Chairperson

DEAR SHAREHOLDERS. CUSTOMERS, COLLEAGUES, **AND PARTNERS:**

In the 60 years that RCBC has been in business in the Philippines, we have experienced many triumphs and trials. The arrival of COVID-19 in 2020, however, tested our strength like never before.

As COVID-19 swept across the globe, it induced both a health crisis and an economic crisis. Like the rest of the world, the Philippine economy suffered a heavy blow, ending the year with a -9.5% in GDP and reversing its 84 consecutive quarters of growth.

While the government imposed one of the world's strictest lockdown measures, the country continues to see an increase in the number of coronavirus infections to this day. As a result, consumer spending is at its slowest and unemployment has reached a 15-year record high of 10.3%, equivalent to 4.5 million Filipinos without jobs.

Compounding our country's challenges with the global pandemic were the eruption of Taal volcano in January 2020, followed later in the year by three strong typhoons that caused massive destruction to lives, property, and agriculture.

But while 2020 was fraught with challenges, all is not lost.

For one, it made us a more purpose-driven organization. We had to quickly adapt to the rapidly evolving situation to continue to serve our customers while safeguarding our staff and supporting our business partners.

Throughout the year, the health and wellbeing of our employees became our paramount concern. Their tremendous resilience and flexibility allowed us to minimize disruptions to our banking operations and address the needs of our customers, especially those affected by the pandemic. In the face of very trying circumstances, our people made it possible for us to quickly adapt to the changing market environment and operating conditions while finding safe and efficient ways of working.

Technology has also enabled us to go the extra mile and step up to the challenges that the pandemic has brought to our local communities. An example is the Social Amelioration Program cash disbursement. To augment the government's efforts in reaching out to eligible families affected by the lockdown, we rolled out our ATM Go, our massive digital disbursement platform, so our payout partners in the countryside can distribute the emergency cash subsidy quickly. This dramatically sped up disbursements to over 350,000 households among the poor and vulnerable sectors. Beyond demonstrating the digital capabilities of RCBC, this also gave us the opportunity to contribute in the national effort and celebrate the bayanihan spirit.

The Yuchengco Group of Companies (YGC), to which RCBC belongs, mobilized its resources as quickly, efficiently, and continuously as possible to help the country overcome the challenge of the pandemic. Through our AY Foundation, we locked arms with the private sector and the Philippine Disaster Resilience Foundation (PDRF) for Project Ugnayan to help poor families economically displaced by ongoing community quarantine restrictions. Through the project, over a million households in Metro Manila were given grocery vouchers.

These initiatives did not happen overnight. A tremendous amount of work took place before the pandemic to build partnerships and position us for success. These partnerships have been key to our ability to respond to the pandemic with strength, flexibility, and persistence and will be vital to our work to create a stronger, more sustainable, and more unified RCBC.

Building a partnership that endures is all about forging strong relationships based on trust. Being a trusted financial institution enables us to collaborate with our employees, our business partners, and local communities.

We are not out of the woods yet. There is a resurgence of the virus in our communities. Meanwhile, all the challenges we normally face are still here, from navigating the "New Normal" to retaining and re-tooling a first-class workforce that will ensure RCBC's future.

Now, more than ever, we need to work together to get us through the worst of this pandemic. We need to help each other adapt to the new realities that we now face.

With the support from our RCBC family - our Board of Directors, our Senior Management team, and our employees - we will continue to forge more partnerships, leaving a little sparkle wherever we go, ultimately making the world a brighter, better place for us all.

We look forward to building partnerships that last a lifetime with you.

Helen Yuchengco Dee Chairperson

Like a diamond perfected through intense pressure, RCBC has gone through difficult times such as this pandemic, which fell on the year we celebrated our 60th anniversary. Like this precious stone, the more we are polished and hardened by time, the stronger we become.

Report of the President and CEO

President & Chief **Executive Officer**

"Now, more than ever, we need to be the best partner in every role we play: the best bank for our customers. the best employer for our people, the best partner for government organizations, and the best corporate citizen for our country."

OUR GOLDEN HOUR

In a year marked with unprecedented challenges, one of the important things we did was to launch a new campaign that articulates what sustains our business. The campaign — "Partners through Generations" — draws upon the strong relationships and partnerships we have built over the last 60 years and passed onto future generations.

This has never been truer in the context of today's changing world. We were all reeling from the eruption of Taal volcano and the strong typhoons that hit our country when COVID-19 arrived and brought untold hardships. Now, more than ever, we need to be the best partner in every role we play: the best bank for our customers, the best employer for our people, the best partner for government organizations, and the best corporate citizen for our country.

This pandemic puts banks on the frontline. Unlike in the previous crises, we have now become part of the solution rather than the cause. Businesses across the world, large and small, depend on credit, as strict lockdowns have forced them to shutter their doors to customers and employees. Consumers rely on contactless channels so they can still meet their basic necessities even from the safety of their homes. The poorest and the most vulnerable sectors of society cling on to financial aid as a lifeline.

Ensuring continuity and recovery

in our approach.

We activated our Pandemic and Infectious Disease Plan to manage the impact of the pandemic to our people and our business. We enforced health and safety protocols to protect our RCBC bankers, especially those in our branches.

We moved with extreme agility to minimize business disruptions as well as transform the way we work. We shifted to Work from Home mode and virtual meetings while ensuring that our IT infrastructure can support these. We deployed skeleton teams into key locations and activated our business continuity sites. We also mobilized our resources to allow nearly half of our branches in Metro Manila and Luzon to continue serving clients even during the Enhanced Community Quarantine (ECQ). We rationalized our branch network by consolidating 60 Metro Manila and provincial branches as foot traffic declined and as customers shifted to digital platforms.

For customers severely affected by the pandemic and may take time to recover, we launched the COVID Assistance and Recovery (CARE) Program as a pre-emptive refinancing of their loans. After all, it is in our best interest that they survive and thrive. We started by engaging them in frank conversations, and we adjusted loan payment terms based on realistic business expectations. As of end-2020, Php78.7 billion of these loans were placed under CARE. To manage the higher risks and preserve our asset quality in the event of a continuous economic downturn, we set aside Php9.4 billion in loan loss provision, 2.5 times higher than the normalized provisions in the previous year.

While our driving force during these challenging times remains to be the safety and wellbeing of our employees and clients, we are honored that our efforts have been recognized by peers in the industry. Among them is the Philippines Domestic COVID Management Initiative of the Year awarded by the Asian Banking and Finance (ABF) Wholesale Banking Awards 2021.

This is the time for us to show our strength and capabilities. If we must pass on a stronger world to the generations that follow, we must face this battle together as one.

When the pandemic started, employees immediately looked to their leaders for direction. We did our best to communicate with clarity, authenticity, and care. We were tactical, too,

Taking on the battle

After putting all our defenses in place, we unleashed our arsenal of digital solutions to continue winning the hearts and minds of our customers.

This is a battleground we have been preparing for. Before the ECQ, we already established a Board-approved Digital Committee in February 2020 to enable us to provide essential services to our clients during the lockdown, assist in distributing state subsidies, and even cater to the unbanked which are usually the most vulnerable to the pandemic. We also fortified our IT infrastructure to accommodate the heavy influx of people turning to online banking and contactless channels.

While the pandemic has accelerated the race towards digital adoption, RCBC was raising the bar. RCBC Mobile App, which already has the most number of banking features in a mobile app, became even more powerful in 2020. Aside from the usual functionalities such as fund transfer, bills payment, and account monitoring and maintenance, we went above and beyond by providing more capabilities so our customers can bank from home with ease and peace of mind. With a few taps on their mobile phone, for example, they can already open a time deposit and UITF account seamlessly.

In July 2020, we broke new ground with the launch of DiskarTech. Our financial inclusion super app also became the country's first finance app to be in the conversational vernacular Taglish (Tagalog and English languages) to appeal to our target market, the unbanked Filipinos.

As proof of our success in the digital space, RCBC had seen a surge in digital transactions by 167% in customer enrolment since the March 2020 ECQ. Specifically, our Send Cash, Cardless Withdrawal, and Online Check Deposit features had a surge in utilization rate by as much as 1,300% compared with pre-quarantine levels in 2020. After waiving InstaPay transaction fees throughout the year, we also saw the volume skyrocketing by 619% from 2019.

DiskarTech also set a national record for being the fastest to reach one million downloads after only 30 days since launch and an enrolment speed of as much as 1.3 downloads per second. Beyond the numbers, Diskartech is RCBC's contribution to the national effort in breaking down barriers for financial inclusion.

Making innovations matter

While we strive to be ahead in the digital race, at the end of the day, the only thing that matters is if we are able to put these innovations to good use by solving society's problems. In 2020, the pandemic served as our launchpad for some of these innovations.

As soon as lockdown restrictions were implemented, RCBC led a private sector coalition called Damayang Sambayanihan: Hatid-Ayuda sa Kababayan. This was a quick-response initiative to ensure the timely disbursement of Php2OO billion (USD4 billion) in emergency government subsidy to households vulnerable to the pandemic. We became the first private universal bank authorized by the Department of Social Welfare and Development (DSWD) and the Bangko Sentral ng Pilipinas (BSP) to accept government funds for distribution and payout of the Social Amelioration funds.

To ensure the timely and undisrupted distribution of the aid to 18 million families nationwide, including those in hard-to-reach communities, we deployed our 1,800-strong handheld RCBC ATM Go network. We also harnessed the capabilities of our DiskarTech platform, which made possible the disbursement of cash subsidy to at least eight regions nationwide.

By end-2020, RCBC has managed to digitally disburse Php12.43 billion (USD258.71 million) in cash subsidy to more than 3.3 million households or approximately 16.6 million individuals in 72 out of 81 provinces nationwide.

While 2020 was a trying time for many, we continued to sharpen our focus on sustainability efforts. Following the development of a Sustainability Finance Framework and the issuance of sustainability and green bonds aligned with the ASEAN Sustainability Bond Standards, we have funded a total of 9,950 green and social projects amounting to more than Php51.0 billion as of end-2020. Our sustainable lending portfolio now comprises 10.5% of our total loans.

We have also taken the lead roles in financing some of the country's biggest green infrastructure and renewable energy projects. We are also defunding new coal-fired power plants in the country, aligned with the policy decision of the Department of Energy to impose a moratorium on the use of coal and shift to a renewable energy mix. This is a big step forward considering that coal is a major contributor to local pollution and climate change, accounting for 44 percent of global CO2 emissions.

These, and the many recognition we have garnered in the areas of environmental and social responsibility, and corporate governance (ESG), are a testament to our ability to put purpose into action, and action into impact.

Carrying on, moving forward

Despite the many unexpected challenges we faced together as one RCBC Family, we are pleased to report that we have performed relatively well. In 2020, our gross revenues rose 6.0% to Php37.9 billion from Php35.9 billion in 2019. Net interest income also jumped by 18.0% to Php26.3 billion amid a decline in funding costs and higher margins. Our customer loan book expanded 5.0% to Php456.6 billion while total deposits reached Php535.8 billion, fuelled by a 21.0% surge in low-cost CASA deposits.

With our loan loss provision of Php9.3 billion, we ended 2020 with a net income of Php5.0 billion, just 7.0% lower than Php5.4 billion the previous year. Amid the crisis, we managed to keep our non-performing loan ratio low at 2.9%. We remain more than adequately capitalized, as our ratio stood at 16.1% while our common equity Tier 1 ratio was at 12.6%, both beyond the regulatory minimum.

Amid the bleak backdrop of a pandemic, this performance is truly hard-earned. It also serves as a testament to our collective strength. In the moment when our customers, employees, and our country needed it most, we came together as one RCBC Family.

The work, however, is far from over. While we hoped 2021 will be a bounce back year for the Philippine economy, the road to vaccination and herd immunity seems perilous. We must not let our guard down; the enemy – COVID-19 – continues to mutate and pose a growing threat to our health and safety.

While COVID continues to paint a cloud of uncertainty over our horizon, we must not lose sight of our purpose, our shared values, and our commitment to a shared future. Let us turn this pandemic into our "golden hour" — when the sun is close to the horizon and everything turns magical — a once-in-a-lifetime opportunity to remake our present, to create our future together. Building partnerships, not just with our customers, but also with each other. Every day as RCBC Bankers, we must live the truth in what we promise: Partners through Generations.

Through collaboration, agility and care - let us continue to go beyond expectations for those we serve.

Eugene S. Acevedo President and Chief Executive Officer

Financial Highlights



2019

2020

2016

2017

2018

2019

2020

2016

2017

2018

RIZAL COMMERCIAL BANKING CORPORATION & SUBSIDIARIES

Financial Highlights Based on BSP Circular 956

	CONSOLIDATED		PARENT BANK (SOLO)	
Minimum Required Data	2020	2019	2020	2019
Profitability for the year in million Php except for ratios and net earnings	per share			
Total Net Interest Income	26,281	22,368	25,825	21,88
Total Non-Interest Income	11,632	13,490	10,684	12,76
Total Non-interest Expenses	22,045	21,798	21,101	20,92
Pre-provision profit	14,393	12,785	13,971	12,57
Impairment Losses	9,375	7,397	8,951	7,19
Net Income	5,018	5,388	5,020	5,3
Selected Balance Sheet Data in million Php				
Liquid Assets ^{1/}	208,619	153,099	205,315	156,1
Gross Loans and Receivables	510,477	462,649	502,177	454,8
Total Resources	772,106	767,079	762,522	758,1
Deposits	535,788	456,581	536,748	456,5
Net Worth	101,378	82,850	101,292	82,7
Selected Ratios				
Return on Equity	5.54%	6.47%	5.55%	6.48
Return on Assets	0.68%	0.80%	0.69%	0.8
CET I Capital Ratio	12.64%	12.89%	12.28%	12.29
Tier 1	15.23%	12.89%	14.95%	12.29
CAR (Basel 3 starting Jan. 1, 2014)	16.14%	13.76%	15.86%	13.16
Per common share data				
Net Income per Share:				
Basic	2.43	2.78	2.43	2.
Diluted	2.43	2.78	2.43	2.
Book Value	44.89	42.71	44.86	42.
Others				
Cash Dividends Declared (in Php million)	1,076	863	1,076	8
Headcount	6,103	6,611	5,887	6,34
Officers	3,743	4,008	3,599	3,8
Staff	2,360	2,603	2,288	2,49

^{1/} Cash and Other Cash Items, Due from BSP, Due from Other Banks, Fair Value through Profit or Loss and Available-for-Sale Securities, Interbank Loans

Financial and Operating Highlights

RCBC's Total Assets stood at Php772.1 billion.

Due from Bangko Sentral ng Pilipinas (BSP) increased by 32.3% or Php28.2 billion from Php87.3 billion to Php115.5 billion attributable to the increase in level of Overnight Deposits and Special Savings Account with BSP used as clearing account to service increased volume of online fund transfer transactions.

Due from Other Banks decreased by 16.5% or Php3.1 billion from Php18.8 billion to Php15.7 billion, mainly due to decrease in foreign bank placements as a net result of servicing the matured obligations of the Bank.

Loans under Reverse Repurchase Agreement increased by 131.6% or Php7.6 billion from Php5.8 billion to Php13.4 billion due to higher placements with BSP shifted from Term Deposits.

Total Investment Securities, representing 11.4% of Total Resources, decreased by 45.2% or Php72.7 billion from Php160.7 billion to Php88.1 billion mainly due to the sale of Investment Securities at Amortized Cost and Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI). Investment Securities at Amortized Cost decreased by 57.4% or Php57.9 billion from Php100.9 billion to Php43.0 billion; Financial Assets at FVOCI decreased by 26.0% or Php14.1 billion from Php54.2 billion to Php40.2 billion. Financial Assets at Fair Value Through Profit or Loss (FVTPL) also decreased by 11.9% or Php660.0 million from Php5.5 billion to Php4.9 billion as part of the Bank's regular trading activities.

Loans and Receivables – net, grew by 9.4% or Php42.1 billion from Php449.2 billion to Php491.3 billion attributable to the increase in level of Interbank Loans by 127.0% or Php23.9 billion and moderate increases in Corporate and SME accounts by 4.2% or Php9.6 billion and 7.8% or Php5.7 billion, respectively. Consumer loans including credit cards portfolio also grew by 5.4% or Php7.1 billion. It represented 63.6% of Total Resources.

Bank Premises, Furniture, Fixtures & Equipment – net, increased by 18.1% or Php2.0 billion from Php11.1 billion to Php13.1 billion largely due to the recognition of right-of-use (ROU) asset relative to the five-year incremental lease of the Bank's head office following PFRS 16, Leases.

Deposit Liabilities were recorded at Php535.8 billion and represented 69.4% of Total Resources. Demand deposits grew by 52.0% or Php36.6 billion from Php70.5 billion to Php107.2 billion and accounted for 13.9% of Total Resources. Savings deposits grew by 8.9% or Php15.9 billion from Php179.2 billion to Php195.2 billion and accounted for 25.3% of Total Resources. Total Current and Savings Account deposits grew by 21.1% or Php52.6 billion from Php249.8 billion to Php302.3 billion from previous year. Time deposits reached Php233.5 billion, which grew by 12.9% or Php26.6 billion from Php206.8 billion and accounted for 30.2% of Total Resources.

Bills Payable decreased by 87.0% or Php88.4 billion from Php101.6 billion to Php13.2 billion primarily due to maturities of foreign and local borrowings during the year. The Bank also prepaid a syndicated foreign borrowing of USD 300.0 million or Php14.9 billion as part of the Bank's liquidity management.

Bonds Payable decreased by 6.6% or Php6.4 billion from Php96.8 billion to Php90.4 billion attributable to the maturity of the USD 243.0 million or Php12.3 billion Senior Notes in January 2020 and Php15.0 billion Green Bonds in August 2020, net of the Php23.7 billion Peso Bond issuances during the year.

Other Liabilities increased by 10.5% or Php2.4 billion from Php23.0 billion to Php25.4 billion primarily due to the recognition of finance lease liability on the incremental lease of Bank's head office following PFRS 16, as discussed above.

Total Liabilities stood at Php670.7 billion and represented 86.9% of Total Resources.

On August 27, 2020, the Bank issued foreign currency denominated Securities eligible as Additional Tier 1 Capital amounting to USD 300.0 million or Php14.5 billion with an interest rate of 6.5% per annum payable semi-annually in arre due on February 27 and August 27 of each year.

Other Comprehensive Income increased by 5.6% or Php123.0 mill from loss of Php2.2 billion to Php2.1 billion mainly due to the improvement in the market value of retirement plan assets, ne of the decline in Net Unrealized Gains on Financial Assets at FVOCI securities as compared with previous year.

Retained Earnings increased by 11.8% or Php3.9 billion from Php33.3 billion to Php37.2 billion mainly on account of the ne income during the year, net of Php1.1 billion cash dividends pa on Common and Preferred Shares.

Total Capital Funds were recorded at Php101.4 billion and accounted for 13.1% of Total Resources.

Income Statement

Total interest income slightly decreased by 1.7% or Php626.0 million from Php37.6 billion to Php37.0 billion and accounted for 97.5% of total operating income. Interest incom on loans and receivables went up by 3.9% or Php1.3 billion fro Php32.6 billion to Php33.9 billion and accounted 89.4% of tot operating income. The increase was mainly due to the growth in average volume of Loans and Receivables, net of the impac of lower average yield. Interest income on Investment Securit decreased by 53.8% or Php2.4 billion from Php4.5 billion to Php2.1 billion as a result of decline in average volume due to the sale of Securities at Amortized Costs and FVOCI securitie it accounted 5.5% of total operating income. Other interest income, on the other hand, increased by 122.1% or Php530.0 million from Php434.0 million to Php964.0 million due to the increase in volume of Overnight and Term Deposits with the BSP.

Total interest expense went down by 29.8% or Php4.5 billion from Php15.2 billion to Php10.7 billion and accounted for 28.29 of total operating income. Interest expense on deposit liabiliti decreased by 38.7% or Php3.3 billion from Php8.6 billion to Php5.3 billion primarily as a result of lower average costs, par off-set by the impact of the increase in average volume; it represented 14.0% of total operating income. Interest expense on bills payable and other borrowings decreased by 18.2% or Php1.2 billion from Php6.6 billion to Php5.4 billion due to lowe average costs and the decline in average volume year-on-yea

As a result, net interest income increased by 17.5% or Php3.9 billion from Php22.4 billion to Php26.3 billion.

As part of the Bank's conservative stance on loan loss provisioning, the Bank booked total impairment losses of Php9.4 billion, up by 26.7% or Php2.0 billion from Php7.4 billio last year to cover the expected increase in non-performing loans due to COVID-19 pandemic. It represented 24.7% of tota operating income.

ears	accounted for 30.7% of total operating income, and is broken down as follows:
llion iet	 Trading and securities gain – net, decreased by 18.8% or Php1.4 billion from Php7.5 billion to Php6.1 billion, due to lower realized trading gains from sale of investment securities. It accounted 16.1% of total operating income;
et aid	 Service fees and commissions decreased by 9.0% or Php348.0 million from Php3.9 billion to Php3.5 billion mainly due to lower credit card related fees and fees on loans and trade commitments. It represented 9.3% of total operating income;
	 Trust fees remained flat at Php323.0 million year-on-year;
	 Foreign exchange gains – net, increased by 65.4% or Php227.0 million from Php347.0 million to Php574.0 million. This was primarily due to higher foreign currency position profit, net of the lower income from commercial transactions;
me om	Operating expenses, which accounted for 58.2% of total operating income, slightly increased by 1.1% or Php247.0 million from Php21.8 billion to Php22.0 billion due to the following:
tal h ct ties	 Total Manpower costs decreased by 3.0% or Php207.0 million from Php6.8 billion to Php6.6 billion as a result of the headcount and branch rationalization programs following the merger with a subsidiary in the middle of 2019. It represented 17.5% of total operating income;
es;	 Occupancy and equipment-related expenses slightly increased by 0.7% or Php19.0 million from Php2.8 billion to Php2.8 billion mainly due to higher repairs and maintenance on computer equipment and software. It represented 7.4% of total operating income;
2%	 Taxes and licenses, which accounted for 8.4% of total operating income, slightly increased by 2.6% or Php81.0 million from Php3.1 billion to Php3.2 billion on account of higher Documentary Stamp Tax coming from the growth in peso time deposits, net of lower Gross Receipts Tax;
rtly e er	 Depreciation and amortization was recorded at Php2.9 billion, up by 16.8% or Php421.0 million from Php2.5 billion largely due to higher depreciation on consumer loan-related ROPAs and leased equipment of its leasing subsidiary. It represented 7.7% of total operating income;
ar.	 Miscellaneous expenses declined by 1.0% or Php67.0 million to Php6.5 billion from Php6.6 billion largely due to lower credit card related expenses (volume-driven) and lower management and other professional fees, net of the increase in regulatory fees such as BSP and PDIC. It accounted for 17.1% of total operating income.
on	Overall, net income declined by 6.9% or Php370.0 million from Php5.4 billion to Php5.0 billion.

Other operating income decreased by 13.8% or Php1.9 billion

The figures represent total net revenues as

disclosed in Note 8.2 "Analysis of Primary

The figures exclude other subsidiaries, and

amounted to -Php16.1 billion or -42.6% of the

were gross of eliminating entries which

Segment Information" of the Audited

Financial Statements.

total.

Our Retail Banking Group (RBG) played a front-line role in our efforts to minimize business disruptions and reach out to retail customers.

As an immediate response, RBG's sales and service support units were re-organized and deployed to help address the banking needs of our customers in our branches. We also conducted virtual training sessions to empower our branch sales personnel to digitally onboard new customers. These efforts led to an increase in our retail banking customer base to 1.6 million in 2020 from 1.5 million, previously.

While we had to rationalize our parent bank's 486-strong branch network (as of end-2019) by consolidating 60 Metro Manila and provincial branches, our Retail Banking Group managed to grow its low-cost CASA deposits by 13.5% to Php192.1 billion from Php169.3 billion.

Amidst the lockdowns that made it difficult for our bancassurance partners (Sunlife Grepa Financials, Inc. for life Insurance and Malayan Insurance Company Inc. for non-life insurance) to reach customers, our cross-selling activities managed to generate Php10.6 billion in total revenues.

These efforts enabled us to increase our operating profits, unlock new sources of value, and improve operational efficiencies despite a challenging year. 2. Gross revenues from our retail banking business reached Php10.4 billion in 2020, contributing 27.4% to RCBC's bottom line.

5 Major Retail Banking Innovations in 2020

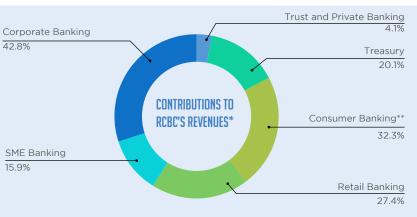
OPERATIONAL HIGHLIGHTS

Being in an essential industry, banks have a vital role to play in supporting the economy during the COVID-19 global pandemic, and in facilitating a rapid and sustained recovery afterwards. In addition to their traditional role as a lender, banks also contribute to the implementation of national policies to support small and medium enterprises (SMEs) and corporates.

As one of the Philippines' leading universal banks, RCBC took immediate and strategic measures to make its business more resilient while responding to clients' banking and financing needs, and supporting the real economy. Amidst the strict and prolonged lockdowns in the country in 2020, we moved with extreme agility to serve our customers by minimizing business disruptions and ensuring digital access.

Contributions to RCBC's Revenues*

Business Segments	Revenues, in Php billion	Contribution to RCBC's Total Revenues (in %)
Corporate Banking	16.2	42.8%
SME Banking	6.0	15.9%
Retail Banking	10.4	27.4%
Consumer Banking**	12.2	32.3%
Treasury	7.6	20.1%
Trust and Private Banking	1.5	4.1%



Gross of eliminating entries

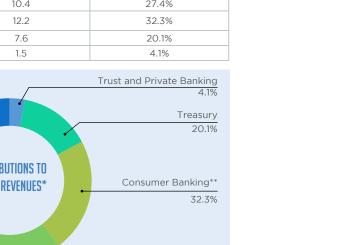
** Refers to Consumer Loans, including credit cards



▲ 18.3%

YOY Growth in Deposits

of Retail Banking



RETAIL BANKING: Partners in the front lines

We continued to step up our digital banking game with these retail banking innovations:

1. **RCBC Online Retail:** RCBC's mobile banking app remains the most comprehensive banking app in the local industry. In 2020, the app became even more powerful with the addition of features such as time deposit account opening and UITF portfolio management.

2. **RCBC Touch:** A breakthrough in Philippine banking, the fully digital, online onboarding web-based platform enables clients to open any deposit account. It has a secured and straight-through digital onboarding process, an electronic KYC and liveliness check, and realtime capability to capture and validate customer data.

3. RCBC OneAccount: A first-in-its-class, all-in-one deposit account (i.e., savings, checking, and time deposits in a single account), with customizable features. It offers the highest monthly interest rates among major local banks.

4. Bank-From-Home: The semi-digital platform combines human touch with digital solutions and serves as an assurance that RCBC is always on hand to serve customers even during the lockdown.

5. Branch of Today (BOT): A marriage of physical and digital banking, the BOT branch model utilizes RPA and API for self-service and automated banking transactions. A universal processing role empowers branch personnel to perform all types of transactions and have a single point of contact per customer. This reduces customers' length of stay in the branch, ensuring their and bank employees' safety.

47.6%

YOY Growth

in Corporate Deposits

Covid Assistance

and Recovery

CORPORATE BANKING: Assistance with CARE

With our corporate banking clients widely affected by the pandemic, our Corporate Banking Group (CBG) quickly turned its focus to providing immediate assistance to qualified customers. This was done through our COVID Assistance and Recovery (CARE) program.

Despite the strict health and safety protocols that limited opportunities for face-to-face meetings, CBG's relationship managers found more innovative ways to actively engage corporate clients and offer them our wide array of solutions – from deposit products, cash management offerings, various financing facilities for working capital, trade financing, capital expenditures and other expansion projects - tailor fit to their needs. Clients were migrated to our RCBC Online Corporate (ROC), our electronic banking platform with a suite of cash management products, which enabled them to seamlessly perform their banking transactions while working remotely.

Thus, despite a year fraught with many challenges, we managed to grow our corporate banking business by 6.3% in terms of assets. We also booked a 47.6% jump in corporate banking group deposits and 12.2% growth in gross revenues. Driving this solid performance were our clients from conglomerates and large local corporations, particularly those in sectors that bucked the pandemic-induced downtrend such as power, infrastructure, telecom, logistics, and e-commerce.

A Year of CARE

RCBC believes that assisting our clients to survive the economic hardships from the global pandemic is our moral obligation.

In 2020, we launched the COVID Assistance and Recovery (CARE) Program to provide pre-emptive refinancing support to customers severely affected by the pandemic and may take time to recover. Those gualified under CARE were customers in good standing as of March 2020 when the Enhanced Community Quarantine was first enforced.

Specifically, CARE was designed to extend financial assistance by way of extended repayment plans given customers' cash flow tightness during the pandemic. It also aimed to immediately get customers back into the habit of paying based on the amount they can afford so they can focus on the more important task of recovering and seeing themselves through the crisis.

Before rolling out the program, we conducted a collection training program for our account officers and front liners so they can properly assess and categorize clients based on their needs and credit history. We made our clients aware of the program through various touchpoints such as via our website, electronic direct mail, and social media (Facebook).

As customers continue to struggle with the economic impact of the pandemic, we remain responsive to their needs as well as reach out to others so we can assist them throughout this crisis.



Dater Clighty

We are here for you to make banking one less thing to worry about during these trying times.

We have pre-sublified you to avail of the parment holiday the your consumer loss. This means you have an option to delay your payments by 30 days from your original due date when talls within March 15 to April 15, 2026.

The Payment holiday to a one-month reprievo on your loan amontization offered to loan clients in good standing whose payment due date talls within March 15 to April 15, 2020. This means that you don't have to worky about paying your tization on your apcoming day state. You may slep on not to avail of this arrangement and pay as your specified

For inquiries on this special arrangement, kindly get in tsuch Ith us at \$555-9772 or \$555-8705. You may also cond your continuation via simali al logen, pa con or entiring faultions is

Together, we can not above those difficall times

BULLY DOWNLOW DOWNLOW DATE:



▲ 30.6%

YOY Growth in SME Deposits



16

SME BANKING: Proactive SME partners

While many of our Small and Medium Enterprise Banking Group (SMEBG) clients were hit hard by the pandemic, we continued to lend to essential businesses and offer cash flow support to affected SMEs.

To complement our physical presence, we launched our Salesforce Customer Relationship Management (CRM) solution, our biggest business process reengineering initiative that enables us to transition from manual processing to online platforms. This digital transformation integrates relevant banking systems so our SME customers can shift to online platforms, leverage on technology, and take their business to the next level.

In addition to this milestone initiative, our SMEBG also intensified its training of relationship managers so they can identify warning signs of financial distress and effectively manage our portfolio. We also extended non-financial support to our SME clients through virtual forums on relevant topics such as funds management and cybersecurity.

These combined efforts enabled us to post impressive growth in our SME loans portfolio, deposit volume contribution, and profitability. SME loans portfolio grew by 22.2% to Php63.9 billion from Php52.3 billion in 2019, with the Visayas region accounting for 33.0% of the total. SME loans comprised 17.2% of our total loan portfolio in 2020, an increase from 16.8% in 2019.

Our SME client base grew with the addition of 132 new SME loan accounts in 2020. Total CASA deposits from SME clients increased by 30.4% to Php49.5 billion from Php37.9 billion a year ago — the fourth consecutive year of growth. Net interest income registered a 36.9% jump or by Php3.0 billion versus 2019. We were able to increase our revenues to Php6.0 billion from Php3.1 billion (gross of eliminating entries), year-on-year, accounting for 15.9% of the Bank's total income revenue.

GLOBAL TRANSACTION BANKING: Accessibility and visibility as key

The Corporate Cash Management Segment (CCM), our cash management solutions provider to corporate and SME clients, implemented an aggressive campaign to enroll customers in RCBC Online Corporate (ROC). This online banking platform enabled our clients to initiate banking transactions remotely, such as performing electronic funds transfers (EFT) that effectively replaced the traditional check payment methods. As a result, EFT volumes grew by a staggering 278.0% from 2019 levels, reaching Php254.7 billion.



▲ 278.0%

YOY Growth in

Electronic Fund Transfer

Transactions in RCBC

Online Corporate

▲ 5.3%

YOY Growth

in Consumer Loans

▲ 14.1%

YOY Growth in Assets

under Management

480.6%

YOY Growth in Clients

with RCBC UITF

Accounts

▲ 151.5%

UITF Online

Transactions

PRIVATE BANKING: Transition to digital

All these efforts led to an increase in Assets under Management (AuM) by 14.1% to Php139.1 billion in 2020 from Php121.9 billion in 2019. This generated Php1.1 billion in revenues from Php858.4 million, previously.

TRUST AND INVESTMENTS: Resilience and digital acceleration

Our Trust and Investments Group (TIG) business remained bullish despite the challenges induced by the pandemic. With its vision of empowering clients to continue achieving their financial goals in the new normal, TIG transformed the way it does business and continued to provide safe and secure channels for client transactions.

Our AUM increased by 23.5% to Php116.7 billion in 2020 versus year-ago. This was driven by the growth in Unit Investment Trust Funds (UITF) and Investment Management Accounts (IMA) which rose by 63.1% and 41.7%, respectively.

While the pandemic was fraught with challenges, it also paved the way for the acceleration of TIG's various digital initiatives such as the straight-through processing of UITF accounts. This enabled us to expand our reach by making all our ten UITFs available online. Our Stock Transfer Unit also launched the Cash Dividend Direct Credit Program (CDDCP) online which automated the distribution of dividends to our clients and eliminated the need to physically go to the bank to deposit or cash their dividend checks.

In the same year, our Rizal Balanced Fund bagged the Best Managed Fund -Balanced (Peso) Fund Category award in Chartered Financial Analysis (CFA) Society Philippines' Search for 2020 Best Managed Funds of the Year. On the governance side, we were also able to comply with the CFA Institute Asset Manager Code, which outlines the ethical and professional responsibilities of organizations that manage assets on behalf of clients. RCBC became one of only four firms compliant with the Code.



With the ECQ, retail clients had limited mobility to access our ATM network for their immediate cash needs. This prompted our Retail Cash Management (RCM) to launch RCBC ATM on Wheels to bring our ATMs directly to customers, especially in areas placed under strict lockdowns. Meanwhile, those with access to our digital channels were able to make retail payments safely and conveniently from home. This led to an increase in transaction and purchase volumes by 33.0% and 19.0%, respectively, compared to 2019 levels. RCM also rolled out card activation and usage programs, resulting in a 53.0% activation rate and 30.0% improvement on usage. These efforts enabled RCM to book an 8.0% growth in fee income in 2020.

Disruption in the global supply chain due to the pandemic affected the performance of our Trade Product Management (TPM), primarily tasked to actively manage our international trade proposition for corporates, saw trade payment volumes fall by 23.0% from the previous year, leading to a decline in fee income. Flow of trade documents likewise affected the settlement of trade transactions, requiring the acceptance of digital copies and other arrangements for document release to allow transactions to proceed. Our trade assets remained flat with an average daily balance of Php19.7 billion, but a bright spot was the interest income from steady trade financing levels contributing strongly to the final 23.0% increase in overall in trade revenues.

Our Global Filipino Banking (GFB) international remittance business was severely affected by the lockdown policies enforced in many countries around the globe in 2020. We focused on improving accessibility and visibility with our remittance tie-up partners, overseas Filipino workers, and their remittance beneficiaries. Amidst the challenges, we were able to onboard new partners and posted an 8.0% year-on-year increase in transaction volume in the Asia Pacific region, 1% in Europe, and almost double in Canada.

CONSUMER BANKING: Seizing growth opportunities

As consumer confidence levels at a record low in 2020, our Consumer Lending Group (CLG) focused on collection activities, cost rationalization, process improvement, cross selling, and digitalization initiatives.

We grew the book to Php106.5 billion in total consumer loans in 2020, 5.3% higher than the Php101.2 billion a year ago. Loan growth was modest as consumer loan bookings shrank by around 20.0%, attributable to muted demand and tightening of credit standards. The pandemic also led to a rise in the level of non-performing loans as many lost their jobs and some businesses closed. This prompted us to find opportunities in growth areas while continuing to strengthen our risk mitigation strategies. It was also important for us to continue servicing our dealer and developer partners while giving credit to sectors we knew would be more resilient to the pandemic.



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With mobility restrictions enforced in 2020, our Wealth Management Group (WMG) had to shift to virtual platforms and promote the use of online banking transactions and electronic approvals to ensure a seamless banking experience for private banking clients.

Our Relationship Managers and Relationship Associates worked to ensure that the transition to digital would be smooth and seamless by handholding clients and walking them through the entire process. To further strengthen business relationships amidst the uncertainties, we have also started engaging the next generation of clients to ensure the seamless transfer of wealth. Various virtual learning sessions on topics such as the basics of investing and basics of investing in equities and fixed income were also held for this client segment.

We also increased our digital presence by utilizing various platforms such as social media to spread product awareness and launch digital campaigns. These efforts improved the number of clients with online RCBC UITF accounts by 480.6% and increased our UITF online volume transactions by 151.5% in 2020.



▲ 16.9%

YOY Growth in RCBC

Bankard's Revenues

RCBC Bankard: Leadership and recognition

RCBC Bankard continued to deliver strong performance in 2020, as it maintained its top 5 industry ranking in terms of issuing billings which amounted to Php45.9 billion. It also climbed a notch higher in the top 5 rank in terms of credit card receivables, posting Php31.0 billion or 3.0% higher than in 2019. Cards-in-force grew by 3.7% to 908,677 from 876,678 a year ago, bucking the general trend among card issuers. Gross revenues rose by 16.9%, accounting for 18.3% of RCBC's total revenues.

While RCBC Bankard kept its industry rank, its issuing and acquiring billings declined by 28.4% and 31.6%, respectively, as both local and international spend across credit card issuers were impacted by the pandemic. It also complied with the BSP's imposition of a cap on credit card interest rate at 24.0% (versus RCBC's rate of 42.0%) and certain fees, which took effect on November 3, 2020, to allow cardholders more affordable pricing terms.

DIGITAL BANKING: Breakout year

Our Digital Enterprise and Innovations Group (DEIG) continued to achieve exponential growth in key performance indicators after a reorganization in 2019. With the implementation of lockdowns leading to limited branch banking activities, we ensured that clients were able to meet their financial needs in a safe, secure, and convenient way. We also launched responsive products and features that addressed clients' demands during this difficult time.

As of end-2020, RCBC's digital platforms have disbursed a total of Php12.4 billion to more than 3.3 million household beneficiaries, benefitting over 16.6 million individuals in 72 out of 81 provinces nationwide.

Among the significant milestones we achieved in our digital banking business in 2020 was maximizing the deployment of ATM Go terminals, enabling millions of families to receive the Conditional Cash Transfer payouts of the government even at the height of the lockdowns. Due to our capability to deploy mobile point-of-sale devices to provide various financial and related services, the Department of Social Welfare and Development made RCBC one of the first private universal banks to aid in the distribution of the social amelioration or emergency social subsidy across the archipelago. The Department of Labor and Employment also tapped RCBC's digital platforms for the immediate disbursement of its own cash-for-work subsidies to target beneficiaries.

We added more powerful features in our RCBC Online Retail (ROR) channel to accommodate the growing demand for cashless and contactless transactions during the lockdowns. Among these features were the online check deposit capability and the onboarding of new payout partners for the Send Cash feature so clients can transmit money to more beneficiaries, even those without bank accounts. Aside from RCBC branches, recipients can now access their remittances in leading pawnshops and payment centers that remained in operation during the lockdown. We also waived InstaPay and PESOnet fees to assist clients during this trying time.

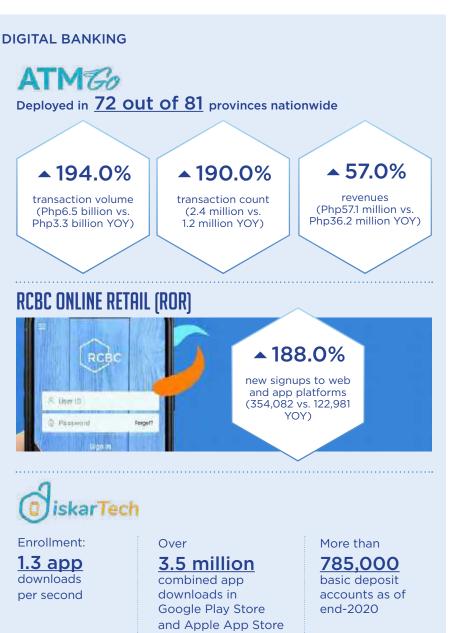
2020 also served as a milestone year with the launch of DiskarTech, the country's first Tagalog-English financial inclusion super app. Dubbed as the "Philippines' No. 1 breakout finance application" by App Annie, DiskarTech soared above a crowded field due to its unique proposition, relevance, and perfect timing. It also quickly made its mark after setting a national record as the fastest to reach one million downloads after barely a month since its launch, even dislodging, at one point, established e-wallets and mobile banking apps at the top of the local app rankings.

RCBC now has the most extensive customer reach with verified basic deposit account holders living across all 81 provinces through the DiskarTech super app. It was also judged in 2020 as the Philippines' best digital bank by Asiamoney and Alpha Southeast Asia, among other global and regional recognitions.



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TREASURY: Streamlining and digitizing

Sluggish economic growth and negative sentiment as a result of the pandemic led to the general slowdown in our clients' businesses. Consequently, this caused a decline in our Treasury Group's income from trading of fixed income securities and foreign exchange and other fees in 2020. Total net income fell 11.0% to Php7.6 billion from Php8.6 billion in 2019.

Initiatives in 2020 focused on streamlining and automating processes such as documents handling and submission, account handling, and the Client Suitability Assessment Form. We also rolled out the zero balance FCDU account for our Digital FX Platform so retail clients can transact their foreign currencies digitally.



Request your transactions online.



22

INFORMATION TECHNOLOGY SHARED SERVICES: More robust for the future 2020 was a very challenging year for our Information Technology Shared Services (ITSSG) to ensure business continuity, deliver key projects, and accelerate the implementation of our digital transformation initiatives.

Amidst the pandemic, ITSGG managed to keep our enterprise architecture robust and scalable, allowing almost everyone to work from anywhere and deliver IT services without disruption. While the volume of our online banking transactions and other digital channels grew by almost 400.0% in 2020 compared to 2019, we were able to quickly scale up and increase capacity without affecting the user experience in our digital apps. Availability and performance of our IT systems and apps remained well above our service level with the implementation of key technology upgrades.

Pursuing our thrust to provide the best customer experience and digital platforms in the industry, we continued investing in technology platforms, processes, and people. Some of the notable initiatives completed in 2020 are:

- A customer care solution that established a unified approach to enhance and integrate customer experience across all interaction touchpoints;
- A new SME Banking platform to reduce loan processing time to weeks instead of months, providing convenient customer access to business loans;
- An alternative channel through the RCBC Touch Onboarding system to enable new customers to open deposit accounts without having to physically visit a branch during these difficult times; and
- More services and functionalities added to RCBC's Online Banking mobile solution to further strengthen our position as the best digital bank.

We continued to strengthen our IT infrastructure and adopt cloud platforms to address client needs, ensure the high availability and performance of digital banking services to our customers, and sustain the rapid growth in transactions beyond 2020. This also includes making our remote workplace capability more secure and robust to allow our employees to safely work from home and continue to serve our clients.

OPERATIONS: Capability and efficiency

We continued to strive for operational efficiency and excellence by leveraging technology, implementing process reengineering, focusing on people development, and ensuring strict compliance to controls.

The pandemic raised the need for business process reviews and design and development to ramp up digitization initiatives. Through the Operations Group's synergy with our other business groups, we were able to implement initiatives such as Bank from Home and RCBC Touch, as well as set up the Digital Branch Support team to support online account opening, customer information updating and similar initiatives. The Operations Group also provided continuing support for efficiency and customer experience-driven projects such as our new Branch of Today (BOT) which harnesses digital solutions to improve and simplify the customer branch banking experience. As of end-2020, 101 of our 486 branches were already converted to the new BOT branch banking model. We envision more branch conversions in 2021 as we continue to improve customer experience with RCBC.

The Operations Group also supported various initiatives to migrate clients to digital channels such as RCBC Online Retail (ROR) and RCBC Online Corporate (ROC). Our mobile and digital channels were likewise enhanced to allow customers to send domestic and foreign remittances using their personal computers and mobile devices as Work from Home arrangements became the norm.

Through the steadfast growth in technology and evolving market demands, we continue to expand the scope of our operational efficiency and adhere to our mandate of providing efficient services to our customers amidst the present and emerging challenges.



▲ 256.6%

101

Branch of Today

Out of 486 RCBC

Branches

Growth in the Amount of Principal Loans Resolved

Our Asset Management and Remedial Group (AMRG) is responsible for managing the impaired assets portfolio of RCBC through restructuring, settlement, or foreclosure of non-performing assets.

Operations also provided a more robust back-end support while maintaining required controls for electronic payments, even as the transaction volume doubled from 2019 levels. It also supported the disbursement of the government's Social Amelioration Program payouts to needy and unbanked Filipinos, and the temporary loan payments reprieve for borrowers under the Bayanihan to Heal as One Act and the Bayanihan to Recover as One Act.

Amidst the challenges to our operating environment, strengthening our culture of compliance remained our priority. In 2020, we attained an overall passing rate on internal audits and compliance reviews from the BSP. In addition, two of our Regional Support Centers (Carmen and Marbel) were awarded by the BSP as the "Most Compliant Bank" and "Model Bank Depositor for 2020," respectively. These awards served as proof of our high level of compliance and service standards.

ASSET MANAGEMENT AND REMEDIAL: Vigilance and agility

Despite the pandemic, our Corporate Remedial Management Division (CRMD) was able to achieve higher principal loan resolutions of Php295.6 million, 256.6% higher than the 2019 level of Php82.9 million. This was primarily due to client negotiations in previous years which came to fruition in 2020.

Meanwhile, our Asset Disposition Division (ADD) unit was able to book an income of Php404.0 million in 2020. The unit conducted an online auction of foreclosed real estate properties and vehicle units, which resulted to a total book value ROPA (real estate and auto) reduction of Php475.0 million for 2020. We also gave rental concessions and payment deferment to our lessees.

RCBC Leasing & Finance Corporation: Challenging environment

RCBC Leasing & Finance Corporation grew its production volume by 3.0% to Php9.0 billion from 2019 but its clients' operations remained to be hampered by lockdown restrictions and safety protocols brought about by the pandemic.

Despite the challenges, RCBC Leasing generated Php1.4 billion in consolidated gross revenues, up by 7.5% from Php1.3 billion the previous year.

RCBC Leasing booked Php367.0 million in expected credit losses resulting in a net loss of Php62.4 million in 2020.

Aligned with our thrust to build partnerships, Rizal Microbank Inc. - A Thrift Bank of RCBC (RMB) piloted a program that enabled more than 350 new Filipinos to enter the formal banking industry in 2020. The agency banking program, called Bangko ng Bayan, was in partnership with 45 community-based entrepreneurs whose business establishments served as financial access points for unbanked and underserved localities. More than Php1.7 million in transactions were processed within five months from the pilot launch.

RMB managed to launch this groundbreaking initiative amidst the challenges in its 10th year of operations.

After two consecutive years of registering a positive income, RMB incurred a net loss of Php89.0 million in 2020, largely due to lower loan demand amidst the pandemic. This resulted in substantial reduction in gross revenues from its lending operations. Its Ioan portfolio went down to Php1.2 billion from Php1.4 billion in 2019, a 15.0% decline while loan disbursements fell by 34.0% to Php1.2 billion from Php1.8 billion, year-on-year. The thrift bank boosted its loan loss provisions by 283.6% as a pre-emptive stance, growing its impairment losses to Php53.7 million from Php14.0 million in 2019.

SUBSIDIARIES

RCBC Capital Corporation: Defensive position

RCBC Capital Corporation, our investment banking arm, posted a net income of Php158.9 million in 2020, a 42.9% decline year-on-year, in view of the absence of substantial nonrecurring income realized in 2019 and as business activities generally slowed down in 2020 due to the lockdowns.

The year saw RCBC Capital acting as lead arranger, issue manager, and underwriter in a number of noteworthy capital market transactions. Fees derived from these deals amounted to Php96.4 million or 31.4% of its total income of Php307.0 million.

Amidst the slump in the Philippine equity markets due to the pandemic, the subsidiary managed to take positions on defensive stocks. This led to a significant turnaround in its net trading gains to Php31.9 million in 2020 from a loss of Php16.4 million in 2019, enabling RCBC Capital to post an effective increase of 295.0% year-on-year.

Interest Income grew by 57.9% or Php34.5 million from Php59.6 million a year ago. Other income, mainly from dividends and equitized net earnings from subsidiaries, declined by 63.8% or Php149.7 million from P234.3 million, previously, as the subsidiaries were also negatively affected by the pandemic.

RCBC Securities. Inc.: Retail focus

RCBC Securities, Inc., our stock brokerage unit, posted a net income of Php6.7 million in 2020, reversing its net loss in 2019. The unit intensified its marketing efforts geared toward retail clients, which resulted in a 45.5% growth in commission income from retail. This enabled it to contribute a 29.3% growth to our total commission income.

The stock brokerage firm plans to improve its account onboarding of retail clients and the payment and receipt of funds hassle-free by enhancing and upgrading its digital processes and making its employees more customer centric. Combined with its shift to digital marketing, this is expected to lead to a more robust retail business.

RCBC Securities' Contribution to RCBC's **Total Commission** Income

29.3%

~ 295.0%

YOY Growth in

RCBC Capital's

Net Trading Gains







The depreciation of operating lease assets grew by 37.1% to Php379.2 million. Interest and financing charges rose to Php502.0 million or 8.1% higher than a year ago, due to higher borrowings as we needed to fund our lending activities and comply with liquidity standard ratio requirements.

Rizal MicroBank: Forging partnerships for the unbanked

To stem these losses, RMB implemented a strategic plan that called for streamlining its distribution network to 15 branches and two branch-lite units by end-2020. Funding costs were similarly controlled, as shown in the 4.6% drop in RMB's interest expense to Php39.3 million from Php41.1 million.

Its total assets were reduced by 14.3% to Php1.6 billion and total equity fell by 16.4%, ending the year with Php490.2 million, which was still well above the Php400-million minimum capitalization requirement for thrift banks with a head office based outside Metro Manila and with a branch network of 50 and below. RMB's total liabilities went down by 13.4% to Php1.1 billion in 2020 from Php1.2 billion in 2019 as a result of the measures undertaken to minimize its potential net loss.

To assist its valued clients, RMB went beyond implementing the grace periods mandated under the Bayanihan to Heal as One Act and established a Recovery and Collection Execution (RACE) Program. The program enabled concerned borrowers to repackage or restructure their accounts and adopt a more flexible payment scheme based on their current business situation.



By investing in our employees and pushing for digital transformation, RCBC is able to provide products and services so customers can cope with the changing environment brought about by the global pandemic, build resilience, and identify new opportunities. By adopting an inclusive financial business model, RCBC can respond to the needs of small and medium enterprises, the underserved, and the unbanked sectors.

OUR APPROACH TO SUSTAINABILITY

As one of the largest banks in the Philippines, RCBC recognizes its role in maintaining stability in the financial services sector in support of the economy, while ensuring that the welfare of the environment and communities are sustained.

This is the Bank's response to the Bangko Sentral ng Pilipinas' (BSP) call for financial institutions to be enablers of environmentally and socially responsible business decisions, as articulated in the BSP Circular 1085 on Sustainable Finance Framework issued in April 2020.

By investing in its employees and pushing for digital transformation, RCBC is able to provide products and services so customers can cope with the changing environment brought about by the global pandemic, build resilience, and identify new opportunities.

By adopting an inclusive financial business model, RCBC can respond to the needs of small and medium enterprises (SMEs), the underserved, and the unbanked sectors. In 2020, RCBC's inclusive financial business model and digital transformation became instrumental in the distribution of the Philippine government's Social Amelioration Program funds amidst the pandemic.

Internally, the Bank was able to promptly respond to the extraordinary needs of its customers by actively engaging them in various digital platforms while implementing a Work from Home (WFH) policy to protect the health and safety of its employees. These illustrate RCBC's impacts where economic, social, and environmental activities are effectively intertwined.



By being an early adopter of sustainable banking practices, RCBC contributes in addressing the growing concern on the environment and society. This has stimulated an encouraging trend in the Environmental, Social, and Governance (ESG) space within the banking industry, providing an early support for BSP Circular 1085.

This approach to sustainability leads to the determination of the following material topics:

- Information that substantially influence the assessments and decisions of stakeholders, including investors:
- » Information instrumental to assessments and decisions of stakeholders are largely focused on the customer and the need to foster customer trust. This includes data on customer engagement/customer satisfaction, customer privacy, upholding the rights of the customer, data security, and business ethics.
- » Assessments relevant to the customer can only be meaningful when RCBC, as a financial institution, is stable and responsive to changing times. Given this, information on economic data/results is substantively influential, as well as the means to achieve such results through investments in human resources, talent training and development, technological advancements, and commitments to ESG principles.

RCBC ANNNUAL & SUSTAINABILITY REPORT 2020

- » With RCBC's own Sustainable Finance Framework in place, information on customer operating metrics that impact the environment and society also become substantively influential.
- » As a responsible financial institution, information on compliance with all relevant laws and regulations is material.
- Matters that substantively affect the organization's ability to create value over the short, medium, and long term.
- » RCBC is able to create value through its products and services. The ability to offer and continually develop these products and services is anchored on the Bank's financial capacity to recover from the impact of the global pandemic, management and talent support, resilience in operations, and efficient supply chain. Given this, matters pertaining to economic results and financial well-being, protection for the health and safety of employees, human resource support and talent pipeline, adaptability of operations to crisis/changing circumstances, and supplier actions are considered material as these may substantively affect RCBC's ability to create value over the short, medium, and long-term.

Stakeholders	Component	
	Economic Performance	• Corp
		• Com
		• Perio
		Partic
Community		• Supp
	Financial Intermediation	• Redu
	Procurement Practices	• Econ
		• Local
		• Enco
	Financial Intermediation	• Redu reput
Public, including media	Business Ethics	• Capa
		• Comi cases

) ENVIRONMENT

Stakeholders	Component	
	Resource Management	• Effici
Management	Environmental Compliance	• Mone
		• Non-
	Ecosystems and Biodiversity,	Comp
Government /	Environmental Impact Management, Environmental	• Redu
Regulators (DENR)	Compliance	• Conc
		 Abilit
Customers/ Clients	Environmental Compliance	 Interr
Clients		• Repu
Freedoweee	Environmental Compliance	Inter
Employees		• Repu
	Resource Management	 Profit
		Effici
Stockholders	Environmental Impact Management, Environmental Compliance	• Comp that i
	Resource Management	Cons
Suppliers		 Actic and a
Communities,	Resource Management	 Envir pract
including environmental NGOs	Ecosystems and Biodiversity, Environmental Impact Management, Environmental Compliance	• Redu
Public, including media	Resource Management	Poter scarc
	Ecosystems and Biodiversity, Environmental Impact Management, Environmental Compliance	• Poter envir

ECONOMIC

Stakeholders	Component	Issues that Influence Their Assessments and Decisions
		 Financial performance/health: Revenue, operating costs, remaining value retained in the company for liquidity and future investments
		 Fiscal and risk management to enhance profitability and bank operations
	Economic Performance	 Regulatory compliance with BSP, SEC and PSE and international best practices
		Economic contribution to the country
		Dividends given to them
Stockholders		Community investments
	Financial	Credit risk of portfolio
	Intermediation	Profitability of portfolio
		Capability to fight corruption
		Commitment in combatting corruption
	Business Ethics	 Advocacy for transparency and accountability
		 Timely and transparent disclosures on governance
		Enforcement of policies on anti-corruption, AMLA and Fraud
	Financial	Credit / transition risk
Management	Intermediation	Profitability of portfolio
	Procurement Practices	Local sourcing to help ensure stable supply
	Economic	 Equitable interest rates and sound financial advice
Loan/Fund Providers	Performance	• Value creation: financial contribution and impact to UN SDGs
& Creditors/	Business Ethics	Capability to fight corruption
Depositors		Commitment in combatting corruption
		 Protection of deposits and loans/credits provided
	Economic Performance	Evidence of financial capacity
		Reliability of operations, unusual decline in financial results
Customers/ Clients	Financial Intermediation	Support for financing
		Capability to fight corruption
	Business Ethics	Commitment in combatting corruption
		Protection of deposits
	Economic Performance	Equitable wages and benefits
Employees		Capability to fight corruption
	Business Ethics	Commitment in combatting corruption
		Protection of employees
Suppliers	Economic Performance	Payments made
	Economic Performance	• Taxes paid
Government/ Regulators (BSP, SEC, PSE)	Financial Intermediation	Credit risk of the portfolio
	Business Ethics	Bank transparency and accountability
		 Compliance with rules and regulations set by BSP, SEC and PSE
		Regular conduct of internal and external audits
		Monitoring of ethics and compliance
		Capability to fight corruption
		Commitment in combatting corruption

Issues that Influence Their Assessments and Decisions

- porate Social Responsibility (CSR) programs
- nmunity investments with positive impact
- iodic partnerships and sponsorships
- ticipation in and support of worthy causes
- port for the economy through local sourcing
- uced environmental and social impact of RCBC clients' operations
- nomic inclusion as positive impact
- al sourcing support for stable local economy and community relations
- ouraging of additional investment to the local economy
- uced environmental and social impact of RCBC clients' operations potential utational impact
- ability to fight corruption
- nmitment in combatting corruption potential reputational impact for public legal es regarding corruption

Issues that Influence Their Assessments and Decisions

- ciency of managing resources
- netary fines
- -monetary sanctions
- npliance with environmental laws and regulations
- uction of environmental impacts
- cern for environmental protection
- lity to conform to certain performance parameters
- rruption of business/operations due to breach of environmental laws/regulations utational impact
- rruption of business/operations due to breach of environmental laws/regulations utational impact
- fitability of the organization
- ciency of managing resources
- npliance with environmental laws and regulation and potential reputational impact may lead to divestment
- sumption of resources (e.g., electricity, water, materials used)
- ons that can affect the organization's ability to operate, implement its strategies, achieve its objectives
- ironmental effects of resource consumption alongside scarcity of supply, and tices employed by suppliers
- uction of environmental impacts and concern for environmental protection

ential reputational impact of the extent of resource consumption, alongside rcity of supply, and practices employed by suppliers

ential reputational impact of environmental impacts and concern for ironmental protection

Stakeholders	Component	Issues that Influence Their Assessments and Decisions
Management	Employee Management	Direct cost implications of policies on employees
		Efficiency and productivity of employees
		Quality of service provided by employees
	Workplace Conditions	Health and safety of employees
	Employee Management	Direct cost implications of policies on employees
		Efficiency and productivity of employees
		Quality of service provided by employees
		Satisfaction among employees
		 Talent acquisition and development and organization's investment in training, and the degree to which the investment is made across the entire employee base
		• Equity in the workplace, elimination of gender bias, and equal opportunity
St. 11 11	Workplace Conditions, Labor Standards, and Human Rights	 Health, safety, and minimal harm – potential reputational impact that may lead to divestment
Stockholders		 Abolition of child labor, elimination of forced labor, and upholding human rights – potential reputational impact that may lead to divestment
	Supply Chain Management	 Reduction of negative environmental and social impacts in the supply chain – potential reputational impact that may lead to divestment
	Relationship with Community	 Reduction of negative impacts on local communities and concern for society – potential reputational impact that may lead to divestment
	Customer Management	 Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment
	Data Security	 Data security and customer privacy – potential reputational impact that may lead to divestment
	Employee Management	Satisfaction among employees
		• Equity in the workplace
		Organization's investment in human resources
		Quality of benefits
		Protection of employees' well-being
		Employee engagement and retention
		Work-life balance
Employees		Understanding of Bank's mission, vision, and strategies
		 Talent acquisition and development and organization's investment in training, and the degree to which the investment is made across the entire employee base
		 Approach to communicating significant operational changes
		 Negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers
		• Equity in the workplace, elimination of gender bias, and equal opportunity
	Workplace Conditions, Labor	Health and safety, minimal harm
	Standards, and Human Rights	Abolition of child labor, elimination of forced labor, and upholding human rights
	Employee Management	Efficiency and quality of service provided by employees
	Customer Management	Customer protection and satisfaction
		 Integrity and honesty of the Bank and its employees
		Professionalism and efficiency of senior management and bank employees
		 Easy account opening/loan application requirements and processes
		Accessibility of ATM and branch network
Customers/ Clients		Continuous service, process and technology improvements
		Fast complaints resolution

• Upholding the rights of customers

Compliance with laws and regulation

• Ability to conform to certain performance parameters

Data securityCustomer privacy



Stakeholders	Component
Suppliers	Supply Chain Management
	Employee Management
	Customer Management
Government / Regulators (DOLE)	Data Security
	Employee Management
Community	Workplace Conditions, Labor Standards, and Human Rights
	Supply Chain Management
	Relationship with Community
	Customer Management
	Data Security
Public, including media	Employee Management
	Workplace Conditions, Labor Standards, and Human Rights
	Supply Chain Management
	Relationship with Community
	Customer Management
	Data Security

Data Security

 $\sum_{n \in \mathbb{N}}$

SOCIAL

Issues that Influence Their Assessments and Decisions

- Procurement policies
- Protection of employees
- Customer satisfaction and upholding the rights of customers
- Data security and customer privacy
- Compliance with laws and regulation
- Ability to conform to certain performance parameters
- Optimal use of available labor and talent in different regions
- Organization's investment in human resources, training, and the quality of benefits
- Ability to attract talent / potential employees in the community
- Approach to communicating significant operational changes and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers
- Equity in the workplace, elimination of gender bias, and equal opportunity
- Health, safety, and minimal harm potential reputational impact
- Abolition of child labor, elimination of forced labor, and upholding human rights
- Reduction of negative environmental and social impacts in the supply chain and concern for environment and society
- Reduction of negative impacts on local communities and concern for society
- Continuous enhancement of community relations
- Customer satisfaction and upholding the rights of customers
- Data security and customer privacy
- Ability to attract diverse, qualified employees
- Inclusive recruitment practices
- Equity in the workplace, elimination of gender bias, and equal opportunity potential reputational impact
- Satisfaction among employees, organization's investment in human resources, and the quality of benefits potential reputational impact
- Organization's investment in training, and the degree to which the investment is made across the entire employee base potential reputational impact
- Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers – potential reputational impact
- Health, safety, and minimal harm potential reputational impact
- Abolition of child labor, elimination of forced labor, and upholding human rights potential reputational impact
- Reduction of negative environmental and social impacts in the supply chain potential reputational impact
- Reduction of negative impacts on local communities and concern for society potential reputational impact
- Customer satisfaction and upholding the rights of customers potential reputational impact
- Data security and customer privacy potential reputational impact



"Our digital transformation strategy was the main path to effective customer engagement during the crisis, supporting the BSP's advocacy for financial inclusion. We became digital ambassadors for our customers as they transitioned toward online banking, and for the unbanked and underserved Filipinos as they were finally given access to mobile digital banking." — Eugene S. Acevedo, RCBC President and CEO

Disasters and Critical

Events

With an inclusive financial business model in mind, we provide banking and financial products and services, creating wealth for our stakeholders through: i) the revenues we generate; ii) the economic value we distribute in the form of employee wages and benefits; payments made to suppliers; dividends given to stockholders; taxes paid to the government; and iii) our investments in local communities.

OUR ECONOMIC CONTRIBUTIONS

Disclosure Items	Amounts in billion Php (Consolidated)		
	2020	2019	2018
Direct economic value generated (revenues)	37.91	35.86	26.50
Direct economic value distributed			
a. Total operating costs	27.72	24.29	20.91
b. Employee wages and benefits	6.63	6.83	6.56
c. Payments to suppliers, other operating costs	14.36	12.09	10.12
d. Dividends given to stockholders	1.08	0.86	0.86
e. Taxes given to government	5.56	4.43	3.31
f. Investments in communities (e.g., donations, corporate social responsibility programs)	0.093	0.068	0.053

Our Impact

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

- Our customers and employees: assurance of the Bank's financial well-being, regard for health and safety amidst the pandemic
- Our stakeholders: value generation, business resilience
- Environment and society: sustainable lending activities
- Domestic economy: promotion of fiscal growth through the taxes we pay
- Local industries: promotion of economic inclusion

Management Approach to Risks

Our ability to generate revenues may be disrupted by unforeseen change in circumstances or pronounced crisis that may alter customer behavior or adversely affect employee welfare. Revenue generation involves lending to the energy sector whose operations are highly associated with climate-related risks due to significant greenhouse gas (GHG) emissions. Lending to this sector includes both short-term and long-term transactions, and a mixture of both renewable and non-renewable energy. Financing support to sectors that impact climate change leads to vulnerability towards transition risks, as acknowledged by BSP Circular 1085.

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

Risks Identified	
Financial Distress	RCBC: A Domestic Systemically Im A bank's distress or failure is more activities comprise a large share of more likely to damage confidence can materially increase the likeliho obligations in which they operate. banks, the greater the chance that The larger the bank is, the greater As a DSIB, RCBC must have higher to cushion the impact on the dome economy. This is addressed throug Tier 1 (CET1) to ensure a maximum absorbing capacity. RCBC is requir CET1 capital. As of December 31, 2 (solo) and 12.64% (consolidated), k requirement. The issuance of a USI (AT1) in August 2020 strengthened reopened the US dollar AT1 bond r In case of a breach in the HLA cap implement our concrete and reaso in our Internal Capital Adequacy A document. The recovery plans incl consisting of specific initiatives, to position and restore our financial co of significant deterioration in certa
	BUSINESS C



Business Continuity Plan (BCP): We have a comprehensive Crisis Management Framework that prepares the Bank for an event-led disruption in operations. The Crisis Management Team (CMT), headed by the President, oversees this framework, and is responsible for synchronizing all efforts in the Bank, to limit losses and to recover operations as fast as possible. Our dedicated Business Resiliency Unit under the Risk Management Group ensures readiness for any disaster/crisis. The unit coordinates with all groups to build a bank-wide Business Continuity Plan (BCP), identifying critical products/ services and required operational support for continuity of operations. The BCP details resources needed such as people, processes, IT systems, and other equipment, as well as contingency procedures to guide all units on how to respond, recover, resume, and restore operations following the disaster/ crisis.

Disaster Preparedness for Natural Calamities and Cyber Attacks: In light of the considerable challenges that natural calamities pose to our country, we have a Disaster Recovery Plan (DRP) that identifies disaster and emergency assistance support for the Bank's employees. We activated this DRP during critical events of 2020 such as the Taal volcano eruption, Mindanao earthquakes, and the onslaught of Typhoons Ulysses (international name: Vamco) and Typhoon Rolly (international name: Goni). Preparedness plans include provisions for survival kits, activation of the Bank's call tree, and identification of key areas for relocation and evacuation.

We set up a backup Data Center outside of Metro Manila in preparation for the "Big One" event. This ensures that IT infrastructure will continue to provide nationwide support in the event that the anticipated earthquake hits Metro Manila.

Several table-top exercises on pandemic crisis and cybersecurity are held annually to apprise and prepare all concerned parties and promote awareness on measures to be taken in case such threats become real events.

USD300 MILLION:

Additional Tier 1 issued in

2020, which reopened the

USD AT1 bond market in Southeast Asia

Management Approach to Risks

mportant Bank (DSIB)

e likely to damage the local economy or financial markets if its of the domestic activity. The distress or failure of a large bank is also e in the financial system as a whole. Financial distress in one institution ood of distress in other institutions given the network of contractual e. The more difficult it is for its activities to be quickly replaced by other at its distress or failure will cause disruption to the financial markets. r are the costs and time needed to resolve the bank's financial distress.

er loss absorbency (HLA) nestic financial system and 1gh the Bank's Common Equity m degree of effective loss 1ired to have an additional 1.5% 2020, its CET1 ratio is 12.28% 1 both above the 10% total CET1 SD300-million Additional Tier 1 ed RCBC's capital base as well as market in Southeast Asia.

pital requirement, we will onable recovery plans contained Assessment Process (ICAAP) clude guidelines and action plans, o be taken to improve our capital condition to viable levels in case tain scenarios.

"Attack" strategies:

ii.

C.

Sustainable Finance

Our Economic Contributions

Risks Identified	Management Approach to Risks	Risks Ide
	 Pandemic Contingency Plan: In January 2020, we activated our Pandemic and Infectious Disease Plan as part of the BCP. The Plan defined control operations and precautionary measures needed at each stage of a pandemic, mostly based on the experience with the 2004 SARS and 2009 H1N1 outbreaks. When the Enhanced Community Quarantine (ECQ) was lifted, we prepared a Business Recovery Plan, which will guide our operations during the transition towards recovery and thriving in the new normal. Our plans and strategies were re-calibrated, and priorities were reset to respond to the COVID-19 situation. To survive the crisis, we set up the following "Defense" strategies: 	
	i. Protect the Lives of Employees and Customers:	
	a. Clustering: To ensure continuity of business operations, clusters (each operating independently) were created, and split-site operations were established. This means there are teams working in cycle of reporting at the office (onsite) and working from home. This rotation was supplemented with a "no-crossover" policy between sites, floors, and branches, and virtual meetings were observed in lieu of physical gatherings.	Disasters and Events
	b. Health and Safety Protocols: As banking is considered an essential industry, we continued to operate but had to ensure that our operations were in line with health protocols to protect both employees and customers. Protective equipment and resources were deployed to employees. Signs and posters were placed in common areas as a constant reminder of the required safety protocols. Acrylic panels were used in the branches and other customer-facing offices. Prescribed health protocols were institutionalized in all bank premises.	
Disasters and Critical Events	c. Employee Health Protocols: In coordination with our health insurance partner, employees were given access to a hotline for tele-consultation for medical assessment, COVID-19 related medical inquiries, and scheduling of COVID-19 tests. Daily health checklists and updates on tracking and tracing of the health condition of employees were conducted. These protocols helped protect employees reporting for work and those who navigate the challenges in the new work environment amidst COVID-19.	
	 ii. Defend Against Loan Defaults: As governments sought to contain the pandemic crisis with lockdowns and quarantines, and with the economy declining, the risk of a deterioration in our portfolio quality was high. During the quarantine, our loan account officers continued to stay in touch with customers. Lending officers were also given supplementary training to prepare for more intensive credit assessment and collection. We assessed the impact of the strict quarantine measures on the industries where our borrowers are present and their ability to recover. 	Climate-Relat
	 iii. Customer Engagement: We responded quickly to concerns during the quarantine with important advisories on branch operations, waived fees, and payment holidays. The digital way was the main path to effectwive customer engagement during the crisis, making it an opportune time to communicate our digital transformation strategy. All Branch sales personnel became digital ambassadors, handholding their valued customers in transitioning to online banking. 	
	iv. Streamline Operations: Our priorities were clear. We tightened overall spending. The quarantine accelerated the shift to digital channels. A review of branch operations and re-engineering of the processes led to streamlining parts of the business. Repetitive manual tasks were automated through robotic process operations.	

Management Approach to Risks

Looking beyond the limitations and preparing for an eventual recovery, the Bank put in place these

i. Adapting to new priorities by learning new ways of doing business: All corporate lending officers had to be re-trained on collection and refinancing to engage customers on the payment holidays mandated by the government and our credit relief programs. Branch sales personnel, faced with the challenge of serving customers in quarantine, needed to improve their proficiency on our digital products to migrate our customers to digital platforms.

Go Digital: Our digital plan was set in motion in 2019 with the re-launch of the RCBC online retail mobile app. The pandemic accelerated the acceptance and use of the new mobile app with the expanded array of features: the ability to open time deposit accounts, make payments through QR codes, transfer funds, send cash through remittance centers, deposit checks without visiting the branch, get cash without an ATM card, and convert card purchases to installments.

 iii. Financial Inclusion: Our strategies incorporate a long-term view, particularly in nation building. We respond to the needs of the unbanked and underserved Filipinos and support the BSP's advocacy for financial inclusion through:

a. Rizal MicroBank: Our thrift bank subsidiary offers traditional and digital products and services to micro and small business enterprises.

b. DiskarTech: We launched a mobile-based application, the country's first financial inclusion accelerator app, to serve unbanked and underserved Filipinos.

ATM Go: Handheld ATM terminals were instrumental to the government's distribution of Social Amelioration Program (SAP) funds. The government partnered with RCBC to help distribute cash assistance to families greatly affected by the quarantine in provinces and remote locations where there are no bank branches.

Financial Support: Payment Accommodations and Fee Waivers

We gave a 60-day payment holiday to consumer loan and credit card customers, beyond the initial 30 days required under the Bayanihan to Heal as One Act.

To encourage our clients to bank safely from home, we waived fees for digital transfers done via RCBC Online Banking to accounts in RCBC and other banks for the duration of the ECQ until January 31, 2021. Transfer fees for InstaPay done via DiskarTech were waived until end-2021. Fees to send cash online for pick up in RCBC ATMs have been waived as well.

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

Important first steps have been taken to reduce corporate carbon footprint and finance the flow of funds into a low-carbon and climate-resilient future not only in the Philippines but also within ASEAN.

We have also taken on a leading role in developing Sustainable Finance.

The RCBC Sustainable Finance Framework of April 2019 articulates our strategy to raise funds and lend to priority sectors. In June 2019, we raised Php8.0 billion (USD167.0 million), the first peso-denominated Sustainability Bond under the ASEAN Sustainability Bond Standards, to refinance Eligible Green and Social Assets. In September 2019, we raised an additional USD300.0 million to fund Eligible Green and Social Assets. Investor response to these landmark transactions was overwhelming. The transactions were oversubscribed in multiples and brought in investors from all major financial centers of the world.

Development Goals (SDGs) and the Paris Agreement.

Opportunities

Identified

Our Economic Contributions

Opportunities

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

Opportunities Identified	Management Approach to Opportunities		In December 2020, RCI projects in the Philippir
Drive Towards Digital Transformation	 Digital Transformation Towards Inclusiveness and Accessibility: Development of digital finance as financial inclusion tools and partnerships in support of the national strategy for financial inclusion DiskarTech: The country's first financial inclusion accelerator virtual bank was created to reach the retail grassroots and serve the unbanked and underserved segment. The mobile-based DiskarTech app offers vital financial services needed by the unserved and underserved consumers in every barangay and enables them to be part of the local banking ecosystem. The Bank, through its DiskarTech Lite Disbursement Platform, is one of the financial service providers of the Department of Social Welfare and Development's (DSWD) for the digital disbursement of the second tranche of the Social Amelioration Program funds. ATM Go: Our handheld automated teller machine service is an industry leader and has been endorsed by DSWD as an offsite payment facility for the continued disbursement of its conditional-cash-transfer project Pantawid ng Pamilyang Pilipino Program and social pension for indigent senior citizens. RCBC was the first private universal bank permitted to aid in the efforts of the agency. These small devices can be found in groceries, cooperatives, and rural banks in the provinces. RCBC Mobile App: To help customers bank from home, we developed new features in the mobile app, creating a fully digital end-to-end customer experience. RCBC Touch: The country's first fully automated online account opening platform allows for an end-to-end digital on-boarding process for any type of deposit account. The shift to digital banking via RCBC Touch supported the 	Drive Towards Leadership in Sustainable Banking and Sustainable Finance	 b) b) b
	 onboarding of new-to-bank clients. Other online solutions that offer customers safe, fast, and easy access to their funds, particularly to cope with the restricted mobility: RCBC OneAccount deposit product, launched in 2020, which generated Php1.58 billion worth of new-account deposits; Online subscriptions in UITF investments via RCBC's digital channels, which surged 336%, predominantly in the young adult and the aged client segments; and Electronic fund transfers by corporate clients, driven by the ECQ and by our robust corporate online banking platform, surged 281%. 	Climate-Related Risks and Opportunities Sustainable Finance The Philippines is the fourth most vulnerable co Germanwatch Institute, which analyzes the exte the Paris Agreement on Climate Change, which reduce 70% of its greenhouse gas emissions by RCBC believes the financial services sector play the UN Sustainable Development Goals (SDGs) Understanding and managing climate change is a responsible corporate entity, the Bank is com meeting the UN SDGs	
	2. Digital Transformation in Our Operations: We accelerated our digital plans, which began in 2019. Industrial engineers redesigned the Bank's main businesses to innovate customer experience. Manual tasks have been handed over to virtual robots, cutting down turnaround time radically. The shift to digitization means less reliance on physical branches. Since 2019, the Bank has closed 30 branches and uprooted dozens of ATMs.	and socially responsible b Sustainable Finance Stra We are committed to uph financial priorities with no	



Management Approach to Opportunities

 Alignment with the Department of Energy's (DOE) Moratorium on the Use of Coal-Fired Power: In December 2020, RCBC announced it will no longer extend financing to new coal-fired power projects in the Philippines. This announcement came after the DOE said it is keen on increasing the share of renewable energy as the country's power source to 43% by 2040 from 29% in 2020. RCBC supports this target through its twelve renewable energy projects (with combined capacity of about 400MW) comprising its pipeline financing as of 1Q2021.

of the end of December 2020, RCBC's Eligible Sustainable Portfolio accounted for proximately 10% of total loan portfolio, higher than the 8% share of loans to coal-powered

port for BSP Circular 1085: Sustainable Finance Framework:

ing the CEO Sustainable Finance Dialogue Forum in July 2020, RCBC President and CEO gene Acevedo presented recommendations to optimize existing bank units while sharing BC's current practices to meet the Circular's requirements. Hosted by the World Wide Fund Nature (WWF) Philippines and the Bankers Association of the Philippines (BAP), the Forum ouraged banks to integrate ESG principles in their corporate strategy, risk management, and rall operations framework.

3C has demonstrated its leadership in Sustainable Finance through its Environmental and ial Management System (ESMS) since 2011 and its own Sustainable Finance Framework since il 2019. With the ESMS and its own Sustainable Finance Framework already embedded in 3C's risk management systems, RCBC can be considered well-placed in complying with the ent provisions of BSP Circular 1085.

ippines as a Signatory to the Paris Agreement:

owing a BOD approval in September 2020, RCBC entered into an agreement with ernational Finance Corporation (IFC) and 2 Degree Investing Initiative (2DII) in January 2021 build capacities in the application and use of Climate Scenario Analysis in support of the fight inst climate change. The first to be conducted by IFC and 2DII in Asia, the capacity-building eement provides tools consistent with the objectives of the Paris Agreement under which 195 ntries (including the Philippines) have committed to work toward limiting the increase in the bal average temperature to well below 2°C, compared to pre-industrial levels. The results of the isory engagement will enable RCBC to assess and monitor its portfolio sensitivity to transition

ulnerable country to climate change, according to the Global Climate Risk Index 2020 of zes the extent countries and regions have been affected by weather-related loss events. Under ange, which aims to reduce global warming to 1.5 degrees Celsius, the Philippines committed to

s sector plays a vital role in achieving the targets set under the Paris Agreement and in meeting oals (SDGs) to support the fight against climate change.

te change is prudent risk management at RCBC. As a leading domestic financial institution and Bank is committed to doing its part to reduce global warming and support the government in

th the BSP Circular 1085, which recognizes financial institutions as enablers of environmentally

vironmental and social responsibility in all our business activities. We recognize that balancing Il factors, such as environmental and social safeguards, is essential to being a good corporate y to risk management, but also to the larger interest of its stakeholders.

We believe that responsible lending entails having good sustainable practices, as well as promoting awareness of environmental and social issues within our organization, among our clients, and in the communities we serve.

We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable

Our Economic Contributions

Risks and Opportunities

We believe that the transition to a low-carbon and climate-resilient future entails risks as well as opportunities.

According to the International Energy Agency, this global transition will require more than EUR30 trillion of investment in clean energy and efficient infrastructure by 2035. To be well-positioned to participate and finance this transition, we will align our business strategy with national priorities and rebalance our portfolio mix over time for value creation and stakeholder benefit.

We have taken important steps to reduce its corporate carbon footprint and channel funds to sectors that contribute to a low-carbon and climate-resilient future, not only in the Philippines, but also within the ASEAN region. In December 2020, we announced that we will no longer extend financing to new coal-fired power projects in the Philippines. The announcement came after the DOE said it is keen on increasing the share of renewable energy as the country's power source to 43% by 2040 from 29% in 2020.¹ RCBC supports this target through the 12 renewable energy projects (with combined capacity of about 400MW) comprising our pipeline financing as of the first quarter of 2021.

Below are our initiatives to lower our carbon footprint and support sustainable finance activities to help meet the UN SDGs:



RCBC Sustainable Finance Framework

The RCBC Sustainable Finance Framework of April 2019 articulates RCBC's strategy to raise funds and lend to priority sectors. In June 2019, the Bank raised Php8 billion (USD167 million), the first peso-denominated Sustainability Bond under the ASEAN Sustainability Bond Standards, to refinance Eligible Green and Social Assets. In September 2019, it raised an additional USD300 million to fund Eligible Green and Social Assets. Investor response to these landmark transactions was overwhelming. The transactions were oversubscribed in multiples and brought in investors from all major financial centers of the world.

In August 2020, RCBC was recognized by the Asian Banking & Finance Awards as the Philippines Domestic Initiative of the Year for Sustainable Financing. This was followed by recognition from the Global Banking & Finance Review in December, naming RCBC as the Best Green Bank Philippines

2020. Previous to these, the Bank was awarded Best Issuer approximately 10% of total loan portfolio as of end-December for Sustainable Finance - Financial Institution, and Best 2020, higher than the 8% share of loans to coal-powered plants. Sustainability Bond by The Asset Asian Awards for its Php8-We aim to maintain and increase positive investment ratio of our billion ASEAN Sustainability Bond, the first ASEAN Sustainability sustainable portfolio to coal. We subscribe to an exclusion list Bond issued in the Philippines and upsized from the target under our Sustainable Finance Framework, allowing us to focus offering of Php5 billion. on sectors that have environmental and social benefits.

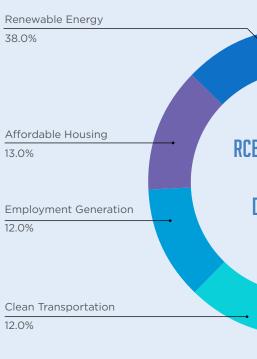
The world faces unprecedented challenges on account of climate change and achieving global goals requires the It is our policy to promote sustainable practices that will minimize negative environmental, social and reputation impact of the Bank's financing activities and its clients' operations. We aspire to develop environmental awareness and social responsibility in our lending personnel, and ultimately, our clients. We work alongside our customers and as needed, advise them on how to reduce their impact on the environment and communities. The sustainable practices we wish to pursue aim to encourage borrowers to adhere to the preservation and • Proceeds of RCBC's Green Bond or Green Loan go to development of the natural, social, and cultural environment. We Eligible Green Categories believe that good sustainable practices eventually pay dividends • Proceeds of RCBC's Social Bond or Social Loan go to and are in the best interest of the borrowers.

participation of all sectors of civil society. We are ready to do our part. Eligible Project Categories We allocate the proceeds of Sustainable Financing Instruments to finance and/or refinance loans to customers or our own operating activities. The allocation of the proceeds is as follows:

- Eligible Social Categories
- Proceeds of RCBC's Sustainability Bond go to Eligible Green Categories and Eligible Social Eligible Categories

Being a leading domestic financial institution and a responsible corporate entity, RCBC is doing its part to reduce global warming and helping the Philippine government meet its The environmental and social impact assessment process is commitment under the Paris Agreement on Climate Change a systematic way of identifying and assessing the type and to reduce 70% of its greenhouse gas emissions and decrease scale of impact a project may have on the environment and communities. The ESMS assessment takes place before a lending global warming to 1.5 degrees by 2030. decision is made, and continues during the life cycle of the loan Our sustainable portfolio is growing and continues to be agreement with the client. The ESMS assessment is done at least ahead of our investments in coal and other fossil fuel energy annually.

assets. The Bank's Eligible Sustainable Portfolio accounted for



Environmental and Social Management System (ESMS)

Our ESMS requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.

RCBC SUSTAINABLE Sustainable Water Management PORTFOLIO 2.0% Socioeconomic DISTRIBUTION Advancement and Empowerment 3.0% Access to Essential Services 9.0% Energy Efficiency 11.0%

Department of Energy presentation, Energy Forum, 4 December 2020

The RCBC Plaza in Makati City received a Leadership in Energy and Environmental Design (LEED) Gold certification on May 26, 2018, making it the first multi-tenanted building in the Philippines to achieve such kind of green building certification.

Our Economic Contributions

The ESMS Policy is a declaration of our commitment to sustainable development and management of E&S issues by integrating this in the lending process from initiation, evaluation, approval, documentation, implementation, and monitoring of loan accounts. The ESMS Policy goes through a comprehensive review process on a regular basis with latest revisions made effective and re-issued in January 2020. The ESMS Policy is published on the Bank's Online Library to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar with the environmental, social, and risk management policies of the Bank. It adheres to the guidelines of the Department of Environment and Natural Resources (DENR). Through its Environmental Management Bureau (EMB), the DENR identified thresholds on E&S risk categories for industries such as oil and gas, mining, agriculture, forestry projects, steel, and infrastructure projects. Our ESMS policy is aligned with these DENR-EMB guidelines.

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

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

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

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

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

- Addressing specific risks identified during the ESDD site visits;
- · Clients taking action on identified E&S risks, on risk reduction, and on avoidance of future potential violations as a result of follow-up ESDD site visits; and
- Reducing E&S risks and avoiding potential violations, as well as significantly reducing environmental pollution, as a result of ESDD site visits.

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

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

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

Compliance with BSP Circular 1085 (Sustainable Finance Framework)

With the ESMS and its own Sustainable Finance Framework already embedded in our risk management systems, RCBC can be considered well-placed in complying with the salient provisions of BSP Circular 1085. However, there are E&S stress test requirements that we need to address within the three-year transitory period under the Circular. Following the approval of our BOD in September 2020, RCBC entered into an agreement with IFC in January 2021, engaging IFC and think-tank 2 Degree Investing Initiative (2DII) to build capacities in the application and use of Climate Scenario Analysis. This advisory engagement is the first to be conducted by IFC and 2DII in Asia.

The Climate Finance Scenario Analysis will enable RCBC to assess the alignment of its corporate loan portfolio with different climate scenarios across a set of key climate-relevant

Financial Intermediation

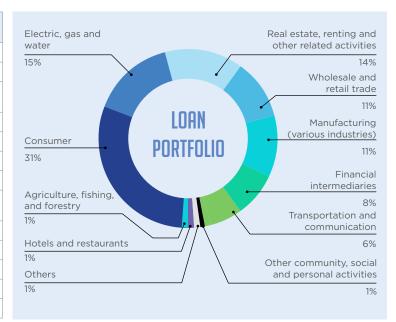
Loan Portfolio

The concentration of credit as to industry as of December 31, 2020 follows⁴:

Economic Activity	Amount (Php M)	%
Consumer	139,128	31%
Electricity, gas and water	67,530	15%
Real estate, renting and other related activities	60,878	14%
Wholesale and retail trade	51,086	11%
Manufacturing (various industries)	50,020	11%
Financial intermediaries	34,008	8%
Transportation and communication	25,494	6%
Other community, social and personal activities	5,289	1%
Agriculture, fishing, and forestry	4,427	1%
Hotels and restaurants	4,132	1%
Mining and quarrying	1,010	-
Others	5,661	1%
Total	448,663	100%

sectors and technologies. This will be done through the implementation of the Paris Agreement Capital Transition Assessment (PACTA) tool and related methodology, developed by 2DII. The PACTA assessment is consistent with the objectives of the Paris Agreement under which 195³ countries (including the Philippines) have committed to work toward limiting the increase in the global average temperature to well below 2°C, compared to pre-industrial levels.

The results of the advisory engagement with IFC and 2DII will provide tools to assess and monitor RCBC's portfolio sensitivity to transition risks. These, in turn, will be integrated into the Bank's stress testing results that will be reported to the BSP in compliance with BSP Circular 1085. Compliance will be completed within the three-year transitory period allowed by the Circular.



https://www.britannica.com/topic/Paris-Agreement-2015

Notes to Financial Statements, December 31, 2020

Management Approach to Impact: The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. While this occurs in the primary business operations, and is caused by the organization, potential environmental and social impacts are linked through our business relationship with our clients.

Risks Identified	Management Approach to Risks
Our clients' operations may have negative environmental and social impacts.	We implement an ESMS to safeguard our lending operations from exposure to activities with identified E&S risks. Please refer to a detailed discussion on our ESMS on Our Economic Contributions section of this report on page 43.
Opportunities Identified	Management Approach to Opportunities
Sustainable Finance: The role of banks as financial intermediaries and as capital-raising agents directly affects the promotion of economic development. This role should include the promotion of sustainable business practices and sustainable finance.	Please refer to our Sustainable Finance Strategy, RCBC Sustainable Finance Framework, and Compliance with BSP Circular 1085 (Sustainable Finance Framework) on Our Economic Contributions section of this report on page 41.

Procurement Practices

The impact of our practice of spending on local suppliers is economic inclusion. This occurs in the supply chain and local community, and is linked to impacts through our business relationship with local suppliers.

Management Approach to Impact: We support the local economy and community by selecting local suppliers and promoting economic inclusion when selecting suppliers.

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

Proportion of spending on local suppliers in 2020

ECONOMIC IMPACT Through procurement

Business Ethics

Anti-Corruption

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

94.97

Management Approach to Impact: We conduct regular trainings and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar with our anti-corruption policies and procedures. New employees are oriented about our anti-corruption policies during their New Employee Orientation Program.



Risks Identified	Management Approach to Risks
The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm our reputation.	RCBC strictly implements anti-corru trainings and examinations to ensur and those with direct contracts with policies and procedures. From the f of Conduct, including the anti-corru employees know and understand ou tenure with the institution.
our reputation.	Regular corporate announcements or questionable activities/transactic and without risk of reprisal) any sus through the whistleblowing channel
	Sanctions are imposed on erring em policies, Management will take Lega
	Adherence to the Code of Conduct All employees are governed by the Code is designed to guide employe premises and in dealing with clients
	Adherence to the Code is the respo throughout the Bank and is indeper employment. Any breach of the Cod termination of employment, depend process.
	The Code of Conduct is divided into
	A. Treatment of Clients
	B. Treatment of Bank Assets
	C. Treatment of Others
	D. Conflict of Interests
	E. Knowledge, Understanding, and
	Anti-Corruption Policies: Under Part D of the Code of Condu- are to conduct business transaction

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

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

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

ruption policies to prevent any corruption incident. It conducts ure that all employees (from senior management to rank and file) th RCBC are familiar and reminded of the Bank's anti-corruption first day that an employee is hired, RCBC discusses the Bank's Code ruption policies and procedures, with employees. This ensures that all our policies and procedures, which should be followed throughout their

s remind employees of warning signs associated with illegal, unethical, tions. Employees are reminded to immediately report (confidentially uspicious behavioral traits, warning signs, and other legitimate concerns el of the Yuchengco Group of Companies (YGC).

mployees. If an employee violates the company's anti-corruption gal action against them.

ct:

e Bank's Code of Conduct, which revolves around our Core Values. The ees on how they should conduct themselves within and outside our ts/customers and co-associates.

onsibility of each and every associate. It is administered uniformly endent of the practices of other banks. It is a condition for continuous ode may result in disciplinary action, ranging from reprimand to nding on the gravity of the offense, after the observance of due

to five parts as follows:

nd Compliance

Our Economic Contributions



Management Approach to Risks

The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm our reputation.

Risks Identified

Receiving Commissions or Benefits. Employees must avoid situations which may unduly influence the relationships with customers or suppliers in a position to transact business with the Bank. They must make sure that the procedures laid down in providing customer services or in purchasing goods and services are strictly followed. Those with a direct hand in choosing suppliers are discouraged to use their authority to obtain commissions or leverage to purchase the item/s for personal interests at terms not otherwise available to their colleagues or the public. Suppliers and customers are chosen based on merit and not on what can be gained from them. The Code of Conduct is a main topic included in the Bank's Employee Orientation Program which is held on a regular basis.

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

Use of Insider Information:

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

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

Whistleblowing Policy:

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

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

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

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

Risks Identified	Management Approach to Risks
The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm our reputation.	Anti-Money Laundering Act (The Bank's Money Laundering and risk-based policy geared to prevention of the of the Bank terrorist financing. The MLPP in Terrorism Financing Prevention MLPP is updated at least once Record Keeping and Retention Management. Central to impro-

Internal Audit:

To ensure that regular checks are in place, RCBC applies a defined risk assessment methodology of its business units and prioritizes the audit between one to three years based on the derived level of risk. The audits are conducted using a systematic risk-based approach to evaluate and improve the effectiveness of governance, risk management and control systems and processes. This approach generally includes an assessment of a unit's compliance with the Bank's Code of Conduct, policies and documented procedures as well as anti-money laundering activities.

Related Party Transactions:

In July 2019, the BOD approved the revised Policy on Related Party Transactions (RPT) following the issuance of SEC Memorandum Circular No. 10, series of 2019, or the "Rules on Material Related Party Transactions for Publicly listed Companies" issued on April 27, 2019. The policy defines "related party transactions" as transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

- Investments and/or subscriptions for debt/equity issuances;

 - and development, trademarks and license agreements);
 - Construction arrangements/contracts;
 - Lease arrangements/contracts;
- Trading and derivative transactions;
- Establishment of joint venture entities.

RPTs shall be interpreted broadly to include, not only transactions that are entered into with related parties, but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

The term "related parties" under the Bank's updated RPT Policy has been expanded in scope as it broadens the definition of "close family members" to include relatives of the Bank's Directors, Officers and Stockholders⁵ within the fourth degree of consanguinity or affinity, legitimate or common-law. Related parties also include corresponding persons in affiliated companies, those with direct or indirect linkages with the Bank, members of the Bank's Advisory Board and subsidiaries of related parties.

Act (AMLA):

ering and Terrorist Financing Prevention Program (MLPP) is a comprehensive red toward the promotion of high ethical and professional standards and the Bank being used, intentionally or unintentionally for money laundering and _PP is consistent with the Anti-Money Laundering Act of 2001, as amended, The ention and Suppression Act of 2012, and BSP Circular No. 706, as amended. The once every two years. This covers policies on Know Your Customer procedures, ntion, Training, Risk Profiling and Covered and Suspicious Transaction Alerts mproving the Bank's compliance to AML/CFT related regulations is the revision of the MLPP at least once every two years. The revised MLPP addresses the requirement outlined in new regulations and addresses changes in Bank practices considered significant as part of its ongoing process of reframing the Bank's Compliance Program.

- On- and off-balance sheet credit exposures and claims and write-offs;

- Consulting, professional, agency and other service arrangements/contracts;

- Purchases and sales of assets, including transfer of technology and intangible items (e.g. research

- Borrowings, commitments, fund transfers and guarantees;

- Sale, purchase or supply of any goods or materials; and

Our Economic Contributions

Risks Identified	Management Approach to Risks
The risk of employees engaging in corrupt activities cannot be completely	The Bank constituted the Related Party Transactions Committee and RPT Management Committee to review and approve, as the case may be, related party transactions.
eliminated. Actual incidents of corruption may harm our reputation.	The RPT Committee reviews material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, and collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Committee endorses material RPTs to the BOD for approval.
	All material RPTs 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 RPT. In case that a majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Material RPTs approved by the BOD shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting.
	The RPT Management Committee reviews and approves proposed RPTs below the materiality threshold or those that do not require BOD approval to ensure that these RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Management Committee approves the non-material RPT and submits the same to the BOD for confirmation.
	Transactions with related parties involving amounts of at least Php10 million are considered as material RPTs. This threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring BOD approval under the regulations (i.e., cross- selling, outsourcing) which are always considered "material" regardless of the amount. Where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group, the transaction shall be accompanied by a fairness opinion issued by an external independent party to be appointed by the BOD.
	To ensure that conflict of interest is managed, interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the company. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.
	Reporting and investigation of abusive RPTs shall be handled following the Bank's existing Code of Conduct and Whistleblowing Policy. The grievance procedure under the Corporate Governance Manual shall apply to stockholders, including minority stockholders, who wish to report or express legitimate concerns on abusive RPTs.

Opportunities Identified	Management Ap
Our reputation risk may be reduced if the Bank is continuously able to prevent any form of corruption. A stellar reputation can result in increased trust and generate new business opportunities.	We continuous courses and ex to rank and file policies and pr the importance corruption pol

Training on Anti-Corruption Policies and Procedures

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

Disclosure

Number of incidents in which directors were removed or disciplined for Number of incidents in which employees were dismissed or

Number of incidents when contracts with business partners incidents of corruption

Approach to Opportunities

usly conduct training and provide regular and compulsory eLearning examinations to ensure that all employees (from senior management ile) are familiar with and reminded of the Bank's anti-corruption procedures. Management reiterates via corporate announcements ice and significance of the Bank's Code of Conduct, including antiolicies.

	Quantity	Units
for corruption	0	#
or disciplined for corruption	0	#
rs were terminated due to	0	#



"Our announcement that we are no longer financing new coal-fired power projects is the expression of our resolve to help promote a lowcarbon economy. This is also our support for the government's move toward a clean energy scenario that is essential in attaining environmental sustainability." — Eugene S. Acevedo, RCBC President and CEO

As a financial institution, RCBC creates environmental impact through the efficient management of resources used in our primary business operations, supply chain, and in our organization. The nature of our business also allows us to indirectly contribute to the protection of the planet by lending to clients whose operations do not pose climate-related risks.

OUR ENVIRONMENTAL CONTRIBUTIONS

Resource Management

Energy Consumption

By efficiently managing our energy consumption in our own operations, we help reduce the country's dependence on fossil fuel-based energy.

Disclosure Items	Quantity (Consolidated)	Units
Energy Consumption Within the Organization		
Renewable sources	0	Gigajoules (GJ)
Gasoline	0	GJ
LPG	0	GJ
Diesel	1,534*	GJ
Electricity		
a. Head Office (RCBC Plaza)	2,705,090	Kilowatt hour
b. A.T. Yuchengco Centre	1,198,028	(kWh)
c. Branches	12,298,282	
Reduction of Energy Consumption		
Renewable Sources	0	GJ
Gasoline	0	GJ
LPG	0	GJ
Diesel	_ **	GJ
Electricity	5,798,721	kWh

* This pertains to generator sets which make use of diese

** Energy reduction for diesel will be provided in the next submission.

Management Approach to Impact

Our Corporate Head Office is located in a building that has received a Leadership in Energy and Environmental Design (LEED) Gold certification on May 26, 2018, the first multi-tenanted building in the Philippines to achieve such kind of green building certification. In May 2020, we issued mandatory measures to further strengthen our commitment to environmental responsibility and resource efficiency. These include switching to LED lighting systems and energy-saving mechanisms in our elevators.

The extraordinary impact of the COVID-19 pandemic prompted the government to declare a state of calamity throughout the Philippines. As the country continued to combat the spread of the virus, Metro Manila and the rest of Luzon were placed under community lockdowns with varied restrictions (ECQ, MECQ, and GCQ)¹ starting March 15, 2020. In response, the Bank divided our business units into at least two clusters which strictly report in separate work sites (primary office site, alternate site, and work-from-home for mobile workers) to ensure that health and safety protocols such as physical distancing are observed. Protecting the lives of our employees and customers has become the primary objective.

As part of the Bank's Pandemic and Infectious Disease Plan, only up to 20% of our Head Office employees were allowed to work onsite (in periods when the strictest quarantine program was enforced), while the rest or 80% were in a work-from-home mode. These arrangements led to a decline in the Bank's energy consumption in 2020 from year-ago levels.

As the world starts to rebuild amidst the COVID-19 pandemic and electricity demand normalizes, we will continue to improve our energy consumption going forward.

The emission of greenhouse gases (GHG) from the generation of electricity contributes to global warming, and climate change. Global warming needs to be kept below 1.5 °C by year 2030 to avoid irreversible mpacts. ² Inefficient management of energy use can also lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on energy conservation.	In respons mandatory to minimiz and incluce Power and Chang Turnin Instal Employee Holdin Minim to has sacrif Suspe Other Ope Turnin hours Regul Limiti Aside from have also Sustainabl bolster fur This incluce In Decemb the Bank of Philippine (DOE) sais power sou extended about 400
Opportunities Identified	Managemei
Managing and reducing energy consumption opens up the following opportunities: • Reduced direct environmental impact;	We contin energy co
Lower operational costs;	We have a
 Hedging against future electricity rate hikes; 	projects, ra move towa longer lend
 Increased shareholder value; 	
 Improved market competitiveness among tenants; and 	
 Improved reputation, competitiveness, credibility, and the overall image of the Bank in adopting good sustainability 	

t Approach to Risks

se to the challenges posed by the pandemic, we have instituted cost control measures effective May 2020. These support our efforts ze GHG impacts, energy efficiency, energy conservation, and recycling, de adopting the following in our day-to-day operations:

Lights:

ging lights to LED

ng off lights when not in use

ing energy-saving mechanisms in elevators

Activities

ng external/ internal trainings and meetings through a virtual setting

izing overtime work and introduction of work processes and behavior sten completion of work within regular working hours but without icing quality and control

ending the organization and holding of events

rating Expense:

g off aircon units at the lobby of the Business Centers after banking while the rest of the aircon units were turned off at 6 p.m.

ar cleaning of aircon filters

ng the printing and photocopying of documents

these internal initiatives on managing our electricity consumption, we ngrained efforts to address global warming on a larger scale in RCBC's le Finance Framework. The Framework articulates our intention to nding for projects that have clear environmental and/or social benefits. les investments in renewable energy to counter global warming.

per 2020, RCBC President and CEO Eugene Acevedo announced that vill no longer extend financing to new coal-fired power projects in the s. The announcement came after the Philippines' Department of Energy t it is keen on increasing the share of renewable energy as the country's rce to 43% by 2040 from 29% in 2020.³ In support of this target, we financing to 12 renewable energy projects (with a combined capacity of MW) as of the first quarter of 2021.

nt Approach to Opportunities

ue to support the principles behind our LEED certification. We promote nservation measures in our day-to-day operations.

Iso been taking on lead roles in financing major renewable energy aising sustainable financing instruments, and supporting the DOE's ards reducing the country's reliance on fossil fuel-based energy by no ding to new coal-fired power projects.

¹ Enhanced Community Quarantine (ECQ), Modified ECQ (MECQ), and General Community Quarantine (GCQ). ECQ is the strictest quarantine program enforced by the government

Water Consumption

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

Management Approach to Impact

We continue to uphold principles behind our green building certification. In May 2020, the Bank issued mandatory measures to enhance our observance of water conservation practices.

Disclosure Items	Quantity (Consolidated)	Units
Water withdrawal	0	Cubic meters
Water consumption		
a. Head Office (RCBC Plaza)	46,330	Cubic meters
b. A.T. Yuchengco Centre	7,657	Cubic meters
c. Branches	193,040	
Water recycled and reused	0	Cubic meters

The inefficient and improper use of water can lead to negative environmental impacts, as water is considered a limited resource. It can also lead to higher operating costs, the revocation of our LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on water conservation.

Risks Identified

Management Approach to Risks

In response to the challenges posed by the pandemic, we have instituted mandatory cost control measures effective May 2020. In support of water conservation, we have adopted the following in our day-to-day operations:

- Water conservation: RCBC Plaza and A.T. Yuchengco Centre have bathrooms with low-flow faucets and sensors
- Prompt reporting: Instances of leaking faucets or any defective plumbing fixtures are reported to the Facilities and Records Management Department/ Landev for immediate repairs.

Aside from these internal initiatives, efforts to manage water consumption are also ingrained in a larger scale in RCBC's Sustainable Finance Framework. The Framework articulates our intention to bolster funding for projects that have clear environmental and/or social benefits. This includes investments in Sustainable Water Management through which efficient water treatment and consumption are promoted.

Management Approach to Opportunities

Managing and reducing water We continue to support the principles behind our LEED certification. We promote water conservation measures in consumption opens up the following opportunities: our day-to-day operations.

- Reduced direct environmental impact:
- Lower operational costs;

Opportunities Identified

- Hedging against future water rate hikes:
- Increased shareholder value;
- Improved market competitiveness among tenants: and
- Improved reputation, competitiveness, credibility, and the overall image of the Bank in adopting good sustainability practices.

Materials Used

The impact is considered indirect as RCBC is not engaged in the manufacturing business. Impact is considered through our choice of suppliers.

Management Approach to Impact

We ensure that suppliers uphold sustainability standards and practices including compliance with Philippine laws. Environmental performance is observed during site visits. We influence suppliers to be sustainable through supplier accreditation processes, among other approaches.

	Disclosure Items	Quantity	Units
Materials used by weight or volume ⁴			
a.	Renewable	152,104	kg/liters
b.	Non-renewable	261	kg/liters
	tage of recycled input materials used to manufacture the zation's primary products and services⁵	92	%

Risks Identified

An organization might be involved with negative environme impacts as a result of its business relationships with other parties - in this case, suppliers. If not managed effectively, this can lead to higher operating costs and inability to be benchmarked against other banks that have set sustainabili goals and programs in its supply chain.

Opportunities Identified

There are opportunities to improve our existing supply chain procedure to avoid negative environmental impacts. Improvements can include changing the organization's procurement practices, adjusting performance expectation capacity building, training, changes to processes, as well as terminating supplier relationships.

Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

Our operational sites are not in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. The operational sites of our clients, however, may be such, and our clients' operations may have negative environmental impacts. This is linked to impacts through our business relationship with our clients.

Management Approach to Impact

Through the implementation of our ESMS Policy, we continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.

Disclosure Items

Operational sites owned, leased, managed in, or adjacent protected areas and areas of high biodiversity value outside protected areas

Habitats protected or restored

IUCN⁶ Red List species and national conservation list specie habitats in areas affected by operations

This includes printed forms, check books, check vouchers, envelopes, and tempus calendars procured from suppliers.

	Management Approach to Risks
Due diligence prevents and mitigates negative impacts in the supply chain. Suppliers are assessed for a range of criteria. W initiate due diligence as early as possible in the development a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with supplier	
	Management Approach to Opportunities
ns, Is	We continue to improve our existing supply chain procedure to avoid negative environmental impacts. We employ sustainability-related questionnaires in the accreditation/vetting process of vendors. The Yuchengco Group of Companies (YGC) holds information campaigns geared toward vendors regarding YGC's sustainability initiatives.

	Quantity	Units
t to, ide	None	
	-	ha
ies with	None	

This includes printed forms, check books, check vouchers, envelopes, and tempus calendars procured from suppliers.

Risks Identified	Management Approach to Risks
The operational sites of	Environmental and Social Management System (ESMS):
our clients may be in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored	Our ESMS Policy subscribes to IFC's Performance Standards which include the evaluation of the impact of a borrower's business on ecosystems and biodiversity (IFC Performance Standard number 6):
habitats, or areas where IUCN Red List species and	 Assessment and Management of Environmental and Social Risks and Impacts
national conservation list species have habitats. As a	2. Labor and Working Conditions
consequence, our clients'	3. Resource Efficiency and Pollution Prevention
operations may have negative environmental	4. Community Health, Safety, and Security
impacts.	5. Land Acquisition and Involuntary Resettlement
	6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
	7. Indigenous Peoples
	8. Cultural Heritage
Opportunities Identified	Management Approach to Opportunities
Protection of Ecosystems and Biodiversity: The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. This role should include the	RCBC Sustainable Finance Strategy: As a responsible financial institution, RCBC is committed to uphold environmental and social responsibility in all our business activities. We recognize that balancing non-financial factors such as environmental and social safeguards with financial priorities is essential to being a good corporate citizen, and is fundamental to risk management and the larger interest of our stakeholders. We are aligning our business strategy to support the development
promotion of sustainable business practices and the protection of ecosystems and biodiversity.	needs of society, as articulated in the UN SDGs and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.
	RCBC's Sustainable Finance Framework supports financing for environmentally sustainable management of living natural resources and land use under its Eligible Green Categories.

Environmental Impact Management

As RCBC is engaged in traditional banking, it does not generate environmentally harmful substances in its operations. Our clients, however, may be doing so in carrying out their business activities

Management Approach to Impact

We continue to uphold principles behind our green building certification. In May 2020, the Bank issued mandatory measures to strengthen our commitment on environmental responsibility and resource efficiency.

Through the implementation of our ESMS Policy, we continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.

Air Emissions

GHG emissions result from RCBC's consumption of electricity produced by the country's power generation entities.

As the world starts to rebuild amid the COVID-19 pandemic and electricity demand growth steadily recovers to normal capacity, we continue to assess unique challenges and urgent opportunities learned in 2020 to improve energy consumption (and resulting GHG emissions) going forward.

Disclosure Items	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	11,6527	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

Risks Identified	Management Approach to Risks
The emission of greenhouse gases from the generation of electricity contributes to global warming, and climate change. Global warming needs to be kept below 1.5 °C by year 2030 to avoid irreversible impacts. Inefficient management of energy use can also lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs.	Please refer to the discussion on Management Approach to Risks (Energy Consumption) under Our Environmental Contributions section of this report on page 55.
Opportunities Identified	Management Approach to Opportunities
Managing and reducing GHG impacts including those from electricity consumption opens up the following opportunities: - Reduced direct environmental impact;	Please refer to the discussion on Management Approach to Opportunities (Energy
- Lower operational costs;	Consumption) under Our
- Increased shareholder value;	Environmental
 Improved reputation, competitiveness, credibility, and overall bank image on good sustainability practices. 	Contributions section of this report on page 55.



Air Pollutants

As RCBC is engaged in traditional banking, it does not generate air pollutants in its operations. Our clients, however, may be doing so in their operations, and have negative environmental impacts as a consequence. This is linked to impacts through our business relationship with our clients.

Disclosure Items	Quantity	Units
NOx	-	kg
SOx	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg

⁷ RCBC Plaza, A.T. Yuchengco Centre, and Branches; emission factor for electricity at 0.7122 kgCO2e/kWh from DOE

Risks Identified	Management Approach to Risks
Our clients may be generating air pollutants in their operations. This has negative implications on the environment.	The ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the borrower's practices to promote resource efficiency and pollution protection (Performance Standard number 3):
	 Assessment and Management of Environmental and Social Risks and Impacts
	2. Labor and Working Conditions
	3. Resource Efficiency and Pollution Prevention
	4. Community Health, Safety, and Security
	5. Land Acquisition and Involuntary Resettlement
	6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
	7. Indigenous Peoples
	8. Cultural Heritage
Opportunities Identified	Management Approach to Opportunities
Environmental Protection: The role of banks as financial intermediaries and as capital raising agents directly affects the promotion	RCBC's Sustainable Finance Framework supports financing for Pollution Prevention and Control under its Eligible Green Categories.
of economic development. This includes the promotion of sustainable business practices, pollution prevention and control, and environmental protection.	Please refer to our Sustainable Finance Strategy on page 41.

Solid and Hazardous Wastes

Our ability to properly manage solid waste impacts communities near our operations, and the overall environmental welfare of society. We minimize our impact through pollution prevention measures and by complying with Philippine environmental laws.



Solid Waste

Disclosure Items	Quantity	Units
Total solid waste generated: a. Head Office (RCBC Plaza) b. A.T. Yuchengco Centre	1,921,786 29,835	kg kg
Reusable	0	kg
Recyclable (RCBC Plaza)	266,299	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled		
a. Head Office	1,655,487	kg
b. A.T. Yuchengco Centre	29,835	kg
Risks Identified	Management Approach to Risks	
The generation, treatment, and disposal of waste,	RCBC Plaza's Solid Waste Management Pla	n includes reducing material

The generation, treatment, and disposal of waste, including its improper transportation, can pose harm to human health and the environment.	RCB0 costs tenar ecolo
	Solid and t
Opportunities Identified	Manag
Managing and reducing solid waste opens up the following opportunities: • Reduced direct environmental impact;	We p meas
 Lower operational costs; 	• (
 Hedging against future hikes in costs of materials used and garbage hauling costs; 	
 Increased shareholder value; 	Our s
 Improved market competitiveness among tenants; and 	envir Susta
 Improved reputation, competitiveness, credibility, and the overall image of the Bank in adopting good 	landf energ to ind Categ

Hazardous Waste

Disclosure Items	Quantity ⁸	Units
Total weight of hazardous waste generated	-	kg
Total weight of hazardous waste transported	-	kg

ts and environmental impacts, and educating and encouraging ants to reduce, reuse, and recycle for long-term purposes to minimize logical impacts.

d wastes are hauled by a third party. Total amounts are then recorded l tabulated.

agement Approach to Opportunities

promote materials conservation and solid waste management asures. Employees are urged to follow these practices, among others:

- Make use of scratch paper and double-sided printing.
- Cut down on plastic waste. Choose to use a glass or mug over the ease of buying disposable, single-use plastic cups or bottles.
- Segregate waste. Dispose food waste only in the pantry waste bin.

support for potential financing requirements also helps promote ironmental responsibility for proper waste management. Our tainable Finance Framework includes waste management (excluding fills), such as waste prevention, waste reduction, waste recycling and rgy/emission-efficient waste to energy (municipal waste to energy nclude emission abatement technology) under the Eligible Green Categories.

Risks Identified	Management Approach to Risks
Our clients may be generating hazardous waste in their operations. This has negative implications on the	The ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the borrower's practices to promote resource efficiency and pollution protection (Performance Standard number 3):
environment.	1. Assessment and Management of Environmental and Social Risks and Impacts
	2. Labor and Working Conditions
	3. Resource Efficiency and Pollution Prevention
	4. Community Health, Safety, and Security
	5. Land Acquisition and Involuntary Resettlement
	6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
	7. Indigenous Peoples
	8. Cultural Heritage
	Under Performance Standard number 3, our borrower's operations are assessed in terms of compliance with environmentally sound disposal of hazardous and nonhazardous wastes.
	We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.
	Please refer to a detailed discussion on our ESMS on Our Economic Contributions section of this report on page 43.
Opportunities Identified	Management Approach to Opportunities
Environmental Protection: The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. This includes the promotion of sustainable business practices, pollution prevention and control, and environmental protection	Please refer to our Sustainable Finance Strategy on page 41.

Effluents

Disclosure Items	Quantity ⁹	Units
Total weight of hazardous waste generated	-	Cubic meters
Total weight of hazardous waste transported	-	%

Risks Identified	Management Approach to Risks
Our clients may be generating effluents in their operations. This has negative implications on the environment.	Please refer to a detailed discussion on our ESMS on Our Economic Contributions section of this report on page 43.
Opportunities Identified	Management Approach to Opportunities
Environmental Protection: The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. This includes the promotion of sustainable business practices, pollution prevention and control, and environmental protection.	Please refer to our Sustainable Finance Strategy on page 41.



Environmental Compliance

Our ability to conform to performance standards, environmenta laws, and regulations impacts the communities near our operations, and the overall environmental welfare of society.

Management Approach to Impact We are committed to comply with all environmental laws and regulations, and conform to performance standards.

Non-Compliance with Environmental Laws and **Regulations**

Disclosure Items	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non- compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	1	#

Risks Identified	Management Approach to Risks
Given the scale of our operations as a major universal bank, certain requirements on environmental compliance may not be addressed in a timely manner. However, we remain committed to complying with all environmental laws and regulations, as well as fulfilling any penalty that may arise from non-compliance.	We are committed to complying with all environmental laws and regulations and conform to performance standards.
Non-compliance within an	
organization can indicate the inability of management to ensure that operations conform to certain performance parameters. In some circumstances, non-compliance can lead to a cleanup of obligations or other costly environmental liabilities.	
Opportunities Identified	Management Approach to Opportunities
RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards.	Please refer to a detailed discussion in the Corporate Governance section of this report on page 172.

⁹ As RCBC is engaged in traditional banking, it does not generate effluents in its operations. Our clients, however, may be doing so in their operations.



"One of the biggest projects RCBC developed over the past year was a Taglish app, which combines English with Tagalog. RCBC's previous apps, like those from other banks, targeted more affluent users and were only in English. But DiskarTech, as the app is called, takes banking to the masses." — Asiamoney, in naming RCBC's Diskartech as the "2020 Best Digital Bank in the Philippines"

Our Social Contirbutions



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

OUR SOCIAL CONTRIBUTIONS

Employee Management

Employee Hiring and Benefits

The impacts are satisfaction among employees and equity in the workplace. These occur in the primary business operations, and are caused by the organization.

Disclosure Items	Quantity	Units
Total number of employees	5,887	#
Number of female employees	3,743	#
Number of male employees	2,144	#
Attrition rate ¹	9.42%	rate
a. Ratio of lowest paid employee against minimum wage	1.0547	ratio

¹ Attrition are = (no. of new hires - no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y		
Maternity/Paternity	Y	7.6%	2%
Sickness	Y	1%	1%
Salary loan	Y	67%	33%
PhilHealth	Y	40%	1%
Pag-IBIG Fund loan	Y	69%	31%
Parental leaves	Y	0.7%	0%
Vacation leaves	Y	60%	33%
Sick leaves	Y	40%	21%
Medical benefits (aside from PhilHealth)	Y	62%	35%
Housing assistance (aside from Pag-IBIG Fund)	Y	0.0005%	0.0005%
Retirement fund (aside from SSS)	Y	5.40%	6.34%
Further education support	N		
Company stock options	N		
Telecommuting	Y		
Flexible working hours	N		

Management Approach to Impact

Our Most Important Asset: Our People In support of our growth strategy and plans, our Human Resources Group (HRG) is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being as well as corporate social responsibility. We invest in human resources. The quality of benefits for full-time employees is a key factor in

retaining employees. Remuneration Policy

Our compensation policy is based on the principles of fairness, transparency and performance-based rewards to encourage employees' long-term commitment with the Bank. We commit to pay our employees' salaries/compensation consistent with job performance and the requirements of the law and one that is competitive with the banking industry to attract and retain the best talents. Remuneration for senior officers varies according to rank, function, and performance.

We also give importance to equitable pay differentials for different types of work and pay within an established salary structure for the different job levels. We provide officers with incentives and rewards for contribution to the business objectives of the Bank.

- 1. We implement and maintain a sound Compensation and Incentive Program with the following objectives:
- a. To establish a basis for determination and management of compensation, salary increase and performance incentives:
- b. To provide financial incentives through the proper administration of salaries and other means of compensation for each individual to motivate them to do their best on their job;
- c. To maintain competitive salary levels/structures consistent with those in the banking industry; and
- d. To ensure retention and attraction of performing and key talents in the organization.
- 2. To guide us in managing the compensation levels of our employees, as well as those of our senior officers, a salary structure was designed and developed using the following parameters:
- a. Job Evaluation: This is a systematic procedure for analyzing, measuring and classifying positions in terms of common job elements or factors found in every position. The current salary structure is based on the existing job grading system for Officer levels ranging from First Officer up to Senior Executive Vice President. HRG is responsible for ensuring that jobs are rated properly and continuously as they change over time due to reconfiguration of functions or reorganizations.
- b. Target Market Group: The salary structure was based on market data of banks deemed as peers by RCBC. Data on these peer banks are obtained from industry and national surveys conducted by private consultancy companies and trade and employee associations.
- c. Target Positioning Objective: In terms of target positioning objectives, we receive instruction from management on the desired positioning in relation with

the Target Market Group or the banking industry in general. This positioning is targeted at both the market's guaranteed pay and total annual cash compensation.

- 3. The salary structure is reviewed regularly by HRG to maintain its relevance and competitiveness internally and externally.
- 4. In case surveys and studies reveal that the salary structure is grossly sliding off as compared to the industry or its Target Market Group, it is incumbent upon HRG to come up with recommendations to correct the disparity and to discuss said recommendations with management.
- 5. Final approval of recommendations with regard to changes in the compensation structure and policies will need to be secured from the Corporate Governance Committee.
- 6. Administration, implementation and maintenance of the Bank's Compensation and Incentive Program shall be the direct responsibility of HRG, particularly by its Group Head and Division Head for Compensation and Benefits.
- 7. The Compensation and Incentive Program shall be composed of:
- a. Basic Pay: This refers to the employee's monthly takehome pay, exclusive of overtime pay.
- b. Guaranteed Pay: This is part of the annual compensation supplementary to the Basic Pay such as the 13th-month pay.
- c. Variable Pay: This refers to additional incentives, Merit Increase (for Officers) and Promotional Increase (for Non-Officers and Officers), given to eligible employees based on their contributions to the Bank's overall objectives.

Employee Retention

Recognizing the continuing competition for talent, HRG's retention programs have helped keep the Bank's attrition rate at 9.42% which is below industry level.

Employee Engagement

Some RCBC units provide employee satisfaction survey to the teams they are servicing. The survey reflects the employee's assessment of the unit's delivery of service and the areas for improvement.



Our Social Contirbutions

Risks Identified	Management Approach to Risks
While we constantly improve our employee benefit packages, employees may deem those of other companies to be more attractive.	We invest in human resources. The quality of benefits for full-time employees is a key factor in retaining employees. RCBC provides a 17th-month pay for rank-and-file employees, a benefit that is superior to other peer banks. We constantly improve our employee benefit packages to keep them competitive in order to retain employees and attract new applicants. Promotion is based on full-year performance and accomplishments are measured through predefined Key Results Areas (KRAs). While not all non-officer employees are members of the RCBC Employees Association, they are covered by the Collective Bargaining Agreement (CBA). ² In December 2016, the Bank (not including its subsidiaries) and the RCBC Employees Association agreed on a two-year economic provision in 2019, part of the 5-year collective bargaining agreement for the period 01 October 2016 to 30 September 2021.
Opportunities Identified	Management Approach to Opportunities
Equitable gender choice for parental leave and other leave entitlements can lead to the improved recruitment and retention of qualified employees. It can also boost employee morale and productivity.	We promptly adopt all new benefits as mandated by law. For example, we have implemented the new maternity leave benefit, applicable to all employees, announcing it through our internal network messaging platform. Or employees know that we are immediately compliant with the new benefits and we encourage qualified employees to avail of these.

Employee Training and Development

When an employee stops learning, their development is held back. Thus, we commit to provide as many programs as possible for each employee to undergo. The impact is the development of employees. This occurs in the primary business operations, and is caused by the organization.

Disclosure Items	Quantity	Units
Total training hours provided to employees	177,786	Hours
1. Female employees	113,720	hours
2. Male employees	64,066	hours
Average training hours provided to employees	30.20	hours/employee
Female employees	30.38	hours/employee
Male employees	29.88	hours/employee

Management Approach to Impact

We invest in training and developing employees, and upgrading employee skills. We are fully committed to providing learning and development opportunities across all job levels. Management has introduced and offered various training programs and seminars. In 2020, learning sessions were mostly done on-line and there were more than 5,700 attendees.

Investment in People: Learning and Development

We are committed to providing a strong learning and development platform for all employees across all job levels. HRG continued to strengthen the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars.

In 2020:

- 5,729 (internal classroom) attendees benefitted from Customer Service, Sales Planning and Management, Compliance.
- external training programs.
- programs.

programs that address the competencies of Leadership, capabilities effectively and to develop techniques to pivot to the new normal. Thirty participants from the YGC Product and Technical Knowledge, Risk Management, AML/ attended, 11 were from RCBC. To raise our capability to address and mitigate Money • 41 employees were enrolled in a number of specialized/IT Laundering and Terrorist Financing concerns, we set out to attain certification with the Association of Certified Anti-Money 607 employees were sent to various external training Laundering (ACAMS), the largest international membership organization dedicated to enhance the knowledge and expertise of financial crime detection and prevention professionals. • HRG also conducted coaching workshops as we promote a The CAMS credential is internationally recognized by private coaching and mentoring culture across the organization. institutions, governments, and law enforcement, and carries the Our effort to provide careers to new graduates and to ensure an gold standard in AML Certifications. Ten select bank officers effective talent development resulted in the following: began their review for ACAMS in 2019, and took and passed • 16 graduates of the 11th batch of the Officers Development their certification exam in 2020. Program (ODP) were deployed to junior officer positions in the Bank. The Branch Operations Orientation Training Camp (BOOT

- 3 trainees graduated from the eighth batch of the General Operations Learning and Development (GOLD) Program for Customer Support Services Segment.
- 8 trainees graduated from the 2nd batch of General Operations Learning and Development (GOLD) Program for Branch Support Services Segment. The seven-month GOLD program aims to develop a pool of junior officers with strong operations background and risk orientation for both head office and branch operations.

HRG, in collaboration with management, continues to subscribe to the Bank's Succession Planning Program. This is to ensure that the organization has a deep bench of internal candidates ready to assume higher leadership responsibilities. In 2020, the 8th batch of the Middle Management Development Program (MMDP) was conducted. This six-month internal training program, designed in partnership with the De La Salle University, Center for Professional Development in Business, Ramon V. Del Rosario College of Business, aims to accelerate the development of our next generation of leaders. Seventeen RCBC officers and five officers from other companies within YGC attended.

As we are committed to up-skill the knowledge and skills of our employees so that they are ready to face the changes in the business landscape, the following new programs were launched for the different groups:

- For the Retail Banking Group, the BRM (Business Relationship Manager) Masterclass was launched to provide product certification, and enable the BRMs to shift to digital selling with the inclusion of the Virtual Selling Program. Twenty-three BRMs attended one run of the BRM Masterclass.
- For the Corporate Banking Group, AGILE was launched to help the learner become more equipped, resilient and agile individual. AGILE also stands for: Adapt to new modalities, Gather information and data efficiently, Increase stress threshold, Leverage on the brand, and Excel in details. A total of 110 participants attended four runs.
- For the Wealth Management Group (WMG), 38 participants attended two runs of the Digital Sales and Service 101 for WMG. The program is aimed to equip WMG Relationship Managers with the knowledge and skills to increase their confidence in conducting their sales calls virtually.
- Senior Leaders also attended the A2E (Ability to Execute Covid Edition), a capability building program that aims

Camp) was launched in September 2018. This is a five-day program for all new branch hires or branch transferees. Modules include Risks and Controls, Supervisory Development Program, Effective Business Communication and Effective Leadership in Customer Service. In 2020, 11 runs were conducted, covering 419 attendees.

to provide skills and knowledge to apply key execution

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 102 participants attended 4 runs in 2020.

The Bank likewise offered the 8th and 9th run of the Corporate Banking Learning Academy, (Marketing Assistant Track), an eight-day training program which aims to develop capable and credible marketing assistants. There were a total of 23 marketing assistants who graduated from the program in 2020. RBG BRO Sales Bootcamp is a 15-day training program aimed at providing Branch Relationship Officers with product certification and sales skills. A total of 120 BROs attended the five runs in 2020.

In 2020, we also launched five e-learning programs which included AMLA 1022, Business Etiquette, RPT eLearning, Introduction to Trade, Info Sec and Data Privacy 2020.



² The formal grievance escalation and reporting is covered under the bank's Collective Bargaining Agreement.



Risks Identified	Management Approach to Risks	
While we invest in the development of our employees, the risk of employees leaving RCBC and possibly transferring to another company cannot be completely eliminated. There may be foregone costs, and opportunity costs as another employee who would decide to stay in RCBC could have been trained instead.	We enforce employee training bond agreements, under which an employee will have their training paid for by the Bank, but only if they remain with the company for a predetermined minimum amount of time.	
Opportunities Identified	Management Approach to Opportunities	
Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. The abundance of skilled employees enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance.	We have strengthened the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars and allocating budget for these. We continuously evaluate and update training programs in relevant topics such as, but not limited to, leadership, customer service, sales, technical knowledge, and risk management. HRG disseminates its catalogue of trainings and seminars across the organization.	

Labor-Management Relations

The impact is effective promotion of employee welfare. This occurs in the primary business operations, and is caused by the organization.

Management Approach to Impact

We have a union of rank-and-file employees, which negotiates with management for a collective bargaining Agreement (CBA) every five years. This shows that management and the union regularly evaluate and update the salaries and benefits of employees. Every negotiation in at least the past 15 years has been peaceful and fruitful. The impact of our labor-management relations is on employee welfare, which occurs across the organization.

Disclosure Items	Quantity	Units
% of employees covered with Collective Bargaining Agreements	35	%
Number of consultations conducted with employees concerning employee-related policies	2,000 est.	#

Risks Identified	Management Approach to Risks
The risk in CBA negotiations is the potential failure to come up with an agreement between parties.	Management maintains a harmonious relationship with the union. On a daily basis, management is open to consultation and discussion regarding various topics that the union wants to tackle. As a result, a lot of issues are already resolved before CBA negotiations happen, leaving only the most significant items to be discussed during the meetings.
Opportunities Identified	Management Approach to Opportunities
Management treats every issue raised by an employee as an opportunity to explain to them the nuances of the situation they are faced with. Management also relishes the opportunity to show employees that its actions and decisions are done for the benefit of the organization.	Management takes the views of workers into account when making specific decisions. Meaningful consultations, together with timely processing of relevant information, are needed to make an informed decision that is both fair and just.

Diversity and Equal Opportunity

The impact leads to better employee satisfaction and higher We give importance and commit to upholding occupational retention rate. This occurs in the primary business operations, health and safety in the workplace through worker training and and is caused by the organization. incident investigations. We have safety officers, certified Basic Occupational, Safety and Health personnel, and first-aiders trained by the Philippine Red Cross. Management Approach to Impact

development

We give equal opportunity for all. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers. RCBC employs more women than men. This shows the opportunity we give to all as we actively promote diversity and equality at work.

Disclosure Items	Quantity	Units
% of female workers in the workforce	63.58	%
% of male workers in the workforce	36.42	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

* Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

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

Workplace Conditions, Labor Standards, and Human Riahts

Occupational Health and Safety

and supports further economic

The impact of RCBC's ability to uphold occupational health and safety in the workplace is the protection of employees. This occurs in the primary business operations, and is caused by the organization.

Disclosure Items	Quantity	Units
Safe man-hours	12,000,000 ³	Man-hour
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill health	0	#
No. of safety drills	3	#

³ Estimated at 6.344 employees working 8 hours per day over 243 working days

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Management Approach to Impact

We are committed to maintaining a safe and healthy work environment. Procedures are in place to protect all employees from generally recognized workplace hazards such as fire, earthquake, robberies and other natural and man-made calamities. We also have various substance abuse and health and safety policies, as well as inspection and search procedures.

- 1. Substance Abuse and Health & Safety Policies Employees who work while under the influence of drugs or alcohol present a safety and operational hazard to themselves and their colleagues as well as pose a risk to the trustworthy and professional image of the Bank. We promote the health and safety of our employees and their families, thus, the enactment of the following policies:
- RCBC's Drug-Free Workplace Policy & Programs
- Policy Against Alcohol Abuse
- Policy on Off-Duty Substance Abuse
- Family Welfare Policy
- TB Workplace Program
- HIV/AIDS Workplace Program
- 2. Inspection and Search Procedures

Employees are mandated to notify security personnel if they see anything suspicious, including the presence of strangers and unattended bags or packages on the premises. Employees are likewise mandated to subject themselves, their personal belongings, and Bank assets under our custody to intensive inspection and search procedures by security personnel, upon entering, while within and upon leaving our premises, including parking lots, whether owned or leased by the Bank. Personal belongings shall mean pockets, bags, storage media, cars and any other personal property that may be used as repository of cash, jewelry, documents, keys, data and other valuable items.

- 3. Employee Welfare and Well-Being In 2020, HRG conducted the following activities to sustain the promotion of health, safety and welfare of our employees:
- Maintained partnership with Maxicare, our HMO provider, in giving health and medical services in accordance to the benefits being enjoyed by employees. Services provided include:
- Hospitalization, emergency care and other medical services with 9,275 availments for employees and 1,891 availments for dependents in 2020;
- Executive Check-Up for employees with total cost of Php8.43 million in 2020; and
- Outpatient consultation services for employees with 2,209 availments in 2020.
- We also partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and serviced more than 575 availments in 2020. There is also a clinic set-up at the A. T. Yuchangco Centre in Bonifacio Global City in Taguig City to give free checkup and consultation services to more than 282 employees.

- The Bank also provided the following benefits to employees:
- COVID-19 related undertakings: Activities performed by the Bank to support employees during the pandemic in compliance with the laws and regulations enacted during this period
- Robust information drive via release of critical/necessary advisories in line with the pandemic;
- Purchase and distribution of face masks to affected employees assigned in the head office and the branches:
- Implementation of policies on self-quarantine and travel bans;
- Printing and distribution of Inter-Agency Task Force (IATF) IDs and facilitating the issuance of Rapid Passes to employees that are part of the Bank's skeletal work force;
- Provision of special allowances to employees during the Enhanced Community Quarantines:
- Release of the Bank's Mobile and Remote work policy wherein employees were issued laptops and/or allowed to bring home their computers to be able to work from home;
- Implementation of the relevant provisions of the Bayanihan to Heal as One Act and Bayanihan to Recover as One Act;
- Release of procedures on availing COVID-19 testing as part of employees' hospitalization benefit: and
- Launch of the online Daily Health Checklist for contact tracing.
- Department of Labor and Employment (DOLE) certified Basic Occupational Safety and Health Seminar;
- Philippine Red Cross certified first aid training;
- Basic training course for Pollution Control;
- Pollution Control training course for Managing Heads;
- Safety and life support trainings, fire and earthquake seminars and drills for employees;
- Pre-employment physical and medical examination for new hires;
- Random drug testing for employees;
- Implementation of flu vaccination for employees;
- Maintenance of operational breastfeeding stations for nursing associates;
- Various sports and wellness activities to promote physical fitness among employees from Head Office and Metro Manila business centers;
- Precautionary measures such as immediately issuing work suspension orders in perilous areas affected by natural calamities and manmade adversities during fortuitous events; and
- Life insurance policy coverage for all employees, inclusive of accidental death, total and permanent disability and burial assistance benefits.

In 2020, we spent more than Php95.93 million for health benefits of employees and their dependents.

Risks Identified	Management Approach to Risks
While banking is considered a low-risk industry in terms of workplace conditions and industrial safety standards, potential harm may be suffered by workers in specific hazardous situations (e.g., bank robbery).	We provide employees with the requisite training and exposure to combat inherent risks involved in the workplace. We provide regular Basic Occupational, Safety and Health and first aid training on a regular basis. We provide safety training to workers, including training on specific work-related hazardous situations. We train branch personnel how to respond to hazardous situations with simulation training programs such as mock bank robberies.
Opportunities Identified	Management Approach to Opportunities
Given the changing business landscape, regulatory environment, and our strategic direction, opportunities arise to improve our training programs and safety drills.	We continue to update training programs to adapt to the changing business environment.

Labor Laws and Human Rights

The impact of RCBC's ability to conform to labor laws and human rights is the protection of employees. This occurs in the primary business operations, and is caused by the organization.

Management Approach to Impact

We give importance to and uphold labor standards and human rights in the workplace. Employees can be certain that we follow existing labor laws and standards and protect human rights at all times.

Disclosure Items	Quantity	Unit
No. of legal actions or employee grievances involving forced or child labor	0	#

Policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace are the following:

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

Risks Identified	Management Approach to Risks
Child labor results in under- skilled and unhealthy workers for tomorrow and perpetuates poverty across generations, impeding sustainable development. Likewise, forced labor is not only a serious violation of a fundamental human right; it also perpetuates poverty and is a hindrance to economic and human development.	To demonstrate that we do not engage in child labor or forced labor, per policy, we hire college graduates for entry-level positions
Opportunities Identified	Management Approach to Opportunities
The abolition of child labor and forced labor is necessary for both economic and human development.	Due diligence is expected of an organization to prevent the use of and combat all forms of child labor and forced or compulsory labor within its activities. It is also expected to avoid contributing to, becoming complicit in, or becomin linked to, the use of child labor an forced or compulsory labor throug its relationships with others (e.g., suppliers, clients). At RCBC, we gi importance to and uphold labor standards and human rights in the workplace.



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Supply Chain Management

The impact of our ability to ensure that suppliers uphold sustainability standards is the reduction of negative environmental and social impacts in the supply chain.

Management Approach to Impact

We ensure that suppliers uphold sustainability standards and practices, including compliance to Philippine laws. Environmental performance is observed during site visits. We influence suppliers to be sustainable through supplier accreditation processes, among other approaches.

We consider the following sustainability topics when accrediting suppliers:

Торіс	Y/N	If Yes, cite reference in the company policy
Environmental performance	N	
Forced labor	Ν	
Child labor	Ν	
Human rights	N	
Bribery and corruption	Y	Supplier Management: Policies on Supplier Blacklisting If the supplier commits a violation against YGC ⁴ PSS ⁵ policies on Code of Ethics, they will be blacklisted, regardless if they have more than one product or service used by YGC.
Health and safety	Y	Supplier Management: Policies on Supplier Blacklisting The supplier shall also be blacklisted for failure to meet safety policies leading to loss of life, injury, or damage to property.



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Risks Identified	Management Approach to Risks	
An organization might be involved with impacts as a result of its business relationships with other parties – in this case, suppliers.	Due diligence prevents and mitigates negative impacts in the supply chain. These include impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or service by its relationship with a supplier. Suppliers are assessed for a range of criteria, includir incidents (e.g., bribery, coercion, and corruption). We initiate due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.	
Opportunities Identified	Management Approach to Opportunities	
There are opportunities to improve our existing supply chain procedure to avoid negative environmental and social impacts. Improvements can include changing the organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.	We continue to improve our existing supply chain procedure to avoid negative environmental and social impacts. We employ sustainability-related questionnaires in the accreditation/vetting process of vendors. YGC holds information campaigns geared towards vendors regarding its sustainability initiatives	

Relationship with Community

Significant Impacts on Local Communities

The impacts of our concern for society are the reduction of negative impacts on local communities and positive community engagement. We empower communities and families towards financial inclusion. Our presence in communities facilitates access to capital in the local economy, spurring economic growth and employment generation. These occur in our primary business operations, and are caused by the organization.

Management Approach to Impact

In light of the pandemic, we aimed to create a net positive impact to the communities we serve and focus on mass market digitization with the following innovations to address the needs of the unbanked and underserved Filipinos and in support of BSP's advocacy for financial inclusion:

- 1. Diskartech: We launched a mobile-based application which is the country's first financial inclusion accelerator app to serve unbanked and underserved Filipinos. We also pioneered the Philippines' first Tagalog-English inclusion in the mobile app to make it simple and convenient yet safe and secure digital way of doing financial transactions.
- 2. ATM Go: These handheld ATM terminals are instrumental in the government's distribution of the Social Amelioration Program (SAP) payouts. The government has partnered with RCBC to help distribute cash assistance to families greatly affected by the Enhanced Community Quarantine in provinces and remote locations where there are no bank branches.
- 3. Go Digital: Our digital plan was set in motion in 2019 with the re-launch of the RCBC online retail mobile app. The pandemic accelerated the acceptance and use of the new mobile app with the expanded array of features Go Digital has the ability to send and receive cash through several remittance partners (i.e., LBC, MLhuillier and Bayad Center) which are accessible to millions of Filipinos in far-flung areas.

In June 2020, Rizal MicroBank (RMB), our thrift bank subsidiary, launched "Bangko ng Bayan" after receiving BSP approval of the for its pilot run. RMB was able to implement its initiatives and acquire relevant data that will testify to the relevance of an agency banking program for the unbanked and underserved market. The services include account opening, cash-in/deposit, cash-out/ withdraw, bills payment, loan referral and micro insurance availment.

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Impact on indigenous people	Mitigating measures (if negative) or enhancement measures (if positive)
RMB Micro & Small Business Loans & Savings Products	Available in 21 RMB branches - all of which are located outside Metro Manila	RMB is RCBC's vehicle for providing much- needed services to the unbanked and underserved segments of the country's population.	RMB serves the unbanked and underserved markets in the Philippines, including indigenous people in local communities.	RMB offers traditional and digital products and services to micro and small business enterprises. It launched "Bangko ng Bayan" and implemented initiatives and acquire relevant data that will testify to the relevance of an agency banking program for the unbanked and underserved market. Its services include: account opening, cash-in/ deposit, cash-out/ withdraw, bills payment, loan referral and micro insurance availment.
DiskarTech – a Financial inclusion mobile-based application	Mobile-based	An inclusion application that mainly targets class C, D, and the unbanked sector	DiskarTech targets the unbanked and underserved Filipinos nationwide, especially those who live in grassroot communities.	DiskarTech is the country's first and only Tagalog and English financial inclusion super mobile app. It has an all-in-one online banking service which offers financial services such as savings, transfers, withdrawals and deposits, bills payment, insurance, and loans. It also allows users to avail telemedicine services, buy prepaid load and earn easy money via successful referrals.
Go Digital	Mobile-based	An inclusion application that mainly targets class C, D, and the unbanked sector	Go Digital is an inclusion application that targets the unbanked and underserved sector.	Go Digital is an online retail mobile app with the ability to send and receive cash through several remittance partners (i.e., LBC, MLhuillier and Bayad Center) which are accessible to millions of Filipinos in far-flung areas.
ATM Go	Handheld ATM terminals	An inclusion application that mainly targets class C, D, and the unbanked sector This was instrumental to the government's distribution of Social Amelioration Program (SAP). The government has partnered with RCBC to help distribute cash assistance to families greatly affected by the ECQ in provinces and remote locations where there are no bank branches. th, elderly, persons with disabilities, vulnerable women,	ATM Go is an inclusion application that targets the unbanked and underserved sector.	ATM Go product enables RCBC to serve communities to remote provinces. ATM Go has aided government disbursement efforts.

Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (i.e., classes D and E).

consultations and Certification Preconditions (CPs) secured and still operational is stated below:

Certificates		Quantity ⁶	Units
FPIC process is still undergoing		-	#
CP secured		-	#
Risks Identified	Management Appro	oach to Risks	
Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.	We mitigate the risk of default and other risks by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.		
Opportunities Identified	Management Approach to Opportunities		
A significant percentage of the country's population are still unbanked and underserved. This opens up opportunities to create more products and services that will address these	We continue to grow our commercial and SME loans segments to address the need of small and medium entrepreneurs.		
sectors.	We also planned activities to increase our presence in local communities and to take advantage of partnerships to broaden our network.		
	We will continue our digitization innovation and efforts until a majority of Filiping have digital access to critical financial services especially reaching out to the unbanked and underserved in far-flung provinces.		es especially reaching out to the

For operations that are affecting indigenous people, the total number of Free and Prior Informed Consent (FPIC) undergoing

Customer Management

Customer Satisfaction

Our ability to uphold the rights of our customers will positively influence customer satisfaction. This occurs in the primary business operations, and is caused by the organization.

Disclosure Items	Quantity	Units
Customer satisfaction	None ⁷	N/A

Management Approach to Impact

We regularly monitor feedback from traditional and social media to identify customer concerns. This includes monthly social listening reports and real time alerts, and monthly traditional media reports. We also implement customer research for major initiatives (e.g., brand refresh, new website design, and new application design). In addition, we follow a review and approval process for communication materials, including clearing initiatives with Consumer Protection, Legal, and Compliance Groups. An assessment of RCBC's reputation risk is also reported regularly to the Risk Oversight Committee of the Board of Directors.

We also provide our financial customers with accessible means for resolving complaints with their financial transactions. Guided by our complaints handling and escalation procedure, Consumer Assistance Officers (CAOs) are designated to handle customer complaints in various units, offices and business centers. We have a dedicated Customer Care Department where customers can conveniently lodge their complaints, inquiries, and requests. All Bank personnel that interact with customers are equipped with the knowledge on the structure and implementation of our complaints handling mechanism. All CAOs submit a complaints report to our Consumer Protection Department (CPD) monthly. Subsequently, CPD submits a monthly consolidated complaints report to the Risk Oversight Committee.

Risks Identified	Management Approach to Risks
There is reputation risk arising from negative public opinion in case there are unsatisfied customers whose concerns are not resolved within an ideal timeframe.	We strive to constantly improve our service to avoid unsatisfied customers. A customer service hotline is available for clients to inquire and report concerns and issues regarding our products and services.
Opportunities Identified	Management Approach to Opportunities
A high level of customer satisfaction can result in higher revenue through an increase in the number of new customers, and deepening of relationships with existing customers (cross-selling).	We continuously conduct trainings and provide regular and compulsory e-learning courses and examinations to ensure that all relevant customer- facing employees are familiar with and reminded of our Consumer Protection Program. We strive to continuously improve our service and implement enhancements in our customer feedback mechanisms and platforms.

Health and Safety

As they are financial in nature, our banking products and services do not pose a risk to health and safety. The products and services of our clients, however, may potentially do, and have negative impacts to their customers and society as a consequence. This is linked to impacts through our business relationship with our clients.

Disclosure Items	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	N/A ⁸	#

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

Management Approach to Impact

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

Our ESMS requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.

We continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities

Risks Identified	Managem
The products and services of our clients may potentially pose a risk to the health and safety to their customers. This has negative implications	The ESM include t safety (P
on society.	1. Asse Impa
	2. Lab
	3. Reso
	4. Com
	5. Land
	6. Bioc Reso
	7. Indig
	8. Cult
	Under Pe assessed conditior
	Please re Contribu
Opportunities Identified	Managem
Promotion of Sustainable Business Practices:	Please re
The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. And this role needs to include the promotion of sustainable business practices, health, and safety.	

Marketing and Labelling

The impacts of our ability to uphold the rights of our customers to the security of our products and services are customer protection and customer satisfaction. These occur in the primary business operations, and are caused by the organization.

Disclosure Items	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	N/A*	#

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

Management Approach to Impact

We uphold the rights of customers to safety and security from probable negative impacts of our products and services. This includes customer access to accurate and adequate information on the positive and negative economic, environmental, and social impacts of the products and services they consume - both from a product and service labelling and a marketing communications perspective.

⁹ No recorded complaints attributed to Marketing and Labelling for the year 2020

nent Approach to Risks

MS Policy of RCBC subscribes to IFC's Performance Standards which the evaluation of the borrower's practices to promote health and Performance Standard number 2). Under:

sessment and Management of Environmental and Social Risks and pacts

- bor and Working Conditions
- source Efficiency and Pollution Prevention
- mmunity Health, Safety, and Security
- nd Acquisition and Involuntary Resettlement
- diversity Conservation and Sustainable Management of Living Natural sources
- ligenous Peoples
- Itural Heritage

Performance Standard number 2, the borrower's operations are ed in terms of effective promotion of safe and healthy working ons.

refer to a detailed discussion on our ESMS on Our Economic utions section of this report on page 43.

nent Approach to Opportunities

efer to our Sustainable Finance Strategy on page 41.

The new Customer Care project has already been implemented in Q4 2020; further enhancements and features are targeted to be added until Q3 2021.

⁸ No recorded complaints attributed to Health and Safety for the year 2020.

Risks Identified	Management Approach to Risks
The display and provision of information and labelling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate	Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, help customers make informed choices. This is supported by our Consumer Protection Framework which details effective internal controls on product and service labelling and marketing communications.
internal management systems and procedures or ineffective implementation.	Our business units develop and provide products and services to our customers, as well as those who prepare advertising materials for external distribution ensure that advertising and promotional/ marketing materials comply with the following requirements: 1. No false, misleading or deceptive statements
	2. Visible, easily readable and understandable
	 Disclosure of clear, accurate, updated and relevant information about the product or service
	 Balanced and proportional (reflecting both advantages and risks of the product or service)
	5. Key information is prominent and not obscured
	6. Print is of sufficient size and clearly legible
	Targeted according to the specific groups of clients or customers to whom products are marketed
	Business units that develop products and provide services coordinate with our Learning and Development Department (LDD) on the design and execution of product/service programs. Bank staff, specifically those who interact directly with customers, receive adequate training suitable for the complexity of the products or services they sell. All personnel who interact with our customers are equipped with the knowledge on the structure and implementation of our complaints handling mechanism.
Opportunities Identified	Management Approach to Opportunities
Continuous improvements on marketing and labelling to further lessen complaints can lead to higher customer satisfaction and new business opportunities.	We continue to implement regular updates of communication materials, including website and point-of-sale materials.

Customer Privacy

The impacts of our ability to uphold the rights of its customers to privacy are customer protection and customer satisfaction. These occur in the primary business operations, and are caused by the organization.

Management Approach to Impact

We uphold the rights of customers to privacy. We respect consumer privacy and take reasonable measures to ensure the security of personal data that we collect, store, process or disseminate.

Disclosure Items	Quantity	Units
No. of substantiated complaints on customer privacy*	4	#
No. of complaints addressed	3	#
No. of customers, users, and account holders whose information is used for secondary purposes	635,535	#

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

Risks Identified	Management Approach to Risks
Losses of customer data and breaches of customer privacy can result from non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy.	To protect customer privacy, we limit collection of personal data, collect data only by lawful means, and are transparent about how data is gathered, used, and secured. We do not disclose or use personal customer information for any purposes other than those agreed upon, and we communicate any changes in data protection policies or measures to customers directly.
	Under the supervision of the Chief Compliance Officer (CCO), the Bank's Data Protection Officer (DPO) is accountable for ensuring compliance with applicable laws and regulations for personal data protection. The DPO develops, maintains, and promotes the effective implementation of the Bank's Data Privacy Policy. The DPO regularly reports to the Audit and Compliance Committee (ACC) of the Board of Directors. The ACC performs oversight functions over the Compliance Office, and consequently, over the DPO. The revised Data Privacy Policy was approved by the ACC and confirmed by the Board in June 2020.
Opportunities Identified	Management Approach to Opportunities
Continuous improvements to customer privacy measures can result to higher customer satisfaction and retention which could translate to new business opportunities.	We continuously conduct trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC and educate them about the importance of customer privacy. Awareness campaigns are implemented regularly through the issuance of data privacy bulletins.
	We conduct Privacy Impact Assessments for new projects involving the processing of personal data. We also review data sharing, data protection, and outsourcing agreements especially when dealing with third party service providers/vendors.

Data Security

The impact of our ability to properly manage and protect sensitive information is secure data. This occurs in the primary business operations, and is caused by the organization.

Management Approach to Impact

We place the highest importance on keeping data secure, aiming to reduce disruptions to operations because of information security incidents. This supports the following objectives:

1. To protect the information assets that support our operation;

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- 2. To provide management an accurate view of significant current and future information security risks and assist them to make well-informed risk management decisions about the extent of the risk, risk appetite and risk tolerance;
- 3. To provide an end-to-end guidance on how to manage information security risks, beyond purely technical control measures;
- 4. To establish a risk profile to better understand the Bank's full exposure, and better utilize its resources;
- 5. To integrate the management of information security risk into the overall enterprise risk management of the Bank; and
- 6. To implement and continuously improve a sound framework for the identification, measurement, control, monitoring, and reporting of key risks we faced.

Disclosure Items	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	1 ¹⁰	#

Risks Identified	Management Approach to Risks
Information Security Risk is the risk of loss resulting from information security/ cyber security breaches. Data breaches, including leaks, thefts and losses of data may occur in the primary business operations.	RCBC has zero tolerance for information security/cyber security breaches. We shall protect our information assets to ensure that breaches do not cause material damage to our liquidity and capital position, and reputation.
	Our information security objectives are achieved through the following exercises of information security risk management: 1. Identification of information assets including both hardware and software that are considered essential to the Bank;
	 Assistance to business units in identifying risks in information assets being handled; and
	 mplementation of risk assessment to determine current information security risks and threats present in the information assets, determine acceptable risk levels, and implement preventive measures to mitigate potential high risks.
Opportunities Identified	Management Approach to Opportunities
Given the changing business landscape and regulatory environment, opportunities to improve our Information Security Program to uphold data security and customer privacy arise.	We continuously conduct trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC on the importance of data security.
	We continue to update our Information Security Program to adapt to the changing business environment

¹⁰ This is a potential (not actual) data breach incident. RCBC has responded swiftly by reporting the incident to the National Privacy Commission (NPC). In that notification, we emphasized that actual loss of data was unlikely



CONTRIBUTING TO SUSTAINABLE DEVELOPMENT THROUGH OUR PRODUCTS AND SERVICES

RCBC

RCBC ANNNUAL & SUSTAINABILITY REPORT 2020

"We align our initiatives with the UN Sustainable Development Goals. In December 2020, RCBC's rating was upgraded from 'A' to 'AA' by Morgan Stanley Capital International ESG Ratings, indicating sound business organization and risk mitigation."

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development.

Key Products and Services and Societal Value / Contribution to UN SDGs

RCBC Sustainable Finance Framework (visit www.rcbc.com/sustainability and download our Impact Report)

The RCBC Sustainable Finance Framework of April 2019 articulates RCBC's strategy to raise funds and lend to priority sectors.

In June 2019, we raised Php8 billion (USD167 million), the first peso-denominated Sustainability Bond under the ASEAN Sustainability Bond Standards, to refinance Eligible Green and Social Assets. In September 2019, we raised an additional USD300 million to fund Eligible Green and Social Assets. Investor response to these landmark transactions was overwhelming. The transactions were oversubscribed in multiples and brought in investors from all major financial centers of the world.

In August 2020, RCBC was recognized by the Asian Banking & Finance Awards as the Philippines Domestic Initiative of the Year for Sustainable Financing. This was followed by recognition from the Global Banking & Finance Review in December, naming RCBC as the Best Green Bank Philippines 2020. Previous to these, the Bank was awarded "Best Issuer for Sustainable Finance – Financial Institution," and "Best Sustainability Bond" by The Asset Asian Awards for its Php8-billion ASEAN Sustainability Bond, the first ASEAN Sustainability Bond issued in the Philippines and upsized from the target offering of Php5 billion.

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

Eligible Project Categories

We allocated the proceeds of Sustainable Financing Instruments to finance and/or refinance loans to customers or its own operating activities. The allocation of the proceeds is as follows:

- Proceeds of RCBC's Green Bond or Green Loan go to Eligible Green Categories
- Proceeds of RCBC's Social Bond or Social Loan go to Eligible Social Categories
- Proceeds of RCBC's Sustainability Bond go to Eligible Green Categories and Eligible Social Eligible Categories

Eligible Green Categories

RCBC's Eligible Green Portfolio can be comprised of Eligible Green Assets in these categories:

RENEWABLE ENERGY

Projects such as solar, wind, hydropower (25MW and below), geothermal, and biomass (source must be certified as sustainably managed by recognized third-party standards and excludes those that compete with food production)

ENERGY EFFICIENCY

Development or production of products or technologies that reduce industrial energy consumption such as improved chillers, transition to fiber networks, improved lighting technology, and reduced power usage in manufacturing operations (excluding fossil fuel-based technologies)

GREEN BUILDINGS

Buildings that meet recognized standards, such as the Philippines' BERDE Green Building Rating System (4 star and above), LEED (Gold and above), or those belonging to the top 15% of low-carbon buildings in their respective category and local context

CLEAN TRANSPORTATION

Electric vehicles, infrastructure for electric vehicles such as charging stations, as well as public mass-passenger transportation, passenger and freight rail infrastructure (excluding rail transport dedicated to fossil fuels), and non-motorized transportation



13 dates





POLLUTION PREVENTION AND CONTROL

Reduction of air emissions, greenhouse gas control (excludi linked to fossil fuel technology), soil remediation, waste mai landfills) such as waste prevention, waste reduction, waste re emission-efficient waste to energy (municipal waste to ener abatement technology)

SUSTAINABLE WATER MANAGEMENT

Sustainable infrastructure for clean water, wastewater treat drainage systems, and other forms of flooding mitigation

ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIV RESOURCES AND LAND USE

Environmentally sustainable agriculture, environmentally su and aquaculture, environmentally sustainable forestry, inclu reforestation, and preservation or restoration of natural land

Eligible Social Categories

RCBC's Eligible Social Portfolio can be comprised of Eligible Social Assets in these categories:

AFFORDABLE BASIC INFRASTRUCTURE Construction, operation or upgrading of basic infrastructure water, sewers, and sanitation

ACCESS TO ESSENTIAL SERVICES

Healthcare for the underserved (e.g., hospitals accredited b pharmaceutical manufacturers where at least minimum 80% the sale of generic medicines, distributors and traders, and education (schools, universities, vocational training, sheltere

EMPLOYMENT GENERATION Loans to SMEs, as defined by the BSP

AFFORDABLE HOUSING

Loans for the development or purchase of socialized housin as defined by the Housing and Land Use Regulatory Board

SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT Loans to minority, underserved, and low-income individuals by rural banks (as defined by the BSP's Manual of Regulatic cooperatives (as defined by Republic Act 9520)

ding investments directly anagement (excluding e recycling and energy- or ergy to include emission	
tment, sustainable urban	6 CONTACTOR 14 DE ANNUER
IVING NATURAL	
ustainable fishery uding afforestation or ndscapes	

re, such as clean drinking	
by PhilHealth, elderly care, 1% of the revenues are from d drugstores, etc.) and red workshops)	3 BOUNDALING 4 POLITY -MA
ing and economic housing, d of the Philippines	
r Is, including those disbursed ion for Banks), and	8 RECENTERENT 10 MERIAN

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
CBC as a Universal Bank contributes to the illowing UN SDGs:	1 Image 2 Image 3 Image 4 Image 1 Image 2 Image	Banks are custodians of public money. Given the banking sector's systemic importance, it is important that credit risk, market risk, and other bank risks are properly managed to mitigate against bank failure. Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to	We identify, measure, control, and monitor the risk inherent to our business activities or embedded in our products and portfolios. We continually develop an efficient and effective risk management infrastructure, and we comply with regulations on risk and capital management. We mitigate the risk of default and other risks by performing additional Know Your Customer (KYC) and credit risk assessment.	Thriving in the New Normal Through Serving Amid the Pandemic: - CARE Program or the COVID-19 Assistance and Recovery Enhancement Program	189101101010110 <td< td=""><td>Business lockdowns and quarantines have caused financial stress to the bank customers which may lead to potential loan and deterioration in overall loan portfolio quality.</td><td>The CARE Program entails supplementa training to the relationship manage for intensive credit assessment and collection. The objective of the CAR Program is to provic immediate relief to customers through payment holidays while giving the bank time to assess the impact through various sensitivity analyses and restructuring option</td></td<>	Business lockdowns and quarantines have caused financial stress to the bank customers which may lead to potential loan and deterioration in overall loan portfolio quality.	The CARE Program entails supplementa training to the relationship manage for intensive credit assessment and collection. The objective of the CAR Program is to provic immediate relief to customers through payment holidays while giving the bank time to assess the impact through various sensitivity analyses and restructuring option
 expanded array of features: Ability to open Time Deposit accounts, Make payments through QR codes, Transfer funds via InstaPay and PESONet, Send cash through remittance centers, Deposit checks without visiting the branch, Get cash without ATM card, Convert card purchases to installments, Opening trust accounts, Investments and foreign exchange will soon be added into the mobile app. ATM Go - These are handheld ATM terminals which were instrumental to the government's distribution of Social Amelioration Program (SAP) funds. The program helped distribute cash assistance to families greatly affected by the ECQ in provinces and remote locations where there are no bank branches. 	 No Poverty: The pandemic highlighted the challenges of financial inclusion and we responded swiftly through digitization which provided access to unbanked and underserved Filipinos. Diskar Tech opened more than 1.5 million new accounts while the ATM Go enabled RCBC to serve communities to remote provinces. Gender Equality: Our digital innovations improve the economic lives of poor women, working class women and members of female-headed households. Decent Work and Economic Growth: We provide and expand access to banking and financial services for all. Industry, Innovation and Infrastructure: Our banking products increase access to financial services. Reduced Inequalities: Our loan products empower and promote economic inclusion and empowerment of women. Partnerships for the Goals: We partnered with the Department of Social Welfare and Development for the purpose of facilitating distribution of the Social Amelioration Emergency Subsidy of the National Government pursuant to Republic Act No. 11469 or the Bayanihan To Heal as One Act. 	adequately manage.		Deposits - Savings Accounts + FlexiSavers iSave Basic Savings GoSavers SSS Pensioner Regular Savings ATM/Passbook eWoman Savings Dragon Peso/ Dollar Savings Foreign Currency Checking Accounts Regular Checking Dragon Checking eWoman Checking CheckLite Time Deposit Foreign Currency	payment of any amount on due date during the duration of the ECQ.	Banks are custodians of public money. Given the banking sector's systemic importance, it is important that credit risk, market risk, liquidity risk, and other bank risks are properly managed to mitigate against bank failure.	We identify, measu control, and monito the risk inherent to our business activit or embedded in our products and portfolios. We continually develop an efficien and effective risk management infrastructure, and we comply with regulations on risk and capital management.

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t Cards A Card	s Corporate Loans Home Loans Personal Loans cember 2020, RCBC announced that no longer extend financing to new fired power projects as the Philippines is to cleaner energy sources.	Image:	public money. Given the banking sector's systemic importance, it is important that credit risk and other bank risks are properly managed to mitigate	control, and monitor the risk inherent to our business activities or embedded in our products and portfolios. We continually develop an efficient and effective risk management infrastructure, and we comply with regulations on risk and capital		 More and and a series of the underserved and small businesses in the country. RMB studies each business carefully to make certain that the additional working capital has a positive effect on cash flow, potentially reducing or eliminating poverty. Decent Work and Economic Growth: Correlated to helping reduce poverty, RMB's loans products provide additional funds to small businesses which in return further employs underserved individuals, thus, increasing employment. Industry, Innovation and Infrastructure: RMB's 	and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to
	dit Cards	 2 IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	business exposes us to credit risk and other types of risk which traditional risk tools may ordinarily not be	of default and other risks by performing additional KYC and credit risk assessment	Our Sustainable Finance Framework strategy is to deploy Sustainable Financing instruments to fund all types of Loans that have clear environmental and/or social benefits which are classified as Eligible	 products increase access to financial services, including affordable credit. Reduced Inequalities: Regardless of financial status, RMB's loan and savings products cater to underserved individuals not covered by commercial banks. Partnerships for the Goals: In compliance with Republic Act 11469, we did not charge or apply interest on interest , penalties or any other fees that may be associated with the non-payment of any amount on due date during the duration of the ECQ. Return a function of the ECQ. Return a function of the ECQ. 	public money. Given the banking sector's systemic importance, it is important that credit risk and other bank risks are properly managed to mitigate



RISK GOVERNANCE FRAMEWORK

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

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

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

The RCBC Group's Risk Governance Framework aims to:

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

RISK MANAGEMENT PRINCIPLES¹

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

Principle 1: Risk management creates and protects value.

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

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

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

Principle 3: Risk management is part of decision making.

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

Principle 4: Risk management explicitly addresses uncertainty.

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



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

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

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

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

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

Principle 7: Risk management is tailored.

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

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

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

Principle 9: Risk management is transparent and inclusive.

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

¹ISO 31000 enumerates 11 principles

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

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

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

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

RISK CULTURE²

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

Tone from the Top

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

The BOD expects all staff to:

Lead by Example	 Establish, monitor, and adhere to an effective risk appetite statement; Have a clear view of the risk culture; Systematically monitor and assess the prevailing risk culture and proactively address any identified areas of weakness or concern; Promote through action and words, a risk culture that expects integrity and a sound approach to risk; Promote an open exchange of views, challenge, and debate; and Have mechanisms in place which help lessen the influence of dominant personalities and behaviors.
Adopt Corporate Values	 Systematically monitor and assess whether the espoused values are communicated and adhered to by management and staff at all levels; Ensure that the risk appetite statement, risk management strategy, and overall business strategy are clearly understood and embraced by management and staff at all levels and effectively embedded in the decision-making and operations of the business; and Establish a compensation structure that supports the institution's espoused values and promotes prudent risk-taking behavior.
Develop Common Understanding and Awareness of Risk	 Demonstrate a clear understanding of the quality and consistency of decision-making throughout the business, including how decision-making is consistent with the Group's risk appetite and risk strategy; Have a clear view on the business lines considered to pose the greatest challenges to risk management and these are subject to constructive and credible challenge about the risk-return balance; and Systematically monitor how quickly issues raised by the BOD, supervisors, internal audit, and other control functions are addressed by management.
Learn from Risk Culture Failures/ Mistakes	 Establish processes to ensure that failures or near failures in risk culture are reviewed at all levels of the Group and are seen as opportunities to strengthen the Group's risk culture and make it more robust.

Accountability

The BOD and senior management should ensure that employees A sound risk culture promotes an environment of effective are held accountable for their actions and are aware of the communication and challenge in which decision-making consequences of not adhering to the desired behavior toward processes promote a range of views, allow for testing of current risk. There should be a clear delineation of responsibilities practices and stimulate a positive, critical attitude among with regard to monitoring, identification, management, and employees and an environment of open and constructive mitigation of risk. Employees at all levels should understand the engagement. core values of the Group's risk culture and its approach to risk, be capable of performing their prescribed roles, and be aware A sound risk culture must encourage transparency and open that they are held accountable for their actions in relation to the dialogue in order to promote the identification and escalation of Group's risk-taking behavior. risk issues.

Risk Ownership	 Clear expectations should be set with respect to monitoring, reporting, and responding to current and emerging risk information across the institution, including from the lines of business and risk management to the BOD and senior management. Mechanisms should be in place for the lines of business to share information on emerging and unexpected risks. Employees are held accountable for their actions and are aware of the consequences for not adhering to the 	Open to Alternative View	 Alternative views or questions from individuals and groups are encouraged, valued and respected, and occur in practice. Senior management should have mechanisms in place to ensure that alternate views can be expressed in practice, and should request regular assessments of the openness to dissent at all layers of management involved in the decision-making process.
Escalation Process	 desired risk management behavior. Escalation processes should be established and used with clear consequence for non-compliance with risk policies and escalation procedures. Employees should be aware of the process and believe that the environment is open to critical challenge and dissent. These mechanisms should be established for employees to raise concerns when they feel discomfort about products or practices. Whistleblowing should be proactively encouraged and supported by the BOD and senior management. 	Stature of Risk Management	 The Chief Risk Officer and risk management function (RMG and CMG) share the same stature as the lines of businesses, actively participating in the Senior Management Committee, and proactively involved in all the relevant risk decisions and activities. They should have appropriate access to the BOD and senior management. Compliance, legal, and other control functions should have sufficient stature, not only to act as advisors, but also to effectively exert control tasks with respect to the institution's risk culture.
Enforcement	• Consequences should be clearly established, articulated, and applied for the business lines or individuals who engaged in excessive risk- taking relative to the risk appetite statement. Breaches in internal policies, procedures, and risk limits and non-adherence to internal codes of conduct should impact an individual's compensation and responsibilities or affect career progression, including termination.		

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

Effective Communication and Challenge

Incentives

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

Remuneration and Performance	 Remuneration and performance metrics should consistently support and drive the Group's desired risk-taking behavior, risk appetite, and risk culture. Annual performance reviews and objective-setting processes include steps taken by the individual to promote the Group's desired core values, compliance with policies and procedures, internal audit results, and supervisory findings. Incentive compensation programs systematically include individual and group adherence to the Group's core values and risk culture, including: Treatment of clients; Cooperation with internal control functions and regulators; Respect for risk exposure limits; and 			
	Alignment between performance and risk.			
Talent Development and Succession Planning	• Understanding key risks and essential elements of risk management and the culture of the organization is a critical skill for senior employees. These should be reflected in the development plans for employees. Succession planning processes for key management positions include risk management experience and not only revenue-based accomplishments. Training programs are available for all staff to develop risk management competencies.			

RISK APPETITE FRAMEWORK³

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

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

Conscious Risk-Taking

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

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

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

Joined-Up Risk Management

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

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

Drive Quality Risk Management

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

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

Risk Appetite Statement

llso ctive ed. ts	Risk appetite is the amount of risk the RCBC Group is willing to take in pursuit of its strategic objectives, reflecting its capacity to sustain losses and continue to meet its obligations under normal as well as adverse circumstances.
d a ct	The Group's risk appetite statement is approved by the BOD and forms the basis for establishing the risk parameters within which the businesses must operate, including risk management policies, and limits.
J	The Group defines its risk appetite in terms of volatility of earnings, the maintenance of adequate capital buffers, and the assessment by the regulator.
	The Group recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. It aims to achieve sustainable growth in profitability and shareholder value through an optimum balance of risk and return.
must lence	The Group shall take on risk prudently and manage exposures proactively for the purpose of sustainable growth, capital adequacy, and profitability. It shall be aligned with internationally accepted standards, practices, and regulations in the day to day conduct of risk and performance management.
, he lt to le prity	The BOD and senior management are committed to developing risk awareness across the Group, promoting the highest standards of professional ethics and integrity, establishing a culture that emphasizes the importance of the risk process, sound internal control, and advocating the efficient use of capital.
e n the re	The Group sets risk limits to constrain risk-taking within its risk appetite, taking into account the interest of customers and shareholders as well as capital and other regulatory requirements.
of this	The Group will not compromise adherence to its risk appetite to pursue revenue growth or higher returns.
ted risk	The Risk Oversight Committee shall oversee compliance to the established risk appetite, risk management policies, and limits.
es	Furthermore, the Group articulates its appetite for specific risk types.



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

RISK APPETITE FOR SPECIFIC RISK TYPES

Risk Type Definition		Risk Appetite		
Credit Risk	Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.	The Group shall only engage with counterparties that are foreseen to be able to meet the terms of the contract or perform as agreed. The Group shall manage credit risk in its portfolio and activities to ensure that credit risk losses do not cause material damage to the Group's liquidity and capital position.		
Credit Concentration Risk	Risk of loss arising from credit overexposure to specific industries, borrower, counterparty, or group.	The Group shall not be overexposed to specific industries, borrowers, counterparties, or groups, where the risk of loss has not been considered and/or mitigated. It shall manage credit concentration risk in its portfolio to ensure that credit risk losses do not cause material damage to its liquidity and capital position.		
Market Risk	Risk of loss arising from adverse movements in market prices of positions in the trading book.	The Group shall manage market risk in its trading portfolio and activities to ensure that losses arising from adverse movements in market prices do not cause material damage to its net income and capital position.		
Interest Rate Risk in the Banking Book	Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.	The Group shall manage interest rate risk in its banking book portfolio and activities to ensure that losses arising from movements in interest rates do not cause material damage to its net income and capital position.		
Liquidity Risk	Current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or cost. Also includes the inability to manage unplanned decreases or changes in funding sources.	The Group shall be able to meet its obligations when they come due, under normal as well as adverse circumstances, while ensuring compliance with regulatory requirements. It shall manage its liquidity position under extreme but plausible liquidity stress scenarios without recourse to extraordinary central bank support.		
Operational Risk Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.		The RCBC Group shall control operational risks to ensure that operational losses do not cause material damage to the Group's liquidity and capital position, and reputation.		
IT Risk Risk of loss resulting from failure of computer hardware, software, devices, systems, applications and networks.		The Group shall manage its computer hardware, software, devices, systems, applications, and networks to ensure that losses resulting from their failure do not cause material damage to its liquidity and capital position, and reputation.		

Risk Type	Definition	Risk Appetite	
Information Security Risk	Risk of loss resulting from information security/cyber security breaches.	The Group has zero tolerance for information security/ cyber security breaches. It shall protect its information assets to ensure that breaches do not cause material damage to its liquidity and capital position, and reputation.	
Business Continuity Risk	Risk of loss resulting from the prospective inability to resume operations in the event of a disaster.	The Group shall be able to resume operations in the event of a disaster, in a timely manner.	
Regulatory Risk	Risk of loss arising from probable mid- stream changes in the regulatory regime affecting current position and/or strategy.	The Group shall be prepared for any changes in regulations affecting its current position and/or strategy.	
Compliance Risk	Risk of loss resulting from failure to comply with laws, regulations, rules, related self- regulatory organization standards, and codes of conduct applicable to its banking activities.	The Group shall comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities. It has no appetite for deliberately or knowingly incurring a breach of the letter or spirit of regulatory requirements.	
Money Laundering/ Terrorist Financing (ML/TF) Risk	Risk of loss resulting from the involvement in money laundering and terrorist financing activities.	The Group has zero tolerance for any involvement in money laundering and terrorist financing activities. It shall manage ML/TF risk to avoid any involvement in money laundering and terrorist financing activities.	
Fraud Risk (Internal & External)	Risk of loss resulting from falling victim to activities involving internal and/or external fraud.	The Group shall manage fraud risk to ensure that losses resulting from activities involving internal and/ or external fraud do not cause material damage to its liquidity and capital position, and reputation. It has zero tolerance for any incident involving internal fraud, or any inappropriate conduct by a member of staff or by any Group business.	
Legal Risk	Risk of loss resulting from uncertainty of legal proceedings that we are currently or expected to be involved in.	The Group shall manage legal risk to ensure that losses arising from legal proceedings do not cause material damage to its liquidity and capital position, and reputation.	
Human Resource Risk (new)	Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.	The RCBC Group has adequately disseminated its Human Resources policies and Code of Conduct to all its employees. As such, it has very low tolerance for non-compliance to ensure that ensuing losses do not cause material damage to the Group's operations, business, strategy and reputation.	
Strategic Risk	Risk of loss arising from adverse business decisions or lack of responsiveness to industry change.	The Group shall only pursue strategies whose foreseeable risks have been considered and/or mitigated. It shall manage strategic risk to ensure that there is no material damage to its liquidity and capital position, and reputation.	
Reputation Risk	Risk of loss arising from negative public opinion.	The Group has very low tolerance for engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. It shall protect its reputation to ensure that there is no material damage to the Group.	
Environmental and Social (E&S) Risk (new)	Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the bank.	The Group shall promote sustainable practices that will minimize negative environmental, social and reputation impact of the Bank's financing activities and its clients' operation. It shall mitigate negative impact on the environment and affected communities, and enhance positive sustainable development impact.	

RISK LIMITS⁴

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

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

RISK GOVERNANCE

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

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

	BOARD OF D	IRECTORS	
Executive	Risk Oversight	AML	Audit and Compliance
Committee	Committee	Committee	Committee

BOARD OF DIRECTORS (BOD)

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

The BOD:

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

Board Committees

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

THE EXECUTIVE COMMITTEE

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

THE RISK OVERSIGHT COMMITTEE (ROC)

The ROC supports the BOD with respect to oversight and management of risk exposures of the Group. In this regard, ROC exercises authority over all other risk committees of th Group, mainly to assist the BOD in fulfilling its risk oversight responsibilities. The ROC oversees:

- The risk governance framework. The ROC ensures that an appropriate risk governance framework is in place, a adopted (as appropriate) across all entities of the Grou
- Adherence to risk appetite. The ROC oversees complia to established risk management policies and limits. It ensures that the current and emerging risk exposures are consistent with the Group's strategic and overall risk appetite. It assesses the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relatin to risk management and control, and performance of management, among others;
- The risk management function. The ROC is responsible the appointment/selection, remuneration, and dismissa of the Chief Risk Officer (CRO). It also ensures that the risk management function (RMG and CMG) has adequa resources including personnel, systems, and other risk management capabilities necessary for the conduct of sound risk management, and effectively oversees the ri taking activities of the Group.
- Capital planning and management. The ROC reviews, evaluates, periodically assesses, and reports to the BOD the Group's Internal Capital Adequacy Assessment Proc (ICAAP), especially relating to:
 - » Current and projected capital and risk-weighted ass levels and requirements;
 - » Capital allocation among risk-taking units of the Gro and
- » Perceived threats to capital adequacy arising from b identified and unexpected risk factors
- Recovery plans. The ROC ensures periodic review of the effectiveness of the risk management systems and recovery plans. It ensures that implementation is carried out on an enterprise-wide basis, and that corrective actions are promptly implemented to address risk management concerns.

THE ANTI-MONEY LAUNDERING BOARD COMMITTEE

cess ers as ings.	The Anti-Money Laundering Committee is constituted by the BOD to carry out its mandate to fully comply with the Anti- Money Laundering Act (AMLA), as amended, its Revised Implementing Rules and Regulations, and the Anti-Money Laundering Regulations under the MORB; and to ensure that oversight on the Bank's AML compliance management is adequate. The AML Board Committee has oversight on all AML-related matters such as the bank's Money Laundering and Terrorist Financing Prevention Program (MLPP), AML findings, alerts management, and CTRs & STRs.
nds,	THE AUDIT AND COMPLIANCE COMMITTEE
	The Audit and Compliance Committee is a board-level committee constituted to perform the following core functions:
, the he it t	 Oversight of the Bank's financial reporting and control, and of internal and external audit functions. This includes responsibility for the setting up of internal audit and for the appointment of the internal auditor as well as the independent external auditor who both report directly to the Audit and Compliance Committee.
and up. ance	 Investigation of any matter within its terms of reference, with full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and adequate resources to enable it to effectively discharge its functions.
e e ng	 The review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, to be conducted at least annually.
	Oversight of regulatory/compliance aspects.
e for al	Role of Parent Bank and Subsidiaries
e ate f risk D, ocess	The BOD and senior management of subsidiaries are held responsible for effective risk management processes at the subsidiary level and have appropriate influence in the design and implementation of risk management in the subsidiary. Conversely, the BOD and management of the parent bank is responsible for the risk management of the Group and the oversight on its subsidiaries with appropriate processes established to monitor the subsidiaries' compliance to the Group's risk management practices.
set	Three Lines of Defense Model
roup; both	Notwithstanding its defined specific risk management functions, the Group recognizes that the core banking activity of managing risks is not the sole province of RMG and CMG. It is rather a function that cuts across the entire organization.
l ed ctions	In the Three Lines of Defense model, management control is the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance [or audit] is the third. Each of these three lines plays a distinct role within the complication's wider generation.

within the organization's wider governance framework⁵.

Responsibilities				
	 Every employee is a risk officer; the day-to-day management of all material risks is the responsibility of all bank personnel. 			
	Business lines and support units:			
1st Line: Business Lines & Support Units	 » know our customers well and are best placed to act in both customers' and RCBC's best interests; 			
	 own the risks and are responsible for identifying, monitoring, and controlling them to stay within appetite; and 			
	» are responsible for promoting a culture of compliance and control.			
	Risk control owners for their respective specialized risk types:			
	 monitor and facilitate the implementation of effective risk management practices by the 1st line; 			
2nd Line:	 » set standards by which the 1st line is expected to manage risk, including compliance with applicable laws, regulatory requirements, policies, and other relevant standards; 			
Risk & Control Units	 » develop and maintain policies, standards and guidelines, set risk appetite and limits; 			
	 challenge the 1st line on effective risk management, their inputs to, and outputs from, the bank's risk management tools; and 			
	» oversee the optimization of risk-reward trade-off.			
	 Scope of responsibilities is defined by risk type, and not constrained by functional/business/organizational boundaries 			
	Auditors:			
3rd Line: Audit	 evaluate the effectiveness of the risk governance framework (design and implementation); and 			
7 10 011	» provide an independent, objective assessment to improve the effectiveness of the first two lines of defense.			

1ST LINE OF DEFENSE: BUSINESS LINES & SUPPORT UNITS

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

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

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

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

2ND LINE OF DEFENSE: RISK & CONTROL UNITS

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

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

RISK TYPES

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

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

Operational Risk Subtypes

At the enterprise level, the Operational Risk Management function under RMG has overall responsibility for Operational Risk as Risk Control Owner in the 2nd line of defense. However, the broad scope of operational risk requires subject matter expertise and specialization in areas such as IT, Compliance, ML/TF, Fraud, Legal, among others. These specialized areas are categorized as Operational Risk subtypes. The Risk Control Owners responsible for these subtypes have the same level of authority and responsibility for setting risk management standards as all other Risk Control Owners. They are not subordinated to the Operational Risk Management function.

Legal Affairs Group

Operational Risk Subtype 2nd Line Ownership 1. IT Risk IT Shared Services Group 2. Information Security Risk Risk Management Group 3. Business Continuity Risk Risk Management Group 4. Regulatory Risk Regulatory Affairs Group 5. Compliance Risk Regulatory Affairs Group 6. ML/TF Risk Regulatory Affairs Group 7. Fraud Risk Risk Management Group

applied consistently.

3RD LINE OF DEFENSE: AUDIT

8. Legal Risk

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

9. Human Resource Risk (*new*) Human Resource Group

The Operational Risk Management function collaborates with all

Risk Control Owners to ensure Risk Management standards are

Risk Management Function

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

RISK MANAGEMENT GROUPS

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

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

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

The risk management groups are responsible for overseeing the risk-taking activities across the Group, as well as in evaluating whether these remain consistent with the Bank's risk appetite and strategic direction. It ensures that the Risk Governance Framework remains appropriate relative to the complexity of the Bank's risk-taking activities. The risk management groups are responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis. Personnel in the risk management groups have knowledge and technical skills commensurate with the Bank's business activities and risk exposures.

The Risk Management Group (RMG)

		CHIEF R	RISK OFFICER	har	
Enterprise Risk	Portfolio Quality	Market and Liquidity Risk Management	Operational Risk Management	Enterprise Fraud Risk	Information Security Governance

Chief Risk Officer

The Chief Risk Officer (CRO) has sufficient stature, authority, and seniority within the Bank. He is independent from executive functions and business line responsibilities, operations and revenuegenerating functions, and has access to such information as he deems necessary to form his judgment. The CRO has direct access to the BOD and the Risk Oversight Committee without any impediment. He serves on a full-time basis and functionally reports to the ROC.

Responsibilities of the CRO: The CRO has the broad and exclusive responsibility for all risk issues. The CRO performs the critical executive function relating to risk management. The CRO adequately communicates the risk assessment to the BOD and facilitates sound board-level risk decisions. The CRO is responsible for overseeing the risk management function and supporting the BOD in the development of the risk appetite and risk appetite statement of the bank and for translating the risk appetite into a risk limits structure. The CRO likewise proposes enhancements to risk management policies, processes, and systems to ensure that the Bank's risk management capabilities are sufficiently robust and effective to fully support strategic objectives and risk-taking activities.

The following are the major risk management divisions and departments under RMG⁶.

	ENTERPRISE RISK DIVIS	SION HEAD
Portfolio Monitoring	Enterprise Risk	Quantitative Risk

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

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

Independent Credit Review. Compliance with the credit review requirements of BSP Circular 855 was strengthened through the creation of the Portfolio Quality Division (PQD) of RMG. PQD has a dedicated team handling the Independent Credit Review function in accordance with BSP Circular 855. The ICR covers the evaluation of credit procedures, policy formation, and action plan monitoring. The ICR's assessment of the overall portfolio quality of the bank seeks to contribute to Risk Portfolio Management as governed by the ROC. Observations are reported periodically to the Risk Oversight Committee of the BOD, following discussions with accountable groups in line with the requirements of BSP Circular 855. PQD has a dedicated team handling the independent Credit Review function in accordance with BSP Circular 855.

Sustainable Finance and Environmental and Social Management System (ESMS). RCBC has been an early adopter of Philippine sustainable and inclusive banking practices, having started the implementation of an ESMS in 2011 and the issuance of its own Sustainable Finance Framework in April 2019. To ensure faithful compliance with the set guidelines, the Bank appointed an Environmental and Social Risk Officer (ESRO) and created a Sustainable Finance Unit that oversees the effective implementation of the Sustainable Finance Framework and the ESMS Policy.

This is in support of the Bank's commitment to uphold environmental and social responsibility in all its business activities. The Bank recognizes that balancing non-financial factors such as environmental and social safeguards with financial priorities is essential to being a good corporate citizen, and is fundamental to risk management and the larger interest of our stakeholders.

⁶ Administrative changes were made to RMG Organization structure in March 2020, splitting the Operational Risk Management Division into three departments: Operational Risk Management, Enterprise Fraud Risk and Information Security Governance.

Environmental and social risk and sustainable finance related updates are reported regularly to the ROC of the BOD.

RCBC's sustainable and inclusive banking practices are aligned with the objectives of BSP Circular 1085 (Sustainable Finance Framework, issued on April 29, 2020) which mandates lenders to include environmental and social considerations in their governance frameworks, risk management systems, strategies and operations.

MARKET AND LIQUIDITY RISK MANAGEMENT DIVISION HEAD				
Market Risk	Liquidity Risk			

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

OPERATIONAL F	RISK MANAGEMI	ENT DEPARTM	IENT HEAD
Business Operational Risk	Consumer Protection	Business Resiliency	Trust Ri

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

ORMD is tasked to ensure implementation of the Operational Risk Management (ORM) Framework across the Group; and to develop an appropriate operational risk management environment where operational risks are identified, assessed, reported, monitored, and controlled/mitigated. It is also expected to identify and recommend mitigants for emerging risk types, and to promote and maintain quality operational risk programs and infrastructure. ORMD is also responsible for ensuring the Bank's capability to plan and respond to incidents and business disruptions and enable the continuity of key business operations at predefined acceptable levels. The department also provides the processes and methodologies designed to protect the clients by implementation of the Consumer Protection Program.

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





Info

ENTERPRISE FRAUD RISK DEPARTMENT HEAD

Investigations and Resolution

Detection and Monitoring

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

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

INFORMATION SECURITY GOVERNANCE DEPARTMENT HEAD					
Information Security Risk	Risk Management Systems	IT Security Governance			
prmation Security Governance Department: The Information urity Governance Department (ISGD) deals with all aspects					

Secu of information whether spoken, written, printed, electronic, or relegated to any other medium regardless of whether it is being created, viewed, transported, stored, or destroyed. This covers all business units, branches/offices, and subsidiaries, both domestic and overseas, third party institutions, and individuals.

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

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

The Credit Management Group (CMG)

The Credit Management Group (CMG) focuses on the operational and front-end aspect of the credit cycle.

	CHIEF CREE	DIT OFFICER	
Commercial Loan Evaluation	Consumer Loan Evaluation	Scorecard Analytics (Asset Quality, Credit	Consumer Collection
(Corporate, Commercial, Programs/SME)	(Credit Acceptance, Credit Services, Vendor Management)	Policy, Ops Risk Process/ Reengineer)	(Early Delinquency)

Major responsibilities of CMG include:

- · Provides inputs on the credit quality of accounts to ascertain that all credit issues are disclosed and discussed thoroughly, so that approving authorities can render decisions based on adequate information for all types of accounts, i.e., consumer, corporate and consumer accounts
- » Prepares financial analysis and spreadsheets to provide input for credit risk assessment and credit packaging; issues and reviews credit risk ratings
- » Strengthens loan portfolio quality; guides business units and determines which accounts are weak or are potential problem loans
- » Subjects the portfolio to stress testing to determine the potential effect on the loan portfolio of possible stress scenarios, in order to assist management in formulating contingency plans for the portion of the portfolio that is vulnerable
- » Provides property valuation to ensure adequate collateral security as a second way out of the bank's lending activities
- Formulating and amending credit policies through benchmarking, industry research, keeping updated with regulatory requirements and international risk standards, and ensuring compliance with all BSP requirements
- » Prepares policies to enable Bank's risk appetite and overall lending strategy and address dynamic business and operational requirements
- » Reviews policies formulated by various business units/groups within the Bank, and of subsidiaries to ensure that their policies are generally aligned with the Parent Bank's policies
- » Reviews/revises annually credit concentration limits such as industry, country and counterparty limits for CBG and Treasury by consulting the Corporate Planning Group, CBG, and Treasury on business requirements and risks
- Centralized portfolio Monitoring across the Group and providing early warning signals
- Prepares various regulatory and management reports to provide the needed inputs for audited financial reporting, compliance with regulatory requirements, and as a tool for managing the loan portfolio and for credit decision-making

CREDIT RISK

RISK ASSESSMENT

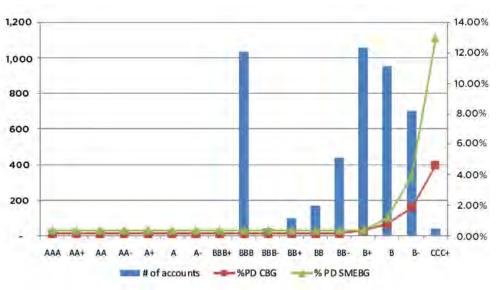
Credit risk is the risk of loss arising from a counterparty's fail to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk stems from the probability that the borrower, issuer or counterparty in a transaction may def and cause potential loss to the Group, as it is exposed to risk as a trading counterparty to dealers and customers, as direct lender, and as a holder of securities.

The assessment of this risk, in relation to its impact on capital adequacy, is governed by the Standardized Approach, as prescribed under Basel II and by BSP Circular 855.

The Bank uses a credit risk rating system that permits credit analytics and qualitative features that accommodate expert judgment when assessing credit worthiness. Following the Group's efforts to align with international best practice, the Bank, since 2013, has been using the following Standard and Poor's (S&P) Scorecards:

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

S&P Rated Accounts 4Q2020



	 Real Estate Developer: Scorecards covering real estate entities engaged in diversified development and sale, and buying and selling of a portfolio of real estate assets
	 Small & Medium Enterprise: Scorecard for borrowers classified as small or medium
ure e	 Overlays: Parent-subsidiary and multi-activity and holding company
it ⁻ ault	Financial Institutions: Scorecard for banks
t al	The S&P scorecards are a formalization of the S&P rating methodology. By applying the same principles of assessing credit-worthiness, the scorecards leverage on S&P's extensive rating experience and over 30 years of available default data, thus serving a need specific to low default portfolios and institutions that may have issues with the existence (or non- existence) of clean historical credit and default data.
	The Scorecards are designed to be used for: 1) the whole of corporate lending by RCBC and Malayan Leasing, 2) relevant portfolio assessed by Treasury and Trust for investment purposes, and 3) the SME portfolio of RCBC. The resulting ratings mirror the international S&P rating scale.
	As of December 2020, the distribution of all rated accounts is as follows: (see S&P Table below)

RATING	# of accounts	%PD CBG	% PD SMEBG
AAA	-	0.12%	0.36%
AA+	-	0.12%	0.36%
AA	-	0.12%	0.36%
AA-	1	0.12%	0.36%
A+	4	0.12%	0.36%
A	20	0.12%	0.36%
A-	6	0.12%	0.36%
BBB+	4	0.12%	0.36%
BBB	1,035	0.12%	0.36%
BBB-	40	0.12%	0.36%
BB+	97	0.12%	0.36%
BB	170	0.12%	0.36%
BB-	438	0.12%	0.36%
B+	1,059	0.30%	0.36%
В	955	0.75%	1.18%
B-	703	1.86%	3.92%
CCC+	39	4.62%	12.99%
TOTAL	4,571		

The general description of each rating grade is as follows:

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

Following BSP Circular 855, the Group has set out to subject all accounts to risk rating either on an individual or collective basis.

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

For the Group's consumer loans portfolio, risk assessment is performed on an individual borrower through the use of credit application scorecards for Credit Cards, Housing, Auto and Personal Loans. The UniBank has adopted the use of TransUnion credit scores alongside with the application and behavioral scorecards.

For Corporate Salary Loans, however, a rule-based set of credit criteria on company accreditation and borrower evaluation is used.

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

Due to COVID-19 pandemic, credit risk assessment for identified vulnerable segments was tightened.

The assessment of the Group's exposure to credit risk is also manifested in its loan loss/impairment provisioning process. The total credit risk exposure of the Group, net of provisioning, is detailed in Note 4.4.7 of the accompanying Notes to Financial Statements. The details of the Group's impairment testing exercise are found in Note 16 of the NFS.

Expected Credit Loss

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

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

In addition to the standard ECL formulation, an overlay methodology is likewise employed. An overlay represents a forward-looking view of credit that may be based on macroeconomic studies or other bottom-up approaches that serve to modify any or all of the variables used in ECL calculation. For the UniBank's ECL framework, the overlay results to in an adjusted set of adjusted PDs, estimated via an analysis of macroeconomic scenarios.

With the COVID-19 pandemic and the UniBank's expectation of its economic impacts, the key assumptions utilized in the calculation of ECL was revisited. The account classification from

Compliance with the credit review requirements of BSP Circular the CARE program was utilized to adjust the ECL based on the 855 was strengthened through the creation of the Portfolio COVID-19 impact on the customers. Quality Division (PQD) of Risk Management Group (RMG). PQD has a dedicated team handling the Independent Credit **RISK MONITORING AND REPORTING** Review function in accordance with BSP Circular 855. The ICR covers the evaluation of credit procedures, policy formation, The following table summarizes the various reports produced by and action plan monitoring. The ICR's assessment of the overall portfolio quality of the Bank seeks to contribute to Risk the Group to monitor its credit risk exposures are summarized Portfolio Management as governed by the ROC. Observations below: are reported periodically to the ROC, following discussions with accountable groups in line with the requirements of BSP Circular as to 855.

ANNUAL REPORTS	DESCRIPTION
Industry Exposure Report (IER) - FCDU	FDCU exposure breakdown as to industry
SEMI ANNUAL REPORTS	DESCRIPTION
S&P Rating Model Performance Review	Internal credit risk rating model validation and backtesting of probability of default
Risk Rating Transition/ Migration and Analysis	Matrices that shows actual performance of the rating system over time
QUARTERLY REPORTS	DESCRIPTION
Bad Debts	Report on accounts considered bad debts or accounts with mor than 6 months unpaid principal and/or interest and has no specific allowance.
Stress Testing of Credit Risk	BSP's Uniform Stress Testing Program for Banks
NPL Sectoral Analysis	Non-performing loans by industry
MONTHLY	DESCRIPTION
Expected Credit Loss	Computation of the required allowance for credit losses and monitoring adequacy of booked reserves
Past Due Report	Consolidated report on past due accounts with collateral information and latest status as from the handling unit
Non-Performing Loans (NPL)	Report on past due, NPL and Ne NPL level and ratio of the bank
NPL Movement	Reason for movement of NPL
Industry Exposure Report (IER)	Monitoring of exposures per industry against the internal limi
Alcohol, Tobacco and Gaming Exposures	Monitoring of exposures to alcohol, tobacco and gaming industries against internal limit
Top Borrowers (single & group) Top Past Due Loans Top NPLs Consolidated IER Consolidated Top Borrowers	Concentration risk monitoring reports
Portfolio Stress Testing	Assessing the loan portfolio's vulnerability to adverse events

These reports are disseminated to both the Group's risk-taking units for guidance; and more importantly to senior management and the ROC.

INDEPENDENT CREDIT REVIEW

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In 2020, four ICR results were completed: two regular reviews of at least 75% of the Bank's total loan portfolio and two special reviews relevant to the Bank's COVID-19 Assistance and Recovery Enhancement (CARE) Program. The over-all quality of the portfolio reviewed remained acceptable, although certain accounts were identified as having credit risk vulnerability, as a supplement to the evaluation process applied under the CARE Program.

COVID ADJUSTMENT - WHOLESALE BORROWING CUSTOMERS

The Bank at the height of the crisis postponed the use of the internal credit risk rating in favor of a 5 color rating of accounts.

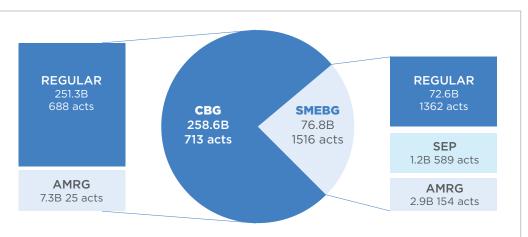
Covid Assistance and Recovery (CARE) Program was launched as a means to provide refinancing support to customers in good standing prior to the crisis without affecting the customer's credit standing.

The Group adopted various mitigating activities to manage its loan portfolio, focused on the identification of negatively impacted classes of customers given the quarantine restrictions, and, launched the CARE Program.

In identifying negatively impacted wholesale customers, customers in good standing as of March 2020 were bucketed into five color categories:

- Green. Accounts that may not have been severely impacted by the crisis and therefore have sufficient liquidity to continue paying off debt obligations.
- Yellow. Accounts that may not have been severely impacted by the crisis and, continue to pay off any amounts due, but have a pronounced need for continued credit support.
- Amber. Account that may have been moderately impacted by the crisis, and would need refinancing support of more than 1 year up to 2 years.
- Orange. Accounts that may have been moderately impacted by the crisis, and would need refinancing support of more than 2 years.
- **Red.** Accounts that may have been moderately impacted by the crisis, and would have to resort to foreclosure or sale of assets to settle its debt obligations.

The summary of the CARE risk classification is as follows:



RISK CLASS	OS (IN BILLIONS)	%	COUNT	%
1 - GREEN	200.5	62%	623	24%
2 - YELLOW	79.0	24%	328	12%
3 - AMBER	14.7	5%	69	3%
4 - ORANGE	17.9	6%	92	3%
5 - RED	1.5	0%	23	1%
6 - NONE	10.3	3%	915	35%
7 - SEP	1.2	0%	589	22%
TOTAL	325.1	100%	2639	100%

Supporting the account classification is the CARE Program, primarily designed to: (1) extend financial assistance to customers by way of extended repayment plans given cash flow tightness, and, (2) immediately get the customer back into the habit of paying based on the amount(s) they can afford.

CREDIT CONCENTRATION RISK

Credit concentration risk is the risk of loss arising from over-exposure to specific industries, borrower, counterparty, or group. The Group assesses credit concentration by regularly reviewing the composition of its portfolio. Management of this particular risk is evident throughout the credit process, especially during credit analysis and approval. An analysis of concentrations of credit risk of the loan portfolio at the end of the reporting period is shown in Note 34 of the NFS.

RISK ASSESSMENT

Other than the various measures of risk concentration, the Group measures credit concentration risk using the Herfindahl-Hirschman Index (HHI), Risk-Adjusted Herfindahl-Hirschman Index (RA-HHI) and the Comprehensive Concentration Index (CCI).

HHI is one of the most basic measures of concentration. It was traditionally used as an economic analysis tool to determine the degree of market competition. Mathematically, the HHI is the sum of the squares of the relative portfolio shares, divided by the squared portfolio shares sum. If percentages were to represent the relative portfolio shares, the HHI formula is simply the sum of the squares of these percentages, as the square of 100% (the percentage sum) is one (1).

The RA is an extended measure based on HHI. While the HHI assumes perfect diversification as equal exposure to every sector, the RA-HHI takes into consideration the systemic risk of RMG monitors portfolio credit concentration on a regular basis, different sectors. From the HHI formula, sector betas (B) are with information relayed to frontline and support units. It is introduced in RA-HHI as weights of relative exposures. B reflects likewise reported monthly to the ROC, and eventually to the systemic risk of each sector defined as the covariance between BOD. RMG likewise includes in its monitoring and reporting market return and sector return, divided by the variance of activity the information on compliance to set individual credit market return. For 2020, credit concentration risk for both risk limits, particularly SBL. The daily monitoring of availments the parent and the consolidated entity has been assessed as vs. limits approved per borrower (including SBL) however rests with the implementing/operations units. "moderate".

While the HHI and RA-HHI find usefulness in indicating

industry concentration, the same may not be said for borrower concentration, as the index does not take into account a possible Market risk is the risk of loss arising from adverse movements skewed lending behavior towards individual borrowers, which in market prices of positions in the trading book. The Group itself is an indication of credit concentration. The Parent Bank therefore supplements the HHI by adopting a Comprehensive assumes market risk in trading activities by taking positions in Concentration Index (CCI). Mathematically, the CCI is the sum of various financial instruments, such as foreign exchange, fixed the proportional share of the leading borrower (or borrowers) and income, equities, and derivative contracts. Its understanding the summation of the squares of the proportional sizes of each of what constitutes market risk is guided by relevant local borrower, weighted by a multiplier reflecting the proportional regulatory issuances, notably BSP Circular 544, as well as by size of the rest of the portfolio. The CCI therefore provides a the BIS Basel Committee on Bank Supervision, notably the view of the dispersion of the portfolio. "Principles for the Management and Supervision of Interest Rate Risk".

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

FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

Fixed Income Portfolio (Php Million)

FVTPL	Face Value	Coupon	Weighted Average Years	Weighted Average Book Yield	Modified Duration	Book Value	Market Value	Market Yield	
Peso Denominated Ho	Peso Denominated Holdings								
CORP BOND	317	3.51	2.88	3.50	2.68	317	317	3.51	
FXTN	34	3.81	4.69	2.58	3.90	36	36	2.21	
ROP GPN	5	5.73	9.18	5.42	6.13	5	6	5.32	
RTB	154	3.96	3.91	2.68	3.45	160	161	2.25	
T BILL	1,164	0.00	0.42	2.61	0.41	1,154	1,157	1.33	
TOTAL PESO FVTPL	1,674	1.12	1.32	2.79	1.21	1,673	1,678	1.85	
Foreign Currency Den	ominated Hold	dings (in Php	Equivalent)						
FGN SOV BOND	109	6.76	8.46	4.76	6.33	124	127	4.06	
FGN CORP BOND	280	4.26	6.19	2.96	5.14	287	289	2.47	
FGN GOCC	9	8.69	6.02	3.28	4.80	12	12	1.67	
FGN T BILL	0	0.00	0.00	0.00	0.00	0	0	0.00	
ROP	313	3.98	5.04	1.95	3.76	336	332	1.86	
TOTAL FCDU FVTPL	710	4.57	6.03	2.80	4.71	758	760	2.43	
Total FVTPL	2,385	2.15	2.72	2.79	2.25	2,431	2,437	2.03	

RISK MONITORING AND REPORTING

MARKET RISK

As of end December 2020, the following tables reflect the balances of the Group's portfolios exposed to market risk:

Foreign Exchange Portfolio (Php Million)

Foreign Exchange Risk Exposures					
Currency Code	Currency Name	Amount in PHP equivalent			
USD	United States Dollar	(423)			
JPY	Japanese Yen	99			
CHF	Swiss Franc	(17)			
GBP	British Pound	(2)			
EUR	Euro	204			
CAD	Canadian Dollar	52			
AUD	Australian Dollar	59			
SGD	Singaporean Dollar	124			
Other	All Other Currencies	(63)			
Sum of net long positions		704			
Sum of net short positions		(670)			
Overall net open position		704			
Total Risk Weighted FX Exposures		1,629			

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

Derivatives Portfolio Year-End Profile

FX Swaps	Notional Amount (USD millions)	Notional Amount (Php millions)
Trading		
Sell/Buy USD (Borrow Php)	397	19,030
Buy/Sell USD (Lend Php)	441	21,173
GROSS POSITION	837	40,204
NET POSITION	(45)	(2,143)

Other Swaps	Peso IRS (Php millions)	USD IRS (USD Millions)
Trading		
Received Fixed - Pay Float	4,530	35
Pay Fixed - Receive Float	2,150	190

Other Swaps	USD-Php Cross Currency/Asset Swaps (USD Millions)
Trading	
Receiving	151
Paying	74

Equities Portfolio

Equities	Number of Shares	Book Value	Market Value
(In Php Millions)			
AREIT PM	9.26	250.00	271.76

The Group began holding equities in August 2020 after participating in the Ayala Real Estate Investment Trust (AREIT) initial public offering (IPO).

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Fixed Income Portfolio (Php Million)

FVOCI	Face Value	Coupon	Weighted Average Years	Weighted Average Book Yield	Modified Duration	Book Value	Market Value	Market Yield
Peso Denominated Holdings								
CORP BOND	302	5	5	5	4	302	307	4
FXTN	675	3.50	0.23	3.87	0.22	674	678	1.19
ROP GPN	0	0	0	0	0	0	0	0
RTB	550	4.88	0.46	3.85	0.45	552	559	1.46
TBILL	50	0.00	0.41	2.43	0.40	50	50	1.39
TOTAL PESO FVOCI	1,577	4.14	1.16	4.01	1.03	1,579	1,594	1.91
Foreign Currency Denominate	ed Holdings	(in Php Equiva	lent)					
FGN SOV BOND	1,497	2.41	4.25	2.11	3.45	1,521	1,532	2.09
FGN CORP BOND	14,982	3.61	8.50	3.52	6.98	15,061	15,425	3.11
FGN GOCC	0	0	0	0	0	0	0	0
FGN T BILL	13,542	0	0	0	0	13,542	13,542	0
ROP	3,982	3.74	6.53	2.09	4.64	4,207	4,196	2.04
TOTAL FCDU FVOCI	34,004	2.13	4.71	1.91	3.78	34,331	34,695	1.73
Total FVOCI	35,581	2.22	4.55	2.00	3.66	35,909	36,289	1.74

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

RISK ASSESSMENT

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

ing limit, include the following:

- Value-at-Risk (VaR): Value-at-Risk (VaR) is defined as the estimated maximum potential loss on a position, during a given time period, at a specified statistical probability The market risk metrics in use, each of which has a correspondlevel. The given time period referred to, also known as the defeasance period, is chosen to allow an orderly liquidation to unwind the position. The probability level at which the • Nominal Position: An open risk position that is held as of Bank estimates VaR is 99%. Since mid-2020, the Bank has any point in time expressed in terms of the nominal amount started using historical simulation to calculate VaR for all of the exposure products in order to address some of the limitations of the • Modified Duration (MD): A measure of the sensitivity of delta-normal approach previously used.
- the position to market interest rate changes. MD is the approximate percentage change in price or market value due to a 1% (100 basis points) change in yield-to-maturity (henceforth "yield"). Modified Duration (MD) is also used to estimate the price impact of any magnitude of yield change by simply applying a scaling factor. For example, to estimate the price effect of a 10-basis point yield change, the scaling factor 10/100 is used. A particular application of this is the so-called "Dollar Value of a O1" (DVO1), which is also referred to as the Price Value of a Basis Point (PVBP). In the case of DV01 (the term used by the Bank), which refers to the price change due to a 1-basis point change in yield, the scaling factor would be 1/100.
- Dollar Value of 01 (DV01): DV01 is used by the Bank as a unit of measure for expressing limits established for fixedincome portfolios. 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, at the same time represents a ceiling to the rate sensitivity of the exposure according to the Bank's risk appetite.

- A summary of the VaR position of the trading portfolio as of December 31, 2020 of both the Group and the Parent Bank are found in Note 4.3 of the accompanying NFS.
- Stress Testing (ST): ST is performed to measure the Bank's vulnerability to loss due to stressful market conditions. The Bank has the option to conduct different types of stress testing, such as: (1) Sensitivity Analyses: provides an assessment of the Bank's sensitivity to changes in certain risk factors. This includes uniform stress testing (e.g. applying a parallel rate shift to relevant rates); (2) Historical Scenario Analyses: measures the overall change in portfolio value by simulating extreme historical scenarios, which include (but not limited to) Lehman Default in 2008. Asian Financial Crisis in 1998, and the Chinese Financial Crisis in 2016; (3) Reverse Stress Testing: simulates stress scenarios that adversely affect the liquidity/solvency of a bank, e.g. an interest rate increase which would result to the CAR ratio falling below 10%.

Moving forward, the Bank aims to further enhance the stress testing report by using actual market data from identified periods of stress in its stressed VaR calculations. Doing so will give a better indication on how different market rates, which includes interest rates, currencies. Implied volatilities, equity prices and survival probabilities, interact and counteract each other in each of the scenarios. Overall, these changes will provide a better picture on the resilience of the Bank's portfolio during periods of financial stress.

In addition to this, BSP formalized the implementation of the Uniform Stress Testing (UST) covering market and credit risk exposures. Foreign exchange and debt securities under the trading book as well as the interest rate repricing mismatches of the banking book are subjected to varied magnitude of interest rate and FX shocks. The Bank's ability to absorb the corresponding losses is measured by way of their impact to the regulatory capital ratios. The BSP stress test results are periodically presented to the ROC for information.

Model Back-Testing

Recognizing that VaR modeling is not perfect, the Bank employs appropriate back-testing methodology to perform a "reality check" on the VaR models used. More specifically, the current VaR 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. Based on the number of exceptions, and using guidelines provided by the BIS document "Supervisory Framework for the Use of 'Back-testing' in Conjunction with the Internal Models Approach to Market Risk Capital Requirements" on the number of acceptable exceptions, a determination is made as to the acceptability of model accuracy. An unacceptable number of exceptions will cause an investigation of the root causes of the problem and ultimate resolution. Back-testing results are reported to the ROC at least annually.

RISK MONITORING AND REPORTING

Market Risk monitoring includes the following:

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

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

Management Action Triggers

A Management Action Trigger (MAT) defines a limit which, if breached, should activate a process whereby the risk-taking function is to seek senior management guidance and approval on appropriate action to take concerning the position in guestion. There are two management action triggers (MAT-Loss and MAT- VaR):

- MAT-Loss limit is 50% of the Loss Limit.
- The MAT-VaR is the limit on the maximum potential loss of value as measured by VaR. When the potential loss of value inherent in the actual position taken exceeds the MAT-VAR, ALCO guidance and approval of further action is sought by Treasury. For clarity, further action may or may not allow additional exposure.

Limit Breaches

In cases of limit breaches, the responsible risk-taking function (Treasury Group) seeks guidance from the ALCO members in regard to the position. Considering ALCO meets weekly, the unit immediately contacts, the following ALCO members: the President and Chief Executive Officer (P/CEO), the Chief Risk Officer (CRO), any director who sits in the ROC, and the concerned risk-taking unit Group Head, to discuss and decide on how the exposure shall be handled. The decision can be defined in terms of the following three alternatives:

- Unwind the position, wholly or in part (and if the latter, to what extent); and stop trading for the month. In this case no transactions will take place other than sell the position (if long) or buy (if short).
- Hold the position, and (1) Stop trading for the month or (2) Sell or buy but only if this reduces the loss, i.e., for a long position, sell on price up-tick at the discretion of trader subject to approval by the Deputy Treasurer or Treasurer.
- Continue normal trading activity and establish a temporary loss limit for the month in question.

INTEREST RATE RISK IN THE BANKING BOOK

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

In general, IRRBB encompasses the following:

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

2020 DEVELOPMENTS

In August 2019, the BSP issued Circular 1044, "Guidelines on the Management of Interest Rate Risk in the Banking Book and Amendment of the Guidelines on Market Risk Management". The document formalized the separation of Interest Rate Risk in the Banking Book from Market Interest Rate Risk. It emphasized the importance of (1) a dynamic approach to earnings management and balance sheet forecasting, (2) integrating behavioral models to IRRBB measures and (3) developing a comprehensive stress testing/scenario analysis methodology. Banks and quasi-banks

(QBs) were expected to implement the guidelines set forth in this Circular beginning January 1, 2021. However, the transition period for the implementation of Circular 1044 was extended to December 31, 2021.

In addition to this, financial institutions began active discussion on the Libor-SOFR transition. Per the original timeline, by end-2021, market participants are expected to transition away from Libor. Secured Overnight Financing Rate (SOFR), which measures the cost of borrowing of cash overnight by collateralizing U.S Treasuries in the repo market, better reflects funding of financial institutions today. Compared to LIBOR which is partially based on market-data "expert judgment", SOFR is purely based on transaction data. In addition, other countries are also introducing their risk-free overnight borrowing reference rates for short-term lending, but SOFR is expected to supersede USD Libor as the leading global benchmark rate.

RISK ASSESSMENT

The impact of interest rate changes in the Banks' financial situation is usually assessed from two perspectives. The first. known as the earnings perspective, consists in the simulation of interest flow changes in a short-term horizon, typically less than one year, bearing in mind repricing moments in that horizon. The second, known as the economic value perspective, consists in the simulation of changes in net worth, assuming that all assets and liabilities equalized to debt are assessed at market prices. RCBC subscribes to both approaches when assessing IRRBB.

The IRRBB metrics used by the Bank are as follows:

• **Repricing Gap:** The repricing gap – the foundation of IRRBB metrics - measures market interest rate exposures arising from mismatches in the repricing profile. The gap is prepared by distributing interest-rate-sensitive on-balance and off-balance sheet positions into a number of predefined time bands according to their residual maturity (for fixed rate) or time remaining to their next repricing (for floating rate). For each time band, the level of IRRBB is measured by the size of the gap, calculated as the difference between repricing assets and repricing liabilities, plus off-balance sheet items. The repricing gap is prepared on a monthly basis for all significant currencies.

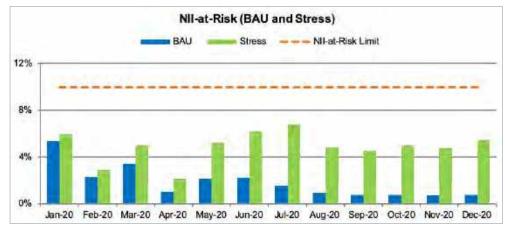
Major assumptions employed in the preparation of repricing gap are as follows:

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

The Group's December 31, 2020 IR Gap is as presented in Note 4.3.2 of the NFS.

• Net Interest Income (NII)-at-Risk: Estimates the potential sensitivity of pre-tax earnings arising from the adverse effect of interest rate movements, given the repricing profile of its assets and liabilities. This considers the maximum change in interest rates given historical volatilities of benchmark rates and gradual increase in interest to 400bps (Peso) and 300bps (USD), which were taken from the Philippine UITF Crisis in 2006 and in the global financial crisis in 2008, respectively.

The historical NII-at-Risk for 2020 is as follows



- Earnings-at-Risk (EaR): Adds the FVTPL VaR to the resulting NII-at-Risk to include both the change in short-term repricing gap and the impact of interest changes to trading positions.
- Capital-at-Risk (CaR): Adds FVTPL and FVOCI VaR to the resulting NII-at-Risk to include both the change in short-term repricing gap and the impact of interest changes to securities measured at fair value.
- Economic Value of Equity: EVE measures the sensitivity of economic value of rate-sensitive assets, liabilities and off-balance sheet items to changes in the interest rates over a longer term horizon. Similar to NII-at-Risk, EVE is also estimated using the repricing gap as a baseline. The numerator, referred to as the Impact to Economic Value (IEV), is computed by multiplying the balances per tenor bucket by the present value factor, derived from BVAL for Peso and LIBOR for USD. The sum of these will result in the baseline market value (MV) of the balance sheet. This will be retested using various stress assumptions suggested by Basel. For the details of the different scenarios, refer to the Bank's IRRBB Management Framework. The scenario with the largest negative change from Baseline MV is identified as the worst scenario for the Bank. The change in IEV is then divided by the Total Qualifying Capital, which includes both Tier 1 and Tier 2 Capital items. The resulting ratio is called the Delta EVE.

Resulting impact to EVE, assuming Basel interest rate shocks as of December 31, 2020, is summarized below:

Parallel Down 2%	Parallel Up 2%	Flattening	Parallel Down	Parallel Up	S/T Rates Down	S/T Rates Up
-6.87%	7.24%	6.50%	-10.85%	15.98%	-8.46%	12.28%

Based on the above, the Bank is most exposed to 'Parallel Down' scenario which produces the worst sensitivity to Capital at -10.85%. This is within the current limit of the Bank for EVE at 15%, which is lifted from materiality test in the IRRBB standardized framework in BCBS 368.

RISK CONTROL

IRRBB is managed by the following controls:

- 1. Limits Setting: Limits are quantitative measures based on forward-looking assumptions that form the risk appetite statement of the Bank. These are set to manage both the impact of IRRBB to earnings (Net Interest Income-at-Risk) and to capital (Economic Value of Equity).
- 2. Model Validation: The models to measure IRRBB are validated (regularly or as needed) by a third-party - either internal or external, to assess the conceptual soundness and mathematical calculations of the models used.
- 3. Back-Testing: This involves statistical methods to determine whether a model's risk estimate is consistent with the assumptions on which the estimate is based on.
- 4. Independent Assessment: This involves auditing exercise across the whole risk management process. Internal Audit, as a third line of defense, performs regular and independent assessment of the IRRBB process and practices to ensure consistency and compliance with established practices.

RISK MONITORING AND REPORTING

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

LIQUIDITY RISK

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

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

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

2020 DEVELOPMENTS

and the 2020 developments:

b. Issuance of BSP Securities

deposits.

The passage of Republic Act (R.A.) 11211, which amended R.A. 7653 (The New Central Bank Act) gave BSP the authority to issue its own debt securities as part of its instruments in managing financial system liquidity. This complements other short-term monetary policy tools such as term deposit facility (TDF), overnight reverse repurchase agreement (RRP), overnight deposit facility (ODF) and overnight lending facility (OLF) in handling excess liquidity from the reduction in the reserve requirement ratio (RRR) of banks.

In 2020, the Bank faced numerous challenges that impacted

regulations. Listed below are the highlights of these changes

a. Improvement in Liquidity Position during the Pandemic

As nationwide lockdown was observed and business

activities were limited, most of the operational deposits

of both retail and corporate clients remained in financial

institutions. The economic uncertainty, coupled with flight-

to-safety decisions of the market resulted in a record high

these were market-driven and some were due to changes in the

its liquidity position and liquidity risk assessment. Some of

c. Implementation of BSP Circulars 1064

Circular 1064 provides reporting guidelines to banks in reporting their intraday liquidity position, sources of intraday liquidity and their ability to meet payment and settlement obligations on a timely basis under both normal and stressed conditions. The objective of this Circular is to facilitate sound management of intraday liquidity risk as well as provide sufficient understanding and allocation of resources. The submission of the report is expected to encourage banks to adopt a systematic and disciplined approach in managing intraday liquidity. Covered banks are required to submit the report as of end-June 2021.

RISK ASSESSMENT

Liquidity risk is managed by maintaining adequate liquid buffers and funding to meet expected and unexpected cash flows and collateral needs without adversely affecting daily operations and the financial condition of the Bank.

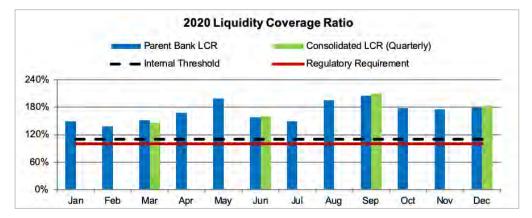
The risk metrics used by the Bank to measure liquidity risk are as follows:

• Liquidity Gap: The liquidity gap measures the mismatch of cash inflows and outflows over various time buckets via the Maximum Cumulative Outflow (MCO) approach. The purpose of liquidity gap is to anticipate periods when a portfolio will have large cash outflows (i.e. large negative liquidity gap). In identifying the Bank's risk exposure, the balance sheet is divided into time buckets, and the liquidity gap for each (time bucket) is computed. The tabular presentation of the computed liquidity gap per time bucket is known as the Liquidity Gap Report. It provides a snapshot of the Bank's current net liquidity position over specified time-frames.

The Group's December 31, 2020 Liquidity Gap is as presented in Note 4.2 of the NFS.

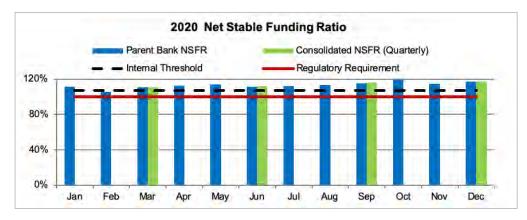
- Liquidity Stress Testing (LST): Liquidity Stress Test assesses the vulnerability of cash flows and ability of the Bank to survive stress conditions. It involves identifying possible events in the financial and economic conditions, called stress scenarios that could have unfavorable effects on the liquidity position of the bank and assessment of its ability to withstand such changes.
- Liquidity Coverage Ratio (LCR): BSP issued Circular 905 on the implementation of the Liquidity Coverage Ratio (LCR) which requires banks to have an adequate stock of high quality liquid assets (HQLA) that can be easily and immediately converted into cash to absorb shocks arising from significant stress scenario lasting 30 calendar days.

To ensure compliance to the minimum regulatory requirement of 100%, the Bank implemented an Internal LCR Threshold as the Bank's risk appetite for LCR compliance. The summary of LCR position of the Bank and the RCBC Group for 2020 is as follows:



• Net Stable Funding Ratio (NSFR): NSFR 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.

Similar to LCR, an internal threshold is set up for NSFR. The historical NSFR balances reported by RCBC to the local regulator are as follows:



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

RISK CONTROL

Liquidity Risk is managed by the following controls:

- 1. Limits Setting: Limits are quantitative measures based on forward-looking assumptions that form the risk appetite statement of the Bank. These are set to manage the Bank's level of HQLA, dependency on stable deposits, allowed negative liquidity gap per tenor, etc.
- 2. Model Validation: The models to measure liquidity risk are validated (regularly or as needed) by a third-party - either internal or external, to assess the conceptual soundness and mathematical calculations of the models used.
- 3. Back-Testing: This involves statistical methods to determine whether a model's risk estimate is consistent with the assumptions on which the estimate is based on.
- 4. Independent Assessment: This involves auditing exercises across the whole risk management process. Internal Audit, as a third line of defense, performs regular and independent assessment of the IRRBB process and practices to ensure consistency and compliance with established practices.

RISK MONITORING AND REPORTING

Results of the liquidity risk metrics are regularly monitored by RMG, and reported monthly to ALCO and ROC.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. Operational risks include the risk of loss arising from various types of human or technical error, settlement or payments

failures, business interruption, administrative and legal risks, and KRIs are used to monitor the operational risk profile and alert the risk arising from systems not performing adequately. the Group to impending problems in a timely fashion. KRIs facilitate the forward looking management of operational risk MANAGING OPERATIONAL RISK (ORM TOOLS) and provides information on the level of exposure to a given operational risk at a particular point in time. These indicators For purposes of identification, monitoring and reporting and allow the monitoring of the Group's control culture and trigger analysis, Group categorizes operational risk events as follows: risk mitigating actions.

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

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

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

Loss Events Reporting

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

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

Key Risk Indicator (KRI)

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

Control Sample Test (CST)

CSTs are self-assurance checks used to monitor compliance of controls in key processes. CSTs are evidence that operational controls are working effectively, specifically for critical processes and controls that cannot be reliably tracked through automation. Exceptions in CSTs alert the Group to potential lapses in design of the controls and poor execution or documented procedures. The frequency and sample size will depend on the scale of the underlying inherent risk and the importance of the control mitigating it. Processes with high gross operational risk will warrant more frequent assessment than those with lower risk exposure.

Risk and Control Self-Assessment (RCSA)

The Group identifies and assesses all risks within each business and evaluates the controls in place to mitigate those risks.

Business and support units use self-assessment techniques to identify risks, evaluate the effectiveness of controls in place, and assess whether the risks are effectively managed within the business.

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

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

RISK ASSESSMENT

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

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

Probability and Severity Analysis

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

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

Control Rating

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

Risk Rating

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

Classification	Risk Score	Remarks
LOW	1 - 4	Indicates normal operating condition
MEDIUM	5 - 9	Requires management attention; must take specific actions and document such
HIGH	10 - 19	Requires immediate management attention; further action required
VERY HIGH	20-25	Requires immediate management attention; further action required

RISK MONITORING AND REPORTING

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

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

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

The Deputy Operational Risk Officers (DOROs)

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

RISK MITIGATION

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

Insurance

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

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

Outsourcing

Outsourcing is an arrangement to contract out a business function to another party (i.e. the service provider) which undertakes to provide the services instead of the financial institution performing the function itself. The Group maintains an outsourcing policy to guide business units in outsourcing agreements, and to ensure the effective management of operational risks that may arise from such arrangements. ORMD requires the business units to perform a risk assessment before engaging the service provider.

Business Continuity Plan (BCP)

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

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

Product Manual, Policies, Procedures and Circulars (PM and PPC)

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

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

Exception Reporting

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

Risk Awareness

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

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Business Continuity Risk

Risk of loss resulting from the prospective inability to resume operations in the event of a disaster.

The Bank has a separate functional unit, Business Resiliency Unit (BRU), dedicated in implementing the Bank's Business Continuity Management Program (BCMP) that aims to:

- Provide strategic and tactical capability to plan for and respond to incidents and business disruptions
- Enable the continuity of key business operations at acceptable predefined levels
- Comply with the BSP Circular 951 on Business Continuity and BCM standards such as ISO 22301 and BS25999

Framework

The Bank has embarked on a BCMP framework that identifies risks, threats and vulnerabilities which could impact the Bank's continued operations. It includes the following basic components of Business Continuity Management:

- Risk Evaluation and Control
- Business Impact Analysis
- Business Continuity Strategies
- Emergency Response
- Plan Implementation and Documentation
- Awareness and Training and BCP Testing Exercise
- Audit and Maintenance

Central to the BCMP are the Institutional Business Continuity Plan (IBCP) and the Crisis Management Plan (CMP). The IBCP describes the organizational structure and governance, scope, business recovery strategies, and plan activation while the Crisis Management Plan (CMP) outlines the processes the Bank will use to respond to a critical situation that would have a negative effect on the Bank's financial status, reputation, and business continuity.

Incorporated in the program are several BCM plans that address specific scenarios or events that require varying responders and mitigating strategies: Disaster Recovery Plan, Pandemic Plan, Liquidity Plan, Incident Management, Communication Plan, Cyber Attack Plan, and Earthquake Resilience Plan.

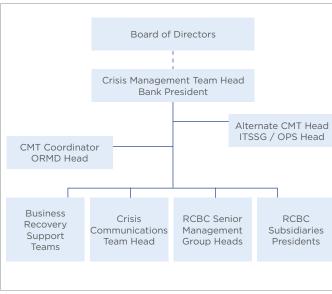
Governance

BCMD Operational Model



- The ROC represents the BOD in setting the overall strategy, direction and control for all business continuity, crisis management and emergency response initiatives.
- The Chief Risk Officer (CRO) leads the Risk Management Group (RMG) and provides executive oversight in the implementation of business continuity, crisis management and emergency response initiatives as approved by the ROC.
- Operational Risk Department Business Resiliency Unit (BRU) has an oversight function over BCP Leaders of Head Office Units, Branches and Subsidiaries with regards to the development, maintenance and implementation of their respective BCPs.
- BRU ensures that the Emergency Response Teams have developed the Emergency Response Plan to ensure the protection of life and properties during an emergency situation.
- BRU ensures that the Recovery Teams have been formed to support the business units in assessing the situation and recovering their business and returning to normal operations.
- BRU assists the CRO in coordinating activities between the Crisis Management Team and Response and Recovery Teams during crisis scenarios.

Crisis Management Team (CMT)



The CMT makes policy decisions and holds ultimate responsibility for decisions involving communications, evacuation, business logistics and normalization activities. The CMT is directed by the President and chaired by the alternate CMT Head and is composed of high-ranking officials of the Bank. It is convened when the highest level of emergency (level 1) impacts the entire organization or a significant portion of the Bank, requiring coordinated operational and policy responses. The main objective of the CMT is to protect life and property during and immediately following a major crisis or disturbance. It is placed into operation whenever an emergency affecting the RCBC Group cannot be controlled through routine, daily and normal channels and procedures.

Controls and Risk Mitigation

The Bank had taken steps to become a resilient organization through the following control measures:

Disaster Recovery

- Installation of hot backup with real-time data mirroring solutions (both software and hardware) to ensure recovery of mission critical systems with RTO of 4 to 24 hours
- Implementation of the virtualization and consolidation of servers to provide high availability and promote resilience to failure
- Wider scope and coverage (processing of live transactions in the DR environment for one week) and frequency (annual to quarterly) for DR tests

Business Recovery

- Additional business recovery alternate sites are in place (e.g., Timog and Pacific Place, Ortigas)
- Acquisition of satellite phones and UHF base radios to improve the communication system especially during a disaster scenario such as the "Big One"

COVID-19 Pandemic

- As early as January 22, 2020, the Bank activated its Pandemic and Infectious Disease Plan, part of the Institutional Business Continuity Plan, which was prepared in anticipation of another SARS. The Plan defines control operations and precautionary measures that were implemented by the Bank for every stage of the pandemic.
- Health and safety protocols: 6,633 washable face masks, and face shields, sanitizers, hand gloves and vitamin C were immediately distributed to the employees; alcohols were available in all of the entrances and near the elevators; hand soap were made available in all of the toilets and pantries for use in hand washing. There are also signages in all entrances, elevators, pantries and toilets to remind employees of hygiene and safety protocols at the office. Part of the safety protocols are – body temperature checks in all entry points, foot bath/shoe basins, online daily health checklist, physical distancing protocols in elevators, common areas, and work areas and unidirectional markings. Virtual meetings were observed in lieu of physical gatherings and limited physical movement in the Bank premises. Assigned staging areas to receive documents are in place. Non-essential visitors are not allowed. For branches, the bank provided them with acrylic panels, masks, face shields, transportation as well. The branches also implement the same strict health and safety protocols such as health checklist and temperature screening for employees and clients, 28,780 washable face masks were distributed to onsite and auxiliary employees. All branches, provincial lending centers, head office and alternate sites nationwide were provided by thermal scanners.
- Protocols for employees who are experiencing COVID-19 symptoms or those who had close contact with a COVID-19 positive or suspected COVID-19 positive were defined, cascaded and strictly implemented. The Bank in partnership with its health insurance company provided hotlines for employees to have access to teleconsulting especially on COVID-19 related medical inquiries.

INFORMATION SECURITY RISK

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

- Safeguard the IT systems needed to store, process or transmit the Group's data and correspondences;
- Enable management's ability to make informed decisions by giving them an accurate view of current and potential information security related risks and assisting them in making informed decisions concerning scope of risk, risk appetite, and risk tolerance; Provide an end-toend guidance on how to manage information security related risks (from technical control measures, security, etc.);
- Establish a risk profile to further understand the Group full exposure, and better utilize its resources: and
- Implement (and continuously improve) a sound framework for the identification, measurement, control, monitoring, and reporting of the risks experienced by the Group.

The foregoing objectives are achieved through the following exercises of Information Security Risk Management:

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

ASSET IDENTIFICATION AND VALUATION

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

- Inventory of all information assets pertaining to each identified business process assessed;
- Currently identified container/s for each information asset;
- Overall asset (criticality) value of each information asset; and
- Sensitivity of process being assessed.

RISK IDENTIFICATION AND ASSESSMENT

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

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

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

RISK TREATMENT

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

RISK MONITORING AND REPORTING

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

The overall risk owner for the process assessed is in-charge MONEY LAUNDERING (ML) / TERRORIST FINANCING of monitoring all necessary action plans to mitigate high risk items. Also, the risk owner is responsible for providing **RISK MANAGEMENT (TF)** ISGD with updates on the status of action items, planning In the implementation of the ML/TF Risk Management and implementing mitigation strategies. ISGD is responsible for tracking, monitoring, and providing the Risk Oversight Framework, the Group adheres to the highest standards of Committee a regular report on the status of all high risk items corporate governance and ML/TF prevention as embodied registered in the risk register. in the laws and regulations with due consideration of other industry leading practices. The Group's ML/TF risk management is a holistic, continuous, proactive and systematic process to identify, assess, manage, monitor and report ML/TF risks from a Bank-wide perspective.

COMPLIANCE RISK / REGULATORY RISK / ML/TF RISK

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

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

COMPLIANCE RISK ASSESSMENT

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

COMPLIANCE RISK MONITORING AND REPORTING

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

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

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

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

Money Laundering and Terrorist Financing Prevention Program (MTPP)

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

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

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

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

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

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

In order to minimize compliance risk and eliminate deviation from regulatory requirements, the Compliance Office conducts classroom training and has created an e-learning module for the employees of the Group. The AML Training Programs are designed specifically for the different bank employees depending on their areas of responsibility and exposure to risk. These training programs are consistent and in accordance with the pertinent provisions of the BSP Manual of Regulations for Banks and related BSP and SEC circulars, as well as, the Anti-Money Laundering Act of the Philippines.

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

CORPORATE GOVERNANCE

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

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

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

RELATED PARTY TRANSACTIONS

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

- Definition of related parties;
- Materiality threshold for RPTs;
- Definition of control;
- Further monitoring, identification and reporting of RPTs;
- Additional provisions on approvals for RPTs, including voting and abstention;
- Provision on when requirement of a fairness opinion issued by an independent adviser is warranted:
- Creation of a Related Party Transactions Management Committee to review related party transactions below materiality threshold;
- Composition of the RPT Committee;

- Provision on Individual and Aggregate Exposures to Related Parties: and
- Provision on periodic formal review of the Group's system and internal controls governing RPTs.

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

OTHERS

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

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

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

Republic Act No. 10173 or The Data Privacy Act of 2012 (DPA) Responses to notices and correspondence from PDEX are also was approved into law on August 15, 2012. Subsequently, monitored to ensure compliance. Issues that arise are taken the DPA's Implementing Rules and Regulations (IRR) were up with the concerned unit/department of the Treasury Group promulgated on August 24, 2016, and took effect fifteen (15) to ensure that adequate steps, corrective or otherwise, are days after its publication. promptly taken to ensure compliance.

Outsourced and Insourced Banking Activities

The Controllership maintains a Bank-wide master list to effectively monitor the outsourced activities / functions of the Bank and Compliance Office renders advice as to whether a In 2017, RAD II crafted the Bank's Data Privacy Framework that particular contract or service level agreement is covered by the includes the Data Privacy Policy and Privacy Notices through Revised Outsourcing Framework for Banks in compliance with coordination with various operation, support, and business units. all applicable rules and regulations and that no inherent banking The Policy served as the guidelines for the units to update their function is outsourced. own Operating Manuals consistent with data privacy principles.

FATCA

The Group has taken great strides to become globally compliant with the Foreign Account Tax Compliance Act (FATCA) and remains steadfast in this direction. In 2012, the Bank created Policy. New issuances from the NPC are also incorporated into the FATCA Project Implementation Team that would spearhead the Policy. the implementation of FATCA while the FATCA Compliance Division (FCOMD) under the Compliance Office was created in To educate the Bank's employees, the Data Privacy E-Learning 2014 to support the FATCA Project Integration Team (FATCA Module was rolled in May 2018. New employees are also PIT) and ensure continuity in FATCA compliance. The FATCA trained on data privacy upon onboarding and branch induction PIT coordinated and assisted the Bank's subsidiaries in their programs. The Module was recently updated to include latest respective FATCA compliance requirements. updates and issuances from the NPC.

FCOMD (which had evolved into one of the Regulatory Affairs The Bank completed Phase II NPC registration in March 2018. This is effective until 30 June 2021 and will be renewed before Divisions) has and continues to render various opinions, answers and give frequent assistance to the various Bank units regarding the said date. In 2019, the Bank's DPO obtained a DPO Ace Level client concerns and FATCA implementation. 1 Certification from the NPC.

To ease FATCA compliance for clients, the Bank rolled out a selfcertification form for non-U.S. entity clients. This form replaced the U.S. IRS Form (W-8BEN-E) to give its clients a more

comprehensible form that covers all mandatory information required under FATCA. The FATCA status tags are likewise updated to comply with the reporting requirements of the IGA.

The Bank's Regulatory Affairs Division (RAD) II Head is also its FATCA Responsible Officer.

COMMON REPORTING STANDARD

The Common Reporting Standard (CRS) was first introduced by the Organization for Economic Cooperation and Development (OECD) in February 2014.

When the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published, it introduced the CRS framework, a FATCA-like reporting system, which aims to provide for the annual automatic exchange of financial account information between Governments on July 21, 2014. As of date, the Philippine Government has not signed, and has also not committed to sign the CRS.

DATA PRIVACY

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

RAD II conducted a bank-wide Privacy Impact Assessment (PIA) to determine the DPA's impact to its operations, possible threats, vulnerabilities and risks. The PIA is one basis for the continuing enhancement to and assessment of the Data Privacy

REPUTATION RISK

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

RISK ASSESSMENT

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

Financial Performance

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

Customer

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

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

Internal Processes

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

People

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

RISK CONTROL

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

RISK MONITORING AND REPORTING

The Parent Bank's Marketing Council consolidates the reputation risk management efforts of the Group. The Chief Marketing Officer is the designated Chair of the Committee.

The Marketing Council has the following objectives in relation to Reputational Risk:

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

RISK MITIGATION

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

FINANCIAL CONSUMER PROTECTION

The Framework

In light of growing diversity of products and services with varying complexity and risks as well as the trust and confidence of our customers, RCBC for the past years has been continuously enhancing its corporate governance system in compliance with BSP

Circular Nos. 857 and 1048 (BSP Regulations on Financial Details of the complaints such as account number, complete Consumer Protection), to ensure that consumer protection name, transaction or incident date, amount and resolution standards and practices as defined in its Financial Consumer requested should be completely provided by the complainant Protection (FCP) Framework are duly observed and embedded to Customer Care. Investigation commences upon receipt in the conduct of its business operations, thereby creating a of the complete details from the complainant. To ensure stronger corporate culture and working towards upholding that complaints are promptly investigated and resolved, all fair treatment of customers at all stages of their business complaints are logged in a ticketing system and forwarded to relationship with the Bank. the fulfillment unit for resolution.

The framework is generally composed of FCP Policies and The turnaround time of a particular complaint depends on the Procedures, FCP Code of Conduct, Consumer Assistance Service Level Agreement with the fulfillment units. Generally, and Risk Assessment Mechanism, FCP Training Program, complaints particularly simple in nature are aimed to be resolved FCP Compliance Program, FCP Audit Program, and Financial within seven calendar days from receipt, whereas complaints Consumer Education and Awareness Program. The framework that are complex in nature are expected to be resolved within revolves around the core principles of consumer protection, 42 calendar days from receipt. Throughout the complaint investigation process, Customer Care keeps customers informed namely: of the progress until the complaint's resolution. For critical or 1. Disclosure and transparency; unusual transactions, Customer Care follows the escalation procedure wherein complaints are raised and reported to the 2. Protection of client information; department head and/or division and as needed, to the segment 3. Fair treatment; head and/or group head, should any of these scenarios are to occur (but are not limited to):

- 4. Effective recourse; and
- 5. Financial education and awareness.

The BOD, jointly with the senior management, is ultimately responsible in establishing an effective oversight over our consumer protection programs as well as in ensuring that consumer protection practices are embedded in our business operations.

As part of the RCBC's corporate-wide risk management system spearheaded by its Risk Management Group (RMG), the FCP Consumer Assistance and Risk Assessment Mechanism is instituted to identify, measure, monitor, and control consumer protection risks (both risks to the financial consumers and the Bank) inherent in its operations. In coordination with the select Consumer Assistance Officers (CAOs) of different client-facing Business Units, all customer complaints received from all channels (i.e., social media, branches, business units, Customer Care Department, and BSP Consumer Affairs Group) are recorded and monitored regardless of nature or type and are reported to the Consumer Protection Unit (CPU) under Operational Risk Management Department (ORMD), as part of its oversight functions, to ensure that the consumer assistance management processes are effectively performed within the Bank's FCP Framework.

Customer Care Department

The Bank, through Customer Care, is committed to providing consistent quality service to every customer. RCBC Customer Care handles complaints received through the following channels:

By Phone:	(+632) 8877-7222; 1-800-10000-7222; (Int'l Access Code)+800-8888-7222
By Email:	customercare@rcbc.com; loan_customercare@rcbc.com
By Website:	www.rcbc.com
By Facebook:	www.facebook.com/RCBCGroup
By Twitter:	@askRCBC

- 1) Received in succession of five within a span of 30 minutes;
- 2) The amount is Php 50,000.00 and above;
- 3) The same card/account number was used successively within a span of one hour.

If, for whatever reason, the customer is not satisfied with the

outcome of the complaint, the Bank will further discuss with the

Complaints Handling Mechanism

customer to find a satisfactory outcome.

CPU-ORMD is responsible for the overall implementation of the Bank's FCP Framework and liaises with BSP Consumer Affairs Group. It is likewise the mandate of the department to keep track, identify and analyze trends of the complaints, and, when needed, recommend solutions to avoid recurrence and to further improve customer experience. Further to this, the core function of the department is to provide high-level reporting of all customer complaints and concerns to the senior management and ROC on a regular basis.

In October 2020, the Bank acquired and implemented a new and more sophisticated 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. This process is implemented in four steps, namely: (1) Acknowledgement, (2) Investigation/ Analysis by designated Customer Care Representative, CAO or Senior Officer, (3) Decision/disposition and communicating of resolution/feedback to the customer, and (4) Closing of complaint.

The Customer Care Representatives and CAOs' core responsibility is to ensure customer complaints resolution is conducted within the prescribed turn-around-time:

- To receive and acknowledge customer complaints/concerns from all applicable channels;
- To perform verification on the validity of a complaint and conduct initial investigation;

- To monitor the progress of investigation or action taken;
- To communicate the resolution to the customer;
- To receive and document feedback from client (subject to the willingness of the customer); and
- To submit a consolidated report to CPU-ORMD on a regular basis, for risk assessment and evaluation of cases in terms of disposition and resolution.

Ultimately, RCBC aims to differentiate itself from other banks by providing excellent customer experience. While positive feedback is welcome, it is more vigilant about negative feedback as this covers areas for improvement on how it conduct business.

For 2020, the Bank received a total of 34,973 customer complaint cases, a 34% increase against the previous year:

Total Customer Complain	ts Year on Year
No. of Customer Complaints - YR 2019:	26,012
No. of Customer Complaints - YR 2020:	34,973
Ratio Year on Year (Increase)	34%

Due to the increase in its digital channels for customers, most of the complaint cases received in 2020 were related to ATM and Online Banking. As a percentage of transaction volume, ATM and Online Banking complaints accounted for 0.025% and 0.011% of the total transactions, respectively.

ATM and Online Banking Customer Complaints									
	ATM	Online Banking							
No. of Customer Complaints	14,684	17,669							
No of Transactions	80.5 M	185.1 M							
Complaints to Transactions to Ratio	0.018%	0.010%							

Data Privacy

Managing the risks of data privacy is a significant undertaking for any organization. The Bank, in compliance with the Data Privacy Act of 2012 (DPA) is cognizant of the customers' fundamental rights to privacy. Under the direct supervision of the Bank's Data Protection Officer (DPO) of the Regulatory Affairs Group, compliance with the DPA is effectively monitored and implemented as follows:

- Updated privacy policies are kept updated at all times;
- Data privacy notices are posted in the Bank's website;
- Data privacy agreements are in place to ensure personal data of customers are used in legitimate purposes
- Customer are provided with Consent Forms on how to manage their personal information maintained by the Bank; and
- · Only information necessary and as mandated by the law and regulation, will required from customers

Commitment

Ultimately, RCBC is committed to fully enforce the Financial Consumer Protection Framework and the Data Privacy Policy through continuous assessment of compliance with the regulatory standards of conduct in order to achieve a culture of fair dealings and responsible business practices as embedded in the Bank's overall operations.

ENVIRONMENTAL AND SOCIAL (E&S) RISK

With the Environmental and Social Management System (ESMS) and its own Sustainable Finance Framework already embedded In its Circular 1085 on Sustainable Finance Framework, the BSP in RCBC's risk management systems, RCBC can be considered defines Environmental and Social (E&S) Risk as the potential well-placed in complying with the salient provisions of BSP financial, legal, and/or reputational negative effect of E&S Circular 1085 (Sustainable Finance Framework) that was issued issues on the bank. E&S issues include environmental pollution, in April 2020. There are, however, E&S stress test requirements climate risk (both physical and transition risks), hazards to that RCBC needs to address within the three-year transitory human health, safety and security, and threats to community, period allowed by the Circular. In light of this, RCBC entered into biodiversity and cultural heritage, among others. an agreement with IFC in January 2021 and think tank 2 Degree Investing Initiative (2DII) to build capacities in the application Climate change is real and its impact presents a clear and and use of Climate Scenario Analysis. This advisory engagement present danger to humanity. The Philippines is the fourth most is the first to be conducted by IFC and 2DII in Asia.

vulnerable country to climate change, according to the Global Climate Risk Index 2020 of Germanwatch Institute, which The Climate Finance Scenario Analysis will enable RCBC analyzes the extent countries and regions have been affected by to assess the alignment of its corporate loan portfolio with weather-related loss events. Communities living in our coastal different climate scenarios across a set of key climate-relevant areas risk flooding due to rising sea level. Increasing frequency sectors and technologies. This will be done through the of extreme weather events, i.e. erratic and high rainfall, implementation of the Paris Agreement Capital Transition severe typhoons or rising temperatures causing drought are Assessment (PACTA) tool and related methodology, developed threatening normal life and endangering fragile ecosystems. by 2DII. The PACTA assessment is consistent with the objectives of the Paris Agreement under which 195 countries (including the Philippines) have committed to work toward limiting the increase in the global average temperature to well below 2°C, compared to pre-industrial levels.

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

RCBC believes that understanding the effects of and managing climate change is prudent risk management. As a leading Domestic Financial Institution and a responsible corporate entity, it is committed to doing its part to reduce global warming and support the government in its commitment to the UN Sustainable Development Goals.

RCBC Sustainable Finance Strategy

The ESMS of RCBC has been in place since 2011. The ESMS Policy requires that all lending relationships/credits, both RCBC is committed to upholding environmental and social pipeline and portfolio, are vetted from an environmental and responsibility in all its business activities. We recognize that social (E&S) risk perspective. We implemented ESMS to balancing financial priorities with non-financial factors, such safeguard our lending operations from exposure to activities as environmental and social safeguards, is essential to being with identified E&S risks. We aim to develop environmental a good corporate citizen. This is fundamental, not only to risk awareness and social responsibility in our lending personnel, management, but also to the larger interest of its stakeholders. and ultimately, our clients. We work alongside our customers and as needed advise them on how to reduce their impact The Bank believes that responsible lending entails having on the environment and communities. The ESMS Policy is a good sustainable practices as well as promoting awareness of declaration of our commitment to sustainable development and environmental and social issues within its organization, among management of E&S issues by integrating this in the lending its clients, and in the communities it serves. process from initiation, evaluation, approval, documentation, implementation, and monitoring of loan accounts. The ESMS RCBC is aligning its business strategy to support the Policy goes through a comprehensive review process on a development needs of society, as articulated in the UN regular basis with latest revisions made effective and re-Sustainable Development Goals (SDGs) and the Paris issued in January2020. The ESMS Policy is published on the Agreement. RCBC believes that the transition to a low-carbon Bank's Online Library to ensure that all employees (from senior and climate-resilient future entails risks as well as opportunities. management to rank and file) and those with direct contracts with RCBC are familiar with the environmental, social and risk The Bank has taken important steps to reduce its corporate management policies of the Bank.

carbon footprint and channel funds to sectors that contribute to a low-carbon and climate-resilient future, not only in the The E&S risk process is a systematic way of identifying and Philippines, but also within the ASEAN region. In December assessing the type and scale of impact a project may have on 2020, RCBC announced that it will no longer extend financing the environment and communities. The ESMS assessment takes to new coal-fired power projects in the Philippines. The place before a lending decision is made, and continues during announcement came after the Philippines' Department the life cycle of the loan agreement with the client. The ESMS of Energy (DOE) said it is keen on increasing the share of assessment is done at least annually. renewable energy as the country's power source to 43% by 2040 from 29% in 2020.

Environmental and Social Management System (ESMS)

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

The ESMS Policy adheres to the guidelines of the Department of Environment and Natural Resources (DENR). Through its Environmental Management Bureau (EMB), the DENR identified thresholds on E&S risk categories for industries such as oil and gas, mining, agriculture, forestry projects, steel, and infrastructure projects. RCBC's ESMS policy is aligned with these DENR-EMB guidelines.

All credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing and are screened using the applicable requirements - the Exclusion List (for environmentally and socially sensitive sectors), applicable national (DENR-EMB guidelines) and international laws / IFC Performance Standards on environment, biodiversity, deforestation, marine environment, water risk (Philippine Clean Water Act), pollution prevention (Philippine Clean Air Act), indigenous peoples (The Indigenous Peoples Rights Act) and protection of cultural heritage, health, human and labor rights, safety and social issues and any standards established therein. Environmental Risk Categories (ERC) are assigned, and credit approvals obtained in accordance with requirements depending on the risk category. The ERC is validated by the Environmental and Social Risk Officer (ESRO), who has the authority to override the recommended assessment of E&S risk by the initiating unit. Lastly, Internal Audit serves as the third line of defense, conducting reviews on ERC classifications as part of their regular audit cycle. Applicable environmental covenants are also incorporated in the loan/credit agreement and these are periodically evaluated and monitored to ensure compliance for the entire duration of the loan.

There are 8 Performance Standards to benchmark projects or business activities on: 1. Assessment and Management of Environmental and Social Risks and Impacts

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

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

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

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

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

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

ESDD site visits have indicated positive progress in terms of addressing E&S risks due to continued monitoring. We have noted that clients have addressed specific risks identified during earlier site visits. Clients have taken action to reduce or eliminate the level of risk and taken steps to avoid recurrence. This resulted to an overall positive impact in reducing environmental pollution and social inequality. These have resulted to substantial positive outcomes such as:

- Addressing specific risks identified during the ESDD site visits;
- Follow-up ESDD site visits have resulted in clients taking action on identified E&S risks and taking action to reduce the level of risk and avoid future potential violations; and
- ESDD site visits have resulted not only in the reduction of E&S risks and avoiding potential violations but also significant reductions in environmental pollution.

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

RCBC Sustainable Finance Framework

The RCBC Sustainable Finance Framework was issued in Apr 2019. The framework articulates our strategy to prioritize fun raising and lending to priority sectors. Under this framework, RCBC can issue Sustainable Financing Instruments ("SFI") to fund loans and projects that have clear environmental and/o social benefits. Sustainable Financing Instruments include Gr Bonds, Social Bonds, Sustainability Bonds, Green Loans, and other debt financing instruments which fund Eligible Green a Social Assets that conform to Sustainable Finance principles

- International Capital Market Association (ICMA) Green E Principles 2018 (GBP), Social Bond Principles 2018 (SBP Sustainability Bond Guidelines 2018;
- ASEAN Capital Markets Forum (ACMF) ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 20 ASEAN Sustainability Bond Standards 2018;
- Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Tradin Association (LSTA) Green Loan Principles 2018

In designing the framework, RCBC engaged global third-part advisers ING Bank and Sustainalytics, a leading independent ESG research and ratings provider Sustainalytics has issued a Second Party Opinion, referring to the Framework as "credib and impactful," and citing alignment with core components of global sustainability bond standards. Both the Sustainable Finance Framework and the Second Party Opinion can be fo in the following link: www.rcbc.com/sustainability. We subscr to an Exclusion List under the Sustainable Finance Framewor allowing us to focus on sectors that have environmental and social benefits.

In February 2019, the Bank raised PhP15 billion (USD290 mill under its Green Finance Framework. The issue was the first Green Bond from the Philippines under the ASEAN Green Bo Standards, and proceeds were utilized to fund Eligible Green Assets.

In June 2019, the Bank also raised PhP8 billion (USD160 milli under its Sustainable Finance Framework. The issue was the first peso-denominated Sustainability Bond under the ASEA Sustainability Bond Standards, and proceeds were utilized to fund Eligible Green and Social Assets.

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

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e g ce	Investor response to these landmark transactions was extraordinary. All three transactions were oversubscribed in multiples and brought in investors from all major financial centers of the world.
d	RCBC allocates the proceeds of Sustainable Financing Instruments to finance and/or refinance loans to customers or its own operating activities. The allocation of the proceeds is as follows:
	 Proceeds of RCBC's Green Bond or Green Loan go to Eligible Green Categories
tive	 Proceeds of RCBC's Social Bond or Social Loan go to Eligible Social Categories
	 Proceeds of RCBC's Sustainability Bond go to Eligible Green Categories and Eligible Social Eligible Categories
ril nd c, or reen l and	As of the end of 31 December 2020, RCBC's Eligible Sustainable Portfolio accounted for approximately 10% of total loan portfolio, higher than the 8% share of coal exposures. It continues to be ahead of our erstwhile investments in coal energy assets. We aim to maintain and increase positive investment ratio of our sustainable portfolio to coal. The Eligible Green and Social Assets address 10 of the UN SDGs:
Bond D18, et	SDG Goal 3 - Good Health and Well-being SDG Goal 4 - Quality Education SDG Goal 6 - Clean Water and Sanitation SDG Goal 7 - Affordable and Clean Energy SDG Goal 8 - Quality Education SDG Goal 9 - Industry, Innovation and Infrastructure SDG Goal 10 - Reduced Inequalities SDG Goal 11 - Sustainable Cities and Communities SDG Goal 13 - Climate Action SDG Goal 14 - Life Below Water
ty	Under the Sustainable Finance Framework, RCBC shall report:The allocation of the net proceeds to the Eligible Green and Social Portfolio;
t a ole	 The aggregated impact of the Eligible Green and Social Portfolio
e bund ribe	Reporting takes place a year following the issuance of the applicable SFI and will be renewed annually until full allocation of the net proceeds.
lion)	In January 2020, RCBC published on its website its first Green and Sustainability Bonds Allocation Report. P&A Grant Thornton has issued a limited assurance report for the allocation of the proceeds of the Green and Sustainability Bonds to the Eligible Green and Social Portfolio.
ond n	In January 2020, RCBC also published on its website its first Green and Sustainability Bonds Impact Report. The Green and Sustainability Bonds Impact Report explains the impact our financing activities have created.
IN D	In 1Q2021, RCBC published on its website its Sustainability Bonds Allocation Report and Impact Report 2020. P&A Grant Thornton has issued a limited assurance report for the allocation of the proceeds of the Sustainability Bonds to the Eligible Green and Social Portfolio.
gible	The reports can be found in the following link: www.rcbc.com/sustainability.

Accolades

RCBC employs best practices in the areas of environmental and social responsibility, and corporate governance. In August 2020, RCBC was recognized by the Asian Banking & Finance Awards as the Philippines Domestic Initiative of the Year for Sustainable Financing. This was followed by recognition from the Global Banking & Finance Review in December, naming RCBC as the Best Green Bank Philippines 2020. Previous to these, the Bank was awarded "The Asset Benchmarking Award for Excellence in Environmental, Social, and Governance (ESG) - Titanium Award" by The Asset 2019 ESG Corporate Awards. Its landmark PhP8.0 billion ASEAN Sustainability Bond, the first ASEAN Sustainability Bond issued in the Philippines, has also earned for RCBC the "Best Issuer for Sustainable Finance - Financial Institution" and "Best Sustainability Bond" in 2019.

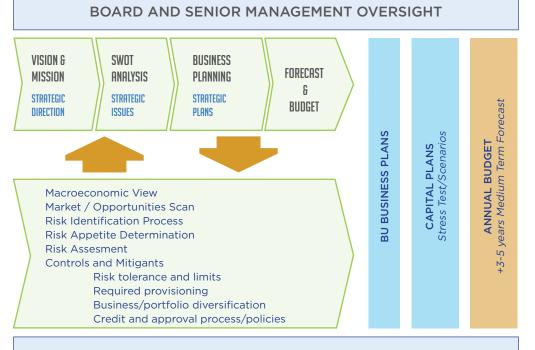
In December 2020, RCBC's rating was upgraded from "A" to "AA" by Morgan Stanley Capital International (MSCI) ESG Ratings, indicating sound business organization and risk mitigation. The rating upgrade has placed RCBC in a Leader ESG ranking (MSCI ESG ratings of AA and AAA).

CAPITAL MANAGEMENT FRAMEWORK

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

STRATEGIC AND BUSINESS PLANNING

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



MONITORING - REPORTING - CONTROL/PLANNING & BUDGET PREVIEW

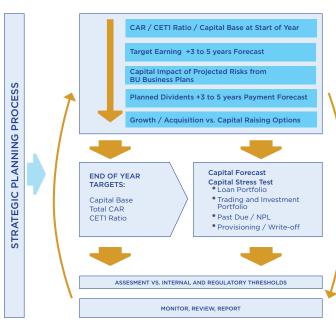
In the Strategic & Business Planning Process of the Group, the overall risk appetite is developed as part of the business plans.

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

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

CAPITAL PLANNING

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



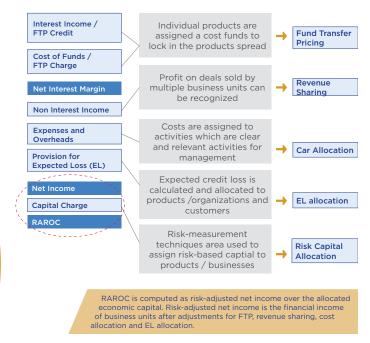
This component highlights the use of medium to long-term forecasts and stress scenarios in the management of capital. The results of the forecasts are always reviewed against the internal minimum capital ratios, inclusive of Pillar 2 charges, and the regulatory minimum.

RISK-ADJUSTED PROFITABILITY MEASUREMENT (RAPM)

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

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

The RAPM Framework is illustrated as follows.



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

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

Moving forward, RAPM will serve as a management tool for decision-making especially in terms of capital allocation and strategizing. RAPM will also be adopted as one of the KPIs of the Parent bank and the Subsidiaries. The use of RAPM will continue to run in parallel to the existing capital allocation and performance measure frameworks in order for the process and resulting values to attain a certain level of stability and acceptability. Considering that the process is performed manually, producing results only after a significant amount of time, RAPM may not yet be applied as the primary tool for making decisions and measuring performance, hence results shall only supplement existing frameworks for now. For the near future, the Bank will be focusing on the refinement of the RAPM framework

Starting YR2021, the assessment of each business unit of the Bank - its contribution, the risks, the returns - is now through 1) Return on Risk-weighted Asset (RORA) after Expected Credit Loss (ECL) and Direct OPEX and 2) RORA after ECL, Direct OPEX, & Allocated Expenses. These metrics can serve as tools in enhancing the process of linking risk with the strategy and performance of the Bank's Business Units and in decision-making. These will help the business unit balance its goal of earning higher returns through higher risk assets vis-a-vis the drawback of getting hit with the Expected Credit Loss commensurate to the riskiness of the assets that the business unit is taking in.

IMPLEMENTATION OF BASEL STANDARDS

Capital Adequacy

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

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

The implementation of Basel III however required additional Common Equity Tier 1 capital. Starting 2010, the Group conducted a series of capital raising activities to prepare for this and to further support its long-term growth plans. In May 2010, the BOD approved the amendment of the Articles of Incorporation to increase the authorized capital from 1.1 billion common shares to 1.4 billion to allow room and flexibility in raising capital.

In March 2011, the International Finance Corp (IFC) invested Php2.1 billion for 73 million shares resulting in 6.4% ownership share, by the end of 2011. In May of the same year, the Group raised Php3.7 billion in common equity, through the investment of Hexagon Investment Holdings Limited (HIHL) for a 15% ownership and two board seats.

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

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

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

The strategic investment in April 2015 by Cathay Life, Php7.9 billion of new Core Equity Tier 1 (CET 1) capital for the Group, is part of RCBC's capital raising strategy to comply with the more stringent capital adequacy rules under the new Basel III framework and is expected to enable RCBC to be comfortably above the minimum CET1 requirements of the BSP. In addition, the proceeds from the investment is expected to continue to support the continued growth of RCBC's loan book and increased expansion into the SME and Consumer segments to improve margins and risk diversification/actuarialization. The transaction is also in-line with Cathay's strategy to expand its business in ASEAN region.

On July 24, 2015 the Group redeemed its USD100 Million 9.875% Non-Cumulative Step-up Perpetual Securities (Hybrid Tier 1 Notes) as approved by the BOD and by the BSP on March 30, 2015 and May 27, 2015, respectively. The Hybrid Tier 1 Notes were redeemed for a total price of USD113.9 million. Hybrid Tier 1 Notes were redeemed earlier than expected as they were classified as not eligible for Basel III requirement. RCBC and Cathay Life Insurance Corp, a wholly owned subsidiary of Cathay Financial Holding Co., Ltd. closed the equity investment deal for a 20% stake in the former on April 20, 2015. The key terms of the transaction involved the subscription of primary shares (124,242,272) and the purchase of shares from CVC (119,033,590 shares) and IFC (36,724,138 shares) all at Php64.0 per share. In March 2018, the Bank recognized a one-time capital charge amounting to Php66.3 million representing the transition adjustments as of January 1, 2018 to cover provisioning requirements of Expected Credit Losses under BSP Circular 855 and PFRS 9. This adjustment includes the appropriation of retained earnings amounting to Php1.7 billion representing the additional general allowance set by the BSP to meet the minimum 1% floor on top of the actual ECL.

In January 2018, the BOD approved the amendment of the Articles of Incorporation to further increase the authorized capital from 1.4 billion common shares to 2.6 billion, ahead of the Bank's stock rights offering (SRO) that was successfully completed in July 2018. The additional capital from the SRO amounted to Php15.0 billion which is aimed to strengthen the Bank's capital ratios and fund its business expansion. On August 27, 2020, RCBC issued USD 300.0 million 6.5% non-cumulative subordinated Hybrid Perpetual Securities, eligible as Additional Tier 1 (AT1) Capital under Basel 3. The issuance was approved by the BOD on June 29, 2020 and by the Monetary Board on August 13, 2020 per its letter dated August 17, 2020.

	2008	2009	2011	2013	2014	2015	2016	2017	2018	2020
Capital raised	Php7.0B Unsecured Subordinated Debt Qualifying as Tier II Capital	Php4.0B Unsecured Subordinated Debt Qualifying as Tier II Capital	Php5.8B Tier 1 Common Stock— Php2.1B from IFC and Php3.7B from CVC Capital Partners	Php4.1B Common Stock from a "top-up offering" and Php4.1B Common Stock from additional investment of IFC Php5.1B freed-up capital from sale of RCBC Realty/Land & Bankard	Basel 3 Compliant Php10.0B Unsecured Subordinated Debt Qualifying as Tier II Capital	Php7.9B Equity Investment	-	-	Php15.0B Common Stock from Stock Rights Offering	Php15.0B Additional Tier 1 Capital
Stockholder's Equity (P)	27.6 billion	30.5 billion	37.8 billion	44.8 billion	52.6 billion	58.1 billion	62.1 billion	67.0 billion	81.2 billion	101.5 billion
CAR (%)	17.30%	18.50%	18.50%	16.5%	15.37%	15.72%	16.16%	15.46%	15.34%	16.14%
Tier 1 Ratio (%)	13.20%	12.60%	13.70%	16.0%	11.83%	12.55%	12.89%	12.45%	13.09%	12.64%

Recovery Planning Process

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

The Bank has established a robust Recovery Planning Governance Framework to ensure that all aspects of The foregoing capital raising activities are summarized below:

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

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Risk and Capital Disclosures

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

The capital adequacy ratio of the Group and the Parent as reported to the BSP as of December 31, 2020 and 2019 under Basel 3 framework are shown in the table below.

	(Group	Par	ent
	2020	2019	2020	2019
CET 1 Capital	70,326	70,153	66,421	64,997
Tier 1 Capital	84,791	70,155	80,886	65,000
Tier 2 Capital	5,017	4,701	4,895	4,614
Total Qualifying Capital	89,809	74,856	85,781	69,614
Credit Risk Weighted Assets	501,735	482,459	488,990	470,213
Market Risk Weighted Assets	6,019	10,411	5,806	10,353
Operational Risk Weighted Assets	48,831	51,274	46,101	48,220
Risk Weighted Assets	556,585	544,144	540,897	528,786
Total Capital Adequacy Ratio	16.14 %	13.76%	15.86%	13.16%
Tier 1 Capital Adequacy Ratio	15.23%	12.89%	14.95%	12.29%
Common Equity Tier 1 Ratio	12.64%	12.89%	12.28%	12.29%
Capital Conservation Buffer	6.64%	6.89%	6.28%	6.29%
Capital Conservation Buffer after DSIB	5.14%	5.39%	4.78%	4.79%

The regulatory qualifying capital of the Group and the Parent consists of Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital less regulatory deductions . The components of qualifying capital as of December 31, 2020 and 2019 are as follows:

		Group	Parent		
	2020	2019	2020	2019	
Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital					
Paid up common stock	22,509	22,509	22,509	22,509	
Additional paid in capital	42,568	42,568	42,568	42,568	
Retained Earnings	32,520	28,069	32,520	28,069	
Undivided profits	4,955	5,653	4,955	5,653	
Other Comprehensive Income					
Net unrealized gains or losses on AFS securities	615	1,233	615	1,233	
Cumulative foreign currency translation	54	54	54	54	
Remeasurement of Net Defined Benefit Liability/(Asset)	(2,684)	(3,020)	(2,684)	(3,020)	
Minority interest in subsidiary financial allied undertaking which are less than wholly owned	18	20			
Common Equity Tier 1 (CET1) Capital	100,555	97,086	100,537	97,066	

Less: Regulatory Adjustments to CET1 Capital

Common Treasury Stock

- Retained Earnings Appropriated for General Provision
- Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)
- Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates
- Deferred tax assets

Goodwill

- Other Intangible Assets
- Defined benefit pension fund assets (liabilities)
- Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers brokers and insurance companies), after deducting related goodwill, if any Other equity investments in non-financial allied undertakings
- and non-allied undertakings
- Reciprocal investments in common stock of other banks/quasibanks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)

Total Regulatory Adjustments to CET1 Capital

Total Common Equity Tier 1 Capital

Additional Tier 1 (AT1) Capital

Instruments issued by the bank that are eligible as AT1 Capital

Less: Regulatory Adjustments to AT1 Capital

Total Additional Tier 1 (AT1) Capital

Total Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital

Tier 2 Capital

Instruments issued by the bank that are eligible as Tier 2 capital General loan loss provision

Total Tier 2 capital

Less: Regulatory Adjustments to Tier 2 Capital

Total Tier 2 Capital

Total Qualifying Capital

ıt	Paren	oup	Gro	
2019	2020	2019	2020	
13,719	13,719	13,719	13,719	
3,130	3,440	3,140	3,442	
0	1	0	1	
0		0	I	
17	637	17	637	
2,018	2,771	2,297	3,118	
269	269	269	269	
1,895	2,175	1,902	2,182	
6,759	6,082			
0,755	0,002			
4,248	5,007	5,575	6,847	
15	15	15	15	
32,069	34,116	26,934	30,229	
64,997	66,421	70,153	70,326	
3	14,465	3	14,465	
3	14,465	3	14,465	
65,000	80,886	70,155	84,791	
4 614	4.005	4 701	E 017	
4,614	4,895	4,701 4,701	5,017	
4,014	4,033	4,701	5,017	
4,614	4,895	4,701	5,017	
69,614	85,781	74,856	89,809	

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

			2020			oup		2019			
	BASEL III								BASEL III		
FRP Equity Accounts	FRP	CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital	FRP	CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital	
Paid in Capital Stock	22,512	22,509	3		22.512	22,512	22,509	3		22,512	
Common Stock	22,509	22,509	0		, -	22,509	22,509	Ũ		22,509	
Perpetual and Non-Cumulative Preferred Stock	3	22,000	3		3	3	22,000	3		22,000	
Additional Paid-in Capital	42,568	42,568			42 568	42,568	42,568			42,568	
Hybrid Perpetual Securities	14.463	.2,000	14,463		14,463	12,000	.2,000			,	
Retained Earnings	32,520	32,520	14,405			28,069	28,069			28,069	
Undivided Profits	4,955	4,955			4,955	5,653	5,653			5,65	
Other Comprehensive Income	(2,015)	(2,015)				(1,733)	(1,733)			(1,733	
Treasury Stock	(13,719)	(2,010)			(2,015)	(13,719)	(1,755)			(1,755	
	(13,713)					(13,713)					
Minority Interest in Subsidiaries (for consolidated report only)	18	18			18	20	20			20	
Total Equity Accounts	101,302	100,555	14,465		115,021	83,370	97,086	3		97,089	
Other Accounts Eligible as Regulatory Capital											
General Loan Loss Reserves/Retained Earnings Appropriated for General Reserves				5,017	5,017				4,701	4,70	
Regulatory Adjustments/Deductions to CET1 Capital											
Common stock treasury shares		(13,719)			(13,719)		(13,719)			(13,719	
Retained Earnings Appropriated for General Provision		(3,442)			(3,442)		(3,140)			(3,140	
Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)		(1)			(1)		(0)			(0	
Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates		(637)			(637)		(17)			(17	
Deferred tax assets		(3,118)			(3,118)		(2,297)			(2,297	
Goodwill		(269)			(269)		(269)			(269	
Other Intangible Assets		(2,182)			(2,182)		(1,902)			(1,902	
Defined benefit pension fund assets (liabilities)		-			-		-				
Other equity investments in non- financial allied undertakings and non-allied undertaking		(6,847)			(6,847)		(5,575)			(5,575	
Reciprocal investments in common stock of other banks/ quasi-banks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)		(15)			(15)		(15)			(15	
Total Regulatory Capital	101,302	70,326	14,465	5,017	89 809	83,370	70,153	3	4,701	74,85	

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

			2020		Pal	rent		2010		
			2020					2019		
	-	0571	BASE		Tabal		0571	BASE		Total
FRP Equity Accounts	FRP	CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital	FRP	CET1 Capital	Additional Tier 1	Tier 2 Capital	Basel III Capital
Paid in Capital Stock	22,512	22,509	3		22,512	22,512	22,509	3		22,51
Common Stock	22,509	22,509			22,509	22,509	22,509			22,50
Perpetual and Non-Cumulative Preferred Stock	3		3		3	3		3		
Additional Paid-in Capital	42,568	42,568			42,568	42,568	42,568			42,56
Other Equity Instruments (Additional Tier 1)	14,463		14,463		14,463					
Retained Earnings	32,520	32,520			32,520	28,069	28,069			28,06
Undivided Profits	4,955	4,955			4,955	5,653	5,653			5,65
Other Comprehensive Income	(2,015)	(2,015)			(2,015)	(1,733)	(1,733)			(1,733
Treasury Stock	(13,719)					(13,719)				
Minority Interest in Subsidiaries (for consolidated report only)										
Total Equity Accounts	101,283	100,537	14,465		115,002	83,350	97,066	3		97,06
Other Accounts Eligible as Regulatory Capital										
General Loan Loss Reserves/Retained Earnings Appropriated for General Reserves				4,895	4,895				4,614	4,61
Regulatory Adjustments/Deductions to CET1 Capital										
Common stock treasury shares		(13,719)			(13,719)		(13,719)			(13,719
Retained Earnings Appropriated for General Provision		(3,440)			(3,440)		(3,130)			(3,130
Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)		(1)			(1)		(0)			(0
Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates		(637)			(637)		(17)			(1
Deferred tax assets		(2,771)			(2,771)		(2,018)			(2,018
Goodwill		(269)			(269)		(269)			(269
Other Intangible Assets		(2,175)			(2,175)		(1,895)			(1,895
Defined benefit pension fund assets (liabilities)										
Investments in equity of unconsolidated subsidiary banks and quasi- banks, and other financial allied undertakings (excluding subsidiary securities dealers brokers and insurance companies), after deducting related goodwill, if any		(6,082)			(6,082)		(6,759)			(6,755
Other equity investments in non- financial allied undertakings and non-allied undertaking		(5,007)			(5,007)		(4,248)			(4,248
Reciprocal investments in common stock of other banks/ quasi-banks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)		(15)			(15)		(15)			(15
		66,421	14,465	4,895				3		69,61

Components of Regulatory Capital

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

- b. Additional Paid-in Capital Stock
- c. Other Equity Instruments Hybrid **Perpetual Securities**
- d. Retained Earnings
- e. Undivided Profits
- f. Other Comprehensive Income Net Unrealized Gains or Losses on AFS Securities

Cumulative foreign currency translation Remeasurement of Net Defined Benefit Liability/(Asset) pertains to Reserves on remeasurements of post-employment defined benefit plan comprise of net accumulated actuarial gains or losses arising from experience adjustments and other changes in actuarial assumptions and actual return on plan assets

- g. Treasury Stock
- h. Minority Interest in Subsidiaries (for consolidated report only)

Tier 2 Capital consists of sum of General Loan Loss Reserves and Retained Earnings Appropriated for General Provision, limited to maximum of 100% of credit risk-weighted assets.

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

- a. Common Treasury Stock
- b. Unbooked valuation reserves and other capital adjustment based on latest examination of monetary board (Retained Earnings - Appropriated for General Loan Loss Reserves)
- c. Unsecured credit accomodations
- d. Unsecured loans, other credit credit accomodations and guarantees granted to subsidiaries and affiliates
- e. Deferred Tax Assets pertains to the tax impact of deductible temporary differences such as but not limited to provisions for impairment, minimum corporate income tax and retirement benefits
- Goodwill represents goodwill of RCBC Savings
- g. Other Intangible Assets consist of computer software and branch licenses
- h. Defined benefit pension fund assets pertains to the excess of the fair value of the plan assets over the present value of the defined benefit obligation
- i. Investments in equity of unconsolidated subsidiary banks for the solo reporting represents carrying amount as reported in the FRP, net of related goodwill
 - RCBC Capital Corporation
 - RCBC Forex Brokers Corp.
 - RCBC Leasing and Finance Corp.

Rizal Microbank, Inc - A Thrift Bank of RCBC RCBC Telemoney Europe RCBC International Finance Ltd. j. Other equity investments in non-financial allied undertakings and non-allied undertakings represents investments in various companies such as Niyog Properties, YGC Corporate Services, Honda Cars, GPL Holdings, MICO Equities, Roxas Holdings, Pilipinas Shell, Isuzu Phils. among others

Treasury Shares

In 2019, subsequrent 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 values of Php58) from the treasury account reissuance (with total cost of Php182) and an additional 120,730,177 common stock (with total par value of Php1,207) 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 oustanding common shares. The issuance resulted in the recognition of Additional Capital Paid in Excess of Par amounting to Php2,264.

Main Features of AT1 capital under BASEL III

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, 2020, the hybrid perpetual securities amounted to Php14,463, net of issuance costs.

- a) The capital securities are perpetual in respect of which there is no fixed redemption date.
- b) 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.
- c) Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%.
- d) Certain conditions provide for circumstances under which the Parent Company will not be obliged topay any distribution on the applicable payment date.
- e) The proceeds of the hybrid perpetual securities are used to support and finance medium-tem 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.

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

Full Reconciliation of Regulatory Capital Elements back to the FRP Balance Sheet in the Audited Financial Statements

(In Millions) RCBC Parent

(CDC) arent						
	December 31, 2020					
Equity Accounts	Audited FS	BSP FRP	Change	Details	Amount	
Common Stock	22,509	22,509				
Preferred Stock	3	3				
Capital Paid in Excess of Par	42,568	42,568				
Other Equity Instruments	14,463	14,463				
Revaluation Reserves	(2,070)	(2,015)	(55)	Marked to market adjustment of Equity Securities	49	
				Adjustment on retirement plan benefits	(104)	
					(55)	
Reserve for Trust Business	499	504	(5)	Additional provision on Reserves for Trust Business	(5)	
General Loan Loss Reserves	3,440	3,440				
Surplus	33,600	33,530	70	Revalue REIT Securities	2	
				Additional provision on Reserves for Trust Business	5	
				Profit and Loss and prior year adjustment	63	
					70	
Treasury Stock	(13,719)	(13,719)				
Total Capital	101,294	101,283	10		10	

	December 31, 2020					
Equity Accounts	Audited FS	BSP FRP	Change	Details	Amount	
ommon Stock	22,509	22,509				
referred Stock	3	3				
apital Paid in Excess of Par	42,568	42,568				
ther Equity Instruments	14,463	14,463				
evaluation Reserves	(2,070)	(2,015)	(55)	Marked to market adjustment of Equity Securities	49	
				Adjustment on retirement plan benefits	(104)	
					(55)	
eserve for Trust Business	499	504	(5)	Additional provision on Reserves for Trust Business	(5)	
eneral Loan Loss Reserves	3,440	3,440				
urplus	33,600	33,530	70	Revalue REIT Securities	2	
				Additional provision on Reserves for Trust Business	5	
				Profit and Loss and prior year adjustment	63	
					70	
easury Stock	(13,719)	(13,719)				
otal Capital	101,294	101,283	10		10	

Full Reconciliation of Regulatory Capital Elements back to the FRP Balance Sheet in the Audited Financial Statements

(In Millions) RCBC Parent

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

Treasury Stock	(13,713)	(13,719)	
Treasury Stock	(13,719)	(13,719)	

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

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(808)

Risk and Capital Management

Capital Requirements by type of exposure as of December 31, 2020 and 2019 are as follows:

			December	31, 2020		
	Credi	t Risk	Marke	t Risk	Operatio	nal Risk
	Group Parent		Group	Parent	Group	Parent
			(in Millions)			
On-Balance Sheet Assets	487,286	474,541				
Off-Balance Sheet Assets	12,033	12,033				
Counterparty Risk- Weighted Assets in the Banking & Trading Book	2,416	2,416				
Credit Linked Notes in the Banking Book						
Securitization Exposures						
Market Risk-Weighted Assets			6,019	5,806		
Operational Risk using Basic Indicator Approach					48,831	46,101
Total	501,735	488,990	6,019	5,806	48,831	46,101
Capital Requirements	50,173	48,899	602	581	4,883	4,610

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

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

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

Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets as of December 31, 2020 and 2019 are as follows:

RCBC Group

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

				Decer	nber 31, 3	2020				
Type of Exposures	Total	Credit Risk Mitigants	Total Credit Risk			Risk We	eights			Total Risk Weighted
Type of Exposures	Exposures*	(CRM)	Exposure after CRM	0%	20%	50%	75%	100%	150%	Assets
On-Balance Sheet Exposures										
Sovereigns	187,554	1,363	186,190	163,485		20,580		2,125		12,415
Banks	61,779		61,779		10,105	50,108		1,566		28,64
Government corporations	2,055	1,323	732			732		0		366
Corporates	318,330	7,082	311,247		1,009	5,382		304,118	739	308,118
Housing Loans	49,791	23,870	25,922			25,345		576		13,249
MSME Qualified portfolio	9,123		9,123			9,123				4,56
Defaulted exposures	16,811		16,811					2,453	14,358	23,990
Housing Loans	2,453		2,453					2,453		2,453
Others	14,358		14,358						14,358	21,537
ROPA	3,578		3,578						3,578	5,367
All other assets, net of deductions	106,945		106,945	16,500	58			90,024	362	90,579
Total on-balance sheet exposures	755,964	33,639	722,326	179,985	11,172	111,269		400,862	19,037	487,286
Off-balance sheet exposures										
Direct credit substitutes	2,562		2,562					2,562		2,562
Transaction-related contingencies	7,924		7,924					7,924		7,924
Trade-related contingencies	1,548		1,548					1,548		1,548
Others	198,109		198,109	198,109						
Total off-balance sheet exposures	210,141		210,141	198,109				12,033		12,033
Counterparty Risk-Weighted Assets in the Banking Book	5,315		5,315	4,199		302		814		965
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	493		493	41	204	82		166		248
Derivatives - exchange rate contracts	1,516		1,516	168	150	91		1,107		1,183
Credit Derivatives	19		19					19		19
Total counterparty RWA in trading book	2,029		2,029	208	354	174		1,293		1,450
Risk-Weighted Amount of Credit Linked Notes in the Banking Book										
Risk-Weighted Securitization Exposures										
Total	973,450	33,639	939,811	382,501	11,527	111,745		415,002	19,037	501,735
Deductions from Capital										
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
Total, net of deductions	973,450	33,639	939,811	382,501	11,527	111,745		415,002	19,037	501,735

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

RCBC Parent

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

				Dec	ember 31	, 2020				
	Total	Credit Risk	Total Credit Risk			Risk W	eights			Total Risk
Type of Exposures	Exposures*	Mitigants (CRM)	Exposure after CRM	0%	20%	50%	75%	100%	150%	Weighted Assets
On-Balance Sheet Exposures										
Sovereigns	185,872	1,363	184,509	161,804		20,580		2,125		12,415
Banks	61,290		61,290		10,105	50,108		1,077		26,219
Government corporations	2,055	1,323	732			732		0		360
Corporates	311,770	7,082	304,688		588	5,382		297,979	739	301,89
Housing Loans	49,783	23,870	25,913			25,337		576		13,24
MSME Qualified portfolio	8,654		8,654			8,654				4,32
Defaulted exposures	16,385		16,385					2,453	13,933	23,35
Housing Loans	2,453		2,453					2,453		2,45
Others	13,933		13,933						13,933	20,899
ROPA	3,443		3,443						3,443	5,165
All other assets, net of deductions	102,119		102,119	16,464	39			85,617		85,625
Total on-balance sheet exposures	741,371	33,639	707,733	178,267	10,732	110,792		389,827	18,115	474,54
Off-balance sheet exposures										
Direct credit substitutes	2,562		2,562					2,562		2,562
Transaction-related contingencies	7,924		7,924					7,924		7,924
Trade-related contingencies	1,548		1,548					1,548		1,548
Others	198,109		198,109	198,109						
Total off-balance sheet exposures	210,141		210,141	198,109				12,033		12,033
Counterparty Risk-Weighted Assets in the Banking Book	5,315		5,315	4,199		302		814		965
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	493		493	41	204	82		166		248
Derivatives - exchange rate contracts	1,516		1,516	168	150	91		1,107		1,183
Credit Derivatives	19		19					19		19
Total counterparty RWA in trading book	2,029		2,029	208	354	174		1,293		1,450
Risk-Weighted Amount of Credit Linked Notes in the Banking Book										
Risk-Weighted Securitization Exposures										
Total	958,857	33,639	925,218	380,783	11,086	111,268		403,967	18,115	488,990
Deductions from Capital										
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
accounter of charmination										

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

RCBC Group

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

			December 31, 2019 Tatal Credit Risk Total Credit Risk Weights										
	Total	Credit Risk	Total Credit			Risk W	/eights			Total Risk Weighted			
Type of Exposures	Exposures*	Mitigants (CRM)	Risk Exposure after CRM	0%	20%	50%	75%	100%	150%	Assets			
On-Balance Sheet Exposures													
Sovereigns	229,115	1,500	227,615	199,527	343	24,794		2,950		15,41			
Banks	43,777		43,777		9,287	32,418		2,071		20,13			
Government corporations	2,823	2,823	0					0					
Corporates	290,725	6,070	284,655		4,321	265		279,126	943	281,53			
Housing Loans	48,243	20,037	28,206			25,506		2,700		15,45			
MSME Qualified portfolio	11,730		11,730				11,730			8,79			
Defaulted exposures	14,356		14,356					1,207	13,149	20,93			
Housing Loans	1,207		1,207					1,207	,	1,20			
Others	13,149		13,149					-,	13,149	19,72			
ROPA	4,534		4,534						4,534	6,80			
All other assets, net of	108,934		108,934	16,840	95			91,797	202	92,11			
deductions													
Total on-balance sheet exposures	754,236	30,430	723,806	216,367	14,047	82,983	11,730	379,850	18,829	461,19			
Off-balance sheet exposures													
Direct credit substitutes	7,904		7,904					7,904		7,90			
Transaction-related contingencies	8,828		8,828					8,828		8,82			
Trade-related contingencies	3,766		3,766					753		75			
Others	184,583		184,583	184,583									
Total off-balance sheet exposures	202,068		202,068	184,583				17,485		17,48			
Counterparty Risk-Weighted Assets in the Banking Book	78,512		78,512	75,832		1,732		947		1,81			
Counterparty Risk-Weighted													
Assets in the Trading Book Derivatives - interest rate	528		528		13	397		118		31			
contracts Derivatives - exchange	1,866		1,866		15	450		1,401		1,62			
rate contracts													
Credit Derivatives	23		23			3		20		2			
Total counterparty RWA in trading book	2,417		2,417		28	849		1,539		1,96			
Risk-Weighted Amount of Credit Linked Notes in the Banking Book Risk-Weighted Securitization													
Exposures													
Total	1,037,233	30,430	1,006,803	476,782	14,076	85,564	11,730	399,822	18,829	482,45			
Deductions from Capital	.,,	20,.00	., ,	,	,	,	,	,	,•=•	, 10			
General Ioan loss provision (in excess of the amount permitted to be included in Tier 2)													
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination													

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

RCBC Parent

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

				De	cember 31	, 2019				
Type of Exposures	Total	Credit Risk Mitigants	Total Credit Risk			Risk We	eights			Total Risk Weighted
	Exposures*	(CRM)	Exposures [–] after CRM	0%	20%	50%	75%	100%	150%	Assets
On-Balance Sheet Exposures										
Sovereigns	227,257	1,500	225,757	197,669	343	24,794		2,950		15,416
Banks	44,070		44,070		9,287	32,418		2,365		20,43
Government corporations	2,823	2,823								
Corporates	283,345	6,070	277,275		3,907	265		272,159	943	274,488
Housing Loans	48,232	20,037	28,195			25,495		2,700		15,447
MSME Qualified portfolio	11,374		11,374				11,374			8,53
Defaulted exposures	13,515		13,515					1,207	12,308	19,669
Housing Loans	1,207		1,207					1,207		1,207
Others	12,308		12,308						12,308	18,462
ROPA	4,413		4,413						4,413	6,620
All other assets, net of deductions	105,174		105,174	16,808	29			88,337		88,343
Total on-balance sheet exposures	740,203	30,430	709,773	214,477	13,567	82,972	11,374	369,718	17,665	448,945
Off-balance sheet exposures										
Direct credit substitutes	7,904		7,904					7,904		7,904
Transaction-related contingencies	8,828		8,828					8,828		8,828
Trade-related contingencies	753		753					753		753
Others	184,583		184,583	184,583						
Total off-balance sheet exposures	202,068		202,068	184,583				17,485		17,485
Counterparty Risk-Weighted Assets in the Banking Book	78,512		78,512	75,832		1,732		947		1,813
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	528		528		13	397		118		319
Derivatives - exchange rate contracts	1,866		1,866		15	450		1,401		1,629
Credit Derivatives	23		23			3		20		22
Total counterparty RWA in trading book	2,417		2,417		28	849		1,539		1,969
Risk-Weighted Amount of Credit Linked Notes in the Banking Book Risk-Weighted Securitization Exposures										
Total	1,023,199	30,430	992,769	474,893	13,595	85,554	11,374	389,689	17,665	470,213
Deductions from Capital										
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
Total, net of deductions	1,023,199	30,430	992,769	474,893	13,595	85,554	11,374	389,689	17,665	470,213
iotal, net of acquetions	1,020,100	50,450	552,705	-,033	13,333	00,004	11,374	303,003	17,005	470,21

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

RCBC Group

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

				D	ecember 3	31, 2020				
	Pincipal	Credit Risk	Total Credit Risk -			Risk We	ghts			Total Risk
On-Balance Sheet Assets	Amount	Mitigants (CRM)	Exposure after CRM	0%	20%	50%	75%	100%	150%	Weighted Assets
Cash on Hand	16,500		16,500	16,500						
Checks and Other Cash Items	58		58		58					12
Due from Bangko Sentral ng Pilipinas (BSP)	115,483		115,483	115,483						
Due from Other Banks	15,704		15,704		2,901	11,676		1,127		7,545
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	36,988		36,988	14,837	1,009	14,059		7,083		14,314
Held-to-Maturity (HTM) Financial Assets	44,038	1,363	42,675	19,773		15,622		6,541	739	15,460
Loans and Receivables	488,878	32,275	456,603		7,204	69,912		365,128	14,358	423,062
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	13,392		13,392	13,392						
Sales Contract Receivable (SCR)	774		774					411	362	955
Real and Other Properties Acquired	3,578		3,578						3,578	5,367
Other Assets	20,571		20,571					20,571		20,571
Total Risk-weighted On-Balance Sheet Assets	755,964	33,639	722,326	179,985	11,172	111,269		400,862	19,037	487,286

RCBC Parent

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

	December 31, 2020									
On-Balance Sheet Assets	Pincipal	Credit Risk	Total Credit Risk _			Risk We	ights			Total Risk Weighted
On-Dalance Sheet Assets	Amount	Mitigants (CRM)	Exposure after CRM	0%	20%	50%	75%	100%	150%	Assets
Cash on Hand	16,464		16,464	16,464						
Checks and Other Cash Items	39		39		39					8
Due from Bangko Sentral ng Pilipinas (BSP)	113,966		113,966	113,966						
Due from Other Banks	15,214		15,214		2,901	11,676		638		7,056
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	36,574		36,574	14,837	588	14,059		7,091		14,238
Held-to-Maturity (HTM) Financial Assets	43,521	1,363	42,158	19,773		15,622		6,024	739	14,943
Loans and Receivables	480,973	32,275	448,698		7,204	69,435		358,488	13,570	415,002
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	13,228		13,228	13,228						
Sales Contract Receivable (SCR)	761		761					398	362	942
Real and Other Properties Acquired	3,443		3,443						3,443	5,165
Other Assets	17,188		17,188					17,188		17,188
Total Risk-weighted On-Balance Sheet Assets	741,371	33,639	707,733	178,267	10,732	110,792		389,827	18,115	474,541

RCBC Group

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

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

RCBC Parent

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

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

Market Risk Weighted Assets

		Gro	up			Pare	Parent				
		2020		2019		2020	2019				
Using Standardized Approach	Notional Amount	Market Risk Weighted Assets (MRWA)									
Interest Rate Exposures	87,279	4,391	97,254	5,283	86,207	4,178	96,507	5,225			
Equity Exposures											
Foreign Exposures	3,414	1,629	10,582	5,090	3,416	1,629	10,583	5,090			
Options	-	-	709	37	-	-	709	37			
Total	90,693	6,019	108,545	10,411	89,622	5,806	107,799	10,353			

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

Nature of Item	GRC	OUP	PARENT		
	2020	2019	2020	2019	
Net interest income	20,270	18,050	19,827	17,658	
Other non-interest income	5,774	5,389	4,760	4,385	
Gross Income	26,043	23,439	24,587	22,044	
Capital Requirements	48,831	51,274	46,101	48,220	

Use of Third Party Assessment for Credit Risk

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

Moreover, as of December 31, 2020 the Bank had exposures to the following countries via direct exposure to local corporates, the range of issuer ratings of which is indicated:

Country	Rating Range
United States	AAA to AA+
Indonesia	BBB

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CORPORATE GOVERNANCE

At RCBC, we affirm our commitment to good corporate governance. With an empowered Board of Directors (BOD) leading the way, we continue to work towards a solid control environment, high levels of transparency and disclosure, and well-defined shareholders' rights.

Our corporate governance framework combines global best practices such as the G20/OECD Principles of Good Governance and the general principles of the ASEAN Corporate Governance Scorecard. We also comply with the regulatory requirements under the Securities and Exchange Commission (SEC) Memorandum Circular No. 19, series of 2016 or the Code of Corporate Governance for Publiclylisted Companies and the Bangko Sentral ng Pilipinas (BSP) Circular No. 969, series of 2017 or the Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions. Our framework is embodied in our Corporate Governance Manual, the latest version of which was approved by our BOD in March 2021.

BOARD GOVERNANCE

Key Roles and Responsibilities

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

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

Board Composition

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

The BOD promotes diversity in its membership. It is the policy of RCBC that no person shall be disqualified to sit as a member of the BOD on the basis of gender, age, religion or political affiliation. The representation of women in the BOD has increased to 26.7% in 2020 from 20.0% in 2019, or four female directors out of the 15-member BOD. Among the women in the BOD are Atty. Adelita A. Vergel De Dios, an independent director, and Mrs. Helen Y. Dee, the Chairperson.

Nomination and Election

Our directors are elected at the Annual Stockholders' Meeting. Each shall hold a oneyear term or until a successor shall have been duly chosen and qualified. The first 15 candidates with the highest number of votes shall be declared as elected.

All nominations for election of directors by the stockholders shall be submitted in writing to the President and the Corporate Secretary at RCBC's principal place of business at least 30 working days before the regular or special meeting of the stockholders for the purpose of electing directors. The Corporate Governance Committee reviews the qualifications of persons nominated to the BOD, and



In case a non-executive director holds concurrent directorships applies the fit-and-proper rule in its evaluation. The Committee considers the nominees' educational background, professional in entities within a conglomerate, each entity shall be separately experience, nature and business of the corporations of considered in assessing compliance with this requirement. which they are a director, age, number of directorships/ Independent Directors active memberships and officerships in other corporations/ organizations, and possible conflict of interest in determining their suitability to be nominated to the BOD. The Committee Under the SEC's Code of Corporate Governance for Publicly ensures that all nominees possess the minimum qualifications Listed Companies and the BSP's Enhanced Guidelines on and none of the disgualifications as prescribed under existing Corporate Governance for BSP Supervised Financial Institutions, laws and regulations. Under the By-Laws, no person shall be an independent director must have independence from gualified or be eligible for nomination or election to the BOD management or from any business or relationship which could, if they are engaged in any business that competes with or is or could reasonably be perceived to, materially interfere with the antagonistic to that of RCBC, its subsidiaries and affiliates, as exercise of independent judgment and the lack of relationship may be determined by the BOD in the exercise of its judgment to the Bank, its related companies or substantial shareholders as in good faith, by at least a majority vote. a regular director or officer or relative of said director or officer, as an executive or professional adviser within the past three Maximum Board Seats years, or business relations other than arm's length, immaterial or insignificant transactions.

Being a director of the Bank requires commitment. Under the Bank's Corporate Governance Manual, a non-executive director may concurrently serve as a director in a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

RCBC ANNNUAL & SUSTAINABILITY REPORT 2020

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

Corporate Governance

In 2020, we have six independent directors, including one female independent director, Atty. Adelita A. Vergel de Dios. The five other independent directors are Messrs. Gabriel S. Claudio; Armando M. Medina; Vaughn F. Montes, Ph.D.; Juan B. Santos; and Laurito E. Serrano.

An independent director is only allowed to serve for a maximum cumulative term of nine years. After this term limit, the independent director shall be perpetually barred from serving as independent director in the Bank, but may continue to serve as a regular director. The maximum cumulative term of nine years shall be reckoned from 2012. In adherence to the foregoing policy, Mr. Medina, who has already served the Bank as an independent director for nine years reckoned from 2012, has ceased to be an independent director by December 31, 2020 and has been appointed as a regular director effective January 1, 2021.

The Chairperson

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

Under our Corporate Governance Manual, the Chairperson shall be a non-executive director or an independent director, and must not have served as CEO of the Bank within the past three years to promote checks and balances. Moreover, the Chairperson should not concurrently serve as CEO.

The Corporate Vice Chairman

Our By-laws provide that the Corporate Vice Chairman shall have powers and perform such duties as the BOD may prescribe. In the Chairperson's absence or inability to act, the Corporate Vice Chairman shall act in her stead, and shall exercise such powers and perform duties conferred upon the office of the Chairperson by the By-laws. Mr. Cesar E.A. Virata is the Bank's Corporate Vice Chairman.

Lead Independent Director

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

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

Meetings and Quorum Requirement

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

The BOD meetings may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing, as long as the director who is taking part in these meetings can actively participate in the deliberations on matters taken up therein. Every director is required to physically attend at least 25.0% of all BOD meetings every year. The absence of a director in more than 50.0% of all regular and special BOD meetings during their incumbency is a ground for disgualification in the succeeding election. Due to the COVID-19 pandemic, the BOD Meetings from March to December 2020 were held via remote communications and/or video conferencing, as allowed by the BSP and SEC.

Meetings of Board committees are prescribed in their respective charters. Participation of committee members may likewise be in person or through modern technologies. A director's attendance in committee meetings is considered by the Corporate Governance Committee in the assessment of the director's continuing fitness and propriety as a committee and BOD member. Due to the pandemic, the meetings of the Board committees from March to December 2020 were also held via remote communications and/or video conferencing, as allowed by the BSP and SEC.

From January to December 2020, the members' attendance in BOD and committee meetings are shown on the table on the next page.

Separate Meeting of the Non-Executive Directors (NEDs)

Non-executive directors (NEDs) are required to have separate periodic meetings with the heads of the internal audit, compliance and risk functions, and external auditor without any executive directors present to ensure that proper checks and balances are in place within the Bank. For 2020, this separate meeting was held on December 14, 2020 to discuss the control units' assessment of the business units and the Bank as a whole. The meeting was chaired by Mrs. Helen Y. Dee.

	BOA	RD	EXC	юм	AC	c	R	oc	C	G	RF	рт	A	1L	TRI	JST	TE	СН	то	ΓAL	%
DIRECTORS	м	А	м	А	м	А	м	А	м	А	м	А	м	Α	м	А	м	А	м	А	ATTENDANCE
HELEN Y. DEE	12	12	49	48													12	12	73	72	98.63
EUGENE S. ACEVEDO	12	12	49	48											11	10	12	12	84	82	97.62
CESAR E.A. VIRATA	12	12	49	49											11	11	12	12	84	84	100
GIL A. BUENAVENTURA	12	12	49	48									11	11					72	71	98.61
RICHARD G.A. WESTLAKE ¹	7	6					7	7											14	13	93
JOHN LAW	12	12																	12	12	100
ARNOLD KAI YUEN KAN	12	12																	12	12	100
SHIH-CHIAO (JOE) LIN	12	11							11	10	11	10							34	31	91.18
LILIA B. DE LIMA	12	12							11	11					11	11			34	34	100
ARMANDO M. MEDINA	12	12	49	49															61	61	100
LAURITO E. SERRANO	12	12			18	18	13	13											43	43	100
ADELITA A. VERGEL DE DIOS	12	11			18	18			11	11	11	11							52	51	98.08
GABRIEL S. CLAUDIO	12	12							11	11	11	11	11	11					45	45	100
JUAN B. SANTOS	12	12													11	11			23	23	100
VAUGHN F. MONTES	12	12			18	18	13	13	11	10			11	11					65	64	98.46
GAYATRI P. BERY ²	5	5					5	5											10	10	100

Notes:

¹ BOD member until June 30, 2020 ² Elected as new BOD member on July 27, 2020

BOD Performance

The BOD assesses annually its performance and effectivenes as a body, as well as its various Committees, the Chairperson Individual Directors, the CEO and senior management, which is usually facilitated by the Corporate Governance Committee However, for the 2020 BOD performance evaluation, the exercise was facilitated by a third party, the Institute of Corporate Directors (ICD). This was in compliance with the S recommendation that the BOD performance assessment be supported by an external facilitator every three years.

The third-party BOD evaluation covered the assessment of t ongoing suitability of each director, taking into account the performance in the BOD and Board-level committees.

The evaluation involves the following processes and criteria:

- Directors' Self-Performance Evaluation ICD-designed questionnaires were filled out by every Director. The se of questionnaires encompasses the following elements: Structure and Composition, Roles and Accountabilities, Board Processes and Board Dynamics. This process allo the Directors to share their impressions on various aspe of the BOD's performance and to express the extent of agreement on various issues.
- Interviews with Directors This process consists of individual interviews with each Director. All 15 Directors were asked questions using the Framework of the Tricker Model for Board Functions (Strategy, Policy, Accountability and Oversight), with an addition of three other functions of the Board (Ethics, Social Responsibility and Sustainability). The Directors were also asked probing questions to provide context to the results of the questionnaire.
- 3. Submission of the third-party Board evaluation report to the BOD — The report includes the assessment of the performance and effectiveness BOD as a body, the various Committees, the Chairperson, individual directors, the CEO and senior management, as well as the recommendations on areas for improvement.

ess	The 3rd Party Board Evaluation Report highlighted the following:
on, ch cee.	Based on its 1 Golden Arrow Recognition by the Securities and Exchange Commission (SEC) and the Institute of Corporate Directors (ICD), RCBC is considered as one of the model enterprises for corporate governance in the Philippines.
SEC e	Equivalent to its 1 Golden Arrow Recognition, RCBC garnered a total score of 82.85 in the latest ASEAN Corporate Governance Scorecard (ACGS). The rating is based on disclosures made by RCBC in its regulatory filings as well as company website and
the eir	other corporate communications.
a: et s: s, ows ects f their	The Third-Party Board Evaluation conducted with the RCBC Directors confirms that they, as individuals and as a body, put into practice what they disclose as policy and procedures. The assessment shows that the RCBC Board is composed of "working" directors who are able to contribute their respective expertise and competencies in their respective Board Committees, and at the Board at large. Furthermore, the assessment corroborates that the RCBC Board is ably led by Chairperson Helen Y. Dee, while President and Chief Executive Officer Eugene S. Acevedo effectively leads the management of the Bank.
	BOD Training Program

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

Corporate Governance

In addition to the Orientation Program, firsttime directors are required to attend a seminar on corporate governance following the BSPprescribed syllabus. They are required to submit a certification of compliance of this requirement to the BSP.

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

Remuneration of the BOD

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

Executive directors do not receive any per diem for attendance in BOD and Board committee meetings. Rather, as officers of the Bank, they are entitled to remuneration and benefits.

Non-executive directors are entitled to reasonable per diem for attendance in BOD and board committee meetings. Nonexecutive directors receive a per diem of Php35,000.00 for attendance in BOD meetings. The Chairpersons of Audit and Risk Oversight Committees receive Php20,000.00 while their members receive Php15,000.00 per diem for attendance in meetings. The per diem in other Board committees is up to Php15,000.00 for the chairperson and Php10,000.00 for members.

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

Remuneration Item	2020
(a) Per Diem allowance	Php12,900,000.00 (aggregate amount of Directors' per diem for the meetings of the BOD and Board committees for the year 2020)
(b) Directors' Bonuses Directors' bonuses are given to executive, non-executive and independent directors based on the formula provided for in the Bank's By-Laws	N/A
TOTAL	Php12,900,000.00

Board Committees

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

1. Executive Committee

Composition:

Chairman and at least four members of the BOD

Members:

Helen Y. Dee - Chairperson Eugene S. Acevedo - Vice Chairperson Cesar E.A. Virata (NED) Armando M. Medina (NED effective Jan. 1, 2021) Gil A. Buenaventura (NED)

The Executive Committee has the power to act and pass upon such matters as the BOD may entrust to it for action. However, matters affecting general policy are always referred to the BOD for decision. The Executive Committee has the power to review an asset or loan to ensure timely recognition and resolution of impaired assets. In 2020, the Executive Committee:

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

2. Audit and Compliance Committee

Composition:

The Audit and Compliance Committee shall be composed of at least three directors, majority of whom shall be an independent director, including the Chairperson. The Committee Chairperson should not be the Chairperson of the BOD or of any other Board-level committees. Committee members should have knowledge of the banking industry, the ability to read and understand fundamental financial statements, and the ability to understand key business and financial risks and related controls and control processes.

Members:

Laurito E. Serrano (ID) - Chairman Vaughn F. Montes (ID) Adelita A. Vergel de Dios (ID)

The Audit and Compliance Committee is a Board-level committee that performs the following core functions:

- Overseeing the Bank's financial reporting policies, practices
 B. For Internal Audit Functions 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 BOD through the Audit and Compliance Committee, Internal Audit provides reasonable assurance to Senior Management, the Audit and Compliance Committee, and the BOD 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.
- Investigating 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 Bank's internal controls, including financial, operational and compliance controls, information technology security and controls, 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 BOD ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting their respective businesses.

The Audit and Compliance Committee reports its evaluation of the effectiveness of the internal controls, financial reporting processes, information technology security and controls, risk management systems and governance process of the Bank. Its report is based on the report and unqualified opinion from the External Auditor, the overall assurance provided by the Chief Audit Executive, and additional reports and information requested from Senior Management. In 2020, the report found that these are generally adequate across RCBC.

In 2020, the highlights of the Audit and Compliance Committee's actions pertaining to Internal Audit, External Audit and Compliance functions are as follows:

A. For External Audit Functions

- Approving the Fees for the Quarterly Review of the Financial Statements (FS) of RCBC and selected Subsidiaries;
- Approving the Revised Working Paper Policies and • Reviewing the results of and endorsing for BOD approval Punongbayan & Araullo's (P&A) Quarterly Review of the Procedures - TeamMate Operations Manual for Division Financial Information of RCBC and selected Subsidiaries; Heads, Team Leaders and Audit Examiners;

- Reviewing the results of and endorsing for BOD approval P&A's Audit of the Financial Statements of RCBC and Subsidiaries for the year ended December 31, 2019; and
- Reappointing P&A as External Financial Auditor and corresponding Review and Approval of P&A's Plan for the Audit of the Financial Statements of RCBC and Subsidiaries for the year ending December 31, 2020.

- Engaging in discussions on the results of internal audits managed and executed by the Internal Audit Group (IAG) and those outsourced to External Service Providers (ESPs) during the monthly Audit and Compliance Committee meetings to evaluate the adequacy and effectiveness of the Bank's internal control system and risk management including financial reporting and information technology security;
- Assessing and resolving to refer to the immediate attention of the responsible business units, Board-level Committees and Bank personnel matters arising from the internal audits;
- Monthly review and notation of the status of audit plans, IAG manpower complement and vacancies, and outstanding/unresolved audit issues;
- Approving to outsource the audits of certain business units and of the External Service Providers who will execute such audits to manage the completion of the audit plan vis-à-vis IAG's capacity;
- Approving conduct of the External Quality Assessment of the RCBC Internal Audit activity by the I of External Service Provider;
- Approving the Revised Quality Assurance and Improvement Policy (QAIP) and Revised Annual Audit Planning Policy effective January 17, 2020;
- Approving additional recipients of audit reports as requested by concerned Group Heads;
- Approving the conduct of Special Audits in accordance with IAG's Special Audit and Consulting Policy;
- Approving factors for the evaluation of the performance of the Chief Audit Executive (CAE) and corresponding performance evaluation for the year 2019;
- Approving revisions to the 2020 Annual Audit Plan;
- Approving the 2021 IT Annual Audit Plan;
- Approving the Revised Special Audit and Consulting Policy, Spot Audit Policy, Revised Exceptions and Management Issues for Tracking Policy, Revised Audit Examination Policy, Revised Annual Audit Planning Policy effective June 30, 2020:
- Approving the response to a BSP finding related to IT Audit.

- Adding a notation to the 2019 Internal Audit Group's Annual Report: and
- Approving the release of the 2019 Annual Internal Audit Report to Stockholder Cathay Life Insurance Co. Ltd.

C. For Compliance Functions

- Reviewing the extent and scope, activities, staffing, resources and organizational structure of the Compliance Function.
- Reviewing the compliance reports of the Compliance Officer to assess compliance with laws, rules and regulations. This also included the review of findings of any examinations by regulatory agencies (e.g., BSP, National Privacy Commission).
- Reviewing and approving the 2020 Annual Testing work plan and monitoring its status.
- Noting the 2020 BSP Advance Report of Examination (AREF) and corresponding BSP Examiner's Comment
- Approving Compliance Manual Updating
- Noting updates on EPFS License and BSP's Approval of Diskartech's Launch
- Noting updates on the projects and initiatives of Digital Enterprise and Innovation Group (DEIG) and application for license of Diskartech
- Reviewing and approving Compliance Risk Assessment
- Approving the Designation of Competent Persons to Perform the Function of an Associated Person
- Noting COVID-19/Community Quarantinerelated reports submitted to BSP
- Reviewing and approving the Compliance Checklist 2020
- Noting Regulatory Affairs Group Manpower Rationalization and New Table of Organization
- Reviewing and approving the 2019 selfassessment of Chief Compliance Officer
- Noting the Subsidiaries' updates on its compliance related matters, projects, and action plans address BSP directives
- Noting the government subsidy distribution projects of DEIG

- Noting the Bank's activities/projects in compliance with Bayanihan to Heal as One Act and Bayanihan to Recover as One Act
- Noting the Bank's Branch Consolidation Project
- Noting the Bank's comment to BSP Draft Exposure of the FSS Framework on the Publication of Administrative Enforcement
- Noting Reports on Crimes and Losses and RCL trends for 2020

3. Risk Oversight Committee

Composition:

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

Members:

Vaughn F. Montes (ID) - Chairperson Laurito E. Serrano (ID) – Vice Chairperson Richard G.A. Westlake (NED) (until June 30, 2020) Gayatri P. Bert (NED) (effective July 27, 2020)

Observers:

Eugene S. Acevedo John Law

The ROC supports the BOD with respect to oversight and management of risk exposures of the RCBC parent bank and subsidiaries (the Group). It exercises authority over all other risk committees of the Group, with the principal purpose of assisting the BOD in fulfilling its risk oversight responsibilities. The ROC oversees: 1) the Risk Governance Framework; 2) the risk management function; 3) the Bank's adherence to risk appetite; 4).capital planning and management; and 5) recovery plans.

The highlights of the Risk Oversight Committee's actions in 2020 are as follows:

ROC Charter

Approved the updated ROC Charter

Risk Governance Framework (RGF)

Approved the revisions on the RGF

- Enterprise Risk and ICAAP
- Approved:
- 2020 ICAAP and Recovery Plan with addendum
- Noted:
- Enterprise Risk Reports including RCBC Group Risk Profile, Risk Dashboards, Risk Heat Maps, Reports on Asset Quality and Capital Adequacy
- Results of Uniform Stress Testing on Credit Risk
- Results of Credit Rating Model Performance Review
- Results of Market Risk Model Validation

Credit Management

- Noted:
- Credit Management reports including Updates on Asset Quality, Key Accounts, Flagged Accounts, Problem Loan Committee, COVID-19 Assessment and Stress Testing, NPL and ECL Forecast, Impact Assessment of Taal Volcano Eruption, Earthquakes and Typhoons, Updates on CARE Program, Ratings Migration, Industry Exposure Limits, Consumer Loan Portfolio, Treasury Bond Portfolio, and Portfolio Quality of Subsidiaries

Market and Liquidity Risk

- Approved:
- Market and Liquidity Risk Models and Assumptions
- 2020 Treasury Limits
- Noted:
- 2020 Treasury Funding Plan and Balance Sheet Strategy
- Market and Liquidity Risk Reports including Regulatory Ratios, Liquidity and Repricing Gaps, IRRBB Metrics, and other measures
- Results of Uniform Stress Testing on Market Risk
- Liquidity Risk Triggers and Action Plans

Portfolio Quality

- Approved:
- Updated ESMS Policy
- 2019 Sustainability Report
- Climate Finance Scenario Analysis Advisory Engagement with IFC and 2DII
- Noted:
- Independent Credit Review Updates and Reports
- Green and Sustainability Bonds Allocation and Impact Reports
- ESMS Updates and Reports

Operational Risk

- Approved:
 - Consolidated Key Risk Indicator (KRI) Library
 - Consolidated Control Sample Test (CST) Library

Noted:

- Operational Risk Reports including RCSA, KRI, and CST Librarv
- KRI and CST Results
- Business Resiliency Reports
- COVID-19 Impact Assessment
- Business Continuity Plans and Pandemic Plans
- Consumer Protection Reports

Enterprise Fraud Risk

- Approved:
- Updated Enterprise Fraud Management Framework
- Noted:
- Enterprise Fraud Risk Reports
- Fraud Diagnostic Report

Information Security Governance

- Approved:
- Revisions on Information Security Charter and Information Security Program
- Enhanced Information Security Risk Assessment (ISRA) Template
- Noted:
- Information Security Reports

Reputational Risk

• Approved:

- Amendments to Reputational Risk Management Framework
- Noted:
- Reputational Risk Reports

<u>Others</u>

- Noted:
- Economic Impact of COVID-19
- COVID-19 Impact on Bank Financials
- BSP Regulations on COVID-19
- MOA on Distribution of Social Amelioration Program Funds through DiskarTech
- Trust Risk Reports
- Subsidiary Reports

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4. The Corporate Governance Committee

Composition:

The Corporate Governance Committee shall be composed of at least five members of the BOD who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson, with one member representing the minority shareholders.

Members:

Adelita A. Vergel de Dios (ID) - Chairperson Vaughn F. Montes (ID) Gabriel S. Claudio (ID) Shih-Chiao (Joe) Lin (NED) Lilia B. de Lima (NED)

The Corporate Governance Committee assists the BOD in fulfilling its corporate governance responsibilities. The highlights of the actions of the Corporate Governance Committee in 2020 are as follows:

- Exercised oversight on the nomination process for Directors and for positions requiring BOD approval;
- Reviewed and recommended to the BOD the assignment to Board Committees;
- Reviewed and endorsed for BOD approval the interlocking positions of Directors and Officers:
- Reviewed and endorsed for BOD approval the appointments of Senior Officers;
- Reviewed and endorsed for BOD approval the secondment of Senior Officers to subsidiaries:
- Exercised oversight on the continuing education program for the BOD;
- Facilitated the evaluation process of the 2019 performance of the BOD, the Boardlevel Committees, the individual members, the Chairperson and the CEO;
- Reviewed and endorsed for BOD approval the revisions to the Corporate Governance Manual
- Reviewed and approved the Charter of the Digital Enterprise Committee, a management committee;
- Reviewed and approved the 2020 Integrated Annual Corporate Governance Report (iACGR):
- Assessed and deliberated several external facilitators that will conduct the 2020 BOD performance evaluation process;

- Endorsed to the BOD the external facilitator that the Committee has selected that will conduct the evaluation of the 2020 performance of the BOD, Boardlevel Committees, individual Directors, the Chairperson and the CEO:
- · Reviewed and endorsed for BOD approval the 2021 Annual Board Plan:
- Discussed and Noted the following:
- Quarterly Report on New Hires and Separated Employees, and Attrition Report
- Quarterly Whistleblowing Report

5. The Related Party Transactions Committee

Composition:

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

Members:

Adelita A. Vergel de Dios (ID) - chairperson Gabriel S. Claudio (ID) Shih-Chiao (Joe) Lin (NED)

The RPT Committee assists the BOD in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. In 2020, the RPT Committee fulfilled its mandate under its charter, particularly on the review and disclosure of material related party transactions. Work done by the Committee in 2020 includes the following:

- Reviewed and evaluated all material related party transactions, those within the threshold amount of Php10,000.00 and above and those that require BOD approval regardless of amount (i.e., DOSRI loans, outsourcing, cross-selling, etc.) to ensure that such transactions are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged;
- All vetted material RPTs were endorsed to the BOD for approval;

- Reviewed and reported to the BOD on a guarterly basis the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties;
- Exercised oversight on the filing of the required reports to BSP under BSP Circular No. 895, as amended:
- » Report on Conglomerate Structure; and
- » Report on Material Related Party Transactions.

6. The Anti-Money Laundering Committee

Composition:

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

Members:

Gabriel S. Claudio (ID) - Chairperson Vaughn F. Montes (ID) Gil A. Buenaventura (NED)

Observer

Eugene S. Acevedo

The AML Committee assists the BOD in its mandate to fully comply with the Anti-Money Laundering Act, as amended, i Revised Implementing Rules and Regulations and the Anti-Money Laundering Regulations under the Manual of Regulat for Banks (MORB); and to ensure that oversight on the Bank compliance management is adequate.

In 2020, some of the crucial actions of the Committee includ

- The hiring of a third-party consultant to assist the Bank the development of its methodology for the conduct of Institutional Risk Assessment (IRA) covering the period January 2018 to 31 December 2019. Results of the IRA w presented to the AML Committee in September 2020.
- The AML Committee closely monitored the remediation plan of the Bank on its covered transaction reporting to ensure that all regulatory issues are addressed in a man acceptable to the Anti-Money Laundering Council.
- The AML Committee closely monitored the Bank's enhancements to its Money Laundering and Terrorist Financing Prevention Program (MTPP) which was asses to be "adequately sound" by the BSP during its last regu examination in 2019.
- The AML Committee continues to evaluate and monitor the Bank's ring-fencing activities on its Online Gaming Business (OGB) and Money Service Business (MSB) clie which includes the review and approval of accounts for closure. In 2020, the Committee approved Management recommendation to close all its OGB accounts.
- The Committee has fostered collaboration with the AMLC, and has approved the public-private partnership with the said agency in 2020.
- The Committee approved updates to the Bank's MTPP to capture recent changes in laws and regulations including the enactment of the Anti-Terrorism Act (ATA) and recent amendments to the Anti-Money Laundering Act (AMLA).

7. The Trust Committee

Composition:

The Trust Committee shall be composed of at least five members, including the president or any senior officer of the bank and the trust officer. The remaining committee members, including the chairman, may be any of the following: nonexecutive directors or independent directors who are not part of the Audit Committee, or those considered as qualified independent professionals, provided that in case there are more than five Trust Committee members, the majority shall be composed of qualified non-executive members

Members:

The Trust Committee is a special committee that reports di	-
to the BOD and is primarily responsible for overseeing the fiduciary activities of the Bank. Its activities in 2020 include following: • Formulation of policies and guidelines	
• Oversight of trust business including	
ions a. Review of Trust performance and approval business	plans
's b. Discussions on the monthly market updates and investment strategies of Trust	
de: c. Approval of creation and amendments of new UITF in products, and	
itsd. Review of organization structure, succession plan fo01Trust and other HR matters, among others	r
 • Evaluation and approval of management recommenda on the investment and disposition of funds or properti held in trust 	
ner • Management of risks in the conduct of the trust busine including	SS
a. Monthly discussions and review of various risk management reports (market risk, credit risk, operat risk, reputation risk, strategic risk, legal risk)	ional
ular b. Discussions on incident reports and issues affecting	Trust
c. Monitoring of the proper implementation of approve policies and guidelines	d
 Monitored resolution of various audit and compliance i in BSP examination, internal audit and compliance revi 	
ťs	

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8. The Technology Committee

Composition:

The Technology Committee shall be composed of at least three members of the BOD.

Members:

Helen Y. Dee (NED) – Chairperson Cesar E.A. Virata (NED) Eugene S. Acevedo (Executive)

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

- Approves major IT investments;
- Manages and aligns IT initiatives across the Group;
- Reviews status of major projects;
- Prioritizes IT initiatives, when warranted;
- Evaluates emerging IT solutions for use of the Group;
- Reviews, evaluates and resolves Cyber Security Issues, Disruptions and Disaster Recovery activities raised in the TechCom; and
- Ensures compliance to BSP rules and regulations relating to Information Technology.

In 2020, highlights of the actions of the Technology Committee are as follows:

- Acquire Customer Care Solution Project
- Enhanced Security for RCBC Bankard
- Migrate Finacle Core Banking to open platform
- Salesforce for Smart Customer Acquisition
- RCBC Securities EZTrade Mobile
 Application
- Request for the Purchase of Guava Module for Equities

- Upgrade of CORONA Nostro Reconciliation
- Additional RSA Tokens for VPN access
- Acquire Virtual Meeting Tool
- Upgrade of DC Virtual Environment
- Remote Deposit Capture
- ATM Asset Management
- Business Recovery Plan: Avaya One X
- RCBC Touch Digital Onboarding Project Increase in Marketing Budget
- Acquire Collaboration Solution
- PC Requirements for the Recovery Plan
- Network Perimeter Security Capacity
- Bulk Check Scan Service
- RCBC Bankard: Digital Onboarding 2: Agent Assisted
- Moneyware: Trust System Implementation
 Phase 2
- Acquire Additional TeamMate Licenses
- AutoLoans BPR

Upgrade

- Treasury Dealerboard Upgrade
- BC Connectivity: Migrate from MPLS to new FIBER Internet Technology
- Customer Information Updating for ROR Enrollment
- Data Lake & Power BI Upgrade

Advisory Board

The Advisory Board provides informed guidance to the BOD. Members are appointed by the Board and do not have any voting rights but contribute by way of providing non-binding but relevant advice during BOD meetings. While the By-Laws allow for up to 10 members in the Advisory Board, the Bank has two appointed Advisory Board members. Both are business leaders and of known probity and integrity. The members of the Advisory Board are Mr. Francis C. Laurel and Ms. Yvonne S. Yuchengco.

SHAREHOLDINGS

As of December 31, 2020, only the following stockholders own more than 5% of RCBC's common stock:

Title of Class	Name, Address of record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	Pan Malayan Management & Investment Corporation Address: 48/F Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue Makati City Relationship with issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.	Filipino	807,582,173*	41.72%
Common	Cathay Life Insurance Corporation Address: 296 Ren Al Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder		Non-Filipino	452,018,582	23.35%
Common	International Finance Corporation (IFC) & IFC Capitalization (Equity) Fund, L.P. (IFC) Address:2121 Pennsylvania Avenue, NW Washington, DC 20433 USA Relationship with Issuer: Stockholder HSBC's Karina del Rosario and Paul Arthur O. Austria are authorized to vote 71,151,505 shares of IFC under PCD Nominee. Citibank's Rachel Oliveros, and Ginger Aguirre- Reyes are authorized to vote 36,724,137 shares of IFC under PCD Nominee	International Finance Corporation (IFC) The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.	Non-Filipino	107,875,642	5.57% (Shares are under PCD Nominee)

*Combined Direct and Indirect Shares of PMMIC

CONGLOMERATE STRUCTURE

Corporate Governance

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

Title of Class	Name of Beneficial Owner	Amount and of record / be ownersh	eneficial	Citizenship	Percent of Class (%)	
		Par Amount	Nature			
Common	Helen Y. Dee	13,988,060	R/B	Filipino	0.07	
Common	Gil A. Buenaventura	50	R/B	Filipino	0.00	
Common	Cesar E.A. Virata	1,384,340	R/B	Filipino	0.01	
Common	Lilia B. De Lima	10	R	Filipino	0.00	
Common	Vaughn F. Montes	50	R	Filipino	0.00	
Common	Eugene S. Acevedo	1,986,000	R/B	Filipino	0.00	
Common	Gayatri P. Bery	10	R	American	0.00	
Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00	
Common	Arnold Kai Yuen Kan	10	R	Canadian	0.00	
Common	Armando M. Medina	1,950	R	Filipino	0.00	
Common	John Law	10	R	French	0.00	
Common	Gabriel S. Claudio	10	R	Filipino	0.00	
Common	Laurito E. Serrano	10	R	Filipino	0.00	
Common	Adelita A. Vergel de Dios	10	R	Filipino	0.00	
Common	Juan B. Santos	50	R	Filipino	0.00	
	Subtotal	17,360,580				
	Ex	ecutive Officers				
Common	Evelyn Nolasco	27,000	В	Filipino	0.00	
	Subtotal	27,000				
	TOTAL	17,387,580				

CONGLOMERATE STRUCTURE

The Bank is a member of the Pan Malayan Management and Investment Corporation (PMMIC)/ Yuchengco Group of Companies (YGC) conglomerate, and the parent of the RCBC Group. The BOD ensures the RCBC Group's compliance with corporate governance policies, practices and requirements under existing regulations.

• MICO EQUITIES, INC. GPL HOLDINGS INC 77.26% PMMIC 60.313% PMMIC, 15.623% A.T. Yuchengco, Inc., 10.024% • Malayan Insurance RCBC Company, Inc. 80.63% Sunlife Grepa Financial, Inc. Malayan International Insurance Corp. Ltd Life Insurance 51% • EEI Corporation Reinsurance 100% 44.32% Grepalife Asset Management Corporation 100% Grepa Realty Holdings Corp. 51% Sun Life Grepa, 49% GPL Ltd, 100% Holdings, Inc. Engineers, Inc. Grepaland, Inc. Realty Company 41% GPL Holdings, 32% PMMIC, 27% Albert S. Yuchengco **__** 100% 99.99% Pan Pacific Computer Center, Inc. Holdings, Inc. People eServe Corporation 50% HOI Malayan Education System, Inc. 55% 50% Mapua Information Technology Center 100% - Xamdu Motors, Inc. -• Malayan High School of Science, Inc. 100% 99.2% Malayan Colleges Laguna, Inc. 100% 100% • 50% Mapua Techserv, Inc.

San Lorenzo Ruiz Institute of Health Sciences, Inc. 100%

48.07%

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MANAGEMENT

Chief Executive Officer

The Bank's CEO is Mr. Eugene S. Acevedo. He is responsible for the management of the business and affairs of the Bank, guided by the strategic direction and risk appetite approved by the BOD. He is primarily accountable to the BOD in championing the desired conduct and behavior, implementing strategies, and promoting the long-term interest of the Bank. He ensures that the business and affairs of the Bank are managed in a sound and prudent manner, and that operational, financial and internal controls are adequate and effective.

The CEO is also in-charge of public relations and advertising relations with the BSP and other offices, agencies and instrumentalities of the Philippine government, the Bankers Association of the Philippines, and other industry associations. He is a member of the Executive Committee and of all major management committees, and exercises powers and performs duties the BOD prescribes.

The CEO provides leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the BOD. He provides the BOD with a balanced and understandable account of the Bank's performance, financial condition, results of operations on a regular basis.

The Bank's Corporate Governance Manual prescribes that the positions of Chairperson and CEO shall not be held by one person.

Duties and Responsibilities of Management

Under the direction of the BOD, Management shall ensure that the Bank's activities are consistent with the business strategy, risk tolerance and appetite, and policies approved by the BOD. Senior Management is responsible and held accountable for overseeing the day-to-day management of the Bank. Thus, it is required that members of Senior Management shall have the necessary experience, competencies, and integrity to manage the businesses under their supervision as well as have appropriate control over the key individuals in these areas.

Management Committees

The Bank has four senior management committees that provide a regular forum, at a lower level, to take up risk issues:

The Credit and Collection Committee

(CRECOLCOM) is an intermediary credit approving body chaired by the President & Chief Executive Officer (CEO) and composed of the heads of the Asset Management and Remedial Group, the Treasury Group, the Corporate Banking Group, the Small and Medium Enterprises Banking Group, and the Retail Banking Group. It meets weekly to review and approve credit or credit-related proposals with the specific authority delegated to it by the BOD. It also reviews the plans and progress on the resolution of problem loan accounts. The committee reports and recommends to the Executive Committee (EXCOM) immediate measures to reduce the level of past due accounts.

The Asset/Liability Committee (ALCO),

chaired by the Treasurer, is composed of senior executives of the Bank, including the President and CEO, and the heads of various business and support groups from Corporate Banking, Commercial Banking, Consumer Lending, Branch Banking, Risk Management, Corporate Planning and Controllership. The ALCO coordinates the management of assets and liabilities of the Bank with the objective of earning acceptable returns for the stockholders of the institution.

ALCO meetings are held every week. The major responsibilities of the committee, among others, are:

- 1. Communicates the Bank's liquidity, interest rate, and foreign exchange risk positions to its members:
- 2. Monitors the composition of the assets and liabilities of the Bank and identifies the gaps in the balance sheet. It develops a maturity profile and mix of incremental assets and liabilities, such as, cash flow and interest rate gaps;
- 3. Monitors the yields and cost of the assets and liabilities, as well as the weekly movements:
- 4. Looks into the major structure of both the assets and liabilities of the balance sheet and gives direction on what course it wants the Bank to take. It assesses the duration, ratio of foreign exchange of assets and liabilities vs. local the local currency and the mix of wholesale and retail funding;
- 5. Reports macroeconomic updates;
- 6. Decides the strategy on how to respond to domestic and international market developments which may affect interest rate and foreign exchange risk positions, and their possible effect on the Bank's lending portfolio;

- 7. Articulates the interest rate view of the Bank used for deciding future business strategy with consideration on the funding cost, market conditions and competitive positioning;
- 8. Decides on transfer pricing policy and communicates pricing strategy for deposit and lending activities;
- 9. Reviews and revises (as needed) the Bank's funding policy and annually, the liquidity contingency plan for the Bank; and
- 10. Evaluates market risk involved in launching of new products.

The Related Party Transactions Management Committee (RPT ManCom) is composed of select Group Heads of the business units, as specified in the charter, or their respective designates. The RPT ManCom meets monthly to review and approve proposed RPTs below the materiality threshold. This is to ensure that the terms of the transaction are more favorable to the Bank than to any unconnected third party unless the transaction requires BOD approval. On highly meritorious cases, e.g., for time-sensitive or urgent transactions, the Committee allows the routing of transactions via email for review and approval, provided that all routed RPTs are approved by a majority of the members of the Committee. The RPT ManCom submits to the BOD a monthly report of all the RPTs it has approved for confirmation.

The Anti-Money Laundering Management Committee (AML ManCom), chaired by the Chief Compliance Officer, meets weekly to decide whether the unusual or suspicious transactions flagged by the Compliance Office or by other bank units would merit the filing of Suspicious Transaction Reports (STRs) to the Anti-Money Laundering Council. The Committee also issues directives on what to do with the account or the business relationship, as well as require other actions like the issuance typologies, as deemed necessary.

Long-Term Bonus Plan for Key Employees and Materia **Risk Takers**

The Bank has set a performance period of five years in establishing a long-term bonus plan for key employees and material risk takers as this is seen necessary to ensure that they do not take a short-sighted view, and will be driven to work for the long-term financial success of the organization. The performance-driven approach aligns the interests of key employees with the shareholders' interests and links the long-term bonus plan to the achievement of business and performance objectives by key employees deemed to have a major influence on the long-term performance of the Bank and to the market value of the shares of the Bank. In determining the bonus pool, consideration is given to the Bank's financial performance, market benchmarks and market conditions, as well as to individual performance of the employees. Consideration is given to audit findings and a general evaluation of the risks taken

The right long-term bonus plan for an organization is one that meets the following objectives:

- 1. Alignment with shareholder interests. The long-term bonus plan must be one that drives high performance and contributes to overall business goals, including sustainable long-term growth, thereby increasing shareholder value.
- 2. Key employees' retention. It must attract, retain and reward the key employees that are able to successfully execute the organization's strategic objectives.
- 3. Alignment of the bonus plan with prudent risk-taking. The bonus plan must be one that is designed to provide incentives to build sustainable sources of income and enterprise value. Long term bonuses awarded are earned over a five-year period and are directly correlated to changes in profitability and enterprise value.

Senior Executive Compensation

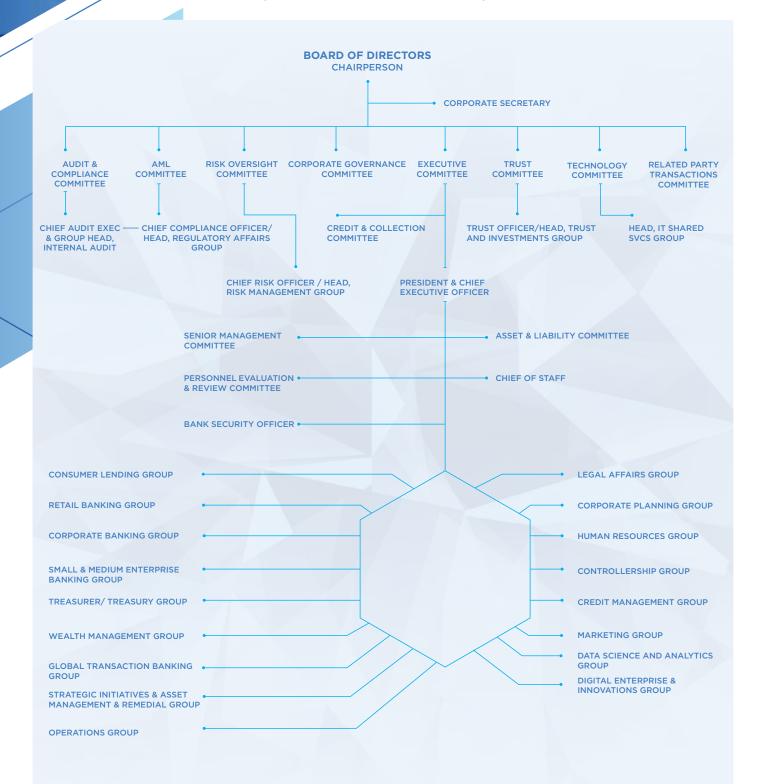
The executive director of the Bank (President and CEO) does not receive any per diem for attendance in BOD and Board committee meetings. He is entitled to remuneration and benefits by virtue of being an officer of the Bank.

- The process used in determining the remuneration of the President and Chief Executive Officer and the four most highly compensated management officers of the Bank is disclosed in the remuneration policy which can be found under the Social Contributions section.
- The aggregate compensation paid or accrued to the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows (in thousand pesos):

e of	Names	Principal Position	Aggregate Compensation (net of bonuses)	Bonuses
ial	Eugene S. Acevedo	President and CEO		
	Redentor C. Bancod	Senior Executive Vice President		
	Horacio E. Cebrero III	Senior Executive Vice President	89,276	33,699
l.	John Thomas G. Deveras	Senior Executive Vice President		
2	Angelito M. Villanueva	Executive Vice President		

TABLE OF ORGANIZATION

The following is an overview of the Bank's Table of Organization as of December 31, 2019:



SHAREHOLDERS

Shareholders' Rights and Protection of Minority Stockholders' Interest

The Bank respects the following rights of the stockholders, as provided for in the Revised Corporation Code::

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

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

Right to Nominate Candidates for the Board

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

Voting Rights

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

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

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

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

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

Conduct of Shareholders' Meeting

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

In view of the COVID-19 pandemic, the Annual Stockholders' Meeting (ASM) held on July 27, 2020 was conducted virtually via videoconferencing, as allowed by the BSP and SEC. The Bank hired an independent party, Punongbayan & Araullo, to count and validate votes cast at the meeting. Proper and timely disclosures were made immediately after the ASM. Results and minutes of the meeting are available on the Bank's website.

Right to Inspection

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

Right to Information

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

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

They shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority stockholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

Dividend Policy

Article XI, Section 1 of the By-Laws of the Bank provides that dividends shall be declared and paid out of the surplus profits of the Bank as the BOD may determine after making provisions for the necessary reserves in accordance with law and the regulations of the BSP.

Corporate Governance

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

The Bank ensures compliance with prerequisites set by the BSP for the declaration of dividends.

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

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

a. Bad debts against which valuation reserves are not required by the BSP to be set up;

Details of the 2020 cash dividend distribution are as follows:

b. Unbooked valuation reserves, and other
unbooked capital adjustments required by
the BSP, whether or not allowed to be set
up on a staggered basis;

- c. Deferred income tax;
- d. Accumulated profits not yet received but already recorded by a bank representing its share in profits of its subsidiaries under the equity method of accounting;
- e. Accrued interest as required to be excluded pursuant to Item "d" of Subsec.
 X305.4, net of booked valuation reserves on accrued interest receivable or allowance for uncollectible interest on loans; and
- f. Foreign exchange profit arising from revaluation of foreign exchange denominated accounts.

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

Nature of	Date	Divi	dend		Date Appro	Date Paid /	
Securities	Declared	Per Share	Total Amount	Record Date	By BOD	By BSP	Payable
Convertible Preferred	Feb. 24, 2020	0.0993	0.03	Feb. 26, 2020	Feb. 24, 2020	*	April 1, 2020
Common Preferred	May 26, 2020	0.0808	0.02	May 27, 2020	May 26, 2020	*	June 24, 2020
Common Stock	May 26, 2020	0.5560	1,076.21	May 28, 2020	May 26, 2020	*	June 24, 2020
Preferred Stock	May 26, 2020	0.5560	0.15	May 28, 2020	May 26, 2020	*	June 24, 2020
Convertible Preferred	Sept. 1, 2020	0.0589	0.02	Sept. 17, 2020	Sept. 1, 2020	*	Sept. 24, 2020
Convertible Preferred	Dec. 1, 2020	0.0563	0.02	Dec. 2, 2020	Dec. 1, 2020	*	Jan. 7, 2021
*Not applicable: B	SR approval pot	anymora	auirod du	ring those period	10		

*Not applicable; BSP approval not anymore required during these period

Appraisal Right

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

Investor Relations Program

The BOD shall commit at all times to fully disclose material information dealings. It shall cause the timely filing of all required information for the interest of its shareholders and other stakeholders. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC and Philippine Stock Exchange (PSE) by the responsible committee or officer through the Bank's Compliance Officer. Material Information emanating from the BOD shall be disclosed and shall be the responsibility of the Corporate Information Officer (CIO). The CIO shall also be responsible for efficiently providing information and addressing the concerns of shareholders and other stakeholders through the Bank website which provides complete and userfriendly information about the Bank.

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

All material information about the Bank, i.e., anything that could adversely affect share price, shall be publicly disclosed. Such information and/or transactions shall include, among others, earnings results, acquisition or disposal of significant assets, related party transactions, BOD membership changes, shareholdings of directors and officers and any changes thereto, and such material events or information which are required to be disclosed pursuant to the SRC and its Implementing Rules and Regulations. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management, corporate strategy, and off balance she transactions.

All disclosed information shall be released via the approved and established stock exchange procedure for corporate announcements as well as through the annual report. The governance of the Bank shall be adequately transparent its shareholders and other stakeholders.

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

Material Information / Transactions

The Bank is committed to disclose material information to its stakeholders as part of its adherence to transparency, accountability, and fairness. The following are the material information/transactions approved by the BOD for 2020:

01-27-2020 Other Events

During its January 27, 2020 Regular Meeting, where a quorur was present and acting throughout, the following were approved by the BOD:

- Increase in the Program Size of the Bank's Medium Term Note Programme from US 2 billion to USD3 billion.
- Establishment of a wholly owned rural bank with electro payment and financial services and cloud-based core banking licenses from BSP, which will engage in purely digital banking business in the Philippines; subject to BS SEC, and other regulatory approvals as may be appropriated

02-24-2020 Change in Directors/Officers

During its February 24, 2020 Regular Meeting, where a quorum was present and acting throughout, the following we approved by the BOD:

- The Audited Financial Statements of RCBC and RCBC— Trust and Investments Group as of year ended December 31, 2019, as audited by Punongbayan & Araullo, for final approval of the stockholders.
- 2. Declaration of cash dividends on convertible preferred shares amounting to Php0.09928 per share or a total of Php26,549.75, payable to holders of convertible preferred shares as of March 21, 2020 and payable within five tradin days from record date.
- 3. Appointment of Mr. Horacio E. Cebrero III (Senior Execu Vice President/Treasurer/Head of Treasury Group) as Chairman and Director of RCBC Forex Brokers Corporat

03-11-2020 Other Events

Update on the report in 2018 AFS pertaining to the Banglade Case: The Bangladesh Bank filed a complaint on January 31, 2019 in the Southern District of New York (Federal Court in New York) against RCBC and some RCBC employees, other individuals, and entities. Although RCBC believes the compla and summons were not properly served, it appeared in the action to defend itself and bring a motion to dismiss the

et	complaint on two grounds: forum non conveniens (that the case belongs in the Philippines); and lack of subject matter jurisdiction (that the federal court does not have authority to hear the case). The motions to dismiss are currently pending.
	04-08-2020 Notice of Annual or Special Stockholders' Meeting
	Indicative Date of the Annual Stockholders' Meeting - June 29, 2020, in accordance with the Bylaws of the Bank.
t to	04-27-2020 Notice of Postponement of Annual Stockholders' Meeting
tes d by	04-27-2020 Notice of Annual or Special Stockholders' Meeting (Amended disclosure on 04-08-2020)
ade I	The BOD approved the postponement of the June 29, 2020 Annual Stockholders' Meeting, as well as the Organizational Board Meeting that followed, to July 27, 2020. The BOD likewise approved that any further adjustment of the date of the meeting as may be deemed necessary, be left to the discretion of the Chairperson of the BOD and the President and Chief Executive Officer. Original Disclosure on Notice of Annual or Special Stockholders' meeting was amended to give notice on the postponement of the Annual Stockholders' Meeting from June 29, 2020 to July 27, 2020.
	05-26-2020 Other Events
n	05-26-2020 Change in Directors/Officers During its May 26, 2020 Regular Meeting, where a quorum was present and acting throughout, the following were approved by the BOD:
onic SP, riate.	 Annual Cash Dividend Declaration on Common and Convertible Preferred Shares amounting to Php0.556 per share, or a total of approximately Php1.08 billion to holders of Preferred and Common Class shares as of the close of the 10th trading day from BOD approval (record date) and payable within ten trading days from record date.
vere	2. Quarterly Cash Dividend Declaration on Convertible Preferred Shares amounting to Php0.08077 (US\$0.00160) per share or a total of Php21,597.58 (US\$428.52 @ Php50.40). The cash dividend is payable to holders of convertible preferred shares as of June 21, 2020 (record date) and payable within five trading days from record date.
er	 Concurrent/interlocking positions of Mr. Angelito M. Villanueva, RCBC Chief Innovation and Inclusion Officer and Head of the Digital Enterprise and Innovation Group, as President and CEO of the Digital Bank.
ng	4. Concurrent/interlocking officership of Atty. Maria Cecilia V. Chaneco-Lonzon, Assistant Corporate Secretary with the rank of Assistant Vice President, as Corporate Secretary for RCBC Leasing & Finance Corporation/RCBC Rental Corporation and Rizal Microbank - a Thrift Bank of RCBC.
utive	
tion.	 Appointment of Mr. Ramil M. De Villa as Head of the Consumer Collection Segment, Credit Management Group, with the rank of Senior Vice President.
esh	6. Conduct of the 2020 Annual Stockholders' Meeting virtually, and that the stockholders be allowed to participate and to vote through remote communication or in absentia. The BOD authorized the Corporate Secretary to set the intermediate for the participate the set the set of the s
aint	internal procedures for the said meeting as allowed under the Revised Corporation Code, SEC Memorandum Circular No. 6, Series of 2020, and the Bank's By-Laws.

05-27-2020 Declaration of Cash Dividends (Amended disclosure on 05-26-2020)

The amendment of the original disclosure on the declaration of dividends on common and preferred shares is to clarify that the Bank's preferred shares are unlisted preferred shares.

06-03-2020 Change in Directors/Officers (Amended disclosure on 05-26-2020)

The amendment of the disclosure regarding the appointment of Mr. Ramil M. De Villa as Head of the Consumer Collection Segment, Credit Management Group, with the rank of Senior Vice President was made to reflect the effectivity date of his appointment, i.e., July 1, 2020.

06-15-2020 Notice of Annual or Special Stockholders' Meeting [Amended disclosures on 04-27-2020 and 06-15-2020 (2nd and 3rd Amendment)]

The second amendment is to provide the other details pertaining to the Annual Stockholders Meeting and to provide the Notice, Procedure, Proxy Form, Ballot Form, Agenda and Rationale/Explanation for Agenda Items. The third amendment is to revise the record date in accordance with the advice from the SEC on June 15, 2020.

06-29-2020 Other Events

06-29-2020 Change in Directors/Officers

During its June 29, 2020 Regular Meeting, where a quorum was present and acting throughout, the following were approved by the BOD:

- Issuance of up to USD300 million Noncumulative Unsecured Subordinated Capital Securities, eligible as Additional Tier 1 Capital under Basel 3.
- 2. Appointment of Mr. Frederick E. Claudio as Chief Risk Officer and Head of the Risk Management Group, with the rank of Executive Vice President, effective July 1, 2020.
- 3. Appointment of Mr. Robert Rol Richard Raymond B. Ramos as Trust Officer and Head of the Trust and Investments Group, with the rank of First Senior Vice President effective July 16, 2020.
- 4. Recall of Executive Vice President Simon Javier A. Calasanz from his secondment as President and CEO of RCBC Bankard Services Corporation and appointment of Mr. Calasanz as Head of the Consumer Lending Group effective July 16, 2020.

Resignation of Mr. Jamal Ahmad, First Senior Vice President/Chief Risk Officer/Head, Risk Management Group from the Bank effective July 16, 2020 to pursue other personal endeavors.

07-03-2020 Resignation of Director

The Bank received on July 3, 2020, the resignation of Richard Gordon Alexander Westlake from the BOD, in view of IFC's confirmation that he has reached his Nominee Director term limit of six years on June 30, 2020.

07-27-2020 Other Events

07-27-2020 Results of Annual Stockholders' Meeting

07-27-2020 Change in Directors/Officers

07-27-2020 Results of Organizational Meeting

Items approved by Stockholders at their Annual Meeting and BOD at its regular and organizational meetings, respectively, held on July 27, 2020.

- Regular Meeting of the BOD
- Appointment of Aline A. Novilla, Senior Vice President, as Chief Audit Executive and Head of the Internal Audit Group effective August 10, 2020 in place of Edel Mary G. Vegamora who is retiring effective said date.
- Annual Stockholders' Meeting1. Election of the following Directors to hold office for a term of one year:

As Regular Directors: Ms. Helen Y. Dee Mr. Cesar E. A. Virata Mr. Eugene S. Acevedo Mr. Gil A. Buenaventura Mr. John Law Mr. Shih-Chiao (Joe) Lin Mr. Arnold Kai Yuen Kan Atty. Lilia B. de Lima Ms. Gayatri P. Bery

As Independent Directors: Mr. Armando M. Medina Mr. Juan B. Santos Atty. Adelita A. Vergel De Dios Mr. Gabriel S. Claudio Mr. Vaughn F. Montes Mr. Laurito E. Serrano

- 2. Approval of the 2019 Annual Report and 2019 Audited Financial Statements;
- 3. Ratification of actions of the BOD, various Committees and Management;
- 4. Confirmation of Significant Transactions with DOSRI and Related Parties; and
- 5. Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2020.

Organizational BOD Meeting:

- 1. Appointment of Corporate Officers: Mr. Eugene S. Acevedo - President and Chief Executive Officer
- Mr. Horacio E. Cebrero III 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

- 3. Appointment of Ms. Helen Y. Dee as Chairperson, and Mr. Cesar E. A. Virata as Corporate Vice Chairman.
- 4. Appointment of the following as Chairpersons and Members of the Various Committees:

Committee	Names	Position
Executive Committee	Helen Y. Dee Eugene S. Acevedo Cesar E.A. Virata Armando M. Medina Gil A. Buenaventura	Chairperson Vice Chairperson Member Member Member
Audit and Compliance Committee	Laurito E. Serrano Vaughn F. Montes, Ph.D. Atty. Adelita Vergel de Dios	Chairperson Member Member
Risk Oversight Committee	Vaughn F. Montes, Ph.D. Laurito E. Serrano Gayatri P. Bery John Law Eugene S. Acevedo	Chairperson Vice Chairperson Member Observer Observer
Corporate Governance Committee	Atty. Adelita A. Vergel de Dios Gabriel S. Claudio Shih-Chiao (Joe) Lin Vaughn F. Montes, Ph.D. Atty. Lilia B. de Lima	Chairperson Member Member Member Member
AML Committee	Gabriel S. Claudio Gil A. Buenaventura Vaughn F. Montes, Ph.D. Eugene S. Acevedo	Chairperson Member Member Observer
Related Party Transactions Committee	Atty. Adelita A. Vergel De Dios Shih-Chiao (Joe) Lin Gabriel S. Claudio	Chairperson Member Member
Trust Committee	Juan B. Santos Cesar E.A. Virata Eugene S. Acevedo (President) Atty. Lilia B. de Lima Trust Officer	Chairperson Member Member Member Member
Technology Committee	Helen Y. Dee Cesar E.A. Virata Eugene S. Acevedo	Chairperson Member Member

07-28-2020 Change in Directors/Officers (Amended the disclosure on 07-27-20) $% \left({\left({{{\rm{Amended}}} \right)_{\rm{abs}}} \right)$

Appointment approved by the BOD on July 27, 2020 - Aline A. Novilla as Chief Audit Executive and Head of the Internal Audit Group effective August 10, 2020 in place of Edel Mary D. Vegamora who is retiring effective said date. The amendment is to correct the middle initial of Ms. Vegamora.

orate 07-28-2020 Results of Annual Stockholders' Meeting (Amended the disclosure on 07-27-20)

The amendment of the original disclosure is to provide SEC Form 17C.

07-28-2020 Legal Proceeding

The President of RCBC received the Order dated 14 July 2020 of the BSP in the case docketed as IPG A.C. No. 2020-005, entitled "Inang Nag-Aaruga sa Anak Foundation, represented by Ma. Asuncion L. Yu, et al. vs. Eugene S. Acevedo, et al.", attached to which is the Complaint-Affidavit dated 23 June 2020.

09-01-2020 Other Events

During its September 1, 2020 Regular Meeting, where a quorum was present and acting throughout, the BOD approved the Quarterly Cash Dividend Declaration on Convertible Preferred Shares amounting to Php0.05894 (US\$0.00120) per share or a total of Php15,761.37 (US\$320.68 @ P49.150). The cash dividend is payable to holders of convertible preferred shares as of September 21, 2020 (record date) and payable within 5 trading days from record date.

09-28-2020 Other Events

During its September 28, 2020 Regular Meeting, where a quorum was present and acting throughout, the BOD approved the Secondment of FVP Anna Christina Vicente and appointment as President and CEO of RCBC Leasing and Finance Corporation.

10-05-2020 Other Events

During its October 5, 2020 Regular Meeting, where a quorum was present and acting throughout, the BOD approved the Interlocking positions of the following in RCBC-JPL Holding Co., Inc. (a) Mr. Kenneth Mark F. Garcia as Chairman and President and (b) Ms. Lea B. Torres as Director and Officer.

12-01-2020 Change in Directors/Officers

During its December 1, 2020 Regular Meeting, where a quorum was present and acting throughout, the following were approved by the BOD:

- 1. Cash Dividend Declaration on Convertible Preferred Shares amounting to P0.05630 (US\$0.00116) per share or a total of P15,056.04 (US\$311.08 @ P48.400). The cash dividend is payable to holders of convertible preferred shares as of December 21, 2020 (record date) and payable within 5 trading days from record date.
- 2. Appointment of Brent C. Estrella as Chief Compliance Officer and Head of the Regulatory Affairs Group with the rank of First Senior Vice President, effective December 02, 2020.

12-14-2020 Other Events

During its December 14, 2020 Special Meeting, where a quorum was present and acting throughout, the BOD approved the proposed 2021 budget.

OTHER STAKEHOLDERS

Creditors' Rights

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

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

Supplier/Contractor Selection and Criteria

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

In certain cases, as permitted by law and regulations, the supplier/contractor selection process is being handled by House of Investments, Inc. (HOI), an affiliate of the Bank. HOI's Procurement Shared Services has the following policies:

- a. Code of Ethics for Procurement
- b. Code of Ethics for Suppliers
- c. Supplier Management
- d. Policies in Choosing a Supplier
- e. Procurement Process
- f. Contract Management
- g. Manual Structure, Use, Revisions/ Amendments
- h. Early Involvement in Procurement

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

Environment-friendly Value Chain

RCBC has a Sustainable Finance strategy that recognizes its role in promoting sustainable practices for the Bank and its clients that will minimize any negative environmental, social and reputation impact of the Bank's financing activities and its clients' operation. The Bank believes that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities. In pursuit thereof, the Bank has instituted the Environmental and Social Management System (ESMS) and has developed a Sustainable Finance Framework.

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

The E&S risk and impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. All credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing and are screened using applicable requirements of the IFC Performance Standards, directives of Environmental Management Bureau (EMB) and other government agencies, and international/ domestic best practices - the Exclusion List, relevant national and international laws on environment, biodiversity, deforestation, marine environment, water risk, pollution prevention, indigenous peoples and protection of cultural heritage, health, human and labor rights, safety and social issues and any standards established therein. An Environmental Risk Category (ERC) is assigned and credit approvals are obtained in accordance with requirements depending on the ERC.

This assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. Applicable environmental covenants are incorporated in the loan/credit agreement that are periodically evaluated and monitored to ensure compliance for the entire duration of the loan.

In addition to ESMS, the Bank developed its Sustainable Finance Framework in 2019, which articulates its intention to fund loans and projects that have clear environmental and/or social benefits. Under this framework, RCBC can issue green, social or sustainable debt instruments to finance and refinance RCBC's loans to customers or its own operating activities in Eligible Green Categories and/or Eligible Social Categories. In addition to ESMS, the Bank developed its Sustainable Finance The Risk Management Group (RMG) has come up with a Risk Governance Framework which provides a detailed discussion on each type of risk including the identification, measurement and management of these risks.

RCBC's implementation of its ESMS and its own Sustainable Finance Framework exemplifies an early response to the BSP's call for financial institutions to be enablers of environmentally and socially responsible business decisions. This is provided for under BSP Circular 1085 on Sustainable Finance Framework that was issued in April 2020. The assessment of control mechanisms in managing inherent and residual risks by the business units is an effective risk engine in the risk management process. By determining and assessing the risks involved in banking operations, the Bank can decide what types of controls are needed and how they should be managed.

INTERNAL CONTROL

Effective internal control is the foundation of safe and sound Control activities refer to the policies and procedures designed banking. It reduces the possibility of significant errors and to help ensure that all bank personnel are properly guided irregularities, and in the event of occurrence, said internal by the control measures established by the Bank. Control activities form an integral part of the daily activities of the Bank. control assists in timely detection. A properly designed and consistently enforced system of operational and financial An effective internal control system requires that appropriate internal controls helps the Bank's BOD and Management to control mechanisms are set up, with control activities defined safeguard the Bank's resources, produce reliable financial at every business level. In this regard, the Bank has ensured reports and comply with applicable laws and regulations. that control activities, which are directed through policies and procedures, are designed and implemented to address the risks The Bank has established an effective internal control system to involved in banking operations.

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

Control Environment

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

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

Risk Assessment

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

Control Activities

The control activities implemented by the Bank include, but are not limited to, the following: a. Establishing approvals and authorization for transactions

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

• Management Reporting System

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

Corporate Governance



Monitoring Activities and Correcting Deficiencies

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

The overall effectiveness of the Bank's internal controls is monitored on an ongoing basis. In view of changing internal and external conditions, Management continually monitors and evaluates the Bank's internal control system to ensure that these are adequate and continue to function properly. Periodic assessment and evaluation of control mechanisms used in managing risks are conducted by the business units in coordination with internal audit, risk management and other support units. Internal control deficiencies, whether identified by business units, internal audit or other control personnel, are reported in a timely manner to the appropriate management level so that the same can be addressed immediately.

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

Compliance Function

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

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

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

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

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

- a. The Regulatory Affairs Divisions (RADs) performs horizon scanning and impact assessment of new regulations and market trends, and the embedding of rules and regulations to the Bank's policies, procedures, and controls.
- b. The Anti-Money Laundering Monitoring and Reporting Division (AMRD) is responsible for the monitoring, analysis, disposition and investigation of AML alerts; reporting of possible suspicious transactions; filing of reports on crimes and losses; monitoring and filing of covered transactions reports and suspicious transactions reports; recommending new or updating AML alert rules; and updating AML watchlists for name screening.

c. The Testing and Monitoring Division (TMD) is responsible for the identification, assessment and monitoring of compliance risks and level of compliance of the different business lines, products and services with the relevant regulations governing banks. It also supports the overall operations of RAG which includes project management for key compliance projects, dissemination and reporting of regulatory issuances, planning, and administrative matters.

INTERNAL AUDIT

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

The scope of work of Internal Audit encompasses, but is not limited to, the examination and evaluation of all business The External Auditor systems, processes, operations, functions and activities within External Audit Fees and Services. The Audit and Compliance the Bank including functions that are outsourced, its subsidiaries and branches. Such scope of work determines the adequacy Committee is empowered to appoint the external auditor of and effectiveness of the Bank's risk management, control and the Bank and approve all auditing and non-audit services. It governance process to provide reasonable assurance that: recommends to the BOD the selection of an external auditor considering independence and effectiveness and recommends • Risks are appropriately identified and managed in the the fees to be paid.

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

Internal Audit adheres to the applicable professional standards and code of ethics, including the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (ISPPIA), Information Systems Audit and Control Association standards and guidelines and the relevant requirements of the Bangko Sentral ng Pilipinas and other bank regulators.

An independent assessment of the internal audit function is conducted every five years by an external auditor through a quality assurance review. In 2015, the internal audit function underwent full external quality assessment review by an independent assessor and the latest Quality Assurance Report was released on November 25, 2015. An External Quality Assessment is currently being undertaken by an external service provider, the results of which are expected to be released by the second quarter of 2021.

The following are audit and non-audit fees paid to the Bank's external auditor, Punongbayan and Araullo, in 2020:

and	2020	Audit Fee (in Million Pesos)	Non-Audit Fee (in Million Pesos)	Total (in Million Pesos)	
е	Parent	7.47	6.02	13.49	
tion	Group	12.02	7.14	19.16	
e	Non-audit fees include engagements for the quarterly review and agreed upon procedures in connection with the Bank's Offering Circulars.				
e ıding	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. In connection with the audits of the Bank's financial statements for the two most recent years ended December 31, 2020 and 2019, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.				
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Corporate Governance

Policies

Code of Conduct

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

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

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

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

Anti-Corruption Policies

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

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

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

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

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

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

Use of Insider Information

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

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

Whistleblowing Policy

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

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

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

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

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Anti-Money Laundering Act (AMLA)

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

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

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

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

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Related Party Transactions

In July 2019, the BOD approved the revised Policy on Related Party Transactions (RPT) following SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions for Publicly-listed Companies" issued on April 27, 2019. The policy defines "related party transactions" as transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

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

RPTs shall be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

The term "related parties" under the Bank's updated RPT Policy has been expanded in scope as it broadens the definition of "close family members" to include relatives of the Bank's Directors, Officers and Stockholders within the 4th degree of consanguinity or affinity, legitimate or common-law. Related parties also include corresponding persons in affiliated companies, those with direct or indirect linkages with the Bank, members of the Bank's Advisory Board and subsidiaries of related parties.

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

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

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

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

Transactions with related parties involving amounts of at least Php10,000,000.00 are considered as material RPTs. This threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring BOD approval under the regulations, i.e., cross-selling, outsourcing, etc., which are always considered "material" regardless of amount. Where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group, the transaction shall be accompanied by a fairness opinion issued by an external independent party to be appointed by the BOD. The Bank observes the following limits on exposures to related parties:

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

^{*}Not to exceed the aggregate limit for Other Contracts

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

Details of the Bank's major related party transactions in 202 are described below:

- Sale and Purchase of Securities The Parent Company 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 r unsettled transactions as of the end of each reporting period.
- Retirement Fund The Parent Company and certain subsidiaries' retirement funds covered under their defir benefit post-employment plan maintained for qualified employees are administered and managed by the Parer Company's Trust and Investment Division (TIG) in accordance with the respective trust agreements cover the plan.

The Group's significant transactions with its related parties as of end December 2020 include loans and receivables and deposit liabilities. The total amount of loans outstanding wa Php11.565 billion while total deposit liabilities was at Php11.6 billion as of December 31, 2020. The total amount of Paren Company DOSRI loans was Php151 million by end- December 2020.

Other related party transactions include:

- Lease contract with RCBC Realty Corp. (RRC) and Sublease Agreements with Subsidiaries: The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC. The occupancy some of subsidiaries in RCBC Plaza is covered by suble agreements with RCBC. RCBC's lease contract with RR effective until December 31, 2025;
- Service Agreement with RCBC Bankard Services Corp. (RBSC): The Parent Company has a Service Agreement with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of the Parent Company's credit card business.
- The Bank has service agreement with RCBC Bankard Services Corp. (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.; Merchant Savings and Loan Association, Inc. (Rizal Microbank); RCBC Leasing and Finance Corporation; and Niyog Property Holdings, Inc.

l Ts / Iso nance	• 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			
20 and	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			
no	 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. 			
ned I nt	 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 Hong Kong. 			
ring d	• The Bank has an agreement with RCBC Rentals Corp. (RRC) for the lease of 1,600 new ATMs with a lease term of 60 months. The agreement is expected to be implemented over a period of 3 years.			
as at 520 it er	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.			
of ease RC is	The Bank does not have any transactions with promoters in the past five 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.

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Board of Directors





ARMANDO M. MEDINA Independent Director

> JUAN B. SANTOS Independent Director



FRANCIS C. LAUREL Advisory Board Member



ATTY. ADELITA A. VERGEL DE DIOS Independent Director

> VAUGHN F. MONTES Independent Director

> > LAURITO E. SERRANO Independent Director

YVONNE S. YUCHENGCO Advisory Board Member

Helen Y. Dee Chairperson

Filipino, 76

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

Cesar E. A. Virata

Vice Chairman Filipino, 90

Mr. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman includes RCBC Realty Corp., RCBC Land, Inc., Malayan Insurance Co., Inc., Business World Publishing Corporation, Belle Corporation, Luisita Industrial Park Corporation, RCBC Bankard Services Corporation, and AY Foundation, Inc., among others. Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was also Chairman of the Land Bank of the Philippines. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank. Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata graduated from the University of the Philippines with degrees in Mechanical Engineering and Business Administration (Cum Laude). He completed his Master's in Business Administration from the Wharton Graduate School, University of Pennsylvania

Eugene S. Acevedo

President and Chief Executive Officer and Director Filipino, 57

Mr. Acevedo is the Bank's President and Chief Executive Officer. He has over thirty years (30) years of banking experience gained from local and multinational banks including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank Philippines, N.A. He is a Magna Cum Laude graduate from the University of San Carlos where he earned a degree in Bachelor of Science in Physics in 1984. He has a Master's degree in Business Administration from the Asian Institute of Management and completed an Advanced Management Program at the Harvard Business School. He also holds a Professional Certificate in Clean Power from the Imperial College London.

Gayatri P. Bery

Director American, 55

Mr. Law has been a Director of the Bank since April 2015. He is Ms. Bery has been a director of the Bank since July 2020. She gained experience from Drexel Burnham & Lambert (New currently a Senior Advisor for Greater China for Oliver Wyman; York), Ranieri & Company (New York), and Morgan Stanley & and a Director of Far East Horizon Ltd. in Hong Kong and Khan Co. Incorporated (New York). She was an investment advisor Bank in Mongolia. He holds a Bachelor of Science degree, major in Hong Kong and a member of the Steering Committee of in Psychology, from Chung Yuan University in Taiwan; a Master's Morgan Stanley's HK Women's Business Alliance Team. She also degree in Business Administration from Indiana University; and served as Chief Operating Officer, Global Capital Markets, of a Master's of Arts degree, major in Poetry, from the University of Morgan Stanley (Hong Kong). She graduated with a Bachelor Paris, France. of Science degree in Applied Mathematics/Computer Science from Carnegie Mellon University, and obtained a Master's degree Shih-Chiao (Joe) Lin in Business Administration (with concentrations in finance and Director international business) from the Columbia Business School in Chinese, 49 New York, USA.

Gil A. Buenaventura

Director Filipino, 68

Mr. Buenaventura has been a Director of the Bank since July 2016 and has since been sitting as a member of the Bank's Executive Committee. He was also President and Chief and Executive Officer of the Bank until June 30, 2019. He holds directorship and officership positions in De La Salle Philippines School System, Malayan Insurance Company, Inc., House of Investments, Inc., and Manila Memorial Park Cemetery, Inc. He graduated with a Bachelor of Arts degree, major in Economics, from the University of San Francisco, California, and with a Master's of Business Administration in Finance from the University of Wisconsin.

Atty. Lilia B. De Lima Director Filipino, 80

Atty. De Lima has been a Director of the Bank since June 2019. She was an Independent Member of the Bank's Advisory Board from July 3, 2017 to June 24, 2019. Prior thereto, she served as the Director General of PEZA from 1995 to 2016. Other positions she has held include being Board Member of the Cagayan and Zamboanga Economic Zones, Commissioner of the National Amnesty Commission, Executive Director of the Department of Trade and Industry Price Stabilization Council and Director of the Bureau of Trade, and Chief Operating Officer of the World Trade Center Manila. She was an Elected Delegate to the 1971 Constitutional Convention representing the 2nd District of Camarines Sur. She is the recipient of numerous local and international awards including the 2017 Ramon Magsaysay Award, The Order of the Rising Sun-Gold and Silver Star (Japan), The Outstanding Women in the Nation's Service (TOWNS) in the field of law, and the 2010 Management Man of the Year.

John Law

Director French and Taiwanese, 70

Mr. Lin has been a Director of the Bank since March 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.

Arnold Kai Yuen Kan

Director Canadian. 60

Mr. Kai Yuen Kan has been a Director of the Bank since June 2019. He gained experience from Citibank, the First National Bank of Chicago, the National Westminster Bank, JP Morgan Chase Bank, Credit Agricole Corporate & Investment Bank, and Krea Capital Limited. He is currently the Chief Executive of Cathay United Bank's Hong Kong Branch and Co-Head of the International Banking Group. He is also a Director of Cathay United Bank (China) Ltd. He graduated with a Bachelor of Social Sciences degree from the University of Hong Kong and obtained a Master's degree in Business Administration from the York University in Canada.

INDEPENDENT DIRECTORS

Gabriel S. Claudio

Independent Director Filipino, 66

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

Atty. Adelita A. Vergel De Dios

Independent Director Filipino, 74

Atty. Vergel De Dios has been an Independent Director of the Bank since June 2016. She was also an Independent Director of RCBC Savings Bank before the merger of the same into RCBC. She served as Commissioner of the Insurance Commission and held directorship and officership positions in various companies. She obtained her Bachelor of Business Administration and Accounting and Bachelor of Laws (Magna Cum Laude) from the University of the East. She is a Certified Public Accountant and a Member of the Integrated Bar of the Philippines.

Armando M. Medina

Independent Director Filipino, 71

Mr. Medina has been an Independent Director of the Bank since 2003. He was elected by the Board as regular director of the Bank effective January 2021, to serve the remainder of the term which will end upon the election of directors during the 2021 Annual Stockholders' Meeting. He is a member of various board committees of the Bank, including the Executive Committee. He is also an Independent Director of Malayan Insurance and RCBC Capital. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

Vaughn F. Montes, Ph.D.

Independent Director Filipino, 70

Mr. Montes has been an Independent Director of the Bank since September 2016. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is a Teaching Fellow at the Institute for Corporate Directors, and a Director of the Center for Excellence in Governance, and President of the Center for Family Advancement. He is a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant. He is also currently a Trustee at Parents for Education Foundation ("PAREF"), and Chairman and President at PAREF Southridge School for Boys. He worked in Citibank

over a period of 25 years in various capacities including: Senior Economist in Philippine Debt Restructuring Committee; Head of the International Corporate Finance Unit; and Director and Head of Public Sector. He worked as an Associate Economist at the Wharton Econometric Forecasting Associates in Philadelphia USA. He holds an AB (Bachelor of Arts) Economics degree from the Ateneo de Manila University, an MS (Master of Science) Industrial Economics degree from the Center for Research and Communications (now University of Asia and the Pacific), and a PhD in Business Economics from the Wharton Doctoral Programs, University of Pennsylvania, USA.

Juan B. Santos

Independent Director Filipino, 82

Filipino, 73 Mr. Santos has been an Independent Director of the Bank since November 2016. He holds independent directorship positions in First Philippine Holdings Corporation, Sun Life Grepa Financial, Mr. Laurel holds the following concurrent positions: President Inc., Philippine Investment Management (PHINMA), Inc. PHINMA and Chief Executive Officer of the following Toyota Dealerships, Corp.and House of Investment. He is Trustee at Dualtech Toyota Batangas City Inc., Toyota Camarines Sur Inc., Toyota Training Center Foundation, Inc., St. Luke's Medical Center, and Albay; Member of the Board of Regents, University of the a consultant of the Marsman-Drysdale Group of Companies. He Philippines (UP); Member of the Board of Trustees, UP Los holds a Bachelor of Science in Business Administration degree Baños College of Economics and Management Foundation Inc.; from the Ateneo de Manila University and a degree in Foreign President and Member of the Board of Trustees, Philippine-Trade from the Thunderbird School of Management in Arizona, Japan Society, Inc.; and Senior Adviser, Philippines-Japan USA. Economic Cooperation Committee, Inc. Mr. Laurel holds a Bachelor of Science degree in Agriculture, major in Agribusiness Management (magna cum laude) from the University of the Mr. Laurito E. Serrano Philippines and a Master's degree in Business Administration Independent Director from the Kellogg School of Management at Northwestern Filipino, 60 University.

Mr. Serrano 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. His past experience includes, among others, directorships in Metro Global Holdings Group, Travellers Hotels Philippines, Inc. (Resorts World), MJCI Investments, Inc., United Paragon Mining Corp., Sagittarius Mining Corporation, and Philippine Veterans Bank. Mr. Serrano holds a Bachelor of Science degree in Commerce (Major in Accounting) from the Polytechnic University of the Philippines and has a Master's in Business Administration degree from the Harvard Graduate School of Business.

Richard G. A. Westlake Director until June 30, 2020 **ADVISORY BOARD**

Yvonne S. Yuchengco Filipino, 67

Ms. Yuchengco is also Chairperson and Director of RCBC Capital Corporation; Chairperson/President and Director of the Philippine Integrated Advertising Agency, Inc.; Vice Chairperson and Director of Malayan Insurance Company, Inc.; President and Director of MICO Equities, Inc., Member of the Board of Trustees of AY Foundation, Inc.; and Chairperson/Director, Yuchengco Museum, Inc.

Mr. Francis C. Laurel





Controllership

FLORENTINO M. MADONZA

BENNETT CLARENCE D. SANTIAGO Credit Management

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ROWENA F. SUBIDO Human Resources

MARIA CECILIA F. NATIVIDAD Marketing

JUAN GABRIEL R. TOMAS IV Risk Management

Senior Management Profiles

Redentor C. Bancod

Senior Executive Vice President Chief of Staff, Head of the Information Technology Shared Services and Operations Groups

Prior to joining the bank, Mr. Bancod was Vice President and General Manager, Central Systems Asia of Sun Life Financial, Asia, and Senior Vice President and Chief Technology Officer of Sun Life of Canada (Philippines) Inc. He holds a Master's degree in Business Administration from Northwestern University, Kellogg School of Business, and Hong Kong University of Science and Technology. He obtained his Bachelor of Arts degree in Philosophy from the University of the Philippines. He was a candidate for a Master of Science degree in Information Management from the Ateneo de Manila University, and attended post-graduate studies at the Asian Institute of Management.

Horacio E. Cebrero III

Senior Executive Vice President Head of Treasury Group

Prior to joining RCBC, Mr. Cebrero was Treasury Sector Head in-charge of the Treasury, Wealth Management and Credit Management Groups of Philippine National Bank and Treasurer of East West Banking Corporation. He also had stints in the following firms: Chief Dealer, Citibank, N.A. (Manila); Vice President for Treasury Group, Asian Bank Corporation; Manager for Financial Markets, AB Capital and Investment House; Manager for Financial Markets, Anscor Capital and Investment House; Manager for Trust and Investments Division, Asian Savings Bank as; Account Officer, Asia Trust Development Bank; and Account Supervisor for Branch Treasury Marketing and Loans & Credit Analyst for Loans and Credit, Far East Bank & Trust Company. He also held directorships in various firms, namely: Chairman, PNB Europe; Director, PNB Capital and Investment, PNB Forex Corporation, and AIG Philam Savings Bank. He graduated with a Bachelor of Science in Commerce degree, major in Marketing Management, from De La Salle University where he also earned units for a Master's degree in Business Administration at the Graduate School of Business Economics. He attended and finished the Stanford Senior Executive Leadership Program, an advanced Executive Education Course Series at Stanford University's Arthur and Toni Rembe Rock Center in Hong Kong.

John Thomas G. Deveras

Senior Executive Vice President Head of Strategic Initiatives and Asset Management & Remedial Group

Prior to joining RCBC, he was a FIG Investment Officer at the International Finance Corporation (IFC). In addition, he also served as concurrent President of PNB Capital and Senior Vice President-Head, Remedial Management Group at Philippine National Bank. He was also a key member of the SE Asian Mergers & Acquisitions (M&A) Team of Tokyo-Mitsubishi International (Singapore) from 1999 to 2002. He started his formal banking career with Citibank in 1989. He obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University and earned his Master's degree in Business Administration from the University of Chicago, USA.

Simon Javier A. Calasanz

Executive Vice President Head, Consumer Lending Group

Prior to assuming his current position, Mr. Calasanz was President of RCBC Bankard Services Corporation. Under his leadership, the Bank's credit card business tripled in size while strengthening the credit quality of its loan book. He brings with him over 17 years of banking experience in the following areas: Retail Banking and Wealth Management, Contact Centre Management, Consumer Lending, Product Management, Credit Risk and Compliance, Fraud Detection, Management Information Systems and Operations. His last two roles with the Hongkong and Shanghai Banking Corporation were as concurrent Head of Sales and Contact Centre Management and Head of Cards and Consumer Assets. He also served as Chairman/President of the Credit Card Association of the Philippines (CCAP), and Director at Bancnet and the Credit Management Association of the Philippines.

He is a regular speaker on financial literacy in universities and is currently a guest lecturer at Mapua University's Masters in Analytics course. He is a double degree holder from De La Salle University majoring in Marketing and Psychology.

Richard C. Lim

Executive Vice President Retail Banking Group

Prior to his appointment, Mr. Lim was seconded to RCBC Savings as Chief Operating Officer. He previously worked with Maybank, Inc. as Head of Retail Banking and also handled the following roles: 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: Manager for Binondo Branch, Philam Bank-AIG; Assistant Manager/Sales Officer, International Exchange Bank; Marketing Officer, Banco De Oro; Marketing Associate, Urban Bank; and Officer's Assistant at Cash Department, Chinabank. He graduated from the University of Santo Tomas with a Bachelor of Science degree, major in Biology.

Head of Global Transaction Banking Group

Emmanuel T. Narciso Ms. Bueno brings with her 27 years of banking experience. She **Executive Vice President** has expertise in the fields of Data Science, Analytics, Predictive Modeling, and Risk Management. Prior to RCBC, she was Group Head at Union Bank of the Philippines, building the Data Science Prior to joining RCBC, Mr. Narciso was Group Head for and Analytics Group. She started her banking career with Transaction Banking at BDO Unibank, Inc. He was also Citibank in New York as a Credit Acquisitions Analyst for the credit card business in 1994. In 1995, she managed Citi's credit previously connected with the Hongkong and Shanghai Banking Corporation, where he was Head of Business Banking Division bureau relationship for the preapproved credit card channel. In (Philippines), and Head of Payments and Cash Management 1997, she joined Risk Management where she managed portfolio for Vietnam and Philippines. Other previous stints: Head of management programs. She was in the core team responsible the Corporate Transaction Banking Division, Security Bank for launching Aadvantage & Citi business credit cards. In 2000, Corporation; and Business Development Head for Global Ms. Bueno joined Risk Management at JP Morgan Chase in New Transaction Services, Citibank N.A. (Manila). He started his York where she managed the scored underwriting policy for banking career as an Analyst/Programmer in the Bank of the Small Business Financial Services and account management Philippine Islands in 1984. He obtained his Bachelor of Arts credit policy for the retail business. In 2004, she returned to degree in Economics (Honors Program) from the Ateneo Citi as the Risk Manager for Advantage and PremierPass credit de Manila University and his Master's degree in Business card acquisitions. In 2005, she moved to Singapore as Vice Management from the Asian Institute of Management as a President for Decision Management. In 2007, she was appointed Citibank scholar. as the Chief of Staff to Citi's Chief Risk Officer for Asia Pacific in Hong Kong. She returned to Singapore in 2010 as Citi's Regional Director for Credit Products in Decision Management Angelito Villanueva until 2015. Ms. Bueno is a Magna Cum Laude graduate of St. Executive Vice President John's University in New York where she earned her Bachelor of Chief Innovation and Inclusion Officer and Group Head of Digital Science degree in Computer Science and obtained her Master of Enterprises and Innovation Group Business Administration in Quantitative Analysis.

Under Mr. Villanueva's leadership, RCBC received six global digital awards during the pandemic and was recognized as Elizabeth E. Coronel the Philippines' Best Digital Bank. Mr. Villanueva also created First Senior Vice President Head of Corporate Banking Group and launched DiskarTech - the country's first and only Taglish inclusion super app with over 3 million app downloads in Prior to assuming the role, Ms. Coronel was Head of the three months from launch. Mr. Villanueva was formerly with The Economist Intelligence Unit, Visa, Smart Communications, Conglomerates and Strategic Corporates Segment. Previously, International Finance Corporation, and Voyager Innovations she served as the Senior Vice-President and Officer-in-Charge covering PayMaya, and FINTQnologies as its Managing Director. of Equicom Savings Bank and held various positions in local He has covered over 30 markets in Latin America, Asia Pacific, and foreign banks, namely: Vice President and Co-Head of Middle East and North Africa regions on global mobile money in Corporate Finance Department, Mizuho Corporate Bank-Manila his previous roles. Mr. Villanueva is the Philippines' leading and Branch; Vice-President and Head of Corporate Banking Division award- winning thought leader on digital transformation and IV, Equitable PCIBank; Corporate Relationship Manager in the inclusive digital finance. He has over 20 years of experience in Global Consumer Bank, Citibank. She obtained her Bachelor of banking, telecommunications, payments, development finance, Arts degree in Behavioral Science from the University of Santo and financial technology. He is merited with over 50 global and Tomas, graduating Cum Laude, and earned MBA units from the regional awards, including being one of the Top 100 FinTech Ateneo Graduate School of Business. Leaders in Asia. For his efforts in scaling digital innovations and financial inclusion, he is the first and only Filipino, thus far, to

be included in the list. BizNews Asia magazine also named him "Mr. FinTech of the Philippines". He is also Founding Chairman of FinTech Alliance.ph and has released various publications including the award- winning three- volume Inclusive Digital Finance Report and the Uncharted Beyond: The Taxonomy of FinTech in the Philippines.

Ma. Christina P. Alvarez **First Senior Vice President** Head of Corporate Planning Group

- Ms. Alvarez has more than 25 years of work experience in the financial services sector, ranging from credit to corporate and financial planning. Over 14 years of these have been with the Corporate Planning Group of RCBC. She graduated from the Ateneo de Manila University with a degree in Management Economics and earned her Master's degree in Business
- Management from the Asian Institute of Management.

Marita E. Bueno

First Senior Vice President Head of Data Science and Analytics Group

Senior Management Profiles

Atty. George Gilbert G. dela Cuesta

First Senior Vice President Corporate Secretary and Head of the Legal Affairs Group

Atty. dela Cuesta has over 25 years of professional experience in law. He has served as General Counsel of various companies such as Asian Terminals, Inc., Mirant Phils. Corporation (now, TeaM Energy), and Hanjin Heavy Industries & Construction Co. Ltd. He also served as a lawyer at the Department of Environmental and Natural Resources. He started his career at Baker & McKenzie/Quisumbing and Torres. He is a graduate of the University of the Philippines where he earned his degrees in Law and in Political Science.

Brent C. Estrella

First Senior Vice President

Chief Compliance Officer and Head of the Regulatory Affairs Group

Mr. Estrella has 16 years of compliance and risk management experience which he gained from the Hong Kong and Shanghai Banking Corporation across various jurisdictions in Southeast Asia (the Philippines), the Middle East (United Arab Emirates) and Sub Saharan Africa (Mauritius). His areas of expertise focus on Financial Crime Risk Stewardship, Regulatory Compliance Risk Stewardship, Compliance Monitoring, Testing and Reviews, Risk Strategy, Oversight and Governance, Operational Risk Management, Compliance Operations Technology and Data Analytics, Cross functional & Multi-jurisdictional Project Management, Organizational Development, Talent Management and Transformation. He is a Certified Anti-Money Laundering Specialist. Mr. Estrella graduated with a Bachelor of Science in Legal Management degree from the Ateneo De Manila University.

Florentino M. Madonza

First Senior Vice President Head of Controllership Group

Prior to joining the Bank, Mr. Madonza worked at SGV & Co. as an external auditor. He held various positions in Accounting and Controllership for over 20 years. He completed his Bachelor of Science degree in Commerce, major in Accounting, from Araullo University (Cum Laude), and is a Certified Public Accountant.

Robert B. Ramos

First Senior Vice President Trust Officer and Head of the Trust and Investments Group

Mr. Ramos has more than 20 years of banking and finance experience primarily in the fields of trust and asset management, product development, treasury trading, fund management, marketing, and relationship management. Prior to ioining RCBC, he was Chief Trust Officer and Chief Investment Officer of East West Banking Corporation. Mr. Ramos holds a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University, masteral degrees from the Asian Institute of Management (Business Management) and University of Asia and the Pacific (Business Economics), and a doctorate degree in Business from the De La Salle University. He is a Chartered Financial Analyst, a Chartered Alternative Investment Analyst, a Certificant for the Investment Performance Measurement, a Certified Securities Representative, a Registered Financial Consultant, and a Certified Treasury Professional.

Bennett Clarence D. Santiago

First Senior Vice President Head of Credit Management Group

Prior to joining the Bank, Mr. Santiago was the Head for Small Business Loans under the Consumer Banking Group and Head of Credit Risk Control for Commercial Banking in BDO. He also held various senior risk roles at the Commercial Bank Unit of Citibank Manila, Union Bank of the Philippines, and International Exchange Bank. He obtained his Bachelor of Science in Business Administration degree from the University of the Philippines and took up units for Masters in Business Administration from the Ateneo Graduate School of Business.

Rowena F. Subido

First Senior Vice President Head of Human Resources Group

Ms. Subido has more than 32 years of human resources management experience in both local and multinational institutions. Prior to joining RCBC, she worked with Citibank, N.A. as Senior Vice President and Lead Human Resources Generalist and Senior Vice President and Head of Human Resources for the Institutional Clients Group. She was also Vice President and Human Resources Head at Citifinancial Corporation, the Consumer Finance Division of Citigroup. Early in her career, she worked as Human Resources Head for retail and manufacturing companies. She graduated from the University of Santo Tomas with a Bachelor of Science degree, major in Psychology. She earned units for Masters in Psychology, major in Organizational/Industrial Psychology, at De La Salle University

Maria Angela V. Tinio

First Senior Vice President Head of Small and Medium Enterprises Banking Group

Prior to her appointment, Ms. Tinio held various positions in Corporate Banking, initially as Region Head in Metro Manila and Luzon before handling Visayas and Mindanao. This gave her the exposure and experience to take on the position of Head of the Commercial and SME Banking segment, which was spun off as a separate business group in 2019. Her early years in RCBC were spent as Department Head of its Special Account Management Division where she specialized in workouts and restructuring. She started her career as a Corporate Banking Account officer in Traders Royal Bank, had a brief stint at PDB Leasing and Finance Corporation, and held various positions in Far East Bank and Trust Company and in the Bank of the Philippine Islands where she headed one of its remedial management teams. Ms. Tinio obtained her Bachelor of Arts degree in Economics from the University of the Philippines and completed her MBA units at the De La Salle University.

Jane N. Mañago

Senior Vice President Head of Wealth Management Group

Ms. Mañago is a Registered Estate Planner and a Registered Financial Consultant, and has extensive exposure in the fields of treasury, marketing, product management, account management and private banking from her tenure with Citibank, Equitable Bank, and YGC CSI. She graduated Cum Laude from the University of Santo Tomas with a Bachelor of Arts degree in Behavioral Science and Bachelor of Science in Commerce, major in Business Administration.

Maria Cecilia F. Natividad

Senior Vice President Chief Marketing Officer and Head of the Marketing Group

Prior to joining the Bank, Ms. Natividad was Head of Marketing for the Philippine and Indochina markets of The Western Union Company. Previously, she was Assistant Vice President and Consumer Marketing Manager of Nestle Philippines, Inc. She has over 20 years of professional experience in the areas of global and cross border marketing, strategic planning, brand building, and digital marketing. Ms. Natividad obtained her Bachelor of Science in Management, major in Legal Management degree from the Ateneo de Manila University.

Aline A. Novilla

Senior Vice President Chief Audit Executive and Head, Internal Audit Group

After a brief stint with the Bank's Regulatory Affairs Group and then serving in a deputy capacity to her predecessor, Ms. Novilla was appointed as Chief Audit Executive and Head of the Internal Audit Group in August 2020. Prior to joining RCBC, she was a Partner for Financial Services in R.G. Manabat & Co. (RGM&Co.), Philippine member firm of KPMG International, with more than 15 years of experience in audit, assurance and delivery of other professional services to a variety of business lines, including banking and insurance, mutual funds and fund management, real estate and asset financing, business process outsourcing and consumer products. Before her return to RGM&Co. as Audit Director, she served as Senior Manager for Assurance Services in the Financial Services Industry Practice of Isla Lipana & Co. (a member firm of PricewaterhouseCoopers). She had previously worked as an Assistant Manager in KPMG Hong Kong, involved mainly in the audits of various financial servicesrelated institutions and financial advisory work on a major global banking group. She gained her first auditing exposure at Manabat San Agustin & Co., CPAs, where she started as an Associate Auditor 2003 and was promoted to more senior audit roles before leaving the firm as an audit engagement manager. Ms. Novilla graduated Cum Laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. She passed the CPA Licensure Examination in October 2003.

Juan Gabriel R. Tomas IV

Senior Vice President Chief Risk Officer and Head, Risk Management Group

Prior to assuming his position, Mr. Tomas was the Head of the Customer Service Support Segment, Operations Group, covering all Head Office and nationwide Cash Center Operations. Before joining RCBC, he worked for 15 years with Citibank N.A. Philippines, eventually heading its Capital Markets and Custody Operations. He also worked as an IT professional for five years at the Process Competency group of Accenture. He graduated from the Ateneo de Manila University with a Bachelor of Science degree in Management and completed his Masters in Business Management, major in Finance, at the Asian Institute of Management.

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Senior Management Profiles



HEAD OF SUBSIDIARIES

Joseph Colin B. Rodriguez

First Senior Vice President President & CEO, RCBC Forex Brokers Corporation (Seconded from RCBC)

Mr. Roxas started as a Microfinance Consultant in March 2009 and became the Head of Lending and Branch Operations Prior to his appointment, Mr. Rodriguez was Treasurer of RCBC of Rizal Microbank in December of the same year. He was Savings Bank. He also assumed various positions in RCBC eventually appointed as President on March 21, 2016. Before as Head of the FX Risk Division and Head of Institutional joining the RCBC Group, he worked as Regional Manager Relationship Management Division. Before joining RCBC, he of the United States Agency for International Development spent over two decades at the Treasury division of several (USAID) Microenterprise Access to Banking Services (MABS) foreign /local banks, occupying the following positions: Vice Project, Chief Commercial Officer of ACCION International Inner President and Head of the Foreign Exchange and Swap Desk. Mongolia Microfinance Company, and Microfinance Department ING Bank (Manila Branch); Dealer at the Manila office of Banque Head of First Isabela Cooperative Bank, Inc. He has more than Indosuez and Assistant Dealer at the Riyadh office, Banque Al 25 years of work experience in microfinance. He graduated Hollandi (ABN AMRO Bank); and head of the FX and Swaps from the Lyceum of the Philippines University with a Bachelor Division, Bank of the Philippine Islands. He graduated from of Science degree in Psychology (Cum Laude). He completed De La Salle University with a double degree in Liberal Arts & a Bank Management Development Course in 2000 conducted Commerce, Major in Marketing and in Political Science. by the University of the Asia and the Pacific and sponsored by the People's Credit and Finance Corporation. He was a product of RCBC's Middle Management Development Program and Arniel Vincent B. Ong Leadership Development Program conducted by De La Salle Senior Vice President University and John Clements Consultancy, respectively.

President, RCBC Bankard Services Corporation (Seconded from RCBC)

Mr. Ong is currently the President and CEO of RCBC Bankard Services Corporation. Prior to his appointment, he was Chief Customer Experience and Risk Officer. He has over 14 years of banking experience and held various leadership roles in HSBC Philippines, covering various areas in the retail banking and consumer credit businesses - credit approvals, consumer lending, credit risk management, contact centre management, customer service, business transformation and digital channel management. His last position was Senior Vice President for Contact Centre Management and Digital for the retail banking business. He has likewise worked in HSBC Vietnam to lead its consumer credit risk team on a short-term assignment. Mr. Ong is a Certified Financial Risk Manager by the Global Association of Risk Professionals. He has been active in the industry and was a former Credit Committee Chairman of the Credit Card Association of the Philippines. Along with lead representatives from partner banks, he was instrumental in the launch of the country's first comprehensive private credit bureau. Mr. Ong graduated with double degrees in Management Engineering and Economics from the Ateneo de Manila University.

Jose Luis F. Gomez

President and Chief Executive Officer **RCBC** Capital Corporation

Mr. Gomez has 19 years in RCBC Capital and has accumulated extensive experience in investment banking, fund management, as well as corporate banking, with reputable local and foreign institutions such as Bank of America N.A., AIG Investments Corporation, and Peregrine Capital Philippines, Inc. He was President of the Investment House Association of the Philippines in 2017 and 2018. He holds a Master's degree in Business Administration from the Katholieke Universiteit Leuven in Belgium, where he graduated with distinction, and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Raymundo C. Roxas

President, Rizal Microbank

Anna Christina M. Vicente

First Vice President

President and CEO of RCBC Leasing and Finance Corporation (Seconded from RCBC)

Ms. Vicente has 34 years of professional experience in both local and multinational banks, more than four years of which was with RCBC. Prior to assuming her current position, she was Head of the North Metro Manila Division, Small and Medium Enterprises Banking Group, and has been successfully managing the credit quality as well as the profitability of the loan portfolio and administrative requirements of the Lending Centers in North Metro Manila. She has vast experience in corporate and commercial banking focusing on marketing, account solicitation, credit management and collection, as well as acquired skills and competencies for managing and leading teams in achieving loan volume, deposit, fee income and net income targets. She is a graduate of the Ateneo De Manila University where she obtained her Bachelor of Arts degree in Interdisciplinary Studies.

Raul Ruiz President, RCBC Securities, Inc.

He was Head of Research of RCBC Securities from 2010-2019. Before that, he had a cumulative 11 years of experience heading research in 3 foreign-based stockbrokerage houses in the Philippines. He started his career as an investment analyst in the Trust Banking Group of the former Far East Bank and Trust Co. He has passed the 3 Chartered Financial Analyst exam levels and attended the Trust and investment Management course of the American Bankers Association in Northwestern University, Illinois, USA. From 2005-2008, he headed Business Development for Africa-Israel Investments Phils. Inc., an Israelibased multinational, to pursue direct equity investment projects in the Philippines. He graduated with a degree in BA Economics, magna cum laude, from UP Diliman, and obtained his MBA from the same university.

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President and Chief Executive Officer ANNA CHRISTINA M. VICENTE (Seconded from RCBC)

Senior Vice President MICHAELA C. SISON Chief Operating Officer and Head, Marketing - Metro Manila

First Vice President AMANDO ANTONIO A. BOLUNIA (Seconded from RCBC) Head-Credit Support Services

Vice Presidents RAUL M. CABATINGAN Head, Marketing - Visayas and Mindanao

NORBERTO A. DAWA Head, Operations

REY JOSE Q. BUMANGLAG Head, Treasury

Assistant Vice Presidents JOCELYN GRACE N. NAVATO Head, Compliance

MAXIMO L. ABING JR. Head, Marketing - Luzon

Corporate Secretary JOCELYN GRACE N. NAVATO

SUBSIDIARY

RCBC RENTAL CORPORATION

Chairman JOHN THOMAS G. DEVERAS

President and Chief Executive Officer ANNA CHRISTINA M. VICENTE

Treasury Head REY JOSE Q. BUMANGLAG

Corporate Secretary JOCELYN GRACE N. NAVATO

RIZAL MICROBANK, INC. -A THRIFT BANK OF RCBC

Chairman EUGENE S. ACEVEDO

Vice Chairman JOHN THOMAS G. DEVERAS

President RAYMUNDO C. ROXAS

Senior Vice President EMELITA B. ROCERO Group Head, Branch Lending

First Vice Presidents MARIANO JOSE R. LAUREL Treasurer

LIBERTINE B. CUBIO Head, Mindanao Area Lending

Assistant Vice Presidents JEAN MELODY P. NARANJO Chief Compliance Officer

MA. HAZEL F. VELASCO Head, Luzon Area Lending MITCHELLE P. ADOBAS Head, Microfinance Department

Corporate Secretary JOSEPH DANIEL N. LUMAIN

NIYOG PROPERTY HOLDINGS, INC.

Chairman and President JOHN THOMAS G. DEVERAS

Vice President MA. THERESA JENNIFER A. FERNANDO

Comptroller and Treasurer FLORENTINO M. MADONZA

Head of Legal GWENDOLYNN S. PADILLA

Corporate Secretary ATTY. ELSIE S. RAMOS

INTERNATIONAL

RCBC INTERNATIONAL FINANCE LTD.

Chairman EUGENE S. ACEVEDO

General Manager FEDERICO E. AGUS, JR.

Accountant and Company Secretary LIU YUEN SHEUNG

ASSOCIATES

HONDA CARS PHILIPPINES, INC.

President MASAHIKO NAKAMURA (effective April 01, 2020)

Executive Vice President RYOHEI ADACHI (effective December 01, 2020)

Vice President YASUNORI MIYAMOTO (effective April 01, 2019)

Treasurer VICENTA BALARBAR

Corporate Secretary PRISCILLA B. VALER

ISUZU PHILIPPINES CORPORATION

President HAJIME KOSO

Executive Vice President and Treasurer SHOJIRO SAKODA

Vice Presidents YOSHIHIRO YANAI Manufacturing

WATARU MIYAMOTO After-Sales

YASUHIKO OYAMA Sales

Assistant Vice President DAVID YANDOC, JR. Administration

Corporate Secretary MARIA CHRISTINA C. ORTUA

Assistant Corporate Secretary CECILE MARGARET E. CARO-SELVAGGIO

LUISITA INDUSTRIAL PARK CORPORATION

Chairman HELEN Y. DEE

President MARIO C. PAGUIO

Treasurer ELENA F. TRAJANO

Corporate Secretary ATTY. SAMUEL V. TORRES

YGC CORPORATE SERVICES, INC.

Chairman & President HELEN Y. DEE

Executive Vice President and Chief Operating Officer LIWAYWAY F. GENER

Vice President ALBERT S. YUCHENGCO

Treasurer REVIE B. QUINQUITO

Corporate Secretary ATTY. SAMUEL V. TORRES

205

METRO MANILA

168 MALL

Unit 4H-01 4F, 168 Shopping Mall Sta. Elena St., Binondo, Manila Tel. No.: 8708-2290

A. MABINI

1353 Tesoro Bldg., A. Mabini St. Ermita. Manila Tel. Nos.: 8526-0424; 8526-0444 to 45; 8526-0468

ABAD SANTOS

1628 Jose Abad Santos Ave. Tondo, Manila Tel. No.: 8638-0553

ACROPOLIS

191 Triquetra Bldg., E. Rodriguez Jr. Ave. Bagumbayan, Quezon City Tel. Nos.: 8638-0550 to 53

ACROPOLIS - EASTWOOD AVENUE Unit G8A-B, G/F MDC 100 Bldg. 188 E. Rodriquez Jr. Ave. corner Eastwood Ave., Bo. Bagumbayan Quezon City Tel. Nos.: 8364-8651; 8366-7265

ADB AVENUE - GARNET Unit 110 AIC Burgundy Empire Tower ADB Ave. corner Garnet Rd. Ortigas Center, Pasig City Tel. No.: 8727-2374

ADRIATICO Hostel 1632 G/F Unit, 1632 M. Adriatico St. Malate, Manila Tel. Nos.: 8252-9403: 8252-9424 to 25: 8252-9515

AGUIRRE- BF HOMES G/F Fitness & Beauty Mall Bldg. 290 Aguirre Ave. corner Gov. Santos St. BF Homes, Parañaque City Tel. No.: 8824-5164

ALABANG

RCBC Bldg., Tierra Nueva Subd. Alabang-Zapote Rd., Alabang Muntinlupa City Tel. No.: 8807-2246

ALABANG - FILINVEST CORPORATE CITY

Units G04 & G05 Vivere Hotel 5102 Brigeway Ave., Filinvest Corporate City Alabang, Muntinlupa City Tel. No.: 8556-3419

ALABANG - MADRIGAL BUSINESS PARK

Unit 5 & 6. G/F CTP Alpha Bldg. Investment Drive, Madrigal Business Park Avala Alabang, Muntinlupa City Tel. No.: 8802-2915

AMANG RODRIGUEZ

1249 Amang Rodriguez Ave. Dela Paz. Pasig Tel. No.: 8635-5115

AMORANTO

Units 1-F & 1-G Edificio Enriqueta 422 N.S. Amoranto St. corner D. Tuason Ave. Quezon City Tel. No.: 8253-2097

ANNAPOLIS - MISSOURI 5 Dr. Sixto Antonio Ave., Kapasigan Pasig City Tel. No.: 8641-0783

ANONAS 69 Anonas St. corner Chico St. Project 2, Quezon City Tel. No.: 8928-9762

ARANETA CENTER

G/F Unit 111, Sampaguita Theatre Bldg. Gen. Araneta St. corner Gen. Roxas St. Cubao, Quezon City Tel. No.: 8912-6049

ARNAIZ

843 G/F Prudential Life Bldg., Arnaiz Ave. Legaspi Vill., Makati City Tel. Nos.: 8869-0430: 8869-0314: 8869-0306

ARRANQUE 1001 Orient Star Bldg., Masangkay St. corner Soler St., Binondo, Manila Tel. No.: 8244-7055

AURORA BOULEVARD-MADISON Madison 101, Aurora Blvd. corner Madison St., Quezon City Tel. No.: 8531-9360

ATY CENTRE

RCBC Savings Bank Corporate Center G/F, 26th & 25th Sts., Fort Bonifacio Taguig City Tel. Nos.: 8843-3035: 8843-3049: 8843-3051; 8843-3054 to 55; 8843-3043

AYALA Unit 709 & 710, Tower One Ayala Triangle, Ayala Ave., Makati City Tel. No.: 8848-6985

AYALA PASEO

G/F 8767 Philamlife Tower Paseo De Roxas. Makati Citv Tel. No.: 8812-4066

BACLARAN 21 Taft Ave., Baclaran Parañaque City Tel. No.: 8832-3938

BACLARAN - QUIRINO 3916 Qurino Ave. corner Aragon St. Baclaran, Parañaque City Tel. Nos.: 853-9692; 8551-1593

BANAWE Unit I-K CTK Bldg., 385 Banawe St. corner N. Roxas St., Quezon City Tel. No.: 8742-3578

BAYANI ROAD 30 B Bayani Rd., AFPOVAI Subd. Fort Bonifacio, Taguig City Tel. No.: 8808-7469

BEL-AIR Unit 101 Doña Consolacion Bldg. 122 Jupiter St., Bel-air, Makati City Tel. No.: 8519-7711

BETTER LIVING 14 Doña Soledad, Better Living Subd. Parañague City Tel. Nos.: 8828-4810

BETTER LIVING - BICUTAN 133 Doña Soledad Ave. Brgy. Don Bosco, Better Living Subd. Parañaque City Tel. Nos.: 8824-0175; 8823-9232; 8659-6204

BF HOMES Unit 101 Centermall Bldg.

President's Ave., BF Homes Parañague City Tel. No.: 8842-1554

BINONDO ETY Bldg., 484 Quintin Paredes St. Binondo, Manila Tel. No.: 8878-3456 local 3612

BLUMENTRITT

1876 Blumentritt St. corner Andrade St. Santa Cruz, Manila Tel. No.: 8743-1316

BONI AVENUE 617 Boni Ave., Mandaluyong City Tel. Nos.: 8533-0280: 8532-5532: 8533-6335 to 37

BUENDIA Makati City Tel. No.: 8844-1896

C. RAYMUNDO 261 Unit C, C. Raymundo Ave. Brgy. Maybunga, Pasig City Tel. Nos.: 8532-0304 to 05; 8532-0294

CAMARIN Tel. No.: 8961-7239

CARLOS PALANCA G/F BSA Suites, Carlos Palanca St. Legaspi Vill., Makati Citv Tel. No.: 8888-6939

CARUNCHO Tel. No.: 8787-4537

COMMONWEALTH G/F Verde Oro Bldg. 535 Commonwealth Ave. Diliman, Quezon City Tel. No.: 8931-5251

COMMONWEALTH - BALARA

Block 3 Lot 43 Commonwealth Ave. Old Balara, Quezon City Tel. No.: 8931-0718 CONCEPCION, MARIKINA 17 Bayan-Bayanan Ave.

Brgy. Concepcion Uno Marikina City Tel. No.: 8661-7568 CONGRESSIONAL AVENUE

G/F Unit A & B, 188 Congressional Ave., Quezon City Tel. No.: 8288-5015

CONNECTICUT 51 Connecticut St.,

Northeast Greenhills, San Juan City Tel. Nos.: 8721-4495; 8726-9793; 8722-4424; 8744-6348

Grepalife Bldg., 221 Sen. Gil Puyat Ave.

Sacred Heart Vill., Susano Rd. Brgy. 175, Camarin, Caloocan City

Prima 3 Commercial Center 7 Caruncho Ave., Pasig City

CUBAO

RCBC SuperCenter, Araneta Center Quezon Citv Tel. No.: 8911-0870

D. TUAZON

G/F Academe Foundation Bldg. 47 D. Tuazon St., Sta. Mesa Heights Quezon City Tel. No.: 8731-5806

DEL MONTE

180 Del Monte Ave., Quezon City Tel. Nos.: 8712-7570

DELA ROSA

G/F Sterling Center, Ormaza St. corner Dela Rosa St., Legaspi Vill. Makati City Tel. No.: 8893-9050

DELA ROSA - PASONG TAMO

G/F King's Court 2 Bldg. 2129 Chino Roces Ave., Makati City Tel. Nos.: 8824-6248; 8824-6238; 8824-6241

DILIMAN

Matalino St. corner Kalayaan Ave. Diliman, Quezon City Tel. No.: 8925-2148

DIVISORIA

New Divisoria Condo., 628 Sta. Elena Divisoria, Manila Tel. No.: 8241-7884

E. RODRIGUEZ

444 E. Rodriguez Sr., Doña Aurora Quezon City Tel. Nos.: 8740-4954; 8734-1920

EAST CAPITOL DRIVE

G/F Tinity Bldg., 26 East Capitol Drive Brgy. Kapitolyo, Pasig City Tel. No.: 8721-8965

EASTWOOD MALL

G/F Unit A - 102B, Eastwood Mall Eastwood City Cyberpark 188 E. Rodriguez, Jr. Ave. Bagumbayan, Quezon City Tel. No.: 8470-6275

EDSA CALOOCAN

520 E. Delos Santos Ave. Kalookan City Tel. No.: 8990-3651

EDSA TAFT Giselle's Park Plaza, EDSA

corner Taft Ave., Pasay City Tel. No.: 8779-8626

ELCANO

676 Elcano corner Lavezares St. Binondo, Manila Tel. No.: 8242-8684

ERMITA

550 United Nations Ave., Ermita, Manila Tel. Nos.: 8525-5238; 8523-2948; 8523-2983; 8523-7640; 8525-5219

EVANGELISTA

Hernandez Bldg., Evangelista St. corner Gen. Alejandrino St. Brgy. Bangkal, Makati City Tel. No.: 8845-1843

FAIRVIEW

Medical Arts Bldg., Dahlia St. North Fairview, Quezon City Tel. No.: 8930-2052

FORT BONIFACIO BURGOS CIRCLE

Unit 1-D Crescent Park Residences, 2nd Ave. Burgos Circle, Fort Bonifacio, Taguig City Tel. Nos.: 8519-5771; 8519-5709

FRONTERA VERDE

9/F Ortigas Bldg., Ortigas Ave., Pasig City Tel. Nos.: 8706-4721

GARNET

Unit No. 106 Parc Chateau Cond., Garnet corner Onyx St., Ortigas Center, Pasig City Tel. Nos.: 8570-9141; 8570-6317; 8570-6319

GILMORE

100 Granada St., Valencia, Quezon City Tel. No.: 8726-2404

GREENBELT

BSA Tower, Legaspi St. Legaspi Vill., Makati Ctiy Tel. No.: 8845-4051

GREENHILLS Unit MA-103 McKinley Arcade Greenhills Shopping Center, San Juan City Tel. No.: 8721-2121

GREENHILLS - P. GUEVARRA G/F Ongapauco Bldg., P. Guevarra St. Wilson, Greenhills, San Juan City Tel. No.: 8727-0141

HERMOSA - LIMAY Hermosa St. corner Limay St. Tondo, Manila Tel. No.: 8251-2414

J.P. RIZAL - REPOSO

773 J.P. Rizal Ave., Brgy. Poblacion Makati City Tel. Nos.: 8899-7551: 8899-7537: 8896-1874

KALENTONG

49 C & D Bldg., New Panaderos St. Kalentong, Sta. Ana, Manila Tel. No.: 8533-6590

KALOOKAN

259 Rizal Avenue Ext., Caloocan City Tel. No.: 8365-6590

KAPITOLYO - SHAW BOULEVARD 615 Shaw Blvd., Brgy. Kapitolyo, Pasig City

Tel. No.: 8631-8178 KATIPUNAN

321 G/F Torres Bldg., Katipunan Ave. Loyola Heights, Quezon City Tel. No.: 8929-8869

LA HUERTA G/F Delos Santos Bldg., 1003 Quirino Ave. Lahuerta, Parañague City Tel. Nos.: 8829-6022; 8829-6023; 8820-7606

LAGRO Km 22 Quirino Highway, Greater Lagro, Quezon City Tel. No.: 8936-0158

LAS PIÑAS Veraville Bldg., Alabang-Zapote Rd. Las Piñas City Tel. No.: 8874-1659

LAS PIÑAS - PAMPLONA G/F Elena Bldg., Alabang-Zapote Rd. Pamplona 3, Las Piñas City Tel. Nos.: 8872-6822; 8874-5341; 8478-4421

LEE - SHAW BOULEVARD Lee Gardens Cond., Shaw Blvd. corner Lee St., Mandaluyong City Tel. No.: 8635-5550

LEGASPI VILLAGE ACCRA Cond., Salcedo St. corner Gamboa St. Legaspi Vill., Makati City Tel. No.: 8812-4893

LEVISTE - SALCEDO

8477-7274; 8477-7271

Tel. No.: 8426-6528

Pasay City

7216-9004

G/F Eurovilla III Cond., LP Leviste St. corner San Agustin St., Salcedo Vill. Makati Citv Tel. No.: 8802-0376

LINDEN SUITES G/F The Linden Suites Tower II 37 San Miguel Ave., Ortigas Center Pasig City Tel. Nos.: 8477-7267; 8477-7269;

LOYOLA HEIGHTS G/F MQI Centre, 42 E. Abada St. corner Rosa Alvero St., Loyola Heights Quezon Citv

MACAPAGAL AVE. - PEARL DRIVE

corner Pearl Drive, Business Park 1

G/F BMG Centre, Paseo de Magallanes

Brgy. 76, San Rafael, Pasay City

Scape Bldg., Macapagal Ave.

Tel. Nos.: 8824-5790

Tel. No.: 8808-7604

Tel. No.: 8426-4152

G/F Unit 129 Maginhawa St.

Brgy. Teachers Vill., Quezon City

MAGALLANES

MAGINHAWA

Makati City

MACAPAGAL AVENUE - EDSA EDSA corner Macapagal Ave. Tel. Nos.: 8824-0314; 8824-0322:

McArthur Highway, Marulas Valenzuela City Tel. No.: 8291-6634

MCKINLEY HILLS G/F Two World Hill Bldg. Upper McKinley Rd. McKinley Town Center Fort Bonifacio, Taguig City Tel. No.: 8403-1516

MENDIOLA

MAKATI AVENUE 843 G/F Prudential Life Bldg. Arnaiz Ave., Legaspi Vill. Makati City Tel. No.: 8897-9384

MAKATI RADA One Legaspi Park, 121 Rada St. Legaspi Vill., Makati City Tel. No.: 8915-2046

MALABON 685 J.P. Rizal Ave., San Agustin Malabon Tel. No.: 8281-2709

MALATE 8516-4695

MALAYAN PLAZA Pasig City Tel No.: 8634-7494

MANDALUYONG Unit 102 G/F, EDSA Central Square Greenfield Dist., Mandaluyong City Tel. No.: 8637-5381

MARIKINA 36 Gil Fernando Ave. corner Sta. Ana Extn. San Roque, Marikina City Tel. No.: 8681-6270

MARULAS

163 E. Mendiola St. San Miguel, Manila Tel. No.: 8734-0452

MERALCO AVENUE G/F Regency Bldg., Meralco Ave. corner Exchange Rd., Ortigas Pasig City Tel. No.: 8710-1030

MINDANAO AVE. - TANDANG SORA G/F 003 MC Square Bldg. Mindanao Ave. corner Tandang Sora Quezon City Tel. No.: 8277-3656

MOONWALK - PARAÑAQUE 2 Armstrong St., Moonwalk Vill. Parañague City Tel. No.: 8865-6612

470 Maria Daniel Bldg., San Andres St. corner M.H. del Pilar Malate. Manila Tel. Nos.: 8516-4686 to 87: 8516-4690:

GF Ortigas Malayan ADB Ave. corner Opal Road, Ortigas Center

corner Concepcion Aguila St.

MORAYTA

828 Nicanor Reyes Sr. St. Sampaloc, Manila Tel. Nos.: 8736-2478

MUNTINLUPA

National Rd., Putatan, Muntinlupa City Tel. Nos.: 8862-0034; 8862-0737; 8403-7137

NAVOTAS - EAST Estrella corner Yangco St. Navotas East, Navotas City Tel. No.: 8282-4392

NEW MANILA

U/G Hemady Square Bldg. 86 Doña Hemady corner E. Rodriguez Sr. Ave. Brgy. Kristong Hari, Diliman Quezon City Tel. No.: 3414-3683

NEWPORT CITY G/F Plaza 66 Bldg., Manlunas St. Newport Blvd., Brgy. 183, Pasay City Tel. No.: 8556-7647

NKTI East Ave., Diliman Quezon City Tel. No.: 8376-1059

NOVALICHES 882 Quirino Highway and Nitang St. Novaliches, Quezon City Tel. No.: 8930-6191

NOVALICHES - GULOD 917 Bo. Gulod, Quirino Highway Quezon City Tel. No.: 8936-8811

OLD STA. MESA 4463 Old Sta. Mesa, Brgy. 587 Zone 58, Sta. Mesa Tel. No.: 8716-0631

ONE BONIFACIO HIGH STREET

5/F PSE Bldg. One Bonifacio High Street 28th St. corner 5th Ave. Bonifacio Global City, Taguig Tel. Nos.: 8851-6908

ORTIGAS AVENUE - SAN JUAN

Medecor Bldg., 222 Ortigas Ave. Greenhills, San Juan City Tel. Nos.: 8635-7874 to 75; 8635-7860; 8635-7871; 8635-7873

ORTIGAS AVENUE Unit 104 Grace Bldg., Ortigas Ave. Greenhills, San Juan City Tel. No.: 8941-2473

ORTIGAS EXTENSION

G/F Prudentialife Bldg., Riverside Vill. corner Ortigas Ave. Extn. Brgy. Sta. Lucia, Pasig City Tel. No.: 8656-0886

OTIS Isuzu Manila, 1502 Paz M. Guanzon St. Paco. Manila Tel. No.: 8561-7272

P. OCAMPO - FB HARRISON G/F Unit Sunrise Center Bldg.

488 Pablo Ocampo Sr. Ave., Malate, Manila Tel. Nos.: 8251-7569 to 70; 8251-7576 to 77; 8251-7573

P. TUAZON 12th Ave. corner P. Tuazon, Quezon City Tel. No.: 8913-3118

PABLO OCAMPO - VENECIA G/F Savanna Commercial Center Bldg. 1201 Pablo Ocampo-Venecia Brgy. Sta. Cruz, Makati City Tel. No.: 8802-4749

PACIFIC PLACE Unit 105 G/F Pacific Place Cond. Pearl Drive St. corner Amethyst St. Ortigas Center, Pasig City Tel. No.: 8636-6617

PADRE RADA 649 Padre Rada St., Tondo, Manila Tel. No.: 8245-0250

PALANAN - BAUTISTA G/F Shalimar Bldg., 3696 Bautista St. Palanan, Makati City Tel. No.: 8846-4468

PASAY 2015 Gil Puyat Ave., Pasay City Tel. No.: 8846-6285

PASAY - LIBERTAD 2350 Taft Ave. corner Libertad St. Pasay City Tel. No.: 8833-8925

PASEO DE ROXAS 8747 G/F Lepanto Bldg. Paseo De Roxas, Makati City Tel. No.: 8403-7153

PASIG

92 Dr. Sixto Ave. corner C. Raymundo St. Pasig City Tel. No.: 8641-6259

PASIG KAPITOLYO G/F D'Ace Water Spa Plaza, United St. corner Brixton St., Brgy. Kapitolyo Pasig City Tel. No.: 8654-4428

PASIG TOBY'S - C. RAYMUNDO AVENUE Lot 1 & 2, Good Harvest Complex C. Raymundo Ave., Brgy. Caniogan Pasig City Tel. No.: 8637-5651

PASIG WESTLAKE Unit A, G/F 168 Westlake Bldg. Pasig Blvd., Brgy. Bagong Ilog Pasig City Tel. No.: 8706-4616

PASONG TAMO 2283 Pasong Tamo Extn. corner Lumbang St., Makati City Tel. No.: 8813-3369

PASONG TAMO - BAGTIKAN 1173 Don Chino Roces Ave. Brgy. San Antonio, Makati City Tel. No.: 8802-1629

PASONG TAMO - EDSA Wilcon IT Hub, 2251 Chino Roces Ave. Makati City Tel. No.: 8802-4297

PASONG TAMO - PIO DEL PILAR G/F Matrinco Bldg. 2178 Pasong Tamo, Makati City Tel. Nos.: 8840-5224; 8840-5226

PATEROS 54 M. Almeda St., Bo. San Roque, Pateros Tel. No.: 8641-6201

PIONEER 2B Pioneer St., Brgy. Highway Hills Mandaluyong City Tel. No.: 8251-8205

PRESIDENT'S AVE. - PARAÑAQUE Block 9 Lot 22, President's Ave. Sucat, Parañague City Tel. No.: 8398-1740

QUEZON AVENUE 1405 Quezon Ave., Quezon City Tel. No.: 8371-8184

QUIRINO AVENUE 555 Quirino Ave., Tambo Parañague City Tel. Nos.: 8851-4694

RAON SALES 655-657 Gonzalo Puyat St. Quiapo, Manila Tel. No.: 8733-1661

RCBC PLAZA 6819 RCBC Plaza, Ayala Ave. Makati City Tel. No.: 8878-3307

RELIANCE TV 5 Media Center, Reliance St. corner Sheridan St., Mandaluyong City Tel. No.: 8637-9931

ROCKWELL G/F, Phinma Plaza Hidalgo St. Rockwell Center, Makati City Tel. No.: 8898-1505

ROOSEVELT 300 Roosevelt Ave. San Francisco Del Monte Quezon City Tel. No.: 8372-2413

ROXAS BOULEVARD Unit 1, Russel St. Mall, Russel St. corner Roxas Blvd., Pasay City Tel. No.: 8851-7986

ROXAS BLVD. - SERVICE ROAD Roxas Blvd. corner Arguiza St. Ermita, Manila Tel. No.: 8526-7990

ROXAS BOULEVARD - LIBERTAD Unit 103 Coko Bldg. 1 2550 Roxas Blvd., Pasay City Tel. No.: 8821-1226

SALCEDO VILLAGE G/F, Y. Tower II Bldg., Leviste St. corner Gallardo St., Salcedo Vill. Makati City Tel. Nos.: 8894-2288

SAN JOAQUIN 227 M Concepcion St., San Joaquin Pasig City Tel. Nos.: 8640-0154 to 55; 8570-7563

SAN LORENZO 1018 G/F L&R Bldg., A. S. Arnaiz Ave. Makati City Tel. No.: 8844-7822

SAN ROQUE Marikina Citv Tel. No.: 8682-6453

SANGANDAAN A. Mabini St. corner Plaridel St. Caloocan City Tel. Nos.: 8288-8238: 8288-7723

SHAW BOULEVARD - LAWSON G/F SCT Bldg., 143 Shaw Blvd. Mandaluyong City Tel. No.: 8535-1641

SOUTH HARBOR Harbor Centre I. Chicago St. corner 23rd St., Port Area, Manila Tel. No.: 8527-7312

STA. MESA Quezon City Tel. No.: 8715-8939

STARMALL EDSA - SHAW 444 EDSA corner Shaw Blvd. Mandaluyong City Tel. No.: 8718-2492

SUCAT 2/F Santana Grove, Dr. A. Santos Ave. corner Soreena St., Sucat Parañaque City Tel. Nos.: 8828-6719; 8828-9813; 8828-5761

SUCAT - DR. A. SANTOS AVENUE 8223 Dr. A. Santos Ave. Brgy. San Isidro, Sucat Parañague City Tel. Nos.: 8828-8236; 8828-8238; 8659-7130

T. ALONZO 1461-1463 Soler St., Sta Cruz, Manila Tel. No.: 8733-7865

TAFT REMEDIOS Tel. No.: 8536-6511

TEKTITE 1904-A East Tower Philippine Stock Exchange Center Ortigas Center, Pasig City Tel. No.: 8638-7305

319 J. P. Rizal St., San Roque

1-B G. Araneta Ave., Brgy. Doña Imelda

1932 Taft Ave. Malate, Manila

THE BEACON MAKATI

G/F The Beacon Roces Tower Chino Roces Ave. corner Arnaiz Ave. Makati Citv Tel. No.: 8893-4293

THE FIRM

CVC Law Center, 11th Ave. corner 39th St., Fort Bonifacio, Taguig Tel. No.: 8519-6880

THE FORT JY CAMPOS

JY Campos Center, 9th Ave. Bonifacio Global Center, Taguig City Tel. No.: 8815-0003

THE FORT SUNLIFE

G/F Sunlife Bldg., 5th Ave. corner Rizal Drive, Bonifacio Global City Taguig City Tel. No.: 8553-6310

TIMOG

RCBC Bldg., 36 Timog Ave. Quezon City Tel. No.: 8373-7218

TIMOG - PICTURE CITY CENTER

88 Picture City Center, Timog Ave. Quezon City Tel. No.: 3410-7126; 3929-1260

TOMAS MAPUA

626 Tomas Mapua St. Sta Cruz, Manila Tel. No.: 8734-1207

TOMAS MORATO

169 Tomas Morato St. corner Scout Castor, Quezon City Tel. Nos.: 8355-7066; 8374-0744

TORDESILLAS

G/F Metropole Bldg., Tordesillas St. corner Gil Puyat Ave., Makati City Tel. Nos.: 8808-2080; 8808-2378; 8808-1059

TRINOMA

Space P015B Level 1, Trinoma, EDSA corner North Ave., Quezon City Tel. No.: 8915-2048

TUTUBAN

G/F Center Mall I, Tutuban Center C. M. Recto Ave., Manila Tel. No.: 8361-7080

VALENZUELA 231 McArthur Highway, Karuhatan Valenzuela City Tel. No.: 8291-6593

VISAYAS AVENUE 6 Visayas Ave., Brgy. Bahay Toro Quezon City Tel. No.: 8374-9319

WACK-WACK Unit K Facilities Center Bldg. 548 Shaw Blvd., Mandaluyong City Tel. No.: 8533-8182

WEST AVENUE Unit 101 West Insula Cond., 135 West Ave. Brgy. Bungad, Dist. 5, Quezon City Tel. No.: 8294-4594

LUZON

ALAMINOS Marcos Ave. corner Montemayor St. Poblacion, Alaminos City, Pangasinan Tel. No.: (075) 551-2587

AMPID 122 Gen Luna St., Ampid 1, San Mateo, Rizal Tel. No.: (02) 8941-7788

ANGELES RCBC Bldg., Sto. Rosario St. corner Teresa Ave., Angeles City Tel. Nos.: (045) 888-2532; 887-1566; 887-1567

ANGELES - STO. CRISTO 243 Sto. Entierro St., Brgy. Sto. Cristo Angeles City, Pampanga Tel. Nos.: (045) 625-5587, 331-5188

ANGONO Quezon Ave., San Pedro, Angono, Rizal Tel. No.: (02) 8451-0456

ANTIPOLO - LORES G/F Lores Country Plaza, M.L. Quezon Extn. San Roque, Antipolo City Tel. Nos.: (02) 8696-9130; 8696-9133 to 34

APALIT McArthur Highway, San Vicente Apalit, Pampanga Tel. Nos.: (045) 879-0095; 302-6274

APARRI 108 J.P. Rizal St., Brgy. Centro 14 Aparri, Cagayan Tel. Nos.: (078) 888-0347; 888-0350

BACAO

Yokota Commercial Bldg., Bacao Rd. Brgy. Bacao 2, Gen. Trias, Cavite Tel. Nos.: (046)-437-6125-67; (02) 8894-9000 local 5384

BACOOR

Maraudi Bldg., Gen. E. Aguinaldo Highway Brgy. Niog, Bacoor, Cavite Tel. Nos.: (046) 417-7662; 417-7454; (02) 8894-9000 local 5345

BACOOR - SALINAS 333 Gen. Emilio Aguinaldo Highway Salinas IV, Bacoor City Tel. Nos.: (02) 8894-9000 local 5025 (046) 471-7131; 471-3670; 529-8965;

BAGUIO RCBC Bldg., 20 Session Rd., Baguio City Tel. Nos.: (074) 442-5345 to 46; 442-2077; 422-0069

BAGUIO - MABINI STREET Rm 104, GP Shopping Arcade Upper Mabini St., Baguio City Tel. Nos.: (074) 444-2366; 444-2368

BALAGTAS McArthur Highway, Borol 1st Balagtas, Bulacan Tel. Nos.: (044) 693-1350 to 51

BALANGA Don Manuel Banzon Ave. corner Cuaderno St., Balanga City, Bataan Tel. Nos.: (047) 237-9693; 237-9695

BALER Quezon St. corner Bonifacio St. Poblacion, Baler, Aurora Tel. Nos.: (042) 722-0001; 722-0003

BALIBAGO McArthur Highway, Balibago, Angeles City Tel. Nos.: (045) 626-2060; 686-2061; 322-7222

BALIUAG 01 JP Rizal St. corner Tagle St. Baliwag, Bulacan Tel. Nos.: (044) 766-3530; 766-2642; 766-2643

BATAC Marcos Blvd., Batac, Ilocos Norte Tel. No.: (077) 792-3126

BATANGAS 17 Rizal Ave. corner P. Gomez St. Batangas City Tel. Nos.: (043) 723-7870; 723-3105; (02) 894-9000 local 5357 BAUAN

J. P. Rizal St., Poblacion Bauan, Batangas Tel. Nos.: (043) 727-2715; (02) 8894-9000 local 5377

BEPZ - BATAAN RCBC Bldg., AFAB Mariveles, Bataan Tel. Nos.: (047) 935-4021 to 23

BINAKAYAN Tirona Highway, Binakayan Kawit, Cavite Tel. Nos.: (046) 434-3060; 434-3382; (02) 8894-9000 local 5037

BIÑAN 126 A. Bonifacio St., Canlalay Biñan City, Laguna Tel. Nos.: (049) 511-9826; 511-9826; (02) 8894-9000 local 5091

BIÑAN - LIIP G/F Admin Bldg. Laguna International Industrial Park Mamplasan, Biñan, Laguna Tel. Nos.: (049) 539-0167

BINANGONAN ML Quezon corner P. Zamora St. Libid, Binangonan, Rizal Tel. Nos.: (02) 8652-1177; 8570-7518; 8652-0082

BOAC Gov. Damian Reyes St. Brgy. San Miguel, Boac, Marinduque Tel. Nos.: (042) 332-0319; (02)-8894-9000 local 5385

BOCAUE 249 Binang 2nd, Bocaue, Bulacan Tel. Nos.: (044) 692-0053; 769-5028; 769-5027; (02) 8273-7511

CABANATUAN 1051 Burgos Ave., Cabanatuan City Nueva Ecija Tel. Nos.: (044) 463-5359; 463-8420; 464-7473 Fax No.: (044) 463-5359

CABANATUAN - MAHARLIKA HIGHWAY Maharlika Highway corner Paco Roman Extn. Cabanatuan City, Nueva Ecija Tel. Nos.: (044) 463-8640; 463-8641

CAUAYAN Calahi Bldg., FN Dy Blvd. Cauayan City Tel. Nos.: (078) 652-1157; 897-1509

CABUYAO - J.P. RIZAL AVENUE J.P. Rizal Ave. corner Del Pilar St.

Cabuyao City, Laguna Tel. Nos.: (02) 8520-8920; (049) 531-2021

Multicon Bldg., FP Felix Ave.

Tel. Nos.: (02) 8645-6716

CAINTA

Cainta, Rizal

CALAMBA

CALAPAN

CANDON

CARMELRAY

Pangasinan

CARMONA

582-7369

582-7369

National Highway corner Dolor St. Crossing, Calamba City, Laguna Tel. Nos.: (049) 545-1720; 545-1930; 545-9174; 545-6166

Homemark Bldg., J.P. Rizal St. Camilmil, Calapan City Oriental Mindoro Tel. Nos.: (043) 441-0602; 441-0603; (02) 8894-9000 local 5154

National Highway, San Jose Candon City, Ilocos Sur Tel. Nos.: (077) 742-5575; 644-0102

Adm. Bldg., Carmelray Industrial Park 1 Canlubang, Calamba, Laguna Tel. Nos.: (049) 549-2898; 549-1372 to 73

CARMELRAY 2

Adm. Bldg., Carmelray Industrial Park 2 Bgy. Tulo, Calamba, Laguna Tel. Nos.: (049) 545-1295 ; 545-0964; 502-6877; 545-0040

CARMEN - ROSALES McArthur Highway, Carmen Rosales

Tel. Nos.: (075) 564-4228; 582-2657;

Fax No.: (075) 564-3912

People's Technology Complex (SEZ) Governor's Drive, National Highway Bo. Maduya, Carmona, Cavite Tel. Nos.: (075) 564-4228; 582-2657;

CAVITE CITY

Big 5 Bldg., 633 P. Burgos Ave. Caridad, Cavite City Tel. Nos.: (046) 431-2242; 431-2318; (02) 8529-8503; 8894-9000 local 5353

CLARK

Berthaphil 8, Mercedez Benz Bldg. MA Roxas Highway, Clarkfield Pampanga Tel. Nos.: (045) 499-3029; 599-3057

CLARK 2

Berthaphil III, Clark Center Jose Abad Santos Ave. Clark Freeport Zone Tel. Nos.: (045) 499-2162; 499-1168

COGEO

Cogeo Trade Hall Bldg., Sitio Kasapi Brgy. Bagong Nayon, Antipolo City Tel. Nos.: 8654-1654; 8654-1656

CPIP - BATINO

Citigold J.B., Block 1 Lots 5 & 6 Calamba Premiere Industrial Park Batino, Calamba, Laguna Tel. Nos.: (049) 545-0015; 545-0016; 545-0018; 545-0019

DAGUPAN

RCBC Bldg., A.B. Fernandez Ave. Dagupan City Tel. No.: (075) 653-3440

DAGUPAN - TAPUAC

Units 101 & 102, RVR Bldg. Tapuac Dist., Dagupan City Tel. Nos.: (075) 523-6599; 632-3162

DASMARIÑAS

RCBC Bldg., FCIE Cmpd., Gov. Drive Langkaan, Dasmariñas, Cavite Tel. Nos.: (046) 402-0031 to 33; (02) 8894-9000 local 5358

DASMARIÑAS - SAN AGUSTIN

San Agustin 1, Aguinaldo Highway Dasmariñas, Cavite Tel. Nos.: (046) 683-5869; (02) 8529-8119; 8894-9000 local 5029

DINALUPIHAN

G/F NEJ Bldg., San Ramon Highway Dinalupihan, Bataan Tel. Nos.: (047) 633-4511 to 12

DMIA BRANCH LITE

Diosdado Macapagal International Airport Clarkfield Special Economic Zone Clark Air Base, Mabalacat, Pampanga Tel. Nos.: (045) 599-3058; 477-8292

FELIX AVENUE Phase 2, De La Paz, Pasig City, Rizal Tel. No.: (02) 8681-7565

FIRST PHILIPPINE INDUSTRIAL PARK (FPIP)

Unit 1 & 2, G/F Oasis Commercial Center R.S. Diaz Ave., FPIP, Brgy. Sta. Anastacia Sto. Tomas, Batangas Tel. No.: (043) 706-9206

GAPAN

Tinio St., San Vicente, Gapan City Nueva Ecija Tel. Nos.: (044) 486-0375; 958-9279

GATEWAY

RCBC Bldg., Gateway Business Park Bray, Javalera, General Trias, Cavite Tel. Nos.: (046) 433-0289; 433-5349

GENERAL TRIAS

61 Gov. Luis Ferrer Ave., Gen. Trias, Cavite Tel. Nos.: (046) 437-7348; 437-1508; (02) 8894-9000 local 5030

GENERAL TRIAS

Samantha's Place Commercial Bldg. G/F, Gov. Drive, Manggahan General Trias, Cavite Tel. Nos.: (046) 402-3008- 09; (02) 8894-9000 local 5379

GMA

Block 2 Lot 10, Brgy. San Gabriel Congressional Rd., GMA, Cavite Tel. Nos.: (046) 520-8710; 890-2672; (02) 8894-9000 local 5028; 852-08710;

GMA - CAVITE

Citi Appliance Bldg., Brgy. San Gabriel Governor's Drive GMA, Cavite Tel. Nos.: (046) 890-2365; 972-0317; (02) 8894-9000 local 5348

GUIMBA

Afan Salvador St., Guimba, Nueva Ecija Tel. No.: (044) 611-1060

HACIENDA LUISITA Robinson's Plaza, San Miguel, Tarlac City Tel. No.: (045) 985-1546

ILAGAN - ISABELA RKChy Bldg., Maharlika Rd. Calamagui 2nd, Ilagan City, Isabela Tel. Nos.: (078) 624-1168: 622-3158

IMUS Esguerra Bldg., Palico IV Aguinaldo Highway, Imus, Cavite Tel. No.: (046) 417-3784

IMUS - NUENO AVENUE Nuevo Ave., Tansang Luma Imus City, Cavite Tel. Nos.: (046) 471-3989; 471-4097; (02) 8894-9000 local 5038

LA TRINIDAD

Peliz Loy Centrum Bldg., Km. 5 La Trinidad, Benguet Tel. Nos.: (074) 424-3344; 424-3346 to 48

LA UNION Quezon Ave. corner P. Burgos St. San Fernando City, La Union Tel. Nos.: (072) 242-5575 to 76

LAGUNA TECHNOPARK

LTI Administration Bldg. II Laguna Technopark, Brgy. Malamig Biñan, Laguna Tel. Nos.: (049) 541-2756; 541-3271; 544-0719; 502-7159

LAOAG

Jackie's Commercial Bldg. II J. Rizal St., Laoag City Tel. No.: (077) 772-0616

LEGAZPI CITY

G/F M. Dy Bldg., Rizal St. Legazpi City Tel. Nos.: (052) 480-6416; 480-6053; (02) 8429-1812; 8429-1819

LEGAZPI - LANDCO BUSINESS PARK

G/F Delos Santos Commercial Bldg. Landco Business Park, Legazpi City Tel. Nos.: (02) 8555-8700; (052) 742-4697 to 98; 742-4695;

LEMERY

Ilustre Ave., Dist. II, Lemery Batangas Tel. Nos.: (043) 411-0901; (02) 8894-9000 local 5140

LIMA

Lima Technology Center Malvar, Batangas Tel. No.: (043) 981-1849

LINGAYEN

G/F Columban Plaza, Avenida Rizal East Poblacion, Lingayen, Pangasinan Tel. Nos.: (075) 542-3142: 653-0083

LIPA

C.M. Recto corner E. Mayo St. Lipa City Tel. Nos.: (043) 756-0220; 756-6479; (02) 8894-9000 local 5325

LIPA EXTENSION OFFICE

Mezzanine, Southern Twin Bldg. V. Malabanan corner P. Torres Brgy. 5, Lipa City, Batangas Tel. Nos.: (043) 404-8067; 404-8053

LIPA - AYALA HIGHWAY G/F Trinity Business Center Ayala Highway, Lipa City Tel. Nos.: (043) 756-6357 to 59; 723-6959

LISP III LISP III Admin Bldg., Millenium Drive Brgy. San Rafael, Sto. Tomas Batangas Tel. Nos.: (049) 530-9619

LUCENA

Quezon Ave. corner M. L. Tagarao St. Lucena City Tel. Nos.: (042) 710-4086; 710-6461; 710-4458; (02) 8250-8208;

LUCENA - EVANGELISTA

Maharlika Highway, Red-V Lucena City Tel. Nos.: (042) 710-5788; 710-8068; (02) 8250-8325; 8894-9000 local 5369

MAGSAYSAY - NAGA

G/F Sarap Realty Bldg. Magsaysay Ave., Balatas, Naga City Tel. Nos.: (054) 884-9904; 884-9147; (02) 8894-9000 local 5869

MALOLOS

FC Bldg., McArthur Highway Bo. Sumapang Matanda, Malolos Bulacan Tel. Nos.: (044) 794-3524; 662-1228

MALOLOS - PASEO DEL CONGRESO

Paseo Del Congreso, Catmon Malolos City Tel. Nos.: (044) 791-5989; 791-3953 Tel. No.: (044) 893-4928 NAGA G/F Crown Hotel Bldg. Peñafrancia Ave., Naga City Tel. Nos.: (054) 473-9114; 811-9115 to 16; (02) 8894-9000 local 5390

MARINDUQUE Sta. Cruz, Marinduque

MASBATE

Masbate City Tel. Nos.: (02) 8894-9000 local 5389 (056) 578-1088: 578-1089: 578-1090: MASINAG 259 Sumulong Highway, Mayamot Antipolo City

MEXICO BRANCH LITE CLK Bldg., Jose Abad Santos Ave. Brgy. Lagundi, Mexico, Pampanga

MEYCAUAYAN - MALHACAN Sterling Square Sterling Industrial Cmpd. Iba Malhacan National Highway Meycauayan City, Bulacan Tel. No.: (044) 766-3378

831 McArthur Highway

MOLINO Bacoor, Cavite

MORONG

Tanay, Rizal

EDG Bldg., Brgy. Lapu-Lapu Tel. Nos.: (042) 332-0046: (02) 8894-9000 local 5373

460 Quezon St., Brgy. F. Magallanes

Tel. Nos.: (02) 8570-7514

Tel. Nos.: (045) 455-1195; 455-2568

MEYCAUAYAN - REQUINO STREET

Meycauayan City, Bulacan Tel. Nos.: (044) 228-2241; 796-0530

G/F RFC Molino Mall, Molino 2 Tel. Nos.: (046) 477-2278; (02) 825-98967; 8894-9000 local 5137

MONTALBAN

J. Rizal St. corner Linco St., Balite Montalban, Rizal Tel. No.: (02) 8948-1385

T. Claudio St., Brgy. San Juan

Tel. Nos.: (02) 8653-0289; 8691-5245

MUZON - SJDM

Diaz Bldg., Carriedo St., Brgy. Muzon San Jose Del Monte, Bulacan

NAIC

Capt. C. Nazareno St., Poblacion Naic. Cavite Tel. Nos.: (046) 507-0183: 412-0391: (02) 8894-9000 local 5031

NASUGBU

RSAM Bldg., J.P. Laurel St., Brgy. 9 Nasugbu, Batangas Tel. Nos.: (043) 741-0394; 741-0397 Fax No.: (043) 741-0396

NOVELETA

Magdiwang Highway, Noveleta, Cavite Tel. Nos.: (046)-438-2571; 438-8411; 438-1056; (02) 8894-9000 local 5026

OLONGAPO

1055 Rizal Ave. Extn., West Tapinac Olongapo City Tel. Nos.: (047) 611-0205 to 06; 611-0179

PADRE GARCIA

45 A. Mabini, Poblacion Padre Garcia, Batangas Tel. Nos.: (043) 436-0215 to 16; 515-7177; (02) 8894-9000 local 5148

PALAWAN

RCBC Bldg., Junction 1, Rizal Ave. corner National Highway Puerto Princesa City Tel. Nos.: (048) 433-2091; 433-2693; (02) 8894-9000 local 5858

PALAWAN NATIONAL HIGHWAY

Lustre Arcade, National Highway Brgy. Tiniguiban, Puerto Princesa Palawan Tel. Nos.: (048) 717-0167; 723-0358 to 60; (02) 8894-9000 local 5368

PANDI

9045 Megamart Mall & Shopping Center Bunsuran 1st, Pandi, Bulacan Tel. No.: (044) 796-2900; (02) 8894-9000 local 5818

PANTOK

E & M Bldg., National Rd., Pantok Binangonan, Rizal Tel. Nos.: (02) 8570-3868; 8570-0367

PLARIDEL

Cagayan Valley Rd., Banga I Plaridel, Bulacan Tel. Nos.: (044) 795-0688; 670-2289

PUERTO PRINCESA

175 Rizal Ave., Pacific Plaza Bldg. Puerto Princesa City, Palawan Tel. Nos.; (048) 433-0364; 433-0364; 433-0367

ROSARIO EPZA

Cavite Export Processing Zone Rosario, Cavite Tel. Nos.: (046) 437-6260; 437-6548

SAN CARLOS G/F Roper Bldg., Palaris St. San Carlos City, Pangasinan Tel. Nos.: (075) 632-2469

SAN FERNANDO JASA

Unit 3 & 4, G/F Kingsborough Commercial Center Jose Abad Santos Ave. San Fernando City Tel. Nos.: (045) 961-5147; 961-5143

SAN FERNANDO PAMPANGA G/F Emerald Bldg., Dolores San Fernando, Pampanga Tel. Nos.: (045) 961-7614 to 15; 961-4505

SAN FERNANDO SINDALAN

Phoenix Bldg., McArthur Highway San Fernando, Pampanga Tel. Nos.: (045) 455-0382; 861-3662

SAN ILDEFONSO Villa Amelia, Buencamino St. San Jose, San Miguel, Bulacan Tel. Nos.: (044) 797-0521; 797-0523

SAN JOSE BATANGAS Cameco Bldg., Makalintal Ave. corner J. A. De Villa St., San Jose, Batangas

Tel. Nos.: (043) 726-0053; (02) 8894-9000 local 5143 SAN JOSE CITY, NUEVA ECIJA

Abar 1st, Maharlika Highway San Jose City, Nueva Ecija Tel. Nos.: (044) 958-5090

SAN MATEO 323 Gen. Luna St., Guitnangbayan II San Mateo, Rizal Tel. Nos.: (02) 8948-0199; 8942-6969

SAN PABLO Ultimart Shopping Plaza M. Paulino St., San Pablo City Tel. Nos.: (049) 562-7834; 562-0782 562-0781

SAN PEDRO

EM Arcade 1 Bldg., Brgy. Poblacion National Highway, San Pedro, Laguna Tel. Nos.: (02) 8868-9459; 8847-5685; 8868-5724; 8868-9460

SAN PEDRO - NUEVA National Highway, Brgy. Nueva San Pedro, Laguna Tel. Nos.: (02) 8808-4608; 8520-1788; 8894-9000 local 5027

SANTIAGO - CENTRO WEST 29 City Rd., Centro West Santiago City, Isabela Tel. Nos.: (078) 305-2056 to 57

SCIENCE PARK Admin Bldg., LISP 1, Pulo Rd. Brgy. Diezmo, Cabuyao, Laguna Tel. Nos.: (049) 543-0105 to 06; 543-0571

SOLANO 211 J. P. Rizal Ave. National Highway Solano, Nueva Vizcaya Tel. Nos.: (078) 326-6678; 326-5559

STA. CRUZ A. Regidor corner Burgos St. Sta. Cruz, Laguna Tel. Nos.: (049)-510-2136; 501-4586; (02) 8894-9000 local 5315

STA. CRUZ - NATIONAL ROAD Teoxon Bldg., Unit 1, Sitio Narra Brgy. Labuin, Sta. Cruz, Laguna Tel. Nos.: (049) 501-2136; 501-3538; 501-4586; (02) 8520-8318

STA. LUCIA EAST Ground Level, Bldg. 2, Sta. Lucia Mall Marcos Highway corner Felix Ave., Cainta, Rizal Tel. Nos.: 02) 8682-0359; 8645-7911; 8682-7126; 8682-5963; 8645-3685

STA. MARIA - BULACAN 39 J. P. Rizal St., Poblacion Sta. Maria, Bulacan Tel. Nos.: (044) 641-0251; 641-5371

STA. ROSA - BALIBAGO G/F, CARVAJAL Bldg., Old National Highway Balibago, Sta. Rosa, Laguna Tel. Nos.: (049) 534-5018 (02) 8520-8443

STA. ROSA - BEL AIR CW Home Depot, Sta.Rosa Tagaytay Rd., Brgy. Pulong Sta.Cruz, Santa Rosa City, Laguna Tel. Nos.: (02) 8894-9000 local 5805; 8520-8426

STA. ROSA EXTENSION OFFICE

G/F Unit 12, Garden Plaza Mall Garden Villas 3, Brgy. Ibaba, Laguna Tel. Nos.: (049)-530-3815: (02) 8894-9000 local 5173

STA. ROSA PASEO

STA. ROSA - TAGAPO

(02) 8520-8190

Bacoor, Cavite

SUBIC

Olongapo Clty

252-5025 to 26

TABACO

TAGAYTAY

TANAUAN

Unit 1 Olivarez Plaza

Santa Rosa City, Laguna

Tel. Nos.: (049) 534-3207;

STARMALL DAANG HARI

Starmall Prima, Daang Hari

corner Molino Rd., Brgy. Molino 4

Tel. Nos.: (02) 8894-9000 local 5396

STARMALL - SAN JOSE DEL MONTE

G/F Starmall Bldg., Brgy. Kaypian

San Jose Del Monte, Bulacan

Tel. No.: (044) 797-0275

Precision Tek Bldg., Lot B

Tel. Nos.: (047) 252-5023;

232 Ziga Ave., Tabaco City, Albay

Tel. Nos.: (052) 487-7042; 519-4446;

E. Aguinaldo Highway, Tagaytay City

G/F Reyes Bldg., J P Laurel Highway

Poblacion 4, Tanauan City, Batangas

Tel. Nos.: (043) 778-3700; 778-3600;

Tel. Nos.: (046) 483-0540 to 42;

(02) 8894-9000 local 5376

(02) 8894-9000 local 5138

(02) 8429-1817; 8894-9000 local 5367

(046) 435-0437; 435-0439; 435-0440

Rizal Highway, Subic Bay Freeport Zone

Unit 1 Paseo 5 Paseo De Sta Rosa Sta. Rosa, Laguna Tel. Nos.: (049) 541-2751 to 54; (02) 8420-8020

STA. ROSA - SOLENAD Unit M 20, Bldg. 2, Nuvali Solenad 2 National Rd., Brgy. Sto. Domingo Sta. Rosa City, Laguna Tel. Nos.: (049) 530-1482; 530-1384;

(02) 8894-9000 local 5382 J. Rizal Blvd. corner Tagapo TAYTAY

Manila East Rd., Taytay, Rizal Tel. No.: (02) 8286-0490

> TAYUG A. Bonifacio St., Brgy. A Tayug, Pangasinan

TANAY

TANZA

TARLAC

982-3389

TERESA San Gabriel, Teresa, Rizal

TRECE MARTIRES

TUGUEGARAO

Bonifacio corner Gomez St. Centro 7, Tuguegarao City Tel. Nos.: (078) 844-0885; 844-0879; (02) 8894-9000 local 5164

URDANETA

568-2090

VIGAN Ilocos Sur Tel. No.: (077) 632-0221

BUILDING PARTNERSHIPS TO LAST A LIFETIME

217

M. L. Quezon St. corner J. P. Laurel St. Brgy, Plaza Aldea, Tanay, Rizal Tel. No.: (02) 8693-1267

A. Soriano Highway, Tanza, Cavite Tel. Nos.: (046) 437-7715; 437-1507; (02) 8894-9000 local 5032

F. Tañedo St., Tarlac City Tel. Nos.: (045) 982-0820 to 21;

TARLAC - STO. CRISTO

McArthur Highway, Blossomville Subd. Sto. Cristo, Tarlac City Tel. No.: (045) 382-9133

Tel. Nos.: (075) 572-2024; 572-4800

RCF Building, R. Magsaysay Ave. Tel. No.: (02) 8570-9693

Brgy. San Agustin, Trece Martires City Tel. Nos.: (02) 8894-9000 local 5036 (046) 419-2671; 419-3270; 419-2602;

E.F. Square Bldg., McArthur Highway Urdaneta City, Pangasinan Tel. Nos.: (075) 656-2289; 568-2925;

Nueva Segovia St., Vigan City

VISAYAS

ANTIQUE

Del Carmen Bldg., Solana St. corner T. Fornier St., San Jose, Antique Tel. No.: (036) 540-7025

BACOLOD LACSON

G/F Lourdes C. Bldg. II 14th Lacson St., Bacolod City Tel. No.: (034) 432-3441

BACOLOD - LIBERTAD

A.U Gomez and Sons Bldg. Libertad Ext., Bacolod City Tel. No.: (034) 707-6207

BACOLOD - MAIN

Rizal St. corner Locsin St. Bacolod City Tel. No.: (034) 433-7844

BACOLOD - SHOPPING Hilado Extn., Capitol Shopping Center Bacolod City Tel. No.: (034) 709-1708

BACOLOD - MANDALAGAN

Lacson St., Brgy. Mandalagan Bacolod City Tel. No.: (034) 434-4691

BALAMBAN

D.C. Sanchez St., Balamban, Cebu Tel. No.: (032) 266-9127

BANILAD AS Fortuna St., Banilad, Cebu City Tel. No.: (032) 346-3892

BASAK Cebu North Rd., Brgy. Basak Mandaue City, Cebu

Tel. No.: (032) 344-8155

BAYAWAN

National Highway, Bayawan City Negros Oriental Tel. Nos.: (035) 531-0554; 228-3322

BORACAY

Station 1, Brgy. Balabag, Boracay Malay, Aklan Tel. No.: (036) 288-1906

CADIZ Abelarde St. corner Mabini St. Cadiz City Tel. No.: (034) 493-0751

CALBAYOG Magsaysay Blvd. corner Rueda St. Calbayog City Tel. No.: (055) 209-1338

CATARMAN Ang Ley Bldg., JP Rizal St., Brgy. Sampaguita Catarman, Northern Samar Tel. No.: (055) 500-9480

CATBALOGAN Del Rosario St., Catbalogan, Western Samar Tel. No.: (055) 543-9062

CATICLAN BRANCH LITE Jerry Port, Caticlan, Malay, Aklan Tel. No.: (036) 288-1906

CEBU - PASEO ARCENAS Don Ramon Arcenas St. along R. Duterte St. Banawa, Cebu City Tel. No.: (032) 236-8012

CEBU BUSINESS PARK Block 6 Lot 1, Mindanao Ave. corner Siquijor St., Cebu Business Park Cebu City Tel. No.: (032) 233-6229

CEBU IT PARK Block 2 Lot 4, Asiatown IT Park Subd. Brgy. Apas, Cebu Citv Tel. No.: (032) 260-0515

CEBU MANALILI Tan Sucheng Bldg., V. Gullas St., Cebu City Tel. No.: (032) 253-0624

CEBU - STO. NIÑO Belmont Hardware Depot Bldg. P. Burgos St. corner Legaspi St. Brgy. San Roque, Cebu City Tel. No.: (032) 253-6028

CONSOLACION ADM Bldg., Cansaga, Consolacion, Cebu Tel. No.: (032) 423-9335

DUMAGUETE Dr. V. Locsin St., Dumaguete City Negros Oriental Tel. No.: (035) 422-8422

ESCARIO N. Escario St., Capitol Site, Cebu City Tel. Nos.: (032) 255-6404

F CABAHUG G/F Pacific Square Bldg. F. Cabahug St., Mabolo, Cebu City Tel. Nos.: (032) 505-5801; 505-5805 FUENTE OSMEÑA Grepalife Tower, Fuente Osmeña Rotonda. Cebu Citv Tel. No.: (032) 255-4886

GUADALUPE 63 M. Velez & A. Abellana Sts. Guadalupe, Cebu City Tel. No.: (032) 255-5353

HINIGARAN Rizal St., National Rd., Hinigaran Negros Occidental Tel. Nos.: (034) 391-2323; 740-7576

ILOILO Iloilo Business Center, JM Basa St. corner Arsenal St., Iloilo City Tel. No.: (033) 336-9643

ILOILO LEDESMA MJM Bldg., Ledesma St. corner Quezon St., lloilo City Tel. No.: (033) 388-4370

JALANDONI - ILOILO Jalandoni St., San Agustin, Iloilo City Tel. Nos.: (033) 338-0212; 337-4785; 338-2065

JARO E. Lopez St. corner Seminario St. Jaro, Iloilo City Tel. No.: (033) 320-4077

JCENTRE MALL A.S. Fortuna St., Bakilid, Mandaue City Tel. No.: (032) 520-3260

KABANKALAN Guanzon St., Kabankalan City Negros Occidental Tel. Nos.: (034) 471-2316; 746-8177

KALIBO Lu Bldg., Roxas Ave., Poblacion Kalibo, Aklan Tel. Nos.: (036) 268-5108; 262-3474; 500-8262

LA PAZ - ILOILO Calle Luna, Bantud, Iloilo City Tel. No.: (033) 329-1201

LAPU LAPU G/F Hotel Europa Bldg., Basak Mercado, Lapu Lapu City Tel. No.: (032) 520-6520

LUZURIAGA BACOLOD G/F Golden Heritage Bldg.

San Juan St. corner Luzuriaga St. Bacolod Citv Tel. No.: (034) 432-1543 to 45

MAASIN LEYTE Tomas Oppus St., Brgy. Abgao Maasin City, Southern Leyte Tel. Nos.: (053) 381-3854; 570-8282

MACTAN MEPZ Bldg., MEPZ 1, Mactan Lapu-lapu City Tel. No.: (032) 340-1853

MANDAUE A.C. Cortes St., Ibabao Mandaue City Tel. No.: (032) 346-1727

MANDAUE - M.C. BRIONES Highway Seno, Mandaue City, Cebu Tel. Nos.: (032) 345-8063: 345-8065

MEPZ 2 Pueblo Verde, Mactan Economic Zone II Brgy. Basak, Lapu Lapu City Tel. No.: (032) 340-1778

NORTH RECLAMATION G/F CIFC Tower, Humabon St. corner Juan Luna Ave. North Reclamation Area, Cebu City Tel. No.: (032) 231-7044

ORMOC G/F MFT Bldg., Real St. corner Carlos Tans St., Ormoc City Tel. Nos.: (053) 561-8134; 255-3454

OTON ILOILO Madr & Sons Arcade, J.C Zulueta St. Oton. Iloilo Tel. No.: (033) 336-0306

P. DEL ROSARIO CEBU G/F RCBC Savings Bank Bldg. P. Del Rosario St., Kamagayan Cebu City Tel. No.: (032) 255-6182

ROXAS CITY Plaridel St., Roxas City Tel. No.: (036) 621-1104

SAN CARLOS S. Carmona St., San Carlos City Negros Occidental Tel. No.: (034) 312-5141

SARA Salcedo St., Sara, Iloilo Tel. No.: (033) 392-0172

SILAY Tel. No.: (034) 495-0505

TABOAN Cebu City Tel. No.: (032) 261-6061

TACLOBAN RSB Bldg., Zamora St. corner Sto. Niño St., Tacloban City Tel. No.: (053) 325-5058

TAGBILARAN RCBC Bldg, C.P.G. Ave. Tagbilaran City Tel. No.: (038) 412-3555

TALAMBAN CEBU G/F Ecotrade Bldg., J. Panis St. Talamban, Cebu City Tel. Nos.: (032) 343-7992; 412-1620

TALISAY South Central Square, Lawaan III Talisay City, Cebu Tel. No.: (032) 505-5194

TALISAY - BULACAO South Rd., Bulacao, Talisay City, Cebu Tel. Nos.: (032) 272-2701

TOLEDO G/F Toledo Commercial Vill. Bldg. Rafols St., Brgy. Poblacion Toledo City, Cebu Tel. No.: (032) 322-7768

MINDANAO

Tel. No.: (082) 221-0251 BUHANGIN

Dr A & B Bldg., 2010 Km. 7 Diversion Rd., Buhangin Davao City Tel. No.: (082) 241-0459

RCBC Bldg., Don Victorino

Rizal St. corner Burgos St., Silay City

C. Padilla St., Brgy. San Nicolas

BOLTON DAVAO

Bolton St., Davao City, Davao Del Sur

BUTUAN

Dy Teban Bldg. II, Ester Luna St. Butuan Citv Tel. Nos.: (085) 341-5267: 341-8829: 341-7551; 342-8923

BUTUAN - LIBERTAD

RT Bldg., JC Aquino Ave. corner Bonbon Rd., Brgy. Libertad Butuan City Tel. Nos.: (085) 815-2050 to 51; 815-2053

CALINAN National Highway, Poblacion Calinan, Davao City Tel. No.: (082) 284-1443

CARMEN CDO G/F Macaibay Bldg., Carmen Cagayan De Oro City Tel. Nos.: (088) 858-5793; 858-6248; 856-2461; 856-2465

CARRASCAL National Highway, Brgy. Gamuton Carrascal, Surigao del Sur Tel. No.: (086) 212-8031

CDO - LAPASAN Lapasan Highway, Lapasan Cagayan de Oro City Tel. No.: (088) 856-1888

CDO - LIMKETKAI Gateway Tower 1, Limketkai Center Cagayan de Oro City Tel. No.: (088) 856-3707

CDO - MASTERSON AVENUE Xavier Estates, Masterson Ave. Upper Balulang, Cagayan de Oro City Tel. No.: (088) 859-0528

CDO - OSMEÑA Simplex Bldg., Osmeña St. Cagayan De Oro City Tel. No.: (088) 856-2888

CDO - VELEZ Don Apolinar Velez St. corner Cruz Taal St. Cagayan de Oro City Tel. No.: (088) 856-4982

CDO - VELEZ CITY CENTRAL Velez St., Cagayan De Oro City Misamis Oriental Tel. Nos.: (088) 856-2460 to 65; 272-9274; 856-4253

COTABATO

M Bldg., Quezon Ave., Cotabato City Tel. Nos.: (064) 421-3565; 421-3585

DADIANGAS Pioneer Ave., General Santos City Tel. Nos.: (083) 552-5470; 552-4634

DAMOSA GATEWAY MALL Mamay Rd. corner J.P. Laurel Ave. Lanang, Davao City Tel. Nos.: (082) 234-7002; 234-7019

DAVAO RCBC Bldg., C.M. Recto St. corner Palma Gil St., Davao City Tel. Nos.: (082) 222-7901 to 03; 221-7903

DAVAO - BAJADA J.P. Laurel Ave. corner Villa Abrille St. Davao City Tel. Nos.: (082) 305-5231; 225-1112

DAVAO - MATINA Km. 2 McArthur Highway, Matina Davao City Tel. No.: (082) 227-2008

DAVAO - QUIRINO E. Quirino Ave., Brgy. 3-A Poblacion, Davao City Tel. Nos.: (082) 221-4912; 221-4909; 300-4288

DIGOS RCBC Bldg., J.P. Rizal St. corner M.L. Roxas St., Digos City Davao Del Sur Tel. Nos.: (082) 553-2560; 553-2319

DIPOLOG General Luna St. corner Lacaya St. Dipolog City Tel. Nos.: (065) 212-6479; 212-2543

DOLE Dole Philippines Pavillion Cannery Plant Site, Polomolok South Cotabato Tel. No.: (083) 500-2643

GEN. SANTOS - NATIONAL HIGHWAY National Highway, Brgy. City Heights Gen. Santos City Tel. Nos.: (083) 553-8196 to 98

GENSAN RGH Bldg., J. Catholico Ave. Lagao, General Santos City Tel. Nos.: (083) 553-8880; 553-8883

ILIGAN

Lanao Fil-Chinese Chamber of Commerce Inc. Bldg., Quezon Ave. corner B. Labao St. lligan City Tel. No.: (063) 221-5443

IPIL National Highway, Ipil Zamboanga Sibugay Tel. Nos.: (062) 333-2257; 333-2254

ISULAN National Highway corner Lebak Rd. Isulan, Sultan Kudarat Tel. Nos.: (064) 201-3867

J.P. LAUREL G/F Ana Soccoro Bldg., J.P. Laurel Ave. Bajada, Davao City Tel. Nos.: (082) 222-2805; 222-2803

KABACAN National Highway, Poblacion Kabacan. Cotabato Tel. No.: (064) 572-2207

KIDAPAWAN KMCC Bldg., Dayao St. Kidapawan City, North Cotabato Tel. Nos.: (064) 577-1572 to 73

MALAYBALAY Don Carlos St., Poblacion Malaybalay City Tel. No.: (088) 813-3565

MARAMAG FIBECO Cmpd., Sayre National Highway Anahawon, Maramag, Bukidnon Tel. Nos.: (088) 238-5591; 238-5589

MARANDING National Highway, Maranding Lala, Lanao Del Norte Tel. No.: (063) 388-7045

MARBEL General Santos Drive corner Roxas St. Koronadal City, South Cotabato Tel. No.: (083) 228-2333

MONTEVERDE DAVAO Door 5 & 6 Veterans Bldg. Monteverde, Davao City Tel. Nos.: (082) 227-0858; 222-0115; 221-9590

NABUNTURAN

SMPTC Bldg, L. Arabejo Ave. Brgy, Poblacion, Nabunturan Compostela Vallev Tel. Nos.: (084) 817-0141 to 42

OZAMIS Don Anselmo Bernard Ave. corner Mabini St., Ozamis City Tel. Nos.: (088) 521-1559

PAGADIAN RCBC Bldg., Rizal Ave. Pagadian City Tel. Nos.: (062) 925-0397; 214-1773

PANABO Greatsun Ventures Bldg. National Highway, Purok Atis Sto. Niño, Panabo City Tel. Nos.: (084) 822-1192

POLOMOLOK B-French St., Polomolok South Cotabato Tel. No.: (083) 500-9161

SASA Km. 9, Bo. Pampanga, Sasa Davao City Tel. Nos.: (082) 284-0262; 291-6963; 291-6949; 291-6936; 291-6973

STA. ANA Monteverde St. corner Sales St. Sta. Ana, Davao City Tel. Nos.: (082) 221-1794 to 95; 221-2160

SURALLAH National Highway corner Mabini St. Surallah, South Cotabato Tel. Nos.: (083) 238-3017 to 18

SURIGAO San Nicolas St. corner Burgos St. Surigao City Tel. Nos.: (086) 826-1288; 826-4034

TACURONG Mariano Marcos, National Highway corner Ramon Magsaysay Ave. Tacurong City, Sultan Kudarat Tel. Nos.: (064) 200-3189; 200-3440 TAGUM RCBC Bldg., Pioneer Ave. Davao del Norte 655-9522

TANDAG Pimentel Bldg., Doñasco St. Tandag, Surigao del Sur Tel. Nos.: (086) 211-3066; 211-3063

TORIL McArthur Highway, Toril Proper Toril, Davao City Tel. Nos.: (082) 295-1700; 295-1600

VALENCIA Sayre Highway corner G. Laviña Ave. Valencia City, Bukidnon Tel. Nos.: (088) 828-2167

VICTORIA PLAZA Victoria Plaza Mall, J.P. Laurel Ave. Davao City Tel. Nos.: (082) 221-8580 to 82

ZAMBOANGA SIA Bldg., Tomas Claudio St. Zone III, Zamboanga City Tel. Nos.: (062) 991-0753 to 54

ZAMBOANGA -VETERANS YPC Bldg., Veterans Ave. Zamboanga City Tel. Nos.: (062) 990-1200 to 01

ZAMBOANGA - GOV. LIM AVENUE G/F Jesus Wee Bldg., Gov. Lim Ave. Zamboanga City Tel. Nos.: (062) 991-0817

corner Quirante II St., Tagum City Tel. Nos.: (084) 655-6341 to 42;

Subsidiaries and Associates

LUZON

NASUGBU

J. P. Laurel St., Brgy. 9, Nasugbu, Batangas Tel. Nos.: (043) 416-0878; (02) 8894-9000 local 5706

ROSARIO

Gualberto Ave., Rosario, Batangas Tel. Nos.: (043) 321-1463; 414-0038; (02) 8894-9000 local 5715

SAN JOSE

Liboro St., San Jose, Occidental Mindoro Tel. Nos.: (043) 457-0078; (02) 8894-9000 local 5701

TANAUAN

A. Mabini Ave., Tanauan, Batangas Tel. Nos.: (043) 405-2074; 784-8193; (02) 8894-9000 local 5700

PUERTO PRINCESA Unit 3 ARL Bldg., Rizal Ave., San Miguel Puerto Princesa, Palawan Tel. Nos.: (048) 433-0160; (02) 8894-9000 local 5709

ROXAS BRANCH LITE UNIT Magsaysay St., Bagumbayan, Roxas Oriental Mindoro Tel. No.: (02) 8894-9000 local 5703

VISAYAS

BALAMBAN D.C Sanchez St., Sta. Cruz, Sto. Niño Balamban, Cebu Tel. No.: (02) 8894-9000 loc. 5740

CONSOLACION 812 National Highway, Brgy. Pitogo Consolacion, Cebu City Tel. Nos.: (032) 232-4241; (02) 8894-9000 loc. 5704

TALISAY G/F, South Agora, Tabulasan, San Isidro St. Talisay, Cebu Tel. Nos.: (032) 272-5857; (02) 8894-9000 loc. 5740

MINDANAO

BUTUAN

Door 1 & 2, CJU Bldg., Langihan Rd. Purok 12, Brgy. Limaha, Butuan City Tel. Nos.: (085) 225-0298; (02) 8894-9000 loc. 5718

CAGAYAN DE ORO

G/F, GRC Bldg., Limketkai Drive Brgy. 35, Cagayan De Oro City Tel. Nos.: (088) 880-3115; (02) 8894-9000 loc. 5712

DAVAO

G/F, AndaRizal Center corner Anda and Rizal Sts., Barangay 3-A, Davao City Tel. Nos.: (082) 222-3947; (02) 8894-9000 loc. 5716

DIGOS

W8 WilVill Bldg., Lim St., Zone 3 Digos City, Davao Del Sur Tel. Nos. ; (02) 8894-9000 loc. 5693

GENERAL SANTOS Door A5, ECA Bldg., National Highway City Heights, General Santos City Tel. Nos.: (083) 552-2700; (02) 8894-9000 loc. 5713

KORONADAL 601 GenSan Drive, Brgy. Zone 03 Koronadal City Tel. Nos.: (083) 228-3198; 228-7693; (02) 8894-9000 loc. 5711

TAGUM

Door 9, Cacayorin Bldg., Circumferential Rd. Tagum City, Davao Del Norte Tel. Nos.: (084) 216-4465; (02) 8894-9000 loc. 5714

VALENCIA

G/F, JTAM Bldg., Purok 3A Poblacion National Highway Valencia City, Bukidnon Tel. Nos.: (088) 828-5906; (02) 8894-9000 loc. 5717

TACURONG BRANCH LITE UNIT

F Daniel Bldg., National Highway Tacurong City, Sultan Kudarat Tel. No.: (064) 477-0012-

DOMESTIC

CAJEL REALTY CORPORATION 12F Yuchengco Tower, RCBC Plaza 6819 Avala Ave., Makati City

6819 Ayala Ave., Makati City Tel No.: 8894-9000 local 1675 CONTACT PERSON: JOHN THOMAS C

HONDA CARS PHILIPPINES, INC. 105 South Main Ave., Laguna Technop. Brgy. Don Jose, City of Sta. Rosa, Lagu Tel. Nos.: (632) 8857-7200; 8541-1411 PRESIDENT & GM: MASAHIKO NAKAN

RCBC CAPITAL CORPORATION

21F Tower II, RCBC Plaza 6819, Ayala Ave., Makati City Tel. No.: (632) 8894-9000 Fax No.: (632) 88845-3457 PRESIDENT & CEO: JOSE LUIS F. GON

RCBC BANKARD SERVICES CORF

31F Robinsons Equitable Tower cor. ADB Ave. and Poveda St. Ortigas Center, Pasig City Tel. No.: (632) 8688-1888 PRESIDENT & CEO: ARNIEL VINCI

RCBC SECURITIES, INC.

21F Tower II, RCBC Plaza 6819, Ayala Ave., Makati City Tel. No.: (632) 8894-9000 loc 1681 Fax No.: (632) 8889-7643 ACTING PRESIDENT: RAUL P. RUI

RCBC FOREX BROKERS CORPORATI

8F Yuchengco Tower, RCBC Plaza 6819, Ayala Ave., Makati City Tel. No.: (632) 8894-9012 Fax No.: (632) 8894-9080 PRESIDENT & CEO: JOSEPH COLIN B

RCBC-JPL HOLDING COMPANY, INC.

(Formerly President Jose P. Laurel Rui 2F President Laurel Bldg. Pres. Jose P. Laurel Highway Tanauan City, Batangas Tel. No.: (043) 778-4444 CHAIRMAN AND PRESIDENT: KENNETH MARK F. GARCIA

RCBC LEASING AND FINANCE CORP

2nd Floor Grepalife Bldg. 221 Sen. Gil Puyat, Ave.. Makati City Tel. No. : 8403-9852; 8403-9895; 8403 8403-9766 PRESIDENT & CEO : ANNA CHRISTIN

	RCBC RENTAL CORPORATION 2F Grepalife Bldg., 221 Sen. Gil Puyat, Ave. Makati City Tel. No.: 8403-9852; 8403-9895; 8403-9762; 8403-9766 PRESIDENT & CEO : ANNA CHRISTINA M. VICENTE
G. DEVERAS park guna MURA	RIZAL MICROBANK, INC - A THRIFT BANK OF RCBC 3F AndaRizal Center cor. Rizal and Anda Sts. Brgy. 3-A, Davao City Tel. Nos.: (082) 222-3948 PRESIDENT: RAYMUNDO C. ROXAS
	NIYOG PROPERTY HOLDINGS, INC. 12F Yuchengco Tower, RCBC Plaza 6819 Ayala Ave., Makati City Tel Nos.: (632) 8894-9000 local 1675 PRESIDENT: JOHN THOMAS G. DEVERAS
MEZ PORATION	ISUZU PHILIPPINES CORPORATION 114 Technlogy Ave. Laguna Technopark Biñan, Laguna Tel. No.: (049) 541-0224 PRESIDENT: HAJIME KOSO
CENT B. ONG	LUISITA INDUSTRIAL PARK CORPORATION* 48F Yuchengco Tower, RCBC Plaza 6819, Ayala Ave., Makati City Tel. No.: (632) 8894 9559 PRESIDENT: MARIO C. PAGUIO
31 11Z TON	YGC CORPORATE SERVICES, INC.* 5/F Grepalife Bldg. 221 Sen. Gil Puyat Ave., Makati City Tel. No.: (632) 894-2887 Fax No.: (632) 894-9574 EVP & COO: LIWAYWAY F. GENER
B. RODRIGUEZ	INTERNATIONAL
ural Bank, Inc.)	RCBC INTERNATIONAL FINANCE LIMITED CENTRAL OFFI CE Room 701, 7/F, Leeloong Bldg. 4 Queen Victoria St., Central, Hong Kong Tel Nos.: (852) 2167-7400; 2167-7471 Fax No.: (852) 2167-7422 Email: feagus@rcbc.com CONTACT PERSON: MR. FEDERICO E. AGUS, JR.
PORATION 03-9762;	WORLDWIDE BRANCH Shop 129, 1/F, Worldwide Plaza 19 Des Voeux Road, Central Hong Kong Tel Nos.: (852) 2501-0703; 2537-8342
NA M. VICENTE	Email: feagus@rcbc.com CONTACT PERSON: MR. FEDERICO E. AGUS, JR.

LOANS			
Product/Service	Description		
Commercial Loans (Peso and/or Foreign Currency)			
Short- Term Revolving Facilities			
Non-Trade Facilities			
Credit Line Credit Line This is a revolving credit facility made available t client within the approved limit(s) and tenor(s). This is usually granted to augment a business' sh term working capital requirements.			
Accounts Receivable Line (ARL)	This is a revolving credit facility that is meant to liquefy a borrower's accounts receivables.		
Bills Purchased Line (BPL)	BP is a credit line utilized for the purchase of current- dated local checks.		
Second Endorsed Checks Line (SECP)	This is a form of accommodation to eligible clients to allow purchase of checks drawn to individuals / entities other than the borrower – presenter.		
Floor Stock Financing	Floor stock financing is a form of inventory financing where emphasis is given on the value, marketability / disposal and control over the inventory financed. This type of credit facility is normally given to entities engaged on motor vehicle / heavy equipment dealership business.		
Trade Facilities	These are credit facilities used to finance the movement of goods / merchandise and services within or across country borders and self-liquidating in nature.		
Import / Domestic Trade Facilities			
Letter of Credit Line	This is a credit facility against which the Bank will issue a written undertaking (i.e., Letter of Credit) given to the seller upon the instruction of the customer / buyer, to pay at sight or at a determinable future date within a prescribed time limit and against stipulated documents.		
Trust Receipt (TR) Line	This is a credit facility granted by the Bank to finance bills drawn under domestic or import LCs issued by the Bank. Goods financed by the Bank under LC are released to the customer / buyer under a Trust Receipt (TR) Agreement. Trust Receipt is a security transaction intended to aid in financing importers or domestic buyers. It is the security feature in the LC / TR transaction wherein the Bank extends a loan to a borrower covered by the letter of credit, with the trust receipt as a security for the loan.		
Shipping Guarantee	Shipping Guarantee / Shipside Bond is an undertaking issued by the Bank at the request of the importer, addressed to the carrier (shipping company), asking the carrier to accept guarantee in place of the original shipping document (bill of lading), to release the carrier of any legal consequences because it has released the goods without an original shipping document.		
Export Financing			
Export Advance Loan / Line	This credit facility is used to finance the production of export sales where the loan is granted for the pre- export requirements of the client.		
Export Bills Purchased Line	The Bank purchases drafts or bills of exchange arising from export transactions, drawn on LCs issued by foreign banks.		

Product/Service	
Others	
Standby LC Facility	A standby Bank to su the payme
Bank Guarantee	A bank gu pay a sum party.
Long-Term Non-Revolving Facilities	These are commitme
SME Business Loans	
Loan Line Financing	A Credit L through sł
Accounts Receivables Purchase Line	A loan fac
Term Loan	A loan tha
Quick Business Loan	A loan for
Microfinance Loans (through Rizal Microbank)	
ΡΙΤΑΚΑ ΜΕ	The PITAk entrepren- affordable finance an their incor regular da household provide fo on loans fi Loan amo pay.
PITAKA ME Plus	This is a g ranges fro
PITAKA ME Pus RCL	PITAKA M individual This loan a applying f of funds tl approved The line w facility wil allow the interest or
SmallBiz Term Loan	The Small financial n operations to entrepr operations

by LC is established primarily as a payment undertaking issued by the support an underlying contract. It serves as a security or guarantee for nent of a loan or the performance of an obligation.

guarantee is an irrevocable commitment of the Bank binding itself to m of money in the event of non-performance of a contract by a third

e non-evolving facilities maturing beyond one year (from date of nent to date of final payment).

Line that provides financial flexibility. Draw downs are available short-term promissary notes.

acility that utilizes outstanding receivables to receive financing

hat has a specific amount and has a specified repayment schedule.

or business purposes that is collateralized by real property.

KA Micro-Enterprise Loan is an individual loan product for micro neurs who wish to improve their businesses. It aims to make available le and easily accessible credit to micro entrepreneurs to help them and/or expand their present micro enterprise activities and increase ome. The product primarily targets micro entrepreneurs who generate laily, weekly, semi-monthly or monthly income sufficient for the ld and to pay their regular loan amortization. The product also aims to formal source of credit to micro entrepreneurs who currently depend from informal moneylenders.

ount ranges from P20,000 to P150,000 subject to client's capacity to

graduation loan product of the PITAKA ME Term Loan. Loan amount om P150,001 to P300,000 subject to client's capacity to pay.r

ME Revolving Credit Line (RCL) is a flexible, standby, microfinance al loan product of Rizal MicroBank.

allows a client to borrow money from the Bank without the hassle of for a loan every time the need for funds arises. It is a reusable source that can readily be tapped at the borrower's discretion subject to d credit line limit and term set by the Bank.

will be available for one year. During this allotted period of time, the rill allow the client to take out, repay, and take the loan out again, and borrower to use as much of the credit as is available and only pay on what has been used.

IIBiz Term Loan is an individual loan product designed to cater the needs of businessmen who wish to further improve their business ns. It aims to make available affordable and easily accessible credit preneurs to help them finance and/or expand their present business ns and increase their incomes.

ount ranges from P150,000 to P10,000,000 subject to client's capacity

Product/Service	Description
	The SmallBiz Revolving Credit Line (RCL) Facility is a flexible, standby, individual loan product of Rizal MicroBank.
SmallBiz Revolving Credit Line	The SmallBiz RCL allows a borrower to borrow money from the Bank without the hassle of applying for a loan every time the need for funds arises. It is a reusable source of funds that can readily be tapped at the borrower's discretion subject to approved credit line limit and term set by the Bank.
	The line will be available for one year. During this allotted period of time, the facility will allow the borrower to take out, repay, and take the loan out again, and allow the borrower to use as much of the credit as is available and only pay interest on what has been used.
AgriBiz Term Loan	The AgriBiz Term Loan is a loan product intended for agri value chain players such as agri producers/growers, traders/consolidators, processors and input dealers /retailers.
	Loan amount ranges from P150,000 to P10,000,000 subject to client's capacity to pay.
	A loan product for individual borrowers, particularly farmers or fisherfolks who are 18-60 years old and are engaged in the production of crops, livestock, poultry, and fisheries/aquaculture. Borrowers must own a farm or agribusiness that has been operating for at least 5 years.
AgriBiz Production Loan	Loans are evaluated based on the farm plan and budget, and is aligned with cropping cycle of the commodities produced by the borrower. All loans are likewise insured under Philippine Crop Insurance Corporation (PCIC).
	Loan amount should not go beyond P300,000 per borrower, subject to client's capacity to pay.
	The Agri Biz Revolving Credit Line (RCL) Facility is a flexible, standby, individual loan product of Rizal MicroBank intended for agri value chain players such as agri producers/growers, traders/consolidators, processors and input dealers / retailers.
AgriBiz Revolving Credit Line	The Agri Biz RCL allows a borrower to borrow money from the Bank without the hassle of applying for a loan every time the need for funds arises. It is a reusable source of funds that can readily be tapped at the borrower's discretion subject to approved credit line limit and term set by the Bank.
	The line will be available for one year. During this allotted period of time, the facility will allow the borrower to take out, repay, and take the loan out again, and allow the borrower to use as much of the credit as is available and only pay interest on what has been used.
	Loan amount ranges from P500,000 to P10,000,000 subject to client's capacity to pay.
Computer Loan	The RMB Computer Loan is an individual loan product that RMB is offering to its clients at this time of the pandemic where school classes are mostly held online. The product is an incentive loan to deposit and loan clients with good repayment record and who have been with the Bank for at least two years or have availed of at least three loans.
	Clients may avail of the loan and purchase the unit of their choice or use the official receipt of their recently purchased unit to avail of the loan.
SPEC	CIAL LENDING FACILITIES
DBP Wholesale Lending Facilities	BSP Rediscounting Facility
Landbank Wholesale Lending Facilities	Guaranty Facilities
SSS Wholesale Lending Facilities Philippine Guaranty Corporation (PHILGUARANTEE)	

Product/Service	
	DE
Peso Deposits	
Checking Accounts	
Regular Checking	An interest encashme
eWoman Checking	A premier a transacti
Dragon Checking	An all-in-o savings ac debit card
Savings Accounts	
Basic Savings Account	A non-inte (1) valid ID already sta
GoSavers	A start-up easily with
Regular ATM	A deposit debit card
Regular Passbook	A deposit passbook
iSave	A virtual sa another so with free p
Dragon Savings	A premier deposits g anytime.
eWoman Savings	A premier debit card
TeleMoney ATM Savings Account	A savings a low initia interest an
Contractual Savings (Loan-Based) [Available at Rizal Microbank]	A regular p componen products a amount fo The contra
SSS Pensioner	A savings that earns
One Account	A peso de in a single
One Account - ADB Based	This requir which will
One Account - Fee Based	This requir zero avera

Description
DEPOSITS
est-earning (for Corporate) checking account that allows deposit, nent, and settlement of obligation via check.
er checking account especially designed for women which comes with ction journal, debit card, and a free life insurance.
-one account that combines the tiered interest income feature of a account and the functionalities of a checking account. It comes with a rd, transaction journal, and checkbook.
terest earning savings account that caters to all walks of life. With one ID or Barangay Certificate and initial deposit of P100, the client can start his/her financial journey.
up savings account that helps kids and teens save money and transact ith a debit card and/or passbook.
it product that safe keeps funds while it earns interest. It comes with a rd for ease in transaction.
it product that safe keeps funds while it earns interest. It comes with a k and debit card for ease in transaction and detailed record monitoring.
savings that allows transfer of fixed amount meant for savings from source account on a regular basis. It offers tiered interest rates, comes personal accident insurance and hospitalization benefit.
er savings account that lets depositors earn higher interest as their grow with no lock-in period, thereby giving them access to their funds
er savings account especially designed for women which comes with a rd, passbook, and free life insurance.
is account created specifically for OFWs and their beneficiaries. It has tial deposit requirement and requires no maintaining balance. It earns and comes with a debit card and passbook.
r passbook-evidenced and interest-bearing deposit product that is a ent of the bank's loan products. All clients who avail of the Bank's loan s are required to save an amount equivalent to at least 10% of the loan for microenterprise loan, and as agreed with the client, for regular loan. tractual savings is deposited throughout the term of the loan.
is account for Filipino retirees intended to secure SSS pension funds ns interest and comes with a debit card or passbook
deposit account that offers savings, checking, and time deposit features le account.
uires a minimum Average Daily Balance (ADB) to maintain the account ill be based on your chosen features.
uires an annual fee based on the client's chosen variant for worry free rage daily balance requirement on the account for the year.

Product/Service	Description		
Time Deposits			
Short Term Time Deposit	A fixed investment deposit product that gives higher returns than an an ordinary savings account with deposit terms ranging from 30 days to 359 days		
Long Term Time Deposit	A fixed investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 1, 2, 3, 4, and 5 years. It comes with flexible interest payout schemes in receiving interest earnings through ones settlement account either monthly, quarterly, semi-annually, or by end of maturity.		
Foreign Currency Deposits			
Regular Savings			
US Dollar			
Japanese Yen			
Euro			
British Pounds	A foreign currency denominated deposit product to safe keep funds. It comes		
Canadian Dollar	with a passbook for ease in monitoring and transaction. Certain currencies are offered only in select branches.		
Chinese Yuan			
Australian Dollar			
Swiss Franc			
Dragon Dollar Savings	A premier Dollar savings account that lets depositors earn higher interest as their deposits grow with no lock-in period, thereby giving them access to their funds anytime. It comes with a passbook.		
Time Deposits			
USD Short Term	A fixed USD investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 30 days to 359 year.		
USD Long Term	A fixed USD investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 1, 2, 3, 4, and 5 years. It comes with flexible interest payout schemes in receiving interest earnings through ones settlement account either monthly, quarterly, semi-annually, or by end of maturity.		
Other FCDU	Foreign currency deposit time deposit account has a minimum term of 30 days with interest paid out upon maturity. Available in Euro, Japanese Yen, Australian Dollar, British Pounds, Swiss Franc currencies. Available in selected branches only.		
Premium Banking			
Hexagon Club			
Hexagon Club Privilege RCBC's Premier Club for retail clients, where members can enjoy banking service and special perks for the total RCBC Banking ex			
Hexagon Club Prestige	RCBC's Premier- Club for corporate clients, where members can enjoy premi banking service and special perks for the total RCBC Banking experience.		
Branch Channel			
TouchQ	RCBC Touch Q enables customers to pre-stage their branch transactions using Touch Q Kiosk machines, the Touch Q Website, and the Touch Q Mobile Application instead of manually writing on transaction slips.		

Product/Service	
	TR
Foreign Exchange	
Foreign Exchange Spot	exchange GBP, SGD,
Foreign Exchange Forwards	exchange
Foreign Exchange Swaps	combinati year)
Fixed Income	
Peso-denominated government securities and other debt instruments	
Treasury bills	
Fixed rate treasury notes (FXTNs)	
Retail treasury bonds	
Local government units bonds	
Quasi-sovereign bonds or government- owned and controlled corporate bonds	
Short and long-term commercial papers (STCPs/LTCPs)	
Global peso notes	Trading of
Corporate bonds	-
Foreign currency denominated bonds	-
Republic of the Philippines bonds	-
United States Treasury bills, notes and bonds	_
Other sovereign or quasi-sovereign bonds or government-owned and controlled corporate bonds	
Corporate bonds and other debt instruments	
Interbank Money Market	Market in v week or le
Derivatives	
Interest rate swaps	exchange settlement
Cross currency swaps	an agreem principal c
Cross Currency Asset swaps	a cross cu is coming
Non-Deliverable Forward (NDF)	Similar to settlement
Bond Futures	Contractua specified o
Options (Bond & FX)	Option is a (the option the buyer or currenc date).
Structured Products	Credit Linl

REASURY

e of one currency for another currency (USD/PHP, USD vs Euro, JPY, D, etc.)

e of one currency for another at a future date (USD/PHP fwd)

tion of a spot FX deal and forward an FX forward (USD/PHP up to one

of government and corporate debt papers for various debt issuers.

n which Banks lend to one another for a specified term (usually one less with majority being overnight)

e of interest rate cash flows, usually from fixed rate to floating rate (net nt) (PHP IRS , USD IRS, etc.)

ment between two parties to exchange interest payments and of two different currencies.

urrency swap where the source of the cashflow of one of the currency g from an underlying asset that is assigned to the Bank.

o an FX forward but there is no exchange of cash flows (net nt) - (USD/PHP NDF)

ual obligation of the contract holder to purchase or sell a bond on a I date at a predetermined price (G3 bond futures)

s a financial derivative that represents a contract sold by one party ion writer) to another party (the option holder). The contract offers er the right, but not the obligation, to buy (call) or sell (put) a security ncy at an agreed-upon price (strike price) on a specific date (exercise

nked Notes, Principal Protected Notes

Product/Service	Description	
	CONSUMER LOANS	
Auto Loans	a loan that helps finance a purchase of a brand new or used car	
Auto Loan Plus	an auto loan facility that comes with Motor Car Insurance for the entire loan term. Insurance premium is paid monthly along with the loan amortization and in equal amount throughout the duration of the loan.	
Housing Loans	a loan that helps finance the purchase of real property, or the construction/ renovation of a house.	
Home Loan Plus	a home loan facility that comes with Fire Insurance for the entire loan term. Insurance premium is paid monthly along with the loan amortization and in equal amount.	
Personal Loans		
	CREDIT CARDS	
RCBC Bankard World Mastercard	 The ideal card for the highly-esteemed clients. Access to worldwide offers with Priceless[™] Specials Complimentary Priority Pass[™] membership Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Free International Travel Insurance and Purchase Protection Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation Free-for-life Supplementary Cards (maximum of 9) 	
RCBC Bankard Black Card Platinum Mastercard	 The highly prestigious card for highly career-oriented individuals who seek the finer aspects of life. Available in Peso and Dollar variants Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation Free International Travel Insurance and Purchase Protection Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Free-for-life Supplementary Cards (maximum of 5) 	
RCBC Bankard Diamond Card Platinum Mastercard	 An affinity card that allows you to automatically donate to a worthy cause. For every Php100 charged to your Diamond Card, Php0.20 will be automatically donated to a foundation, advocacy, or charitable institution of your choice through its Diamond Cares Program Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, or Deposit to an RCBC account Free International Travel Insurance and Purchase Protection Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion 	
RCBC Bankard Visa Infinite	 The premium lifestyle card that offers infinite joy in shopping in international destinations. 5% rebate on straight-charge purchases at any local or international clothing and apparel retail shops Complimentary Priority Pass™ membership Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Free International Travel Insurance and Purchase Protection Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation Free-for-life Supplementary Cards (maximum of 9) 	
RCBC Bankard JCB Platinum	 Prestige & privileges in a single card Earn flexible, non-expiring Rewards points for local and international spend, plus get higher Rewards points for card usage in Japan. Access to world-class travel benefits and offers - complimentary access to over 60 airport lounges and JCB Plaza Lounges, up to 20% discount on car rental services, and access to 24/7 Concierge Desk. Free International Travel Insurance and Purchase Protection 	

Product/Service	Description
RCBC Bankard Visa Platinum	 The VIP Travelers Card Earn free flights faster with PREFERRED AIRMILES Program Complimentary Priority Pass[™] membership Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Free International Travel Insurance up to Php5,000,000 and Purchase Protection
RCBC Bankard UnionPay Diamond Card	 The ideal card for frequent travelers to China. Earn double rewards points for hotel and restaurant spending in many parts of China Access to worldwide offers with U Collection, international medical, VIP healthcare and international travel assistance, plus concierge services via Aspire Services Free International Travel Insurance and Purchase Protection Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Free-for-life Supplementary Cards (maximum of 9)
RCBC Bankard Hexagon Club Platinum Mastercard	 Enjoy a life full of rewards. Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation Free International Travel Insurance and Purchase Protection Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion Waived annual fees for life
YGC Rewards Plus RCBC Bankard	 The YGC Rewards Plus Program comes with a YGC Rewards Plus RCBC Bankard which is used to store and earn additional Rewards Points. Earn Rewards Points from your RCBC and RCBC Savings Bank deposit and Malayan insurance payments Earn Rewards Points from your all your spending here and abroad Earn flexible, non-expiring Rewards points from all your purchases which you can exchange for AIRMILES, Shopping Vouchers, or Cash Credit to your RCBC Bankard International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge
RCBC Bankard GOLD and CLASSIC Cards (Mastercard, JCB)	 The card for those moving up the ladder of success Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge & Club Manila Lounge Free budget monitoring tools Convenient and rewarding bills payment
RCBC Bankard Flex Gold Visa	 The card for young professionals packed with rewarding benefits 2X Rewards Points on three preferred categories - choose from Grocery, Gas, Department Store, Household Appliances or Travel Flexible, non-expiring Rewards points International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge Free budget monitoring tools Convenient and rewarding bills payment
RCBC Bankard Flex Visa	 The card that will enable millennials to achieve their life goals 2X Rewards Points on three preferred categories - choose from Dining, Clothing, Travel or Transportation Flexible, non-expiring Rewards points International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge Free budget monitoring tools Convenient and rewarding bills payment

Product/Service	Description	Product/Service	Desc
kard Corporate Card	Issued to corporations for use of their select officers and employees primarily for business-related expenses such as travel, representation, and purchase of office equipment and supplies. Available in Philippine Peso and US Dollar		 Enjoy pulse-racing lifestyle privileges 5% fuel rebate on Phoenix Fuel pur Stations nationwide. Php500 worth of Phoenix Fuel as a Free Towing & Roadside Assistance
		Phoenix RCBC Bankard Mastercard	Assistance Concept (A & A Conc
Cards			 5% discount on Phoenix gasoline a Earn flexible, non-expiring Rewards
	 The breakthrough card that combines the benefits of a loyalty card, discount card, and credit card ALL-IN-ONE. 5% Rebate on your Landmark Department Store, Landmark Supermarket and Anson's straight purchases every Mondays to Fridays 		 Earn nexible, non-expiring Rewards International Travel Privileges - Tra Protection and Access to the Skyvi Lounge
rd Landmark Anson's Mastercard	 Earn Rewards points for all purchases outside Landmark Redeem your Rewards Points and exchange them for Landmark Gift Certificates International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge 	AirAsia Credit Card	 Your ticket to free flights Up to 8,000 Welcome BIG Points 1 BIG Point for as low as Php22 spee Instant upgrade to AirAsia BIG Plat Priority Check-in, Boarding and Xp
Wilcon Mastercard	 Helps you build your dream house, protect your home or do the makeovers you have long wanted to undertake. 3X rewards points on all Wilcon purchases Separate Installment Limit for Installment and Regular purchases. Your Installment Limit will be equivalent to your regular credit limit. International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge The total dining card that lets you enjoy a plateful of dining benefits plus more 	RCBC Bankard Balesin World Mastercard	 High-status Card with world-class perks prestigious Balesin Island Club Access to worldwide offers with Pr Complimentary Priority Pass[™] men Unlimited free access to the Skyvie Lounge for the principal cardholde Free International Travel Insurance Flexible, non-expiring Rewards poin for Balesin Club transactions at poin Debates
Mastercard	 from the highly esteemed LJC Restaurant Group. 10% discount all year-round in all LJC Restaurants Free bottle of wine as welcome gift Up to 50% Birthday Discount Earn non-expiring Rewards points from all your purchases which you can exchange for Dining Vouchers that you can use at any LJC Restaurant. International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge 	RCBC Bankard The City Club World Mastercard	Rebates High-status Card with unparalled perks The City Club • Access to worldwide offers with Pr • Complimentary Priority Pass™ men • Unlimited free access to the Skyvie Lounge for the principal cardholde • Free International Travel Insurance • Flexible, non-expiring Rewards poin for The City Club transactions at point
ango Mastercard	 Fashion-forward shopping privileges Exclusive Members-Only Sale O% installment at 3 and 6 months Earn non-expiring Rewards points from all your purchases which you can exchange for Mango Shopping Voucher International Travel Privileges - Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge 	RCBC Bankard webshopper	 Rebates Enjoy online shopping convenience and Specifically designed for internet-b transactions It's a reference that carries a difference card validation code/value thus kee No membership fee for life
	 passes and discounts all year round Earn 1 Rewards point for every Php100 purchase at Sta. Lucia Mall 		TRUST SERVICES
	Department Store, Home Gallery and Planet Toys and earn as much as 5X	Trusteeship	
Sta. Lucia Mall Mastercard	 Rewards points for purchases of at least Php10,000 0.5% Rebate for all retail transactions 1% year-round discount and members' only priority lane at Sta. Lucia Supermarket 	Retirement Fund Management	An arrangement which provides compa in the setting-up, management and adn provide for retirement, welfare, savings
	 FREE Movie Pass at Sta. Lucia Mall for a minimum purchase of Php3,000 at any of the participating stores at Sta. Lucia Mall Exclusive members-only advance sale events International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila 	Corporate and Institutional Trust	An arrangement established by juridica NGOs, agencies, whether government of religious, educational, athletic, scientific or developmental project or such other purpose of seeking assistance in the ma
	Lounge	Pre-Need Trust Fund Management	A trust fund set up by a pre-need comp the delivery of benefits to plan holders which trust funds shall be managed and accordance with the Pre-need Code and Commission.
			A product which allows comparing to a

Customized Employee Savings Plan

A product which allows companies to augment their retirement or provident funds through a disciplined approach to saving by encouraging its employees to set aside some of their regular pay for investment and savings purposes.

Employee Savings Plan	A savings plan established by a company for its employees for the purpose of pooling together employee contributions for collective investment and reinvestment in RCBC's Rizal Peso Money Market Fund.	Product/Service
Personal Management Trust	A living trust created by an agreement whereby the trustor conveys property of funds to be managed by the trustee, based on the terms and conditions in the agreement.	Unit Investment Trust Fund
Estate Planning	An arrangement where the trust institution provides advice and facilitates for an individual the process of accumulating wealth, conserving and growing the family fortune and preparing for the orderly and cost-efficient distribution of	Rizal Peso Money Market Fund
	assets to the intended beneficiaries. An arrangement wherein the trust institution acts as an intermediary between a	Rizal Peso Cash Management Fund
Mortgage/Collateral Trust	borrower and its creditors in the administration of a single property or a pool of properties securing the loans of a borrower.	Rizal Peso Bond
Bond Trusteeship	An arrangement wherein the trust institution is given the authority and power by a bond issuer to monitor the terms of a bond indenture and protect the interest of the bondholders.	
Legal/Quasi-judicial Trust	Trust agreements mandated by law, executive order, a court or other government regulatory agency, such as in cases of but not limited to receivership, receiving/custodianship arrangements for IPOs or rights offering.	Rizal Balanced Fund
Project Accounts Trusteeship	An arrangement wherein a trust entity manages and administers the cash flows and project accounts in relation to project finance arrangements between a borrower and a group of creditors.	Rizal Equity Fund
Agency		Rizal Dollar Money Market Fund
Safekeeping	Agency agreements where the property owner turns over to the trust institution his valuables or other instruments such as or those similar to transfer certificate of title or certificate of deposits, where the trust institution has no	Rizal Dollar Bond Fund
	other duty but to keep the property safe and return or deliver the same to the owner upon the latter's order or instruction.	RCBC Peso Short Term Fund
Escrow	An arrangement wherein a trust entity, as escrow agent, acts as a neutral third party to protect the interest of two or more contracting parties while conditions upon which the contract is contingent are being fulfilled, or to protect the parties' interests in case of default.	RCBC R25 Blue-Chip Equity Fund
Investment Management	An agency account wherein the trust institution manages and invests funds delivered by individual or corporate clients in accordance with certain client-	RCBC R25 Dividend Equity Fund
	prescribed guidelines and parameters. An arrangement wherein the trust institution acts for and in behalf of	E
Loan/Facility and Paying Agency	a borrower for the purpose of overseeing the timely and organized implementation of the terms and conditions of a loan/facility arrangement with a group of creditors, including the collection of payments on the facility/loan accounts for remittance to the creditors.	Automated Teller Machines
Bond Registry and Paying Agency	Agency agreement where the trust institution is appointed as registrar and/or paying agent for various financial transactions such as but not limited to loan paying services to distribute interest payments and principal amortizations, bond paying services to distribute coupon and principal payments to bond investors or simple distribution of funds to numerous investors	RCBC Online Banking for Retail
Receiving Agency	An agency arrangement where the trust institution provides receiving bank services in connection with initial public offerings, secondary rights offerings, rights offering and other transactions requiring the recording and receipt of funds from various clients.	
Sinking Fund Management	An arrangement whereby an individual or corporation sets aside a certain sum of money for a certain period of time, proceeds of which shall be used to pay certain obligations or shall be utilized for the specific purpose for which the sinking fund was intended.	Mobile Banking
Stock Transfer and Dividend Paying Agency	An agency arrangement where the trust entity is engaged in ascertaining, verifying and recording the ownership and transfer of the shares of stock of a corporation as well as the issuance of cash or stock dividends to the company's shareholders.	ATM GO (MPOS)/ POS

An open-ended pooled trust funds denominated in any acceptable currency operated and administered by trust entities and made available by participation of various clients, both individual and corporate.

A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term peso fixed-income securities with a maximum portfolio duration of one year.

A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term peso fixed-income securities with a maximum portfolio duration of one year and has a higher minimum initial investment requirement, a shorter minimum holding period and a lower trust fee.

A peso-denominated long-term bond UITF which invests and reinvests in a portfolio of short-term and long-term peso fixed-income securities with a minimum portfolio duration of three years.

A peso-denominated balanced UITF which invests and reinvests up to a maximum of 60% of the Fund in equities listed and to be listed in the Philippine Stock Exchange, with the balance invested in fixed income securities.

A peso-denominated equity UITF which invests and reinvests up to 100% of the Fund in equities listed and to be listed in the Philippine Stock Exchange, with the balance invested in fixed income securities.

A dollar-denominated money market UITF which invests and reinvests in a portfolio of short-term dollar fixed-income securities with a maximum portfolio duration of one year.

A dollar-denominated long-term bond UITF which invests and reinvests in a portfolio of short-term and long-term dollar fixed-income securities with a minimum portfolio duration of three years.

A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term deposits and government securities.

RCBC R25 Blue-Chip Equity Fund is an equity fund invested in the 25 largest and most actively-traded companies listed in the PSE.

RCBC R25 Dividend Equity Fund is an equity fund invested in the 25 largest and most actively-traded companies with the highest 3-year historical dividend yield in the PSE. -

ELECTRONIC BANKING CHANNELS

Provides the customer 24/7 access to his/her account and perform multiple types of transactions such as withdrawal, bills payment, funds transfer, balance inquiry, cash advance, change pin, MyWallet reloading.

RCBC Online Banking Retail (ROR) allows clients to conveniently perform various banking services, such as fund transfers, bills payment and general account management, anytime, anywhere. Moreover, it also provides an additional security measure for clients because of the lock/unlock card feature which prevents unauthorized transactions with the clients' cards. RCBC Online Banking also provides additional services to the Bank's clients, including purchasing of gaming ePins and mobile load and transfers to other eWallets. These services are both available in web and app versions of the RCBC Online Banking platform. The RCBC Online Banking app may be downloaded from the App Store & Google Play Store for free.

This facility allows customers to access their accounts using their Apple/ Android smartphones and tablets once they are registered with RCBC Online Banking Retail. The application may be downloaded from the Apple App Store and Google Play Store for free.

RCBC ATM GO is the first and only mobile ATM enabled by a POS terminal. RCBC designed the ATM GO to be the accessible neighborhood ATM that can reach even far flung areas. RCBC ATM GO provides customers the functionalities of an ATM (account inquiry, bill payments, fund transfers, cash in and cash out). It enables customers to do their banking transactions outside the regular Business Centers (BCs) and Automated Teller Machines (ATMs), conveniently through the Bank's partner merchants right within their very own communities.

Product/Service	Description
DiskarTech Mobile Application	The DiskarTech mobile app will be launched as a secure and hassle-free digital bank account for every Filipino, with all the basic financial services Filipinos need, such as savings, transfers, withdrawals & deposits, bills payment, insurance, and loans. Aside from these financial features, future phases of DiskarTech include a skills marketplace that will allow users to monetize their skills by networking with other users in need of their products/services thereby promoting self-help livelihood and entrepreneurship, and also all-digital healthcare enabling a medical clinic within the App with telemedicine plus digital purchase of discounted medicines thru partners. Thus, it will become the Philippines' first "inclusion super app" – covering financial, livelihood, and healthcare services.
CORPORATE	CASH MANAGEMENT SERVICES
Collection and Receivables Services	
Bills Collection	Billers or merchants can efficiently and conveniently collect payments or sales from their payors/customers/agents/distributors through the following channels: 1) RCBC's strategically located branches nationwide, 2) RCBC internet banking facilities using RCBC Online Retail (ROR), RCBC Online Corporate (ROC) and RCBC Mobile Banking, 3) Automatic Debit Arrangement (ADA) and 4) Automated Teller Machines. At the end-of-day, all payments or collections will be credited centrally to the biller/merchants account including the consolidated daily collection report summarizing all collections received for the day. Reports shall be transmitted via Secured File Transfer Protocol or SFTP.
Automatic Debit Arrangement (ADA)	A collection channel wherein collection of bills/dues of our client's billers are automatically debited from the payor's RCBC account enrolled in ADA Facility and credited to the collection or settlement account of the corporate client.
Deposit Pick-up	RCBC's fleet of armored cars is dispatched to the client's offices or outlets to pick-up funds and deposit to the client's nominated RCBC account. This service fulfills the client's need of having its sales collections and other funds collected in a secure and safe manner.
CashCube Machine	The machine is an added service to our Deposit Pick-Up arrangement. The machine has the capability to automatically count and validate cash bills/notes and issue an acknowledgement receipt to the user. The cash accepted by the machine is recorded in a system real time which the bank and client can access to view and download the daily transactions. The report will be the basis for the bank to credit a corporate client's account as per agreed time with client. Cash inside the machine will be picked-up by the Service Provider once the threshold limit is reached as set by the corporate client. The service provider is responsible for the following: a. Machine maintenance b. Cash pick up servicing from the machine c. Maintenance of the system where the cash accepted by the machine is recorded.
CashRider	A cash pick-up service for clients whose cash collections, with a maximum amount of Two Hundred Thousand Pesos (P200,000.00), are picked-up by the Bank's accredited service provider's non-armored motorized collector. The motorized collector will then bring the cash to the designated RCBC Business Center for cash processing and account crediting.
PDC Warehousing	Safekeeping or custodianship of post-dated checks are outsourced to RCBC. All checks will be safe kept in vaults and will be deposited to the customer's RCBC account on maturity date. The status of the PDCs in RCBC custody may be viewed or monitored online through the RCBC Online Corporate (ROC) internet banking system.
CheckStream	RCBC's CheckStream software allows such companies, particularly real estate and leasing companies, to automate the printing of details on all blank checks provided by their customers so that all they need to do is sign the checks, resulting in fast and error-free PDC preparation. The PDCs are then submitted to RCBC, who will monitor maturities and deposit checks that fall due into the company's account. Since CheckStream also automatically uploads the details of all checks prepared, the company can monitor its inventory of PDCs warehoused with RCBC. This software is bundle with PDC Warehousing.

Product/Service	
CheckScan	Check Sc to the ba a softwar to Philipp (IQA) rule transmiss
Disbursements	
Auto Credit Arrangement (ACA)	Facility th suppliers
Batch Crediting	Facility th agents/su There are Remittan
ROC Onsite Corporate Check Printing Facility	This facili acknowle
ROC Outsourced Corporate Check Printing Facility	This facili Printing c are done
Manager's Check Printing Facility	This facili requests payees ai
Payroll Service	PAYROLL This facili to credit
	PAYROLL This facili
Outward Remittance (Instapay, Pesonet, RTGS, PDDTS and SWIFT)	Facility to clients (L
Government Payment	
BIR ePayment	BIR ePay tax paym
Third-Party Services	
Bancnet eGov - SSS/PAg-Ibig/Philhealth	BancNet' facility ac processin governme
RETAIL C	ASH M
Debit Card	
RCBC MyDebit Mastercard	RCBC My used for and all ot which ca millions c
Prepaid Card	
RCBC MyWallet Prepaid Card	The RCB maintaini cashless to load it of affiliate

ican Service allows corporate clients to send and deposit their checks ank by using RCBC -provided check scanner. The check scanner has are application that will scan and produce checkimages compliant opine Clearing House Corporation (PCHC) Image Quality Assurance ales. These check images will be sent to the Bank through secured file assion for further check processing, validation and clearing.

that allows clients to enroll and make regular payments to their s who have RCBC accounts.

that allows clients to make adhoc payments to their various partners/ suppliers. No payee enrollment required. re four payment types, as follows: A) Loan Proceeds; B) Dividend; C) nce; D) Supplier Payment.

ility allows clients to prepare and print their checks, vouchers, and ledgement receipts in their offices via RCBC Online Corporate (ROC).

ility allows clients to create or upload bulk check requests via ROC. of corporate checks and subsequent releasing to the clients' payees e by RCBC through its 110 releasing branches nationwide.

ility allows clients to create or upload bulk Manager's Check (MC) s via ROC. Printing of MCs and subsequent releasing to the clients' are done by RCBC through its 110 releasing branches nationwide.

L CREDITING

lity allows clients to conveniently send payroll instructions via ROC, t the RCBC accounts of their employees.

L PROCESSING (with software)

ility automates client's payroll computation and processing.

to transfer funds from an RCBC account to other bank accounts of Local and International).

yment provides clients with a faster and secured way of settling their nents via RCBC Online Corporate (ROC).

t's e-Gov Online Facility is a web-based electronic filing and payment administered by BancNet. It acts as a gateway for the electronic ing of Ioan and contribution payments between employers and ment agencies (SSS, PhilHealth, & Pag-IBIG).

ANAGEMENT SERVICES

lyDebit card is a card linked to a deposit or payroll account. It can be r cash withdrawal, bills payment, funds transfers, payment for purchases other usual ATM transactions. It comes with the benefits of Mastercard can be used for a convenient, secure, cashless transactions at over of shops worldwide.

BC MyWallet Prepaid Card is a secure reloadable payment tool with no ning balance. It is the perfect budget tool because it lets a client enjoy s shopping in-store and online without overspending. A client just needs it up with the amount he intends to spend and he can use it in millions ted merchants for purchase, bills payment and ATM withdrawal.

Product/Service	Description	
1	NVESTMENT BANKING	
Underwriting of Debt and Equity Securities for distribution via Public Offering or Private Placement		
Common and Preferred Stock	Guaranteeing and facilitating the distribution and sale of equity and debt securities issued by private institutions via public offering or private placement. This also includes securities of the Government or its instrumentalities.	
Convertible Preferred Stock and Bonds		
Long- and Short-Term Commercial Papers and Corporate/Promissory Notes		
Corporate and Local Government Bonds		
Arranging/Packaging of:		
Syndicated Loans (Peso and Dollar)	Facilitates the raising of funds from a lender or a party of lenders which provide credit facilities, either in peso or fcdu. It also includes negotiating the financing structure for project finance loans.	
Joint Ventures		
Project Finance		
Financial Advisory and Consultancy	Providing long-term and/or short-term advice to clients, in the areas of	
Mergers and Acquisitions	 mergers and acquisitions, corporate finance strategies, restructurings, company valuation and spin-offs. 	
F		
RCBC TeleCredit (Credit to a Bank Account)	With RCBC TeleCredit, OFWs can have their remittances credited directly to an RCBC, RCBC Savings account or any account with other local banks. This is the safest and fastest way to remit funds as proceeds are immediately credited to the OFW or beneficiary's account.	
RCBC TeleRemit (Cash Pick-Up)	The beneficiary has the option of picking up the cash from any branch of RCBC, RCBC Savings Bank, RMB or branch of domestic tie-up partners. These domestic tie-up partners make it possible for the beneficiary to claim his/her remittance even after banking hours or during weekends and holidays.	
RCBC TelePay (International Bills Payment)	TelePay is RCBC's international bills payment service that allows overseas Filipinos to course their payments intended to around forty (40) TelePay- accredited companies in the Philippines. Remitters may pay for their SSS contributions, home amortizations and insurance premiums, among others, with the use of this service.	
RCBC TeleDoor2Door (Cash Delivery)	With RCBC TeleMoney Door2Door, cash is delivered via courier directly to the beneficiary's given address, providing ease and convenience to the beneficiary.	
Maritime Allotment Payment System (MAPS)	A complete payroll solution system designed specifically for shipping and manning companies that deploy employees abroad. A 201 HR file, it can generate reports such as Philhealth, Pag-ibig and SSS as well as print payslips for both seafarers and beneficiaries.	