COVER SHEET

1 7 5 1 4

S.E.C. Registration Number

R I Z A L C O M M E R C I A L B A N K I N G

C O R P O R A T I O N

(Company's Full Name)

6 8 1 9 A Y A L A A V E N U E C O R N E R G I L

P U Y A T A V E N U E M A K A T I C I T Y

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

GEORGE GILBERT G. DELA CUESTA

Contact Person

8894-94-55

Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

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

GSED

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

816

Total No. Of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM IS
INFORMATION STATEMENT PURSUANT TO SECTION 17.1 (b)
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [√] **Definitive Information Statement**

2. Name of Registrant as specified in its charter: **Rizal Commercial Banking Corporation**

3. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **17514**

5. BIR Tax Identification Code: **000-599-760-000**

6. Address of principal office: **Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave. cor. Sen. Gil J. Puyat Avenue, Makati City**
   Postal Code **0727**

7. Registrant's telephone number, including area code: **(632) 8894-9000**

8. Date, time and place of the meeting of the security holders: **June 24 2024, 4:00 P.M. via virtual meeting. The link for the virtual meeting will be provided to stockholders of record who register to confirm their attendance.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 24, 2024**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common	(as of May 13, 2024) *2,419,536,322*

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange? Yes [√] No [ ]

A. GENERAL INFORMATION

1. Date, Time and Place of Meeting of Security Holders

Date	:	June 24, 2024
Time	:	4:00 P.M.
Place	:	There is no physical place for the meeting The meeting will be held virtually. The link for the virtual meeting will be provided to stockholders of record who register to confirm their attendance.
Complete mailing address of Principal office	:	21st Floor, RCBC Plaza, Tower II 6819 Ayala Avenue corner 333 Sen. Gil J. Puyat Avenue Makati City
Approximate date on which the Information Statement is first to be sent or given to security holders	:	May 24, 2024

WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

2. Dissenter's Right of Appraisal

There are no other matters or proposed actions as specified in the attached Notice of Annual Stockholders' Meeting that may give rise to a possible exercise by shareholders of their appraisal rights or similar right as provided in Title X of the Corporation Code of the Philippines. However, if at any time after this Information Statement has been sent out, an action (which may give rise to exercise of appraisal right) is proposed at the Annual Stockholders' Meeting, any stockholder who wishes to exercise such right and who voted against the proposed action must make a written demand within thirty (30) days after the Annual Stockholders' Meeting.

Under Title X of the Corporation Code, shareholders dissenting from and voting against the following corporate actions may demand payment of the fair value of their shares as of the day prior to the date on which the vote was taken for such corporation action: (i) amendment to the Bank's articles and by-laws which has the effect of changing or restricting the rights of any shareholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class; (ii) sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the Bank's assets; (iii) merger or consolidation; (iv) investment of corporate funds in another corporation or business or for any purpose other than its primary purpose; and (v) extension or shortening of term of corporate existence.

The appraisal right may be exercised by any shareholder who shall have voted against the proposed corporate action, by making a written demand on the Bank within thirty (30) days after the date on which the vote was taken for payment of the fair market value of such shareholder's shares. The failure to make demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Bank shall pay the dissenting shareholder, upon surrender of the certificate(s) representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director or officer of the Bank and, to the best knowledge of the Bank, no associate of a director or officer of the Bank has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the corporate actions to be acted upon at the Annual Stockholders' Meeting, other than election to office of the directors.

None of the directors of the Bank has informed the Bank of his/her intention to oppose any of the corporate actions to be acted upon at the Annual Stockholders' Meeting. Moreover, all directors and management of the Bank act in the best interest of the Shareholders and there have been no adverse findings of conflict of interest or insider trading involving any director or management in the past 2 years.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

Class of Voting Securities As of May 2, 2024, 2,419,536,322 Common shares and 266,382 Preferred shares are outstanding, and are entitled to be represented and vote at the Annual Stockholders' Meeting. Each share is entitled to one vote.

Record Date: Only stockholders of record as of May 23, 2024 shall be entitled to notice and vote at the meeting.

Manner of Voting: The By-Laws of the Bank provides that the election shall be by ballot, and that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name in the stock and transfer books of the Bank at the time the books were closed and said stockholder may vote such number of shares for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, Provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him, as shown in the books of the Bank, multiplied by the whole number of directors to be elected; and Provided, that no stock declared delinquent by the Board of Directors for unpaid subscriptions shall be voted. The votes shall be verified and tabulated by Punongbayan and Araullo, which is an independent third party. As allowed by the Revised Corporation Code and the Commission's rules, the Board of Directors, on April 29, 2024, issued a resolution allowing voting through remote communication or in absentia.

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2024)

(1) Title of Class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) Number of Shares Held	(6) Percent
Common	**Pan Malayan Management & Investment Corporation** (PMMIC) Address: 48/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City Relationship with Issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Filipino	807,582,173 *	33.92% This includes certificated shares (24.56%) and shares under PCD Nominee (9.36%)

	Atty. Guia Margarita Y. Santos and Michele Marie Y. Dee are authorized to vote the certificated shares (594,248,085) of PMMIC. *RCBC Securities, Inc.'s Marilen B. Zuñiga and Simeon A. Lorica, Jr. are authorized to vote the 213,334,088 shares of PMMIC under PCD Nominee.*				
	Sumitomo Mitsui Banking Corporation (SMBC) Address: 1-1-2 Marunouchi, Chiyoda-Ku,Tokyo,Japan 100-0005 Relationship with Issuer: Stockholder *RCBC Securities, Inc.'s Marilen B. Zuñiga and Simeon A. Lorica, Jr. are authorized to vote the 315,287,246 shares of SMBC under PCD Nominee.*	Sumitomo Mitsui Banking Corporation *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Non-Filipino	483,907,222	20.00% This includes certificated shares (6.97%) and shares under PCD Nominee (13.03%)
	Cathay Life Insurance Co. LTD (Cathay) Address: No. 296 Ren Ai Road Sec. 4 Taipei R.O.C. (Taiwan) 10633 Relationship with Issuer: Stockholder *HSBC's Karina del Rosario and Paul Arthur O. Austria are authorized to vote the shares of Cathay which are all under PCD Nominee.*	Cathay Life Insurance Co.Ltd. *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Non-Filipino	452,018,582	18.68% (Shares are under PCD Nominee)

**Combined Direct and Indirect Shares of PMMIC*

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

The participants under PCD owning more than 5% of the voting securities (common) are (as of March 31, 2024):

Name	Shares	% of Total
RCBC Securities, Inc.	680,952,635	28.14%
The Hongkong and Shanghai Banking Corp. Ltd.	523,305,157	21.63%

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2024)

Title of Class	Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares	Percent
Preferred	None				

Security Ownership of Foreigners (as of April 30, 2024)

Title of Class	Shares	% of Total
Common	1,066,829,154	44.09%
Preferred	0	0.00

Security Ownership of Management (as of April 30, 2024)

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

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

Changes in Control: At present, there is no arrangement known to the Bank which may result in a change in control.

Voting Trust Holders of 5% or More: There are no shareholdings holding any Voting Trust Agreement or any such similar agreement.

5. <u>Directors and Executive Officers</u>

(a) Nominees for Independent Directors:

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

(b) Nominees for Directors:

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

Mr. Eduardo S. Lopez, Jr., a stockholder who is not in any way related to the nominees, nominated to the Board the re-election of Mr. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Mr. Laurito E. Serrano, and Ms. Erika Fille T. Legara as Independent Directors.

The Corporate Governance Committee composed of three (3) members, two (2) of whom are independent directors, reviews and evaluates the qualifications of all persons to be nominated to the Board as well as those to be nominated to other positions requiring appointment by the Board of Directors, i.e, with the ranks of Vice President and higher. The Directors will be nominated and elected in accordance with SRC Rule 38.

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

Likewise, pursuant to the Code of Corporate Governance for Publicly-Listed Companies (2016), all the directors for re-election have satisfied the required number of attendance in board meetings, as well as in their respective Committees.

The Directors shall hold office for one (1) year and until their successors are elected and qualified.

The Independent Directors, Mr. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Mr. Laurito E. Serrano, and Ms. Erika Fille T. Legara have each always possessed the qualifications and none of the disqualifications of an independent director. The Certification of Independent Director of each of the foregoing Independent Directors is attached.

(c) Directors:

Directors	(Age)/ *Citizenship*	*Position/Period which they have served*
Helen Y. Dee	(80)/ Filipino	Board Chairperson (June 27, 2005 to present) Director (March 28, 2005 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil), How to Lead Courageously During a Crisis (PLDT); Lessons from a Pandemic: the MPIC Hospital Group COVID-19 Experience and Best Practices (PLDT); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Becoming Obsessed with the Customer - 2021 Annual Corporate Governance Session (PLDT), Sunlife Advanced Corporate Governance and AML Refresher Course (Sunlife Philippines) Annual Corporate Governance Enhancement Session - Agile Leadership : A Conversation with Ms. Anna Wintour (PLDT); BSP Awareness- Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); 2022 Targeted Financial Sanctions Training; Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

Company	**Position**
Philippine Long Distance Telephone Company	Director
Landev Corp.	Chairperson
Malayan Education System, Inc.	Chairperson
House of Investments, Inc.	Chairperson
HI-Eisai Pharmaceuticals, Inc.	Chairperson
Manila Memorial Park Cemetery, Inc.	Chairperson
Petro Energy Resources Inc.	Chairperson
Malayan Insurance Co. Inc.	Chairperson
MICO Equities, Inc.	Chairperson
YGC Corporate Services, Inc.	Chairperson / President
Luis Miguel Foods	Director
Shayamala Corporation	Chairperson
Honda Cars Philippines, Inc.	Director
Isuzu Philippines, Inc.	Director
Luisita Industrial Park Corporation	Director
Pan Malayan Management & Investment Corporation	Chairperson
AY Holdings, Inc.	Chairperson
RCBC Realty Corporation	Chairperson
Pan Malayan Express, Inc.	Chairperson
Pan Malayan Realty Corporation	Chairperson
Honda Cars Kalookan, Inc.	Director
GPL Holdings, Inc.	Chairperson
La Funeraria Paz Sucat, Inc.	Chairperson
Xamdu Motors, Inc.	Chairperson
Philippine Integrated Advertising Agency, Inc.	Director
Sun Life Grepa Financial, Inc.	Chairperson
RCBC Leasing and Finance Corporation	Chairperson
Petrowind Energy Inc.	Chairperson
ET Yuchengco, Inc.	Chairperson
Y Realty, Inc.	Director
Malayan High School of Science, Inc.	Chairperson
Malayan Colleges Laguna, Inc.	Trustee
Malayan Colleges of Mindanao, Inc.	Chairperson
Yuchengco Center, Inc.	Chairperson

A.T. Yuchengo, Inc.	Chairperson
AY Foundation, Inc.	Chairperson
RCBC Land, Inc.	Director / President
Mayahin Holdings Corporation	Chairperson
Rizal Microbank, Inc. – A Thrift Bank of RCBC	Vice President

Cesar E.A. Virata	(93)/ Filipino	Director (1995 to present) Corporate Vice Chairperson (June 22, 2000 to present)

Mr. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman includes RCBC Realty Corporation, RCBC Land, Inc., Malayan Insurance Co., Inc., Business World Publishing Corporation, Luisita Industrial Park Corporation, RCBC Bankard Services Corporation, AY Foundation, Inc., City and Land Developer Corporation, UCM Philippines Foundation, Inc., and Cavitex Holdings Corporation, among others. He is an adviser of Lopez Holdings and ICCP, Inc., among others.

Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was Chairman of the Board of Investments, Undersecretary for Industry. He was also Chairman of the Land Bank of the Philippines and Philippine National Bank. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank. Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata has also held membership in various international committees/fora in the past, including: Bretton Woods Committee, Group of 30, Institute of International Finance, Rockefeller Tripartite Commission for Asia, Davos Forum, World Development Committee of the World Bank and IMF, ADB Forum.

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Corporate Governance Training: Cybersecurity and Supply Chain Disruption (Lopez Holdings Corporation); Economic & Political Briefing (Lopez Holdings Corporation); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; Data Analytics and Artificial Intelligence Internal Carbon Pricing (SGV-Lopez Holdings Corp.); 2024 Cybersecurity Fundamentals (YGC-RCBC).

Company	Position
ATAR VI Property Holding Company, Inc.	Chairperson
Malayan Insurance Co., Inc.	Director
RCBC Realty Corporation.	Director
Luisita Industrial Park Corporation	Director

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

Eugene S. Acevedo	(60)/ Filipino	Director, President and CEO (July 1, 2019 to present)

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

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

Company	**Position**
Amadeus Arabica Corp	Director
Holly Tree Holdings	Chairperson
De La Salle John Bosco College	Vice Chairperson
Rizal Microbank, Inc. – A Thrift Bank of RCBC	Chairperson
RCBC Capital Corporation	Director

RCBC Leasing and Finance Corporation	Vice Chairperson
RCBC Rental Corporation	Director
Asian Institute of Management	Vice-Chairperson
Philippine Payments Management, Inc.	Director
YGC Corporate Services, Inc.	Director
Asian Bankers Association	Director
Bankers Association of the Philippines	Director / Second Vice President
Philippine Dealing and Exchange Corporation	Director
Philippine Depository and Trust Corporation	Director
Philippine Dealing System Holdings Corporation	Director
University of San Carlos	Trustee
RCBC Trust Corporation	Director
University of San Carlos	Trustee

Gil A. Buenaventura (71)/ Filipino Director (July 1, 2016 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness - Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

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

Armando M. Medina (74)/ Filipino Director (January 1, 2021 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); Executive Briefing Center: Plenary- Culture, Innovation, & Transformation (AWS-YGC); Executive Briefing Center: Industry Block 1: Banking, Financial Services, and Insurance (AWS-YGC); Understanding Climate Risks: Launch of The ASEAN Climate Governance Network (CGM); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness- Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); Faith and Poverty: What Does The Bible Say About Eliminating Poverty? (Yuchengco Center, Inc.); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 17th Ambassador Alfonso T. Yuchengco Policy Seminar entitled How Good Governance Lifts the Poor from Poverty; 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); How has the Russia-Ukraine War Impacted the Relationships and Gaps between the Global North and the Global South? (Yuchengco Center, Inc.); 2023 YGC Annual Corporate Governance Seminar; Humanlike AI: Revolutionizing Productivity and Navigating Its Benefits - A Forum on Artificial Intelligence (RCBC); 2024 Cybersecurity Fundamentals (YGC-RCBC).

Company	**Position**
NA	NA

John Law	(73)/ French & Taiwanese (dual citizen)	Director (April 27, 2015 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness - Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar.

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

Shih-Chiao (Joe) Lin (52)/ R.O.C/Taiwanese Director (March 25, 2019 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ARCCO-Phil.); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2021 Cathay Sustainable Finance and Climate Change Summit; 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); 2022 Cathay Sustainable Finance and Climate Change Summit; Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); 2023 CommonWealth Economic Forum; Speed of Trust (Franklin Convey); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar.

Company	**Position**
Cathay Life Insurance Company, Ltd. (Taiwan)	Executive Vice President
Cathay Life Insurance Company, Ltd. (Vietnam)	Director
Cathay Lujiazui Life Insurance Company Ltd. (China)	Director

Gayatri P. Bery (58)/ American Director (July 27, 2020 to present)

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (Baiphil); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2021 GRI Cross Country Learning Session for Business (GRI-SEC); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); Certificate in Risk Governance (DCRO Institute); 2023 Webinar: BSP Guidelines on the Implementation of the Environment and Social Risk Management System (BAIPHIL).

Company	**Position**
Clearwater China Investments Limited	Director

Hiroki Nakatsuka (54)/ Japanese Director (COB July 31, 2023 to present)

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

Recent training/continuing education (2023 to present): The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); Corporate Governance Orientation Program (Institute of Corporate Directors); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

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

Katsufumi Uchida (56)/ Japanese Director (COB July 31, 2023 to present)

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

Recent training/continuing education (2023 to present): Corporate Governance Orientation Program (Institute of Corporate Directors); 2024 Cybersecurity Fundamentals (YGC-RCBC; 1 of 2 sessions).

Company	**Position**
Sumitomo Mitsui Banking Corporation	Managing Executive Officer
	Co-Head APAC Division
Sumitomo Mitsui Financial Group	Managing Executive Officer

The Bank is compliant with SEC Memorandum Circular No. 4, Series of 2017 on the term limit of independent directors. It provides that an independent director shall serve for a maximum cumulative term of nine years, and that the reckoning period for the cumulative nine-year term is 2012. All Independent Directors set forth below have served for less than nine (9) years.

Juan B. Santos	(85)/ Filipino	Independent Director (November 2, 2016 to present); Lead Independent Director

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

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Executive Briefing Center: Industry Block 1: Banking, Financial Services, and Insurance (AWS-YGC); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); AMLA Compliance Overview, Targeted Financial Sanctions, and Updates (ICD); 2022 Advanced Corporate Governance Training (ICD); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); Regulations on the Disclosure of Beneficial Ownership Information (SEC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar PHINMA Governance Workshop (SGV); Corporate Governance Training (Center for Best Practices).

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

Gabriel S. Claudio	(69)/ Filipino	Independent Director (July 25, 2016 to present)

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

Bank of the Philippines, and Director of the Philippine Charity Sweepstakes Office. He holds an AB Communication Arts degree from the Ateneo de Manila University.

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

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

Vaughn F. Montes, Ph.D.	(73)/ Filipino	Independent Director (September 26, 2016 to present)

Mr. Montes has been an Independent Director of the Bank since September 2016. He is a former Trustee at the Institute of Corporate Directors (ICD) as well as a current Teaching Fellow on Corporate Governance courses of the ICD. He is a Director of the Center for Excellence in Governance, and President of the Center for Family Advancement. He was a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant from December 2011 to October 2022. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is an Adjunct Faculty member at the Asian Institute of Management. He was President of the PAREF Southridge School for Boys from 2004 to 2023. 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. He was a president of the Philippine Economics Society. He was a TOYM awardee for Economics in 1991.

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ABCOMP and Baiphil); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); 2021 ICD Distinguished Corporate Governance Speaker Series - Becoming a Board Room Star; BSP Awareness - Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); 2022 9th SEC-PSE Corporate Governance Forum; The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2023 Corporate Governance Forum (SEC); 2024 Cybersecurity Fundamentals (YGC-RCBC).

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

Laurito E. Serrano (63)/ Filipino Independent Director (March 20, 2019 to present)

Mr. Serrano has been an independent director of the Bank since March 2019 and likewise an independent director of RCBC Trust Corporation since January 2024. Mr. Serrano was part of the Audit & Business Advisory Group and was a partner of SGV & Co - Corporate Finance Consulting Group. He is currently in the financial advisory practice with clients mostly in the private sector. He also concurrently serves as an independent director of Axelum Resources Corp., Anglo Philippine Holdings Inc, Premium Leisure Corporation, and as a director in MRT Development Corporation. Mr. Serrano's past experience includes, among others, directorships in 2Go Group, Inc., Pacific Online Systems, Inc., Atlas Mining & Development Corporation, Metro Global Holdings Group, Travellers Hotels Philippines, Inc. (Resorts World), MJCI Investments, Inc., United Paragon Mining Corp., Sagittarius Mining Corporation, and Philippine Veterans Bank. Mr. Serrano holds a Bachelor of Science degree in Commerce (Major in Accounting) from the Polytechnic University of the Philippines and has a Master's in Business Administration degree from the Harvard Graduate School of Business.
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Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ARCCO-Phil.); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Crypto Assets for Corporates (Center for Global Best Practices); Revised Corporation Code of the Philippines (Center for Global Best Practices); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; Annual Corporate Governance Training and Updates on Special and Emerging Risks (SM Group-Axelum); 2024 Cybersecurity Fundamentals (YGC-RCBC).

ompany	Position
Axelum Resources Corporation	Independent Director
Anglo Philippine Holdings Inc	Independent Director
MRT Development Corporation	Director
Premium Leisure Corporation	Independent Director
RCBC Trust Corporation	Independent Director

Erika Fille T. Legara, Ph.D. (40)/ Filipino Independent Director (July 25, 2022 to present)

Ms. Legara has been an independent director of the Bank since July 2022. She is a scientist, educator, and an advisor on data science and artificial intelligence (AI), data and AI strategy and governance, infrastructure, and education. She holds the following positions at the Asian Institute of Management (AIM): Associate Professor of Data Science; Founding Director of the Master of Science in Data Science Program; Deputy Director and Senior Scientist of the Analytics, Computing, and Complex Systems Laboratory; and Aboitiz Chair in Data Science. Prior to joining

AIM in 2017, Ms. Legara was a scientist at A*STAR, Singapore, where she worked closely with government institutions and the industry sector on different R&D initiatives. She is a TOYM and TOWNS awardee and received the National Academy of Science and Technology Outstanding Young Scientist award in 2020. She is an Asia 21 Young Leader (Class of 2022). Ms. Legara graduated cum laude from the University of the Philippines, Diliman with the degree of BS in Physics. She obtained her MS and PhD in Physics also from the same university. She took up Leading Smart Policy Design at JF Kennedy School of Government, Harvard University, Executive Education in 2021 and completed the London School of Economics and Political Science's program on Ethics for AI in March 2023. She was also a resource person in the Asian Dialogues on AI Accountability Workshop (Singapore Management University-Microsoft) in April 2023. She is one of the Asian Scientist 100 top scientists for 2023, and the First Filipino to be awarded the DCRO Institute Certificate in Cyber Risk Governance.

Recent training/continuing education (2022 to present): Professional Directors Program, including the Corporate Governance Orientation Program (ICD); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar; 2024 Cybersecurity Fundamentals (YGC-RCBC).

Company	**Position**
Asian Institute of Management	Program Director - Master of Science in Data Science (Aboitiz School of Innovation, Technology, and Entrepreneurship)
	Associate Professor of Data Science
	Deputy Director and Senior Scientist - Analytics, Computing, and Complex Systems laboratory
	Aboitiz Chair in Data Science
Cortex Innovations Corporation	Director

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

(d) Executive Officers:

Senior Executive Vice Presidents

BANCOD, Redentor C.	Group Head Chief of Staff (*retired effective February 4, 2024)	Office of the Group Head – ITSSG & Operations Office of the President & Chief Executive Officer

Executive Vice-Presidents

CARIASO, REGINALDO ANTHONY B.	Group Head	Office of the Group Head-Operations
CORONEL, Elizabeth E.	Group Head	Office of the Group Head-Corporate Banking
LIM, Richard C.	Group Head	Office of the Group Head- Retail Banking
NARCISO, Emmanuel T.	Group Head (*retired effective November 18, 2023)	Office of the Group Head – Global Transaction Banking
PEDROSA, Alberto Magno N.	Treasurer / Group Head	Office of the Group Head - Treasury

SANTIAGO, Bennett Clarence D.	Group Head	Office of the Group Head – Credit Management
VILLANUEVA, Angelito M.	Chief Innovation and Inclusion Officer/ Group Head	Office of the Group Head – Digital Enterprise & Innovations

First Senior Vice-Presidents

ALVAREZ, Ma. Christina P.	Group Head	Office of the Group Head – Corporate Planning
DELA CUESTA, George Gilbert G.	Group Head / Corporate Secretary	Office of the Group Head – Legal Affairs and Corporate Secretariat
ESTRELLA, Brent C.	Chief Compliance Officer / Group Head	Compliance Office and Office of the Group Head – Regulatory Affairs
MADONZA, Florentino M.	Group Head	Office of the Group Head – Controllership
MAŇAGO, Jane N.	Group Head (*retired effective May 21, 2024)	Office of the Group Head - Wealth Management
RAMOS, Robert Rol Richard Raymond B.	President	RCBC Trust Corporation (Seconded)
RODRIGUEZ, Joseph Colin B.	Segment Head	Subsidiaries Treasury Risk Positions
SUBIDO, Rowena F.	Group Head	Office of the Group Head – Human Resources
TIROL, Martin Roberto G.	Group Head	Office of the Group Head – Global Transaction Banking

Senior Vice-Presidents 2

ONG, Arniel Vincent B.	President and Chief Executive Officer	RCBC Bankard Services Corporation (Seconded)
TOMAS, Juan Gabriel IV R.	Chief Risk Officer / Group Head	Office of the Group Head – Risk Management
WIENEKE, Jacqueline Grace B.	Group Head Designate (*until May 20, 2024) Group Head (*effective May 21, 2024)	Office of the Group Head – Wealth Management

Senior Vice-Presidents 1

BORROMEO, Jose Maria P.	Segment Head	Reserves & Liquidity Management Segment
BUENAFLOR, Enrique C.	Segment Head	Corporate Cash Management
CABUDOY, Ma. Pamela Katrina M.	Group Head	Office of the Group Head – Data Science & Analytics
CANIZA, Jose Manuel E.	Division Head	Treasury Trading Division
CANLAS, Karen K.	Division Head	Wealth Management Relationship Management Division 2
CRUZ, Antonio Manuel Jr. E.	Segment Head	Chinese Corporate Banking
DE VILLA, Ramil M.	Group Head	Office of the Group Head – Consumer Lending
DEL ROSARIO, Crispina D.	Sales Director	North East Luzon Regional Office
DELA CRUZ, Simplicio B.	Division Head	CEVA Division
DIOSO, Sheila Ricca G.	Chief Audit Executive / Group Head	Office of the Group Head – Internal Audit
DY, Evangeline M.	Sales Director	Makati North Regional Office
ESTACIO, Benjamin E.	Regional Service Head	Mindanao Service Region

GASPAR, Bernice U.	Division Head (*retired effective September 18, 2023)	Corporate Workout Division
MACATANGAY, Mary Grace P.	Segment Head (*retired effective January 1, 2024)	Consumer Services & Collection Segment
MARIANO, Mercelu S.	Division Head	Wealth Management Division 3
MENDOZA, Jose Jayson L.	President	RCBC Leasing and Finance Corporation (Seconded)
MIRAL, Gerardo G.	Division Head	Japanese & Economic Zone Banking Division 2
NATIVIDAD, Maria Cecilia F.	Group Head (*resigned effective October 14, 2023)	Office of the Group Head – Marketing
PERALTA, RICHARD M.	Segment Head	Branch Services Support Segment
QUIOGUE, Nancy J.	Regional Service Head	North Metro Manila Service Region
RAMOS, Elsie S.	Division Head (*retired effective April 15, 2024)	Litigation / Labor Division
REYES, Alma D.	Sales Director	Central Luzon Regional Office
REYES, Ismael S.	Segment Head	RBG Marketing & Strategy Segment
REYES, Maria Evangeline T.	Segment Head	Head Office Operations Segment
ROQUE, Yvonne A.	Segment Head	Branch Operations & Control Segment
SANTOS, Raoul V.	President	RCBC Securities, Inc. (Seconded)
SARIA, Carren T.	Sales Director	Metro North Regional Office
SARMIENTO, Jose Rene Y.	Segment Head	Conglomerates and Global Corporate Banking
SELIRIO, Libertine R.	Division Head	CBG-Business Development Division
SO, Johan C.	Segment Head	National Corporate Banking 1
SORIANO, Elvira D.	Division Head	IAG Division 5 Team 2
TIRADO, Gianni Franco D.	Sales Director (*retired effective January 4, 2024)	Office of the Sales Director Mindanao
TORRES, Lea B.	Division Head	Corporate Remedial Management Division
VALDES, Emmanuel Mari K.	Division Head	Office of the Division Head – Cross Sell
VICENTE, Anna Christina M.	Group Head	Office of the Group Head – Small & Medium Enterprise Banking
ZAMORA, Paula Fritzie C.	Segment Head	Financial Institutions & Support Segment
ZANTUA, Nilo C.	Group Head	Office of the Group Head - ITSSG
ZIALCITA, Xavier Y.	SVP, Strategic Initiatives	Office of the President & CEO

Ten of the Directors and most of the Executive Officers mentioned herein have held their positions for at least five (5) years.

There are no compensation arrangements for members of the Board of Directors, other than the per diem and dividends/profit sharing provided under Article V, Section 8, and Article XI, Section 2, respectively, of the Bank's Revised By-Laws. Key executives also receive long term bonuses earned over a 5-year period, the amount of which is tied directly to shareholder value, profitability and enterprise value.

(e) Significant Employees: There is no person other than the entire human resources as a whole, and the executive officers, who is expected to make a significant contribution to the Bank.

(f) Family Relationships: None of the Bank's Directors are related to one another or to any of the Bank's executive officers.

(g) Legal Proceedings:

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

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

Alleged Unauthorized Transfer of funds – Bank of Bangladesh

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

U.S. Litigation relating to the Bangladesh Bank Incident

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

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

The Bank timely filed its Answer within the extension period granted by the NY State Court. The Bank likewise participated in the May 16, 2023 court-mandated mediation; which, however, failed and was terminated. The parties are currently availing of the different modes of discovery as directed by the NY State Court.

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

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

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

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

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

Philippine Litigation relating to the Bangladesh Bank Incident

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

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely, would have a material effect on its financial position or operating results.

(h) Non-Involvement in Certain Legal Proceedings:

To the knowledge and/or information of the Bank, the nominees for election as Directors of the Bank, its present members of the Board of Directors or its Executive Officers, are not, presently or during the last five (5) years, involved or have been involved in any legal proceeding decided adversely affecting/involving themselves, and/or their property before any court of law or administrative body in the Philippines or elsewhere.

No director has resigned or declined to stand for re-election to the board of directors since the date of the annual meeting of security holders because of disagreement with the Bank on any matter relating to the Bank's operations, policies or practices.

To the knowledge and/or information of the Bank, none of the following events has occurred with respect to the nominees for election as Directors of the Bank, its present members of the Board of Directors, its Executive Officers, underwriters, or control persons during the last five (5) years:

a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
b. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(i) Certain Relationships and Related Transactions:

RCBC is a 33.92% owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC), the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC). As of March 31, 2024, Sumitomo Mitsui Banking Corporation owns 20.00% and Cathay Life Insurance Co. Ltd. (Cathay) also owns 18.68% interest in RCBC.

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

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

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

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

If a transaction is determined to be a related party transaction, the said transaction and all its relevant details are required to be submitted to the appropriate RPT Committee for evaluation. Once determined to be on arm's length terms, related party transactions evaluated by the RPT Board Committee are thereafter endorsed to the Board of Directors for approval. Transactions reviewed and approved by the RPT Management Committee are presented to the Board of

Directors for confirmation. In the event that a member of the Board has an interest in the transaction under evaluation, the said member shall not participate in the discussion and shall abstain from voting on the approval of the related party transaction. Pursuant to BSP Circular No. 895, as amended, and the Bank's Corporate Governance Manual, the Bank's significant transactions with its DOSRI and related parties were confirmed by majority vote of the Bank's stockholders during the last annual stockholders' meeting on July 3, 2023.

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

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

The Bank complies with existing BSP regulations on loans, credit accommodations and guarantees to its DOSRI. In the ordinary course of business, the Group has loan transactions with each other, their other affiliates, and with certain DOSRIs. Under existing policies of the Group, these loans are made substantially on the same terms as loans to other non-related individuals and business of comparable risks.

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

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

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

- *Sale and Purchase of Securities* - The Parent Company and certain subsidiaries engage in the trading of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period (Note 27.4, Notes to Financial Statements).
- *Retirement Fund* - The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by the Parent Company's Trust & Investments Group (TIG) in accordance with the respective trust agreements covering the plan (Note 27.5, Notes to Financial Statements).
- *Sale and leaseback of properties to Frame Properties, Inc.* - The Parent Company transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets (Note 27.4, Notes to Financial Statements).
- *Sale of ATYC to ATYCI* - The Parent Company sold a portion of its ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI. The Parent Company's lease contract is effective until September 30, 2027 [Note 27.7(a) and 27.7b), Notes to Financial Statements].

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

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

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

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

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

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

- The Bank has service agreements with RBSC for the in-sourced internal audit services. The Bank provides limited audit services to RBSC, specifically IT audit, operations audit and financial statements review. Also, the Bank has formalized the service agreements for the internal audit services being provided to subsidiaries namely: RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Rizal Microbank, Inc., RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc. prior to its conveyance**.**

- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, rendered by the following business units: 1) business and operational risk, 2) compliance, 3) internal audit, 4) information technology, and 5) human resources. The services shall be limited to: compliance with relevant laws, rules and regulations, market, liquidity, and operational risk management, internal audit, information technology, review of salary and processing of payroll on a bi-monthly basis, and implementation of exclusive succession planning, human resources information system and database administration and organization of training programs.

- The Bank has a service agreement with RCBC Forex for the referral of money service business customers to RCBC Forex, to facilitate the purchase and/or sale of foreign currencies. The services to be rendered are relative to account opening and compliance with customer identification regulatory requirements.

- The Bank has a service agreement with RCBC International Finance Limited (RIFL) to facilitate the remittance tie-up and account solicitation arrangement agreement with RIFL which is based in Hongkong.

- The Bank has an agreement with RCBC Rental Corporation for the financing of the lease of 1,600 new ATMs with a term of 60 months.
- The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries which is eliminated during consolidation, accreditation of RCBC Trust agent and of insurance companies, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances), all of which are at arms' length and conducted in the ordinary course of business.

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

The foregoing information is correlated with the information in Note 27 of the Financial Statements annexed to this Information Statement (please see Notes to Financial Statements, Annex "B-1").

6. Compensation of Directors and Executive Officers

Executive Compensation:

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

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES			
Names	**Principal Position**	**Aggregate Compensation** (net of Bonuses)	**Bonuses**
2024 Estimate			
Eugene S. Acevedo	President & Chief Executive Officer	104,948	34,983
Reginaldo Anthony B. Cariaso	Executive Vice President		
Richard C. Lim	Executive Vice President		
Alberto Magno N. Pedrosa	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		
2023 Actual			
Eugene S. Acevedo	President & Chief Executive Officer	98,146	33,829
Redentor C. Bancod	Senior Executive Vice President		
Richard C. Lim	Executive Vice President		
Alberto Magno N. Pedrosa	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		
2022 Actual			
Eugene S. Acevedo	President & Chief Executive Officer	94,538	38,394
Redentor C. Bancod	Senior Executive Vice President		
John Thomas G. Deveras	Senior Executive Vice President		
Emmanuel T. Narciso	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		

Officers as a Group Unnamed		
2024 Estimate	4,596,523	1,214,631
2023 Actual	4,178,657	1,104,210
2022 Actual	3,690,851	973,127

All Directors (Fees and Other Compensation)*		
2024 Estimate		125,774
2023 Actual		155,118
2021 Actual		92,037

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

Profit Sharing Bonus and Per Diem of Directors

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

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

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

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

7. <u>Independent Public Accounts</u>

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

In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2023 and 2022, there were no disagreements with P&A on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedure.

P&A has been the independent external auditor of the Bank beginning with the audited financial statements (AFS) for the year ended December 31, 2005 and they will be recommended for re-appointment at the scheduled annual stockholders' meeting. For the period 2005-2009 Mr. Leonardo Cuaresma, Jr. was the handling/signing partner of the Bank. Mr. Cuaresma, Jr. was replaced by Mr. Romualdo V. Murcia III as the handling/signing partner in 2010 and 2011. Mr. Murcia was replaced by Mr. Benjamin P. Valdez in 2012 and 2013. For the years 2014 to 2017, Ms. Maria Isabel E. Comedia was the handling/signing partner of the Bank which was further replaced by Mr. Anthony L. Ng for the year 2018. Ms. Comedia returned as the handling partner in 2022. She was also the handling partner in 2023.

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

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

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

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

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

Attached as Annex "B-2" are the Interim Financial Statements for the First Quarter 2023 (17-Q).

b. **Management's Discussion and Analysis (MD & A) or Plan of Operation**
Please see Annual Report Accompanying the Information Statement, Annex "A".

c. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosures -** None.

d. **A statement as to whether or not representatives of the principal accountants for the current year and for the most recently completed fiscal year are expected to be present at the meeting, will have the opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions:**

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

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

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

D. OTHER MATTERS

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

The Management Report, as set forth in the Annual Report, and the Minutes of the previous stockholders' regular meeting held on July 3, 2023 will be submitted for stockholders' approval. Approval of the Annual Report constitutes a ratification of the Bank's performance during the previous fiscal years as contained in the Annual Report.

Approval of the July 3, 2023 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, such as: (a) approval of the 2022 Annual Report and Audited Financial Statements, (b) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year 2022, (d) confirmation of significant transactions with DOSRI and related parties, (e) election of directors, (f) appointment of external auditor, and (g) approval of the amendments to the Articles of Incorporation. A copy of the Minutes for the foregoing meeting is attached as Annex E.

The corporate acts of the Board of Directors, different Committees and Management that are subject to ratification are those made from the date of the last Annual Stockholders' Meeting (July 3, 2023) up to the date of the meeting (June 24, 2024). These include, among others, those that involve day-to-day operations, administration and management of the corporate affairs such as approval of loans, write-offs, restructuring of past due accounts, sale of ROPOAs, appointment/resignation of directors/officers, authorization of officers, sanctions/disciplinary measures imposed to erring officers/employees, and authority to file or handle criminal/civil complaints.

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

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

18. **Other Proposed Action** – Not applicable

19. **Voting Procedures**

***The vote required for election or approval*.**

In the election of Directors, the fifteen (15) nominees with the greatest number of votes will be elected Directors.

In the other proposals or matters submitted to a vote, a vote of the majority or super majority, as the case may be, of the shares of the capital stock of the Bank whether given *in absentia,* by remote communication or represented by proxy at the meeting is necessary for approval of such proposals or matters.

The method by which votes will be counted

Each shareholder may vote *in absentia*, by remote communication, or by proxy the number of shares of stock standing in his name on the books of the Bank. Each share represents one vote. Voting shall be by balloting. An independent third party, Punongbayan & Araullo, shall validate and count the votes to be cast.

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

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

E. OTHER CERTIFICATIONS

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

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

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information given in this Information Statement is true, complete and correct. This Statement is signed in the City of Makati on May13 2024.

RIZAL COMMERCIAL BANKING CORPORATION

By:

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

RCBC
Partners Through Generations

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be advised that the Annual Stockholders' Meeting of the Bank will be conducted virtually through https://www.rcbc.com/ASM2024 on **June 24, 2024 at 4:00 P.M.**, for the purpose of considering and acting on the following matters:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 3, 2023
2. Approval of the Annual Report and the Audited Financial Statements for 2023
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year
4. Confirmation of significant transactions with DOSRI and related parties
5. Appointment of External Auditor
6. Election of Directors
7. Such other matters as may properly come before the meeting

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

Only stockholders of record at close of business on **May 23, 2024** will be entitled to participate and vote at the meeting or any adjournment thereof. Votes shall be cast by ballot in accordance with the attached form and procedures.

The meeting will be conducted virtually, i.e. there will be no physical meeting, on June 24, 2024. Stockholders may participate in the virtual meeting either by remote communication by themselves or by proxy, or by casting their votes in absentia. For this purpose, stockholders must register and/or cast their votes by sending a registration email to RCBC-ASM-2024@rcbc.com in accordance with the attached procedures **until 5:00 pm of June 16, 2024**. Only stockholders or their proxies who duly register by email shall be allowed to access the virtual meeting at https://www.rcbc.com/ASM2024.

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

The validation of ballots and proxies shall be held on **June 18, 2024 at 9:00 am** at the Office of the Corporate Secretariat.

Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com **by 5:00 pm of June 21, 2024** will be considered during the open forum.

May 13, 2024 Makati City, Metro Manila, Philippines.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

PROCEDURE FOR THE ANNUAL STOCKHOLDERS' MEETING

1. Only stockholders of record at close of business on **May 23, 2024** (Stockholders) will be entitled to participate and vote at the meeting or any adjournment thereof.

2. The meeting will be conducted virtually, i.e. there will be no physical meeting, on June 24, 2024.

3. Stockholders may participate in the virtual meeting either by remote communication by themselves or by proxy, or by casting their votes in absentia. For this purpose, Stockholders must duly register by sending a **registration email** to RCBC-ASM-2024@rcbc.com **by 5:00 pm of June 16, 2024**. Only duly registered stockholders shall be counted for purposes of quorum.

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

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

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

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

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

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

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

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

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

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

6. **OPEN FORUM** - Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com **by 5:00 pm of June 21, 2024** with subject: **QUESTIONS/COMMENTS** will be considered during the open forum. The Corporate Secretary will reply, by email, to relevant comments and questions received after the June 21, 2024 cut-off and until the end of the meeting on June 24, 2024.

7. **VOTING** - Votes of duly registered Stockholders can only be cast through ballots or proxies. The ballot or proxy should be substantially in the form provided in the Definitive Information Statement and filled in accordance with the instructions set forth therein. All ballots and proxies should be received by the Bank together with the registration email not later than **5:00 pm of June 16, 2024**. Failure of the Stockholder to send his/her votes as stated herein shall be deemed a vote of approval for all the agenda items.

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

8. Validation of ballots and proxies will be on **June 18, 2024 at 9:00 am.**

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

10. The proceedings of the meeting will be recorded.

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

P R O X Y

KNOW ALL MEN BY THESE PRESENTS:

That I, ______________________, a stockholder of the RIZAL COMMERCIAL BANKING CORPORATION (the "Corporation"), a domestic corporation, do hereby nominate, constitute and appoint ____________________________, with full power of substitution and delegation, as the proxy, of the undersigned to represent and vote all shares registered in my name on the books of Corporation, or owned by me at the Annual Meeting of Stockholders on June 24, 2024 of said Corporation, and any adjournment/s thereof, as fully to all intents and purposes as I might or could do if present and acting in my person, hereby ratifying and confirming any and all acts which my said attorney and proxy may do in or upon any and all matters which may properly come before any said meeting, or any adjournment or adjournments thereof, upon the proposals enumerated below.

In case of absence of _________________________ and any substitute proxy designated by him at the said meeting, the undersigned hereby grants the Chairperson of the meeting chosen accordance with the Corporation's By-Laws or, in case of his absence the President of the Corporation, full power and authority to act as alternate proxy of the undersigned at such meeting.

The proxy/substitute proxy/alternate proxy, as the case may be, shall vote subject to the instructions indicated below and the proxy/substitute proxy/alternate proxy, as the case may be, is authorized to vote in his discretion upon other business as may properly come before the Annual Meeting of Stockholders and any adjournments or postponements thereof. Where no specific instruction is clearly indicated below, the proxy/substitute proxy/alternate proxy, as the case may be, shall vote and shall be deemed authorized to vote "FOR" with respect to Proposal 1 to 6 and "FOR ALL" with respect to Proposal 7.

PROPOSALS AND VOTING INSTRUCTIONS

Management recommends a "FOR" vote for Proposals 1 to 6, and a "FOR ALL" vote for Proposal 7

	FOR	AGAINST	ABSTAIN
1. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 3, 2023 *(Agenda Item No. 3)*	☐	☐	☐
2. Approval of the Annual Report and the Audited Financial Statements for 2023 *(Agenda Item No. 4)*	☐	☐	☐
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from July 3 2023 to June 24, 2024 *(Agenda Item No. 5)*	☐	☐	☐
4. Confirmation of Significant Transactions with DOSRI and Related Parties *(Agenda Item No. 6)*	☐	☐	☐
5. Appointment of Punongbayan & Araullo as External Auditor *(Agenda Item No. 8)*	☐	☐	☐
6. Other Matters (At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting). *(Agenda Item No. 9)*	☐	☐	☐

(proposal 7 on next page)

7. Election of Directors 15 Directors (10 Regular Directors and 5 Independent Directors) *(Agenda Item No. 7)*

REGULAR DIRECTORS

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

INDEPENDENT DIRECTORS

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

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

The stockholder may withhold authority to vote for any or some nominee(s), by marking the exception box and writing the name(s) of such nominee(s) on the space provided above. If the stockholder designates exception(s), the number of shares to be distributed to each of the remaining nominees must be indicated on the spaces provided above.

The stockholder can either (a) vote for all of the nominees, in which case the stockholder's total votes will be split and cast equally among the nominee(s); (b) withhold his vote for all of the nominees; or (c) vote only for some and not all of the nominees, in which case the stockholder's total votes will be distributed and cast as indicated by the stockholder in the spaces provided above. If the stockholder does not indicate the number of shares to be distributed among the remaining nominees who are not named on the spaces for exceptions above, then the stockholder's total votes will be split and cast equally among the remaining nominees. The total number of votes which a stockholder may cast is equal to fifteen (15) times the number of shares of common stock and voting preferred stock held as of the Record Date.

This proxy shall be valid for the Annual Meeting of Stockholders of the Corporation on June 24, 2024 unless sooner withdrawn by me through notice in writing delivered to the Corporate Secretary. In case I shall be present at the meeting, this proxy stands revoked.

IN WITNESS WHEREOF, I, the undersigned shareholder, have executed this proxy at _____________________ this _______day of ___________________ 2024.

____

(Signature Over Printed Name)

☐ Stockholder
☐ Authorized Representative of Stockholder

Date: ________________, 2024

PLEASE SEE NEXT PAGE FOR OTHER INFORMATION AND INSTRUCTIONS

OTHER INFORMATION AND INSTRUCTIONS FOR THE PROXY FORM

1. *Submission of Proxy*

(a) The proxy form must be duly completed, signed and dated by the stockholder or his duly authorized representative, and received by email via RCBC-ASM-2024@rcbc.com together with the stockholder's registration mail by **5:00 pm of June 16, 2024.** If the name of the proxy is not specified, the stockholder shall be deemed as having appointed the Chairperson as proxy.

(b) If the proxy is given by one or more joint owners of shares of stock of the Company, the proxy form must be signed by all of the joint owners.

(c) If the shares of stock of the Company are owned in an "and/or" capacity, the proxy form must be signed by either one of the registered owners.

(d) If the proxy is given by a holder of shares of stock of the Company that is a corporation, association, partnership or unincorporated entity, the proxy form must be accompanied by a certification signed by a duly authorized officer, partner or representative of such corporation, association, partnership or unincorporated entity, to the effect that the person signing the proxy form has been authorized by the governing body or has the power pursuant to the By-Laws, constitutive documents or duly approved policies of such corporation, association, partnership or unincorporated entity, for such purpose.

(e) A proxy given by a broker or dealer in respect of shares of stock of the Company carried by such broker or dealer for the account of a customer must be supported by a sworn certification that the same is given with the express prior authorization of such customer.

(f) If any customer of a broker or dealer who is the beneficial owner of shares of stock of the Company executes a sub-proxy, the broker or dealer shall certify that the signature on the sub-proxy is the true and genuine signature of its customer.

2. *Revocation of Proxy*

A holder of shares of stock of the Company who has given a proxy has the power to revoke it by written instrument duly signed and dated, which must be received by email via RCBC-ASM-2024@rcbc.com not later than **5:00 pm of June 21, 2024**. A proxy is also considered suspended if an individual stockholder signifies by email to RCBC-ASM-2024@rcbc.com on or before **5:00 pm of June 21, 2024** that he is attending the meeting by remote communication.

3. *Validation of Proxy*

The validation of proxies will be held on **June 18, 2024** at **9:00 am** at the Office of the Corporate Secretary. Validation of proxies will be done by the Corporate Secretary and persons designated by the Corporate Secretary who shall be under his supervision and control, in accordance with the procedure and guidelines set out in the Company's By-Laws and Section 11(b) of the SRC Rule 20.

RCBC
Partners Through Generations

VOTE BALLOT

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

PROPOSALS AND VOTING INSTRUCTIONS

Management recommends a "FOR" vote for Proposals 1 to 6, and a "FOR ALL" vote for Proposal 7.

	FOR	AGAINST	ABSTAIN
1. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 3, 2023 *(Agenda Item No. 3)*	☐	☐	☐
2. Approval of the Annual Report and the Audited Financial Statements for 2023 *(Agenda Item No. 4)*	☐	☐	☐
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from July 3 2023 to June 24, 2024 *(Agenda Item No. 5)*	☐	☐	☐
4. Confirmation of Significant Transactions with DOSRI and Related Parties *(Agenda Item No. 6)*	☐	☐	☐
5. Appointment of Punongbayan & Araullo as External Auditor *(Agenda Item No. 8)*	☐	☐	☐
6. Other Matters (At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting). *(Agenda Item No. 9)*	☐	☐	☐

7. Election of Directors 15 Directors (10 Regular Directors and 5 Independent Directors) *(Agenda Item No. 7)*

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

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

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

The stockholder may withhold authority to vote for any or some nominee(s), by marking the exception box and writing the name(s) of such nominee(s) on the space provided above. If the stockholder designates exception(s), the number of shares to be distributed to each of the remaining nominees must be indicated on the spaces provided above.

The stockholder can either (a) vote for all of the nominees, in which case the stockholder's total votes will be split and cast equally among the nominee(s); (b) withhold his vote for all of the nominees; or (c) vote only for some and not all of the nominees, in which case the stockholder's total votes will be distributed and cast as indicated by the stockholder in the spaces provided above. If the stockholder does not indicate the number of shares to be distributed among the remaining nominees who are not named on the spaces for exceptions above, then the stockholder's total votes will be split and cast equally among the remaining nominees. The total number of votes which a stockholder may cast is equal to fifteen (15) times the number of shares of common stock and voting preferred stock held as of the Record Date.

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

IN WITNESS WHEREOF, I, the undersigned stockholder have cast the foregoing Vote Ballot at ____________________ this _______day of __________________ 2024

____

(Signature Over Printed Name)

□ Stockholder

□ Authorized Representative of Stockholder

Date: _______________ , 2024

RIZAL COMMERCIAL BANKING CORPORATION

AGENDA

ANNUAL MEETING OF THE STOCKHOLDERS

DATE	:	June 24, 2024
TIME	:	4:00 P. M.
PLACE	:	Virtual Meeting https://www.rcbc.com/ASM2024

1. Proof of the Due Notice of the Meeting
2. Determination of the presence of a Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 3, 2023
4. Approval of the Annual Report and the Audited Financial Statements for 2023
5. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from July 3 2023 to June 24, 2024
6. Confirmation of significant transactions with DOSRI and related parties
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Open Forum
11. Adjournment

RATIONALE / EXPLANATION
FOR AGENDA ITEMS REQUIRING SHAREHOLDERS' APPROVAL

1. Proof of Due Notice of the Meeting

Rationale/ Explanation: Only stockholders of record as of **May 23, 2024** shall be entitled to notice and vote at the meeting. The notice of the meeting, which shall contain, in addition to the date, hour and link to the virtual meeting, a statement of the matters to be taken up at such meeting, shall be published for 2 consecutive days in 2 newspapers of general circulation in both print and online formats in accordance with the rules of the Securities and Exchange Commission. The Corporate Secretary shall confirm that due notice of the meeting was made.

2. Determination of the presence of a Quorum

Rationale/ Explanation: Quorum shall consist of stockholders owning the majority of the subscribed capital stock represented in person or by proxy, or with votes cast in absentia who duly registered through RCBC-ASM-2024@rcbc.com as of June 16, 2024. On the basis of such registration, the Corporate Secretary shall declare whether or not a quorum exists for the Annual Stockholders Meeting. Stockholders who cast their votes in absentia shall be deemed present for purposes of quorum.

3. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 3, 2023

Rationale/ Explanation: Approval of the July 3, 2023 Minutes of the Annual Meeting of the Stockholders constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, including, (a) approval of the Minutes of the 2022 meeting, (b) approval of the 2022 Annual Report and Audited Financial Statements, (c) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year 2022, (d) confirmation of significant transactions with DOSRI and related parties, (e) election of directors, and (f) appointment of external auditor. The said Minutes is available on the Bank's website and attached to the Information Statement.

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

4. Approval of the Annual Report and the Audited Financial Statements for 2023

Rationale/ Explanation: Approval of the Annual Report constitutes a ratification of the Bank's performance during the previous fiscal years as contained in the Annual Report. The Annual Report will contain the results of the operation of the Company during the year 2023. The financial statements as of December 31, 2023 will also be presented and endorsed for approval by the Board of Directors and the Audit Committee. The Audited Financial Statements for 2023 will be attached to the Definitive Information Statement and is incorporated in the Bank's SEC 17-A (Annual Report) submitted to the Securities and Exchange Commission (SEC) and available on the Bank's website.

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

5. **Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year**

Rationale/ Explanation: The corporate acts of the Board of Directors, different Committees and Management that are subject to ratification are those made from the date of the last annual stockholders' meeting (July 3, 2023) up to the date of the meeting (June 24, 2024). These include, among others, those that involve the day-to-day operation, administration and management of the corporate affairs such as approval of loans, special projects, material transactions, restructuring of past due accounts, sale of ROPOAs, appointment/ resignation of directors/ officers, sanctions/disciplinary measures imposed to erring officers/ employees, authority to file criminal/civil complaints, and related matters.

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

6. **Confirmation of Significant Transactions with DOSRI and Related Parties**

Rationale/ Explanation: Significant transactions with DOSRI and related parties for the year 2023 include: loans/receivables and deposit liabilities; trading of investment securities; sale and leaseback of properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets; sale of a portion of ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter under a five-year lease effective until September 30, 2027; lease contracts with RCBC Realty Corporation and sub-lease agreements with subsidiaries for occupancy in the RCBC Plaza; increase in shareholding of SMBC, the capital infusion for which was made on July 31, 2023; donation of Properties from NPHI to RCBC, which properties were subsequently sold to PMMIC; sale of Tarlac Property to Tarlac Terra Ventures, Inc.; various service agreements with RCBC Bankard Services Corporation, RCBC Forex Brokers Corporation, RCBC Capital Corporation, RCBC Securities, Inc., Rizal Microbank – A Thrift Bank of RCBC, RCBC Leasing and Finance Corporation, Niyog Property Holdings, Inc., and RCBC International Finance Limited; agreement with RCBC Rental Corporation for the financing of 1,600 new ATMs with a term of 60 months; and the administration and management of some of the subsidiaries' retirement funds. The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries, accreditation of RCBC Trust agent and of insurance companies, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances). All transactions are at arms' length. Details of said related party transactions are disclosed in the Bank's SEC 17-A Report which is also available on the Bank's website. These are also provided in the Annual Report accompanying the Information Statement, Annex A.

In accordance with BSP Circular No. 895 dated December 14, 2015, which requires the Bank's stockholders to confirm by majority vote, the Bank's significant transactions with DOSRI and related parties, the above-mentioned significant transactions are presented to the stockholders for confirmation.

7. **Election of Directors**

Rationale/ Explanation: The By-Laws of the Bank allows all shareholders, including minority stockholders, the right to nominate candidates for the Board of Directors. Nominees for election as members of the Board of Directors of RCBC, including nominees for election as independent Directors, as well as their profiles are provided in the Definitive Information Statement.

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

8. **Appointment of External Auditor**

Rationale/ Explanation: The Audit and Compliance Committee will screen and endorse to the stockholders the appointment of a selected qualified SEC-accredited auditing firm as external auditor of RCBC for the year 2024, including their proposed remuneration. The profile of the external auditor is provided in the Definitive Information Statement.

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

9. **Other Matters**

Rationale/ Explanation: Other matters that may have arisen after the Notice of Meeting and Agenda have been sent out, or those raised throughout the meeting may be presented to the stockholders for consideration. Stockholders may also propose to consider such other relevant matters or issues.

10. **Open Forum**

Rationale/ Explanation: Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com with subject: **QUESTIONS/COMMENTS by 5:00 pm of June 21, 2024** will be considered during the open forum. The Corporate Secretary will reply, by email, to relevant comments and questions received after the June 21, 2024 cut-off and until the end of the meeting on June 24, 2024.

11. **Adjournment**

ANNUAL REPORT ACCOMPANYING INFORMATION STATEMENT REQUIRED UNDER SRC RULE 17.1 (b)

(A) Audited Consolidated Financial Statements

The Audited Financial Statements of the Bank as of December 31, 2023 are contained in the latest annual report sent to security holders at the Annual Stockholders' meeting on June 24l, 2024. They are also attached to the Information Statement.

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

2021

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

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

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

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

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

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

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

Total Investment Securities, representing 22.9% of Total Resources, increased by 149.0% or P131.2 billion from P88.1 billion to P219.2 billion attributable to the 280.3% or P120.6 billion increase in Investment Securities at Amortized Cost from P43.0 billion to P163.6 billion; 23.9% or P9.6 billion increase in Financial Assets at Fair Value Other Comprehensive Income (FVOCI) from

P40.2 billion to P49.8 billion; and 20.0% or P975.0 million increase in Financial Assets at Fair Value Through Profit or Loss (FVTPL) from P4.9 billion to P5.9 billion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Trading and securities gain – net, decreased by 85.8% or P5.2 billion from P6.1 billion to P863.0 million mainly due to lower realized trading gains from sale of investment securities. It accounted 2.4% of total operating income;
- Service fees and commissions increased by 30.0% or P1.0 billion from P3.5 billion to P4.5 billion mainly due to improvement in fee income from across all products. It represented 12.5% of total operating income;
- Foreign exchange gains – net, decreased by 68.5% or P393.0 million from P574.0 million to P181.0 million due to lower revaluation profits as a result of the weakening of the peso.
- Trust fees increased by 21.4% or P69.0 million from P323.0 million to P392.0 million due to significant increase in volume of managed funds;
- Share in net earnings of subsidiaries and associates increased by 112.8% or P106.0 million due to higher equity earnings from Investments in Associates;
- Miscellaneous income increased by 26.4% or P327.0 million from P1.2 billion to P1.6 billion mainly due to higher gain on sale of assets and other income.

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

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

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

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

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

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2021	2020	2021	2020
Return on Average Assets (ROA)	0.8%	0.7%	0.9%	0.7%
Return on Average Equity (ROE)*	6.7%	5.5%	6.7%	5.6%
Risk-based Capital Adequacy Ratio (CAR)	15.2%	16.1%	14.9%	15.9%
Common Equity Tier 1 Ratio	12.2%	12.6%	11.8%	12.3%
Non-Performing Loans (NPL) Ratio	3.3%	2.9%	3.2%	2.8%
Non-Performing Assets (NPA) Ratio	2.7%	2.8%	2.6%	2.7%
Net Interest Margin (NIM)	4.1%	4.3%	4.1%	4.3%
Cost-to-Income Ratio	61.9%	58.2%	61.4%	57.8%
Loans-to-Deposit Ratio**	76.3%	85.2%	74.9%	83.6%
Current Ratio	0.6	0.8	0.6	0. 8
Liquid Assets-to-Total Assets Ratio	0.2	0.3	0.2	0.3
Debt-to-Equity Ratio	7.6	6.6	7.6	6.5
Asset-to- Equity Ratio	8.6	7.6	8.6	7.5
Asset -to- Liability Ratio	1.1	1.2	1.1	1.2
Interest Rate Coverage Ratio	1.9	1.6	2.0	1.6
Earnings per Share (EPS)**				
Basic	Php 3.09	Php 2.43	Php 3.09	Php 2.43
Diluted	Php 3.09	Php 2.43	Php 3.09	Php 2.43

** Net of dividends on Hybrid Tier 1 Securities in 2020*
*** Excluding Interbank loans and Loans under Reverse Repurchase Agreement*

Wholly-Owned/Virtually Wholly Owned Subsidiaries

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

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

RCBC FOREX BROKERS CORPORATION	**Audited**	
In Php 000s (Except Loss per Share)	**2021**	**2020**
Net Income	Php 1,725	Php 5,503
Return on Average Assets (ROA)	1.0%	3.2%
Return on Average Equity (ROE)	1.1%	3.3%
Capital to Total Assets	95.7%	92.1%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Loss per Common Share*	Php (44.55)	Php (37.12)

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

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

RCBC TELEMONEY EUROPE S.P.A *	**Audited**	
In Php 000s (Except EPS)	**2021**	**2020**
Net Loss	Php 0.00	Php 0.00
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	-158.5%	-158.5%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings per Share (EPS)	Php 0.00	Php 0.00

**In the process of liquidation.*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	**Audited**	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income	Php (3,458)	Php 2,276
Return on Average Assets (ROA)	-2.2%	1.4%
Return on Average Equity (ROE)	3.1%	-2.0%
Capital to Total Assets	-80.1%	-72.6%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings (Loss) per Share (EPS)	Php (0.02)	Php 0.01

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income	Php 22,490	Php 13,695
Return on Average Assets (ROA)	4.0%	2.3%
Return on Average Equity (ROE)	4.3%	2.4%
Capital to Total Assets	93.6%	93.1%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings per Share (EPS)	Php 16.17	Php 9.85

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	**2021**	**2020**
Net Income (Loss)	Php 147,883	Php (61,919)
Return on Average Assets (ROA)	1.3%	-0.5%
Return on Average Equity (ROE)	6.8%	-2.9%
Capital to Total Assets	17.4%	17.9%
Non-Performing Loans (NPL) Ratio	8.3%	11.2%
Non-Performing Assets (NPA) Ratio	5.4%	7.2%
Earnings (Loss) per Share (EPS)	Php 0.05	Php (0.04)

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except Loss per Share)	**2021**	**2020**
Net Loss	Php (476)	Php (119)
Return on Average Assets (ROA)	-0.9%	-0.2%
Return on Average Equity (ROE)	-0.9%	-0.2%
Capital to Total Assets	100.0%	100.0%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Loss per Share (EPS)	Php (0.80)	Php (0.20)

Notes to the Computations:

1. *Consolidated and Parent Company ROA and ROE ratios were taken from the corresponding audited financial statements. ROA ratio of the subsidiaries was determined based on the average of the quarterly ending balances of total assets, audited and/or unaudited. ROE ratio of the subsidiaries was likewise computed based on the average of the quarterly ending balances of total equity, audited and/or unaudited.*

2. *CAR covers combined credit, market and operational risks. Where the Risk-based CAR was not computed, the simple Capital to Total Assets ratio formula was used.*

3. *NPL ratio is determined by using the following formula: (Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio)*

4. *NPA ratio is determined by using the following formula: (Net NPLs + Gross ROPA + Non-performing SCR) / Gross Total Assets.*

5. *For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.*

2022

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Statement

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

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

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

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

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

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

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

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

- Service fees and commissions increased by 20.2% or P920.0 million from P4.5 billion to P5.5 billion mainly due to higher fees from retail transactions. It represented 12.3% of total operating income;

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

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

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

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

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2022	2021	2022	2021
Return on Average Assets (ROA)	1.2%	0.8%	1.2%	0.8%
Return on Average Equity (ROE)*	11.2%	6.7%	11.2%	6.7%
Risk-based Capital Adequacy Ratio (CAR)	15.3%	15.2%	15.0%	14.9%
Common Equity Tier 1 Ratio	12.3%	12.2%	12.0%	11.8%
Non-Performing Loans (NPL) Ratio	2.0%	3.3%	1.9%	3.2%
Non-Performing Assets (NPA) Ratio	1.5%	2.7%	1.4%	2.6%
Net Interest Margin (NIM)	3.7%	4.1%	3.7%	4.1%
Cost-to-Income Ratio	56.5%	61.9%	55.8%	61.4%
Loans-to-Deposit Ratio**	63.4%	76.3%	62.4%	74.9%
Current Ratio	0.5	0.6	0.5	0.6
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	8.9	7.6	8.8	7.6

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES (continued)				
	Audited			
	Consolidated		**Parent**	
	2022	**2021**	**2022**	**2021**
Asset-to- Equity Ratio	9.9	8.6	9.8	8.6
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.9	1.9	2.0	2.0
Earnings per Share (EPS)**				
Basic	Php 5.42	Php 3.09	Php 5.42	Php 3.09
Diluted	Php 5.42	Php 3.09	Php 5.42	Php 3.09

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

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

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

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

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

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

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

**In the process of liquidation.*

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

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

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

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

Notes to the Computations:

1. *Consolidated and Parent Company ROA and ROE ratios were taken from the corresponding audited financial statements. ROA ratio of the subsidiaries was determined based on the average of the quarterly ending balances of total assets, audited and/or unaudited. ROE ratio of the subsidiaries was likewise computed based on the average of the quarterly ending balances of total equity, audited and/or unaudited.*

2. *CAR covers combined credit, market and operational risks. Where the Risk-based CAR was not computed, the simple Capital to Total Assets ratio formula was used.*

3. *NPL ratio is determined by using the following formula: (Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio)*

4. *NPA ratio is determined by using the following formula: (Net NPLs + Gross ROPA + Non-performing SCR) / Gross Total Assets.*

5. *For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.*

2023

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

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

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

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

Total Investment Securities, representing 26.7% of Total Resources, decreased by 11.7% or P43.6 billion attributable to net maturities of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost.
Loans and Receivables – net, increased by 16.3% or P91.1 billion as a result of the sustained growth in consumer, small medium enterprises and corporate loans. It represented 52.5% of Total Resources.

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

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

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

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

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

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

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

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

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

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

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

Income Statement

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

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

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

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

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

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

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

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

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

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

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

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

Performance Indicators

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

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES (continued)				
	Audited			
	Consolidated		Parent	
	2023	2022	2023	2022
Non-Performing Loans (NPL) Ratio	1.6%	2.0%	1.5%	1.9%
Non-Performing Assets (NPA) Ratio	1.3%	1.5%	1.2%	1.4%
Net Interest Margin (NIM)	3.4%	3.7%	3.4%	3.7%
Cost-to-Income Ratio	59.2%	56.5%	59.5%	55.8%
Loans-to-Deposit Ratio**	65.1%	63.4%	64.3%	62.4%
Current Ratio	0.5	0.5	0.5	0.5
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	7.1	8.9	7.1	8.8
Asset-to- Equity Ratio	8.1	9.9	8.1	9.8
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.9	1.4	2.0
Earnings per Share (EPS)**				
Basic	Php 5.07	Php 5.42	Php 5.07	Php 5.42
Diluted	Php 5.07	Php 5.42	Php 5.07	Php 5.42

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

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

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

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

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

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

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

**In the process of liquidation.*

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

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

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

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

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

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

Notes to the Computations:

1. *Consolidated and Parent Company ROA and ROE ratios were taken from the corresponding audited financial statements. ROA ratio of the subsidiaries was determined based on the average of the quarterly ending balances of total assets, audited and/or unaudited. ROE ratio of the subsidiaries was likewise computed based on the average of the quarterly ending balances of total equity, audited and/or unaudited.*

2. *CAR covers combined credit, market and operational risks. Where the Risk-based CAR was not computed, the simple Capital to Total Assets ratio formula was used.*

3. *NPL ratio is determined by using the following formula: (Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio)*

4. *NPA ratio is determined by using the following formula: (Net NPLs + Gross ROPA + Non-performing SCR) / Gross Total Assets.*

5. *For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.*

Key Variable and Other Qualitative and Quantitative Factors

Plans for 2024

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

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

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

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

Note to Financial Statements as of March 31, 2024

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

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

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

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

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

Issuances, Repurchases and Repayments of Debt and Equity Securities. In January 2024, the Bank raised USD 400 million from its five-year Senior Unsecured Fixed Rate Sustainability Bonds (the Notes) issuance via a drawdown from its USD3.0 billion Medium Term Note Programme. The Notes carry a coupon rate of 5.5% per annum.

Dividends Paid for Ordinary or Other Shares. In its meeting held on March 25, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P1.0140 per share or a total of P2.5 billion and P270.1 thousand payable to holders of Common Class and Preferred Class shares, respectively, both paid on April 26, 2024.

In its meeting held on February 26, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1864 per share or a total of P49.8 thousand payable to holders of Preferred Class shares and paid on March 21, 2024.

In its meeting held on January 29, 2024, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P549.4 million payable to holders of said Securities, which was paid on February 27, 2024.

In its meeting held on November 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1870 per share or a total of P50.0 thousand payable to holders of Preferred Class shares and paid on December 29, 2023.

In its meeting held on August 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1920 per share or a total of P51.4 thousand payable to holders of Preferred Class shares and paid on September 25, 2023.

In its meeting held on July 31, 2023, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P535.1 million payable to holders of said Securities, which was paid on August 27, 2023.

In its meeting held on May 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1789 per share or a total of P47.8 thousand payable to holders of Preferred Class shares and paid on June 26, 2023.

In its meeting held on March 27, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P1.08 per share or a total of P2.2 billion and P288.8 thousand payable to holders of Common Class and Preferred Class shares, respectively, both paid on April 27, 2023.

In its meeting held on February 27, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1685 per share or a total of P45.0 thousand payable to holders of Preferred Class shares and paid on March 23, 2023.

In its meeting held on January 30, 2023, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P532.7 million payable to holders of said Securities, which was paid on February 27, 2023.

The details of the cash dividend approvals and distributions from 2023 up to March 31, 2024 are as follows (amounts in Thousand Php except per share figures):

Date Declared	Dividend		Date Paid / Payable	Nature of Securities
	Per Share	Total Amount		
30-Jan-23	-	P 532,740.0	27-Feb-23	Hybrid Perpetual Securities
27-Feb-23	P 0.1685	P 45.0	23-Mar-23	Convertible Preferred
27-Mar-23	P 1.0800	P 2,200,477.2	27-Apr-23	Common Stock
27-Mar-23	P 1.0800	P 288.8	27-Apr-23	Convertible Preferred
29-May-23	P 0.1789	P 47.8	26-Jun-23	Convertible Preferred
31-Jul-23	-	P 535,080.0	27-Aug-23	Hybrid Perpetual Securities
29-Aug-23	P 0.1920	P 51.4	25-Sep-23	Convertible Preferred
29-Nov-23	P 0.1870	P 50.0	29-Dec-23	Convertible Preferred
29-Jan-24	-	P 549,412.5	27-Feb-24	Hybrid Perpetual Securities
26-Feb-24	P 0.1864	P 49.8	21-Mar-24	Convertible Preferred
25-Mar-24	P 1.0140	P 2,453,409.8	26-Apr-24	Common Stock
25-Mar-24	P 1.0140	P 270.1	26-Apr-24	Convertible Preferred

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

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

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

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

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

<u>Financial Performance</u>

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
Return on Average Assets (ROA)* 1/	0.7%	1.1%	0.7%	1.1%
Return on Average Equity (ROE) * 2/	5.6%	9.5%	5.6%	9.5%
Risk-based Capital Adequacy Ratio (CAR)	16.3%	17.4%	16.1%	17.2%
Common Equity Tier 1 Ratio	13.7%	14.7%	13.5%	14.5%
Non-Performing Loans (NPL) Ratio 3/	1.7%	1.6%	1.6%	1.5%
Non-Performing Assets (NPA) Ratio 4/	1.3%	1.3%	1.2%	1.2%
Net Interest Margin (NIM)*	3.6%	3.4%	3.6%	3.4%
Cost-to-Income Ratio	63.5%	59.2%	63.2%	59.5%
Loans-to-Deposit Ratio 5/	65.8%	65.1%	65.2%	64.3%
Current Ratio	2.0	0.9	1.8	0.9
Liquid Assets-to-Total Assets Ratio	0.6	0.9	0.7	0.9
Debt-to-Equity Ratio	7.2	7.1	7.1	7.1
Asset-to-Equity Ratio	8.2	8.1	8.1	8.1
Asset-to-Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.3	1.4	1.3	1.4
Earnings per share (EPS) 6/				
Basic and Diluted*	PHP 3.38	PHP 5.07	PHP 3.38	PHP 5.07
Year-to-date Basic and Diluted	PHP 0.84	PHP 5.07	PHP 0.84	PHP 5.07
	Unaudited			
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Quarter-to-date Basic and Diluted**	PHP 0.84	PHP 0.86	PHP 0.84	PHP 0.86

** March 31, 2024 ratios/amounts were annualized*
*** March 31, 2024 and 2023 ratios/amounts were annualized*

1/ Average assets for the consolidated and parent ratios were computed based on the 3-month average of end of month balances of total assets. Unaudited net income for the 3-month period ended March 31, 2024 in the amount of P2.2 billion represented the consolidated and parent.

2/ Average equity for the consolidated and parent ratios were, likewise, computed based on the 3-month average of end of month balances. Unaudited net income for the 3-month period ended March 31, 2024 in the amount of P1.9 billion represented the consolidated and parent, net of dividends on Hybrid Perpetual Securities of P274.7 million.

3/ NPL ratio is determined by using the following formula: *(Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio).*

4/ NPA ratio is determined by using the following formula: [Net NPLs + Gross Real and Other Properties Acquired (ROPA) + Non-performing Sales Contract Receivable (SCR) + Non-Current Assets Held for Sale (NCAHS) / Gross Total Assets.
5/ Excluding Interbank Loans.
6/ Total weighted average number of issued and outstanding common shares (diluted) were 2,292,236,409 shares as of March 31, 2024 and 2,197,681,607 as of December 31, 2023. Net income was net of dividends on Hybrid Capital Securities.

Statement of Condition 31 March 2024 vs. 31 December 2023

RCBC's **Total Assets** stood at P1.2 trillion as of March 31, 2024. The significant movements are discussed below:

Cash and Other Cash Items declined by 26.6% or P5.3 billion due to lower cash in vault and cash requirements in ATMs from the higher year-end cash requirement.

Due from Bangko Sentral ng Pilipinas decreased by 31.5% or P47.8 billion due to lower level of BSP Term Deposits, as a result of redeployment of funds.

Due from Other Banks dropped by 24.8% or P3.7 billion due to lower funding requirement of international cards and as a result of net movements maintained with foreign banks as part of the liquidity management of the Bank.

Loans Arising from Reverse Repurchase Agreement decreased by 52.5% or P18.8 billion due to lower placements with the BSP.

Total **Investment Securities**, representing 32.4% of Total Resources, increased by 20.6% or P68.1 billion attributable to the 59.1% or P48.7 billion growth in Financial Assets at Fair Value Other Comprehensive Income (FVOCI); 8.4% or P19.8 billion improvement in Investment Securities at Amortized Cost; net of the 3.9% or P459.0 million decrease in Financial Assets at Fair Value Through Profit or Loss (FVTPL).

Loans and Receivables – net was recorded at P649.2 billion and represented 52.7% of Total Resources.

Bank Premises, Furniture, Fixtures & Equipment – net declined by 6.4% or P580.0 million mainly due to the amortization of right-of use assets.

Deferred Tax Assets was up by 6.3% or P362.0 million mainly due to the additional recognition of deferred tax asset during the period.

Other Resources – net grew by 5.4% or P1.0 billion largely due to higher creditable withholding tax, dividends receivable and reclassification of investment properties to non-current assets held for sale.

Total Liabilities settled at P1.1 trillion with a decrease of P6.0 billion. The significant movements are discussed below:

Deposit Liabilities stood at P959.4 billion and grew by P2.6 billion or 0.3% and accounted 77.9% of Total Resources.

Bills Payable reduced by 54.4% or P27.7 billion due to net maturities of local and foreign borrowings during the period.

Bonds Payable increased by 64.2% or P22.4 billion attributable to the issuance of the USD397.3 million Senior Notes Sustainability Bonds.

Accrued Taxes, Interest and Other Expenses were down by 13.2% or P1.6 billion mainly due to the decreases in accrual of interest expense on time deposits because of maturities and payment of PDIC insurance.

Other Liabilities dropped by 5.7% or P1.8 billion largely due to settlement of trade payables and outstanding acceptances, net of dividends payable booked during the quarter.

Total Capital Funds stood at P150.8 billion, which is lower by P1.4 billion or 0.9%.

Income Statement

31 March 2024 vs. 31 March 2023

The Bank recorded a Net Income of P2.2 billion for the three-month ended March 31, 2024 driven by the following:

Total Interest Income jumped by 28.7% or P4.2 billion driven by the growth in volume and higher average yields. Interest income on loans and receivables was higher by 32.3% or P3.5 billion; interest income on trading and investment securities increased by 23.1% or P745.0 million and other interest income higher by 2.3% or P17.0 million.

Total Interest Expense increased by 26.0% or P1.9 billion due to higher interest expense on deposit liabilities by 32.5% or P2.0 billion as a result of higher average costs and growth in average volume. Meanwhile, interest expense on bills payable and other borrowings was down by 7.0% or P85.0 million.

As a result, Net Interest Income amounted to P9.6 billion from P7.3 billion, higher by 31.6% or P2.3 billion. It represented 78.1% of total operating income.

The Group booked Impairment Losses of P1.7 billion, higher by 11.8% or P176.0 million. It represented 13.7% of total operating income.

Other Operating Income of P2.7 billion declined by 53.3% or P3.1 billion. This accounted for 21.9% of total operating income on account of the following:

- Trading and securities gains – net, down by 17.2% or P10.0 million on account of lower marked to market valuation largely from Financial Assets at Fair Value Through Profit or Loss (FVTPL) securities, net of higher realized trading gains;
- Service fees and commissions higher by 43.8% or P623.0 million largely from the increase in fee-based income;
- Trust fees – the 100% reduction was due to the spin-off of the Bank's Trust Operations to a Stand-Alone Trust Corporation effective January 2, 2024;
- Foreign exchange gains (losses) – net, lower by 109.1% or P442.0 million largely on account of lower revaluation profit and lower foreign exchange income from commercial transactions;
- Gain on assets sold – net, decreased by 96.7% or P3.2 billion due to the higher gain on sale of various real estate properties sold last year;
- Miscellaneous income higher by 32.4% or P124.0 million on account of higher dividend income.

Other Operating Expenses amounted to P7.8 billion, higher by 7.9% or P571.0 million. This accounted for 63.5% of total operating income on account of the following:

- Employee benefits up by 13.2% or P226.0 million due to increase in headcount;

- Occupancy and equipment-related costs higher by 12.7% or P105.0 million largely due to higher information technology costs and increase in rental expenses;
- Taxes and licenses declined by 1.1% or P18.0 million;
- Depreciation and amortization down by 3.3% or P28.0 million;
- Miscellaneous expenses jumped by 13.3% or P286.0 million largely due to higher credit card-related expenses and increase in regulatory fees and other volume-driven expenses.

Tax Expense was lower by 10.4% or P69.0 million in line with the lower income year on year.

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

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

There are also no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

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

(C) Financial Statements

The consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality. (Please see Annex B for the audited financial statements for 2023)

If material;

(i) Commitments and Contingent Liabilities

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

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

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

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely would have a material effect on its financial position or operating results.

(ii) events that will trigger direct or contingent financial obligation that is material to the company; including any default or acceleration of an obligation

To the knowledge and/or information of the Bank, there are no events that will trigger a direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

(iii) all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period

The following is a summary of contingencies and commitments arising from off-statement of financial position items at their equivalent peso contractual amounts as of March 31, 2024 and December 31, 2023

	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
Outstanding guarantees issued	P	219,606	P	205,268
Derivative assets		192,795		142,921
Derivative liabilities		123,393		84,461
Unused commercial letters of credit		32,539		25,079
Spot exchange sold		13,705		16,985
Spot exchange bought		13,704		16,980
Inward bills for collection		9,736		8,061
Late deposits/payments received		768		872
Outward bills for collection		4		1
Trust department accounts		-		155,705
Others		64		64

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

There were no material commitments for capital expenditures.

(v) any known trends, events or uncertainties (material impact on sales)

There are also no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

(D) External Audit Fees

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

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

The audit fees already incorporate fees for tax accounting, compliance, advice, planning and any other form of tax services rendered by the external auditor. There is no separate breakdown of tax fees since the tax compliance procedures are normal/recurring procedures conducted by the external auditor during their year-end audit and is not engaged separately by the Bank from the annual financial statements audit.

As for non-audit services and other fees, these pertain to the quarterly financial statements review and due diligence engagements for offering circulars.

Changes in and Disagreements With Accountants on Accounting and Financial Disclosure. In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2023 and 2022, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

The Audit and Compliance Committee approved the policies and procedures for the above services.

(F) Brief Description of the General Nature and Scope of Business of RCBC and its Subsidiaries

Rizal Commercial Banking Corporation (RCBC or the Bank) is a universal bank in the Philippines that provides a wide range of banking and financial products and services. The Bank has total resources of over P1.2 trillion becoming the fifth (5^{th}) largest privately-owned bank in the country as of end-December 2023 with a total net worth of P152.3 billion. It has a consolidated network of 458 business centers and supplemented by 1,460 automated teller machines (ATMs) and 3,861 ATM Go terminals strategically located nationwide.
The Bank offers commercial, corporate and consumer lending products, cash management products, treasury products, remittance services as well as digital and mobile banking services. RCBC also enters into derivative contracts as an accommodation to its clients and as a means of managing its foreign exchange exposures. The Bank and its subsidiaries (hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (auto, personal/salary loans, mortgage/housing loans, credit cards and microfinance loans), remittance, leasing, foreign exchange and stock brokering.

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

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

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

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

The Bank's subsidiaries are as follows:

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

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

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

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

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

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

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

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

(G) Directors and Executive Officers

The directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. **Incumbent directors** are:

Name	**Age**	**Position**	**Inclusive Dates**	**Citizenship**
Helen Y. Dee	80	Director	March 28, 2005 to present	Filipino
		Chairperson of the Board	June 27, 2005 to present	
		Interim President and Chief Executive Officer	March 23, 2016 to June 30, 2016	
Cesar E. A. Virata	93	Director	1995 to present	Filipino
		Corporate Vice-Chairman	June 22, 2000 to present	
		Acting Chief Executive Officer	January 28, 2002 to June 29, 2003	
		Chief Executive Officer	June 30, 2003 to June 28, 2004	
Eugene S. Acevedo	60	Director	July 1, 2019 to present	Filipino
		President and Chief Executive Officer	July 1, 2019 to present	
		Deputy Chief Executive Officer	January 2, 2019 to June 30, 2019	
Gil A. Buenaventura	71	Director	July 1, 2016 to present	Filipino
		President and Chief Executive Officer	July 1, 2016 to June 30, 2019	
Armando M. Medina	74	Director	January 1, 2021 to present	Filipino
		Independent Director	Feb. 26, 2003 to December 31, 2020	
John Law	73	Director	April 27, 2015 to present	French & Taiwanese (dual citizen)
Shih-Chiao (Joe) Lin	52	Director	March 25, 2019 to present	Taiwanese/ R.O.C.
Gayatri P. Bery	58	Director	July 27, 2020 to present	American
Hiroki Nakatsuka	54	Director	July 31, 2023 to present	Japanese
		Advisory Board Member	July 26 2021 to July 31, 2023	
Katsufumi Uchida	56	Director	July 31, 2023 to present	Japanese
Juan B. Santos	85	Independent Director	Effective July 1, 2016 (assumption of office is on November 2, 2016) to present	Filipino
		Lead Independent Director	March 29, 2021 to present	
Gabriel S. Claudio	69	Independent Director	July 25, 2016 to present	Filipino
Vaughn F. Montes, PhD	73	Independent Director	September 26, 2016 to present (appointed on July 25, 2016)	Filipino
Laurito E. Serrano	63	Independent Director	March 20, 2019 to present	Filipino
Erika Fille T. Legara, PhD	40	Independent Director	July 25, 2023 to present	Filipino

Regular Directors

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

Mr. Cesar E. A. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman includes RCBC Realty Corporation, RCBC Land, Inc., Malayan Insurance Co., Inc., Business World Publishing Corporation, Luisita Industrial Park Corporation, RCBC Bankard Services Corporation, AY Foundation, Inc., City and Land Developer Corporation, UCM Philippines Foundation, Inc., and Cavitex Holdings Corporation, among others. He is an adviser of Lopez Holdings and ICCP, Inc., among others.

Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was Chairman of the Board of Investments, Undersecretary for Industry. He was also Chairman of the Land Bank of the Philippines and Philippine National Bank. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank. Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata has also held membership in various international committees/fora in the past, including: Bretton Woods Committee, Group of 30, Institute of International Finance, Rockefeller Tripartite Commission for Asia, Davos Forum, World Development Committee of the World Bank and IMF, ADB Forum.

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

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

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

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

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

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

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

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

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

Mr. Katsufumi Uchida has been a Director of the Bank since the close of business on July 31, 2023. He currently holds positions in SMBC as Managing Executive Officer, and Co-Head of APAC Division. He also serves as Managing Executive Officer of SMFG. He joined SMBC in 1990 and has spent over 19 of his more than 30 years with the company outside Japan, including Brussels, Hong Kong, Singapore and London, assuming various leadership roles. He graduated from the Waseda University of Japan, majoring in Political Science and Economics.

Independent Directors

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

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

Mr. Vaughn F. Montes, Ph.D has been an Independent Director of the Bank since September 2016. He is a former Trustee at the Institute of Corporate Directors (ICD) as well as a current Teaching Fellow on Corporate Governance courses of the ICD. He is a Director of the Center for Excellence in Governance, and President of the Center for Family Advancement. He was a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant from December 2011 to October 2022. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is an Adjunct Faculty member at the Asian Institute of Management. He was the President of the PAREF Southridge School for Boys from 2004 to 2023. 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. He was a president of the Philippine Economics Society. He was a TOYM awardee for Economics in 1991.

Mr. Laurito E. Serrano has been an independent director of the Bank since March 2019 and likewise an independent director of RCBC Trust Corporation since January 2024. Mr. Serrano was part of the Audit & Business Advisory Group and was a partner of SGV & Co - Corporate Finance Consulting Group. He is currently in the financial advisory practice with clients mostly in the private sector. He also concurrently serves as an independent director of Axelum Resources Corp., Anglo Philippine Holdings Inc, Premium Leisure Corporation, and as a director in MRT Development Corporation.

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

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

Ms. Erika Fille T. Legara, Ph.D. has been an independent director of the Bank since July 2022. She is a scientist, educator, and an advisor on data science and artificial intelligence (AI), data and AI strategy and governance, infrastructure, and education. She holds the following positions at the Asian Institute of Management (AIM): Associate Professor of Data Science; Founding Director of the Master of Science in Data Science Program; Deputy Director and Senior Scientist of the Analytics, Computing, and Complex Systems Laboratory; and Aboitiz Chair in Data Science. Prior to joining AIM in 2017, Ms. Legara was a scientist at A*STAR, Singapore, where she worked closely with government institutions and the industry sector on different R&D initiatives. She is a TOYM and TOWNS awardee and received the National Academy of Science and Technology Outstanding Young Scientist award in 2020. She is an Asia 21 Young Leader (Class of 2022). Ms. Legara graduated cum laude from the University of the Philippines, Diliman with the degree of BS in Physics. She obtained her MS and PhD in Physics also from the same university. She took up Leading Smart Policy Design at JF Kennedy School of Government, Harvard University, Executive Education in 2021 and completed the London School of Economics and Political Science's program on Ethics for AI in March 2023. She was also a resource person in the Asian Dialogues on AI Accountability Workshop (Singapore Management University-Microsoft) in April 2023. She is one of the Asian Scientist 100 top scientists for 2023, and the First Filipino to be awarded the DCRO Institute Certificate in Cyber Risk Governance.

The names, ages and positions of all **incumbent executive officers** (including those who retired/resigned after the 2022 Annual Stockholders' Meeting) are as follows:

Redentor C. Bancod, 60, Filipino, Senior Executive Vice President, was the Bank's Chief of Staff and the Head of the IT Shared Services Group. He has 39 years of professional experience focused on Information Technology and Operations. He was appointed on 1 July 2018 as concurrent Head of the Operations Group of the Bank. He was also designated as Chief of Staff on 2 November 2017. Prior to assuming these roles, he was the Head of IT Shared Services & Operations Group and the concurrent Head of Digital Banking Group before assuming his current role. Previously, he was Vice-President & General Manager, Central Systems Asia of Sun Life Financial, Asia and Senior Vice-President and Chief Technology Officer of Sun Life Of Canada (Philippines) Inc. from October 2003 to 2007; Senior Vice-President & Chief Information Officer of Equitable Bank from July 1996 to September 2003; Assistant Vice-President and Head of Applications Development in Far East Bank from October 1993 to June 1996; Assistant Vice-President of Regional Operations (Asia Pacific) of Sequel Concepts, Inc. U.S.A/Ayala Systems Technology Inc. from November 1992 to September 1993; Project Manager in Union Bank of Switzerland, NA from April 1988 to November 1992; and Chief Designer and Technical Adviser in Computer Information System Inc. from March 1984 to April 1998. He obtained his Bachelor of Arts degree in Philosophy from the University of the Philippines and is a candidate for a Master of Science degree in Information Management from the Ateneo de Manila University. *(Retired effective February 4, 2024).*

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

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

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

Emmanuel T. Narciso, 62, Filipino, Executive Vice President, was the Group Head of Global Transaction Banking. Prior to joining RCBC, he was the Group Head of Transaction Banking in Banco de Oro Unibank, Inc. from June 2011 to August 2015. He was also previously connected with the Hongkong and Shanghai Banking Corporation, where he handled the following roles: Head of Business Banking Division (Philippines), Head of Payments and Cash Management for Vietnam and Philippines. He also worked for Security Bank Corporation as Head of Corporate Transaction Banking Division and Citibank N.A. where his last appointment was as Business Development Head for Global Transaction Services. Mr. Narciso started his career in the banking industry when he was hired by the Bank of the Philippine Islands as an Analyst/Programmer in 1984. He obtained his Bachelor of Arts in Economics from the Ateneo de Manila University in 1984 and finished his Master in Business Management from the Asian Institute of Management in 1989. *(Retired November 18, 2023)*.

Alberto Magno N. Pedrosa, 55, Filipino, Executive Vice President, is currently the Treasurer and Head of Treasury Group. He has 27 years of professional experience gained from financial and banking firms. Prior to his appointment to this role on 04 March 2022, he was Head of Asset and Liability Management in Treasury Group. He handled other roles in the bank as follows: Head of Balance Sheet Management and Investment & Markets Trading Group from July 2017 to April 2019; Head of Investment and Markets Trading Segment from July 2013 to June 2017 and Investment Portfolio Management Division Head from August 2009 to June 2013. He has previous employment with other financial institutions where he handled significant roles as follows: Vice-President and Head of Global Liquid Products Trading for JG Summit Capital Markets (2000 to

2008), Assistant Vice-President of Asset and Liquidity Management & Investment and Trading for PCIBank (1995 to 2000) and Senior Assistant Manager and Junior FX Trader for the Bank of the Philippine Islands (1993 to 1995). Mr. Pedrosa started his career when he joined BPI's Officer Training Program in 1993. He completed his Bachelor of Science degree in Commerce majoring in Philosophy at the London School of Economics.

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

Angelito M. Villanueva, 52, Filipino, Executive Vice President, is the Bank's Chief Innovation and Inclusion Officer/ Head of Digital Enterprise and Innovations Group. He has 30 years of professional experience. Prior to joining RCBC, he pioneered the financial technology business in firms such as PLDT Group and was among the founding executives of PayMaya wallet. He was the Managing Director of FINTQnologies Corp, the financial technology (FinTech) arm of Voyager Innovations from June 2013 to March 31, 2019. He was also a Member of the Board of Directors in FINTQnologies (June 2017 to March 2019) and FINTQSurelite Insurance Agency (June 2017 to March 2019). His previous stints include the following roles in various institutions and organizations: Founder and Lead Convenor of KasamaKa Financial Inclusion Movement (September 2017 to March 31, 2019); Head, Customer Strategy and Market Activation, Visa, Nov 2011 – Jan 2013; Short-term Consultant on Mobile Money Transfer in Mongolia at IFC World Bank Group, Aug 2011 – Dec 2011; Monitoring and Evaluation (M&E) Consultant at Department of Social Welfare and Development-World Bank, March 2011 – February 2012; VP and Head, Mobile Financial Services - Smart Communications, Inc., Feb 2007 – Jan 2009; Regional Manager for Marketing and Special Projects for APAC and EMEA at BCD Travel 2003 – 2006; Executive Director and VP at Luntiang Pilipinas (Green PH) Foundation, Inc. 2000 – 2003; Chief of Division, Overseas Correspondent Banking Department, Global Banking Group at Land Bank of the Philippines, 1995 – 2000; Senior Research Associate and Associate Editor at Economist Intelligence Unit (EIU) Phils. 1993 – 1995. Mr. Villanueva graduated from the University of Santo Tomas in 1992 with a degree in Bachelor of Arts in Political Science. He completed a Master in National Security Administration at the National Defense College of the Philippines in 2000. He also finished his Master's degree in Public Administration as Magna Cum Laude at the University of Santo Tomas in 2000.

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

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

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

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

Jane N. Mañago, 59, Filipino, First Senior Vice-President, is the Group Head of Wealth Management. She has 37 years of banking experience. Prior to her appointment as Group Head, she was the OIC of Wealth Management Group from December 2015 to January 2016, Segment Head of Wealth Management 1 from September 2014 to November 2015, Division 2 Head of Wealth Management from December 2006 to August 2014 and Relationship Manager for Division 2 from April 2006 to December 2006. She also worked for YGC Corporate Services Inc. as Officer-In-Charge and Marketing Head. Prior to joining the Bank, she worked with Citibank as Cash Product Manager for Global Transaction Services (September 1998 to January 1999), Account Manager (April to August 1998) and Head of Corporate Banking for Chinatown Branch (November 1996 to March 1998) and at Equitable Banking Corporation from May 1986 to October 1996, where her last appointment was the Head of the Research and Special Projects Unit. She obtained her Bachelor of Science degree in Commerce degree majoring in Business Administration and her Bachelor of Arts degree majoring in Behavioral Science from the University of Santo Tomas. *(Retired effective May 21, 2024)*

Robert Rol Richard Raymond B. Ramos, 50, Filipino, First Senior Vice President, is currently seconded to RCBC Trust Corporation as President effective January 1, 2024. He was previously the Trust Officer and Head of Trust and Investments Group in the Bank prior to the spin-off of the group to a stand-alone trust corporation. He has 28 years of professional experience gained from the banking industry. Prior to joining RCBC, he was connected with East West Banking Corporation as Chief Trust Officer and Chief Investment Officer /Senior Vice President for Trust and Asset Management Group. His employment background includes previous employment with the following local banks: at Union Bank where he handled various roles such as Trust Officer and Chief Investment Officer, Business Development Head and Portfolio Manager; at BDO Private Bank, Inc. (formerly Banco Santander Philippines, Inc.) where he worked as Senior Manager/Relationship Manager; at Bank of the Philippine Islands where he handled roles such as Branch Manager/Branch Service Officer/Treasury Staff/Trust Staff. He rendered services with the United States Agency for International Development Project as Project Development Officer from January 1996 to May 1997 and with the World Health Organization Strategy Development Project as Technical Writer from March 1995 to December 1995. Mr. Ramos completed his undergraduate degree of Bachelor of Science in Management Engineering from the Ateneo de Manila in 1995. He finished his masteral degrees at the Asian Institute of Management (Business Management) in 1999 and the University of Asia and the Pacific (Business Economics) in 2012. He completed his doctoral degree in Business and Economics from De La Salle University in 2016. He is a Chartered Financial Analyst (CFA), a Chartered Alternative Investment Analyst (CAIA), a Certificant for the Certificate in Investment Performance Measurement (CIPM), Certified Securities Representative, a Registered Financial Consultant, and a Certified Treasury Professional and he completed a one-year Balance Sheet Management course on Trust Operations with distinction.

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

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

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

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

Jacqueline Grace B. Wieneke, 56, Filipino, Senior Vice President 2, is currently the Group Head Designate for Wealth Management. She will be the Group Head of the said group effective May 21, 2024. She has 30 years of significant experience, with expertise in wealth management and retail banking. Her professional years were largely spent in Citbank N.A. where she acquired competencies in setting up premier team, revenue generation, client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and project transformation. Prior to joining our Bank, she was connected with Maybank Philippines, Inc. as Head of Wealth Management and Bancassurance (2019 – 2023) During her stint with Citibank, N.A. , she handled positions as follows : Branch Manager (2004 – 2018) ; Senior Citigold Relationship Manager (1999- 2004) ; and Senior Personal Banker (1993 – 1999) . She graduated Cum Laude with a degree in Bachelor of Science in Commerce major in Marketing from Assumption College in 1992.

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

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

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

Jose Manuel E. Caniza, 54, Filipino, Senior Vice President, is currently the Head of Trading Division in Treasury Group. He has 31 years of Treasury experience in the banking industry. Prior to being designated as such, he was the Head of Interest Rate Risk Division from July 2009 up to the time he assumed the position of Head of Domestic Interest Division in January 2013. Before joining RCBC, he was connected with Citibank, N.A. where he handled the following roles: Vice President for Debt & Interest Rate Derivatives from 2007 to 2009, Assistant Vice President from 2004 to 2007; Manager for FX Desk from 1997 to 2003; Assistant Manager for Treasury Marketing form 1996 to 1997; and as Staff from 1992 to 1996. He graduated from De La Salle University in 1991 with a degree in Bachelor of Science in Mechanical Engineering. He earned his Master's in Business Administration from the University of San Francisco in 1996.

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

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

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

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

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

Sheila Ricca G. Dioso, 40, Filipino, Senior Vice President 1, is the Chief Audit Executive / Head of Internal Audit Group. She has 18 years controllership and auditing experience. Prior to joining the Bank, she was connected with R. G. Manabat and Co. (KPMG in the Philippines) as Partner for Audit Services, a position she held since October 2019 up to her separation from the firm in 2022. Prior to assuming this role, she was a Director for Advisory Services from June 2017 to September 2019.She had previous employment with the following firms: Suyen Corporation where she worked as Finance Controller from February 2014 to May 2017; Ernst & Young Singapore where she served as a Manager for Audit Services from November 2008 to February 2014; and SGV & Co. where she was employed as Senior for Audit Services from November 2005 to October 2008.

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

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

Bernice Uy-Gaspar, 57, Filipino, Senior Vice-President, was the Head of Corporate Workout Division. Prior to this appointment, she was Head Division III in Chinese Banking Segment. Prior to this Division III Head role she was Head of Caloocan Division for the same segment. She had previous stints with other local banks as follows: Philippine National Bank where she worked as Business Center Head for the Manila Commercial Banking Center; BDO Universal Bank, Inc. where she was assigned as Relationship Officer for Corporate Banking Group; Equitable PCI Bank where she functioned as Account Officer for Chinese Banking Group, and BDO Commercial Bank where she handled an Account Officer role for Corporate Banking Group. She graduated from the University of Santo Tomas in 1987 with a degree in Bachelor of Science in Food Technology. She completed all courses leading to an MBA except the required thesis at De La Salle University in 1992. *(Retired effective September 18, 2023)*.

Mary Grace P. Macatangay, 54, Filipino, Senior Vice-President 1, is the Head of Consumer Services and Collections Segment (formerly named as Consumer Loans Services and Support Segment) in Consumer Lending Group. She has 32 years of professional experience, mostly gained in banking. Prior to this role which she assumed on January 16, 2021, she was assigned in Credit Management Group as Consumer Loan Segment Head. She was previously, the Group Head of Credit Management in RCBC Savings Bank from March 01, 2016 to July 21, 2019. Prior to this, she held the following positions in RCBC Savings Bank: Group Head for Asset Management and Remedial: Head for Loan Operations Division; Head for Planning and Budgeting Department and Head of Collection and Admin Department in Mortgage Banking Division. She also had previous experience in other banks such as Capitol Development Bank where she was Head of Admin and Collections Department; Asiatrust Development Bank where she was assigned with roles such as Assistant Manager for Trust Department and Account Officer for Business Development Group. She had exposure in a non-banking institution such as Nikon Industrial

Corporation where she was Head of Corporate Planning Department. She earned her degree in Bachelor of Science in Business Administration in 1990 at the University of the Philippines. She completed her Master's in Business Administration from the same university in 1997. *(Resigned effective January 1, 2024)*

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

Jose Jayson L. Mendoza, 52, Filipino, Senior Vice President, was seconded to RCBC Leasing and Finance Corporation as Acting President in January 2023 and was appointed President thereof effective February 2024. ,He has 30 years of professional experience. Prior to his current assignment, he was the Head of North Metro Manila Division in SME Banking. Prior to this, he held positions as Head of Metro Manila Division and VisMIn Lending Region. He joined the Bank in 2008 as Lending Center Head for Small & Medium Enterprises Division-Luzon. Previously, he worked with MayBank Philippines as Head of Retail Loans Management (January 2005 to August 2008), Philippine National Bank as Account Officer (January 2003 to December 2004), Philippine Savings Bank as Account Officer (August 1996 to December 2002) and Islacom as Senior Credit Investigator (May 1994 to July 1996). He started his banking career when he joined Allied Banking Corp. as Credit Investigator in 1993. Mr. Mendoza graduated in 1993 from De La Salle University with a degree of AB Management.

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

Ma. Cecilia F. Natividad, 50, Senior Vice President, was the Head of the Marketing Group. Before joining RCBC, she served as Head of Marketing at Western Union Financial Services, Inc. She previously worked with other firms like Nestle Philippines Incorporated as Consumer Marketing Manager and at Ayala Life Assurance Incorporated as Sales Trainor, and at Amon Trading as Management Trainee. She graduated from the Ateneo de Manila University in 1995 with a Bachelor of Science degree in Management major in Legal Management. *(Resigned effective October 14, 2023)*.

Richard M. Peralta, 50, Filipino, Senior Vice President 1, is currently the Head of Branch Services Support Segment in Operations Group. He has more than 29 years of banking experience. Prior to assuming this role in May 2022, he was Head of Branch Operations and Control Segment from October 2020 to April 2022. Upon the merger of RCBC and RCBC Savings, he was designated as Regional Service Head for Central Metro Manila and Rizal Region, role which he performed from

August 2019 to October 2020. At RCBC Savings Bank, he was assigned to roles as follows: National Service Head from 2016 to 2019; Regional Service Head from 2012 to 2016; District Service Head from 2010 to 2012; Operations Specialist from 2002 to 2009; and Business Center Control Officer from 1998 to 2002. He was formerly connected with Capitol Bank where he started as a General Bookkeeper in 1994 and later assumed a Branch Accountant function in 1996. His career in the banking industry started in 1994 when he joined Insular Savings Bank as a Corplan Analyst. He graduated in 1994 at the University of the Philippines in Los Banos with a degree in Bachelor of Science in Economics. He finished the program for Doctor of Jurisprudence in 2009 at the University of Batangas.

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

Elsie S. Ramos†, 58, Filipino, Senior Vice-President 1, is the Head of Litigation/Labor Division. Prior to this appointment, she was the Head of the Legal Affairs Division. She joined the Bank in 2006 and assumed the position of Litigation Department Head. Prior to joining RCBC, she was the Corporate Lawyer and Head of Legal and Corporate Affairs Division for Empire East/Land Holdings (2004 to 2006), Senior Associate and Lawyer-In-Charge of the Docket/Records Section for Ponce Enrile Reyes and Manalastas (2003 to 2004), Senior Associate for Martinez and Mendoza (2001 to 2002), Senior/Junior Associate for Ponce Enrile Reyes and Manalastas (1996 to 2000) and Legal Consultant for Companero Y Companera (1997 to 1998). She held various positions in the University of the Philippines, Department of History such as Assistant Professor (1994 to 1998), Assistant to the Chairman (1992 to 1993) and Instructor (1988 to 1994). She was also a Part-Time Instructor at the St. Scholastica's College, Manila from 1987 to 1989. She obtained her Bachelor of Arts and Master of Arts degree in History from the University of the Philippines, Diliman. She also finished her Bachelor of Law in the same university. *(Retired effective April 15, 2024)*

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

Ismael S. Reyes, 58, Filipino, Senior Vice-President 1, is currently the Head of Marketing and Strategy Segment in Retail Banking Group. He has 36 years of banking experience. Prior to assuming his current role on March 21, 2022, he was assigned as Regional Sales Director for Metro Central Region and Quezon City after serving as Head of Retail Banking Marketing Segment. He was formerly the National Sales Director when he joined the Bank in 2013.Prior to joining RCBC, he assumed various positions in Philippine Savings Bank as Head of the Loans Operations Group, Branch Banking Group Head Deputy Branch Banking Group Head and Business Development Unit Head. He worked for iRemit, Inc where he handled roles such as Division Head for Market Management and Deputy Head for the Global Sales and Marketing Division. He also worked with

Bank of the Philippine Islands where he was assigned as Operations Manager/Section Head for Funds Transfer Department. His banking career started in Far East Bank in 1987 when he was hired as Staff for International Operations Division. By 1990 he was promoted to a supervisory rank in the same division and as an officer in 1993. He later held the position of a Department Head in International Operations and became a Project Officer also for the Remittance Center. Mr. Reyes earned his Bachelor of Science degree in Commerce major in Economics at the University of Santo Tomas.

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

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

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

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

Jose Rene Y. Sarmiento, 39, Filipino, Senior Vice President 1, is the Head of Conglomerates & Strategic Corporate Segment in Corporate Banking Group. He has 14 years of professional experience. Prior to assuming his present role, he was Division Head at the Global Ecozone Segment from 2016 to 2019. He joined RCBC as Head of Credit Business Management in March 2014 and functioned as such up until 2016. He previously worked with Security Bank Corporation as an Enterprise Risk Manager from 2010 to 2012 and at Citibank NA where his banking career started as a Credit Risk Associate from 2009 to 2010. He also previously worked as a Manager at Greenfield Tech Innovations Company from 2007 to 2009. He is a graduate of Ateneo De Manila University in 2007 where he obtained a degree in Bachelor of Science in Business Management. He obtained his Master's in Business Administration degree at the Asian Institute of Management in 2013 and completed an Executive Program in Management at the Columbia Business School (New York USA) in 2019.

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

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

Elvira D. Soriano, 57, Filipino, Senior Vice President 1, is the Division 4, Team 1 Head of Internal Audit Group. She has 35 years of experience. Prior to assuming this role in view of the reorganization, she was designated as Segment Head of BLC Audit of Internal Audit Group. She also had a prior assignment to handle the Head Office Audit Segment. Before assuming this role in September 2017, she was an Audit Cluster Head since January 2008. She previously worked with other banks namely: United Coconut Planters Bank where she performed roles in Audit and Credit Review; PDCP Bank where she was assigned with roles such as Account Officer, Project Analyst, Accountant and Audit Assistant. She earned a Bachelor of Science degree in Commerce at the University of Bohol in 1986.

Gianni Franco D. Tirado, 51, Filipino, Senior Vice President 1, was the Regional Sales Director of Mindanao. He has 30 years of banking experience. Prior to assuming his current role, he was the Marketing and Sales Director of Central Mindanao (February 2013 to September 2013), District Sales Manager of Central Mindanao (March 2009 to February 2013) and Branch Manager for several branches in Mindanao (November 2000 to February 2009). He also assumed the Branch Operations Head of Marbel (February 1998 to October 2000), CI/Appraiser/Loans Clerk (June 1996 to January 1998) and CASA Bookkeeper of Dadiangas (October 1993 to May 1996). Mr. Tirado earned his Bachelor of Science in Commerce major in Accounting degree from the Notre Dame of Dadiangas University in 1993. He also completed his Master's in Education major in Special Education at the Holy Cross of Davao College in 2009. *(Retired effective January 4, 2024)*.

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

Lea B. Torres, 59, Filipino, Senior Vice President 1, is the Head of Remedial Management Division in Asset Management and Remedial Group. She has 38 years of professional experience .Prior to assuming her current position, she was a Department Head for Account Management for nearly fifteen years. She rose from the ranks from an initial assignment as a Loan Review Assistant in the Credit and Supervision Division upon hiring by the Bank in May 1988. Four and a half years later, she was promoted as Credit Review Section Head /Authorized Signer in 1992. By August 1994, she transferred to a Junior Account Officer role in Corporate Banking Group which she handled for more than 3 years and was then transferred thereafter to the Special Accounts Department as an Account Officer up until 2004. She got her promotion to a Senior Remedial Account Officer role in March 2004 and then to a Department Head role by 2006. Her first banking experience was gained from a short employment stint as an Export Clerk in Security Bank and Trust Corporation in 1985. Aside from banking, she had a 9-month teaching engagement as an instructor for the College of Commerce at the Divine Word College in Legazpi. She graduated from the University of Santo Tomas in 1985 with a degree in Bachelor of Science in Commerce. She has earned units for a Master in Management degree from Bicol University in 1986 to 1987.

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

Anna Christina M. Vicente, 57**,** Filipino, Senior Vice President 1 is currently the Group Head of SME Banking. She has more than 37 years of professional experience gained from banking and financial institutions. Prior to her current assignment, she was on secondment as President and Chief Executive Officer of RCBC Leasing and Finance Corporation. Prior to her secondment to this subsidiary in June 2021, she was a Segment Head in Small and Medium Enterprises Banking Group and a Division Head for North Metro Manila, a position which she has held since hired in June 2016.She gained her banking experience and acquired competencies in the various roles she handled in her employment with other banks. Her banking stints include the following: as Head for Business Banking in Retail Banking Group at Maybank Philippines; as Team Head of Metro Manila, Corporate & Commercial Banking Division, Head, Credit Control Division, Department Head, Supervised Credit Division, Account Officer, Institutional Recovery Managet Division, Account Officer, Corporate Banking Division at United Coconut Planters Bank; as Manager of Branch Banking Group I at Bank of Commerce; as Manager for Commercial Loans at UCPB Savings Bank and as Staff Assistant, Retail Banking Group-Marketing Division , Loans Assistant, Greenhills Branch, Credit Analyst Trainee, Credit Division and Money Market Trader, Greenhills Branch at Far East Bank and Trust Company.Ms. Vicente graduated from Ateneo de Manila University in 1986 with a degree in Bachelor of Arts major in Interdisciplinary Studies.

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

Nilo C. Zantua, 58, Filipino, Senior Vice President 1, is currently the Head of Information Technology and Shared Services Group , Prior to assuming this role in February 2024 , he was designated as the Chief Technology Officer .He has 36 years of Information Technology experience. He was initially hired by the Bank as Deputy Chief Technology Officer. Prior to joining RCBC, he was connected with Nexus Technologies, Inc as Vice President) and was a Director-Group Advisory for Jupiter Systems, Inc. (under the Nexus Group of Companies). He also had a stint with Trends & Technologies, Inc. as Group Head – Managed ICT Services. He previously worked also with Philam Life where he handled significant roles as Chief Technology Officer and Deputy Head of IT and Head of IT Infrastructure. He was also previously employed at Sunlife Financial Asia where he performed roles as follows: Head of Shared IT Infrastructure and Operations-Asia, Asia Shared IT Services; IT Director of Manila Shared Services Center; and Head of Regional IT Infrastructure and Operations in Sun Life of Canada Philippines, Inc.; Manager for Operations and Network Computing; Network Services Supervisor for Sun Life Assurance Company of Canada. He also worked in KSA with Binzagr Co. as Technical Services Supervisor and in other institutions and firms as Senior Computer Operator/Programmer at the Department of Health, Central Office Manila; and at Capitol Wireless Inc. as Telecoms Engineer. He graduated with a degree in Bachelor of Science major in Electronics and Communications Engineering in University of Santo Tomas, 1987. He passed the licensure examination in 1987. He completed a Management Diploma - BMP, a four-month short course in Asian Institute of Management, 1999.

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

Joaquin Cunanan & Co. from 1998 to 1999. He is involved in other pursuits being a non-executive director of DBP Daiwa Corporation, a stock brokerage, as well as RCBC Realty Corporation, a property development and management corporation. He graduated from Ateneo De Manila University in 1998 with a degree in Bachelor of Science major in Management Information Systems. He earned a Post Graduate Diploma in Strategy and Innovation at the University of Oxford – Said Business School in 2012.

Ten of the Directors and most of the executive officers mentioned above have held their positions for at least five (5) years.

(H) Market Price and Dividends

(1) Market Price of Bank's Common Equity and Related Stockholder Matters

The common shares of the Bank are listed in the Philippine Stock Exchange. As of April 30, 2024, the market price of RCBC's common shares closed at P22.75 per share. The trading prices of said shares for the different quarters of the years 2023, 2022 and 2021 are as follows:

		Q1		Q2		Q3		Q4	
			Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date
2024	High	24.20	2.29.24						
	Low	21.00	3.04.24						
2023	High	25.00	2.22.23	24.45	4.03.23	25.50	7.31.23	24.00	10.17.23
	Low	21.50	1.11.23	22.80	6.23.23	22.00	9.01.23	20.60	12.13.23
2022	High	22.70	3.03.22	20.80	4.5.22	21.45	9.30.22	28.30	11.03.22
	Low	19.94	1.17.22	19.02	6.2.22	18.84	7.18.22	20.75	10.03.22
2021	High	19.00	1.19.21	28.50	6.29.21	23.55	7.01.21	21.90	11.08.21
	Low	16.80	3.31.21	16.50	5.18.21	18.50	9.29.21	18.00	10.06.21

Source: Philippine Stock Exchange

(2) ***Number of Stockholders as of May 10, 2024*** — 745 stockholders (common)
(*this will be updated as of May when DIS is filed)* — 71 stockholders (preferred)

There were 71 preferred shareholders and 745 common shareholders of record as of May 10, 2024. Likewise, preferred shares and common shares outstanding as of May 10, 2024 were 266,382 and 2,419,536,322, respectively.

As of April 30, 2024, total equity ownership of foreigners on the Bank's common shares was at 44.09% or 1,066,829,154 shares.

(3) Recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction

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

(4) Top 20 Stockholders of RCBC as of April 30, 2024

Common stockholders

Name	No. of Shares	% to Total
PCD NOMINEE CORP - NON-FILIPINO Includes Sumitomo Mitsui Banking Corporation Includes Cathay Life Insurance Co. Ltd *No other PCD Nominee shareholder holds more than 5%	897,993,582.00	37.114283
PCD NOMINEE CORP - FILIPINO Includes Pan Malayan Management and Investment	624,677,217.00	25.818054
PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	594,248,085.00	24.560412
SUMITOMO MITSUI BANKING CORPORATION	168,619,976.00	6.9691029
SM INVESTMENTS CORPORATION	53,862,336.00	2.2261429
SYBASE EQUITY INVESTMENTS CORP.	47,570,205.00	1.9660877
SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800.00	0.9724508
SYSMART CORP.	3,000,000.00	0.1239907
HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349.00	0.089825
MATTHEW HARLEY PE SY	520,000.00	0.0214917
MARTIN HARLEY PE SY	520,000.00	0.0214917
SAMANTHA MORI PE SY	519,985.00	0.0214911
A. T. YUCHENGCO, INC.	255,190.00	0.0105471
ALAS, CARLOS DE LAS	114,298.00	0.004724
ALAS, CORNELIO DE LAS	114,195.00	0.0047197
CHAN, FREDERICK	111,677.00	0.0046156
YANG JIN LIANG	100,000.00	0.004133
RUFINO, JOSIE PADILLA	92,865.00	0.0038381
LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574.00	0.0028342
MANUEL A. SANTIAGO OR ELLA C. SANTIAGO	65,900.00	0.0027237

Preferred stockholders

Name	No. of Shares	% to Total
ROSARIO, RODOLFO P. DEL	81,521.00	30.6030437
GO, HOMER	46,355.00	17.4017013
CONCEPCION, CARMENCITA	31,842.00	11.9535104
OPTIMUM SECURITIES CORP.	16,666.00	6.2564287
BDO SECURITIES CORP.	9,304.00	3.4927285
NGO, LORETA	8,600.00	3.2284464
MANDARIN SECURITIES CORPORATION	7,583.00	2.8466638
TAN, LUCIANO H.	7,309.00	2.743804
ABACUS SECURITIES CORP.	6,021.00	2.2602879
HWANG, HANS YAP	5,558.00	2.0864773
ANG, TONY ANG &/OR ROSEMARIE	5,372.00	2.0166528
SIA, JOHNSON CHUA	5,000.00	1.8770037
CAMPOS LANUZA & CO. INC.	3,535.00	1.3270416
ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371.00	1.2654759

CO, JUSTINA DY	3,258.00	1.2230556
CHENG, SUSAN	2,665.00	1.000443
GLOBALINKS SEC. & STOCKS	2,454.00	0.9212334
BEDAN CORPORATION	2,100.00	0.7883416
LUYS SECURITIES CO. INC.	1,852.00	0.6952422
GO, ROBERTO CHAN	1,367.00	0.5131728

** The list of material information on the Bank's stockholders as of record date will be posted on the PSE edge and the Bank's website after May 23, 2024 (the record date).*

Security Ownership of Foreigners (as of April 30, 2024)

Title of Class	Shares	% of Total
Common	1,066,829,154	44.09%
Preferred	0	0.00

(4) Cash Dividends **(from 2021 and as of December 31, 2023)**

Nature of Securities	Dividend		Record Date	Date Approved by BOD	Date Paid /Payable
	Per Share	Total Amount (in Million Php)			
Hybrid Tier 1 Securities	-	P472.40	22-Feb-21	22-Feb-21	26-Feb-21
Preferred	P0.0560	P0.01	22-Feb-21	22-Feb-21	31-Mar-21
Common	P0.4850	P938.78	26-Apr-21	26-Apr-21	25-May-21
Preferred	P0.4850	P0.13	26-Apr-21	26-Apr-21	25-May-21
Preferred	P0.0559	P0.01	31-May-21	31-May-21	25-Jun-21
Hybrid Tier 1 Securities	-	P491.11	28-Jul-21	26-Jul-21	26-Aug-21
Preferred	P0.0546	P0.01	24-Sep-21	31-Aug-21	24-Sep-21
Preferred	P0.0537	P0.01	29-Nov-21	29-Nov-21	24-Dec-21
Hybrid Tier 1 Securities	-	P497.45	4-Feb-22	31-Jan-22	28-Feb-22
Preferred	P0.0553	P0.01	3-Mar-22	28-Feb-22	23-Mar-22
Common	P0.6180	P1,259.16	30-Mar-22	28-Mar-22	27-Apr-22
Preferred	P0.6180	P0.17	30-Mar-22	28-Mar-22	27-Apr-22
Preferred	P0.0748	P0.02	2-Jun-22	30-May-22	23-Jun-22
Hybrid Tier 1 Securities	-	P539.66	29-Jul-22	25-Jul-22	26-Aug-22
Preferred	P0.1047	P0.03	31-Aug-22	30-Aug-22	22-Sep-22
Preferred	P0.1407	P0.04	5-Dec-22	28-Nov-22	27-Dec-22
Hybrid Tier 1 Securities	-	P534.98	27-Feb-23	30-Jan-23	27-Feb-23
Preferred	P0.1685	P0.05	21-Mar-23	27-Feb-23	23-Mar-23
Common	P1.0800	P2,200.48	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P1.0800	P0.29	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P0.1789	P0.05	21-Jun-23	29-May-23	26-Jun-23
Hybrid Tier 1 Securities	-	P553.41	27-Aug-23	31-Jul-23	27-Aug-23
Preferred	P0.1920	P0.05	21-Sep-23	29-Aug-23	25-Sep-23
Preferred	P0.1870	P0.05	21-Dec-23	29-Nov-23	29-Dec-23

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

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

(I) Compliance with leading practices on Corporate Governance

Core Principles

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

The corporate governance framework of RCBC combines global best practices such as the G20/OECD Principles of Good Governance and the general principles of the ASEAN Corporate Governance Scorecard, as well as the regulatory requirements of SEC Memorandum Circular No. 19, series of 2016 or the Code of Corporate Governance for Publicly-listed Companies and BSP Circular No. 969, series of 2017 or the Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions. This Framework is embodied in the Bank's Corporate Governance Manual, the latest version of which was approved by the Board in July 31, 2023.

Board Governance

The Board of Directors

Key Roles and Responsibilities

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

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

Board Composition

In accordance with RCBC's By-Laws and Corporate Governance Manual, its Board of Directors is comprised of fifteen (15) members, all of whom are known for their integrity, experience, education, training and competence. The Corporate Governance Committee ensures that majority of the Board are non-executive directors who possess the necessary qualifications to effectively participate and help secure objective and independent judgment on corporate affairs and to substantiate proper check and balances. Out of the 15 board members, 14 are non-executive directors including the 5 independent directors, and 1 executive director.

The Board of Directors promotes diversity in its membership. It is the policy of RCBC that no person shall be disqualified to sit as member of its Board on the basis of gender, age, religion or political affiliation. The representation of women in the Board is 20% with 3 female directors out of the 15-

member board. The women in the Board are Mrs. Helen Y. Dee, the Chairperson, Ms. Gayatri P. Bery, and Ms. Erika Fille T. Legara, PhD.
Nomination and Election

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

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

Maximum Board Seats

Being a director of the Bank necessitates commitment. Thus, under the Bank's Corporate Governance Manual, a non-executive director may concurrently serve as a director in a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.

In applying this policy to concurrent directorships in entities within a conglomerate, each entity where the non-executive director is concurrently serving as director shall be separately considered in assessing compliance with this requirement.

Who Are In Our Board

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

Independent Directors

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

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

In 2023, RCBC had 5 independent directors, including one female independent director, Ms. Erika Fille T. Legara, PhD. The 4 other independent directors are Mr. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Ph.D., and Mr. Laurito E. Serrano. Mr. Santos is the Lead Independent Director.

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

The Chairperson

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

To promote checks and balances, it is provided under the Bank's Corporate Governance Manual that the Chairperson of the Board of Directors shall be a non-executive director or an independent director, and must not have served as CEO of the Bank within the past three (3) years. Moreover, the Chairperson should not concurrently serve as CEO.

The Corporate Vice Chairperson

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

Lead Independent Director

The Bank's Corporate Governance Manual provides that the Board should designate a lead independent director among the independent directors if the Chairman of the Board is not an independent director, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person. Mr. Juan B. Santos has been appointed by the Board 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 non-executive directors without the presence of the executive directors; c) Serve as an intermediary between the Chairperson and the other directors when necessary; and d) Contribute to the performance evaluation of the Chairperson, as required.

Meetings and Quorum Requirement

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

The meetings of the Board of Directors may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein. It is further required that every member shall physically attend at least twenty-five percent (25%) of all meetings of the Board of Directors every year. The absence of a director in more than fifty percent (50%) of all regular and special meetings of the board of directors during his/her incumbency is a ground for disqualification in the succeeding election. With the perceived ease in the ongoing Covid-19 pandemic, the Board Meetings reverted to face-to-face meetings in 2023 with simultaneous provisions for video conferencing for directors unable to attend in person, as allowed by the BSP and SEC.

Meetings of Board Committees are prescribed in their respective charters. Participation of committee members may likewise be in person or through modern technologies. A director's attendance in committee meetings is considered by the Corporate Governance Committee in the assessment of the director's continuing fitness and propriety as a member of the said board-level committee and of the Board of Directors. Meetings of the Board Committees in 2023 were also held via face-to-face and/or remote communications and/or video conferencing as allowed by the BSP and SEC.

For the period January to December 2023, the members' attendance at Board and Committee meetings is as follows:

Directors	BOARD*		EXCOM		TRUST		TECH		ACC		ROC		CGC		RPT		AML		Total		% Attendance
	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	
Helen Y. Dee	13	11	48	48			11	9											72	68	94
Cesar E.A. Virata	13	13	48	48	11	11	11	11											83	83	100
Eugene S. Acevedo	13	13	48	48	11	11	11	11											83	83	100
Gil A. Buenaventura[1]	13	13	48	48													7	7	68	68	100
Armando M. Medina	13	13	48	48															61	61	100
John Law[2]	13	12			4	2											4	3	21	17	81
Shih-Chiao (Joe) Lin	13	12											12	12	13	12			38	36	95
Gayatri P. Bery	13	12									15	11							28	23	82
Hiroki Nakatsuka[3]	5	5	20	20															25	25	100
Katsufumi Uchida[4]	5	5									6	4							11	9	82
Juan B. Santos	13	12			11	11							12	12					36	35	97
Gabriel S. Claudio	13	13											12	12	13	13	11	11	49	49	100
Vaughn F. Montes	13	13							16	16	15	15					11	11	42	42	100
Laurito E. Serrano	13	13							16	16	15	14							31	30	97
Erika Fille T. Legara[5]	13	13							16	14			7	7	13	13			49	47	96
Lilia B. de Lima[6]	8	8			7	7							7	7					22	22	100
Arnold Kai Yuen Kan[7]	8	8																	8	8	100

M = Numbers of Meetings
A = Meetings Attended
* Board meetings include Regular, Special and Organizational meetings
[1] Member of AML until July 2023
[2] Member of AML and Trust starting August 2023
[3] Member of the Board and Excom starting August 2023
[4] Member of the Board and ROC starting August 2023
[5] Member of CGC until July 2023; Member of ROC starting August 2023
[6] Member of the Board and CGC until July 2023
[7] Member of the Board until July 2023

Separate meeting of the Non-Executive Directors

Non-executive directors (NEDs) are required to have separate periodic meetings with the heads of the internal audit, compliance and risk functions and external auditor without any executive directors present to ensure that proper checks and balances are in place within the Bank. For Y2023, the NEDS held a separate meeting with the heads of internal audit, compliance and risk functions and external auditor on December 11, 2023 to discuss the control units' assessment of the business units and the Bank as a whole. The meeting was chaired by the Lead Independent Director, Mr. Santos.

Board Performance

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

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

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Board of Directors Training Program

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

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

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

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

Remuneration of the Board

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

Executive directors do not receive any per diem for attendance in Board and Board committee meetings. They are entitled to remuneration and benefits by virtue of their being officers of the Bank.
Non-executive directors are entitled to reasonable per diem for attendance in Board and Board committee meetings. Non-executive directors receive a per diem of Php35,000.00 for attendance in Board meetings. The Chairpersons of Audit and Risk Oversight Committees receive Php20,000.00 while members of the committees receive Php15,000.00 per diem for attendance in meetings. The per diem in other Board committees is capped at Php15,000.00 for the Chairperson and Php10,000.00 for Board members.

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

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

Remuneration Item	**2023** (in Php '000)
(a) Per diem Allowance	**14,255** (aggregate amount for the 2023 meetings
(b) Directors' Bonuses Directors' bonuses are given to non-executive and independent directors based on the formula provided for in the Bank's By-Laws**.**	**140,863**
TOTAL	**155,118**

Board Committees

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

1. Executive Committee

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

Members:
Helen Y. Dee - *Chairperson*
Eugene S. Acevedo - *Vice Chairperson*
Cesar E.A. Virata
Gil A. Buenaventura
Armando M. Medina
Hiroki Nakatsuka (starting August 2023)

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

In 2023, the Executive Committee:
- Discussed various issuances by regulatory agencies;
- Approved non-DOSRI loans that reach the Single Borrower's Limit (SBL);
- Evaluated and approved various operations/product manuals;
- Reviewed and endorsed for Board approval various management matters;
- Deliberated upon and approved various management matters within its approving authority.

2. Audit and Compliance Committee

Composition:
The Audit and Compliance Committee shall be composed of at least three (3) members of the board of directors, majority of whom shall be independent including the Chairperson. Members of the committee should have the knowledge of the industry in which the bank operates, the ability to read and understand fundamental financial statements, and the ability to understand key business and financial risks and related controls and control processes.

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

Observers:
Shih-Chiao (Joe) Lin
Hiroki Nakatsuka

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

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

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

In 2023, the highlights of the Audit and Compliance Committee's actions pertaining to Internal Audit, External Audit and Compliance functions are as follows:

a. For External Audit Function

- Review of Results and Endorsement for Board Approval of Punongbayan & Araullo's (P&A) Quarterly Review of the Financial Information of RCBC and selected Subsidiaries
- Review of Results and Endorsement for Board Approval of P&A's Audit of the Financial Statements of RCBC and Subsidiaries for the year ended December 31, 2022.
- Reappointment and approval of fees of P&A as External Financial Auditor and corresponding Review and Approval of P&A's Plan for the Audit of the Financial Statements of RCBC and Subsidiaries for the year ending December 31, 2023.
- Approval of the External Auditors' (P&A) Fees for the Quarterly Review of the Financial Statements (FS) of RCBC and selected Subsidiaries.
- Review of P&A's Interim Report for the audit of 2023 RCBC Group year-end Financial Statements.

b. For Internal Audit Function

- Engaging in discussions on the results of internal audits managed and executed by the Internal Audit Group during the monthly Audit and Compliance Committee meetings to evaluate the adequacy and effectiveness of the Bank's internal control and risk management systems including financial reporting and information technology security.
- Assessing and resolving to refer to the immediate attention of the responsible business units, Board-level Committees and Bank personnel matters arising from the internal audits.
- Monthly or quarterly reviews and notation of the status of audit plans, IAG manpower including movements, outstanding/unresolved audit issues and analysis common audit issues.
- Approval of revision in the Internal Audit Policies and notation of change in Audit Report format.
- Approval of the change in approach for the audit of Branch - Sales Function.
- Approval to Conduct Special Audits in accordance with IAG's Special Audit and Consulting Policy.
- Approval of revisions in the 2023 Annual Audit Plan
- Approval of the Internal Audit Group's 2024 Audit Plan
- Notation of 2023 Internal Audit Group's Annual Report for the 2022 Internal Audit Activities
- Notation of the Agreement to Provide Direct Assistance to External Auditors, P&A, for the 2023 Financial Statements Audit
- Notation and Approval of Internal Audit's Digital Transformation Plan
- Monthly updates and notation in the updates of IAG Transformation Project by DIT
- Notation on the secondment of IAG Division Head Nener G. Concepcion to RCBC Leasing and Finance Corporation as Chief Audit Executive
- Notation of the audit results and the action plans for the latest BSP Audit
- Approval of the External Service Provider (ESP) for the Cybersecurity Audit

c. For Compliance Function

- Reviewed and approved the Regularization approval of the 2021 and 2022 Compliance Assurance Framework.
- Reviewed and approved the BSP Commitment: Updates to the Compliance Manual.
- Reviewed and approved the RAG Transformation Roadmap.
- Reviewed and approved the Update on the 2023 Specialized Assurance Review (SAR) Plan.
- Reviewed and approved the Updated Data Privacy Policy.
- Reviewed and approved the 2024 Compliance Assurance Plan.
- Discussed and noted the Updates to BSP Circular No. 1160 otherwise known as Financial Products and Services Consumer Protection Act (FCPA).

- Discussed and noted the Amendments to the Regulations on Credit Exposure Limits to a Single Borrower and Definition of Capital.
- Discussed and noted the Compliance Assurance, Operations, & Oversight Division's Action Plans relative to BSP Exam & Hub-Spoke Compliance Model.
- Discussed and noted the Discussion on the Philippine Supreme Court Decision G.R. No. 213860.
- Discussed and noted the Regulatory Update and Clearance on the Spin-off the of the Trust & Investment Group.
- Discussed and noted the New Regulation: Liquidity and Capital Requirements on E-Money Issuers - Impact on RCBC.
- Noted on the BSP Report Baseline Assessment on Data Governance and Ethical Use of Data.
- Noted on the Update on the Continuous Monitoring Plan (CMP) of RCBC (Revised CMP Report).
- Noted on the BSP 2022 AREF Commitments (Compliance).
- Discussed and noted on the RCBC IFL's Money Service Operator (MSO) Competence Assessment and Hong Kong Customs and Excise Department's (C&ED) Notice of Intention to revoke RCBC IFL's MSO License.
- Discussed and noted on the BSP Commitment on Updates to the Compliance Manual.
- Noted on the Sale of FX for investments in Fixed Income Securities (2020 ROE BSP Commitment).
- Noted on the Regularization of the 2021 and 2022 Compliance Assurance Framework.
- Noted on the Thematic Review on the Implementation of Customer Due Diligence (CDD) on Designated Non-Financial Business (DNFBP).
- Noted on the Results of Specialized Assurance Review – LIBOR Transition.
- Noted on the BSP Circular No. 1175 – Reduction of Reserve Requirements against Deposits and Deposit Substitute liabilities).

3. Risk Oversight Committee

Composition:
The Risk Oversight Committee (ROC) shall be composed of at least three (3) non-executive members of the Board of Directors, none of whom is also a member of a management committee. Majority of the members shall be independent directors, including the Chairperson. The ROC's Chairperson shall not be the Chairperson of the Board of Directors, or any other board-level committee. The Risk Oversight Committee shall possess a range of expertise and adequate knowledge on risk management issues and practices.

Members:
Vaughn F. Montes (ID) – *Chairperson*
Laurito E. Serrano (ID) – *Vice Chairperson*
Gayatri P. Bery
Erika Fille T. Legara
Katsufumi Uchida

Observers:
Eugene S. Acevedo
John Law

The ROC supports the Board with respect to oversight and management of risk exposures of the RCBC parent bank and subsidiaries (the Group). In this regard, the ROC exercises authority over all other risk committees of the Group, with the principal purpose of assisting the Board in fulfilling its risk oversight responsibilities. The ROC oversees the following: 1) The Risk Governance

Framework; 2) The Risk Management Function; 3) Adherence to Risk Appetite; 4). Capital Planning and Management; and 5) Recovery Plans.

The highlights of the Risk Oversight Committee's actions in 2023 are as follows:

<u>ROC Charter</u>

- Approved the updated ROC Charter

<u>ROC Self-Assessment</u>

- Noted the 2023 ROC Self-Assessment Results

<u>Enterprise Risk and ICAAP</u>

- Approved:
  - 2023 ICAAP – Macroeconomic Scenario
  - 2023 ICAAP Risk Materiality Assessment
  - 2023 ICAAP: Updated Macroeconomic Variables Estimates and Financial Projections (BAU, Stress, Post-MMA)
  - 2023 Internal Capital Adequacy Assessment Process (ICAAP)
  - 2023 Risk Governance Framework Review
  - Work Plan for 2023 Recovery Plan & Gap Analysis with BSP Circular 1158
  - 2023 Recovery Plan

- Noted:
  - Enterprise Risk Reports including RCBC Group Risk Profile, Risk Dashboards, Risk Heat Maps, Reports on Asset Quality and Capital Adequacy
  - Results of BSP Uniform Stress Testing on Credit Risk

<u>Credit Management</u>

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

<u>Market and Liquidity Risk</u>

- Approved:
  - 2023 Treasury Limits

- Noted:
  - Market and Liquidity Risk Reports including Regulatory Ratios, Liquidity and Repricing Gaps, Interest Rate Risk in the Banking Book (IRRBB) Metrics, and other measures
  - Deposit Level Update
  - Results of BSP Uniform Stress Testing on Market Risk

<u>Treasury</u>

- Approved:
  - 2023 Funding Plan
  - FVOCI Limit Increase (RLMS - Reserve and Liquidity Management Segment)
  - Increase the Aggregate Limit for USD/Php Forwards Swaps
  - Php Maximum Cumulative Outflow (MCO) Limit Request

- Noted:
  - Hedge Transaction Notification
  - Silicon Valley Bank (SVB) Overview

Sustainable Finance

- Approved:
  - 2022 Sustainability Report

- Noted:
  - Credit Portfolio Quality Report
  - Independent Credit Review Report
  - Environmental and Social Risk Report
  - Sustainability Updates
  - 2022 Allocation Report
  - 2022 Sustainability and Impact Report
  - Update on the Implementation of the IFC Management Action Plan
  - Compliance Advisor Ombudsman (CAO) Nov 2023 Visit

Operational Risk

- Approval:
  - Updates on Financial Consumer Protection Framework

- Noted:
  - Operational Risk Reports including RCSA, KRI, and CST Library
  - KRI and CST Results
  - Business Resiliency Reports
  - Trust Risk Reports
  - Consumer Protection Reports
  - Update on Document Deficiency Monitoring (Quarterly), Update on Bankwide Document Deficiency Monitoring
  - 2023 Risk Control Self-Assessment (RCSA) Reassessment Results
  - Physical Security Updates
  - Compliance with BSP c1160 - Regulations on Financial Consumer Protection to Implement Republic Act No. 11765 (Financial Products and Services Consumer Protection Act)
  - Product Program Guide

Enterprise Fraud Risk

- Approved:
  - Updated Enterprise Fraud Management Framework (EFMF)

- Noted:
  - Enterprise Fraud Risk Reports
  - Fraud Risk Assessment Activity

Information Security Governance

- Noted:
  - Information Security and Systems Reports
  - Information Security Annual Certification (ISAC)
  - Information Security Assessment (ISRA) 2022
  - External Vulnerability Assessment and Penetration Testing (E-VAPT) 2022
  - MOVEit Impact Assessment
  - Third-Party Assessment Questionnaire (TSAQ) Update
  - Information Security Program

Office of the Group Head

- Approved:
  - Reorganization of Portfolio Quality Division (renamed to Sustainable Finance Division)

- Noted:
  - Reorganization of Risk Management Group (as approved by the Executive Committee)

- BSP Report of Examination (ROE)

Others

- Approved:
  - Risk Acceptance - Audit issue on long outstanding document deficiency for a Wealth Client

  Noted:
  - Subsidiary Reports
  - Collateralized Consumer Loans report including Consumer Portfolio Analytics and Consumer Loans Clean-up Update (Quarterly for Consumer Portfolio Analytics)
  - Reputational Risk Reports
  - Report on Bank's Material Cases (Quarterly)

4. The Corporate Governance Committee

Composition:
The Corporate Governance Committee shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson, with (1) one member representing the minority shareholders.

Members:
Juan B. Santos (ID) - *Chairperson*
Gabriel S. Claudio (ID)
Shih-Chiao (Joe) Lin
Lilia B. de Lima *(until July 31, 2023)*
Erika Fille T. Legara (ID) *(until July 31, 2023)*

Observer:
Hiroki Nakatsuka *(until July 31, 2023)*
Masayuki Kawakami *(starting August 1, 2023)*

The Corporate Governance Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. The highlights of the actions of the Corporate Governance Committee in 2023 are as follows:

- Exercised oversight on the nomination process for members of the Board and for positions requiring Board approval
- Reviewed and recommended to the Board the assignment of its members to Board Committees
- Reviewed and endorsed for Board approval the interlocking positions of directors and officers
- Reviewed and endorsed for Board approval the appointments of senior officers
- Reviewed and endorsed for Board approval the secondment of senior officers to subsidiary companies
- Exercised oversight on the continuing education program for the Board
- Reviewed and endorsed for Board approval the revisions to the Corporate Governance Manual and Charter
- Reviewed and approved the 2022 IACGR
- Reviewed and endorsed for Board approval the 2024 Annual Board Plan
- Discussed and Noted the following:
  (a) Quarterly Report on New Hires and Separated Employees, and Attrition Report
  (b) Quarterly Whistleblowing Report
  (c) Result of the 2022 Annual Board Evaluation

5. **The Related Party Transactions Committee**

Composition:
The Related Party Transactions (RPT) Committee shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the chairperson. The Committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members.

Members:
Gabriel S. Claudio (ID) - *Chairperson*
Shih-Chiao (Joe) Lin
Erika Fille T. Legara (ID)

Observer:
Masayuki Kawakami *(starting August 1, 2023)*

The RPT Committee assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. In 2022, 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 2023 includes the following:

- Reviewed and evaluated all material related party transactions, those within the threshold amount of Php10,000.00 and above and those that require Board approval regardless of amount (i.e., DOSRI loans, 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 Board for approval.
- Reviewed and reported to the Board on a quarterly basis the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- Reviewed and endorsed for Board approval the revisions to the Related Party Transactions Policy
- Exercised oversight on the filing of the required reports to BSP under BSP Circular No. 895, as amended: (a) Report on Conglomerate Structure, and (b) Report on Material Related Party Transactions.

6. **The Anti-Money Laundering Committee**

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

Members:
Gabriel S. Claudio (ID) – *Chairperson*
Vaughn F. Montes (ID)
Gil A. Buenaventura *(until July 31, 2023)*
John Law *(starting August 1, 2023)*

Observers:
Eugene S. Acevedo
Hiroki Nakatsuka *(until July 31, 2023)*
Masayuki Kawakami *(starting August 1, 2023)*

The AML Committee assists the Board of Directors in its mandate to fully comply with the Anti-Money Laundering Act, as amended, its Revised Implementing Rules and Regulations and the

Anti-Money Laundering Regulations under the Manual of Regulations for Banks; and to ensure that oversight on the Bank's compliance management is adequate.

In 2023, some of the crucial actions of the Committee include:

- RAG commitment to AMLC on Filing of Accurate and Timely Covered Transaction Reports
- DiskarTech Basic Deposit Account (BDA) Enhancement
- Amendment of the MTPP's Prohibited Accounts
- Accuity Name Screening System Enterprise License for RCBC and System Health Check & Tuning Workshop
- RCBC's Action Plans to Address Late CTR Reporting Incident last November 2022
- Proposed Amendments to the MTPP on Appendix 15 – RCBC Sanctions Policy and Appendix 19 – Guidance on Trade Based Money Laundering and Financial Crime Risk
- Procurement of the TBML Module of Compliance Link for STMA Compliance
- Addition of Appendix 20 in DNFBP Policy
- Discussed and noted the following
    - Regulatory Requirements in relation to Designated Non-Financial Businesses and Professions (DNFBP)
    - Draft Report of 2022 AML Institutional Report Assessment (IRA)
    - Speak Up Feature for STR Filing
    - Final/Detailed Report of 2022 AML Institutional Report Assessment (IRA)
    - Updates on the Bank's initiatives with respect to customers of African descent
    - Updates to the Wolfsberg Correspondent Banking Due Diligence Questionnaire (CBDDQ)
    - Update on Online Gaming Clients
    - AMLC Typologies Report on Money Mules
    - BSP 2022 AREF Commitments (AML/CFT)
    - RCBC IFL's Money Service Operator (MSO) Competence Assessment
    - and Hong Kong Customs and Excise Department's (C&ED) Notice of Intention to revoke RCBC IFL's MSO License
    - Update on the Enhancements to the Product Risk Assessment (PRA) and Institutional Risk Assessment (IRA)
    - Results of the AMLC Thematic Review of the Bank's Effectiveness of Customer and Transaction Screening Systems
    - Thematic Review on the Implementation of Customer Due Diligence (CDD) on Designated Non-Financial Business (DNFBP)
    - Money Mules-related STRs filed by the Bank (Adaptation of the AMLC Money Mules Case Study)
    - RCBC IFL vs. RCBC Parent MTPP Gap Analysis
    - Fraud Case of DiskarTech accounts Used as Mule or Drop accounts
    - AML ManCom Charter Changes
    - Accuity Health Check and False Positive Reduction Exercise updates
    - Landmark AML Case - People of the Phils vs. Girlie Lingad

7. The Trust Committee

Composition:
It shall be composed of at least five members, including: (i) the president or any senior officer of the Bank; and (ii) the trust officer. The remaining committee members, including the Chairman, may be any of the following: (i) NEDs or IDs who are not part of the Audit Committee, or (ii) those considered as qualified independent professionals, provided that in case there are more than five Trust Committee members, the majority shall be composed of qualified non-executive members.

Members:
Juan B. Santos (ID) – Chairperson (*until December 31, 2023)*

Cesar E.A. Virata (*until December 31, 2023)*
President and CEO: Eugene S. Acevedo (*until December 31, 2023)*
Trust Officer: Robert B. Ramos (*until December 31, 2023)*
John Law (*from August 1, 2023 until December 31, 2023)*
Lilia B. De Lima (*until July 31, 2023)*

The Trust Committee was a special committee which reported directly to the Board of Directors and was primarily responsible for overseeing the fiduciary activities of the Bank. In 2023, the Trust Committee oversaw the spin-off of the RCBC Trust and Investments Group (RCBC-TIG) into a separate juridical entity. The RCBC Trust Corporation was formally incorporated in June 29, 2023. On October 10, 2023, it received its Certificate of Authority from the Monetary Board of the Bangko Sentral ng Pilipinas to engage in Trust and Other Fiduciary Business as a non-bank financial institution. In August 2023, Director Lilia B. De Lima resigned from the Trust Committee and was replaced by Director John Law. The last quarter of 2023 saw the Trust Committee supervising the senior management team of the RCBC-TIG as they prepared to transfer all of its assets and accountabilities to the newly-formed RCBC Trust Corporation by January 1, 2024. The landmark transition, which covered not just the assets under management of RCBC-TIG, but all of its management team, officers and staff as well, took place in just a little over one-year. In November 28, 2023, the RCBC Trust Committee met for the last time, with the oversight and supervision of the trust business of the RCBC Trust Corporation being passed on to its own Board of Directors. Despite these changes, RCBC Trust aims to maintain its synergetic relationship with RCBC to ensure business continuity, foster seamless collaboration and harnesses shared expertise for a sustained legacy of trust and financial excellence

8. The Technology Committee

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

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

The Technology Committee exercises authority over all IT Project Steering Committees of the various RCBC Business Groups and subsidiaries (Group), with the principal purpose of assisting the Board in fulfilling the following oversight responsibilities:

- Approves major IT investments.
- Manages and aligns IT initiatives across the Group.
- Reviews the status of major projects.
- Prioritizes IT initiatives, when warranted.
- Evaluates emerging IT solutions for use of the Group.
- Reviews, evaluates and resolves Cyber Security Issues, Disruptions and Disaster Recovery activities raised in the TechCom.
- Reviews and resolves IT risks and other IT-related issues raised in the TechCom.
- Ensures compliance with BSP rules and regulations relating to Information Technology.

In 2023, highlights of the actions of the Technology Committee are as follows:

Month	Item
January	Subscribe Bankard to the Salesforce archiving solution
	Upgrade Bankard Host Security Module
	Upgrade Outward Clearing System
February	*No Items Presented for Approval*

March	Renew Maintenance Support for Automated Collection System
April	Enhance Bills Collection Service in Finacle
May	Embark on Offering Negotiable Order of Withdrawals for Rural Banks
	Provision Technology Requirements for Standalone Trust Corporation
June	Provision Web-based HR System for RCBC Leasing and Finance Corporation
July	Provision Oracle Cloud services for Frame Properties, Inc.
	Subscribe to Next-generation SWIFT Cross-Border Payment Services
August	Embark on Developing Deposit Pickup System
	Upgrade Capacity for Virtual Server Infrastructure
September	Acquire Automated Reconciliation System
	Acquire Identity Protection Capability to Support Zero-Trust Network Security
	Acquire a New Asset Liability Management System
	Embark on Developing APIs to Support Boz App Mobile Banking Platform for SMEs (Small and Midsize Enterprises)
	Embark on Migrating and Modernizing Loans Management System
	Enable Straight-Through Processing between Treasury and Fixed Income Trading Systems
	Enhance Wealth Management System to Support Standalone Trust Corporation
	Enhance RCBC Online Corporate to Support Electronic Fund Transfer via New ISO 20022 Format
	Upgrade Capacity for Storage Backup
October	Acquire Unified Governance, Risk, and Compliance Solution
	Implement New-To-Bank features in Boz App
	Offer Cost-Effective POS Solutions in Bankard
	Upgrade API Management System
November	Acquire a New RCBC Online Corporate System
	Acquire a New Loan Origination System
	Enable Branch Printing of Personalized ATM Cards
	Implement Endpoint Protection for CCTV Security System Computers
	Renew RCBC Subscription to the Salesforce archiving solution
December	Embark on AI-powered Sales Tools for Retail Clients
	Renew Bankard Subscription to the Salesforce archiving solution
Others	Various Digital Enhancements
	Various DiskarTech Enhancements
	Various Infrastructure Refresh and Upgrades

Advisory Board

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

Shareholdings in the Company

As of March 31, 2024, only the following stockholders own more than 5% of RCBC's common stock:

Title of Class	Name, Address of record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	**Pan Malayan Management & Investment Corporation** Address: 48/F Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue Makati City Relationship with issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Filipino	820,634,773*	39.64% *This includes certificated shares (24.56%) and shares under PCD Nominee (9.36%)*
Common	**Sumitomo Mitsui Banking Corporation** (SMBC) Address: 1-1-2 Marunouchi, Chiyoda-Ku,Tokyo,Japan 100-0005 Relationship with Issuer: Stockholder	Sumitomo Mitsui Banking Corporation *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Non-Filipino	483,907,222	20.00% This includes certificated shares (6.97%) and shares under PCD Nominee (13.03%)
Common	**Cathay Life Insurance Corporation** Address: 296 Ren Al Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder	Cathay Life Insurance Co.Ltd. *The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.*	Non-Filipino	452,018,582	18.68% (*Shares are under PCD Nominee)*

**Combined Direct and Indirect Shares of PMMIC;*

As of March 31, 2024, the following **directors and officers** directly and indirectly own shares in RCBC:

Title of Class	Name of Beneficial Owner	Amount and nature of record / beneficial ownership		Citizenship	Percent of Class (%)
		Par Amount	Nature		
Directors					
Common	Helen Y. Dee	14,923,060	R / B	Filipino	0.06
Common	Cesar E.A. Virata	1,384,340	R / B	Filipino	0.01
Common	Eugene S. Acevedo	3,441,000	R / B	Filipino	0.01
Common	Gil A. Buenaventura	50	R	Filipino	0.00

Common	Armando M. Medina	1,950	R	Filipino	0.00
Common	John Law	10	R	French-Taiwan	0.00
Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00
Common	Gayatri P. Bery	10	R	American	0.00
Common	Hiroki Nakatsuka	10	B	Japanese	0.00
Common	Katsufumi Uchida	10	B	Japanese	0.00
Common	Juan B. Santos	50	R	Filipino	0.00
Common	Gabriel S. Claudio	10	R	Filipino	0.00
Common	Vaughn F. Montes	50	R	Filipino	0.00
Common	Laurito E. Serrano	10	R	Filipino	0.00
Common	Erika Fille T. Legara	50,010	R / B	Filipino	0.00
	Subtotal	***19,800,580***			
Executive Officers					
Common	Xavier Y. Zialcita	244,880	R / B	Filipino	0.00
	TOTAL	***20,045,460***			0.08

Shareholders' Rights and Protection of Minority Stockholders' Interest

The Bank respects the rights of the stockholders as provided for in the Revised Corporation Code; namely:

1. Right to vote on all matters that require their consent or approval;
2. Right to inspect the books and records of the Bank;
3. Right to information;
4. Right to dividends; and
5. Appraisal right.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights, *i.e.*, any shareholder or group of shareholders with at least five percent (5%) share of the total outstanding shares of the company shall be allowed to propose any relevant item for inclusion in the agenda for the meeting.

Right to Nominate Candidates for Board of Directors

The By-Laws of the Bank allows all shareholders, including minority stockholders, the right to nominate candidates for the Board of Directors.

Voting Right

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the Bank. The stockholders shall be encouraged to personally attend such meetings. As allowed by the Revised Corporation Code and the Commission's rules, the Board of Directors, on April 29, 2024, issued a resolution allowing voting through remote communication or in absentia.

In case the stockholders cannot attend the annual and special stockholders' meetings, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholders' favor.

The Board shall take the appropriate steps to remove excessive costs and other administrative impediments to the stockholders' participation in meetings, whether in person or by proxy. In this regard and to provide ease of access, the Board of Directors issued a resolution on April 29, 2024, allowing the conduct of this year's stockholders meeting virtually. Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code. A director shall not be removed without cause if it shall deny minority stockholders representation in the Board.

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

Conduct of Shareholders' Meeting

Stockholders are encouraged to personally attend shareholders' meetings. In case the stockholders cannot attend the annual and special stockholders' meetings, they are apprised ahead of time of their right to appoint a proxy. As allowed by the Revised Corporation Code and the Commission's rules, the Board of Directors, on April 29, 2024, issued a resolution allowing voting through remote communication or in absentia.

Accurate and timely information is made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. Stockholders are allowed to pose questions and/or raise matters before and during the meeting in accordance with the procedures set forth in the Notice, and these are addressed by the Chairperson, members of the Board and/or management accordingly.

The 2023 Annual Stockholders' Meeting which was held on July 3, 2023 was conducted virtually as allowed by the SEC. The Bank hired an independent party, Punongbayan & Araullo, to count and validate votes cast at the said meeting. Proper and timely disclosures were made immediately after the ASM. Results of the meeting as well as minutes thereof are available on the Bank's website.

Right to Inspection

All stockholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Revised Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

Right to Information

Stockholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Bank's shares, dealing with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers.

The minority stockholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. They shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority stockholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

Dividend Policy

Article XI, Section 1 of the By-Laws of the Bank, provides that dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board of Directors may determine after making provisions for the necessary reserves in accordance with law and the regulations of the BSP.

As a policy, management shall determine the amount of dividends to be declared and present the recommendation for the declaration of the same to the Board of Directors for approval. If it has stipulated dividend payment obligations, the Bank shall declare dividends in accordance with its commitment.

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

In accordance with Section 124 of the 2020 Manual of Regulations for Banks, the net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Financial Reporting Package (FRP) as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.

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

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

Details of the **2023 cash dividend** distribution are as follows:

Nature of Securities	Date Declared	Dividend		Record Date	Date Approved	Date Paid/
		Php Per Share	Total Amount*		By BOD	
Hybrid Perpetual Securities	Jan 30, 2023	-	534.98	Feb. 27, 2023	Jan 30, 2023	Feb 27, 2023
Convertible Preferred	Feb. 27, 2023	0.1685	0.05	Mar 21, 2023	Feb. 27, 2023	Mar 23, 2023
Common	Mar 27, 2023	1.0800	2,200.48	Apr.13, 2023	Mar 27, 2023	Apr 27, 2023
Convertible Preferred	Mar 27, 2023	1.0800	0.29	Apr 13, 2023	Mar 27, 2023	Apr 27, 2023
Convertible Preferred	May 29, 2023	0.1789	0.05	Jun. 21, 2023	May 29, 2023	Jun. 26, 2023
Hybrid Perpetual Securities	Jul. 31, 2023	-	553.41	Aug 27, 2023	Jul. 31, 2023	Aug. 27, 2023
Convertible Preferred	Aug. 29, 2023	0.1920	0.05	Sep 21, 2023	Aug. 29, 2023	Sep. 25, 2023
Convertible Preferred	Nov. 29, 2023	0.1870	0.05	Dec. 21, 2023	Nov. 29, 2023	Dec. 29, 2023

** in millions Php*

Appraisal Right

The stockholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Revised Corporation Code of the Philippines.

Investor Relations Program

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

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

Material Information/Transactions

The Bank is committed to disclose material information to its stakeholders as part of its adherence to transparency, accountability, and fairness. The Bank commits at all times to fully disclose material information dealings. It shall cause the timely filling of all required information for the interest of its shareholders and other stakeholders. The reports or disclosures required shall be prepared and submitted to the SEC and Philippine Stock Exchange (PSE) by the responsible committee or officer through the Bank's Compliance Officer. Material Information emanating from the Board of Directors shall be disclosed under the responsibility of the Corporate Information Officer (CIO). The CIO shall be responsible for efficiency in providing information and addressing concerns of its shareholders and other stakeholders through the Bank's webpage which provides complete information about the Bank in a form that is user-friendly.

Transactions between related parties shall be disclosed to include the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship of the financial statements.

All material information about the Bank, *i.e.*, anything that could adversely affect share price, shall be publicly disclosed. Such information and/or transactions shall include, among others, earnings results, acquisition or disposal of significant assets, related party transactions, board membership changes, shareholdings of directors and officers and any changes thereto, and such material events or information which are required to be disclosed pursuant to the SRC and its Implementing Rules and Regulations. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management, corporate strategy, and off balance sheet transactions.

The following are the material information/transactions were approved by the Board of Directors for 2023:

01-14-2023 Legal Proceedings (Amendment)

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

01-20-2023 Legal Proceedings (Amendment)

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

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

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

1. Senior Note Issuance Out of Medium Term Note Programme (subject to market conditions).
2. Postponement/Resetting of the June 2023 Board and Organizational Meetings, and 2023 Annual Stockholders' Meeting to July 3, 2023.
3. Appointment of FVP Atty. Angeluz B. Torres-Guerzon as Head of Asset Management and Remedial Group, replacing SEVP Mr. John Tomas G. Deveras, who is retiring, effective February 15, 2023, subject to BSP and other regulatory approvals, as may be required.

02-27-2023 Other Events

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

1. The Audited Financial Statements of Rizal Commercial Banking Corporation and RCBC—TIG as of year ended December 31, 2022, as audited by Punongbayan & Araullo, for final approval of the stockholders.
2. Declaration of cash dividends on convertible preferred shares amounting to P0.16846 (US$0.00308) per share or a total of P45,047.15 (US$824.44 @ P54.640). The cash dividend is payable to holders of convertible preferred shares as of March 21, 2023 (record date) and payable within 5 trading days from record date. The cash dividend is for unlisted preferred shares.
3. Interlocking Directorship / Officership of RCBC Officers to Frame Properties, Inc. (subject to BSP/other regulatory approvals, as may be required).

Name	**Rank & Current Position in RCBC**	**Position in Frame Properties, Inc.**
Eugene S. Acevedo	President and CEO	President and CEO/Incorporator
Ma. Christina P. Alvarez	FSVP and Head, Corporate Planning Group	Incorporator/Director

Florentino M. Madonza	FSVP and Head of Controllership Group	Incorporator/Director
Alberto Magno N. Pedrosa	FSVP and Treasurer/ Head of Treasury Group	Incorporator/Director
Rowena F. Subido	FSVP and Head of Human Resources Group	Incorporator/Director
Robert Rol Richard Raymond B. Ramos	FSVP and Trust Officer/ Head of Trust and Investments Group	Treasurer

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

Position in Other YGC Companies	**Name of Institution/Company**
Director	Rizal Microbank, Inc. – A Thrift Bank of RCBC
Director	RCBC Leasing and Finance Corporation
Director	RCBC Rental Corporation
Director – Chairman of the Board Officer – President	Cajel Realty Corporation
Director – Chairman of the Board Officer – President	Niyog Property Holdings, Inc.

03-15-2023 Legal Proceedings (Amendment)

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

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

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

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

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

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

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

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

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

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

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

04-25-2023 Legal Proceedings (Amendment)

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

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

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

05-29-2023 Other Events

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

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

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

Regular Meeting of the Board of Directors

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

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

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

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

Annual Stockholders' Meeting

1. 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. Armando M. Medina
   Mr. John Law
   Mr. Shih-Chiao (Joe) Lin
   Mr. Arnold Kai Yuen Kan
   Atty. Lilia B. De Lima
   Ms. Gayatri P. Bery
   As Independent Directors
   Mr. Juan B. Santos
   Mr. Gabriel S. Claudio
   Mr. Vaughn F. Montes
   Mr. Laurito E. Serrano
   Ms. Erika Fille T. Legara

2. Approval of the 2022 Annual Report and 2022 Audited Financial Statements

3. Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2023

Organizational Board of Directors Meeting:

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

2. Appointment the following as Members of the Advisory Board:
   Ms. Yvonne S. Yuchengco

Mr. Francis C. Laurel
Mr. Hiroki Nakatsuka

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

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

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

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

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

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

1. Appointment of New Board Directors

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

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

2. Appointment of Advisory Board Members

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

Other Stakeholders

Creditors' Rights

It is the policy of the Bank to conduct its business in an efficient and fair manner for it to meet its contractual obligations to its depositors, subordinated debt noteholders, and service providers. In the event of any liquidation or bankruptcy proceeding, such creditors have preference over the assets of the Bank in accordance with Philippine laws on preference of credits.

As a listed company, the Bank discloses, either through its website or the required stock exchanges, the relevant terms and conditions of their investment and fund-raising activities.

Supplier/Contractor Selection and Criteria

The Bank has a Board-approved Policy on Outsourcing in accordance with BSP Circular No. 765 re: "Revised Outsourcing Framework for Banks." The Bank's policy provides for guidelines, processes, and controls in managing outsourcing risks. The Bank is required under the policy and in accordance with the BSP Circular to conduct due diligence on service providers to ensure their integrity, technical expertise, operational capability, financial capacity, and suitability to perform the outsourced activity.

In certain cases as permitted by law and regulations, the supplier/contractor selection process is being handled by House of Investments, Inc. (HOI), an affiliate of the Bank.

HOI's Procurement Shared Services has the following policies:

a. Code of Ethics for Procurement
b. Code of Ethics for Suppliers
c. Vendor Accreditation
d. Waiver Management
e. Policies in Choosing a Supplier
f. Procurement Process
g. Contract Management
h. Manual Structure, Use, Revisions/Amendments
i. Early Involvement in Procurement (Amended)
j. Vendor Performance Evaluation

Suppliers are evaluated based on compliance with user requirements, quality, performance record in the industry, technical competence, customer service, design, delivery, and dependability. Accreditation of new suppliers is based on recommendations of procurement heads or officers and is evaluated and approved by the HOI's PSS Manager and General Manager. Accredited suppliers are likewise subject to performance evaluation.

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

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

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

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

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

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

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

Towards Sustainable Value Chains

RCBC continues to lead in the sustainability front – from as early as 2011 – through the implementation of the Environmental and Social Management System (ESMS). This policy requires all credit relationships (whether portfolio or pipeline) to be vetted on an E&S perspective in a manner that promotes sustainable practices for the Bank and its clients, minimizing any negative environmental, social, and reputational impact of the financing activities. RCBC's ESMS subscribes to IFC's Performance Standards and Exclusion List. The ESMS policy also incorporates the Bank's declaration in 2020 to no longer fund the construction of new coal power plants.

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

RCBC's total sustainable portfolio consisted of over 18,000 projects as of 31 December 2023. These projects contribute to 12 of the 17 UN SDGs. Funding for renewable energy and energy efficiency accounted for more than 40% of the Bank's total sustainable portfolio and has surpassed the remaining exposure to coal-fired power projects. In January 2024, RCBC raised USD 400 million from its five-year Sustainability Bonds issuance (5.9x oversubscribed), reflecting the trust in RCBC's sustainability efforts and credit outlook.

Both the ESMS and the Sustainable Finance Framework conform to the BSP's directives under BSP Circulars 1085 and 1128.

In October 2023, RCBC hosted its second Sustainability Forum (in-person and via videoconferencing) with the Bank's stakeholders, aimed at fostering possibilities in transitioning toward sustainable businesses. More information on the Bank's sustainable efforts (including copies of the Sustainable Finance Framework and Sustainalytics SPO) are available at www.rcbc.com/sustainability.

Internal Control

Effective internal control is the foundation of safe and sound banking. It reduces the possibility of significant errors and irregularities, and in the event of occurrence, said internal control assists in timely detection. A properly designed and consistently enforced system of operational and financial internal controls helps the Bank's Board of Directors and Management to safeguard the Bank's resources, produce reliable financial reports and comply with applicable laws and regulations.

The Bank has established an effective internal control system to ensure that the Bank is managed and controlled in a sound and prudent manner. It includes the following critical components::

- Control Environment

Control environment is the framework under which internal controls are developed, implemented and monitored. It consists of the mechanisms and arrangements that ensure internal and external risks to which the company is exposed are identified, and appropriate and effective internal controls are developed and implemented to manage said risks soundly.

The control environment emanates from the Board of Directors and reflects Management's commitment to internal controls. In line with this, the Management has ensured the strategic implementation of internal controls that provide for an organizational structure that establishes clear lines of authority and responsibility for monitoring adherence to prescribed policies, effective risk assessment, timely and accurate financial and regulatory reports, and adequate procedures to safeguard and manage the Bank's assets.

- Risk Assessment

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

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

- Control Activities

Control activities consist of policies and procedures aimed at ensuring that all bank personnel comply and adhere to the established control measures. These activities are fundamental to the daily operations of the Bank especially where risks are significant. An effective internal control system requires the establishment of appropriate control mechanisms, with control activities defined at each business level. In this context, the Bank has meticulously designed and implemented control activities, guided by policies and procedures, to mitigate the risks inherent in the banking operations. These are not just ancillary tasks but rather, indispensable components that safeguard the integrity and reliability of the Bank's operations on a daily basis.

The control activities implemented by the Bank include, but are not limited to, the following:

a. Approvals and authorization for transactions and activities;
b. Reconciliation;
c. Review of operating performance and exception reports;
d. Implementation of safeguards or physical controls for use of assets and records;
e. Segregation of duties to minimize the opportunity to commit and conceal fraud or errors;
f. Mandatory leave requirement for bank employees and officers;
g. Rotation of duties; and
h. Number control

- Management Reporting System

Another element in an effective internal control program involves accurate accounting and comprehensive information and communication systems that are relevant to decision-making. These systems not only capture information and generate necessary reports, but also enable all personnel to understand their roles in the overall control system, how their activities relate to others, and their accountability for the activities they conduct.

- Monitoring Activities and Correcting Deficiencies

Monitoring activities entails assessing the quality of performance over time and making any necessary modifications to correct any deficiencies.

The overall effectiveness of the Bank's internal controls is monitored on an ongoing basis. In view of changing internal and external conditions, Management continually monitors and evaluates the Bank's internal control system to ensure that these are adequate and continue to function properly. Periodic assessment and evaluation of control mechanisms used in managing risks are conducted by the business units in coordination with internal audit, risk management and other support units. Internal control deficiencies, whether identified by business units, internal audit or other control personnel, are reported in a timely manner to the appropriate management level so that the same can be addressed immediately.

Internal control is the responsibility of all employees of the Bank. Everyone in the organization is responsible for ensuring that the internal control measures being adopted by the organization are properly and strictly enforced and are effectively operational. The channels of communication ensure that all employees fully understand and adhere to policies and procedures affecting their work, and that other relevant information is properly communicated to the appropriate personnel. Likewise, the Bank's internal audit, risk management unit and external audit provide an objective, independent review of bank activities, internal controls and management information systems to help the Board of Directors and the Management monitor and evaluate internal control adequacy and effectiveness.

Compliance Function

The compliance function of the Bank facilitates the effective management of compliance risks or risks of legal or regulatory sanctions, material financial loss, or loss to reputation that a bank may suffer as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities.

The Compliance Function is discharged by the Regulatory Affairs Group (RAG) headed by the Chief Compliance Officer (CCO). The RAG is a separate and independent unit with no business function. It reports to the Board through the Audit and Compliance Committee and the AML Committee.

RAG facilitates the effective management of compliance risks by:

a. Advising the Board of Directors and senior management on relevant laws, rules and standards, including keeping them informed on developments in the area;
b. Apprising Bank personnel on compliance issues, and acting as a contact point within the Bank for compliance queries from its personnel;
c. Establishing written guidance to staff on the appropriate implementation of laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines;
d. Identifying, documenting and assessing the compliance risks associated with the Bank's business activities, including new products and business units;
e. Assessing the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies, and where necessary, formulating proposals for amendments;
f. Monitoring and testing compliance by performing sufficient and representative compliance testing; and
g. Maintaining a constructive working relationship with the BSP and other regulators.

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

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

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

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

CSC

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

WBC

- Treasury
- CBG
- SME
- GTB
- CMG – Commercial
- Market & Liquidity Risk
- Asset and Remedial Mgt.
- Corporate Planning
- Trust & Investments
- Subsidiaries: RCAP,RSEC, RLFC, RCBC Forex, RCBC

CBC

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

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

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

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

c. Under control ownership:
   - Compliance Operations Division - The Compliance Operations Division is responsible for the monitoring, analysis, disposition and investigation of AML alerts; reporting of possible suspicious transactions; filing of reports on crimes and losses; monitoring and filing of covered transactions reports and suspicious

transactions reports; recommending new or updating AML alert rules; and updating AML watchlists for name screening.

Internal Audit

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

The scope of work of Internal Audit encompasses, but is not limited to, the examination and evaluation of all business systems, processes, operations, functions and activities within the Bank including functions that are outsourced, its subsidiaries and branches. Such scope of work determines the adequacy and effectiveness of the Bank's risk management, control and governance process to provide reasonable assurance that:

- Risks are appropriately identified and managed in the context of current and potential risks;
- Interaction with various governance groups and control units occurs as needed;
- Programs, plans and objectives are achieved;
- Resources are acquired economically, used efficiently and protected adequately;
- Quality and continuous improvement are fostered in the Bank's control process;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Employees' actions including performance of trading activities are in compliance with policies, standards, procedures and applicable laws and regulations;
- Significant legislative or regulatory issues impacting the Bank are appropriately recognized and addressed including areas of interest to regulators such as, among others, monitoring of compliance with relevant laws, rules and regulations, including but not limited to the assessment of the adequacy of capital and provisions; liquidity level; regulatory and internal reporting;
- Management and financial information system including the electronic information system and electronic banking services are reliable and effective and resulting data has integrity

Internal Audit adheres to the applicable professional standards and code of ethics, including the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (ISPPIA), Information Systems Audit and Control Association standards and guidelines and the relevant requirements of the BSP and other bank regulators. Internal Audit and the Bank received the highest rating of "strong" as a result of the 2023 examination of BSP in relation to the extent and effectiveness of the compliance and internal audit function.

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

The External Auditor

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

The following are audit and non-audit fees of the bank's external auditor, Punongbayan and Araullo, in 2023 (in Million Pesos):

2023	Audit Fee	Non-Audit Fee	Total
Parent	5.53	4.43	9.96
Group	10.85	5.58	16.43

Non-audit fees include engagements for the quarterly review and agreed upon procedures in connection with the Bank's Offering Circulars.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. In connection with the audits of the Bank's financial statements for the two most recent years ended December 31, 2023 and 2022, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

Policies

Code of Conduct

All directors and employees are governed by the Bank's Code of Conduct, which revolves around the Core Values of RCBC. It is designed to serve as a guide to all directors and employees on how they should conduct themselves within and outside the Bank premises and in dealing with clients/customers and co-associates.

Adherence to this Code is the responsibility of each and every associate. It is administered uniformly throughout the Bank and is independent of the practices of other banks. It is a condition for continuous employment. Any breach of this Code may result in disciplinary action ranging from reprimand to termination of employment, depending on the gravity of the offense, after the observance of due process.

The Code of Conduct is divided into five parts as follows:

a. Treatment of Clients
b. Treatment of Bank Assets
c. Treatment of Others
d. Conflict of Interests
e. Knowledge, Understanding & Compliance

Anti-Corruption Policies

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.

In 2022, the Regulatory Affairs Group lifted certain sections from the Bank's Code of Conduct and expanded its provisions to establish the Anti-Bribery and Corruption (ABC) Policy that aligns the Bank's framework to key principles of the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA).

The ABC Policy prescribes the standards of professional and ethical conduct for all directors, officers, employees, as well as consultants and agents indirectly representing the Bank, and establishes reasonable thresholds for giving and receiving gifts, entertainment or other personal benefits or privilege in any form which are customary and reasonable under the circumstances.

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

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

Receiving Commissions or Benefits. Employees must avoid situations which may unduly influence the relationships with customers or suppliers in a position to transact business with the Bank. Employees must make sure that the procedures laid down in providing customer services or in purchasing goods and services are strictly followed. Employees who have a direct hand in choosing companies from which purchases of the Bank's business requirements are to be made, are discouraged to use said authority to obtain commissions or leverage to purchase the same item/s for personal interests at terms not otherwise available to his/her colleagues or the public. Suppliers and customers are chosen based on merit and not on what can be gained from them.

The Code of Conduct is a main topic included in the Bank's Employee Orientation Program which is held on a regular basis.

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

Use of Insider Information

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

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

Whistleblowing Policy

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

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

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

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

Anti-Money Laundering

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

1. Conduct business in conformity with high ethical standards to protect the safety and soundness of RCBC, as well as the integrity of the Philippine banking and financial system;
2. Know the customer sufficiently at all times and ensure that the financially or socially disadvantaged are not denied access to financial services while at the same time prevent suspicious individuals or entities from opening or maintaining an account or transacting with the covered person by himself or otherwise;
3. Adopt and effectively implement a sound money laundering, terrorist financing, and proliferation financing prevention risk management system that identifies, assesses, monitors and controls risks associated with money laundering and terrorist financing;
4. Comply fully with Part Nine of the Manual of Regulations for Banks (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 , and the Anti-Terrorism Act and their respective Implementing Rules and Regulations (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 is updated at least once every two years or as needed to properly adhere to the new rules and regulations of regulatory agencies, laws of the Republic of the Philippines and other countries, and policies and procedures of the Bank.

Related Party Transactions

On September 26, 2022, the Board approved the revised Policy on Related Party Transactions (RPT) following SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions for Publicly-listed Companies" issued on April 27, 2019. The policy defines related party transactions as transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

- On- and off-balance sheet credit exposures and claims and write-offs;
- Investments and/or subscriptions for debt/equity issuances;
- Consulting, professional, agency and other service arrangements/contracts;
- Purchases and sales of assets, including transfer of technology and intangible items (e.g., research and development, trademarks and license agreements);
- Construction arrangements/contracts;
- Lease arrangements/contracts;
- Trading and derivative transactions;
- Borrowings, commitments, fund transfers and guarantees;
- Sale, purchase or supply of any goods or materials; and
- Establishment of joint venture entities

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

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

The Bank constituted the RPT Committee and RPT Management Committee to review and approve RPTs.

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

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

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

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

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

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

* Not to exceed the aggregate limit for Other Contracts

The Bank submits a quarterly report to the BSP on material exposures to related parties, which include the material RPTs of non-bank financial subsidiaries and affiliates. A summary of material RPTs entered into during the reporting year is also disclosed in the Bank’s Integrated Annual Corporate Governance Report (IACGR)
.
Details of the Bank’s major related party transactions in 2022 are described below:

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

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

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

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

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

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

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

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

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

Other RPTs include:

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

- The Bank has service agreements with RBSC for the in-sourced internal audit services. The Bank provides limited audit services to RBSC, specifically IT audit, operations audit and financial statements review. Also, the Bank has formalized the service agreements for the internal audit services being provided to subsidiaries namely: RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Rizal Microbank, Inc., RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc. prior to its conveyance.

- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, rendered by the following business units: 1) business and operational risk, 2) compliance, 3) internal audit, 4) information technology, and 5) human resources. The services shall be limited to: compliance with relevant laws, rules and regulations, market, liquidity, and operational risk management, internal audit, information technology, review of salary and processing of payroll on a bi-monthly basis, and implementation of exclusive succession planning, human resources information system and database administration and organization of training programs.

- The Bank has a service agreement with RCBC Forex for the referral of money service business customers to RCBC Forex, to facilitate the purchase and/or sale of foreign currencies. The services to be rendered are relative to account opening and compliance with customer identification regulatory requirements.

- The Bank has a service agreement with RCBC International Finance Limited (RIFL) to facilitate the remittance tie-up and account solicitation arrangement agreement with RIFL which is based in Hongkong.

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

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

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

(J) Undertaking to Provide Annual Report

The Bank undertakes to provide each stockholder without charge a copy of the annual report on SEC Form 17-A upon written request to the Bank addressed to:

Atty. George Gilbert G. dela Cuesta
Corporate Secretary
Rizal Commercial Banking Corporation
46/F, Yuchengco Tower, RCBC Plaza
6819 Ayala Ave. cor. Sen. Gil J. Puyat Ave.
Makati City

Annex "B"

COVER SHEET

1 7 5 1 4

S.E.C. Registration Number

R I Z A L   C O M M E R C I A L   B A N K I N G

C O R P O R A T I O N   A N D   S U B S I D I A R I E S

(Company's Full Name)

Y U C H E N G C O   T O W E R ,   R C B C   P L A Z A,

6 8 1 9   A Y A L A   A V E N U E ,   M A K A T I   C I T Y

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

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

Secondary License Type, If Applicable

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

Total Amount of Borrowings

7 4 8		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Tristan John Kabigting

Your BIR AFS eSubmission uploads were received

1 message

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

Hi RIZAL COMMERCIAL BANKING CORPORATION,

Valid files

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

Invalid file

- <None>

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

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

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

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

RCBC
Partners Through Generations

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

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

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

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

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

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

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

SUBSCRIBED AND SWORN TO BEFORE ME, this ___ day of MAR 1 4 2024 _______, 2024 at Makati City, Philippines, affiants exhibited to me their valid identifications, to wit:

Name	*ID No.*	*Valid Until/ Place of Issue*
Helen Y. Dee	Driver's License [redacted]	[redacted] Makati
Eugene S. Acevedo	Passport No. [redacted]	[redacted] Manila
Alberto N. Pedrosa	Passport No. [redacted]	[redacted] Manila
Florentino M. Madonza	PRC License [redacted]	[redacted] Manila

Doc. No. 249;
Page No. 00;
Book No. 626;
Series of 2024

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No. 1
IBP No. :
ROLL NO.
MCLE Compliance V
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

P&A Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Rizal Commercial Banking Corporation and Subsidiaries

December 31, 2023, 2022 and 2021

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

T +63 2 8988 2288

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Description of the Matter

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

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

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

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

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

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

How the Matter was Addressed in the Audit

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

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

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

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

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

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

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

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

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

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

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

(b) Fair Value Measurement of Unquoted Equity Securities

Description of the Matter

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

How the Matter was Addressed in the Audit

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

(c) Recoverability of Goodwill and Branch Licenses

Description of the Matter

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

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

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

How the Matter was Addressed in the Audit

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

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

February 26, 2024

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

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

See Notes to Financial Statements.

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

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

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

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

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

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

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

See Notes to Financial Statements

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

1. CORPORATE MATTERS

1.1 Incorporation and Operations

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

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

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

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

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

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

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

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

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

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

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

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

1.2 Subsidiaries and Associates

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

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

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

Explanatory Notes:

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

1.3 Approval of Financial Statements

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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

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

(b) Presentation of Financial Statements

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

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

(c) Functional and Presentation Currency

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

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

2.2 Adoption of Amended PFRS

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

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

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

Discussed below are the relevant information about these pronouncements.

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

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

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

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

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

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

(c) Effective Subsequent to 2023 but not Adopted Early

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.4 Financial Instruments

(a) Financial Assets

(i) Classification and Measurement of Financial Assets

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

Financial Assets at Amortized Cost

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

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

Financial Assets at Fair Value Through Other Comprehensive Income

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

Financial Assets at Fair Value Through Profit or Loss

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

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

(ii) Effective Interest Rate Method and Interest Income

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

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

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

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

(iii) Impairment of Financial Assets

The Group's ECL model follows a three-stage impairment approach, which guide in the determination of the loss allowance to be recognized in the financial statements. The staging of financial assets and definition of default for purposes of determining ECL are further discussed in Note 4.4.

ECL is a function of the probability of default (PD), loss-given default (LGD), and exposure-at-default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement. These elements are discussed more fully in Note 4.4.

The Group calculates ECL either on an individual or a collective basis. For consumer loans which were carried out on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics, such as but not limited to instrument type, credit risk rating, collateral type, product type, historical net charge-offs, industry type, and geographical locations of the borrowers or counterparties. The Group calculates ECL for corporate loans, finance lease receivables, and investment securities at amortized cost on an individual basis.

The Group applies a simplified ECL approach for its accounts receivables and other risk assets wherein the Group uses a provision matrix that considers historical changes in the behavior of the portfolio of credit exposures based on internally collected data to predict conditions over the span of a given observation period. These receivables include claims from various counterparties, which are not originated through the Group's lending activities. For these instruments, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account. With respect to investments in debt securities that are measured at FVOCI, the related loss allowance account is recognized in other comprehensive income and accumulated in the Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

For loan commitments, the loss allowance is recognized as provisions (presented and included as part of Other Liabilities account in the statement of financial position). Where a financial instrument includes a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn commitment; the Group presents a combined allowance for ECL for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as provisions.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(iv) Modification of Loans

When the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers, the Group assesses whether or not the new terms are substantially different to the original terms of the instrument.

In making such assessment, the Group considers, among others:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced that will affect the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and/or,
- Insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation, including for the purpose of determining whether significant increase in credit risk (SICR) has occurred.

However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount between the old financial asset derecognized and the fair value of the new financial asset are recognized in profit or loss as either gain or loss on derecognition of financial assets.

As to the impact on ECL measurement, the expected fair value of the "new" financial asset is treated as the final cash flow from the existing financial asset at the date of derecognition. Such amount is included in the calculation of cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes the gain or loss arising from the modification in profit or loss.

The new gross carrying amount is recalculated by discounting the modified cash flows of the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

As to the impact on ECL measurement, the derecognition of the existing financial asset will result in the expected cash flows arising from the modified financial asset to be included in the calculation of cash shortfalls from the existing financial asset.

(b) Financial Liabilities

Financial liabilities including deposit liabilities, bills payable, bonds payable, accrued interest and other expenses, and other liabilities (except derivatives with negative fair value, tax-related payables, post-employment defined benefit obligation and deferred income)

(c) Financial Guarantees and Undrawn Loan Commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract or agreement. Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized under Other Liabilities account in the statement of financial position.

(d) Derivative Financial Instruments and Hedge Accounting

The Group is a party to various foreign currency forward contracts, cross currency swaps, futures, interest rate swaps, debt warrants, options and credit default swap. These contracts are entered into as a service to customers and as a means of reducing or managing the Group's foreign exchange and interest rate exposures as well as for trading purposes. Amounts contracted are recorded as contingent accounts and are not included in the statement of financial position.

2.5 Bank Premises, Furniture, Fixtures and Equipment

Land is stated at cost less impairment losses, if any. All other bank premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Buildings	20-50 years
Furniture, fixtures and equipment	3-15 years

Leasehold rights and improvements are amortized over the term of the lease or the estimated useful lives of the improvements of 1 to 12 years, whichever is shorter.

2.6 Investment Properties

Investment properties pertain to land, buildings or condominium units acquired by the Group, in settlement of loans from defaulting borrowers through foreclosure or dacion in payment, which are either held by the Group for sale in the next 12 months or being used in the rendering of services or for administrative purposes. This also includes properties held for rental.

Investment properties are stated at cost, less accumulated depreciation and any impairment losses (see Note 2.11).

Transfers from other accounts (such as bank premises, furniture, fixtures and equipment) are made to investment properties when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or holding the property for capital appreciation, while transfers from investment properties are made when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Investment properties, except land, are depreciated on a straight-line basis over a period of 10 to 50 years.

2.7 Intangible Assets

Intangible assets include goodwill, branch licenses, trading right, and computer software licenses which are accounted for under cost model and are reported under Other Resources account in the statement of financial position.

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired at the date of acquisition (see Note 2.3).

Branch licenses represent the rights given by the BSP to the Group to establish a certain number of branches in various areas in the country.

Goodwill and branch licenses are classified as intangible assets with indefinite useful life and, thus, not subject to amortization but are tested annually for impairment (see Note 2.11). After initial recognition, goodwill and branch licenses are subsequently carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those generating units is represented by each primary reporting segment.

Trading right, included as part of Miscellaneous under Other Resources account, represents the right given to RSI, a subsidiary engaged in stock brokerage, to preserve its access to the trading facilities and to transact business at the PSE. Trading right is assessed as having an indefinite useful life. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment, if any. The trading right is tested annually for any impairment in value (see Note 2.11).

Acquired computer software licenses are amortized on a straight line basis over the expected useful lives of the software of three to ten years.

Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives (not exceeding ten years).

2.8 Other Income and Expense Recognition

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all its revenue arrangements except for certain brokerage transactions.

For revenues arising from various services which are to be accounted for under PFRS 15, *Revenue from Contracts from Customers*, the following provides information about the nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

(a) Service fees and Commissions

The following service fees and commissions are recognized as follows:

(i) Commissions and fees – these income arising from loans, deposits, and other banking and brokerage transactions are recognized as income based on agreed terms and conditions with customers, which are generally when the services have been performed.

(ii) Annual membership fees – pertains to annual fees charged to credit cardholders. Revenues from membership fees are recognized over time from the date of renewal of the credit card until the validity date covered by the said renewal, usually termed as the expiry date of the issued cards. The credit card's validity period is deemed to be the servicing period.

(iii) Interchange fees, net of interchange costs – are recognized as income upon presentation by member establishments of charges arising from RBSC and non-RBSC (associated with MasterCard, JCB, VISA and China UnionPay labels) credit card availments passing through the Point of Sale (POS) terminals of the Parent Company. These discounts are computed based on agreed rates and are deducted from the amounts remitted to member establishments. Interchange costs pertain to the other credit card companies' share in RBSC's merchant discounts whenever their issued credit cards transact in the Parent Company's POS terminals.

The Parent Company has a rewards program related to its deposit, loans and credit card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the cardholder. Accordingly, the Parent Company allocates a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders based on relative stand-alone selling price and recognizes liability equivalent to the estimated loyalty points until these are redeemed. Revenue is recognized upon actual redemption by the cardholder.

(iv) Loan syndication fees – are recognized as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.

(v) Underwriting and arrangers fees – are fees arising from negotiating, or participating in the negotiation of a transaction for a third party such as arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized at the completion of the underlying transaction and where there are no further obligations to perform under the agreement.

(b) Trust Fees

These are service fees calculated in reference to the net asset value of the funds managed and deducted from the customer's account balance on a monthly basis which are recognized over time as the asset management services are provided. These are also applicable for wealth management and asset custody services that are continuously provided over an extended period of time.

For other income outside the scope of PFRS 15, the following provides information about the nature and the related revenue recognition policies:

(a) Trading and Securities Gains (Losses)

These are recognized when the ownership of the securities is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the securities disposed of. These also include trading gains and losses as a result of the mark-to-market valuation of investment securities classified as FVTPL.

(b) Gain on Assets Sold

Gain on assets sold arise from the disposals of bank premises, furniture, fixtures and equipment, investment properties, real estate properties for sale, and assets held-for-sale. The Group recognizes the gain on sale at the time the control of the assets is transferred to the buyer, when the Group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the assets sold, and when the collectability of the entire sales price is reasonably assured. Gain on assets sold are included as part of Other Operating Income account in the statement of profit or loss.

(c) Dividend Income

Dividend income is recognized when the Group and Parent Company's right to receive payment is established.

(d) Recoveries from Assets Written Off

These are income recognized from the increase in carrying amount of assets previously written off. The amount of reversal does not exceed the amount of impairment loss previously recognized for the related asset.

Collections from accounts, which did not qualify for revenue recognition are treated as customers' deposit included as part of Accounts payable under Other Liabilities account in the statement of financial position.

2.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease (see Note 3.1).

(c) Sale and Leaseback Transaction

As a seller-lessee, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

2.10 Foreign Currency Transactions and Translations

Except for the foreign subsidiaries and accounts of the Parent Company's FCDU, the accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the period are translated into the functional currency at exchange rates which approximate those prevailing at transaction dates. Resources and liabilities denominated in U.S. dollars are translated to Philippine pesos at the prevailing Philippine Dealing System closing rates (PDSCR) at the end of the reporting period.

For financial reporting purposes, the accounts of the FCDU are translated into their equivalents in Philippine pesos based on the prevailing PDSCR at the end of each reporting period (for resources and liabilities) and at the weighted average PDSCR for the period (for income and expenses). Any foreign exchange difference is recognized in profit or loss.

The translation of the financial statements into Philippine peso should not be construed as a representation that the amounts stated in currencies other than the Philippine peso could be converted in Philippine peso amounts at the translation rates or at any other rates of exchange.

2.11 Impairment of Non-financial Assets

Investments in subsidiaries and associates, bank premises, furniture, fixtures and equipment (including right-of-use asset), investment properties, and other resources (including intangible assets, and assets held for sale and disposal group) and other non-financial assets are subject to impairment testing.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested for impairment either individually or at the CGU level. Except for intangible assets with an indefinite useful life (i.e., goodwill, branch licenses and trading right) or those not yet available for use, individual assets or CGU are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

All assets, except for intangible assets with indefinite useful life, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.12 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group and Parent Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group and Parent Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Application of ECL to Financial Assets at Amortized Cost and Financial Assets at FVOCI

The Group uses the general approach to calculate ECL for all debt instruments carried at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts. The allowance for impairment is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(b) Evaluation of Business Models Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely, its core deposit funding arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

The Group's business models reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belongs to taking into consideration the objectives of each business model established by the Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Group's investment, trading and lending strategies.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with the HTC business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

There is no disposal of HTC investments in 2023 and 2022.

In 2022, the Parent Company started to perform evaluation of its business models for HTC and FVOCI investments as a result of internal changes on how it manages these financial assets. Such changes are determined by senior management as significant to the Parent Company's operations wherein it implemented adjustments to its portfolio strategies in light of the revised long-term outlook following the pandemic and other global developments. Revisions in the business models may result in reclassifications in the categories of portfolio investments to be effected only at the beginning of the next reporting period following the change in business model. The Parent Company expects to complete its assessment before the end of year 2024.

(c) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

(d) Determination of Timing of Satisfaction of Performance Obligation

The Group determines that its revenue shall be recognized at a point in time for loan syndication and underwriting fees and commission. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The services provided by the Group would need substantial reperformance from other entities. This demonstrates that the customers do not simultaneously receive and consume the benefits provided by the Group.

For the revenues from services related to credit card membership and account management, the Group determines that its revenues shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided to the customers. As the work is performed, the Group becomes entitled to payments. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of these services as it performs.

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of offices, branches, and equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract.

The Group did not include renewal options as part of the lease term as the terms are renewable upon mutual agreement.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(f) Distinction Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production, supply process, and in the Group's banking operation.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease) then these portions can be accounted for separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in operations or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property.

(g) Determination of the Classification of Assets/Liabilities under Assets Held-for-Sale and Disposal Group

The Group classifies an asset (or disposal group) as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In determining whether reclassification is in order, the asset (or disposal group) must be available for immediate sale in its present condition subject to usual terms and the same must be highly probable, evidenced by a commitment to a plan to sell the asset, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except if a delay will be caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

(h) Distinction Between Operating and Finance Leases where the Group is the Lessor

The Group has entered into various lease agreements as a lessor. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets or liabilities (see Note 2.9).

In determining whether the lease arrangements of the Parent Company and RCBC LFC qualify as a finance lease, the following factors have been considered:

(i) the lease provides the lessee an option to purchase the asset; or,

(ii) the lease transfers ownership of the property at the end of the lease and the related lease terms approximate the estimate useful life of the asset being leased.

(i) Classification and Determination of Fair Value of Acquired Properties

The Group classifies its acquired properties as Bank Premises, Furniture, Fixtures and Equipment if used in operations, as Assets held-for-sale and disposal group presented under Other Resources account if the Group expects that the assets will be sold within one year from the date of recognition, or as Investment Properties if held for rental or for currently undetermined future use and is regarded as held for capital appreciation, or as financial assets. At initial recognition, the Group determines the fair value of acquired properties through internal and external appraisal depending on the Group's threshold policy. The appraised value is determined based on the current economic and market conditions, as well as the physical condition of the property.

The Group's methodology in determining the fair value of Investment Properties are further discussed in Note 7.4.

(j) *Assessment of Significant Influence on HCPI in which the Group and the Parent Company Holds Less than 20% Ownership*

The management considers that the Group and the Parent Company have significant influence on HCPI even though it holds less than 20% of the outstanding ordinary shares of the latter. In making this judgment, management considered the Group's and the Parent Company's agreement with another stockholder of HCPI to commit and undertake to vote, and to regulate the conduct of voting and the relationship between them with respect to their exercise of their voting rights (see Note 12.1).

(k) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

In dealing with the Group's various legal proceedings, the Group's estimate of the probable costs that may arise from claims and contingencies has been developed in consultation and coordination with the Group's internal and outside counsels acting in defense for the Group and the Parent Company's legal cases and are based upon the analysis of probable results.

Although the Group does not believe that its on-going proceedings, as disclosed in Note 28, will have material adverse effect on the Group's financial position, it is possible that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies conducted relating to those proceedings.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are described in the succeeding page:

(a) Estimation of Expected Credit Loss on Financial Assets

When measuring allowance for ECL for relevant categories of financial assets, management applies judgment in defining the criteria in assessing whether a financial asset has experienced SICR since initial recognition, and in the estimation of the contractual cash flows due from counterparty and those that the Group would expect to receive, taking into account the cash flows from the realization of collateral and integral credit enhancements. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions about future economic conditions and credit behavior of counterparties (e.g., the likelihood of counterparties defaulting and the resulting losses). The computation of the ECL also considers the use of reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other that may result in different levels of loss allowance.

Significant factors affecting the estimates on the ECL model include:

- internal rating matrix which determines the PD to be assigned to a financial asset;
- criteria for assessing if there has been an SICR and when a financial asset will be transferred between the three stages;
- the Group's definition of default for different segments of credit exposures that considers the regulatory requirements;
- establishing groups of similar financial assets (i.e., segmentation) for the purposes of measuring ECL on a collective basis;
- establishment of LGD parameters based on historical recovery rates of claims against defaulted counterparties across different group of financial instruments; and,
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

The explanation of inputs, assumptions and estimation techniques used in measuring ECL and the analysis of the allowance for ECL on various groups of financial instruments is further discussed in Note 4.4.

(b) Fair Value Measurement for Financial Assets at FVTPL and at FVOCI

The Group carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument or other more appropriated valuation techniques (see Note 7.2).

The amount of changes in fair value would differ if the Group had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit or loss or other comprehensive income. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques using the net present value computation (see Note 7.2).

The carrying values of the Group's and the Parent Company's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 10.

(c) Estimation of Useful Lives of Bank Premises, Furniture, Fixtures and Equipment, Right-of-use Assets, Investment Properties, Computer Software, Goodwill, Branch Licenses and Trading Right

The Group estimates the useful lives of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The Group's goodwill, branch licenses and trading right were regarded as having indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

The carrying amounts of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software are analyzed in Notes 13, 14 and 15, respectively, while the carrying amounts of goodwill, branch licenses and trading right are analyzed in Note 15. Based on management's assessment as of December 31, 2023 and 2022, there are no changes in the useful lives of these assets.

(d) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Significant judgment is applied by management to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of the Group's future taxable income together with its future tax planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets.

The carrying values of recognized and unrecognized deferred tax assets as of December 31, 2023 and 2022 are disclosed in Note 25.1.

(e) Estimation of Impairment Losses of Non-financial Assets

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indications are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.11.

The Group assesses impairment on these non-financial assets and considers the following important indicators:

- significant changes in asset usage;
- significant decline in assets' market value;
- obsolescence or physical damage of an asset;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and,
- significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Though management believes that the assumptions used in the estimation of fair values of non-financial assets are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

(f) Determination of Fair Value of Investment Properties

The Group's investment properties are composed of parcels of land, buildings and condominium units which are measured using cost model. The estimated fair value of investment properties disclosed in Note 7.4 is determined by either an independent or internal appraiser on the basis of current appraised values of the properties or similar properties in the same location and condition.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if their fair value will indicate evidence of impairment.

(g) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment.

(h) Recognition of Reward Points

The Group has a reward program related to its deposits, loans and credit card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products.

The Group allocated a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders based on relative stand-alone selling price and recognizes liability equivalent to the estimated loyalty points until these are redeemed.

(i) Valuation of Post-employment Defined Benefits

The determination of the Group's obligation and cost of post-employment defined benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or loss, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and related income or expense, and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions used in estimating such obligation, are presented in Note 23.2.

(j) Determination of Recoverable Amount of Assets Held-for-Sale

In determining the recoverable amount of assets the Group's assets held-for-sale, the estimated fair value less cost to sell are determined by an independent appraiser or internal appraiser based on current appraised values of the properties or similar properties in the same location and condition.

The amount of assets classified as held-for sale by the Group, its impairment and recovery are presented in Notes 15.1 and 16, respectively.

4. RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group is exposed to risks in relation to its operating, investing, and financing activities, and the business environment in which it operates. The Group's objectives in risk management are to ensure that it identifies, measures, monitors, and controls the various risks that arise from its business activities, and that it adheres strictly to the policies, procedures, and control systems which are established to address these risks.

A committee system is a fundamental part of the Group's process of managing risk. The following five committees of the Parent Company's BOD are relevant in this context:

- The Executive Committee, which meets weekly, has the power to act and pass upon such matters as the BOD may entrust to it for action in between BOD meetings. It may also consider and approve loans and other credit related matters, investments, purchase of shares of stock, bonds, securities and other commercial papers for the Bank's portfolio. The Executive Committee also has the power to review an asset or loan to ensure timely resolution and recognition of losses of impaired assets.

- The Risk Oversight Committee (ROC), which meets monthly, carries out the BOD's oversight responsibility for Group's capital adequacy and risk management strategy and actions covering credit, market and operational risks under Pillar I of the Basel framework; as well as the management of other material risks determined under Pillar II and the Internal Capital Adequacy Assessment Process (ICAAP) (see Note 5.2). Risk limits are reviewed and approved by the ROC.

- The Audit and Compliance Committee (ACC), which meets monthly, reviews the results of the Internal Audit examinations and recommends remedial actions to the BOD as appropriate. The ACC also performs oversight functions over the Regulatory Affairs Group on matters such as compliance risk assessment, annual testing work plan, compliance breaches, and other regulatory issues.

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

- The Anti-Money Laundering (AML) Board Committee, which meets monthly, oversees the implementation of the Bank's Money Laundering and Terrorist Financing Prevention Program (MTPP) and ensures that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

Four senior management committees also provide a regular forum to take up risk issues.

- The Credit and Collection Committee (CRECOL), chaired by the Chief Executive Officer (CEO) and composed of the heads of credit risk-taking business units and the head of credit management group, meets weekly to review and approve credit exposures within its authority. It also reviews plans and progress on the resolution of problem loan accounts.

- The Asset/Liability Committee (ALCO), chaired by the Treasurer of the Parent Company and with the participation of the CEO and key business and support unit heads meets weekly to appraise market trends, and economic and political developments. It provides direction in the management of interest rate risk, liquidity risk, foreign currency risk, and trading and investment portfolio decisions. It sets prices or rates for various asset and liability, and trading products, in light of funding costs and competitive and other market conditions. It receives confirmation that market risk limits (as described in the succeeding pages) are not breached; or if breached, it provides guidance on the handling of the relevant risk exposure in between ROC meetings.

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

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

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

The Parent Company established a Risk Management Group (RMG), headed by the Chief Risk Officer, to ensure that consistent implementation of the objectives of risk identification, measurement and/or assessment, mitigation, and monitoring are pursued via practices commensurate with the group-wide risk profile.

In addition to established risk management systems and controls, the Group holds capital commensurate with the levels of risk it undertakes (see Note 5), in accordance with regulatory capital standards and internal benchmarks set by the Parent Company's BOD.

4.1 Group's Strategy in Using Financial Instruments

It is the Group's intent to generate returns mainly from the traditional financial intermediation and service-provision activities, augmented by returns from positions based on views on the financial markets. The main source of risk, therefore, remains to be that arising from credit risk exposures. Nevertheless, within BSP regulatory constraints, and subject to limits and parameters established by the BOD and/or the ROC, the Group is exposed to liquidity risk and interest rate risk inherent in the Group's operations, and other market risks, which include foreign exchange risk.

In the course of performing financial intermediation function, the Group accepts deposits from customers at fixed and floating rates, and for various periods, and seeks to earn interest margins by investing these funds in high-quality assets. The conventional strategy to enhance net interest margin is the investment of short-term funds in longer-term assets, such as fixed-income securities. While, in doing so, the Group maintains liquidity at prudent levels to meet all claims that fall due, the Group fully recognizes the consequent interest rate risk exposure.

The Group's investment portfolio is composed mainly of marketable, sovereign and corporate debt instruments.

The Parent Company was granted by the BSP additional derivatives authorities effective January 2011. Products approved under the Limited Dealer Authority (Type 2) are foreign currency forwards, non-deliverable forwards, interest rate and cross currency swaps while credit-linked notes and bond options were approved under the Limited User Authority (Type 3). In February 2012, bond forwards, non-deliverable swaps and foreign exchange options have been included under the same Type 3 license. In June 2013, the Parent Company was granted a Type 2 license non-deliverable swaps, foreign currency options, bond and interest rate options, and asset swaps. During the same period, additional Type 3 licenses for foreign exchange-option and bond-option linked notes were likewise approved. The Parent Company's derivatives portfolio consists mostly of short-term currency forward contracts and swaps, and interest rate swaps and futures.

4.2 Liquidity Risk

Liquidity risk refers to current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. The Group manages liquidity risk by limiting the maturity mismatch between assets and liabilities, and by holding sufficient liquid assets of appropriate quality and marketability.

The Group recognizes the liquidity risk inherent in its activities, and identifies, measures, monitors and controls the liquidity risk inherent to the members of the Group which are financial intermediaries.

The Group's liquidity policy is to manage its operations to ensure that funds available are more than adequate to meet demands of its customers and to enable deposits to be repaid on maturity. The Group's liquidity policies and procedures are set out in its funding and liquidity plan which contains certain funding requirements based on assumptions and uses resources and liability maturity gap analysis.

The Group uses Maximum Cumulative Outflow (MCO) model to measure liquidity risk arising from mismatches of assets and liabilities. MCO is a liquidity gap tool to project cash flow expectations on a status quo condition. The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time buckets based cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products.

The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report which realistically captures the behavior of the products and creates a forward-looking cash flow projection.

The Group monitors MCO regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO. The subsidiaries generate at least monthly their respective MCO reports. The liquidity profile of the Group is reported monthly to the Parent Company's ROC. To supplement the status quo scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and events to the Group's liquidity profile.

The gap analyses as of December 31, 2023 and 2022 are presented below.

	Group 2023					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 190,847	P 1,502	P 1,727	P 1	P 56,031	P 250,108
Investment - net	9,989	3,818	112,095	201,914	2,926	330,742
Loans and receivables - net	38,995	29,486	153,155	151,395	249,118	622,149
Other resources - net	7,716	6,507	1,100	1,354	18,656	35,333
Total resources	247,547	41,313	268,077	354,664	326,731	1,238,332
Liabilities:						
Deposit liabilities	184,137	15,725	22,859	7	733,984	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	12,833	16,507	297	411	13,500	43,548
Total liabilities	239,668	65,334	31,635	814	748,606	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	239,668	65,334	31,635	814	900,881	1,238,332
On-book gap	7,879	(24,021)	236,442	353,850	(574,150)	-
Cumulative on-book gap	7,879	(16,142)	220,300	574,150	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	(18,527)
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	**(10,599)**	**(24,070)**	**236,442**	**353,850**	**(574,150)**	**18,527**
Cumulative total gap	**(P 10,599)**	**(P 34,669)**	**P 201,773**	**P 555,623**	**(P 18,527)**	**P -**

	Group 2022 One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 143,756	P 1,941	P 2,583	P 1	P 60,042	P 208,323
Investment - net	104,192	6,773	69,882	187,972	5,546	374,365
Loans and receivables - net	31,278	23,537	39,306	47,412	398,315	539,848
Other resources - net	3,230	4,109	1,195	294	22,744	31,572
Total resources	282,456	36,360	112,966	235,679	486,647	1,154,108
Liabilities:						
Deposit liabilities	182,086	24,074	10,413	4	640,667	857,244
Bills payable	48,571	10,848	6,863	-	378	66,660
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	14,506	11,385	428	-	13,113	39,432
Total liabilities	270,244	60,050	53,291	4	654,158	1,037,747
Equity	-	-	-	-	116,361	116,361
Total liabilities and equity	270,244	60,050	53,291	4	770,519	1,154,108
On-book gap	12,212	(23,690)	59,675	235,675	(283,872)	-
Cumulative on-book gap	12,212	(11,478)	48,197	283,872	-	-
Contingent resources	41,796	-	-	-	-	41,796
Contingent liabilities	62,608	-	-	-	-	62,608
Off-book gap	(20,812)	-	-	-	-	(20,812)
Cumulative off-book gap	(20,812)	(20,812)	(20,812)	(20,812)	(20,812)	-
Periodic gap	(8,600)	(23,690)	59,675	235,675	(283,872)	20,812
Cumulative total gap	(P 8,600)	(P 32,290)	P 27,385	P 263,060	(P 20,812)	P -

	Parent Company 2023					
	One to Three Months	**Three Months to One Year**	**One to Five Years**	**More than Five Years**	**Non-maturity**	**Total**
Resources:						
Cash and cash equivalents	P 170,128	P 20,756	P 1,118	P 1	P 55,938	P 247,941
Investments - net	10,134	408	112,095	203,726	2,080	328,443
Loans and receivables - net	38,525	28,726	148,270	151,286	249,094	615,901
Other resources - net	7,630	6,350	1,100	1,499	22,026	38,605
Total resources	226,417	56,240	262,583	356,512	329,138	1,230,890
Liabilities:						
Deposit liabilities	183,600	15,579	22,856	8	735,326	957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	11,853	16,483	297	1,275	12,451	42,359
Total liabilities	237,767	62,871	28,530	1,679	747,777	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	237,767	62,871	28,530	1,679	900,043	1,230,890
On-book gap	(11,350)	(6,631)	234,053	354,833	(570,905)	-
Cumulative on-book gap	(11,350)	(17,981)	216,072	570,905	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	**(29,833)**	**(6,680)**	**234,053**	**354,833**	**(570,905)**	**18,532**
Cumulative total gap	**(P 29,833)**	**(P 36,513)**	**P 197,540**	**P 552,373**	**(P 18,532)**	**P -**

	Parent Company 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-maturity	Total
Resources:						
Cash and cash equivalents	P 142,520	P 1,525	P 1,316	P 1	P 60,958	P 206,320
Investments - net	102,319	6,773	69,882	187,972	4,786	371,732
Loans and receivables - net	30,438	22,856	32,869	47,409	398,621	532,193
Other resources - net	3,106	4,109	1,195	294	25,800	34,504
Total resources	278,383	35,263	105,262	235,676	490,165	1,144,749
Liabilities:						
Deposit liabilities	181,529	23,903	10,410	4	641,793	857,639
Bills payable	48,142	8,995	1,254	-	-	58,391
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	13,975	11,366	428	-	12,255	38,024
Total liabilities	268,727	58,007	47,679	4	654,048	1,028,465
Equity	-	-	-	-	116,284	116,284
Total liabilities and equity	268,727	58,007	47,679	4	770,332	1,144,749
On-book gap	9,656	(22,744)	57,583	235,672	(280,167)	-
Cumulative on-book gap	9,656	(13,088)	44,495	280,167	-	-
Contingent resources	41,767	-	-	-	-	41,767
Contingent liabilities	48,956	-	-	-	-	48,956
Off-book gap	(7,189)	-	-	-	-	(7,189)
Cumulative off-book gap	(7,189)	(7,189)	(7,189)	(7,189)	(7,189)	-
Periodic gap	2,467	(22,744)	57,583	235,672	(280,167)	7,189
Cumulative total gap	P 2,467	(P 20,277)	P 37,306	P 272,978	(P 7,189)	P -

Pursuant to applicable BSP regulations, the Group is required to maintain reserves against deposit liabilities which are based on certain percentages of deposits. The required reserves against deposit liabilities shall be kept in the form of deposits placed in the Group's demand deposit accounts with the BSP. The BSP also requires the Parent Company to maintain asset cover of 100% for foreign currency-denominated liabilities of its FCDU.

4.2.1 Foreign Currency Liquidity Management

The liquidity risk management policies and objectives described also apply to the management of any foreign currency to which the Group maintains significant exposure. Specifically, the Group ensures that its measurement, monitoring, and control systems account for these exposures as well. The Group sets and regularly reviews limits on the size of the cash flow mismatches for each significant individual currency and in aggregate over appropriate time horizons. The Group also assesses its access to foreign exchange markets when setting up its risk limits.

Following MORB Section 130 and Appendices 94, 95, and 96 on ICAAP, the Group likewise calculates and maintains a level of capital needed to support unexpected losses attributable to liquidity risk (see Note 5.2).

4.2.2 Liquidity Risk Stress

To augment the effectiveness of the Group's gap analysis, the Group regularly assesses liquidity risk based on behavioral and hypothetical assumptions under stress conditions. Survivability and resilience of the Group are assessed for a minimum stress period of 30 days for all crisis scenarios enumerated in MORB Section 145 and Appendix 71: *Guidelines on Liquidity Risk Management*. The results of these liquidity stress simulations are reported monthly to ALCO and ROC.

4.3 Market Risk

The Group's exposure to market risk is the potential diminution of earnings arising from the adverse movement of market interest rates and foreign exchange rates, as well as the potential loss of market value, primarily of its holdings of foreign exchange currencies, debt securities and derivatives.

The market risks of the Group are: (a) foreign exchange risk, (b) interest rate risk and (c) equity price risk. The Group manages these risks via a process of identifying, analyzing, measuring and controlling relevant market risk factors, and establishing appropriate limits for the various exposures. The market risk metrics in use, each of which has a corresponding limit, include the following:

- Nominal Position – an open risk position that is held as of any point in time expressed in terms of the nominal amount of the exposure.

- Dollar Value of 01 (DV01) – an estimate of the price impact due to a one-basis point change in the yield of fixed income securities. It effectively captures both the nominal size of the portfolio as well as its duration. A given DV01 limit accommodates various combinations of portfolio nominal size and duration, thus providing a degree of flexibility to the trading/risk taking function, but at the same time represents a ceiling to the rate sensitivity of the exposure according to the Group's risk appetite.

- Value-at-Risk (VaR) – an estimate of the amount of loss that a given risk exposure is unlikely to exceed during a given time period, at a given level of statistical confidence. Analytically, VaR is the product of: (a) the sensitivity of the market value of the position to movements of the relevant market risk factors, and (b) the volatility of the market risk factor for the given time horizon at a specified level of statistical confidence. Typically, the Group uses a 99% confidence level for this measurement. VaR is used as a risk measure for trading positions, which are marked-to-market (as opposed to exposures resulting from banking, or accrual, book resources and liabilities). Foreign Exchange Position VaR uses a one-day holding period, while Fixed Income VaR uses a defeasance period assessed periodically as appropriate to allow an orderly unwinding of the position. VaR models are back-tested to ensure that results remain consistent with the expectations based on the chosen statistical confidence level. The Bank employs appropriate back-testing methodology to perform a "reality check" on the models used. More specifically, the current back-test procedure employs the "hypothetical P&L" method where the daily position from which the VaR was computed is marked-to-market using the closing price of that day and the closing price of the next trading day. Any change in value in excess of the day's VaR is treated as an exception.

The Parent Company uses VaR as an important tool for measuring market risk, they are cognizant of its limitations, notably the following:

- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

- VaR is based on historical volatility. Future volatility may be different due to either random, one-time events or structural changes (including changes in correlation). VaR may be unable to capture volatility due to either of these.

- The holding period assumption may not be valid in all cases, such as during periods of extremely stressed market liquidity.

- VaR is, by definition, an estimate at a specified level of confidence. Losses may occur beyond VaR. A 99% VaR implies that losses can exceed VaR 1% of the time.

- In cases where a parametric distribution is assumed to calculate VaR, the assumed distribution may not fit the actual distribution well.

- VaR assumes a static position over the holding period. In reality, trading positions change, even during the trading day.

In addition to the limits corresponding to the above measurements, the following are also in place:

- Loss Limit – represents a ceiling on accumulated month-to-date and year-to-date losses. For trading positions, a Management Action Trigger (MAT) is also usually defined to be at 50% of the Loss Limit. When MAT is breached, the risk-taking unit must consult with ALCO for approval of a course of action moving forward.

- Product Limit – the nominal position exposure for certain specific financial instruments is established.

Stress Testing, which uses more severe rate/price volatility and/or holding period assumptions, (relative to those used for VaR) is applied to marked-to-market positions to arrive at "worst case" loss estimates. This supplements the VaR measure, in recognition of its limitations mentioned above.

A summary of the VaR position of the trading portfolios at December 31 is as follows:

	Group and Parent Company			
	At December 31	**Average**	**Maximum**	**Minimum**
2023:				
Foreign currency risk	P 45	P 77	P 215	P 14
Interest rate risk	638	374	640	225
Overall	**P 683**	**P 451**	**P 855**	**P 239**
2022:				
Foreign currency risk	P 54	P 56	P 106	P 27
Interest rate risk	639	435	639	376
Overall	P 693	P 491	P 745	P 403

	Group and Parent Company			
	At December 31	Average	Maximum	Minimum
2021:				
Foreign currency risk	P 51	P 56	P 112	P 37
Interest rate risk	501	425	769	183
Overall	P 552	P 481	P 881	P 220

4.3.1 Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The net foreign exchange exposure, or the difference between foreign currency denominated assets and foreign currency denominated liabilities, is capped by current BSP regulations. Compliance with this ceiling by the Group and the respective foreign currency positions of its subsidiaries are reported to the BSP on a daily basis as required. Beyond this constraint, the Group manages its foreign exchange exposure by limiting it within the conservative levels justifiable from a return/risk perspective. In addition, the Group regularly calculates VaR for each currency position, which is incorporated in the foregoing market risk management discussion.

The following table sets forth the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity of the Group and Parent Company:

	Group and Parent Company					
	2023			2022		
	Change in currency rate in %	**Effect on profit before tax**	**Effect on equity**	Change in currency rate in %	Effect on profit before tax	Effect on equity
Currency:						
USD	**+1.00%**	**(P 4)**	**(P 4)**	+1.00%	P -	P -
	-1.00%	**4**	**4**	-1.00%	-	-
EUR	**+1.00%**	**(4)**	**(4)**	+1.00%	(1)	(1)
	-1.00%	**4**	**4**	-1.00%	1	1
GBP	**+1.00%**	**2**	**2**	+1.00%	(2)	(2)
	-1.00%	**(2)**	**(2)**	-1.00%	2	2
Others	**+1.00%**	**7**	**7**	+1.00%	5	5
	-1.00%	**(7)**	**(7)**	-1.00%	(5)	(5)

Closing exchange rates and weighted average rates (WAR) of USD to Philippine peso as of and for each of the year ended December 31 are as follows:

	2023	2022	2021
Closing	**P 55.37**	P 55.76	P 50.99
WAR	**55.51**	55.58	49.26

The breakdown of the financial resources and financial liabilities as to foreign and Philippine peso-denominated balances, after elimination of intercompany accounts or transactions, as of December 31 follows:

	Group		
	Foreign Currencies	Philippine Pesos	Total
2023:			
Resources:			
Cash and other cash items	P 1,146	P 18,729	P 19,875
Due from BSP	-	151,762	151,762
Due from other banks	13,836	1,056	14,892
Loans arising from reverse repurchase agreements	-	35,799	35,799
Financial assets at FVTPL	3,788	7,990	11,778
Financial assets at FVOCI	17,582	64,855	82,437
Investment securities at amortized cost - net	87,444	149,083	236,527
Loans and receivables - net	85,639	564,290	649,929
Other resources - net	40	1,419	1,459
	P 209,475	**P 994,983**	**P 1,204,458**
Liabilities:			
Deposit liabilities	P 189,457	P 767,255	P 956,712
Bills payable	43,957	6,901	50,858
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,716	10,745
Other liabilities	1,610	25,380	26,990
	P 251,106	**P 829,138**	**P 1,080,244**
2022:			
Resources:			
Cash and other cash items	P 1,111	P 16,967	P 18,078
Due from BSP	-	156,664	156,664
Due from other banks	4,866	970	5,836
Loans arising from reverse repurchase agreements	-	8,724	8,724
Financial assets at FVTPL	392	6,645	7,037
Financial assets at FVOCI	46,124	68,822	114,946
Investment securities at amortized cost - net	118,135	134,247	252,382
Loans and receivables - net	85,911	472,958	558,869
Other resources - net	417	787	1,204
	P 256,956	P 866,784	P 1,123,740
Liabilities:			
Deposit liabilities	P 170,613	P 686,631	P 857,244
Bills payable	58,391	8,269	66,660
Bonds payable	41,782	32,629	74,411
Accrued interest and other expenses	1,507	6,350	7,857
Other liabilities	1,028	24,305	25,333
	P 273,321	P 758,184	P 1,031,505

	Parent Company		
	Foreign Currencies	Philippine Pesos	Total
2023:			
Resources:			
Cash and other cash items	P 1,146	P 18,666	P 19,812
Due from BSP	-	150,771	150,771
Due from other banks	13,819	811	14,630
Loans arising from reverse repurchase agreements	-	34,948	34,948
Financial assets at FVTPL	3,788	7,166	10,954
Financial assets at FVOCI	17,576	64,181	81,757
Investment securities at amortized cost - net	87,444	148,288	235,732
Loans and receivables - net	85,639	558,042	643,681
Other resources - net	40	1,417	1,457
	P 209,452	**P 984,290**	**P 1,193,742**
Liabilities:			
Deposit liabilities	P 189,457	P 767,912	P 957,369
Bills payable	43,957	-	43,957
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,446	10,475
Other liabilities	1,610	24,608	26,218
	P 251,106	**P 821,852**	**P 1,072,958**
2022:			
Resources:			
Cash and other cash items	P 1,111	P 16,913	P 18,024
Due from BSP	-	155,340	155,340
Due from other banks	4,866	517	5,383
Loans arising from reverse repurchase agreements	-	8,552	8,552
Financial assets at FVTPL	392	5,747	6,139
Financial assets at FVOCI	46,124	68,141	114,265
Investment securities at amortized cost - net	118,135	133,193	251,328
Loans and receivables - net	85,911	465,303	551,214
Other resources - net	417	785	1,202
	P 256,956	P 854,491	P 1,111,447
Liabilities:			
Deposit liabilities	P 170,613	P 687,026	P 857,639
Bills payable	58,391	-	58,391
Bonds payable	41,782	32,629	74,411
Accrued interest and other expenses	1,507	6,156	7,663
Other liabilities	1,028	23,259	24,287
	P 273,321	P 749,070	P 1,022,391

4.3.2 Interest Rate Risk in the Banking Book (IRRBB)

The interest rate risk inherent in the Group's financial statements arises from re-pricing mismatches between financial assets and financial liabilities. The IRRBB Management Framework details the Group's policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

To aid the Group in managing IRRBB, the following measurement techniques are used. These are prepared and reported to ALCO and ROC, on a monthly basis.

Technique	Description
Interest Rate Gap or Re-pricing Gap	*Contractual Gap* Measures the sensitivity of assets, liabilities and off-balance sheet items towards changes in the market interest rates based on the re-pricing frequency of each item. *Behavioral Gap* Behavioral assumption (BeA) is applied to the contractual cash flows to reflect sensitivity to market conditions or behavioral characteristics (i.e., early redemption of deposits, prepayment of loans, etc.).
Earnings Approach	
Net Interest Income at Risk	Measures the sensitivity of earnings to market interest rates movements over a short- and medium-term horizon. Interest rate volatility is based on the maximum volatility of the 1-mo, 3-mo, 6-mo and 1-yr tenors over a 260-day look back.
Economic Value Approach	
Earnings-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting Net Interest Income (NII)-at-Risk and fair value through profit and loss portfolio value-at-risk (FVTPL VaR).
Capital-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting EaR and fair value through other comprehensive income value-at-risk (FVOCI VaR).
Economic Value of Equity (EVE)	Measures the sensitivity of economic value of all non-trading book assets, liabilities and interest rate sensitive off-balance sheet products to interest rate movements over a longer time horizon.
Stress Test	Assesses the ability to withstand such changes, usually in relation to the capacity of its capital and earnings to absorb potentially significant loses. Stress testing, which includes both scenario and sensitivity analysis, is an integral part of IRR management. Scenario analysis estimates possible outcomes given an event or series of events, while sensitivity analysis estimates the impact of change in one or only a few of model's significant parameters. *Earnings approach*: NII-at-Risk Stress Test assumes gradual increase in Peso and USD interest rates to 400bps and 300bps, respectively. These are based on past local and global market events. *Economic Value approach*: The EVE Stress Test uses Basel's six interest rate scenarios to capture parallel and non-parallel gap risks. The standardized scenarios are as follows: 1) parallel shock up; 2) parallel shock down; 3) steepener shock (short rates down and long rates up); 4) flattener shock (short rates up and long rates down; 5) short rates shock up; and, 6) short rates shock down.

The interest rate gap analyses of financial assets and financial liabilities as of end of the reporting period based on re-pricing maturities are shown in the succeeding pages. It should be noted that such interest rate gap analyses are based on the following key assumptions:

- Loans and time deposits are subject to re-pricing on their contractual maturity dates. Non-performing loans (NPL), however, are not re-priced;
- Debt securities at amortized cost are bucketed based on their re-pricing profile;
- Held-for-trading securities and derivatives are considered as non-rate sensitive; and,
- For financial assets and financial liabilities with no definite re-pricing schedule or maturity, slotting is based on the Group's empirical assumptions.

These assumptions are reviewed on a regular basis. Similarly, other assumptions and behavioral models used in the preparation of other IRRBB metrics are also being reviewed, annually, at the minimum.

	Group 2023					
	One to Three Months	**Three Months to One Year**	**One to Five Years**	**More than Five Years**	**Non-rate Sensitive**	**Total**
Resources:						
Cash and cash equivalents	P 166,452	P 2,103	P 29,153	P 32,376	P 20,024	P 250,108
Investments - net	1,822	3,286	69,910	243,158	12,566	330,742
Loans and receivables - net	391,011	58,068	132,177	5,557	35,336	622,149
Other resources - net	7,772	988	1,113	1,693	23,767	35,333
Total resources	567,057	64,445	232,353	282,784	91,693	1,238,332
Liabilities:						
Deposit liabilities	458,990	44,396	237,728	215,292	306	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	55	223	44	1,574	41,652	43,548
Total liabilities	501,743	77,721	246,251	217,262	43,080	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	501,743	77,721	246,251	217,262	195,355	1,238,332
On-book gap	65,314	(13,276)	(13,898)	65,522	(103,662)	-
Cumulative on-book gap	65,314	52,038	38,140	103,662	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	(18,527)
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	**46,836**	**(13,325)**	**(13,898)**	**65,522**	**(103,662)**	**(18,527)**
Cumulative total gap	**P 46,836**	**P 33,511**	**P 19,613**	**P 85,135**	**(P 18,527)**	**P -**

	Group 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 162,611	P 4,970	P 1,403	P 21,010	P 18,329	P 208,323
Investments - net	99,525	6,838	69,910	187,876	10,216	374,365
Loans and receivables - net	229,590	92,608	132,177	30,710	54,763	539,848
Other resources - net	3,283	1,082	1,113	423	25,671	31,572
Total resources	495,009	105,498	204,603	240,019	108,979	1,154,108
Liabilities:						
Deposit liabilities	476,848	76,158	156,993	146,761	484	857,244
Bills payable	48,571	10,848	6,863	-	378	66,660
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	839	132	252	-	38,209	39,432
Total liabilities	551,339	100,881	199,695	146,761	39,071	1,037,747
Equity	-	-	-	-	116,361	116,361
Total liabilities and equity	551,339	100,881	199,695	146,761	155,432	1,154,108
On-book gap	(56,330)	4,617	4,908	93,258	(46,453)	-
Cumulative on-book gap	(56,330)	(51,713)	(46,805)	46,453	-	-
Contingent resources	41,796	-	-	-	-	41,796
Contingent liabilities	62,608	-	-	-	-	62,608
Off-book gap	(20,812)	-	-	-	-	(20,812)
Cumulative off-book gap	(20,812)	(20,812)	(20,812)	(20,812)	(20,812)	-
Periodic gap	(77,142)	4,617	4,908	93,258	(46,453)	(20,812)
Cumulative total gap	(P 77,142)	(P 72,525)	(P 67,617)	P 25,641	(P 20,812)	P -

	Parent Company 2023					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 126,153	P 1,547	P 28,545	P 71,884	P 19,812	P 247,941
Investments - net	282	3,286	112,230	195,089	17,556	328,443
Loans and receivables - net	425,330	57,308	98,344	5,538	29,381	615,901
Other resources - net	15,137	988	1,061	115	21,304	38,605
Total resources	566,902	63,129	240,180	272,626	88,053	1,230,890
Liabilities:						
Deposit liabilities	458,452	44,250	238,758	215,909		957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	-	199	44	1,273	40,843	42,359
Total liabilities	500,766	75,258	244,179	217,578	40,843	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	500,766	75,258	244,179	217,578	193,109	1,230,890
On-book gap	66,136	(12,129)	(3,999)	55,048	(105,056)	-
Cumulative on-book gap	66,136	54,007	50,008	105,056	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	**47,653**	**(12,178)**	**(3,999)**	**55,048**	**(105,056)**	**(18,532)**
Cumulative total gap	**P 47,653**	**P 35,475**	**P 31,476**	**P 86,524**	**(P 18,532)**	**P -**

	Parent Company 2022					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	P 161,376	P 4,554	P 136	P 22,230	P 18,024	P 206,320
Investments - net	97,653	6,838	69,910	187,876	9,455	371,732
Loans and receivables - net	228,750	91,927	125,740	30,708	55,068	532,193
Other resources - net	3,159	1,081	1,113	423	28,728	34,504
Total resources	490,938	104,400	196,899	241,237	111,275	1,144,749
Liabilities:						
Deposit liabilities	476,290	75,987	157,801	147,395	166	857,639
Bills payable	48,142	8,995	1,254	-	-	58,391
Bonds payable	25,081	13,743	35,587	-	-	74,411
Other liabilities	308	114	252	-	37,350	38,024
Total liabilities	549,821	98,839	194,894	147,395	37,516	1,028,465
Equity	-	-	-	-	116,284	116,284
Total liabilities and equity	549,821	98,839	194,894	147,395	153,800	1,144,749
On-book gap	(58,883)	5,561	2,005	93,842	(42,525)	-
Cumulative on-book gap	(58,883)	(53,322)	(51,317)	42,525	-	-
Contingent resources	41,767	-	-	-	-	41,767
Contingent liabilities	48,956	-	-	-	-	48,956
Off-book gap	(7,189)	-	-	-	-	(7,189)
Cumulative off-book gap	(7,189)	(7,189)	(7,189)	(7,189)	(7,189)	-
Periodic gap	(66,072)	5,561	2,005	93,842	(42,525)	7,189
Cumulative total gap	(P 66,072)	(P 60,511)	(P 58,506)	P 35,336	(P 7,189)	P -

The table below summarizes the potential impact on the Group and the Parent Company's annual interest income of parallel rate shifts using the re-pricing.

	Changes in Interest Rates (in basis points)			
	- 100	**- 200**	**+ 100**	**+ 200**
December 31, 2023				
Group	**(P 517)**	**(P 1,033)**	**P 517**	**P 1,033**
Parent Company	**(529)**	**(1,058)**	**529**	**1,058**
December 31, 2022				
Group	P 459	P 918	(P 459)	(P 918)
Parent Company	480	960	(480)	(960)

4.3.3 Equity Price Risk

The Group's exposure to price risk on equity securities held and classified in the statement of financial position as financial assets at FVTPL or financial assets at FVOCI (under Trading and Investment Securities account) as of December 31, 2023 and 2022 is managed through diversification of portfolio and monitoring of changes in market prices. Diversification of the portfolio is done in accordance with the limits set by the Group.

Moreover, RCBC Capital and RSI estimate the potential loss and determine the market and position risk requirement on equity securities at FVTPL in the computation of the market and position risk requirement for all equity positions.

RCBC Capital uses the delta-normal approach as its VaR model to estimate the daily potential loss that can be incurred from equity securities held for trading. VaR is a key measure in the management of market price risk. RCBC Capital uses a 99% confidence level and a minimum 260-day observation period in VaR calculation. In addition, RSI computes its market and position risk for all equity positions, if any, in conjunction with the Risk Based Capital Adequacy ratio required to be maintained. Market and position risk requirement is calculated using position risk factor multiplied by mark-to-market value security.

4.4 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default, and arises from lending, trade finance, treasury, derivatives and other activities undertaken by the Group. The Group manages credit risk through a system of policies and authorities that govern the processes and practices of all credit-originating and borrowing relationship management units.

The Enterprise Risk Division of RMG assists senior management: (a) in establishing risk concentration limits at the portfolio level; and (b) in the continuous monitoring of the actual credit risk portfolio from the perspective of those limits and other risk management objectives. The Credit Management Group (CMG), on the other hand, is responsible for: (a) the development of credit policies relating to account management; (b) the financial evaluation and credit risk rating of borrowers; and, (c) asset quality review.

At the individual borrower level, exposure to credit risk is managed via adherence to a set of policies, the most notable features of which, in this context, are: (a) credit approving authority, except as noted below, is not exercised by a single individual but rather, through a hierarchy of limits that is effectively exercised collectively; (b) business center (BC) managers have limited approval authority only for credit exposure related to deposit-taking operations in the form of bills purchase, acceptance of second endorsed checks and 1:1 loan accommodations; (c) an independent credit risk assessment by the CMG of large corporate and middle-market borrowers, summarized into a borrower risk rating, is provided as input to the credit decision-making process; and, (d) borrower credit analysis is performed at origination and at least annually thereafter or co-terminus with the renewal of the credit line. In addition, adverse economic and market conditions that may impact a certain borrower or a group of borrowers may trigger the Group to conduct a special credit review prior to expiry of credit line.

CMG also identifies homogenous target market and design Credit Programs that will accelerate credit processing of accounts without sacrificing underwriting quality, and, set up enhanced data framework that would deepen the Bank's ability to identify potential problem accounts earlier.

In 2023, the Bank engaged an independent consultant to conduct an independent validation and refresh of the Bank's ECL model parameters, assumptions, design, and calibration. As a result of this refresh, the Bank made the following adjustments to its model:

- accounts with 1 to 30 days past due (DPD) are classified as Stage 1 instead of Stage 2 (see Note 4.4.3);
- a 12-month performance window is observed to consider the probability of an account defaulting in the future (see Note 4.4.5);
- periods affected by the COVID-19 were excluded from the computation of default rates (Note 4.4.6);
- a mean reversion approach was used for consumer loans to project the macroeconomic variables (MEVs) influencing the associated credit risk of the borrowers (Note 4.4.5); and
- the Vasicek equation was used to transform through-the-cycle PDs into point-in-time PDs (Note 4.4.5).

The updated ECL framework of the Bank was approved by ROC on January 19, 2024.

4.4.1 Concentrations of Credit Risk

Credit risk concentration in the context of banking generally denotes the risk arising from an uneven distribution of counterparties in credit or in any other business relationships, or from a concentration in business sectors or geographic regions which is capable of generating losses large enough to jeopardize an institution's solvency. The Group monitors concentrations of credit risk by sector.

An analysis of concentrations of credit risk of the loan portfolio at the end of the reporting period is shown in Note 33.

In the course of the Group's implementation of ICAAP (see Note 5.2), it adopts a quantification of credit risk concentration following frameworks prescribed by some of the more advanced European central banks as well as established concentration metrics. Using sector distribution as a tool, the Group performs a straightforward application of the Herfindahl-Hirshman Index (HHI) to determine the existence of credit risk concentration. The Group supplements this methodology with the use of the Comprehensive Concentration Index (CCI) to monitor and analyze name concentration.

The Group, however, recognizes the inherent limitations of the use of HHI and CCI to assess credit concentration risk. To augment this measure and to appropriately manage said risk, the Group performs an in-depth analysis of its large borrowing groups. To ensure the independence of this process, the review and analysis are done during the ROC meetings.

4.4.2 Credit Risk Assessment

The Group's credit risk assessment is performed based on the different segments of financial asset portfolio such as (a) corporate, which generally include corporate banking group loans, commercial and small-medium size segment loans, lease contract and finance receivables, and unquoted debt securities classified as loan (UDSCL), (b) retail, which include housing, auto, credit cards, and microfinance lending; and, (c) treasury, which covers credit exposures on debt securities under the Group's HTC portfolio and financial assets at FVOCI. The Group also established credit risk assessment procedures for sales contract receivables and other risk assets including accounts receivables.

i. *Corporate Loans*

Loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. The Group's estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions (or industry performance), expected cash flows, and the passage of time. The assessment of credit risk of a portfolio of assets requires further estimations as to the PDs occurring, of the associated loss ratios, and of default correlations between counterparties; accordingly, such credit risk is measured using PD, LGD, and EAD, for purposes of measuring ECL.

The Group uses its internal credit risk rating system (ICRRS) to determine any evidence of potential deterioration in the quality of an instrument that takes into consideration both quantitative and qualitative criteria. The rating system classifies performing accounts from a scale of AAA indicating an extremely strong capacity of the counterparty to meet financial commitments down to ratings lower than CCC demonstrating weakness in the counterparty's economic and financial condition that could lead to payment default on financial commitments. Past due accounts, accounts identified for phase-out and those that exhibit the characteristics of classified loans shall be risk-rated following the guidelines on credit classification per BSP Manual of Regulations for Banks and under the BSP Circular No. 1011, i.e., Especially Mentioned, Substandard, Doubtful or Loss. These guidelines are used by the Group to assign the individually assessed loan or a group of loans within a particular portfolio segment to a specific stage category under the PFRS 9 loan impairment standards (i.e., Stage 1, 2, 3).

The ICRRS is established by the Group in congruence with and with reference to the credit risk rating methodology used by Standard & Poor's (S&P) in measuring the creditworthiness of an individual borrower, whether the related borrowing is still performing or current in status. The risk ratings determined by the Group for its portfolio of loans and receivables at a given review date is updated to consider the possible shift in the economy or business environment or circumstances affecting the industry and the entity or borrower, in particular. Accordingly, a periodic assessment of credit quality may improve the borrower's rating or it could lead to one or more rating downgrades over time; hence, could lead to the transfer of credit exposure in different stages of impairment. The credit risk ratings in ICRRS are calibrated such that the risk of default increases exponentially at each higher risk rating (e.g., a difference in the PD between a risk rating of A and A- is lower than the difference in the PD between a B and B- risk rating).

In the process of applying the Group's ICRRS in determining the credit quality of loans and receivables, the Group analyzes the credit quality of the borrowers and counterparties through a set of criteria and rating scale classified into the following:

Rating Scale	Rating Description/Criteria
AAA	Extremely strong capacity to meet financial commitments.
AA*	Very strong capacity to meet financial commitments.
A*	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.
BBB*	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

Rating Scale	Rating Description/Criteria
BB*	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
B*	More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
CCC and below*	Not at risk of loss at the moment and the borrower has the financial capacity to meet its obligations but its exposure to adverse business, financial or economic conditions has weakened it and, unless present trends are reversed, could eventually lead to losses.
Especially Mentioned	Has potential weaknesses that deserve management's close attention and if left uncorrected, these weaknesses may affect the repayment of the loan.
Substandard	Have well-defined weakness(es), that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.
Doubtful	Loans and credit accommodations that exhibit more severe weaknesses than those classified as "Substandard", whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable.
Loss	Loans considered absolutely uncollectible or worthless.

** Ratings from AA to CCC are modified by a plus (+) or minus (-) sign to show relative standing within the rating categories.*

As part of credit risk assessment documentation and reporting, the Group includes financial instruments rated as AAA to B- under the "Pass" classification, while instruments rated CCC+ and below are grouped under the Watchlisted classification. Generally, "Pass" classification includes loans and other credit accommodations that do not have a greater-than-normal credit risk and do not possess the characteristics of classified loans. These are credits that have the apparent ability and willingness to satisfy their obligations in full and therefore, no loss in ultimate collection is anticipated. On the other hand, watchlisted counterparties are characterized by the following:

- those that belong to an unfavorable industry or has company-specific risk factors which represent a concern;
- the operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance;
- borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility; and,
- borrower incurs net losses and has salient financial weaknesses, reflected on their financial statements, specifically in profitability.

Split classification/rating may apply for non-performing secured loans and other credit accommodations, depending on the recoverability and liquidity of the collateral. The secured portion may be classified as "substandard" or "doubtful", as appropriate, while the unsecured portion shall be classified "loss" if there is no other source of payment other than the collateral.

In the case of syndicated loans, the Group shall maintain credit information on the borrower, and grade and make provision for its portion of the syndicated loan in accordance with its policy. The lead financial institution or bank shall provide participating financial institutions with the credit information on the borrower upon request by the participating financial institutions and inform the latter if the loan will be classified so as to achieve uniform classification of the syndicated loan.

(ii) Retail and Other Products

CMG is tasked to measure, control and manage credit risk on the consumer loans business of the Group through the performance of regular monitoring, reporting and recommendation of risk mitigation measures of the actual credit risk portfolio to the CRECOL and ROC, as well as accomplishment of the corresponding review and development of credit policies and guidelines to sustain asset quality.

For consumer loans, risk assessment is performed on an individual borrower through the use of a credit application scorecard for Housing, Auto and Personal Loans while for Corporate Salary Loans, rule-based credit criteria on company accreditation and borrower evaluation has been established. The credit application scorecard makes use of customer, loan and collateral characteristics which have been assigned weights based on their predictive power in determining the propensity of an account to default or maintain a satisfactory credit performance. Credit decisions are based on recommended score cut-offs.

Asset quality of the Group is monitored through a regular portfolio performance review including customer segmentation and loan concentration risk assessment to identify sources of risk and to determine risk mitigation on segments that drive delinquency or manifests triggers for default. Likewise, close monitoring and review of industry performance, economic changes and market conditions that may affect the consumer loans business is also taken into consideration to establish a holistic risk assessment process.

For the credit card portfolio of the Group, credit risk assessment is performed through segmentation process to diversify the portfolio risk into different homogeneous populations or segments. Over-all account distribution is analyzed for three different snapshots with respect to month-on-month DPD to see consistency in the portfolio.

For microfinance and small business loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. Credit risk assessment is performed based on groups of loan portfolio segmented by product type such as (a) credit accommodations to small-medium size borrowers; and, (b) agricultural and microfinance loans.

The Group classifies the consumer, microfinance and small business loans based on days past due following the categories that are consistent with the manner applied under the Group's internal credit risk assessment and regulatory reporting as follows:

Bucket	Classification	Secured	Unsecured
Current	Unclassified	Unclassified	Unclassified
One to 30 days	Especially Mentioned	Unclassified	Especially Mentioned
31 to 60 days	Especially Mentioned	Especially Mentioned	Especially Mentioned
61 to 90 days	Substandard	Especially Mentioned	Substandard
91 to 180 days	Substandard	Substandard	Substandard
181 to 365 days	Doubtful	Doubtful	Doubtful
More than 365 days	Loss	Loss	Loss

The Group assigns consumer, microfinance and small business loans based on classification into stages of impairment as follows:

Classification	Stage
Unclassified	1
Especially Mentioned	2
Defaulted	3

For purposes of the information disclosed for credit risk exposures, 'defaulted' accounts include those which are classified as Substandard, Doubtful, and Loss.

The groupings of financial instruments into a pool of shared credit quality are subject to the regular review by the Group's CMG in order to ensure that credit exposures within a particular group remain appropriately homogenous.

(iii) Debt Securities at Amortized Cost and at FVOCI

For debt securities, the Group adopts similar credit risk ratings published by reputable external rating agency (e.g., S&P). These ratings are continuously monitored and updated. The PD associated with each rating is determined based on realized default rates over the previous 12 months, as published by the rating agency.

4.4.3 Assessment of SICR

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group assesses the change in the risk of a default occurring over the remaining life of the financial instrument. In making this assessment, the Group assesses on a periodic basis both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information as appropriate. These may include macroeconomic conditions, economic sector and geographical region relevant to the counterparty or borrower and other factors that are counterparty-specific. As the Group holds various arrays of financial instruments, the extent of assessment may depend on the materiality of the financial instrument or the complexity of the portfolio being assessed.

The Group ECL model follows a three-stage impairment approach in determining the loss allowance to be recognized in the financial statements:

(i) Stage 1 – comprises of all credit exposures that are considered 'performing' and with no observed SICR since initial recognition. These include those financial instruments with low credit risk. For these financial instruments, the loss allowance is determined based on a 12-month ECL. PFRS 9 provides a rebuttable presumption that credit risk is considered to have significantly increased since initial recognition if the contractual payment is more than 30 days past due. The rebuttal must be in consideration of a reasonable and supportable information that is available without undue cost or effort.

(ii) Stage 2 – comprises of all financial instruments assessed to have SICR since initial recognition based on the Group's quantitative and qualitative criteria, though not yet deemed to be credit-impaired. Using the Group's ICRRS, Stage 2 includes credit exposures that are considered 'under-performing' in which risk ratings were downgraded by at least three notches and/or downgraded to CCC+ to Especially Mentioned. Stage 2 financial instruments may also include those facilities where the credit risk has improved and have been reclassified from Stage 3 subject to the Group's observation period on the creditworthiness of the counterparty. A lifetime ECL is recognized for these financial instruments.

(iii) Stage 3 – comprises credit exposures which are assessed as 'credit-impaired', thus considered by the Group as 'non-performing', which is assessed consistently with the Group's definition of default. Generally, this includes accounts classified as Substandard, Doubtful and Loss. The Group recognizes a lifetime ECL for all credit-impaired financial assets.

The Group considers low credit risk for listed debt security when its credit risk rating is equivalent to a globally understood definition of 'investment grade' (which should be from at least one major rating agency); other debt securities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired assets. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses. Under the Group's ICRRS, these are exposures rated at least Especially Mentioned. For exposures with no internal credit risk rating performed, if contractual payments are more than a specified days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Depending on the number of days past due which differ across the various retail products of the Group, a credit exposure may be transferred to Stage 2 or Stage 3. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL. As a general rule, an upgrade or transfer of credit exposure from Stage 3 to Stage 1 is allowed when there is sufficient evidence to support that full collection of principal and interest is probable, consistent with the Group's definition of curing period which is 6 months of satisfactory performance before an account is moved from Stage 3 to Stage 2 and another 6 months from Stage 2 to Stage 1.

For portfolios in respect of which the Group has limited historical data, external benchmark information (e.g., Basel LGD) is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL include exposures to foreign borrowers and low default borrower segments.

4.4.4 Definition of Default and Credit-impaired Assets

i. *Loans and Receivables*

The Group defines a loan instrument as in default, which is aligned with the definition of credit-impaired, when the borrower is more than 90 days past due on its contractual payments, except for the 30 days past due threshold for retail loans of the Group and one day past due for microfinance loan portfolio of Rizal Microbank. As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances and factors that may indicate unlikeliness to pay which may include (a) significant financial difficulty of the issuer or borrower; (b) the restructuring of a loan by the Group, for economic or legal reasons relating to the borrower's financial difficulty, on terms that the Group would not consider otherwise; or (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganization. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

An instrument is considered to be no longer in default or have cured when the borrower is able to repay the installments in arrears and the account no longer meets any of the default criteria for a consecutive period of 180 days observation period, within which the borrower shall make consecutive payments.

The definitions of default and observation period have been aligned with the definition used for regulatory capital purposes. Definitions of default and cure period can be rebutted and the rebuttal will be monitored and reviewed by the CMG on annual basis to ensure definitions remains appropriate.

These criteria are consistent with the definition of default used for internal credit risk management purposes that is aligned with the default criteria used for regulatory capital purposes. Such definition is consistently applied in determining PD, LGD, and EAD for each loan portfolio segment and throughout the ECL calculations of the Group.

ii. Investments in Debt Securities

Investments in debt securities is assessed as credit-impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of an event that occurred after the initial recognition of the security (a "loss event") and that loss event has impact on the estimated future cash flows of the securities. Losses expected as a result of future events, shall also be considered in estimating the ECL.

Objective evidence that the security is impaired includes observable data that comes to the attention of the holder of the security about the following loss events:

- significant financial difficulty of the issuer or obligor;
- breach of contract, such as a default or delinquency in interest or principal payments;
- the financial institution, for economic or legal reasons relating to the issuer's financial difficulty, granting to the issuer a concession that the financial institution would not otherwise consider;
- it becoming probable that the issuer will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that security because of financial difficulties; or,
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of securities since the initial recognition of those assets, although the decrease cannot yet be identified with the individual securities in the portfolio, including adverse change in the payment status of issuers in the portfolio; or national or local economic conditions that correlate with defaults on the securities in the portfolio.

The disappearance of an active market because a financial institution's held securities are no longer publicly traded is not evidence of impairment. A downgrade of an issuer's credit rating is not, by itself, evidence of impairment, although it may be evidence of impairment when considered with other available information. A decline in the fair value of a security below its cost or amortized cost is not necessarily evidence of impairment (for example, a decline in fair value of an investment in debt security that results from an increase in the risk-free interest rate).

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessment of credit-worthiness;
- the country's ability to access the capital markets for new debt issuance;

- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; or,
- the internal support mechanism in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfill the required criteria.

4.4.5 ECL Measurement Inputs

Integral in the Group's established policies in measuring and calculating ECL on financial instrument is the use of appropriate model for each segment of financial asset that applies relevant inputs and assumptions, including forward-looking information as appropriate.

(a) Key Inputs and Assumptions in the ECL Model

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment.

(i) PD represents an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. PD is calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures which considers both quantitative and qualitative factors. In determining PD, the Group performed segmentation of its credit exposures based on homogenous characteristics [including corporate loan and retail loan (including credit-card and microfinance)] and developed a systematic PD methodology for each portfolio. Generally, if a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD.

(ii) LGD pertains to estimate of loss related to the amount that may not be recovered after the borrower defaults. The Group estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties, which takes into consideration the realization of any collateral that is integral to the financial asset. For secured credit exposure, the determination of LGD is dependent on the Group's collateral data which are available at the origination of the instrument which takes into account the amount and timing of the cash inflows (actual recovery) and outflows (actual expenses) and on the time value of money. Recoveries are calculated on a discounted cash flows basis using the effective interest rate as the discounting factor.

(iii) EAD represents the gross carrying amount of the exposure in the event of default which include the amortized cost amount of an instrument and any accrued interest receivable. For lending commitments, the EAD includes the amount of drawn and undrawn irrevocable loan commitments under the contract, which are estimated based on historical observations and forward-looking forecast. For some financial assets (e.g., credit card lending), EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical technique which considers the ability of borrowers to increase its exposure from the time of ECL calculation to the time of default (i.e., credit conversion factor).

These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to and summed at the end of the reporting period. The discount rate used in the ECL calculation is the original effective interest rate or the relevant fund transfer pricing rate, whichever is more applicable.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the instrument. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. Such profile is supported by a historical analysis (i.e., an observation period of five years) which uses, among others the number of rated accounts and ratings of bad accounts at the time of default. Bad accounts are defaulted accounts classified into three classes such as the non-performing loans, accounts classified as Substandard, Doubtful or Loss, and real past due accounts.

For consumer loans, the PD models are used to compute a through-the-cycle (TTC) PD, which are PDs neutral to changes in conditions over the economic cycle covering the lifetime of the exposure. These TTC PDs are adjusted using a single factor Vasicek model to reflect the impact of macroeconomic factors to arrive at forward-looking Point-In-Time (PIT) PDs to consider the probability of default in current economic conditions in accordance with PFRS 9.

In a risk rating model applied by the Group for corporate loans, a better rating or score denotes less probability of default than those of a worse rating. Identifying the counterparty default is done through a computation of the portfolio's observed default rate (ODR). In cases when ODR method and the data to be used is limited, the Group may also employ the implied probability of default frequency (IPD) and the application of overlay factors in the PD.

Using the historical defaults under the Group's ICRRS based on S&P scale, ODR is calculated for each rating bucket as the ratio of the total number of defaults in next 12 months divided by the total count of accounts. On the other hand, unrated accounts are distributed to existing S&P rating classes using normal distribution assumption.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For loans with periodic amortization and one-time full payment at end of the term, EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation.

For revolving products (such as credit cards and credit line facilities), EAD is determined by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default, and may vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market or book values due to forced sales, time to repossession and recovery costs observed. For unsecured products, LGD is typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. The LGD is influenced by collection strategies.

For cash and cash equivalents and debt securities, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a SICR since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from S&P to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. With the changes in the current economic condition and granular behavior analysis of customers, the management has enhanced its existing ECL model in 2022 to reflect the continuing impact of the COVID-19 pandemic and the Group's and Parent Company's financial support program to its customers on a reasonable and supportable basis. In 2023, the Bank conducted an independent model validation which encompasses comprehensive model testing to assess model robustness. A refresh is applied to update the ECL model to ensure it remains relevant and effective in estimating credit losses.

The determination of the 12-month and lifetime PD, LGD, and EAD includes the overlay of forward-looking economic information discussed below.

(b) Overlay of Forward-looking Information

The Group incorporates forward-looking information (FLI) in its calculation of ECL. The Group has performed historical analysis and has identified the key MEVs impacting credit risk associated with its borrowers and/or counterparties and the ECL for relevant portfolio of debt instruments.

The MEVs and their associated impact on the PD, LGD and EAD vary by financial instrument. For corporate loans, a multivariate analysis in the context of Vector Autoregressive (VAR) model is used to assess the effect of macroeconomic factors as historical and deterministic regressors to the portfolios PD. To determine the MEV, all possible combinations of the time series and considered lags with NPL ratio were considered and evaluated based on the soundness of economic theory, goodness of fit, and in accordance with the assumptions of VAR. For consumer loans, to project the MEVs for the full remaining life of each financial instrument, a mean reversion approach has been used for consumer loans, which means that MEVs tend to converge to either A long run average rate (e.g., for unemployment) or a long run average growth rate [e.g., Gross Domestic Product (GDP)] over a period of two to five years.

The impact of these economic variables on the PD, LGD and EAD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The MEVs considered by the Group include economic data and forecasts published by government bodies (e.g., BSP and Philippine Statistics Authority), international organizations (e.g., International Monetary Fund), and certain reputable private and academic organizations involved in forecasting. Accordingly, the Group has identified key drivers for credit risk for its corporate loans portfolio, which include among others, GDP growth rate, inflation rate, unemployment rate, interest rate (i.e., based on 91-day T-bill Yield), household consumption expenditure growth, OFW remittances, and foreign currency exchange rates. On the other hand, the key drivers for the Group's retail and consumer loans portfolio include unemployment rate, GDP growth rate, consumer price index (CPI), foreign currency exchange rates, inflation rate, and bank lending rates. Using an analysis of historical data, the Group has estimated relationships between MEVs and credit risk and credit losses.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different to those projections. The Group considers these forecasts to represent its best estimate of the possible outcomes.

Management has also considered other FLI not incorporated within the above economic scenarios, such as any regulatory, legislative, or political changes, but are not deemed to have a significant impact on the calculation of ECL. Management reviews and monitors the appropriateness of FLIs on a regular basis and additional factors may be incorporated from time to time as deemed appropriate.

4.4.6 Impact of COVID-19 on Measurement of ECL

In response to the post-pandemic landscape and the economic effects on the Group, there has been a reassessment and adjustment of the key conditions and assumptions used in calculating ECL. The Group has reviewed economic scenarios and forward-looking macroeconomic assumptions that underpin the ECL calculation. Given the economic recovery in the Philippines post-pandemic, the impact of COVID-19 on the historical data of the Bank has been excluded, as default rates during the pandemic were unusually high.

Prior 2023, the Group utilized its revised business-as-usual (BAU) ECL methodology, incorporating the impacts of COVID-19 on historical trends, correlations, and forward-looking economic scenarios of the Bank under its new normal assessments, eliminating the necessity for separate post-model adjustments. Notwithstanding that the measurement inputs and assumptions, including forward-looking macroeconomic assumptions were recalibrated in response to the COVID-19 situation, the fundamental ECL mechanics and methodology underpinning the Group's measurement of ECL have remained consistent with the prior periods.

In assessing the impact of the COVID-19 pandemic on the Group's customers, the loan portfolio was re-segmented based on perceived and expected COVID-19 impacts on customers' businesses and industries, considering additional qualitative characteristics that would classify COVID-19 changes as SICR, such as distinguishing temporary liquidity needs from permanently impacted SICR.

Supporting the re-segmentation is the COVID-19 Assistance and Recovery Enhancement (CARE) Program, primarily designed to: (1) provide financial assistance to customers through extended repayment plans due to cash flow constraints and (2) promptly reintroduce customers to regular payment habits based on manageable amounts. Additionally, in compliance with regulatory guidance, the Group implemented mandatory payment holidays for all eligible loans (refer to Note 4.4.12). As of December 31, 2023, the Bank is no longer offering the CARE program, but it continues to offer regular restructuring programs to its customers.

With the expected full recovery of the Philippines from the impact of COVID-19 and the improving portfolio performance, the Group tailored its newly validated ECL model to exclude abnormally high default rates recorded during the pandemic period from their historical data set of 3 to 5 years used for ECL computation.

To identify the exclusion periods related to COVID-19, the Group employed a 12-month performance window in which any accounts that defaulted anytime in the subsequent 12 months were considered for the computation of historical default rates. Months with significantly high default rates were excluded from the dataset. This ensures that the average default rate computed by the Bank reflects the changes in the country's macroeconomic variables and their impact on customer payment behavior.

4.4.7 Credit Risk Exposures

An analysis of the maximum credit risk exposure relating to receivables from customers is shown below:

	Group			
	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2023				
Loans and discounts:				
Corporate	P 414,311	P 356,230	P 58,081	P 356,230
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Leasing and finance	2,801	3,900	-	2,801
Microfinance and small business	1,276	5,978	-	1,276
Other receivables	45,402	5,504	39,898	5,504
	P 667,324	**P 517,117**	**P 175,423**	**P 491,901**
2022				
Loans and discounts:				
Corporate	P 380,722	P 334,727	P 45,995	P 334,727
Consumer*	107,776	145,007	1,434	106,342
Credit card receivables	50,380	-	50,380	-
Leasing and finance	3,233	12,248	-	3,233
Microfinance and small business	1,235	3,178	-	1,235
Other receivables	31,553	1,919	29,634	1,919
	P 574,899	P 497,079	P 127,443	P 447,456

**The net exposure balance pertains to the unsecured personal and salary loans*

	Parent Company			
	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2023				
Loans and discounts:				
Corporate	P 411,706	P 351,499	P 60,207	P 351,499
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Other receivables	44,462	5,504	38,958	5,504
	P 659,702	**P 502,508**	**P 176,609**	**P 483,093**
2022				
Loans and discounts:				
Corporate	P 377,420	P 334,727	P 42,693	P 334,727
Consumer*	107,776	145,005	1,434	106,342
Credit card receivables	50,380	-	50,380	-
Other receivables	30,726	1,799	28,927	1,799
	P 566,302	P 481,531	P 123,434	P 442,868

**The net exposure balance pertains to the unsecured personal and salary loans*

The table below sets out the gross carrying amounts of the exposures to credit risk on financial assets with low credit risk measured at amortized cost and debt securities at FVOCI as of December 31.

	Group		Parent Company	
	2023	2022	**2023**	2022
Cash and cash equivalents	**P 250,108**	P 208,323	**P 247,941**	P 206,320
Debt securities:				
At amortized cost	**236,688**	252,545	**235,803**	251,399
At FVOCI	**78,533**	111,314	**78,417**	111,205
	P 565,329	P 572,182	**P 562,161**	P 568,924

Cash and cash equivalents include loans and advances to banks [i.e., Due from BSP, Due from Other Banks, Loans Arising from Repurchase Agreements, and Interbank Loans Receivables (see Note 9)]. Debt securities includes government and corporate bonds and bills. These are held with central bank, financial institutions and other counterparties that are reputable and with low credit risk; corresponding allowance for ECL is shown in the succeeding pages.

The information about the credit exposures on the above financial assets as well as on loan commitments by stages of impairment as of December 31, 2023 and 2022, shown at their gross carrying amounts with the corresponding allowance for ECL are shown in the succeeding pages. All instruments, which were not assessed by the Group for ECL based on individual credit risk rating were evaluated on a collective basis, applying applicable PD and LGD based on the segment of instrument.

The maximum exposure to credit risks for other financial assets is limited to their carrying values as of December 31, 2023 and 2022.

a) *Loans and receivables*

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
2023					
Corporate Loans					
Pass					
AAA to BBB	P 16,339	P 1	P -	P -	P 16,340
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	20,104	836	4	-	20,944
Especially mentioned	-	4,565	4,395	-	8,960
Substandard	-	-	9,032	-	9,032
Defaulted	-	-	518	20	538
Unrated	6,955	1	31	-	6,987
	394,872	5,435	13,984	20	414,311
Allowance for ECL	(923)	(222)	(7,891)	(16)	(9,052)
Carrying Amount	**393,949**	**5,213**	**6,093**	**4**	**405,259**
Consumer loans					
Current	111,978	-	-	-	111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	**117,636**	**3,406**	**5,800**	**-**	**126,842**
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556	-	74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	**69,978**	**500**	**538**	**-**	**71,016**
Leasing and finance receivables**					
AAA+ to B+	512	-	-	-	512
B-	136	-	-	-	136
CCC below	-	1,216	937	-	2,153
	648	1,216	937	-	2,801
Allowance for ECL	(85)	(235)	(716)	-	(1,036)
Carrying amount	**563**	**981**	**221**	**-**	**1,765**
Micro and small business loans***					
Unclassified	994	-	-	-	994
Especially Mentioned	-	79	-	-	79
Defaulted	-	-	203	-	203
	994	79	203	-	1,276
Allowance for ECL	(1)	(1)	(66)	-	(68)
Carrying amount	**993**	**78**	**137**	**-**	**1,208**
Balance forwarded	**P 583,119**	**P 10,178**	**P 12,789**	**P 4**	**P 606,090**

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
Balance carried forward	**P 583,119**	**P 10,178**	**P 12,789**	**P 4**	**P 606,090**
Other receivables					
Current	43,050	-	1	-	43,051
Past due	-	344	2,007	-	2,351
	43,050	344	2,008	-	45,402
Allowance for ECL	(188)	(29)	(1,346)	-	(1,563)
Carrying amount	**42,862**	**315**	**662**	**-**	**43,839**
Total gross amount	628,622	12,007	26,675	20	667,324
Allowance for ECL	(2,641)	(1,514)	(13,224)	(16)	(17,395)
Carrying amount	**P 625,981**	**P 10,493**	**P 13,451**	**P 4**	**P 649,929**

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
2022					
Corporate Loans					
Pass					
AAA to BBB	P 14,666	P -	P 2	P -	P 14,668
BBB- to B-	323,944	1	3	-	323,948
Watchlisted	15,794	205	125	-	16,124
Especially mentioned	3,845	3,620	400	-	7,865
Substandard	-	-	8,533	-	8,533
Defaulted	-	-	348	20	368
Unrated	9,164	11	41	-	9,216
	367,413	3,837	9,452	20	380,722
Allowance for ECL	(1,607)	(1,200)	(5,818)	(18)	(8,643)
Carrying Amount	365,806	2,637	3,634	2	372,079
Consumer loans					
Current	89,533	1,730	-	-	91,263
1-30 dpd	-	4,465	-	-	4,465
31-90 dpd	-	3,166	-	-	3,166
Defaulted	-	-	8,882	-	8,882
	89,533	9,361	8,882	-	107,776
Allowance for ECL	(210)	(222)	(2,024)	-	(2,456)
Carrying amount	89,323	9,139	6,858	-	105,320
Credit cards					
Current	46,988	30	-	-	47,018
1-29 dpd	725	10	-	-	735
30-59 dpd	-	386	-	-	386
60-89 dpd	-	326	-	-	326
Defaulted	-	-	1,915	-	1,915
	47,713	752	1,915	-	50,380
Allowance for ECL	(718)	(310)	(1,662)	-	(2,690)
Carrying amount	46,995	442	253	-	47,690
Balance forwarded	P 502,124	P 12,218	P 10,745	P 2	P 525,089

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
Balance carried forward	P 502,124	P 12,218	P 10,745	P 2	P 525,089
*Leasing and finance receivables***					
AAA+ to B+	742	-	-	-	742
B-	399	-	-	-	399
CCC below	-	1,286	806	-	2,092
	1,141	1,286	806	-	3,233
Allowance for ECL	(26)	(100)	(624)	-	(750)
Carrying amount	1,115	1,186	182	-	2,483
*Micro and small business loans****					
Unclassified	982	-	-	-	982
Especially Mentioned	-	67	-	-	67
Defaulted	-	-	186	-	186
	982	67	186	-	1,235
Allowance for ECL	(1)	(2)	(65)	-	(68)
Carrying amount	981	65	121	-	1,167
Other receivables					
Current	29,187	-	-	-	29,187
Past due	-	494	1,872	-	2,366
	29,187	494	1,872	-	31,553
Allowance for ECL	(128)	(57)	(1,238)	-	(1,423)
Carrying amount	29,059	437	634	-	30,130
Total gross amount	535,969	15,797	23,113	20	574,899
Allowance for ECL	(2,690)	(1,891)	(11,431)	(18)	(16,030)
Carrying amount	P 533,279	P 13,906	P 11,682	P 2	P 558,869

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Pass					
AAA to BBB	P 15,793	P 1	P -	P -	P 15,794
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	19,761	295	4	-	20,060
Especially mentioned	-	4,294	4,395	-	8,689
Substandard	-	-	8,326	-	8,326
Defaulted	-	-	340	-	340
Unrated	6,955	1	31	-	6,987
	393,983	4,623	13,100	-	411,706
Allowance for ECL	(923)	(222)	(7,890)	-	(9,035)
Carrying amount *(Balance forwarded)*	**P 393,060**	**P 4,401**	**P 5,210**	**P -**	**P 402,671**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 393,060**	**P 4,401**	**P 5,210**	**P -**	**P 402,671**
Consumer loans					
Current	111,978	-	-	-	111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	**117,636**	**3,406**	**5,800**	**-**	**126,842**
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556	-	74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	**69,978**	**500**	**538**	**-**	**71,016**
Other receivables					
Current	42,401	-	-	-	42,401
Past due	-	344	1,717	-	2,061
	42,401	344	1,717	-	44,462
Allowance for ECL	(187)	(29)	(1,094)	-	(1,310)
Carrying amount	**42,214**	**315**	**623**	**-**	**43,152**
Total gross amount	625,442	9,900	24,360	-	659,702
Allowance for ECL	(2,554)	(1,278)	(12,189)	-	(16,021)
Carrying amount	**P 622,888**	**P 8,622**	**P 12,171**	**P -**	**P 643,681**
2022					
Corporate Loans					
Pass					
AAA to BBB	P 14,666	P -	P 2	P -	P 14,668
BBB- to B-	323,944	1	3	-	323,948
Watchlisted	15,794	205	125	-	16,124
Especially mentioned	3,845	3,620	400	-	7,865
Substandard	-	-	8,533	-	8,533
Defaulted	-	-	348	-	348
Unrated	5,882	11	41	-	5,934
	364,131	3,837	9,452	-	377,420
Allowance for ECL	(1,607)	(1,200)	(5,818)	-	(8,625)
Carrying amount	362,524	2,637	3,634	-	368,795
Consumer loans					
Current	89,533	1,730	-	-	91,263
1-30 dpd	-	4,465	-	-	4,465
31-90 dpd	-	3,166	-	-	3,166
Defaulted	-	-	8,882	-	8,882
	89,533	9,361	8,882	-	107,776
Allowance for ECL	(210)	(222)	(2,024)	-	(2,456)
Carrying amount	89,323	9,139	6,858	-	105,320
Balance forwarded	P 451,847	P 11,776	P 10,492	P -	P 474,115

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 451,847	P 11,776	P 10,492	P -	P 474,115
Credit cards					
Current	46,988	30	-	-	47,018
1-29 dpd	725	10	-	-	735
30-59 dpd	-	386	-	-	386
60-89 dpd	-	326	-	-	326
Defaulted	-	-	1,915	-	1,915
	47,713	752	1,915	-	50,380
Allowance for ECL	(718)	(310)	(1,662)	-	(2,690)
Carrying amount	46,995	442	253	-	47,690
Other receivables					
Current	28,589	-	-	-	28,589
Past due	-	461	1,676	-	2,137
	28,589	461	1,676	-	30,726
Allowance for ECL	(76)	(52)	(1,189)	-	(1,317)
Carrying amount	28,513	409	487	-	29,409
Total gross amount	529,966	14,411	21,925	-	566,302
Allowance for ECL	(2,611)	(1,784)	(10,693)	-	(15,088)
Carrying amount	P 527,355	P 12,627	P 11,232	P -	P 551,214

b) Investments in debt securities at amortized cost and at FVOCI

	Group		Parent Company	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2023				
Government securities				
AAA to A+	P 16,991	P 808	P 16,991	P 808
BBB+ to BBB-	194,460	65,154	193,575	65,154
	211,451	65,962	210,566	65,962
Corporate debt securities				
AAA	-	515	-	515
AA+ to A+	-	-	-	-
A to A-	1,243	-	1,243	-
BBB+ to BBB-	13,008	9,089	13,008	9,089
BB+ to BB-	10,823	2,967	10,823	2,851
B+ and below	163	-	163	-
	25,237	12,571	25,237	12,455
Allowance for ECL	(161)	(13)	(71)	(13)
	25,076	12,558	25,166	12,442
	P 236,527	**P 78,520**	**P 235,732**	**P 78,404**

	Group		Parent Company	
	HTC	FVOCI	HTC	FVOCI
2022				
Government securities				
AAA to A+	P 28,000	P 31,495	P 28,000	P 31,495
BBB+ to BBB-	190,163	21,997	189,017	21,997
	218,163	53,492	217,017	53,492
Corporate debt securities				
AAA	8,685	32,552	8,685	32,552
AA+ to A+	276	241	276	241
A to A-	695	-	695	-
BBB+ to BBB-	13,584	18,777	13,584	18,777
BB+ to BB-	10,979	6,252	10,979	6,143
B+ and below	163	-	163	-
	34,382	57,822	34,382	57,713
Allowance for ECL	(163)	(13)	(71)	(13)
	34,219	57,809	34,311	57,700
	P 252,382	P 111,301	P 251,328	P 111,192

Credit exposures for debt securities not held for trading are all classified as Stage 1.

c) Loan Commitments

The credit quality of the Group and Parent Company's irrevocable loan commitments with amounts determined after considering credit conversion factor, as of December 31 follows:

	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Corporate loans				
Pass				
AAA to BBB	P 474	P -	P -	P 474
BBB- to B-	7,150	-	-	7,150
Watchlisted	59	-	-	59
Especially mentioned	-	3	-	3
Unrated	599	-	-	599
	8,282	3	-	8,285
ECL provisions	(11)	-	-	(11)
	8,271	3	-	8,274
Credit cards				
Current	23,718	-	-	23,718
ECL provisions	(293)	-	-	(293)
	23,425	-	-	23,425
	P 31,696	**P 3**	**P -**	**P 31,699**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate loans				
Pass				
AAA to BBB	P 132	P -	P -	P 132
BBB- to B-	8,297	-	-	8,297
Watchlisted	13	-	-	13
Unrated	488	-	-	488
	8,930	-	-	8,930
ECL provisions	(29)	-	-	(29)
	8,901	-	-	8,901
Credit cards				
Current	15,568	-	-	15,568
ECL provisions	(185)	-	-	(185)
	15,383	-	-	15,383
	P 24,284	P -	P -	P 24,284

4.4.8 Maximum Exposure to Credit Risk of Financial Instruments not Subject to Impairment

The following table contains analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e., FVTPL).

	Group		**Parent Company**	
	2023	2022	**2023**	2022
Government securities	**P 9,647**	P 3,883	**P 9,615**	P 3,834
Corporate debt securities	**28**	38	**19**	38
Derivative financial assets	**1,320**	2,267	**1,320**	2,267
	P 10,995	P 6,188	**P 10,954**	P 6,139

4.4.9 Allowance for ECL

The following tables show the reconciliation of the loss allowance for ECL by class of significant financial instruments.

a) Loans and receivables

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Balance at beginning of year	P 1,607	P 1,200	P 5,818	P 18	P 8,643
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	81	(81)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	52	-	(52)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,254)	(126)	(270)	(2)	(1,652)
New assets originated:					
Remained in Stage 1	604	-	-	-	604
Moved to Stages 2 and 3	-	44	1,700	-	1,744
Write-offs	-	-	(287)	-	(287)
	(684)	(978)	2,073	(2)	409
Balance at end of year	**923**	**222**	**7,891**	**16**	**9,052**
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	**558**	**280**	**1,187**	**-**	**2,025**
Balance forwarded	**P 1,481**	**P 502**	**P 9,078**	**P 16**	**P 11,077**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 1,481	P 502	P 9,078	P 16	P 11,077
Credit cards					
Balance at beginning of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 2	-	40	(40)	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 3 to Stage 1	53	-	(53)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)	-	(2,115)
New assets originated:					
Remained in Stage 1	1,558	-	-	-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	**886**	**747**	**2,018**	**-**	**3,651**
Leasing and finance receivables*					
Balance at beginning of year	26	100	624	-	750
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 3 to Stage 1	5		(5)	-	-
Assets derecognized or repaid	(6)	(32)	(73)	-	(111)
New assets originated:					
Remained in Stage 1	93	-	-	-	93
Moved to Stages 2 and 3	-	134	242	-	376
Write-offs	-	-	(72)	-	(72)
	59	135	92	-	286
Balance at end of year	**85**	**235**	**716**	**-**	**1,036**
Micro and small business loans*					
Balance at beginning of year	1	2	65	-	68
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to 1	2	(2)	-	-	-
Stage 2 to 3	-	(1)	1	-	-
Assets derecognized or repaid	-	-	(9)	-	(9)
New assets originated:					
Remained in Stage 1	-	-	-	-	-
Moved to Stages 2 and 3	-	1	17	-	18
Write-offs	-	-	(9)	-	(9)
	-	(1)	1	-	-
Balance at end of year	**1**	**1**	**66**	**-**	**68**
Balance forwarded	P 2,453	P 1,485	P 11,878	P 16	P 15,832

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 2,453**	**P 1,485**	**P 11,878**	**P 16**	**P 15,832**
Other receivables					
Balance at beginning of year	128	57	1,238	-	1,423
Transfers:					
Stage 1 to Stage 2	(7)	7	-	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(19)	19	-	-
Assets derecognized or repaid	(3)	(32)	(293)	-	(328)
New assets originated:					
Remained in Stage 1	68	-	-	-	68
Moved to Stages 2 and 3	-	18	382	-	400
	60	(28)	108	-	140
Balance at end of year	**188**	**29**	**1,346**	**-**	**1,563**
	P 2,641	**P 1,514**	**P 13,224**	**P 16**	**P 17,395**
2022					
Corporate Loans					
Balance at beginning of year	P 2,064	P 29	P 5,218	P 40	P 7,351
Transfers:					
Stage 1 to Stage 2	(120)	120	-	-	-
Stage 1 to Stage 3	(17)	-	17	-	-
Stage 2 to Stage 1	17	(17)	-	-	-
Stage 2 to Stage 3	-	(10)	10	-	-
Stage 3 to Stage 1	8	-	(8)	-	-
Stage 3 to Stage 2	-	7	(7)	-	-
Assets derecognized or repaid	(1,055)	(108)	(314)	(22)	(1,499)
New assets originated:					
Remained in Stage 1	710	-	-	-	710
Moved to Stages 2 and 3	-	1,179	902	-	2,081
	(457)	1,171	600	(22)	1,292
Balance at end of year	1,607	1,200	5,818	18	8,643
Consumer loans					
Balance at beginning of year	363	357	3,772	-	4,492
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	(272)	-	272	-	-
Stage 2 to Stage 1	228	(228)	-	-	-
Stage 2 to Stage 3	-	(187)	187	-	-
Stage 3 to Stage 2	-	183	(183)	-	-
Assets derecognized or repaid	(387)	(31)	(781)	-	(1,199)
New assets originated:					
Remained in Stage 1	324	-	-	-	324
Moved to Stages 2 and 3	-	82	455	-	537
Write-offs	-	-	(1,698)	-	(1,698)
	(153)	(135)	(1,748)	-	(2,036)
Balance at end of year	210	222	2,024	-	2,456
Balance forwarded	P 1,817	P 1,422	P 7,842	P 18	P 11,099

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 1,817	P 1,422	P 7,842	P 18	P 11,099
Credit cards					
Balance at beginning of year	572	325	2,150	-	3,047
Transfers:					
Stage 1 to Stage 2	(22)	22	-	-	-
Stage 1 to Stage 3	(106)	-	106	-	-
Stage 2 to Stage 3	-	(271)	271	-	-
Stage 3 to Stage 2	-	43	(43)	-	-
Stage 2 to Stage 1	41	(41)	-	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Assets derecognized or repaid	(846)	(139)	(288)	-	(1,273)
New assets originated:					
Remained in Stage 1	1,028	-	-	-	1,028
Moved to Stages 2 and 3	-	371	2,993	-	3,364
Write-offs	-	-	(3,476)	-	(3,476)
	146	(15)	(488)	-	(357)
Balance at end of year	718	310	1,662	-	2,690
*Leasing and finance receivables**					
Balance at beginning of year	31	35	654	-	720
Transfers:					
Stage 1 to Stage 2	(177)	177	-	-	-
Stage 1 to Stage 3	(140)	-	140	-	-
Stage 2 to Stage 3	-	(176)	176	-	-
Assets derecognized or repaid	(18)	(31)	(414)	-	(463)
New assets originated:					
Remained in Stage 1	330	-	-	-	330
Moved to Stages 2 and 3	-	95	68	-	163
	(5)	65	(30)	-	30
Balance at end of year	26	100	624	-	750
*Micro and small business loans***					
Balance at beginning of year	49	16	66	-	131
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 2 to Stage 3	-	(11)	11	-	-
Assets derecognized or repaid	(19)	(5)	(6)	-	(30)
New assets originated:					
Remained in Stage 1	6	-	-	-	6
Moved to Stages 2 and 3	-	1	5	-	6
Write-offs	(34)	-	(11)	-	(45)
	(48)	(14)	(1)	-	(63)
Balance at end of year	1	2	65	-	68
Balance forwarded	P 2,562	P 1,834	P 10,193	P 18	P 14,607

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 2,562	P 1,834	P 10,193	P 18	P 14,607
Other receivables					
Balance at beginning of year	140	16	2,367	-	2,523
Transfers:					
Stage 1 to Stage 2	(35)	35	-	-	-
Stage 2 to Stage 3	-	(31)	31	-	-
Stage 3 to Stage 1	17	-	(17)	-	-
Assets derecognized or repaid	(152)	(- 126)	(386)	-	(664)
New assets originated:					
Remained in Stage 1	158	-	-	-	158
Moved to Stages 2 and 3	-	163	336	-	499
Write-offs	-	-	(1,093)	-	(1,093)
	(12)	41	(1,129)	-	(1,100)
Balance at end of year	128	57	1,238	-	1,423
	P 2,690	P 1,891	P 11,431	P 18	P 16,030

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Balance at beginning of year	P 1,607	P 1,200	P 5,818	P -	P 8,625
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	80	(80)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	47	-	(47)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,244)	(117)	(322)	-	(1,683)
New assets originated:					
Remained in Stage 1	600	-	-	-	600
Moved to Stages 2 and 3	-	34	1,459	-	1,493
	(684)	(978)	2,072	-	410
Balance at end of year *(Balance forwarded)*	**P 923**	**P 222**	**P 7,890**	**P -**	**P 9,035**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 923**	**P 222**	**P 7,890**	**P -**	**P 9,035**
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	**558**	**280**	**1,187**	**-**	**2,025**
Credit cards					
Balance at beginning of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 2	-	40	(40)	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 3 to Stage 1	53	-	(53)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)	-	(2,115)
New assets originated:					
Remained in Stage 1	1,558	-	-	-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	**886**	**747**	**2,018**	**-**	**3,651**
Other receivables					
Balance at beginning of year	76	52	1,189	-	1,317
Transfers:					
Stage 1 to Stage 2	(10)	10	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to Stage 1	11	(11)	-	-	-
Stage 2 to Stage 3	-	(36)	36	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	1	(1)	-	-
Assets derecognized or repaid	(13)	(4)	(472)	-	(489)
New assets originated:					
Remained in Stage 1	123	-	-	-	123
Moved to Stages 2 and 3	-	17	342	-	359
	111	(23)	(95)	-	(7)
Balance at end of year	**187**	**29**	**1,094**	**-**	**1,310**
	P 2,554	**P 1,278**	**P 12,189**	**P -**	**P 16,021**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2022					
Corporate Loans					
Balance at beginning of year	P 2,064	P 29	P 5,218	P -	P 7,311
Transfers:					
Stage 1 to Stage 2	(120)	120	-	-	-
Stage 1 to Stage 3	(17)	-	17	-	-
Stage 2 to Stage 1	17	(17)	-	-	-
Stage 2 to Stage 3	-	(10)	10	-	-
Stage 3 to Stage 1	8	-	(8)	-	-
Stage 3 to Stage 2	-	7	(7)	-	-
Assets derecognized or repaid	(1,055)	(108)	(314)	-	(1,477)
New assets originated:					
Remained in Stage 1	710	-	-	-	710
Moved to Stages 2 and 3	-	1,179	902	-	2,081
	(457)	1,171	600	-	1,314
Balance at end of year	1,607	1,200	5,818	-	8,625
Consumer loans					
Balance at beginning of year	363	357	3,772	-	4,492
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	(272)	-	272	-	-
Stage 2 to Stage 1	228	(228)	-	-	-
Stage 2 to Stage 3	-	(187)	187	-	-
Stage 3 to Stage 2	-	183	(183)	-	-
Assets derecognized or repaid	(387)	(31)	(781)	-	(1,199)
New assets originated:					
Remained in Stage 1	324	-	-	-	324
Moved to Stages 2 and 3	-	82	455	-	537
Write-offs	-	-	(1,698)	-	(1,698)
	(153)	(135)	(1,748)	-	(2,036)
Balance at end of year	210	222	2,024	-	2,456
Credit cards					
Balance at beginning of year	572	325	2,150	-	3,047
Transfers:					
Stage 1 to Stage 2	(22)	22	-	-	-
Stage 1 to Stage 3	(106)	-	106	-	-
Stage 2 to Stage 3	-	(271)	271	-	-
Stage 3 to Stage 2	-	43	(43)	-	-
Stage 2 to Stage 1	41	(41)	-	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Assets derecognized or repaid	(846)	(139)	(288)	-	(1,273)
New assets originated:					
Remained in Stage 1	1,028	-	-	-	1,028
Moved to Stages 2 and 3	-	371	2,993	-	3,364
Write-offs	-	-	(3,476)	-	(3,476)
	146	(15)	(488)	-	(357)
Balance at end of year	718	310	1,662	-	2,690
Balance forwarded	P 2,535	P 1732	P 9,504	P -	P 13,771

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 2,535	P 1,732	P 9,504	P -	P 13,771
Other receivables					
Balance at beginning of year	132	16	2,341	-	2,489
Transfers:					
Stage 1 to Stage 2	(7)	7	-	-	-
Stage 2 to Stage 3	-	(19)	19	-	-
Stage 3 to Stage 1	17	-	(17)	-	-
Assets derecognized or repaid	(247)	(112)	(397)	-	(756)
New assets originated:					
Remained in Stage 1	181	-	-	-	181
Moved to Stages 2 and 3	-	160	336	-	496
Write-offs	-	-	(1,093)	-	(1,093)
	(56)	36	(1,152)	-	(1,172)
Balance at end of year	76	52	1,189	-	1,317
	P 2,611	P 1,784	P 10,693	P -	P 15,088

Presented below are the composition of allowance for ECL as by loan portfolio (see Note 11):

	Group		Parent Company	
	2023	2022	**2023**	2022
Corporate	**P 9,052**	P 8,643	**P 9,035**	P 8,625
Credit card receivables	**3,651**	2,690	**3,651**	2,690
Consumer	**2,025**	2,456	**2,025**	2,456
Leasing and finance	**1,036**	750	**-**	-
Microfinance and small business	**68**	68	**-**	-
Other receivables	**1,563**	1,423	**1,310**	1,317
	P 17,395	P 16,030	**P 16,021**	P 15,088

b) Investments in debt securities at amortized cost and at FVOCI

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
HTC				
2023				
Balance at beginning of year	P 163	P -	P -	P 163
Net remeasurement of loss allowance	(2)	-	-	(2)
Balance at end of year	**P 161**	**P -**	**P -**	**P 161**
2022				
Balance at beginning of year	P 147	P -	P -	P 147
Net remeasurement of loss allowance	19	-	-	19
Derecognition of financial assets	(3)	-	-	(3)
Balance at end of year	P 163	P -	P -	P 163

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2023				
Balance at beginning of year	P 71	P -	P -	P 71
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	**P 71**	**P -**	**P -**	**P 71**
2022				
Balance at beginning of year	P 52	P -	P -	P 52
Net remeasurement of loss allowance	19	-	-	19
Balance at end of year	P 71	P -	P -	P 71

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
FVOCI				
2023				
Balance at beginning of year	P 13	P -	P -	P 13
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	**P 13**	**P -**	**P -**	**P 13**
2022				
Balance at beginning of year	P 12	P -	P -	P 12
Net remeasurement of loss allowance	1	-	-	1
Balance at end of year	P 13	P -	P -	P 13

c) Loan commitments

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2023				
Corporate Loans				
Balance at beginning of year	P 29	P -	P -	P 29
Assets derecognized or repaid	(26)	-	-	(26)
New assets originated: Remained in Stage 1	8	-	-	8
	(18)	-	-	(18)
Balance at end of year	**11**	**-**	**-**	**11**
Credit Cards				
Balance at beginning of year	185	-	-	185
New assets originated: Remained in Stage 1	108	-	-	108
	108	-	-	108
Balance at end of year	**293**	**-**	**-**	**293**
	P 304	**P -**	**P -**	**P 304**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate Loans				
Balance at beginning of year	P 18	P -	P 5	P 23
Transfers:				
Stage 3 to 1	5	-	(5)	-
New assets originated:				
Remained in Stage 1	6	-	-	6
	11	-	(5)	6
Balance at end of year	29	-	-	29
Credit Cards				
Balance at beginning of year	122	-	-	122
New assets originated:				
Remained in Stage 1	63	-	-	63
	63	-	-	63
Balance at end of year	185	-	-	185
	P 214	P -	P -	P 214

The information on how the significant changes in the gross carrying amount of the financial instruments contributed to the changes in the amount of allowance for ECL are presented in Note 4.4.10.

4.4.10 Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables below and in the succeeding pages provides information how the significant changes in the gross carrying amount of financial instruments in 2023 and 2022 contributed to the changes in the allowance for ECL.

a) *Loans and receivables*

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2023					
Corporate Loans					
Balance at beginning of year	P 367,413	P 3,837	P 9,452	P 20	P 380,722
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(794)	-	794	-	-
Stage 2 to Stage 1	472	(472)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	105	-	(105)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(196,871)	(204)	(769)	-	(197,844)
New assets originated:					
Remained in Stage 1	227,918	-	-	-	227,918
Moved to Stages 2 and 3	-	1,723	2,079	-	3,802
Write-offs	-	-	(287)	-	(287)
	27,459	1,598	4,532	-	33,589
Balance at end of year *(Balance forwarded)*	**P 394,872**	**P 5,435**	**P 13,984**	**P 20**	**P 414,311**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 394,872**	**P 5,435**	**P 13,984**	**P 20**	**P 414,311**
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	**118,194**	**3,686**	**6,987**	**-**	**128,867**
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	**70,864**	**1,247**	**2,556**	**-**	**74,667**
Leasing and finance receivables*					
Balance at beginning of year	1,141	1,286	806	-	3,233
Transfers:					
Stage 1 to Stage 2	(472)	472	-	-	-
Stage 2 to Stage 1	14	(14)	-	-	-
Stage 3 to Stage 1	12	-	(12)	-	-
Assets derecognized or repaid	(696)	(934)	(241)	-	(1,871)
New assets originated:					
Remained in Stage 1	649	-	-	-	649
Moved to Stages 2 and 3	-	406	456	-	862
Write-offs	-	-	(72)	-	(72)
	(493)	(70)	131	-	(432)
Balance at end of year	**648**	**1,216**	**937**	**-**	**2,801**
Balance forwarded	**P 584,578**	**P 11,584**	**P 24,464**	**P 20**	**P 620,646**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 584,578**	**P 11,584**	**P 24,464**	**P 20**	**P 620,646**
Micro and small business loans*					
Balance at beginning of year	982	67	186	-	1,235
Transfers:					
Stage 1 to Stage 2	(29)	29	-	-	-
Stage 1 to Stage 3	(29)	-	29	-	-
Stage 2 to Stage 1	5	(5)	-	-	-
Stage 2 to Stage 3	-	(2)	2	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	8	(8)	-	-
Assets derecognized or repaid	(671)	(46)	(38)	-	(755)
New assets originated:					
Remained in Stage 1	735	-	-	-	735
Moved to Stages 2 and 3	-	28	42	-	70
Write-offs	-	-	(9)	-	(9)
	12	12	17	-	41
Balance at end of year	**994**	**79**	**203**	**-**	**1,276**
Other receivables					
Balance at beginning of year	29,187	494	1,872	-	31,553
Transfers:					
Stage 1 to Stage 2	(84)	84	-	-	-
Stage 1 to Stage 3	(80)	-	80	-	-
Stage 2 to Stage 1	68	(68)	-	-	-
Stage 2 to Stage 3	-	(246)	246	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(2,186)	(232)	(693)	-	(3,111)
New assets originated:					
Remained in Stage 1	16,145	-	-	-	16,145
Moved to Stages 2 and 3	-	291	524	-	815
	13,863	(150)	136	-	13,849
Balance at end of year	**43,050**	**344**	**2,008**	**-**	**45,402**
	P 628,622	**P 12,007**	**P 26,675**	**P 20**	**P 667,324**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2022					
Corporate Loans					
Balance at beginning of year	P 352,089	P 654	P 10,720	P 45	P 363,508
Transfers:					
Stage 1 to Stage 2	(2,910)	2,910	-	-	-
Stage 1 to Stage 3	(2,392)	-	2,392	-	-
Stage 2 to Stage 1	293	(293)	-	-	-
Stage 2 to Stage 3	-	(130)	130	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(170,111)	(3,585)	(5,221)	(25)	(178,942)
New assets originated:					
Remained in Stage 1	190,393	-	-	-	190,393
Moved to Stages 2 and 3	-	4,260	1,503	-	5,763
	15,324	3,183	(1,268)	(25)	17,214
Balance at end of year	367,413	3,837	9,452	20	380,722
Consumer loans					
Balance at beginning of year	81,363	12,513	16,118	-	109,994
Transfers:					
Stage 1 to Stage 2	(4,551)	4,551	-	-	-
Stage 1 to Stage 3	(1,070)	-	1,070	-	-
Stage 2 to Stage 1	5,962	(5,962)	-	-	-
Stage 2 to Stage 3	-	(2,061)	2,061	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2,085	(2,085)	-	-
Assets derecognized or repaid	(4,225)	(2,389)	(6,708)	-	(13,322)
New assets originated:					
Remained in Stage 1	12,054	-	-	-	12,054
Moved to Stages 2 and 3	-	624	124	-	748
Write-offs	-	-	(1,698)	-	(1,698)
	8,170	(3,152)	(7,236)	-	(2,218)
Balance at end of year	89,533	9,361	8,882	-	107,776
Credit cards					
Balance at beginning of year	32,235	792	2,536	-	35,563
Transfers:					
Stage 1 to Stage 2	(603)	603	-	-	-
Stage 1 to Stage 3	(2,002)	-	2,002	-	-
Stage 2 to Stage 1	122	(122)	-	-	-
Stage 2 to Stage 3	-	(634)	634	-	-
Stage 3 to Stage 1	65	-	(65)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(83,655)	(411)	(2,658)	-	(86,724)
New assets originated:					
Remained in Stage 1	101,551	-	-	-	101,551
Moved to Stages 2 and 3	-	473	2,993	-	3,466
Write-offs	-	-	(3,476)	-	(3,476)
	15,478	(40)	(621)	-	14,817
Balance at end of year	47,713	752	1,915	-	50,380
Balance forwarded	P 504,659	P 13,950	P 20,249	P 20	P 538,878

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 504,659	P 13,950	P 20,249	P 20	P 538,878
*Leasing and finance receivables**					
Balance at beginning of year	1,101	755	737	-	2,593
Transfers:					
Stage 1 to Stage 2	(1,641)	1,641	-	-	-
Stage 1 to Stage 3	(446)	-	446	-	-
Stage 2 to Stage 1	-	-	-	-	-
Stage 2 to Stage 3	-	(325)	325	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2	(2)	-	-
Assets derecognized or repaid	(496)	(1,072)	(898)	-	(2,466)
New assets originated:					
Remained in Stage 1	2,623	-	-	-	2,623
Moved to Stages 2 and 3	-	285	198	-	483
	40	531	69	-	640
Balance at end of year	1,141	1,286	806	-	3,233
*Micro and small business loans***					
Balance at beginning of year	684	322	67	-	1,073
Transfers:					
Stage 1 to Stage 2	(46)	46	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	-	-	-	-	-
Stage 2 to Stage 3	-	(53)	53	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2	(2)	-	-
Assets derecognized or repaid	(297)	(276)	(72)	-	(645)
New assets originated:					
Remained in Stage 1	677	-	-	-	677
Moved to Stages 2 and 3	-	26	149	-	175
Write-offs	(36)	-	(9)	-	(45)
	298	(255)	119	-	162
Balance at end of year	982	67	186	-	1,235
Other receivables					
Balance at beginning of year	39,996	327	3,512	-	43,835
Transfers:					
Stage 1 to Stage 2	(84)	84	-	-	-
Stage 2 to Stage 3	-	(313)	313	-	-
Stage 3 to Stage 1	114	-	(114)	-	-
Assets derecognized or repaid	(11,783)	(252)	(1,082)	-	(13,117)
New assets originated:					
Remained in Stage 1	944	-	-	-	944
Moved to Stages 2 and 3	-	648	336	-	984
Write-offs	-	-	(1,093)	-	(1,093)
	(10,809)	167	(1,640)	-	(12,282)
Balance at end of year	29,187	494	1,872	-	31,553
	P 535,969	P 15,797	P 23,113	P 20	P 574,899

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2023					
Corporate Loans					
Balance at beginning of year	P 364,131	P 3,837	P 9,452	P -	P 377,420
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(787)	-	787	-	-
Stage 2 to Stage 1	434	(434)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	94	-	(94)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(194,253)	(202)	(1,042)	-	(195,497)
New assets originated:					
Remained in Stage 1	227,735	-	-	-	227,735
Moved to Stages 2 and 3	-	871	1,177	-	2,048
	29,852	786	3,648	-	34,286
Balance at end of year	**P 393,983**	**P 4,623**	**P 13,100**	**P -**	**P 411,706**
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	**118,194**	**3,686**	**6,987**	**-**	**128,867**
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	**70,864**	**1,247**	**2,556**	**-**	**74,667**
Balance forwarded	**P 583,041**	**P 9,556**	**P 22,643**	**P -**	**P 615,240**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	**P 583,041**	**P 9,556**	**P 22,643**	**P -**	**P 615,240**
Other receivables					
Balance at beginning of year	28,589	461	1,676	-	30,726
Transfers:					
Stage 1 to Stage 2	(126)	126	-	-	-
Stage 1 to Stage 3	(92)	-	92	-	-
Stage 2 to Stage 1	96	(96)	-	-	-
Stage 2 to Stage 3	-	(293)	293	-	-
Stage 3 to Stage 1	3	-	(3)	-	-
Stage 3 to Stage 2	-	168	(168)	-	-
Assets derecognized or repaid	(2,573)	(232)	(825)	-	(3,630)
New assets originated:					
Remained in Stage 1	16,504	-	-	-	16,504
Moved to Stages 2 and 3	-	210	652	-	862
	13,812	(117)	41	-	13,736
Balance at end of year	**42,401**	**344**	**1,717**	**-**	**44,462**
	P 625,442	**P 9,900**	**P 24,360**	**P -**	**P 659,702**

2022

	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Corporate Loans					
Balance at beginning of year	P 348,002	P 654	P 10,720	P -	P 359,376
Transfers:					
Stage 1 to Stage 2	(2,910)	2,910	-	-	-
Stage 1 to Stage 3	(2,392)	-	2,392	-	-
Stage 2 to Stage 1	293	(293)	-	-	-
Stage 2 to Stage 3	-	(130)	130	-	-
Stage 3 to Stage 1	51	-	(51)	-	-
Stage 3 to Stage 2	-	21	(21)	-	-
Assets derecognized or repaid	(169,306)	(3,585)	(5,221)	-	(178,112)
New assets originated:					
Remained in Stage 1	190,393	-	-	-	190,393
Moved to Stages 2 and 3	-	4,260	1,503	-	5,763
	16,129	3,183	(1,268)	-	18,044
Balance at end of year *(Balance forwarded)*	P 364,131	P 3,837	P 9,452	P -	P 377,420

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	P 364,131	P 3,837	P 9,452	P -	P 377,420
Consumer loans					
Balance at beginning of year	P 81,363	P 12,513	P 16,118	P -	P 109,994
Transfers:					
Stage 1 to Stage 2	(4,551)	4,551	-	-	-
Stage 1 to Stage 3	(1,070)	-	1,070	-	-
Stage 2 to Stage 1	5,962	(5,962)	-	-	-
Stage 2 to Stage 3	-	(2,061)	2,061	-	-
Stage 3 to Stage 1	-	-	-	-	-
Stage 3 to Stage 2	-	2,085	(2,085)	-	-
Assets derecognized or repaid	(4,225)	(2,389)	(6,708)	-	(13,322)
New assets originated:					
Remained in Stage 1	12,054	-	-	-	12,054
Moved to Stages 2 and 3	-	624	124	-	748
Write-offs	-	-	(1,698)	-	(1,698)
	8,170	(3,152)	(7,236)	-	(2,218)
Balance at end of year	89,533	9,361	8,882	-	107,776
Credit cards					
Balance at beginning of year	32,235	792	2,536	-	35,563
Transfers:					
Stage 1 to Stage 2	(603)	603	-	-	-
Stage 1 to Stage 3	(2,002)	-	2,002	-	-
Stage 2 to Stage 1	122	(122)	-	-	-
Stage 2 to Stage 3	-	(634)	634	-	-
Stage 3 to Stage 1	65	-	(65)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(83,655)	(411)	(2,658)	-	(86,724)
New assets originated:					
Remained in Stage 1	101,551	-	-	-	101,551
Moved to Stages 2 and 3	-	473	2,993	-	3,466
Write-offs	-	-	(3,476)	-	(3,476)
	15,478	(40)	(621)	-	14,817
Balance at end of year	47,713	752	1,915	-	50,380
Other receivables					
Balance at beginning of year	39,249	312	3,309	-	42,870
Transfers:					
Stage 1 to Stage 2	(28)	28	-	-	-
Stage 2 to Stage 3	-	(284)	284	-	-
Stage 3 to Stage 1	114	-	(114)	-	-
Assets derecognized or repaid	(11,727)	(224)	(1,046)	-	(12,997)
New assets originated:					
Remained in Stage 1	981	-	-	-	981
Moved to Stages 2 and 3	-	629	336	-	965
Write-off	-	-	(1,093)	-	(1,093)
	(10,660)	149	(1,633)	-	(12,144)
Balance at end of year	28,589	461	1,676	-	30,726
	P 529,966	P 14,411	P 21,925	P -	P 566,302

The amounts of "Transfers to" include the changes in the ECL on the exposures transferred from one stage to another during the year.

The Group's receivables arising from salary loans are generally fully recoverable as those are collected through salary deductions, except for those receivables from resigned employees which were provided with full ECL allowance.

b) Investment in debt securities at amortized cost and at FVOCI

	Group		Parent Company	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2023				
Balance at beginning of year	P 252,545	P 111,314	P 251,399	P 111,205
Assets purchased	16,099	442,380	14,092	442,360
Assets derecognized	(31,956)	(476,587)	(29,688)	(476,579)
Fair value gain	-	1,426	-	1,431
Balance at end of year	**P 236,688**	**P 78,533**	**P 235,803**	**P 78,417**
2022				
Balance at beginning of year	P 163,758	P 46,094	P 162,951	P 45,611
Assets purchased	149,832	131,018	148,342	130,903
Assets derecognized	(61,045)	(60,578)	(59,894)	(59,863)
Fair value loss	-	(5,220)	-	(5,446)
Balance at end of year	P 252,545	P 111,314	P 251,399	P 111,205

c) Loan Commitments

	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Corporate Loans				
Balance at beginning of year	P 8,930	P -	P -	P 8,930
Assets derecognized or repaid	(7,043)	-	-	(7,043)
New assets originated:				
Remained in Stage 1	6,395	-	-	6,395
Moved to Stage 2	-	3	-	3
	(648)	3	-	(645)
Balance at end of year	**8,282**	**3**	**-**	**8,285**
Credit Cards				
Balance at beginning of year	9,607	-	-	9,607
New assets originated:				
Remained in Stage 1	14,111	-	-	14,111
	14,111	-	-	14,111
Balance at end of year	**23,718**	**-**	**-**	**23,718**
	P 32,000	**P 3**	**P -**	**P 32,003**

	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2022				
Corporate Loans				
Balance at beginning of year	P 4,106	P 4	P 13	P 4,123
Transfers:				
Stage 2 to 1	4	(4)	-	-
Stage 3 to 1	13	-	(13)	-
New assets originated:				
Remained in Stage 1	4,807	-	-	4,807
	4,824	(4)	(13)	4,807
Balance at end of year	8,930	-	-	8,930
Credit Cards				
Balance at beginning of year	9,607	-	-	9,607
New assets originated:				
Remained in Stage 1	5,961	-	-	5,961
	5,961	-	-	5,961
Balance at end of year	15,568	-	-	15,568
	P 24,498	P -	P -	P 24,498

4.4.11 Collateral Held as Security and Other Credit Enhancements

The Group holds collateral against loans and advances to customers in the form of hold-out deposits, real estate mortgage, standby letters of credit or bank guaranty, government guaranty, chattel mortgage, assignment of receivables, pledge of equity securities, personal and corporate guaranty and other forms of security. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are generally updated annually.

Generally, collateral is not held over loans and advances to other banks, except when securities are held as part of reverse repurchase and securities borrowing arrangements. Collateral is not usually held against trading and investment securities, and no such collateral was held as of December 31, 2023 and 2022.

The estimated fair value of collateral and other security enhancements held against the loan portfolio as of December 31 are presented below.

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Real properties	P 143,141	P 4,320	P 9,761	P 157,222
Chattel	139,159	3,287	5,297	147,743
Hold-out deposits	6,890	9	10	6,909
Equity securities	6,121	9	248	6,378
Others	185,498	2,493	10,874	198,865
	P 480,809	**P 10,118**	**P 26,190**	**P 517,117**

	Group			
	Stage 1	Stage 2	Stage 3	Total
2022				
Real properties	P 120,659	P 9,862	P 11,157	P 141,678
Chattel	66,648	8,404	6,974	82,026
Hold-out deposits	10,993	1	7	11,001
Equity securities	15,681	-	247	15,928
Others	237,070	2,524	6,852	246,446
	P 451,051	P 20,791	P 25,237	P 497,079

	Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2023				
Real properties	P 137,841	P 3,996	P 9,471	P 151,308
Chattel	136,681	2,903	3,700	143,284
Hold-out deposits	6,797	6	4	6,807
Equity securities	6,121	9	248	6,378
Others	182,520	2,324	9,887	194,731
	P 469,960	**P 9,238**	**P 23,310**	**P 502,508**
2022				
Real properties	P 117,894	P 9,197	P 10,842	P 137,933
Chattel	64,833	6,049	5,606	76,488
Hold-out deposits	10,936	-	5	10,941
Equity securities	15,681	-	247	15,928
Others	233,118	1,136	5,987	240,241
	P 442,462	P 16,382	P 22,687	P 481,531

The Group and the Parent Company have recognized certain properties arising from foreclosures in settlement of loan account amounting to P675 and P614, respectively, in 2023 and P761 and P760, respectively, in 2022.

The Group and the Parent Company's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place. The Group and the Parent Company do not generally use the non-cash collateral for its own operations.

There were no changes in the Group and the Parent Company's collateral policies in 2023 and 2022.

4.4.12 Modifications of Financial Assets

(a) Financial Reliefs Provided by the Group

In certain cases, the Group modifies the terms of the loans provided to the borrowers due to commercial renegotiations, or for distressed loans, with a view of maximizing recovery of the contractual amount of obligation that the Group is owed to. Restructuring policies and practices are based on indicators or criteria which, in the management's judgment, indicate that payment will most likely continue. Such policies are continuously reviewed and updated as necessary. Restructuring is most commonly applied to term or corporate loans.

On top of the government reliefs, the Group has offered financial relief through its CARE Program, which was approved by the Executive Committee on May 4, 2020, in response to the COVID-19 situation. These relief measures were granted to eligible customers to allow them to get back into the habit of paying loans and included the following:

- payment relief including extension of contractual terms;
- principal and interest relief including lower amortization on extended term with interest payment only on the first year; and,
- extension of balloon repayment terms.

The outstanding balance of loans modified under the CARE Program in 2023 and 2022 amounted to P29,554 and P35,695, respectively, for the Group, and P27,473 and P33,086, respectively for the Parent Company.

The following tables provide a summary of the outstanding balance of modified loans resulting from the financial reliefs provided by the Group as of December 31:

	Group		Parent Company	
	2023	2022	**2023**	2022
Stage 1 (Performing)				
Corporate	**P 14,815**	P 21,121	**P 14,815**	P 21,121
Consumer	**4,016**	2,956	**4,016**	2,956
Credit card	**232**	654	**232**	654
Leasing and finance	**817**	115	**-**	-
Microfinance and small business	**20**	47	**-**	-
	P 19,900	P 24,893	**P 19,063**	P 24,731
Stage 2 (Underperforming)				
Corporate	**P 3,016**	P 205	**P 3,016**	P 205
Consumer	**905**	2,218	**905**	2,218
Credit card	**61**	120	**61**	120
Leasing and finance	**427**	1,738	**-**	-
Microfinance and small business	**53**	55	**-**	-
	P 4,462	P 4,336	**P 3,982**	P 2,543
Stage 3 (Nonperforming)				
Corporate	**P 2,492**	P 1,818	**P 2,492**	P 1,818
Consumer	**1,844**	3,830	**1,844**	3,830
Credit card	**92**	164	**92**	164
Leasing and finance	**640**	554	**-**	-
Microfinance and small business	**124**	100	**-**	-
	P 5,192	P 6,466	**P 4,428**	P 5,812

(b) Assessment of SICR

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the performance of the financial asset subsequent to its modification.

The Group may determine that the credit risk has significantly improved after restructuring (in accordance with the new terms for six consecutive months or more), so that the assets are moved from Stage 3 or Stage 2.

The Group continues to monitor if there is a subsequent SICR in relation to such modified assets through the use of specific models for modified assets [see also Note 4.4.6(a)].

4.4.13 Write-offs

The Group and the Parent Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include: cessation of enforcement activity; and, where the Group and Parent Company's recovery method is through foreclosure of collateral and the value of the collateral is less than the outstanding contractual amounts of the financial assets to be written-off.

The Group and Parent Company may write off financial assets that are still subject to enforcement activity. The outstanding amounts of such assets written off in 2023 and 2022 amounted to P4,179 and P6,312, respectively, for the Group, and P3,811 and P6,267, respectively, for the Parent Company. The Group and the Parent Company still seek to recover amounts legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

4.4.14 Credit Risk Stress Test

To enhance the assessment of credit risk, the Group adopted a credit risk stress testing framework using break-even sales and cash flow debt service to determine a borrower's vulnerability and ultimately impact to the Group's capital adequacy. The Parent Company adopted a portfolio credit risk testing framework that takes into consideration the causal relationships among industry sectors.

4.4.15 Sensitivity Analysis on ECL Measurement

Set out below are the changes to the Group's ECL as of December 31, 2023 and 2022 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions:

	Change in MEVs		Impact on ECL	
	Upside Scenario	Downside Scenario	Upside Scenario	Downside Scenario
2023				
Credit card receivables			(P 3,748)	P 4,372
GDP	+ 7.00%	- 6.50%		
CPI	- P123.70	+ P124.30		
Unemployment rate	- 2.00%	+ 4.00%		
Corporate loans			(234)	197
Inflation rate	- 0.50%	+ 5.00%		
91D TD bill	- 0.50%	+ 5.00%		
Consumer loans:				
Salary loans			(128)	303
Unemployment rate	- 2.00%	+ 13.00%		
USD-Php exchange rate	- P52.50	+ P66.00		
Inflation rate	-3.60%	+ 9.10%		
Bank lending rate	-5.70%	+ 11.20%		
Housing loans			(505)	564
GDP	+ 6.50%	- 0.50%		
CPI	- P124.30	+ P130.27		
Unemployment rate	- 4.00%	+ 13.00%		
Auto loans			(971)	1,164
GDP	+ 6.50%	- 0.50%		
CPI	- P124.30	+ P130.27		
Unemployment rate	- 4.00%	+ 13.00%		
Personal loans			(122)	145
GDP	+ 7.00%	- 6.50%		
CPI	- P123.70	+ P124.30		
Unemployment rate	- 2.00%	+ 4.00%		

	Change in MEVs		Impact on ECL	
	Upside Scenario	Downside Scenario	Upside Scenario	Downside Scenario
2022				
Credit card receivables			(P 461)	P 1,477
Unemployment rate	- 5.80%	+ 5.20%		
Inflation rate	- 0.20%	+ 5.30%		
Corporate loans			(99)	871
USD-Php exchange rate	- P3	+ P10.50		
Inflation rate	- 0.50%	+ 5.00%		
91D TD bill	- 0.50%	+ 5.00%		
Consumer loans:				
Salary loans			(11)	20
Unemployment rate	- 2.00%	+ 9.00%		
USD-Php exchange rate	- P3	+ P10.50		
Inflation rate	-0.50%	+ 5.00%		
Bank lending rate	-0.50%	+ 5.00%		
Housing loans			(5)	45
Unemployment rate	- 2.00%	+ 9.00%		
Inflation rate	- 0.50%	+ 5.00%		
Bank lending rate	- 0.50%	+ 5.00%		
Auto loans			(1)	7
GDP	+ P26,008	- P338,098		
USD-Php exchange rate	- P3	+ P10.50		
Bank lending rate	- 0.50%	+ 5.00%		
Personal loans			(6)	37
GDP	+ P26,008	- P338,098		
USD-Php exchange rate	- P3	+ P10.50		
Bank lending rate	- 0.50%	+ 5.00%		

4.5 Operational Risk

Operational risks are risks arising from the potential inadequate information systems and systems, operations or transactional problems (relating to service or product delivery), breaches in internal controls, fraud, or unforeseen catastrophes that may result in unexpected loss. Operational risks include the risk of loss arising from various types of human or technical error, settlement or payments failures, business interruption, administrative and legal risks, and the risk arising from systems not performing adequately.

The Operational Risk Management Division (ORMD) assists management in meeting its responsibility to understand and manage operational risk exposures and to ensure consistent application of operational risk management tools across the Group.

The ORMD applies a number of techniques to efficiently manage operational risks. Among these are as follows:

- Each major business line has an embedded designated Deputy Operational Risk Officer (DORO) who acts as a point person for the implementation of various operational risk tools. The DOROs attend quarterly DORO forums conducted by the ORMD to keep them up-to-date with different operational risk issues, challenges and initiatives;

- With ORMD's bottom up Risk Control Self-Assessment (RCSA) process, which is conducted at least annually, material operational processes and controls are assessed and examined to the Bank's overall risks and controls. The result of said self-assessment exercise also serves as one of the inputs in identifying specific key risk indicators (KRIs) and Control Sample Tests (CSTs);

- KRIs are used to monitor the operational risk profile of the Group and of each business unit, and alert management of impending problems in a timely fashion;

- CSTs is for the business units to self-assure against key process controls, effective implementation and execution of controls in its day-to-day activities. CSTs are conducted periodically to detect control failures and address any process weaknesses in a timely manner before control failures can be systemic.

- Internal loss information is collected, reported, and utilized to model operational risk; and,

- The ORMD reviews product and operating manuals, policies, procedures and circulars, thus allowing the embedding of desired operational risk management practices in all business units.

Operational Risk Management, as it relates to capital adequacy, is currently under Basic Indicator Approach (see Note 5.2).

The Group has an institutional Business Continuity Plan (BCP) based on several crisis severity levels which is tested at least annually and updated for any major changes in systems and procedures. Central to the Group's BCP is a disaster recovery plan to address the continued functioning of systems, recovery of critical data, and contingency processing requirements in the event of a disaster.

4.5.1 Reputation Risk

Reputation risk is the risk to earnings, capital and liquidity arising from negative public opinion. This affects the Group's ability to establish new relationships or services, or to continue servicing existing relationships. This risk can expose the Group to litigation, financial loss, or damage to its reputation. Reputation risk arises whenever technology-based banking products, services, delivery channels, or processes may generate adverse public opinion such that it seriously affects the Group's earnings or impairs its capital. This risk is present in activities such as asset management and regulatory compliance.

The RCBC Group has very low tolerance for engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group. The management of reputational risk in the Bank is guided by its Reputational Risk Management Framework in accordance with BSP Circular 1114. The Bank's Reputational Risk Management Framework (RRMF) is in place in order to have an enterprise-wide approach and scope of implementation, beyond the assessment of reputational risk that is focused on customer complaints. While growth is projected to emanate from various drivers, the Bank recognizes that potential failure in the same ushers in a potential damage to reputation.

4.5.2 Legal Risk and Regulatory Risk Management

Changes in laws and regulations and fiscal policies could adversely affect the Group's operations and financial reporting. In addition, the Group faces legal risks in enforcing its rights under its loan agreements, such as foreclosing of collateral. Legal risk is higher in new areas of business where the law remains untested by the courts. The Group uses a legal review process as the primary control mechanism for legal risk. Such a legal review aims to verify and validate the existence, genuineness and due execution of legal documents, and verify the capacity and authority of counterparties and customers to enter into transactions. In addition, the Group seeks to minimize its legal risk by using stringent legal documentation, imposing certain requirements designed to ensure that transactions are properly authorized, and consulting internal and external legal advisors.

Regulatory risk refers to the potential for the Group to suffer financial loss due to mid-stream changes in regulatory regime affecting current position and/or strategy. Compliance Risk is the risk of loss resulting from failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities.

The Group's Compliance Program, the design and implementation of which is overseen and coordinated by the Chief Compliance Officer, is the primary control process for regulatory and compliance risk issues. The Compliance Office is committed to safeguard the integrity of the Group by maintaining a high level of regulatory compliance. It is responsible for communicating and disseminating new rules and regulations to all units, assessing and addressing identified compliance issues, performing periodic compliance testing an, and reporting compliance findings to the ACC and the BOD.

4.6 Anti-Money Laundering Controls

The AMLA or RA No. 9160 was passed in September 2001. It was subsequently amended by RA No. 9194, RA No. 10167, and RA No. 10365, R.A.11521 in March 2003, June 2012 and February 2021, respectively. Together with the Terrorism Financing Prevention and Suppression Act (TFPSA) which was passed in June 2012 by virtue of RA No. 10168, and Anti-Terrorism Act of 2020 or R.A. 11479 these laws provide the regulatory framework for the Philippine Anti-Money Laundering and Terrorist Financing Prevention regulations. The Anti-Money Laundering Council is the financial intelligence unit tasked to implement AMLA, as amended. It is also the government agency that issues implementing guidelines to the AMLA and the TFPSA.

RCBC, as a BSP-supervised covered person, is subject to the Anti-Money Laundering and Combatting the Financing of Terrorism Regulations under Part Nine of the Manual of Regulations for Banks (MORB). Recent amendments to the said regulations were covered by BSP Circular Nos. 950 and 1022.

RCBC's Anti-Money Laundering and Terrorism Financing Prevention Program (MTPP) is aligned with the foregoing laws, rules, and regulations, and follows a risk-based approach in identifying, assessing, and mitigating money laundering, terrorist financing, and proliferation financing risks. It includes the policies, procedures, and controls that are designed to prevent, detect, and deter money laundering and terrorist financing, proliferation financing, and other financial crimes. Some of these controls include the following:

- Delineation of the sales and the service functions of the first line of defense. The Sales function is focused on marketing and sales, relationship management, cross-selling, credit-related matters and documentation, and loan-related referrals and documentation; while the Service function is focused on BC operations such as: (a) customer servicing, which includes know your customer (KYC) and account opening, account maintenance and tellering, cash and vault management and ATM servicing, (b) BC administration, (c) customer experience management such as inquiries, feedback, and problem resolution, and (d) compliance and audit.

- The Group also created middle offices under the Branch Operations and Control Segment, comprised of Middle Office Support Division (MOSD) and Branch Control Division (BCD), tasked to review and validate KYC documents. The MOSD ensures the uniqueness of Customer Information Files and accuracy of information captured in the Credit Risk Mitigation (CRM). It also reviews the completeness of account opening documents. The BCD, on the other hand, ensures the proper implementation of KYC, the performance of independent enhanced due diligence based on customer risk profile, and monitoring adherence of BCs to standard operating procedures. It also acts as the additional control layer to track exceptions and decides on dispositions, recommends sanctions or additional trainings for BCs, and recommends process improvements. The key processes of the BCD are KYC, exceptions reporting, and quality assurance.

- Use of technology in automating compliance activities such as client risk profiling, watch list and sanctions screening, transaction monitoring, and regulatory reporting. The Bank has also initiated the use of proactive compliance analytics and investigation to gain more actionable insights and typologies. As recent updates, the Bank has enhanced its sanctions policy to ensure the prohibition of dealing with “designated” individuals or entities. Too, it has updated its policy regulating the onboarding and monitoring of transactions with Designated-Non Financial Businesses and Professions (DNFBPs) customers.

For the controls to remain effective, the RCBC Group assesses its key exposures to ML (money laundering)/TF (terrorist financing)/PF (proliferation financing) risks by performing an Institutional ML/TF/PF Risk Assessment (IRA) focusing on evaluating the inherent ML/TF/PF risks presented by the Bank’s business activities and the controls in place to mitigate the inherent ML/TF/PF risks so as to determine the overall residual risks. The institutional risk assessment is conducted at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous risk assessment, or other relevant AML/Countering Financing of Terrorism developments that may have an impact on the covered person’s operations.

4.7 Impact of London Interbank Offered Rate (LIBOR) Reform

The Group currently has exposure to contracts which reference LIBOR and extend beyond 2021, including swaps which will transition under the International Swaps and Derivatives Association (ISDA) protocols.

In 2021, the Group established working team consisting of key personnel from treasury, finance, risk, IT, legal, compliance and lending groups to oversee the Group's transition plan. This working group put in place a transition project for those contracts which reference USD LIBOR to transition them to Secured Overnight Financing Rate (SOFR), with the aim of minimizing the disruption to business and mitigating operational risks and possible financial losses. This transition project is considering changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications. Significant risk areas affected by the replacement of LIBOR include:

(i) updating systems and processes which capture USD LIBOR referenced contracts;
(ii) amending affected contracts, or existing fallback/transition clauses not operating as anticipated; and (iii) reviewing mismatches in timing of derivatives and loans transitioning from USD LIBOR and the resulting impact on economic risk management.

As confirmed by the United Kingdom's Financial Conduct Authority that LIBOR setting will either cease to be provided or no longer representative for:

- All Sterling, Euro, Swiss Franc and Japanese Yen settings and the 1-week and 2-month USD settings by December 31, 2021

- Remaining overnight, 1-month, 3-month and 12-month USD settings by June 30, 2023

The Group has decided to continue the use of USD LIBOR for its outstanding contracts until June 30, 2023. On the other hand, beginning January 1, 2022, the Group will use the Interbank Offered Rates (IBOR) Fallback Rates from Bloomberg for legacy deals while Overnight Index Swap (OIS) Rates as specified in the ISDA protocols will be used for normal Interest Rate Swaps upon cessation of LIBOR and other rates.

In 2022, the Group has initiated set-up of the required changes to systems and processes. Internal briefings were held across all lending units to disseminate the use of the new benchmark. The Group also sent notice to identified clients advising them of benchmark developments and the Group's adoption of CME Term SOFR for new loans beginning 2022. Loan documentations have also been reviewed for consistency with the new benchmark. As of July 2023, the necessary updates to internal systems and processes have been implemented.

The Group continues to engage with industry participants and the BSP, to ensure an orderly transition to SOFR and to minimize the risks associating from transition, and it will continue to identify and assess risks associated with the USD LIBOR replacement.

(a) Risks Arising from the Interest Rate Benchmark Reform

The following are the key risks for the Group arising from the transition:

- Liquidity Risk: There are fundamental differences between LIBOR and the alternative benchmark rate which the Group will be adopting. LIBOR are forward-looking term rates published for a period (e.g., 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments which will require additional liquidity management. The Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.

- Accounting: If transition to alternative benchmark rates for certain contracts is finalized in a manner that does not permit the application of reliefs, this could lead to volatility in profit or loss if non-derivative financial instruments are modified or derecognized. In particular, the Group is not seeking to novate derivatives or close out derivatives and enter into new on-market derivatives where derivatives have been designated in hedging relationships.

- Operational Risk: The Group's current treasury management system will undergo upgrades to fully manage the transition to alternative benchmark rates and there is a risk that such upgrades are not fully functional in time, resulting in additional manual procedures which give rise to operational risks. The Group is working closely with its system provider to ensure the relevant updates are made in good time and the Group has plans in place for alternative manual procedures with relevant controls to address any potential delay.

- Litigation Risk: If no agreement is reached to implement the interest rate benchmark reform on prospective contracts, there is a risk of prolonged disputes with counterparties which could give rise to additional legal and other costs. The Group is working closely with all counterparties to avoid this from occurring.

5. CAPITAL MANAGEMENT

5.1 Regulatory Capital

The Group's lead regulator, the BSP, sets and monitors the capital requirements of the Group.

In implementing the current capital requirements, the BSP requires the Group to maintain a prescribed ratio of qualifying regulatory capital to total risk-weighted assets including market risk and operational risk computed based on BSP-prescribed formula provided under its circulars.

On January 15, 2013, the BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. Circular No. 781 is effective on January 1, 2014.

The BSP has adopted the Basel III risk-based capital adequacy framework effective January 1, 2014, which requires the Group to maintain at all times the following:

(a) Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
(d) Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET1 Capital.

Under the relevant provisions of the current BSP regulations, the required minimum capitalization for the Parent Company, Rizal Microbank, RCBC Capital and RCBC LFC is P20,000, P400, P300 and P300, respectively.

In computing for the capital adequacy ratio (CAR), the regulatory qualifying capital is analyzed into two tiers which are: (i) Tier 1 Capital comprised of CET1 and Additional Tier 1 (AT1) capital, and, (ii) Tier 2 Capital, defined as follows and are subject to deductions as defined in relevant regulations:

(a) CET1 Capital includes the following:

(i) paid-up common stock;
(ii) common stock dividends distributable;
(iii) additional paid-in capital;
(iv) deposit for common stock subscription;
(v) retained earnings;
(vi) undivided profits;
(vii) other comprehensive income from net unrealized gains or losses on financial assets at FVOCI and cumulative foreign currency translation; and,
(viii) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(b) AT1 Capital includes:

(i) instruments that do not qualify as CET1, but meet the criteria set out in Annex B of BSP Circular No. 781;
(ii) financial liabilities meeting loss absorbency requirements set out in Annex E of BSP Circular No. 781;
(iii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iv) additional paid-in capital resulting from issuance of AT1 capital;
(v) deposit for subscription to AT1 instruments; and,
(vi) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(c) Tier 2 Capital includes:

(i) instruments issued that are not qualified as Tier 1 capital but meet the criteria set forth in Annex C of BSP Circular No. 781;
(ii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iii) deposit for subscription of Tier 2 capital;
(iv) appraisal increment reserve on bank premises, as authorized by the Monetary Board (MB) of the BSP;
(v) general loan loss provisions; and,
(vi) minority interest in subsidiary banks that are less than wholly-owned, subject to regulatory conditions.

In the calculation of Risk-based CAR, the total Qualifying Capital is expressed as a percentage of Total Risk-Weighted Assets based on book exposures, where Risk Weighted Assets is composed of Credit Risk, Market Risk and Operational Risk, net of specific provisions and exposures covered by CRM.

Banking book exposures shall be risk-weighted based on third party credit assessment of the individual exposure given by eligible external credit institutions and the corresponding external credit assessment are mapped with the corresponding risk weights following the Standardized Credit Risk Weights table as provided under BSP Circular No. 538, *Revised Risk-Based Capital Adequacy Framework*.

BSP Circular No. 856, *Implementing Guidelines on the Framework for Dealing with Domestic Systemically Important Banks under Basel III*, covers the implementing guidelines on the framework for dealing with domestic systemically important banks (D-SIBs) in accordance with the Basel III standards. Banks identified as D-SIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019.

The Group and Parent Company's regulatory capital position based on the Basel III risk-based capital adequacy framework as reported to the BSP follows:

	Group	Parent Company
2023:		
Tier 1 Capital		
CET 1	**P 115,046**	**P 111,616**
AT1	**14,466**	**14,466**
	129,512	**126,082**
Tier 2 Capital	**6,586**	**6,522**
Total Qualifying Capital	**P 136,098**	**P 132,604**
Total Risk – Weighted Assets	**P 783,300**	**P 771,479**
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	**17.37%**	**17.19%**
Tier 1 Capital Ratio	**16.53%**	**16.34%**
Total CET 1 Ratio	**14.69%**	**14.47%**
2022:		
Tier 1 Capital		
CET 1	P 85,637	P 81,242
AT1	14,466	14,466
	100,103	95,708
Tier 2 Capital	6,081	6,025
Total Qualifying Capital	P 106,184	P 101,733
Total Risk – Weighted Assets	P 694,421	P 679,361
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	15.29%	14.97%
Tier 1 Capital Ratio	14.42%	14.09%
Total CET 1 Ratio	12.33%	11.96%

5.2 Internal Capital Adequacy Assessment and Pillar 2 Risk-Weighted Assets

In January 2009, the BSP issued Circular No. 639 on the ICAAP and Supervisory Review Process covering universal and commercial banks on a group-wide basis. As a supplement to BSP Circular No. 538 on the Risk-Based Capital Adequacy Framework, ICAAP sets out the following principles:

(a) Banks must have a process for assessing capital adequacy relative to their risk profile, operating environment, and strategic/business plans;

(b) The Bank's ICAAP is the responsibility of the BOD, must be properly documented and approved and with policies and methodologies integrated into banking operations;

(c) The Bank's ICAAP should address other material risks – Pillar 2 risks – in addition to those covered by Pillar 1, with risk measurement methodologies linked to the assessment of corresponding capital requirement both on a BAU and stressed scenario;

(d) The minimum CAR prescribed by the BSP after accounting for Pillar 1 and other risks is retained at 10%; and,

(e) The Bank's ICAAP document must be submitted to the BSP every March 31 of each year.

The Group identified the following Pillar 2 risks as material to its operations, and consequently set out methodologies to quantify the level of capital that it must hold.

(a) *Credit Risk Concentration* – The Group has so far limited its analysis to credit risk concentration arising from the uneven sector distribution of the Group's credit exposures. Aside from using a simplified application of the HHI, concentration is estimated using the CCI. The capital charge is estimated by calculating the change in the Economic Capital (EC) requirement of the credit portfolio as an effect of credit deterioration in the largest industry exposure.

(b) *IRRBB* – It is the current and prospective negative impact on earnings and capital arising from interest rate shifts. The Group IRRBB estimates as its NII-at-risk, and accordingly deducts the same from regulatory qualifying capital. Stressed IRRBB is calculated by applying the highest observed market volatilities over a determined timeframe.

(c) *Liquidity Risk* – The Group estimates its liquidity risk under BAU scenario using standard gap analysis. Stressed liquidity risk on the other hand assumes a repeat of a historical liquidity stress, and estimates the impact if the Group were to partially defend its deposits and partially pay-off by drawing from its reserve of liquid assets.

(d) *IT Risk* – It is the current and prospective negative impact to earnings arising from failure of IT systems and realization of cyber security threats. The Group treats this risk as forming part of Operational Risk.

(e) *Compliance Risk* – It is the current and prospective negative impact on earnings and capital arising from violation of laws, regulations, ethical standards, and the like. For BAU scenario, the Group estimates compliance risk charge from historical fines and penalties as the worst-case loss determined via a frequency-severity analysis of each penalty type. The resulting compliance risk charge calculation is likewise directly deducted from earnings.

(f) *Strategic Business Risk* – It is the current and prospective negative impact on earnings and capital arising from adverse business decisions, improper implementation, and failure to respond to industry changes. The Group treats strategic business risk as a catch-all risk, and expresses its estimate as a cap on additional risk-weighted assets given other risks and the desired level of capital adequacy. The Group maintains that the assessment of strategic risk is embedded in the budget of the Group. Its capital impact therefore on a BAU case is already expressed in the amount of risk projected to be taken on in the forecast years. However, the Group does recognize the need to set up processes that would enable to put a number to the risk incurred by going into specific strategies.

(g) *Reputation Risk* – From the adoption of a theoretical measure, the Group amended its approach to reputation risk in 2011 by adopting instead a reputation risk monitoring and reporting process, run primarily by its Marketing Committee. The measurement of reputation risk under stress is folded into the Group's assessment of stressed liquidity risk.

5.3 Basel III Leverage Ratio

BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides the implementing guidelines on the leverage ratio framework designed to act as a supplementary measure to the risk-based capital requirements. It sets out a minimum leverage ratio of 5.00% on a solo and consolidated basis and shall be complied with at all times. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 per BSP Circular No. 990, *Amendments to the Basel III Leverage Ratio Framework*, issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III leverage ratio intends to restrict the build-up of leverage to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the ratio of capital measure (Tier 1 Capital) and the exposure measure. Exposure measure includes: on-balance sheet exposures, securities financing transactions exposures and off-balance sheet.

The Group and Parent Company's Basel III leverage ratio as reported to the BSP are as follows:

	Group	Parent Company
2023:		
Tier 1 Capital	**P 129,512**	**P 126,082**
Exposure measure	**1,326,242**	**1,314,888**
	9.77%	**9.59%**
2022:		
Tier 1 Capital	P 100,102	P 95,708
Exposure measure	1,198,389	1,184,364
	8.35%	8.08%

5.4 Liquidity Coverage Ratio and Net Stable Funding Ratio

On March 10, 2016, the BSP issued Circular No. 905, *Implementation of Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio and Disclosure Standards*, which provides the implementing guidelines on liquidity coverage ratio (LCR) and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows, which should not be lower than 100.00%. Compliance with the LCR minimum requirement commenced on January 1, 2018 with the prescribed minimum ratio of 90.00% for 2018 and 100.00% effective January 1, 2019.

To promote the short-term resilience of the liquidity risk profile, the Bank maintains adequate stock of unencumbered high-quality liquid assets (HQLAs) that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least 30 calendar days, which would give time for corrective actions to be taken by the Bank management and/or the BSP. Details of the Group's and Parent Company's LCR are summarized below.

	Group		Parent Company	
	Total Unweighted Value	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**
December 31, 2023				
Total stock of HQLA	**P 445,894**	**P 437,927**	**P 443,228**	**P 435,553**
Expected Net Cash Outflows*	**1,459,085**	**256,891**	**1,460,162**	**257,561**
Liquidity Coverage Ratio		**170.47%**		**169.11%**
December 31, 2022				
Total stock of HQLA	P 429,188	P 420,715	P 426,745	P 418,521
Expected Net Cash Outflows*	1,258,367	259,722	1,257,964	258,974
Liquidity Coverage Ratio		161.99%		161.61%

**Includes Restricted Term Deposits and Deposits pledged as collateral or under hold-out arrangements*

Net Stable Funding Ratio (NSFR), as detailed in BSP Circular No. 1007, *Implementing Guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio*, measures the availability of medium and long-term stable funding to support illiquid assets and business activities on an on-going basis. It is an assessment of the level of sustainable funding required to reduce funding risk over a one-year time horizon. The NSFR complements the LCR, which promotes short-term resilience of the Group's liquidity profile.

To promote long-term resilience against liquidity risk, the Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and seeks to meet this objective by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

Details of the Group's and Parent Company's Basel III NSFR are summarized in the succeeding page.

	Group	Parent Company
December 31, 2023		
Available stable funding	**P 760,231**	**P 755,299**
Required stable funding	**633,006**	**634,968**
Basel III NSFR	**120.10%**	**118.95%**
December 31, 2022		
Available stable funding	P 694,870	P 687,997
Required stable funding	553,443	554,141
Basel III NSFR	125.55%	124.16%

The Bank has complied with the daily minimum regulatory requirement of 100% for both ratios beginning in 2019.

6. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Carrying Amounts and Fair Values by Category

The following table summarizes the carrying amounts and corresponding fair values of financial assets and financial liabilities presented in the statements of financial position.

	Group			
	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**P 250,108**	**P 250,108**	P 208,323	P 208,323
Investment securities - net	**236,527**	**213,708**	252,382	220,523
Loans and receivables - net	**622,149**	**640,850**	539,848	555,018
Other resources - net	**1,459**	**1,459**	1,204	1,204
	1,110,243	**1,106,125**	1,001,757	985,068
At fair value:				
Investment securities at FVTPL	**11,778**	**11,778**	7,037	7,037
Investment securities at FVOCI	**82,437**	**82,437**	114,946	114,946
	94,215	**94,215**	121,983	121,983
	P 1,204,458	**P 1,200,340**	P 1,123,740	P 1,107,051
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 956,712**	**P 929,590**	P 857,244	P 857,299
Bills payable	**50,858**	**50,858**	66,660	66,660
Bonds payable	**34,939**	**34,356**	74,411	72,446
Accrued interest and other expenses	**10,745**	**10,745**	7,857	7,857
Other liabilities	**26,990**	**26,990**	25,333	25,333
	1,080,244	**1,052,539**	1,031,505	1,029,595
At fair value – Derivative financial liabilities	**1,690**	**1,690**	2,116	2,116
	P 1,081,934	**P 1,054,249**	P 1,033,621	P 1,031,711

	Parent Company			
	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**P 247,941**	**P 247,941**	P 206,320	P 206,320
Investment securities - net	**235,732**	**213,097**	251,328	219,806
Loans and receivables - net	**615,901**	**633,825**	532,193	546,950
Other resources - net	**1,457**	**1,457**	1,202	1,202
	1,101,031	**1,096,320**	991,043	974,278
At fair value:				
Investment securities at FVTPL	**10,954**	**10,954**	6,139	6,139
Investment securities at FVOCI	**81,757**	**81,757**	114,265	114,265
	92,711	**92,711**	120,404	120,404
	P 1,193,742	**P 1,189,031**	P 1,111,447	P 1,094,682
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 957,369**	**P 930,262**	P 857,639	P 857,694
Bills payable	**43,957**	**43,957**	58,391	58,391
Bonds payable	**34,939**	**34,356**	74,411	72,446
Accrued interest and other expenses	**10,475**	**10,475**	7,663	7,663
Other liabilities	**26,218**	**26,218**	24,287	24,287
	1,072,958	**1,045,268**	1,022,391	1,020,481
At fair value – Derivative financial liabilities	**1,690**	**1,690**	2,116	2,116
	P 1,074,648	**P 1,046,958**	P 1,024,507	P 1,022,597

Except for investment securities at amortized cost, deposit liabilities, loans and receivables, and bonds payable with fair value disclosed different from their carrying amounts, management considers that the carrying amounts of other financial assets and financial liabilities presented above which are measured at amortized cost, approximate the fair values either because those instruments are short-term in nature or the effect of discounting for those with maturities of more than one year is not material. The fair value information disclosed for the Group and Parent Company's investment securities at amortized cost and other financial assets and liabilities measured at fair value on a recurring basis are determined based on the procedures and methodologies discussed in Note 7.3.

6.2 *Offsetting Financial Assets and Financial Liabilities*

The following financial assets presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar arrangements:

		Group			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
December 31, 2023					
Loans and receivables – Receivable from customers	11	**P 621,922**	**(P 8,153)**	**P -**	**P 613,769**
Trading and investment securities – Investment securities at amortized cost	10	**236,527**	**(41,597)**	**-**	**194,930**
Other resources – Margin deposits	15	**243**	**-**	**(243)**	**-**
December 31, 2022					
Loans and receivables – Receivable from customers	11	P 543,346	(P 11,001)	P -	P 532,345
Trading and investment securities – Investment securities at amortized cost	10	252,382	(40,481)	-	211,901
Other resources – Margin deposits	15	240	-	(240)	-

		Parent Company			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
December 31, 2023					
Loans and receivables – Receivable from customers	11	**P 615,240**	**(P 8,152)**	**P -**	**P 607,088**
Trading and investment securities – Investment securities at amortized cost	10	**235,732**	**(41,597)**	**-**	**194,135**
Other resources – Margin deposits	15	**243**	**-**	**(243)**	**-**
December 31, 2022					
Loans and receivables – Receivable from customers	11	P 535,576	(P 10,941)	P -	P 524,635
Trading and investment securities – Investment securities at amortized cost	10	251,328	(40,481)	-	210,847
Other resources – Margin deposits	15	240	-	(240)	-

The following financial liabilities presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar agreements:

		Group			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
December 31, 2023					
Deposit liabilities	17	**P 956,712**	**(P 8,153)**	**P -**	**P 948,559**
Bills payable	18	**50,858**	**(41,597)**	**-**	**9,261**
Other liabilities – Derivative financial liabilities	21	**1,690**	**-**	**(243)**	**1,447**
December 31, 2022					
Deposit liabilities	17	P 857,244	(P 11,001)	P -	P 846,243
Bills payable	18	66,660	(40,481)	-	26,179
Other liabilities – Derivative financial liabilities	21	2,116	-	(240)	1,876

		Parent Company			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
December 31, 2023					
Deposit liabilities	17	**P 957,369**	**(P 8,152)**	**P -**	**P 949,217**
Bills payable	18	**43,957**	**(41,597)**	**-**	**2,360**
Other liabilities – Derivative financial liabilities	21	**1,690**	**-**	**(243)**	**1,447**
December 31, 2022					
Deposit liabilities	17	P 857,639	(P 10,941)	P -	P 846,698
Bills payable	18	58,391	(40,481)	-	17,910
Other liabilities – Derivative financial liabilities	21	2,116	-	(240)	1,876

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and its counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis. However, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

For purposes of presenting the above information, the related amounts not set off in the statements of financial position pertains to: (a) hold-out deposits and equity securities which serve as the Group's collateral enhancement for certain loans and receivables; (b) collaterized bills payable under sale and repurchase agreements; and, (c) margin deposits which serve as security for outstanding financial market transactions and other liabilities. The financial instruments that can be set off are only disclosed to the extent of the amounts of the Group's obligations to counterparties.

7. FAIR VALUE MEASUREMENT AND DISCLOSURES

7.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3. Changes in assumptions could also affect the reported fair value of the financial instruments. The Group uses judgment to select a variety of valuation techniques and to make assumptions that are mainly based on market conditions existing at the end of each reporting period.

7.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the statements of financial position on a recurring basis as of December 31, 2023 and 2022.

	Group			
	Level 1	Level 2	Level 3	Total
2023:				
Financial assets at FVTPL:				
Government securities	**P 9,647**	**P -**	**P -**	**P 9,647**
Equity securities	**783**	**-**	**-**	**783**
Corporate debt securities	**28**	**-**	**-**	**28**
Derivative assets	**10**	**1,310**	**-**	**1,320**
	10,468	**1,310**	**-**	**11,778**
Financial assets at FVOCI:				
Equity securities	**863**	**561**	**2,480**	**3,904**
Government securities	**65,962**	**-**	**-**	**65,962**
Corporate debt securities	**12,571**	**-**	**-**	**12,571**
	79,396	**561**	**2,480**	**82,437**
Total Resources at Fair Value	**P 89,864**	**P 1,871**	**P 2,480**	**P 94,215**
Derivative liabilities	**P -**	**P 1,690**	**P -**	**P 1,690**
2022:				
Financial assets at FVTPL:				
Government securities	P 3,883	P -	P -	P 3,883
Corporate debt securities	38	-	-	38
Equity securities	849	-	-	849
Derivative assets	20	2,247	-	2,267
	4,790	2,247	-	7,037
Financial assets at FVOCI:				
Equity securities	515	1,005	2,112	3,632
Government securities	53,492	-	-	53,492
Corporate debt securities	57,822	-	-	57,822
	111,829	1,005	2,112	114,946
Total Resources at Fair Value	P 116,619	P 3,252	P 2,112	P 121,983
Derivative liabilities	P 33	P 2,083	P -	P 2,116

	Parent Company			
	Level 1	Level 2	Level 3	Total
2023:				
Financial assets at FVTPL:				
Government securities	P 9,615	P -	P -	P 9,615
Corporate debt securities	19	-	-	19
Derivative assets	10	1,310	-	1,320
	9,644	1,310	-	10,954
Financial assets at FVOCI:				
Equity securities	381	557	2,402	3,340
Government securities	65,962	-	-	65,962
Corporate debt securities	12,455	-	-	12,455
	78,798	557	2,402	81,757
Total Resources at Fair Value	P 88,442	P 1,867	P 2,402	P 92,711
Derivative liabilities	P -	P 1,690	P -	P 1,690
2022:				
Financial assets at FVTPL:				
Government securities	P 3,834	P -	P -	P 3,834
Corporate debt securities	38	-	-	38
Equity securities	-	-	-	-
Derivative assets	20	2,247	-	2,267
	3,892	2,247	-	6,139
Financial assets at FVOCI:				
Equity securities	622	350	2,088	3,060
Government securities	53,492	-	-	53,492
Corporate debt securities	57,713	-	-	57,713
	111,827	350	2,088	114,265
Total Resources at Fair Value	P 115,719	P 2,597	P 2,088	P 120,404
Derivative liabilities	P 33	P 2,083	P -	P 2,116

Described below and in the succeeding page are the information about how the fair values of the Group's classes of financial assets and financial liabilities were determined.

(a) *Government and Corporate Debt Securities*

The fair value of the Group's government and corporate debt securities are categorized within Level 1 of the fair value hierarchy.

Fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.

Fair values of actively traded corporate debt securities are determined based on their market prices quoted in the Philippine Dealing Holdings System or based on the direct reference price per Bloomberg at the end of each reporting period; hence, categorized within Level 1.

(b) Equity Securities

The fair values of certain equity securities classified as financial assets at FVTPL and at FVOCI as of December 31, 2023 and 2022 were valued based on their market prices quoted in the PSE at the end of each reporting period; hence, categorized within Level 1.

Level 2 category includes the Group's investments in proprietary club shares as their prices are not derived from a market considered as active due to lack of trading activities among market participants at the end of each reporting period.

For equity securities which are not traded in an active market and with fair value categorized within Level 3, their fair value is determined through valuation techniques such as net asset value method, dividend discounted model or market-based approach (price-to-book value method) using current market values of comparable listed entities.

The price-to-book value method used to value a certain equity security of the Parent Company uses the price-to-book ratio of comparable listed entities as multiple in determining the fair value adjusted by a certain valuation discount. The price-to-book ratio used in the fair value measurement as of December 31, 2023 and 2022 ranges from 0.25:1 to 3.72:1 and from 0.82:1 to 1.35:1, respectively. Increase or decrease in the price-to-book ratio and net asset value would result in higher or lower fair values, all else equal.

For a certain preferred equity security, the Group has used the discounted cash flow applying a discount rate of 7.4% and 9.2%, which is based on the latest available weighted cost of capital of the investee company, in 2023 and 2022, respectively, to determine the present value of future cash flows from dividends or redemption expected to be received from the instrument.

A reconciliation of the carrying amounts of Level 3 FVOCI equity securities at the beginning and end of 2023 and 2022 is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 2,112**	P 1,815	**P 2,088**	P 1,788
Fair value gains - net	**368**	297	**314**	300
Balance at end of year	**P 2,480**	P 2,112	**P 2,402**	P 2,088

There were neither transfers between the levels of the fair value hierarchy nor gains or losses recognized in the statements of profit or loss for Level 3 financial assets in 2023 and 2022.

(c) Derivative Assets and Liabilities

The fair value of the Group's derivative assets categorized within Level 1 is determined be the current mid-price based on the last trading transaction as defined by third-party market makers.

On the other hand, the fair values of certain derivative financial assets and liabilities categorized within Level 2 were determined through valuation techniques using net present value computation which makes use of the streams of cash flows related to the derivative financial instruments such as interest rate swaps and currency swaps.

7.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group and Parent Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	Group			
	Level 1	Level 2	Level 3	Total
2023:				
Financial Assets:				
Cash and other cash items	**P 19,875**	**P -**	**P -**	**P 19,875**
Due from BSP	**151,762**	**-**	**-**	**151,762**
Due from other banks	**14,892**	**-**	**-**	**14,892**
Loans arising from reverse repurchase agreements	**35,799**	**-**	**-**	**35,799**
Interbank loans	**27,780**	**-**	**-**	**27,780**
Investment securities at amortized cost	**213,708**	**-**	**-**	**213,708**
Loans and receivables - net	**-**	**-**	**640,850**	**640,850**
Other resources - net	**-**	**-**	**1,459**	**1,459**
	P 463,816	**P -**	**P 642,309**	**P 1,106,125**
Financial Liabilities:				
Deposit liabilities	**P -**	**P -**	**P 929,590**	**P 929,590**
Bills payable	**-**	**-**	**50,858**	**50,858**
Bonds payable	**-**	**34,356**	**-**	**34,356**
Accrued interest and other expenses	**-**	**-**	**10,745**	**10,745**
Other liabilities	**-**	**-**	**26,990**	**26,990**
	P -	**P 34,356**	**P 1,018,203**	**P 1,052,539**
2022:				
Financial Assets:				
Cash and other cash items	P 18,078	P -	P -	P 18,078
Due from BSP	156,664	-	-	156,664
Due from other banks	5,836	-	-	5,836
Loans arising from reverse repurchase agreements	8,724	-	-	8,724
Interbank loans	19,021	-	-	19,021
Investment securities at amortized cost	220,523	-	-	220,523
Loans and receivables - net	-	-	555,018	555,018
Other resources - net	-	-	1,204	1,204
	P 428,846	P -	P 556,222	P 985,068
Financial Liabilities:				
Deposit liabilities	P -	P -	P 857,299	P 857,299
Bills payable	-	-	66,660	66,660
Bonds payable	-	72,446	-	72,446
Accrued interest and other expenses	-	-	7,857	7,857
Other liabilities	-	-	25,333	25,333
	P -	P 72,446	P 957,149	P 1,029,595

	Parent Company			
	Level 1	Level 2	Level 3	Total
2023:				
Financial Assets:				
Cash and other cash items	P 19,812	P -	P -	P 19,812
Due from BSP	150,771	-	-	150,771
Due from other banks	14,630	-	-	14,630
Loans arising from reverse repurchase agreements	34,948	-	-	34,948
Interbank loans	27,780	-	-	27,780
Investment securities at amortized cost	213,097	-	-	213,097
Loans and receivables - net	-	-	633,825	633,825
Other resources - net	-	-	1,457	1,457
	P 461,038	P -	P 635,282	P 1,096,320
Financial Liabilities:				
Deposit liabilities	P -	P -	P 930,262	P 930,262
Bills payable	-	-	43,957	43,957
Bonds payable	-	-	34,356	34,356
Accrued interest and other expenses	-	-	10,475	10,475
Other liabilities	-	-	26,218	26,218
	P -	P -	P 1,045,268	P 1,045,268
2022:				
Financial Assets:				
Cash and other cash items	P 18,024	P -	P -	P 18,024
Due from BSP	155,340	-	-	155,340
Due from other banks	5,383	-	-	5,383
Loans arising from reverse repurchase agreements	8,552	-	-	8,552
Interbank loans	19,021	-	-	19,021
Investment securities at amortized cost	219,806	-	-	219,806
Loans and receivables - net	-	-	546,950	546,950
Other resources - net	-	-	1,202	1,202
	P 426,126	P -	P 548,152	P 974,278
Financial Liabilities:				
Deposit liabilities	P -	P -	P 857,694	P 857,694
Bills payable	-	-	58,391	58,391
Bonds payable	-	72,446	-	72,446
Accrued interest and other expenses	-	-	7,663	7,663
Other liabilities	-	-	24,287	24,287
	P -	P 72,446	P 948,035	P 1,020,481

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) *Due from BSP and Other Banks, and Loans and Receivables Arising from Reverse Repurchase Agreements*

Due from BSP pertains to deposits made to the BSP for clearing and reserve requirements, overnight and term deposit facilities, while loans and receivables arising from reverse repurchase agreements pertain to loans and receivables from BSP arising from overnight lending from excess liquidity. Due from other banks includes items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on the discounted cash flows using prevailing money market interest rates for debt with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(b) *Investment Securities at Amortized Cost*

The fair value of investment securities at amortized cost consisting of government securities and corporate debt securities is determined based on reference prices appearing in Bloomberg.

(c) *Deposits Liabilities and Borrowings*

The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The Level 2 fair value of bonds payable and subordinated debt is determined based on the average of ask and bid prices as appearing on Bloomberg. For bills payable categorized within Level 3, fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values.

(d) *Other Resources and Other Liabilities*

Due to their short duration, the carrying amounts of other resources and liabilities in the statements of financial position are considered to be reasonable approximation of their fair values.

7.4 Fair Value Disclosures for Investment Properties Carried at Cost

Details of Group's and Parent Bank's investment properties and the information about the fair value hierarchy as of December 31, 2023 and 2022 are shown in the succeeding page.

	Group			
	Level 1	Level 2	Level 3	Total
2023				
Land	P -	P -	P 10	P 10
Building and improvements	-	-	534	534
	P -	**P -**	**P 544**	**P 544**
2022				
Land	P -	P -	P 7,168	P 7,168
Building and improvements	-	-	1,520	1,520
	P -	P -	P 8,688	P 8,688

	Parent			
	Level 1	Level 2	Level 3	Total
2023				
Land	P -	P -	P 9	P 9
Building and improvements	-	-	534	534
	P -	**P -**	**P 543**	**P 543**
2022				
Land	P -	P -	P 6,843	P 6,843
Building and improvements	-	-	1,416	1,416
	P -	P -	P 8,259	P 8,259

The fair values of the Group and Parent Company's investment properties were determined based on the following approaches:

(a) *Fair Value Measurement for Land*

The Level 2 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations as determined by an independent or internal appraiser. Under this approach, when sales prices and/or actual sales transaction of comparable land in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2.

On the other hand, if the observable and recent prices of the reference properties were adjusted for differences in key attributes such as property size, location and zoning, and accessibility, or any physical or legal restrictions on the use of the property, the fair value will be categorized as Level 3. The most significant input into this valuation approach is the price per square feet, hence, the higher the price per square feet, the higher the fair value.

(b) *Fair Value Measurement for Buildings and Improvements*

The Level 3 fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change in the valuation techniques for investment properties in both years.

8. SEGMENT INFORMATION

8.1 Business Segments

The Group's operating businesses are managed separately according to the nature of services provided (primary segments) and the different geographical markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments follow:

(a) Retail – principally handles the BCs offering a wide range of consumer banking products and services. Products offered include individual customer's deposits, credit cards, home and mortgage loans, auto, personal and microfinance loans, overdraft facilities, payment remittances and foreign exchange transactions. It also upsells bank products [unit investment trust funds (UITFs), etc.] and cross-sells bancassurance products. The segment includes the net assets of the servicing entity, RBSC, and portfolios of Rizal Microbank.

(b) Corporate – principally handles distinct customer segments: (i) conglomerates; (ii) large corporations; (iii) emerging corporates, which focus on large middle accounts often referred to as the "Next 500 Corporations"; (iv) Japanese multinationals with a strong presence in the country; (v) Filipino-Chinese businesses; and, (vi) Korean businesses. This segment includes portfolio of RCBC LFC.

(c) Small and Medium Enterprises (SME) – principally handles the financial needs of the country's small businesses or the SMEs and the Commercial Middle Market segments. The SME Banking Group provides a holistic approach serving both the financial (e.g., loans, deposits, investments, insurance, etc.) and non-financial needs (e.g., networking, financial literacy trainings, etc.) of client to help them grow their business. Clients are the entrepreneurs located in different parts of the country and spread in various industry sectors such as manufacturing, wholesale and retail trade, construction, hotels, agriculture, and healthcare, among others.

(d) Treasury – principally provides money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking.

(e) Others – consists of other subsidiaries except for RBSC and Rizal Microbank, which is presented as part of Retail, and RCBC LFC which is presented under Corporate.

These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise the operations and financial control groups. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to primary business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

For secondary segments, revenues and expenses are attributed to geographic areas based on the location of the resources producing the revenues, and in which location the expenses are incurred.

There were no changes in the Group's operating segments in 2023 and 2022.

8.2 Analysis of Primary Segment Information

Primary segment information (by business segment) on a consolidated basis as of and for the years ended December 31, 2023, 2022 and 2021 follow:

	Retail	Corporate	SME	Treasury	Others	Total
2023:						
Revenues						
From external customers						
Interest income	**P 61,183**	**P 47,375**	**P 10,457**	**P 20,894**	**P 138**	**P 140,047**
Interest expense	**(35,960)**	**(25,639)**	**(9,867)**	**(16,450)**	**(9)**	**(87,925)**
Net interest income	**25,223**	**21,736**	**590**	**4,444**	**129**	**52,122**
Non-interest income	**9,859**	**5,647**	**284**	**933**	**1,092**	**17,815**
	35,082	**27,383**	**874**	**5,377**	**1,221**	**69,937**
Intersegment revenues						
Interest income	**-**	**4**	**4,386**	**-**	**28**	**4,418**
Non-interest income	**742**	**-**	**-**	**-**	**-**	**742**
	742	**4**	**4,386**	**-**	**28**	**5,160**
Total net revenues	**35,824**	**27,387**	**5,260**	**5,377**	**1,249**	**75,097**
Expenses						
Operating expenses excluding impairment, depreciation and amortization	**18,000**	**4,167**	**1,362**	**1,493**	**300**	**25,322**
Impairment losses – net	**5,015**	**1,022**	**692**	**11**	**(1)**	**6,739**
Depreciation and amortization	**1,685**	**800**	**76**	**23**	**24**	**2,608**
	24,700	**5,989**	**2,130**	**1,527**	**323**	**34,669**
Segment operating income	**P 11,124**	**P 21,398**	**P 3,130**	**P 3,850**	**P 926**	**P 40,428**
Total resources	**P 229,909**	**P 315,840**	**P 104,513**	**P 468,411**	**P 3,973**	**P 1,122,646**
Total liabilities	**P 701,541**	**P 500,825**	**P 128,867**	**P 90,495**	**P 558**	**P 1,422,286**
2022:						
Revenues						
From external customers						
Interest income	P 33,539	P 27,865	P 6,325	P 12,615	P 100	P 80,444
Interest expense	(14,272)	(14,491)	(4,258)	(7,674)	(7)	(40,702)
Net interest income	19,267	13,374	2,067	4,941	93	39,742
Non-interest income	8,152	6,671	240	673	1,075	16,811
	27,419	20,045	2,307	5,614	1,168	56,553
Intersegment revenues						
Interest income	-	5	2,372	-	13	2,390
Non-interest income	650	-	-	-	-	650
	650	5	2,372	-	13	3,040
Total net revenues	28,069	20,050	4,679	5,614	1,181	59,593
Expenses						
Operating expenses excluding impairment, depreciation and amortization	15,436	2,763	1,507	1,053	59	20,818
Impairment losses -net	3,529	1,544	400	19	214	5,706
Depreciation and amortization	1,239	880	27	23	23	2,192
	20,204	5,187	1,934	1,095	296	28,716
Segment operating income	P 7,865	P 14,863	P 2,745	P 4,519	P 885	P 30,877
Total resources	P 163,956	P 307,379	P 88,807	P 357,684	P 4,224	P 922,050
Total liabilities	P 570,994	P 417,070	P 107,165	P 43,284	P 571	P 1,139,084
2021:						
Revenues						
From external customers						
Interest income	P 22,901	P 21,285	P 5,164	P 5,613	P 91	P 55,054
Interest expense	(7,648)	(10,564)	(2,273)	(2,193)	(10)	(22,688)
Net interest income	15,253	10,721	2,891	3,420	81	32,366
Non-interest income	6,188	2,257	162	1,524	1,163	11,294
	21,441	12,978	3,053	4,944	1,244	43,660
Intersegment revenues						
Interest income	-	8	1,271	-	11	1,290
Non-interest income	564	-	-	-	-	564
	564	8	1,271	-	11	1,854
Total net revenues *(Balance forwarded)*	22,005	12,986	4,324	4,944	1,255	45,514

	Retail	Corporate	SME	Treasury	Others	Total
Balance carried forward	22,005	12,986	4,324	4,944	1,255	45,514
Expenses						
Operating expenses excluding impairment, depreciation and amortization	14,404	2,286	352	777	604	18,423
Impairment losses -net	4,718	954	256	14	106	6,048
Depreciation and amortization	1,200	694	27	51	24	1,996
	20,322	3,934	635	842	734	26,467
2021:						
Segment operating income	P 1,683	P 9,052	P 3,689	P 4,102	P 521	P 19,047
Total resources	P 155,373	P 295,922	P 76,409	P 236,958	P 4,944	P 769,606
Total liabilities	P 450,053	P 352,807	P 88,464	P 23,076	P 1,395	P 915,795

8.3 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2023	2022	2021
Revenues			
Total segment revenues	**P 75,097**	P 59,593	P 45,514
Elimination of intersegment revenues	**(25,100)**	(15,139)	(9,120)
Net revenues as reported in profit or loss	**P 49,997**	P 44,454	P 36,394
Profit or loss			
Total segment operating income	**P 40,428**	P 30,877	P 19,047
Elimination of intersegment profit	**(28,211)**	(18,797)	(11,964)
Group net profit as reported in profit or loss	**P 12,217**	P 12,080	P 7,083
Resources			
Total segment resources	**P 1,122,646**	P 922,050	P 769,606
Unallocated resources (elimination of intersegment liabilities)	**115,686**	232,058	189,527
Total resources	**P 1,238,332**	P 1,154,108	P 959,133
Liabilities			
Total segment liabilities	**P 1,422,286**	P 1,139,084	P 915,795
Unallocated liabilities (elimination of intersegment liabilities)	**(336,229)**	(101,337)	(67,742)
Total liabilities	**P 1,086,057**	P 1,037,747	P 848,053

8.4 Analysis of Secondary Segment Information

Secondary information (by geographical locations) as of and for the years ended December 31, 2023, 2022 and 2021 follow:

	Philippines	Asia and Europe	Total
2023:			
Statement of profit or loss			
Total income	**P 82,643**	**P 14**	**P 82,657**
Total expenses	**70,418**	**22**	**70,440**
Net profit (loss)	**P 12,225**	**(P 8)**	**P 12,217**
Statement of financial position			
Total resources	**P 1,238,229**	**P 103**	**P 1,238,332**
Total liabilities	**P 1,086,053**	**P 4**	**P 1,086,057**
Other segment information			
Depreciation and amortization	**P 3,365**	**P -**	**P 3,365**
2022:			
Statement of profit or loss			
Total income	P 59,057	P 16	P 59,073
Total expenses	46,971	22	46,993
Net profit (loss)	P 12,086	(P 6)	P 12,080
Statement of financial position			
Total resources	P 1,153,994	P 114	P 1,154,108
Total liabilities	P 1,037,741	P 6	P 1,037,747
Other segment information			
Depreciation and amortization	P 3,037	P -	P 3,037
2021:			
Statement of profit or loss			
Total income	P 44,660	P 14	P 44,674
Total expenses	37,569	22	37,591
Net profit (loss)	P 7,091	(P 8)	P 7,083
Statement of financial position			
Total resources	P 959,022	P 111	P 959,133
Total liabilities	P 848,048	P 5	P 848,053
Other segment information			
Depreciation and amortization	P 3,020	P -	P 3,020

9. CASH AND CASH EQUIVALENTS

The components of Cash and Cash Equivalents follow:

	Group				Parent Company			
		2023		2022		**2023**		2022
Cash and other cash items	**P**	**19,875**	P	18,078	**P**	**19,812**	P	18,024
Due from BSP		**151,762**		156,664		**150,771**		155,340
Due from other banks		**14,892**		5,836		**14,630**		5,383
Loans arising from reverse repurchase agreements		**35,799**		8,724		**34,948**		8,552
Interbank loans receivables (see Note 11)		**27,780**		19,021		**27,780**		19,021
	P	**250,108**	P	208,323	**P**	**247,941**	P	206,320

Cash consists primarily of funds in the form of Philippine currency notes and coins, and includes foreign currencies acceptable to form part of the international reserves in the Group's vault and those in the possession of tellers, including ATMs. Other cash items include cash items other than currency and coins on hand, such as checks drawn on other banks or other branches after the clearing cut-off time until the close of the regular banking hours.

Due from BSP represents the aggregate balance of deposit accounts maintained with the BSP primarily to meet reserve requirements (see Note 17), to serve as clearing account for interbank claims and to comply with existing trust regulations.

Loans arising from repurchase agreements, which normally mature within 30 days, represent overnight placements with private entities where the underlying securities cannot be sold or repledged to parties other than the contracting party.

Due from BSP includes:

	Group				Parent Company			
		2023		2022		**2023**		2022
Demand deposit and secured settlement accounts	**P**	**83,701**	P	76,582	**P**	**82,771**	P	75,340
Term deposit		**68,000**		72,050		**68,000**		72,000
Overnight deposit		**61**		8,032		**-**		8,000
	P	**151,762**	P	156,664	**P**	**150,771**	P	155,340

The balance of Due from other banks account represents regular deposits with the following:

	Group				Parent Company			
		2023		2022		**2023**		2022
Foreign banks	**P**	**13,626**	P	4,689	**P**	**13,593**	P	4,681
Local banks		**1,266**		1,147		**1,037**		702
	P	**14,892**	P	5,836	**P**	**14,630**	P	5,383

Interest on placements with BSP and other banks, which is presented as Interest Income on Due from BSP and other banks in the statements of profit or loss, consist of:

	Group					
	2023		2022		2021	
BSP	**P**	**3,256**	P	1,037	P	755
Other banks		**387**		73		8
	P	**3,643**	P	1,110	P	763

	Parent Company					
	2023		2022		2021	
BSP	**P**	**3,248**	P	1,033	P	752
Other banks		**296**		44		3
	P	**3,544**	P	1,077	P	755

The Group's deposits in other banks and in BSP other than mandatory reserves earn annual interest of 0.00% to 6.68% and 0.00% to 6.30% in 2023, 0.00% to 1.60% and 1.50% to 4.80% in 2022, and 2.00% and 1.50% to 2.50% in 2021, respectively.

10. TRADING AND INVESTMENT SECURITIES

This account is comprised of:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Financial assets at FVTPL	**P**	**11,778**	P	7,037	**P**	**10,954**	P	6,139
Financial assets at FVOCI		**82,437**		114,946		**81,757**		114,265
Investment securities at amortized cost		**236,527**		252,382		**235,732**		251,328
	P	**330,742**	P	374,365	**P**	**328,443**	P	371,732

10.1 Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL is composed of the following:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Government securities	**P**	**9,647**	P	3,883	**P**	**9,615**	P	3,834
Derivative financial assets		**1,320**		2,267		**1,320**		2,267
Equity securities		**783**		849		**-**		-
Corporate debt securities		**28**		38		**19**		38
	P	**11,778**	P	7,037	**P**	**10,954**	P	6,139

The carrying amounts of financial assets at FVTPL are classified as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Held-for-trading	**P 10,458**	P 4,770	**P 9,634**	P 3,872
Derivative financial assets	**1,320**	2,267	**1,320**	2,267
	P 11,778	P 7,037	**P 10,954**	P 6,139

Equity securities are composed of listed shares of stock traded at the PSE. Dividend income earned on these equity securities amounted to P19 in 2023, P18 in 2022, and P22 in 2021 for the Group which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1). There were no similar transactions for the Parent Company.

Treasury bills and other debt securities issued by the government and other private corporations earn annual interest as follows:

	2023	2022	2021
Peso denominated	**0.00% - 12.38%**	1.41% - 12.38%	1.37% - 8.12%
Foreign currency denominated	**0.00% - 9.63%**	0.28% - 9.63%	1.37% - 10.62%

Derivative instruments used by the Group include foreign currency short-term forwards, cross-currency swaps, debt warrants and options. Foreign currency forwards represent commitments to purchase/sell on a future date at a specific exchange rate. Foreign currency short-term swaps are simultaneous foreign currency spot and forward deals with tenor of one year.

Debt warrants attached to the bonds and other debt securities allows the Group to purchase additional debt securities from the same contracting issuer at the same price and yield as the initial purchased security. Option is a derivative financial instrument that specifies a contract between two parties for a future transaction on an asset at a reference price.

The aggregate contractual or notional amount of derivative financial instruments and the aggregative fair values of derivative financial assets and financial liabilities as of December 31 both in the Group and Parent Company's financial statements are shown below.

	Notional Amount	Fair Values	
		Assets	Liabilities
2023:			
Currency swaps and forwards	**P 213,972**	**P 1,217**	**P 1,447**
Interest rate swaps and futures	**5,199**	**79**	**59**
Debt warrants	**5,824**	**10**	**-**
Options	**560**	**14**	**-**
Credit default swap	**1,827**	**-**	**184**
	P 227,382	**P 1,320**	**P 1,690**
2022:			
Currency swaps and forwards	P 156,832	P 2,053	P 1,949
Interest rate swaps and futures	16,067	203	130
Debt warrants	5,864	9	-
Options	1,320	2	4
Credit default swap	613	-	33
	P 180,696	P 2,267	P 2,116

Derivative liabilities are shown as Derivative financial liabilities as part of Other Liabilities account in the statements of financial position (see Note 21). The significant portion of such derivative liabilities have maturity periods of less than a year.

Other information about the fair value measurement of the Group and Parent Company's financial assets at FVTPL are presented in Note 7.2.

10.2 Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at FVOCI as of December 31 consist of:

	Group		Parent Company	
	2023	2022	**2023**	2022
Quoted equity securities	**P 1,483**	P 1,520	**P 937**	P 972
Unquoted equity securities	**2,421**	2,112	**2,403**	2,088
Government debt securities	**65,962**	53,492	**65,962**	53,492
Corporate debt securities	**12,571**	57,822	**12,455**	57,713
	P 82,437	P 114,946	**P 81,757**	P 114,265

The reconciliation of the carrying amounts of these financial assets are as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at the beginning	**P 114,946**	P 49,761	**P 114,265**	P 48,399
Additions	**442,380**	131,018	**442,360**	130,903
Disposals	**(476,584)**	(60,578)	**(476,576)**	(59,863)
Fair value gains (losses) – net	**1,695**	(5,255)	**1,708**	(5,174)
Balance at end of year	**P 82,437**	P 114,946	**P 81,757**	P 114,265

Unquoted equity securities include investments in non-marketable equity securities of private companies. The fair value of the Group's unquoted equity securities as of December 31, 2023 and 2022 is determined using the net asset value method, dividend discounted model, or a market-based approach (price-to-book value method); hence, categorized under Level 3 of the fair value hierarchy (see Note 7.2).

In 2023, 2022 and 2021, dividends recognized on equity securities amounting to P299, P293 and P83 by the Group and, P252, P227 and P39 by the Parent Company, respectively, which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1).

10.3 Investment Securities at Amortized Cost

Investment securities at amortized cost as of December 31 consist of:

	Group		Parent Company	
	2023	2022	**2023**	2022
Government securities	**P 211,451**	P 218,163	**P 210,566**	P 217,017
Corporate debt securities	**25,237**	34,382	**25,237**	34,382
	236,688	252,545	**235,803**	251,399
Allowance for impairment	**(161)**	(163)	**(71)**	(71)
	P 236,527	P 252,382	**P 235,732**	P 251,328

Interest rates per annum on government securities and corporate debt securities range from the following:

	2023	2022	2021
Peso denominated securities	**2.63% - 8.75%**	2.90% - 6.87%	2.63% - 5.26%
Foreign currency-denominated securities	**0.28% - 10.63%**	0.28% - 7.65%	0.18% - 7.65%

There is no disposal of HTC investment in 2023 and 2022. The decrease in the HTC portfolio is attributable to maturities in both years.

Certain government securities are deposited with the BSP as security for the Group's faithful compliance with its fiduciary obligations in connection with its trust operations (see Note 26).

As of December 31, 2023 and 2022, certain investment securities of both the Group and Parent Company were pledged as collateral for bills payable under repurchase agreements (see Note 18).

10.4 Interest Income from Trading and Investment Securities

Interest income from trading and investment securities recognized by the Group and Parent Company in 2023, 2022 and 2021 are shown below and in the succeeding page.

	Group		
	2023	2022	2021
Financial assets at FVTPL	**P 227**	P 150	P 96
Debt securities at FVOCI	**4,375**	2,094	1,343
Investment securities at amortized cost	**8,637**	7,511	3,009
	P 13,239	P 9,755	P 4,448

	Parent		
	2023	2022	2021
Financial assets at FVTPL	**P 227**	P 150	P 92
Debt securities at FVOCI	**4,369**	2,074	1,320
Investment securities at amortized cost	**8,575**	7,459	2,967
	P 13,171	P 9,683	P 4,379

10.5 Trading and Securities Gains (Losses)

The Group and the Parent Company recognized trading and securities gains (losses) in its trading or disposals of investment securities, including their fair value changes, in 2023, 2022, and 2021 are as follows:

	Group		
	2023	2022	2021
Profit or loss:			
Financial assets at FVTPL	**P 306**	(P 42)	P 309
Debt securities at FVOCI	**138**	5	554
	P 444	(P 37)	P 863
Other comprehensive income (loss):			
Equity securities at FVOCI	**P 263**	P 191	P 548
Debt securities at FVOCI	**1,432**	(5,446)	(823)
	P 1,695	(P 5,255)	(P 275)

	Parent		
	2023	2022	2021
Profit or loss:			
Financial assets at FVTPL	**P 306**	P 34	P 314
Debt securities at FVOCI	**123**	(12)	542
	P 429	P 22	P 856
Other comprehensive income (loss):			
Equity securities at FVOCI	**P 276**	P 272	P 490
Debt securities at FVOCI	**1,432**	(5,446)	(823)
	P 1,708	(P 5,174)	(P 333)

11. LOANS AND RECEIVABLES

This account consists of the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Receivables from customers:				
Loans and discounts	**P 525,041**	P 465,160	**P 520,581**	P 459,956
Credit card receivables	**74,667**	50,380	**74,667**	50,380
Customers' liabilities on acceptances, import bills and trust receipts	**16,345**	22,587	**16,345**	22,587
Bills purchased	**3,894**	2,888	**3,894**	2,888
Lease contract receivables	**2,710**	3,084	**-**	-
Receivables financed	**91**	149	**-**	-
	622,748	544,248	**615,487**	535,811
Unearned discount	**(826)**	(902)	**(247)**	(235)
	621,922	543,346	**615,240**	535,576
Other receivables:				
Interbank loans receivables (see Note 9)	**27,780**	19,021	**27,780**	19,021
Accrued interest receivables	**9,519**	7,828	**9,306**	7,669
Accounts receivables [see Note 27.7(b)]	**5,425**	4,015	**4,748**	3,479
Sales contract receivables	**2,678**	689	**2,628**	557
	45,402	31,553	**44,462**	30,726
	667,324	574,899	**659,702**	566,302
Allowance for impairment (see Notes 4.4.9 and 16)	**(17,395)**	(16,030)	**(16,021)**	(15,088)
	P 649,929	P 558,869	**P 643,681**	P 551,214

Receivables from customers' portfolio earn average annual interest or range of interest as follows:

	2023	2022	2021
Loans and discounts:			
Philippine peso	**8.35%**	6.12%	7.37%
Foreign currencies	**6.25%**	4.92%	4.37%
Credit card receivables	**16.10% - 21.15%**	16.21% - 18.12%	14.23% - 18.87%
Lease contract receivables	**8.00% - 26.00%**	7.25% - 26.00%	8.00% - 26.00%
Receivables financed	**11.00% - 16.00%**	10.00% - 22.00%	11.00% - 22.00%

Effective November 3, 2020, interest rates and cash advance fees charged by the Parent Company to its credit card holders were updated to comply with BSP Circular No. 1098, *Ceiling on Interest of Finance Charges of Credit Card Receivables.* Interest or finance charges on all credit card transactions are not to exceed an annual interest rate of 24%, except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%. In addition, the maximum amount that can be charged for Cash Advances is capped at P200 (absolute amount) per transaction.

In January 2023, the BSP issued Circular No. 1165, *Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables*, amending the cap on interest rate for credit cards back to an annual interest rate of 36%. The Parent Company updated its interest rates and cash advance fees accordingly.

In 2022, the Parent Company wrote off a 10-year UDSCL amounting to P989 bearing 6.44% interest per annum pertaining to an agreement entered into in June 2017 with a third party for the sale of various foreclosed real properties. Write-off amounting to P108 is included as part of Impairment losses in 2022 statement of profit or loss (see Note 16).

Also included in the Parent Company's accounts receivables is the amount due from RCBC JPL which was acquired from Rizal Microbank in 2015 amounting to P222. As of December 31, 2023 and 2022, the outstanding balance amounted to P92 and P127, respectively. The receivable amount is unsecured, noninterest-bearing and payable in cash on demand (see Note 27.2). The receivable has been appropriately provided with allowance for ECL.

Interest income earned by the Bank from its loans and other receivables is broken down as follows:

	Group					
	2023		2022		2021	
Loans and discounts	**P**	**35,088**	P	27,068	P	25,827
Credit card receivables		**11,072**		6,289		4,890
Finance lease receivables		**323**		202		319
Others		**2,924**		1,411		864
	P	**49,407**	P	34,970	P	31,900

	Parent Company					
	2023		2022		2021	
Loans and discounts	**P**	**34,861**	P	26,889	P	25,924
Credit card receivables		**11,072**		6,289		4,890
Others		**2,636**		1,189		281
	P	**48,569**	P	34,367	P	31,095

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Secured:								
Real estate mortgage	**P**	**184,910**	P	169,253	**P**	**183,828**	P	168,045
Chattel mortgage		**51,280**		44,003		**49,214**		41,542
Hold-out deposits		**8,153**		11,001		**8,152**		10,941
Other securities		**11,119**		11,286		**8,034**		7,938
		255,462		235,543		**249,228**		228,466
Unsecured		**366,460**		307,803		**366,012**		307,110
	P	**621,922**	P	543,346	**P**	**615,240**	P	535,576

A reconciliation of the allowance for impairment on loans and receivables at the beginning and end of 2023 and 2022 is shown below (see Note 16).

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 16,030**	P 18,264	**P 15,088**	P 17,339
Impairment losses during the year	**6,574**	5,259	**5,759**	5,043
Accounts written off and others	**(5,209)**	(7,493)	**(4,826)**	(7,294)
Balance at end of year	**P 17,395**	P 16,030	**P 16,021**	P 15,088

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The components of the carrying values of investments in and advances to subsidiaries and associates are as follows (refer to Note 1.2 for the effective percentage of ownership, line of business, and country of incorporation of subsidiaries and associates):

	Note	Group and Parent Company	
		2023	2022
Acquisition costs of associates:			
HCPI		**P 91**	P 91
LIPC		**57**	57
RTC	1.1	**40**	-
YCS		**4**	4
		192	152
Accumulated equity in changes in net assets:			
Balance at beginning of year		**227**	192
Share in net earnings for the year		**92**	32
Share in actuarial gains on defined benefit plan		**16**	4
Others		**(18)**	(1)
Balance at end of year		**317**	227
		P 509	P 379

	Parent Company	
	2023	2022
Acquisition costs of subsidiaries:		
RCBC Capital	**P 2,231**	P 2,231
Rizal Microbank	**1,253**	1,253
RCBC LFC	**1,987**	1,987
RCBC JPL	**403**	403
RCBC Forex	**150**	150
RCBC Telemoney	**72**	72
RCBC IFL	**58**	58
NPHI	**-**	609
Cajel	**-**	51
Total acquisition costs *(balance forwarded)*	**P 6,154**	P 6,814

	Parent Company	
	2023	2022
Total acquisition costs *(balance carried forward)*	**P 6,154**	P 6,814
Accumulated equity in changes in net assets:		
Balance at beginning of year	**(158)**	(120)
Share in net earnings (losses) for the year	**(249)**	122
Disposal of subsidiaries	**285**	-
Share in actuarial gains on defined benefit plan	**(42)**	-
Share in fair value loss on financial assets at FVOCI	**(13)**	(81)
Cash dividends	**(92)**	(71)
Others	**7**	(8)
Balance at end of year	**(262)**	(158)
Investments in subsidiaries	**5,892**	6,656
Investments in associates	**509**	379
	P 6,401	P 7,035

On March 27, 2023, the Bank's BOD approved the proposed sale and transfer to FLI of its ownership interest in NPHI and Cajel, subject to completion of FLI's due diligence and compliance with conditions to be agreed by the parties. NPHI and Cajel, as owners of certain parcels of land located in Bacoor, Cavite have joint development agreements with FLI, wherein FLI undertook to develop the land properties into an exclusive residential subdivision, now known as Princeton Heights.

On July 14, 2023, the Bank and FLI executed a Deed of Absolute Sale for the sale and transfer of the Bank's 100% ownership in NPHI and Cajel to FLI. The total consideration for the shares amounted to P544 for NPHI and P89 for Cajel. The sale resulted in a gain amounting to P243 presented as Gain on disposal of subsidiaries under Other Operating Income in the 2023 statement of profit or loss.

At the end of each reporting period, the Group has no material interest in unconsolidated structured entities.

Also, the Parent Company and its subsidiaries did not enter in any contractual arrangements to provide financial support to any entities under the Group.

The Parent Company earned dividends from its subsidiaries amounting to P92 and P71 in 2023 and 2022, respectively. No dividends were earned from associates for 2023 and 2022. Dividends receivable as of December 31, 2023 and 2022 both amounted to nil.

12.1 Information About Investments in Associates

The Parent Company, under a shareholder's agreement, agreed with another stockholder of HCPI to commit and undertake to vote, as a unit, the shares of stock thereof, which they proportionately own and hold, and to regulate the conduct of the voting and the relationship between them with respect to their exercise of their voting rights. As a result of this agreement, the Parent Company is able to exercise significant influence over the operating and financial policies of HCPI. Thus, HCPI has been considered by the Parent Company as an associate despite holding only 12.88% ownership interest.

The investments in LIPC and YCS have an aggregate carrying value of P11 as of December 31, 2023 and 2022, respectively, which are insignificant to the Group.

The table below presents the summary of the unaudited financial information of HCPI as of and for the years ended December 31, 2023 and 2022. HCPI uses a fiscal year ending March 31 as its reporting period.

	2023	2022
Financial position:		
Current assets	**P 10,066**	P 4,832
Noncurrent assets	**788**	1,101
Current liabilities	**6,822**	2,604
Noncurrent liabilities	**384**	403
Financial performance:		
Revenues	**19,920**	13,508
Gross income	**1,913**	952
Operating income	**835**	152
Net income	**690**	203
Other comprehensive loss	**-**	-
Total comprehensive income	**690**	203
Cash flows:		
Net cash from:		
Operating activities	**207***	55
Investing activities	**150***	731
Cash at the beginning	**774***	679
Cash at the end	**1,009***	1,465

**Based on the audited financial statements of HCPI for the fiscal year ended March 31, 2023*

The table presented below summarized the reconciliation of equity interest to HCPI as of December 31, 2023 and 2022.

	2023	2022
Net asset of HCPI	**P 3,648**	P 2,926
Proportion of interest	**12.88%**	12.88%
	470	377
Nominal goodwill in equity ownership	**2**	2
Carrying amount of investment	**P 472**	P 379

13. BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of bank premises, furniture, fixtures and equipment at the beginning and end of 2023 and 2022 are shown below.

	Group					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
December 31, 2023						
Cost	P -	P -	P 12,948	P 2,381	P 11,399	P 26,728
Accumulated depreciation and amortization	-	-	(9,407)	(1,209)	(6,983)	(17,599)
Net carrying amount	**P -**	**P -**	**P 3,541**	**P 1,172**	**P 4,416**	**P 9,129**
December 31, 2022						
Cost	P 918	P 2,385	P 12,537	P 1,900	P 9,842	P 27,582
Accumulated depreciation and amortization	-	(1,435)	(8,431)	(899)	(5,553)	(16,318)
Net carrying amount	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264
January 1, 2022						
Cost	P 1,267	P 3,822	P 11,470	P 1,509	P 6,967	P 25,035
Accumulated depreciation and amortization	-	(1,742)	(6,697)	(595)	(3,341)	(12,375)
Net carrying amount	P 1,267	P 2,080	P 4,773	P 914	P 3,626	P 12,660

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
December 31, 2023						
Cost	P -	P -	P 7,997	P 2,212	P 11,437	P 21,646
Accumulated depreciation and amortization	-	-	(6,107)	(1,073)	(6,661)	(13,841)
Net carrying amount	**P -**	**P -**	**P 1,890**	**P 1,139**	**P 4,776**	**P 7,805**
December 31, 2022						
Cost	P 917	P 2,385	P 7,538	P 1,737	P 9,831	P 22,408
Accumulated depreciation and amortization	-	(1,436)	(5,526)	(772)	(5,128)	(12,862)
Net carrying amount	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546
January 1, 2022						
Cost	P 1,222	P 3,788	P 8,828	P 1,411	P 7,134	P 22,383
Accumulated depreciation and amortization	-	(1,720)	(6,577)	(531)	(2,984)	(11,812)
Net carrying amount	P 1,222	P 2,068	P 2,251	P 880	P 4,150	P 10,571

A reconciliation of the carrying amounts of bank premises, furniture, fixtures and equipment at the beginning and end of 2023 and 2022 is shown below.

	Group					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-Use Asset	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264
Additions	-	1,551	1,532	633	1,557	5,273
Disposals	(918)	(2,488)	(1,095)	(152)	-	(4,653)
Depreciation and amortization charges for the period	-	(13)	(1,002)	(310)	(1,430)	(2,755)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P -**	**P -**	**P 3,541**	**P 1,172**	**P 4,416**	**P 9,129**
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 1,267	P 2,080	P 4,773	P 914	P 3,626	P 12,660
Additions	1	389	605	632	2,023	3,650
Disposals	(350)	(1,306)	(479)	(241)	-	(2,376)
Depreciation and amortization charges for the period	-	(213)	(793)	(304)	(1,360)	(2,670)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 918	P 950	P 4,106	P 1,001	P 4,289	P 11,264

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546
Additions	-	103	704	625	1,606	3,038
Disposals	(917)	(1,039)	(248)	(150)	-	(2,354)
Depreciation and amortization charges for the period	-	(13)	(578)	(301)	(1,533)	(2,425)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P -**	**P -**	**P 1,890**	**P 1,139**	**P 4,776**	**P 7,805**

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Asset	Total
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 1,222	P 2,068	P 2,251	P 880	P 4,150	P 10,571
Additions	1	291	577	382	1,845	3,096
Disposals	(306)	(1,306)	(271)	(56)	-	(1,939)
Depreciation and amortization charges for the period	-	(104)	(545)	(241)	(1,292)	(2,182)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 917	P 949	P 2,012	P 965	P 4,703	P 9,546

Under BSP rules, investments in bank premises, furniture, fixtures and equipment should not exceed 50% of the respective unimpaired capital of the Parent Company and its bank subsidiaries. As of December 31, 2023 and 2022, the Parent Company and its bank subsidiary have satisfactorily complied with this BSP requirement.

The cost of the Group and the Parent Company's fully depreciated bank premises, furniture, fixtures and equipment that are still in use in operations is P7,095 and P7,090, respectively, as of December 31, 2023, and P8,740 and P7,905, respectively, as of December 31, 2022. Moreover, no impairment losses were recognized for the Group and the Parent Company's Bank Premises, Furniture, Fixtures and Equipment in 2023, 2022 and 2021, respectively.

As part of strengthening the Parent Company's capital position, on September 30, 2022, the Parent Company sold and immediately leased back for five years a portion of its bank premises and investment properties pertaining to AT Yuchengco Centre (ATYC), with carrying amount of P1,501 and P1,361, respectively [see Notes 14 and 27.5(a)]. The sale qualified as a sale and leaseback and accounted under the applicable financial reporting standard (see Note 2.9). The total selling price amounted to P6,065, of which P2,426 is still outstanding as part of Loans and discounts under Loans and Receivables – net in the statements of financial position. The loan receivable from ATYCI is secured, bears 6.04% interest and payable in 3 years. The impairment loss recognized on this loan receivable under the Parent Company's ECL model amounted to P9 and P10 in 2023 and 2022, respectively. [see Notes 11 and 27.7(a)].

The gain on sale recognized over the aforementioned sale and leaseback transaction amounted to P2,352 and is reported as part of the Gain on assets sold – net under Other Operating Income in the 2022 statement of profit or loss. Right-of-use asset and lease liability recognized amounted to P760 and P1,611, respectively (see Note 21).

On March 16, 2023, the Bank transferred and leased back certain real estate properties with total net book value of P1,796 to Frame Properties, Inc. in exchange for 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (Notes 23.2 and 27.5). The total fair value of shares received amounted to P6,208 resulting in a gain of P3,051 presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss. The sale qualified as a sale and leaseback and was accounted under the applicable financial reporting standard. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively.

The Group has leases for certain offices and branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected as a right-of-use asset and a lease liability as part of Bank Premises, Furniture, Fixtures and Equipment and Other Liabilities, respectively. The total short-term leases and leases of low-value entered into contract by the Parent Company amounted to P39 and P39 in 2023 and 2022, respectively. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The table below describes the nature of the Company's leasing activities at December 31, 2023 and 2022:

	Number of right-of-use Assets leased		Range of remaining lease terms (in years)		Average remaining lease terms (in years)	
	2023	2022	**2023**	2022	**2023**	2022
Buildings	**10**	7	**2 to 4**	1 to 5	**2**	2
Warehouses	**11**	6	**1 to 2**	1 to 3	**3**	1
ATM batches	**21**	18	**1 to 5**	3 to 5	**3**	4
Branches	**433**	334	**1 to 11**	1 to 11	**4**	4

The lease liabilities are secured by the related underlying assets and are presented as part of Other Liabilities in the statements of financial position (see Note 21). The undiscounted maturity analysis of lease liabilities at December 31, 2023 and 2022 are as follows:

	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	More than 5 Years	Total
2023:							
Group							
Lease payments	P 2,107	P 2,064	P 1,470	P 1,158	P 228	P 499	P 7,526
Finance charges	(316)	(228)	(143)	(69)	(30)	(53)	(839)
Net present value	**P 1,791**	**P 1,836**	**P 1,327**	**P 1,089**	**P 198**	**P 446**	**P 6,687**
Parent Company							
Lease payments	P 2,217	P 2,174	P 1,563	P 1,215	P 238	P 422	P 7,829
Finance charges	(303)	(218)	(136)	(64)	(28)	(51)	(800)
Net present value	**P 1,914**	**P 1,956**	**P 1,427**	**P 1,151**	**P 210**	**P 371**	**P 7,029**

	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	More than 5 Years	Total
2022:							
Group							
Lease payments	P 1,458	P 1,296	P 1,096	P 895	P 610	P 884	P 6,239
Finance charges	(222)	(171)	(125)	(85)	(53)	(83)	(739)
Net present value	P 1,236	P 1,125	P 971	P 810	P 557	P 801	P 5,500
Parent Company							
Lease payments	P 1,495	P 1,328	P 1,156	P 980	P 698	P 973	P 6,630
Finance charges	(215)	(165)	(122)	(83)	(51)	(81)	(717)
Net present value	P 1,280	P 1,163	P 1,034	P 897	P 647	P 892	P 5,913

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over branches and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

On January 1, 2021, the Parent Company and RCBC Realty Corporation renewed the terms for the lease of RCBC Plaza's several floors. The amendments in the terms include a new rental rate and extended term of five years based on the mutual agreement of both parties. In addition, the Parent Company has also entered a five-year lease agreement with ATYCI in October 2022 which is effective until September 30, 2027.

The total cash outflow in respect of leases in 2023, 2022 and 2021 amounted to P2,131, P2,265 and P1,360, respectively, for the Group, and P2,044, P2,189 and P1,205, respectively, for the Parent Company. Interest expense in relation to lease liabilities in 2023, 2022 and 2021 amounted to P335, P189 and P170, respectively, for the Group, and P362, P218 and P185, respectively, for the Parent Company and is presented as part of Interest Expense in the statements of profit or loss.

14. INVESTMENT PROPERTIES

Investment properties pertain to land, buildings or condominium units acquired by the Group, in settlement of loans from defaulting borrowers through foreclosure or dacion in payment and properties which are held for rental.

The gross carrying amounts and accumulated depreciation and impairment losses of investment properties at the beginning and end of 2023 and 2022 are shown below.

	Group			Parent Company		
	Land	Buildings	Total	Land	Buildings	Total
December 31, 2023						
Cost	P 13	P 828	P 841	P 12	P 828	P 840
Accumulated depreciation	-	(294)	(294)	-	(294)	(294)
Accumulated impairment (see Note 16)	(4)	-	(4)	(3)	-	(3)
Net carrying amount	**P 9**	**P 534**	**P 543**	**P 9**	**P 534**	**P 543**
December 31, 2022						
Cost	P 1,781	P 1,784	P 3,565	P 1,643	P 1,763	P 3,406
Accumulated depreciation	-	(675)	(675)	-	(665)	(665)
Accumulated impairment (see Note 16)	(22)	(252)	(274)	(1)	(252)	(253)
Net carrying amount	P 1,759	P 857	P 2,616	P 1,642	P 846	P 2,488
January 1, 2022						
Cost	P 1,658	P 3,096	P 4,754	P 1,518	P 3,070	P 4,588
Accumulated depreciation	-	(905)	(905)	-	(892)	(892)
Accumulated impairment (see Note 16)	(17)	(260)	(277)	(1)	(260)	(261)
Net carrying amount	P 1,641	P 1,931	P 3,572	P 1,517	P 1,918	P 3,435

The reconciliations of the carrying amounts of investment properties at the beginning and end of 2023 and 2022 follow:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at January 1, net of accumulated depreciation and impairment	**P 2,616**	P 3,572	**P 2,488**	P 3,435
Additions	**689**	784	**677**	767
Disposals	**(316)**	(1,672)	**(293)**	(1,648)
Reclassification (see Note 15.1)	**(2,341)**	(10)	**(2,225)**	(10)
Depreciation charges for the year	**(104)**	(57)	**(103)**	(56)
Impairment losses	**(1)**	(1)	**(1)**	-
Balance at December 31, net of accumulated depreciation and impairment	**P 543**	P 2,616	**P 543**	P 2,488

As of December 31, 2023 and 2022, there is no restriction on the realizability of investment properties or the remittance of income and proceeds of disposal therefrom.

14.1 Additions, Disposals and Reclassification of Investment Properties

The Group and the Parent Company foreclosed real and other properties totaling P689 and P677, respectively, in 2023, and P784 and P767, respectively, in 2022, in settlement of certain loan accounts.

As of December 31, 2023, and 2022, foreclosed investment properties still subject to redemption period by the borrowers amounted to P634 and P918, respectively, for the Group and P602 and P894, respectively, for the Parent Company.

The total gain recognized by the Group and the Parent Company from disposals of investment properties amounted to P604 and P660, respectively, in 2023, and P510 and P502, respectively, in 2022, and P30 and P18, respectively, in 2021, which is presented as part of Gain on assets sold – net under Other Operating Income account in the statements of profit or loss.

14.2 Income and Expenses from Investment Properties Held for Rental

The Group and Parent Company earned rental income from investment properties amounting to P12 in 2023, P199 in 2022 and P229 in 2021, and are presented as part of Rentals under Miscellaneous Income account in the statements of profit or loss [see Notes 24.1 and 27.7(b)]. Expenses incurred by the Group and Parent Company in relation to the investment properties include taxes and licenses amounting to P98 in 2023, P48 in 2022 and P16 and P13, respectively, in 2021.

15. OTHER RESOURCES

Other resources consist of the following:

		Group		**Parent Company**	
	Notes	**2023**	2022	**2023**	2022
Assets held-for-sale and disposal group	15.1	**P 4,503**	P 3,440	**P 4,027**	P 2,665
Creditable withholding taxes		**4,280**	3,257	**4,262**	3,211
Net defined benefit asset	23.2, 27.5	**2,665**	-	**2,665**	-
Prepaid expenses	15.2	**1,645**	1,795	**1,417**	1,573
Software – net	15.3	**1,237**	1,362	**1,235**	1,359
Branch licenses	15.4	**1,000**	1,000	**1,000**	1,000
Refundable and other deposits		**955**	803	**953**	801
Deferred charges		**660**	547	**657**	529
Unused stationery and supplies		**618**	559	**609**	545
Goodwill	15.5	**426**	426	**269**	269
Margin deposits	15.6	**243**	240	**243**	240
Returned checks and other cash items		**221**	80	**221**	80
Miscellaneous	15.7	**1,992**	1,287	**1,837**	721
		20,445	14,796	**19,395**	12,993
Allowance for impairment	15.1, 15.5	**(1,068)**	(1,223)	**(890)**	(1,066)
		P 19,377	P 13,573	**P 18,505**	P 11,927

15.1 Assets Held-for-Sale and Disposal Group

Assets held-for-sale represents assets that are approved by management to be immediately sold in its present condition and management believes that the sale is highly probable at the time of reclassification. Asset held-for-sale and disposal group consists of the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Equity securities	**P 1,809**	P 1,894	**P 1,809**	P 1,889
Foreclosed automobiles	**713**	918	**380**	546
Foreclosed real properties	**1,981**	628	**1,838**	230
	4,503	3,440	**4,027**	2,665
Allowance for impairment	**(881)**	(1,048)	**(861)**	(1,048)
Balance at end of year	**P 3,622**	P 2,392	**P 3,166**	P 1,617

On May 29, 2023, the Bank's BOD approved the sale of its consolidated ROPA, recognized as part of Investment properties. The program consists of three phases of execution, namely; (a) the sale of high-end properties; (b) the sale of a property in Tarlac, and (c) the sale of consolidated ROPA nationwide, which includes properties of both the Bank and its subsidiaries. The carrying values of these investment properties which were reclassified to assets held for sale amounted to P831, while the related appraised values amounted to P5,131. Further reclassification of investment properties with carrying value of P1,394 and appraised value of P3,103 was made during the last quarter of 2023 as part of the commitment of the Bank to dispose of the properties to comply with the constitutional requirements on land ownership of the Bank after additional investment of SMBC (see Notes 1.1 and 22.5).

During 2023, the Bank partially disposed of aforementioned properties with a total carrying value of P427 for a gross consideration of P3,236, resulting in a gain amounting to P2,809, which was presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss.

The Bank targets to dispose of the remaining properties during the first half of the year 2024. Disposal of the assets on a business as usual basis via auctions and negotiated sales are still underway. The Parent Bank is also negotiating for a possible bulk purchase of the assets. The viability and acceptability of these options are still being studied.

Recovery on assets held for sale for Group and Parent amounted to nil and P135 in 2023 and 2022, respectively, and are presented as part of the Impairment losses – net on non-financial asset (see Note 16).

15.1.1 HHIC Equity Securities

In May 2019, RCBC, together with other local banks, entered into a Detailed Implementing Agreement with Hanjin Heavy Industries and Construction Philippines, Inc. (HHIC-Phil), a subsidiary of Hanjin Heavy Industry Co., Ltd. (HHIC-Korea), a Korean shipbuilding company, to convert a part of the former's debt into a 20% stake in HHIC-Korea (see Note 28.2). Accordingly, in June 2019, the Bank received 7,100,129 common shares representing 8.53% ownership in HHIC-Korea in settlement of HHIC-Phil's gross outstanding loan amounting to USD63.5 million or P3,286. In 2023 and 2022, the Parent Company recognized impairment of the HHIC-Korea equity securities amounting to P160 and P516, respectively, which are included as part of Impairment Losses – net in the statements of profit or loss (see Note 16). There is no similar transaction in 2021.

As of December 31, 2023, with the Bank's BOD approval, the Bank commits to sell the HHIC-Korea shares through an active disposal plan which the Bank estimates that it will take more than a year to complete the sale, but nothing will preclude the Bank from selling it sooner given the availability of a buyer. This is covered by the exception in PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, which states that an extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset. As a result, the carrying amount of the investment is measured at the lower of their carrying amount, immediately prior to its classification as held-for-sale and its fair value less costs to sell.

15.2 Prepaid Expenses

Prepaid expenses include prepayments for insurance, taxes and licenses, and software maintenance.

15.3 Software

A reconciliation of the carrying amounts of software at the beginning and end of 2023 and 2022 is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 1,362**	P 1,338	**P 1,359**	P 1,332
Additions	**381**	334	**362**	333
Amortization	**(506)**	(310)	**(486)**	(306)
Balance at end of year	**P 1,237**	P 1,362	**P 1,235**	P 1,359

Amortization charges for software are included as part of Depreciation and Amortization account in the statements of profit or loss.

15.4 Branch Licenses

Branch licenses represent the rights granted by the BSP to the Parent Company in 2015 to establish a certain number of branches in the restricted areas in the country. Branch licenses are annually tested for impairment either individually or at the CGU level, as appropriate when circumstances indicate that the intangible asset may be impaired.

Branch licenses is subject to annual impairment testing and whenever is an indication of impairment. The recoverable amount used to determine impairment on the branch licenses was based on Value-in-Use (VIU) calculation computed through discounting the five-year cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The recoverable amount was computed by determining the excess of the projected interest income from the projected interest expense. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects. The discount rate applied to cash flow projections is 9.52% and 10.91% in 2023 and 2022, respectively, while the growth rate used to extrapolate cash flows covering a five-year period is 5.64% and 5.67%, in 2023 and 2022, respectively.

15.5 Goodwill

The Parent Company recognized goodwill amounting to P269 which arose from its acquisition of the net assets of another bank in 1998 from which it had expected future economic benefits and synergies that will result from combining the operations of the acquired bank.

Goodwill is subject to annual impairment testing and whenever there is an indication of impairment. In 2023 and 2022, the Parent Company engaged a third party consultant to perform an independent impairment testing of goodwill. The recoverable amount of the CGU has been based on VIU calculation using the cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects.

The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities within the industry. In 2023 and 2022, the discount rate applied to cash flow projections is 11.05% and 13.86%, respectively, while the growth rate used to extrapolate cash flows beyond five-year period is 6.18% and 5.67% for 2023 and 2022, respectively. On the basis of the report of the third-party consultant dated February 1, 2024 and January 18, 2023 with valuation date as of the end of 2023 and 2022, respectively, the Group has assessed that the recoverable amount of the goodwill is higher than its carrying value. Accordingly, no impairment loss is required to be recognized in the statements of profit or loss in both years.

In addition, the goodwill pertaining to the acquisition of Rizal Microbank amounting to P157 was fully provided with impairment in 2011.

15.6 Margin Deposits

Margin deposits serve as security for outstanding financial market transactions and other liabilities. These are designed to provide additional credit risk protection for counterparty exposures.

15.7 Miscellaneous

Miscellaneous account includes various deposits, advance rentals, service provider fund, trading right and other assets.

16. ALLOWANCE FOR EXPECTED CREDIT LOSS AND IMPAIRMENT

Changes in the amounts of allowance for impairment are summarized below.

		Group		Parent Company	
	Notes	2023	2022	2023	2022
Balance at beginning of year					
Loans and receivables	11	P 16,030	P 18,264	P 15,088	P 17,339
Investment securities at amortized cost	10.3	163	147	71	52
Loan commitments	21	214	145	214	145
Investment properties	14	274	277	253	261
Other resources - net	15	1,223	1,268	1,066	1,135
		17,904	20,101	16,692	18,932
Impairment losses – net:					
Loans and receivables	11	6,574	5,259	5,759	5,043
Investment securities at amortized cost	10.3	(2)	19	-	19
Loan commitments	4.4	105	69	105	69
Investment properties	14	1	1	1	-
Other resources - net	15	210	358	209	358
		6,888	5,706	6,074	5,489
Charge-offs and other adjustments during the year		(5,860)	(7,903)	(5,477)	(7,729)
Balance at end of year					
Loans and receivables	11	17,395	16,030	16,021	15,088
Investment securities at at amortized cost	10.3	161	163	71	71
Loan commitments	21	304	214	304	214
Investment properties	14	4	274	3	253
Other resources - net	15	1,068	1,223	890	1,066
		P 18,932	P 17,904	P 17,289	P 16,692

17. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities (see also Note 27.3):

	Group		Parent Company	
	2023	2022	2023	2022
Demand	P 214,395	P 174,563	P 215,284	P 175,230
Savings	287,738	246,242	287,776	246,524
Time	450,999	430,357	450,729	429,803
Long-term Negotiable Certificate of Deposits (LTNCD)	3,580	6,082	3,580	6,082
	P 956,712	P 857,244	P 957,369	P 857,639

The Parent Company's LTNCD as of December 31, 2023 and 2022 are as follows:

Issuance Date	Maturity Date	Coupon Interest	2023	2022
September 28, 2018	March 28, 2024	5.50%	**P 3,580**	P 3,580
August 11, 2017	February 11, 2023	5.50%	**-**	2,502
			P 3,580	P 6,082

The Parent Company's LTNCD were used in the expansion of its term deposit base to support long-term asset growth and for other general funding purposes.

The Group's deposit liabilities bear annual interest as follows:

	2023	2022	2021
Demand, Savings and Time deposits	**0.10% - 6.50%**	0.07% - 6.13%	0.10% - 6.00%

The total interest expense incurred by the Group and the Parent Company on deposit liabilities are as follows:

	Group		
	2023	2022	2021
Time	**P 22,389**	P 7,995	P 2,639
Savings	**3,388**	894	597
Demand	**2,044**	868	524
LTNCD	**214**	300	299
	P 28,035	P 10,057	P 4,059

	Parent Company		
	2023	2022	2021
Time	**P 22,402**	P 7,987	P 2,632
Savings	**3,392**	895	597
Demand	**2,048**	873	528
LTNCD	**214**	300	299
	P 28,056	P 10,055	P 4,056

Non-FCDU deposit liabilities, including tax exempt LTNCDs, of the Parent Company And Rizal Microbank is subject to reserve requirement of 14% and 4%, respectively, based on BSP regulations effective July 31, 2020. In 2023, BSP reduced the reserve requirements for both the Parent Company and Rizal Microbank effective June 30 by 250 basis points and 100 basis points, respectively. The reserve requirement ratio for the Parent Company and Rizal Microbank is at 9.5% and 2%, and 12% and 3% in 2023 and 2022, respectively.

Peso-denominated LTNCDs of the Parent Company are subject to reserve requirement equivalent of 4% in both years. As of December 31, 2023 and 2022, the Group is in compliance with such regulatory reserve requirements.

Under BSP Circular No. 1063, *Reduction in Reserve Requirements*, cash in vault and regular reserve deposit accounts with BSP are excluded as eligible forms of compliance for the reserve requirements. The required reserve shall only be kept in the form of demand deposit accounts with the BSP. Available reserves consist of Due from BSP amounting to P83,701, P76,582, and P65,074 for the Group and P82,771, P75,340, and P63,931 for the Parent Company as of December 31, 2023, 2022 and 2021, respectively (see Note 9).

18. BILLS PAYABLE

This account consists of borrowings from:

	Group				Parent Company			
	2023		2022		**2023**		2022	
Foreign banks	**P**	**36,653**	P	40,482	**P**	**36,653**	P	40,482
Local banks		**14,165**		26,178		**7,304**		17,909
Others		**40**		-		**-**		-
	P	**50,858**	P	66,660	**P**	**43,957**	P	58,391

Borrowings from foreign and local banks are subject to annual fixed interest rates as follows:

	2023	2022	2021
Group			
Peso denominated	**3.00% - 8.00%**	4.66% - 8.00%	4.15% - 7.50%
Foreign currency denominated	**2.50% - 6.42%**	0.0001% - 0.725%	0.0001% - 0.725%
Parent Company			
Peso denominated	**-**	4.66% - 4.96%	4.66% - 4.96%
Foreign currency denominated	**2.50% - 6.42%**	0.0001% - 0.725%	0.0001% - 0.725%

The total interest expense incurred by the Group on the bills payable amounted to P2,449 in 2023, P824 in 2022, and P420 in 2021. The total interest expense incurred by the Parent Company on the bills payable amounted to P2,042 in 2023, P420 in 2022, and P22 in 2021.

As of December 31, 2023 and 2022, bills payable availed under repurchase agreements amounting to P29,797 and P58,391, respectively, are secured by the Group and Parent Company's investment securities (see Note 10.3). Investment securities used as collateral to the bills payable are government securities and corporate debt securities that are measured at amortized cost. The average interest rate is 2.80% in 2023, 4.05% in 2022, and 8.60% in 2021 for government securities, and 3.70% in 2022 and 3.10% in 2021 for corporate debt securities. Average remaining terms before maturity of these investment securities as of 2023, 2022, and 2021 is 13 years, 3 years, and 4 years, respectively, for government securities, and 7 years, and 12 years for corporate debt securities in 2022 and 2021, respectively. There are no corporate debt securities collaterals in 2023.

19. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

Issuance Date	Maturity Date	Coupon Interest	Face Value (in millions)		Outstanding Balance 2023		Outstanding Balance 2022	
February 21, 2022	May 21, 2024	3.00%	P	14,756	**P**	**14,756**	P	14,756
March 31, 2021	September 30, 2023	3.20%	P	13,743		**-**		13,743
March 31, 2021	June 30, 2026	4.18%	P	4,130		**4,130**		4,130
September 11, 2019	September 11, 2024	3.05%	$	300		**16,053**		16,727
March 15, 2018	March 16, 2023	4.13%	$	450		**-**		25,055
					P	**34,939**	P	74,411

On February 21, 2022, the Parent Company issued unsecured Peso-denominated Senior Notes with principal amount and outstanding balance as of December 31, 2022 of P14,756 bearing an interest of 3.00% per annum. The senior notes will mature on May 21, 2024.

On March 31, 2021, the Parent Company issued unsecured Peso-denominated Senior Notes with outstanding balance as of December 31, 2022 of P13,743 and P4,130 bearing an interest of 3.20% and 4.18% per annum, respectively, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The P13,743 senior notes matured last September 30, 2023, while the remaining note will mature on June 30, 2026.

In September 2019, the Parent Company issued unsecured US$-denominated Senior Notes with principal amount of US$300 bearing an interest of 3.05% per annum, payable semi-annually in arrears every March 11 and September 1 of each year. The senior notes, unless redeemed, will mature on September 11, 2024. As of December 31, 2023 and 2022, the peso equivalent of this outstanding bond issue amounted to P16,053 and P16,727, respectively.

In March 2018, the Parent Company issued unsecured US$-denominated Senior Notes with principal amount of US$450 bearing an interest of 4.13% per annum, payable semi-annually in arrears every March 16 and September 16 of each year. The senior notes, matured last March 16, 2023.

The debt issue cost incurred in 2023 and 2022 is nil and P111, respectively. The unamortized debt issue cost as of December 31, 2023 and 2022 amounted to P43 and P150, respectively. The related amortization of unamortized debt issue cost is recorded as part of Interest Expense in the statements of profit or loss.

The interest expense incurred on these bonds payable amounted to P1,768 in 2023, P3,397 in 2022, and P3,503 in 2021. The Group and Parent Company recognized foreign currency exchange losses related to these bonds payable amounting to P450, and P2,312 in 2023 and 2021, respectively, while P567 foreign currency exchange gains in 2022. Foreign currency exchange losses are netted against foreign exchange gains presented under Other Operating Income account in the statements of profit or loss.

20. ACCRUED INTEREST, TAXES AND OTHER EXPENSES

The composition of this account follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Accrued expenses	**P 5,550**	P 4,492	**P 5,286**	P 4,302
Accrued interest	**5,195**	3,365	**5,187**	3,361
Taxes payable	**1,337**	571	**1,313**	529
	P 12,082	P 8,428	**P 11,786**	P 8,192

Accrued expenses represent mainly the accruals for utilities, employee benefits and other operating expenses. Accrued interest primarily includes unpaid interest on deposit liabilities, bills payable and bonds payable at the end of each reporting period.

21. OTHER LIABILITIES

Other liabilities consist of the following:

		Group		Parent Company	
	Notes	**2023**	2022	**2023**	2022
Accounts payable	27.7(c)	**P 10,197**	P 7,756	**P 9,769**	P 7,041
Lease liabilities	13	**6,687**	5,500	**7,029**	5,913
Bills purchased – contra		**2,673**	2,113	**2,673**	2,113
Manager's checks		**1,878**	1,680	**1,878**	1,680
Derivative financial liabilities	10.1	**1,690**	2,116	**1,690**	2,116
Outstanding acceptances payable		**1,467**	4,587	**1,467**	4,587
Unclaimed balances-deposit		**1,398**	1,128	**1,320**	1,128
Withholding taxes payable		**1,108**	714	**1,101**	708
Unearned income		**824**	602	**819**	589
Deposit on lease contracts		**796**	776	**18**	33
Other credits		**381**	432	**381**	432
ECL provisions on loan commitments	4.4.9(c)	**304**	214	**304**	214
Sundry credits		**269**	355	**268**	357
Payment orders payable		**147**	241	**147**	241
Due to BSP		**108**	66	**108**	66
Post-employment defined benefit obligation	23.2	**40**	1,986	**-**	1,972
Guaranty deposits		**6**	66	**6**	66
Advance rentals		**1**	10	**1**	10
Miscellaneous		**1,492**	662	**1,594**	566
		P 31,466	P 31,004	**P 30,573**	P 29,832

Accounts payable is mainly composed of prepaid card balances of customers, settlement billing from credit card operations and the Group's expenditure purchases which are to be settled within the next reporting period.

Miscellaneous liabilities include due to treasury, government-related contributions, and other miscellaneous liabilities.

Interest expense incurred on other liabilities for 2023, 2022 and 2021 amounted to P80, P11 and P15 for the Group, and P80, P11 and P15 for the Parent Company, respectively.

22. EQUITY

22.1 Capital Stock

Preferred and common stock represent the nominal value of shares of stock that have been issued (see Notes 22.2 and 22.3).

Capital paid in excess of par includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares of stock are deducted from capital paid in excess of par, net of any related income tax benefits (see Note 22.2).

The movements in the outstanding capital stock of the Parent Company are as follows:

	Number of Shares		
	2023	2022	2021
Preferred stock – voting, non-cumulative non-redeemable, participating, convertible into common stock – P10 par value			
Authorized – 200,000,000 shares			
Issued and outstanding			
Balance at beginning and end of year	**267,410**	267,410	267,410
Common stock – P10 par value			
Authorized:			
Balance at beginning and end of year	**2,600,000,000**	2,600,000,000	2,600,000,000
Issued and outstanding:			
Balance at beginning of year	**2,037,478,896**	2,037,478,896	1,935,628,896
Issuance of new shares	**168,619,976**	-	-
Reissuance of shares during the year	**213,437,248**	-	101,850,000
Balance at end of year	**2,419,536,120**	2,037,478,896	2,037,478,896

As of December 31, 2023, and 2022, there are 746 and 748 holders of the Parent Company's listed shares holding an equivalent of 93.00% of the Parent Company's total issued and outstanding shares, respectively. Such listed shares closed at P23.00 and P23.70 per share for years December 31, 2023 and 2022, respectively.

In 1986, the Parent Company listed its common shares with the PSE. The historical information on the Parent Company's issuance of common shares arising from the initial and subsequent public offerings, including private placements is presented in the succeeding page.

Issuance	Subscriber	Issuance Date	Number of Shares Issued
Initial public offering	Various	November 1986	1,410,579
Stock rights offering	Various	April 1997	44,492,908
Stock rights offering	Various	July 1997	5,308,721
Stock rights offering	Various	August 1997	830,345
Stock rights offering	Various	January 2002	167,035,982
Stock rights offering	Various	June 2002	32,964,018
Follow-on offering	Various	March 2007	210,000,000
Private placement	International Finance Corporation (IFC)	March 2011	73,448,275
Private placement	Hexagon Investments B.V.	September 2011	126,551,725
Private placement	PMMIC	March 2013	63,650,000
Private placement	IFC Capitalization Fund	April 2013	71,151,505
Private placement	Cathay	April 2015	124,242,272
Stock rights offering	Various	July 2018	535,710,378
Private placement	SMBC	July 2021	101,850,000
Private placement	SMBC	July 2023	382,057,224

On May 29, 2006, the Parent Company's stockholders approved the issuance of up to 200,000,000 convertible preferred shares with a par value of P10 per share, subject to the approval, among others, by the PSE. The purpose of the issuance of the convertible preferred shares is to raise the Tier 1 capital pursuant to BSP regulations, thereby strengthening the capital base of the Parent Company and allowing it to expand its operations. On February 13, 2007, the PSE approved the listing application of the underlying common shares for the 105,000 convertible preferred shares, subject to the compliance of certain conditions of the PSE.

Preferred shares have the following features:

(a) Entitled to dividends at floating rate equivalent to the three-month LIBOR plus a spread of 2.0% per annum, calculated quarterly;

(b) Convertible to common shares at any time after the issue date at the option of the Parent Company at a conversion price using the adjusted net book value per share of the Parent Company based on the latest available financial statements prepared in accordance with PFRS, adjusted by local regulations;

(c) Non-redeemable; and,

(d) Participating as to dividends on a pro rata basis with the common stockholders in the surplus of the Parent Company after dividend payments had been made to the preferred shareholders.

On June 28, 2010, the Parent Company's stockholders owning or representing more than two-thirds of the outstanding capital stock confirmed and ratified the approval by the majority of the BOD on their Executive Session held on May 21, 2010, the proposed increase in Parent Company's authorized capital stock and removal of pre-emptive rights from holders of capital stock, whether common or preferred, to subscribe for or to purchase any shares of stock of any class, by amending the Parent Company's Articles of Incorporation.

The proposed P16,000 authorized capital stock is divided into the following classes of stocks:

(a) 1,400,000,000 common shares with a par value of ten pesos (P10.00) per share.

(b) 200,000,000 preferred shares with a par value of ten pesos (P10.00) per share.

The removal of pre-emptive rights was approved by the BSP and SEC on October 20, 2010 and November 4, 2010, respectively. On the other hand, the increase in authorized capital stock of the Parent Company was approved by the BSP and SEC on August 24, 2011 and September 16, 2011, respectively.

On June 27, 2022, the Bank amended its AOI to delete Articles four and seven of the AOI stating the term of existence of the Bank and transfer of voting stocks to foreign nationals, respectively to allow foreign ownership of the bank to exceed 40% and to be consistent with R.A. No. 11232, which grants perpetual corporate terms. The amendment of AOI was approved by BSP and SEC on August 26, 2022 and September 30, 2022, respectively (see Note 1.1).

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share for a total consideration amounting to P27,125. The additional capital infusion was made on July 31, 2023 [see Notes 22.2 and 27.7(d)].

22.2 Issuance of Common Shares

The capital infusion from SMBC on July 31, 2023 involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 [see Notes 22.3 and Note 27.7(d)]. This resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

On July 22, 2019, the effective date of merger, the Parent Company issued 315,287,248 common shares in exchange of the transfer of net assets of RSB at carrying value. The Parent Company recognized P10,507 as additional paid-in capital, which pertains to the difference between the par value of the shares issued and the carrying value of the net assets of RSB.

On November 27, 2017, the BOD of the Parent Company approved the increase in the Parent Company's authorized capital through the increase in the authorized common stock from 1,400,000,000 shares to 2,600,000,000 shares at P10 par value per share or for a total capital stock of P14,000 to P26,000. The BOD also approved the amendment of the Parent Company's Articles of Incorporation for the principal purpose of reflecting the said increase in authorized capital. These resolutions were approved by the Parent Company's stockholders representing at least two-thirds of its outstanding capital stock in a special meeting held on January 29, 2018. In the same meeting, the Parent Company's BOD approved the stock rights offering (Rights Offer) to be subscribed out of the increase in the authorized capital. The increase in authorized capital stock and the Rights Offer were approved by the BSP and SEC on June 29, 2018 and July 4, 2018, respectively. The offering of the stock rights representing 535,710,378 common shares (with equivalent amount of P5,357) occurred from June 25 to June 29, 2018 and the shares were listed at the PSE on July 16, 2018. The Rights Offer and issuance generated P15,000 proceeds, reduced by P217 issue costs; hence, resulting in P9,426 excess of consideration received over par value recognized in Capital Paid in Excess of Par account.

In 2015, the Parent Company issued common shares to Cathay at P64 per share for a total issue price of P7,951. This issuance resulted in the recognition of Capital Paid in Excess of Par amounting to P6,709 reduced by the total issuance cost of P222. The acquisition involves Cathay: (i) acquiring from Hexagon Investments B.V., an entity controlled by funds managed by CVC Asia Pacific Limited, 118,935,590 secondary shares at P64 per share, pursuant to a Sale and Purchase Agreement; (ii) acquiring 36,724,138 secondary common shares from IFC Capitalization Fund also at P64 per share, pursuant to a Sale and Purchase Agreement; and, (iii) entering into a shareholders agreement with PMMIC and the Parent Company.

In 2013, the Parent Company issued common shares to PMMIC and IFC Capitalization Fund at P64 and P58 per share for a total issue price of P4,074 and P4,127, respectively. These issuances resulted in the recognition of Capital Paid in Excess of Par amounting to P3,437 and P3,415, respectively, reduced by total issuance costs of P101.

22.3 Treasury Shares

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Parent Company's equity holder until the shares are cancelled, reissued or disposed of.

On July 31, 2023, as a result of the capital infusion of SMBC, the Bank reissued 213,437,248 treasury shares at cost of P43.51 per share or P9,287 (see Notes 22.1 and 22.2).

On July 23, 2021, the Parent Company sold 101,850,000 shares to SMBC at P44.00 per share. This came from the treasury shares resulting from the merger of Parent Company and RSB. The sale of shares held by the Parent Company in treasury is equivalent to 4.999% of the total outstanding Common Stock. The issuance resulted in a recognition of additional Capital Paid in Excess of Par amounting to P50. In 2021, the Parent Company incurred expenses related to the issuance amounting to P113 which was charged to equity resulting in a P63 net decrease in the Capital Paid in Excess of Par. In 2022, the Parent Company incurred additional expenses amounting to P12 in relation to this treasury shares reissuance and this was charged against the 2022 Capital Paid in Excess of Par account.

In 2019, subsequent to the effective date of the merger, the Parent Company acquired the 315,287,248 common shares issued in exchange of the net assets of RSB equal to the Parent Company's investment in RSB as at December 31, 2018.

On September 23, 2011, the Parent Company issued 5,821,548 common shares (equivalent of 18,082,311 preferred shares and with total par value of P58) from the treasury account reissuance (with total cost of P182) and an additional 120,730,177 common stock (with total par value of P1,207) from unissued portion of the increase in authorized capital stock on September 23, 2011 to Hexagon Investments B.V. that is equivalent to approximately 15.00% of the outstanding common shares. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P2,264.

On March 17, 2011, the Parent Company issued 73,448,275 common shares, comprising of 50,427,931 treasury shares reissuance (with total cost of P771) and 23,020,344 unissued stock (with total par value of P230), to IFC Capitalization Fund for a total consideration of P2,130 representing 7.20% ownership interest. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P1,078.

22.4 Hybrid Perpetual Securities

Hybrid perpetual securities are non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards.

In August 27, 2020, the Parent Company issued US$300 non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards. As of December 31, 2023 and 2022, the hybrid perpetual securities amounted to P14,463, net of issuance costs.

The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

The proceeds of the hybrid perpetual securities are used to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

22.5 Surplus and Dividend Declarations

The details of the cash dividend distributions follow:

Date Declared	Dividend Per Share	Dividend Total Amount	Record Date	Date Approved by BOD	Date Paid/Payable
February 22, 2021	0.0560	0.01	March 21, 2021	February 22, 2021	March 31, 2021
February 22, 2021*	-	472.40	February 26, 2021	February 22, 2021	February 26, 2021
April 26, 2021	0.4850	938.78	May 10, 2021	April 26, 2021	May 25, 2021
April 26, 2021	0.4850	0.13	May 10, 2021	April 26, 2021	May 25, 2021
May 31, 2021	0.0559	0.01	June 21, 2021	May 31, 2021	June 25, 2021
July 26, 2021*	-	486.04	August 26, 2021	July 26, 2021	August 26, 2021
August 31, 2021	0.0545	0.01	September 21, 2021	August 31, 2021	September 24, 2021
November 29, 2021	0.0537	0.01	December 21, 2021	November 29, 2021	December 24, 2021
January 31, 2022*	-	500.57	February 28, 2022	January 31, 2022	February 28, 2022
February 28, 2022	0.0553	0.01	March 21, 2022	February 28, 2022	March 23, 2022
March 28, 2022	0.6180	1,259.16	April 11, 2022	March 28, 2022	April 27, 2022
March 28, 2022	0.6180	0.17	April 11, 2022	March 28, 2022	April 27, 2022
May 30, 2022	0.0748	0.02	June 21, 2022	May 30, 2022	June 23, 2022
July 25, 2022*	-	547.59	August 26, 2022	July 25, 2022	August 26, 2022
August 30, 2022	0.1047	0.03	September 21, 2022	August 30, 2022	September 22, 2022
November 28, 2022	0.1407	0.04	December 21, 2022	November 28, 2022	December 27, 2022
January 30, 2023*	-	534.98	February 27, 2023	January 30, 2023	February 27, 2023
February 27, 2023	0.1685	0.05	March 21, 2023	February 27, 2023	March 23, 2023
March 27, 2023	1.0800	2,200.48	April 13, 2023	March 27, 2023	April 27, 2023
March 27, 2023	1.0800	0.29	April 13, 2023	March 27, 2023	April 27, 2023
May 29, 2023	0.1789	0.05	June 21, 2023	May 29, 2023	June 26, 2023
July 31, 2023*	-	553.41	August 27, 2023	July 31, 2023	August 27, 2023
August 29, 2023	0.1920	0.05	September 21, 2023	August 29, 2023	September 25, 2023
November 29, 2023	0.1870	0.05	December 21, 2023	November 29, 2023	December 29, 2023

**Dividends for Hybrid Perpetual Securities*

In 2015, the BSP, through the MB, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity.

A portion of the Parent Company's surplus corresponding to the equity in net earnings of certain subsidiaries and associates amounted to P5,727 and P5,885 as of December 31, 2023 and 2022, respectively, and treasury shares of the Parent Company amounting to nil and P9,287 as of December 31, 2023 and 2022, respectively.

22.6 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the statements of changes in equity of the Group and Parent Company at their aggregate amount under Revaluation Reserves account are shown below.

	Revaluation of Financial Assets at FVOCI	Accumulated Translation Adjustments on Foreign Operations	Actuarial Gains (Losses) on Defined Benefit Plan	Total
Balance as of January 1, 2023	(P 4,866)	P 54	(P 1,580)	(P 6,392)
Actuarial gains on defined benefit plan	-	-	(1,350)	(1,350)
Fair value gain on financial assets at FVOCI	1,695	-	-	1,695
Other comprehensive income (loss)	1,695	-	(1,350)	345
Transfers of fair value gain on financial assets at FVOCI to surplus	3	-	-	3
Balance as of December 31, 2023	**(P 3,168)**	**P 54**	**(P 2,930)**	**(P 6,044)**
Balance as of January 1, 2022	P 389	P 54	(P 2,366)	(P 1,923)
Actuarial gains on defined benefit plan	-	-	786	786
Fair value loss on financial assets at FVOCI	(5,255)	-	-	(5,255)
Other comprehensive income (loss)	(5,255)	-	786	(4,469)
Balance as of December 31, 2022	(P 4,866)	P 54	(P 1,580)	(P 6,392)
Balance as of January 1, 2021	P 664	P 54	(P 2,788)	(P 2,070)
Actuarial gains on defined benefit plan	-	-	422	422
Fair value loss on financial assets at FVOCI	(275)	-	-	(275)
Other comprehensive income (loss)	(275)	-	422	147
Balance as of December 31, 2021	P 389	P 54	(P 2,366)	(P 1,923)

22.7 Appropriation for General Loan Loss Reserves

Pursuant to the requirements of the BSP under Circular No. 1011, the Group shall recognize general loan loss provisions equivalent to one percent of all outstanding loans as of the end of the reporting period, except for accounts considered as credit risk-free under the existing BSP regulations. In cases when the computed allowance for ECL on those exposures is less than one percent of the general loan loss provisions required, the deficiency is recognized through appropriation from the Group's available Surplus. Such appropriation is considered as Tier 2 capital subject to the limit provided under the CAR framework. The outstanding balance of appropriation for General Loan Loss Reserves as of December 31, 2023 and 2022 amounted to P4,599 and P3,824 for the Group, and P4,589 and P3,823 for the Parent Company, respectively. The additional appropriation made in 2023 amounted to P775 and P766 respectively, for the Group and Parent Company.

22.8 Reserve for Trust Business

Reserve for trust business representing the accumulated amount set aside by the Group under existing regulations requiring the Parent Company to appropriate and transfer to surplus 10% of its net profits accruing from their trust business until the surplus shall amount to 20% of the regulatory capital. The reserve shall not be paid out in dividends, but losses accruing in the course of the trust business may be charged against this account.

22.9 Other Reserves

Other reserves refer to the amount attributable to the Parent Company arising from the changes in the ownership of the Non-controlling Interest (NCI) in the Group.

As of December 31, 2023 and 2022, this account consists of reserves arising from the acquisition of RCBC LFC amounting to P86 for both years.

In 2022, the Parent Company has acquired remaining interest to Rizal Microbank making it a wholly-owned subsidiary of the Parent Company (see Note 1.2). This acquisition resulted in the reduction of Other Reserves and NCI accounts amounting to P11 and P10, respectively. There is no similar transaction in 2023.

23. EMPLOYEE BENEFITS

23.1 Short-Term Employee Benefits

Expenses recognized for salaries and other employee benefits are shown below.

	Group		
	2023	2022	2021
Short-term employee benefits	**P 6,732**	P 6,100	P 5,888
Post-employment defined benefits	**418**	463	483
	P 7,150	P 6,563	P 6,371

	Parent Company		
	2023	2022	2021
Short-term employee benefits	**P 5,938**	P 5,368	P 5,247
Post-employment defined benefits	**383**	426	439
	P 6,321	P 5,794	P 5,686

23.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Parent Company and certain subsidiaries maintain a funded, tax-qualified, non-contributory post-employment benefit plan that is being administered by the Parent Company's Trust and Investment Group (TIG), covering all regular full-time employees. The Parent Company's TIG manages the fund in coordination with the Parent Company's Retirement Plan Committee (RPC), Trust Committee and the respective committees of the subsidiaries which act in the best interest of the plan assets and are responsible for setting the investment policies.

The normal retirement age of the Group's employees ranges between 55 to 60 but the plan also provides for an early retirement at age 50 to 55 with a minimum of 10 to 20 years of credited service. The maximum retirement benefit is the lump sum equivalent to two months pay per year of continuous employment based on the employees' salary at retirement. Any fraction of a year shall be computed proportionately.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from independent actuaries in 2023 and 2022.

The amounts of post-employment benefit obligation (asset) recognized in the financial statements are determined as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Present value of the obligation	**P 5,932**	P 5,130	**P 5,603**	P 4,857
Fair value of plan assets	**(9,697)**	(3,145)	**(9,407)**	(2,885)
Effect of asset ceiling test	**1,140**	1	**1,139**	-
Deficiency (excess) of plan assets	**(P 2,625)**	P 1,986	**(P 2,665)**	P 1,972

The Group and Parent Company's post-employment defined benefit plan is included under Other Resources and Other Liabilities as of December 31, 2023. The post-employment defined benefit plan is included under Other Liabilities as of December 31, 2022 (see Notes 15 and 21).

The movements in the present value of the defined benefit obligation follow:

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 5,130**	P 5,604	**P 4,857**	P 5,309
Current and past service cost	**418**	463	**383**	426
Interest expense	**382**	280	**361**	266
Business combinations	**-**	(11)	**-**	-
Remeasurements – actuarial gains arising from changes in:				
– financial assumptions	**301**	(730)	**271**	(700)
– experience adjustments	**201**	(44)	**207**	(57)
– demographic assumptions	**(1)**	(1)	**-**	-
Benefits paid by the plan	**(499)**	(431)	**(476)**	(387)
Balance at end of year	**P 5,932**	P 5,130	**P 5,603**	P 4,857

The movements in the fair value of plan assets are presented below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 3,145**	P 3,104	**P 2,885**	P 2,822
Interest income	**451**	152	**430**	139
Gains on plan assets (excluding amounts included in net interest)	**275**	7	**293**	25
Contributions paid into the plan	**6,326**	313	**6,275**	286
Business combination	**(1)**	-	**-**	-
Benefits paid by the plan	**(499)**	(431)	**(476)**	(387)
Balance at end of year	**P 9,697**	P 3,145	**P 9,407**	P 2,885

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 27.5). There are no similar transactions in 2022.

The composition of the fair value of plan assets at the end of each reporting period by category and risk characteristics is shown below.

	Group		Parent Company	
	2023	2022	**2023**	2022
Cash and cash equivalents	**P 701**	P 556	**P 644**	P 506
Debt securities:				
Government bonds	**243**	105	**230**	-
Corporate debt securities	**208**	337	**62**	300
Equity securities:				
Transportation and communication	**514**	185	**514**	185
Financial intermediaries	**420**	1,256	**418**	1,256
Diversified holding companies	**201**	89	**200**	89
Electricity, gas and water	**138**	133	**137**	133
Quoted equity securities	**23**	30	**-**	-
Others	**50**	56		11
Unquoted long-term equity investments	**6,929**	139	**6,927**	139
UITF	**260**	256	**260**	256
Investment properties	**7**	7	**7**	7
Loans and receivables	**8**	4	**8**	3
Others	**(5)**	(8)	**-**	-
	P 9,697	P 3,145	**P 9,407**	P 2,885

The fair values of the above debt securities and quoted equity securities are determined based on market prices in active markets. Long-term equity investments represent investment in corporations not listed in active and organized markets. Fair values are determined based on the book value per share based on latest audited financial statements of the investee company. The fair value of the UITF is determined based on the net asset value per unit of investment held in the fund.

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITF which are at Level 2 and unquoted long-term equity investments, loans and receivables, investment properties and other investments which are at Level 3.

The net gains on plan assets are as follows:

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Interest income	**P 451**	P 152	**P 430**	P 139
Fair value gains - net	**275**	7	**293**	25
Actual gains - net	**P 726**	P 159	**P 723**	P 164

The amounts of post-employment benefit expense recognized in the profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are determined below as follows:

	Group 2023	Group 2022	Group 2021
Reported in profit or loss:			
Current and past service cost	**P 418**	P 463	P 483
Net interest expense	**(69)**	141	113
	P 349	P 604	P 596
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Financial assumptions	**(P 301)**	P 730	P 80
– Experience adjustments	**(201)**	44	254
– Demographic assumptions	**1**	1	1
Effect of asset ceiling test	**(1,140)**	-	(1)
Gains on plan assets (excluding amounts included in net interest)	**275**	7	91
	(P 1,366)	P 782	P 425

	Parent Company 2023	Parent Company 2022	Parent Company 2021
Reported in profit or loss:			
Current service costs	**P 383**	P 426	P 439
Net interest expense	**(69)**	127	112
	P 314	P 553	P 551
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Financial assumptions	**(P 271)**	P 700	P 28
– Experience adjustments	**(207)**	57	248
– Demographic assumptions	**-**	-	1
Changes in effect of asset ceiling	**(1,139)**	-	-
Gains on plan assets (excluding amounts included in net interest)	**293**	25	98
	(P 1,324)	P 782	P 375

Current service costs, including the effect of curtailment and past service cost, form part of Employee Benefits under the Other Operating Expenses account, while net interest expense or income is presented as part of Interest Expense on Bills payable and other borrowings in the statements of profit or loss.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of post-employment obligation, the following ranges of actuarial assumptions were used:

	2023	2022	2021
Group			
Discount rates	**6.28% - 7.00%**	7.22% - 7.56%	4.98% - 5.09%
Expected rate of salary increases	**4.00% - 8.00%**	5.00% - 8.00%	3.50% - 8.00%
Parent Company			
Discount rates	**6.88%**	7.44%	5.01%
Expected rate of salary increases	**5.00%**	5.00%	4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at the Group's normal retiring age of 60 is based on the 2017 Philippine Intercompany Mortality table. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group and Parent Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plan assets of the Group and Parent Company are significantly invested in equity and debt securities, while the Group and Parent Company also invests in cash and cash equivalents and other investments. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group and Parent Company's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the post-employment plan are described below and in the succeeding page.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2023 and 2022:

	Group		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2023:			
Discount rate	+/-1 %	**(P 462)**	**P 537**
Salary growth rate	+/-1 %	**565**	**(495)**
2022:			
Discount rate	+/-1 %	(P 437)	P 506
Salary growth rate	+/-1 %	513	(449)

	Parent Company		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2023:			
Discount rate	+/- 1%	**(P 469)**	**P 543**
Salary growth rate	+/- 1%	**548**	**(481)**
2022:			
Discount rate	+/- 1%	(P 413)	P 477
Salary growth rate	+/- 1%	484	(425)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation at the end of each reporting period has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Parent Company through its RPC in coordination with the Parent Company's TIG, ensures that the investment positions are managed considering the computed retirement obligations under the retirement plan. This strategy aims to match the plan assets to the retirement obligations due by investing in assets that are easy to liquidate (i.e., government securities, corporate bonds, equities with high value turnover).

As the Group's retirement obligations are in Philippine peso, all assets are invested in the same currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, various investments are made in a portfolio that may be liquidated within a reasonable period of time.

A large portion of the plan assets as of December 31, 2023 and 2022 consists of equity securities with the balance invested in fixed income securities and cash and cash equivalents. The Group believes that equity securities offer the best returns over the long term with an acceptable level of risk.

(iii) Funding Arrangements and Expected Contributions

The plan is currently overfunded by P1,560 and P1,615 in 2023 for the Group and Parent Company, respectively, based on the latest funding actuarial valuations in 2023.

The maturity profile of undiscounted expected benefit payments from the end of each reporting period follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Less than one year	**P 416**	P 264	**P 405**	P 240
More than one year to five years	**1,966**	1,608	**1,850**	1,560
More than five years to ten years	**4,906**	4,139	**4,683**	4,047
More than ten to fifteen years	**23**	24	**-**	-
More than fifteen years	**22**	20	**-**	-
	P 7,333	P 6,055	**P 6,938**	P 5,847

The Group and Parent Company expect to contribute P60 and nil, respectively, to the plan in 2024.

24. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

24.1 Miscellaneous Income

	Notes	Group 2023	2022	2021
Recoveries from written off assets		**P 600**	P 486	P 223
Rentals	14.2	**424**	872	926
Gain on extinguishment of loan		**390**	890	-
Dividend income	10.1, 10.2	**318**	311	105
Others		**77**	145	211
		P 1,809	P 2,704	P 1,465

	Notes	Parent Company 2023	2022	2021
Recoveries from written off assets		**P 600**	P 486	P 223
Gain on extinguishment of loan		**390**	890	-
Dividend income	10.2	**252**	227	39
Rentals	14.2, 27.7(b)	**57**	261	287
Others		**74**	148	26
		P 1,373	P 2,012	P 575

In 2022, the Parent Company received the full payment of its outstanding receivables from HHIC-Phil. The excess of the settlement amount over the carrying value of loans receivable amounting to P890 was recognized as Gain on extinguishment of loan. This amount is net of Asset Purchase Agreement-related taxes and fees amounting to P390. In 2023, the Bank recovered the amount from HHIC-Phil and was recognized as Gain on extinguishment of loan under Miscellaneous income in the statement of profit or loss.

Miscellaneous income classified as Others includes rebates, penalty charges and other income items that cannot be appropriately classified under any of the foregoing income accounts.

24.2 Miscellaneous Expenses

	Group		
	2023	2022	2021
Insurance	**P 1,821**	P 1,543	P 1,215
Credit card-related expenses	**1,756**	1,302	1,114
Service and processing fees	**845**	776	540
Litigation/assets acquired expenses	**823**	600	739
Communication and information services	**631**	582	604
Management and other professional fees	**539**	505	514
Advertising and publicity	**501**	322	324
Banking fees	**417**	376	319
Employee activities	**302**	315	308
Stationery and office supplies	**208**	140	118
Information services	**204**	111	122
Donation and charitable contribution	**182**	107	79
Transportation and travel	**167**	225	133
Other outside services	**132**	122	135
Representation and entertainment	**51**	55	15
Fines and penalties	**33**	137	178
Membership fees	**22**	21	17
Christmas expenses	**14**	13	6
Others	**635**	695	369
	P 9,283	P 7,947	P 6,849

	Parent Company		
	2023	2022	2021
Insurance	**P 1,819**	P 1,541	P 1,213
Credit card-related expenses	**1,744**	1,279	1,655
Service and processing fees	**1,581**	1,418	540
Litigation/assets acquired expense	**818**	589	729
Communication and information services	**604**	552	572
Advertising and publicity	**499**	318	321
Management and other professional fees	**495**	465	438
Banking fees	**412**	370	316
Employee activities	**300**	314	306
Stationery and office supplies	**204**	135	115
Information services	**204**	110	121
Transportation and travel	**151**	213	126
Other outside services	**132**	122	135
Donations and charitable contributions	**108**	106	79
Representation and entertainment	**42**	48	11
Fines and penalties	**31**	136	173
Membership fees	**20**	19	16
Christmas expenses	**14**	13	6
Others	**613**	660	324
	P 9,791	P 8,408	P 7,196

The Group's other expenses are composed of freight, various processing fees, fines and penalties, and seasonal giveaways. The Group and Parent Company's other expenses also include fees for records, facilities and management services to a related party under common control amounting to P387, P362, and P298 in 2023, 2022 and 2021, respectively (see Note 27).

25. INCOME AND OTHER TAXES

Under Philippine tax laws, the regular banking unit (RBU) of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as Taxes and Licenses in the statements of profit or loss), as well as income taxes. Percentage and other taxes paid consist principally of the gross receipts tax (GRT) and documentary stamp tax (DST).

RA No. 9238, which was enacted on February 10, 2004, provides for the reimposition of GRT on banks and non-bank financial intermediaries performing quasi-banking functions and other non-bank financial intermediaries beginning January 1, 2004.

The recognition of liability of the Parent Company and certain subsidiaries for GRT is based on the related regulations issued by the tax authorities.

Income taxes include the regular corporate income tax (RCIT), and final tax paid at the rate of 20%, which represents the final withholding tax on gross interest income from government securities and other deposit substitutes.

Interest allowed as a deductible expense is reduced by an amount equivalent to certain percentage of interest income subjected to final tax. Minimum corporate income tax (MCIT) of 1% or 2% on modified gross income is computed and compared with the RCIT. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against regular income tax liability in the next three consecutive years. In addition, ordinarily, the Group's net operating loss carry over (NOLCO) is allowed as a deduction from taxable income in the next three consecutive years.

However, pursuant to Section 4 (bbb) of Bayanihan to Recover as One (BARO) Act and as implemented under Revenue Regulation 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2021 and 2022 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Effective May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10% gross income tax.

Interest income on deposits with other FCDUs and offshore banking units is subject to 15.0% final tax effective January 1, 2018.

In 2023, 2022 and 2021, the Group opted to continue claiming itemized deductions for income tax purposes.

The Parent Company's foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the countries and/or jurisdictions where they operate.

25.1 Current and Deferred Taxes

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Company.

- RCIT was reduced from 30% to 25% starting July 1, 2020;
- MCIT was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- The allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

Starting July 1, 2023, corporations, excluding non-profit proprietary educational institutions and hospitals, and non-resident foreign corporations, will be subject to the original 2% MCIT rate based on their gross income.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax return of the Parent Company, would be lower by P165 and P151, respectively, than the amount presented in the 2020 financial statements and such amount was charged to 2021 profit or loss.

In 2021, the recognized net deferred tax assets as of December 31, 2020 was remeasured using the 25% tax rate. This resulted in a decline in the recognized deferred tax asset as of December 31, 2020 by P508 and P460 for the Group and Parent, respectively, and such was recognized in the 2021 profit or loss. There are no similar transactions in 2022 and 2023.

The tax expense as reported in the statements of profit or loss consists of:

	Group		
	2023	2022	2021
Current tax expense:			
Final tax	**P 2,659**	P 1,564	P 635
Excess MCIT over RCIT	**452**	252	228
RCIT at 25%	**222**	286	192
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(165)
	3,333	2,102	890
Deferred tax income arising from:			
Origination and reversal of temporary differences	**(2,035)**	(534)	(670)
Effect of change in income tax rate	**-**	-	508
	(2,035)	(534)	(162)
	P 1,298	P 1,568	P 728

	Parent Company 2023	2022	2021
Current tax expense:			
Final tax	P 2,578	P 1,553	P 618
Excess MCIT over RCIT	431	251	226
RCIT at 25%	117	209	80
Adjustment in 2020 income taxes due to change in income tax rate	-	-	(151)
	3,126	2,013	773
Deferred tax income arising from:			
Origination and reversal of temporary differences	(1,843)	(495)	(708)
Effect of change in income tax rate	-	-	460
	(1,843)	(495)	(248)
	P 1,283	P 1,518	P 525

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is as follows:

	Group 2023	2022	2021
Tax on pretax profit at at 25%	P 3,379	P 3,412	P 1,952
Adjustments for income subjected to lower income tax rates	(2,702)	(399)	(108)
Adjustment in 2020 income taxes due to change in income tax rate	-	-	343
Tax effects of:			
Non-deductible expenses	1,268	504	406
Non-taxable income	(699)	(562)	(680)
Unrecognized temporary differences	(692)	(852)	(396)
Excess MCIT over RCIT	431	252	228
FCDU income	296	(780)	(402)
Recognition of previously unrecognized deferred tax asset	-	-	(614)
Others	17	(7)	(1)
	P 1,298	P 1,568	P 728

	Parent Company 2023	2022	2021
Tax on pretax profit at at 25%	P 3,375	P 3,399	P 1,902
Adjustments for income subjected to lower income tax rates	(2,757)	(397)	(104)
Adjustment in 2020 income taxes due to change in income tax rate	-	-	309
Tax effects of:			
Non-deductible expenses	1,227	481	239
Unrecognized temporary differences	(684)	(925)	(404)
Non-taxable income	(605)	(511)	(627)
Excess MCIT over RCIT	431	251	226
FCDU income	296	(780)	(402)
Recognition of previously unrecognized deferred tax asset	-	-	(614)
	P 1,283	P 1,518	P 525

The deferred tax assets of the Group recognized in the consolidated statements of financial position as of December 31, 2023 and 2022 relate to the operations of the Parent Company and certain subsidiaries as shown in the succeeding page.

	Statements of Financial Position		Statements of Profit or Loss		
	2023	2022	**2023**	2022	2021
Allowance for impairment	**P 3,360**	P 2,925	**P 435**	P 140	(P 49)
Post-employment benefit obligation	**1,387**	83	**1,304**	(19)	(36)
Excess MCIT over RCIT	**990**	538	**452**	252	281
NOLCO	**38**	194	**(156)**	161	(34)
Deferred tax assets – net	**P 5,775**	P 3,740			
Deferred tax income – net			**P 2,035**	P 534	P 162

The deferred tax assets of the Parent Company recognized in its statements of financial position as of December 31, 2023 and 2022 is shown below.

	Statement of Financial Position		Statements of Profit of Loss		
	2023	2022	**2023**	2022	2021
Allowance for impairment	**P 3,018**	P 2,747	**P 271**	P 99	(P 33)
Post-employment benefit obligation	**1,387**	91	**1,296**	(15)	22
Excess MCIT over RCIT	**908**	477	**431**	251	226
NOLCO	**38**	193	**(155)**	160	33
Deferred tax assets	**P 5,351**	P 3,508			
Deferred tax income – net			**P 1,843**	P 495	P 248

The Parent Company and certain subsidiaries have not recognized deferred tax assets on certain temporary differences since management believes that the Parent Company and certain subsidiaries may not be able to generate sufficient taxable profit in the future against which the tax benefits arising from those deductible temporary differences, NOLCO and other tax credits can be utilized.

The unrecognized deferred tax assets relate to the following:

	Group		Parent Company	
	2023	2022	**2023**	2022
Allowance for impairment	**P 1,551**	P 1,551	**P 759**	P 1,190
Post-employment benefit obligation	**406**	406	**-**	402
NOLCO	**221**	221	**-**	-
Excess MCIT over RCIT	**33**	33	**-**	-
	P 2,211	P 2,211	**P 759**	P 1,592

Consequently, deferred tax liabilities were also not recognized on certain taxable temporary differences as the settlement of those can be offset by the available deductible temporary differences in the future.

In addition, deferred tax liabilities on accumulated translation adjustments, relating to its foreign subsidiaries were not recognized since their reversal can be led, and it is probable that the temporary difference will not reverse in the foreseeable future.

NOLCO can be claimed as deduction from future taxable income within three and five years from the year the taxable loss was incurred. In accordance with BARO Act, NOLCO incurred in 2020 and 2021 can be claimed as a deduction from the gross income until 2025 and 2026, respectively. The details of the Group's NOLCO are shown in the succeeding page.

Inception Year	Amount		Utilized		Expired		Balance		Expiry Year
2023	P	209	P	-	P	-	P	209	2026
2022		749		490		-		259	2025
2021		416		316		-		100	2026
2020		25		-		-		25	2025
	P	**1,399**	**P**	**806**	**P**	**-**	**P**	**593**	

The details of the Parent Company's NOLCO are shown below:

Inception Year	Amount		Utilized		Expired		Balance		Expiry Year
2022	P	640	P	490	P	-	P	150	2025
2021		132		132		-		-	2026
	P	**772**	**P**	**622**	**P**	**-**	**P**	**150**	

The breakdown of the Group's excess MCIT over RCIT with the corresponding validity periods follows:

Inception Year	Amount		Utilized		Expired		Balance		Expiry Year
2023	P	438	P	-	P	-	P	438	2026
2022		264		-		-		264	2025
2021		230		-		-		230	2024
2020		8		-		8		-	2023
	P	**940**	**P**	**-**	**P**	**8**	**P**	**932**	

The breakdown of the Parent Company's excess MCIT over RCIT with the corresponding validity periods follows:

Inception Year	Amount		Utilized		Expired		Balance		Expiry Year
2023	P	431	P	-	P	-	P	431	2026
2022		251		-		-		251	2025
2021		226		-		-		226	2024
	P	**908**	**P**	**-**	**P**	**-**	**P**	**908**	

25.2 Supplementary Information Required Under Revenue Regulation No. 15-2010

The Bureau of Internal Revenue (BIR) issued RR 15-2010 on November 25, 2010 which require certain tax information to be disclosed as part of the notes to financial statements. Such supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the SEC rules and regulations covering form and content of financial statements under the Revised Securities Regulation Code Rule 68.

The Parent Company presented this tax information required by the BIR as a supplemental schedule filed separately from the basic financial statements.

26. TRUST OPERATIONS

The Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The resources, liabilities and income or loss arising thereon are excluded from these financial statements, as these are neither resources nor income of the Group.

Securities and properties (other than deposits) held by the Parent Company in fiduciary or agency capacity for its customers are not included in the financial statements, since these are not resources of the Parent Company. The Group and Parent Company's total trust resources amounted to P155,705 and P143,170 as of December 31, 2023 and 2022, respectively (see Note 33).

Investment in government securities which are shown as part of Investment securities at amortized cost (see Note 10.3) with a total face value of P1,324 and P1,489 as of December 31, 2023 and 2022, respectively, for both the Group and the Parent Company are deposited with the BSP as security for faithful compliance with fiduciary obligations.

Income from trust operations, shown as Trust fees under Other Operating Income account, amounted to P423, P415 and P392 in 2023, 2022 and 2021, respectively, in the Group and Parent Company's statements of profit or loss.

On November 28, 2022, the Parent Company's BOD approved the spin-off of the Bank's Trust operations into a separate corporate entity, which materialized on March 27, 2023 when RTC was incorporated to become a separate trust corporation, which commenced operations in January 2, 2024 (see Note 1.1).

27. RELATED PARTY TRANSACTIONS

The Group and Parent Company's related parties include its ultimate parent company, subsidiaries, associates, entities under common ownership, key management personnel and others.

The RPT Committee, which meet monthly and as necessary, review proposed RPT within the materiality threshold to determine whether or not the transaction is on terms no less favorable to the Group than terms available to any unconnected third party under the same or similar circumstances. On favorable review, the RPT Committee endorse transactions to the BOD for approval.

All material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Transactions amounting to 10% or more of the consolidated total resources based on the latest audited consolidated financial statements entered into with related parties are considered material

A summary of the Group and Parent Company's transactions and outstanding balances of such transactions with related parties as of and for the years ended December 31, 2023, 2022 and 2021 is presented below.

		Group					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**P 1,860**	**P 1,896**	(P 2,299)	P 36	(P 5)	P 2,335
Loans and receivables	27.2	**-**	**-**	(96)	-	(55)	96
Deposit liabilities	27.3	**840**	**3,510**	670	2,670	745	2,000
Bills payable	27.6	**14,160**	**14,160**	-	-	-	-
Interest expense on deposits	27.3	**60**	**-**	46	-	15	-
Cash received from issuance of shares of stock	22.3	**9,287**	**-**	-	-	4,369	-
Interest income from loans and receivables	27.2	**-**	**-**	-	-	9	-
Associates							
Loans and receivables	27.2	**104**	**104**	-	-	(203)	-
Deposit liabilities	27.3	**553**	**669**	33	116	(984)	83
Interest expense on deposits	27.3	**12**	**-**	2	-	1	-
Sale of investment securities	27.4	**4,410**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,414**	**-**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**(424)**	**3,173**	2,782	3,597	(2,818)	815
Deposit liabilities	27.3	**6,204**	**13,229**	4,009	7,025	397	3,016
Interest income from loans and receivables	27.2	**176**	**-**	98	-	37	-
Interest expense on deposits	27.3	**105**	**-**	56	-	24	-
Gain on assets sold	27.7(a)	**3,106**	**-**	2,352	-	-	-
Occupancy and equipment-related expenses	27.7(b)	**1,436**	**-**	6,997	2,426	967	-
Miscellaneous expenses – others	24.2	**387**	**-**	362	-	298	-

		Group					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**P 7**	**P 41**	P 14	P 34	(P 8)	P 20
Deposit liabilities	27.3	**337**	**762**	106	425	75	319
Interest expense on deposits	27.3	**7**	**-**	4	-	2	-
Salaries and employee benefits	27.7(g)	**582**	**-**	565	-	538	-
Other Related Interests							
Loans and receivables	27.2	**2,506**	**23,421**	1,903	20,915	10,466	19,012
Deposit liabilities	27.3	**(54)**	**13,752**	8,372	13,806	914	5,434
Interest income from loans and receivables	27.2	**855**	**-**	824	-	716	-
Interest expense on deposits	27.3	**133**	**-**	137	-	33	-
Occupancy and equipment-related expenses	27.7(b)	**434**	**-**	-	-	-	-
Other resources – net	15.1	**2,673**	**2,139**	-	-	-	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**P 1,860**	**P 1,896**	(P 2,299)	P 36	(P 5)	P 2,335
Loans and receivables	27.2	**-**	**-**	(96)	-	(55)	96
Deposit liabilities	27.3	**840**	**3,510**	670	2,670	745	2,000
Bills payable	27.6	**14,160**	**14,160**	-	-		-
Interest expense on deposits	27.3	**60**	**-**	46	-	15	-
Cash received from reissuance of treasury shares	22.3	**9,287**	**-**	-	-	4,269	-
Interest income from loans and receivables	27.2	**-**	**-**	-	-	9	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Subsidiaries							
Loans and receivables	27.2	**40**	**40**	-	-	-	-
Deposit liabilities	27.3	**426**	**1,919**	(1,159)	1,493	2,211	2,652
Interest expense on deposits	27.3	**8**	**-**	6	-	6	-
Dividend	12	**92**	**-**	71	-	524	-
Rental income	27.7(a)	**68**	**-**	62	-	60	-
Occupancy and equipment-related expenses	27.7(a)	**473**	**-**	436	-	420	-
Service and processing fees	27.7(b)	**744**	**-**	650	-	564	-
Sale of investment securities	27.4	**828**	**-**	1,780	-	1,034	-
Purchase of investment securities	27.4	**2**	**-**	620	-	497	-
Assignment of receivables	11	**(22)**	**105**	-	127	(20)	127
Associates							
Loans and receivables	27.2	**104**	**104**	-	-	(203)	-
Deposit liabilities	27.3	**553**	**669**	15	116	(984)	101
Interest expense on deposits	27.3	**12**	**-**	2	-	1	-
Sale of investment securities	27.4	**4,410**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,414**	**-**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**(424)**	**3,173**	2,782	3,597	(2,818)	815
Deposit liabilities	27.3	**6,204**	**13,229**	2,112	7,025	(1,483)	4,913
Interest income from loans and receivables	27.2	**176**	**-**	98	-	37	-
Interest expense on deposits	27.3	**105**	**-**	56	-	24	-
Gain on assets sold	27.7(a)	**3,106**	**-**	2,352	-	-	-
Occupancy and equipment-related expenses	27.7(b)	**1,433**	**-**	6,985	2,426	961	-
Miscellaneous expenses – others	24.2	**387**	**-**	362	-	298	-

		Parent Company					
		2023		2022		2021	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**P 4**	**P 30**	P 11	P 26	P 14	P 15
Deposit liabilities	27.3	**345**	**758**	107	413	62	306
Interest expense on deposits	27.3	**7**	**-**	4	-	2	-
Salaries and employee benefits	27.7(g)	**395**	**-**	334	-	335	-
Other Related Interests							
Loans and receivables	27.2	**2,501**	**23,399**	1,886	20,898	10,466	19,012
Deposit liabilities	27.3	**(49)**	**13,749**	5,794	13,798	3,484	8,004
Interest income from loans and receivables	27.2	**854**	**-**	823	-	716	-
Interest expense on deposits	27.3	**133**	**-**	137	-	33	-
Occupancy and equipment-related expenses	27.7(b)	**432**	**-**	-	-	-	-
Other resources – net	15.1	**2,673**	**2,139**	-	-	-	-

27.1 Due from Other Banks

The outstanding balances for due from other banks with certain Directors, Officers, Stockholders and Related Interests (DOSRIs) as of and for the periods ended December 31, 2023, 2022 and 2021 amounted to P1,896, P36, and P2,335, respectively.

27.2 Loans and Receivables

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for loans and receivables with its related parties as of and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	Group			
Related Party Category	**Issuances**	**Repayments**	**Interest Income**	**Loans Outstanding**
2023:				
Stockholders	P -	P -	P -	P -
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	21	14	-	41
Other related interests	7,820	5,314	855	23,421
	P 8,645	**P 6,452**	**P 1,031**	**P 26,739**
2022:				
Stockholders	P -	P 96	P -	P -
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	16	2	-	34
Other related interests	4,276	2,373	824	20,915
	P 9,652	P 5,049	P 922	P 24,546
2021:				
Stockholders	P -	P 55	P 9	P 96
Associates	-	203	-	-
Related parties under common ownership	360	3,178	37	815
Key management personnel	2	10	-	20
Other related interests	12,827	2,361	716	19,012
	P 13,189	P 5,807	P 762	P 19,943

	Parent Company			
Related Party Category	**Issuances**	**Repayments**	**Interest Income**	**Loans Outstanding**
2023:				
Stockholders	P -	P -	P -	P -
Subsidiaries	40	-	-	40
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	4	-	-	30
Other related interests	7,797	5,296	854	23,399
	P 8,645	**P 6,420**	**P 1,030**	**P 26,746**

Related Party Category	Parent Company Issuances	Parent Company Repayments	Parent Company Interest Income	Parent Company Loans Outstanding
2022:				
Stockholders	P -	P 96	P -	P -
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	12	1	-	26
Other related interests	4,247	2,361	823	20,898
	P 9,619	P 5,036	P 921	P 24,521
2021:				
Stockholders	P -	P 55	P 9	P 96
Associates	-	203	-	-
Related parties under common ownership	360	3,178	37	815
Key management personnel	15	1	-	15
Other related interests	12,827	2,361	716	19,012
	P 13,202	P 5,798	P 762	P 19,938

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

As of December 31, 2023, 2022 and 2021, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2023, 2022 and 2021, the Group has not recognized impairment loss on loans and receivables from DOSRI.

27.3 Deposit Liabilities

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for deposit liabilities with its related parties as of and for the years ended December 31, 2023, 2022 and 2021 are as follows (see Note 17):

Related Party Category	**Group Deposits**	**Group Withdrawals**	**Group Interest Expense**	**Group Outstanding Balance**
2023:				
Stockholders	P 10,505	P 9,665	P 60	P 3,510
Associates	49,646	49,093	12	669
Related parties under common ownership	200,946	194,742	105	13,229
Key management personnel	862	525	7	762
Other related interests	192,634	192,688	133	13,752
	P 454,593	**P 446,713**	**P 317**	**P 31,922**

Related Party Category	Group			
	Deposits	Withdrawals	Interest Expense	Outstanding Balance
2022:				
Stockholders	P 10,299	P 9,629	P 46	P 2,670
Associates	48,691	48,658	2	116
Related parties under common ownership	198,903	194,894	56	7,025
Key management personnel	844	738	4	425
Other related interests	191,435	183,063	137	13,806
	P 450,172	P 436,982	P 245	P 24,042
2021:				
Stockholders	P 10,349	P 9,604	P 15	P 2,000
Associates	50,457	51,459	1	83
Related parties under common ownership	199,399	200,899	24	3,016
Key management personnel	840	765	2	319
Other related interests	186,805	185,891	33	5,434
	P 447,850	P 448,618	P 75	P 10,852

Related Party Category	**Parent Company**			
	Deposits	**Withdrawals**	**Interest Expense**	**Outstanding Balance**
2023:				
Stockholders	P 10,505	P 9,665	P 60	P 3,510
Subsidiaries	144,725	144,299	8	1,919
Associates	49,646	49,093	12	669
Related parties under common ownership	200,946	194,742	105	13,229
Key management personnel	862	517	7	758
Other related interests	192,634	192,683	133	13,749
	P 599,318	**P 590,999**	**P 325**	**P 33,834**
2022:				
Stockholders	P 10,299	P 9,629	P 46	P 2,670
Subsidiaries	141,887	143,046	6	1,493
Associates	48,673	48,658	2	116
Related parties under common ownership	197,006	194,894	56	7,025
Key management personnel	845	738	4	413
Other related interests	188,857	183,063	137	13,798
	P 587,567	P 580,028	P 251	P 25,515
2021:				
Stockholders	P 10,349	P 9,604	P 15	P 2,000
Subsidiaries	143,387	141,176	6	2,652
Associates	48,173	49,157	1	101
Related parties under common ownership	195,506	196,989	24	4,913
Key management personnel	825	763	2	306
Other related interests	187,707	184,223	33	8,004
	P 585,947	P 581,912	P 81	P 17,976

Deposit liabilities transactions with related parties have similar terms with third party depositors.

27.4 Sale and Purchase of Securities

The Parent Company and certain subsidiaries engage in the trading of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period.

27.5 Retirement Fund

The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by the Parent Company's TIG in accordance with the respective trust agreements covering the plan.

The retirement funds have transactions with the Group and Parent Company as of December 31, 2023, 2022 and 2021 as follows:

	Group		Parent Company	
Nature of Transactions	**Net Amount of Transaction**	**Outstanding Balance**	**Net Amount of Transaction**	**Outstanding Balance**
2023:				
Investment in common shares of Parent Company	**(P 862)**	**P 393**	**(P 862)**	**P 387**
Investments in corporate debt securities of Parent Company	**(2)**	**-**	**-**	**-**
Deposits with the Parent Company	**4**	**38**	**(4)**	**-**
Fair value gains	**(12)**	**-**	**(12)**	**-**
Interest income	**2**	**-**	**-**	**-**
Post-employment benefit asset	**3,127**	**2,665**	**3,127**	**2,665**
2022:				
Investment in common shares of Parent Company	P 215	P 1,255	P 214	P 1,249
Investments in corporate debt securities of Parent Company	(2)	2	-	-
Deposits with the Parent Company	(49)	34	(49)	4
Fair value gains	1	-	191	-
Interest income	1	-	-	-
2021:				
Investment in common shares of Parent Company	P 23	P 1,040	P 58	P 1,035
Investments in corporate debt securities of Parent Company	(558)	4	(498)	-
Deposits with the Parent Company	46	83	30	53
Fair value gains	58	-	58	-

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 23.2). The sale qualified as a sale and leaseback and was accounted under PFRS 16. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively. Lease payments made on the lease amounted to P321 during 2023.

The carrying amount and the composition of the plan assets as of December 31, 2023, 2022 and 2021 are disclosed in Note 23.2. Investments in corporate debt securities include LTNCD issued by the Parent Company.

The information on the Group and Parent Company's contributions to the retirement fund and benefit payments through the fund are disclosed in Note 23.2.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments in its own shares of stock covered by any restriction and liens.

27.6 Bills Payable

The outstanding balances for bills payable with its related parties as of and for the periods ended December 31, 2023 amounted to P14,160. There are no similar transactions as of December 31, 2022 and 2021.

27.7 Other Related Party Transactions

(a) Sale of ATYC to ATYCI

In 2022, the Parent Company sold to ATYCI and immediately leased back from the later a portion of its bank premises and investment properties pertaining to ATYC (see Notes 13 and 14).

(b) Lease Contracts with ATYCI and RRC and Sublease Agreement with Subsidiaries

The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC [see Note 28.3(b)]. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI [see Notes 13 and 27.5 (a)]. Amortization of right-of-use of asset amounted to P719 and P400 for the years ended December 31, 2023 and 2022, respectively, and are presented as part of Depreciation and Amortization account in the statements of profit or loss. The Parent Company's lease contract with RRC and ATYCI is effective until December 31, 2025 and September 30, 2027, respectively.

The Parent Company entered into sublease agreements with certain subsidiaries which occupy several floors of RCBC Plaza. Rental income by Parent Company related to these sublease arrangements is included as part of Rentals under the Miscellaneous income account in the statements of profit or loss (see Notes 14.2 and 24.1). The outstanding receivable on the lease contracts, if any, is presented as part of Accounts receivable under Loans and Receivables account in the statements of financial position (see Note 11). The related outstanding receivable is unsecured, noninterest-bearing and payable in cash on demand. Management believes that the receivables on the sublease agreements are fully recoverable.

(c) *Service Agreement with RBSC*

The Parent Company has Service Agreement (the Agreement) with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of the Parent Company's credit card, and personal and salary loans business. The total service processing fees incurred by the Parent Company is recognized as part of the Service and processing fees under the Miscellaneous expenses account in the statements of profit or loss (see Note 24.2). The outstanding payable related to the service agreement is presented as part of Accounts payable under Other Liabilities account in the statements of financial position (see Note 21). The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.

(d) *Increase in Shareholding of SMBC*

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share. The additional capital infusion was made on July 31, 2023 (see Notes 22.1 and 22.2).

(e) *Donation of Properties from NPHI to RCBC*

On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Bank certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Bank to PMMIC for a total consideration amounting to P57.

(f) *Sale of Tarlac Property to a Subsidiary of HOI*

On December 29, 2023, the Parent Company sold a property located in Tarlac with a selling price of P2,673 and a carrying amount of P385 resulting to a P2,288 gain, presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss (see Note 15.1).

(g) *Key Management Personnel Compensation*

The breakdown of key management personnel compensation follows:

	Group		
	2023	2022	2021
Short-term employee benefits	**P 566**	P 555	P 526
Post-employment defined benefits	**16**	10	12
	P 582	P 565	P 538

	Parent Company		
	2023	2022	2021
Short-term employee benefits	**P 395**	P 334	P 335

28. COMMITMENTS AND CONTINGENCIES

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

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

28.1 Alleged Unauthorized Transfer of Funds – Bank of Bangladesh

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

28.1.1 U.S. Litigation relating to the Bangladesh Bank Incident

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

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

The Bank timely filed its Answer within the extension period granted by the NY State Court. The Bank likewise participated in the May 16, 2023 court-mandated mediation; which, however, failed and was terminated. The parties are currently availing of the different modes of discovery as directed by the NY State Court.

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

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

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

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

28.1.3 Philippine Litigation Relating to the Bangladesh Bank Incident

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

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely, would have a material effect on its financial position or operating results.

28.2 HHIC-Phil Rehabilitation Proceedings

On January 9, 2019, HHIC-Phil filed a Petition for corporate rehabilitation under R.A. No. 10142, the *Financial Rehabilitation and Insolvency Act of 2010*, which was given due course by the Regional Trial Court, Branch 72, Olongapo City (the "Rehabilitation Court").

After negotiating with HHIC-Phil/HHIC-Korea, which resulted in the creditors or Rehabilitation Court-approved Modified Rehabilitation Plan with Clarifications ("MRP-C"), the Bank and four (4) other creditor banks successfully negotiated the sale of the Subic Shipyard/certain other assets to third-party buyers, as called for by the MRP-C. In the Order dated December 6, 2021, the Rehabilitation Court approved the Asset Purchase Agreement ("APA") dated October 5, 2021.

In April 2022, the outstanding loan obligation of HHIC-Phil to the Bank has been fully settled.

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely, would have a material effect on its financial position or operating results.

28.3 Lease Commitments – Group as a Lessor

a. *Finance Lease*

The Group, as a lessor, enters into finance leases covering various equipment and vehicles with lease term ranging one to more than five years. To manage its risks over these finance leases, the Group retains its legal title over the underlying assets and are used as securities over the finance lease receivables. The Group's future minimum lease payments receivable (MLPR) under this finance lease together with the present value of net minimum lease payments receivable (NMLPR) are shown below:

	2023		2022	
	Future MLPR	**PV of NMLPR**	Future MLPR	PV of NMLPR
Within one year	**P 244**	**P 233**	P 923	P 867
After one year but not more than two years	**521**	**474**	571	503
After two years but not more than three years	**622**	**531**	252	209
After three years but not more than four years	**143**	**117**	69	54
After four years but not more than five years	**289**	**222**	25	18
More than five years	**13**	**10**	3	2
Total MLPR	**1,832**	**1,587**	1,843	1,653
Unearned lease income	**(245)**	**-**	(190)	-
Present value of MLPR	**P 1,587**	**P 1,587**	P 1,653	P 1,653

The only change in the carrying amount of the net investment in finance leases during the year is the amortization of finance income. The net investment relating to this finance lease is presented as Lease contract receivables under Loans and Receivables account in the statements of financial position (see Note 11). The interest income from the finance leases amount to P323, P202, and P319 in 2023, 2022 and 2021, respectively and is presented as part of is recognized as part of Interest Income in the statements of profit or loss (see Note 11).

b. *Operating Lease*

Prior to the sale of the ATYC, the Group and Parent Company has entered into various lease contracts related to this property, with lease terms ranging from one to five years and with monthly rent depending on market price with 6% escalation rate every year. Moreover, RRC entered into several lease agreements for lease of machineries and equipment for a period of one to more than five years. Total rent income earned from these leases amounted to P424, P872, and P926 in 2023, 2022, and 2021, respectively, which are presented as Rentals under the Miscellaneous Income account in the statements of profit or loss (see Note 24.1).

The Group is subject to risk incidental to the leasing operations which include, among others, changes in the market rental rates, inability to renew leases upon lease expiration and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. To mitigate these risks, lessees pay guarantee deposit ranging from 10% to 20% of the value of the leased assets, which is forfeited in case a lessee pre-terminates without prior notice or before the expiry of lease terminate without cause.

There are no variable lease rentals as of December 31, 2023, 2022, and 2021.

The Group's and Parent Company's future minimum rental receivables under this non-cancellable operating lease arrangement are as follows:

	Group		
	2023	2022	2021
Within one year	**P 338**	P 598	P 1,347
After one year but not more than two years	**312**	444	959
After two years but not more three five years	**126**	392	718
After three years but not more than four years	**31**	173	583
After four years but not more than five years	**7**	13	257
More than five years	**-**	-	45
	P 814	P 1,620	P 3,909

	Parent Company		
	2023	2022	2021
Within one year	**P -**	P -	P 498
After one year but not more than two years	**-**	-	421
After two years but not more three five years	**-**	-	269
After three years but not more than four years	**-**	-	182
After four years but not more than five years	**-**	-	72
More than five years	**-**	-	13
	P -	P -	P 1,455

28.4 Capital Commitments

As of December 31, 2023 and 2022, the Group and Parent bank has no contractual commitment for the acquisition of Bank premises, furniture, fixtures and equipment, Intangible assets, and Investment properties (see Notes 13, 14 and 15).

29. EARNINGS PER SHARE

The following shows the Group's profit and per share data used in the basic and diluted EPS computations for the three years presented:

	2023	2022	2021
Net profit attributable to Parent Company's shareholders	**P 12,218**	P 12,080	P 7,082
Dividends paid to preferred shareholders and distributions allocated to holders of hybrid perpetual securities	**(1,068)**	(1,037)	(964)
	11,150	11,043	6,118
Weighted average number of outstanding common shares of stock	**2,198**	2,037	1,979
Basic and diluted EPS	**P 5.07**	P 5.42	P 3.09

The convertible preferred shares did not have a significant impact on the EPS for each of the periods presented. The Group and the Parent Company has no potential dilutive shares as of the end of each reporting period.

30. SUPPLEMENTARY INFORMATION TO STATEMENTS OF CASH FLOWS

Significant non-cash transaction of the Group and the Parent Company includes additional leases under PFRS 16 as discussed in Notes 13 and 27; disposals of bank premises and investment properties as discussed in Notes 13 and 14; sale and leaseback of properties to Frame Properties, Inc. for a 100% ownership which was subsequently transferred to retirement fund as discussed in Notes 13 and 27.4; reclassifications between investment properties to NCAHS as discussed in Notes 14 and 15; additions of real properties, chattel properties and other assets through foreclosures, dacion in payment and repossessions as discussed in Notes 14.1 and 15; and, partial settlement of certain loan in exchange of equity securities as discussed in Note 15.

In 2023, the Parent Company sold a property located in Tarlac with a total selling price of P2,673, which is paid partly in cash and through issuance of sales contract receivables [see Notes 14, 15 and 27.7 (f)]. In 2022, the Parent Company disposed of a portion of its bank premises and investment properties with total selling price P6,065, which is paid partly in cash and through issuance of notes receivables [see Notes 11, 13, 14 and 27.7(a)].

On July 14, 2023, the Parent Company sold NPHI and Cajel to FLI for a total consideration price of P544, broken down into cash amounting to P190 and loans receivable amounting to P364 (see Note 12).

Presented below is the reconciliation of the Group and Parent Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Group				
	Bills Payable (see Note 18)	**Bonds Payable (see Note 19)**	**Lease Liabilities (see Note 21)**	**Hybrid Perpetual Securities (see Note 22.4)**	**Total Financing Activities**
Balance at January 1, 2023	P 66,660	P 74,411	P 5,500	P 14,463	P 161,034
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(29,767)	(39,041)	(2,131)	-	(70,939)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,983	-	2,983
Foreign exchange (losses)	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	335	-	354
Balance at December 31, 2023	**P 50,858**	**P 34,939**	**P 6,687**	**P 14,463**	**P 106,947**
Balance at January 1, 2022	P 55,904	P 87,215	P 4,050	P 14,463	P 161,632
Cash flow from financing activities:					
Availments/proceeds from issuance	62,142	14,756	-	-	76,898
Payments/redemption	(52,865)	(31,170)	(2,265)	-	(86,300)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,526	-	3,526
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	189	-	241
Balance at December 31, 2022	P 66,660	P 74,411	P 5,500	P 14,463	P 161,034

	Group				
	Bills Payable (see Note 18)	Bonds Payable (see Note 19)	Lease Liabilities (see Note 21)	Hybrid Perpetual Securities (see Note 22)	Total Financing Activities
Balance at January 1, 2021	P 13,167	P 90,439	P 4,385	P 14,463	P 122,454
Cash flow from financing activities:					
Availments/proceeds from issuance	148,820	17,873	-	-	166,693
Payments/redemption	(104,018)	(18,810)	(1,360)	-	(124,188)
Non-cash financing activities:					
Additional lease liabilities	-	-	855	-	855
Foreign exchange gains	(2,065)	(2,312)	-	-	(4,377)
Amortization of discount and interest	-	25	170	-	195
Balance at December 31, 2021	P 55,904	P 87,215	P 4,050	P 14,463	P 161,632

	Parent Company				
	Bills Payable (see Note 18)	**Bonds Payable (see Note 19)**	**Lease Liabilities (see Note 21)**	**Hybrid Perpetual Securities (see Note 22.4)**	**Total Financing Activities**
Balance at January 1, 2023	P 58,391	P 74,411	P 5,913	P 14,463	P 153,178
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(28,399)	(39,491)	(2,044)	-	(69,934)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,976	-	2,976
Lease termination	-	-	(178)	-	(178)
Foreign exchange losses	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	362	-	381
Balance at December 31, 2023	**P 43,957**	**P 34,489**	**P 7,029**	**P 14,463**	**P 99,938**
Balance at January 1, 2022	P 46,399	P 87,215	P 4,479	P 14,463	P 152,556
Cash flow from financing activities:					
Availments/proceeds from issuance	55,380	14,756	-	-	70,136
Payments/redemption	(44,867)	(31,170)	(2,189)	-	(78,226)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,551	-	3,551
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	72	-	115
Balance at December 31, 2022	P 58,391	P 74,411	P 5,913	P 14,463	P 153,178
Balance at January 1, 2021	P 4,200	P 90,439	P 4,319	P 14,463	P 113,421
Cash flow from financing activities:					
Availments/proceeds from issuance	142,675	17,873	-	-	160,548
Payments/redemption	(98,411)	(18,810)	(1,205)	-	(118,426)
Non-cash financing activities:					
Additional lease liabilities	-	-	1,180	-	1,180
Foreign exchange losses	(2,065)	(2,312)	-	-	(4,377)
Amortization of discount and interest	-	25	185	-	210
Balance at December 31, 2021	P 46,399	P 87,215	P 4,479	P 14,463	P 152,556

31. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	2023					
	Group			Parent Company		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	P 19,875	P -	P 19,875	P 19,812	P -	P 19,812
Due from BSP	94,369	57,393	151,762	93,714	57,057	150,771
Due from other banks	14,526	366	14,892	14,630	-	14,630
Loans and receivables arising from reverse repurchase agreements	35,799	-	35,799	34,948	-	34,948
Interbank loans receivables	27,780	-	27,780	27,780	-	27,780
Financial assets at FVTPL	7,166	4,612	11,778	6,342	4,612	10,954
Financial assets at FVOCI - net	2,256	80,181	82,437	3,814	77,943	81,757
Investments at amortized cost - net	4,385	232,142	236,527	386	235,346	235,732
Loans and other receivables - net	68,481	553,668	622,149	67,251	548,650	615,901
Other resources - net	1,459	-	1,459	1,457	-	1,457
	276,096	928,362	1,204,458	270,134	923,608	1,193,742
Non Financial Assets						
Investment in subsidiaries and associates - net	-	509	509	-	6,401	6,401
Bank premises, furnitures, fixtures and equipment - net	-	9,129	9,129	-	7,805	7,805
Investment properties - net	-	543	543	-	543	543
Deferred tax asset - net	-	5,775	5,775	-	5,351	5,351
Other resources - net	12,764	5,154	17,918	12,523	4,525	17,048
	12,764	21,110	33,874	12,523	24,625	37,148
	P 288,860	**P 949,472**	**P 1,238,332**	**P 282,657**	**P 948,233**	**P 1,230,890**
Financial Liabilities						
Deposit liabilities	P 199,862	P 756,850	P 956,712	P 199,179	P 758,190	P 957,369
Bills payable	44,991	5,867	50,858	42,314	1,643	43,957
Bonds payable	30,809	4,130	34,939	30,809	4,130	34,939
Accrued interest and other expenses	5,985	4,760	10,745	5,695	4,780	10,475
Other liabilities	19,252	9,428	28,680	18,665	9,243	27,908
	300,899	781,035	1,081,934	296,662	777,986	1,074,648
Non Financial Liabilities						
Accrued interest and other expenses	1,337	-	1,337	1,311	-	1,311
Other liabilities	2,747	39	2,786	2,665	-	2,665
	4,084	39	4,123	3,976	-	3,976
	P 304,983	**P 781,074**	**P 1,086,057**	**P 300,638**	**P 777,986**	**P 1,078,624**

	2022					
	Group			Parent Company		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	P 18,078	P -	P 18,078	P 18,024	P -	P 18,024
Due from BSP	112,871	43,793	156,664	111,089	44,251	155,340
Due from other banks	5,080	756	5,836	5,383	-	5,383
Loans and receivables arising from reverse repurchase agreements	8,724	-	8,724	8,552	-	8,552
Interbank loans receivables	19,021	-	19,021	19,021	-	19,021
Financial assets at FVTPL	5,568	1,469	7,037	4,670	1,469	6,139
Financial assets at FVOCI - net	74,914	40,032	114,946	74,914	39,351	114,265
Investments at amortized cost - net	30,482	221,900	252,382	29,508	221,820	251,328
Loans and other receivables - net	54,815	485,033	539,848	53,294	478,899	532,193
Other resources - net	1,204	-	1,204	1,202	-	1,202
	330,757	792,983	1,123,740	325,657	785,790	1,111,447
Non Financial Assets						
Investment in subsidiaries and associates - net	-	379	379	-	7,035	7,035
Bank premises, furnitures, fixtures and equipment - net	-	11,264	11,264	-	9,546	9,546
Investment properties - net	-	2,616	2,616	-	2,488	2,488
Deferred tax asset-net	-	3,740	3,740	-	3,508	3,508
Other resources - net	7,155	5,214	12,369	7,033	3,692	10,725
	7,155	23,213	30,368	7,033	26,269	33,302
	P 337,912	P 816,196	P 1,154,108	P 332,690	P 812,059	P 1,144,749
Financial Liabilities						
Deposit liabilities	P 206,160	P 651,084	P 857,244	P 205,432	P 652,207	P 857,639
Bills payable	59,419	7,241	66,660	57,137	1,254	58,391
Bonds payable	38,823	35,588	74,411	38,824	35,587	74,411
Accrued interest and other expenses	3,365	4,492	7,857	3,361	4,302	7,663
Other liabilities	14,919	10,414	25,333	14,303	9,984	24,287
	322,686	708,819	1,031,505	319,057	703,334	1,022,391
Non Financial Liabilities						
Accrued interest and other expenses	571	-	571	529	-	529
Other liabilities	1,997	3,674	5,671	1,904	3,641	5,545
	2,568	3,674	6,242	2,433	3,641	6,074
	P 325,254	P 712,493	P 1,037,747	P 321,490	P 706,975	P 1,028,465

32. OTHER MATTERS

32.1 Impact of Global Conflicts

The ongoing Russia-Ukraine war since February 24, 2022 led to higher global crude oil and other commodity prices in 2022 which partly bloated the Philippines' imports and trade deficit to record levels. This resulted in elevated inflation worldwide which triggered aggressive Federal rate hikes that supported a strong U.S. dollar earlier in 2022.

This event prompted BSP to implement local policy rate hikes totaling 350 basis points in 2022 and another 50 bps this February 2023 to temper the high domestic inflation and be in sync with US Federal hikes to help manage the peso exchange rate. Further, the BSP also made a surprise 25 basis points off-cycle rate hike effective October 27, 2023, after the Israel-Hamas war started on October 7, 2023; for a total of rate hikes of 450 basis points since May 2022.

The increase in BSP policy rates resulted in higher cost of deposits. It has also led to unrealized mark-to-market losses in FVOCI portfolio which fluctuates according to market condition; unless sold, these losses are recorded as part of the other comprehensive income or loss under Statement of comprehensive income.

The Group has implemented strategies to mitigate the increase in cost by issuances of loans with higher rates and growing low-cost deposits. BSP policy rates are also seen to come down in the second half of 2024 as inflation decelerates.

32.2 Issuance of Sustainability Bonds

On January 10, 2024, the Group priced a US$400 5-year Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its US$3,000 Medium Term Note Program.

The net proceeds from the issue of the Notes will be applied by the Group to support and finance its loans to customers or its own operating activities in eligible green and social categories as defined in the Group's Sustainable Finance Framework.

32.3 Dividend Declaration on Hybrid Perpetual Securities

On January 29, 2024, the BOD approved the dividend declaration amounting to US$9.75 payable on February 27, 2024. This dividend declaration is relative to the Bank's US$300 non-cumulative hybrid perpetual securities payable on a semi-annual basis.

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP

Presented below are the supplementary information required by the BSP under Section 174 (Appendix 55) of the BSP MORB to be disclosed as part of the notes to financial statements based on BSP Circular No. 1074, *Amendments to Regulations on Financial Audit of Banks*.

(a) Selected Financial Performance Indicators

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Group		
	2023	2022	2021
Return on average equity			
Net profit / Average total equity	**9.53%**	11.24%	6.71%
Return on average resources			
Net profit / Average total resources	**1.06%**	1.20%	0.84%
Net interest margin			
Net interest income / Average interest earning resources	**3.43%**	3.70%	4.07%

	Parent Company		
	2023	2022	2021
Return on average equity			
Net profit / Average total equity	**9.52%**	11.24%	6.72%
Return on average resources			
Net profit / Average total resources	**1.07%**	1.21%	0.85%
Net interest margin			
Net interest income / Average interest earning resources	**3.39%**	3.70%	4.06%

(b) Capital Instruments Issued

(i) Common Stock

As of December 31, 2023, the Parent Company's common stock amounted to P24,195 representing 2,419,536,120 issued common shares as compared to December 31, 2022 common stock amounted to P22,509 representing 2,250,916,144 common shares.

On July 31, 2023, the Bank received a total consideration amount of P27,125 as a capital infusion coming from SMBC which involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 (see Note 22.3). The investment of SMBC resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

(ii) Preferred Stock

As of December 31, 2023 and 2022, the Parent Company's issued and outstanding preferred stock amounted to P3 representing 267,410 preferred shares. These preferred shares are voting, non-cumulative, non-redeemable, participating and convertible into common stock.

(iii) Hybrid Perpetual Securities

In August 27, 2020, the Parent Company issued US$300 non-cumulative, unsecured, subordinated AT1 capital securities. The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

(c) *Significant Credit Exposures for Loans*

The Group and Bank's concentration of credit as to industry for its receivables from customers gross of allowance for ECL follows:

	Group					
	2023			2022		
		Amount	Share		Amount	Share
Consumer	**P**	**201,949**	**32%**	P	158,481	29%
Real estate, renting and other related activities		**100,918**	**16%**		80,276	15%
Electricity, gas and water		**70,407**	**11%**		73,970	14%
Wholesale and retail trade		**63,963**	**10%**		69,080	13%
Manufacturing (various industries)		**58,061**	**9%**		50,441	9%
Transportation and communication		**53,146**	**9%**		49,605	9%
Financial intermediaries		**49,479**	**8%**		39,878	7%
Agriculture, fishing, and forestry		**5,076**	**1%**		5,285	1%
Hotels and restaurants		**4,079**	**1%**		4,616	1%
Other community, social and personal activities		**2,847**	**1%**		2,817	1%
Mining and quarrying		**2,243**	**-**		1,193	-
Others		**9,754**	**2%**		7,704	1%
	P	**621,922**	**100%**	P	543,346	100%

	Parent Company					
	2023			2022		
		Amount	Share		Amount	Share
Consumer	**P**	**201,860**	**33%**	P	158,475	30%
Real estate, renting and other related activities		**99,982**	**16%**		79,139	15%
Wholesale and retail trade		**69,363**	**11%**		67,985	13%
Electricity, gas and water		**63,905**	**10%**		73,856	14%
Manufacturing (various industries)		**56,972**	**9%**		49,240	9%
Transportation and communication		**50,524**	**8%**		46,436	9%
Financial intermediaries		**49,477**	**8%**		39,872	7%
Agriculture, fishing, and forestry		**4,726**	**1%**		4,940	1%
Hotels and restaurants		**3,997**	**1%**		4,514	1%
Other community, social and personal activities		**2,838**	**1%**		2,734	-
Mining and quarrying		**2,077**	**-**		988	-
Others		**9,519**	**2%**		7,397	1%
	P	**615,240**	**100%**	P	535,576	100%

The BSP considers that loan concentration exists when the total loan exposure to a particular industry exceeds 30% of the total loan portfolio plus the outstanding interbank loans receivable or 10% of Tier 1 capital.

As of December 31, 2023, 10% of Tier 1 capital of the Group and Parent Company amounted to P12,951 and P12,608, respectively. As of December 31, 2022, 10% of Tier 1 capital of the Group and Parent Company amounted to P10,010 and P9,571, respectively. The table below show the industry groups exceeding this level (amounts in millions).

	2023		2022	
	Group	**Parent**	Group	Parent
Consumer	**P 203,890**	**P 203,802**	P 158,481	P 158,475
Real estate, renting and other related activities	**98,976**	**98,041**	80,276	79,139
Electricity, gas and water	**70,407**	**63,905**	73,970	73,856
Wholesale and retail trade	**63,963**	**69,363**	69,080	67,985
Manufacturing (various industries)	**58,061**	**56,972**	50,441	49,240
Transportation and communication	**53,146**	**50,524**	49,605	46,436
Financial intermediaries	**49,479**	**49,477**	39,878	39,872

(d) Credit Status of Loans

The breakdown of receivable from customers as to status is shown below.

Group

	2023		
	Performing	**Non-performing**	**Total Loan Portfolio**
Gross carrying amount:			
Corporate	P 404,158	P 12,954	P 417,112
Consumer	194,878	9,932	204,810
	599,036	22,886	621,922
Allowance for ECL	(3,856)	(11,976)	(15,832)
Net carrying amount	**P 595,180**	**P 10,910**	**P 606,090**

	2022		
	Performing	Non-performing	Total Loan Portfolio
Gross carrying amount:			
Corporate	P 373,172	P 10,475	P 383,647
Consumer	148,777	10,922	159,699
	521,949	21,397	543,346
Allowance for ECL	(4,642)	(9,965)	(14,607)
Net carrying amount	P 517,307	P 11,432	P 528,739

Parent Company

	2023		
	Performing	**Non-performing**	**Total Loan Portfolio**
Gross carrying amount:			
Corporate	P 399,965	P 11,741	P 411,706
Consumer	193,949	9,585	203,534
	593,914	21,326	615,240
Allowance for ECL	(3,687)	(11,024)	(14,711)
Net carrying amount	**P 590,227**	**P 10,302**	**P 600,529**

	2022		
	Performing	Non-performing	Total Loan Portfolio
Gross carrying amount:			
Corporate	P 368,535	P 8,885	P 377,420
Consumer	147,235	10,921	158,156
	515,770	19,806	535,576
Allowance for ECL	(4,538)	(9,232)	(13,770)
Net carrying amount	P 511,232	P 10,574	P 521,806

NPLs included in the total loan portfolio of the Group and the Parent Company as of December 31 as reported to the BSP are presented below.

	Group		**Parent Company**	
	2023	2022	**2023**	2022
Gross NPLs	**P 22,886**	P 21,397	**P 21,326**	P 19,806
Allowance for impairment	**(11,976)**	(9,965)	**(11,024)**	(9,232)
	P 10,910	P 11,432	**P 10,302**	P 10,574

Under banking regulations, loan accounts shall be considered non-performing, even without any missed contractual payments, when they are considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal or interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least 6 months; or (b) written-off. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

As of December 31, 2023, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 3.34% and 1.59%, and 3.15% and 1.52%, respectively. As of December 31, 2022, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 3.75% and 2.00%, and 3.52% and 1.88%, respectively. Most of the NPLs are secured by real estate or chattel mortgages.

The breakdown of restructured receivables from customers follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Loans and discounts	**P 4,786**	P 3,833	**P 2,383**	P 1,021
Credit card receivables	**-**	1	**-**	1
	P 4,786	P 3,834	**P 2,383**	P 1,022

Interest income from restructured receivables from customers amounted P112, P18, and P10 in 2023, 2022, 2021, respectively, for both the Group and the Parent Company.

(e) Analysis of Loan Portfolio as to Type of Security

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Secured:				
Real estate mortgage	**P 184,910**	P 169,253	**P 183,828**	P 168,045
Chattel mortgage	**51,280**	44,003	**49,214**	41,542
Hold-out deposits	**8,153**	11,001	**8,152**	10,941
Other securities	**11,119**	11,286	**8,034**	7,938
	255,462	235,543	**249,228**	228,466
Unsecured	**366,460**	307,803	**366,012**	307,110
	P 621,922	P 543,346	**P 615,240**	P 535,576

(f) Information on Related Party Loans

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

Under the current BSP regulations, the amount of individual loans to a DOSRI, 70% of which must be secured, should not exceed the amount of the encumbered deposit and book value of the investment in the Bank and/or any of its lending and nonbank financial subsidiaries. In the aggregate, loans to DOSRIs, generally, should not exceed the total equity or 15% of the total loan portfolio of the Bank. However, non-risk loans are excluded in both individual and aggregate ceiling computation.

The following table shows the information relating to the loans, credit accommodations and guarantees to DOSRI, excluding loans granted as fringe benefits to officers which are excluded from the individual ceiling as of December 31 in accordance with BSP reporting guidelines:

	Group		Parent Company	
	2023	2022	**2023**	2022
Total outstanding DOSRI loans	**P -**	P -	**P -**	P -
Unsecured DOSRI	**-**	-	**-**	-
Past due DOSRI	**-**	-	**-**	-
Non-accruing DOSRI	**-**	-	**-**	-
Percent of DOSRI loans to total loan portfolio	**0.00%**	0.00%	**0.00%**	0.00%
Percent of unsecured DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of past due DOSRI Loans to total DOSRI	**0.00%**	0.00%	**0.00%**	0.00%
Percent of non-accruing DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to related parties (inclusive of DOSRI) as of December 31 as reported to the BSP:

	Group		Parent Company	
	2023	2022	**2023**	2022
Total outstanding Related Party loans	**P 26,739**	P 24,546	**P 26,746**	P 24,521
Unsecured Related Party	**19,268**	16,765	**19,257**	16,763
Past due Related Party	**1**	1	**1**	1
Percent of Related Party loans to total loan portfolio	**4.30%**	4.52%	**4.35%**	4.58%
Percent of unsecured Related Party loans to total Related Party loans	**72.06%**	68.30%	**72.00%**	68.36%
Percent of past due Related Party loans to total Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of non-accruing Related Party loans to total Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%

In accordance with existing BSP regulations, the reported DOSRI performing loans exclude loans extended to certain borrowers before these borrowers became DOSRI. Under BSP regulations, total outstanding exposures to each of the Parent Company's subsidiaries and affiliates shall not exceed 10.0% of the Group's net worth, the unsecured portion of which shall not exceed 5.0% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.0% of the net worth of the Parent Company.

As of December 31, 2023, 2022 and 2021, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2023, 2022 and 2021, the Group has not recognized impairment loss on loans and receivables from DOSRI.

(g) *Secured Liabilities and Assets Pledged as Security*

Assets pledged as security for liabilities of the Group and Parent Company are shown below.

	2023	2022
Aggregate amount of secured liabilities	**P 29,797**	P 58,391
Aggregate amount of resources pledged as security	**P 41,597**	P 73,160

(h) *Contingencies and Commitments Arising from Off-balance Sheet Items*

The following is a summary of contingencies and commitments arising from transactions not given recognition in the statement of financial position, expressed at their equivalent peso contractual amounts as of December 31, 2023 and 2022:

	2023	2022
Outstanding guarantees issued	**P 205,268**	P 127,837
Trust Investment Group accounts	**155,705**	143,170
Derivative assets	**142,921**	111,212
Derivative liabilities	**84,461**	69,485
Unused commercial letters of credit	**25,079**	17,242
Spot exchange sold	**16,985**	6,493
Spot exchange bought	**16,980**	6,497
Inward bills for collection	**8,061**	18,451
Late deposits/payments received	**872**	642
Outward bills for collection	**1**	27
Others	**64**	64

Annex "B-1"

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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6819 Ayala Avenue cor. Sen. Gil Puyat Avenue
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rizal Commercial Banking Corporation and subsidiaries (together hereinafter referred to as the Group) for the year ended December 31, 2023, on which we have rendered our report dated February 26, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

February 26, 2024

Rizal Commercial Banking Corporation and Subsidiaries
List of Supplementary Information
December 31, 2023

**Information therein are based on the separate financial statements of the Parent Company.*

Rizal Commercial Banking Corporation and Subsidiaries
Schedule A - Financial Assets
December 31, 2023
(Amount in Millions of Philippine Pesos, Except Share Data)

Name of issuing entity and association of cash issue	*Number of shares or principal amount of bonds or notes*	*Amount shown on the balance sheet*	*Value based on the market quotation at balance sheet date*	*Income received and accrued*
Financial Asset at Fair Value Through Profit or Loss				
Government securities	P 9,479,449,400	P 9,647	P 9,647	P 185
Corporate debt securities	P 28,948,020	28	28	1
Equity securities	136,796,248	783	783	-
Derivative financial assets	P 227,381,707,974	1,320	1,320	41
		11,778	11,778	227
Financial Asset at Fair Value Through Other Comprehensive Income				
Quoted equity securities	150,895,945	1,483	1,483	-
Unquoted equity securities	21,300,901	2,421	2,421	-
Government securities	P 65,657,237,930	65,962	65,962	4,095
Corporate debt securities	P 14,923,248,580	12,571	12,571	280
		82,437	82,437	4,375
Investment Securities at Amortized Cost				
Government securities	P 207,344,989,258	211,451	190,433	7,814
Corporate debt securities	P 26,083,848,220	25,237	23,436	823
		236,688	213,869	8,637
Allowance for impairment		(161)	(161)	-
		236,527	213,708	8,637
		P 330,742	**P 307,923**	**P 13,239**

Rizal Commercial Banking Corporation and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Not Current*	*Balance at end of period*
Rizal Commercial Banking Corporation							
Loans Receivable							
House of Investments Inc.	330	700	979	-	51	-	51
Petrogreen Energy Corporation	240	-	80	-	-	160	160
RCBC Realty Corporation	601	-	65	-	-	536	536
ATYC, Inc.	2,426	-	-	-	-	2,426	2,426
Credit Card Receivables							
Bankard (Officers)	96	401	384	-	113	1	114
Due from Other Banks							
Sumitomo Mitsui Banking Corporation (SMBC)	23	14,577	12,714	-	1,886	-	1,886
Cathay United Bank Co. Ltd.	13	5	8	-	10	-	10
RCBC Capital Corporation							
Loans Receivable							
Employee Loans - RCAP	1	0	1	-	-	-	-
Employee Loans- RSEC	1	4	2	-	3	-	3
RCBC Leasing and Finance Corp.							
Loans Receivable							
Employee Loans	-	-	-	-	-	-	-
RCBC Bankard Services Corporation							
Loans Receivable							
Employee Loans	17	15	10	-	9	14	23
Accounts Receivables	67	831	832	-	66	-	66
Rizal Microbank Inc., - A Thrift Bank of RCBC							
Loans Receivable							
Employee Loans	6	20	19	-	2	5	7

Rizal Commercial Banking Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Classification		Balance at end of period
			Amounts collected	Amounts written off	Current	Not Current	
Rizal Microbank, Inc.							
Due from other banks - RCBC	77	4,451	(4,435)	-	93	-	93
RCBC Capital Corporation							
Due from other banks - RCBC	163	78,974	(79,042)	-	96	-	96
Accounts Receivable - RBSC	67	831	(832)	-	66	-	66
RCBC Leasing and Finance Corp.							
Due from other banks - RCBC	761	52,203	(52,093)	-	871	-	871
RCBC International Finance, Ltd.							
Due from other banks - RCBC	28	827	(836)	-	19	-	19
RCBC Forex Brokers Corp.							
Due from other banks - RCBC	163	-	(136)	-	27	-	27
RCBC - JPL Holding Company							
Assignment of receivables	127	-	(35)	-	92	-	92

Rizal Commercial Banking Corporation and Subsidiaries
Schedule D - Long Term Debt
December 31, 2023
(Amount in Millions)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Rizal Commercial Banking Corporation			
P 4,130,000,000 Senior Notes	P4,130		P 4,130
Interest Rate: 4.18% Fixed Rate			
Maturity Date: 6/30/2026			
Number of periodic installments: Not applicable			
US$ 300,000,000 Senior Notes			
Interest Rate: 3.00% Fixed Rate			
Maturity Date: 9/11/2024			
Number of periodic installments: Not applicable	US$ 300	-	P 16,053
P 3,580,000,000 Long Term Negotiable Certificate of Deposit			
Interest Rate: 5.5%			
Maturity Date: 3/28/2024			
Number of periodic installments: Not applicable	P 3,580	-	P 3,580
P 14,756,260,000 Senior Notes			
Interest Rate: 3.0% Fixed Rate			
Maturity Date: 5/21/2024			
Number of periodic installments: Not applicable	P 14,756		P 14,756

Rizal Commercial Banking Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name of related party	*Balance at beginning of period*	*Balance at end of period*

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2023
(Amount in Millions of Philippine Pesos)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	*Title of issue of each class of securities guaranteed*	*Total amount guaranteed and outstanding*	*Amount owned by person for which statement is filed*	*Nature of guarantee*

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule G - Capital Stock
December 31, 2023
(Amount in Millions of Philippine Pesos, Except Share Data)

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by related parties*	*Directors, officers and employees*	*Others*
Preferred Shares *voting, non-cumulative, non-redeemable, participating convertible into common shares*	200,000,000	267,410	267,410	-	-	-
Common Shares	2,600,000,000	2,419,536,120	-	2,131,121,118	2,004,546	286,410,456

RIZAL COMMERCIAL BANKING CORPORATION
Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen Gil Puyat Avenue, Makati City
Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023
(Amounts in Millions of Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year		**P 44,409**
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(P 3,289)	
Appropriation for general loan loss provision	(766)	
Appropriation of retained earnings to trust reserves	(19)	
Transfer of fair value gain on financial asset at fair value through other comprehensive income (FVOCI) to surplus	(3)	(4,077)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		40,332
Add: Net Income for the Current Year		12,218
Less: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		(1,843)
Sub-total		
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 50,707**

Rizal Commercial Banking Corporation and Subsidiaries
Schedule of Recent Public Offerings
December 31, 2023

2017 - P2,502,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P2,502,000,000 (Issue Price: P2,502,000,000 @ 100.00%)
Related Expenses: P15,703,828
Use of Proceeds: To be used for general funding purposes.

2018- P3,580,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P3,580,000,000 (Issue Price: P3,580,000,000 @ 100.00%)
Related Expenses: P30,915,597.18
Use of Proceeds: To be used for general funding purposes.

2018 - US$ 450,000,000 Senior Note

Gross Proceeds: US$450,000,000 (Issue Price: US$ 420,000,000 @ 100.00%)
Related Expenses: US$885,914.99
Use of Proceeds: To be used for general banking and re-lending purposes.

2018 - P15,000,000,000 Stock Rights Offering (535,710,378 shares)

Gross Proceeds: P15,000,000,000 (Issue Price: P28 per share)
Related Expenses: P217,262,589
Use of Proceeds: To strengthen the Bank's capital ratio and fund its business expansion (i.e. loan growth).

2019 - US$ 300,000,000 Senior Note

Gross Proceeds: US$300,000,000 (Issue Price: US$ 300,000,000 @ 99.751%)
Related Expenses: US$862,031.65

2020 - US$ 300,000,000 Hybrid Perpetual Securities

Gross Proceeds: US$ 300,000,000 (Issue Price: US$ 300,000,000 @ 100.00%)
Related Expenses: US$796,991.93
Use of Proceeds: To to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

2021 - P13,742,840,000 Senior Note

Gross Proceeds: P13,742,840,000 (Issue Price: P13,742,840,000 @ 100.00%)
Related Expenses: P103,071,300
Use of Proceeds: To be used for general banking and re-lending purposes.

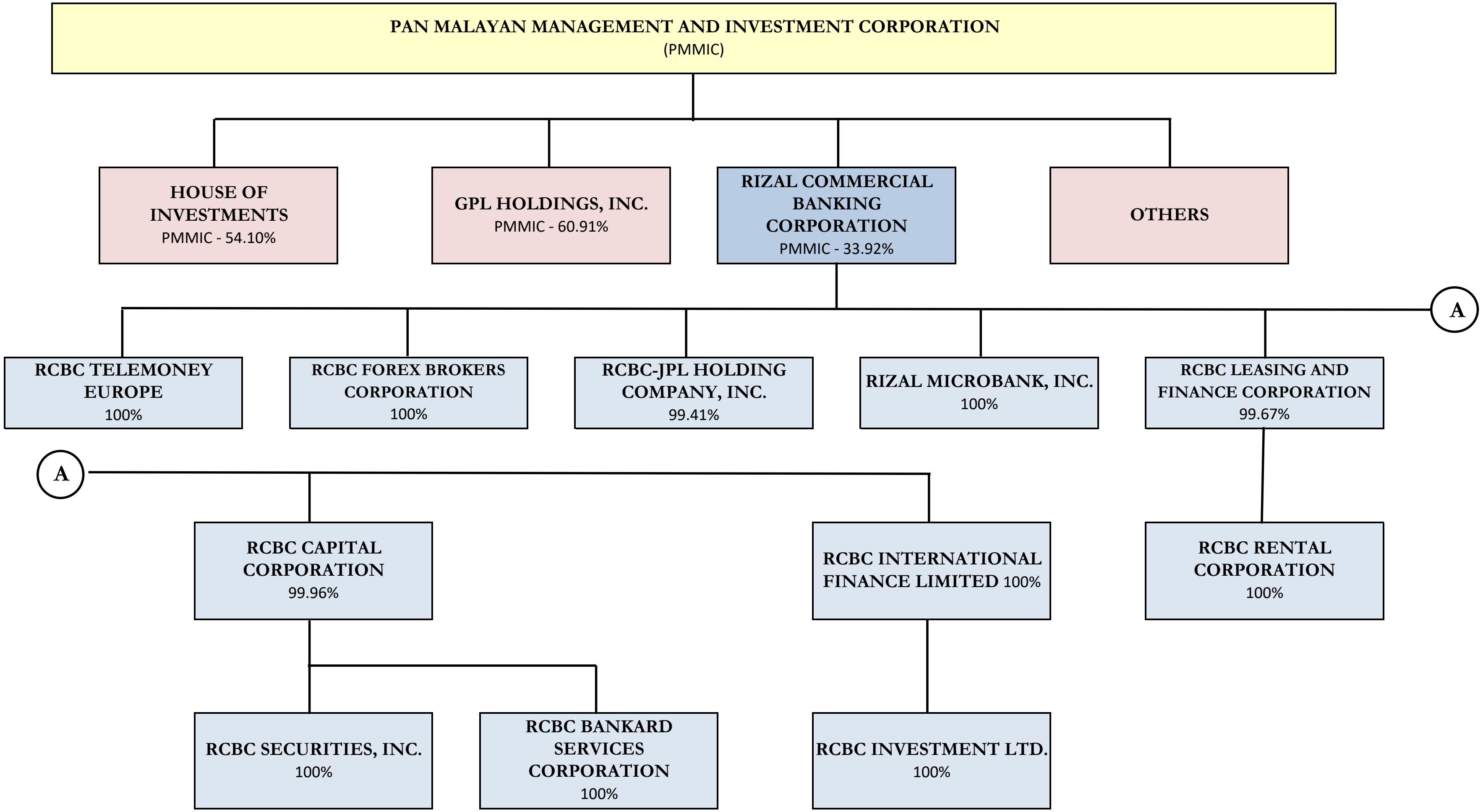
2021 - P4,129,730,000 Senior Note

Gross Proceeds: P4,129,730,000 (Issue Price: P4,129,730,000 @ 100.00%)
Related Expenses: P30,972,975
Use of Proceeds: To be used for general banking and re-lending purposes.

2022 - P14,756,260,000 Senior Note

Gross Proceeds: P14,756,260,000(Issue Price: P P14,756,260,000 @ 100.00%)
Related Expenses: P110,671,950
Use of Proceeds: To be used for general banking and re-lending purposes.

Rizal Commercial Banking Corporation and Subsidiaries
Map Showing the Relationships Between and Among the RCBC and Its Related Parties
December 31, 2023



Report of Independent Auditors on Components of Financial Soundness Indicators

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

T +63 2 8988 2288

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rizal Commercial Banking Corporation and subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, on which we have rendered our report dated February 26, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

February 26, 2024

Rizal Commercial Banking Corporation and Subsidiaries
Supplemental Schedule of Financial Soundness Indicators
(Amount in Millions of Philippine Pesos, Except Share Data)
December 31, 2023 and 2022

Ratio	Formula	2023		2022	
Current ratio	Total current assets	**288,860**	**0.95**	337,912	1.04
	Total current liabilities	**304,983**		325,254	
Acid test ratio	Quick assets	**261,886**	**0.86**	215,360	0.66
	Total current liabilities	**304,983**		325,254	
Solvency ratio	Total liabilities	**1,086,057**	**87.70%**	1,037,747	89.92%
	Total resources	**1,238,332**		1,154,108	
Debt-to-equity ratio	Total liabilities	**1,086,057**	**7.13**	1,037,747	8.92
	Total equity	**152,275**		116,361	
Resources-to-equity ratio	Total resources	**1,238,332**	**8.13**	1,154,108	9.92
	Total equity	**152,275**		116,361	
Interest rate coverage ratio	Earnings before interest and taxes	**46,175**	**1.41**	28,267	1.93
	Interest expense	**32,660**		14,619	
Return on equity	Net profit (net of AT1)	**11,150**	**9.53%**	11,042	11.24%
	Average total equity	**117,046**		98,243	
Return on resources	Net profit	**12,217**	**1.06%**	12,080	1.20%
	Average total resources	**1,153,713**		1,004,977	
Net profit margin	Net profit	**12,217**	**24.44%**	12,080	27.17%
	Revenues	**49,997**		44,454	
Other ratios:					
Net interest margin	Net interest income	**33,744**	**3.43%**	31,442	3.70%
	Average interest earning resources	**983,672**		850,682	
Cost-to-income ratio	Total other operating expenses	**29,594**	**59.19%**	25,100	56.46%
	Gross income	**49,997**		44,454	
Capital adequacy ratio	Total qualifying capital	**136,098**	**17.37%**	106,183	15.29%
	Total risk-weighted assets	**783,300**		694,421	

Annex "B-2"

Partners Through Generations

May 10, 2024

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

Dear Sir/Ma'am,

We submit herewith the March 31, 2024 SEC 17-Q report of Rizal Commercial Banking Corporation.

Thank you.

Very truly yours,

Florentino M. Madonza
FSVP, Head-Controllership Group

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

COVER SHEET

1 7 5 1 4

S.E.C. Registration Number

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

(Company's Full Name)

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

MARIETA O. MIRANDA

Contact Person

8 8 9 4 9 9 3 2

Company Telephone Number

0 3 3 1

Month *Day*

Fiscal Year

1 7 Q

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

747

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

SEC Number 17514
PSE Code ________
File Number ________

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

(Company's Full Name)

Yuchengco Tower, RCBC Plaza
6819 Ayala Ave. corner Sen. Gil J. Puyat Ave., Makati City

(Company's Address)

8894-9000

(Telephone Number)

December 31

(Fiscal Year Ending)

SEC FORM 17-Q

Form Type

Amendment Designation (if applicable)

March 31, 2024

For the Quarterly Period Ended

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2024**
2. SEC Identification Number 17514 3. BIR Tax Identification No. 000-599-760-000
4. Exact name of registrant as specified in its charter:

   RIZAL COMMERCIAL BANKING CORPORATION
5. Philippines
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:
7. RCBC Plaza, Yuchengco Tower #6819 Ayala Ave. cor. Sen. Puyat Avenue, Makati City 1200
   Address of principal office Postal Code
8. (632) 8894-9000
   Registrant's telephone number, including area code
9. Not applicable
   Former name, former address & former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, P10 par value	2,419,536,322 (March 31, 2024)

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

    Yes (x) No ( )

12. Check whether the registrant:

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

    Yes (x) No ( )

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

    Yes (x) No ( )

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions of Philippine Pesos)

	Notes	3/31/2024 (Unaudited)	12/31/2023 (Audited)
RESOURCES			
Cash and Other Cash Items		P 14,593	P 19,875
Due from Bangko Sentral Ng Pilipinas		103,951	151,762
Due from Other Banks		11,206	14,892
Loans Under Reverse Repurchase Agreement		17,000	35,799
Trading and Investment Securities - Net	3	398,821	330,742
Loans and Receivables - Net	4	649,194	649,929
Investments in Associates	5	513	509
Bank Premises, Furniture, Fixtures & Equipment- Net		8,549	9,129
Investment Properties - Net		564	543
Deferred Tax Assets		6,137	5,775
Other Resources - Net	6	20,416	19,377
TOTAL RESOURCES		P 1,230,944	P 1,238,332
LIABILITIES AND EQUITY			
Deposit Liabilities	7	P 959,360	P 956,712
Bills Payable	8	23,195	50,858
Bonds Payable	9	57,385	34,939
Accrued Taxes, Interest And Other Expenses		10,489	12,082
Other Liabilities	10	29,677	31,466
Total Liabilities		1,080,106	1,086,057
EQUITY			
Attributable to Parent Company Shareholders:			
Preferred Stock	11	P 3	P 3
Common Stock	11	24,195	24,195
Hybrid Perpetual Securities	11	14,463	14,463
Capital Paid in Excess of Par		58,228	58,228
Other Comprehensive Income:			
Net Unrealized Losses on Financial Assets At Fair Value Through Other Comprehensive Income		(3,804)	(3,168)
Cumulative Translation Adjustment		54	54
Retirement plan		(2,930)	(2,930)
Reserve for Trust Business		-	551
Other Reserves		(86)	(86)
Retained Earnings Appropriated for General Provision		4,285	4,599
Retained Earnings		56,424	56,360
		150,832	152,269
Non-controlling Interest		6	6
Total Equity		150,838	152,275
TOTAL LIABILITIES AND CAPITAL FUNDS		P 1,230,944	P 1,238,332

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME

(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	Note	1/1/2024 to 3/31/2024 (Unaudited)	1/1/2023 to 3/31/2023 (Unaudited)
INTEREST INCOME ON			
Loans and receivables		P 14,157	P 10,702
Investment securities		3,977	3,232
Others		751	734
		18,885	14,668
INTEREST EXPENSE ON			
Deposit liabilities		8,190	6,181
Bills payable and other borrowings		1,135	1,220
		9,325	7,401
NET INTEREST INCOME		9,560	7,267
IMPAIRMENT LOSSES - Net		1,672	1,496
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		7,888	5,771
OTHER OPERATING INCOME			
Service fees and commissions		2,046	1,423
Gain on assets sold - net		112	3,350
Trading and securities gain - net		48	58
Trust fees		-	107
Foreign exchange gains (losses) - net		(37)	405
Miscellaneous	12	507	383
		2,676	5,726
OTHER OPERATING EXPENSES			
Employee benefits		1,936	1,710
Taxes and licenses		1,651	1,669
Depreciation and amortization		814	842
Occupancy and equipment-related		934	829
Miscellaneous	12	2,430	2,144
		7,765	7,194
PROFIT BEFORE TAX		2,799	4,303
TAX EXPENSE		597	666
NET PROFIT		2,202	3,637
Net Loss Attributable to Non-Controlling Interest		-	(1)
Net Loss Attributable to Company Shareholders		P 2,202	P 3,638
Earnings Per Share (Annualized)			
Basic		P 3.38	P 6.71
Diluted		P 3.38	P 6.71

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Philippine Pesos)

	1/1/2024 to 3/31/2024 (Unaudited)	1/1/2023 to 3/31/2023 (Unaudited)
NET PROFIT FOR THE PERIOD	**P 2,202**	P 3,637
OTHER COMPREHENSIVE INCOME (LOSSES) DURING THE PERIOD:		
Fair value gains (losses) on Financial assets at Other Comprehensive Income	**(636)**	284
Retirement plan	**-**	(1,169)
Other Comprehensive Loss for the period	**(636)**	(885)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**P 1,566**	P 2,752
Comprehensive Income Attributable to Non-Controlling Interest	**-**	-
Comprehensive Income Attributable to Parent Company Sharegolders	**P 1,566**	P 2,752

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
(Amounts in Millions of Philippine Pesos)

	1/1/2024 to 3/31/2024 (Unaudited)	1/1/2023 to 3/31/2023 (Unaudited)
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		
PREFERRED STOCK		
Balance at beginning and end of period	**P 3**	P 3
COMMON STOCK		
Balance at beginning and end of period	**24,195**	22,509
HYBRID PERPETUAL SECURITIES		
Balance at beginning and end of period	**14,463**	14,463
CAPITAL PAID IN EXCESS OF PAR		
Balance at beginning and end of period	**58,228**	42,493
TEASURY SHARES, At Cost		
Balance at beginning and end of period	**-**	(9,287)
NET UNREALIZED GAINS (LOSSES) ON FINANCIAL ASSETS AT OTHER COMPREHENSIVE INCOME		
Beginning balance	**(3,168)**	(4,865)
Fair value gains (losses) during the period	**(636)**	284
Balance, end	**(3,804)**	(4,581)
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance at beginning and end of period	**54**	54
OTHER COMPREHENSIVE LOSS - RETIREMENT PLAN		
Balance, beginning	**(2,930)**	(1,581)
Remeasurement of the defined benefits during the priod	**-**	(1,169)
Balance, end	**(2,930)**	(2,750)
RESERVE FOR TRUST BUSINESS		
Balance, beginning	**551**	532
Transfer from (to) retained earnings - free	**(551)**	6
Balance, end	**-**	538
OTHER RESERVES		
Balance at beginning and end of period	**(86)**	(86)
RETAINED EARNINGS APPROPRIATED FOR GENERAL PROVISION		
Beginning balance	**4,599**	3,824
Transfer from (to) retained earnings - free	**(314)**	284
Balance, end	**4,285**	4,108
RETAINED EARNINGS		
Beginning balance	**56,360**	48,294
Net profit	**2,202**	3,638
Cash dividends on common shares	**(2,454)**	(2,200)
Dividends on Hybrid Capital Securities	**(549)**	(533)
Transfer of fair value reserves on FVOCI	**-**	(8)
Transfer from (to) retained earnings appropriated for general provision	**314**	(284)
Transfer from (to) reserves for trust business	**551**	(6)
Balance, end	**56,424**	48,901
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**P 150,832**	P 116,365
NON-CONTROLLING INTEREST		
Balance, beginning	**6**	8
Net Loss for the year	**-**	(1)
Balance, end	**6**	7
TOTAL EQUITY	**P 150,838**	P 116,372

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(Amounts in Millions of Philippine Pesos)

	1/1/2023 to 3/31/2024 (Unaudited)	1/1/2023 to 3/31/2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits before tax	P 2,799	P 4,303
Adjustments for:		
Interest income	(18,885)	(14,668)
Interest expense	9,325	7,401
Gain on assets sold	(112)	(3,350)
Impairment losses	1,672	1,496
Depreciation and amortization	814	842
Dividend income	(280)	(14)
Share in net earnings of associates	(4)	(43)
Operating income before working capital changes	(4,671)	(4,033)
Decrease (Increase) in financial assets at fair value through profit and loss	459	(6,369)
Increase in loans and receivables	(10,971)	(24,947)
Increase in investment property	(21)	(26)
Decrease (Increase) in other resources	(3,632)	250
Increase in deposit liabilities	2,648	2,152
Increase (Decrease) in accrued taxes, interest and other expenses	(744)	60
Increase (Decrease) in other liabilities	(1,488)	20,300
Cash used in operations	(18,420)	(12,613)
Interest received	19,440	14,822
Interest paid	(10,380)	(7,133)
Cash paid for taxes	(737)	(489)
Net Used in Operating Activities	(10,097)	(5,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in Financial Assets at FVOCI	(49,237)	11,231
Decrease (increase) in Investment securities at amortized cost	(19,937)	18,536
Disposal (acquisitions) of bank premises, furniture, fixtures and equipment -net	331	(502)
Cash dividends received	15	14
Acquisitions of intangibles	(52)	(117)
Net Cash From (Used in) Investing Activities	(68,880)	29,162
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bills payable	(27,663)	(586)
Dividends paid	(549)	(532)
Net proceeds from (Redemption of) bonds payable	22,446	(25,576)
Net Cash Used in Financing Activities	(5,766)	(26,694)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(84,743)	(2,945)
CASH AND CASH EQUIVALENTS, BEGINNING		
Cash and other cash items	19,875	18,078
Due from Bangko Sentral ng Pilipinas	151,762	156,664
Due from other banks	14,892	5,836
Interbank Loans and Loans and Receivables under reverse repurchase agreement	63,579	27,745
	250,108	208,323
CASH AND CASH EQUIVALENTS, END		
Cash and other cash items	14,593	13,132
Due from Bangko Sentral ng Pilipinas	103,951	155,486
Due from other banks	11,206	5,962
Interbank Loans and Loans and Receivables under reverse repurchase agreement	35,615	30,798
	165,365	205,378

Supplemental Information on Non-cash Operating and Investing Activities

In March 2023, the Bank transferred and leased back certain real estate properties with total net book value of P1,796 to another entity in exchange for 100% ownership in the latter which were subsequently transferred to the retirement fund to fund its plan assets. The total value of shares received amounted to P6,268 resulting in a gain of P3,106, presented as part of Gain on Assets Sold - Net.

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2024 AND DECEMBER 31, 2023
(Amounts in Millions of Philippine Pesos, Except Otherwise Indicated)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

Rizal Commercial Banking Corporation (the Parent Company, the Bank or RCBC), a universal bank engaged in all aspects of banking, was originally incorporated on September 23, 1960. The Bank renewed its corporate existence on December 10, 2009. It provides products and services related to traditional loans and deposits, trade finance, domestic and foreign fund transfers or remittance, cash management and treasury. It also enters into forward currency contracts as an accommodation to its clients and as a means of managing its foreign exchange exposures. The Parent Company and its subsidiaries (together hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (credit cards, auto loans, mortgage/housing and microfinance loans), remittance, leasing and stock brokering.

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

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

RCBC is a 33.92%-owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC or Ultimate Parent), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC), with registered business address at 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City. As of March 31, 2024, Cathay Life Insurance Corporation (Cathay) and Sumitomo Mitsui Banking Corporation (SMBC) also own 18.68% and 20.00% interest in RCBC, respectively.

The condensed consolidated interim financial statements of the Group as of and for the three months ended March 31, 2024 (including the comparatives for the three months ended March 31, 2023) and the year ended December 31, 2023 were presented to and reviewed by the Bank's Audit and Compliance Committee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The interim financial statements of the Bank have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

There were no changes in the accounting policies and methods of computation followed in the interim financial statements as compared with the most recent annual financial statements.

(b) Presentation of Financial Statements

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

(c) Functional and Presentation Currency

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

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

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries, after the elimination of material intercompany transactions. All intercompany resources and liabilities, equity, income, expenses and cash flows relating to transactions with subsidiaries are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

2.3 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria under PAS 32, Financial Instruments: Presentation. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification, Measurement and Reclassification of Financial Assets

Under PFRS 9, *Financial Instruments*, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described in the succeeding paragraphs.

(i) Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

(ii) Financial Assets at Fair Value Through Profit or Loss (FVPL)

The Group classifies financial assets as FVPL when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Debt instruments that do not meet the amortized cost criteria, or that meet the criteria but the Group has chosen to designate as at FVPL at initial recognition, are measured at FVPL. Equity investments are classified as financial assets at FVPL, unless the Group designates an equity investment that is not held for trading as at *Financial Assets at Fair Value Through Other Comprehensive Income* (FVOCI) at initial recognition. The Group's financial assets at FVPL include government securities, corporate bonds, equity securities, which are held for trading purposes or designated as at FVPL.

Financial assets at FVPL are initially measured at fair value and transaction costs are expensed in profit or loss. Unrealized gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVPL category and realized gains or losses arising from disposals of these instruments are included in Trading and Securities Gains under Other Operating Income account in the statement of profit or loss.

(iii) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Debt Instruments at FVOCI

The Group classifies debt instruments under FVOCI when both of the following conditions are met:

- the asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

FVOCI debt securities are initially measured at fair value plus transaction costs. They are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income (OCI). Interest Income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Equity Instruments at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading. The Group has designated certain equity instruments as at FVOCI on initial application of PFRS 9.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss, but is reclassified directly to Surplus account.

(b) *Hedge Accounting*

At the inception of the hedging relationships, the Group formally designates and documents the hedging relationship. This documentation includes the risk management objective and strategy for undertaking the hedge, the identification of the hedging instrument and the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements at inception and on an ongoing basis (including the analysis of sources of hedge ineffectiveness and how the hedge ratio for the hedging relationships is determined).

Under a fair value hedge, the subsequent change in the fair value of the hedging instrument is recognized in the statement of profit or loss. The change in the fair value of the hedged item, attributable to the risk being hedged, is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss.

Under a cash flow hedge, changes in the fair value of the hedging instrument are initially recognized in other comprehensive income for the effective portion of the hedge while the ineffective portion is recognized in profit or loss. The amount recognized in other comprehensive shall be the lower of (a) cumulative gain or loss on the hedging instrument from inception of hedge, or (b) cumulative change in FV of the expected cash flows on the hedged item.

(c) *Impairment of Financial Assets*

The Group's ECL model follows a three-stage impairment approach, which guide in the determination of the loss allowance to be recognized in the financial statements.

(i) Stage 1 – comprises of all credit exposures that are considered 'performing' and with no observed SICR since initial recognition. These include those financial instruments with low credit risk. For these financial instruments, the loss allowance is determined based on a 12-month ECL. PFRS 9 provides a rebuttable presumption that credit risk is considered to have significantly increased since initial recognition if the contractual payment is more than 30 days past due. The rebuttal must be in consideration of a reasonable and supportable information that is available without undue cost or effort.

(ii) Stage 2 – comprises of all financial instruments assessed to have SICR since initial recognition based on the Group's quantitative and qualitative criteria, though not yet deemed to be credit-impaired. Using the Group's ICRRS, Stage 2 includes credit exposures that are considered 'under-performing' in which risk ratings were downgraded by at least three notches and/or downgraded to CCC+ to Especially Mentioned. Stage 2 financial instruments may also include those facilities where the credit risk has improved and have been reclassified from Stage 3 subject to the Group's observation period on the creditworthiness of the counterparty. A lifetime ECL is recognized for these financial instruments.

(iii) Stage 3 – comprises credit exposures which are assessed as 'credit-impaired', thus considered by the Group as 'non-performing', which is assessed consistently with the Group's definition of default. Generally, this includes accounts classified as Substandard, Doubtful and Loss. The Group recognizes a lifetime ECL for all credit-impaired financial assets.

ECL is a function of the probability of default (PD), loss-given default (LGD), and exposure-at-default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement.

The Group calculates ECL either on an individual or a collective basis. For consumer loans which were carried out on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics, such as but not limited to instrument type, credit risk rating, collateral type, product type, historical net charge-offs, industry type, and geographical locations of the borrowers or counterparties. The Group calculates ECL for corporate loans, finance lease receivables, and investment securities at amortized cost on an individual basis.

The Group applies a simplified ECL approach for its accounts receivables and other risk assets wherein the Group uses a provision matrix that considers historical changes in the behavior of the portfolio of credit exposures based on internally collected data to predict conditions over the span of a given observation period. These receivables include claims from various counterparties, which are not originated through the Group's lending activities. For these instruments, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account. With respect to investments in debt securities that are measured at FVOCI, the related loss allowance account is recognized in other comprehensive income and accumulated in the Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

For loan commitments, the loss allowance is recognized as provisions (presented and included as part of Other Liabilities account in the statement of financial position). Where a financial instrument includes a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn commitment; the Group presents a combined allowance for ECL for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as provisions.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

c.1 Impact of COVID-19 on Measurement of ECL

In response to the post-pandemic landscape and the economic effects on the Group, there has been a reassessment and adjustment of the key conditions and assumptions used in calculating ECL. The Group has reviewed economic scenarios and forward-looking macroeconomic assumptions that underpin the ECL calculation. Given the economic recovery in the Philippines post-pandemic, the impact of COVID-19 on the historical data of the Bank has been excluded, as default rates during the pandemic were unusually high.

In 2023, with the expected full recovery of the Philippines from the impact of COVID-19 and the improving portfolio performance, the Group tailored its newly validated ECL model to exclude abnormally high default rates recorded during the pandemic period from their historical data set of 3 to 5 years used for ECL computation.

To identify the exclusion periods related to COVID-19, the Group employed a 12-month performance window in which any accounts that defaulted anytime in the subsequent 12 months were considered for the computation of historical default rates. Months with significantly high default rates were excluded from the dataset. This ensures that the average default rate computed by the Bank reflects the changes in the country's macroeconomic variables and their impact on customer payment behavior.

2.4 Financial Liabilities

Financial liabilities which include deposit liabilities, bills payable, bonds payable, accrued interest and other expenses, and other liabilities (except tax-related payables, post-employment defined benefit obligation and deferred income) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, for those with maturities beyond one year, less settlement payments. All interest-related charges incurred on financial liabilities are recognized as an expense in the statement of profit or loss under the caption Interest Expense.

2.5 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events (e.g., legal dispute or onerous contracts).

2.6 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Group; and the costs incurred or to be incurred can be measured reliably.

2.7 Impairment of Non-financial Assets

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested for impairment either individually or at the CGU level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each CGU and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each CGU and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets, except for intangible assets with indefinite useful life and goodwill, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.8 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, tax authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of profit or loss.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax assets are reassessed at the end of each reporting period. Previously unrecognized deferred tax assets are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

2.9 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the funded retirement plan of each of the entities under the Group.

2.10 Events After the End of the Reporting Period

Any event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-reporting events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. TRADING AND INVESTMENT SECURITIES

This account is composed of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial assets at FVPL	**P 11,319**	P 11,778
Financial assets at FVOCI	**131,128**	82,437
Investment securities at amortized cost - net	**256,374**	236,527
	P 398,821	P 330,742

3.1 Financial Assets at FVPL

This account is composed of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Government securities	**P 9,452**	P 9,647
Derivative financial assets	**1,050**	1,320
Equity securities	**791**	783
Corporate debt securities	**26**	28
	P 11,319	P 11,778

3.2 Financial Assets at FVOCI

This account is composed of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Government bonds	**P 113,419**	P 65,962
Corporate debt securities	**13,776**	12,571
Unquoted equity securities	**2,536**	2,421
Quoted equity securities	**1,397**	1,483
	P 131,128	P 82,437

3.3 Investments at Amortized Cost

This account is composed of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Government securities	**P 219,015**	P 211,451
Corporate debt securities	**37,520**	25,237
	256,535	236,688
Allowance for impairment	**(161)**	(161)
	P 256,374	P 236,527

4. LOANS AND RECEIVABLES

This account consists of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Receivable from customers:		
Loans and discounts	**P 529,054**	P 525,041
Credit card receivables	**81,267**	74,667
Customers' liabilities on acceptances, import bills and trust receipts	**16,472**	16,345
Bills purchased	**2,529**	3,894
Lease contract receivable	**2,960**	2,710
Receivables financed	**95**	91
	632,377	622,748
Unearned discount	**(688)**	(826)
	631,689	621,922
Other receivables:		
Interbank loans receivables	**17,199**	27,780
Accrued interest receivable	**8,964**	9,519
Accounts receivable	**5,175**	5,425
Sales contract receivable	**2,644**	2,678
	35,398	45,402
	667,087	667,324
Allowance for impairment	**(17,893)**	(17,395)
	P 649,194	P 649,929

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

5.1 Sale of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC) shares to Filinvest Land, Inc. (FLI)

On March 27, 2023, the Bank's Board of Directors approved the proposed sale and transfer to FLI of its shares in NPHI and CRC, wholly-owned subsidiaries of the Bank, subject to completion of FLI's due diligence and compliance with conditions to be agreed by the parties. NPHI and CRC, as owners of certain parcels of land located in Bacoor, Cavite have joint development agreements with FLI, wherein FLI undertook to develop the land properties into an exclusive residential subdivision, now known as Princeton Heights.

On July 14, 2023, the Bank and FLI executed a Deed of Absolute Sale for the sale and transfer of the Bank's 100% ownership in NPHI and CRC to FLI. Total consideration for the shares amounted to P544 for NPHI and P89 for CRC.

5.2 Spin-off of the RCBC Trust Operations to a Stand-Alone Trust Corporation

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

On March 27, 2023, the Bank's BOD approved the incorporation of the RCBC Trust Corporation (RCBC Trust). RCBC Trust was officially incorporated on June 29, 2023, while its application of Trust License from BSP – Stage 3 was approved on October 10, 2023.

RCBC Trust started operations on January 2, 2024. On the same day, RCBC Trust received net assets from the Bank amounting to P144 and assumed assets under management valued at P155,705 from the Bank. These trust department accounts are maintained in separate books and records in accordance with the Financial Reporting Package for Trust Institutions (FRPTI) prescribed by the BSP.

5.3 Donation of RCBC shares in JPL

On April 8, 2024, the Bank and its Retirement Fund executed a Deed of Donation and Acceptance where the Bank donated and transferred ownership of 36,612,373 Preferred C shares representing 19.41% of the outstanding capital of RCBC-JPL Holding Corporation (JPL). Subsequent to the donation, RCBC's ownership over JPL is now at 80%.

6. OTHER RESOURCES

This account consists of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets held-for-sale and disposal group	**P 4,899**	P 4,503
Creditable withholding taxes	**4,492**	4,280
Net defined benefit asset	**2,631**	2,665
Prepaid expenses	**1,944**	1,645
Software – net	**1,162**	1,237
Refundable and other deposits	**1,029**	955
Branch licenses	**1,000**	1,000
Other assets held in trust	**879**	-
Unused stationery and supplies	**707**	618
Deferred charges	**707**	660
Goodwill	**426**	426
Margin deposits	**235**	243
Returned checks and other cash items	**120**	221
Miscellaneous	**1,203**	1,992
	21,434	20,445
Allowance for impairment	**(1,018)**	(1,068)
	P 20,416	P 19,377

7. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Demand	**P 199,935**	P 214,395
Savings	**287,319**	287,738
Time	**468,526**	450,999
Long-term Negotiable Certificate of Deposits (LTNCD)	**3,580**	3,580
	P 959,360	P 956,712

The details of the Parent Company's Long-term Negotiable Certificates of Deposits (LTNCDs) as of March 31, 2024 and December 31, 2023 are as follows:

Issuance Date	Maturity Date	Coupon Interest	Outstanding Balance
September 28, 2018	March 28, 2024	5.50%	**P 3,580**

The Parent Company's LTNCDs were used in the expansion of its term deposit base to support long-term asset growth and for other general funding purposes.

8. BILLS PAYABLE

This account consists of borrowings from:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Foreign banks	**P 16,296**	P 36,653
Local banks	**6,899**	14,165
Others	**-**	40
	P 23,195	P 50,858

9. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

Issuance Date	Maturity Date	Coupon Interest		Face Value		Outstanding Balance March 31, 2024 (Unaudited)		Outstanding Balance December 31, 2023 (Audited)
January 7, 2024	January 18, 2029	5.50%	$	400	P	22,394	P	-
February 21, 2022	May 21, 2024	3.00%	P	14,756		14,756		14,756
March 31, 2021	June 30, 2026	4.18%	P	4,130		4,130		4,130
September 11, 2019	September 11, 2024	3.05%	$	293		16,105		16,053
					P	57,385	P	34,939

Out of the US$400 senior notes issued in January 7, 2024, US$200 are designated as liability under fair value hedge accounting following the provisions of PFRS9. As of March 31, 2024, the Group has four (4) outstanding interest rate swaps designated as fair value hedges of the interest rate risk arising from 50% of the Group's US$400 fixed rate bonds payable.

10. OTHER LIABILITIES

Other liabilities consist of the following:

		March 31, 2024 (Unaudited)		December 31, 2023 (Audited)
Accounts payable	P	9,239	P	10,197
Lease liabilities		6,284		6,687
Derivative financial liabilities		3,130		1,690
Manager's checks		1,618		1,878
Bills purchased – contra		1,412		2,673
Withholding taxes payable		1,122		1,108
Unearned income		850		824
Unclaimed balances		742		1,398
Deposits on lease contracts		610		796
Sundry credits		400		269
Other credits		391		381
Expected credit loss provisions on loan commitments		328		304
Outstanding acceptances payable		215		1,467
Due to BSP		195		108
Payment orders payable		97		147
Miscellaneous		590		1,539
	P	29,677	P	31,466

11. EQUITY

The movements in the outstanding capital stock are as follows:

	Number of Shares*	
	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Preferred stock – voting, non-cumulative non-redeemable, participating convertible into common stock – P10 par value Authorized – 200,000,000 shares		
Balance at beginning and end of period	**267,410**	267,410
Conversion of shares	**(1,028)**	-
Balance at the end of the period	**266,382**	267,410
Common stock – P10 par value Authorized – 2,600,000,000 shares		
Balance at beginning of period	**2,419,536,120**	2,037,478,896
Conversion of shares	**202**	-
Reissuance of treasury shares	-	213,437,248
Issuance of new shares	-	168,619,976
Balance at the end of the period	**2,419,536,322**	2,419,536,120

**Amounts in absolute number of shares*

11.1 Treasury Shares

In 2019, subsequent to the effective date of the merger, the Parent Company acquired the 315,287,248 common shares issued in exchange of the net assets of RSB equal to the Parent Company's investment in RSB as at December 31, 2018.

On July 23, 2021, the Parent Company sold 101,850,000 shares to Sumitomo Mitsui Banking Corporation (SMBC) at P44.00 per share. This came from the treasury shares resulting from the merger of Parent Company and RSB. The sale of shares held by the Parent Company in treasury is equivalent to 4.999% of the total outstanding Common Stock. The issuance resulted in a recognition of additional Capital Paid in Excess of Par amounting to P50. The Parent Company incurred expenses related to the issuance amounting to P113 which was charged to equity resulting in a P63 net decrease in the Capital Paid in Excess of Par.

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

11.2 Hybrid Perpetual Securities

On 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 March 31, 2024, the hybrid perpetual securities amounted to P14,463, net of issuance costs.

The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

The proceeds of the hybrid perpetual securities are used to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

12. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

12.1 Miscellaneous Income

	For the Three months Ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Dividend income	**P 280**	P 14
Recoveries from written off assets	**119**	152
Rentals	**72**	159
Others	**36**	58
	P 507	P 383

12.2 Miscellaneous Expenses

	For the Three months Ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Insurance	**P 528**	P 480
Credit card related expenses	**516**	400
Service processing fees	**275**	290
Litigation/asset acquired expenses	**212**	169
Communication and information	**197**	155
Management and other professional fees	**134**	107
Advertising and publicity	**124**	78
Banking fees	**87**	101
Stationery and office supplies	**45**	44
Transportation and travel	**38**	53
Other outside services	**37**	39
Donations and charitable contributions	**28**	15
Shipment and freight	**15**	17
Representation and entertainment	**10**	11
Others	**184**	185
	P 2,430	P 2,144

13. COMMITMENTS AND CONTINGENCIES

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

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

13.1 Contingent Accounts, Guarantees and Other Commitments

The following is a summary of contingencies and commitments arising from off-statement of financial position items at their equivalent peso contractual amounts as of March 31, 2024 and December 31, 2023:

		March 31, 2024 (Unaudited)		December 31, 2023 (Audited)
Outstanding guarantees issued	**P**	**219,606**	P	205,268
Derivative assets		**192,795**		142,921
Derivative liabilities		**123,393**		84,461
Unused commercial letters of credit		**32,539**		25,079
Spot exchange sold		**13,705**		16,985
Spot exchange bought		**13,704**		16,980
Inward bills for collection		**9,736**		8,061
Late deposits/payments received		**768**		872
Outward bills for collection		**4**		1
Trust department accounts		**-**		155,705
Others		**64**		64

ADDITIONAL DISCLOSURES TO ITEM I – FINANCIAL STATEMENTS

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

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

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

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

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

Issuances, Repurchases and Repayments of Debt and Equity Securities. In January 2024, the Bank raised USD 400 million from its five-year Senior Unsecured Fixed Rate Sustainability Bonds (the Notes) issuance via a drawdown from its USD3.0 billion Medium Term Note Programme. The Notes carry a coupon rate of 5.5% per annum.

Dividends Paid for Ordinary or Other Shares. In its meeting held on March 25, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P1.0140 per share or a total of P2.5 billion and P270.1 thousand payable to holders of Common Class and Preferred Class shares, respectively, both paid on April 26, 2024.

In its meeting held on February 26, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1864 per share or a total of P49.8 thousand payable to holders of Preferred Class shares and paid on March 21, 2024.

In its meeting held on January 29, 2024, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P549.4 million payable to holders of said Securities, which was paid on February 27, 2024.

In its meeting held on November 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1870 per share or a total of P50.0 thousand payable to holders of Preferred Class shares and paid on December 29, 2023.

In its meeting held on August 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1920 per share or a total of P51.4 thousand payable to holders of Preferred Class shares and paid on September 25, 2023.

In its meeting held on July 31, 2023, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P535.1 million payable to holders of said Securities, which was paid on August 27, 2023.

In its meeting held on May 29, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1789 per share or a total of P47.8 thousand payable to holders of Preferred Class shares and paid on June 26, 2023.

In its meeting held on March 27, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P1.08 per share or a total of P2.2 billion and P288.8 thousand payable to holders of Common Class and Preferred Class shares, respectively, both paid on April 27, 2023.

In its meeting held on February 27, 2023, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1685 per share or a total of P45.0 thousand payable to holders of Preferred Class shares and paid on March 23, 2023.

In its meeting held on January 30, 2023, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P532.7 million payable to holders of said Securities, which was paid on February 27, 2023.

The details of the cash dividend approvals and distributions from 2023 up to March 31, 2024 are as follows (amounts in Thousand Php except per share figures):

Date Declared	Dividend		Date Paid / Payable	Nature of Securities
	Per Share	Total Amount		
30-Jan-23	-	P 532,740.0	27-Feb-23	Hybrid Perpetual Securities
27-Feb-23	P 0.1685	P 45.0	23-Mar-23	Convertible Preferred
27-Mar-23	P 1.0800	P 2,200,477.2	27-Apr-23	Common Stock
27-Mar-23	P 1.0800	P 288.8	27-Apr-23	Convertible Preferred
29-May-23	P 0.1789	P 47.8	26-Jun-23	Convertible Preferred
31-Jul-23	-	P 535,080.0	27-Aug-23	Hybrid Perpetual Securities
29-Aug-23	P 0.1920	P 51.4	25-Sep-23	Convertible Preferred
29-Nov-23	P 0.1870	P 50.0	29-Dec-23	Convertible Preferred
29-Jan-24	-	P 549,412.5	27-Feb-24	Hybrid Perpetual Securities
26-Feb-24	P 0.1864	P 49.8	21-Mar-24	Convertible Preferred
25-Mar-24	P 1.0140	P 2,453,409.8	26-Apr-24	Common Stock
25-Mar-24	P 1.0140	P 270.1	26-Apr-24	Convertible Preferred

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

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

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Performance

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
Return on Average Assets (ROA)* 1/	0.7%	1.1%	0.7%	1.1%
Return on Average Equity (ROE) * 2/	5.6%	9.5%	5.6%	9.5%
Risk-based Capital Adequacy Ratio (CAR)	16.3%	17.4%	16.1%	17.2%
Common Equity Tier 1 Ratio	13.7%	14.7%	13.5%	14.5%
Non-Performing Loans (NPL) Ratio 3/	1.7%	1.6%	1.6%	1.5%
Non-Performing Assets (NPA) Ratio 4/	1.3%	1.3%	1.2%	1.2%
Net Interest Margin (NIM)*	3.6%	3.4%	3.6%	3.4%
Cost-to-Income Ratio	63.5%	59.2%	63.2%	59.5%
Loans-to-Deposit Ratio 5/	65.8%	65.1%	65.2%	64.3%
Current Ratio	2.0	0.9	1.8	0.9
Liquid Assets-to-Total Assets Ratio	0.6	0.9	0.7	0.9
Debt-to-Equity Ratio	7.2	7.1	7.1	7.1
Asset-to-Equity Ratio	8.2	8.1	8.1	8.1
Asset-to-Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.3	1.4	1.3	1.4
Earnings per share (EPS) 6/				
Basic and Diluted*	PHP 3.38	PHP 5.07	PHP 3.38	PHP 5.07
Year-to-date Basic and Diluted	PHP 0.84	PHP 5.07	PHP 0.84	PHP 5.07
	Unaudited			
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Quarter-to-date Basic and Diluted**	PHP 0.84	PHP 0.86	PHP 0.84	PHP 0.86

** March 31, 2024 ratios/amounts were annualized*

*** March 31, 2024 and 2023 ratios/amounts were annualized*

1/ Average assets for the consolidated and parent ratios were computed based on the 3-month average of end of month balances of total assets. Unaudited net income for the 3-month period ended March 31, 2024 in the amount of P2.2 billion represented the consolidated and parent.

2/ Average equity for the consolidated and parent ratios were, likewise, computed based on the 3-month average of end of month balances. Unaudited net income for the 3-month period ended March 31, 2024 in the amount of P1.9 billion represented the consolidated and parent, net of dividends on Hybrid Perpetual Securities of P274.7 million.

3/ NPL ratio is determined by using the following formula: *(Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio).*

4/ NPA ratio is determined by using the following formula*: [Net NPLs + Gross Real and Other Properties Acquired (ROPA) + Non-performing Sales Contract Receivable (SCR) + Non-Current Assets Held for Sale (NCAHS) / Gross Total Assets.*

5/ Excluding Interbank Loans.

6/ Total weighted average number of issued and outstanding common shares (diluted) were 2,292,236,409 shares as of March 31, 2024 and 2,197,681,607 as of December 31, 2023. Net income was net of dividends on Hybrid Capital Securities.

STATEMENT OF CONDITION: 31 March 2024 vs. 31 December 2023

RCBC's **Total Assets** stood at P1.2 trillion as of March 31, 2024. The significant movements are discussed below:

Cash and Other Cash Items declined by 26.6% or P5.3 billion due to lower cash requirements compared to year-end balances.

Due from Bangko Sentral ng Pilipinas decreased by 31.5% or P47.8 billion due to lower level of BSP Term Deposits, as a result of redeployment of funds.

Due from Other Banks dropped by 24.8% or P3.7 billion due to lower funding requirement of international cards and as a result of net movements maintained with foreign banks as part of the liquidity management of the Bank.

Loans Arising from Reverse Repurchase Agreement decreased by 52.5% or P18.8 billion due to lower placements with the BSP.

Total **Investment Securities**, representing 32.4% of Total Resources, increased by 20.6% or P68.1 billion attributable to the 59.1% or P48.7 billion growth in Financial Assets at Fair Value Other Comprehensive Income (FVOCI); 8.4% or P19.8 billion improvement in Investment Securities at Amortized Cost; net of the 3.9% or P459.0 million decrease in Financial Assets at Fair Value Through Profit or Loss (FVTPL).

Loans and Receivables – net was recorded at P649.2 billion and represented 52.7% of Total Resources.

Bank Premises, Furniture, Fixtures & Equipment – net declined by 6.4% or P580.0 million mainly due to the amortization of right-of use assets.

Deferred Tax Assets was up by 6.3% or P362.0 million mainly due to the additional recognition of deferred tax asset during the period.

Other Resources – net grew by 5.4% or P1.0 billion largely due to higher creditable withholding tax, dividends receivable and reclassification of investment properties to non-current assets held for sale.

Total Liabilities settled at P1.1 trillion with a decrease of P6.0 billion. The significant movements are discussed below:

Deposit Liabilities stood at P959.4 billion and grew by P2.6 billion or 0.3% and accounted 77.9% of Total Resources.

Bills Payable reduced by 54.4% or P27.7 billion due to net maturities of local and foreign borrowings during the period.

Bonds Payable increased by 64.2% or P22.4 billion attributable to the issuance of the USD397.3 million Senior Notes Sustainability Bonds.

Accrued Taxes, Interest and Other Expenses were down by 13.2% or P1.6 billion mainly due to the decreases in accrual of interest expense on time deposits because of maturities and payment of PDIC insurance.

Other Liabilities dropped by 5.7% or P1.8 billion largely due to settlement of trade payables and outstanding acceptances, net of dividends payable booked during the quarter.

Total Capital Funds stood at P150.8 billion, which is lower by P1.4 billion or 0.9%.

INCOME STATEMENT: 31 March 2024 vs. 31 March 2023

The Bank recorded a **Net Income** of P2.2 billion for the three-month ended March 31, 2024 driven by the following:

Total **Interest Income** jumped by 28.7% or P4.2 billion driven by the growth in volume and higher average yields. Interest income on loans and receivables was higher by 32.3% or P3.5 billion; interest income on trading and investment securities increased by 23.1% or P745.0 million and other interest income higher by 2.3% or P17.0 million.

Total **Interest Expense** increased by 26.0% or P1.9 billion due to higher interest expense on deposit liabilities by 32.5% or P2.0 billion as a result of higher average costs and growth in average volume. Meanwhile, interest expense on bills payable and other borrowings was down by 7.0% or P85.0 million.

As a result, **Net Interest Income** amounted to P9.6 billion from P7.3 billion, higher by 31.6% or P2.3 billion. It represented 78.1% of total operating income.

The Group booked **Impairment Losses** of P1.7 billion, higher by 11.8% or P176.0 million. It represented 13.7% of total operating income.

Other Operating Income of P2.7 billion declined by 53.3% or P3.1 billion. This accounted for 21.9% of total operating income on account of the following:

- **Trading and securities gains – net,** down by 17.2% or P10.0 million on account of lower marked to market valuation largely from Financial Assets at Fair Value Through Profit or Loss (FVTPL) securities, net of higher realized trading gains;
- **Service fees and commissions** higher by 43.8% or P623.0 million largely from the increase in fee-based income;
- **Trust fees** – the 100% reduction was due to the spin-off of the Bank's Trust Operations to a Stand-Alone Trust Corporation effective January 2, 2024;
- **Foreign exchange gains (losses) – net**, lower by 109.1% or P442.0 million largely on account of lower revaluation profit and lower foreign exchange income from commercial transactions;
- **Gain on assets sold – net,** decreased by 96.7% or P3.2 billion due to the higher gain on sale of various real estate properties sold last year;
- **Miscellaneous income** higher by 32.4% or P124.0 million on account of higher dividend income.

Other Operating Expenses amounted to P7.8 billion, higher by 7.9% or P571.0 million. This accounted for 63.5% of total operating income on account of the following:

- **Employee benefits** up by 13.2% or P226.0 million due to increase in headcount;
- **Occupancy and equipment-related costs** higher by 12.7% or P105.0 million largely due to higher information technology costs and increase in rental expenses;
- **Taxes and licenses** declined by 1.1% or P18.0 million;
- **Depreciation and amortization** down by 3.3% or P28.0 million;
- **Miscellaneous expenses** jumped by 13.3% or P286.0 million largely due to higher credit card-related expenses and increase in regulatory fees and other volume-driven expenses.

Tax Expense was lower by 10.4% or P69.0 million in line with the lower income year on year.

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

Commitments and Contingent Liabilities

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

There are also no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

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

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **RIZAL COMMERCIAL BANKING CORPORATION**

Date **May 10, 2024**

EUGENE S. ACEVEDO
President & CEO

FLORENTINO M. MADONZA
FSVP, Head-Controllership Group

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

RIZAL COMMERCIAL BANKING CORPORATION
Aging of Other Receivables
As of March 31, 2024
(Amounts in Millions of Philippine Pesos)

	1 - 90 days	91 - 180 days	181 -1 year	Over 1 year	Total	Allowance	Net
Accounts Receivable	3,761.0	186.7	344.6	880.9	5,173.2	1,359.8	3,813.4

Annex "C"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S S.

CERTIFICATION

I, **GEORGE GILBERT G. DELA CUESTA**, incumbent Corporate Secretary of the Rizal Commercial Banking Corporation (the "Bank"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City, do hereby certify that, to the best of my knowledge, none of the directors and officers listed in the Information Statement work in government.

IN WITNESS WHEREOF, I have hereunto signed this Certification this MAY 0 2 2024 at Makati City, Philippines.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 0 2 2024 at Makati City, affiant **GEORGE GILBERT G. DELA CUESTA** who is personally known to me exhibiting to me his .

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Page No. 36
Book No. 703
Series of 2024.

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No. 1
IBP No. :
ROLL NO.
MCLE Compliance V
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

Annex "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JUAN B. SANTOS,** Filipino, of legal age and a resident of , after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of the Rizal Commercial Banking Corporation and have been its Independent Director since November 2, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
St. Luke's Medical Center	Trustee	August 2005 to present
SunLife Grepa Financial, Inc.	Independent Director*	October 2006 to present
Allamanda Management Corp.	Director	January 2000 to present
House of Investments, Inc.	Independent Director*	October 2014 to present
PHINMA Corporation	Independent Director*	December 2018 to present
RCBC Trust Corporation	Chairperson / Ind. Director	January 2024 to present
Marsman-Drysdale Group	Consultant	September 2007 to present
East-West Seed Co. Inc. (Phils.)	Advisory Board	2008 to present
Mitsubishi Motor Phil. Corp.	Advisory Board	January 2015 to present

*Recently appointed as Lead Independent Director.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding <u>or</u> I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not in government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 30 2024 at Makati City.

JUAN B. SANTOS
Affiant

SUBSCRIBED AND SWORN to before me this APR 30 2024 at Makati City, affiant who is personally known to me, appeared before me and exhibited to me his

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No.
IBP No.
ROLL NO.
MCLE Compliance
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

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Series of 2024.

Annex "D-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, GABRIEL S. CLAUDIO, Filipino, of legal age and a resident of , ', after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of the Rizal Commercial Banking Corporation and have been its Independent Director since July 25, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Conflict Resolution Group Foundation (CORE)	Director	Sep-10 to present
Toby's Youth Sports Foundation	Director	Mar-11 to present
Ginebra San Miguel, Incorporated	Director	Jun-11 to present
Risk & Opportunities Assessment Management	Vice Chairperson	Nov-11 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding <u>or</u> I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not in government service/affiliated with a government agency or GOCC.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 3 0 2024 at Makati City.

GABRIEL S. CLAUDIO
Affiant

SUBSCRIBED AND SWORN to before me this APR 3 0 2024 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me his

Doc. No. 97
Page No. 19
Bock No. 303
Series of 2024.

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No.
IBP No.
ROLL NO.
MCLE Compliance
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

Annex "D-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **VAUGHN F. MONTES,** Filipino, of legal age and a resident of :), after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since September 26, 2016.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Center for Excellence in Governance	Director	2016 to present
Foundation for Economic Freedom	Founding Fellow/Trustee	2014 to present
RCBC Trust Corporation	Independent Director	2024 to present
Institute for Corporate Directors	Teaching Fellow - Corporate Governance	2015 to present
Asian Institute of Management	Adjunct Faculty Member	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
State offense investigated (suit filed against all DBP Directors)	Office of the Ombudsman (July 2015 complaint re GCG-approved bonuses given to more than 2,200 DBP employees)	Pending. There has been no action on the case by the Ombudsman ever since the complaint was filed in 2015.

6. I am not in government service/affiliated with a government agency or GOCC. I was, however, a national consultant on Public Private Partnerships (PPP) Risk Management to Department of Finance/Bureau of Treasury (from December 2011 to November 2016) and was a national consultant on PPP Risk Management to the National Economic Development Authority/PPP Center (from February 2012 to October 2023), both under the Asian Development Bank Technical Assistance Grant on PPP Program. The posts are appointive and part-time.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of APR 30 2024 at Makati City.

VAUGHN F. MONTES
Affiant

SUBSCRIBED AND SWORN to before me this day of APR 30 2024 at Makati City, affiant, who is personally known to me, appeared before me, and exhibited to me his).

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Book No. 707
Series of 2024.

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No.
IBP No.
ROLL
MCLE Compliance
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

Annex "D-3"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LAURITO E. SERRANO,** Filipino, of legal age and a resident of

, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of the Rizal Commercial Banking Corporation and have been its Independent Director since March 20, 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MRT Development Corporation	Director	July, 2013 to present
Axelum Resources Corp.	Independent Director	April, 2017 to present
Anglo Philippine Holdings Inc	Independent Director	June 2021 to present
Premium Leisure Corporation	Independent Director	April 2023 to present
RCBC Trust Corporation	Independent Director	January 2024 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding <u>or</u> I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not in government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 0 2 2024 at Makati City.

LAURITO E. SERRANO
Affiant

SUBSCRIBED AND SWORN to before me this MAY 0 2 2024 at Makati City, affiant who is personally known to me appeared before me and exhibited to me his

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No.
IBP No.
ROLL NO.
MCLE Compliance
21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

Doc. No. 1749
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Book No. 707
Series of 2024.

Annex "D-4"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ERIKA FILLE T. LEGARA,** Filipino, of legal age and a resident of , after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of the Rizal Commercial Banking Corporation and have been its Independent Director since July 25, 2022.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Asian Institute of Management	Associate Professor of Data Science	July 2017 to present
	Program Director - Master of Science in Data Science (Aboitiz School of Innovation, Technology, and Entrepreneurship)	July 2017 to present
	Deputy Director and Senior Scientist - Analytics, Computing, and Complex Systems laboratory	November 2017 to present
	Aboitiz Chair in Data Science	May 2019 to present
Cortex Innovations Corporation	Director	May 2023 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding <u>**or**</u> I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not currently in government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 30 2024 at Makati City.

ERIKA FILLE T. LEGARA
Affiant

SUBSCRIBED AND SWORN to before me this APR 30 2024 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me her

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No.
PTR No.
IBP No.
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21st Floor Yuchengco Tower 2, RCBC Plaza
6819 Ayala Avenue, Makati City

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Series of 2024.

Annex "E"

RIZAL COMMERCIAL BANKING CORPORATION
Minutes of the Annual Stockholders' Meeting
(For approval of the Stockholders at the 2024 Annual Stockholders' Meeting)

Date	:	**3 July 2023**
Time	:	**4:00 PM**
Place	:	Virtual Meeting https://www.rcbc.com/ASM2023

Pursuant to notices served to all stockholders, the Annual Stockholders' Meeting of Rizal Commercial Banking Corporation (the "Bank") was held on July 3, 2023 at 4:00 PM and conducted virtually via https://www.rcbc.com/ASM2023.

Chairperson Helen Y. Dee presided over the meeting, while the Corporate Secretary, Atty. George dela Cuesta, recorded the proceedings. The Chairperson welcomed and thanked the shareholders who joined the live webcast. She then introduced those who are joining her in the meeting in person, Mr. Eugene Acevedo, President and CEO, and Atty. dela Cuesta.

The other members of the Board of Directors and other officers of the Bank and representatives of Punongbayan & Araullo were in attendance through the live webcast. (The list of directors and officers of the Bank present is hereto attached as *Annex "A"* and made an integral part of the minutes.)

The Chairperson asked the Corporate Secretary whether the stockholders have been duly notified and whether there was quorum for the transaction of business.

I. Proof of Notice — The Corporate Secretary explained that notices for the meeting were duly served to all stockholders of record as of June 1, 2023 in three ways as allowed by prevailing SEC Rules and Circulars: (a) by posting on the Bank's website, (b) by disclosure in the Philippine Stock Exchange (PSE), and (c) by publication for 2 consecutive days on June 1 and June 2, 2023, in the print and online business section of two newspapers of general circulation, namely The Philippines Star and Manila Bulletin. (The list of stockholders as of Record Date June 1, 2023 is hereto attached as *Annex "B"* and made an integral part of the minutes.)

II. Quorum — The Corporate Secretary reported that stockholders owning a total of 1,721,294,190 common and preferred shares representing 84.47% of the total outstanding common and preferred shares entitled to vote were present. (The list of stockholders who were present is hereto attached as *Annex "C"* and made an integral part of the minutes.)

The Corporate Secretary certified the presence of a quorum and the Chairperson declared the agenda open for deliberation.

III. Instructions on Rules of Conduct and Procedures — The Chairperson said that while the meeting is being held in a virtual format, the Bank strove to provide the shareholders the opportunity to participate in the meeting.

The Corporate Secretary reported that the rules of conduct and voting procedures are set forth in the Notice of the Annual Stockholders' Meeting. He highlighted the following points:

1. Only Stockholders who notified the Bank by email at RCBC-ASM-2023@rcbc.com until 5:00 p.m. of June 25, 2023 and who duly registered by email are allowed to access the virtual meeting at https://www.rcbc.com/ASM2023.

2. Only those who registered were allowed to send their questions or comments on the agenda items to CorSecRCBC@rcbc.com. And only those questions the Bank received by 5:00 pm of June 30, 2023 were considered for the open forum at the stockholders' meeting.

3. The Bank will reply by email to questions and comments it received, if any, after June 30 up to 4 p.m. of July 3, 2023.

The process for stockholders to ask questions was provided in the Procedure for the Annual Stockholders' Meeting attached to the Definitive Information Statement.

4. As indicated in the ballot for the voting of shareholders, there are six resolutions proposed for approval by the stockholders in the meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

5. Stockholders or their representative cast their votes on the proposed resolutions by completing, dating, signing and sending the form to the Bank via RCBC-ASM-2023@rcbc.com together with the stockholder's registration mail by 5:00 P.M. of June 25, 2023. If the name of the proxy is not specified, the stockholder shall be deemed as having appointed the Chairperson as proxy.

6. The Bank has tabulated the votes cast after the end of the proxy validation process. Those votes are from stockholders representing 84.47% of the total outstanding shares.

To count and/or validate the votes of the meeting, the Bank has engaged an independent party, Punongbayan & Araullo.

The Definitive Information Statement and the Explanation of Agenda Items also provides that (1) only stockholders of record at close of business on June 1, 2023 will be entitled to participate and vote at the meeting or any adjournment thereof; (2) only duly registered stockholders shall be counted for purposes of quorum; and (3) where no specific instruction is clearly indicated in any, some or all of the items specified in the proxy form/ballot form, the vote shall be deemed as a vote "FOR" with respect to proposal 1 to 6 (*i.e.*, Items IV to VII and IX hereof) in the forms and "FOR ALL" with respect to proposal 7 (*i.e.*, Item VIII hereof) in the forms.

IV. **Approval of the Minutes** — The Chairperson explained that an electronic copy of the minutes is available on the website of the Bank and was attached to the Definitive Information Statement.

The Corporate Secretary reported that Management is proposing the adoption of Resolution No. 23-01 (as shown below) and that stockholders representing 1,721,294,190 shares or 100% of the votes cast, voted in favor of approval of the minutes of the Annual Stockholders' Meeting held on June 27, 2022. Accordingly, the following resolution was approved:

Resolution No. 23-01

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify the Minutes of the Annual Stockholders' Meeting held on June 27, 2022, copies of which are posted on the Bank's website, and attached to the Definitive Information Statement."

V. <u>Approval of the Annual Report and Audited Financial Statements for 2022</u> — The Annual Report and the 2022 Audited Financial Statements of the Bank, copies of which are available at the Bank's website, the PSE Edge and which were also attached to the Definitive Information Statement, were explained and submitted to the stockholders for approval.

The Annual Report together with the Definitive Information Statement includes, among others, the following matters: (a) an explanation of the dividend policy and dividend payments; (b) material information on the current stockholders and their voting rights; and (c) a detailed, descriptive and balanced assessment of the Bank's performance. The duly signed and certified Audited Financial Statements also includes a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.

Mr. Acevedo presented his report to the stockholders. He started his report by highlighting that 2022 started in a fundamentally good form as GDP increased to 7.6%. He however pointed out that by March, the global risk environment was markedly different as the Russia-Ukraine war compounded pandemic-related economic challenges with rising inflation and supply chain disruption. He said that global inflation led to hawkish monetary policy, and prompted the BSP to hike policy rates to 5.5% by the end of the year.

He proudly reported that amid the increasingly volatile environment, 2022 turned out to be the brightest year ever for RCBC as the Bank's bottom line hit P12.1 Billion from P7.1 Billion in 2021 — a 71% leap.

Mr. Acevedo explained that this resulted in a return on equity of 11.2%, while return on assets improved to 1.2%. Income from the core business or net interest income reached P31.2 Billion while other income stood at P13.2 Billion. In total, the Bank generated P44.5 Billion in gross income, higher by 24%, year-on-year.

He provided that the Bank continued to build a healthy earning asset portfolio, with a compound annual growth rate (CAGR) of 25% since 2020. The Bank's earning assets rose by 23% in 2022. He also shared that deposits grew by 27%, which is faster than the 12% industry average, loans to small and medium enterprises (SMEs) increased by 15%, and credit card receivables expanded by 41%, and investment securities climbed by 70%.

Mr. Acevedo highlighted that by the end of 2022, RCBC had P1.2 Trillion in total resources and emerged as the fifth-biggest privately owned bank in the country.

He further stressed that the Bank managed to further improve its asset quality. The Bank's net NPL ratio was at 2.0% in 2022.

He reported that the Bank's capital ratios remained well above regulatory requirements with capital adequacy ratio at 15.29%, while CET 1 ratio was at 12.33%.

Mr. Acevedo mentioned that Sumitomo Mitsui Banking Corporation is set to acquire an additional 15.0% stake in RCBC. He explained that once completed, it will increase the Bank's capital by an additional P27.0 Billion.

Driving the Bank's numbers in 2022 was the organic expansion in its core assets. In the consumer segment, RCBC managed to position ahead for Filipinos' "revenge" travel and spending by successfully transforming its credit cards business. The Bank launched new products and refreshed the brand to RCBC Credit Cards while reengineering both the customer interaction and the back office. He emphasized that this led to a faster-than-industry growth of 40% in billings and a record-high card usage of P96.5 Billion, 61% higher than the previous year.

To support the economic recovery, RCBC stepped up its SME and commercial lending, especially in the provinces and areas outside Metro Manila where the Bank tapped into high-growth SME sectors, such as cooperatives. The Bank continued to reach out to more Filipinos, especially the unbanked and underserved segment, through its pioneering digital initiatives. RCBC Digital, DiskarTech, and ATM Go recorded higher digital transactions, with gross transaction value increasing by 41%, year-on-year.

In addition to these digital initiatives, RCBC opened 30 new branches and intensified its marketing and sales efforts to target the affluent and high net worth customers. After just three months of operations, many of these branches have already reached the P100.0 Million mark in CASA deposits.

Beyond these initiatives, the Bank realized it needs to prepare for a future where there will be constant pressure to further improve the Bank's operational resiliency and technological capabilities. To meet these demands, RCBC needs to be more driven — and not just in purpose and in spirit.

He said that RCBC has to be a highly data-driven organization in order to ensure its sustainability and the Bank sees three areas where data analytics can play a critical role in this regard. One is in knowing the real state of the Bank's business and how it stack up against its key metrics. Second is innovation as the Bank can no longer rely on historical information alone to predict future outcomes. The Bank has to use data analytics to 'nowcast' and unlock opportunities. Finally, data analytics helps RCBC listen to the customer's pulse so it can provide better and more relevant customer experience.

Because of data analytics RCBC has become a more resilient organization that is prepared to tackle the challenges that lie ahead. He, however, stressed that the Bank's growth very much depends on the state of the economy and society. For the Bank to be in a better position to lead, it must also show the way when it comes to addressing the bigger challenges that could affect its sustainability.

In 2022, the Bank became the first local bank to adopt quantitative global climate risk analysis tools to address climate change through its participation in the Partnership for Carbon Accounting Financials and the use of the Paris Agreement Capital Transition Assessment tool. RCBC continued to develop and issue sustainable financing instruments to support projects with clear environmental and social benefits. Since 2019, RCBC has issued USD1.4 Billion worth of sustainable financing instruments.

The Bank enabled its customers to support its advocacy by launching the country's first green time deposit to promote environmental awareness while saving funds. He assured that the Bank's commitment to sustainability will remain strong as it continues to embed Environmental, Social, and Governance principles into the business.

Looking ahead, he said that the world will continue to be uncertain. He explained that the risk of U.S. recession could dampen economic recovery, while other geopolitical risks remain. He revealed that the Bank expects economic recovery to continue, while still on the lookout for the lag effects of higher inflation and any signs of COVID-19 resurgence. While 2022 was an exciting year for RCBC for many reasons, the Bank's journey and commitment to reaching out to as many Filipinos and providing the best customer experience remains never-ending.

To become a leader in the Bank's industry is important, but it is not RCBC's end goal. The goal is to wake up one day knowing RCBC has enriched lives and its customers remember who their partner was along the way.

Mr. Acevedo then thanked each and every RCBC Banker, RCBC's customers who have trusted it through generations, and its shareholders and Board of Directors for the purposeful collaboration and teamwork. He assured them by saying, "We are leading forward and getting there."

The Chairperson thanked Mr. Acevedo for his report.

The Corporate Secretary reported that Management is proposing the adoption of Resolution No. 23-02 (as shown below) and that the stockholders representing 1,721,294,190 shares or 100 % of the votes cast, voted in favor of the approval of the Bank's Annual Report and its Audited Financial Statements for the year 2022. Accordingly, the following resolution was approved:

Resolution No. 23-02

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve the Annual Report and Audited Financial Statements of the Bank for the year 2022."

VI. **<u>Ratification of actions of the Board of Directors, different Committees and Management</u>** — The next item considered was the ratification of the actions of the Board of Directors, the different Committees and Management of the Bank from June 27, 2022 to the date of the meeting. The Corporate Secretary described the transactions subject of the ratification.

Thereafter, he presented Resolution No. 23-03 (as shown below) and reported that stockholders representing 1,613,418,548 shares or 93.73% of the votes cast voted in favor of the approval, confirmation and ratification of the actions of the Board of Directors, the different Committees and the Management from June 27, 2022 to July 3, 2023. Accordingly, the following resolution was approved:

Resolution No. 23-03

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify, the actions of the Board of Directors, different Committees and Management from June 27, 2022 to July 3, 2023."

VII. **<u>Confirmation of Significant Transactions with DOSRI and Related Parties</u>** — The confirmation of significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management of the Bank from June 27, 2022 to July 3, 2023 was then considered.

The Corporate Secretary reported that significant transactions with DOSRI and related parties for the year 2022 include: loans/receivables and deposit liabilities; trading of investment securities; sale of ATY Centre to ATYC, Inc., increase in shareholding of Sumitomo Mitsui Banking Corporation (sale of 213,437,248 common stock held as treasury shares in the Bank and issuance of 168,619,976 authorized and unissued common stock of the Bank to Sumitomo Mitsui Banking Corporation) (although without capital infusion as of report date), lease contracts with RCBC Realty Corporation and sub-lease agreements with subsidiaries for occupancy in the RCBC Plaza; various service agreements with RCBC

Bankard Services Corporation, RCBC Forex Brokers Corporation, RCBC Capital Corporation, RCBC Securities, Inc., Rizal Microbank, Inc. – A Thrift Bank of RCBC, RCBC Leasing and Finance Corporation, Niyog Property Holdings, Inc., and RCBC International Finance Limited; agreement with RCBC Rental Corporation for the financing of 1,600 new ATMs.

The subject transactions include the administration and management of the retirement funds of some of the subsidiaries; service agreements, leasing office premises to subsidiaries, accreditation of RCBC Trust agent and of insurance companies, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances). He stressed that all transactions are at arms' length.

Details of said related party transactions were disclosed in the Bank's SEC 17-A Report which is also available on the Bank's website. These were also provided in the Annual Report together with the Definitive Information Statement.

The Corporate Secretary then presented Resolution No. 23-04 (as shown below) and reported that stockholders representing 1,721,294,190 shares or 100% of the votes cast, voted in favor of the approval, confirmation and ratification of the significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management from June 27, 2022 to July 3, 2023. Accordingly, the following resolution was approved:

Resolution No. 23-04

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify, the significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management from June 27, 2022 to July 3, 2023, including the sale of 213,437,248 common stock held as treasury shares in the Bank and issuance of 168,619,976 authorized and unissued common stock of the Bank to Sumitomo Mitsui Banking Corporation."

VIII. **<u>Election of Directors</u>** — The next item in the Agenda was the election of Directors of the Bank for the year 2023-2024. Before the election, the Corporate Secretary reported to the stockholders the annual compensation of each of the directors. He explained that the Bank is sharing the information in compliance with Corporate Governance Regulations of the SEC and the Revised Corporation Code.

Thereafter, the Corporate Secretary presented the names of the following stockholders duly nominated as members of the Board of Directors for the ensuing term:

As Regular Directors

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

As Independent Directors

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

The Corporate Secretary reported that the Bank's Corporate Governance Committee has ascertained that all the nominees for directors are qualified to serve as directors of the Bank, and that all the nominees have given their consent to their respective nominations.

The Corporate Secretary reported that each of the fifteen nominees for director has garnered at least 99.995% of the votes cast and consequently certified that each of the nominees has received sufficient votes for election to the Board of Directors of the Bank.

As verified and tabulated by independent third party Punongbayan & Araullo, the votes for the directors were as follows:

	FOR	PERCENTAGE
1. Ms. Helen Y. Dee	1,721,294,190	100.00%
2. Mr. Cesar E.A. Virata	1,721,294,190	100.00%
3. Mr. Eugene S. Acevedo	1,721,294,190	100.00%
4. Mr. Gil A. Buenaventura	1,721,294,190	100.00%
5. Mr. Armando M. Medina	1,721,294,190	100.00%
6. Mr. John Law	1,721,294,190	100.00%
7. Mr. Shih-Chiao (Joe) Lin	1,721,214,790	99.995%
8. Mr. Arnold Kai Yuen Kan	1,721,294,190	100.00%
9. Atty. Lilia B. De Lima	1,721,214,790	99.995%
10. Ms. Gayatri P. Bery	1,721,294,190	100.00%
11. Mr. Juan B. Santos	1,721,294,190	100.00%
12. Mr. Gabriel S. Claudio	1,721,294,190	100.00%
13. Mr. Vaughn F. Montes	1,721,294,190	100.00%
14. Mr. Laurito E. Serrano	1,721,294,190	100.00%
15. Ms. Erika Fille T. Legara	1,721,294,190	100.00%

Accordingly, the following resolution was approved:

Resolution No. 23-05

"BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders duly elected the members of the Board of Directors of the Bank as named hereunder, to hold office for a term of one year until their successors shall have been duly elected and qualified:

As Regular Directors:

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

As Independent Directors:

11. Mr. Juan B. Santos
12. Mr. Gabriel S. Claudio
13. Mr. Vaughn F. Montes
14. Mr. Laurito E. Serrano, and
15. Ms. Erika Fille T. Legara"

IX. <u>Appointment of External Auditor</u> —Punongbayan & Araullo was proposed to be re-appointed as auditor of the Bank for the year ending December 31, 2023.

Management is proposing the adoption of Resolution No. 23-06 (as shown below). The Corporate Secretary reported that stockholders representing 1,721,294,190 shares or 100% of the votes cast, voted in favor of the approval of the re-appointment of Punongbayan & Araullo as auditor of the Bank for the fiscal year 2023. Accordingly, the following resolution was approved:

Resolution No. 23-06

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders approve that the services of Punongbayan & Araullo be retained as External Auditor of the Bank for the fiscal year 2023."

X. <u>Other Matters</u> — The Chairperson asked if there were questions or comments received from the stockholders. The Corporate Secretary informed the Chairperson that there were no questions received from the stockholders.

XI. <u>Adjournment</u> — There being no other business to transact, the meeting was adjourned at 04:28 P.M.

Attachments:

1. The list of directors and officers of the Bank present is hereto attached as *Annex "A"* and made an integral part of the minutes.
2. The list of stockholders as of Record Date June 1, 2023 is hereto attached as *Annex "B"* and made an integral part of the minutes.
3. The list of stockholders who were present is hereto attached as *Annex "C"* and made an integral part of the minutes.

ANNEX "A"

LIST OF DIRECTORS and OFFICERS PRESENT
RIZAL COMMERCIAL BANKING CORPORATION
ANNUAL STOCKHOLDERS MEETING: JULY 3, 2023

Helen Y. Dee
Cesar E.A. Virata
Eugene S. Acevedo
Gil A. Buenaventura
Armando M. Medina
John Law
Shih-Chiao (Joe) Lin
Arnold Kai Yuen Kan
Lilia B. De Lima
Gayatri P. Bery
Juan B. Santos
Gabriel S. Claudio
Vaughn F. Montes
Laurito E. Serrano
Erika Fille T. Legara
Yvonne Yuchengco (Advisory Board)
Hiroki Nakatsuka (Advisory Board)
Francis Laurel (Advisory Board)
Ma. Christina P. Alvarez
Redentor C. Bancod
Ma. Pamela Katrina M. Cabudoy
Elizabeth E. Coronel
Ramil M. De Villa
George Gilbert G. Dela Cuesta
Sheila Ricca G. Dioso
Brent C. Estrella
Richard C. Lim
Florentino M. Madonza
Jane N. Mañago
Emmanuel T. Narciso
Maria Cecilia F. Natividad
Alberto N. Pedrosa
Robert Rol Richard Raymond B. Ramos
Bennett Clarence D. Santiago
Rowena F. Subido
Juan Gabriel R. Tomas IV
Angeluz B. Torres-Guerzon
Angelito M. Villanueva
Arniel Vincent B. Ong (Head of subsidiary)
Raymundo C. Roxas (Head of subsidiary)
Jose Jayson L. Mendoza (Acting President of subsidiary)
John Thomas G. Deveras (consultant)
Horacio E. Cebrero III (consultant)
Liza Marie G. Vengco
Jahzeel M. Sartillo-Buenaventura
Keith Lorraine Z. Ona
Dino V. Yason
Joyce Corine O. Lacson
Maria Cecilia V. Chaneco-Lonzon

COMMON SH NAME	OUTSTANDING SHARES	PERCENTAGE
GONZALES, ESTHER ESMENA	115.00	0.000006
MANAPAT, CARLOS B.	477.00	0.000023
LIM, CELY S.	1,150.00	0.000056
OMENGAN JR., VICENTE U.	699.00	0.000034
LI, SANDRA	150.00	0.000007
TAN, CARIDAD K.	7,066.00	0.000347
ALPAPARA, WILSON	481.00	0.000024
ERIC VERBO &/OR ANGELITA VERBO	29.00	0.000001
MARTIN, LYONELL	135.00	0.000007
MUNOZ, MILADY	910.00	0.000045
ANG YEE TIM	120.00	0.000006
DIAZ, AIDA GARCIA	345.00	0.000017
PASCUA, ERLINDA A.	202.00	0.000010
REGINA CAPT DEVT CORP/001081	333.00	0.000016
ROBLES, MARIO J.	489.00	0.000024
ALPAPARA, WILSON	212.00	0.000010
CHIN, JIMMY NG ENG	1,169.00	0.000057
CHUAN, MANUEL CO SING	450.00	0.000022
LIM, ERNNIE P,	30.00	0.000001
TIU, GRACE L.	834.00	0.000041
QUERUBIN, CRISOSTOMO	880.00	0.000043
YEO, MICHAEL	495.00	0.000024
VENUS, ALEXANDER	14.00	0.000001
ELMAR PANOPIO &/OR RUBY PANOPIO	44.00	0.000002
TANG, SAMUEL U. DY	169.00	0.000008
JALOCON, BLESILDA G.	16.00	0.000001
DAGANDAN, VIRGINIA A.	239.00	0.000012
VALIANT CARE SYSTEM CORP.	67.00	0.000003
GO, MIGUELA SY	2,848.00	0.000140
WEE, BENITA	849.00	0.000042
TONY CO &/OR HERBERT CO	33.00	0.000002
PO, JOSE	91.00	0.000004
CARMENCITA PAJARILLO &/OR CEZAR P. PAJARILLO	995.00	0.000049
SARABIA, MARIETTA	30.00	0.000001
CUBILLAN, JACINTO	125.00	0.000006
POA LIM &/OR BRYAN LIM	75.00	0.000004
DIAZ, CATHERINE P.	30.00	0.000001
ESMANE, GENARO E.	118.00	0.000006
ALEXANDER D. LO &/OR CARMELITA L. LO	150.00	0.000007
SARABIA, MARIETTA	45.00	0.000002
CHI DANG CO &/OR GREG S. CO	230.00	0.000011
CO, DANIEL S.	230.00	0.000011
JOSE J. LEONARDO &/OR TERESITA LEONARDO	38.00	0.000002
SIA LIM BOON	1,435.00	0.000070
ONGCHINKE, WINSTON	574.00	0.000028
SIA PHOA A HON	5,593.00	0.000275
PEREZ, NICASIO P.	244.00	0.000012
MANZANO, DOMINIC	1,150.00	0.000056
YAP, VICTORIA	519.00	0.000025
VITO, AUGUST CAESAR	425.00	0.000021
ROSA, GABRIEL P. LA	874.00	0.000043

DOBLES, RODOLFO D.	230.00	0.000011
BARENG, JOCELYN D.	30.00	0.000001
FRANCISCO, RUBEN C.	230.00	0.000011
GARCIA, MARIA C.	43.00	0.000002
LIM, MANUEL G.	84.00	0.000004
GAW, TERESITA	575.00	0.000028
ANA, EMMANUEL SAN JUAN STA.	105.00	0.000005
CATHAY SECURITIES CO., INC. A/C#1713	9.00	0.000000
LIM SIN ENG	150.00	0.000007
CELESTINO FRANCISCO B. ALMAZAN II &/OR MARIA JOVIE ANN O. ALMAZAN	931.00	0.000046
ASICO, WINIFREDA B.	169.00	0.000008
UY BEE NGO	230.00	0.000011
YU CHENG KANG	150.00	0.000007
ALFREDO MARTINEZ &/OR ELIZABETH GABRIEL	30.00	0.000001
DALANGIN, RADILLA RAZON	575.00	0.000028
JERUSALEM, DULCESIMA L.	30.00	0.000001
LO, JOHNNY	12,261.00	0.000602
ONG, DOLORES	920.00	0.000045
BALBINO, RUBY B.	420.00	0.000021
AQUINO, ROSALIE A.	858.00	0.000042
SADO, JULIET P.	1,035.00	0.000051
ESTER A. CUEVA &/OR MARY JOYCE A. CUEVA	920.00	0.000045
FERNANDEZ, JOHHNY	1,150.00	0.000056
TRINIDAD, ANGEL	45.00	0.000002
PASCUAL, BENJAMIN S.	175.00	0.000009
LAO, GINA A.	62.00	0.000003
YUOANKEE, PAUL D.	2,355.00	0.000116
MAURICIO A. PIRAMIDE &/OR ALBERTINO B. ALO	43.00	0.000002
DY, BERNABE	1,150.00	0.000056
ONG, JERRY C.	5,795.00	0.000284
KA, JUANA ONG	30.00	0.000001
UY, JULIETA T.	150.00	0.000007
SUGAY, MA. THERESA L.	1,150.00	0.000056
CANIZARES, MANUEL &/OR ANTONIA	1,713.00	0.000084
LACSON, ELIA L.	120.00	0.000006
GURNAMAL, AIL &/OR HARESH	195.00	0.000010
BARRAMEDA, MA. JESUSA O.	15.00	0.000001
DEPAKAKIBO, ARNOLD RAFAEL Y.	460.00	0.000023
LAU KAY CHUNG	60.00	0.000003
TAN, NATIVIDAD L.	575.00	0.000028
UY, ANTONIO	2,300.00	0.000113
GAWTEE, NIDA UY	230.00	0.000011
CHUA, JEANIE A.	52.00	0.000003
LECHIDO, JOAN S.	230.00	0.000011
BORRES, JUN M.	1,495.00	0.000073
PALISOC, MARCELINO N.	1,301.00	0.000064
PEPITO, RUNALDO	75.00	0.000004
CASUPANAN, JANE	230.00	0.000011
LLESOL, MANUEL I.	1,150.00	0.000056
PARAGGUA, RUTHEBBA L.	230.00	0.000011
SANTIAGO, CECILIA ROSEMELI C.	230.00	0.000011

CHUA, VICENTE EUTY	16.00	0.000001
TAN, HUDSON ANG	3,000.00	0.000147
TAN, GEORGE D. &/OR LUZ A.	75.00	0.000004
CONQUEST LINKAGES CORPORATION CCONQ	728.00	0.000036
YEO, MELVISON	1,265.00	0.000062
TANUNLIONG, ERWIN T.	839.00	0.000041
CHUA BON PEN	1,950.00	0.000096
TONY CO &/OR KENNETH CO	75.00	0.000004
YANG, YLAINE DEE	230.00	0.000011
DULALIA, ELIAS D.	115.00	0.000006
LIBI, MADEILINE TAN	150.00	0.000007
SO, HELEN C.	1,952.00	0.000096
ERFELO, ANABELLE M.	63.00	0.000003
AMANDA M. PADILLA A/C CPADIAMA	718.00	0.000035
BIANCA M. PADILLA A/C CPADIBIA	718.00	0.000035
ERICA M. PADILLA A/C CPADIERI	718.00	0.000035
PATRICK M. PADILLA A/C CPADIPAT	93.00	0.000005
MAURO BRAVO JR. &/OR ANDRELIE BRAVO	90.00	0.000004
ACOSTA, EVELYN M.	84.00	0.000004
ANG, JONATHAN ONG	230.00	0.000011
SORIANO, GINA C.	690.00	0.000034
SAY, ELIZABETH C.	115.00	0.000006
GATCHALIAN, EMERITA &/OR CECILIA RIVERA	230.00	0.000011
OQUIAS, JOCELYN LIM	5,750.00	0.000282
FRANCIS I. SALVADOR ITF JOSE LEANDRO F. SALVADOR	1,150.00	0.000056
MARCELO SOYAO &/OR ETHEL M. ITF MA. RCHELO SOYAO	30.00	0.000001
RODOLFO V. LIM &/OR NGA BIN C. LIM	92.00	0.000005
QUITORIANO, ALEJANDRO R.	188.00	0.000009
BARRAMEDA, ALEXANDER O.	115.00	0.000006
BALMES, GREGORIA ACLAN	115.00	0.000006
LAZA, ROSSAMANTHA C.	172.00	0.000008
SHAN SHAN LAM	1,035.00	0.000051
LEE, VICTORIA GO	1,150.00	0.000056
OMENGAN, IGNACIO U.	2,070.00	0.000102
TANG, EDMUND U. DY	150.00	0.000007
CATHAY SECURITIES CO., INC. A/C 2703	575.00	0.000028
CUYUGAN, VIRGINIA A.	131.00	0.000006
CANLAS, MA. VICTORIA JOSEFA R.	112.00	0.000005
QUEZON CITY ACADEMY	39,840.00	0.001955
BRAVO, OFELIA C.	2,816.00	0.000138
INFANTADO, GRACE JUMIG	805.00	0.000040
CHUA, ALVIN G.	129.00	0.000006
SIY, WILLY	345.00	0.000017
MONTEVERDE, MANUELITO C.	65.00	0.000003
CHOI, ANITA	300.00	0.000015
QUERUBIN, EILYN O.	460.00	0.000023
PUNZALAN, JAIME C.	575.00	0.000028
BERMEJO, MARISSA V.	1,548.00	0.000076
LOPEZ, ADORA A.	84.00	0.000004
MENDOZA, EVANGELINA P.	261.00	0.000013

RAMIREZ, IDA NG	51.00	0.000003
TEMPLANZA, ELIZABETH C.	704.00	0.000035
TADEO, NESTOR E.	1,186.00	0.000058
YANEZA, LOREZA Q.	230.00	0.000011
LIZARONDO JR., FELIX SANTIAGO	632.00	0.000031
VENERACION, MARIA GORDIANA KIM	517.00	0.000025
MANSUKHANI, AJIT K.	235.00	0.000012
LEE, SAMUEL U.	6,511.00	0.000320
LIM, MAYBELLE	2,604.00	0.000128
CAROLYN PASCUAL &/OR JACINTO PASCUAL	8,329.00	0.000409
DIZON, ABELARDO T.	115.00	0.000006
PERDON, FLORECITA B.	158.00	0.000008
SABORNAY, VICENTE A.	690.00	0.000034
TENG, ABELARDO T.	1,050.00	0.000052
JOSE S. BANGAYAN &/OR RAQUEL T. BANGAYAN	2,645.00	0.000130
PIMENTEL, ALBERT C.	87.00	0.000004
FLAMINIANO, ADRIEN REUEL E.	37.00	0.000002
MA. TERESITA BATARA &/OR ANITA BATARA	249.00	0.000012
VILLACORTES, CARMEN N.	26.00	0.000001
CARIG, LEONILA T.	143.00	0.000007
ROCES, IRENE VIOLA DE	301.00	0.000015
CASELA, PETRONILA A.	117.00	0.000006
DELARIARTE, MICHAEL L.	1,207.00	0.000059
SALCEDO, EDGARDO M.	575.00	0.000028
SANTOS, RAUL L.	435.00	0.000021
LAO, JOHN T.	2,201.00	0.000108
CARINO, NESTOR C.	450.00	0.000022
LANUZA, ROGELIO A.	129.00	0.000006
GUSAYKO, MARIA CHUA	16.00	0.000001
MELENDEZ, ALFREDO V.	455.00	0.000022
MERCADO, BRANDO	115.00	0.000006
PADILLA, JOCELYN T.	244.00	0.000012
ESPARAGOZA, ROWENA TEVES	75.00	0.000004
LOQUELLANO, ROSALIE TEVES	749.00	0.000037
ABABAT, ROSEMARIE TEVES	182.00	0.000009
MERCADO, GRACE	150.00	0.000007
VICENTE TE &/OR BETTY TE	864.00	0.000042
HUI TIN WAI	197.00	0.000010
MACABASCO JR., CORNELIO M.	575.00	0.000028
LIM, JACOB G.	1,725.00	0.000085
LIM, TIMOTHY G.	1,725.00	0.000085
GUZMAN, AGNES	7.00	0.000000
DELFIN LETRAN &/OR DAVID JOE KEE SI	3,000.00	0.000147
MARTINEZ, ANTONIO C.	431.00	0.000021
ASIA METAL TRADING CORPORATION	1,050.00	0.000052
DALIVA, MA. LILIAN D. L.	15.00	0.000001
QUA, RAFAEL MARIA	23.00	0.000001
GUZMAN, MA. TERESITA DE	345.00	0.000017
TAN, WILLIAM LUY	300.00	0.000015
DIAZ, EMMANUEL	1,150.00	0.000056
YU, SILVESTRE &/OR KAREN GEMMEL	575.00	0.000028
LIM, JOSEFITO	300.00	0.000015

LUMANTAS, NEIL /MARIO PELISCO	460.00	0.000023
MONTANTE, CONCHITA I.	73.00	0.000004
SANTOS, RONALDY S.	15.00	0.000001
JESUS, MILDRED H. DE	90.00	0.000004
LIM, DIOMEDES G.	39.00	0.000002
PANTALEON, VIRGINIA	73.00	0.000004
TAN, ALFREDO	516.00	0.000025
DIAZ, RICARDO L.	6.00	0.000000
ALVAREZ, RODERICK ALAIN	115.00	0.000006
ESTRADA, FRANCIS G.	3.00	0.000000
LAUREL, FRANCIS	2.00	0.000000
FERNANDEZ-ESTAVILLO, MA. CELIA H.	18.00	0.000001
HANS YAP HWANG	833.00	0.000041
RAMOS, CAROLYN	129.00	0.000006
PO, VICTORIA L.	1,495.00	0.000073
MARTINEZ, CARMEN R.	750.00	0.000037
OSMENA, ISABEL	15.00	0.000001
SANCHEZ, WILFRIDO E.	1.00	0.000000
SALOM, R. JOHN CHRISTOPHER J.	874.00	0.000043
SALOM, H.J. ADELEEN FRANCES J.	874.00	0.000043
IMEE T. ESTABILLO &/OR NIKKA DENESSE E. QUINSAAT	115.00	0.000006
YUCHENGCO, YVONNE S.	1.00	0.000000
EIZMENDI, FRANCISCO	1.00	0.000000
OCAMPO, ROBERTO DE	1.00	0.000000
VEA, REYNALDO	1.00	0.000000
AU, OWEN NATHANIEL AU ITF: LI MARCUS	11.00	0.000001
BDO SECURITIES CORP.	1,395.00	0.000068
EIB SECURITIES INC.	12.00	0.000001
ACERO, NICASIO MARIN JR. &/OR ARNOLFO O.	505.00	0.000025
CHAN, SHERWIN CO	25.00	0.000001
CHOA MEI LING	19.00	0.000001
CUBILLAN, JACINTO CU	22.00	0.000001
ESTABILLO, IMEE T.	2.00	0.000000
GUSAYKO ONG, MARIA CHUA	2.00	0.000000
JASMIN, JUANITA S.	12.00	0.000001
RAMIREZ, IDA	9.00	0.000000
TAN, CRESENCIO B.	52.00	0.000003
UY, CO FAY	1,222.00	0.000060
YAP, BENNETH YAP &/OR LIBERATA BASA	2.00	0.000000
CORTEZ, PAULINO A.	10,000.00	0.000491
TEAGUE, CHRISTOPHER IAN	100.00	0.000005
MCCARTHY, ROBERT	100.00	0.000005
YANG JIN LIANG	100,000.00	0.004908
SEC ACCOUNT FAO: VARIOUS CUSTOMERS OF GUOGO SEC (PHILS) INC.	538.00	0.000026
ALINDOGAN JR., ANTONINO	1.00	0.000000
CHARLTON NG ITF KAITLIN CHUA NG	2,000.00	0.000098
CHARLTON NG ITF BENEDICT CHUA NG	2,000.00	0.000098
AMERICAN WIRE & CABLE CO., INC.	20,000.00	0.000982
CHAM TENG HUI	40,000.00	0.001963
TANJUAKIO, NOE AMAGNA	2,777.00	0.000136
TEO, STEPHEN T. TEO &/OR TERESITA R.	3,000.00	0.000147

ALCANTARA, ZENAIDA P. ALCANTARA &/OR LUIS M.	25,000.00	0.001227
DAVID, MARY LYN Y.	1,100.00	0.000054
JULIETA Q. TAGORDA ITF JONAS ALEXIS Q. TAGORDA	82.00	0.000004
SEC ACCOUNT NO. 2 FAO: VARIOUS CUSTOMERS OF GUOCO SECURITIES (PHILIPPINES), INC.	81.00	0.000004
YU, JAMES ONG	100.00	0.000005
EDWIN B. ARCILLA &/OR MINDA GARCIA	200.00	0.000010
CASAMBROS, NEMESIO D. CASAMBROS &/OR PRISCILA D.	500.00	0.000025
RUBIALES, PAUL OBANIANA	300.00	0.000015
YAN, LUCIO W. YAN &/OR CLARA	30,000.00	0.001472
VALENCIA, JESUS SAN LUIS	20.00	0.000001
MAXIMO S. UY &/OR LIM HUE HUA	20,000.00	0.000982
DIPASUPIL, MARGARITA F.	1,382.00	0.000068
HAPI ILOILO CORPORATION	100.00	0.000005
TAN, ROGER KO TAN &/OR MAE ROLEN HING	4,707.00	0.000231
VILLANUEVA, FRANK CHUA	553.00	0.000027
LIM, CHARLIE S.	10,000.00	0.000491
M.J. SORIANO TRADING, INC.	100.00	0.000005
YAO, SHUOBIN	57,000.00	0.002798
YAO, SHUOYU	57,000.00	0.002798
PUEY, MANUEL H.	1,000.00	0.000049
GASPAY, MERLY B.	100.00	0.000005
TALISAYAN, BENITA Z.	1,300.00	0.000064
NAVAS, WINFRED T.	500.00	0.000025
TACUB, PACIFICO B.	2,000.00	0.000098
LIM, NIEVES Q. LIM &/OR CHARIS HONEYLET Q.	1,000.00	0.000049
ANGANGCO, RAOUL R.	10,000.00	0.000491
HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349.00	0.106669
NERA, MEDEL T.	1.00	0.000000
LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574.00	0.003366
SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800.00	1.154800
ONG, JILLIANNE DE JESUS	5,000.00	0.000245
REITERER, ALFRED	1.00	0.000000
BUENAVENTURA, LEOPOLDO E. SAN	250.00	0.000012
NAVARRO, RODEL SY	10.00	0.000000
CBNA MLA OBO AC 6011800001	4.00	0.000000
CHENG, CHARLEY W.	198.00	0.000010
LAW, JOHN	1.00	0.000000
BALADAD, ALFREDO R.	1,300.00	0.000064
ESMANE, CONCHITA E.	790.00	0.000039
LEOPOLDO E. SAN BUENAVENTURA ITF CHARMELYN M. SAN BUENAVENTURA	100.00	0.000005
LEOPOLDO E. SAN BUENAVENTURA ITF LEOPOLDO M. SAN BUENAVENTURA JR.	100.00	0.000005
LEOPOLDO E. SAN BUENAVENTURA ITF MARGHELYC M. SAN BUENAVENTURA	100.00	0.000005

LEOPOLDO E. SAN BUENAVENTURA ITF QUELHMARD M. SAN BUENAVENTURA	100.00	0.000005
LEOPOLDO E. SAN BUENAVENTURA ITF PHOLYMN M. SAN BUENAVENTURA	100.00	0.000005
LEOPOLDO E. SAN BUENAVENTURA ITF MAYRHILYN M. SAN BUENAVENTURA	100.00	0.000005
RAMOS, ELISEA S.	3,234.00	0.000159
VIDAL, CHERRY R.	647.00	0.000032
RAMOS, JOSEPH DAVID S.	647.00	0.000032
RAMOS, ELSIE GRACE S.	647.00	0.000032
BUENAVENTURA, GIL A.	5.00	0.000000
SANTOS, JUAN B.	5.00	0.000000
CLAUDIO, GABRIEL S.	1.00	0.000000
DIOS, ADELITA A. VERGEL DE	1.00	0.000000
ALEXIS CONSORCIO P. PASQUIN	563.00	0.000028
MONTES, VAUGHN F.	5.00	0.000000
SHAREHOLDERS' ASSOCIATION OF THE PHILIPPINES, INC.	100.00	0.000005
DIPASUPIL, CHRISTIAN FANDIALAN	1,000.00	0.000049
HERRERA, NADEZHDA ISKRA F.	200.00	0.000010
ESTERO, FELICITAS DIPASUPIL	1,382.00	0.000068
RICARDO L. DIAZ	42.00	0.000002
LARRGO SECURITIES CO., INC.	12.00	0.000001
JOAQUIN FALGUERA JUNQUERA	380.00	0.000019
SANDRA MARIE R. AGUILAR	3,272.00	0.000161
GISELLE KAREN Y. GO	10,000.00	0.000491
REUEL ALLACAR ALMARIO	2,333.00	0.000115
STEPHEN G. SOLIVEN	38.00	0.000002
LAURITO E. SERRANO	1.00	0.000000
BOTSCHAFT N. CHENG OR SEVILA NGO	1.00	0.000000
SHIH-CHIAO LIN	1.00	0.000000
ARNOLD KAI YUEN KAN	1.00	0.000000
LILIA B. DE LIMA	1.00	0.000000
MANUEL A. SANTIAGO OR ELLA C. SANTIAGO	65,900.00	0.003234
GAYATRI P. BERY	1.00	0.000000
ARMANDO ENERO	2,065.00	0.000101
GERARDO L. SALGADO	8.00	0.000000
REGINA CAPITAL DEV. CORP. 000351	25,098.00	0.001232
ERIKA FILLE T. LEGARA	1.00	0.000000
JOSELITO C. HERRERA	1,000.00	0.000049
MARTIN HARLEY PE SY	520,000.00	0.025522
MATTHEW HARLEY PE SY	520,000.00	0.025522
SAMANTHA MORI PE SY	519,985.00	0.025521
ABAYA, CARLOS MIGUEL Y.	1,905.00	0.000093
ABAYA, JOSE PAOLO Y.	1,905.00	0.000093
ABAYA, MONA LISA Y.	4,496.00	0.000221
ALMARIO, ROBERTO	218.00	0.000011
ALVENDIA, JOSE P.	69.00	0.000003
ALVENDIA, SYLVIA P.	116.00	0.000006
ALVERO, MYRNA A.	1,207.00	0.000059
ANGARA, EDGARDO	13.00	0.000001
ARANETA, ENRIQUE	40.00	0.000002
ARANETA II, GREGORIO	540.00	0.000027
ARCENAL, CELSO R.	1,541.00	0.000076

BARROGA, ANTONIO B.	218.00	0.000011
BORROMEO, MILAGROS N.	13,662.00	0.000671
BUHAY, RICARDO	3,122.00	0.000153
CALADIAO JR., EUSEBIO	3,737.00	0.000183
CHAN, FREDERICK	111,677.00	0.005481
CHANGCO JR., PEDRO	425.00	0.000021
CIPRIANO, BIENVENIDO C.	45,354.00	0.002226
COCHONGCO, CYNTHIA	218.00	0.000011
CUEVA, TELESFORO DELA	540.00	0.000027
DEE, HELEN Y.	438.00	0.000021
DY, TEDDY T.	247.00	0.000012
FRANCO, RENATO V.	540.00	0.000027
GALVAN, FREDESVINDO	540.00	0.000027
GO ENG BOK	23.00	0.000001
GO, JOY MARGARET C.	9,000.00	0.000442
GOLOY, ANTONIO	540.00	0.000027
GOMEZ, ERIBERTO H.	7,252.00	0.000356
GUANZON, HENRY	218.00	0.000011
FLORENTINO HERRERA III & VICTORIA SYCIP IN TRUST FOR AMOR ROSELLE HERRERA	157.00	0.000008
FLORENTINO HERRERA III & VICTORIA SYCIP IN TRUST FOR ANNA CARMINA HERRERA	157.00	0.000008
ILUSTRE, ANGELINA LEILA A.	1,367.00	0.000067
ILUSTRE, GIL A.	1,367.00	0.000067
ILUSTRE, ROMAN V.	1,367.00	0.000067
LEON, HONESTO DE	52.00	0.000003
LIMJUCO, SONIA	14,547.00	0.000714
LOPEZ JR., EDUARDO S.	6,091.00	0.000299
MACEDA, ARTURO F.	80.00	0.000004
MAGBANUA, RENE T.	2,370.00	0.000116
MALLARI, ESPERANZA	364.00	0.000018
MARTINEZ, JOSEFINA H.	4,573.00	0.000224
MARTINEZ, SALVADOR	218.00	0.000011
MEDINA, ARMANDO M.	195.00	0.000010
ALBERT &/OR BERNADETTE &/OR EMMANUEL MENDOZA	2,415.00	0.000119
ANTONIO MOJICA &/OR ZENAIDA MOJICA	1,367.00	0.000067
MONZON, ARTURO T.	32.00	0.000002
PADILLA, ALEXANDER A.	1,550.00	0.000076
PADILLA, MARIE GRACE A.	23.00	0.000001
PADILLA, MARIA ROSARIO A.	23.00	0.000001
PENAOJAS, AZUCENA	10.00	0.000000
PERFECTO, RAFAEL Z.	155.00	0.000008
RAMOS JR., CARLOS	4,689.00	0.000230
REYES, AMANDO	57.00	0.000003
REYES JR., MAURO C.	45,183.00	0.002218
RODRIGUEZ, JOSE MARIA A.	790.00	0.000039
RODRIGUEZ, MARIA ELENA A.	790.00	0.000039
RODRIGUEZ, SANDRA MARIE A.	10.00	0.000000
ROJAS JR., FILADELFO S.	1,139.00	0.000056
ROMAN III, ANGEL	598.00	0.000029
RUBIO, CESAR A.	7,252.00	0.000356
RUFINO, JOSEFINA PADILLA	54,292.00	0.002665

SALES, MERLYN K.	604.00	0.000030
SANCHEZ, AMPARO V.	6,993.00	0.000343
AUGUSTO V. SANCHEZ &/OR FRANCIANINA G. SANCHEZ	34.00	0.000002
MARY LINA SANTIAGO IN TRUST TO DANILO H. &/OR MARIA LINA A. DE SANTIAGO	5,842.00	0.000287
STELLA MARIS SANTIAGO IN TRUST TO DANILO H. &/OR MARIA LINA A. DE SANTIAGO	5,842.00	0.000287
GERALDINE MARIE SANTIAGO IN TRUST TO DANILO H. &/OR MARIA LINA A. DE SANTIAGO	5,842.00	0.000287
SANTOS, JOSE F.	1,307.00	0.000064
SANTOS, SUSANNE Y.	137.00	0.000007
SEGARRA, CONRADO	218.00	0.000011
TAN, ALLEN M.	218.00	0.000011
TANTOCO JR., BIENVENIDO R.	247.00	0.000012
TANTOCO SR., BIENVENIDO R.	247.00	0.000012
TIMBOL, ALEXANDER S.	7,659.00	0.000376
VALDEZ, MANUEL C.	50.00	0.000002
VALENCIA JR., ABELARDO	218.00	0.000011
VILLAMOR, REYNALDO	247.00	0.000012
YIN, ANTHONY WOO PEY	2,748.00	0.000135
GREGORIO YAP JR. &/OR AIDA SANCHEZ	3,239.00	0.000159
YIU, AGUSTINO ONG	218.00	0.000011
YNZON, BENJAMIN DE	40.00	0.000002
YU, EDWARD R.	2,093.00	0.000103
YU, PETER C.	140.00	0.000007
YUCHENGCO, ALFONSO T.	3,997.00	0.000196
YUCHENGCO JR., ALFONSO	261.00	0.000013
ZALDIVAR, MELCHOR P.	20.00	0.000001
A. T. YUCHENGCO, INC.	255,190.00	0.012525
BRIDGESTONE SECURITIES CORPORATION	12,454.00	0.000611
PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	594,248,085.00	29.165852
RCBC TA #75-172	2,900.00	0.000142
RTG & COMPANY, INC.	34.00	0.000002
RUSTAN INVESTMENT AND MANAGEMENT CORPORATION	12,605.00	0.000619
ALAS, CORNELIO DE LAS	114,195.00	0.005605
ALAS, CARLOS DE LAS	114,298.00	0.005610
DONES, VALENTINO M.	70.00	0.000003
JESUS, ZENAIDA D. DE	7,982.00	0.000392
SUAREZ, MARIA LUISA J.	6,716.00	0.000330
RAMIREZ, MARIA SOCORRO J.	7,604.00	0.000373
JESUS, LUIS CONRADO D. DE	7,604.00	0.000373
JESUS, MARCOS RUSTICO D. DE	7,604.00	0.000373
TANADA, CAMILLE F.	110.00	0.000005
TANADA, SUSAN F.	110.00	0.000005
TANADA, ROSALIA F.	110.00	0.000005
TANADA, MELISSA F.	5,623.00	0.000276
CO FAY UY	2,937.00	0.000144
E. CHUA CHIACO SECURITIES, INC.	80.00	0.000004
LAUREL III, JOSE S.	92.00	0.000005
LEGASPI, GRELI S.	80.00	0.000004

GALVEZ, ROSARIO PADILLA	69.00	0.000003
RUFINO, JOSIE PADILLA	92,865.00	0.004558
RODRIGUEZ, SYLVIA A.	13,258.00	0.000651
VIRATA, CESAR E.A.	167.00	0.000008
CHUA, MERCEDES	92.00	0.000005
CO, JUSTINA DY	22,973.00	0.001128
PENA, TEODORO Q.	101.00	0.000005
RCBC TA# 33-472-3	3,260.00	0.000160
ORTIGAS, RAFAEL B.	1,092.00	0.000054
UAL, NESTOR P.	80.00	0.000004
CHIACO, BERNARD S. CHUA	23.00	0.000001
NGO, KENDRICK	7.00	0.000000
EQUITIWORLD SECURITIES, INC.	249.00	0.000012
DINGCO, ANGELITO DELA	11.00	0.000001
RCBC T/A 76-284-9	2,169.00	0.000106
CRUZ, NORLABEL DELA	11.00	0.000001
ZIALCITA, XAVIER	3.00	0.000000
DY, MARCELO T.	1.00	0.000000
PUEY, ANNA CRISTINA	1.00	0.000000
PUEY, ANNA MARIE	3.00	0.000000
PUEY, JOSE ALFONSO	3.00	0.000000
ZARAGOZA, ROSAURO D.	97.00	0.000005
ROSAL, RAYMOND U.	168.00	0.000008
AQUINO, GODOFREDO	57.00	0.000003
ANGPING & ASSOC. SEC., INC. A/C CWEI0000	259.00	0.000013
GISON JR., AMBROSIO M.	57.00	0.000003
ALVENDIA, ESPERANZA	2,265.00	0.000111
SYCIP, JOSE G.	437.00	0.000021
SYCIP, JOHN G.	142.00	0.000007
DIZON, SALVADOR T.	347.00	0.000017
ABELLERA, FELIX	100.00	0.000005
SYCIP, PAUL	57.00	0.000003
BARJA, EDWARD	20.00	0.000001
INVESTORS SECURITIES, INC.	34.00	0.000002
OLAGUER, ROGERIO R.	1,365.00	0.000067
ORIENTAL ASSURANCE CORPORATION	1,966.00	0.000096
EAST ASIA CAPITAL CORPORATION	103.00	0.000005
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	23.00	0.000001
YAP, ROSALINA O.	179.00	0.000009
PNB SECURITIES, INC.	211.00	0.000010
YOUNG, JAMES D.	5,451.00	0.000268
MUKESH S. ADVANI &/OR SITA S. ADVANI	319.00	0.000016
INTRA INVEST SECURITIES, INC.	4,201.00	0.000206
POA LIM &/OR VIVIAN L. TAN	75.00	0.000004
DUHIG, ELSIE T.	150.00	0.000007
DEES SECURITIES CORPORATION	345.00	0.000017
SARABIA, CONDRADO L.	60.00	0.000003
CUBILLAN, ROSALINA C.	127.00	0.000006
FORTUNATO &/OR ARSENIA SY	2,875.00	0.000141
R. COYIUTO SECURITIES, INC.	172.00	0.000008
R.S. LIM & COMPANY, INC.	750.00	0.000037
TORRES, FLORDELIZA G.	115.00	0.000006
VALENZUELA, ELSA	460.00	0.000023

OPTIMUM SECURITIES CORPORATION	2,499.00	0.000123
CANEDA, LUCITA	129.00	0.000006
TORRE, LARA M.	230.00	0.000011
CRUZ, MILAGROS O. DELA	885.00	0.000043
HAO, ANGELINA	60.00	0.000003
LU, RINA U.	115.00	0.000006
WONG WEE SIOK	29.00	0.000001
OCUBILLO, JOSEPHINE F.	105.00	0.000005
CO, BYRON JOHN	437.00	0.000021
CAYABYAB, ROVIL L.	519.00	0.000025
FERNANDEZ, GLORIA S.	650.00	0.000032
HERNARDO, NEL	115.00	0.000006
LEE, WILLY P.	632.00	0.000031
QUIMBO, TERESITA	45.00	0.000002
QUIMBO, VINCENT CHRISTIAN	30.00	0.000001
SINGSON, ANTONIO	22.00	0.000001
TIZO, ALEX	115.00	0.000006
TANLU, JOEMARIE	389.00	0.000019
ALDRIC CHUA &/OR KATHERINE CHUA	405.00	0.000020
CHEN, JOHNSON	402.00	0.000020
REYES, ROBERTO A.	57.00	0.000003
YUBOCO, FIDEL &/OR EVANGELINE	750.00	0.000037
CARDENAS , DAVID	1,301.00	0.000064
CARMONA, ROSEMARIE S.	172.00	0.000008
TAN CHONG SENG	90.00	0.000004
TAN, LUCIANO H.	7,674.00	0.000377
GSIS FAO GRACE ALVAREZ ABONITALLA	161.00	0.000008
DABLE JR., DAVID	138.00	0.000007
LIM, ERNIE Y.	1,265.00	0.000062
LEGASPI, MA. SALOME	57.00	0.000003
MADRID, RUBEN	23.00	0.000001
ALIPIO, ANTONIO	58.00	0.000003
GUZMAN, ELEANOR DE	22.00	0.000001
ESTERON JR., ISMAEL J.	11.00	0.000001
ESPINUEVA, JEMELLI G.	259.00	0.000013
NAZAIRE, SARAHLEE C.	129.00	0.000006
KHOE JR., ANANIAS	400.00	0.000020
SARSOSA, MALOU K.	57.00	0.000003
TEH, BASILIO	103.00	0.000005
BITONG, ELIZABETH	1,150.00	0.000056
YUKEE, MINERVA F.	1,610.00	0.000079
GSIS FAO EDNA M. VILLAMIN	115.00	0.000006
MAGBALON, LORITESSE S.	287.00	0.000014
HINLO, GISELLE M.	115.00	0.000006
CHU, DARWIN M.	115.00	0.000006
YUMOL, RAFAEL I.	4.00	0.000000
PICACHE, MA. ELIZABETH V.	750.00	0.000037
MALIG, JAIME	3,906.00	0.000192
BALDAGO, GLORIA PATRIA A.	17.00	0.000001
WONG, CORAZON KIAT	1,762.00	0.000086
ESPARAGOZA, EMMANUEL L.	305.00	0.000015
MATIAS, LETICIA V.	35.00	0.000002
EBOL, WILLIAM	2,449.00	0.000120
TORRES, ESTRELLA M.	716.00	0.000035
SI JOE KEE, DAVID	2,300.00	0.000113

CELY C. REAPORT &/OR SENEN C. REAPORT	150.00	0.000007
ROBERT ANG &/OR FELIZA YAP	1,150.00	0.000056
MACALAGAY, MARY JOY	230.00	0.000011
BIGORNIA, WILLIAM DE LEON	129.00	0.000006
DOMANTAY, MARY JOY S.	345.00	0.000017
DIPASUPIL, EUSEBIO A.	414.00	0.000020
TAN BUN BENG	2,875.00	0.000141
SY, MICHAEL	16.00	0.000001
TORRES, RODOLFO O.	87.00	0.000004
BALDERAMA, LYMA	115.00	0.000006
HO, RACHEL Y.	337.00	0.000017
DUHIG, ELMA G.	517.00	0.000025
CATAPIA, ARMI LYLAH	1,150.00	0.000056
OCCIDENTAL, VERNACITA	36.00	0.000002
MORENO, ERNESTO	1,150.00	0.000056
DIZON, FRANCISCO A.	7,122.00	0.000350
MONDIDO, ALEGRIA P.	230.00	0.000011
ANG, DANNY K.	10,640.00	0.000522
ANGLINBEE, ROBERTO K.	6,655.00	0.000327
CASTRO, MA. ELEONOR T.	115.00	0.000006
LIM, BENJAMIN T.	892.00	0.000044
ONG, ANTONIO	80.00	0.000004
GOTAMCO, IDA GOTAMCO TAN &/OR AMELIA	780.00	0.000038
GINETE, MYLA	129.00	0.000006
BUYCO, MARY ALLYN C.	230.00	0.000011
MARIA TERESA V. SORIANO &/OR LOURDES C. VELASCO	1,096.00	0.000054
TE, FLORENCE	460.00	0.000023
TANJUAKIO, NOE A.	416.00	0.000020
CHU, IVY T. CHU &/OR CESAR S.	68.00	0.000003
YEE, JENNIFER T.	33.00	0.000002
MELGAR, BALTAZAR L.	2,389.00	0.000117
SIA, ANITA	3,450.00	0.000169
ICARO, CARLITO L. &/OR MILAGROS L.	259.00	0.000013
PO, EPIFANIO T.	734.00	0.000036
MOYA, JOSEPH ROSTUM B.	230.00	0.000011
CASTRO, EDUARDO F.	227.00	0.000011
REGALA, TEODORO D.	1.00	0.000000
JASMIN, RUFINO T.	822.00	0.000040
UY CHUN BING	3,170.00	0.000156
GO, ALBERT H.	11,500.00	0.000564
MANTUANO, RONER R.	1,301.00	0.000064
GARRIDO, PIVI H.	120.00	0.000006
ANTINEO, RODRIGO L.	115.00	0.000006
TAN, SAMSON	3,105.00	0.000152
SALUD, ROY O.	349.00	0.000017
TAN KOK PUAN	33.00	0.000002
RAMIREZ, LEOVINO C.	126.00	0.000006
PHILIPPINE JOURNALISTS, INC.	10,898.00	0.000535
UY, BENITO C.	886.00	0.000043
ONG, SIAO-LIONG L.	450.00	0.000022
LIBARIOS, RUBY	690.00	0.000034

MAYBELLINE IGNACIO &/OR JOSEPH PATRICK ROBERT IGNACIO	51.00	0.000003
DOMOGO, JOSEPH G.	1,150.00	0.000056
SALMIN, CECILE	158.00	0.000008
LIM, ANDRES	2,300.00	0.000113
HERNANDEZ, RENATO M.	3,450.00	0.000169
CHUA, LOLITA	150.00	0.000007
NGO, LORETA T.	1,290.00	0.000063
GERARDINE VILLAPANDO &/OR PILAR ROSALES ITF ARMALOU R. VILLAPANDO	5.00	0.000000
SUY LING DY, ROSA	4,600.00	0.000226
ANG KIAN LAM	2,070.00	0.000102
YU, FORTUNATA	230.00	0.000011
LIMKIMSO, MARIANO	287.00	0.000014
VIRTUSIO, MA. CECILIA G.	115.00	0.000006
CHUA, CEFERINO	3,737.00	0.000183
ARIZNABARRETA, EDGAR G.	752.00	0.000037
CORTES, RENATO M.	1,150.00	0.000056
YAN, MIA CARLA S.	2,300.00	0.000113
ATILES, MA. ELAINE P.	75.00	0.000004
QUA, PATRICK L.	3.00	0.000000
QUA, GERARD L.	42.00	0.000002
ADUAN, SOFRONIO R.	3.00	0.000000
LACSON, SALVACION L.	150.00	0.000007
DIAMANTE, PERLA	36.00	0.000002
TAN SIOK YAN	13.00	0.000001
UY, HYDEE	118.00	0.000006
PLANDES, JOVITA A.	30.00	0.000001
ERNESTO B. LLANEZA &/OR ERNESTO LLANEZA III	30.00	0.000001
GAMBOA JR., DOMINADOR L.	477.00	0.000023
CHUA, REGINA DE VILLA	88.00	0.000004
PANTALEON, VIRGINIA G.	438.00	0.000021
PADILLA, AMANDA MEDINA	277.00	0.000014
PADILLA, PATRICK MEDINA	36.00	0.000002
PADILLA, BIANCA MEDINA	277.00	0.000014
PADILLA, ERICA MEDINA	277.00	0.000014
LIM, MELCHOR TAN	442.00	0.000022
OBANA, VALERIANO RESARDE	719.00	0.000035
QUINTO, SOFIA CERA	1,035.00	0.000051
GEMILIANO S. MANALILI &/OR ALMA B. MANALILI	97.00	0.000005
YUCHENGCO III, ALFONSO S.	11,904.00	0.000584
DIZON, SALVADOR TIOTUYCO	56.00	0.000003
ATIENZA, MA. LUISA ONGSIAPCO	1,150.00	0.000056
TAN, FELISA Y.	602.00	0.000030
YUCHENGCO-LIM DEV. CORP.	8,445.00	0.000414
LIM JR., VICTOR YUCHENGCO	920.00	0.000045
ONGADON, JORDAN CHAN	5,795.00	0.000284
ONG, JOSEPH CHAN	7,419.00	0.000364
CHUA, BON PEN SEE	750.00	0.000037
BUENAVENTURA, PEDRO PANOPIO	335.00	0.000016
LAM, SHAN SHAN	399.00	0.000020
TONG, FRANCISCO K.	34.00	0.000002
FERMIN, ERNESTO A.	113.00	0.000006

ANGEL S. TRINIDAD &/OR ERLINDA R. DUQUE	92.00	0.000005
GO, PACITA TAN	360.00	0.000018
DY TANG, EDMUND UY	57.00	0.000003
PANOPIO, ELMAR A.	1,199.00	0.000059
CHU, JOHN FREDERICK DY	2,165.00	0.000106
GERALDINE MARIE SANTIAGO IN TRUST TO DANILO H. SANTIAGO	2,252.00	0.000111
BENJAMIN CO CA & CO., INC.	335.00	0.000016
CO, FAY UY	7,332.00	0.000360
YAO, LUIS ANTONIO UY	1,274.00	0.000063
ADVANI, SITA SEHWANI	945.00	0.000046
OBIDOS, WINSTON M.	18.00	0.000001
ETHEL M. SOYAO OR MARCELO U. SOYAO	11.00	0.000001
ONG, GIOK ENG O.	235.00	0.000012
ALDRIC SY CHUA &/OR KATHERINE COO CHUA	486.00	0.000024
ALICIA T. LIM &/OR JOY T. LIM & RICHARD T. LIM	9,200.00	0.000452
JOSE BERNARDINO SO &/OR AMELIA CASTILLO SO	7,648.00	0.000375
DY, AURORA Y.	17.00	0.000001
VILLADELGADO, FREDDIE G.	80.00	0.000004
ALVENDIA, ESPERANZA PAHATI	874.00	0.000043
ALVENDIA, SYLVIA PAHATI	43.00	0.000002
TE, CYNTHIA DIONISIO	79.00	0.000004
PROJECT QUEST CORPORATION	357.00	0.000018
TANDOC, NEIL CLIFFORD C.	47.00	0.000002
ANTHONY TAN ANG &/OR SUSAN SI ANG	3,520.00	0.000173
CHUA, TERESITA WY	7,526.00	0.000369
CHUA, CONSTANTINO WY	381.00	0.000019
CHUA, WILLINGTON WY	1,792.00	0.000088
CHENG, SUSAN CHAM	18,792.00	0.000922
CRUZ, MARY JOY DOMANTAY	132.00	0.000006
PINEDA, RODOLFO R.	94.00	0.000005
SY, WILSON L.	9,683.00	0.000475
TANQUIENG, JULIET OMENGAN	955.00	0.000047
OMENGAN, JOYCE D.	1,060.00	0.000052
LUY TAN, WILLIAM HAW	115.00	0.000006
MACIAS, NELLY L.	187.00	0.000009
LIBRES, RICHARD P.N.	718.00	0.000035
TAN, HELEN C.	259.00	0.000013
SANVICTORES, JULIUS J.	230.00	0.000011
CHUA, JOSE	1,690.00	0.000083
TAN YAN DOO, JOSE	5,750.00	0.000282
ENRIQUEZ, EUGENIO ACIERTO	194.00	0.000010
CO KIAN CHAY	45.00	0.000002
BALBON, EVELINA A.	678.00	0.000033
SIO FONG WONG	49.00	0.000002
TURNER, PHILIP	1.00	0.000000
AUGUSTO VILLANUEVA SANCHEZ &/OR FRANCIANINA GONZALEZ SANCHEZ	4,744.00	0.000233
YU, VERONICA VIRGINIA R.	359.00	0.000018
SANTOS-QUA, GUIA MARGARITA	11.00	0.000001
PENA, NELIA A.	353.00	0.000017

TAN, JOSE YAN DOO	345.00	0.000017
TURNER, ELNORA N.	1.00	0.000000
TAN, MA. LIWAYWAY M.	259.00	0.000013
WONG, JUSTINE U.	105.00	0.000005
GERALDINE A. SANTIAGO IN TRUST TO DANILO H. SANTIAGO	443.00	0.000022
MARY LINA A. SANTIAGO IN TRUST TO DANILO H. SANTIAGO	2,696.00	0.000132
STELLA MARIE A. SANTIAGO IN TRUST TO DANILO H. SANTIAGO	2,696.00	0.000132
BAUAN MACHINE SHOP, INC.	52.00	0.000003
DIAZ, AIDA G.	8.00	0.000000
GISON, AMBROSIO M.	28.00	0.000001
CO, KIAN CHAY G.	361.00	0.000018
PACIFIC NORTHSTAR, INC.	24.00	0.000001
ONG, CHRISTINE S.	5,996.00	0.000294
QUE, LIONG HEE G.	52,297.00	0.002567
LAGANDAON, ROMULUS T. &/OR MA. LOURDES	4,343.00	0.000213
PASCUAL, JACINTO OR CAROLYN	3,546.00	0.000174
TANTUCO, ELOISA G.	10.00	0.000000
NICASIO M. MARIN JR. &/OR ARNOLFO O. ACERO	2,269.00	0.000111
NG, MARIA ROSARIO Y.	1,212.00	0.000059
TE, BETTY G.	506.00	0.000025
CHUA, VICENTE EUTY L.	690.00	0.000034
BENDOM HOLDINGS CORPORATION	1,780.00	0.000087
VILLALBA JR., ISIDRO C.	484.00	0.000024
MADILYN O. CALDOZA	181.00	0.000009
YAP, ROBERT LOUIS L.	125.00	0.000006
DIAZ, EMMANUEL G.	64.00	0.000003
GEMPERLE, MICHELLE PEREZ	2,213.00	0.000109
GILI JR., GUILLERMO F.	1,212.00	0.000059
PANG, VICENTE LIM	230.00	0.000011
MEDINA, ARNIE A.	16.00	0.000001
YU, JOSEPHINE	30.00	0.000001
AGUIRRE, EMELITA G.	58.00	0.000003
PUEBLO, MARY GRACE G.	345.00	0.000017
ALOVA, AARON T. ALOVA &/OR NORA G.	1,380.00	0.000068
BELL-KNIGHT, EDNA S.	5,750.00	0.000282
ONG, VICTOR SY	1,682.00	0.000083
MARASIGAN, APOLINARIO/PURITA/MA. C.P. ASSUMPTA	30.00	0.000001
CHUA, VICKY BARRETTO	100.00	0.000005
FAJARDO, MARIETTA A.	638.00	0.000031
CHUA, MARIA TERESA N.	169.00	0.000008
TAN, REMEDIOS TIU	13,129.00	0.000644
PCD NOMINEE CORP - FILIPINO	728,409,692.00	35.750539
PCD NOMINEE CORP - NON FILIPINO	685,240,022.00	33.631760
TOTAL OUTSTANDINGS SHARES	**2,037,478,896.00**	

PREFERRED SH NAME	OUTSTANDING SHARES	PERCENTAGE
ABACUS SECURITIES CORP.	6,021.00	2.251599
MANDARIN SECURITIES CORPORATION	7,583.00	2.835720
MONTANTE, CONCHITA I.	70.00	0.026177
AQUINO, ROSALIE	133.00	0.049736
ARAMBULO, GUADALUPE A.	575.00	0.215026
NGO, LORETA	8,600.00	3.216035
BDO SECURITIES CORP.	9,304.00	3.479301
OCCIDENTAL, VERNACITA	35.00	0.013089
BERMEJO, MARISSA	243.00	0.090872
BUENVIAJE, ALLAN	255.00	0.095359
OPTIMUM SECURITIES CORP.	16,666.00	6.232377
CAMPOS LANUZA & CO. INC.	3,535.00	1.321940
CASELA, PETRONILA	16.00	0.005983
CHENG SIO BIN	128.00	0.047867
CHENG, SUSAN	2,665.00	0.996597
CHUA, JEANIE A.	50.00	0.018698
PANTALEON, VIRGINIA	487.00	0.182117
CHUA, VICENTE	110.00	0.041135
PASCUAL, CAROLYN &/OR JACINTO	1,295.00	0.484275
CO, JUSTINA DY	3,258.00	1.218354
PASCUAL, CAROLYN OR JACINTO	570.00	0.213156
CO, KIAN CHAY	110.00	0.041135
YUOANKEE, PAUL D.	369.00	0.137990
CONCEPCION CHUA CHENG	333.00	0.124528
CONCEPCION, CARMENCITA	31,842.00	11.907558
CUBILLAN, JACINTO CU	153.00	0.057216
CUBILLAN, ROSALINA C.	133.00	0.049736
PENA, NELIA A.	55.00	0.020568
PIMENTEL, ALBERT CHUA	83.00	0.031038
ROSARIO, RODOLFO P. DEL	81,521.00	30.485397
DIAZ, AIDA GARCIA	55.00	0.020568
PO, EPIFANIO T.	104.00	0.038892
PO, JOSE	87.00	0.032534
EIB SECURITIES INC.	83.00	0.031038
RAMIREZ, IDA	63.00	0.023559
ESTABILLO, IMEE T.	17.00	0.006357
ROSAL, RAYMOND U.	174.00	0.065069
RUBIO, CESAR A.	1,028.00	0.384428
LAO, GINA A.	416.00	0.155566
SALES, MERLYN K.	85.00	0.031786
GLOBALINKS SEC. & STOCKS	2,454.00	0.917692
GO, PACITA TAN	51.00	0.019072
SALOM, R. JOHN CHRISTOPHER J.	833.00	0.311507
GO, ROBERTO CHAN	1,367.00	0.511200
SALOM, H.J. ADELEEN FRANCES J.	833.00	0.311507
GOMEZ, ERIBERTO H.	1,028.00	0.384428
SALUD, ROY ONG	333.00	0.124528
GURNAMAL, AIL &/OR HARESH	202.00	0.075539
GUSAYKO ONG, MARIA CHUA	18.00	0.006731
HUI, TIN WAI	188.00	0.070304
HWANG, HANS YAP	5,558.00	2.078456
TAN, CARIDAD K.	1,111.00	0.415467
JASMIN, RUFINO T.	116.00	0.043379
TAN, LUCIANO H.	7,309.00	2.733256

TAN, REMEDIOS TIU	866.00	0.323847
LAO, BUN THIAM	925.00	0.345911
TANDOC, NEIL CLIFFORD C.	46.00	0.017202
LIBRES, RICHARD PONCIANO	425.00	0.158932
LUYS SECURITIES CO. INC.	1,852.00	0.692569
ANG, TONY ANG &/OR ROSEMARIE	5,372.00	2.008900
VIDAL, JULIETA M.	215.00	0.080401
VILLACORTES, CARMEN NICOLASORA	174.00	0.065069
WONG, CORAZON KIAT	250.00	0.093489
ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371.00	1.260611
GO, HOMER	46,355.00	17.334804
YAP, BENNETH YAP &/OR LIBERATA BASA	18.00	0.006731
CHOA MEI LENG	128.00	0.047867
CHAN, SHERWIN CO	167.00	0.062451
JASMIN, JUANITA S.	83.00	0.031038
TAN, CRESENCIO B.	352.00	0.131633
BEDAN CORPORATION	2,100.00	0.785311
SIA, JOHNSON CHUA	5,000.00	1.869788
TOTAL OUTSTANDING SHARES	**267,410.00**	

Annex "C"

STOCKHOLDER NAME
CASELA, PETRONILA A.
YUCHENGCO, YVONNE S.
LAW, JOHN
BUENAVENTURA, GIL A.
SANTOS, JUAN B.
CLAUDIO, GABRIEL S.
MONTES, VAUGHN F.
LAURITO E. SERRANO
SHIH-CHIAO LIN
ARNOLD KAI YUEN KAN
LILIA B. DE LIMA
GAYATRI P. BERY
ERIKA FILLE T. LEGARA
DEE, HELEN Y.
MEDINA, ARMANDO M.
VIRATA, CESAR E.A.
CRUZ, NORLABEL DELA
ZIALCITA, XAVIER
HYDEE MANAGEMENT & RESOURCE CORPORATION
A. T. YUCHENGCO, INC.
PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION
UY CHUN BING
RCBC SECURITIES
RCBC TRUST AND INVESTMENT GROUP FAO RCBC3000000 ACCT. 1 & 10
RCBC TRUST AND INVESTMENT GROUP FAO RCBC1000000 ACCT. 1
RCBC SECURITIES FAO SUMITOMO MITSUI BANKING CORPORATION
MALAYAN INSURANCE COMPANY, INC.
MICO EQUITIES, INC.
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
CITIOMNIFOR
HSBC MNL CNC NOM 23/0685
RCBC SECURITIES FAO ENRIQUE T. YUCHENGCO, INC
COL FINANCIAL FAO ERIKA FILLE T. LEGARA