



May 13, 2025

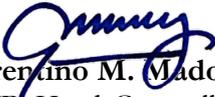
Atty. Johanne Daniel M. Negre
Officer-in-Charge, Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Atty. Negre,

We submit herewith the March 31, 2025 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

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S.E.C. Registration Number

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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			
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PAUL P. ESGUERRA

Contact Person

8	8	9	4	3	3	5	3
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Company Telephone Number

0	3		3	1
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Month Day

Fiscal Year

1	7	Q
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FORM
TYPE

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Month Day

Annual Meeting

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Secondary License Type, If
Applicable

S	E	C
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Dept. Requiring this
Doc.

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Amended Articles Number/Section

7	4	1
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Total No. of
Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS									
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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, 2025

For the Quarterly Period Ended

(Secondary License Type and File Number)

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions of Philippine Pesos)

		3/31/2025		12/31/2024
	Notes	(Unaudited)		(Audited)
<u>RESOURCES</u>				
Cash and Other Cash Items		P 15,947	P	23,003
Due from Bangko Sentral Ng Pilipinas		56,064		115,230
Due from Other Banks		4,404		14,569
Loans Under Reverse Repurchase Agreement		42,838		-
Trading and Investment Securities - Net	3	441,517		429,086
Loans and Receivables - Net	4	750,216		742,497
Investments in Associates	5	634		600
Bank Premises, Furniture, Fixtures & Equipment- Net		7,654		8,033
Investment Properties - Net		713		695
Deferred Tax Assets		6,171		6,052
Other Resources - Net	6	19,396		20,388
TOTAL RESOURCES		P 1,345,554	P	1,360,153
<u>LIABILITIES AND EQUITY</u>				
Deposit Liabilities	7	P 971,793	P	1,022,794
Bills Payable	8	99,017		86,616
Bonds Payable	9	46,761		26,935
Accrued Taxes, Interest And Other Expenses		10,210		11,667
Other Liabilities	10	57,831		53,650
Total Liabilities		1,185,612		1,201,662
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		(2,058)	(3,306)
Cumulative Translation Adjustment		60		60
Retirement plan		(2,556)	(2,552)
Other Reserves		(86)	(86)
Retained Earnings Appropriated for General Provision		6,140		5,564
Retained Earnings		61,547		61,916
		159,936		158,485
Non-controlling Interest		6		6
Total Equity		159,942		158,491
TOTAL LIABILITIES AND CAPITAL FUNDS		P 1,345,554	P	1,360,153

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)

		1/1/2025 to 3/31/2025	1/1/2024 to 3/31/2024
	Note	(Unaudited)	(Unaudited)
INTEREST INCOME ON			
Loans and receivables		P 16,870	P 14,157
Investment securities		3,878	3,977
Others		260	751
		21,008	18,885
INTEREST EXPENSE ON			
Deposit liabilities		7,082	8,190
Bills payable and other borrowings		1,618	1,135
		8,700	9,325
NET INTEREST INCOME		12,308	9,560
IMPAIRMENT LOSSES - Net		2,898	1,672
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		9,410	7,888
OTHER OPERATING INCOME			
Service fees and commissions		2,572	2,046
Gain on assets sold - net		506	112
Trading and securities gains - net		223	48
Foreign exchange losses - net	3	(1,193)	(37)
Miscellaneous	12	244	507
		2,352	2,676
OTHER OPERATING EXPENSES			
Employee benefits		2,196	1,936
Taxes and licenses		1,566	1,651
Occupancy and equipment-related		1,114	934
Depreciation and amortization		866	814
Miscellaneous	12	2,870	2,430
		8,612	7,765
PROFIT BEFORE TAX		3,150	2,799
TAX EXPENSE		722	597
NET PROFIT		2,428	2,202
NET PROFIT ATTRIBUTABLE TO NON-INTEREST		-	-
NET PROFIT ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		P 2,428	P 2,202
Earnings Per Share (Annualized)			
Basic		P 3.60	P 3.38
Diluted		P 3.60	P 3.38

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Philippine Pesos)

	<u>1/1/2025 to</u> <u>3/31/2025</u> <u>(Unaudited)</u>	<u>1/1/2024 to</u> <u>3/31/2024</u> <u>(Unaudited)</u>
NET PROFIT FOR THE PERIOD	P 2,428	P 2,202
OTHER COMPREHENSIVE INCOME/(LOSSES) DURING THE PERIOD:		
Fair value gains/(losses) on Financial assets at Other Comprehensive Income	1,248 (636)
Actuarial losses on defined benefit plan	(4)	-
Other Comprehensive Income/(Loss) for the period	<u>1,244</u> (<u>636</u>)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	P 3,672	P 1,566
Comprehensive Income Attributable to Non-Controlling Interest	<u>-</u>	<u>-</u>
Comprehensive Income Attributable to Parent Company's Shareholders	<u>P 3,672</u>	<u>P 1,566</u>

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
(Amounts in Millions of Philippine Pesos)

	1/1/2025 to 3/31/2025	1/1/2024 to 3/31/2024
	(Unaudited)	(Unaudited)
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		
PREFERRED STOCK		
Balance at beginning and end of period	<u>P 3</u>	<u>P 3</u>
COMMON STOCK		
Balance at beginning and end of period	<u>24,195</u>	<u>24,195</u>
HYBRID PERPETUAL SECURITIES		
Balance at beginning and end of period	<u>14,463</u>	<u>14,463</u>
CAPITAL PAID IN EXCESS OF PAR		
Balance at beginning and end of period	<u>58,228</u>	<u>58,228</u>
NET UNREALIZED LOSSES ON FINANCIAL ASSETS AT OTHER COMPREHENSIVE INCOME		
Beginning balance	(3,306)	(3,168)
Fair value gains (losses) during the period	<u>1,248</u>	<u>(636)</u>
Balance, end	<u>(2,058)</u>	<u>(3,804)</u>
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance at beginning and end of period	<u>60</u>	<u>54</u>
OTHER COMPREHENSIVE LOSS - RETIREMENT PLAN		
Balance, beginning	(2,552)	(2,930)
Remeasurement of the defined benefits during the period	<u>(4)</u>	<u>-</u>
Balance, end	<u>(2,556)</u>	<u>(2,930)</u>
RESERVE FOR TRUST BUSINESS		
Balance, beginning	-	551
Transfer to retained earnings - free	<u>-</u>	<u>(551)</u>
Balance, end	<u>-</u>	<u>-</u>
OTHER RESERVES		
Balance at beginning and end of period	<u>(86)</u>	<u>(86)</u>
RETAINED EARNINGS APPROPRIATED FOR GENERAL PROVISION		
Beginning balance	5,564	4,599
Transfer from (to) retained earnings - free	<u>576</u>	<u>(314)</u>
Balance, end	<u>6,140</u>	<u>4,285</u>
RETAINED EARNINGS		
Beginning balance	61,916	56,360
Net profit	2,428	2,202
Cash dividends on common shares	(1,694)	(2,454)
Dividends on Hybrid Capital Securities	(565)	(549)
Transfer of fair value reserves on FVOCI	39	-
Transfer from (to) retained earnings appropriated for general provision	(577)	314
Transfer from reserves for trust business	<u>-</u>	<u>551</u>
Balance, end	<u>61,547</u>	<u>56,424</u>
ATTRIBUTABLE TO		
PARENT COMPANY SHAREHOLDERS	<u>P 159,936</u>	<u>P 150,832</u>
NON-CONTROLLING INTEREST		
Balance at beginning and end of period	<u>6</u>	<u>6</u>
TOTAL EQUITY	<u>P 159,942</u>	<u>P 150,838</u>

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(Amounts in Millions of Philippine Pesos)

	1/1/2025 to 3/31/2025 <u>(Unaudited)</u>	1/1/2024 to 3/31/2024 <u>(Unaudited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits before tax	P 3,150	P 2,799
Adjustments for:		
Interest income	(21,008)	(18,885)
Interest expense	8,700	9,325
Gain on assets sold	(506)	(112)
Impairment losses	2,898	1,672
Depreciation and amortization	866	814
Dividend income	(11)	(280)
Share in net earnings of associates	(16)	(4)
Operating loss before working capital changes	(5,927)	(4,671)
Decrease (Increase) in financial assets at fair value through profit and loss	(2,647)	459
Increase in loans and receivables	(8,436)	(10,971)
Increase in investment property	(19)	(21)
Increase in other resources	(1,365)	(3,632)
Increase (Decrease) in deposit liabilities	(51,001)	2,648
Decrease in accrued taxes, interest and other expenses	(743)	(744)
Increase (Decrease) in other liabilities	4,478	(1,488)
Cash used in operations	(65,660)	(18,420)
Interest received	22,078	19,440
Interest paid	(9,624)	(10,380)
Cash paid for taxes	(641)	(737)
Net Cash Used in Operating Activities	(53,847)	(10,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Financial Assets at FVOCI	(11,216)	(49,237)
Decrease (increase) in Investment securities at amortized cost	2,640	(19,937)
Disposal (acquisitions) of bank premises, furniture, fixtures and equipment -net	(56)	331
Cash dividends received	11	15
Acquisitions of intangibles	(70)	(52)
Net Cash Used in Investing Activities	(8,691)	(68,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds (payments) of bills payable	12,401	(27,663)
Dividends paid	(565)	(549)
Net proceeds of bonds payable	19,827	22,446
Net Cash From (Used in) Financing Activities	31,663	(5,766)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(30,875)	(84,743)
CASH AND CASH EQUIVALENTS, BEGINNING		
Cash and other cash items	23,003	19,875
Due from Bangko Sentral ng Pilipinas	115,230	151,762
Due from other banks	14,569	14,892
Interbank Loans and Loans and Receivables under reverse repurchase agreement	32,567	63,579
	<u>185,369</u>	<u>250,108</u>
CASH AND CASH EQUIVALENTS, END		
Cash and other cash items	15,947	14,593
Due from Bangko Sentral ng Pilipinas	56,064	103,951
Due from other banks	4,404	11,206
Interbank Loans and Loans and Receivables under reverse repurchase agreement	78,079	35,615
	<u>154,494</u>	<u>165,365</u>

See Notes to Interim Condensed Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2025 AND DECEMBER 31, 2024
(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 has been granted with perpetual existence by the Securities and Exchange Commission (SEC) on September 30, 2022. 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, 2025, 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, 2025 (including the comparatives for the three months ended March 31, 2024) and the year ended December 31, 2024 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.

In 2024, the Bank made post model adjustments on the ECL models arising from the use of credit analytics and credit judgments, to consider the effects of the following:

- more granular level of segmentation of credit exposures for auto loans and credit cards based on customer segment, payment behavior, and credit score, among others;
- the respective collection behaviors on auto loan accounts and credit card receivables considering accounts that do not flow to further delinquencies, and accounts previously provided with 100% LGD but had subsequent recoveries; and
- account updates for specific corporate borrowers arising from regular credit monitoring activities

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, 2025 (Unaudited)		December 31, 2024 (Audited)
Financial assets at FVPL	P 12,881	P	10,234
Financial assets at FVOCI	171,053		158,630
Investment securities at amortized cost - net	<u>257,583</u>		<u>260,222</u>
	<u>P 441,517</u>	P	<u>429,086</u>

3.1 Financial Assets at FVPL

This account is composed of the following:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)
Government securities	P 10,082	P	7,257
Derivative financial assets	1,996		2,067
Equity securities	783		778
Corporate debt securities	<u>20</u>		<u>132</u>
	<u>P 12,881</u>	P	<u>10,234</u>

Derivative instruments used by the Group include foreign currency short-term forwards, cross-currency swaps, debt warrants and options. The Group enters into derivative contracts mainly to cover hedging of currency risk, liquidity management and funding, and arbitrage and market positioning strategies. These instruments offer opportunities for market participants to manage interest rates or currency pricing between markets thereby optimizing the Bank's funding costs and enhancing returns. 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.

3.2 Financial Assets at FVOCI

This account is composed of the following:

	<u>March 31, 2025</u> <u>(Unaudited)</u>		<u>December 31, 2024</u> <u>(Audited)</u>
Government bonds	P 152,849	P	140,397
Corporate debt securities	14,128		14,091
Unquoted equity securities	2,099		2,591
Quoted equity securities	<u>1,977</u>		<u>1,551</u>
	<u>P 171,053</u>	P	<u>158,630</u>

3.3 Investments at Amortized Cost

This account is composed of the following:

	<u>March 31, 2025</u> <u>(Unaudited)</u>		<u>December 31, 2024</u> <u>(Audited)</u>
Government securities	P 228,972	P	230,302
Corporate debt securities	<u>28,740</u>		<u>30,042</u>
	257,712		260,344
Allowance for impairment	(<u>129</u>)	((<u>122</u>)
	<u>P 257,583</u>	P	<u>260,222</u>

4. LOANS AND RECEIVABLES

This account consists of the following:

	<u>March 31, 2025</u> <u>(Unaudited)</u>		<u>December 31, 2024</u> <u>(Audited)</u>
Receivable from customers:			
Loans and discounts	P 571,228	P	578,646
Credit card receivables	116,980		110,453
Customers' liabilities on acceptances, import bills and trust receipts	15,340		16,535
Bills purchased	3,152		2,786
Lease contract receivable	2,613		2,700
Receivables financed	<u>91</u>		<u>98</u>
	709,404		711,218
Unearned discount	(<u>572</u>)	((<u>584</u>)
	<u>708,832</u>		<u>710,634</u>
Other receivables:			
Interbank loans receivables	35,241		32,567
Accounts receivable	15,776		6,627
Accrued interest receivable	9,188		10,258
Sales contract receivable	1,865		2,541
Unquoted debt securities classified as loans	<u>161</u>		<u>-</u>
	<u>62,231</u>		<u>51,993</u>
	771,063		762,627
Allowance for impairment	(<u>20,847</u>)	((<u>20,130</u>)
	<u>P 750,216</u>	P	<u>742,497</u>

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

5.1 *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 P128 and assumed assets under management valued at P155,703 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.

5.2 *Donation of RCBC shares in JPL*

On April 8, 2024, the Parent Bank's Retirement Plan 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%.

5.3 *Liquidation of RCBC Telemoney Europe*

On April 29, 2024, RCBC Telemoney Europe received the final regulatory approval for its liquidation. Following such approval, RCBC Telemoney's balances were deconsolidated from the Group.

6. OTHER RESOURCES

This account consists of the following:

	March 31, 2025		December 31, 2024
	(Unaudited)		(Audited)
Creditable withholding taxes	P 4,817	P	4,512
Assets held-for-sale and disposal group	3,299		3,910
Net defined benefit asset	2,701		2,745
Prepaid expenses	1,864		1,762
Software – net	1,181		1,248
Deferred charges	1,144		949
Branch licenses	1,000		1,000
Refundable and other deposits	916		1,198
Unused stationery and supplies	610		646
Goodwill	426		426
Other assets held in trust	382		576
Returned checks and other cash items	257		235
Margin deposits	220		214
Miscellaneous	786		1,452
	19,603		20,873
Allowance for impairment	(207)	(485)
	P 19,396	P	20,388

7. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)
Demand	P 212,217	P	224,988
Savings	275,657		313,478
Time	483,919		484,328
	<u>P 971,793</u>	P	<u>1,022,794</u>

8. BILLS PAYABLE

This account consists of borrowings from:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)
Foreign banks	P 77,844	P	79,466
Local banks	21,093		7,150
Others	80		-
	<u>P 99,017</u>	P	<u>86,616</u>

9. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Coupon Interest</u>	<u>Face Value</u>	<u>Outstanding Balance</u>	
				<u>March 31, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
January 28, 2025	January 29, 2030	5.38%	\$ 350	P 19,831	P -
January 7, 2024	January 18, 2029	5.50%	\$ 400	22,800	22,805
March 31, 2021	June 30, 2026	4.18%	P 4,130	4,130	4,130
				<u>P 46,761</u>	<u>P 26,935</u>

On January 22, 2025, the Group issued a USD350 5-year and 1-day Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD4,000 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. Out of the USD350 senior notes issued on January 22, 2025, USD115 are designated as liability under fair value hedge accounting.

On January 7, 2024, the Group issued a USD400 5-year Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD3,000 Medium Term Note Program. Out of the USD400 senior notes issued on January 7, 2024, USD200 are designated as liability under fair value hedge accounting.

As of March 31, 2025, the Group has six outstanding interest rate swaps designated as fair value hedges of the interest rate risk arising from the Group's USD250 and USD400 fixed rate bonds payable.

10. OTHER LIABILITIES

Other liabilities consist of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Accounts payable	P 35,299	P 35,080
Lease liabilities	4,945	5,342
Derivative financial liabilities	4,837	3,635
Bills purchased – contra	2,358	1,868
Manager’s checks	2,297	2,147
Dividends payable	1,694	-
Withholding taxes payable	1,129	1,107
Unclaimed balances - deposit	937	900
Unearned income	873	730
Guaranty deposits	701	204
Deposits on lease contracts	601	596
Expected credit loss provisions on loan commitments	462	370
Other credits	412	400
Sundry credits	407	403
Payment orders payable	153	130
Outstanding acceptances payable	72	116
Miscellaneous	654	622
	P 57,831	P 53,650

11. EQUITY

The movements in the outstanding capital stock are as follows:

	Number of Shares*	
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Preferred stock – voting, non-cumulative non-redeemable, participating convertible into common stock – P10 par value Authorized – 200,000,000 shares		
Balance at beginning of period	266,194	267,410
Conversion of shares	-	(1,216)
Balance at the end of the period	266,194	266,194
Common stock – P10 par value Authorized – 2,600,000,000 shares		
Balance at beginning of period	2,419,536,359	2,419,536,120
Conversion of shares	-	239
Balance at the end of the period	2,419,536,359	2,419,536,359

*Amounts in absolute number of shares

11.1 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, 2025, 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.

The BOD, in its regular meeting held on March 31, 2025, approved the redemption of all and not less than all of the Bank's AT1 capital callable beginning August 27, 2025 pursuant to its exercise of the "Redemption at the option of the Issuer". The redemption remains subject to BSP approval and the terms and conditions of the AT1 capital.

12. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

12.1 Miscellaneous Income

	For the Three months Ended	
	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)
Recoveries from written off assets	P 129	P 119
Rentals	51	72
Share in net earnings of associates	16	4
Dividend income	11	280
Others	37	32
	<u>P 244</u>	<u>P 507</u>

12.2 Miscellaneous Expenses

	For the Three months Ended	
	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Credit card related expenses	P 749	P 516
Insurance	520	528
Service processing fees	327	275
Litigation/asset acquired expenses	208	212
Communication and information	195	197
Advertising and publicity	169	124
Management and other professional fees	153	134
Banking fees	109	87
Stationery and office supplies	58	45
Other outside services	52	37
Transportation and travel	48	38
Donations and charitable contributions	31	28
Shipment and freight	13	15
Others	238	194
	P 2,870	P 2,430

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 remain 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, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Derivative assets	P 341,606	P 206,527
Outstanding guarantees issued	291,610	268,149
Derivative liabilities	142,749	105,484
Spot exchange sold	38,552	10,617
Spot exchange bought	38,548	10,613
Unused commercial letters of credit	18,105	23,098
Inward bills for collection	7,963	10,677
Late deposits/payments received	795	859
Outward bills for collection	78	28
Others	266	63

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 Cyclicity 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. On March 31, 2025, the Board of Directors approved the redemption of all and not less than all of the Bank's USD 300 million Non-Cumulative Subordinated Additional Tier 1 Capital Securities callable beginning August 27, 2025 pursuant to its exercise of the "Redemption at the option of the Issuer". The redemption remains subject to BSP approval and the terms and conditions of the Capital Securities.

In January 2025, the Bank raised USD350 million Five-year Senior Unsecured Fixed Rate Sustainability Bonds (the Notes) via a drawdown from its USD4.0 billion Medium Term Note Programme. The Notes carry a coupon rate of 5.375% per annum.

Dividends Paid for Ordinary or Other Shares. In its meeting held on March 31, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.70 per share or a total of P1.7 billion and P186.3 thousand payable to holders of Common Class and Preferred Class shares, respectively, to be paid on May 5, 2025.

In its meeting held on February 24, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1584 per share or a total of P42.2 thousand payable to holders of Preferred Class shares and paid on March 26, 2025.

In its meeting held on January 27, 2025, 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 P564.6 million payable to holders of said Securities, which was paid on February 27, 2025.

In its meeting held on November 25, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1707 per share or a total of P45.4 thousand payable to holders of Preferred Class shares and paid on December 26, 2024.

In its meeting held on August 27, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1857 per share or a total of P49.5 thousand payable to holders of Preferred Class shares and paid on September 26, 2024.

In its meeting held on July 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 P572.2 million payable to holders of said Securities, which was paid on August 27, 2024.

In its meeting held on May 27, 2024, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1854 per share or a total of P49.4 thousand payable to holders of Preferred Class shares and paid on June 25, 2024.

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.

The details of the cash dividend approvals and distributions from 2024 up to March 31, 2025 are as follows (amounts in Thousand Php except per share figures):

Date Declared	Dividend		Date Paid / Payable	Nature of Securities
	Per Share	Total Amount		
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
27-May-24	P 0.1854	P 49.4	25-Jun-24	Convertible Preferred
29-July-24	-	P 572,227.5	27-Aug-24	Hybrid Perpetual Securities
27-Aug-24	P 0.1857	P 49.5	26-Sep-24	Convertible Preferred
25-Nov-24	P 0.1707	P 45.4	26-Dec-24	Convertible Preferred
27-Jan-25	-	P 564,622.5	27-Feb-25	Hybrid Perpetual Securities
24-Feb-25	P 0.1584	P 42.2	26-Mar-25	Convertible Preferred
31-Mar-25	P 0.70	P 1,693,675.5	5-May-25	Common Stock
31-Mar-25	P 0.70	P 186.3	5-May-25	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-25	31-Dec-24	31-Mar-25	31-Dec-24
Return on Average Assets (ROA)* ^{1/}	0.7%	0.8%	0.8%	0.8%
Return on Average Equity (ROE) * ^{2/}	6.0%	6.0%	6.0%	6.0%
Risk-based Capital Adequacy Ratio (CAR)	16.0%	16.1%	15.7%	15.9%
Common Equity Tier 1 Ratio	13.5%	13.5%	13.2%	13.3%
Non-Performing Loans (NPL) Ratio ^{3/}	2.5%	2.4%	2.2%	2.2%
Non-Performing Assets (NPA) Ratio ^{4/}	1.5%	1.6%	1.4%	1.4%
Net Interest Margin (NIM)*	4.2%	3.9%	4.2%	3.9%
Cost-to-Income Ratio	58.7%	59.5%	58.4%	59.2%
Loans-to-Deposit Ratio ^{5/}	72.9%	69.5%	72.3%	68.9%
Current Ratio	0.8	1.1	0.8	1.1
Acid Test Ratio	0.4	0.6	0.4	0.6
Debt-to-Equity Ratio	7.4	7.6	7.4	7.5
Asset-to-Equity Ratio	8.4	8.6	8.4	8.5
Asset-to-Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.4	1.4	1.4
Earnings per share (EPS) ^{6/}				
Basic and Diluted*	PHP 3.60	PHP 3.48	PHP 3.60	PHP 3.48
Year-to-date Basic and Diluted	PHP 0.89	PHP 3.48	PHP 0.89	PHP 3.48
	Unaudited			
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Quarter-to-date Basic and Diluted	PHP 0.89	PHP 0.84	PHP 0.89	PHP 0.84

* March 31, 2025 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, 2025 in the amount of P2.4 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, 2025 in the amount of P2.1 billion represented the consolidated and parent, net of dividends on Hybrid Perpetual Securities of P282.3 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 2,419,588,796 shares as of March 31, 2025 and December 31, 2024. Net income was net of dividends on Hybrid Capital Securities.

STATEMENT OF CONDITION: 31 March 2025 vs. 31 December 2024

RCBC's **Total Assets** stood at P1.3 trillion as of March 31, 2025. The significant movements are discussed below:

Cash and Other Cash Items declined by 30.7% or P7.1 billion due to lower cash requirements compared to year-end.

Due from Bangko Sentral ng Pilipinas decreased by 51.4% or P59.2 billion due to lower BSP Term Deposits as short-term investment.

Due from Other Banks dropped by 69.8% or P10.2 billion due to decrease in foreign bank placements as a result of redeployment of funds.

Loans Arising from Reverse Repurchase Agreement increased by 100.0% or P42.8 billion due to placements with the BSP.

Total Investment Securities, representing 32.8% of Total Resources, increased by 2.9% or P12.4 billion.

Loans and Receivables – net was recorded at P750.2 billion and represented 55.8% of Total Resources.

Investment in Associates – net increased by 5.5% or P33.2 million on account of higher income from Associates.

Bank Premises, Furniture, Fixtures & Equipment – net declined by 4.7% or P379.0 million.

Investment Properties – net slightly increased by 2.7% or P18.8 million.

Deferred Tax Assets was up by 2.0% or P119.6 million.

Other Resources – net decreased by 4.9% or P992.1 million mainly due to lower assets held-for-sale and disposal group and refundable deposits.

Total Liabilities settled at P1.2 trillion with a decrease of P16.1 billion. The significant movements are discussed below:

Deposit Liabilities, which accounted for 72.2% of Total Resources, stood at P971.8 billion and declined by P51.0 billion or 5.0%. This is mainly due to the decrease in Current and Savings Account (CASA) deposits by P50.6 billion or 9.4%. Demand deposits settled at 212.2 billion and accounted for 15.8% of Total Resources; Savings deposits at P275.7 billion and accounted for 20.5% of Total Resources; and Time deposits at P483.9 billion and accounted for 36.0% of Total Resources.

Bills Payable increased by 14.3% or P12.4 billion due to increase in local borrowings during the period.

Bonds Payable increased by 73.6% or P19.8 billion primarily due to the issuance of the USD350 million Senior Unsecured Fixed Rate Sustainability Bonds in January 2025.

Accrued Taxes, Interest and Other Expenses were down by 12.5% or P1.5 billion mainly due to the decreases in accrued interest and accrued other expenses.

Other Liabilities increased by 7.8% or P4.2 billion largely due to increase in trade payables and dividends booked during the quarter.

Total Capital Funds stood at P159.9 billion, which is higher by P1.5 billion or 0.9% on account of the P2.4 billion net income for the period and significant improvement in valuation of FVOCI investments, offset by the P2.2 billion cash dividends declared/paid by the Bank.

INCOME STATEMENT: 31 March 2025 vs. 31 March 2024

The Bank recorded a **Net Income** of P2.4 billion for the three-month ended March 31, 2025 driven by the following:

Total **Interest Income** jumped by 11.3% or P2.1 billion driven by the growth in volume and better average yields. Interest income on loans and receivables was higher by 19.2% or P2.7 billion; interest income on investment securities decreased by 2.5% or P98.4 million and other interest income lower by 65.4% or P491.0 million.

Total **Interest Expense** decreased by 6.7% or P624.1 million due to lower interest expense on deposit liabilities by 13.5% or P1.1 billion due to decline in average costs. Meanwhile, interest expense on bills payable and other borrowings increased by 42.6% or P483.0 million.

As a result, **Net Interest Income** amounted to P12.3 billion from P9.6 billion, higher by 28.7% or P2.7 billion. It represented 84.0% of total operating income.

The Group booked **Impairment Losses** of P2.9 billion, higher by 73.3% or P1.2 billion. It represented 19.8% of total operating income.

Other Operating Income of P2.4 billion declined by 12.1% or P324.3 billion. This represented 16.0% of total operating income on account of the following:

- **Trading and securities gains – net**, up by 361.2% or P174.9 million driven by better marked to market valuation and higher realized trading gains;
- **Service fees and commissions**, higher by 25.8% or P527.0 million largely from the increase in fee-based income;
- **Foreign exchange gains (losses) – net**, lower by P1.2 billion largely on account of lower foreign exchange position profits and lower gains from commercial transactions;
- **Gain on assets sold – net**, increased by 352.9% or P394.0 million due to the higher gain on sale of bank-owned assets this year;
- **Miscellaneous income**, lower by 52.2% or P265.0 million mainly on account of lower dividend income.

Other Operating Expenses amounted to P8.6 billion, higher by 10.9% or P847.5 million. This represented 58.8% of total operating income on account of the following:

- **Employee benefits**, up by 13.4% or P260.1 million due to increase in headcount;
- **Occupancy and equipment-related costs**, higher by 19.3% or P180.1 million largely due to higher information technology costs and increase in rental expenses;
- **Taxes and licenses**, which accounted for 10.7% of total operating income, decreased by 5.2% or P85.2 million mainly due to lower documentary stamp tax;
- **Depreciation and amortization**, up by 6.4% or P51.9 million largely due to higher amortization of leasehold rights and improvement and computer equipment;
- **Miscellaneous expenses** jumped by 18.1% or P440.5 million largely due to higher credit card-related expenses and other volume-driven expenses.

Tax Expense was higher by P124.6 million or 20.9% mainly due to lower deferred income tax benefit recognized during the period.

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 13).

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 13, 2025**



EUGENE S. ACEVEDO
President & CEO



FLORENTINO M. MADONZA
FSVP, Head-Controllershship Group



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

RIZAL COMMERCIAL BANKING CORPORATION
Aging of Accounts Receivable
As of March 31, 2025
(Amounts in Millions of Philippine Pesos)

	1 - 90 days	91 - 180 days	181 -1 year	Over 1 year	Total	Allowance	Net
Accounts Receivable	14,091.1	225.4	310.8	1,148.1	15,775.4	1,452.6	14,322.8