RCBC
Partners Through Generations

April 14, 2026

Atty. Johanne Daniel M. Negre
Head, 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 following reports of Rizal Commercial Banking Corporation as of December 31, 2025:

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

Very truly yours,

Florentino M. Madonza
FSVP, Head-Controllership Group

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

COVER SHEET

						1	7	5	1	4

S.E.C. Registration Number

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

(Company's Full Name)

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

PAUL P. ESGUERRA — Contact Person

8894 3353 — Company Telephone Number

12	31		17-A		06	30
Month	*Day*	FORM TYPE			*Month*	*Day*
Fiscal Year					Annual Meeting	

Secondary License Type, If Applicable

SEC	
Dept. Requiring this Doc.	Amended Articles Number/Section

742		
Total No. of Stockholders	Total Amount of Borrowings: Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2025**

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. Yuchengco Tower, RCBC Plaza 6819 Ayala 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	2,419,536,530 (as of December 31, 2025)

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

Yes (x) No ( )

12. Check whether the registrant:

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

Yes (x) No ( )

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

Yes (x) No ( )

13. Aggregate market value of the voting stock held by non-affiliates as of December 31, 2025:

P35,431,886,692.8

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Rizal Commercial Banking Corporation (RCBC or the Bank) is a universal bank in the Philippines that provides a wide range of banking and financial products and services. The Bank's total resources reached P1.4 trillion with a total net worth of P151.2 billion. It has a consolidated network of 453 business centers and 16 extension offices, supplemented by 1,514 automated teller machines (ATMs) and 4,937 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%. In 2025, SMBC increased its shareholding in RCBC from 20.00% to 24.46% after its additional acquisition of 4.46% through an existing shareholder. 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 cor. Sen Gil Puyat Avenue, Makati City.

Through its universal banking license, the Bank is allowed to perform several 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.

RCBC Microbank – A Thrift Bank Inc. (RMB), a wholly-owned subsidiary of the Bank, was acquired on May 15, 2008 to engage in microfinancing and development of small businesses. Effective January 23, 2026, the Securities and Exchange Commission (SEC) approved the change in name of subsidiary Rizal Microbank, Inc. to RCBC Microbank - A Thrift Bank Inc. RMB has 15 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.

RCBC-JPL Holding Company, Inc. (RCBC-JPL), 80.00% 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. On April 8, 2024, 19.41% ownership in RCBC JPL was donated and transferred to the Bank's retirement fund.

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

In 2025, the following additional products and electronic services were introduced:

1. Credit Card and Payment Solutions

    1.1 **RCBC Tap-To-Phone** This innovative payment solution transforms any NFC-enabled Android smartphone into a digital payment terminal. It allows merchants and small businesses to accept contactless Visa and Mastercard credit, debit, and prepaid card payments directly on their mobile devices without the need for a traditional POS machine.

    1.2 **AirAsia Platinum Credit Card** A premium travel card designed for frequent flyers, offering a faster way to earn AirAsia points with a conversion rate as low as ₱22 per spend. Key benefits include a 15,000-point welcome gift, a preferential foreign exchange fee of 1.85% on international purchases, unlimited access to the PAGSS International Lounge at NAIA Terminal 1, and an automatic upgrade to AirAsia Platinum membership status for priority services.

1.3 **Google Pay** RCBC Mastercard and Visa credit cardholders can now enjoy faster, more secure contactless payments by adding their cards to Google Wallet. This service enables "Tap to Pay" transactions at millions of merchants worldwide and seamless checkouts on apps and websites, all protected by Google's advanced encryption and authentication technology.

1.4 **Rapid Seller Onboarding** A web-based platform designed to accelerate merchant accreditation. It supports both self-service and agent-assisted submissions, providing internal processors with a holistic view of all applications. The system features an automated risk-scoring engine that evaluates applicants based on pre-defined risk factors.

1.5 **Real Time Payment Posting** This enhancement ensures immediate credit availability, driving higher customer satisfaction and increased card utilization.

2. Personal Loans

   RCBC InstaLoan - a flexible loan line that provides pre-qualified clients with convenient access to cash for various financial needs, offering flexible repayment terms of up to 60 months. Structured as a revolving credit line, it allows customers to re-avail funds as they pay and restore their available balance, reinforcing RCBC's commitment to accessible and customer-centric lending solutions.

3. Transaction Banking

   Free Life Insurance is provided by Sun Life Grepa, Inc. to all RCBC Remittance Savings Account holders that maintain a 6-month ADB of at least P10,000 or make an initial deposit of P10,000 to qualify for the program. The insurance benefit is equivalent to 200% of your ADB for the past 6 months.

Listed below are the products and services of RCBC:

A. DEPOSITS

<u>Peso Deposits</u>

Checking Accounts
- eWoman Checking
- Dragon Checking
- OneAccount (Retail)
- OneAccount Business

Savings Accounts
- Regular Savings (with ATM and with Passbook variants)
- iSave
- Dragon Peso Savings
- Dragon Dollar Savings
- eWoman Savings
- SSS Pensioner
- Payroll Savings
- GoSavers Savings
- Basic Savings
- RCBC Remittance Retail Savings Account (with ATM and with Passbook variants)
- RCBC Remittance Corporate Savings Account
- Contractual Savings - Passbook-based & connected to loan availment

Time Deposits

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

Foreign Currency Deposits

- Savings Accounts
  - Regular Savings
    - US Dollar
    - Japanese Yen
    - Euro
    - British Pounds
    - Canadian Dollar
    - Chinese Yuan
    - Australian Dollar
    - Swiss Franc
  - Dragon Dollar Savings
    - US Dollar
  - RCBC Remittance Retail Savings
    - US Dollar
    - Euro
    - HK Dollar
  - RCBC Remittance Corporate Savings
    - US Dollar
    - Japanese Yen
    - Euro
    - Canadian Dollar
    - British Pound
- Time Deposits
  - USD Regular Time Deposit (30 days to less 1 Year)
  - USD Time Deposit 1 Year, 2 Year, 3 Year, 4 Year, 5 Year + 1 day
    - Japanese Yen
    - Euro Dollar
    - British Pounds
    - Canadian Dollar
    - Australian Dollar
    - Swiss Franc

Exclusive Membership Program

- Hexagon Club
  - Hexagon Club Privilege for Individuals
  - Hexagon Club Priority for Individuals
  - Hexagon Club Prestige for Retail Small and Medium Enterprises (SMEs)

B. ELECTRONIC BANKING PRODUCTS / SERVICES AND CHANNELS

Product and Services

- RCBC MyDebit Mastercard

Electronic Banking Channels

- Automated Teller Machines
- RCBC Online Banking for Corporate
- RCBC Online Banking for Retail
- RCBC ATM Go
- RCBC DiskarTech
- RCBC Pulz
- RCBC Boz

C. CREDIT CARDS

RCBC Credit Card Products

- RCBC Classic: Mastercard, JCB
- RCBC Gold: Mastercard, JCB
- Flex Visa: Classic, Gold
- YGC Rewards Plus Visa: Classic, Gold
- YGC Rewards Plus Platinum Mastercard
- RCBC Black Platinum Mastercard: Peso, Dollar
- RCBC Diamond Platinum Mastercard
- RCBC Hexagon Club Platinum Mastercard
- RCBC Hexagon Club Priority World Mastercard
- RCBC World Mastercard
- RCBC Balesin World Mastercard
- RCBC The City Club World Mastercard
- RCBC Platinum VISA
- RCBC Visa Infinite: Peso, Dollar
- RCBC Platinum JCB
- RCBC UnionPay Diamond
- RCBC Landmark Anson Mastercard
- AirAsia Credit Card
- AirAsia Platinum Credit Card
- RCBC Web Shopper
- RCBC Corporate Card Mastercard
- ZALORA Credit Card

RCBC Payment Solutions

- Webpay
- QR Pay
- RCBC Tap-to-Phone
- Negosyo Bundle

D. LOANS

Commercial Loans (Peso and/or Foreign Currency)

- Short-Term Revolving Facilities
  - Non-Trade Facilities
    - Loan Line
    - Accounts Receivable Line (ARL)
    - Bills Purchased Line (BPL)
    - Second Endorsed Checks Line (SECP)
- Trade Facilities
  - Import / Domestic Trade Facilities
    - Letter of Credit Line
    - Trust Receipt (TR) Line

- Shipping Guarantee
- Export Financing
  - Export Advance Loan / Line
  - Export Bills Purchased Line
- Others
  - Standby Letter of Credit (LC) Facility
  - Bank Guarantee

Long- Term Non-Revolving Facilities
- Term Loans
- Corporate Finance Loans
- Project Finance Loans

Consumer Loans
- Auto Loan
  - Regular Auto Loan
  - Auto Loan Plus
  - Auto Loan FlexiLite
  - Secondhand
  - Auto Fleet Line
- Home Loan
  - Home Loan
  - Home Loan Plus

RCBC Personal and Salary Loans
- RCBC Personal Loans
- RCBC Salary Loans
- Payday NOW
- Salary Loan NOW
- Digital Personal Loans
- RCBC InstaLoan

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

Value Chain Financing
- Purchase Order Financing
- Payables Financing
- Distributor Financing

Special Lending Facilities
- Discount Window Facility

Leasing and Financing Services
- Finance Lease
- Operating Lease
- Term Loan
- Car Loan Program
- Money Market Investment

E. TREASURY AND GLOBAL MARKETS

Foreign Exchange
- Foreign Exchange Spot

RCBC FX Online
- Purchase of Foreign Currencies
- Sale of Foreign Currencies for Travel and Investment

Fixed Income
- Peso Denominated Government Securities and other Debt Instruments
  - Treasury Bills
  - Fixed Rate Treasury Notes (FXTNs)
  - Retail Treasury Bonds (RTB)
  - BSP Securities
  - Corporate Bonds and Other Debt Instruments
- Foreign Currency Denominated Bonds
  - Republic of the Philippines (RoP) Bonds
  - Retail Dollar Bonds (RDBs)
  - United States Treasury Bills, Notes and Bonds
  - Other Sovereign or Quasi-Sovereign Bonds or Government-Owned and Controlled Corporate Bonds
  - Corporate Bonds and other Debt Instruments

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

F. TRUST SERVICES (Offered by RCBC Trust Corporation)

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

Agency
- Safekeeping
- Escrow
- Investment Management
- Loan and Paying Agency
- Bond Registry and Paying Agency
- Facility Agency
- Receiving Agency

Sinking Fund Management
Stock Transfer and Dividend Paying Agency

Unit Investment Trust Funds
RCBC Peso Money Market Fund
RCBC Peso Cash Management Fund
RCBC Peso Fixed Income Fund
RCBC Multi-Asset Fund
RCBC Equity Fund
RCBC Dollar Money Market Fund
Rizal Dollar Fixed Income Fund
RCBC Peso Short Term Fund
RCBC R25 Blue-Chip Equity Fund
RCBC R25 Dividend Equity Fund
RCBC US Equity Index Feeder Fund
RCBC Peso S&P500 Index Equity Feeder Fund

G. TRANSACTION BANKING

Check Clearing
Domestic Letters of Credit
Fund Transfers
Demand Drafts (Peso and Dollar)

Trade Products and Services

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

Export Services
Export LC Advising and Confirmation
Export Bills for Collection [(under LC/Documents against Payment (DP)/Documents against Acceptance (DA)]

Other Trade Services
Standby Letters of Credits and Bank Guarantees
Bid Bond
Performance Bond
Advance Payment
Warranty Bond
Retention Bond
Shipping Guarantee / Shipside Bond
Bank Endorsement

- Open Account (OA)/DA Registration
- Payment of PAS 6 Customs Duties and Taxes

- Trade Finance
  - Import Bills under LC
  - Trust Receipt Loans
    - Under Sight & Usance LC
    - Under DP/DA/OA/Documents against Release
  - Export Bills Purchased (under LC/DP/DA)
  - Supply Chain Finance (SCF)
    - PF – Payables Finance
    - RF – Receivables Finance

Collection and Receivables Services

- Bills Collections
  - Over the Counter (OTC)
  - Auto Debit Agreement (ADA)
  - ATM
  - Corporate Internet Banking
  - Mobile
  - Partner Payment Centers (PPC)
  - RCBC QR and non-QR Bills Pay
- PDC Warehousing
- Check Scan (via Mobile App or Remote Bulk Check Deposit for Corporates)
- Cash & Check Pick-up / Cash Delivery via Armored Truck
- Cash Rider and Check Rider (Cash & Check Pick-up via Motorized Collector)
- Cash Cube (Cash Acceptance Machine for Corporates)
- Pay Portal
- RCBC QR Pay

Disbursements Services

- Payroll
- Check Printing Facility (Corporate Check and Manager's Check)
- Electronic Fund Transfers via Pesonet, Instapay, Real-Time Gross Settlement (RTGS), Society for Worldwide Interbank Financial Telecommunications (SWIFT) and Philippine Domestic Dollar Transfer System (PDDTS)
- Auto-Credit Arrangement (Electronic fund transfers to RCBC accounts)

Government Payment

- BIR payments
- Philhealth and SSS

Payment Management Services

- Bancnet eGov - SSS/Pag-Ibig/Philhealth

Remittance Services

- RCBC Remittance Products and Services
  - Credit to any Bank Account
  - Cash Pick-Up
  - Cash Delivery
  - International Bills Payment

H. INVESTMENT BANKING

Arrangement, Issue Management and/or Underwriting of:
- Debt
  - Corporate and Local Government Retail Bonds
  - Project Finance
  - Acquisition Finance
  - Corporate Notes
  - Long or Short Term Commercial Papers
  - Promissory Notes
  - Syndicated Term Loans

Initial Public Offerings, Follow-On-Offerings, Stock Rights Offering, Private Placements of:
- Equities
  - Common Shares and Preferred Shares
  - Real Estate Investment Trusts (REITs)

Financial Advisory and Consultancy
- Mergers and Acquisition
- Corporate Restructuring
- Company Valuations
- Spin-offs

I. WEALTH MANAGEMENT

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

Investments & Financial Products
- Government Securities
- Fixed Income Securities
- Mutual Funds and UITFs
- Equities (Common and Preferred Shares, ETFs, REITs)
- Bancassurance
- Promissory Notes and Private Placements

J. ANCILLARY SERVICES

- Deposit Pick-up and Delivery
- Foreign Currency Conversions
- Safety Deposit Box
- Research (Economic & Investment)

Revenue Derived from Foreign Operations

The contribution of RCBC IFL, a foreign subsidiary, accounted for 0.01%, 0.01% and 0.02% of gross revenues for the years 2025, 2024 and 2023, respectively.

Competition. RCBC faces competition in providing banking services and products, not only from traditional domestic and foreign banks but also from newer entrants such as licensed digital banks, and

non-banks like financial technology (Fintech) companies and electronic money institutions (EMIs). As of 2025, the Banking Industry operates with 44 Universal and Commercial Banks (18 local and 26 foreign owned). There are also 6 Digital Banks that started operations in 2022.

Competition is tight in corporate banking, where loan pricing and the yields offered on deposit and investment products are factors limiting the expansion in this area. In response, the Bank has strategically diversified its portfolio to consumer loans, cash management services, and micro-financing to grow its client base, loan portfolio, and overall revenues. However, the consumer loans and digital payments arena has also become crowded, with digital banks and non-banks offering personal loans, credit cards, and installment products. These competitors often benefit from lower operational costs, enabling them to offer more attractive deposit rates and minimal or zero-fee fund transfers.

Despite the competition in the banking space, RCBC remains a strong player, ranking 5th in terms of Assets among private universal and commercial banks as of December 2025. The Bank continues to emphasize enhancing its offerings by investing in data science, artificial intelligence, technology, and systems to improve its products and services.

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

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

a.) *Corporate/SME/Institutional Market*

In 2025, the Institutional Banking Group (IBG) was established to streamline operations and foster expansion. This new entity consolidates the Corporate Banking Sector (CBS), the newly titled Business Banking Sector (BBS), and the IBG Credit Division, with additional backing from specialized Financial Planning and Business Development units.

CBS's accomplishments were fueled by providing cutting-edge financial solutions, expanding its reach, and tapping into a robust ecosystem of internal and external collaborators. The group successfully capitalized on growth opportunities in key sectors such as infrastructure, power, telecommunication, petroleum, and logistics.

A testament to the CBS's continuous strong presence in the industry is the several awards received from reputable award-giving bodies. It was the group's 5th year in a row to be awarded "Best Corporate Bank Philippines (2025)" from Global Banking & Finance Awards (GBAF). Renewable Energy efforts were also recognized by the Triple Asset Triple A Awards through "The Renewable Energy Deal of the Year - Solar", and "Renewable Energy Deal of the Year: Portfolio Deal of the Year 2025", and "Renewable Energy Deal of the Year: Telecom Deal of the Year 2025".

During the previous year, BBS prioritized deposit accumulation and portfolio management. Innovations for SME Lending were also recognized by the Asian Banking & Finance Retail Banking Awards 2025 through "New SME Lending Product of the Year - Philippines". For 2026 expansion, the Group intends to broaden its market reach by targeting specific customer segments through wholesale acquisition, focusing on provincial tycoons, value chain ecosystems, cooperatives and emerging markets.

The consolidation into IBG has provided the Bank with the structural agility required to navigate a shifting economic landscape. With a healthy asset base and a standardized, customer-centric

model, the group is positioned to scale its leadership in institutional relationships, sustainable finance and beyond.

b.) *Consumer/Retail Market*

RCBC, through the Retail Banking Group ("RBG"), provides a comprehensive suite of financial products and services tailored to the diverse needs of the Philippine retail market. Leveraging an extensive distribution network, RBG offers versatile deposit options designed to align with each client's unique financial profile. Beyond traditional banking, RBG provides seamless access to Treasury and Trust products, Bancassurance (life and non-life), credit cards, and consumer loans – including auto, housing, personal and salary facilities.

For emerging affluent and retail entrepreneurs, the RCBC Hexagon Club remains a premier offering. It is designed to foster sustainable, lifelong relationships by delivering value that transcends traditional banking. By providing affordable priority services and rewards that evolve alongside the client's growth, the Hexagon Club ensures that RCBC remains a steadfast partner at every stage of the financial journey.

The excellence of this program is highlighted by international acclaim, including being named "Best Customer Loyalty Program-Mass Affluent" award from the Global Retail Banking Innovation in 2025 and "Excellence in Mass Affluent Banking" award from the Retail Banker International Asia Trailblazer in 2025.

The Bank continues to strengthen its reach with branches and ATMs located in strategic growth areas and having stronger thrust to promote digital platforms like the RCBC Assist and RCBC Pulz (Digital), and a pro-active presence across social media and e-commerce channels.

To deepen relationships with institutional and business accounts, RBG has several industry-specific programs:

- KABALIKAT PROGRAM: Tailored for Cooperatives.
- CORE ALLIANCE: Designed for Associations and Organizations.
- PAY360: A dedicated solution for Manpower and Lending firms.
- Sector-Specific Bundles: Including BUILD UP (non-government contractors), ENRICHED (Schools), ALLSOURCED (BPO Companies), and the NEGOSYO BUNDLE and ENTERPRISE BUNDLE.

In 2025, these initiatives earned recognition from Global Retail Banking Innovation, with KABALIKAT PROGRAM honored as the Best Financial Inclusion Initiative and the NEGOSYO BUNDLE named Best New SME Product of the Year in the Philippines

Credit Card Business

In 2025, the RCBC Cards Business Group focused on growth and digital integration. Aligned with its objective to expand quality client base and provide relevant lending and payment solutions, the Group implemented several initiatives for customers and merchants.

Specific to its cross-sell acquisition strategy, the Group prioritized the premium bank segments. This included targeting high-value depositors through specific credit card offers, such as fee waivers and travel-related rewards, to maintain a high-quality portfolio.

Digital payment capabilities were expanded with the launch of Google Pay for RCBC Mastercard and Visa credit cardholders. Meanwhile, the shift toward digital channels was reflected in cash loans processing, where 65% of credit card conversions of credit limits to cash loans were

processed digitally. In parallel, the Personal Loans Business accelerated its digital transformation, with 95% of loans processed and 65% of total disbursements executed digitally, driven by strong uptake of Payday NOW and Salary Loan NOW.

To maximize travel demand and spur card usage, the Group expanded its travel fairs and merchant partnerships across the dining and retail sectors. Cross-border billings subsequently increased by 28% during the year. Additionally, the group introduced RCBC InstaLoan to address the demand for liquidity of low-risk credit cardholders.

Financial metrics showed growth across key areas. Credit cards in force increased by 18%, while issuing billings and total balances rose by 26% and 32%, respectively. Personal Loan disbursements saw an 18% year-on-year growth, with total outstanding balances ending 27% higher than the previous year. RCBC remained the fourth largest in the industry for credit card receivables, with the past-due ratio remaining within managed levels.

The Payment Solutions business expanded its merchant network, with the QR Payments network reaching over 18,500 outlets. Approximately 2,800 RCBC Tap-to-Phone terminals were deployed, and a loan program for business owners was introduced to support the MSME sector.

RCBC Microbank

RMB is the thrift banking arm of RCBC that is focused on providing financial products and services to micro and small entrepreneurs in the Philippines. Although its main focus is the micro segment or those enterprises with total assets P3.0 million and below, RMB has been providing since 2013 small business loan products for those whose loan requirements put them above microfinance, yet their financing needs are still below the lending floor of SME loans. In 2015, RMB introduced agricultural loan products using the value chain finance framework/approach. The agricultural loan product seeks to provide financing to agricultural value chain players such as traders, consolidators, aggregators, processors and farmers. Over the past years, RMB has expedited its reach within the agricultural sector by augmenting its partnerships with private and public entities. In 2025, RMB scaled its partnership even further with anchor firms into manufacturing of whole coconuts wherein coconut farmers and consolidators were given access to a different value chain financing program. Over P1.5 billion in loans were extended to more than 50 suppliers through the said program.

Aside from loans, RMB also offers its target clientele with deposit products such as regular savings, checking accounts and certificate-based time deposits. As part of its commitment to truly advance financial inclusion in the country and provide the much-needed financial products towards the unbanked and underserved markets, RMB introduced a Basic Deposit Account in 2019 where clients may open a formal savings account with a minimal initial deposit of P50 and only one valid ID.

In addition, RMB has implemented an agency banking program called Bangko ng Bayan (RMB-BNB) wherein local merchants in the barangays are tapped to serve as cash agents, thereby providing formal financial access points for the underserved and unbanked segments of the populations. With its cloud-based core-banking system, financial services such as cash-in (deposit), cash-out (withdrawal), bills payment, and opening of basic deposit accounts can be done real time through a secured electronic platform provided to the accredited agents. In 2024, it also introduced a loan agent program that accredited individuals to endorse micro and small enterprises to avail a credit facility with the bank. To date, RMB has onboarded more than 200 loan agents across its trade areas and has released more than P163 million loans in 2025 alone.

c.) *Global Filipino Banking*

An estimated more than 10 million Filipinos abroad, as of 2025 according to the Commission on Filipinos Overseas, accounted for a significant contribution to Philippine Gross Domestic Product (GDP) and foreign exchange. These Overseas Filipino Workers (OFW) send money back to the Philippines via direct remittance to their families. RCBC addresses the needs of these OFWs by offering a wide range of remittance products through reliable automated systems and support services.

RCBC Remittance, the Bank's OFW remittance brand, has been enjoying strong market recall, customer loyalty, and patronage in the market for over 30 years. Over the decades, RCBC has expanded its presence in more than 100 countries through partnerships with global money transfer operators, with Australia and South Korea being the most recent additions, while maintaining a strong foothold in mature markets in the Middle East particularly in the Kingdom of Saudi Arabia, the United Arab Emirates, Bahrain, Oman, Kuwait, and Qatar.

RCBC Remittance is relentless in its pursuit to expand its share of the global OFW remittance market through partnerships with banks and financial institutions by capitalizing on next generation technology to provide real-time processing of cross-border payments. It is also the bank's thrust to continue to provide the best customer service experience to both our overseas Filipinos and their beneficiaries here in the Philippines through safe, reliable, affordable and effective money transfer solutions.

d.) *High Net Worth Individuals Market*

Established in 2007 as the private banking arm of the Bank, RCBC Wealth serves the financial needs of high-net-worth and affluent individuals. Initially focused exclusively on the high-net-worth segment, it has since expanded its reach to include the growing affluent market. RCBC Wealth's services have also evolved beyond investment and financial planning to encompass retirement planning, estate and succession planning, and other specialized solutions tailored to our clients' unique financial requirements. Utilizing an open architecture platform, it offers a comprehensive suite of investment opportunities across diverse asset classes.

Each client is paired with a dedicated Relationship Manager and supported by a team of experts. This personalized approach ensures clients receive informed guidance, access to a wide range of investment options, and a single point of contact for all their financial matters, all while maintaining the highest standards of privacy and confidentiality.

RCBC Wealth now serves high-net-worth individuals, the next generation of wealth holders, and the emerging affluent segment through five strategically located offices in Makati, Binondo, Greenhills, Cebu and Davao.

e.) *Digital Enterprise and Innovation Banking*

In 2025, RCBC accelerated its shift toward global digital banking, anchored on its commitment to serve Filipinos wherever they are. Through the Digital Enterprise and Innovations Group (DEIG), the Bank expanded access to secure, inclusive, and globally connected financial services, strengthening both domestic reach and cross-border capabilities.

RCBC Pulz is RCBC's flagship digital banking platform for the affluent and emerging affluent, designed for digitally savvy clients with more sophisticated, time-bound, and global banking needs. It offers the widest range of pioneering features among Philippine digital banking apps, including free bank transfers for Wealth and Hexagon clients and first-in-market capabilities such as in-app UITFs. In 2025, RCBC became the first bank in the Philippines to offer U.S. virtual

accounts in partnership with Meridian, a leading US-based provider of real-time global payments networking. The joint innovation allows RCBC customers to open and manage a U.S. virtual account directly through the RCBC Pulz app, with no U.S. address, social security number, or residency required.

RCBC ATM Go reinforced RCBC's leadership in phygital (physical-digital) banking convergence. As Southeast Asia's first Manual Cash Withdrawal service, the Philippines' first Kapitbahay ATM expanded access to essential banking services for both local users and digitally savvy tourists. Its bank-agnostic infrastructure supports Mastercard and Visa cardholders while embedding ATM Go terminals within trusted community-based partners, particularly money service businesses. This ecosystem-driven approach extended RCBC's reach to rural and remote areas, making every day financial services available in familiar and accessible locations.

RCBC DiskarTech continued to deliver measurable inclusion outcomes. It was selected as the subject of the first Mastercard whitepaper on digital banking solutions in Asia, highlighting its effectiveness in onboarding and activating newly banked Filipinos. In partnership with the Social Security System (SSS), RCBC launched the MySSS Card powered by RCBC DiskarTech, a first-of-its-kind solution that functions as both a valid government ID and a fully operational savings account. The card simplifies benefits disbursement and enables withdrawals, bill payments, and fund transfers, with digital microloans set for rollout.

Awards and Recognition

DEIG further reinforced RCBC's position as one of the Philippines' and Asia's leading digital challenger banks in 2025. These distinctions affirm the Bank's disciplined execution of its digital strategy, sustained investments in innovation, and measurable impact on customer experience, financial inclusion, and ecosystem partnerships.

Key recognitions earned by DEIG in 2025 include:

- 6-Peat Best Bank for Digital (First in Asia), 2025 Euromoney Awards for Excellence
- 2-Peat Digital Bank of the Year, The Asset Triple A Digital Awards 2025
- Best Customer Experience Bank in ASEAN, ASEAN Fintech Awards 2025
- Best Institution for Digital CX, Digital CX Awards 2025
- Best Customer-Centric Product or Service – RCBC Pulz, 6th Bank Marketing Association of the Philippines Awards
- Outstanding Digital Innovation in SME Banking (Highly Acclaimed) – RCBC ATM Go, Global SME Banking Innovation Awards 2025
- 3-Peat Best Digital Disbursement Partner – RCBC DiskarTech, SSS 2025 Balikat ng Bayan Awards

Transactions and/or Dependence on Related Parties. The information required is contained in Item 12. *Certain Relationships and Related Transactions*.

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

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

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

Further, to address growing concerns about online scams and the inappropriate use of bank accounts as money mules, the Congress enacted Republic Act 12010 (Anti-Financial Account Scamming Act or AFASA) and this was signed into law by the President on July 20, 2024. Consequently, the BSP issued Circulars 1213, 1214, and 1215 to implement the said law and it has called for the financial industry's strengthening of fraud prevention and detection by enhancing security features, transaction verifications, and consumer protection tools. The banking industry association is drafting the protocol of implementing these requirements, especially the need to perform a coordinated verification process to ascertain the validity of disputed transactions. The Bank has invested in technology and people to be able to comply with its obligations under the AFASA.

Amount Spent on Research and Development Activities. The Group's total investment in IT Software is P632 million in 2025, P519 million in 2024 and P381 million in 2023. Percent (%) to total revenue is 1.0% in 2025, 1.0% in 2024 and 0.8% in 2023. This is also disclosed in Note 15.3 of the AFS as part of the movement of the Group's software.

Employees. The Bank, excluding subsidiaries, has a total manpower of 6,635 as of December 31, 2025 (1,979 non-officers and 4,656 officers) from 6,543 as of December 31, 2024 (2,019 non-officers and 4,524 officers).

Although not all non-officer employees are members of the RCBC Employees Association, all are covered by the Collective Bargaining Agreement (CBA). All of the Bank's non-managerial employees, other than those expressly excluded under the CBA, are represented by an independent union, the RCBC Employees Association. In October 2024, the Bank (excluding subsidiaries) and the RCBC Employees Association agreed on the 2-year economic provisions (2024-2026) of the previously agreed upon 5-year non-economic terms of the CBA covering the period October 1, 2021 to September 30, 2026.

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

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

In 2025, Human Resources Group (HRG) continued the conduct of activities to sustain the promotion of health, safety and welfare of RCBC employees with the following highlights:

- Hospitalization, emergency care and other medical services with 9,719 availments for employees and 2,259 availments for dependents;
- Executive Check-Up for employees with total cost of P92.4 million; and
- Outpatient consultation services for employees with 17,764 availments.

The Bank also partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and serviced more than 324 availments in 2025. Moreover, there is a clinic set-up at the A. T. Yuchengco Centre in Bonifacio Global City (BGC) to provide free check-up and consultation services to more than 915 employees at said location.

The Bank spent more than P279 million in 2025 for health benefits of employees and their dependents.

In 2025, the Bank formalized its commitment to the Working with Cancer Pledge through partnership with Ayala Healthcare Holdings, Inc. or AC Health. The Working with Cancer Pledge is a global movement that aims to end the stigma of cancer in the workplace by fostering a more supportive, open, and recovery-forward environment for employees. Strengthening this commitment, the Bank introduced the following initiatives:

- Cancer Care Leave benefit which provides additional leaves to those who are diagnosed with cancer. In 2025, a total of 40.5 Cancer Care Leave credits were availed by employees who are cancer patients; and
- WWC (Working with Cancer) Series also commenced in 2025 with the aim of providing employees with learning sessions on cancer. The first webinar entitled *Detect to Protect: The Power of Cancer Screening* was attended by 187 employees.

Pursuant to the Bank's growth strategy and plans, HRG is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being and corporate social responsibility.

The Bank invests in training and developing employees and upgrading employee skills. Management has introduced and offered various training programs and seminars. In 2025, learning sessions were done both online and face-to-face. There were 19,432 attendees of both internal and external training programs. Additionally, a total of 49,355 eLearning courses were completed by the employees in 2025.

RCBC is committed to providing a strong learning and development platform for all employees across all job levels. HRG continued to strengthen the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars benefiting 16,511 (internal training) attendees, addressing the competencies of Leadership, Customer Service, Sales Planning and Management, Product and Technical Knowledge, Risk Management, and AML/Compliance. A total of 2,921 employees were also sent to various external training programs, including eLearning courses offered by external providers.

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

For RCBC Leadership Academy, the following programs were successfully delivered in 2025:

- The third batch of Digital Excellence and Leadership Academy (DELTA) yielded 16 graduates. Of the 16, three (3) graduates will form part of DELTA-GOLD, the leadership development program for the Operations Group, and one (1) graduate will proceed to DELTA-CODEX, the leadership development program for the Compliance Group.
- TOPGUN (Treasury, Operations, Products, Governance, Underwriting, and Innovation), RCBC's part-time management training program, had its second run in 2025. The program aims to provide participants with a broader view of the entire bank, helping them become well-rounded professionals. Thirty-two (32) officers graduated from the program.
- The Middle Management Development Program's 12th batch was completed in 2025 with nineteen (19) graduates. The program aims to develop high potential talents who are identified to fill more senior positions in the future.
- Three runs of the SRO (Service and Reserve Officer) Bootcamp were completed and produced 76 new branch service officers. Additionally, two (2) runs of the BRO (Branch Relationship Officer) Development Program were conducted in 2025 and produced 10 new branch sales officers, 16 are expected to join the 2nd run that will be completed in early 2026.

For RCBC Digital Academy, the following courses launched in 2021 as part of the Bank's Digital and Customer Centricity Culture Transformation continued to be offered.

- Eighty-three (83) employees attended Design Thinking and one hundred three (103) employees completed the Agile Scrum Project Management course.
- Another initiative of the Digital Academy is the Fintech Foundation Program Flex, an online, self-paced program offered by 10x1000.org. A total of 2,298 employees completed this in 2025.

For the RCBC CX Excellence Academy, CX Fundamentals Training remains to be a staple program and all new hires are required to attend this. A total of 915 attended in 2025. Under the academy, the CX Award for Customer Excellence (ACE) had its fourth run in 2025, where three (3) individuals and eight (8) groups were awarded.

In 2025, four (4) e-Learning programs were launched and were required to be taken by all employees. These are Foundational Training for Agile Scrum, Code of Conduct, Sustainability eLearning and AMLA.

To support the branch operations, new programs designated and rolled out in 2024 with the goal of providing and enhancing required competencies continued to be delivered in 2025. First, a Continuing Program for Service Managers, Service Officers and Associates, 243 attended; and second, a Branch Service Manager Program, 91 attended. To further enhance the ability of the branches to counter Money Laundering, an AML Name Screening training was rolled out, in coordination with the Compliance Group. A total of 1,997 attended the training.

For IBG, the following programs were conducted: Credit Facilities and Packaging attended by 74 employees; Basic Credit attended by 212 employees; Basic FS Analysis attended by 79 employees; CA Appreciation attended by 44 employees; and ESMS training attended by 156 employees. Advanced Credit, a new workshop that aims to build credit competence and strengthen credit discipline, was launched in 2025 and was attended by 103 employees.

In compliance with the BSP Directive to have all UITF Selling Personnel accredited, the Bank conducted 6 review sessions to prepare those who will take the Trust Officers Association of the Philippines (TOAP) accreditation. A total of 100 employees attended the review sessions and 60 were registered with TOAP to take the accreditation exam.

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

Under the Bank's Corporate Governance Framework, the Board of Directors is provided with the Annual Continuing Training Program. This is a mandatory program which aims for the directors to be continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. It involves courses on corporate governance, matters relevant to the company, including audit, internal controls, risk management, sustainability, and strategy. The annual continuing training should be at least four hours. The program offered for Corporate Governance in 2025 is entitled *Strategy in Motion: The Evolving Role of Governance*.

For the Bank's Senior Leaders, the following sessions were arranged:

1. During the Board of Directors Offsite, the senior leaders attended these learning modules: *Bold Moves, Big Impact: Redefining Payments Leadership* delivered by VISA; *Winning Hearts in a Competitive Generics Landscape through Authentic, Value Driven CX* facilitated by RiteMed; *AI, New Risks and the Bank of the Future* with Mikael Haegstrom as speaker; and *Reaching Customer Primacy with Net Promoter Score (NPS)* discussed by Bain Consulting.
2. Business Dining Etiquette conducted by no less than the RCBC Chairperson, Mrs. Helen Y. Dee.
3. Google AI Training
4. Thought Leadership: Creating Impact Through Blue Financing

To uphold the Bank's commitment to continuous learning and development, all employees have been provided with access to the LinkedIn Learning platform beginning in 2025. This subscription enables employees to take ownership of their own learning by offering a wide variety of courses accessible anytime, anywhere. Promoting the new platform and aligning with one of the Bank's key strategies, the RCBC AI Learning Pathway was delivered through LinkedIn Learning. The RCBC AI Learning Pathway is a curated learning path designed to equip employees with the necessary skills and knowledge to effectively and ethically use AI in their day-to-day work.

Project 1GEN is a mentoring program especially designed for high performing first generation graduates. First generation graduates are employees whose parents are not college graduates. Under this program, they will be mentored by no less than the former RCBC President and CEO and now RCBC Director, Mr. Eugene S. Acevedo. Project 1GEN was officially launched in June 2025 and participated in by 13 mentees.

As part of safeguarding the well-being of employees, the Bank continued to offer *Your Well-Being Matters* webinars, with the resident expert Dr. Michele Alignay. The following webinars were offered in 2025:

- 1st quarter topic – Focusing on the Good, 273 attendees
- 2nd quarter topic – From Tension to Resolution, 247 attendees
- 3rd quarter topic – Cultivating Self Awareness, 250 attendees
- 4th quarter topic – Embracing Adversity and Building Resiliency, 138 attendees

Programs designed for the multi-generational workplace were continuously delivered in 2025:

- *GRIT: Empowering our Gen Z Partners* is aimed to help our GenZ associates navigate and adjust to their work environment. This was attended by 474 employees.
- For junior leaders, *Lead from Within: Elevate your Vision, Influence, and Action* was attended by 554 employees.
- A new program, *KYZ: Know Your Gen Z Employees*, aims to help line managers have a better understanding of Gen Z employees was also conducted and this was attended by 325 employees.

Launched in 2023, the RCBC Internship Program runs for 8 weeks and allows 3rd and 4th year students from the top universities of the Philippines to gain experience in the field of banking. The program was designed in a way that would expose the interns to different bank processes, clients, products, and other day-to-day activities, and allow them to apply the knowledge that they gained in a practical manner. It also provided the interns with program-related and career-related work experience, as they were assigned to areas that aligned with their respective courses. In 2025, 22 Interns joined the program under the following tracks: Digital Technology - DEIG, ITSSG and TBG; Middle Office - Marketing Group, and RMG; and Sales - RBG and RCBC Capital.

The Bank continues to implement initiatives to empower and engage its key resource, i.e., its people. As a result, it has been recognized by award-giving institutions. During the BusinessWorld Best Places to Work 2025 awarding ceremony, the bank was presented with the following recognitions: *Merit Award for Best Places to Work across all Organization Sizes*, *Merit Award for Best Places to Work for Women Employees, for Ethnic Minorities, for LGBTQIA+ Employees, for Disabled Employees, for Employees Age 16-34, for Employees Age 55 and up, and for Employee Wellbeing*, and *Grand Award for Best Places to Work for Very Big Organizations*. In its third year, the Bank was awarded by the Philippine Daily Inquirer as one of the *Best Employers for 2026*. Likewise, the Bank was presented with the *World's Best Companies-Asia/Pacific* by Time Magazine for two consecutive years. These awards are a testament to the Bank's commitment to its employees in ensuring a workplace that truly adheres to its people-centered organizational principles.

Risk Management. The RCBC Group recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. The Group views risk management as a value proposition imbued with the mission of achieving sustainable growth in profitability and shareholder value through an optimum balance of risk and return. The RCBC Group's Risk Governance Framework aims to:

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

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

The BOD:

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

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

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

- The **Risk Oversight Committee (ROC)** is a board-level committee to which the Board delegated some of its functions with respect to the oversight and management of risk exposures of the RCBC Group. In this regard, the ROC exercises authority over other risk committees of the Group, with the principal purpose of assisting the Board in fulfilling its risk oversight responsibilities. The ROC oversees the following: 1) The Risk Governance Framework; 2) The Risk Management Function; 3) Adherence to Risk Appetite; 4) Capital Planning and Management; and 5) Recovery Plans.

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

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

    - Oversees senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws,

regulations and internal policies, efficiencies and effectiveness of operations, and safeguarding assets.

- Oversees the institution's financial reporting policies, practices and controls, as well as that 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.
- Ensures that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws and regulations and other issues identified by auditors and other control functions.
- 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.
- Ensures that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls and risk management, is conducted at least annually. Through this comprehensive system of monitoring and review of risks, controls and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting their respective businesses.
- Establishes and maintains mechanisms by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that have the power to take corrective action.
- Oversees the Compliance Program and shall ensure that compliance issues are expeditiously resolved.
- The Audit and Compliance Committee's evaluation of the effectiveness of the internal controls in the areas of financial reporting processes, information technology security and controls, risk management systems and governance process of the Bank is mainly based on the annual financial statements audit report showing an unqualified opinion from the External Auditor, the overall assurance provided by the Chief Audit Executive from the audits and related activities performed during the period and additional reports and information requested from Senior Management, and found that these systems and processes are generally adequate across RCBC.

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

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

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

- The **Credit and Collection Committee (CRECOLCOM)** is chaired by the President and Chief Executive Officer (CEO) and composed of the heads of credit risk-taking business groups. The committee includes the Heads of Institutional Banking Group (IBG), Business Banking Sector (BBS), Treasury Group (TG), Asset Management and Remedial Group (AMRG), and Operations Group (OG). Meetings are held every Tuesday of the week unless rescheduled or cancelled for lack of quorum or accounts to discuss. In case a regular member is not present in the meeting, the alternates are the Heads of Retail Banking Group (RBG) and Strategic Initiatives.

  The Committee has the authority to review and approve credit exposures within its authority limit, as delegated to it by the Board. Additionally, it also reviews plans and progress on the resolution of problem loan accounts. And lastly, it reports and recommends to the EXCOM immediate measures to reduce the level of past due, problematic and flagged accounts.

- The **Asset-Liability Management Committee (ALCO)** is chaired by the Treasurer and joined by the President and CEO together with the heads of various business and support groups. The objective of the ALCO is to manage the assets and liabilities of the bank in order to provide maximum stable net interest margin, after-tax return on assets and return on equity capital, and assure adequate liquidity and capital to meet regulatory and banking needs.

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

- The **Anti-Money Laundering Management Committee (AML ManCom)**, which meets weekly, evaluates the unusual/suspicious transaction cases reported by the different bank units. As approved by the AML Board, the AML ManCom has delegated to the Money Laundering Reporting Officer (MLRO) the approval to file suspicious transaction reports for cases that are considered straightforward, including but not limited to those transactions with obvious suspicious indicators, fraud-related cases, clients that used fake IDs, among others.

  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, Labor Relations Division, Risk Management Group or their duly appointed designates, as members, while the Investigators from the Compliance Operations Division (COD) act as the presenters. The COD, through the Chief Compliance Officer, reports to the AML Board Committee its monthly activities, including the highlights from the AML ManCom meetings.

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

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

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

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

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

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

c) **Market Risk** – Market Risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both in the banking book and off-balance sheet.
To manage market risks inherent in the Bank's portfolio, three (3) related measures of risk values are estimated or established:

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

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

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

that period. The Bank also employs metrics like Net Interest Income-At-Risk for short term earnings risk and Economic Value of Equity for long term earnings risk.

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

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

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

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

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

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

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

The Bank acknowledges through its digital initiatives that measures to safeguard the security and integrity of its IT systems must extend beyond its traditional boundaries. Solutions that improve mobile applications and cloud solutions are in place. To ensure the integrity of transactions, a one-time pin and notifications are implemented on both online and mobile channels to protect its customers. As technology advances, the

Bank will adjust its strategy to include AI and other emerging technologies, in order to provide an enhanced and safe customer experience.

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

g) **Regulatory Risk and Compliance Risk** – Regulatory Risk is the risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy. Compliance risk is the 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 Bank's Compliance Program, the implementation of which is overseen and coordinated by the Compliance Group, is the primary control process for regulatory risk issues, including money laundering and terrorist financing risks. The Compliance Group is responsible for communicating and disseminating applicable new rules and regulations to all affected units. Compliance Risks are assessed by relating the Bank's compliance obligations, from the regulatory requirements to its existing business framework and processes. Compliance Risk is further monitored through the conduct of Compliance Testing on a quarterly basis. The results of Compliance Testing are reported to the Audit and Compliance Committee.

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

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

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

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

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

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

Item 2. Properties

RCBC Head Office is located at RCBC Plaza, corner Ayala Avenue and Sen. Gil Puyat Avenue Ext., Makati City. In addition, several Head Office units occupy leased spaces in A.T. Yuchengco Centre, Bonifacio Global City, Taguig City. The Bank and some of its subsidiaries lease the premises occupied with lease contracts of five (5) years and are renewable upon mutual agreement of both parties under certain terms and conditions.

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

The Group's total lease related expenses comprising of rent, right-of-use amortization, and interest on lease liability amounted to P2.0 billion in 2025. The lease periods are from 1 year to 25 years. Most of the lease contracts contain renewal options, which give the Parent Company and its subsidiaries the right to extend the lease on terms mutually agreed upon by both parties.

The Bank's leased premises in RCBC Plaza and ATY Centre (excluding business centers at the ground floors) cover an area of 19,148.5 and 20,418 square meters with monthly rental of P39.1 million and P33.6 million, inclusive of VAT, respectively.

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

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
3rd AVE. BGC	G/F, Mckinley Park Residences Bldg., 3rd Ave. corner 31st Street, BGC, Taguig	122,466.36	1-Jun-2021	31-May-2026
4th AVE BGC	27th Street Corner 4th Avenue, Bonifacio Global City, Taguig	316,685.70	1-Aug-2022	31-Jul-2027
7th AVE. BGC	Unit E2 G/F, W City Center Bldg., 7th Avenue corner 30th Street, Bonifacio Global City, Taguig, Metro Manila 1634	644,274.56	15-Jun-2021	14-Jun-2026
9th AVE. BGC	Ecoprime Tower Building, G/F Units 5 & 6 Lane R Cor. 9th Avenue, Bonifacio GLobal City, Taguig	245,993.48	1-Nov-2021	31-Oct-2026
11th AVE BGC	G/F BGC Corporate Center Bldg., 11th Ave. cor. 30th St., Bonifacio Global City, Taguig	480,385.31	1-Jun-2021	31-Dec-2025*
25th ST BGC	G/F One McKinley Place Condominium, 4th Ave., cor. 25th St., Bonifacio Global City, Taguig	204,615.18	1-Sep-2022	31-Aug-2027
A. MABINI	1353 Tesoro Bldg. A. Mabini St. Ermita Manila	382,718.03	15-Oct-2024	14-Oct-2029
ABAD SANTOS	1628 Jose Abad Santos Avenue, Tondo, Manila	298,785.82	1-May-2017	30-Apr-2027
ACROPOLIS	191 Triquetra Bldg., E. Rodriguez Jr. Ave., Bagumbayan, Quezon City	258,405.00	1-Jun-2025	31-May-2030

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
ACROPOLIS-EASTWOOD	Unit G8A-B, G/F MDC 100 Building, No. 188 E. Rodriquez Jr. Avenue cor. Eastwood Avenue, Barrio Bagumbayan, Quezon City	166,633.25	21-Dec-2025	20-Dec-2030
ADB AVENUE-GARNET	Unit 110 AIC Burgundy Empire Tower ADB Ave. corner Garnet Road, Ortigas Center, Pasig City	346,101.18	1-May-2022	30-Apr-2027
ADRIATICO	Hostel 1632 G/F Unit No. 1632 M. Adriatico St. Malate, City of Manila	361,343.39	1-May-2017	14-May-2027
AGUIRRE-BF HOMES	G/F Fitness & Beauty Mall Bldg., 290 Aguirre Avenue. Cor. Gov. Santos St., BF Homes, Paranaque City	239,071.08	1-Jan-2022	1-Jan-2027
ALABANG	RCBC Building, Tierra Nueva Subd.,Alabang-Zapote Road, Alabang, Muntinlupa City	205,094.40	31-Mar-2023	30-Mar-2028
ALABANG FILINVEST	Units G04 & G05 Vivere Hotel 5102 Brigeway Ave., Filinvest Corporate City, Alabang, Muntinlupa City	188,259.91	21-Oct-2025	20-Oct-2030
ALABANG MADRIGAL BUSINESS PARK	Unit 5 & 6, G/F CTP Alpha Bldg., Investment Drive, Madrigal Business Park, Ayala Alabang, Muntinlupa City	284,882.66	15-Sep-2025	14-Sep-2030
ALAMINOS	MARCOS AVE. COR MONTEMAYOR ST., POBLACION, ALAMINOS CITY, PANGASINAN	166,314.22	1-Sep-2021	31-Aug-2026
ALFONSO-CAVITE	Fenway Commons Bldg., B2 L6 Gen. Emilio Aguinaldo Highway, Alfonso, Cavite	62,916.00	1-Apr-2022	31-Mar-2027
AMANG RODRIGUEZ	1249 A. Rodriguez Ave., Dela Paz, Pasig City	77,390.52	1-Jul-2017	30-Jun-2027
AMORANTO	Units 1-F and 1-G Edificio Enriqueta 422 N.S. Amoranto St., cor. D. Tuason Ave. Quezon City	174,649.30	1-Mar-2017	28-Feb-2027
AMPID	122 General Luna St., Ampid 1, San Mateo Rizal	220,648.27	7-Nov-2021	7-Nov-2028
ANGELES	RCBC Bldg. Sto Rosario Street cor Teresa Ave, Angeles City	142,502.98	31-Mar-2023	30-Mar-2028
ANGELES STO. CRISTO	243 Sto. Entierro St. Brgy. Sto. Cristo Angeles City Pampanga	112,919.81	18-Feb-2017	17-Feb-2027
ANGONO	M.L. Quezon Ave. Brgy. San Pedro Angono Rizal	32,728.08	31-Mar-2023	30-Mar-2028
ANNAPOLIS-MISSOURI	G/F Unit 102 The Victoria Plaza, #41 Annapolis St. San Juan City	217,220.42	19-Feb-2018	15-Feb-2033
ANONAS	69 Anonas St., cor. Chico St., Project 2, Quezon City	91,066.50	31-Mar-2023	30-Mar-2028
ANTIPOLO *(formerly Antipolo Lores)*	Antipolo Triangle Mall, Sen Lorenzo Sumulong Memorial Circle, Brgy San Jose, Antipolo City	115,865.19	15-Oct-2021	14-Oct-2031
ANTIQUE	Del Carmen Bldg, Solana St. corner T.Fornier St. , San Jose, Antique	89,026.87	1-Apr-2019	31-Mar-2029
APALIT	National Road, San Vicente, Apalit, Pampanga	35,327.88	31-Mar-2023	30-Mar-2028
APARRI	108 J.P. Rizal St., Brgy. Centro 14, Aparri, Cagayan	80,638.00	16-Feb-2021	15-Feb-2026*
ARANETA	G/F, Unit 111 Sampaguita Theatre Bldg. Cor. Gen. Araneta and Gen. Roxas Sts. Cubao, Quezon City	490,520.10	1-May-2024	30-Apr-2029

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
ARNAIZ	843 G/F Prudential Life Bldg., Arnaiz Ave., Legaspi Village, Makati City	137,175.45	1-Dec-2021	30-Nov-2026
ARRANQUE	1001 Orient Star Bldg. Cor. Masangkay and Soler Sts., Binondo, Manila	514,928.78	15-May-2017	14-May-2027
AURORA BLVD.-MADISON	Madison 101, Aurora Blvd. cor. Madison St., Quezon City	336,549.81	1-Dec-2015	30-Nov-2035
A.T. YUCHENGCO CENTRE	6th and 25th Sts., RCBC Savings Bank Corporate Center, Bonifactio Global City, Taguig City	741,798.56	1-Oct-2022	30-Sep-2027
AYALA	Unit 709 & 710, Tower One, Ayala Triangle, Ayala Ave. Makati City	913,723.65	1-Oct-2024	30-Sep-2029
AYALA VICENTE MADRIGAL	Unit 100-B G/F, Vicente Madrigal Bldg., 6793 Ayala Avenue, Makati City	574,861.53	1-Aug-2021	31-Jul-2026
AYALA PASEO	GF 8767 Philamlife Tower, Paseo De Roxas Makati City	435,661.20	1-Sep-2025	31-Aug-2030
BACAO	G/F Yokota Commercial Building, Bacao Road, General Trias, Cavite	90,468.78	16-Mar-2025	16-Mar-2030
BACLARAN	21 Taft Ave. Baclaran Parañaque City	282,936.78	31-Mar-2023	30-Mar-2028
BACLARAN-QUIRINO AVE	3916 Qurino Avenue corner Aragon Street, Baclaran, Paranaque City	129,051.21	1-Oct-2025	1-Oct-2030
BACOLOD LACSON	GF Lourdes C. Bldg II, 14th Lacson St., Bacolod City	123,308.43	1-Nov-2021	31-Oct-2026
BACOLOD LIBERTAD	Libertad Extension, Bacolod City	42,750.00	1-May-2021	30-Apr-2026
BACOLOD MAIN	cor. Rizal and Locsin Sts., Bacolod City	330,099.08	31-Mar-2023	30-Mar-2028
BACOLOD SHOPPING	Hilado Extension, Capitol Shopping Center, Bacolod City	143,525.05	10-Oct-2016	9-Oct-2026
BACOLOD-MANDALAGAN	LACSON ST, BRGY MANDALAGAN, BACOLOD CITY	352,976.40	31-Mar-2023	30-Mar-2028
BACOOR	Maraudi Bldg. Gen. E. Aguinaldo Highway Brgy. Niog, Bacoor Cavite	102,069.03	1-May-2018	1-May-2028
BACOOR-SALINAS	#333 Gen. Emilio Aguinaldo Hi way Salinas IV Bacoor City Cavite	330,099.08	31-Mar-2023	30-Mar-2028
BAGUIO	RCBC Bldg., 20 Session Rd. , Baguio City	1,195,286.40	31-Mar-2023	30-Mar-2028
BAGUIO-MABINI ST	Rm 104 GP Shopping Arcade Upper Mabini St., Baguio City	220,788.51	22-Jun-2020	22-Jun-2027
BALAGTAS	McArthur Highway, Borol 1st, Balagtas, Bulacan	112,919.81	16-Nov-2017	15-Nov-2027
BALAMBAN	D.C. Sanchez St., Balamban, Cebu	105,460.06	15-Aug-2021	15-Aug-2031
BALANGA	Don Manuel Banzon Ave. cor. Cuaderno St., Balanga City, Bataan	98,453.25	1-Oct-2022	30-Sep-2027
BALER	Quezon St. corner Bonifacio St. Poblacion, Baler, Aurora	64,827.00	1-May-2014	30-Apr-2034
BALIBAGO	McArthur Highway, Balibago, Angeles City	71,251.49	31-Mar-2023	30-Mar-2028
BALIUAG	01 JP Rizal St. cor Tagle St., Baliwag, Bulacan	205,824.74	16-Aug-2017	15-Aug-2027

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
BANAWE	Unit I-K, CTK Bldg. 385 Banawe cor. N.Roxas Sts. Quezon City	397,369.60	16-Feb-2025	15-Feb-2030
BANILAD	AS Fortuna Street, Banilad, Cebu City	235,566.40	16-Feb-2022	15-Feb-2032
BATAAN	RCBC Bldg. AFAB Mariveles, Bataan	53,130.18	28-Mar-2024	27-Mar-2029
BATAC	Marcos Blvd., Batac, Ilocos Norte	69,439.63	31-Mar-2023	30-Mar-2028
BATANGAS	No. 17 Rizal Ave. cor. P. Gomez St., Batangas City	96,997.39	1-Apr-2022	31-Mar-2027
BAUAN	J.P. Rizal St., Poblacion, Bauan, Batangas	60,000.00	12-Sep-2021	14-Sep-2026
BAYANI ROAD	30B Bayani Road AFPOVAI Subdivision, Fort Bonifacio, Taguig City	183,312.06	1-Sep-2022	31-Aug-2032
BAYAWAN	National Highway, Bayawan City , Negros Oriental	85,683.36	31-Mar-2023	30-Mar-2028
BEL AIR *(formerly Jupiter)*	Unit 101 Dona Consolacion Bldg., 122 Jupiter St., Bel-air Makati city	194,502.19	1-Oct-2021	30-Sep-2026
BETTER LIVING	14 Dona Soledad Better Living Subd. Paranaque City	245,783.34	15-Sep-2023	14-Sep-2028
BETTER LIVING-BICUTAN	133 DOñA SOLEDAD AVENUE BARANGAY DON BOSCO BETTERLIVING SUBDIVISION PARAñAQUE CITY	939,027.77	31-Mar-2023	30-Mar-2028
BF HOMES	Unit 101 Centermall Bldg, President Ave. BF Homes, Parañaque City	193,393.20	31-Mar-2023	30-Mar-2028
BF RESORT	J Studio HQ Building, BF Resort Drive, BF Resort Village, Talon Uno, Las Pinas City	237,822.48	1-Sep-2022	31-Aug-2027
BINAKAYAN	TIRONA HIGHWAY BINAKAYAN KAWIT CAVITE 4104	33,360.77	31-Mar-2023	30-Mar-2028
BINAN	126 A. Bonifacio St. Canlalay Biñan City, Laguna	201,465.26	31-Mar-2023	30-Mar-2028
BINAN LIIP	G/F Admin Bldg Laguna International Industrial Park., Mamplasan, Biñan, Laguna	82,723.45	1-Oct-2021	30-Sep-2026
BINANGONAN	ML QUEZON COR. P. ZAMORA STS. LIBID, BINANGONAN RIZAL	47,040.00	31-Mar-2023	30-Mar-2028
BINONDO	ETY Building, 484 Quintin Paredes Street, Binondo, Manila 1006	635,239.57	1-Apr-2023	31-Mar-2028
BLUMENTRITT	1876 Blumentritt St Corner, Andrade St., Sta. Cruz, Manila	176,329.44	31-Mar-2023	30-Mar-2028
BOAC	Governor Damian Reyes St. Brgy. San Miguel, Boac, Marinduque	39,900.00	1-Jun-2023	1-Jun-2033
BOCAUE	249 BINANG 2ND BOCAUE BULACAN	102,312.00	31-Mar-2023	30-Mar-2028
BOLTON DAVAO	RCBC Savings Bank Bldg., Bolton Street, Davao City 8000	185,103.58	31-Mar-2023	30-Mar-2028
BONI AVENUE	617 Boni Ave., Mandaluyong City	182,489.84	30-Apr-2021	30-Apr-2026
BORACAY	Station 1, Brgy Balabag Boracay, Malay, Aklan	186,407.31	1-Nov-2019	31-Oct-2029

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
BUENDIA	Grepalife Bldg., 221 Sen. Gil J. Puyat Ave., Makati City	654,313.91	1-Jan-2024	31-Dec-2028
BUHANGIN	Dr A and B Bldg 2010 Km 7 Diversion Road Buhangin, Davao City	61,682.27	1-Jun-2024	31-May-2029
BUTUAN	Dy Teban Building II, Ester Luna St., Butuan City	187,227.65	1-Oct-2023	30-Sep-2031
C. RAYMUNDO	261 Unit C, C. Raymundo Avenue, Brgy. Maybunga, Pasig City	162,604.52	1-Feb-2017	31-Jan-2027
CABANATUAN	1051 Burgos Avenue, Cabanatuan City, Nueva Ecija	108,704.93	1-Oct-2021	30-Sep-2031
CABANATUAN-MAHARLIKA HIGHWAY	Maharlika Highway Cor. Paco Roman Ext., Cabanatuan City	131,241.60	31-Mar-2023	30-Mar-2028
CABUYAO-J.P. RIZAL AVENUE	J.P. Rizal Avenue, cor. Del Pilar St., Cabuyao, Laguna	141,120.00	31-Mar-2023	30-Mar-2028
CADIZ	Abelarde Cor. Mabini Sts., Cadiz City	40,933.62	31-Mar-2023	30-Mar-2028
CAINTA	Multicon Bldg. FP Felix Ave., Cainta, Rizal	169.919.62	16-Nov-2017	15-Nov-2027
CALAMBA	National Highway cor. Dolor St. Crossing, Calamba City, Laguna	160,030.08	31-Mar-2023	30-Mar-2028
CALAPAN	HOMEMARK BLDG., J.P. RIZAL ST., CAMILMIL, CALAPAN CITY, ORIENTAL MINDORO 5200	116,194.48	1-Oct-2021	1-Oct-2026
CALBAYOG	corner Magsaysay Boulevard and Rueda Streets, Calbayog City	149,300.76	1-Sep-2017	31-Aug-2027
CALINAN	National Highway, Poblacion Calinan, Davao City	26,600.00	1-Apr-2025	31-Dec-2025*
CAMARIN	SACRED HEART VILLAGE, SUSANO ROAD, BRGY 175 CAMARIN, CALOOCAN CITY	287,934.19	31-Mar-2023	30-Mar-2028
CANDON	National Hi-way, San Jose, Ccandon City, Ilocos Sur	160,045.70	1-Oct-2024	30-Sep-2029
CARLOS PALANCA	G/F BSA Suites, Carlos Palanca St. Legaspi Village, Makati City	201,519.36	31-Mar-2023	30-Mar-2028
CARMELRAY	Adm. Bldg., Carmelray Industrial Park 1, Canlubang, Calamba, Laguna	165,880.64	1-Nov-2024	31-Oct-2032
CARMELRAY 2	Adm. Bldg., Carmelray Industrial Park 2, Bgy. Tulo, Calamba, Laguna	204,593.92	1-Jul-2021	1-Jul-2026
CARMEN CDO	G/F Macaibay Bldg., Waling-waling St., Cagayan de Oro City	135,081.64	1-Jan-2017	31-Dec-2026
CARMEN ROSALES	McArthur Highway, Carmen Rosales, Pangasinan	221,171.50	31-Mar-2023	30-Mar-2028
CARMONA	People's Technology Complex (SEZ) Governor's Drive, National Highway, Bo. Maduya, Carmona, Cavite	244,690.40	16-Jul-2002	15-Jul-2027
CARRASCAL	National Highway, Brgy.Gamuton, Carrascal, Surigao del Sur	49,642.50	1-Apr-2024	1-Mar-2034
CARUNCHO	Prima 3 Commercial Center #7 Caruncho Avenue Pasig City	225,839.62	1-Jul-2017	30-Jun-2027
CATARMAN	Ang Ley Bldg., JP Rizal St, Brgy Sampaguita, Catarman Northern Samar	135,688.01	1-Jan-2022	31-Dec-2031

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
CATBALOGAN	Del Rosario Street Catbalogan, Western Samar	110,894.09	1-Nov-2022	31-Oct-2032
CAUAYAN	Calahi Bldg. FN Dy Blvd, Cauayan City	84,538.46	1-Aug-2017	31-Jul-2027
CAVITE CITY	Big 5 Bldg., 633 P. Burgos Avenue, Caridad, Cavite City 4100	125,685.00	1-Dec-2023	30-Nov-2028
CDO LAPASAN	Lapasan Highway, Lapasan, Cagayan de Oro City	100,665.60	31-Mar-2023	30-Mar-2028
CDO LIMKETKAI	Gateway Tower 1, Limketkai Center, Cagayan de Oro City	356,684.43	1-Nov-2019	31-Oct-2029
CDO VELEZ	Don Apolinar Velez St. and Cruz Taal St., Cagayan de Oro City	286,001.06	1-Oct-2025	30-Sep-2032
CDO-MASTERSON AVENUE	Xavier Estates, Masterson Avenue, Upper Balulang, Cagayan de Oro City 9000	162,573.96	1-Oct-2016	30-Sep-2026
CEBU - PASEO ARCENAS	Don Ramon Arcenas St., R. Duterte St., Banawa, Cebu City	188,748.00	27-Feb-2024	26-Feb-2029
CEBU - STO. NINO	Belmont Hardware Depot Building cor. P. Burgos and Legaspi sts. Bgy. San Roque, Cebu City	120,707.22	1-Nov-2023	31-Oct-2028
CEBU BUSINESS PARK	Lot 1, Block 6, Mindanao Ave cor Siquijor St., Cebu Business Park, Cebu City	99,225.00	31-Mar-2023	30-Mar-2028
CEBU IT PARK	Block 2 Lot 4 Asiatown IT Park Subdivision, Brgy. Apas, Cebu City	210,820.09	1-Jul-2022	30-Jun-2027
CEBU LIGHT INDUSTRIAL PARK (BLU)	CLIP Administration Bldg., Cebu Light Industrial Park, M. Patalinghug Ave., Basak, Lapu-Lapu City, Cebu 6015	62,595.00	2-Apr-2025	1-Apr-2030
CEBU MANALILI	Tan Sucheng Bldg., V. Gullas St. (formerly Manalili St) Cebu City	286,183.96	31-Jan-2022	31-Jan-2028
CIAC Terminal 2 *(formerly DMIA)*	Bldg. 7549 (portion), A. Bonifacio Avenue, Clark Civil Aviation Complex, Clark Freeport Zone, Pampanga	USD 3,025.00	2-May-2025	1-May-2030
CLARK 1	Berthaphil 8 Mercedez Benz Bldg., MA Roxas Highway, Clarkfield, Pampanga 2023	USD 2,215.5	1-Nov-2017	31-Dec-2027
CLARK 2	Berthaphil III Clark Center Jose Abad Santos Ave. Clark Freeport Zone	USD 3104	1-Jun-2016	31-Jul-2026
COGEO	Cogeo Trade Hall Bldg., Sitio Kasapi, Brgy. Bagong Nayon, Antipoli City	108,952.80	5-Oct-2021	31-Oct-2026
COMMONWEALTH	G/F Verde Oro Bldg., 535 Commonwealth Ave., Diliman, Quezon City	440,110.07	1-Jan-2023	31-Dec-2027
COMMONWEALTH-BALARA	LOT43 BLK3 COMMONWEALTH AVENUE OLD BALARA QUEZON CITY	386,904.00	31-Mar-2023	30-Mar-2028
COMMONWEALTH-CASA MILAN	L24 B157 Commonwealth Ave., Greater Lagro Quezon City	286,708.21	1-Mar-2022	28-Feb-2027
CONCEPCION MARIKINA	17 Bayan-Bayanan Ave., Barangay Concepcion Uno, Marikina City	154,832.35	1-Aug-2022	31-Jul-2032
CONGRESSIONAL	Ground Floor, Unit A & B, 188 Congreassional Avenue, Quezon City	226,315.07	1-Jan-2022	31-Dec-2031
CONNECTICUT	51 Connecticut St. Northeast Greenhills, San Juan MM	169,082.93	31-Mar-2023	30-Mar-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
CONSOLACION	ADM Building, Cansaga, Consolacion, Cebu	184,823.86	5-May-2018	4-May-2033
COTABATO	M Building, Quezon Avenue, Cotabato City	87,891.56	1-Jun-2020	31-May-2030
CPIP-BATINO	Citigold J.B., Lots 5 and 6, Block 1, Calamba Premiere Industrial Park, Batino, Calamba, Laguna	145,126.88	1-Jun-2025	31-May-2035
D. TUAZON	G/F Academe Foundation Bldg., No. 47 D. Tuazon St., Sta. Mesa Heights, Quezon City	201,321.94	15-Sep-2025	14-Sep-2030
DAANG HARI-VERDANA	L & R Building, Verdana Village Center, Molino 4 Daang Hari, Bacoor,	69,364.89	15-Aug-2021	14-Aug-2026
DADIANGAS	Pioneer Avenue, General Santos City	97,960.80	31-Mar-2023	30-Mar-2028
DAET	RM10 Holdings Commercial Bldg. 6 cor. F. Pimentel Ave., Dasmarinas St. Brgy VI, Poblacion, Daet, Camarines Norte	213,300.00	1-Oct-2024	30-Sep-2034
DAGUPAN	RCBC Bldg., A.B. Fernandez Ave., Dagupan City	268,247.04	1-Jul-2019	30-Jun-2029
DAGUPAN-TAPUAC	Units 101-102, RVR Bldg., Tapuac District, Dagupan City	142,966.69	1-Jan-2023	31-Dec-2027
DAMOSA GATEWAY MALL	Corner Mamay Road and JP Laurel Avenue, Lanang, Davao City	121,206.18	1-Aug-2022	31-Jul-2027
DASMARINAS	RCBC Bldg., FCIE Compound, Governor's Drive Langkaan, Dasmarinas, Cavite	80,703.00	31-Mar-2023	30-Mar-2028
DASMARINAS-SAN AGUSTIN	San Agustin 1, Aguinaldo Hiway, Dasmarinas, Cavite	58,264.92	31-Mar-2023	30-Mar-2028
DAVAO	RCBC Bldg. corner C.M. Recto and Palma Gil Sts., Davao City	222,793.20	31-Mar-2023	30-Mar-2028
DAVAO BAJADA	JP Laurel Ave., corner Villa Abrille st., Davao City	319,700.03	1-Sep-2019	31-Dec-2029
DAVAO MATINA *(former NCCC Mall)*	Km. 2 McArthur Highway, Matina, Davao City	171,103.42	27-Jun-2018	27-Jun-2028
DAVAO-QUIRINO	E.Quirino Ave., Brgy. 3-A, Poblacion, Davao City	101,033.33	1-Oct-2021	30-Sep-2026
DEL MONTE	180 Del Monte Ave., Quezon City	281,492.19	1-May-2017	30-Apr-2027
DELA ROSA	G/F Sterling Center Ormaza Coner Dela Rosa St. Legaspi Village Makati City	1,446,721.95	1-May-2024	30-Apr-2029
DELA ROSA -PASONG TAMO	Ground Floor, King's Court 2 Building, 2129 Chino Roces Avenue, Makati City	563,653.23	1-Mar-2017	28-Feb-2027
DIGOS	RCBC Bldg. corner J.P. Rizal and M.L. Roxas Sts., Digos City, Davao Del Sur	196,156.80	31-Mar-2023	30-Mar-2028
DILIMAN	Cor. Matalino St. & Kalayaan Ave., Diliman, Quezon City	301,412.12	16-Nov-2021	15-Nov-2026
DIPOLOG	cor General Luna & Lacaya Sts., Dipolog City	100,272.38	1-Oct-2021	30-Sep-2027
DIVISORIA	New Divisoria Condominium 628 Sta. Elena Divisoria, Manila	687,348.48	31-Mar-2023	30-Mar-2028
DOLE	Dole Phils Pavillion, Cannery Plant Site, Polomolok, South Cotabato	45,012.87	31-Dec-2023	31-Dec-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
DON JESUS BLVD	Don Gesu Bldg., Don Jesus Blvd., Brgy. Cupang, Muntinlupa City	95,258.76	1-May-2022	30-Apr-2027
DUMAGUETE	Dr. V. Locsin St., Dumaguete City, Negros Oriental	168,486.48	1-Feb-2023	31-Jan-2028
E. RODRIQUEZ-DONA AURORA	444 E. Rodriguez Sr. Ave., cor E. Jacinto St., Brgy Doña Aurora Galas Quezon City	123,480.00	31-Mar-2023	30-Mar-2028
EAST CAPITOL DRIVE	Ground Floor, Tinity Bldg., No. 26 East Capitol Drive, Brgy, Kapitolyo, Pasig City	214,999.32	1-Jan-2017	31-Dec-2026
EDSA KALOOKAN	520 E. Delos Santos Avenue, Kalookan City	278,344.32	1-Oct-2021	30-Sep-2031
EDSA TAFT	Giselle's Park Plaza cor EDSA and Taft Ave. Pasay City	358,192.81	1-Sep-2022	31-Aug-2027
ELCANO	676 Elcano cor. Lavezares St. Binondo, Manila	298,243.02	1-May-2022	30-Apr-2027
ERMITA	550 United Nations Avenue, Ermita, Manila	586,104.95	1-Jan-2024	31-Dec-2028
ESCARIO CEBU	N Escario Street, Brgy Capitol Site, Cebu City 6000, Cebu	189,545.33	31-Mar-2023	30-Mar-2028
EVANGELISTA	Hernandez Building, Evangelista St., cor. Gen. Alejandrino St., Brgy Bangkal, Makati City	347,973.69	1-Jun-2017	31-May-2027
F. CABAHUG	GROUND FLOOR PACIFIC SQUARE BLDG, F. CABAHUG ST. MABOLO CEBU CITY 6000	147,874.00	1-Dec-2022	30-Nov-2027
FAIRVIEW	Medical Arts Bldg., Dahlia St. North Fairview, Quezon City	163,813.69	1-May-2025	30-Apr-2030
FELIX AVE	Phase 2 Karangalan Village, Brgy De La Paz Pasig City	148,007.96	31-Mar-2023	30-Mar-2028
FIRST PHIL. INDUSTRIAL PARK (FPIP)	Unit 1 & 2, Ground Floor, Oasis Commercial Center, R.S. Diaz Ave., FPIP Brgy. Sta. Anastacia, Sto. Tomas, Batangas	136,507.50	14-Jun-2021	13-Jun-2026
FORT BONIFACIO BURGOS CIRCLE *(former branch of Fort Bonifacio) (relocation of The Fort Sapphire)*	Unit 1-D Cresent Park Residence 2nd Ave. Burgos Circle, Taguig City	393,905.65	1-May-2022	30-Apr-2027
FRONTERA VERDE	9F Ortigas Bldg., Ortigas Avenue, Pasig City	361,663.99	1-Mar-2023	29-Feb-2028
FUENTE OSMENA	Grepalife Tower, Fuente Osmeña, Rotonda, Cebu City	286,112.10	31-Mar-2023	30-Mar-2028
GAPAN	Tinio St., San Vicente, Gapan City, Nueva Ecija	107,542.68	1-Jul-2016	30-Jun-2026
GARNET	Unit No. 106 Parc Chateau Condominium, Garnet cor. Onyx St., Ortigas Center, Pasig City	221,750.88	14-Apr-2025	14-Apr-2030
GATEWAY	RCBC Bldg. Gateway Business Park, Brgy. Javalera, General Trias, Cavite	64,712.34	31-Mar-2023	30-Mar-2028
GEN. SANTOS-NATIONAL HIGHWAY	National Highway, Brgy. City Heights, Gen. Santos City	77,086.59	1-Jul-2023	30-Jun-2028
GEN. TRIAS	#59 Gov. Luis Ferrer Ave, Gen Trias Cavite	46,010.82	31-May-2018	31-May-2028
GENERAL SANTOS	RGH Bldg J. Catholico Avenue, Lagao, General Santos City	93,967.67	1-Mar-2022	28-Feb-2027

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
GENERAL TRIAS	G/F Samantha's Place Commercial Bldg., Governors Drive, Manggahan, General Trias, Cavite	103,903.47	1-Aug-2021	31-Jul-2026
GILMORE	100 Granada St., Valencia, Quezon City	378,450.61	1-Jan-2023	31-Dec-2027
GMA	Blk 2 Lot 10 Brgy San Gabriel, Congressional Rd. GMA Cavite	24,766.56	31-Mar-2023	30-Mar-2028
GMA, CAVITE	Citi Appliance Bldg., Brgy. San Gabriel, Governor's Drive, GMA, Cavite	112,350.00	1-Aug-2024	31-Jul-2029
GREENBELT	BSA Tower, Legaspi St., Legaspi Village, Makati Ctiy	265,705.44	31-Mar-2023	30-Mar-2028
GREENHILLS	Unit LG030, LGF Greenhills Mall, San Juan City	451,277.31	1-Dec-2023	31-Jan-2029
GREENHILLS-P. GUEVARRA	G/F Ongapauco Bldg. P. Guevarra St. Wilson Greenhills San Juan City	96,277.99	15-Mar-2024	14-Mar-2032
GUADALUPE	63 M. Velez & A. Abellana Sts., Guadalupe, Cebu City	147,800.32	1-Feb-2023	31-Jan-2033
GUAGUA	760 Omicron Bldg., Sto. Cristo, Guagua, Pampanga	132,855.00	1-May-2022	30-Apr-2027
GUIMBA	Afan Salvador St. Guimba, Nueva Ecija	86,821.88	30-Sep-2022	30-Sep-2027
HACIENDA LUISITA	Robinson's Plaza, San Miguel, Tarlac City	123,655.51	1-Jan-2024	31-Dec-2026
HERMOSA-LIMAY	Hermosa cor. Limay Sts., Tondo, Manila	205,514.06	1-Jan-2017	31-Dec-2026
HINIGARAN	Rizal St., National Road, Hinigaran, Negros Occidental	60,698.37	1-May-2020	30-Apr-2030
HV DELA COSTA	Shop 1 G/F, Alpha Salcedo Condominium, 124 H.V. Dela Costa St., Salcedo Village, Makati City	340,146.17	1-Aug-2021	31-Jul-2026
ILAGAN, ISABELA	RKChy Building, Maharlika Road, Calamagui 2nd, Ilagan City, Isabela	58,109.14	1-Dec-2017	30-Nov-2027
ILIGAN	Lanao Fil-Chinese Chamber of Commerce Inc. Bldg. Quezon Ave. cor. B. Labao St. Iligan City	158,546.00	1-Feb-2021	31-Jan-2031
ILOILO	J. M Basa Iloilo Business Center, cor J.M. Basa and Arsenal Sts., Iloilo City	113,366.40	31-Mar-2023	30-Mar-2028
ILOILO-LEDESMA	MJM Building Cor. Ledesma & Quezon Sts., Iloilo City	168,000.00	2-May-2018	30-Apr-2028
IMUS	Esguerra Bldg. Palico IV, Aguinaldo Highway Imus, Cavite	87,892.86	1-Oct-2025	30-Sep-2030
IMUS-NUENO AVE	Nuevo Avenue, Imus Cavite	141,120.00	31-Mar-2023	30-Mar-2028
INTREPID-E. RODRIGUEZ JR. AVE	GF Unit 3, Intrepid Plaza, E Rodriguez Jr., Ave., Libis Quezon City	276,879.45	1-Jan-2023	31-Dec-2027
IPIL	National Highway, Ipil, Zamboanga Sibugay	144,965.52	31-Mar-2023	30-Mar-2028
ISULAN	Corner National Highway and Lebak Rd. Isulan, Sultan Kudarat	82,202.40	31-Mar-2023	30-Mar-2028
JALANDONI, ILOILO	Jalandoni St., San Agustin, Iloilo City	84,757.73	31-Mar-2023	30-Mar-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
JARO	Cor. E. Lopez and Seminario Sts., Jaro, Iloilo City	149,231.51	1-Dec-2024	30-Nov-2034
JP LAUREL BAJADA	G/F Ana Soccoro Bldg. J.p. Laurel Ave., Bajada, Davao City 8000	108,977.79	1-Jan-2023	31-Dec-2028
JP RIZAL POBLACION	773 JP Rizal Avenue, Brgy. Poblacion, Makati	203,458.91	1-Nov-2016	31-Oct-2026
KABACAN	National Highway, Poblacion, Kabacan, Cotabato	67,254.84	1-Jan-2022	31-Jan-2031
KABANKALAN	Guanzon St., Kabankalan City, Negros Occidental	33,374.88	31-Mar-2023	30-Mar-2028
KALENTONG	49 C&D BUILDING NEW PANADEROS ST. KALENTONG STA. ANA MANILA	179,136.67	1-May-2022	30-Apr-2027
KALIBO	Lu Bldg. Roxas Avenue, Poblacion, Kalibo, Aklan	125,453.03	1-Apr-2018	31-Mar-2028
KALOOKAN	259 Rizal Ave. Ext., Kalookan City	340,569.60	31-Mar-2023	30-Mar-2028
KAPITOLYO-SHAW BLVD	615 Shaw Boulevard, Brgy. Kapitolyo, Pasig City	256,015.20	31-Mar-2023	30-Mar-2028
KATIPUNAN	321 Ground Floor Torres Bldg. Katipunan Ave., Loyola Heights, Quezon City	275,184.00	31-Mar-2023	30-Mar-2028
KIDAPAWAN	KMCC Bldg. Dayao St., Kidapawan City, North Cotabato	221,247.96	16-Jul-2018	15-Jul-2028
LA HUERTA	G/F Delos Santos Bldg., 1003 Quirino Ave., La Huerta, Paranaque City	93,079.70	1-Sep-2024	31-Aug-2029
LA PAZ, ILOILO	Luna St., Lapaz, Iloilo City	149,058.00	31-Mar-2023	30-Mar-2028
LA TRINIDAD	Peliz Loy Centrum Bldg., Km 5, La Trinidad, Benguet	308,842.82	1-Sep-2023	31-Aug-2028
LA UNION	Quezon Ave. cor P. Burgos St., San Fernando City, La Union	63,426.38	31-Mar-2023	30-Mar-2028
LA VISTA-KATIPUNAN	Petron La Vista Building, Katipunan Ave. cor. Mangyan St., Brgy. Pansol, Quezon City	89,355.42	15-Feb-2024	14-Feb-2027
LAGRO	Km 23 Quirino Highway, Greater Lagro, Novaliches, Quezon City	198,185.40	07-Apr-22	6-Apr-2027
LAGUNA TECHNOPARK	LTI Administration Building II, Laguna Technopark, Brgy. Malamig, Binan, Laguna	238,251.75	16-Mar-2023	15-Mar-2028
LAOAG	Jackie's Commercial Building II, J. Rizal St., Laoag City	177,660.04	1-Feb-2026	31-Jan-2031
LAS PINAS	Veraville Bldg., Alabang-Zapote Rd. Las Piñas City	708,459.53	16-May-2023	15-May-2033
LAS PINAS-PAMPLONA	G/F Elena Bldg. Alabang-Zapoted Rd Pamplona 3 Las Piñas City	141,175.11	9-Nov-2023	8-Nov-2028
LEE-SHAW BLVD	Lee Gardens Condominium, Shaw Blvd. cor. Lee St. Mandaluyong City	197,476.97	16-Jul-2022	15-Jul-2027
LEGASPI VILLAGE	ACCRA Condominium cor. Salcedo & Gamboa St. Legaspi Village, Makati City	736,032.53	31-Mar-2023	30-Mar-2028
LEGAZPI CITY	G/F M.Dy Bldg. Rizal St. Legazpi City	117,599.88	1-Dec-2021	30-Nov-2031

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
LEGAZPI-LANDCO BUSINESS PARK	GROUND FLOOR, DELOS SANTOS COMMERCIAL BUILDING, LANDCO BUSINESS PARK, LEGAZPI CITY	208,946.82	2-Jul-2020	1-Jul-2030
LEMERY	ILUSTRE AVE. DISTRICT II LEMERY BATANGAS	172,710.38	17-Dec-2022	16-Dec-2032
LEVISTE-SALCEDO	G/F Eurovilla III Condominium, LP Leviste St. cor. San Agustin St., Salcedo Village, Makati City	591,261.37	15-Sep-2023	14-Sep-2028
LILOAN	MU Building, National Highway, Poblacion, Liloan, Cebu	165,375.01	1-Aug-2022	31-Jul-2027
LIMA	Lima Technology Center, Malvar, Batangas	224,949.98	31-Mar-2023	30-Mar-2028
LINDEN SUITES	Ground Floor, The Linden Suites Tower II, #37 San Miguel Ave., Ortigas Center, Pasig City	183,517.38	1-Oct-2025	30-Sep-2030
LINGAYEN	G/F Columban Plaza, Avenida Rizal East, Poblacion, Lingayen, Pangasinan 2401	143,325.00	1-Sep-2023	31-Aug-2028
LIPA	C.M. Recto cor. E. Mayo St., Lipa City	210,074.44	1-Feb-2025	31-Jan-2032
LIPA-AYALA HIGHWAY	Trinity Business Centre, JP Laurel Highway, Lipa City, Batangas	150,106.36	7-Feb-2025	6-Feb-2035
LISP III	LISP III Admin Bldg., Millenium Drive, Brgy. San Rafael Sto. Tomas Batangas	81,425.99	1-Apr-2023	28-Mar-2028
LOYOLA HEIGHTS	G/F MQI Centre 42 E. Abada St. cor. Rosa Alvero St., Loyola Heights, Quezon City	179,973.74	31-Jan-2022	31-Jan-2032
LUCENA	Quezon Ave. cor. M.L. Tagarao St. Lucena City	191,589.03	1-Jul-2023	30-Jun-2033
LUCENA - EVANGELISTA	Maharlika Highway Red-V, Lucena City	93,021.22	22-Dec-2018	21-Dec-2028
LUZURIAGA BACOLOD	G/F Golden Heritage Bldg., San Juan-Luzuriaga Sts., Bacolod City	157,729.24	1-Jun-2024	31-May-2029
MAASIN LEYTE	Tomas Oppus St., Brgy. Abgao, Maasin City, Southern Leyte, Phils., 6600	64,564.72	1-Feb-2024	31-Jan-2029
MACAPAGAL AVENUE-EDSA	EDSA cor Macapagal Avenue, Pasay City	475,311.27	1-Dec-2022	30-Nov-2027
MACAPAGAL AVENUE-PEARL DRIVE	Scape Bldg., Macapagal Ave. corner Pearl Drive, Business Park 1, Barangay 76, San Rafael, Pasay City	291,871.06	1-Jan-2017	31-Dec-2026
MACTAN	MEPZ Bldg. MEPZ 1 Mactan, Lapu-lapu City	31,614.38	9-Jan-2017	8-Jan-2032
MACTAN-LG GARDEN WALK	LG Garden Walk, Mactan, Cebu	112,541.00	1-Jun-2022	31-May-2027
MAGALLANES	G/F BMG Centre, Paseo de Magallanes, Makati City	126,334.90	1-Nov-2025	31-Oct-2030
MAGINHAWA AVENUE	Ground Floor, Unit #129 Maginhawa St., Brgy Teachers Village, Quezon City	246,616.86	1-Mar-2017	28-Feb-2027
MAGSAYSAY, NAGA	G/F Sarap Realty Bldg.,Magsaysay Avenue, Balatas, Naga city	113,823.17	1-May-2016	30-Apr-2026
MAKATI AVENUE	G/F Executive Bldg. Center Inc., 369 Sen. Gil Puyat cor. Makati Ave.,	786,967.62	2-Nov-2023	2-Nov-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
MAKATI RADA	One Legaspi Park, 121 Rada St. Legaspi Village Makati City	244,903.04	23-Mar-2022	22-Mar-2027
MALABON	685 J.P. Rizal Ave., San Agustin, Malabon	164,705.69	1-Jun-2024	31-May-2029
MALATE	470 Maria Daniel Bldg., San Andres St., cor. M.H. del Pilar, Malate, Manila	195,624.85	1-May-2025	30-Apr-2030
MALAYAN PLAZA	Unit G3 and G4 G/F Malayan Plaza, ADB Ave. cor Opal Road, Pasig City	345,744.00	31-Mar-2023	30-Mar-2028
MALAYBALAY	Don Carlos St., Poblacion, Malaybalay City	100,000.00	1-Aug-2020	31-Jul-2030
MALOLOS	FC Building, McArthur Highway, Bo. Sumapang Matanda, Malolos, Bulacan	81,937.28	1-Dec-2023	30-Nov-2028
MALOLOS-PASEO DEL CONGRESO	Paseo Del Congreso, Catmon, City of Malolos, Bulacan	96,168.58	31-Mar-2023	30-Mar-2028
MANDALUYONG	Unit 102 Ground Flr., Edsa Central Square, Greenfield District Mandaluyong City	467,170.00	1-Dec-2025	30-Nov-2030
MANDAUE	A.C. Cortes St., Ibabao, Mandaue City	155,271.51	31-Mar-2023	30-Mar-2028
MANDAUE-M.C. BRIONES	M.C. BRIONES ST., BRGY. GUIZO, HIGHWAY MANDAUE CITY 6014	97,984.32	31-Mar-2023	30-Mar-2028
MAPUA-PABLO OCAMPO	Unit 1 G/F Mapua University Bldg., 1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz, Makati City	205,951.79	1-Sep-2022	31-Aug-2027
MARANDING	National Highway, Maranding, Lala, Lanao Del Norte	64,653.16	1-Oct-2024	30-Sep-2029
MARBEL	Cor. General Santos Drive and Roxas Sts., Koronadal City, South Cotabato	353,220.52	1-Nov-2019	31-Oct-2031
MARIKINA	No.36 Gil Fernando Ave., cor. Sta. Ana Ext. San Roque, Marikina City	283,261.37	1-Jan-2025	31-Dec-2034
MARILAO	A. Delos Santos Bldg., M. Villarica Road cor. Marilao Service Road, Patubig, Marilao, Bulacan	125,190.00	1-Jul-2024	30-Jun-2034
MARINDUQUE	EDG Bldg. Brgy. Lapu-lapu, Sta. Cruz, Marinduque	47,545.19	1-Jan-2018	1-Jan-2028
MARULAS	Mc-arthur Hi-way Marulas Valenzuela City	80,673.60	31-Mar-2023	30-Mar-2028
MASBATE	460 Quezon St., Brgy F. Magallanes, Masbate City	50,923.63	12-Dec-2018	12-Dec-2028
MASINAG	#259 Sumulong Hi-way, Mayamot, Antipolo City	75,629.74	31-Mar-2023	30-Mar-2028
MCKINLEY HILLS	G/F Two World Hill Building, Upper McKinley Road, McKinley Town Center Fort Bonifacio, Taguig City	927,783.40	1-Aug-2024	31-Jul-2025*
MENDIOLA	163 E. Mendiola St., cor Concepcion Aguila St., San Miguel, Manila	191,145.09	1-Sep-2025	31-Aug-2030
MEPZ 2	Pueblo Verde, Mactan Economic Zone II (MEZII) Baranggay Basak, Lapulapu City	357,191.34	1-Nov-2023	31-Oct-2026
MERALCO AVE.	GF Regency Bldg. Meralco Ave. cor. Exchange Road Ortigas, Pasig City	243,489.16	23-Feb-2022	22-Feb-2027
MEXICO BRANCH LITE	CLK Bldg. Jose Abad Santos Avenue, Brgy. Lagundi Mexico Pampanga	95,065.57	1-Mar-2019	28-Feb-2029

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
MEYCAUAYAN-MALHACAN	Sterling Square, Sterling Industrial Compound, Iba Malhacan National Highway, Meycauayan City, Bulacan	98,267.76	1-Jul-2024	30-Jun-2034
MEYCAUAYAN-REQUINO ST	831 Mcarthur Highway, Calvario, Meycauayan City Bulacan	151,704.00	31-Mar-2023	30-Mar-2028
MINDANAO AVE-TANDANG SORA	G/F G03 MC Square Bldg., Mindanao Ave. cor. Tandang Sora, Quezon City	300,000.00	1-Nov-2025	31-Oct-2030
MOLINO	GRD. FLR. RFC MOLINO MALL MOLINO 2 BACOOR CAVITE	199,597.04	1-Jul-2018	30-Jun-2028
MONTALBAN	JP Rizal St. Cor Linco St. Brgy Balite Rodriguez Rizal	315,403.20	31-Mar-2023	30-Mar-2028
MONTEVERDE DAVAO	Door 5 & 6 veterans Building Monteverde Davao City	131,862.91	1-Jan-2024	31-Mar-2024*
MOONWALK-PARANAQUE	No. 2 Armstrong St., Moonwalk Village, Paranaque City	252,308.02	1-Dec-2025	30-Nov-2030
MORAYTA	828 Nicanor Reyes Sr. St. Sampaloc, Manila	85,500.00	1-Sep-2021	31-Aug-2026
MORONG	T. Claudio St. Brgy. San Juan Tanay Rizal	50,000.40	1-Jun-2022	1-Jun-2027
MUNTINLUPA	National Road Putatan Muntinlupa City	121,463.16	31-Mar-2023	30-Mar-2028
MUZON	Muzon Central Terminal, Villarica Road, Muzon Proper, San Jose del Monte City, Bulacan	136,139.85	1-Mar-2025	28-Feb-2035
NABUNTURAN	SMPTC Bldg, L. Arabejo Avenue, Brgy Poblacion, Nabunturan, Compostela Valley	77,595.07	1-Jul-2022	30-Jun-2027
NAGA	G/F, Crown Hotel Bldg, Penafrancia Ave., Naga City	174,799.52	1-Jul-2021	30-Jun-2031
NAIA TERMINAL 1	G/F, Arrival Area, NAIA Terminal 1, MIA Road, Pasay City	14,694.61	1-Jul-2021	20-Jun-2024*
NAIC	Capt. C. Nazareno st., Naic, Cavite	38,776.01	31-Mar-2023	30-Mar-2028
NAVOTAS-EAST	Estrella cor. Yangco St., Navotas East, Navotas City	219,912.00	31-Mar-2023	30-Mar-2028
NEW MANILA	Upper Ground Hemady Square Building 86 Dona Hemady cor E. Rodriguez Sr. Avenue Brgy Kristong Hari, Diliman, Quezon City	332,590.42	1-May-2023	30-Apr-2033
NEWPORT CITY	GF Plaza 66 Manlunas St., Newport Blvd., Brgy. 183, Pasay City	302,856.10	1-May-2022	30-Apr-2027
NORTH RECLAMATION	G/F CIFC Tower, Humabon St., cor Juan Luna Ave., North Reclamation Area, Cebu City	336,612.18	1-Aug-2021	1-Aug-2026
NOVALICHES	882 Quirino Highway and Nitang St. Novaliches, Quezon City	450,257.75	1-Jul-2024	30-Jun-2029
NOVALICHES-GULOD	#917 Quirino Hi-Way, Brgy Gulod, Novaliches,Quezon City	121,859.47	31-Mar-2023	30-Mar-2028
NOVELETA	Magdiwang Hiway, Noveleta, Cavite	61,725.89	31-Mar-2023	30-Mar-2028
OLD STA MESA	#4463 Old Sta. Mesa St., Sta Mesa , Manila	138,974.98	31-Mar-2023	30-Mar-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
OLONGAPO	1055 Rizal Ave., Extn West Tapinac Olongapo City	118,829.65	1-Sep-2018	31-Aug-2028
ORMOC	G/F MFT Bldg. Cor. Real and Carlos Tans Sts., Ormoc City	203,666.60	17-May-2023	16-May-2028
ORTIGAS AVE-GREENHILLS	Unit 104 Grace Building, Ortigas Ave., Greenhills San Juan	76,819.48	31-Mar-2023	30-Mar-2028
ORTIGAS AVE-SAN JUAN	Medecor Bldg. 222 Ortigas Avenue, Greehills, San Juan City	289,074.71	1-Aug-2017	30-Jul-2027
ORTIGAS EXTENSION	G/F Merijr Building Corner Riverside Village Ortigas Ave. Extension Brgy. Sta. Lucia Pasig City 1608	240,770.55	1-Sep-2023	31-Aug-2028
OTIS	ISUZU MANILA, 1502 PAZ M., GUANZON ST., PACO, MANILA	160,441.28	1-May-2016	30-Apr-2026
OTON ILOILO	Madr&Sons Arcade, JC Zulueta St., Poblacion South, Oton, Iloilo	70,355.02	1-Mar-2017	28-Feb-2027
OZAMIS	Cor. Don Anselmo Bernard Ave & Mabini Sts., Ozamis City	57,788.64	31-Mar-2023	30-Mar-2028
P. DEL ROSARIO CEBU	Ground Floor, RCBC Savings Bank Building, P del Rosario Street, Brgy Kamagayan, Cebu City 6000, Cebu	82,320.00	31-Mar-2023	30-Mar-2028
P. OCAMPO-FB HARRISON	Ground Floor Unit Sunrise Center Bldg.,#488 Pablo Ocampo Sr., Avenue, Malate Manila	286,480.86	1-Jan-2017	31-Dec-2026
P. TUAZON	Unit 102 GF Spark Place, P. Tuazon Blvd. Cor 10th Ave, Brgy. Socorro, Cubao, Quezon City	367,039.36	7-Feb-2023	6-Feb-2028
PABLO OCAMPO-VENECIA	G/F Savanna Commercial Center Bldg., 1201 Pablo Ocampo-Venecia, Brgy. Sta. Cruz, Makati City	237,130.57	1-Dec-2021	30-Nov-2026
PACIFIC PLACE	Unit 105 GF Pacific Place Condominium, Pearl Drive St., cor. Amethyst St., Ortigas Center, Pasig City	280,346.64	31-Mar-2023	30-Mar-2028
PADRE GARCIA	Lucky Golden Shopping Mall, Diversion Road, Poblacion, Padre Garcia, Batangas	95,535.71	20-Oct-2025	20-Oct-2030
PADRE RADA	649 Padre Rada St. Tondo, Manila	473,928.00	31-Mar-2023	30-Mar-2028
PAGADIAN	RCBC Bldg., Rizal Avenue, Pagadian City	147,282.24	31-Mar-2023	30-Mar-2028
PALANAN-BAUTISTA	G/F Shalimar Building, 3696 Bautista St., Palanan, Makati City	123,940.69	1-Oct-2022	1-Oct-2027
PALAWAN	RCBC Bldg., Junction 1 Rizal Ave. cor. National Highway, Puerto Princesa City	80,276.11	31-Mar-2023	30-Mar-2028
PALAWAN NATIONAL HIGHWAY	Lustre Arcade, National Highway, Brgy. Tiniguiban, Puerto Princesa, Palawan	108,890.49	1-Aug-2022	31-Jul-2032
PANABO	Greatsun Ventures Bldg., National Highway, Purok Atis, Sto. Nino, Panabo City	184,254.00	1-Jul-2024	30-Jun-2029
PANGLAO-BOHOL	Yap Bldg., Panglao Circumferential Road, Tawala, Panglao, Bohol	185,028.73	1-Aug-2026	31-Jul-2031
PASAY	2015 Gil Puyat Ave., Pasay City	266,623.68	15-May-2025	14-May-2030
PASAY-LIBERTAD	2350 Taft Avenue cor. Libertad Pasay City	194,226.90	1-Mar-2023	28-Feb-2028

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
PASEO DE ROXAS	8747 G/F Lepanto Bldg., Paseo De Roxas, Makati City	699,717.34	12-Nov-2024	11-Nov-2029
PASIG	92 Dr. Sixto Ave corner C. Raymundo St., Pasig City	467,614.25	1-Aug-2024	31-Jul-2029
PASIG KAPITOLYO	GF D'Ace Water Spa Plaza United St. cor. Brixton St. Brgy. Kapitolyo, Pasig City	74,455.34	15-Feb-2022	14-Feb-2027
PASIG WESTLAKE	Unit A G/F 168 Westlake Bldg., Pasig Blvd., Brgy. Bagong Ilog, Pasig City	126,170.13	10-Dec-2025	9-Dec-2030
PASONG TAMO	2283 Pasong Tamo Ext. cor. Lumbang st. Makati City	418,527.27	16-Mar-2021	15-Mar-2026
PASONG TAMO-BAGTIKAN	1173 Don Chino Roces Avenue, Brgy. San Antonio, Makati City	298,916.56	15-Nov-2023	14-Nov-2028
PASONG TAMO-EDSA	Wilcon IT Hub, 2251 Chino Roces Avenue, Makati City	260,117.58	1-Nov-2021	31-Oct-2026
PASONG TAMO-PIO DEL PILAR	G/F Matrinco Bldg., 2178 Pasong Tamo Makati City	191,744.00	15-Feb-2025	14-Feb-2031
PATEROS	54 M.ALMEDA ST. SAN ROQUE PATEROS	119,070.00	31-Mar-2023	30-Mar-2028
PEREA	G/F Sunrise Terrace Bldg. 100 Perea Street, Legaspi Village, Makati City	237,822.48	16-Aug-2021	15-Aug-2026
PIONEER	2B Pioneer St. Barangay Highway Hills Mandaluyong City	429,546.54	1-Jun-2017	30-Apr-2027
PLARIDEL	Cagayan Valley Road, Banga I, Plaridel, Bulacan	166,163.39	31-Mar-2023	30-Mar-2028
PLARIDEL BYPASS ACCESS ROAD	Mark One Building (Jolly Industrial Park), Plaridel Bypass Access Rd., Brgy. Parulan, Plaridel, Bulacan	55,739.65	1-Mar-2022	28-Feb-2027
POLOMOLOK	B-French St., Polomolok, South Cotabato	92,384.21	31-Mar-2023	30-Mar-2028
PRESIDENTS AVENUE-PARANAQUE	Lot 22, Blk 9 Presidnet's Avenue, Sucat, Paranaque City	162,604.52	1-Feb-2017	31-Jan-2027
PUERTO PRINCESA	175 Pacific Plaza Bldg., Rizal Ave., Puerto Princesa City, Palawan	70,588.10	16-Nov-2022	15-Nov-2027
QUEZON AVE	1405 Quezon Ave., Quezon City	480,748.80	31-Mar-2023	30-Mar-2028
QUEZON AVE-ARANETA	141 Quezon Avenue, Quezon City	168,103.69	25-Sep-2022	24-Sep-2027
QUEZON AVE-CORDILLERA	78 Cordillera St., Cor. Quezon Avenue Quezon City	208,566.54	1-Jan-2022	31-Dec-2026
QUIRINO AVE.	555 Quirino Avenue, Tambo, Paranaque	368,717.74	1-Jun-2019	31-May-2029
RAFFLES ORTIGAS	G/F Unit 102A Raffles Corporate Center , F. Ortigas Jr. Avenue, Ortigas Center, Pasig City	295,804.00	1-Apr-2022	31-Mar-2027
RAON SALES	655-657 Gonzalo Puyat St. Quiapo, Mla.	129,051.21	1-Jun-2023	31-May-2028
RCBC PLAZA	6819 RCBC PLAZA, AYALA AVENUE, MAKATI	1,442,514.48	1-Jan-2016	31-Dec-2025**
RELIANCE	Unit 2 Ground Floor	237,131.60	8-Jan-2017	31-Jul-2027

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
ROCKWELL	G/F, Phinma Plaza Hidalgo St., Rockwell Center, Makati City	267,208.53	31-Mar-2023	30-Mar-2028
ROOSEVELT	300 Roosevelt Ave., San Francisco Del Monte, Quezon City	141,704.17	16-Feb-2026	15-Feb-2031
ROSARIO	Cavite Export Processing Zone, Rosario, Cavite	45,371.18	7-Jan-2017	6-Jan-2027
PARQAL-ASEANA CITY *(Relocation of Roxas Blvd)*	Unit 109 to 111, GF Parqal Building 8, Luz Drive, Aseana City, Paranaque City	140,844.10	1-Mar-2024	28-Feb-2029
ORTIGAS-EDSA	Honda Cars Greenhills, Ortigas Ave. corner Columbia St., Mandaluyong	116,787.83	15-Mar-2022	28-Feb-2028
ROXAS BLVD-SERVICE ROAD *(former branch of ROXAS BLVD-ARQUIZA)(relocation of ErmitaA.Flores)*	Roxas Blvd. cor. Arquiza St.. Ermita, Manila	387,709.21	1-Nov-2025	31-Oct-2030
ROXAS CITY	Plaridel St., Roxas City	72,465.12	31-Mar-2023	30-Mar-2028
RUFINO	Coherco Corporate Center, 116 V.A. Rufino Street, Legazpi Village, Makati City	251,447.76	1-Mar-2022	28-Feb-2027
SALCEDO VILLAGE	G/F, Y.Tower II Bldg. Leviste cor. Gallardo Sts. Salcedo Vill. Makati City	324,703.01	31-Mar-2023	30-Mar-2028
SAN CARLOS	S. Carmona St., San Carlos City, Negros Occidental	29,925.00	1-Nov-2018	31-Oct-2028
SAN FERNANDO PAMPANGA	Ground Floor Emerald Building, Dolores, City of San Fernando, Pampanga	118,911.24	1-Nov-2022	31-Oct-2027
SAN FERNANDO SINDALAN	Phoenix Building, McArthur Highway, City of San Fernando, Pampanga	134,213.25	1-Apr-2018	31-Mar-2028
SAN FERNANDO-JASA	Unit 3 & 4, Ground Floor.,Kingsborough Commercial Center, Jose Abad Santos Avenue, City of San Fernando	141,093.32	1-May-2019	30-Apr-2029
SAN FRANCISCO	Grace Ong Property, Brgy 4 San Francisco, National Highway, Agusan Del Sur	121,871.89	1-May-2022	30-Apr-2027
SAN ILDEFONSO	Villa Amelia Buencamino St.San Jose San Miguel Bulacan	135,993.66	23-May-2021	22-May-2031
SAN JOAQUIN	227 M. Concepcion St., San Joaquin Pasig City	54,225.36	31-Mar-2023	30-Mar-2028
SAN JOSE	Abar 1st Maharlika Highway San Jose City Nueva Ecija	91,447.85	1-Sep-2018	1-Sep-2028
SAN JOSE BATANGAS	G/F Cameco Bldg., Makalintal Ave., Poblacion 4, San Jose, Batangas	86,881.09	31-Aug-2023	31-Aug-2028
SAN LORENZO	1018 GF L&R Bldg. A. S. Arnaiz Ave. Makati City	483,498.60	17-Aug-2024	16-Aug-2029
SAN MATEO	323 Gen. Luna St., Guitnangbayan 2, San Mateo Rizal	78,892.20	31-Mar-2023	30-Mar-2028
SAN PABLO	Ultimart Shopping Plaza, M. Paulino St., San Pablo City	164,442.80	1-Jan-2021	31-Dec-2026
SAN PEDRO	EM Arcade 1 Building, Brgy. Poblacion, National Highway, San Pedro Laguna	124,901.84	3-Feb-2022	2-Feb-2032
SAN PEDRO-NUEVA	National Highway, Brgy. Nueva, San Pedro Laguna	87,845.99	13-Apr-2015	14-Apr-2025*

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
SAN ROQUE	319 J. P. Rizal St., San Roque, Marikina City	171,813.60	31-Mar-2023	30-Mar-2028
SANGANDAAN	A. Mabini St corner Plaridel St. Caloocan City	249,076.80	31-Mar-2023	30-Mar-2028
SANTIAGO-CENTRO WEST	# 29 City Road, Centro West, Santiago City, Isabela 3311	182,082.24	15-Apr-2016	15-Apr-2026*
SARA	RCBC Bldg., Don Victorino, Salcedo St., Sara Iloilo	88,742.25	31-Mar-2023	30-Mar-2028
SASA	KM. 9 Bo. Pampanga, Sasa beside ONB Bldg. Davao City	138,216.62	1-Sep-2023	31-Aug-2028
SCIENCE PARK	Admin Bldg., LISP1, Pulo Road, Brgy Diezmo, Cabuyao, Laguna	88,698.72	1-Nov-2024	31-Oct-2030
SHAW BLVD. LAWSON	G/F SCT Bldg., 143 Shaw Blvd., Mandaluyong City	173,643.75	1-Oct-2021	30-Sep-2026
SILAY	Rizal Cor Burgos Sts., Silay City	123,480.00	31-Mar-2023	30-Mar-2028
SOLANO	211 JP Rizal Ave. National H-way, Solano, Nueva Vizcaya	69,594.62	1-Jun-2022	31-May-2032
SORSOGON	LKY Property Holdings Bldg., Rizal Street, Talisay, Sorsogon City	126,838.66	1-Jun-2021	31-May-2026
SOUTH HARBOR	Harbor Centre I, cor. Chicago and 23rd Sts., Port Area, Manila	213,420.85	1-Jan-2025	31-Dec-2026
ST. IGNATIUS	Katipunan Ave., St. Ignatius, Quezon City	123,556.22	1-Aug-2021	31-Jul-2031
STA. ANA	Corner Monteverde and Sales Sts., Sta. Ana, Davao City	563,648.00	6-Jun-2022	6-Jun-2027
STA. CRUZ	A. Regidor cor. Burgos St., Sta. Cruz, Laguna	326,119.50	31-Mar-2023	30-Mar-2028
STA. CRUZ-NATIONAL ROAD	Teoxon Bldg., Unit 1 Sitio Narra, Brgy. Labuin, Sta. Cruz Laguna	77,157.60	1-Jan-2024	31-Dec-2028
STA. LUCIA EAST	Ground Level Building 2 Sta. Lucia Mall Marcos Hi -way cor Felix Ave., Cainta Rizal	142,675.94	1-Jul-2023	30-Jun-2028
STA. MARIA	173 J.P. Rizal St. Poblacion, Sta. Maria, Bulacan	99,851.06	1-Jun-2022	31-May-2032
STA. MESA	1-B G. Araneta Ave. Brgy. Dona Imelda Quezon City	298,519.57	1-Jul-2021	30-Jun-2031
STA. ROSA	Paseo 5, Paseo de Sta. Rosa, Greenfield City, sta. Rosa, Laguna	667,375.88	1-Jun-2025	31-May-2030
STA. ROSA BALIBAGO	Carvajal Commercial Building, Old National Highway, Balibago, Sta Rosa, Laguna	109,469.18	1-May-2022	30-Apr-27
STA. ROSA BEL-AIR	CW Home Depot Sta.Rosa-Tagaytay Road Brgy.Pulong Sta.Cruz, Santa Rosa City Laguna 4026	85,159.77	20-Dec-2022	19-Dec-2027
STA. ROSA SOLENAD	Unit M 20 Bldg 2 Nuvali Solenad 2, National Road Brgy. Sto. Domingo, Sta. Rosa City, Laguna	66,282.65	1-Jan-2025	31-Dec-2025*
STA. ROSA-TAGAPO	J. RIZAL BLVD. COR. PERLAS VILLAGE, BRGY. TAGAPO STA. ROSA CITY, LAGUNA	71,787.74	31-Mar-2023	30-Mar-2028
BACOOR BLVD-PRINCETON HEIGHTS	Princeton Heights Subdivison, Bacoor Blvd, Molino, Bacoor City, Cavite	202,230.00	1-Dec-2024	30-Nov-2029

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
STARMALL EDSA-SHAW	444 Edsa Cor. Shaw Blvd Mandaluyong City	180,966.52	1-Aug-2025	31-Jul-2027
SKYLINE-SAN JOSE DEL MONTE	Unit 109-111, Skyline Drive Plaza, Quirino Highway, San Jose Del Monte City Bulacan	179,657.28	1-Sep-2023	31-Aug-2033
SUBIC	Precision Tek Motor Service Corporation	USD 4,269.16	1-Mar-2019	1-Mar-2029
SUCAT	2F Santana Grove, Dr. A. Santos Ave. cor. Soreena st., Sucat, Paranaque City	117,673.36	15-Apr-2023	14-Apr-2028
SUCAT DR. A. SANTOS AVE.	8223 Dr. A. Santos Ave., Brgy.. San Isidro, Sucat, Paranaque	182,603.07	1-Nov-2024	31-Oct-2029
SURALLAH	National Highway cor Mabini St. Surallah South Cotabato	60,475.80	31-Mar-2023	30-Mar-2028
SURIGAO	Cor. San Nicolas & Burgos Sts., Surigao City	76,420.00	1-Feb-2018	31-Jan-2028
T. ALONZO	1461-1463 Soler St., Sta Cruz, Manila	406,600.00	1-Jul-2024	30-Jun-2034
TABACO	232 Ziga Ave., Tabaco City, Albay	53,078.76	31-Mar-2023	30-Mar-2028
TABOAN	C. Padilla St., Brgy San Nicolas, Cebu City	229,997.71	1-Feb-2023	31-Jan-2028
TACLOBAN	RSB Bldg Cor. Zamora & Sto. Niño Sts., Tacloban City	193,642.86	31-Mar-2023	30-Mar-2028
TACURONG	Corner Mariano Marcos, National Highway & Ramon Magsaysay Ave., Tacurong City Sultan Kudarat	105,862.35	16-Nov-2016	15-Nov-2026
TAFT REMEDIOS	1932 Taft Avenue Malate Manila	158,301.36	31-Mar-2023	30-Mar-2028
TAGAYTAY	Unit 1 Olivarez Plaza, E.Aguinaldo Highway, Tagaytay City	139,670.70	1-Jul-2025	30-Jun-2030
TAGBILARAN	RCBC Bldg C.P.G. Ave., Tagbilaran City	313,916.74	31-Mar-2023	30-Mar-2028
TAGUM	RCBC Bldg. Cor. Pioneer Avenue and Quirante II Sts., Tagum City, Davao del Norte	108,662.40	31-Mar-2023	30-Mar-2028
TALAMBAN	Ground Floor, Eco Trade Building, J Panos Street, Brgy Talamban, Cebu City	153,432.92	1-Apr-2025	31-Mar-2026*
TALISAY	South Central Square, Lawaan III, Talisay City, Cebu	122,344.88	16-Sep-2025	15-Sep-2030
TALISAY-BULACAO	Cebu South Road, Brgy Bulacao, Talisay City 6045, Cebu	66,301.94	31-Mar-2023	30-Mar-2028
TANAUAN	G/F REYES BLDG JP LAUREL HIGHWAY POBLACION 4 TANAUAN CITY BATANGAS 4232	69,220.61	15-Jul-2021	14-Jul-2026
TANAY	M.L. Quezon St. Cor J.P. Laurel St. Brgy. Plaza Aldea Tanay Rizal	103,764.51	1-Aug-2022	1-Aug-2032
TANDAG	Pimentel Bldg., Donasco St., Tandag, Surigao del Sur	135,166.64	1-Jul-2016	30-Jun-2026
TANZA	A.Soriano Highway,Tanza,Cavite.	121,058.69	1-Aug-2022	31-Jul-2027
TARLAC	F. Tañedo St., Tarlac City	156,862.51	1-Jan-2021	30-Sep-2026

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
TARLAC-STO. CRISTO	Mac Arthur Highway, Blossomville Subd., Sto. Cristo, Tarlac City.	58,847.04	31-Mar-2023	30-Mar-2028
TAYTAY	Manila East Rd., Bgry. San Juan, Taytay, Rizal	195,759.62	1-Jan-2023	31-Dec-2032
TAYUG	A. Bonifacio St., Brgy. A, Tayug, Pangasinan	63,161.22	1-Apr-2017	31-Mar-2027
TEKTITE	1904-A East Tower, Philippine Stock Exchange Center, Ortigas Center, Pasig City	279,041.28	31-Mar-2023	30-Mar-2028
TERESA	Magsaysay Ave., Brgy. San Gabriel, Teresa, Rizal	76,772.82	15-Jun-2022	15-Jun-2032
THE BEACON	G/F THE BEACON ROCES TOWER CHINO ROCES AVE COR ARNAIZ AVE MAKATI CITY	225,792.00	31-Mar-2023	30-Mar-2028
THE FIRM	CVC Law Center 11th Avenue cor. 39th Street, Fort Bonifacio, Taguig	619,912.00	1-May-2020	30-Apr-2030
THE FORT JY CAMPOS	JY Campos Center, 9th Ave., Bonifacio Global Center, Taguig City 1634	526,075.36	20-May-2023	19-May-2033
THE FORT SUNLIFE	GF, Sunlife Building, 5th Ave. corner Rizal Drive, BGC, Taguig City	285,752.34	15-Feb-2022	14-Feb-2027
TIMOG	RCBC Bldg., 36 Timog Ave., Quezon City	208,152.00	31-Mar-2023	30-Mar-2028
TIMOG-PICTURE CITY CENTER	4F Picture City Center, 88 Timog Avenue, Quezon City	138,229.72	15-Feb-2024	15-Feb-2029
TOLEDO	G/F FGM Bldg II, Macapagal Highway, Toledo City	107,000.00	1-Apr-2022	30-Apr-2027
TOMAS MAPUA	626 Tomas Mapua St., Sta Cruz Manila	295,021.22	1-May-2023	30-Apr-2028
TOMAS MORATO	#169 Tomas Morato Ave, cor. Scout Castor, Brgy. Laging Handa Quezon City	139,356.00	31-Mar-2023	30-Mar-2028
TORDESILLAS	Ground Floor, Metropole Building, Tordesillas Street corner Gil Puyat Avenue, Makati City	379,612.80	31-Mar-2023	30-Mar-2028
TORIL	McArthur Highway, Toril Proper, Toril, Davao City	77,736.91	1-Aug-2025	31-Jul-2030
TRECE MARTIREZ	Brgy. San Agustin, Trece Martires City	121,152.55	1-Aug-2023	31-Jul-2028
TRINOMA	Space P015B Level 1, Trinoma EDSA cor North Avenue, Quezon City	424,894.00	1-Sep-2024	31-Aug-2025*
TUGUEGARAO	Bonifacio cor. Gomez St., Centro 7 Tuguegarao City	170,240.00	1-Mar-2025	28-Feb-2035
TUTUBAN	G/F Center Mall I. Tutuban Center C. M. Recto Ave., Manila	87,968.00	16-Apr-2013	15-Apr-2028
URDANETA	E.F. Square Bldg., Mc Arthur Highway, Urdaneta City, Pangasinan	144,100.43	1-Apr-2023	31-Mar-2033
VALENCIA	Sayre Highway, corner G. Laviña Avenue, Valencia City, Bukidnon	151,727.77	1-Oct-2022	30-Sep-2029
VALENZUELA	231 Mac Arthur Highway, Karuhatan, Valenzuela City	195,111.50	1-Sep-2023	31-Aug-2038
VIGAN	Nueva Segovia Street, Vigan City, Ilocos Sur	121,543.28	1-Jun-2025	31-May-2035

BRANCH / BRANCH LITE UNIT	BRANCH ADDRESS	Monthly Lease Rate	LEASE TERM	
		(inclusive of 12% VAT)	START	END
VIRAC, CATANDUANES	Stall 21 VTC Riverside Bldg., Virac Town Center, Rizal Avenue, Gogon Sirangan, Virac, Catanduanes	275,477.70	1-Jun-2021	31-May-2026
VISAYAS AVE	#6 VISAYAS AVE BRGY, BAHAY TORO QC	86,614.75	31-Mar-2023	30-Mar-2028
WACK-WACK	Unit K Facilities Center Building, 548 Shaw Blvd., Mandaluyong	132,638.56	1-Feb-2025	31-Jan-2030
WEST AVE.	Unit 101 West Insula Condominium, 135 West Ave., Brgy. Bungad, District 5, Quezon City	189,197.14	1-Sep-2023	31-Aug-2028
ZAMBOANGA	SIA Bldg., Tomas Claudio St. Zone III Zamboanga City	221,618.35	1-May-2023	1-May-2026
ZAMBOANGA VETERANS	YPC Bldg., Veterans Ave, Zamboanga City	105,926.34	1-Jan-2025	31-Dec-2029
ZAMBOANGA-GOV. LIM AVE.	G/F Jesus Wee Bldg., Gov. Lim Ave., Zamboanga City	120,000.00	1-May-2024	30-Apr-2026

**Renewal ongoing.*
***Renewed for another 5 years effective January 1, 2026.*

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

Item 3. Legal Proceedings

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

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

In the Bank's annual meeting of stockholders held on June 30, 2025 where 93.09% of the outstanding capital stock was present, the stockholders representing more than a majority of the outstanding capital stock elected the following directors to serve as such for a term of one year:

As Regular Directors:
1. Ms. Helen Y. Dee
2. Mr. Cesar E. A. Virata
3. Mr. Eugene S. Acevedo
4. Mr. Armando M. Medina
5. Mr. John Law
6. Mr. Shih-Chiao (Joe) Lin
7. Ms. Gayatri P. Bery
8. Mr. Hiroki Nakatsuka, and
9. Mr. Katsufumi Uchida

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

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

1. Minutes of the June 24, 2024 Annual Stockholders Meeting
2. Annual Report and Audited Financial Statements for 2024
3. Ratification of actions of the Board of Directors, different Committees and Management from June 24, 2024 to June 30, 2025
4. Confirmation of Significant Transactions with DOSRI and Related Parties
5. Appointment of External Auditor

In accordance with the Bank's Bylaws and in view of existing and subsequent vacancies, additional appointments to the Board were made after the June 30, 2025 annual meeting of stockholders.

During the meeting of the Board of Directors on June 30, 2025, simultaneous with his appointment as President and Chief Executive Officer, Mr. Reginaldo Anthony B. Cariaso was appointed Director. Mr. Eugene S. Acevedo retired as President and Chief Executive Officer but was retained as Director. Accordingly, the vacancy arising from the death of Mr. Gil A. Buenaventura on April 21, 2025 was filled.

During the meeting of the Board of Directors on July 28, 2025, Mr. Carlos G. Dominguez was appointed Independent Director. He filled the vacancy arising from the end of term of Mr. Gabriel S. Claudio. The end of term of an Independent Director refers to the 9-year maximum term limit allowed by regulations. During the meeting of the Board of Directors on September 29, 2025, Mr. Alexander A. Patricio was appointed Independent Director. He filled the vacancy arising from the end of term of Mr. Vaughn F. Montes, PhD.

During the meeting of the Board of Directors on October 27, 2025, Mr. Daniel Gabriel M. Montecillo was appointed Independent Director (with effective date of November 2, 2025. He filled the vacancy arising from the end of term of Mr. Juan B. Santos. The Lead Independent Director Role held by Mr. Santos was transferred to Mr. Laurito E. Serrano effective November 2, 2025.

During the meeting of the Board of Directors on January 26, 2026, Mr. Alberto M. de Larrazabal was appointed Independent Director. He filled the vacancy arising from the transfer of Ms. Erika Fille T. Legara, PhD to the Advisory Board. On even date, Mr. Kaoru Furuya was appointed Director, replacing Ms. Gayatri P. Bery who stepped down in favor of Mr. Furuya as a result of the sale of IFC's shares to SMBC.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

The common shares of the Bank are listed in the Philippine Stock Exchange. As of March 31, 2026, the market price of RCBC's common shares closed at P23.5 per share. The trading prices of said shares for the different quarters of the years 2025, 2024 and 2023 are as follows:

		Q1		Q2		Q3		Q4	
		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date	
2025	High	27.30	3.31.25	27.35	4.3.25	26.05	8.12.25	26.85	12.18.25
	Low	23.40	2.3.25	24.05	5.19.25	24.85	7.14.25	24.00	12.12.25
2024	High	24.20	2.29.24	23.95	4.08.24	27.85	9.24.24	27.85	10.14.24
	Low	21.00	3.04.24	21.10	6.21.24	21.15	7.02.24	23.00	11.27.24
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

Source: Philippine Stock Exchange

There were 71 preferred shareholders and 742 common shareholders of record as of December 31, 2025. Likewise, preferred shares and common shares outstanding as of December 31, 2025 were 265,328 and 2,419,536,530, respectively.

As of December 31, 2025, total equity ownership of foreigners on the Bank's common shares was at 43.88% or 1,061,767,986 shares.

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

The top 20 common certificated stockholders as of December 31, 2025

	Name	No. of Shares	% to Total
1	PCD NOMINEE CORP - NON FILIPINO	1,061,609,391	43.88%
2	PCD NOMINEE CORP - FILIPINO	629,774,750	26.03%
3	PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	594,248,085	24.56%
4	SM INVESTMENTS CORPORATION	53,862,336	2.23%
5	SYBASE EQUITY INVESTMENTS CORP.	47,570,205	1.97%
6	SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800	0.97%
7	SYSMART CORP.	3,000,000	0.12%
8	HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349	0.09%
9	MARTIN HARLEY PE SY	520,000	0.02%
10	MATTHEW HARLEY PE SY	520,000	0.02%
11	SAMANTHA MORI PE SY	519,985	0.02%
12	A. T. YUCHENGCO, INC.	255,190	0.01%
13	ALAS, CARLOS DE LAS	114,298	0.00%
14	ALAS, CORNELIO DE LAS	114,195	0.00%
15	CHAN, FREDERICK	111,677	0.00%
16	YANG JIN LIANG	100,000	0.00%
17	RUFINO, JOSIE PADILLA	92,865	0.00%
18	LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574	0.00%
19	MANUEL A. SANTIAGO OR ELLA C. SANTIAGO	65,900	0.00%
20	YAO, SHUOBIN	57,000	0.00%

The top 20 preferred certificated stockholders as of December 31, 2025

	Name	No. of Shares	% to Total
1	ROSARIO, RODOLFO P. DEL	81,521	30.72%
2	GO, HOMER	46,355	17.47%
3	CONCEPCION, CARMENCITA	31,842	12.00%
4	OPTIMUM SECURITIES CORP.	16,666	6.28%
5	BDO SECURITIES CORP.	9,304	3.51%
6	NGO, LORETA	8,600	3.24%
7	MANDARIN SECURITIES CORPORATION	7,583	2.86%
8	TAN, LUCIANO H.	7,309	2.75%
9	ABACUS SECURITIES CORP.	6,021	2.27%
10	HWANG, HANS YAP	5,558	2.09%
11	ANG, TONY ANG &/OR ROSEMARIE	5,372	2.02%
12	SIA, JOHNSON CHUA	5,000	1.88%
13	CAMPOS LANUZA & CO. INC.	3,535	1.33%
14	ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371	1.27%
15	CO, JUSTINA DY	3,258	1.23%
16	CHENG, SUSAN	2,665	1.00%
17	GLOBALINKS SEC. & STOCKS	2,454	0.92%
18	BEDAN CORPORATION	2,100	0.79%
19	LUYS SECURITIES CO. INC.	1,852	0.70%
20	GO, ROBERTO CHAN	1,367	0.52%

The details of the 2023, 2024 and 2025 cash dividend distributions follow:

Nature of Securities	Dividend		Record Date	Date Approved by BOD	Date Paid /Payable
	Per Share	Total Amount (in Million PhP)			
Hybrid	-	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	-	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
Hybrid	-	P546.53	27-Feb-24	29-Jan-24	27-Feb-24
Preferred	P0.1864	P0.05	21-Mar-24	26-Feb-24	21-Mar-24
Common	P1.0140	P2,453.11	13-Apr-24	25-Mar-24	26-Apr-24
Preferred	P1.0140	P0.27	13-Apr-24	25-Mar-24	26-Apr-24
Preferred	P0.1854	P0.05	21-Jun-24	27-May-24	26-Jun-24
Hybrid	-	P548.24	26-Aug-24	29-Jul-24	26-Aug-24
Preferred	P0.1857	P0.05	21-Sep-24	29-Aug-24	25-Sep-24
Preferred	P0.1707	P0.05	21-Dec-24	25-Nov-24	26-Dec-24
Hybrid	-	P568.23	27-Feb-25	27-Jan-25	27-Feb-25
Preferred	P0.1584	P0.04	21-Mar-25	24-Feb-25	26-Mar-25
Common	P0.7000	P1,693.68	16-Apr-25	31-Mar-25	5-May-25
Preferred	P0.7000	P0.19	16-Apr-25	31-Mar-25	5-May-25
Preferred	P0.1594	P0.04	21-Jun-25	26-May-25	25-Jun-25
Hybrid	-	P561.41	26-Aug-25	30-Jul-25	27-Aug-25
Preferred	P0.1599	P0.04	21-Sep-25	26-Aug-25	23-Sep-25
Preferred	P0.1518	P0.04	21-Dec-25	24-Nov-25	23-Dec-25

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 BOD and that it be disclosed in the statement of changes in equity.

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

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

2025

The Philippine economy experienced a slowdown in 2025, recording a Gross Domestic Product (GDP) growth of only 4.4% compared to 5.7% in 2024. This is the slowest pace of expansion since 2011, excluding the pandemic and fell short of the government's target range of 5.5% to 6.5%. The lower GDP was due to the significant slowdown in both household consumption and business investments, brought by the flood control corruption scandal that eroded consumer and business confidence.

Household consumption, which is the main driver of GDP accounting for 72.6% of the total, decelerated to a 4.6% growth rate from 4.9% in the preceding year. This despite easing inflationary pressures, with the average inflation rate tapering to 1.7% from 3.2% the previous year. The reduced confidence coming from governance issues have offset the lower inflation and relatively low unemployment rate of 4.2%.

Investments or Gross Capital Formation, representing 22.2% of GDP, saw a sharp contraction of 2.1% in 2025, a reversal from the 7.7% growth recorded the year before. Uncertainty in the economic climate from geopolitical risks - higher tariffs, trade wars, and protectionist measures, alongside a decline in business confidence from the political noise likely led companies to delay their expansion plans.

A bright spot was the performance of the external sector. Trade proved resilient, with merchandise exports exhibiting strong growth, accelerating to 8.1% from 3.3% in the prior year. Imports also grew by 5.1% compared to 4.2% in 2024. The robust export performance provided a partial offset to the weak domestic demand.

Government expenditure also recorded an increase, rising to 9.1% from 7.3% previously, as the government provided stimulus to the slowing economy.

Due to global and domestic market activities, the Philippine Peso (USDPHP) depreciated by 1.6%, closing at 58.790 against the US Dollar, compared to 57.845 at the end of the previous year.

On the supply side, the Services sector, the largest component of the economy at 63.8% of GDP, remained the primary engine of growth but slowed to 5.9% compared to 6.7% a year earlier. Nearly all sub-industries within Services recorded lower growth rates, with the exception of Public administration and defense, Education, and Human health and social work.

The Industry sector experienced the most significant slowdown, with growth only at 1.5% from 5.6% the year before. This performance reflects the contraction in business investments and the likely impact of the corruption scandal on infrastructure and construction activities.

Agriculture, forestry, and fishing sector reversed a contraction of 1.5% in the previous year to record a growth of 3.1% in 2025 despite several weather-related disturbances in 2025.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	2025	2024	2023
Total Assets	1,356,436	1,360,153	1,238,332
Investment Securities	374,881	429,086	330,742
Loans and Receivables (Net)	803,412	742,497	649,929
Total Deposits	1,025,455	1,022,794	956,712
Capital Funds	151,169	158,491	152,275

RCBC's **Total Assets** stood at P1.4 trillion as of December 31, 2025 which slightly declined by P3.7 billion or 0.3% year-on-year. The significant movements are discussed below:

Cash and Other Cash Items increased by 2.8% or P653 million due to higher cash in vault and additional cash requirements of the 32 new ATMs to service higher withdrawals during the holidays.

Due from Bangko Sental ng Pilipinas (BSP) decreased by 24.5% or P28.3 billion due to lower BSP Term Deposit and Demand Deposit due to lower reserve requirements from 7% to 5%.

Due from Other Banks decreased by 37.9% or P5.5 billion year-on-year.

Loans Arising from Reverse Repurchase Agreements increased by 100.0% or P20.6 billion due to placements with local banks.

Total Investment Securities, representing 27.6% of Total Resources, declined by 12.6% or P54.2 billion attributable to the decline in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost.

Loans and Receivables – net, increased by 8.2% or P60.9 billion as a result of the sustained growth in consumer loans. It represented 59.2% of Total Resources.

Investments in Associates – net, increased by 24.2% or P145 million on account of the share in income from associates.

Bank Premises, Furniture, Fixtures & Equipment – net, increased by 2.40% or P196 million.

Investment Properties – net, increased by 10.5% or P73 million due to additional foreclosed properties.

Deferred Tax Assets (DTA) increased by 4.6% or P279 million year-on-year.

Other Resources – net, increased by 6.8% or P1.4 billion largely due to the higher creditable withholding taxes, assets held-for-sale and disposal group and prepaid expenses.

Total Liabilities stood at P1.2 trillion with a slight increase of P3.6 billion or 0.3%. The significant movements are discussed below:

Deposit Liabilities at P1.0 trillion, slightly grew by 0.3% or P2.7 billion mainly coming from Time deposits which grew by P3.6 billion or 0.7% and Current Account deposits by P524 million or 0.2%.

Bills Payable decreased by 19.6% or P17.0 billion primarily due to maturities of various foreign borrowings.

Bonds Payable increased by 124% or P33.4 billion due to the issuance of the P12.2 billion peso-denominated Series F ASEAN Sustainability Bonds in July 2025 and the USD350 million Senior Unsecured Fixed Rate Sustainability Bonds in January 2025.

Accrued Taxes, Interest and Other Expenses increased by 5.8% or P669million year-on-year mainly from interest and other expenses.

Total Capital Funds stood at P151.2 billion with a decline of P7.3 billion or 4.6% mainly on account of the AT1 Capital redemption in August 2025 with a total capital impact of P17.0 billion and the P2.8 billion dividends paid during the year. This is offset by the P10.6 billion net income for the period.

Income Statement

INCOME STATEMENT			
In Million Pesos	2025	2024	2023
Interest Income	86,071	79,083	66,289
Interest Expense	29,923	36,582	32,660
Net Interest Income	56,148	42,501	33,629
Other Operating Income	7,129	10,907	16,368
Gross Income	63,277	53,408	49,997
Impairment Losses	15,000	8,619	6,888
Operating Expenses	35,024	31,801	29,594
Tax Expense	2,695	3,468	1,298
Net Income	10,558	9,520	12,217
Attributable to:			
Parent Company's Shareholders	10,559	9,520	12,218
Non-controlling Interests	(1)	0	(1)

RCBC recorded a **Net Income** of P10.6 billion in 2025 driven by the following:

Total **Interest Income** increased by 8.8% or P7.0 billion driven by the growth in volume and better yields. Interest income on loans and receivables is higher by 14.3% or P8.7 billion. Interest income on trading and investment securities declined by 5.3% or P853 million and other interest income is lower by 43.6% or P901 million.

Total **Interest Expense** declined by 18.2% or P6.7 billion due to lower interest expense on deposit liabilities of 25.6% or P8.0 billion due to lower average cost.

As a result, **Net Interest Income** increased to P56.1 billion from P42.5 billion and represented 88.73% of total operating income.

The Group booked **Impairment Losses** of P15.0 billion was higher by 74.1% or P6.4 billion mainly due to higher specific and general provisions during the year mainly driven by the significant growth in volume of consumer loan portfolio.

Other operating income of P7.1 billion decreased by 34.6% or P3.8 billion and this accounted for 11.3% of total operating income on account of the following:

- **Service fees and commissions,** higher by 24.7% or P2.1 billion largely from the increase in fee-based income;
- **Foreign exchange losses – net**, higher by P4.2 billion on account of higher foreign exchange losses on derivative transactions and foreign currency position revaluation, net of higher foreign exchange gains on commercial transactions;
- **Trading and securities gains – net** declined by 59.9% or P896 million on account of lower mark-to-market and realized trading gains;
- **Gain on assets sold – net** lower by 51.4% or P695 million due to sale of various real estate properties last year;
- **Miscellaneous income** lower by 7.9% or P123 million mainly due to lower recoveries from written off assets and rental income year-on-year.

Operating expenses amounted to P35.0 billion, higher by 10.1% or P3.2 billion on account of the following:

- **Employee benefits** higher by 12.4% or P1.0 billion largely due to increase in headcount and annual salary adjustments;
- **Taxes and licenses** dropped by P780 million year-on-year mainly due to lower documentary stamps tax;
- **Occupancy and equipment-related costs** higher by 10.3% or P249 million largely due to increase in rental expenses;
- **Depreciation and amortization** higher by 7.6% or P257 million year-on-year mainly due to higher amortization of right-of-use assets and leasehold rights and improvements;
- **Insurance** amounted to P2.3 billion, same as last year; and
- **Miscellaneous expenses** higher by 27.3% or P2.5 billion largely due to higher credit card-related expenses and service fees, which are both volume-driven.

Tax Expense is lower by 22.3% or P773 million mainly due to the lower final tax on investment securities and higher deferred income tax benefit recognized during the 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	
	2025	2024	2025	2024
Return on Average Assets (ROA)	0.8%	0.8%	0.8%	0.8%
Return on Average Equity (ROE)	6.6%	6.0%	6.6%	6.0%
Risk-based Capital Adequacy Ratio (CAR)	14.5%	16.1%	14.2%	15.9%
Common Equity Tier 1 Ratio	13.6%	13.5%	13.3%	13.3%
Non-Performing Loans (NPL) Ratio	2.8%	2.5%	2.6%	2.2%
Non-Performing Assets (NPA) Ratio	1.8%	1.6%	1.7%	1.4%
Net Interest Margin (NIM)	4.8%	3.9%	4.8%	3.9%
Cost-to-Income Ratio	55.4%	59.5%	55.0%	59.1%
Loans-to-Deposit Ratio*	74.1%	69.5%	95.4%	68.9%
Current Ratio	0.7	1.1	0.7	1.1
Liquid Assets-to-Total Assets Ratio	0.1	0.1	0.1	0.1
Debt-to-Equity Ratio	8.0	7.6	7.9	7.5
Asset-to- Equity Ratio	9.0	8.6	8.9	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) **				
Basic	P 4.06	P 3.48	P 4.06	P 3.48
Diluted	P 4.06	P 3.48	P 4.06	P 3.48

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK	Audited			
In Php 000s (Except EPS)	2025		2024	
Net Income (Loss)	PHP	17,037	PHP	4,151
Return on Average Assets (ROA)		1.0%		0.3%
Return on Average Equity (ROE)		3.3%		0.8%
Risk-based Capital Adequacy Ratio (CAR)		27.4%		30.9%
Non-Performing Loans (NPL) Ratio		10.8%		11.7%
Non-Performing Assets (NPA) Ratio		8.8%		7.0%
Earnings (Loss) per Share (EPS)	PHP	1.51	PHP	0.37

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s (Except EPS)	2025	2024
Net Income	PHP 304,900	PHP 348,592
Return on Average Assets (ROA)	7.9%	8.4%
Return on Average Equity (ROE)	8.6%	10.0%
Risk-based Capital Adequacy Ratio (CAR)	82.3%	78.7%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	PHP 2.59	PHP 2.95

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except EPS)	2025	2024
Net Income	PHP 10,130	PHP 8,883
Return on Average Assets (ROA)	5.9%	5.4%
Return on Average Equity (ROE)	6.2%	5.6%
Capital to Total Assets	96.0%	97.0%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Common Share (EPS)*	PHP (27.10)	PHP (30.37)

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

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except EPS)	2025	2024
Net Income (Loss)	PHP (15,137)	PHP (11,626)
Return on Average Assets (ROA)	-17.3%	-11.4%
Return on Average Equity (ROE)	-18.3%	-12.0%
Capital to Total Assets	94.5%	96.4%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings (Loss) per Share	PHP (6.05)	PHP (4.65)

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	2025	2024
Net Income (Loss)	PHP 898	PHP (426)
Return on Average Assets (ROA)	1.0%	-0.4%
Return on Average Equity (ROE)	-0.8%	0.4%
Capital to Total Assets	-117.5%	-113.9%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	PHP 0.00	PHP 0.00

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	2025	2024
Net Income (Loss)	PHP (393,545)	PHP 13,222
Return on Average Assets (ROA)	-5.6%	0.2%
Return on Average Equity (ROE)	-26.5%	0.8%
Risk-based Capital Adequacy Ratio (CAR)	15.4%	12.8%
Non-Performing Loans (NPL) Ratio	36.1%	36.9%
Non-Performing Assets (NPA) Ratio	23.6%	23.9%
Earnings/(Loss) per Share (EPS)	PHP (0.13)	PHP 0.01

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.*

In 2024, the Philippine economy grew by 5.6%, slightly better than the 5.5% recorded in 2023 but missed the government's target of 6.0% - 6.5%. -

Household consumption is still the biggest driver of Philippine growth as it accounted for 72.5% of total GDP. However, it slowed to 4.8% from 5.6% the previous year due to the aftereffects of several typhoons that hit the country and the lingering elevated interest rates despite the 75 basis points cut in BSP policy rates to a 2-year low of 5.75%.

Even as BSP largely moved in lockstep with US Federal Reserve cuts, year-end USD/PHP exchange rate depreciated by 4.5% to P57.85 year-on-year due to a stronger US dollar largely because of the Trump factor which could lead to more protectionist policies.

Consumption was still strong supported by the tapering of inflation to 3.2% last year down from 6.0% and within BSP's inflation target and higher employment rate of 96.2% in 2024 compared to 2023.

On the other hand, government expenditure was faster at 7.2% coming from just 0.6% the previous year due to larger personnel services expenditures and increased public infrastructure spending, according to a Department of Finance (DOF) report. Investments increased to 7.5% from 5.9%, while both exports and imports improved to 3.4% and 4.3%, respectively despite the subdued global demand.

On the supply side, Industry was the only sector that recorded faster growth year-on-year to 5.6% driven by higher growth rates in manufacturing; electricity, steam, water, and waste; as well as construction compared to 2023. Services which was 62.9% of GDP slowed to 6.7%. Agriculture also suffered as it contracted by 1.6% from a growth of 1.2% in 2023 due to weather disturbances.

Despite missing the government's target and performing below market expectations, the Philippines remained one of the fastest growing economies in ASEAN, second only to Vietnam.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	2024	2023	2022
Total Assets	1,360,153	1,238,332	1,154,108
Investment Securities	429,086	330,742	374,365
Loans and Receivables (Net)	742,497	649,929	558,869
Total Deposits	1,022,794	956,712	857,244
Capital Funds	158,491	152,275	116,361

RCBC's **Total Assets** stood at P1.4 trillion as of December 31, 2024. This represents a growth of 9.8% or P121.8 billion, year-on-year. The significant movements are discussed below:

Cash and Other Cash Items increased by 15.7% or P3.1 billion due to higher cash in vault and additional cash requirements of the 22 new ATMs to service higher withdrawals during the holidays.

Due from Bangko Sental ng Pilipinas (BSP) decreased by 24.1% or P36.5 billion due to lower BSP Term Deposits as short-term investment.

Due from Other Banks decreased by 2.2% or P323.0 million year-on-year.

Loans Arising from Reverse Repurchase Agreements decreased by 100.0% or P35.8 billion due to lower placements with the BSP.

Total Investment Securities, representing 31.5% of Total Resources, increased by 29.7% or P98.3 billion attributable to net acquisitions of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost.

Loans and Receivables – net, increased by 14.2% or P92.6 billion as a result of the sustained growth in consumer, small medium enterprises and corporate loans. It represented 54.6% of Total Resources.

Investments in Associates – net, increased by 18.0% or P91.5 million on account of the share in income from associates.

Bank Premises, Furniture, Fixtures & Equipment – net, decreased by 12.0% or P1.1 billion due to the depreciation and amortization charges for the year.

Investment Properties – net, increased by 27.9% or P151.6 million due to additional foreclosed properties.

Deferred Tax Assets (DTA) increased by 4.8% or P276.9 million year-on-year.

Other Resources – net, increased by 5.2% or P1.0 billion largely due to the higher deferred charges, refundable deposits and creditable withholding taxes.

Total Liabilities stood at P1.2 trillion with an increase of P115.6 billion or 10.6%. The significant movements are discussed below:

Deposit Liabilities increased to P1.0 trillion, grew by 6.9% or P66.1 billion mainly coming from Current and Savings Account (CASA) deposits which grew by 7.2% or P36.3 billion. Time deposits reached P484.3 billion and grew by 6.5% or P29.7 billion.

Bills Payable increased by 70.3% or P35.8 billion primarily due to net availments of foreign borrowings during the year.

Bonds Payable decreased by 22.9% or P8.0 billion attributable to the maturities of the P14.8 billion Senior Notes and USD300 million Senior Notes during the year, net of the USD400M, 5-year Notes issued in January 2024.

Accrued Taxes, Interest and Other Expenses decreased by 3.4% or P414.8 million year-on-year.

Total Capital Funds stood at P158.5 billion with an increase of P6.2 billion or 4.1% on account of the P9.5 billion net income for the year, reduced by the P3.5 billion cash dividends paid during the year and P0.2 billion increase in other comprehensive income attributable to actuarial gains/(losses) on net defined benefit plan, fair value gains/(losses) on equity securities at FVOCI and translation adjustments on foreign operations.

Income Statement

INCOME STATEMENT			
In Million Pesos	2024	2023	2022
Interest Income	79,083	66,289	45,835
Interest Expense	36,582	32,660	14,619
Net Interest Income	42,501	33,629	31,216
Other Operating Income	10,907	16,368	13,238
Gross Income	53,408	49,997	44,454
Impairment Losses	8,619	6,888	5,706
Operating Expenses	31,801	29,594	25,100
Tax Expense	3,468	1,298	1,568
Net Income	9,520	12,217	12,080
Attributable to:			
Parent Company's Shareholders	9,520	12,218	12,080
Non-controlling Interests	0	(1)	0

RCBC recorded a **Net Income** of P9.5 billion in 2024 driven by the following:

Total **Interest Income** increased by 19.3% or P12.8 billion driven by the growth in volume and better yields. Interest income on loans and receivables was higher by 23.6% or P11.6 billion. Interest income on trading and investment securities increased by 20.6% or P2.7 billion. Other interest income, on the other hand, was lower by 43.3% or P1.6 billion.

Total **Interest Expense** increased by 12.0% or P3.9 billion due to higher interest expense on deposit liabilities of 11.0% or P3.1 billion as a result of growth in average volume and cost.

As a result, **Net Interest Income** amounted to P42.5 billion from P33.6 billion and represented 79.6% of total operating income.

The Group booked **Impairment Losses** of P8.6 billion, higher by 25.1% or P1.7 billion mainly due to higher specific and general provisions during the year mainly driven by the significant growth in volume of consumer loan portfolio.

Other operating income of P10.9 billion decreased by 33.4% or P5.5 billion and this accounted for 20.4% of total operating income on account of the following:

- **Service fees and commissions** higher by 27.4% or P1.8 billion largely from the increase in fee-based income;
- **Foreign exchange gains (losses) – net**, lower by P2.0 billion on account of lower foreign exchange position profits and lower gains from commercial transactions;
- **Trading and securities gains (losses) – net** up by 236.7% or P1.1 billion on account of higher realized trading gains;
- **Gain on assets sold – net** lower by 79.9% or P5.4 billion due to sale of various real estate properties last year;
- **Share in net earnings of subsidiaries and associates** decreased by 7.6% or P7.0 million due to lower equity earnings from Investment in Associates;

- **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;
- **Gain on disposal of subsidiaries** – the 100% reduction was due to the sale of wholly-owned subsidiaries, NPHI and CRC last year; and
- **Miscellaneous income** lower by 19.0% or P343.0 million mainly due to lower gain on settlement of loan and lower rental income year-on-year.

Operating expenses amounted to P31.8 billion, higher by 7.5% or P2.2 billion on account of the following:

- **Employee benefits** higher by 12.7% or P909.0 million largely due to increase in headcount;
- **Taxes and licenses** grew by P2.0 million year-on-year;
- **Occupancy and equipment-related costs** higher by 19.3% or P630.0 million largely due to higher information technology costs and increase in rental expenses;
- **Depreciation and amortization** higher by 0.4% or P14.0 year-on-year; and
- **Miscellaneous expenses** higher by 7.0% or P652.0 million largely due to higher credit card-related expenses and service fees, which are both volume-driven.

Tax Expense was higher by 167.2% or P2.2 billion mainly due to the lower deferred income tax benefit recognized during the year and higher final tax on investment securities.

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	
	2024	2023	2024	2023
Return on Average Assets (ROA)	0.8%	1.1%	0.8%	1.1%
Return on Average Equity (ROE)*	6.0%	9.5%	6.0%	9.5%
Risk-based Capital Adequacy Ratio (CAR)	16.1%	17.4%	15.9%	17.2%
Common Equity Tier 1 Ratio	13.5%	14.7%	13.3%	14.5%
Non-Performing Loans (NPL) Ratio	2.4%	1.6%	2.2%	1.5%
Non-Performing Assets (NPA) Ratio	1.6%	1.3%	1.4%	1.2%
Net Interest Margin (NIM)	3.9%	3.4%	3.9%	3.4%
Cost-to-Income Ratio	59.5%	59.2%	59.2%	59.5%
Loans-to-Deposit Ratio**	69.5%	65.1%	68.9%	64.3%
Current Ratio	1.1	0.9	1.1	0.9
Liquid Assets-to-Total Assets Ratio	0.1	0.2	0.1	0.2
Debt-to-Equity Ratio	7.6	7.1	7.5	7.1
Asset-to- Equity Ratio	8.6	8.1	8.5	8.1
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.4	1.4	1.4

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2024	2023	2024	2023
Earnings per Share (EPS)*				
Basic	P 3.48	P 5.07	P 3.48	P 5.07
Diluted	P 3.48	P 5.07	P 3.48	P 5.07

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK	Audited	
In 000s (Except EPS)	2024	2023
Net Income	4,151	3,150
Return on Average Assets (ROA)	0.3%	0.2%
Return on Average Equity (ROE)	0.8%	0.6%
Risk-based Capital Adequacy Ratio (CAR)	30.9%	29.2%
Non-Performing Loans (NPL) Ratio	11.7%	4.3%
Non-Performing Assets (NPA) Ratio	7.0%	6.4%
Earnings per Share (EPS)	0.37	0.28

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In 000s (Except EPS)	2024	2023
Net Income	348,592	191,142
Return on Average Assets (ROA)	8.4%	4.7%
Return on Average Equity (ROE)	10.0%	5.9%
Risk-based Capital Adequacy Ratio (CAR)	51.8%	52.1%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.1%
Earnings per Share (EPS)	2.95	1.62

RCBC FOREX BROKERS CORPORATION	Audited	
In 000s (Except EPS)	2024	2023
Net Income	8,883	6,994
Return on Average Assets (ROA)	5.4%	4.2%
Return on Average Equity (ROE)	5.6%	4.4%
Capital to Total Assets	97.0%	96.9%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Common Share (EPS)*	(30.37)	(34.01)

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

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In 000s (Except EPS)	2024	2023
Net Loss	(11,626)	(7,574)
Return on Average Assets (ROA)	-11.4%	-7.0%
Return on Average Equity (ROE)	-12.0%	-7.3%
Capital to Total Assets	96.4%	96.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share	(4.65)	(3.03)

RCBC TELEMONEY EUROPE S.P.A *	Audited	
In 000s (Except EPS)	2024	2023
Net Income	0.0	0.0
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	0.0%	-158.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	0.00	0.00

**Liquidated in 2024*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In 000s (Except EPS)	2024	2023
Net Loss	(426)	(104)
Return on Average Assets (ROA)	-0.4%	-0.1%
Return on Average Equity (ROE)	0.4%	0.1%
Capital to Total Assets	-113.9%	-108.2%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share (EPS)	(0.00)	(0.00)

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In 000s (Except EPS)	2024	2023
Net Income (Loss)	13,222	(445,311)
Return on Average Assets (ROA)	0.2%	-4.1%
Return on Average Equity (ROE)	0.8%	-22.9%
Risk-based Capital Adequacy Ratio (CAR)	12.8%	12.8%
Non-Performing Loans (NPL) Ratio	36.9%	10.3%
Non-Performing Assets (NPA) Ratio	23.9%	10.3%
Earnings (Loss) per Share (EPS)	0.01	(0.15)

Notes to the Computations:

6. *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.*
7. *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.*
8. *NPL ratio is determined by using the following formula: (Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio)*
9. *NPA ratio is determined by using the following formula: (Net NPLs + Gross ROPA + Non-performing SCR) / Gross Total Assets.*
10. *For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.*

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

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

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

Financial and Operating Highlights

Balance Sheet

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

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

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

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

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

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

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

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

Investments in 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, Fixtures & 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.

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

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2023	2022	2023	2022
Return on Average Assets (ROA)	1.1%	1.2%	1.1%	1.2%
Return on Average Equity (ROE)*	9.5%	11.2%	9.5%	11.2%
Risk-based Capital Adequacy Ratio (CAR)	17.4%	15.3%	17.2%	15.0%
Common Equity Tier 1 Ratio	14.7%	12.3%	14.5%	12.0%
Non-Performing Loans (NPL) Ratio	1.6%	2.0%	1.5%	1.9%
Non-Performing Assets (NPA) Ratio	1.3%	1.5%	1.2%	1.4%
Net Interest Margin (NIM)	3.4%	3.7%	3.4%	3.7%
Cost-to-Income Ratio	59.2%	56.5%	59.5%	55.8%
Loans-to-Deposit Ratio**	65.1%	63.4%	64.3%	62.4%
Current Ratio	0.9	0.5	0.9	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	P 5.07	P 5.42	P 5.07	P 5.42

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2023	2022	2023	2022
Diluted	P 5.07	P 5.42	P 5.07	P 5.42

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

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK	Audited	
In 000s (Except EPS)	2023	2022
Net Income (Loss)	3,150	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)	0.28	1.74

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

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

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

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In 000s (Except EPS)	2023	2022
Net Loss	(7,574)	(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	(3.03)	(2.33)

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

**In the process of liquidation*

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

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

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

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

CAJEL REALTY CORPORATION In 000s (Except EPS)*	Audited	
	2023	2022
Net Loss	Not Applicable	(430)
Return on Average Assets (ROA)		-0.8%
Return on Average Equity (ROE)		-0.8%
Capital to Total Assets		99.9%
Non-Performing Loans (NPL) Ratio		0.0%
Non-Performing Assets (NPA) Ratio		0.0%
Loss per Share (EPS)		(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 2026

The government announced plans for transparent measures and priority infrastructure investments that should boost Philippine growth in 2026. However, external risks from geopolitical and weather-related factors persist, which will affect supply and lead to higher inflation. Considering the identified risks and opportunities, RCBC has developed strategies aimed at expanding both its business and consumer loan portfolios. This growth will be supported by the following initiatives.

- Use of data science and Artificial Intelligence to identify cross-sell opportunities, enhance operational efficiencies for deeper customer engagement and better customer experience, and improve risk identification and mitigation against increasing cyber threats.
- Build and expand collaborations and partnerships to capture clients' ecosystems and network of payments.
- Continuously improve digital service offerings and launch products focused on clients' evolving needs.

To achieve sustainable growth in 2026, the Bank's priority is CASA through cash management solutions, payroll accounts, and digital payments. RCBC will also focus on targeted and data-driven client/sector strategy to manage risks on the portfolio.

Item 7. Financial Statements

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

Item 8. Information on Independent Accountant and other Related Matters

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

For the audit of the Group's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount billed/to be billed, excluding out-of-pocket expenses, by its independent accountant amounted to P12.9 million and P11.7 million for 2025 and 2024, respectively. Additionally, approximately P6.4 million was paid for other services rendered by the independent accountant in 2025.

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, 2025 and 2024, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

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

Regular Directors

Helen Y. Dee
Chairperson (June 27, 2005 to present)
Director (March 28, 2005 to present)

Ms. Dee, 81, Filipino, is the Bank's Chairperson. Ms. Dee is also the Chairperson of House of Investments, Inc, Petroenergy Resources Corporation 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 (2022 to present): 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): Going from Good to Great; 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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 Targeted Financial Sanctions Course (AMLC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); Anti-Money Laundering and Counter-Terrorism Financing Fundamentals Course (AMLC); AMLC Registration and Reporting Guidelines Course (AMLC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC)

Cesar E.A. Virata
Corporate Vice Chairperson (July 25, 2000 to present)
Director (September 25, 1995 to present)

Mr. Virata, 95, Filipino, has been a Director since 1995, Corporate Vice Chairman since July 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman, Board of Adviser includes, RCBC Trust Corporation, RCBC Realty Corp., RCBC Land, Inc., Malayan Insurance Co., Inc, ALTO Pacific Co., Inc., Malayan Education System, Inc., RCBC Bankard Services Corporation, Yuchengco Center, Yuchengco Museum, AY Foundation, Business World Publishing Corporation, Lopez Holdings Corporation, Investment & Capital Corporation of the Philippines, City & Land Developers, Inc., Cavitex Holdings, Inc., and World Trade Center Management, Inc.

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's Degree in Business Administration (Industrial Management) from the Wharton Graduate School University of Pennsylvania.

Recent training/continuing education (2022 to present): RCBC Digital Academy Executive Learning Series Shifting All Gears to Thrive in the Future of Work (YGC-Deloitte); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); Data Analytics and Artificial Intelligence Internal Carbon Pricing (SGV-Lopez Holding Corporation); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2024 Corporate Governance (Lopez Holding Corporation-SGV); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Reginaldo Anthony B. Cariaso
President and Chief Executive Officer (July 1, 2025 to present)
Director (July 1, 2025 to present)

Mr. Cariaso, 58, Filipino, is the Bank's President and Chief Executive Officer. He joined RCBC on November 6, 2023 as Executive Vice President / Group Head Designate of the Operations Group. He assumed the role of Operations Group Head on February 4, 2024. On January 1, 2025, he was appointed as the Bank's Deputy Chief Executive Officer. He concurrently sits as Chairperson of RCBC Microbank, Inc. – A Thrift Bank, and as Vice Chairperson of RCBC Leasing and Finance Corporation. He also holds directorships in RCBC Capital Corporation, RCBC Trust Corporation, RCBC Rental Corporation, BancNet, Asian Bankers Association, and Bankers Association of the Philippines.

Mr. Cariaso is a seasoned financial and banking executive with close to 30 years of experience gained from local and overseas firms including J.P. Morgan (Hong Kong), Nomura International (Hong Kong) and Bank of the Philippine Islands (BPI). Prior to joining RCBC, he was Senior Vice President at BPI where he was Head of Institutional Banking Strategy, Products, and Support Group. Prior thereto, he served as President of BPI Capital Corporation. He was Executive Director in both J.P. Morgan and Nomura International with a focus on Asian equity capital and derivative markets. Before entering the finance sector, he was a Lieutenant of the United States Navy Submarine Force.

Mr. Cariaso was a university scholar of New York University before transferring to University of Pennsylvania where he completed his Bachelor of Arts in Chemistry Degree in 1990.

Recent training/continuing education (2025 to present): Corporate Governance Orientation Program (Institute of Corporate Directors); Thought Leadership: Creating Impact through the Blue Financing (RCBC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Eugene S. Acevedo
Director (July 1, 2019 to present)

Mr. Acevedo, 62, Filipino, has been a Director of the Bank since July 1, 2019. He was the Bank's President and Chief Executive Officer until June 30, 2025. 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 an Advisory Dean of Mapua University Business Schools.

He is a Magna Cum Laude graduate from the University of San Carlos where he earned a degree in Bachelor of Science in Physics, magna cum laude, in 1984. He has a Master's degree in Business Administration from the Asian Institute of Management where he is now taking the DBA program. He recently completed the PhD in Organizational Development requirements at the SAIDI Institute. He attended the Advanced Management Program at the Harvard Business School.

Recent training/continuing education (2022 to present): RCBC Digital Academy Executive Learning Series Shifting All Gears to Thrive in the Future of Work (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: Going from Good to Great (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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); AML/CTF Fundamentals (AMLC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

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

Mr. Medina, 76, Filipino, was an Independent Director of the Bank from 2003 to 2020. He became a regular director of the Bank starting January 1, 2021. He is a member of the Bank's Executive Committee. He was an Independent Director of Malayan Insurance, Co. Inc. until September 28, 2023. .He served as an Independent Director of RCBC Capital Corporation until December 31, 2021. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

Recent training/continuing education (2022 to present): Understanding Climate Risks: Launch of The ASEAN Climate Governance Network (CGM); RCBC Digital Academy Executive Learning Series Shifting All Gears to Thrive in the Future of Work (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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); Humanlike AI: Revolutionizing Productivity and Navigating Its Benefits (YGC-RCBC); Cybersecurity Fundamentals (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); POGOs and Scams: Their Roots and Solutions (Yuchengco Center); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

John Law
Director (April 27, 2015 to present)

Mr. Law, 75, a dual citizen of France and Taiwan, has been a Director of the Bank since April 2015. He is also currently a Director of Far East Horizon Ltd. in Hong Kong and Khan Bank in Mongolia. He served as Senior Advisor for Greater China for Oliver Wyman from Jan 2013 through December 31, 2020. He holds a Bachelor of Science degree, major in Psychology, from Chung Yuan University in Taiwan; a Master's of Business Administration degree from Indiana University; and a Master's of Arts degree, major in Poetry, from the University of Paris, France

Recent training/continuing education (2022 to present): RCBC Digital Academy Executive Learning Series Shifting All Gears to Thrive in the Future of Work ((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: Going from Good to Great (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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Shih-Chiao (Joe) Lin
Director (March 25, 2019 to present)

Mr. Lin, 52, Taiwanese, has been a Director of the Bank since March 25, 2019. He has been with Cathay Life Insurance for over 20 years and is currently an Executive Vice President there. He graduated with a Bachelor's degree in Business Administration from the National Chengchi University and holds an MBA from the National Taiwan University.

Recent training/continuing education (2021 to present): 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

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

Mr. Nakatsuka, 56, Japanese, 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: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 Cybersecurity Fundamentals (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

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

Mr. Uchida, 58, Japanese, 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 Head of Asia Pacific Division. He also serves as Managing Executive Officer of SMFG. He joined SMBC in 1990 and has spent over 20 of his more than 35 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). 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Independent Directors

Laurito E. Serrano
Lead Independent Director (COB January 26, 2026 to present)
Independent Director (March 20, 2019 to present)

Mr. Serrano, 65, Filipino, is the Lead Independent Director of the Bank. He 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 working with clients mostly in the private sector.

Mr. Serrano also concurrently serves as an independent director of public entities such as Axelum Resources Corp., Belle Corporation, Anglo Philippine Holdings Inc, Century Peak Holdings Corporation, and Premium Leisure Corporation, and a director in 2Go Group, Inc., Malayan Insurance Company, and MRT Development Corporation.

Mr. Serrano's past experience includes, among others, directorships in Pacific Online Systems Corporation, Atlas Mining & Development Corporation, Metro Global Holdings Group, Fil-Estate Group, Metro Rail Transit 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.

Recent training/continuing education (2022 to present): 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 Cybersecurity Fundamentals (YGC-

RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC);2025 Corporate Governance Training (Axelum).

Carlos G. Dominguez
Independent Director (COB July 28, 2025 to present)

Mr. Dominguez, 80, Filipino, has been an Independent Director since July 28, 2025. He carries with him over 40 years of experience in government and in the private sector. He was Secretary of Finance from July 2016 to June 2022 and, by virtue thereof, served as BSP Monetary Board Member, ADB Governor for the Philippines, World Bank Governor for the Philippines, and IMF Alternate Governor for the Philippines. He was President and/or Chief Executive Officer of various companies including BPI Agricultural Development Bank and Philippine Airlines. He served as director of various companies including Roxas Holdings, and MERALCO.

He currently sits as independent director of House of Investments, Inc., Petroenergy Resources Corporation, GT Capital Holdings, Inc., and Sun Life Grepa Financial, Inc. He is also President and Chairman of PTFC Redevelopment Corporation.

He was conferred the Order of Lakandula with the Rank of Grand Cross (Bayani) by the President of the Philippines for exemplary service to the nation, and the Grand Cordon of the Order of the Rising Sun by the Emperor of Japan for outstanding leadership in promoting cooperation between the Philippines and Japan.

He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics in 1965, and a Master's Degree in Business Administration in 1969. In 1982, he completed the Executive Management Program of Stanford University's Graduate School of Business.

Recent training/continuing education (2025 to present): 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Alexander A. Patricio
Independent Director (COB September 29, 2025 to present)

Mr. Patricio, 74, has been an Independent Director of the Bank since September 29, 2025. He brings with him over 41 years of experience in the banking industry, including stints in Citibank Philippines, Citibank Australia Ltd., Citytrust Banking Corporation, and ING Bank Philippines, where he held various positions as Vice President/Senior Credit Officer, Vice President/Senior Risk Manager, Director/Head of Corporate Lending, and Director/Country Risk Manager. He concluded 20 years in Citibank/Citytrust and 17 years in ING Bank, and then transitioned to government service as Executive Vice President/Sector Head and Chief Risk Officer of the Development Bank of the Philippines. He was an Independent Director of Chinatrust Banking Corporation Philippines from 2018 to July 2025.

He currently sits as Independent Director of the Intellicare Group of Companies (Asalus Corp, Avega Managed Care Inc., Aventus Medical Care Inc.) and the Unicapital Group (Unicapital Inc, Unicapital Finance and Investments Inc). He is also a Member of the Board of Trustees of Christ's Commission Fellowship, Vice Chairman of the Board of Trustees of OMF Literature Inc., and Member of the Board of Governors of the First Valle Verde Association.

He graduated from the De La Salle University with a Bachelor of Science Degree in Industrial Management Engineering in 1974 and from the Asian Institute of Management in 1976, with a Master's Degree in Business Management. He is a Teaching Fellow of the Institute of Corporate Directors (ICD) and a Life Member of the Financial Executives Institute of the Philippines (FINEX).

Recent training/continuing education (2025 to present): Corporate Governance Orientation Program (ICD); 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Daniel Gabriel M. Montecillo
Independent Director (November 2, 2025 to present)

Mr. Montecillo, 69, Filipino, has been an Independent Director since November 2, 2025. He currently sits as Independent Director of Ayala Land, Inc., Raslag Corporation, Metro Pacific Health, Maybank Investment Banking Group, Maybank Securities, and Marsh Philippines, Inc. He is also a Trustee of Alpha Philippines Foundation and Senior Country Advisor of Actis LLP. He is a Fellow in the Institute of Corporate Directors and Chairman of its Sustainability Committee. He is also an Associate Member of the Singapore Institute of Directors.

He has 21 years of international investment banking experience, with stints in Bankers Trust Company (New York), Credit Suisse (Hong Kong), and Morgan Stanley Hong Kong). He also served as CEO and Managing Equity Partner of Diamond Dragon Advisors, and as CEO of Fidelis Holdings. He was with the BPI Group from 2013 up to his retirement in 2018, holding various positions including: President of BPI Capital Corporation, Board Chairman of BPI Securities Corporation, and Executive Vice President and Group Head of Corporate Clients of BPI. He also previously served as an Independent Director of the Rural Bank of Silay and the Bank of Commerce.

He is a recipient of an ESG Certificate and Designation (GCB.D) from Competent Boards of Canada. He is also a certified coach at the International Coaching Federation and a member of the latter's Philippine Chapter. He is a leadership development speaker and facilitator with Deloitte University (Asia Pacific). He was a senior consultant of the International Finance Corporation and several other Philippine companies.

He graduated from De La Salle University with a Bachelor of Science degree in Management of Financial Institutions and a Bachelor of Arts degree in Behavioral Sciences (magna cum laude). Thereafter, he went on to secure an MBA and an MA from Stanford University. In 2018, he received training as a director through the Institute of Corporate Directors' Professional Directors Program (including the Corporate Governance Orientation Program).

Recent training/continuing education (2025 to present): 2025 YGC Annual Corporate Governance Seminar: Strategy in Motion: The Evolving Role of Governance (YGC-RCBC).

Former Directors

The following are also directors as of December 31, 2025 but no longer currently sit on the Board for the reasons set forth below.

Gayatri P. Bery
Director (July 27, 2020 to January 26, 2026)
Stepped down in favor of SMBC's new director after the sale of IFC's shares to SMBC.

Ms. Bery, 60, American, was a Director of the Bank and Risk Oversight Committee member since July 2020 up to January 2026. 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

Erika Fille T. Legara, Ph.D.
Independent Director (July 25, 2022 to January 26, 2026)
Moved to Advisory Board

Dr. Legara, 42, Filipino, was independent director of the Bank from July 2022 to January 2026. She has contributed significantly to the Bank's ongoing digitization efforts, offering strategic insight and technical guidance within the scope of her independent role. Her relinquishment of the Independent Director post and appointment to the Advisory Board will enable deeper engagement and more hands-on collaboration, allowing the Bank to more fully benefit from her expertise as it advances its initiatives in artificial intelligence and data science.

Dr. Legara is a scientist, educator, and advisor specializing in data science and artificial intelligence (AI), as well as data and AI strategy, governance, infrastructure, and education. She is a Certified AI Governance Professional through the International Association of Privacy Professionals (IAPP). She currently serves as the Managing Director and Chief AI and Data Officer for the Department of Education (DepEd) Center for AI Research (E-CAIR, previously CAIR under the DTI), fulfilling her responsibilities as a Highly Technical Consultant (HTC) through non-profit organization SEAMEO Innotech, a DepEd partner. At the Asian Institute of Management, Dr. Legara holds two key positions: Associate Professor of Data Science (*on professional development leave*) and Aboitiz Chair in Data Science. Previously, she was a scientist at A*STAR in Singapore, where she collaborated with government institutions and industry leaders on various Research and Development initiatives.

Dr. Legara has received numerous accolades, including the TOYM and TOWNS awards, as well as the National Academy of Science and Technology Outstanding Young Scientist Award in 2020. She was named an Asia 21 Young Leader (Class of 2022) and, in 2024, received the Tatler Impact Award for Science and Innovation while also being listed in Tatler Asia's Most Influential. Dr. Legara was recognized as one of the Asian Scientist 100 in 2023 and is the first Filipino to receive the DCRO Institute Certificate in Cyber Risk Governance.

Dr. Legara graduated cum laude with a Bachelor of Science in Physics from the University of the Philippines, Diliman, where she also earned her Master's and PhD in Physics (G.W.A. 1.0/1.0). She furthered her education by completing the Leading Smart Policy Design program at the J.F. Kennedy School of Government, Harvard University, Executive Education in 2021, and the Ethics for AI program at the London School of Economics and Political Science in March 2023. In 2024, she completed the AI Governance Professional training under the International Association of Privacy Professionals

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

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

Executive Officers

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

Reginaldo Anthony B. Cariaso, 58, Filipino, is appointed as President and Chief Executive Officer effective July 1, 2025. He joined the Bank on November 6, 2023 as Group Head Designate for Operations. He was later on appointed as Head of Operations Group on February 4, 2024 and Deputy Chief Executive Officer on January 1, 2025.

Mr. Cariaso has over twenty nine (29) 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 Investment Banking particularly in equity capital market transactions, debt capital raising and M&A transactions. Prior to joining the Bank, Mr. Cariaso 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.

Mr. Cariaso 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, 57, Filipino, Executive Vice-President, is appointed as Head of Institutional Banking Group effective January 1, 2025. In this role, she oversees both Corporate Banking and Business Banking. She has thirty six (36) years of banking experience. She joined RCBC in June 2013 as Senior Banker and Head of Conglomerate Banking Division. She was assigned as Segment Head of Conglomerates and Global Corporate Banking, a role which she performed in August 2014 until she was appointed as Group Head in June 2018. Previously, she was the Senior Vice-President and Chief Operations Officer of Equicom Savings Bank, a position she held for more than five years. She also held various positions in local and foreign banks namely Mizuho Corporate Bank as Vice President and Co-Head of Corporate Finance Department (January 2007 to February 2008), Equitable PCIBank as Vice-President and Head of Corporate Banking Division 4 (1996-2007) and Citibank as Relationship Manager of Global Consumer Bank (1993-1996). She started her career in the banking industry when she joined RCBC in 1989 as Marketing Assistant for Corporate Banking. Ms. Coronel obtained her Bachelor of Arts degree in Behavioral Science from the University of Santo Tomas and earned MBA units from the Ateneo Graduate School of Business. She also completed the Mizuho-ICS (MICS) Mini-MBA program at Hitotsubashi University Graduate School of International Corporate Strategy.

Richard C. Lim, 57, Filipino, Executive Vice President, is the Head of Retail Banking Group effective September 14, 2018. He has thirty three (33) years of banking experience. Prior to his current role, he was seconded to RCBC Savings Bank as Chief Operating Officer. Mr. Lim previously worked with Maybank Inc. The last position he held in the said bank was Head of Retail Banking. He also handled the following roles in the said bank: Head of Retail Marketing Management, Assistant Vice President for Cash Management Services, Head of Consumer Sales Department, and Cluster Head for Binondo Manila area. He also had stints with other banks namely, Philam Bank-AIG where he worked as Manager for Binondo Branch, International Exchange where he functioned as Assistant Manager/Sales Officer, Banco De Oro where he was a Marketing Officer, Urban Bank where he performed the role of a Marketing Associate, and Chinabank where he was designated as Officer's Assistant at Cash Department. He graduated from the University of Santo Tomas in 1991 with a degree in Bachelor of Science, major in Biology.

Alberto Magno N. Pedrosa, 56, Filipino, Executive Vice President, is currently the Treasurer and Head of Treasury Group. He has thirty two (32) years of professional experience gained from financial and banking firms. Prior to his appointment to this role on March 4, 2022, he was Head of Asset and Liability Management in the 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 had previous employment with other financial institutions where he handled significant roles including Vice-President and Head of Global Liquid Products Trading for JG Summit Capital Markets (2000-2008), Assistant Vice-President of Asset and Liquidity Management & Investment and Trading for PCIBank (1995-2000) and Senior Assistant Manager and Junior FX Trader for the Bank of the Philippine Islands (1993-1995). Mr. Pedrosa started his career when he joined BPI's Officer Training Program in 1993. He completed his Bachelor of Science degree in Commerce major in Philosophy at the London School of Economics.

Bennett Clarence D. Santiago, 56, Filipino, Executive Vice President, is appointed as Chief Risk Officer/Head of the Risk Management Group effective January 1, 2025. He has over twenty-three (23) years of professional experience in risk management with significant years focused on commercial credit risk management and evaluation as well as enterprise risk management. He joined RCBC on January 16, 2017 as Head of Credit Management Group. 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 The 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 of Business Administration in 2001 at Ateneo Business School.

Angelito M. Villanueva, 53, Filipino, Executive Vice President, is the Bank's Chief Innovation and Inclusion Officer/Head of Digital Enterprise and Innovations Group. He has thirty two (32) 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 2019. He was also a Member of the Board of Directors in FINTQnologies and FINTQSurelite Insurance Agency from 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 2019); Head, Customer Strategy and Market Activation, Visa (November 2011 to January 2013); Short-term Consultant on Mobile Money Transfer in Mongolia at IFC World Bank Group (August 2011 to December 2011); Monitoring and Evaluation (M&E) Consultant at Department of Social Welfare and Development-World Bank (March 2011 to February 2012); VP and Head, Mobile Financial Services-Smart Communications, Inc. (February 2007 to January 2009); Regional Manager for Marketing and Special Projects for APAC and EMEA at BCD Travel (2003 to 2006); Executive Director and VP at Luntiang Pilipinas (Green PH) Foundation, Inc. (2000 to 2003); Chief of Division, Overseas Correspondent Banking Department, Global Banking Group at Land Bank of the Philippines (1995 to 2000); Senior Research Associate and Associate Editor at Economist Intelligence Unit (EIU) Phils. (1993 to 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 of National Security Administration at the National Defense College of the Philippines in 2000. He also finished his Master of Public Administration as Magna Cum Laude at the University of Santo Tomas in 2000.

Ma. Christina P. Alvarez, 55, Filipino, First Senior Vice President, is the Head of Corporate Planning Group. She has thirty four (34) 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 of Business Management degree from the Asian Institute of Management in 1998.

George Gilbert G. Dela Cuesta, 57, Filipino, First Senior Vice President, is the Head of the Legal Affairs and Corporate Secretariat Group and the Bank's Corporate Secretary. He has thirty three (33) years of legal experience. He joined RCBC in November 2016 as Deputy Head for Legal and Regulatory Affairs Group. Previously, he was Head of Legal for Asian Terminals for more than seven (7) years. He previously worked also as General Counsel for Hanjin Heavy Industries & Construction Co. Ltd. and for Mirant (Phils) Corporation. He had previous consultancy engagements and employment with Follosco Morallos & Herce Law Office, PNOC-EDC and the Department of Environmental and Natural Resources. He started his career at Quisumbing and Torres. Atty. dela Cuesta graduated from the University of the Philippines in 1988 with a degree in Bachelor of Arts major in Political Science. He earned his Law degree from the same university in 1992.

Florentino M. Madonza, 55, Filipino, First Senior Vice President, is the Head of Controllership Group effective October 14, 2014. He has thirty two (32) 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.

Robert Rol Richard Raymond B. Ramos, 52, 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 subsidiary. He has thirty (30) years of professional experience gained from the banking industry. Prior to joining RCBC, he was connected with East West Banking Corporation as Chief Trust Officer and Chief Investment Officer /Senior Vice President for Trust and Asset Management Group. His employment background includes previous employment with the following local banks: Union Bank where he handled various roles such as Trust Officer and Chief Investment Officer, Business Development Head and Portfolio Manager; BDO Private Bank, Inc. (formerly Banco Santander Philippines, Inc.) where he worked as Senior Manager/Relationship Manager; Bank of the Philippine Islands where he handled roles such as Branch Manager/Branch Service Officer/Treasury Staff/Trust Staff. He rendered services with the United States Agency for International Development Project as Project Development Officer from January 1996 to May 1997 and with the World Health Organization Strategy Development Project as Technical Writer from March 1995 to December 1995. Mr. Ramos completed his undergraduate degree of Bachelor of Science in Management Engineering from the Ateneo de Manila in 1995. He finished his masteral degrees at the Asian Institute of Management (Business Management) in 1999 and the University of Asia and the Pacific (Business Economics) in 2012. He completed his doctoral degree in Business and Economics from De La Salle University in 2016. He is a Chartered Financial Analyst (CFA), a Chartered Alternative Investment Analyst (CAIA), a Certificant for the Certificate in Investment Performance Measurement (CIPM), a

Certified Securities Representative, a Registered Financial Consultant, and a Certified Treasury Professional. He also completed a one-year Balance Sheet Management course on Trust Operations with distinction.

Joseph Colin B. Rodriguez, 58, Filipino, First Senior Vice President, is the President and CEO of RCBC Forex Brokers Corporation. He has thirty six (36) years of banking experience. Upon merger of RCBC with RCBC Savings Bank (RSB) in 2019, he was also assigned at Treasury Group as Head of Subsidiaries Treasury Risk Positions Segment. Prior to this appointment, he served as Treasurer of RSB effective September 2016. Before assuming this post, he was the President and Chief Executive Officer of RCBC Forex Brokers Corporation from April 2015 to August 2016 and Senior Vice President and Treasurer of RCBC Savings Bank from August 2011 to March 2015. He also assumed various positions in RCBC as Head of the FX Risk Division and Head of Institutional Relationship Management Division. Before joining RCBC, he spent over two decades at the Treasury division of several foreign /local banks. He was Vice President and Head of the Foreign Exchange and Swap Desk at ING Bank Manila. He was a Dealer at the Manila office of Banque Indosuez and Assistant Dealer at the Riyadh office of Banque Al Hollandi (ABN AMRO Bank). He also headed the FX and Swaps division of Bank of the Philippine Islands. He graduated from De La Salle University with a double degree in Liberal Arts & Commerce, Major in Marketing and in Political Science.

Rowena F. Subido, 59, Filipino, First Senior Vice-President, is the Head of Human Resources Group. She has more than thirty seven (37) 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 Master in Psychology major in Organizational /Industrial Psychology at De La Salle University.

Martin Roberto G. Tirol, 54, Filipino, First Senior Vice President, is the Head of Transaction Banking Group. He was initially hired by the Bank in October 2022 as Deputy Group Head for Global Transaction Banking. He has thirty one (31) years of experience focused on transaction banking and corporate coverage work experience gained from the banking sector. He was able to gain vast customer relationships with multinational and large local corporate customer segments, significant experience in leadership roles, received local and regional citations in recognition of outstanding contributions to strengthening customer relationships and completed relevant training and certifications. Before joining RCBC, he was connected with Deutsche Bank AG, Manila Branch as Head of Transaction Banking/Director. Prior to assuming this role in January 2021, he was Head of Global Subsidiary Coverage/Director from June 2018 to December 2020. His employment stints include the following: Head of Transaction Banking Group/Head of Transformation Group in Maybank Philippines, Inc; Head of Cash Management Department at Philippine National Bank; Head of Trade Finance Department in Australia and New Zealand Banking; Vice President for Global Transaction Services in Citibank, N.A. and Assistant Vice President; Assistant Vice President for Cash Management, Trade and Supply Chain Sales at Standard Chartered Bank; Management Associate for Global Consumer Banking at Citibank, N.A. and Marketing Assistant of Institutional Banking Group at Rizal Commercial Banking Corporation. He graduated in 1994 from Ateneo de Manila University with a degree in Economics. In 1997, he was able to complete a Master of Science in Management from Arthur D. Little School of Management in Boston.

Ramil M. De Villa, 52, Filipino, Senior Vice President 2, is the Head of Consumer Lending Group. He has twenty six (26) years of professional experience. Prior to this appointment, he was Head of the Consumer Collection Segment in Credit Management Group. Before he joined RCBC, he was connected with Maybank Phils, Inc as Head/Senior Vice President of Asset Quality Management in Consumer Finance. Prior to assuming this in July 2019, he was Head of Asset Quality Management in Group Finance with the rank of Vice President from 2017 to June 2019. He started his employment with the said bank in 2014 as Head of Asset Quality Management with the rank of Senior Assistant Vice President. He previously worked with Premier Development Bank where he was initially hired in February 1999 as Legal Assistant/Officer. He left the said bank in December 1999 to work in a law office and joined the same bank again in 2001. During this second employment, he was assigned to handle the following roles: Head of the Documentation Unit of the Legal Services Department from 2007 to 2012 and Litigation Lawyer of the 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) from the 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 in September 1998.

Arniel Vincent B. Ong, 40, Senior Vice President 2, is the President and CEO of RCBC Bankard Corporation. He has nineteen (19) years of professional experience. Upon joining RCBC on 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 his last position was Head of Contact Management Centre and Digital of Retail Banking and Wealth Management since January 2016. He started as a Management Trainee of the said bank in 2006. He also served the said bank in various roles which included the following: Vice President of Policy, Acquisition and Portfolio Management in Retail Banking and Wealth Management; Head of Consumer Credit Risk for a Short Term Attachment in 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 Bachelor of Arts in Economics. He finished his undergraduate degrees with honors at Ateneo de Manila University in 2006.

Juan Gabriel R. Tomas IV, 54, Filipino, Senior Vice President 2, is appointed as Head of the Operations Group effective January 1, 2025. He has thirty one (31) years of professional experience. Prior to assuming his current role, he held the roles of Chief Risk Officer/Head of Risk Management Group from February 2021 to December 2024 and Head of Customer Service Support Segment under Operations Group from February 2017 to January 2021. His experiences include serving as Head of Capital Markets and Custody, Operations Group, Citibank N.A. (2012-2016), Head of Treasury Services Unit, Citibank N.A (2008-2011), Production Officer for Treasury Services Unit, Citibank (2001-2007), Consultant for Controllers' Department, Deutsche Bank AG Manila (2001), and Consultant for Process Competency Group at Accenture, formerly Andersen Consulting (1994-1999). Mr. Tomas graduated from the Ateneo de Manila University in 1993 with a Bachelor of Science degree in Management. He completed his Master of Business Management major in Finance in 2001 at the Asian Institute of Management.

Jacqueline Grace B. Wieneke, 58, Filipino, Senior Vice President 2, is the Head for Wealth Management Group. She was initially hired in October 2023 as Group Head Designate. She has thirty two (32) years of significant experience, with expertise in wealth management and retail banking. Her professional years were largely spent at Citibank N.A. where she acquired competencies in setting up a premier team, revenue generation, client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and project transformation. Prior to joining RCBC, she was connected with Maybank Philippines, Inc. as Head of Wealth Management and Bancassurance (2019-2023). During her stint with Citibank, N.A., she handled positions as follows: Branch Manager (2004-2018); Senior Citigold Relationship Manager (1999-2004); and Senior Personal Banker (1993-1999). She graduated Cum Laude with a degree in Bachelor of Science in Commerce major in Marketing from Assumption College in 1992.

Kristine I. Aguirre, aged 45, Filipino, Senior Vice President 1, serves as the Chief Audit Executive/Head of the Internal Audit Group, effective May 2, 2025. She possesses twenty (20) years of professional experience primarily garnered from leading audit firms. Prior to her tenure at RCBC, she was employed at R.G. Manabat and Co. (KPMG Philippines), where she held the following various roles: Partner, Advisory-Risk Consulting from October 2019 to April 2025; Consultant, Audit – Financial Services from October 2018 to September 2019; Partner, Head of Risk Consulting Services from September 2012 to October 2014; Director, Advisory- Risk Consulting from September 2011 to September 2012; Senior Manager, Advisory-Risk Consulting from November 2010 to September 2011; and Manager, Advisory- Risk Consulting from January 2010 to November 2010. Ms. Aguirre commenced her professional career as an auditor at SGV & Company, a member of Ernst & Young International, undertaking the following positions: Senior, Advisory - Risk Consulting for Ernst & Young LLP based out of San Diego, CA, USA from October 2006 to April 2009; Associate Director from July 2005 to September 2006; Senior Associate on secondment to Ernst & Young, LLP from January 2005 to June 2005; Senior Associate from August 2004 to July 2005; and Associate from January 2002 to July 2004. Ms. Aguirre is a 2001 graduate of the University of Santo Tomas, where she earned a Bachelor's Degree in Accounting. Furthermore, she holds several notable professional qualifications, including an Executive Certificate in Advancing Sustainability from NYU Stern's Center for Sustainable Business. She is also a Certified Public Accountant, licensed both locally and in the United States, and a Certified Internal Auditor locally.

John Edward F. Alabastro, 54, Filipino, Senior Vice President 1, is the Head of Information Technology Shared Services Group. He possesses thirty (30) years of professional experience. Preceding his current appointment, he functioned as Chief Technology Officer & Group Head Designate from July to September 2024 and as IT Head - Enterprise Architecture from March to June 2024. He commenced his employment with RCBC on January 17, 2023, upon his appointment as Enterprise Architect. Prior to joining RCBC, Mr. Alabastro was affiliated with BDO Unibank, Inc. from 2017 to 2022, concurrently occupying the roles of Chief Information Security Officer and IT Risk Leader. His most significant tenure was with iPeople Inc., where he began as Senior Vice President in 2001 and was subsequently promoted to President in 2003. While at iPeople Inc., he held several roles in affiliate companies: Chief Technology Officer from 2001 to 2002 and President from 2002 to 2003 at IE Works; Dean of the School of IT from 2008 to 2012 at Mapua University; Director/President from 2004 to 2015 at Pan Pacific Computer Center; Director from 2004 to 2015 at Mapua IT Center; and Chairman from 2004 to 2015 at People eServe Corporation. Early in his career, he was employed by Questra Corporation from 1998 to 2001 as Senior E-Commerce Consultant and by APTi, Inc. Philippines/Japan from 1993 to 1996 as Senior Engineer. Mr. Alabastro earned a Bachelor of Science degree in Commerce, major in Computer Science, from the University of the Philippines in 1993. He completed his Masters of Science degree in Computer Science at Syracuse University in 1997.

Ma. Pamela Katrina M. Cabudoy, 48, Filipino, Senior Vice President 1, is the Head of Data Science and Analytics Group. She has twenty seven (27) 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.

Simplicio B. Dela Cruz, Jr., 53, Filipino, Senior Vice President 1, is seconded to Rizal Microbank, Inc. as President and Chief Executive Officer effective January 1, 2025. He has thirty (30) years of banking experience. Prior to assuming his current role, he held the position of Division Head for Central East Visayas Area (CEVA) under the SME Banking Group from 2019 to 2024. 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, 42, Filipino, Senior Vice President 1, is appointed as Chief Compliance Officer/Head of Compliance Group effective January 1, 2025. Prior to this appointment, she held the position of Chief Audit Executive/Head of Internal Audit Group. She has twenty (20) years of controllership and auditing experience. Prior to joining the Bank, she was connected with R. G. Manabat and Co. (KPMG in the Philippines) as Partner for Audit Services, a position she held since October 2019 up to her separation from the firm in 2022. Prior to assuming this role, she was a Director for Advisory Services from June 2017 to September 2019. She had previous employment with the following firms: Suyen Corporation where she worked as Finance Controller from February 2014 to May 2017; Ernst & Young Singapore where she served as a Manager for Audit Services from November 2008 to February 2014; and SGV & Co. where she was employed as Senior for Audit Services from November 2005 to October 2008. Ms. Dioso graduated with a degree in Bachelor of Science in Business Administration and Accountancy at the University of the Philippines in 2005. She passed CPA Licensure Examination in November 2005.

Angeluz T. Guerzon , 47, Filipino, Senior Vice President 1, is the Head of Asset Management and Remedial Group. She has twenty (20) years of professional experience. Prior to assuming this role in February 2023, she was the Division Head of Asset Management Support from April 2021 to February 2023. Before joining RCBC, she was Head of Legal and Compliance Group at RCBC Bankard Services Corporation from 2014 to 2021. She previously worked as a Remedial Legal Officer at Union Bank of the Philippines from 2011 to 2014. She started her career in Legal at the Philippine National Bank where she was first employed as a Lawyer from 2005 to 2011. Atty. Guerzon graduated from the University of the Philippines in 1999 with a degree in Bachelor of Arts in Public Administration. She finished her Bachelor of Laws at San Beda College of Law in 2003. She took the Bar Examination in September 2003 and was admitted in May 2004.

Jose Jayson L. Mendoza, 54, Filipino, Senior Vice President 1, is currently seconded to RCBC Leasing and Finance Corporation as President and Chief Executive Officer effective February 1, 2024. He has thirty two (32) years of professional experience. Prior to his current assignment, he was the Head of North Metro Manila Division in SME Banking. He also 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 in Bachelor of Arts in Management.

Ismael S. Reyes, 60, Filipino, Senior Vice-President 1, was assigned to the Office of the President & CEO overseeing Retail & Microbank Transformation until his retirement on March 31, 2026. Prior to assuming this role, he was seconded to Rizal Microbank as President and Chief Executive Officer. He has thirty eight (38) years of banking experience. Prior to being seconded in August 2024, he held various roles in Retail Banking Group including Head of Marketing and Strategy Segment and Regional Sales Director. 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 the 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 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.

Raoul V. Santos, 59, Filipino, Senior Vice-President 1, is currently seconded to RCBC Securities, Inc. as President. He has thirty five (35) years of professional experience. Prior to this current assignment, he was the Head of Trust Investment Segment in Trust and Investments Group and concurrently handled the role of the Head for Institutional Relationship Management Division. He joined RCBC in 2001 as Portfolio Management Section Head before assuming the Investment Services Department Head position in 2008. He also worked for Metropolitan Bank and Trust Company (2000-2001), Solidbank Corporation (1999-2000). Phinma, Inc. (1991-1999) and SGV & Co. (1990-1991). Mr. Santos obtained his Bachelor of Science degree in Management of Financial Institutions and Bachelor of Arts degree in Asian Studies from De La Salle University.

Jean Valen W. Yu, 47, Filipino, Senior Vice President 1, is the Head of Marketing Group. She has twenty five (25) years of experience in consumer insighting, brand building, integrated brand communication and business analysis and strategy development gained from local, regional and global markets. Prior to joining the Bank on December 1, 2024, she was a Marketing Director for Total Nutrition at Abbott Nutrition Philippines from 2021 to June 2024. She held other Marketing Director roles in the said company for Adult Business in the Philippines and Pediatric Business in Vietnam from July 2017 to 2021 and as Senior Lead for Abbott Nutrition International from September 2015 to July 2017. Ms. Yu also gained her marketing expertise from other firms such as Kimberly Clark in the United States where she handled roles as follows: Senior Trade Marketing Lead, Babycare for US Walmart (July- September 2015), Global Senior Lead, Adultcare Business/ Domain and Geographic Expansion (January 2012- June 2015), International (KCI) Senior Marketing Manager for Adult/ Feminine Business (September 2010- December 2011), and Regional/ Southeast Asia Marketing Manager (December 2007- August 2010). At Mead Johnson Nutritional Phils., Inc, she held roles such as Country Senior Product Manager for Sustagen Child & Adult Franchise Unit (June – December 2007), Country Senior Product Manager for Enfa Children/ Vitamins Business (September 2005 - May 2007), and Country Product Manager for Enfa Infant Franchise (November 2022 - August 2005). During the early years of her career, she also worked at Procter and Gamble as Assistant Brand Manager, BabyCare Malaysia & Singapore from 2000 to 2002. She had her first professional experience at SyCIP, Gorres, Velayo & Co. where she worked as a Junior External Auditor (1999 – 2000). She graduated with a Bachelor of Science major in Accountancy from De La Salle University in 1998. She passed the CPA licensure examination in the same year.

Xavier Y. Zialcita, 48, Filipino, is a Senior Vice President 1, for Strategic Initiatives. He has over twenty seven (27) 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: 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 Systems Analyst at Joaquin Cunanan & Co. from 1998 to 1999. 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.

Ma. Lylah Crispena S. Ballaran, 51, Filipino, Senior Vice President 1, currently serves as the Head of the Service Delivery Division under the Digital Enterprise and Innovations Group. She commenced her role in July 2019. Prior to joining RCBC, Ms. Ballaran gained extensive experience within the Telecommunications and Financial Technology industries. Her previous roles include: Program Management Senior Manager at PayMaya Philippines from 2017 to 2019; Senior Digital Implementation Leader from 2016 to 2017 and Senior Service Delivery Manager from 2014 to 2016 at Voyager Innovations Inc.; Solutions Delivery Manager at Smart EMoney Inc. and Smart Hub Inc. from 2010 to 2014; and Senior Supervisor at Smart Communications-PLDT from 2000 to 2010. Ms. Ballaran holds a Bachelor of Science Major in Nursing from University De Sta. Isabel, which she completed in 1995.

Jose Maria P. Borromeo, 59, Filipino, Senior Vice President 1, is the Head of Reserves and Liquidity Management Segment in Treasury Group. He has thirty seven (37) years of professional experience. Prior to assuming this current role, he was Head of Balance Sheet Management Segment from July 2018 to April 2019. He joined the Bank in February 2016 and was initially assigned as Head of Central Funding. He was previously employed at Standard Chartered Bank as Head of Asset and Liability Management, Financial Markets Group. He had a stint with the Bank of the Philippine Islands where he had the following roles: Head of FX Swaps and Domestic Liquidity Department; Head of Product Development and Financial Markets Research Department; Head of Risk Management Department in Treasury Group, and Dealer for Financial Derivatives Division. He had previous experience with Citytrust Banking Corporation where he worked as Head of Balance Sheet Management Unit. He started as a Management Associate Trainee in the said bank. Early in his professional career, he was connected with the Private Development Corporation of the Philippines as an Account Officer for Project Loans and as an Associate Economist for Economic and Corporate Research. He earned his undergraduate degree, Bachelor of Science in Economics from the University of the Philippines in 1988. He took up Master of Business Administration in 1993 at the same university.

Enrique C. Buenaflor, 55, Filipino, Senior Vice President 1, is the Head of Corporate Cash Management Segment. He has thirty three (33) 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 the Business Development Division in 2011. Prior to joining RCBC, he was the Group Head/Vice-President of Structure Products for Philippine Bank of Communications (August 2005 to March 2010), Operations Head of Central Verification Unit for Citifinancial Corporation (July 2004 to July 2005), Sales Head/Assistant Vice President of Corporate Cash Management Services (2001-2004) and Product Manager (1999-2001) for ABN AMRO Bank. He also worked for Philippine Global Communications Corporation as Senior Manager for Corporate Planning (July 1999 to November 1999) and Capitol Wireless, Inc as Business Development Director/Marketing and Sales Manager (March 1997 to May 1999). He started his career at 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 Master of Business Management at Asian Institute of Management.

Jose Manuel E. Caniza, 55, Filipino, Senior Vice President 1, is currently the Head of Trading Division in Treasury Group. He has thirty three (33) years of Treasury experience in the banking industry. Prior to being designated as such, he was the Head of Interest Rate Risk Division from July 2009 up to the time he assumed the position of Head of Domestic Interest Division in January 2013. Before joining RCBC, he was connected with Citibank, N.A. where he handled the following roles: Vice President for Debt & Interest Rate Derivatives from 2007 to 2009, Assistant Vice President from 2004 to 2007; Manager for FX Desk from 1997 to 2003; Assistant Manager for Treasury Marketing from 1996 to 1997; and as Staff from 1992 to 1996. He graduated from De La Salle University in 1991 with a degree in Bachelor of Science in Mechanical Engineering. He earned his Master of Business Administration from the University of San Francisco in 1996.

Karen K. Canlas, 51, Filipino, Senior Vice-President 1, is the Division 2 Head of Wealth Management Segment 2. She has thirty one (31) years of professional experience. She was the OIC of Division 1 from February to August 2011 and the Senior Relationship Manager of the same division from February 2010 to February 2011. Prior to joining RCBC, she was the Corporate Sales Unit Head/Vice President of Export Bank from August 2005 to January 2010, Relationship Manager/Senior Manager of Equitable PCI Bank from February 2003 to August 2005, Branch Head (Main Office) of Bank of Commerce from May 2002 to January 2003, Manager (Relationship Banking Group) of Export and Industry Bank from September 2001 to May 2002 and Branch Head of Global Business Bank from September 2000 to September 2001. She also held various positions at Urban Bank for almost 6 years in which her last appointment was as Manager of Alabang Regional Office, Business Development Group. Ms. Canlas started her career as Technical Staff at the National Economic Development Authority in March 1994. She obtained her Bachelor of Arts major in Economics minor in Political Science degree from De La Salle University in 1994.

Antonio Manuel E. Cruz, Jr., 58, Filipino, Senior Vice President 1, is the Head of Chinese Corporate Banking Segment. He has thirty five (35) 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.

Crispina D. Del Rosario, 59, Filipino, Senior Vice President 1, is a Sales Director for Northeast Luzon Region in Retail Banking Group. She has thirty (30) 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 from 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 of Business Administration from De La Salle University in 2003.

Evangeline M. Dy, 50, Filipino, Senior Vice President 1, is currently a Sales Director of Retail Banking Group, supervising the Makati North Regional Office. She has twenty eight (28) 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/Southeast 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 and Unimart branches. She became a Business Center Manager in 2011 for the business center at 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, 55, Filipino, Senior Vice-President 1, is the Regional Service Head of Mindanao. He has thirty three (33) years of banking experience. Prior to assuming his current position, he was the District Service Head of Southern Mindanao from May 2004 to March 2011. Mr. Estacio started his career with the Bank as SA Bookkeeper in February 1992 after which he assumed various positions in the branch. He graduated from the University of San Carlos, Cebu City with a Bachelor of Science in Commerce major in Accounting in 1991.

Armi M. Lamberte, 53, Filipino, Senior Vice President 1, is the Chief Sustainability Officer/Head of Sustainable Finance Division. She has thirty two (32) years of professional experience. She was the Division Head for Portfolio Quality from 2018 to 2023 before assuming her current role in August 2023. Prior to joining RCBC, she worked with other banks and firms where she handled significant roles as follows: Head of Credit Risk Management at the Development Bank of the Philippines from 2015 to 2018; Associate Director at Standard Chartered Bank from 2009 to 2015; Assistant Vice President at The Hong Kong Shanghai Banking Corporation from 2008 to 2009; Senior Manager at First Gen Corporation from 2005 to 2008; Manager at the Manila North Tollways Corporation from 2003 to 2005; Consultant to the Finance Department Head at the Power Sector Assets and Liabilities Management Corporation from 2002 to 2003; Lending Risk Officer from 1999 to 2001 and Marketing Assistant from 1999 to 2000 at ING Barrings N.V., Senior Credit Analyst from 1996 to 1998 at Kredietbank N.V.; Credit Risk Manager at Citytrust Banking Corporation in 1996; and Senior Financial Analyst at the Philippine Commercial International Bank from 1993 to 1995. She graduated from Ateneo De Manila University in 1993 with a degree in Bachelor of Science in Business Management and completed her Master in Business Administration from De La Salle University Graduate School of Business in 2006. In May 2023, Ms. Lamberte received her Certification on Sustainability and Climate Risk from the Global Association of Risk Professionals.

Ma. Teresa R. Manotok, 46, Filipino, Senior Vice President 1, is the Head of Consumer Loans Internal Sales Division in Consumer Lending Group. She has nineteen (19) years of professional experience. Prior to assuming this role, she was the Division Head for Personal and Salary Loans in RCBC Savings Bank from 2017 to 2019. She had previous banking stints before joining RCBC as follows: Maybank Philippines Inc. where she was Head of the National Sales Team from 2015 to 2017, Head of Cards & Unsecured Lending Sales from 2013 to 2016 and Account Officer/Manager for Personal and Salary Loans from 2010 to 2013; and Premiere Bank where she was employed as an Account Officer for Salary Loans from 2008 to 2010. She started her banking career at Planters Development Bank where she was hired as a Sales and Marketing Assistant from 2006 to 2008. She graduated from the Philippine School of Business Administration in 2000 with a degree in Bachelor of Science in Commerce major in Marketing.

Mercelu S. Mariano, 56, Filipino, Senior Vice President 1, is currently the Head of Division 3 in Wealth Management Group. She has thirty (30) years of significant experience gained from both multinational and local banks where she acquired competencies in client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and underwriting for personal and business loans, cash operations and client servicing, and talent management and development. Prior to joining RCBC, she worked with Citibank, N.A. from 2014 to 2022 where she held positions such as Branch Head, Sales Head/Deputy Branch Head and Sales Head for Citigold Priority Channel. She also had stints with other banks as follows: Branch Manager, VP of Citibank Savings, Inc. (2011-2014); Region Head, VP for Philippine National Bank (2010-2011); and 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); and 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.

Cesaria Aileen R. Mercado, 56, Filipino, Senior Vice President 1, is the Sales Director for Laguna & South Luzon Ecozone Region in Retail Banking Group. She has thirty four (34) years of banking experience. Prior to assuming this role, she was a Regional Sales Director based in Lucena for Laguna & South Luzon Ecozone Region from 2021 to 2022. She started her career with RCBC in 1991 as an Accounting Clerk for Caloocan Branch and was assigned shortly as a bookkeeper until 1992. She underwent the Management Development Program in 1993 and was assigned in branches from October 1993 to October 2010 to handle various roles as follows: Branch Cashier, Branch Marketing Officer, Customer Service Head, and Senior Personal Banker. She became a Business Relationship Manager by mid-October 2010 and functioned as such until January 2020 for branches in Sta Rosa Laguna, Laguna Technopark and Science Park. From this role, she then transferred to Corporate Banking by mid-January 2020 to handle a Relationship Manager role under the Division 2 of the Japanese & Economic Zone Banking Segment. She opted to move back to Retail Banking by October 2020 where she was assigned as an Assistant Regional Sales Director – Roving for Batangas-Bicol-MIMAROPA until June 2021. She graduated from the University of Santo Tomas in 1990 with a degree in Bachelor of Science major in Accounting.

Richard M. Peralta, 51, Filipino, Senior Vice President 1, is currently the Head of Branch Services Support Segment in Operations Group. He has thirty one (31) years of banking experience. Prior to assuming his current role in May 2022, he was Head of Branch Operations and Control Segment from October 2020 to April 2022. Upon the merger of RCBC and RCBC Savings Bank (RSB), he was designated as Regional Service Head for Central Metro Manila and Rizal Region, a role which he performed from August 2019 to October 2020. At RSB, he was assigned to roles as follows: National Service Head from 2016 to 2019; Regional Service Head from 2012 to 2016; District Service Head from 2010 to 2012; Operations Specialist from 2002 to 2009; and Business Center Control Officer from 1998 to 2002. He was formerly connected with Capitol Bank where he started as a General Bookkeeper in 1994 and later assumed a Branch Accountant function in 1996. His career in the banking industry started in 1994 when he joined Insular Savings Bank as a Corplan Analyst. He graduated in 1994 at the University of the Philippines in Los Banos with a degree in Bachelor of Science in Economics. He finished the program for Doctor of Jurisprudence in 2009 at the University of Batangas.

Nancy J. Quiogue, 57, Filipino, Senior Vice President 1, is the Regional Service Head of North Metro Manila. She has thirty four (34) years of banking experience. Prior to assuming her current position, she was the Regional Service Head for North Metro Manila and Central Metro Manila. She was the Regional Service Head for Metro Manila from April 2010 to December 2014 and District Service Head for Metro Manila from May 2004 to April 2010. She also held various positions at the Bank since 1991. Ms. Quiogue graduated from the Philippine School of Business Administration with a Bachelor of Science degree in Business Administration major in Accounting.

Maria Evangeline T. Reyes, 57, Filipino, Senior Vice President 1, is currently the Segment Head of Head Office Operations in Operations Group. She has twenty eight (28) years of professional experience. Prior to assuming her current role, she was Division Head for Transaction Banking Services (formerly named Remittance and Payments) from February 2011 to January 2021 and Operations Head of the Contact Center Department from April 2012 to 2011. She was hired by the Bank in February 2011 as a Business Process Management Officer for Retail and Channels Division. Before joining RCBC, she was connected with Banco De Oro Unibank as Backroom Support Head from 2009 to 2011. She had a stint at GE Money Bank where she worked as a Customer Service Leader from 2007 to 2009 and at Citytrust Banking Corporation from 1989 to 1997 as Phonebanking Officer. She had employment stints at non-banking firms such as Globe Telecom where she worked as Call Center head from 2005 to 2007 and Customer Interaction Center Head from 1999 to 2004. She also worked previously with MBF Mastercard as a Customer Service Management Officer from 1997 to 1999. She obtained a degree in Bachelor of Science in Home Economics in 1989 at the University of the Philippines.

Carren T. Saria, 59, Filipino, Senior Vice President 1, is currently a Sales Director of Manila Regional Office in Retail Banking Group. She has thirty seven (37) 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 the Binondo branch in 1991. She rose from the ranks until she assumed an Account Manager role from 1996 to 2000. She became a Branch Manager in 2000 and was then assigned at Arranque branch until she was promoted to a District Sales Manager role for Chinatown (Manila) District in 2007. She was reassigned in the same role for Chinese Uptown District from 2009 to 2013 and Chinatown from 2013 to 2015. Her position was then retitled to District Sales Director which she handled from 2016 to 2018 for Midtown and Chinatown Metro. She was promoted to Regional Sales Director, which has been retitled to Sales Director, in 2018 handling West Metro Manila Regional Office. She finished a Bachelor of Arts degree major in Psychology and Bachelor of Science in Commerce major in Marketing Management at De La Salle University in 1988.

Jose Rene Y. Sarmiento, 41, Filipino, Senior Vice President 1, is appointed as the Head of Corporate Banking Group on OIC capacity. He has sixteen (16) years of banking experience. Previous to his current role, he was the Head of Conglomerates & Strategic Corporate Segment in Corporate Banking Group from 2019 to 2025 and a Division Head within 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 of 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.

Johan C. So 55, Filipino, Senior Vice-President 1, is currently the Head of Conglomerates & Global Corporate Banking Division 4. He has thirty two (32) years of professional experience. Prior to the Group's reorganization, he held the role of Head of Division 1 in National Corporate Banking Segment, formerly 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 of Business Administration degree from the Ateneo Graduate School of Business in 1999.

Elvira D. Soriano, 60, Filipino, Senior Vice President 1, was the Division 4, Team 1 Head of Internal Audit Group until her retirement on February 12, 2026. She has thirty-seven (37) years of experience. Prior to assuming her most recent role in the Bank, 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.

Randy B. Torres, 55, Filipino, Senior Vice President 1, is the Housing Loans Business Head in Consumer Lending Group. He has thirty three (34) years of banking experience. He was hired by RCBC Savings in 1991 as a Loan Officer (MLD) and by 2001, he became the Department Head for Direct Marketing. He handled other roles in RCBC as follows: Division Head for Housing Loans from 2021 to 2022; National Product Head for Housing Loans from 2019 to 2021; National Product Head for Consumer Lending Group from 2017 to 2021; Division Head for Housing Loans from 2008 to 2017; Department Head for Direct Mortgage from 2005 to 2017; Department Head for Area Sales 2004 to 2005; and Department Head for Retail 1 from 2002 to 2003. He graduated from the University of Santo Tomas in 1991 where he earned a degree in Bachelor of Science major in Accounting .

Emmanuel Mari K. Valdes, 52, Filipino, Senior Vice President 1, is currently the Division Head of Emerging Affluent & Affluent Market Segment. He has twenty nine (29) years of banking experience. Prior to assuming his current role, he was designated as Head of the Cross- Sell Division in Retail Banking Group . Earlier before handling the role in the said division, he was assigned as Regional Sales Director for Metro East effective March 21, 2022. He held other roles in Retail Banking Group as follows: Head of Customer Acquisition and Retention Division (formerly named as Products and Promotions Division) from July 2017 to March 2022 and Head of Retail Financial Products Division from October 2013 to June 2017. He joined 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 the 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.

Paula Fritzie C. Zamora, 55, Filipino, Senior Vice President 1, is the Head of Financial Institutions and Support Segment (formerly named as Financial Institutions Management Segment) in Treasury Group, a role which she has been handling since June 2012. She has thirty three (33) years of banking experience. Prior to assuming her current role, she was the Head of the Derivatives Department and Head of the 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 the 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.

All of the officers identified above are Filipino citizens.

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

Item 10. Executive Compensation

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

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
Names	**Principal Position**	**Aggregate Compensation (net of Bonuses)**	**Bonuses**	**Fees and Other Compensation ***
2026 Estimate				
Reginaldo Anthony B.Cariaso	President & CEO	100,300	33,433	-
Elizabeth E. Coronel	EVP			
Richard C. Lim	EVP			
Alberto Magno N. Pedrosa	EVP			
Angelito M. Villanueva	EVP			
2025 Actual				
Eugene S. Acevedo	President & CEO	114,904	31,883	-
Reginaldo Anthony B.Cariaso	President & CEO			
Richard C. Lim	EVP			
Alberto Magno N. Pedrosa	EVP			
Angelito M. Villanueva	EVP			
2024 Actual				
Eugene S. Acevedo	President & CEO	105,899	34,857	-
Reginaldo Anthony B.Cariaso	EVP			
Richard C. Lim	EVP			
Alberto Magno N. Pedrosa	EVP			
Angelito M. Villanueva	EVP			
Officers as a Group Unnamed				
2026 Estimate		5,200,919	1,504,982	-
2025 Actual		4,728,108	1,368,165	-
2024 Actual		4,256,744	1,220,970	-
Directors as a Group Unnamed				
2026 Estimate		-	-	187,684
2025 Actual		-	-	149,664
2024 Actual		-	-	125,624

**Inclusive of per diem of Directors amounting to P15.1 million in 2024, P14.1 million in 2025 and P15.1 million in 2026 (estimate).*

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

Likewise, Article XI of the By-Laws the Bank entitles the members of the Board of Directors, the Advisory Board and the Executive Committee of the Bank to profit sharing bonus at a maximum of 2% but not less than 1% of the net earnings resulting from the operation of the Bank during the preceding year, after provisions for taxes and after deductions as may be required by law or regulations. For the year 2025, total fees and other compensation of all Directors amounted to P149.7 million, inclusive of P14.1 million representing per diem paid for the meetings they attended during the year.

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

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2025, RCBC knows of no one who beneficially owns in excess of 5% of RCBC's common stock except as set forth in the table below:

(1) Title of Class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) Number of Shares Held	(6) Percent
Common	**Pan Malayan Management & Investment Corporation** Address: 48/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City Relationship with Issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation *The records in the possession of the Bank show that the beneficial ownership of this company belong to the shareholders of record of said company. The Bank has not been advised otherwise.*	Filipino	820,634,773*	33.92%
Common	**Sumitomo Mitsui Banking Corporation** Address: 1-1-2 Marunouchi, Chiyoda-Ku, Tokyo, Japan 100-0005 Relationship with Issuer: Stockholder		Non-Filipino	591,782,863	24.46%
Common	**Cathay Life Insurance Corp.** Address: 296 Ren Al Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder		Non-Filipino	452,018,583	18.68%

**Combined Direct and Indirect Shares of PMMIC*

(2) Security ownership of management*:

(1) Title of Class		(2) Name of beneficial owner	(3) Amount and nature of record / beneficial ownership		(4) Citizenship	(5) Percent of class (%)
			Par Amount	Nature		
Directors						
1	Common	Helen Y. Dee	14,923,060	R / B	Filipino	0.06
2	Common	Cesar E.A. Virata	1384340	R / B	Filipino	0.00
3	Common	John Law	10	R	French	0.01
4	Common	Gayatri P. Bery	10	R	American	0.00
5	Common	Armando M. Medina	1950	R	Filipino	0.00
6	Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00
7	Common	Hiroki Nakatsuka	10	R	Japanese	0.00
8	Common	Katsufumi Uchida	10	R	Japanese	0.00
9	Common	Carlos G. Dominguez	10	R	Filipino	0.00
10	Common	Laurito E. Serrano	10	R	Filipino	0.00
11	Common	Daniel Gabriel M. Montecillo	50	R	Filipino	0.00
12	Common	Reginaldo Anthony B. Cariaso	50	R	Filipino	0.00
13	Common	Eugene S. Acevedo	3,441,000	R / B	Filipino	0.01
14	Common	Erika Fille T. Legara	50,010	R / B	Filipino	0.00
15	Common	Alexander A. Patricio	50	R	Filipino	0.00
		Sub-total	***19,800,580***			
Executive Officers						
1	Common	Xavier Y. Zialcita	244,880	R / B	Filipino	0.00
		Sub-total	***244,880***			
		TOTAL	**20,045,460**			**0.08**

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

The aggregate number of shares owned of record by all directors and executive officers as a Group named herein as of December 31, 2025 is 2,004,546 common shares equivalent to 20,045,460 at P10.0 per share or approximately 0.08% of the Bank's outstanding common shares.

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

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

Item 12. Certain Relationships and Related Transactions

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

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

Transactions with related parties involving an amount of at least P10.0 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 P10.0 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 June 30, 2025.

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 2025 include loans and receivables and deposit liabilities. The total amount of loans outstanding was at P36.8 billion (Note 27.2, Notes to Financial Statements) while total deposit liabilities was at P22.0 billion (Note 27.3, Note to Financial Statements) as of December 31, 2025.

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 businesses 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, 2025 and 2024, 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 2025 and 2024.

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

- *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 28.2(b)]. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI (see Note 13, Notes to Financial Statements). Amortization of right-of-use of asset amounted to P555, P553 and P719 for the years ended December 31, 2025, 2024 and 2023, 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 RCBC Plaza lease contract with RRC was renewed for another five years from January 1, 2026 to December 31 2030, effective in November 2025 (see Note 13, Notes to Financial Statements). The Parent Company has entered into sublease agreements with certain subsidiaries for office space in RCBC Plaza at market, arm's length terms. The subleases have a five-year term, from January 1, 2026 to December 31, 2030, and are coterminous with the head lease. Rentals are billed monthly and sublease income is recognized in the period earned. The related-party balances and transactions arising from these subleases are approved in accordance with the Group's related-party policy and are eliminated upon consolidation.

- *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).

- *Lease Contracts with Frame Properties, Inc.* The Parent Company and certain subsidiaries lease office spaces and parking space from Frame Properties, Inc. In March 31, 2023, the Parent Company entered into a five-year lease agreement with Frame Properties, Inc. In 2024, the Bank amended its lease contract with Frame Properties, Inc. to revise area occupied and lease rate for selected properties resulting in a reduction in right-of-use asset and lease liability amounting to P9 and P41, respectively.

- *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). On December 22, 2025, SMBC increased its ownership in RCBC from 20.00% to 24.46% upon acquiring an additional 4.46% equity stake from an existing shareholder for P6,400 million.

- *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 (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, Notes to Financial Statements). 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, Notes to Financial Statements). The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.

- 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., and RCBC Leasing and Finance Corporation.

- 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 1,527 new ATMs with a term of 60 months.

- *Service agreement with RTC* - The Parent Company and RTC executed a memorandum of agreement whereby the Parent Company agreed to provide support services to RTC covering various backroom and support activities as detailed in the service level agreements executed by each servicing unit within the Parent Company. The total service processing fees earned by the Parent Company is recognized as part of Others under Miscellaneous Income in the statements of profit or loss. The outstanding receivable is presented as part of Accounts Receivable under Loans and Other Receivables in the statements of financial position

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

PART IV - EXHIBITS AND SCHEDULES

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

(a) Reports on SEC Form 17-C

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

01-27-2025 Other Events

During the January 27, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Interlocking position of Ma. Theresa Jennifer A. Fernando, FVP/Head of the Asset Disposition Division as Director of RCBC-JPL Holding Company, Inc. (subject to BSP/regulatory approvals as may be required).

02-24-2025 Other Events

During the February 24, 2025 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 as of year ended December 31, 2024, as audited by Punongbayan & Araullo, for final approval of the stockholders.
2. The declaration covers cash dividends for the Bank's convertible preferred shares amounting to P0.15843 (US$0.00271) per share or a total of P42,173.85 (US$722.59 @ P58.365). The cash dividend is payable to holders of convertible preferred shares as of March 21, 2025 (record date) and payable within 5 trading days from record date. The cash dividend is for unlisted preferred shares.

03-31-2025 Other Events
03-31-2025 Change in Directors/Officers
03-31-2025 Declaration of Cash Dividends (PSE Disclosure Form 6-1)

During the March 31, 2025 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 Ms. Kristine I. Aguirre as Chief Audit Executive/Group Head of the Internal Audit Group with rank of Senior Vice President 1, effective May 2, 2025 (subject to BSP and other regulatory approvals as may be required).
2. Annual Cash Dividend Declaration on Common and Convertible Preferred Shares amounting to P0.70 per share, or a total of approximately P1.69 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.
3. Redemption of all and not less than all of the Bank's USD 300 Million 6.50% Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the "Capital Securities") callable beginning 27 August 2025 pursuant to its exercise of the "Redemption at the option of the Issuer (Issuer Call)."

04-21-2025 Other Events
04-21-2025 Change in Directors/Officers

The Bank announces the passing of Mr. Gil A. Buenaventura. Mr. Buenaventura was a valuable part of the organization being a Director of the Bank since 2016.

04-28-2025 Other Events
04-28-2025 Notice of Annual or Special Stockholders' Meeting (PSE Disclosure Form 7-1)

During the April 28, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the 2025 Annual Stockholders' Meeting be conducted virtually, and that the stockholders be allowed to participate and to vote through remote communication or *in absentia* were approved. The meeting is scheduled to be held on June 24, 2024 at 4:00 p.m.

05-26-2025 Other Events

During the May 26, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration covers cash dividends for the Bank's convertible preferred shares amounting to P0.15939 (US$0.00285) per share or a total of P42,427.60 (US$759.81 @ P55.840). The cash dividend is payable to holders of convertible preferred shares as of June 21, 2025 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

06-30-2025 Other Events
06-30-2025 Change in Directors/Officers
06-30-2025 Results of Annual Stockholders' Meeting
06-30-2025 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 June 30, 2025.

Regular Meeting of the Board of Directors

1. Appointment of Mr. Reginaldo Anthony B. Cariaso as Director and President and Chief Executive Officer effective July 1, 2025 (Subject to BSP/other regulatory approvals, as may be required)
2. Promotion/appointment of Officers effective July 1, 2025 (subject to BSP/other regulatory approvals, as may be required):

From First Vice President to Senior Vice President 1
John Edward F. Alabastro
Ms. Lylah Crispena S. Ballaran

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. Armando M. Medina
   Mr. John Law
   Mr. Shih-Chiao (Joe) Lin
   Ms. Gayatri P. Bery
   Mr. Hiroki Nakatsuka
   Mr. Katsufumi Uchida

   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 2024 Annual Report and 2024 Audited Financial Statements
3. Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2025

Organizational Board of Directors Meeting:

1. Appointment of Corporate Officers:

   Mr. Reginaldo Anthony B. Cariaso - 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. Rosanna E. Espiño - Assistant Corporate Secretary
   Various Officers - SVPs and up

2. Appointment the following as Members of the Advisory Board:

   Mr. Francis C. Laurel
   Ms. Yvonne S. Yuchengco
   Atty. Lilia B. de Lima
   Mr. Masayuki Kawakami

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 Reginaldo Anthony B. Cariaso Eugene S. Acevedo Cesar E.A. Virata Armando M. Medina Hiroki Nakatsuka	Chairperson Vice Chairperson Member 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 Masayuki Kawakami	Chairperson Member Member Advisor Advisor
Risk Oversight Committee	Vaughn F. Montes, Ph.D. Laurito E. Serrano Gayatri P. Bery Erika Fille T. Legara, Ph.D. Katsufumi Uchida Reginaldo Anthony B. Cariaso John Law	Chairperson Vice Chairperson Member Member Member Observer Observer
Corporate Governance and Nominations Committee	Juan B. Santos Gabriel S. Claudio Erika Fille T. Legara, Ph.D. Shih-Chiao (Joe) Lin Masayuki Kawakami	Chairperson Member Member Advisor Advisor
AML Committee	Gabriel S. Claudio Vaughn F. Montes, Ph.D. John Law Reginaldo Anthony B. Cariaso Masayuki Kawakami	Chairperson Member Member Advisor Advisor

Committee	*Names*	*Position*
Related Party Transactions Committee	Gabriel S. Claudio Shih-Chiao (Joe) Lin Erika Fille T. Legara, Ph.D. Masayuki Kawakami	Chairperson Member Member Advisor
Technology Committee	Helen Y. Dee Cesar E.A. Virata Eugene S. Acevedo Hiroki Nakatsuka	Chairperson Member Member Observer

07-28-2025 Other Events
07-28-2025 Change in Directors/Officers

During the July 28, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment/Election of Mr. Carlos G. Dominguez as Independent Director, and Chairperson of Related Party Transaction Committee and Anti-Money Laundering Committee, and Member of the Corporate Governance and Nominations Committee, to take effect at the close of business on July 28, 2025, and his interlocking positions (subject to BSP/other regulatory approvals, as may be required)
2. Appointment of Mr. Yasunori Takahashi as new Advisory Board Member, to take effect at the close of business on July 28, 2025 (subject to BSP/other regulatory approvals, as may be required)
3. Appointment of Mr. Carlos G. Dominguez as Chairperson of the Related Party Transactions Committee and Anti-Money Laundering Committee, and Member of the Corporate Governance and Nominations Committee, to take effect at the close of business on July 28, 2025
4. Appointment of Mr. Yasunori Takahashi as Advisor of the Anti-Money Laundering Committee, Corporate Governance and Nominations Committee, Audit and Compliance Committee, Related Party Transactions Committee, and as Observer in the Risk Oversight Committee, to take effect at the close of business on July 28, 2025

08-26-2025 Other Events

During the August 26, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration covers cash dividends for the Bank's convertible preferred shares amounting to P0.15985 (US$0.00274) per share or a total of P42,412.37 (US$727.24 @ P58.320). The cash dividend is payable to holders of convertible preferred shares as of September 21, 2025 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

09-29-2025 Other Events
09-29-2025 Change in Directors/Officers

During the September 29, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment/Election of Mr. Alexander A. Patricio ("Mr. Patricio") as Independent Director, and Chairperson of Risk Oversight Committee, and Member of the Anti-Money Laundering Committee and Audit and Compliance Committee, to take effect at the close of business on

September 29, 2025, and his interlocking positions subject to BSP/other regulatory approvals, as may be required).

2. Appointment of Mr. Alexander A. Patricio as Chairperson of the Risk Oversight Committee, and Member of the Anti-Money Laundering Committee and Audit and Compliance Committee, to take effect at the close of business on September 29, 2025.

10-27-2025 Other Events
10-27-2025 Change in Directors/Officers

During the October 27, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment/Election of Mr. Daniel Gabriel M. Montecillo ("Mr. Montecillo") as Independent Director, to take effect on November 2, 2025, and his interlocking positions subject to BSP/other regulatory approvals, as may be required. Appointment as Chairperson of the Corporate Governance and Nominations Committee to take effect on November 2, 2025.
2. Appointment of a new Lead Independent Director, Mr. Laurito E. Serrano following the end of term of the current Lead Independent Director, Mr. Juan B. Santos effective on November 1, 2025.

11-18-2025 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Inang Nag-aaruga sa Anak Foundation against RCBC and other persons before the Supreme Court was amended to update the information regarding the Notice dated July 28, 2025 of the Supreme Court.

11-24-2025 Other Events

During the November 24, 2025 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration covers cash dividend for the Bank's convertible preferred shares amounting to P0.15175 (US$0.00258) per share or a total of P40,263.55 (US$684.17 @ P58.850). The cash dividend is payable to holders of convertible preferred shares as of December 21, 2025 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

12-09-2025 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Inang Nag-aaruga sa Anak Foundation against RCBC and other persons before the Supreme Court was amended to update the information regarding the Motion for Reconsideration, dated December 3, 2025, filed by the Petitioners in response to the Supreme Court's July 28, 2025 Resolution.

12-09-2025 Other Events

During the December 9, 2025 Special Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the proposed 2026 budget was approved.

SIGNATURES

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

RIZAL COMMERCIAL BANKING CORPORATION
Issuer

By :

REGINALDO ANTHONY B. CARIASO
President & Chief Executive Officer

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

FLORENTINO M. MADONZA
FSVP, Head – Controllership Group

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

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

SUBSCRIBED AND SWORN to before me this APR 13 2026, affiants exhibiting to me their competent evidence of identity as follows:

NAMES	ID/NUMBER/ EXPIRY	DATE OF ISSUE	PLACE OF ISSUE
Reginaldo Anthony B. Cariaso			
Alberto Magno N. Pedrosa			
Florentino M. Madonza			
Ma. Christina P. Alvarez			
Atty. George Gilbert G. Dela Cuesta			

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10765558;01-05-26;Makati City
IBP INV.NO. 573064 ;12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

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Series of 2026

Tristan John Kabigting <takabigting@rcbc.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Wed, Apr 8, 2026 at 11:14 AM
To: TAKABIGTING@rcbc.com
Cc: takabigting@rcbc.com

Hi RIZAL COMMERCIAL BANKING CORPORATION,

Valid files

- EAFS000599760RPTTY122025.pdf
- EAFS000599760ITRTY122025.pdf
- EAFS000599760AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-P4NRQ3NT0B68999EDQW32M4SR08CHHGEFC**
Submission Date/Time: **Apr 08, 2026 11:14 AM**
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, 2025 (including the comparative financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023), in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

RCBC
Partners Through Generations

HELEN Y. DEE
Chairperson, Board of Directors

REGINALDO ANTHONY B. CARIASO
President & Chief Executive Officer

ALBERTO MAGNO N. PEDROSA
EVP, Head – Treasury Group

FLORENTINO M. MADONZA
FSVP, Head – Controllership Group

SUBSCRIBED AND SWORN TO BEFORE ME, this MAR 19 2026 day of _____, 2026 at Makati City, Philippines, affiants exhibited to me their valid identifications, to wit:

Name	*ID No.*	*Valid Until/ Place of Issue*
Helen Y. Dee		
Reginaldo Anthony B. Cariaso		
Alberto Magno N. Pedrosa		
Florentino M. Madonza		

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Series of 2026

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10765558;01-05-26;Makati City
IBP INV.NO. 573064 ;12-26-25; Makati City
ROLL NO. 40145
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Ayala Avenue, Makati City

P&A Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Rizal Commercial Banking Corporation

December 31, 2025, 2024 and 2023

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

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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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Philippines. We have also 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 basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Below is the key audit matter identified in our audit of the financial statements of the Group and of the Parent Company.

Valuation of Loans and Other Receivables (Expected Credit Losses)

Description of the Matter

As at December 31, 2025, the Group's and the Parent Company's expected credit losses (ECL) allowance for loans and receivables amounted to P23,056 million and P21,857 million, respectively, while the carrying amount of loans and receivables amounted to P803,412 million and P797,898 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, cumulative default probability, 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 their policy, the Group and the Parent Company regularly review their ECL models to validate the underlying assumptions for each parameter, and to determine the accuracy and effectiveness of the ECL methodologies used. Where appropriate, the Group and the Parent Company incorporates post model adjustments arising from the application of credit analytics and credit judgments, allowing for a more granular segmentation of credit exposures. These adjustments also consider collection behaviors and updates on specific accounts that meet defined criteria, reflecting recent performance trends and key changes in the risk appetite that may have not been captured during the initial model development.

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 post model adjustments and the corresponding results, and evaluated whether: (a) any historical and forward-looking information used as inputs are accurate and reliable; (b) the assumptions used are appropriate and properly reflect the current portfolio and credit practices; (c) the underlying theory and any statistical approaches used are appropriate and generally accepted; and (d) the resulting overlays to the ECL model are documented and approved.

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

- evaluated the appropriateness of methodologies and assumptions used in the ECL calculation, including the changes arising from the Group's and the Parent Company's post model adjustments;

- 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 macroeconomic 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;

- for post model adjustments, tested the completeness and accuracy of data inputs used as basis for judgments applied, assessed the suitability of the refined segmentation used, and recalculated the impact of recent recoveries to the loss given default for credit card receivables and specific corporate borrowers; 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.

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

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, 2025, 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, 2025 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 Accounting Standards, 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, 2025, 2024 and 2023 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 Accounting Standards; it is neither a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

PUNONGBAYAN & ARAULLO



By: Maria Isabel E. Comedia
Partner

CPA Reg. No. 0092966
TIN 189-477-563
PTR No. 10770756, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 92966-SEC (until financial period 2027)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-021-2025 (until August 6, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-005 (until August 12, 2027)

February 23, 2026

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP		PARENT COMPANY	
		2025	2024	**2025**	2024
RESOURCES					
CASH AND OTHER CASH ITEMS	9	**P 23,656**	P 23,003	**P 23,417**	P 22,907
DUE FROM BANGKO SENTRAL NG PILIPINAS	9	**86,955**	115,230	**84,372**	112,763
DUE FROM OTHER BANKS	9	**9,050**	14,569	**8,916**	14,433
LOANS ARISING FROM REVERSE REPURCHASE AGREEMENTS	9	**20,641**	-	**20,000**	-
TRADING AND INVESTMENT SECURITIES - Net	10	**374,881**	429,086	**372,548**	426,866
LOANS AND RECEIVABLES - Net	11	**803,412**	742,497	**797,898**	736,531
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - Net	12	**745**	600	**6,477**	6,720
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	13	**8,229**	8,033	**7,503**	7,060
INVESTMENT PROPERTIES - Net	14	**768**	695	**768**	695
DEFERRED TAX ASSETS - Net	25	**6,331**	6,052	**5,777**	5,578
OTHER RESOURCES - Net	15	**21,768**	20,388	**21,128**	19,599
TOTAL RESOURCES		**P 1,356,436**	P 1,360,153	**P 1,348,804**	P 1,353,152

See Notes to Financial Statements.

	Notes	GROUP		PARENT COMPANY	
		2025	2024	**2025**	2024
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	17	**P 1,025,455**	P 1,022,794	**P 1,025,483**	P 1,022,737
BILLS PAYABLE	18	**69,631**	86,616	**63,194**	80,928
BONDS PAYABLE	19	**60,322**	26,935	**60,322**	26,935
ACCRUED INTEREST, TAXES AND OTHER EXPENSES	20	**12,336**	11,667	**12,088**	11,319
OTHER LIABILITIES	21	**37,523**	53,650	**36,558**	52,751
Total Liabilities		**1,205,267**	1,201,662	**1,197,645**	1,194,670
EQUITY	22				
Attributable to:					
Parent Company's Shareholders		**151,164**	158,485	**151,159**	158,482
Non-controlling Interests		**5**	6	**-**	-
Total Equity		**151,169**	158,491	**151,159**	158,482
TOTAL LIABILITIES AND EQUITY		**P 1,356,436**	P 1,360,153	**P 1,348,804**	P 1,353,152

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	Notes	GROUP			PARENT COMPANY		
		2025	2024	2023	**2025**	2024	2023
INTEREST INCOME							
Loans and receivables	11	**P 69,793**	P 61,051	P 49,407	**P 69,047**	P 60,270	P 48,569
Trading and investment securities	10	**15,112**	15,965	13,239	**15,043**	15,904	13,171
Due from BSP and other banks	9	**1,166**	2,067	3,643	**1,081**	1,981	3,544
		86,071	79,083	66,289	**85,171**	78,155	65,284
INTEREST EXPENSE							
Deposit liabilities	17	**23,151**	31,108	28,035	**23,153**	31,104	28,056
Bills payable and other borrowings	13, 18, 19, 21, 23	**6,772**	5,474	4,625	**6,375**	5,093	4,246
		29,923	36,582	32,660	**29,528**	36,197	32,302
NET INTEREST INCOME		**56,148**	42,501	33,629	**55,643**	41,958	32,982
IMPAIRMENT LOSSES - Net	16						
Financial assets	4, 10, 11	**14,951**	8,337	6,677	**14,612**	8,287	5,864
Non-financial assets	14, 15	**49**	282	211	**30**	277	210
		15,000	8,619	6,888	**14,642**	8,564	6,074
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		**41,148**	33,882	26,741	**41,001**	33,394	26,908
OTHER OPERATING INCOME (CHARGES)							
Service fees and commissions		**10,579**	8,485	6,658	**10,036**	7,962	6,362
Foreign exchange losses		**(6,134)**	(1,976)	(15)	**(6,157)**	(1,996)	(22)
Gain on assets sold - net	13, 14, 15, 27	**657**	1,352	6,714	**637**	1,342	6,656
Trading and securities gains	10	**599**	1,495	444	**664**	1,533	429
Miscellaneous - net	24	**1,428**	1,551	2,567	**1,115**	1,652	1,882
		7,129	10,907	16,368	**6,295**	10,493	15,307
Balance forwarded		**P 48,277**	P 44,789	P 43,109	**P 47,296**	P 43,887	P 42,215

See Notes to Financial Statements.

	Notes	GROUP 2025	GROUP 2024	GROUP 2023	PARENT COMPANY 2025	PARENT COMPANY 2024	PARENT COMPANY 2023
Balance carried forward		**P 48,277**	P 44,789	P 43,109	**P 47,296**	P 43,887	P 42,215
OTHER OPERATING EXPENSES							
Employee benefits	23	**9,058**	8,059	7,150	**7,928**	7,061	6,321
Taxes and licenses		**5,756**	6,536	6,534	**5,617**	6,398	6,416
Depreciation and amortization	13, 14, 15	**3,636**	3,379	3,365	**3,400**	3,113	3,014
Occupancy and equipment-related	27, 28	**2,675**	2,426	2,242	**2,568**	2,326	2,154
Insurance		**2,265**	2,265	2,193	**2,248**	2,249	2,181
Miscellaneous	24	**11,634**	9,136	8,110	**12,335**	9,876	8,628
		35,024	31,801	29,594	**34,096**	31,023	28,714
PROFIT BEFORE TAX		**13,253**	12,988	13,515	**13,200**	12,864	13,501
TAX EXPENSE	25	**2,695**	3,468	1,298	**2,641**	3,344	1,283
NET PROFIT		**P 10,558**	P 9,520	P 12,217	**P 10,559**	P 9,520	P 12,218
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 10,559**	P 9,520	P 12,218			
NON-CONTROLLING INTERESTS		**(1)**	-	(1)			
		P 10,558	P 9,520	P 12,217			
Earnings Per Share							
Basic and diluted	29	**P 4.06**	P 3.48	P 5.07			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP			PARENT COMPANY		
		2025	2024	2023	**2025**	2024	2023
NET PROFIT		**P 10,558**	P 9,520	P 12,217	**P 10,559**	P 9,520	P 12,218
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will not be reclassified subsequently to profit or loss							
Actuarial gains (losses) on defined benefit plan	23	**(89)**	371	(1,366)	**(93)**	377	(1,324)
Fair value gains on equity securities at fair value through other comprehensive income (FVOCI)	10, 22	**172**	232	263	**143**	238	276
Share in other comprehensive income (losses) of the subsidiaries and associates:							
Actuarial gains (losses) on defined benefit plan	12	**(42)**	7	16	**(41)**	1	(26)
Fair value gains (losses) on equity securities at FVOCI	12, 22	**-**	-	-	**28**	(5)	(13)
		41	610	(1,087)	**37**	611	(1,087)
Items that will be reclassified subsequently to profit or loss							
Fair value gains (losses) on debt securities at FVOCI	10, 22	**2,013**	(372)	1,432	**2,015**	(373)	1,432
Translation adjustments on foreign operations	22	**11**	6	-	**11**	6	-
		2,024	(366)	1,432	**2,026**	(367)	1,432
Total Other Comprehensive Income	22	**2,065**	244	345	**2,063**	244	345
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**P 12,623**	P 9,764	P 12,562	**P 12,622**	P 9,764	P 12,563
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 12,622**	P 9,764	P 12,563			
NON-CONTROLLING INTERESTS		**1**	-	(1)			
		P 12,623	P 9,764	P 12,562			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(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, 2025		₱ 24,195	₱ 3	₱ 58,228	₱ 14,463	(₱ 5,798)	₱ -	₱ -	(₱ 86)	₱ 5,564	₱ 61,916	₱ 158,485	₱ 6	₱ 158,491
Transactions with owners:														
Redemption of securities	22	-	-		(14,463)	-	-	-	-	-	(2,667)	(17,130)	-	(17,130)
Cash dividends	22	-	-	-	-	-	-	-	-	-	(2,815)	(2,815)	-	(2,815)
		-	-	-	(14,463)	-	-	-	-	-	(5,482)	(19,945)	-	(19,945)
Net profit for the year		-	-	-	-	-	-	-	-	-	10,559	10,559	(1)	10,558
Other comprehensive income		-	-	-	-	2,065	-	-	-	-	-	2,065	-	2,065
General loan loss appropriation	22	-	-	-	-	-	-	-	-	1,415	(1,415)	-	-	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22, 23	-	-	-	-	(44)	-	-	-	-	44	-	-	-
		-	-	-	-	2,021	-	-	-	1,415	9,188	12,624	(1)	12,623
Balance at December 31, 2025		**₱ 24,195**	**₱ 3**	**₱ 58,228**	**₱ -**	**(₱ 3,777)**	**₱ -**	**₱ -**	**(₱ 86)**	**₱ 6,979**	**₱ 65,622**	**₱ 151,164**	**₱ 5**	**₱ 151,169**
Balance at January 1, 2024		₱ 24,195	₱ 3	₱ 58,228	₱ 14,463	(₱ 6,044)	₱ -	₱ 551	(₱ 86)	₱ 4,599	₱ 56,360	₱ 152,269	₱ 6	₱ 152,275
Transactions with owners:														
Cash dividends	22	-	-	-	-	-	-	-	-	-	(3,548)	(3,548)	-	(3,548)
Net profit for the year		-	-	-	-	-	-	-	-	-	9,520	9,520	-	9,520
Other comprehensive income		-	-	-	-	244	-	-	-	-	-	244	-	244
General loan loss appropriation	22	-	-	-	-	-	-	-	-	965	(965)	-	-	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22, 23	-	-	-	-	2	-	-	-	-	(2)	-	-	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	(551)	-	-	551	-	-	-
		-	-	-	-	246	-	(551)	-	965	9,104	9,764	-	9,764
Balance at December 31, 2024		₱ 24,195	₱ 3	₱ 58,228	₱ 14,463	(₱ 5,798)	₱ -	₱ -	(₱ 86)	₱ 5,564	₱ 61,916	₱ 158,485	₱ 6	₱ 158,491
Balance at January 1, 2023		₱ 22,509	₱ 3	₱ 42,493	₱ 14,463	(₱ 6,392)	(₱ 9,287)	₱ 532	(₱ 86)	₱ 3,824	₱ 48,294	₱ 116,353	₱ 8	₱ 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	-	345
General loan loss appropriation	22	-	-	-	-	-	-	-	-	775	(775)	-	-	-
Transfer to fair value loss on financial asset at FVOCI to surplus	10, 22	-	-	-	-	3	-	-	-	-	(3)	-	-	-
Changes in ownership interest of a subsidiary	22	-	-	-	-	-	-	-	-	-	(66)	(66)	(1)	(67)
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		₱ 24,195	₱ 3	₱ 58,228	₱ 14,463	(₱ 6,044)	₱ -	₱ 551	(₱ 86)	₱ 4,599	₱ 56,360	₱ 152,269	₱ 6	₱ 152,275

See Notes to Financial Statements.

		PARENT COMPANY									
	Notes	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, 2025		P 24,195	P 3	P 58,228	P 14,463	(P 5,798)	P -	P -	P 5,537	P 61,854	P 158,482
Transactions with owners:											
Redemption of securities		-	-	-	(14,463)	-	-	-	-	(2,667)	(17,130)
Cash dividends	22	-	-	-	-	-	-	-	-	(2,815)	(2,815)
		-	-	-	(14,463)	-	-	-	-	(5,482)	(19,945)
Net profit for the year		-	-	-	-	-	-	-	-	10,559	10,559
Other comprehensive income		-	-	-	-	2,063	-	-	-	-	2,063
General loan loss appropriation	22	-	-	-	-	-	-	-	1,414	(1,414)	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22, 23	-	-	-	-	(41)	-	-	-	41	-
		-	-	-	-	2,022	-	-	1,414	9,186	12,622
Balance at December 31, 2025		**P 24,195**	**P 3**	**P 58,228**	**P -**	**(P 3,776)**	**P -**	**P -**	**P 6,951**	**P 65,558**	**P 151,159**
Balance at January 1, 2024		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
Transactions with owners:											
Cash dividends	22	-	-	-	-	-	-	-	-	(3,548)	(3,548)
Net profit for the year		-	-	-	-	-	-	-	-	9,520	9,520
Other comprehensive income		-	-	-	-	244	-	-	-	-	244
General loan loss appropriation	22	-	-	-	-	-	-	-	948	(948)	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22, 23	-	-	-	-	2	-	-	-	(2)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	(551)	-	551	-
		-	-	-	-	246	-	(551)	948	9,121	9,764
Balance at December 31, 2024		P 24,195	P 3	P 58,228	P 14,463	(P 5,798)	P -	P -	P 5,537	P 61,854	P 158,482
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		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 loss on financial asset at 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

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP			PARENT COMPANY		
		2025	2024	2023	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		**P 13,253**	P 12,988	P 13,515	**P 13,200**	P 12,864	P 13,501
Adjustments for:							
Interest income	9, 10, 11	**(86,071)**	(79,083)	(66,289)	**(85,171)**	(78,155)	(65,284)
Interest received		**76,090**	64,448	47,718	**68,208**	59,532	46,932
Interest paid		**(29,292)**	(36,633)	(30,830)	**(28,897)**	(36,249)	(30,476)
Interest expense	17, 18, 19, 21, 23	**29,923**	36,582	32,660	**29,528**	36,197	32,302
Impairment losses - net	16	**15,000**	8,619	6,888	**14,642**	8,564	6,074
Depreciation and amortization	13, 14, 15	**3,636**	3,379	3,365	**3,400**	3,113	3,014
Gain on assets sold - net	13, 14, 15	**(657)**	(1,352)	(6,714)	**(637)**	(1,342)	(6,656)
Dividend income	24	**(328)**	(322)	(318)	**(279)**	(273)	(252)
Share in net losses (earnings) of subsidiaries and associates	12	**(195)**	(85)	(92)	**(122)**	(491)	157
Gain on disposal of subsidiaries	12	**-**	-	(243)	**-**	-	(243)
Operating profit (loss) before working capital changes		**21,359**	8,541	(340)	**13,872**	3,760	(931)
Decrease (increase) in financial assets at fair value through profit and loss		**(2,741)**	1,544	(4,741)	**(2,845)**	1,429	(4,815)
Increase in loans and receivables		**(57,209)**	(81,428)	(70,302)	**(49,995)**	(77,672)	(71,114)
Decrease (increase) in investment properties		**(198)**	(236)	2,072	**(195)**	(235)	1,842
Increase in other resources		**(1,826)**	(1,302)	(6,100)	**(1,807)**	(1,222)	(6,322)
Increase in deposit liabilities		**2,661**	66,082	99,468	**2,745**	65,368	99,730
Increase (decrease) in accrued interest, taxes and other expenses		**(382)**	(400)	2,590	**(285)**	(475)	2,552
Increase (decrease) in other liabilities		**(7,219)**	27,297	(694)	**(7,692)**	27,214	(442)
Cash generated from (used in) operations		**(45,555)**	20,098	21,953	**(46,202)**	18,167	20,500
Income taxes paid		**(2,554)**	(3,709)	(4,099)	**(2,417)**	(3,511)	(3,910)
Net Cash From (Used in) Operating Activities		**(48,109)**	16,389	17,854	**(48,619)**	14,656	16,590
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from disposal of securities							
at fair value through other comprehensive income (FVOCI)	10	**287,260**	315,409	476,584	**287,126**	315,386	476,576
Acquisition of securities at FVOCI	10	**(234,685)**	(391,742)	(442,380)	**(234,443)**	(391,718)	(442,360)
Proceeds from redemption and maturity of securities at amortized cost	4	**14,305**	2,674	31,956	**7,516**	629	29,688
Acquisition of investments in securities at amortized cost	4	**(7,763)**	(26,330)	(16,099)	**(707)**	(24,245)	(14,092)
Acquisitions of bank premises, furniture, fixtures, and equipment	13	**(3,630)**	(1,387)	(3,716)	**(3,689)**	(1,291)	(1,432)
Proceeds from disposals of bank premises, furniture, fixtures and equipment	13	**1,608**	1,047	9,836	**1,588**	856	7,401
Acquisitions of software	15	**(632)**	(519)	(381)	**(606)**	(518)	(362)
Cash dividends received	12, 24	**328**	322	318	**279**	280	344
Net Cash From (Used in) Investing Activities		**56,791**	(100,526)	56,118	**57,064**	(100,621)	55,763
Balance forwarded		**P 8,682**	(P 84,137)	P 73,972	**P 8,445**	(P 85,965)	P 72,353

See Notes to Financial Statements.

	Notes	GROUP 2025	GROUP 2024	GROUP 2023	PARENT COMPANY 2025	PARENT COMPANY 2024	PARENT COMPANY 2023
Balance carried forward		**P 8,682**	(P 84,137)	P 73,972	**P 8,445**	(P 85,965)	P 72,353
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments of bills payable	30	**(83,257)**	(10,232)	(29,767)	**(80,385)**	(6,171)	(28,399)
Proceeds from availments of bills payable	30	**60,540**	43,948	15,333	**56,919**	41,100	15,333
Issuance of bonds payable	19, 30	**32,945**	23,138	-	**32,945**	23,138	-
Redemption of hybrid perpetual securities	22, 30	**(17,130)**	-	-	**(17,130)**	-	-
Dividends paid	22	**(2,815)**	(3,548)	(3,289)	**(2,815)**	(3,548)	(3,289)
Payment of lease liabilities	21, 30	**(2,497)**	(2,366)	(2,131)	**(2,409)**	(2,283)	(2,044)
Net proceeds from issuance of shares of stock	22	**-**	-	17,421	**-**	-	17,421
Maturity of bonds payable	30	**-**	(31,542)	(39,041)	**-**	(31,542)	(39,041)
Reissuance of treasury shares	22	**-**	-	9,287	**-**	-	9,287
Net Cash From (Used in) Financing Activities		**(12,214)**	19,398	(32,187)	**(12,875)**	20,694	(30,732)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(3,532)**	(64,739)	41,785	**(4,430)**	(65,271)	41,621
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9						
Cash and other cash items		**23,003**	19,875	18,078	**22,907**	19,812	18,024
Due from Bangko Sentral ng Pilipinas		**115,230**	151,762	156,664	**112,763**	150,771	155,340
Due from other banks		**14,569**	14,892	5,836	**14,433**	14,630	5,383
Loans arising from reverse repurchase agreements		**-**	35,799	8,724	**-**	34,948	8,552
Interbank loans receivable		**32,567**	27,780	19,021	**32,567**	27,780	19,021
		185,369	250,108	208,323	**182,670**	247,941	206,320
CASH AND CASH EQUIVALENTS AT END OF YEAR	9						
Cash and other cash items		**23,656**	23,003	19,875	**23,417**	22,907	19,812
Due from Bangko Sentral ng Pilipinas		**86,955**	115,230	151,762	**84,372**	112,763	150,771
Due from other banks		**9,050**	14,569	14,892	**8,916**	14,433	14,630
Loans arising from reverse repurchase agreements		**20,641**	-	35,799	**20,000**	-	34,948
Interbank loans receivable		**41,535**	32,567	27,780	**41,535**	32,567	27,780
		P 181,837	P 185,369	P 250,108	**P 178,240**	P 182,670	P 247,941

See Notes to Financial Statements

1. CORPORATE MATTERS

1.1 Incorporation and Operation

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, 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	
	2025	2024	**2025**	2024
Automated teller machines (ATMs)	**1,514**	1,482	**1,514**	1,482
ATM Go	**4,937**	7,947	**4,937**	7,947
Branches	**453**	453	**438**	437
Extension offices	**16**	12	**3**	2

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.

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

Following the above approvals, as of December 31, 2025 and 2024, Cathay Life Insurance Corporation (Cathay) owns 18.68% interest in RCBC, while Sumitomo Mitsui Banking Corporation (SMBC) owns 24.46% and 20.00%, respectively, after its additional acquisition of 4.46% ownership in RCBC on December 22, 2025 (see Note 22.1).

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 2025 and 2024:

Subsidiaries and Associates	Line of Business	Explanatory Notes	Effective Percentage of Ownership	
			2025	2024
Subsidiaries:				
RCBC Forex Brokers Corporation (RCBC Forex)	Foreign exchange dealing		**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	(d)	**80.00**	80.00
RCBC Microbank - A Thrift Bank Inc. (RCBC Microbank)	Thrift banking and microfinance	(f)	**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
Associates:				
YGC Corporate Services, Inc. (YCS)	Support services for YGC		**40.00**	40.00
RCBC Trust Corporation (RTC)	Trust, fiduciary and investment management	(e)	**40.00**	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 IFL (Hongkong) and RCBC Investment Ltd. (Hongkong), all other subsidiaries and associates are incorporated and conducting their businesses in the Philippines.

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 2024, 19.41% ownership on RCBC JPL was donated and transferred to the Bank's retirement fund.
(e) In 2023, the Bank subscribed to 400 thousand shares equivalent to 40% ownership in RTC, a trust entity resulting from the spin-off of the Bank's trust operations (see Notes 12 and 26).
(f) Effective January 23, 2026, the SEC approved the change in name of subsidiary Rizal Microbank, Inc. to RCBC Microbank - A Thrift Bank Inc.

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, 2025 (including the comparative financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023) were approved and authorized for issue by the BOD of the Parent Company on February 23, 2026.

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 Accounting Standards). PFRS Accounting Standards 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 Accounting Standards 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.

In 2025, the Group and the Parent Company made prior period reclassifications to the 2024 and 2023 statements of profit or loss to improve the presentation and classification of certain expenses. Specifically:

(i) certain computer-related costs (including repairs, maintenance, and rental of computer equipment) previously presented under Occupancy and equipment-related expenses were reclassified to Information technology expenses within Miscellaneous expenses; and,

(ii) insurance previously included in Miscellaneous expenses is now presented as a separate line item.

These changes are presentation reclassifications only and do not affect total operating expenses, profit for the year, the consolidated statements of financial position, consolidated statements of comprehensive income, consolidated statements of changes in equity, or consolidated statements of cash flows. Accordingly, a third consolidated statement of financial position is not required to be presented.

Presented below is an analysis of the effects of these prior period reclassifications on the consolidated statements of profit or loss for the years ended December 31, 2024 and 2023.

	Group		
(Amounts in PHP)	As Previously Reported	Effects of reclassification	As Restated
2024			
Other operating expenses			
Occupancy and equipment-related	3,892	(1,466)	2,426
Insurance	-	2,265	2,265
Miscellaneous	9,935	(799)	9,136
2023			
Other operating expenses			
Occupancy and equipment-related	3,262	(1,020)	2,242
Insurance	-	2,193	2,193
Miscellaneous	9,283	(1,173)	8,110

	Parent Company		
(Amounts in PHP)	As Previously Reported	Effects of reclassification	As Restated
2024			
Other operating expenses			
Occupancy and equipment-related	3,790	(1,464)	2,326
Insurance	-	2,249	2,249
Miscellaneous	10,661	(785)	9,876
2023			
Other operating expenses			
Occupancy and equipment-related	3,172	(1,018)	2,154
Insurance	-	2,181	2,181
Miscellaneous	9,791	(1,163)	8,628

(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 closing rates (PDSCR) 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 Accounting Standards

(a) Effective in 2025 that are Relevant to the Group and Parent Company

The Group and Parent Company adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the financial statements of the Group and Parent Company.

(b) Effective Subsequent to 2025 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, 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) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026). These amendments clarify and refine the classification and measurement guidance in PFRS 9, particularly when to derecognize financial liabilities (generally on settlement date) and introduce an accounting policy option to derecognize certain liabilities earlier when settled via electronic payment systems if specified conditions are met. These also clarify contractual cash flow assessments for financial assets with contingent [including Environmental, Social and Governance (ESG) goal-linked] features and provide guidance on non-recourse assets and contractually linked instruments. Correspondingly, PFRS 7 adds enhanced disclosures for instruments with contingent/ESG-linked terms and for equity instruments designated at fair value through other comprehensive income (FVOCI).

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to Contracts Referencing Nature-dependent Electricity* (effective from January 1, 2026)

(iii) PFRS 17, *Insurance Contracts – Insurance Contracts* (effective from January 1, 2027)

(iv) PFRS 17 (Amendments), *Insurance Contracts – Initial Application of PFRS 17 and PFRS 9 – Comparative Information* (effective from January 1, 2027)

(v) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(vi) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

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, 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 solely payments of principal and interest (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 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 expected credit loss (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 different ECL methodologies across its portfolios. Corporate loans are assessed under the general approach using borrower-level credit assessments and internal credit ratings, with 12-month or lifetime ECL recognized depending on staging. Consumer loans are also measured using the general approach but are evaluated on a collective basis through product-level segmentation and behavioral credit data. Meanwhile, accounts receivable and other risk assets not arising from lending activities follow the simplified approach, wherein lifetime ECL is recognized using a provision matrix calibrated from historical loss behavior of these exposures.

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

The Group enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk. Derivatives held include foreign currency short-term forwards, interest rate swaps, cross currency swaps, debt warrants and options. Further details of derivative financial instruments are disclosed in Note 10.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to the fair value at each reporting date.

(e) Hedge Accounting

The Group has approved certain assets and liabilities as hedged items for interest rate risk exposures: fixed rate bonds, loans receivable and loans payable, floating rate bonds, loans receivable and loans payable, and fixed/floating rate highly probable bonds.

The Group also designates certain derivatives as hedging instruments in respect of interest rate risk in fair value hedges, or cash flow hedges, as appropriate. The Group applies PFRS 9 hedge accounting rules in full for these derivatives.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group uses both qualitative and quantitative assessment to determine whether there is an economic relationship between the hedged item and the hedging instrument. The conclusion that an economic relationship exists may be purely qualitative when the critical terms of the hedging instrument and the hedged item are matched. In cases when the critical terms are not aligned, it will be necessary to perform a quantitative assessment to establish that there is an economic relationship and that this source of ineffectiveness is not material. These assessments may be through critical matching, by identifying critical terms in both the hedged item or the derivative that may be a source of ineffectiveness, or regression analysis, when the critical terms of the hedging instrument and hedged item are not closely aligned, and there is increased uncertainty about the extent of offset, such that the hedge effectiveness is more difficult to predict.

The Group shall perform effectiveness assessment on an ongoing basis, whether a hedging relationship continue to meet the hedge effectiveness requirements. In measuring ineffectiveness, the Group constructs a hypothetical derivative that represents a hedge for the hedged risk of the hedged item, and assesses the impact of credit risk.

Hedge ineffectiveness can arise from the following:

- counterparties' credit risk differently affecting the fair value movements of the hedging instrument and hedged item; and,
- Any subsequent changes in the contractual terms of the hedged item or hedging instrument may create potential source of ineffectiveness.

The results of the effectiveness assessment shall determine whether the hedge needs to be rebalanced or discontinued. Discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e., rebalances the hedge) so that it meets the qualifying criteria again.

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at FVOCI. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortized cost or at FVOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Note 4.3 sets out the details of the fair values of the derivative instruments used for hedging purposes.

2.5 Bank Premises, Furniture, Fixtures and Equipment

All 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 furniture, fixtures and equipment for three to 15 years while leasehold rights and improvements are amortized over the term of the lease or the estimated useful lives of the improvements of one to 25 years, whichever is shorter.

2.6 Investment Properties

Investment properties pertain to 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, or held for rental. In 2024, the Bank ceased to acquire investment properties through dacion in payment, as a result of the change in capital structure of the Bank.

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 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 10 years.

Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives (not exceeding 10 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 with 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 – pertain 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 RCBC and non-RCBC (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 operates a rewards program related to its deposit, loan, and credit card operations, allowing cardholders to accumulate non-expiring loyalty points that can be redeemed for free products, including travel airmiles, shopping vouchers, gift certificates and rewards credits. These loyalty points create a separate performance obligation, as they provide a material right to the cardholder.

The rewards liability of the Parent Company represents management's best estimate of the cost associated with loyalty points earned that are expected to be redeemed by cardholders. The liability is measured using a data-driven provisioning framework that estimates the probability of redemption based on historical customer redemption behavior, segmented by account age (months on books), and applies this to the peso-equivalent of outstanding points.

Accordingly, the Parent Company allocates a portion of interchange fees to the loyalty points granted to cardholders based on their relative stand-alone selling price and recognizes a corresponding liability until the points are redeemed, at which time revenue is recognized.

(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 pertain to service fees earned in 2023 and prior years 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. No trust fees were earned in 2025 and 2024 due to the spin-off of the trust operations from the Parent Company into RTC (see Notes 1.2 and 26).

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 and is presented under miscellaneous income in the statement of profit or loss.

(d) Recoveries from Written Off Assets

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 US dollars are translated to Philippine pesos at the prevailing 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 assets), 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 Accounting Standards 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 ECL 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 2025 and 2024.

The Parent Company is currently performing an 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. As of December 31, 2025, the Parent Company is yet to complete its assessment.

(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

(a) Group as a 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).

(b) Parent Company as a sublessor

The Parent Company also enters into sublease arrangements in which it acts as an intermediate lessor. Judgment is similarly required in classifying each sublease as either an operating or finance lease. In accordance with PFRS 16, *Leases*, the classification of a sublease is assessed by reference to the right-of-use asset arising from the head lease, rather than the underlying owned asset.

In evaluating whether the lease and sublease arrangements of the Group qualify as a finance lease, the following factors have been considered:

(i) the lease provides the lessee an option to purchase the asset;

(ii) the lease transfers ownership of the property at the end of the lease;

(iii) the related lease terms approximate the estimate useful life of the asset being leased; and,

(iv) at lease inception, the present value of lease payments amounts to at least substantially all of the fair value of the underlying asset, or in the case of subleases, by reference to the right-of-use asset.

(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 below and in the succeeding pages.

(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 appropriate 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 such as net asset value method, or market-based approach (price-to-book value method) (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.

In 2025, the Bank revised the estimated useful lives of certain bank premises, furniture, fixtures, and equipment. The useful life of leasehold rights relating to low and medium-rise buildings was set at 25 years, while high-rise buildings were assigned 50-year useful lives. Vaults, vault doors, and safety deposit boxes were aligned with the applicable building-based useful lives, while signages and murals continue to be depreciated over five years. Leasehold improvements are now amortized over the shorter of the lease term or the applicable useful life. This revision has been accounted for prospectively as a change in accounting estimate in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The revision resulted in a net increase in depreciation expense of P1 in 2025, and the Bank considers the effect to future-period depreciation to be immaterial. No similar change was made in 2024.

(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, 2025 and 2024 are disclosed in Note 25.1.

(e) Estimation of Impairment Losses of Non-financial Assets

Except for intangible assets with indefinite useful lives, PFRS Accounting Standards 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 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 card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products and services (e.g. fee waivers, merchant-funded items, cash credits).

The Group 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 a liability equivalent to the estimated loyalty points until these are redeemed. The contract liability for reward points is measured at the expected cost of satisfying the redemption obligation and reflects management's estimate of the proportion of reward points that are expected to be redeemed. This estimate involves significant judgment and is based on historical redemption patterns, customer behavior, and current program terms. Management reviews the assumptions used in estimating the probability of redemption at each reporting date and recognizes any resulting changes as a change in accounting estimate in the period in which they arise.

In 2024 and prior periods, the Group estimated the provision for unredeemed reward points using a portfolio-level approach based on historical forfeitures and redemption experience, applied uniformly to the outstanding rewards balance.

In 2025, the Group revised the basis for estimating the provision to an observed month-on-books (MOB) segmented methodology. Under this revised approach, the provision is determined by applying estimated probabilities of redemption to the peso-equivalent rewards balance by account vintage, together with an allowance for potential increases in redemptions, including higher provisioning for older accounts with minimal attrition. This revision has been accounted for as a change in accounting estimate and applied prospectively in accordance with PAS 8.

The update in estimation resulted in a net reduction of P211 in the rewards liability in 2025. The Bank expects the change to affect future-period rewards expense; however, the future impact cannot be reasonably estimated due to changes in cardholder behavior, redemption patterns, and the remaining life of outstanding rewards points, consistent with PAS 8. No similar change was made in 2024.

The measurement of the rewards liability involves judgment and is sensitive to assumptions regarding expected redemption behavior for account vintage, the peso-equivalent value of reward points, and management's assessment of potential changes in redemption patterns. Changes in these assumptions may result in adjustments to the recognized expense and the carrying amount of the rewards liability in future periods. Information on the carrying amount in the rewards liability is presented in Note 21.

(i) Valuation of Post-employment Defined Benefits and Related Plan Assets

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.

Further, the Group's defined benefit plans maintain plan assets that are measured at fair value. The fair value of plan assets is determined based on the latest valuation reports from the administering trust company, using quoted market prices for instruments that are actively traded and valuation techniques for assets without quoted prices. For plan assets with valuations made prior to the end of the current reporting period, management assesses whether significant events or market developments have occurred during the intervening period that require adjustments or updated disclosures of the fair value of those assets.

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 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 Compliance 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) is 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 branches, 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 (RMG) 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 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.

In relation to the adoption of hedge accounting in accordance with PFRS 9, the Bank maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate. By hedging interest rate risk exposures, the Group manages the impact of interest rate movements on interest accruals and by extension, capital. The ability to manage interest rate risk through hedging gives the Group more flexibility in its choice of funding sources, in providing competitive pricing and in managing the balance sheet. Interest rate exposures are identified and hedged on an instrument-by-instrument basis. Hedging transactions are evaluated and executed by the Treasury Group within the boundaries set by interest rate risk limits and hedging product limits. Hedging decisions may also be initiated by the appropriate senior management committees.

The Group hedges the benchmark interest rate risk component of some of its bonds payable which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships to hedge against the movements in a benchmark rate. The Group applied hedge accounting for economic hedge relationships that meet the hedge accounting criteria (see Notes 2.4 and 10).

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, 2025 and 2024 are presented below and in the succeeding pages.

	Group					
(Amounts in PHP)	**One to three Months**	**Three months to one year**	**One to Five Years**	**More than five years**	**Non-maturity**	**Total**
2025						
Resources:						
Cash and cash equivalents	114,841	888	6,974	26,718	32,416	181,837
Investments - net	52,670	16,460	167,198	138,553	-	374,881
Loans and receivables - net	65,131	42,406	200,001	198,649	255,690	761,877
Other resources - net	8,340	6,390	2,087	1,262	19,762	37,841
Total resources	240,982	66,144	376,260	365,182	307,868	1,356,436
Liabilities:						
Deposit liabilities	318,262	8,702	148,762	277,907	271,822	1,025,455
Bills payable	28,703	34,679	3,331	658	2,260	69,631
Bonds payable	-	4,130	56,192	-	-	60,322
Other liabilities	17,139	19,409	1,585	-	11,726	49,859
Total liabilities	364,104	66,920	209,870	278,565	285,808	1,205,267
Equity	-	-	-	-	151,169	151,169
Total liabilities and equity	364,104	66,920	209,870	278,565	436,977	1,356,436
On-book gap	(123,122)	(776)	166,390	86,617	(129,109)	-
Cumulative on-book gap	(123,122)	(123,898)	42,492	129,109	-	-
Contingent resources	113,098	12,922	-	105,320	-	231,340
Contingent liabilities	161,794	12,854	-	108,303	-	282,951
Off-book gap	(48,696)	68	-	(2,983)	-	(51,611)
Cumulative off-book gap	(48,696)	(48,628)	(48,628)	(51,611)	(51,611)	-
Periodic gap	**(171,818)**	**(708)**	**166,390**	**83,634**	**(129,109)**	**(51,611)**
Cumulative total gap	**(171,818)**	**(172,526)**	**(6,136)**	**77,498**	**(51,611)**	**-**

(Amounts in PHP)	Group					
	One to three Months	Three months to one year	One to Five Years	More than five years	Non-maturity	Total
2024						
Resources:						
Cash and cash equivalents	117,757	742	1,855	15,474	49,541	185,369
Investments - net	110,320	12,674	122,724	181,941	1,427	429,086
Loans and receivables - net	39,475	31,072	185,464	170,919	283,000	709,930
Other resources - net	8,225	6,894	1,675	820	18,154	35,768
Total resources	275,777	51,382	311,718	369,154	352,122	1,360,153
Liabilities:						
Deposit liabilities	224,180	15,023	30,570	289,649	463,372	1,022,794
Bills payable	57,801	9,073	17,022	648	2,072	86,616
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	12,850	38,798	1,093	-	12,576	65,317
Total liabilities	294,831	62,894	75,620	290,297	478,020	1,201,662
Equity	-	14,463	-	-	144,028	158,491
Total liabilities and equity	294,831	77,357	75,620	290,297	622,048	1,360,153
On-book gap	(19,054)	(25,975)	236,098	78,857	(269,926)	-
Cumulative on-book gap	(19,054)	(45,029)	191,069	269,926	-	-
Contingent resources	59,188	12,687	-	28,995	-	100,870
Contingent liabilities	85,349	12,944	-	29,478	-	127,771
Off-book gap	(26,161)	(257)	-	(483)	-	(26,901)
Cumulative off-book gap	(26,161)	(26,418)	(26,418)	(26,901)	(26,901)	-
Periodic gap	(45,215)	(26,232)	236,098	78,374	(269,926)	(26,901)
Cumulative total gap	(45,215)	(71,447)	164,651	243,025	(26,901)	-

(Amounts in PHP)	Parent Company					
	One to three Months	**Three months to one year**	**One to Five Years**	**More than five years**	**Non-maturity**	**Total**
2025						
Resources:						
Cash and cash equivalents	113,329	229	6,330	26,632	31,720	178,240
Investments - net	50,769	15,826	167,177	138,410	366	372,548
Loans and receivables - net	34,209	58,228	196,070	198,401	269,455	756,363
Other resources - net	8,147	6,390	1,999	1,204	23,913	41,653
Total resources	206,454	80,673	371,576	364,647	325,454	1,348,804
Liabilities:						
Deposit liabilities	318,262	7,813	148,762	277,907	272,739	1,025,483
Bills payable	28,703	31,454	2,379	658	-	63,194
Bonds payable	-	4,130	56,192	-	-	60,322
Other liabilities	13,139	7,277	10,585	-	17,645	48,646
Total liabilities	360,104	50,674	217,918	278,565	290,384	1,197,645
Equity	-	-	-	-	151,159	151,159
Total liabilities and equity	360,104	50,674	217,918	278,565	441,543	1,348,804
On-book gap	(153,650)	29,999	153,658	86,082	(116,089)	-
Cumulative on-book gap	(153,650)	(123,651)	30,007	116,089	-	-
Contingent resources	113,073	12,922	-	105,320	-	231,315
Contingent liabilities	161,774	12,854	-	108,303	-	282,931
Off-book gap	(48,701)	68	-	(2,983)	-	(51,616)
Cumulative off-book gap	(48,701)	(48,633)	(48,633)	(51,616)	(51,616)	-
Periodic gap	**(202,351)**	**30,067**	**153,658**	**83,099**	**(116,089)**	**51,616**
Cumulative total gap	**(202,351)**	**(172,284)**	**(18,626)**	**64,473**	**(51,616)**	**-**

(Amounts in PHP)	Parent Company					
	One to three Months	Three months to one year	One to Five Years	More than five years	Non-maturity	Total
2024						
Resources:						
Cash and cash equivalents	116,255	204	1,370	15,474	49,367	182,670
Investments - net	108,777	12,674	122,724	181,941	750	426,866
Loans and receivables - net	38,817	30,513	180,789	170,898	282,947	703,964
Other resources - net	8,115	6,893	1,675	820	22,149	39,652
Total resources	271,964	50,284	306,558	369,133	355,213	1,353,152
Liabilities:						
Deposit liabilities	223,743	14,814	30,569	290,110	463,501	1,022,737
Bills payable	57,435	7,977	14,870	646	-	80,928
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	12,612	38,770	1,093	-	11,595	64,070
Total liabilities	293,790	61,561	73,467	290,756	475,096	1,194,670
Equity		14,463	-	-	144,019	158,482
Total liabilities and equity	293,790	76,024	73,467	290,756	619,115	1,353,152
On-book gap	(21,826)	(25,740)	233,091	78,377	(263,902)	-
Cumulative on-book gap	(21,826)	(47,566)	185,525	263,902	-	-
Contingent resources	59,180	12,687	-	28,995	-	100,862
Contingent liabilities	85,345	12,944	-	29,478	-	127,767
Off-book gap	(26,165)	(257)	-	(483)	-	(26,905)
Cumulative off-book gap	(26,165)	(26,422)	(26,422)	(26,905)	(26,905)	
Periodic gap	(47,991)	(25,997)	233,091	77,894	(263,902)	26,905
Cumulative total gap	(47,991)	(73,988)	159,103	236,997	(26,905)	-

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 Manual of Regulations for Banks (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 Group and Parent Company's VaR for positions managed on a fair value/risk limit basis, including FVTPL trading and FVOCI portfolios at December 31 is presented below.

	Group and Parent Company			
(Amounts in PHP)	**At December 31**	**Average**	**Maximum**	**Minimum**
2025				
Foreign currency risk	107	86	196	13
Interest rate risk	448	519	608	351
Overall	**555**	**605**	**804**	**364**
2024				
Foreign currency risk	61	79	167	22
Interest rate risk	443	595	754	405
Overall	504	674	921	427
2023				
Foreign currency risk	45	77	215	14
Interest rate risk	417	398	640	289
Overall	462	475	855	303

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:

	2025			2024		
(Amounts in PHP)	**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%**	**4**	**4**	+1.00%	2	2
	-1.00%	**(4)**	**(4)**	-1.00%	(2)	(2)
EUR	**+1.00%**	**(4)**	**(4)**	+1.00%	(9)	(9)
	-1.00%	**4**	**4**	-1.00%	9	9
GBP	**+1.00%**	**(3)**	**(3)**	+1.00%	-	-
	-1.00%	**3**	**3**	-1.00%	-	-
Others	**+1.00%**	**11**	**11**	+1.00%	(14)	(14)
	-1.00%	**(11)**	**(11)**	-1.00%	14	14

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:

(Amounts in PHP)	**2025**	2024	2023
Closing	**58.79**	57.85	55.37
WAR	**57.69**	57.26	55.60

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:

(Amounts in PHP)	Group		
	Foreign Currencies	**Philippine Pesos**	**Total**
2025			
Resources:			
Cash and other cash items	1,156	22,500	23,656
Due from BSP	-	86,955	86,955
Due from other banks	7,840	1,210	9,050
Financial assets at FVTPL	6,593	6,382	12,975
Financial assets at FVOCI	24,821	83,372	108,193
Investment securities at amortized cost - net	94,835	158,878	253,713
Loans and receivables - net	97,745	705,667	803,412
Loans and receivables arising from reverse repurchase agreement	-	20,641	20,641
Other resources - net	41	1,526	1,567
	233,031	**1,087,131**	**1,320,162**
Liabilities:			
Deposit liabilities	328,667	696,788	1,025,455
Bills payable	63,194	6,437	69,631
Bonds payable	43,823	16,499	60,322
Accrued interest and other expenses	4,387	7,529	11,916
Other liabilities	5,202	26,996	32,198
	445,273	**754,249**	**1,199,522**
2024			
Resources:			
Cash and other cash items	1,155	21,848	23,003
Due from BSP	-	115,230	115,230
Due from other banks	13,563	1,006	14,569
Financial assets at FVTPL	10,010	224	10,234
Financial assets at FVOCI	61,704	96,926	158,630
Investment securities at amortized cost - net	97,506	162,716	260,222
Loans and receivables - net	97,981	644,516	742,497
Other resources - net	41	1,647	1,688
	281,960	1,044,113	1,326,073
Liabilities:			
Deposit liabilities	189,457	833,337	1,022,794
Bills payable	80,928	5,688	86,616
Bonds payable	16,053	10,882	26,935
Accrued interest and other expenses	29	10,337	10,366
Other liabilities	1,610	48,702	50,312
	288,077	908,946	1,197,023

(Amounts in PHP)	Parent Company		
	Foreign Currencies	Philippine Pesos	Total
2025			
Resources:			
Cash and other cash items	1,156	22,261	23,417
Due from BSP	-	84,372	84,372
Due from other banks	7,827	1,089	8,916
Financial assets at FVTPL	6,593	5,777	12,370
Financial assets at FVOCI	24,821	82,738	107,559
Investment securities at amortized cost - net	94,835	157,784	252,619
Loans and receivables - net	97,745	700,153	797,898
Loans and receivables arising from reverse repurchase agreement	-	20,000	20,000
Other resources - net	41	1,505	1,546
	232,018	**1,075,679**	**1,308,697**
Liabilities:			
Deposit liabilities	328,667	696,816	1,025,483
Bills payable	63,194	-	63,194
Bonds payable	43,979	16,343	60,322
Accrued interest and other expenses	4,379	7,709	12,088
Other liabilities	2,090	29,277	31,367
	442,309	**750,145**	**1,192,454**
2024			
Resources:			
Cash and other cash items	1,155	21,752	22,907
Due from BSP	-	112,763	112,763
Due from other banks	13,548	885	14,433
Financial assets at FVTPL	5,012	4,513	9,525
Financial assets at FVOCI	61,701	96,253	157,954
Investment securities at amortized cost - net	97,506	161,881	259,387
Loans and receivables - net	97,981	638,550	736,531
Other resources - net	41	1,628	1,669
	276,944	1,038,225	1,315,169
Liabilities:			
Deposit liabilities	189,457	833,280	1,022,737
Bills payable	80,928	-	80,928
Bonds payable	16,053	10,882	26,935
Accrued interest and other expenses	29	11,283	11,312
Other liabilities	1,610	47,827	49,437
	288,077	903,272	1,191,349

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					
(Amounts in PHP)	**One to Three Months**	**Three Months to One Year**	**One to Five Years**	**More than Five Years**	**Non-rate Sensitive**	**Total**
2025						
Resources:						
Cash and cash equivalents	140,877	908	8,347	8,112	23,593	181,837
Investments - net	40,256	14,857	167,277	139,216	13,275	374,881
Loans and receivables - net	316,951	59,476	146,089	63,938	175,423	761,877
Other resources - net	5,235	776	2,087	1,262	28,481	37,841
Total resources	503,319	76,017	323,800	212,528	240,772	1,356,436
Liabilities:						
Deposit liabilities	609,046	20,196	206,031	190,182	-	1,025,455
Bills payable	28,703	34,679	3,331	658	2,260	69,631
Bonds payable	18,443	4,130	37,749	-	-	60,322
Other liabilities	2,040	763	1,247	2	45,807	49,859
Total liabilities	658,232	59,768	248,358	190,842	48,067	1,205,267
Equity		-		-	151,169	151,169
Total liabilities and equity	658,232	59,768	248,358	190,842	199,236	1,356,436
On-book gap	(154,913)	16,249	75,442	21,686	41,536	-
Cumulative on-book gap	(154,913)	(138,664)	(63,222)	(41,536)	-	-
Contingent resources	217,348	13,699	293	-	-	231,340
Contingent liabilities	268,941	13,695	315	-	-	282,951
Off-book gap	(51,593)	4	(22)	-	-	51,611
Cumulative off-book gap	(51,593)	(51,589)	(51,611)	(51,611)	(51,611)	-
Periodic gap	**(206,506)**	**16,253**	**75,420**	**21,686**	**41,536**	**51,611**
Cumulative total gap	**(206,506)**	**(190,253)**	**(114,833)**	**(93,147)**	**(51,611)**	-

(Amounts in PHP)	Group					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
2024						
Resources:						
Cash and cash equivalents	132,755	1,279	16,080	12,174	23,081	185,369
Investments - net	100,739	12,129	124,105	181,688	10,425	429,086
Loans and receivables - net	259,297	60,125	152,442	100,835	137,231	709,930
Other resources - net	8,225	1,231	1,842	887	23,583	35,768
Total resources	501,016	74,764	294,469	295,584	194,320	1,360,153
Liabilities:						
Deposit liabilities	498,020	33,608	259,331	231,537	298	1,022,794
Bills payable	72,671	9,073	2,152	648	2,072	86,616
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	598	256	841	2	63,620	65,317
Total liabilities	571,289	42,937	289,259	232,187	65,990	1,201,662
Equity		14,463	-	-	144,028	158,491
Total liabilities and equity	571,289	57,400	289,259	232,187	210,018	1,360,153
On-book gap	(70,273)	17,364	5,210	63,397	(15,698)	-
Cumulative on-book gap	(70,273)	(52,909)	(47,699)	15,698	-	-
Contingent resources	59,188	12,687	-	28,995	-	100,870
Contingent liabilities	85,349	12,944	-	29,478	-	127,771
Off-book gap	(26,161)	(257)	-	(483)	-	(26,901)
Cumulative off-book gap	(26,161)	(26,418)	(26,418)	(26,901)	(26,901)	-
Periodic gap	(96,434)	17,107	5,210	62,914	(15,698)	26,901
Cumulative total gap	(96,434)	(79,327)	(74,117)	(11,203)	(26,901)	-

(Amounts in PHP)	Parent Company					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
2025						
Resources:						
Cash and cash equivalents	138,964	250	7,703	31,323	-	178,240
Investments - net	38,355	14,857	167,277	139,418	12,641	372,548
Loans and receivables - net	316,029	58,930	141,906	63,942	175,556	756,363
Other resources - net	5,043	775	3,295	2	32,538	41,653
Total resources	498,391	74,812	320,181	234,685	220,735	1,348,804
Liabilities:						
Deposit liabilities	608,314	20,039	206,804	190,326	-	1,025,483
Bills payable	28,474	33,257	805	658	-	63,194
Bonds payable	18,443	4,130	37,749	-		60,322
Other liabilities	1,659	733	3,148	2	43,104	48,646
Total liabilities	656,890	58,159	248,506	190,986	43,104	1,197,645
Equity	-	-	-	-	151,159	151,159
Total liabilities and equity	656,890	58,159	248,506	190,986	194,263	1,348,804
On-book gap	(158,499)	16,653	71,675	43,699	26,472	-
Cumulative on-book gap	(158,499)	(141,846)	(70,171)	(26,472)	-	-
Contingent resources	217,323	13,699	293	-	-	231,315
Contingent liabilities	268,921	13,695	315	-	-	282,931
Off-book gap	(51,598)	4	(22)	-	-	51,616
Cumulative off-book gap	(51,598)	(51,594)	(51,616)	(51,616)	(51,616)	-
Periodic gap	**(210,097)**	**16,657**	**71,653**	**43,699**	**26,472**	**51,616**
Cumulative total gap	**(210,097)**	**(193,440)**	**(121,787)**	**(78,088)**	**(51,616)**	-

(Amounts in PHP)	Parent Company					
	One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
2024						
Resources:						
Cash and cash equivalents	131,253	740	15,595	12,174	22,908	182,670
Investments - net	99,196	12,129	124,105	181,688	9,748	426,866
Loans and receivables - net	258,639	59,566	147,768	100,814	137,177	703,964
Other resources - net	8,115	1,231	1,842	887	27,577	39,652
Total resources	497,203	73,666	289,310	295,563	197,410	1,353,152
Liabilities:						
Deposit liabilities	497,583	33,400	259,961	231,793	-	1,022,737
Bills payable	72,305	7,977	-	646	-	80,928
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	-	229	841	2	62,998	64,070
Total liabilities	569,888	41,606	287,737	232,441	62,998	1,194,670
Equity	-	14,463	-	-	144,019	158,482
Total liabilities and equity	569,888	56,069	287,737	232,441	207,017	1,353,152
On-book gap	(72,685)	17,597	1,573	63,122	(9,607)	-
Cumulative on-book gap	(72,685)	(55,088)	(53,515)	9,607	-	-
Contingent resources	59,180	12,687	-	28,995	-	100,862
Contingent liabilities	85,345	12,944	-	29,478	-	127,767
Off-book gap	(26,165)	(257)	-	(483)	-	(26,905)
Cumulative off-book gap	(26,165)	(26,422)	(26,422)	(26,905)	(26,905)	-
Periodic gap	(98,850)	17,340	1,573	62,639	(9,607)	26,905
Cumulative total gap	(98,850)	(81,510)	(79,937)	(17,298)	(26,905)	-

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.

(Amounts in PHP)	Changes in Interest Rates (in basis points)			
	-100	-200	+100	+200
December 31, 2025				
Group	**1,384**	**2,769**	**(1,384)**	**(2,769)**
Parent Company	**1,417**	**2,834**	**(1,417)**	**(2,834)**
December 31, 2024				
Group	493	986	(493)	(986)
Parent Company	518	1,037	(518)	(1,037)

The Group also entered into interest rate swap contracts which are accounted for under hedge accounting, under which the Group agreed to exchange the difference between fixed and floating rate interest amounts calculated on contracted notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt issued. The fair value of interest rate swaps as at December 31, 2025 and 2024 are determined by discounting the future cash flows using the interest rate curves at the reporting date adjusted for the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year (see Note 10.6).

The interest rate swaps settle on a quarterly basis and the floating rate on the interest rate swaps is based on Secured Overnight Financing Rate. The pay fixed interest rate swap contracts exchanging fixed rate interest for floating rate interest are designated and effective as fair value hedges in respect of interest rates on the Group's fixed rate bonds. In 2025 and 2024, the derivatives were highly effective in hedging the fair value exposure to interest rate movements. As a result the carrying amount of the hedged bonds were adjusted by P156 and P204, respectively, which was included in profit or loss at the same time that the fair value of the interest rate swap was included in profit or loss.

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, 2025 and 2024 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 Credit Analytics 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. RMG is also 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) branch 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 RMG 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.

RMG 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 to exclude abnormally high default rates during the pandemic period considering the full recovery from the impact of COVID-19;
- 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.

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.

In 2025, the Bank refreshed its ECL segmentation and key model inputs, including PD and LGD, to incorporate the most recent available information and observed credit behavior. As part of the refresh, the Bank updated model inputs and assumptions to ensure that they appropriately reflect current portfolio characteristics, recent performance trends, and the prevailing economic environment.

In addition, the Bank continued to apply post-model adjustments to the ECL models based on credit analytics and management judgment, consistent with prior periods. These adjustments considered, among others, the following:

- further refinement of credit card segmentation, particularly within Stage 1, to reflect varying levels of customer activity and performance, including distinctions based on utilization, payment behavior, and borrower characteristics;
- additional segmentation of delinquent credit card exposures to differentiate habitual and non-habitual payment behavior, including considerations of months on book and recent payment activity;
- enhanced differentiation of Stage 2 and Stage 3 credit card exposures based on collection status (external or in-house) and the recency and frequency of borrower payments; and,
- continued consideration of collection behavior and subsequent recoveries on accounts previously assessed with higher loss severity, consistent with observed outcomes.

These refinements were intended to improve the sensitivity of the ECL estimates to observed borrower behavior and recent portfolio experience, while maintaining consistency with the Bank's overall ECL framework and credit risk management practices. Post-model overlays resulted in a reduction in expected credit losses of P2,312 million in 2024, compared with the BAU model output. In 2025, the Bank recognized a further incremental reduction of P962 million in expected credit losses arising from post-model adjustments. Further details on the amount of allowance for ECL as at December 31, 2025 and 2024 which reflect both outputs from the base models and the management overlays applied to address model limitations and emerging risks are disclosed in Notes 4.4.8, 11, and 16.

Based on the Bank's policy, a model validation shall be conducted when significant changes are made to the models, to ensure that the models are suitable for their proposed usage on an ongoing basis. In 2025, the Bank engaged an independent consultant to conduct an independent validation and refresh, which is ongoing as of end the reporting period, and is expected to be completed by the second quarter of 2026.

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 MORB 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.
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.

Rating Scale	Rating Description/Criteria
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

RMG 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 RMG 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 RCBC 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 RMG on annual basis to ensure definitions remain 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 are 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 creditworthiness;
- 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. For these instruments, probability of default and loss given default information sourced from publicly available data and internal metrics, indicate low credit risk. Accordingly, the Group measures 12-month ECL. Where SICR since origination is identified, the loss allowance is determined on a lifetime ECL basis. In assessing SICR and estimating ECL for debt securities, the Group primarily uses S&P credit ratings. Where such ratings are not available, internally generated ratings aligned with the Group's corporate loan framework are applied.

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. In 2023, the Bank conducted an independent model validation which encompasses comprehensive model testing to assess model robustness. A refresh is applied annually to update the ECL model to ensure it remains relevant and effective in estimating credit losses. The Bank further applied post model adjustments in 2025 and 2024 to consider the results of its ongoing review of customer segmentation recovery updates (see Note 4.4).

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), consumer price index (CPI), household consumption expenditure growth, OFW remittances growth rate, 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, OFW remittance, 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 Credit Risk Exposures

An analysis of the maximum credit risk exposure relating to loans and receivables is shown below:

(Amounts in PHP)	Group Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2025				
Loans and discounts:				
Corporate	388,139	493,054	-	388,139
Consumer*	223,710	121,749	114,050	121,749
Credit card receivables	145,797	-	145,797	-
Leasing and finance	2,276	6,051	-	2,276
Microfinance and small business	1,315	2,518	-	1,315
Other receivables	65,231	3,915	61,316	3,915
	826,468	**627,287**	**321,163**	**517,394**
2024				
Loans and discounts:				
Corporate	421,744	477,408	-	421,744
Consumer*	174,873	143,253	41,352	143,253
Credit card receivables	110,453	-	110,453	-
Leasing and finance	2,401	5,677	-	2,401
Microfinance and small business	1,163	4,148	-	1,163
Other receivables	51,993	4,332	47,661	4,332
	762,627	634,818	199,466	572,893

(Amounts in PHP)	Parent Company Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2025				
Loans and discounts:				
Corporate	386,031	493,054	-	386,031
Consumer*	223,710	121,749	114,050	121,749
Credit card receivables	145,797	-	145,797	-
Other receivables	64,217	3,915	60,302	3,915
	819,755	**618,718**	**320,060**	**511,695**
2024				
Loans and discounts:				
Corporate	419,085	477,408	-	419,085
Consumer*	174,873	143,253	41,352	143,253
Credit card receivables	110,453	-	110,453	-
Other receivables	50,850	4,332	46,518	4,332
	755,261	624,993	198,323	566,670

**The net exposure balance includes 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	
(Amounts in PHP)	Notes	**2025**	2024	**2025**	2024
Cash and cash equivalents		**181,837**	185,369	**178,240**	182,670
Debt securities:					
At amortized cost	10.3	**253,846**	260,344	**252,660**	259,419
At FVOCI	10.2	**104,005**	154,488	**103,890**	154,376
		539,688	600,201	**534,790**	596,465

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)]. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash and cash equivalents includes deposits in local banks which are insured by the PDIC up to a maximum coverage of P1 million per depositor per banking institution, as provided under Republic Act 9576, *Amendment to Charter of PDIC*, and are still subjected to credit risk.

Debt securities includes government and corporate bonds and bills. These are held with the 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, 2025 and 2024, 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, 2025 and 2024.

a) Loans and receivables

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
2025					
Corporate loans					
Pass					
AAA to BBB	1,531	-	-	-	1,531
BBB- to B-	311,510	273	138	-	311,921
Watchlisted	33,751	6,736	805	-	41,292
Especially mentioned	-	12,812	14,053	-	26,865
Substandard	-	213	6,232	-	6,445
Defaulted	-	-	2	20	22
Unrated	63	-	-	-	63
	346,855	20,034	21,230	20	388,139
Allowance for ECL	(643)	(1,050)	(8,753)	(16)	(10,462)
Carrying amount	**346,212**	**18,984**	**12,477**	**4**	**377,677**
Balance forwarded	346,212	18,984	12,477	4	377,677

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
Balance carried forward	346,037	18,984	12,477	4	377,677
Consumer loans					
Current	198,257	-	-	-	198,257
1-30 DPD	9,203	-	-	-	9,203
31-90 DPD	-	5,232	-	-	5,232
Defaulted	-	-	11,018	-	11,018
	207,460	5,232	11,018	-	223,710
Allowance for ECL	(1,765)	(818)	(1,434)	-	(4,017)
Carrying amount	**205,695**	**4,414**	**9,584**	**-**	**219,693**
Credit cards					
Current	134,704	53	-	-	134,757
1-29 DPD	1,944	19	-	-	1,963
30-59 DPD	-	1,214	-	-	1,214
60-89 DPD	-	1,222	-	-	1,222
Defaulted	-	-	6,641	-	6,641
	136,648	2,508	6,641	-	145,797
Allowance for ECL	(334)	(1,281)	(4,568)	-	(6,183)
Carrying amount	**136,314**	**1,227**	**2,073**	**-**	**139,614**
Leasing and finance receivables*					
AAA+ to B+	190	-	-	-	190
B-	193	-	-	-	193
CCC below	-	603	846	-	1,449
Unrated	444	-	-	-	444
	827	603	846	-	2,276
Allowance for ECL	(115)	(161)	(622)	-	(898)
Carrying amount	**712**	**442**	**224**	**-**	**1,378**
Micro and small business loans**					
Unclassified	957	-	-	-	957
Especially mentioned	-	76	-	-	76
Defaulted	-	-	282	-	282
	957	76	282	-	1,315
Allowance for ECL	-	(9)	(105)	-	(114)
Carrying amount	**957**	**67**	**177**	**-**	**1,201**
Other receivables					
Current	62,222	-	-	-	62,222
Past due	-	886	2,123	-	3,009
	62,222	886	2,123	-	65,231
Allowance for ECL	(59)	(72)	(1,251)	-	(1,382)
Carrying amount	**62,163**	**814**	**872**	**-**	**63,849**
Total gross amount	754,969	29,339	42,140	20	826,468
Allowance for ECL	(2,916)	(3,391)	(16,733)	(16)	(23,056)
Carrying amount	**752,053**	**25,948**	**25,407**	**4**	**803,412**
2024					
Corporate loans					
Pass					
AAA to BBB	3,936	-	-	-	3,936
BBB- to B-	360,442	162	-	-	360,604
Watchlisted	31,530	200	-	-	31,730
Especially mentioned	-	6,921	7,854	-	14,775
Substandard	-	-	10,037	-	10,037
Defaulted	-	-	579	20	599
Unrated	63	-	-	-	63
	395,971	7,283	18,470	20	421,744
Allowance for ECL	(957)	(472)	(8,352)	(16)	(9,797)
Carrying amount	395,014	6,811	10,118	4	411,947
Balance forwarded	395,014	6,811	10,118	4	411,947

**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 RCBC Microbank*

	Group				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
Balance carried forward	395,014	6,811	10,118	4	411,947
Consumer loans					
Current	154,061	-	-	-	154,061
1-30 DPD	7,620	-	-	-	7,620
31-90 DPD	-	5,289	-	-	5,289
Defaulted	-		7,903	-	7,903
	161,681	5,289	7,903	-	174,873
Allowance for ECL	(820)	(515)	(1,669)	-	(3,004)
Carrying amount	160,861	4,774	6,234	-	171,869
Credit cards					
Current	102,931	51	-	-	102,982
1-29 DPD	1,714	19	-	-	1,733
30-59 DPD	-	911	-	-	911
60-89 DPD	-	833	-	-	833
Defaulted	-		3,994	-	3,994
	104,645	1,814	3,994	-	110,453
Allowance for ECL	(734)	(891)	(2,804)	-	(4,429)
Carrying amount	103,911	923	1,190	-	106,024
*Leasing and finance receivables***					
AAA+ to B+	290	-	-	-	290
B-	777	7	-	-	784
CCC below	-	127	1,116	-	1,243
Unrated	84		-	-	84
	1,151	134	1,116	-	2,401
Allowance for ECL	(144)	(25)	(824)	-	(993)
Carrying amount	1,007	109	292	-	1,408
*Micro and small business loans****					
Unclassified	892	-		-	892
Especially mentioned	-	50		-	50
Defaulted	-	-	221	-	221
	892	50	221	-	1,163
Allowance for ECL	(1)	-	(92)	-	(93)
Carrying amount	891	50	129	-	1,070
Other receivables					
Current	48,794	-	1	-	48,795
Past due	-	883	2,315	-	3,198
	48,794	883	2,316	-	51,993
Allowance for ECL	(143)	(81)	(1,590)	-	(1,814)
Carrying amount	48,651	802	726	-	50,179
Total gross amount	713,134	15,453	34,020	20	762,627
Allowance for ECL	(2,799)	(1,984)	(15,331)	(16)	(20,130)
Carrying amount	710,335	13,469	18,689	4	742,497

	Parent Company				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
2025					
Corporate loans					
Pass					
AAA to BBB	1,531	-	-	-	1,531
BBB- to B-	311,217	207	138	-	311,562
Watchlisted	33,751	6,736	805	-	41,292
Especially mentioned	-	12,812	12,387	-	25,199
Substandard	-	213	6,232	-	6,445
Defaulted	-	-	2	-	2
	346,499	19,968	19,564	-	386,031
Allowance for ECL	(390)	(1,056)	(8,997)	-	(10,443)
Carrying amount	**346,109**	**18,912**	**10,567**	**-**	**375,588**
Balance forwarded	346,109	18,912	10,567	-	375,588

**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 RCBC Microbank*

	Parent Company				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
Balance carried forward	346,109	18,912	10,567	-	375,588
Consumer loans					
Current	198,257	-	-	-	198,257
1-30 DPD	9,203	-	-	-	9,203
31-90 DPD	-	5,232	-	-	5,232
Defaulted	-	-	11,018	-	11,018
	207,460	5,232	11,018	-	223,710
Allowance for ECL	(1,765)	(818)	(1,434)	-	(4,017)
Carrying amount	**205,695**	**4,414**	**9,584**	**-**	**219,693**
Credit cards					
Current	134,704	53	-	-	134,757
1-29 DPD	1,944	19	-	-	1,963
30-59 DPD	-	1,214	-	-	1,214
60-89 DPD	-	1,222	-	-	1,222
Defaulted	-	-	6,641	-	6,641
	136,648	2,508	6,641	-	145,797
Allowance for ECL	(334)	(1,281)	(4,568)	-	(6,183)
Carrying amount	**136,314**	**1,227**	**2,073**	**-**	**139,614**
Other receivables					
Current	61,366	-	-	-	61,366
Past due	-	886	1,965	-	2,851
	61,366	886	1,965	-	64,217
Allowance for ECL	(67)	(71)	(1,076)	-	(1,214)
Carrying amount	**61,299**	**815**	**889**	**-**	**63,003**
Total gross amount	751,973	28,594	39,188	-	819,755
Allowance for ECL	(2,556)	(3,226)	(16,075)	-	(21,857)
Carrying amount	**749,417**	**25,368**	**23,113**	**-**	**797,898**
2024					
Corporate loans					
Pass					
AAA to BBB	3,936	-	-	-	3,936
BBB- to B-	359,746	160	227	-	360,133
Watchlisted	31,361	136	833	-	32,330
Especially mentioned	-	6,921	7,647	-	14,568
Substandard	-	-	7,756	-	7,756
Defaulted	-	-	362	-	362
	395,043	7,217	16,825	-	419,085
Allowance for ECL	(956)	(472)	(8,352)	-	(9,780)
Carrying amount	394,087	6,745	8,473	-	409,305
Consumer loans					
Current	154,061		-	-	154,061
1-30 DPD	7,620		-	-	7,620
31-90 DPD	-	5,289	-	-	5,289
Defaulted	-		7,903	-	7,903
	161,681	5,289	7,903	-	174,873
Allowance for ECL	(820)	(515)	(1,669)	-	(3,004)
Carrying amount	160,861	4,774	6,234	-	171,869
Credit cards					
Current	102,931	51	-	-	102,982
1-29 DPD	1,714	19	-	-	1,733
30-59 DPD	-	911	-	-	911
60-89 DPD	-	833	-	-	833
Defaulted	-	-	3,994	-	3,994
	104,645	1,814	3,994	-	110,453
Allowance for ECL	(734)	(891)	(2,804)	-	(4,429)
Carrying amount	103,911	923	1,190	-	106,024
Other receivables					
Current	47,941	-	-	-	47,941
Past due	-	883	2,026	-	2,909
	47,941	883	2,026	-	50,850
Allowance for ECL	(142)	(81)	(1,294)	-	(1,517)
Carrying amount	47,799	802	732	-	49,333
Total gross amount	709,310	15,203	30,748	-	755,261
Allowance for ECL	(2,652)	(1,959)	(14,119)	-	(18,730)
Carrying amount	706,658	13,244	16,629	-	736,531

b) Investments in debt securities at amortized cost and at FVOCI

(Amounts in PHP)	Group		Parent	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2025				
Government securities				
AAA to A+	17,122	9,329	17,122	9,329
BBB+ to BBB-	206,761	79,786	206,761	79,786
	223,883	**89,115**	**223,883**	**89,115**
Corporate debt securities				
AAA	-	567	-	567
AA+ to A+	1,170	-	1,170	-
A to A-	723	-	723	-
BBB+ to BBB-	14,578	4,032	14,578	4,032
BB+ to BB-	12,121	9,963	12,121	9,882
B+ and below	1,371	328	185	294
	29,963	14,890	28,777	14,775
Allowance for ECL	(133)	(15)	(41)	(15)
	29,830	**14,875**	**28,736**	**14,760**
	253,713	**103,990**	**252,619**	**103,875**
2024				
Government securities				
AAA to A+	19,033	45,969	19,033	45,969
BBB+ to BBB-	210,344	94,428	210,344	94,428
	229,377	140,397	229,377	140,397
Corporate debt securities				
AAA	-	536	-	536
AA+ to A+	1,130	-	1,130	-
A to A-	715	-	715	-
BBB+ to BBB-	15,219	3,527	15,219	3,527
BB+ to BB-	12,978	6,122	12,978	6,041
B+ and below	925	3,906	-	3,875
	30,967	14,091	30,042	13,979
Allowance for ECL	(122)	(14)	(32)	(14)
	30,845	14,077	30,010	13,965
	260,222	154,474	259,387	154,362

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:

(Amounts in PHP)	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2025				
Corporate loans				
Pass				
AAA to BBB	14	-	-	14
BBB- to B-	6,752	-	-	6,752
Watchlisted	59	54	3	116
Especially mentioned	-	-	-	-
	6,825	54	3	6,882
Allowance for ECL	(11)	(1)	(2)	(14)
Carrying amount	**6,814**	**53**	**1**	**6,868**
Credit cards				
Current	35,625	-	-	35,625
Allowance for ECL	(450)	-	-	(450)
Carrying amount	**35,175**	**-**	**-**	**35,175**
	41,990	**53**	**1**	**42,044**

(Amounts in PHP)	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2024				
Corporate loans				
Pass				
AAA to BBB	72	-	-	72
BBB- to B-	6,804	-	-	6,804
Watchlisted	123	-	-	123
Especially mentioned	-	10	-	10
	6,999	10	-	7,009
Allowance for ECL	(12)	-	-	(12)
Carrying amount	6,987	10	-	6,997
Credit cards				
Current	30,646	-	-	30,646
Allowance for ECL	(358)	-	-	(358)
Carrying amount	30,288	-	-	30,288
	37,277	10	-	37,287

4.4.7 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).

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Government securities	**10,594**	7,257	**10,589**	7,252
Corporate debt securities	**104**	132	**104**	132
Derivative financial assets	**1,677**	2,067	**1,677**	2,067
	12,375	9,456	**12,370**	9,451

4.4.8 Allowance for ECL

The succeeding tables show the reconciliation of the loss allowance for ECL by class of significant financial instruments.

a) Loans and receivables

(Amounts in PHP)	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2025					
Corporate loans					
Balance at beginning of year	957	472	8,352	16	9,797
Transfers:					
Stage 1 to Stage 2	(80)	80	-	-	-
Stage 1 to Stage 3	(16)	-	16	-	-
Stage 2 to Stage 1	7	(7)	-	-	-
Stage 2 to Stage 3	-	(294)	294	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	402	(402)	-	-
Assets derecognized or repaid	(505)	(62)	(183)	-	(750)
New assets originated:					
Remained in Stage 1	279	-	-	-	279
Moved to Stages 2 and 3	-	459	677	-	1,136
	(314)	578	401	-	665
Balance at end of year	**643**	**1,050**	**8,753**	**16**	**10,462**
Balance forwarded	643	1,050	8,753	16	10,462

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	643	1,050	8,753	16	10,462
Consumer loans					
Balance at beginning of year	820	515	1,669	-	3,004
Transfers:					
Stage 1 to Stage 2	(23)	23	-	-	-
Stage 1 to Stage 3	(26)	-	26	-	-
Stage 2 to Stage 1	110	(110)	-	-	-
Stage 2 to Stage 3		(28)	28	-	-
Stage 3 to Stage 2		33	(33)	-	-
Assets derecognized or repaid	(103)	(99)	(313)		(515)
New assets originated:					
Remained in Stage 1	987	-	-	-	987
Moved to Stages 2 and 3		484	1,081	-	1,565
Write-offs	-	-	(1,024)	-	(1,024)
	945	303	(235)	-	1,013
Balance at end of year	**1,765**	**818**	**1,434**	**-**	**4,017**
Credit cards					
Balance at beginning of year	734	891	2,804	-	4,429
Transfers:					
Stage 1 to Stage 2	(49)	49	-	-	-
Stage 1 to Stage 3	(410)	-	410	-	-
Stage 2 to Stage 1	98	(98)	-	-	-
Stage 2 to Stage 3	-	(929)	929	-	-
Stage 3 to Stage 1	93	-	(93)	-	-
Stage 3 to Stage 2	-	45	(45)	-	-
Assets derecognized or repaid	(1,483)	(576)	(880)	-	(2,939)
New assets originated:					
Remained in Stage 1	1,351	-	-	-	1,351
Moved to Stages 2 and 3	-	1,899	8,201	-	10,100
Write-offs	-	-	(6,758)	-	(6,758)
	(400)	390	1,764	-	1,754
Balance at end of year	**334**	**1,281**	**4,568**	**-**	**6,183**
Leasing and finance receivables*					
Balance at beginning of year	144	25	824	-	993
Transfers:					
Stage 1 to Stage 2	(3)	3	-	-	-
Stage 1 to Stage 3	(10)	-	10	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(14)	14	-	-
Stage 3 to Stage 1	6	-	(6)	-	-
Stage 3 to Stage 2	-	15	(15)	-	-
Assets derecognized or repaid	(25)		(25)	-	(50)
New assets originated:					
Remained in Stage 1	1	-	-	-	1
Moved to Stages 2 and 3	-	134	150	-	284
Write-offs	-	-	(330)	-	(330)
	(29)	136	(202)	-	(95)
Balance at end of year	**115**	**161**	**622**	**-**	**898**
Balance forwarded	2,857	3,310	15,377	16	21,560

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	2,857	3,310	15,377	16	21,560
Micro and small business loans**					
Balance at beginning of year	1	-	92	-	93
Transfers:					
Stage 1 to Stage 2	(1)	1		-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to 3	-	(2)	2	-	-
Stage 3 to 1	1	-	(1)	-	-
Stage 3 to 2	-	2	(2)	-	-
Assets derecognized or repaid	-		(3)	-	(3)
New assets originated:					
Moved to Stages 2 and 3	-	8	25	-	33
Write-offs	-	-	(9)	-	(9)
	(1)	9	13	-	21
Balance at end of year	**-**	**9**	**105**	**-**	**114**
Other receivables					
Balance at beginning of year	143	81	1,590	-	1,814
Transfers:					
Stage 1 to Stage 2	(23)	23	-	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(71)	71	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(210)	(3)	(217)	-	(430)
New assets originated:					
Remained in Stage 1	147		-	-	147
Moved to Stages 2 and 3	-	33	5	-	38
Write-offs	-	-	(187)	-	(187)
	(84)	(9)	(345)	-	(432)
Balance at end of year	**59**	**72**	**1,251**	**-**	**1,382**
	2,916	**3,391**	**16,733**	**16**	**23,056**
2024					
Corporate loans					
Balance at beginning of year	923	222	7,891	16	9,052
Transfers:					
Stage 1 to Stage 2	(8)	8	-	-	-
Stage 1 to Stage 3	(63)	-	63	-	-
Stage 2 to Stage 1	7	(7)	-	-	-
Stage 2 to Stage 3	-	(107)	107	-	-
Stage 3 to Stage 2	-	355	(355)	-	-
Assets derecognized or repaid	(667)	(217)	(38)	-	(922)
New assets originated:					
Remained in Stage 1	765	-		-	765
Moved to Stages 2 and 3	-	218	684	-	902
	34	250	461	-	745
Balance at end of year	957	472	8,352	16	9,797
Balance forwarded	957	472	8,352	16	9,797

	Group				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	957	472	8,352	16	9,797
Consumer loans					
Balance at beginning of year	558	280	1,187	-	2,025
Transfers:					
Stage 1 to Stage 2	(57)	57	-	-	-
Stage 1 to Stage 3	(139)	-	139	-	-
Stage 2 to Stage 1	130	(130)	-	-	-
Stage 2 to Stage 3	-	(145)	145	-	-
Stage 3 to Stage 2	-	29	(29)	-	-
Assets derecognized or repaid	(149)	(61)	(272)	-	(482)
New assets originated:					
Remained in Stage 1	477	-	-	-	477
Moved to Stages 2 and 3	-	485	607	-	1,092
Write-offs	-	-	(108)	-	(108)
	262	235	482	-	979
Balance at end of year	820	515	1,669	-	3,004
Credit cards					
Balance at beginning of year	886	747	2,018	-	3,651
Transfers:					
Stage 1 to Stage 2	(40)	40	-	-	-
Stage 1 to Stage 3	(252)	-	252	-	-
Stage 2 to Stage 1	76	(76)	-	-	-
Stage 2 to Stage 3	-	(623)	623	-	-
Stage 3 to Stage 1	50	-	(50)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(1,046)	(396)	(524)	-	(1,966)
New assets originated:					
Remained in Stage 1	1,060	-	-	-	1,060
Moved to Stages 2 and 3	-	1,148	5,508	-	6,656
Write-offs	-	-	(4,972)	-	(4,972)
	(152)	144	786	-	778
Balance at end of year	734	891	2,804	-	4,429
*Leasing and finance receivables**					
Balance at beginning of year	85	235	716	-	1,036
Transfers:					
Stage 1 to Stage 2	(3)	3	-	-	-
Stage 1 to Stage 3	(10)	-	10	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 2 to Stage 3	-	(66)	66	-	-
Stage 3 to Stage 1	2	-	(2)	-	-
Assets derecognized or repaid	(25)	(147)	(119)	-	(291)
New assets originated:					
Remained in Stage 1	94	-	-	-	94
Moved to Stages 2 and 3	-	1	174	-	175
Write-offs	-	-	(21)	-	(21)
	59	(210)	108	-	(43)
Balance at end of year	144	25	824	-	993
Balance forwarded	2,655	1,903	13,649	16	18,223

	Group				
(Amount in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	2,655	1,903	13,649	16	18,223
*Micro and small business loans***					
Balance at beginning of year	1	1	66	-	68
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to 3	-	(2)	2	-	-
Stage 3 to 1	1	-	(1)	-	-
Stage 3 to 2	-	2	(2)	-	-
Assets derecognized or repaid	-	(3)	(10)	-	(13)
New assets originated:					
Remained in Stage 1	1	-	-	-	1
Moved to Stages 2 and 3	-	1	39	-	40
Write-offs	-	-	(3)	-	(3)
	-	(1)	26	-	25
Balance at end of year	1	-	92	-	93
Other receivables					
Balance at beginning of year	188	29	1,346	-	1,563
Transfers:					
Stage 1 to Stage 2	(59)	59	-	-	-
Stage 1 to Stage 3	(2)	-	2	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(44)	44	-	-
Stage 3 to Stage 2	-	26	(26)	-	-
Assets derecognized or repaid	(9)	(39)	(203)	-	(251)
New assets originated:					
Remained in Stage 1	23	-	-	-	23
Moved to Stages 2 and 3	-	52	427	-	479
	(45)	52	244	-	251
Balance at end of year	143	81	1,590	-	1,814
	2,799	1,984	15,331	16	20,130

	Parent Company				
(Amount in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2025					
Corporate loans					
Balance at beginning of year	956	472	8,352	-	9,780
Transfers:					
Stage 1 to Stage 2	(80)	80	-	-	-
Stage 1 to Stage 3	(16)	-	16	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 2 to Stage 3	-	(294)	294	-	-
Stage 3 to Stage 1	1	-	(1)		-
Stage 3 to Stage 2	-	402	(402)	-	-
Assets derecognized or repaid	(682)	(46)	(751)	-	(1,479)
New assets originated:					
Remained in Stage 1	210	-	-	-	210
Moved to Stages 2 and 3	-	444	3,416	-	3,860
Write-offs	-	(1)	(1,927)	-	(1,928)
	(566)	584	645	-	663
Balance at end of year	**390**	**1,056**	**8,997**	**-**	**10,443**
Balance forwarded	390	1,056	8,997	-	10,443

	Parent Company				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	390	1,056	8,997	-	10,443
Consumer loans					
Balance at beginning of year	820	515	1,669	-	3,004
Transfers:					
Stage 1 to Stage 2	(23)	23	-	-	-
Stage 1 to Stage 3	(26)	-	26	-	-
Stage 2 to Stage 1	110	(110)	-	-	-
Stage 2 to Stage 3	-	(28)	28	-	-
Stage 3 to Stage 2	-	33	(33)	-	-
Assets derecognized or repaid	(103)	(99)	(313)	-	(515)
New assets originated:					
Remained in Stage 1	987	-	-	-	987
Moved to Stages 2 and 3	-	484	1,081	-	1,565
Write-offs	-	-	(1,024)	-	(1,024)
	945	303	(235)	-	1,013
Balance at end of year	**1,765**	**818**	**1,434**	**-**	**4,017**
Credit cards					
Balance at beginning of year	734	891	2,804	-	4,429
Transfers:					
Stage 1 to Stage 2	(49)	49	-	-	-
Stage 1 to Stage 3	(410)	-	410	-	-
Stage 2 to Stage 1	98	(98)	-	-	-
Stage 2 to Stage 3	-	(929)	929	-	-
Stage 3 to Stage 1	93	-	(93)	-	-
Stage 3 to Stage 2	-	45	(45)	-	-
Assets derecognized or repaid	(1,483)	(576)	(880)	-	(2,939)
New assets originated:				-	-
Remained in Stage 1	1,351	-	-	-	1,351
Moved to Stages 2 and 3	-	1,899	8,201	-	10,100
Write-offs	-	-	(6,758)	-	(6,758)
	(400)	390	1,764	-	1,754
Balance at end of year	**334**	**1,281**	**4,568**	**-**	**6,183**
Other receivables					
Balance at beginning of year	142	81	1,294	-	1,517
Transfers:					
Stage 1 to Stage 2	(23)	23	-	-	-
Stage 2 to Stage 1	3	(3)	-	-	-
Stage 2 to Stage 3	-	(72)	72	-	-
Stage 3 to Stage 2	-	12	(12)	-	-
Assets derecognized or repaid	(202)	(3)	(224)	-	(429)
New assets originated:					
Remained in Stage 1	147	-	-	-	147
Moved to Stages 2 and 3	-	33	133	-	166
Write-offs	-	-	(187)		(187)
	(75)	(10)	(218)	-	(303)
Balance at end of year	**67**	**71**	**1,076**	**-**	**1,214**
	2,556	**3,226**	**16,075**	**-**	**21,857**

	Parent Company				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2024					
Corporate loans					
Balance at beginning of year	923	222	7,890	-	9,035
Transfers:					
Stage 1 to Stage 2	(8)	8	-	-	-
Stage 1 to Stage 3	(63)	-	63	-	-
Stage 2 to Stage 1	7	(7)	-	-	-
Stage 2 to Stage 3	-	(107)	107	-	-
Stage 3 to Stage 2	-	355	(355)	-	-
Assets derecognized or repaid	(667)	(217)	(38)	-	(922)
New assets originated:					
Remained in Stage 1	764	-	-	-	764
Moved to Stages 2 and 3	-	218	685	-	903
	33	250	462	-	745
Balance at end of year	956	472	8,352	-	9,780
Consumer loans					
Balance at beginning of year	558	280	1,187	-	2,025
Transfers:					
Stage 1 to Stage 2	(57)	57	-	-	-
Stage 1 to Stage 3	(139)	-	139	-	-
Stage 2 to Stage 1	130	(130)	-	-	-
Stage 2 to Stage 3	-	(145)	145	-	-
Stage 3 to Stage 2	-	29	(29)	-	-
Assets derecognized or repaid	(149)	(61)	(272)	-	(482)
New assets originated:					
Remained in Stage 1	477	-	-	-	477
Moved to Stages 2 and 3	-	485	607	-	1,092
Write-offs	-	-	(108)	-	(108)
	262	235	482	-	979
Balance at end of year	820	515	1,669	-	3,004
Credit cards					
Balance at beginning of year	886	747	2,018	-	3,651
Transfers:					
Stage 1 to Stage 2	(40)	40	-	-	-
Stage 1 to Stage 3	(252)	-	252	-	-
Stage 2 to Stage 1	76	(76)	-	-	-
Stage 2 to Stage 3	-	(623)	623	-	-
Stage 3 to Stage 1	50	-	(50)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(1,046)	(396)	(524)	-	(1,966)
New assets originated:					
Remained in Stage 1	1,060	-	-	-	1,060
Moved to Stages 2 and 3		1,148	5,508	-	6,656
Write-offs	-	-	(4,972)	-	(4,972)
	(152)	144	786	-	778
Balance at end of year	734	891	2,804	-	4,429
Balance forwarded	2,510	1,878	12,825	-	17,213

	Parent Company				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	2,510	1,878	12,825	-	17,213
Other receivables					
Balance at beginning of year	187	29	1,094	-	1,310
Transfers:					
Stage 1 to Stage 2	(59)	59	-	-	-
Stage 1 to Stage 3	(2)		2	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(44)	44	-	-
Stage 3 to Stage 2	-	26	(26)	-	-
Assets derecognized or repaid	(9)	(39)	(205)	-	(253)
New assets originated:					
Remained in Stage 1	23	-	-	-	23
Moved to Stages 2 and 3		52	385	-	437
	(45)	52	200	-	207
Balance at end of year	142	81	1,294	-	1,517
	2,652	1,959	14,119	-	18,730

Presented below and in the succeeding page are the composition of allowance for ECL as by loan portfolio (see Note 11):

	Group		**Parent Company**	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Corporate	**10,462**	9,797	**10,443**	9,780
Credit card receivables	**6,183**	4,429	**6,183**	4,429
Consumer	**4,017**	3,004	**4,017**	3,004
Leasing and finance	**898**	993	**-**	-
Microfinance and small business	**114**	93	**-**	-
Other receivables	**1,382**	1,814	**1,214**	1,517
	23,056	20,130	**21,857**	18,730

b) Investments in debt securities at amortized cost and at FVOCI

	Group			
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Amortized cost				
2025				
Balance at beginning of year	120	2	-	122
Net remeasurement of loss allowance	11	-	-	11
Balance at end of year	**131**	2	**-**	**133**
2024				
Balance at beginning of year	161	-	-	161
Transfer – Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(39)	-	-	(39)
Balance at end of year	120	2	-	122

(Amounts in PHP)	Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Amortized cost				
2025				
Balance at beginning of year	30	2	-	32
Net remeasurement of loss allowance	11	(2)	-	9
Balance at end of year	**41**	**-**	**-**	**41**
2024				
Balance at beginning of year	71	-	-	71
Transfer — Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(39)	-	-	(39)
Balance at end of year	30	2	-	32

(Amounts in PHP)	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
FVOCI				
2025				
Balance at beginning of year	4	10	-	14
Transfer — Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(1)	2	-	1
Balance at end of year	**1**	**14**	**-**	**15**
2024				
Balance at beginning of year	13	-	-	13
Transfer — Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(7)	8	-	1
Balance at end of year	4	10	-	14

c) Loan commitments

(Amounts in PHP)	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2025				
Corporate loans				
Balance at beginning of year	12	-	-	12
Transfers:				
Stage 1 to Stage 2	(2)	2	-	-
Stage 2 to Stage 3	-	(2)	2	-
Assets derecognized or repaid	(7)	-	-	(7)
New assets originated — Remained in Stage 1	8	1	-	9
	1	1	2	2
Balance at end of year	**11**	**1**	**2**	**14**
Credit cards				
Balance at beginning of year	358	-	-	358
New assets originated — Remained in Stage 1	92	-	-	92
Balance at end of year	**450**	**-**	**-**	**450**
	461	**1**	**2**	**464**

(Amounts in PHP)	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2024				
Corporate loans				
Balance at beginning of year	11	-	-	11
Assets derecognized or repaid	(8)	-	-	(8)
New assets originated — Remained in Stage 1	9	-	-	9
	1	-	-	1
Balance at end of year	12	-	-	12
Credit cards				
Balance at beginning of year	293	-	-	293
New assets originated — Remained in Stage 1	65	-	-	65
Balance at end of year	358	-	-	358
	370	-	-	370

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 4.4.9.

4.4.9 Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables in the succeeding pages provide information how the significant changes in the gross carrying amount of financial instruments in 2025 and 2024 contributed to the changes in the allowance for ECL.

a) Loans and receivables

(Amounts in PHP)	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2025					
Corporate loans					
Balance at beginning of year	395,971	7,283	18,470	20	421,744
Transfers:					
Stage 1 to Stage 2	(7,775)	7,775	-	-	-
Stage 1 to Stage 3	(1,954)	-	1,954	-	-
Stage 2 to Stage 1	57	(57)	-	-	-
Stage 2 to Stage 3	-	(4,094)	4,094	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	619	(619)	-	-
Assets derecognized or repaid	(199,729)	(844)	(4,363)	-	(204,936)
New assets originated:					
Remained in Stage 1	160,284	-	-	-	160,284
Moved to Stages 2 and 3	-	9,352	1,695	-	11,047
	(49,116)	12,751	2,760	-	(33,605)
Balance at end of year	**346,855**	**20,034**	**21,230**	**20**	**388,139**
Balance forwarded	346,855	20,034	21,230	20	388,139

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	346,855	20,034	21,230	20	388,139
Consumer loans					
Balance at beginning of year	161,681	5,289	7,903	-	174,873
Transfers:					
Stage 1 to Stage 2	(4,466)	4,466	-	-	-
Stage 1 to Stage 3	(3,460)	-	3,460	-	-
Stage 2 to Stage 1	1,710	(1,710)	-	-	-
Stage 2 to Stage 3	-	(1,454)	1,454	-	-
Stage 3 to Stage 2	-	436	(436)	-	-
Assets derecognized or repaid	(11,227)	(3,487)	(2,166)	-	(16,880)
New assets originated:					
Remained in Stage 1	63,222	-	-	-	63,222
Moved to Stages 2 and 3	-	1,692	1,828	-	3,520
Write-offs	-	-	(1,025)	-	(1,025)
	45,779	(57)	3,115	-	48,837
Balance at end of year	**207,460**	**5,232**	**11,018**	**-**	**223,710**
Credit cards					
Balance at beginning of year	104,645	1,814	3,994	-	110,453
Transfers:					
Stage 1 to Stage 2	(1,796)	1,796	-	-	-
Stage 1 to Stage 3	(6,887)	-	6,887	-	-
Stage 2 to Stage 1	195	(195)	-	-	-
Stage 2 to Stage 3	-	(1,567)	1,567	-	-
Stage 3 to Stage 1	128	-	(128)	-	-
Stage 3 to Stage 2	-	58	(58)	-	-
Assets derecognized or repaid	(225,638)	(1,118)	(1,385)	-	(228,141)
New assets originated:					
Remained in Stage 1	266,001	-	-	-	266,001
Moved to Stages 2 and 3	-	1,720	2,522	-	4,242
Write-offs	-	-	(6,758)	-	(6,758)
	32,003	694	2,647	-	35,344
Balance at end of year	**136,648**	**2,508**	**6,641**	**-**	**145,797**
Leasing and finance receivables*					
Balance at beginning of year	1,151	134	1,116	-	2,401
Transfers:					
Stage 1 to Stage 2	(18)	18	-	-	-
Stage 1 to Stage 3	(19)	-	20	-	-
Stage 2 to Stage 3	-	(9)	9	-	-
Stage 3 to Stage 2	-	196	(196)	-	-
Assets derecognized or repaid	(944)	(18)	(572)	-	(1,534)
New assets originated:					
Remained in Stage 1	657	-	-	-	657
Moved to Stages 2 and 3	-	282	800	-	1,082
Write-offs	-	-	(330)	-	(330)
	(324)	469	(270)	-	(125)
Balance at end of year	**827**	**603**	**846**	**-**	**2,276**
Balance carried forward	691,790	28,377	39,735	20	759,922

	Group				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance forwarded	691,790	28,377	39,735	20	759,922
Micro and small business loans **					
Balance at beginning of year	892	50	221	-	1,163
Transfers:					
Stage 1 to Stage 2	(12)	12	-	-	-
Stage 1 to Stage 3	(43)	-	43	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 2 to Stage 3	-	(18)	18	-	-
Stage 3 to Stage 1	2	-	(2)	-	-
Stage 3 to Stage 2	-	1	(1)	-	-
Assets derecognized or repaid	(661)	(14)	(54)	-	(729)
New assets originated:					
Remained in Stage 1	778	-	-	-	778
Moved to Stages 2 and 3	-	46	57	-	103
Write-offs	-	-	-	-	-
	65	26	61	-	152
Balance at end of year	**957**	**76**	**282**	**-**	**1,315**
Other receivables					
Balance at beginning of year	48,794	883	2,316	-	51,993
Transfers:				-	
Stage 1 to Stage 2	(79)	79		-	-
Stage 1 to Stage 3	(66)	-	66	-	-
Stage 2 to Stage 1	34	(34)	-	-	-
Stage 2 to Stage 3	-	(379)	379	-	-
Stage 3 to Stage 2	-	32	(32)	-	-
Assets derecognized or repaid	(1,678)	(171)	(692)	-	(2,541)
New assets originated:					
Remained in Stage 1	15,217	-	-	-	15,217
Moved to Stages 2 and 3	-	476	273	-	749
Write offs	-	-	(187)	-	(187)
	13,428	3	(193)	-	13,238
Balance at end of year	**62,222**	**886**	**2,123**	-	**65,231**
	754,969	**29,339**	**42,140**	**20**	**826,468**

(Amounts in PHP)	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
2024					
Corporate loans					
Balance at beginning of year	394,872	5,435	13,984	20	414,311
Transfers:					
Stage 1 to Stage 2	(1,256)	1,256	-	-	-
Stage 1 to Stage 3	(3,034)	-	3,034	-	-
Stage 2 to Stage 1	271	(271)	-	-	-
Stage 2 to Stage 3	-	(2,117)	2,117	-	-
Stage 3 to Stage 1	5	-	(5)	-	-
Stage 3 to Stage 2	-	709	(709)	-	-
Assets derecognized or repaid	(228,997)	(1,323)	(1,254)	-	(231,574)
New assets originated:					
Remained in Stage 1	234,110	-	-	-	234,110
Moved to Stages 2 and 3	-	3,594	1,303	-	4,897
	1,099	1,848	4,486	-	7,433
Balance at end of year	395,971	7,283	18,470	20	421,744
Consumer loans					
Balance at beginning of year	118,194	3,686	6,987	-	128,867
Transfers:					
Stage 1 to Stage 2	(3,409)	3,409	-	-	-
Stage 1 to Stage 3	(2,836)	-	2,836	-	-
Stage 2 to Stage 1	1,123	(1,123)	-	-	-
Stage 2 to Stage 3	-	(1,276)	1,276	-	-
Stage 3 to Stage 2	-	311	(311)	-	-
Assets derecognized or repaid	(6,477)	(428)	(3,499)	-	(10,404)
New assets originated:					
Remained in Stage 1	55,086	-	-	-	55,086
Moved to Stages 2 and 3	-	710	722	-	1,432
Write-offs	-	-	(108)	-	(108)
	43,487	1,603	916	-	46,006
Balance at end of year	161,681	5,289	7,903	-	174,873
Credit cards					
Balance at beginning of year	70,864	1,247	2,556	-	74,667
Transfers:					
Stage 1 to Stage 2	(1,283)	1,283	-	-	-
Stage 1 to Stage 3	(4,208)	-	4,208	-	-
Stage 2 to Stage 1	144	(144)	-	-	-
Stage 2 to Stage 3	-	(1,053)	1,053	-	-
Stage 3 to Stage 1	68	-	(68)	-	-
Stage 3 to Stage 2	-	64	(64)	-	-
Assets derecognized or repaid	(170,466)	(931)	(779)	-	(172,176)
New assets originated:					
Remained in Stage 1	209,526	-	-	-	209,526
Moved to Stages 2 and 3	-	1,348	2,060	-	3,408
Write-offs	-	-	(4,972)	-	(4,972)
	33,781	567	1,438	-	35,786
Balance at end of year	104,645	1,814	3,994	-	110,453
Balance carried forward	662,297	14,386	30,637	-	707,320

	Group				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance forwarded	662,297	14,386	30,637	-	707,320
*Leasing and finance receivables**					
Balance at beginning of year	648	1,216	937	-	2,801
Transfers:					
Stage 1 to Stage 2	(44)	44	-	-	-
Stage 1 to Stage 3	(247)	-	247	-	-
Stage 2 to Stage 1	9	(9)	-	-	-
Stage 2 to Stage 3		(122)	122	-	-
Stage 3 to Stage 1	2	-	(2)	-	-
Assets derecognized or repaid	(986)	(1,002)	(469)	-	(2,457)
New assets originated:					
Remained in Stage 1	1,769	-	-	-	1,769
Moved to Stages 2 and 3	-	7	302	-	309
Write-offs	-	-	(21)		(21)
	503	(1,082)	179	-	(400)
Balance at end of year	1,151	134	1,116	-	2,401
*Micro and small business loans***					
Balance at beginning of year	994	79	203	-	1,276
Transfers:					
Stage 1 to Stage 2	(9)	9	-	-	-
Stage 1 to Stage 3	(22)	-	22	-	-
Stage 2 to Stage 1	16	(16)	-	-	-
Stage 2 to Stage 3	-	(21)	21	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	6	(6)	-	-
Assets derecognized or repaid	(726)	(39)	(63)	-	(828)
New assets originated:					
Remained in Stage 1	638	-	-	-	638
Moved to Stages 2 and 3	-	32	48	-	80
Write-offs	-	-	(3)	-	(3)
	(102)	(29)	18	-	(113)
Balance at end of year	892	50	221	-	1,163
Other receivables					
Balance at beginning of year	43,050	344	2,008	-	45,402
Transfers:				-	
Stage 1 to Stage 2	(620)	620	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	26	(26)	-	-	-
Stage 2 to Stage 3	-	(465)	465	-	-
Stage 3 to Stage 2	-	58	(58)	-	-
Assets derecognized or repaid	(3,762)	(517)	(813)	-	(5,092)
New assets originated:					
Remained in Stage 1	10,168	-	-	-	10,168
Moved to Stages 2 and 3	-	869	646	-	1,515
	5,744	539	308	-	6,591
Balance at end of year	48,794	883	2,316	-	51,993
	713,134	15,453	34,020	20	762,627

(Amounts in PHP)	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
2025					
Corporate loans					
Balance at beginning of year	395,043	7,217	16,825	-	419,085
Transfers:					
Stage 1 to Stage 2	(7,775)	7,775	-	-	-
Stage 1 to Stage 3	(1,954)	-	1,954	-	-
Stage 2 to Stage 1	57	(57)	-	-	-
Stage 2 to Stage 3	-	(4,094)	4,094	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	619	(619)	-	-
Assets derecognized or repaid	(222,627)	(1,746)	(4,624)	-	(228,997)
New assets originated:					
Remained in Stage 1	183,754	-	-	-	183,754
Moved to Stages 2 and 3	-	10,254	1,935	-	12,189
	(48,544)	12,751	2,739	-	(33,054)
Balance at end of year	**346,499**	**19,968**	**19,564**	**-**	**386,031**
Consumer loans					
Balance at beginning of year	161,681	5,289	7,903	-	174,873
Transfers:					
Stage 1 to Stage 2	(4,466)	4,466	-	-	-
Stage 1 to Stage 3	(3,460)	-	3,460	-	-
Stage 2 to Stage 1	1,710	(1,710)	-	-	-
Stage 2 to Stage 3	-	(1,454)	1,454	-	-
Stage 3 to Stage 2	-	436	(436)	-	-
Assets derecognized or repaid	(11,227)	(3,487)	(2,166)	-	(16,880)
New assets originated:					
Remained in Stage 1	63,222	-	-	-	63,222
Moved to Stages 2 and 3	-	1,692	1,828	-	3,520
Write-offs	-	-	(1,025)		(1,025)
	45,779	(57)	3,115	-	48,837
Balance at end of year	**207,460**	**5,232**	**11,018**	**-**	**223,710**
Credit cards					
Balance at beginning of year	104,645	1,814	3,994	-	110,453
Transfers:					
Stage 1 to Stage 2	(1,796)	1,796	-	-	-
Stage 1 to Stage 3	(6,887)	-	6,887	-	-
Stage 2 to Stage 1	195	(195)	-	-	-
Stage 2 to Stage 3	-	(1,567)	1,567	-	-
Stage 3 to Stage 1	128	-	(128)	-	-
Stage 3 to Stage 2	-	58	(58)	-	-
Assets derecognized or repaid	(225,638)	(1,118)	(1,385)	-	(228,141)
New assets originated:					
Remained in Stage 1	266,001	-	-	-	266,001
Moved to Stages 2 and 3	-	1,720	2,522	-	4,242
Write-offs	-	-	(6,758)	-	(6,758)
	32,003	694	2,647	-	35,344
Balance at end of year	**136,648**	**2,508**	**6,641**	**-**	**145,797**
Balance forwarded	690,607	27,708	37,223	-	755,538

	Parent Company				
(Amounts in PHP)	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
Balance carried forward	690,607	27,708	37,223	-	755,538
Other receivables					
Balance at beginning of year	47,941	883	2,026	-	50,850
Transfers:					
Stage 1 to Stage 2	(79)	79	-	-	-
Stage 1 to Stage 3	(66)	-	66	-	-
Stage 2 to Stage 1	34	(34)	-	-	-
Stage 2 to Stage 3	-	(379)	379	-	-
Stage 3 to Stage 2	-	32	(32)	-	-
Assets derecognized or repaid	(1,264)	(171)	(401)	-	(1,836)
New assets originated:					
Remained in Stage 1	14,800	-	-	-	14,800
Moved to Stages 2 and 3	-	476	114	-	590
Write-off	-	-	(187)	-	(187)
	13,425	3	(61)	-	13,367
Balance at end of year	**61,366**	**886**	**1,965**	**-**	**64,217**
	751,973	**28,594**	**39,188**	**-**	**819,755**
2024					
Corporate loans					
Balance at beginning of year	393,983	4,623	13,100	-	411,706
Transfers:					
Stage 1 to Stage 2	(1,213)	1,213	-	-	-
Stage 1 to Stage 3	(2,663)	-	2,663	-	-
Stage 2 to Stage 1	266	(266)	-	-	-
Stage 2 to Stage 3	-	(1,609)	1,609	-	-
Stage 3 to Stage 2	-	709	(709)	-	-
Assets derecognized or repaid	(228,997)	(1,323)	(1,254)	-	(231,574)
New assets originated:					
Remained in Stage 1	233,667	-	-	-	233,667
Moved to Stages 2 and 3	-	3,870	1,416	-	5,286
	1,060	2,594	3,725	-	7,379
Balance at end of year	395,043	7,217	16,825	-	419,085
Balance forwarded	395,043	7,217	16,825	-	419,085

	Parent Company				
(Amounts in PHP)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Balance carried forward	395,043	7,217	16,825	-	419,085
Consumer loans					
Balance at beginning of year	118,194	3,686	6,987	-	128,867
Transfers:					
Stage 1 to Stage 2	(3,409)	3,409	-	-	-
Stage 1 to Stage 3	(2,836)	-	2,836	-	-
Stage 2 to Stage 1	1,123	(1,123)	-	-	-
Stage 2 to Stage 3	-	(1,276)	1,276	-	-
Stage 3 to Stage 2	-	311	(311)	-	-
Assets derecognized or repaid	(6,477)	(428)	(3,499)	-	(10,404)
New assets originated:					
Remained in Stage 1	55,086	-	-	-	55,086
Moved to Stages 2 and 3	-	710	722	-	1,432
Write-offs	-	-	(108)	-	(108)
	43,487	1,603	916	-	46,006
Balance at end of year	161,681	5,289	7,903	-	174,873
Credit cards					
Balance at beginning of year	70,864	1,247	2,556	-	74,667
Transfers:					
Stage 1 to Stage 2	(1,283)	1,283	-	-	-
Stage 1 to Stage 3	(4,208)	-	4,208	-	-
Stage 2 to Stage 1	144	(144)	-	-	-
Stage 2 to Stage 3	-	(1,053)	1,053	-	-
Stage 3 to Stage 1	68	-	(68)	-	-
Stage 3 to Stage 2	-	64	(64)	-	-
Assets derecognized or repaid	(170,466)	(931)	(779)	-	(172,176)
New assets originated:					
Remained in Stage 1	209,526	-	-	-	209,526
Moved to Stages 2 and 3	-	1,348	2,060	-	3,408
Write-offs	-	-	(4,972)	-	(4,972)
	33,781	567	1,438	-	35,786
Balance at end of year	104,645	1,814	3,994	-	110,453
Other receivables					
Balance at beginning of year	42,401	344	1,717	-	44,462
Transfers:					
Stage 1 to Stage 2	(620)	620	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	26	(26)	-	-	-
Stage 2 to Stage 3	-	(465)	465	-	-
Stage 3 to Stage 2	-	58	(58)	-	-
Assets derecognized or repaid	(3,964)	(517)	(813)	-	(5,294)
New assets originated:					
Remained in Stage 1	10,166	-	-	-	10,166
Moved to Stages 2 and 3	-	869	647	-	1,516
	5,540	539	309	-	6,388
Balance at end of year	47,941	883	2,026	-	50,850
	709,310	15,203	30,748	-	755,261

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

(Amounts in PHP)	Group		Parent Company	
	HTC	**FVOCI**	**HTC**	**FVOCI**
2025				
Balance at beginning of year	260,344	154,488	259,419	154,376
Assets purchased	7,807	234,682	757	234,443
Assets derecognized	(14,305)	(287,275)	(7,516)	(287,127)
Fair value gain	-	2,110	-	2,198
Balance at end of year	**253,846**	**104,005**	**252,660**	**103,890**
2024				
Balance at beginning of year	236,810	78,533	235,835	78,431
Assets purchased	26,208	391,742	24,213	391,718
Assets derecognized	(2,674)	(315,409)	(629)	(315,400)
Fair value loss	-	(378)	-	(373)
Balance at end of year	260,344	154,488	259,419	154,376

c) Loan Commitments

(Amounts in PHP)	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2025				
Corporate loans				
Balance at beginning of year	6,999	10	-	7,009
Transfer:				
Stage 1 to Stage 2	(121)	121	-	-
Stage 2 to Stage 3	-	(7)	7	-
Assets derecognized or repaid	(5,358)	(71)	(4)	(5,433)
New assets originated:				
Remained in Stage 1	5,305	-	-	5,305
Moved to Stage 2	-	1	-	1
Balance at end of year	**6,825**	**54**	**3**	**6,882**
Credit cards				
Balance at beginning of year	30,646	-	-	30,646
New assets originated –				
Remained in Stage 1	4,979	-	-	4,979
Balance at end of year	**35,625**	**-**	**-**	**35,625**
	42,450	**54**	**3**	**42,507**

(Amounts in PHP)	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2024				
Corporate loans				
Balance at beginning of year	8,282	3	-	8,285
Transfer:				
Stage 1 to Stage 2	(5)	5	-	-
Assets derecognized or repaid	(6,417)	-	-	(6,417)
New assets originated:				
Remained in Stage 1	5,139	-	-	5,139
Moved to Stage 2	-	2	-	2
Balance at end of year	6,999	10	-	7,009
Credit cards				
Balance at beginning of year	23,718	-	-	23,718
New assets originated – Remained in Stage 1	6,928	-	-	6,928
Balance at end of year	30,646	-	-	30,646
	37,645	10	-	37,655

4.4.10 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, 2025 and 2024.

The estimated fair value of collateral and other security enhancements held against the loan portfolio as of December 31 are presented below and in the succeeding page.

(Amounts in PHP)	**Group**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2025				
Real properties	184,398	13,580	9,107	207,085
Chattel	125,182	5,955	5,931	137,068
Hold-out deposits	9,122	687	55	9,864
Equity securities	8,196	2,649	6,133	16,978
Others	236,350	9,810	10,132	256,292
	563,248	**32,681**	**31,358**	**627,287**

(Amounts in PHP)	Group			
	Stage 1	Stage 2	Stage 3	Total
2024				
Real properties	149,001	6,473	10,336	165,810
Chattel	78,222	3,405	5,996	87,623
Hold-out deposits	4,401	7	28	4,436
Equity securities	6,570	270	248	7,088
Others	353,287	1,927	14,647	369,861
	591,481	12,082	31,255	634,818

(Amounts in PHP)	**Parent Company**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2025				
Real properties	182,476	13,332	8,540	204,348
Chattel	123,628	5,399	5,243	134,270
Hold-out deposits	9,064	684	39	9,787
Equity securities	8,196	2,649	6,133	16,978
Others	234,165	9,775	9,395	253,335
	557,529	**31,839**	**29,350**	**618,718**
2024				
Real properties	145,607	6,389	9,576	161,572
Chattel	77,029	3,245	4,785	85,059
Hold-out deposits	4,338	5	21	4,364
Equity securities	6,570	270	248	7,088
Others	351,424	1,691	13,795	366,910
	584,968	11,600	28,425	624,993

The Group and the Parent Company have recognized certain properties arising from foreclosures in settlement of loan account amounting to P1,176 and P1,146, respectively, in 2025 and P972 and P891, respectively, in 2024.

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 2025 and 2024, except for the cessation of accepting dacion in payment in 2024 as a result of the Parent Company's change in ownership structure (see Note 1.1).

4.4.11 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.

The outstanding balance of loans modified under the Bank's restructuring programs in 2025 and 2024 amounted to P23,682 and P22,625, respectively, for the Group, and P20,907 and P21,665, 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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Stage 1 (Performing)				
Corporate	**1,807**	5,696	**1,742**	5,696
Consumer	**2,425**	2,956	**2,425**	2,956
Credit card	**3,053**	1,169	**3,053**	1,169
Leasing and finance	**28**	73	**-**	-
Microfinance and small business	**2**	8	**-**	-
	7,315	9,902	**7,220**	9,821
Stage 2 (Underperforming)				
Corporate	**3,805**	4,205	**3,793**	4,205
Consumer	**847**	789	**847**	789
Credit card	**318**	104	**318**	104
Leasing and finance	**214**	5	**-**	-
Microfinance and small business	**4**	10	**-**	-
	5,188	5,113	**4,958**	5,098
Stage 3 (Nonperforming)				
Corporate	**8,114**	4,930	**7,199**	4,930
Consumer	**1,530**	1,816	**1,530**	1,816
Leasing and finance	**1,451**	777	**-**	-
Microfinance and small business	**84**	87	**-**	-
	11,179	7,610	**8,729**	6,746

(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.

4.4.12 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 2025 and 2024 amounted to P10,205 and P5,104 respectively, for the Group, and P9,865 and P5,080, 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.

4.4.13 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.

4.4.14 Analysis on ECL Measurement

Set out below and in the succeeding pages are the changes to the Group's ECL as of December 31, 2025 and 2024 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**	
(Amounts in PHP)	**Upside Scenario**	**Downside Scenario**	**Upside Scenario**	**Downside Scenario**
2025				
Credit card receivables			**(6,249)**	**7,343**
GDP	**+ 0.50%**	**- 6.00%**		
CPI	**- 0.64**	**+ 6.38**		
Unemployment rate	**- 2.00%**	**+ 9.00%**		
Corporate loans			**(83)**	**8**
Consumer Price Index	**- 0.50%**	**+ 5.00%**		
91D TD bill	**- 0.50%**	**- 5.00%**		
Consumer loans:				
Salary loans			**(493)**	**540**
Unemployment rate	**- 2.00%**	**+ 9.00%**		
USD-Php exchange rate	**+ 3.00**	**- 10.50**		
Inflation rate	**- 0.50%**	**+ 5.00%**		
Bank lending rate	**- 5.70%**	**+ 11.20%**		
Housing loans			**(19)**	**103**
GDP	**+ 0.50%**	**- 6.00%**		
CPI	**- 0.64**	**+ 6.38**		
Unemployment rate	**- 2.00%**	**+ 9.00%**		
Auto loans			**(24)**	**464**
GDP	**+ 0.50%**	**- 6.00%**		
CPI	**- 0.64**	**+ 6.38**		
Unemployment rate	**- 2.00%**	**+ 9.00%**		
Personal loans			**(819)**	**903**
GDP	**+ 0.50%**	**- 1.00%**		
CPI	**- 0.64**	**+ 135.57**		
Unemployment rate	**- 2.00%**	**+ 9.00%**		
2024				
Credit card receivables			(5,498)	6,334
GDP	+ 7.00%	- 0.50%		
CPI	- 131.3	+ 138.36		
Unemployment rate	- 1.00%	+ 12.00%		
Corporate loans			(310)	101
Inflation rate	- 0.50%	+ 5.00%		
91D TD bill	- 0.50%	+ 5.00%		
Consumer loans:				
Salary loans			(319)	786
Unemployment rate	- 1.00%	+ 12.00%		
USD-Php exchange rate	- 55.50	+ 69.00		
Inflation rate	-2.20%	+ 7.70%		
Bank lending rate	-5.65%	+ 11.15%		
Housing loans			(14)	78
GDP	+ 7.00%	- 0.50%		
CPI	- 131.3	+ 138.36		
Unemployment rate	- 3.00%	+ 8.00%		

(Amounts in PHP)	Change in MEVs		Impact on ECL	
	Upside Scenario	Downside Scenario	Upside Scenario	Downside Scenario
Auto loans			(14)	251
GDP	+ 7.00%	- 0.50%		
CPI	- 131.3	+ 138.36		
Unemployment rate	- 3.00%	+ 8.00%		
Personal loans			(442)	665
GDP	+ 7.00%	- 0.50%		
CPI	- 131.3	+ 138.36		
Unemployment rate	- 1.00%	+ 12.00%		

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, as part of the clearing house, 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 (CCO), is the primary control process for regulatory and compliance risk issues. The CCO 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 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 Customer Relationship Management (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. 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 Recent Political and Governance Issues in the Philippines

During 2025, heightened public scrutiny and regulatory actions related to governance and public-sector infrastructure projects in the Philippines led to increased enforcement activity under existing laws on anti-money laundering, fraud, and related financial crimes. These developments resulted in lawful directives affecting certain financial accounts within the banking system and increased regulatory focus on the potential impact of governance-related risks on financial institutions and their counterparties.

The Group considered these developments in the application of significant judgments and estimates, particularly in the assessment of credit risk and the measurement of expected credit losses (ECL) under PFRS 9. The Group's ECL models incorporate forward-looking information, including macroeconomic conditions and sector-specific risks. In 2025, management updated scenario assumptions and applied targeted sector overlays to reflect potential cash-flow disruptions, payment delays, or heightened credit risk among counterparties in certain sectors, including segments of the construction and infrastructure supply chain that may be sensitive to government-related developments.

These updates did not result in changes to the Group's staging criteria but informed refinements to PD and LGD assumptions for affected portfolios and the application of overlays for selected exposures.

Separately, the Group continued to enhance its operational readiness to comply with evolving regulatory requirements related to financial crime prevention, including procedures for responding to lawful orders, temporary account restrictions, and regulatory reporting obligations. These measures did not have a material impact on the Group's financial position as of the reporting date.

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, RCBC 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:

(Amounts in PHP)	Group	Parent Company
2025:		
Tier 1 Capital		
CET 1	125,435	121,657
AT1	3	3
	125,438	121,660
Tier 2 Capital	8,279	8,189
Total Qualifying Capital	**133,717**	**129,849**
Total Risk – Weighted Assets	**924,720**	**912,640**
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	**14.46%**	**14.23%**
Tier 1 Capital Ratio	**13.56%**	**13.33%**
Total CET 1 Ratio	**13.56%**	**13.33%**
2024:		
Tier 1 Capital		
CET 1	118,685	114,963
AT1	14,465	14,465
	133,150	129,428
Tier 2 Capital	7,921	7,830
Total Qualifying Capital	141,071	137,258
Total Risk – Weighted Assets	877,395	865,397
2024: Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	16.08%	15.86%
Tier 1 Capital Ratio	15.18%	14.96%
Total CET 1 Ratio	13.53%	13.28%

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:

(Amounts in PHP)	**Group**	**Parent Company**
2025:		
Tier 1 Capital	**125,438**	**121,660**
Exposure measure	**1,615,520**	**1,603,772**
	7.76%	**7.59%**
2024:		
Tier 1 Capital	133,150	129,428
Exposure measure	1,492,891	1,481,740
	8.92%	8.73%

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%.

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	
(Amounts in PHP)	**Total Unweighted Value**	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**
December 31, 2025				
Total stock of HQLA	**391,541**	**387,609**	**387,677**	**384,052**
Expected Net Cash Outflows*	**1,878,441**	**252,409**	**1,878,720**	**252,856**
Liquidity Coverage Ratio		**153.56%**		**151.89%**
December 31, 2024				
Total stock of HQLA	447,599	440,035	444,607	437,289
Expected Net Cash Outflows*	1,859,531	267,132	1,860,122	267,655
Liquidity Coverage Ratio		164.73%		163.38%

**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 below.

(Amounts in PHP)	**Group**	**Parent Company**
December 31, 2025		
Available stable funding	**914,869**	**909,805**
Required stable funding	**727,884**	**730,741**
Basel III NSFR	**125.69%**	**124.50%**
December 31, 2024		
Available stable funding	879,877	875,392
Required stable funding	662,046	664,648
Basel III NSFR	132.90%	131.71%

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 tables summarize the carrying amounts and corresponding fair values of financial assets and financial liabilities presented in the statements of financial position.

	Group			
	2025		2024	
(Amounts in PHP)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**181,837**	**181,837**	185,369	185,369
Investment securities - net	**253,713**	**237,525**	260,222	237,102
Loans and receivables – net	**761,877**	**782,068**	709,930	732,498
Other resources - net	**1,567**	**1,567**	1,688	1,688
	1,198,994	**1,202,997**	1,157,209	1,156,657
At fair value:				
Investment securities at FVTPL	**12,975**	**12,975**	10,234	10,234
Investment securities at FVOCI	**108,193**	**108,193**	158,630	158,630
	121,168	**121,168**	168,864	168,864
	1,320,162	**1,324,165**	1,326,073	1,325,521
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**1,025,455**	**1,024,236**	1,022,794	1,020,115
Bills payable	**69,631**	**69,631**	86,616	86,616
Bonds payable	**60,322**	**62,070**	26,935	27,086
Accrued interest and other expenses	**11,916**	**11,916**	10,366	10,366
Other liabilities	**26,183**	**26,183**	46,677	46,677
	1,193,507	**1,194,036**	1,193,388	1,190,860
At fair value:				
Derivative financial liabilities	**6,015**	**6,015**	3,635	3,635
	1,199,522	**1,200,051**	1,197,023	1,194,495

	Parent Company			
	2025		2024	
(Amounts in PHP)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**178,240**	**178,240**	182,670	182,670
Investment securities - net	**252,619**	**236,429**	259,387	235,429
Loans and receivables – net	**756,363**	**767,522**	703,964	725,037
Other resources - net	**1,546**	**1,546**	1,669	1,669
	1,188,768	**1,183,737**	1,147,690	1,144,805
At fair value:				
Investment securities at FVTPL	**12,370**	**12,370**	9,525	9,525
Investment securities at FVOCI	**107,559**	**107,559**	157,954	157,954
	119,929	**119,929**	167,479	167,479
	1,308,697	**1,303,666**	1,315,169	1,312,284

	Parent Company			
	2025		2024	
(Amounts in PHP)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**1,025,483**	**1,023,690**	1,022,737	1,020,060
Bills payable	**63,194**	**63,194**	80,928	80,928
Bonds payable	**60,322**	**62,070**	26,935	27,086
Accrued interest and other expenses	**12,088**	**12,088**	11,312	11,312
Other liabilities	**25,352**	**25,352**	45,802	45,802
	1,186,439	**1,186,394**	1,187,714	1,185,188
At fair value –				
Derivative financial liabilities	**6,015**	**6,015**	3,635	3,635
	1,192,454	**1,192,409**	1,191,349	1,188,823

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**		
(Amount in PHP)	Notes		**Financial instruments**	**Collateral received**	**Net amount**
December 31, 2025					
Loans and receivables – Receivable from customers	11	**761,237**	**(15,464)**	**-**	**745,773**
Trading and investment securities – Investment securities at amortized cost	10	**253,713**	**(79,819)**	**-**	**173,894**
Due from other banks – Margin deposits	9	**9,050**	**(1,261)**	**-**	**7,789**
Other resources – Margin deposits	15	**232**	**-**	**(232)**	**-**
December 31, 2024					
Loans and receivables – Receivable from customers	11	710,634	(15,089)	-	695,545
Trading and investment securities – Investment securities at amortized cost	10	260,222	(80,523)	-	179,699
Due from other banks – Margin deposits	9	14,569	(1,587)	-	12,982
Other resources – Margin deposits	15	214	-	(214)	-

		Parent Company			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
(Amounts in PHP)	Notes		Financial instruments	Collateral received	Net amount
December 31, 2025					
Loans and receivables – Receivable from customers	11	**755,538**	**(15,464)**	**-**	**740,074**
Trading and investment securities – Investment securities at amortized cost	10	**252,619**	**(79,819)**	**-**	**172,800**
Due from other banks – Margin deposits	9	**8,916**	**(1,181)**	**-**	**7,735**
Other resources – Margin deposits	15	**232**	**-**	**(232)**	**-**
December 31, 2024					
Loans and receivables – Receivable from customers	11	704,411	(15,089)	-	689,322
Trading and investment securities – Investment securities at amortized cost	10	259,387	(80,523)	-	178,864
Due from other banks – Margin deposits	9	14,433	(1,587)	-	12,846
Other resources – Margin deposits	15	214	-	(214)	-

The following financial liabilities table 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		
(Amounts in PHP)	Notes		Financial instruments	Collateral received	Net amount
December 31, 2025					
Deposit liabilities	17	**1,025,455**	**(15,464)**	**-**	**1,009,991**
Bills payable	18	**69,631**	**(63,785)**	**-**	**5,846**
Other liabilities – Derivative financial liabilities	21	**6,015**	**-**	**(232)**	**5,783**
December 31, 2024					
Deposit liabilities	17	1,022,794	(15,089)	-	1,007,705
Bills payable	18	86,616	(67,238)	-	19,378
Other liabilities – Derivative financial liabilities	21	3,635	-	(214)	3,421

(Amounts in PHP)	Notes	Parent Company Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position Financial instruments	Collateral received	Net amount
December 31, 2025					
Deposit liabilities	17	**1,025,483**	**(15,464)**	**-**	**1,010,019**
Bills payable	18	**63,194**	**(63,194)**	**-**	**-**
Other liabilities – Derivative financial liabilities	21	**6,015**	**-**	**(232)**	**5,783**
December 31, 2024					
Deposit liabilities	17	1,022,737	(15,089)	-	1,007,648
Bills payable	18	80,928	(66,056)	-	14,872
Other liabilities – Derivative financial liabilities	21	3,635	-	(214)	3,421

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) collateralized 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 Accounting Standards, 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 following table 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, 2025 and 2024.

	Group			
(Amounts in PHP)	**Level 1**	**Level 2**	**Level 3**	**Total**
2025				
Financial assets at FVTPL:				
Government securities	9,439	1,155	-	10,594
Equity securities	600	-	-	600
Corporate debt securities	4	100	-	104
Derivative assets	11	1,666	-	1,677
	10,054	**2,921**	**-**	**12,975**
Financial assets at FVOCI:				
Government securities	65,507	23,608	-	89,115
Corporate debt securities	948	13,942	-	14,890
Equity securities	1,340	-	2,848	4,188
	67,795	**37,550**	**2,848**	**108,193**
Total Resources at Fair Value	**77,849**	**40,471**	**2,848**	**121,168**
Derivative liabilities	**-**	**6,015**	**-**	**6,015**

(Amounts in PHP)	Group			
	Level 1	Level 2	Level 3	Total
2024				
Financial assets at FVTPL:				
Government securities	4,952	2,305	-	7,257
Equity securities	778	-	-	778
Corporate debt securities	16	116	-	132
Derivative assets	13	2,054	-	2,067
	5,759	4,475	-	10,234
Financial assets at FVOCI:				
Equity securities	680	871	2,591	4,142
Government securities	66,830	73,567	-	140,397
Corporate debt securities	1,906	12,185	-	14,091
	69,416	86,623	2,591	158,630
Total Resources at Fair Value	75,175	91,098	2,591	168,864
Derivative liabilities	-	3,635	-	3,635

(Amounts in PHP)	**Parent Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
2025				
Financial assets at FVTPL:				
Government securities	9,434	1,155	-	10,589
Corporate debt securities	4	100	-	104
Derivative assets	11	1,666	-	1,677
	9,449	**2,921**	**-**	**12,370**
Financial assets at FVOCI:				
Equity securities	850	-	2,819	3,669
Government securities	65,507	23,608	-	89,115
Corporate debt securities	833	13,942	-	14,775
	67,190	**37,550**	**2,819**	**107,559**
Total Resources at Fair Value	**76,639**	**40,471**	**2,819**	**119,929**
Derivative liabilities	**-**	**6,015**	**-**	**6,015**
2024				
Financial assets at FVTPL:				
Government securities	4,947	2,305	-	7,252
Corporate debt securities	16	116	-	132
Equity securities	74	-	-	74
Derivative assets	13	2,054	-	2,067
	5,050	4,475	-	9,525
Financial assets at FVOCI:				
Equity securities	299	711	2,568	3,578
Government securities	66,830	73,567	-	140,397
Corporate debt securities	1,794	12,185	-	13,979
	68,923	86,463	2,568	157,954
Total Resources at Fair Value	73,973	90,938	2,568	167,479
Derivative liabilities	-	3,635	-	3,635

Described below and in the succeeding pages 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 and Level 2 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; hence, categorized as Level 1 or 2.

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 or observed comparables at the end of each reporting period; hence, categorized within Level 1 or Level 2.

(b) Equity Securities

The fair values of certain equity securities classified as financial assets at FVTPL and at FVOCI as of December 31, 2025 and 2024 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, 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, 2025 and 2024 ranges from 0.28:1 to 2.89:1 and from 0.41:1 to 3.55:1, 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 6.7% and 6.9%, which is based on the latest available weighted cost of capital of the investee company, in 2025 and 2024, 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 2025 and 2024 is shown below.

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Balance at beginning of year	**2,591**	2,480	**2,568**	2,402
Fair value gains - net	**257**	111	**251**	166
Balance at end of year	**2,848**	2,591	**2,819**	2,568

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 2025 and 2024.

(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 and in the succeeding page 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.

(Amount in PHP)	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
2025				
Financial Assets:				
Cash and other cash items	23,656	-	-	23,656
Due from BSP	86,955	-	-	86,955
Due from other banks	9,050	-	-	9,050
Loans arising from reverse repurchase agreements	20,641	-	-	20,641
Interbank loans	41,535	-	-	41,535
Investment securities at amortized cost	209,280	27,149	1,096	237,525
Loans and receivables	-	-	782,068	782,068
Other resources - net	-	-	1,567	1,567
	391,117	**27,149**	**784,731**	**1,202,997**
Financial Liabilities:				
Deposit liabilities	-	-	1,024,236	1,024,236
Bills payable	-	-	69,631	69,631
Bonds payable	-	62,070	-	62,070
Accrued interest and other expense	-	-	11,916	11,916
Other liabilities	-	-	26,183	26,183
	-	**62,070**	**1,131,966**	**1,194,036**

(Amounts in PHP)	Group Level 1	Level 2	Level 3	Total
2024				
Financial Assets:				
Cash and other cash items	23,003	-	-	23,003
Due from BSP	115,230	-	-	115,230
Due from other banks	14,569	-	-	14,569
Interbank loans	32,567	-	-	32,567
Investment securities at amortized cost	43,938	191,491	1,673	237,102
Loans and receivables	-	-	732,498	732,498
Other resources - net	-	-	1,688	1,688
	229,307	191,491	735,859	1,156,657
Financial Liabilities:				
Deposit liabilities	-	-	1,020,115	1,020,115
Bills payable	-	-	86,616	86,616
Bonds payable	-	27,086	-	27,086
Accrued interest and other expense	-	-	10,366	10,366
Other liabilities	-	-	46,677	46,677
	-	27,086	1,163,774	1,190,860

(Amounts in PHP)	**Parent Company** **Level 1**	**Level 2**	**Level 3**	**Total**
2025				
Financial Assets:				
Cash and other cash items	23,417	-	-	23,417
Due from BSP	84,372	-	-	84,372
Due from other banks	8,916	-	-	8,916
Interbank loans	41,535	-	-	41,535
Investment securities at amortized cost	209,280	27,149	-	236,429
Loans and receivables	-	-	767,522	767,522
Loans and receivables arising from reverse repurchase agreement	20,000	-	-	20,000
Other resources - net	-	-	1,546	1,546
	387,520	**27,149**	**769,068**	**1,183,737**
Financial Liabilities:				
Deposit liabilities	-	-	1,023,690	1,023,690
Bills payable	-	-	63,194	63,194
Bonds payable	-	62,070	-	62,070
Accrued interest and other expense	-	-	12,088	12,088
Other liabilities	-	-	25,352	25,352
	-	**62,070**	**1,124,324**	**1,186,394**

(Amounts in PHP)	Parent Company			
	Level 1	Level 2	Level 3	Total
2024				
Financial Assets:				
Cash and other cash items	22,907	-	-	22,907
Due from BSP	112,763	-	-	112,763
Due from other banks	14,433	-	-	14,433
Interbank loans	32,567	-	-	32,567
Investment securities at amortized cost	43,938	191,491	-	235,429
Loans and receivables	-	-	725,037	725,037
Other resources - net	-	-	1,669	1,669
	226,608	191,491	726,706	1,144,805
Financial Liabilities:				
Deposit liabilities	-	-	1,020,060	1,020,060
Bills payable	-	-	80,928	80,928
Bonds payable	-	27,086	-	27,086
Accrued interest and other expense	-	-	11,312	11,312
Other liabilities	-	-	45,802	45,802
	-	27,086	1,158,102	1,185,188

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. The fair value of these securities are categorized within Level 1 and Level 2 of the fair value hierarchy using BVAL reference rates, which are derived using an approach based on a combined sequence of algorithms of direct observations and/or observed comparables, hence, categorized as Level 1 or 2.

(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

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 fair value of the Group's and the Parent Company's land are categorized within Level 3 of the fair value hierarchy, as the observable and recent prices of the reference properties are 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 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.

The fair value of the Group's and the Parent Company's land amounted to nil as of December 31, 2025 and 2024, respectively.

(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.

The fair value of building improvements of the Group and Parent Company amounted to P2,174 and P1,833 as of December 31, 2025 and 2024, respectively.

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 branches 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, salary, 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 portfolios of RCBC 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 the 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 the Parent Company's other business groups and subsidiaries except for RCBC 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 2025 and 2024. However, in 2025, the Group updated the composition of the groups included in each segment for segment reporting purposes to better reflect its core operations in the retail and commercial segments. These changes involved reclassifying certain segments from retail to others, as well as transferring the portion of corporate to other segments. Comparative figures for each segment have been restated in accordance with PFRS 8, *Operating Segments*.

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, 2025, 2024 and 2023 follow:

(Amounts in PHP)	Retail	Corporate	SME	Treasury	Others	Total
2025:						
Revenues						
From external customers						
Interest income	75,696	35,380	11,230	20,614	17,384	160,304
Interest expense	(32,531)	(25,112)	(9,289)	(14,900)	(6,170)	(88,002)
Net interest income	43,165	10,268	1,941	5,714	11,214	72,302
Non-interest income	10,017	1,283	343	1,879	6,332	19,854
	53,182	**11,551**	**2,284**	**7,593**	**17,546**	**92,156**
Intersegment revenues						
Interest income	(4,876)	6	4,877	(6)	39	40
Non-interest income	-	1	-	(2)	1,023	1,022
	(4,876)	7	4,877	(8)	1,062	1,062
Total Revenues	**48,306**	**11,558**	**7,161**	**7,585**	**18,608**	**93,218**
Expenses						
Operating expenses excluding impairment, depreciation and amortization	17,833	3,442	1,417	912	7,082	30,686
Impairment losses – net	11,224	551	2,856	9	4	14,644
Depreciation and amortization	1,525	435	51	29	403	2,443
	30,582	4,428	4,324	950	7,489	47,773
Segment operating income	**17,724**	**7,130**	**2,837**	**6,635**	**11,119**	**45,445**
Total resources	**1,113,659**	**296,453**	**109,618**	**471,369**	**22,158**	**2,013,257**
Total liabilities	**690,484**	**326,028**	**167,538**	**56,970**	**366,727**	**1,607,747**
2024:						
Revenues						
From external customers						
Interest income	71,774	39,661	12,423	21,452	19,054	164,364
Interest expense	(34,088)	(28,969)	(11,221)	(17,366)	(7,276)	(98,920)
Net interest income	37,686	10,692	1,202	4,086	11,778	65,444
Non-interest income	8,524	1,783	322	3,344	5,557	19,530
	46,210	12,475	1,524	7,430	17,335	84,974
Intersegment revenues						
Interest income	(4,958)	6	4,959	(6)	26	27
Non-interest income	-	4	-	(5)	909	909
	4,958	10	4,959	(11)	935	936
Total Revenues	41,252	12,486	6,482	7,419	18,270	85,909
Expenses						
Operating expenses excluding impairment, depreciation and amortization	15,804	3,396	1,489	1,275	6,487	28,451
Impairment losses – net	7,438	(120)	588	-	1	7,907
Depreciation and amortization	1,495	505	61	25	376	2,462
	24,737	3,781	2,138	1,300	6,864	38,820
Segment operating income	16,515	8,704	4,345	6,119	11,406	47,089
Total resources	928,106	299,507	116,725	466,451	20,555	1,831,344
Total liabilities	347,470	353,080	147,739	39,645	343,231	1,231,165

(Amounts in PHP)	Retail	Corporate	SME	Treasury	Others	Total
2023:						
Revenues						
From external customers						
Interest income	58,157	36,729	10,457	20,894	17,426	143,663
Interest expense	(30,092)	(24,205)	(9,867)	(16,450)	(7,311)	(87,925)
Net interest income	28,065	12,524	590	4,444	10,115	55,738
Non-interest income	7,000	4,901	285	935	4,697	17,818
	35,065	17,425	875	5,379	14,812	73,556
Intersegment revenues						
Interest income	(4,386)	4	4,386	(4)	28	28
Non-interest income	-	3	-	(3)	742	742
	(4,386)	7	4,386	(7)	770	770
Total Revenues	30,679	17,432	5,261	5,372	15,582	74,326
Expenses						
Operating expenses excluding impairment, depreciation and amortization	14,026	3,311	1,363	1,493	5,618	25,811
Impairment losses – net	5,014	1,022	692	11	(1)	6,738
Depreciation and amortization	1,180	598	76	23	243	2,120
	20,220	4,931	2,131	1,527	5,860	34,669
Segment operating income	10,459	12,501	3,130	3,845	9,722	39,657
Total resources	766,846	296,688	104,513	468,411	23,806	1,660,264
Total liabilities	583,839	321,394	128,867	90,495	297,612	1,422,207

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.

(Amounts in PHP)	**2025**	2024	2023
Revenues			
Total segment revenues	**93,218**	85,909	74,326
Elimination of intersegment	**(29,941)**	(32,501)	(24,329)
Net revenues as reported in profit or loss	**63,277**	53,408	49,997
Profit or loss			
Total segment operating income	**45,445**	47,089	39,657
Elimination of intersegment	**(34,887)**	(37,569)	(27,440)
Group net profit as reported in profit or loss	**10,558**	9,520	12,217
Resources			
Total segment resources	**2,013,257**	1,831,344	1,660,264
Unallocated resources (elimination of intersegment resources)	**(656,821)**	(471,191)	(421,932)
Total resources	**1,356,436**	1,360,153	1,238,332
Liabilities			
Total segment liabilities	**1,607,747**	1,231,165	1,422,207
Unallocated liabilities (elimination of intersegment liabilities)	**(402,480)**	(29,503)	(336,150)
Total liabilities	**1,205,267**	1,201,662	1,086,057

8.4 Analysis of Secondary Segment Information

Secondary information (by geographical locations) as of and for the years ended December 31, 2025, 2024 and 2023 follow:

(Amounts in PHP)	**Philippines**	**Asia***	**Total**
2025			
Statement of profit or loss			
Total income	**93,192**	**8**	**93,200**
Total expense	**82,619**	**23**	**82,642**
Net profit (loss)	**10,573**	**(15)**	**10,558**
Statement of financial position			
Total resources	**1,356,356**	**80**	**1,356,436**
Total liabilities	**1,205,265**	**2**	**1,205,267**
Other segment information			
Depreciation and amortization	**3,636**	**-**	**3,636**
2024			
Statement of profit or loss			
Total income	89,978	12	89,990
Total expense	80,447	23	80,470
Net profit (loss)	9,531	(11)	9,520
Statement of financial position			
Total resources	1,360,057	96	1,360,153
Total liabilities	1,201,659	3	1,201,662
Other segment information			
Depreciation and amortization	3,379	-	3,379
2023			
Statement of profit or loss			
Total income	82,643	14	82,657
Total expense	70,418	22	70,440
Net profit (loss)	12,225	(8)	12,217
Statement of financial position			
Total resources	1,238,229	103	1,238,332
Total liabilities	1,086,053	4	1,086,057
Other segment information			
Depreciation and amortization	3,365	-	3,365

**Excluding Philippines*

9. CASH AND CASH EQUIVALENTS

The components of Cash and Cash Equivalents follow:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Cash and other cash items	**23,656**	23,003	**23,417**	22,907
Due from BSP	**86,955**	115,230	**84,372**	112,763
Due from other banks	**9,050**	14,569	**8,916**	14,433
Interbank loans receivables (see Note 11)	**41,535**	32,567	**41,535**	32,567
Loans arising from reverse repurchase agreements	**20,641**	-	**20,000**	-
	181,837	185,369	**178,240**	182,670

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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Overnight deposit	**50,901**	25,927	**50,699**	25,800
Demand deposit and secured settlement accounts	**34,454**	57,303	**33,673**	54,963
Term deposit	**1,600**	32,000	**-**	32,000
	86,955	115,230	**84,372**	112,763

The balance of Due from other banks account represents regular deposits with the following:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Foreign banks	**7,862**	13,575	**7,784**	13,502
Local banks	**1,188**	994	**1,132**	931
	9,050	14,569	**8,916**	14,433

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		
(Amounts in PHP)	**2025**	2024	2023
BSP	**891**	1,622	3,256
Other banks	**275**	445	387
	1,166	2,067	3,643

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
BSP	**819**	1,617	3,248
Other banks	**262**	364	296
	1,081	1,981	3,544

The Group's deposits in other banks and in BSP other than mandatory reserves earn annual interest of 0.00% to 5.60% and 0.00% to 6.00% in 2025, 0.00% to 6.25% and 0.00% to 6.60% in 2024, 0.00% to 6.30% and 0.00% to 6.68% in 2023, respectively.

10. TRADING AND INVESTMENT SECURITIES

This account is comprised of:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Financial assets at FVTPL	**12,975**	10,234	**12,370**	9,525
Financial assets at FVOCI	**108,193**	158,630	**107,559**	157,954
Investment securities at amortized cost	**253,713**	260,222	**252,619**	259,387
	374,881	429,086	**372,548**	426,866

10.1 Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL is composed of the following:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Government securities	**10,594**	7,257	**10,589**	7,252
Derivative financial assets	**1,677**	2,067	**1,677**	2,067
Equity securities	**600**	778	**-**	74
Corporate debt securities	**104**	132	**104**	132
	12,975	10,234	**12,370**	9,525

The carrying amounts of financial assets at FVTPL are classified as follows:

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Held-for-trading	**10,698**	7,389	**10,693**	7,384
Derivative financial assets	**1,677**	2,067	**1,677**	2,067
Designated as FVTPL	**600**	778	**-**	74
	12,975	10,234	**12,370**	9,525

Equity securities are composed of listed shares of stock traded at the PSE. Dividend income earned on these equity securities amounted to P2 in 2025, P3 in 2024, and P19 in 2023 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:

	2025	2024	2023
Peso denominated	**0.00% - 9.25%**	0.00% - 9.13%	0.00% - 12.38%
Foreign currency denominated	**1.38% - 9.63%**	0.00% - 10.63%	0.00% - 9.63%

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.

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 and in the succeeding page.

(Amounts in PHP)	Notional Amount	Fair Values	
		Assets	**Liabilities**
2025			
Currency swaps and forwards	469,046	1,201	5,648
Interest rate swaps and futures	20,569	357	82
Debt warrants	6,184	11	-
Options	8,437	108	116
Credit default swap	1,999	-	169
	506,235	**1,677**	**6,015**

(Amounts in PHP)	Notional Amount	Fair Values	
		Assets	Liabilities
2024			
Currency swaps and forwards	284,673	2,017	3,187
Interest rate swaps and futures	15,862	25	210
Debt warrants	6,084	11	-
Options	3,425	14	28
Credit default swap	1,967	-	210
	312,011	2,067	3,635

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:

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Government debt securities	**89,115**	140,397	**89,115**	140,397
Corporate debt securities	**14,890**	14,091	**14,775**	13,979
Unquoted equity securities	**2,848**	2,591	**2,819**	2,568
Quoted equity securities	**1,340**	1,551	**850**	1,010
	108,193	158,630	**107,559**	157,954

The reconciliation of the carrying amounts of these financial assets are as follows:

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Balance at the beginning of year	**158,630**	82,437	**157,954**	81,757
Additions	**234,682**	391,742	**234,443**	391,718
Disposals and maturities	**(287,260)**	(315,409)	**(287,126)**	(315,386)
Fair value gains (losses) - net	**2,141**	(140)	**2,288**	(135)
Balance at end of year	**108,193**	158,630	**107,559**	157,954

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, 2025 and 2024 is determined using the net asset value method, 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 2025, 2024 and 2023, dividends recognized on equity securities amounting to P326, P319 and P299 by the Group and P279, P273 and P252 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	
(Amounts in PHP)	Note	**2025**	2024	**2025**	2024
Government securities		**223,883**	229,377	**223,883**	229,377
Corporate debt securities		**29,963**	30,967	**28,777**	30,042
		253,846	260,344	**252,660**	259,419
Allowance for impairment	16	**(133)**	(122)	**(41)**	(32)
		253,713	260,222	**252,619**	259,387

Interest rates per annum on government securities and corporate debt securities range from the following:

	2025	2024	2023
Peso denominated securities	**2.63% - 9.13%**	2.63% - 8.13%	2.63% - 8.75%
Foreign currency-denominated	**0.70% - 9.63%**	0.70% - 10.63%	0.28% -10.63%

There is no disposal of HTC investment in 2025 and 2024. The decrease in the HTC portfolio is attributable to maturities in both years.

As of December 31, 2025 and 2024, 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 2025, 2024 and 2023 are shown below.

	Group		
(Amounts in PHP)	**2025**	2024	2023
Financial assets at FVTPL	**378**	396	227
Debt securities at FVOCI	**4,863**	5,603	4,375
Investment securities at amortized cost	**9,871**	9,966	8,637
	15,112	15,965	13,239

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Financial assets at FVTPL	**378**	396	227
Debt securities at FVOCI	**4,857**	5,596	4,369
Investment securities at amortized cost	**9,808**	9,912	8,575
	15,043	15,904	13,171

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 2025, 2024, and 2023 are as follows:

	Group		
(Amounts in PHP)	**2025**	2024	2023
Profit or loss:			
Financial assets at FVTPL	**255**	179	306
Debt securities at FVOCI	**344**	1,316	138
	599	1,495	444
Other comprehensive income (loss):			
Equity securities at FVOCI	**172**	232	263
Debt securities at FVOCI	**2,013**	(372)	1,432
	2,185	(140)	1,695

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Profit or loss:			
Financial assets at FVTPL	**320**	217	306
Debt securities at FVOCI	**344**	1,316	123
	664	1,533	429
Other comprehensive income (loss):			
Equity securities at FVOCI	**143**	238	276
Debt securities at FVOCI	**2,015**	(373)	1,432
	2,158	(135)	1,708

10.6 Hedging Transactions

On January 28, 2025, the Group entered into interest rate swap agreements with an aggregate notional amount of USD115 million to hedge the benchmark interest rate risk (fair value risk) of a portion of the Group's newly issued USD fixed-rate bonds maturing on January 29, 2030 (see Note 19). The IRS are designated as a fair value hedge of the hedged portion of the bonds. Under the IRS, the Group pays a fixed rate between 5.54% and 5.61% and receives floating interest based on compounded, on the same notional amount, with cash settlements occurring semi-annually.

On January 17, 2024, the Group entered into interest rate swap agreements, with a notional amount of USD200 million to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on bonds payable due to mature on January 18, 2029 (see Note 19). Under this agreement, the Group, on a semi-annual basis, receive floating interest based on the USD notional amount and will pay 5.50% fixed interest based on the same USD notional amount every interest payment date.

There are economic relationships between the hedged items and the hedging instruments as the terms of the fixed rate bonds match the terms of the interest rate swaps. The Group has established a hedge ratio of 100.14% for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The identified source of ineffectiveness is credit valuation adjustment (CVA) and debit valuation adjustment (DVA) which is the incorporation of counterparty credit risk and own credit risk in measuring the fair value of the interest rate swap contract as required by PFRS 13. Hedge ineffectiveness arises because the change in credit risk affecting the fair value of the interest rate swap contract would not be replicated in the hedged item. Moreover, any subsequent changes in the contractual terms of the hedged item or hedging instrument may create potential source of ineffectiveness.

Since there is a source of ineffectiveness in the hedge due to mismatch, the Group uses the hypothetical derivative method to test the hedge effectiveness and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The table below summarizes the derivatives designated as hedging instruments in qualifying fair value hedge relationships as at December 31, 2025 and 2024.

	Nominal amount of the hedging instrument *(in millions USD)*	Carrying amount of the hedging instrument *(in millions PHP)*		Changes in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities	
2025				
Fair value hedges				
Interest rate risk				
Interest rate swaps (5-year term)	**315**	**-**	**156**	**-**
2024				
Fair value hedges				
Interest rate risk				
Interest rate swaps (5-year term)	200	-	204	-

The hedged items are presented under Bonds Payable in the Group's and Parent Company's statement of financial position as at December 31, 2025 and 2024 (see Note 19). The amounts relating to items designated as hedged items in fair value hedge relationships to manage the Group's exposure to interest rate as at December 31, 2025, and 2024 are as follows:

	Nominal amount of the hedging instrument *(in millions USD)*	Carrying amount of the hedging instrument *(in millions PHP)*		Changes in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities	
2025				
Fair value hedges				
Interest rate risk				
Bonds payable	**315**	**156**	**-**	**-**
2024				
Fair value hedges				
Interest rate risk				
Bonds payable	200	204	-	-

11. LOANS AND RECEIVABLES

This account consists of the following:

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Receivables from customers:				
Loans and discounts	**597,233**	578,945	**593,517**	574,814
Credit card receivables	**145,797**	110,453	**145,797**	110,453
Customers' liabilities on acceptances, import bills and trust receipts	**14,735**	16,535	**14,735**	16,535
Bills purchased	**1,783**	2,786	**1,783**	2,786
Lease contract receivables	**2,276**	2,401	**-**	-
Receivables financed	**49**	98	**-**	-
	761,873	711,218	**755,832**	704,588
Unearned discount	**(636)**	(584)	**(294)**	(177)
	761,237	710,634	**755,538**	704,411
Other receivables:				
Interbank loans receivables (see Note 9)	**41,535**	32,567	**41,535**	32,567
Accrued interest receivables	**11,156**	10,258	**10,884**	10,044
Accounts receivables (see Note 27)	**11,282**	6,627	**10,623**	5,742
Sales contract receivables	**1,099**	2,541	**1,059**	2,497
UDSCL	**159**	-	**116**	-
	65,231	51,993	**64,217**	50,850
	826,468	762,627	**819,755**	755,261
Allowance for impairment (see Notes 4.4.8 and 16)	**(23,056)**	(20,130)	**(21,857)**	(18,730)
	803,412	742,497	**797,898**	736,531

Receivables from customers' portfolio earn average annual interest or range of interest as follows:

	2025	2024	2023
Loans and discounts:			
Philippine peso	**9.89%**	9.60%	8.35%
Foreign currencies	**6.14%**	6.23%	6.25%
Credit card receivables	**17.43% - 19.16%**	17.86% - 19.89%	16.10%-21.15%
Lease contract receivables	**9.00% - 26.00%**	9.00%-26.00%	8.00%-26.00%
Receivables financed	**10.00% - 18.00%**	10.00%-24.00%	11.00%-16.00%

Also included in the Parent Company's accounts receivables is the amount due from RCBC JPL which was acquired from RCBC Microbank in 2015 amounting to P222. As of December 31, 2025 and 2024, the outstanding balance amounted to P81 and P87, respectively. The receivable is unsecured, noninterest-bearing and payable in cash on demand (see Note 27). 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		
(Amounts in PHP)	**2025**	2024	2023
Loans and discounts	**44,087**	41,043	35,088
Credit card receivables	**21,476**	16,140	11,072
Finance lease receivables [see Note 28.2 (a)]	**163**	226	323
Others	**4,067**	3,642	2,924
	69,793	61,051	49,407

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Loans and discounts	**43,538**	40,714	34,861
Credit card receivables	**21,476**	16,140	11,072
Others	**4,033**	3,416	2,636
	69,047	60,270	48,569

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Secured:				
Real estate mortgage	**202,636**	203,996	**201,797**	203,103
Chattel mortgage	**83,796**	63,435	**81,889**	61,266
Hold-out deposits	**15,464**	15,089	**15,464**	15,089
Other securities	**7,798**	11,553	**5,593**	8,908
	309,694	294,073	**304,743**	288,366
Unsecured	**451,543**	416,561	**450,795**	416,045
	761,237	710,634	**755,538**	704,411

A reconciliation of the allowance for impairment on loans and receivables at the beginning and end of 2025 and 2024 is shown below (see Note 16).

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Balance at beginning of year	**20,130**	17,395	**18,730**	16,021
Impairment losses during the year	**14,846**	8,281	**14,509**	8,231
Accounts written off and others	**(11,920)**	(5,546)	**(11,382)**	(5,522)
Balance at end of year	**23,056**	20,130	**21,857**	18,730

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):

	Group and Parent Company	
(Amounts in PHP)	**2025**	2024
Acquisition costs of associates:		
HCPI	**91**	91
LIPC	**56**	56
RTC	**40**	40
YCS	**5**	5
	192	192
Accumulated equity in changes in net assets:		
Balance at beginning of year	**408**	317
Share in net earnings for the year	**195**	85
Share in actuarial gains (losses) on defined benefit plan	**(42)**	7
Cash dividends	**(73)**	-
Others	**65**	(1)
Balance at end of year	**553**	408
Investments in associates	**745**	600

	Parent Company	
(Amounts in PHP)	**2025**	2024
Acquisition costs of subsidiaries:		
RCBC Capital	**2,231**	2,231
RCBC LFC	**1,987**	1,987
RCBC Microbank	**1,253**	1,253
RCBC JPL	**403**	403
RCBC Forex	**150**	150
RCBC IFL	**58**	58
Total acquisition costs	**6,082**	6,082
Accumulated equity in changes in net assets:		
Balance at beginning of year	**38**	(262)
Share in net earnings (losses) for the year	**(73)**	406
Cash dividends	**(289)**	(167)
Share in actuarial gains (losses) on defined benefit plan	**(48)**	6
Share in fair value gains (losses) on financial assets at FVOCI	**22**	(4)
Others	**-**	59
Balance at end of year	**(350)**	38
Investments in subsidiaries	**5,732**	6,120

(Amounts in PHP)	Parent Company	
	2025	2024
Investments in subsidiaries	**5,732**	6,120
Investments in associates	**745**	600
	6,477	6,720

In 2023, the Parent Company sold its 100% interests in NPHI and Cajel to Filinvest Land, Inc. upon board approval in March 27, 2023 and July 14, 2023 for P544 and P89, respectively. The entities own land in Bacoor, Cavite under JDAs with FLI for the Princeton Heights project. The sale generated a P243 gain recognized as part of Other Operating Income under the Group's 2023 statement 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.

As of December 31, 2025 and 2024, dividends receivable from subsidiaries amounted to P279 and P160, respectively.

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, RTC and YCS have an aggregate carrying value of P101 as of December 31, 2025 and 2024, which are insignificant to the Group.

The table in the succeeding page presents the summary of the unaudited financial information of HCPI as of and for the years ended December 31, 2025 and 2024. HCPI uses a fiscal year ending March 31 as its reporting period.

(Amounts in PHP)	**2025**	2024
Financial position:		
Current assets	**6,405**	5,941
Noncurrent assets	**816**	1,067
Current liabilities	**2,528**	2,604
Noncurrent liabilities	**88**	267
Financial performance:		
Revenues	**18,405**	18,731
Gross income	**1,354**	1,620
Operating income	**713**	639
Net income	**1,036**	467
Other comprehensive loss	**-**	-
Total comprehensive income	**1,036**	467
Cash flows:		
Net cash from (used in):		
Operating activities	**2,866***	(3,677)*
Investing activities	**(190)***	(13)*
Financing activities	**(3,076)***	3,219*
Effect of exchange rate	**(61)***	24*
Cash at the beginning	**562***	1,009*
Cash at the end	**101***	562*

**Based on the audited financial statements of HCPI for the fiscal year ended March 31, 2025*

The table presented below summarizes the reconciliation of equity interest to HCPI as of December 31, 2025 and 2024.

(Amounts in PHP)	**2025**	2024
Net assets of HCPI	**4,605**	4,137
Proportion of interest	**12.88%**	12.88%
	593	533
Nominal goodwill in equity ownership	**2**	2
Carrying amount of investment	**595**	535

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 2025 and 2024 are shown below.

	Group			
(Amounts in PHP)	**Furniture, Fixtures and Equipment**	**Leasehold Rights and Improvements**	**Right-of-Use Assets**	**Total**
December, 31, 2025				
Cost	**8,658**	**3,191**	**9,141**	**20,990**
Accumulated depreciation and amortization	**(5,678)**	**(2,116)**	**(4,967)**	**(12,761)**
Net carrying amount	**2,980**	**1,075**	**4,174**	**8,229**
December 31, 2024				
Cost	9,023	2,833	6,866	18,722
Accumulated depreciation and amortization	(5,764)	(1,630)	(3,295)	(10,689)
Net carrying amount	3,259	1,203	3,571	8,033
January 1, 2024				
Cost	12,948	2,381	6,970	22,299
Accumulated depreciation and amortization	(9,407)	(1,209)	(2,554)	(13,170)
Net carrying amount	3,541	1,172	4,416	9,129

	Parent Company			
(Amounts in PHP)	**Furniture, Fixtures and Equipment**	**Leasehold Rights and Improvements**	**Right-of-Use Assets**	**Total**
December, 31, 2025				
Cost	**7,762**	**3,010**	**9,109**	**19,881**
Accumulated depreciation and amortization	**(5,547)**	**(1,965)**	**(4,866)**	**(12,378)**
Net carrying amount	**2,215**	**1,045**	**4,243**	**7,503**
December 31, 2024				
Cost	7,746	2,660	6,875	17,281
Accumulated depreciation and amortization	(5,650)	(1,487)	(3,084)	(10,221)
Net carrying amount	2,096	1,173	3,791	7,060
January 1, 2024				
Cost	7,997	2,212	7,008	17,217
Accumulated depreciation and amortization	(6,107)	(1,073)	(2,232)	(9,412)
Net carrying amount	1,890	1,139	4,776	7,805

A reconciliation of the carrying amounts of bank premises, furniture, fixtures and equipment at the beginning and end of 2025 and 2024 is shown in the succeeding page.

(Amounts in PHP)	Group Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-Use Assets	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	**3,259**	**1,203**	**3,571**	**8,033**
Additions	**756**	**1,161**	**2,150**	**4,067**
Disposals	**(131)**	**(803)**	**(17)**	**(951)**
Depreciation and amortization charges for the year	**(904)**	**(486)**	**(1,530)**	**(2,920)**
Balance at December 31, 2025, net of accumulated depreciation and amortization	**2,980**	**1,075**	**4,174**	**8,229**
Balance at January 1, 2024, net of accumulated depreciation and amortization	3,541	1,172	4,416	9,129
Additions	877	510	618	2,005
Disposals	(256)	(57)	-	(313)
Depreciation and amortization charges for the year	(903)	(422)	(1,463)	(2,788)
Balance at December 31, 2024, net of accumulated depreciation and amortization	3,259	1,203	3,571	8,033

(Amounts in PHP)	Parent Company Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-Use Assets	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	**2,096**	**1,173**	**3,791**	**7,060**
Additions	**685**	**1,153**	**2,092**	**3,930**
Disposals	**(5)**	**(803)**	**-**	**(808)**
Depreciation and amortization charges for the year	**(561)**	**(478)**	**(1,640)**	**(2,679)**
Balance at December 31, 2025, net of accumulated depreciation and amortization	**2,215**	**1,045**	**4,243**	**7,503**
Balance at January 1, 2024, net of accumulated depreciation and amortization	1,890	1,139	4,776	7,805
Additions	786	505	589	1,880
Disposals	(46)	(57)	-	(103)
Depreciation and amortization charges for the year	(534)	(414)	(1,574)	(2,522)
Balance at December 31, 2024, net of accumulated depreciation and amortization	2,096	1,173	3,791	7,060

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, 2025 and 2024, 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, including software (Note 15.3) that are still in use in operations is P9,620 and P8,998, respectively, as of December 31, 2025, and P8,637 and P8,169, respectively, as of December 31, 2024. Moreover, no impairment losses were recognized for the Group and the Parent Company's Bank Premises, Furniture, Fixtures and Equipment in 2025, 2024 and 2023, respectively.

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 P163 and P169 in 2025 and 2024, 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, 2025 and 2024:

	Number of right-of-use assets leased		Range of remaining lease terms (in years)		Average remaining lease terms (in years)	
	2025	2024	**2025**	2024	**2025**	2024
Buildings	**7**	10	**1 to 5**	1 to 3	**3**	2
Warehouses	**9**	12	**1 to 3**	1 to 3	**2**	2
ATM batches	**21**	21	**1 to 3**	1 to 4	**2**	2
Offsites	**51**	68	**1 to 9**	1 to 7	**5**	2
Branches	**514**	505	**1 to 12**	1 to 3	**3**	2

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, 2025 and 2024 are found below.

(Amounts in PHP)	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	More than 5 Years	Total
2025:							
Group:							
Lease payments	2,144	1,677	811	675	550	449	6,306
Finance charges	(283)	(177)	(112)	(74)	(41)	(189)	(876)
Net present value	**1,861**	**1,500**	**699**	**601**	**509**	**260**	**5,430**
Parent Company:							
Lease payments	2,114	1,641	788	657	547	431	6,178
Finance charges	(273)	(170)	(107)	(71)	(39)	(39)	(699)
Net present value	**1,841**	**1,471**	**681**	**586**	**508**	**392**	**5,479**

(Amounts in PHP)	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	More than 5 Years	Total
2024:							
Group:							
Lease payments	2,163	1,591	1,192	360	227	471	6,004
Finance charges	(274)	(174)	(89)	(45)	(31)	(49)	(662)
Net present value	1,889	1,417	1,103	315	196	422	5,342
Parent Company:							
Lease payments	2,287	1,666	1,202	353	218	447	6,173
Finance charges	(264)	(167)	(84)	(43)	(29)	(45)	(632)
Net present value	2,023	1,499	1,118	310	189	402	5,541

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.

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 benefit of exercising the option exceeds the expected overall cost.

On November 20, 2025, 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, beginning January 1, 2026 to December 31, 2030. 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 [see Note 27.7(a)].

The total cash outflow in respect of leases in 2025, 2024 and 2023 amounted to P2,497, P2,366 and P2,131, respectively, for the Group, and P2,409, P2,283 and P2,044, respectively, for the Parent Company. Interest expense in relation to lease liabilities in 2025, 2024 and 2023 amounted to P281, P364 and P335, respectively, for the Group, and P291, P351 and P362, respectively, for the Parent Company and is presented as part of Interest Expense in the statements of profit or loss.

14. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and impairment losses of investment properties at the beginning and end of 2025 and 2024 are shown below.

	Group			Parent Company		
(Amounts in PHP)	**Land**	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
December 31, 2025						
Cost	-	1,247	1,247	-	1,247	1,247
Accumulated depreciation	-	(474)	(474)	-	(474)	(474)
Accumulated impairment (see Note 16)	-	(5)	(5)	-	(5)	(5)
Net carrying amount	**-**	**768**	**768**	**-**	**768**	**768**
December 31, 2024						
Cost	-	1,063	1,063	-	1,063	1,063
Accumulated depreciation	-	(366)	(366)	-	(366)	(366)
Accumulated impairment (see Note 16)	-	(2)	(2)	-	(2)	(2)
Net carrying amount	-	695	695	-	695	695
January 1, 2024						
Cost	13	828	841	12	828	840
Accumulated depreciation	-	(294)	(294)	-	(294)	(294)
Accumulated impairment (see Note 16)	(4)	-	(4)	(3)	-	(3)
Net carrying amount	9	534	543	9	534	543

The reconciliations of the carrying amounts of investment properties at the beginning and end of 2025 and 2024 follow:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Balance at January 1, net of accumulated depreciation and impairment	**695**	543	**695**	543
Additions	**222**	255	**220**	251
Disposals	**(24)**	(16)	**(24)**	(16)
Reclassification	**-**	(3)	**-**	-
Depreciation charges for the year	**(123)**	(83)	**(123)**	(83)
Impairment losses (Note 16)	**(2)**	(1)	**-**	-
Balance at December 31, net of accumulated depreciation and impairment	**768**	695	**768**	695

As of December 31, 2025 and 2024, 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 both foreclosed real and other properties totaling P222 and P220 in 2025, and P255 and P252, respectively, in 2024, in settlement of certain loan accounts (see Note 30).

As of December 31, 2025, and 2024, foreclosed investment properties still subject to redemption period by the borrowers amounted to P885 and P757, respectively, for the Group and P873 and P734, respectively, for the Parent Company.

The total gain recognized by the Group and the Parent Company from disposals of investment properties amounted to P258 and P252, respectively, in 2025, and P438 and P436, respectively, in 2024, and P664 and P660, respectively, in 2023, which is presented as part of Gain on assets sold 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 P2 in 2025, nil in 2024 and P12 in 2023, 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 P105 in 2025, P97 in 2024 and P98 in 2023.

15. OTHER RESOURCES

Other resources consist of the following:

(Amounts in PHP)	Notes	Group		Parent Company	
		2025	2024	**2025**	2024
Creditable withholding taxes		**5,419**	4,512	**5,387**	4,482
Assets held-for-sale and disposal group	15.1	**4,553**	3,910	**4,189**	3,459
Net defined benefit asset	23.2, 27.5	**2,384**	2,745	**2,384**	2,746
Prepaid expenses	15.2	**2,183**	1,762	**1,931**	1,533
Software – net	15.3	**1,282**	1,248	**1,274**	1,245
Deferred charges		**1,214**	949	**1,214**	949
Branch licenses	15.4	**1,000**	1,000	**1,000**	1,000
Refundable and other deposits		**999**	1,198	**978**	1,179
Unused stationery and supplies		**733**	646	**727**	637
Goodwill	15.5	**426**	426	**269**	269
Returned checks and other cash items		**295**	235	**295**	235
Margin deposits	15.6	**232**	214	**232**	214
Other assets held in trust for electronic money issuers (EMI)	15.7	**115**	576	**115**	576
Miscellaneous	15.8	**1,163**	1,452	**1,203**	1,402
		21,998	20,873	**21,198**	19,926
Allowance for impairment	15.1, 15.5, 16	**(230)**	(485)	**(70)**	(327)
		21,768	20,388	**21,128**	19,599

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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Foreclosed real properties	**3,220**	2,702	**3,120**	2,558
Foreclosed automobiles	**1,333**	689	**1,069**	382
Equity securities	**-**	519	**-**	519
	4,553	3,910	**4,189**	3,459
Allowance for impairment	**(73)**	(454)	**(70)**	(450)
	4,480	3,456	**4,119**	3,009

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 22.3).

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.

In February 2025, the Bank disposed of the remaining consolidated ROPA with a total carrying amount of P615 for a gross consideration of P495. Accordingly, the carrying amount of the related assets was reduced to the recoverable amount based on the above selling price and recognized loss of P106 in the 2024 profit or loss of the Group.

15.1.1 HHIC Equity Securities

In 2023, the Parent Company recognized impairment of the Hanjin Shipping Co., Ltd. (HJSC) equity securities amounting to P160, which are included as part of Impairment Losses in the statements of profit or loss. No impairment losses were recognized in 2024.

During 2024, the Bank has sold its 4,871 HJSC shares with carrying amount of P505. These batches of sale resulted in a gain of P355 which are included as part of Gain on assets sold in the statement of profit or loss.

In January 2025, the remaining 2,229 shares with carrying amount of P223 were sold by the Bank for a total selling price of P617. The sale of shares resulted in a net gain of P386 which are included as part of Gain on assets sold in the Group's 2025 statement of profit or loss.

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 2025 and 2024 is shown below.

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Balance at beginning of year	**1,248**	1,237	**1,245**	1,235
Additions	**632**	519	**606**	518
Amortization	**(598)**	(508)	**(577)**	(508)
Balance at end of year	**1,282**	1,248	**1,274**	1,245

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 11.24% and 10.95% in 2025 and 2024, respectively, while the growth rate used to extrapolate cash flows covering a five-year period is 5.41% and 5.81%, in 2025 and 2024, 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 2025 and 2024, 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 2025 and 2024, the discount rate applied to cash flow projections is 11.24% and 10.95%, respectively, while the growth rate used to extrapolate cash flows beyond five-year period is 5.41% and 5.81% for 2025 and 2024, respectively. On the basis of the report of the third-party consultant dated February 2, 2026 and February 14, 2025 with valuation date as of the end of 2025 and 2024, 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 addition, the goodwill pertaining to the acquisition of RCBC 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 Other Assets Held in Trust for EMIs

Other assets held in trust account includes government securities, specifically treasury bills maintained in compliance with the liquidity requirements prescribed under BSP Circular No. 1166, series of 2023, *Amendments to the Regulations on Electronic Money and the operations of Electronic Money Issuers in the Philippines.*

15.8 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.

(Amounts in PHP)	Notes	Group		Parent Company	
		2025	2024	**2025**	2024
Balance at beginning of year					
Loans and receivables	11	**20,130**	17,395	**18,730**	16,021
Investment securities at amortized cost	10.3	**122**	161	**32**	71
Loan commitments	4.4, 21	**370**	304	**370**	304
Investment properties	14	**2**	4	**2**	3
Other resources - net	15	**485**	1,068	**327**	890
		21,109	18,932	**19,461**	17,289
Impairment losses – net:					
Loans and receivables	11	**14,846**	8,281	**14,509**	8,231
Investment securities at at amortized cost	10.3	**11**	(10)	**9**	(10)
Loan commitments	4.4, 21	**94**	66	**94**	66
Investment properties	14	**2**	1	**-**	-
Other resources - net	15	**47**	281	**30**	277
		15,000	8,619	**14,642**	8,564
Charge-offs and other adjustments during the year		**(12,221)**	(6,442)	**(11,666)**	(6,392)
Balance at end of year					
Loans and receivables	11	**23,056**	20,130	**21,857**	18,730
Investment securities at at amortized cost	10.3	**133**	122	**41**	32
Loan commitments	4.4	**464**	370	**464**	370
Investment properties	14	**5**	2	**5**	2
Other resources - net	15	**230**	485	**70**	327
		23,888	21,109	**22,437**	19,461

17. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities (see also Note 27.3):

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Demand	**225,512**	224,988	**225,702**	225,028
Savings	**312,001**	313,478	**312,098**	313,567
Time	**487,942**	484,328	**487,683**	484,142
	1,025,455	1,022,794	**1,025,483**	1,022,737

The Group's deposit liabilities bear annual interest as follows:

	2025	2024	2023
Demand, Savings and Time deposits	**0.04% - 5.59%**	0.10% - 9.65%	0.10% - 6.50%

The total interest expense incurred by the Group and the Parent Company on deposit liabilities are as follows:

	Group		
(Amounts in PHP)	**2025**	2024	2023
Time	**17,498**	23,824	22,389
Savings	**3,563**	4,933	3,388
Demand	**2,090**	2,302	2,044
LTNCD	**-**	49	214
	23,151	31,108	28,035

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Time	**17,491**	23,809	22,402
Savings	**3,571**	4,941	3,392
Demand	**2,091**	2,305	2,048
LTNCD	**-**	49	214
	23,153	31,104	28,056

As at December 31, 2023, the Parent Company's outstanding LTNCD amounted to P3,580. Such LTNCD had a coupon interest rate of 5.50% and matured on March 28, 2024. This was used in the expansion of its term deposit base to support long-term asset growth and for other general funding purposes.

The reserve requirement ratio for the Parent Company is at 5% and 7% while 0% and 1% for RCBC Microbank in 2025 and 2024, respectively.

Peso-denominated LTNCDs of the Parent Company are subject to reserve requirement equivalent of 4% in both years. As of December 31, 2025 and 2024, the Group is in compliance with such regulatory reserve requirements.

Effective March 28, 2025, under BSP Circular No. 1211, *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 P34,454, P57,303, and P83,701 for the Group and P33,673, P54,963, and P82,771 for the Parent Company as of December 31, 2025, 2024 and 2023, respectively (see Note 9).

18. BILLS PAYABLE

This account consists of borrowings from:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Foreign banks	**56,999**	79,466	**56,999**	79,466
Local banks	**12,582**	7,150	**6,195**	1,462
Others	**50**	-	**-**	-
	69,631	86,616	**63,194**	80,928

Borrowings from foreign and local banks are subject to annual fixed interest rates as follows:

	2025	2024	2023
Group			
Peso denominated	**2.50% - 6.95%**	2.50% - 8.50%	3.00% - 8.00%
Foreign currency denominated	**0.58% - 5.39%**	0.40% - 6.43%	2.50% - 6.42%
Parent Company			
Peso denominated	**4.66%-6.00%**	5.30%-6.34%	6.31%
Foreign currency denominated	**0.58%-5.39%**	0.40%-6.43%	2.50% - 6.42%

The total interest expense incurred by the Group on the bills payable amounted to P3,304 in 2025, P2,951 in 2024 and P2,449 in 2023. The total interest expense incurred by the Parent Company on the bills payable amounted to P2,899 in 2025, P2,552 in 2024 and P2,042 in 2023.

As of December 31, 2025 and 2024, bills payable availed under repurchase agreements amounting to P63,785 and P67,238 for the Group, and P63,194 and P66,056 for the Parent Company, respectively, are secured by investment securities (see Note 10.3). The investment securities used as collateral for these bills payable are government securities and corporate debt securities measured at amortized cost. The average interest rate is 3.98% in 2025, 2.53% in 2024 and 2.80% in 2023 for government securities, and 4.53% in 2025 and 3.81% in 2024 for corporate debt securities. Average remaining terms before maturity of these investment securities as of 2025, 2024, and 2023 is 13 years, 9 years, and 13 years, respectively, for government securities, and 6 years for corporate debt securities in 2025 and 2024. 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:

				Outstanding Balance *(Amounts in PHP)*	
Issuance Date	**Maturity Date**	**Coupon Interest**	**Face Value (in millions)**	**2025**	2024
July 17, 2025	January 17, 2028	6.00%	P12,213	**12,213**	-
January 28, 2025	January 29, 2030	5.38%	$350	**20,461**	-
January 17, 2024	January 18, 2029	5.50%	$400	**23,518**	22,805
March 31, 2021	June 30, 2026	4.18%	P4,130	**4,130**	4,130
				60,322	26,935

On July 17, 2025, the Group issued P12,212.5, 6.00% Series F ASEAN Sustainability Bonds due 2028 under its Bond and Commercial Paper Program. Proceeds will be used to finance or refinance eligible green and social projects under the Group's Sustainable Finance Framework.

On January 28, 2025, the Group issued USD350 5.375% 5-year and one-day Senior Unsecured Fixed Rate Sustainability Notes due 2030 via a drawdown under its USD4,000 Medium Term Note Program. Net proceeds will support and finance eligible green and social projects under the Group's Sustainable Finance Framework.

Out of the USD350 senior notes issued on January 28, 2025, USD115 million are designated as liability under fair value hedge accounting (see Note 3). As of December 31, 2025, the Group has two outstanding interest rate swaps designated as fair value hedges of the interest rate risk on this portion of the notes.

On January 17, 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. 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 USD400 senior notes issued on January 17, 2024, USD200 are designated as liability under fair value hedge accounting (see Note 3). As of December 31, 2025, the Group has four outstanding interest rate swaps designated as fair value hedges of the interest rate risk arising from 50% of the Group's USD400 fixed rate bonds payable.

On March 31, 2021, the Parent Company issued unsecured Peso-denominated Senior Notes with outstanding balance as of December 31, 2023 of P4,130 bearing an interest of 4.18% per annum, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The senior notes will mature on June 30, 2026.

The debt issue cost incurred in 2025 and 2024 is P142 and P41, respectively. The unamortized debt issue cost as of December 31, 2025 and 2024 amounted to P153 and P129, 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 P2,773 in 2025, P1,957 in 2024, and P1,768 in 2023. The Group and Parent Company recognized foreign currency exchange gains related to these bonds payable amounting to P711 and P718 in 2025 and 2024, respectively, while P450 foreign currency exchange losses in 2023. 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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Accrued expenses	**5,680**	5,222	**5,492**	4,931
Accrued interest	**5,775**	5,144	**5,766**	5,135
Taxes payable	**881**	1,301	**830**	1,253
	12,336	11,667	**12,088**	11,319

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	
(Amounts in PHP)	Notes	**2025**	2024	**2025**	2024
Accounts payable	27.7 (b)	**13,060**	33,687	**12,611**	33,202
Derivative financial liabilities	10.1	**6,015**	3,635	**6,015**	3,635
Lease liabilities	13	**5,430**	5,342	**5,479**	5,541
Manager's checks		**2,118**	2,147	**2,118**	2,147
Rewards liability	3.1	**1,561**	1,393	**1,561**	1,393
Due to local bank		**1,428**	1	**1,428**	1
Bills purchased – contra		**1,342**	1,868	**1,342**	1,868
Withholding taxes payable		**1,182**	1,107	**1,178**	1,105
Unearned income		**899**	730	**875**	723
Unclaimed balances-deposit		**798**	900	**798**	900
Other credits		**737**	400	**737**	400
Payment orders payable		**628**	130	**628**	130
Sundry credits		**469**	403	**469**	403
ECL provisions on loan commitments	4.4.8 (c)	**464**	370	**464**	370
Deposit on lease contracts		**440**	596	**9**	9
Guaranty deposits		**-**	204	**-**	204
Miscellaneous		**952**	737	**846**	720
		37,523	53,650	**36,558**	52,751

Accounts payable is mainly composed of 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 2025, 2024 and 2023 amounted to P215, P137 and P80, respectively, for the Group and Parent Company and is presented as part of Interest expense in the statement of profit or loss.

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		
	2025	2024	2023
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 of year	**266,194**	267,410	267,410
Conversion of preferred stock	**(866)**	(1,216)	-
Balance at end of year	**265,328**	266,194	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	**2,419,536,359**	2,419,536,120	2,037,478,896
Conversion of preferred stock	**171**	239	-
Issuance of new shares	**-**	-	168,619,976
Reissuance of shares during the year	**-**	-	213,437,248
Balance at end of year	**2,419,536,530**	2,419,536,359	2,419,536,120

As of December 31, 2025, and 2024, there are 742 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 P25.95 and P24.85 per share for years December 31, 2025 and 2024, 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	Price per Share
Initial public offering	Various	November 1986	1,410,579	P10.00
Stock rights offering	Various	April 1997	44,492,908	P39.50
Stock rights offering	Various	July 1997	5,308,721	P40.30
Stock rights offering	Various	August 1997	830,345	P40.30
Stock rights offering	Various	January 2002	167,035,982	P10.00
Stock rights offering	Various	June 2002	32,964,018	P10.00
Follow-on offering	Various	March 2007	210,000,000	P27.00
Private placement	International Finance Corporation (IFC)	March 2011	73,448,275	P29.00
Private placement	Hexagon Investments B.V.	September 2011	126,551,725	P29.00
Private placement	PMMIC	March 2013	63,650,000	P64.00
Private placement	IFC Capitalization Fund	April 2013	71,151,505	P58.00
Private placement	Cathay	April 2015	124,242,272	P64.00
Stock rights offering	Various	July 2018	535,710,378	P28.00
Private placement	SMBC	July 2021	101,850,000	P44.00
Private placement	SMBC	July 2023	382,057,224	P71.00

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.

In 2025, certain holders exercised the conversion feature of the preferred shares, resulting in the conversion of 866 preferred shares into 171 common shares (see Note 33.2).

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) Preferred shareholders shall have the right to convert the Preferred Shares into common shares (the "Conversion Shares") of the Bank at any time after the Issue Date 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 Accounting Standards, 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)].

On December 22, 2025, SMBC, increased its shareholding in RCBC from 20% to 24.46% after its additional acquisition of 4.46% through an existing shareholder on December 22, 2025 (see Note 1.1).

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 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 RCBC Savings Bank (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.

On August 27, 2020, the Parent Company issued USD300 non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards. As of December 31, 2024 and 2023, 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.

In 2025, these securities were redeemed at P17,130, and the difference from its book value amounting to P2,667 was recognized as a reduction in the Group's surplus.

22.5 Surplus and Dividend Declarations

The details of the cash dividend distributions follow:

Date Declared/ BOD Approval	Dividend Per Share	Total Amount	Record date	Date Paid/Payable
January 30, 2023*	-	534.98	February 27, 2023	February 27, 2023
February 27, 2023	0.1685	0.05	March 21, 2023	March 23, 2023
March 27, 2023	1.0800	2,200.48	April 13, 2023	April 27, 2023
March 27, 2023	1.0800	0.29	April 13, 2023	April 27, 2023
May 29, 2023	0.1789	0.05	June 21, 2023	June 26, 2023
July 31, 2023*	-	553.41	August 27, 2023	August 27, 2023
August 29, 2023	0.1920	0.05	September 21, 2023	September 25, 2023
November 29, 2023	0.1870	0.05	December 21, 2023	December 29, 2023
January 29, 2024*	-	546.53	February 27, 2024	February 27, 2024
February 26, 2024	0.1864	0.05	March 21, 2024	March 21, 2024
March 25, 2024	1.0140	2,453.11	April 13, 2024	April 26, 2024
March 25, 2024	1.0140	0.27	April 13, 2024	April 26, 2024
May 27, 2024	0.1854	0.05	June 21, 2024	June 26, 2024
July 29, 2024*	-	548.24	August 26, 2024	August 26, 2024
August 29, 2024	0.1857	0.05	September 21, 2024	September 25, 2024
November 25, 2024	0.1707	0.05	December 21, 2024	December 26, 2024
January 27, 2025		568.23	February 27, 2025	February 27, 2025
February 24, 2025	0.1584	0.04	March 21, 2025	March 26, 2025
March 31, 2025	0.7000	1,693.68	April 16, 2025	May 5, 2025
March 31, 2025	0.7000	0.19	April 16, 2025	May 5, 2025
May 26, 2025	0.1594	0.04	June 21,2025	June 25, 2025
July 30, 2025		561.41	August 26, 2025	August 27, 2025
August 26, 2025	0.1599	0.04	September 21, 2025	September 23, 2025
November 24, 2025	0.1518	0.04	December 21, 2025	December 23, 2025

**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 totaling P5,925 and P5,975 as of December 31, 2025 and 2024, respectively, is not currently available for distribution as dividends.

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 at their aggregate amount under Revaluation Reserves account are shown below.

(Amounts in PHP)	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, 2025	(3,306)	60	(2,552)	(5,798)
Actuarial loss on defined benefit plan	-	-	(131)	(131)
Fair value gain on financial assets at FVOCI	2,141	-	-	2,141
Translation adjustment	-	11	-	11
Other comprehensive income (loss)	2,141	11	(131)	2,021
Balance as of December 31, 2025	**(1,165)**	**71**	**(2,683)**	**(3,777)**
Balance as of January 1, 2024	(3,168)	54	(2,930)	(6,044)
Actuarial loss on defined benefit plan	-	-	378	378
Fair value loss on financial assets at FVOCI	(140)	-	-	(140)
Translation adjustment	-	6	-	6
Other comprehensive income (loss)	(140)	6	378	244
Transfers of fair value gain on financial assets at FVOCI to surplus	2	-	-	2
Balance as of December 31, 2024	(3,306)	60	(2,552)	(5,798)
Balance as of January 1, 2023	(4,866)	54	(1,580)	(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	(3,168)	54	(2,930)	(6,044)

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, 2025 and 2024 amounted to P6,979 and P5,564 for the Group, and P6,951 and P5,537 for the Parent Company, respectively. The additional appropriations made in 2025 amounted to P1,415 and P1,414 and in 2024 amounted to P965 and P948 respectively, for the Group and Parent Company, respectively.

22.8 Reserve for Trust Business

Reserve for trust business represents 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.

In 2024, the reserves for trust business were reclassified to Surplus account under Equity as a result of the spin-off of the trust operations of the Group into RTC (see Note 1.1).

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, 2025, the other reserves account of the Parent Company amounts to P86 and no transaction has occurred since 2022.

23. EMPLOYEE BENEFITS

23.1 Short-Term Employee Benefits

Expenses recognized for salaries and other employee benefits are shown below.

	Group		
(Amounts in PHP)	**2025**	2024	2023
Short-term employee benefits	**8,588**	7,559	6,732
Post-employment defined benefits	**470**	500	418
	9,058	8,059	7,150

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Short-term employee benefits	**7,505**	6,604	5,938
Post-employment defined benefits	**423**	457	383
	7,928	7,061	6,321

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 RTC, an associate of the Group, covering all regular full-time employees. RTC manages the fund in coordination with the Parent Company's Retirement Plan Committee (RPC) 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 2025 and 2024.

The amounts of post-employment benefit assets recognized in the financial statements are determined as follows:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Present value of the obligation	**(6,593)**	(6,004)	**(6,183)**	(5,645)
Fair value of plan assets	**9,377**	9,511	**9,009**	9,151
Effect of asset ceiling test	**(400)**	(762)	**(442)**	(760)
Excess of plan assets	**2,384**	2,745	**2,384**	2,746

The Group and Parent Company's post-employment defined benefit plan is included under Other Resources as of December 31, 2025 and 2024 (see Note 15).

The movements in the present value of the defined benefit obligation follow:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Balance at beginning of year	**6,004**	5,932	**5,645**	5,603
Current and past service cost	**470**	500	**423**	457
Interest expense	**366**	407	**344**	386
Remeasurements – actuarial Gains arising from changes in:				
– demographic assumptions	**4**	(543)	**8**	(535)
– financial assumptions	**(115)**	284	**(111)**	276
– experience adjustments	**283**	97	**277**	93
Benefits paid by the plan	**(419)**	(673)	**(403)**	(635)
Balance at end of year	**6,593**	6,004	**6,183**	5,645

The movements in the fair value of plan assets are presented below.

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Balance at beginning of year	**9,511**	9,697	**9,151**	9,407
Interest income	**565**	643	**545**	625
Loss on plan assets (excluding amounts included in net interest)	**(292)**	(249)	**(284)**	(246)
Contributions paid into the plan	**12**	93	**-**	-
Benefits paid by the plan	**(419)**	(673)	**(403)**	(635)
Balance at end of year	**9,377**	9,511	**9,009**	9,151

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).

On April 8, 2024, the Bank 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 to RCBC Retirement Fund which is managed by RTC. Subsequent to the donation, the Bank's ownership interest over RCBC JPL is now reduced to 80% (see Note 1.1).

The composition of the fair value of plan assets at the end of each reporting period by category and risk characteristics is shown below.

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Cash and cash equivalents	**80**	68	**49**	26
Debt securities:				
Corporate debt securities	**107**	488	**72**	369
Government bonds	**514**	236	**425**	185
Quoted equity securities:				
Transportation and communication	**547**	562	**547**	562
Financial intermediaries	**475**	421	**436**	418
Diversified holding companies	**170**	235	**167**	234
Electricity, gas and water	**97**	100	**97**	100
Others	**168**	141	**-**	-
Unquoted long-term equity investments	**6,918**	6,961	**6,918**	6,961
UITF	**279**	276	**279**	276
Investment properties	**10**	10	**10**	10
Loans and receivables	**9**	10	**9**	10
Others	**3**	3	**-**	-
	9,377	9,511	**9,009**	9,151

The fair values of the above debt securities and quoted equity securities are determined based on market prices in active markets. Long-term equity investments represent investment in corporations not listed in active and organized markets. Fair values are determined based on the book value per share based on latest audited financial statements of the investee company. The fair value of the UITF is determined based on the net asset value per unit of investment held in the fund.

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITF which are at Level 2 and unquoted long-term equity investments, loans and receivables, investment properties and other investments which are at Level 3.

The net gains on plan assets are as follows:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Interest income	**565**	643	**545**	625
Fair value losses - net	**(292)**	(249)	**(284)**	(246)
Actual gains - net	**273**	394	**261**	379

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		
(Amounts in PHP)	**2025**	2024	2023
Reported in profit or loss:			
Current and past service cost	**470**	500	418
Net interest income	**(199)**	(236)	(69)
Interest on the effect of asset ceiling	**46**	80	-
	317	344	349
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Experience adjustments	**(283)**	(97)	(201)
– Financial assumptions	**115**	(284)	(301)
– Demographic assumptions	**(4)**	543	1
Effect of asset ceiling test	**375**	458	(1,140)
Gains on plan assets (excluding amounts included in net interest)	**(292)**	(249)	275
	(89)	371	(1,366)

(Amounts in PHP)	Parent Company		
	2025	2024	2023
Reported in profit or loss:			
Current and past service cost	**423**	457	383
Net interest income	**(201)**	(239)	(69)
Interest on the effect of asset ceiling	**46**	78	-
	268	296	314
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Experience adjustments	**(277)**	(93)	(207)
– Financial assumptions	**111**	(276)	(271)
– Demographic assumptions	**(8)**	535	-
Effect of asset ceiling test	**365**	457	(1,139)
Gains on plan assets (excluding amounts included in net interest)	**(284)**	(246)	293
	(93)	377	(1,324)

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 income is presented as part of Interest Income on Due from BSP and other Banks 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:

	2025	2024	2023
Group			
Discount rates	**6.17% - 6.41%**	6.06% -6.13%	6.28% - 7.00%
Expected rate of salary increases	**3.00% - 5.33%**	3.50% - 6.00%	4.00% - 8.00%
Parent Company			
Discount rates	**6.37%**	6.09%	6.88%
Expected rate of salary increases	**5.00%**	5.00%	5.00%

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 in the succeeding pages.

(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, 2025 and 2024:

	Group		
	Impact on Post-employment Defined Benefit Obligation		
(Amounts in PHP)	**Change in Assumption**	**Increase in Assumption**	**Decrease in Assumption**
2025:			
Discount rate	**+/-1 %**	**(406)**	**458**
Salary growth rate	**+/-1 %**	**459**	**(415)**
2024:			
Discount rate	+/-1 %	(379)	427
Salary growth rate	+/-1 %	428	(385)

(Amounts in PHP)	Parent Company Impact on Post-employment Defined Benefit Obligation Change in Assumption	Increase in Assumption	Decrease in Assumption
2025:			
Discount rate	**+/-1 %**	**(370)**	**415**
Salary growth rate	**+/-1 %**	**417**	**(378)**
2024:			
Discount rate	+/-1 %	(346)	388
Salary growth rate	+/-1 %	388	(352)

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 fund manager or RTC, 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, 2025 and 2024 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 P1,826 and P1,872 in 2025 for the Group and Parent Company, respectively, based on the latest funding actuarial valuations in 2025.

The maturity profile of undiscounted expected benefit payments from the end of each reporting period follows:

	Group		Parent Company	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Less than one year	**909**	655	**904**	638
More than one year to five years	**3,442**	3,093	**3,269**	2,957
More than five years to ten years	**4,747**	4,587	**4,442**	4,331
More than ten to fifteen years	**14**	22	**-**	-
More than fifteen years	**31**	20	**-**	-
	9,143	8,377	**8,615**	7,926

The Group and Parent Company expect to contribute P51 and nil, respectively, to the plan in 2026.

24. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

24.1 Miscellaneous Income

		Group		
(Amounts in PHP)	Notes	**2025**	2024	2023
Recoveries from written off assets		**520**	651	600
Dividend income	10.1,10.2	**328**	322	318
Rentals	14.2,28.2(b)	**232**	283	424
Share in net earnings (losses) of subsidiaries and associates		**195**	85	92
Gain on extinguishment of loan		**-**	-	390
Gain on disposal of subsidiaries		**-**	-	243
Others		**153**	210	77
		1,428	1,551	2,567

		Parent Company		
(Amounts in PHP)	Notes	**2025**	2024	2023
Recoveries from written off assets		**520**	651	600
Dividend income	10.2	**279**	273	252
Share in net earnings (losses) of subsidiaries and associates		**122**	491	(157)
Rentals	14.2, 27.7(a)	**66**	62	57
Gain on extinguishment of loan		**-**	-	390
Gain on disposal of subsidiaries		**-**	-	243
Others		**128**	175	497
		1,115	1,652	1,882

In 2023, the Bank recovered settlement-related fees from HHIC-Phil, Inc. related to the full collection of its outstanding receivables and was recognized as Gain on extinguishment of loan under Miscellaneous Income in the 2023 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 and Other Expenses

(Amounts in PHP)	Group 2025	2024 (As Restated – see Note 2)	2023 (As Restated – see Note 2)
Service and processing fees	**2,863**	2,171	1,604
Information technology expenses	**1,777**	1,472	1,030
Other credit card-related expenses	**1,775**	1,411	1,034
Litigation/assets acquired	**918**	830	823
Advertising and publicity	**793**	629	501
Management and other professional fees	**753**	553	539
Communication and information services	**710**	616	631
Banking fees	**368**	226	417
Transportation and travel	**283**	163	221
Stationery and office supplies	**225**	191	208
Employee activities	**223**	282	302
Other outside services	**176**	154	132
Donation and charitable contribution	**139**	130	182
Representation and entertainment	**61**	23	51
Christmas expenses	**32**	35	14
Membership fees	**21**	20	22
Others	**517**	230	399
	11,634	9,136	8,110

(Amounts in PHP)	Parent Company 2025	2024 (As Restated – see Note 2)	2023 (As Restated – see Note 2)
Service and processing fees	**3,732**	2,953	2,340
Information technology expenses	**1,775**	1,470	1,028
Other credit card-related expenses	**1,775**	1,411	1,034
Litigation/assets acquired	**896**	827	818
Advertising and publicity	**789**	625	495
Management and other professional fees	**694**	504	499
Communication and information services	**680**	586	604
Banking fees	**362**	218	412
Transportation and travel	**263**	145	205
Stationery and office supplies	**220**	186	204
Employee activities	**219**	278	300
Other outside services	**176**	155	108
Donation and charitable contribution	**139**	129	151
Representation and entertainment	**50**	11	42
Christmas expenses	**31**	35	14
Membership fees	**18**	18	20
Others	**516**	325	354
	12,335	9,876	8,628

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 P678, P540, and P728 in 2025, 2024 and 2023, 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.

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 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 20.0% final tax effective July 1, 2025.

In 2025, 2024 and 2023, the Group opted to continue claiming itemized deductions for income tax purposes.

In 2025 and 2024, the Group applied NOLCO against the Group's annual tax payable.

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.

- 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.

The tax expense as reported in the statements of profit or loss consists of:

	Group		
(Amounts in PHP)	**2025**	2024	2023
Current tax expense:			
Final tax	**2,642**	2,971	2,659
RCIT at 25%	**1,026**	979	222
Excess MCIT over RCIT	**2**	6	452
	3,670	3,956	3,333
Application of MCIT	**(682)**	(226)	-
	2,988	3,730	3,333
Deferred tax income arising from origination and reversal of temporary differences	**(293)**	(262)	(2,035)
	2,695	3,468	1,298

	Parent Company		
(Amounts in PHP)	**2025**	2024	2023
Current tax expense:			
Final tax	**2,603**	2,968	2,578
RCIT at 25%	**919**	829	117
Excess MCIT over RCIT	**-**	-	431
	3,522	3,797	3,126
Application of MCIT	**(682)**	(226)	-
	2,840	3,571	3,126
Deferred tax income arising from origination and reversal of temporary differences	**(199)**	(227)	(1,843)
	2,641	3,344	1,283

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		
(Amounts in PHP)	**2025**	2024	2023
Tax on pretax profit at 25%	**3,313**	3,247	3,379
Adjustments for income subjected to lower income tax rates	**(447)**	(1,111)	(2,702)
Tax effects of:			
Non-deductible expenses	**1,999**	1,691	1,268
FCDU income	**1,055**	1,119	296
Non-taxable income	**(2,654)**	(1,014)	(699)
Unrecognized temporary differences	**-**	(29)	(692)
Excess MCIT over RCIT	**3**	11	431
Recognition of previously unrecognized deferred tax asset	**(598)**	(441)	-
Utilization of NOLCO	**(9)**	(35)	-
Others	**33**	30	17
	2,695	3,468	1,298

(Amounts in PHP)	Parent Company		
	2025	2024	2023
Tax on pretax profit at 25%	**3,300**	3,216	3,375
Adjustments for income subjected to lower income tax rates	**(432)**	(1,284)	(2,757)
Tax effects of:			
Non-deductible expenses	**1,952**	1,642	1,227
FCDU income	**1,055**	1,119	296
Non-taxable income	**(2,631)**	(908)	(605)
Recognition of previously unrecognized deferred tax asset	**(603)**	(441)	-
Unrecognized temporary difference	**-**	-	(684)
Excess MCIT over RCIT	**-**	-	431
	2,641	3,344	1,283

The deferred tax assets of the Group recognized in the consolidated statements of financial position as of December 31, 2025 and 2024 relate to the operations of the Parent Company and certain subsidiaries as shown below.

(Amounts in PHP)	Statements of Financial Position		Statements of Profit or Loss		
	2025	2024	**2025**	2024	2023
Allowance for impairment	**4,988**	4,019	**977**	560	435
Post-employment benefit obligation	**1,092**	1,226	**(157)**	(127)	1,304
NOLCO	**303**	38	**138**	129	(156)
Excess MCIT over RCIT	**7**	769	**(682)**	(301)	452
PFRS 16	**(109)**				
Others	**50**	-	**17**	1	-
Deferred tax assets – net	**6,331**	6,052			
Deferred tax income – net			**293**	262	2,035

The deferred tax assets of the Parent Company recognized in its statements of financial position as of December 31, 2025 and 2024 is shown below.

(Amounts in PHP)	Statements of Financial Position		Statements of Profit or Loss		
	2025	2024	**2025**	2024	2023
Allowance for impairment	**4,710**	3,631	**1,079**	613	271
Post-employment benefit obligation	**1,067**	1,227	**(160)**	(160)	1,296
Excess MCIT over RCIT	**-**	682	**(682)**	(226)	431
NOLCO	**-**	38	**(38)**	-	(155)
Deferred tax assets – net	**5,777**	5,578			
Deferred tax income – net			**199**	227	1,843

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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Allowance for impairment	**867**	1,009	**697**	985
NOLCO	**33**	24	**-**	-
Excess MCIT over RCIT	**11**	10	**-**	-
Others	**4**	5	**-**	-
	915	1,048	**697**	985

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 below.

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2025	816	-	-	816	2028
2024	85	-	-	85	2027
2023	447	(2)	-	445	2026
2022	749	(679)	(70)	-	2025
2021	143	(139)	(5)	-	2026
	2,240	**(820)**	**(75)**	**1,346**	

The Parent Company utilized NOLCO coming from financial year 2022 amounting to P152 in 2025. As a result, its NOLCO is fully utilized as at December 31, 2025.

The breakdown of the Group's excess MCIT over RCIT with the corresponding validity periods follows:

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2025	4	-	-	4	2028
2024	7	-	-	7	2027
2023	438	(431)	-	7	2026
2022	254	(251)	(3)	-	2025
2021	231	(226)	(5)	-	2024
	934	**(908)**	**(8)**	**18**	

The breakdown of the Parent Company's excess MCIT over RCIT with the corresponding validity periods follows:

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2023	431	431	-	-	2026
2022	251	251	-	-	2025
	682	**682**	**-**	**-**	

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 Accounting Standards; 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

In 2023 and prior years, 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 as of December 31, 2023 (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 as of December 31, 2023, 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 in 2023 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 1.2).

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 with related parties as of and for the years ended December 31, 2025, 2024 and 2023 is presented on a net basis below.

		Group					
		2025		2024		2023	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**(1,984)**	**25**	113	2,009	1,860	1,896
Deposit liabilities	27.3	**475**	**3,752**	(239)	3,277	846	3,516
Bills payable	27.6	**(14,870)**	**-**	710	14,870	14,160	14,160
Interest expense on deposits	27.3	**171**	**-**	216	-	60	-
Cash received from issuance of shares of stock	22.2	**-**	**-**	-	-	9,287	-
Associates							
Loans and receivables	27.2	**-**	**-**	(104)	-	104	104
Deposit liabilities	27.3	**(7,396)**	**5,608**	12,335	13,004	553	669
Interest expense on deposits	27.3	**141**	**-**	83	-	12	-
Sale of investment securities	27.4	**2,099**	**-**	3,678	-	-	-
Purchase of investment securities	27.4	**569**	**-**	1,186	-	-	-
Service processing fees	27.7 (h)	**66**	**15**	45	45	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**1,059**	**6,664**	2,432	5,605	(424)	3,173
Deposit liabilities	27.3	**(6,103)**	**6,980**	(146)	13,083	6,204	13,229
Bills payable	27.6	**5,550**	**5,550**	-	-	-	-
Interest income from loans and receivables	27.2	**245**	**-**	326	-	176	-
Interest expense on deposits and bills payable	27.3	**222**	**-**	217	-	105	-
Gain on assets sold	27.7 (e)	**(1,382)**	**757**	-	2,139	2,288	2,139
Occupancy and equipment-related expenses	27.7 (b)	**1,776**	**-**	1,446	-	1,421	-
Miscellaneous expenses – others	24.2	**678**	**-**	540	-	728	-

		Group					
		2025		2024		2023	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**3**	**38**	(3)	35	4	38
Deposit liabilities	27.3	**97**	**1,186**	327	1,089	337	762
Interest expense on deposits	27.3	**58**	**-**	53	-	7	-
Salaries and employee benefits	27.7 (f)	**572**	**-**	572	-	582	-
Interest income from loans and receivables	27.2	**1**	**-**	2	-	-	-
Other Related Interests							
Loans and receivables	27.2	**6,923**	**30,128**	(221)	23,205	2,511	23,426
Deposit liabilities	27.3	**(5,357)**	**4,478**	(3,917)	9,835	(54)	13,752
Interest income from loans and receivables	27.2	**954**	**-**	1,590	-	856	-
Interest expense on deposits	27.3	**167**	**-**	149	-	133	-
Occupancy and equipment-related expenses	27.7 (a,g)	**572**	**-**	403	-	524	-
Gain on assets sold	13	**-**	**-**	-	-	3,051	-

		Parent Company					
		2025		2024		2023	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	**(1,984)**	**25**	113	2,009	1,860	1,896
Deposit liabilities	27.3	**483**	**3,752**	(241)	3,269	840	3,510
Bills payable	27.6	**(14,870)**	**-**	710	14,870	14,160	14,160
Interest expense on deposits and bills payable	27.3	**171**	**-**	215	-	60	-
Cash received from issuance of shares of stock	22.2	**-**	**-**	-	-	9,287	-

(Amounts in PHP)	Notes	Parent Company					
		2025		2024		2023	
		Amount of Transaction	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Subsidiaries							
Loans and receivables	27.2	**44**	**44**	(40)	-	40	40
Deposit liabilities	27.3	**337**	**1,225**	(1,031)	888	426	1,919
Interest expense on deposits	27.3	**39**	**-**	34	-	8	-
Dividend	12	**49**	**279**	167	160	92	-
Rental income	27.7 (a)	**215**	**-**	223	-	221	-
Occupancy and equipment-related expenses	27.7 (a)	**257**	**-**	169	-	176	-
Service and processing fees	27.7 (b)	**1,023**	**104**	909	96	744	66
Sale of investment securities	27.4	**796**	**-**	-	-	828	-
Purchase of investment securities	27.4	**600**	**-**	520	-	2	-
Assignment of receivables	11	**(6)**	**81**	(18)	87	(22)	105
Associates							
Loans and receivables	27.2	**-**	**-**	(104)	-	104	104
Deposit liabilities	27.3	**(7,396)**	**5,608**	12,335	13,004	553	669
Interest expense on deposits	27.3	**141**	**-**	901	-	12	-
Sale of investment securities	27.4	**2,099**	**-**	3,678	-	-	-
Purchase of investment securities	27.4	**569**	**-**	1,186	-	-	-
Service processing fees	27.7 (h)	**66**	**15**	45	45	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**1,059**	**6,664**	2,432	5,605	(424)	3,173
Deposit liabilities	27.3	**(6,103)**	**6,980**	(146)	13,083	6,204	13,229
Interest income from loans and receivables	27.2	**245**	**-**	326	-	176	-
Interest expense on deposits	27.3	**181**	**-**	217	-	105	-
Gain on assets sold	27.7 (e)	**(1,382)**	**757**	-	2,139	2,288	2,139
Occupancy and equipment-related expenses	27.7 (a,g)	**1,776**	**-**	1,445	-	1,418	-
Miscellaneous expenses – others	24.2	**677**	**-**	539	-	728	-

(Amounts in PHP)	Notes	Parent Company					
		2025		2024		2023	
		Amount of Transaction	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**3**	**34**	1	31	4	30
Deposit liabilities	27.3	**96**	**1,183**	329	1,087	345	758
Interest income from loans and receivables	27.2	**1**	**-**	2	-	-	-
Interest expense on deposits	27.3	**58**	**-**	53	-	7	-
Salaries and employee benefits	27.7 (f)	**365**	**-**	358	-	395	-
Other Related Interests							
Loans and receivables	27.2	**6,901**	**30,051**	(249)	23,150	2,501	23,399
Deposit liabilities	27.3	**(5,359)**	**4,475**	(3,915)	9,834	(49)	13,749
Interest income from loans and receivables	27.2	**949**	**-**	1,587	-	854	-
Interest expense on deposits	27.3	**167**	**-**	149	-	133	-
Occupancy and equipment-related expenses	27.7 (a, g)	**439**	**-**	367	-	489	-
Gain on assets sold	13	**-**	**-**	-	-	3,051	-

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, 2025, 2024 and 2023 amounted to P25, P2,009, and P1,896, respectively.

27.2 Loans and Receivables

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, 2025 and 2024 the Group and Parent Company are in compliance with these regulatory requirements.

As of December 31, 2025, and 2024, the Group has not recognized impairment loss on loans and receivables from DOSRI.

27.3 Deposit Liabilities

Deposit liabilities transactions with related parties have similar terms with third party depositors.

The Bank enters into deposit transactions with related parties in the ordinary course of business. These deposits (demand, savings, and time) are undertaken at arm's length and on substantially the same terms and conditions as those offered to third-party customers for comparable products, currencies, tenors, and volumes. Interest rates fall within prevailing market ranges; the deposits are unsecured and not subordinated; and no preferential pricing, fee waivers, linked concessions, or side agreements are provided. No guarantees or other credit enhancements are granted or received beyond standard product features.

Balances and the related interest expense arising from these deposits are recognized in accordance with the Bank's accounting policies and are settled in cash under normal commercial terms. There were no defaults, waivers, or modifications of terms, no offsetting arrangements with related party assets, and no collateral received or pledged in respect of these balances during the periods presented. All transactions comply with the Bank's Related Party Transactions Policy and applicable regulatory requirements and are subject to appropriate governance and oversight.

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 RTC 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, 2025, 2024 and 2023 as follows:

	Group		Parent Company	
Nature of Transactions	Net Amount Transaction	Outstanding Balance	Net Amount Transaction	Outstanding Balance
(Amounts in PHP)				
2025				
Investment in common shares of Parent Company	**26**	**444**	**18**	**436**
Deposits with the Parent Company	**43**	**83**	**23**	**49**
Fair value gains	**19**	**-**	**19**	**-**
Post-employment benefit asset	**(399)**	**2,384**	**(362)**	**2,384**
2024				
Investment in common shares of Parent Company	25	418	31	418
Deposits with the Parent Company	2	40	26	26
Fair value gains	32	-	31	-
Post-employment benefit asset	120	2,745	81	2,746
2023				
Investment in common shares of Parent Company	(862)	393	(862)	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	2,625	3,127	2,665

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 P412 and P361 during 2025 and 2024, respectively.

The carrying amount and the composition of the plan assets as of December 31, 2025, 2024 and 2023 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 December 31, 2025 and 2024 amounted to P5,550 and P14,870, respectively. These bills payable are unsecured and bear interest at rates ranging from 2.5% to 7%, with average original terms of 3 months to 4 years.

27.7 Other Related Party Transactions

(a) 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 28.2(b)]. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI (see Note 13). Amortization of right-of-use of asset amounted to P555, P553 and P719 for the years ended December 31, 2025, 2024 and 2023, 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 RCBC Plaza lease contract with RRC was renewed for another five years from January 1, 2026 to December 31 2030, effective in November 2025 (see Note 13).

The Parent Company has entered into sublease agreements with certain subsidiaries for office space in RCBC Plaza at market, arm's length terms. The subleases have a five-year term, from January 1, 2026 to December 31, 2030, and are coterminous with the head lease. Rentals are billed monthly and sublease income is recognized in the period earned. The related-party balances and transactions arising from these subleases are approved in accordance with the Group's related-party policy and are eliminated upon consolidation.

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.

(b) 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.

(c) 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).

On December 22, 2025, SMBC increased its ownership in RCBC from 20.00% to 24.46% upon acquiring an additional 4.46% equity stake from an existing shareholder for P6,400 million.

(d) Donation of Properties from NPHI to RCBC

On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Company certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Company to PMMIC for a total consideration amounting to P57.

(e) 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 Notes 15.1 and 30).

(f) Key Management Personnel Compensation

The breakdown of key management personnel compensation follows:

	Group		
(Amounts in PHP)	**2025**	2024	2023
Short-term employee benefits	**559**	546	566
Post-employment defined benefits	**13**	26	16
	572	572	582

	Parent Company		
	2025	2024	2023
Short-term employee benefits	**365**	358	395

(g) Lease Contracts with Frame Properties, Inc.

The Parent Company and certain subsidiaries lease office spaces and parking space from Frame Properties, Inc. In March 31, 2023, the Parent Company entered into a five-year lease agreement with Frame Properties, Inc.

In 2024, the Bank amended its lease contract with Frame Properties, Inc. to revise area occupied and lease rate for selected properties resulting in a reduction in right-of-use asset and lease liability amounting to P9 and P41, respectively.

Amortization of right-of-use assets amounted to P299 and P227 for the years ended December 31, 2025 and 2024, 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 Frame Properties, Inc. is effective until March 30, 2028.

(b) Service agreement with RTC

The Parent Company and RTC executed a memorandum of agreement whereby the Parent Company agreed to provide support services to RTC covering various backroom and support activities as detailed in the service level agreements executed by each servicing unit within the Parent Company. The total service processing fees earned by the Parent Company is recognized as part of Others under Miscellaneous Income in the statements of profit or loss. The outstanding receivable is presented as part of Accounts Receivable under Loans and Other Receivables in the statements of financial position

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 of the BSP imposed a P1,000 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 then availed of the different modes of discovery as directed by the NY State Court. Depositions commenced in May 2025 and is still ongoing.

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.

In a Decision and Order dated 29 February 2024, the Appellate Division, First Judicial Department of the Supreme Court of the State of New York (the "Appellate Court") dismissed three (3) causes of action (i.e., conversion aiding and abetting conversion, and conspiracy to commit conversion) against the Bank and its impleaded officers.

The Appellate Court likewise dismissed the case against four of the Bank's officers. It was held, however, that the case can proceed against the Bank and the remaining defendants on the other causes of action.

Appeals were filed but all were denied. No further development is expected in this case. This appeal is now considered closed.

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. Instead of appealing the resolution of the Makati Trial Court, Bangladesh Bank filed a Memorandum of Authorities dated 7 December 2023. In an Order dated 27 February 2024, the Makati Trial Court held that the matter regarding Bangladesh Bank's state immunity is deemed submitted for resolution.

The Bank continues to deny liability and is vigorously defending itself against Bangladesh Bank's claims. As discussed above, the Court has dismissed several causes of action asserted against the Bank. Discovery is ongoing and the parties will continue to exchange documents and proceed to depositions over the next several months. To date, document discovery by the parties does not clearly establish that RCBC officers or directors engaged in or had knowledge of the intentional wrongdoing alleged by Bangladesh Bank.

Except for the matters discussed above, 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 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:

	2025		2024	
(Amounts in PHP)	**Future MLPR**	**PV of NMLPR**	Future MLPR	PV of NMLPR
Within one year	**59**	**53**	145	138
After one year but not more than two years	**727**	**622**	741	641
After two years but not more than three years	**190**	**163**	268	231
After three years but not more than four years	**1**	**1**	15	12
After four years but not more than five years	**124**	**106**	190	151
More than five years	**63**	**54**	39	29
Total MLPR	**1,164**	**999**	1,398	1,202
Unearned lease income	**(165)**	**-**	(196)	-
Present value of MLPR	**999**	**999**	1,202	1,202

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 part of 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 P163, P226, and P323 in 2025, 2024 and 2023, 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

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 P232, P283, and P424 in 2025, 2024, and 2023, 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, 2025, 2024, and 2023.
The Group's and Parent Company's future minimum rental receivables under this non-cancellable operating lease arrangement are as follows:

	Group		
(Amounts in PHP)	**2025**	2024	2023
Within one year	**195**	326	338
After one year but not more than two years	**114**	140	312
After two years but not more three years	**58**	45	126
After three years but not more than four years	**39**	16	31
After four years but not more than five years	**2**	3	7
	408	530	814

28.3 Capital Commitments

As of December 31, 2025 and 2024, the Group and Parent Company 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:

(Amounts in PHP)	**2025**	2024	2023
Net profit attributable to Parent Company's shareholders	**10,558**	9,520	12,218
Dividends paid to preferred shareholders and distributions allocated to holders of hybrid perpetual securities	**(745)**	(1,096)	(1,068)
	9,813	8,424	11,150
Weighted average number of outstanding common shares of stock	**2,420**	2,420	2,198
Basic and diluted EPS*	**4.06**	3.48	5.07

** Full-precision amounts and shares were used in the basic and diluted EPS calculation*

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 other potential dilutive shares as of the end of each reporting period.

30. SUPPLEMENTARY INFORMATION TO STATEMENTS OF CASH FLOWS

Significant non-cash transactions of the Group and the Parent Company include 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 15.1 and 27.7 (f)].

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				
(Amounts in PHP)	**Bills Payable** (see Note 18)	**Bonds Payable** (see Note 19)	**Lease Liability** (see Note 21)	**Hybrid Perpetual Securities** (see Note 22.4)	**Total Financing Activities**
Balance at January 1, 2025	86,616	26,935	5,342	14,463	133,356
Cash flow from financing activities:					
Availments/proceeds from issuance	60,540	32,945	-	-	93,485
Payments/redemption	(83,257)	-	(2,497)	(17,130)	(102,884)
Non-cash financing activities:					
Foreign exchange gains	5,926	711	-	-	6,637
Loss on redemption of hybrid perpetual securities	-	-	-	2,667	2,667
Additional lease liabilities	-	-	2,294	-	2,294
Lease termination	-	-	(6)	-	(6)
Amortization of discount and interest	(194)	(269)	297	-	(166)
FV hedge – bonds payable	-	-	-	-	-
Balance at December 31, 2025	**69,631**	**60,322**	**5,430**	**-**	**135,383**
Balance at January 1, 2024	50,858	34,939	6,687	14,463	106,947
Cash flow from financing activities:					
Availments/proceeds from issuance	43,948	23,138	-	-	67,086
Payments/redemption	(10,232)	(31,542)	(2,366)	-	(44,140)
Non-cash financing activities:					
Additional lease liabilities	-	-	669	-	669
Lease Termination	-	-	(12)	-	(12)
Foreign exchange losses	2,042	718	-	-	2,760
Amortization of discount and interest	-	(114)	364	-	250
FV hedge – bonds payable	-	(204)	-	-	(204)
Balance at December 31, 2024	86,616	26,935	5,342	14,463	133,356
Balance at January 1, 2023	66,660	74,411	5,500	14,463	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 loss	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	335	-	354
Balance at December 31, 2023	50,858	34,939	6,687	14,463	106,947

	Parent Company				
(Amounts in PHP)	**Bills Payable** (see Note 18)	**Bonds Payable** (see Note 19)	**Lease Liability** (see Note 21)	**Hybrid Perpetual Securities** (see Note 22.4)	**Total Financing Activities**
Balance at January 1, 2025	80,928	26,935	5,541	14,463	127,867
Cash flow from financing activities:					
Availments/proceeds from issuance	56,919	32,945	-	-	89,864
Payments/redemption	(80,385)	-	(2,409)	(17,130)	(99,924)
Non-cash financing activities:					
Loss on redemption of hybrid perpetual securities	-	-	-	2,667	2,667
Additional lease liabilities	-	-	2,062	-	2,062
Lease termination	-	-	(6)	-	(6)
Foreign exchange gains	5,926	711	-	-	6,637
Amortization of discount and interest	(194)	(269)	291	-	(172)
FV hedge – bonds payable	-	-	-	-	-
Balance at December 31, 2025	**63,194**	**60,322**	**5,479**	**-**	**128,995**
Balance at January 1, 2024	43,957	34,939	7,029	14,463	100,388
Cash flow from financing activities:					
Availments/proceeds from issuance	41,100	23,138	-	-	64,238
Payments/redemption	(6,171)	(31,542)	(2,283)	-	(39,996)
Non-cash financing activities:					
Additional lease liabilities	-	-	456	-	456
Lease termination	-	-	(12)	-	(12)
Foreign exchange gains	2,042	718	-	-	2,760
Amortization of discount and interest	-	(114)	351	-	237
FV hedge – bonds payable	-	(204)	-	-	(204)
Balance at December 31, 2024	80,928	26,935	5,541	14,463	127,867

(Amounts in PHP)	Parent Company Bills Payable (see Note 18)	Bonds Payable (see Note 19)	Lease Liability (see Note 21)	Hybrid Perpetual Securities (see Note 22.4)	Total Financing Activities
Balance at January 1, 2023	58,391	74,411	5,913	14,463	153,178
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(28,399)	(39,041)	(2,044)	-	(69,484)
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	43,957	34,939	7,029	14,463	100,388

31. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below and in the succeeding page shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	2025					
	Group			Parent Company		
(Amounts in PHP)	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	23,656	-	23,656	23,417	-	23,417
Due from BSP	63,023	23,932	86,955	61,225	23,147	84,372
Due from other banks	9,050	-	9,050	8,916	-	8,916
Loans under reverse repurchase agreements	20,641	-	20,641	20,000	-	20,000
Interbank loans receivables	41,535	-	41,535	41,535	-	41,535
Financial assets at FVTPL	12,975	-	12,975	12,370	-	12,370
Financial assets at FVOCI - net	27,878	80,315	108,193	27,244	80,315	107,559
Investments at amortized cost - net	28,277	225,436	253,713	26,981	225,638	252,619
Loans and other receivables - net	65,361	696,516	761,877	63,893	692,470	756,363
Other resources - net	1,567	-	1,567	1,546	-	1,546
	293,963	1,026,199	1,320,162	287,127	1,021,570	1,308,697
Non-financial Assets						
Investment in subsidiaries and associates - net	-	745	745	-	6,477	6,477
Bank premises, furniture, fixtures and equipment - net	-	8,229	8,229	-	7,503	7,503
Investment properties - net	-	768	768	-	768	768
Deferred tax asset - net	-	6,331	6,331	-	5,777	5,777
Other resources - net	13,163	7,038	20,201	12,991	6,591	19,582
	13,163	23,111	36,274	12,991	27,116	40,107
	307,126	**1,049,310**	**1,356,436**	**300,118**	**1,048,686**	**1,348,804**
Financial Liabilities						
Deposit liabilities	326,964	698,491	1,025,455	326,075	699,408	1,025,483
Bills payable	63,382	6,249	69,631	60,303	2,891	63,194
Bonds payable	4,130	56,192	60,322	4,130	56,192	60,322
Accrued interest and other expenses	8,538	3,378	11,916	8,710	3,378	12,088
Other liabilities	22,265	9,933	32,198	23,197	8,170	31,367
	425,279	774,243	1,199,522	422,415	770,039	1,192,454
Non-financial Liabilities						
Accrued interest and other expenses	420	-	420	-	-	-
Other liabilities	5,325	-	5,325	5,191	-	5,191
	5,745	-	5,745	5,191	-	5,191
	431,024	**774,243**	**1,205,267**	**427,606**	**770,039**	**1,197,645**

	2024					
	Group			Parent Company		
(Amounts in PHP)	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	23,003	-	23,003	22,907	-	22,907
Due from BSP	71,235	43,995	115,230	69,459	43,304	112,763
Due from other banks	14,569	-	14,569	14,433	-	14,433
Interbank loans receivables	32,567	-	32,567	32,567	-	32,567
Financial assets at FVTPL	10,234	-	10,234	9,525	-	9,525
Financial assets at FVOCI - net	95,890	62,740	158,630	95,215	62,739	157,954
Investments at amortized cost - net	18,349	241,873	260,222	17,515	241,872	259,387
Loans and other receivables - net	70,547	639,383	709,930	69,330	634,634	703,964
Other resources - net	1,688	-	1,688	1,669	-	1,669
	338,082	987,991	1,326,073	332,620	982,549	1,315,169
Non-financial Assets						
Investment in subsidiaries and associates - net	-	600	600	-	6,720	6,720
Bank premises, furniture, fixtures and equipment - net	-	8,033	8,033	-	7,060	7,060
Investment properties - net	-	695	695	-	695	695
Deferred tax asset - net	-	6,052	6,052	-	5,578	5,578
Other resources - net	16,419	2,281	18,700	15,305	2,625	17,930
	16,419	17,661	34,080	15,305	22,678	37,983
	354,501	1,005,652	1,360,153	347,925	1,005,227	1,353,152
Financial Liabilities						
Deposit liabilities	239,203	783,591	1,022,794	238,557	784,180	1,022,737
Bills payable	66,874	19,742	86,616	65,412	15,516	80,928
Bonds payable	-	26,935	26,935	-	26,935	26,935
Accrued interest and other expenses	8,342	2,024	10,366	9,431	1,881	11,312
Other liabilities	11,360	38,952	50,312	11,360	38,077	49,437
	325,779	871,244	1,197,023	324,760	866,589	1,191,349
Non-financial Liabilities						
Accrued interest and other expenses	1,294	-	1,301	7	-	7
Other liabilities	3,338	-	3,338	3,314	-	3,314
	4,632	-	4,639	3,321	-	3,321
	330,411	871,244	1,201,662	328,081	866,589	1,194,670

32. OTHER MATTERS – Impact of Global Conflicts

The ongoing Russia-Ukraine war since February 24, 2022 and subsequent geopolitical conflicts led to a surge in global crude oil and commodity prices in 2022. This volatility expanded 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 fluctuate according to market conditions; unless sold, these losses are recorded as part of the other comprehensive income or loss under Statement of comprehensive income.

The BSP began easing in August 2024 and has since implemented six consecutive rate cuts totaling 225 bps, bringing the policy rate to 4.25% as of February 19, 2026, the lowest since August 2022. During the same period, the U.S. Federal Reserve cut rates by 175 bps, narrowing the peso and the USD interest rate differential to 5% percentage point, marking one of the tightest spreads historically.

To mitigate these impacts, the Group continues to execute a disciplined management strategy focused on issuing higher-yield loans to offset increased funding costs, maintaining disciplined portfolio management to navigate market volatility and prioritizing growth in low-cost funding (CASA) to protect net interest margins.

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		
	2025	2024	2023
Return on average equity			
Net profit / Average total equity	**6.65%**	6.03%	9.53%
Return on average resources			
Net profit / Average total resources	**0.80%**	0.75%	1.06%
Net interest margin			
Net interest income / Average interest earning resources	**4.77%**	3.88%	3.43%

	Parent Company		
	2025	2024	2023
Return on average equity			
Net profit / Average total equity	**6.64%**	6.03%	9.52%
Return on average resources			
Net profit / Average total resources	**0.81%**	0.76%	1.07%

	Parent Company		
	2025	2024	2023
Net interest margin			
Net interest income / Average interest earning resources	**4.76%**	3.85%	3.39%

(b) Capital Instruments Issued

(i) Common Stock

As of December 31, 2025, the Parent Company's common stock amounted to P24,195 representing 2,419,536,530 issued common shares as compared to December 31, 2024 common stock amounted to P24,195 representing 2,419,536,359 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, 2025 and 2024, the Parent Company's issued and outstanding preferred stock amounted to P3 representing 266,194 preferred shares. These preferred shares are voting, non-cumulative, non-redeemable, participating and convertible into common stock.

During the year, certain holders exercised the conversion feature of the preferred shares, resulting in the conversion of 866 preferred shares into 171 common shares. Accordingly, issued and outstanding preferred shares decreased from 266,194 at the beginning of the year to 265,328 as at December 31, 2025, while issued and outstanding common shares increased from 2,419,536,359 to 2,419,536,530.

The Parent Company's 1,216 preferred shares were converted into 239 common shares, decreasing issued and outstanding preferred shares from 267,410 to 266,194 and increasing issued and outstanding common shares from 2,419,536,120 to 2,419,536,359 as at December 31, 2024.

The conversions were effected in accordance with the terms of the preferred shares. No cash proceeds were received in relation to the conversion. The Parent Company reclassified amounts within equity, decreasing preferred share capital (at par) and the related additional paid-in capital, and increasing common share capital (at par) with the corresponding difference recognized within additional paid-in capital. No gain or loss was recognized related to these conversions.

(iii) Hybrid Perpetual Securities

In August 27, 2020, the Parent Company issued USD300 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.

In 2025, the AT1 securities were redeemed in accordance with the contractual terms at P17,130 and the resulting difference of P2,667 between the redemption amount and the carrying cost was charged directly to the Group's surplus (see Note 22.4).

(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 is reflected below and in the succeeding page. This table also includes the industry groups above the 10% of Tier 1 capital of the Group and the Parent Company amounting to P12,543 and P12,166, respectively, as of December 31, 2025, and P13,315 and P12,943, respectively, as of December 31, 2024.

	Group			
	2025		2024	
(Amounts in PHP)	**Amount**	**Share**	Amount	Share
Credit cards	**145,797**	**19%**	110,453	16%
Housing	**118,005**	**16%**	98,954	14%
Real estate, renting and other related activities	**92,015**	**12%**	93,193	13%
Auto	**88,115**	**12%**	62,472	9%
Electricity, gas and water	**81,372**	**11%**	69,851	10%
Wholesale and retail trade	**60,655**	**8%**	72,324	10%
Transportation and communication	**52,283**	**7%**	47,554	7%
Financial intermediaries	**47,774**	**6%**	72,473	10%
Manufacturing (various industries)	**39,442**	**5%**	47,839	7%
Consumer*	**12,565**	**2%**	10,090	1%
Mining and quarrying	**4,490**	**1%**	4,581	1%
Agriculture, fishing, and forestry	**4,291**	**1%**	4,075	1%
Hotels and restaurants	**3,718**	**-**	3,972	-
Other community, social and personal activities	**3,143**	**-**	2,461	-
Others	**7,572**	**1%**	10,342	1%
	761,237	**100%**	710,634	100%

	Parent Company			
	2025		2024	
(Amounts in PHP)	**Amount**	**Share**	Amount	Share
Credit cards	**145,797**	**19%**	110,453	16%
Housing	**117,981**	**16%**	98,940	14%
Real estate, renting and other related activities	**90,952**	**12%**	92,202	13%
Auto	**88,043**	**12%**	62,411	9%
Electricity, gas and water	**81,362**	**11%**	69,827	10%
Wholesale and retail trade	**59,373**	**8%**	71,297	10%
Transportation and communication	**50,166**	**7%**	44,952	6%
Financial intermediaries	**47,727**	**6%**	72,467	10%
Manufacturing (various industries)	**38,810**	**5%**	46,892	7%
Consumer*	**12,552**	**2%**	10,077	1%
Mining and quarrying	**4,474**	**1%**	4,485	1%
Agriculture, fishing, and forestry	**4,166**	**1%**	3,867	1%
Hotels and restaurants	**3,602**	**-**	3,878	1%
Other community, social and personal activities	**3,015**	**-**	2,340	-
Others	**7,518**	**1%**	10,323	1%
	755,538	**100%**	704,411	100%

**Includes personal and salary loans*

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.

(d) Credit Status of Loans

The breakdown of receivable from customers as to status is shown below.

	Group		
(Amounts in PHP)	**Performing**	**Non-performing**	**Total Loan Portfolio**
2025			
Gross carrying amount:			
Corporate	**368,895**	**21,520**	**390,415**
Consumer	**352,972**	**17,850**	**370,822**
	721,867	**39,370**	**761,237**
Allowance for ECL	**(5,110)**	**(16,403)**	**(21,513)**
Net carrying amount	**716,757**	**22,967**	**739,724**
2024			
Gross carrying amount:			
Corporate	404,765	19,380	424,145
Consumer	273,857	12,632	286,489
	678,622	32,012	710,634
Allowance for ECL	(4,441)	(13,875)	(18,316)
Net carrying amount	674,181	18,137	692,318

(Amounts in PHP)	Parent Company		
	Performing	**Non-performing**	**Total Loan Portfolio**
2025			
Gross carrying amount:			
Corporate	**366,302**	**19,729**	**386,031**
Consumer	**352,238**	**17,269**	**369,507**
	718,540	**36,998**	**755,538**
Allowance for ECL	**(5,070)**	**(15,414)**	**(20,484)**
Net carrying amount	**713,470**	**21,584**	**735,054**
2024			
Gross carrying amount:			
Corporate	402,506	16,579	419,085
Consumer	272,781	12,545	285,326
	675,287	29,124	704,411
Allowance for ECL	(4,415)	(12,797)	(17,212)
Net carrying amount	670,872	16,327	687,199

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.

(Amounts in PHP)	Group		Parent Company	
	2025	2024	**2025**	2024
Gross NPLs	**39,370**	32,012	**36,998**	29,124
Allowance for impairment	**(16,403)**	(13,875)	**(15,414)**	(12,797)
	22,967	18,137	**21,584**	16,327

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, 2025, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 4.78% and 2.82%, and 4.53% and 2.64%, respectively. As of December 31, 2024, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 4.31% and 2.44%, and 3.95% and 2.22%, respectively. Most of the NPLs are secured by real estate or chattel mortgages. As of December 31, 2025 and 2024, the amount of restructured receivables from customer were P8,935 and P4,930 for the Group and P7,076 and P2,636 for the Parent Company.

Interest income from restructured receivables from customers amounted P97, P147, and P112 in 2025, 2024, 2023, 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**	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Secured:				
Real estate mortgage	**202,636**	203,996	**201,797**	203,103
Chattel mortgage	**83,796**	63,435	**81,889**	61,266
Hold-out deposits	**15,464**	15,089	**15,464**	15,089
Other securities	**7,798**	11,553	**5,593**	8,908
	309,694	294,073	**304,743**	288,366
Unsecured	**451,543**	416,561	**450,795**	416,045
	761,237	710,634	**755,538**	704,411

(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 table in the succeeding page 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	
	2025	2024	**2025**	2024
Total outstanding DOSRI loans	**-**	-	**-**	-
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	
(Amounts in PHP)	**2025**	2024	**2025**	2024
Total outstanding related party loans	**36,830**	28,846	**36,793**	28,786
Unsecured related party	**23,935**	19,827	**23,907**	19,800
Past due related party	**-**	19	**-**	19
Percent of related party loans to total loan portfolio	**4.84%**	4.06%	**4.87%**	4.09%
Percent of unsecured related party loans to total related party loans	**64.99%**	68.73%	**64.98%**	68.78%
Percent of past due related party loans to total related party loans	**0.00%**	0.07%	**0.00%**	0.07%
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, 2025, 2024 and 2023, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2025, 2024 and 2023, 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.

(Amounts in PHP)	**2025**	2024
Aggregate amount of secured liabilities	**63,194**	66,056
Aggregate amount of resources pledged as security	**81,000**	80,523

(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, 2025 and 2024:

(Amounts in PHP)	**2025**	2024
Derivative assets	**366,756**	206,527
Outstanding guarantees issued	**312,022**	268,149
Derivative liabilities	**139,479**	105,484
Unused commercial letters of credit	**20,305**	23,098
Spot exchange bought	**20,109**	10,613
Spot exchange sold	**20,107**	10,617
Inward bills for collection	**11,819**	10,677
Late deposits/payments received	**847**	859
Outward bills for collection	**94**	28
Others	**266**	63

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
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 (together hereinafter referred to as the Group) for the year ended December 31, 2025, on which we have rendered our report dated February 23, 2026. 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 (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Maria Isabel E. Comedia
Partner

CPA Reg. No. 0092966
TIN 189-477-563
PTR No. 10770756, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 92966-SEC (until financial period 2027)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-021-2025 (until August 6, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-005 (until August 12, 2027)

February 23, 2026

Rizal Commercial Banking Corporation and Subsidiaries
List of Supplementary Information
December 31, 2025

Schedule	Description	Page
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	2
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	3
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	4
D	Long Term Debt	5
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Other Required Information		
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**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, 2025
(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 10,508	P 10,594	P 10,594	P 245
Corporate debt securities	101	104	104	-
Equity securities	131	600	600	2
Derivative financial assets		1,677	1,677	133
		12,975	12,975	380
Financial Asset at Fair Value Through Other Comprehensive Income				
Quoted equity securities	84	1,340	1,340	-
Unquoted equity securities	63,103	2,848	2,848	277
Government securities	88,656	89,115	89,115	4,340
Corporate debt securities	15,809	14,890	14,890	523
		108,193	108,193	5,140
Investment Securities at Amortized Cost				
Government securities	221,782	223,883	209,544	8,796
Corporate debt securities	29,423	29,963	27,981	1,075
		253,846	237,525	9,871
Allowance for impairment		(133)	-	-
		253,713	237,525	9,871
		P 374,881	**P 358,693**	**P 15,391**

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, 2025
(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							
Petrogreen Energy Corporation	P 80	P -	(P 80)	P -	P -	P -	P -
RCBC Realty Corporation	471	-	(65)	-	406	-	406
ATYC, Inc.	2,426	2,500	(2,426)	-	2,500	-	2,500
San Lorenzo Ruiz Investment Holdings and Services Inc.	889		(889)	-	-	-	-
Malayan Colleges Mindanao (a Mapua School) Inc	500			-	500	-	500
HI Cars, Inc.	410	135	(218)	-	327	-	327
Petroenergy Resources Corporation	279		(2)	-	277	-	277
Tarlac Terra Ventures Inc.	2,689	263	(1,542)	-	1,410	-	1,410
Credit Card Receivables							
Bankard (Officers)	139	498	(481)	-	156	-	156
Due from Other Banks							
Sumitomo Mitsui Banking Corporation (SMBC)	1,992	-	(1,974)	-	18	-	18
Cathay United Bank Co. Ltd.	17	-	(10)	-	7	-	7
RCBC Capital Corporation							
Loans Receivable							
Employee Loans - RCAP	1	1	(1)	-	1	-	1
Employee Loans- RSEC	2	1	(1)	-	-	-	2
RCBC Leasing and Finance Corp.							
Loans Receivable							
Employee Loans	1	2	(2)	-	1	-	1
RCBC Bankard Services Corporation							
Loans Receivable							
Employee Loans	24	9	(15)	-	9	9	18
Accounts Receivables	96	1,145	(1,136)	-	105	-	105
RCBC Microbank Inc., - A Thrift Bank of RCBC							
Loans Receivable							
Employee Loans	17	17	(7)	-	6	21	27

Rizal Commercial Banking Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2025
(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*	
RCBC Microbank Inc., - A Thrift Bank of RCBC							
Due from other banks - RCBC	P 80	P 5,595	(P 5,600)	P -	P 75	P -	P 75
RCBC Capital Corporation							
Due from other banks	147	130	(65)	-	212	-	212
Accounts Receivable - RBSC	96	1,023	(1,014)	-	105	-	105
RCBC Leasing and Finance Corp.							
Due from other banks - RCBC	207	57,859	(57,513)	-	553	-	553
RCBC International Finance, Ltd.							
Due from other banks - RCBC	74	1,067	(1,062)	-	79	-	79
RCBC Forex Brokers Corp.							
Due from other banks - RCBC	34	23	(9)	-	48	-	48
RCBC - JPL Holding Company							
Assignment of receivables	86	-	(5)	-	81	-	81

Rizal Commercial Banking Corporation and Subsidiaries
Schedule D - Long Term Debt
December 31, 2025
(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 Interest Rate: 4.18% Fixed Rate Maturity Date: 6/30/2026 Number of periodic installments: Not applicable	P 4,130	P 4,130	P -
P 12,212,500,000 Senior Notes Interest Rate: 6.00% Fixed Rate Maturity Date: 1/17/2028 Number of periodic installments: Not applicable	12,213	P -	P 12,213
US$ 400,000,000 Senior Notes Interest Rate: 5.5% Fixed Rate Maturity Date: 1/18/2029 Number of periodic installments: Not applicable	$ 400		P 23,518
US$ 350,000,000 Senior Notes Interest Rate: 5.375% Fixed Rate Maturity Date: 1/29/2030 Number of periodic installments: Not applicable	$ 350		P 20,461

Rizal Commercial Banking Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2025
(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, 2025
(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, 2025
(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	265,328	265,328	-	-	-
Common Shares	2,600,000,000	2,419,536,530	-	2,052,986,944	21,379,107	345,170,479

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, 2025
(Amounts in Millions of Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year			P 55,732
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings			
Transfer of trust reserves to surplus	-		
Effect of restatements or prior-period adjustments	-		
Others	-		-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(	2,815)	
Appropriation for general loan loss provisions	(	1,414)	
Redemption of securities	(	2,667)	
Effect of restatements or prior-period adjustments	-		
Transfer of fair value gain on financial asset at fair value through other comprehensive income (FVOCI) to surplus		41	
Others	-		(6,855)
Unappropriated Retained Earnings at Beginning of Year, as adjusted			48,877
Add: Net Income for the Current Year			10,559
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)			
Equity in net income of associates, net of dividends declared	(	146)	
Equity in net income of subsidiaries, net of dividends declared		272	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(	5,588)	
Unrealized fair value adjustment (mark-to-market loss) of financial instruments at fair value through profit or loss (FVTPL)	-		
Unrealized fair value gain of investment property	-		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-		
Sub-total			(5,462)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)			
Realized foreign exchange loss, except those attributable to cash and cash equivalents	-		
Realized fair value adjustment (mark-to-market loss) of financial instruments at FVTPL	-		
Realized fair value gain of investment property	-		
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-		
Sub-total			-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)			
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-		
Reversal of previously recorded fair value gain of investment property	-		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-		
Sub-total			-
Adjusted Net Income/Loss			5,097
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)			
Depreciation on revaluation increment (after tax)	-		
Sub-total			-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP			
Amortization of the effect of reporting relief	-		
Total amount of reporting relief granted during the year	-		
Others	-		
Sub-total			-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution			
Net movement of treasury shares (except for reacquisition of redeemable shares)	-		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(	199)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-		
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-		
Others	-		
Sub-total			(199)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year			**P 53,775**

Supplementary information —

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

Rizal Commercial Banking Corporation and Subsidiaries
Schedule of Recent Public Offerings
December 31, 2025

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.

2024 - USD400,000,000 Senior Note

Gross Proceeds: USD400,000,000(Issue Price: USD 400,000,000 @ 99.543%)
Related Expenses: USD849,799.85 and P4,790,398.66
Use of Proceeds: To be used for general banking and re-lending purposes.

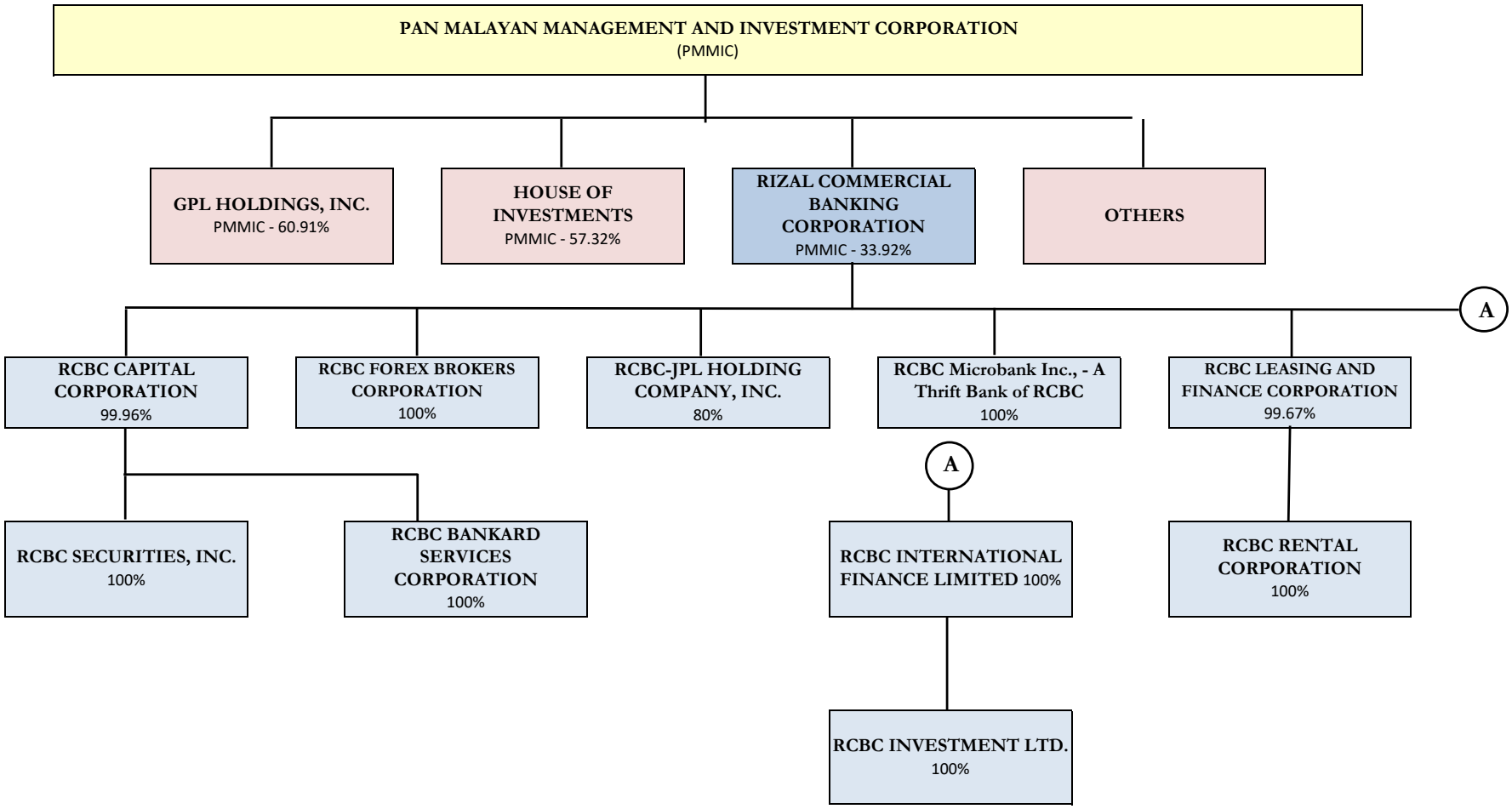
2025 - USD350,000,000 Senior Note

Gross Proceeds: USD350,000,000(Issue Price: USD 350,000,000 @ 99.29%)
Related Expenses: USD 829,138.72 and PHP 1,123,033.59 and JPY 4,000,000 and SGD 10,000.00
Use of Proceeds: To be used for general banking and re-lending purposes.

2025 - P12,212,500,000 Senior Note

Gross Proceeds: P12,212,500,000 (Issue Price:P12,212,500,000 @ 100.00%)
Related Expenses: P 102,774,647.60
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, 2025



Rizal Commercial Banking Corporation and Subsidiaries
Supplemental Schedule of Financial Soundness Indicators
(Amount in Millions of Philippine Pesos, Except Share Data)
December 31, 2025 and 2024

Ratio	Formula	Ratio			
		2025		2024	
Current ratio	Total current assets	**307,126**	**71.25%**	354,501	107.29%
	Total current liabilities	**431,024**		330,411	
Acid test ratio	Quick assets	**194,812**	**45.20%**	195,603	59.20%
	Total current liabilities	**431,024**		330,411	
Solvency ratio	Total liabilities	**1,205,267**	**88.86%**	1,201,662	88.35%
	Total resources	**1,356,436**		1,360,153	
Debt-to-equity ratio	Total liabilities	**1,205,267**	**797.30%**	1,201,662	758.19%
	Total equity	**151,169**		158,491	
Resources-to-equity ratio	Total resources	**1,356,436**	**897.30%**	1,360,153	858.19%
	Total equity	**151,169**		158,491	
Interest rate coverage ratio	Earnings before interest and taxes	**43,176**	**144.29%**	49,570	135.50%
	Interest expense	**29,923**		36,582	
Return on equity	Net profit (net of AT1)	**9,813**	**6.65%**	8,398	6.03%
	Average total equity	**147,668**		139,296	
Return on resources	Net profit	**10,558**	**0.80%**	9,520	0.75%
	Average total resources	**1,311,686**		1,262,951	
Net profit margin	Net profit	**10,558**	**16.69%**	9,520	17.83%
	Revenues	**63,277**		53,408	
Other ratios:					
Net interest margin	Net interest income	**55,719**	**4.77%**	42,363	3.88%
	Average interest earning resources	**1,167,609**		1,092,519	
Cost-to-income ratio	Total other operating expenses	**35,024**	**55.35%**	31,801	59.54%
	Gross income	**63,277**		53,408	
Capital adequacy ratio	Total qualifying capital	**133,717**	**14.46%**	141,071	16.08%
	Total risk-weighted assets	**924,720**		877,395	

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2025 and 2024

	2025	2024
Total Audit Fees	**P 12,890,000**	P 11,718,000
Non-audit service fees:		
Other assurance service	**3,600,000**	1,900,000
Review of financial statements	**2,765,000**	2,595,000
Total Non-Audit Fees	**6,365,000**	4,495,000
Total Audit and Non-audit Fees	**P 19,255,000**	P 16,213,000



Partners Through Generations

Rizal Commercial Banking Corporation

Sustainability Report 2025

Contextual Information

Company Details	
Name of Organization	Rizal Commercial Banking Corporation
Location of Headquarters	Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	Rizal Commercial Banking Corporation www.rcbc.com
Business Model, including Primary Activities, Brands, Products, and Services	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 offers commercial, corporate, and consumer lending products, cash management products, treasury products, and remittance services. The Bank and its subsidiaries are engaged in all aspects of traditional banking, investment banking, retail financing (auto, mortgage/housing loans, credit cards, and microfinance loans), remittance, leasing, foreign exchange, and stock brokering.
Reporting Period	January 1, 2025 – December 31, 2025
Highest Ranking Person responsible for this report	July 01, 2025 – December 31, 2025 Reginaldo Anthony B. Cariaso President and Chief Executive Officer January 01, 2025 – June 30, 2025 Eugene S. Acevedo President and Chief Executive Officer

Rizal Commercial Banking Corporation (RCBC or the Bank) is a pillar of the Philippines' banking industry. Established in 1960, the Bank started its operations in the province of Rizal under the name Rizal Development Bank. In 1963, RCBC received approvals from the Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank under its current name and then as a universal bank in 1989. RCBC offers consumer, commercial and corporate lending products, deposits and cash management solutions, treasury products, remittance and mobile banking services among others.

RCBC is a member of the Yuchengco Group of Companies (YGC), a premier business organization in the Philippines covering over 60 businesses involved in a wide range of financial and non-financial services. YGC is recognized as one of the oldest and largest conglomerates in Southeast Asia. RCBC is a publicly-listed company (Stock Code: RCB) in the Philippine Stock Exchange (PSE).

As a diversified financial institution, RCBC serves corporate and individual banking needs through multiple customer channels offering innovative products and services to various markets. RCBC's inclusive financial business model expanded in 2010 when it ventured into the microfinance business via Rizal MicroBank (RMB, the thrift bank subsidiary)[1] to serve the unbanked and underserved segments of the country's population. RMB mainly provides loans to microenterprise and small business operators as

[1] Effective January 2026, Rizal MicroBank Inc. – a Thrift Bank of RCBC changed its corporate name to RCBC Microbank – A Thrift Bank Inc.

well as agricultural value chain players.

RCBC is among the largest privately owned universal banks in the Philippines, posting a consolidated net income of PHP 10.6 billion in 2025 (versus PHP 9.5 billion in 2024) and total assets of PHP 1.4 trillion. The growth in consolidated net income reflects the 32% surge in net interest income and 25% rise in service fees.

RCBC aligns its business strategy to support the development needs of the environment and society, as articulated in the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. RCBC institutionalizes awareness of environmental and social (E&S) issues within the organization, with its clients, and communities served. The Bank believes that sustainable practices are a key pillar of responsible lending which delivers meaningful impact on the environment and communities. In December 2020, RCBC committed to cease funding of the construction of new coal power plants in the country or anywhere else in the world. The Bank's remaining exposure to coal-fired power projects will be zeroed out by 2031, as initially disclosed in RCBC's 2021 Sustainability Report.

RCBC remains a trailblazer in sustainability. In 2025,the Bank received the following awards: (i) second-time "Circle of Excellence Awardee for Sustainability Company of the Year" at the Asia CEO Awards 2025, (ii) four-peat Platinum Award at "The Asset Corporate Sustainability Leadership Awards 2025 (formerly The Asset ESG Corporate Awards)" and (iii) the "Best Sustainability Drive" at the 6th Bank Marketing Awards of the Bank Marketing Association of the Philippines (BMAP).

In the furtherance of its commitment to sustainability, the Bank's position as one of the Philippines' and Asia's leading digital challenger banks was also reaffirmed in 2025 with the Digital Enterprise and Innovations Group (DEIG) garnering the following recognitions:

- 6-Peat Best Bank for Digital (First in Asia), 2025 Euromoney Awards for Excellence
- 2-Peat Digital Bank of the Year, The Asset Triple A Digital Awards 2025
- Best Customer Experience Bank in ASEAN, ASEAN Fintech Awards 2025
- Best Institution for Digital CX, Digital CX Awards 2025
- Best Customer-Centric Product or Service – RCBC Pulz, 6th Bank Marketing Association of the Philippines Awards
- Outstanding Digital Innovation in SME Banking (Highly Acclaimed) – RCBC ATM Go, Global SME Banking Innovation Awards 2025
- 3-Peat Best Digital Disbursement Partner – RCBC DiskarTech, SSS 2025 Balikat ng Bayan Awards

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

Rizal Commercial Banking Corporation (RCBC or the Bank) is committed to empower generations of Filipinos through financial innovation. The mission includes meeting the demands of the times such as climate action and cyber security. Financial institutions provide critical services which support the country's journey toward a resilient and sustainable future. RCBC's operations provide cutting edge solutions fortifying its significant economic, environmental and social impacts. The Bank is among the country's leading private universal banks, upholding the following fundamentals in the conduct of its business:

- Focus on Digital and Customer Experience (CX)-first bank – RCBC continues to innovate and to use technologies such as Artificial Intelligence (AI) and Data Science to deliver products and services faster, more efficiently and with greater accessibility to meet the growing requirements of its customer while ensuring excellent CX. The Bank is among the first to implement AI across customer journeys.
- Strengthened Resilience against Cyber Attack and Fraud – RCBC further solidifies its systems and processes to protect the customers against unauthorized and fraudulent banking transactions. RCBC works with an ecosystem of trusted partners to reinforce awareness and promote the use of available legitimate protection systems.
- Ramping up Sustainable Financing and Climate Risk Management – To sustain the remarkable growth in RCBC's renewable energy (RE) portfolio and overall sustainable portfolio, the Bank has demonstrated unwavering commitment in taking action against climate change as espoused under the Bank's Sustainable Finance Framework. RCBC successfully raised USD 350 million from the issuance of a five-year Sustainability Bond (2.9x oversubscribed) in January 2025 and PHP 12.21 billion from its offering of Series F ASEAN Sustainability Bonds (4x oversubscribed) in July 2025, reflecting continued market confidence in RCBC and its credit.

This report covers the topics considered material to the Bank's operations with management approach to risks and opportunities detailed to the extent possible. The information provided substantively influences assessments and decisions of various stakeholders (including investors). Topics include the following:

- Compliance with BSP Circulars and applicable national and local regulations
- Bank policies on business ethics, code of conduct, supplier accreditation and vetting
- Information on data security, effective use of data science and AI, management against cyber security threats and fraudulent activities.
- Disclosures covering financial aspects (loan portfolio and concentration of credit), workforce readiness programs, talent acquisition and retention, training and development
- Strategies to invest in green, blue, and social projects, including support for Micro-, Small- and Medium-sized Enterprises (MSMEs)
- Products, programs and initiatives including relationship with communities

Significant economic, environmental, and social impacts of the organization: RCBC remains supportive of the country's growth and sustainable development progress. These are anchored on the following focus areas:

- **Delivering Excellent Customer Experience through Digital Strategies, Innovation and Inclusion.** RCBC continues to provide best-in-industry products with corresponding innovations that are able to make banking services more accessible and efficient for the customer. RCBC partners with leaders in financial technology and AI to deliver CX-first edge to the Bank's customers.

- **Keeping Ahead and Shielding from Cyber Security Threats**. RCBC maintains a rigorous oversight framework on cyber security and fraud-related issues with management reporting maintained on a regular basis. This high-level oversight ensures that security protocols remain agile in the face of evolving cyber threats, reaffirming the Bank's commitment to protecting the integrity of its customers' financial accounts.
- **Nurturing Sustainability in the Bank's operations and portfolio.** In line with the Bank's core value of "Nurturing", RCBC reinforces its commitment to being responsible stewards of the environment and communities while also encouraging social development and sustainability. The Bank continues to scale up its sustainable portfolio and to organically orchestrate initiatives to inculcate the practice of sustainability among its stakeholders (both internal and external).
- **Supporting 17 UN Sustainable Development Goals (SDGs).** The Bank contributes to all of the 17 UN SDGs through its Sustainable Finance Framework, products, services, and various projects that primarily promote environmental protection, financial inclusion, and social advocacies.

In this report, topics considered material are those relevant to and centered on the above significant impacts.

Information that substantively influences the assessments and decisions of stakeholders, including investors:

- **Information in fostering customer trust given the unabated dependence on digital banking**. Examples are data on customer engagement/customer satisfaction, business continuity, customer privacy, upholding the rights of the customer, data security, risk management of cyber security threats/fraud, and business ethics.
- **RCBC's transparency**. This includes all of the Bank's disclosures (e.g. financial results, workforce readiness program, talent acquisition, training and development, technological advancements, risk management strategies, implementation of Environmental, Social and Governance or ESG best practices). RCBC's disclosures are in accordance with the Sustainability Reporting Guidelines for Publicly Listed Companies under the Securities and Exchange Commission (SEC) Memorandum Circular No. 4 Series of 2019. The Guidelines prescribe the use of this report's template that adopts the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, the International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework, the Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standards, and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Consistent with the SEC's guidelines on Sustainability Reporting, these four material topics are extensively discussed in this RCBC Sustainability Report: (i) Economic; (ii) Environment; (iii) Social; and (iv) Contributions of RCBC products and services to the UN SDGs.
- **RCBC's compliance**. This covers documents / processes to address the requirements of BSP Circulars (including all subsequent updates on such) and all relevant laws and regulations.

Matters that substantively affect the organization's ability to create value over the short-, medium- and long-term:

- Adapting to evolving environment, its economic results and financial well-being;
- Ensuring the welfare of employees and investments in human capital;
- Developing innovations to respond to customer needs and circumstances; and
- Ensuring sustainability across the value chain (including lending units, suppliers and partners).

Material Topics

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ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure (January 1 – December 31, 2025)	Amount (consolidated)	Units
Direct economic value generated (revenue)	2025: 63.277 Billion 2024: 53.408 Billion 2023: 49.997 Billion	PHP
Direct economic value distributed:		
a. Total operating costs	2025: 37.396 Billion 2024: 37.963 Billion 2023: 38.587 Billion	PHP
b. Employee wages and benefits	2025: 9.058 Billion 2024: 8.059 Billion 2023: 7.150 Billion	PHP
c. Payments to suppliers, other operating costs	2025: 16.640 Billion 2024: 16.219 Billion 2023: 18.099 Billion	PHP
d. Dividends given to stockholders	2025: 2.815 Billion 2024: 3.289 Billion 2023: 3.289 Billion	PHP
e. Taxes given to government	2025: 8.744 Billion 2024: 10.266 Billion 2023: 9.867 Billion	PHP
f. Investments to community (e.g. donations, CSR)	2025: 139 Million 2024: 130 Million 2023: 182 Million	PHP

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to economic value generated & distributed by the organization)**
Stockholders	- Financial performance/health: Revenue, operating costs, remaining value retained in the company for liquidity and future investments - Fiscal and risk management to enhance profitability and bank operations - Regulatory compliance with BSP, SEC and PSE and international best practices - Economic contribution to the country - Dividends - Community investments
Loan/Fund Providers & Creditors/Depositors	- Equitable interest rates and sound financial advice - Value creation: financial contribution and impact to UN SDGs
Customers/Clients	- Evidence of financial capacity - Reliability and continuity of operations, unusual decline in financial results - Access to financial products and services

Employees	- Equitable wages and benefits - Professional growth
Suppliers	- Payments made
Government	- Taxes paid
Community	- Corporate Social Responsibility - Community investments with positive impact - Periodic partnerships and sponsorships - Participation in and support of worthy causes

What is the impact and where does it occur? What is the organization's involvement in the impact?

The impacts are the following:

- Value generation for stakeholders
- Assurance on financial well-being for customers, employees
- Benefits to the environment and society through lending activities[2]
- Promotion of fiscal growth through taxes contribution
- Demonstration of resilience and stability in the banking sector

These occur in the primary business operations and supply chain, and are caused by the organization.

Management Approach to Impact

RCBC upholds an inclusive financial business model that effectively serves its stakeholders through:

i) revenue generated;
ii) economic value deployed through employee wages and benefits, payments made to suppliers, dividends for stockholders, taxes paid to the government;
iii) investments in local communities as well as core industries supporting the country's economic growth; and
iv) expansion of banking access to the unbanked and underserved parts of the country

What are the risks identified?

Revenue generation may be challenged by the following risks:

i. Climate change-related calamities, public health crises and macroeconomic environment which influence customer behavior, constrain access to financial services (especially for the unbanked and underserved communities), or adversely affect employee well-being.
ii. Cyber security/ information security attacks, breaches and fraud as the financial system have significantly expanded through online banking and digital finance. More high profile fraud and more sophisticated scams have proliferated alongside the development of innovative electronic channels and services. These may pose risk on the overall consumer confidence in the banking system and may lead to diminishing trust on digitalization / online banking as a secure and sound means of transacting with banks, as recognized by BSP Circular 1140.
iii. Financing support to sectors with elevated environmental risks. This leads to vulnerability toward transition risk, as acknowledged by BSP Circulars 1085 and 1128.

Management Approach to Risks

RCBC: A Domestic Systemically Important Bank (DSIB)

As a DSIB, RCBC must demonstrate the capacity to maintain resilience against distress that will affect the financial system as a whole, and the economy at large. RCBC (like other DSIBs) needs to have higher loss absorbency (HLA). The HLA requirement is attained through the Bank's Common Equity Tier 1 (CET1) which

[2] RCBC. Sustainability. https://www.rcbc.com/sustainability.

establishes a maximum degree of effective loss absorbing capacity. In the event of any breach in the HLA capital requirement, concrete and reasonable recovery plans shall be implemented as outlined in RCBC's Internal Capital Adequacy Assessment Process (ICAAP) and Recovery Plan documents. The implementation of recovery plans is aimed at improving capital position and restoring financial condition to viable levels in cases of significant deterioration under certain scenarios.

As of December 31, 2025, the Bank's CET1 ratio is 13.3% (solo) and 13.6% (consolidated), both of which are above the regulatory requirement.

Business Continuity Program

RCBC has a Crisis Management Team (CMT) headed by the President and CEO. The CMT oversees the implementation of the comprehensive Crisis Management Framework which equips the Bank in responding to an event-led disruption in operations. The CMT's role is integral to the Bank's Business Continuity Program as it is responsible for synchronizing all measures for the Bank to contain losses, continue critical functions and recover operations as quickly as possible.

The Bank's Business Resiliency Department under the Risk Management Group (RMG) ensures preparedness for any disaster/crisis by coordinating with all teams in developing and maintaining a bank-wide Business Continuity Plan (BCP) and identifying critical products/services as well as required operational support to sustain operations. The BCP identifies the necessary resources (people, processes, IT systems, and other equipment) and includes contingency procedures to guide all units on how to respond, recover, resume, and restore operations following the disaster/crisis. The BCP complies with the BSP Circular 951 on Business Continuity and with Business Continuity Management (BCM) standards such as ISO 22301 and BS25999.[3]

The BIG ONE

In a joint study, the Metropolitan Manila Development Authority (MMDA), the Japan International Cooperation Agency (JICA), and the Philippine Institute of Volcanology and Seismology (PHIVOLCS) looked at 18 earthquake scenarios to identify the greatest risk to Metro Manila. Three scenarios were identified to pose the highest risk as follows:

1. 7.2-magnitude earthquake from the West Valley Fault,
2. offshore 7.9-magnitude earthquake from the Manila Trench, and
3. 6.5-magnitude earthquake hitting Manila Bay.

The first scenario, popularly known as the "Big One", is predicted to traverse a 100-kilometer fault that runs through six cities in Metro Manila and nearby provinces. Should this scenario happen, it could result in a disaster of never-before-seen proportions.

The scenario is characterized by at least the following events:

- The collapse of 170,000 residential houses and the death of about 34,000 people. Another 114,000 individuals will be injured while 340,000 houses will be partly damaged;
- At least seven bridges will fall, while 10% of public buildings will be heavily damaged;
- The 4,615 kilometers of water distribution pipes will suffer 4,000 points of breakage. Thirty kilometers' worth of electric cables will be cut and 95 kilometers of communication cables will be disconnected. Cellular phone service will be congested and out of use;
- Several fires will originate from factories, hospitals and kitchens. The scenario, which is assumed to occur

[3] ISO 22301 is the international standard for business continuity management, and builds on the success of British Standard BS 25999 and other regional standards. It is designed to protect business from potential disruption, which includes extreme weather, fire, flood, natural disaster, theft, IT outage, staff illness or terrorist attack. BS25999, the world's first British standard for BCM, has been developed to help minimize the risk of such disruptions.

at nighttime, predicts the fires will burn 1,710 hectares of land, claiming 18,000 lives;

- Ambulances will be unable to get through the streets and bodies will be lined along the road. The scenario is reminiscent of the horrors of Super Typhoon Yolanda in 2013; and
- The destruction, together with the losses that the economy will suffer, will constitute a national crisis.

As a preparation for the BIG ONE, the Bank inaugurated the Angeles Alternate Site (Angeles City, Pampanga) in 2023. This alternate site is strategically and safely situated in the north, away from the west valley fault. It will serve as the Bank's and subsidiaries' back-up for its critical functions in case the primary office in the National Capital Region (NCR) becomes inaccessible or unsafe.

Disaster Preparedness: RCBC Response to Natural Calamities and Cyber Attacks

RCBC Senior Management has always been on top of disaster preparedness and response to natural, man-made, technological and pandemic threats and events. Comprehensive Disaster Recovery Plan, Crisis Management Plan and Institutional BCP are in place and readily available upon activation. BCP Teams and BCP Leaders are equipped with all the training and preparation strategies for any contingency. Alternate sites, Data Center back-up site outside of Metro Manila, IT redundancy infrastructure, Buddy Branch system and contingency procedures are annually tested in order to ensure that infrastructure and BCP Teams execute the plans and validate efficiency and effectiveness in preparation for any threat on cyber incident or disaster occurrence.

Incorporating Environmental and Social (E&S) risk in the Bank's BCP and disaster preparation helps the institution to formulate effective strategies to address its impacts.

<u>In-house Disaster Risk Dashboard</u>

The Bank has created a risk assessment tool that meticulously tracks the vulnerabilities of its employees, its assets, as well as clients from escalating threats posed by climate-related disasters. This data-driven disaster risk dashboard serves as a centralized platform for visualizing, analyzing, and responding to disaster risks using up-to-date and historical data.

The risk assessment tool mitigates the impacts of climate change by monitoring key locations and assets in high-risk areas. The disaster risk dashboard tracks the vulnerabilities of the employees and various premises and offices across the country.

The Board of Directors and Senior Management of RCBC are committed to address climate change issues and range of disruptive events that will mitigate or reduce the immediate event impacts and restore the business activities to normal operations as early as possible.

This initiative allows the Bank to preemptively position its disaster recovery and emergency response teams in areas most susceptible to risks such as flooding, earthquakes, and volcanic activity.

<u>Applications of the Disaster Risk Dashboard</u>

1. Emergency Preparedness: Helps planners identify high-risk areas and develop contingency plans.

2. Disaster Response: Facilitates coordination among responders by providing real-time updates and resource tracking.

3. Recovery and Resilience Building: Supports long-term recovery by analyzing post-disaster impacts and identifying opportunities to reduce future risks. Tabletop exercises on E&S risks have been conducted annually to gauge the BCP teams' knowledge, awareness and capacity in effectively managing an E&S incident. For the past two years, the scenario focused on La Niña weather pattern, where the country had its fair share of super typhoons and tropical cyclones such as Super Typhoons Nando (northern Philippines), Opong and Tino (central Philippines).

The tabletop activity prepares the Business Units to effectively manage extreme weather events with disruptions

such as super typhoons. The exercise was participated by selected BCP Leaders, Support Groups and Management Teams who are the drivers of business continuity and crisis management.

There were no major natural or technological catastrophes in 2025 that triggered a crisis management plan. However, awareness training, tabletop exercises and BCP testing are conducted annually to equip key people and responders on the updated guidelines and Bank strategies. BCP implementation is in place and effective as tested during the calamities experienced in 2025. Daily news alerts on weather forecast and volcanic movements are sent out to employees and subsidiaries twice during working days. The reports give an overview of bulletins published by reputable sources such as Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) and PHILVOCS, respectively. Emergency go bags and survival kits are available at each employee's work station and offices. Earthquake and fire drills were conducted in all Bank premises nationwide to further train all employees to quickly respond during these emergencies. Crisis communication via call tree system is performed every after a super typhoon or earthquake event to account employees and extend further help and quick assistance as necessary. A mandatory E-learning on business continuity and disaster preparedness is in place for all employees (from senior management to rank and file).

Continuing Support for Financial Inclusion and Digitalization - Digital Products and Services

RCBC Digital Enterprise and Innovation Group (DEIG)

In 2025, RCBC accelerated its shift toward global digital banking, anchored on its commitment to serve Filipinos wherever they are. Through the DEIG, the Bank expanded access to secure, inclusive, and globally connected financial services, strengthening both domestic reach and cross-border capabilities.

RCBC Pulz

Pulz is RCBC's flagship digital banking platform for the affluent and emerging affluent, designed for digitally savvy clients with more sophisticated, time-bound, and global banking needs. It offers the widest range of pioneering features among Philippine digital banking apps, including free bank transfers for Wealth and Hexagon clients and first-in-market capabilities such as in-app UITFs. In 2025, RCBC became the first bank in the Philippines to offer U.S. virtual accounts in partnership with Meridian, a leading US-based provider of real-time global payments networking. The joint innovation allows RCBC customers to open and manage a U.S. virtual account directly through the RCBC Pulz app; no U.S. address, social security number, or residency required.

RCBC ATM Go

ATM Go reinforced RCBC's leadership in phygital (physical-digital) banking convergence. As Southeast Asia's first Manual Cash Withdrawal service, the Philippines' first Kapitbahay ATM expanded access to essential banking services for both local users and digitally savvy tourists. Its bank-agnostic infrastructure supports Mastercard and Visa cardholders while embedding ATM Go terminals within trusted community-based partners, particularly money service businesses. This ecosystem-driven approach extended RCBC's reach to rural and remote areas, making everyday financial services available in familiar, accessible locations.

RCBC DiskarTech

DiskarTech continued to deliver measurable inclusion outcomes. It was selected as the subject of the first Mastercard whitepaper on digital banking solutions in Asia, highlighting its effectiveness in onboarding and activating newly banked Filipinos. In partnership with the Social Security System (SSS), RCBC launched the MySSS Card powered by RCBC DiskarTech, a first-of-its-kind solution that functions as both a valid government ID and a fully operational savings account. The card simplifies benefits disbursement and enables withdrawals, bill payments, and fund transfers, with digital microloans set for rollout.

RCBC Credit Cards

In 2024, RCBC Credit Cards implemented straight through processing (STP) in credit card applications for specific segments through its Digital Onboarding platform. This technology-driven solution automates the end-to-end application, approval and card creation process, significantly reducing reliance on manual interventions. The platform allows customers to explore and select from a variety of card products tailored to fit their unique needs and lifestyle preferences.

By digitizing processes, customer experience is improved through instant decisioning and reduced use of resources and manpower.

Strengthened Resilience against Cyber Threats and Fraud

RCBC prioritizes customer security through digital banking application equipped with robust features such as two-factor authentication, biometric support, and real-time transaction notifications. In addition, the Bank launched the #DontGetFooled cyber security awareness campaign in August 2022 to educate customers about various scams through online platforms, webinars, and media channels. This ongoing campaign aims to enhance customer awareness and promote heightened vigilance against fraudulent transactions, both online and offline. In support of BSP regulations (BSP Memorandum No. M-2022-015 and BSP Circular 1140) and to further strengthen its security measures, RCBC and RCBC Credit Cards have removed all clickable links from customer communications (emails or electronic direct mailers, SMS, and Viber).

The Cybersecurity Month Celebration found its footing in 2023, born out of a necessity for heightened awareness in an increasingly online world. This inaugural celebration was held entirely online, utilizing interactive digital platforms to bridge the gap between technical security teams and the broader employee base. It proved that cybersecurity training didn't have to be a lecture; it could be a shared virtual experience.

After two years of digital-only engagement, 2025 marked a significant milestone: the transition to a hybrid program. Apart from the weekly online activities prepared for other employees across the Bank nationwide, this was a landmark year as RCBC hosted its first-ever face-to-face event for the celebration. However, true to the Bank's innovative spirit, this wasn't the typical sit-down seminar. Instead of slide decks and long-form training, the office was transformed into a high-tech playground.

- Interactive Security Games: Gamified learning modules that tested employees' "cyber-reflexes."
- Hands-on Challenges: Real-world scenarios simulated through competitive play.
- Social Engagement: A festive atmosphere that fostered a "Security-First" culture through peer-to-peer interaction.

The Bank is also fully prepared to comply with the Anti-Financial Account Scamming Act (AFASA), or Republic Act No. 12010 to protect customers from the growing threats of financial scams and cybercrimes. To meet the law's evolving mandates, RCBC is actively investing in the next generation of its Fraud Management System (FMS). This planned upgrade will shift the Bank from traditional rule-based monitoring to AI-driven predictive analytics, capable of identifying high-risk anomalies such as behavioral inconsistencies or signs of social engineering in real-time. A key milestone in this roadmap is the implementation of Single-Device Login for the RCBC Pulz app, which went live in early 2026, binding each account to a unique hardware identifier to block unauthorized remote access. Furthermore, in direct alignment with AFASA, the Bank is refining its internal workflows and technical protocols to support the temporary holding of disputed funds for up to 30 days, ensuring a robust mechanism for investigation and the potential recovery of stolen assets.

In May 2025, RCBC officially partnered with Whoscall, a leading digital anti-scam application powered by a global

database of over 2.6 billion numbers. This collaboration provides RCBC customers with an extra layer of defense by identifying unknown callers and filtering out malicious SMS links in real-time. By integrating Whoscall's caller ID and URL scanning capabilities into the customer journey, RCBC empowers users to unmask potential scammers before any engagement occurs, directly supporting the AFASA goal of eliminating social engineering schemes.

This builds upon RCBC's 2023 agreement with Globe Telecom, a networking strategy that allows both parties to maintain a direct, 24/7 communication channel to report and block fraudulent activities. This networking strategy signifies the commitment of both parties to work together against online fraud, aiming to enhance joint capability to investigate and respond to financial scams and fraud, establish proactive measures, and promote a more integrated and collaborative approach to information and intelligence sharing against social and governance risks.

Additionally, during the 4th Quarter of 2024, RCBC Credit Cards and Mastercard have partnered to launch a Safety & Security Educational Campaign on social media platforms. The aim of the campaign is to raise awareness about fraud tactics and to educate cardholders on how to proactively protect their accounts and avoid becoming victims of cybercriminals. The campaign reached over 2 million people on Facebook and received active engagement from the RCBC Credit Card holders.

RCBC's management of digital risks is characterized by advanced and sophisticated cyber security tools and programs. In December 2025, RCBC partnered with TrustDecision to deploy a unified AI-powered fraud and AML platform. This system marks a shift from reactive to predictive risk identification, utilizing machine learning to analyze behavioral signals, device fingerprinting, and geolocation monitoring. By integrating behavioral biometrics, the system can detect anomalies—such as signs of user coercion or bot-like activity—allowing the Bank to flag and block suspicious transactions before losses occur.

The Bank's Information Technology and Fraud Risk Management System work together to ensure that the Bank's security systems are robust and that the protection of RCBC's account holders is constantly upheld. As early as June 2022, RCBC and its technology partner GBG, were recognized as the Best Fraud Technology Implementation under the Risk Technology Implementation Award of the Asian Banker. This attested to the reliability and soundness of RCBC's fraud risk management system, which is equipped with real-time monitoring capability to detect fraudulent transactions and automate counter measures 24/7 from the Bank's digital channels. RCBC has also partnered with other financial institutions, telecommunication companies and government agencies such as Cybercrime Investigation and Coordinating Center (CICC) and Philippine National Police – Anti-Cybercrime Group (PNP-ACG) to have a direct communication channel for efficient reporting of fraudulent activities for immediate investigation, blocking, and possible return of funds. To ensure continuous efficacy, RCBC maintains a rigorous oversight framework. Fraud-related issues and system performance are monitored daily, with comprehensive monthly reports submitted to the Risk Oversight Committee (ROC), a Board-level Committee, and the Board of Directors. These reports detail the frequency of fraud attempts, successful prevention rates, and the resolution status of disputed funds. This high-level oversight ensures that security protocols remain agile in the face of evolving cyber threats, reaffirming the Bank's commitment to protecting the integrity of its customers' financial accounts.

Sustainable Finance

RCBC remains at the forefront of sustainability in the banking industry in support of the Philippines' drive for action against climate change. These are documented through the Bank's (1) Environmental and Social Management System (ESMS) Policy which requires the vetting of all lending relationships from an E&S perspective, and the (2) Sustainable Finance Framework which articulates the Bank's funding strategy to prioritize sectors that have clear E&S benefits, foremost of which is clean energy. Both initiatives fall under the Charter of the Bank's Risk Oversight Committee (ROC), a Board-level Committee, which is responsible for the integration of sustainability principles into the risk governance / risk management frameworks of RCBC. The

policies indicate the Bank's commitment to environmental protection and social responsibility in terms of its lending portfolio.

The ESMS Policy adheres to the International Finance Corporation (IFC) Exclusion List and incorporates RCBC's commitment to cease funding of new coal power plants. The Bank's coal exposure is expected to taper off to zero by 2031.

RCBC actively pursues fundraising and lending towards priority sectors which have clear E&S benefits as laid out in the Sustainable Finance Framework. Aside from establishing the Eligibility Criteria for projects with clear E&S benefits, the framework also has the Exclusionary Criteria for identifying ineligible projects for the use of proceeds. RCBC has taken the initiative to amend the Sustainable Finance Framework in February 2024 (initially issued in April 2019) to reflect updates in market best practices and in the governing principles of the International Capital Market Association (ICMA), the Loan Market Association (LMA) along with the incorporation of "blue financing" as a subset of eligible green projects. A Second Party Opinion (SPO) was issued by Sustainalytics affirming the credibility and impact of the framework. Both the revised framework and the SPO are available at the RCBC website[4].

The Bank successfully raised USD 350 million from the issuance of a five-year Sustainability Bond in January 2025 and PHP 12.21 billion from the Series F ASEAN Sustainability Bonds offering in July 2025. Both issuances are oversubscribed – 2.9x and 4x respectively, signaling the strong support of investors to the Bank's sustainable financing activities.

Based on the updated end-2025 figures, RCBC has financed around 18,000 projects under its eligible green (with a subset of blue) and eligible social portfolio amounting to over PHP 130 billion[5].

Through identified interoperability with its ESMS and Sustainable Finance Framework, starting December 2024, RCBC has initiated support for BSP Circular 1187 (Philippine Sustainable Finance Taxonomy Guidelines or SFTG) by expanding its assessment of sustainable value chains directed toward climate change mitigation and climate change adaptation. RCBC's Chief Sustainability Officer (CSO) and representatives have attended workshops and consultative discussions to understand the SFTG. Internal learning sessions with the Bank's lending units have also been conducted and considered as a continuing activity. In its application of the SFTG, the RCBC has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing greenhouse gas (GHG) emissions through the nature of their businesses. These align with the Eligible Green Categories under the Bank's Sustainable Finance Framework.

What are the opportunities identified?

The national government continues to urge the private sector to pursue digital innovations and human capital development for the economy. The government's call is aligned with RCBC's goal to be a leading financial institution in the field of digital and sustainable finance. RCBC continues to provide products and services which support the government's call to action in the areas of digital transformation, responsible lending, capacity building, and sustainable value chains, among others. Providing financial access to the underbanked is also seen as a promising pathway to significant banking opportunities.[6]

The national government is also keen on harnessing the responsible and ethical use of Artificial Intelligence (AI) as a tool for economic growth and development. Key to this is the country's development of the Philippine AI Program Framework as recently declared by the Philippine President.

Management Approach to Opportunities

[4] RCBC. Sustainability. https://www.rcbc.com/sustainability.
[5] Figures are under ongoing external review, in compliance with the reporting requirements of the Sustainable Finance Framework.
[6] https://www.mastercard.com/news/media/virpdtj4/rcbc_white-paper_inclusionbydesign.pdf

Financial Inclusion Initiatives

Updates on DEIG Digital Products and Services

RCBC Pulz

Pulz offers a full suite of banking services through a streamlined, one-tap digital experience. Its onboarding process requires only one international mobile number and one valid ID, enabling Filipinos worldwide to open a digital bank account. Users can withdraw, deposit, and transfer funds; exchange access loans.

For affluent and emerging affluent Filipinos, Pulz is their digital hub of convenience - allowing them to manage their credit cards, apply for loans, grow their wealth through investments, and enjoy a wide-range of privileges and benefits as members of the Hexagon Club.

To deepen adoption among the specialized segment of global Filipinos, RCBC sustained partnerships with the Department of Migrant Workers and expanded collaboration with the Commission on Filipinos Overseas, delivering digital financial literacy programs and workshops that encourage account ownership and responsible digital banking among OFWs and Filipino migrants.

The U.S. virtual account feature addressed a long-standing gap for freelancers and remote workers serving U.S.-based clients. With an estimated 1.5 million freelancers in the Philippines, Pulz provided a cost-efficient, compliant, and accessible channel for receiving cross-border payments. Beyond freelancers, the service also benefited families of OFWs who regularly receive U.S. dollar remittances.

Performance highlights for Pulz include the following:

- 51% five-year Compound Annual Growth Rate (CAGR) in gross transaction value
- 59% surge in transaction volume
- 48% increase in transaction value
- 59% growth in InstaPay transaction volume
- 50% leap in InstaPay transaction value
- 26% rise in PESONet transaction value
- 538% growth in transaction volume of QR payments to merchants
- 264% increase in transaction value of QR payments to merchants
- Up to 2,184 U.S. Virtual Accounts created (end-2025), a month after the November 2025 launch

RCBC also expanded its digital lending capabilities to serve a broader range of financial needs across income segments. As Pulz adoption grew among emerging affluent and affluent users, the Bank scaled its Personal Loan, Salary Loan NOW, PayDay Now, and Digital Personal Loan offerings.

In scaling these loan products, RCBC's primary goal was to dispel the negative perception around 'utang' or loans, and enable Filipinos to apply for a wide-range of loans for their specialized needs and targeted lifestyle aspirations. The Personal Loan is crafted for every person's personal needs; the Salary Loan is offered to payroll account holders who need extra finances for their immediate needs; PayDay Now is offered to people who need to stretch the last few days before salary day; and Digital Personal Loan is aligned to personal short-term and long-term lifestyle aspirations.

Through accessible application channels online and on the Pulz app, as well as flexible payment options and easy documentary requirements, RCBC's suite of digital loans saw stronger performance and adoption among Filipinos.

Performance highlights for digital loans include the following:

- 87% increase in gross transaction value
- 39% increase in transaction volume
- 87% increase in loan portfolio growth
- 87% increase in digital lending volume
- 65% share of digital loans in the bank's total unsecured loans portfolio

RCBC ATM Go

ATM Go is the country's largest bank-agnostic ATM network, providing cash withdrawals and deposits, remittance claims, government benefits disbursement, bill payments, mobile load purchases, and international card withdrawals. Operated by local merchants, the model generates additional income streams for community partners while extending banking access.

RCBC also collaborated with the Department of Tourism to enable Visa and Mastercard withdrawals through ATM Go, supporting domestic and international tourists in locations with limited banking infrastructure. This initiative will contribute to increased tourist spending and higher economic activity among rural MSMEs.

Performance highlights for ATM Go include the following:

- 100% nationwide presence in all Philippine provinces and cities
- 28% five-year CAGR in gross transaction value
- 21% increase in transaction volume
- 23% growth in gross transaction value

RCBC DiskarTech

DiskarTech is the world's first multilingual financial app in Taglish and Cebuano. With minimal onboarding requirements, it expanded financial inclusion in rural and remote areas. Users gain access to a high-interest savings product, cash and digital payments, QR-based retail payments, remittances, rewards, and loans.

Its inclusion in Mastercard's Asia-focused whitepaper highlighted DiskarTech's impact in driving sustained usage and progression to broader RCBC products. A key differentiator is its ability to convert newly onboarded users into active, engaged digital banking customers.

Through its partnership with the SSS, RCBC extended DiskarTech to more than 42 million SSS members and pensioners. The MySSS Card integrates government services with digital banking, enabling cashless payments and access to RCBC financial products. Complementary loan offerings further expanded credit access for this segment. Performance highlights for DiskarTech include the following:

- 963% growth in average daily onboarded accounts (following the launch of MySSS card powered by RCBC DiskarTech in October 2025)
- 22% increase in combined transaction volume of DiskarTech's Basic Deposit Account (BDA) and Regular Savings Account (RSA)
- 45,097% increase in RSA transaction volume
- 10,362% leap in RSA gross transaction value
- 18,042% growth in RSA customer deposits
- 111% five-year Compound Annual Growth Rate (CAGR) in gross transaction value

Innovations and Partnerships on Financial Inclusion

- The Bank was awarded the "Best Financial Inclusion Initiative" for two consecutive years by the Global Retail Banking Awards in Singapore given the following programs:

- 2025 - Kabalikat Cooperative Program is a transformative initiative aimed in fostering financial inclusion and empowering cooperatives to create sustainable growth. The program also opens opportunities for cooperatives to generate additional revenue streams. Through the ailment of featured bank products and services by their members, cooperatives can earn commissions, creating a sustainable source of income for their operations. These offerings include Auto Loans, RCBC Credit Cards, ATM Go, Sunlife Grepa and Malayan Insurance.
- 2024- Access Payroll Program. This is a revolutionary financial inclusion program which fosters a culture of shared financial growth for both the company and its employees. It aims to improve the overall payroll experience through quality solutions not only for the company but most especially for the underserved employees ensuring access to financial literacy workshops, savings options, life and property protection, loan facilities, investments and other essential financial benefits

- RCBC launched the Negosyo Bundle Plus program in January 2025. In this initiative, SME business owners are provided a holistic suite of financial solutions. RCBC aims to be the partner for these businesses, offering payment solutions, efficient payroll systems, and added value for their employees. The program includes low QRPh and tap-to-phone fees and no Average Daily Balance (ADB) requirement for OneAccount and Business and Payroll Service.
- RCBC is also the first commercial bank to partner with the Cooperative Development Authority under its Credit Surety Fund program intended to lend to qualified member cooperatives. This further validates the Bank's strong commitment to financial inclusion as part of nation building.

Responsible Lending, Capacity-Building, and Embedding Sustainability in RCBC

- RCBC has continually supported Renewable Energy (RE) projects, funding for which has dominated the Bank's eligible sustainable portfolio. As approved by the Bank's ROC in March 2023, RCBC targeted to increase its RE portfolio by 10% to 15% per annum (p.a.) for the succeeding 12 to 24 months. The Bank has attained this, surpassing the target through actual year-on-year RE portfolio growth of over 80% in 2024 and 26% in 2025.

- The Bank's headquarters – the RCBC Plaza in Makati City and the AT Yuchengco Centre (ATYC) in Taguig City have started being powered by RE sources from ACEN since August 2024[7] and September 2024,[8] respectively.

- Starting 2022, RCBC has integrated a mandatory Sustainability Key Result Area (KRA) into the performance evaluation of employees as advocated by BSP Circulars 1085 and 1128. The objective is to promote E&S responsibility among all employees, with the internally-developed Sustainability e-learning materials and infographics used as primary tools in attaining the KRA. In 2025, the Bank's Sustainability e-Learning was updated to consolidate the previous versions released in 2021 and 2022. Aside from showcasing Bank-wide sustainability initiatives, the e-Learning has a module dedicated on contributions to the UN SDGs through each employee's daily activities. Similar to the past e-learning materials, the 2025 Sustainable e-learning is part of the Bank's Sustainability KRA and hence required for all Bank employees (including executives) to take.

- RCBC continues to shift from paper-based correspondences to e-mail notifications. This project significantly lowers the paper consumption and waste along with less energy use in the transport and delivery of paper-based correspondences. Savings have also been realized due to lower postage and printing costs. These applies to the following implemented activities:
  - Cessation of sending paper-based Time Deposit (TD) Statement of Accounts (SOAs).
  - Reduction of paper usage by shifting paper-based notifications via registered mail to email

[7] https://mb.com.ph/2024/8/15/rcbc-plaza-greens-power-supply-through-partnership-with-ayala-s-acen-res
[8] https://www.philstar.com/business/2024/09/11/2384307/atyc-switches-100-re-acen-res

notifications for various account correspondences.

- In 2025, RCBC employees participated in community engagements such as tree planting activities in their respective areas, namely:
    - Davao City (November 2025) – At least fifty (50) employees from various units of the Bank gathered in Brgy Tambobong, Baguio District, Davao City through the activity coordinated by the Davao City Water District's Watershed Protection and Rehabilitation Division. With shovels in hand and spirits high, the RCBC employees set to work planting native trees of Lawaan, local Davao variety of Cacao and Durian, essential for restoring the local watershed. Guided by representatives from the Davao City Water District, participants learned about the ecological significance of these trees in preventing soil erosion, enhancing water quality, and providing habitats for diverse wildlife. The practical experience in planting trees illustrated the tangible steps being taken towards environmental restoration and sustainability.
    - Clark, Pampanga (June 2025) – A total of sixty (60) mango trees were planted by Bank employees from the North Luzon 2 District of the Operations Group and participating units of the Retail Banking Group (RBG). Despite the inclement weather, the RCBC team was steadfast in their commitment to environmental stewardship and lasting contribution to the community.
    - The Bank engaged in thought leadership sustainability programs for the benefit of its stakeholders, clients, and employees, through sustainability knowledge sharing events in 2025:
        - January and June 2025: RCBC's CSO was one of the speakers in the capacity building programs of the BSP, furthering the Regulator's sustainable finance initiatives.
        - April 2025: RCBC's Wealth Management Group organized the NextGen Wealth Summit Event for the children of RCBC Wealth Management clients, considered the next generation leaders (aged 20s to early 30s). RCBC's CSO made a presentation, encouraging the event's participants to integrate sustainability into their core strategies when running their respective businesses.
        - June 2025: In a session hosted by RCBC's DEIG, RCBC's CSO presented the Bank's Sustainable Finance Framework to international exchange students participating in the Asian Institute of Management's (AIM) Global Network Week program.
        - November 2025: The Bank's Sustainable Finance Division released RCBC's Sustainable Finance Playbook, a practical reference material designed to empower Relationship Managers (RMs) in the Bank's Institutional Banking Group. Going beyond policy dissemination, the Playbook provides helpful narratives in connecting the Bank's core value of "Nurturing" with the RM's role in supporting RCBC's ESMS, Sustainable Finance Framework, and SFTG processes.

Strengthening Client Relationships in Sustainability – External Sustainability Drive

In April 2025, RCBC launched a partnership with the Haribon Foundation for the Conservation of Natural Resources, Inc. (HARIBON) to promote biodiversity conservation through customer engagement. HARIBON is the pioneer organization in environmental conservation in the Philippines, well known for its initiatives towards biodiversity conservation such as the Forests for Life Movement. Under this partnership, RCBC Hexagon Club members are given the opportunity to support HARIBON by donating directly or redeeming their credit card points for donations.

By the end of the year, the partnership yielded donations equivalent to 133% higher than the expected financial support to HARIBON – a portion was used to plant at least twenty (20) seedlings at HARIBON's Maragondon site in the province of Quezon, one of HARIBON's environmental conservation forests. HARIBON's Chief Operating

Officer, Arlie Jo Endonila aptly describes this development: “Haribon and RCBC share the belief that protecting our forests and planet is a shared responsibility. Through this partnership, we are working with RCBC and its communities - especially Hexagon members - to turn sustainability commitments into concrete action and grow a new generation of biodiversity champions.” This collaboration makes RCBC’s commitment to the creation of environmental awareness and pursuit of environmental protection more meaningful.

Reinforcing Employee Awareness in Sustainability – Internal Sustainability Drive

In 2025, RCBC’s Sustainable Finance Division launched a monthly awareness and information campaign called “Sustainability Matters”. Distributed in the form of an e-newsletter, “Sustainability Matters” is circulated to all employees of the Bank to promote a communal understanding of sustainable finance developments within the organization and in the industry. In this regular awareness campaign, the Bank created a focal character that addresses RCBC employees as “Partners” underscoring the RCBC community’s solidarity in sustainability, while also nurturing knowledge that is relevant and neighborly.

This internal sustainability drive together with the HARIBON partnership were recognized as the Best Sustainability Drive in the 6th Bank Marketing Awards of the Bank Marketing Association of the Philippines (BMAP) held in November 2025.

Use of AI as Engine for Enhancing Bank Processes – Oversight and Opportunities

Throughout the year, RCBC advanced its digital transformation by integrating data-driven strategies and AI to drive sustainable economic growth, support local enterprises, and foster deep financial inclusion. These initiatives, underpinned by ethical governance and continuous learning, ensure responsible innovation that creates long-term value for our customers and communities.

Upholding Ethical AI Governance and Future-Proofing the Workforce

To ensure the responsible, bank-wide adoption of new technologies aligns with our core sustainability principles, RCBC has established governance practice and educational framework:

- Ethical and Strategic Oversight: The Bank's AI strategy is directed by the AI Oversight Council, chaired by the President & CEO. The council includes group heads from senior management who provide comprehensive oversight across Risk, Compliance, IT, Models, and Digital domains, ensuring that AI initiatives align to the Bank's strategic goals and ethical principles.
- Responsible Usage: RCBC instituted formal AI Usage Policy and Guidelines that emphasize human-in-the-loop and safety principles in using AI for workforce productivity. Responsible AI checkpoints are integrated into the internal model development process to promote fair and human-centric practices.
- Sustainable Workforce Development: Prioritizing technological fluency and the future-proofing of RCBC employees, the Bank ensured that all staff completed training on AI fundamentals, best practice use cases and responsible AI usage. Furthermore, Senior Management spearheaded learning relevant AI and code development to effectively lead the organization’s ongoing, sustainable digital transformation.

Driving Social Impact and Economic Resilience

RCBC's data and AI driven initiatives have significantly advanced economic inclusion by expanding access to vital financial services. By utilizing AI/machine learning (ML) models, Salary and Digital Loan offers are extended to qualified leads, providing essential support that empowers the payroll mass market to achieve personal milestones and build small businesses. Similarly, AI/ML help streamline credit line renewals for commercial clients. This proactive approach ensures that local SMEs maintain the continuous capital necessary to scale operations, sustain local employment, and contribute to broader economic resilience.

Furthering RCBC’s commitment to social responsibility and inclusive banking, an advanced vehicle appraisal

model is utilized to facilitate a compassionate, structured approach to auto loan restructuring. This empathetic framework enabled customers facing financial hardships to meet their obligations while retaining the vehicles essential to their daily lives and livelihoods.

To complement these efforts, strategic outreach successfully transitioned offline customers to the Pulz digital platform, fostering greater digital inclusion, reducing the environmental footprint of physical branch visits, and ensuring banking services remain highly accessible for all clients.

Opportunities Tapped

- Aimed at streamlining credit approvals for the Bank's consumer loans, RCBC has applied AI and ML models to shorten processing times and strengthen operational efficiency. Developed by RCBC's in-house data science team, the use of agentic AI makes possible faster decision-making and response time to the Bank's clients, making their dreams more accessible when availing of RCBC's housing and auto loans[9].
- As an avenue to better facilitate real estate investments and home financing for overseas Filipinos, RCBC has partnered with Talino Venture Studios for the use of an AI-powered property technology platform. Equipped with the capability to align the overseas Filipino's buyer preferences with relevant property data, the platform is designed to make the overseas Filipino's financing experience simpler, faster, and more accessible[10].
- To further improve employee experience within RCBC, the Bank has extended its long-standing partnership with Adrenalin by adopting the advanced human capital management (HCM) Adrenaline Max 2.0 powered by AI[11]. This HCM platform reinforces the RCBC employee's journey through its enhanced capabilities in automation and personalized web-based HCM system[12].

Climate-related Risks and Opportunities

The BSP, through its Guidance on the Implementation of Environmental and Social Risk Management (ESRM) System, "recognizes that climate change and environmental hazards could pose significant risks to the safety and soundness of individual financial institutions and the entire financial system." BSP encouraged banks to evaluate their assets and portfolios "based on their potential impact on the environment" in order to identify necessary "changes in policies, litigations, technological developments and shifts in market sentiment in line with global and national climate objectives and SDGs. This will also inform the development of appropriate and sound risk management and portfolio reallocation strategies in response to potential transition risks."

Governance

RCBC affirms its commitment in Environmental, Social and Governance (ESG) principles as part of the Bank's Risk Governance Framework (RGF). The RGF follows a top-down approach whereby the Board of Directors (BOD) takes ultimate accountability for the risks taken and for setting the tolerance level for these risks. The BOD constitutes committees for decision-making in various functions affecting the Bank's over-all business. The ROC is the Board-level committee which provides oversight and management of risk exposures of RCBC and its subsidiaries. RMB and RCBC Leasing and Finance Corporation (RCBC subsidiaries) have been implementing E&S policies which essentially adopt the principles embedded in RCBC's E&S Risk Management. More information on the Bank's corporate governance policies can be accessed from the RCBC website[13].

[9] https://www.philstar.com/business/2025/12/06/2492179/rcbc-automates-loan-approvals
[10] https://business.inquirer.net/562936/ai-powers-new-real-estate-platform
[11] https://uptech-media.com/rcbc-enhances-employee-experience-with-advanced-hr-technology-integration/
[12] https://www.rcbc.com/rcbc-advances-employee-experience
[13] RCBC. Corporate Governance. https://www.rcbc.com/corporate-governance

Strategy and Risk Management

RCBC Sustainable Finance Strategy

RCBC strongly supports the BSP's call for financial institutions to be enablers of environmentally and socially responsible business decisions. The Bank has implemented its ESMS as part of the Bank's lending process as early as 2011, almost a decade ahead from the issuance of BSP 1085, while the Bank's Sustainable Finance Framework was initially published in April 2019 (a first in the Philippine banking industry) and was updated in February 2024:

A. The ESMS Policy is a declaration of the Bank's commitment to sustainable development and management of E&S issues (environmental management system). It subscribes to the IFC Exclusion List and the IFC's eight Performance Standards - a global benchmark for identifying and managing E&S risks. A monitoring mechanism for addressing potential E&S concerns has proven to be an effective tool in engaging clients to take appropriate action, thereby establishing a shared commitment with RCBC toward sustainable practices. The ESMS is similarly aligned with DENR requirements providing industry-based reference for the borrowers. Unresolved concerns (including environmental issues) over an established monitoring period (if any) are escalated to the ROC for proper guidance / oversight discussions. The Policy was updated in September 2022 (approved by the ROC and the Board of Directors) to incorporate relevant provisions under BSP Circular 1128 (ESRM Framework). This followed discussions among various teams and Senior Management on the continued commitment to implement the ESMS before the revised Policy was approved by the ROC.
   - The ESMS Policy requires all lending relationships or credits, both pipeline and portfolio, to be vetted from an environmental and social risk perspective;
   - The implementation of RCBC's ESMS Policy involves Risk Management, Credit Management, Treasury, and Lending Units.
   - The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. RCBC's implementation of the ESMS policy supports the Bank's commitment to consult with stakeholders on E&S issues, with RCBC able to share its sustainability principles to help clients stay compliant with E&S regulations.
   - RCBC has continually adhered to its commitment of monitoring the Bank's environmental performance through monthly ESMS updates submitted by the Risk Management team to the ROC. The Bank's commitment to report regularly on E&S issues is also covered through the E&S portfolio developments and highlights in the monthly Chief Risk Officer (CRO) Report to the ROC.

   Certain ESMS Policy tools were recalibrated in 2024 given their interoperability with the SFTG assessment. Similar to earlier updates made on the ESMS Policy and tools, consultations among various teams and Senior Management were conducted, with the SFTG implementation (synergized with the ESMS process) approved by the Bank's ROC.

   In accordance with BSP Cir 1149 (Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks), RCBC's Investment Policy includes sustainability principles in its objectives as well as risk monitoring process in consideration of E&S factors.

B. The RCBC Sustainable Finance Framework (updated February 2024) articulates the Bank's strategy to prioritize fundraising for specific sectors. Under this Framework, RCBC can issue Sustainable Financing Instruments (SFIs) to fund loans and projects that have clear environmental and/or social benefits. SFIs include Green Bonds, Blue Bonds, Social Bonds, Sustainability Bonds, Green Loans, Blue Loans, and other debt financing instruments which fund Eligible Green (with subset of Blue) and Social Assets. RCBC's Sustainable Finance Framework subscribes to the global bond standards[14] which are continually updated to remain relevant and connected with global ESG practices:

[14] International Capital Market Association ("ICMA") Green Bond Principles 2021 ("GBP"), Social Bond Principles 2023 ("SBP"), Sustainability Bond Guidelines 2021; ASEAN Capital Markets Forum ("ACMF") ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018, ASEAN Sustainability Bond Standards 2018; Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and Loan Syndications and Trading Association ("LSTA") Green Loan Principles 2023 and Social Loan Principles 2023

- RCBC's Framework obtained a Second Party Opinion (SPO) from Sustainalytics which opined that the eligible green and social projects and lending activities defined in the Framework contribute to the decreasing environmental footprint of the Philippines, advancing employment generation, and improving access to essential services of vulnerable groups in Philippines. Under the SPO, Sustainalytics cited RCBC's Framework as "credible and impactful." These documents are published in RCBC's website[15].
- The Framework prescribes an Exclusionary Criteria which identify certain projects as ineligible for the use proceeds from the SFIs. Foremost of this is fossil fuel power generation – an exclusionary criterion consistent with the ASEAN Green Bond Standards and ASEAN Sustainability Bond Standards.

RCBC's Sustainable Finance Framework is structured with the following key pillars:

- **Use of Proceeds:** RCBC will allocate proceeds to finance and refinance RCBC's loans to customers in Eligible Green (and its subset of Eligible Blue) Categories and/or Eligible Social Categories.
- **Project Evaluation & Selection:** The green (and its subset of blue) and social assets will be selected following the eligibility criteria and evaluated by the Sustainable Finance Committee.
- **Management of Proceeds:** The proceeds will be managed in a portfolio approach.
- **Reporting:** RCBC will report on the allocation of the net proceeds to the Eligible Green (and its subset of Eligible Blue) and Social Portfolio, and their environmental and social impact.

- RCBC allocates the proceeds of SFIs to finance and/or refinance loans to customers or its own operating activities. RCBC's Allocation Report discloses the Bank's Eligible Sustainable Portfolio and Sustainable Funding. The allocation report covering 2024 data underwent limited assurance procedures by RGManabat and Co. (KPMG Philippines). KPMG has confirmed that RCBC's application of funds from its sustainability bond issuances and Peso Green Time Deposits are in accordance with the Eligibility Criteria described in its Sustainable Finance Framework. The allocation of the proceeds is as follows:
  - Proceeds of RCBC's Green Bond or Green Loan go to Eligible Green Categories
  - Proceeds of RCBC's Social Bond or Social Loan go to Eligible Social Categories
  - Proceeds of RCBC's Sustainability Bond go to Eligible Green Categories and Eligible Social Categories
- RCBC provides disclosures on the benefits of its green and social assets through the issuance of the Impact Report which follows ICMA's Harmonised Framework for Impact Reporting. This Impact Report is supplemented by a video which provides an effective visualization of the contribution of the Bank's lending activities to the environment and the society, effectively combatting climate change. Both the annual Allocation Report and Impact Report are published on RCBC's website[16].
- RCBC successfully raised USD 350 million from the issuance of a five-year Sustainability Bond (2.9x oversubscribed) in January 2025 and PHP 12.21 billion from its offering of Series F ASEAN Sustainability Bonds (4x oversubscribed) in July 2025, reflecting continued market confidence in RCBC and its credit. RCBC's total sustainable portfolio consisted of around 18,000 projects as of 31 December 2025[17]. These projects contribute to 12 of the 17 UN SDGs. Funding for RE accounted for nearly half of the Bank's total sustainable portfolio surpassing the remaining exposure to coal-fired power projects by almost three times.

Metrics for Climate-Related Risks and Opportunities

RCBC is the first local bank to adopt quantitative global climate risk analyses tools which will enable the Bank to contribute to the Philippine climate action commitment to the Paris Agreement. The use of climate risk tools discussed below (PACTA and PCAF) was approved by the ROC, a Board level Committee.

A. Quantitative Tool for E&S Stress Testing

RCBC entered into an advisory engagement with IFC and 2DII in January 2021 (as approved by the ROC) for the use of the Paris Agreement Capital Transition Assessment (PACTA) tool and the climate stress testing modules developed by 2DII. This was the first advisory engagement to be conducted by IFC and 2DII in Asia,

[15] RCBC. Sustainability. https://www.rcbc.com/sustainability.
[16] *Ibid*
[17] Figures are under ongoing external review, in compliance with the reporting requirements of the Sustainable Finance Framework.

with RCBC Senior Management representatives included in the presentation of initial results generated by the PACTA and climate stress testing tools. These tools enable RCBC to:

- Generate a comparison of the Bank's power generation portfolio versus globally-accepted climate reference scenarios covering short- to long-term time horizons (up to year 2040).
- Perform climate scenario analysis and stress testing to determine the impact of transition risk on the power generation borrowers' probability of default (PD) and the corresponding Expected Credit Loss for the Bank.

RCBC also has a Credit Framework for Physical Risks and Calamity Response which is the basis for account monitoring in terms of physical risks and natural calamities. The Bank identifies the most affected areas (e.g. typhoon, earthquake, etc.) and the potentially impacted clients who are located in the identified areas.

The sensitivity/scenario analyses of both transition and physical risks results have been included in RCBC's annual ICAAP submission since 2023.

B. Quantitative Tool for E&S Risk Monitoring Through GHG Emission Reporting

RCBC became the first Philippine bank to participate in the Partnership for Carbon Accounting Financials (PCAF), an initiative among financial institutions worldwide to enable harmonized assessments and disclosures of GHG emissions financed by loans and investments[18]. RCBC completed the PCAF on-boarding training program in early October 2021. RCBC's participation in PCAF is a decisive step in understanding the climate risk arising from the businesses that the Bank supports, hence providing a baseline assessment of the Bank's indirect climate impact, with a view to establishing GHG emission reduction targets. As a PCAF participant, RCBC has started to disclose its financed emissions in the 2022 Sustainability and Impact Report (ahead of the Bank's commitment to PCAF). As indicated in RCBC's disclosures, the financed GHG emissions mostly emanate from lending to the Energy Sector. It is expected that RCBC's coal exit strategy by 2031 will significantly reduce RCBC's financed GHG emissions.

The PCAF results are discussed with and presented to the Sustainable Finance Committee, for further submission to the ROC, before being published as part of the Bank's annual disclosures.

Financial Intermediation

Loan Portfolio

The industry concentration of credit as of December 31, 2025 is as follows[19]:

Economic Activity	Amount (PHP M)	%
Credit Cards	145,797	19%
Housing	118,005	16%
Real estate, renting and other related activities	92,015	12%
Auto	88,115	12%
Electricity, gas and water (mainly loans extended to renewable energy projects)[20]	81,372	11%
Wholesale and retail trade	60,655	8%
Transportation and communication	52,283	7%
Financial intermediaries	47,774	6%

[18] GHG emission assessment is advocated under BSP Circular 1149.
[19] Notes to Financial Statements, December 31, 2025
[20] Around 68% from renewable energy

Manufacturing (various industries)	39,442	5%
Consumer[21]	12,565	2%
Mining and quarrying	4,490	1%
Agriculture, fishing, and forestry	4,291	1%
Hotels and restaurants	3,718	-
Other community, social and personal activities	3,143	-
Others	7,572	1%
Total	**761,237**	**100%**

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to loan portfolio)**
Management	⁻ Credit risk of the portfolio ⁻ Profitability of the portfolio ⁻ Transition risk of the portfolio
Stockholders	⁻ Credit risk of the portfolio ⁻ Profitability of the portfolio
Customers/Clients	⁻ Support for financing
Government/Regulators	⁻ Credit risk of the portfolio ⁻ Compliance with laws and regulation
Community, Including environmental NGOs	⁻ Reduction of environmental and social impacts from the Bank's clients' operations
Public, Including media	⁻ Reduction of environmental and social impacts from the Bank's clients' operations – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
Indirect E&S impacts may arise from the nature of businesses that RCBC supports through its lending activities.
Management Approach to Impact
In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk initial screening, due diligence and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.
What are the risks identified?
The operations of borrowers supported by RCBC may have negative E&S impacts.
Management Approach to Risks
The implementation of RCBC's ESMS Policy involves Risk Management, Credit Management, Treasury, and Lending Units. The ESMS requires that all lending relationships/credits, both pipeline and portfolio, are vetted from an E&S risk perspective. The ESMS is implemented to safeguard lending operations from exposure to activities with identified E&S risks. The ESMS Policy goes through a comprehensive review process on a regular basis to ensure its alignment with relevant BSP Circulars and E&S regulations. Policy updates were implemented in September 2022 to primarily incorporate certain requirements of BSP Circular 1128. Certain ESMS Policy tools were recalibrated in 2024 given their interoperability with the SFTG assessment which expands the assessment through the identification of sustainable value chains directed toward climate change mitigation and climate change adaptation. The ESMS Policy is published on the Bank's Online Library and is accessible to all employees. In accordance with the ESMS Policy, all credit proposals (from the Institutional Banking Group – Corporate and

[21] Includes personal and salary loans

Business Banking, and Treasury Group) are screened using the applicable requirements – the IFC Exclusion List (for environmentally and socially sensitive sectors), relevant national (DENR-EMB sector-specific guidelines) and international laws / IFC Performance Standards which include:

- Environment such as biodiversity, deforestation, marine environment, water risk (Philippine Clean Water Act), pollution prevention (Philippine Clean Air Act);
- Social such as indigenous peoples (The Indigenous Peoples Rights Act), protection of cultural heritage, health, human and labour rights, safety and other social issues, and any standards established therein;
- Governance such as the implementation of Environmental and Social Management Systems for the assessment and of monitoring E&S risks, and requirement of Philippine Contractors Accreditation Board (PCAB) for construction companies.

Environmental Risk Categories (ERCs) are assigned to accounts, and credit approvals obtained in accordance with requirements depending on the confirmed ERC. Based on the initial assessment of relationship managers (first line of defense), an account is risk-classified as ERC A (high), B (medium), or C (low) in consideration of the type and scale of potential impacts of the respective account's operations. The ERC classification is validated or confirmed by the Environmental and Social Risk Officer (ESRO), the second line of defense, who has the authority to override first line E&S risk assessment, if warranted. The confirmed ERC is a required component of the credit application approval.

- Similar to past years, RCBC's ERC-confirmed portfolio has been dominated by ERC C or Low Risk projects, comprising more than 50% of the Bank's corporate lending portfolio. As of the end of 2025, the Bank's sustainable portfolio is also almost two times higher than all of the ERC A or High Risk exposures.
- Validated ERC assessments are eventually included in the regular review of Internal Audit (third line of defense). The ERC assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. Applicable environmental covenants are also incorporated in the loan/credit agreement and these are periodically evaluated and monitored for compliance.

To ensure faithful compliance with the ESMS Policy, the Bank has ESROs equipped with the expertise to conduct appropriate E&S review and assessments. The ESRO function is part of RCBC Sustainable Finance Division[22] (headed by the CSO) that oversees the effective implementation of the ESMS Policy. The ESROs conduct learning sessions on the ESMS Policy implementation to ensure that the updates are communicated to the internal stakeholders. ESMS trainings are conducted every year for the Bank's relationship managers (four ESMS trainings were conducted in 2025).

The ESMS Policy subscribes to IFC's 8 Performance Standards, as follows, to benchmark projects or business activities on. These are applied in the assessment of medium- and high-risk accounts as measures of enhanced due diligence:

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

Environmental and social due diligence (ESDD) conducted through site visits or desk reviews by the ESRO is integral to the assessment of high risk accounts. RCBC explains the importance of the ESDD process to clients and other stakeholders, and requires them to engage in activities that meet the Bank's sustainability standards. By means of RCBC's follow-through ESDD with its clients (18-24 month cycle), the Bank is able to validate the closure of previous ESDD findings by the next cycle of RCBC's evaluation, hence providing a proper monitoring mechanism for addressing potential E&S concerns. The actions taken by the clients affirm the development of the clients' shared commitment with RCBC toward sustainable practices.

[22] SFTG assessment is being handled by a separate team within the Sustainable Finance Division

Transactions which may be complex or have potential E&S concerns as well as those with unresolved matters over an established monitoring period are escalated for higher level review and discussion. The implementation of the Bank's ESMS and the continual monitoring required under the Policy help create long-term solutions to E&S issues – mitigating negative effects on the environment and affected communities, and enhancing sustainable development impacts.

What are the opportunities identified?

RCBC is committed to promoting sustainable business practices and furthering sustainable finance.

Management Approach to Opportunities

RCBC's sustainable portfolio is growing and continues to be ahead of the Bank's erstwhile investments in coal and other fossil fuel energy assets. The Bank's Eligible Sustainable Portfolio accounted for approximately 16% of total loan portfolio as of end-Dec 2025, surpassing the share of coal exposures and of ERC A accounts. Moreover, RCBC ended the year 2025 with its power generation loan portfolio dominated by RE financing. The Bank's RE portfolio settled at over 7% of total loan portfolio, continuously surpassing the Bank's remaining exposure to coal power generation projects.

Regular monitoring and reporting of eligible green and eligible social assets through the accomplishment of the Allocation Report is undertaken by the Sustainable Finance Officers who are part of RCBC's Sustainable Finance Division. Periodic Allocation Reports are submitted and presented to the ROC, the Asset and Liability Committee, and to the Sustainable Finance Committee (SFC). The SFC is headed by the Chief Sustainability Officer with certain members of the Senior Management also comprising the Committee. These reports provide regular tracking of opportunities to further asset growth and/or fundraising through SFIs.

In its application of the SFTG, RCBC has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing GHG emissions through the nature of their businesses. These align with the Eligible Green Categories under the Bank's Sustainable Finance Framework

Procurement Practices

Proportion of Spending on Local Suppliers

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Percentage of procurement spending (actual payments) used for significant locations of operations that is spent on local suppliers	87.92	%

Which stakeholders are affected?

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

What is the impact and where does it occur? What is the organization's involvement in the impact?

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

Management Approach to Impact

RCBC supports the local economy and community. The Bank selects locally-based suppliers and promotes economic inclusion when selecting suppliers.

What are the risks identified?
Limiting procurement to only local suppliers may not necessarily result in lower costs; other suppliers must be considered to validate market prices.
Management Approach to Risks
RCBC follows a standard procurement procedure in purchasing the best resources at reasonable prices. This procedure is reviewed and revised as necessary.
What are the opportunities identified?
Supporting local suppliers can indirectly attract additional investments to the local economy, making their prices lower and supply readily available. In addition, it could lead to job generation. The creation of new businesses could be a potential source of new clients for the Bank and could help bolster the Philippine economy as a whole.
Management Approach to Opportunities
RCBC supports the local economy and community. The Bank selects locally-based suppliers and promotes economic inclusion in its procurement practices.

Business Ethics

Training on Anti-corruption Policies and Procedures

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100[23]	%
Percentage of business partners[24] to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of management that have received anti-corruption training	100[25]	%
Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Training: Percentage of employees that have received anti-corruption training	100	%

Incidents of Corruption

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to business ethics and anti-corruption)**
Stockholders	⁻ How the company ensures that it has the necessary capability to fight against corruption ⁻ How serious the organization is on combating corruption ⁻ Advocate of transparency and accountability ⁻ Timely and transparent disclosures on governance ⁻ Enforcement of policies on anti-corruption, Anti-Money Laundering Act (AMLA) and Fraud

[23] Conducted via regular and compulsory e-Learning courses and examinations for all employees and those with direct contracts with RCBC

[24] In this context, the term 'business partners' includes suppliers and customers/clients.

[25] Conducted via regular and compulsory e-Learning courses and examinations for all employees and those with direct contracts with RCBC

Loan/Fund Providers & Creditors/ Depositors	- How the company ensures that it has the necessary capability to fight against corruption - How serious the organization is on combating corruption - Protection of deposits and loans/credits provided
Customers/Clients	- How the company ensures that it has the necessary capability to fight against corruption - How serious the organization is on combating corruption - Protection of deposits
Employees	- How the company ensures that it has the necessary capability to fight against corruption - How serious the organization is on combating corruption - Protection of employees
Government/ Regulators	- Transparency and accountability of the Bank - Compliance with rules and regulations set by BSP, SEC and PSE - Regular conduct of internal and external audits - Monitoring of ethics and compliance of the Bank - How the company ensures that it has the necessary capability to fight against corruption - How serious the organization is on combating corruption
Public, Including media	- How the company ensures that it has the necessary capability to fight against corruption - How serious the organization is on combating corruption – potential reputational impact for public legal cases regarding corruption

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's cultivation of corporate culture is strongly founded on honesty and integrity. The Bank's training programs on anti-corruption policies and procedures as well as disclosures on the Bank's response to incidents of corruption result to the following:

- Increased capacity to prevent and combat corruption
- Awareness of how serious the organization is on combating corruption

Management Approach to Impact

RCBC conducts regular training and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar with the Bank's anti-corruption policies and procedures. The RCBC Board, as endorsed by the AML Board Committee approved the Bank's Anti-Bribery and Corruption Policy on September 26, 2022. To ensure that it is disseminated to all employees, the Bank includes its Anti-Bribery and Corruption policy in the mandatory annual Code of Conduct eLearning.

New employees are apprised about the Bank's anti-corruption policies during their New Employee Orientation Program.

The Bank has implemented action plans as a result of the Risk-Based audit performed since 2023 that includes releasing of periodic advisory to all employees, to update and declare more information on their immediate family members. Quarterly Assessment is likewise being performed by the Deputy Compliance Officers (DCO) as part of the Continuous Monitoring Plan Master Procedure.

What are the risks identified?

The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm the Bank's reputation.

Management Approach to Risks

RCBC strictly implements anti-corruption policies to prevent any corruption incident. The YGC Group does not tolerate any form of bribery and corruption. The Bank conducts training and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar and reminded of the Bank's

anti-corruption policies and procedures. From the first day that an employee is hired, RCBC discusses with the employee the Bank's Code of Conduct, including the anti-corruption policies and procedures. With this, Management ensures that all employees know and understand the policies and procedures, which should be followed throughout their tenure with the institution.

Regular corporate announcements remind employees of warning signs associated with illegal, unethical, or questionable activities/transactions. Employees are reminded to immediately report (confidentially and without risk of reprisal) any suspicious behavioral traits, warning signs, and other legitimate concerns through the whistleblowing channel of the YGC. Sanctions are imposed on erring employees. If an employee violates the company's anti-corruption policies, Management will take Legal action against them.

YGC Group maintains a zero-tolerance stance against all forms of bribery and corruption, particularly in its dealings with vendors, contractors, and service providers. The Group is committed to upholding the highest standards of integrity, transparency, and ethical conduct across the entire procurement lifecycle.

Fair dealing is consistently practiced throughout the end-to-end procurement process, from vendor pre-qualification and sourcing to contract award and performance management. Clear governance structures and defined approval authorities are in place to prevent conflicts of interest and ensure objective, merit-based decision-making. Compliance with applicable laws, internal policies, and ethical standards is strictly enforced, with expectations clearly communicated to all third-party partners.

Through these measures, the YGC Group promotes a culture of accountability and trust, safeguards the integrity of its procurement activities, and fosters responsible and sustainable partnerships with its suppliers and service providers.

Adherence to the Code of Conduct:

All employees are governed by the Bank's Code of Conduct, which revolves around the following Core Values of the Bank.

- **Customer Obsession.** We prioritize our customers in all decisions and actions, ensuring that our services meet their diverse needs.
- **Loyalty.** We pursue corporate interests as our own, speaking well of the company and taking pride in its achievements.
- **Integrity.** We uphold the highest standards of discipline, accountability, and ethical conduct in all interactions, building trust with customers and stakeholders.
- **Excellence.** We strive to be great, deliver quality results promptly, and improve our results continuously.
- **Nurturing.** We are responsible stewards of our environment and communities, encouraging social development and sustainability.
- **Teamwork.** We collaborate toward our shared goals and tap areas of synergy actively to deliver the best possible outcomes for the customers and communities we serve.

RCBC's Code of Conduct is designed to serve as a guide to employees on how they should conduct themselves within and outside the Bank premises and in dealing with clients/customers and co-associates. The document is published on the Bank's website[26].

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:

[26] RCBC. https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf.

A. Treatment of Clients
B. Treatment of Bank Assets
C. Treatment of Others
D. Conflict of Interests
E. Knowledge, Understanding & Compliance

Under Treatment of Clients and Treatment of Others, the Code of Conduct indicates the Bank's zero tolerance policy for improper behavior in dealing with clients and the Bank's adherence to a work environment that is healthy and safe, free from discrimination, harassment, and intimidation. RCBC further ensures that consumer protection standards and practices defined in its Financial Consumer Protection Framework are strictly observed and integrated into business operations. This strengthens the corporate culture and reinforces commitment to fair treatment of customers throughout every stage of their relationship with the Bank.

Anti-Corruption Policies:

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

- *Gifts and Entertainment***.** The Bank does not allow solicitation of gifts, directly or indirectly, from customers or suppliers. Under no circumstance do employees accept, directly or indirectly, payments, loans, kickbacks, special privileges or services in exchange for favors.
- *Favors.* The Bank does not buy business. This is obtained on the merits of the Bank's products, services and people. It does not bend rules nor offer money, illegal or inappropriate favors of unusual value to obtain or retain business. In this regard, any and all significant donations or contributions to or through a customer for whatever purpose using Bank property or funds should be with the prior authorization of the concerned Group Head. Should said donation or contribution be through the purchase of a raffle or lottery ticket, any prize or winnings therefrom, regardless of whether the ticket is in the employee's possession or in the employee's name, must be turned over to the Bank.
- *Receiving Commissions or Benefits.* Employees must avoid situations which may unduly influence the relationships with customers or suppliers in a position to transact business with the Bank. Employees must make sure that the procedures laid down in providing customer services or in purchasing goods and services are strictly followed. Employees who have a direct hand in choosing companies from which purchases of the Bank's business requirements are to be made, are discouraged to use said authority to obtain commissions or leverage to purchase the same item/s for personal interests at terms not otherwise available to his/her colleagues or the public. Suppliers and customers are chosen based on merit and not on what can be gained from them.

The Code of Conduct is a main topic included in the Bank's Employee Orientation Program which is held on a regular basis. The Bank's Code of Discipline provides penalties for violations of its Code of Conduct. Administrative cases are handled in accordance with the Bank's Administrative Cases Procedure and existing laws. The Personnel Evaluation and Review Committee (PERC) 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.

The Code of Conduct is being reviewed every year with an annual eLearning required for all employees. There are no reported incidents of bribery or corruption.

Use of Insider Information:

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

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

Whistleblowing Policy:

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

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

Reports of any actual or suspected criminal activities, unlawful acts or omissions, fraud, violations of the Code of Conduct and other bank policies, danger to health and safety, improprieties or malpractice in the workplace, including those relative to matters of financial reporting, internal control and/or auditing may be sent through the YGC Open Communication system[27] - a confidential and anonymous reporting system for the YGC.

The Bank's Human Resources Group (HRG) monitors all Whistleblowing reports and shall report potential fraud cases to the Corporate Governance Committee – a Board-level Committee. The Whistleblowing Policy provides that the HRG shall monitor all reported cases, and shall make a quarterly report to the Corporate Governance Committee on the number of reports received, corrective actions taken and the latest status of each case. The administration of the Whistleblowing Policy is handled by the HRG and the Compliance Group (formerly Regulatory Affairs Group)[28].

Anti-Money Laundering Act (AMLA):

The Bank's Money Laundering and Terrorist Financing Prevention Program (MTPP) is a comprehensive and risk-based policy geared toward the promotion of high ethical and professional standards and the prevention of the Bank being used, intentionally or unintentionally for money laundering and terrorist financing. The MTPP is consistent with the Anti-Money Laundering Act of 2001, as amended, The Terrorism Financing Prevention and Suppression Act of 2012, and BSP Circular No. 706, as amended. The MTPP is updated at least once every two years or as often as necessary. This covers policies on Know Your Customer procedures, Record Keeping and Retention, Training, Risk Profiling and Covered and Suspicious Transaction Alerts Management. Central to improving the Bank's compliance with AML/ Counter-Terrorism Financing (CFT) related regulations is the periodic and trigger-based review and revision of the MTPP.

Another crucial component of the Bank's MTPP is the conduct of training and knowledge sharing. This is done for all new and current employees, including Directors and members of the Senior Management. The training is done via different platforms, i.e., online, web-based e-learning, or in-person. Furthermore, relevant officers attend external training and seminars conducted by industry experts and peers. Aside from periodic and regular training, the Bank ensures that new AML/CFT laws, regulations and policies are communicated to all relevant employees in the form of circulars, bulletins or advisories that implement the general policies of the MTPP.

[27] RCBC. Talk to Us. www.rcbc.com/TalktoUs

[28] RCBC. Corporate Governance – Company's Policies. https://www.rcbc.com/corporate-governance

Internal Audit:

RCBC is fundamentally committed to upholding sound internal controls, recognizing the internal audit function as essential to its governance and operational framework. The bank's Internal Audit is critical to this commitment, providing an independent, objective assurance and advisory service. Its primary mandate is to examine, evaluate, and continuously improve the effectiveness of the Bank's internal control systems – including controls over safeguarding assets, comprehensive risk management practices, and overall governance structures and processes.

To ensure the audit effort is strategically focused on the areas of highest risk exposure, RCBC adopts a robust risk-based methodology for developing its annual audit work plan. This systematic process is designed to:

1. Risk Assessment: The methodology systematically identifies all auditable areas within the Bank and evaluates their risk levels. This comprehensive assessment considers factors such as complexity of operations, significance of financial impact, and past audit findings, etc. The audit universe shall be composed of business units, processes or information technology systems, as well as the automated financial models used for internal control or decision making, which collectively contributes to the achievement of the bank's strategic objectives. The annual audit planning follows a three-year cycle to audit the whole audit universe.
2. Prioritization: Based on the risk assessment, a clear prioritization framework is established. This ensures that resources are allocated effectively to audit the most critical and high-risk areas first, thereby maximizing the value and impact of the audit function.
3. Plan Development and Approval: The resulting detailed annual audit work plan is developed and formally submitted to the Audit and Compliance Committee for approval. This ensures that the plan aligns with the Bank's strategic priorities and risk appetite.
4. Reassessment and Alignment with Strategic Objectives: The operational environment of a financial institution is dynamic, necessitating a periodic reassessment of the audit plan. Consequently, the mid-year reassessment is undertaken to confirm that the audit plan remains consistently aligned with the evolving goals, overarching strategies, and operational objectives of the Bank. This approach allows the Internal Audit function to respond proactively to emerging risks and significant changes in the operations and business landscape.

In recognition of the escalating importance of technology and the persistent threat of cyber risk, RCBC has implemented an IT Audit Framework for Cybersecurity. This framework is a critical component of the overall internal control structure and serves a vital purpose:

1. Assessment of Policies and Effectiveness: It provides management with an independent assessment of the Bank's established cybersecurity policies, along with a detailed evaluation of their operating effectiveness in practice.
2. Identification of Control Concerns: The framework is instrumental in proactively identifying security control concerns, weaknesses, or gaps that could potentially compromise the reliability, accuracy, integrity, and security of the Bank's enterprise data, systems, and core operations.

To maintain robust security posture, major units and systems that are pivotal in implementing the Bank's overall cybersecurity program are subject to audits on an annual basis. This ensures continuous oversight and necessary remediation in one of the Bank's most critical risk areas.

Related Party Transactions :

To align with the SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions (RPTs) for Publicly-listed Companies" issued on April 27, 2019, RCBC has updated the its Policy on Related Party Transactions on September 2025. The said policy defines "related party transactions" as transactions or dealings with related parties of the Bank, 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, 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;
- Establishment of joint venture entities.

Likewise, the policy interprets RPT 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[29] within the 4th degree of consanguinity or affinity, legitimate or common-law. Related parties also include corresponding persons in affiliated companies, those with direct or indirect linkages with the Bank, members of the Bank's Advisory Board and subsidiaries of related parties.

To ensure efficient and proportionate governance, the Bank divided the review and approval of RPTs based on materiality between the RPT Committee and the RPT Management Committee. Both committees enforce the Bank's policy that RPTs are conducted on arm's length terms, i.e., it must be conducted in the regular course of business (fair process) and strictly not undertaken on more favorable economic terms than those offered to non-related parties under similar circumstances (fair terms). Mechanisms such as comparability analysis and benchmarking, alternative price discovery, and independent fairness opinions are required from the proponents to ensure effective oversight. Moreover, audit reports are periodically reported to both committees to ensure consistency of the RPTs with Board-approved policies and to flag any exceptions or breaches in exposure limits.

The RPT Committee (a Board-level Committee) is tasked to review 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) versus 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 shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. Material RPTs approved by the Board shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting.

The RPT Management Committee is authorized to review and approve 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 Board for confirmation.

Transactions with related parties involving amounts of at least Ten Million Pesos (PHP 10,000,000.00) are considered as material RPTs. The said threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring Board approval under the regulations, i.e., cross-selling, outsourcing, etc., which are always considered "material" regardless of amount. Where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group, the transaction shall be accompanied by a fairness opinion issued by an external independent party to be appointed by the Board of Directors. Excluded transactions are RPTs that, regardless of the amount involved, are exempted from vetting, approval and reporting but still subject to other RPT requirements, such

[29] For stockholders, close family members refer to relative's 2nd degree relatives of consanguinity and affinity.

as:

1) Deposit operations;
2) Investment in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities.

The Bank's RPT policy shall be reviewed by the RPT Committee and approved by the Board every three (3) years or as necessary whenever there are any related amendments. The latest version of the Bank's RPT policy has been reviewed and approved in September 2025 to incorporate key changes on exemption of the sale of bank properties from prior vetting and endorsement by the RPT Committee. This updates the following list of transactions exempted from the vetting, approval and reporting requirements of RPTs provided that the amount involved in the transaction is less than the SEC Material RPT threshold (10% of the combined assets of the RCBC Group, based on the latest audited financial statements):

1) Regular trade transactions involving purchases and sales of debt securities traded in an active market. However, subject to post-reporting to the RPT Committee;
2) Pre-approved Treasury Transactions covered by the Policy on Related Party Transactions covering Treasury Deals[30];
3) Credit card availments, except those with credit card lines with amounts falling under the definition of "material transactions";
4) Availments under the BSP-approved fringe benefit program;
5) Transactions that do not present a real risk of potential abuse, i.e. sale of fully depreciated assets; and
6) Sale of bank properties (e.g., repossessed cars and real estates) to related parties done through competitive/public bidding or auction. It is emphasized that the loan component of the sale, if any, is NOT covered by this amendment.

To ensure that conflict of interest is managed, interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the Bank. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.

The Bank recognizes that transactions with related parties can generate financial, commercial and economic benefits not only for the Bank but for the entire group to which it belongs. At the same time, such transactions may give rise to material or heightened risks, including the potential for abuse that could adversely affect the Bank and its stakeholders. To address these risks, the Board, through the RPT Committee, exercises effective oversight over the design and implementation of the Bank's systems and internal controls for identifying, monitoring, measuring, controlling, and reporting RPTs, including periodic review of RPT policies and procedures. These mechanisms ensure that all RPTs are conducted strictly on an arm's length basis, thereby safeguarding the interests of the Bank and preventing any undue disadvantage to its stakeholders. While the absolute monetary value of RPTs has recently trended upwards as part of regular group synergies, these exposures remain strictly within the Bank's defined risk appetite and have not breached any internal or regulatory thresholds. The Bank monitors these exposures through continuous quarterly exposure tracking ensuring that any quantitative increase in RPT exposure is fully matched by a qualitative independent RPT Committee and RPT Management Committee oversight.

The Bank empowers both internal and external stakeholders to report concerns through established formal channels. The Bank's governance framework ensures that any potential abuses are identified and addressed through a dual-track grievance mechanism

Employee Whistleblowing. The Bank strictly implements a Whistleblowing Policy that encourages employees to communicate legitimate concerns regarding any illegal, unethical, or questionable RPTs. It is designed to be highly secure, guaranteeing confidentiality and protecting reporting employees from any risk of reprisal.

[30] For stockholders, close family members refer to relative's 2nd degree relatives of consanguinity and affinity.

Stockholder Grievance Procedure. To protect the interests of investors, particularly minority shareholders, the Bank enforces a dedicated grievance procedure outlined in the Corporate Governance Manual. This channel allows stockholders to formally report and express legitimate concerns regarding potentially abusive RPTs.

No significant issues, complaints, or cases of abusive RPT have been raised through these mechanisms to date. This validates the effectiveness of the vetting process of the RPT Committee and RPT Mancom Committee and demonstrates the robustness of the Bank's strict pre-execution controls as discussed above.

The Compliance Group conducts regular employee training (at least annually) to enable bank associates to fully comply with their obligations and responsibilities under relevant RPT regulations and the Bank's RPT Policy. The Compliance Group works with the Human Resources Group in ensuring that the training program and materials on RPTs are updated and relevant. The latest Policy on RPT including its Annexes, RPT Cover Sheets, Database of Related Parties, and Committee Charters are available in RCBC's internal Library: Compliance Officer Library (COOL) and may be accessed by all Bank employees. The RPT eLearning was recently updated and all employees (including executives) must complete by 1H2026.

The Bank affirms its commitment to comply with all applicable RPT regulations and standards. Through effective Board oversight, and dedicated RPT Committee and RPT Management Committee, the Bank ensures that transactions with related parties are subject to appropriate review and approval processes, are conducted on fair and arm's-length terms, and do not result in undue advantage or disadvantage to any party.

What are the opportunities identified?

RCBC's profound adherence to business ethics has provided the Bank with a solid foundation for consistent growth, stakeholder confidence, and competitive edge. The internal audit activity, in particular, adds value to the Bank through the audit reports which summarize the risk exposures and control issues and provides recommendations in order to improve the governance, risk management, and control processes which will contribute to the achievement of the Bank's overall objectives.

Management Approach to Opportunities

The internal auditors have free and full access to all the Bank's records, properties, and personnel relevant to the internal audit activity. The Bank's internal audit function has its continuing professional development policy which encourages and supports internal auditors to be continually abreast with relevant skills, knowledge and information through trainings and certification programs to adequately equip them in carrying out their duties and responsibilities. The Internal Audit Group conducts regular assessment and monitoring of the team's competencies and coordinates with the Human Resources Group for its training and/or certification requirements. The Bank continuously conducts training and provides "eLearning" courses to ensure that all employees (from rank-and-file to senior management) and those with direct contracts with RCBC are familiar with and reminded of the Bank's anti-corruption policies and procedures. Management reiterates via corporate announcements the importance and significance of the Bank's Code of Conduct, including ethical standards and anti-corruption policies.

ENVIRONMENT

Resource Management

Energy Consumption Within the Organization

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ

Energy consumption (diesel)	1,413[31]	GJ
Energy consumption (electricity)	RCBC Plaza: 473,620[32] A.T. Yuchengco Centre: 1,369,644 Branches: 10,489,399	kWh

Reduction of Energy Consumption

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Energy reduction (renewable sources)	0	GJ
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	663	GJ
Energy reduction (electricity)	-[33]	kWh

Which stakeholders are affected?

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to energy consumption)
Management	⁻ Efficiency of managing resources
Stockholders	⁻ Profitability of the organization ⁻ Efficiency of managing resources
Suppliers	⁻ How much energy is used by the organization - Supplies' actions can affect the organization's ability to operate, implement its strategies, and achieve its objectives
Community, including environmental NGOs	⁻ Extent of energy consumption alongside scarcity of supply
Public, including media	⁻ Extent of energy consumption alongside scarcity of supply – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

Efficient energy consumption within RCBC's operations can translate to energy savings and effectively reduce emissions. This, in turn, can contribute to possible reduction in the country's significant reliance on fossil fuel-based energy.

Management Approach to Impact

- RCBC continues to support the principles behind its Leadership in Energy and Environmental Design (LEED) certification (RCBC Plaza in Makati is a LEED-certified Gold-level building[34]). Energy conservation measures are applied in the Bank's day-to-day operations. RCBC ensures that it maintains its LEED Gold certification by spending on annual LEED consultation fees to comply with the climate adaptation requirements of the building.
- The Bank's headquarters – the RCBC Plaza in Makati City and the AT Yuchengco Centre (ATYC) in Taguig City have been powered by RE sources from ACEN since August 2024 and September 2024, respectively. As RE technology emits minimal GHG emissions, the use of RE for RCBC's head offices supports the Bank's move toward reducing its over-all GHG emissions.
- In 2025, the Bank's Sustainability e-Learning was updated to consolidate the previous versions released in 2021 and 2022. Similar to the past e-learning materials, the 2025 Sustainable e-learning is part of the Bank's Sustainability KRA and hence required for all Bank employees (including executives) to take. Aside from showcasing Bank-wide sustainability initiatives, the e-Learning has a module dedicated on contributions to the UN SDGs through each employee's daily activities. This includes practical and useful ways of promoting efficient energy consumption practices in line with UN SDG 7 (Affordable and Clean Energy).
- Starting 2025, the Bank's ATM systems have provided optional printing functions. In the credit cards business, RCBC

[31] This pertains to generator sets which make use of diesel.
[32] Data as of reporting date for RCBC Plaza has been updated to reflect only the RCBC banking floors with direct meter measurements.
[33] Aggregate consumption for all the branches. Energy reduction from electricity for further verification
[34] US Green Buildings Council Inc. RCBC Plaza. https://www.usgbc.org/projects/rcbc-plaza

has been promoting the use of electronic Statement of Account (SOA) to reduce printing of paper SOA. Most of monthly SOAs generated are sent via electronic mail. The reduced paper consumption resulting from these initiatives decreases the use of energy and other resources needed for transporting and discarding paper.

What are the risks identified?

GHG emissions from the generation of electricity contribute to global warming and climate change. Inefficient management of energy use can lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on energy conservation.

Management Approach to Risks

- Efficient energy consumption is one of the underlying objectives of cost control measures, as espoused by the Bank's Budget Committee. These include guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency. The initiatives in support of these guidelines include switching to LED lighting systems and the application of energy-saving mechanisms in the office elevators. As more RCBC branches open in the country, it is necessary to continue monitoring overall consumption in a way that energy efficiency is practiced.
- The objective of reducing global warming is ingrained in a larger scale within RCBC's Sustainable Finance Framework which supports investments in RE. This is aligned with RCBC's declaration to cease funding for the construction of new coal-fired power plants, with coal technology known to release more GHG per unit of energy produced (and hence increased global warming) compared to other electricity sources. The quantitative tool (PACTA and Climate Stress Test Model) also equips RCBC in measuring transition risk associated with lending to fossil fuel power generation projects.

What are the opportunities identified?

- Redesigning of offices / branches to further promote energy efficiency practices
- Continued knowledge-dissemination / awareness program on the relevance of efficient energy consumption to the Bank's operations and to one's day-to-day activities
- Development of understanding of carbon footprint and its relation to energy consumption

Management Approach to Opportunities

RCBC continues to adhere to its commitment to use energy more efficiently. The Bank implemented action towards operational efficiency leading to conservation of energy, reduction of emissions and use of other energy efficient technologies.

Starting 2022, RCBC has integrated a mandatory Sustainability Key Result Area (KRA) as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC's core value of "Nurturing" where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-Learning fosters this culture of immersion and training in Sustainability by including modules that emphasize the importance of reducing GHG emissions and of contributing to the UN SDGs through each one's mindful use of energy and other vital resources.

Water Consumption Within the Organization

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	RCBC Plaza: 141,375[35] A.T. Yuchengco Centre: 10,692 Branches: 92,735	Cubic meters
Water recycled and reused	0	Cubic meters

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to water consumption)**

[35] Water consumption data pertains to the entire premise of the building not just the RCBC-occupied floors.

Management	⁻ Efficiency of managing resources
Stockholders	⁻ Profitability of the organization ⁻ Efficiency of managing resources
Suppliers	⁻ Changes in the organization's water consumption versus supply availability
Community, including environmental NGOs	⁻ Extent of water consumption alongside scarcity of supply
Public, including media	⁻ Extent of water consumption alongside scarcity of supply – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

Efficient water consumption in the Bank's operations can translate to savings, thereby contributing to preserving water as a limited resource.

Management Approach to Impact

- RCBC continues to support the principles behind its LEED certification (RCBC Plaza in Makati is a LEED-certified gold building). Water conservation measures are applied in the Bank's day-to-day operations.
- The updated 2025 Sustainability e-Learning has a module dedicated on contributions to the UN SDGs through each employee's daily activities. This includes reminders and prudent measures for conserving water in line with UN SDG 6 (Clean Water and Sanitation).

What are the risks identified?

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

Management Approach to Risks

- Responsible water consumption is one of the underlying objectives of cost control measures as espoused by the Bank's Budget Committee. These measures provide guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency. The initiatives in support of these guidelines include proper use of faucets and responsible consumption of drinking water.
- The objective of promoting responsible water consumption is ingrained in a larger scale within RCBC's Sustainable Finance Framework which supports investments in Sustainable Water Management for clean water infrastructure, wastewater treatment, consumption, sustainable urban drainage systems, and other forms of flooding mitigation under the Eligible Blue Projects.

What are the opportunities identified?

- Continued knowledge-dissemination / awareness program on the relevance of responsible water consumption to the Bank's operations and to one's day-to-day activities
- Development of understanding social responsibility and its relation to preservation of natural resources

Management Approach to Opportunities

- RCBC continues to adhere to its commitment to use natural resources more efficiently. The Bank has implemented action towards operational efficiency including responsible water utilization and conservation.
- Starting 2022, RCBC has integrated a mandatory Sustainability KRA as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC's core value of "Nurturing" where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-learning fosters this culture of immersion and training in Sustainability by including modules that highlight the value of water conservation and of contributing to the UN SDGs through each one's treatment of water as a vital and limited resource.

Materials Used by the Organization

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Materials used by weight or volume[36]		
● Renewable	115,678	kg
● non-renewable	1,070	kg
Percentage of recycled input materials used to manufacture the organization's primary products and services[37]	89.3	%

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to materials used by the organization)**
Management	⁻ Efficiency of managing resources
Stockholders	⁻ Profitability of the organization ⁻ Efficiency of managing resources
Suppliers	⁻ Changes in the organization's resource consumption versus supply availability
Community, including environmental NGOs	⁻ Environmental effects of materials used and practices employed by suppliers

Which stakeholders are affected?	
Public, including media	⁻ Environmental effects of materials used and practices employed by suppliers – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
There is indirect impact brought about by RCBC's relations with its suppliers.
Management Approach to Impact
RCBC ensures that suppliers uphold sustainability standards and practices including compliance with Philippine laws. The supplier's environmental performance is observed during site visits. RCBC is able to influence suppliers to be sustainable through the supplier accreditation processes.
What are the risks identified?
The adverse environmental effects of a supplier's operations can impact the cost of its output and may be detrimental to the continuity of its operations. Aside from this, any negative impacts may lead to public outcry and/or government-initiated stoppage/revocation of business license. These cost implications and possible disruption will ultimately affect the Bank's operations as receiver of the supplier's services / products.
Management Approach to Risks
Due diligence prevents and mitigates negative impacts in the supply chain. Suppliers are assessed for a range of criteria. RCBC initiates due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via on-going collaboration with suppliers. The assessment of vendors includes their sustainability initiatives, inspection of facilities and policies relating to the vetting of vendors.
What are the opportunities identified?
Opportunities relate to improvements in RCBC's existing supply chain management as well as the avoidance of negative environmental and reputational impacts on the supply side. These can include changing the organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships with those that are non-compliant.
Management Approach to Opportunities

[36] This includes printed forms, check books, and check vouchers, envelopes, and tempus calendars procured from suppliers.
[37] Data provided and collated from various suppliers.

RCBC continues to improve its existing supply chain procedure to avoid negative environmental and reputational impacts. The Bank employs sustainability-related questionnaires in the accreditation/vetting process of vendors. Furthermore, the YGC holds information campaigns geared towards vendors regarding YGC's sustainability initiatives.

RCBC pioneered the use of recycled materials for the Bank's credit cards in 2023, thereby reducing the use of virgin plastic in the Bank's operations. In 2025, around 4 tons of recycled plastics were used for personalized credit cards.

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

Disclosure (January 1 – December 31, 2025)	Quantity[38]	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	-	ha
IUCN[39] Red List species and national conservation list species with habitats in areas affected by operations	None	

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to ecosystems and biodiversity)**
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's operational sites are not in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. The operational sites of the Bank's clients, however, may be such, and the clients' operations may have negative environmental impacts.

Management Approach to Impact

In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing. The ESMS Policy is aligned with the requirements of the Department of Environment and Natural Resources (DENR) and provides industry-based requirements that take into account on the nature of the clients' business operations.

What are the risks identified?

The operational sites of RCBC's clients may be in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. This may lead to negative environmental impacts.

Management Approach to Risks

The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the impact of a borrower's business on ecosystems and biodiversity (IFC Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources).

What are the opportunities identified?

[38] Refer to the discussion on Impact
[39] International Union for Conservation of Nature

Adhering to the protection of ecosystems and biodiversity promotes sustainable business practices.
Management Approach to Opportunities
RCBC's Sustainable Finance Framework supports financing for environmentally sustainable management of living natural resources and land use under its Eligible Green Project Categories.

Environmental Impact Management

Air Emissions: *GHG*

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Direct (Scope 1) GHG Emissions[40]	Stationary[41]: 105 Mobile sources[42]: 1,634	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	8,737[43]	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to management of GHG emissions)**
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
GHG emissions result from RCBC's energy consumption and emissions relating to diesel generators and fuel consumption in bank-owned vehicles.
Management Approach to Impact
Refer to details on Energy Consumption Within the Organization
What are the risks identified?
In addition to the details under Energy Consumption Within the Organization, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include due diligence inquiries on the borrowers' GHG emission quantification and reduction options (IFC Performance Standard 3 – Resource Efficiency and Pollution Prevention).
Management Approach to Risks

[40] Starting FY2025, the emissions relating to diesel use in generators (stationary sources) and fuel consumption in bank vehicles (mobile sources) have been disaggregated to reflect in the Bank's Scope 1 calculations.

[41] Emission factor for diesel at 0.0741 tonnes CO_2e/GJ from ADB (https://www.adb.org/sites/default/files/institutional-document/296466/guidelines-estimating-ghg.pdf). Please refer to footnotes under Energy Consumption.

[42] Emission factor for mobile combustion are referred from the GHG Protocol (https://ghgprotocol.org/calculation-tools-and-guidance#cross_sector_tools_id)

[43] RCBC Plaza, A.T. Yuchengco Centre, and Branches; emission factor for electricity at 0.7122 kgCO_2e/kWh (simple operating margin, average EF from the grid) and 0.6836 kgCO_2e/kWh (combined margin for wind and solar projects) from DOE (https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef);

Refer to details on Energy Consumption Within the Organization
What are the opportunities identified?
Refer to details on Energy Consumption Within the Organization
Management Approach to Opportunities
In addition to the details under Energy Consumption Within the Organization, starting December 2024, RCBC has implemented the Sustainable Finance Taxonomy Guidelines (SFTG) as adopted by BSP Circular 1187. In its application of the SFTG, the Bank has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing GHG emissions through the nature of their businesses.

Air Pollutants

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
NO_x	-	kg
SO_x	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to management of air pollutants)**
Stockholders	- Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulation - Reduction of environmental impacts - Concern for environmental protection
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
As RCBC is engaged in traditional banking, it does not generate air pollutants in its operations. The Bank's clients, however, may be generating this negative impact on the ecosystem as part of their production process.
Management Approach to Impact
Refer to details on Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)
What are the risks identified?
The Bank's clients may be generating air pollutants in their operations. The Bank may have indirect impact to the environment.
Management Approach to Risks
The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the borrower's practices to promote resource efficiency and pollution protection (Performance Standard 3 Resource Efficiency and Pollution Prevention) that may be mapped against the requirements of the Philippine Clean Air Act for pollution prevention.
What are the opportunities identified?
Refer to details on Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

Management Approach to Opportunities
In addition to the details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine), RCBC's Sustainable Finance Framework recognizes projects that contribute to Pollution Prevention and Control as Eligible Green activities. While the Framework also supports Sustainable Marine Tourism Projects and Investments under Eligible Blue activities, these explicitly disqualify destination development with negative ESG impacts such as air or water pollution.

Solid and Hazardous Wastes:

Solid Waste

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Total solid waste generated	RCBC Plaza: 789,894[44] A.T. Yuchengco Centre: 53,950[45]	kg
Reusable	0	kg
Recyclable	RCBC Plaza: 631,394	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	RCBC Plaza: 158,500 A.T. Yuchengco Centre: 53,950	kg

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to solid waste management)**
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
RCBC's ability to properly manage solid waste impacts the communities within the proximity of its operations, and the overall environmental welfare of the society.
Management Approach to Impact
RCBC minimizes the impact of its operational solid waste through pollution prevention measures, thereby reducing the quantity of solid waste. Compliance with Philippine Environmental Laws is adhered to across the organization.
What are the risks identified?
The generation, treatment, and disposal of waste, including its improper transportation, can pose harm to human health and the environment.
Management Approach to Risks

[44] Available solid waste data pertains to the entire premise of the building not just the RCBC-occupied floors.
[45] Estimated volume proportionate to the total leased area by RCBC

RCBC Plaza's Solid Waste Management Plan includes reducing material costs and environmental impacts thus educating and encouraging tenants to reduce, reuse, and recycle for long-term purposes to lessen solid waste and minimize ecological impacts. Solid wastes are hauled by a third party; total amounts are then recorded and tabulated.

What are the opportunities identified?

- Digitization of banking transactions and redesign of offices / branches to promote waste reduction
- Continued knowledge-dissemination / awareness campaign on the benefits of waste reduction as part of environmental protection and social responsibility
- Development of understanding of carbon footprint and its relation to tree-cutting for paper production / consumption

Management Approach to Opportunities

- RCBC will continue to implement initiatives aimed at operational efficiency and digitization, including waste reduction / paper consumption. These include employees being encouraged to apply double-sided printing and lessening plastic waste.
- RCBC's customer banking experience continues to promote ZERO forms to fill out[46], hence significantly decreasing paper usage.
- In 2025, RCBC started to shift from paper-based correspondences to e-mail notifications. This project significantly lowers the paper consumption and waste along with less energy use in the transport and delivery of paper-based correspondences. Savings have also been realized due to lower postage and printing costs. These applies to the following implemented activities:
  - Cessation of sending paper-based Time Deposit (TD) Statement of Accounts (SOAs).
  - Reduction of paper usage by shifting paper-based notifications via registered mail to email notifications for various account correspondences.
- Starting 2022, RCBC has integrated a mandatory Sustainability KRA as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC's core value of "Nurturing" where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-learning fosters this culture of immersion and training in Sustainability by including modules that encourage activities resulting in GHG emissions reduction (e.g. recycling of paper and plastic) and contribute to UN SDG 12 (Responsible Consumption and Production).
- RCBC's support for potential financing requirements also helps promote environmental responsibility for proper waste management. The Bank's Sustainable Finance Framework includes waste management (excluding landfills), such as waste prevention, waste reduction, waste recycling and material recovery with emission abatement technology under the Eligible Green Project Categories.

Hazardous Waste

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Total weight of hazardous waste generated	-	kg
Total weight of hazardous waste transported	-	kg

Which stakeholders are affected?

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to hazardous waste management)
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection

[46] Additional one form to fill out and sign if client applies for a Hexagon Club Membership (i.e. Hexagon Enrollment Form)

Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact
What is the impact and where does it occur? What is the organization's involvement in the impact?	
RCBC does not generate hazardous waste in its operations. The Bank's clients, however, may be generating hazardous waste that is harmful to the environment (indirect impact).	
Management Approach to Impact	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	
What are the risks identified?	
The operations of RCBC's clients may be generating hazardous wastes which are harmful to the environment.	
Management Approach to Risks	
The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the borrower's practices to promote resource efficiency and pollution protection (Performance Standard 3 Resource Efficiency and Pollution Prevention) Under Performance Standard 3, the borrower's operations are assessed in terms of compliance with environmentally sound disposal of hazardous and non-hazardous wastes.	
What are the opportunities identified?	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	
Management Approach to Opportunities	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	

Effluents

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Total volume of water discharges	-	Cubic meters
Percent of wastewater recycled	-	%
Which stakeholders are affected?		
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to management of effluents)**	
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment	
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection	
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection	
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact	
What is the impact and where does it occur? What is the organization's involvement in the impact?		
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		
Management Approach to Impact		
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		
What are the risks identified?		
RCBC's clients may be generating effluents in their operations. This has negative implications on the environment.		
Management Approach to Risks		

In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.
What are the opportunities identified?
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)
Management Approach to Opportunities
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PHP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to environmental compliance)**
Management	⁻ Monetary fines ⁻ Non-monetary sanctions
Stockholders	⁻ Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment
Customers/Clients	⁻ Interruption of business /operations due to breach of environmental laws/regulations ⁻ Reputational impact
Employees	⁻ Interruption of business /operations due to breach of environmental laws/regulations ⁻ Reputational impact
Government – DENR / Regulators	⁻ Compliance with environmental laws and regulation ⁻ Ability to conform to certain performance parameters ⁻ Concern for environmental protection
Community, including environmental NGOs	⁻ Reduction of environmental impacts ⁻ Concern for environmental protection
Public, including media	Compliance with environmental laws and regulation, ability to conform to certain performance parameters, and concern for environmental protection – potential reputational impact.
What is the impact and where does it occur? What is the organization's involvement in the impact?	
RCBC's ability to conform to performance standards, environmental laws and regulations impacts the communities within the proximity of its operations, and the overall environmental welfare of the society.	
Management Approach to Impact	
RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards. The Bank's Regulatory Affairs Group (RAG) facilitates effective management of compliance risks by assessing the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies and where necessary, formulating proposals for amendments. RAG reports to the Board through the Audit and Compliance Committee and the AML Committee.	
What are the risks identified?	

With the scale of operations of a major universal bank such as RCBC, there may be a possibility that certain requirements on environmental compliance may not be addressed on a timely manner. This notwithstanding, RCBC remains committed to comply with all environmental laws and regulations as well as fulfill any penalty that may arise from non-compliance. Non-compliance within an organization can indicate the lack of ability of management to ensure that operations conform to certain performance parameters. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities.
Management Approach to Risks
RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards. Under RCBC's ESMS Policy, activities or projects funded by the Bank are evaluated in accordance with the guidelines of the DENR, Philippine Clean Water Act, Philippine Clean Air Act, The Indigenous Peoples Rights Act, and other E&S legislations.
What are the opportunities identified?
The strength of an organization's compliance record can also affect its ability to expand operations or secure permits.
Management Approach to Opportunities
RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards. In the context of ESMS implementation, the clients' compliance with E&S legislations is an affirmation of a shared commitment with RCBC in mitigating E&S risks and identifying opportunities in sustainable business practices.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure (as of December 31, 2025)	Quantity	Units
Total number of employees	6,635	#
a. Number of female employees	4,305	#
b. Number of male employees	2,330	#
Attrition rate[47]	8.94%	rate
Ratio of lowest paid employee against minimum wage	1.03:1	ratio

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to employee hiring)**
Management	- Direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees - Efficiency of employees, talent retention - Quality of service provided by employees

[47] Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Stockholders	- Direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees - Efficiency of employees - Quality of service provided by employees
Employees	- Satisfaction among employees - Equity in the workplace
Customers/Clients	- Efficiency and quality of service provided by employees – sufficient number of employees
Gov't – DOLE	- Protection of employees
Community	- Optimal use of available labor and talent in different regions
Public, including media	- Ability to attract and retain diverse, qualified employees; inclusive recruitment practices; satisfaction among employees; equity in the workplace – potential reputational impact

Employee Benefits

List of Benefits (January 1 – December 31, 2025)	**Y/N**	**% of female employees who availed for the year**	**% of male employees who availed for the year**
SSS	Y		
Maternity/Paternity	Y	6%	
Sickness	Y	1%	<1%
Salary Loan	Y	35%	25%
PhilHealth	Y	7%	3%
Pag-ibig Loan	Y	26%	20%
Parental leaves	Y	1%	4%
Vacation leaves	Y	87%	85%
Sick leaves	Y	73%	62%
Medical benefits (aside from PhilHealth)	Y	66%	44%
Housing assistance (aside from Pag-ibig)	Y	<1%	<1%
Retirement fund (aside from SSS)	Y	2%	3%
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	Y	32%	22%
Flexible-working Hours	N	-	-

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to employee benefits)**
Stockholders	- Satisfaction among employees – efficiency and quality of service provided by employees
Employees	- Organization's investment in human resources - Quality of benefits - Protection of employees' well-being - Employee engagement and retention - Work/life balance - Understanding of Bank's mission, vision, and strategies
Govt – DOLE	- Protection of employees

Community	⁻ Organization's investment in human resources, and the quality of benefits, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	⁻ Satisfaction among employees, organization's investment in human resources, and the quality of benefits – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

Effective employee management leads to satisfaction among RCBC's employees and equity in the workplace.

Management Approach to Impact

RCBC's Most Important Asset: Its People

In support of the Bank's growth strategy and plans, the Human Resources Group (HRG) is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being, and corporate social responsibility. RCBC invests in human resources. The quality of benefits for full-time employees is a key factor in retaining employees.

Compensation and Rewards Program:

RCBC commits to pay its employees, salaries/compensation consistent with job performance and the requirements of the law and one that is competitive with the banking industry. The Bank gives importance to equitable pay differentials for different types of work and hence pays within an established salary structure for the different job levels. The Bank likewise provides officers with incentives and rewards for contribution to the business objectives of the Bank.

1. The Bank implements and maintains a sound **Compensation and Incentive Program** with the following objectives:
   a. To establish a basis for determination and management of compensation, salary increase and performance incentives.
   b. To provide financial incentives through the proper administration of salaries and other means of compensation for each individual to motivate them to do their best on their job.
   c. To maintain competitive salary levels/structures consistent with those in the banking industry.
   d. To ensure retention and attraction of performing and key talents in the organization.

2. To guide the Bank in managing the compensation levels of its employees, a salary structure was designed and developed using the following parameters:

   a. **Job Evaluation.** Job Evaluation is a systematic procedure for analyzing, measuring and classifying positions in terms of common job elements or factors found in every position. The current salary structure is based on the existing job grading system for Officer levels ranging from First Officer up to Senior Executive Vice President. The HRG has the responsibility of ensuring that jobs are rated properly and continuously as they change over time due to reconfiguration of functions or reorganizations.

   b. **Target Market Group.** The salary structure was based on market data of banks deemed as peers by RCBC. Data on these peer banks are obtained from industry and national surveys conducted by private consultancy companies and trade and employee associations.

   c. **Target Positioning Objective.** In terms of target positioning objectives, the Bank receives instruction from Management on the desired positioning in relation with the Target Market Group or the banking industry in general. This positioning is targeted at both the market's guaranteed pay and total annual cash compensation.

3. The salary structure is reviewed regularly by HRG to maintain its relevance and competitiveness internally and externally.

4. In case surveys and studies reveal that the salary structure is grossly sliding off as compared to the industry or its Target Market Group, it is incumbent upon HRG to come up with recommendations to correct the disparity and to discuss said recommendations with Management.

5. Final approval of recommendations with regard to changes in the compensation structure and policies will need to be secured from the Corporate Governance Committee – a Board level Committee.

6. Administration, implementation and maintenance of the Bank's Compensation and Incentive Program shall be the direct responsibility of HRG, particularly by its Group Head, Department Head for Compensation and Benefits and Department Head for Career Management.

7. The Compensation and Incentive Program shall be composed of:
   a. **Basic Pay.** This refers to the employee's monthly take-home pay, exclusive of overtime pay.
   b. **Guaranteed Pay.** Part of the annual compensation supplementary to the Basic Pay such as the 13th month pay.
   c. **Variable Pay.** This refers to additional incentives, Merit Increase (for Officers) and Promotional Increase (for Non-Officers and Officers), given to eligible employees based on their contributions to the Bank's overall objectives. Performance evaluation metrics include the fulfillment of the Sustainability KRA by each RCBC employee, including Senior Management , with the objective of promoting E&S responsibility among all employees. The performance rating on this Sustainability KRA factors into the Variable Pay for all RCBC employees, from Non-Officers up to the President and CEO, with the accomplishment of the Sustainability e-Learning serving as one of the key components.

Employee Retention: Recognizing the continuing competition for talent, HRG's retention programs have helped manage the Bank's attrition rate at 8.94% in 2025 which is below industry level.

Employee Engagement: RCBC provides employee satisfaction survey to the employees. The survey reflects the employee's assessment of the unit's delivery of service and the areas for improvement.

The Bank is committed to providing its employees with continuous opportunities for development, an appreciation of job scope and expectations, and meaningful contributions to the Bank's vision, mission, and strategies in order to promote and foster a high-performance culture – one where organizational goals are consistently achieved or even exceeded.

In line with this philosophy, the Bank implements the Performance Management Policy that purports to govern the Bank-wide Performance Management System (PMS) and effectively communicate the Bank's goals and strategies while aligning with each employee's goals and target results. Specifically, this policy focuses on the following objectives:

1. Define and agree on key result areas, performance indicators, and measures;

2. Discuss feedback on employees' output and accomplishments based on clearly defined goals and objectives, job description, and performance standards;

3. Communicate information for career planning and individual development;

4. Provide a structured basis for decisions on total rewards, employee movements, and discipline management; and

5. Encourage open communication and supportive relationships between employees and their supervising officers and within work teams.

The Bank has an institutionalized Hybrid Work Arrangement for its workforce. Employees who are part of this arrangement are expected to perform their daily tasks and complete their set goals. The telecommuting workforce is given the same treatment as that of comparable employees working at the office.

Human Resource Information System:
HRG maintains and manages the Bank's Human Resource Information System (HRIS) where all employee data (from hiring to separation) are inputted and stored. Even prior to the pandemic, the HRIS had already been set-up and available for employees to access offsite.

What are the risks identified?

While RCBC constantly improves its employee benefit packages, employees may deem those of other companies to be

more attractive.
Management Approach to Risks
RCBC invests in human resources. The quality of benefits for full-time employees is a key factor in retaining employees. RCBC has 17th month pay for rank and file employees, a benefit that is superior to other peer banks. RCBC constantly improves its employee benefit packages to keep them competitive, in order to retain employees and attract new applicants. Promotion is based on full-year performance and accomplishments are measured through predefined Key Results Areas (KRAs), including the Sustainability KRA. While not all non-officer employees are members of the RCBC Employees Association, they are covered by the Collective Bargaining Agreement (CBA)[48]. In November 2021, the Bank (not including its subsidiaries) and the RCBC Employees Association peacefully agreed on the 3-year economic provisions and the 5-year non-economic terms of the CBA for the period 01 October 2021 to 30 September 2026.
What are the opportunities identified?
Equitable gender choice for parental leave and other leave entitlements can lead to the improved recruitment and retention of qualified employees. It can also boost employee morale and productivity.
Management Approach to Opportunities
RCBC immediately adopts all new benefits as mandated by law. For example, RCBC has implemented the expanded maternity leave benefit, applicable to all employees, announcing it through the Bank's internal network messaging platform. With this, the Bank's employees know that RCBC is immediately compliant with the new benefits and the Bank encourages qualified employees to avail of these.

Employee Training and Development

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Total training hours provided to employees	1,305,414	hours
a. Female employees	848,519	hours
b. Male employees	456,895	hours
Average training hours provided to employees	197	hours/employee
a. Female employees	128	hours/employee
b. Male employees	69	hours/employee

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to employee training and development)**
Stockholders	Organization's investment in training, and the degree to which the investment is made across the entire employee base – efficiency and quality of service provided by employees
Employees	Talent acquisition and development: organization's investment in training, and the degree to which the investment is made across the entire employee base
Customers/Clients	Efficiency and quality of service provided by employees – properly trained employees

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to employee training and development)**

[48] The formal grievance escalation and reporting is covered under the Bank's Collective Bargaining Agreement.

Community	Organization's investment in training and the degree to which the investment is made across the entire employee base, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	Organization's investment in training, and the degree to which the investment is made across the entire employee base – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

When an employee stops learning, his/her development is held back. RCBC therefore commits to provide as many programs as possible for each employee to undergo.

RCBC has also subscribed to Linkedin Learning in 2025 and provided licenses to all employees in 2025 to allow each employee to access learning anytime, anywhere. 100% of employees receive training (as there are several courses required for all. In 2025, AI for Everyone is required for all.

Management Approach to Impact

Resulting from an internal employee survey conducted in 2025, RCBC was recognized by BusinessWorld as the Best Place to Work for very large organizations due to its "People First" philosophy[49]. In addition, RCBC won Merit Awards in several categories:

- Merit Award for Best Places to Work across all Organization Sizes
- Merit Award for Best Places to Work for:
  - Women Employees
  - Ethnic Minorities
  - LGBTQIA+ Employees
  - Disabled Employees
  - Employees Ages 16-34
  - Employees for Ages 55 and up
  - Employee Well-Being

In support of the Bank's growth strategy and plans, the HRG is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being and corporate social responsibility.

The Bank invests in training and developing employees, and upgrading employee skills. The Bank is fully committed to providing learning and development opportunities across all job levels. Management has introduced and offered various training programs and seminars. In 2025, learning sessions were delivered face-to-face and hybrid. There were 19,432 attendees to both internal and external trainings. A total of 49,355 eLearning courses were recorded as taken by the employees in 2025.

Investment in People: Learning and Development

RCBC is committed to provide a strong learning and development platform for all employees across all job levels. The HRG continued to strengthen the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars benefiting 16,511 (internal training) attendees, addressing the competencies of Leadership, Customer Service, Sales Planning and Management, Product and Technical Knowledge, Risk Management, AML/Compliance. A total of 2,921 employees were also sent to various external training programs, including eLearning courses offered by external providers.

[49] https://www.bworldonline.com/special-features/2025/12/09/718044/a-celebration-of-raising-workplace-standards/

Employees as Partners in Growth and Development

The Bank is dedicated to cultivating a robust talent pipeline, ensuring a bench of leaders capable of maintaining seamless business continuity across any organizational transition. Beyond technical readiness, RCBC prioritizes a deep understanding of the unique drivers and motivations that fuel the performance of both our incumbents and their successors.

As RCBC establishes its leadership and continues to grow in the digital banking space, the Bank is fully committed to provide learning and development opportunities across all job levels throughout the organization with its various development programs and seminars.

- The Bank supports employees who need to get certification, especially those that are related to the role that they have. Some examples of these are the Treasury Certification Program with BAP, the UITF Certification Program with Trust Officers Association of the Philippines (TOAP), and other continuing education requirements like the Mandatory Continuing Legal Education, the Continuing Education requirements for Accountants, and Real Estate Appraisers. A JPY (Japan Yen) Certification was also arranged in 2025.
- The Bank continues to offer job- and role-specific development programs in 2025 such as Analyst Competency Training, Junior Officer Competency Training, SA/SM/SO Continuing Training, SRO Bootcamp, BRO Development Program, RBG Sales Bootcamp.

In support of the People Transformation Initiative of the Bank, the RCBC Leadership University was rebranded to the RCBC University with three major pillars: (1) The RCBC Leadership Academy, (2) The RCBC Digital Academy, and (3) The RCBC CX Excellence Academy.

(1) The RCBC Leadership Academy
As the Bank acknowledges the need to develop its next generation of leaders, the RCBC Leadership Academy reintroduced and launched new courses such as:

- Rebranding of the Officers Development Program or ODP to DELTA (Digital Excellence and Leadership Training Academy);
- Establishing the Wealth Management Academy;
- Creation of the Senior Reserve Officer (SRO) Bootcamp (under the Branch Services Development Program) to train a pool of branch service officers from high-potential service associates; and
- Continuing and improving the General Operations and Learning Development (GOLD) program.

For the RCBC Leadership Academy, the Bank partners with the De La Salle University School of Lifelong Learning to deliver the Middle Management Development Program. The partnership with Linkedin Learning is also a strategy to provide more learning solutions accessible to all employees, anytime, anywhere.

(2) The RCBC Digital Academy
Programs offered to employees include Design Thinking,; Agile Scrum Project Management,; Virtual Consultative Selling; Fintech Foundation Program Flex (an online, self-paced program offered by 10x1000.org); and the RCBC CX Excellence Academy.

(3) The RCBC CX Excellence Academy
RCBC also embarked on a journey of transforming its Digital and Customer Centricity Culture and introduced the CX Award for Customer Excellence (ACE) initiative. This program recognized individuals who go out of their way to provide excellent and remarkable customer experience for our clients. Three (3) individuals and eight (8) teams received special citations.

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

- TOPGUN, (Treasury, Operations, Products, Governance, Underwriting, and Innovation), RCBC's part-time management training program launched in 2024 and continued in 2025. The program aims to provide participants with a broader view of the entire bank, helping them become well-rounded professionals. Thirty-seven (37) officers graduated from the program.
- For the branches, new programs launched in 2024 were carried on: the Continuing Programs for Service Associate, Service Manager and Service Officers with a total of 243 attendees and the Branch Service Manager Program with 91 attendees. A special course on AML Name Screening was also conducted and attended by 1,710 branch employees.
- For the Bank's Senior Leaders during the Board Offsite, 27 SMC attended 3 learning sessions on Payments, CX, AI and NPS. They also attended an Executive Cyber Tabletop Exercise and a session on Business Dining Etiquette.
- The RCBC Internship Program was launched in 2023. The program ran for 8 weeks, and allowed 3rd and 4th year students from the top universities of the Philippines to gain experience in the field of banking. The program was designed in a way that would expose the interns to different bank processes, clients, products, and other day-to-day activities, and allow them to apply the knowledge that they gained in a practical manner. It also provided the interns with program-related and career-related work experience, as they were assigned to areas that aligned with their respective courses. In 2025, 22 interns attended the RCBC Internship Program.

The RCBC University also had the following milestones:

For the RCBC Leadership Academy, the following management training programs were completed – the Digital Excellence and Leadership Academy (DELTA) with 16 graduates, and also with 1 graduate who will proceed to the DELTA-CODEX, the leadership development program of Regulatory Affairs Group and 3 will proceed to the DELTA-GOLD, the leadership development program of the Head Office Operations Group.

Three runs of the SRO (Service and Reserve Officer) Bootcamp were completed and produced 76 new branch service officers; while 1 run of the BRO (Branch Relationship Officer) Development Program was completed and produced 10 new branch sales officers. A second run commenced in November 2025 and completed in January 2026 with 16 new branch sales officers.

For RCBC Digital Academy, a total of 83 employees attended Design Thinking, while 130 employees attended Agile Scrum Project Management. Another initiative of the Digital Academy is the Fintech Foundation Program Flex, an online, self-paced program offered by 10x1000.org. A total of 2,298 employees completed this in 2025.

For the RCBC CX Excellence Academy, CX Fundamentals Training remains to be a staple program and all new hires are invited to attend it. A total of 915 attended in 2025. On its fourth year, the ACE was awarded to 3 individuals and 8 groups.

For the Institutional Banking Group, Advanced Credit, a new program, was launched. This workshop aims to build credit competence and strengthen credit discipline among IBG relationship managers and credit officers. 4 runs for the Business Banking Group were conducted in 2025 with 103 participants.

In 2025, four e-Learning programs launched by the Bank were required to the employees: Foundational Training on Agile, Code of Conduct 2025, Sustainability 2025, and AMLA 2025. The Bank also signed an agreement with Linkedin Learning to provide access to the learning platform for all employees. As of Aug 2025, all hired employees had their accounts activated. From the courses available in Linkedin Learning, DSAG and HRG curated an AI for Everyone learning pathway, aimed to provide basic knowledge on AI to all employees. In compliance with the BSP Directive to have all UITF Selling Personnel accredited, the Bank conducted 3 review sessions to prepare those who will take the TOAP accreditation. A total of 100 employees attended the review sessions and 69 were registered with TOAP to take the accreditation exam.

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

Under the Bank's Corporate Governance Framework, the Board of Directors is provided with the Annual Continuing Training Program. This is a mandatory program which aims for the directors to be continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to RCBC. It involves courses on corporate governance, matters relevant to the Bank, including audit, internal controls, risk management, sustainability, and strategy. The annual continuing training shall be at least for four hours. The program offered for Corporate Governance in 2025 is Strategy in Motion: The Evolving Role of Governance.

As part of safeguarding the over-all health of employees, the Bank continued to offer "Your Well-Being Matters" webinar, with our resident expert Dr Michele Alignay. The following webinars were offered in 2024:

1st quarter, Focusing on the Good, 273 attendees; 2nd quarter, Tension to Resolution, 247 attendees, 3rd quarter, Cultivating Self-Awareness, 250 attendees, and 4th quarter, Embracing Adversity and Building Resiliency, 138 attendees.

In 2025, the Bank formalized its commitment to the Working with Cancer Pledge through partnership with Ayala Healthcare Holdings, Inc. or AC Health. The Working with Cancer Pledge is a global movement that aims to end the stigma of cancer in the workplace by fostering a more supportive, open, and recovery-forward environment for employees. Strengthening this commitment, the Bank introduced the following initiatives:

- Cancer Care Leave benefit which provides additional leaves to those who are diagnosed with cancer. In 2025, a total of 40.5 Cancer Care Leave credits were availed by employees who are cancer patients; and
- WWC (Working with Cancer) Series also commenced in 2025 with the aim of providing employees with learning sessions on cancer. The first webinar entitled Detect to Protect: The Power of Cancer Screening was attended by 187 employees.

The new programs developed in 2024 to address Self Mastery and Personal Leadership continued to be conducted in 2025. To help our Gen Z partners navigate and adjust to their work environment, GRIT: Empowering our Gen Z Partners, with 26 runs and attended by 474. For junior leaders, Lead from Within: Elevate your Vision, Influence, and Action with 31 runs and attended by 554 employees. A spin-off program from GRIT, KYZ – Know Your Gen Z, was also conducted. KYZ aims to help leaders, managers, and supervisors gain deeper perception, understanding, and appreciation of Gen Z Bank partners, optimize performance in the workplace, foster meaningful connections and collaborations with colleagues, and demonstrate successful management and leadership support behaviors relevant to our Gen Z colleagues. There were 17 runs attended by 325 employees.

Employees as Partners in Sustainable and Inclusive Growth

Being a financial institution that aims to operate sustainably and responsibly, RCBC recognizes the need to have a strategic and proactive human resource that supports its long-term business goals and outcomes. This means anticipating opportunities as well as challenges to its operating environment, including facing epidemics, pandemics, and other potential disruptions, and putting the necessary safeguards to protect employees and other stakeholders.

In the Bank's mission to empower and sufficiently equip employees with the necessary training and skills to advance sustainability and inclusivity, it conducted regular training sessions for frontline staff on the Bank's ESMS Policy. Sustainability eLearning modules were also developed to elevate employees' understanding of the Bank's role in ESG and their individual responsibilities toward the community and the environment. Performance evaluation metrics include the Sustainability KRA as a mandatory accountability of each RCBC employee, including Senior Management.

Bank employees also have a chance to participate in social responsibility activities in collaboration with the Alfonso

Yuchengco Foundation (AYF) and the YGC Corporate Services. This includes the YGC Earth Care Project of the YGC Corporate Services (please refer to details under this report's section on Relationship with Community).

Employees and Clients as Partners Through Generations

The Bank's success is made possible through steady and true partners— each and every RCBC Banker working to make things happen, our customers and our shareholders who have trusted us **through generations**, and our leaders and our Board of Directors for the purposeful collaboration and teamwork.

RCBC has an employee Legacy Club, where membership is solely by virtue of DNA. This Club, with 49 current members, was organized to honor family ties and the generational legacy of RCBC employees and parents who have worked for the institution. This is a special club because it embodies and emphasizes the importance of passing down values and knowledge to the next generation, which is a key aspect of building a strong and sustainable company culture. The RCBC Legacy Club is intended to provide an opportunity for the members to connect and to celebrate the shared history with the company as true **partners through generations**.

True partnership towards success

In the past few years, the Bank received numerous awards from various prestigious organizations. In particular, RCBC's foray into the digital banking space brought in numerous awards from various prestigious local and international organizations, including six-peat award for "Best Bank for Digital" by Euromoney (formerly Asiamoney) and the four-peat Platinum Award at The Asset Corporate Sustainability Leadership Awards (formerly The Asset ESG Corporate Awards).

PHILIPPINE DAILY INQUIRER – 2026 BEST EMPLOYERS LIST

For the third consecutive year, RCBC is honored to be recognized as one of the 2026 Best Employers by the Philippine Daily Inquirer in cooperation with Statista.

The Best Employers list annually features a total of 300 companies and government agencies ranked according to how their performance as employers is perceived by their employees.

Focused on how well employers are perceived by their employees, the yearly survey based its results on how respondents rated their own company or others within their industry that they could confidently recommend to friends and family.

The survey seeks to find out from the employees themselves if a company or institution truly takes care of its own people and lives up to the public persona it cultivated.

What are the risks identified?

While RCBC invests in the development of its employees, the risk of employees leaving RCBC and possibly transferring to another company cannot be completely eliminated. There may be foregone costs, and opportunity costs as another employee who would decide to stay in RCBC could have been trained instead.

Management Approach to Risks

RCBC enforces employee training bond agreements, under which an employee will have his/her training paid for by the Bank, but only if he/she remains with RCBC for a predetermined minimum amount of time.

What are the opportunities identified?

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. The abundance of skilled employees enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance.

Management Approach to Opportunities

RCBC has strengthened the talent pipeline and brought further competencies on the job by facilitating various training

programs and seminars and allocating budget for these. RCBC continuously evaluates and updates training programs in relevant topics such as, but not limited to, leadership, customer service, sales, technical knowledge, risk management, etc. The HRG disseminates across the organization its catalogue of regular trainings and seminars. This is under the oversight of the Senior Management.

The Bank has adopted AI technologies such as the advanced human capital management (HCM) Adrenaline Max 2.0 to improve employee experience through enhanced capabilities in automation and personalized systems.

Labor-Management Relations

Disclosure (January 1 – December 31, 2025)	Quantity	Units
% of employees covered with Collective Bargaining Agreements	39	%
Number of consultations conducted with employees concerning employee-related policies	2,000 est.	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to labor-management relations)**
Stockholders	Satisfaction among employees – efficiency and quality of service provided by employees
Employees	Approach to communicating significant operational changes Negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers
Government – DOLE	Protection of employees
Community	Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to labor-management relations)**
Public, including media	Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers – potential reputational impact
What is the impact and where does it occur? What is the organization's involvement in the impact?	
Effective labor-management relations preserve the welfare of employees.	
Management Approach to Impact	
RCBC has a union of rank and file employees, which negotiates with Management for a CBA every five years. This shows that, hand-in-hand, Management and the union regularly evaluate and update the salaries and benefits of employees. Every negotiation (in at least the past 15 years) has been peaceful and fruitful.	
What are the risks identified?	
The risk in collective bargaining negotiations is the potential failure to come up with an agreement between parties.	
Management Approach to Risks	
Management maintains a harmonious relationship with the union. On a daily basis, Management is open to consultation and discussion regarding various topics that the union wants to tackle. As a result, when the CBA negotiations happen, a lot of issues have already been resolved leaving only the most significant items to be discussed during the meetings.	

What are the opportunities identified?
Management treats every issue raised by an employee as an opportunity to explain to them the nuances of the situation they are faced with. Management also relishes the opportunity to show employees that its actions and decisions are done for the benefit of the organization.
Management Approach to Opportunities
Management takes the views of workers into account when making specific decisions. Meaningful consultations, together with timely processing of relevant information, are therefore needed to make an informed decision that is both fair and just.

Diversity and Equal Opportunity

Disclosure (as of December 31, 2025)	Quantity	Units
% of female workers in the workforce	65	%
% of male workers in the workforce	35	%

Disclosure (as of December 31, 2025)	Quantity	Units
Number of employees from indigenous communities and/or vulnerable sector[50]	243[51]	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to diversity and equal opportunity)**
Stockholders	Equity in the workplace, elimination of gender bias, and equal opportunity, which attract / retain talent / potential employees – the organization's ability to attract / retain talent / potential employees can affect its ability to operate, implement its strategies, and achieve its objectives
Employees	- Equity in the workplace - Elimination of gender bias - Equal opportunity
Gov't – DOLE	- Protection of employees
Community	Equity in the workplace, elimination of gender bias, and equal opportunity, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	Inclusive recruitment practices, equity in the workplace, elimination of gender bias, and equal opportunity – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
Diversity and equal opportunity could lead to better employee satisfaction and higher retention rate.
Management Approach to Impact
RCBC gives equal opportunity for all. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers. As the numbers show, RCBC employs more women than men, indicating the opportunity that the Bank gives to all as RCBC actively promotes diversity and equality at work.
What are the risks identified?
Promoting diversity does not necessarily lead to inclusion and equal opportunity. The presence of individuals from

[50] Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).
[51] Refers to persons with disabilities based on data gathered in 2025

underrepresented groups within the organization does not guarantee that they will feel fully included and valued.
Management Approach to Risks
RCBC gives equal opportunity for all, not only in hiring, but also in advancement and attaining positions of senior leadership. Promotion is based on performance, as accomplishments are measured through predefined KRAs, including the Sustainability KRA.
What are the opportunities identified?
When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.
Management Approach to Opportunities
RCBC gives equal opportunity for all. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
Safe Man-Hours	14,013,120[52]	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	2	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to occupational health and safety)**
Stockholders	- Health, safety, no potential reputational impact that may lead to divestment
Employees	- Health, Safety, Over-all wellbeing
Gov't – DOLE	Protection of employees
Community	Health and safety which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	Health and safety; absence of potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
RCBC's ability to uphold occupational health and safety in the workplace results to the protection of employees.
Management Approach to Impact
Health and Wellness: RCBC gives importance and commits to upholding occupational health and safety in the workplace through worker training and incident investigations. The Bank has safety officers, certified Basic Occupational, Safety and Health (BOSH) personnel, and first-aiders trained by the Philippine Red Cross.

[52] Estimated at 6,635 employees working 8 hours per day over 264 working days

RCBC is committed to maintaining a safe and healthy working environment. Procedures are in place to protect all associates from generally recognized workplace hazards such as fire, earthquake, robberies and other natural and man-made calamities. The Bank has various substance abuse and health & safety policies, as well as inspection and search procedures.

- *Substance Abuse and Health & Safety Policies* - Employees who work while under the influence of drugs or alcohol present a safety and operational hazard to themselves and their colleagues as well as pose a risk to the trustworthy and professional image of the Bank. The Bank also promotes the health and safety of its employees and their families, thus, the enactment of the following policies:
    - RCBC's Drug-Free Workplace Policy & Programs
    - Policy Against Alcohol Abuse
    - Policy on Off-Duty Substance Abuse
    - Family Welfare Policy
    - TB Workplace Program
    - HIV/AIDS Workplace Program
- *Inspection & Search Procedures* - Employees are mandated to notify security personnel if they see anything suspicious, including the presence of strangers and unattended bags or packages on the premises. Employees are likewise mandated to subject themselves, their personal belongings and the Bank assets under Bank custody to intensive inspection and search procedures by security personnel, upon entering, while within and upon leaving Bank premises. Bank premises include parking lots, whether owned or leased by the Bank. Personal belongings shall mean pockets, bags, storage media, cars and any other personal property that may be used as repository of cash, jewelry, documents, keys, data and other valuable items.
- *Employee Welfare and Well-Being* - In 2025, the HRG conducted the following activities to sustain the promotion of health, safety and welfare of RCBC employees.
    - Maintained its partnership with Maxicare, the Bank's HMO provider, in giving health and medical services in accordance to the benefits being enjoyed by employees. Services provided include:
        - Hospitalization, emergency care and other medical services with 4,070 availments for employees and 3,805 availments for dependents in 2025;
        - Executive Check-Up for employees with total cost of PHP 92.4 million in 2025;
        - Outpatient consultation services for employees with 8,384 availments in 2025;
    - The Bank also partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and serviced more than 324 availments in 2025. Moreover, there is a clinic set-up at the A. T. Yuchengco Centre in BGC to give free check-up and consultation services to more than 915 employees.
    - Department of Labor and Employment (DOLE) certified Basic Occupational Safety and Health Seminar;
    - Philippine Red Cross certified first aid training;
    - Basic training course for Pollution Control;
    - Pollution Control training course for Managing Heads;
    - Safety and life support trainings, fire and earthquake seminars and drills for employees;
    - Pre-employment physical and medical examination for new hires;
    - Random drug testing for employees;
    - Vaccination – Implemented flu vaccination to employees;
    - Maintenance of operational breastfeeding stations for nursing associates.
    - Precautionary measures – Since Management recognizes the precarious situation of employees in areas affected by natural calamities and man-made adversities, it has always been keen on immediately issuing work suspension orders in such perilous areas during fortuitous events.
    - All associates are covered with a life insurance policy inclusive of accidental death, total and permanent

disability and burial assistance benefits. The Bank spent around PHP 250 million in 2025 for health benefits of employees and their dependents.

What are the risks identified?
While banking is considered a low risk industry in terms of workplace conditions and industrial safety standards, potential harm may be suffered by workers in specific hazardous situations (e.g., bank robbery).
Management Approach to Risks
RCBC provides employees with the requisite training and exposure to combat inherent risks involved in the workplace. RCBC provides regular BOSH and first aid training on a regular basis. The Bank provides safety training to workers, including training on specific work-related hazardous situations. RCBC trains branch personnel on how to respond to hazardous situations with simulation training programs such as mock bank robberies.
What are the opportunities identified?
Given the changing business landscape, regulatory environment, and the Bank's strategic direction, opportunities arise in improving the Bank's training programs and safety drills.
Management Approach to Opportunities
RCBC continues to update training programs to adapt to the changing business environment.

Labor Laws and Human Rights

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying)

in the workplace?

Topic	**Y/N**	**If Yes, cite reference in the company policy**
Forced labor	Y	All newly hired employees sign a contract stating that they agree to the terms and conditions of their employment. The Bank does not employ forced labor.
Child labor	Y	RCBC's Recruitment Policy requires that college graduates are hired, at the minimum. The Bank does not employ child labor.
Human Rights	Y	Existing Philippine laws set expectations and standards that promote human rights and disallow violations . RCBC abides by these laws.

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions(in relation to labor laws and human rights)**
Stockholders	Upholding human rights and consistent adherence to Philppine labor laws – no potential reputational impact that may lead to divestment
Employees	Upholding human rights, no child labor and forced labor
Gov't – DOLE	Protection of employees
Community	No child labor and forced labor; upholding human rights, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	No child labor and forced labor; upholding human rights - no potential reputational impact
What is the impact and where does it occur? What is the organization's involvement in the impact?	

RCBC's ability to conform to labor laws and human rights results to the protection of employees.
Management Approach to Impact
RCBC gives importance to and upholds labor standards and human rights in the workplace. Employees can be certain that RCBC follows existing labor laws and standards and protects human rights at all times. RCBC complies with all four principles of the International Labour Organization (ILO): i) freedom of association and the effective recognition of the right to collective bargaining, ii) the elimination of forced or compulsory labour, iii) the abolition of child labour, and iv) the elimination of discrimination in respect of employment and occupation.
What are the risks identified?
Child labor results in under-skilled and unhealthy workers for tomorrow and perpetuates poverty across generations, thus impeding sustainable development. Likewise, forced labor is not only a serious violation of a fundamental human right; it also perpetuates poverty and is a hindrance to economic and human development.
Management Approach to Risks
To demonstrate that RCBC does not engage in child labor or forced labor, per policy, the Bank hires college graduates for its entry level positions.
What are the opportunities identified?
The abolition of child labor and forced labor is necessary for both economic and human development.
Management Approach to Opportunities
Due diligence is expected of an organization in order to prevent the use and to combat all forms of child labor and forced or compulsory labor within its activities. It is also expected that an organization will avoid contributing to becoming complicit in or becoming linked to the use of child labor and forced or compulsory labor through its relationships with others (e.g., suppliers, clients). RCBC gives importance to and upholds labor standards and human rights in the workplace.

Supply Chain Management

Do you have a supplier accreditation policy?

RCBC subscribes to the YGC's established Supplier Accreditation Policy, supported by comprehensive procurement and supplier management policies, which are consistently implemented and applicable to all vendors. These policies provide clear guidelines to ensure that accredited vendors are capable of delivering products and services that meet YGC's minimum standards for quality, reliability, and performance.

The accreditation process requires vendors to demonstrate a proven track record, sound financial viability, and the capacity to meet contractual and operational requirements. In addition, YGC promotes compliance with applicable laws and regulations while reinforcing sound and ethical business practices across its supplier base.

Vendors are classified based on defined risk and criticality criteria to identify potential operational, financial, and compliance risks. This risk-based classification enables the application of the most appropriate accreditation requirements and controls, balancing governance rigor with the criticality of the vendor's products and services. Through this structured and proportionate approach, YGC strengthens supplier resilience, mitigates risks, and ensures continuity and sustainability of its supply chain. Please refer to the Annex on Supply Chain Management.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company observes environmental laws, and engages in energy saving and waste management practices, as well as in programs that promote ecological habitat
Forced labor	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A

		sustainability requirement for vendor accreditation which calls for the vendor company to recognize the right of employees to freedom and collective bargaining. The YGC views its supply chain as an extension of its workforce and community and therefore requires all suppliers, contractors, and service providers to strictly comply with ethical and legal standards, particularly those related to the prevention of forced labor. The YGC maintains zero tolerance for any form of forced labor across its supply chain. As part of the vendor accreditation and engagement process, all vendors are required to formally attest to their compliance with forced labor and human rights standards through the Sustainability Attestation Form. Any non-compliance may result in the disapproval of vendor accreditation and/or termination of engagement.
Child labor	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company does not employ persons below 18 years of age. The YGC views its supply chain as an extension of its workforce and the communities it serves and requires all suppliers, contractors, and service providers to adhere to ethical and legal standards, including the absolute prohibition of child labor. Verification of compliance is conducted through vendor self-reported sustainability surveys and formal attestation forms. A zero-tolerance policy is enforced across the supply chain. As part of the vendor accreditation and engagement process, all vendors are required to provide a credible and formal attestation of their compliance with child labor prohibitions and broader human rights standards through the Sustainability Attestation Form. Non-compliance or the submission of an insufficient or non credible attestation may lead to the disapproval of vendor accreditation and or cessation of engagement.
Human rights	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation: a) which calls for the vendor company to recognize the right of employees to freedom and collective bargaining b) to have an employee engagement system in place c) to work with the community around it d) with clear policies on equality of gender, race, color, and greed e) the company is compliant with all government-mandated laws in the employment of personnel
Bribery and corruption	Y	Code of Ethics for Vendors is available that serve as guideline to promptly address instances of unsatisfactory performance, illegal practices and violations committed during any vendor business engagement. There is Blacklisting Policy for Vendors to ensure that all vendors dealing with the YGC will comply with its policies, rules and regulations. Vendors are expected to adopt ethics of highest standard and degree of integrity, provide optimum value, quality products and services, commitment and sincerity towards work undertaken

		As YGC expands its business, procurement function has become increasingly responsible for an extensive range of activities in a growing number of areas. The objective is to transform the buying approach of the Procurement organization of YGC member companies from tactical to strategic role, with more focus on value creation. This includes process health check, alignment, and resilient vendor selection. As such, there's a need to upscale the current understanding of the procurement personnel through YGC Community Learning. Regular lectures and training were done for more innovative approaches to optimize sourcing, supplier relationship management, sustainability in procurement, risk management and other procurement activities. The following lectures and training were conducted to support the above mentioned initiatives: • Refresh on "Procurement Ethics and Responsibility" for all Business Units, with the aim of providing a practical understanding of what it means to 'buy ethically', how purchasing practices can impact workers, and how to integrate ethical procurement into buying practices and understand the process of building a sound ethical procurement policy and selecting of vendors. • "Sustainability in Procurement: Responsible Sourcing for Sustainable Sourcing", which aims to provide introduction to procurement sustainability that will demonstrate how sustainability impacts procurement processes and how procurement function can take an active role in it. The training also provides familiarization with the different standards, tools & approaches for sustainable supply chain management, and guidance to evaluate which are suitable for the YGC procurement organizations. It is specified in the policy that suppliers shall not offer bribes or kickbacks to employees or family members in exchange for any favors. In the same manner, the Bank's Code of Conduct specifies that employees must avoid situations which may unduly influence relationships with customers or suppliers. Copy of the Code of Conduct may be accessed at https://www.rcbc.com/corporate-governance. YGC Group maintains a zero-tolerance policy toward bribery and corruption in any form. This commitment is reinforced through clear policies, ethical standards, and control mechanisms that apply to both employees and suppliers. Any violation of anti-bribery and anti-corruption requirements is treated as a serious breach of trust and may result in disciplinary action, contract termination, disqualification from future engagements, and other actions as permitted under applicable laws and regulations. Through these measures, YGC Group upholds integrity, accountability, and transparency across all business relationships.
Health and safety	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company is compliant with government rules relating to occupational health and safety standards There is Blacklisting Policy with provisions on Safety Policies and procedures as

		ground for Permanent or Temporary Blacklisting. New Facilities Inspection Checklist is applied (as relevant to the vendor's service offering) Stricter compliance with Philippine Contractors Accreditation Board (PCAB) license for contractor is observed to ensure lawful and safe construction activities

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to supply chain management)**
Stockholders	- Reduction of negative E&S impacts in the supply chain - potential reputational impact that may lead to divestment
Suppliers	- Procurement policies - Supplier Accreditation process - Vendor Performance Evaluation
Community	- Reduction of negative E&S impacts in the supply chain and concern for environment and society
Public, including media	- Reduction of negative E&S impacts in the supply chain and concern for environment and society – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's ability to ensure that suppliers uphold sustainability standards lessens the negative E&S impacts in the supply chain.

Management Approach to Impact

RCBC ensures that suppliers uphold sustainability standards and practices including compliance with Philippine laws. The supplier's environmental performance is observed during site visits. RCBC influences suppliers to be sustainable through supplier accreditation processes, among other approaches. Vendors' compliance with government-mandated requirements like DOLE 174 certification and PCAB License for contractors are part of the accreditation requirements.

What are the risks identified?

Vendors' adaptability on full sustainability requirements, cyber security, etc.

Management Approach to Risks

Due diligence, data gathering and baselining prevent and mitigate negative impacts in the supply chain. These include impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or services by its relationship with a supplier.

The implementation of the Sustainability Attestation Compliance for Vendors is part of the accreditation requirements which covers the above attributes. This initiative makes possible the profiling of the key vendors efforts, to measure, set goals and to improve visibility on sustainability compliance that will facilitate follow-up of improvement in actions.

The aim is to achieve a better assessment of the current sustainability-related performance of YGC's key vendors through data gathering and baselining using the Vendor Sustainability Attestation Form, to check the compliance and current initiatives of the vendors on the Economic, Environmental, Social and Ethical/legal sustainability attributes. Vendors are assessed for a range of criteria, including risk incidents (such as bribery, coercion, and corruption).

New vendors applying for accreditation, for applicable categories, are being checked through actual facilities inspection as part of the accreditation process. This process covers assessment of vendor's facilities to determine the capability to support and satisfy the requirements of YGC members as applicable to the critical categories. RCBC is already in the process of enhancing the existing vendor accreditation policy targeted for implementation. Furthermore, the Enhanced

Vendor Performance Evaluation Policy and Enhanced Vendor Blacklisting Policy have been adopted.

The following policies and procedures have been enhanced and implemented:

1) Vendor Accreditation: to ensure that accredited vendors are capable of providing products and services to satisfy the minimum acceptable quality and reliability requirements of the YGC and that all accredited suppliers have proven track record, viable financial position, and promote sound and ethical business practices
2) Vendor Performance Evaluation: to establish an efficient & effective mechanism to measure, analyze, and manage YGC vendor's performance in an effort to optimize costs, minimize risks, and drive continuous improvement.

RCBC initiates due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via on-going collaboration with suppliers. Employees are also bound by the Bank's Code of Conduct and Conflict of Interest Policy to lay out acceptable behaviors in dealing with stakeholders. Copy of the Code of Conduct and information on certain policies may be accessed at the RCBC website[53].

What are the opportunities identified?

- Collaboration with the vendors to accelerate and establish shared sustainability commitments across the value chain
- Promotion of sustainability with internal stakeholders and vendors with joint implementation of processes for continuous improvement
- Strengthened work relations and knowledge-sharing with the vendors to create sustainability solutions that will benefit both parties

Management Approach to Opportunities

RCBC continues to improve its existing supply chain procedure to avoid negative E&S impacts (refer to details under Materials Used by the Organization). The following sustainability assessment initiatives are work-in-progress:

1. 100% compliance with Sustainability Vendor Attestation for Primary / Active Vendors since 2024. This is improved visibility on vendor's sustainability compliance and performance for easy follow-up of improvement actions and collaboration on sustainability initiatives to facilitate identification of priority areas.
2. Enhanced and implemented the Vendor Accreditation Policy. The new policy will ensure that all accredited suppliers have proven track record, viable financial position, and promote sound and ethical business practices. The policy will cover the different stages of accreditation as to: (1) Vendor Sourcing; (2) Vendor Registration & Pre-screening; (3) Vendor Pre-Qualification; (4) Vendor Technical Assessment; (5) Facilities Inspection; and (6) Final Recommendation.
3. Implementation of the Enhanced Blacklisting Policy. The enhancement promptly addresses instances of unsatisfactory performance, illegal practices and violations committed during any vendor business engagements, while providing comprehensive and balanced blacklisting policy and guidelines.
4. Implementation of the Enhanced Vendor Performance Evaluation Policy to ensure that accredited vendors are capable of providing products and services that will satisfy the minimum acceptable quality and reliability requirements of the YGC.
5. Enhanced Facilities Inspection parameters for applicable categories only or as required by the Business Units. This covers the actual inspection and checking of Vendor's general facilities, equipment availability, tools and machinery, safety and protection, availability of workforce, regulatory compliance and permitting, sustainability programs, risks identification and mitigation plans as applicable to contractors depending on the criticality and complexity of the service or as required by the Business Units. This may not be applicable to all vendor offerings.
6. Inclusion of RCBC's and other YGC companies' plans and strategies pertaining to sustainability to ensure that suppliers are compliant with RCBC's sustainable practices.
7. Expansion of the scope of third-party risk assessment process for 2026 to cover the evaluation of cybersecurity and supply chain disruption risks through the following programs:

[53] RCBC. Corporate Governance. https://www.rcbc.com/corporate-governance

a. Integration of Cyber Risk Assessment in Vendor Management. Cyber risk assessment is embedded in the vendor management process, beginning at the vendor data collection stage, through the Cybersecurity Assessment Questionnaire. This applies to vendors with access to the YGC's critical assets and those providing critical IT services. The assessment evaluates vendors' cybersecurity policies, systems, and controls to identify potential vulnerabilities and assess their maturity and compliance with information security requirements through the Third-Party Cybersecurity Assessment Framework. This was implemented with on-going enhancement.
b. Centralized Supplier Risk Monitoring. A centralized supplier risk monitoring dashboard is being established for vendors operating in critical areas of the supply chain. This will enable consistent recording, tracking, and continuous monitoring of cybersecurity and operational risks associated with third-party vendors. The dashboard will provide enterprise-wide visibility of identified risks, corresponding mitigation actions, and response plans, strengthening governance, monitoring, and timely risk remediation across the vendor ecosystem. Target completion is 2026.
c. Enhanced Vendor Performance Evaluation. The vendor performance evaluation process will be continuously enhanced by integrating supplier risk monitoring results and defining comprehensive, and objective metrics across key assessment criteria. This will support more consistent, data-driven, and risk-informed vendor evaluations. Target completion is 2026.

Relationship with Community - Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	**Location**	**Vulnerable groups (if applicable)[54]**	**Does the particular operation have impacts on indigenous people?**	**Mitigating measures (if negative) or enhancement measures (if positive)**
RMB Micro & Small Business Loans & Savings Products	Available in key areas in Luzon, Visayas and Mindanao with a total of 15 branches and 13 branch-lite units.	RMB is RCBC's thrift bank	Yes. RMB serves the unbanked and underserved markets in the Philippines, including the unbanked agricultural communities and low-income sectors	- RMB supports inclusive and sustainable economic growth by providing access to financing for farmers, producers, and traders engaged in coconut agriculture, agri-exports, coffee, and animal feeds. Implemented through various key partners namely Santeh, Agri-Exim, Franklin Baker Philippines, and Equilibrium. RMB helps improve cash flow and income stability for rural borrowers while supporting their continued participation in formal markets. In FY 2025, RMB disbursed PHP 2.02 Billion in loans to at least 2,251 borrowers, enabling timely working capital, reducing

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

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)[54]	Does the particular operation have impacts on indigenous people?	Mitigating measures (if negative) or enhancement measures (if positive)
				reliance on informal lending, and contributing to more resilient livelihoods and long-term community development. - RMB still offers the Basic Deposit Account (BDA) product called "Pangarap Savings". With RMB's cloud-based core-banking system, financial services such as cash-in (deposit), cash -out (withdrawal), bills payment, and opening of BDA can be done real time through a secured electronic platform provided to the accredited agents. - RMB supports micro and small business owners through its Small Biz Lite loan product, designed to improve access to financing for entrepreneurs in underserved and rural communities. To expand reach and improve accessibility, RMB deployed additional 215 loan agents to engage micro and small enterprises directly at the community level. Through Small Biz Lite, RMB disbursed more than PHP 163.2 million in loans to micro and small enterprises, supporting livelihoods, job continuity, and local economic activity.
DiskarTech – a Financial inclusion mobile-based	Mobile-based	An inclusion application that mainly targets class C, D, and	Yes. DiskarTech is an inclusion application that targets the	- DiskarTech also offers the BDA deposit product. - Refer to details under Economic Performance

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)[54]	Does the particular operation have impacts on indigenous people?	Mitigating measures (if negative) or enhancement measures (if positive)
application		the unbanked sector	unbanked and underserved Filipinos nationwide, especially those who live in grassroots communities.	
ATM Go	Handheld ATM Terminals in 82 provinces nationwide	An inclusion application that mainly targets class C, D, and the unbanked sector.	Yes. ATM Go is an Inclusion application that targets the unbanked and underserved sector.	Expanded coverage nationwide and is available through sari-sari stores, pharmacies, rural banks, grocery stores, bakeries, and pawnshops.
Credit Risk Database (CRD) project of the BSP for SMEs.	Created out of a collaboration between the BSP and Japan International Cooperation Agency (JICA) to establish a Credit Risk Database (CRD) for SMEs in the Philippines	The CRD project aims to improve the access of SMEs to bank financing and support a post-COVID recovery scenario, especially since more than 70% of MSMEs in the Philippines were forced to close a month after the outbreak.	Yes, the CRD project is an inclusion application for the underserved sector. The CRD project gives long- term support to MSMEs to reduce their dependence of financial institutions on collateral when granting loans	The CRD is an ongoing risk-based lending project which uses a statistical scoring model that assesses the capacity of SMEs to repay their loan.

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	-	#
CP secured	-	#

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to significant impacts on local communities)
Stockholders	⁻ Reduction of negative impacts on local communities – potential reputational impact that may lead to divestment

Community	⁻ Reduction of negative impacts on local communities ⁻ Concern for society ⁻ Continuous enhancement of community relations
Public, including media	Reduction of negative impacts on local communities and concern for society – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC empowers communities and families towards financial inclusion. RCBC's presence in communities facilitates access to capital in the local economy, spurring economic growth and employment generation.

Management Approach to Impact

Refer to details under Economic Performance

YGC Earth Care Project: A 100-Hectare Reforestation Project in Sierra Madre

The Yuchengco Group of Companies (YGC), in celebration of its centennial anniversary launched the YGC Earth Care project in 2011 which involve the adoption of Kaliwa Watershed for YGC's tree planting program.

The concept was to plant trees in 100 hectares in a watershed that has significant impact on the people and environment. The said project is in partnership with the Department of Environment and Natural Resources (DENR) and the Indigenous People (IP) or 'katutubos' of Tanay Rizal, mainly comprised of Dumagat and Remontado tribes.

For the first three phases which started in 2011, YGC planted a total of 29,000 forest trees in 58 hectares, including narra, acacia, kupang, and molave. As of present, many are full grown trees already with height reaching 25 to 30 feet. Of this number, around 23,000 trees are being managed by YGC through its katutubo partners and their families.

In 2022, Phase 4 was undertaken to cover the remaining 42 hectares, and complete YGC's 100-hectare commitment. YGC adopted the Agro Forestry Model to address both environmental and socio-economic objectives. A total of 6,000 high grade saplings, including Guimaras mango, RCF avocado, Haitian star-apple, Bangkok santol, and R5 rambutan were planted.

Most of the fruit trees are now 10 to 12 feet tall. Some of the trees have started bearing fruits. In the next three to five years, YGC's katutubo partners shall begin to a have a sustainable cash income stream from the various fruit harvests of the trees that were planted and grown by each IP under the Program.

The journey is still far from over, but with collective efforts, there is no reason not to reach the objectives of the project to contribute to the environment and help uplift the lives of YGC's katutubo partners.

Typhoon Tino Relief Operations – In November 2025, RCBC, along with the AY Foundation (AYF) and Sun Life Grepa Financial, mobilized relief operations for the communities devastated by Typhoon Tino. Volunteers helped deliver hundreds of essential relief packs with food, water and sleeping mats in severely affected communities in Consolacion, Liloan and Talisay City.

YGC Christmas Fund Drive – The AYF organized a donation drive encouraging all YGC employees to support its annual fund-raising initiative. . AYF received a total donation of over PHP 8 million in the 2025 YGC Christmas Fund Drive – the amount helped provide meals for more than 8,300 families channeled through the Caritas Manila feeding program.

What are the risks identified?

Engaging the unbanked and underserved towards financial inclusion may expose RCBC to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.

Management Approach to Risks

RCBC mitigates the risk of default by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.
What are the opportunities identified?
A significant percentage of the country's population are still unbanked and underserved, thus there are opportunities to create more products and services that will address the banking needs of these sectors
Management Approach to Opportunities
Refer to details under Economic Performance

Customer Management

Customer Satisfaction

Disclosure (January 1 – December 31, 2025)	**Score**	**Did a third party conduct the customer satisfaction study?**
Customer satisfaction	None[55]	N/A

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to customer satisfaction)**
Stockholders	⁻ Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment
Customers/Clients	⁻ Customer protection and satisfaction ⁻ Integrity and honesty of the Bank and its employees ⁻ Professionalism and efficiency of senior management and bank employees ⁻ Easy account opening/loan application requirements and processes ⁻ Accessibility of ATM and branch network ⁻ Continuous service, process and technology improvements ⁻ Effectiveness of Consumer Assistance Mechanism of the Bank ⁻ Fast complaints resolution ⁻ Upholding the rights of customers
Government / Regulators	⁻ Customer satisfaction ⁻ Upholding the rights of customers ⁻ No major issues and concerns raised with the BSP-Consumer Affairs Group
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives
Public, including media	⁻ Customer satisfaction and upholding the rights of customers – potential reputational impact
What is the impact and where does it occur? What is the organization's involvement in the impact?	
RCBC is committed to fully implementing the Financial Consumer Protection (FCP) Framework and Reputational Risk Management (RRM) Framework. This commitment is upheld through regular compliance assessments against regulatory conduct standards, with the goal of fostering a service culture rooted in fair dealings and responsible business practices	

[55] RCBC has an established feedback mechanisms via the following: (1) QR Code installed at the branches; (2) Consumer Lending Group (CLG) feedback from loan clients via Google Forms; (3) Client feedback generated from Sales Force (ticketing system); feedback posted via Social Media; and (5) direct email from different Head Office Units (if any) in order to effectively resolve complaints/concerns and to ultimately manage client expectations in general. The result of the feedback mechanism is being reported and discussed internally on a regular basis.

across all primary operations. The FCP Framework includes dedicated mechanisms for receiving, investigating complaints, and implementing corrective actions.

RCBC further ensures that consumer protection standards and practices defined in its FCP Framework are strictly observed and integrated into business operations. This strengthens the corporate culture and reinforces commitment to fair treatment of customers throughout every stage of their relationship with the Bank. The FCP Framework comprises key components: FCP Policies and Procedures, FCP Code of Conduct, Consumer Assistance and Risk Assessment Mechanism, FCP Training Program, FCP Compliance Program, FCP Audit Program, and Financial Consumer Education and Awareness Program. It is guided by five core consumer protection principles: 1. Disclosure and transparency; 2. Protection of client information; 3. Fair treatment; 4. Effective recourse; and 5. Protection of consumer assets against fraud and misuse. Meanwhile, the RRM Framework addresses prudential requirements for managing the reputational risks, ensuring compliance failures, service lapses, or external events are addressed promptly to preserve public trust in the financial system across the banking industry.

The Bank has established a Financial Consumer Protection Assistance Mechanism (FCPAM) through its Loans Customer Care communication channels and Provincial Lending Centers (PLCs), located in strategic areas. Staffed with well-trained personnel, these facilities address consumer concerns including debt collection matters and assistance with loan modification options.

Management Approach to Impact

RCBC regularly monitors feedback from traditional and social media to identify customer concerns. This includes monthly social listening reports and real time alerts, and monthly traditional media reports. RCBC also implements customer research for major initiatives (e.g., brand refresh, new website design, and new application design). Additionally, RCBC follows standard review and approval process for communication materials, collaborating with Risk Management, Marketing, Legal, and Regulatory Affairs Groups. Reputational risk assessments are reported quarterly to the Risk Oversight Committee (ROC, a Board-level Committee .

The Financial Consumer Protection Assistance Mechanism (FCPAM) is RCBC's internal redress system designed to efficiently address consumer complaints, inquiries, and requests. As the first-level recourse for consumers, it operates in line with regulations outlined in BSP Circular No. 1160, which governs Financial Consumer Protection (FCP).

The key components of the FCPAM include:

- Complaints Handling Mechanism
- Designated Point of Contact (Consumer Assistance Officers)
- Accessible Communication Channels
- Timely Resolution Protocols
- Documentation and Recording Procedures
- Board-level and Regulatory Reporting

Guided by the Bank's complaints handling and escalation procedures, Consumer Assistance Officers (CAOs) are tasked to manage customer complaints across various business units, branches, and subsidiaries. RCBC has further strengthened its FCPAM with a dedicated team including Customer Care Department (for general concerns), Customer Care-Loans Team (for loans-related matters), DiskarTech Customer Support Team (for mobile app concerns), where consumers can conveniently lodge complaints, inquiries, and requests. All personnel with direct customer interaction are trained on the structure and implementation of the Bank's complaints handling mechanism. Complaints resolution Service Level Agreement (SLA) performance remained at 95% (above standard) for 2024 and 2025, with risk impact at 0.01%—well below the 1% year-on-year threshold.

Third party concerns related to ESG are forwarded by the Bank's Customer Care to the ESROs for investigation and response. There were no such concerns recorded in 2025.

All CAOs submit monthly complaints reports to the Bank's Reputational Risk Department (RRD). The RRD consolidates and analyzes complaints from all channels to identify material risks, conduct root cause analysis for systematic issues, and coordinate immediate resolution with front-line business/operating units, or relevant units. A management report on customer complaints is submitted to the ROC (a Board-level committee) regularly, and discussed in targeted forums including the Branch Services and Operational Risk Forum (BSORF), Digital Enterprise & Innovations Group (DEIG) Forum, Transaction Banking Group (TBG) Forum, Consumer Lending Group (CLG) Forum, and Risk Officers Forum.

RCBC is also focused on embedding Customer Experience (CX) principles across all operations, recognizing CX as a key business priority. To enhance customer experience, the Bank's Human Resources Group (HRG) has formed the CX Excellence Academy, a self-paced certification program aligned with global standards for Certified CX Qualifications. As one of the fastest-growing disciplines corporate management, CX helps drive business growth by retaining customers, thereby, increasing new business sales, and reducing service delivery costs.

What are the risks identified?

There is reputational risk arising from negative public opinion in case there are unsatisfied customers whose concerns are not resolved within an ideal timeframe. In efforts to continuously improve and mitigate risks arising from customer complaints and negative public opinion, reporting of issues and concerns with potential reputational risk is submitted and presented to the ROC on a regular basis.

Management Approach to Risks

RCBC strives to constantly improve its service to avoid unsatisfied customers. A dedicated customer service hotline is available for clients to inquire and report concerns and issues regarding products and services offered by RCBC.

What are the opportunities identified?

A high level of customer satisfaction can result in higher revenue through an increase in the number of new customers, and deepening of relationships with existing customers (cross-selling).

Management Approach to Opportunities

RCBC conducts regular forums, trainings and mandatory eLearning courses for employees, along with periodic examinations, to ensure all customer-facing personnel are familiar with and reminded of the Bank's Consumer Protection Program. Additionally, RCBC has further strengthened its customer feedback mechanism by expanding platforms to include Quick Response (QR) facility, enabling near real time resolution of issues and concerns. QRs, including inputs for customer satisfaction rating, are accessible at Branches, Provincial Lending Centers and guest lobbies in selected Head Office units.

Health and Safety

Disclosure (January 1 – December 31, 2025)	Quantity	Units
No. of substantiated complaints on product or service health and safety[56]	0	#
No. of complaints addressed	N/A[57]	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to health and safety)**
Stockholders	⁻ Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment
Customers/Clients	⁻ Customer satisfaction ⁻ Upholding the rights of customers

[56] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.
[57] No recorded complaints attributed to Health and Safety for the year 2025.

Government	- Customer satisfaction - Upholding the rights of customers
Community	- Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives
Public, including media	Customer satisfaction and upholding the rights of customers – potential reputational impact
What is the impact and where does it occur? What is the organization's involvement in the impact?	
As the Bank's products and services are financial in nature, these do not pose a risk to health and safety. The products and services of RCBC's clients, however, may have such negative impacts on their customers.	
Management Approach to Impact	
In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.	
What are the risks identified?	
While there are no health and safety risks with the Bank's products and services, the Bank's clients may have some health and safety risks affecting their corresponding customer-base. RCBC's ESMS Policy applies to the Bank's clients as discussed in the "Management Approach to Risks".	
Management Approach to Risks	
The ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the borrower's practices to promote health and safety (Performance Standard 2 Labor and Working Conditions).Under Performance Standard 2, the borrower's operations are assessed in terms of effective promotion of safe and healthy working conditions.	
What are the opportunities identified?	
RCBC is committed to the promotion of sustainable business practices, including the preservation of health and safety measures.	
Management Approach to Opportunities	
RCBC will remain committed to employing appropriate due diligence on its borrowers to ensure that appropriate health and safety programs / measures are embedded in their operations. This is one of the fundamentals of the Bank's ESMS process.	

Marketing and Labeling

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
No. of substantiated complaints on marketing and labeling[58]	0	#
No. of complaints addressed	N/A[59]	#
Which stakeholders are affected?		
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to marketing and labeling)**	
Stockholders	Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment	
Customers/Clients	- Customer satisfaction - Upholding the rights of customers	

[58] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.
[59] No recorded complaints attributed to Marketing and Labeling for the year 2025.

Government	- Customer satisfaction - Upholding the rights of customers
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the
Public, including media	Products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives Customer satisfaction and upholding the rights of customers – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's ability to uphold the rights of its customers to the security of its products and services results to customer protection and customer satisfaction.

Management Approach to Impact

RCBC upholds the rights of customers to safety and security from probable negative impacts of its products and services. This includes customer access to accurate and adequate information on the positive and negative economic, E&S impacts of the products and services they consume – both from a product and service labeling and a marketing communications perspective.

What are the risks identified?

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate internal management systems and procedures or ineffective implementation.

Management Approach to Risks

Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, help customers make informed choices.

RCBC ensures that consumer protection standards and practices defined in its FCP Framework are strictly observed and integrated into business operations. The FCP Framework comprises key components: FCP Policies and Procedures, FCP Code of Conduct, Consumer Assistance and Risk Assessment Mechanism, FCP Training Program, FCP Compliance Program, FCP Audit Program, and Financial Consumer Education and Awareness Program. It is guided by five core consumer protection principles: 1. Disclosure and transparency; 2. Protection of client information; 3. Fair treatment; 4. Effective recourse; and 5. Protection of consumer assets against fraud and misuse.

. Units of the Bank that develop and provide products and services to the customers as well as those who prepare advertising materials for external distribution ensure that advertising and promotional/marketing materials comply with the following requirements:

- No false, misleading or deceptive statements
- Visible, easily readable and understandable
- Disclosure of clear, accurate, updated and relevant information about the product or service
- Balanced and proportional (reflecting both advantages and risks of the product or service)
- Key information is prominent and not obscured
- Print is of sufficient size and clearly legible
- Targeted according to the specific groups of clients or customers to whom products are marketed

RCBC follows standard review and approval process for communication materials, collaborating with Risk Management, Marketing, Legal, and Regulatory Affairs Groups. Reputational risk assessments are reported quarterly to the Risk Oversight Committee (ROC).

Business units that develop products and provide services coordinate with the Bank's Learning and Development Department on the design and execution of product/service programs. Bank staff (including agents), specifically those who interact directly with customers, receive adequate training suitable for the complexity of the products or services they sell. All Bank personnel that interact with customers are equipped with the knowledge on the structure and

implementation of the Bank's complaints handling mechanism.
What are the opportunities identified?
Continuous improvements on marketing and labeling to further lessen complaints can lead to higher customer satisfaction and new business opportunities. Strategies to address the root cause of complaints are being implemented (i.e. refer to the discussion on cyber security and anti-fraud initiatives under Economic Performance).
Management Approach to Opportunities
RCBC continues to implement regular updates of communication materials, including website, point-of-sale materials, and social media materials. For product updates that will impact fees, rates and other features, a minimum 60 day notice is given to customers prior to implementation. Other promotional updates and offers are delivered to clients who subscribe to receiving marketing communication from the Bank on a regular basis through Electronic Direct Mailers (EDM). A Customer Experience or CX Council also meets on a monthly basis to help address customer pain points and find solutions to make customers' transactions with the Bank an excellent customer experience.

Customer Privacy

Disclosure (January 1 – December 31, 2025)	**Quantity**	**Units**
No. of substantiated complaints on customer privacy[60]	1	#
No. of complaints addressed	1	#
No. of customers, users and account holders whose information is used for secondary purposes	1,043,223[61]	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to customer privacy)**
Stockholders	- Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment
Customers/Clients	- Customer satisfaction - Upholding the rights of customers
Government	- Customer satisfaction - Upholding the rights of customers
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives.
Public, including media	Customer satisfaction and upholding the rights of customers – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?
RCBC's ability to uphold the rights of its customers to privacy results to customer protection and customer satisfaction.
Management Approach to Impact
RCBC values and upholds the rights of customers to privacy. RCBC respects consumer privacy and takes reasonable measures to ensure the security/protection of personal data that the Bank collects, stores, processes or disseminates from misuse, interference, unauthorized access, modification and unauthorized disclosure.
What are the risks identified?
Losses of customer data and breaches of customer privacy can result from non-compliance with existing laws, regulations

[60] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.
[61] With opt-in (includes opt-in for at least 1 RCBC or YGC product)

and/or other voluntary standards regarding the protection of customer privacy. Those who are found guilty of violating data privacy will be penalized with imprisonment and payment of fines.

Management Approach to Risks

To protect customer privacy, the Bank limits collection of personal data, collects data only by lawful means, and is transparent about how data is gathered, used, and secured. The Bank does not disclose or use personal customer information for any purposes other than those agreed upon, and the Bank communicates any changes in data protection policies or measures to customers directly. Under the supervision of the Chief Compliance Officer (CCO), the Bank's Data Protection Officer (DPO) is accountable for ensuring compliance with applicable laws and regulations for personal data protection. The DPO develops, maintains, and promotes the effective implementation of the Bank's Data Privacy Policy. The DPO regularly reports to the Audit and Compliance Committee (ACC) of the Board of Directors. The ACC performs oversight functions over the Compliance Office, and consequently, over the DPO. The Data Privacy Policy and its subsequent revisions are approved by the ACC and confirmed by the Board. The Bank is committed to remain adherent to the Data Privacy principles of Transparency, Legitimate Purpose, and Proportionality.

Customer's personal information shall be retained for the duration necessary to fulfill the purposes for which it was collected, and such other purposes that the customer have explicitly consented to from time to time. The Bank does not rent, sell, or share personal data with third- parties, except when necessary to complete transactions or deliver services[62].

In order to establish a culture of privacy, the Bank regularly conducts training and lectures discussing the general principles of Data Privacy, including a Personal Information Controller's obligation, and measures to mitigate risks of any Data Breach. Data Privacy is discussed upon onboarding of all employees of the Bank. All employees undertake and complete e-Learning modules to ensure that all employees are reminded and kept abreast of changes in the regulations, as applicable. Privacy bulletins are also regularly issued to provide tips and reminders on best practices. The policy and e-learning materials are reviewed at least every two years, or earlier as applicable. Under the Bank's Privacy Notice, the Bank values its customer's privacy and believes that each customer is entitled to know the ways the Bank processes their personal information. The Bank informs in substantial detail exactly how, what, and why personal data are being collected, used, retained, shared, disposed, accessed, and corrected, through the Bank's privacy notice. The notice is stated in clear and simple terms to ensure it is highly readable and usable to the greatest extent possible. It is posted not only in the Bank's website but in all of the Bank's branches, lending centers, and other areas where personal data of customers are being processed.

What are the opportunities identified?

Continuous improvements to customer privacy measures can result in higher customer satisfaction and retention which could translate to new business opportunities.

Management Approach to Opportunities

RCBC ensures that privacy policies are updated and cascaded, and privacy notices are posted where appropriate (i.e., RCBC website, Branches). The Bank continuously conducts regular trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC and educate them about the importance of customer privacy. Awareness campaigns are implemented regularly through the issuance of data privacy bulletins.

RCBC conducts Privacy Impact Assessments for new projects involving the processing of personal data. The Bank also reviews data sharing, data protection, and outsourcing agreements especially when dealing with third party service providers/vendors.

Customer's personal information shall be retained for the duration necessary to fulfill the purposes for which it was collected, and such other purposes that the customer have explicitly consented to from time to time. The Bank does not rent, sell, or share personal data with third- parties, except when necessary to complete transactions or deliver services[63].

[62] https://www.rcbc.com/data-privacy-notice
[63] *Ibid*

Data Security

Disclosure (January 1 – December 31, 2025)	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Which stakeholders are affected?	
Stakeholder	**Issues That Influence Their Assessments and Decisions (in relation to data security)**
Stockholders	⁻ Data security and customer privacy – potential reputational impact that may lead to divestment
Customers/Clients	⁻ Data security: reliability and security of electronic banking channels ⁻ Customer privacy
Government/ Regulators	⁻ Data security ⁻ Customer privacy ⁻ Compliance with laws and regulation ⁻ Ability to conform to certain performance parameters
Community	Data security and customer privacy, which allow members of the community to decide whether to patronize the products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives
Public, including media	Data security and customer privacy – potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's ability to properly manage and protect sensitive data secures the Bank's information.

Management Approach to Impact

RCBC places the highest importance on keeping data secure, aiming to reduce disruptions to operations as a consequence of information security incidents. Concretely, this aim expands to the following objectives:

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

RCBC may store personal data physically or electronically with third party data storage providers. When the Bank does this, the Bank uses contractual arrangements to ensure that those providers take appropriate measures to protect that information and restrict the uses to which they can put that information. The data privacy and security policy are considered and applied in 100% of the Bank's operations.

The Bank acknowledges and upholds the rights of data subjects as stipulated in the Philippines' Data Privacy Act (R.A. 10173). To facilitate the exercise of these rights, the Bank provides an Online Privacy Contact Us Form, which is readily available in its Data Privacy Notice on the website. This form serves as a convenient means for data subjects to assert their rights and communicate any concerns to the Bank's Data Privacy Office.

What are the risks identified?

Information Security Risk is the risk of loss resulting from information security/cyber security breaches. Data breaches, including leaks, thefts and losses of data may occur in the primary business operations.

Management Approach to Risks

The Audit and Compliance Committee (ACC) is one of the committees at the board level of RCBC. The Bank's Data Privacy Office, which operates within the Compliance Group, provides the ACC with updates on regulatory matters concerning Data Privacy. This includes information on policy changes, modifications to the risk management framework, outcomes from Privacy Impact Assessments, and any privacy incidents that may require escalation, particularly those that could significantly affect the Bank due to the damages incurred from privacy-related risks.

RCBC has zero tolerance for information security/cyber security breaches. RCBC shall protect its information assets to ensure that breaches do not cause material damage to its liquidity and capital position, and reputation. The Bank's information security objectives are achieved through both a technical and process-based defensive strategy:

- Multi-layer IT defenses including threat intelligence/assessment, prevention, detection and remediation
- Identification of information assets including both hardware and software that are considered essential to the Bank;
- Assistance to business units in identifying risks in information assets being handled; and
- Implementation of risk assessment to determine current information security risks and threats present in the information assets, determine acceptable risk levels, and implement preventive measures to mitigate potential high risks.
- Constant information security awareness campaigns across the Bank that will strengthen the level of appreciation of its associates in protecting information assets.
- Close monitoring of information security related incidents through accessible and timely reporting processes.

The Bank's Data Privacy Policy mandates the conduct of training sessions or seminars aimed at ensuring that employees and personnel remain informed about developments in data privacy and security. As part of its employee onboarding process, all newly hired employees are required to complete data protection training prior to employment.

RCBC has a Board-appointed and National Privacy Commission- (NPC-) registered Data Protection Officer (DPO). Under the supervision of the Bank's Chief Compliance Officer (CCO), the DPO shall:

1. monitor and ensure the Bank's compliance with the Data Privacy Act (DPA), its implementing rules and regulations and other issuances by the NPC;
2. ensure the conduct of privacy impact assessments, as may be necessary, relative to the activities, projects, programs or systems of the Bank that may have bearing on personal data privacy and security;
3. in coordination with the Legal Affairs Group, represent the Bank before the NPC in administrative cases involving data privacy;
4. serve as the counselor of the Bank on matters involving personal data privacy and security;
5. together with the Chief Information Security Officer (CISO) the DPO shall review privacy related incident response policy and procedure at least annually; and
6. monitor and ensure compliance by Bank personnel with this Policy;

The DPO is understood to possess all the powers necessary to perform his or her duties and responsibilities. The above list is not exhaustive and may be modified as required, taking into account the needs of the Bank and the developments in the industry relative to data security and privacy.

In addition, RCBC remains compliant with NPC directives. This includes the Bank's annual registration, recurring policy reviews, execution of Data Sharing or Data Protection Agreements, as the case may be, and the submission of annual security incident reports.

Governance and Oversight

The Bank has an established multi-layered structure of oversight functions to ensure compliance with the Data Privacy Act (DPA) and to manage security risks. These functions range from the Board of Directors down to specialized

operational divisions.

1. Board and Committee Oversight
   Board of Directors: The Board has the ultimate authority to confirm the Data Privacy Policy.
   Audit and Compliance Committee (ACC): This Board-level Committee provides high-level oversight. Significant updates to the policy—specifically those involving changes in sanctions, security measures, or functions—must be reported to the ACC. This aligns with the institution's emphasis on keeping executive leadership informed of major risks.
2. Executive Oversight
   Chief Compliance Officer (CCO): The CCO holds a supervisory role over the Data Protection Officer (DPO). Additionally, the CCO has the authority to approve changes to policy templates, formats, or contents.
   Chief Information Security Officer (CISO): The CISO has a specific oversight function over technical security measures. This includes overseeing the monitoring of information security breaches, the security features of software, and the encryption/authentication processes.
3. The Data Protection Officer (DPO)
   The DPO is the central figure for privacy oversight, accountable for ensuring that the Bank complies with applicable laws and regulations. The DPO's specific oversight duties include:
   - **Monitoring Compliance**: Ensuring the Bank and its personnel adhere to the DPA, NPC issuances, and internal policy.
   - **Privacy Impact Assessments (PIA)**: Ensuring PIAs are conducted for activities, projects, and systems involving personal data.
   - **External Representation**: Representing the Bank before the National Privacy Commission (NPC) in administrative cases.
4. Divisional Oversight and Assurance
   Centralized Support Compliance Division (CSCD): Headed by the DPO, this division oversees the development and maintenance of adequate policies, procedures, and controls to prevent unlawful data use. They also oversee the "Compliance Check" process to ensure that the Bank meets NPC standards.
   Compliance Assurance Division: The function of "testing" compliance is handled by this division, separating the testing role from the policy-making role.
5. Third-Party Oversight
   Vendor Management: The Bank exercises oversight over third parties (Outsourcing) by enforcing Data Protection Agreements. The policy mandates that the Bank must use contractual means to ensure third-party processors implement proper safeguards.
6. Incident Oversight (Post-Breach)
   Post-Breach Review: The policy mandates a procedure for a "post-breach review" to improve management policies. In the context of the role of the "Crisis Management Team," this oversight function ensures that lessons learned from incidents are formally integrated into future security measures.

Key Commitments

- **Timely and Transparent Notification** - We commit to complying with the "Right to be Informed" by notifying affected data subjects about the nature, purpose, and extent of the unlawful processing of their data. In accordance with our breach management protocols, we are reporting the recorded incidents to the National Privacy Commission (NPC) and the Bangko Sentral ng Pilipinas (BSP) within the mandated timelines (72 hours for NPC).
- **Protection of Data Subject Rights** - We pledge to uphold the rights of all affected customers, including the right to access the specifics of how their data was compromised and the right to indemnification for damages sustained due to the unauthorized use of their personal data, upon finding by a competent authority.
- **Post-Breach Review and Security Enhancement -** We are conducting a comprehensive post-breach review to improve our personal data breach management policies. This includes re-evaluating our organizational, physical, and technical security measures—such as encryption and authentication processes—to prevent future recurrence,.

- **Strict Adherence to Regulatory Compliance -** We commit to full cooperation with the NPC and BSP. We acknowledge the severity of data privacy infractions and will ensure our response mitigates the risk of administrative fines, which can range up to 3% of the annual gross income for grave infractions.

Annual Reviews and Reporting

- **Data Privacy Policy**: The policy itself is reviewed annually and updated if necessary. Significant updates must be reported to the Audit and Compliance Committee.
- **Incident Response Procedures**: The Data Protection Officer (DPO) and Chief Information Security Officer (CISO) are required to review the privacy-related incident response policy and procedure at least annually.
- **Security Incident Reporting**: The Bank must generate an Annual Security Incident Report as part of its data breach notification documentation.
- **NPC and DPO Registration**: The registration of the DPO and the submission of sworn certificates to the National Privacy Commission (NPC) occur on an annual basis.

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

RCBC's information security management system is based on the National Institute of Standards and Technology (NIST) and Payment Card Industry Data Security Standard (PCI DSS). The Bank's cyber security personnel have obtained the following qualifications: CISM (Certified Information Security Manager, CDPSE (Certified Data Privacy Solutions Engineer) and CPISI (Certified Payment Industry Security Implementer).
RCBC's IT infrastructure (including information security management systems) is subject to external audit every year (by an independent auditor) and every two years by BSP.

The Bank has established a procedure for managing Personal Data Breaches and for reporting such incidents to the National Privacy Commission (NPC). It has a policy that provides the requirements for reporting information security issues/ weaknesses as well as to address regulatory requirements in the event of personal data breach This procedure complements the Bank's Information Security Reporting Process and ensures that personal data breaches—including, but not limited to, unauthorized access, use, disclosure, creation, modification, or destruction of personal data—are reported promptly to facilitate timely corrective measures.

Should notification be warranted, the Data Protection Officer (DPO) will notify both the NPC and the affected data subjects. This notification will provide the needed information and will be sent within seventy-two (72) hours upon knowledge of, or when there is a reasonable belief by the Bank that, a personal data breach requiring notification occurred.

What are the opportunities identified?

Given the changing business landscape and regulatory environment, opportunities arise in improving the Bank's Information Security Program to uphold data security and customer privacy. RCBC implements multi-pronged approach[64] to safeguarding customers such as warnings not to click links from doubtful SMS and partnering with an ecosystem of trusted partners to reinforce awareness and promote the use of available legitimate protection systems (refer to the discussion on cyber security and anti-fraud initiatives under Economic Performance).

[64] https://newsbytes.ph/2025/05/15/rcbc-exec-speed-of-how-technology-changes-is-the-top-e-security-threat/

Management Approach to Opportunities
RCBC continuously conducts regular trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC on the importance of data security. Annually, all employees are mandated to complete eLearning modules on Data Privacy. Twice a month, the DPO conducts lectures to all new employees as part of the Employee Orientation Program and periodically or as the case may be, conduct lectures for other training programs of the Bank such as DELTA, ACE, and TOPGUN, among others. RCBC continues to update its Information Security Program to adapt to the changing business environment. The Data Privacy Notice is publicly accessible through the RCBC website: https://www.rcbc.com/data-privacy-notice. RCBC may amend its data privacy notice to comply with changes in relevant laws and regulations and to keep customers informed of changes in the ways that the Bank processes their personal data. Updates are posted on the RCBC website.

UN SUSTAINABLE DEVELOPMENT GOALS

RCBC is committed to delivering products and services which support the UN SDGs. Re-certified in 2024, the RCBC Plaza in Makati City remains to be LEED-Gold certified (since May 2018). RCBC Plaza is the first multi-tenanted building in the Philippines to achieve such kind of green building certification. LEED-certified buildings save money, improve efficiency, reduce carbon emissions, and create healthier working / living spaces. These environmentally-friend structures are critical parts of addressing climate change, particularly UN SDG 7, SDG 11, SDG 12, and SDG 13.

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

The Bank's financial inclusion programs and services, together with RCBC's Sustainable Finance Framework, address **all of the 17 UN SDGs.** The Bank is committed to safeguarding our people and our planet, while fostering partnerships, and pursuing prosperity that will usher in a sustainable and resilient path by 2030.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Delivering in the New Normal Through Digital Acceleration: [Refer to details under the Economic and Social portions] - RCBC Pulz - DiskarTech - ATM Go	 **No Poverty.** Both DiskarTech and ATM Go are instrumental in the government's distribution of funding assistance. - DiskarTech targets lower economic classes, C and D, and provides all-in-one online financial services needed by the unserved and underserved consumers - In 2025, Diskartech, in partnership with the Social Security System (SSS), rolled out MySSS cards to	Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.	The risk of default and other risks are mitigated by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients. The bank partners with various organizations and LGUs to reach more Filipinos and educate them about financial services that can grow and protect their income.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	expand digital access for more Filipinos. This partnership aims to deliver digital financial access particularly to SSS members and pensioners. - ATM Go offers its services to all 82 provinces of the Philippines and is available through sari-sari stores, pharmacies, rural banks, grocery stores, bakeries, and pawnshops. - To deliver quality services across the country, RCBC has integrated satellite internet via Starlink into the ATM Go network[65]. **Zero Hunger and Good Health and Well Being**. Services have been instrumental conduit for government financial aid and assistance for food and nutrition and education of beneficiary children in schools. **Quality Education.** In partnership with the Department of Migrant Workers (DMW), modules on financial literacy for global Filipinos have been offered. This is to deepen adoption of responsible digital banking among OFWs and Filipino migrants. . **Gender Equality.** The digital innovations improve the economic lives of women with low or no income, working class women and members of female-led households. **Decent Work and Economic Growth.** Digital acceleration provides and expands access to banking and financial services for all. **Industry, Innovation and Infrastructure.** The banking products increase access to financial services. **Reduced Inequalities.** Addressing needs since the pandemic, RCBC responded swiftly through digitization		

[65] https://mb.com.ph/2026/02/19/rcbc-taps-starlink-satellites-to-reach-philippines-unbanked

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	which provided access to unbanked and underserved Filipinos. **Sustainable Cities and Communities.** Financial capacity building is offered at the barangay level through the ATM Go at geographically isolated, disadvantaged and conflict areas. RCBC also took the lead to fully adopt PalengQR which empowered merchants and market vendors in different pilot cities and provinces' public markets to accept digital payments through the interoperable QRPh code. The Bank has similarly supported the initiatives of the Department of Transportation (DOTr) for cashless payments in the MRT and LRT[66]. **Climate Action.** Bridging the gap through digital engagements among and between government and non-government organizations promote reduction in carbon footprint. **Partnerships for the Goals.** Boosting financial inclusion in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), RCBC signed a landmark agreement with the Ministry of Social Services and Development (MSSD) to expand digital literacy and deliver digital financing solutions to the region.		
Deposits - Savings Accounts such as: ○ OneAccount ○ iSave ○ GoSavers		Banks are custodians of public money. Given the banking sector's systemic importance, it is critical that credit risk, market risk, and other bank risks are properly managed to prevent	The Bank identifies, measures, controls, and monitors the risk inherent to its business activities or embedded in products and portfolios. RCBC

[66] https://www.philstar.com/business/2025/07/25/2460643/mrt-3-goes-cashless-lrt-follow-soon

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
○ Hexagon Club	 **No Poverty.** RCBC offers inexpensive, easy to open and customizable deposit accounts. **Good Health and Well Being.** RCBC offers account types that come with free personal accident insurance, free hospitalization benefit, and free life insurance. **Affordable and Clean Energy.** RCBC launched the Philippines' first Peso Green Time Deposit (TD) in February 2022 for clients who would like to support green loans and projects under RCBC's Sustainable Finance Framework. **Reduced Inequalities.** GoSaver is a savings account for kids and teens. SSS Pensioner is a savings account for those looking for a convenient way to access their pension. **Peace, Justice and Strong Institutions.** RCBC supports the government's efforts through the Presidential Office for Child Protection (POCP) and the strengthening of institutions particularly on the drive against online sexual abuse and exploitation of children. RCBC and RCBC Trust Corporation have established a framework to address the matter of bank account opening for minor victims to facilitate monetary compensation with safeguards aligned with the requirements of national agencies such as the Department of Social Welfare and Development (DSWD).	bank failure.	continually develops an efficient and effective risk management infrastructure, and complies with regulations on risk and capital management.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	Partnership for the Goals. In April 2025, RCBC launched a partnership with the Haribon Foundation for the Conservation of Natural Resources, Inc. (HARIBON) to promote biodiversity conservation through customer engagement. HARIBON is the pioneer organization in environmental conservation in the Philippines, well known for its initiatives toward biodiversity conservation such as the Forests for Life Movement. Under this partnership, RCBC Hexagon Club members are given the opportunity to support HARIBON by donating directly or redeeming their credit card points for donations.		
Loans - Corporate Loans - Home Loans - Auto Loans - Personal Loans	 **RCBC's PHP 357.3B UN SDG Loans comprised approximately 41% of the Bank's total loan portfolio in 2025[67]. Of this, around 43% support UN SDG 9: Industry, Innovation, and Infrastructure.** **Affordable and Clean Energy.** RCBC participated in the ETM project of ACEN for the early decommissioning of SLTEC's coal-fired power plant by 15 years.	Banks are custodians of public money. Given the banking sector's systemic importance, it is critical that credit risk, market risk, and other bank risks are properly managed to prevent bank failure.	The Bank identifies, measures, controls, and monitors the risk inherent to its business activities or embedded in its products and portfolios. RCBC continually develops an efficient and effective risk management infrastructure, and complies with regulations on risk

[67] RCBC's Sustainable Finance Framework (initially issued April 2019 and amended February 2024) expounds on the alignment of the Green / Social Bond Principles with the UN SDGs and their corresponding target descriptions. Estimates on the UN SDG loans were derived from the Bank's Sustainable Finance Framework and continuing internal cross-checking with other industry practices such as the BSP definition for Small and Medium Enterprises (SMEs), Department of Human Settlements and Urban Development (DHSUD) definition of Economic and Socialized Housing and the Philippine Standard Industrial Classification (PSIC) among others.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	Decent Work and Economic Growth. RCBC provides and expands access to banking and financial services for all. The Bank lends to corporations and SME, promoting inclusive, and sustainable economic growth, full and productive employment, and decent work for all. **Industry, Innovation and Infrastructure.** RCBC Credit Cards' Personal Loan and Salary loan products increase access to financial services. Moreover, through the credit card's Digital Cash Loan platform, RCBC enables credit cardholders to easily avail of a loan by converting their unused credit limits into cash with real-time loan approval. RCBC Personal Loans leverages on digital innovation to provide efficient and inclusive access to financial services with majority of disbursed transactions sourced digitally. RCBC also partners with fintech lenders as a means to support financial inclusion. **Reduced Inequalities.** RCBC's loan products empower and promote economic inclusion. RCBC Personal Loans provide access to affordable funding across market segments including the underserved and low-income individuals, promoting socio-economic advancement and empowerment[68]. RCBC Payday NOW, the bank's product addressing bridge funding needs, continues to provide assistance to customers who may be in need of emergency funding in between paydays. "Pasado" a loan product accessible through RCBC Diskartech aims to introduce the underserved to a personal loan facility while providing education on responsible credit handling[69].		and capital management.

[68] https://diskartech.ph/rcbc-makes-lending-easier-for-every-filipino/
[69] https://diskartech.ph/pasado-loan-by-rcbc-diskartech-2/

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	Sustainable Cities and Communities. RCBC's personal loan products increase access to safe and affordable housing and transport. RCBC Personal Loans support this initiative through providing financing for home renovation and automobile acquisition. **Climate Action.** RCBC has exited from lending to new coal-fired power plants since December 2020. The Bank's coal exposure will be zeroed out by 2031.		
Credit Cards	 **Zero Hunger and Gender Equality.** In a continued demonstration of the Yuchengco-led Bank's commitment to social responsibility, RCBC Credit Cards remains a steadfast partner of Gawad Kalinga, a Philippine-based movement dedicated to poverty alleviation and nation-building. This partnership is fueled by the RCBC Credit Cards' Diamond Cares Program, which serves as a key pillar in sustaining missions that provide better nutrition and support for children across the country. As part of the card's rewards program, every purchase made by RCBC Diamond Platinum Mastercard holders contributes directly to these community-building efforts. **Good Health and Well-Being and Life on Land.** Through the Rewards for the Soul initiative—the social advocacy	Engaging in the credit card business exposes us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.	RCBC mitigates the risk of default and other risks by performing additional KYC and credit risk assessment procedures on clients.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	component of the RCBC Credit Cards Rewards Program—cardholders can transform their spending into meaningful impact. By redeeming the peso value of their earned rewards points, cardholders can provide vital support to various causes: • Good Health, Well-Being, and Environmental Conservation: Beneficiaries include the Philippine Red Cross, World Vision Philippines, and WWF-Philippines. • Disaster Relief: RCBC Credit Cards continues to mobilize support for Filipinos affected by natural calamities. Cardholders can choose to redeem and donate their rewards points to organizations like Gawad Kalinga and the Philippine Red Cross to fund relief and recovery operations for impacted communities. • Biodiversity & Conservation: Starting in 2025, RCBC Hexagon Club members can now donate the cash equivalent of their rewards points to the Haribon Foundation, supporting critical projects dedicated to preserving the Philippines' unique biodiversity. **Quality Education.** Other beneficiaries of RCBC Credit Cards' Rewards for the Soul are AY Foundation and SOS Children's Village Philippines. Cardholders can voluntarily donate to help support the education and provide homes & facilities to the most vulnerable children and communities using their Rewards Points. **Responsible Consumption and Production**. In 2023, RCBC pioneers the use of recycled materials for the Bank's credit cards indicating a strong commitment to promoting environment-friendly materials reducing the use of virgin plastic in the Bank's operations. In 2025, around 4 tons of recycled plastics were used for personalized credit cards.		

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	RCBC Credit Cards has been promoting the use of electronic Statement of Account (SOA) to reduce printing of paper SOA. Most monthly SOAs generated are sent via electronic mail.		
Micro & Small Business Loans & Savings Products	 **No Poverty.** RMB's loan and savings products cater to the underserved and small businesses in the country. RMB studies each business carefully to make certain that the additional working capital has a positive effect on cash flow, potentially reducing or eliminating poverty. **Zero Hunger.** RMB provides access to financing for farmers, producers and traders engaged in coconut agriculture, agri-exports, coffee and animal feeds. **Decent Work and Economic Growth.** Correlated to helping reduce poverty, RMB's loans products provide additional funds to small businesses which in return further employs underserved individuals, thus, increasing employment. **Industry, Innovation and Infrastructure.** RMB's products increase access to financial services, including affordable credit.	Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.	RCBC mitigates the risk of default and other risks by performing additional KYC and credit risk assessment procedures on clients.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	Reduced Inequalities. Regardless of financial status, RMB's loan and savings products cater to underserved individuals not covered by commercial banks.		
Sustainable Finance Framework The Sustainable Finance Framework strategy is to deploy Sustainable Financing Instruments to fund all types of loans that have clear environmental and/or social benefits which are classified as Eligible Green (and its subset of Eligible Blue) and Eligible Social assets.	 *Download RCBC's Annual and Sustainability Report from www.rcbc.com/sustainability. This report presents the Bank's Sustainable Finance Framework's impact and contribution to the UN SDGs.*	The Framework should promote transparency and credibility in order to minimize the risk of greenwashing.	The Sustainable Finance Framework has a clear project selection and evaluation process. It is also vetted through a Second Party Opinion issued by a reputable ESG third party reviewer.

Partners Through Generations

Rizal Commercial Banking Corporation

Sustainability Report 2025 Annex

Supply Chain Management

HOUSE OF INVESTMENTS

YGC PROCUREMENT SHARED SERVICES CODE OF ETHICS FOR VENDORS

Bribes, Kickback & Gifts from Vendors

1. Vendors shall not offer bribes or kickbacks to employees or family members in exchange for any business favor.
2. Vendors shall not accept solicitation of gifts from YGC employees for themselves.
3. Sponsorship by vendors of a planning session or a sporting event shall be acceptable subject to:
    a. Approval from 2 Senior Officers (SVP or higher)
    b. Allow equal opportunity for other vendors to sponsor
    c. Should be fitting and moderate to the event sponsored
4. Solicitations of gifts for the company shall be allowed for Christmas and special company activities only. The solicitation shall be approved by a Senior Office (SVP or higher)
5. If the gift is perishable (food), Administration shall distribute the perishable gist to employees for consumption.

Policies on Entertainment & Business Meals

1. Entertainments and business meals from vendors for procurement personnel are generally not allowed.

    Exceptions are the following:

    a. Site visits
    b. Social event of vendors where the customers are invited to attend
    c. Social event of vendor to discuss business with vendor's partners.
    d. Official group visits to vendors where the benefit is for the group (not included)
    e. All other exceptions shall be cleared and approved by the PSS GM

Policies on Conflict of Interest

1. Vendors shall treat personal purchases of employees as ordinary business transactions without preferential discounts. However, if YGC is able to negotiate for discounted prices, employees can ride on the YGC discount for personal purchase.
2. A vendor shall immediately disclose to PSS if a YGC employees is a close friend or relative by consanguinity or affinity within the 3rd civil degree (spouse, child, parent, brother, sister, uncle aunt or cousin)
3. Supplier shall disclose if a YGC employees has an interest in a vendor as owner or investor. An exception are holdings in a publicly listed company in the form of stocks, bonds, or other securities that is less than 5% of the value of the class of security.
4. Vendor shall not employ a YGC employee as a consultant director or employee of this company.

Policies on whistleblowing

1. Vendors shall report to the CEO, COO, CFO and PSS GM suspected or actual occurrence of illegal fraudulent, serious wrongdoing or misconduct or unethical behavior of co-vendors or YGC employees.
2. Any whistleblowing report which proves to be false and made in bad faith shall constitute a serious offense and shall subject the whistleblower to blacklisting.
3. Whistleblower who made the report in good faith or gives evidence in an investigation shall be protected from harassment or delisting from the Accredited Vendors' List.

4. A vendor who retaliates against the whistleblower who reported a violation in good faith shall be subjected to blacklisting.

Policy on confidentiality

1. Vendors with access to non-public information shall not disclose such information to other parties without the written consent of a Senio Officer (SVP or higher) of the YGC Member.

Sanctions

1. Those found in violation of the Code of Ethics for Vendors shall be permanently blacklisted and delisted from the Accredited Vendor List.
2. If the YGC member suffers a loss, remedies (i.e. legal case) against the erring vendor shall be pursued.

Policies on Vendor Blacklisting

1. The PSS Board shall approve the blacklisting of vendors as well as the lifting of blacklisted vendors.
2. If vendor commits a violation against YGC PSS Policies on Code of Ethics, vendor will be blacklisted, regardless if the vendor has more than one product or service used by YGC.
3. Vendor shall also be blacklisted if the following offenses are committed:
    a. Integrity issues such as: dishonesty i.e. willful action of the vendor to defraud any YGC member; connivance with YGC personnel to commit fraud; payment of commissions or gratuity in any form in cash or in kind; submission of fake corporate documents; misuse of YGC funds (down payment); willful use of inferior / unapproved materials.
    b. Abandonment of project with or without down payment.
    c. Failure to meet contractual commitments, e.g. off standard deliveries
    d. Failure to meet corrective actions.
    e. Failure to meet safety policies leading to loss of life, injury or damage to property.
    f. Unjustified delays in the completion of delivery of ordered products/services.
    g. Failure to improve unsatisfactory performance for 2 consecutive years.
    h. Failure to submit Audited Financial Statements for 2 consecutive years.
    i. Failure to submit close-out documents within 60 days deadline date.
    j. Inability to make payments to vendors.
    k. Distressed companies.
    l. Companies in the negative list.
    m. With pending legal case filed by YGC Member against the vendor.
    n. Upon instruction from Senior Management or as approved by the IT Council Head for IT vendors.
4. If the vendor is blacklisted, there will be no temporary lifting even if sole supplier. Erring vendors with current transactions with YGC shall be watchlisted or restricted. No future projects shall be granted to such vendor but handling shall be confidential in coordination with YGC PSS GM.

DISCLOSURE STATEMENT (Annual) – Supplier Code of Ethics

I have read and understood the YGC Supplier Code of Ethics and Blacklisting.

In dealing with the YGC Group of Companies, I am bound by the foregoing Code and at all times, adhere to its policy provisions. To the best of my knowledge, the company and its employees have not engaged in any activity which violates the foregoing policy and/or policy.

I hereby confirm that (please mark the appropriate space on the following statements):

1. The foregoing is true without exception _____.
2. The foregoing statement is true, except for the situations described in full detail on the reverse side of this statement, or in an accompanying page hereof. _____.

I understand that if at any time hereafter there is a change in circumstances which would make the foregoing statement incorrect, a full report will be made describing such change. Moreover, I will also report the occurrence of any situation or circumstance which to my opinion is inconsistent with the foregoing Code.

_____

Company Name

_____

Designated Signatory – Name and Signature/Date

_____

Position