



Investor Presentation

JUNE 2019

DISCLAIMER

ANY INVESTMENT DECISION TO PURCHASE SECURITIES IN THE CONTEXT OF A PROPOSED OFFERING, IF ANY, SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR PUBLISHED IN RELATION TO SUCH AN OFFERING AND NOT ON THE BASIS OF THIS DOCUMENT WHICH DOES NOT CONSTITUTE OR FORM PART OF AN OFFER OR SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES.

The information contained in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the information or opinions contained herein. The information set out herein does not purport to be complete, may be subject to revision and may change materially. RCBC is under no obligation to keep current the information contained in this document and any opinions expressed in it are subject to change without notice. None of RCBC or any of its affiliates, advisers or representatives shall have any liability whatsoever for any loss whatsoever arising from any use of this document or its contents or otherwise arising in connection with this document (whether direct, indirect, consequential or other). The information in this document should not be considered as a recommendation or advice to holding or purchasing securities or any other financial product, and does not take into account your particular investment objectives, needs or financial situation.

This document is highly confidential and is being given solely for your information and for your use and may not be shared, copied, reproduced or redistributed to any other person in any manner.

This document contains “forward-looking statements”, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond RCBC’s control, that may change at any time, and could cause the actual results, performance or achievements of RCBC to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Recipients are cautioned not to place substantial or undue reliance on these forward-looking statements. All forward-looking statements included in this presentation are made only as of the date of this presentation and neither RCBC, the Dealers, nor any of their respective affiliates, agents, advisors or representatives (including directors, officers and employees) intend or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document as a result of new information, future events or any other factors.

Recipients of this presentation are required to make their own independent investigation and appraisal of the business and financial condition of RCBC, and any tax, legal, accounting and economic considerations relevant to the situation. The Dealers may act as market makers or trade on a principal basis, or have undertaken or may undertake to trade for their own accounts, transactions in the Securities or related instruments of RCBC and may act as underwriter, placement agent, advisor or lender to RCBC. The Dealers and/or their respective employees may hold a position in any Securities mentioned herein. This document contains data sourced from and the views of independent third parties. In replicating such data in this document, neither RCBC nor the Dealers make any representation, whether express or implied, as to the accuracy of such data. The replication of any views in this document should not be treated as an indication that RCBC or the Dealers agree with or concurs with such views.



Table of Contents

1

Introducing RCBC

2

Financial Overview

3

Strategic Initiatives

4

Recognition

5

Appendix - Financial Information



1. Introducing RCBC

RCBC is a leading financial services provider in the Philippines



- RCBC is the **8th largest private domestic bank** in the Philippines by assets, with a market capitalization of Php54.39bn (USD1.06bn)¹, share price of Php28.10².
- Incorporated on 23 September 1960 as Rizal Development Bank and received approval to operate as a commercial bank in December 1962.

Strong balance sheet with healthy returns

| | |
|----------------------------|------------|
| Total assets | USD13.15bn |
| Net loans | USD7.95bn |
| Deposits | USD8.17bn |
| Total shareholder's equity | USD1.63bn |
| Net income | USD52mn |
| Tier 1 (Basel III) | 13.29% |
| Total CAR (Basel III) | 16.13% |
| ROE* | 6.5% |
| NIM* | 3.79% |
| NPL ratio | 2.05% |

*Annualized

¹Exchange Rate – US\$ 1 = PHP51.24 as of end-June 2019

²Market Capitalization and Share Price as of end-June 2019

Full range of products and services

Corporate Banking

Investment Banking

Retail Banking

Consumer Loans
(Auto, Housing, Salary)

SME Banking

Credit Cards

Leasing

Remittances

Foreign Exchange
& Investment

Bancassurance

Trust Services and
Wealth Management

Microfinance

Extensive Network in the Philippines

507 Branches

1,576 ATMs

6,781 Employees

Investment Information

Equity Profile

| Particulars | 1H 2019 |
|--------------------|-------------------------------|
| Ticker | RCB |
| Issued shares | 1,935.63mn |
| Stock Price | 28.10 |
| Market Cap | Php 54.391bn (USD1.06bn) |
| BV per share | Php 43.09 |
| Price to Book | 0.65 |
| Earnings per share | 2.77 |

Dividend History

| Year | Dividends per share | Pay-out ratio |
|------|---------------------|---------------|
| 2019 | 0.45 | 17.02% |
| 2018 | 0.62 | 20.02% |
| 2017 | 0.55 | 16.53% |
| 2016 | 0.72 | 20.00% |
| 2015 | 0.60 | 19.29% |
| 2014 | 1.00 | 25.32% |
| 2013 | 1.00 | 20.62% |

Credit Rating

| | MOODY's |
|-----------------------------|---------|
| Long Term Deposit | Baa2 |
| Long Term IDR | - |
| Senior Unsecured | Baa2 |
| Bank Financial Strength [2] | baa3 |
| Outlook | Stable |

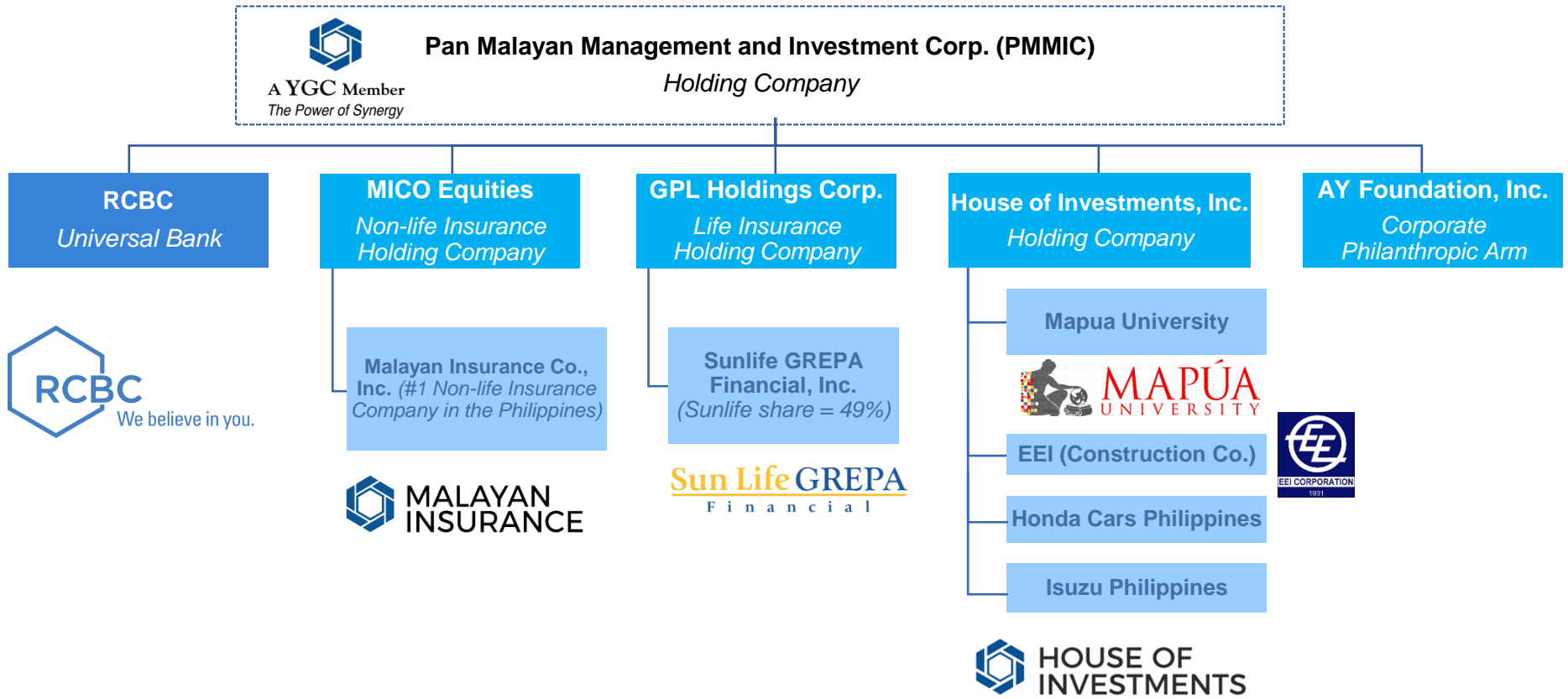
*Investment Grade rating by Moody's on July 6, 2018

Results of the Stock Rights Offering in July 2018:

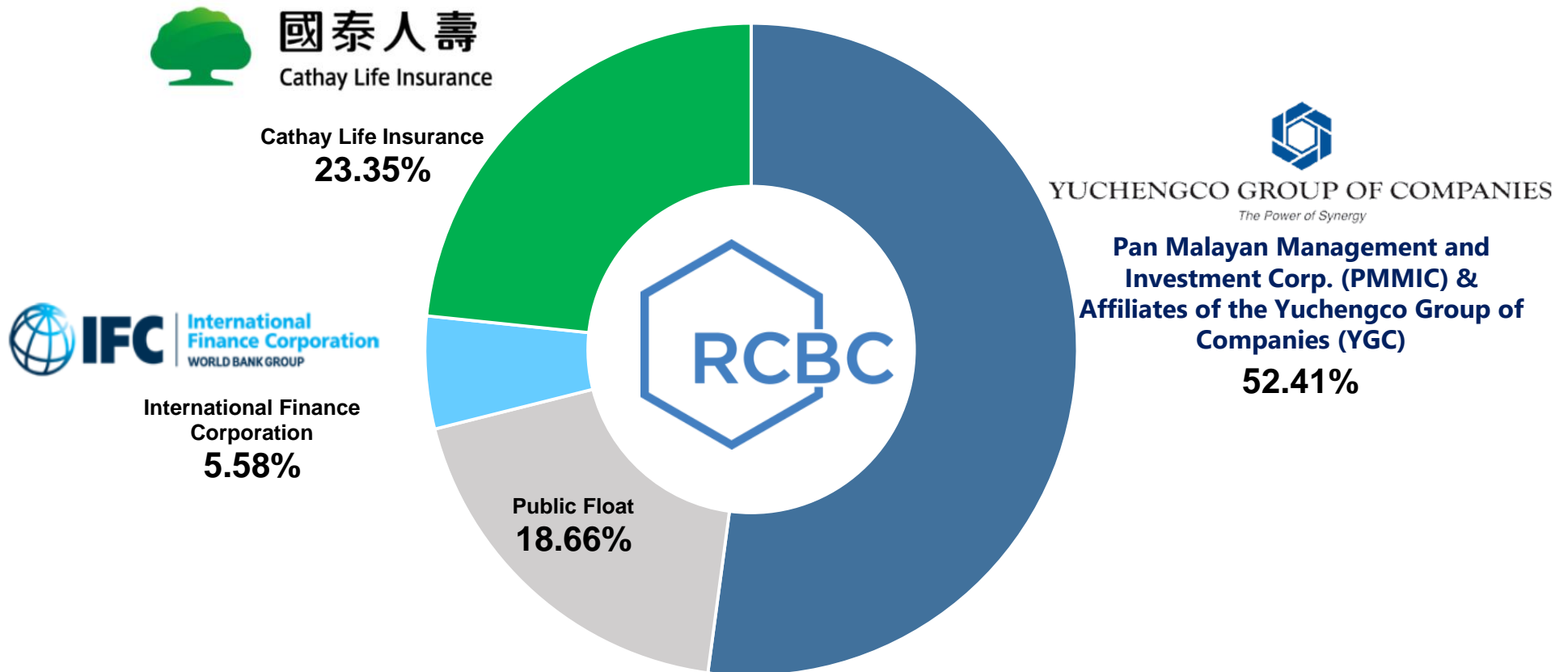
- RCBC's Stock Rights Offering (SRO) of 535,710,378 million shares were listed in the Philippine Stock Exchange (PSE) on July 16, 2018 and the gross proceeds amounting to PHP14,999,890,584 were booked on the same date.
 - The shares were offered at PHP28.00 with entitlement ratio of 1 Right Share for every 2.6132 RCBC common shares held.

Yuchengco Group of Companies

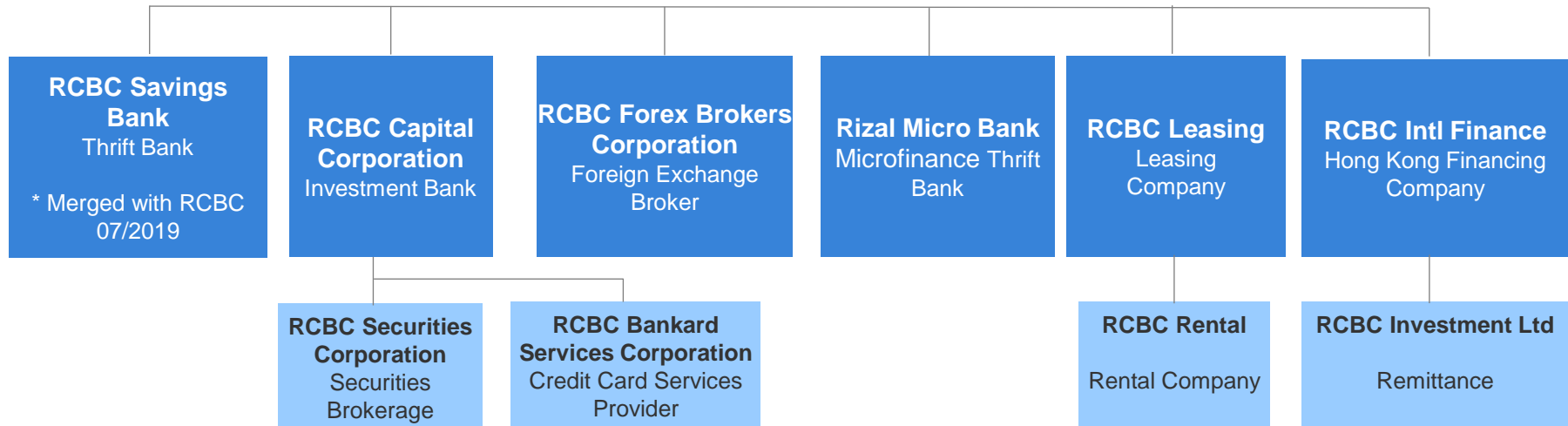
- **RCBC is a member of the Yuchengco Group of Companies (YGC)**, one of the premier business conglomerates in the Philippines.
- The group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products and services.



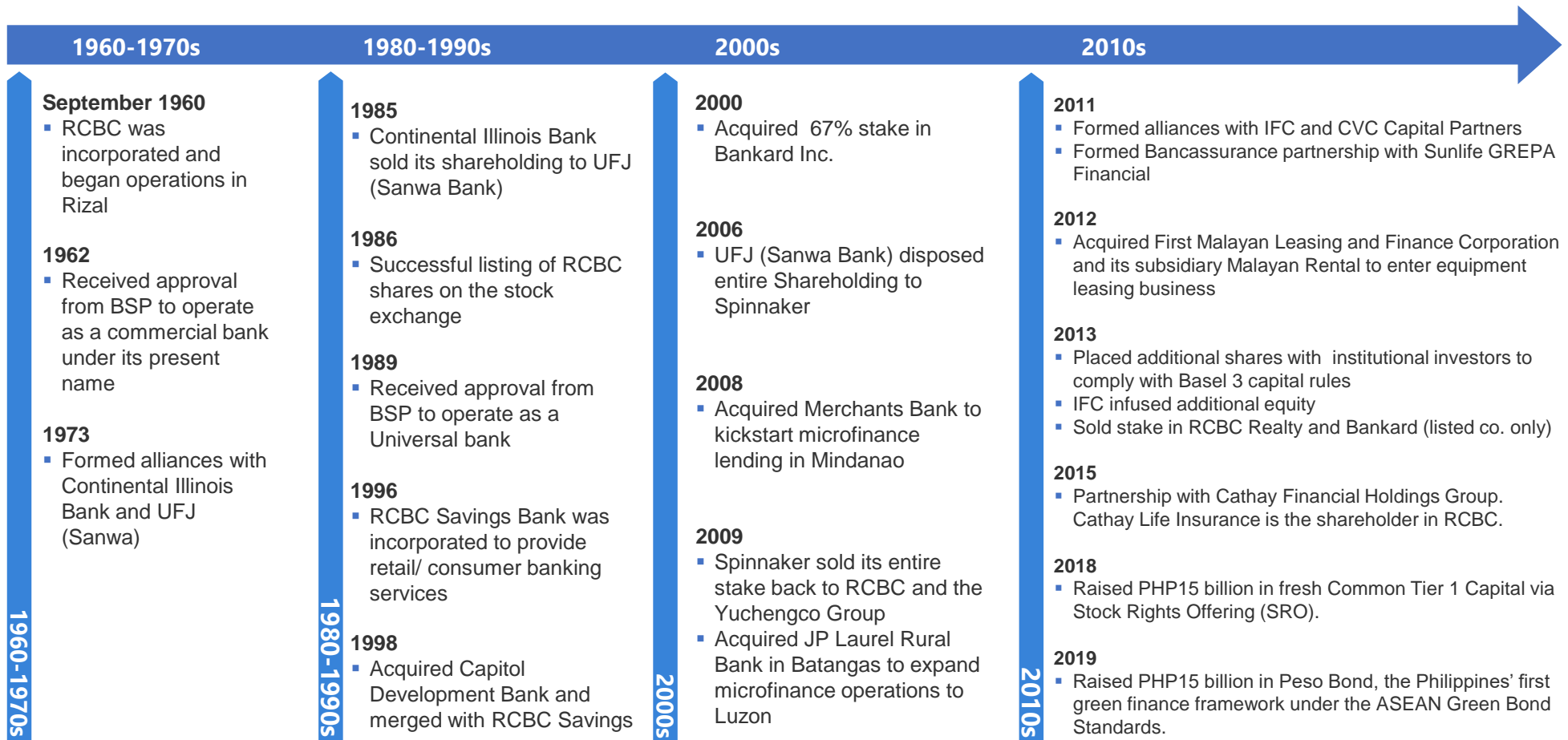
Ownership Structure



Comprehensive and Diversified Business Platform



Key Milestones

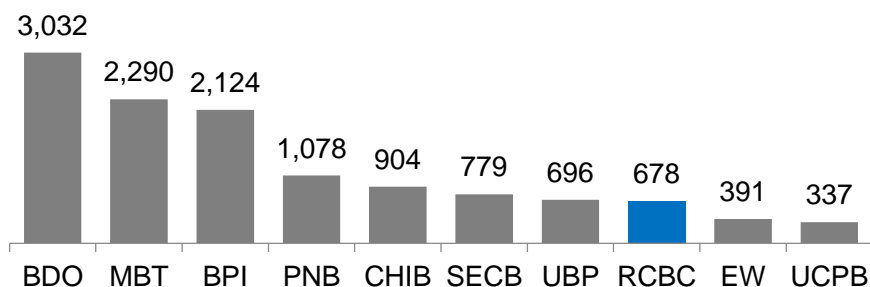


RCBC is the 8th largest private domestic commercial bank in the Philippines by assets as of June 2019

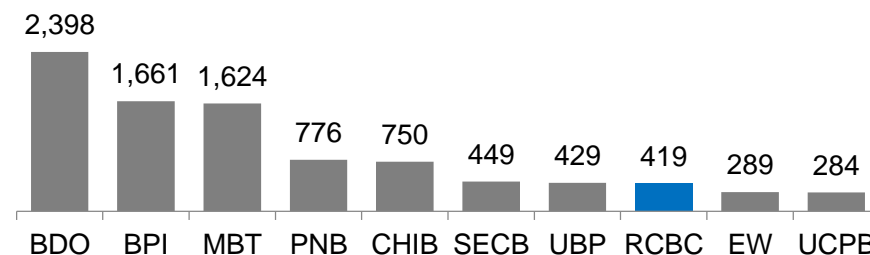
Industry Ranking

RCBC has about 4% market share in Total Assets, Loans and Deposits among Universal / Commercial banks in the Philippines as of June 30, 2019.

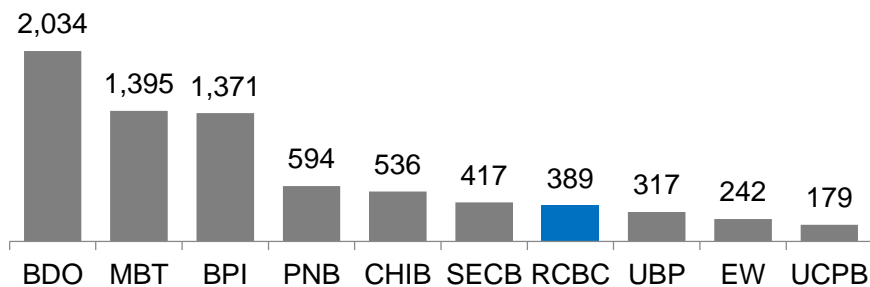
Assets
in PHP Billion



Deposits
in PHP Billion

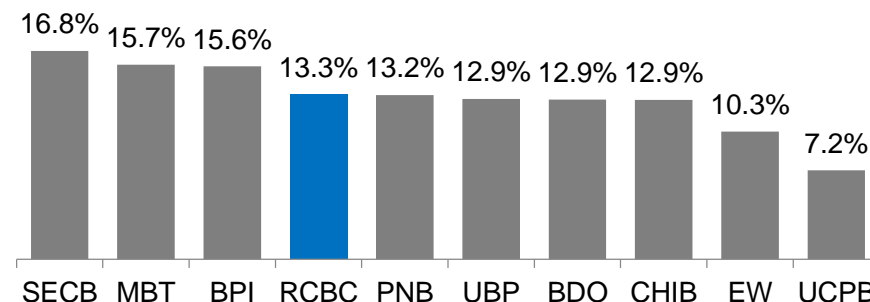


Loans and Receivables
in PHP Billion



*excluding interbank loans (IBLs)

CET1 Ratio



RCBC has a broad, nationwide distribution network

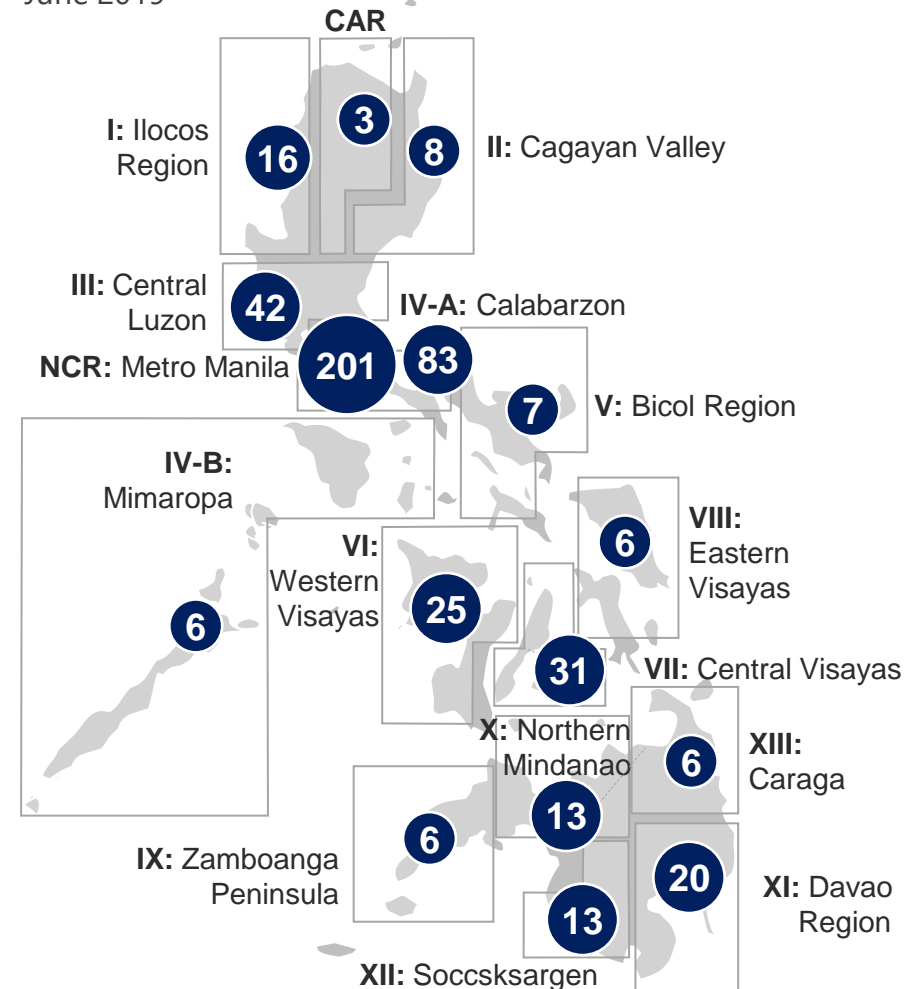


RCBC branches

| | |
|-------------------|------------|
| Regular branches | 486 |
| Extension offices | 21 |
| Total | 507 |

Branch distribution by Region

June 2019





2. Financial Overview

Income Statement

RCBC (Consolidated)

2Q 2019 (Unaudited) vs. 2Q 2018

Amount in millions Php

| Income Statement - Year to Date | 2Q 2019 (Unaudited) | 2Q 2018 (Audited) | Peso Change | % Change |
|------------------------------------|------------------------|----------------------|----------------|---------------|
| Interest Income | 18,736 | 14,282 | 4,454 | 31.2% |
| Interest Expense | 8,107 | 4,607 | 3,500 | 76.0% |
| Net Interest Income | 10,629 | 9,675 | 954 | 9.9% |
| Other Income | 6,124 | 3,027 | 3,097 | 102.3% |
| Trading Gains and Foreign Exchange | 3,269 | 414 | 2,855 | 689.2% |
| Trust Fees | 154 | 138 | 15 | 11.1% |
| Service Fees & Commissions | 1,952 | 1,576 | 376 | 23.8% |
| Other Income | 749 | 898 | (149) | -16.6% |
| Provision for Probable Losses | 2,684 | 737 | 1,947 | 264.1% |
| Operating Expenses | 10,507 | 9,459 | 1,048 | 11.1% |
| Provision for Income Tax | 900 | 343 | 558 | 162.7% |
| Net Income | 2,661 | 2,163 | 499 | 23.1% |

Balance Sheet

RCBC (Consolidated)

2Q 2019 (Unaudited) vs. 2Q 2018

Amount in millions Php

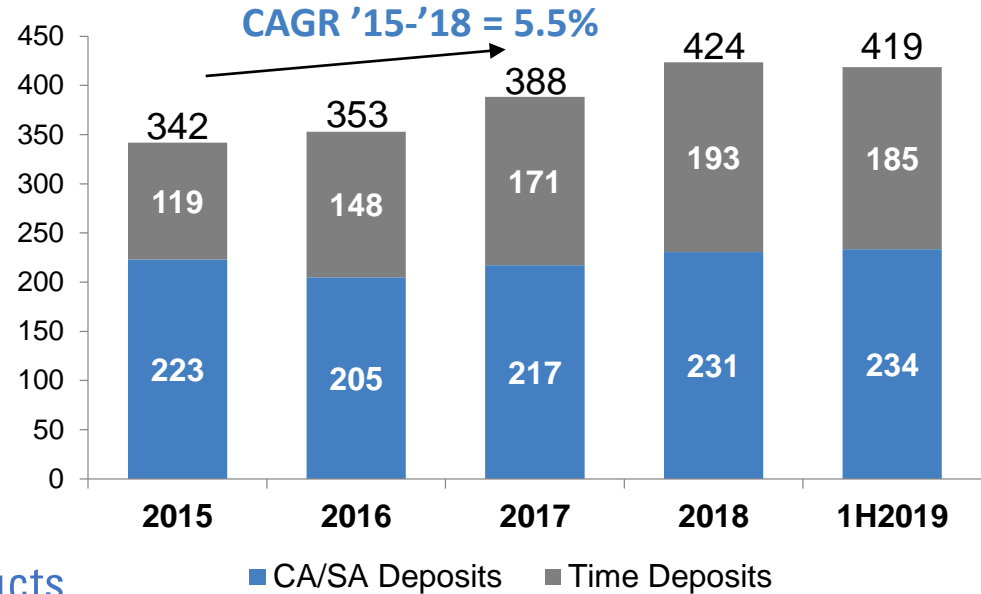
| Balance Sheet | As of Jun. 30, 2019 | As of Jun. 30, 2018 | Peso Change | % Change |
|--|------------------------|------------------------|----------------|--------------|
| Cash/Due from BSP & Other Banks | 13,705 | 13,926 | (221) | -1.6% |
| Investment Securities | 144,105 | 95,040 | 49,065 | 51.6% |
| Loans- net (including interbank) | 407,532 | 372,096 | 35,436 | 9.5% |
| Other assets | 108,494 | 102,821 | 5,674 | 5.5% |
| Total Resources | 673,836 | 583,882 | 89,954 | 15.4% |
| Deposit Liabilities | 418,637 | 396,437 | 22,201 | 5.6% |
| Demand | 60,761 | 54,242 | 6,518 | 12.0% |
| Savings | 172,853 | 177,337 | (4,484) | -2.5% |
| Time | 185,024 | 164,857 | 20,166 | 12.2% |
| Other Liabilities | 87,008 | 55,973 | 31,035 | 55.4% |
| Senior Debt | 74,762 | 53,831 | 20,931 | 38.9% |
| Subordinated Debt | 9,995 | 9,977 | 18 | 0.2% |
| Total Liabilities | 590,402 | 516,218 | 74,185 | 14.4% |
| Capital Funds | 83,433 | 67,664 | 15,769 | 23.3% |
| Total Liabilities & Capital | 673,836 | 583,882 | 89,954 | 15.4% |



3. Strategic Initiatives

Higher proportion of low-cost deposits, to be boosted by cash management initiatives

- The Bank has a diversified depositor base, from both retail and corporate segments.
- Moving forward, the bank will continue to focus on building its customer base by improving our sales productivity through technology, and offering a wide range of products



RCBC has a large suite of Cash Management products



Collections

- PDC Warehousing
- Auto-debit arrangement
- Bills Collection
- Deposit Pick-up
- Checkstream
- Cash Cube
- EIPP
- Check Rider
- RCBC QR Pay



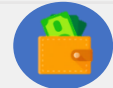
Online Banking

- RCBC Online Corporate (ROC)
- Online Government Payments



Cash Disbursements

- Payroll Crediting
- Payroll Systems
- Corporate/Manager's Checkwriter
- Insta-Core
- Bills Payment



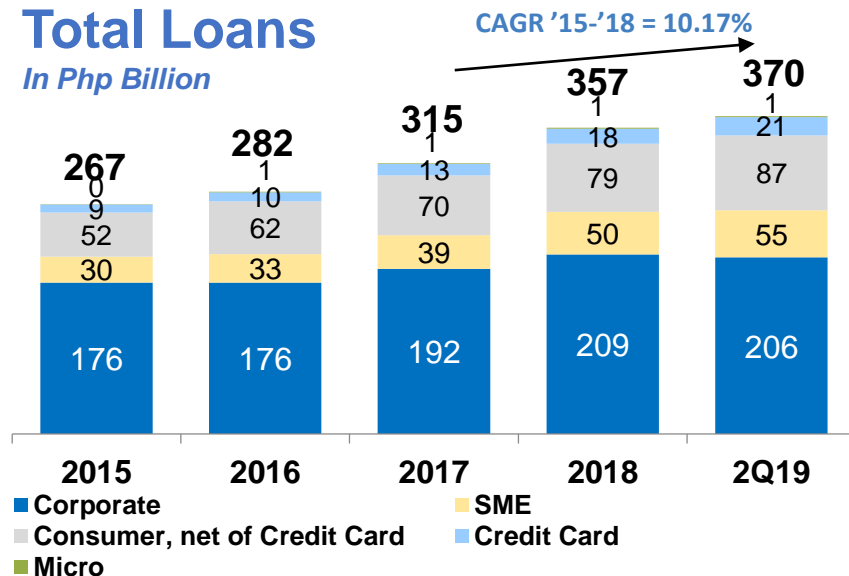
Liquidity Management

- Account/Reverse Account Sweeping
- Multi-Bank Cash Viewing

Well-diversified loan portfolio, focused on consumer and SME loans

Total Loans

In Php Billion



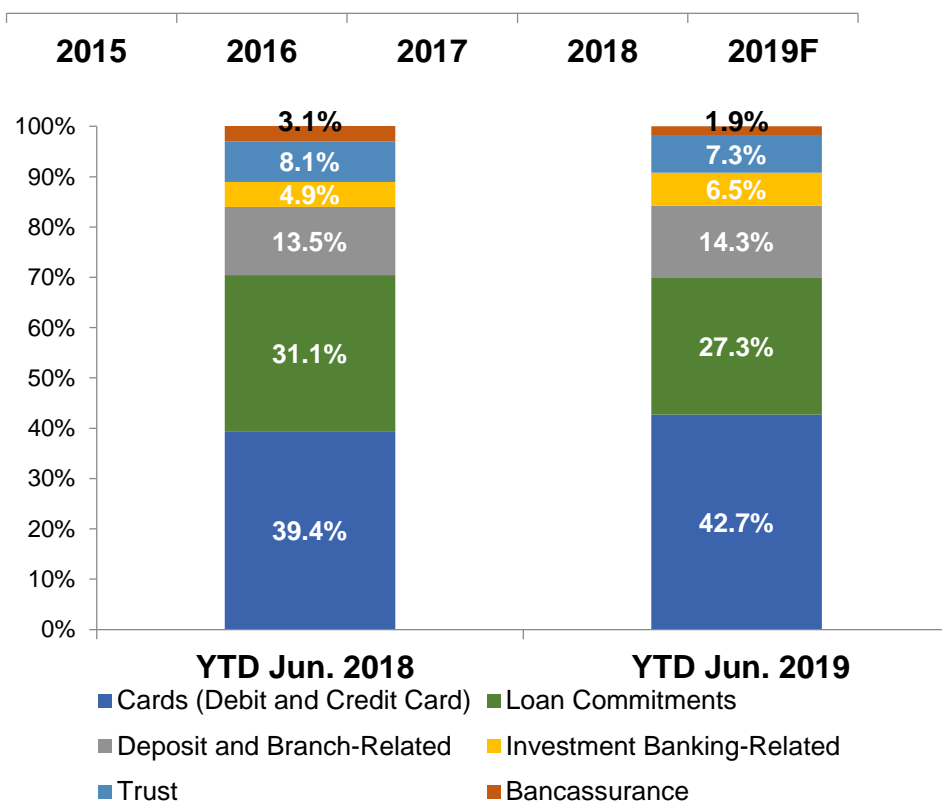
- The Bank will continue to forge strategic partnerships with major car dealerships and developers to support its loan growth initiative
- RCBC will leverage on its wide branch network to generate increased SME, auto and mortgage loan referrals
- The Bank will launch targeted sales campaigns, driven by data analytics, to increase cross selling and credit card usage
- RCBC Bankard has one of the fastest growing credit card portfolios in the Philippines

| | 2Q19 Mix | 2Q18 Mix | Change |
|------------------------------|-------------|-------------|-----------|
| Corporate | 56% | 59% | -4% |
| SME | 15% | 14% | 1% |
| Consumer, net of Credit Card | 24% | 22% | 2% |
| Credit Card | 6% | 5% | 1% |
| Total | 100% | 100% | 0% |



Diverse and Stable fee-based revenue

Fee Income Trend



STRATEGY TO BUILD FEE-BASED INCOME

Retail Banking: Build a large mass affluent client base, including prepaid (MyWallet) and payroll customers, and increase no. of transactions such as payment (i.e. bills) and purchases.

SME and Corporate Banking: Develop relationships with Corporate and SME clients (usually family-owned) to increase cross selling / collateral business (i.e. cash management, consumer loans, insurance, etc.), and earn loan fees

Asset Management/Investment: Grow the Trust and Wealth Management businesses, leveraging on the bank's good relationship with the Chinese-Filipino clientele

Investment Banking Fees: Build steady steam of deals in pipeline for Debt & Equity Underwriting and Financial Advisory, using RCBC Capital, an RCBC Subsidiary

RCBC is commencing its Digital Transformation

Transformation centered on creating **delightful customer experiences**

Ongoing Initiatives



Robotic Process Automation: Branch of Today

Paperless, fully-digital branches



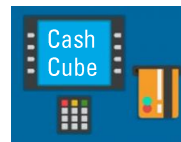
Financial Inclusion: Basic Deposit Accounts

Diskartech app to offer Basic Deposit Accounts, in partnership with government and NGO partners



Data Science

Dedicated and world-class Data Science team, enabling RCBC to leverage on customer data for cross-selling



RCBC Cash Cube



Instacore

Digital Transaction Banking

Industry-leading products for Corporate customers

Digital Banking channels

Enhancement and relaunch of the Bank's digital channels (mobile and online banking, website)

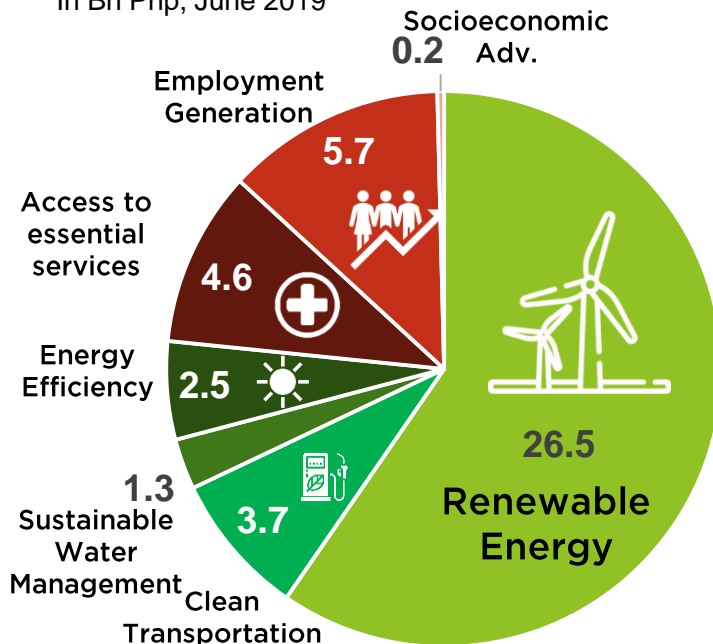


The Bank is a leader in Green and Sustainable finance

- RCBC is the first Philippine universal bank to issue peso-denominated sustainable and green financing under global standards
- About 10% (44.1Bn) of the Bank's loan portfolio are for Green and Sustainable financing

Green and Sustainable Loan Portfolio

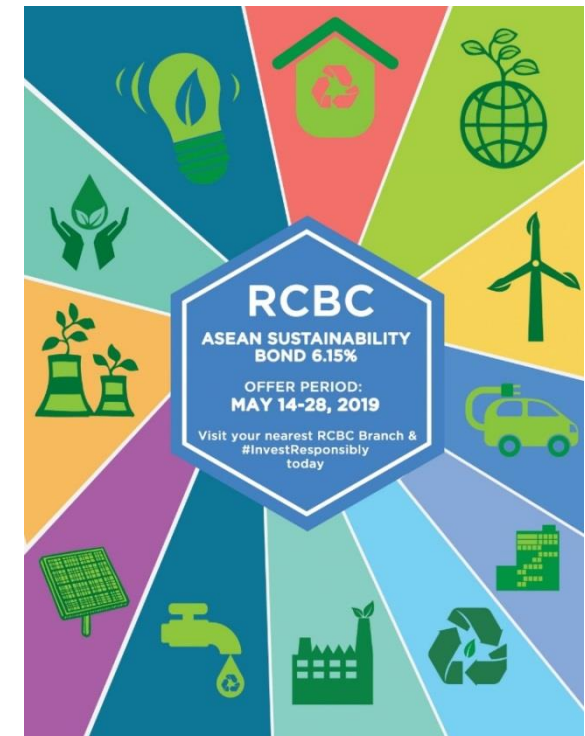
In Bn Php, June 2019



RCBC Green Bond

Php15B (\$285M)

First peso-denominated Green Bond issuance by a universal bank in the Philippines and the first bond issuance under the ASEAN Green Bond Standards



RCBC Sustainability Bond

Php8B (\$160M)

First peso-denominated Sustainable Bond issuance under the ASEAN Sustainable Bond Standards



4. Recognition

Awards

WORLD FINANCE

World Finance

- Best Banking Group in the Philippines –2013, 2014, 2017
 - Best Commercial Bank in the Philippines –2017
-

ASIAMONEY

AsiaMoney

- Best Bank for SMEs in the Philippines - 2018
 - Best Domestic Private Bank in the Philippines - 2013, 2014
 - Best for Credit Derivatives - 2016
 - Best Market Coverage –2016
 - Best for Credit Sales - 2016
 - Best Domestic Provider for Interest Rates – Philippines -2016
 - Best Domestic Provider for Credit – Philippines – 2016
 - Best Interest Rates Research and Market Coverage – 2016
 - Best Sales Service in Interest Rates Derivatives –2016
 - Best Domestic Provider of FX Services in the Philippines (as voted by corporates) – 2015, 2016
 - Best Domestic Provider for FX Options in the Philippines (as voted by corporates) – 2015, 2016
-

Asia Banking & Finance

- Philippine SME Bank of the Year – 2014
 - Online Banking Initiative of the Year – Philippines – 2013
 - Core Banking Initiative of the Year - 2013
 - Philippine Best Retail Bank of the Year –2014
-



Awards



- RCBC received several awards, among them six Quill Awards from the International Association of Business Communicators – 2018
- The Gold Anvil for the brand refresh campaign – 2018
- Recognition as part of the top 10 brand with the Most Improved Brands Health by YouGov.com. - 2018



- Best Card Offering-Philippines recognition during the 5th International Finance Magazine (IFM) Awards. - 2018

5. Appendix



Consolidated Income Statement

(PhP bn)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 1H 2019 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income | 13.31 | 14.97 | 15.58 | 15.71 | 18.02 | 20.49 | 10.63 |
| Total Non Interest Income | 9.81 | 7.10 | 6.66 | 7.11 | 7.10 | 6.01 | 6.12 |
| Gross Income | 23.12 | 22.07 | 22.23 | 22.82 | 25.12 | 26.50 | 16.75 |
| Provision for Loan Losses | 2.05 | 2.51 | 2.35 | 1.77 | 2.16 | 1.90 | 2.68 |
| Income before Operating Expenses | 21.07 | 19.56 | 19.88 | 21.05 | 22.97 | 24.60 | 14.07 |
| Total Operating Expenses | 14.47 | 14.24 | 15.06 | 17.36 | 17.82 | 19.40 | 10.51 |
| Income before Tax | 6.59 | 5.33 | 4.82 | 3.70 | 5.15 | 5.19 | 3.56 |
| Provision for Income Tax | 1.26 | 0.91 | (0.31) | (0.17) | 0.84 | 0.87 | 0.90 |
| Net Income | 5.33 | 4.41 | 5.13 | 3.87 | 4.31 | 4.32 | 2.66 |
| Net Income attributable Parent Company Shareholders | 5.32 | 4.41 | 5.13 | 3.87 | 4.31 | 4.32 | 2.66 |

Consolidated Balance Sheet

(PhP bn)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 1H 2019 |
|---|------------|------------|------------|------------|------------|------------|------------|
| Cash/Due from BSP/Due from Other Banks | 70 | 76 | 84 | 107 | 93 | 94 | 90 |
| Loans Arising From REPO | 0 | 0 | 0 | 8 | 10 | 10 | 4 |
| FVPL/FVTCI | 3 | 21 | 9 | 24 | 13 | 30 | 72 |
| Held to Maturity Investments | 89 | 80 | 102 | 52 | 60 | 89 | 73 |
| Interbank Loans Receivables | 21 | 0.3 | 0.0 | 0.5 | 0.0 | 9.5 | 15.1 |
| Loans-net | 217 | 261 | 299 | 306 | 354 | 389 | 392 |
| Bank Premises, Property & Eqpt. - net | 9 | 7 | 8 | 9 | 9 | 8 | 11 |
| Equity Investments - net | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Investment Properties - net | 5 | 5 | 3 | 3 | 3 | 4 | 4 |
| Other Assets | 8 | 7 | 10 | 12 | 11 | 11 | 11 |
| Total Assets | 422 | 458 | 516 | 521 | 554 | 645 | 674 |
| Demand | 28 | 32 | 44 | 42 | 52 | 56 | 61 |
| Savings | 157 | 164 | 178 | 163 | 165 | 174 | 173 |
| Time | 112 | 119 | 120 | 148 | 171 | 193 | 185 |
| Deposit Liabilities | 298 | 316 | 342 | 353 | 388 | 423 | 419 |
| Other Liabilities | 56 | 56 | 66 | 54 | 61 | 77 | 87 |
| Senior Debt | 23 | 23 | 39 | 42 | 28 | 53 | 75 |
| Subordinated Debt | - | 10 | 10 | 10 | 10 | 10 | 10 |
| Total Liabilities | 377 | 405 | 458 | 459 | 487 | 563 | 590 |
| Minority Interest in Subsidiary/Allied Undertakings | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Funds | 45 | 53 | 58 | 62 | 67 | 81 | 83 |
| Total Liabilities & Capital | 422 | 458 | 516 | 521 | 554 | 645 | 674 |

Consolidated Key Ratios

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 1H 2019 |
|---------------------------------|-------|-------|-------|-------|-------|-------|---------|
| Return on Average Capital Funds | 12.2% | 9.2% | 9.3% | 6.4% | 6.7% | 5.8% | 6.5% |
| Return on Average Assets | 1.4% | 1.0% | 1.1% | 0.8% | 0.8% | 0.7% | 0.8% |
| Net Interest Margin | 4.2% | 4.3% | 4.2% | 4.1% | 4.3% | 4.0% | 3.8% |
| Cost-to-Income Ratio | 61.2% | 64.5% | 67.7% | 76.1% | 70.9% | 73.2% | 62.7% |
| CASA to Total Deposits | 62.3% | 62.2% | 65.0% | 58.1% | 55.9% | 54.4% | 55.8% |
| NPL Ratio* | 1.1% | 0.9% | 0.8% | 1.0% | 1.3% | 1.3% | 2.0% |
| CAR** | 16.5% | 15.4% | 15.7% | 16.2% | 15.5% | 16.1% | 16.1% |

**As per BSP Circular 772, computation was revised from deducting 100% Fully provided NPLs to deducting Total specific provisions.*

*** Basel 3 as of 2014*



Thank you.