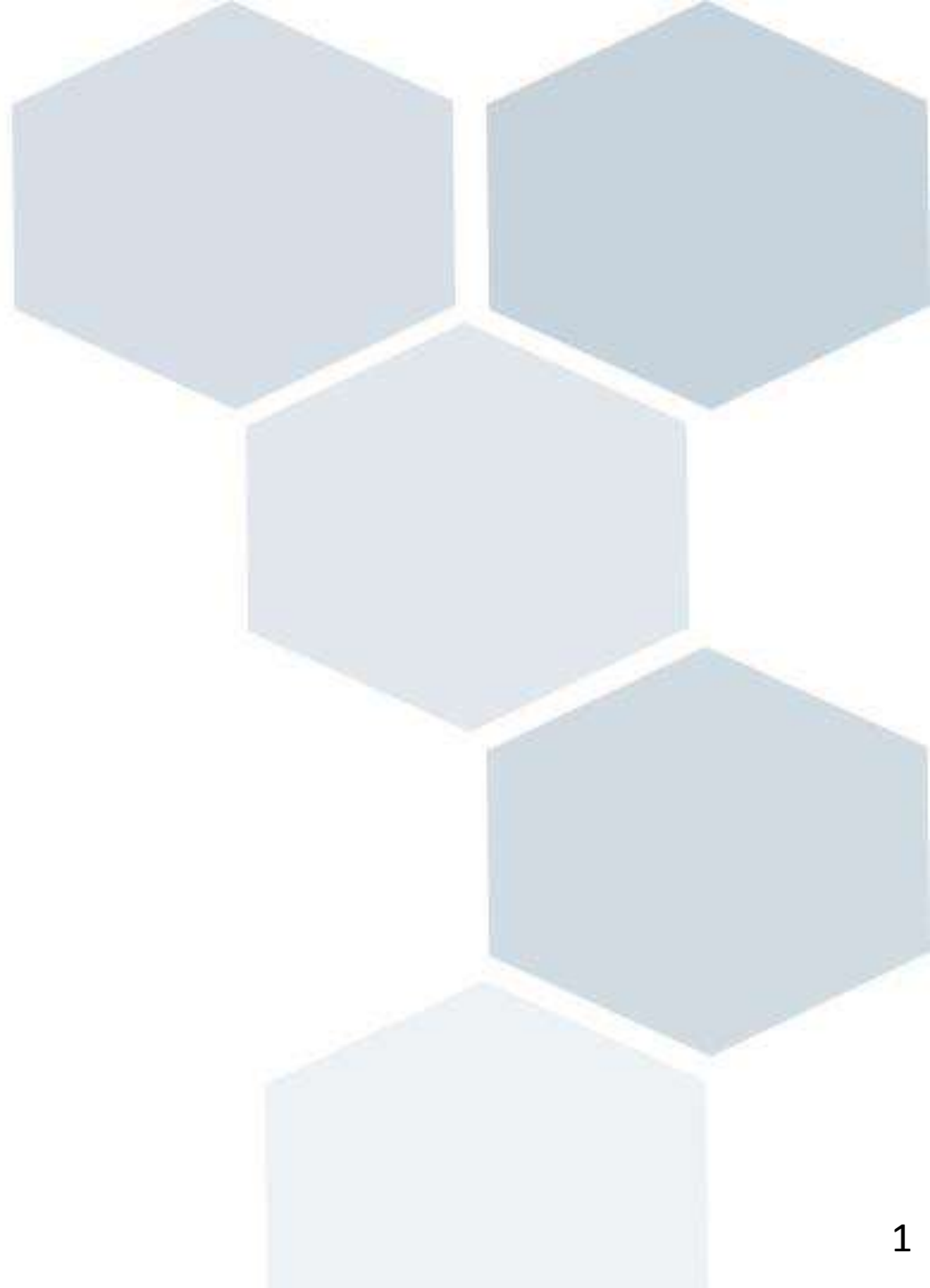




**INVESTOR PRESENTATION  
SEPTEMBER 2018**



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# Table of Contents



1	Introducing RCBC
2	Financial Overview
3	Recognition
4	Appendix – Financial Information



# 1. Introducing RCBC

# OVERVIEW OF RCBC



RCBC is a leading financial services provider in the Philippines

- Incorporated on 23 September 1960 as Rizal Development Bank and received approval to operate as a commercial bank in December 1962. RCBC is currently the 8<sup>th</sup> largest private domestic bank in the Philippines by assets, with a market capitalization of PHP56.12bn (USD1.06bn)<sup>1</sup>, share price of P29.00<sup>2</sup>.

## Full Range of Services and Products

Corporate, SME, and Consumer Lending

Investment Banking

Trust Services and Wealth Management

Foreign Exchange & Investment

Leasing

Credit Cards

Microfinance

Bancassurance

Remittances

## Key Statistics (3Q 2018)

Total assets	USD11.37bn <sup>3</sup>
Net loans	USD7.18bn
Deposits	USD7.59bn
Total shareholder's equity	USD1.55bn
Net income	USD59mn
Tier 1 (Basel III)	13.95% <sup>4</sup>
Total CAR (Basel III)	16.70% <sup>4</sup>
ROE*	5.9%
NIM*	3.92%
NPL ratio	1.22%

\*Annualized

<sup>1</sup>Exchange Rate –US\$1 = PHP52.74 as of Dec. 5, 2018

<sup>2</sup>Market Capitalization and Share Price as of Dec. 5, 2018

<sup>3</sup>Exchange Rate –US\$1=PHP54.020 (as of end-Sep. 2018)

<sup>4</sup> Tier 1 (Basel III) and Total CAR (Basel III) as of Oct. 2018

## Extensive Network in Philippines and Overseas Presence

- 509 Branches (including extension offices)
- 1,593 ATMs
- 6,944 Employees
- Presence in over 57 locations across Asia Pacific, the Middle East, US, Canada, and Europe

# EQUITY PROFILE AND DIVIDENDS HISTORY



## Equity Profile

Particulars	End-September 2018
Ticker	RCB
Issued shares	1,935.63 mn
Stock Price	P25.30
Market Cap	P48.971bn (USD0.91bn)
BV per share	P43.15
Price to Book	0.59
Earnings per share	2.84

## Dividends History

Year	Dividends per share	Pay-out ratio
2018	0.62	20.00%
2017	0.55	20.00%
2016	0.72	20.00%
2015	0.60	19.29%
2014	1.00	25.32%
2013	1.00	20.62%
2012	0.90	20.04%

### 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.**

# Credit Ratings



	Moody's [1]	Fitch [2]
Long Term Deposit	Baa2	-
Long Term IDR	-	BB+
Senior Unsecured	Baa2	BB+
Bank Financial Strength [3]	baa3	bb+
Outlook	Stable	Stable

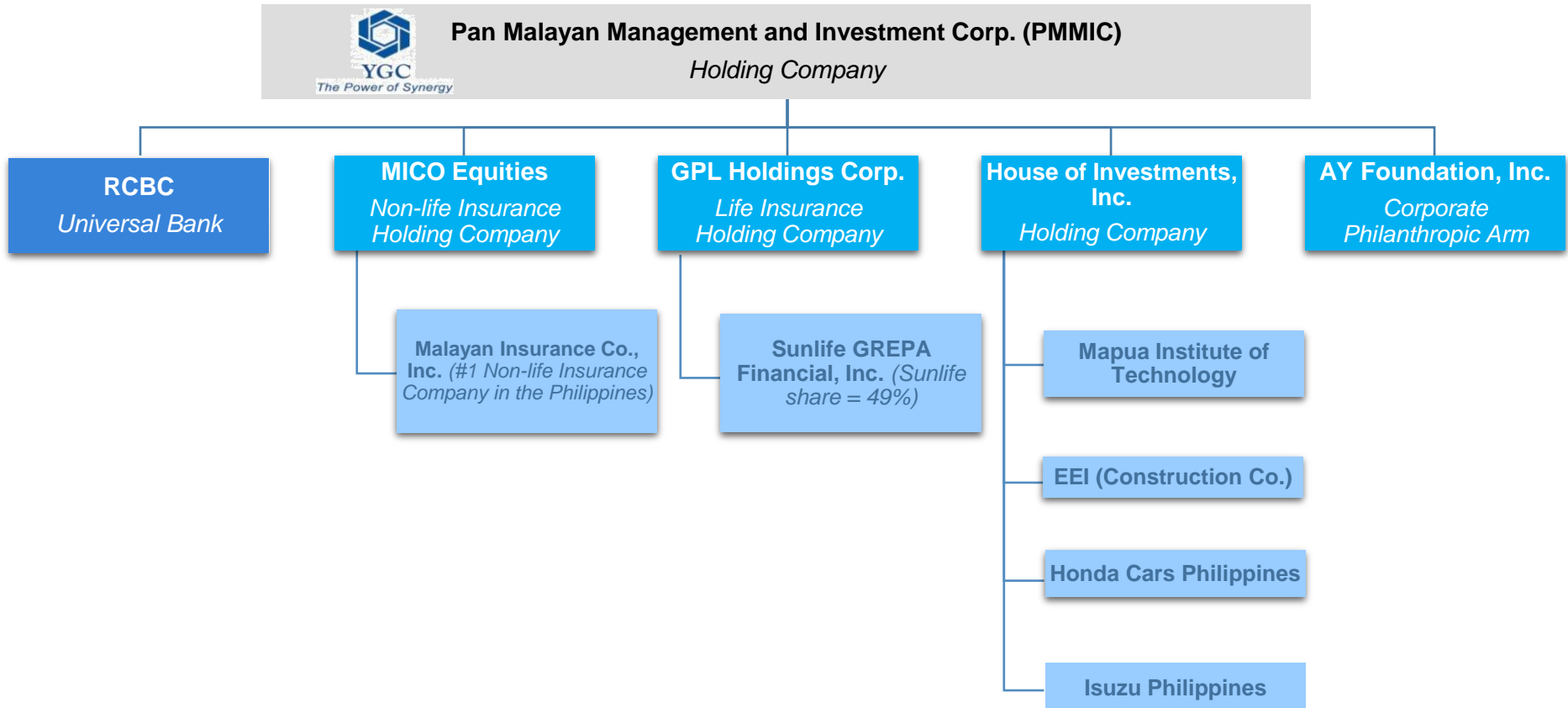
\*Investment Grade rating by Moody's on July 6, 2018

[1] As of July 6, 2018 [2] As of November 22, 2018 [3] Reported as Baseline Credit Assessment (BCA) and Viability Rating by Moody's and Fitch, respectively.

# YGC Structure

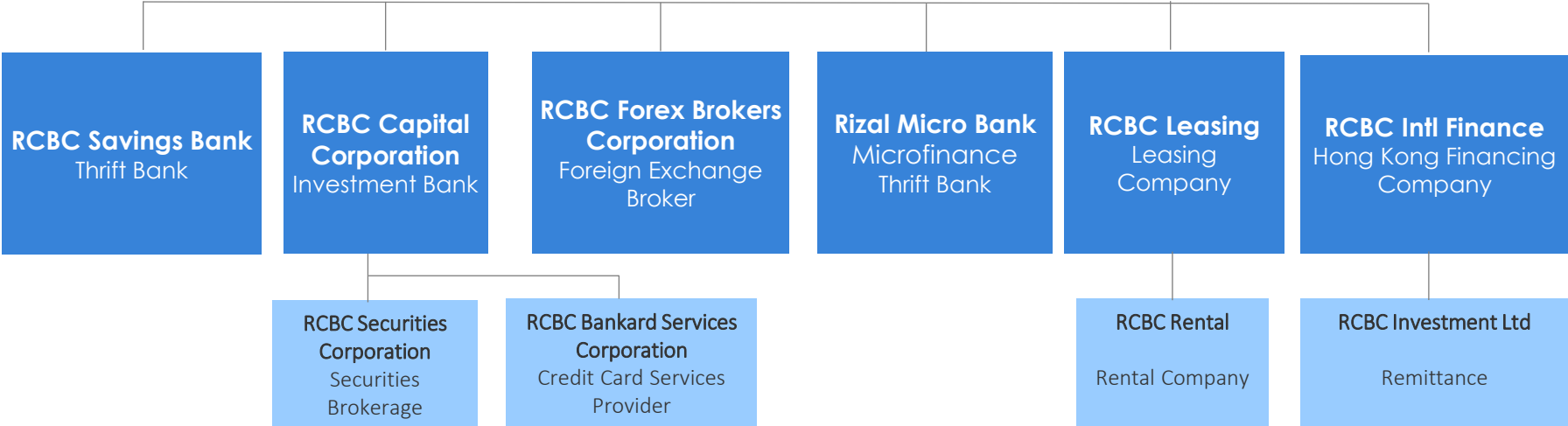


- RCBC is a member of the Yuchengco Group of Companies (YGC), the group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products and services.

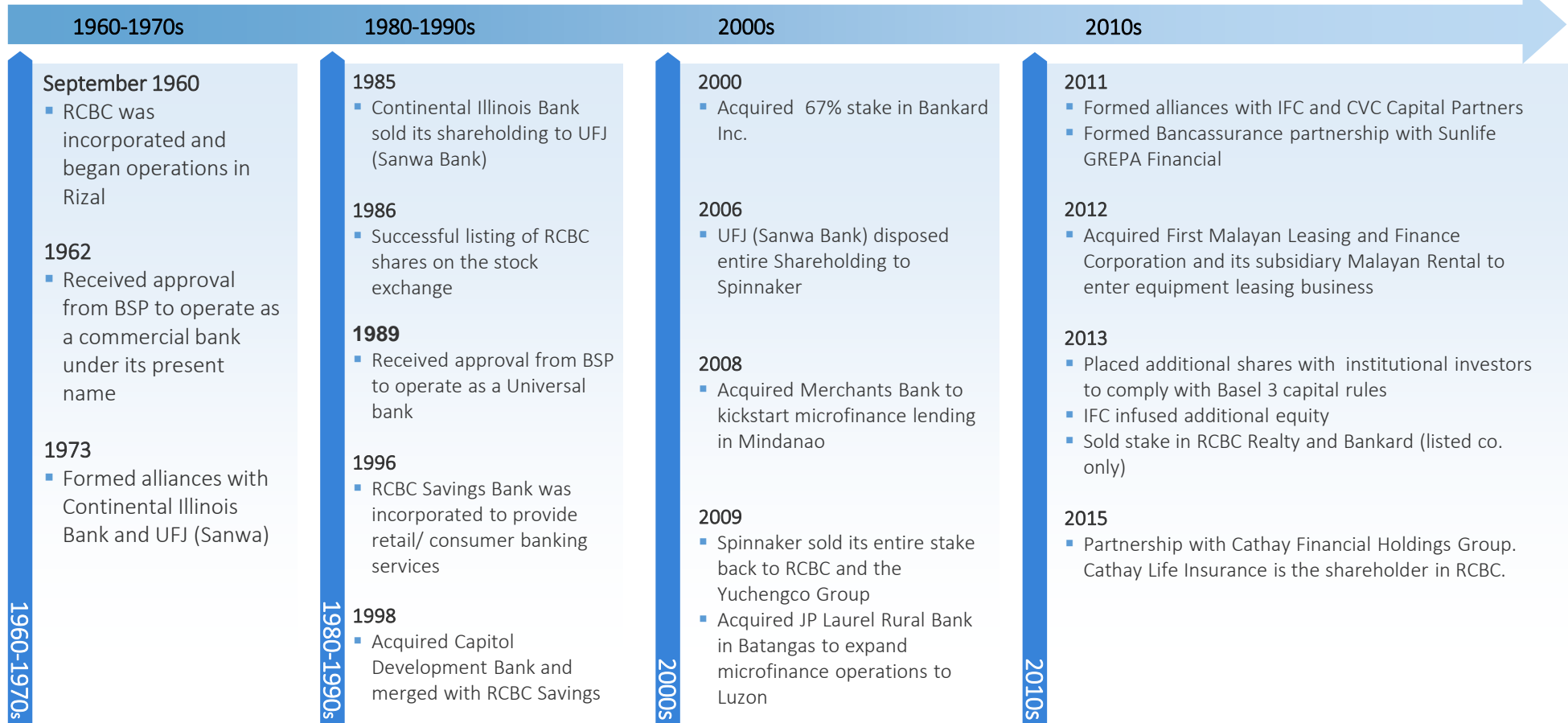




# COMPREHENSIVE AND DIVERSIFIED BUSINESS PLATFORM



# Key Milestones in the RCBC Story



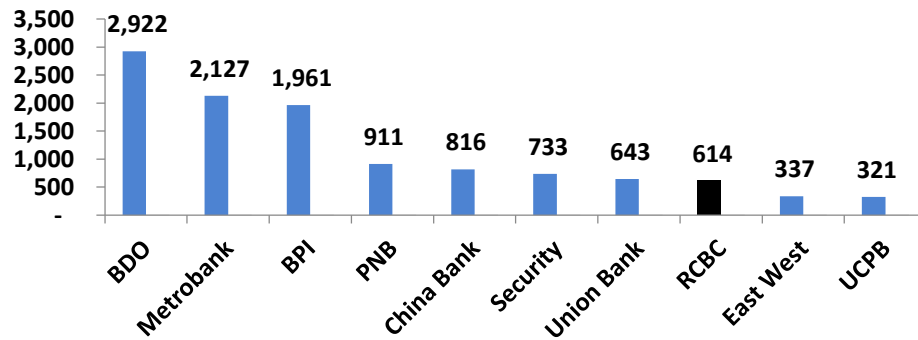
RCBC is the 8<sup>th</sup> largest private domestic commercial bank in the Philippines by assets as of September 2018

# Industry Ranking

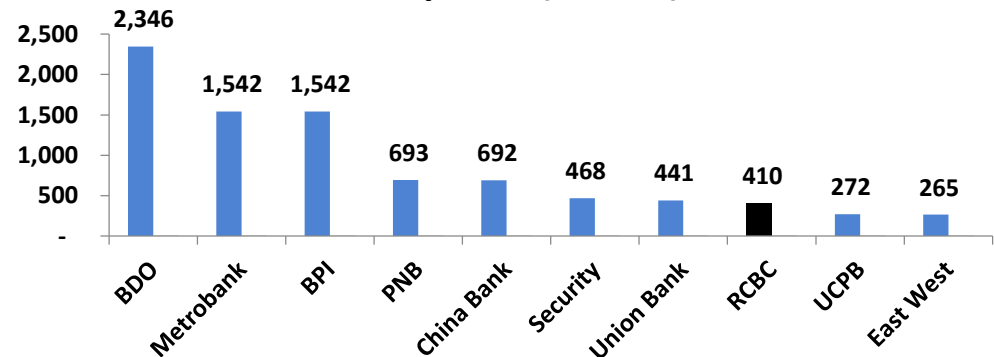


- RCBC has about 4% market share in Total Assets, Loans and Deposits among Universal / Commercial banks in the Philippines as of September 30, 2018.

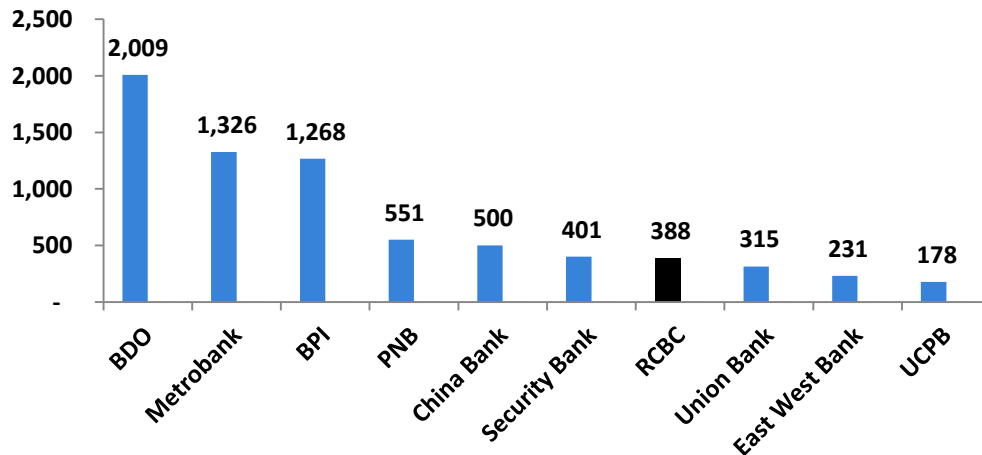
**Total Assets (in Blns)**



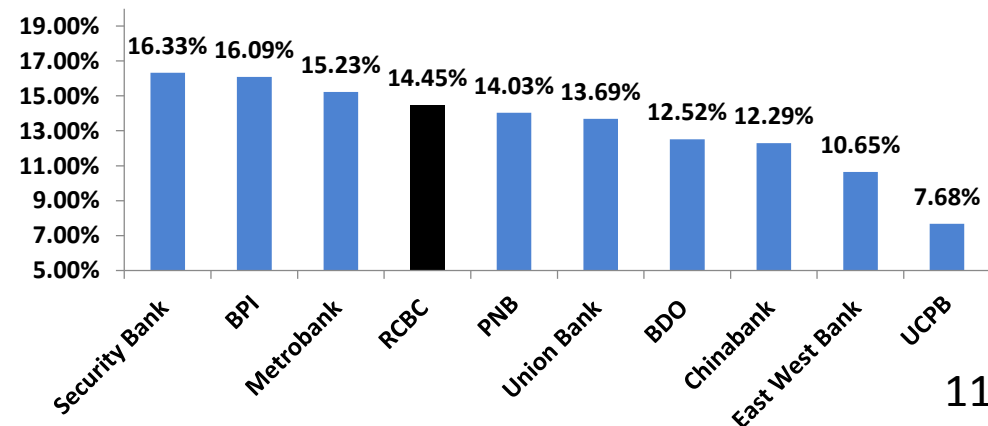
**Total Deposits (in Blns)**



**Loans and Receivables (exc IBLs) (in Blns)**



**CET 1 Ratio**







## 2. Financial Overview

# Income Statement

RCBC (Consolidated)  
9M 2018 vs. same period last year  
(Amount in millions)



Income Statement - Year to Date	9M 2018 (Unaudited)	9M 2017 (Audited)	Peso Change	% Change
Interest Income	21,950	18,084	3,866	21.4%
Interest Expense	7,262	4,940	2,322	47.0%
<b>Net Interest Income</b>	<b>14,688</b>	<b>13,144</b>	<b>1,544</b>	<b>11.7%</b>
<b>Other Income</b>	<b>4,727</b>	<b>5,430</b>	<b>(703)</b>	<b>-12.9%</b>
Trading Gains and Foreign Exchange	(214)	1,001	(1,215)	-121.4%
Trust Fees	209	208	0	0.2%
Service Fees & Commissions	2,732	2,345	387	16.5%
Other Income	2,001	1,875	125	6.7%
Provision for Probable Losses	1,310	1,566	(256)	-16.3%
Operating Expenses	14,350	12,997	1,353	10.4%
Provision for Income Tax	545	605	(60)	-9.9%
<b>Net Income</b>	<b>3,210</b>	<b>3,406</b>	<b>(197)</b>	<b>-5.8%</b>

Source: 3Q 2018 RCBC Condensed Financial Statements

# Balance Sheet

RCBC (Consolidated)  
(Amount in millions)



Balance Sheet	As of Sep. 30, 2018 (Unaudited)	As of Sep. 30, 2017 (Unaudited)	Peso Change	% Change
Cash/Due from BSP & Other Banks	14,389	11,729	2,660	22.7%
Investment Securities	97,669	68,091	29,578	43.4%
Loans- net (including interbank)	387,966	339,099	48,867	14.4%
Other assets	114,355	105,465	8,889	8.4%
<b>Total Resources</b>	<b>614,379</b>	<b>524,385</b>	<b>89,994</b>	<b>17.2%</b>
<b>Deposit Liabilities</b>	<b>410,135</b>	<b>374,574</b>	<b>35,560</b>	<b>9.5%</b>
Demand	56,797	51,757	5,040	9.7%
Savings	175,010	167,481	7,529	4.5%
Time	178,328	155,337	22,991	14.8%
Other Liabilities	56,100	46,244	9,856	21.3%
Senior Debt	54,532	28,552	25,980	91.0%
Subordinated Debt	9,982	9,964	17	0.2%
<b>Total Liabilities</b>	<b>530,748</b>	<b>459,335</b>	<b>71,413</b>	<b>15.5%</b>
<b>Capital Funds</b>	<b>83,631</b>	<b>65,050</b>	<b>18,581</b>	<b>28.6%</b>
<b>Total Liabilities &amp; Capital</b>	<b>614,379</b>	<b>524,385</b>	<b>89,994</b>	<b>17.2%</b>

Source: 3Q 2018 RCBC Condensed Financial Statements

# Loans: Growth by Segment



- Successfully executed SME & consumer loan growth strategy

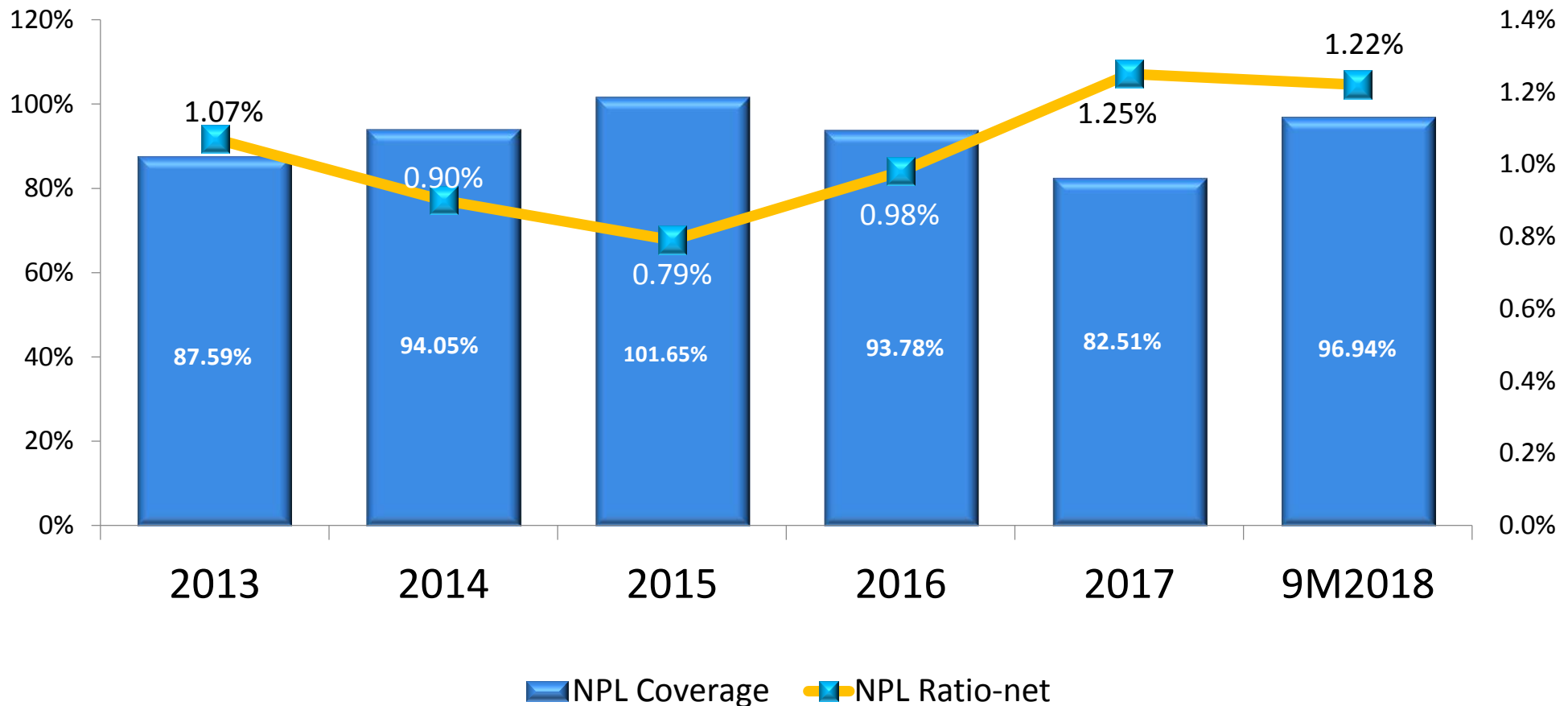
	3Q 2018 Mix	3Q 2017 Mix	Growth
Corporate	59%	61%	10%
SME	14%	12%	32%
Consumer	27%	27%	17%
Consumer-Mortgage	12%	12%	14%
Total	100%	100%	14%



# Loans: Sustainable Portfolio Quality



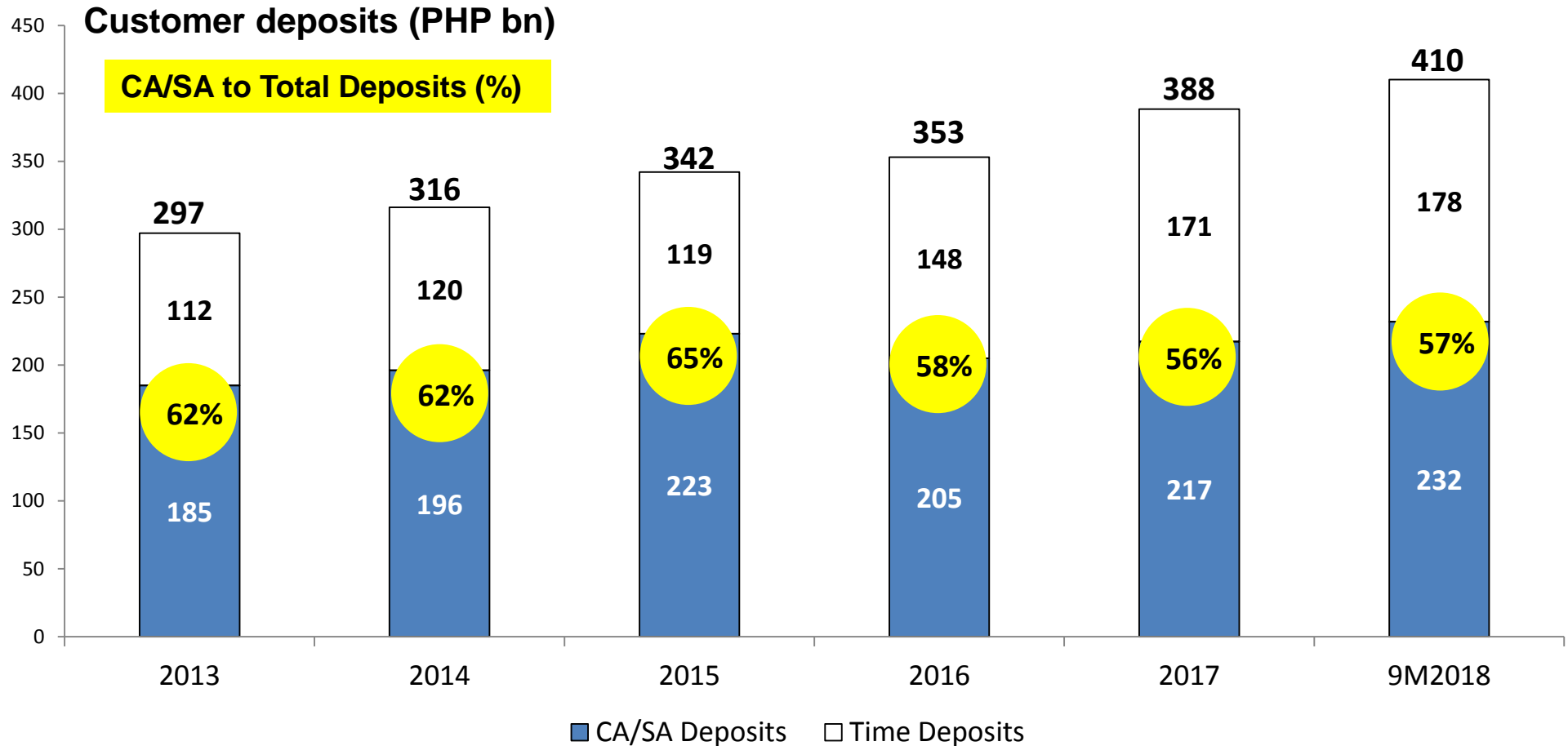
RCBC has one of the lowest NPL ratios in the sector and prudent loan loss coverage



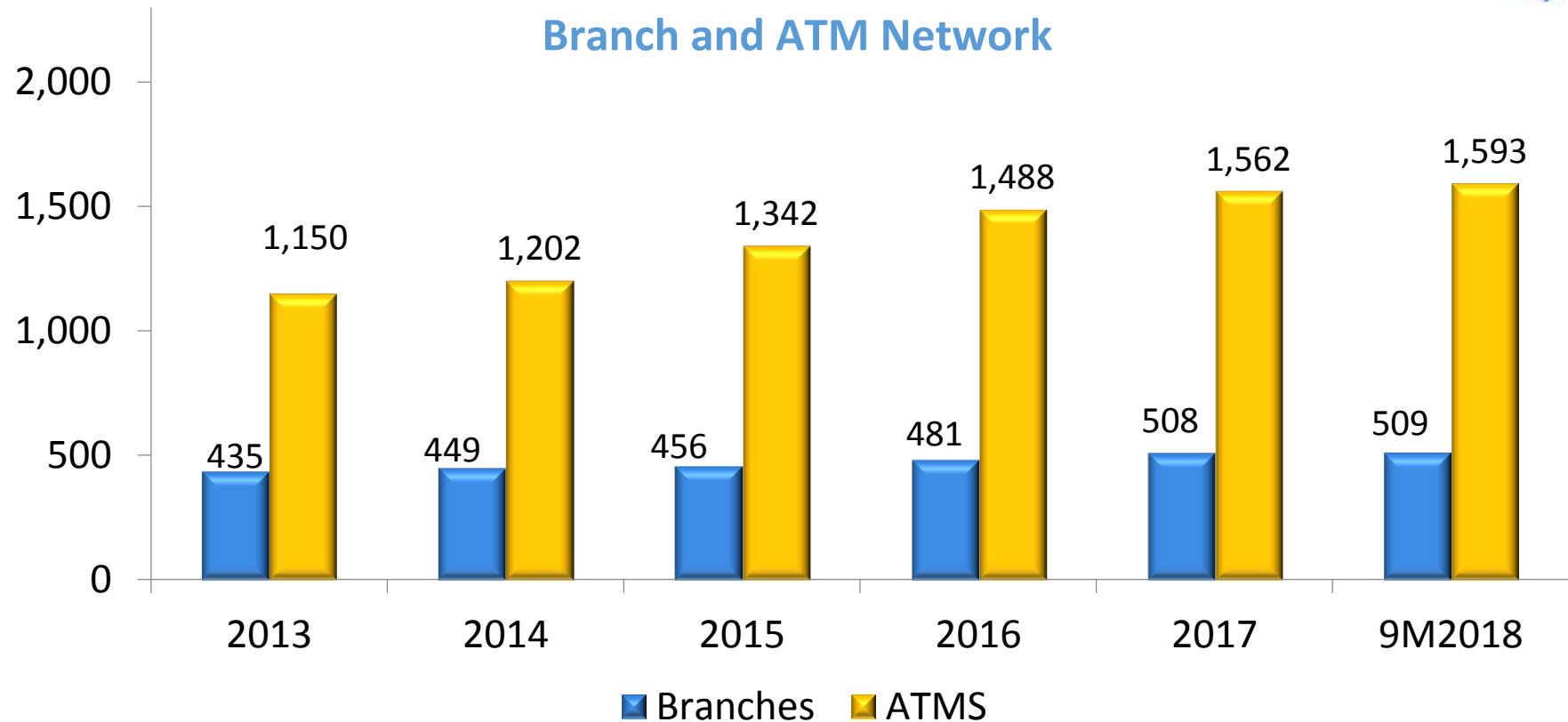
# Self Funding



Increase proportion of CA/SA deposits to lower overall funding costs



# Establish Broad Distribution Channels



ATM to  
Branch  
ratio

2.64:1

3.14:1



## 3. Recognition

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## WORLD FINANCE

### World Finance

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

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## 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

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## ASIAN BANKING & FINANCE

Asia's Financial Services Magazine

### 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



Other Awards in the  
Area of  
Communications and  
Branding

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



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



## 4. Appendix – Financial Information

# Consolidated Income Statement

(PhP bn)



	2013	2014	2015	2016	2017	9M2018
<b>Net Interest Income</b>	<b>13.31</b>	<b>14.97</b>	<b>15.58</b>	<b>15.71</b>	<b>18.02</b>	<b>14.69</b>
<b>Total Non Interest Income</b>	<b>9.81</b>	<b>7.10</b>	<b>6.66</b>	<b>7.11</b>	<b>7.10</b>	<b>4.73</b>
<b>Gross Income</b>	<b>23.12</b>	<b>22.07</b>	<b>22.23</b>	<b>22.82</b>	<b>25.12</b>	<b>19.41</b>
Provision for Loan Losses	2.05	2.51	2.35	1.77	2.16	1.31
<b>Income before Operating Expenses</b>	<b>21.07</b>	<b>19.56</b>	<b>19.88</b>	<b>21.05</b>	<b>22.97</b>	<b>18.10</b>
<b>Total Operating Expenses</b>	<b>14.47</b>	<b>14.24</b>	<b>15.06</b>	<b>17.36</b>	<b>17.82</b>	<b>14.35</b>
<b>Income before Tax</b>	<b>6.59</b>	<b>5.33</b>	<b>4.82</b>	<b>3.70</b>	<b>5.15</b>	<b>3.75</b>
Provision for Income Tax	1.26	0.91	(0.31)	(0.17)	0.84	0.55
<b>Net Income</b>	<b>5.33</b>	<b>4.41</b>	<b>5.13</b>	<b>3.87</b>	<b>4.31</b>	<b>3.21</b>
Net Income / (Loss) attributable to Minority Interest	0.01	(0.00)	(0.00)	(0.00)	0.00	0.00
<b>Net Income attributable Parent Company Shareholders</b>	<b>5.32</b>	<b>4.41</b>	<b>5.13</b>	<b>3.87</b>	<b>4.31</b>	<b>3.21</b>



# Consolidated Balance Sheet

(PhP bn)



	2013	2014	2015	2016	2017	9M2018
Cash/Due from BSP/Due from Other Banks	70	76	84	107	93	94
Loans Arising From REPO	0	0	0	8	10	12
FVPL/FVTCI	3	21	9	24	13	15
Held to Maturity Investments	89	80	102	52	60	83
Interbank Loans Receivables	21	0.3	0.0	0.5	0.0	8.5
Loans-net	217	261	299	306	354	379
Bank Premises, Property & Eqpt. - net	9	7	8	9	9	8
Equity Investments - net	0	0	0	0	0	0
Investment Properties - net	5	5	3	3	3	4
Other Assets	8	7	10	12	11	10
<b>Total Assets</b>	<b>422</b>	<b>458</b>	<b>516</b>	<b>521</b>	<b>554</b>	<b>614</b>
Demand	28	32	44	42	52	57
Savings	157	164	178	163	165	175
Time	112	119	120	148	171	178
<b>Deposit Liabilities</b>	<b>298</b>	<b>316</b>	<b>342</b>	<b>353</b>	<b>388</b>	<b>410</b>
Other Liabilities	56	56	66	54	61	56
Senior Debt	23	23	39	42	28	55
Subordinated Debt	-	10	10	10	10	10
Total Liabilities	377	405	458	459	487	531
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	0	0	0
<b>Capital Funds</b>	<b>45</b>	<b>53</b>	<b>58</b>	<b>62</b>	<b>67</b>	<b>84</b>
<b>Total Liabilities &amp; Capital</b>	<b>422</b>	<b>458</b>	<b>516</b>	<b>521</b>	<b>554</b>	<b>614</b>

# Consolidated Key Ratios



	2013	2014	2015	2016	2017	9M2018
Return on Average Capital Funds	12.2%	9.2%	9.3%	6.4%	6.7%	5.9%
Return on Average Assets	1.4%	1.0%	1.1%	0.8%	0.8%	0.7%
Net Interest Margin	4.2%	4.3%	4.2%	4.1%	4.3%	3.9%
Cost-to-Income Ratio	61.2%	64.5%	67.7%	76.1%	70.9%	73.9%
CASA to Total Deposits	62.3%	62.2%	65.0%	58.1%	55.9%	56.5%
NPL Ratio*	1.1%	0.9%	0.8%	1.0%	1.3%	1.2%
CAR**	16.5%	15.4%	15.7%	16.2%	15.5%	17.3%

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

*\*\* Basel 3 as of 2014*