



INVESTOR PRESENTATION

September 2015

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1. INTRODUCING RCBC



OVERVIEW OF RCBC

RCBC is a leading financial services provider in the Philippines

- Incorporated on 4 August 1960 as Rizal Development Bank and received approval to operate as a commercial bank in December 1962. RCBC is currently the 5th largest private domestic bank in the Philippines by assets, with a market capitalisation of PHP43.61bn (USD933mn)¹

A Prominent Universal Bank in the Philippines

Full Range of Services and Products



Corporate, SME, and Consumer Lending

Investment Banking

Trust Services and Wealth Management

Foreign Exchange Brokerage

Leasing and Treasury

Credit Card Retail Banking

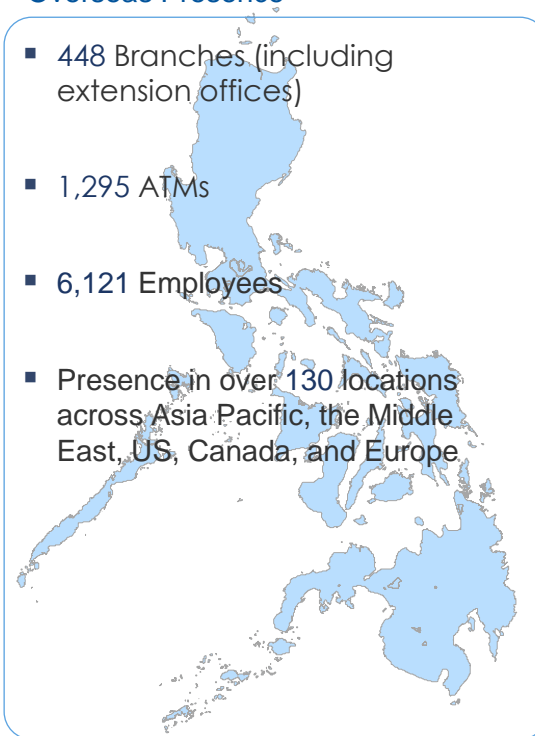
Microfinance

Bancassurance

Remittances

Extensive Network in Philippines and Overseas Presence

- 448 Branches (including extension offices)
- 1,295 ATMs
- 6,121 Employees
- Presence in over 130 locations across Asia Pacific, the Middle East, US, Canada, and Europe



Key Statistics (3Q15)

Total assets	USD10.47bn
Net loans	USD6.02bn
Deposits	USD7.11bn
Total shareholder's equity	USD1.23bn
Net income	USD78.77m
Tier 1 (Basel III)	13.15%
Total CAR (Basel III)	16.45%
ROAA*	1.05%
ROE*	9.00%
NIM	4.16%
NPL ratio	0.90%
Cost to Income	65.61%

*Annualized

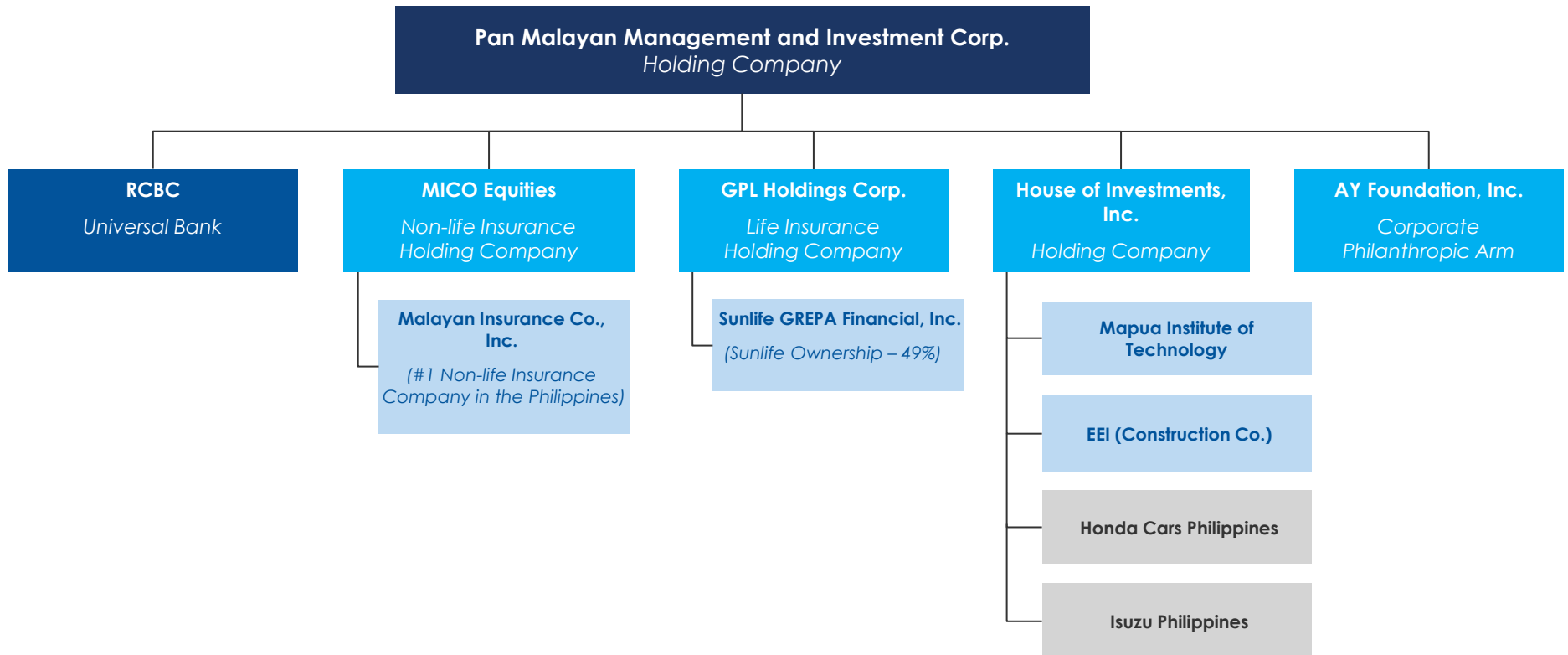
¹Exchange Rate - US\$1=PHP46.74

Source: Company filings as of 2Q2015, company information

YGC STRUCTURE



- RCBC is a member of the Yuchengco Group of Companies, which owns a network of companies engaged in a wide range of financial and non-financial services
- As part of the YGC, the Bank is able to leverage a group-wide sales force to assist it in offering a wide range of products and services provided by other members of YGC, making it a “one-stop” financial centre for its customers
- At the Bank’s branches, customers may be referred to other YGC companies where insurance products and other services are being offered

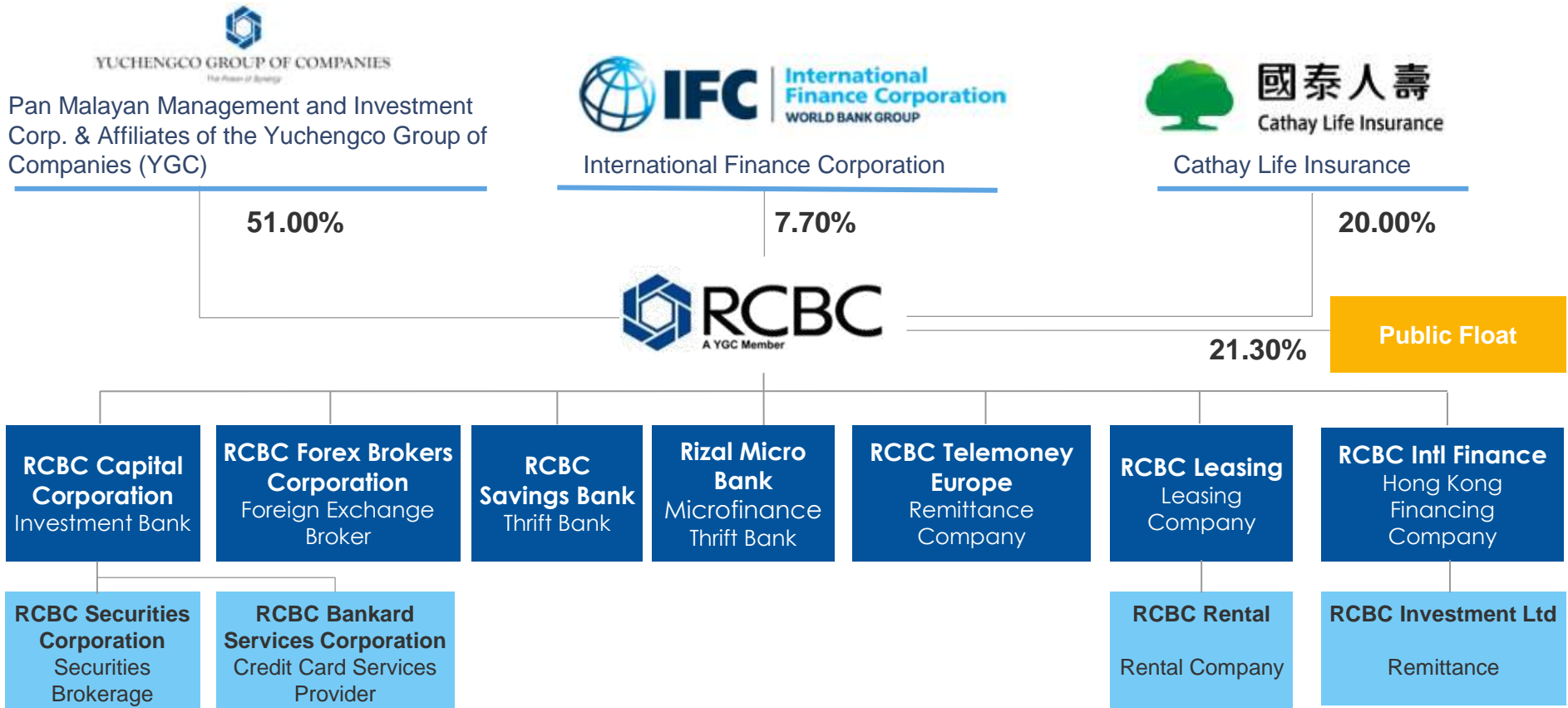


Source: offering circular, company information

COMPREHENSIVE AND DIVERSIFIED BUSINESS PLATFORM

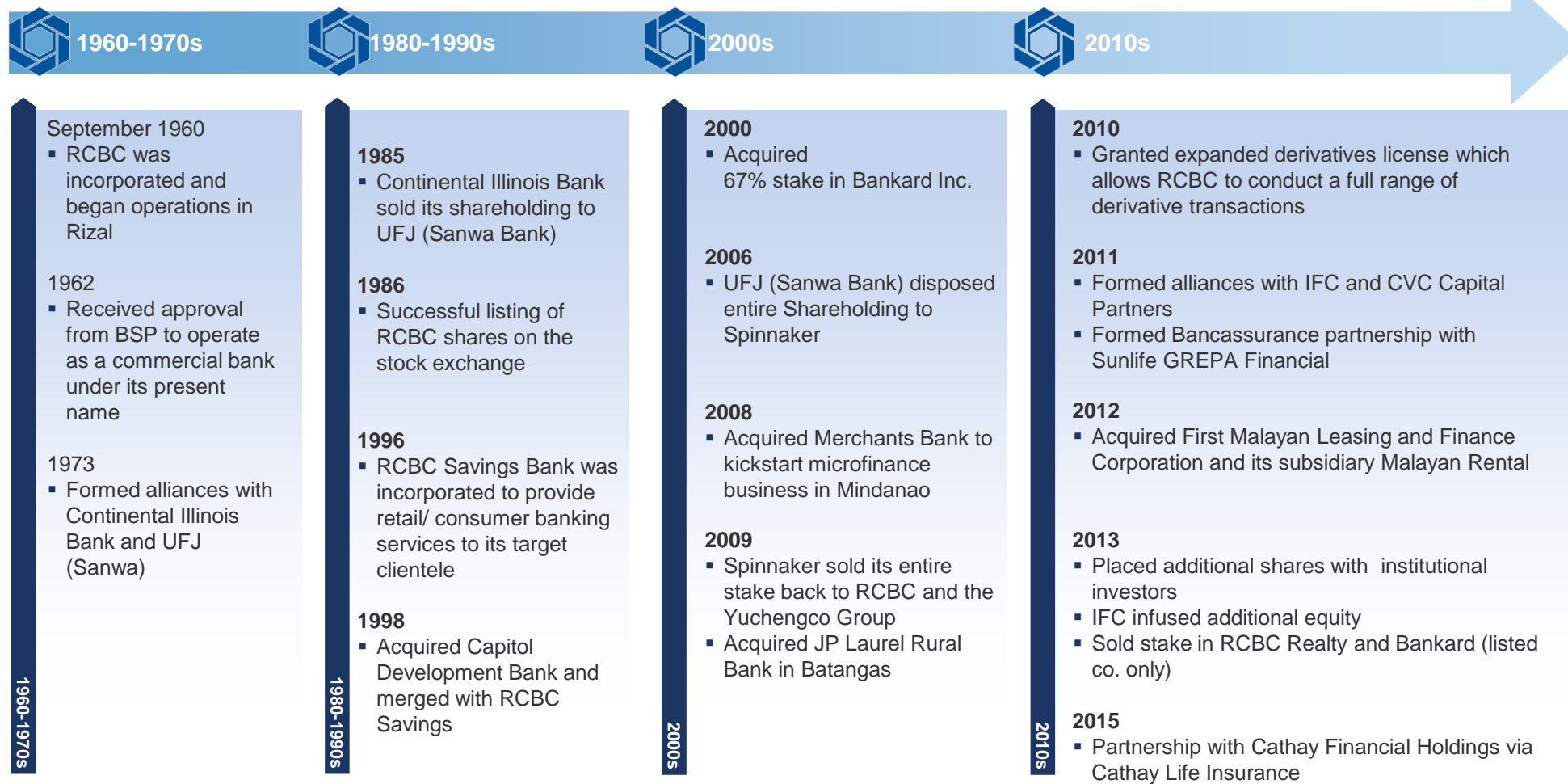


RCBC Shareholding Structure



KEY MILESTONES IN THE RCBC STORY

RCBC has an extended history in Philippines going back more than 50 years



RCBC is the 6th largest private domestic commercial bank in the Philippines by assets as of June 2015

RCBC'S VALUES

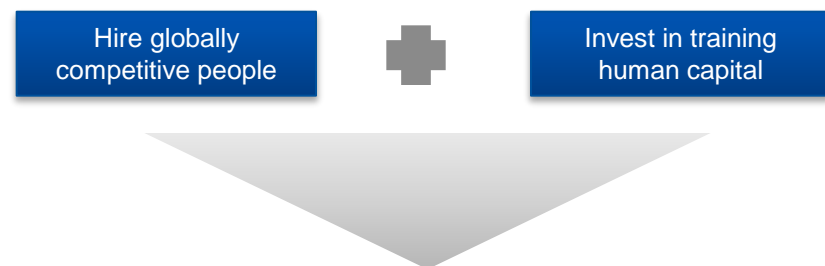
Vision

To be the Most Admired and Trusted Financial Services Group in the Philippines

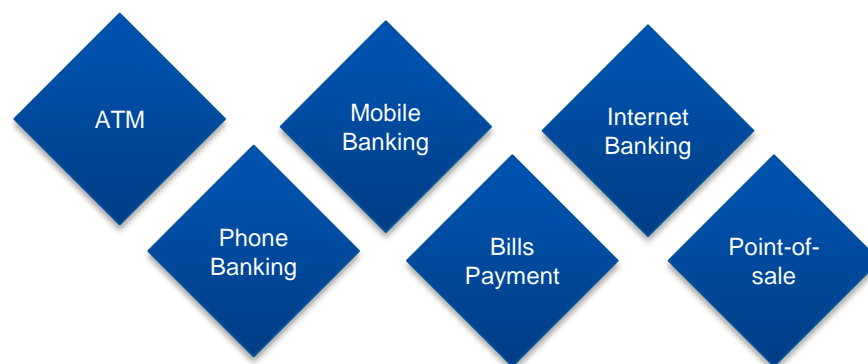
Success factors

RCBC invests in BOTH people and technology

Hire the best talent and develop them over their career



Multiple electronic channels to continuously improve cost efficiency and speed



Best practices / culture change

2. THE MARKET

A blue-tinted photograph of a modern skyscraper, likely the Petronas Towers, is positioned on the right side of the slide. The building is partially obscured by a dark blue horizontal band that contains the section header. The background of the slide features a light blue gradient with faint, stylized geometric patterns.

THE PHILIPPINE MARKET



Strong economic and demographics support overall growth in the Philippines

The market

- 12th most populous nation in the world
- 101.4 mn Filipinos
- 53% are less than 25 yrs old; 71% are below 35
- 10.4 mn less than 4 yrs old
- 132 mn Filipinos by 2025
- 12 mn computers; 34 mn Facebook users
- 44 mn internet users
- 23 mn ATM users
- 117 mn cellular phone users

Drivers

- Banking tomorrow's "Middle Class"
- Highly underpenetrated banking market, with approximately 78.5% of households without deposit accounts
- \$25.3 bn in Overseas Filipino Worker (OFW) remittances in 2015
- 37% of families have an OFW (survey of 1,000 respondents); 13.5 mn Filipinos working abroad
- \$21.2 bn in Business Process Outsourcing (BPO) sector revenues in 2015
- World's biggest destination for call center operations

Sources: Bangko Sentral ng Pilipinas (BSP), World Bank, Department of Science and Technology, Business Process Outsourcing Association of the Philippines (BPAP), Globe Telecom, PLDT, The Market, National Statistics Coordination Board (NSCB), National Statistics Office (NSO)

PHILIPPINE BANKS OUTLOOK



Banking sector outlook is positive supported by strong economic backdrop and operating environment

Philippine banking sector is robust and poised for further growth

- **Credit expansion to continue** supported by strong economic and corporate earnings.
- Non-performing loans in Philippine banks have been declining in the past 10 years, with the NPL ratio at **2.32%** as of end-September 2015 from a high of 18% in 2002. With **improved asset quality**, potential upside in bottom-line growth from lower provisions.

Among the strictest regulatory requirements in Asia

- Under the BSP Guidelines, **8.5% CET 1 and 10.0% Tier 1** (both with 2.5% capital conservation buffer included) was implemented starting January 2014.
- Strict interpretation of Basel III standards ensures adequate capitalization for growth.

3. STRATEGIC INITIATIVES AND FINANCIAL OVERVIEW



STRATEGIC INITIATIVES IN A BASEL III WORLD

Diversify loan portfolio towards actuarial risk

1

- Focus on the fast-growing SME and consumer loan sectors, which are relatively untapped
- Loan composition will be further diversified to balance returns and reduce concentration risk

Build fee based income

2

- Developing relationships with SME clients to increase cross selling / collateral business
- Grow the Trust / Wealth Management business, especially through synergy with Cathay Financial

Invest in IT

3

- Develop a scalable and nimble “Core Banking Platform” through major investments in Operations & IT

Establish broad distribution channels

4

- Specifically the ATM channel
- Holistic approach to distribution extends beyond mobile banking and branches to other customer touch points and locations

Think ASEAN

5

- Through relationship with Cathay
- Strong economy and demographics support overall growth in the Philippines

**Achieve
Strategic Five
Year Goals**

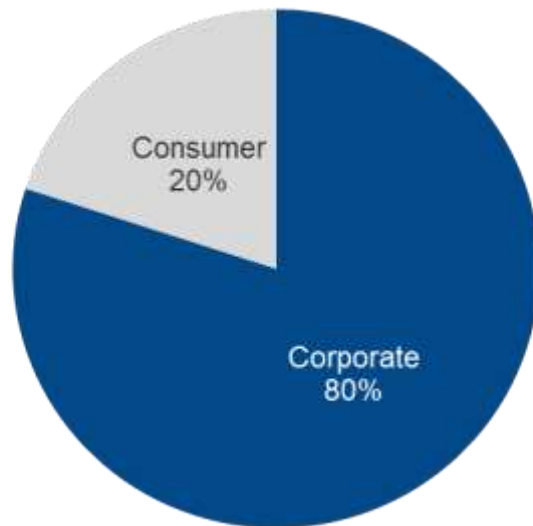


RCBC's strategic initiatives will help the company to deliver on its five year goals

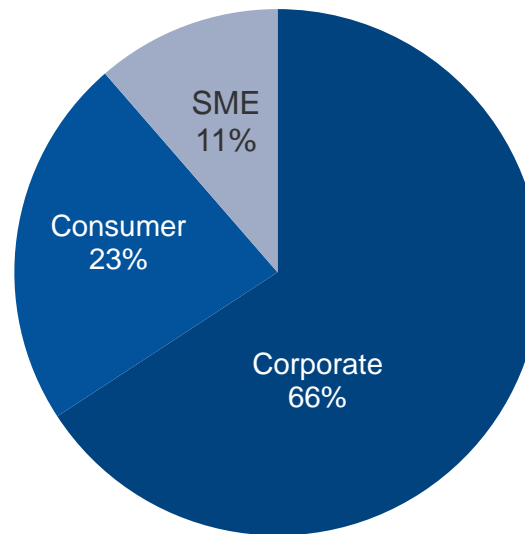
LOAN COMPOSITION

– Increasingly diversified portfolio

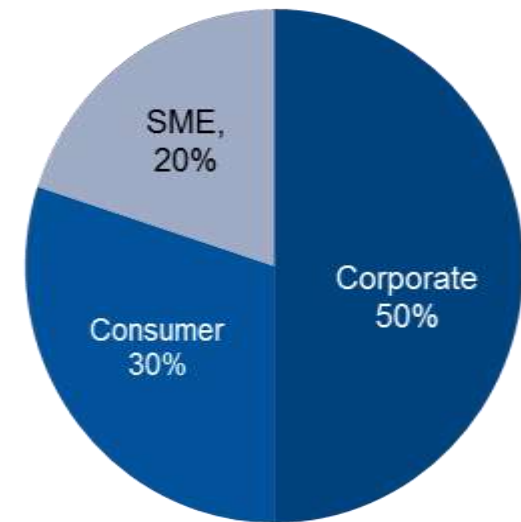
2006A



2015E



2018E



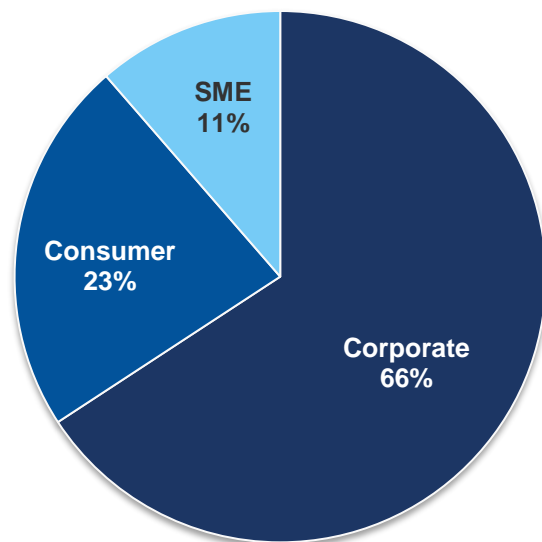
- Focus on cross-selling opportunities with large corporate clients to maximize return on assets
- Focus on the fast-growing SME and consumer loan sectors, which are relatively untapped
- Benefits from actuarial opportunities

LOAN PORTFOLIO & GROSS RETURN ON LOAN ASSETS

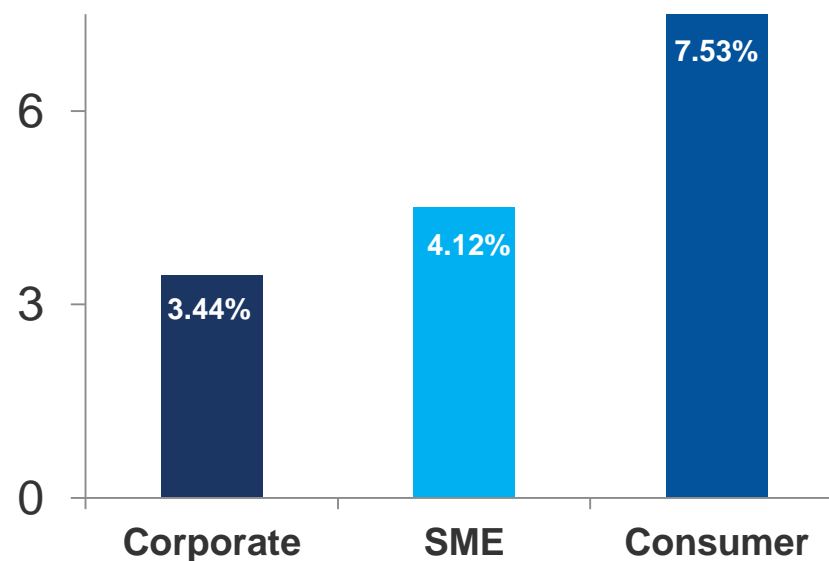


- Loan composition will be further diversified to balance returns and reduce concentration risk.

2015E



2014 Gross Return on Loan Assets



NET INTEREST MARGIN BY PRODUCT



- One of the lowest NPL ratios in the sector
- Implements prudent loan loss coverage

Actuarial Portfolio (3Q2015)	Interest Rate	NIM	Net NPL
Corporate Loans	4.63%	3.36%	0.00%
SME Loans	4.96%	3.70%	1.85%
Consumer Loans			
Credit Card	28.15%	26.89%	3.05%
Auto Loans	10.57%	9.20%	1.43%
Mortgage Loans	8.17%	6.80%	2.02%
Microfinance	49.73%	48.43%	4.18%*

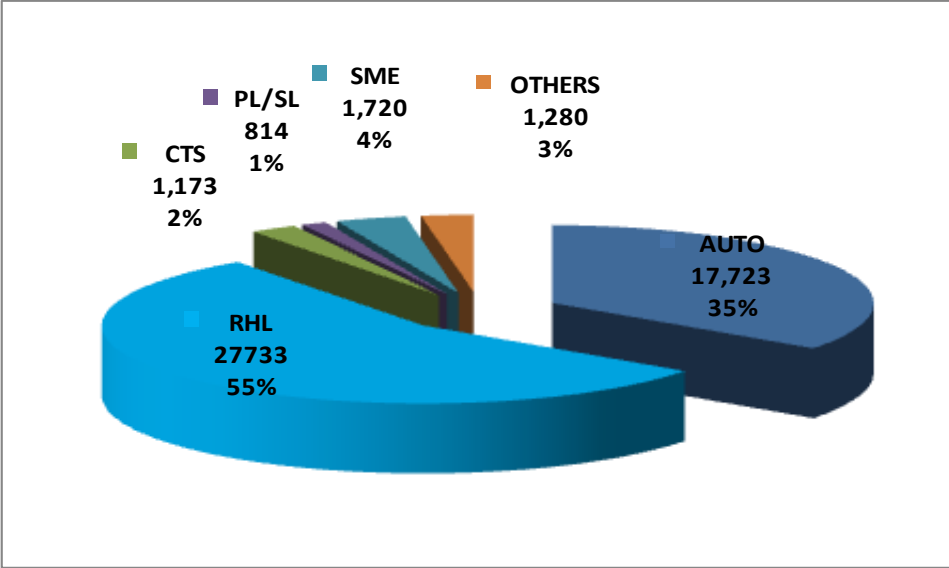
*Portfolio-at-Risk>1-day

RCBC SAVINGS BANK LOAN PORTFOLIO MIX

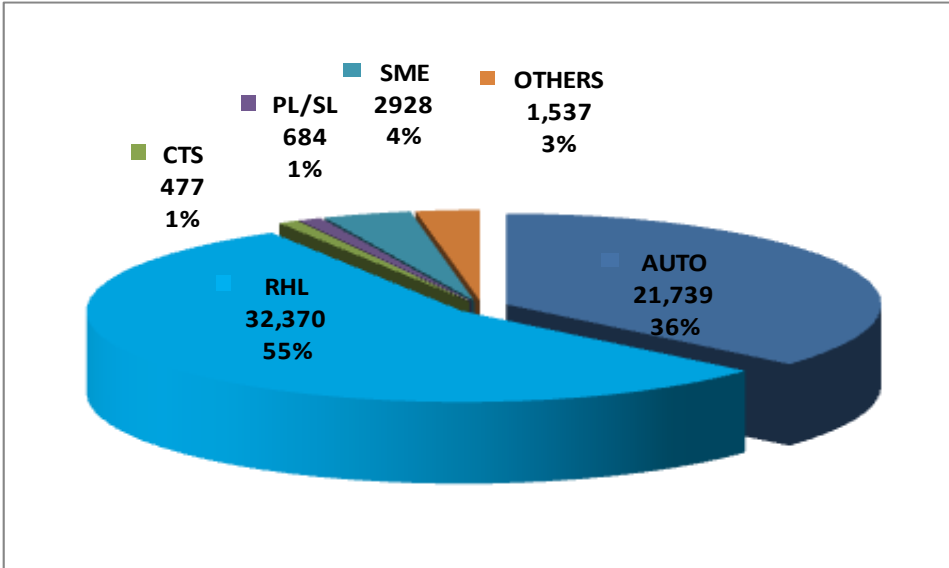


3Q14

3Q15



Total Loan Portfolio – 48,456M

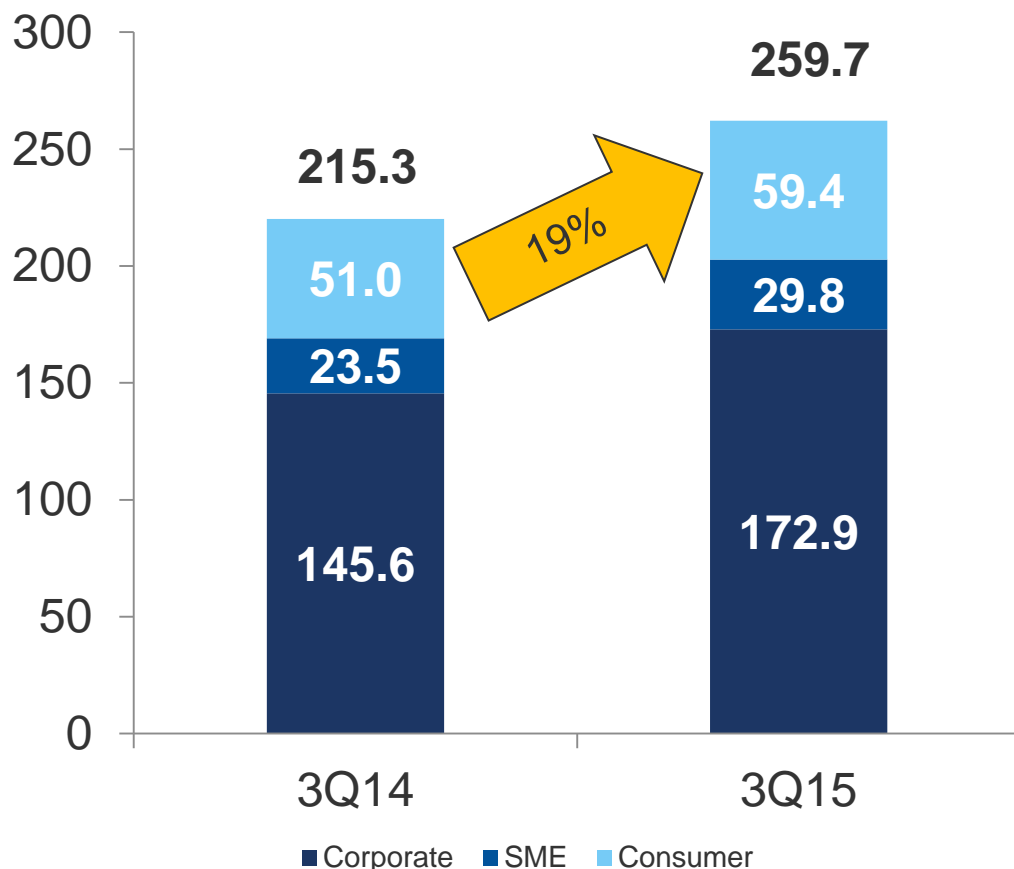


Total Loan Portfolio – 57,173M

LOAN GROWTH BY SEGMENT

– Successfully executed SME & consumer loan growth strategy

(YTD ADB PHP'bn)



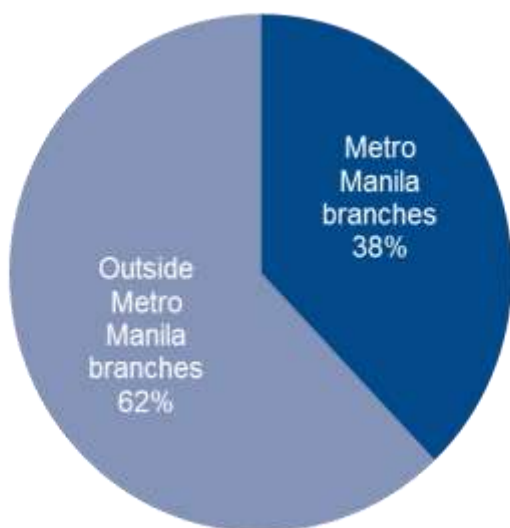
	3Q14 Mix	3Q15 Mix	growth
Corporate	66%	66%	19%
SME	11%	11%	27%
Consumer	23%	23%	17%
<i>Mortgage</i>	11%	11%	21%
Total	100%	100%	19%

* Excluding Interbank Loans

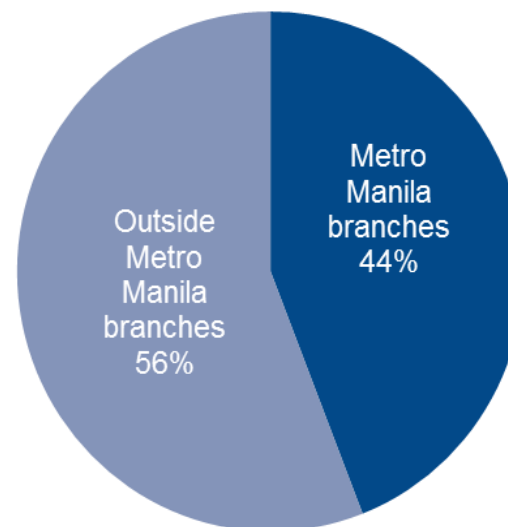
DEPOSITS

- The bank will add 50 branches in Metro Manila over 2015-2017, which will allow an increase in low cost deposits relative to total deposits
- 65% of low-cost money in the Philippines are still controlled by corporations / high net worth individuals that are Manila-based.

3Q15



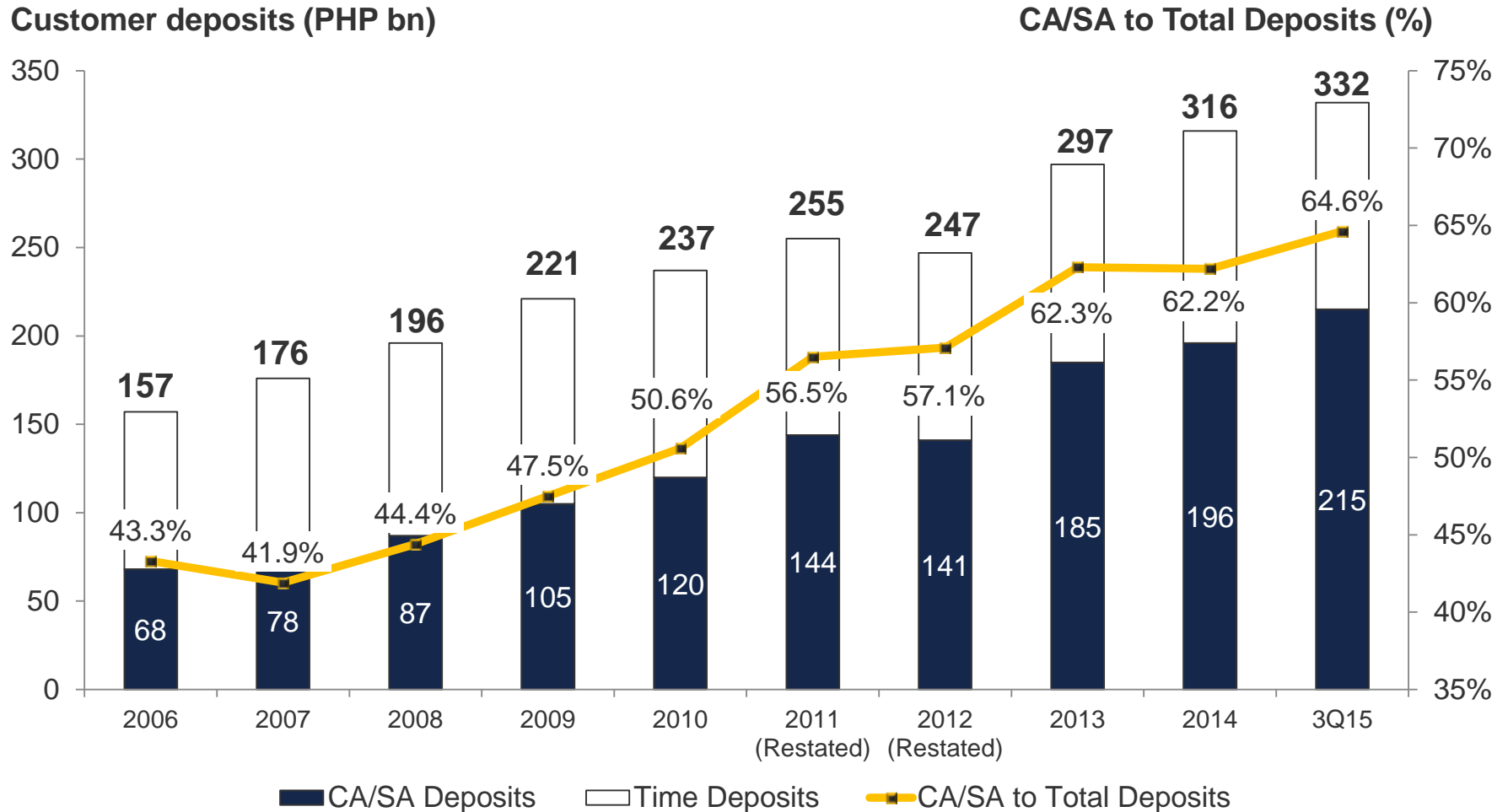
3Q15 + 50 branches in Metro Manila



SECURE FUNDING POSITION

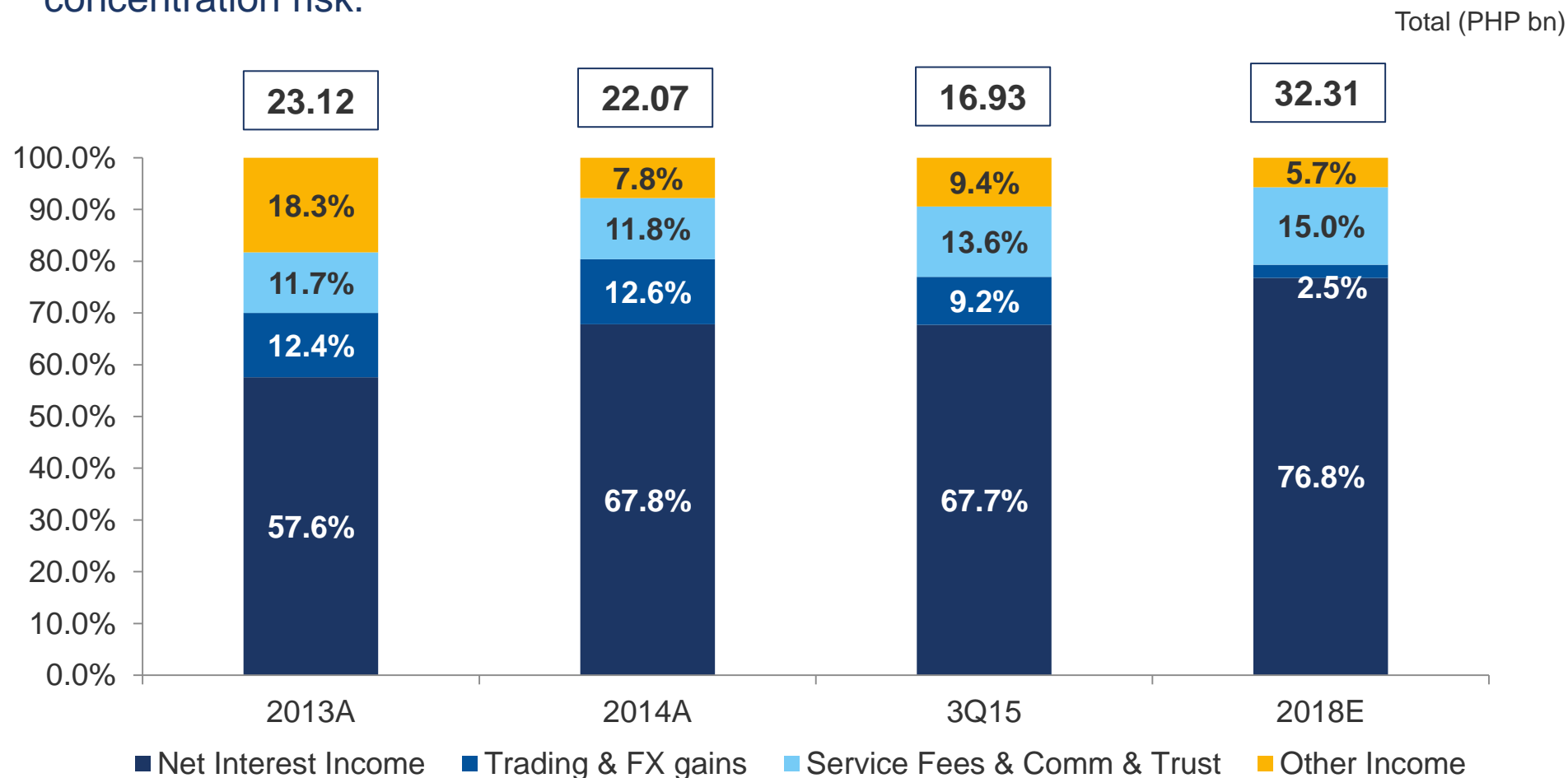


Increasing growth and proportion of CA/SA deposits serves to lower overall funding costs



GROSS INCOME BREAKDOWN

- Higher and growing Net Interest Income and Service Fees
- Loan composition will be further diversified to balance returns and reduce concentration risk.

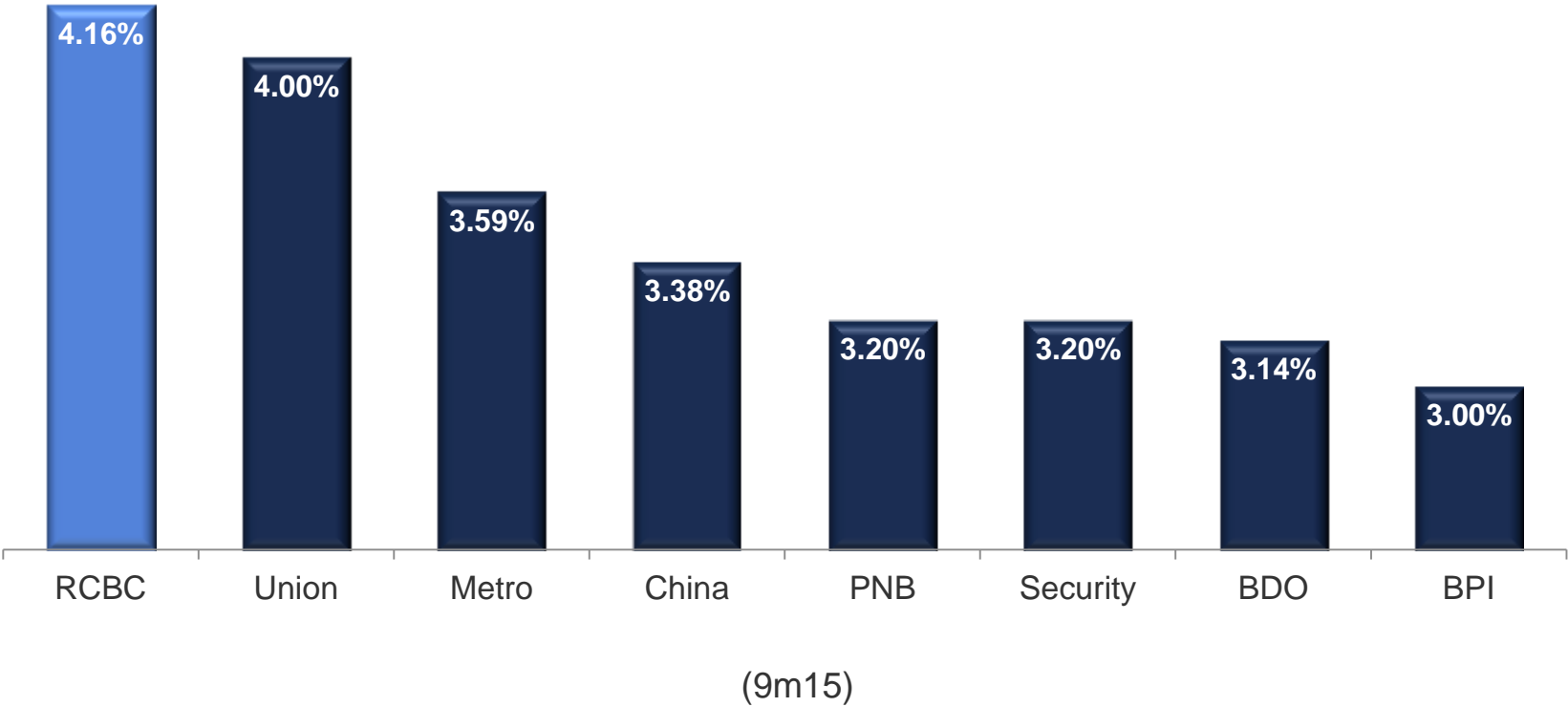


QUALITY EARNINGS



RCBC is the leader among its larger peers in terms of NIMs; cost efficiency also supports profitability

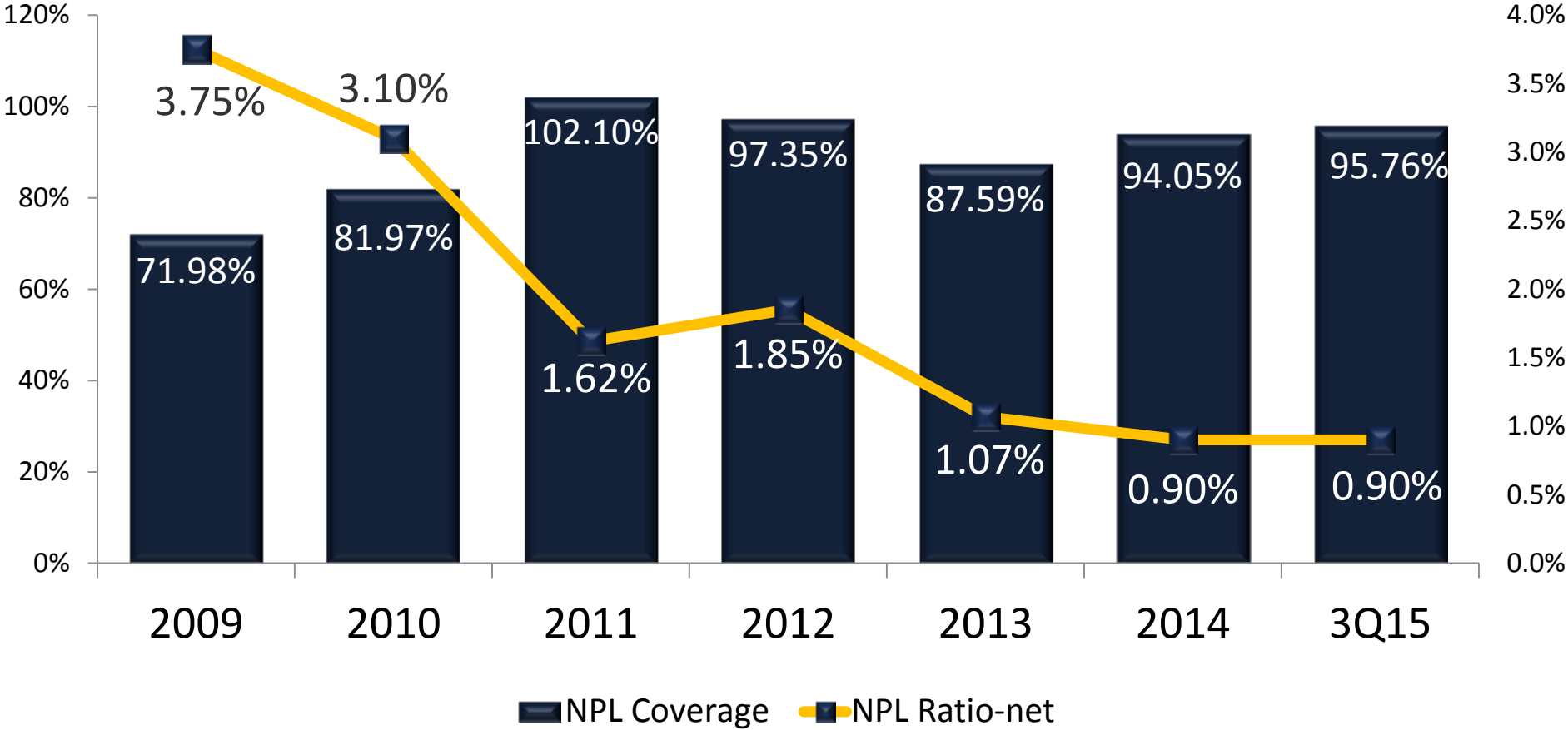
Leading position among peers



SUSTAINABLE PORTFOLIO QUALITY



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



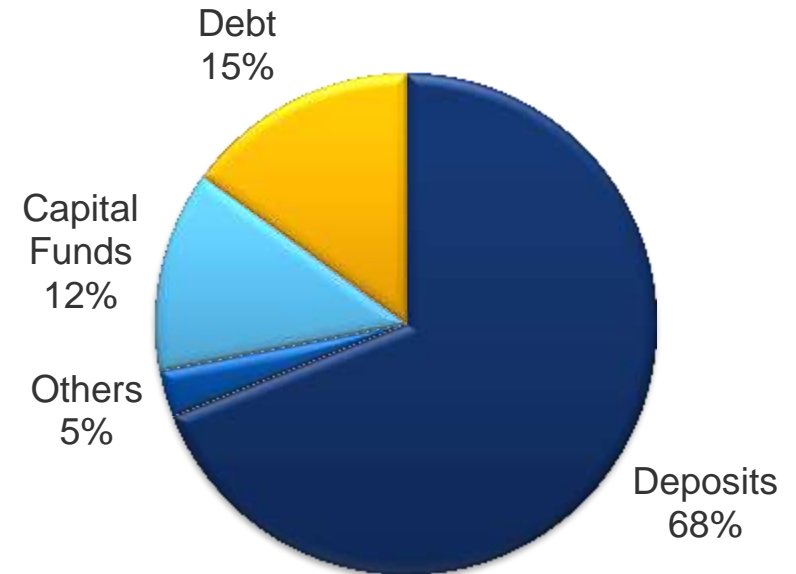
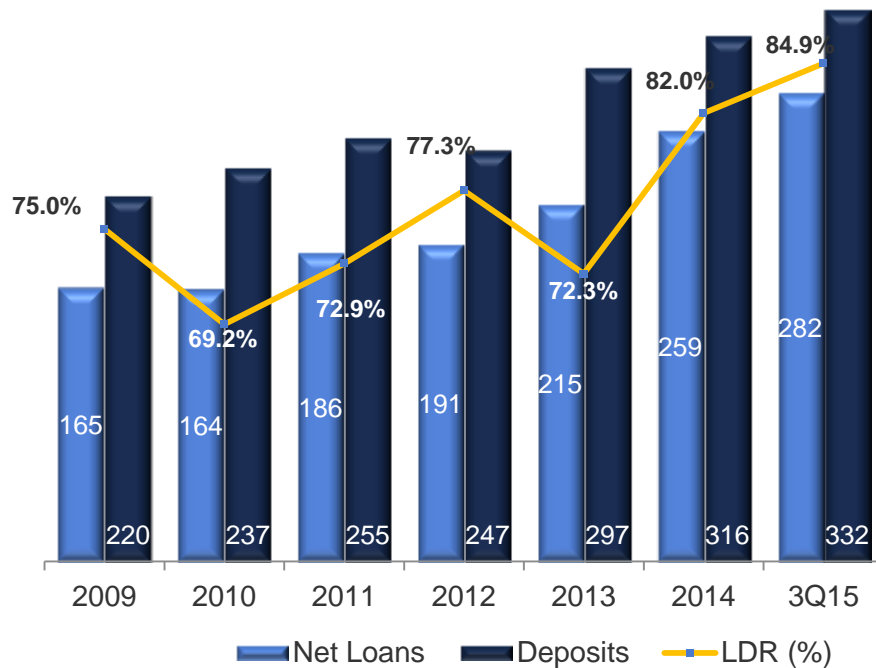
FUNDING



Strong liquidity position and diversified funding base

Loans (excluding Interbank), deposits and LDR

Funding mix (3Q15)

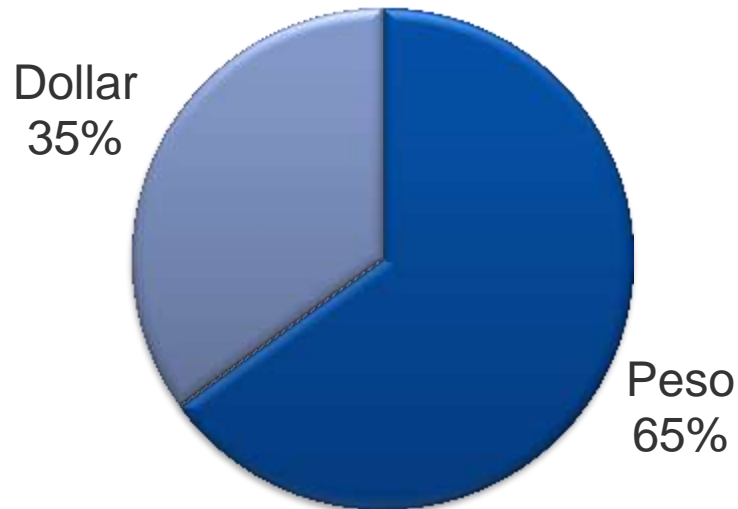


Total funds: PHP 489.54 billion (USD10.47 billion)

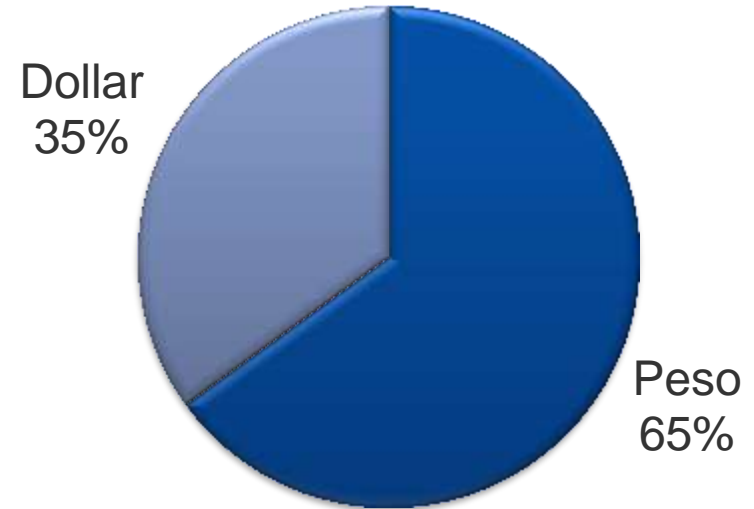
FUNDING by Currency (Parent Bank)



Asset mix (3Q15)



Funding mix (3Q15)



Total funds: PHP 410.36 billion (USD 8.78 billion)

INVEST IN IT

RCBC developed a scalable and nimble “Core Banking Platform” through major investments in Operations & IT



IBM Enterprise Servers



Oracle e-Business Platform



Banking transformation technology & software solutions

INVEST IN IT

Invest in Mobile Banking

Mobile banking services to serve every market segment



High-end: Apps for iOS and Android



Mid-level: I-Mobile



Low-end: SMS Banking



ATM



Mobile Phone

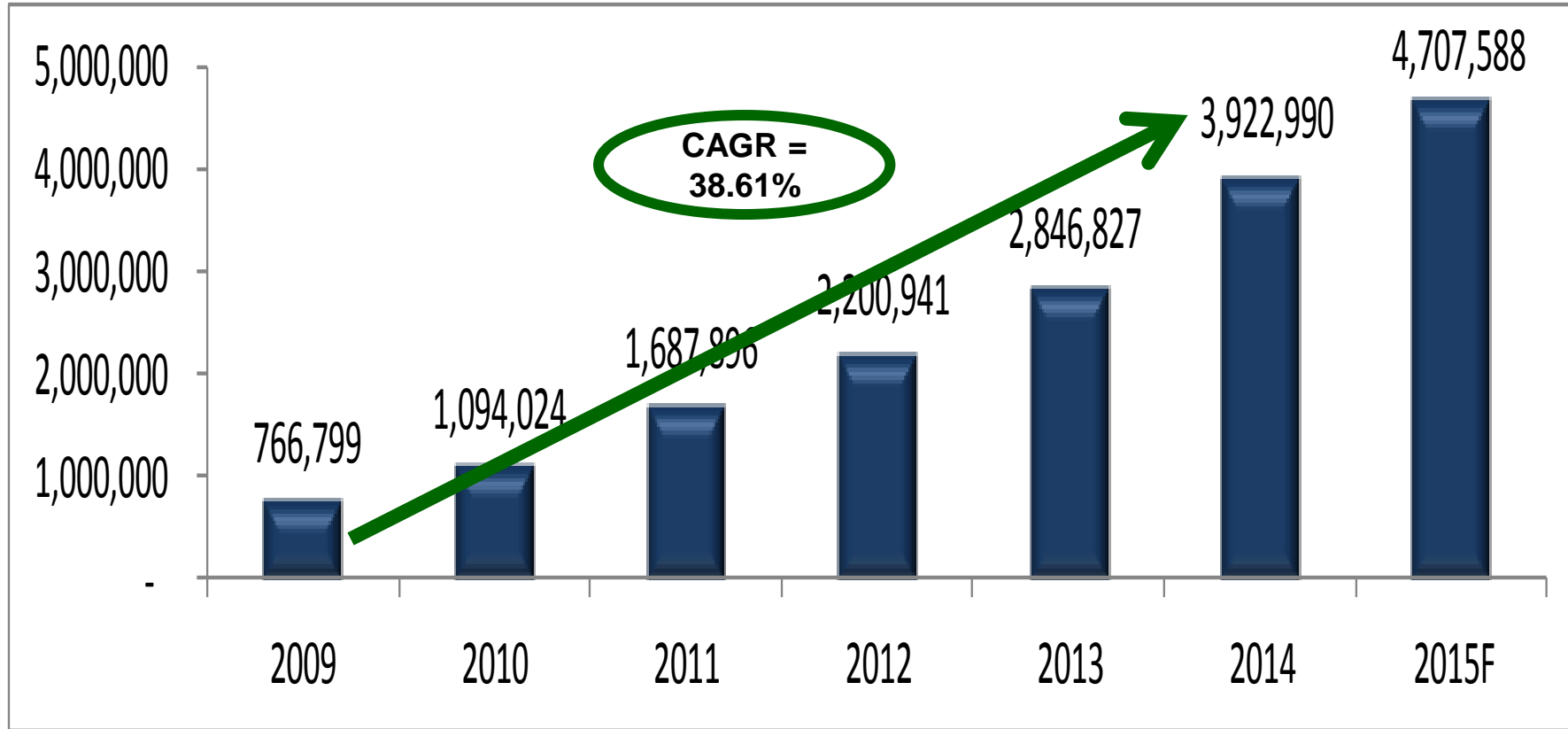


Tablet or Computer



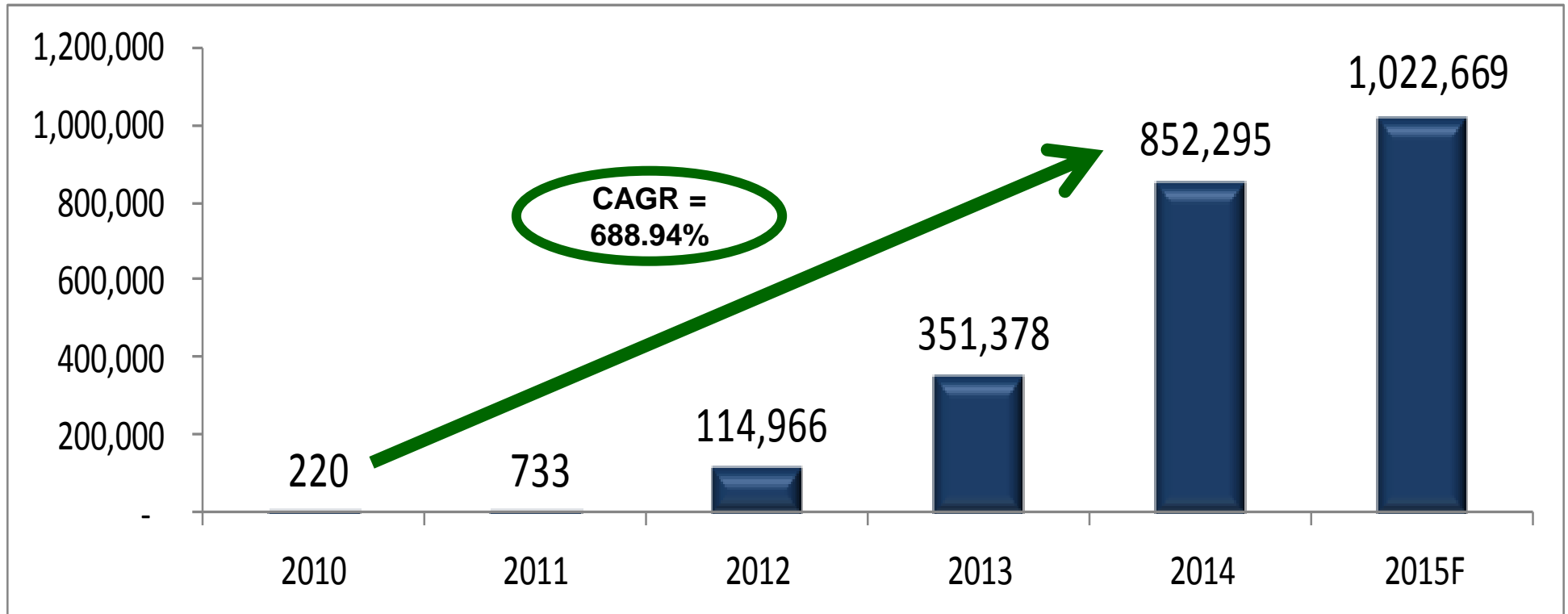


RETAIL INTERNET BANKING



NUMBER OF TRANSACTIONS

MOBILE INTERNET BANKING

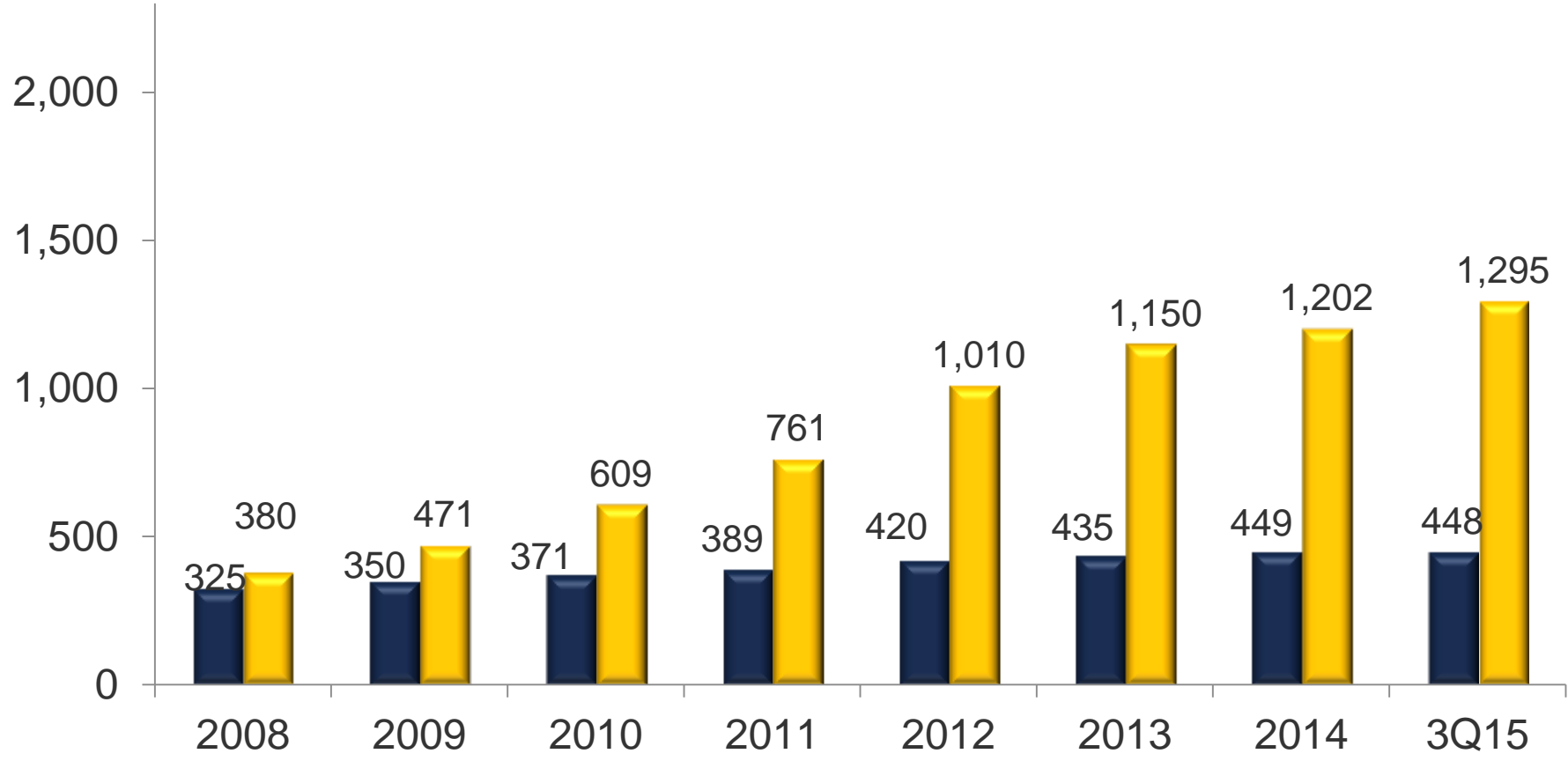


NUMBER OF TRANSACTIONS

ESTABLISH BROAD DISTRIBUTION CHANNELS



Branch and ATM Network



ATM to Branch ratio

0.87:1



2.89:1

THINK ASEAN

Strong economic and demographics support overall growth in the Philippines



The Philippine market

- 101.4 mn Filipinos
- 47% are aged 15-45 years old
- 33mn (32%) are aged less than 15 yrs old
- \$300 Billion GDP at Current Market Prices
- \$6.2 Billion FDI Inflows
- 40% of mobile phone users are smartphone users



The ASEAN market

- 622 mn total ASEAN population
- 49 % are aged 15-45 years old
- 169 mn (27%) are aged less than 15 yrs old
- \$2.5 Trillion GDP at Current Market Prices
- \$ 132 Billion FDI Inflows
- 75-87% of mobile phone users are smartphone users (Hong Kong, Singapore, Malaysia, Australia)

4. RECOGNITION



RCBC THIRD PARTY RECOGNITIONS



RCBC has been recognised by various third party organisations for business excellence

WORLD FINANCE

World Finance

- Best Banking Group in the Philippines – 2012, 2013, 2014
- Best Commercial Bank in the Philippines – 2011

ASIAMONEY

AsiaMoney

- Best Domestic Private Bank in the Philippines - 2012, 2013, 2014
- Philippines' Overall Best for Interest Rates - 2012
- Best for Interest Rate Derivatives – 2012
- Best Market Coverage – 2012
- Best Interest Rate Research -2012
- Joint #1 Best Liquidity and Market Support for Credit - 2011
- Best Domestic Provider for Interest Rates – Philippines -2011
- Best Domestic Provider for Credit – Philippines - 2011
- Best Pricing and Execution Capabilities for Interest Rates - 2011
- Best Interest Rates Research and Market Coverage - 2011
- Best Sales Service in Interest Rates Derivatives - 2011
- Best Domestic Provider of FX Services in the Philippines (as voted by corporates) – 2011, 2015
- Best Domestic Provider for FX Options in the Philippines (as voted by corporates) – 2015
- Best Domestic Provider of FX Services in the Philippines (as voted by Financial Institutions) -2011
- Best Domestic Provider of FX Prime Broking Services in the Philippines (as voted by corporates) - 2011

ASIAN BANKING & FINANCE
Asia's Financial Services Magazine

Asia Banking & Finance

- Philippine SME Bank of the Year – 2012, 2014
- Online Banking Initiative of the Year – Philippines – 2013
- Core Banking Initiative of the Year - 2013
- Philippines Domestic Technology & Operations Bank of the Year – Phone-a-Loan-Program – 2012
- Domestic Retail Bank of the Year – Philippines – 2012
- Philippine Best Retail Bank of the Year – 2011, 2012, 2014
- Philippine Best Bank Website – 2011

Source: Annual report,
Company website

RCBC THIRD PARTY RECOGNITIONS (CONT'D)



85 awards and recognitions



Bangko Sentral ng Pilipinas

- Outstanding Commercial Bank Respondent on Overseas Filipino Remittances Award - 2014



Retail Banker International

- Product Excellence in Credit Cards - 2014



PDEX

- Top-6 Fixed-Income Brokering Participant - 2014
- Top-10 for Overall Trading Activity - 2012



Asia Responsible Entrepreneurship Awards

- Green Leadership Award – Rizal Microbank - 2014
- Social Empowerment Award – Rizal Microbank - 2013
- Best Green Bank for Southeast Asia – 2011



Celent

- Celent Model Bank: Transaction processing category – 2013



Baiphil

- Green banking Champion: Earth care program with Centennial Forest – 2013

RCBC THIRD PARTY RECOGNITIONS (CONT'D)



85 awards and recognitions



Global Banking and Finance Review
- Excellence in Enterprise Operational Transformation – 2013



Bureau of Treasury
— Top-10 Government Securities Eligible Dealers – 2010, 2011, 2012



Asian Financial Services Congress 2012
— Best Electronic Banking Website-Philippines - 2012



BizNews Asia
— Platinum Business Icon Award – 2012
— Management Excellence Award – 2012



The Asian Banker
-Best Cash Management Bank in the Philippines – 2012
-Best Core Banking Implementation Project – 2012



Asia Trailblazer Awards
— Special commendation for product excellence (MyWallet) - 2012

RCBC THIRD PARTY RECOGNITIONS (CONT'D)



85 awards and recognitions



FinanceAsia

- Best Managed Mid-Cap Company - 2011



Visa

- Best Overall Provider of Visa Prepaid Services in the Philippines for 2011
- Best Performer in Transaction Number Growth, Payment Volume Growth & Cards-in-Force Growth - 2011



Institute of Corporate Directors

- Silver Award – 2011 Corporate Governance Scorecard for Publicly Listed Companies



Asia CEO Awards

- Most Admired Board of Directors – 2011

5. APPENDIX - FINANCIAL INFORMATION



CONSOLIDATED INCOME STATEMENT



(PHP bn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	3Q15
Net Interest Income	7.26	8.82	8.47	10.27	10.88	10.84	11.40	13.31	14.97	11.46
Total Non Interest Income	5.05	4.38	4.6	5.89	8.41	10.09	11.34	9.81	7.10	5.46
Gross Income	12.31	13.20	13.07	16.16	19.29	20.94	22.74	23.12	22.07	16.93
Provision for Loan Losses	1.75	0.94	1	2.24	3.16	2.54	2.49	2.05	2.51	1.64
Income before Operating	10.56	12.26	12.07	13.91	16.13	18.40	20.26	21.07	19.56	15.29
Total Operating Expenses	8.05	8.17	8.98	9.83	10.88	12.40	13.56	14.47	14.24	11.11
Income before Tax	2.52	4.09	3.09	4.08	5.26	6.00	6.70	6.59	5.33	4.18
Provision for Income Tax	0.63	0.85	0.92	0.75	1.00	0.92	0.75	1.26	0.91	0.55
Net Income	1.89	3.24	2.17	3.34	4.26	5.09	5.96	5.33	4.41	3.63
Net Income / (Loss) attributable to Minority Interest	0.16	-0.04	-0.02	-0.01	(0.01)	0.03	0.01	0.01	(0.00)	(0.00)
Net Income attributable Parent Company Shareholders	2.05	3.21	2.15	3.33	4.25	5.06	5.95	5.32	4.41	3.64

CONSOLIDATED BALANCE SHEET



(PHP bn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	3Q2015
Cash/Due from BSP/Due from Other Banks	26.45	28.23	28.06	29.2	35.7	46.22	51.88	69.85	75.78	74.17
FVPL/FVTCI	58.91	64.58	26.14	45.8	70.97	87.73	95.18	3.29	21.00	21.09
Held to Maturity Investments	-	-	20.67	19.96	18.5	-	-	89.41	79.80	92.58
Interbank Loans Receivables	21	11.42	23.6	24.36	24.26	17.97	4.69	20.59	0.32	-
Loans-net	87.93	105.78	140.8	140.54	139.72	168.23	186.22	217.37	261.25	281.55
Bank Premises, Property & Eqpt. - net	3.39	3.5	4.03	4.75	5.34	6.46	7.51	8.81	7.03	7.38
Equity Investments - net	2.05	4.17	4.29	4.02	3.5	3.61	3.95	0.33	0.32	0.32
Investment Properties - net	9.99	7.76	7.39	5.07	7.3	7.64	6.78	4.58	5.36	4.67
Other Assets	14	13.65	13.28	14.82	14.11	5.94	7.14	7.63	7.05	7.78
Total Assets	223.71	239.1	268.27	288.52	319.4	343.79	363.34	421.87	457.91	489.54
Demand	9.88	10.77	11.13	11.03	11.6	10.00	10.57	28.45	32.20	43.06
Savings	57.98	66.77	75.74	93.57	108.41	134.24	130.30	157.07	164.27	171.57
Time	89.7	98.39	109.36	115.67	116.77	111.04	105.89	112.34	119.30	117.48
Deposit Liabilities	157.55	175.93	196.23	220.28	236.78	255.28	246.76	297.85	315.76	332.11
Other Liabilities	30.65	23.34	31.46	20.93	28.93	30.49	41.88	55.89	55.61	65.70
Senior Debt	6.69	5.65	6	5.84	10.93	10.91	21.55	23.32	23.49	24.18
Subordinated Debt	5.43	5.16	6.94	10.93	10.95	10.97	10.99	-	9.92	9.93
Total Liabilities	200.32	210.08	240.63	257.97	287.58	307.64	321.18	377.06	404.77	431.92
Minority Interest in Subsidiary/Allied	-0.28	-0.31	-0.04	0	-0.03	0.20	0.03	0.23	0.22	0.02
Undertakings										
Capital Funds	23.68	29.33	27.68	30.55	31.85	35.95	42.13	44.58	52.91	57.60
Total Liabilities & Capital	223.71	239.1	268.27	288.52	319.4	343.79	363.34	421.87	457.91	489.55

KEY RATIOS



	2006	2007	2008	2009	2010	2011	2012	2013	2014	3Q2015
Return on Average Capital Funds	12.64%	12.43%	7.40%	11.95%	14.08%	16.56%	16.07%	12.18%	9.23%	*9.00%
Return on Average Assets	1.01%	1.42%	0.87%	1.24%	1.47%	1.62%	1.70%	1.39%	1.04%	*1.05%
Net Interest Margin	4.84%	5.00%	4.25%	4.62%	4.55%	4.12%	3.93%	4.22%	4.30%	*4.16%
Cost-to-Income Ratio	65.36%	61.88%	68.69%	60.86%	56.37%	59.41%	59.61%	61.21%	64.51%	65.61%
CASA to Total Deposits	43.07%	44.07%	44.27%	47.49%	50.68%	56.50%	57.09%	62.28%	62.22%	64.63%
NPL Ratio	5.62%	5.27%	2.55%	3.75%	3.10%	1.62%	1.85%	1.07%	0.90%	0.90%
CAR	20.30%	18.70%	17.30%	18.47%	17.77%	18.52%	17.61%	16.52%	15.37%	16.45%

*Annualized

** Basel 3 as of 2014