



Investor Presentation

SEPTEMBER 2019

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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 Php51.28bn (USD0.99bn)¹, share price of Php26.50².
- 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	USD12.93bn
Net loans	USD8.36bn
Deposits	USD8.18bn
Total shareholder's equity	USD1.63bn
Net income	USD87mn
Tier 1 (Basel III)	14.07%
Total CAR (Basel III)	13.20%
ROE*	7.3%
NIM*	3.86%
NPL ratio	2.03%

*Annualized

¹Exchange Rate – US\$ 1 = PHP51.83 as of end-September 2019

²Market Capitalization and Share Price as of end-September 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

1,557 ATMs

6,707 Employees

Investment Information

Equity Profile

Particulars	3Q 2019
Ticker	RCB
Issued shares	1,935.63mn
Stock Price	26.50
Market Cap	Php 51.277bn (USD0.98bn)
BV per share	Php 43.74
Price to Book	0.61

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%

Credit Rating

MOODY'S

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

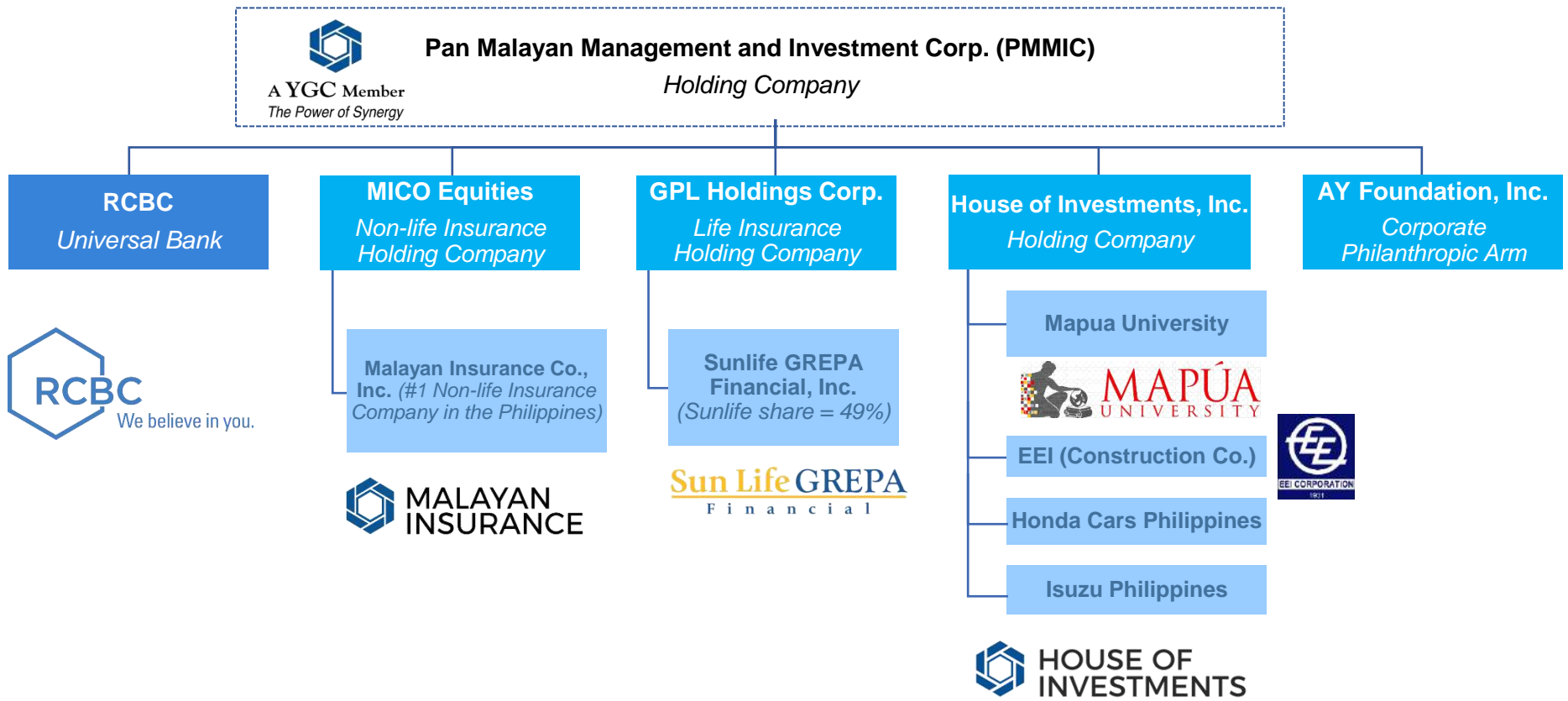
*Investment Grade rating by Moody's on July 6, 2018

Results of the Stock Rights Offering in July 2018:

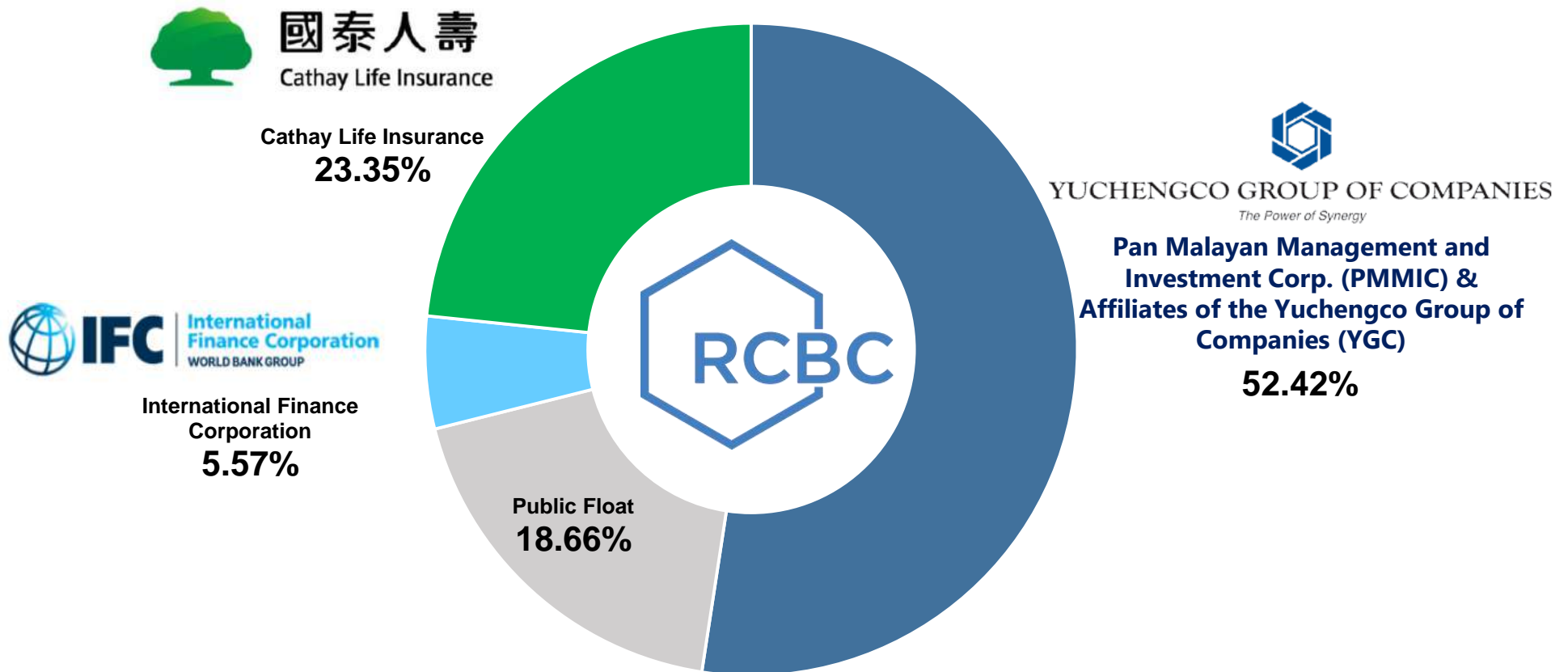
- RCBC's Stock Rights Offering (SRO) of 535,710,378 million shares were listed in the Philippine Stock Exchange (PSE) on July 16, 2018 and the gross proceeds amounting to PHP14,999,890,584 were booked on the same date.
 - The shares were offered at PHP28.00 with entitlement ratio of 1 Right Share for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

Yuchengco Group of Companies

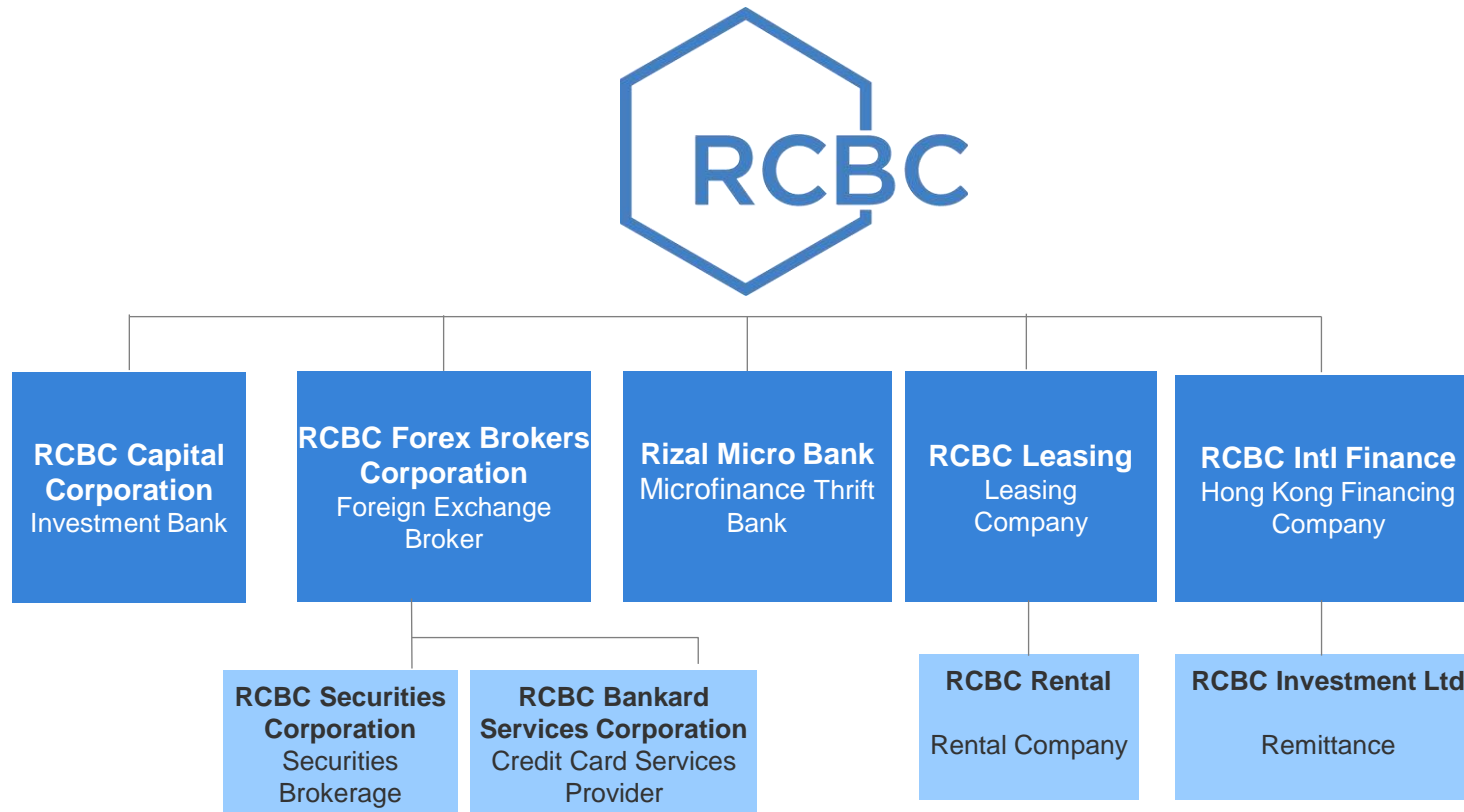
- **RCBC is a member of the Yuchengco Group of Companies (YGC)**, one of the premier business conglomerates in the Philippines.
- The group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products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



Ownership Structure

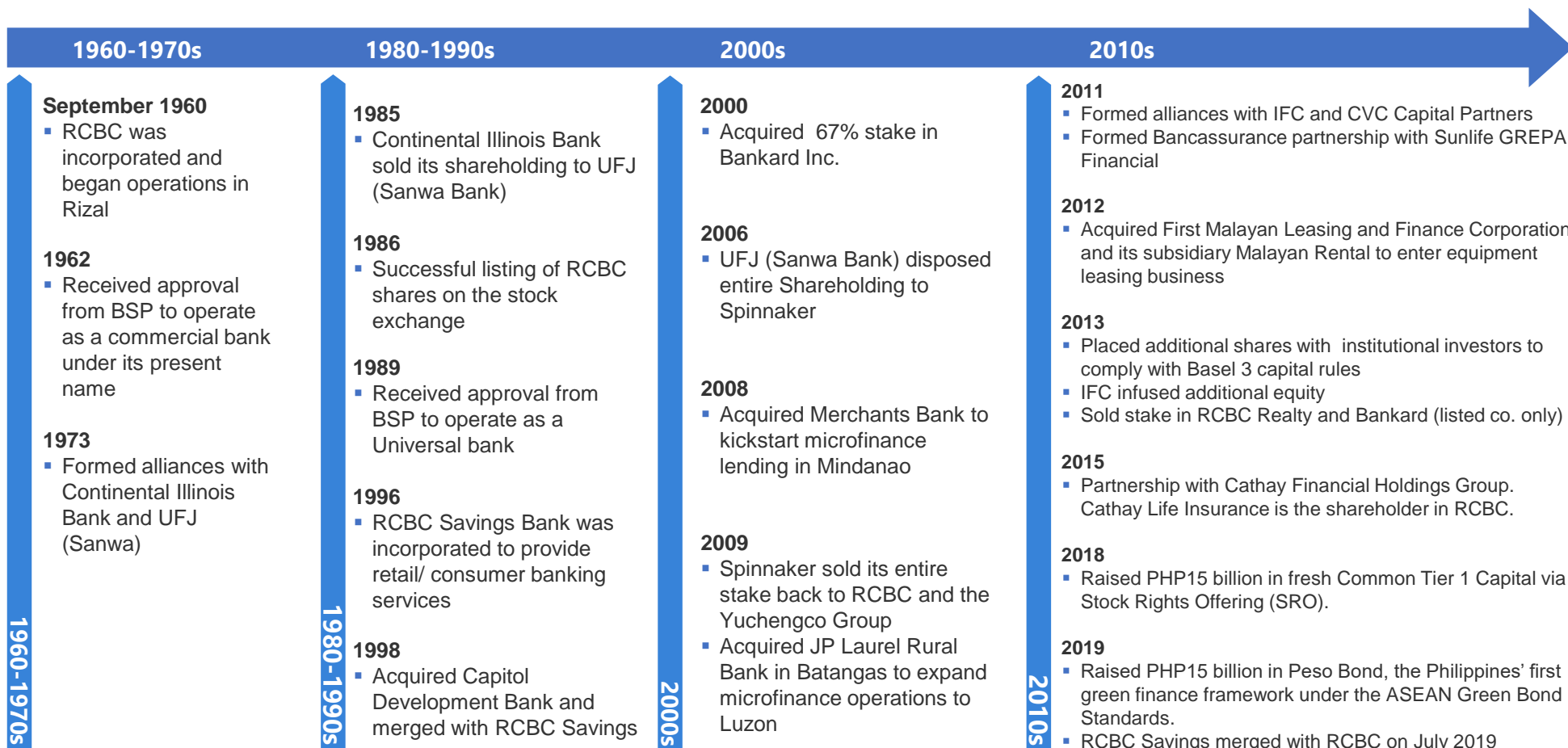


Comprehensive and Diversified Business Platform



Note: RCBC Savings Bank - Thrift Bank was merged with RCBC Parent on July 2019.

Key Milestones



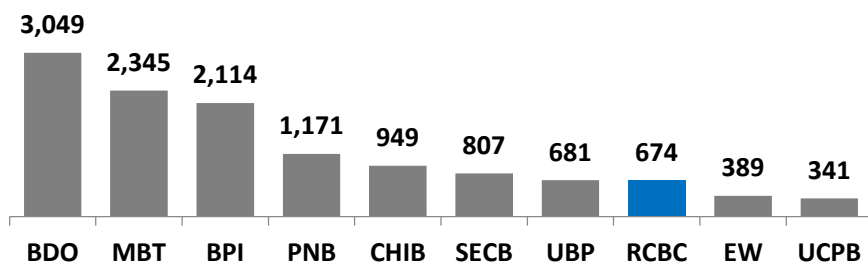
RCBC is the 8th largest private domestic commercial bank in the Philippines by assets as of September 2019

Industry Ranking

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

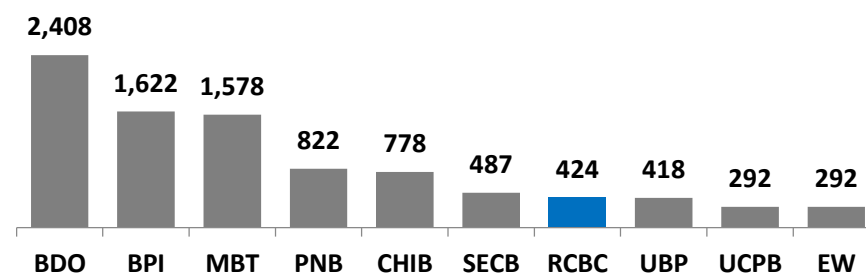
Assets

In PHP Billion



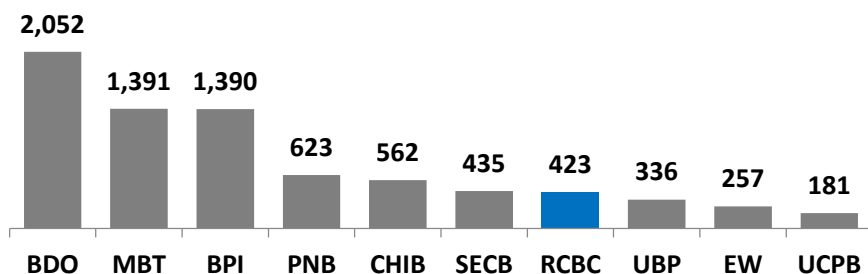
Deposits

In PHP Billion



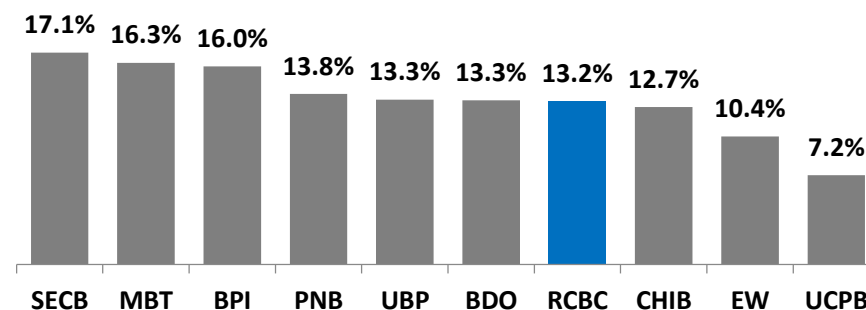
Loans and Receivables

In PHP Billion



*excluding interbank loans (IBLs)

CET1 Ratio



RCBC has a broad, nationwide distribution network



RCBC branches

Regular branches 486

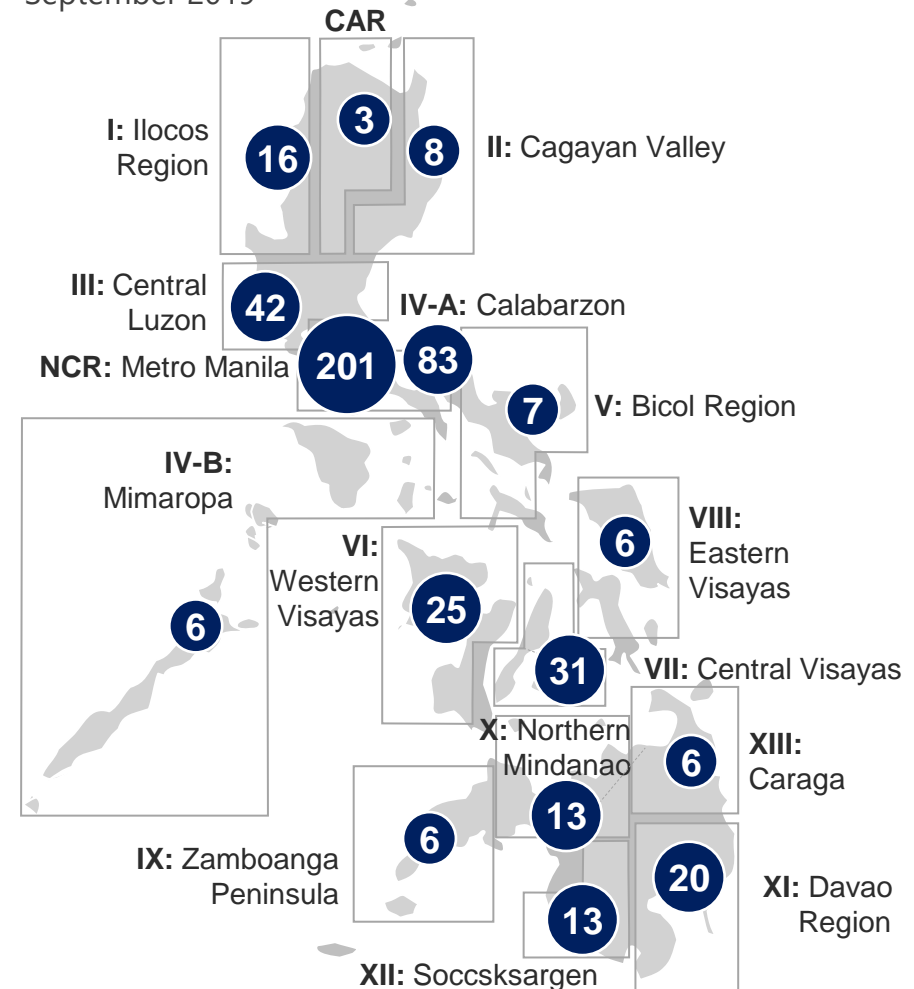
Extension offices 21

Total 507

Note: Total number of branches includes the 21 branches of Rizal Microbank

Branch distribution by Region

September 2019





2. Financial Overview

Income Statement

RCBC (Consolidated)

3Q 2019 (Unaudited) vs. 3Q 2018

Amount in millions Php

Income Statement - Year to Date	3Q 2019 (Unaudited)	3Q 2018 (Audited)	Peso Change	% Change
Interest Income	28,069	22,108	5,961	27.0%
Interest Expense	11,674	7,262	4,412	60.7%
Net Interest Income	16,395	14,846	1,550	10.4%
Other Income	11,335	4,569	6,766	148.1%
Trading Gains and Foreign Exchange	6,760	(214)	6,974	-3254.9%
Trust Fees	231	209	23	10.9%
Service Fees & Commissions	2,881	2,574	307	11.9%
Other Income	1,462	2,001	(539)	-26.9%
Provision for Probable Losses	5,212	1,310	3,902	297.8%
Operating Expenses	16,280	14,350	1,931	13.5%
Provision for Income Tax	1,724	545	1,179	216.4%
Net Income	4,513	3,210	1,304	40.6%

Balance Sheet

RCBC (Consolidated)

3Q 2019 (Unaudited) vs. 3Q 2018

Amount in millions Php

Balance Sheet	As of Sep. 30, 2019	As of Sep. 30, 2018	Peso Change	% Change
Cash/Due from BSP & Other Banks	80,482	93,796	(13,314)	-14.2%
Investment Securities	108,628	97,669	10,959	11.2%
Loans- net (including interbank)	410,006	379,491	30,515	8.0%
Other assets	71,559	43,422	28,137	64.8%
Total Resources	670,676	614,379	56,297	9.2%
Deposit Liabilities	424,179	410,135	14,044	3.4%
Demand	64,600	56,797	7,804	13.7%
Savings	176,322	175,010	1,312	0.7%
Time	183,257	178,328	4,929	2.8%
Other Liabilities	70,942	56,100	14,842	26.5%
Senior Debt	90,867	54,532	36,336	66.6%
Subordinated Debt*	-	9,982	-	-
Total Liabilities	585,988	530,748	55,241	10.4%
Capital Funds	84,687	83,631	1,056	1.3%
Total Liabilities & Capital	670,676	614,379	56,297	9.2%

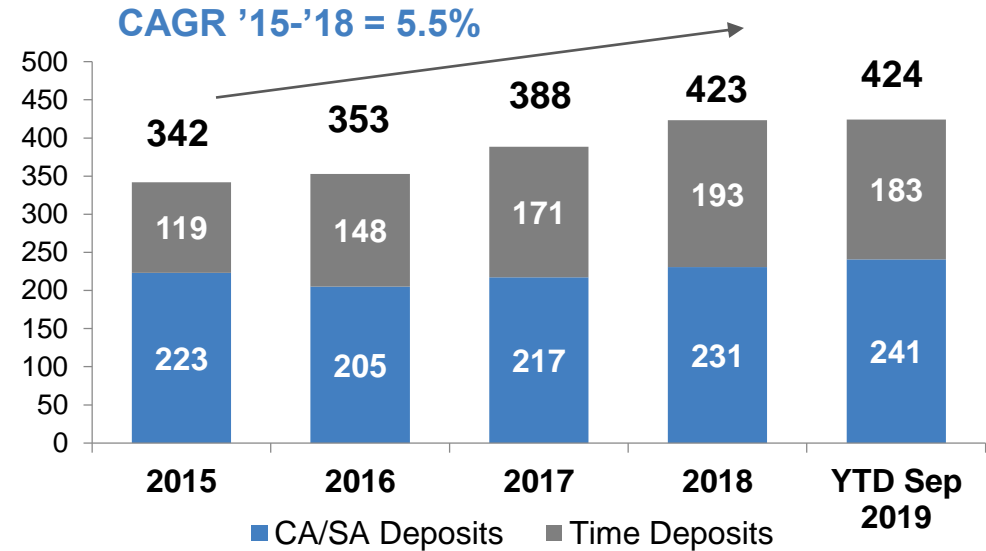
*On May 27, 2019, the RCBC Board approved the Bank's request to exercise its call option and redeem its P10,000 5.375% Tier 2 Notes. The request was subsequently approved by the Monetary Board on July 25, 2019, subject to compliance with BSP conditions. On September 26, 2019, the Bank exercised the call option and fully redeemed the notes.



3. Strategic Initiatives

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

- The Bank has a diversified depositor base, from both the retail and corporate segments.
- Moving forward, the bank will continue to focus on building its customer base by improving our sales productivity through technology, tapping the growing middle class with retail products, and offering a wide range of cash management products for Corporate and SME clients



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



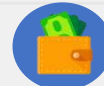
Online Banking

- RCBC Online Corporate (ROC)
- Online Government Payments



Cash Disbursements

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



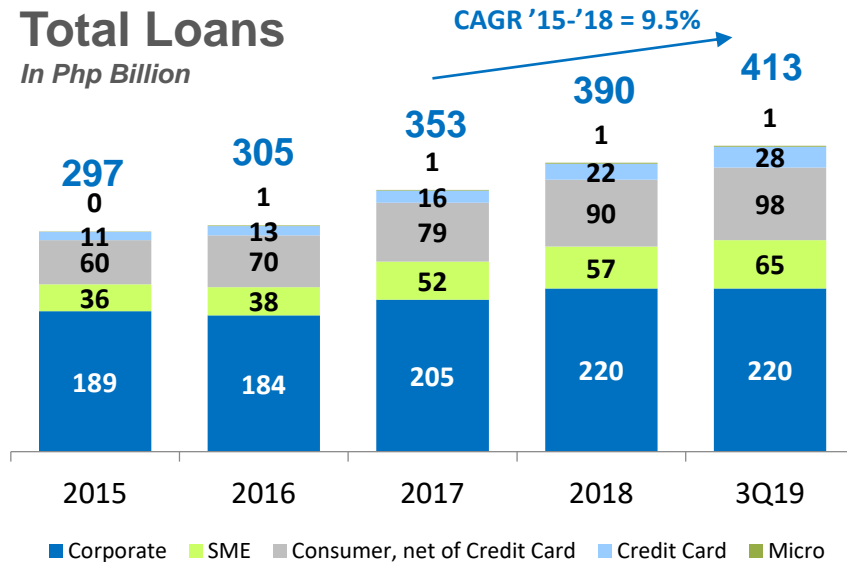
Liquidity Management

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

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

Total Loans

In Php Billion

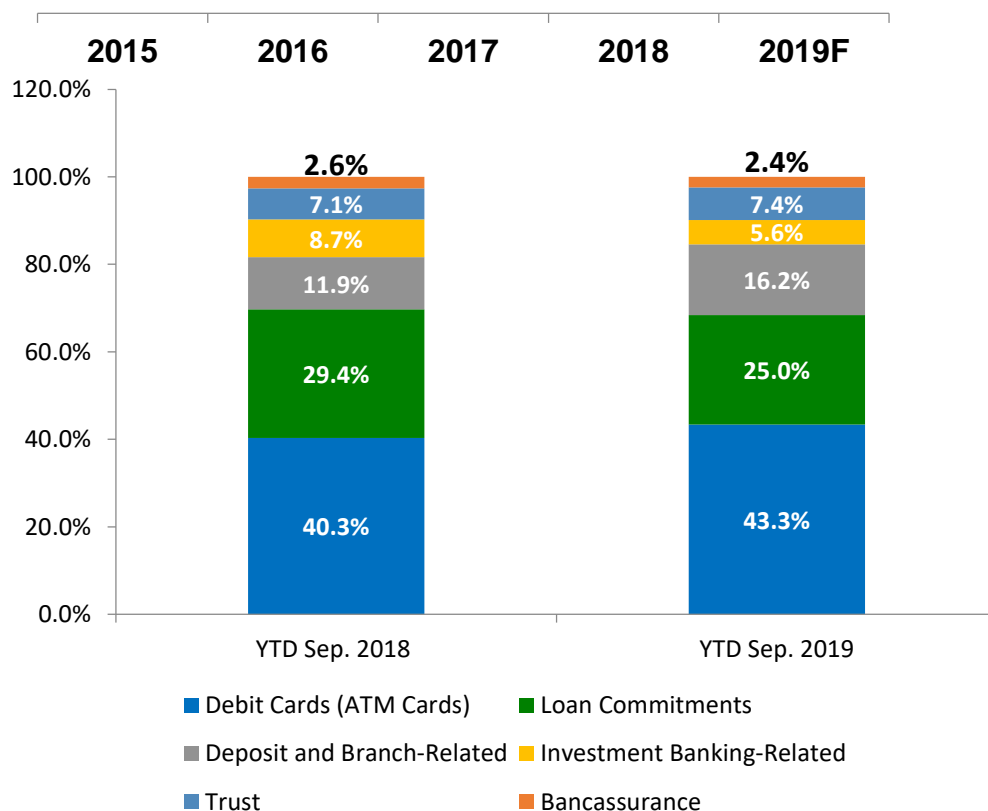


- The Bank will continue to forge strategic partnerships with major car dealerships and developers to support its loan growth initiative
- RCBC will leverage on its wide branch network to generate increased SME, auto and mortgage loan referrals
- The Bank will launch targeted sales campaigns, driven 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

	3Q19 Mix	3Q18 Mix	Change
Corporate	53%	57%	-4%
SME	16%	14%	1%
Consumer, net of Credit Card	24%	23%	1%
Credit Card	7%	5%	2%
Total	100%	100%	0%



Diverse and Stable fee-based revenue



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 stream 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)

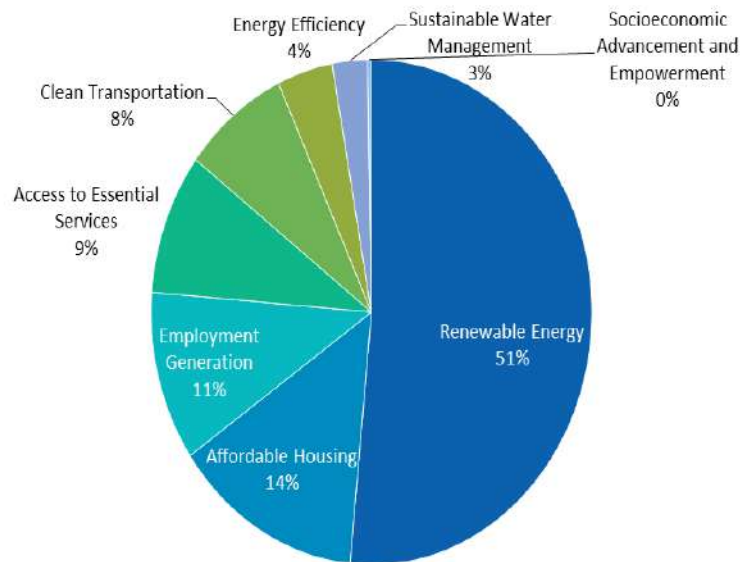


The Bank is a leader in Green and Sustainable finance

- RCBC is the first Philippine universal bank to issue peso-denominated sustainable and green financing under global standards
- About 12% (48.2Bn) of the Bank's loan portfolio are for Green and Sustainable financing

Green and Sustainable Loan Portfolio

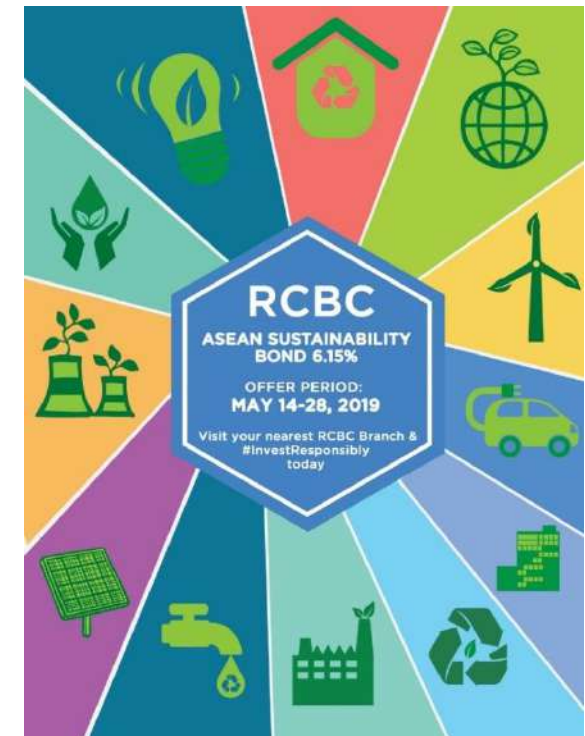
In Bn Php, September 2019



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

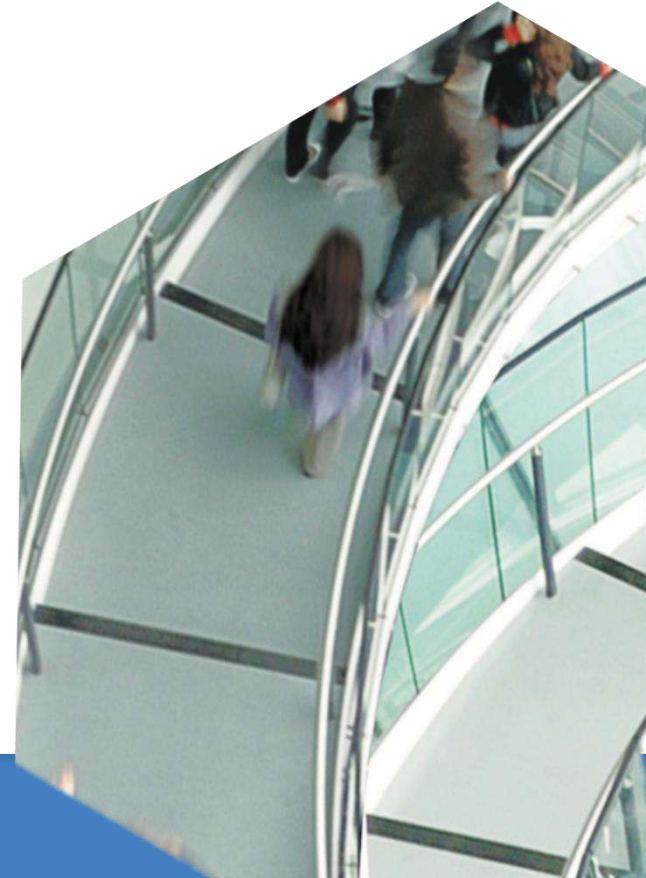


- RCBC bagged awards for two marketing campaigns (Best Brand Program and Best Kiddie Program) during the the 3rd BMAP Marketing Awards - 2019
 - RCBC received several awards, among them six Quill Awards from the International Association of Business Communicators – 2018
 - The Gold Anvil for the brand 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	YTD Sep 2019
Net Interest Income	13.31	14.97	15.58	15.71	18.02	20.49	16.40
Total Non Interest Income	9.81	7.10	6.66	7.11	7.10	6.01	11.33
Gross Income	23.12	22.07	22.23	22.82	25.12	26.50	27.73
Provision for Loan Losses	2.05	2.51	2.35	1.77	2.16	1.90	5.21
Income before Operating Expenses	21.07	19.56	19.88	21.05	22.97	24.60	22.52
Total Operating Expenses	14.47	14.24	15.06	17.36	17.82	19.40	16.28
Income before Tax	6.59	5.33	4.82	3.70	5.15	5.19	6.24
Provision for Income Tax	1.26	0.91	(0.31)	(0.17)	0.84	0.87	1.72
Net Income	5.33	4.41	5.13	3.87	4.31	4.32	4.51
Net Income attributable Parent Company Shareholders	5.32	4.41	5.13	3.87	4.31	4.32	4.51

Consolidated Balance Sheet

(PhP bn)

	2013	2014	2015	2016	2017	2018	YTD Sep
Cash/Due from BSP/Due from Other Banks	70	76	84	107	93	94	80
Loans Arising From REPO	0	0	0	8	10	10	20
FVPL/FVTCI	3	21	9	24	13	30	72
Held to Maturity Investments	89	80	102	52	60	89	37
Interbank Loans Receivables	21	0.3	0.0	0.5	0.0	9.5	23.6
Loans-net	217	261	299	306	354	389	410
Bank Premises, Property & Eqpt. - net	9	7	8	9	9	8	11
Equity Investments - net	0	0	0	0	0	0	2
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	671
Demand	28	32	44	42	52	56	65
Savings	157	164	178	163	165	174	176
Time	112	119	120	148	171	193	183
Deposit Liabilities	298	316	342	353	388	423	424
Other Liabilities	56	56	66	54	61	77	71
Senior Debt	23	23	39	42	28	53	91
Subordinated Debt	-	10	10	10	10	10	0
Total Liabilities	377	405	458	459	487	563	586
Capital Funds	45	53	58	62	67	81	85
Total Liabilities & Capital	422	458	516	521	554	645	671

Consolidated Key Ratios

	2013	2014	2015	2016	2017	2018	YTD Sep 2019
Return on Average Capital Funds	12.2%	9.2%	9.3%	6.4%	6.7%	5.8%	7.3%
Return on Average Assets	1.4%	1.0%	1.1%	0.8%	0.8%	0.7%	0.9%
Net Interest Margin	4.2%	4.3%	4.2%	4.1%	4.3%	4.0%	3.9%
Cost-to-Income Ratio	61.2%	64.5%	67.7%	76.1%	70.9%	73.2%	58.7%
CASA to Total Deposits	62.3%	62.2%	65.0%	58.1%	55.9%	54.4%	56.8%
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%	14.1%

**Non-performing loans (NPLs) were net of total specific allowance for expected credit losses per BSP Circular No. 941 of 2017.*

*** Basel 3 as of 2014*



Thank you.