



Investor Presentation

FY 2019

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1. Introducing RCBC

RCBC is a leading financial services provider in the Philippines



Incorporated in 1960, RCBC is the **7th largest private domestic bank** in the Philippines by assets, with a market capitalization of Php44.52bn (USD0.86bn)¹ and share price of Php23.00².

Member of the Yuchengco Group of Companies (YGC).

Main Business Lines

Corporate Banking

Retail Banking

Bancassurance

SME Banking

Consumer Loans
(Auto, Housing, Salary)

Trust and Investments

Investment Banking

Credit Cards

Foreign Exchange

Extensive Branch Network

507 Branches
1,530 ATMs
6,611 Employees

Key Financial Metrics (FY 2019)

Figures in Bn USD

USD
15.5B
Assets

+19%

USD
8.5B
Loans³

+14%

USD
9.0B
Deposits

+8%

USD
708.2M
Revenues

+35%

USD
106.4M
Net Income

+25%

¹Exchange Rate – US\$ 1 = PHP50.635 as of end-December 2019

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

³Regular Loans net of Interbank loans

Investment Information

Equity Profile

Particulars	2019
Ticker	RCB
Issued shares	1,935.63mn
Stock Price	23.00
Market Cap	Php 44.2bn (USD0.88bn)
BV per share	Php 42.95
Price to Book	0.54

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

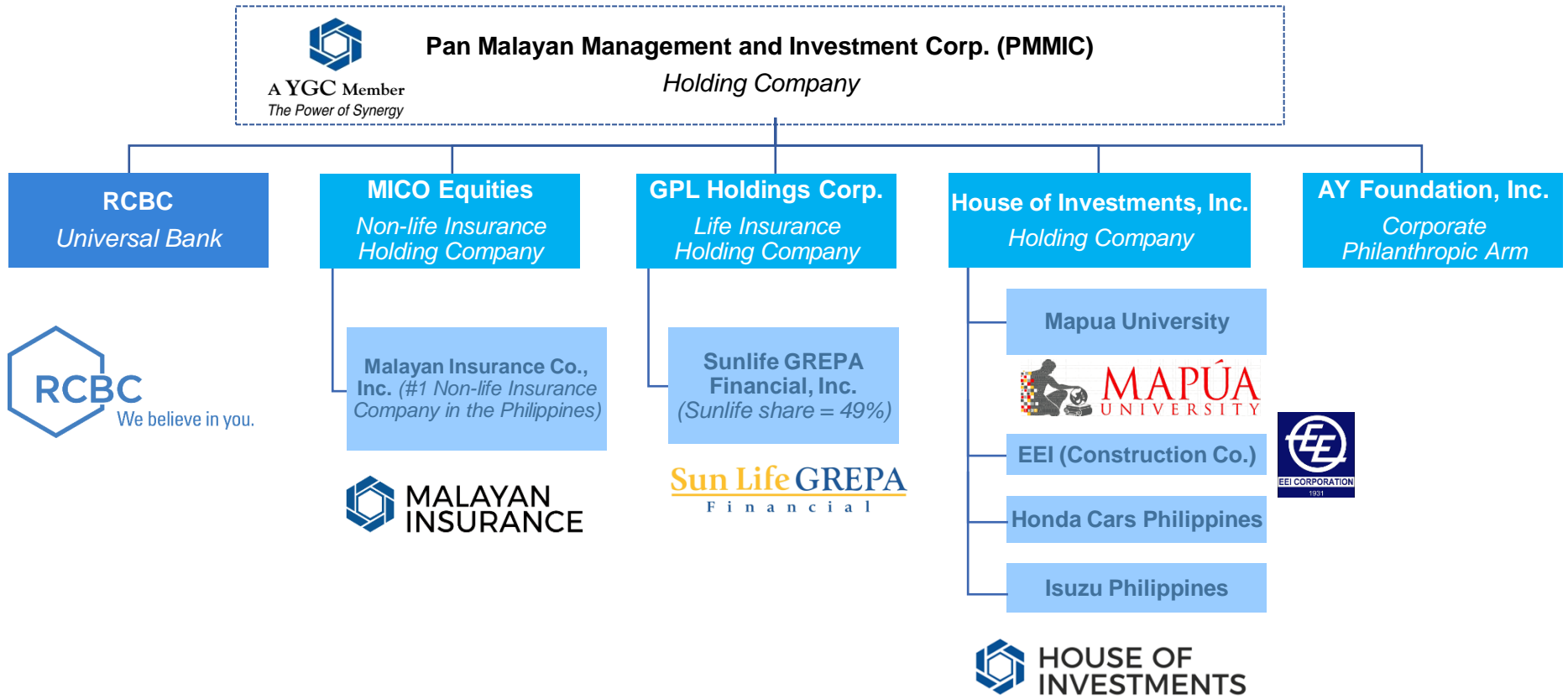
*Investment Grade rating by Moody's on December 2019

Results of the Stock Rights Offering in July 2018:

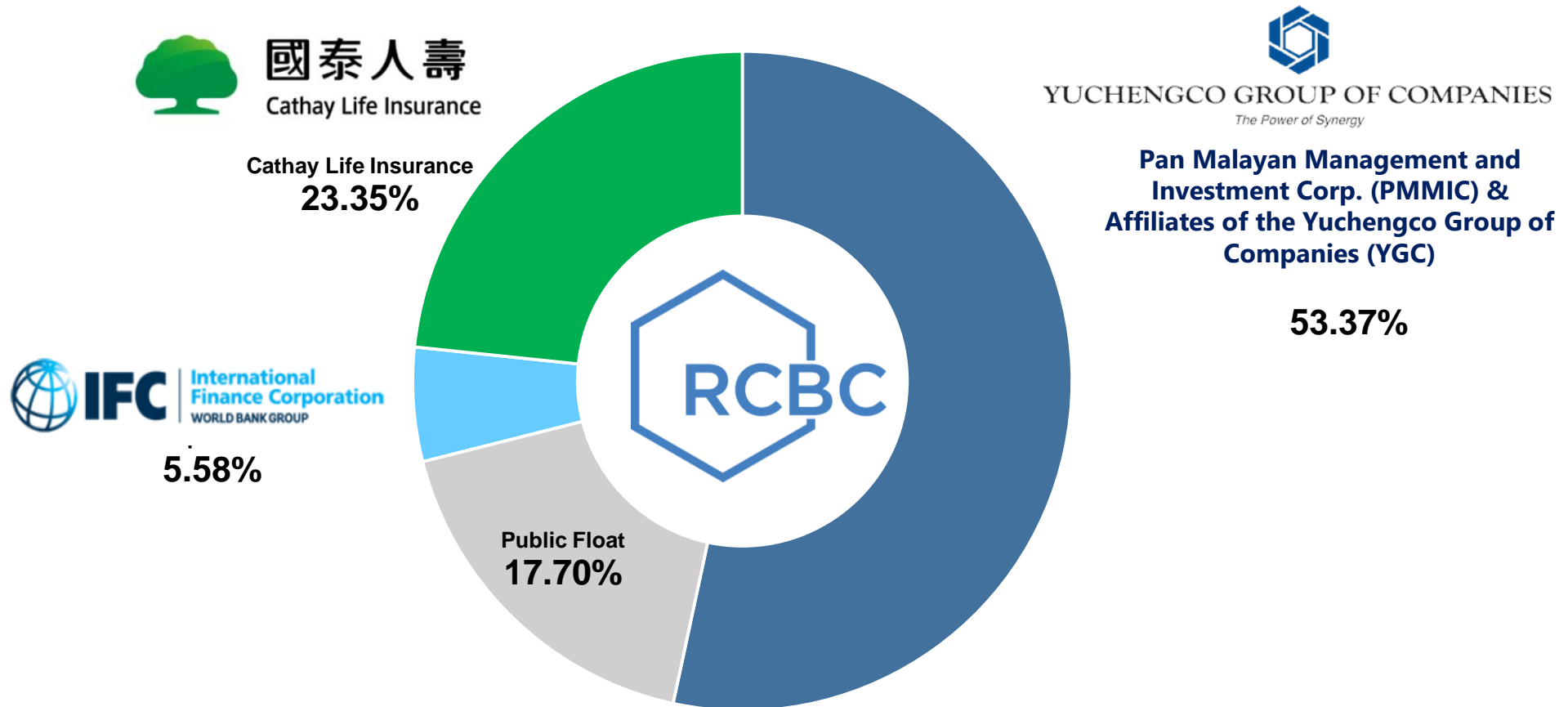
- RCBC's Stock Rights Offering (SRO) of 535,710,378 million shares were listed in the Philippine Stock Exchange (PSE) on July 16, 2018 and the gross proceeds amounting to PHP14,999,890,584 were booked on the same date.
 - The shares were offered at PHP28.00 with entitlement ratio of 1 Right Share for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

Yuchengco Group of Companies

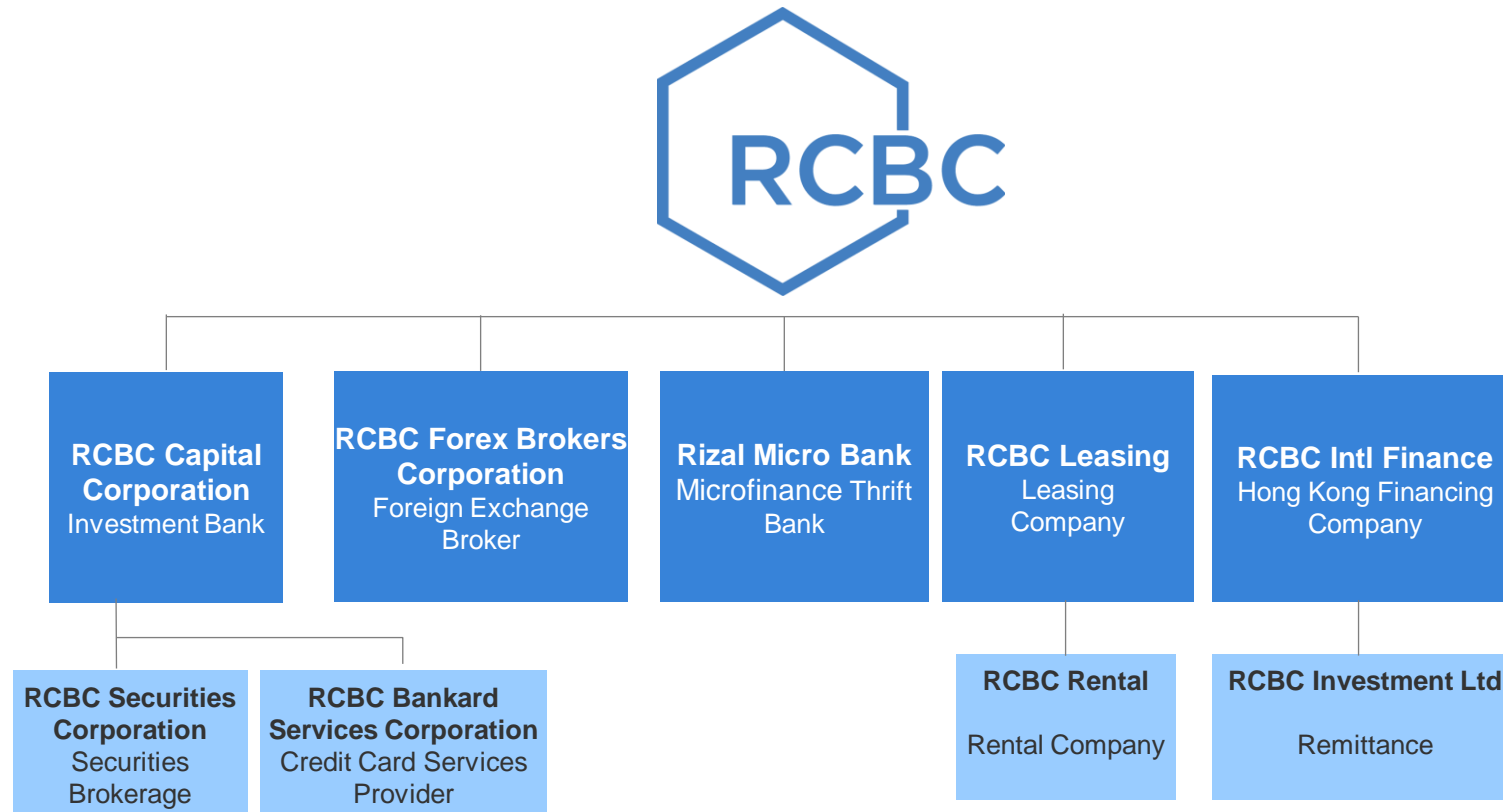
- **RCBC is a member of the Yuchengco Group of Companies (YGC)**, one of the premier business conglomerates in the Philippines.
- The group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products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



Ownership Structure

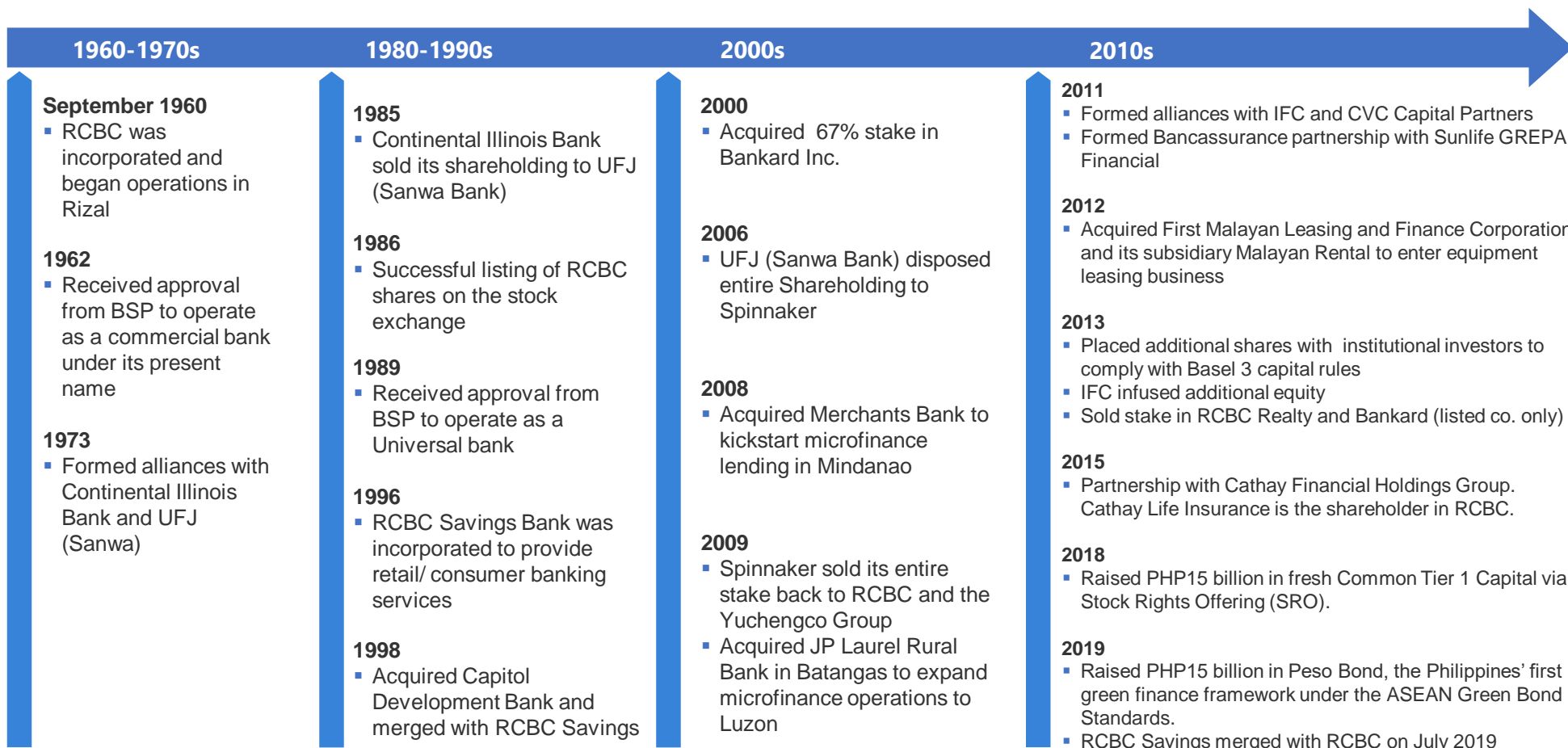


Comprehensive and Diversified Business Platform



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

Key Milestones



RCBC is the 7th largest private domestic commercial bank in the Philippines by assets as of December 2019

RCBC has a broad, nationwide distribution network



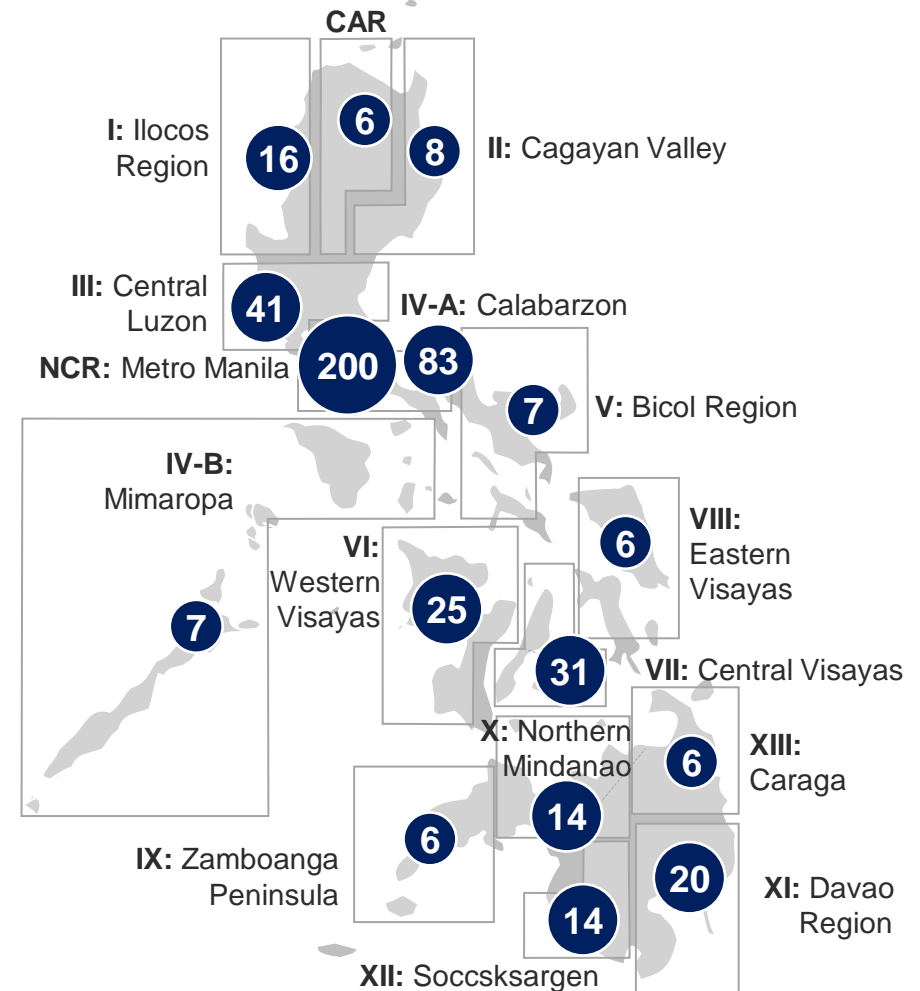
RCBC branches

Regular branches	496
Extension offices	11
Total	507

Note: Branch total includes the 21 branches of Rizal Microbank, RCBC's Microfinance Thrift Bank subsidiary

Branch distribution by Region

December 2019





2. Financial Overview

Income Statement

RCBC (Consolidated)

2019 vs. 2018

Amount in millions Php

Income Statement - Year to Date	2019 (Audited)	2018 (Audited)	Peso Change	% Change
Interest Income	37,578	30,933	6,645	21.5%
Interest Expense	15,210	10,444	4,766	45.6%
Net Interest Income	22,368	20,489	1,879	9.2%
Other Income	13,490	6,006	7,484	124.6%
Trading Gains and Foreign Exchange	7,839	843	6,996	829.9%
Trust Fees	323	278	45	16.3%
Service Fees & Commissions	3,854	3,323	531	16.0%
Other Income	1,474	1,562	(88)	-5.6%
Provision for Probable Losses	7,397	1,899	5,498	289.5%
Operating Expenses	21,798	19,403	2,395	12.3%
Provision for Income Tax	1,275	872	403	46.2%
Net Income	5,388	4,321	1,067	24.7%

Balance Sheet

RCBC (Consolidated)

2019 vs. 2018

Amount in millions Php

Balance Sheet	2019	2018	Peso Change	% Change
Cash/Due from BSP & Other Banks	122,980	94,229	28,751	30.5%
Investment Securities	160,719	118,450	42,269	35.7%
Loans- net (excluding interbank)	430,416	378,746	51,670	13.6%
Other assets	52,964	53,170	(206)	-0.4%
Total Resources	767,079	644,595	122,484	19.0%
Deposit Liabilities	456,581	423,399	33,182	7.8%
Demand	70,523	56,413	14,110	25.0%
Savings	179,247	174,107	5,140	3.0%
Time	206,811	192,879	13,932	7.2%
Other Liabilities	130,834	76,950	53,884	70.0%
Senior Debt	96,814	53,090	43,724	82.4%
Subordinated Debt*	-	9,986	-	-
Total Liabilities	684,229	563,425	120,804	21.4%
Capital Funds	82,850	81,170	1,680	2.1%
Total Liabilities & Capital	767,079	644,595	122,484	19.0%

*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.



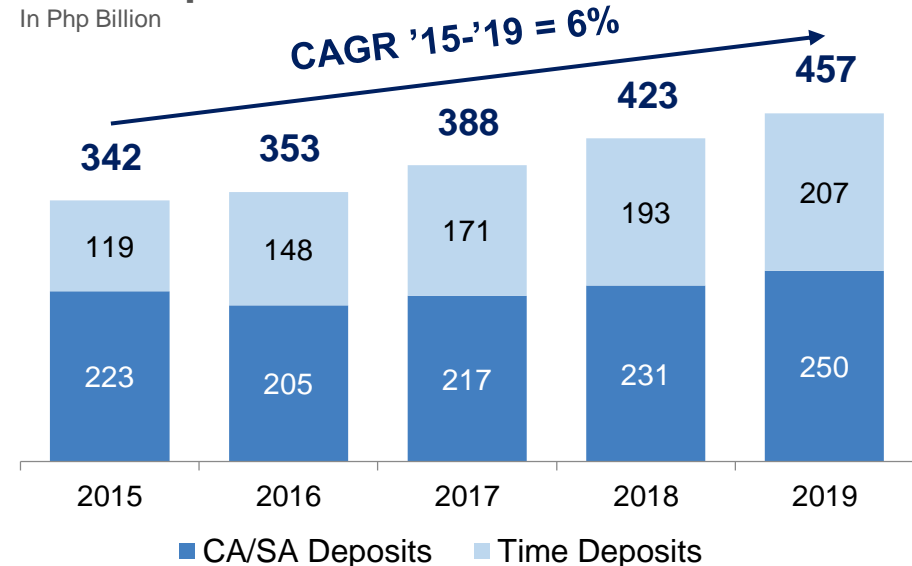
3. Strategic Initiatives

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

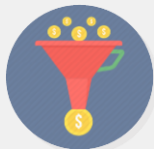
- The Bank has a diversified depositor base, from both the retail and corporate segments.
- Moving forward, the bank will continue to focus on building its customer base by improving our sales productivity through technology, tapping the growing middle class with products for the. Mass affluent, and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

Total Deposits

In Php Billion



RCBC has a diverse 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



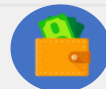
Online Banking

- RCBC Online Corporate (ROC)
- Online Government Payments



Cash Disbursements

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



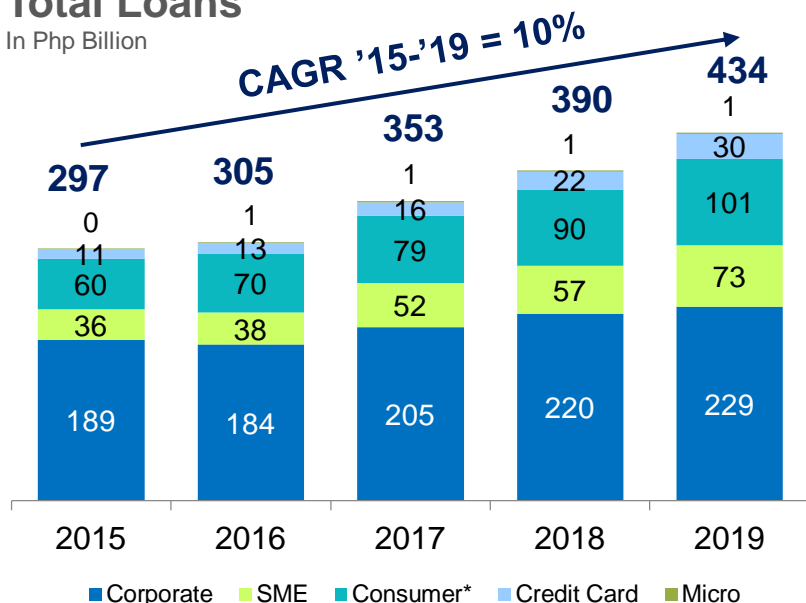
Liquidity Management

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

Well-diversified loan portfolio, driven by the consumer segment

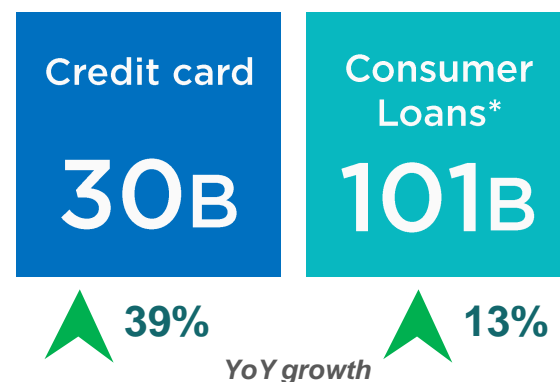
Total Loans

In Php Billion



- The Bank will continue to forge strategic partnerships with major car dealerships and real estate developers to support consumer loan growth
- RCBC leverages on its wide branch network to generate increased SME and consumer loan referrals
- The Bank also uses targeted sales campaigns, driven by data science, to increase cross selling and credit card usage
- RCBC Bankard has one of the fastest growing credit card portfolios in the Philippines

Loan Mix	2019	2018	Change
Corporate	53%	56%	-3%
SME	17%	15%	2%
Consumer*	23%	23%	0%
Credit Card	7%	6%	1%
Total	100%	100%	0%

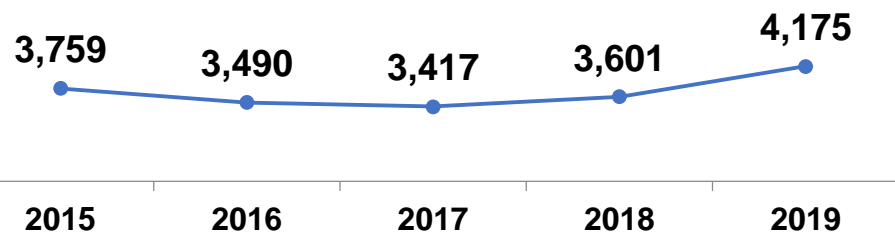


*Auto, Mortgage, and Personal/Salary Loans

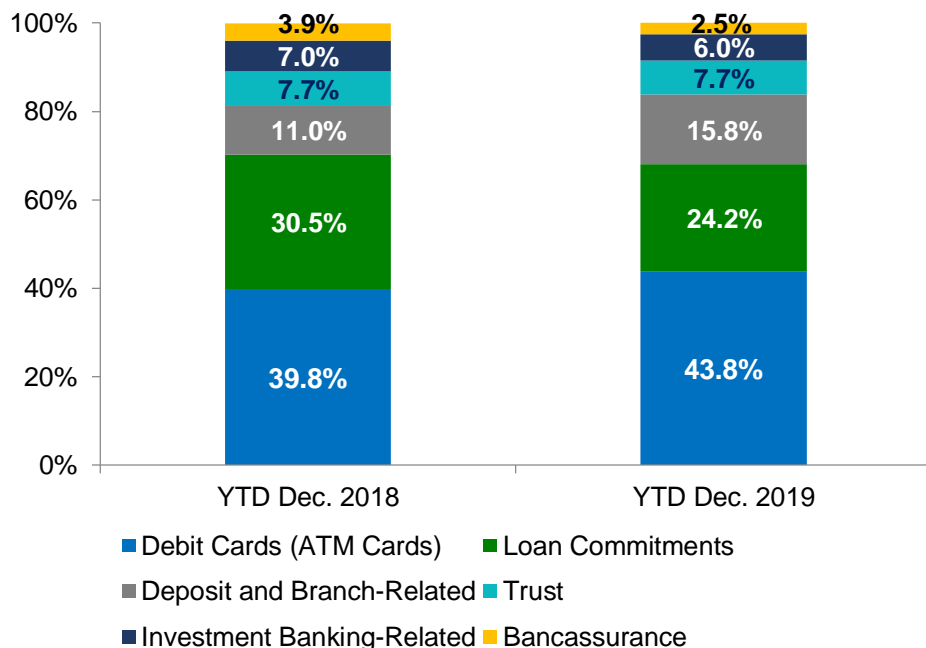
Diverse and Stable fee-based revenue

Fee Income

In Php Million



Fee Income by Source



Fee income growth strategy

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



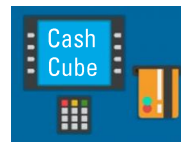
Financial Inclusion: Basic Deposit Accounts

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)

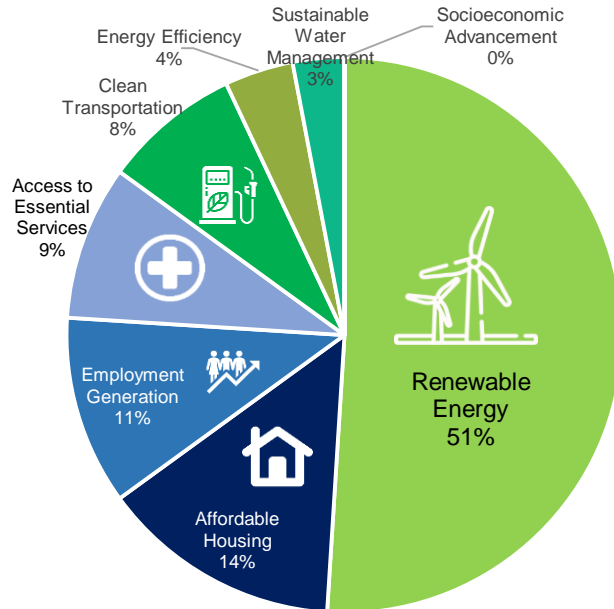


The Bank is a leader in Green and Sustainable Finance

- RCBC is the first Philippine universal bank to issue green and sustainable financing instruments under global standards

RCBC Sustainable Loan Portfolio

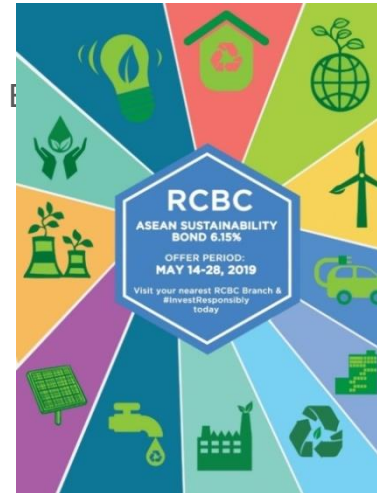
31 December 2019



34.2B
Green

17.6B
Social

About 11% (51.8Bn) of the Bank's loan portfolio are eligible Green and Sustainable financing



MSCI



ESG rating

A

RCBC Sustainability Bond
Php8B (\$160M)

RCBC Sustainability Bond
\$300M

RCBC Green Bond
Php15B (\$285M)



4. Recognition

Recognized by multiple award-giving bodies

WORLD FINANCE

Best Commercial Bank in the Philippines - 2017
Best Banking Group in the Philippines - 2017

ASIAMONEY

Best SME Bank - 2018
Best for Credit Derivatives - 2016
Best Market Coverage - 2016
Best for Credit Sales - 2016
Best Domestic Provider for Credit - Philippines - 2016

INTERNATIONAL FINANCE

Best Card Offering-Philippines - 2018

ASIAN BANKING & FINANCE

Syndicated Loan of the Year - RCBC Capital



Best Issuer for Sustainable Finance - 2020
Best Sustainability Bond Philippines - 2020
Transport Deal of the Year - 2019



Best Practices award - 2020



Award for Communication Management - Marketing, Advertising and Brand Communication - 2018
Special awards for five (5) advertising campaigns - 2018



Asia-Pacific Renewables Deal of the Year - 2017
Infra deal of the Year - 2016



Best SME Bank - 2016

5. Appendix



Consolidated Income Statement

Historical – in Php Bn

	2013	2014	2015	2016	2017	2018	2019
Net Interest Income	13.31	14.97	15.58	15.71	18.02	20.49	22.37
Total Non Interest Income	9.81	7.10	6.66	7.11	7.10	6.01	13.49
Gross Income	23.12	22.07	22.23	22.82	25.12	26.50	35.86
Provision for Loan Losses	2.05	2.51	2.35	1.77	2.16	1.90	7.40
Income before Operating Expenses	21.07	19.56	19.88	21.05	22.97	24.60	28.46
Total Operating Expenses	14.47	14.24	15.06	17.36	17.82	19.40	21.80
Income before Tax	6.59	5.33	4.82	3.70	5.15	5.19	6.66
Provision for Income Tax	1.26	0.91	(0.31)	(0.17)	0.84	0.87	1.28
Net Income	5.33	4.41	5.13	3.87	4.31	4.32	5.39
Net Income attributable Parent Company Shareholders	5.32	4.41	5.13	3.87	4.31	4.32	5.39

Consolidated Balance Sheet

Historical – in Php Bn

	2013	2014	2015	2016	2017	2018	2019
Cash/Due from BSP/Due from Other Banks	70	76	84	107	93	94	123
Loans Arising From REPO	0	0	0	8	10	10	6
FVPL/FVTCI	3	21	9	24	13	30	60
Held to Maturity Investments	89	80	102	52	60	89	101
Interbank Loans Receivables	21	0.3	0.0	0.5	0.0	9.5	18.8
Loans-net	217	261	299	306	354	389	430
Bank Premises, Property & Eqpt. - net	9	7	8	9	9	8	11
Equity Investments - net	0	0	0	0	0	0	0
Investment Properties - net	5	5	3	3	3	4	4
Other Assets	8	7	10	12	11	11	13
Total Assets	422	458	516	521	554	645	767
Demand	28	32	44	42	52	56	71
Savings	157	164	178	163	165	174	179
Time	112	119	120	148	171	193	207
Deposit Liabilities	298	316	342	353	388	423	457
Other Liabilities	56	56	66	54	61	77	131
Senior Debt	23	23	39	42	28	53	97
Subordinated Debt	-	10	10	10	10	10	0
Total Liabilities	377	405	458	459	487	563	684
Capital Funds	45	53	58	62	67	81	83
Total Liabilities & Capital	422	458	516	521	554	645	767

Key Ratios

Historical

	2013	2014	2015	2016	2017	2018	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%	4.0%
Cost-to-Income Ratio	61.2%	64.5%	67.7%	76.1%	70.9%	73.2%	60.7%
CASA to Total Deposits	62.3%	62.2%	65.0%	58.1%	55.9%	54.4%	54.7%
NPL Ratio*	1.1%	0.9%	0.8%	1.0%	1.3%	1.3%	2.2%
CAR**	16.5%	15.4%	15.7%	16.2%	15.5%	16.1%	13.8%

**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.