



Investor Presentation

1Q 2020

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1. Introducing RCBC

RCBC is a leading financial services provider in the Philippines



Incorporated in 1960, RCBC is the **8th largest private domestic bank** in the Philippines by assets, with a market capitalization of Php33.10bn (USD0.65bn)¹ and share price of Php17.10².

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

509 Branches
1,537 ATMs
6,561 Employees

Key Financial Metrics (1Q 2020)

Figures in PHP

715B
Assets

+8%

470B
Loans

+16%

488B
Deposits

+17%

10.0B
Revenues

+23%

2.3B
Net Income

+77%

¹Exchange Rate – US\$ 1 = PHP50.68 as of end-March 2020

²Market Capitalization and Share Price as of end-March 2020

Investment Information

Equity Profile

Particulars	1Q 2020
Ticker	RCB
Issued shares	1,935.63mn
Stock Price	17.10
Market Cap	Php 33.10bn (USD0.65bn)
BV per share	Php 43.75
Price to Book	0.39

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

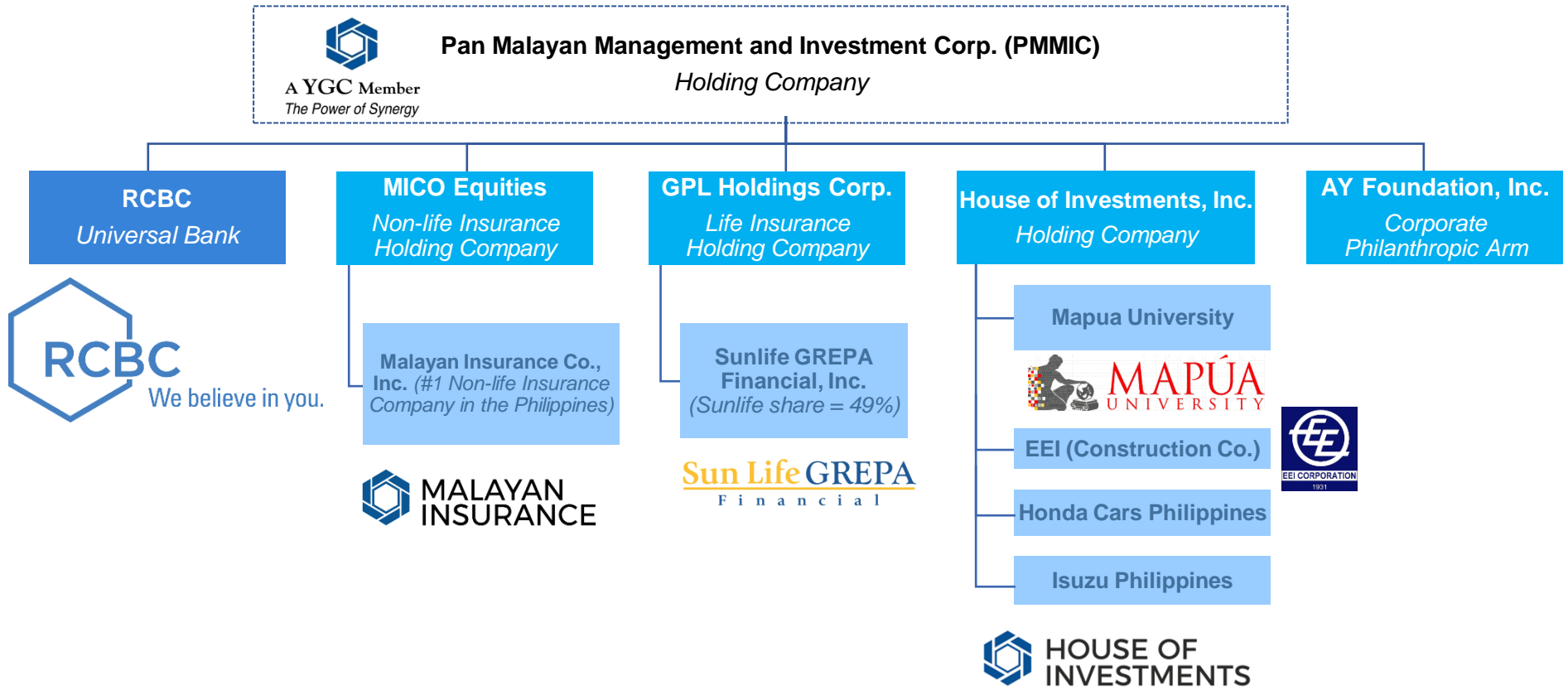
*Investment Grade rating by Moody's on December 2019

Results of the Stock Rights Offering in July 2018:

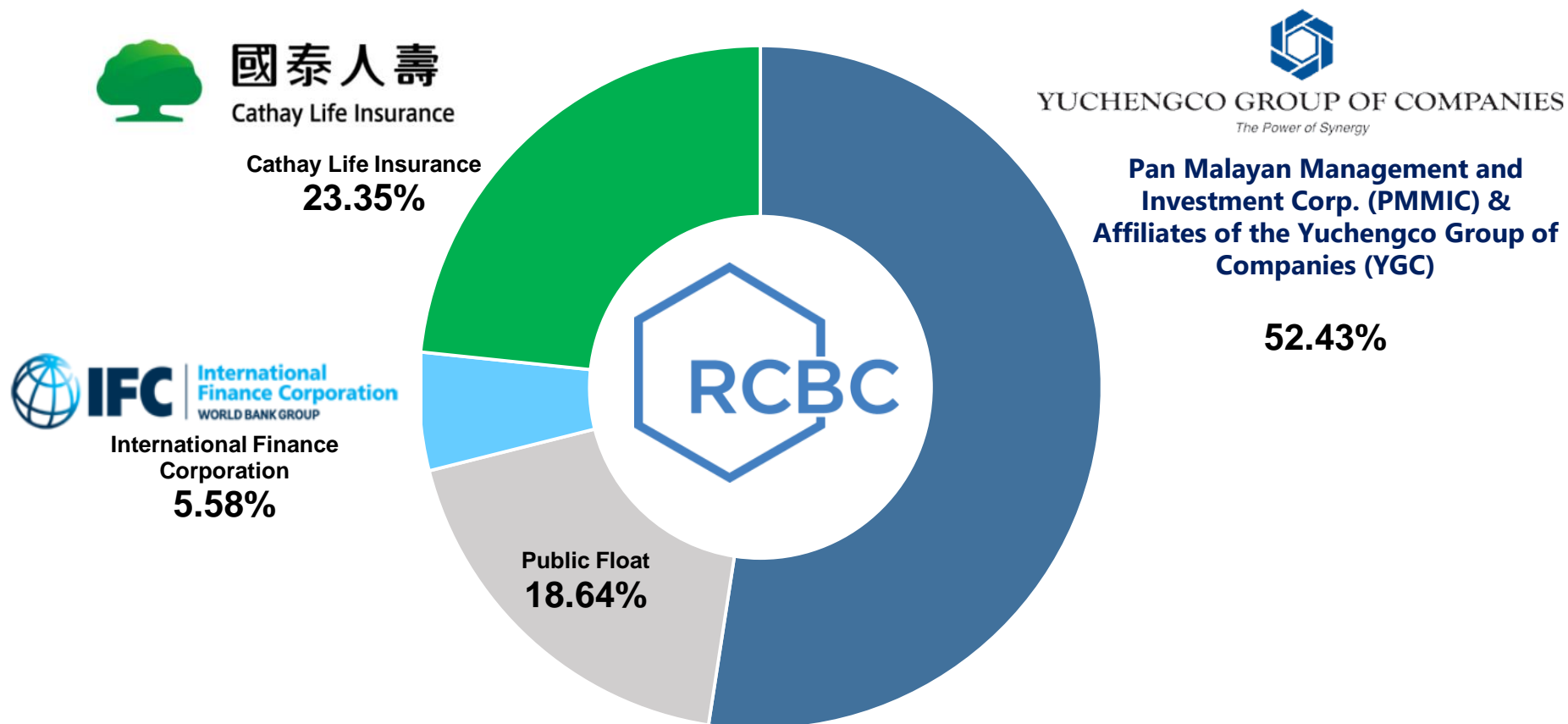
- RCBC's Stock Rights Offering (SRO) of 535,710,378 million shares were listed in the Philippine Stock Exchange (PSE) on July 16, 2018 and the gross proceeds amounting to PHP14,999,890,584 were booked on the same date.
 - The shares were offered at PHP28.00 with entitlement ratio of 1 Right Share for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

Yuchengco Group of Companies

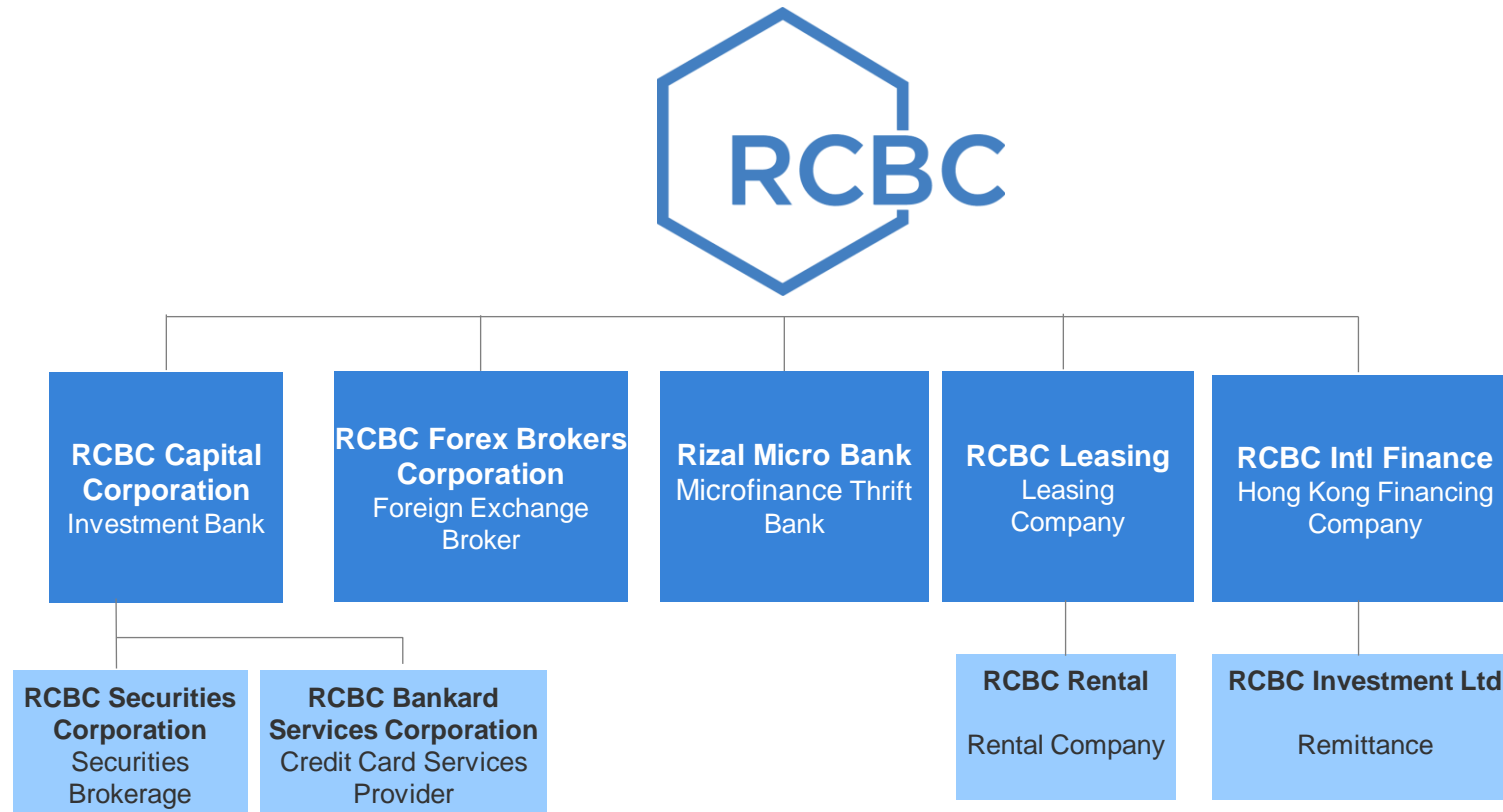
- **RCBC is a member of the Yuchengco Group of Companies (YGC)**, one of the premier business conglomerates in the Philippines.
- The group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products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



Ownership Structure

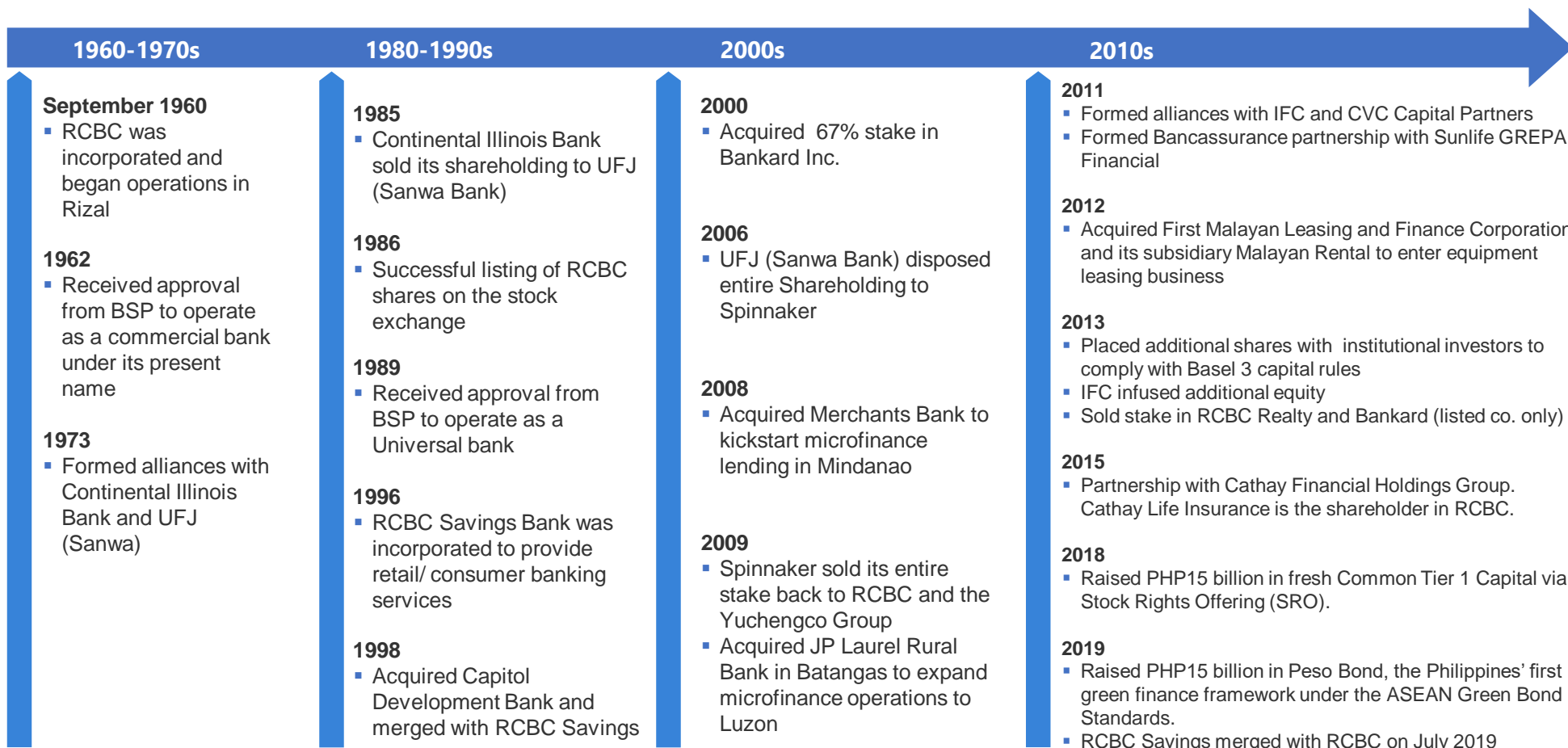


Comprehensive and Diversified Business Platform



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

Key Milestones



RCBC is the 8th largest private domestic commercial bank in the Philippines by assets as of March 2020

RCBC has a broad, nationwide branch network



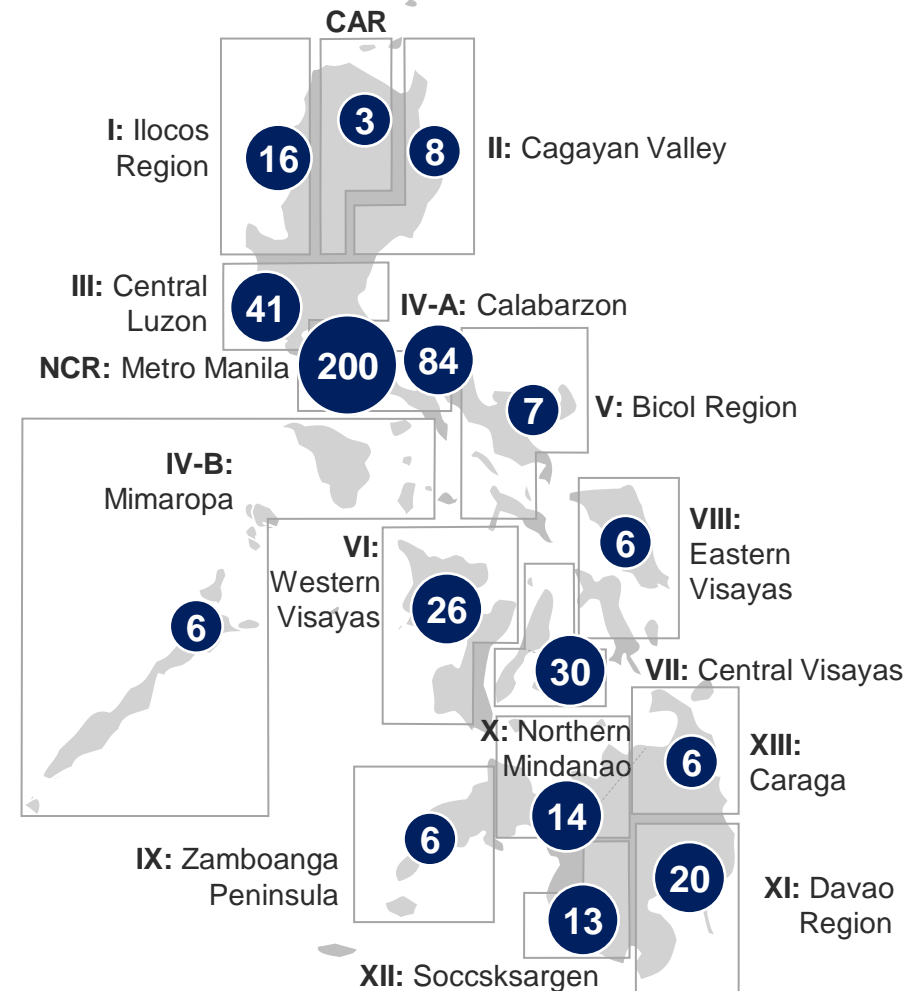
RCBC branches

Regular branches	497
Extension offices	12
Total	509

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

Branch distribution by Region

December 2019





2. Economic Overview

Recession likely due to COVID-19 Pandemic

Several industries hard-hit such as Travel & Services

FORECAST
Philippine
GDP growth rate

-2 to -4%

From usual +6 to 7%

- Philippine growth constrained in view of the stringent quarantine measures to contain the COVID-19 outbreak.
- **1Q 2020 GDP contracted by -0.2%**, first contraction since 1998
- At least **Php1.7 to 2.1 trillion in total economic losses** could completely erase the usual Philippine GDP growth of at least 6% under normal conditions (before COVID-19) for most of the recent years

1Q 2020 GDP growth contracted by -0.2%, the first contraction since 1998

	% of GDP	1Q 2020	1Q 2019	Difference	Contribution to the -0.2% GDP Growth
GDP Growth	100.0%	-0.2%	5.7%	-5.9%	
GDP by Expenditure Shares					
Consumer Spending	74.5%	0.2%	6.2% ↓	-6.1%	0.1%
Gov't. Spending	12.7%	7.1%	6.4% ↑	0.7%	0.8%
Investments	21.0%	-18.3%	9.8% ↓	-28.1%	-4.7%
Exports	30.3%	-3.0%	4.2% ↓	-7.2%	-1.0%
Imports	38.9%	-9.0%	8.9% ↓	-17.9%	-3.9%
GDP by Industrial Origin					
Services	60.3%	1.4%	7.1% ↓	-5.7%	0.8%
Industry	29.9%	-3.0%	4.9% ↓	-7.9%	-0.9%
Agriculture	9.9%	-0.4%	0.5% ↓	-0.9%	-0.04%

Source: Philippine Statistics Authority (PSA)

Note: Using 2018 base year

Latest GDP growth contraction was largely brought about by:

- Disruptions/shutdowns in production/output
- Supply chain disruptions locally and globally due to the enhanced community quarantine (ECQ)/ lockdown in Luzon and in other areas of Visayas and Mindanao in the final 2 weeks of March 2020.



3. Financial Overview

RCBC Net Income Sustains Its Strong Momentum

Amounts in PHP Millions

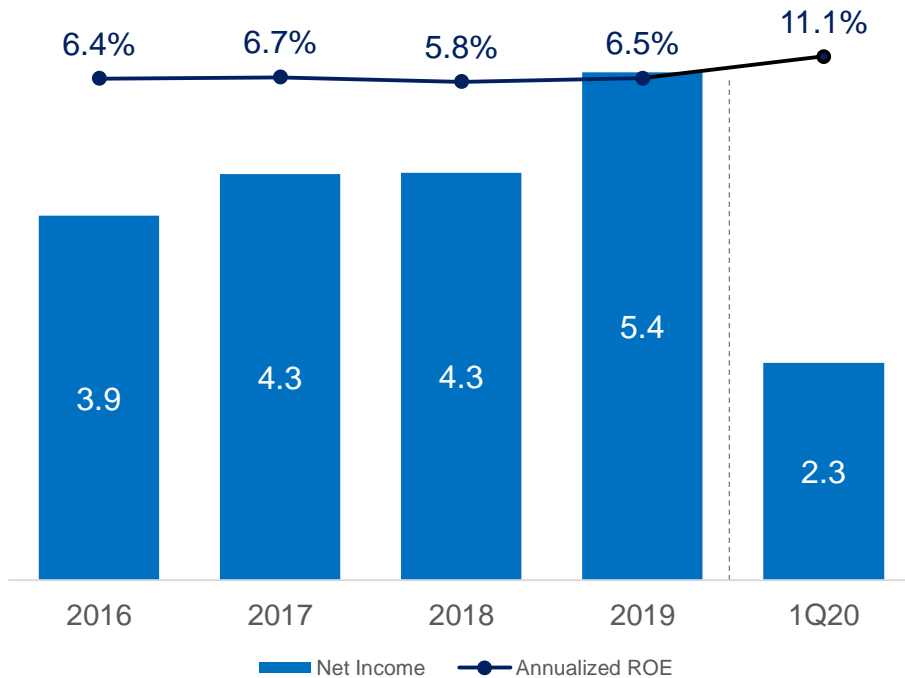
	1Q20	1Q19	Change	% Change
SELECT INCOME STATEMENT DATA				
Net Interest Income	6,300	5,288	1,013	19.2%
Non-Interest Income	3,693	2,859	834	29.2%
Operating Expenses	5,556	5,232	324	6.2%
Provision for Probable Losses	1,601	1,134	467	41.2%
Net Income	2,308	1,305	1,004	76.9%
SELECT BALANCE SHEET DATA				
Assets	715,322	664,727	50,595	7.6%
Loans	470,198	404,013	66,185	16.4%
Deposits	488,335	415,965	72,370	17.4%
Capital	84,708	83,261	1,447	1.7%

*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.

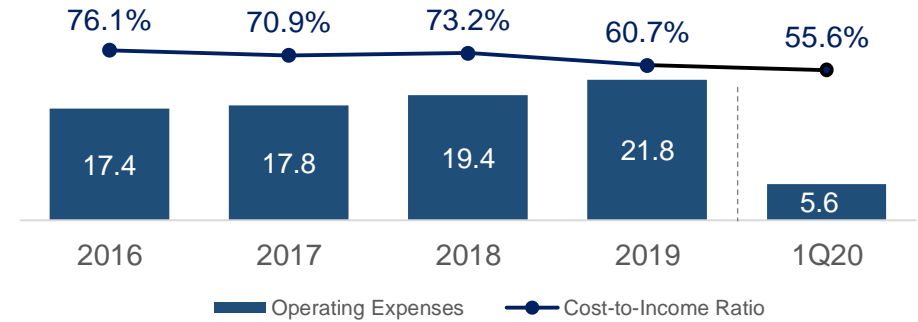
Historical Financial Performance

Amounts in PHP Billions

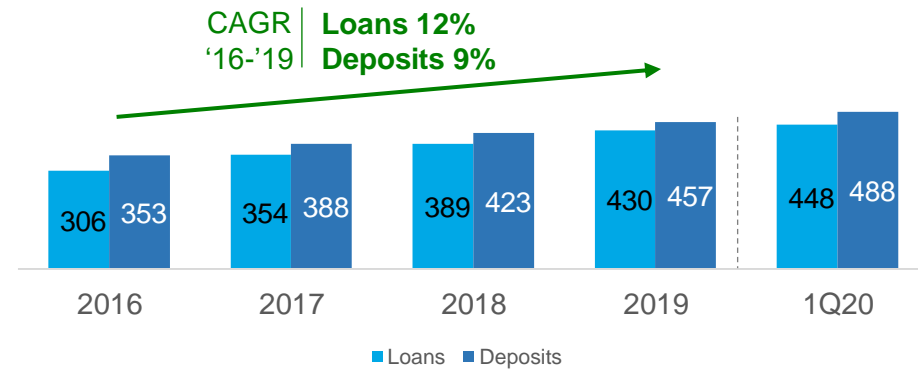
PROFITABILITY



OPERATING EFFICIENCY



LOANS AND DEPOSITS



Consolidated Income Statement

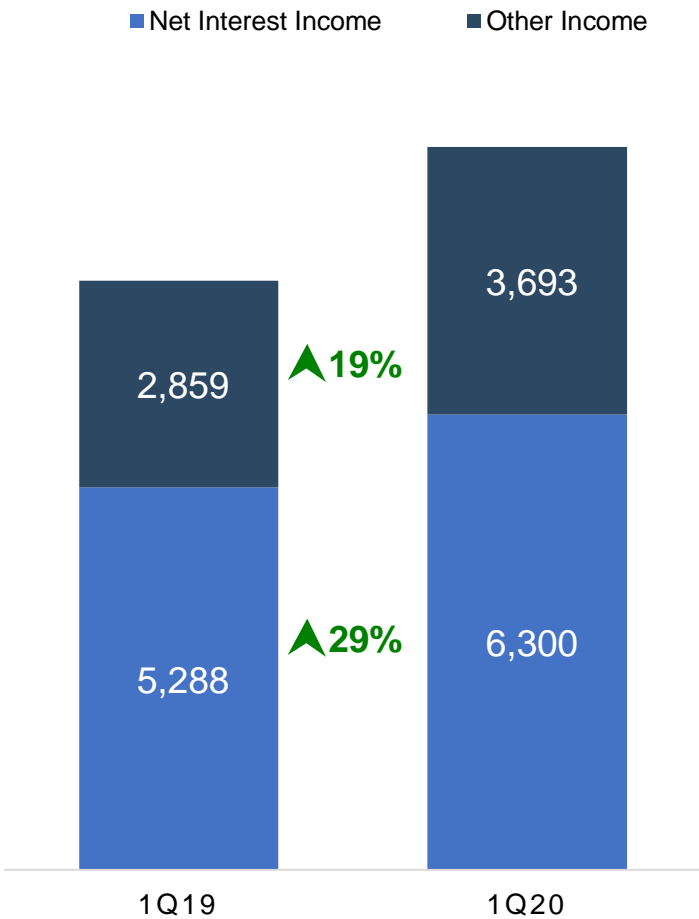
Amounts in PHP Millions

	1Q20	1Q19	Change	% Change
Interest Income	9,512	9,083	429	4.7%
Interest Expense	3,212	3,796	(584)	-15.4%
Net Interest Income	6,300	5,288	1,013	19.2%
Other Income	3,693	2,859	834	29.2%
Trading Gains and Forex	2,451	1,446	1,005	69.5%
Trust Fees	70	79	(9)	-11.9%
Service Fees & Commissions	894	977	(83)	-8.5%
Miscellaneous	279	357	(79)	-22.0%
Provision for Probable Losses	1,601	1,134	467	41.2%
Operating Expenses	5,556	5,232	324	6.2%
Provision for Income Tax	527	476	52	10.9%
Net Income	2,308	1,305	1,004	76.9%

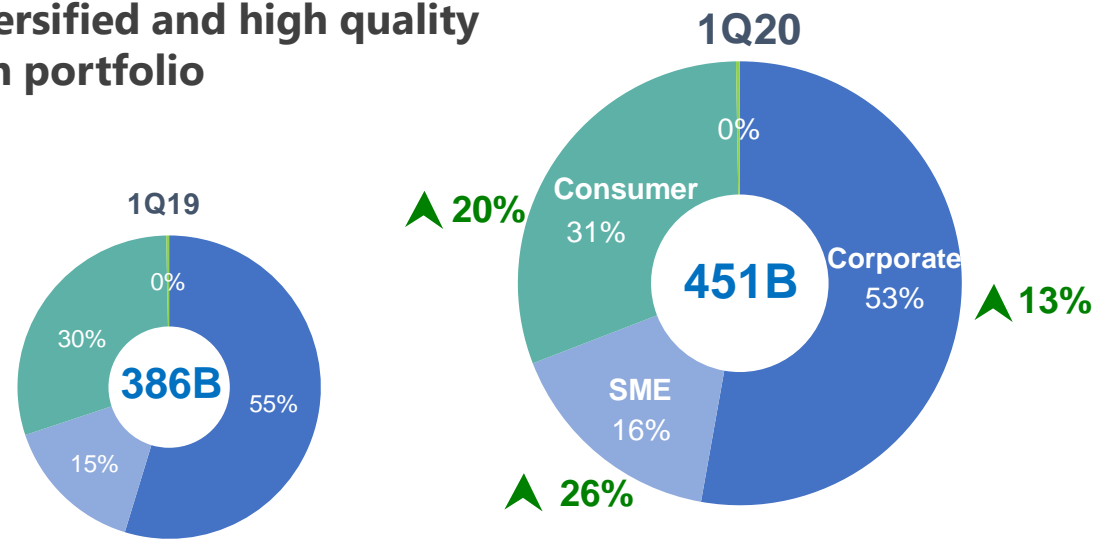
Income growth driven by trading gains and loan book expansion

Amounts in PHP Millions

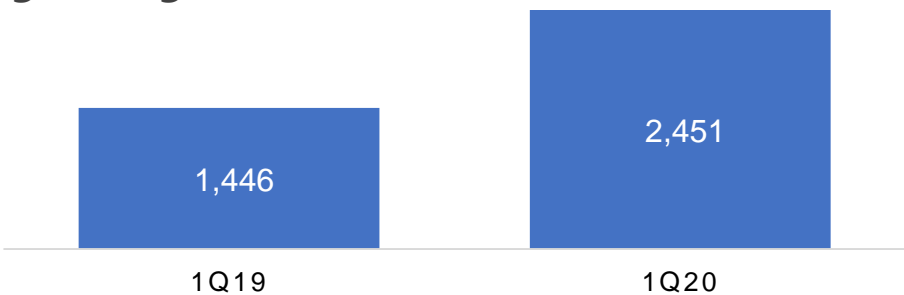
GROSS INCOME



Diversified and high quality loan portfolio



Trading & FX gains



Consolidated Balance Sheet

Amounts in PHP Millions

	1Q20	1Q19	Change	% Change
Cash/Due from BSP & Other Banks	88,790	88,192	598	0.7%
Investment Securities	97,570	140,181	(42,611)	-30.4%
Loans (net of Interbank)	448,421	385,052	63,369	16.5%
Other Assets	80,541	51,302	29,239	57.0%
TOTAL ASSETS	715,322	664,727	50,595	7.6%
Deposit Liabilities	488,335	415,965	72,370	17.4%
Demand	79,709	57,796	21,913	37.9%
Savings	182,249	171,449	10,800	6.3%
Time	226,376	186,719	39,657	21.2%
Other Liabilities	57,707	87,488	(29,781)	-34.0%
Senior Debt	84,572	68,023	16,549	24.3%
Subordinated Debt	-	9,991		
Total Liabilities	630,614	581,466	49,148	8.5%
Capital Funds	84,708	83,261	1,447	1.7%
TOTAL LIABILITIES & CAPITAL	715,322	664,727	50,595	7.6%

*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.

Consolidated Key Financial Indicators

Amounts in PHP Millions

	1Q20	1Q19	Change	UKB Industry
PROFITABILITY				
Annualized ROE	11.1%	6.4%	4.7%	10.6%
Annualized ROA	1.3%	0.8%	0.5%	1.3%
Net Interest Margin	4.2%	3.8%	0.4%	3.5%
COST EFFICIENCY				
Cost-to-Income Ratio	55.6%	64.2%	-8.6%	58.4%
ASSET QUALITY				
Net NPL Ratio	2.2%	2.6%	-0.4%	0.9%
NPL Coverage Ratio	76.2%	67.3%	8.9%	97.7%
CAPITAL				
Capital Adequacy Ratio	13.8%	16.2%	-2.4%	
CET1	12.9%	13.4%	-0.5%	

1/ Average equity for the consolidated and parent ratios were computed based on the 4-month average of end of month balances.

2/ Average assets for the consolidated and parent ratios were likewise computed based on the 4-month average of end of month balances of total assets^{2.1}

3/ Non-performing loans (NPLs) were net of total specific allowance for probable losses per BSP Circular No. 772 of 2012.





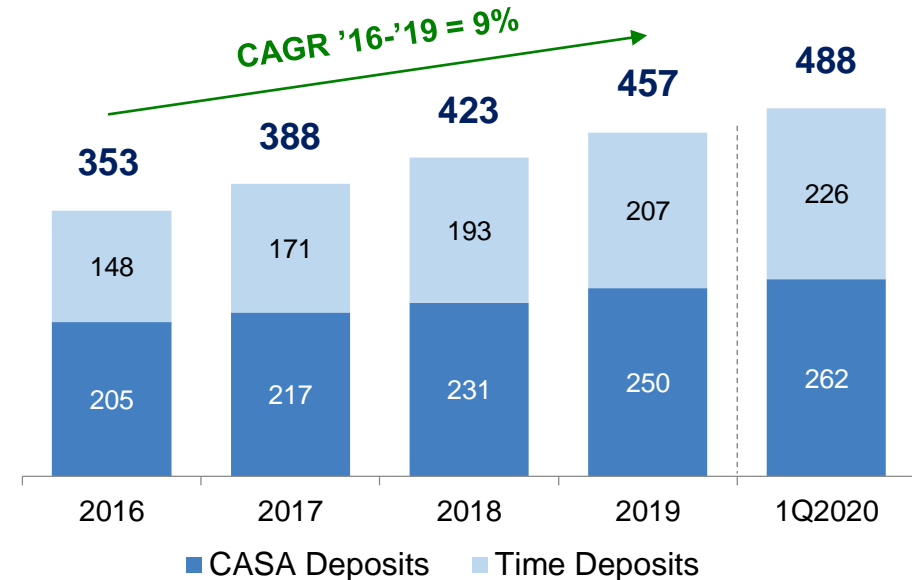
4. Strategic Initiatives

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

RCBC has a large suite of Cash Management products

	Collections <ul style="list-style-type: none"> • PDC Warehousing • Auto-debit arrangement • Bills Collection • Deposit Pick-up • Checkstream • Cash Cube • EIPP • Check Rider • RCBC QR Pay
	Online Banking <ul style="list-style-type: none"> • RCBC Online Corporate (ROC) • Online Government Payments

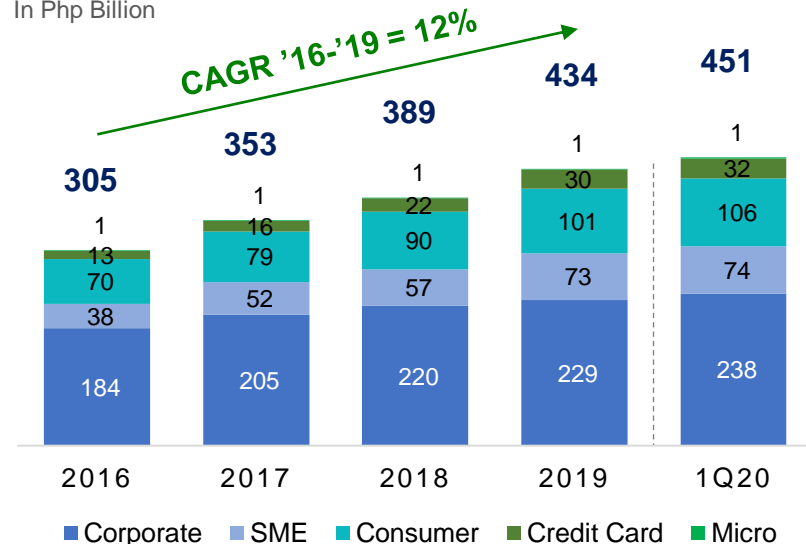


	Cash Disbursements <ul style="list-style-type: none"> • Payroll Crediting • Payroll Systems • Corporate/Manager's Checkwriter • Insta-Core • Bills Payment
	Liquidity Management <ul style="list-style-type: none"> • Account/Reverse Account Sweeping • Multi-Bank Cash Viewing

Well-diversified loan portfolio, driven by the consumer segment

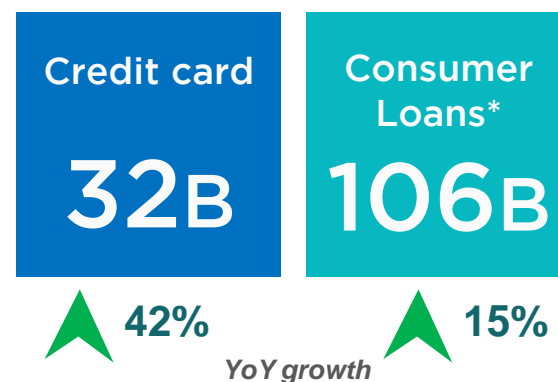
Total Customer Loans

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	1Q20	1Q19	CHANGE
Corporate	53%	55%	-2%
SME	16%	15%	1%
Consumer*	24%	24%	0%
Credit Card	7%	6%	1%
Total	100%	100%	

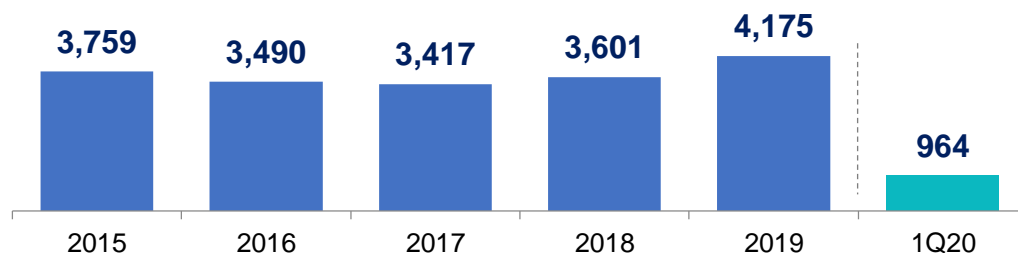


*Auto, Mortgage, and Personal/Salary Loans

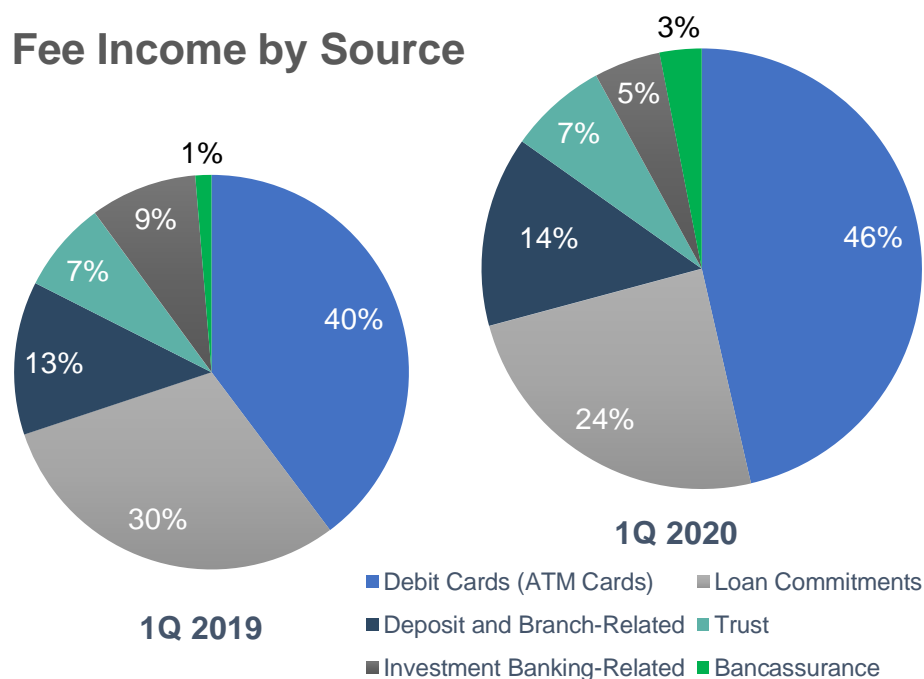
Diverse and Stable fee-based revenue

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. Push Digital onboarding and use of digital app.

SME and Corporate Banking: Develop relationships with Corporate and SME clients 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**



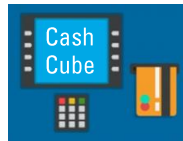
Data Science

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



Financial Inclusion: Basic Deposit Accounts

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



RCBC Cash Cube



Instacore

Digital Transaction Banking

Provides clients with digital cash management solutions for their various needs



Financial Inclusion: ATM GO

Increase touchpoints for mPOS-based agency banking through various partnerships with LGUs and Rural Banks



Digital Banking channels

Continuous enhancements and improvement of the Bank's digital channels mobile and online banking to enable online account opening and off-us check deposits

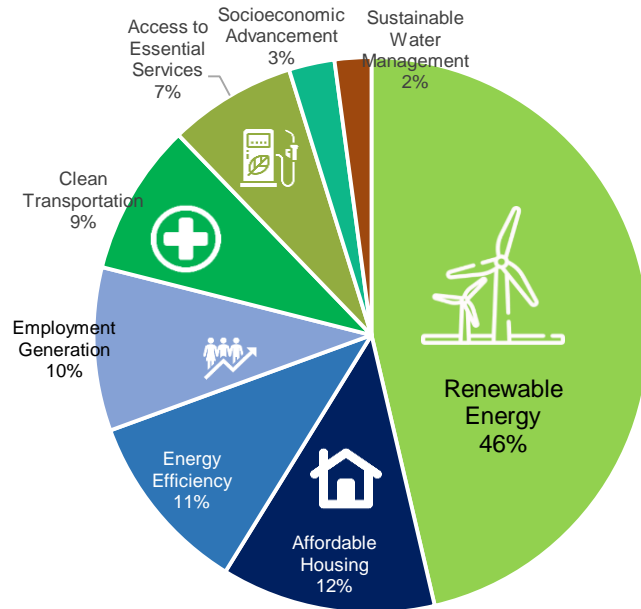


The Bank is a leader in Green and Sustainable Finance

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

RCBC Sustainable Loan Portfolio

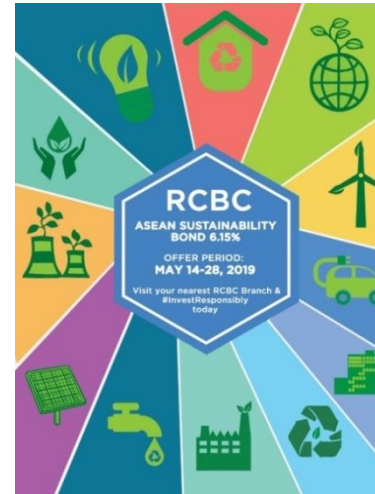
31 March 2020



38B
Green

18B
Social

About 12% (56Bn) 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)



5. 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

6. Appendix



Consolidated Income Statement

Amounts in PHP Billions

	2016	2017	2018	2019	1Q20
Net Interest Income	15.71	18.02	20.49	22.37	6.30
Total Non Interest Income	7.11	7.10	6.01	13.49	3.69
Gross Income	22.82	25.12	26.50	35.86	9.99
Provision for Loan Losses	1.77	2.16	1.90	7.40	1.60
Income before Operating Expenses	21.05	22.97	24.60	28.46	8.39
Total Operating Expenses	17.36	17.82	19.40	21.80	5.56
Income before Tax	3.70	5.15	5.19	6.66	2.84
Provision for Income Tax	(0.17)	0.84	0.87	1.28	0.53
Net Income	3.87	4.31	4.32	5.39	2.31
Net Income / (Loss) attributable to Minority Interest	0.00	0.00	0.00	0.00	0.00
Net Income attributable Parent Company Shareholders	3.87	4.31	4.32	5.39	2.31

Consolidated Balance Sheet

Amounts in PHP Billions

	2016	2017	2018	2019	1Q20
Cash/Due from BSP/Due from Other Banks	107	93	94	123	89
Loans Arising From REPO	8	10	10	6	31
FVPL/FVTCI	24	13	30	60	70
Held to Maturity Investments	52	60	89	101	28
Interbank Loans Receivables	0.5	0.0	9.5	18.8	21.8
Loans-net	306	354	389	430	448
Bank Premises, Property & Eqpt. - net	9	9	8	11	11
Equity Investments - net	0	0	0	0	0
Investment Properties - net	3	3	4	4	4
Other Assets	12	11	11	13	12
Total Assets	521	554	645	767	715
Demand	42	52	56	71	80
Savings	163	165	174	179	182
Time	148	171	193	207	226
Deposit Liabilities	353	388	423	457	488
Other Liabilities	54	61	77	131	58
Senior Debt	42	28	53	97	85
Subordinated Debt	10	10	10	0	0
Total Liabilities	459	487	563	684	631
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	0	0
Capital Funds	62	67	81	83	85
Total Liabilities & Capital	521	554	645	767	715

Key Financial Ratios

	2016	2017	2018	2019	1Q20
Return on Average Capital Funds	6.4%	6.7%	5.8%	6.5%	11.1%
Return on Average Assets	0.8%	0.8%	0.7%	0.8%	1.3%
Net Interest Margin	4.1%	4.3%	4.0%	4.0%	4.2%
Cost-to-Income Ratio	76.1%	70.9%	73.2%	60.7%	55.6%
CASA to Total Deposits	58.1%	55.9%	54.4%	54.7%	53.6%
NPL Ratio*	1.0%	1.3%	1.3%	2.2%	2.2%
CAR**	16.2%	15.5%	16.1%	13.8%	13.8%

**Non-performing loans (NPLs) were net of total specific allowance for expected credit losses per BSP CircularNo. 941 of 2017.*

*** Basel 3 as of 2014*



Thank you.