



Investor Presentation

1H 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 Php32.82bn (USD0.66bn)¹ and share price of Php16.96².

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
1,514 ATMs
6,541 Employees

Key Financial Metrics (as of June 2020)

Figures in PHP

719B
Assets

+7%

441B
Loans³

+12%

499B
Deposits

+19%

20.9B
Revenues

+25%

3.1B
Net Income

+17%

¹Exchange Rate – US\$ 1 = PHP49.83 as of end-June 2020

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

³Regular Loans net of Interbank loans

Investment Information

Equity Profile

Particulars	2Q 2020
Ticker	RCB
Issued shares	1,935.63mn
Stock Price	16.96
Market Cap	Php 32.82bn (USD0.66bn)
BV per share	Php 43.63
Price to Book	0.39

Dividend History

Year	Dividends per share	Pay-out ratio
2020	0.56	20.00%
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%

Credit Rating

MOODY'S

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

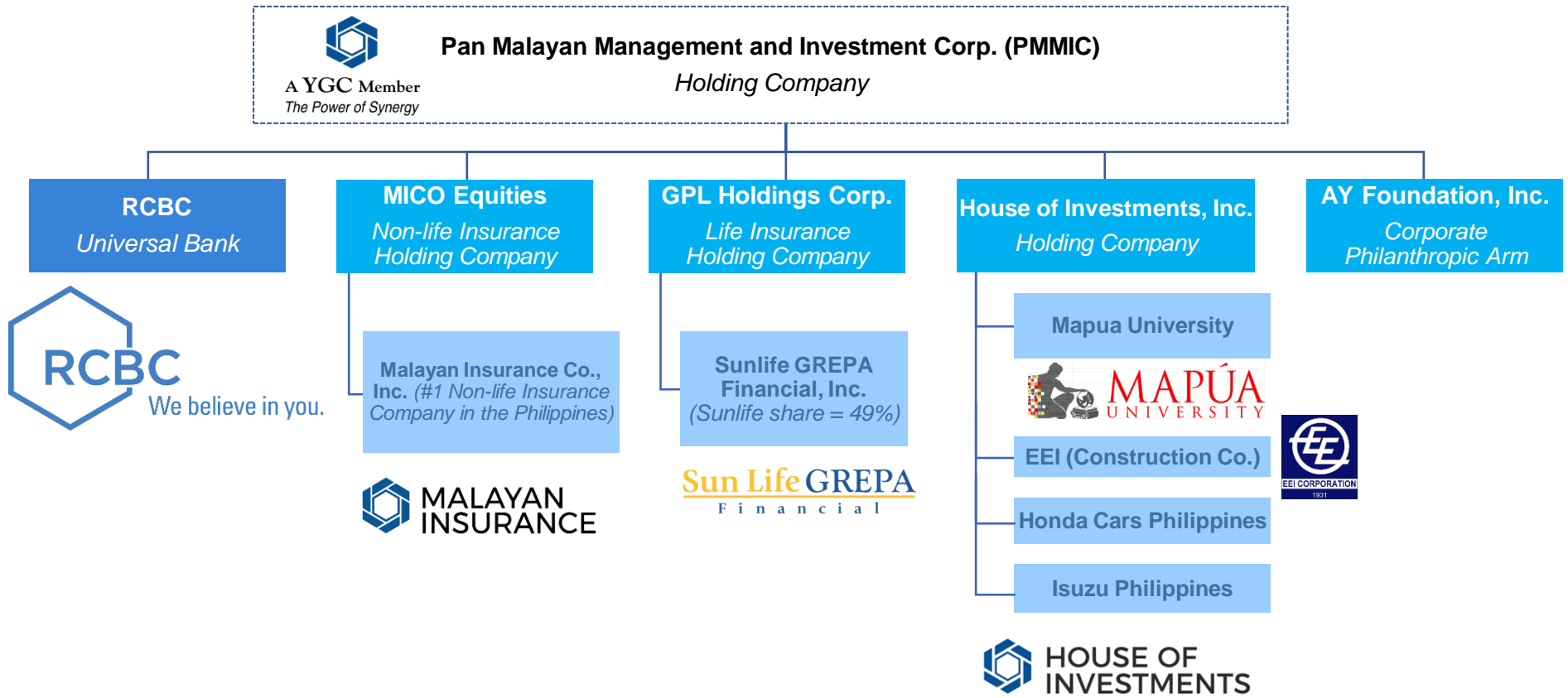
*Investment Grade rating by Moody's on December 2019

Results of the Stock Rights Offering in July 2018:

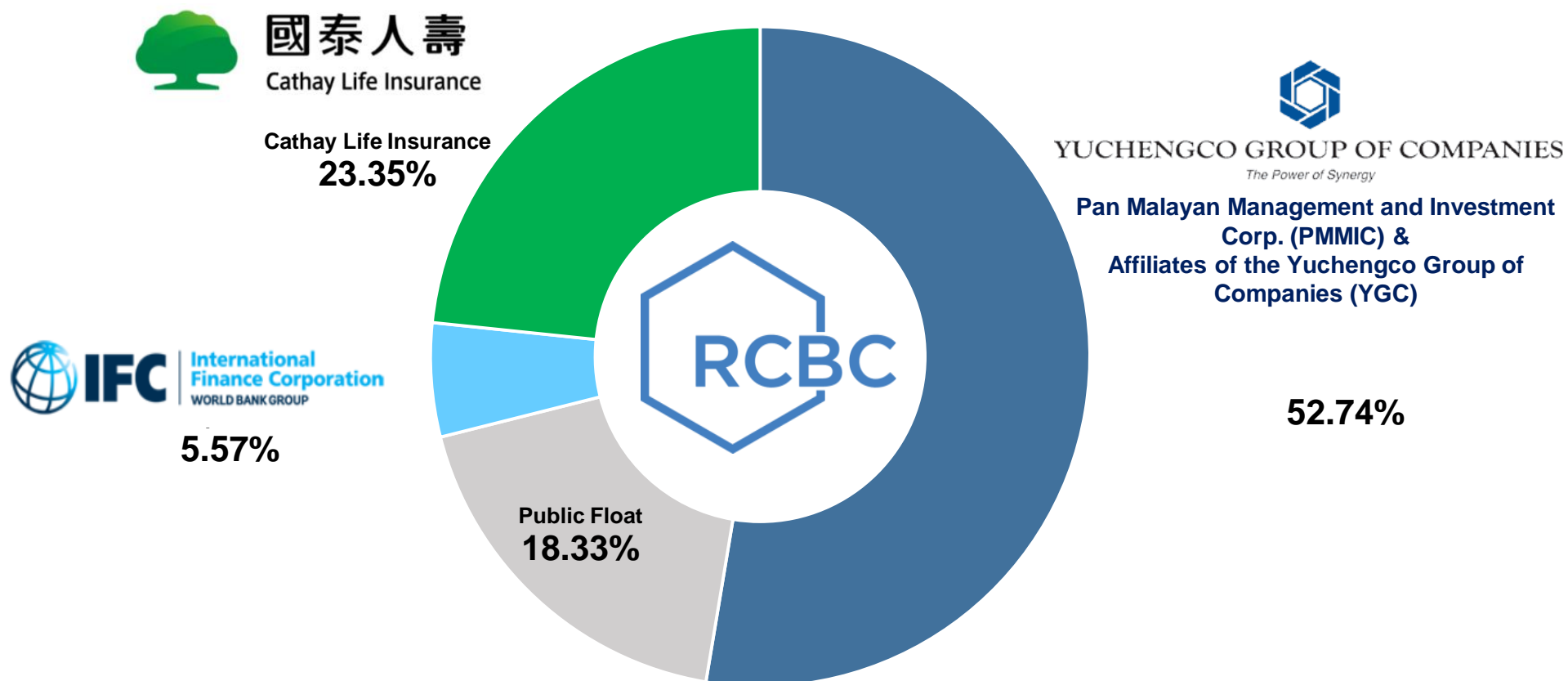
- RCBC's Stock Rights Offering (SRO) of 535,710,378 million shares were listed in the Philippine Stock Exchange (PSE) on July 16, 2018 and the gross proceeds amounting to PHP14,999,890,584 were booked on the same date.
 - The shares were offered at PHP28.00 with entitlement ratio of 1 Right Share for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

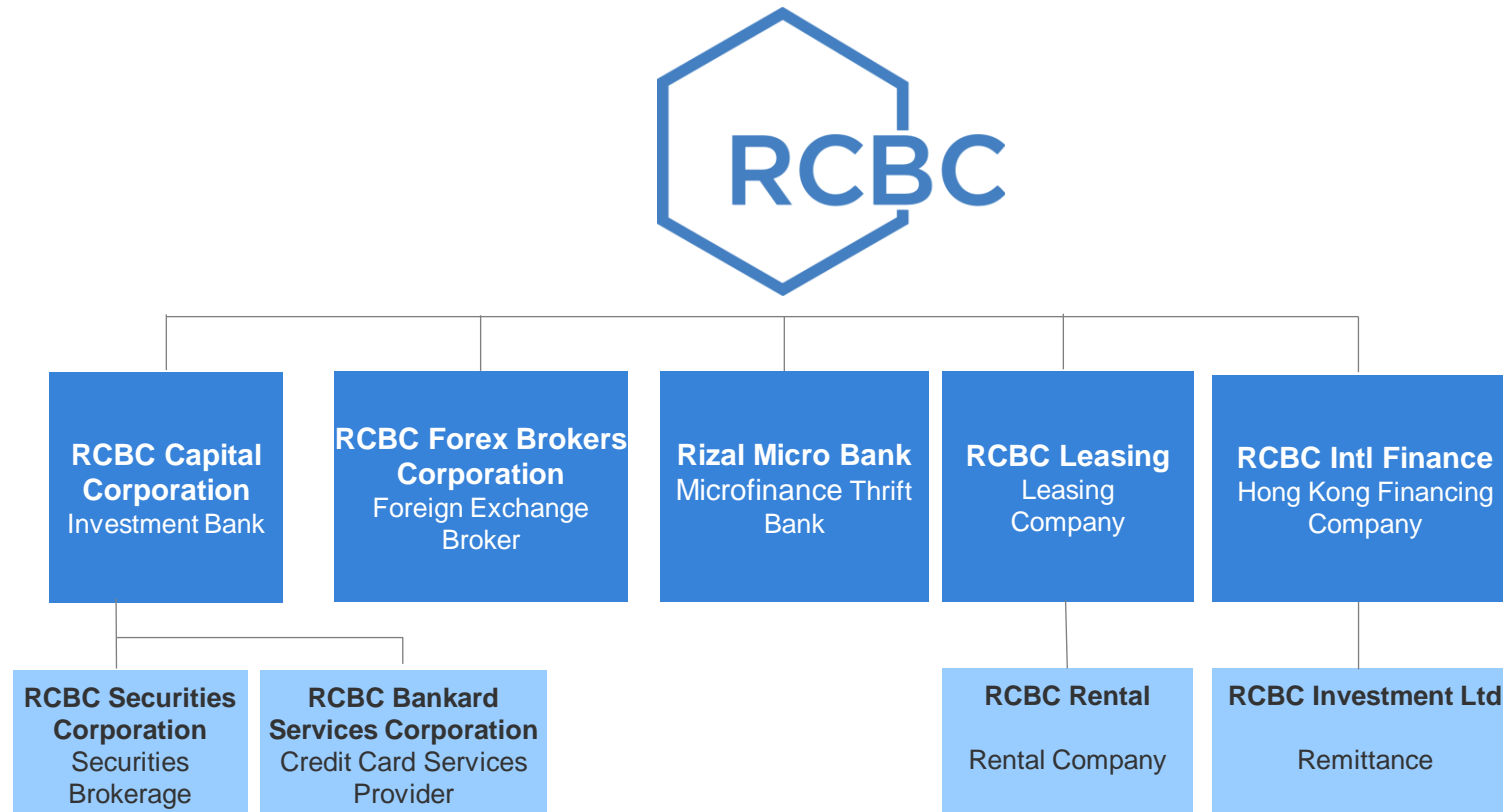


Ownership Structure



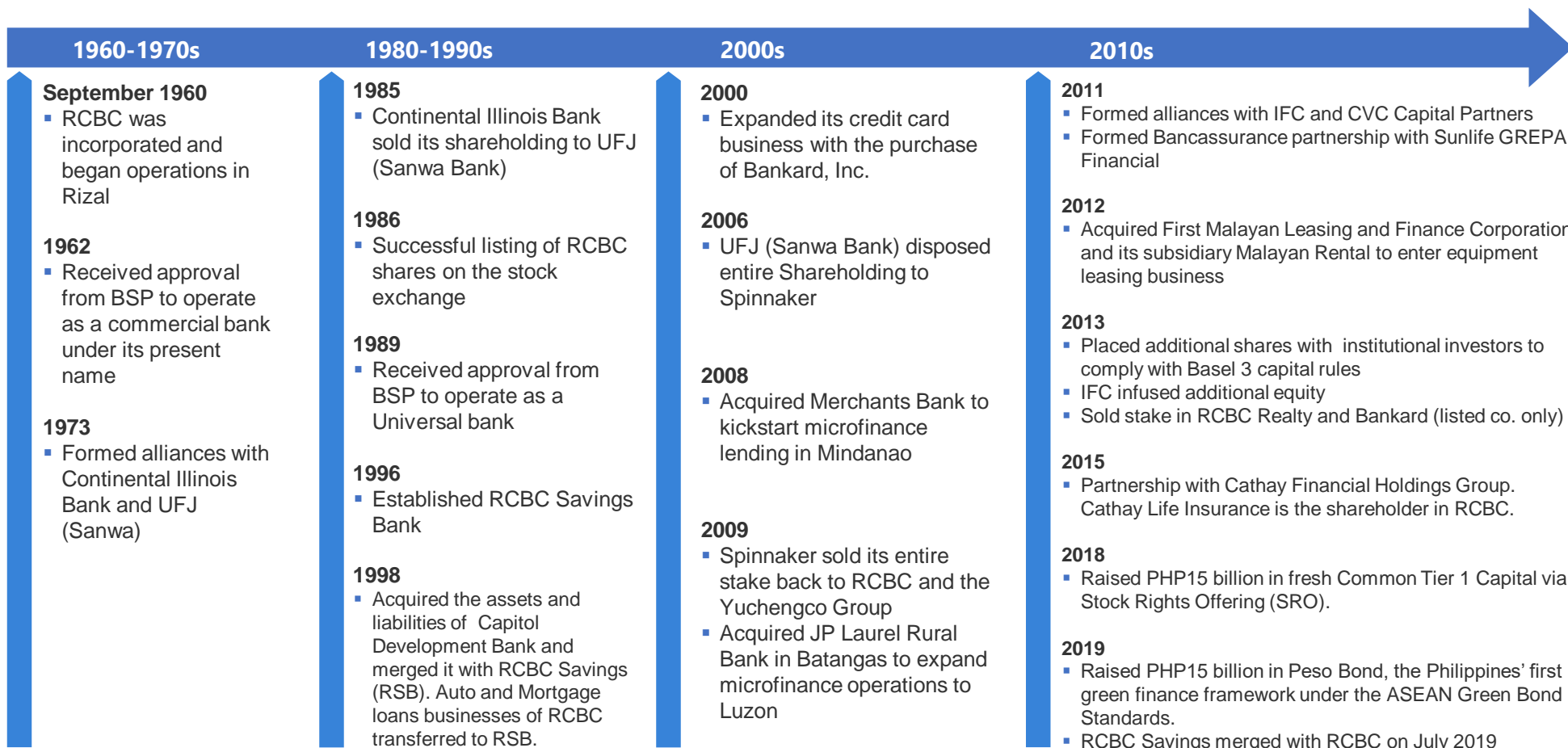
Note: The 23.90% public ownership, as disclosed in the Public Ownership Report of RCBC for June 2020 to PSE includes 5.57% stake by IFC.

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 June 2020

RCBC has a broad, nationwide branch network



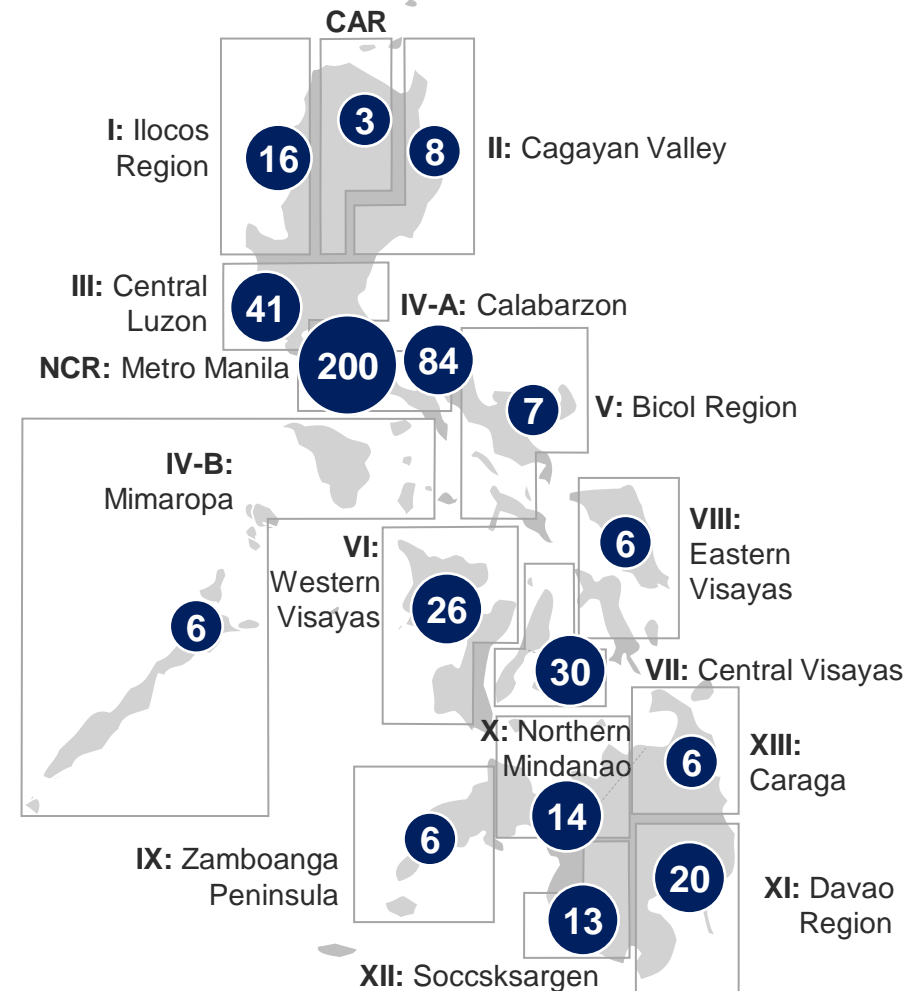
RCBC branches

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

The Philippines enters a recession

2Q 2020 GDP contracted by -16.5%, biggest decline since records started in the early 1980s

FORECAST

Philippine
GDP growth rate

-5% to -7%

From usual +6 to +7%

- Philippine growth constrained in view of the stringent quarantine measures to contain the COVID-19 outbreak.
- Philippine Economic Team (Development Budget Coordinating Committee or DBCC): GDP for 2020 estimated to contract by -4.5% to -6.6% (average of -5.6%) and 6.5%-7.5% for 2021.



3. Financial Overview

RCBC Net Income Up by 17%, increases provisions to Php5 Bn

Amounts in PHP Millions

	1H20	1H19	Change	% Change
SELECT INCOME STATEMENT DATA				
Net Interest Income	12,794	10,624	2,170	20.4%
Non-Interest Income	8,063	6,129	1,935	31.6%
Operating Expenses	11,011	10,507	503	4.8%
Provision for Probable Losses	5,203	2,684	2,519	93.9%
Net Income	3,110	2,661	449	16.9%
SELECT BALANCE SHEET DATA				
Assets	718,752	673,836	44,916	6.7%
Loans¹	441,470	392,472	48,998	12.5%
Deposits	499,420	418,637	80,783	19.3%
Capital	84,442	83,433	1,009	1.2%

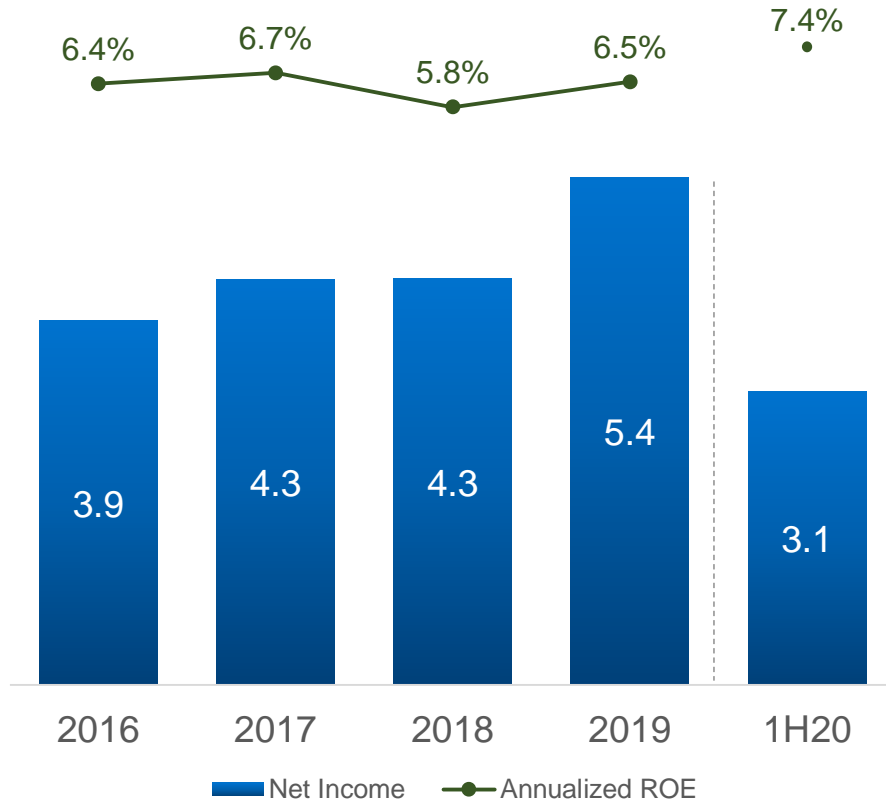
[1] Net of interbank loans and receivables

*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.

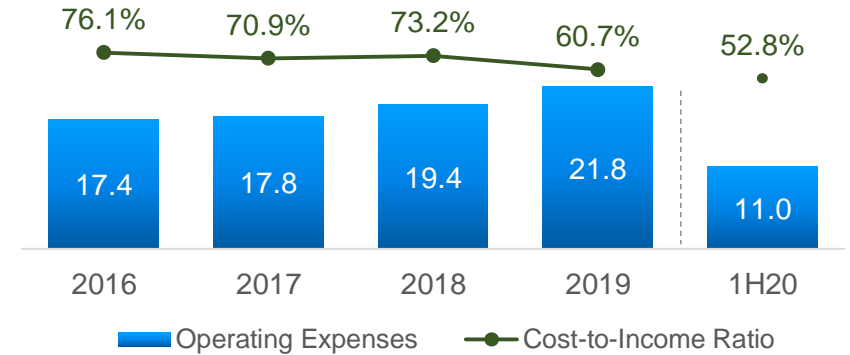
Historical Financial Performance

Amounts in PHP Billions

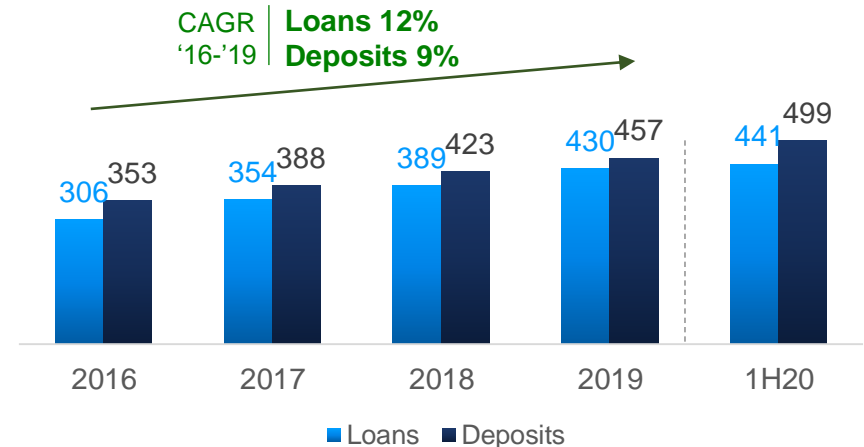
PROFITABILITY



OPERATING EFFICIENCY



LOANS AND DEPOSITS



Consolidated Income Statement

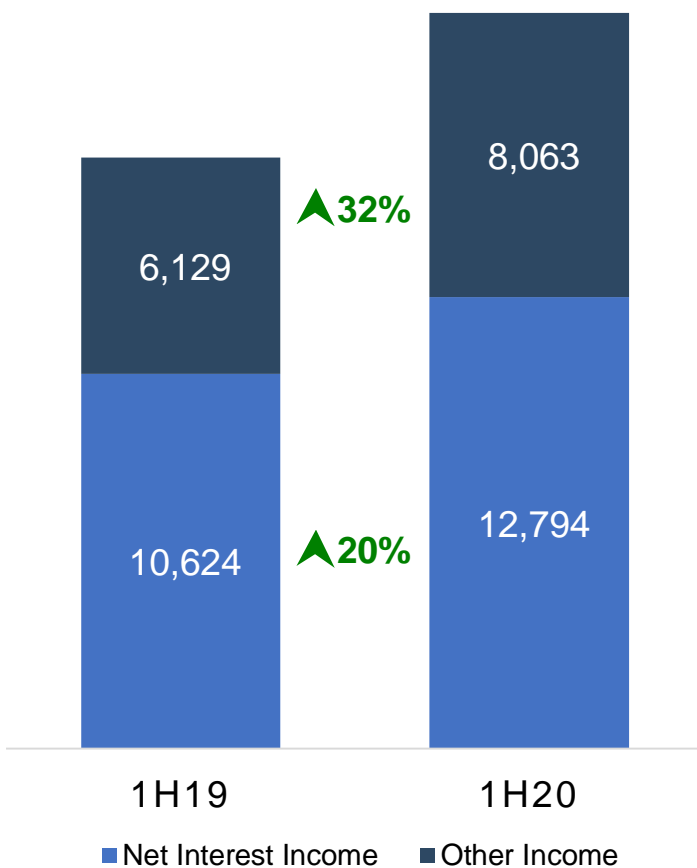
Amounts in PHP Millions

	1H20	1H19	Change	% Change
Interest Income	19,055	18,731	324	1.7%
Interest Expense	6,261	8,107	(1,846)	-22.8%
Net Interest Income	12,794	10,624	2,170	20.4%
Other Income	8,063	6,129	1,935	31.6%
Trading Gains and Forex	5,904	3,274	2,630	80.3%
Trust Fees	157	154	4	2.3%
Service Fees & Commissions	1,591	1,952	(361)	-18.5%
Miscellaneous	411	749	(338)	-45.1%
Operating Expenses	11,011	10,507	503	4.8%
Provision for Probable Losses	5,203	2,684	2,519	93.9%
Provision for Income Tax	1,534	900	634	70.4%
Net Income	3,110	2,661	449	16.9%

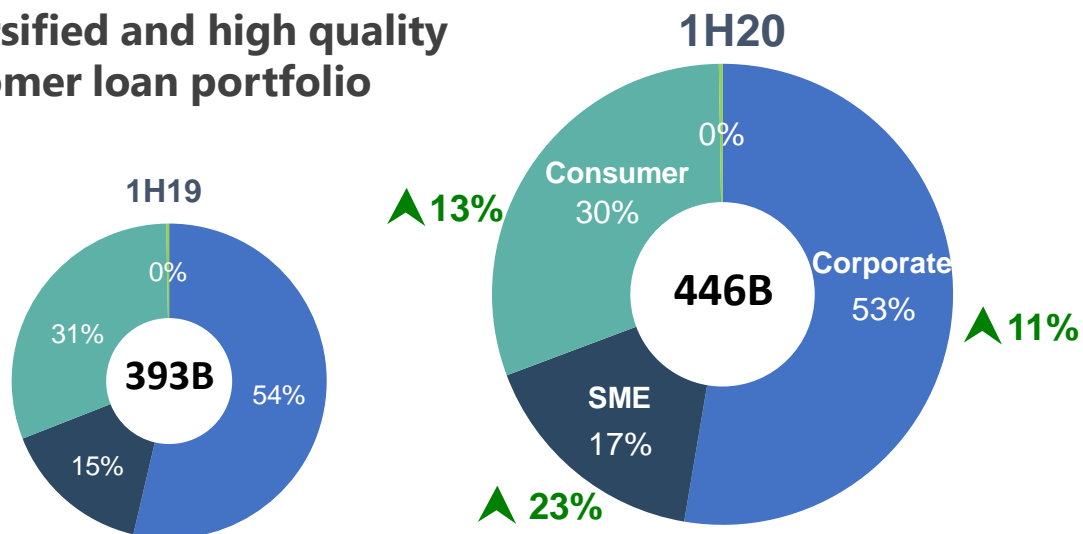
Income growth driven by trading gains and loan book expansion

Amounts in PHP Millions

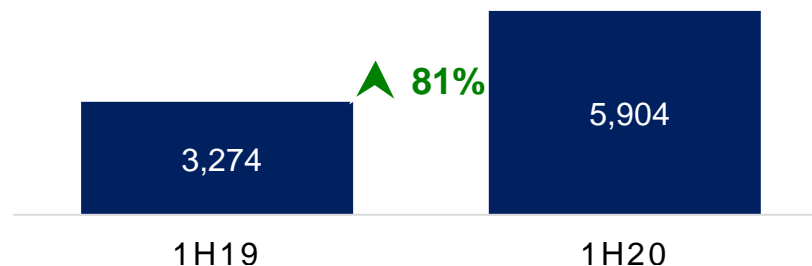
GROSS INCOME



Diversified and high quality customer loan portfolio



Trading and forex gains



Consolidated Balance Sheet

Amounts in PHP Millions

	1H20	1H19	Change	% Change
Cash/Due from BSP & Other Banks	149,986	89,912	60,074	66.8%
Investment Securities	52,348	144,105	(91,757)	-63.7%
Loans (net of Interbank)	441,470	385,052	56,418	14.7%
Other Assets	74,948	54,767	20,181	36.8%
TOTAL ASSETS	718,752	673,836	44,916	6.7%
Deposit Liabilities	499,420	418,637	80,783	19.3%
Demand	75,973	60,761	15,212	25.0%
Savings	190,024	172,853	17,171	9.9%
Time	233,423	185,024	48,399	26.2%
Other Liabilities	44,164	87,008	(42,843)	-49.2%
Senior Debt	90,725	74,762	15,963	21.4%
Subordinated Debt	-	9,995		
Total Liabilities	634,310	590,402	43,907	7.4%
Capital Funds	84,442	83,433	1,009	1.2%
TOTAL LIABILITIES & CAPITAL	718,752	673,836	44,916	6.7%

*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.

Consolidated Key Financial Indicators

Amounts in PHP Millions

	1H20	1H19	Change
PROFITABILITY			
Annualized ROE	7.4%	6.5%	0.9%
Annualized ROA	0.9%	0.8%	0.0%
Net Interest Margin	4.3%	3.8%	0.5%
COST EFFICIENCY			
Cost-to-Income Ratio	52.8%	62.7%	-9.9%
ASSET QUALITY			
Net NPL Ratio	2.2%	2.1%	0.2%
NPL Coverage Ratio	95.4%	78.6%	16.8%
CAPITAL			
Capital Adequacy Ratio	13.9%	16.1%	-2.3%
CET1	13.0%	13.3%	-0.3%

[1] Average equity for the consolidated and parent ratios were computed based on the 7-month average of end of month balances.

[2] Average assets for the consolidated and parent ratios were likewise computed based on the 7-month average of end of month balances of total assets.

[3] Non-performing loans (NPLs) were net of total specific allowance for expected credit losses per BSP Circular 941 of 2017.



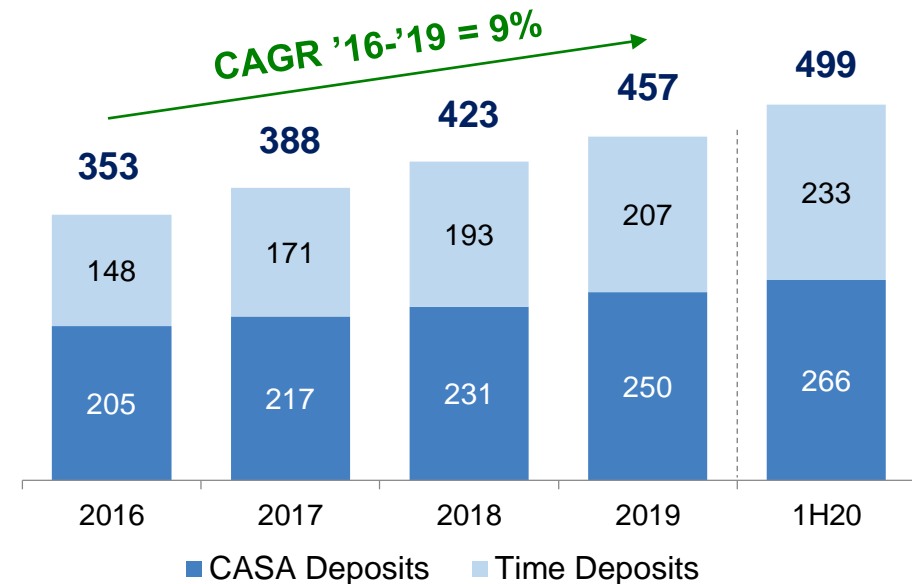
4. Strategic Initiatives

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

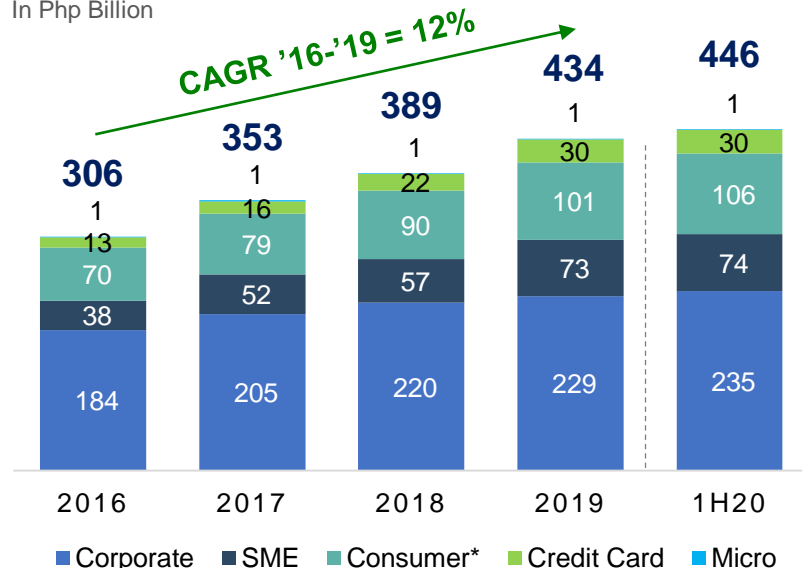


	Cash Disbursements <ul style="list-style-type: none"> • Payroll Crediting • Payroll Systems • Corporate/Manager's Checkwriter • Insta-Core • Bills Payment
	Liquidity Management <ul style="list-style-type: none"> • Account/Reverse Account Sweeping • Multi-Bank Cash Viewing

Well-diversified loan portfolio, driven by the consumer segment

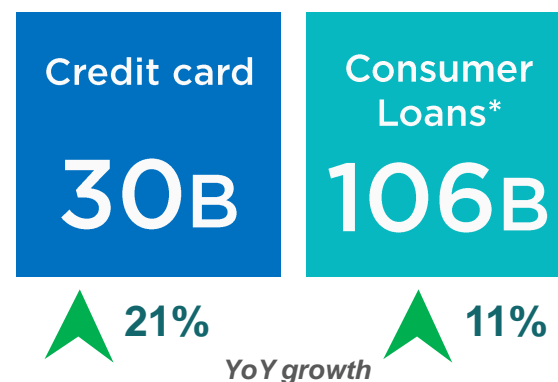
Total Customer Loans

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	1H20	1H19	CHANGE
Corporate	52.7%	53.7%	-1.0%
SME	16.6%	15.4%	1.2%
Consumer*	23.7%	24.3%	-0.6%
Credit Card	6.8%	6.4%	0.4%
Total	100%	100%	

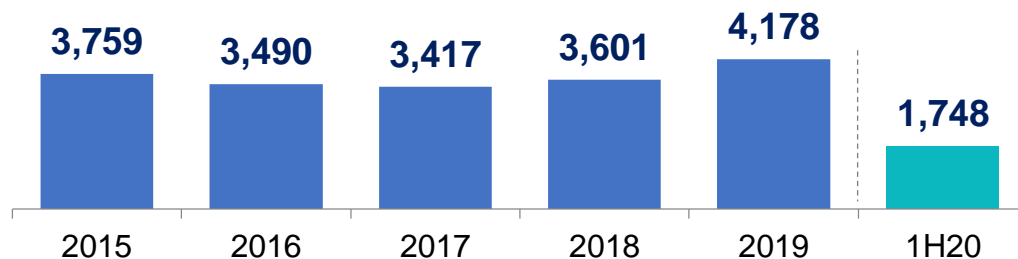


*Auto, Mortgage, and Personal/Salary Loans

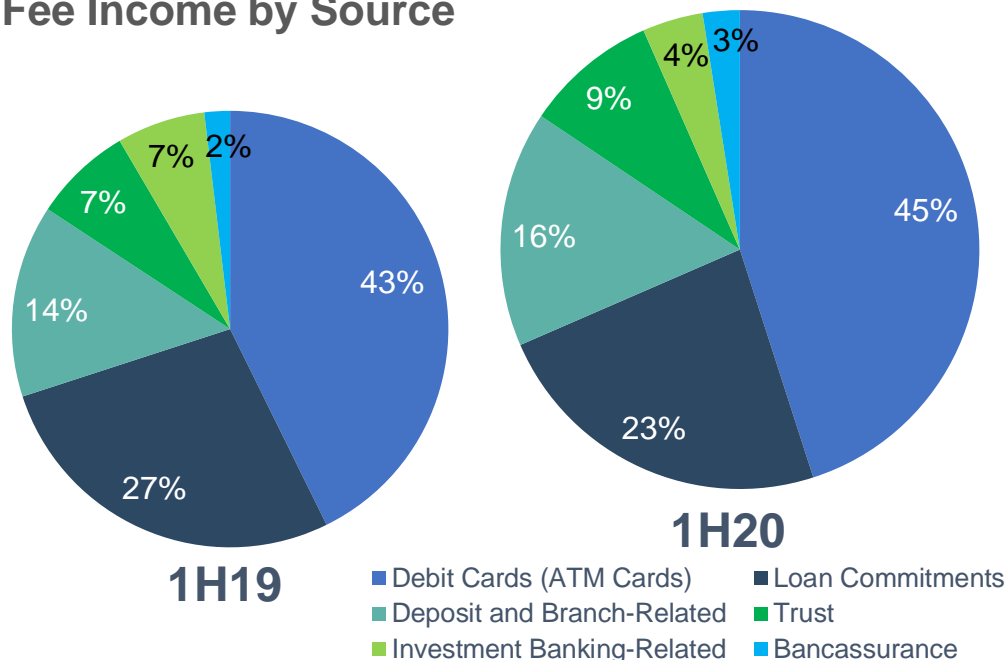
Diverse and Stable fee-based revenue

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

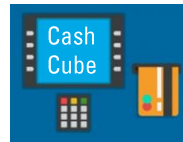
RCBC is commencing its Digital Transformation

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



RCBC Cash Cube



Instacore



Digital Transaction Banking

Provides clients with digital cash management solutions for their various needs

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



Financial Inclusion: Basic Deposit Accounts

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



Financial Inclusion: ATM GO

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



RCBC Digital channels see record growth in transactions



Mobile and Internet Banking

↑ **187%**

Digital banking enrollments

↑ **569%**

Send Cash transaction count



Diskartech

1 Million

Users just 38 days after launch

#1

Free finance app in the Google Playstore PH¹



RCBC ATM Go

Php 2.82B

YTD transaction value

↑ **127%**

Daily average amount

Cardless ATM Withdrawal

↑ **1344%**

Daily transaction count

1,514

ATM outlets



*Growth figures are community quarantine versus pre-CQ period

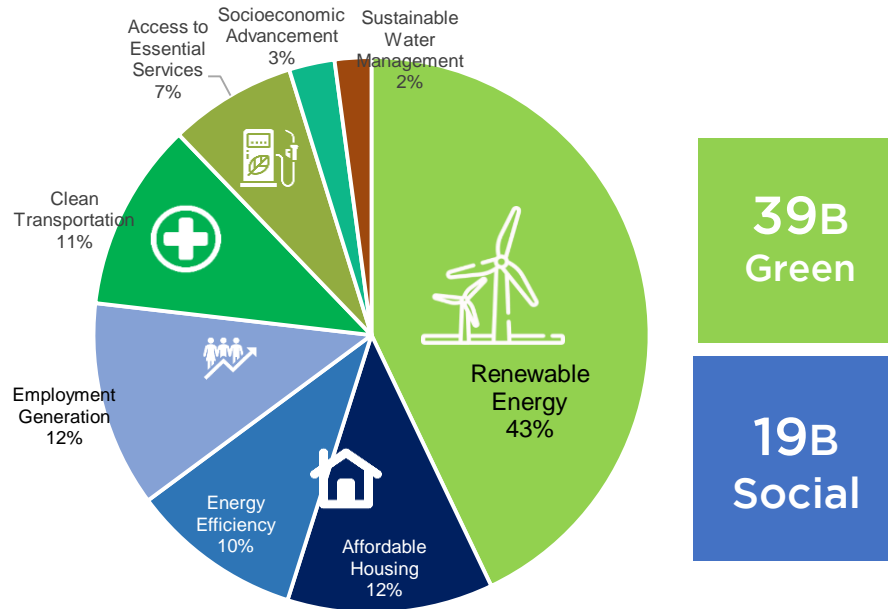
[1] As of August 10, 2020

The Bank is a leader in Green and Sustainable Finance

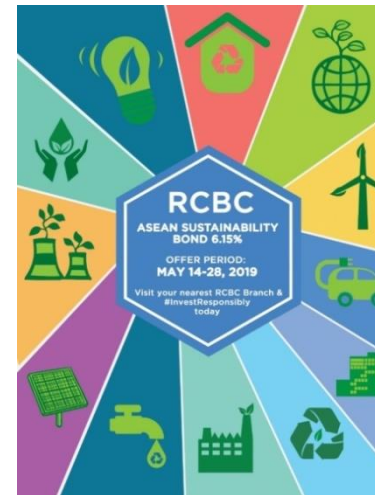
- RCBC is the first Philippine universal bank to issue green and sustainable financing instruments under global standards

RCBC Sustainable Loan Portfolio

30 June 2020



About 13% (58Bn) 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 Bond¹
Php15B (\$285M)

[1] The PHP15bn RCBC Green Bond already matured on Aug. 1, 2020



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 Practices award-2020



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



Best Digital Bank - 2020

6. Appendix



Consolidated Income Statement

Amounts in PHP Billions

	2016	2017	2018	2019	1H20
Net Interest Income	15.71	18.02	20.49	22.37	12.79
Total Non Interest Income	7.11	7.10	6.01	13.49	8.06
Gross Income	22.82	25.12	26.50	35.86	20.86
Provision for Loan Losses	1.77	2.16	1.90	7.40	5.20
Income before Operating Expenses	21.05	22.97	24.60	28.46	15.65
Total Operating Expenses	17.36	17.82	19.40	21.80	11.01
Income before Tax	3.70	5.15	5.19	6.66	4.64
Provision for Income Tax	(0.17)	0.84	0.87	1.28	1.53
Net Income	3.87	4.31	4.32	5.39	3.11
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	3.11

Consolidated Balance Sheet

Amounts in PHP Billions

	2016	2017	2018	2019	1H20
Cash/Due from BSP/Due from Other Banks	107	93	94	123	150
Loans Arising From REPO	8	10	10	6	9
FVPL/FVTCI	24	13	30	60	41
Held to Maturity Investments	52	60	89	101	11
Interbank Loans and Receivables	1	0	10	19	39
Loans (net of Interbank Loans)	306	354	389	430	441
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	719
Demand	42	52	56	71	76
Savings	163	165	174	179	190
Time	148	171	193	207	233
Deposit Liabilities	353	388	423	457	499
Other Liabilities	54	61	77	131	44
Senior Debt	42	28	53	97	91
Subordinated Debt	10	10	10	-	-
Total Liabilities	459	487	563	684	634
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	0	0
Capital Funds	62	67	81	83	84
Total Liabilities & Capital	521	554	645	767	719

Key Financial Ratios

	2016	2017	2018	2019	1H20
Return on Average Capital Funds	6.4%	6.7%	5.8%	6.5%	7.4%
Return on Average Assets	0.8%	0.8%	0.7%	0.8%	0.9%
Net Interest Margin	4.1%	4.3%	4.0%	4.0%	4.3%
Cost-to-Income Ratio	76.1%	70.9%	73.2%	60.7%	52.8%
CASA to Total Deposits	58.1%	55.9%	54.4%	54.7%	53.3%
NPL Ratio*	1.0%	1.3%	1.3%	2.2%	2.2%
CAR**	16.2%	15.5%	16.1%	13.8%	13.9%

*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.