



# **1H 2020 Net Income Results**

**Media Briefing  
12 August 2020  
11:00 AM – 12:00 NN**

# Agenda

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## **1** Introduction and Reminders

## **2** 1H 2020 Net Income Results Presentation

**Ma. Christina “Chrissy” Alvarez**  
RCBC Corporate Information Officer and  
Head of Corporate Planning Group

**Horacio “Ricky” Cebrero**  
RCBC Treasurer and  
Head of Treasury Group

## **3** Question and Answer



# 1H 2020 Net Income Presentation

Ma. Christina “Chrissy” Alvarez

# RCBC is a leading financial services provider in the Philippines



Incorporated in 1960, RCBC is the **8<sup>th</sup> largest private domestic bank** in the Philippines by assets, with a market capitalization of Php32.82bn (USD0.66bn)<sup>1</sup> and share price of Php16.96<sup>2</sup>.

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 (1H 2020)

Figures in PHP

**719B**  
Assets

+7%

**481B**  
Loans

+18%

**499B**  
Deposits

+19%

**20.9B**  
Revenues

+25%

**3.1B**  
Net Income

+17%

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

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

# RCBC Net Income Up by 17%, Boosts Provisions to P5 Bn

Amounts in PHP Millions

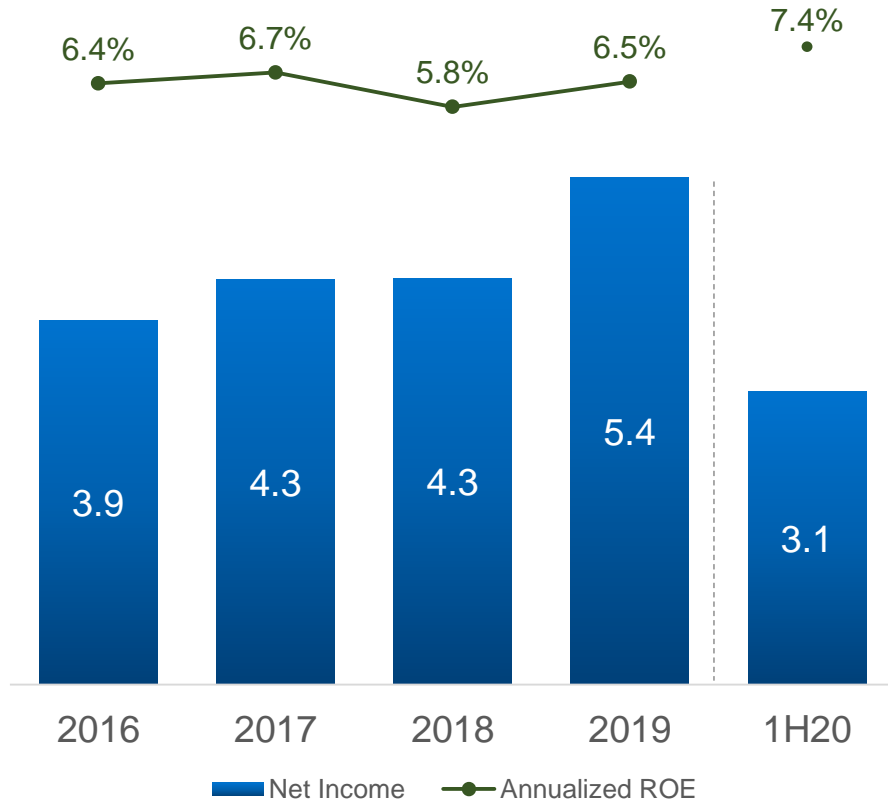
	1H20	1H19	Change	% Change
<b>SELECT INCOME STATEMENT DATA</b>				
<b>Net Interest Income</b>	<b>12,794</b>	10,624	2,170	20.4%
<b>Non-Interest Income</b>	<b>8,063</b>	6,129	1,935	31.6%
<b>Operating Expenses</b>	<b>11,011</b>	10,507	503	4.8%
<b>Provision for Probable Losses</b>	<b>5,203</b>	2,684	2,519	93.9%
<b>Net Income</b>	<b>3,110</b>	2,661	449	16.9%
<b>SELECT BALANCE SHEET DATA</b>				
<b>Assets</b>	<b>718,752</b>	673,836	44,916	6.7%
<b>Loans</b>	<b>480,282</b>	407,532	72,750	17.9%
<b>Deposits</b>	<b>499,420</b>	418,637	80,783	19.3%
<b>Capital</b>	<b>84,442</b>	83,433	1,009	1.2%

\*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.

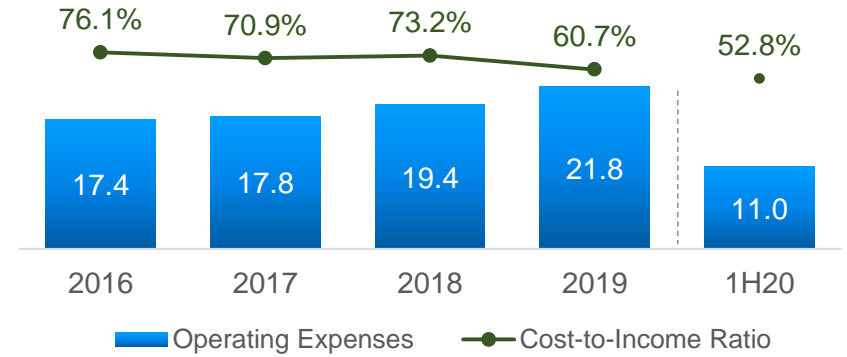
# Historical Financial Performance

Amounts in PHP Billions

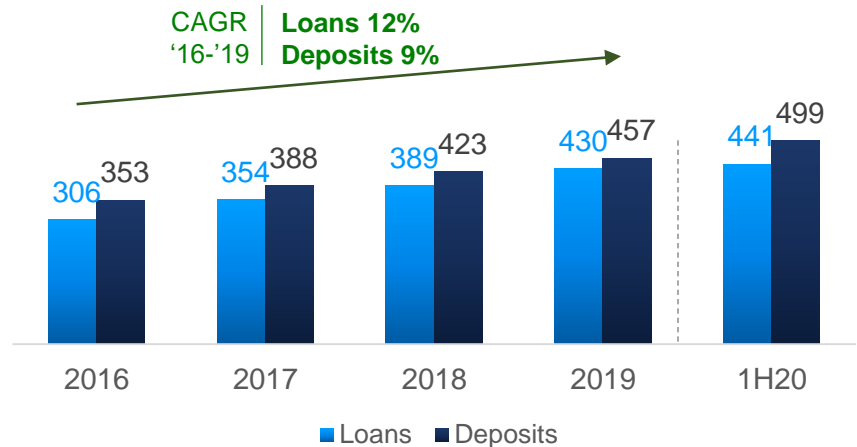
## PROFITABILITY



## OPERATING EFFICIENCY



## LOANS AND DEPOSITS



# Consolidated Income Statement

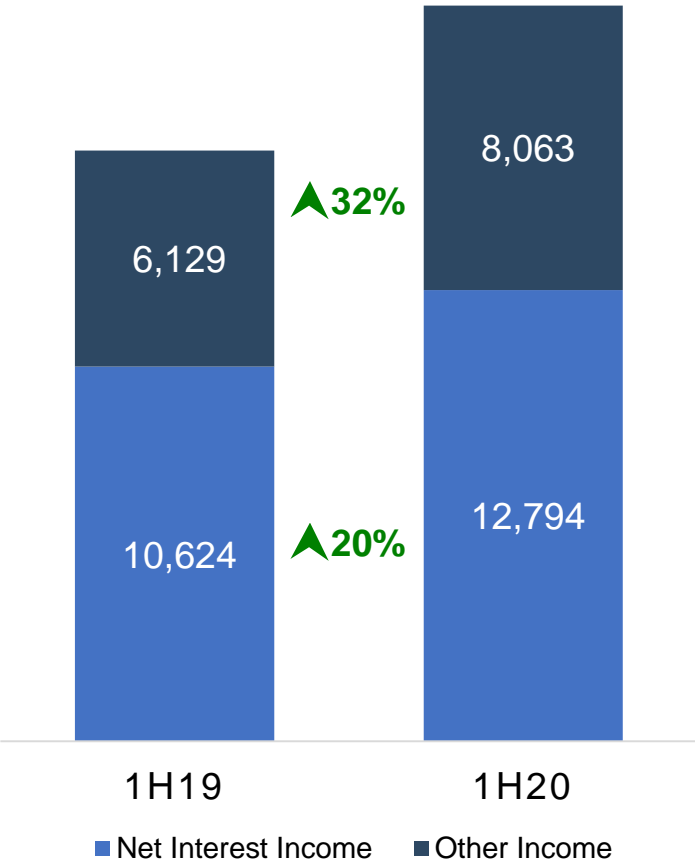
Amounts in PHP Millions

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

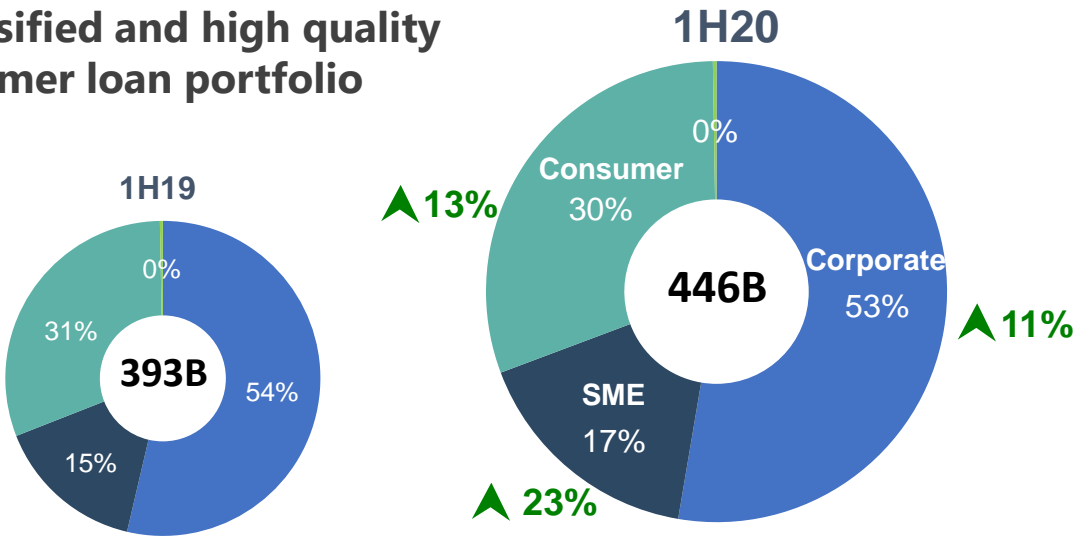
# Income growth driven by trading gains and loan book expansion

Amounts in PHP Millions

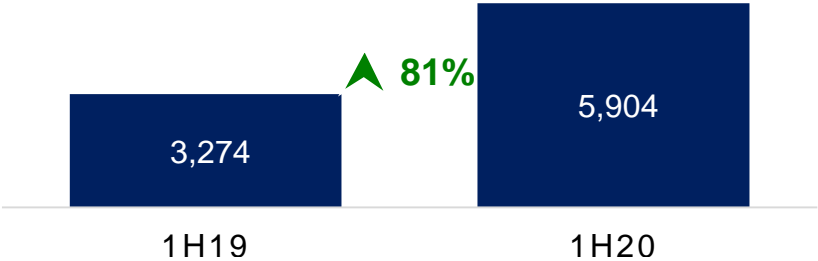
## GROSS INCOME



## Diversified and high quality customer loan portfolio



## Trading and forex gains





# Consolidated Balance Sheet

Amounts in PHP Millions

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

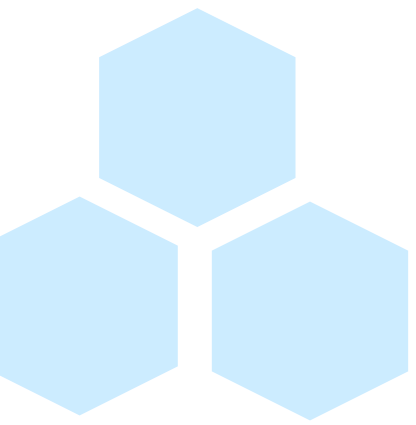
Amounts in PHP Millions

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

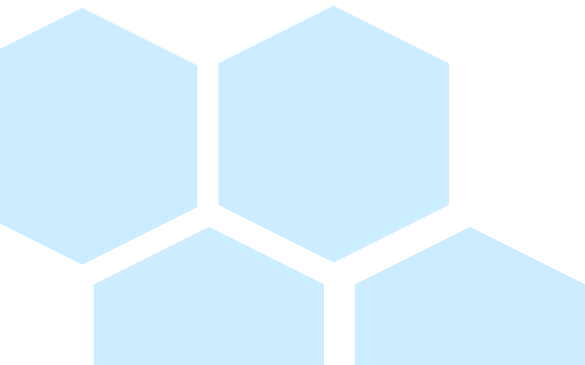
[1] Average equity for the consolidated and parent ratios were computed based on the 7-month average of end of month balances.

[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.



# Digital Transformation



# Digital Transformation Milestones

## 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 PH<sup>1</sup>

## RCBC ATM Go



**P2.82B**  
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

# RCBC ATM Go



## RCBC's pocket and mobile automated teller machine

Using ATM Go, RCBC collaborated with several rural banks, cooperatives, NGOs and payment collection companies to help give the beneficiaries convenient access to their subsidy.

The ATM Go facility continues to be used to disburse conditional cash transfers under the government's Pantawid Pamilyang Pilipino Program. The pay-outs are held in more than 70 provinces via over 1,250 ATM Go terminals. An additional 2,000 units will be deployed, bringing the service to the barangay level during this critical period.

RCBC also activated a facility enabling clients to send cash online to remittance partners accessible to unbanked beneficiaries. The remittance partners are Palawan Pawnshop, M. Lhuillier, Bayad Center and LBC.

**P2.82B**

YTD transaction value

**↑ 127%**

Daily average amount





**Please use the chat box to queue your questions.**



**Thank you.**