



# **9M 2020 Net Income Results**

**Media Briefing**

**10 November 2020**

**11:00 AM – 12:00 NN**

# Agenda

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## Introduction and Reminders

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## 9M 2020 Net Income Results Presentation

**Horacio “Ricky” Cebrero**

RCBC Treasurer and  
Head of Treasury Group

**Michael “Mike” Ricafort**

RCBC Chief Economist

**Ma. Christina “Chrissy” Alvarez**

RCBC Corporate Information Officer and  
Head of Corporate Planning Group

3

## Question and Answer



# 9M 2020 Net Income Presentation

# 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 Php31.94bn (USD0.66bn)<sup>1</sup> and share price of Php16.50<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

**474** Branches

**1,470** ATMs

**6,262** Employees

## Key Financial Metrics (9M 2020)

**731B**  
Assets

+9%

**445B**  
Loans

+9%

**497B**  
Deposits

+17%

**29.4B**  
Revenues

+6%

**4.0B**  
Net Income

-11%

Figures in PHP

[1] Exchange Rate – US\$ 1 = PHP48.40 as of end-Sep 2020

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

# Slow but steady economic recovery after the COVID-19 lockdowns

September Data

<b>-11.5%</b>	GDP
<b>-16.5%</b>	Imports
<b>2.2%</b>	Exports
<b>-US\$494mn</b>	Net Foreign Portfolio Investments
<b>-PHP138.5bn</b>	Budget Surplus (Deficit)
<b>-4.1% to US\$2.483bn<sup>1</sup></b>	OFW remittances
<b>10%<sup>2</sup></b>	Unemployment Rate
<b>+35.2% to US\$797mn<sup>2</sup></b>	Net Foreign Direct Investments

Peso exchange rate appreciated versus the US dollar by 1.335 pesos or 2.68% to close at **48.495** in 3Q 2020; also appreciated year-on-year by 3.335 pesos or 6.4%.

10-year BVAL yield corrected higher in 3Q 2020, by +0.18 to **2.978%** (after sharply declining by -2.07 percentage points in 2Q 2020); but still eased year-on-year by -1.82 percentage points.

PSEi declined by -343.49 points or -5.5% to close at **5,864.23** in 3Q 2020; also declined year-on-year by -1,914.84 points or -24.6%.

[1] As of August 2020

[2] As of July 2020

# RCBC Sustains Core Income Growth, Hikes Provisions

Amounts in PHP Millions

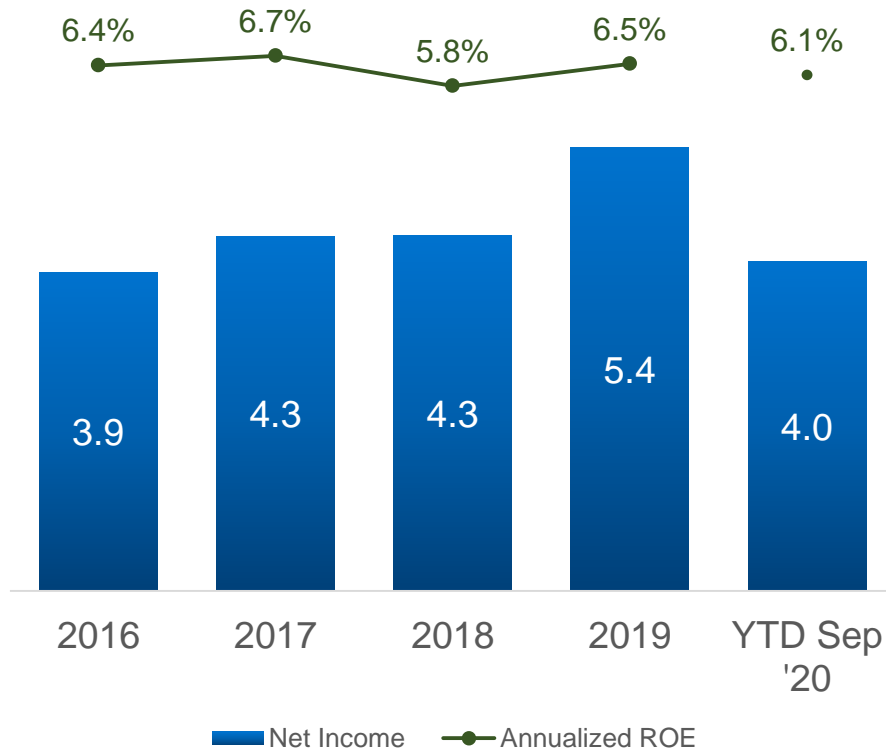
	YTD Sep '20	YTD Sep '19	Change	% Change
<b>SELECT INCOME STATEMENT DATA</b>				
<b>Net Interest Income</b>	<b>19,659</b>	16,383	3,276	20.0%
<b>Non-Interest Income</b>	<b>9,695</b>	11,347	(1,652)	-14.6%
<b>Operating Expenses</b>	<b>16,371</b>	16,280	91	0.6%
<b>Provision for Probable Losses</b>	<b>7,222</b>	5,212	2,010	38.6%
<b>Net Income</b>	<b>4,002</b>	4,512	(510)	-11.3%
<b>SELECT BALANCE SHEET DATA</b>				
<b>Assets</b>	<b>731,003</b>	670,676	60,327	9.0%
<b>Loans<sup>1</sup></b>	<b>445,226</b>	410,006	35,220	8.6%
<b>Deposits</b>	<b>496,831</b>	424,179	72,652	17.1%
<b>Capital</b>	<b>99,493</b>	84,687	14,806	17.5%

[1] Net of interbank loans

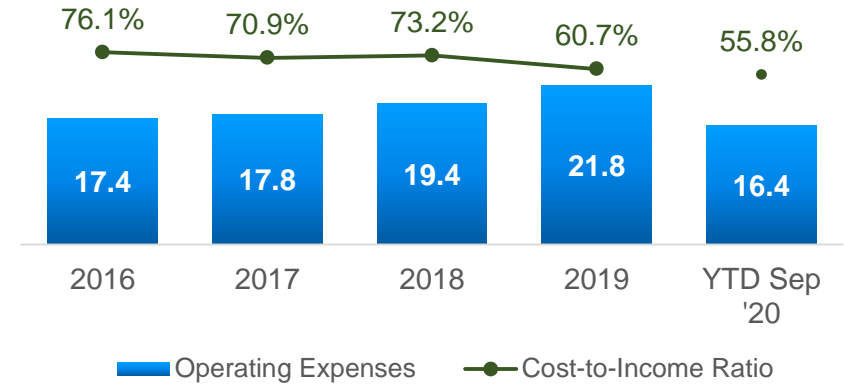
# Historical Financial Performance

Amounts in PHP Billions

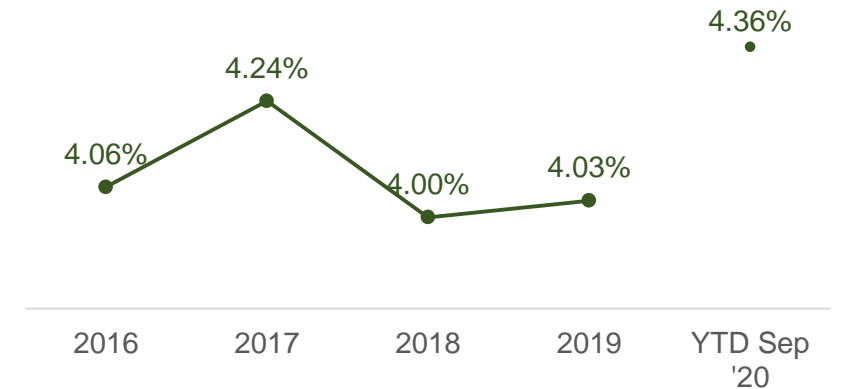
## PROFITABILITY



## OPERATING EFFICIENCY



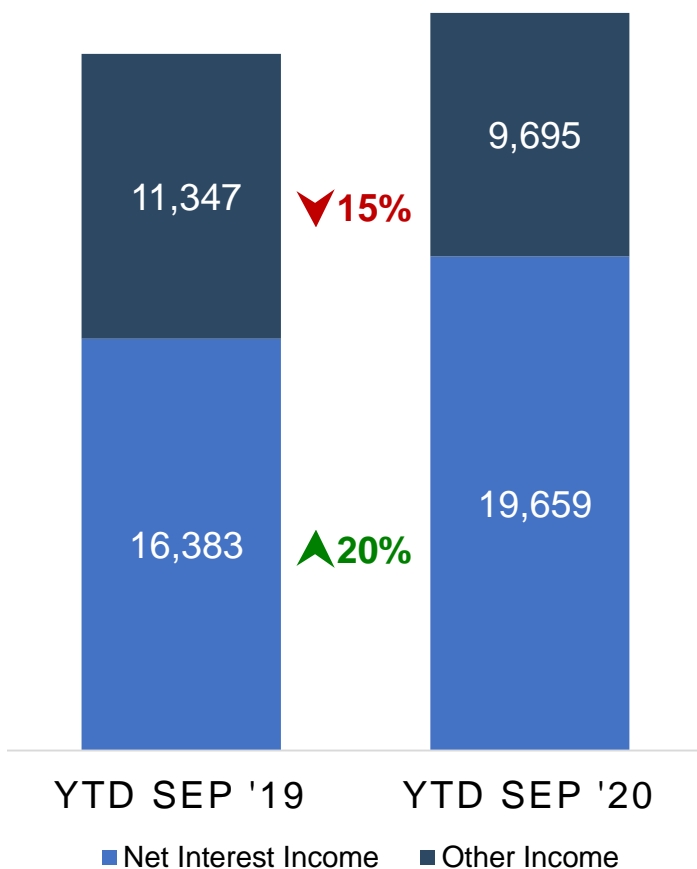
## NET INTEREST MARGIN



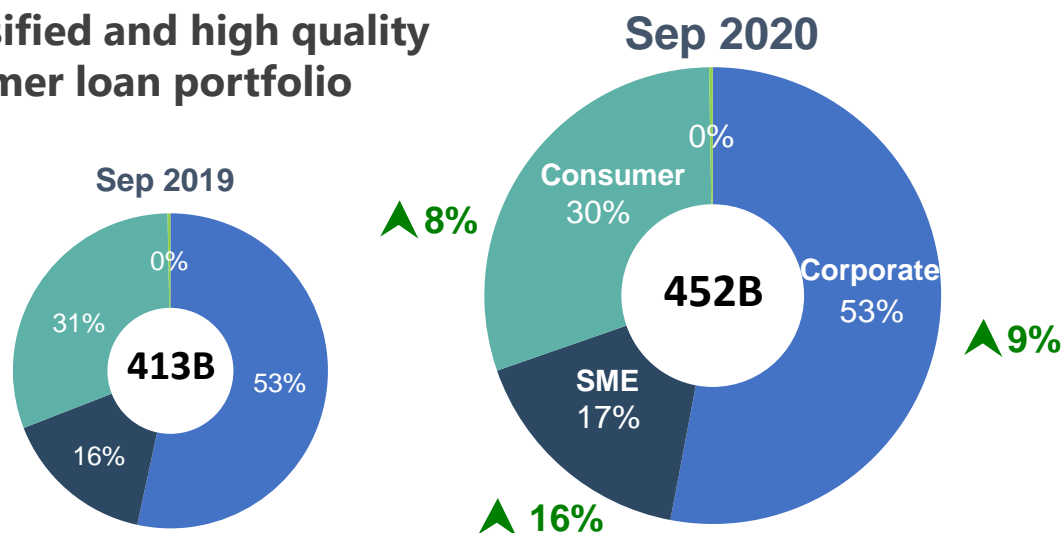
# Income growth driven by loan book expansion & higher margins

Amounts in PHP Millions

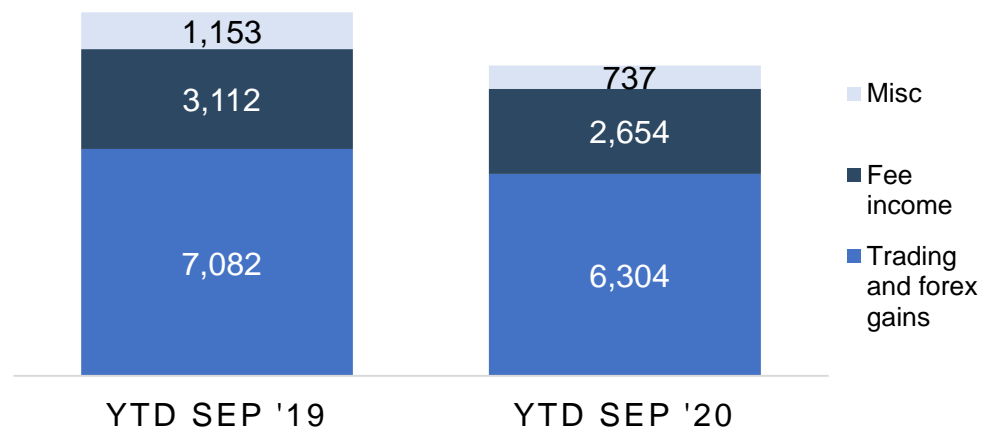
## GROSS INCOME



## Diversified and high quality customer loan portfolio



## Other Income



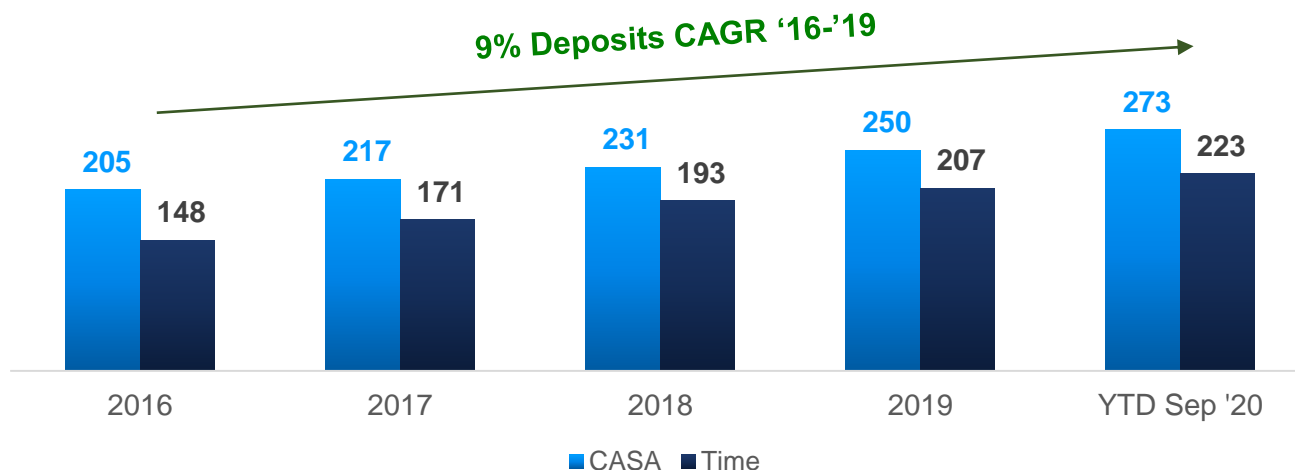
# Strong deposit base with a 55% CASA Mix

Amounts in PHP Millions

	Sep 2020	Sep 2019	Change	% Change
<b>Deposit Liabilities</b>	<b>496,831</b>	424,179	72,652	17.1%
Demand	<b>80,700</b>	64,600	16,099	24.9%
Savings	<b>192,726</b>	176,322	16,404	9.3%
Time	<b>223,406</b>	183,257	40,149	21.9%

## HISTORICAL DEPOSITS BREAKDOWN

Amounts in PHP Billions



# Consolidated Key Financial Indicators

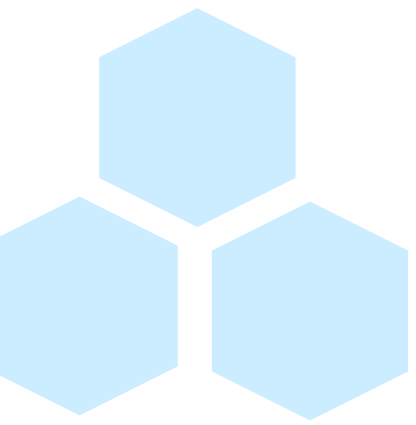
Amounts in PHP Millions

	Sep 2020	Sep 2019	Change
<b>PROFITABILITY</b>			
Annualized ROE	<b>6.2%</b>	7.3%	-1.1%
Annualized ROA	<b>0.7%</b>	0.9%	-0.2%
Net Interest Margin	<b>4.4%</b>	3.9%	0.5%
<b>COST EFFICIENCY</b>			
Cost-to-Income Ratio	<b>55.8%</b>	58.7%	-2.9%
<b>ASSET QUALITY</b>			
Net NPL Ratio	<b>3.8%</b>	2.0%	1.8%
NPL Coverage Ratio	<b>65.8%</b>	78.7%	-13.0%
<b>CAPITAL</b>			
Capital Adequacy Ratio	<b>15.8%</b>	14.1%	1.7%
CET1	<b>12.4%</b>	13.2%	-0.8%

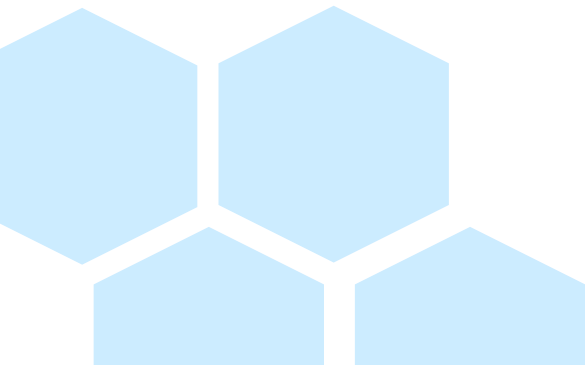
[1] Average equity for the consolidated and parent ratios were computed based on the 10-month average of end of month balances.

[2] Average assets for the consolidated and parent ratios were likewise computed based on the 10-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.



## **Other Updates**



# Branch and ATM Network

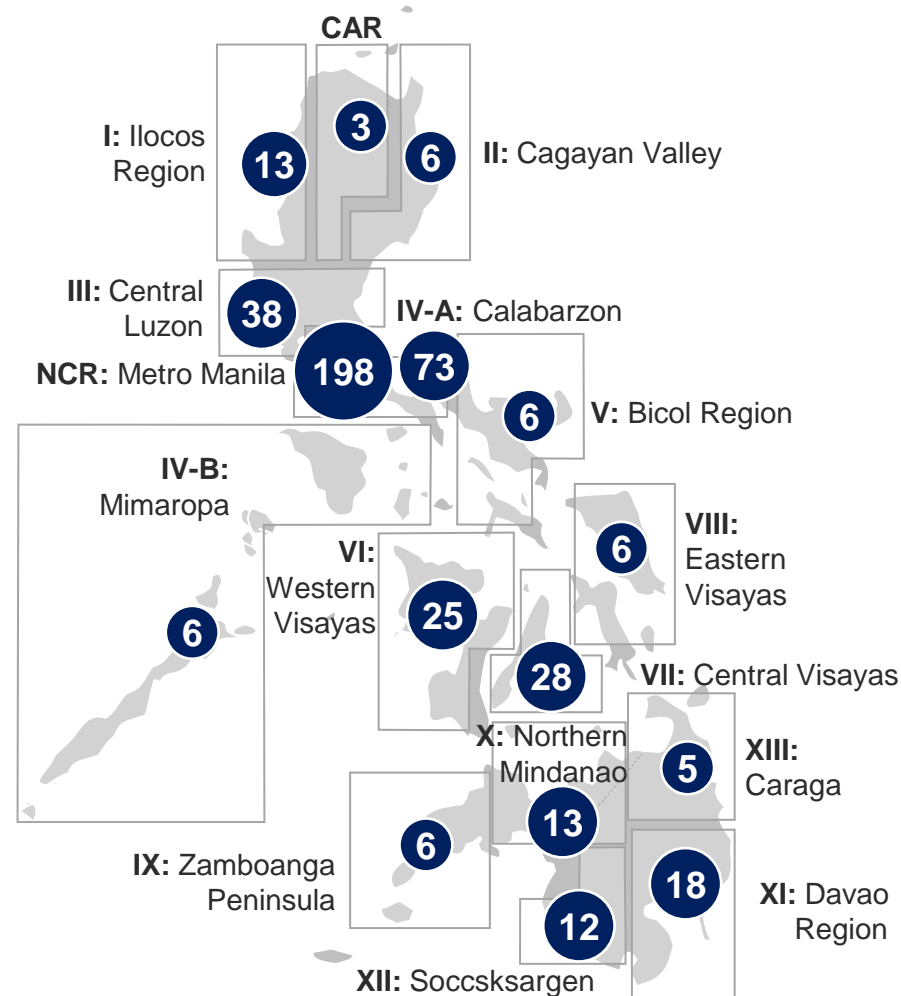


<b>Branches and Extension Offices</b>	<b>474</b>
<b>ATMs</b>	<b>1,470</b>
<b>ATM to Branch Ratio</b>	<b>3.1</b>

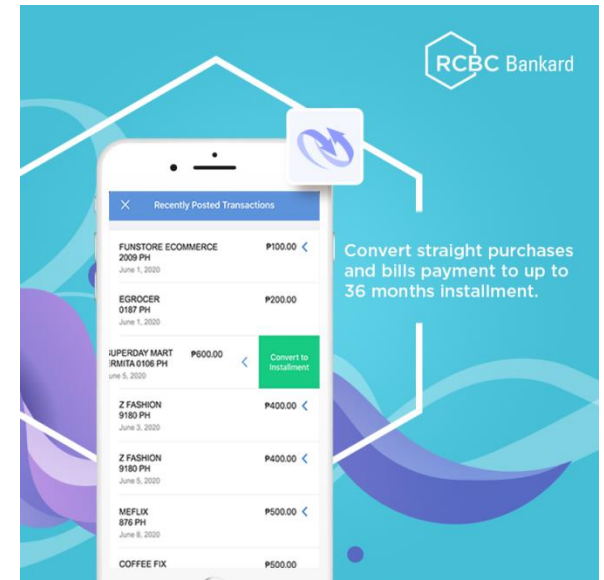
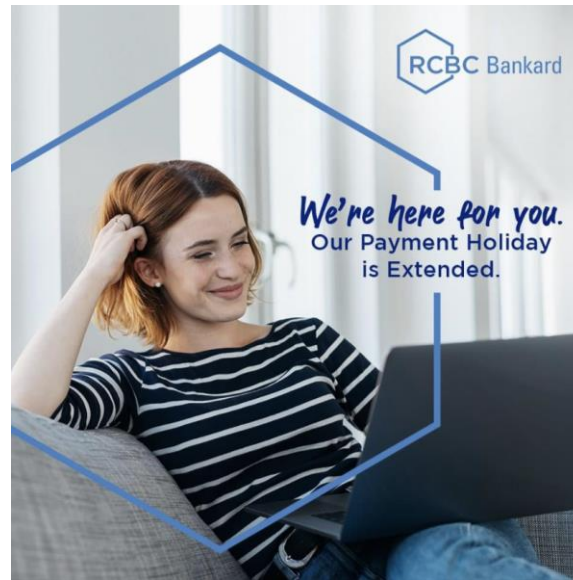
*Note: Branch total includes the 16 branches and 2 extension offices of Rizal Microbank, RCBC's Microfinance Thrift Bank subsidiary*

## RCBC's Branch distribution by Region

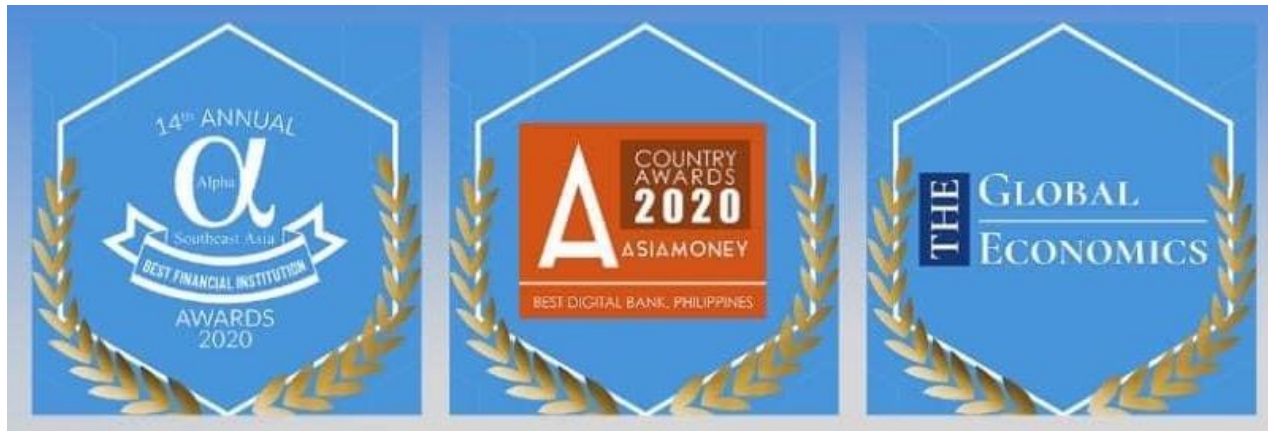
September 2020



# Customer Relief Programs



# Record growth in RCBC's digital transactions



## Digital Banking Enrollment\*

↑ **196%**

Customers enrolled in digital banking

## Send Cash\*

↑ **521%**

Daily transaction count

## Cardless ATM Withdrawal\*

↑ **3535 %**

Daily transaction count

## InstaPay Transactions\*

↑ **494%**

Transaction count

## Corporate Online Payments & Clearing

↑ **268%**

Sep 2019 vs Sep 2020

\*Growth figures Pre-ECQ vs ECQ



**Thank you.**