



RCBC 1Q 2023 ANALYSTS' BRIEFING

12 May 2023

4:00 PM

Agenda

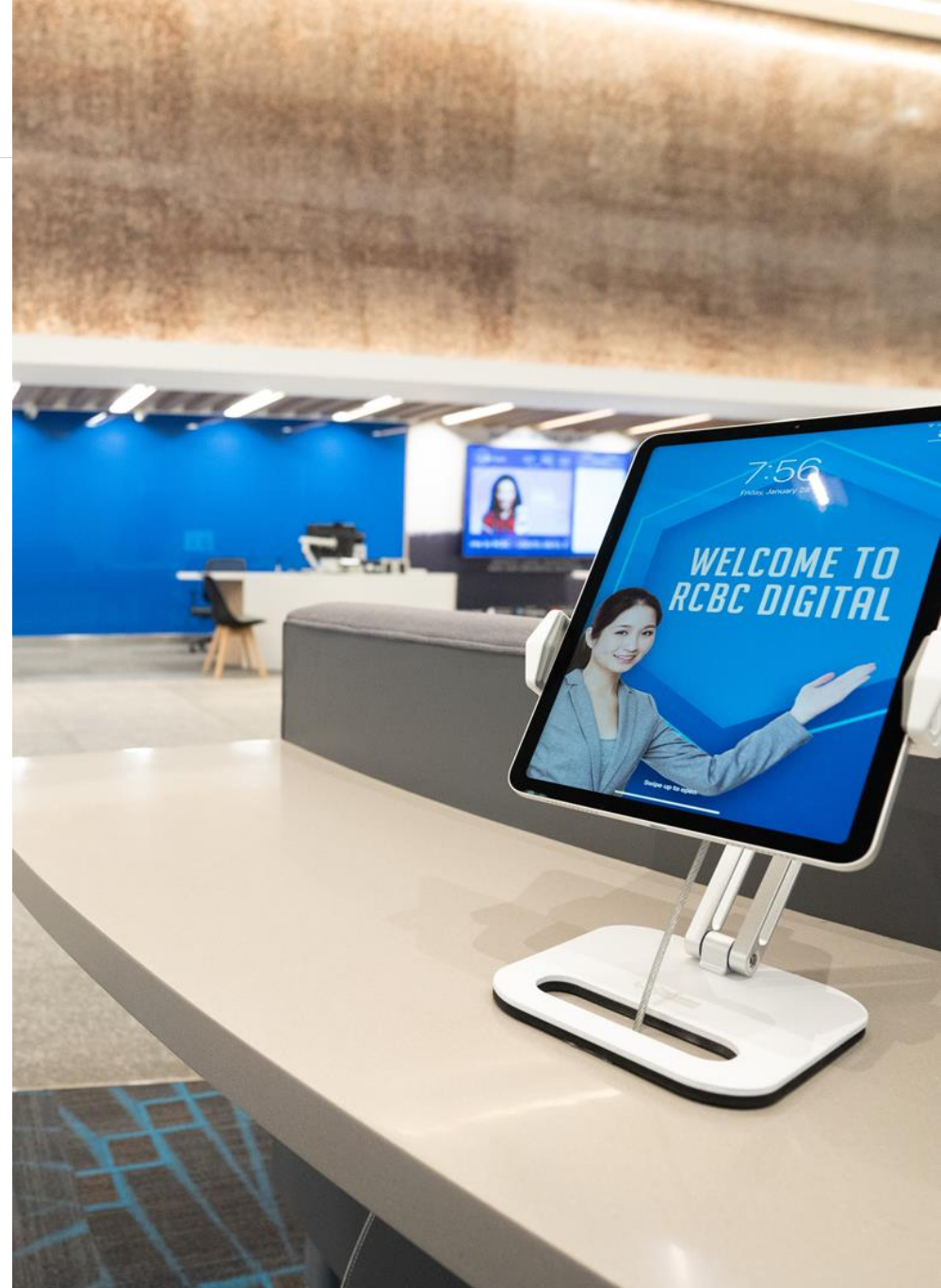
01 Economic Outlook

Michael L. Ricafort, RCBC Chief Economist

02 RCBC 1Q 2023 Performance

Chrissy P. Alvarez, RCBC Corporate Planning Head & CIO

03 Q&A



A few reminders...



If your connection gets cut, you may use the same link or meeting details to get back in.

Meeting ID: 862 4615 6118
Passcode: RCBC1Q2023



Microphones will remain on mute during the briefing proper and will be unmuted during the question and answer portion.



If you have any concerns during the briefing, you may send us a message using the chatbox.

A few reminders...



For easier identification, kindly set your meeting name to include your **company or organization** followed by your **registered name**.

e.g., RCBC – Juan dela Cruz



Queue your name using the chatbox for your questions.

Each participant may ask two questions at a time. If you have more questions, kindly queue your name again.

RCBC is recognized for its strong franchise across business lines





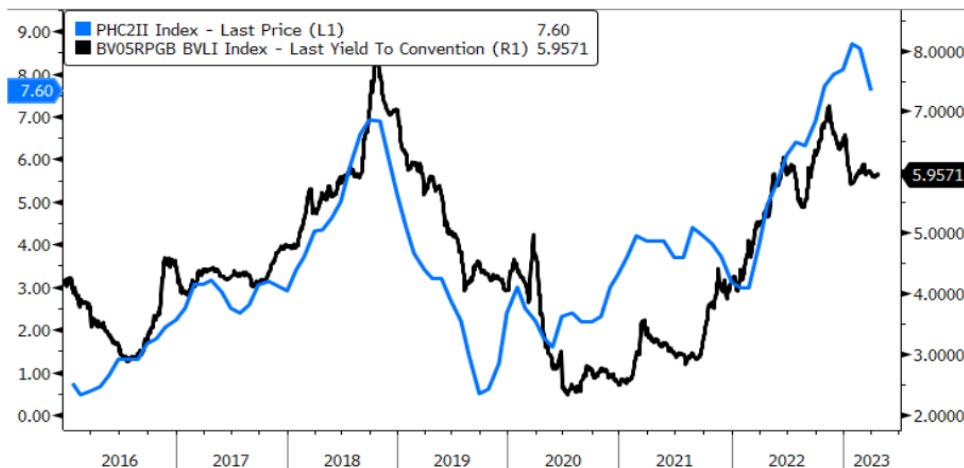
Economic Outlook

Mr. Michael L. Ricafort
RCBC Chief Economist

Expected recovery; rates to ease alongside inflation

Economic Indicators	2021 Actual	2022 Forecast	2023 Forecast
GDP Growth	5.7%	7.6%	5.5%-6.5%
USD/Php (YE)	50.999	55.755	55.00-56.00
USD/Php (Ave)	49.25	54.48	55.25-56.25
Inflation (Ave)	3.9%	5.8%	5.8%-6.3%
BSP Policy Rate	2.00%	5.50%	5.25%-5.75%
Fed Funds Rate	0.00%-0.25%	4.50%	4.00%-4.50%
PSEi	7,122.63	6,566.39	7,100-7,600

Rates could be nearing the peak amid encouraging inflation data



	2023 Forecast	2024 Forecast
IMF*	6.0%	5.8%
ADB	6.0%	6.2%
World Bank	5.6%	5.9%
AMRO	6.2%	
S&P Global Ratings	5.8%	
Moody's	5.7%	6.0%
Fitch	5.5%	
PH Government	6.0% - 7.0%	6.5% - 8.0%


Based on OECD projections, the Philippines has the second-highest GDP forecast among ASEAN member-countries, behind only Vietnam's 6.4%



RCBC 1Q 2023 Performance

Ms. Chrissy P. Alvarez
RCBC Corporate Planning Head
and Chief Information Officer

RCBC accelerates solid momentum



+70%
in net income

Net income hit P3.6 billion in the first quarter of 2023 supported by steady build-up of earning assets. Return on equity jumped to 13.3% while annualized return on assets reached 1.3%.

+20%
in total assets

Customer loans and investment securities drove asset growth versus previous quarter. Loans grew across all segments with solid expansion in SME and consumer.

+27%
in total deposits

Total deposits sustained its growth momentum, funding 74% of total assets. CASA continued to climb, supported by “phygital” cash management solutions and corporate and SME relationships



+26%
in gross transaction value

Defended our lead in digital, bagging repeat awards from AsiaMoney and The Asian Banker. Analytics continued to guide portfolio expansion and client acquisition



Profits rose 70% in Q1 2023 to over P3.6B

	1Q2023	1Q2022	Change	% Change
INCOME STATEMENT				
Gross Income [1]	12,993	9,902	3,091	31.2%
Net Interest Income	7,267	8,052	(785)	(9.8%)
Fee Income	1,530	1,226	305	24.8%
Operating Expenses	7,195	5,883	1,311	22.3%
Impairment Losses	1,496	1,552	(57)	(3.7%)
Net Income	3,637	2,141	1,496	69.8%
BALANCE SHEET				
Assets	1,153,942	961,712	192,230	20.0%
Loans [2]	563,431	512,798	50,633	9.9%
Investment Securities	351,259	275,622	75,638	27.4%
Deposits	859,396	675,268	184,128	27.3%
Capital	116,370	108,925	7,445	6.8%



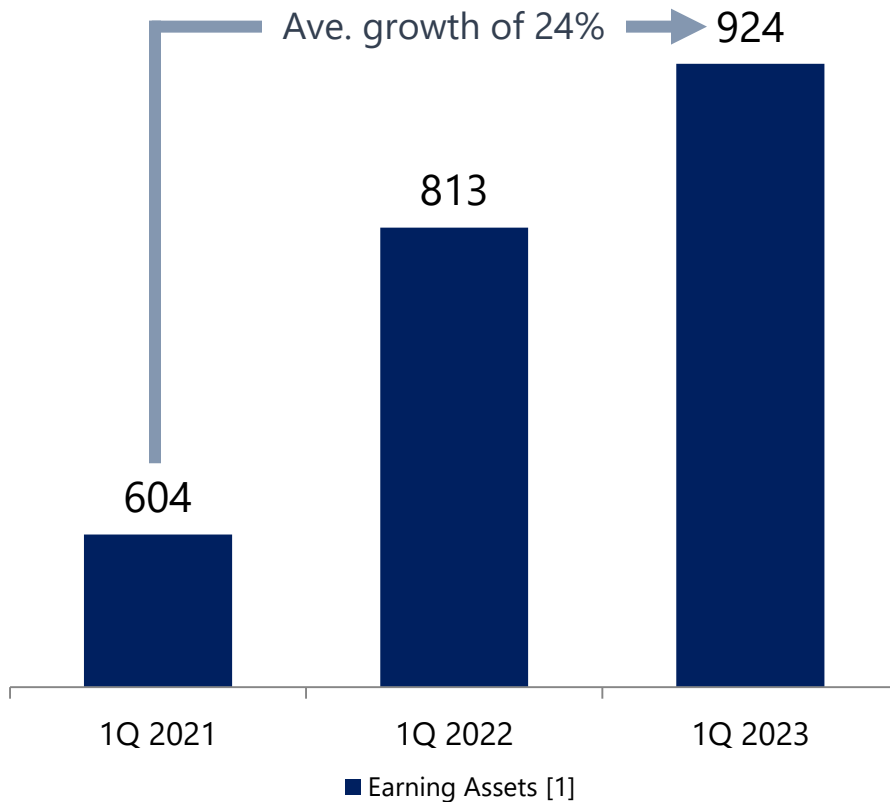
*Amounts in PhP Millions, except % and ratios

[1] Includes trading / FX gains, and one-time gain of PhP 3.1B from sale of assets

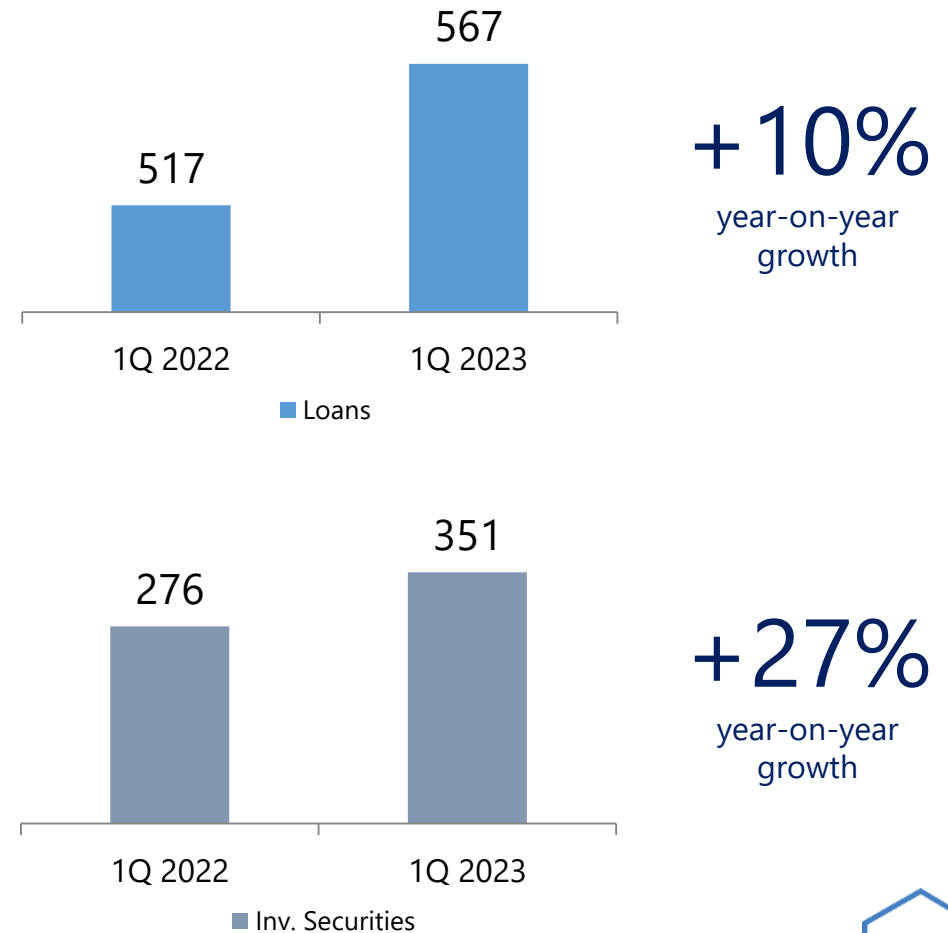
[2] Loans and Receivables net of Allowances and Interbank Loans

Total assets reached P1.2 trillion, up 20% year-on-year

Continued build-up of earning assets which grew 14% versus year-ago level



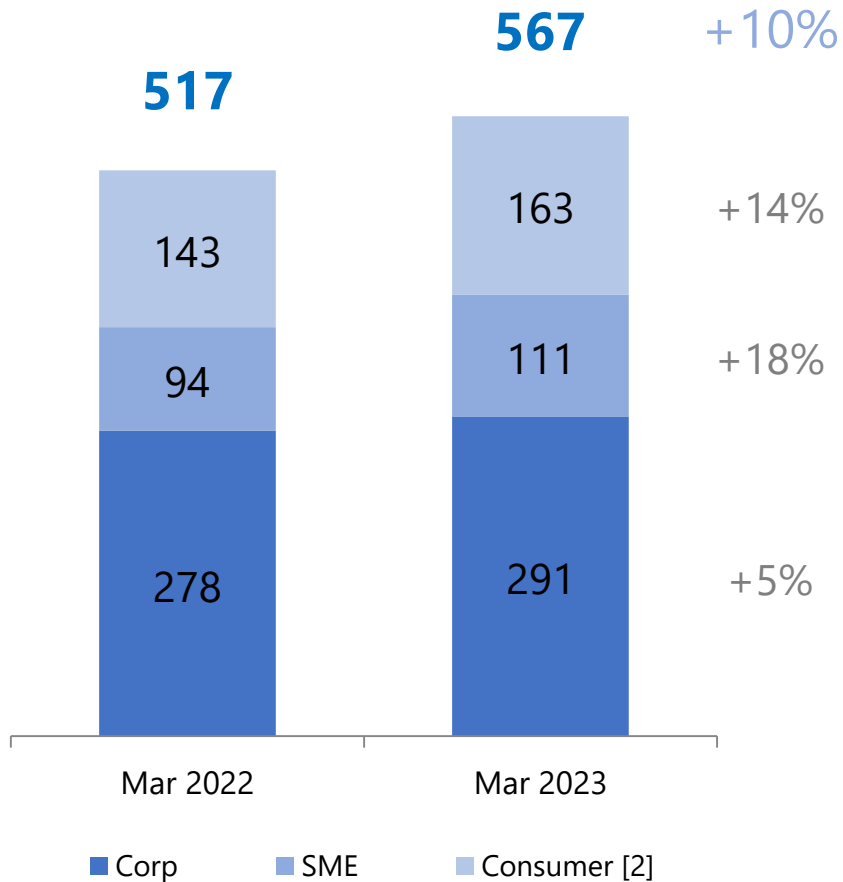
This was on the back of double-digit increase in customer loans and investment securities



Focused expansion in high-yielding segments

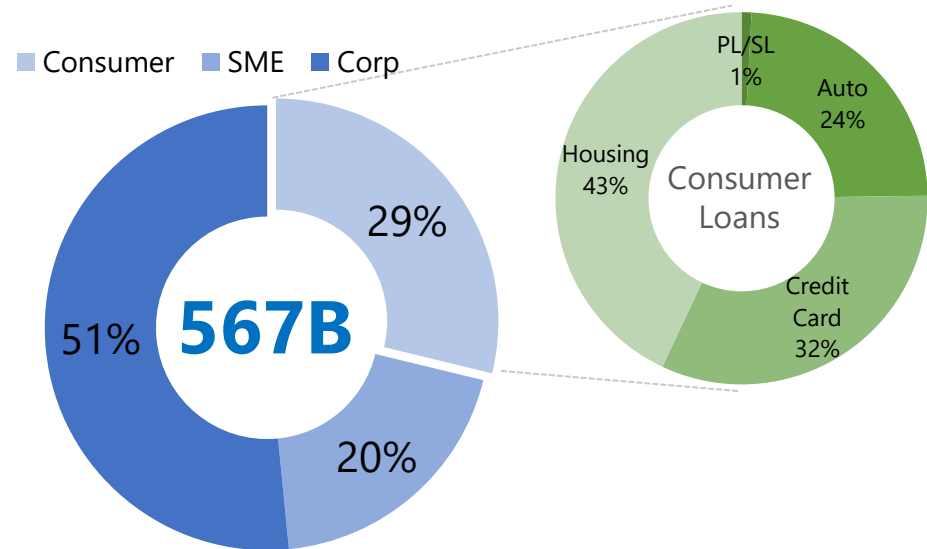
Loan Portfolio¹

In Php Billions, except %



Loan Mix

As of March 2023



SME along with consumer led the charge with 18% and 14% growth versus previous year, accounting for over 73% of the jump in the loan portfolio.

For consumer loans, credit card in particular showed massive improvement, up 46% from year-ago level.



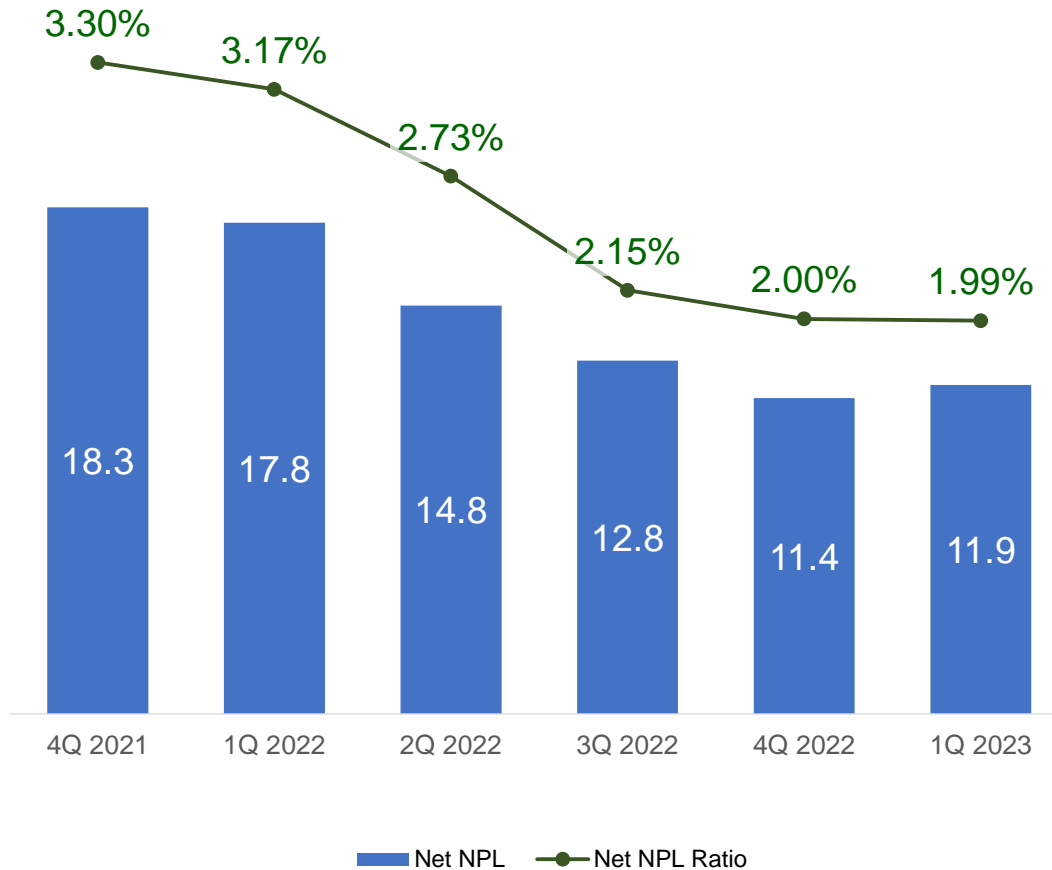
[1] Total loan portfolio includes microfinance loans amounting to PhP 1.4B as of March 2022, and PhP 1.7B as of March 2023.

[2] Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

Massive improvement in asset quality from last year

Net NPL Amount and Ratio

In Php Billions, except %



Net NPL ratio per Segment

As of March 2023

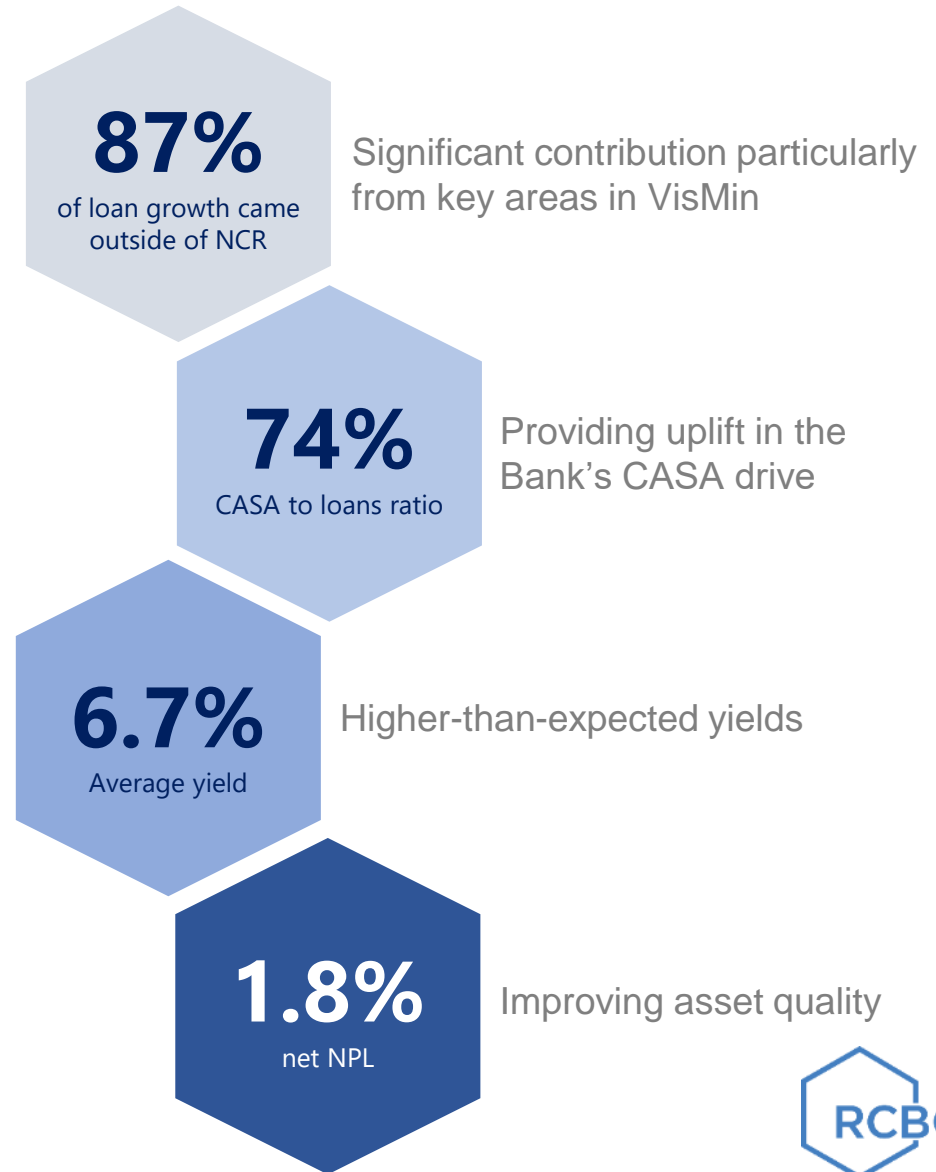
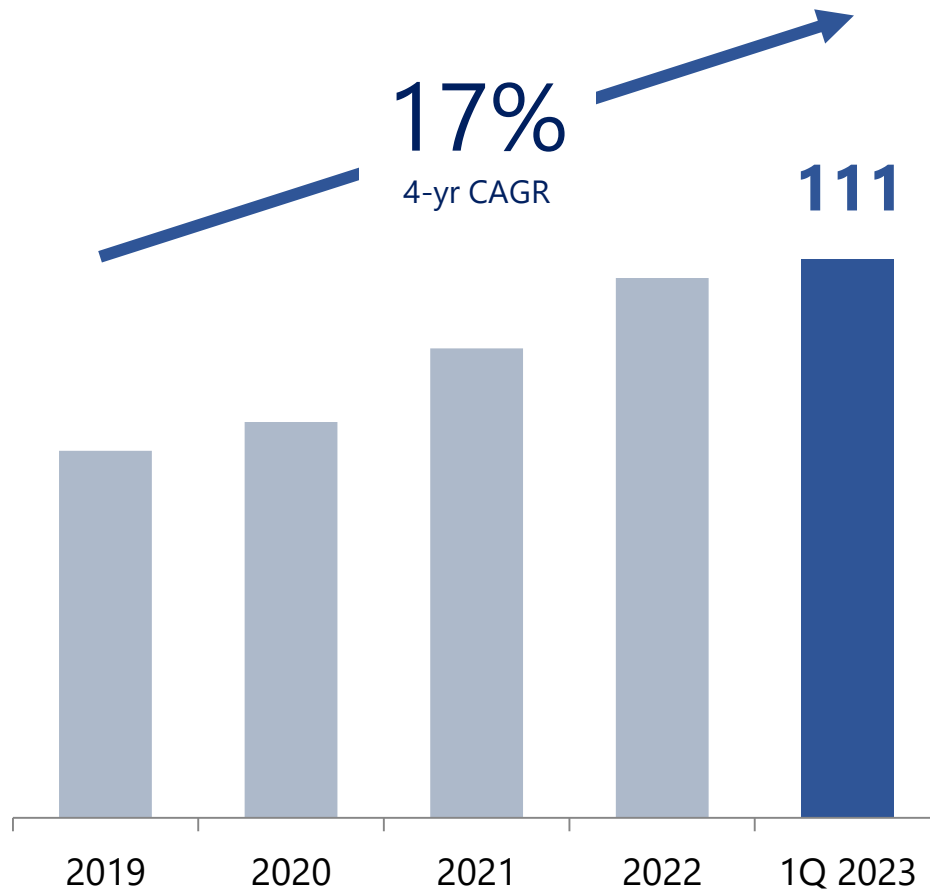
Corporate	0.9%
SME	1.8%
Consumer	5.6%
Credit Card	0.7%

The Bank's data and digital strategies, tightened credit and proactive remedial management paid off, with marked improvement in NPLs across most loan segments.



SME accounted for over a third of Q1 loan growth

Historical SME Loans
In Php Billions



Credit cards continued to outpace industry

Credit card portfolio rose on the back of key acquisition and usage campaigns and use cases



44%

more new card issuances
or 50K new cards for the first quarter



67%

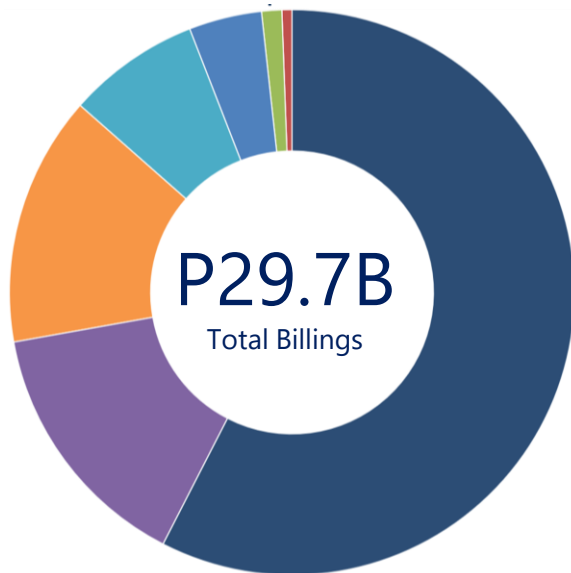
jump in issuing billings,
faster versus industry benchmark of 47%



46%

growth in card balances,
outperforming industry's 30% increase

Q1 presented success across various card usages:



P29.7B
Total Billings

+392%

Unipay, Bills, Cash Advance

+85%

Cash Loans

+40%

Installments

Get a **FREE Marshall True Wireless Earbuds or Speaker** with your new **RCBC Mastercard® Credit Card!**

Marshall Emberton II Bluetooth Speaker
Marshall Minor III True Wireless Earbuds

Marshall

LIVE LIFE UNLIMITED

Let's get moving with a **FREE Fitbit** with your new **RCBC JCB Credit Card!**

Fitbit Charge 5
Fitbit Inspire 3

fitbit

LIVE LIFE UNLIMITED

Make your travels bolder and better with your new **RCBC Visa Credit Card** & a **FREE Delsey Luggage!**

Delsey Carry-on Luggage 55cm

DELSEY PARIS

LIVE LIFE UNLIMITED

CROWNE PLAZA
ALL NEW CUISINE
SINCE 1962

Dine and enjoy **up to 50% OFF** at Seven Corners and Xin Tian Di with your premium RCBC Credit Card.

Lazada

EPIC 11TH BIRTHDAY SALE (5.5.2023)

Enjoy **BIGGER SAVINGS** with RCBC Credit Cards!

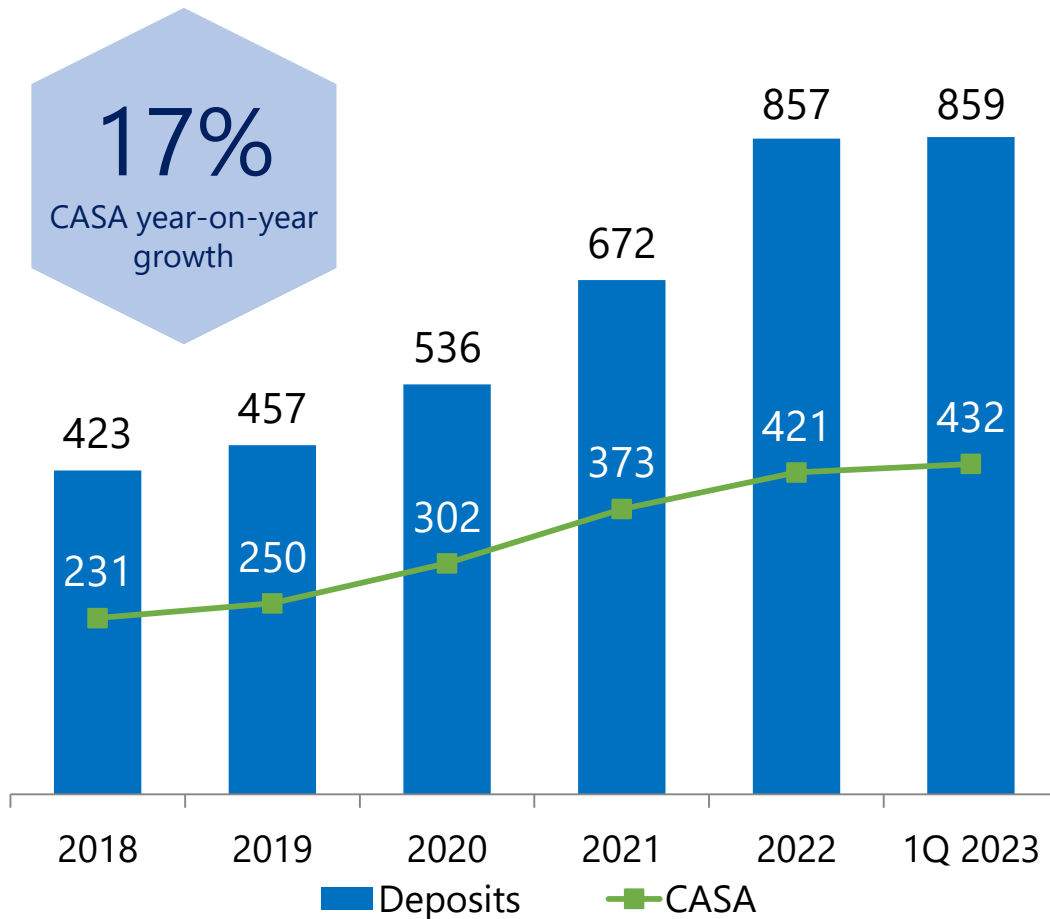
3.3
MEGA SHOPPING SALE

Enjoy **MEGA DISCOUNTS** with RCBC Credit Cards!

Shopee

Deposit uplift from sustained momentum from CASA

Historical Deposits and CASA In Php Billions



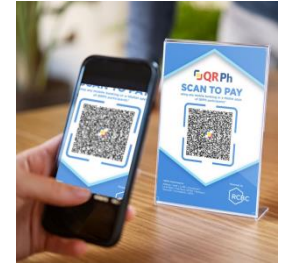
On the back of RCBC's comprehensive suite of cash management solutions...



Cash Cube
(+103% volume)



CheckScan
(+551% volume)



QR Pay
(+800x volume)

and extensive corporate and SME banking relationships...

61%

Record high CASA-to-loan ratio from corporates

74%

Better-than-expected CASA-to-loan ratio from SMEs



Building the favored digital banking brand



47.5B

gross transaction value; up 31% from LY

59.3M

in total revenues; up 22% from LY

RCBC's industry-leading all-in-one mobile banking app with the most comprehensive list of features

- UITF Investments
- Borrow Cash
- UnliPay
- Mobile Check Deposit
- Time Deposit
- Foreign Exchange
- Cardless Withdrawal
- Buy Load
- Bills Payment
- Digital Concierge
- Fund Transfer
- QRPH Payments



2023 will see DiskarTech pivot into a **more capable** and **loans-focused app** with a refreshed user interface (UX) and faster onboarding

5.4M

total app downloads

1.4M

total basic deposit accounts

80%

increase in total revenues to 3.6M

3.6B

in total gross transaction value



1784

ATM Go terminals

1200

partner merchants

2.74B

gross transaction value; up 23% YoY

36.3M

in total revenues; up 87% versus LY

Consolidated key financial indicators

	Mar-23	Mar-22	Change
PROFITABILITY			
Return on Equity	13.3%	8.0%	5.3%
Return on Assets	1.3%	0.9%	0.4%
Net Interest Margin	3.1%	4.0%	-0.9%
COST EFFICIENCY			
Cost-to-Income Ratio	55.4%	59.4%	-4.0%
ASSET QUALITY			
Net NPL Ratio	1.9%	3.1%	-1.2%
NPL Coverage Ratio	80.2%	63.8%	16.4%
Credit Cost	0.1%	0.3%	-0.2%
CAPITAL			
Capital Adequacy Ratio	14.1%	14.8%	-0.7%
CET1	11.3%	11.7%	-0.4%



Question & Answer



For more information about RCBC,
please contact
Investor_Relations@rcbc.com





**RCBC 1Q 2023
ANALYSTS' BRIEFING**