



1H 2024 Analysts' Briefing

August 2024



Macroeconomic Outlook

Michael Ricafort
Chief Economist

Market forecasts and catalysts for 2024

Philippine GDP Growth Estimates (2024-2025)

Multilateral Institutions	2024 Forecast	2025 Forecast
IMF*	6.0% (same)	6.2% (same)
ADB	6.0% (from 6.2%)	6.2%
World Bank	5.8%	5.9%; 5.9% in 2026
AMRO*	6.1% (from 6.3%)	6.3% (from 6.5%)
S&P Global Ratings	5.8% (from 5.9%)	6.1% (from 6.2%)
Moody's	5.9%	6.0%
Fitch Ratings	5.8%	-
PH Government	6.0%-7.0%	6.5%-7.5%; 6.5%-8.0% (2026-2028)

*Latest forecast

Key Market Catalysts:



Weaker chance for local policy rate cut

Reduced likelihood on the possible -0.25 BSP rate cut as early as Aug; officials reiterated possible of -0.50 rate cut for rest of 2024.



PH GDP growth better than estimates

+6.3%, the fastest since 4Q2022; driven by govt. spending, construction and investments.



Faster inflation rate after Typhoon Carina

As of July 2024, inflation rate at 4.4%; the fastest in 9 months due to higher food, utility, transport and education prices.



Improved employment rate

As of June 2024, increased to 96.9%, the highest in 19 years. Underemployment rate up by 12.5%.

Market forecasts and catalysts for 2024

Philippine Economic Outlook

Economic Indicators	2022 Actual	2023 Actual	2024 Forecast
GDP Growth	7.6%	5.5%	6.0%-6.5%
USD/PhP (Year-End)	55.76	55.37	56.50-57.50
USD/PhP (Average)	54.48	55.63	56.75-57.75
Inflation (Average)	5.8%	6.0%	3.1%-3.6%
BSP Policy Rate	5.50%	6.50%	6.00%-6.25%
Fed Funds Rate	4.50%	5.50%	5.00%-5.25%
PSEi	6,566.39	6,450.04	7,000-7,500

US & Philippine Policy Rate Outlook

Economic Indicators	3-Month Forecast	6-Month Forecast	1-Year Forecast
BSP Policy Rate (now at 6.50%)	6.25%-6.50%	5.75%-6.00%	5.25%-5.50%
Fed Funds Rate (now at 5.50%)	5.25%-5.50%	4.75%-5.50%	4.25%-4.50%



1H 2024 Performance

Chrissy P. Alvarez
Corporate Planning Head

Our 1H 2024 performance at a glance

Boosting margins

- Earning assets jumped 12%, driving NII up 29%
- Loans surged 13%, led by 38% rise in consumer loans
- Credit cards outpaced industry, growing 53% year on year
- Fees up 33% versus last year

3.71%
in NIM, up 42 bps

Growth with quality

- Consumer expansion through data-driven cross sell campaigns
- Better than industry consumer NPL ratio of 4.35% (vs industry's 5.75%)
- PHP 119B in sustainable portfolio or 16% of our total loan portfolio

3.77%
in gross NPL,
14 bps lower

Best digital CX

- Digital loan availments on the rise, accounting for 38% of unsecured loans
- Fintech-like growth across digital platforms; transaction volume at 19M
- Recognized as Best Bank for Digital by Euromoney for the 5th year

29%
jump in gross digital
transaction volume



458
branches



7,858
ATMs*



6,535
employees

*includes ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants



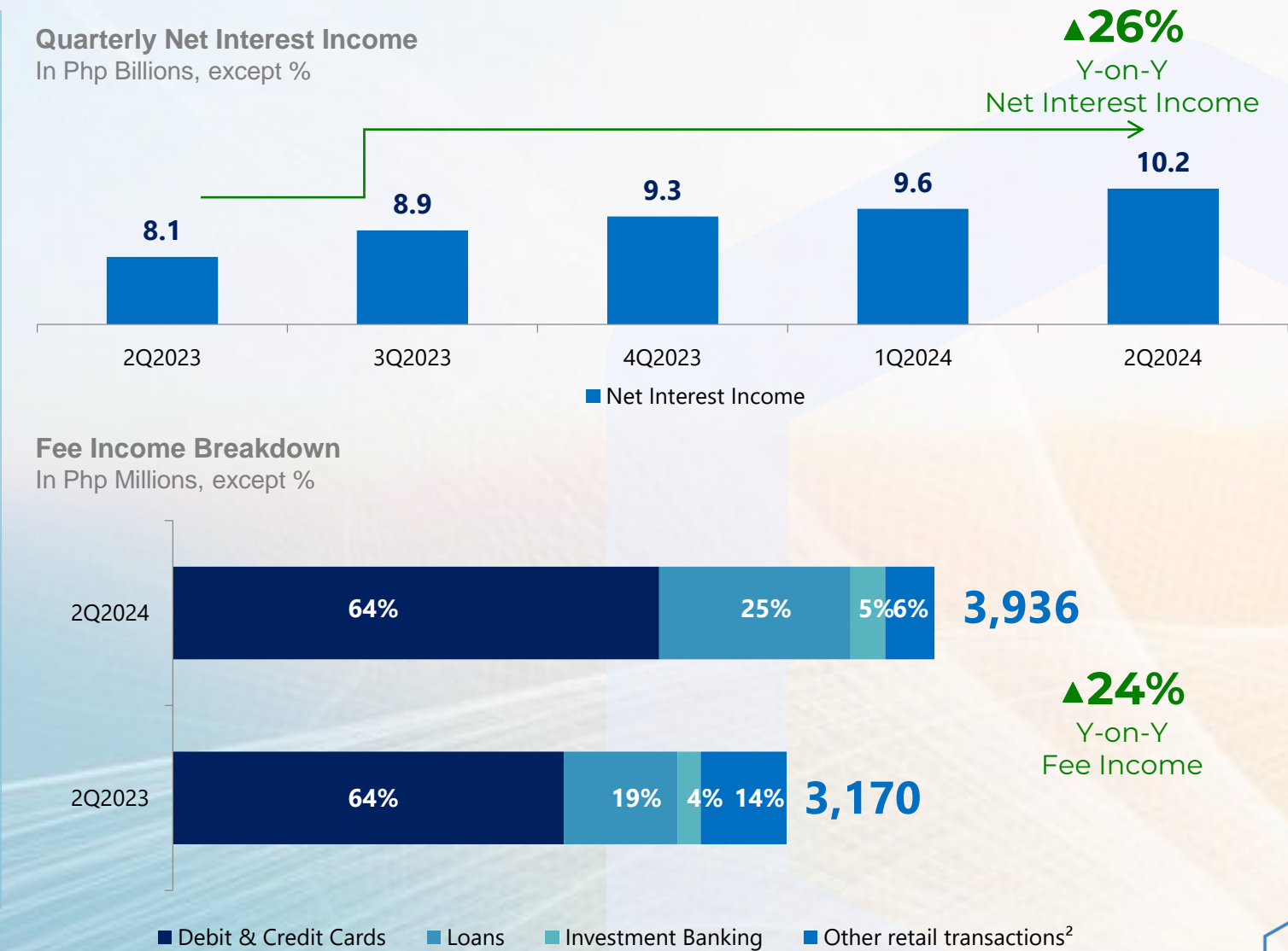
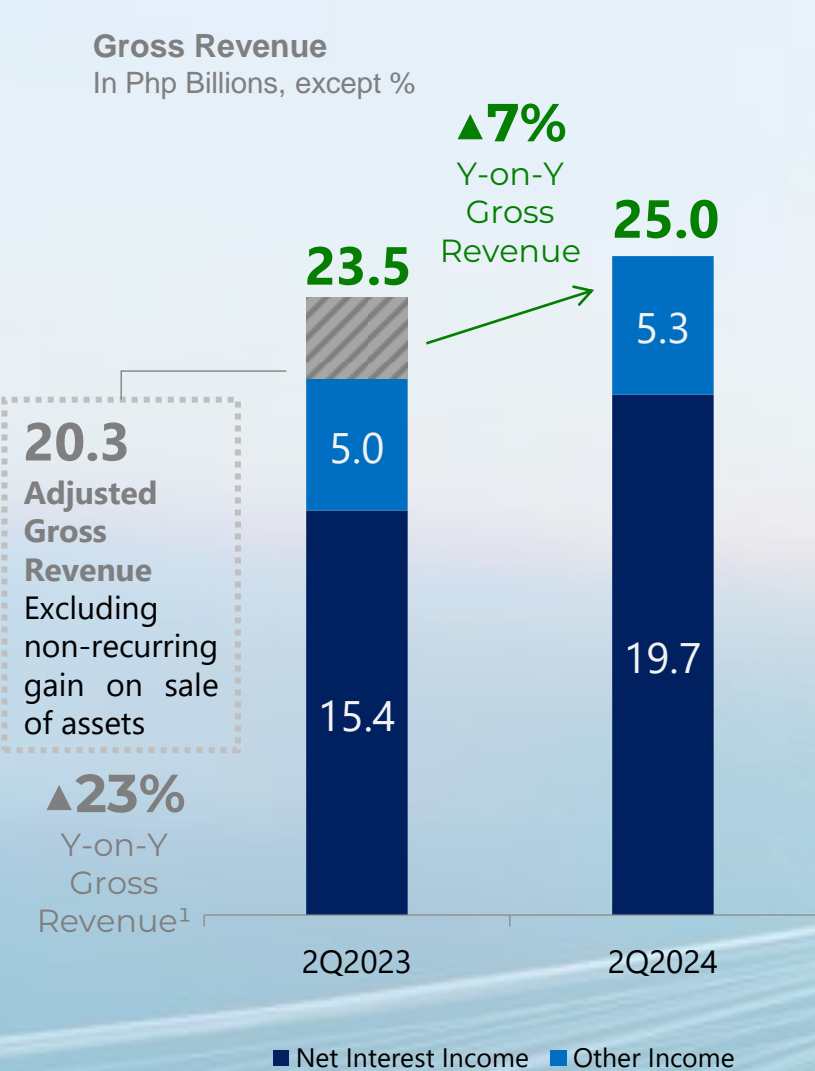
Summary of consolidated financial results

	1H2024	1H2023	Change	% Change
INCOME STATEMENT				
Gross Income	25,010	23,455	1,555	6.6%
Net Interest Income	19,748	15,351	4,398	28.6%
Fee Income	3,936	3,170	765	24.1%
Operating Expenses	15,378	14,318	1,060	7.4%
Impairment Losses	3,606	3,455	151	4.4%
Net Income	4,450	6,220	(1,770)	(28.5%)
BALANCE SHEET				
Assets	1,260,898	1,174,267	86,630	7.4%
Loans¹	654,504	576,772	77,732	13.5%
Investment Securities	373,782	339,318	34,464	10.2%
Deposits	959,918	899,741	60,177	6.7%
Capital	152,103	118,393	33,710	28.5%

*Amounts in PhP Millions, except % and ratios

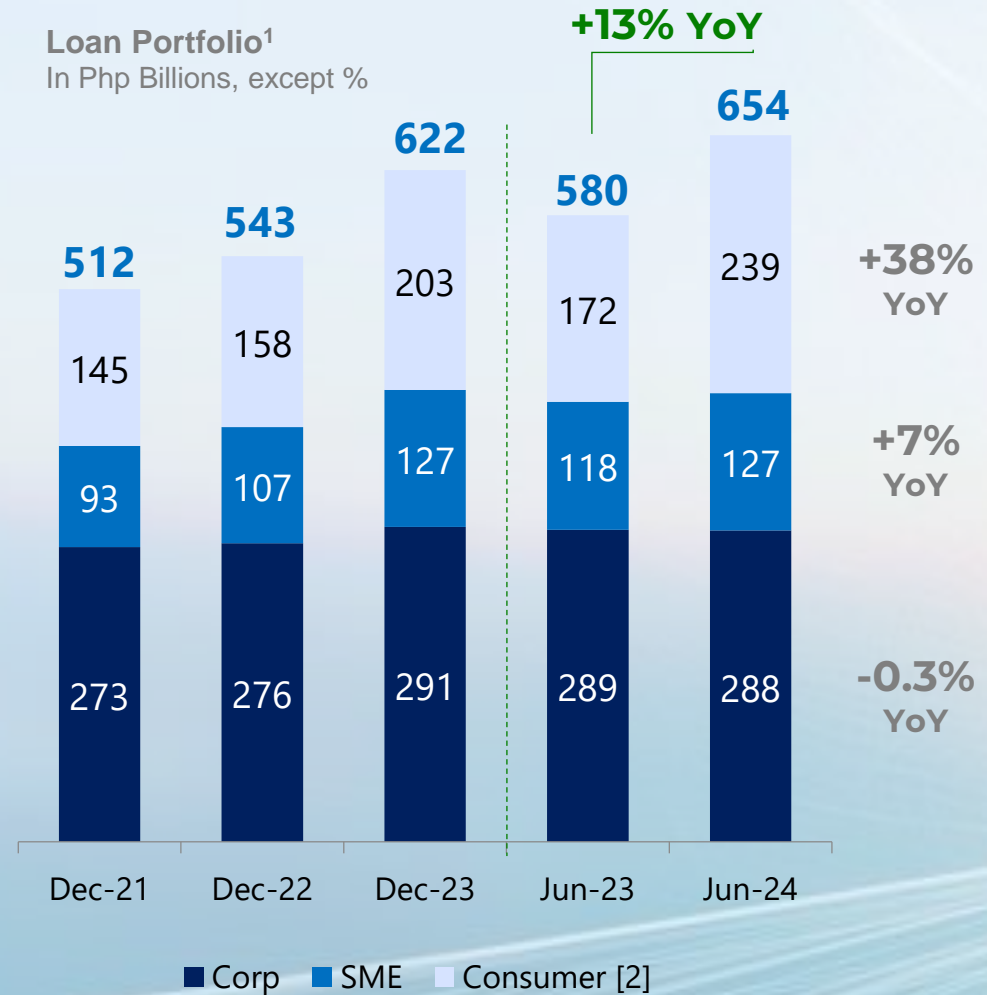
[1] Loans and Receivables net of Allowances and Interbank Loans

Earnings up in first half driven by core business

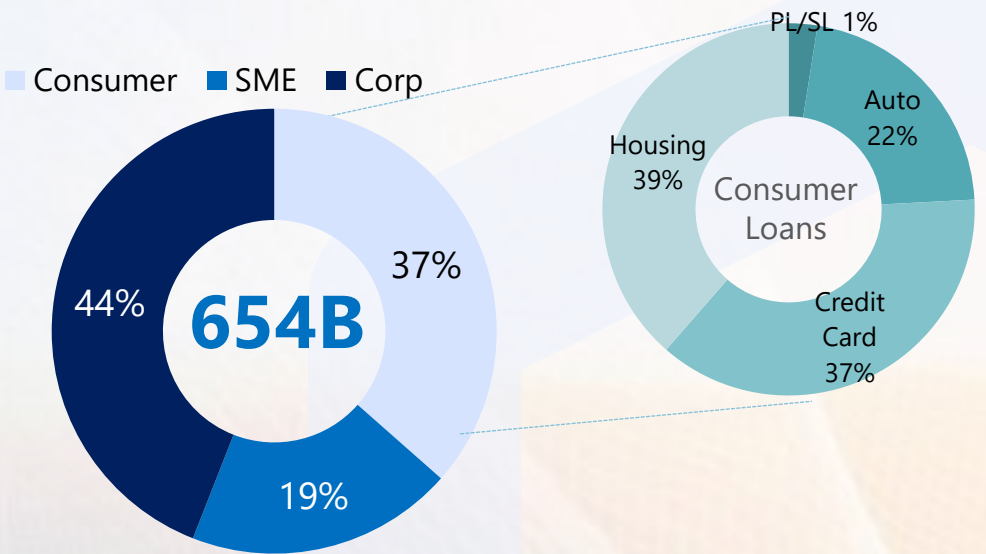


[1] Less non-recurring transactions [2] After the spin-off of RCBC Trust Corporation in January 2024, trust fees are not included.

Consumer segment leading portfolio growth



Loan Mix
As of June 30, 2024

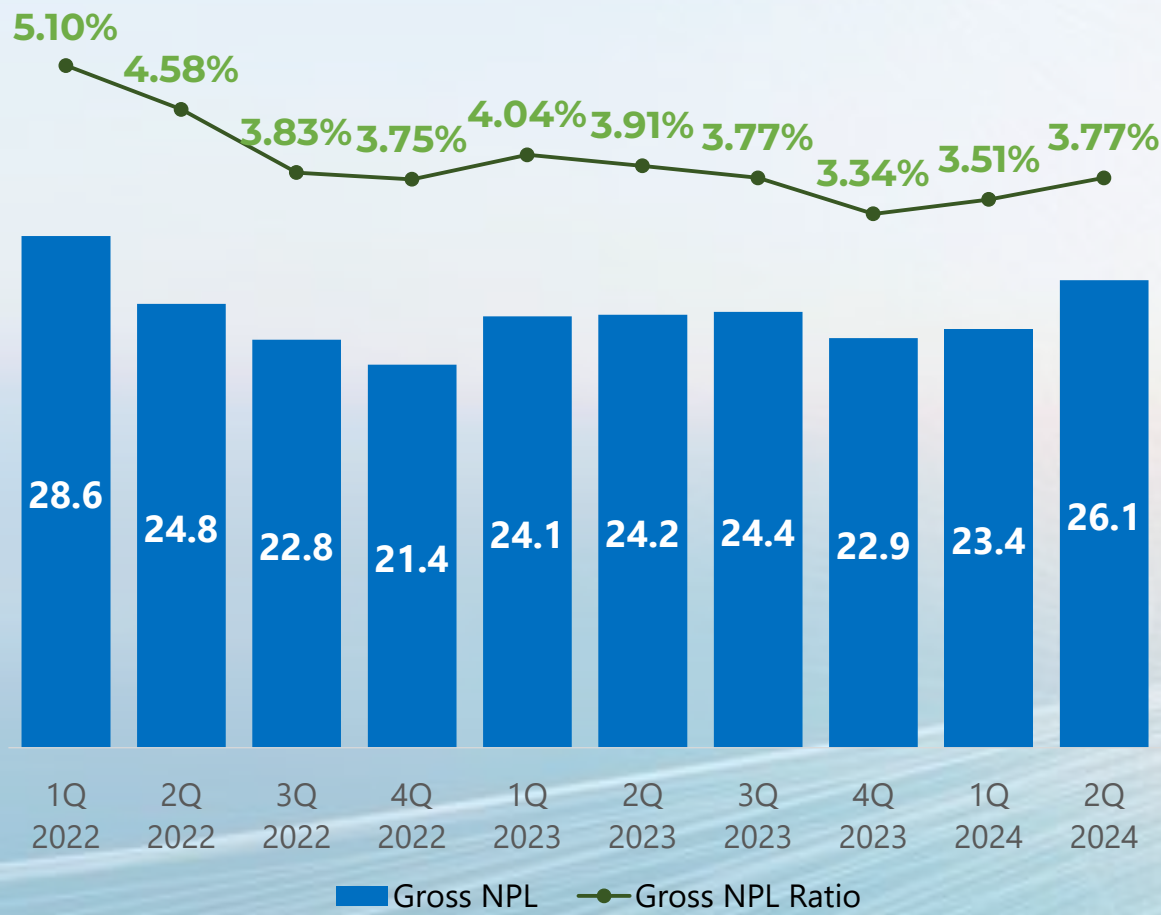


Consumer segment grew by 38% driven by 53% growth in cards, followed with auto and housing loans up by 31% and 26%.

[1] Total Gross Loan to Customer
[2] Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

Maintained stable asset quality in all segments

Gross NPL amount and ratio
In Php Billions, except %



Gross NPL ratio per segment
As of June 30, 2024

Corporate	1.6%
SME	4.4%
Consumer	4.7%
Credit Card	3.8%

The Bank’s data and digital strategies, tightened credit and proactive remedial management paid off, controlled NPLs across loan segments.

Credit cards portfolio grew by 53% vs LY



1.13M

cards in force; 15% higher than last year.



P87B

in issuing billings; 42% higher compared to year ago levels



P89B

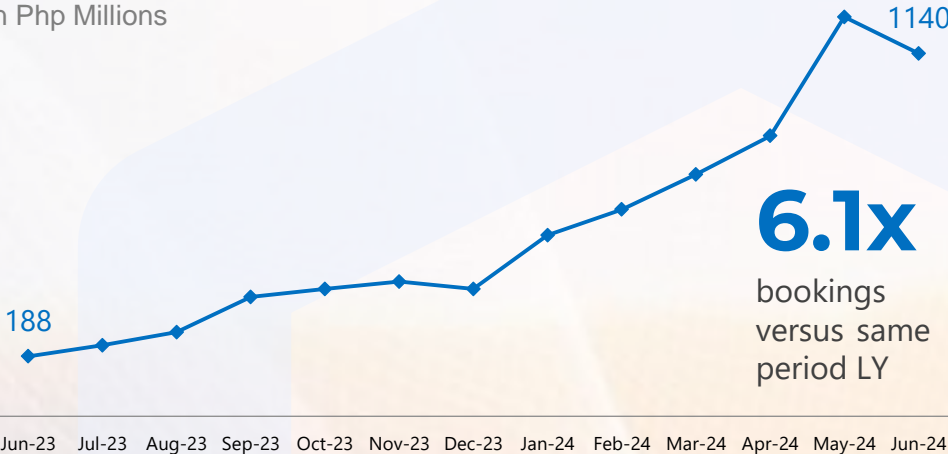
in credit card receivables; 53% higher than last year

Credit Card Spend
In Php Billions



Monthly personal loans now at over 1 BN

New Personal Loans Volume
In Php Millions



6.1x
bookings
versus same
period LY

Up to **P5,000 CASHBACK** with RCBC Mastercard® Credit Cards!

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Save on mama and baby essentials with RCBC Credit Cards!

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Use code: **ZCC66**

Up to **40% OFF** + **EXTRA P10,000 OFF*** at **0% Installment** for 36 months

OGAWA



P5.8B

personal loans receivables; 249% increase vs last year

All-time high bookings for auto and housing

Auto & Housing Portfolio and Gross NPL
In Php Billions, except %



UKB
Industry

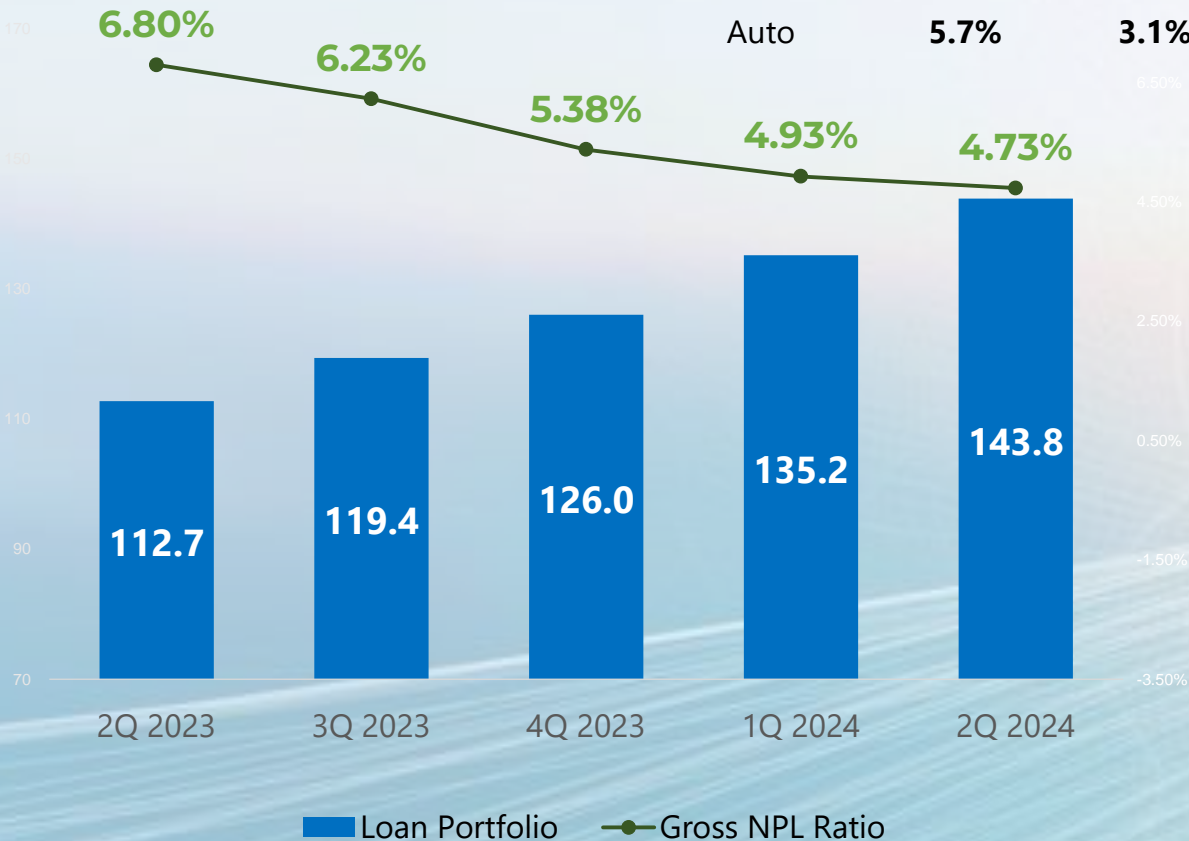
Housing
Auto

7.2%
5.7%



Gross NPL
Ratio

5.6%
3.1%



We continued to transform the housing & auto loans business



Affluent acquisition program
with the help of data science



Wholesale approach
through developer accreditation



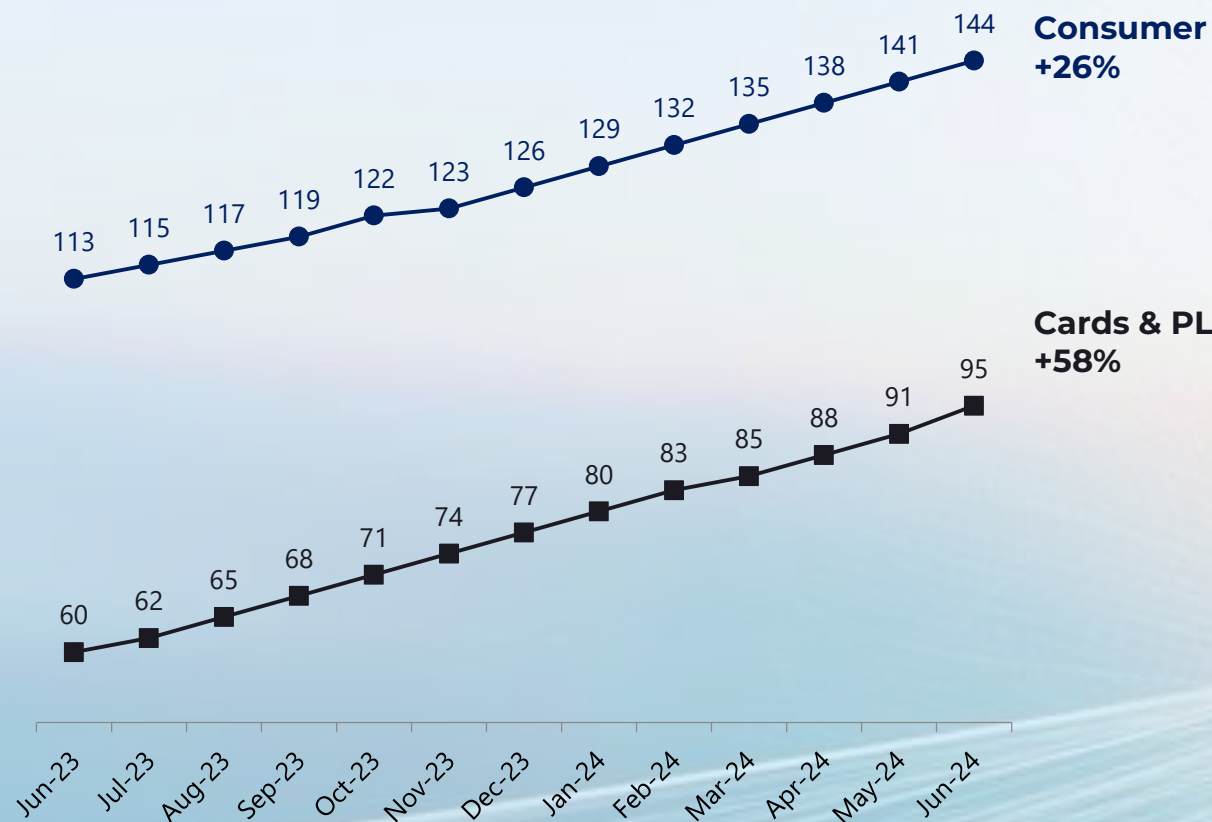
Strong brand positioning of auto
in the provinces



Innovative products & solutions
to enhance CX and create positive disruptions

Accelerate consumer loans and credit cards

Consumer loan portfolio
in PHP billions, % growth year-on-year

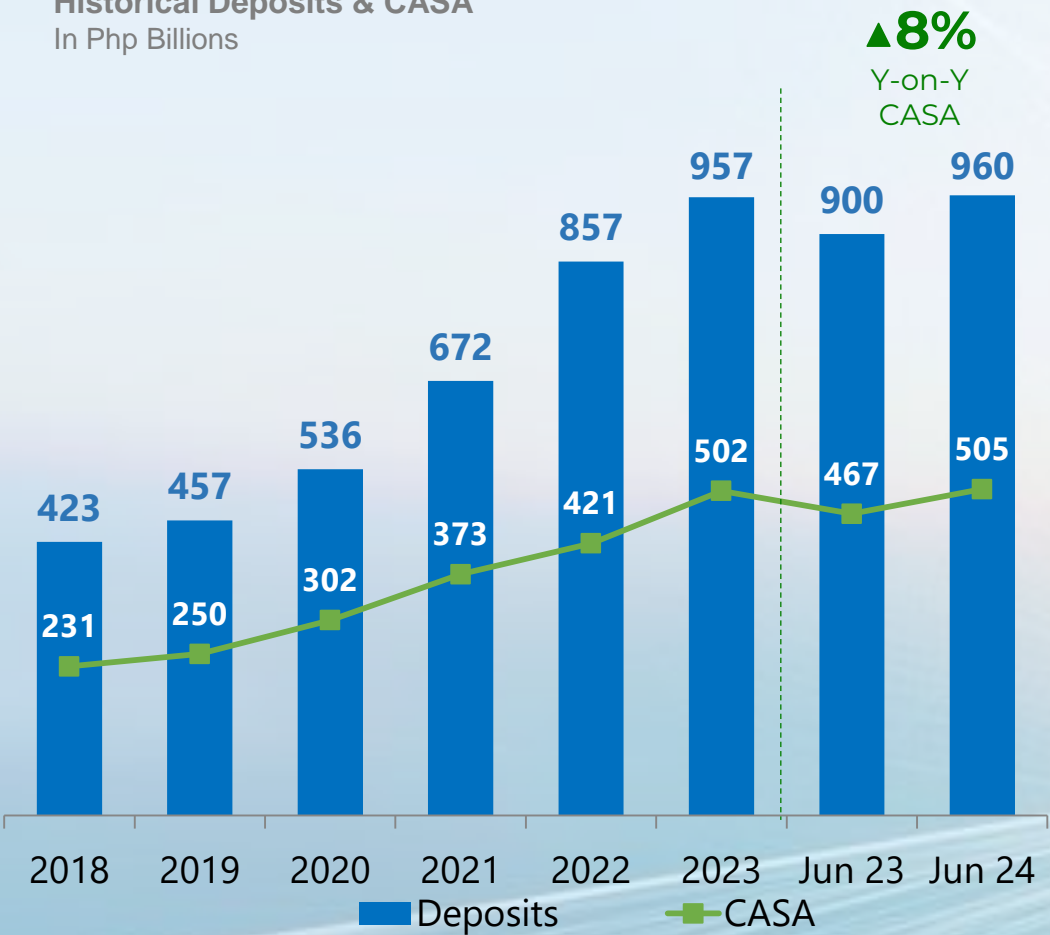


Q1 2024 RCBC consumer loan portfolio vs industry
in PHP billions, % growth year-on-year

	Volume		% Growth	
	RCBC	Industry	RCBC	Industry
Real Estate	88	942	25%	8%
Motor Vehicles	48	402	23%	20%
Credit Card	81	745	55%	30%
Personal Loans	4	146	153%	18%
TOTAL	220.3	2,234.1	35%	17%

Steady growth in deposits boosted by CASA

Historical Deposits & CASA
In Php Billions



Best-in-class cash management solutions will be a primary driver of deposits



CheckScan transaction values doubled, pushing transactions up PHP 23B



Double-digit jump in CashCube business at 26% vs previous year



Bills collection brought PHP 23B increase in transactions YoY



Disbursements up 15%, with EFT growing the fastest at 20%



Payroll up PHP 6B or 12% YoY, bringing total to PHP 58 B



Checks jumped 18% from same period last year, closing at PHP 48B

Multiple digital platforms for different segments



All-in-one hub

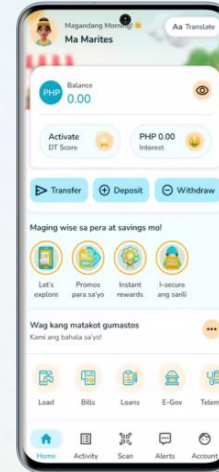
RCBC's industry-leading mobile banking app with the most comprehensive features

P346M

direct revenue, up by 27% vs. YAGO

+48%

transaction volume



RCBC's financial inclusion super app

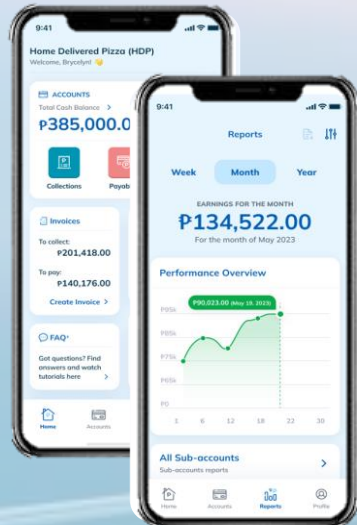
DiskarTech will pivot into a **more loans-focused app** with a refreshed user interface & faster onboarding

P340M

deposits, 95% higher vs. YAGO

2.8M

transaction volume



The RCBC SME App

The all-in-one app that will help keep track and organize all your business transactions, in just a few taps.

70.9M

transaction value

42K

app downloads



PH's 1st neighborhood & last mile ATM network

Bringing formal banking to rural community establishments

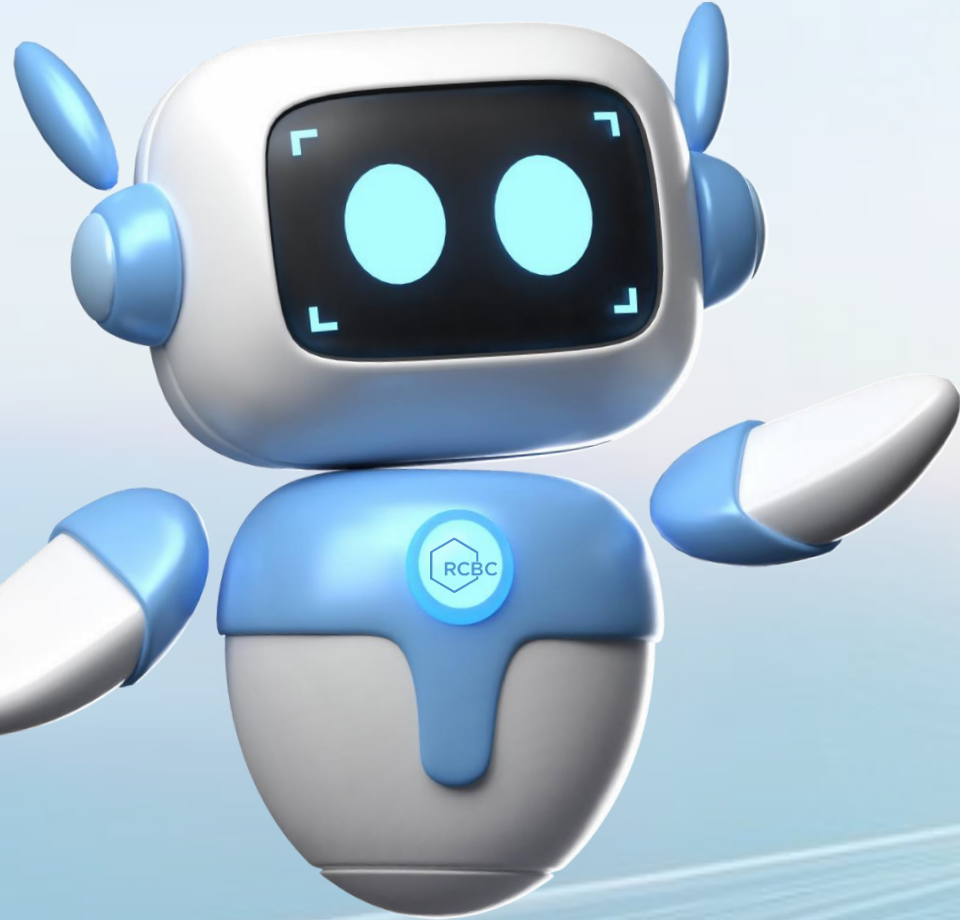
6,836

ATM Go terminals*

+30%

transaction volume

Data & AI for smart & targeted actions



Cross-sell & CX

ML models based on product propensity for various customer segments



Credit, Risk & Fraud

ML models for risk mitigation & fraud detection



Forecasting & Network

ML models for Expected Credit Losses (ECL) & client network analysis



Segmentation & Analysis

ML models for analysis & profiling of lifestyle & affluence segments

44 awards across various fields



+ 170 awards (2021 -2023)



Consolidated key financial indicators



	Jun-24	Jun-23	Change
PROFITABILITY			
Return on Equity	5.7%	11.1%	-5.4%
Return on Assets	0.7%	1.1%	-0.4%
Net Interest Margin	3.7%	3.3%	0.4%
COST EFFICIENCY			
Cost-to-Income Ratio	61.5%	61.0%	0.4%
ASSET QUALITY			
Net NPL Ratio	2.0%	1.9%	0.1%
NPL Coverage Ratio	81.3%	83.1%	-1.7%
Credit Cost	1.1%	1.2%	-0.1%
CAPITAL			
Capital Adequacy Ratio	16.4%	14.2%	2.3%
CET1	13.8%	11.3%	2.5%



Question & Answer



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



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