



FY 2023 Analysts' Briefing

March 2024

A few reminders...



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



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.

Meeting ID: 865 2872 7501
Passcode: RCBCFY2023

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.



FY 2023 Performance

Chrissy P. Alvarez
Corporate Planning Head

Stable foundations despite headwinds

Asset Growth

- Total assets jumped on the back of 15% increase in customer loans
- More than 1 million cards-in-force for Credit Cards
- Deposit rally driven mostly by CASA

₱1.2T
in total assets; 7.2%
higher vs last year

₱622B
in loans; driven by
consumer

Solid Returns

- Upward trajectory of NII for the last 5 years
- Lower NPL ratio despite loan expansion across all segments
- Return on equity closed at 9.5%; return on asset hit 1.1%

₱50B
all-time high
revenues

₱12.2B
in net income; core
profits up 10%

Capacity Building

- Four digital channels: Pulz App, Boz App, Diskartech and ATMGo
- CAR and CET1 ratio reached 17.4% and 14.7%
- RCBC Trust Corporation started its operations in January 2, 2024

₱65M
in gross transaction
volume; up 33% YoY

5,779
ATM Go terminals as
of December 31, 2023



458 branches



7,239 ATMs*

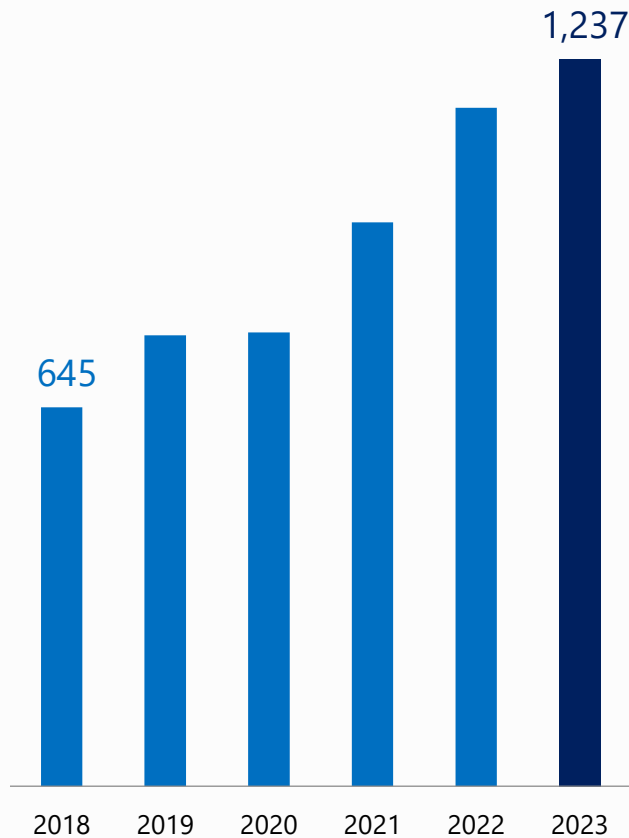


6,410 employees

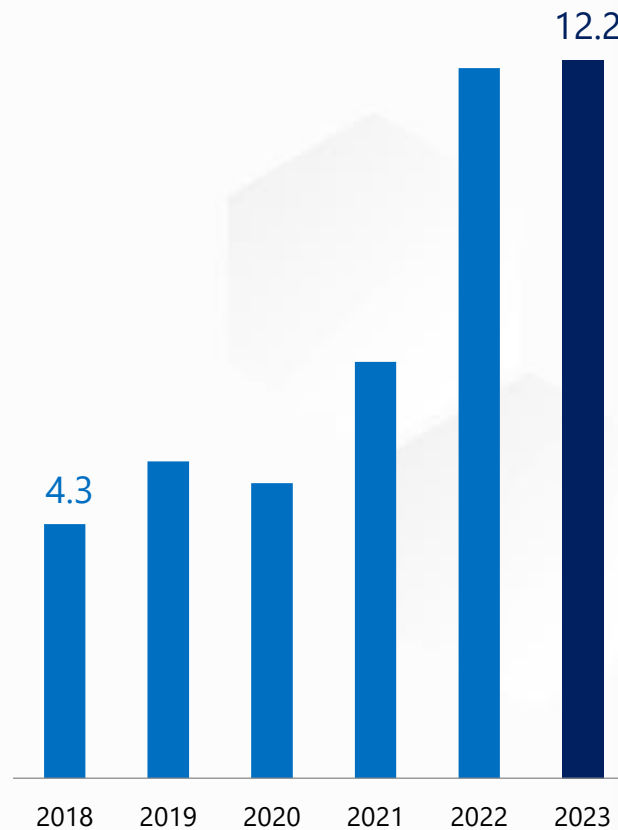
*includes ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants

Efficient expansion with leaner organization

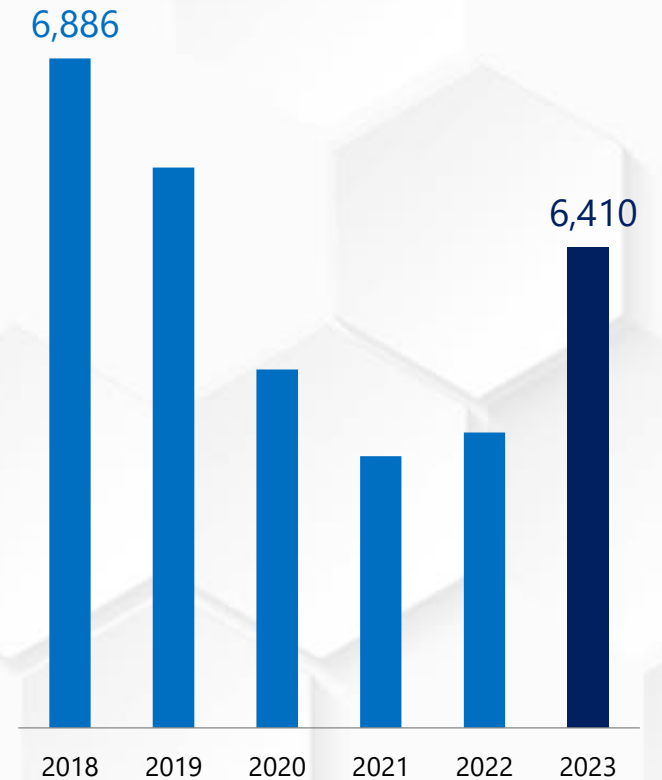
Assets nearly doubled
after 5 years



Profits on track to triple
after 5 years



Headcount cut by 7%
after 5 years



Consolidated key financial items

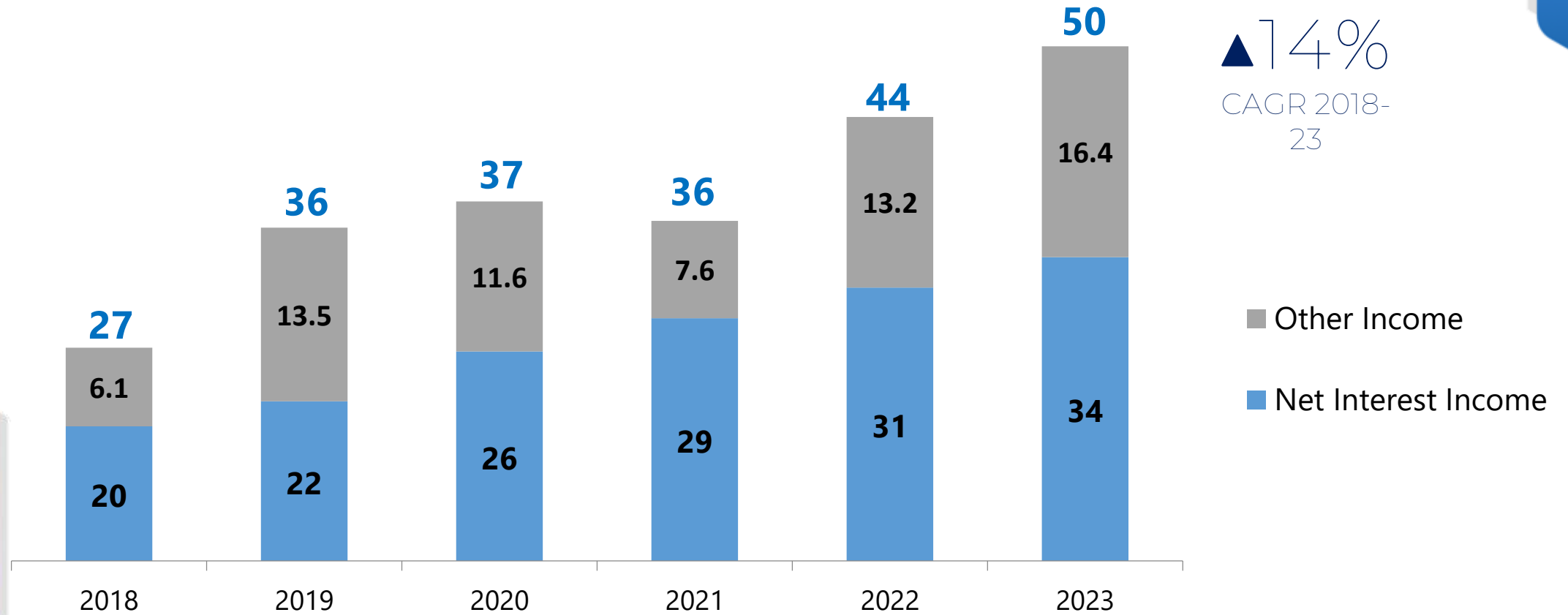
	FY 2023	FY 2022	Change	% Change
INCOME STATEMENT				
Gross Income	49,941	44,454	5,487	12.3%
Net Interest Income	33,574	31,216	2,358	7.6%
Fee Income	7,082	5,884	1,198	20.4%
Operating Expenses	29,612	25,100	4,512	18.0%
Impairment Losses	6,914	5,706	1,208	21.2%
Net Income	12,216	12,080	136	1.1%
BALANCE SHEET				
Assets	1,237,484	1,154,108	83,376	7.2%
Loans¹	622,136	539,849	82,287	15.2%
Investment Securities	330,737	374,365	(43,628)	(11.7%)
Deposits	956,694	857,244	99,450	11.6%
Capital	152,277	116,361	35,916	30.9%

*Amounts in PhP Millions, except % and ratios

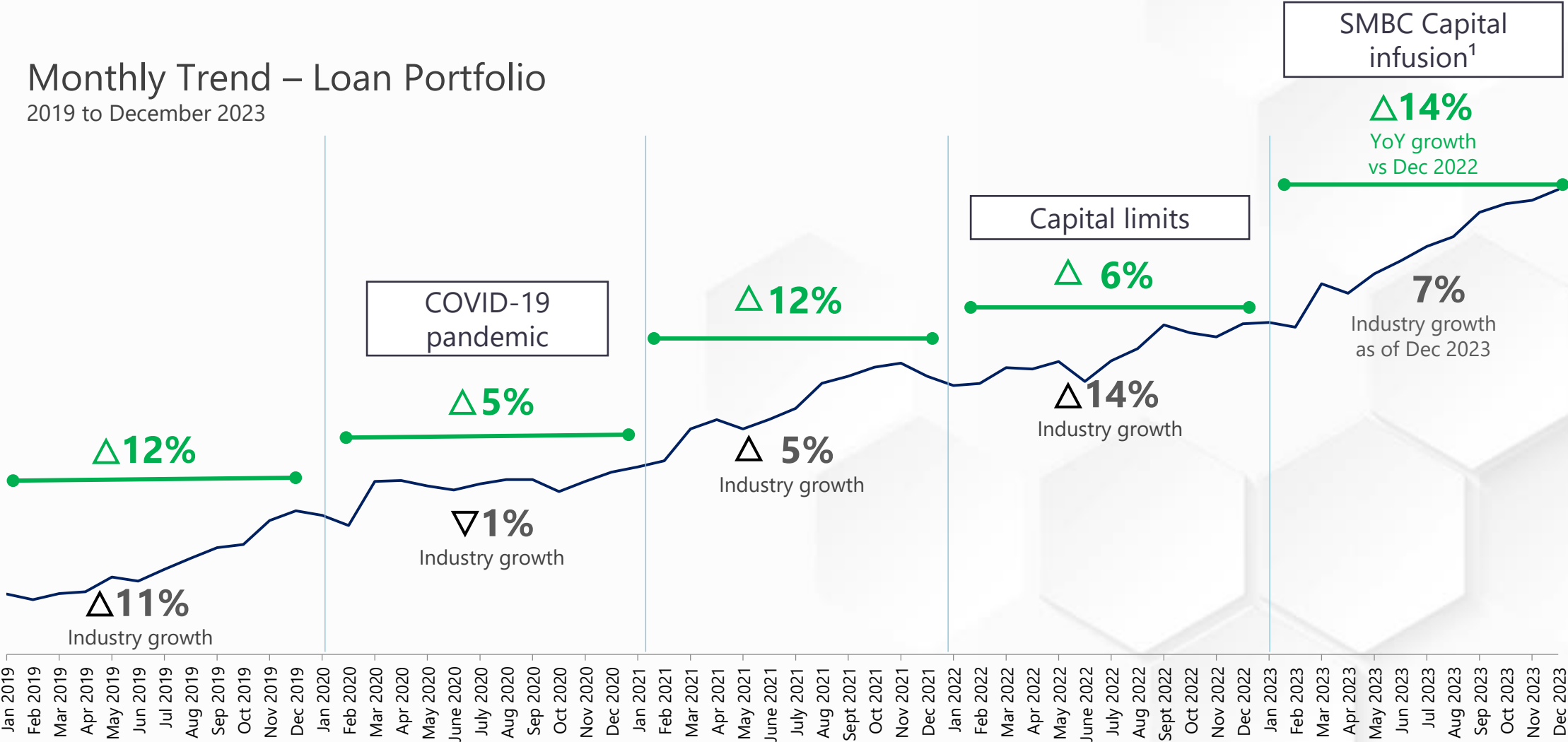
[1] Loans and Receivables net of Allowances and Interbank Loans

Peak revenue boosted by NII, 8% increase vs. LY

Historical Revenues
In Php Billions, except %



Loan growth better than industry average

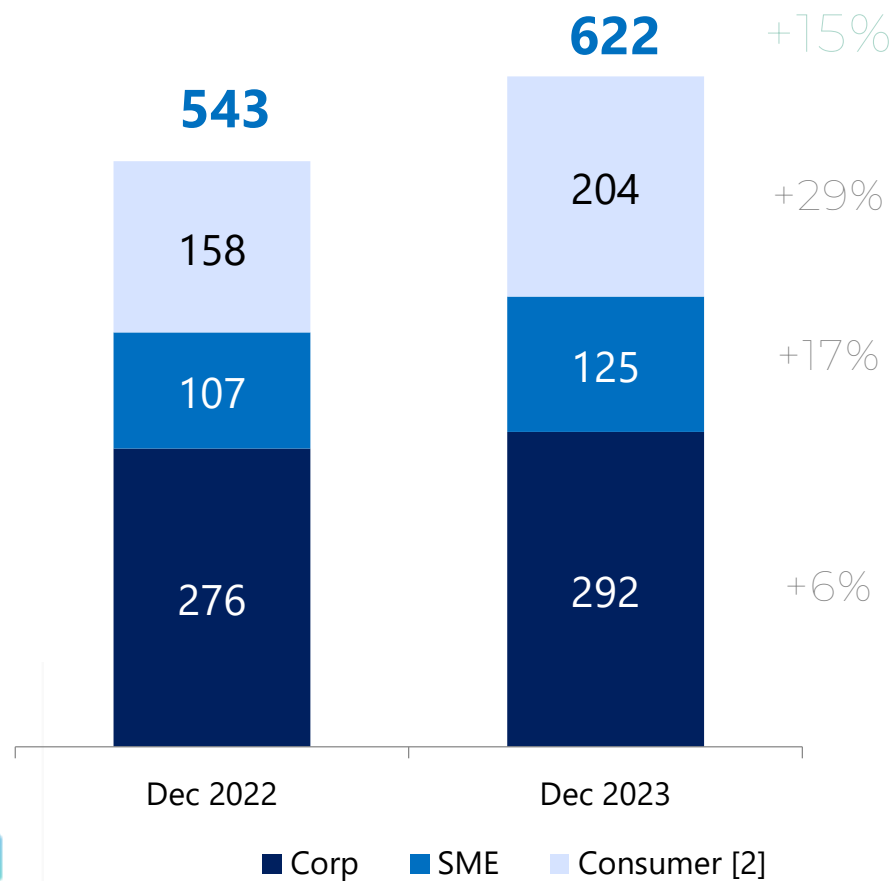


Source: Internal Loan Report, SOC Reports as of September 2023, BSP UKB report
[1] On July 31, 2023, RCBC completes the sale of an additional 15.01% stake (PHP 27B) to Sumitomo Mitsui Banking Corporation "SMBC".

Loans up across all customer segments



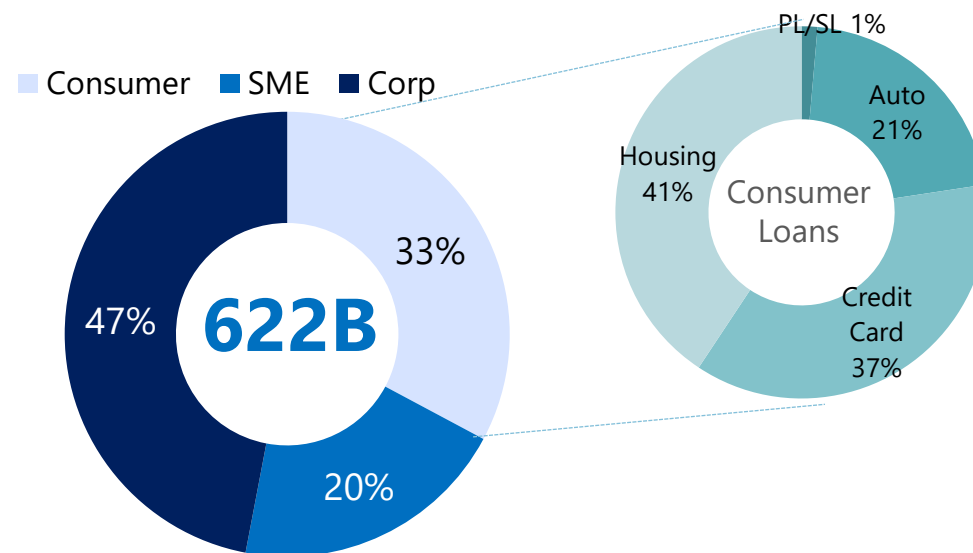
Loan Portfolio¹
In Php Billions, except %



[1] Total loans include microfinance loans of P1.2B as of Dec 2022, and P1.3B as of Dec 2023

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

Loan Mix
As of December 2023



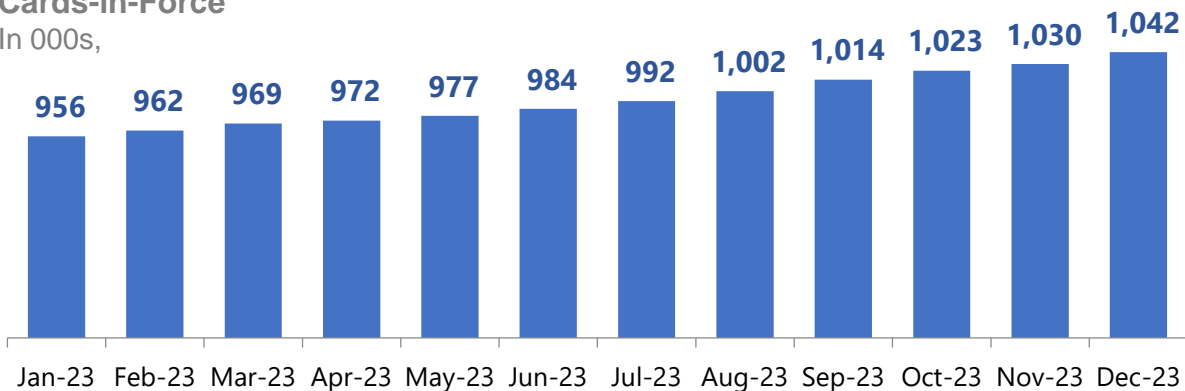
SME and Consumer segment grew by 17% and 29%, respectively.

In particular, credit cards drove consumer loan growth and closed 49% higher along with accelerated bookings in housing loans

Beyond a million, active credit cards to date

Cards-in-Force

In 000s,



257k

new cards YTD; bring cards-in-force to more than 1M



P139B

in issuing billings; 45% higher compared to year ago levels



P75B

in total balances; 48% improvement from last year's level

PayDay NOW on full blast since September 2023



P423M

loans disbursed since public launch; with P6.3K average loan amount



224k

Prequalified employee base; 50% mobile adoption rate



1

Acquisition of quality customers

2

Building revenue per customer

3

Controlling credit costs

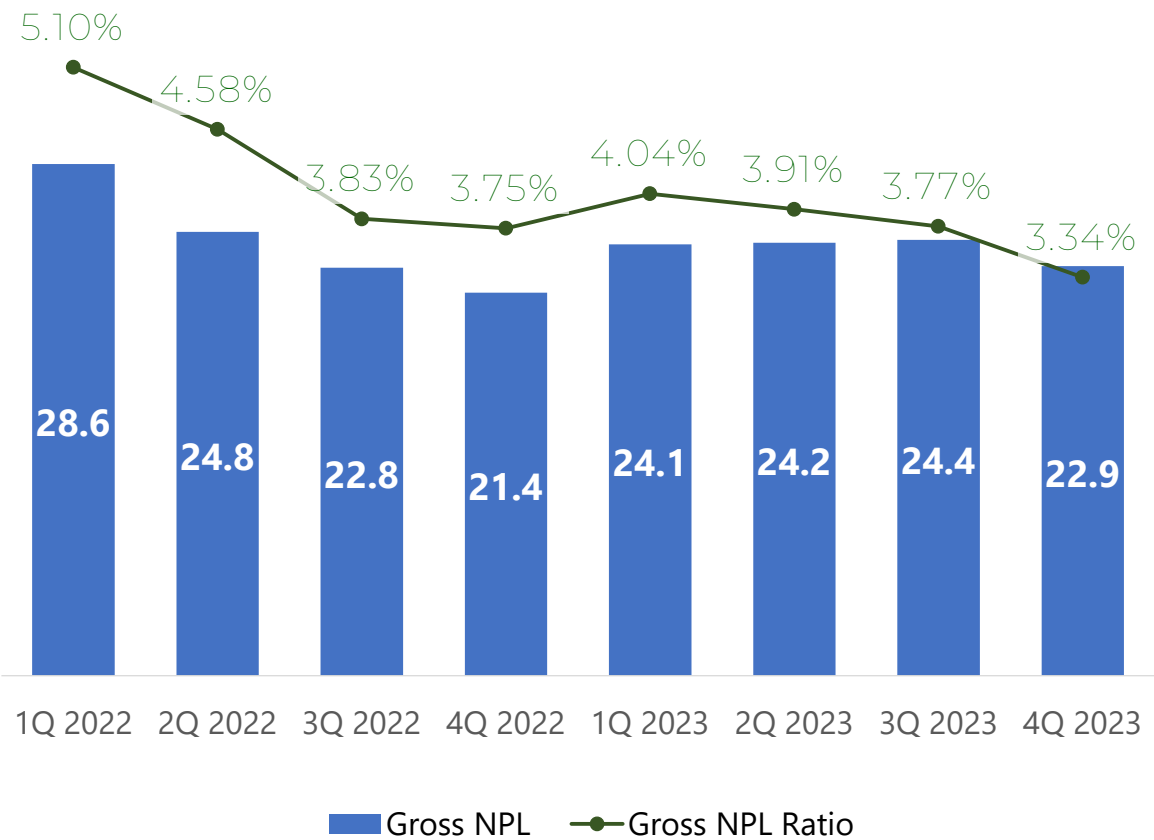
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Drive digital transformation

Improving asset quality despite portfolio growth

Gross NPL amount and ratio

In Php Billions, except %



Gross NPL ratio per segment

As of December 2023

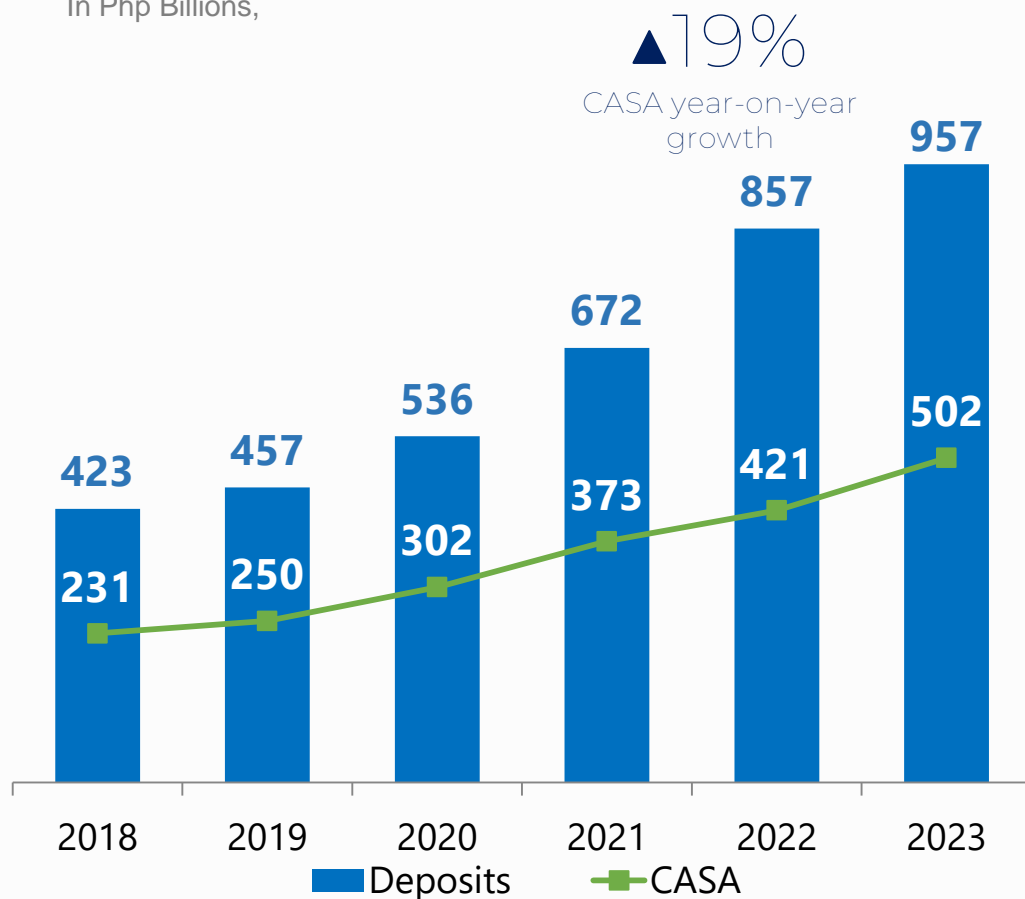
Corporate	1.58%
SME	3.55%
Consumer	5.38%
Credit Card	3.62%

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

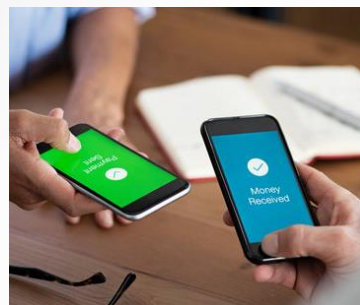
Healthy deposit growth of 12% vs LY

Historical Deposits & CASA

In Php Billions,



Cash management solutions to support CASA growth...



- ✓ **Doubled CheckScan transaction values,** up 110% receivables vs previous year
- ✓ **Sustained growth in CashCube business** up 72% receivables vs previous year
- ✓ **Payroll breached pre-pandemic levels** up 11% disbursements vs previous year
- ✓ **Double digits Check & E-fund transfers** up 44% and 12% disbursements, respectively vs previous year

on top of stronger corporate and SME banking relationships

67%

High CASA-to-loan ratio from corporates

73%

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

Leader in digital, AI and customer service



- Relaunched **RCBC Pulz** & crossed 1M enrolled users
- Launched **RCBC Boz**, an all-in-one SME app
- Sustained growth in digital transaction volume of **33%**



- **51 AI models** developed internally
- **43 dashboards** used by 2,200 RCBC Bankers
- **164 senior officers** taking the AI certification



- Hailed as **Best in Customer Service** by Inquirer
- **Trained all RCBC Bankers** in CX fundamentals
- **96%** first contact resolution rate, up from 78% in 2022

Multiple digital platforms for different segments



All-in-one hub
RCBC's industry-leading mobile banking app with the most comprehensive features and recently launched Payday Now



RCBC's financial inclusion super app
DiskarTech will pivot into a **more loans-focused app** with a refreshed user interface & faster onboarding



PH's 1st neighborhood & last mile ATM network bringing formal banking to rural community establishments

P257M

direct revenues, 23% higher vs last year

+27%

transaction volume

P1.5M

customers with 209K+ new customers in 2023

+7%

transaction volume

5,779

ATM Go terminals*

+46%

transaction volume

*As of December 30, 2023

Accumulated 50 awards for 2023 alone



Other awards from Asiamoney

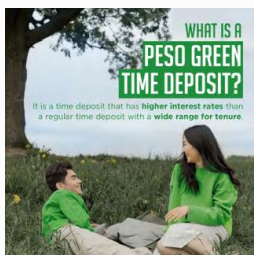
- Best for Next-Gen/Millennials in the Philippines



- Philippines' Domestic Cash Management Bank of the Year
- Philippines' Domestic Trade Finance of the Year
- SME Bank of the Year – Philippines
- Remittance Company of the Year
- Credit Card Initiative of the Year
- Marketing and Brand Initiative of the Year
- ESG Corporate Awards
- Platinum Award
- Best Initiative in Social Responsibility (Moneybela Barangayan Banking)
- Triple A Digital Awards
- Digital Bank of the Year
- Best ATM Project – RCBC ATMGo
- Best Corporate Bank – Philippines
- Best Retail Bank – Philippines
- Best SME Bank Philippines 2023
- Best Bank for Sustainable Development
- Best Cash Management Bank
- Best Trade Finance Bank Philippines 2023

+100
awards
in the last 3 years

Frontrunner in Sustainability



A pioneer in SFIs in the PH

- First ASEAN sustainability bond issuance out of the country
- Introduced PH's first Peso green TD to enable clients to participate in our sustainability journey



Supporting clean energy

- Funded **~3GW of RE projects** since 2012
- Ceased supporting new coal in 2018; remaining exposure to zero out by 2031
- Participated in the Philippines' first Energy Transition Financing agreement



Initiative in local communities

- Tree-planting under the **YGC Earth Care Project** - 50,000 native trees within 100 hectares in the Sierra Madre
- Health assistance for indigent Filipinas via AYF's 2022 **For Women Only Project**

RCBC's Sustainability Key Achievements

- **Pioneering bank in PH** to adopt quantitative global climate risk analysis tools
- **Issued US\$1.4 billion** sustainable financing instruments
- Launched the country's **first green time deposit**
- **First local bank** to publicly declare our commitment to cease funding for coal

Consolidated key financial indicators



	Dec-23	Dec-22	Change
PROFITABILITY			
Return on Equity	9.5%	11.2%	-1.7%
Return on Assets	1.1%	1.2%	-0.1%
Net Interest Margin	3.4%	3.7%	-0.3%
COST EFFICIENCY			
Cost-to-Income Ratio	59.3%	56.5%	2.8%
ASSET QUALITY			
Net NPL Ratio	1.6%	2.0%	-0.4%
NPL Coverage Ratio	89.6%	84.4%	5.3%
Credit Cost	1.5%	1.4%	0.1%
CAPITAL			
Capital Adequacy Ratio	17.4%	15.3%	2.1%
CET1	14.7%	12.3%	2.4%





Question & Answer



For more information about RCBC,
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