



RCBC 9M 2022
ANALYSTS' BRIEFING

10 November 2022

4:00 PM

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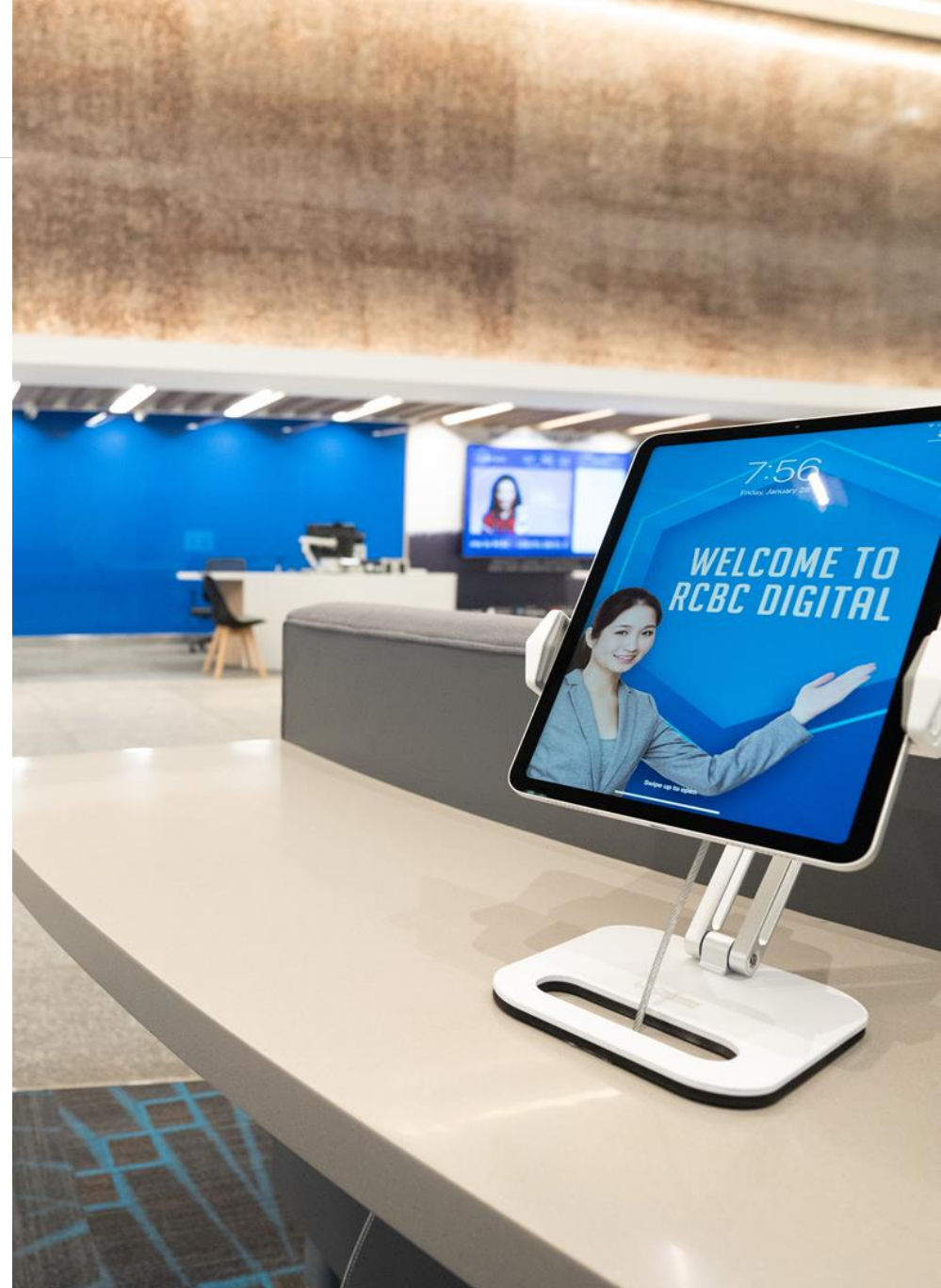
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Investor Presentation

9M 2022

- 01** RCBC 9M 2022 Performance
- 02** SMBC Capital Infusion
- 03** General Information
- 04** Appendix





RCBC 9M 2022 Performance



9M 2022 Highlights



10.1B

Net income
up 88%

67%

Investment
securities growth

1.1T

Total assets
up 23%

801B

in deposits with
28% growth YoY

15.3%

Capital adequacy
ratio

RCBC is a leading financial services provider in the PH

Incorporated in 1960, RCBC is the **6th largest private universal bank** in the Philippines by assets, with a market capitalization of PhP43.5B (USD 0.7B) as of end-September 2022. It was also recognized as the **Best Digital Bank, Best Retail Bank and Best Corporate Bank** in the Philippines by various award-giving bodies in 2022.



Note: Percentage growth numbers are based on YoY Growth: Sept 2022 vs. Sept 2021

Main Business Lines

Corporate Banking	SME Banking	Retail Banking
Trust and Investments	Consumer Loans (Auto, Housing, Salary)	Credit Cards
Bancassurance	Foreign Exchange	Microfinance
Investment Banking	Leasing	Securities Brokerage



452 Branches



2,785 ATMs³



5,902 Employees



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



RCBC's financial inclusion super app, the country's first finance app in Taglish and other local languages



The country's first neighborhood ATM, bringing formal banking to rural community establishments

[1] Including trading and FX gains

[2] Loans and receivables net of allowances and interbank loans

[3] Includes 1,313 ATMs and 1,472 ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants.

RCBC posted 88% growth in profit in 9M 2022

	9M 2022	9M 2021	Change	% Change
INCOME STATEMENT				
Gross Income¹	34,595	26,718	7,877	29.5%
Net Interest Income	23,955	21,164	2,791	13.2%
Fee Income	4,335	3,687	648	17.6%
Operating Expenses	19,010	16,837	2,173	12.9%
Impairment Losses	3,614	3,930	(316)	(8.0%)
Net Income	10,059	5,337	4,722	88.5%
BALANCE SHEET				
Assets	1,074,430	872,967	201,463	23.1%
Loans²	539,410	506,709	32,701	6.5%
Investment Securities	324,783	194,237	130,546	67.2%
Deposits	801,240	626,885	174,355	27.8%
Capital	115,668	109,589	6,079	5.5%



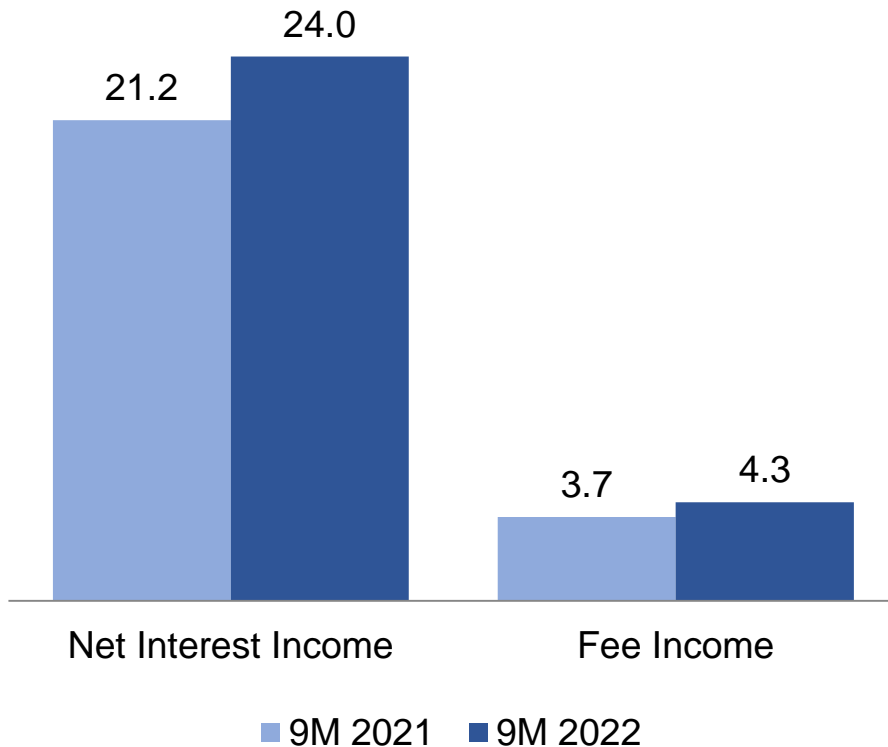
*Amounts in PhP Millions, except % and ratios

[1] Including trading and FX gains

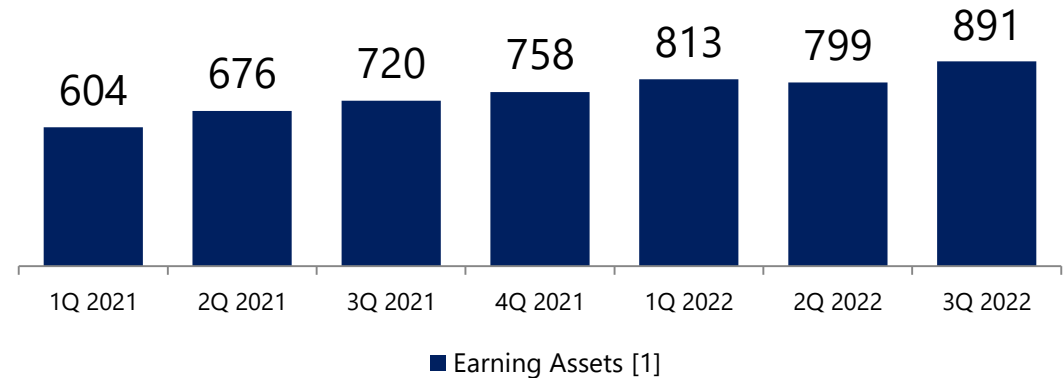
[2] Loans and Receivables net of Allowances and Interbank Loans

30% increase in gross income on double-digit growth in core business, fee income and other income.

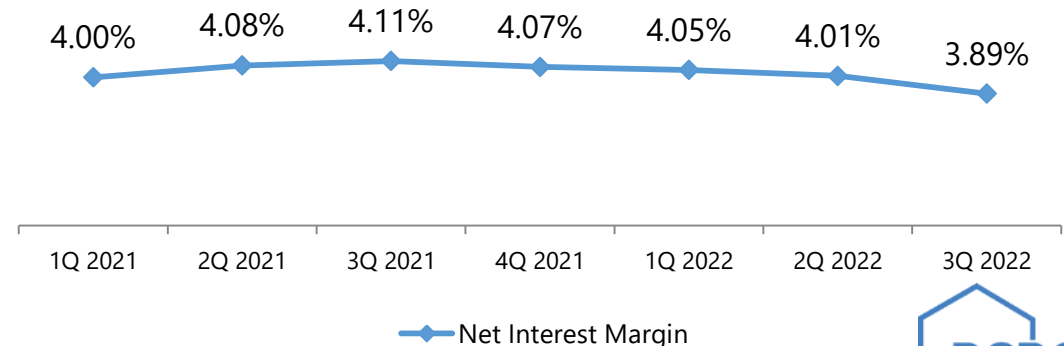
Net interest income sustained its double digit growth rate at 13% while fee income grew 18%



Net interest income rose on the back of 24% year-on-year growth in earning assets (versus 15% industry benchmark)



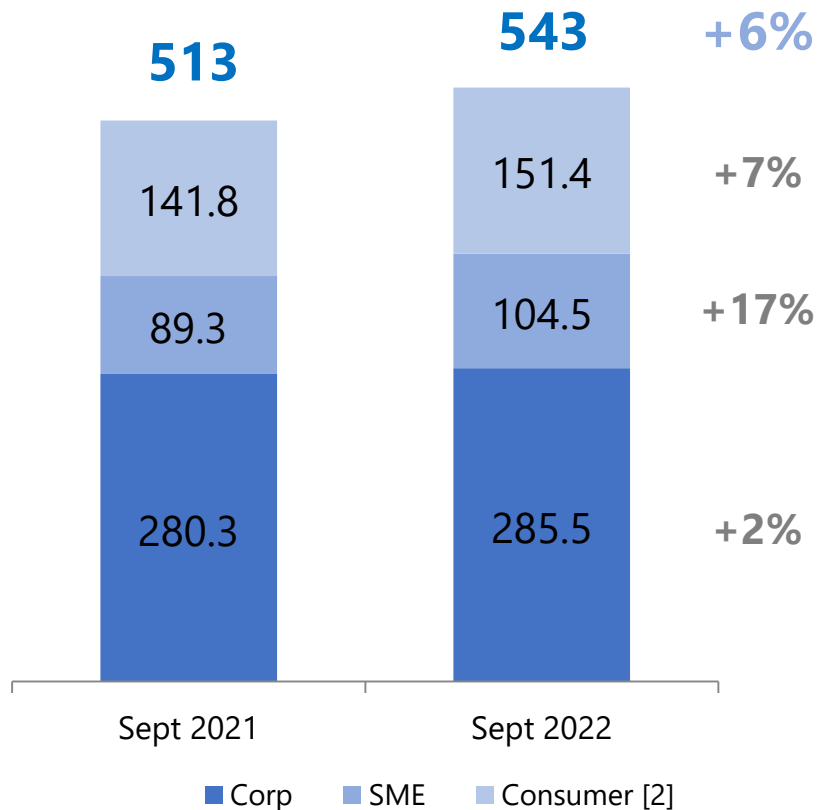
NIM has consistently remained above industry average of 3.38% despite interest rate pressures



Loan portfolio expansion driven by SME & Credit Card

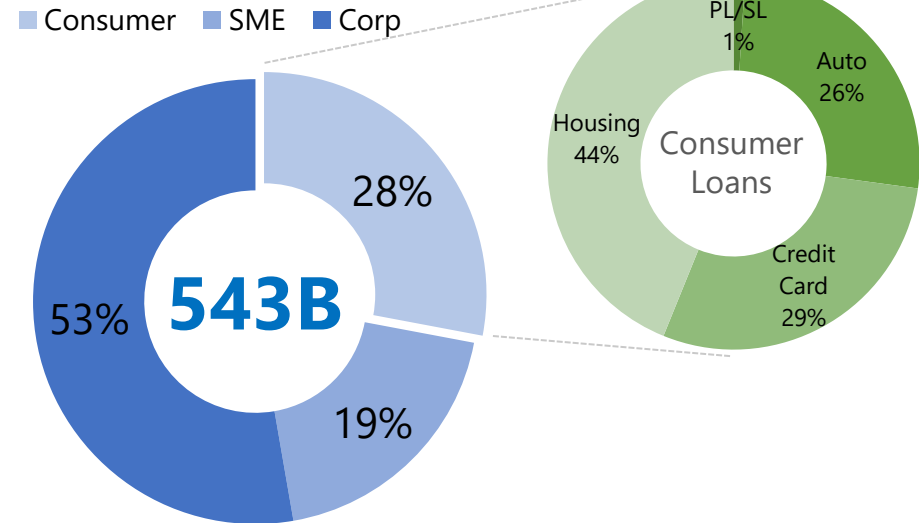
Loan Portfolio¹

In Php Billions, except %



Loan Mix

As of September 2022



Increase in consumer loans was mostly attributable to the 38% growth in the credit cards portfolio which now makes up 29% of the consumer loans

Housing which accounts for 44% of the consumer loans portfolio likewise posted an 8% year-on-year growth



[1] Total loan portfolio includes microfinance loans amounting to PhP 1.18B as of September 2021, and PhP 1.2B as of September 2022.

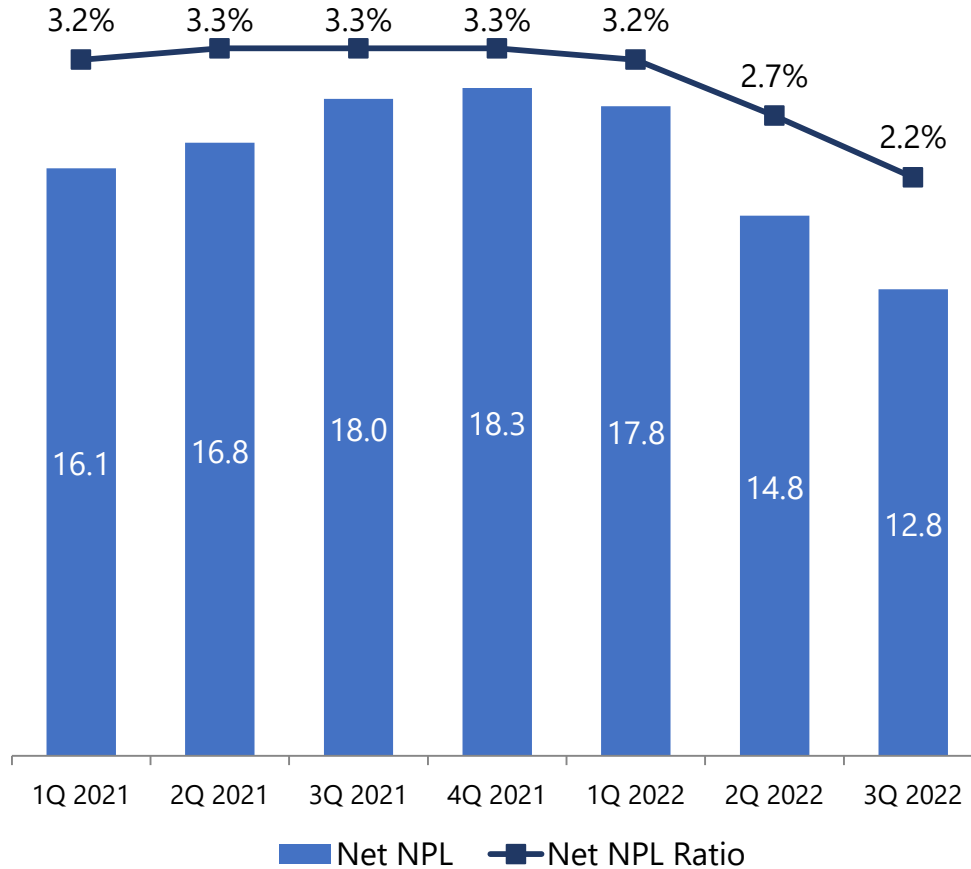
[2] Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

[3] RORA is after provisions but gross of OPEX

Asset quality continued to improve significantly

Net NPL Amount and Ratio

In Php Billions, except %



Net NPL per Segment

As of September 2022

	Sept-22	Sept-21
Corporate	0.3%	1.3%
SME	2.1%	1.9%
Consumer	7.8%	10.2%
Credit Card	0.9%	1.5%

We launched the COVID Assistance and Recovery (CARE) Program to provide pre-emptive refinancing support to customers severely affected by the pandemic and may take time to recover. Those qualified under CARE were customers in good standing as of March 2020 when the Enhanced Community Quarantine was first enforced.



Digital platforms achieve fintech-like growth

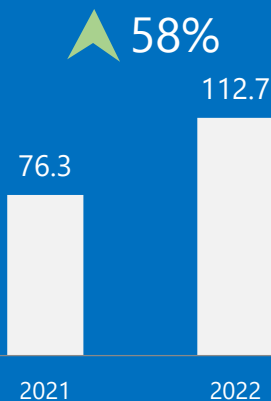


361k
Enrolled
users
2019



760k
Enrolled
users
Sep 2022

Transaction Value
In PHP Billions

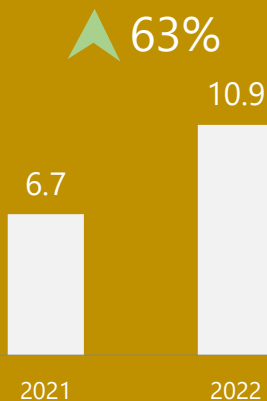


1.2M
Basic deposit
accounts



5.6M
Total app
downloads

Transaction Value
In PHP Billions

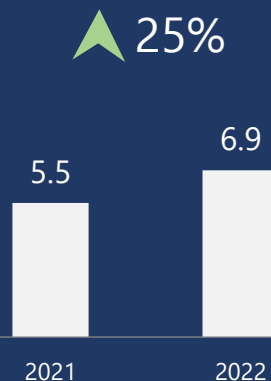


980
Merchant
partners



1472
Terminals

Transaction Value
In PHP Billions



We continue to build RCBC as the
favored digital banking brand



RCBC Digital poised to become most fully-featured and best designed banking app in PH

Do more

Among the most **fully-featured** banking apps

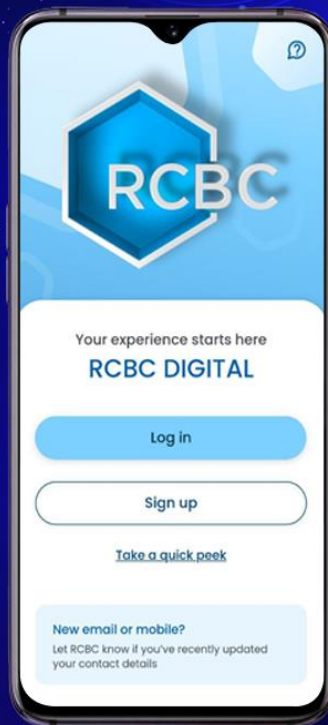


- UITF Investments
- Borrow Cash
- UnliPay
- Mobile Check Deposit
- Time Deposit
- Foreign Exchange
- Cardless Withdrawal
- Buy Load
- Bills Payment
- Digital Concierge
- Fund Transfer
- QRph Payments



Faster, easier

End-to-end digital experience



Account opening

 **10**
minutes

Your all-in hub

With **Direct Debit API** and the **latest QRph features** enabling more payments.

LIVE  **SOON**

₱1.7B
Maya GTV YTD

QRPh

Onboards over 22K QRph-enabled sari sari stores in 1 day

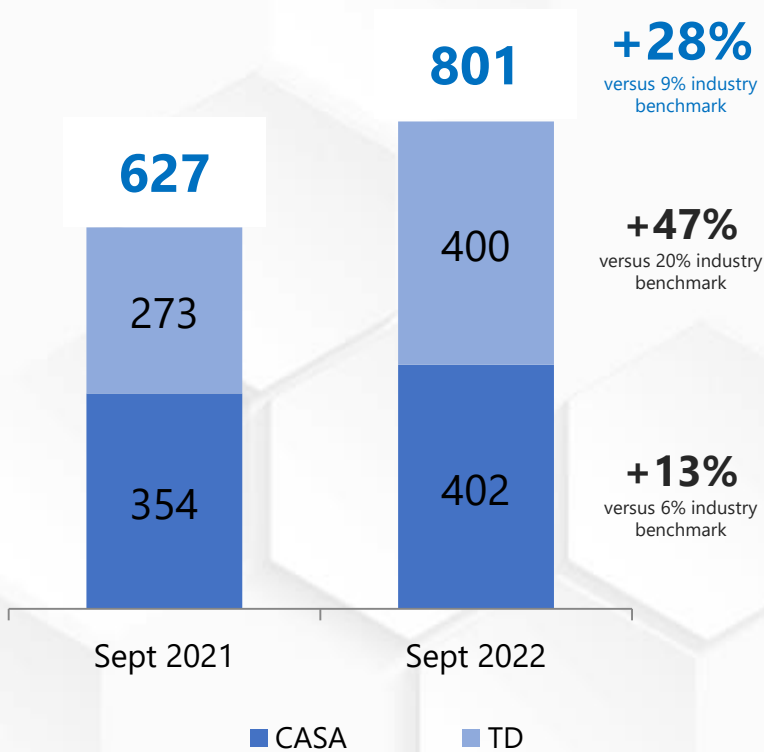
Promotes open finance with over 20 fintech partners



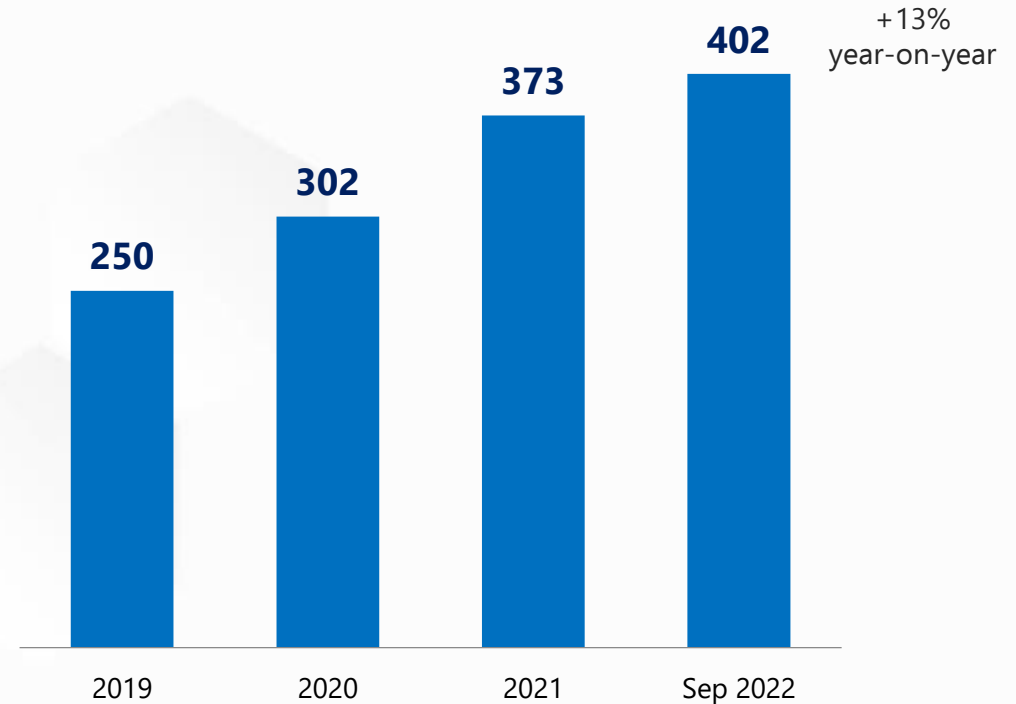
28% growth in deposits with CASA to deposit ratio at 50%

CASA continued to post **double-digit growth versus year-ago levels and outperforming industry**. Similarly, **TDs grew over twice as fast as industry at 47% year-on-year** (versus 20% industry benchmark).

Deposit breakdown
In PhP Billions



CASA deposits
In PhP Billions



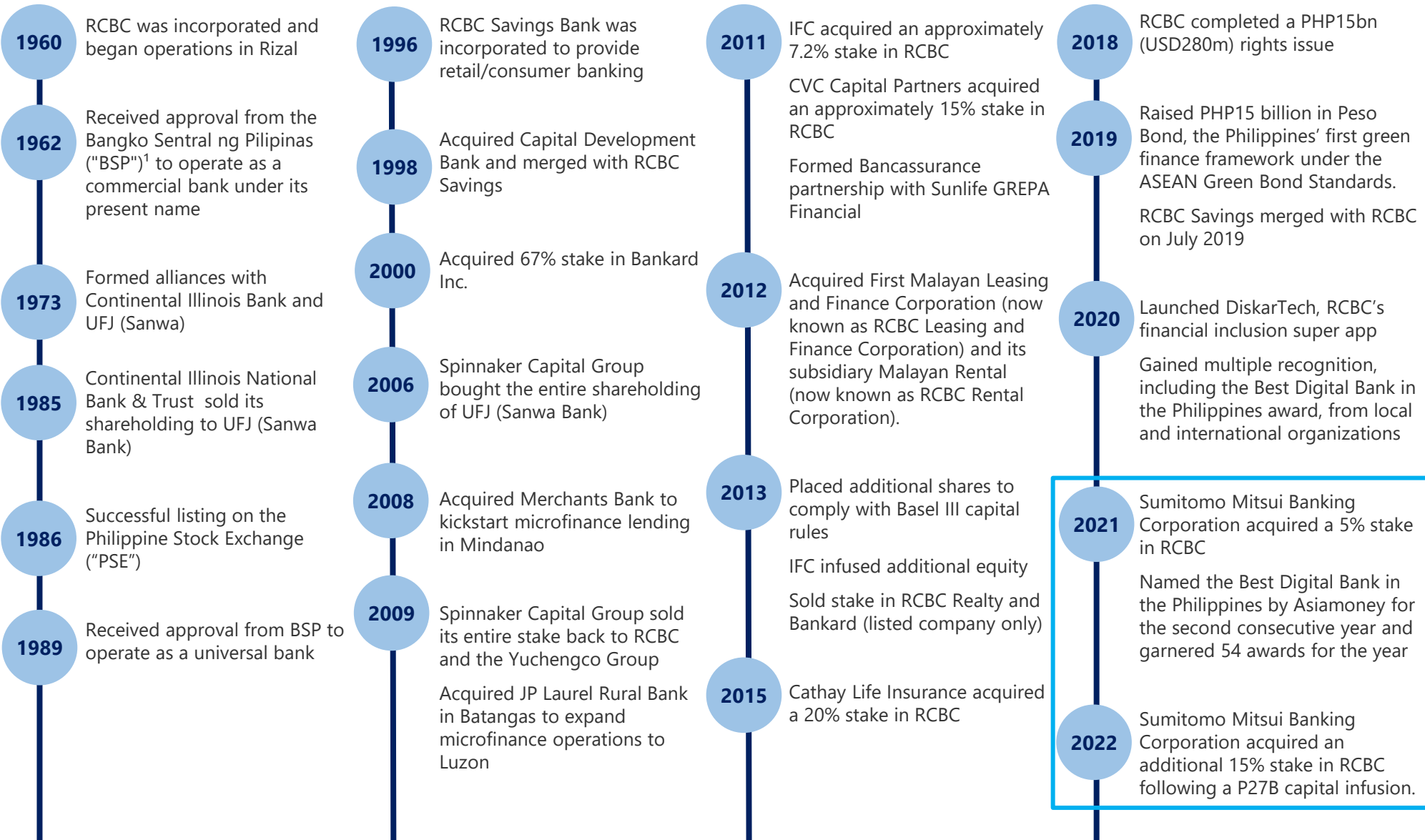
Consolidated key financial indicators

	Sep 2022	Sep 2021	Change
PROFITABILITY			
Return on Equity	11.2%	6.8%	4.4%
Return on Assets	1.2%	0.9%	0.3%
Net Interest Margin	3.9%	4.1%	(0.2%)
COST EFFICIENCY			
Cost-to-Income Ratio	54.9%	63.1%	(8.2%)
ASSET QUALITY			
Net NPL Ratio	2.2%	3.3%	(1.1%)
NPL Coverage Ratio	79.4%	64.1%	15.3%
Credit Cost	0.9%	1.0%	(0.1%)
CAPITAL			
Capital Adequacy Ratio	15.3%	15.2%	0.1%
CET1	12.3%	12.1%	0.2%



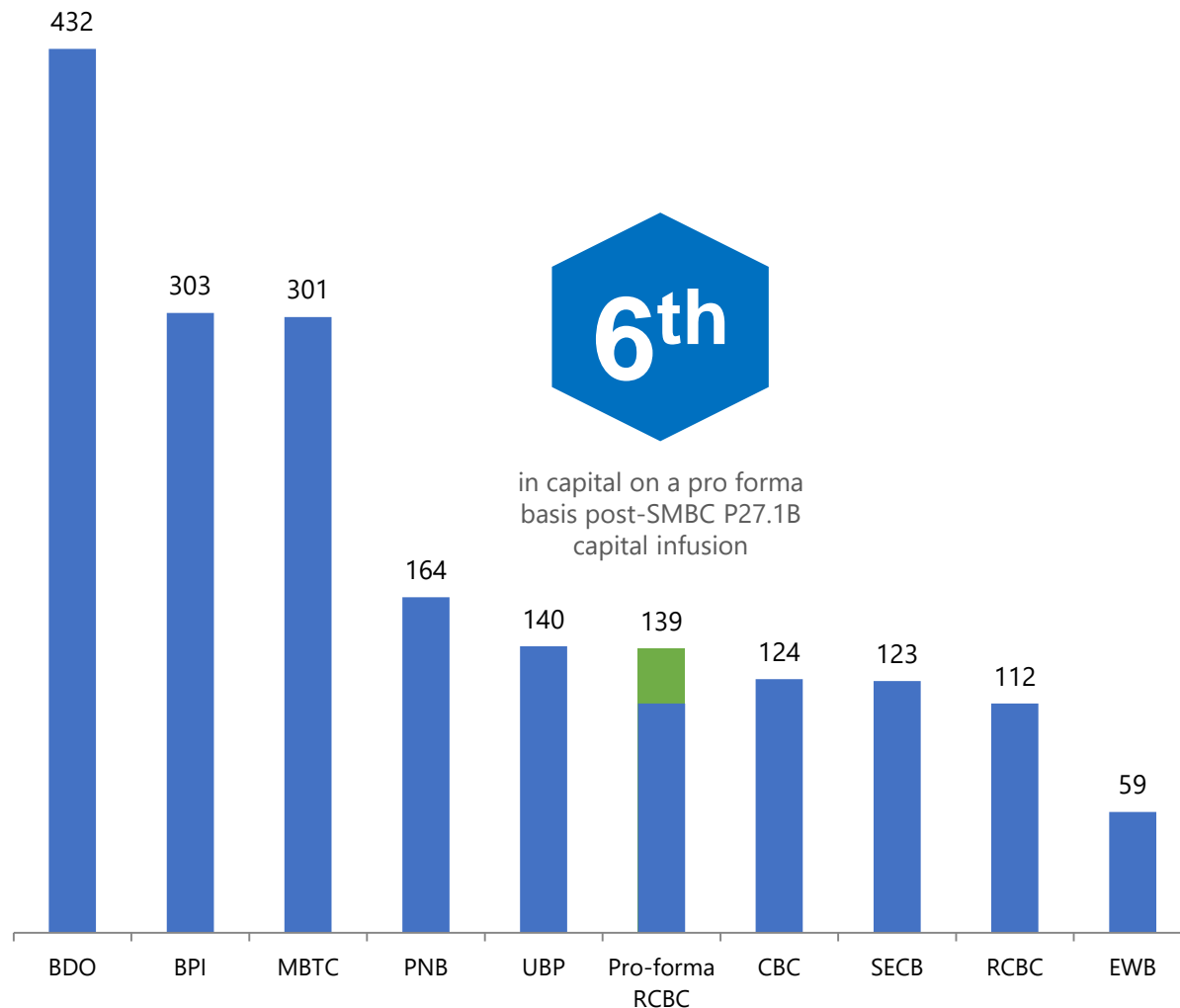
SMBC's P27B Capital Infusion

Key milestones in the RCBC story



Capital infusion to fuel RCBC's growth engine

Pro-forma, total capital
In PhP Billions



Pro-forma, CET1 ratio
In %

UBP	20.6%
MBTC	16.8%
SECB	16.7%
Pro-forma RCBC	16.5%
BPI	15.9%
CBC	14.8%
PNB	14.5%
EWB	13.6%
BDO	13.4%
RCBC	12.4%



Global best practices meet high growth potential



About SMBC

SMBC is one of the largest banks in Japan and is the commercial banking arm of Sumitomo Mitsui Financial Group ("SMFG"). SMBC operates globally in retail banking, corporate banking, and investment banking, with a presence in approximately 40 countries and regions.

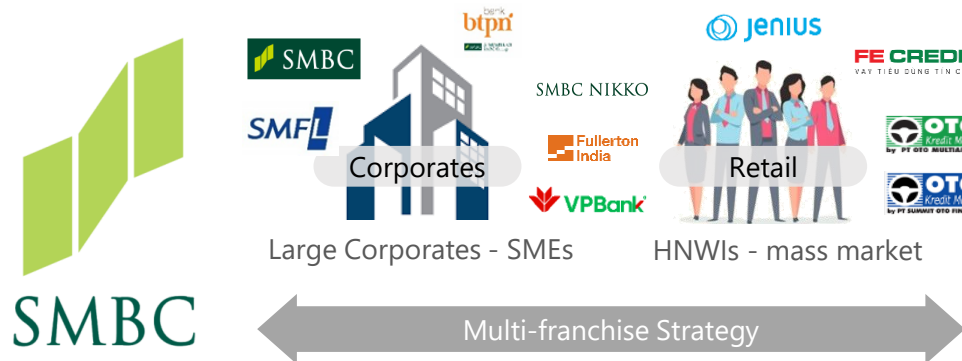
SMBC as a group, together with its group companies, is also engaged in leasing, securities, credit card, investment, mortgage securitization, venture capital and other credit related businesses.

SMBC's Credit Ratings*	
S&P	A
Moody's	A1
Fitch Ratings	A

SMBC's capital support & best practices



RCBC's organic growth capability



- 6th largest bank by assets
- Extensive branch network nationwide with strong presence in digital
- Forefront of sustainable financing



Start of an enduring partnership



COLLABORATION AREAS

CORPORATE BANKING

Joint efforts in Green Project Finance; Deepening relationships with and more referrals of Japanese businesses and corporates

LEASING BUSINESS

Partnership between RCBC LFC and Sumitomo Mitsui Finance and Leasing; Business matching agreements; Japanese referrals

CONSUMER LENDING

Global best practices from SMBC's successful consumer finance business in Asia including Japan, Indonesia and Vietnam (FE Credit)

BRANCH BANKING

Branch and RM of the future, best-in-class CX through digital and data-based sales strategies to drive customer engagement

TRUST AND WEALTH MANAGEMENT

Expansion of investment outlets and access to offshore markets to create more value for this specialized market and grow AUM

DIGITAL BANKING

Leverage on technology to drive business and increase operation efficiency amid the digital wave in the region.

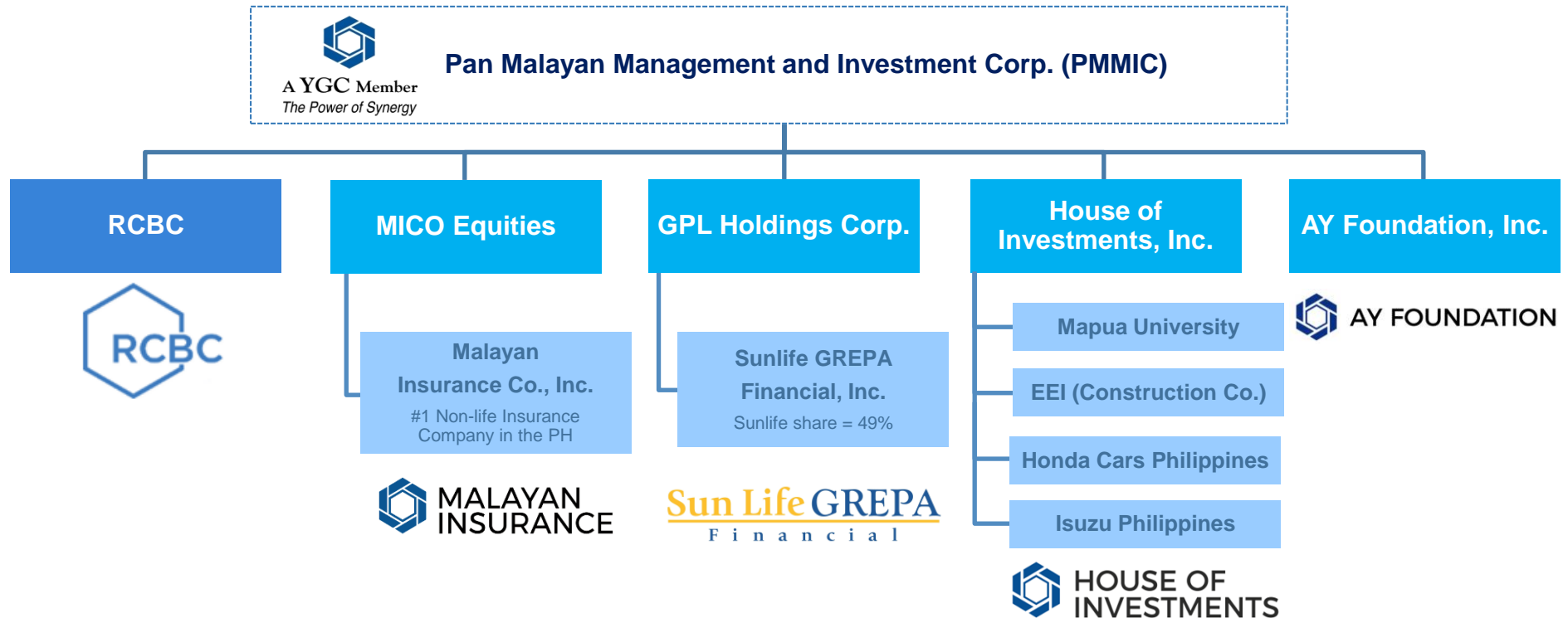




General Information

Yuchengco Group of Companies

RCBC is a member of the Yuchengco Group of Companies (YGC), one of the premier business conglomerates in the Philippines. The Group is engaged in a wide range of financial and non-financial services. The synergies among these companies allow customers to access a wide range of financial products and services.



Investment Information

Equity Profile

Particulars	1H 2022
Ticker	RCB
Outstanding shares	2,037.48M
Stock Price	PhP 19.38
Market Cap	PhP 39.89B (USD 0.77B)
BV per share	PhP 47.89
Price-to-Book Value Ratio	0.41x

Dividend History¹

Year	Dividends per share	Pay-out ratio
2022	0.62	20.00%
2021	0.49	19.96%
2020	0.56	20.00%
2019	0.45	17.02%
2018	0.62	20.02%
2017	0.55	16.53%

Credit Rating

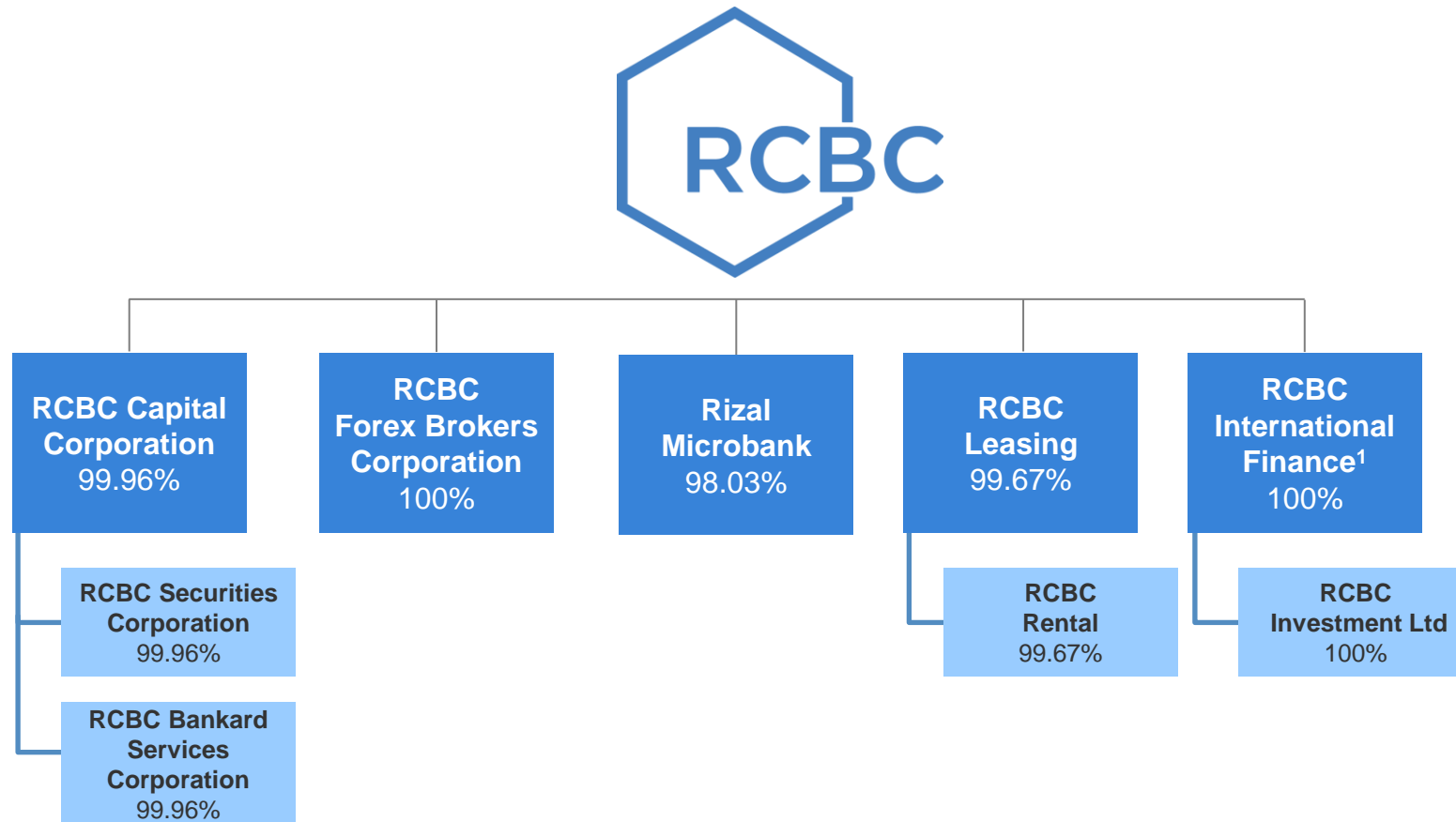
MOODY'S

Long Term Deposit	Baa3
Senior Unsecured	Baa3
Baseline Credit Assessment	ba1
Outlook	Stable



[1] The details of the cash dividend approvals and distributions are disclosed in the "Additional Disclosures to Item I – Financial Statements" section of RCBC's SEC 17-Q Report.

Comprehensive and Diversified Business Platform





Appendix

Consolidated Income Statement

	9M 2022	9M 2021	Change	% Change
Interest Income	32,486	27,379	5,108	18.7%
Interest Expense	8,532	6,215	2,317	37.3%
Net Interest Income	23,955	21,164	2,791	13.2%
Other Income	10,641	5,555	5,086	91.6%
Trading Gains and Forex	230	711	(481)	(67.6%)
Trust Fees	303	288	15	5.3%
Service Fees & Commissions	4,032	3,399	633	18.6%
Miscellaneous	6,075	1,157	4,919	425.1%
Operating Expenses	19,010	16,837	2,173	12.9%
Impairment Losses	3,614	3,930	(316)	(8.0%)
Provision for Income Tax	1,912	614	1,298	211.4%
Net Income	10,059	5,337	4,722	88.5%



Consolidated Balance Sheet

	Sep 2022	Sep 2021	Change	% Change
Cash/Due from BSP & Other Banks	127,179	107,949	19,230	17.8%
Investment Securities	324,783	194,237	130,546	67.2%
Loans (net of Interbank)	565,963	525,887	40,076	7.6%
Other Assets	56,505	44,894	11,612	25.9%
TOTAL ASSETS	1,074,430	872,967	201,463	23.1%
Deposit Liabilities	801,240	626,885	174,355	27.8%
Demand	156,580	131,402	25,178	19.2%
Savings	245,064	222,929	22,135	9.9%
Time	399,596	272,554	127,043	46.6%
Other Liabilities	73,472	49,288	24,184	49.1%
Senior Debt	84,050	87,206	(3,156)	-3.6%
Total Liabilities	958,762	763,378	195,383	25.6%
Capital Funds	115,668	109,589	6,079	5.5%
TOTAL LIABILITIES & CAPITAL	1,074,430	872,967	201,463	23.1%



*Amounts in PhP Millions, except % and ratios

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

Historical Consolidated Income Statement

	2018	2019	2020	2021	9M 2022
Net Interest Income	20.5	22.4	26.3	28.8	24.0
Other Income	6.0	13.5	11.6	7.6	10.6
Gross Income	26.5	35.9	37.9	36.4	34.6
Impairment Losses	1.9	7.4	9.4	6.0	3.6
Income before Operating Expenses	24.6	28.5	28.5	30.3	31.0
Operating Expenses	19.4	21.8	22.0	22.5	19.0
Income before Tax	5.2	6.7	6.5	7.8	12.0
Provision for Income Tax	0.9	1.3	1.5	0.7	1.9
Net Income	4.3	5.4	5.0	7.1	10.1



Historical Consolidated Balance Sheet

	2018	2019	2020	2021	Sep 2022
Cash/Due from BSP/Due from Other Banks	94	123	148	157	127
Loans Arising From REPO	10	6	13	12	26
FVPL/FVTCI	30	60	45	56	72
Held to Maturity Investments	89	101	43	164	253
Interbank Loans and Receivables	10	19	43	31	27
Loans (net)	389	430	449	508	539
Bank Premises, Property & Eqpt. - net	8	11	13	13	11
Equity Investments - net	0	0	0	0	0
Investment Properties - net	4	4	4	4	3
Other Assets	11	13	15	16	17
Total Assets	645	767	772	959	1,074
Demand	56	71	107	145	157
Savings	174	179	195	228	245
Time	193	207	233	299	399
Deposit Liabilities	423	457	536	672	801
Other Liabilities	77	131	45	88	73
Senior Debt	53	97	90	87	84
Subordinated Debt	10	-	-	-	-
Total Liabilities	563	684	671	848	959
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	0.0	8.4
Capital Funds	81	83	101	111	116
Total Liabilities & Capital	645	767	772	959	1,074



*Amounts in Php Billions, except % and ratios

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

Historical Key Financial Indicators

	2018	2019	2020	2021	Sep 2022
Return on Average Capital Funds*	5.8%	6.5%	5.5%	6.7%	11.2%
Return on Average Assets*	0.7%	0.8%	0.7%	0.8%	1.2%
Net Interest Margin*	4.0%	4.0%	4.3%	4.1%	3.9%
Cost-to-Income Ratio	73.2%	60.8%	58.2%	61.9%	54.9%
CASA to Total Deposits	54.4%	54.7%	56.4%	55.5%	50.1%
Net NPL Ratio	1.3%	2.2%	2.9%	3.3%	2.2%
Credit Cost	0.5%	1.7%	2.1%	1.2%	0.9%
CAR	16.1%	13.8%	16.1%	15.2%	15.3%
CET1	13.4%	12.9%	12.6%	12.2%	12.3%



For more information about RCBC,
please contact
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