



FY 2021 ANALYSTS' BRIEFING

3 March 2022
02:00 pm

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RCBC Partners Through Generations

Performance Overview

Mr. Ricky E. Cebrero

RCBC Treasurer and
Head of Treasury Group



The Bank expects recovery in 2022

Economic Indicators	2022 Forecast	2021 Actual	2020 Actual
GDP Growth	6.0%-6.5%	5.6%	(9.5%)
USD/PhP (Year-End)	52.00-53.00	50.999	48.02
USD/PhP (Average)	51.50-52.50	49.25	49.62
Inflation (Average)	3.5%-4.0%	3.9%	2.6%
BSP Policy Rate	2.75%-3.00%	2.00%	2.00%
PSEi	7,500-8,000	7,122.63	7,139.71



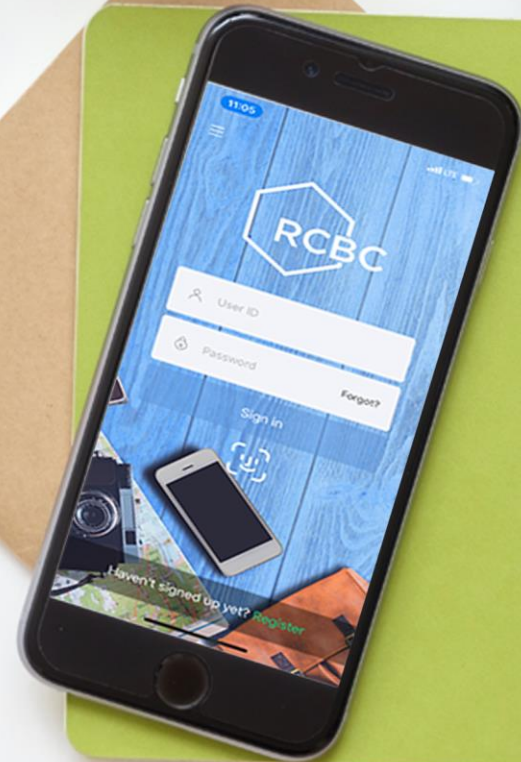
Partners Through Generations

FY 2021

Overview

Ms. Chrissy P. Alvarez

RCBC Corporate Information Officer and
Head of Corporate Planning Group



RCBC's 2021 profit climbs 41% to record high 7.1B

35.4B

Revenues¹

+13%

7.1B

Net Income

+41%

508B

Loans²

+13%

672B

Deposits

+26%

111B

Capital

+10%

15.2%

CAR

Profitability

Core income expanded as the Bank built up loans and receivables mostly from the corporate and SME segments

Net interest margin steadied at 4.1% underpinned by better funding costs

Fee income increased due to robust investment banking engagements and more retail and digital transactions

Growth

6th largest private universal bank in terms of assets, loans, deposits and trust assets (from 7th in 2019)

2.5x increase in Investment Securities and 12% expansion in customer loans supported by the 26% rise in deposits, accelerated faster than industry

Resilience

Capital ratios remain well above regulatory requirement

Raised PhP 4.43B in July from the strategic investment of Sumitomo Mitsui Banking Corporation

12% of the Bank's loan portfolio is eligible under Green and Sustainable financing

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



434 Branches



2,834 ATMs³



5,884 Employees

[1] Excluding trading and FX gains

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

[3] Includes 1,245 ATMs and 1,589 ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants.

RCBC's 2021 profit climbs 41% to record high 7.1B

	2021	2020	Change	% Change
INCOME STATEMENT				
Gross Income¹	35,350	31,255	4,095	13.1%
Net Interest Income	28,831	26,281	2,550	9.7%
Fee Income	4,941	3,829	1,112	29.0%
Operating Expenses	22,535	22,045	490	2.2%
Impairment Losses	6,048	9,375	(3,327)	(35.5%)
Net Income	7,083	5,020	2,063	41.1%
BALANCE SHEET				
Assets	959,133	772,106	187,027	24.2%
Loans²	507,739	448,603	59,136	13.2%
Deposits	672,459	535,788	136,671	25.5%
Capital	111,080	101,378	9,702	9.6%



*Amounts in PhP Millions, except % and ratios

[1] Excluding trading and FX gains

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

4Q 2021 net income up 72% vs same quarter last year

	4Q 2021	4Q 2020	Change	% Change
INCOME STATEMENT				
Gross Income¹	9,343	8,205	1,138	13.9%
Net Interest Income	7,667	6,622	1,045	15.8%
Fee Income	1,254	1,175	79	6.7%
Operating Expenses	5,700	5,674	26	0.5%
Impairment Losses	2,116	2,153	(37)	(1.7%)
Net Income	1,745	1,017	728	71.6%
BALANCE SHEET				
Assets	959,133	772,106	187,027	24.2%
Loans²	507,739	448,603	59,136	13.2%
Deposits	672,459	535,788	136,671	25.5%
Capital	111,080	101,378	9,702	9.6%



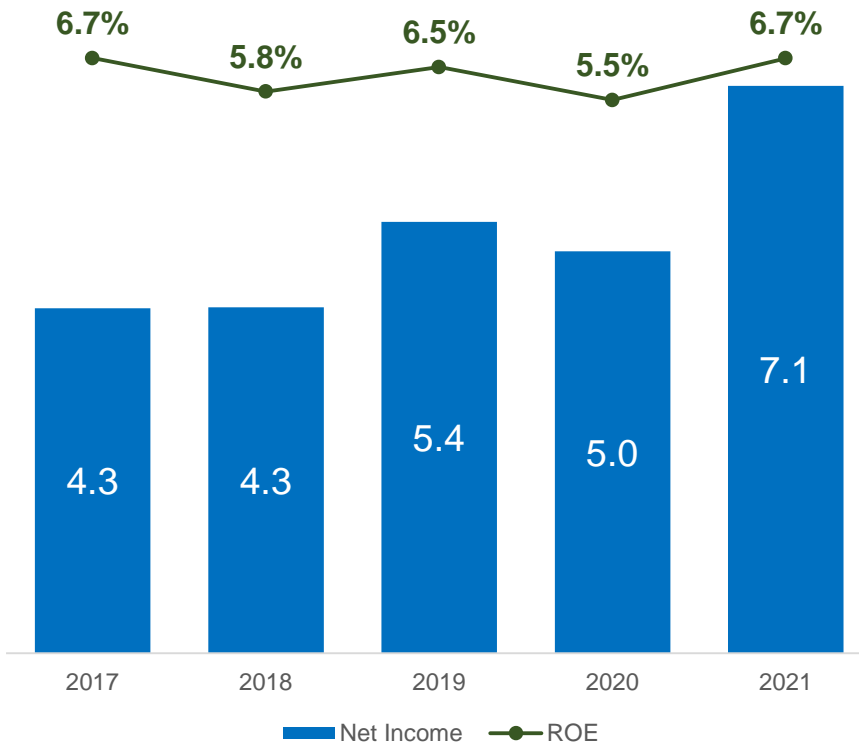
*Amounts in PhP Millions, except % and ratios

[1] Excluding trading and FX gains

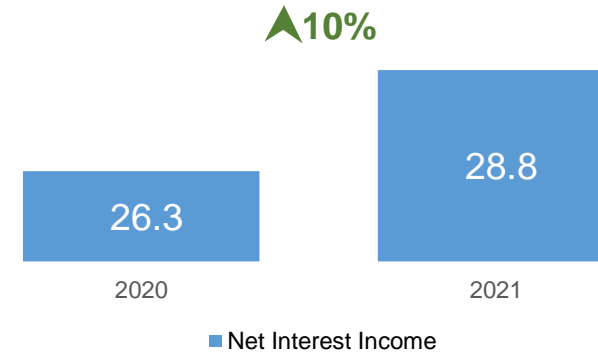
[2] Loans and Receivables net of Allowances and Interbank Loans

Upward momentum boosted by core income

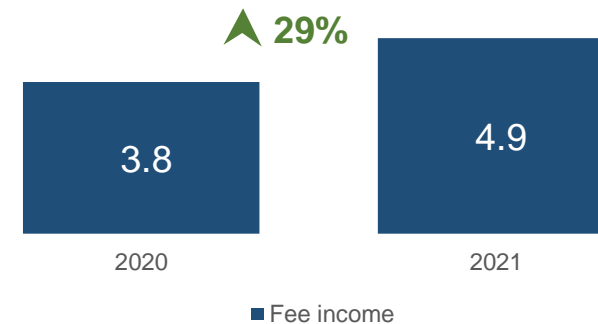
Healthy return on equity sustained as core income expanded, tempered by lower trading and FX gains



Higher volume of loan and treasury assets, coupled with lower funding costs, propelled net interest income higher

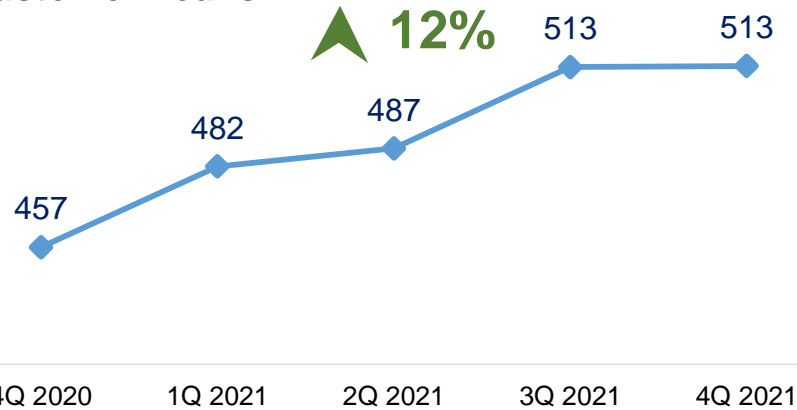


Fee income increased due to higher investment banking, retail and digital transactions

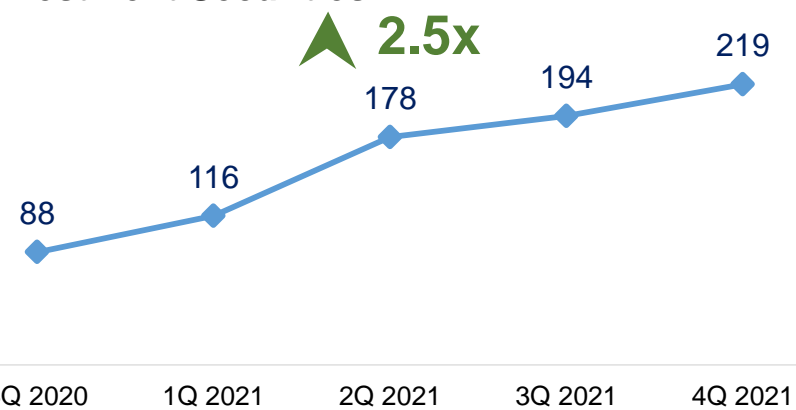


Stronger balance sheet with growth in risk assets and diversified funding portfolio

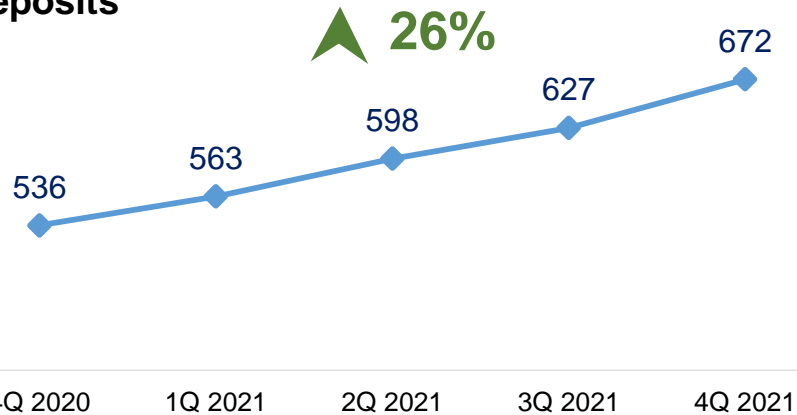
Customer Loans



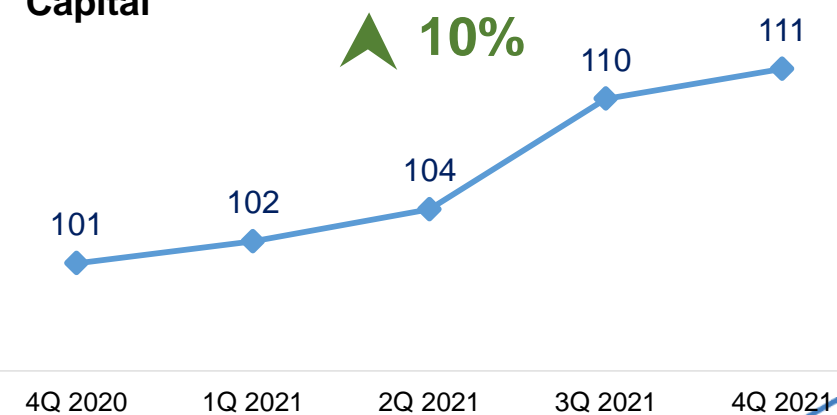
Investment Securities



Deposits



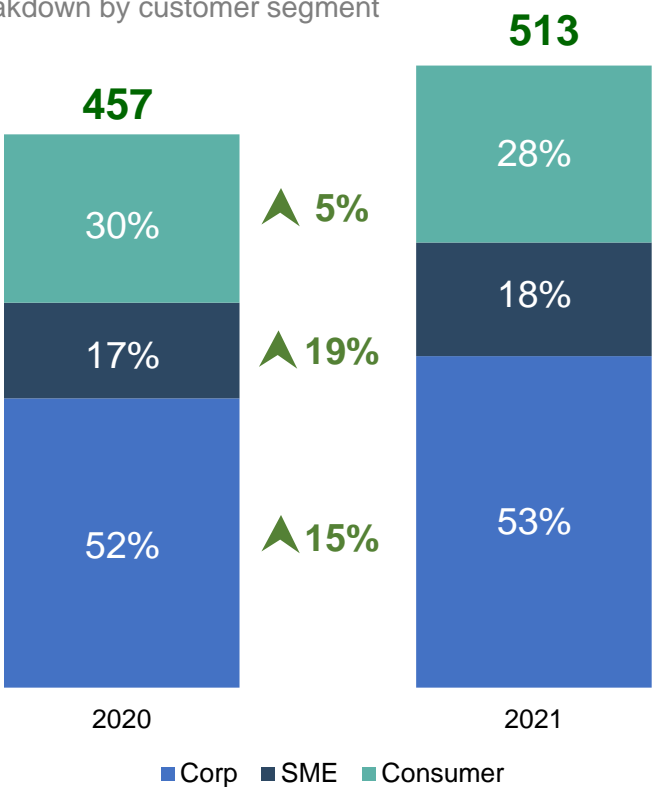
Capital



12% customer loan expansion higher than industry

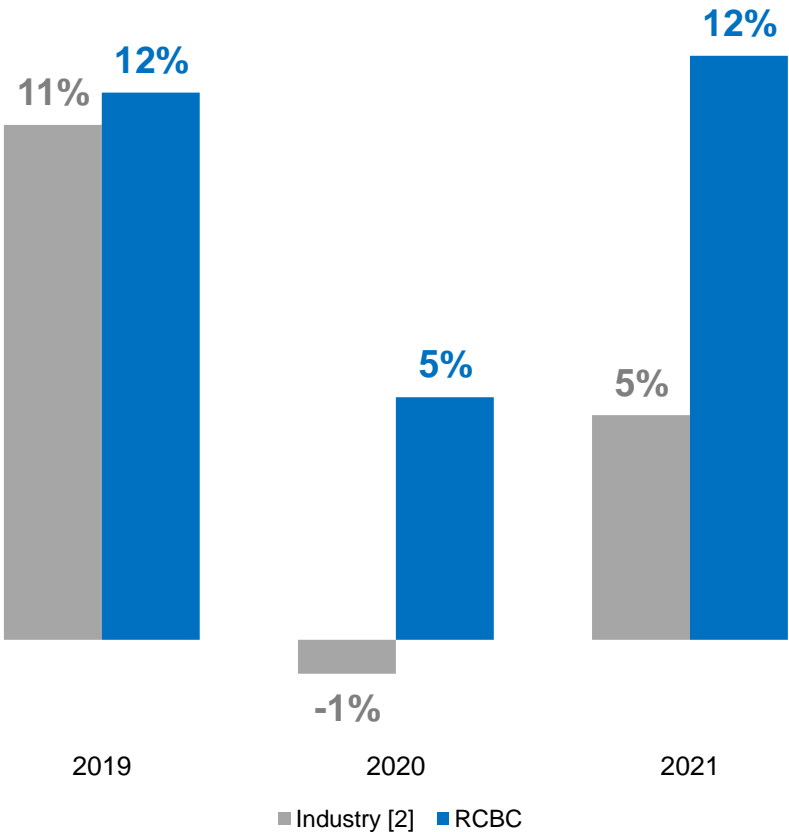
The Bank built up loans and receivables mostly from the corporate and SME segments

Loan Portfolio
Breakdown by customer segment



Loan growth continued to outperform industry and peers

Loan Portfolio growth
RCBC vs Industry



*Amounts in PhP Billions, except %, [1] Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

[2] Industry average for loan growth refers to UKBs

Selective lending strategy through data analytics generated substantial gains

Loan expansion was focused on key segments, where pockets of opportunities were brought about through data science

20%

Increase in loans from top conglomerates

233%

Growth in new SME accounts

51%

Rise in credit card issuances with better credit profile



RCBC at the forefront of sustainable financing

We are the first Philippine universal bank to issue green and sustainable financing instruments under global standards

PhP 67B

Loans eligible under sustainable financing



USD 1.1B

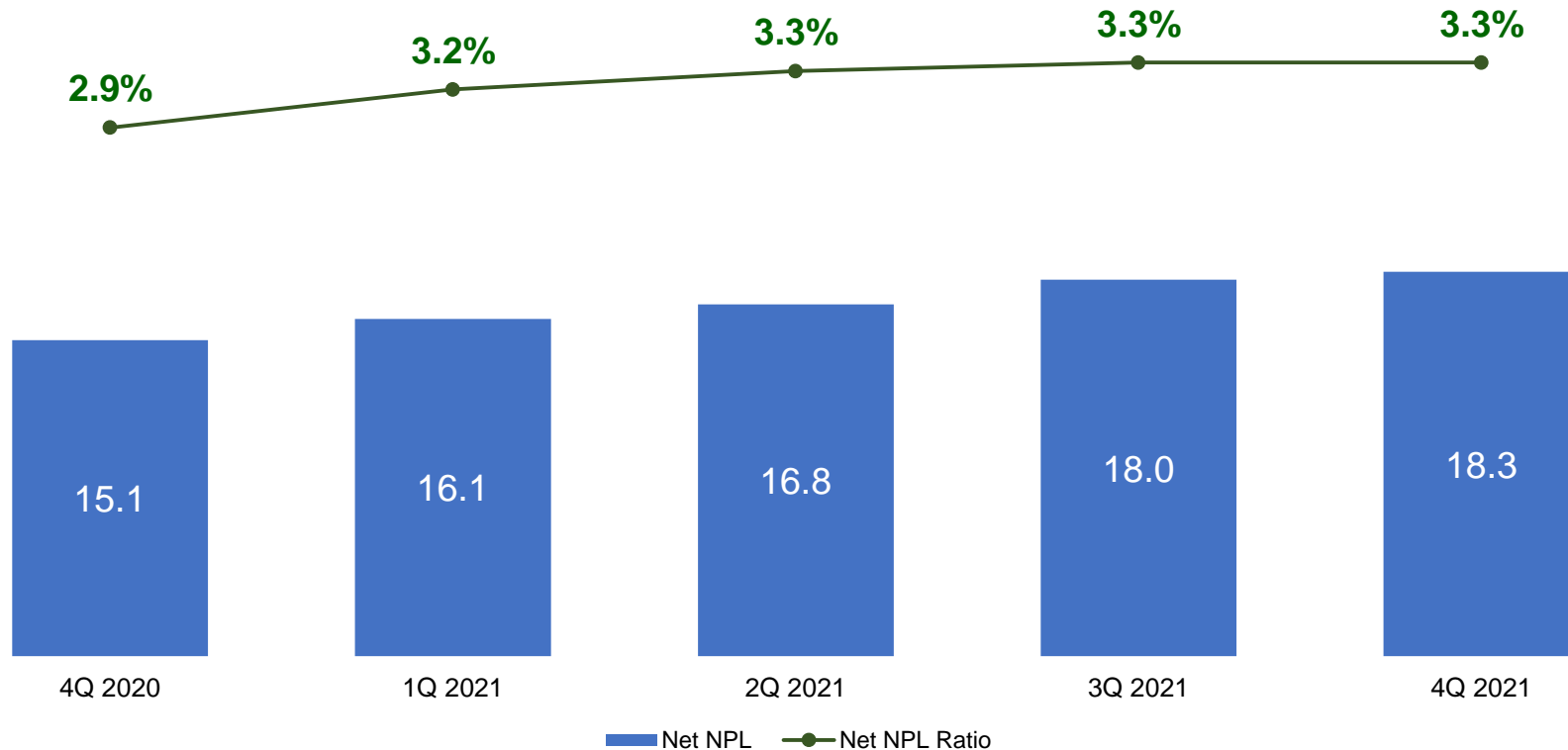
Raised under the Bank's Sustainable Finance Framework from 2019 to 2021

3.06 GW

Total renewable energy projects supported since 2012

Robust credit management stabilizes NPL ratio

Elevated NPL ratio driven by the increase in consumer NPLs, but remained stable during the year on account of tightened credit management and improving economic conditions

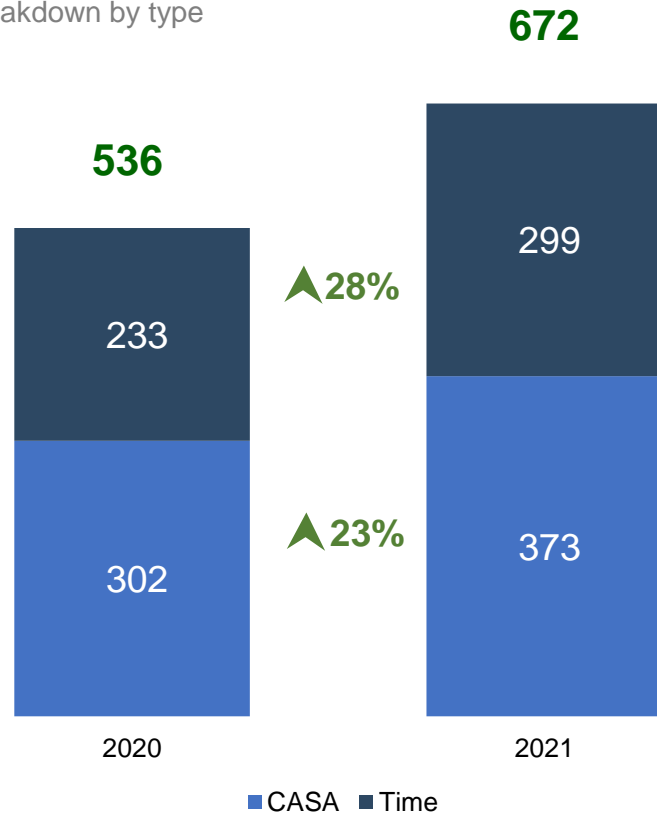


26% deposit rise stronger than industry average

Higher CASA and time deposits supported the Bank's asset build-up strategy

Deposits

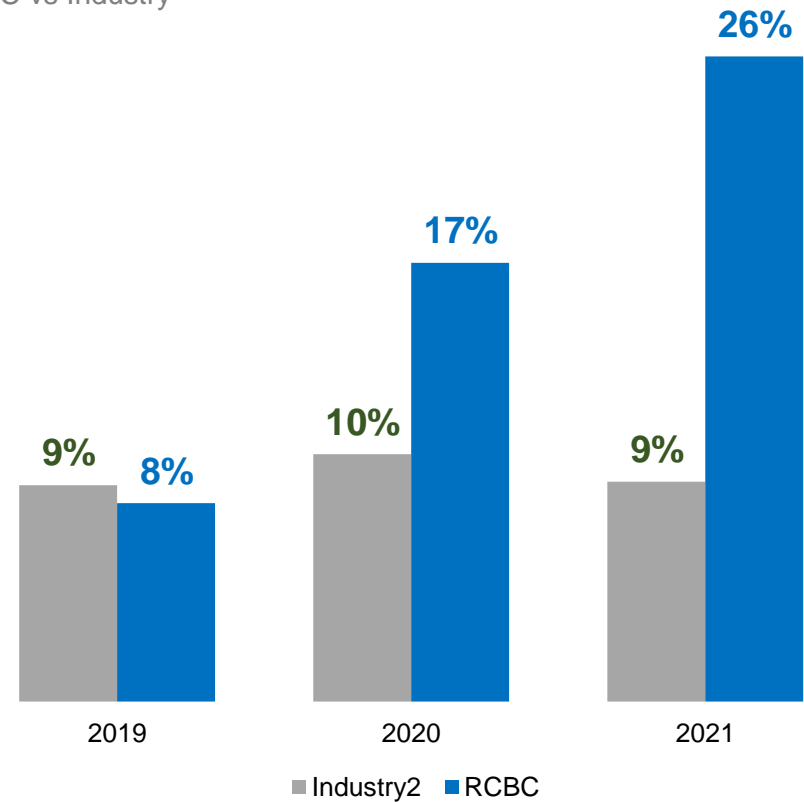
Breakdown by type



Solid double-digit growth in deposits better than industry and peers

Deposit growth

RCBC vs Industry



*Amounts in PhP Billions, except %

[1] Industry average for deposit growth refers to UKBs.

Delivering customer-centric innovation

Innovative digital solutions for both retail and corporate clients drive customer acquisition and increase usage

259%

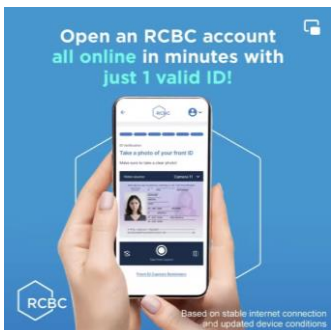
More new retail accounts on-boarded digitally

32%

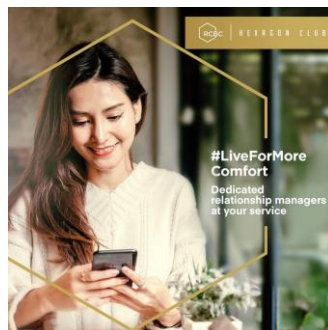
Growth in low-cost CASA deposits from cash management clients

77%

Increase in cash processed via RCBC's CashCube



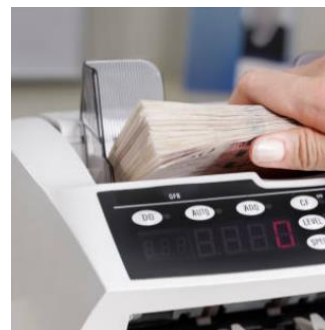
Fully-digital account opening



Hexagon Club



One Account



CashCube



CheckScan



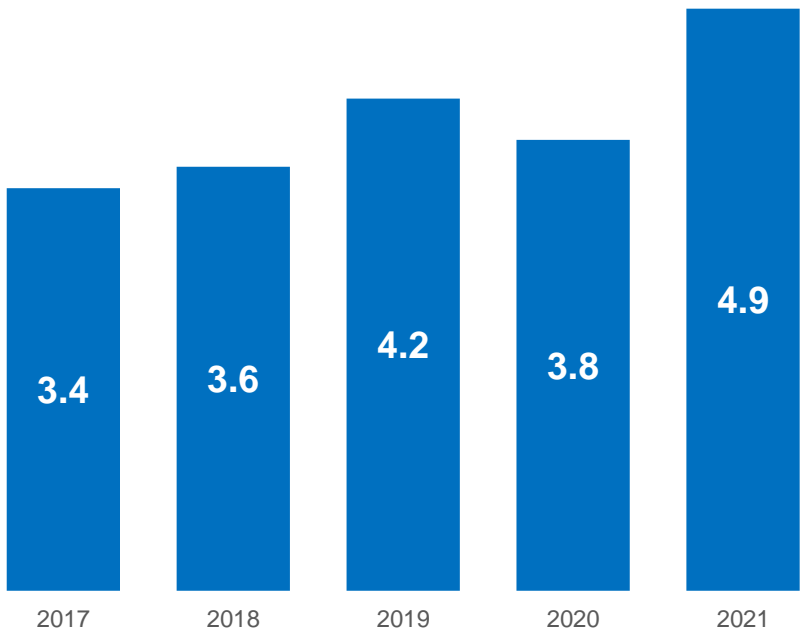
PayPortal



Digital transactions augment the diversified fee revenue

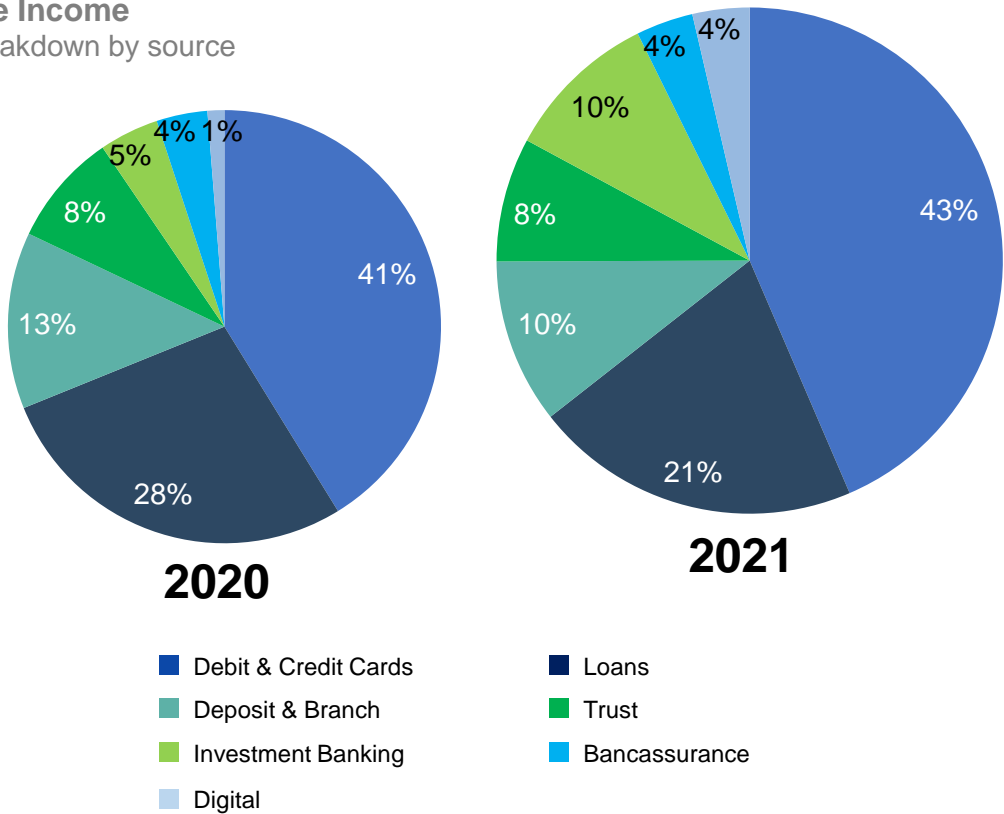
Robust investment banking engagements and more retail and digital transactions allowed fee income to expand by 29% from last year

Fee Income
In PhP Billions



Sources of fees remain stable and diversified, with increasing share from digital transactions

Fee Income
Breakdown by source



RCBC Digital made even more powerful



75%

Increase in RCBC Digital transaction value



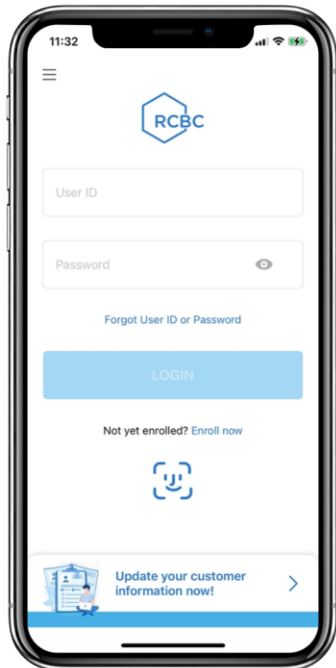
70%

Growth in InstaPay transaction value



191%

Growth in PESONet transaction value



RCBC continued to introduce industry-leading digital solutions with the addition of features such as QR payments and forex trading



QR Payments¹



UITF Investments¹



Cardless withdrawal



Check deposit¹



Time Deposit



Credit card installment



Forex trading¹



Wide selection of Billers



Request Payment



*Growth versus last year

[1] New features in the RCBC mobile app

RCBC is the Philippines' BEST DIGITAL BANK

recognized for its strong franchise across business lines



Reimagining the branch banking experience

281

Branches converted to
Branch of Today

Zero

Forms to fill out¹

50%

Reduction in required client
signatures



RCBC Plaza Branch

[1] Additional one (1) form to fill out & sign if client applies for Hexagon Club Membership (i.e., Hexagon enrollment Form)

Consolidated key financial indicators

	2021	2020	Change
PROFITABILITY			
Return on Equity	6.7%	5.5%	1.2%
Return on Assets	0.8%	0.7%	0.2%
Net Interest Margin	4.1%	4.3%	(0.2%)
COST EFFICIENCY			
Cost-to-Income Ratio	61.9%	58.2%	3.8%
ASSET QUALITY			
Net NPL Ratio	3.3%	2.9%	0.4%
NPL Coverage Ratio	63.7%	79.2%	(15.5%)
Credit Cost	1.2%	2.2%	(0.9%)
CAPITAL			
Capital Adequacy Ratio	15.2%	16.1%	(0.9%)
CET1	12.2%	12.6%	(0.5%)



For more information about RCBC,
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