



# RCBC FY 2024 Analyst Briefing

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February 25, 2025



# Macroeconomic Outlook

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**Michael Ricafort**

Chief Economist

# Market forecasts and catalysts for 2025

## Key Market Catalysts:



### Fed uncertainty keeps rates elevated

10-year US Treasury yield at 4.49% with markets pricing in fewer rate cuts in 2025 due to inflation risks from Trump's policies.



### BSP easing to support growth

BSP signals -0.50 rate cuts and a potential RRR cut to 5% aiming to boost liquidity, lending, and economic expansion.



### Peso stabilizes amid softer inflation

USD/PHP at 58.03, off recent highs while inflation remains within BSP's 2%-4% target as lower oil prices ease cost pressures.



### Stock market faces global & local headwinds

PSEi at 6,154.99 (near 14-month lows), pressured by Trump's tariff threats, weak GDP growth and AI-driven market shifts.

## Philippine GDP Growth Estimates (2025-2026)

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

As of February 5, 2025

# Market forecasts and catalysts for 2025

## Philippine Economic Outlook

| Economic Indicators        | 2023 Actual | 2024 Actual | 2025 Forecast |
|----------------------------|-------------|-------------|---------------|
| <b>GDP Growth</b>          | 5.5%        | 5.6%        | 6.0%-6.5%     |
| <b>USD/PhP (Year-End)</b>  | 55.37       | 57.845      | 57.50-58.50   |
| <b>USD/PhP (Average)</b>   | 55.63       | 57.29       | 57.75-58.75   |
| <b>Inflation (Average)</b> | 6.0%        | 3.2%        | 3.0%-3.5%     |
| <b>BSP Policy Rate</b>     | 6.50%       | 5.75%       | 5.00%-5.25%   |
| <b>Fed Funds Rate</b>      | 5.50%       | 4.50%       | 3.75%-4.25%   |
| <b>PSEi</b>                | 6,450.04    | 6,528.79    | 7,000-7,500   |

## US & Philippine Policy Rate Outlook

| Economic Indicators                   | 3-Month Forecast | 6-Month Forecast | 1-Year Forecast |
|---------------------------------------|------------------|------------------|-----------------|
| <b>BSP Policy Rate (now at 5.75%)</b> | 5.50%-5.75%      | 5.25%-5.50%      | 5.25%-5.50%     |
| <b>Fed Funds Rate (now at 4.50%)</b>  | 4.25%-4.50%%     | 4.00%-4.25%      | 4.00%-4.25%     |



# FY 2024 Performance

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**Chrissy P. Alvarez**  
Corporate Planning Head



# Full Year 2024 Key Highlights

## Driving strong core earnings and consumer loans

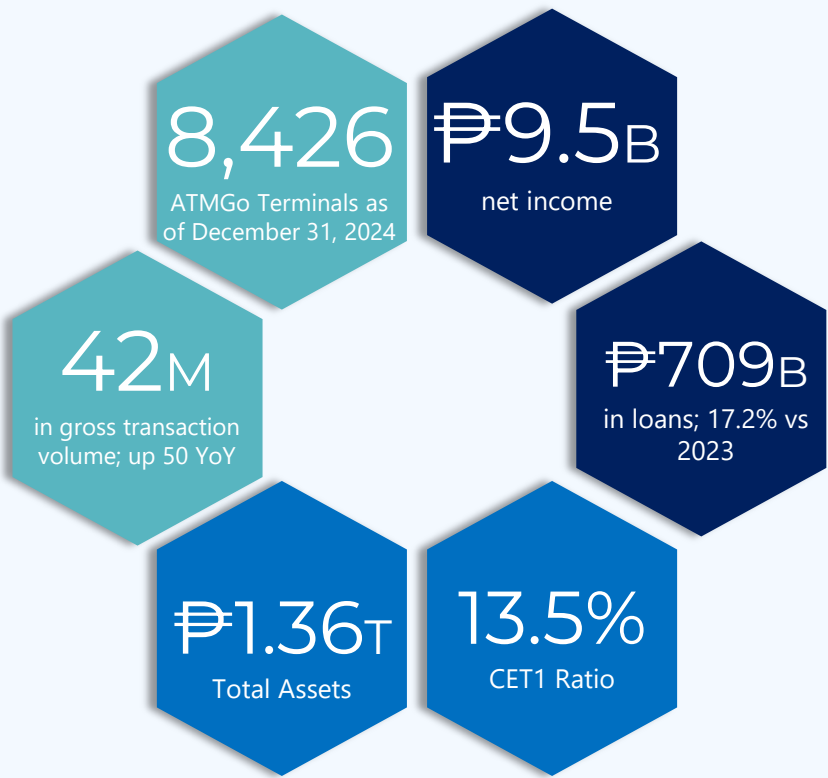
- Sustained revenue growth with gross income up by 6.6% and NIM improving to 3.9%
- Consumer lending momentum with 40% growth, led by credit cards, auto and housing loans
- Robust core earnings with NII surging 26.9% vs last year

## Stronger balance sheet and capital position


- Expanding asset base with total assets reaching ₱1.36T
- CAR and CET1 ratio at 16.1% and 13.5%
- Total capital ₱158B or 4% higher vs. FY2023

## AI & digital for better CX

- Expanded digital reach with customer count reaching 4.7M
- Streamlined processes and enhanced support resulting to frictionless cx
- 46 AI models deployed across the organisation



465   
Branches

9,908   
ATM<sup>1</sup>

6,819   
Employees

<sup>1</sup>Includes ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants

# Consolidated Financial Overview

| Income Statement    | FY24   | FY23   | Change  | YoY     |
|---------------------|--------|--------|---------|---------|
| Gross Income        | 53,408 | 49,997 | 3,411   | 6.8%    |
| Net Interest Income | 42,501 | 33,629 | 8,872   | 26.4%   |
| Fee Income          | 8,485  | 7,081  | 1,404   | 19.8%   |
| Operating Expenses  | 31,801 | 29,594 | 2,207   | 7.5%    |
| Impairment Losses   | 8,619  | 6,888  | 1,731   | 25.1%   |
| Net Income          | 9,518  | 12,217 | (2,699) | (22.1%) |

| Balance Sheet         | FY24      | FY23      | Change  | YoY   |
|-----------------------|-----------|-----------|---------|-------|
| Assets                | 1,360,153 | 1,238,332 | 121,821 | 9.8%  |
| Loans <sup>1</sup>    | 709,930   | 605,709   | 104,221 | 17.2% |
| Investment Securities | 429,086   | 330,742   | 98,344  | 29.7% |
| Deposits              | 1,022,794 | 956,712   | 66,082  | 6.9%  |
| Capital               | 158,491   | 152,275   | 6,216   | 4.1%  |

\*Amounts in PhP Millions, except % and ratios

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

[2] ROE is calculated excluding AT1 capital.

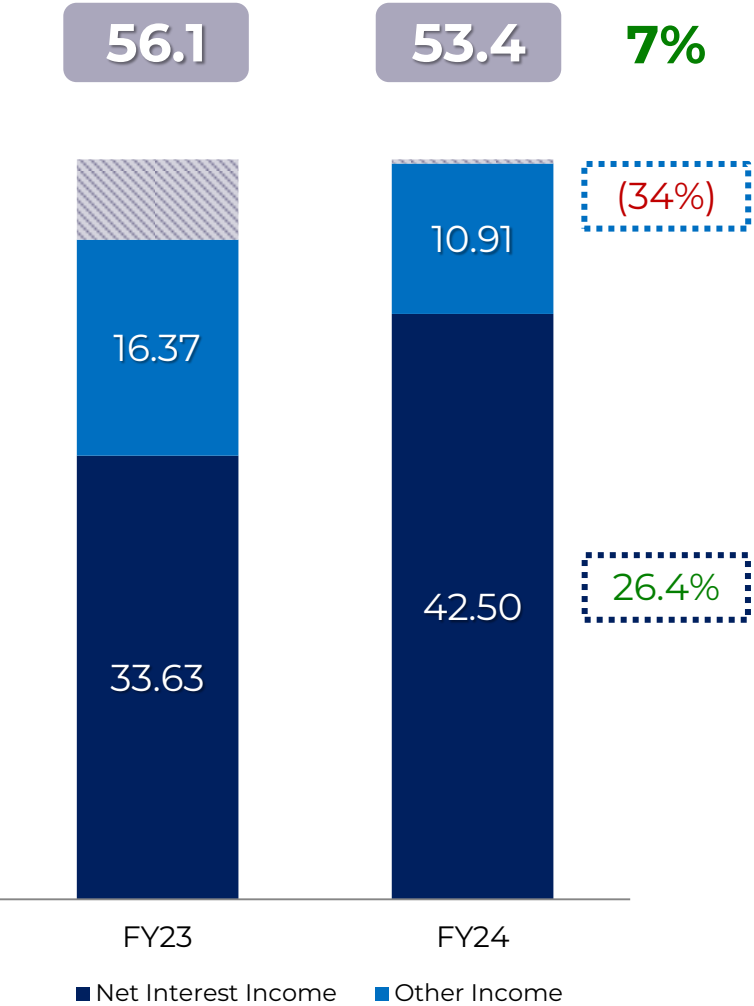
[3] NPL cover includes P5.6Bn of General Loan Loss provisions booked in Retained Earnings

| Financial Ratios                | FY24  | FY23  | YoY    |
|---------------------------------|-------|-------|--------|
| <b>PROFITABILITY</b>            |       |       |        |
| ROE <sup>2</sup>                | 6.0%  | 9.5%  | -3.5%  |
| ROA                             | 0.8%  | 1.1%  | -0.3%  |
| NIM                             | 3.9%  | 3.4%  | 0.4%   |
| <b>COST EFFICIENCY</b>          |       |       |        |
| CIR                             | 59.7% | 59.2% | 0.5%   |
| <b>ASSET QUALITY</b>            |       |       |        |
| Net NPL Ratio                   | 2.5%  | 1.6%  | 0.9%   |
| NPL Coverage Ratio <sup>3</sup> | 74.4% | 89.6% | -15.2% |
| Credit Cost                     | 0.6%  | 0.6%  | 0.0%   |
| <b>CAPITAL</b>                  |       |       |        |
| CAR                             | 16.1% | 17.4% | -1.3%  |
| CET1                            | 13.5% | 14.7% | -1.2%  |

# Sustained Revenue Boosted By Core Businesses

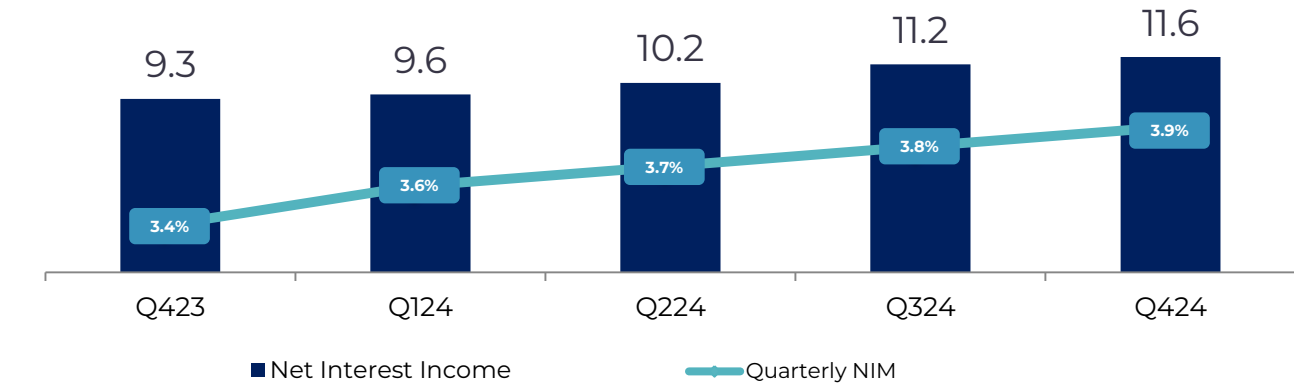
Gross Revenue

YoY



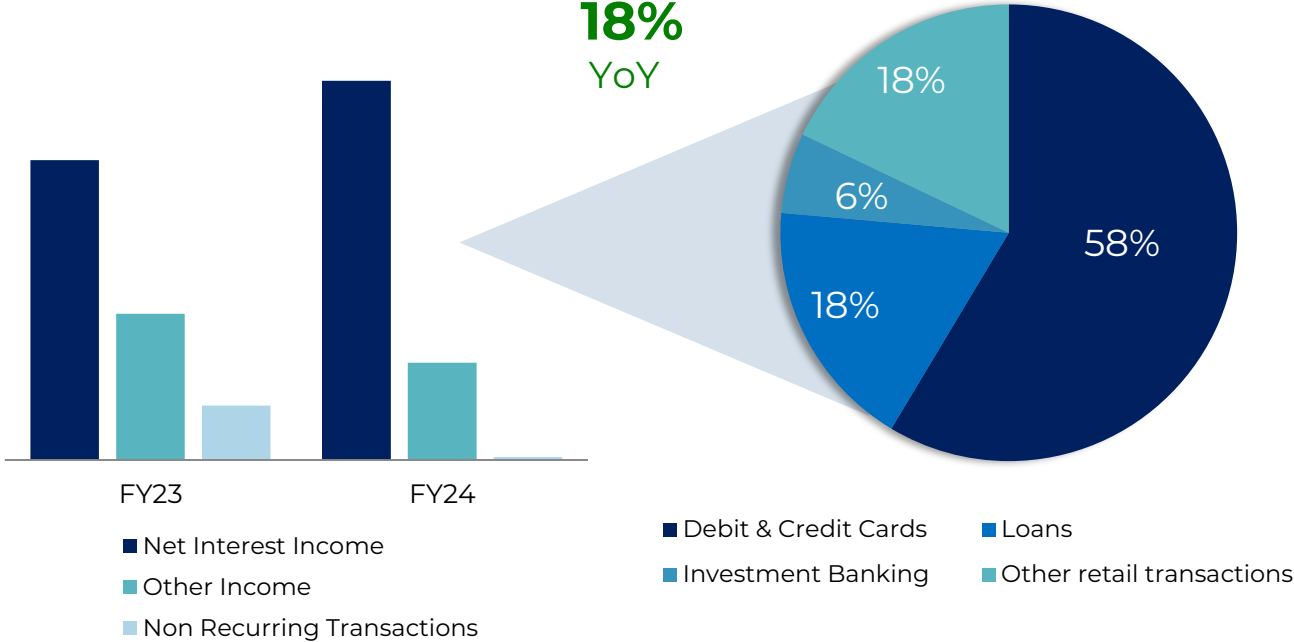
Quarterly Net Interest Income

25%  
Q-on-Q



Fee Income

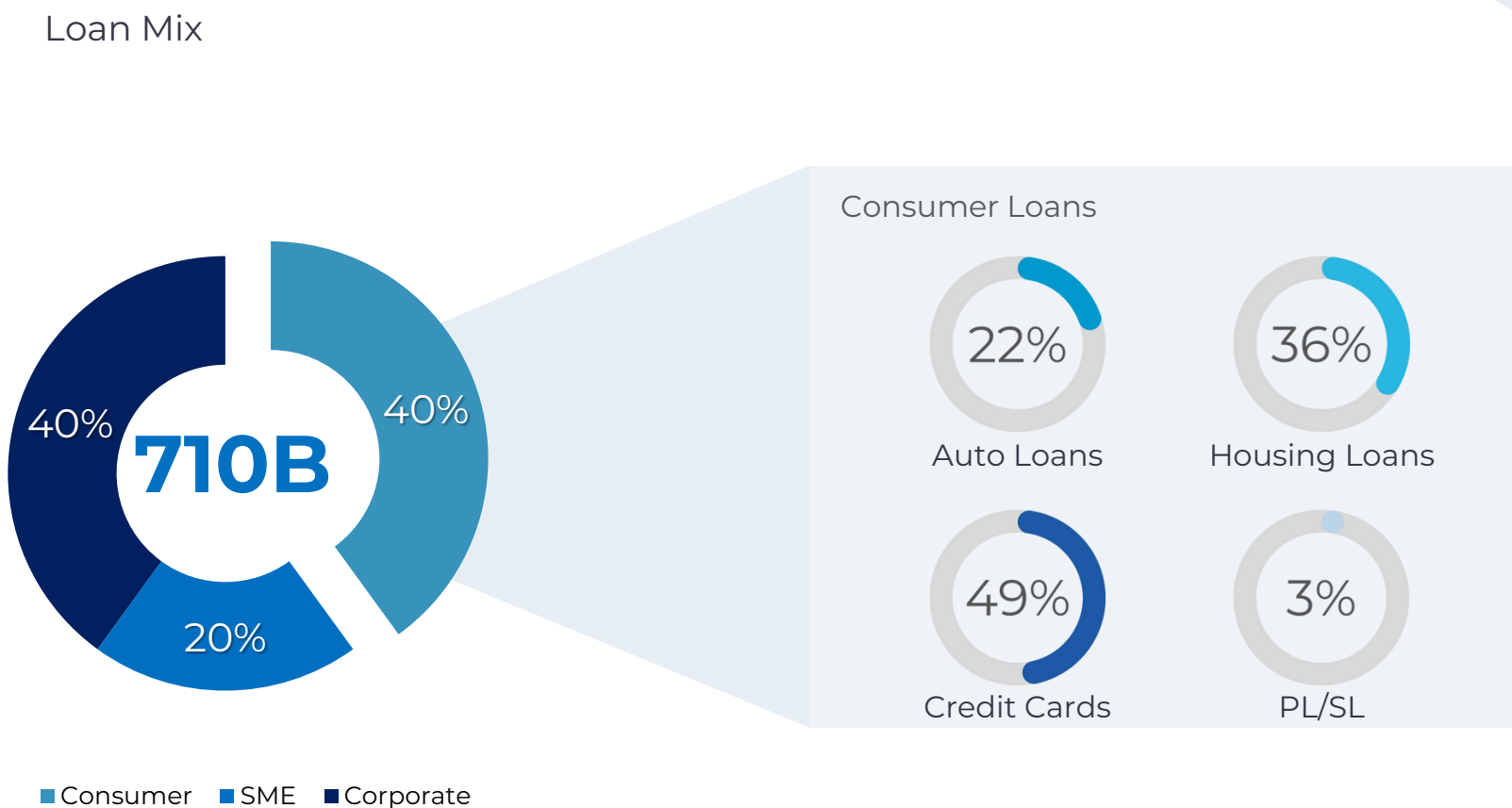
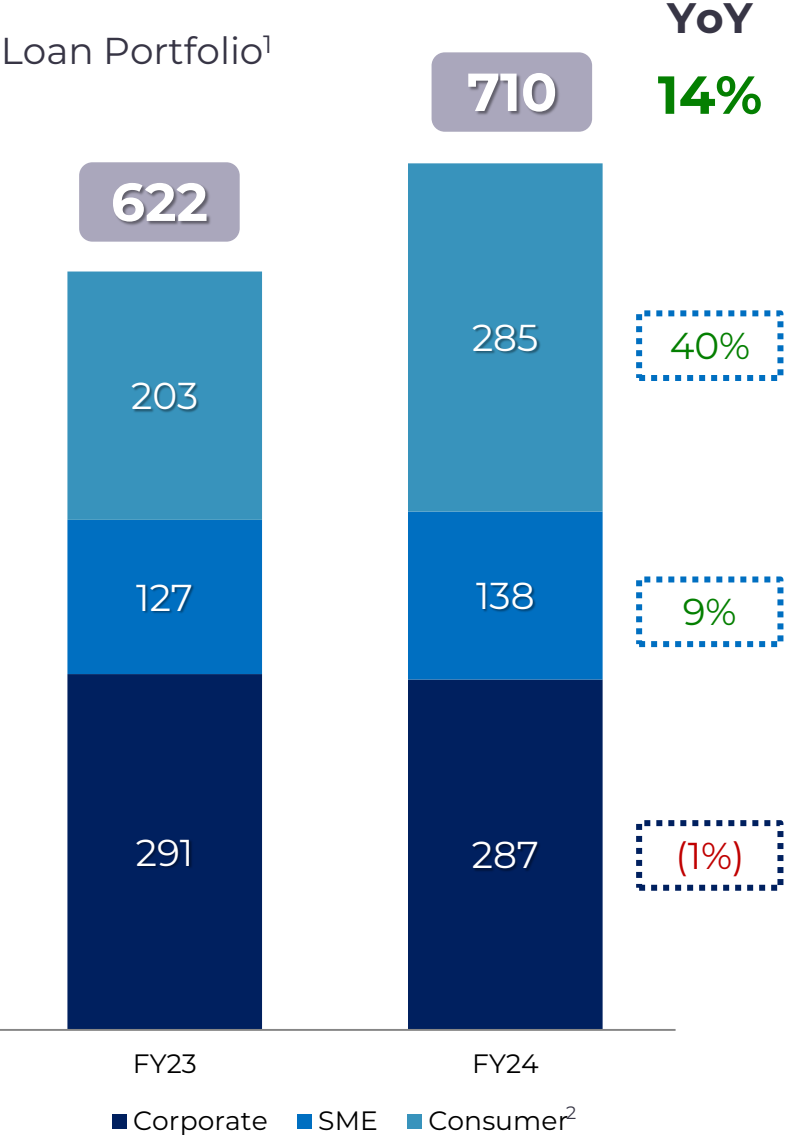
18%  
YoY



\*Figures in Php Billions, except %  
As of December 31, 2024



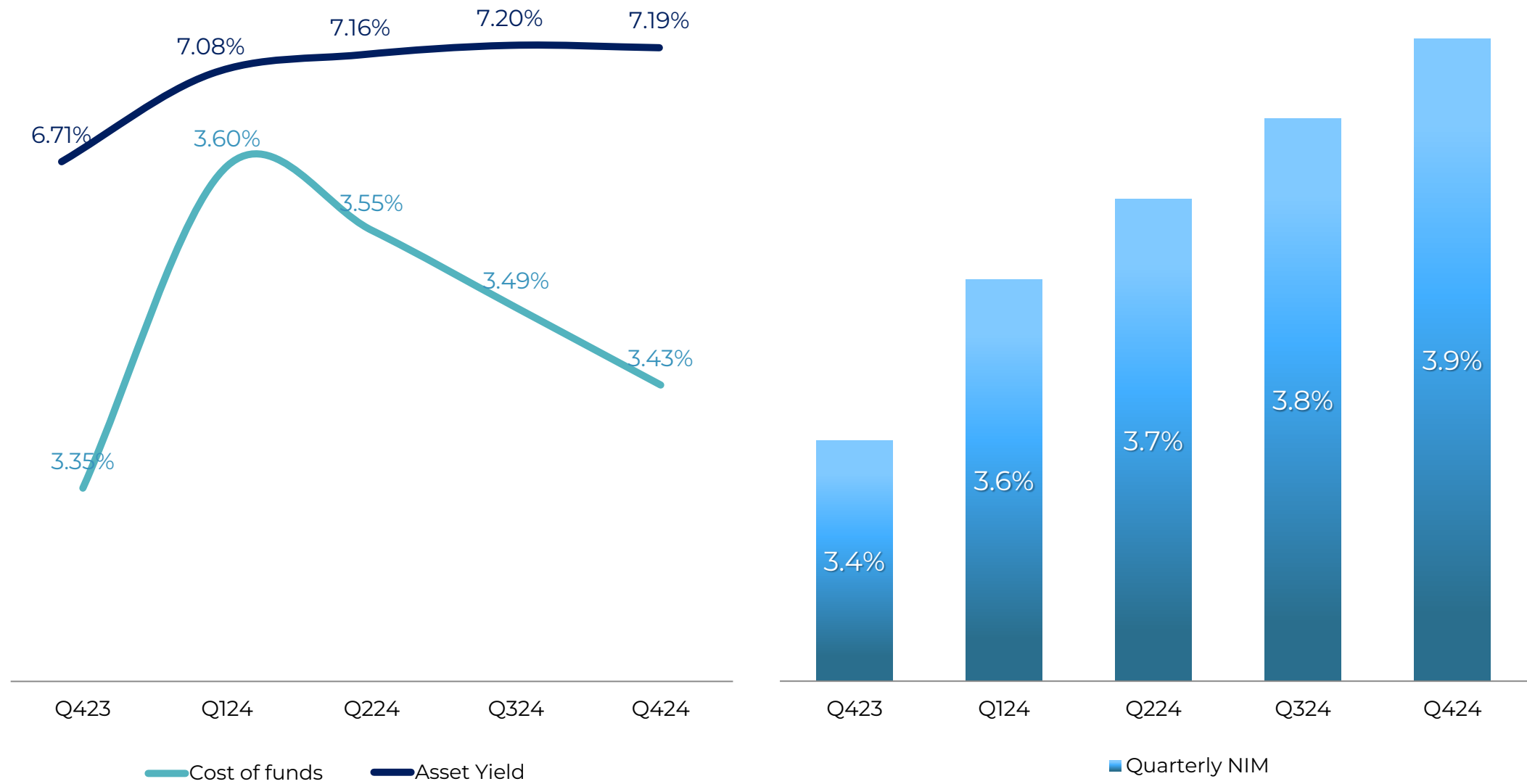
# Diversified Loan Portfolio Powered By Consumer Loans



\*Figures in Php Billions, except %  
As of December 31, 2024

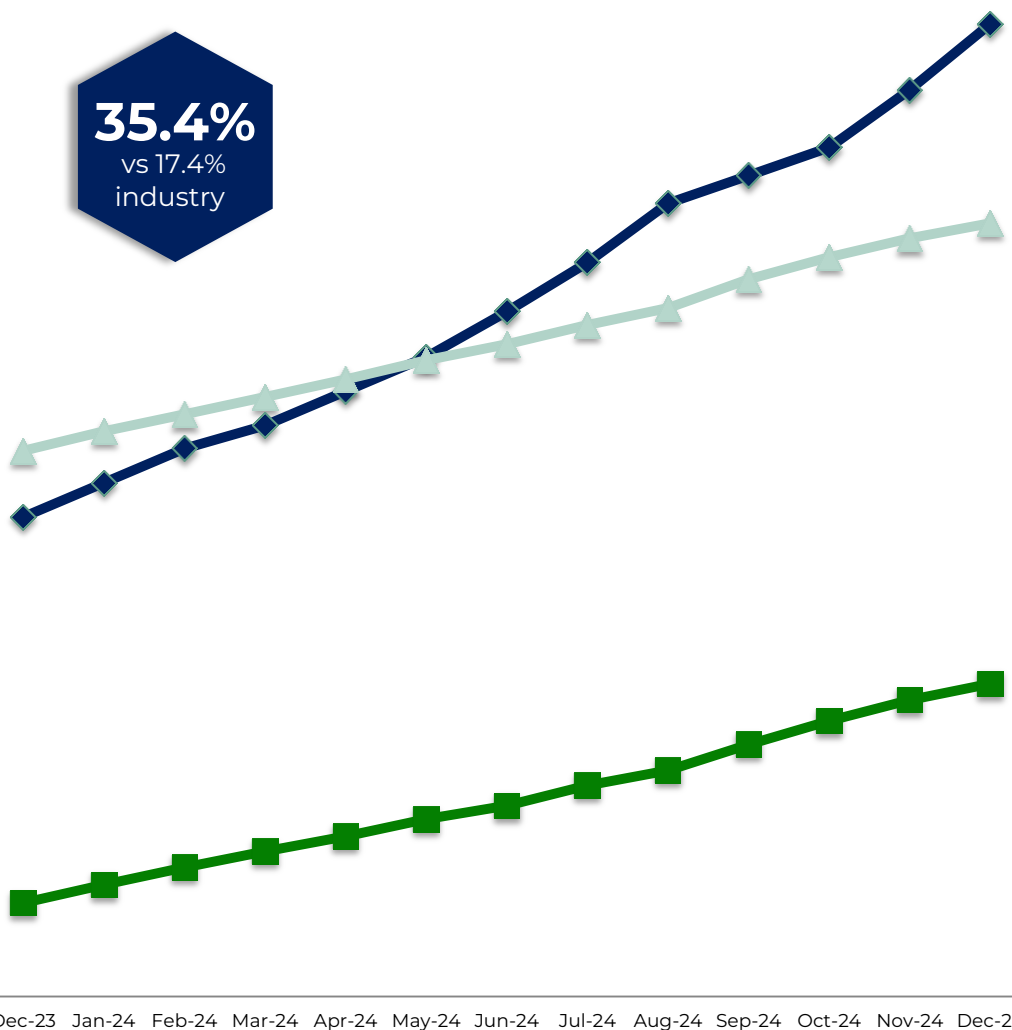
<sup>1</sup>Total Gross Loan to Customer  
<sup>2</sup>Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

# Cost of Funds Pressure Eases as Yields Improved



# Sustained Double-Digit Rise in Credit Cards & Consumer Loans

Consumer Loans & Credit Cards portfolio  
in PHP billions, % growth year-on-year



**CARDS**  
**+48%**



**↑70%**

Auto loan bookings compared to 2023; dealer-generated bookings doubled

**MORTGAGE**  
**+24%**



**↑36%**

mortgage loan bookings vs. last year

**AUTO**  
**+44%**

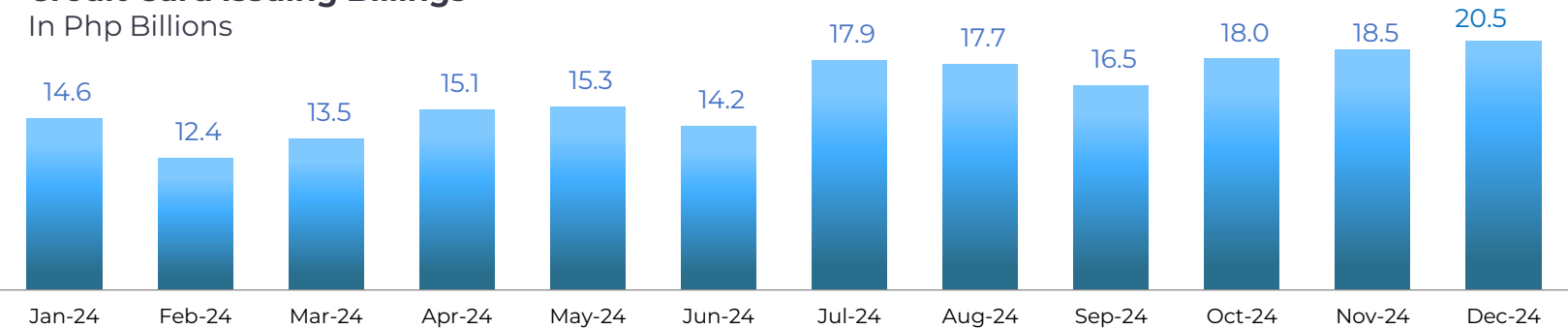


**₱195B**

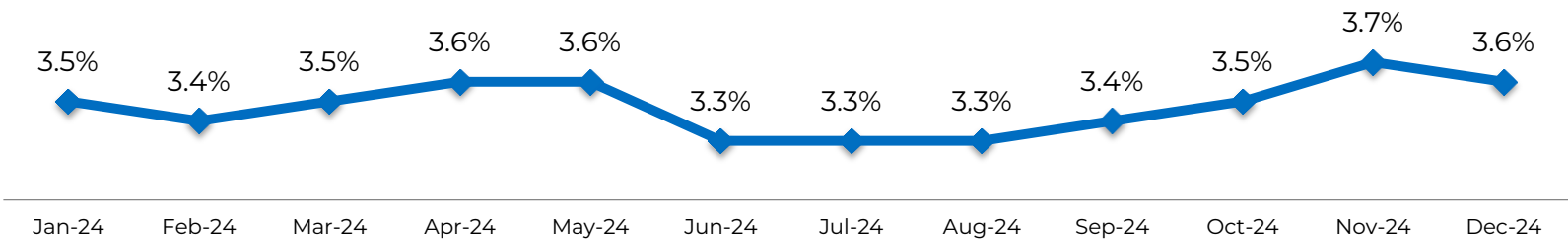
in issuing billing; 41% higher compared to year ago levels. Highly driven by increased spending from premium cardholders

# Outpacing The Industry In Cards and PL Growth

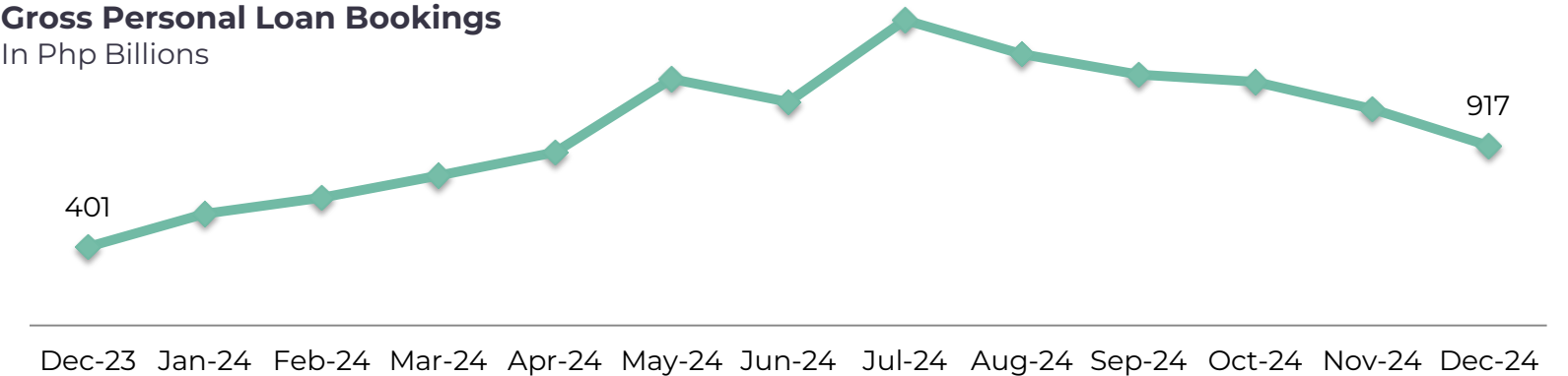
Credit Card Issuing Billings  
In Php Billions



Delinquency %



Gross Personal Loan Bookings  
In Php Billions



1.26M

cards in force; 21% higher than last year, better than industry average of 14%



P110B

in balances; up by 48% from last year's level vs. industry average of 29%

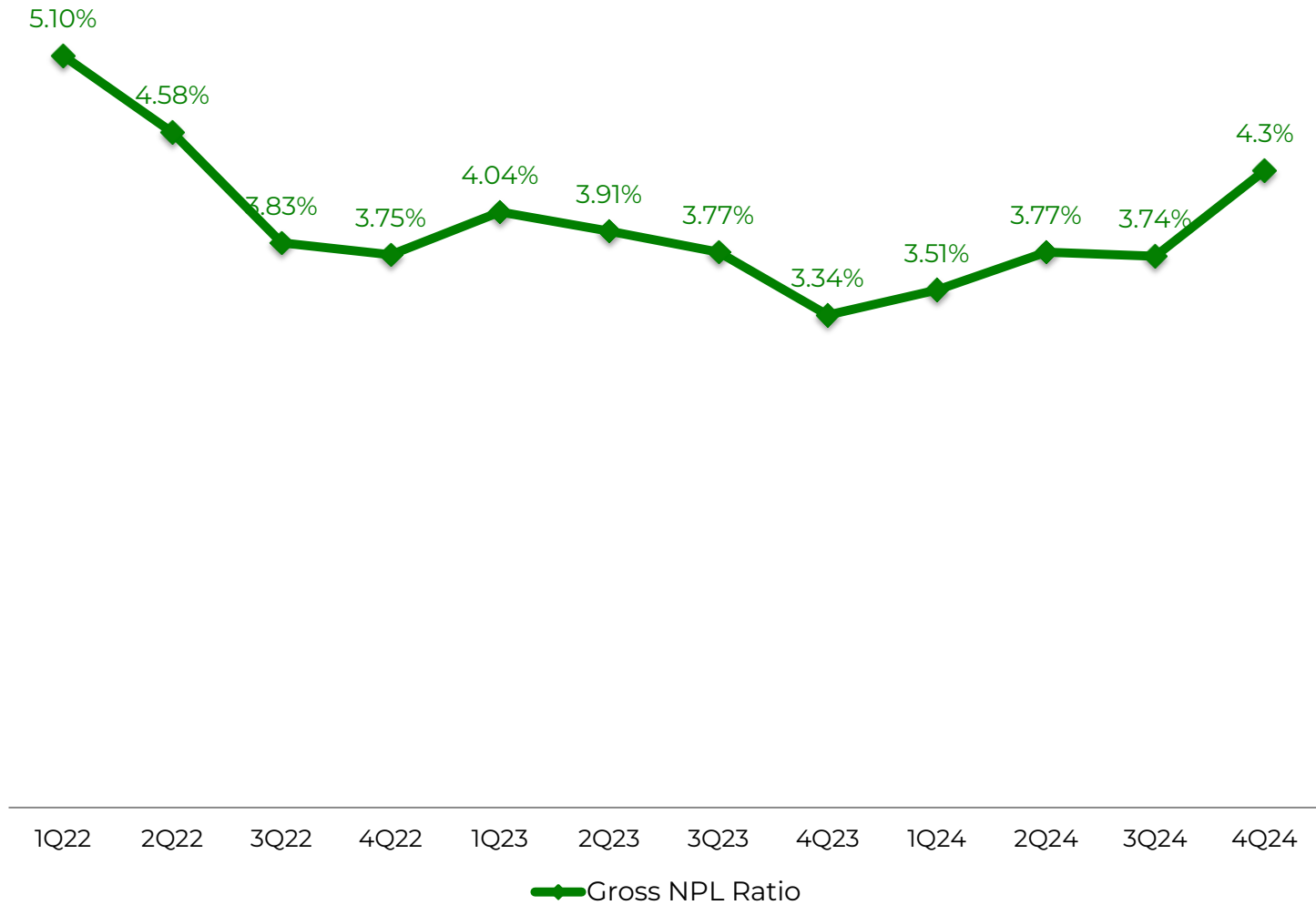


P12.7B

Personal loans receivables soared up to 352% vs. ly

# Managing NPLs

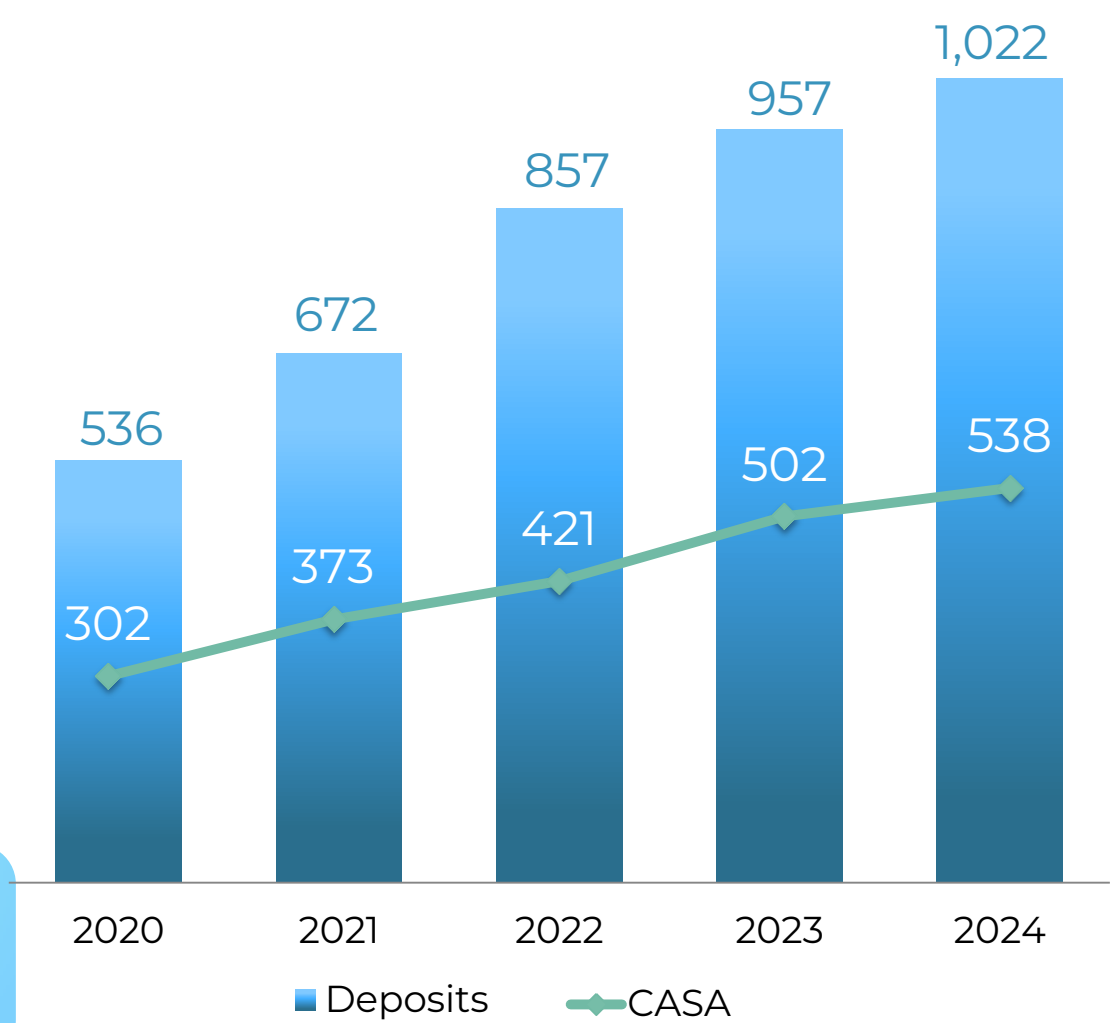
Gross NPL Ratio



Gross NPL ratio per segment  
As of December 31, 2024

|             |      |
|-------------|------|
| Corporate   | 1.6% |
| SME         | 7.9% |
| Consumer    | 4.4% |
| Credit Card | 3.9% |

# Total Deposits Reached ₱1.02T Boosted By CASA



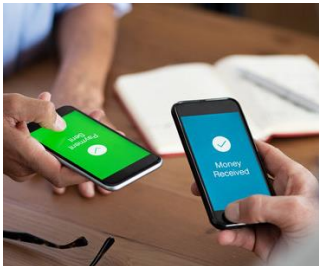
**CheckScan transaction values up by 35%,** pushing transactions up PHP 47B



**Double-digit jump in CashCube business** at 17% vs previous year



**Bills collection brought PHP 46B increase** in transactions value YoY



**EFT and auto-credit contributed 91%** of increase in values



**Payroll up PHP 3B YoY,** bringing total to PHP 116B



**Double digit jump in checks,** up PHP 13B



# Harnessed AI for digital growth and engagement

AI-driven Credit & Risk Analytics for smarter business strategies:

- ✓ Optimized loan approvals
- ✓ AI-powered targeted marketing
- ✓ Accelerated lead generation



1.2M

Accounts

48%

Transaction Volume

46%

Transaction Value



App for Lifehacks and Digital Credit

1.5M

Accounts

13%

Transaction Volume

1.8B

In Deposits, 6x growth YoY



ATMGo

PH's 1<sup>st</sup> neighborhood & last mile ATM network

8,426

Terminals

17%

Transaction Volume

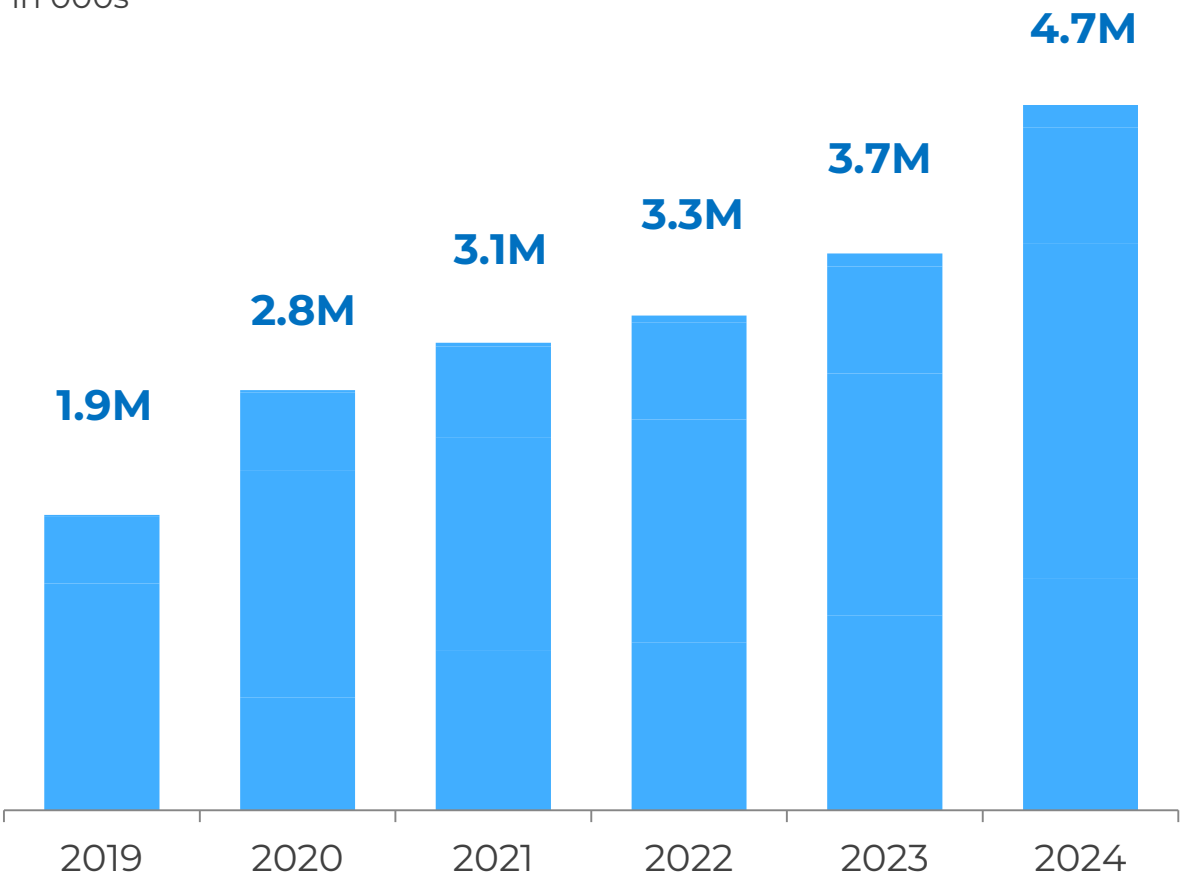
30%

Transaction Value



# RCBC customers reached 4.7M, up by 27% from 2023

Customer Count  
in 000s



**1.26M**

new cards YTD, up 21% YoY;  
credit card spend at Php 110  
billion

**146B**

billings for retail transactions,  
with 44% booked by super  
affluent clients

**24.3B**

consumer loan bookings  
from Internal Sales in 2024



# Data & AI for smart and targeted actions



## Cross-sell & CX

25 ML models based on product propensity for various customer segments



## Credit, Risk & Fraud

12 ML models for risk mitigation & fraud detection



## Forecasting & Network

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



## Segmentation & Analysis

4 ML models for analysis & profiling of lifestyle & affluence segments

\*Total ML models as of December 31, 2024



# RCBC's Sustainability Impacts at a Glance

Our framework is aligned with internationally recognized guidelines



**₱126.7B**

Total Eligible Sustainable Portfolio

**3.7x**

Higher Sustainable Portfolio vs. Coal Exposure

**65%**

Sustainability Bonds Allocated to Green Projects



Allocation Report consisting of Eligible Sustainable Portfolio and Sustainable Funding portions, is still pending external review

**“When it comes to digital solutions,  
RCBC remains the bank to beat.”**



**Over 100 global and regional awards in 5 years!**







# Question & Answer





For more information about RCBC,  
please contact  
**[Investor\\_Relations@rcbc.com](mailto:Investor_Relations@rcbc.com)**





# **FY 2024 Analysts' Briefing**