

Partners Through Generations

Investor Presentation

1H 2022

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Partners Through Generations

Investor Presentation

1H 2022

1

Economic Overview

Heading towards normalcy

2

RCBC 1H 2022 Overview

Sustained core business growth

3

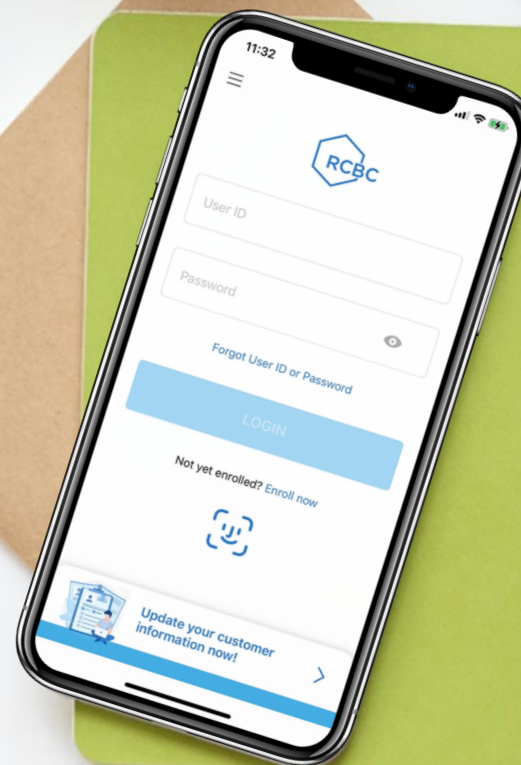
General Information

Investment information and ownership

4

Appendix

Other financial information



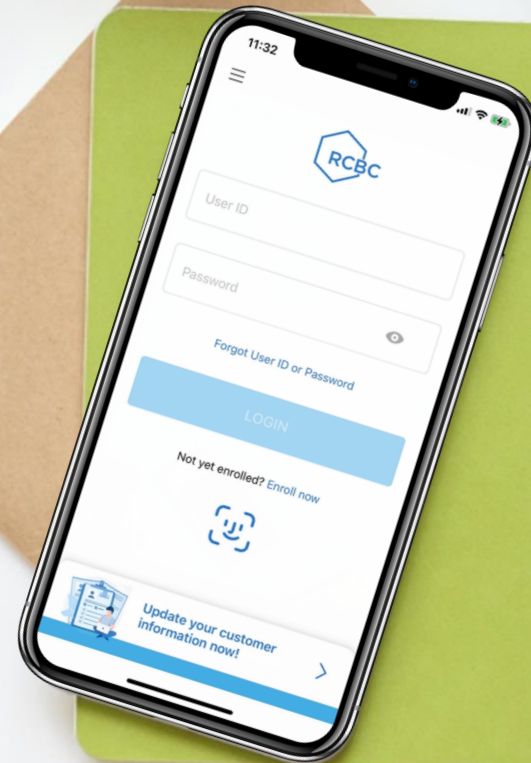


RCBC Partners Through Generations Investor Presentation

1H 2022



Economic Overview



A challenging macroeconomic outlook

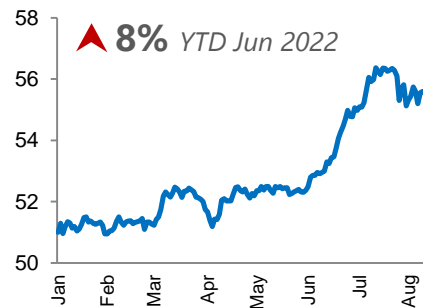
Weaker peso, higher inflation characterized 2Q 2022. Looking forward, is the worst over for the economy?



NYMEX CRUDE OIL PRICE

105.76 END OF 2Q 2022
108.61 AVERAGE (2Q)

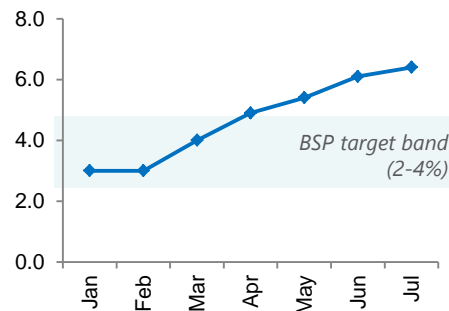
- Russia-Ukraine war
- But eased to new 6-month lows recently, erasing all its gains since the conflict started in February 2022



USD/PHP

54.975 END OF 2Q 2022
52.719 AVERAGE (2Q)

- Weaker peso due to stronger US dollar after Fed rate hikes, rising US inflation
- But now among 1-month lows after a record low of 56.45 in July
- Peso weakness year-to-date already overdone recently



INFLATION

6.1 END OF 2Q 2022
5.5 AVERAGE (2Q)

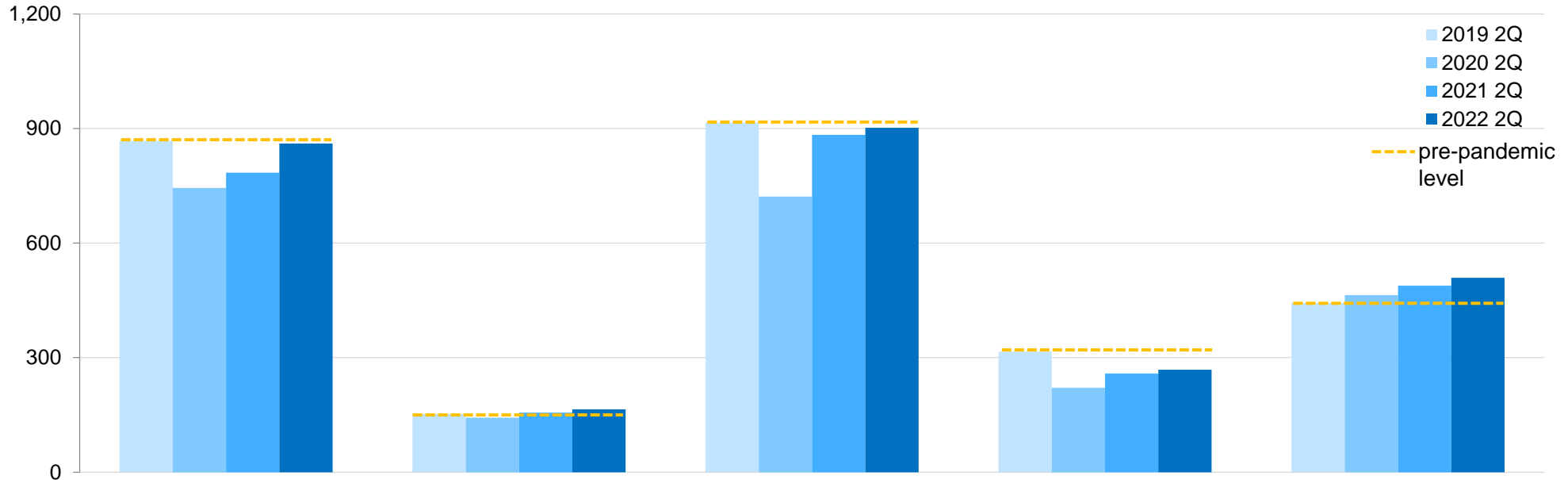
- Higher input prices, supply chain disruptions due to Russia-Ukraine war; higher minimum wages
- Above local policy rate of 3.25%; bigger negative net interest rates
- Mitigated by excess liquidity in the financial system

Industries continue to recover

Real GDP grew 7.4% in 2Q 2022. Easing COVID restrictions strongly support industry recovery, but still weighed by higher input prices, supply chain disruptions

Gross Value Added of Major Borrowing Industries (vs. pre-pandemic)

in PHP bn; 2018=100; National Accounts



2Q 2022 vs.
2Q 2019
(pre-pandemic)

▼ 0.8%

▲ 8%

▼ 2%

▼ 15%

▲ 15%



Wholesale &
Retail Trade



Electricity, Gas
& Water



Manufacturing



Real Estate



Financial &
Insurance



The Bank expects recovery in 2022 and beyond

Economic Indicators*	2023 Forecast	2022 Forecast	2021 Actual
GDP Growth	6.0%-6.5%	6.0%-7.0%	5.7%
USD/PhP (Year-End)	55.50-56.50	54.00-56.00	50.999
USD/PhP (Average)	55.75-56.75	53.50-54.50	49.25
Inflation (Average)	3.5%-4.0%	5.0%-5.5%	3.9%
BSP Policy Rate	4.25%-5.25%	4.00%-5.00%	2.00%
PSEi	7,600-8,100	7,000-7,500	7,122.63



Summary



INVESTMENT

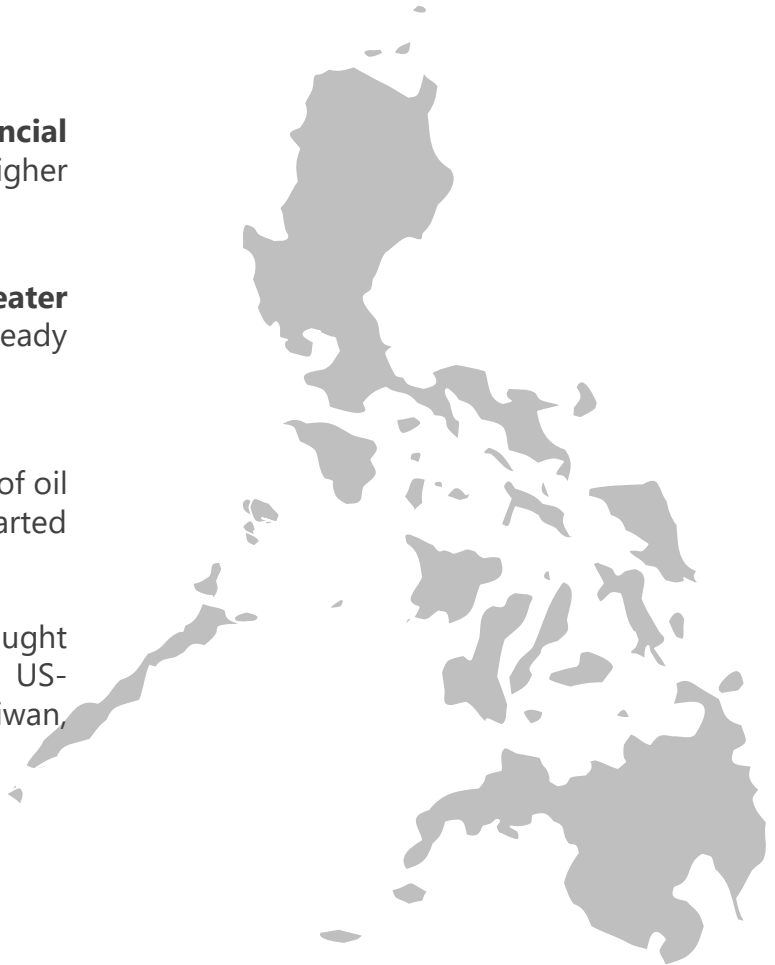


CREDIT



OUTLOOK

- **Challenging 2Q 2022 for the financial markets** due to weaker peso, higher inflation and interest rates
- **We are headed towards greater normalcy;** some industries are already back to pre-pandemic levels
- **We have seen the worst** as prices of oil and other global commodities started to ease
- **However, we are still at risk** brought by lingering Russia-Ukraine war, US-China tensions related to Taiwan, aggressive Fed rate hikes remain.



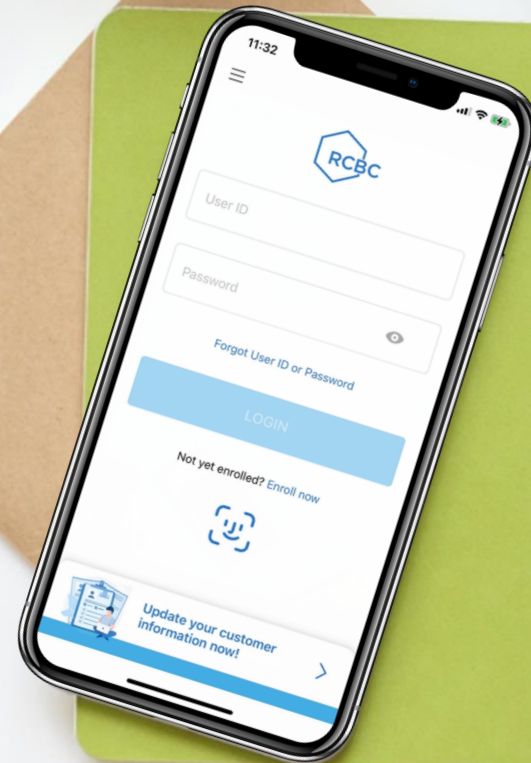


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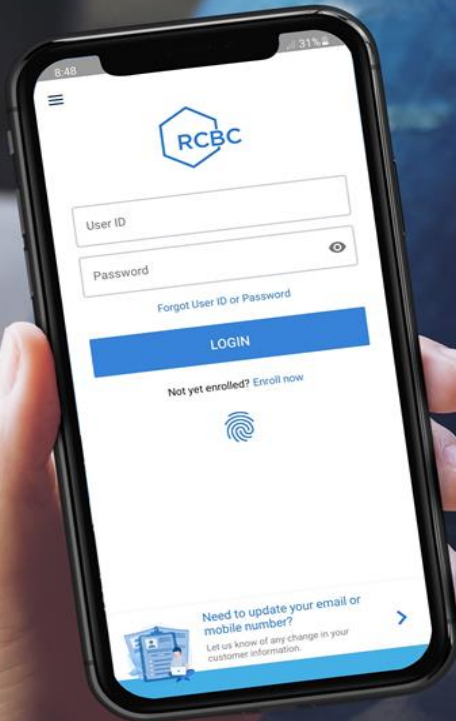


1H 2022 Overview





1H 2022 Highlights



6.1B

Net income
up 84%

59%

Investment
securities growth

1.0T

Total assets
up 19%

400B

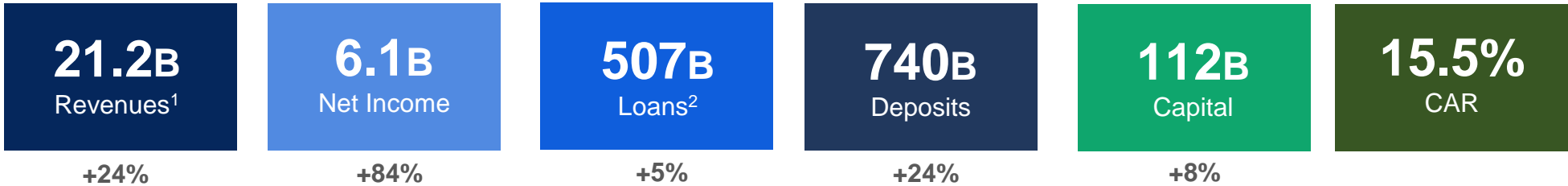
Low-cost
CASA up 18%

15.5%

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 as of end-June 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: June 2022 vs. June 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

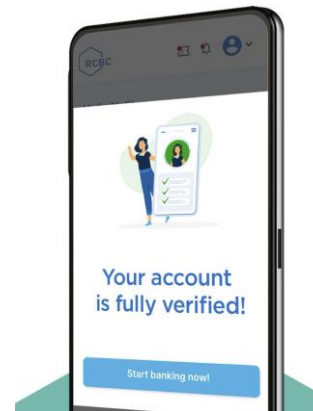


 **446** Branches

 **2,625** ATMs²

 **5,865** Employees

Open an account
all online in minutes



RCBC Digital

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

We accept 18 IDs.
May account ka na
in 5 minutes!



DiskarTech

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

[1] Including trading and FX gains

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

[3] Includes 1,280 ATMs and 1,345 ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants.

RCBC's profit climbed 84% in 1H 2022

	1H 2022	1H 2021	Change	% Change
INCOME STATEMENT				
Gross Income¹	21,231	17,117	4,114	24.0%
Net Interest Income	15,986	13,583	2,403	17.7%
Fee Income	2,908	2,563	345	13.4%
Operating Expenses	12,231	11,165	1,067	9.6%
Impairment Losses	1,869	2,332	(462)	(19.8%)
Net Income	6,135	3,327	2,808	84.4%
BALANCE SHEET				
Assets	1,003,305	845,818	157,487	18.6%
Loans²	506,589	483,942	22,646	4.7%
Investment Securities	283,354	177,821	105,533	59.3%
Deposits	739,511	598,145	141,366	23.6%
Capital	112,048	104,067	7,981	7.7%



*Amounts in PhP Millions, except % and ratios

[1] Including trading and FX gains

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

2Q 2022 net income jumped 129% vs 2Q 2021

	2Q 2022	2Q 2021	Change	% Change
INCOME STATEMENT				
Gross Income¹	11,329	8,613	2,716	31.5%
Net Interest Income	7,934	7,118	816	11.5%
Fee Income	1,682	1,685	(3)	(0.2%)
Operating Expenses	6,348	5,473	875	16.0%
Impairment Losses	317	1,396	(1,079)	(77.3%)
Net Income	3,994	1,747	2,247	128.6%
BALANCE SHEET				
Assets	1,003,305	845,818	157,487	18.6%
Loans²	506,589	483,942	22,646	4.7%
Investment Securities	283,354	177,821	105,533	59.3%
Deposits	739,511	598,145	141,366	23.6%
Capital	112,048	104,067	7,981	7.7%



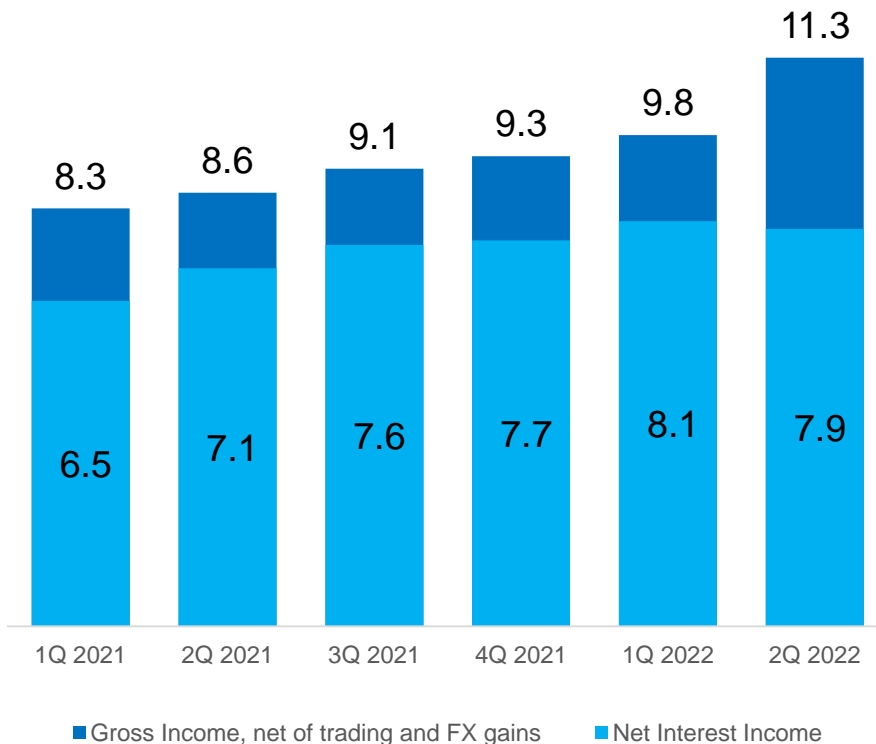
*Amounts in PhP Millions, except % and ratios

[1] Including trading and FX gains

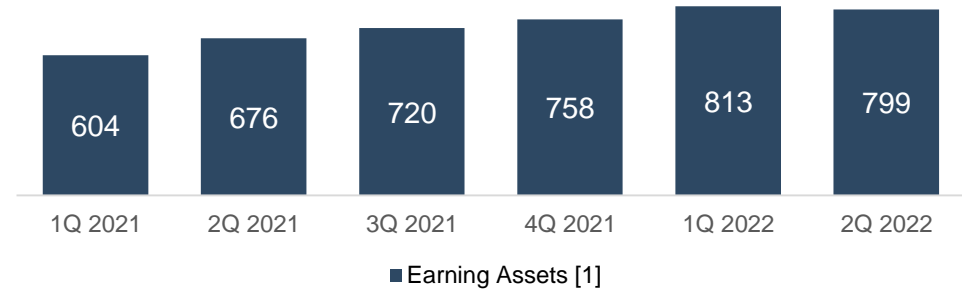
[2] Loans and Receivables net of Allowances and Interbank Loans

Robust core business performance drive profitability

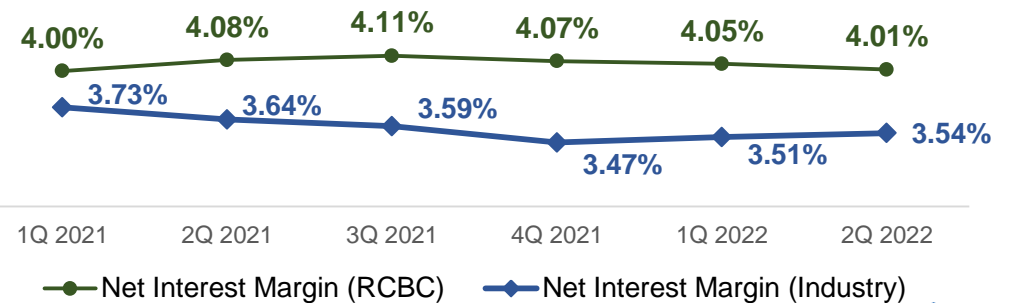
Gross income increased by 24% year-on-year driven by the 18% rise in net interest income



Earning assets likewise grew by 19%.

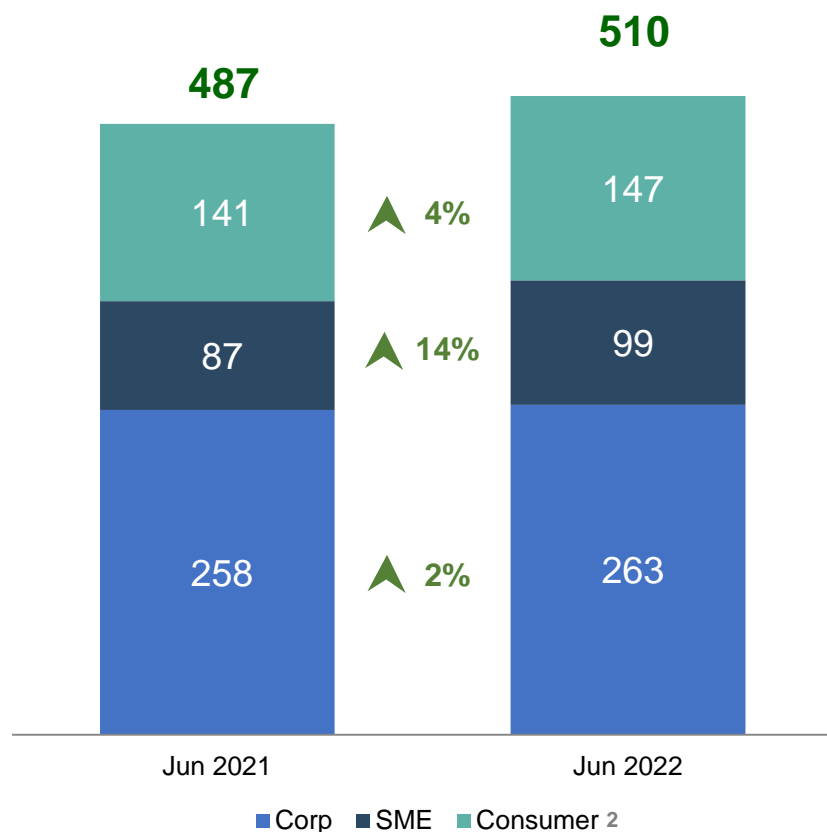


NIM remains above industry average despite interest rate pressures

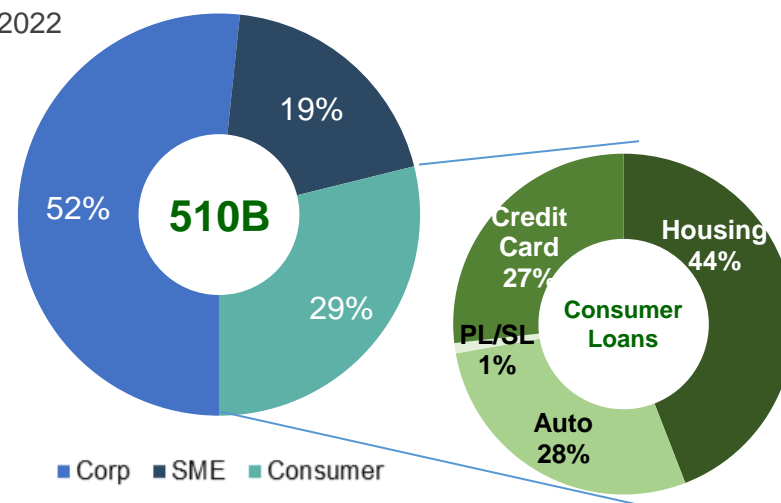


Strong loan expansion guided by prudent risk management

Gross Loan Portfolio¹
In Php Billions, except %



Loan Mix
As of June 2022



Return on Risk Assets³

	3-Yr RORA (Average)
Corporate	3.3%
SME	6.2%
Consumer	8.9%



[1] Total loan portfolio includes microfinance loans amounting to PhP 1.08B as of June 2021, and PhP 1.10B as of June 2022.

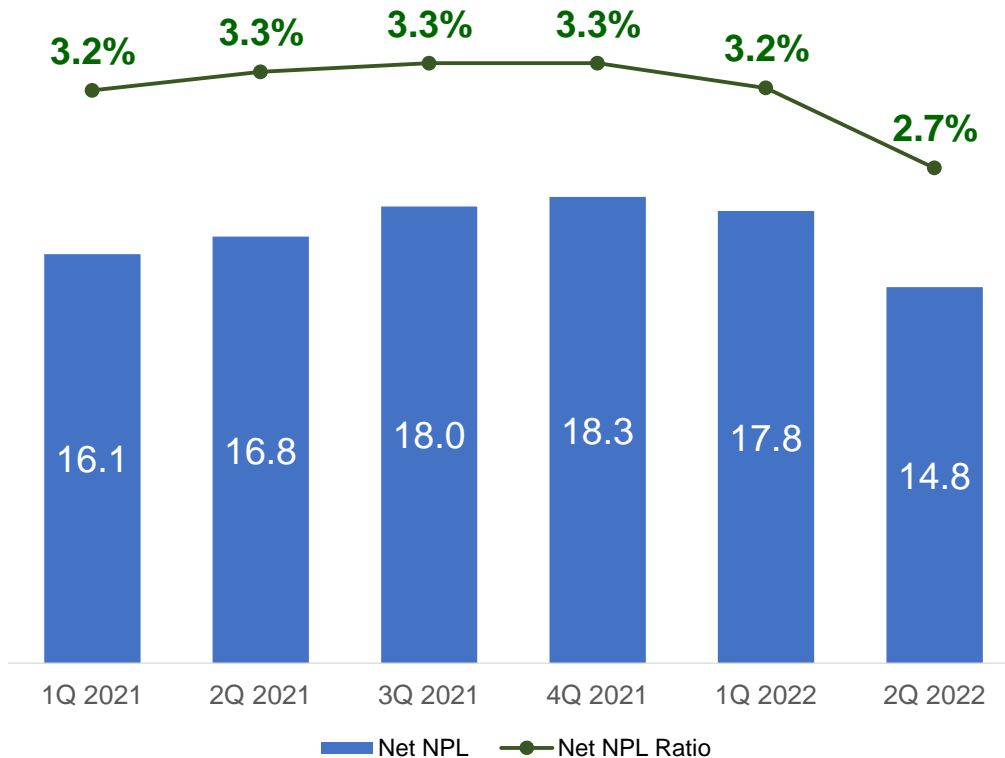
[2] Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

[3] RORA is after provisions but gross of OPEX

NPL continued to ease due to tightened credit and proactive remedial management

Net NPL Amount and Ratio

In Php Billions, except %



Net NPL per Segment

As of June 2022

Corporate	0.5%
SME	2.4%
Consumer	9.1%
Credit Card	1.1%

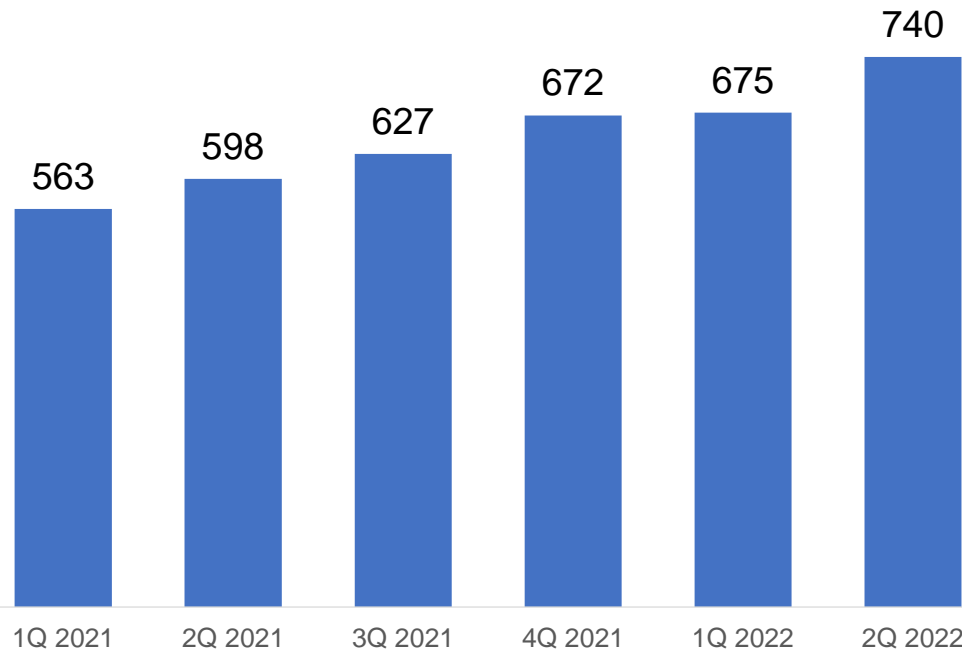
We launched the COVID Assistance and Recovery (CARE) Program to provide pre-emptive refinancing support to customers severely affected by the pandemic and may take time to recover. Those qualified under CARE were customers in good standing as of March 2020 when the Enhanced Community Quarantine was first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



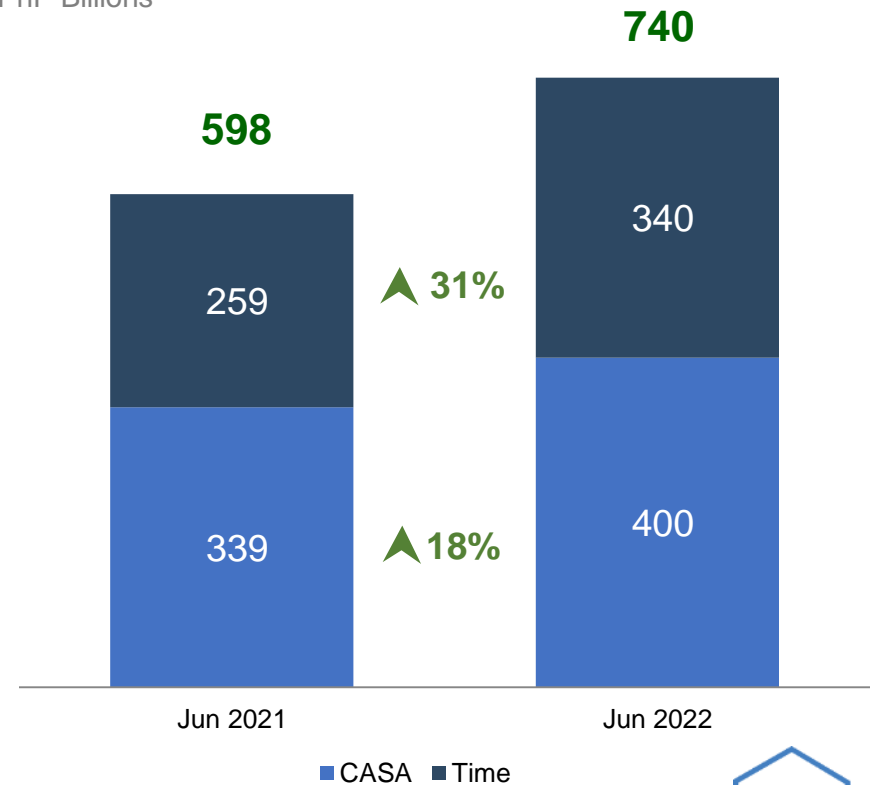
Record high deposits up by 24% year-on-year

Robust deposit build-up will continue by improving our sales productivity through technology, tapping the growing middle class with products for the mass affluent, and offering a wide range of cash management products for Corporate and SME clients

Deposits
In PhP Billions



Deposit breakdown
In PhP Billions



Innovative digital solutions drove customer acquisition and increased usage particularly for corporate accounts



Check Scan Facility

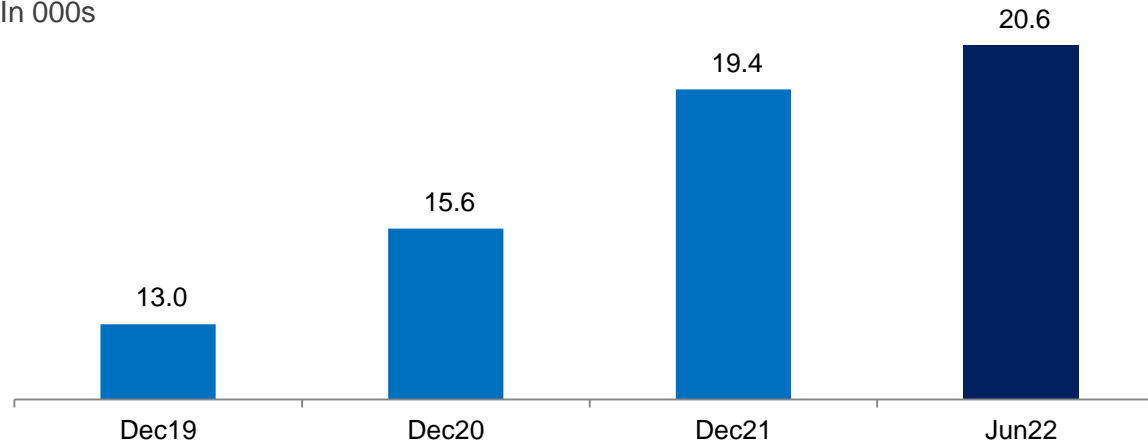


CashCube



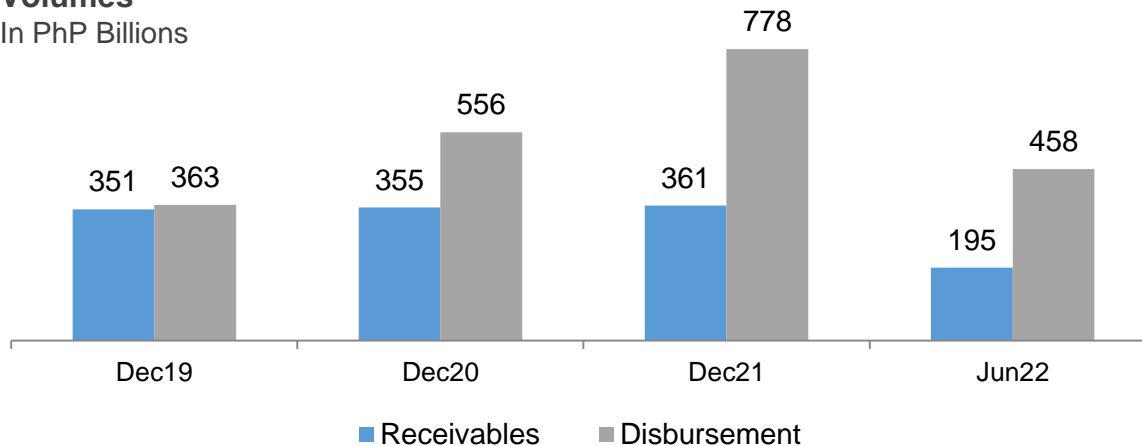
PayPortal


Corporate Cash Management Clients (CCM)
In 000s



 **22%**
CAGR 2019-21

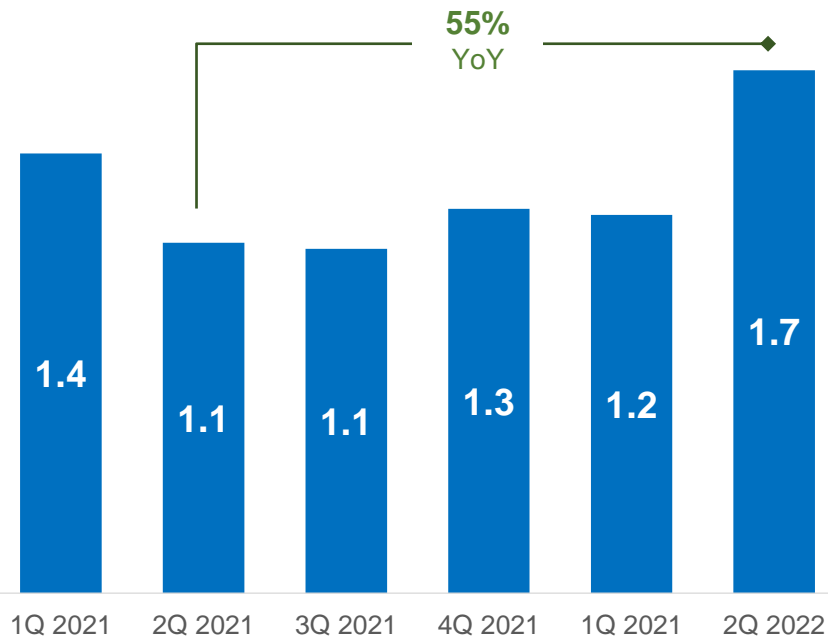
Volumes
In PhP Billions



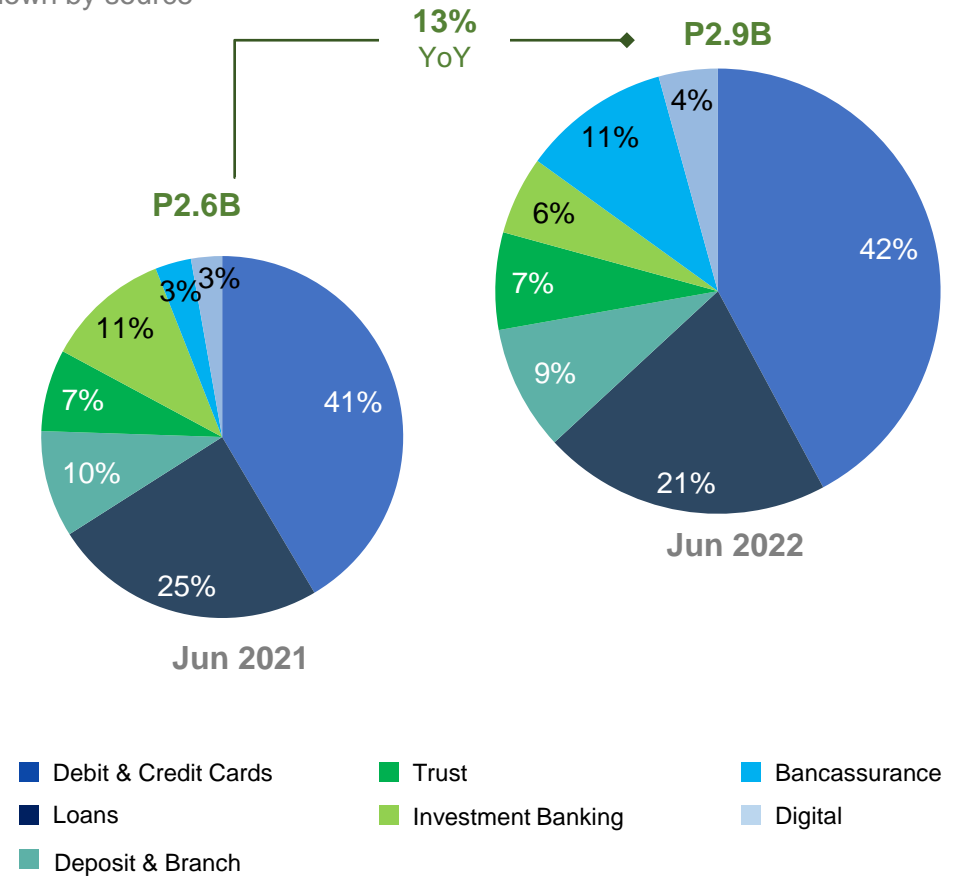
 **46%**
CAGR 2019-21
for disbursements

Retail and digital transactions augment fee revenues

Fee Income
In Php Billions

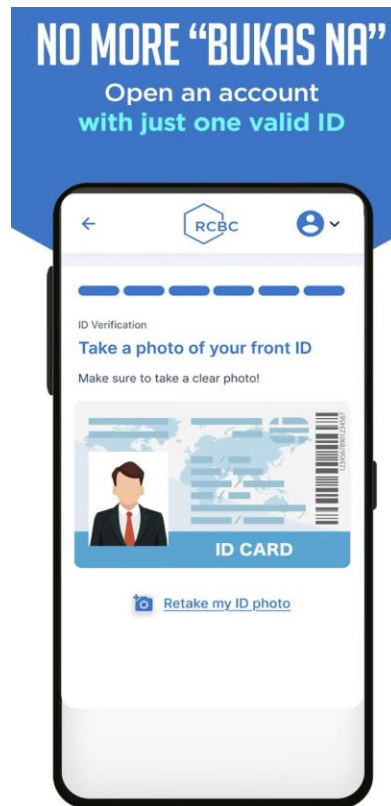


Fee Income
Breakdown by source



RCBC Digital app made even more powerful

RCBC continued to introduce industry-leading digital solutions with the addition of features such as payroll loan and UnliPay.



QR Payments



Check deposit



Forex trading



UITF Investments



Time Deposit



Wide selection of Billers



Cardless withdrawal



Credit card installment



Request Payment

Eligible RCBC Payroll account holders can now easily avail of short term loans all online

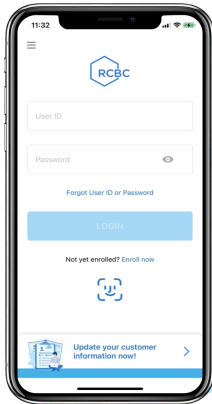


RCBC Bankard principal cardholders can now use their credit card to send money to individuals, billers, merchants and more via UnliPay



RCBC continues to ramp up its digital platforms

Sustained digital adoption as RCBC continues digital transformation by rolling out new initiatives and system enhancements



RCBC Digital

Transaction Value

▲ 53%
growth year-on-year

Transaction Volume

▲ 38%
growth year-on-year



DiskarTech

Transaction Value

▲ 199%
growth year-on-year

Transaction Volume

▲ 66%
growth year-on-year



RCBC at the forefront of sustainable financing

We are the first Philippine universal bank to issue sustainable financing instruments under ASEAN bond standards



PhP 68B

Loans under our Sustainable Portfolio

58%

Related to renewable energy and energy efficiency in our Sustainable Portfolio

PhP 14.8B

Raised from the issuance of ASEAN sustainability bond in February 2022



Consolidated key financial indicators

	Jun 2022	Jun 2021	Change
PROFITABILITY			
Return on Equity	9.5%	6.6%	2.9%
Return on Assets	1.1%	0.8%	0.2%
Net Interest Margin	4.0%	4.1%	(0.1%)
COST EFFICIENCY			
Cost-to-Income Ratio	57.6%	65.2%	(7.6%)
ASSET QUALITY			
Net NPL Ratio	2.7%	3.3%	(0.5%)
NPL Coverage Ratio	69.2%	66.8%	2.4%
Credit Cost	0.8%	1.0%	(0.2%)
CAPITAL			
Capital Adequacy Ratio	15.5%	15.1%	0.4%
CET1	12.4%	11.8%	0.5%

RCBC is recognized for its strong franchise across business lines



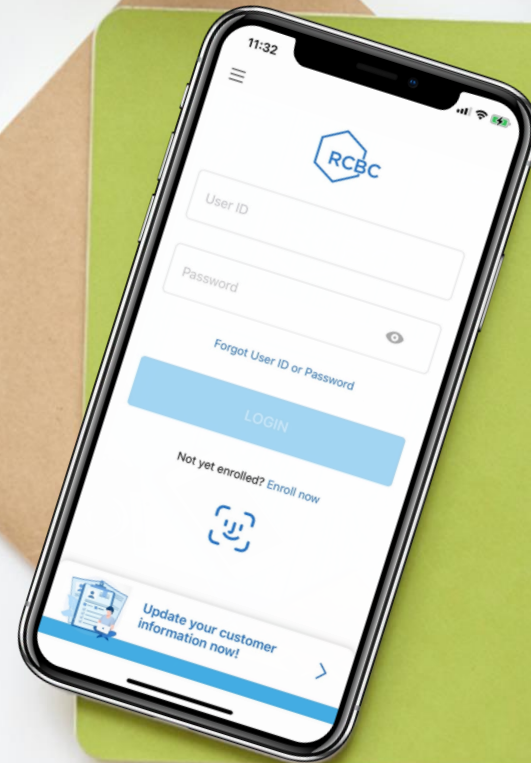


RCBC Partners Through Generations Investor Presentation

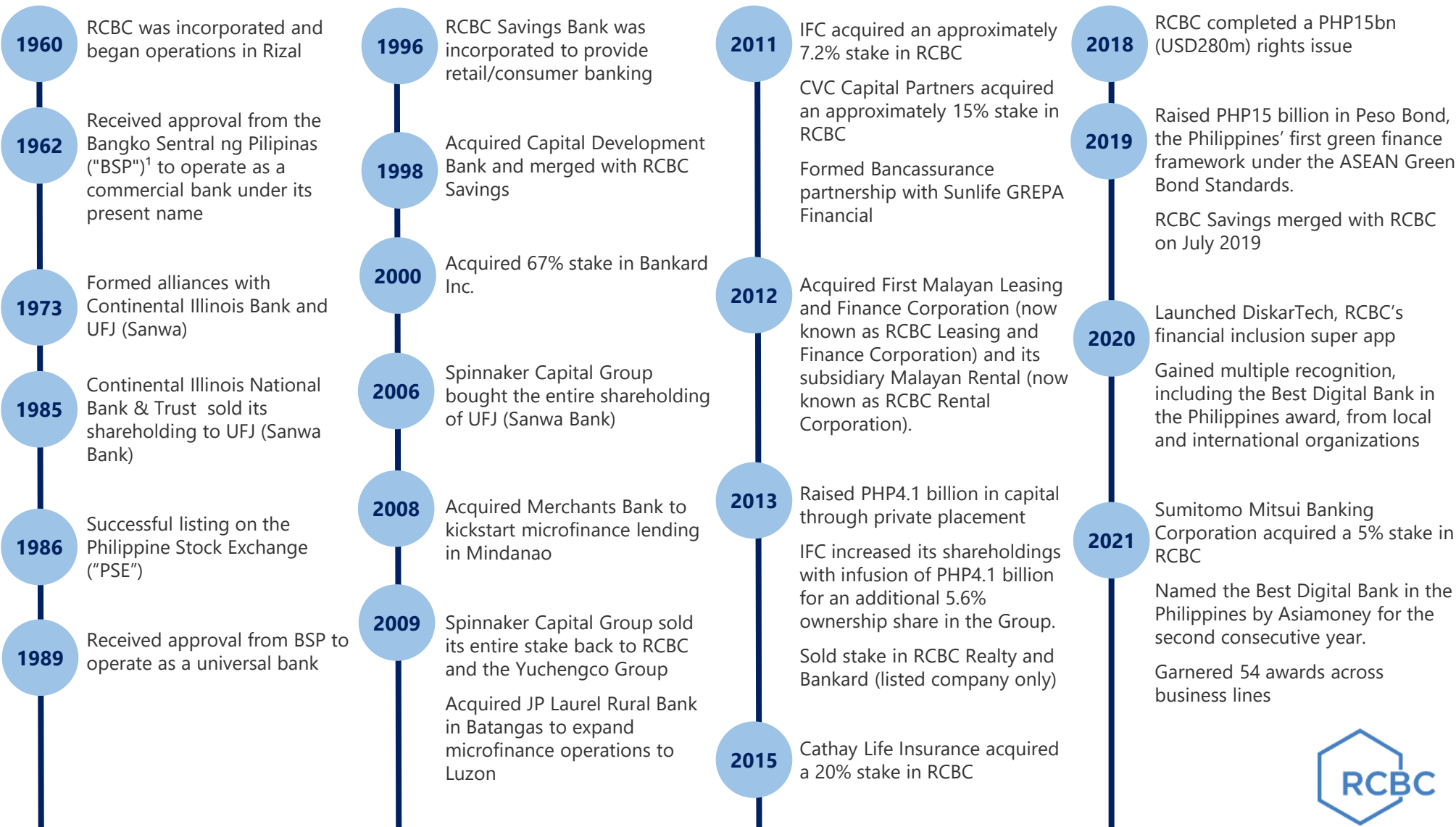
1H 2022



General Information

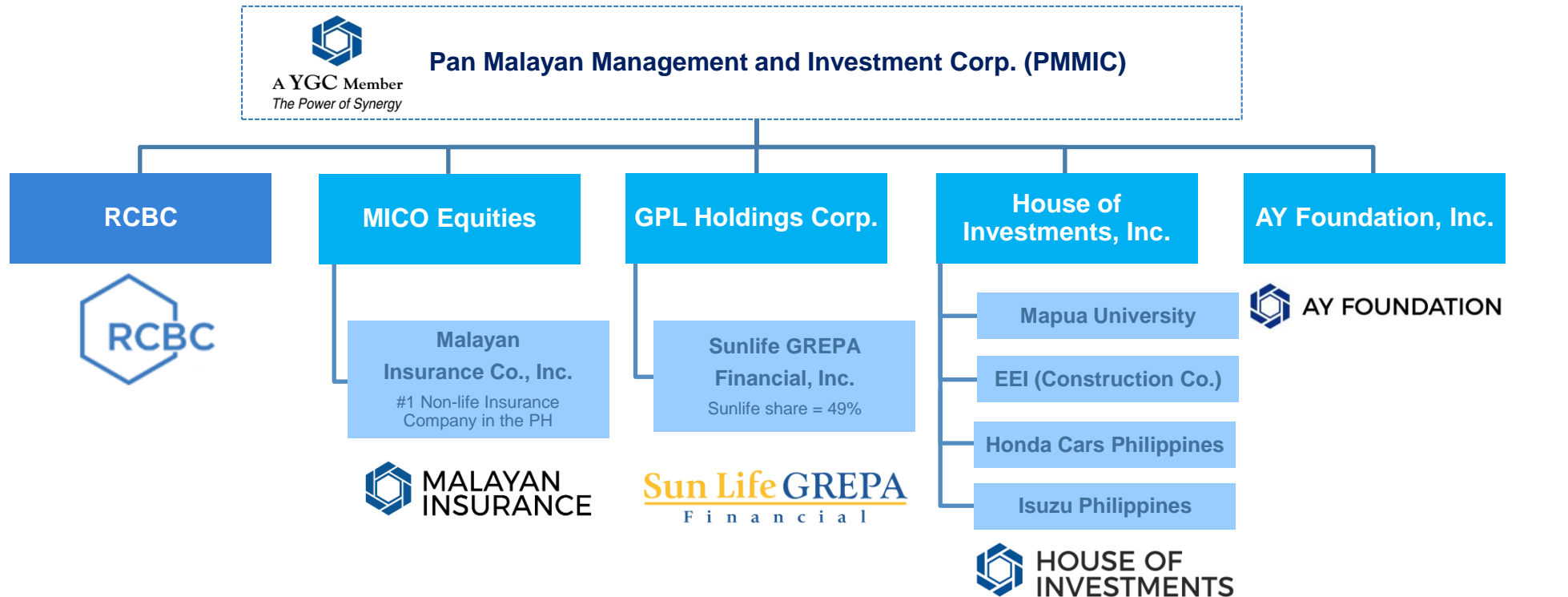


Key milestones in the RCBC story



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.



Ownership Structure



國泰人壽

Cathay Life Insurance

Cathay Life Insurance, founded in 1962, is Taiwan's largest insurance company. It is owned by Cathay Financial Holding, one of the largest financial holding companies in Taiwan.

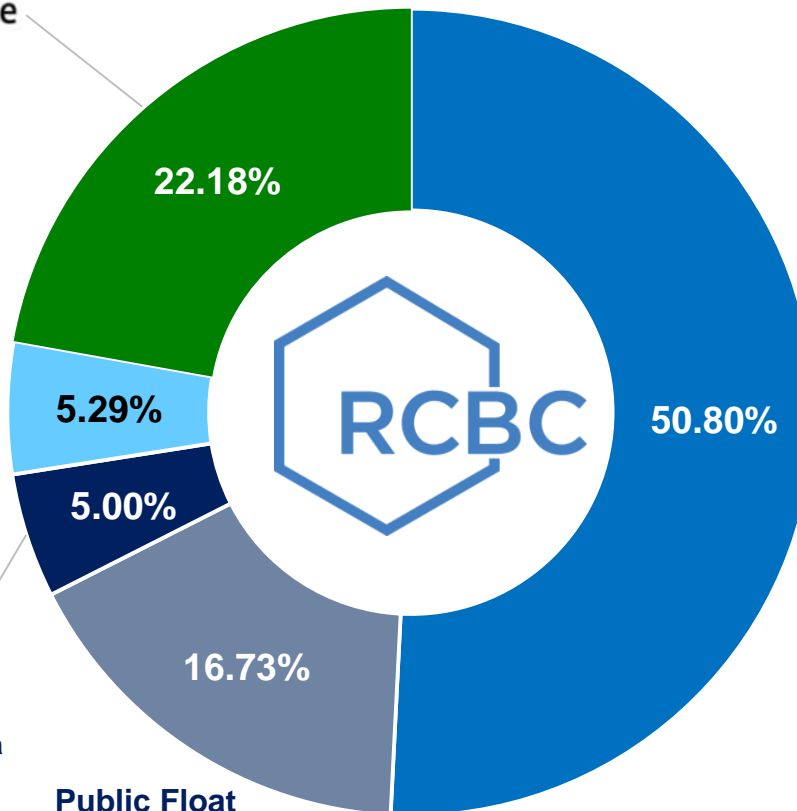


International
Finance Corporation
WORLD BANK GROUP

IFC is the largest global development institution focused on the private sector in developing countries.



Sumitomo Mitsui Banking Corporation is a leading financial institution in Japan and a globally-renowned provider of financial services, with presence in more than 40 countries.

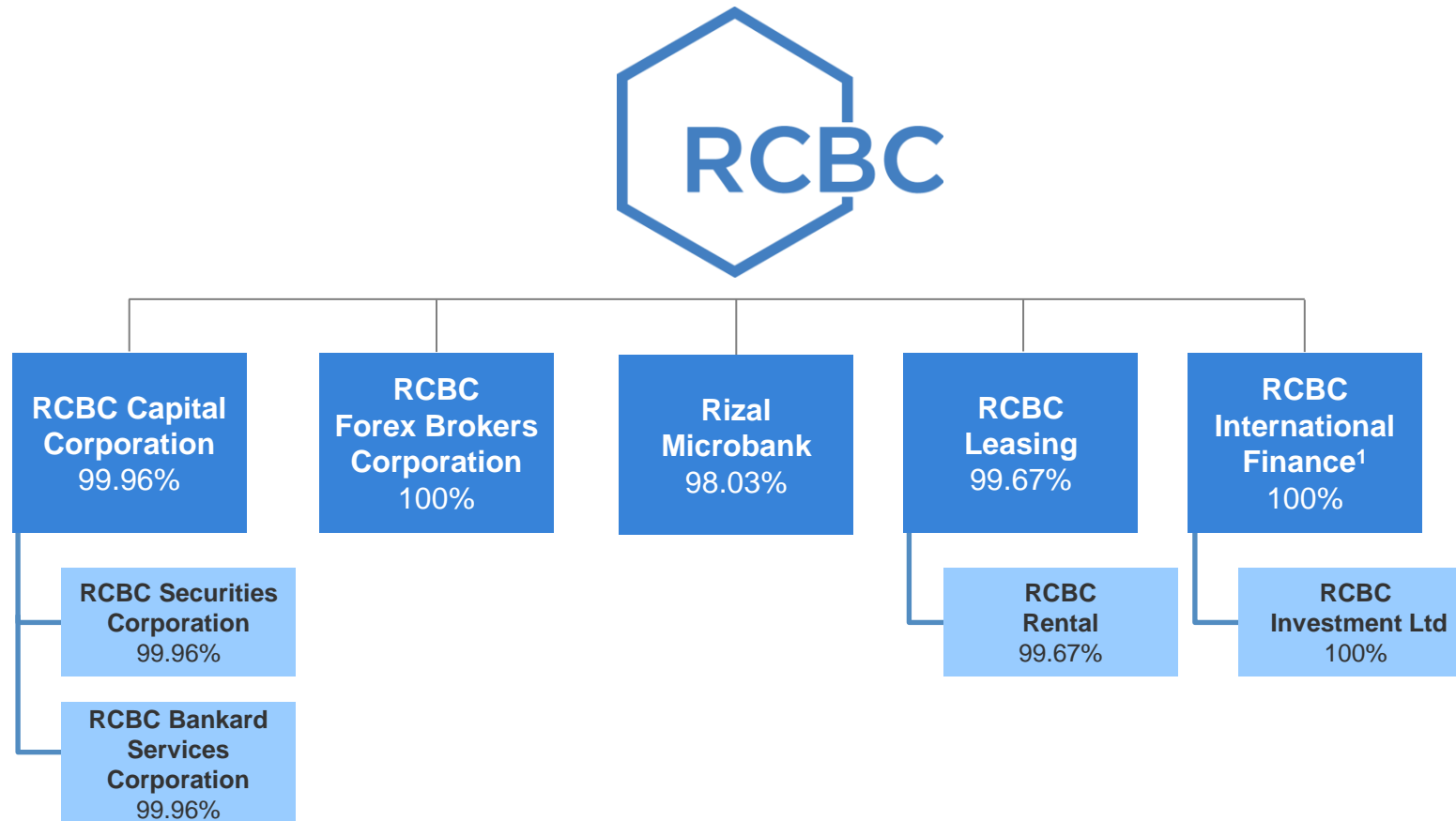


YUCHENGCO GROUP OF COMPANIES
The Power of Synergy

Pan Malayan Management and Investment Corp. (PMMIC) & Affiliates of the Yuchengco Group of Companies (YGC)



Comprehensive and Diversified Business Platform



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



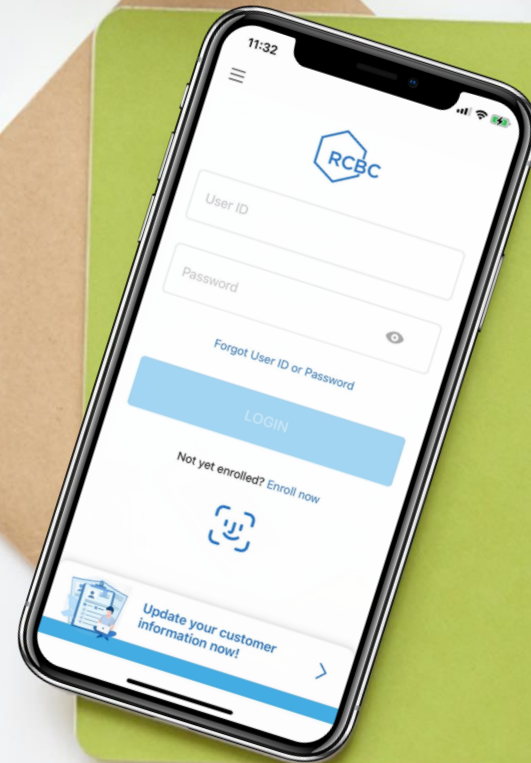
[1] The details of the cash dividend approvals and distributions are disclosed in the "Additional Disclosures to Item I – Financial Statements" section of RCBC's SEC 17-Q Report.



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1Q 2022



Appendix



Consolidated Income Statement

	1H 2022	1H 2021	Change	% Change
Interest Income	20,749	17,662	3,087	17.5%
Interest Expense	4,763	4,079	685	16.8%
Net Interest Income	15,986	13,583	2,403	17.7%
Other Income	5,245	3,534	1,712	48.4%
Trading Gains and Forex	(9)	128	(137)	(107.2%)
Trust Fees	205	188	17	9.3%
Service Fees & Commissions	2,703	2,375	327	13.8%
Miscellaneous	2,251	768	1,483	193.0%
Operating Expenses	12,231	11,165	1,067	9.6%
Impairment Losses	1,869	2,332	(462)	(19.8%)
Provision for Income Tax	995	294	702	238.9%
Net Income	6,135	3,327	2,808	84.4%



*Amounts in PhP Millions, except % and ratios

Consolidated Balance Sheet

	Jun 2022	Jun 2021	Change	% Change
Cash/Due from BSP & Other Banks	148,316	123,796	24,520	19.8%
Investment Securities	283,354	177,821	105,533	59.3%
Loans (net of Interbank)	516,014	497,851	18,163	3.7%
Other Assets	55,621	46,350	9,271	20.0%
TOTAL ASSETS	1,003,305	845,818	157,487	18.6%
Deposit Liabilities	739,511	598,145	141,366	23.6%
Demand	157,764	127,698	30,066	23.5%
Savings	242,101	211,762	30,339	14.3%
Time	339,646	258,685	80,961	31.3%
Other Liabilities	53,828	58,058	(4,231)	(7.3%)
Senior Debt	97,918	85,548	12,370	14.5%
Total Liabilities	891,257	741,751	149,506	20.2%
Capital Funds	112,048	104,067	7,981	7.7%
TOTAL LIABILITIES & CAPITAL	1,003,305	800,796	157,487	18.6%



*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	1H 2022
Net Interest Income	20.5	22.4	26.3	28.8	16.0
Other Income	6.0	13.5	11.6	7.6	5.2
Gross Income	26.5	35.9	37.9	36.4	21.2
Impairment Losses	1.9	7.4	9.4	6.0	1.9
Income before Operating Expenses	24.6	28.5	28.5	30.3	19.4
Operating Expenses	19.4	21.8	22.0	22.5	12.2
Income before Tax	5.2	6.7	6.5	7.8	7.1
Provision for Income Tax	0.9	1.3	1.5	0.7	1.0
Net Income	4.3	5.4	5.0	7.1	6.1



Historical Consolidated Balance Sheet

	2018	2019	2020	2021	Jun 2022
Cash/Due from BSP/Due from Other Banks	94	123	148	157	148
Loans Arising From REPO	10	6	13	12	23
FVPL/FVTCI	30	60	45	56	62
Held to Maturity Investments	89	101	43	164	221
Interbank Loans and Receivables	10	19	43	31	9
Loans (net)	389	430	449	508	507
Bank Premises, Property & Eqpt. - net	8	11	13	13	12
Equity Investments - net	0	0	0	0	0
Investment Properties - net	4	4	4	4	3
Other Assets	11	13	15	16	16
Total Assets	645	767	772	959	1,003
Demand	56	71	107	145	158
Savings	174	179	195	228	242
Time	193	207	233	299	340
Deposit Liabilities	423	457	536	672	740
Other Liabilities	77	131	45	88	54
Senior Debt	53	97	90	87	98
Subordinated Debt	10	-	-	-	-
Total Liabilities	563	684	671	848	891
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	0.0	8.3
Capital Funds	81	83	101	111	112
Total Liabilities & Capital	645	767	772	959	1,003



*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	Jun 2022
Return on Average Capital Funds*	5.8%	6.5%	5.5%	6.7%	9.5%
Return on Average Assets*	0.7%	0.8%	0.7%	0.8%	1.1%
Net Interest Margin*	4.0%	4.0%	4.3%	4.1%	4.0%
Cost-to-Income Ratio	73.2%	60.8%	58.2%	61.9%	57.6%
CASA to Total Deposits	54.4%	54.7%	56.4%	55.5%	54.1%
Net NPL Ratio	1.3%	2.2%	2.9%	3.3%	2.7%
Credit Cost	0.5%	1.7%	2.2%	1.2%	0.8%
CAR	16.1%	13.8%	16.1%	15.2%	15.5%
CET1	13.4%	12.9%	12.6%	12.2%	12.4%

*June 2022 figures are annualized





Thank you.
Investor Presentation
1H 2022