



**RCBC FY 2022  
Investor Presentation**

# Disclaimer

---

ANY INVESTMENT DECISION TO PURCHASE SECURITIES IN THE CONTEXT OF A PROPOSED OFFERING, IF ANY, SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR PUBLISHED IN RELATION TO SUCH AN OFFERING AND NOT ON THE BASIS OF THIS DOCUMENT WHICH DOES NOT CONSTITUTE OR FORM PART OF AN OFFER OR SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES.

The information contained in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the information or opinions contained herein. The information set out herein does not purport to be complete, may be subject to revision and may change materially. RCBC is under no obligation to keep current the information contained in this document and any opinions expressed in it are subject to change without notice. None of RCBC or any of its affiliates, advisers or representatives shall have any liability whatsoever for any loss whatsoever arising from any use of this document or its contents or otherwise arising in connection with this document (whether direct, indirect, consequential or other). The information in this document should not be considered as a recommendation or advice to holding or purchasing securities or any other financial product, and does not take into account your particular investment objectives, needs or financial situation.

This document is highly confidential and is being given solely for your information and for your use and may not be shared, copied, reproduced or redistributed to any other person in any manner.

This document contains “forward-looking statements”, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond RCBC’s control, that may change at any time, and could cause the actual results, performance or achievements of RCBC to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Recipients are cautioned not to place substantial or undue reliance on these forward-looking statements. All forward-looking statements included in this presentation are made only as of the date of this presentation and neither RCBC, the Dealers, nor any of their respective affiliates, agents, advisors or representatives (including directors, officers and employees) intend or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document as a result of new information, future events or any other factors.

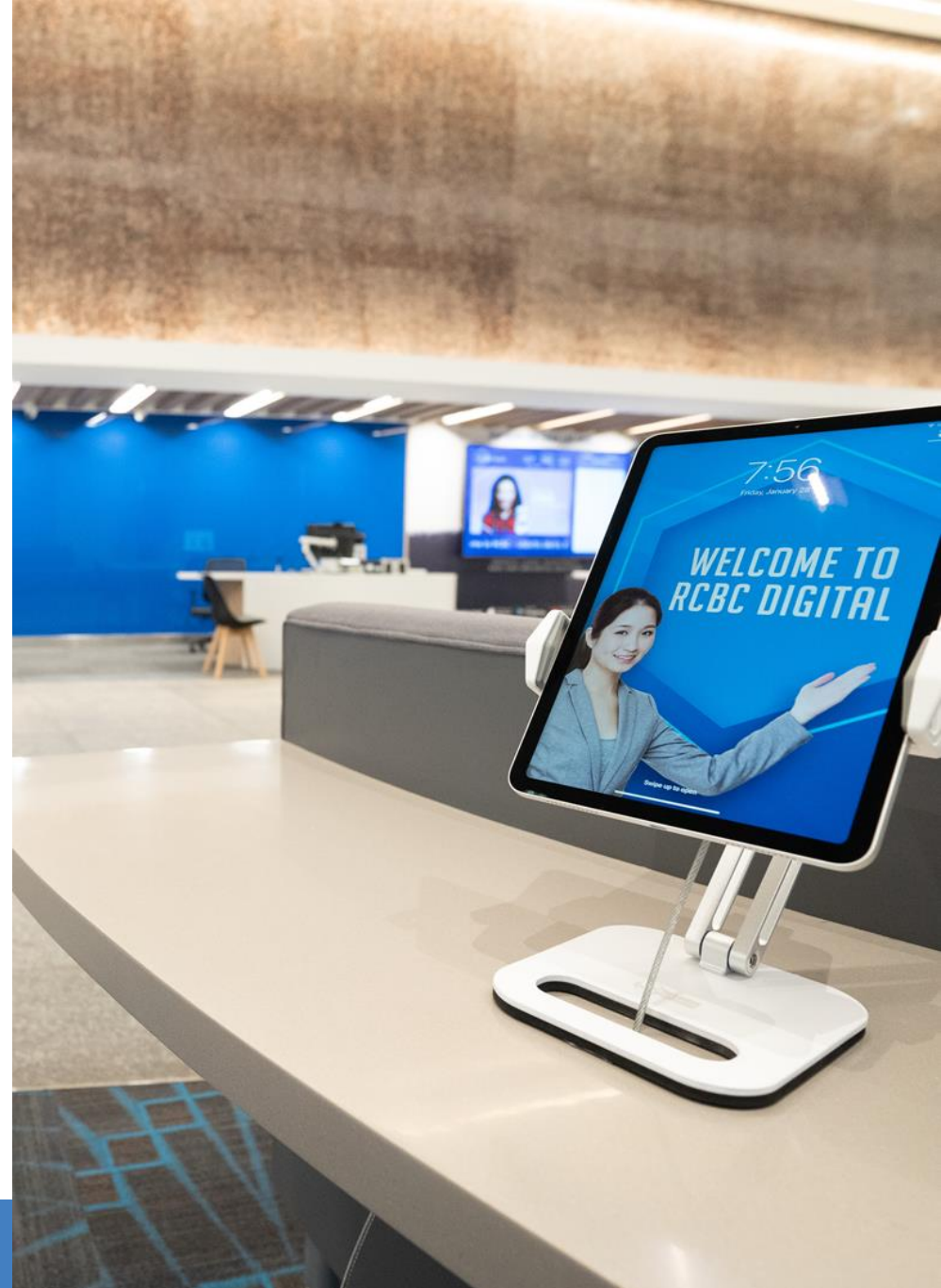
Recipients of this presentation are required to make their own independent investigation and appraisal of the business and financial condition of RCBC, and any tax, legal, accounting and economic considerations relevant to the situation. The Dealers may act as market makers or trade on a principal basis, or have undertaken or may undertake to trade for their own accounts, transactions in the Securities or related instruments of RCBC and may act as underwriter, placement agent, advisor or lender to RCBC. The Dealers and/or their respective employees may hold a position in any Securities mentioned herein. This document contains data sourced from and the views of independent third parties. In replicating such data in this document, neither RCBC nor the Dealers make any representation, whether express or implied, as to the accuracy of such data. The replication of any views in this document should not be treated as an indication that RCBC or the Dealers agree with or concurs with such views.

# Investor Presentation

## FY 2022

---

- 01** Economic Outlook
- 02** RCBC FY 2022 Performance
- 03** General Information
- 04** Appendix



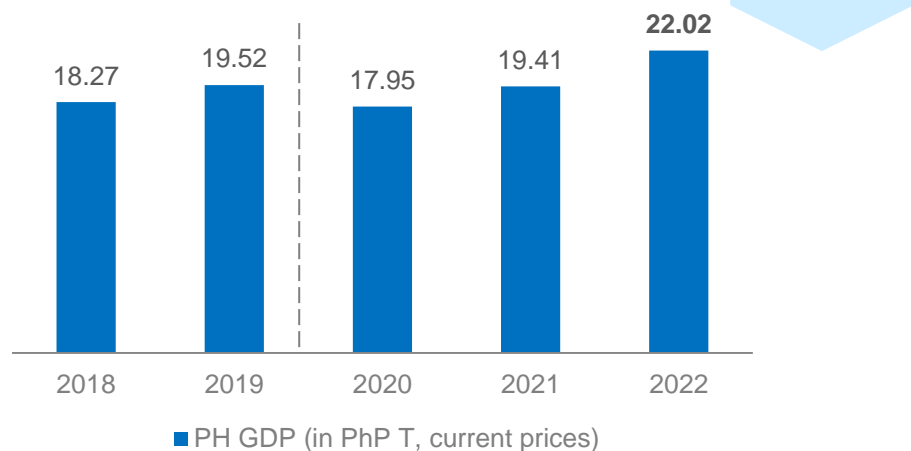


# Economic Outlook

Mr. Michael L. Ricafort  
RCBC Chief Economist

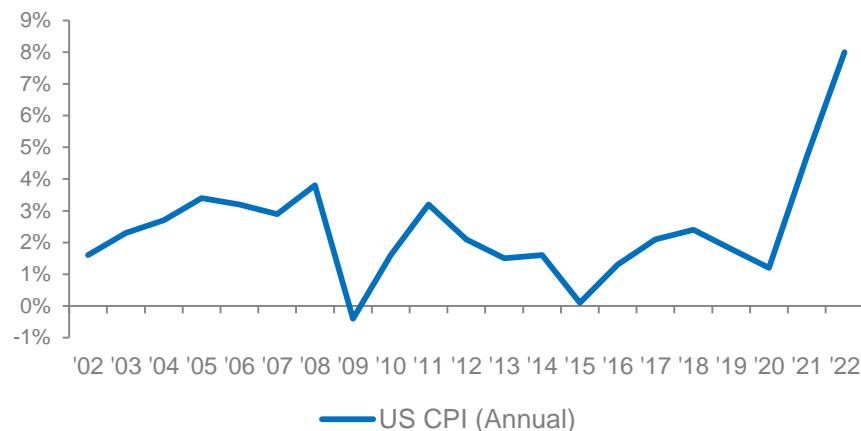
# Better-than-expected economic upturn despite higher inflation

## PH GDP now higher than pre-pandemic levels



- **Mobility restrictions further eased and businesses returned to their full capacity** as COVID-19 cases remained muted.
- **Consumer spending** grew remarkably by its fastest on record, surpassing its pre-pandemic levels.
- On the supply side, growth was mainly driven by the recovery in industries such as **wholesale and retail trade, manufacturing, and construction**.

## Inflation was elevated globally in 2022 as Russia-Ukraine war dealt a major shock



- **US CPI** reached new 40-year highs, which prompted Fed to aggressively tighten monetary policy, raising interest rates by a total of 425 basis points in 2022. This led to stronger US dollar and higher global interest rates.
- **Global crude oil prices** went up, especially during early-2022, ending the year 6.7% higher than the previous year.
- **Domestic inflation** was higher amid higher input prices and supply chain disruptions. BSP raised key policy rate by a total of 350 basis points in 2022.
- **Local interest rates** (PHP BVAL yields) ended the year higher by 200-300 basis points vs. end-2021.

<sup>[1]</sup> in constant 2018 prices (real GDP growth)

# Economic growth to moderate as base effects dissipate; interest rates to still rise and plateau until US CPI eases

Economic Indicators	2023 Forecast	2022 Actual	2021 Actual
<b>GDP Growth</b>	5.5%-6.5%	7.6%	5.7%
<b>USD/PhP</b> (year-end)	55.00-56.00	55.755	50.999
<b>USD/PhP</b> (average)	55.25-56.25	54.48	49.25
<b>Inflation</b> (average)	5.5%-6.5%	5.8%	3.9%
<b>BSP Policy Rate</b>	6.00%-6.50%	5.50%	2.00%
<b>Fed Funds Rate</b>	5.00%-5.50%	4.50%	0.00%-0.25%
<b>PSEi</b>	7,100-7,600	6,566.39	7,122.63

## Key Market Catalysts for 2023:

- 

**Complicated economic reopening in China**  
New COVID cases could slow down global recovery
- 

**Easing trend in US inflation**  
Easing global crude oil price  
Profit-taking in financial markets
- 

**Fed rates estimated to peak at above 5% in early 2023**  
Continued decline in US Treasury yields  
Risk of US recession
- 

**Continued Russia-Ukraine war**  
Main cause of elevated global inflation





# **RCBC FY 2022 Performance**

Ms. Chrissy P. Alvarez  
RCBC Corporate Planning Head  
and Chief Information Officer

# RCBC accelerates solid momentum

**+20%**

in total assets

Asset growth strategy paid off, making RCBC PH's 5<sup>th</sup> largest privately-owned bank with P1.2T assets on the back of better-than-industry growth in earning assets, deposits and solid NIM.



**+27%**

in total deposits

Deposits shattered records in 2022 reaching P857B outpacing industry for both CASA and time deposits.

**+71%**

in net income

Return on equity reached 11.2% supported by double-digit expansion in core business income despite cost-side pressures from rising interest rates.



**+41%**

in gross transaction value

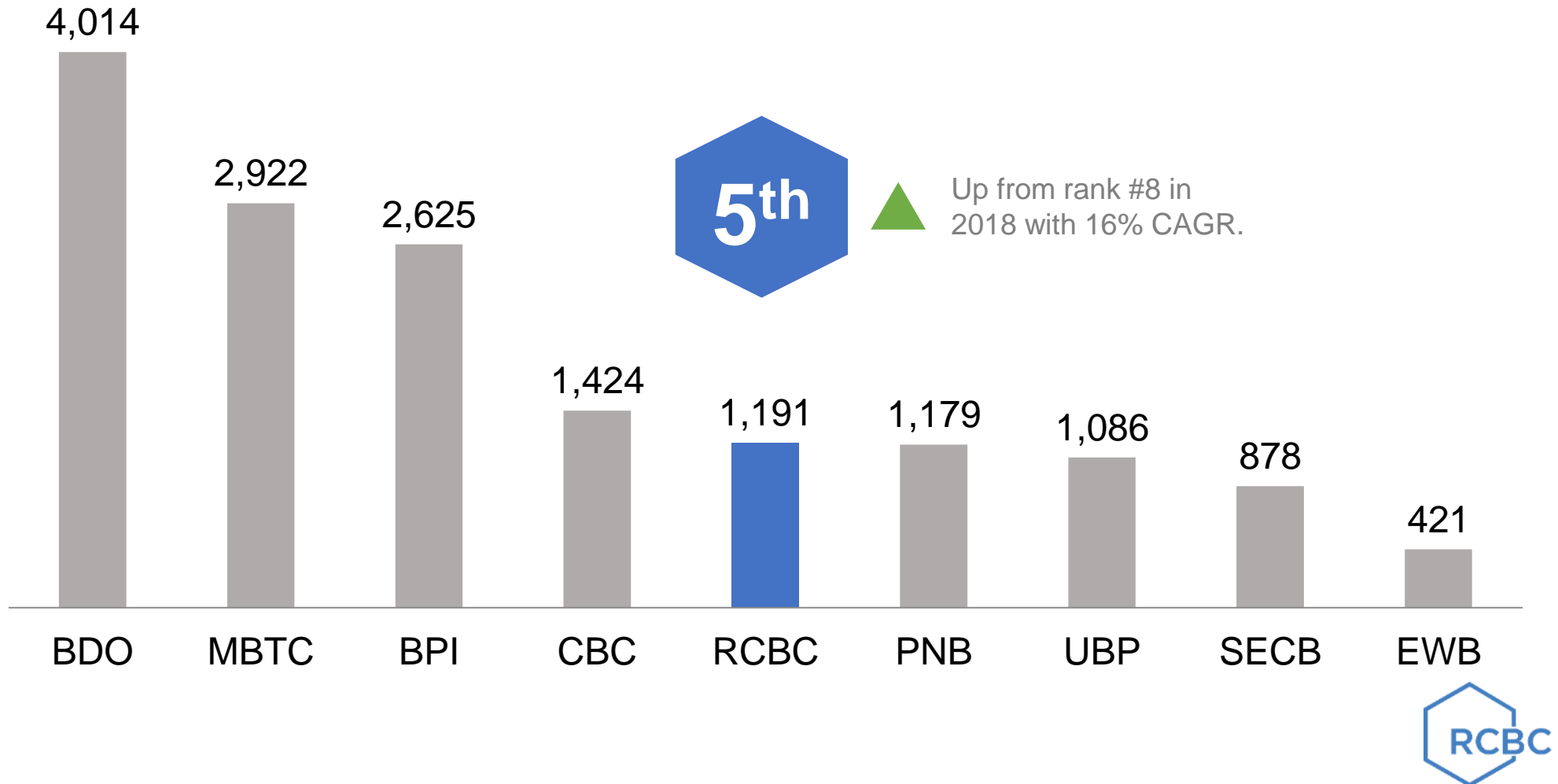
RCBC's digital platforms achieved fintech-like growth. Data and digital are transforming the way the Bank does business with solid results in SME and cards





# On track to become the undisputed challenger bank

Total assets  
In PhP billions



# Profits rose by 71% in 2022 to over P12B

	FY 2022	FY 2021	Change	% Change
<b>INCOME STATEMENT</b>				
<b>Gross Income<sup>1</sup></b>	44,454	36,394	8,060	22.1%
<b>Net Interest Income</b>	31,216	28,831	2,385	8.3%
<b>Fee Income</b>	5,884	4,941	943	19.1%
<b>Operating Expenses</b>	25,100	22,535	2,565	11.4%
<b>Impairment Losses</b>	5,706	6,048	(342)	(5.7%)
<b>Net Income</b>	12,080	7,083	4,997	70.5%
<b>BALANCE SHEET</b>				
<b>Assets</b>	1,154,108	959,133	194,975	20.3%
<b>Loans<sup>2</sup></b>	531,124	507,302	23,822	4.7%
<b>Investment Securities</b>	374,365	219,235	155,130	70.8%
<b>Deposits</b>	857,244	672,459	184,785	27.5%
<b>Capital</b>	116,361	111,080	5,281	4.8%



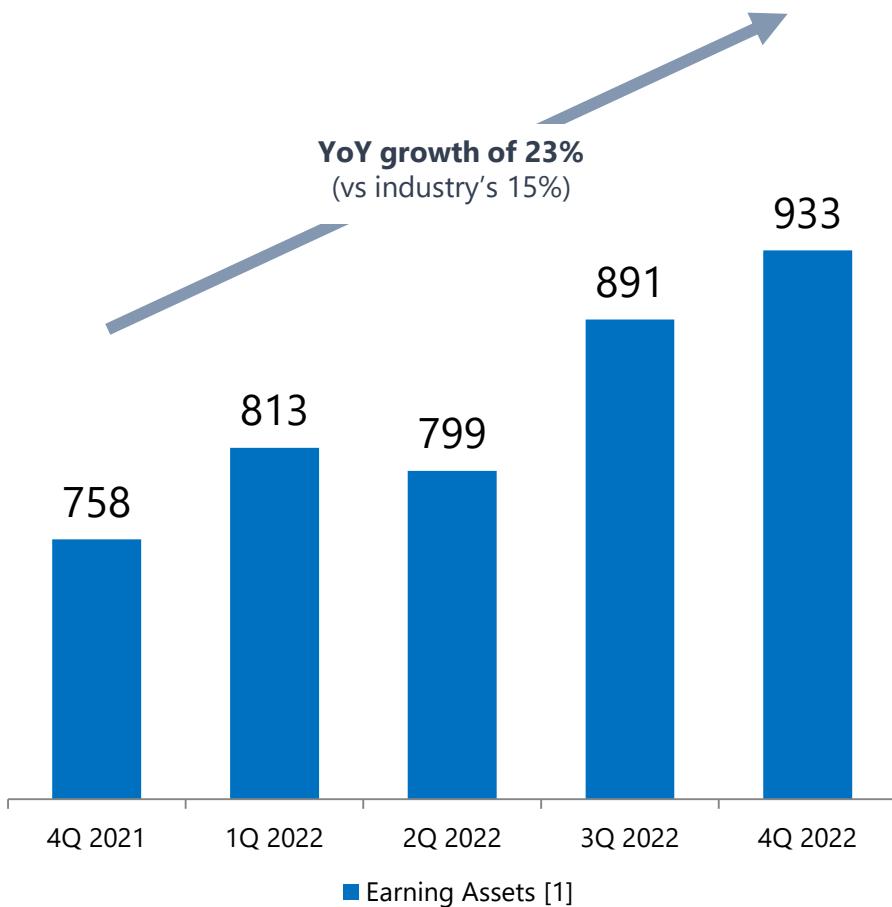
\*Amounts in PhP Millions, except % and ratios

[1] Including trading and FX gains

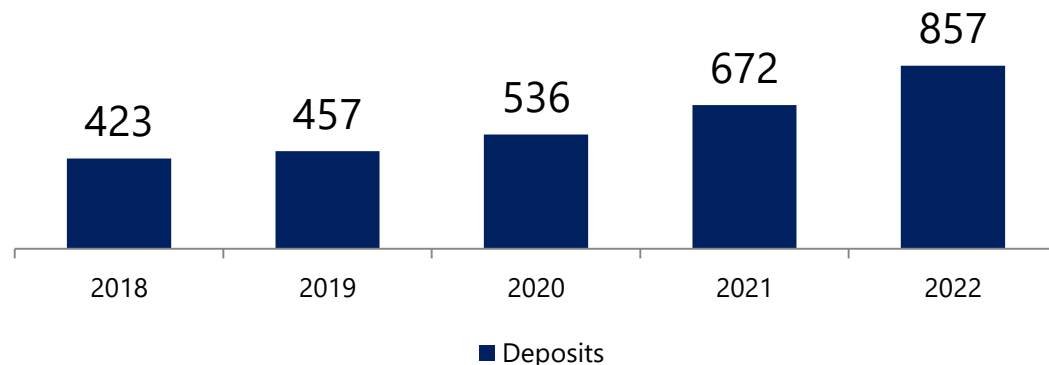
[2] Loans and Receivables net of Allowances and Interbank Loans

# Earning assets drove 90% of increase in total assets

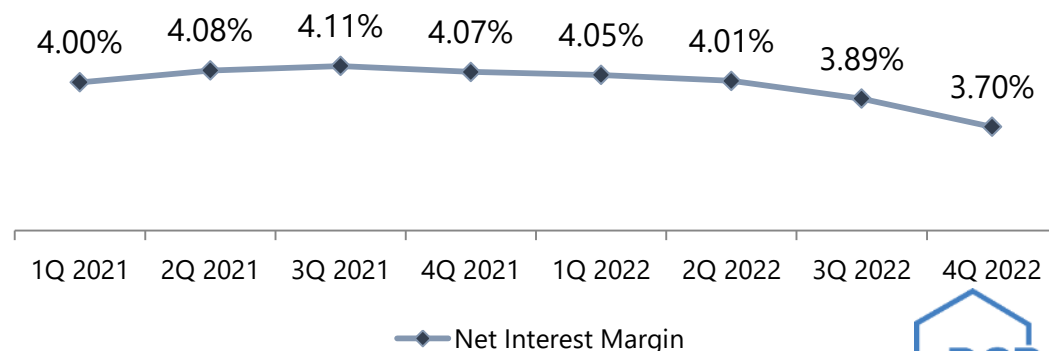
Asset expansion supported by higher-than-industry growth in interest-earning assets



On the back of record-high deposits which climbed 27% from previous year level (versus 12% industry benchmark)



NIM continued to beat industry average of 3.4% despite rising interest rate pressures on funding cost



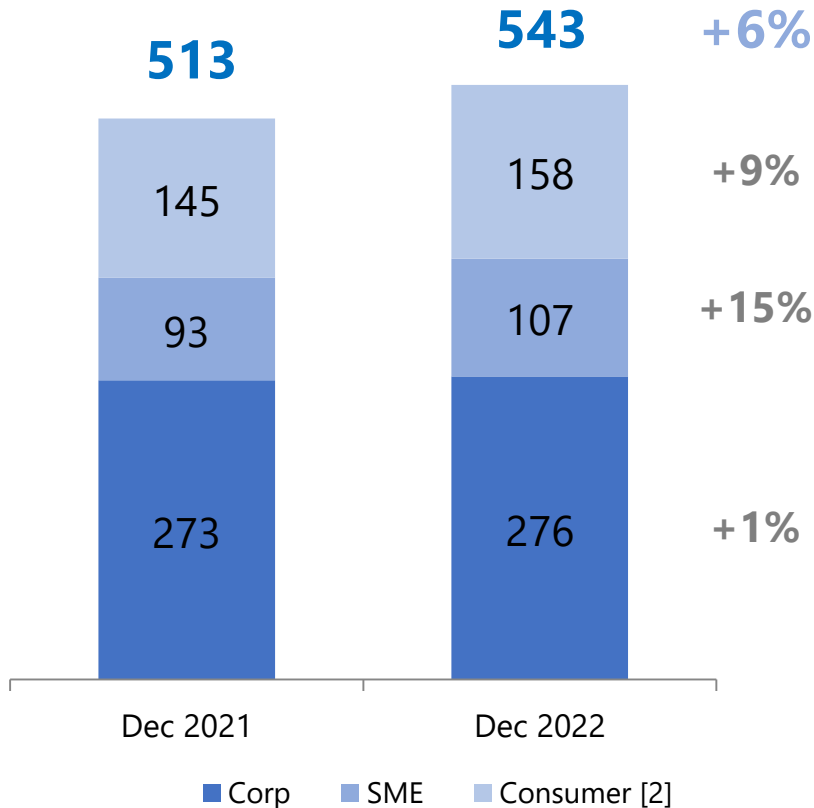
\*Amounts in PhP Billions, except % and ratios

[1] Earning assets only include loans and investment securities

# Double-digit growth in SME and credit card segments

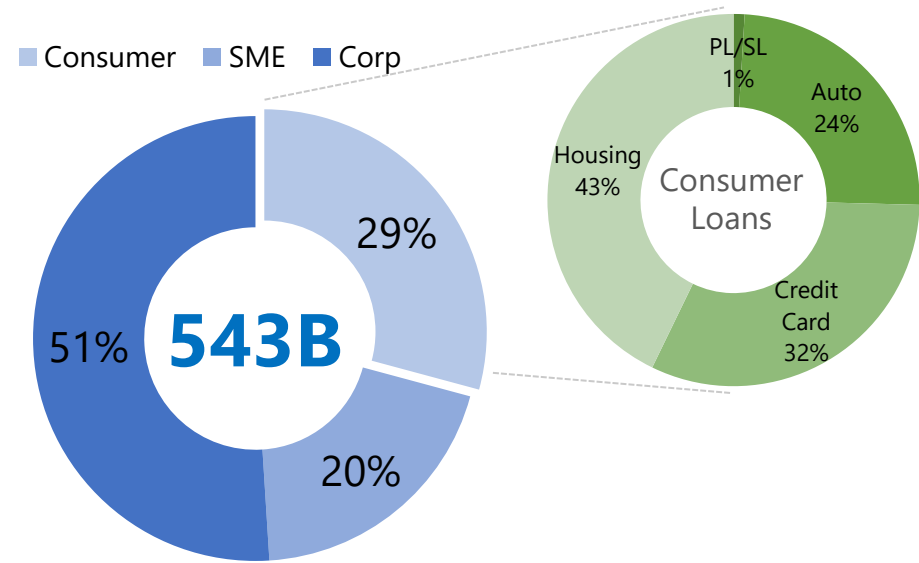
## Loan Portfolio<sup>1</sup>

In Php Billions, except %



## Loan Mix

As of December 2022



Credit card led the expansion of consumer loans with a massive 42% hike, boosting credit card's share to 32% from 25% in the previous year.

Housing continued to make up bulk (43%) of the segment with a modest 8% growth year-on-year.



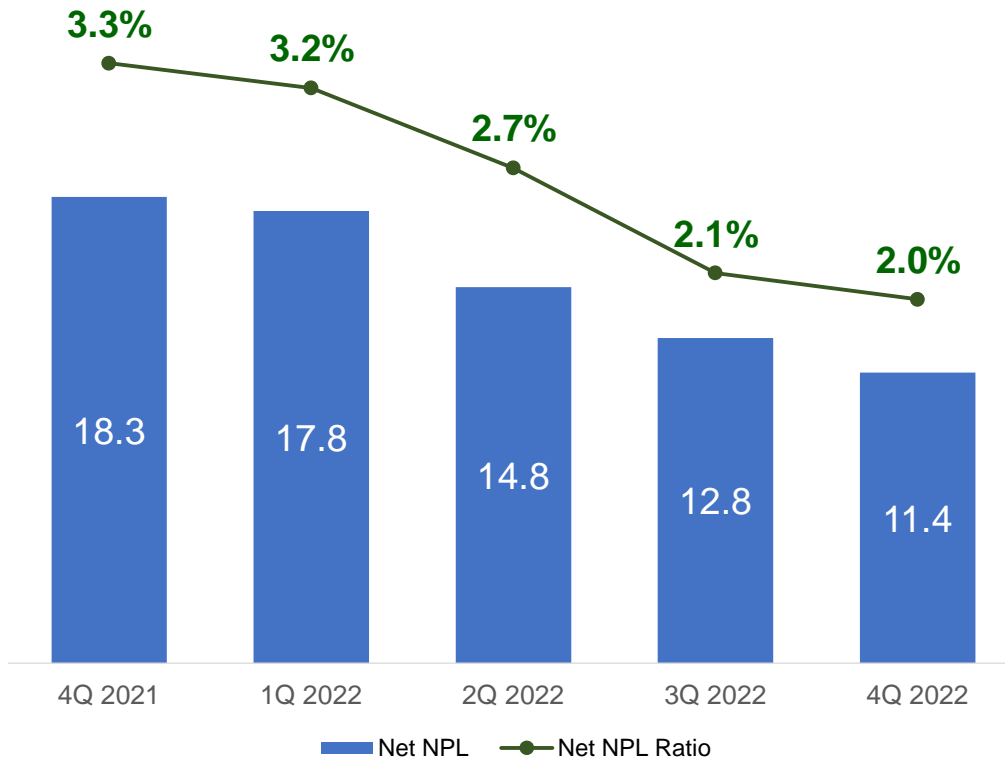
[1] Total loan portfolio includes microfinance loans amounting to PhP 1.4B as of December 2021, and PhP 1.3B as of December 2022.

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

# Marked improvement in NPL from year-ago level

## Net NPL Amount and Ratio

In Php Billions, except %



## Net NPL ratio per Segment

As of December 2022

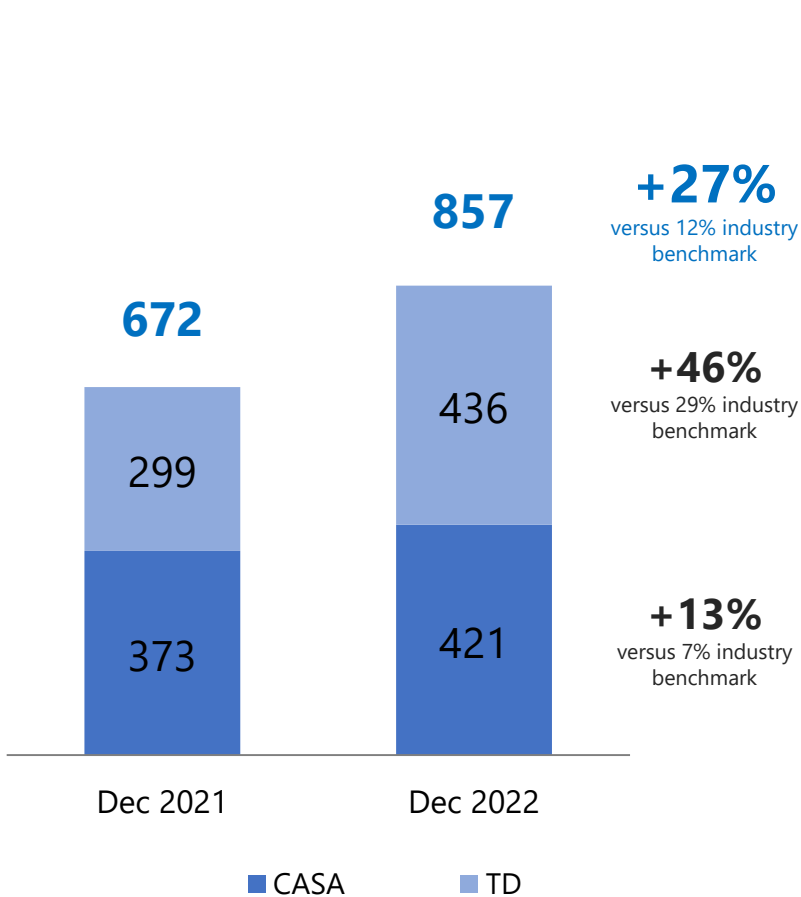
Corporate	0.4%
SME	2.0%
Consumer	6.4%
Credit Card	0.8%

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.

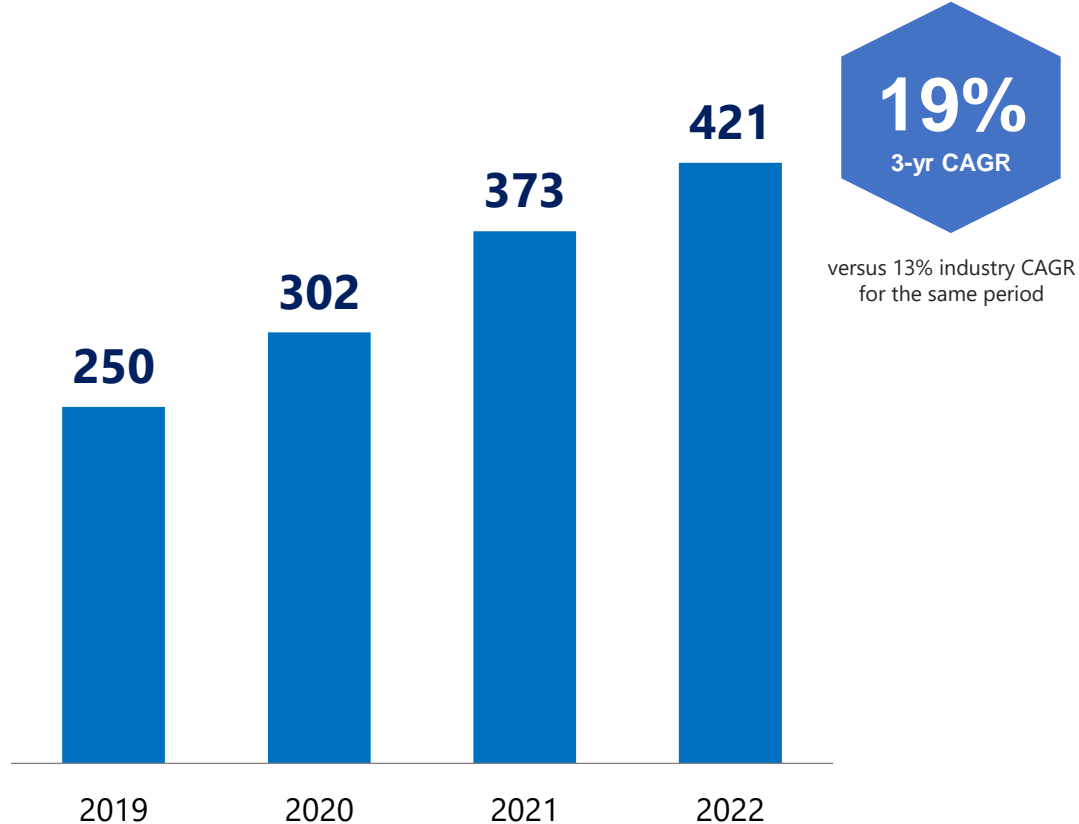


# Record-high deposits outpaced industry

Deposit breakdown  
In PhP Billions



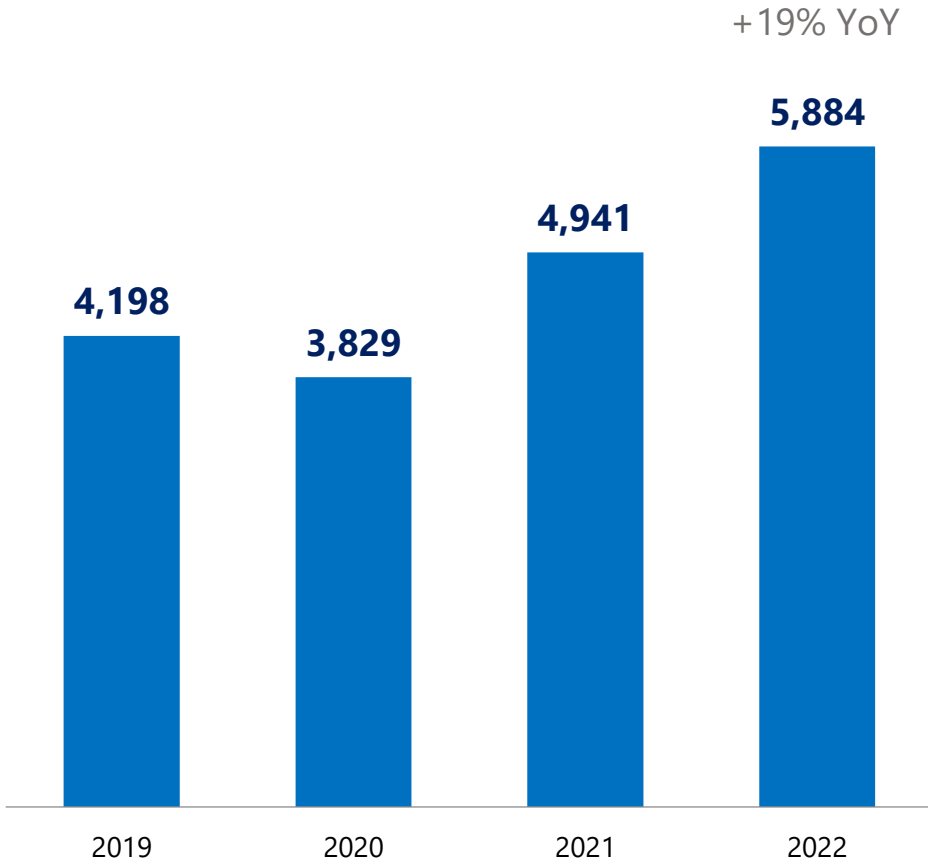
CASA deposits  
In PhP Billions



# Retail and insurance pushed fee income up nearly 20%

## Fee income

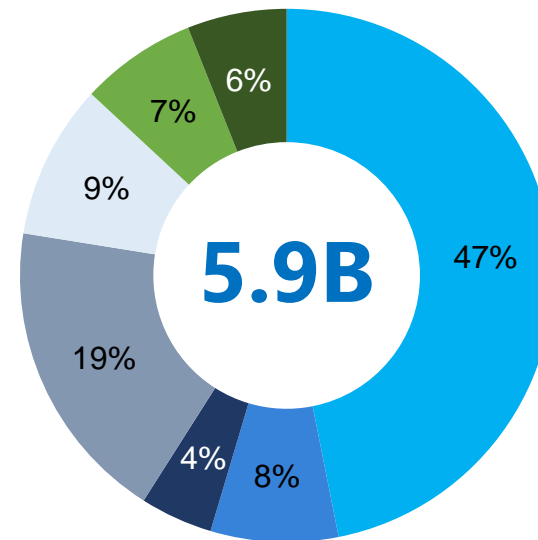
In Php Millions, except %



## Fee income breakdown

In %

- Debit & Credit Cards
- Bancassurance
- Digital
- Loans
- Deposit & Branch
- Trust
- Securities & Brokerage



**64%**  
of increase in fee income was attributable to **debit & credit cards** which grew 28% year-on-year

**29%**  
of improvement in fees was on account of a stellar 2.5x increase in fees from **bancassurance** business

# Frontrunner in sustainable finance in PH

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

RCBC is also the first local bank to participate in PCAF, an initiative among financial institutions worldwide to harmonize assessments and disclosures of GHG emissions



## PhP 72B

Loans under our Sustainable Portfolio

## 3%

Remaining exposure to coal as a % of total assets

## PhP 14.8B

Raised from the ASEAN sustainability bond in Feb 2022





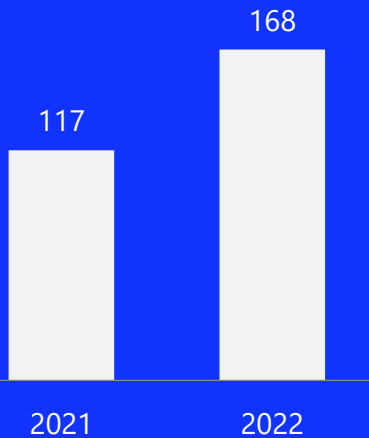
# Digital solution supporting contextual banking thrust



**+44%**

YoY growth in gross transaction value

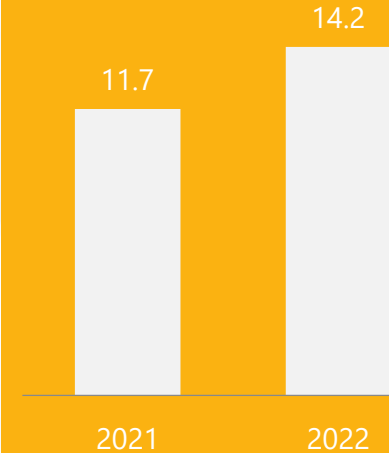
Gross transaction value  
In Billions



**+22%**

YoY growth in gross transaction value

Gross transaction value  
In Billions



**+31%**

YoY growth in gross transaction value

**> 1000**

ATM Go merchants nationwide

**100%**

nationwide coverage in all 82 provinces



# Consolidated key financial indicators

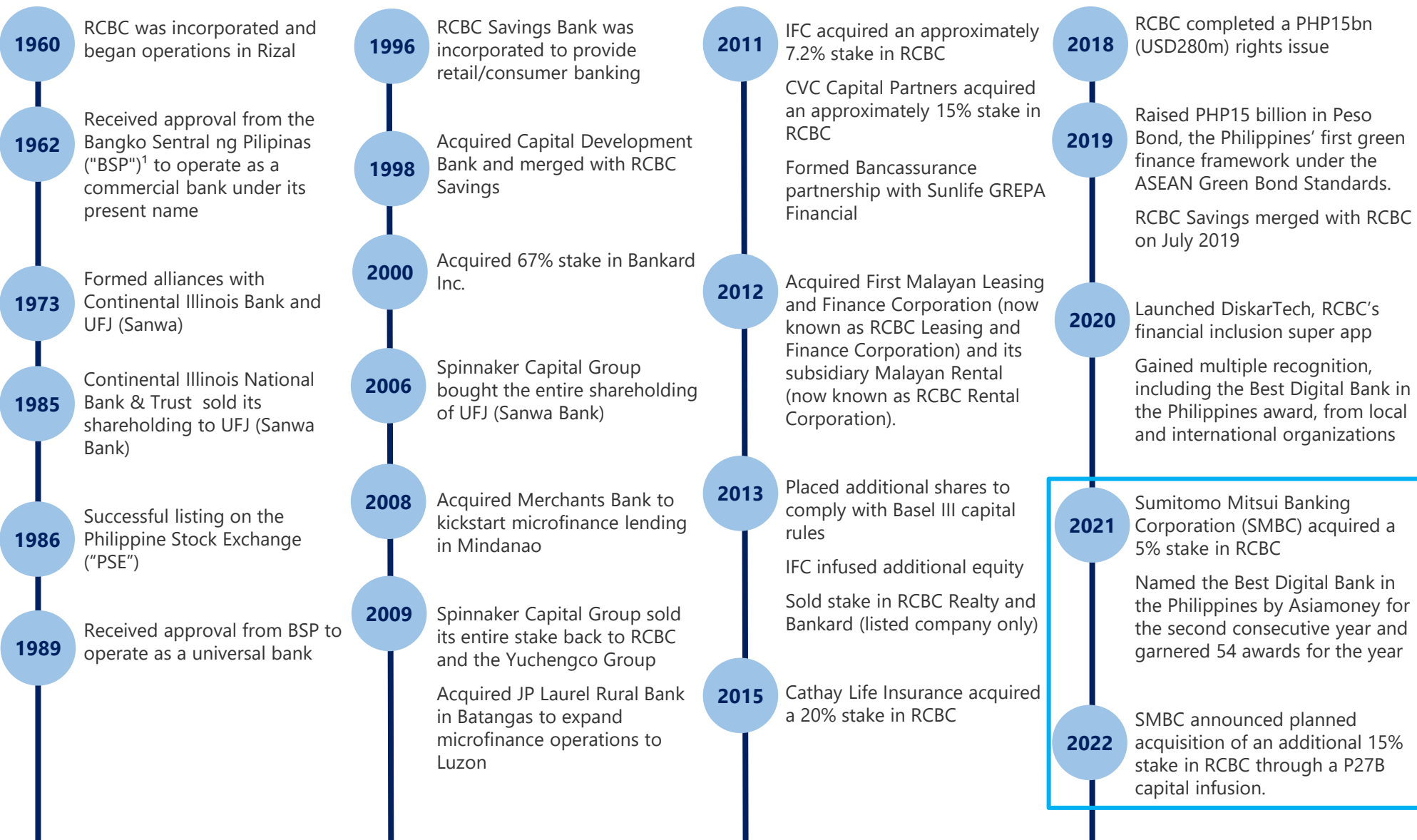
	Dec 2022	Dec 2021	Change
<b>PROFITABILITY</b>			
Return on Equity	11.2%	6.7%	4.5%
Return on Assets	1.2%	0.8%	0.3%
Net Interest Margin	3.7%	4.1%	-0.4%
<b>COST EFFICIENCY</b>			
Cost-to-Income Ratio	56.5%	61.9%	-5.5%
<b>ASSET QUALITY</b>			
Net NPL Ratio	2.0%	3.3%	-1.3%
NPL Coverage Ratio	84.4%	63.7%	20.6%
Credit Cost	1.1%	1.2%	-0.1%
<b>CAPITAL</b>			
Capital Adequacy Ratio	15.3%	15.2%	0.1%
CET1	12.3%	12.2%	0.2%





# General Information

# Key milestones in the RCBC story



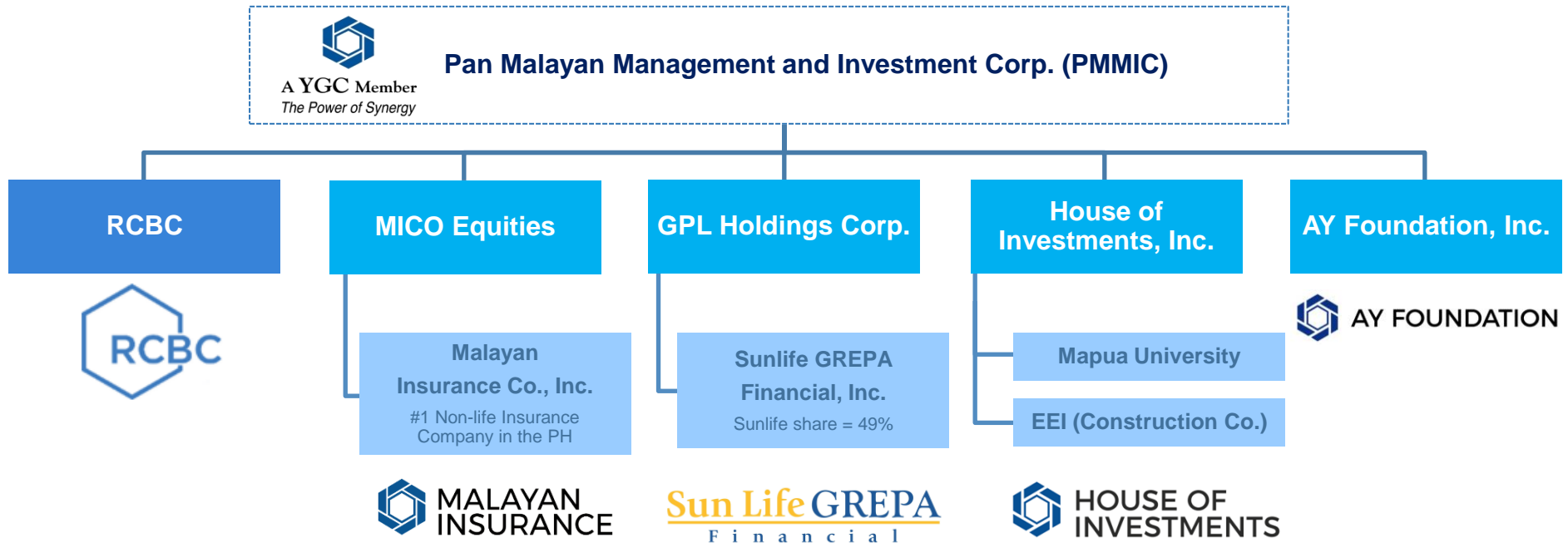
# Yuchengco Group of Companies



YUCHENGCOW GROUP OF COMPANIES

The Power of Synergy

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	YE 2022
Ticker	<b>RCB</b>
Outstanding shares	<b>2,037.48M</b>
Stock Price	<b>PhP 23.70</b>
Market Cap	<b>PhP 48.29B (USD 0.77B)</b>
BV per share	<b>PhP 50.49</b>
Price-to-Book Value Ratio	<b>0.48x</b>

## Dividend History<sup>1</sup>

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

## Credit Rating

MOODY'S

Long Term Deposit	<b>Baa3</b>
Senior Unsecured	<b>Baa3</b>
Baseline Credit Assessment	<b>ba1</b>
Outlook	<b>Stable</b>



[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.

# Ownership Structure



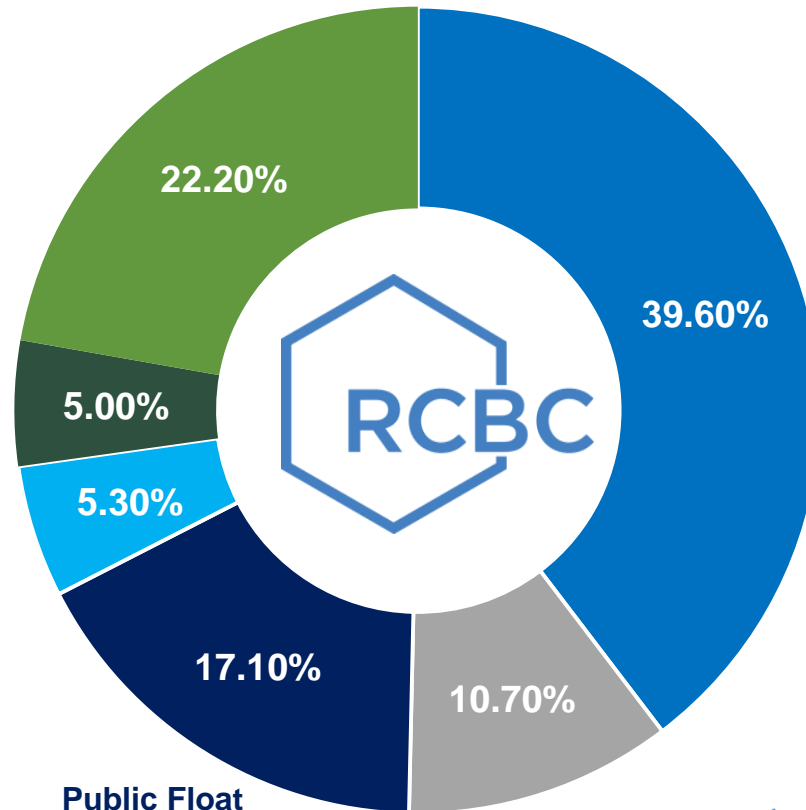
Cathay Life Insurance, founded in 1962, is Taiwan's largest insurance company. It is owned by Cathay Financial Holding, one of the largest financial holding companies in Taiwan.



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.



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



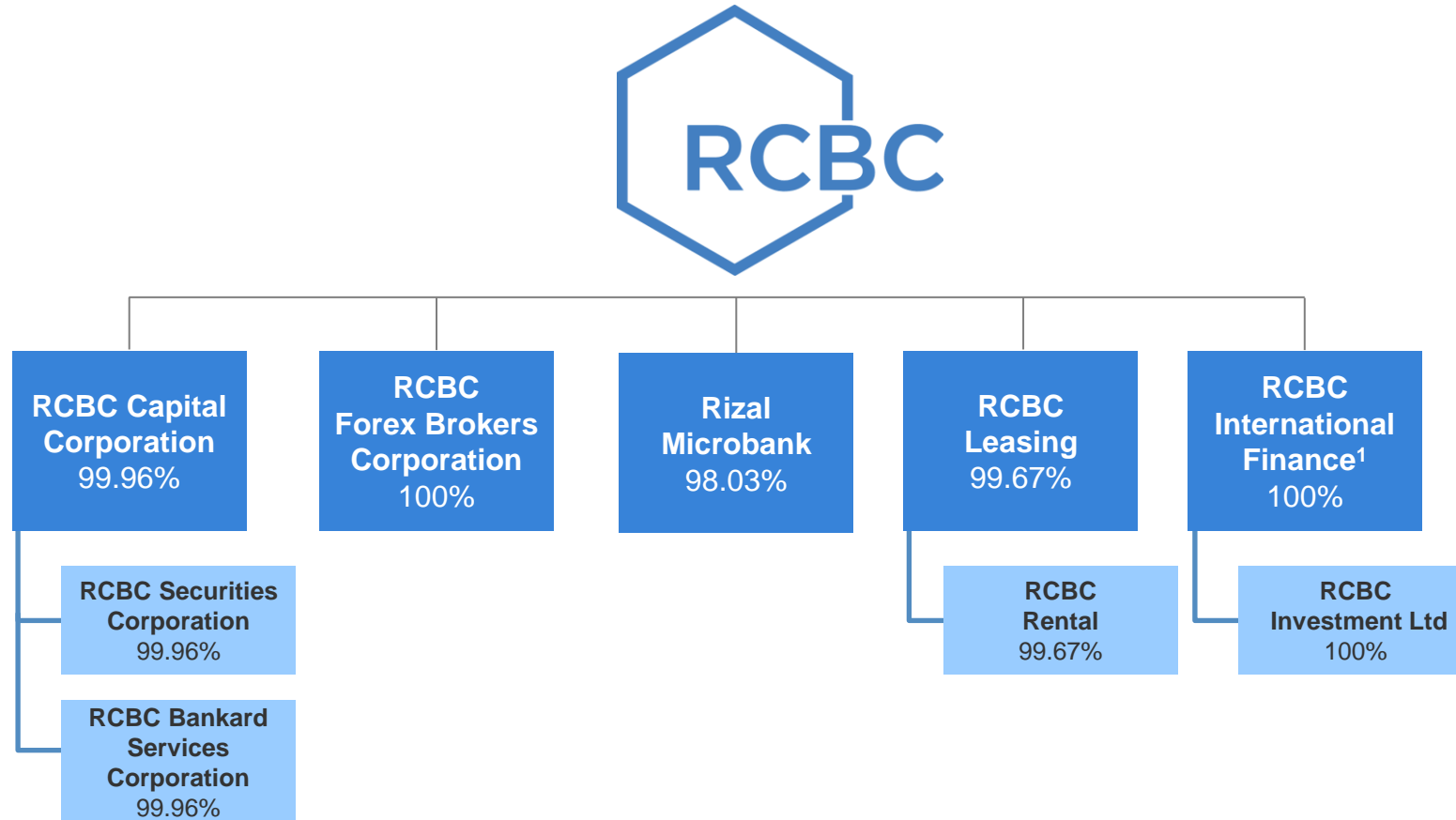
**Pan Malayan Management and Investment Corp. (PMMIC) & Affiliates of the Yuchengco Group of Companies (YGC)**



**YUCHENGCOC GROUP OF COMPANIES**  
*The Power of Synergy*



# Comprehensive and Diversified Business Platform







# Appendix

# Consolidated Income Statement

	FY 2022	FY 2021	Change	% Change
<b>Interest Income</b>	45,835	37,111	8,724	23.5%
<b>Interest Expense</b>	14,619	8,280	6,339	76.6%
<b>Net Interest Income</b>	31,216	28,831	2,385	8.3%
<b>Other Income</b>	13,238	7,563	5,675	75.0%
Trading Gains and Forex	1,530	1,044	486	46.6%
Trust Fees	415	392	23	5.9%
Service Fees & Commissions	5,469	4,549	920	20.2%
Miscellaneous	5,824	1,578	4,246	269.1%
<b>Operating Expenses</b>	25,100	22,535	2,565	11.4%
<b>Impairment Losses</b>	5,706	6,048	(342)	-5.7%
<b>Provision for Income Tax</b>	1,568	728	840	115.4%
<b>Net Income</b>	12,080	7,083	4,997	70.5%



# Consolidated Balance Sheet

	FY 2022	FY 2021	Change	% Change
<b>Cash/Due from BSP &amp; Other Banks</b>	180,578	157,023	23,555	15.00%
<b>Investment Securities</b>	374,365	219,235	155,130	70.76%
<b>Loans (net of Interbank)</b>	531,124	507,302	23,822	4.70%
<b>Other Assets</b>	68,041	75,573	-7,532	-9.97%
<b>TOTAL ASSETS</b>	<b>1,154,108</b>	<b>959,133</b>	<b>194,975</b>	<b>20.33%</b>
<b>Deposit Liabilities</b>	857,244	672,459	184,785	27.48%
Demand	174,563	144,810	29,753	20.55%
Savings	246,242	228,470	17,772	7.78%
Time	436,439	299,179	137,260	45.88%
<b>Other Liabilities</b>	106,092	88,379	17,713	20.04%
<b>Senior Debt</b>	74,411	87,215	-12,804	-14.68%
<b>Total Liabilities</b>	<b>1,037,747</b>	<b>848,053</b>	<b>189,694</b>	<b>22.37%</b>
<b>Capital Funds</b>	<b>116,361</b>	<b>111,080</b>	<b>5,281</b>	<b>4.75%</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>1,154,108</b>	<b>959,133</b>	<b>194,975</b>	<b>20.33%</b>



\*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	2022
Net Interest Income	20.5	22.4	26.3	28.8	31.2
Other Income	6.0	13.5	11.6	7.6	13.2
<b>Gross Income</b>	<b>26.5</b>	<b>35.9</b>	<b>37.9</b>	<b>36.4</b>	<b>44.5</b>
Impairment Losses	1.9	7.4	9.4	6.0	5.7
Income before Operating Expenses	24.6	28.5	28.5	30.3	38.7
Operating Expenses	19.4	21.8	22.0	22.5	25.1
Income before Tax	5.2	6.7	6.5	7.8	13.6
Provision for Income Tax	0.9	1.3	1.5	0.7	1.6
<b>Net Income</b>	<b>4.3</b>	<b>5.4</b>	<b>5.0</b>	<b>7.1</b>	<b>12.1</b>



# Historical Consolidated Balance Sheet

	2018	2019	2020	2021	2022
Cash/Due from BSP/Due from Other Banks	94	123	148	157	181
Loans Arising From REPO	10	6	13	12	9
FVPL/FVTCI	30	60	45	56	122
Held to Maturity Investments	89	101	43	164	252
Interbank Loans and Receivables	10	19	43	31	28
Loans (net)	389	430	449	508	531
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
<b>Total Assets</b>	<b>645</b>	<b>767</b>	<b>772</b>	<b>959</b>	<b>1,154</b>
Demand	56	71	107	145	175
Savings	174	179	195	228	246
Time	193	207	233	299	436
<b>Deposit Liabilities</b>	<b>423</b>	<b>457</b>	<b>536</b>	<b>672</b>	<b>857</b>
Other Liabilities	77	131	45	88	106
Senior Debt	53	97	90	87	74
Subordinated Debt	10	-	-	-	-
<b>Total Liabilities</b>	<b>563</b>	<b>684</b>	<b>671</b>	<b>848</b>	<b>1,038</b>
Minority Interest in Subsidiary/Allied Undertakings	0	0	0	18	0
<b>Capital Funds</b>	<b>81</b>	<b>83</b>	<b>101</b>	<b>111</b>	<b>116</b>
<b>Total Liabilities &amp; Capital</b>	<b>645</b>	<b>767</b>	<b>772</b>	<b>959</b>	<b>1,154</b>



\*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	2022
Return on Average Capital Funds	5.80%	6.50%	5.50%	6.70%	11.24%
Return on Average Assets	0.70%	0.80%	0.70%	0.80%	1.17%
Net Interest Margin	4.00%	4.00%	4.30%	4.10%	3.70%
Cost-to-Income Ratio	73.20%	60.80%	58.20%	61.90%	56.46%
CASA to Total Deposits	54.40%	54.70%	56.40%	55.50%	49.09%
Net NPL Ratio	1.30%	2.20%	2.90%	3.30%	2.00%
Credit Cost	0.50%	1.70%	2.20%	1.20%	1.07%
CAR	16.10%	13.80%	16.10%	15.20%	15.29%



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

