



Partners Through Generations

Investor Presentation FY 2020

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Signs of a long recovery



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Strong and resilient amidst the crisis



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Historical Financials



Economic Overview

Philippines seen to recover in 2021-22

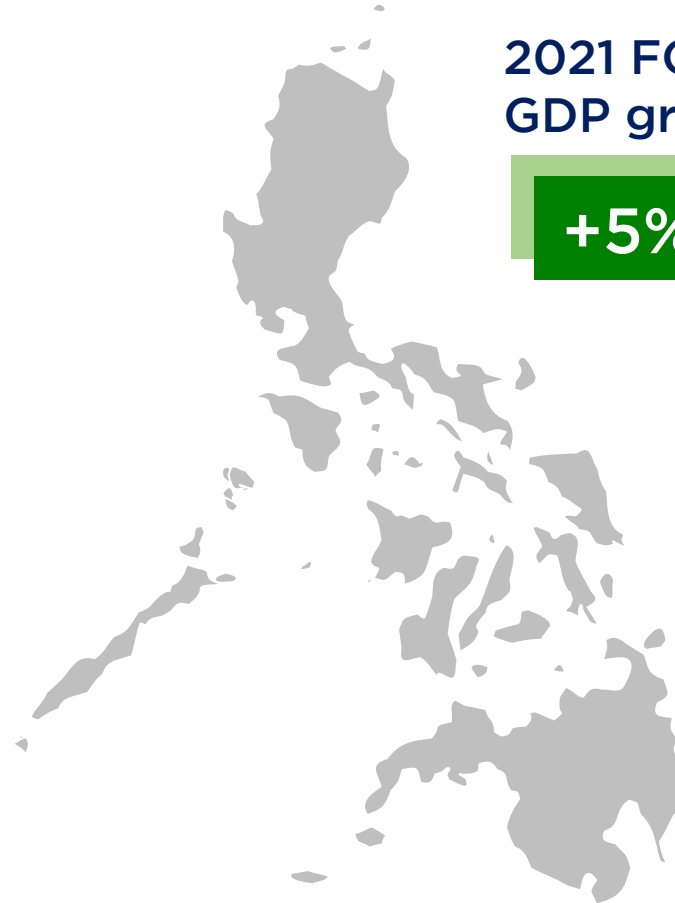
2020 recession resulted in -9.5% GDP contraction

Worst GDP decline recorded during the hard lockdown from March to May 2020

Recovery seen by 2022; but other industries may take more time to recover (e.g., tourism, property, and vehicle production)

Major pillars of economic recovery:

- Measures to further re-open the economy
- COVID-19 vaccines and reduction in new cases
- Increased infrastructure and government spending in preparation for the 2022 elections

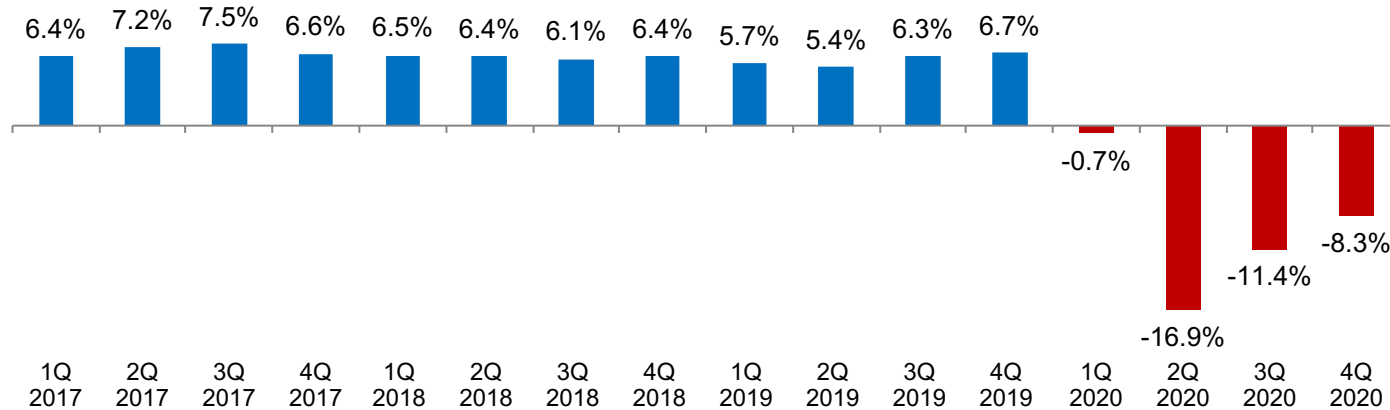


**2021 FORECAST
GDP growth rate**

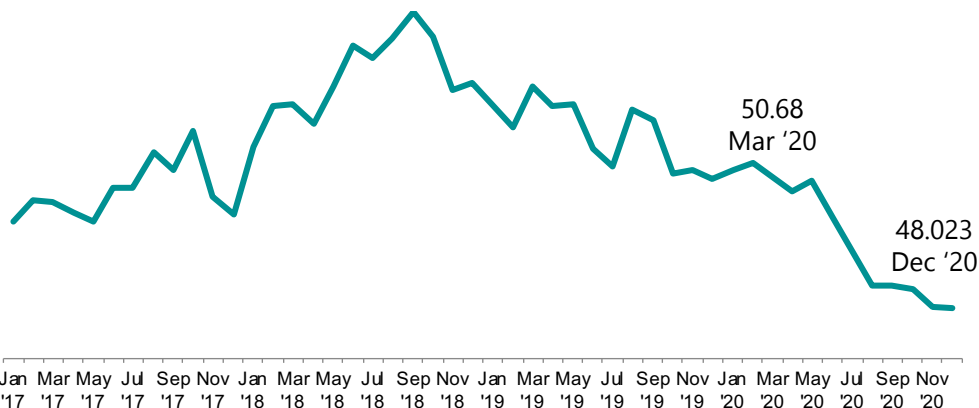
+5% to +6%

Data shows recovery from severe GDP contraction in 2020

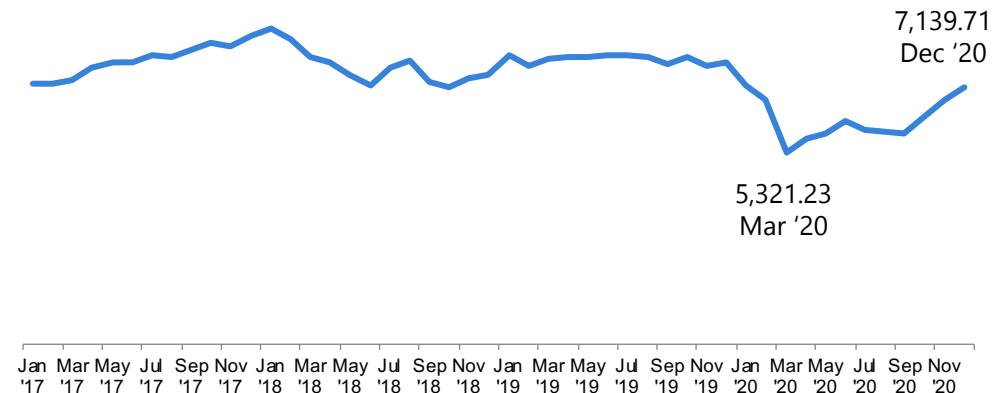
Philippine GDP growth improving from worst levels



USD/Php exchange rate remained strong throughout the year



PSEi relatively better compared to the lows recorded in March 2020



The Bank expects recovery in 2021

Economic Indicators	2021 Forecast	2020 Actual	2019 Actual
GDP Growth	5.0-6.0%	(9.5%)	6.0%
USD/PhP (Year-End)	49.00-50.00	48.02	50.64
USD/PhP (Average)	48.50-49.50	49.62	51.80
Inflation (Average)	4.0%-4.5%	2.6%	2.5%
BSP Policy Rate	2.25%-2.50%	2.00%	4.00%
PSEi	7,500-8,000	7,139.71	7,815.26



RCBC 2020 Review



The Bank remained resilient in 2020

37.9B
Revenues

+6%

5.0B
Net Income

(7%)

449B
Loans¹

+4%

536B
Deposits

+17%

12.6%
CET1

16.1%
CAR

Profitability

Lower funding costs and higher margins, boosted by trading gains

Better operating efficiency from digitization and process re-engineering

Flat operating expenses

Proactive credit provisioning taken in view of the economic slowdown

Growth

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

Loan portfolio continued to grow across all segments

Credit card portfolio increased despite industry slowdown

Low-cost deposits surged on the back of Cash Management and Digital initiatives

Digital customers jumped 9.0x to over 1.14M

Resilience

Generated USD 300M from the First-ever AT1 capital issuance in the Philippines

Raised a total of PhP 23.6B in long-term debt

Recognized as a global leader in ESG, with MSCI rating of AA

*Amounts in PhP Millions, except ratios

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

Accelerated Digital Transformation during the crisis



2020 BEST DIGITAL BANK in the Philippines



BEST DIGITAL BANK IN THE PHILIPPINES

2020 Alpha Southeast Asia
Best Financial Institution Awards



MOST INSPIRATIONAL BRAND, FINANCIAL SERVICES CATEGORY

Asia-Pacific Enterprise Award



2020 ENTERPRISE INNOVATION

Asia IOT Business Platform Award



BEST DIGITAL BANK IN THE PHILIPPINES

2020 Asiamoney
Best Bank Awards



BEST FINANCIAL INCLUSION INITIATIVE

International Innovation Awards



MOST INNOVATIVE INTERNET BANKING SERVICES PROVIDER

The Global Economics Award

Migrated customers to digital channels



1.14M

Digital Customers
9.0x vs 2019



15x

Increase in Mobile
transactions vs 2019



+51%

Corporate electronic
disbursements

RCBC well-placed to take advantage of the growing shift to digital, with industry-leading digital channels and features.



QR Fund Transfers



Bills Payments



Mobile check deposit



Remittances



Forex trading



Loans



Investments



Credit card installment

Promoted Inclusive Digital Finance

ATM Go



1,800

ATM Go units
in 72/81 provinces



3.9M

Diskartech app
downloads



913k

Basic Deposit Accounts¹

Through Diskartech and ATM Go, the Bank offers vital financial and banking services needed by unbanked and underserved communities.



Financial Inclusion
Super App

First finance app in
Taglish and other
local languages



First “kapitbahay”
(neighborhood)
mobile ATM

Used extensively
for gov’t aid
distribution

Results of Government Aid Distribution (SAP²)



16.6M Individuals covered



Php 12.4B Disbursed

[1] 70% of BDA customers are based in the Provinces

[2] Social Amelioration Program (SAP) – Government aid distributed during 2020 lockdown

Improved cost efficiency



58%

Cost-to-income ratio
(from 61% in 2019)



PhP 1.2B

Net cost savings from
branch rationalization



69%

SME Loan Process
automated

Business process re-engineering and Robotic Process Automation shortens processing time and improves the customer journey while lowering overall costs.



61% of Branches

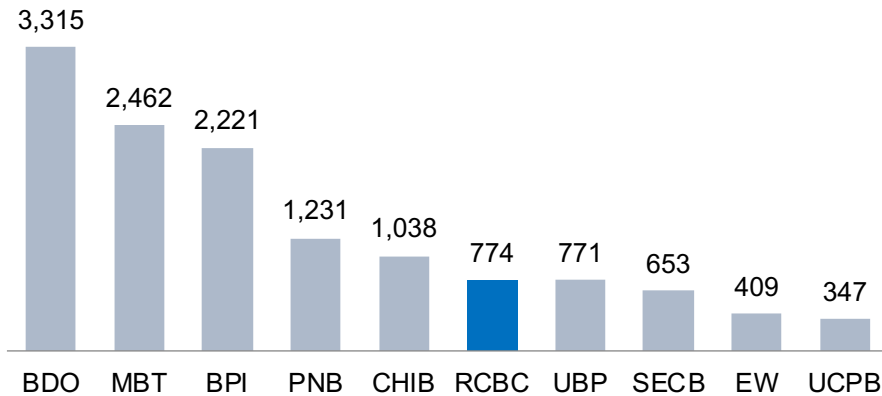
to be transformed into
“Branches of Today”¹, which uses
Robotic Process Automation



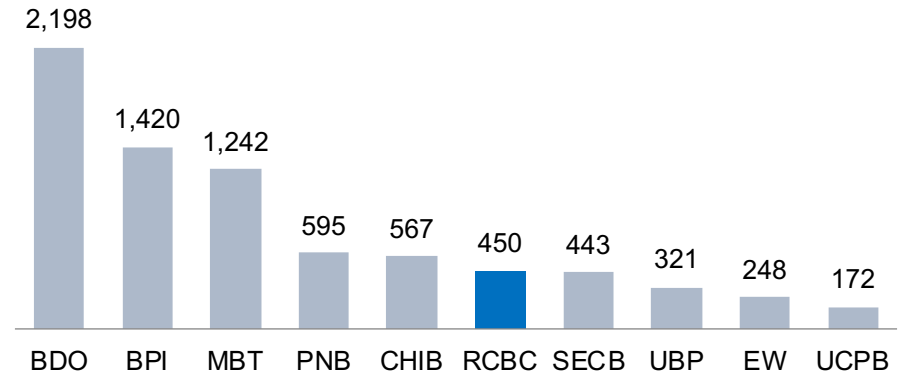
[1] Branch of Today initiative is currently implemented for Parent Bank branches

RCBC is the 6th largest private bank in PH

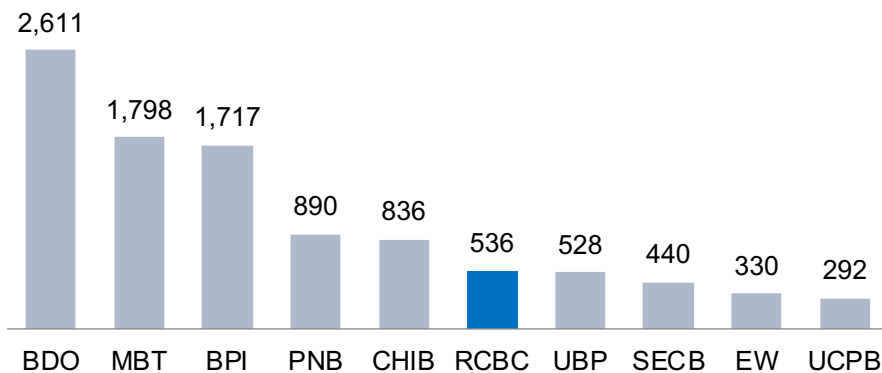
Assets



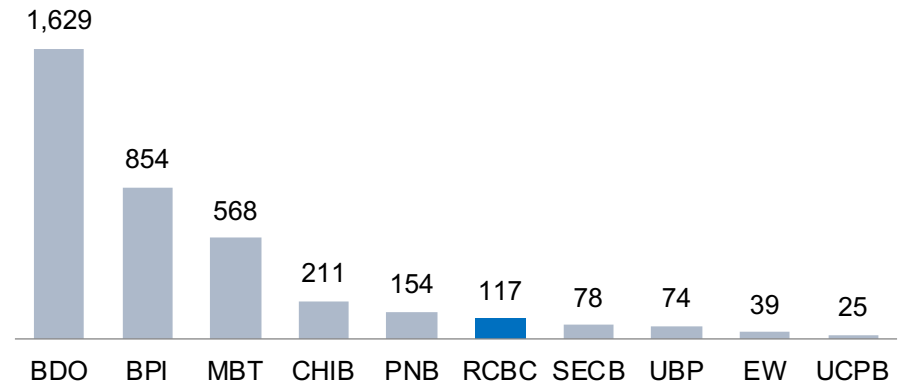
Loans and Receivables



Deposits



Trust Assets



*Amounts in PhP Billions

Source: Published Statements of Condition (SOC) as of 31 Dec 2020

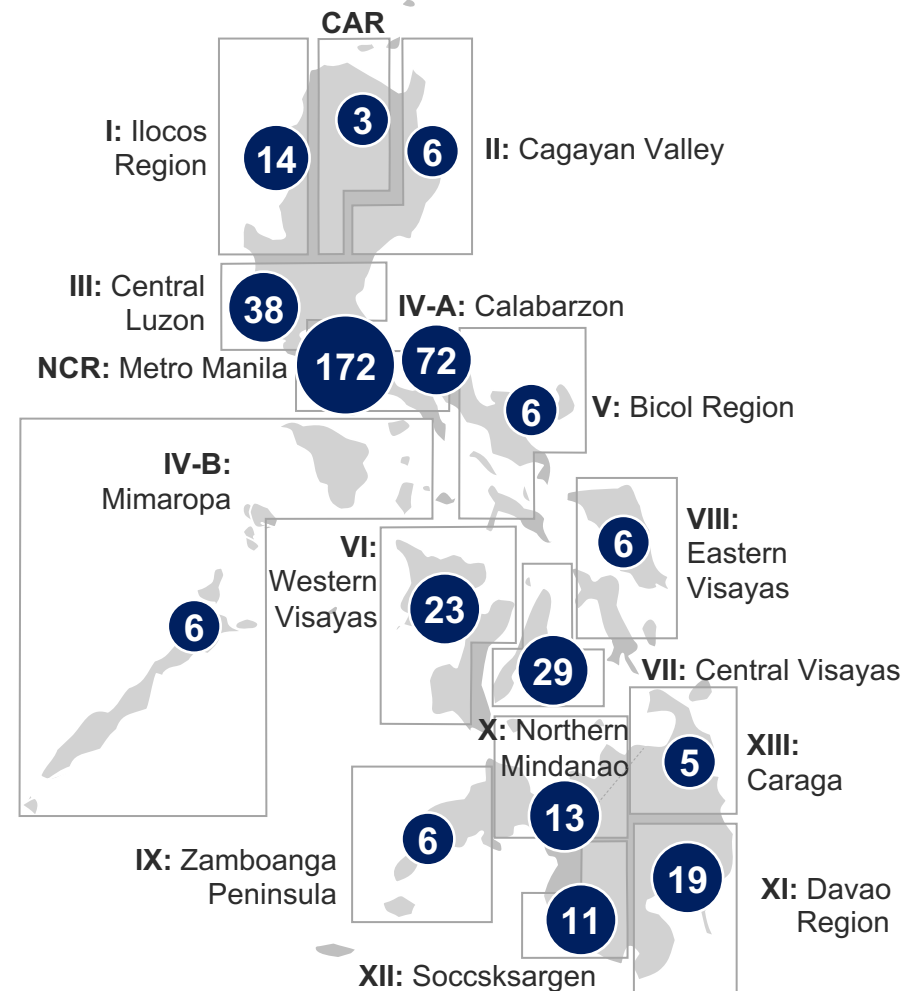
Wide distribution network across the Philippines



Branches and Extension Offices¹	447
ATM and ATM Go Terminals²	3,226
ATM-to-Branch Ratio	7.2

RCBC's Branch Distribution by Region

December 2020



[1] Branch total includes the 16 branches and 2 extension offices of Rizal Microbank, RCBC's Microfinance Thrift Bank subsidiary

[2] ATMs total includes the 1,800 ATM Go terminals deployed in 72 provinces

RCBC posted FY2020 Net Income of PhP 5B

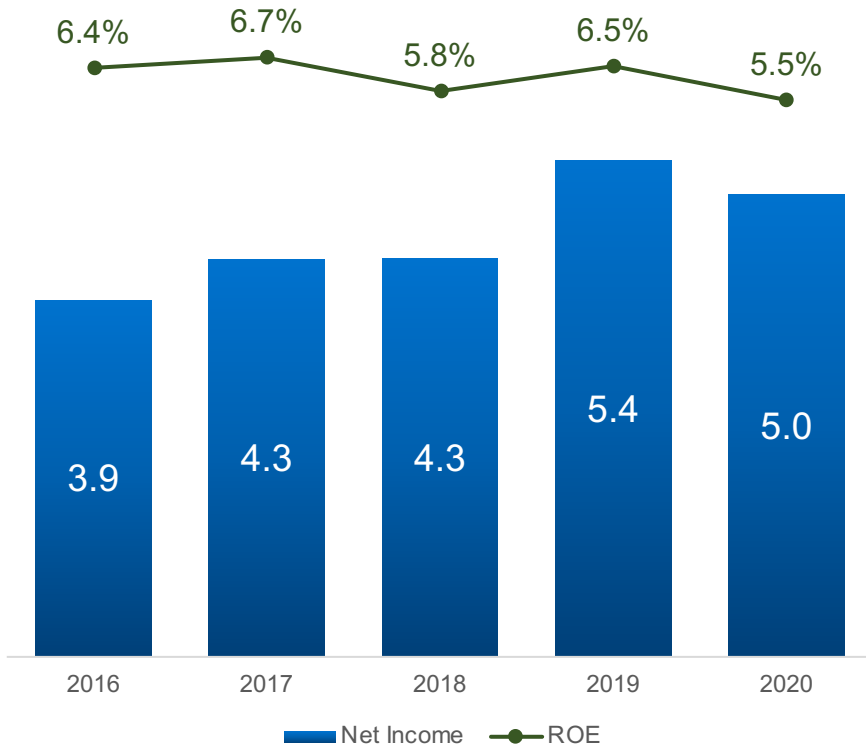
	2020	2019	Change	% Change
INCOME STATEMENT				
Net Interest Income	26,281	22,368	3,913	17.5%
Non-Interest Income	11,632	13,490	(1,858)	(13.8%)
Operating Expenses	22,045	21,797	248	1.1%
Impairment Losses	9,375	7,397	1,978	26.7%
Net Income	5,018	5,388	(370)	(6.9%)
BALANCE SHEET				
Assets	772,106	767,078	5,028	0.7%
Loans¹	448,637	430,416	18,221	4.2%
Deposits	535,788	456,581	79,207	17.3%
Capital	101,378	82,850	18,528	22.4%

*Amounts in PhP Millions, except % and ratios

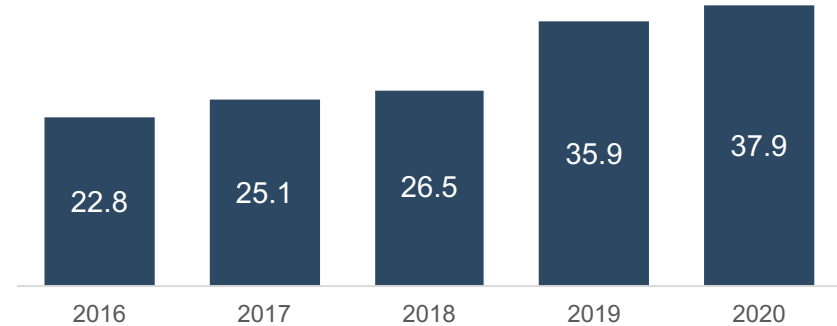
[1] Loans and Receivables net of Allowances and Interbank Loans

Profitability remained stable despite high provisioning

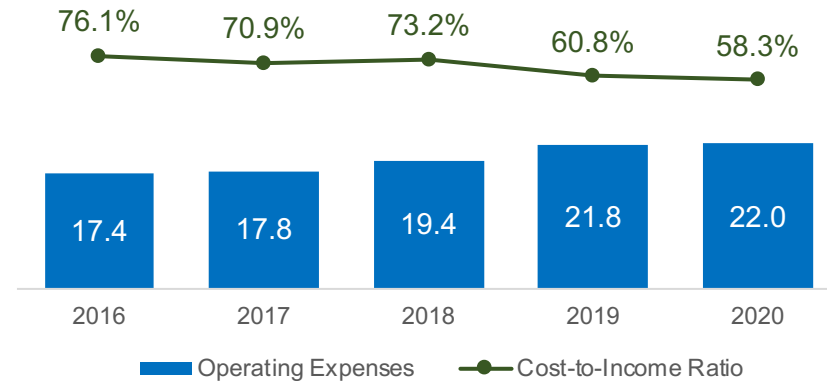
Profitability driven by robust core business and tempered operating expenses



Sustained NII expansion, boosted by trading gains, led to higher Gross Revenues



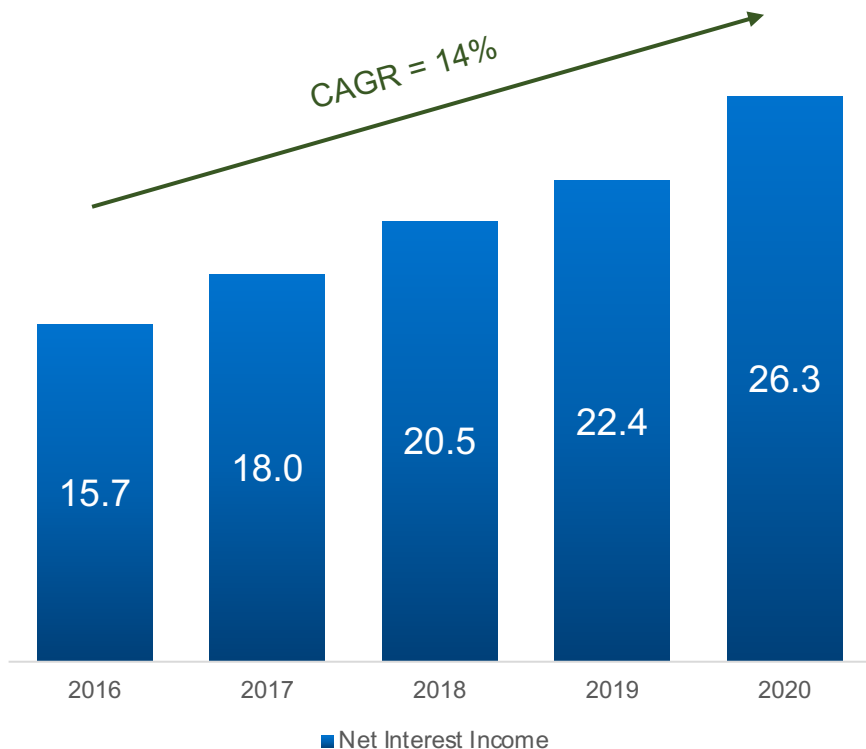
Better operating efficiency from digitization and process re-engineering



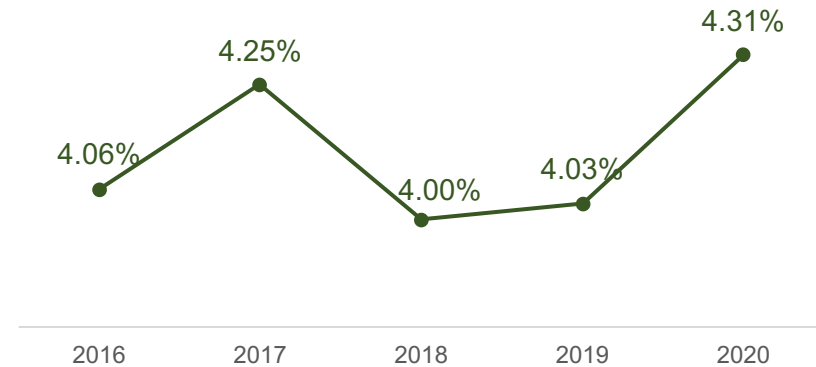
*Amounts in PhP Millions, except % and ratios

Core business sustained double-digit growth

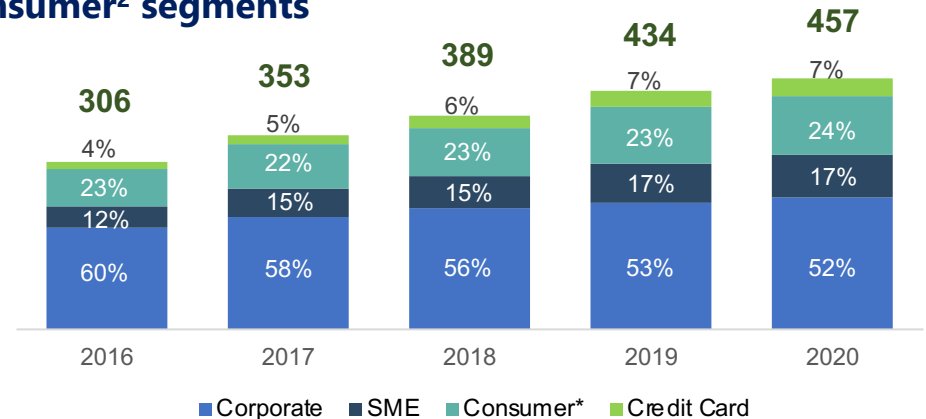
Expansion in Net Interest Income due to better margins and higher loans



Higher net interest margin supported by lower funding costs



Growth in loan book¹ propelled by SME and Consumer² segments



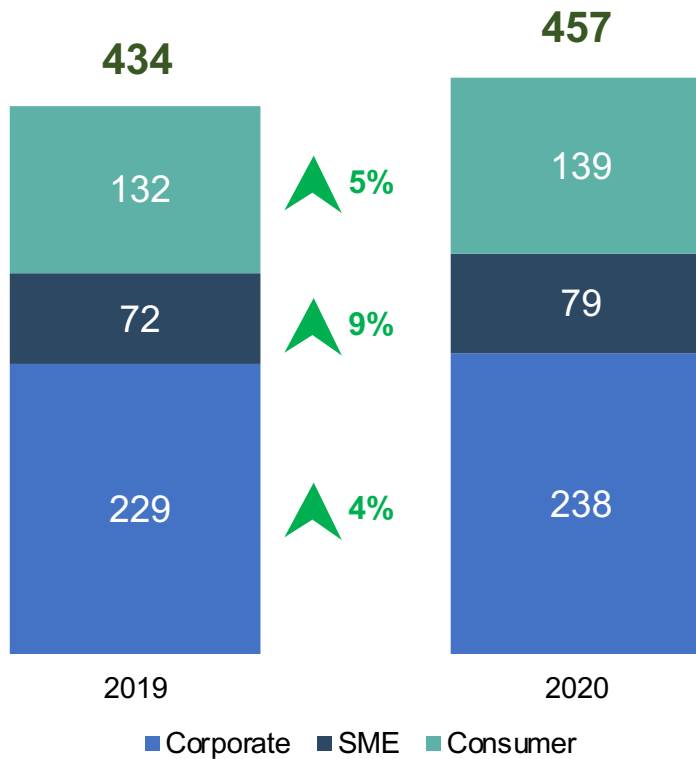
*Amounts in PHP Millions, except % and ratios

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

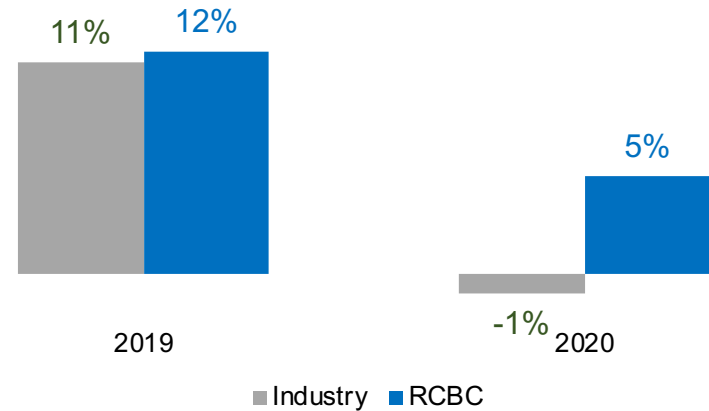
[2] Auto, Mortgage, and Personal/Salary Loans

Loan growth outpaced industry average

Diversified and high quality loan portfolio¹ remained resilient



Healthy loan expansion despite industry slowdown



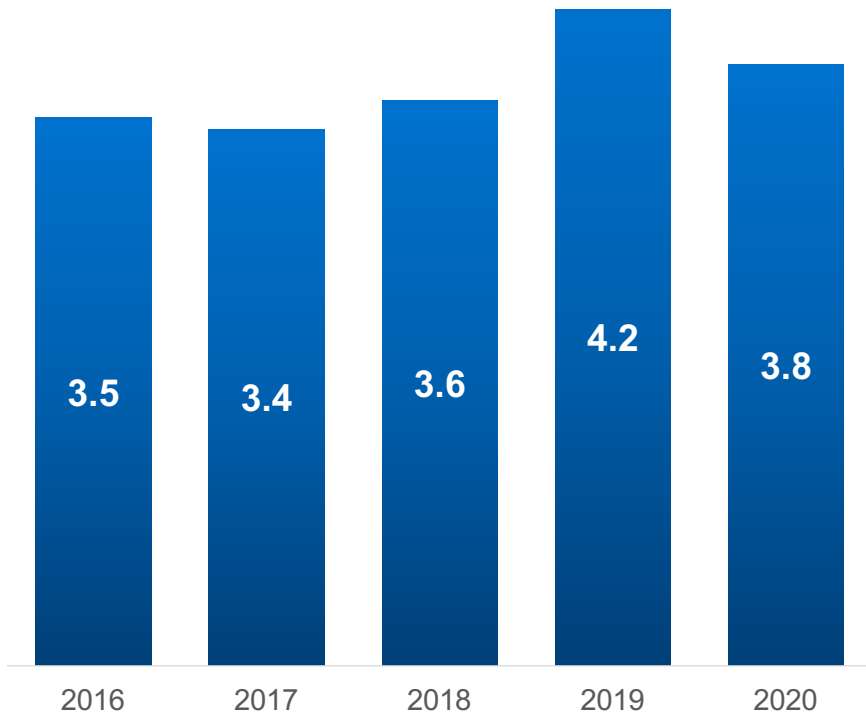
Credit card business also grew despite industry decline



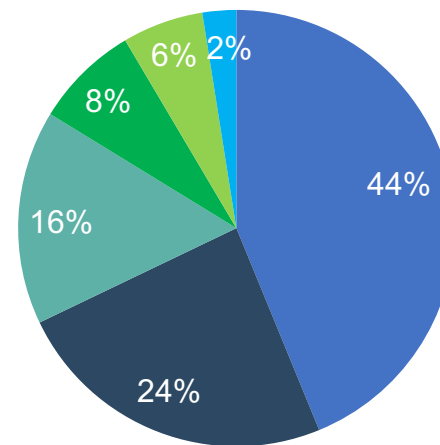
*Amounts in Php Millions, except %, ratios, and cards-in-force
[1] Loans and Receivables net of Allowances and Interbank Loans
[2] Auto, Mortgage, and Personal/Salary Loans

Diverse and stable fee-based revenue

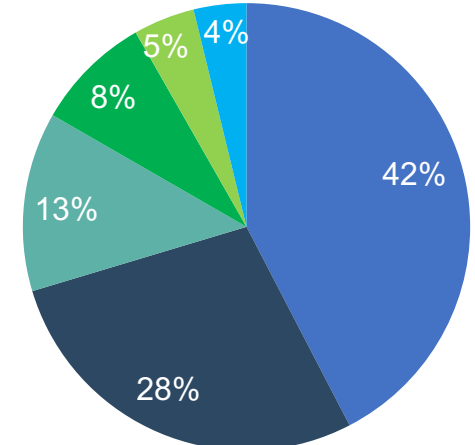
Lower fee income year-on-year due to decline in transaction volume and waiver of fees



Diversified sources of fees



2019



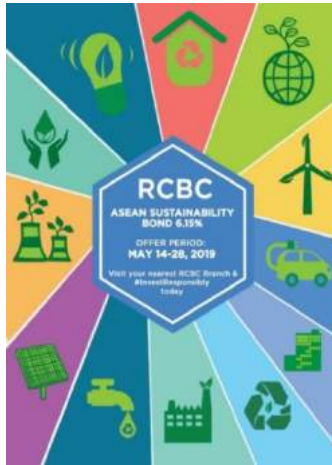
2020

- Debit Cards (ATM Cards)
- Deposit and Branch
- Investment Banking

- Loans
- Trust
- Bancassurance

Championed Sustainable Finance

RCBC is the first Philippine universal bank to issue **green and sustainable** financing instruments under global standards



RCBC Sustainability Bond
PhP 8B (USD 160M)

RCBC Sustainability Bond
USD 300M

RCBC Sustainability Bond¹
PhP 17.9B



RCBC Green Bond²
PhP15B (\$285M)

MSCI



ESG rating

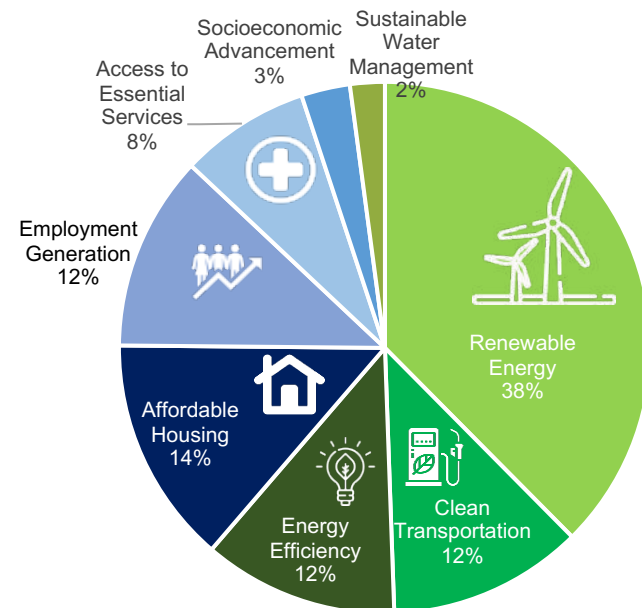
AA

SUSTAINALYTICS



RCBC Sustainable Loan Portfolio

31 December 2020



PhP 32B
Green

PhP 19B
Social

About 11% (PhP 51B) of the Bank's loan portfolio is eligible under Green and Sustainable financing

[1] On March 19, 2021, the Bank closed its 2.5-year and 5.25-year Fixed-Rate ASEAN Sustainability Peso Bond

[2] The PhP 15B RCBC Green Bond matured on Aug. 1, 2020



General Information

Investment Information

Equity Profile

Particulars	2020
Ticker	RCB
Issued shares	1,935.63M
Stock Price	18.88
Market Cap	PhP 36.54B (USD 0.76B)
BV per share	PhP 44.90
Price-to-Book	0.42

Dividend History

Year	Dividends per share	Pay-out ratio
2020	0.56	20.00%
2019	0.45	17.02%
2018	0.62	20.02%
2017	0.55	16.53%
2016	0.72	20.00%
2015	0.60	19.29%

Credit Rating¹

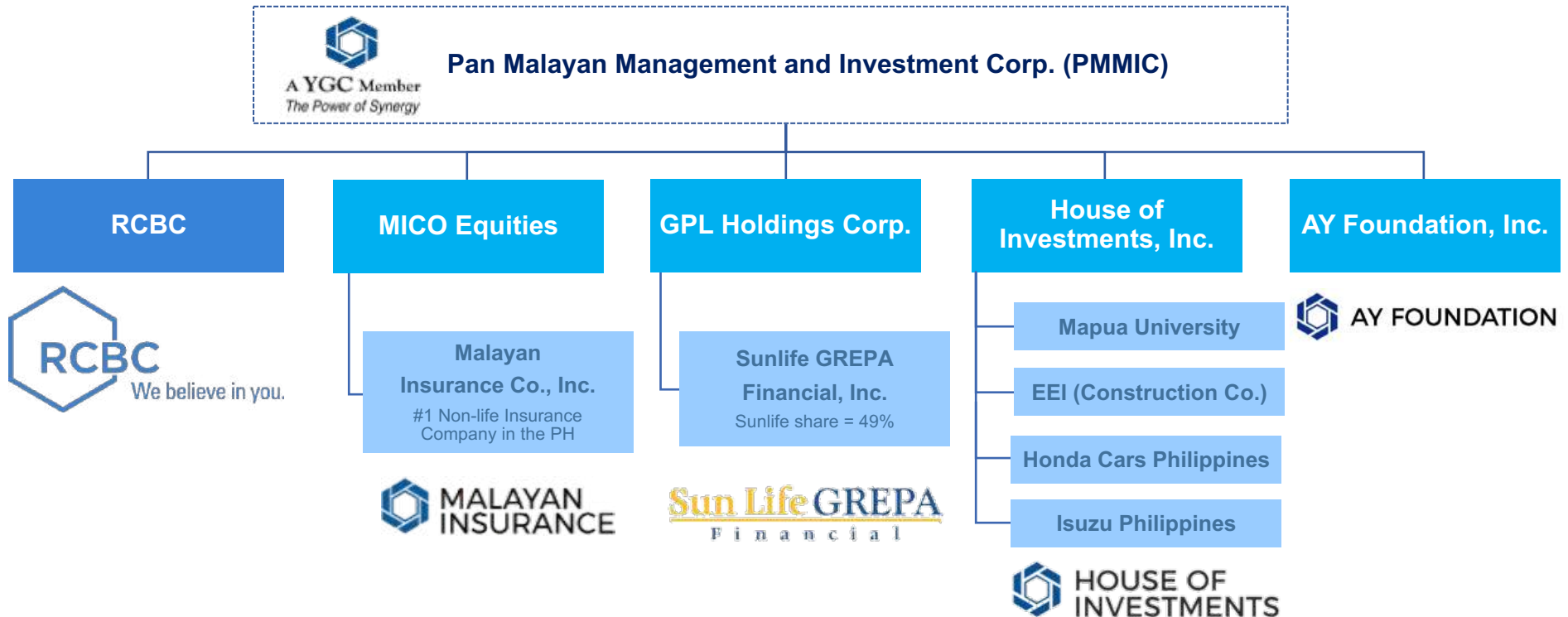
MOODY'S

Long Term Deposit	Baa2
Senior Unsecured	Baa2
Bank Financial Strength	Baa3
Outlook	Stable

[1] Investment Grade rating by Moody's on December 2019

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

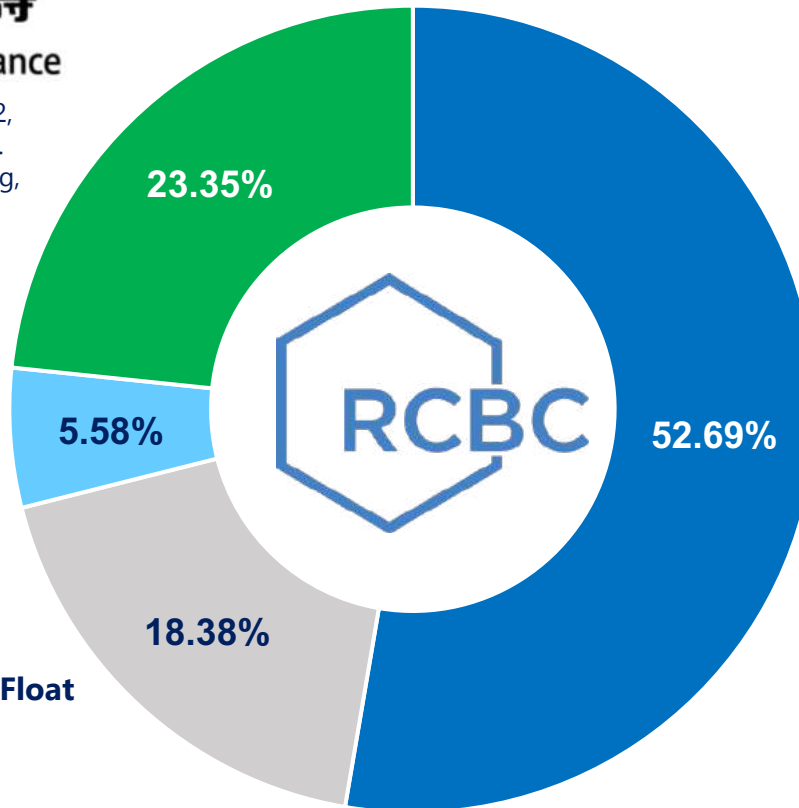
Cathay Life Insurance

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

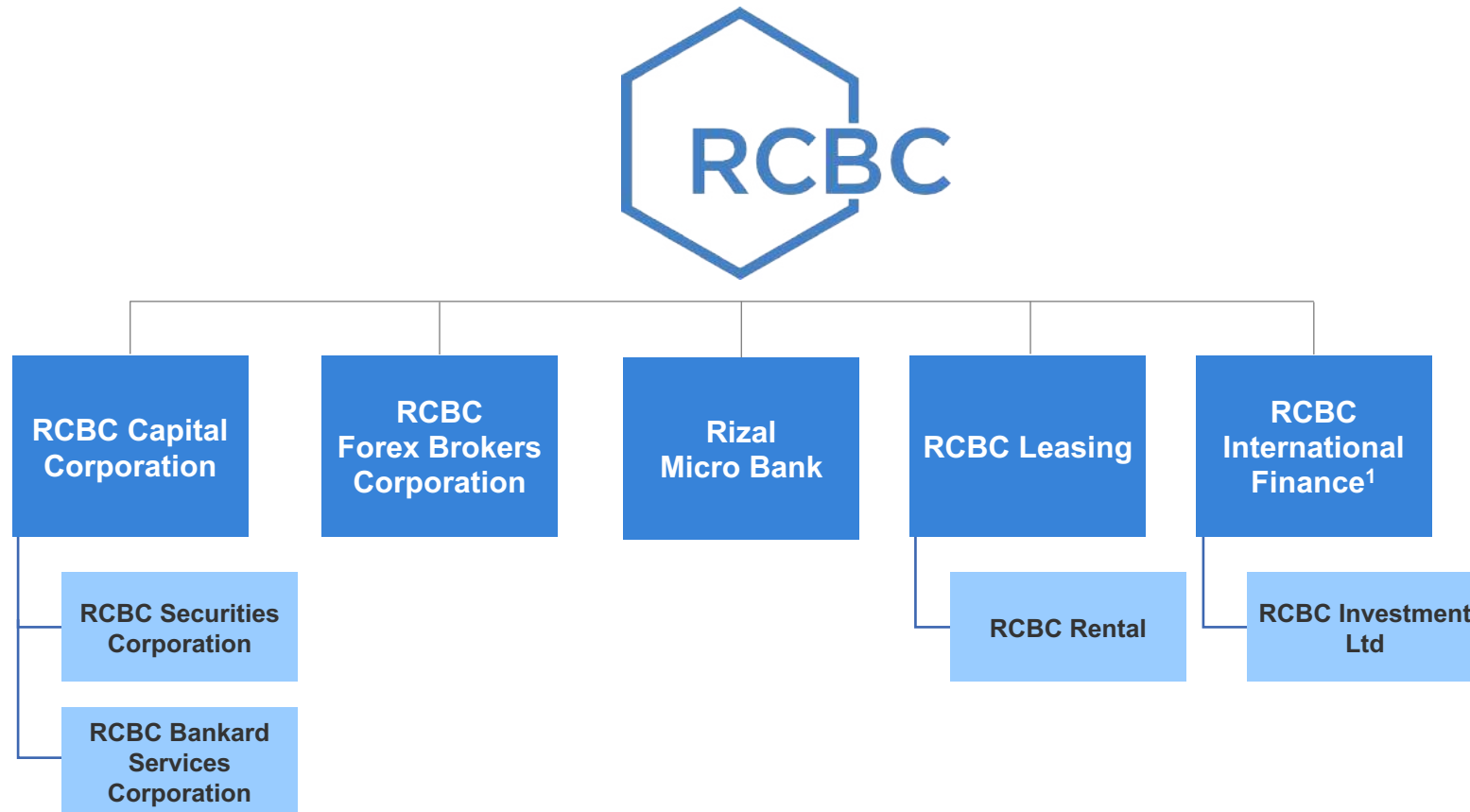
IFC is the largest global development institution focused on the private sector in developing countries.



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



[1] RCBC International Finance is the Bank's financing and remittance arm based in Hong Kong



Appendix

Consolidated Income Statement

	2020	2019	Change	% Change
Interest Income	36,952	37,578	(626)	(1.7%)
Interest Expense	10,671	15,210	(4,539)	(29.8%)
Net Interest Income	26,281	22,368	3,913	17.5%
Other Income	11,632	13,490	(1,858)	(13.8%)
Trading Gains and Forex	6,658	7,839	(1,181)	(15.1%)
Trust Fees	323	323	(0)	(0.1%)
Service Fees & Commissions	3,506	3,855	(349)	(9.0%)
Miscellaneous	1,145	1,474	(329)	(22.3%)
Operating Expenses	22,045	21,797	248	1.1%
Impairment Losses	9,375	7,397	1,978	26.7%
Provision for Income Tax	1,475	1,275	200	15.7%
Net Income	5,018	5,388	(370)	(6.9%)

*Amounts in Php Millions, except % and ratios

Consolidated Balance Sheet

	2020	2019	Change	% Change
Cash/Due from BSP & Other Banks	147,694	122,980	24,714	20.1%
Investment Securities	88,065	160,719	(72,654)	(45.2%)
Loans (net of Interbank)	448,637	430,416	18,221	4.2%
Other Assets	87,710	52,964	34,746	65.6%
TOTAL ASSETS	772,106	767,078	5,028	0.7%
Deposit Liabilities	535,788	456,581	79,207	17.3%
Demand	107,172	70,523	36,649	52.0%
Savings	195,164	179,247	15,917	8.9%
Time	233,452	206,811	26,641	12.9%
Other Liabilities	44,501	130,834	(86,333)	(66.0%)
Senior Debt	90,439	96,814	(6,375)	(6.6%)
Total Liabilities	670,728	684,228	(13,501)	(2.0%)
Capital Funds	101,378	82,850	18,528	22.4%
TOTAL LIABILITIES & CAPITAL	772,106	767,078	5,027	0.7%

*Amounts in PhP Millions, except % and ratios

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

Consolidated Key Financial Indicators

	2020	2019	Change
PROFITABILITY			
Return on Equity	5.5%	6.5%	(0.9%)
Return on Assets	0.7%	0.8%	(0.1%)
Net Interest Margin	4.3%	4.0%	0.3%
COST EFFICIENCY			
Cost-to-Income Ratio	58.3%	60.8%	(2.5%)
ASSET QUALITY			
Net NPL Ratio	2.9%	2.2%	0.8%
NPL Coverage Ratio	79.2%	79.0%	0.2%
CAPITAL			
Capital Adequacy Ratio	16.1%	13.8%	2.4%
CET1	12.6%	12.9%	(0.3%)



Partners Through Generations

Thank you!
Investor Presentation
FY 2020