



# RCBC 1H 2025 Analyst Briefing

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August 07, 2025

*Disclaimer: We may make forward-looking statements and refer to non-GAAP financial measures during the briefing. Forward-looking statements are based on management's current expectations and assumptions that are subject to risks and uncertainties. Factors that may cause our actual results to materially differ from expectations are detailed in our earnings materials as well as our SEC filings available on the website. Information about non-GAAP financial measures, including reconciliations to U.S. GAAP can also be found in our earnings materials on the website.*



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Microphones will remain on mute during the briefing proper and will be unmuted during the question and answer portion.



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## A few reminders...



For easier identification, kindly set your meeting name to include your **company or organization** followed by your **registered name**.

e.g., RCBC – Juan dela Cruz



Queue your name using the chatbox for your questions.

Each participant may ask two questions at a time. If you have more questions, kindly queue your name again.



# Macroeconomic Outlook

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**Michael Ricafort**

Chief Economist

# Market forecasts and catalysts for 2025

## Key Market Catalysts:



### Fed Rate Cut Anticipated Despite Cautious Remarks from Officials

Despite some Fed officials' caution, the market is largely expecting a rate cut in September following recent soft US economic data.



### BSP adopts a new formula for stronger peso intervention

The BSP is shifting its strategy by intervening more forcefully to combat peso weakness, using a new formula to determine when to intervene and curb price pressures.



### Peso weakens despite US Dollar's decline against other major currencies.

USD/PHP at 57.26, already mostly weaker vs. other major ASEAN currencies, as the gauge of the US dollar vs. major global currencies corrected to new 1-week lows lately.



### PSEi among 4.5-month highs

PSEi higher at 6,321.30, among 4.5-month highs. Market sentiment improved after US-PH trade deal on Jul. 22, 2025.

## Philippine GDP Growth Estimates (2025-2026)

Multilateral Institutions	2025 Forecast	2026 Forecast
IMF	5.5% (same)	5.9% (from 5.8%)
ADB	5.6% (from 6.0%)	5.8% (from 6.1%)
World Bank	5.3% (from 6.1%)	5.4% (from 6.0%); 5.5% for 2027
AMRO	5.6% (from 6.3%)	5.5% (from 6.3%)
S&P Global Ratings	5.9% (from 5.7%)	6.0% (from 5.9%); 6.6% for 2027 (from 6.4%)
Moody's	5.8% (from 5.9%)	5.8% (from 6.0%)
Fitch Ratings	5.6% (from 5.9%)	6.2%
PH Government	5.5%-6.5%	6.0%-7.0% (2026-2028)

As of July 26, 2025

# Market forecasts and catalysts for 2025

## Philippine Economic Outlook

Economic Indicators	2023 Actual	2024 Actual	2025 Forecast
GDP Growth	5.5%	5.6%	5.5%-6.0%
USD/PhP (Year-End)	55.37	57.845	56.50-57.50
USD/PhP (Average)	55.63	57.29	56.50-57.50
Inflation (Average)	6.0%	3.2%	1.8%-2.3%
BSP Policy Rate	6.50%	5.75%	4.75%-5.00%
Fed Funds Rate	5.50%	4.50%	4.00%-4.25%
PSEi	6,450.04	6,528.79	6,800-7,300

## US & Philippine Policy Rate Outlook

Economic Indicators	3-Month Forecast	6-Month Forecast	1-Year Forecast
BSP Policy Rate (now at 5.25%)	5.00%-5.25%	4.75%-5.00%	4.50%-4.75%
Fed Funds Rate (now at 4.50%)	4.25%-4.50%	4.00%-4.25%	3.75%-4.00%



# 1H 2025 Performance

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**Chrissy P. Alvarez**  
Corporate Planning Head

# 1H 2025 Key Highlights

## Consumer loans drive strong profitability

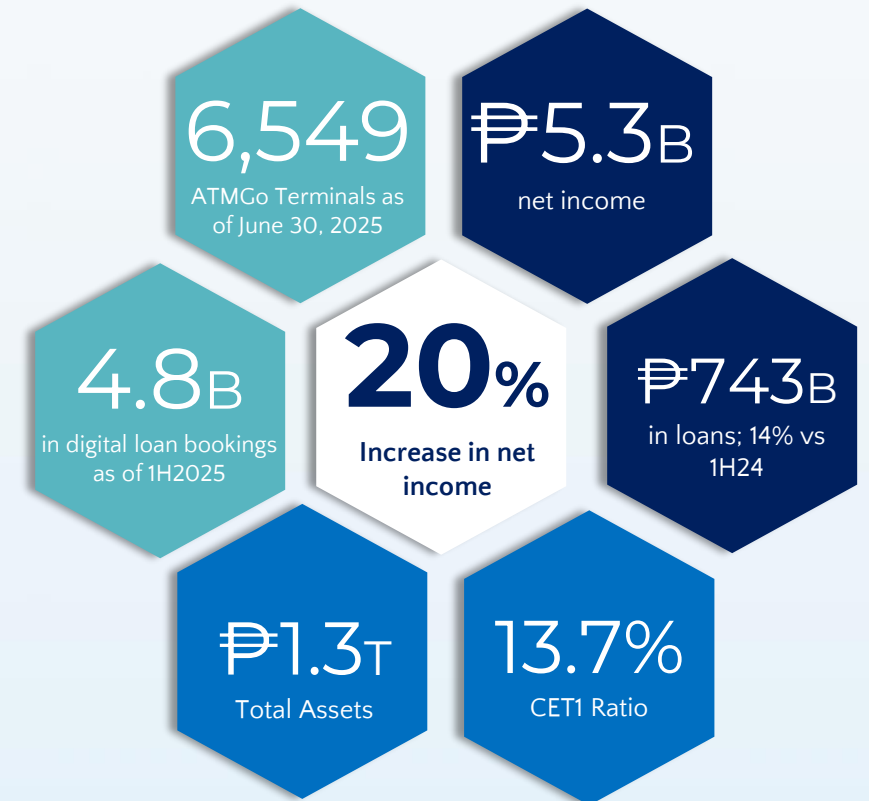
- Gross income surged by 21.5%, supported by a robust 4.6% NIM
- NII soars by 33.4% vs. previous year driven by robust consumer loan expansion
- Service fees and commissions jump 36.8% vs. year ago

## Robust balance sheet & capital position

- Total assets maintained a stable growth trajectory, reaching ₱1.3 Tn
- Strong capital standing remains strong: CET at 13.7% and CAR at 16.2%
- Total capital increased by 7% YoY to ₱163Bn

## Award-winning digital CX

- Digital loan availments on the rise, accounting for 64% of unsecured loans
- Streamlined processes and enhanced support resulting to frictionless cx
- Recognized as Best Bank for Digital by Euromoney for the 6<sup>th</sup> year



470   
Branches

8,082   
ATM<sup>1</sup>

6,891   
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	1H25	1H24	Change	YoY
Amounts in PhP Millions, except YoY				
Gross Income	30,377	25,010	5,367	21.5%
Net Interest Income	26,341	19,748	6,592	33.4%
Fee Income	5,384	3,936	1,448	36.8%
Operating Expenses	17,187	15,378	1,809	11.8%
Impairment Losses	6,479	3,606	2,873	79.7%
Net Income	5,347	4,450	897	20.2%

Balance Sheet	1H25	1H24	Change	YoY
Amounts in PhP Millions, except YoY				
Assets	1,304,738	1,260,898	43,840	3.5%
Loans <sup>1</sup>	742,276	654,504	87,772	13.4%
Investment Securities	388,794	373,782	15,012	4.0%
Deposits	982,665	959,918	22,747	2.4%
Capital	163,016	152,103	10,913	7.2%

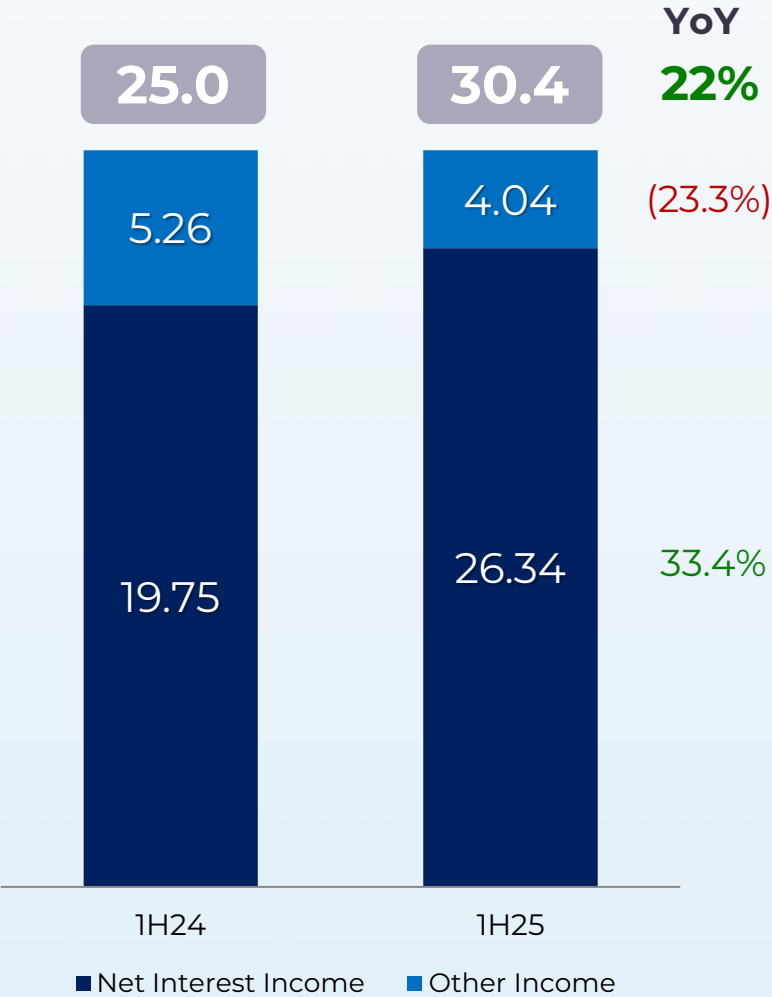
[1] Loans and Receivables net of Allowances and Interbank Loans

[2] NPL cover includes P6.5Bn of General Loan Loss provisions booked in Retained Earnings

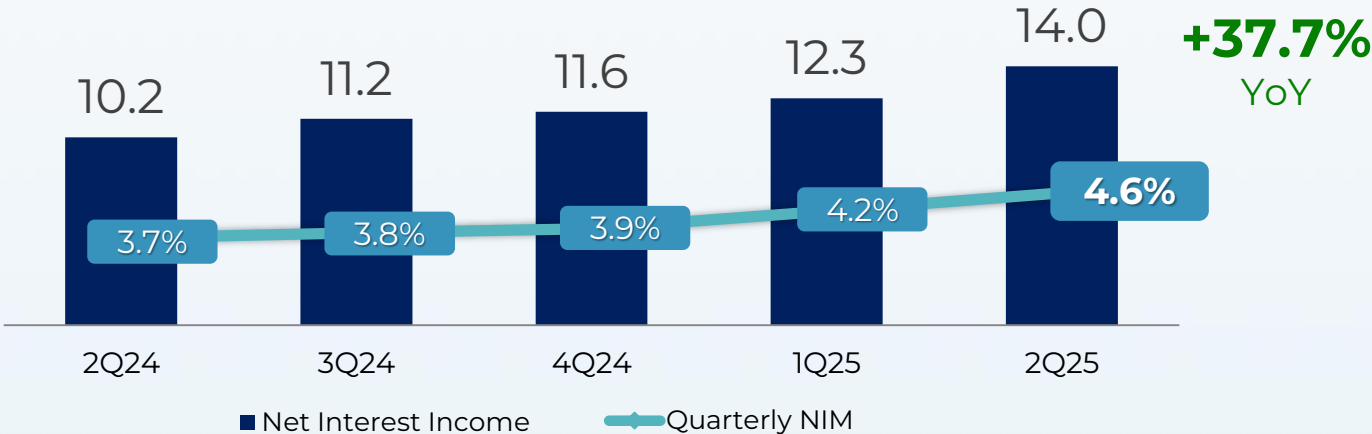
Financial Ratios	1H25	1H24	YoY
<b>PROFITABILITY</b>			
ROE	6.9%	5.7%	1.1%
ROA	0.8%	0.7%	0.1%
NIM	4.6%	3.7%	0.9%
<b>COST EFFICIENCY</b>			
CIR	56.6%	61.5%	-4.9%
<b>ASSET QUALITY</b>			
Net NPL Ratio	2.7%	2.0%	0.7%
NPL Coverage Ratio <sup>2</sup>	74.4%	81.3%	-6.9%
<b>CAPITAL</b>			
CAR	16.2%	16.4%	-0.2%
CET1	13.7%	13.8%	-0.1%

# Robust core business performance

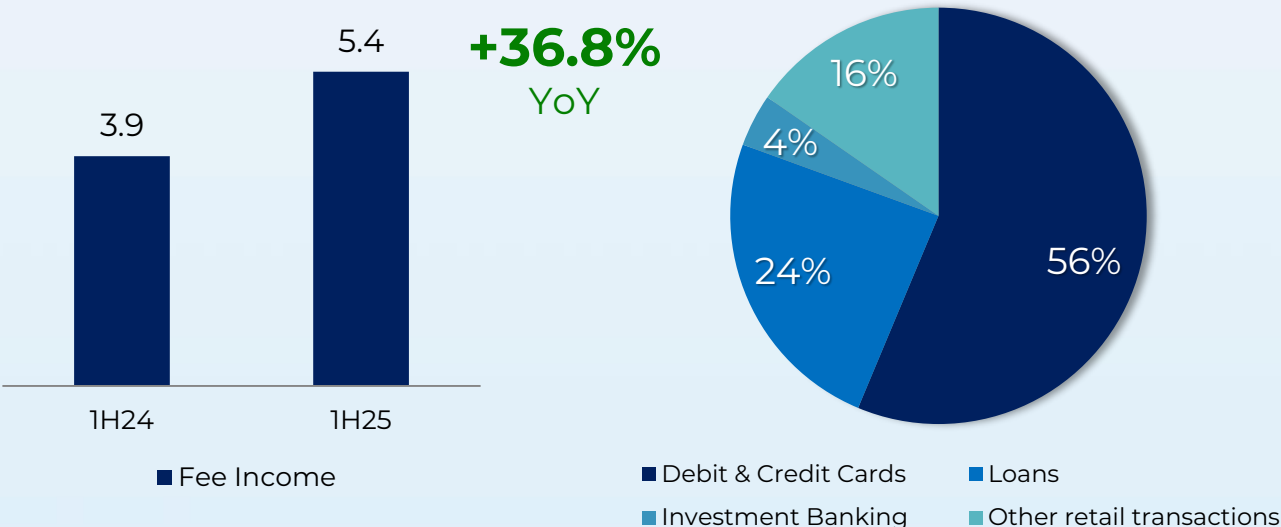
## Gross Revenue



## Quarterly Net Interest Income



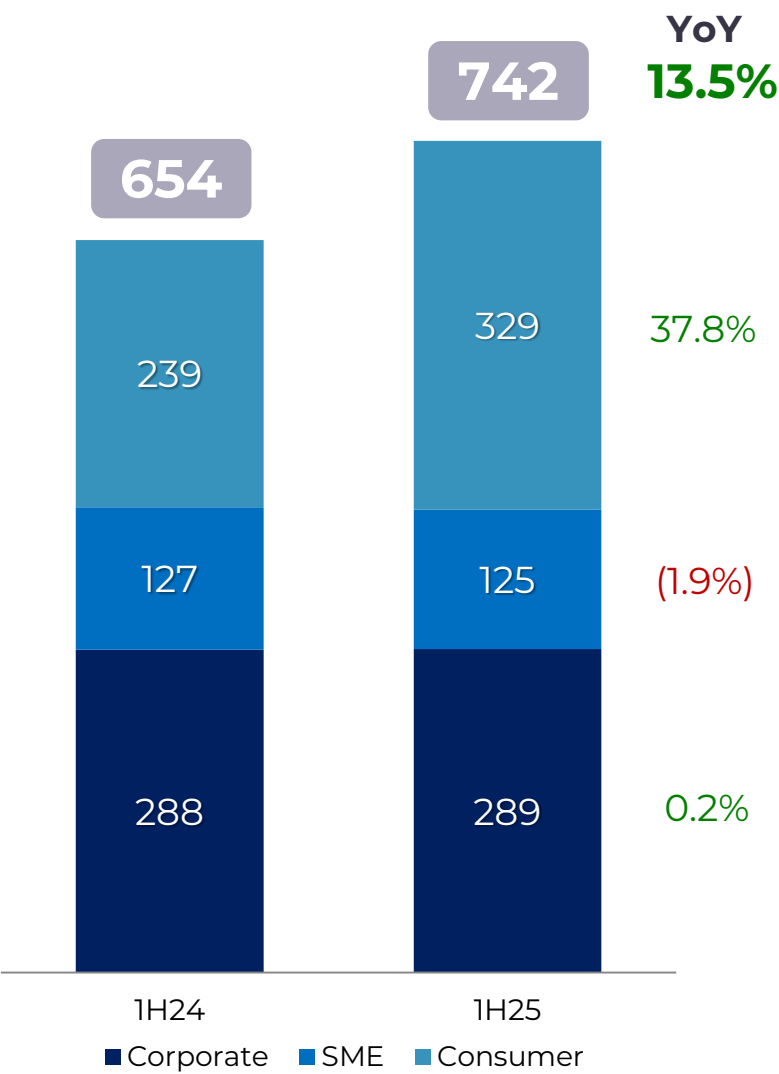
## Fee Income



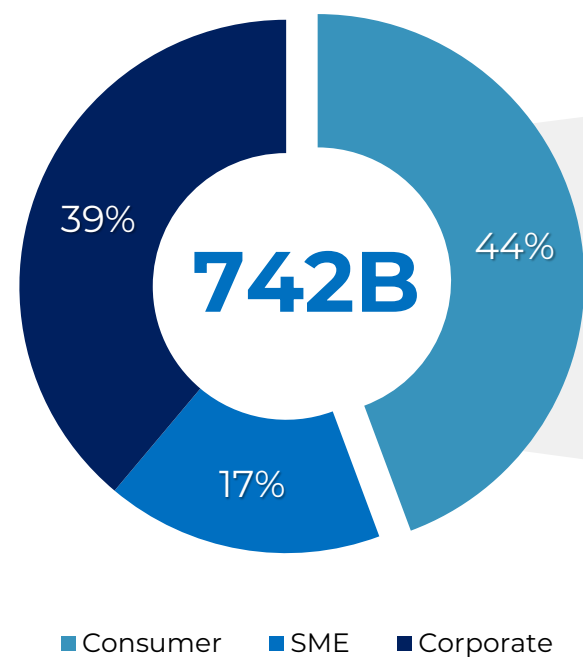
\*Figures in Php Billions, except %  
As of June 30, 2025

# Consumer loans continue to drive the portfolio

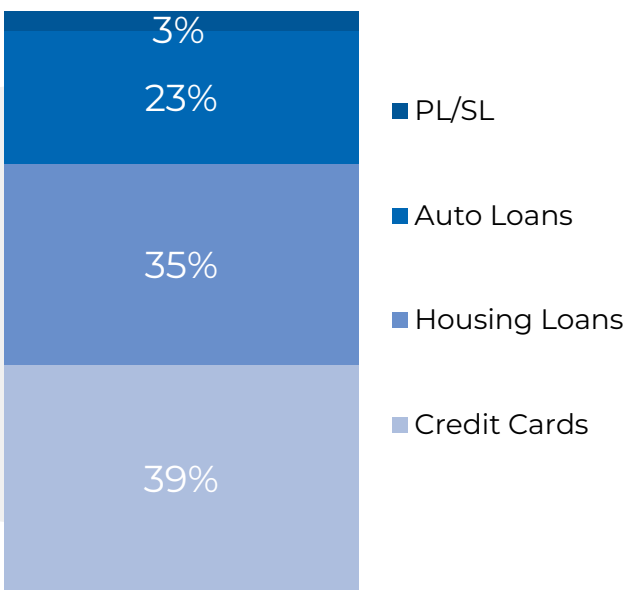
Loan Portfolio<sup>1</sup>



Loan Mix



Consumer Loans



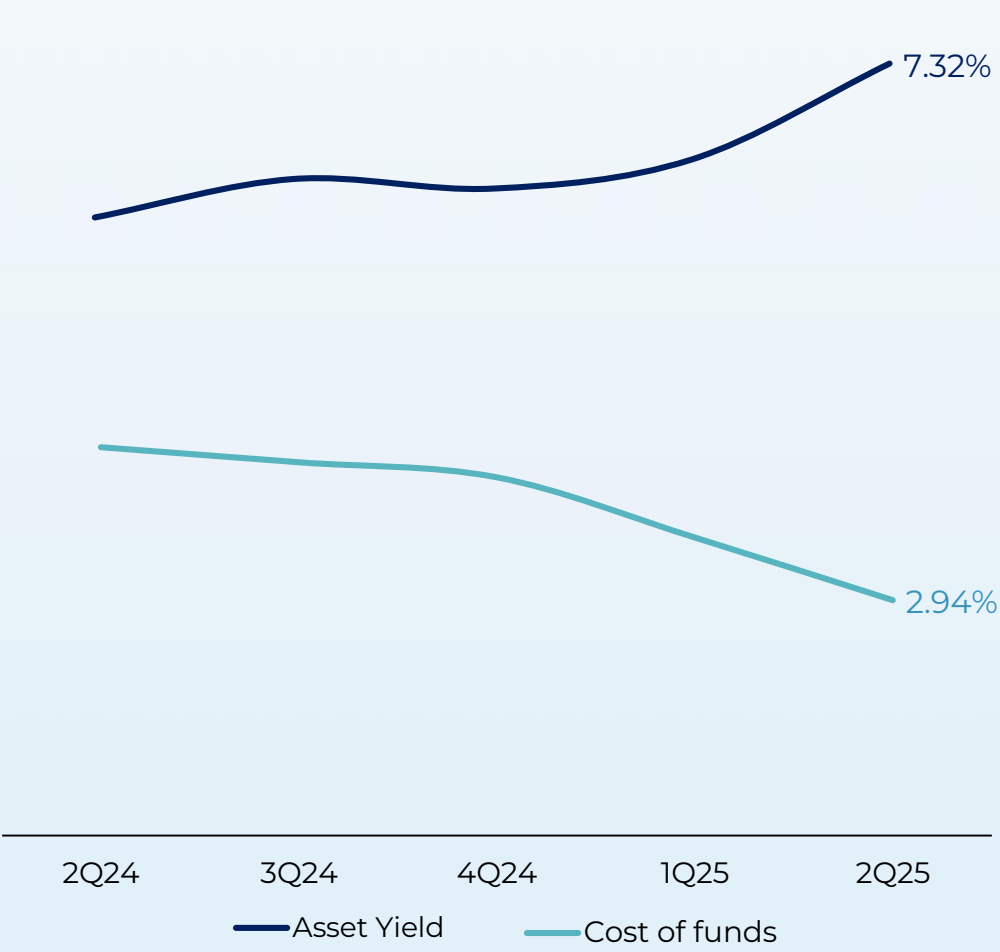
<sup>1</sup>Total Gross Loan to Customer

<sup>2</sup>Consumer refers to Auto, Mortgage, Credit Card and Personal/Salary Loans

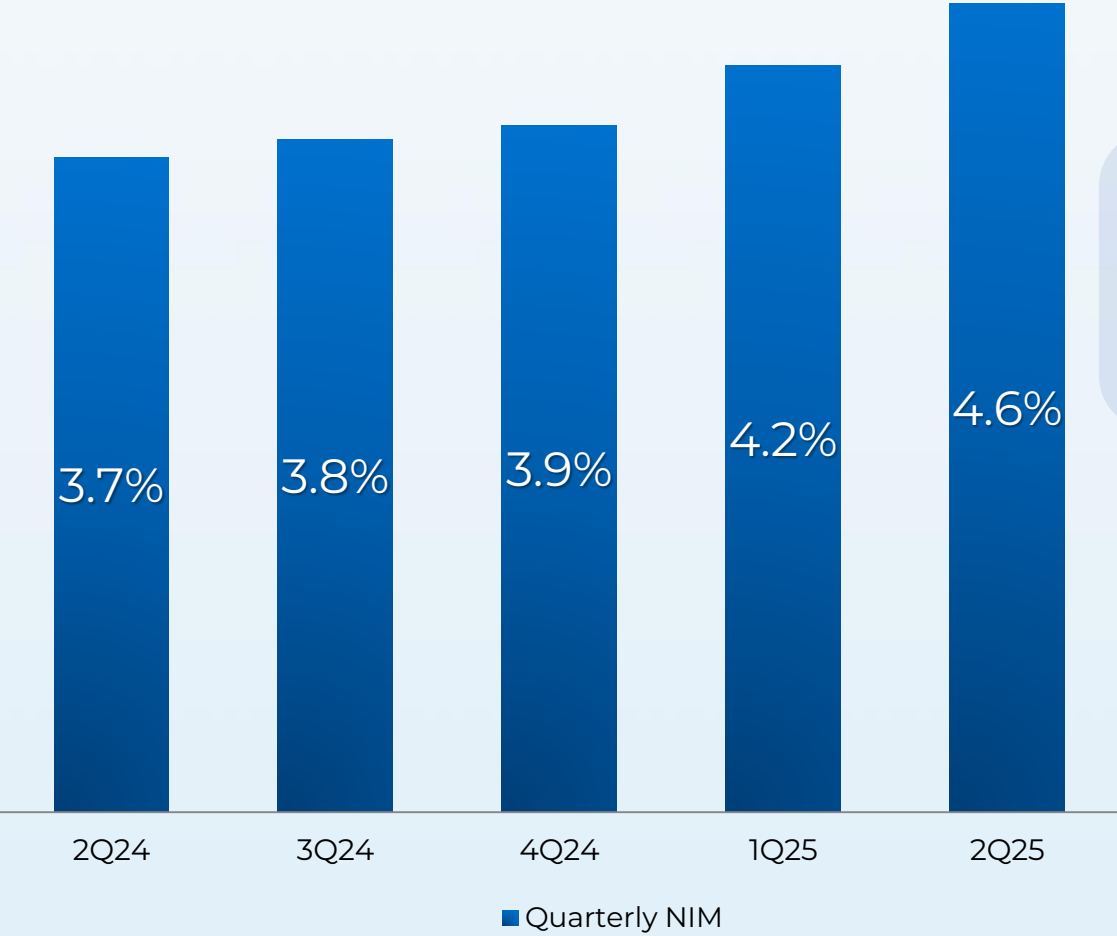
\*Figures in Php Billions, except %  
As of June 30, 2025

# Sustained NIM improvement from higher yields and better cost of funds

Historical Cost of Funds and Asset Yield  
in %



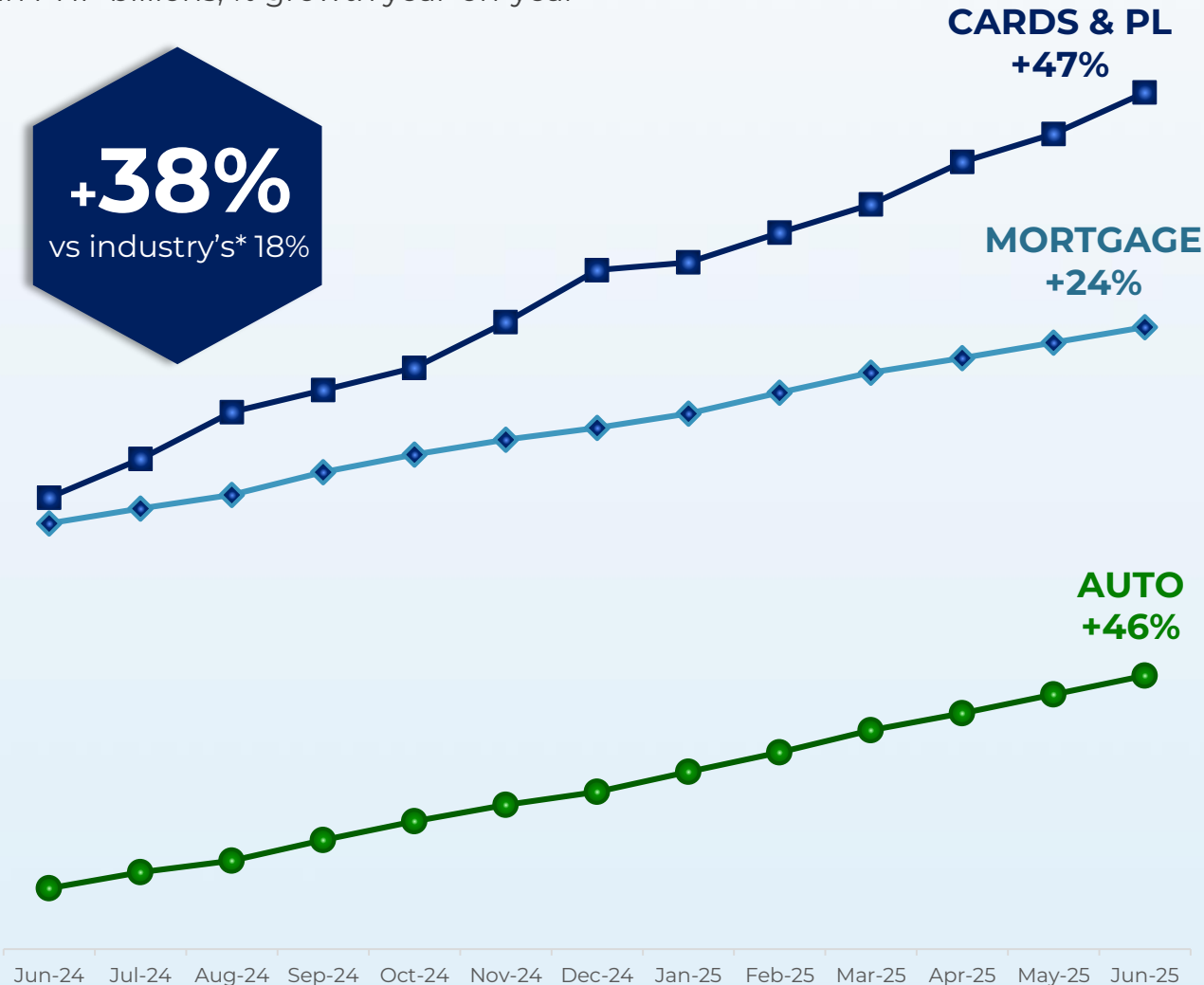
Quarterly Net Interest Margin Trend  
in %



# Consistent double-digit consumer loan expansion

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

**+38%**  
vs industry's\* 18%



**121.0B**

in issuing billing; 41% higher compared to year ago levels



**18.3B**

in mortgage loan bookings, up by 21% vs. LY, boosted by internal sales & partnership with developers



**21.4B**

in auto loan bookings, up by 39% compared to previous year, supported by dealership programs

\*Industry data as of March 31, 2025

# Strong growth in credit cards & personal loan bookings



**P92k**

in receivables per card, better than industry's Php 64K per CC holder



**1.40M**

cards in force; 24% higher than last year, 219k new cards as of 1H25

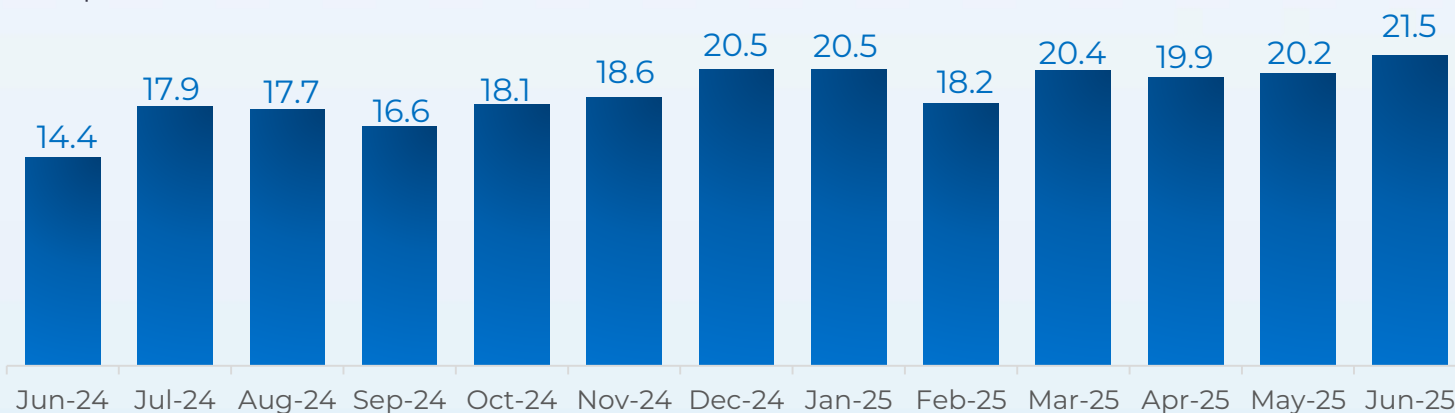


**P128B**

in balances; 44% improvement from last year's level

## Credit Card Issuing Billings Trend

In Php Billions



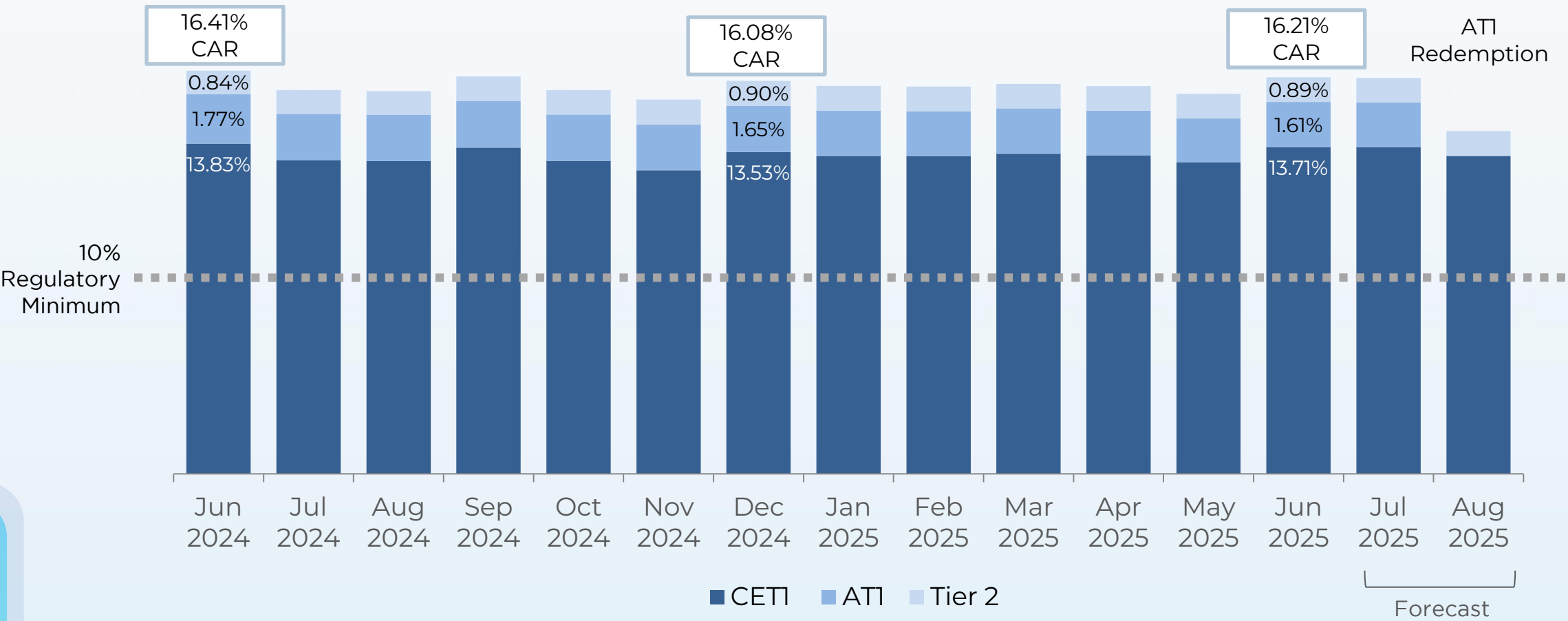
**P11.1B**

personal loans receivables; 85% increase vs last year

**64%** Share of Digital Loans to Total Disbursements



# Focus on Quality Capital



CAR levels are strong and are expected to remain that way after the redemption as adequate internal capital generation forms a key part of the bank's growth strategy.

# Challenges in SME portfolio contributing to higher NPL ratios

## Gross NPL Ratios

Corporate	1.66%
SME	8.19%
Consumer	4.70%
Credit Card & PL/SL	4.25%
<b>Bank-wide</b>	<b>4.82%</b>

As of June 2025

The SME portfolio only accounts for 17% of the total loan portfolio, and contains accounts experiencing stress pending restructuring.

Despite overall NPL ratio increasing due to portfolio growth, its NPL ratios in key segments were better than the industry average as of March 2025 and have continued to improve.

March 2025

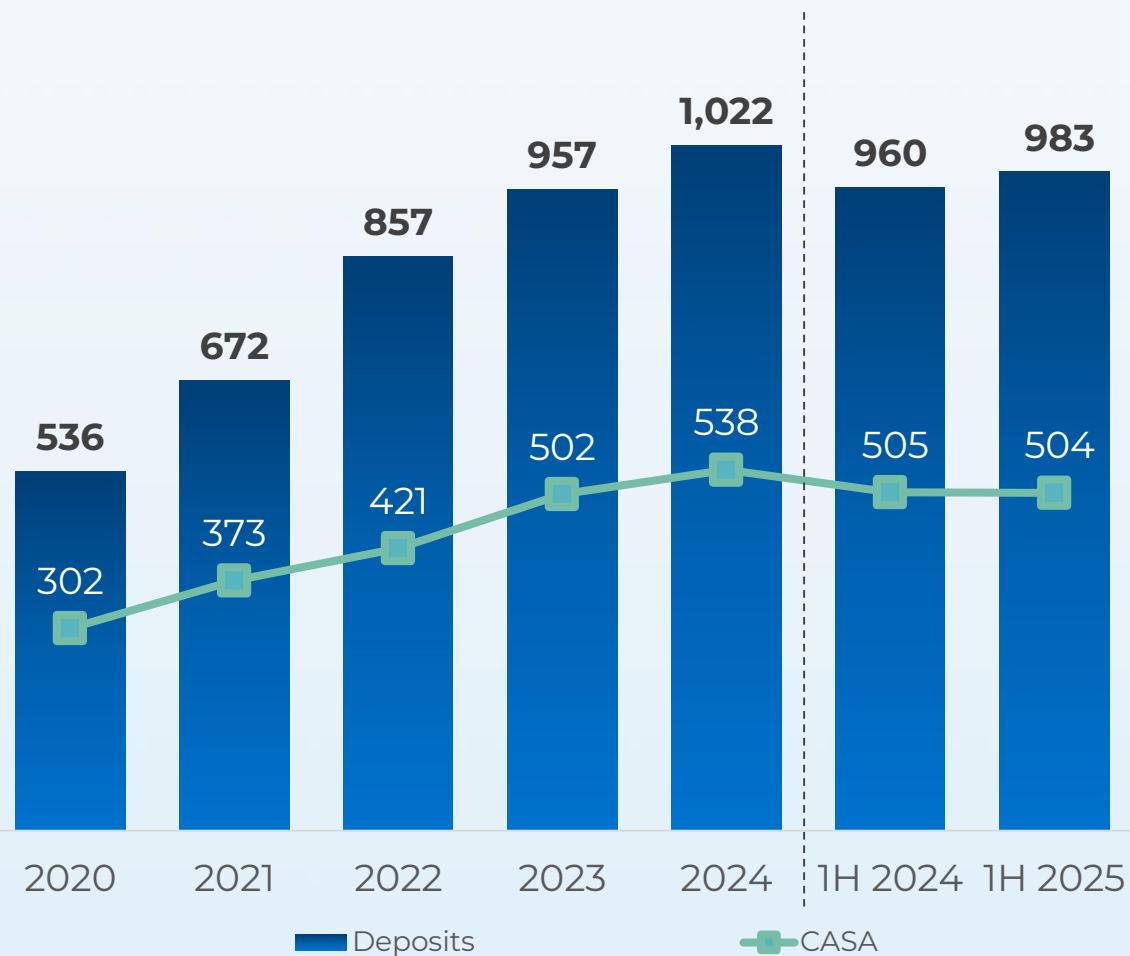
- RCBC Consumer NPL Ratio: 4.75% vs. Industry's 5.97%
- RCBC Credit Card & PL/SL NPL Ratio: 4.28% vs. Industry's 4.58%

To manage risk, the bank focuses on select customers with good credit behavior, such as its depositors, affluent clients, and payroll customers.

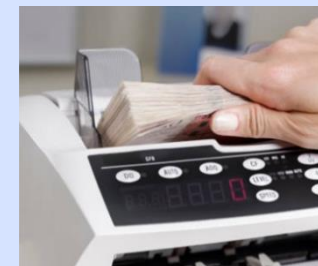


# Cash management to support deposit growth

Historical Deposits & CASA  
in Php Billions



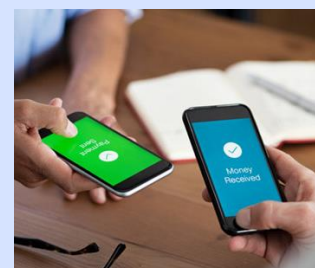
**CheckScan**  
transaction values  
up by **68%**, pushing  
transactions up to  
PHP 38 B



**Double-digit**  
jump in  
**CashCube**  
business at 38%  
vs previous year



**Bills collection**  
brought **PHP 58B**  
increase in  
transactions  
value YoY



**EFT and auto-  
credit contributed**  
**41%** of increase in  
values



**Payroll up PHP 2.8B**  
**YoY**, bringing total  
value to PHP 13B



**Double digit**  
jump in checks,  
up by PHP 10B

# Intuitive digital UX powers solid performance

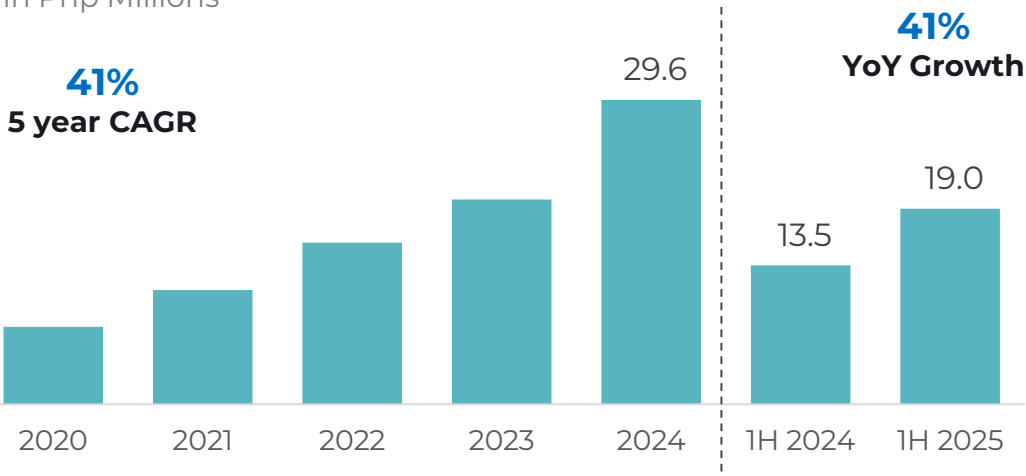
## RCBC Pulz



**₱4.5B**  
digital loan bookings

**₱220.1B**  
Transaction Value

RCBC Pulz Trxn Volume  
in Php Millions



## DiskarTech



**193K**  
Bills and eLoad  
Payments

**₱141M**



**8.8k**  
P2M Payments

**₱26M**

## ATM Go



**6,549**  
Terminals

**31%**

YoY Growth of Fee Income

# RCBC's Sustainability Impacts at a Glance



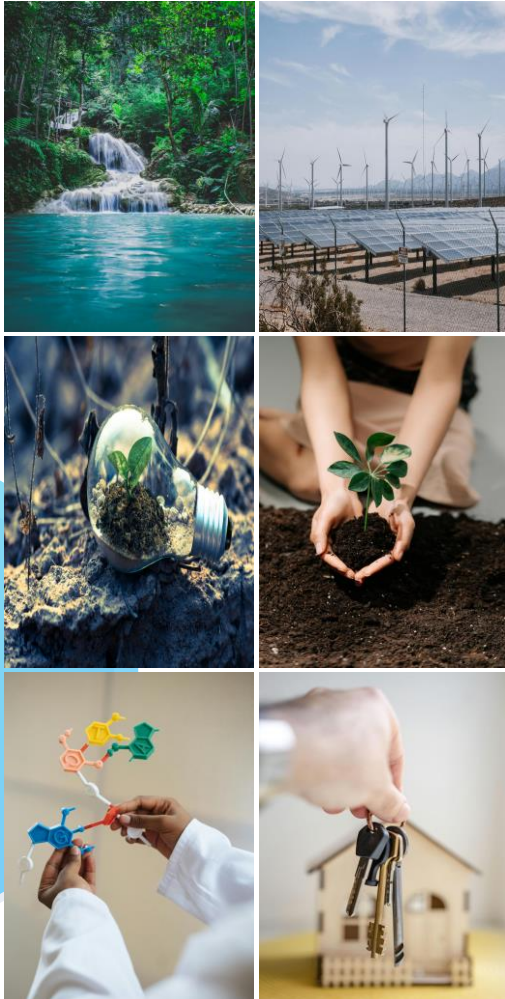
Our framework is aligned with internationally recognized guidelines



Green Loan Principles



Social Loan Principles



**₱138B** (As of July 2025)

Total Eligible Sustainable Portfolio



**₱65B** (As of July 2025)

Allocated for Renewable Energy Projects



**₱32B**

Raised from Sustainability Bonds in 2025

MW total RE capacities of projects with availments and/or operational as of December 2024:

**2,037MW**

Total Renewable Energy Capacity of Projects



**1,794 MW**  
Solar Energy Projects



**187 MW**  
Wind Energy Projects



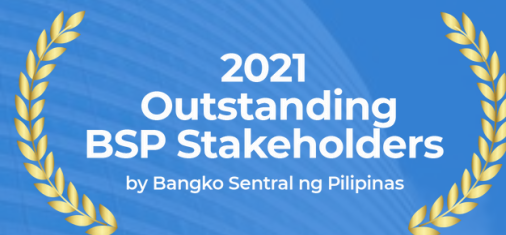
**32 MW**  
Geothermal Energy Projects



**25 MW**  
Hydro Energy Projects



# Over 100 global and regional awards in 6 years!



# Question & Answer

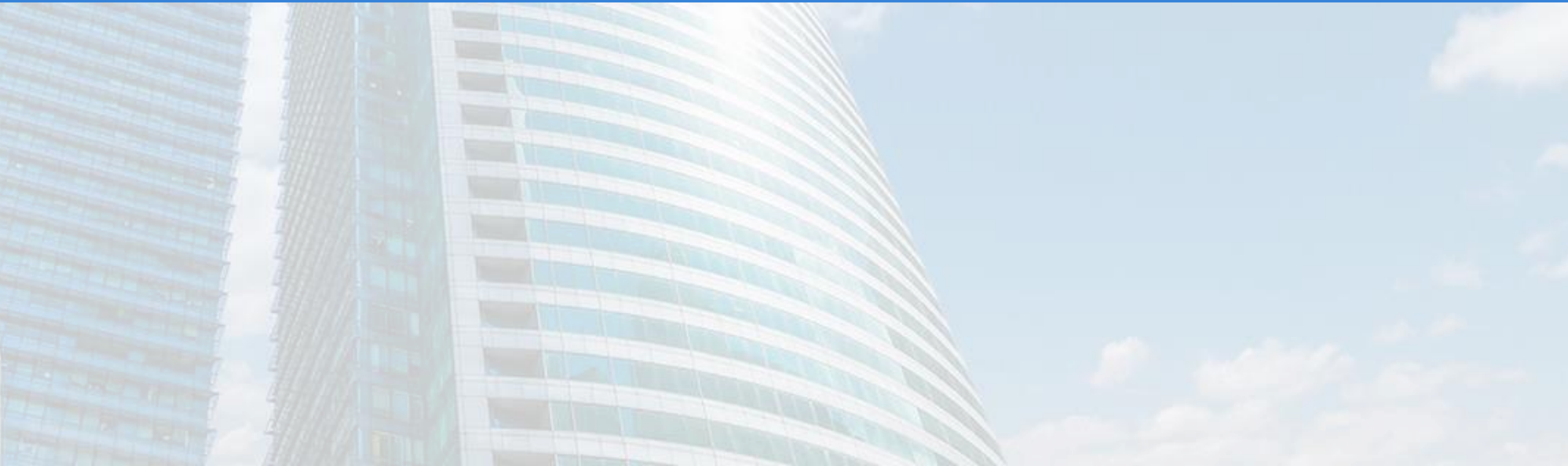


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