



# **FY 2023**

# **Investor Presentation**

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March 2024

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# FY 2023 Performance

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Chrissy P. Alvarez  
Corporate Planning Head



# Stable foundations despite headwinds

## Asset Growth

- Total assets jumped on the back of 15% increase in customer loans
- More than 1 million cards-in-force for Credit Cards
- Deposit rally driven mostly by CASA

₱1.2T  
in total assets; 7.2%  
higher vs last year

₱622B  
in loans; driven by  
consumer

## Solid Returns

- Upward trajectory of NII for the last 5 years
- Lower NPL ratio despite loan expansion across all segments
- Return on equity closed at 9.5%; return on asset hit 1.1%

₱50B  
all-time high  
revenues

₱12.2B  
in net income; core  
profits up 10%

## Capacity Building

- Four digital channels: Pulz App, Boz App, Diskartech and ATMGo
- CAR and CET1 ratio reached 17.4% and 14.7%
- RCBC Trust Corporation started its operations in January 2, 2024

₱65M  
in gross transaction  
volume; up 33% YoY

5,779  
ATM Go terminals as  
of December 31, 2023



458 branches



7,239 ATMs\*

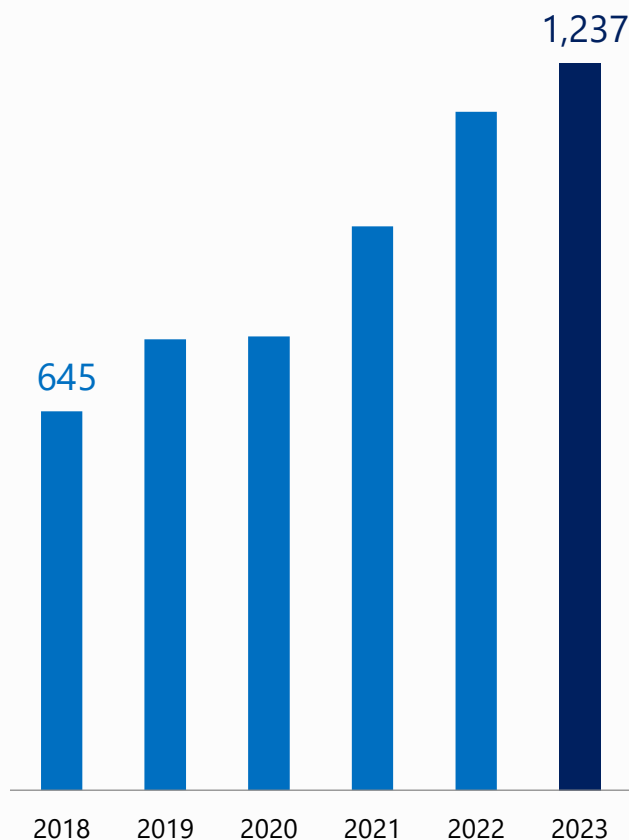


6,410 employees

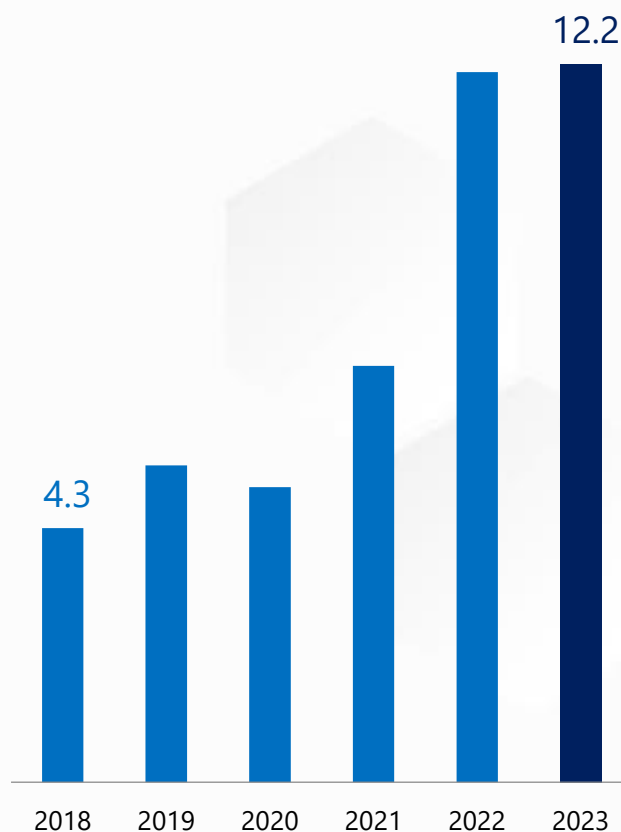
\*includes ATM Go terminals--RCBC's handheld ATM facility that enables banking transactions outside branches and ATMs, and through partner merchants

# Efficient expansion with leaner organization

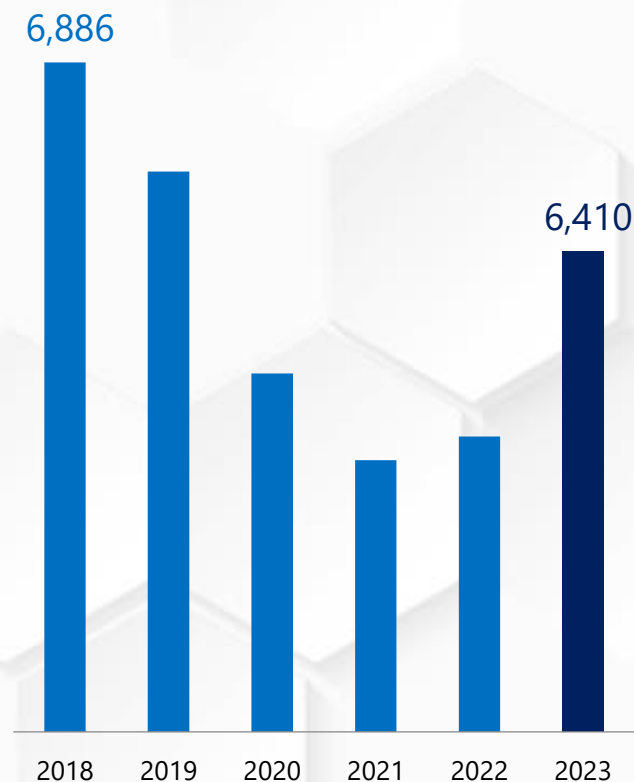
**Assets** nearly doubled after 5 years



**Profits** on track to triple after 5 years



**Headcount** cut by 7% after 5 years



In PhP Billions, except headcount

# Consolidated key financial items

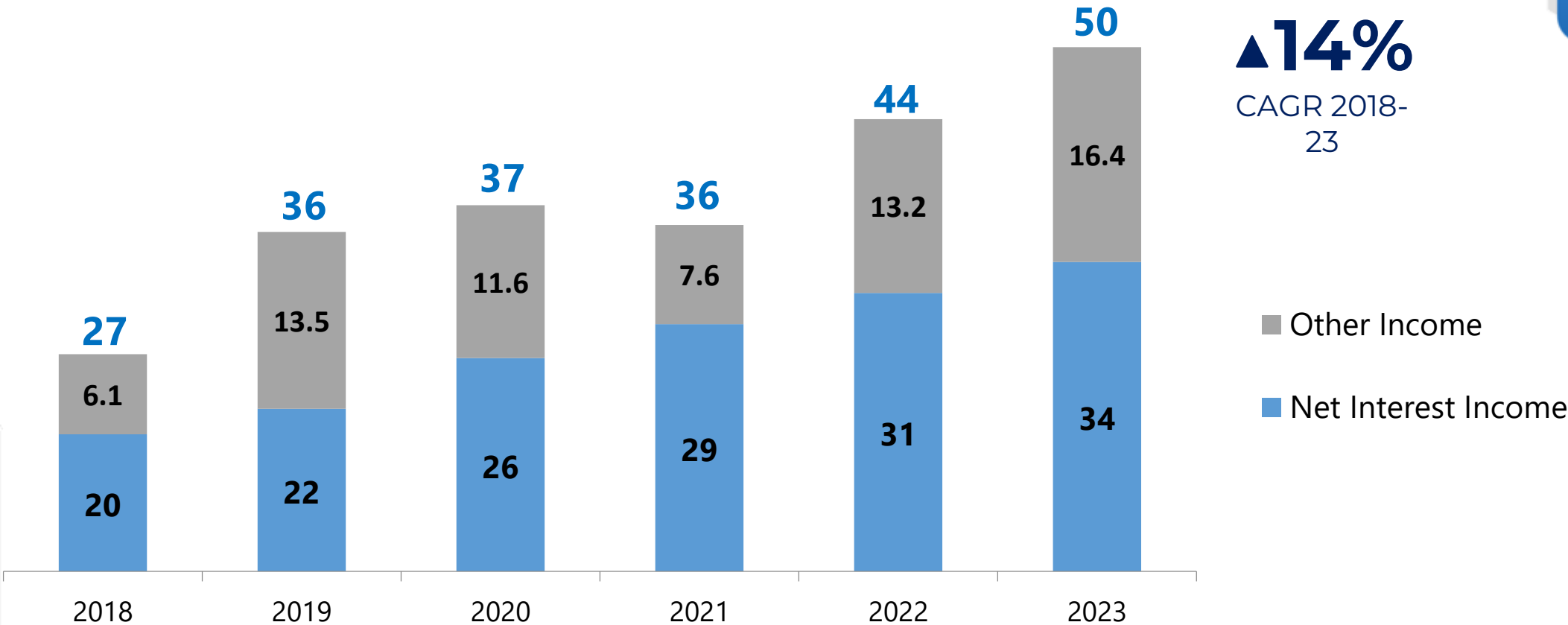
	FY 2023	FY 2022	Change	% Change
<b>INCOME STATEMENT</b>				
<b>Gross Income</b>	49,941	44,454	5,487	12.3%
<b>Net Interest Income</b>	33,574	31,216	2,358	7.6%
<b>Fee Income</b>	7,082	5,884	1,198	20.4%
<b>Operating Expenses</b>	29,612	25,100	4,512	18.0%
<b>Impairment Losses</b>	6,914	5,706	1,208	21.2%
<b>Net Income</b>	12,216	12,080	136	1.1%
<b>BALANCE SHEET</b>				
<b>Assets</b>	1,237,484	1,154,108	83,376	7.2%
<b>Loans<sup>1</sup></b>	622,136	539,849	82,287	15.2%
<b>Investment Securities</b>	330,737	374,365	(43,628)	(11.7%)
<b>Deposits</b>	956,694	857,244	99,450	11.6%
<b>Capital</b>	152,277	116,361	35,916	30.9%

\*Amounts in PhP Millions, except % and ratios

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

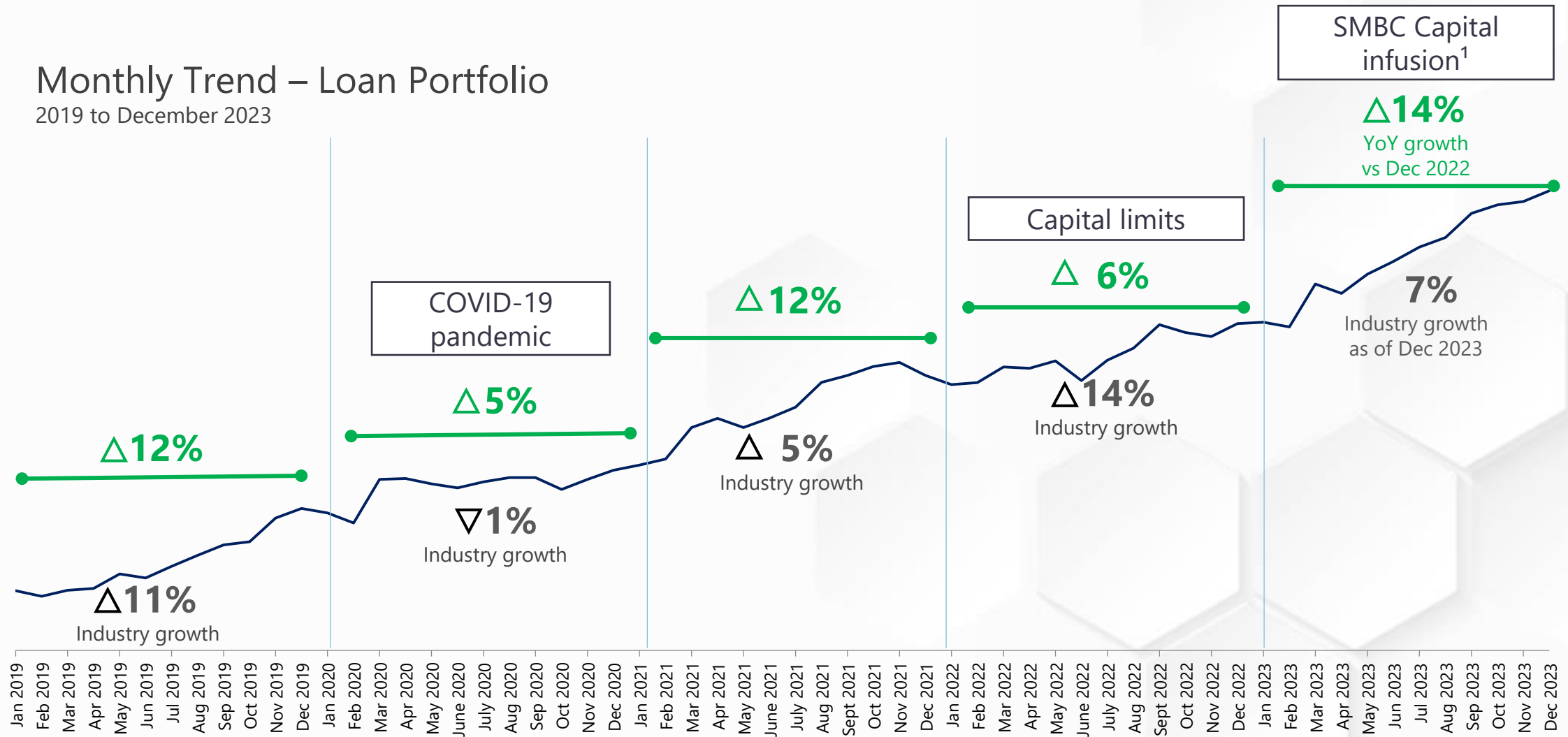
# Peak revenue boosted by NII, 8% increase vs. LY

Historical Revenues  
In Php Billions, except %



# Loan growth better than industry average

Monthly Trend – Loan Portfolio  
2019 to December 2023



Source: Internal Loan Report, SOC Reports as of September 2023, BSP UKB report

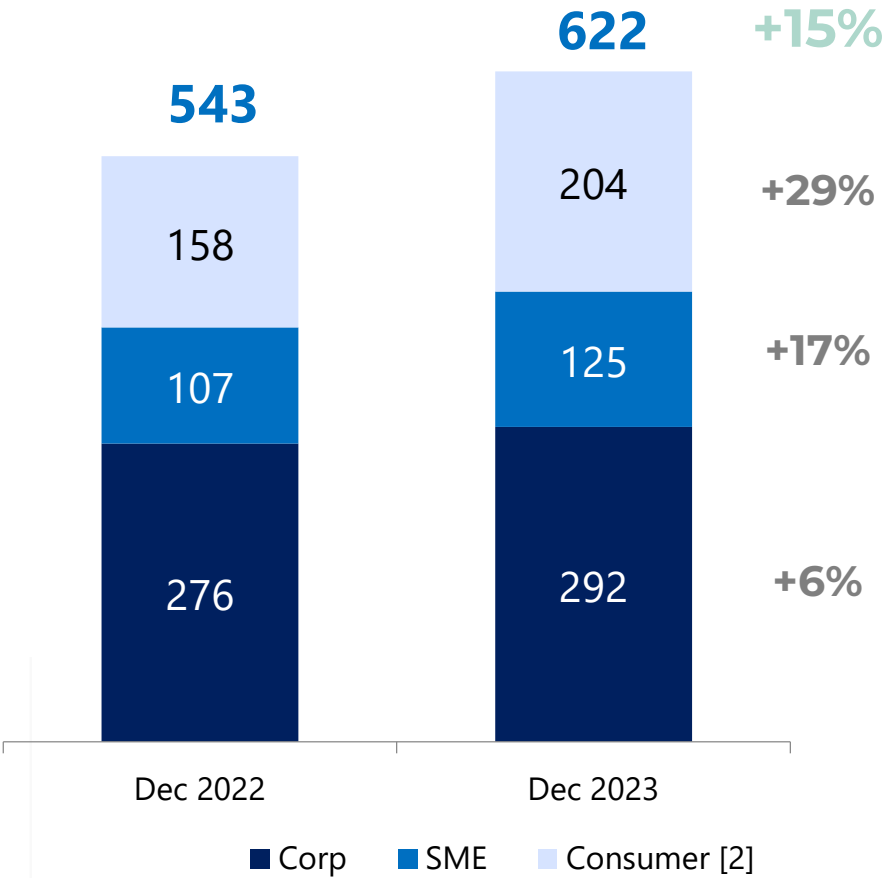
[1] On July 31, 2023, RCBC completes the sale of an additional 15.01% stake (PHP 27B) to Sumitomo Mitsui Banking Corporation "SMBC".



# Loans up across all customer segments



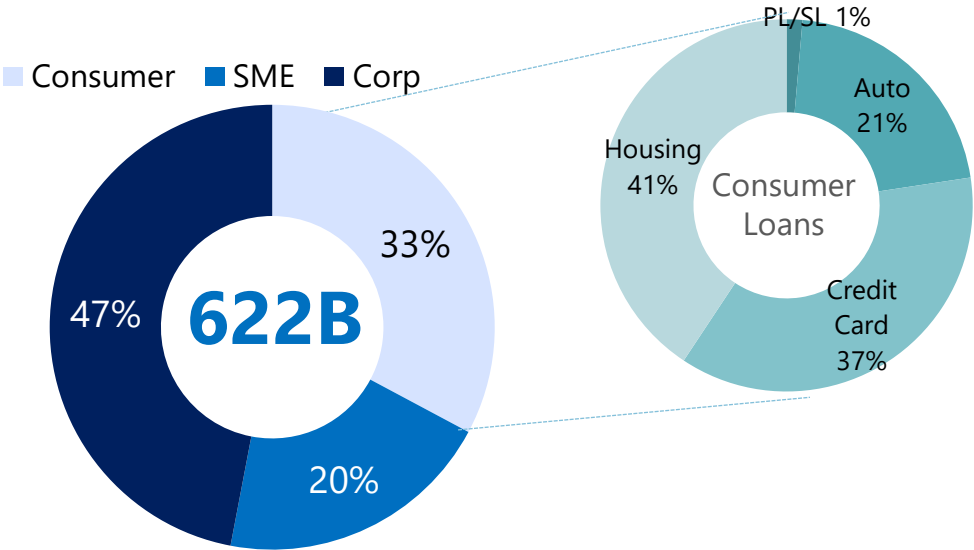
**Loan Portfolio<sup>1</sup>**  
In Php Billions, except %



[1] Total loans include microfinance loans of P1.2B as of Dec 2022, and P1.3B as of Dec 2023

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

**Loan Mix**  
As of December 2023



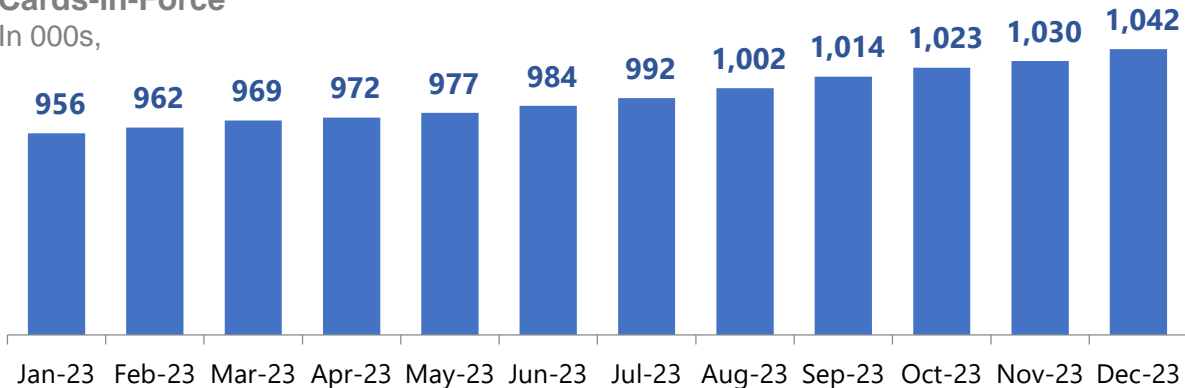
SME and Consumer segment grew by 17% and 29%, respectively.

In particular, credit cards drove consumer loan growth and closed 49% higher along with accelerated bookings in housing loans

# Beyond a million active credit cards to date

## Cards-in-Force

In 000s,



**257k**

new cards YTD; bring cards-in-force to more than 1M



**P139B**

in issuing billings; 45% higher compared to year ago levels



**P75B**

in total balances; 48% improvement from last year's level

## PayDay NOW on full blast since September 2023



**P423M**

loans disbursed since public launch; with P6.3K average loan amount



**224k**

Prequalified employee base; 50% mobile adoption rate



1

Acquisition of quality customers

2

Building revenue per customer

3

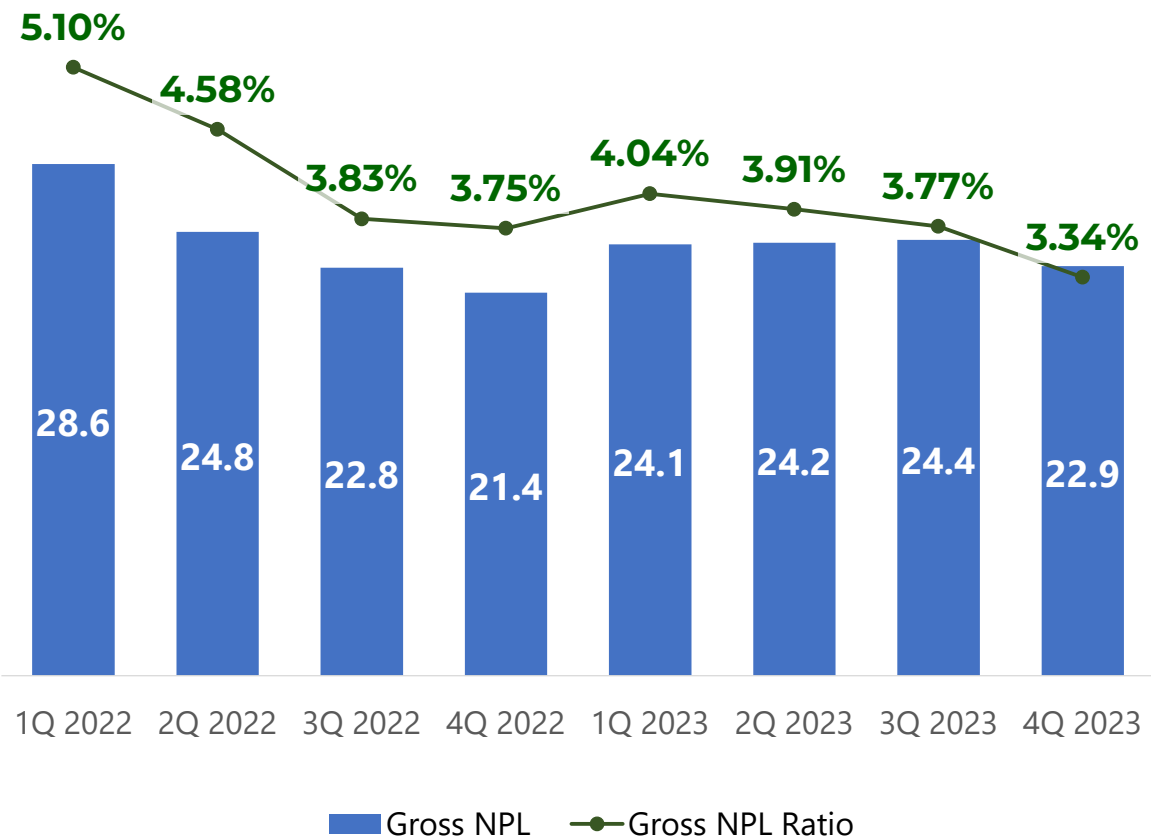
Controlling credit costs

4

Drive digital transformation

# Improving asset quality despite portfolio growth

Gross NPL amount and ratio  
In Php Billions, except %



Gross NPL ratio per segment  
As of December 2023

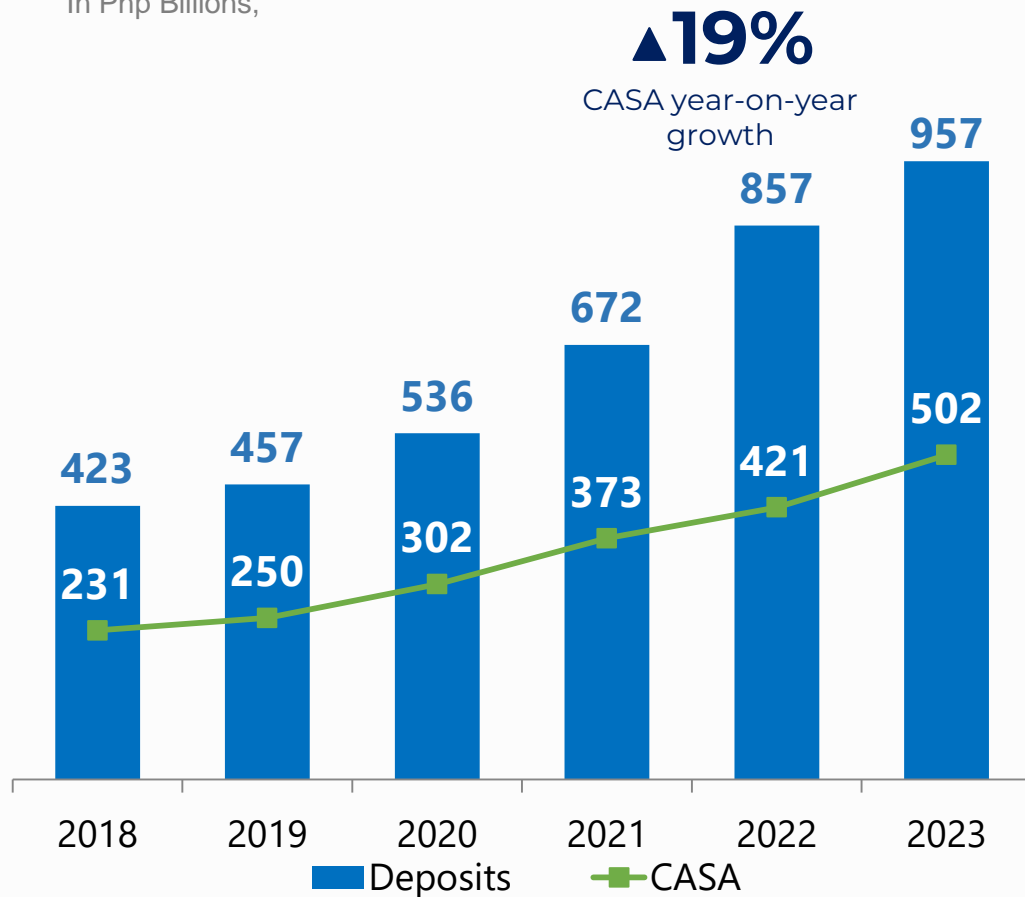
Corporate	1.58%
SME	3.55%
Consumer	5.38%
Credit Card	3.62%

The Bank’s data and digital strategies, tightened credit and proactive remedial management paid off, with marked improvement in NPLs across most loan segments.

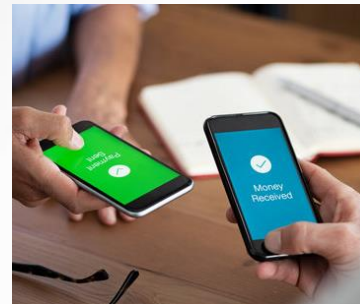


# Healthy deposit growth of 12% vs LY

Historical Deposits & CASA  
In Php Billions,



Cash management solutions to support CASA growth...



- ✓ **Doubled CheckScan transaction values,** up 110% receivables vs previous year
- ✓ **Sustained growth in CashCube business** up 72% receivables vs previous year
- ✓ **Payroll breached pre-pandemic levels** up 11% disbursements vs previous year
- ✓ **Double digits Check & E-fund transfers** up 44% and 12% disbursements, respectively vs previous year

on top of stronger corporate and SME banking relationships

**67%**

High CASA-to-loan ratio from corporates

**73%**

Better-than-expected CASA-to-loan ratio from SMEs

# Leader in digital, AI and customer service



- Relaunched **RCBC Pulz** & crossed 1M enrolled users
- Launched **RCBC Boz**, an all-in-one SME app
- Sustained growth in digital transaction volume of **33%**



- **51 AI models** developed internally
- **43 dashboards** used by 2,200 RCBC Bankers
- **164 senior officers** taking the AI certification



- Hailed as **Best in Customer Service** by Inquirer
- **Trained all RCBC Bankers** in CX fundamentals
- **96%** first contact resolution rate, up from 78% in 2022

# Multiple digital platforms for different segments



## All-in-one hub

RCBC's industry-leading mobile banking app with the most comprehensive features and recently launched Payday Now

**P257M**

direct revenues, 23%  
higher vs last year

**+27%**

transaction volume



## RCBC's financial inclusion super app

DiskarTech will pivot into a **more loans-focused app** with a refreshed user interface & faster onboarding

**P1.5M**

customers with 209K+  
new customers in 2023

**+7%**

transaction volume

# ATMGo



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

bringing formal banking to rural community establishments

**5,779**

ATM Go terminals\*

**+46%**

transaction volume

\*As of December 30, 2023



# Accumulated 50 awards for 2023 alone



Other awards from Asiamoney

- Best for Next-Gen/Millennials in the Philippines



- Philippines' Domestic Cash Management Bank of the Year
- Philippines' Domestic Trade Finance of the Year
- SME Bank of the Year – Philippines
- Remittance Company of the Year
- Credit Card Initiative of the Year
- Marketing and Brand Initiative of the Year



- ESG Corporate Awards
- Platinum Award
- Best Initiative in Social Responsibility (Moneybela Barangayan Banking)
- Triple A Digital Awards
- Digital Bank of the Year
- Best ATM Project – RCBC ATMGo



- Best Corporate Bank – Philippines
- Best Retail Bank – Philippines
- Best SME Bank Philippines 2023
- Best Bank for Sustainable Development
- Best Cash Management Bank
- Best Trade Finance Bank Philippines 2023

**+100**  
**awards**  
in the last 3 years

# Frontrunner in Sustainability



## A pioneer in SFIs in the PH

- First ASEAN sustainability bond issuance out of the country
- Introduced PH's first Peso green TD to enable clients to participate in our sustainability journey

## Supporting clean energy

- Funded **~3GW of RE projects** since 2012
- Ceased supporting new coal in 2018; remaining exposure to zero out by 2031
- Participated in the Philippines' first Energy Transition Financing agreement

## Initiative in local communities

- Tree-planting under the **YGC Earth Care Project** - 50,000 native trees within 100 hectares in the Sierra Madre
- Health assistance for indigent Filipinas via AYF's 2022 **For Women Only Project**

## RCBC's Sustainability Key Achievements

- **Pioneering bank in PH** to adopt quantitative global climate risk analysis tools
- **Issued US\$1.4 billion** sustainable financing instruments
- Launched the country's **first green time deposit**
- **First local bank** to publicly declare our commitment to cease funding for coal

# Consolidated key financial indicators



	Dec-23	Dec-22	Change
<b>PROFITABILITY</b>			
Return on Equity	9.5%	11.2%	-1.7%
Return on Assets	1.1%	1.2%	-0.1%
Net Interest Margin	3.4%	3.7%	-0.3%
<b>COST EFFICIENCY</b>			
Cost-to-Income Ratio	59.3%	56.5%	2.8%
<b>ASSET QUALITY</b>			
Net NPL Ratio	1.6%	2.0%	-0.4%
NPL Coverage Ratio	89.6%	84.4%	5.3%
Credit Cost	1.5%	1.4%	0.1%
<b>CAPITAL</b>			
Capital Adequacy Ratio	17.4%	15.3%	2.1%
CET1	14.7%	12.3%	2.4%







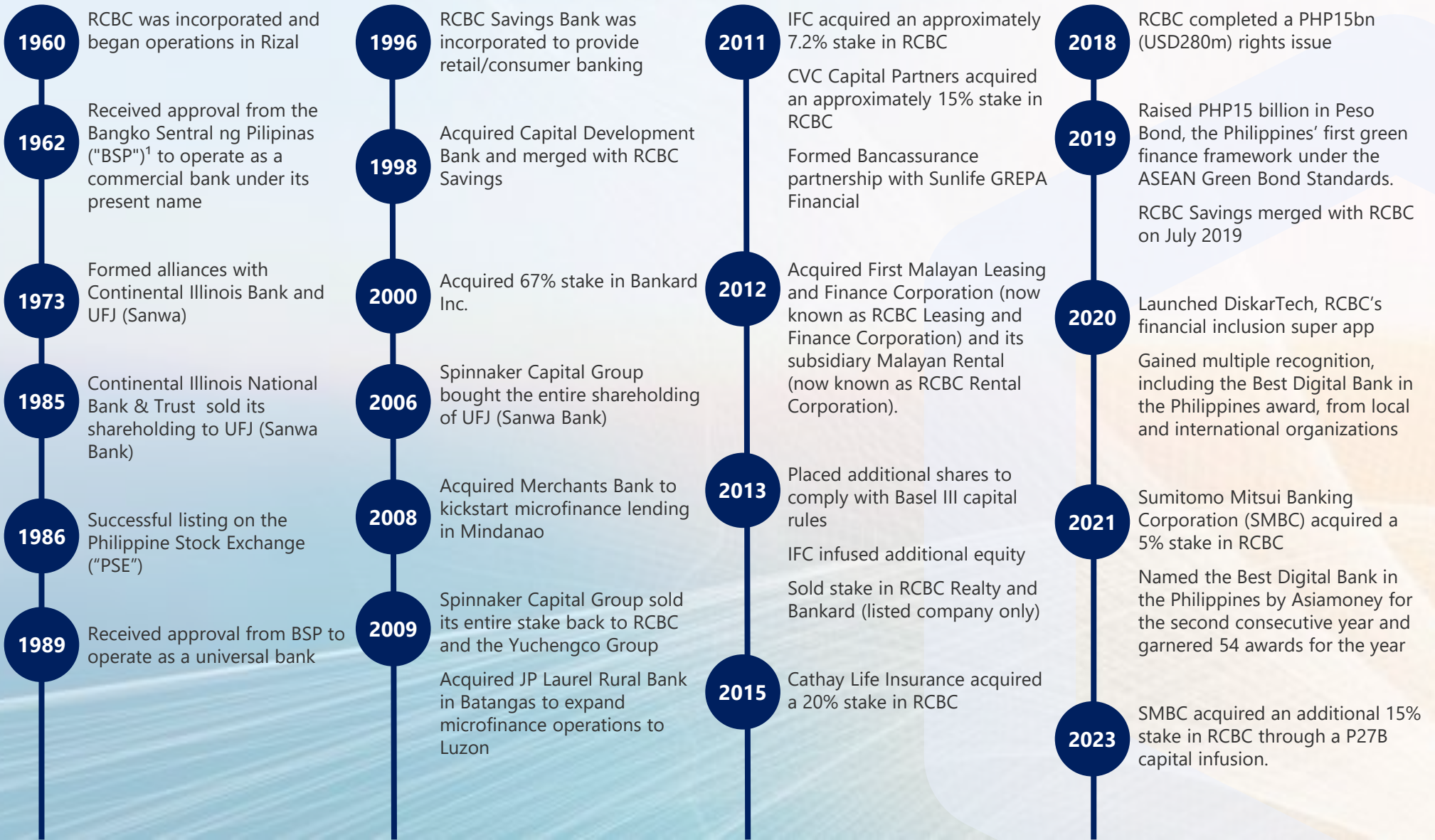
# General Information

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Overview, Milestones & Ownership



# Key milestones in the RCBC story



# Overview of RCBC

Rizal Commercial Banking Corporation (RCBC) is the **5th largest privately-owned bank in the Philippines**, with over Php 1.2 trillion in total resources as of December 31, 2023.

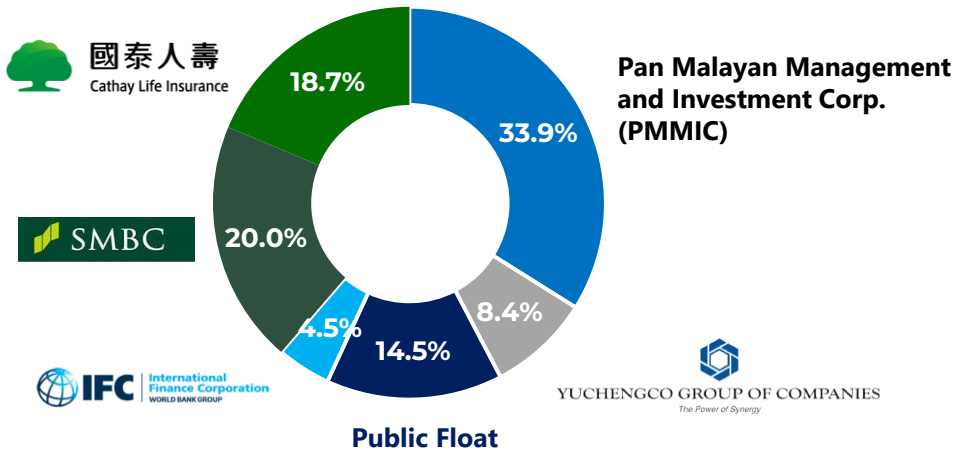
## Main Business Lines

Corporate Banking	SME Banking	Digital Banking
Trust and Investments	Consumer Loans (Auto & Housing)	Credit Cards (Cards, Personal & Salary)
Bancassurance	Foreign Exchange	Microfinance
Investment Banking	Leasing	Securities Brokerage

## Investment Information

Particulars	As of December 2023
Ticker	RCB
Outstanding Shares	2,419.54M
Stock Price	23.00
Market Capitalization	PhP 54.32B (USD 0.98B)
BV per share	PhP 54.63
Price-to-Book Value Ratio	0.42x
Dividend Payout Ratio	20%

## Ownership Structure



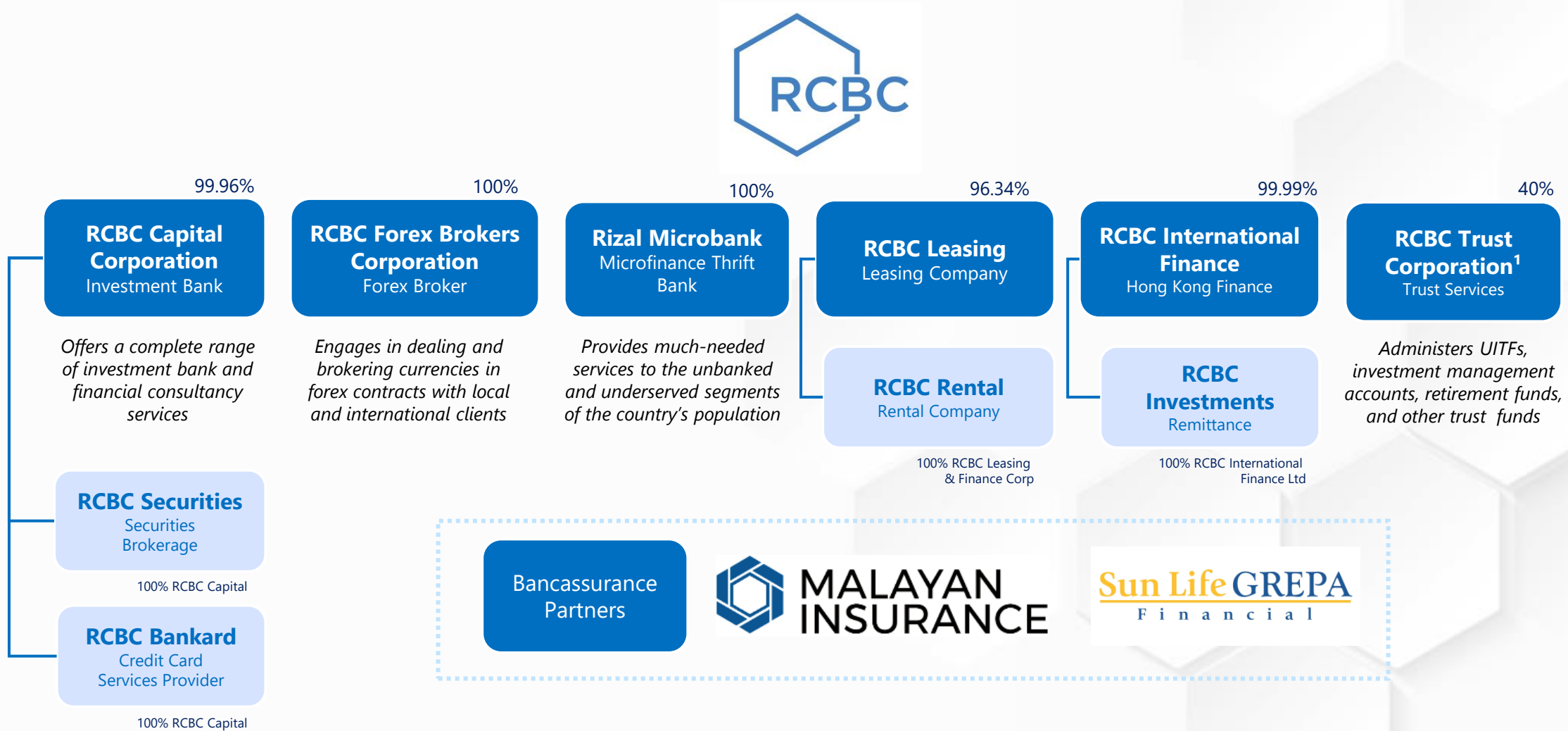
## Credit Rating

### MOODY'S

Long Term Deposit	Baa3
Senior Unsecured	Baa3
Baseline Credit Statement	ba1
Outlook	Positive



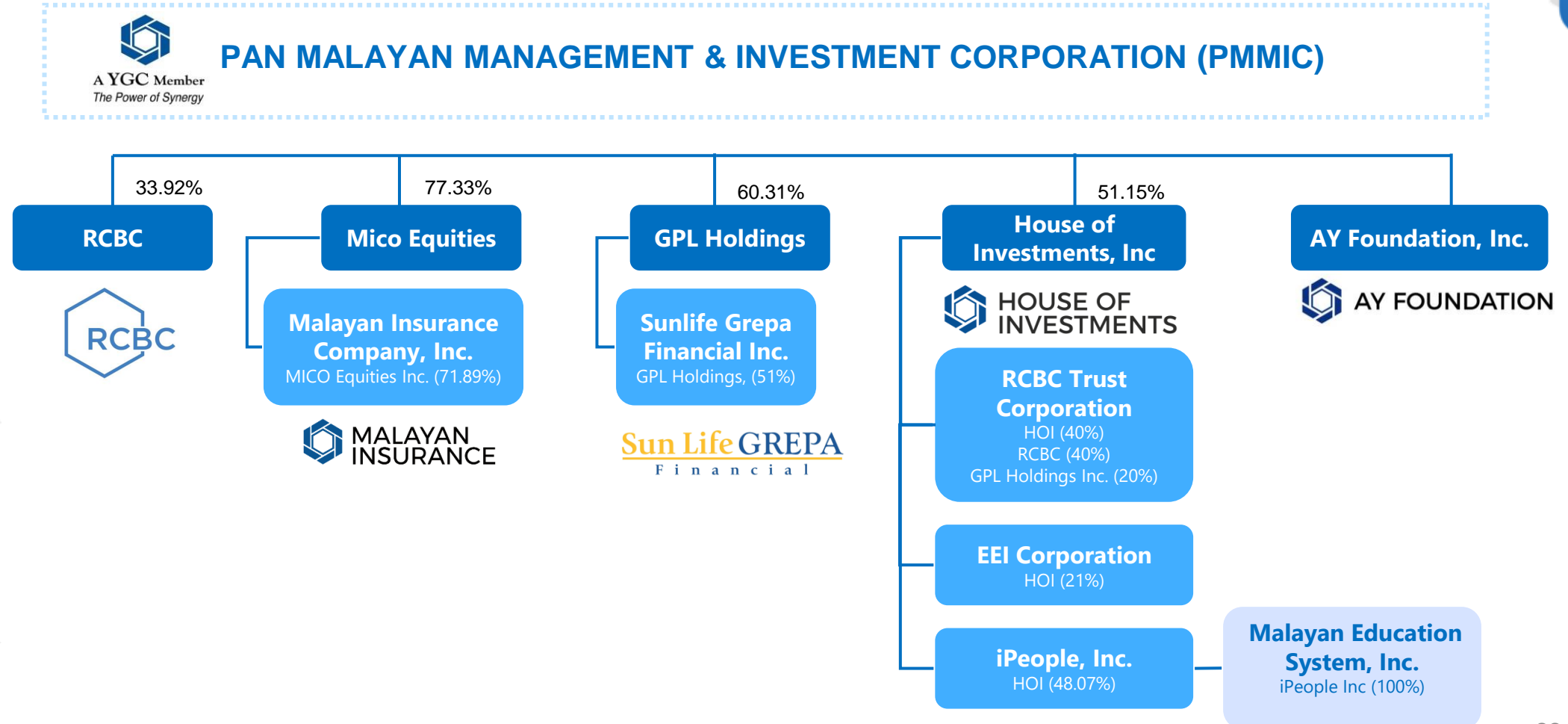
# Extensive and Diversified Business Platform



\*As of December 31, 2023 [1] RCBC Trust Corporation consists of 40% HOI, 40% RCBC and 20% GPL Holdings, Inc.; began operation in January 2, 2024.

# 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.



\*As of December 31, 2023





# Appendix



# Consolidated income statement

	FY 2023	FY 2022	Change	% Change
<b>Interest Income</b>	66,264	45,835	20,429	44.6%
<b>Interest Expense</b>	32,690	14,619	18,071	123.6%
<b>Net Interest Income</b>	33,574	31,216	2,358	7.6%
<b>Other Income</b>	16,368	13,238	3,130	23.6%
Trading Gains and Forex	427	1,530	(1,103)	-72.1%
Trust Fees	424	415	9	2.1%
Service Fees & Commissions	6,659	5,469	1,190	21.8%
Miscellaneous	8,859	5,824	3,035	52.1%
<b>Operating Expenses</b>	29,612	25,100	4,512	18.0%
<b>Impairment Losses</b>	6,914	5,706	1,208	21.2%
<b>Provision for Income Tax</b>	1,200	1,568	(368)	-23.5%
<b>Net Income</b>	12,216	12,080	136	1.1%



# Consolidated balance sheet

	FY 2023	FY 2022	Change	% Change
<b>Cash/Due from BSP &amp; Other Banks</b>	186,498	180,578	5,920	3.28%
<b>Investment Securities</b>	330,737	374,365	-43,628	-11.65%
<b>Loans (net of Interbank)</b>	622,136	539,849	82,287	15.24%
<b>Other Assets</b>	98,113	59,316	38,796	65.41%
<b>TOTAL ASSETS</b>	<b>1,237,484</b>	<b>1,154,108</b>	<b>83,376</b>	<b>7.22%</b>
<b>Deposit Liabilities</b>	956,694	857,244	99,450	11.60%
Demand	214,367	174,563	39,804	22.80%
Savings	287,748	246,242	41,506	16.86%
Time	454,579	436,439	18,140	4.16%
<b>Other Liabilities</b>	93,573	106,092	-12,519	-11.80%
<b>Senior Debt</b>	34,939	74,411	-39,473	-53.05%
<b>Total Liabilities</b>	<b>1,085,206</b>	<b>1,037,747</b>	<b>47,459</b>	<b>4.57%</b>
<b>Capital Funds</b>	<b>152,277</b>	<b>116,361</b>	<b>35,916</b>	<b>30.87%</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>1,237,484</b>	<b>1,154,108</b>	<b>83,375</b>	<b>7.22%</b>

# Historical consolidated income statement

	2019	2020	2021	2022	FY 2023
Cash/Due from BSP/Due from Other Banks	123	148	157	181	186
Loans Arising From REPO	6	13	12	9	36
FVPL/FVTCI	60	45	56	122	94
Held to Maturity Investments	101	43	164	252	237
Interbank Loans and Receivables	19	43	31	28	28
Loans (net)	430	449	508	531	622
Bank Premises, Property & Eqpt. - net	11	13	13	11	9
Equity Investments - net	0	0	0	0	1
Investment Properties - net	4	4	4	3	1
Other Assets	13	15	16	17	24
<b>Total Assets</b>	<b>767</b>	<b>772</b>	<b>959</b>	<b>1154</b>	<b>1237</b>
Demand	71	107	145	175	214
Savings	179	195	228	246	288
Time	207	233	299	436	455
<b>Deposit Liabilities</b>	<b>457</b>	<b>536</b>	<b>672</b>	<b>857</b>	<b>957</b>
Other Liabilities	131	45	88	106	94
Senior Debt	97	90	87	74	35
Subordinated Debt	-	-	-	-	-
<b>Total Liabilities</b>	<b>684</b>	<b>671</b>	<b>848</b>	<b>1038</b>	<b>1085</b>
Minority Interest in Subsidiary/Allied Undertakings	0	0	18	0	0
<b>Capital Funds</b>	<b>83</b>	<b>101</b>	<b>111</b>	<b>116</b>	<b>152</b>
<b>Total Liabilities &amp; Capital</b>	<b>767</b>	<b>772</b>	<b>959</b>	<b>1154</b>	<b>1237</b>

# Historical consolidated balance sheet

	2019	2020	2021	2022	FY 2023
Net Interest Income	22.4	26.3	28.8	31.2	33.6
Other Income	13.5	11.6	7.6	13.2	16.4
<b>Gross Income</b>	<b>35.9</b>	<b>37.9</b>	<b>36.4</b>	<b>44.5</b>	<b>49.9</b>
Impairment Losses	7.4	9.4	6.0	5.7	6.9
Income before Operating Expenses	28.5	28.5	30.3	38.7	43.0
Operating Expenses	21.8	22.0	22.5	25.1	29.6
Income before Tax	6.7	6.5	7.8	13.6	13.4
Provision for Income Tax	1.3	1.5	0.7	1.6	1.2
<b>Net Income</b>	<b>5.4</b>	<b>5.0</b>	<b>7.1</b>	<b>12.1</b>	<b>12.2</b>

# Historical key financial indicators

	2019	2020	2021	2022	FY 2023
Return on Average Capital Funds	6.50%	5.50%	6.70%	11.24%	9.52%
Return on Average Assets	0.80%	0.70%	0.80%	1.17%	1.06%
Net Interest Margin	4.00%	4.30%	4.10%	3.70%	3.42%
Cost-to-Income Ratio	60.80%	58.20%	61.90%	56.46%	59.29%
CASA to Total Deposits	54.70%	56.40%	55.50%	49.09%	52.48%
Net NPL Ratio	2.20%	2.90%	3.30%	2.00%	1.58%
Credit Cost	1.70%	2.20%	1.20%	1.07%	1.48%
CAR	13.80%	16.10%	15.20%	15.29%	17.37%





For more information about RCBC,  
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