



# **Navigating through the COVID19 Pandemic Crisis: Business Resiliency at RCBC**

Presentation to the ABA  
November 13, 2020

**How can  
companies  
thrive in the  
new normal?**

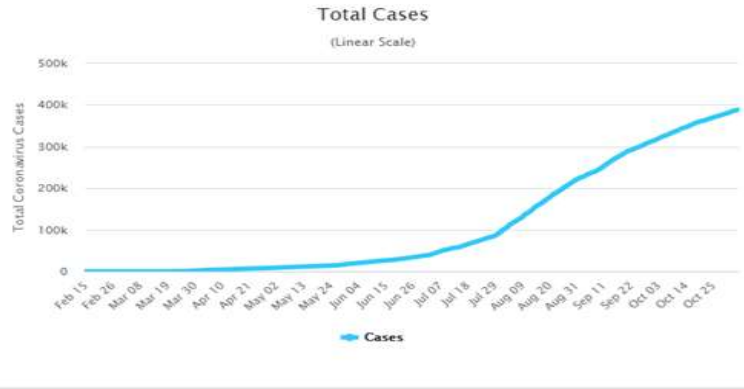


# COVID-19 Pandemic impact in the Philippines



## “World’s longest lockdown”

- **381k** cases as of end Oct 2020
- Local transmission began on March 2020
- Multiple levels of government restrictions, with “ECQ” declared from Mar 16, 2020



**ECQ**

Enhanced  
Community  
Quarantine

**MECQ**

Modified  
ECQ

**GCQ**

General  
Community  
Quarantine

# COVID-19 Pandemic impact in the Philippines



## Philippine economy entered a **recession.**

- **2Q 2020 GDP contracted by 16.5%**, first contraction since 1998, marks two straight quarters of GDP contraction
- At least **Php1.7 to 2.1 trillion in total economic losses** completely erases the usual Philippine GDP growth of at least 6% under normal conditions





# Philippine Government and its agencies initiatives/response to COVID-19 Pandemic

	Details of Initiatives/Response to COVID-19 Pandemic:
<b>Bayanihan to Heal as One Act</b>  <b>Bayanihan 1 ( March 24, 2020)</b>  <b>Bayanihan 2 (September 11, 2020)</b>	<ul style="list-style-type: none"><li>• 30-day grace period for loans falling due within the ECQ period.</li><li>• 60-day grace period for loans falling due on or before December 31, 2020 deferral on loan payments.</li><li>• Infuse capital totaling Php24.5 billion; + Php15.5275 billion (standby fund) to government banks.</li><li>• <i>Note: Banks shall not charge or apply interest on interest, fees and charges during the grace period. Cover all loans of individuals, households, MSMEs, and corporate borrowers.</i></li></ul>
<b>Department of Finance (DOF)</b>	Increase capital of government banks by total of Php50 billion to buy loans from smaller banks so these banks can lend more to small and medium scale businesses.
<b>Bangko Sentral ng Pilipinas (BSP)</b>	<ul style="list-style-type: none"><li>• Ensured liquidity was available through a series of policy rate cuts totaling 175 basis points (bps) and reserve requirement (RR) cuts by 200 bps.</li><li>• MSME loans were allowed part of the banks' compliance with RR.</li><li>• Temporary reduction in the credit risk weights of MSME loans that are in current status as well as assignment of lower risk weight for MSME exposures that are covered by government guarantees.</li><li>• Set interest rate cap to no more than 2% a month or 24% annually for credit card effective November 3.</li></ul>



# Several industries severely impacted

## Least impacted

Agriculture  
Information & Communication  
Manufacturing - Food  
Manufacturing - Petroleum  
Wholesale & Retail – Agriculture  
Wholesale & Retail – Food, Beverages, Tobacco  
Wholesale & Retail – Chemicals & Pharmaceutical

## Moderately impacted

Electricity, Gas, Steam and Air conditioning Supply  
Water Supply, Sewage, Waste Management and Remediation  
Activities of Households as Employers  
Wholesale/ Retail Trade : Household and Consumer Goods  
Financial and Insurance Activities

## Severely impacted

Real Estate  
Wholesale & Retail: Construction materials  
Manufacturing - Metals  
Manufacturing - Vehicles  
Manufacturing - Computer products  
Manufacturing - Paper  
Wholesale & Retail trade: Vehicles

Food Services  
Accommodation  
Other Manufacturing  
Transport & Storage  
Construction  
Arts & Entertainment



# **The RCBC Story:**

## **Thriving in the New Normal**



# Thriving in the new normal: **DEFENSE**

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**1. Protect lives**



**2. Defend against largest risk – loan defaults**



**3. Streamline operations**

Revise budgets

Cut costs drastically



## The Bank urgently implemented workplace safety measures



### Safety and Protection

Provision of acrylic panels, transport & masks,  
Strict Health & Safety policies



### Work from Home policy

Business Continuity  
Provision of Laptops with VPNs



Covid Assistance  
and Recovery



## The Bank implemented Covid Assistance and Recovery (CARE)

1

### Immediate Relief to Customer

- Provide immediate relief to customers while giving time for Bank to assess impact and help customers recover

2

### Initial Impact Assessment

- Run various sensitivities to estimate initial impact assessment of crisis to the portfolio

3

### Restructuring Options

- Put together program-based restructuring option offers for customers for faster execution of recovery options.

4

### Post-ECQ Execution

- Refine impact assessment within 60 days post ECQ
- Execute restructuring agreements with customers

5

### P&L Management

- Introduce COVID 19 ECL Overlay



# Customer Engagement

## Online Forums

The Wealth Management and Trust Group of RCBC invite you to a Virtual Forum

### EFFECTS OF COVID-19 ON THE ECONOMY AND FINANCIAL MARKETS

**Sponsored by:**  
**MICHAEL RICAFORT**  
Chief Economist  
RCBC

APRIL 23, 2020 | THURSDAY | 3:00 PM | ONLINE FORUM VIA ZOOM

To register:

1. Click "REGISTER NOW" button below.
2. Fill up the required details in the registration page.
3. You will receive an email confirmation with the link of event, date and time.

LIMITED SLOTS, ONLY THE FIRST 500 PARTICIPANTS WILL BE ACCOMMODATED.  
THIS EVENT REQUIRES AN INTERNET CONNECTION TO ATTEND.

REGISTER NOW

### DIGITAL FORUM LIMITED SERIES

**RCBC** **POWERED BY INNOVATION**

**SPEAKERS**

**REACTORS**

Ugo Wilson  
Michael Ricafort  
Ray Mison  
Nina Pangasinan  
Bernadette Tumbales  
Ann Gallo

## Payment holidays

**RCBC Smart**

We're here for you.  
Our Payment Holiday is Extended.

**RCBC**

### SME, we've got your back.

Indirect Social Distancing becomes a thing for you to worry about.

SME Loan Clients in good credit standing may delay their loan payment by 10 days.

Click below to learn more for more details.

**RCBC**

RCBC MOVES FORWARD WITH YOU,  
EVERY STEP OF THE WAY.

## Enhancements to Banking channels

**RCBC**

### RCBC ATM-ON-WHEELS IS COMING YOUR WAY!

**RCBC**

### SEND CASH TO MORE REMITTANCE PARTNERS VIA RCBC ONLINE BANKING!

ABR MTLHUBBARD

**RCBC**

### EASY AND SAFE CASHLESS PAYMENTS

On Fund Transfer



# Streamline Operations



**Cut costs drastically**  
across the organization



**Redesign the business**  
Leaner, with less layers



**Cut office / branches**  
Reduce expensive real estate costs  
and aligns with **digital push**





# Streamline Operations



Re-engineer the processes

## Robotic Process Automation in RCBC branches





# Thriving in the new normal: **ATTACK**

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**4. Reskill the organization and redeploy**



**5. Go Digital**



**6. Financial Inclusion**

# Re-skill and Redeploy



**Retrain your people according to the needs of the business**

- In RCBC, we re-trained hundreds from sales departments and deployed them into **refinancing & collection** roles.
- Salespeople were trained in **digital products**.



Battle  
of the  
Bottleneck

# Go Digital

## RCBC Online Retail Mobile App

New features:



QR Payments



Time Deposit



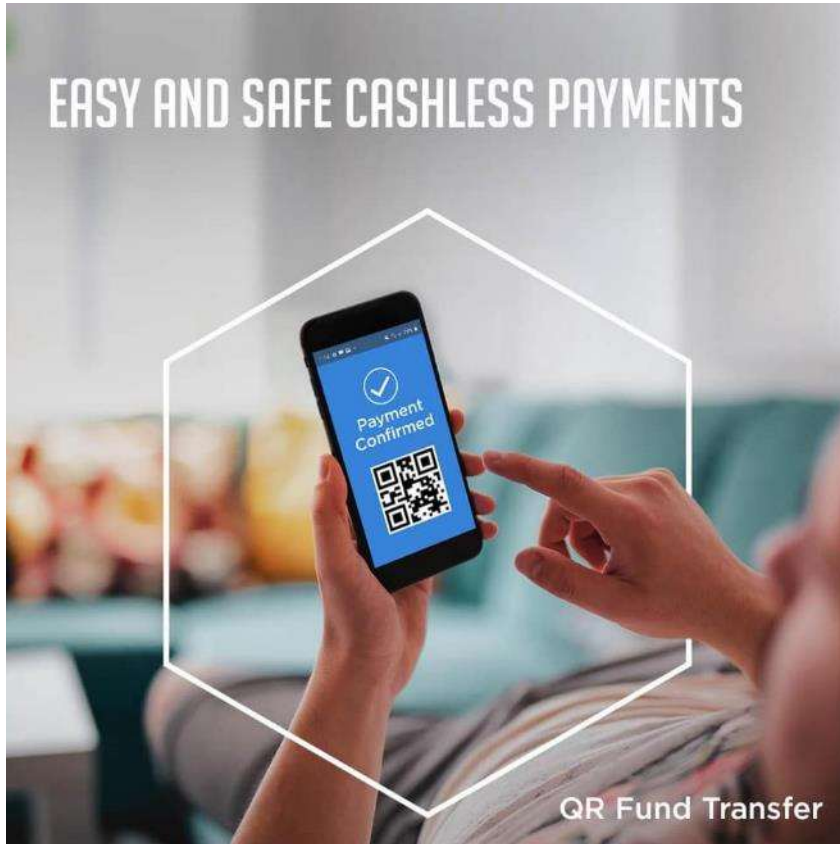
Request Payment



Credit Card Installment






# Go Digital



RCBC

SEND CASH TO MORE  
REMITTANCE PARTNERS  
VIA RCBC ONLINE BANKING!

   **MOLHUILIER**

C

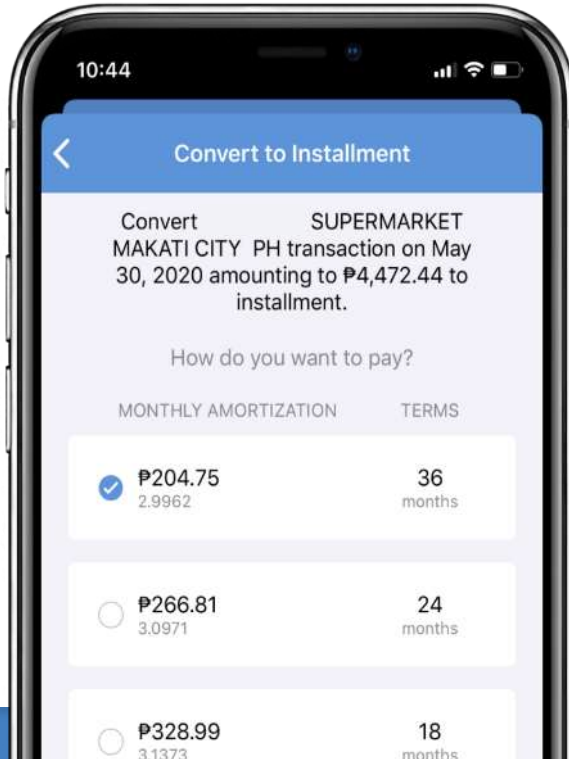
# Go Digital





## RCBC Online Retail

Mobile App



**Credit Card  
Installments**



**Request  
Payment**

Upcoming



**Investments**



**Forex**



## Rizal Microbank's Bangko ng Bayan

### AGENCY BANKING PROGRAM

The bank launched Bangko ng Bayan last June 2020 after receiving BSP Approval for a pilot run.

Despite the pandemic, the bank was able to implement its initiatives and acquire relevant data that will testify to the relevance of an agency banking program for the unbanked and underserved market.



BDA Account  
Opening



Cash-in /  
Deposit



Cash out /  
Withdraw



Bills  
Payment



Loan  
Referral



Micro-insurance  
Availment

### FINANCIAL INCLUSION

Providing access and  
usage to the unbanked  
market

### CUSTOMER CENTRIC

Offering products and  
services relevant to the  
market requirements

### PRACTICALITY

A cost-efficient, practical  
and safe way of doing  
banking

# Financial Inclusion



Financial inclusion accelerator app

**Unbanked & Underserved Filipinos**

**More than 1.5 Million new accounts**



# Financial Inclusion



**The ATM Go product enabled RCBC to serve communities in remote provinces**



**70**  
provinces



**1,409**  
Mobile ATM terminals



**P 3.2B**  
YTD Transaction Volume



# Financial Inclusion



The ATM Go product enabled RCBC to serve communities in remote provinces







**Thank you.**