

【NEWS RELEASE】

June 28, 2021

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation, LtdInvestment in Rizal Commercial Banking Corporation

Sumitomo Mitsui Financial Group, Inc. (President and Group CEO: Jun Ohta, hereinafter referred to as “SMBC Group”), and Sumitomo Mitsui Banking Corporation (President and CEO: Makoto Takashima; hereinafter referred to as “SMBC”) today announced that SMBC has reached an agreement with Rizal Commercial Banking Corporation (President and CEO : Eugene S. Acevedo; hereinafter referred to as “RCBC”), a commercial bank in the Republic of the Philippines (hereinafter referred to as “the Philippines”), to acquire an equity stake in RCBC. SMBC signed definitive agreements with RCBC to acquire a 4.99% stake in RCBC (valued at approximately JPY10billion).

1. Purpose and Strategic Rationale of the Investment

SMBC Group is striving to: “Expand franchise and strengthen digital banking in Asia” in accordance with its Medium-term Business Plan covering the three-year period starting FY2020. On top of expanding its business base in Indonesia, SMBC Group has been pursuing growth opportunities in other Asian markets through inorganic means.

SMBC views the Philippines as one of its important markets and has been expanding its presence in the country through the opening of SMBC Manila Branch and other related initiatives.

RCBC is a leading commercial bank in the Philippines. It was incorporated in 1960 and is a member of the Yuchengco Group which has a track record of successfully working with Japanese corporates. RCBC is recognized for its digital banking services and ESG initiatives in recent years and is in a position where it can strive to be considered a top tier Philippine bank in terms of asset size. Through this investment, SMBC will contribute to RCBC’s growth by leveraging its know-how and business expertise, and while also enhancing its own businesses and presence in the Philippines through collaboration with RCBC.

Through multi-dimensional collaboration with RCBC, SMBC Group aims to accelerate its growth strategy in Asia while contributing to the further development of the Philippines’ financial industry.

2. Overview of RCBC

Company Name	:	Rizal Commercial Banking Corporation	
Established	:	1960	
Location of Head Office	:	Makati City, the Philippines	
Shareholders	:	Listed on The Philippines Stock Exchange	
		Pan Malayan Management and Investment Corporation (Yuchengco Group's holding company)	41.7%
		Cathay Life Insurance Co., Ltd.	23.4%
		International Finance Corporation	5.6%

(Reference) Financial results for the past three fiscal years

(Unit: JPY billion)

	Dec. 2018	Dec. 2019	Dec. 2020
Operating income	57.2	77.5	81.9
Net profit	9.3	11.6	10.8
Total assets	1,392.3	1,656.9	1,667.7
Net assets	175.3	179.0	219.0

(exchange rate 1 PHP = JPY2.16)

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