

【NEWS RELEASE】

November 2, 2022

Sumitomo Mitsui Financial Group, Inc.

Sumitomo Mitsui Banking Corporation

Additional Investment in Rizal Commercial Banking Corporation

Sumitomo Mitsui Financial Group, Inc. (President and Group CEO: Jun Ohta; hereinafter referred to as “SMFG” and the Group collectively 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 additional 15.01% equity stake in RCBC (the “Investment”), subject to regulatory approval. As a result of the Investment, SMBC’s shareholding in RCBC will increase to 20.00%, and RCBC will become an equity method affiliate company of SMFG and SMBC.

1. Purpose and Strategic Rationale of the Additional Investment

SMBC Group has been pursuing its multi-franchise strategy to capture the growth of key emerging markets in Asia. SMBC views the Philippines as one of its important markets and entered into a new partnership with RCBC with a 4.99% equity stake acquisition in June 2021.

RCBC is a leading commercial bank in the Philippines. It is a member of the Yuchengco Group, which has a track record of successfully working with Japanese corporates and owns the largest Japan Desk business among local banks. RCBC is also recognized for its digital banking services and ESG initiatives in recent years.

SMBC and RCBC have deepened their mutual understanding since partnering in 2021 and have come to agree on the high growth potential of RCBC. SMBC and RCBC will enter into a business partnership agreement to explore business opportunities, on top of their capital partnership.

Through the Investment and business partnership with RCBC, SMBC Group will also expand its capabilities to service customers seeking to expand their business in the Philippines, leveraging RCBC’s nationwide branch network and wide range of financial services. SMBC will continue to strive to contribute to further developing the Philippines’ financial industry and further strengthening SMBC Group’s growth strategy in the country.

2. Overview of RCBC

Company Name	:	Rizal Commercial Banking Corporation	
Established	:	1960	
Location of Head Office	:	Makati City, the Philippines	
Listed Market	:	The Philippines Stock Exchange	
Shareholders	:	Pan Malayan Management and Investment Corporation	39.6%
		(Yuchengco Group's holding company)	
		Cathay Life Insurance Co., Ltd.	22.2%
		International Finance Corporation	5.3%
		Sumitomo Mitsui Banking Corporation	4.9%
			(as of June 30, 2022)

(Reference) Financial results for the past few years

(Unit: JPY billion)

	Dec. 2019	Dec. 2020	Dec. 2021	Jun. 2022
Operating income	89.3	94.4	90.6	52.9
Net profit	13.4	12.5	17.6	15.3
Total assets	1,910.0	1,922.5	2,388.2	2,498.2
Net assets	206.3	252.4	276.6	286.5

(exchange rate 1 PHP = JPY2.49)

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