

RCBC Registers 1Q 2021 Net Income of PhP1.6 Billion

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of PhP1.6 billion for the first quarter of 2021 on the back of sustained core business growth and higher earning asset base. Excluding trading and FX income, gross income and pre-provision profit increased by 10% and 70%, respectively.

For the first quarter, Net Interest Income reached PhP6.5 billion, up by 2% year on year as the Bank continued to build the asset portfolio, supported by lower funding costs. Loan growth was steady at 6%, while investment securities increased by 19%. Fee income likewise grew by 48%, as fees from investments and retail transactions surged in the first quarter. There has been a significant improvement in overall credit and payment activity and more customers are accessing the Bank's retail and corporate online payment channels.

The Bank kept a tight watch on Operating Expenses resulting in a 2% increase year on year. The expenses on investments and transactions related to business growth offset the savings from digital efforts and channel rationalization.

RCBC booked PhP936 million of provisions for impairment losses in the first quarter of 2021 to address the downward pressure on credit quality due to the pandemic. This was 42% lower year on year following the significant build-up of reserves in 2020 in anticipation of the uptick in loan defaults. The Bank continued to enhance its credit risk management through centralized portfolio monitoring and credit analytics.

The Bank's gross loan portfolio expanded by 7% year on year to PhP481.7 billion. This was fuelled by the growth in the corporate and small and medium enterprise (SME) segments by 8% and 10%, respectively. RCBC continued to support the recovery and growth plans of its clients, especially those in essential sectors. Despite the quarantine restrictions, the Bank strove to find innovative ways to actively engage clients and offer them a wide array of banking and financing solutions. Through its COVID Assistance and Recovery (CARE) Program, RCBC also continued to provide refinancing support to customers that are severely impacted by the pandemic. As of March 2021, the Bank's Net NPL Ratio stood at 3.15%.

RCBC's total assets also rose by 12% to PhP800.8 billion, with Loans and Receivables and Investment Securities comprising 61% and 15% of the total, respectively. This growth was supported by a 15% increase in total deposits to PhP562.9 billion, as low-cost CASA deposits surged by 22%. Moreover, the Bank's funding portfolio was further boosted with the issuance of Fixed Rate ASEAN Sustainability Peso Bond offering in March 2021. Solid demand from investors resulted in an order book reaching PhP17.9 billion, more than 5.9x oversubscribed. RCBC's capital base increased to PhP102.5 billion as of March 2021, with CAR of 15.0% and CET1 ratio of 11.6%. Annualized Return on Equity (gross of Additional Tier 1 (AT1) capital dividends) stood at 6.3% and annualized Return on Assets at 0.8%.

With the Bank's aggressive digital expansion, RCBC continued to introduce industry-leading digital solutions to provide safe, secure and convenient banking experience. It recently launched digital unit investment trust funds (UITF) which allow clients to manage their portfolio through RCBC Online Retail. It remains to be the first and only local bank to offer a complete, end-to-end digital UITF experience from enrollment to redemption within its online platform. The Bank also accelerated the migration of its

corporate clients to RCBC Online Corporate, an electronic banking platform with a suite of cash management products, which enabled them to seamlessly perform their banking transactions remotely.

"The pandemic may have challenged us in so many ways, but it has only reaffirmed our commitment to push forward with our digital acceleration in order to provide the best customer experience," President and CEO Eugene S. Acevedo said. *"We will continue our prudent approach to fortify our balance sheet, roll out programs and initiatives that will support our clients, and remain agile as an organization."*

As of March 2021, RCBC had a total consolidated network of 436 branches, 1,375 automated teller machines, and 1,800 ATM Go terminals strategically located nationwide.

About RCBC

RCBC is a leading financial services provider in the Philippines, offering a wide range of banking and financial products and services. RCBC is engaged in all aspects of traditional banking, investment banking, microfinance, retail financing (auto, mortgage, housing loans, and credit cards), remittance, leasing, foreign exchange, and stock brokering. RCBC is a member of the Yuchengco Group of Companies (YGC), one of the oldest and largest conglomerates in South East Asia. For more information, please visit <https://www.rcbc.com>