

RCBC Posts 7% Profit Hike in 1H 2021

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of PhP3.3 billion for the first half of 2021, higher by 7.0% from the same period last year. This was driven by the sustained expansion in the customer loan business which grew by 9%, even as the industry contracted by 2%. The 28% growth in low-cost CASA deposits likewise performed better than the industry. Investment Securities rose 3.4x, and fee income surged by 47% as investments and retail transactions picked up during the period.

RCBC's solid loan growth despite the industry decline was fuelled by the expansion in the corporate and small and medium enterprise (SME) segments by 10% and 17%, respectively. Gross Income, net of trading and FX gains, increased by 13% year on year to PhP16.9 billion on the back of the Bank's asset build-up strategy and robust fee income growth.

The Bank closely managed its operating expenses through business process reengineering and rationalization efforts. Operating expenses of PhP11.2 billion was marginally higher year on year by 1%. RCBC reinforced its credit buffer, recognizing PhP2.3 billion in provisions for impairment losses in the first half of 2021 which was lower by 55% from the same period last year. The Bank also continued to provide refinancing support to customers that are severely impacted by the pandemic through its COVID Assistance and Recovery (CARE) Program. Meanwhile, the Bank's Net NPL Ratio stood at 3.25%.

RCBC's total assets rose by 18% to PhP845.8 billion, with Loans and Receivables and Investment Securities comprising 59% and 21% of the total, respectively. This growth was supported by the 20% jump in total deposits, and the 23% increase in capital funds with solid capital ratios—CAR of 15.1% and CET1 ratio of 11.8%. Annualized Return on Equity stood at 6.6% and annualized Return on Assets at 0.8%.

Forging Strong Partnerships

RCBC continued to forge new partnerships to deliver more value to its customers and stakeholders through more relevant financial products and services and distribution channels.

In June, the bank announced the strategic investment of Sumitomo Mitsui Banking Corporation (SMBC) to acquire a 4.99% stake in RCBC. The block sale of RCBC's 101,850,000 common shares was executed last 23 July 2021. The partnership will leverage on synergies to further

boost the Bank's digital banking capabilities, as well as its corporate and consumer finance business.

RCBC also continued to partner with various government agencies such as the Department of Social Welfare and Development, Department of Labor and Employment, and Social Security System to aid in the distribution of social subsidies, benefits, and loan proceeds. As of June 2021, RCBC's digital platforms have disbursed a total of Php16.1 billion to more than 4.5 million household beneficiaries, benefitting over 22.8 million individuals in 73 out of 81 provinces nationwide.

Moreover, RCBC's first Taglish and Cebuano financial inclusion super app, DiskarTech, registered exponential growth. In the second quarter of 2021, total usage value and volume increased by 388% and 163%, respectively, versus the previous quarter. DiskarTech also pioneered the loans marketplace in partnership with Asialink Finance Corporation, one of the country's premier lenders.

"During the pandemic, we launched innovative customer solutions that have gained traction and won recognition. We remain committed to accelerating our digitization efforts, particularly towards financial inclusion," RCBC President and CEO Eugene S. Acevedo said.

RCBC gained more international citations from various prominent award-giving bodies. In the first six months of 2021, RCBC already received three awards as the Best Digital Bank in the Philippines in 2021 and 20 other awards in different categories. Among these are the "Best Retail Bank," "Best Corporate Bank," and "Best Cash Management Bank" awards from the Global Banking and Finance; "Best SME Banking Brand, Philippines" from the Global Brands Magazine; and "Best User Experience - Mobile Banking" for RCBC Bankard from The Digital Banker.

As of June 2021, RCBC had a total consolidated network of 434 branches, 1,272 automated teller machines, and 1,535 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 and 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>