

**PART I - FINANCIAL INFORMATION**

Item 1. Financial Statements

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
*(Amounts in Millions of Philippine Pesos)*

		<u>3/31/2019</u>	<u>12/31/2018</u>
	Notes	(Unaudited)	(Audited)
<b><u>RESOURCES</u></b>			
CASH AND OTHER CASH ITEMS		P 13,875	P 17,392
DUE FROM BANGKO SENTRAL NG PILIPINAS		56,917	56,495
DUE FROM OTHER BANKS		17,400	20,342
LOANS UNDER REVERSE REPURCHASE AGREEMENT		6,829	10,032
TRADING AND INVESTMENT SECURITIES - Net	3	140,181	118,449
LOANS AND RECEIVABLES - Net	4	404,013	398,300
INVESTMENTS IN ASSOCIATES - Net		424	423
BANK PREMISES, FURNITURE, FIXTURES & EQUIPMENT- Net		10,339	8,415
INVESTMENT PROPERTIES - Net		3,755	3,631
DEFERRED TAX ASSETS		2,106	2,094
OTHER RESOURCES - Net	5	8,888	9,022
<b>TOTAL RESOURCES</b>		<b><u>P 664,727</u></b>	<b><u>P 644,595</u></b>
<b><u>LIABILITIES AND CAPITAL FUNDS</u></b>			
DEPOSIT LIABILITIES	6	415,965	P 423,399
BILLS PAYABLE	7	64,210	56,001
BONDS PAYABLE	8	68,023	53,090
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		5,650	5,277
OTHER LIABILITIES	9	17,628	15,672
SUBORDINATED DEBT	10	9,991	9,986
<b>Total Liabilities</b>		<b><u>581,466</u></b>	<b><u>563,425</u></b>
<b>CAPITAL FUNDS</b>			
<b>Attributable to Parent Company Shareholders:</b>			
Preferred Stock		3	3
Common Stock		19,356	19,356
Capital Paid in Excess of Par		32,061	32,061
<b>Other Comprehensive Income:</b>			
Net Unrealized Gains on Financial Assets At Fair Value Through Other Comprehensive Income		2,571	1,556
Cumulative Translation Adjustment		54	54
Retirement plan		( 1,310 )	( 1,344 )
Reserve for Trust Business		454	454
Other Reserves		( 97 )	( 97 )
Retained Earnings Appropriated for General Provision		2,609	2,594
Retained Earnings		27,532	26,507
		<u>83,234</u>	<u>81,144</u>
<b>Non-controlling Interest</b>		<u>27</u>	<u>26</u>
<b>Total Capital Funds</b>		<b><u>83,261</u></b>	<b><u>81,170</u></b>
<b>TOTAL LIABILITIES AND CAPITAL FUNDS</b>		<b><u>P 664,727</u></b>	<b><u>P 644,595</u></b>

*See Notes to Interim Financial Statements.*

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**

**STATEMENTS OF INCOME**

*(Amounts in Millions of Philippine Pesos, Except Per Share Data)*

	<u>Note</u>	<u>1/1/2019 to 3/31/2019</u>	<u>1/1/2018 to 3/31/2018</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>INTEREST INCOME ON</b>			
Loans and receivables		P 7,671	P 6,271
Investment securities		1,320	599
Others		<u>93</u>	<u>36</u>
		<u>9,083</u>	<u>6,906</u>
<b>INTEREST EXPENSE ON</b>			
Deposit liabilities		2,268	1,264
Bills payable and other borrowings		<u>1,527</u>	<u>825</u>
		<u>3,796</u>	<u>2,089</u>
<b>NET INTEREST INCOME</b>		5,288	4,816
<b>IMPAIRMENT LOSSES - Net</b>		<u>1,134</u>	<u>457</u>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>		<u>4,154</u>	<u>4,360</u>
<b>OTHER OPERATING INCOME (CHARGES)</b>			
Trading and securities gains (losses) - net		1,451 (	( 10 )
Service fees and commissions		977	739
Trust fees		79	68
Foreign exchange gains (losses) - net		( 5 )	344
Miscellaneous	12	<u>357</u>	<u>528</u>
		<u>2,859</u>	<u>1,669</u>
<b>OTHER OPERATING EXPENSES</b>			
Employee benefits		1,711	1,566
Occupancy and equipment-related		907	792
Taxes and licenses		697	558
Depreciation and amortization		405	454
Miscellaneous	12	<u>1,512</u>	<u>1,264</u>
		<u>5,232</u>	<u>4,634</u>
<b>PROFIT BEFORE TAX</b>		1,781	1,394
<b>TAX EXPENSE</b>		<u>476</u>	<u>261</u>
<b>NET PROFIT</b>		1,305	1,133
<b>NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>		<u>0</u>	<u>1</u>
<b>NET PROFIT ATTRIBUTABLE TO PARENT</b>			
<b>COMPANY SHAREHOLDERS</b>		<u>P 1,305</u>	<u>P 1,133</u>
<b>Earnings Per Share (Annualized)</b>			
Basic		<u>P 2.73</u>	<u>P 3.28</u>
Diluted		<u>P 2.73</u>	<u>P 3.28</u>

*See Notes to Interim Financial Statements*

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
*(Amounts in Millions of Philippine Pesos)*

	<b>1/1/2019 to 3/31/2019 (Unaudited)</b>	<b>1/1/2018 to 3/31/2018 (Unaudited)</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b><u>P 1,305</u></b>	<b><u>P 1,133</u></b>
<b>OTHER COMPREHENSIVE INCOME (LOSSES) DURING THE PERIOD:</b>		
Fair value gains (losses) on Financial assets at Other Comprehensive Income	1,016 (	514 )
Retirement plan	34	71
Translation adjustments on foreign operations	( 0 )	2
<b>Other Comprehensive Income (Loss) for the period</b>	<b><u>1,050</u></b> (	<b><u>441</u></b> )
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>P 2,355</b>	<b>P 692</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>	<b><u>0</u></b> (	<b><u>0</u></b> )
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS</b>	<b><u><u>P 2,355</u></u></b>	<b><u><u>P 692</u></u></b>

*See Notes to Interim Financial Statements.*

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN CAPITAL FUNDS**  
*(Amounts in Millions of Philippine Pesos)*

	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
	(Unaudited)	(Unaudited)
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
<b>PREFERRED STOCK</b>		
Balance, beginning	3	3
Issuance (Conversion) of preferred stock	-	( 0 )
Balance, end	3	3
<b>COMMON STOCK</b>		
Balance, beginning	19,356	13,999
Conversion of preferred stock to common stock	-	0
Balance, end	19,356	13,999
<b>CAPITAL PAID IN EXCESS OF PAR</b>		
Balance, beginning	32,061	22,636
Conversion of preferred stock to common stock	-	0
Excess of consideration given over cost of common shares issued	( 0 )	-
Balance, end	32,061	22,636
<b>NET UNREALIZED GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
Balance, beginning as previously reported	1,555	1,968
Effect of Adoption of PFRS9	-	456
Balance, beginning as restated	1,555	2,424
Fair value gains (losses) during the period	1,016	( 514 )
Balance, end	2,571	1,910
<b>CUMULATIVE TRANSLATION ADJUSTMENTS</b>		
Balance, beginning	54	85
Translation adjustment during the period	( 0 )	2
Balance, end	54	86
<b>OTHER COMPREHENSIVE INCOME - RETIREMENT PLAN</b>		
Balance, beginning	( 1,344 )	( 79 )
Remeasurement of the defined benefits during the period	34	71
Balance, end	( 1,310 )	( 8 )
<b>RESERVE FOR TRUST BUSINESS</b>		
Balance, beginning	454	431
Transfer from retained earnings - free	-	5
Balance, end	454	436
<b>OTHER RESERVES</b>		
	( 97 )	( 97 )
<b>RETAINED EARNINGS APPROPRIATED FOR GENERAL PROVISION</b>		
Beginning balance, as previously reported	2,594	-
Effect of Adoption of PFRS9	-	2,138
Beginning balance, as restated	2,594	2,138
Transfer from retained earnings - free	15	99
Balance, end	2,609	2,237
<b>RETAINED EARNINGS</b>		
Beginning balance, as previously reported	26,507	28,050
Effect of Adoption of PFRS16 in 2019 and PFRS 9 in 2018	( 265 )	( 2,352 )
Beginning balance, as restated	26,242	25,699
Net profit	1,305	1,133
Cash dividends	( 0 )	( 0 )
Transfer to retained earnings appropriated for general provision	( 15 )	( 99 )
Transfer to reserves for trust business	-	( 5 )
Balance, end	27,532	26,727
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
	<b>P 83,234</b>	<b>P 67,930</b>
<b>MINORITY INTEREST</b>		
Balance, beginning	26	29
Effect of Adoption of PFRS9	-	( 2 )
Fair value gains (losses) on FVOCI	0	( 0 )
Net Profit (Loss) for the year	0	1
Balance, end	27	27
<b>TOTAL CAPITAL FUNDS</b>	<b>P 83,261</b>	<b>P 67,957</b>

*See Notes To Interim Financial Statements.*

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
*(Amounts in Millions of Philippine Pesos)*

		<u>YTD Ended</u> <u>3/31/2019</u>		<u>YTD Ended</u> <u>3/31/2018</u>
	<u>Notes</u>	<u>(Unaudited)</u>		<u>(Unaudited)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profits before tax		P 1,781	P	1,394
Adjustments for:				
Interest income		( 9,083 )	(	6,906 )
Interest expense		3,796		2,089
Impairment losses		1,134		457
Depreciation and amortization		405		454
Dividend income		( 0 )	(	180 )
Share in net earnings of associates		5	(	1 )
Operating income before working capital changes		( 1,964 )	(	2,693 )
Decrease (Increase) in financial assets at fair value through profit and loss	3	( 2,109 )	(	1,161 )
Decrease (Increase) in loans and receivables	4	3,293	(	15,683 )
Increase in investment property		( 124 )	(	186 )
Increase in other resources	5	( 798 )	(	2,000 )
Increase (Decrease) in deposit liabilities	6	( 7,434 )	(	6,202 )
Increase in accrued taxes, interest and other expenses		115		94
Increase (Decrease) in other liabilities	9	( 354 )	(	950 )
Cash used in operations		( 9,374 )	(	12,155 )
Interest received		9,398		6,631
Interest paid		( 3,792 )	(	1,866 )
Cash paid for taxes		( 249 )	(	244 )
Net Used In Operating Activities		( 4,017 )	(	7,634 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in Financial Assets at FVOCI		( 7,797 )	(	3,441 )
Increase in Investment securities at amortized cost		( 10,809 )	(	13,526 )
Acquisitions of bank premises, furniture, fixtures and equipment (net)		( 272 )	(	109 )
Cash dividends received		0		5
Acquisitions of intangibles		( 47 )	(	51 )
Net Cash Used in Investing Activities		( 18,926 )	(	17,122 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceed from (payments of) bills payable		8,209		6,497
Dividends paid		( 0 )	(	0 )
Net proceeds from bonds payable		14,933		16,870
Net Cash From Financing Activities		23,142		23,367
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>199</u>	(	<u>1,389</u> )
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>				
Cash and other cash items		17,393		14,693
Due from Bangko Sentral ng Pilipinas		56,494		58,801
Due from other banks		20,344		19,818
Interbank Loans and Loans and Receivables under reverse repurchase agreement		19,554		9,869
		<u>113,784</u>		<u>103,181</u>
<b>CASH AND CASH EQUIVALENTS, END</b>				
Cash and other cash items		13,875		13,797
Due from Bangko Sentral ng Pilipinas		56,917		57,109
Due from other banks		17,400		22,159
Interbank Loans and Loans and Receivables under reverse repurchase agreement		25,790		8,727
		<u>P 113,982</u>	P	<u>101,792</u>

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