



09 November 2018

**MS. JANET A. ENCARNACION**  
Head, Disclosure Department  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
PSE Tower, 5<sup>th</sup> Avenue cor. 28<sup>th</sup> Street  
Bonifacio Global City  
Taguig City

Dear Ms. Encarnacion,

Please be advised that the following information would be made available to the major newspapers. It concerns RCBC's performance for the first nine months of 2018.

Thank you.

Very truly yours,

  
**MA. CHRISTINA P. ALVAREZ**  
Senior Vice President and Corporate Information Officer  
Rizal Commercial Banking Corporation 

cc: Ms. Paula Beatrice A. Bueno, Philippine Dealing and Exchange Corporation



**RCBC Net Income at P3.2 billion for the first nine months of 2018**

Core Income up 42% vs. same period last year

Rizal Commercial Banking Corporation posted a consolidated Net Income of P3.2 billion for the nine months ended September 2018.

Excluding non-recurring income (trading gains), core income grew 42% compared to last year coming from stronger core business led by double-digit growth in Net Interest Income by 12% and in Fee-based Income by 15%. The Bank's combined net interest income and fee-based income now comprise 91% of gross income.

Net Interest Income reached P14.7 billion with 12% growth year-on-year. The Bank's loan growth remained strong across all segments expanding by 12% to P379 billion. All market segments sustained their growth. Average loan volume of the corporate segment grew by 9%, SME segment by 32%, Consumer segment by 33% with growth in Credit Card Receivables by 33%. Rizal MicroBank (RMB), the Microfinance arm of the Bank that provides financing requirements for micro and small enterprises, increased its average loan portfolio by 20% year on year, through continuous efforts to enhance its current loan products responsive to the needs of its mandated market segments.

Despite the sustained growth momentum in loans, the Bank's asset quality remained well-managed with consolidated NPL Ratios of 1.22%, better than the 1.41% in the same period last year. NPL coverage improved to 96.94% from previous year's 77.39% at the consolidated level, and a healthier 141.84% at the parent bank level.

Gross Income reached P19.4 billion with total Other Operating Income reaching P 4.7 billion or 24% of gross income. Fee-based Income, which includes card related fees - both credit and debit cards, Trust fees, and Fees on investment banking and loans, accounted for 15% of Gross Income.

Total Operating Expenses amounted to P14.4 billion for the first nine months of 2018 with the continued expansion in branch and distribution network as well as higher documentary stamp taxes (DST). The Bank's branch network grew to 509 branches as of end-September 2018 from 503 as of end-September 2017 while, ATMs increased to 1,593 as of end-September 2018 compared to 1,539 as of end-September 2017. This resulted to a 3.13 branch-to-ATM ratio, one of the highest in the industry.

Total Consolidated Resources expanded by 17% to P614.4 billion. Total Deposits grew by 10% or P35.6 billion year-on-year to P410.1 billion. CASA grew by P12.6 billion year-on-year to P231.8 billion as of end-September 2018. The Bank's Capital position at P83.6 billion remained robust and well above the minimum regulatory requirement with a CAR of 17.28% and CET1 Ratio of 14.45%.

*“Steadily, RCBC has sustained its core business posting healthy growth in core income despite macro challenges. We are focused on the SME market as part of our strategy to diversify our loan portfolio. We are very proud of the recognition given to us as the Best Bank for SME by AsiaMoney. This further reinforces our thrust to be the banking partner of choice for our small and medium enterprise clients”,* said Gil A. Buenaventura, RCBC President and CEO.

RCBC signed the Business Cooperation Agreement with KB Kookmin Bank in Seoul, Korea on September 20, 2018 to provide banking services and financial information assistance to Korean corporates’ operating and investing in the Philippines. Main contents of the agreement include ‘Mutual cooperation for maintaining & increasing Korean corporate customer base’, ‘Joint marketing for corporate customers of direct remittance service’, ‘Sharing know-how to improve service quality for corporate customers’ and others.

RCBC returned to the debt capital markets on September 28, 2018 and successfully raised PHP3.58 billion of new Long Term Negotiable Certificates of Deposits (LTNCDs) due in 2024. The 5.5 year LTNCD carries a coupon of 5.50% per annum.

Our commitment to service excellence has resulted to numerous awards from regulators, as well as respectable local and international award giving bodies. The Bangko Sentral ng Pilipinas (BSP) cited the Bank as Outstanding Respondent for Coordinated Portfolio Investment Survey. RCBC also received seven awards for the fixed income category and seven for the equities category, including the Best Equities House, and Best Fixed Income House awards from the Fund Manager’s Association of the Philippines (FMAP). In the area of Communications and Branding, RCBC received several awards, among them six Quill Awards from the International Association of Business Communicators, the Gold Anvil for the brand refresh campaign, and the recognition as part of the top 10 brand with the Most Improved Brands Health by YouGov.com. RCBC Bankard received the Best Card Offering-Philippines recognition during the 5th International Finance Magazine (IFM) Awards.

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#### 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> or email [investor\\_relations@rcbc.com](mailto:investor_relations@rcbc.com)