



PRESS RELEASE

RCBC POSTS P2.022 BILLION NET INCOME FOR 1H 2014

Lending Up By +18%, Deposits By + 22%

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P2.02 billion for the first half of 2014, 36% lower than the P3.18 billion earned during the same period last year due to lower trading gains.

Consistent with the strategy of focusing on sustainable and less cyclical sources of income, the Bank gained momentum in growing its core businesses with Net Interest Income reaching P7.58 billion, 23% higher versus the P6.17 billion for the same period last year. Annualized Net Interest Margin (NIM) improved by 20bps to 4.31% as against 4.11% for the same period last year. The Bank's total gross revenues excluding trading gains increased by 8% to P9.85 billion.

The Bank's lending business continued to be vibrant with loan book expanding by 18.4% to P235.90 billion. All market segments sustained their growth with loan levels of corporate, consumer, and SME increasing by 19%, 22%, and 39%, respectively. Meanwhile, microfinance lending thru Rizal Microbank continued its uptrend with loan disbursements growing by 24% and outstanding loan portfolio increasing by 88%.

Despite the steady loan growth, the Bank's asset quality remained well-managed with NPL Ratio of the Parent Bank at 0.50% and consolidated NPL Ratio at 1.18%. Parent bank reserve cover also stood strong at 126.16%.

Total fee-based and miscellaneous income reached P2.1 billion, accounting for 20% of the Bank's gross income. Improved contributions came from remittance fees which improved by 48% to P140 million and investment banking fees growing by 43% to P273 million.

Total operating expenses were prudently controlled at P6.884 billion, lower by 1.53%.

Total deposits grew by 22% to P301.1 billion. Low-cost CASA deposits increased by P31 billion or 20% to P187.69 billion, leading to a CASA-to-Total Deposits ratio of 62.34%.

Total consolidated resources grew by 14.42% to P427.45 billion while Capital Funds reached P45.28 billion. The Bank's CAR of 13.76% is over the BSP minimum requirement of 10% while Common Equity Tier 1 (CET1) Ratio of 10.91% also exceeded the minimum CET1 Ratio (with capital conservation buffer) of 8.50%.

"Once again, RCBC has shown solid fundamentals and sustainable business models. Deposits and loans continue to be in an uptrend, asset quality is in check, operating expenses are moderated, and NIM at 4.31% remains one of the highest in the industry. The Bank's Net Interest Income-to-OPEX ratio has widened from 84% in 2012 to 92% in 2013 to 110% for 1H14. Not only have we shown resiliency during times of financial market volatility but execution and synergy in our business strategies," said RCBC President & CEO Lorenzo V. Tan.

The Bank's distribution network grew to 443 branches in 1H 2014 from 425 in 1H 2013 while ATMs increased to 1,177 in 1H 2014 compared to 1,107 in 1H 2013. This resulted in a 2.66 branch-to-ATM ratio, one of the highest in the industry.

The Bank's total number of accounts expanded to 6.3 million as of 1H 2014 from 5.0 million as of 1H 2013.

As affirmation of its pursuit of excellence, the Bank recently received the Outstanding Commercial Bank Respondent on Overseas Filipino Remittances Award. In line with the Bank's participation in Bantay Baterya program of ABS-CBN's Lingkod Kapamilya Foundation Inc., the Bank was recognized to have the first Green ATM network in the country. In addition, Rizal Microbank, the Bank's microfinance arm, received the Green Leadership Award given by the Asia Responsible Entrepreneur Awards for coming up with the country's first banking office made out of recycled container vans.

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RCBC is a member of the Yuchengco Group of Companies (YGC), one of the oldest and largest conglomerates in the Philippines and South East Asia covering 60 businesses.