

PRESS RELEASE

RCBC 1Q 2015 NET INCOME AT P1.6 BILLION, UP 21%

Lending Up By +19%

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P1.60 billion for the first quarter of 2015, 20.59% higher than the P1.33 billion net income reported for the same period last year. Annualized Return on Equity and Return on Assets stood at 12.4% and 1.5%, respectively.

Net Interest Income reached P3.6Bn and represented 55% of Gross Income. Even with the intense pricing competition, the Bank still achieved an Annualized Net Interest Margin (NIM) of 4.15% which remains one of the highest in the sector.

The Bank's lending business continued its momentum with loan book excluding interbank loans expanding by 19% to P269 billion. All market segments sustained their growth with average loan volumes of corporate, consumer, and SME increasing by 21%, 18%, and 33%, respectively. Meanwhile, microfinance lending thru Rizal Microbank continued its consistent climb with outstanding loan portfolio increasing by 44%. The interest income contribution from the lending business increased to 82% of total compared to 74% for the same period last year.

Despite the sustained growth momentum in loans, the Bank's asset quality remained well-managed with NPL Ratios of the Parent Bank at 0.19% and Consolidated Bank at 0.88%, both lowest on record. Parent bank reserve cover also stood strong at 164.92%.

Other operating income reached P2.95 billion with securities trading gains contributing P1.72 billion. Total fee-based and miscellaneous income increased by 17% to P1.23 billion. Improved contributions came from retail banking fees

which went up by 67%, brokerage commissions which improved by 41%, and investment banking fees & commissions which increased by 17%.

Total deposits reached P315.86 billion with low-cost CASA deposit level growing by P13.44 billion to P199.77 billion. CASA-to-Total Deposits ratio improved to 63.25% as of end-March 2015 as against 62.05% as of end-March 2014.

Total consolidated assets reached P447.19 billion while Capital Funds improved by P8.9Bn to P55.02 billion. The Bank's CAR of 15.38% is over the BSP minimum requirement of 10% while Common Equity Tier 1 (CET1) Ratio of 11.89% also exceeded the minimum CET1 Ratio (with capital conservation buffer) of 8.50%.

In April, the Bank and Cathay Life Insurance Corp., a wholly owned subsidiary of Cathay Financial Holding Co., Ltd which is the largest publicly-listed financial holding company in Taiwan, sealed a strategic investment deal for a 20% stake in RCBC. The deal will contribute another 200 bps to the capital ratios and will support the Bank's continuous expansion in its SME and consumer loan segments.

"RCBC's core businesses are consistently expanding as strategically planned without compromising asset quality, profitability, and Basel 3 compliance. The entry of Cathay Financial Holdings is a testimony of the Bank's strong growth prospects and viability. We both look forward to the greater heights that this strategic relationship will bring. It's all systems go for RCBC from hereon ," said RCBC President & CEO Lorenzo V. Tan.

The Bank's distribution network grew to 450 branches in 1Q 2015 from 439 in 1Q 2014 while ATMs increased to 1,208 in 1Q 2015 compared to 1,163 in 1Q 2014. This resulted in a 2.68 branch-to-ATM ratio, one of the highest in the industry.