

PRESS RELEASE

RCBC 1H 2015 NET INCOME UP BY 25% AT P2.53 BILLION

Core Lending Up By +18%

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P2.53 billion for the first half of 2015, 25.29% higher than the P2.02 billion net income reported for the same period last year. Annualized Return on Equity and Return on Assets stood at 9.3% and 1.1%, respectively.

Net Interest Income reached P7.45Bn and represented 63% of Gross Income which increased by 12.4% to P11.8Bn. The Bank achieved an Annualized Net Interest Margin (NIM) of 4.2% which remains one of the highest in the sector.

Core lending business is sustained with loan book excluding interbank loans expanding by 18% to P275.7 billion. All market segments sustained their growth with average loan volumes of corporate, consumer, and SME increasing by 20%, 18%, and 30%, respectively. SME loans now comprise 12% of the bank's total loan portfolio as planned. Meanwhile, microfinance lending thru Rizal Microbank continued its consistent climb with outstanding loan portfolio increasing by 46%. The interest income from the lending business contributed 83% of the total interest income of the Bank.

Despite the sustained growth momentum in loans, asset quality remained well-managed with Parent Bank NPL Ratio at 0.24% while Parent Bank NPL Cover also stood strong at 159.13%.

Other operating income went up by 50.21% at P4.30 billion with securities trading gains contributing P1.72 billion. Total fee-based and miscellaneous income increased by 23.23% to P2.53 billion. Improved contributions came from investment banking-related income which increased by 198%, bancassurance which went up by 148%, and fees from loan-related transactions which increased by 37%.

Total operating expenses grew 9% y-o-y and reached P7.4Bn.

Total deposits reached P321.9 billion with low-cost CASA deposit level growing by P16.6 billion to P204.3 billion and leading to a CASA Ratio of 63%.

Total consolidated assets grew by 9% reaching P468.7 billion while Capital Funds improved by P16.9 billion to P62.4 billion.

“Clearly, RCBC is on-track. We are advancing on all fronts: from core lending to deposits to fee-based income. We are pleased with our 1H15 numbers but we will continue to double our efforts in satisfying our customers and shareholders,” said RCBC President & CEO Lorenzo V. Tan.

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

For 2015, RCBC will focus on reducing transaction unit cost by deploying 120 Touch Q paperless banking staging terminals in various branches nationwide, cutting transaction time by 50%.

The Bank’s total number of accounts expanded to 6.9 million as of 1H 2015 from 6.3 million as of 1H 2014, or a CAGR of 28.8% from the 800,000 accounts in 2006.

As testimony to RCBC’s pursuit of excellence, the Bank received 83 awards since 2010 including 6 during the first half of 2015 among which are Best CSR and Best Investor Relations Company in the Philippines from Corporate

Governance Asia Magazine, CEO Gender Award where the Bank was awarded for the East Asia Pacific Women in Business Program or the RCBC eWMN from IFC, Domestic Retail Bank of the Year (Philippines) and SME Bank of the Year (Philippines) from ABF Retail Banking Awards, Green Leadership Award from Asia Responsible Entrepreneurship Awards, and Outstanding Respondent for Coordinated Portfolio Investment Survey (CPIS) from the BSP.

RCBC is a member of the Yuchengco Group of Companies (YGC), one of the oldest operating conglomerates in the Philippines with over 100 years as a conglomerate. For more information, please visit www.rcbc.com or email at investor_relations@rcbc.com.