

PRESS RELEASE

RCBC NET INCOME AT P3.64 BILLION AS OF 3Q 2015, UP 21%

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P3.64 billion for the first three quarters of 2015, 21% higher than the P3.01 billion net income reported as of end-September 2014. Earnings per share (EPS) settled at P3.68, P0.87 per share or 31% better than the P2.81 EPS reported for the same period last year. Annualized Return on Equity improved to 9.0% from 8.56% while Return on Assets was also better at 1.1% as against 0.95% as of end-September 2014.

For the three-month period 3Q 2015, net income reached P1.11 billion representing an increase of 11% over the P995 million reported last year for the comparable quarter, and a 20% sequential increase over 2Q 2015 quarterly income.

The Bank's core businesses continued to consolidate with Net Interest Income reaching P11.46 billion. For the three-month period 3Q 2015, Net Interest Income reached P4.0 billion, 10% higher over the P3.66 billion reported last year for the comparable quarter, and a 5% sequential increase over 2Q 2015.

Annualized Net Interest Margin (NIM) stood at 4.16% and remains one of the highest in the sector, notwithstanding the intense pricing competition and low interest rate environment.

The Bank's outstanding loan book excluding interbank loans expanded to P280.85 billion with all market segments sustaining their growth momentum. The corporate, consumer, and SME segments increased by 19%, 17%, and 27%, respectively for a total average loan growth of 19%. Microfinance lending thru Rizal Microbank continued to advance with loan disbursements growing by 33% and outstanding loan portfolio increasing by 75%.

Despite the robust expansion in loans, enhancements in credit processes and measures led to the decline in the Net Non-Performing Loans (NPL) Ratio of the Parent bank which stood at 0.27% as against 0.49% for the same period last year. Consolidated Net NPL Ratio was at 0.90% as of end-September 2015 as against 1.06% as of end-September 2014. Parent bank reserve cover also stood strong at 154.57%.

Other operating income went up by 24.06% to P5.46 billion with gain on disposal of investment in amortized cost and securities trading gains contributing P1.44 billion. Total fee-based and miscellaneous income remained a major source of revenues reaching P3.9 billion, higher by 25% and accounted for 23% of gross income. Improved contributions came from investment banking-related fees which increased by 239%, bancassurance commissions which went up by 198%, and fees from loan-related transactions which increased by 50%.

Total operating expenses were well-managed at P11.1Bn, growing by 7% y-o-y.

Total deposits expanded by P30 billion or 10% to P332.11 billion. Low-cost CASA deposits increased by 12% or P23.23 billion to P214.63 billion leading to CASA-to-Total Deposits ratio of 64.63%, up from 63.41% as of end-September 2014.

Total consolidated resources grew by 13% to P489.54 billion while Capital Funds reached P57.63 billion, higher by P8.52 billion y-o-y. The Bank's CAR of 16.45% is well above the BSP minimum requirement of 10% while Common Equity Tier 1 (CET1) Ratio of 13.15% also exceeded the minimum CET1 Ratio (with capital conservation buffer) of 8.50%.

RCBC's NIM of 4.16% remains one of the highest in the banking sector. Our NPL Ratio at 0.90% reflects our efforts on improving asset quality and credit assessment systems. Loans and deposits continue to grow. CASA-to-Total Deposits Ratio has improved significantly from 44% back in 2007 to 65% as of

3Q15. The Bank's quarterly Net Interest Income and fee income have been increasing consistently from quarter to quarter this year despite the competitive environment. Our core businesses are healthy and the numbers will speak for our performance," said RCBC President & CEO Lorenzo V. Tan.

The Bank's distribution network grew to 448 branches as of end-September 2015 from 445 as of end-September 2014 while ATMs increased to 1,295 compared to 1,181 in the previous period. This resulted in a 2.89 ATM-to-branch ratio, one of the highest in the industry. The Bank's total number of accounts expanded to 7.15 million as of 3Q 2015 from 6.5 million as of 3Q 2014, or a CAGR of 28% from the 800,000 accounts in 2006.

In November 2015, the Bank successfully raised \$320 million worth of senior unsecured 5.25 year bonds, out of its Medium Term Note Programme. RCBC received orders of over \$1.3 billion, over four times its intended issuance. The oversubscription allowed RCBC to tighten its pricing from an initial guidance of 3.75% to just 3.45% - the lowest coupon ever by a Philippine bank and reflective of strong investor demand. It is also the largest USD-bond issuance by a Philippine bank so far. The issuance attracted over 150 accounts, allowing the Bank to allocate approximately 87% of the orders to offshore accounts, further diversifying its investor base. The interest for RCBC's strong credit, which has shown robust and sustained profitability, and loan and asset growth on the backdrop of a dynamic Philippine economic story reflected in the early positive momentum for the transaction.

The Bank is seeking to grow its client base to 12 million in the medium term, with expansion plans in the pipeline and products and services such as retail business lending and MyWallet meant to further tap small investors and target the unbanked. RCBC is opening another 23 branches before end-2015. The

Bank is also moving to improve its customer experience and help ease activities in the branches. Its new service called RCBC Touch Q Web Portal-Mobile App allows clients to prepare withdrawal, deposit, bills payment, cheque encashment, and open an account via the portal. The Bank recently acquired 50 additional Touch Q machines with an end goal of putting up Touch Q machines in all its branches.

As testimony to RCBC's pursuit of excellence, the Bank received 92 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 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, retail financing (auto, mortgage and housing loans, and credit cards), remittance, leasing, foreign exchange and stock brokering.

RCBC received a rating upgrade to Baa3 (stable) by Moody's Investor Services in May 2015 from Ba2. It is rated BB (stable) by Fitch Ratings. 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 www.rcbc.com or email investor_relations@rcbc.com.