

## **RCBC POSTS P5.1 BILLION NET INCOME FOR FY 2015, UP 15%**

### **Core Lending Up By 18%**

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P5.1 billion for FY 2015, 15.2% higher than the P4.4 billion net income reported for FY 2014. Earnings per share (EPS) settled at P3.73, P0.62 per share or 20% better than the P3.11 EPS reported for the same period last year. Return on Equity reached 9.24% while Return on Assets improved further to 1.08% as against 1.03% for FY 2014. Core income excluding trading gains and extraordinary income grew robustly by 43%.

Reflective of the Bank's strengthening core businesses, Net Interest Income reached P15.6 billion, ahead by 4% versus P15.0 billion last year. Net Interest Margin (NIM) stood at 4.15% and remains one of the highest in the sector despite the competition and challenging market conditions.

The Bank continued to build up its core lending as average loan volume excluding interbank loans expanded by 18%, with all market segments showing consistent growth. Average loan volume of the corporate segment grew by 18%, consumer by 17%, and SME by 24%. Microfinance lending thru Rizal Microbank also advanced with loan disbursements growing by 32% and outstanding loan portfolio increasing by 85%.

The Bank managed to improve further its asset quality with a Consolidated Net NPL Ratio of 0.79%, now at its record lowest even in the midst of robust expansion in loans. Consolidated NPL Cover is at 101.65%. Parent bank's Net NPL Ratio remained low at 0.26% while Parent bank NPL Cover also stood strong at 161.73%.

Accounting for 17% of gross income, total fee-based income rose by 20% to P3.7 billion: investment banking-related fees +154%, Bancassurance fees +102%, fees related to loan transactions +51%, and prepaid card fees +34%.

Total operating expenses were managed and controlled, increasing by 5% to P15 billion.

As of end-2015, total deposits expanded by P27 billion to P342.4 billion. Low-cost CASA deposit level increased by P26 billion to P222.5 billion leading to CASA-to-Total Deposits ratio of 65.0%, an all-time high and up from 62.2% as of end-2014.

Meanwhile, total number of Wealth Management clients increased by 11% to 3,118 in 2015 leading to the growth in total asset under management (AUM) by 13% to P84.3 billion. For 2016, Wealth Management is looking to grow both its clients and AUM by 16%.

Total consolidated resources grew by 13% to P516.6 billion while net loans excluding interbank loans expanded by 15% to P299.1 billion. Capital Funds reached P58.4 billion, higher by 10%. The increase in Capital was mainly driven by the strategic investment in April 2015 of 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, for a 20% stake in RCBC.

The Bank's CAR of 15.72% is well-above the BSP minimum requirement of 10% while Common Equity Tier 1 (CET1) Ratio of 12.55% also exceeded the minimum CET1 Ratio (with capital conservation buffer) of 8.50%.

RCBC clearly demonstrated its resilience in 2015 with Net Income and Core Income posting healthy growth. Steadily, the Bank has bolstered its core businesses by deliberately focusing on recurring and less cyclical sources of revenue. The Bank's combined Net Interest Income and fee-based income now

comprise 87% of Gross Income. We will continue to focus on the quality of our earnings and growth as we continue to face a more challenging regulatory, interest rate, and global economic environment in 2016," said RCBC President & CEO Lorenzo V. Tan.

The Bank's distribution network grew to 456 branches as of end-2015 from 449 as of end-2014 while ATMs increased to 1,342 from 1,202 as of end-2014. This resulted in a 2.94 ATM-to-branch ratio, one of the highest in the industry. The Bank's total number of accounts expanded to 7.3 million as of end-2015 compared to 6.7 million as of end-2014.

In November 2015, the Bank successfully raised \$320 million worth of senior unsecured 5.25 year bonds, out of its Medium Term Note Programme, with a coupon of 3.45% - the lowest coupon ever by a Philippine bank and reflective of strong investor confidence on RCBC's credit. RCBC received orders of over \$1.3 billion, over four times its intended issuance.

As testimony to RCBC's pursuit of excellence, the Bank received 93 awards since 2010 including 17 in 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, Outstanding Respondent for Coordinated Portfolio Investment Survey (CPIS) from the BSP, and Best Credit Card Offering from Cards and Electronic Payments International (CEPI) Asia Awards.

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 and 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](http://www.rcbc.com) or email [investor\\_relations@rcbc.com](mailto:investor_relations@rcbc.com).