

RCBC Net Income Remains Strong Amidst COVID Uncertainty

Rizal Commercial Banking Corporation sustained its strong momentum in the first quarter of 2020 with a 77% year-on-year growth in net income. The robust performance of the core business and trading gains boosted the bottom line to reach P2.3 billion. Its annualized Return on Equity (ROE) improved to 11.1% and annualized Return on Assets (ROA) to 1.28%.

RCBC's gross revenues grew by 23% year-on-year to P10.0 billion as net interest income and non-interest income rose by 19% and 29%, respectively. Interest income from loans and receivables grew by 12% on the back of strong volume growth and sustained margins across all customer segments. In addition, cost of funds declined by 71 basis points as the market interest rates normalized during the quarter. Non-interest income also increased by 29%, accounted for by higher trading and foreign exchange gains. Furthermore, operating efficiency improved with a cost-to-income ratio of 55.6%, better than the 64.2% registered last year.

The Bank is facing the COVID-19 crisis with P715.3 billion in Total Assets and P84.7 billion in Capital as of March 2020. RCBC's solid capital ratios, CAR of 13.8% and CET1 ratio of 12.9%, represent its steadfast commitment to serve our customers and provide full banking operations and innovative solutions to its stakeholders, amid unprecedented challenges.

The Bank's small and medium enterprises (SME) and consumer loan segments have registered pre-COVID growth of 26% and 20%, respectively. The credit card business also expanded, with credit card receivables accelerating by 42%, and card base of 914,000 reflecting a 25% year-on-year growth. For clients with credit facilities and loans, the bank has implemented a payment reprieve during the enhanced community quarantine.

The Bank's Net NPL Ratio as of March was at 2.2%, slightly better than the 2.6% recorded in the same period last year. NPL coverage ratio likewise improved to 76.2% in March 2020 compared to 67.3% in March 2019 as the Bank aims to build sufficient buffers for COVID-related losses.

Commitment to Serve Amid the Pandemic

RCBC continues to enhance and strengthen its digital capabilities to meet the urgent demand for efficient and convenient banking services amidst limited mobility due to the pandemic. In a massive digital push, the Bank strongly encouraged its client base to shift to digital channels, activating new functionalities that have made transacting more convenient. The bank has waived online interbank transfer fees via InstaPay and PesoNet during the ECQ, and recently, enabled online account opening.

“RCBC’s digital solutions are designed to make banking as convenient and as efficient as possible as we acclimatize ourselves with this new normal,” President and CEO Eugene Acevedo said.

In solidarity with the fight against the pandemic, the bank has actively responded to the Bayanihan to Heal as One Act by being the first private universal bank authorized by the Bangko Sentral ng Pilipinas (BSP) to aid in the efforts of the Department of Social Welfare and Development (DSWD). The Yuchengco-led bank is now allowed to accept deposits from the agency and help distribute emergency cash aid to beneficiaries through its digital platforms.

The bank is instrumental to the disbursement of the government’s P200 B emergency subsidy to over 18 million families. Using mobile terminal called ATM Go, RCBC collaborated with several rural banks, cooperatives, NGOs and payment collection companies to give the beneficiaries convenient access to their subsidy. The said mobile ATM also continues to be used to disburse conditional cash transfers under the government’s “Pantawid Pamilyang Pilipino” program to 70 provinces via over 1,250 ATM Go terminals. Additional 2,000 units will be deployed to reach more barangays.

“We will continue to utilize and maximize our digital resources to help in every way we can in this war against the pandemic,” Acevedo added.

Select Luzon and Mindanao branches have remained opened with shortened banking hours, while other banking channels such as ATMs and online banking remain available 24/7.



PRESS RELEASE

About RCBC

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, microfinance, retail financing (auto, mortgage and housing loans, and credit cards), remittance, leasing, foreign exchange, and stock brokering. 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 <https://www.rcbc.com>