



## **RCBC Net Income at P4.3 billion for the full year 2018**

Core Income up 26%

Rizal Commercial Banking Corporation posted a consolidated Net Income of P4.3 billion for the full year 2018. The Bank was able to sustain core business growth with Net Interest Income increasing by a healthy 14% to P20.5 billion in 2018, accounting for 77% of total Gross Income.

Excluding non-recurring income (trading gains), core income grew 26% compared to last year coming from stronger core business led by a double-digit growth in Net Interest Income by 14% and Fee-based Income by 7%. The Bank's combined net interest income and fee-based income now comprise 91% of gross income.

The Bank's Capital position at P81.4 billion remained robust and well-above the minimum regulatory requirement with a CAR of 16.13% and CET1 Ratio of 13.38%.

The Bank's strong accrual income comes mainly from customer loans with Net Loans and Receivables expanding by 12% to P398.3 billion. All strategic segments sustained their growth. Average loan volume of the corporate segment grew by 9%, SME segment by 28%, Consumer segment by 17% with growth in Credit Card Receivables at 32%. Rizal MicroBank (RMB), the Microfinance arm of the Bank that provides financing requirements for micro and small enterprises, increased its average loan portfolio by 17% year on year, through continuous efforts to enhance its current loan products responsive to the needs of its mandated market segments.

Gross Income reached P26.5 billion with Total Non-Interest Income reaching P6.1 billion or 23% of gross income. Fee-based Income, which includes card related fees - both credit and debit cards, Trust fees, and Fees on investment banking and loans, accounted for 14% of Gross Income.

Increase in Total Operating Expenses was controlled at 9% to P19.5 billion for the year ended 2018.

The Bank continued to strengthen its Balance Sheet ending the year with Total Assets of P644.8 billion, higher by 16% year-on-year. This was principally funded by the increases in Deposits, Bonds Payable, and Stock Rights Offering proceeds. Total Deposits grew by P35.0 billion year-on-year to P423.4 billion. CASA reached P230.3 billion as of end-December 2018.

*“The quality of core earnings continued to improve with robust growth in net interest income and fee income. The Bank’s balance sheet position is now stronger than ever. The success of the Stock Rights Offering is just an affirmation of RCBC’s viability and long-term growth prospect.”* said Gil A. Buenaventura, RCBC President and CEO.

The Bank recently issued a Peso green bond amounting to P15 billion under its recently established green finance framework. The issuance is 3X oversubscribed and is the first green bond from the Philippines issued under the ASEAN Green Bond Standards 2018. The bond is also aligned with the international Capital Market Association’s Green Bond Principles 2018. RCBC signed cooperative partnerships with Kookmin Bank and Shoko Chukin Bank paving the way for the Bank to provide banking services and financial information assistance to Korean corporates & Japanese-owned SMEs operating and investing in the country. The Credit card business is growing with more than 115,000 or 20% year on year growth in the cardholder base. And in the area of digital currency, RCBC launched the E-Piso, for retail transactions, albeit still under a sandbox model, as agreed with the BSP.

Our commitment to service excellence has resulted to numerous awards from regulators, as well as respectable local and international award giving bodies. The Bangko Sentral ng Pilipinas (BSP) cited the Bank as Outstanding Respondent for Coordinated Portfolio Investment Survey. RCBC also received seven awards for the fixed income category and seven for the equities category, including the Best Equities House, and Best Fixed Income House awards from the Fund Manager's Association of the Philippines (FMAP). In the area of Communications and Branding, RCBC received several awards, among them six Quill Awards from the International Association of Business Communicators, the Gold Anvil for the brand refresh campaign, and the recognition as part of the top 10 brand with the Most Improved Brands Health by YouGov.com. RCBC Bankard received the Best Card Offering-Philippines recognition during the 5th International Finance Magazine (IFM) Awards.

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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> or email [investor\\_relations@rcbc.com](mailto:investor_relations@rcbc.com)