

RCBC 1H 2017 Net Income at P2.35 billion

Core businesses up: Loans +16%, Deposits +20%

Rizal Commercial Banking Corporation posted a consolidated net income of P2.35 billion for the first half of 2017. Annualized Return on Equity and Return on Assets stood at 7.50% and 0.91%, respectively.

2Q 2017 Net Income rose to 67% to P1.34 billion versus P806 million for the same period last year. This was supported by increases in net interest income (+16%), trading gains (+56%), and fee-based income (+140%).

In the first six months of 2017, Net Interest Income reached P8.6 billion and represented 70% of total gross income amounting to P12.4 billion. Annualized Net Interest Margin (NIM) remained strong at 4.26%, 20 basis points improvement from the 4.06% recorded in full year 2016.

The growth in net interest income was driven by the Bank's vibrant lending business with the Loan portfolio expanding by 16% to P324 billion. All market segments sustained their growth with 15% growth in corporate loans, 26% growth in SME Loans, 14% growth in Consumer Loans and 26% growth in Credit Card Receivables. Meanwhile, the Microfinance arm of the Bank that provides financing requirements for micro and small enterprises continued its uptrend with outstanding loan portfolio increasing by 44%.

Other operating income reached P3.78 billion with fee income totaling P1.6 billion representing 13% of gross income. Miscellaneous income grew 11% year on year driven by the improved volume from leasing business.

Total deposits grew by P62.6 billion or 20% year-on-year to P382.4 billion. CASA deposits reached P220.0 billion or P17 billion increase year-on-year.

The Bank's asset quality remained solid with NPL Ratio at 1.35% and NPL Cover at 79.82%.

Increase in total operating expenses was controlled at below 5% to P8.7 billion for the first half of the year. The Bank pursued the expansion of its distribution network by selectively opening 18 branches and deploying 68 ATMs mainly in support of its on-going strategy to broaden customer reach and enhance banking convenience. This brought the consolidated network to 495 branches and 1,511 ATMs, resulting to a 3.05 branch-to-ATM ratio, one of the highest in the industry.



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Total consolidated resources expanded to P537.1 billion while Capital Funds were at P64.0 billion. The Bank's capital position remains strong and well above the minimum regulatory requirement with a CAR of 15.20% and CET1 Ratio of 12.13%.

The Bank's business continued to grow, addressing the various needs of its customers. The number of *RCBC Bankard* credit cardholders continued to expand to 541,000 cardholders. Under the Wealth Management Group, total assets under management (AUM) expanded by 11% to P92 billion.

Riding on the wave of the first half performance, the Bank embarked on a major brand initiative in July, where a new corporate logo and tagline "We Believe in You", was officially launched to the public. Speaking about the campaign, RCBC President & CEO Gil Buenaventura adds: *"This milestone signals the arrival of a more committed, refreshed and re-energized RCBC that is ready to meet the demands of the ever-changing Philippine banking industry."* With the simpler, younger and more minimalist new logo, RCBC sets its sights to be more accessible to the younger Filipino depositors, who are looking for better ways to save and grow their money.

In 2017, the Bank received various awards in Treasury and Investment banking including Overall Best for Credit, Overall Best for Interest Rate, Best for Credit Research and Market Coverage, Best for Interest Rate Product and Sales, Best for Credit Sales, Best for Credit Derivatives, Best for Credit Services, Best for Interest Rate Research, Best for Interest Rate Product and Sales, Best for Interest Rate Derivatives from Asia Money, one of the most respected finance publications in the world, Infra Deal of the Year 2016 from Project Finance International, Best Project Finance Deal of the Year 2016 from Alpha South East Asia, Top 5 Corporate Issue Manager/Arranger from PDEX, and Best in Private Banking from AI Global Awards.

RCBC is rated Baa3 (or investment grade) with a Stable outlook by Moody's and BB+ with a Stable outlook by Fitch.

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