

## PRESS RELEASE

### **RCBC POSTS P3.01 BILLION NET INCOME AS OF 3Q 2014**

#### **Lending Up By 15%, Deposits By + 17%**

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P3.01 billion for the first three quarters of 2014. Excluding trading gains and last year's extra-ordinary net gains totaling P927 million coming from the sale of non-performing assets and equity investments, the P3.01 billion net income represents 114% increase in core operating income.

The Bank continued to strengthen its core businesses with Net Interest Income reaching P11.24 billion, up 17% versus the P9.59 billion for the same period last year. Annualized Net Interest Margin (NIM) improved by 14bps to 4.31% as against 4.17% for the same period last year notwithstanding the intense pricing competition and low interest rate environment.

The Bank's loan book excluding interbank loans expanded by 20% to P244.8 billion with all market segments sustaining their growth momentum. Average loans of corporate, consumer, and SME increased by 21%, 22%, and 36%, respectively. Microfinance lending thru Rizal Microbank continued to advance with loan disbursements growing by 21% and outstanding loan portfolio increasing by 65%.

Non-performing loans (NPL) ratio of the Parent bank was at 0.49% while consolidated NPL Ratio was at 1.08% as of end-September 2014. Parent bank reserve cover also stood strong at 128.37%.

Total fee-based and miscellaneous income continued to be a major source of revenues reaching P3.13 billion, accounting for 20% of gross income. Improved contributions came from remittance fees increasing by 48% to P215 million, brokerage commissions growing by 47% to P413 million, and ATM income growing by 14% to P189 million.

Total operating expenses were well-managed at P10.37 billion, lower by 1%.

Total deposits expanded by P43 billion or 17% to P301.85 billion. Low-cost CASA deposits increased by 16% or P26.31 billion to P191.40 billion leading to CASA-to-Total Deposits ratio of 63.41%.

Total consolidated resources grew by 11% to P433.03 billion while Capital Funds reached P49.11 billion. The Bank's CAR of 15.14% is over the BSP minimum requirement of 10% while Common Equity Tier 1 (CET1) Ratio of 11.47% also exceeded the minimum CET1 Ratio (with capital conservation buffer) of 8.50%.

"RCBC remains firmly on-track with its long-term goals. The Bank's focus is on growing the more sustainable business models. Our numbers demonstrated consistent and solid growth in our loans and deposits whose gains are reflected in our NIM, one of the highest in the industry. We have strengthened the Bank's Capital and will continue to do so to support our growth especially in preparation for the upcoming ASEAN financial integration," said RCBC President & CEO Lorenzo V. Tan.

The Bank's distribution network grew to 445 branches as of 3Q 2014 from 431 as of 3Q 2013 while ATMs increased to 1,181 as of 3Q 2014 compared to 1,132 as of 3Q 2013. This resulted in a 2.65 branch-to-ATM ratio, one of the highest in the industry. The Bank's total number of accounts expanded to 6.5 million as of 3Q 2014 compared to 5.6 million as of 3Q 2013.

As affirmation of its pursuit of excellence, the Bank recently received awards from the World Finance magazine as the Best Banking Group in the Philippines for three years in a row, and Best Commercial Bank in the Philippines. The Bank also garnered recognition from the members of the Fund Managers' Association of the Philippines. In addition, RCBC Bankard won the Credit Card Product of the Year Award as announced by Cards International and Electronic Payments International. RCBC Bankard also bagged the Retail Banker International Trailblazer Award in the Product Excellence in Credit Cards category this year.

RCBC is a member of the Yuchengco Group of Companies (YGC), one of the oldest and largest conglomerates in the Philippines and South East Asia covering 60 businesses.