

RCBC Net Income at P3.50 billion for the First Nine Months of 2016

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P3.50 billion for the nine months ended September 30, 2016. Excluding trading gains and the one-off item relating to the BSP supervisory enforcement action, core earnings increased by 33% year-on-year. Annualized Return on Equity and Return on Assets stood at 7.82% and 0.94%, respectively.

Net Interest Income reached P11.86 billion and represented 67.5% of total gross income of P17.56 billion. The interest income from the lending business grew by 11.84% year-on year. Annualized Net Interest Margin (NIM) was sustained at 4.12% due to healthy margins in the consumer loans which expanded by 20%.

Other operating income was up by P237 million year-on-year to P5.70 billion and represented 32.5% of total gross income. This was driven by higher foreign exchange and trading gains, and miscellaneous income. Total fees and commissions reached P2.57 billion and accounted for 45% of other operating income.

Excluding the one-off item mentioned above, other operating expenses grew by 8.63% year-on year to P12.06 billion primarily due to the expansion in the branches and ATM network.

The Bank's asset quality remained excellent with NPL Ratios of the Parent Bank at 0.26% and Consolidated Bank at 0.97%. NPL Covers of the Parent Bank and Consolidated Bank both stood strong at 171.06% and 93.29%, respectively.

Total consolidated assets expanded to P504.35 billion while Capital Funds were at P60.74 billion. The Bank's capital position remains strong and well above the minimum requirement with a CAR of 16.98% and CET1 Ratio of 13.64%.

Total deposits at P332.96 billion increased by P13.14 billion quarter-on-quarter. CASA deposits reached P198.82 billion, translating to CASA-to-Total Deposits ratio of 59.71% as of end-September 2016.

The Bank's branch network grew to 477 branches as of end-September 2016 from 448 for the same period last year while, ATMs increased to 1,475 as of end-September 2016 compared to 1,295 as of end-September 2015. This resulted to a 3.09 branch-to-ATM ratio, one of the highest in the industry. Meanwhile, the number of *Bankard* credit cardholders reached 524,000 or an increase of 8.0% year-on-year.

"RCBC continues to be resilient despite all the challenges. As early as August of this year, we already recorded in our books the full P1.0 billion supervisory enforcement action by the BSP. RCBC is ready to rise above and move forward as we endeavor to implement reforms and improvements that will help the Bank achieve its long-term objectives," said RCBC President & CEO Gil A. Buenaventura.

As testimony to RCBC's pursuit of excellence, the Bank received numerous awards for its achievements, among which, in 2016, Best Domestic Private Bank and Overall Best Private Bank in the Philippines for 5 consecutive year since 2012 as voted by high net worth individuals (HNWIs) from Asiamoney Polls; Best Card

Offering Category from Retail Banker International Asia Trailblazer Awards 2016 for RCBC *Bankard*; International Award category of the 18th annual Business Continuity Awards given by the Continuity, Insurance, & Risk (CIR) magazine; RCBC Ranks 2nd in the Philippines in IJ Global Magazine's Project Finance League Table.

Just recently, the Asiamoney 2016 survey for the best banks in Foreign Exchange (Forex) Products, Trading and Services, RCBC Treasury was voted by clients as the number one provider of Forex products and services in 4 categories. RCBC Treasury won more Asiamoney awards this year (5 awards) versus last year (2 awards) and was recognized in Annual FMAP Awards in three different categories including Best Fixed Income House (2nd place), Best Local Trader (3rd place), and Best Fixed Income Strategist (3rd – place).

In July 2016, RCBC received from Fitch Ratings an upgrade in its Long-Term Issuer Default Rating (IDR), from 'BB' to 'BB+', and in its Viability Rating (VR) from 'bb' to 'bb+'.

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.
