

RCBC to pay BSP P1B

Rizal Commercial Banking Corporation ("RCBC") will comply with MB Resolution No. 1392 by paying P1 Billion to Bangko Sentral ng Pilipinas for non-compliance with banking laws and regulations in connection with the \$81M Bangladesh Bank Cyber Heist. This amount shall be paid in two equal tranches over a one-year period.

The special examination has been completed.

RCBC's President and Chief Executive Officer Gil A. Buenaventura said that "while the payment involves a large amount, RCBC believes that this is part of increasing regulatory oversight and restrictions and we will comply with the MB Resolution."

"With this payment, RCBC affirms its continued viability and determination to fulfill its firm commitment against money laundering, terrorism and other transnational crimes to ensure the stability of the banking system," Buenaventura said.

RCBC has already made provisions for this payment. Buenaventura added that "together with the payment of this amount, RCBC is instituting changes in its AML system and processes, making it among the most prepared in terms of thwarting money laundering attempts in the Philippines and the region. RCBC's focus is to move forward and continue its ongoing program to put in place more robust processes, systems, and checks and balances. As a result, we expect this newly strengthened RCBC to be even more profitable and efficient both in terms of operations and in serving its customers."

For the first half of this year, RCBC posted a net profit of P2.6 billion. RCBC's total capital base as of June 2016 was at P59.9 Billion. Last year the Bank's net profit was Php5.1 billion on a gross profit of Php 22 billion. The payment of the amount will not affect the operations of RCBC, and capital ratios will continue to be strong.

"We appreciate the efforts of the Bangko Sentral ng Pilipinas to keep the banking sector prepared and strong. We will continue to cooperate with BSP in this endeavor," Buenaventura said.