



10 August 2018

MS. JANET A. ENCARNACION
Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue cor. 28th Street
Bonifacio Global City
Taguig City

Dear Ms. Encarnacion,

Please be advised that the following information would be made available to the major newspapers. It concerns RCBC's performance for first half of 2018.

Thank you.

Very truly yours,

MA. CHRISTINA P. ALVAREZ
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Senior Vice President and Corporate Information Officer 

cc: Ms. Kathlene Anne F. Famadico, Philippine Dealing and Exchange Corporation

RCBC Posts P2.2 billion Net Income in 1H-2018 on Stronger Core Income Growth of 47%.

Rizal Commercial Banking Corporation posted an unaudited consolidated Net Income of P2.2 billion for the first half of 2018. Excluding non-recurring income (trading gains), core income grew 47% compared to last year, reflecting continued robust growth in earnings from core businesses.

Income from core businesses continued to show progress as Net Interest Income reached P9.7 billion with 12% growth year-on-year. Even with the intense pricing competition, the Bank still achieved an annualized Net Interest Margin (NIM) of 3.98% which remains one of the highest in the sector. This was bolstered by the Bank's vibrant lending business with Net Loans and Receivables expanding by 14% to P372 billion. All market segments sustained their solid growth with 11% growth in Corporate loans, 36% growth in SME Loans, 17% growth in Consumer Loans and 33% growth in Credit Card Receivables.

Rizal MicroBank (RMB), the Microfinance arm of the Bank that provides financing requirements for micro and small enterprises, increased its outstanding loan portfolio by 27% year on year. RCBC Bankard has a strong and active card base of 625,000 in the first half of 2018, higher by 16% vs. the same period last year.

Despite the sustained growth momentum in loans, the Bank's asset quality remained well-managed with consolidated NPL Ratios of 1.18%, better than the 1.35% in the same period last year. NPL coverage improved to 100% from previous year's 80% at the consolidated level, and a healthier 151% at the parent bank level.

Total Gross Income reached P12.8 billion with total other Operating Income reaching P3.1 billion or 24% of the total Gross Income. Fees and Commissions, which include card related fees - both credit and debit cards, Trust fees, and Fees on investment banking and loans were at P1.8 billion, and accounted for 14% of the total Gross Income.

Total Operating Expenses amounted to P9.6 billion for the first half of 2018 with the continued expansion in branch and distribution network as well as higher documentary stamp taxes (DST). The Bank's branch network grew to 509 branches as of end-June 2018 from 495 as of end-June 2017 while, ATMs increased to 1,597 as of end-June 2018 compared to 1,511 as of end-June 2017. This resulted to a 3.14 branch-to-ATM ratio, one of the highest in the industry.

Total Deposits grew by P14.0 billion year-on-year to P396.4 billion. CASA grew by P12 billion year-on-year to P231.6 billion as of end-June 2018, bringing CASA Ratio to 58.4%, up from 57.5% for the same period last year. The Bank's Capital funds stood at P68.0 billion and well above the minimum regulatory requirement with a CAR of 14.52% and CET1 Ratio of 11.60%. Total Resources expanded to 583.9 billion.



PRESS RELEASE

"The bank's trajectory is on an uptrend. We're above target for the first half of 2018. With the new P15 billion capital raised in July, we will remain focused on growing our lending business especially the Consumer and SME, and Microfinance business throughout the Philippines." said Gil A. Buenaventura, RCBC President and CEO.

RCBC has recently finalized a business alignment with Osaka-based Kansai Urban Banking Corp. and Kobe-based Minato Bank, both from the Kansai Mirai Financial Group, Inc., under Resona Holdings, Inc. The partnership seeks to promote the growing business relations between the two countries, encouraging Japanese companies to do business in the Philippines.

Our commitment to service excellence has resulted to numerous awards from regulators, as well as respectable local and international award giving bodies. The Philippine Dealing Systems Holding Corporation (PDS) recognized RCBC among the top institutions in the following categories: Fixed Income Dealing Participant; Fixed Income Cash Settlement Bank; Corporate Securities Maker; and PDDTS-PVP Participant. The Bangko Sentral ng Pilipinas (BSP) on the other hand 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 and the Gold Anvil for the brand refresh campaign. RCBC Bankard received the Best Card Offering-Philippines recognition during the 5th International Finance Magazine (IFM) Awards.

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>