

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions of Philippine Pesos)

		<u>9/30/2018</u>	<u>12/31/2017</u>
	<u>Notes</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>RESOURCES</u>			
CASH AND OTHER CASH ITEMS		P 14,389	P 14,693
DUE FROM BANGKO SENTRAL NG PILIPINAS		62,296	58,801
DUE FROM OTHER BANKS		17,111	19,818
LOANS UNDER REVERSE REPURCHASE AGREEMENT		12,053	9,831
TRADING AND INVESTMENT SECURITIES - Net	3	97,669	72,932
LOANS AND RECEIVABLES - Net	4	387,966	354,243
INVESTMENTS IN ASSOCIATES - Net		419	417
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT- Net		8,486	8,946
INVESTMENT PROPERTIES - Net		3,581	3,399
DEFERRED TAX ASSETS		2,175	1,896
OTHER RESOURCES - Net	5	<u>8,234</u>	<u>9,012</u>
TOTAL RESOURCES		<u>P 614,379</u>	<u>P 553,988</u>
<u>LIABILITIES AND CAPITAL FUNDS</u>			
DEPOSIT LIABILITIES	6	410,135	388,412
BILLS PAYABLE	7	38,742	43,967
BONDS PAYABLE	8	54,532	28,060
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		4,679	4,185
OTHER LIABILITIES	9	12,678	12,369
SUBORDINATED DEBT	10	<u>9,982</u>	<u>9,968</u>
Total Liabilities		<u>530,748</u>	<u>486,961</u>
CAPITAL FUNDS			
Attributable to Parent Company Shareholders:			
Preferred Stock		3	3
Common Stock		19,356	13,999
Capital Paid in Excess of Par		32,087	22,635
Other Comprehensive Income:			
Net Unrealized Gains on Financial Assets At Fair Value Through Other Comprehensive Income		1,635	1,968
Cumulative Translation Adjustment		53	85
Retirement plan		(3)	(79)
Reserve for Trust Business		444	436
Other Reserves		(97)	(97)
Retained Earnings Appropriated for General Provision		2,518	-
Retained Earnings		<u>27,614</u>	<u>28,049</u>
		83,610	66,999
Non-controlling Interest		<u>21</u>	<u>28</u>
Total Capital Funds		<u>83,631</u>	<u>67,027</u>
TOTAL LIABILITIES AND CAPITAL FUNDS		<u>P 614,379</u>	<u>P 553,988</u>

See Notes to Interim Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME

(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017	7/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017
Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
INTEREST INCOME ON				
Loans and receivables	P 19,364	P 15,828	P 6,589	P 5,523
Investment securities	2,282	1,841	906	573
Others	304	415	174	81
	<u>21,950</u>	<u>18,084</u>	<u>7,668</u>	<u>6,177</u>
INTEREST EXPENSE ON				
Deposit liabilities	4,252	2,896	1,559	999
Bills payable and other borrowings	3,011	2,044	1,096	660
	<u>7,263</u>	<u>4,940</u>	<u>2,655</u>	<u>1,659</u>
NET INTEREST INCOME	14,687	13,144	5,012	4,518
IMPAIRMENT LOSSES - Net	1,310	1,566	573	580
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	13,377	11,578	4,439	3,939
OTHER OPERATING INCOME (CHARGES)				
Service fees and commissions	2,732	2,345	1,046	795
Foreign exchange gains - net	748	574	226	251
Trust fees	209	208	70	67
Trading and securities gains (losses) - net	(214)	1,001	(106)	205
Miscellaneous	12 1,252	1,301	354	332
	<u>4,727</u>	<u>5,429</u>	<u>1,590</u>	<u>1,649</u>
OTHER OPERATING EXPENSES				
Employee benefits	4,885	4,433	1,632	1,483
Occupancy and equipment-related	2,492	2,344	864	830
Taxes and licenses	1,702	1,319	578	429
Depreciation and amortization	1,358	1,421	446	473
Miscellaneous	12 3,913	3,480	1,260	1,121
	<u>14,349</u>	<u>12,997</u>	<u>4,780</u>	<u>4,337</u>
PROFIT BEFORE TAX	3,755	4,011	1,249	1,252
TAX EXPENSE	545	605	202	193
NET PROFIT	3,210	3,406	1,047	1,060
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	1	2	0	1
NET PROFIT ATTRIBUTABLE TO PARENT				
COMPANY SHAREHOLDERS	P 3,209	P 3,405	P 1,047	P 1,059
Earnings Per Share (Annualized)				
Basic	<u>P 2.84</u>	<u>P 3.25</u>		
Diluted	<u>P 2.84</u>	<u>P 3.25</u>		

See Notes to Interim Financial Statements

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Philippine Pesos)

	<u>1/1/2018 to 9/30/2018 (Unaudited)</u>	<u>1/1/2017 to 9/30/2017 (Unaudited)</u>
NET PROFIT FOR THE PERIOD	<u>P 3,210</u>	<u>P 3,406</u>
OTHER COMPREHENSIVE INCOME (LOSSES) DURING THE PERIOD:		
Fair value losses on Financial assets at Other Comprehensive Income	(789)	(89)
Retirement plan	76	367
Translation adjustments on foreign operations	<u>0</u>	<u>1</u>
Other Comprehensive Income (Loss) for the period	(<u>713</u>)	<u>279</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>P 2,496</u>	<u>P 3,685</u>
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(<u>6</u>)	<u>1</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	<u><u>P 2,502</u></u>	<u><u>P 3,685</u></u>

See Notes to Interim Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN CAPITAL FUNDS
(Amounts in Millions of Philippine Pesos)

	1/1/2018 to 9/30/2018 (Unaudited)	1/1/2017 to 9/30/2017 (Unaudited)
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		
PREFERRED STOCK		
Balance, beginning	P 3	P 3
Conversion of preferred stock	(0)	(0)
Balance, end	<u>3</u>	<u>3</u>
COMMON STOCK		
Balance, beginning	13,999	13,999
Conversion of preferred stock to common stock	(0)	0
Issuance of common stock	5,357	-
Balance, end	<u>19,356</u>	<u>13,999</u>
CAPITAL PAID IN EXCESS OF PAR		
Balance, beginning	22,636	22,636
Conversion of preferred stock to common stock	0	0
Excess of consideration given over cost of common shares issued	9,451	-
Balance, end	<u>32,087</u>	<u>22,636</u>
NET UNREALIZED GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Balance, beginning as previously reported	1,968	2,128
Effect of Adoption of PFRS9	456	-
Balance, beginning as restated	2,424	2,128
Fair value losses during the period	(789)	(89)
Balance, end	<u>1,635</u>	<u>2,039</u>
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance, beginning	85	86
Impact of dissolution of a foreign subsidiary	(32)	-
Translation adjustment during the period	0	1
Balance, end	<u>53</u>	<u>87</u>
OTHER COMPREHENSIVE INCOME - RETIREMENT PLAN		
Balance, beginning	(79)	(1,593)
Remeasurement of the defined benefits during the period	76	367
Balance, end	<u>(3)</u>	<u>(1,226)</u>
RESERVE FOR TRUST BUSINESS		
Balance, beginning	436	415
Transfer from retained earnings - free	7	5
Balance, end	<u>444</u>	<u>420</u>
OTHER RESERVES	<u>(97)</u>	<u>(97)</u>
RETAINED EARNINGS APPROPRIATED FOR GENERAL PROVISION		
Beginning balance, as previously reported	-	-
Effect of Adoption of PFRS9	2,139	-
Beginning balance, as restated	2,139	-
Transfer from retained earnings - free	379	-
Balance, end	<u>2,518</u>	<u>-</u>
RETAINED EARNINGS		
Beginning balance, as previously reported	28,050	24,531
Effect of Adoption of PFRS9	(2,391)	-
Beginning balance, as restated	25,659	24,531
Net profit	3,209	3,405
Cash dividends on common shares	(862)	(773)
Cash dividends on preferred shares	(0)	(0)
Transfer of fair value reserves on FVOCI	(5)	3
Transfer to retained earnings appropriated for general provision	(379)	-
Transfer to reserves for trust business	(7)	(5)
Balance, end	<u>27,615</u>	<u>27,161</u>
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	<u>83,610</u>	<u>65,022</u>
NON-CONTROLLING INTEREST		
Balance, beginning	29	26
Effect of Adoption of PFRS9	(3)	-
Balance, beginning as restated	26	26
Fair value gains (losses) on FVOCI	(6)	1
Net Profit for the period	1	2
Balance, end	<u>21</u>	<u>28</u>
TOTAL CAPITAL FUNDS	P 83,631	P 65,050

See Notes To Interim Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(Amounts in Millions of Philippine Pesos)

	Notes	YTD Ended 9/30/2018 (Unaudited)	YTD Ended 9/30/2017 9/30/2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits before tax	P	3,755	P 4,011
Adjustments for:			
Interest income	(	21,950	(18,400)
Interest expense		7,263	5,256
Impairment losses		1,310	1,566
Depreciation and amortization		1,358	1,422
Dividend income	(	189	(219)
Share in net earnings of associates		1	(64)
Operating income before working capital changes	(	8,453	(6,428)
Decrease in financial assets at fair value through profit and loss	3	329	12,480
Increase in loans and receivables	4	(23,366)	(34,413)
Increase in investment property	(	182	(296)
Decrease (Increase) in other resources	5	(2,167)	488
Increase in deposit liabilities	6	21,723	21,497
Increase (Decrease) in accrued taxes, interest and other expenses		243	(680)
Increase in other liabilities	9	399	1,703
Cash used in operations	(	11,475	(5,648)
Interest received		21,238	18,315
Interest paid	(	6,850	(5,428)
Cash paid for taxes	(	900	(518)
Net Cash From Operating Activities		<u>2,013</u>	<u>6,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in Financial Assets at FVOCI	3	(2,797)	67
Increase in Investment securities at amortized cost	3	(22,603)	(5,108)
Acquisitions of bank premises, furniture, fixtures and equipment (net)	(	694	(1,256)
Cash dividends received		189	219
Acquisitions of intangibles	(	164	(262)
Net Cash Used in Investing Activities	(	26,067	(6,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of bills payable	7	(5,225)	(8,664)
Dividends paid	(	862	(773)
Net proceeds from (Redemption of) bonds payable		26,472	(13,043)
Net proceeds from issuance of common stock		14,809	-
Net Cash From (Used in) Financing Activities		<u>35,194</u>	<u>(22,480)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>11,140</u>	<u>(22,099)</u>
CASH AND CASH EQUIVALENTS, BEGINNING			
Cash and other cash items		14,693	15,176
Due from Bangko Sentral ng Pilipinas		58,801	66,520
Due from other banks		19,818	25,293
Interbank Loans and Loans and Receivables under reverse repurchase agreement		9,869	7,889
		<u>103,181</u>	<u>114,878</u>
CASH AND CASH EQUIVALENTS, END			
Cash and other cash items		14,389	11,729
Due from Bangko Sentral ng Pilipinas		62,296	58,143
Due from other banks		17,111	17,937
Interbank Loans and Loans and Receivables under reverse repurchase agreement		20,528	4,969
	P	<u>114,324</u>	<u>P 92,778</u>

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