



23 March, 2008

**ATTY. PETE M. MALABANAN**  
Head, Disclosure Department  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
4/F PSE Centre  
Exchange Road, Ortigas Centre  
Pasig City

Dear Atty. Malabanan :

Please be advised that the following information would be made available to the major newspapers. It concerns RCBC's 2008 Net Income.

Thank you.

Sincerely yours,

**ELBERT M. ZOSA**  
Executive Vice President and  
Corporate Information Officer



## **RCBC 2008 NET INCOME at P2.15 Billion**

Despite the global economic and financial crisis, RCBC registered a consolidated net income of P 2.15 Billion for full year 2008, 32.9% lower than the previous year's bottomline of P3.21 Billion. The bank faced the challenges of the financial crisis of last year by focusing on its core business. Interest income from Loans increased by 13.6%, as the bank continued to grow its loan portfolio in the various market segments it serves. Fees and commissions likewise increased by 37%, with the bank's ongoing strategy to not only increase its number of customers but the volume in remittances, trust and other services that generate fee income. The bank's number of customers surged to 1.8 million as of end 2008.

"Our final figures reflect the effects of ongoing developments in the global economy. While economic conditions currently are far from ideal, we are keeping our eyes focused on achieving our long-term goals for RCBC," said RCBC President and CEO Lorenzo V. Tan.

The Bank's Total Consolidated Resources grew by 12% to P268 billion at end-December 2008, a P29 billion increase from December 2007's P239 billion. Deposits as of end-Dec 2008 totaled P196.23 Billion, 11.5% higher than Dec 2007's P 175.92 Billion. Driven by higher loan volumes to Corporates and SMEs, total net loans and receivables increased by 40%, from P 117.19 Billion as of Dec 2007 to P164.41 Billion as of end Dec 2008. Loans of RCBC Savings Bank, which are predominantly consumer loans, grew by 20.4%.

At year end, the Parent Bank's non-performing loans (NPL) ratio declined from 6.12% in 2007 to 2.54% in 2008. Capital Adequacy Ratio (CAR) continued to be well above the BSP minimum requirement of 10% as it stood at 17.30% as of Dec 2008. These ratios reflect the strong financial performance of the bank.

RCBC continued to expand its customer reach via traditional bricks and mortar and electronic channels. RCBC's customers may now access their accounts and conduct basic RCBC banking services over the internet with RCBC Access One. As of end December 2008, the bank's branch network now totals 324 from end-2007's 301. This includes the

continuing integration of the remaining 9 Merchant bank branches into the RCBC network. Merchant's Bank had been acquired by RCBC last May 2008 in line with the general strategy of the company to acquire small and medium sized banks. The bank's ATM network has also grown to 380 from 300 as of end-December 2007.

RCBC is the country's fourth largest private universal bank in terms of capital base with 324 branches nationwide. It is a strong player in the remittance business with a wide presence overseas through remittance subsidiaries and tie-ups in North America, Europe and Hongkong. RCBC is a member of the multi-industry conglomerate Yuchengco Group of Companies.