



06 May, 2009

MS. JANET A. ENCARNACION
Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
4/F PSE Centre
Exchange Road, Ortigas Centre
Pasig City

Dear Ms. Encarnacion:

Please be advised that the following information would be made available to the major newspapers. It concerns RCBC's 1st Quarter 2009 Net Income.

Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Elbert M. Zosa".

ELBERT M. ZOSA
Executive Vice President and
Corporate Information Officer



PRESS RELEASE

RCBC REPORTS 1ST QUARTER NET INCOME AT P780 MILLION

RCBC posted P780M in Net Income for the 1st Quarter of 2009, slightly higher from the P773M registered during the same period last year. Core net income increased by 130% in 2009 as 2008 1st quarter net income included non-recurring profits of P434M on ROPA sale of a Makati building.

Contributing substantially to the growth in net income was a higher net interest income from the parent bank by P259M or 18% higher than 2008. The lending business sustained its strong performance as interest income from loans registered a growth of 32% resulting from increased volumes and better yields. Consolidated net interest margin stood at 4.3% in the 1st quarter of 2009.

Other income from the parent bank also showed significant growth as trading gains grew by 170% from 2008 with the improvement in the financial markets. Income from commission and fees were higher by 10% from 2008. Provision for loan losses was 52% or P61M higher than in 2008, further strengthening the bank's reserve position.

RCBC's balance sheet showed the bank continuing to build its financial strength while making solid gains in its various lines of businesses. Total consolidated resources reached P267.2Bn, up by 15% from the P232.6Bn posted in the same period last year. Loans stood at P139.6Bn or a growth of 23% as loans to all market segments increased: 45% for corporate, 30% for SME, and 10% for consumer.

The expansion of its branch and ATM networks, and the activation of new and improved electronic banking channels such as RCBC Access One and the introduction of new retail banking products such as RCBC MyWallet all contributed to the increase in Total

Deposits by 23% to P200.6Bn, with the low-cost CASA deposits rising by P9.4Bn or 12% increase to P90.4Bn. RCBC's customers may access their accounts and conduct basic RCBC banking services over the internet with RCBC Access One while MyWallet, the bank's reloadable cash and ATM card, continues to gain market reach.

As of end-March 2009, the bank's consolidated branch network now totals 330 from end-2008's 324. The bank's consolidated ATM network has also grown to 424 from 380 as of end-December 2008.

NPL Ratio for the parent bank dropped to 2.83% as of end-March 2009 as against the 6.08% ratio in the previous year, reflecting the Bank's continuing efforts to improve asset quality.

The bank's Capital Adequacy Ratio (CAR) stood strongly at 17.02% as of March 2009, with much leeway for asset growth from the minimum regulatory requirement of 10%. This will be further strengthened with the issuance of additional P4Bn Lower Tier 2 Capital this month.

"The bank continues to focus on the basics: building its core business of diversified portfolio and deposits. RCBC aims to pursue the strategy of further building financial strength, expanding market reach, and improving customer service quality during this economic slowdown so that it will emerge even stronger when the economy gains in strength," said RCBC President and CEO Lorenzo V. Tan.

RCBC is currently the country's fourth largest private local universal bank in terms of loans and capital. In February 2009, RCBC acquired J.P. Laurel Rural Bank as part of its growth strategy and platform for its micro-finance business. 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.