



29 June, 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 microfinance venture.

For your information and guidance.

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 READIES TO DISBURSE FIRST MICROFINANCE LOAN BY JULY 1 **Formally names new Microfinance CEO**

RCBC President and CEO Lorenzo V. Tan says it is all systems go for the Yuchengco-owned financial services company's microfinance venture.

"We believe that with proper execution and stringent risk management, microfinance will be a strong complement to our lending business," said RCBC President Lorenzo V. Tan in his speech during the bank's annual stockholders' meeting.

As part of its business expansion efforts, RCBC recently purchased JP Laurel Rural Bank in Batangas and Merchants Bank. JP Laurel Rural Bank's 10-branch network is intended to be RCBC's microfinance vehicle in Southern Luzon, while a part of Merchants Bank's 21 branches will be used as the vehicle for the bank's Mindanao micro-lending operations. In Batangas, the bank's first microfinance loan is being worked on for disbursement on July 1st, through the new facility called Pautang Para sa Maliit na Industriya, Tindera at Agrikultura sa Kanayunan (or PITAKA). The lending program allows a minimum P5,000 and maximum P150,000 business loan.

To put things in order, RCBC also named RCBC Senior Vice President Ma. Lourdes Jocelyn Pineda as President of JP Laurel Rural Bank. Pineda has many years of experience in the microfinance business, involving the design and set-up of microfinance loan operations, product development, and training of Lending Officers in individual lending methodology. She has worked with the Accion International/Accion Technical Advisors India as Principal Microfinance Advisor/Senior Director; and with Chemonics International/Microenterprise Access to Banking Services (a US AID project) as Regional Manager and Coordinator from 2005 to 2007.

"We have hired a Filipino CEO with extensive experience in microfinance in emerging markets to lead our microfinance initiatives," Tan declared. "Looking at business models in other countries including Bangladesh, Indonesia and Mexico, we see that microfinance holds a lot of promise both as a profitable financial venture and as a means to assist in the development of small businesses," he said.

From the looks of it, RCBC microfinance aggressive offensive is just beginning.

"We intend to acquire rural banks with successful microfinance operations in Northern Luzon and the Visayas to complete a national network," Tan revealed.

RCBC is currently the country's fourth largest private local universal bank in terms of loans and capital. It has 330 branches and 424 ATMs nationwide and 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.