



20 April, 2015

MS. JANET A. ENCARNACION  
Head, Disclosure Department  
THE PHILIPPINE STOCK EXCHANGE, INC.  
3F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Dear Ms. Encarnacion,

This is to advise the Exchange, that, Rizal Commercial Banking Corporation ("RCBC" or "The Bank") and Cathay Life Insurance Corp ("Cathay Life"), a wholly owned subsidiary of Cathay Financial Holding Co., Ltd. (Cathay Financial) today closed the equity investment deal for a 20% stake in RCBC.

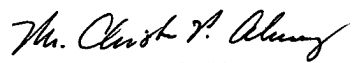
The key terms of the transaction involves the subscription of primary shares (124,242,272 shares) and the purchase of shares from CVC (119,033,590 shares) and IFC (36,724,138) all at Php 64.00 per share.

The strategic investment by Cathay Life, raises PHP 7.95 billion of new Core Equity Tier 1 ("CET1") capital for The Bank, is part of RCBC's current capital raising strategy in order to comply with the more stringent capital adequacy rules under the new Basel III framework and is expected to enable RCBC to be comfortably above the minimum CET1 requirements of the BSP. The deal will bring RCBC's CET1 from 11.83% to 14.17%. In addition, the proceeds from the investment will continue to support the continued growth of RCBC's loan book and increased expansion into the SME and Consumer segments to improve margins and risk diversification/actuarialization. The Transaction is also in-line with Cathay's strategy to expand its businesses in ASEAN.

The introduction of Cathay as a strategic partner with Pan Malayan Management and Investment Corp ("PMMIC") and RCBC marks a landmark milestone in the history of RCBC and the new strategic partnership positions both RCBC and Cathay well for future growth opportunities.

For your information and reference.

Sincerely yours,

  
Ma. Christina P. Alvarez  
First Vice President and  
Corporate Information Officer

cc: Ms. Vina Vanessa S. Salonga, Philippine Dealing and Exchange Corporation