



1 April, 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 press release entitled “BSP GOVERNOR LAUDS RCBC’s LENDING INITIATIVES” would be made available to the major newspapers.

Thank you.

Sincerely yours,

ELBERT M. ZOSA
Executive Vice President and
Corporate Information Officer



PRESS RELEASE

BSP GOVERNOR LAUDS RCBC's LENDING INITIATIVES

Bangko Sentral ng Pilipinas Governor Amando Tetangco lauded RCBC for taking the stance to actively support the country's Small and Medium Enterprise (SME) sector. In his speech during RCBC's recent re-launching of its SME Loan Program, the Central Bank Governor said: "We commend RCBC for taking a leadership role in promoting and allocating resources for its SME lending Program. As one of the major banks in our country, RCBC is bound to influence others to take a similar stance."

RCBC is among the country's unibanks that has been an active lender to the SME sector, having lent out over P6 billion as of December-end 2007.

For his part, RCBC President and CEO Lorenzo V. Tan accepted the BSP Governor's challenge by committing "to take concrete steps to strengthen our lending organization and adopt processes that would allow us to be more responsive to the needs of local businesses. The initial steps we have so far taken, will be complemented with other bold measures that should contribute towards further improving our service capabilities and our ability to expand our SME portfolio." RCBC is projecting to grow its SME business by 4 times in the next 3-5 years.

The SME sector is considered the biggest employer in the country, accounting for about 80% of employment generation. It also covers 91% of total businesses in the country, providing for the needs of local consumers, as well as, foreign buyers, and even supplying critical inputs and services needed by some of the country's largest corporations.

During the same occasion, Tetangco also commended RCBC for its remarkable financial performance in 2007 as well as the bright prospects it faces in 2008. "The RCBC group in particular, has shown marked improvement in performance as it posted a net income for the year ended 2007 which was 50 percent better than the previous year's level. Further, we take the Bank's recent issuance of P7 billion worth of Unsecured Subordinated Debt as a sign of bank's commitment to further strengthen its capital base as it assumes new risk exposures," he said.

RCBC is intent on strongly supporting the SME sector even after the mandated Magna Carta for Small Enterprises lapsed in August last year. A new SME law is presently being discussed and finalized in Congress.

RCBC is the fourth largest capitalized private universal bank in the country with more than 303 branches nationwide. In the last 12 months, RCBC opened 7 new domestic branches and 4 new branches in North America. 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.