



29 April, 2010

**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 1<sup>st</sup> Quarter 2010 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 1<sup>ST</sup> QUARTER NET INCOME INCREASES 25% TO P975 MILLION

RCBC posted P975M in Net Income for the 1st Quarter of 2010, Php 195 M higher than the P780M registered during the same period last year. Net interest income grew by P266M or 11% higher than 1Q 2009. Higher volume of loans and investment securities contributed to the rise in interest income while low cost funds also showed hefty growth of 17%.

Other operating income grew by Php 402 million or a 35.6% increase over 1Q 2009. The growth in other operating income were accounted for by (1) commissions and fees (+10%), (2) trust fees (+12%), (3) foreign exchange income (+41%), and (4) trading gains (+122%). This reflects healthy growth in the bank's core retail banking and corporate banking businesses in addition to vigorous gains from Treasury operations.

Operating Expenses grew by 10% as the bank continued to expand its branch and ATM network to 343 and 501, respectively, thereby increasing reach and improving customer convenience. Provisions increased to P 485.2 million.

"The bank continues to focus on building a diversified portfolio of banking businesses. RCBC aims to pursue the strengthening of the three pillars of its business strategy: (a) financial strength through an adequate level of capital, (b) expanded market reach, and (c) best-in-industry customer service," said RCBC President and CEO Lorenzo V. Tan.

Total consolidated resources reached P282.8Bn from P266.2Bn posted in the same period last year.

The expansion of its branch and ATM networks, the introduction of new retail banking products such as the WOW RCBC and MyWallet MRT Cards and putting in place electronic banking facilities such as RCBC AccessOne Internet Banking, RCBC eBiz Centers, RCBC Enterprise Banking Solutions, and a 24-hour RCBC Call Center - all these initiatives contributed to the increase in Total Deposits which stood at P201.8Bn.

The parent bank's Capital Adequacy Ratio (CAR) stood strong at 16.68% as of March 2010, with much leeway for asset growth from the minimum regulatory requirement of 10%. Tier 1 ratio of 12.75% also exceeded the BSP's 6% requirement.

In February the bank successfully issued \$ 250 million in 5 years Senior Notes and recently completed the issuance of P 5.0 Bn Long-Term Negotiable Certificates of Deposit to further strengthen its long-term liquidity position.

RCBC is a member of the multi-industry conglomerate Yuchengco Group of Companies. 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.