



6 August, 2010

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:

Please be advised that the following information would be made available to the major newspapers. It concerns RCBC's 1st Half 2010 Net Income.

Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Elbert M. Zosa', is written in a cursive style.

ELBERT M. ZOSA
Executive Vice President and
Corporate Information Officer



PRESS RELEASE

RCBC 1ST HALF NET INCOME INCREASES BY 25% TO P 2.11 BILLION

RCBC posted P2.11Billion in Net Income for the 1st Half of 2010, Php 423 Million higher than the P 1.69 Billion registered during the same period last year. This resulted in a Return on Equity of 14.64% and Return on Assets of 1.52%.

Contributing to the growth in net income was net interest income of Php 5.48 Billion, higher by Php 543 Million or 11% higher than 2009. Sustained margins and improved funding mix contributed to the rise in net interest income as low cost funds grew by 19.8%.

Other operating income grew by 19.7% to Php 3.19 Billion an increase of Php 525 Million over 1st Half 2009. The growth in other operating income was accounted for by commissions higher by 24%, trust fees growing by 14%, service fees increasing by 20%, and trading gains up by 60%. Healthy growth in the bank's core retail banking, corporate banking, and small and medium enterprises businesses supported by gains from Treasury operations spurred the Bank's strong performance.

Operating Expenses grew by 10% as the bank continued to expand its branch and ATM network in order to increase reach and improve customer convenience. As of the end of June 2010, the bank's branch network reached 344 from 334 in 2009. This includes the continuing integration of JP Laurel Bank branches into the RCBC network. The bank now has 523 ATMs compared to 452 in June 2009. Provisions increased by 16% to P 1.07 Billion.

“RCBC continues to focus on a strategy of growth in the core business lines, of improving execution abilities, and expanding distribution platforms, with deepening customer relationships,” said RCBC President and CEO Lorenzo V. Tan.

The bank continued to build its financial strength following a deliberate strategy of prudent balance sheet management. Total consolidated resources reached Php 283 Billion, 10% higher than the Php 257 Billion posted in the same period last year. Loans grew by 6% to Php 159.6 Billion.

Total Deposits as of end-June 2010 totaled Php 208.8 Billion, 11.3% higher than June 2009's Php 187.7 Billion. The improvements of its distribution channels via expansion of its branch and ATM networks, and putting in place electronic banking facilities such as RCBC AccessOne Internet Banking and the introduction of new retail banking products such as RCBC MyWallet which now has over 940,000 cardholders, all contributed to the growth in deposits.

The parent bank's Capital Adequacy Ratio (CAR) stood strong at 17.52% as of June 2010, with much leeway for asset growth from the minimum regulatory requirement of 10%. Tier 1 ratio of 13.23% also exceeded the BSP's 6% requirement.

During the first half of the year the bank successfully issued \$ 250 million in 5 year Senior Notes and completed the issuance of Php 5.0 billion Long-Term Negotiable Certificates of Deposit to further strengthen its long-term liquidity position.

The bank is currently in the process of building a new core banking technology system that will provide leading edge product and service offerings to its customers.

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.