



22 May 2017

MR. JOSE VALERIANO B. ZUÑO, III
OIC - Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

MS. VINA VANESSA S. SALONGA
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corporation (PDEX)
37/F, Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Dear Mr. Zuño / Ms. Salonga:

This refers to the news article entitled “China Bank woos RCBC for merger talks” posted in the Philippine Star (Internet Edition) on May 21, 2017. The article reported in part that:

“MANILA, Philippines - The SM Group of retail magnate Henry Sy is bent on bulking up its banking assets as its other commercial bank unit, China Banking Corp., has reportedly set its sights on acquiring Rizal Commercial Banking Corp. (RCBC).

Multiple industry sources said China Bank has initiated merger talks with the Yuchengco-owned RCBC - the bank used as a conduit for the \$81-million fund hacked from Bangladesh Bank to Philippine casinos last year - but nothing has been finalized yet.

A source pointed out Sy could use China Bank as the acquiring vehicle of RCBC as it would further improve its ranking. The SM Group’s main banking concern, BDO Unibank, already dominates the country’s banking industry in terms of assets, capital, deposits and loans.

If the deal pushes through, Sy’s banking empire would expand from BDO - the country’s biggest lender - to the merged China Bank/RCBC, which would become the fifth largest local bank.”

RCBC is not in talks or discussion with anyone regarding the sale of a majority stake or any merger. Information other than those disclosed by the Bank is purely speculative.

We trust that this clarifies the news report.

Thank you.

Sincerely yours,

MA. CHRISTINA P. ALVAREZ

MA. CHRISTINA P. ALVAREZ
Senior Vice President and
Corporate Information Officer