



26 June 2019

**MS. JANET A. ENCARNACION**  
Head, Disclosure Department  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
PSE Tower, 5<sup>th</sup> Avenue cor. 28<sup>th</sup> Street  
Bonifacio Global City  
Taguig City

Dear Ms. Encarnacion,

This refers to the news articles entitled:

(1) *"Bank creditors convert Hanjin exposure to equity" posted in Philstar.com (Internet Edition) on June 26, 2019. The article reported in part that:*

*"MANILA, Philippines — Philippine banks have converted part of their loan exposure to Hanjin Heavy Industries & Construction Philippines Inc. (HHIC-Phil) into shares in the shipbuilder's parent company in South Korea, according to Rizal Commercial and Banking Corp. (RCBC).*

*In a press briefing, RCBC senior executive vice president John Thomas Deveras said concerned Philippine creditors have transferred \$149 million out of their \$412 million loan exposure to get a 20-percent stake in South Korean firm Hanjin Heavy Industries & Construction Co. Ltd.*

*Deveras said the conversion is part of the two-pronged approach that Philippine banks are exploring in order to recover their loan exposure to Hanjin.*

*'Of the \$412 million exposure, \$149 million has been converted into a 20-percent stake in Hanjin Korea. So when the shares of the Philippine banks are unlocked by December, hopefully the share price goes up...so that we're able to recover the \$149 million,' the bank official said.*

*The other part of the plan, he said, is to sell Hanjin's shipyard facility in Subic to interested firms.*

*'About \$263 million of that exposure is tied to the Subic shipyard. So we are in the process now of evaluating interest to buy the Subic shipyard from the banks,' Deveras said. 'Essentially we're waiting for an offer from a consortium to acquire the shipyard from us.'*

*According to the RCBC official, the exposed banks would seek the approval of the Philippine government with regards to the buyer of the shipbuilding yard.*

*'We're approaching this as a commercial transaction. But because there are geopolitical angles to this deal, of course, the government has the final say on who they will agree the banks will transfer the shipyards to,' Deveras said.*

*...."*



(1) RCBC draws road map to growth" posted in *Inquirer.net* on June 26, 2019. The article read in part that:

*"After a challenging period in the last three years, Rizal Commercial Banking Corp. has drawn up a road map to reclaim a formidable standing among local banks, aiming to sustain a double-digit profit growth, grow its balance sheet by 20 percent annually for the next five years and use digital platforms to broaden customer base.*

*....*

*In the second half of this year, RCBC also intends to boost its war chest by returning to the offshore bond market with a possible \$300-million offering as well as tap the local market with a P5-billion offering. This is assuming that the market remains conducive, which RCBC expects it will be, according to RCBC treasurer and senior executive vice president Horacio Cebrero III.*

*If there's an opportunity, Cebrero said RCBC might also issue longterm negotiable certificates of deposit.*

*...."*

We confirm the two statements above. These were made in response to questions from reporters during a media briefing last Monday after the Bank's stockholders' meeting.

Thank you.

Very truly yours,

**MA. CHRISTINA P. ALVAREZ**

Senior Vice President and Corporate Information Officer  
Rizal Commercial Banking Corporation

cc: Atty. Joseph B. Evangelista, Philippine Dealing and Exchange Corporation