

22 May 2017

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Gentlemen,

We write in response to your query dated 22 May 2017 seeking clarification on the article published in The Philippine Star on 21 May 2017 entitled "China Bank woos RCBC for merger talks".

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..."

We wish to clarify that China Bank management is not aware of any negotiations with RCBC.

Thank you.

Very truly yours,



ALEXANDER C. ESCUCHA

Senior Vice President & Head
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