

March 31, 2014

**PHILIPPINE STOCK EXCHANGE, INC.**

3<sup>rd</sup> Floor, Tower 1  
PSE Plaza, Ayala Triangle  
Ayala Avenue, Makati City

Attention: **Ms. JANET A. ENCARNACION**  
*Head, Disclosure Department*

Ladies and Gentlemen:

Re: *INQUIRER.net* news article

PHILIPPINE BANK OF COMMUNICATIONS (the "Bank") replies to your letter of even date regarding a news article entitled "*PBCom comes full circle*" posted in *INQUIRER.net* on March 31, 2014. The article reported in part that:

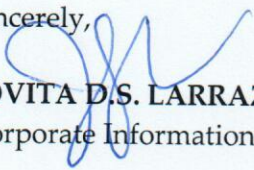
"Having finally paid off the state-owned Philippine Deposit Insurance Corp. last week, Philippine Bank of Communications also officially replaced last Friday several directors who were assigned by the regulator to help run the bank's board. According to our source, four PDIC directors officially tendered their resignation from PBCom's board after the Eric Recto-led bank repaid in full its P7.6-billion emergency assistance from PDIC.

... Biz Buzz learned that four new directors would be elected to PBCom's board today. They would likely include Edgar 'Injap' Sia II, former SGV & Co. officials Louie Benitez and David Balangue, and a foreign banker who will serve as the eyes and ears of UK-based Ashmore Group (which has shifted its partnership to Recto after its falling out with former Marcos trade minister Roberto Ongpin)...."

We confirm that, as disclosed last March 26, 2014, the four PDIC directors of the Bank tendered their resignations last March 26, 2014, the date the payment was made. Their resignations were formally accepted by the Bank's board of directors during their regular meeting last Friday, March 28, 2014. However, we wish to clarify that the currently vacated board seats will not be filled-up today but during the annual stockholders' meeting to be held next Monday, April 7, 2014. As previously disclosed in the Bank's Definitive Information Statement dated March 17, 2014, the nominees for election to the Bank's board include Messrs. Edgar Sia, II, Luis Y. Benitez, David Balangue and Colin Keogh.

We hope the foregoing fully clarifies the matter for the Exchange and the Trading Participants.

Sincerely,

  
**JOVITA D.S. LARRAZABAL**  
Corporate Information Officer