

20 June 2019

PHILIPPINE STOCK EXCHANGE
3rd Floor, Tower 1
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City

Attention: **MR. J.V. B. ZUÑO II**
OIC - Head, Disclosure Department

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Ladies and Gentlemen:

The Philippine Bank of Communications (the "**Bank**") writes in reply to your request for clarification on the news article entitled "PCC OKs EastWest acquisition of PBCom auto loan portfolio" posted in philstar.com on 20 June 2019. The article reported in part that:

"MANILA, Philippines – The Philippine Competition Commission (PCC) has cleared East West Banking Corp.'s acquisition of the auto loan portfolio of Philippine Bank of Communications (PBCom).

. . . .

Under the transaction, EastWest will purchase a portion of PBCom's auto loan receivables which is limited to dealership-generated accounts.

The purchase is subject to EastWest's acceptance, and would proceed after due diligence and review of relevant documentation. . . ."

The Bank confirms that there is an ongoing transaction between the Bank and East West Banking Corporation, for the purchase of auto loan receivables.

The Bank announced today that it has obtained clearance from the Philippine Competition Commission to proceed with the sale of its Dealer generated auto loan receivables to East West Banking Corporation. The asset represents around 5% of the bank's loans portfolio as of March 2019. This transaction is part of the bank's strategy to focus on its core market with particular emphasis on branch referred accounts and ecosystem of the Lucio Co Group of Companies.

The sale is expected to close upon completion of due diligence activities and fulfilment of the terms of the sale agreement of East West Bank.

Rest assured that the Bank shall timely disclose the transaction upon its completion and full execution. We hope that you find the foregoing in order.

Very truly yours,
PHILIPPINE BANK OF COMMUNICATIONS

By:


Alexandra Patricia L. Delos Santos
Assistant Corporate Secretary