

15 January 2019

Subject of the Disclosure Clarification of News Article

Source Manila Times (Internet Edition) on January 15, 2019

Subject of News Report "Banks' Hanjin exposure credit negative – Moody's"

Date of Publication Jan 15, 2019

Clarification of News Report

We write in reply to your request for clarification on the news article entitled "Banks' Hanjin exposure credit negative – Moody's" posted on The Manila Times (Internet Edition) on January 15, 2019. The article reported in part that:

"Five of the country's biggest banks could see their credit ratings fall given their exposure to a bankrupt Korean-owned shipbuilder, Moody's Investors Service indicated on Monday.

....

BDO Unibank, Inc., Rizal Commercial Banking Corp. (RCBC), Metropolitan Bank & Trust Co. (Metrobank) and Bank of the Philippine Islands (BPI) around \$412 million in addition to another \$900 million to South Korean creditors.

....

Moody's noted that the other banks' exposures were smaller at about \$60 million for both BDO and BPI, round \$80 million for LandBank and about \$72 million for Metrobank.

...."

Please be informed that the exposure of the Bank of the Philippine Islands (BPI) in Hanjin Heavy Industries and Construction Co.-Philippines (HHIC-Phil), Inc. amounts to USD 52 million. This exposure is approximately 0.20% of our total loan book. Our exposure is a working capital loan with Continuing Suretyship of HHIC-Korea (parent company).

We have partially provisioned for this and additional provisions in 2019 is manageable.

HHIC-Phil has filed a petition for rehabilitation on January 9, 2019 in a court in Olongapo.

We hope that this clarifies the matter. Thank you.

Other Relevant Information

-

Filed on behalf by:

Name

Josenia Jessica Nemeno

Designation

Assistant Corporate Secretary



6768 Ayala Avenue
Makati City 1226
Philippines
Tel (632) 8185541 to 48
BPI Express Phone 89-100 . (632) 89-10000
www.bpiexpressonline.com