



December 6, 2016

**PHILIPPINE STOCK EXCHANGE, INC.**

Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet A. Encarnacion**  
*Head, Disclosure Department*

**Ms. Dianne Eileen A. Cenidoza**  
*Analyst, Disclosure Department*

Dear Ladies:

We reply to your request for clarification on the news article entitled "BDO readies P60-b stock rights offering" posted in Manila Standard (Internet Edition) on December 6, 2016, the pertinent portion of which reads:

"BDO Unibank Inc., the banking unit of conglomerate SM Investments Corp, set the terms of the planned P60-billion stock rights offering in January.

BDO said in a filing with the Securities and Exchange Commission eligible shareholders would be entitled to subscribe to 1 new share for every 5 common shares owned as of record date tentatively set at Jan. 6, 2017.

The final offer price will be computed based on the 15-trading day volume average price of the bank's common shares prior to pricing date set on Jan. 2, 2017, subject to a discount.

...."

Further to our previous disclosures, BDO confirms that it will be conducting a stock rights offer. The entitlement ratio, record date, offer price computation and other terms are still subject to regulatory approval and finalization. BDO shall timely disclose the offer terms of the stock rights offer once these have been approved and finalized.

We trust we have adequately addressed your request for clarification.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano'.

**ELMER B. SERRANO**  
Corporate Information Officer