



March 15, 2018

PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

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

PHILIPPINE DEALING & EXCHANGE CORP.
37/F, Tower 1, The Enterprise Center
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Ms. Erika Grace C. Alulod**
Head, Issuer Compliance and Disclosure Department (ICDD)

Ladies:

We write in connection with our reply to the request by the Philippine Stock Exchange for clarification on the news article entitled "SM Group plans to spend P66.3b to expand units" posted in manilastandard.net on March 12, 2018, the pertinent portion of which reads:

"Conglomerate SM Investments Corp. said Monday it will spend P66.3 billion this year mostly to expand its property, banking and retail businesses.

....

Banking units BDO Unibank Inc. and China Banking Corp. budgeted P50 billion in capital expenditures for branch expansion and information technology enhancements.

...."

We further clarify that the capital expenditure of BDO Unibank, Inc. for branch expansion and information technology enhancements is approximately Php 8.9 billion.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long, sweeping flourish extending upwards and to the right.

ELMER B. SERRANO
Corporate Information Officer