

January 12, 2018

THE PHILIPPINE STOCK EXCHANGE, INC.3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati CityAttention : ***MR. JOSE VALERIANO B. ZUÑO III***
OIC-Head, Disclosure Department**Gentlemen:**

We respond to the correspondence received via PSE Edge on January 12, 2018 seeking clarification and confirmation of the news article entitled "City Savings buying out IFC in PR Savings Bank" that was posted in The Philippine Star (Internet Edition) on January 12, 2018 with the following quoted portions:

"MANILA, Philippines – The investment arm of the World Bank is unloading its interest in Isabela-based thrift bank Philippine Resources Savings Bank in favor of the unit of Aboitiz-led Union Bank of the Philippines.

A source said UnionBank's City Savings Bank Inc. is spending P890 million to acquire the preferred shares owned by World Bank's International Finance Corp. in PR Savings Bank.

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The source pointed out the amount is on top of the P6.12 billion to be spent by City Savings Bank to acquire the interest of the Ropali Group in PR Savings Bank.

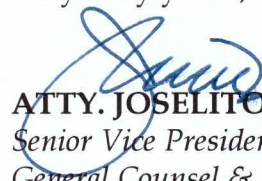
...."

The acquisition of the preferred shares owned by World Bank's International Finance Corporation in PR Savings Bank is still under negotiation, hence, the acquisition price and terms are not yet confirmed.

Furthermore, we clarify that the acquisition cost of the common shares of the ROPALI Group in PR Savings Bank is P6.127 billion.

Thank you.

Very truly yours,



ATTY. JOSELITO V. BANAAG
*Senior Vice President,
General Counsel &
Corporate Secretary*