

13 March 2018

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Gentlemen,

We write in response to your query dated 13 March 2018 seeking 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 article reported that:

"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 wish to clarify that China Bank has allocated P1.8 billion for Capex this year, mostly to branch expansion and renovation, and technology initiative.

Thank you.

Very truly yours,



ALEXANDER C. ESCUCHA

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