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October 5, 2018

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING AND EXCHANGE CORP.

37/F Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention : **MS. VINA VANESSA S. SALONGA**
Head, Issuer Compliance and Disclosure Department

Gentlemen:

We respond to the correspondence received via PSE Edge on October 5, 2018 seeking clarification and/or confirmation of the news article in Biz Buzz column entitled "Progressive purchase" published in the October 5, 2018 issue of the Philippine Daily Inquirer., which states:

"....

We heard that City Savings is hatching a new acquisition: Progressive Bank, a rural bank in Iloilo that has served the province for over four decades. This deal is now awaiting approval from banking regulators.

...."

We confirm the above-quoted portions of the article. On January 5, 2018, City Savings Bank, Inc. ("CSB") and Union Properties, Inc. ("UPI") entered into a Share Purchase Agreement with the majority shareholders of Progressive Bank,

Inc. ("PBI") for the acquisition of 11,980,916 common shares in PBI amounting to PHP 3.34 per share. Subject to the approval of the Bangko Sentral ng Pilipinas and other regulatory agencies, CSB and UPI will own 49% and 6%, respectively, of the outstanding capital stock of PBI.

Thank you.

Very truly yours,


ATTY. BUENAVENTURA S. SANGUYO, JR.
Vice President and Assistant Corporate Secretary