

October 1, 2015

THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

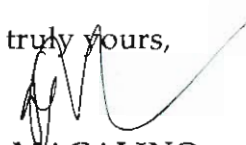
Please be informed that Union Bank of the Philippines ("UnionBank") has been given an issuer rating of PRS Aaa (corp.) by the Philippine Rating Services Corporation ("PhilRatings"). PRS Aaa (corp.) is the highest possible credit rating on PhilRatings' issuer/corporation credit rating scale.

This information is reflected in the PhilRatings Press Release dated October 1, 2015, transmitted to and received by UnionBank on the same date.

For more details, a copy of the PhilRatings Press Release is hereto attached for your reference.

For your information and guidance. Thank you.

Very truly yours,



FE B. MACALINO
*Senior Vice-President,
General Counsel &
Corporate Secretary*

UnionBank Assigned an Issuer Rating of PRS Aaa (corp.)

Union Bank of the Philippines (UnionBank), one of the leading universal banks in the country, was assigned an issuer rating of **PRS Aaa (corp.)** by Philippine Rating Services Corporation (PhilRatings). A 'PRS Aaa' is the highest corporate credit rating assigned on the PRS scale.

An issuer rating is an opinion on the general and overall creditworthiness of the issuer, evaluating its ability to meet all its financial obligations within a time horizon of one year. The focus is on financial strength and stability under normal and stressed conditions to be able to meet existing and prospective financial obligations.

A company rated PRS Aaa (corp.) has a very strong capacity to meet its financial commitments relative to that of other Philippine corporates.

The issuer rating considers the following factors: a) UnionBank's good market position, with a clear strategy to support growth; b) its solid corporate shareholders and highly experienced management team; and c) expectations of its core revenue generation continuing to drive growth. The rating also takes into account the positive prospects for the Philippine economy and the banking industry.

Based on its published statement of condition as of June 30, 2015, Unionbank ranked tenth largest in terms of assets, ninth largest in terms of net loans and deposits, and eighth largest in terms of capital among universal and commercial banks. These translated to a 3.3% share of the sector's total assets, 3.0% of net loans, 3.2% of total deposits and 4.4% of capital.

UnionBank envisions itself as one of the top three universal banks in the Philippines over the long-term, anchored on five key strategic imperatives, referred to as "FOCUS", an acronym for "Financial Value, Operational Excellence, Customer Franchise, UnionBank Brand, and Superior Innovation".

As of June 30, 2015, UnionBank is 46.94% owned by Aboitiz Equity Ventures (AEV). AEV is one of Philippines' largest conglomerates, with business interests in power generation and distribution, banking and financial services, food manufacturing, infrastructure and real estate development. The bank's other major shareholders include Insular Life Assurance Co., Ltd. (Insular Life, 16.21%) and Social Security System (SSS, 13.99%). Insular Life is a major player in the country's life insurance industry, while SSS is the sole provider of social security to Filipinos working in the private sector.

Complementing UnionBank's solid group of major shareholders is its team of experienced finance professionals, with good track record in the banking industry. Serving as Chairman of the Board of Directors and Chief Executive Officer is Mr. Justo A. Ortiz. Mr. Ortiz concurrently serves as Director of AEV and Director of the Bankers Association of the Philippines. Mr. Victor B. Valdepeñas is President and Chief Operating Officer (COO) of UnionBank. He concurrently serves as a member of the Board of Trustees of Insular Life.

For the period ended December 31, 2014, Unionbank recorded a 6.9% decline in net income, closing the year at P8.4 billion. The decrease was largely attributable to lesser trading opportunities in 2014. Net interest income, in contrast, posted a substantial hike of 21.5% to P10.8 billion. Furthermore, net interest income increased its share to total revenues during the year at 52.9%, its highest since 2010 (53.6%).

The Philippine banking industry continues to benefit from the country's strong macroeconomic growth. Despite falling investment yields due to volatilities in the local and global markets, banking performance remained positive as banks increased lending activities.

The outlook for the Philippine banking industry remains positive, given expectations of robust domestic demand as consumers and businesses benefit from increased government spending and sustained investment activities.

