



UnionBank Plaza  
Meralco Avenue cor. Onyx &  
Sapphire Roads, Ortigas Center  
Pasig City 1605  
Tel: (632) 667 6388 Fax: (632) 636 6289  
www.unionbankph.com

July 26, 2016

**THE PHILIPPINE STOCK EXCHANGE, INC.**  
3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention : **MR. JOSE VALERIANO B. ZUÑO III**  
OIC-Head, Disclosure Department

**Gentlemen:**

This refers to the news article entitled "UnionBank net income rises in second quarter" posted in the BusinessWorld Online on July 25, 2016. You requested clarification and/or confirmation for a portion of said article, which is reproduced below:

"....

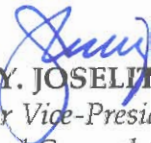
UnionBank has earlier set aside P1 billion this year for its capital expenditure, of which more than 90% is for the bank's digitization efforts.

...."

We wish to inform you that the Bank confirms that it has set aside Php1 billion in its 2016 budget for capital expenditures. Out of this amount, 90% is for digitization, focusing on system support requirements and process improvements.

For your information and guidance. Thank you.

Very truly yours,

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