

October 30, 2017

**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:**

We respond to the correspondence received via PSE Edge on October 30, 2017 seeking clarification and confirmation of the news article entitled "UBP sees net profit rising 50% this year" that was posted in manilastandard.net on October 29, 2017 with the following quoted portions:

"UNION Bank of the Philippines, the banking unit of the Aboitiz Group and one of the largest in the country, expects net income this year to increase 50 percent from a year ago even without the exceptional trading gains recorded in 2016.

Union Bank president and chief operating officer Edwin Bautista attributed the sustained expansion to the strength in core income.

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"This year, the core income will continue to grow significantly although we don't know what will happen to the trading income. But without the trading income... maybe... (we can grow by) more than 50 percent definitely," he said."

This is to confirm that our President and Chief Operating Officer, Mr. Edwin R. Bautista, in a recent press interview, mentioned that the "Bank's core income - which is net income excluding securities trading gains - will rise significantly". When asked by the press if this could be as high as 50%, Mr. Bautista replied that this was "most likely".

The statements made by Mr. Bautista to the press were forward looking statements conveying soft information in connection with the Bank's core income.

Thank you.

Very truly yours,

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