

PRESS STATEMENT

February 12, 2018

UnionBank group to acquire majority stake in Petnet

Union Bank of the Philippines (UnionBank) subsidiaries City Savings Bank, Inc. and Union Properties, Inc., have signed a Share Purchase Agreement (SPA) with Aboitiz Equity Ventures, Inc. (AEV) to acquire 51% of the common shares of transaction network PETNET, Inc.

PETNET, more widely-known by its retail brand name PERA HUB, has the largest network of Western Union outlets in the Philippines. PETNET has over 2,800 outlets nationwide. It offers a variety of cash-based services including remittance, currency exchange and bills payment.

The SPA was signed by AEV Chief Finance Officer (CFO) Mr. Manuel R. Lozano, City Savings Bank Chairman and UnionBank Senior Executive Vice President Mr. Eugene S. Acevedo, and Union Properties President Mr. Peter F. Quiambao and Vice President Ms. Rebecca M. de la Cruz.

The transaction is subject to closing conditions and regulatory approval, targeted by the 2nd quarter 2018.

With this acquisition, CitySavings intends to leverage on PERA HUB's expansive retail network and expand its existing loans-marketing partnership with PETNET. Importantly this should widen CitySavings' mass market reach and help achieve its goal of enabling inclusive prosperity.

In addition, this move is in line with the Bangko Sentral ng Pilipinas' (BSP) efforts to improve financial inclusion in the country by using non-traditional channels. Importantly, this acquisition gives the UnionBank group a strong platform to do agency banking, in which banks are to employ third-party outlets to perform certain financial services in their behalf.

About CitySavings

City Savings Bank, Inc. is the 5th largest thrift bank in the country in terms of assets, with Php 74.44 billion, as of June 30, 2017.

It provides a range of mass market finance products and services, such as salary loans to public and private school teachers, pension loans to GSIS and SSS pensioners, OFW loans, and traditional deposit products.

In December 2017, CitySavings signed a share purchase agreement to acquire 100% of the common shares of Isabela-based PR Savings Bank.

CitySavings has 106 offices across the country, up from 65 in 2014.