



## PRESS RELEASE

26 October 2018

### UnionBank Net Income at Php6.1 Billion for 9M2018

Union Bank of the Philippines (PSE:UBP) posted a net income of Php6.1 billion in the first nine months of 2018 compared to the Php6.4 billion posted in the same period last year. Net revenues grew by 3.3% to Php18.9 billion from Php18.3 billion a year ago.

UnionBank's earnings performance translated to an annualized Return on Equity (ROE) and Return on Average Assets (ROA) of 11.0% and 1.3%, respectively.

The Bank sustained double-digit growth on its customer businesses. Total loans increased by 18.6% year-on-year to Php315.3 billion, with retail loans accounting for 33% of total loan portfolio. This boosted the Bank's total assets to grow by 17.0% year-on-year to reach Php643.0 billion from Php549.4 billion in the same period a year ago. Assets were mainly supported by deposits at Php441.4 billion.

"The rise in interest rates and the absence of new loan releases to teachers have affected our margins. We expect margins to improve as assets reprice and now that CitySavings' access to DepEd's automatic payroll deduction system has been resolved. We remain confident in sustaining our robust earning asset growth which shall be supported by our successful Php10 billion rights offering," said Jose Emmanuel U. Hilado, UnionBank Treasurer and CFO.

"We continue to refine our transformation strategy towards delivering superior customer experiences. Our mobile banking app was recognized as the Online Banking Initiative of the Year in the 2018 Asian Banking & Finance Awards. More important than this are the positive customer feedbacks on its new features, such as fund transfer to other banks without the need for branch-based account enrolments. Also, in one month we have onboarded more than 100 blockchain cadets for our Blockchain Institute. We are now ready to co-create technology platforms for various ecosystems," said Edwin R. Bautista, UnionBank President and CEO.

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*UnionBank has consistently been recognized as one of Asia's leading companies in banking and finance, ranking among the Philippines' top 10 universal banks in terms of key performance ratios in profitability, liquidity, solvency and efficiency. UnionBank garnered several awards and recognitions including "Asia's Best Bank Transformation" in the 2018 Euromoney Awards for Excellence; "Best Innovation in Retail Banking Philippines 2018" and "Banking CEO of the Year Asia 2018" from International Banker; "Achievement in HR Technology 2018" and "Chief Human Resources Officer of the Year 2018" from Stevie Awards for Great Employers; "Best Digital Bank Philippines 2018" from Global Banking and Finance Review; "Best Digital Bank Philippines 2017 & 2018" from Asiamoney; "Digital Transformer of the Year Philippines 2018" from IDC's DX Awards Philippines; "Digital Banking Initiative of the Year - Philippines" and "Online Banking Initiative of the Year - Philippines" at the Asian Banking and Finance - 2018 Retail Banking Awards; "Best Customer Experience - Branch (Winner)", "Best Omnichannel Customer Experience (Highly Commended)", "Best Technology Implementation - Back Office (Highly Commended)", and "Best Technology Implementation - Front End (Highly Commended)" from Retail Banker International - 4th Customer Experience in Financial Services Awards; "Asia's Leader in Omnichannel Engagement" by IDC's 2018 Financial Insights Innovation Awards; "Best App for Mobile Banking" and "Excellence in Mobile Banking - Over-all" from Retail Banker International - Asia Trailblazer Awards 2018; "Best Investor Relations Company" and "Asia's Best CFO" from Corporate Governance Asia; "Most Innovative Bank of the Year 2018" and "Best Banking CEO for 2018" from The European - Global Banking and Finance Awards.*