

## UnionBank Net Income at Php7.3 Billion

Union Bank of the Philippines' (PSE:UBP) 2018 net income was at Php7.3 billion. Total income taken to retained earnings amounted to Php8.5 billion, inclusive of adjustments related to the adoption of PFRS9 accounting standards during the year.

As of end 2018, UnionBank's total assets reached Php674.2 billion. Customer loans increased by 16% year-on-year to Php326.1 billion, with retail loans accounting for 33% of total loans. All customer businesses, except CitySavings, posted double-digit growth in volume.

"The strong performance of key business segments provided the cushion to the margin compression arising from higher interest rates. We expect margins to be better in 2019 as assets reprice. We also expect CitySavings' performance to improve this year, particularly due to its continued access to DepEd's automatic payroll deduction system," said Jose Emmanuel U. Hilado, UnionBank Treasurer and CFO.

"We posted strong returns over the past three years while making major investments in technology and people. From 2015 to 2017, we laid out the technology infrastructure and boosted organizational capabilities to support our digital strategy. In 2018, we focused on the critical digital customer touchpoints. 2019 will usher the 3<sup>rd</sup> phase of our digital transformation journey – the scaling up of these touchpoints through enhanced features in our mobile app, roll-out of more Arks, and launch of our business banking platform," said Edwin R. Bautista, UnionBank President and CEO.

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. In 2018, UnionBank garnered a record-breaking number of awards and recognitions including "Asia's Best Bank Transformation" from Euromoney; "Best Innovation in Retail Banking Philippines" and "Banking CEO of the Year Asia" from International Banker; "Achievement in HR Technology" and "Chief Human Resources Officer of the Year" from Stevie Awards for Great Employers; "Best Digital Bank Philippines" and "Most Innovative Cash Management Services Bank Philippines" from Global Banking and Finance Review; back-to-back "Best Digital Bank Philippines" from Asiamoney; "Digital Transformer of the Year Philippines" from IDC's DX Awards Philippines; "Digital Banking Initiative of the Year - Philippines" and "Online Banking Initiative of the Year - Philippines" from the Asian Banking and Finance - 2018 Retail Banking Awards; "Best Digital Bank", "Best Cybersecurity and IT Risk Management Initiative, Application or Programme in the Philippines", and "Automobile Lending Product of the Year" from The Asian Banker; "Best Customer Experience - Branch (Winner)", "Best Omni-Channel Customer Experience (Highly Commended)", "Best Technology Implementation - Back Office (Highly Commended)", and "Best Technology Implementation - Front End (Highly Commended)" from the Retail Banker International - 4th Customer Experience in Financial Services Awards; "Asia's Leader in Omnichannel Engagement" from the IDC Financial Insights Innovation Awards; "Best App for Mobile Banking" and "Excellence in Mobile Banking - Overall" from the Retail Banker International - Asia Trailblazer Awards; "Best Investor Relations Company" and "Asia's Best CFO" from Corporate Governance Asia; and "Most Innovative Bank of the Year" and "Best Banking CEO" from The European - Global Banking and Finance Awards.