

## **UnionBank Net Income up 75% QoQ**

Union Bank of the Philippines (PSE:UBP) 1Q2019 net income of Php2.2 billion was up 75% versus 4Q2018 due to higher earning asset base, lower operating expenses, and provision for losses. Operating expenses declined by 12% to Php4.3 billion while provision for losses was down by 70%. Net revenues increased by 2% to Php7.0 billion.

Our earnings performance resulted to a return on equity (ROE) of 9.6%, return on assets (ROA) of 1.3%, and revenue-to-expense ratio of 1.6x.

As of end-March 2019, UnionBank's total assets has breached the Php700 billion mark. Customer loans reached Php315.0 billion, with retail loans accounting for more than 1/3 of total loans.

"Asset yields are starting to catch up in the first quarter of 2019 as assets reprice. With a more stable interest rate and lower inflation environment this year, we expect margins to improve towards the end of the year and recurring income to have an increased contribution to our bottomline," said Jose Emmanuel U. Hilado, UnionBank Treasurer and CFO.

"We are confident to sustain the double-digit expansion of our lending businesses, with 2019 marking our 5th consecutive year of above-industry loan growth. On the digital front, we want the market to watch out for the roll-out of more Arks, the launch of more functionalities in our UnionBank Online app, and deployment of the 100 cadets from our Blockchain Institute to tech-up our customers," added 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. UnionBank garnered a record-breaking number of awards and recognitions in the past three years including "Asia's Best Bank Transformation" from Euromoney; back-to-back "Best Digital Bank Philippines" from Asiamoney; back-to-back "Digital Bank of the Year Philippines" from The Asset Triple A Awards; Digital Transformer of the Year Philippines" from IDC's DX Awards Philippines; "Bank of the Year Philippines" from International Investors Business Awards; "Best Universal Bank" from Capital Finance International; "Domestic Retail Bank of the Year Philippines" from Asian Banking & Finance; "Best Innovation in Retail Banking; "Most Innovative Bank of the Year" from The European - Global Banking and Finance Awards; Gold - Employer of the Year (Banking) from Stevie Awards for Great Employers; "Digital Banking Initiative of the Year - Philippines" and "Online Banking Initiative of the Year - Philippines" from the Asian Banking and Finance; "Best Digital Bank" from The Asian Banker; "Most Innovative Cash Management Services Bank Philippines" from Global Banking and Finance Review; and "Champion - Best Bank in Digital Financial Inclusion" from Bankers Institute of the Philippines.