

March 26, 2024

PHILIPPINE DEALING AND EXCHANGE CORP.

29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**
Head, Issuer Compliance and Disclosure Department

Re: Clarification of News Article published in Bilyonaryo.com

Gentlemen:

We respond to the letter dated March 25, 2024 of the Philippine Dealing & Exchange Corp. with Reference No. CL-2024-016-UBP seeking confirmation of the accuracy of the news article entitled "Sinking since Citi purchase: Montxu Aboitiz picks up P3.7 million Union Bank shares at half of last year's SRO price" posted in Bilyonaryo on March 25, 2024, which states:

"Bilyonaryo Erramon "Montxu" Aboitiz scooped some Union Bank of the Philippines shares that have been tanking since the acquisition of Citi Philippines.

Aboitiz bought a total of 86,900 shares from March 18 to 20 at a price range of P42.95 to P43. The chairman of UBP and Asian Institute of Management currently owns 34 million UBP shares worth P1.5 billion.

UBP shares recently plummeted to a two-year low of P40, marking a 47 percent drop from UBP's SRO price of P56.88 in January 2023, when it raised P12 billion for expanding its loan portfolio and digital banking.

The country's ninth-largest lender saw its net income decline by 26 percent to P9.2 billion last year, attributed to increased operating expenses, integration costs with Citi, and higher provisions for losses and taxes.

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We confirm the number of shares which were disclosed in the Statement of Changes in Beneficial Ownership of Securities (SEC Form 23-B) submitted to your office on March 25, 2024.

We clarify that the movement from P56.88 to P40 per share only translates to a 30% decline and not 47% as quoted above. The movement in the Bank's stock price over the years can be attributed to various factors. The inclusion and removal from the index, the stock dividend declaration that resulted in the rebasing of stock prices, as well as other market forces.

Further, we clarify that the decline in the net income was due to one-time integration costs related to the acquisition of the Citi consumer business and higher provision for losses. Based on our computations, the decline in net income year-on-year is at 28% and not 26% as quoted above.

Very truly yours,



ATTY. JOSELITO V. BANAAG

*Senior Vice President,
General Counsel &
Corporate Secretary*