

UnionBank 1Q2021 Net Income up 79% YoY

The Bank posted a net income of Php4.7 billion in the first three months of 2021, 79% higher year-on-year and 53% higher quarter-on-quarter. This strong earnings performance translated to a return on equity of 18.1%.

Net revenues were at Php14.3 billion, up 50% vs. the same period last year and up 39% vs. last quarter. Net interest income increased by 6% to Php7.2 billion despite muted credit demand. This was attributable to the robust growth of CASA deposits, which grew 29% year-on-year. Non-interest income rose by 2.6x to Php7.1 billion mainly driven by trading gains.

The higher net revenues provided cushion for the Bank to book additional loan loss provisions of Php2.3 billion even as NPL ratio has declined to 4.7% from 5.1% in December 2020. It also allowed the Bank to absorb the one-time impact on deferred tax assets due to the CREATE Law.

As of end-March 2021, total assets were at Php747.3 billion, nearly flat versus a year ago. Total loans and receivables were down by 12% to Php344.9 billion driven by weak demand for corporate loans. Total high-cost deposits were lower by 22% to Php222.8 billion as funding requirements were supported by low-cost CASA deposits.

“Our strong financial performance in the first quarter puts us on track to achieve our 2021 targets. We’re also starting the year with strong capital ratios, better margins, and improving credit risk. Nonetheless, we shall continue to monitor developments from the recent reinstatement of ECQ/MECQ and adjust our business plans accordingly to achieve our financial targets and protect our balance sheet,” said Jose Emmanuel U. Hilado, CFO and Treasurer.

“I am pleased with the Bank’s first quarter results despite continued challenges from the pandemic. We continue to see a big shift in the use of digital channels. The Bank onboarded more than 470,000 new digital customers in the first quarter of 2021 alone. As of end-March 2021, 2.4 million customers are using our app. Digital transactions are averaging 6 million per month with UnionBank ranking among the top banks in terms of PESONet and InstaPay transactions. This digital shift motivates us to continue enhancing features across our digital platforms. We recently launched InstaPay 2.0 which enables fund transfers by inputting mobile number or email address. Also, small businesses can now open their business accounts and perform banking transactions digitally with the launch of our SME Business Banking App,” added Edwin R. Bautista, President and CEO.

Union Bank of the Philippines (UnionBank) has always been among the first to embrace technological innovations to empower its customers. It embraces the future of banking and is committed to be the Philippines' leading digital bank to best serve the growing needs of Filipinos everywhere.

It has consistently been recognized as of one of Asia's leading companies, ranking among the country's top universal banks in terms of profitability and efficiency.

Over the years, UnionBank has garnered a record-breaking number of awards and recognition including "Best Bank Transformation in South East Asia 2021" from Global Banking and Finance; "Best Bank for Customer Experience in South East Asia 2021" from Global Brands Magazine; 4-Time "Digital Bank of the Year (2018-2021)" from The Asset Triple A; "Fastest Growing Fintech Company, South East Asia 2021" for UB from Global Banking and Finance; "Asia's Best Bank Transformation" from Euromoney; "Asia-Pacific Retail Bank of the Year" from Retail Banker International; "Top 2 Most Helpful Banks in Asia Pacific during COVID-19" from BankQuality Customer Survey and Ranking (BankQuality.com); "Asia Pacific Digital Trailblazer" for UnionBank and "DX CEO Asia Pacific" for President and CEO Edwin R. Bautista from IDC Asia Pacific DX Awards; "Best Digital Community Impact Initiative, South East Asia 2020" for UB from CFI.co; "Fastest Growing Fintech Company, South East Asia 2020" for UB from Global Brands Magazine; "2020 Digital Banker of the Year in Asia-Pacific" for President and CEO from The Asset; three-time "Best Digital Bank Philippines" from Asiamoney and International Finance Magazine; back-to-back Digital Transformer of the Year Philippines" from IDC DX Awards Philippines; "Best Retail Bank Philippines 2020" from Global Banking and Finance, The Asian Banker and The Digital Banker; "Best in Asia Pacific Social, Sustainable & Responsible Banking" from Efma; "Domestic Retail Bank of the Year Philippines" from Asian Banking & Finance; back-to-back "Best Digital Bank Philippines" & "Most Innovative Cash Management Services Bank Philippines" from Global Banking and Finance; "#1 Best Service Domestic Bank in the Philippines" at the 2020 Asiamoney Cash Management Survey; "Best Bank for SMEs" from Asiamoney; "SME Bank of the Year - Philippines" from Asian Banking and Finance; "Model Bank Award for Financial Inclusion 2020" from Celent Model Bank Awards; Top PESONet Volume Contributor" at the BSP Stakeholders Awards Ceremony 2019; and "Employer of the Year" awards from Stevie Awards for Great Employers, Asian Banking and Finance, and HR Asia.

Determined to be an enabler of the Philippines' bid to be a G20 country by 2050, UnionBank stands firm in its promise to power the future of banking by co-creating innovations for its customers and for a better world.