

## UnionBank 6M2021 Net Income rose 94% to P8.3 Bn

The Bank posted strong earnings in the first six months of 2021 with a net income of Php8.3 billion, 94% higher than the same period last year. This translated to a return on equity of 15.9%.

Net revenues increased by 16% to Php25.5 billion. Net interest income grew 7% to Php14.8 billion driven by higher net interest margins at 4.7% vs. 4.4% a year ago. Non-interest income rose 33% to Php10.7 billion on the back of strong trading gains, higher foreign exchange income, and higher fees & commissions.

Loan loss provisions were recorded at Php3.1 billion, 56% lower than last year as non-performing loans started to stabilize. The Bank's NPL ratio improved to 4.7% vs. 5.1% as of year-end 2020.

As of end-June 2021, total assets were at Php733.6 billion. Total loans and receivables were down by 4% year-on-year to Php336.9 billion on muted corporate and commercial credit demand. Total CASA deposits, on other hand, sustained a record growth of 28% to Php299.6 billion.

"Our strong first half performance and good trajectory gives us confidence that we will hit our full-year targets. Our NPLs are on a declining trend driven by proactive efforts to manage credit risk. Net interest margins continue to improve coming from strong CASA growth as a result of strong digital customer take-up. Other income sources also continue to provide uplift on revenues," said Jose Emmanuel U. Hilado, CFO and Treasurer.

"We continue to witness the market's affirmation of our digital strategy. The Bank recorded its highest sign-ups and highest digital accounts opened in a single quarter in 2Q2021, bringing total registered digital users to 2.9 million. Digital transactions are also up 2.4x year-on-year to more than 7.2 million for the month of June 2021. More importantly, I am well-pleased to share that the BSP has approved UnionBank's digital bank application – UnionDigital. This will be our main vehicle to reach the unbanked and underserved market towards fulfilling our goal of inclusive prosperity," 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 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 "Top 1 Most Recommended Retail Bank in Asia Pacific" by BankQuality.com; "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 UBX 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" by 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 UBX from CFI.co; "Fastest Growing Fintech Company, South East Asia 2020" for UBX 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; "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; 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 pioneering innovations for its customers and for a better world.*