

## 9M2021 Net Income at P10.7 Bn, up 26% YoY

UnionBank's net income for the first nine months of the year grew by 26% year-on-year (YoY) to Php10.7 billion on account of a 9% increase in revenues. This translated to a return on equity of 13.6%.

Net interest income increased 3% to Php22.0 billion on the back of higher margins at 4.6% vs. 4.5% a year ago. Lower funding costs coming from the robust growth of our CASA deposits supported our margin growth. Non-interest income rose 22% to Php12.6 billion due to strong trading gains in the first half of the year, higher foreign exchange income, and increased fees and commissions.

Loan loss provisions booked was lower by 45% at Php4.1 billion amid the continued stabilization of non-performing loans. NPL ratio was posted at 4.9% vs. 5.1% as of year-end 2020.

As of end-September 2021, total assets stood at Php767.8 billion while total loans were at Php341.5 billion, 4% lower given the subdued demand for corporate loans. Total CASA deposits sustained its record growth of 26% to Php318.3 billion.

Digital onboarding initiatives continued to gain traction. We now have 3.6 Mn registered users across our digital platforms as of end-September 2021, 2.4x higher than the same period last year. UBX also ramped up onboarding of customers with about 180,000 MSMEs and channel partners signed up across its platforms, 46% higher than the same period in 2020. Our digital bank, UnionDigital, which is one of only 6 licenses granted by the BSP, is on track for launch in 2022.

"With our current momentum and the reopening of the economy, we are confident that the worst of the pandemic is behind us. We will be entering 2022 with a solid base from where we can resume our pre-pandemic growth trajectories," said 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: "Asia Trailblazer Institution of the Year" from Retail Banker International; "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; "Most Recommended Retail Bank in Asia Pacific 2021" from BankQuality.com; "Fastest Growing Fintech Company, South East Asia 2021" for UBX from Global Banking and Finance; back-to-back "Best Bank for SMEs" (2020-2021) from Asiamoney; "SME Bank of the Year - Philippines 2021" from Asian 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.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; and "Employer of the Year" awards from Stevie Awards for Great Employers, Asian Banking and Finance, and HR Asia.*

*UnionBank stands firm in its promise to power the future of banking through "Tech-Up Pilipinas" to best serve the growing needs of Filipinos everywhere, while pioneering innovations for a better world.*