

PRESS RELEASE

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UnionBank Net Income up 8% to Php4.7 billion for 1H2018

UnionBank of the Philippines (PSE:UBP) recorded a net income of Php4.7 billion in the first six months of 2018 compared to the Php4.4 billion posted in the same period last year. Net revenues grew by 9.1% to Php12.7 billion from Php11.7 billion a year ago.

This translated to an annualized Return on Equity (ROE) and Return on Average Assets (ROA) of 12.8% and 1.6%, respectively.

The Bank sustained its robust performance from last quarter given double-digit growth from customer businesses. Total loans increased by 18.0% year-on-year to Php313.0 billion, with retail loans accounting for 33% of total loan portfolio. This boosted the Bank's total assets to reach Php623.2 billion, up by 12.8% year-on-year from Php552.6 billion in the same period a year ago. Assets were mainly supported by deposits at Php452.9 billion.

"We are ahead of our target for the year despite margin compression in the first half due to higher interest rates and regulatory compliance. For the remainder of the year, we expect recurring income to drive profitability. We anticipate margins to improve as loan rates start to catch-up against deposit cost," said Jose Emmanuel U. Hilado, UnionBank Treasurer and CFO.

"We have no doubt that we are on track in our digital transformation journey. The market has noticed. The Bank was recognized as Asia's Best Bank Digital Transformation in the 2018 Euromoney Awards for Excellence. Moreover, our Project i2i in collaboration with rural banks, was highlighted in the technology space as a commendable use case of blockchain to drive societal change and inclusive prosperity. We look forward to launching more innovations in the industry as we aim to be among the pioneers in the field of blockchain technology and the token economy," said 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 several awards and recognitions including "Asia's Best Bank Transformation" in the 2018 Euromoney Awards for Excellence; "Digital Banking Initiative of the Year - Philippines" and "Online Banking Initiative of the Year - Philippines" at the Asian Banking and Finance - 2018 Retail Banking Awards; "Best Customer Experience - Branch (Winner)", "Best Omni-Channel Customer Experience (Highly Commended)", "Best Technology Implementation - Back Office (Highly Commended)", and "Best Technology Implementation - Front End (Highly Commended)" from Retail Banker International - 4th Customer Experience in Financial Services Awards; "Asia's Leader in Omnichannel Engagement" by IDC's 2018 Financial Insights Innovation Awards; "Best App for Mobile Banking" and "Excellence in Mobile Banking - Over-all" from Retail Banker International - Asia Trailblazer Awards 2018; "Best Investor Relations Company" and "Asia's Best CFO" from Corporate Governance Asia; "Most Innovative Bank of the Year 2018" and "Best Banking CEO for 2018" from The European - Global Banking and Finance Awards.