聯邦銀行
UNION BANK OF TAIWAN

Union Bank of Taiwan

Analyst Meeting

Financial Review of 3Q18

November 6th, 2018

DISCLAIMER

- This presentation is provided by Union Bank of Taiwan ("UBOT").The information contained within is not reviewed or reviewed by any accountant or any independent third party. Users should read this material in conjunction with all other public financial and operational information filed to the competent authorities by UBOT. While we endeavor to provide accurate, complete and consistent information herein, UBOT makes no guarantee or warranties as to the accuracy or correctness of all the material contained. After this presentation is released to the public, we undertake no obligation to update any relevant data to reflect any change hereafter.

- Users should also notice that this presentation may contain forward-looking statements. Statements that are not historical facts, including statements relating to the implementation of strategic initiatives, future business development and economic performance are forward-looking statements. By their nature, forward-looking statements involve uncertainties, risks, assumptions and other factors that could cause actual developments and results to differ materially from our statement in this presentation. These factors include, but not limited to, regulatory developments, competitive conditions, technological developments, general economic conditions and management changes.

- The information, statements or opinions in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation respect to such securities or other financial instruments. UBOT and its affiliates representatives, no matter for their negligence or any other reasons, should not be liable for any loss or damages arising from the use of or interpretation by others of information contained within this presentation or any matter related to this document.

聯邦銀行
UNION BANK OF TAIWAN

Financial Highlights of 3Q18

Profitable and steady growth

- Net income for the month ended September, 2018, was 2.422 billion, increased 19.9% YoY, Operating revenue was 8.156 billion, increased 5.96% YoY.
- EPS was 0.84 in 3Q18, compare with 0.78 in 3Q17 , increased 7.69% YoY.

Steady growth of business

- Net interest income was increased2.47% YoY.
- Net fee income was increased 5.22% YoY.
- Total deposits (avg. balance) was increased 6.65% YoY .
- Total loans (avg. balance) was increased 12.2% YoY.
- Cards outstanding was increased 4.61% YoY.
- Value of transactions was increased 5.87% YoY.
- Value of acquiring was increased 6.01% YoY.

聯邦銀行 UNION BANK OF TAIWAN

Financial Highlights of 3Q18 (conti.)

Capital is adequate and robust

- CAR was 13.5%, Tier 1 ratio was 12.03%, and CET1 ratio was 8.85% as of September 30, 2018.

Good asset quality and overdue loan coverage

- NPL was 441 million, NPL ratio was 0.13%, and NPL coverage ratio was 863.25% as of September 30, 2018.

聯邦銀行
UNION BANK OF TAIWAN

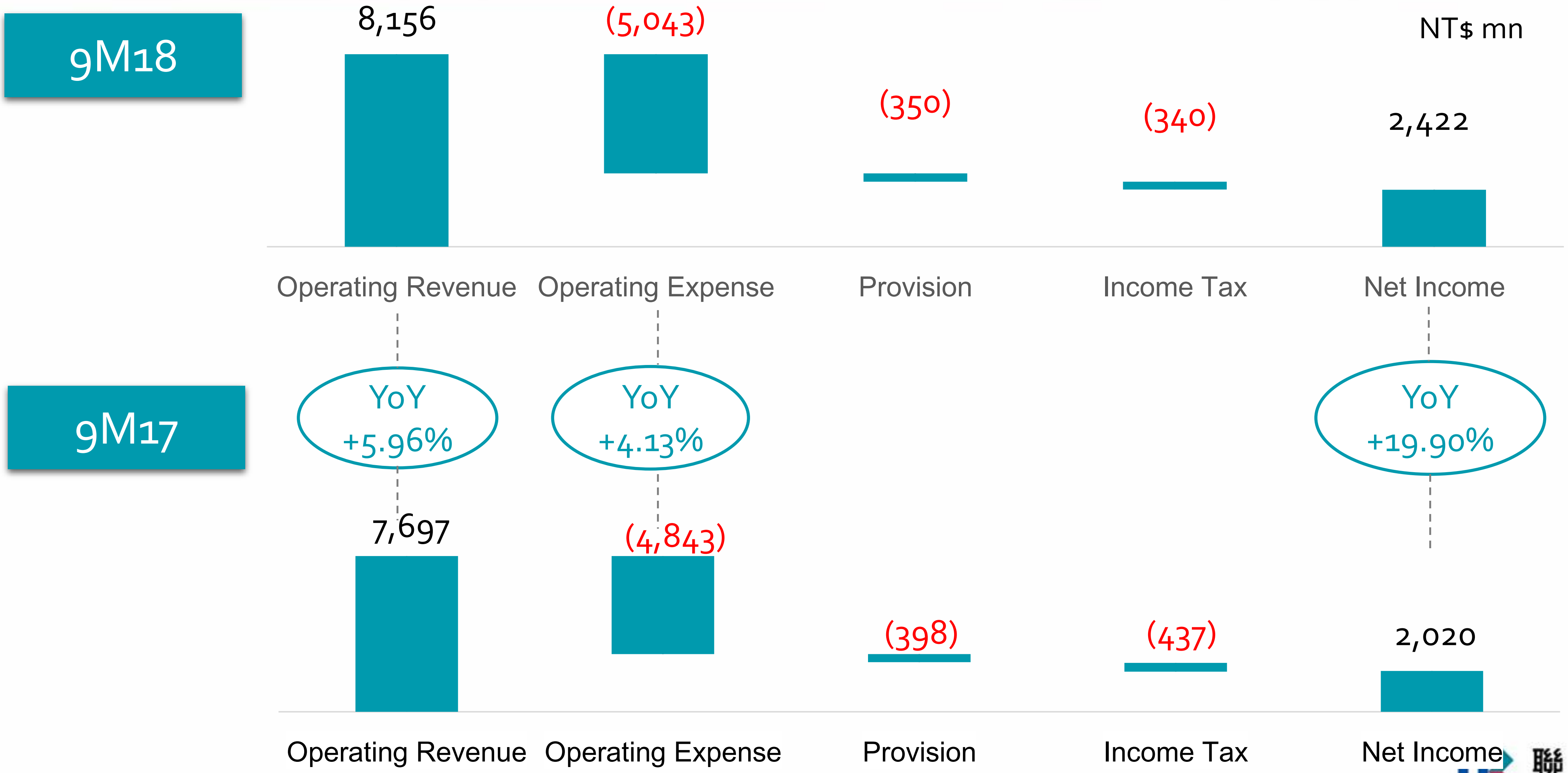
Consolidated revenue and profit

NT$ mn, %

Items	9M18 （non-audit）	9M17	Diff. %
Net interest income	5,081	4,917	＋3.34%
Net fee income	1,796	1,705	＋5.34%
Other income	2,853	2,697	＋5.78%
Operating revenue	9,730	9,319	＋4.41%
Pre-Tax Income	2,777	2,504	＋10.90%

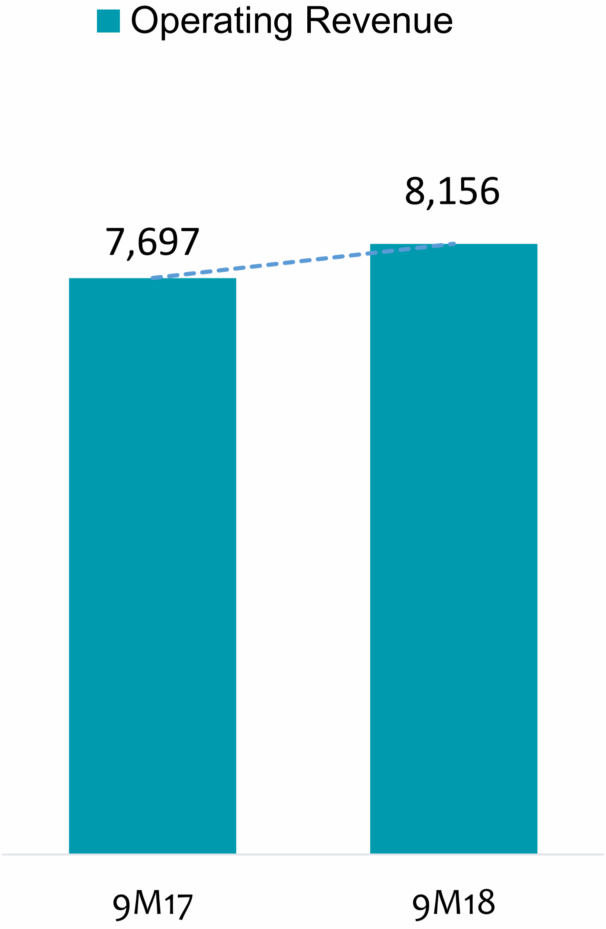
聯邦銀行 UNION BANK OF TAIWAN

Net Profit Movements

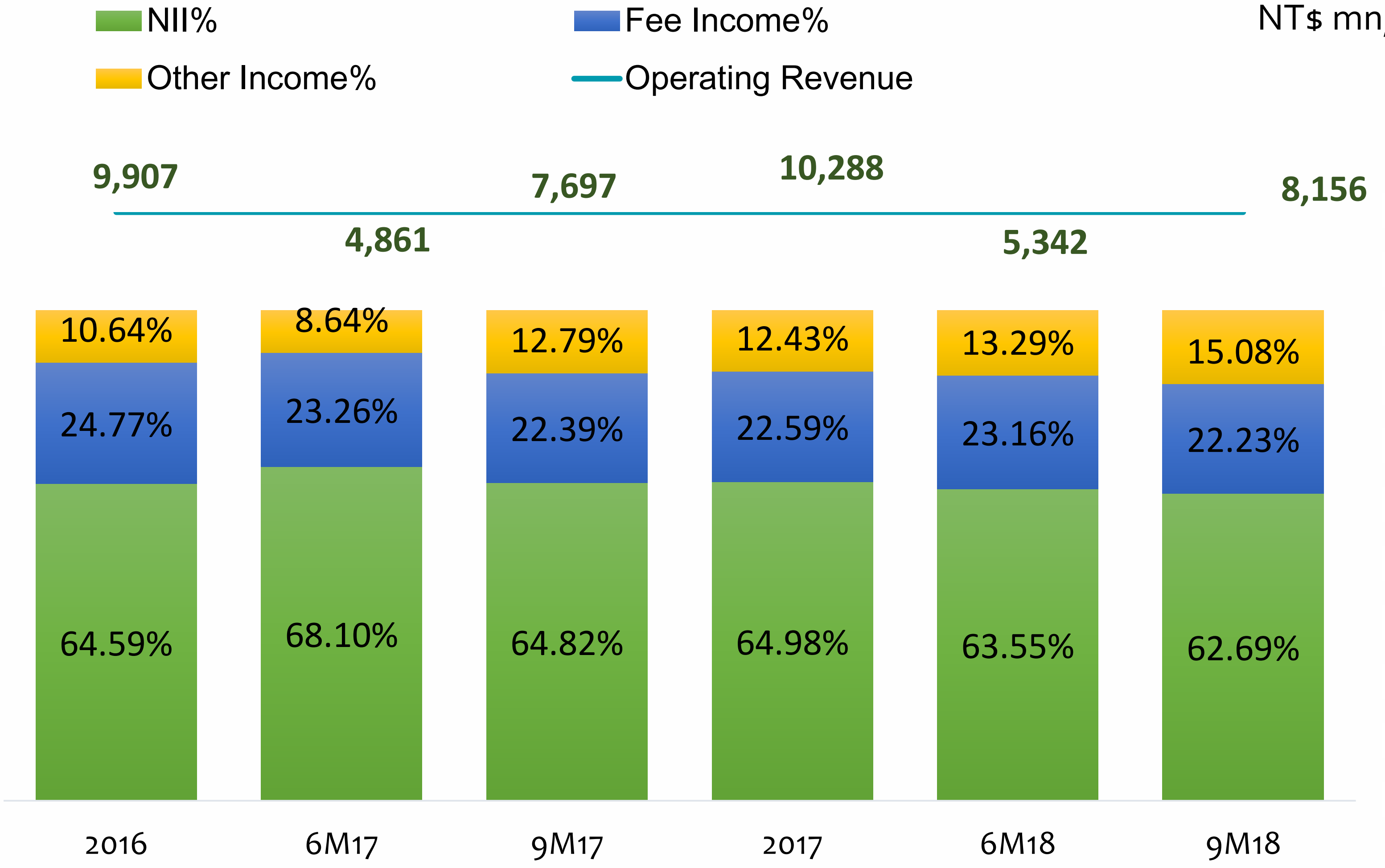


聯邦銀行
UNION BANK OF TAIWAN

Revenue Breakdown



NT$ mn, %

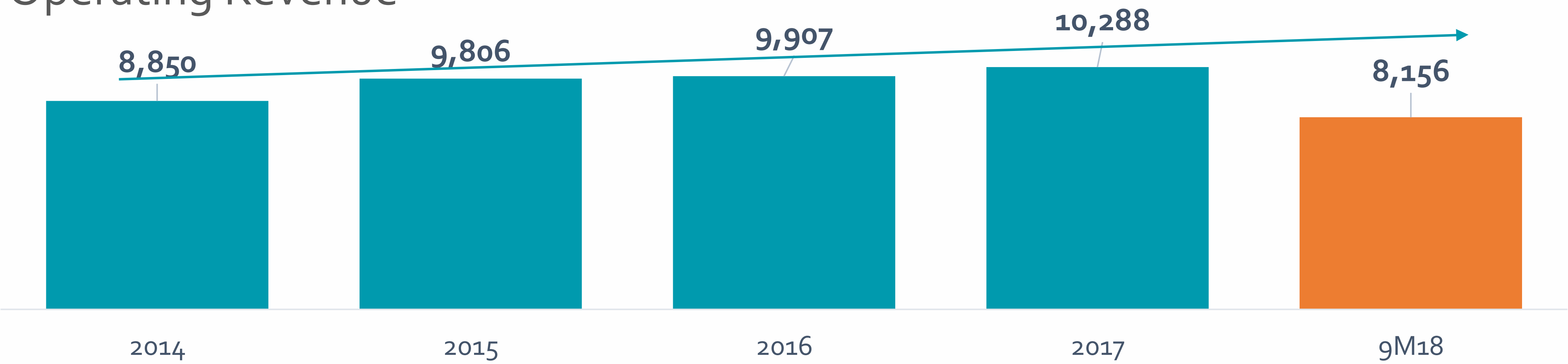


聯邦銀行
UNION BANK OF TAIWAN

Financial Performance

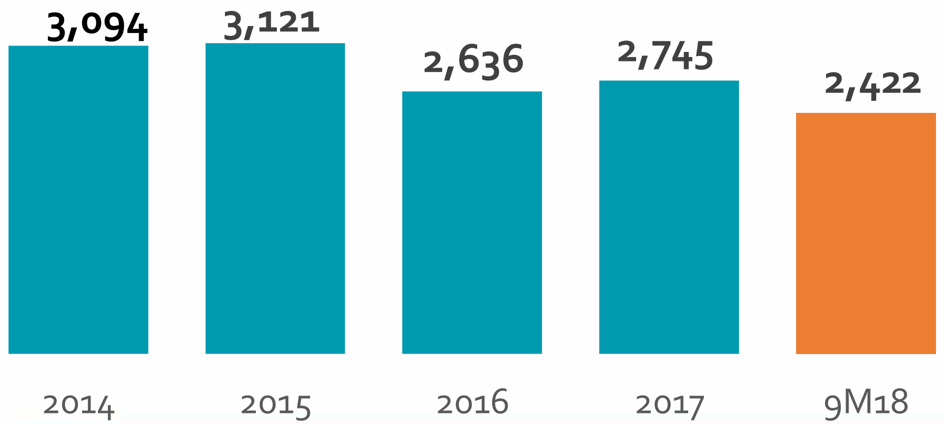
Operating Revenue

NT$ mn



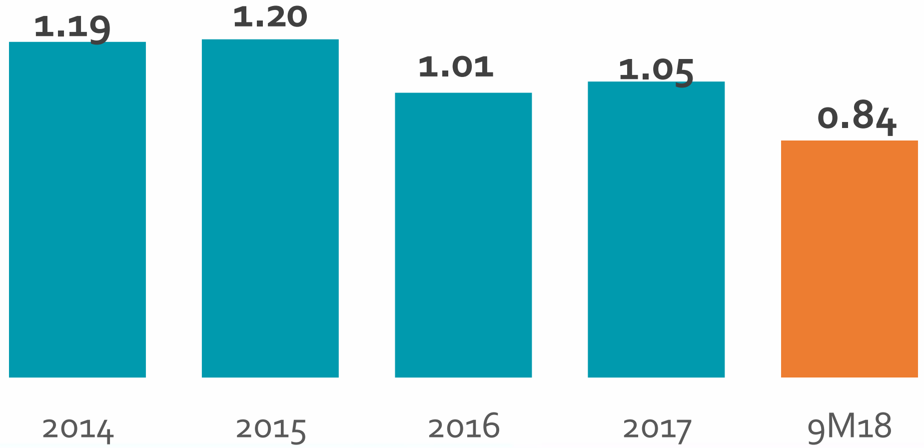
Net Income

NT$ mn



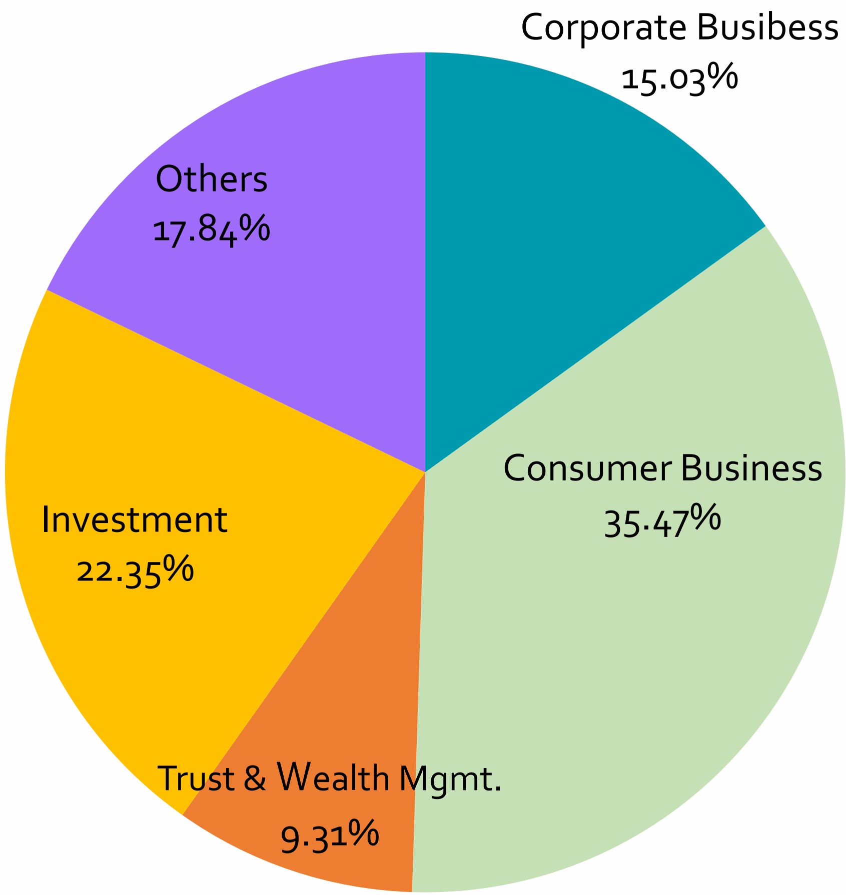
EPS

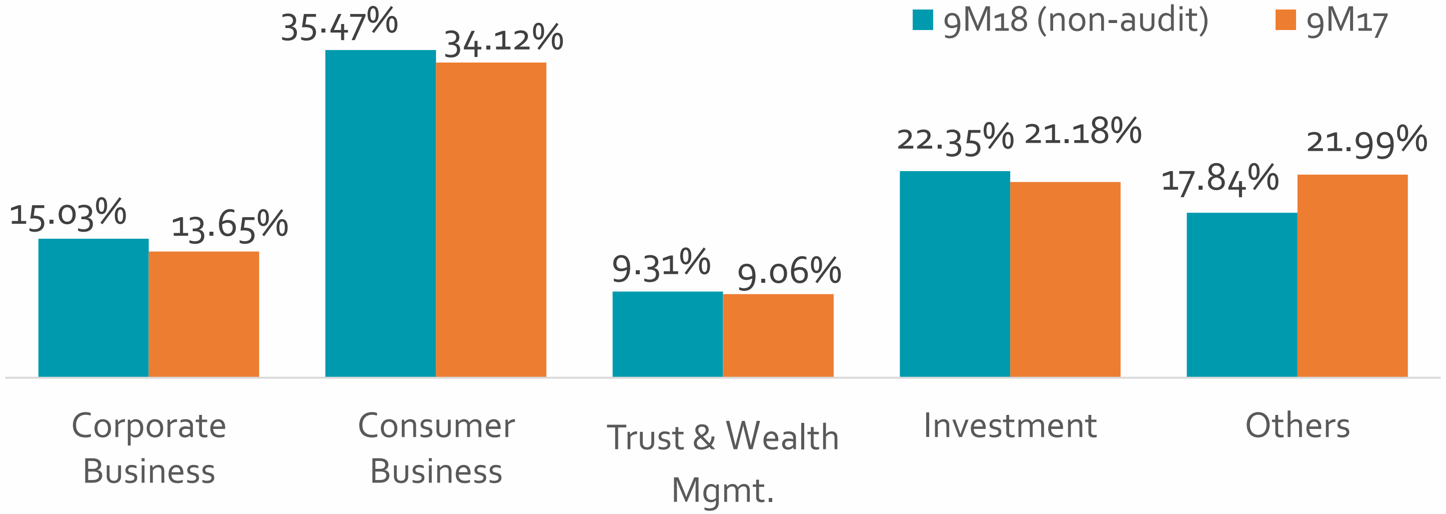
NT$ dollar



聯邦銀行
UNION BANK OF TAIWAN

Operating revenue analysis





Items	2018.09 portion in revenues	2017.09 portion in revenues		Diff%
Corporate Business	15.03%	13.65%	▲	1.38%
Consumer Business	35.47%	34.12%	▲	1.35%
Trust & Wealth Mgmt.	9.31%	9.06%	▲	0.25%
Investment	22.35%	21.18%	▲	1.17%
Others	17.84%	21.99%	▼	(4.15%)

銀行 OF TAIWAN

Business Performance

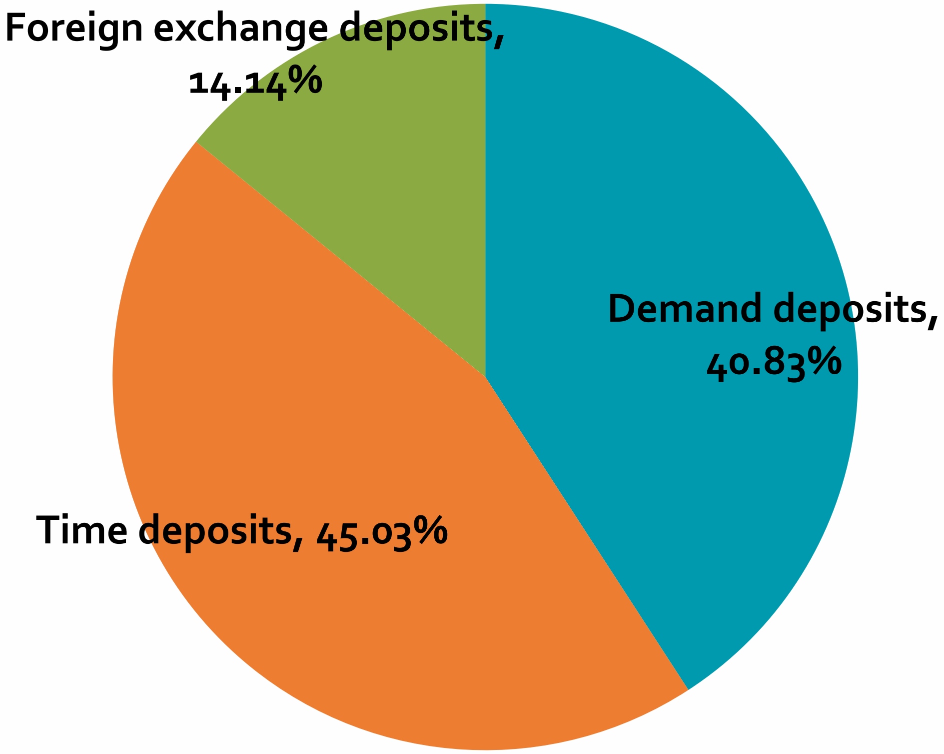
NT$ mn, %

Items	2018.09	2017.09	Diff. Amt	Diff. %
Total deposits (avg. bal.)	476,620	446,919	▲ 29,701	▲ 6.65%
Demand deposits	194,590	183,069	▲ 11,521	▲ 6.29%
Time deposits	214,642	201,785	▲ 12,857	▲ 6.37%
Foreign exchange deposits	67,388	62,065	▲ 5,323	▲ 8.58%
Total Loans (avg. bal.)	339,773	302,821	▲ 36,952	▲ 12.20%
Corporate loans	154,374	140,453	▲ 13,921	▲ 9.91%
Consumer loans	185,399	162,368	▲ 23,031	▲ 14.18%
Indirect Finance (end bal.)	22,537	18,842	▲ 3,695	▲ 19.61%

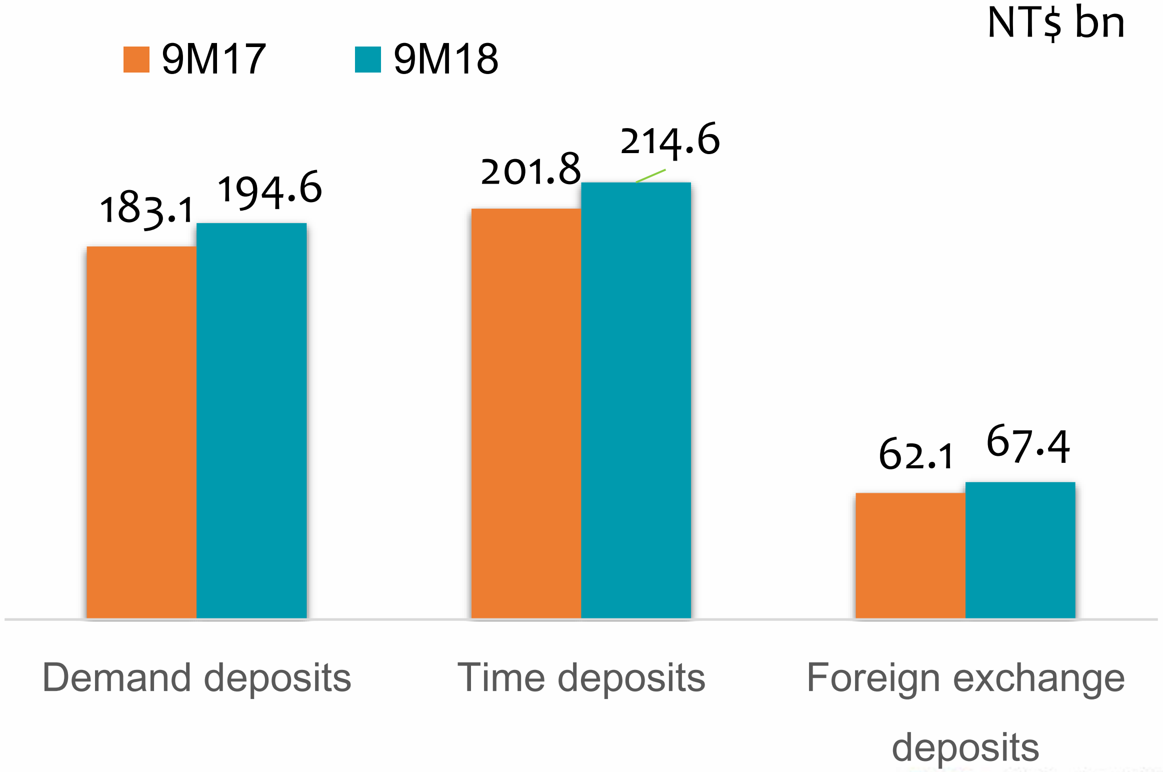
聯邦銀行
UNION BANK OF TAIWAN

Deposits analysis

Total deposits（avg. bal.）TWD$476.6 billion



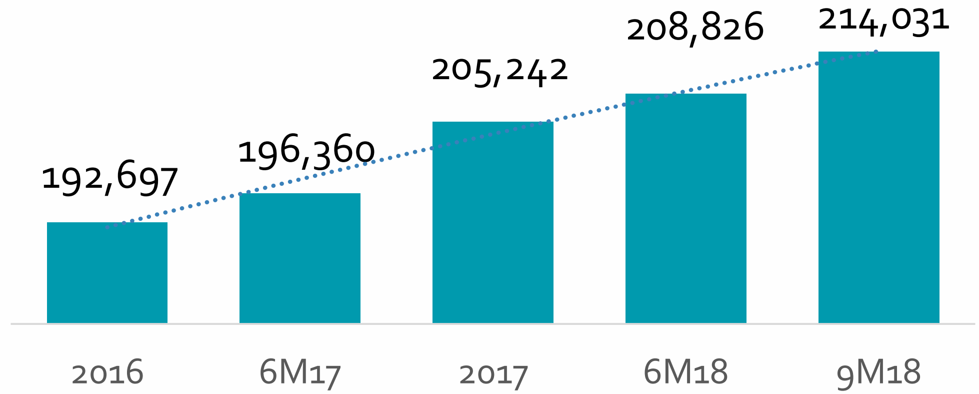
YoY Comparison



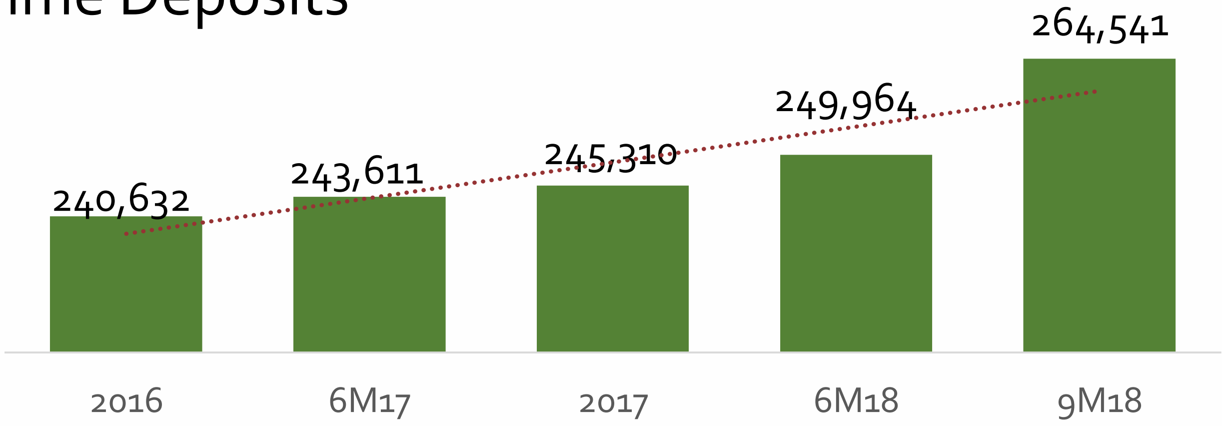
Deposits balance

NT$ mn

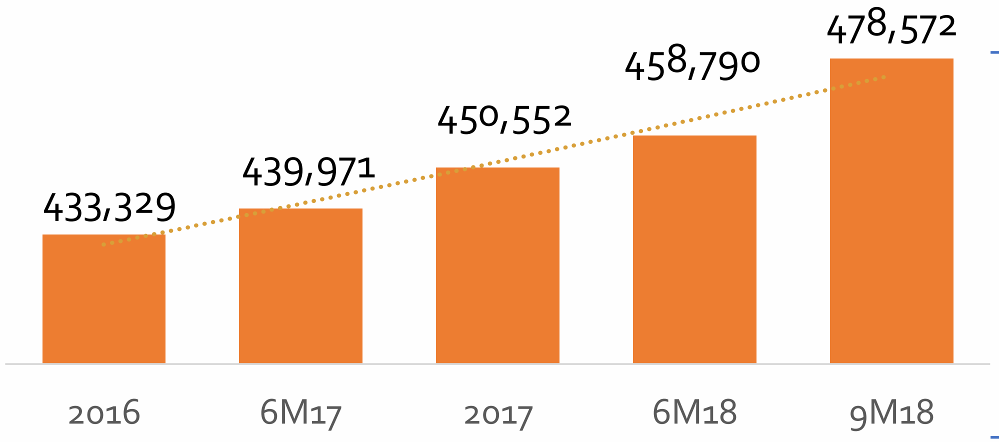
Demand Deposits



Time Deposits



Total Deposits

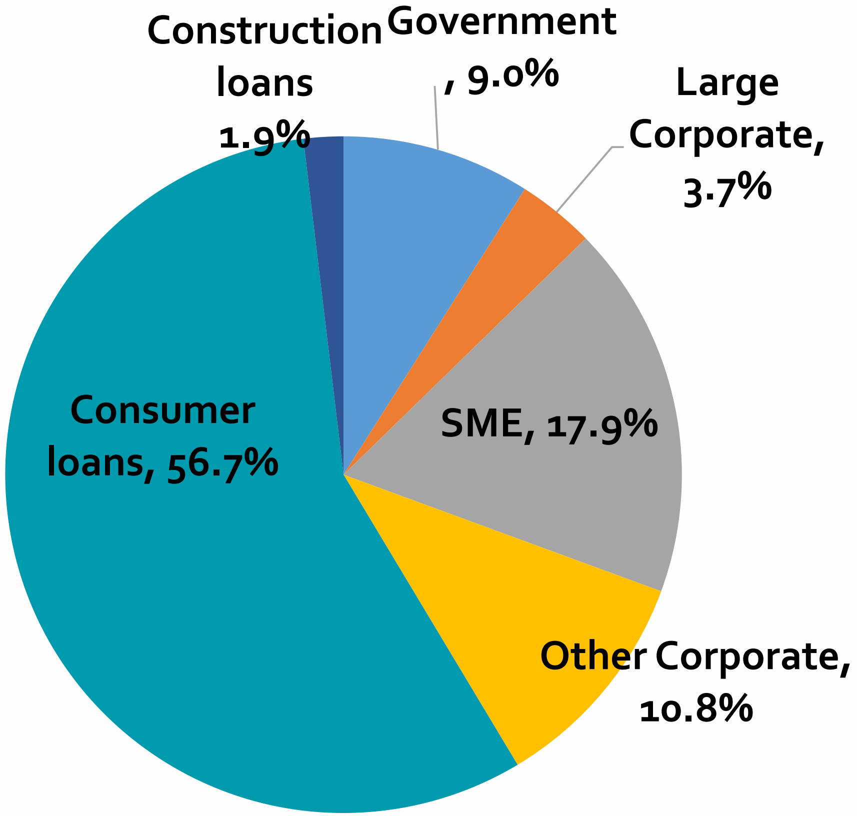


Items \ Date	End of 2016	End of Jun. 2017	End of 2017	End of Jun. 2018	End of Sep. 2018
Demand deposits	192,697	196,360	205,242	208,826	214,031
Time deposits	240,632	243,611	245,310	249,964	264,541
Total deposits	433,329	439,971	450,552	458,790	478,572
Portion of demand deposits	44%	45%	46%	46%	45%

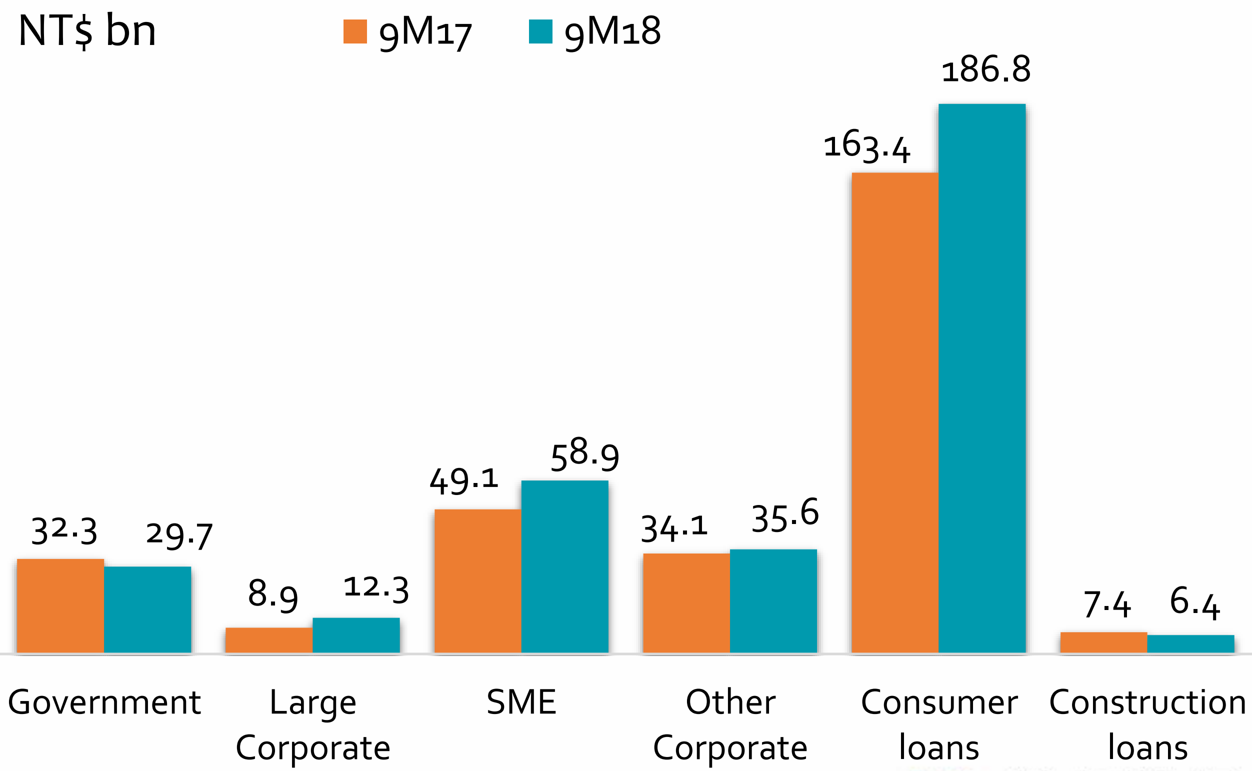
聯邦銀行 UNION BANK OF TAIWAN

Loans analysis

Total Loans TWD$329.7 billion



YoY Comparison

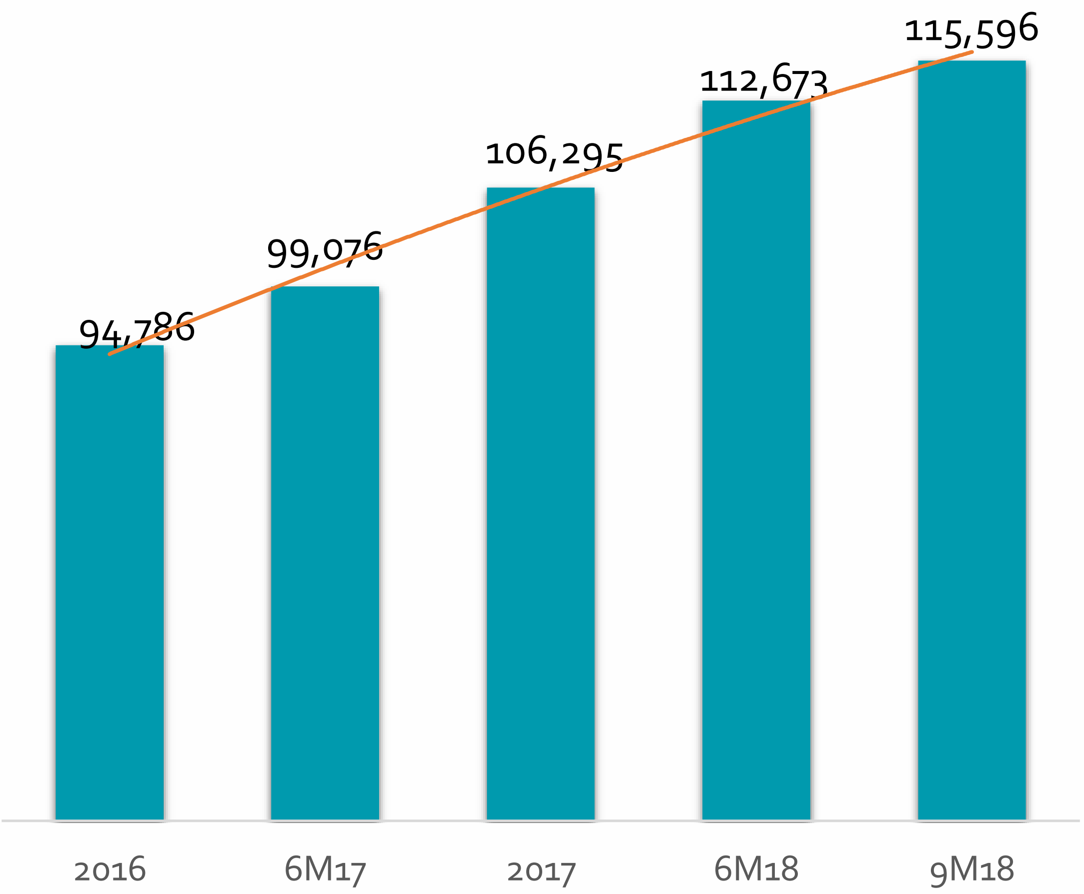


聯邦銀行 UNION BANK OF TAIWAN

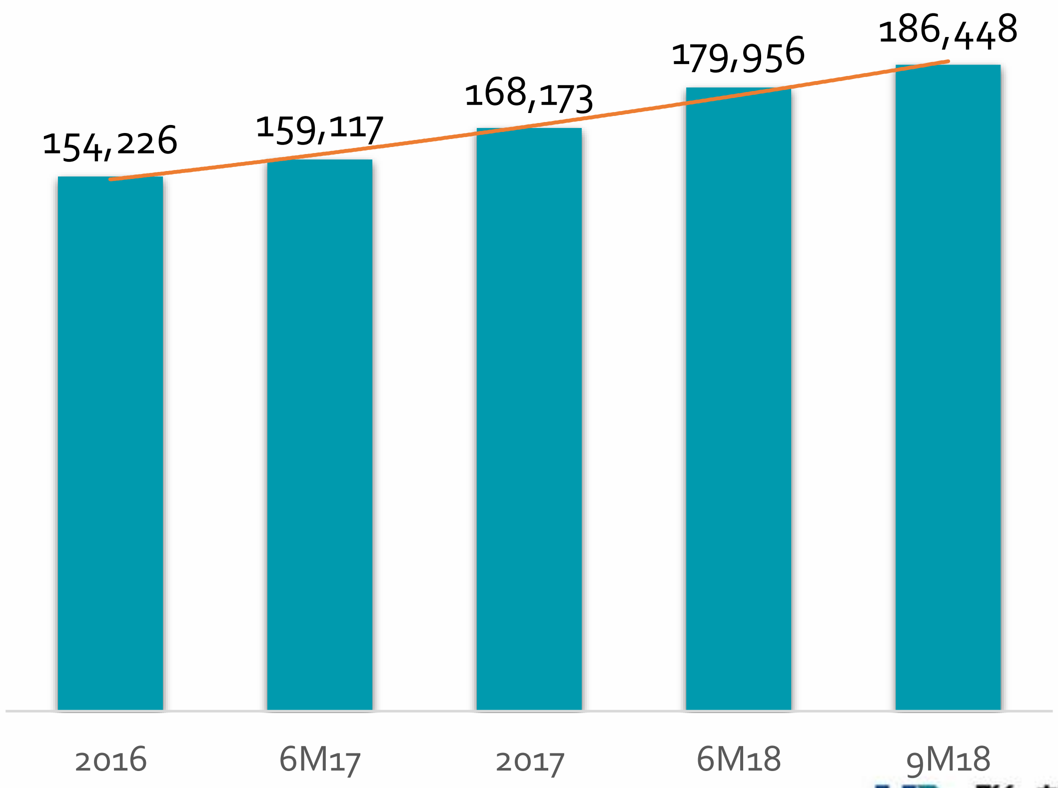
Stable Loan Growth

NT$ mn

Corporate Loans



Consumer Loans



- Government Loans is excluded from Corporate Loans.

聯邦銀行 UNION BANK OF TAIWAN

Business Performance

Cards, NT$ Mn,%

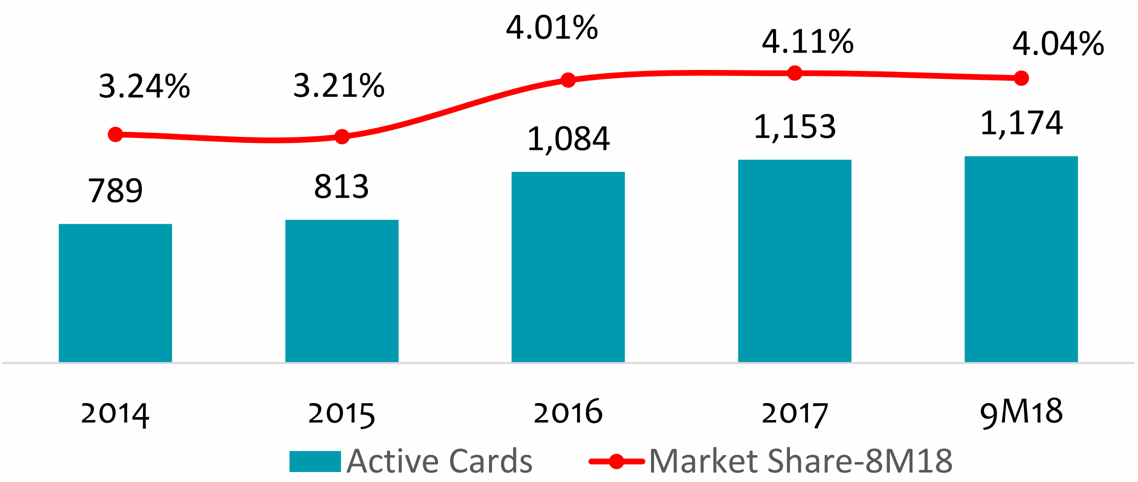
Items	Jan. to Sep. 2018	Jan. to Sep. 2017	Diff. Amt	Diff. %
Cards outstanding	2,105,328	2,012,530 ▲	92,798 ▲	4.61%
Valid cards in 6 months	1,174,325	1,142,192 ▲	32,133 ▲	2.81%
Operating income	1,862	1,743 ▲	119 ▲	6.83%
Value of transactions	67,751	63,992 ▲	3,759 ▲	5.87%
Value of acquiring	43,734	41,253 ▲	2,481 ▲	6.01%
Telephone marketing credit loan	2,978	2,037 ▲	941 ▲	46.20%
Accounts Receivable	15,721	14,726 ▲	995 ▲	6.76%
Revolving banlance	5,751	5,283 ▲	468 ▲	8.86%
NPL over 90 days	43.524	42.796 ▲	0.728 ▲	1.70%
NPL Ratio over 90 days	0.28%	0.29% ▼	-0.01% ▼	-0.01%

聯邦銀行
UNION BANK OF TAIWAN

Credit Card Business

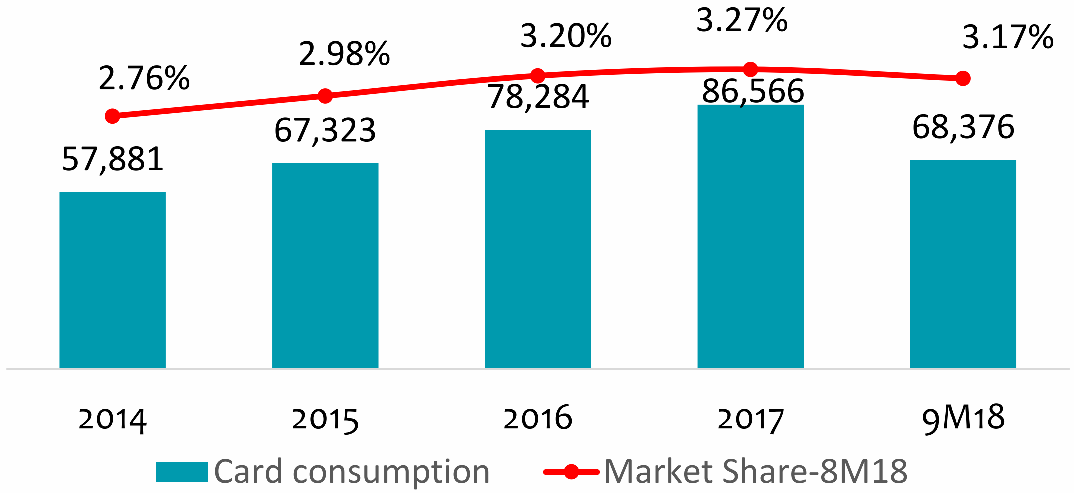
Active Cards

Thousand Card,%



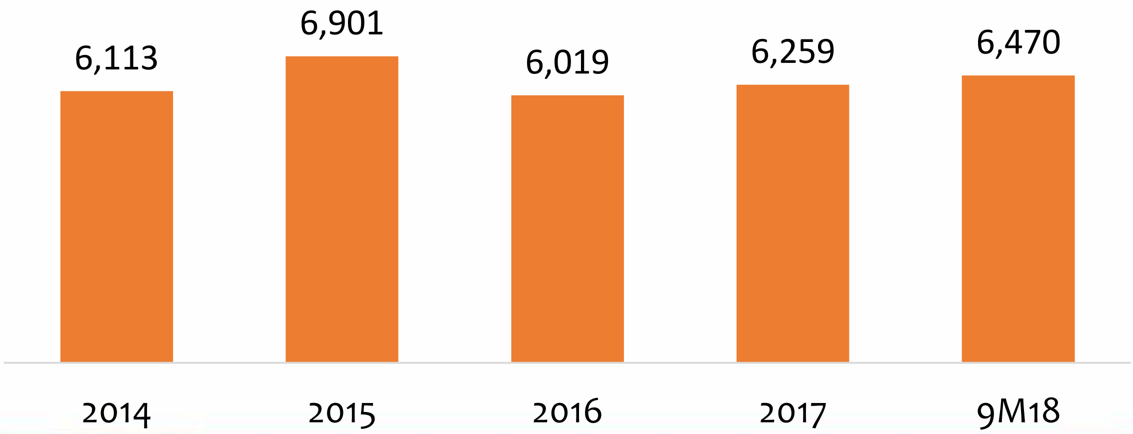
Card Consumption

NT$mn



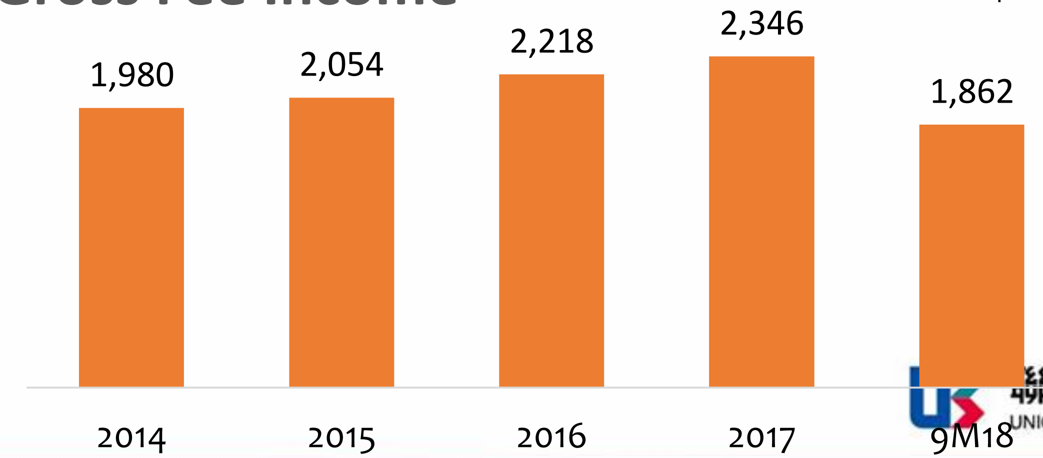
Per Card Spending (Monthly)

NT$ dollar



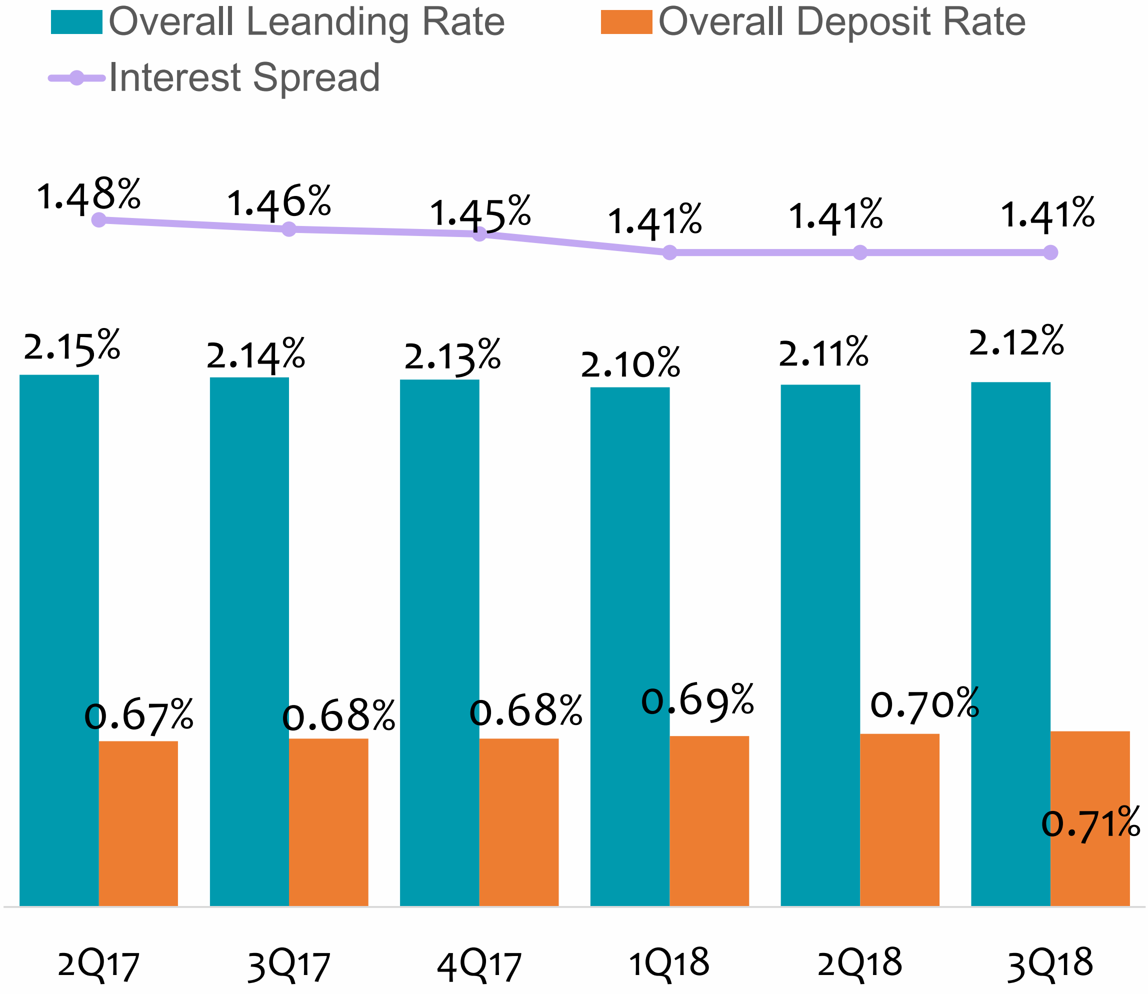
Gross Fee Income

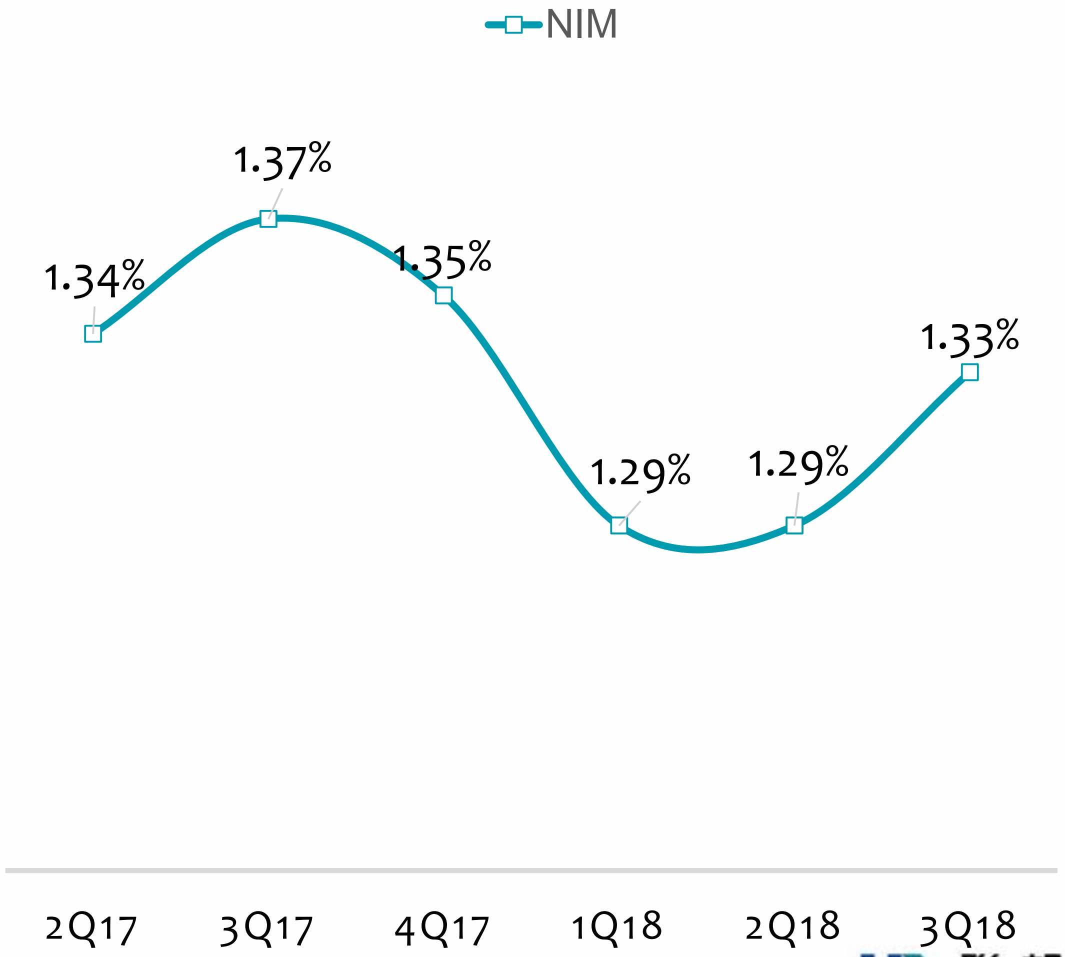
NT$mn



聯邦銀行
UNION BANK OF TAIWAN

NIM and Spread



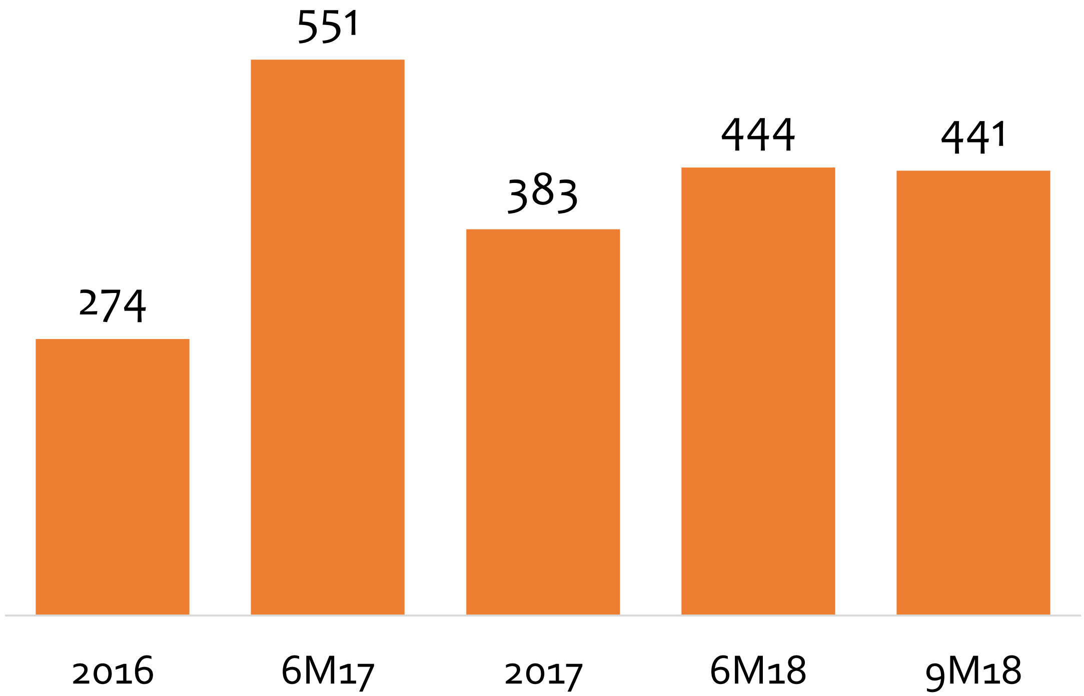


聯邦銀行 UNION BANK OF TAIWAN

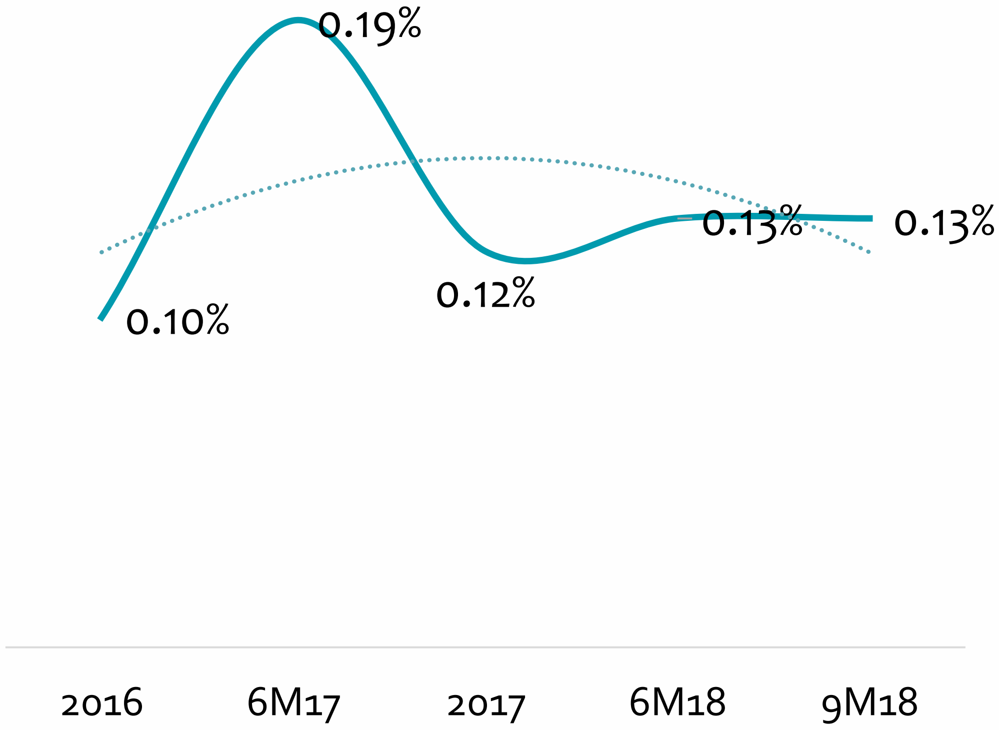
Assets Quality

NPL

NT$ mn,%



NPL Ratio

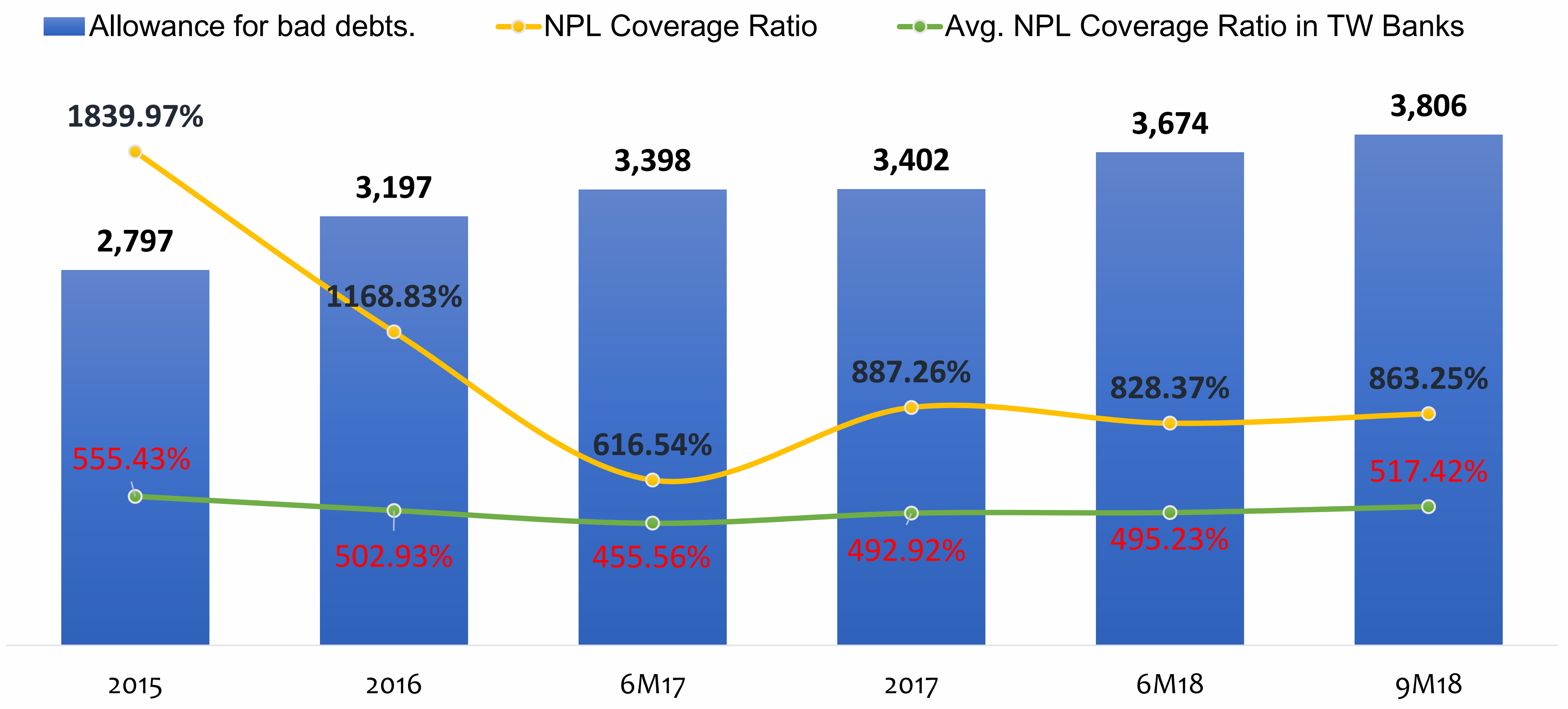


- NPL increased by Foshin Airline 200 million in 2Q17 was written off at the year ended of 2017.

聯邦銀行
UNION BANK OF TAIWAN

Assets Quality (Conti.)

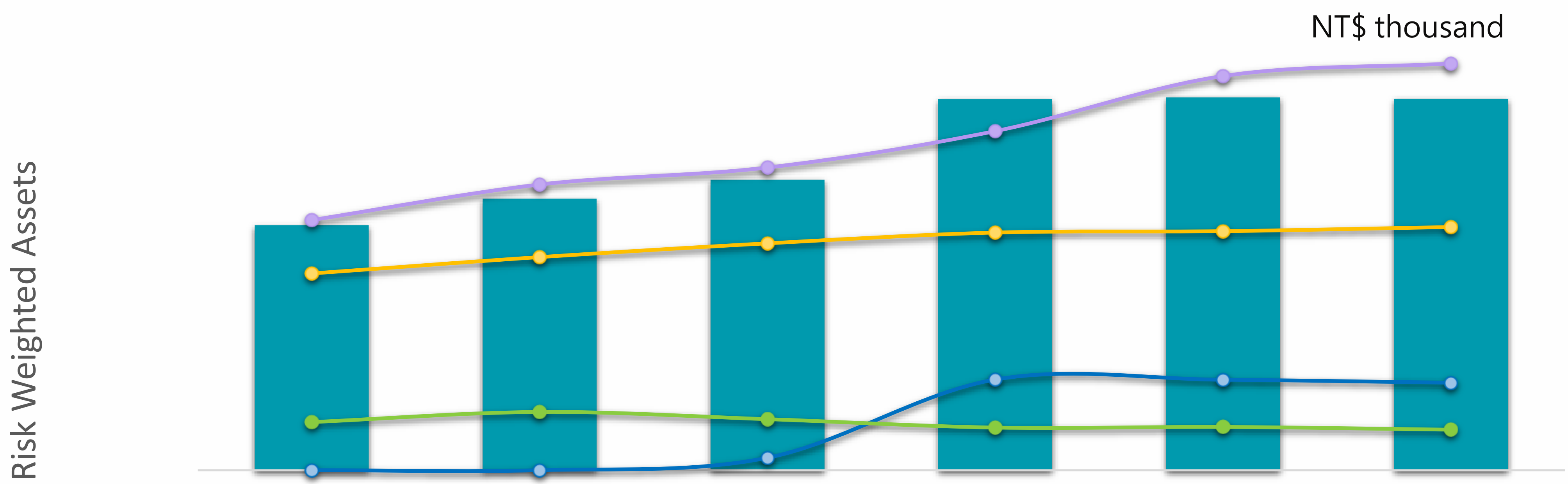
NT$ mn, %



- Avg. NPL Coverage Ratio in TW Banks of 3Q18 was from FSC Statistic of August 2018.

聯邦銀行 UNION BANK OF TAIWAN

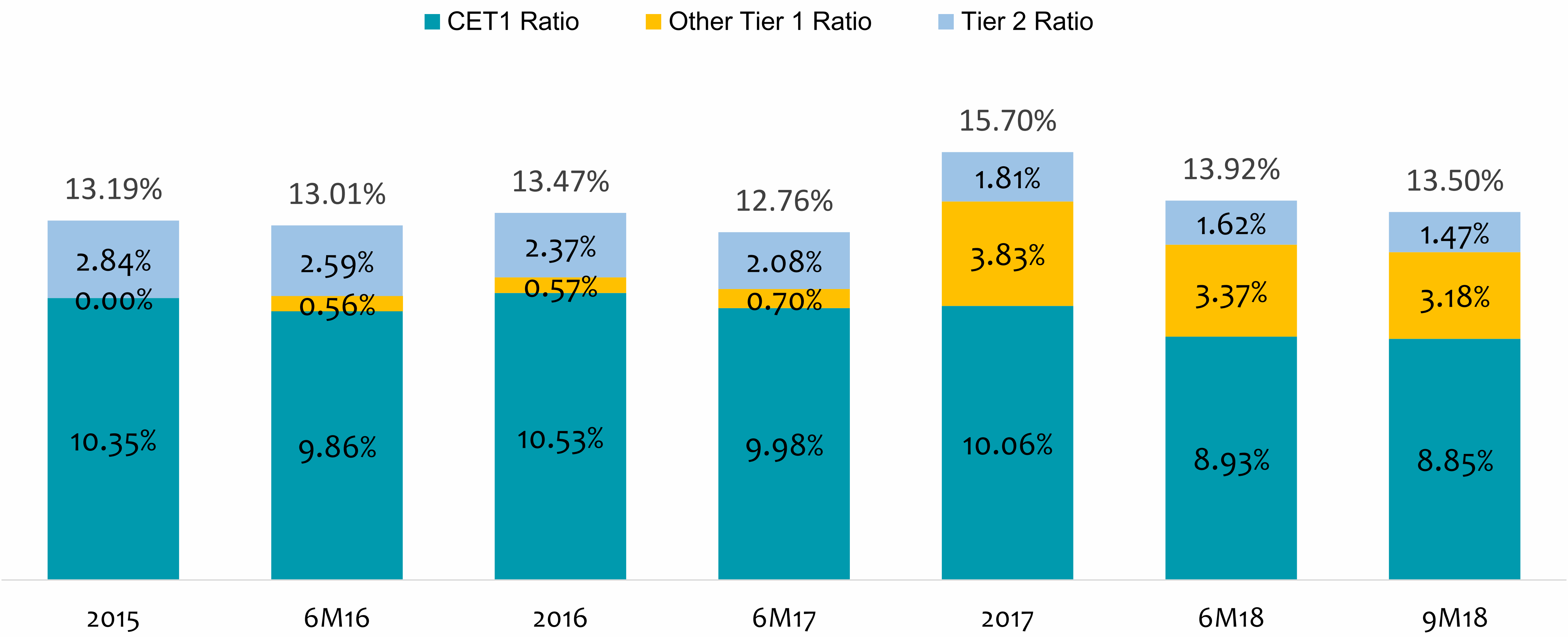
Capital Adequacy



	2014	2015	2016	2017	6M18	9M18
Regulatory capital	32,843,359	36,390,672	38,935,126	49,740,733	49,981,331	49,777,477
Common share	26,380,471	28,573,380	30,419,225	31,867,478	32,054,200	32,611,397
Other tier 1 capital	0	0	1,664,565	12,146,864	12,116,321	11,724,149
Tier 2 capital	6,462,888	7,817,292	6,851,336	5,726,391	5,810,810	5,441,931
Risk Weighted Assets	248,800,854	275,981,855	288,993,781	316,857,171	359,052,069	368,617,274

聯邦銀行 UNION BANK OF TAIWAN

Bank BIS Ratio



聯邦銀行
UNION BANK OF TAIWAN