聯邦銀行
UNION BANK OF TAIWAN

Union Bank of Taiwan

Financial Results of 1H20

August 4th, 2020

Financial Highlights of 1H20

- Steady growth of business
  - Total deposits (avg. balance) was increased 9.24% YoY .
  - Total loans (avg. balance) was increased 8.69% YoY.
  - Valid cards in 6 months was increased 10.68% YoY.
  - Operating income was increased 13.48% YoY.
- Capital is adequate and robust
  - CAR was14.33%, Tier 1 ratio was12.50%, and CET1 ratio was9.50% as of June 30, 2020.
- Good asset quality and overdue loan coverage
  - NPL was 638million, NPL ratio was 0.16%, and NPL coverage ratio was 714.40% as of June 30, 2020.
- Gobal equity market in the first half of 2020 was subject to the huge fluctuations of COVID-19 and interest rate cut, resulting net other income and profit before tax are decreased by 26.42% and 11.61% compared with 2019 Q2.

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Revenue and profit- Consolidated

NT$ mn, %

Items	2Q20*	2Q19	Diff. %*
Net interest income	3,744	3,203	+16.89%
Net fee income	1,375	1,252	+9.82%
Net other income	1,621	2,203	-26.42%
Operating revenue	6,740	6,658	+1.23%
Pre-Tax Income	1,583	1,791	-11.61%

- Note： Gobal equity market in the first half of 2020 was subject to the huge fluctuations of COVID-19 and interest rate cut, resulting net other income and profit before tax are decreased by 26.42% and 11.61% compared with 2019 Q2.

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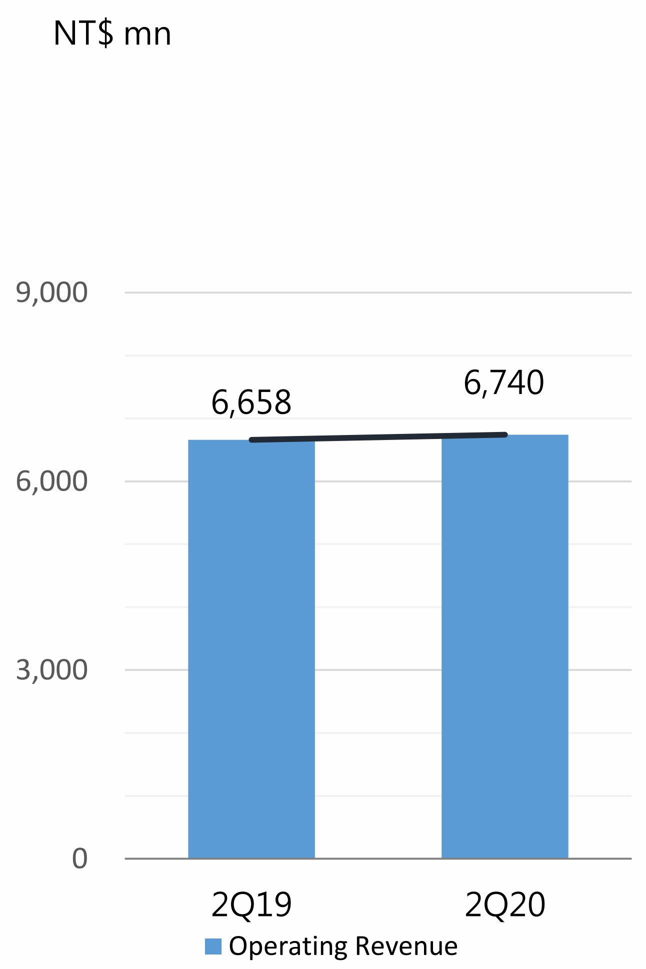
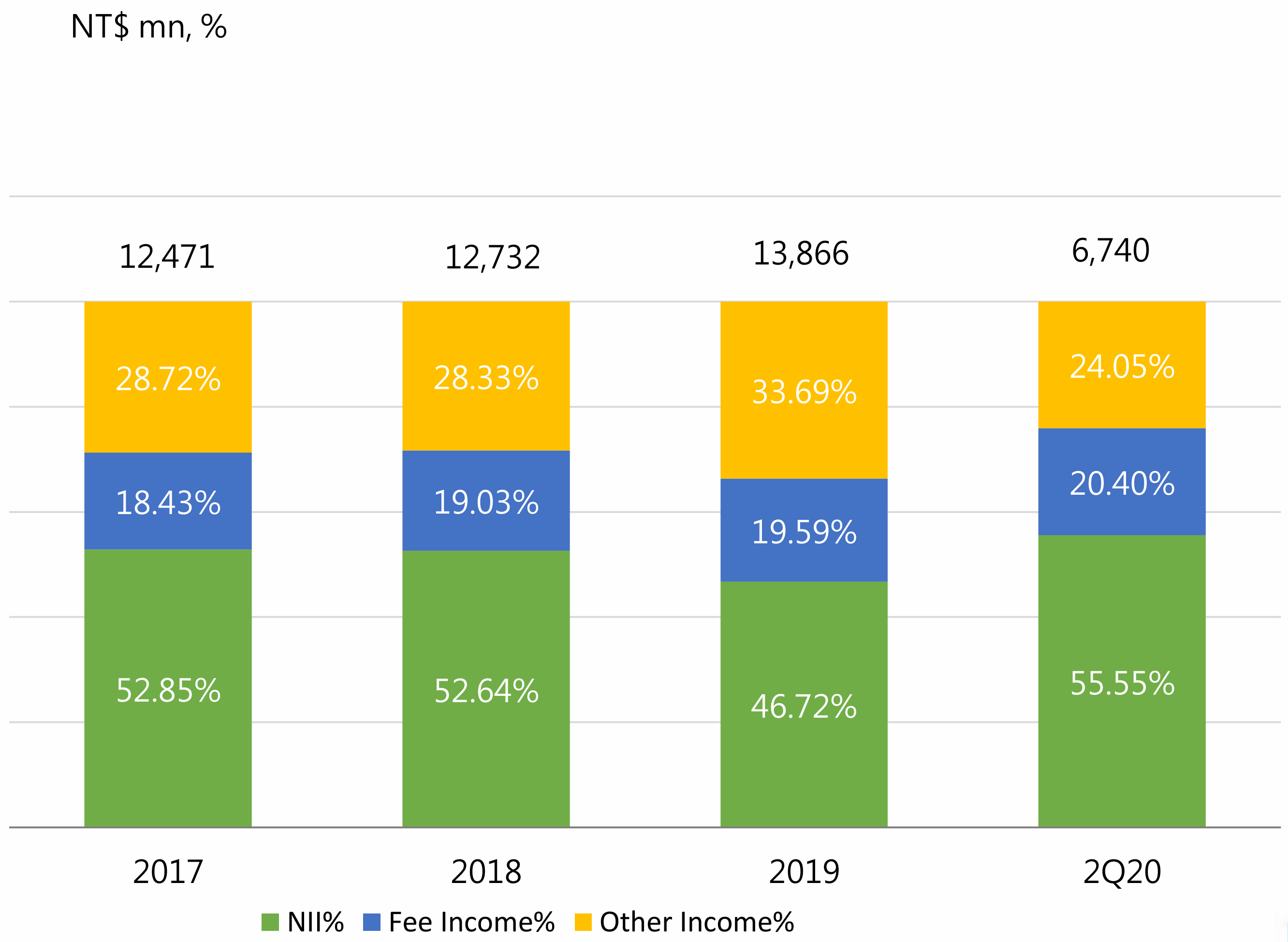
Net Revenue Breakdown- Consolidated





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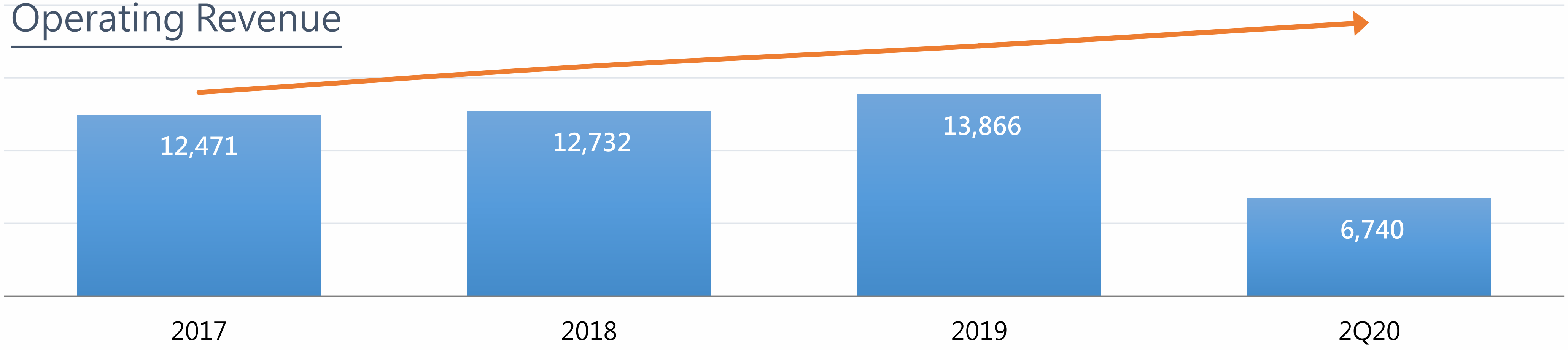
Financial Performance- Consolidated

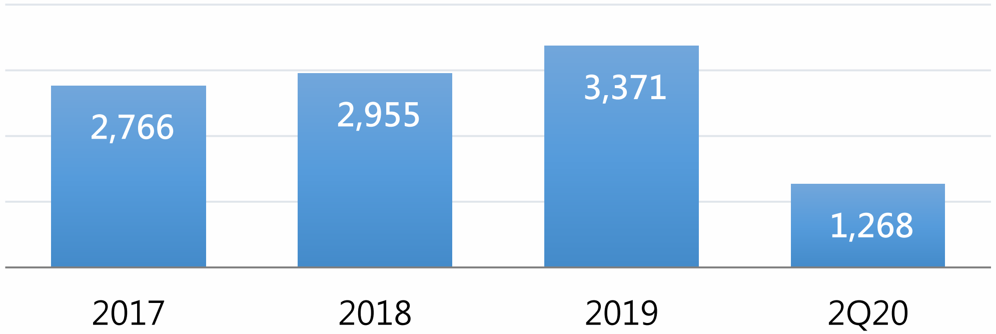
NT$ mn

Operating Revenue



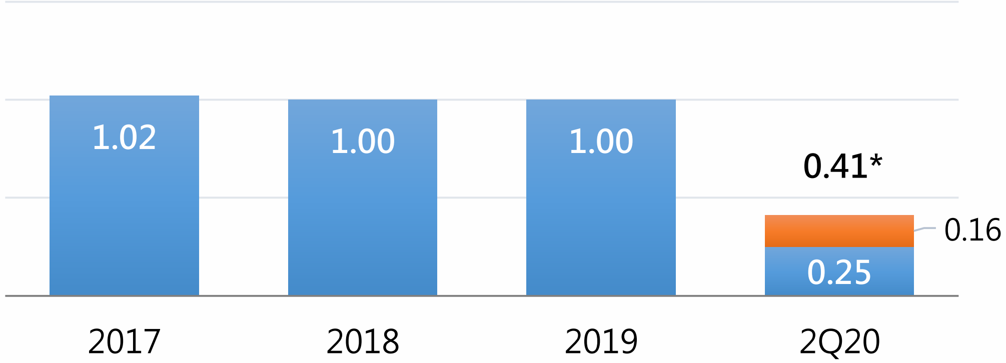
Net Income

NT$ mn



EPS

NT$ dollar



- Without considering the declaration of cash dividend of preferred stock TWD 480 million on May 28, 2020, EPS is TWD 0.41, otherwise, EPS is decreased TWD 0.16.

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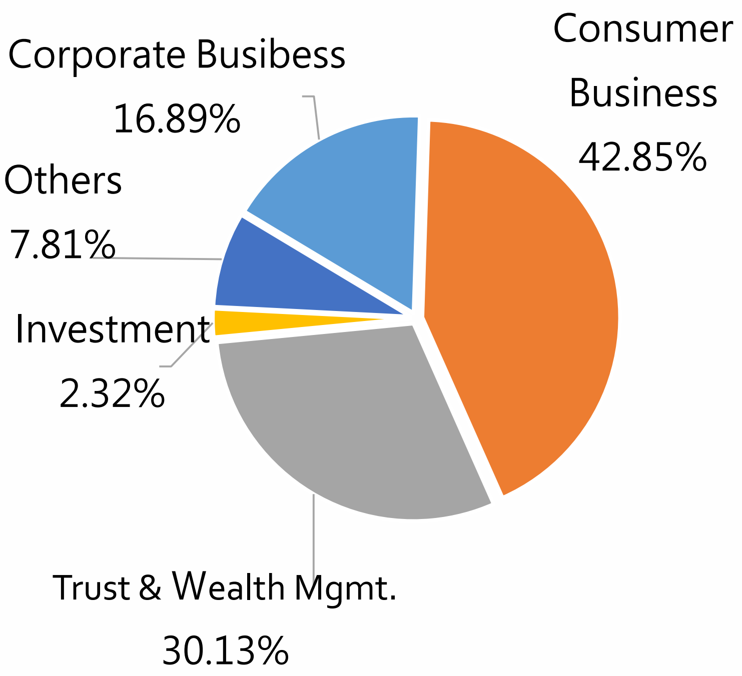
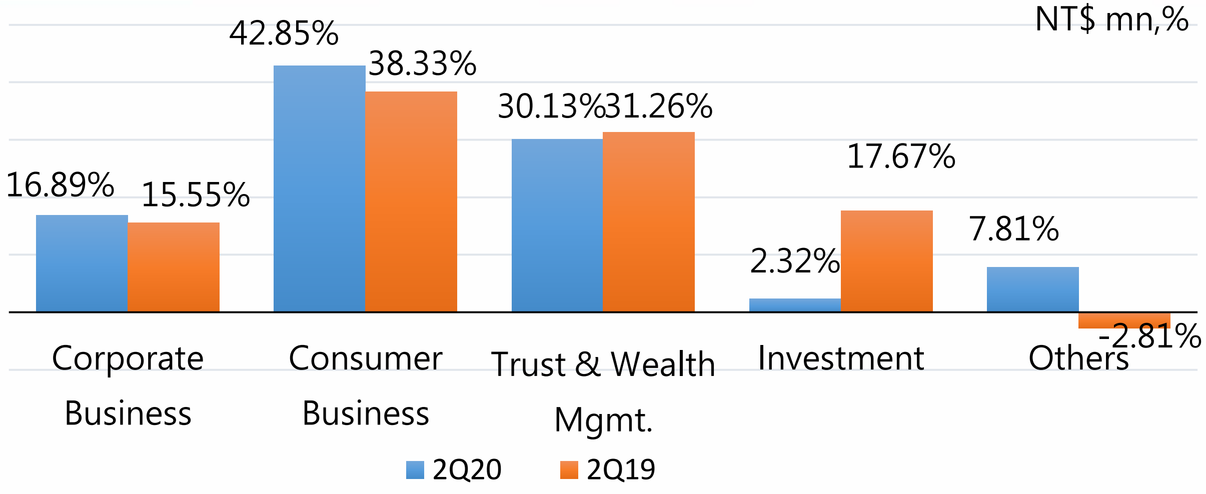
Operating revenue analysis- Alone



NT$ mn,%



Items	2Q20 revenues	2Q19 revenues	Diff.Amt
Corporate Business	952	858	▲ 94
Consumer Business	2,414	2,116	▲ 298
Trust & Wealth Mgmt.	1,698	1,725	▼ (27)
Investment	131	975	▼ (844)
Others	440	(155)	▲ 595

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Business Performance

NT$ mn, %

Items	2020.6	2019.6	Diff.Amt	Diff. %
Total deposits (avg. bal.)	561,124	513,651	▲ 47,473	▲ 9.24%
Demand deposits	238,204	206,940	▲ 31,264	▲ 15.11%
Time deposits	245,978	236,876	▲ 9,102	▲ 3.84%
Foreign exchange deposits	76,942	69,835	▲ 7,107	▲ 10.18%
Total Loans (avg. bal.)	399,479	367,551	▲ 31,928	▲ 8.69%
Corporate loans	168,041	163,370	▲ 4,671	▲ 2.86%
Consumer loans	231,438	204,181	▲ 27,257	▲ 13.35%
Indirect Finance (end bal.)	24,862	22,432	▲ 2,430	▲ 10.83%

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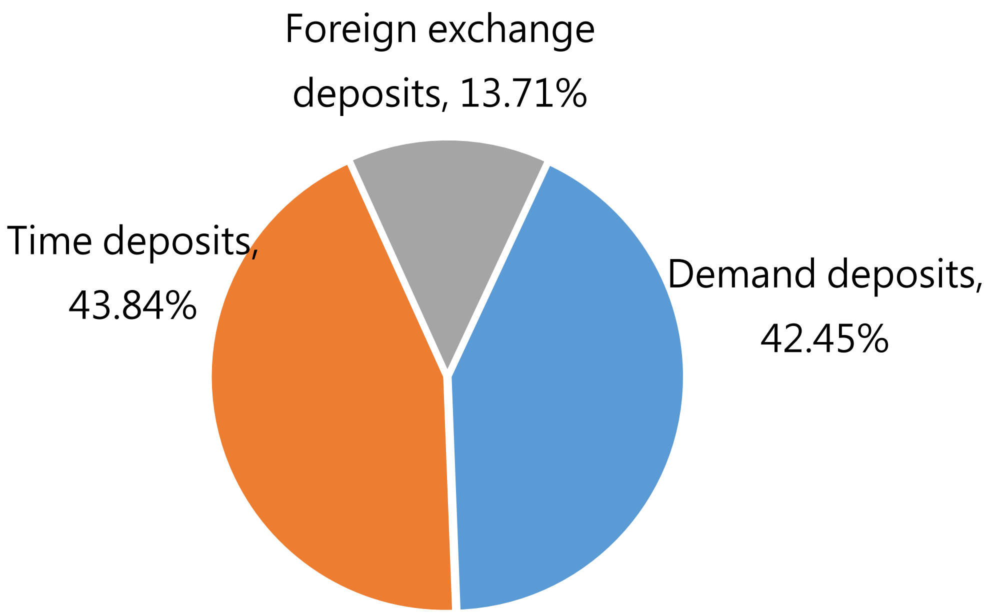
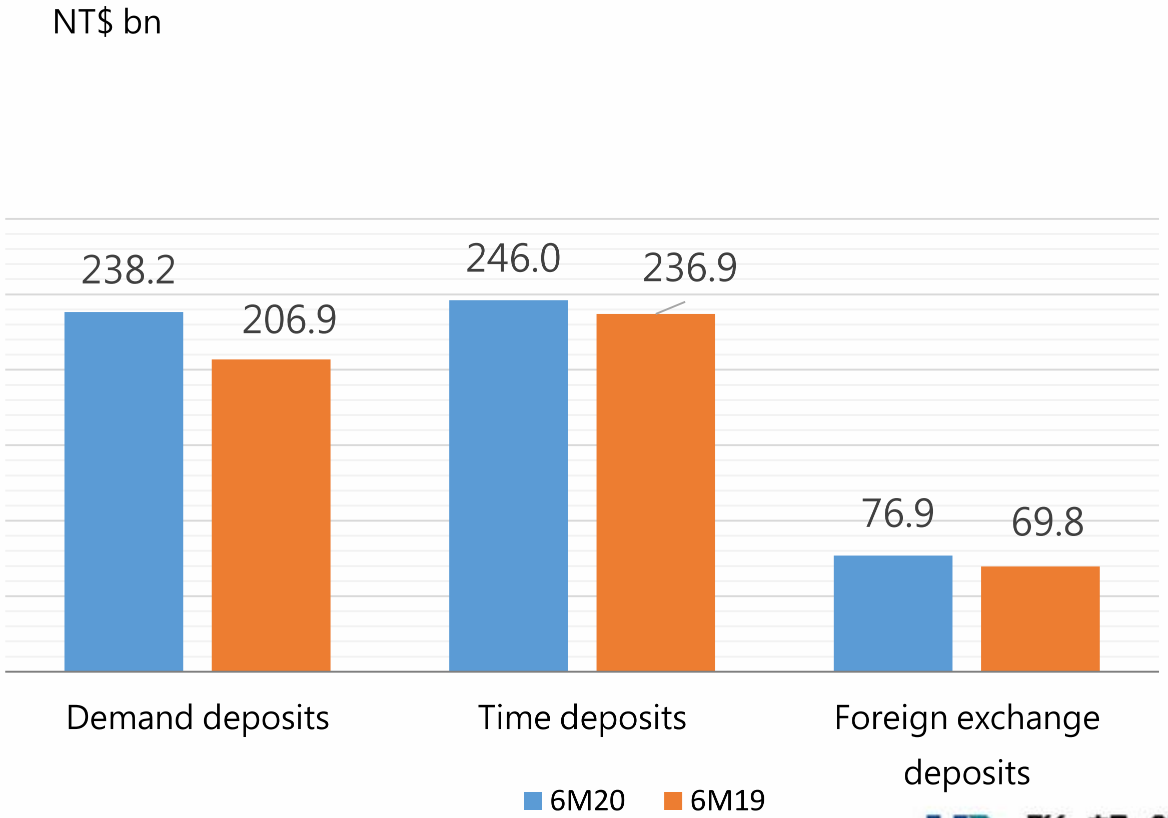
Deposits analysis

Total deposits (avg. bal.)

TWD$561.1 billion



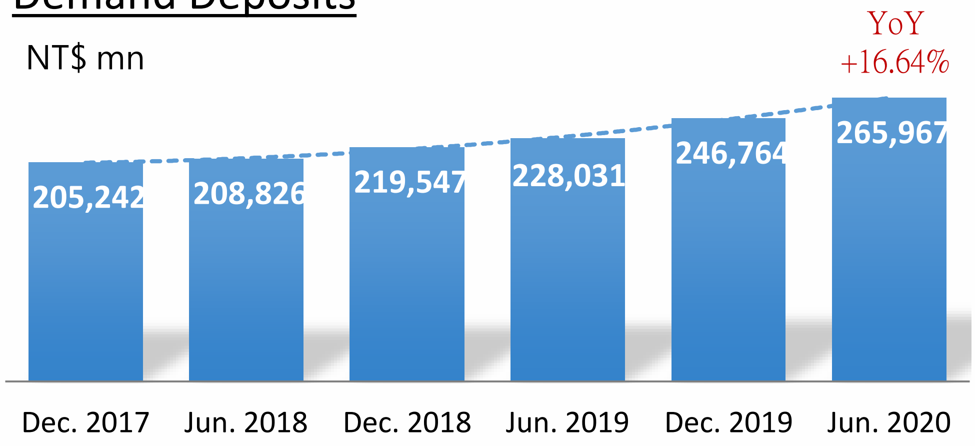
YoY Comparison



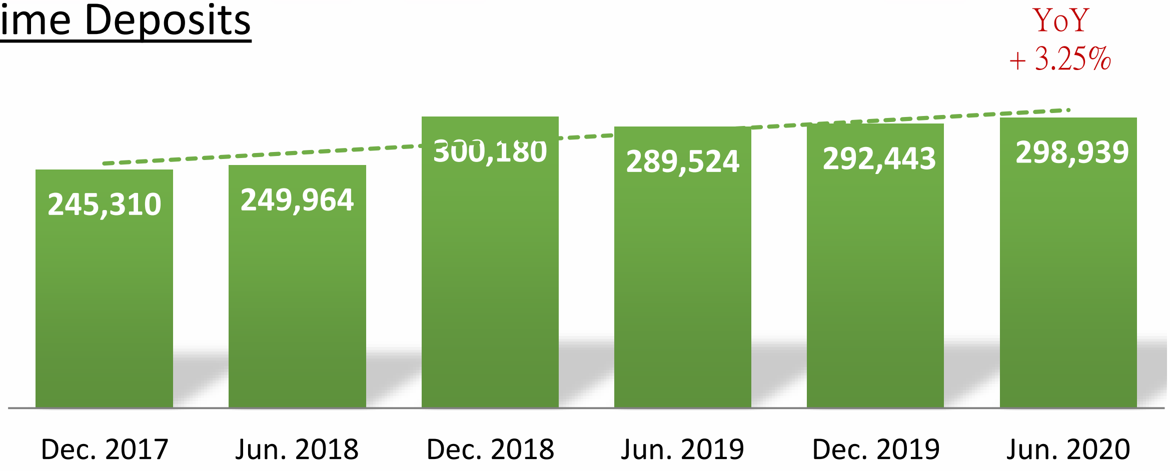
Deposits balance steady growth

Demand Deposits

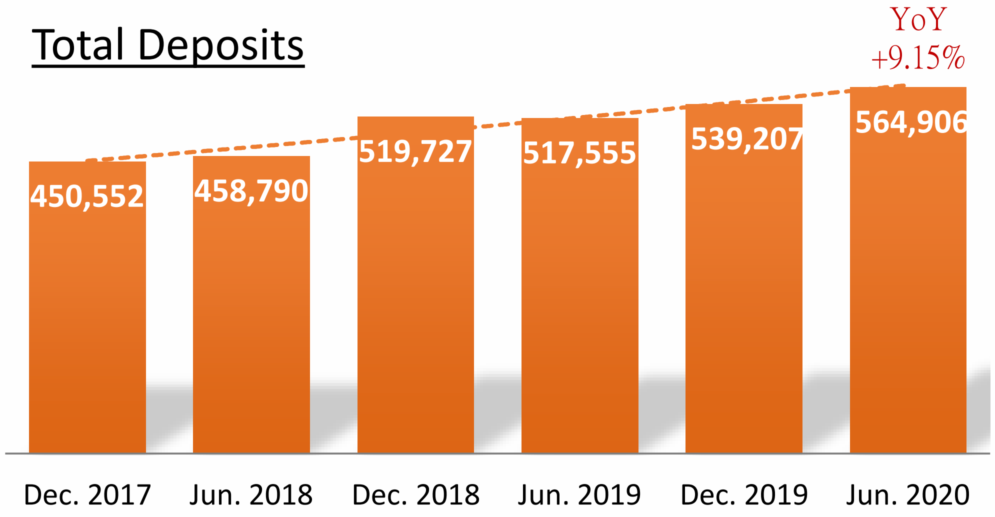
NT$ mn



Time Deposits



Total Deposits

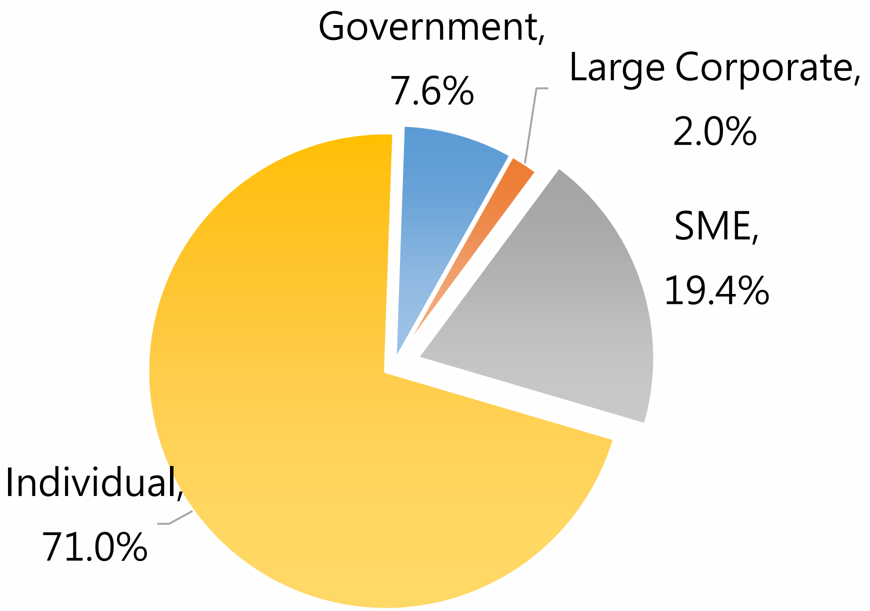


Date / Items	End of 2017	End of Jun. 2018	End of 2018	End of Jun. 2019	End of 2019	End of Jun. 2020
Demand deposits	205,242	208,826	219,547	228,031	246,764	265,967
Time deposits	245,310	249,964	300,180	289,524	292,443	298,939
Total deposits	450,552	458,790	519,727	517,555	539,207	564,906
Portion of demand deposits	46%	46%	42%	44%	46%	47%

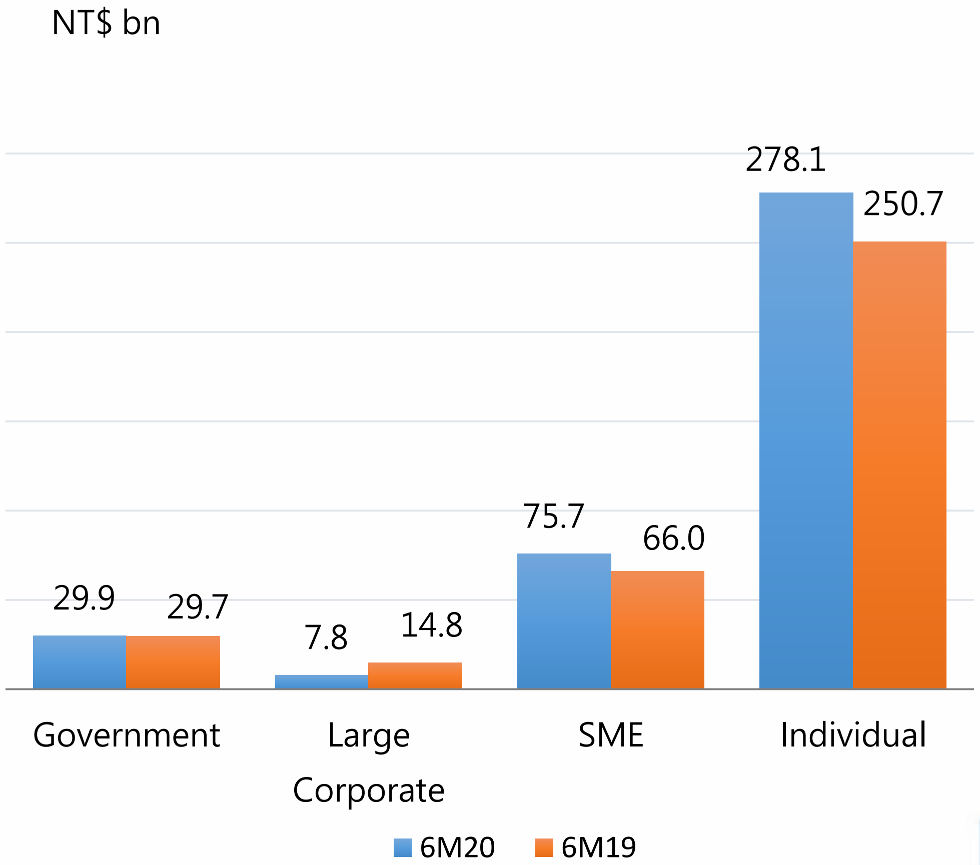
Loans analysis

Total Loans

TWD$391.5billion



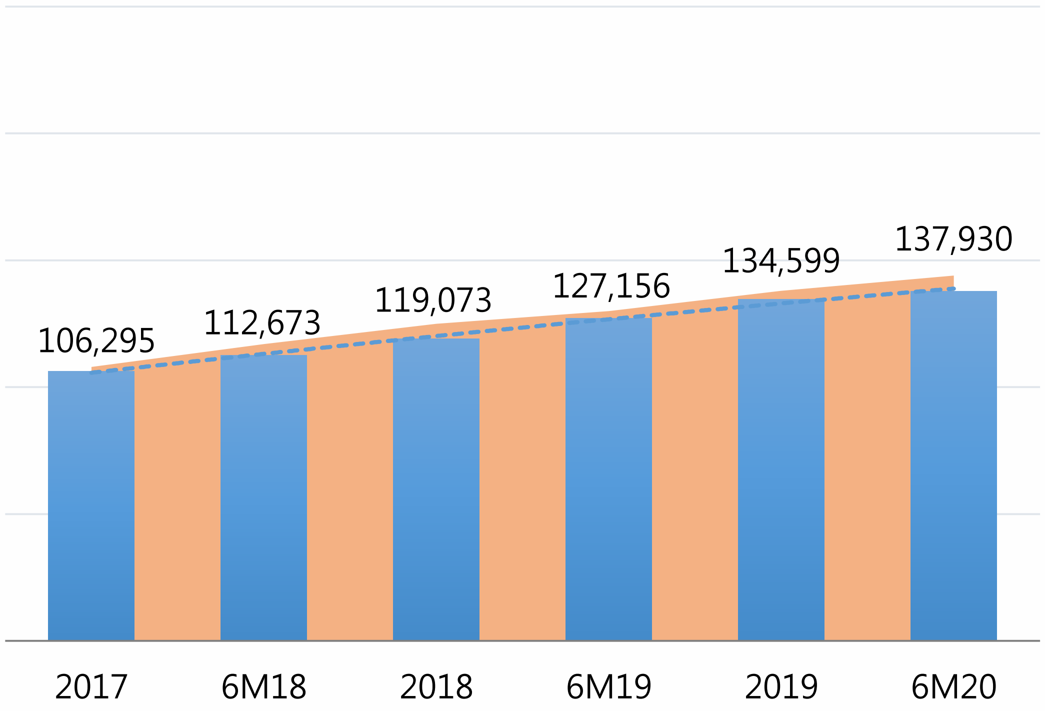
YoY Comparison



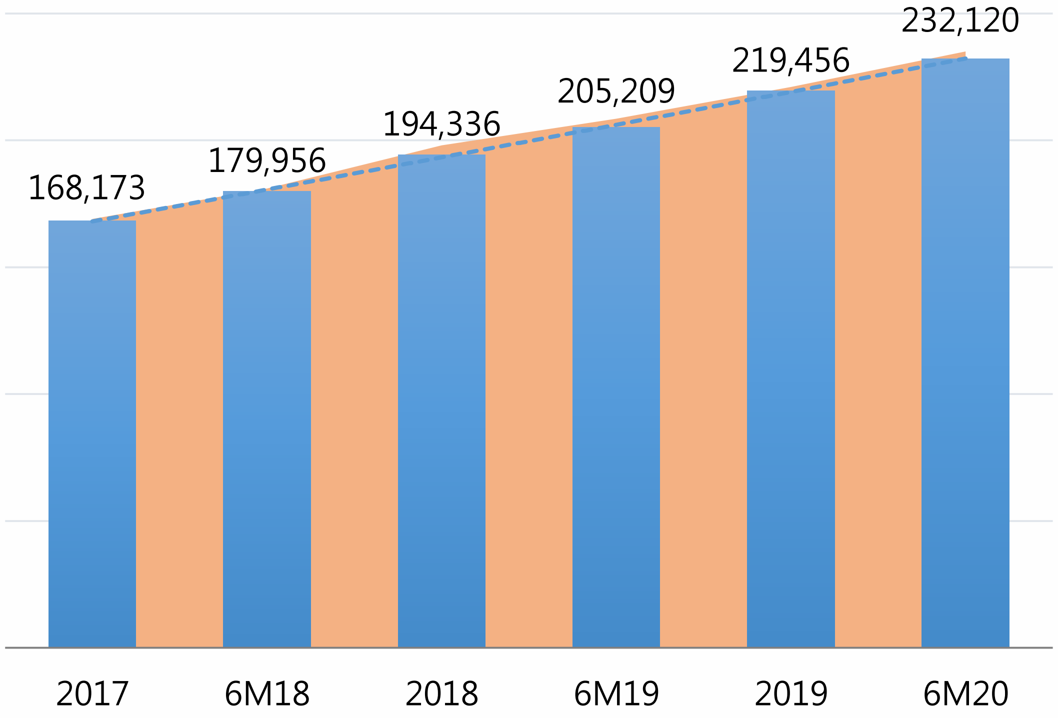
Loans balance steady growth

Corporate Loans

NT$ mn



Consumer Loans



- Government Loans is excluded from Corporate Loans.

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Business Performance

Cards, NT$ Mn,%

Items	1H19	1H18	Diff. Amt	Diff. %
Valid cards in 6 months	1,307,595	1,181,425	▲ 126,170	▲ 10.68%
Cards outstanding	2,192,562	2,070,500	▲ 122,062	▲ 5.90%
Operating income	1,549	1,365	▲ 184	▲ 13.48%
Value of transactions	44,985	44,832	▲ 153	▲ 0.34%
Value of acquiring	31,332	31,026	▲ 306	▲ 0.99%
Telephone marketing credit loan	1,925	2,393	▼ (468)	▼ (19.56%)
Accounts Receivable	15,030	16,081	▼ (1,051)	▼ (6.54%)
Revolving banlance	5,494	5,765	▼ (271)	▼ (4.70%)
NPL over 90 days	30.076	37.728	▼ (7.652)	▼ (20.28%)
NPL Ratio over 90 days	0.20%	0.23%	▼ (0.03%)	▼ (13.04%)

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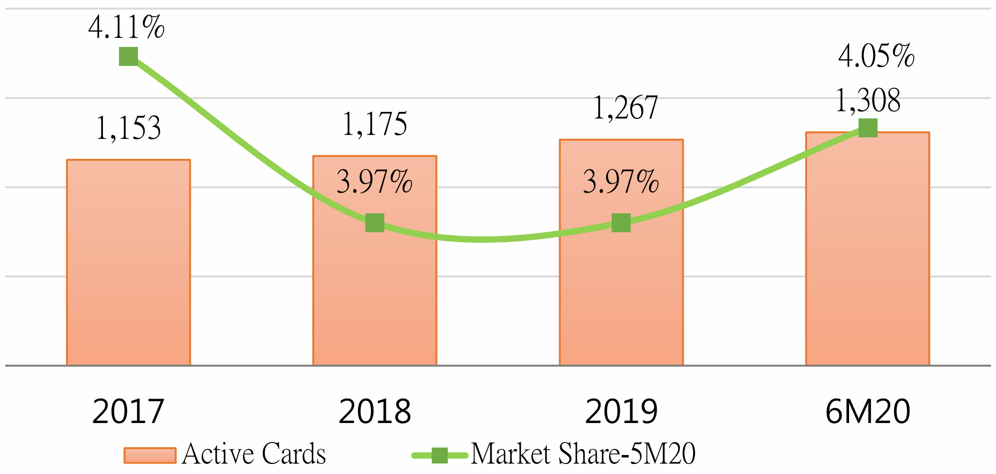
Credit Card Business Breakdown

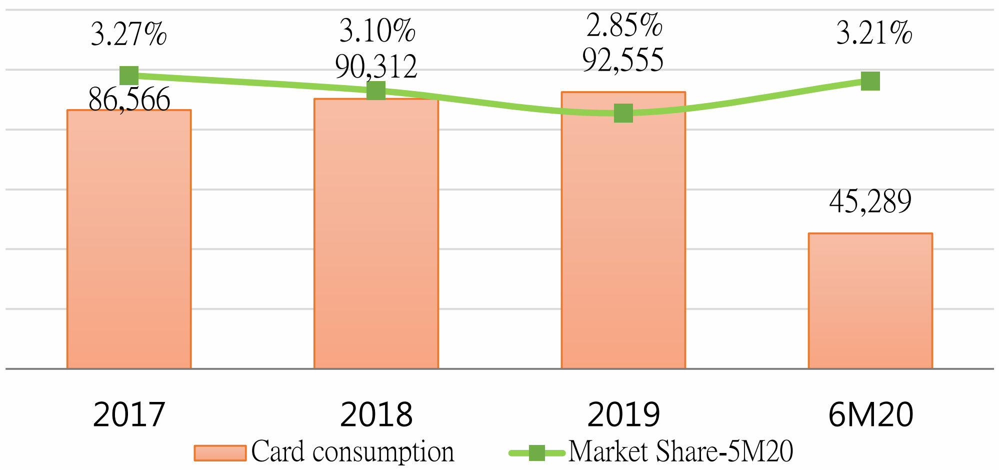
Active Cards

Thousand Card,%



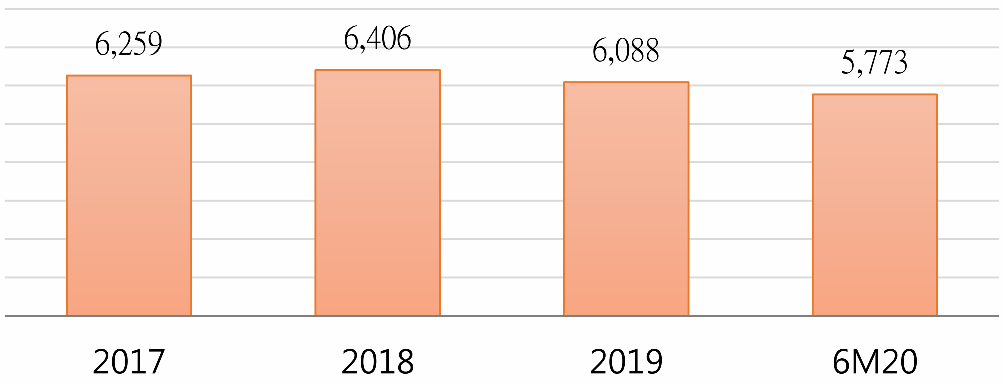
Card Consumption

NT$mn



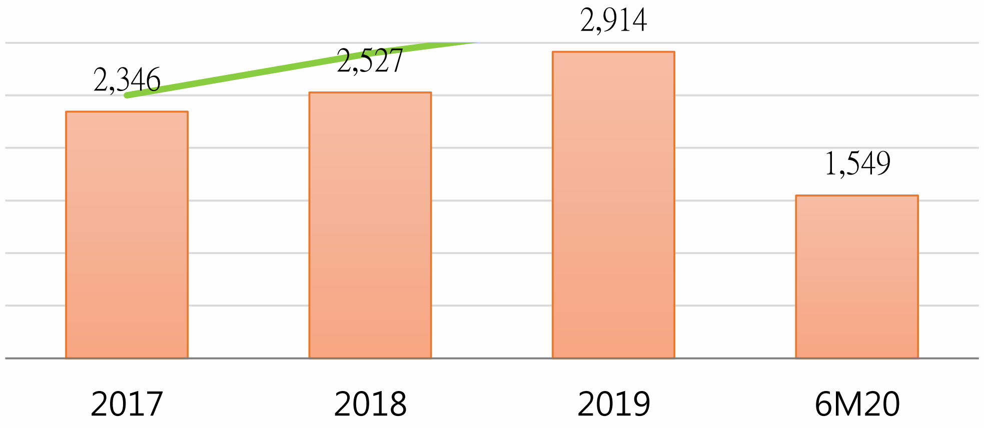
Per Card Spending (Monthly)

NT$ dollar



Gross Fee Income

NT$mn



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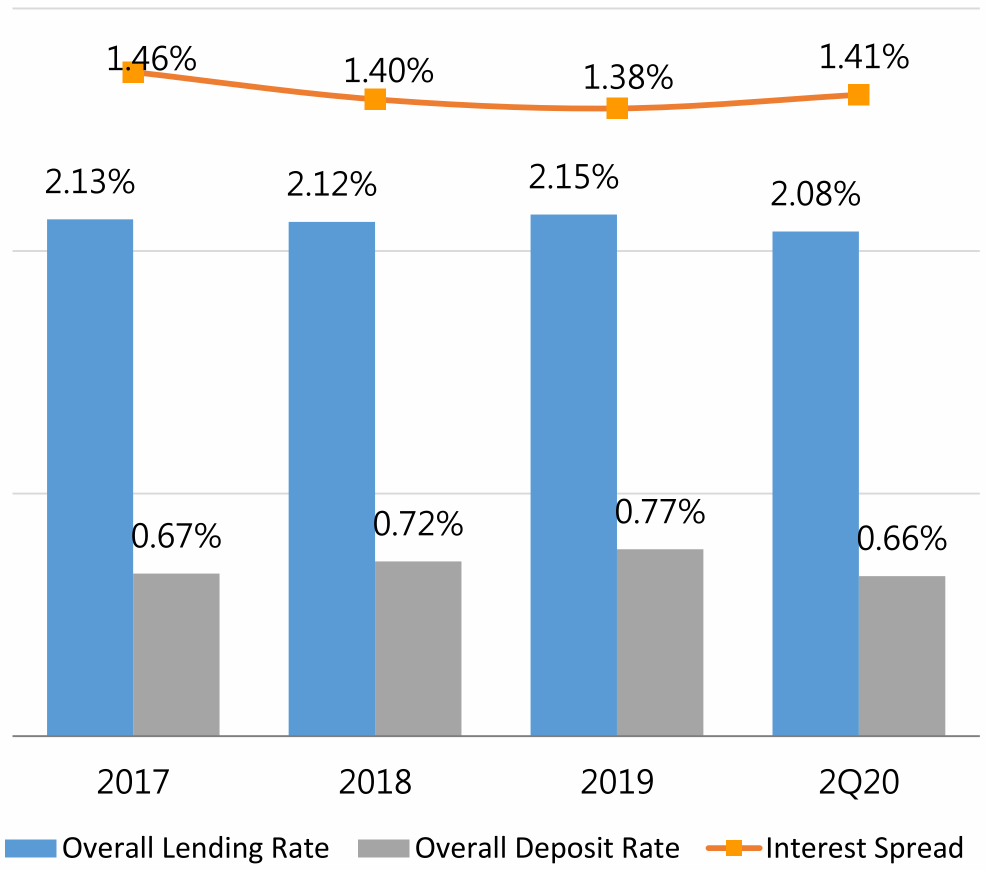
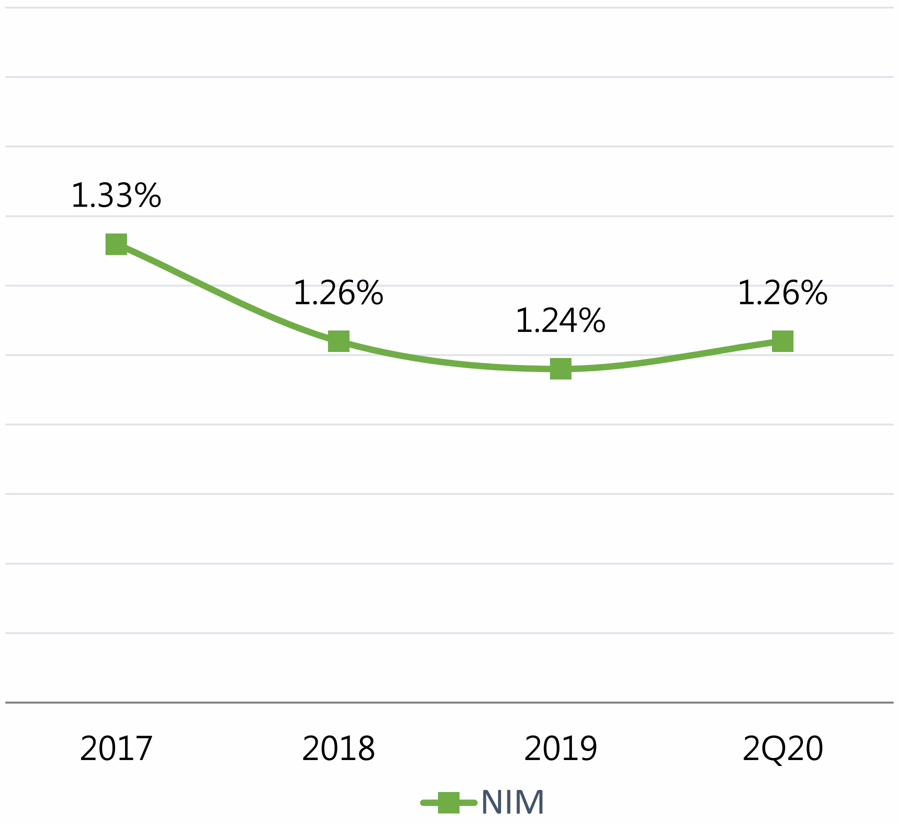
NIM and Spread- Alone





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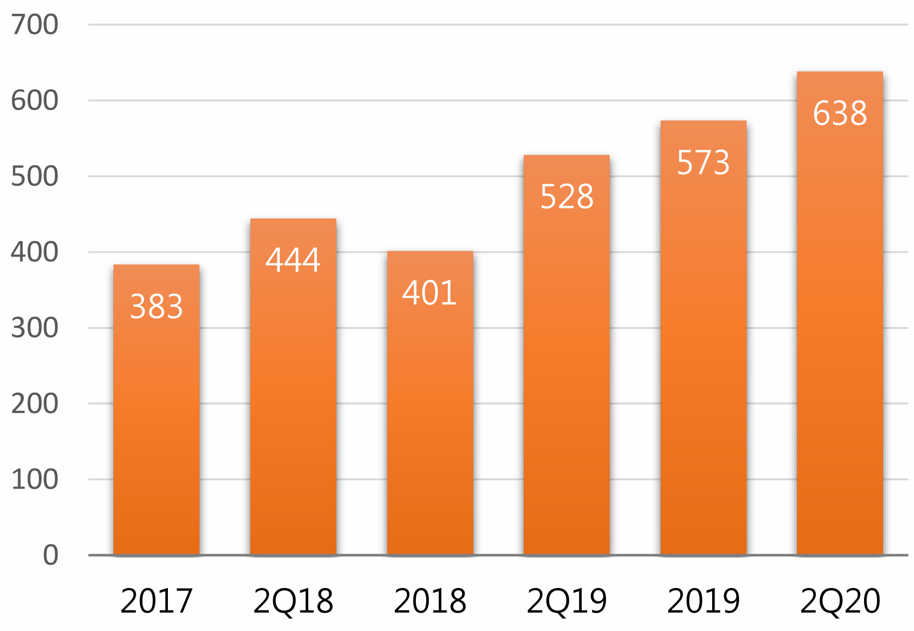
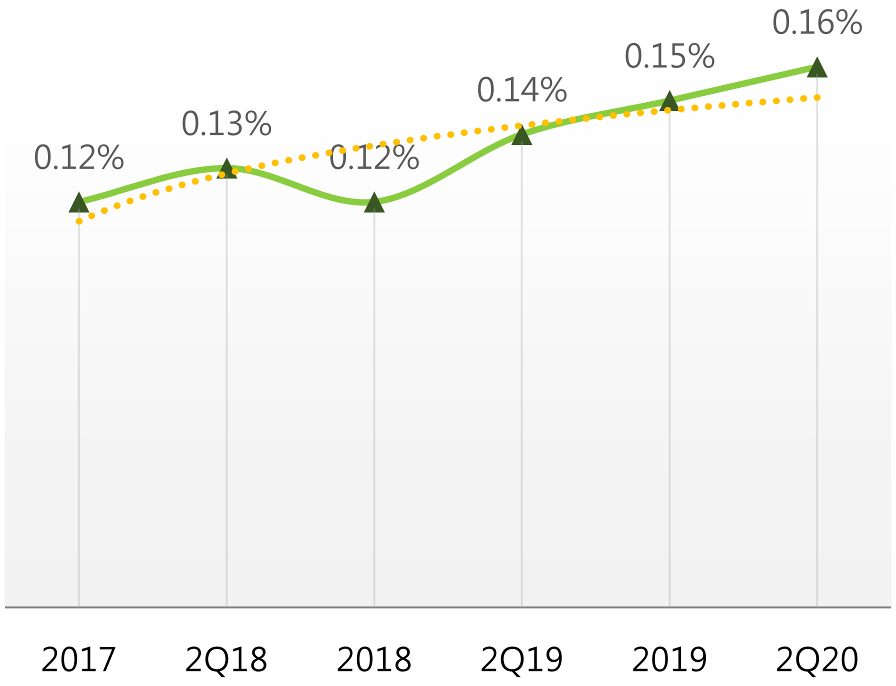
Assets Quality

NPL

NT$ mn,%



NPL Ratio



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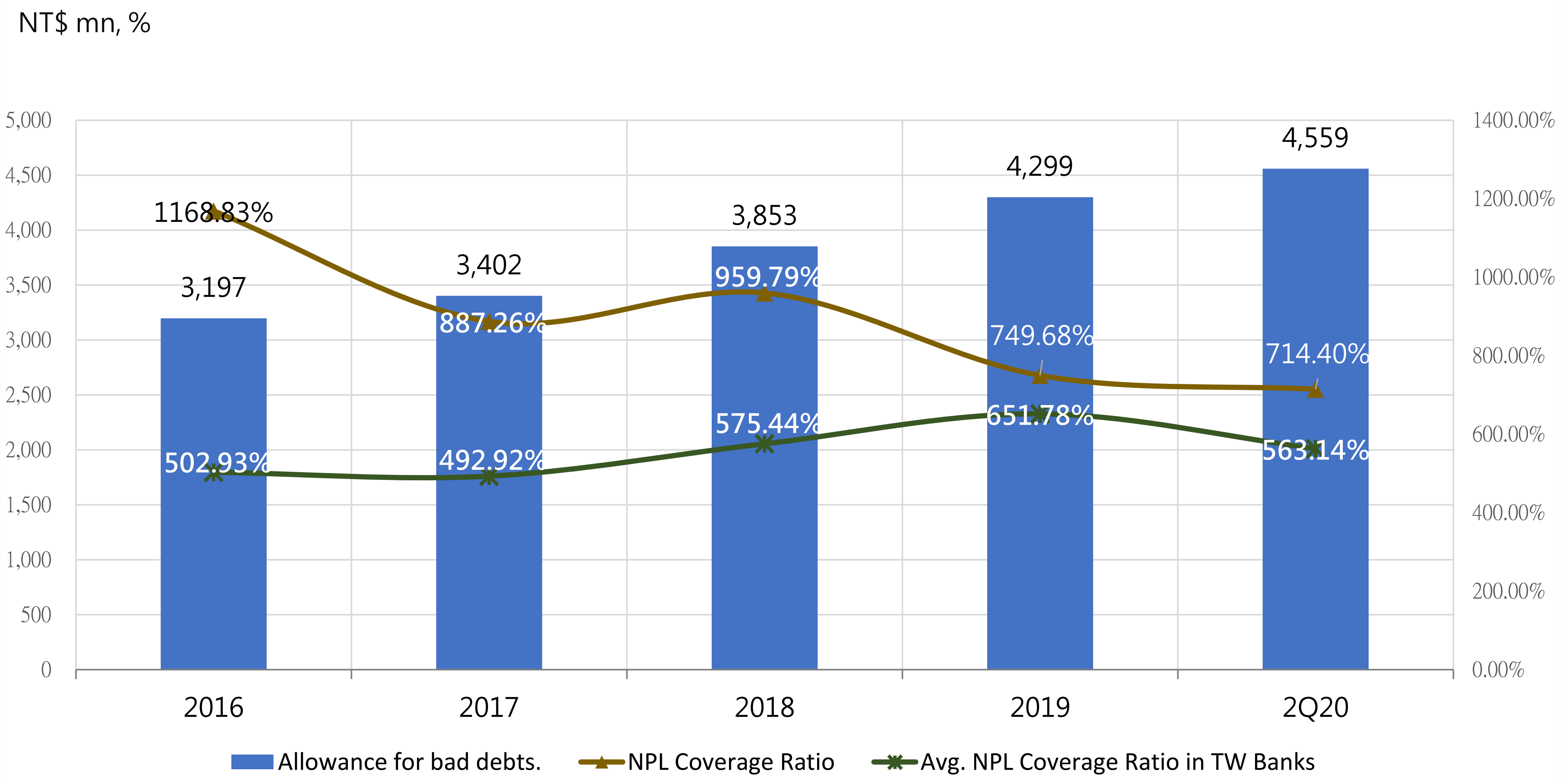
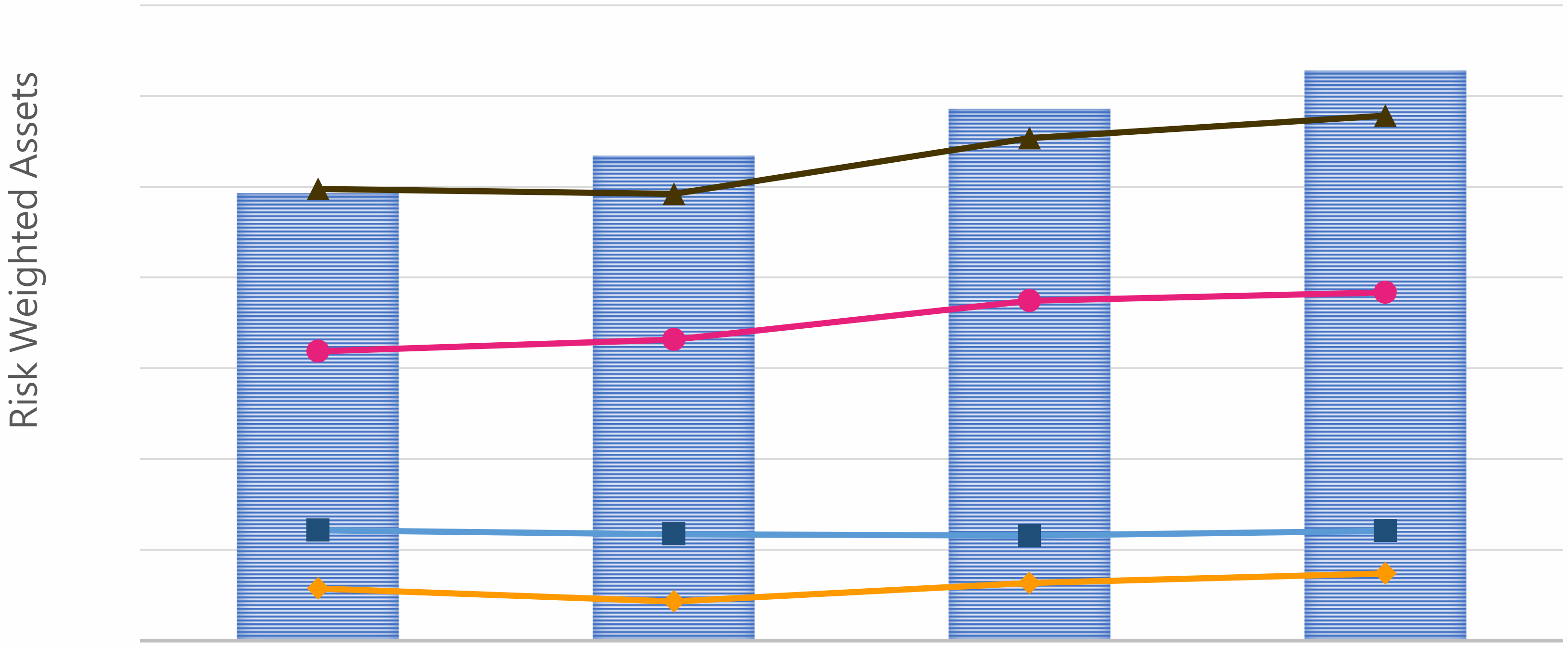
Assets Quality (Conti.)



- Avg. NPL Coverage Ratio in TW Banks of 2Q20 was from FSC Statistic of May 2020.

Capital Adequacy

NT$ thousand



	2017	2018	2019	6M20
Risk Weighted Assets	316,857,171	343,502,955	376,603,339	403,674,215
Common share	31,867,478	33,172,535	37,440,298	38,348,083
Other tier 1 capital	12,146,864	11,720,972	11,559,375	12,097,040
Tier 2 capital	5,726,391	4,310,985	6,347,470	7,391,335
Regulatory capital	49,740,733	49,204,492	55,347,143	57,836,458

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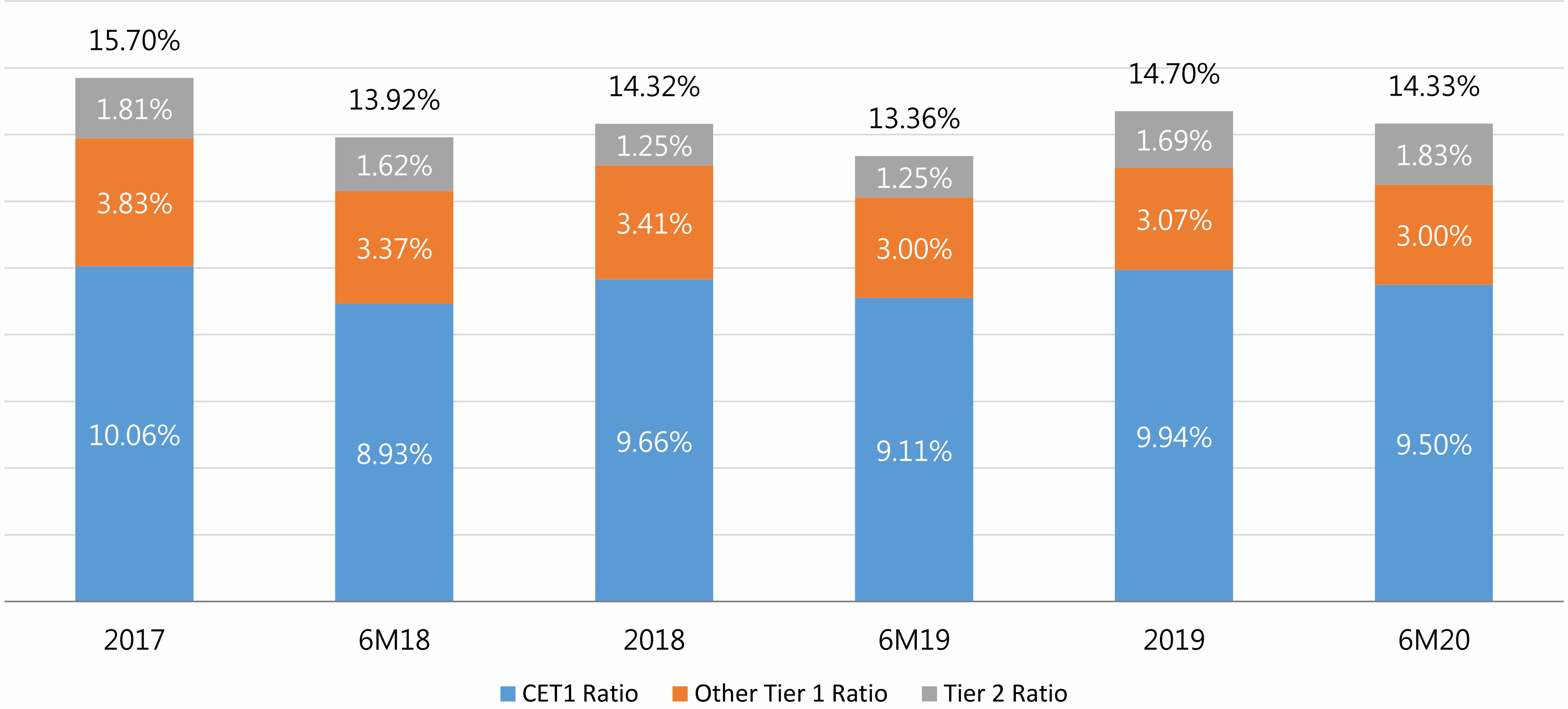
Capital Adequacy Ratio



Strengthening the Mobile Payment Ecosphere

UBOT has the most complete support and the richest discount

NFC Payments：

QR Code Payments： and more

- Since 2017, we have not only conducted various campaigns of NFC payments but also explored recent QR code payments , which helps us gain lots of great reputations and increase the value of the credit card transactions. As of June 30^{th} , 2020, the value of our mobile payments transactions is about 3,445 million dollars, grew by 169% over the same quarter in 2019. That is why we are the best choice of the mobile payments.
- To attract more young generation to apply for our mobile payments, our goal is to provide them with a complete and fluent channel. To do so, we will work on the combination of foresight technologies and mobile payments so that we can not only attract more clients but also increase the value of mobile payments transaction.

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