聯邦銀行
UNION BANK OF TAIWAN

Union Bank of Taiwan

Financial Results of 3Q20

November 10th, 2020

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Financial Highlights of 3Q20

- Steady growth of business
  - Net income for the month ended September 30, 2020, was 2,393 million, decreased 3.65% YoY, Operating revenue was 10,534 million, increased 1.60% YoY.
  - EPS was 0.62 in 3Q20, compare with 0.69 in 3Q19 , decreased 10.14% YoY.
  - Net interest income was increased 18.39% YoY.
  - Net fee income was increased 7.15% YoY.
  - Total deposits (avg. balance) was increased 9.76% YoY .
  - Total loans (avg. balance) was increased 12.45% YoY.
  - Valid cards in 6 months was increased 7.09% YoY, Operating income was increased 12% YoY.
- Capital is adequate and robust
  - CAR was 14.19%, Tier 1 ratio was 12.33%, and CET1 ratio was 9.40% as of September 30, 2020.
- Good asset quality and overdue loan coverage
  - NPL was 583 million, NPL ratio was 0.14%, and NPL coverage ratio was 794.23% as of September 30, 2020.
- Gobal equity market in the first three seasons 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 23.68% and 3.19% compared with 2019 Q3.

  - 3Q20 are un-audited numbers

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Revenue and profit- Consolidated

NT$ mn, %

Items	3Q20*	3Q19	Diff. %*
Net interest income	5,666	4,786	+18.39%
Net fee income	2,112	1,971	+7.15%
Net other income	2,756	3,611	-23.68%
Operating revenue	10,534	10,368	+1.60%
Pre-Tax Income	2,857	2,951	-3.19%

- 3Q20 are un-audited numbers
- Note： Gobal equity market in the first three seasons 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 23.68% and 3.19% compared with 2019 Q3.

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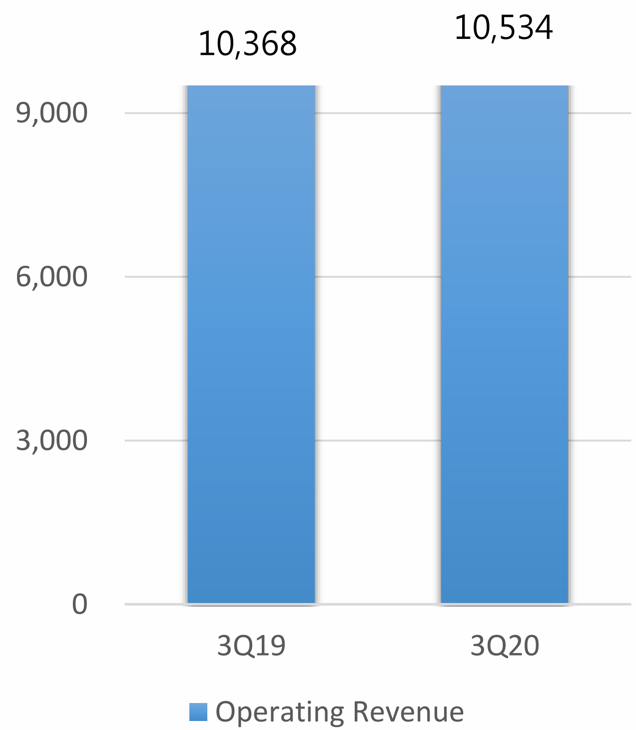
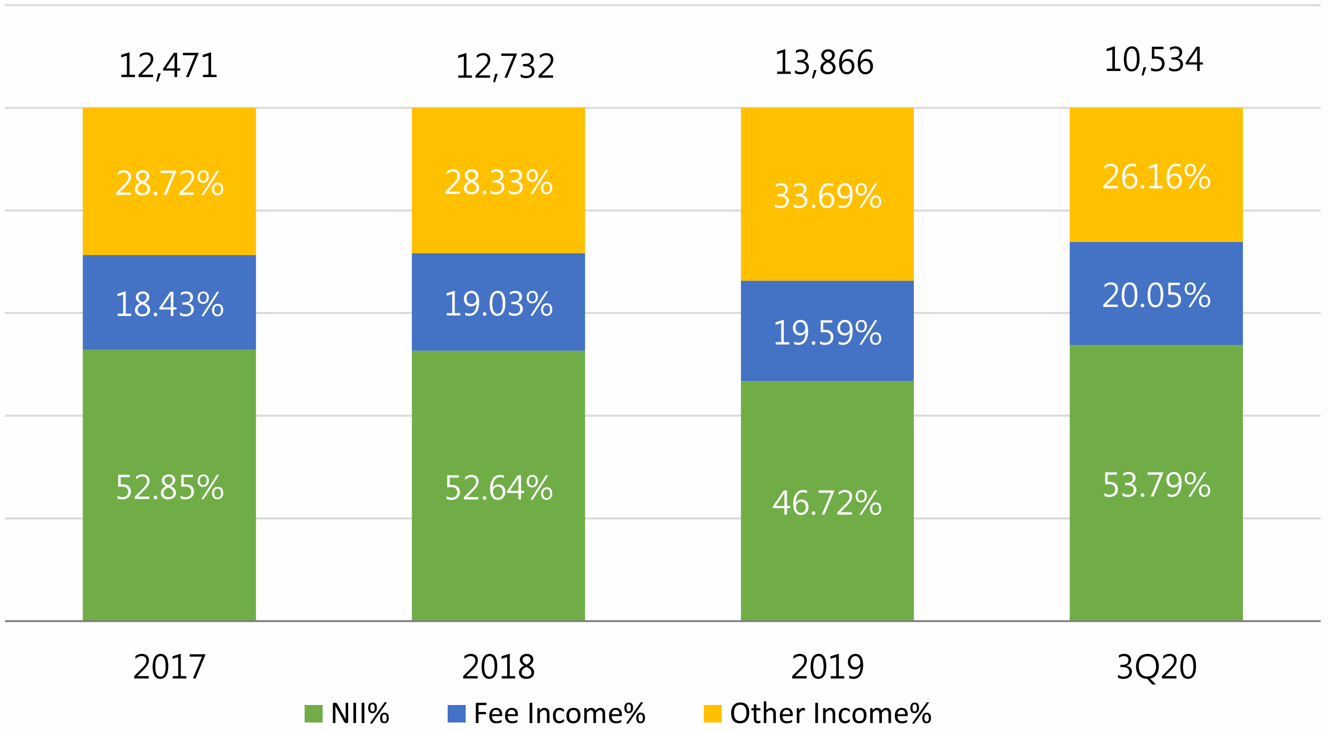
Net Revenue Breakdown- Consolidated

NT$ mn



NT$ mn, %



- 3Q20 are un-audited numbers

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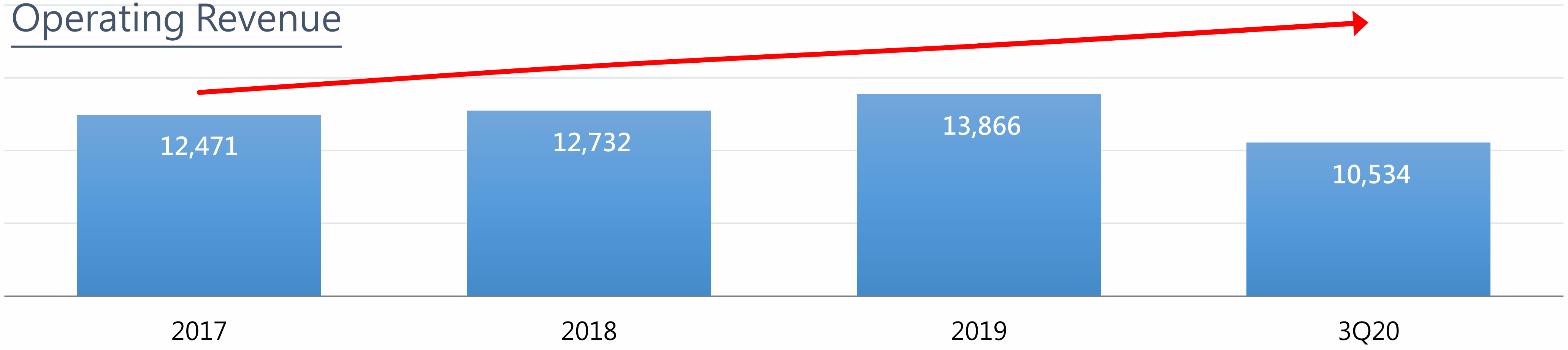
Financial Performance- Consolidated

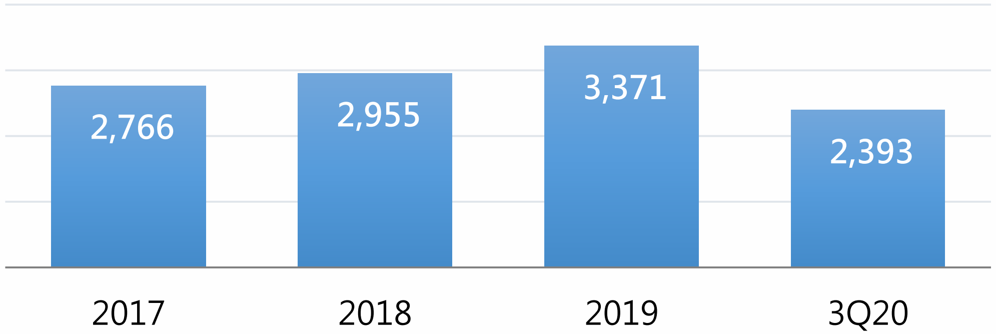
Operating Revenue

NT$ mn



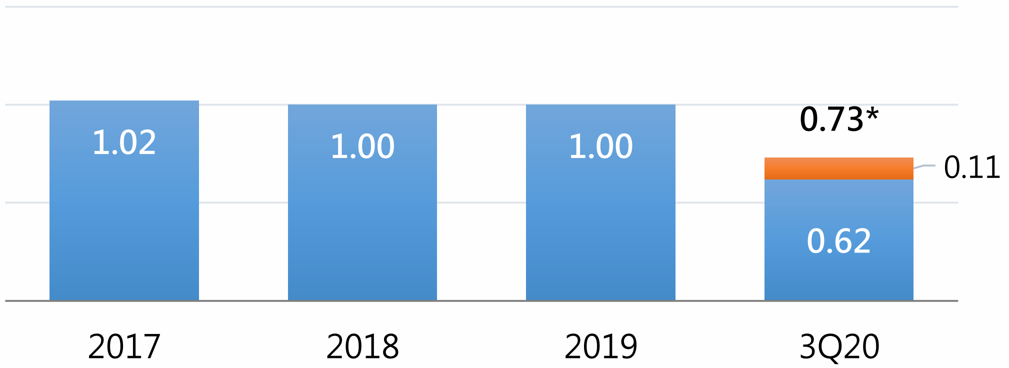
Net Income

NT$ mn



EPS

NT$ dollar



- 3Q20 are un-audited numbers
- Without considering the declaration of cash dividend of preferred stock TWD 480 million on May 28, 2020, EPS is TWD 0.73, otherwise, EPS is decreased TWD 0.11.

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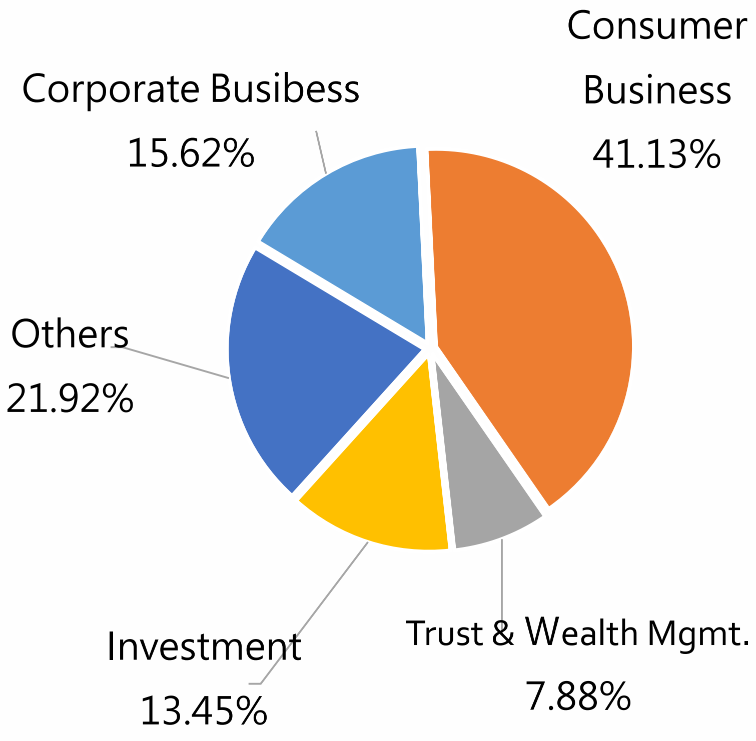
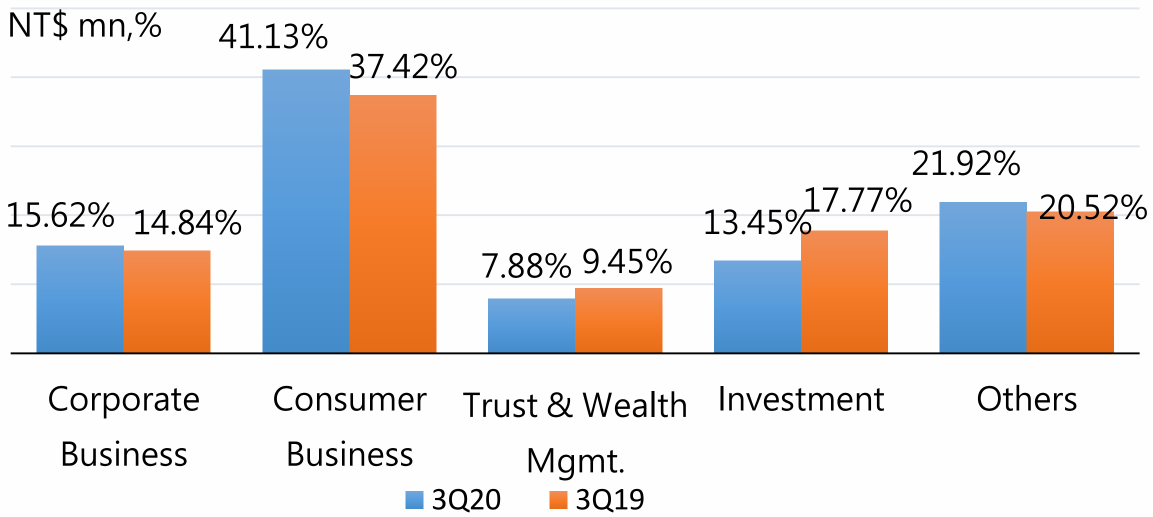
Operating revenue analysis- Alone





Items	3Q20 revenues	3Q19 revenues	Diff.Amt
Corporate Business	1,381	1,292	▲ 89
Consumer Business	3,637	3,258	▲ 379
Trust & Wealth Mgmt.	697	822	▼ -125
Investment	1,189	1,547	▼ -358
Others	1,938	1,786	▲ 152

- 3Q20 are un-audited numbers

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Business Performance

NT$ mn, %

Items	2020.9.30	2019.9.30	Diff.Amt	Diff. %
Total deposits (avg. bal.)	581,352	529,639	▲ 51,713	▲ 9.76%
Demand deposits	249,011	214,049	▲ 34,962	▲ 16.33%
Time deposits	251,035	243,612	▲ 7,423	▲ 3.05%
Foreign exchange deposits	81,306	71,978	▲ 9,328	▲ 12.96%
Total Loans (avg. bal.)	417,277	371,072	▲ 46,205	▲ 12.45%
Corporate loans	179,091	160,902	▲ 18,189	▲ 11.30%
Consumer loans	238,186	210,170	▲ 28,016	▲ 13.33%
Indirect Finance (end bal.)	23,153	23,524	▼ (371)	▼ -1.58%

- Preliminary figures of Sep. 2020

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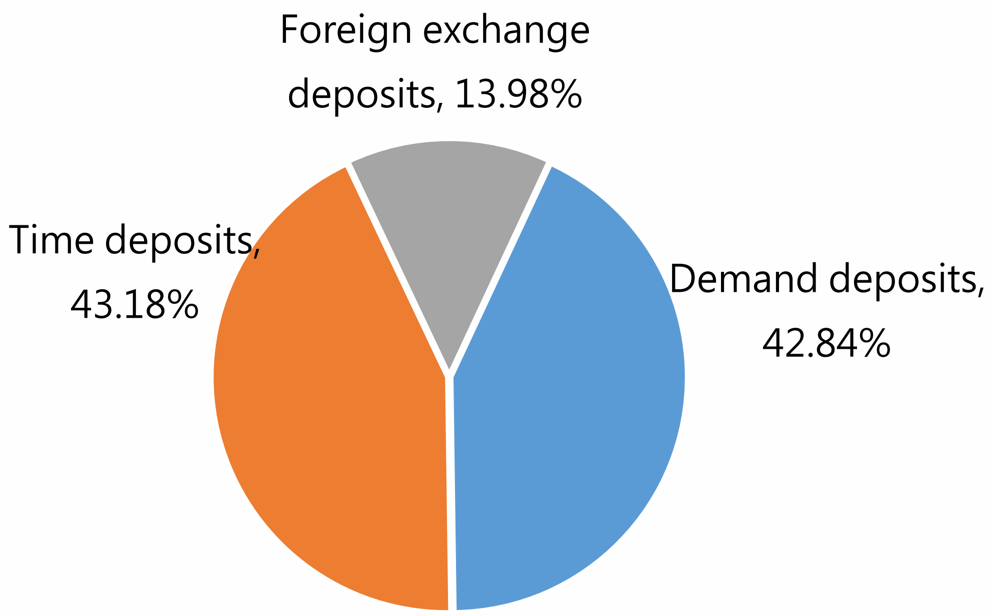
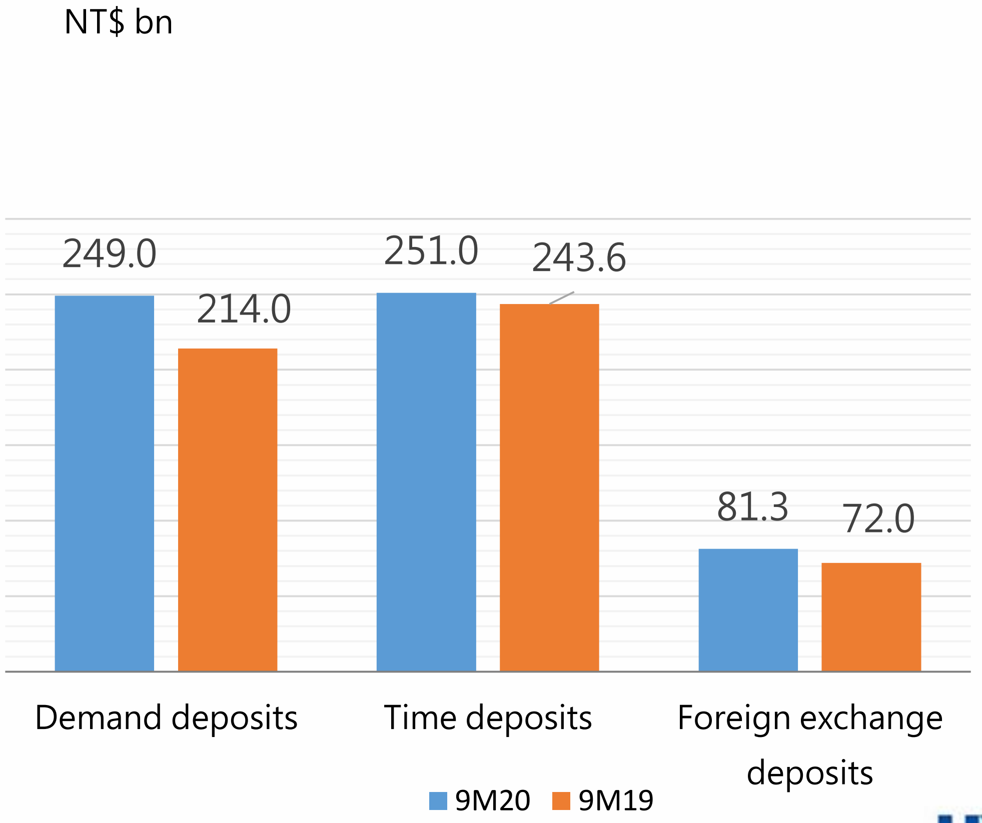
Deposits analysis

Total deposits (avg. bal.)

TWD$581.3 billion



YoY Comparison



■ Preliminary figures of Sep. 2020

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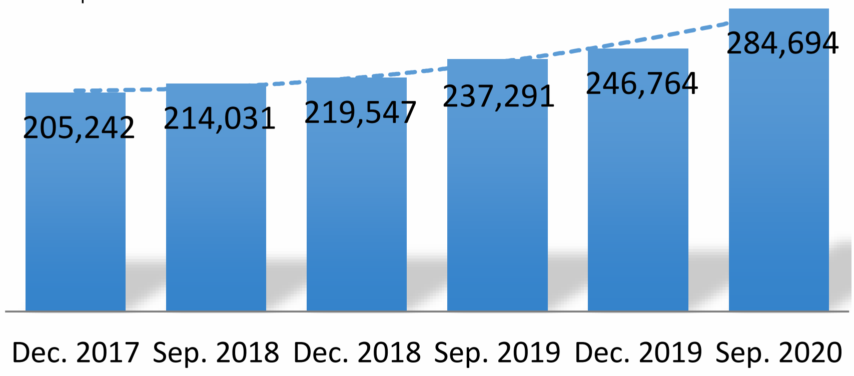
Deposits balance steady growth

Demand Deposits

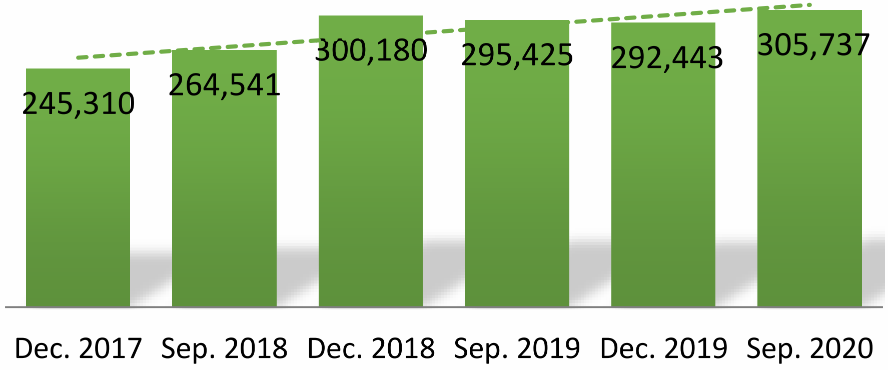
NT$ mn

YoY
+19.98%



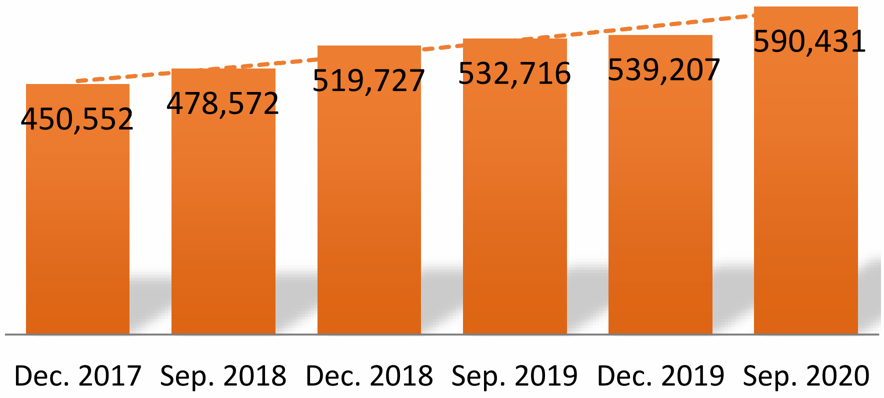
Time Deposits

YoY
+ 3.49%



Total Deposits

YoY
+10.83%



- Preliminary figures of Sep. 2020

Date / Items	End of 2017	End of Sep. 2018	End of 2018	End of Sep. 2019	End of 2019	End of Sep. 2020
Demand deposits	205,242	214,031	219,547	237,291	246,764	284,694
Time deposits	245,310	264,541	300,180	295,425	292,443	305,737
Total deposits	450,552	478,572	519,727	532,716	539,207	590,431
Portion of demand deposits	46%	45%	42%	45%	46%	48%

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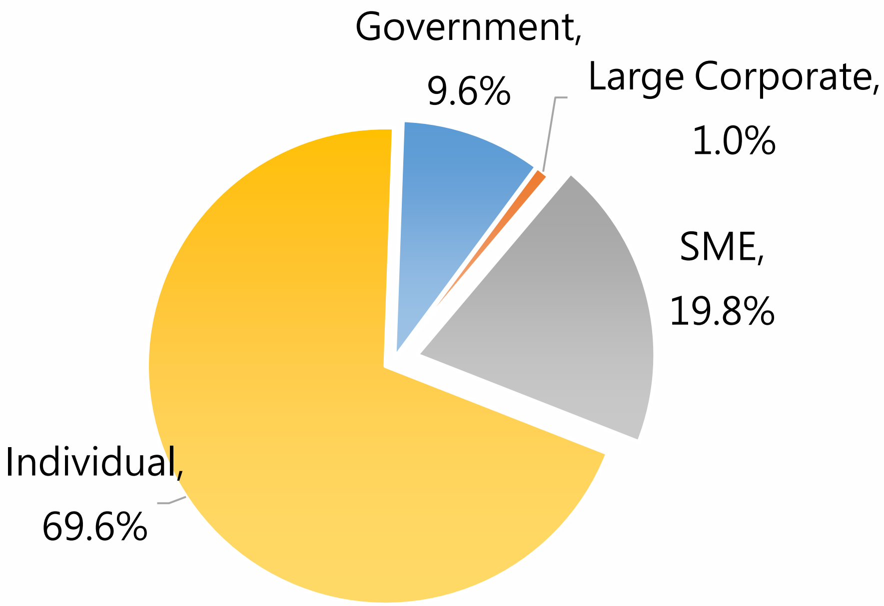
Loans analysis

Total Loans

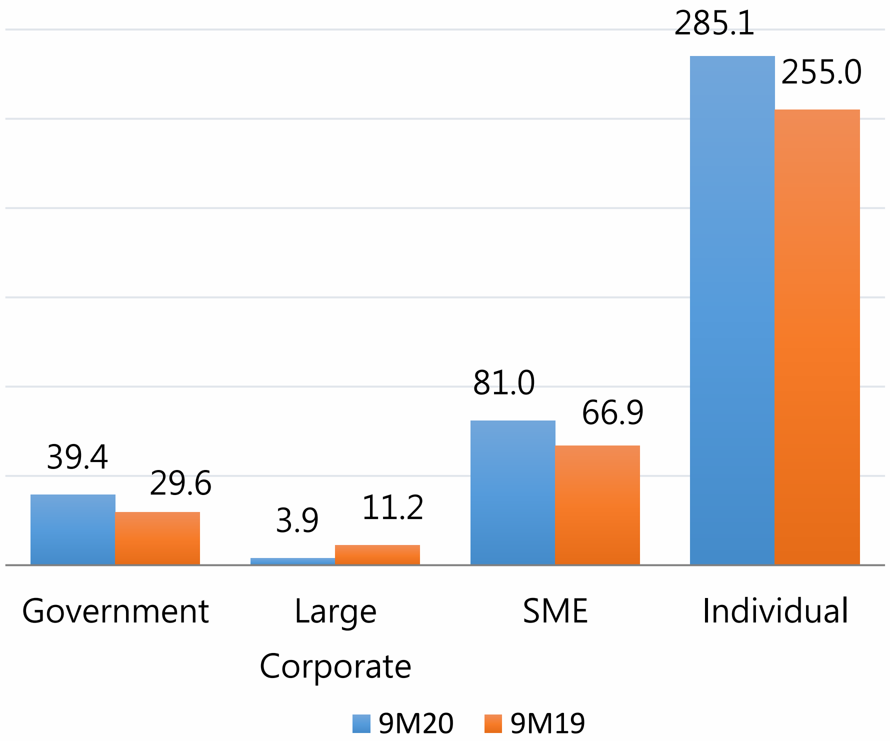
TWD$409.4billion



■ Preliminary figures of Sep. 2020

YoY Comparison

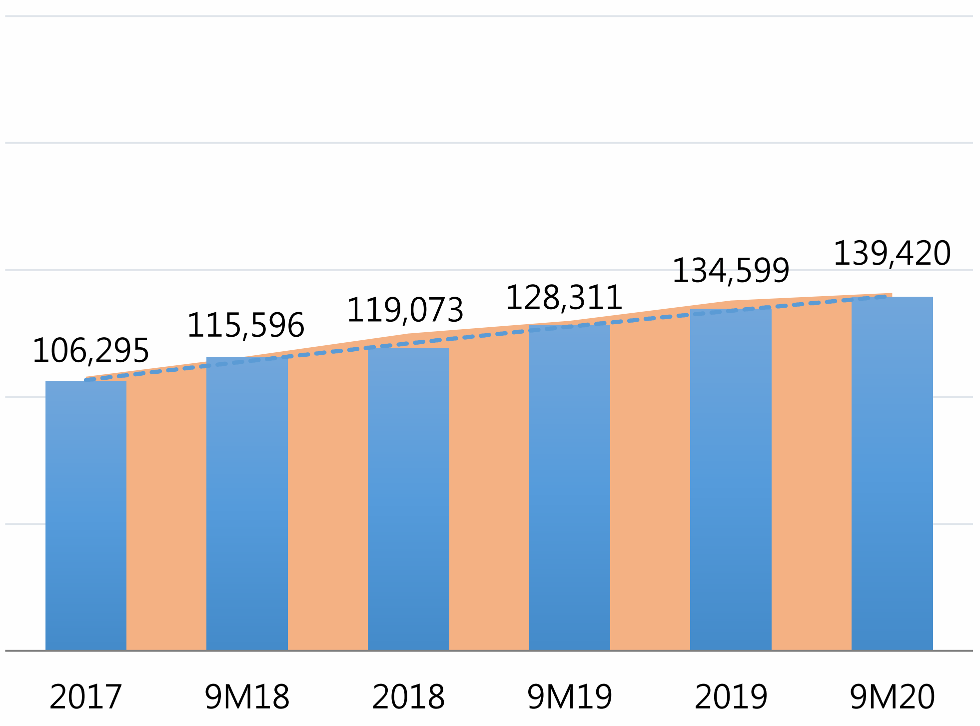
NT$ bn



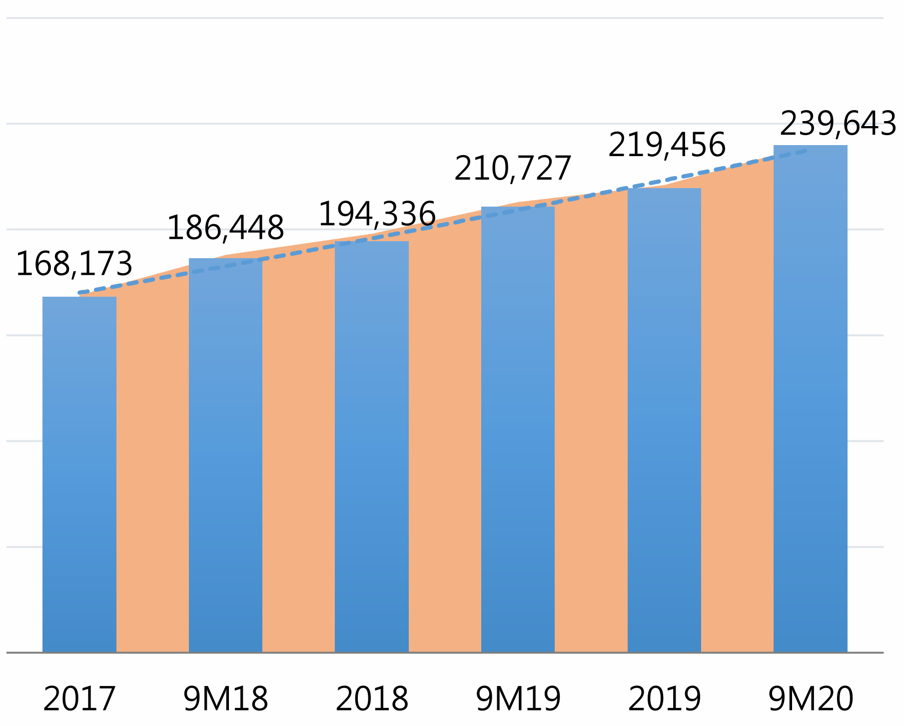
Loans balance steady growth

Corporate Loans

NT$ mn



Consumer Loans



- Government Loans is excluded from Corporate Loans.
- Preliminary figures of Sep. 2020

Business Performance

Cards, NT$ Mn,%

Items	Jan. to Sep. 2020	Jan. to Sep. 2019	Diff. Amt	Diff. %
Valid cards in 6 months	1,315,903	1,228,783	▲ 87,120	▲ 7.09%
Cards outstanding	2,231,943	2,154,600	▲ 77,343	▲ 3.59%
Operating income	2,343	2,092	▲ 251	▲ 12.00%
Value of transactions	71,302	66,995	▲ 4,307	▲ 6.43%
Value of acquiring	49,125	47,935	▲ 1,190	▲ 2.48%
Telephone marketing credit loan	2,973	3,488	▼ (515)	▼ -14.76%
Accounts Receivable	16,355	15,397	▲ 958	▲ 6.22%
Revolving banlance	5,662	5,908	▼ (246)	▼ -4.16%
NPL over 90 days	29.056	35.217	▼ (6.161)	▼ -17.49%
NPL Ratio over 90 days	0.18%	0.23%	▼ -0.05%	▼ -21.74%

- Preliminary figures of Sep. 2020

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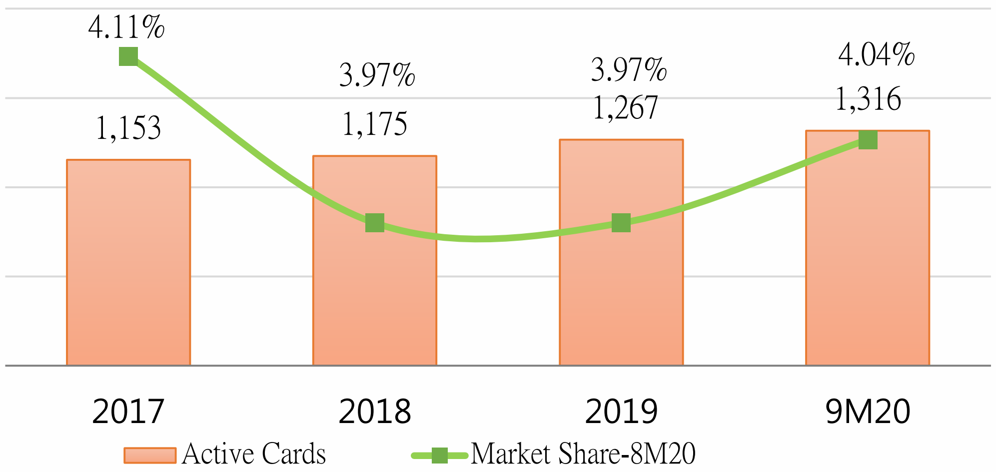
Credit Card Business Breakdown

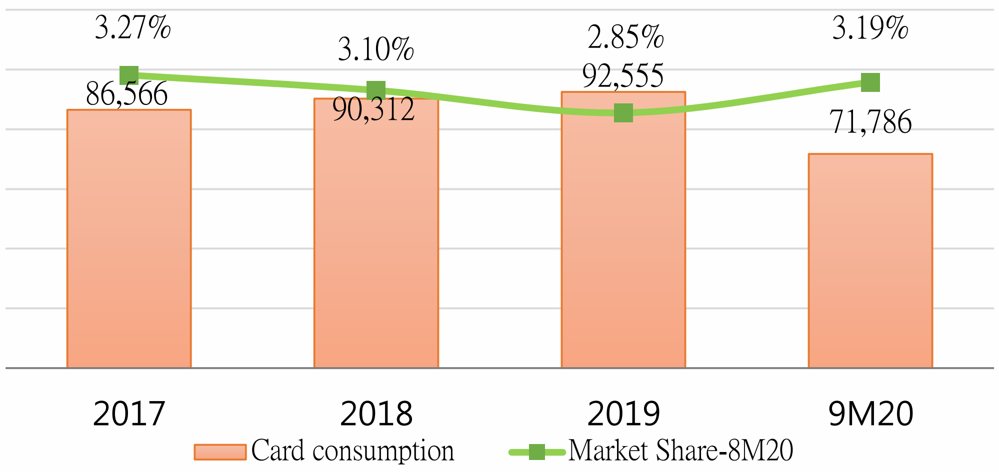
Active Cards

Thousand Card,%



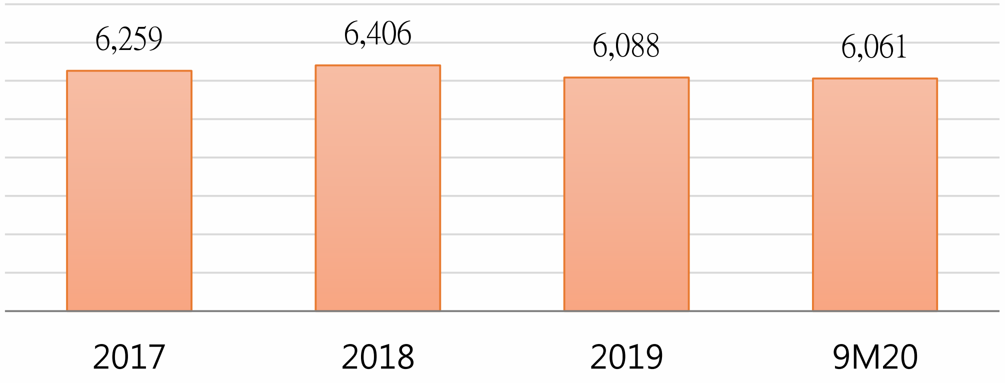
Card Consumption

NT$mn



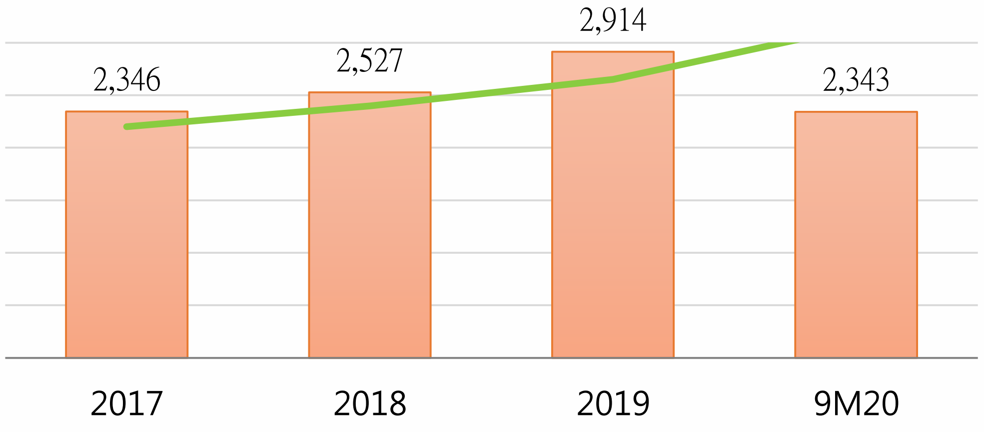
Per Card Spending (Monthly)

NT$ dollar



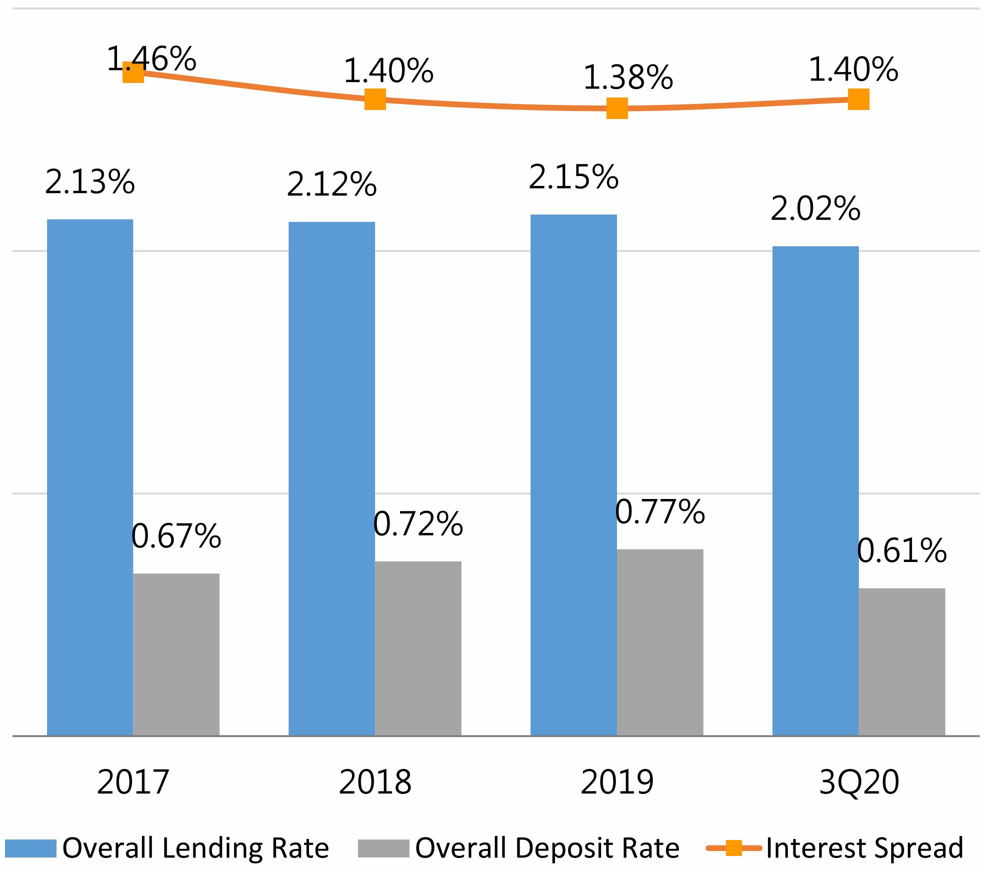
Gross Fee Income

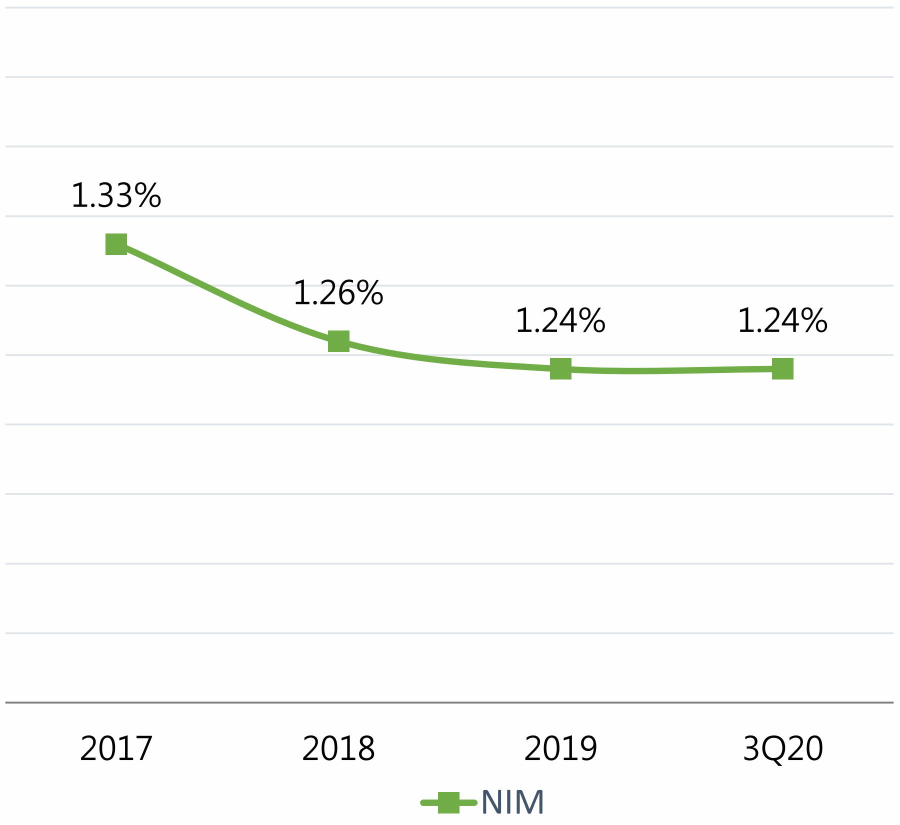
NT$mn



- 9M20 is self-settled, and the other proportion refers to the disclosure of important credit card information of the Banking Bureau

NIM and Spread- Alone





- 3Q20 are un-audited numbers

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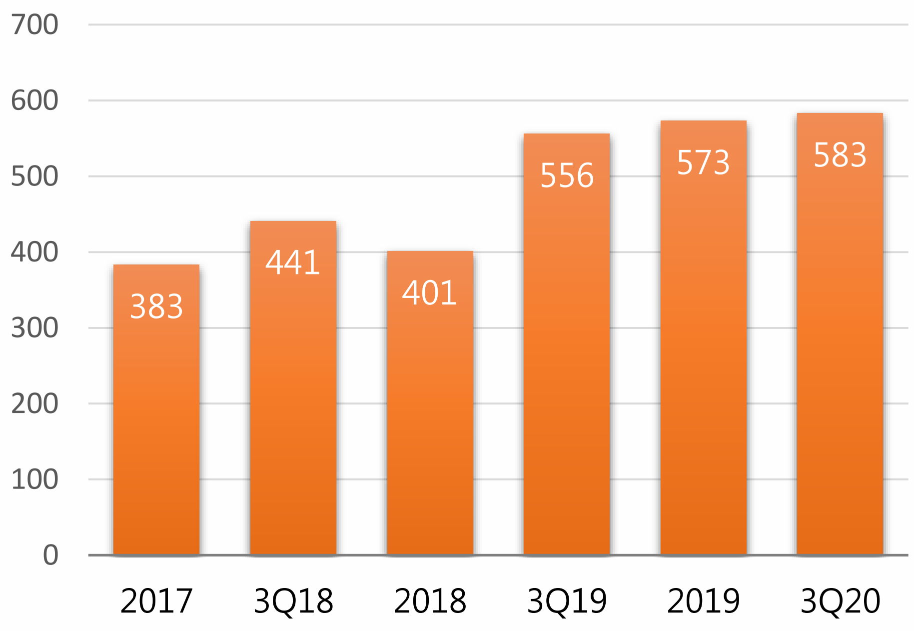
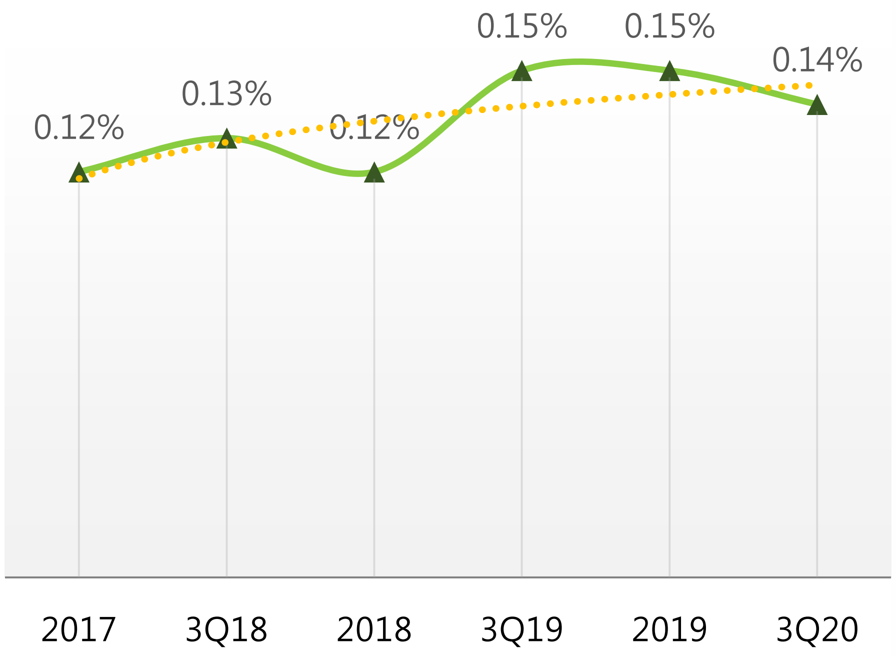
Assets Quality

NPL

NT$ mn,%



NPL Ratio



- 3Q20 are un-audited numbers

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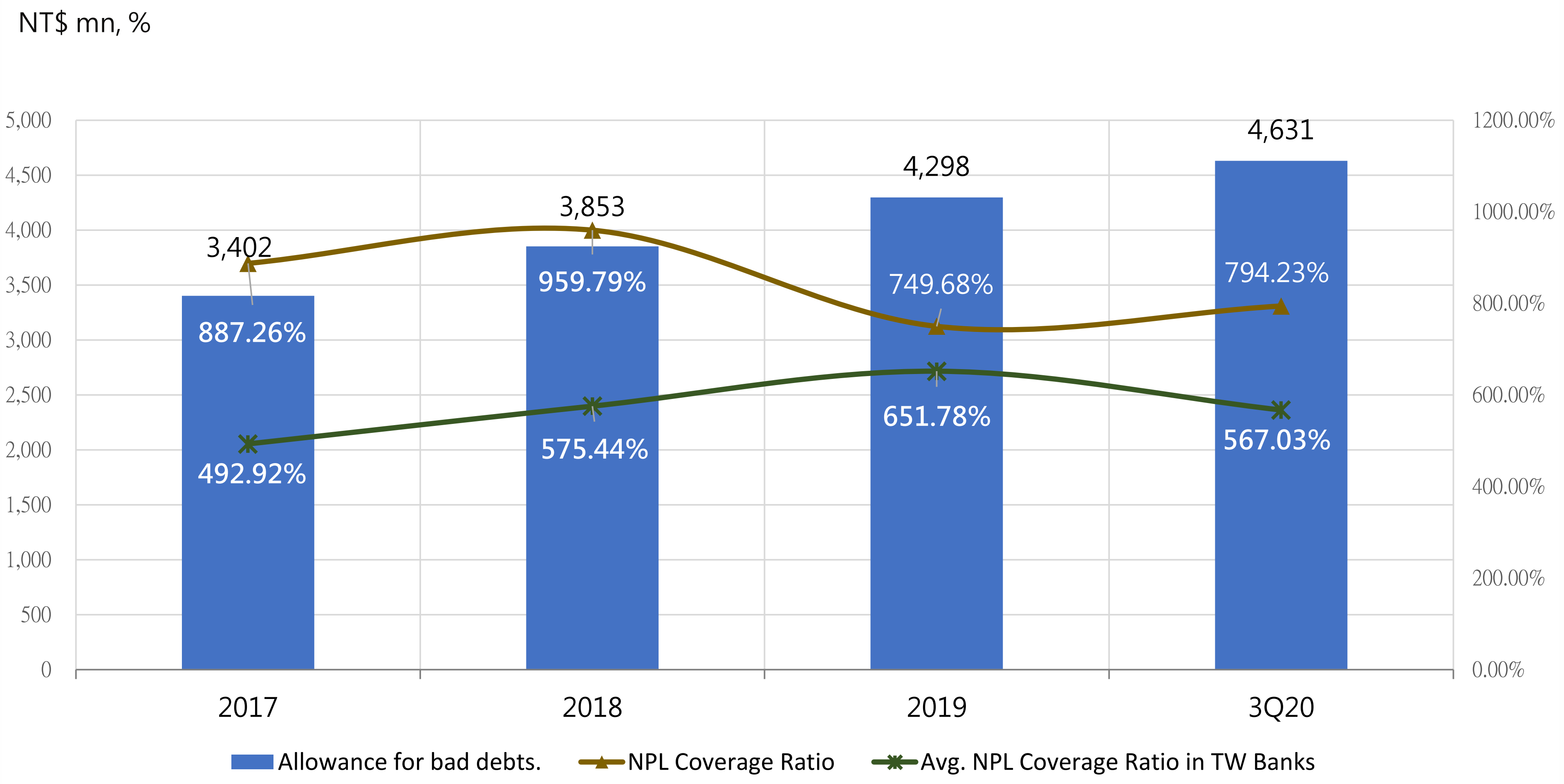
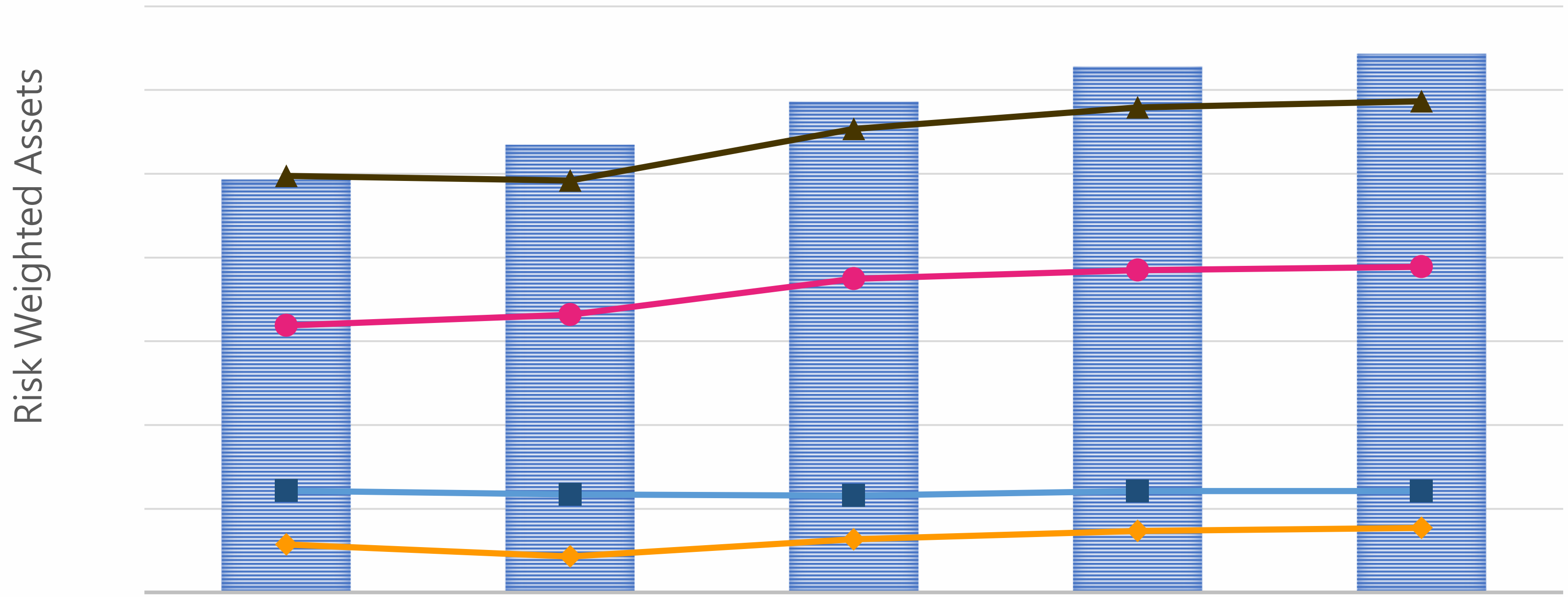
Assets Quality (Conti.)



- Avg. NPL Coverage Ratio in TW Banks of 3Q20 was from FSC Statistic of August 2020.

Capital Adequacy

NT$ thousand



	2017	2018	2019	6M20	9M20
Risk Weighted Assets	316,857,171	343,502,955	376,603,339	403,524,459	413,441,409
Common share	31,867,478	33,172,535	37,440,298	38,490,875	38,878,941
Other tier 1 capital	12,146,864	11,720,972	11,559,375	12,099,090	12,094,337
Tier 2 capital	5,726,391	4,310,985	6,347,470	7,337,300	7,698,295
Regulatory capital	49,740,733	49,204,492	55,347,143	57,927,265	58,671,573

- Preliminary figures of Sep. 2020
- BIS of Union Bank standalone.

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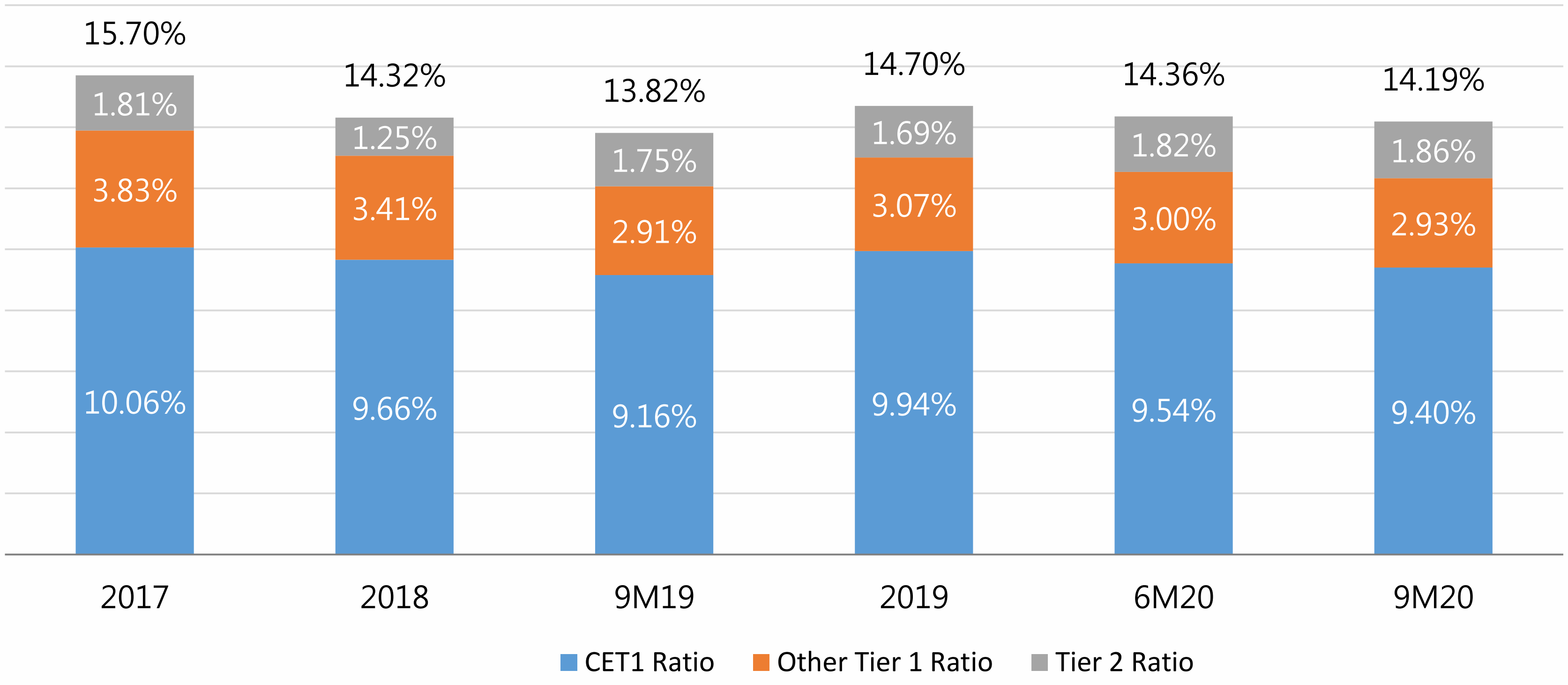
Capital Adequacy Ratio



- Preliminary figures of Sep. 2020
- BIS of Union Bank standalone.

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Strengthening the Mobile Payment Ecosphere

UBOT has the most complete support and the richest discount

NFC Payments：Apple Pay, G Pay, SAMSUNG pay, Hami Pay, GARMIN PAY™, pay™

Scan Code Payments：LINE Pay, 街口支付 JKOPAY, pxpay, My FamiPay, HiPay, OPEN 錢包 and more

- Since this Sep., our credit card holders can link their credit cards to OPEN Wallet and purchase at 7-ELEVEN(Including NFC payments and credit cards, LINE Pay also can be used on Oct. 7th), which not only providing multiple choices of the payments to our credit card holders, but also increasing usage field. As of Sep. 30th , 2020, the value of our mobile payments transactions is about 56.3 billion dollars, grew by 150% over the same quarter in 2019. That is why we are the best choice of the mobile payments.
- We have not only conducted various campaigns of mobile payments but also explored recent scan code payments, which helps us gain lots of great reputations and increase the value of the credit card transactions. In the future, our goal is to provide our clients 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 young generation to apply for our mobile payments but also increase the value of mobile payments transaction.

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