

UOB Group

Resilient performance reflecting our diversified franchise

September 2022

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Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials

Overview of UOB Group

UOB Overview

Founding

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong.

Expansion

UOB has grown over the decades organically and through a series of strategic acquisitions. It is today a leading bank in Asia with an established presence in the Southeast Asia region. The Group has a global network of around 500 branches and offices in 19 countries and territories.

Key Statistics for 1H22

- Gross loans : SGD322b (USD231b[1])
- Customer deposits : SGD358b (USD257b[1])
- Loan / Deposit ratio : 88.7%
- Net stable funding ratio : 111%
- All-currency liquidity coverage ratio : 141% [2]
- Common Equity Tier 1 ratio : 13.1%
- Leverage ratio : 6.6%
- Return on equity [3] : 9.9%
- Return on assets : 0.85%
- Net interest margin : 1.63%
- Non-interest income / Total income : 29.9%
- Cost / Income : 44.3%
- Non-performing loan ratio : 1.7%
- Credit Ratings

	Moody's	S&P	Fitch
Issuer rating (Senior unsecured)	Aa1	AA–	AA–
Outlook	Stable	Stable	Negative
Short-term rating	P-1	A-1+	F1+

Note: Financial statistics as at 30 June 2022

1. USD 1 = SGD 1.391 as at 30 June 2022
2. Average for 2Q22
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

A leading Singapore bank; Established franchise in core market segments

UOB

Group Retail

- Best Retail Bank in Singapore
- Strong player in credit cards and private residential home loan business

Group Wholesale Banking

- Best SME Bank in Singapore
- Seamless access to regional network for our corporate clients

Global Markets

- Strong player in Singapore dollar treasury instruments

UOB Group's recognition in the industry

THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES INTERNATIONAL AWARDS

Best Retail Bank[1], 2021

Best SME Bank[2], 2021

EUROMONEY AWARDS FOR EXCELLENCE 2021

World's Best Bank for SMEs, 2021

Asia's Best Bank for SMEs, 2021

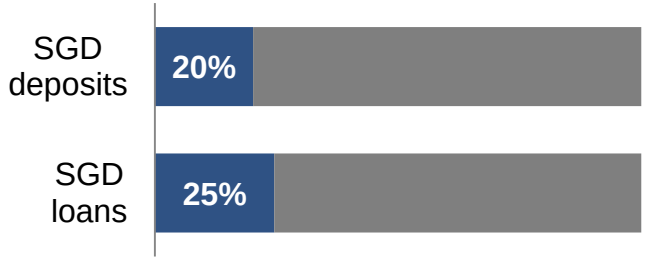
ASIAN BANKING & FINANCE RETAIL BANKING AWARDS 2021

Domestic Retail Bank of the Year[1], 2021

Source: Company reports

1. In Singapore 2. In Singapore and Asia Pacific

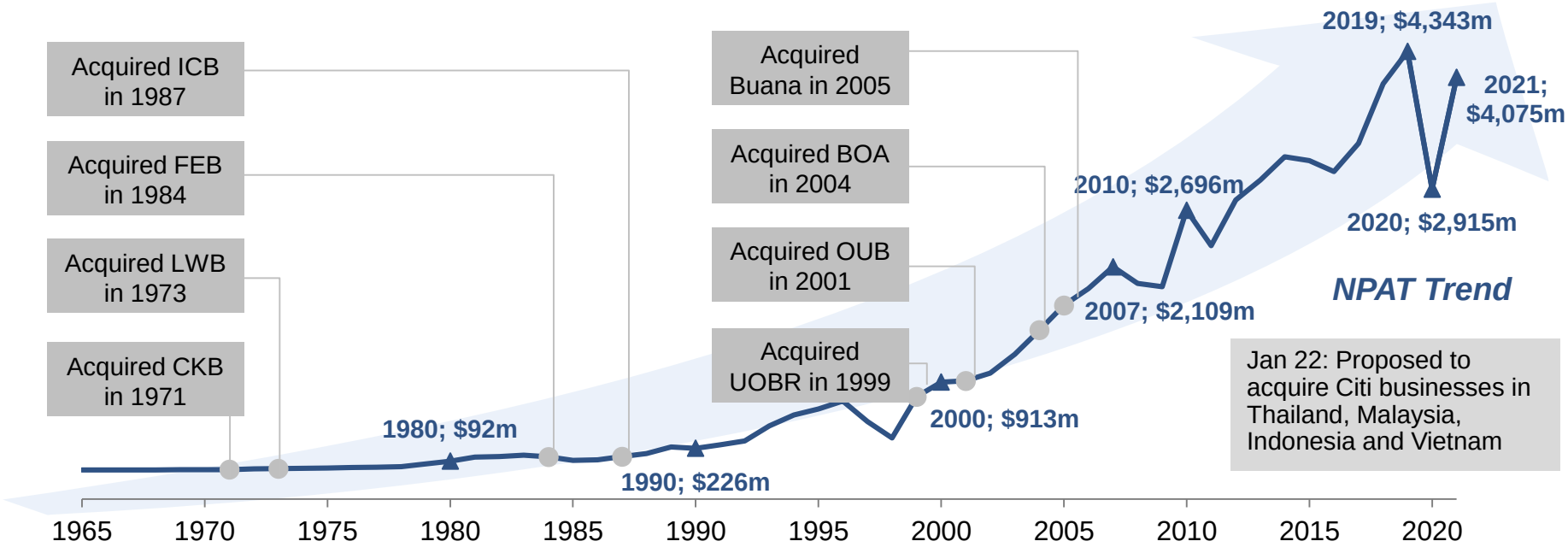
Sizeable domestic market share



Source: UOB, MAS (data as of 31 May 2022)

Proven track record of execution

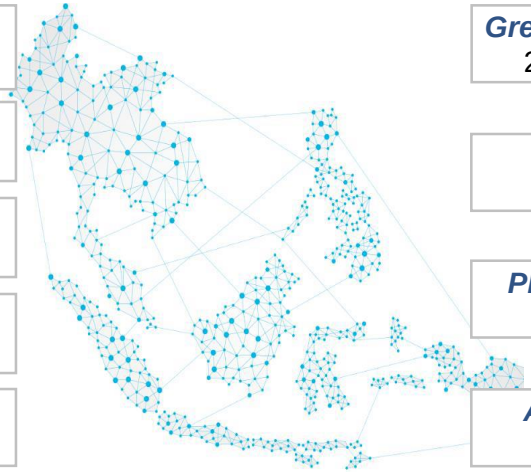
- UOB Group's management has a proven track record in steering the Group through various global events and crises
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group's overall resilience and sustained performance



Note: Bank of Asia Public Company Limited ("BOA"), Chung Khiaw Bank Limited ("CKB"), Far Eastern Bank Limited ("FEB"), Industrial & Commercial Bank Limited ("ICB"), Lee Wah Bank Limited ("LWB"), Overseas Union Bank Limited ("OUB"), Radanasin Bank Thailand ("UOBR")

Comprehensive regional banking franchise

Extensive regional footprint with ~500 offices



Myanmar
2 offices

Thailand
153 offices

Malaysia
49 offices

Singapore
73 offices

Indonesia
176 offices

Greater China[1]
27 offices

Vietnam
5 offices

Philippines
1 office

Australia
2 offices

- Most diverse regional franchise among Singapore banks; effectively full control of regional subsidiaries
- Integrated regional platform improves operational efficiencies, enhances risk management and provides faster time-to-market and seamless customer service
- Organic growth strategies in emerging / new markets of China and Indo-China

1H22 performance by segment

Group retail

Operating profit
SGD0.8b
-10% YoY

SGD138b[2]
Assets under management **+1% YoY**

AUM from overseas customers **57%**

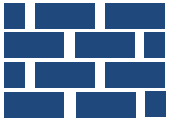
Group wholesale banking

Operating profit
SGD2.2b
+20% YoY

29%[3]
Cross-border income to Group wholesale banking's income

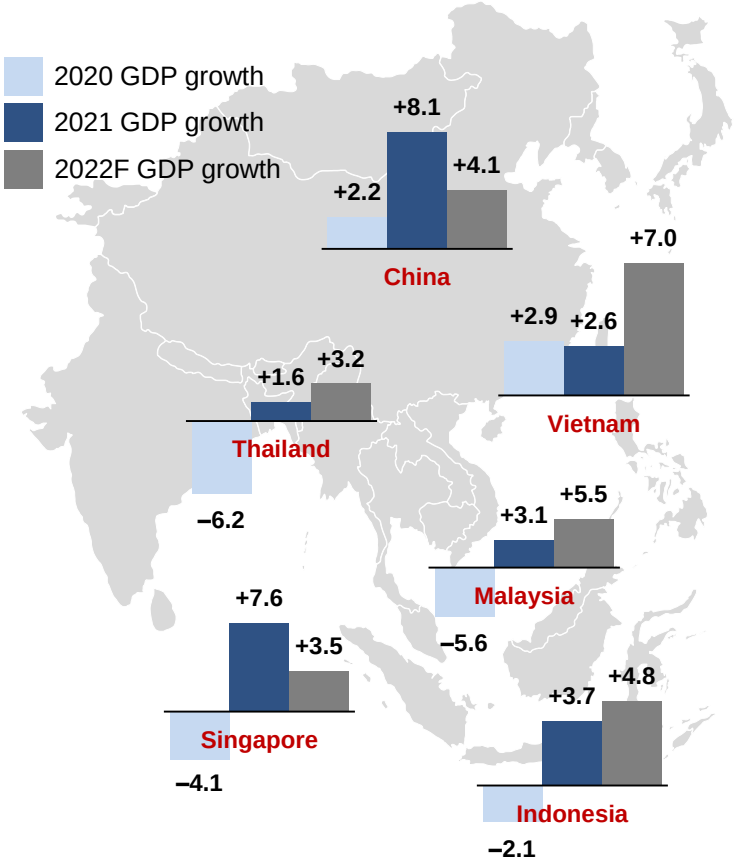
1. Comprise Mainland China, Hong Kong SAR and Taiwan
2. Refers to Privilege Banking, Privilege Reserve and Private Bank
3. YTD May-2022

Why UOB?

Stable management	Integrated regional platform	Strong fundamentals	Balance growth with stability
			
▪ Proven track record in steering the bank through various global events and crises ▪ Stability of management team ensures consistent execution of strategies	▪ Entrenched domestic presence and deep local knowledge to address the needs of our targeted segments ▪ Truly regional bank with full ownership and control of regional subsidiaries	▪ Sustainable revenue channels as a result of carefully-built core businesses ▪ Strong capital and reserves, sound liquidity position and resilient asset quality – testament of solid foundation built on the premise of basic banking	▪ Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future ▪ Maintain long-term perspective to growth for sustainable shareholder returns

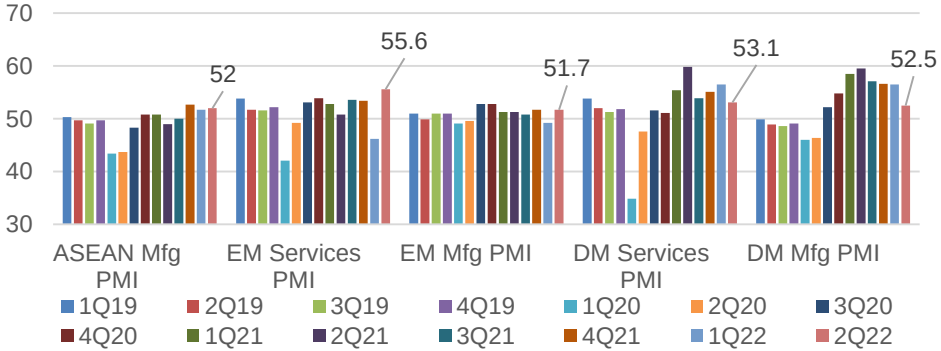
Macroeconomic Outlook

Asian growth to sustain into 2022



Source: UOB Global Economics & Markets Research forecasts

…despite risks from Russia-Ukraine conflict & China pandemic



Note: DM: Developed marketing; EM: Emerging market; Mfg: Manufacturing
Source: Macrobond, UOB Global Economics & Markets Research

…as SE Asia reopens for travel and business

Singapore	
01-Apr	Borders reopened to all fully vaccinated travellers
26-Apr	Group size limits and safe distancing requirements to be relaxed
Indonesia	
22-Mar	Quarantine requirements for overseas visitors lifted
Thailand	
01-Apr	Requirement for international visitors to provide a negative pre-departure PCR test removed
Malaysia	
01-Apr	Borders reopened to allow quarantine-free travel. No more restrictions on business operating hours
01-May	Cross-border bus and taxi services between Singapore and Malaysia to resume

Source: Various media

Monetary policy to tighten as inflation spikes

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22f	4Q22f	1Q23f	2Q23f
US 10-Year Treasury	1.74	1.47	1.49	1.51	2.34	3.01	3.60	3.80	3.80	3.60
US Fed Funds	0.25	0.25	0.25	0.25	0.50	1.75	3.00	3.75	4.00	4.00
SG 3M SIBOR	0.44	0.43	0.43	0.44	0.79	1.91	2.65	2.80	3.10	3.10
SG 3M SOR	0.36	0.24	0.21	0.36	0.95	2.06	2.85	3.00	3.20	3.20
SG 3M SORA	0.23	0.13	0.13	0.19	0.27	0.76	1.80	2.72	3.05	3.08
MY Overnight Policy Rate	1.75	1.75	1.75	1.75	1.75	2.00	2.50	2.50	2.75	3.00
TH 1-Day Repo	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00	1.00
ID 7-Day Reverse Repo	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.50	4.75	5.00
CH 1-Year Loan Prime Rate	3.85	3.85	3.85	3.80	3.70	3.70	3.55	3.55	3.55	3.65

Expectations remain firm for the Fed to continue with its rate hikes in 2022 but the path has become more uncertain, given the shift to “meeting by meeting” basis. We now expect another two more 50bps rate hikes at the Sep and Nov FOMC before ending the year with another 25bps hike in Dec.

The MAS surprised with a second off-cycle policy announcement on 14 Jul as it took a “*further calibrated step to tighten monetary policy so as to lean against price pressures becoming more persistent*”” via a re-centring the mid-point of the S$NEER policy band to its prevailing level. MAS policy is likely in restrictive setting after four rounds of tightening since Oct 21. We think Oct MPS tightening is still on the cards but off-cycles are done for 2022 unless core inflation surprises.

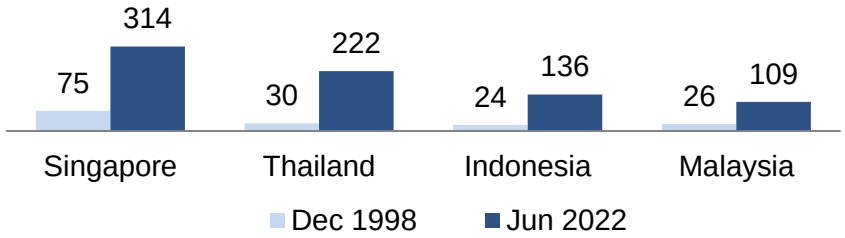
Asian central banks have raised interest rates or are on the verge of doing so as inflation rise but the pace of hikes is unlikely to match the Fed’s. Key economic risks include more contagious COVID-19 variants, higher commodity prices due to the sanctions on Russia, China’s economic slowdown and more aggressive tightening by the Federal Reserve that could increase market volatility and slow global demand.

Source: UOB Global Economics & Markets Research forecasts

Sound fundamentals in Southeast Asia

Significantly Higher Foreign Reserves

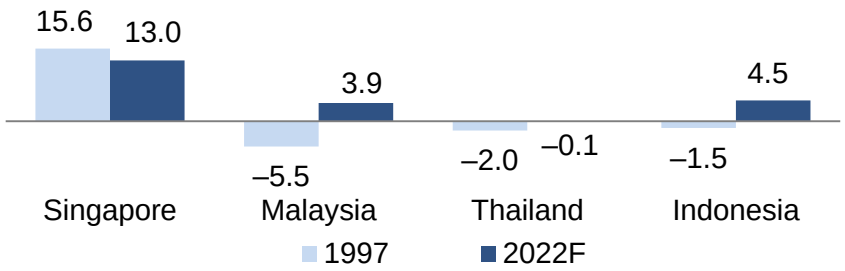
(USD billion)



Sources: World Bank, International Monetary Fund

Improved Current Account Balances

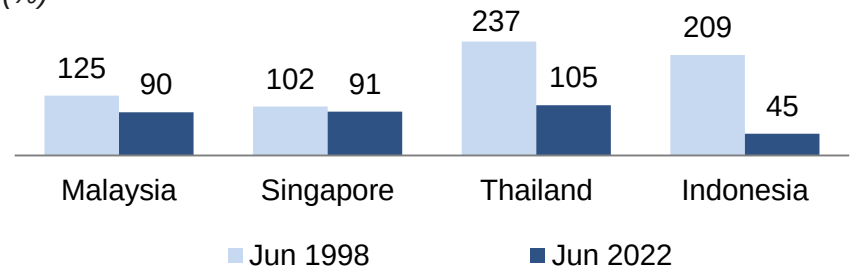
(% of GDP)



Source: International Monetary Fund

Lower Debt to Equity Ratio

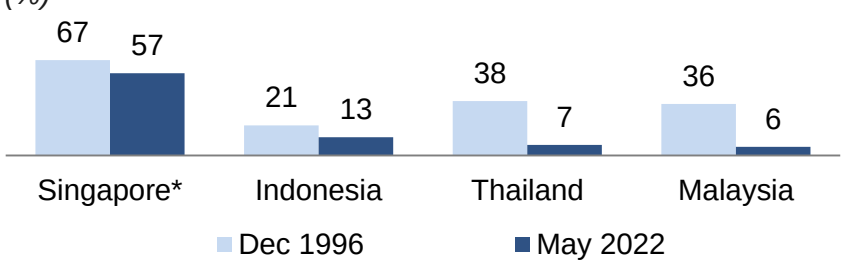
(%)



Total debt to equity ratio = total ST and LT borrowings divided by total equity, multiplied by 100; sources: MSCI data from Bloomberg

Lower Foreign Currency Loan Mix

(%)

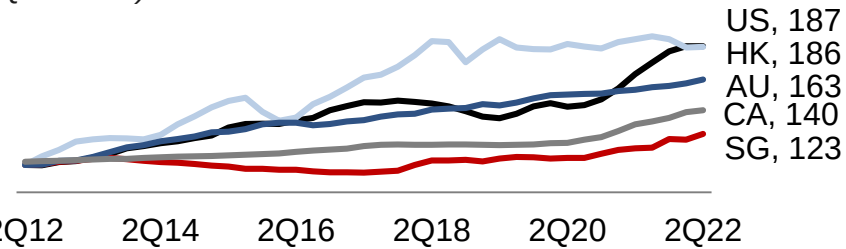


* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units; sources: Central banks

Singapore mortgages remain a low-risk asset class

Low risk of housing bubble due to cooling measures

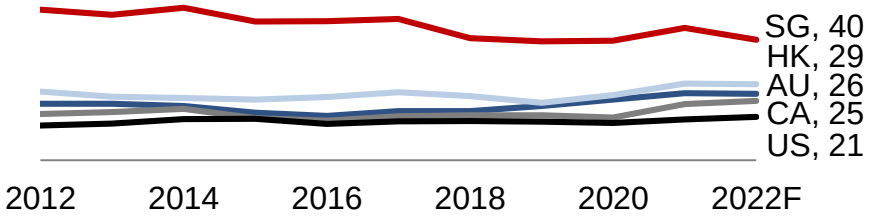
(4Q11 = 100)



Sources: CEIC, UOB Economic-Treasury Research

High national savings rate

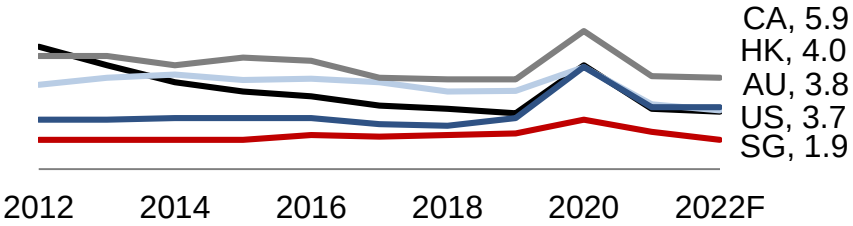
(% of GDP)



Sources: IMF, UOB Economic-Treasury Research

Low unemployment underscores housing affordability and support for mortgage servicing

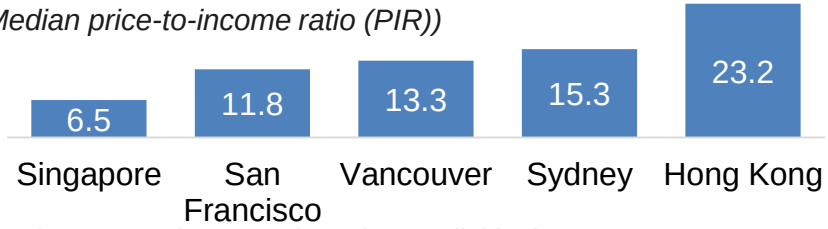
(Unemployment, %)



Sources: Macrobond, UOB Economic-Treasury Research

Singapore private residential housing stays affordable as median price-to-income ratio remains low

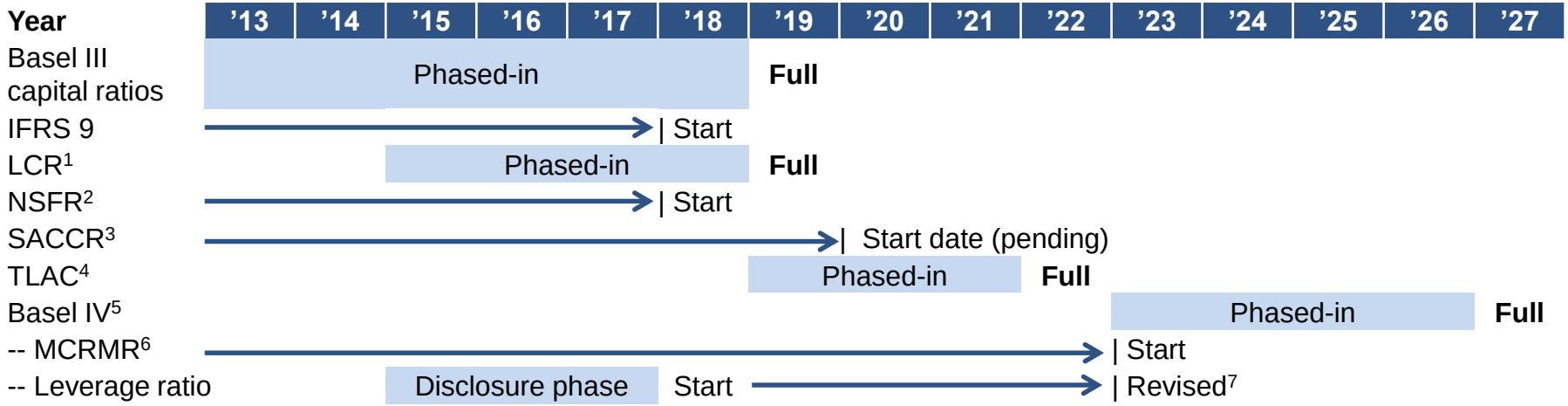
(Median price-to-income ratio (PIR))



As of 30 September 2021, based on available data
Singapore's PIR calculated based on condominium price of S$1.32m and medium monthly household income of S$16.9k.
Sources: Singapore Statistics, Urban Reform Institute, Frontier Centre for Public Policy, UOB Economic-Treasury Research

Note: AU: Australia; CA: China; HK: Hong Kong; SG: Singapore; US: United States

Global regulators delayed capital rules by a year



> "Retained earnings are one of the major sources of … highest quality capital that banks hold. They have to earn a decent return for intermediating credit, otherwise they will do less of it."
>
> *– Mr Ravi Menon, Managing Director, Monetary Authority of Singapore, 20 April 2017*

> "While the reforms are necessary to strengthen the banking system over the long term, they will require banks to make considerable operational adjustments which they would be hard pressed to make under current challenging conditions."
>
> *– Media Release, Monetary Authority of Singapore, 7 April 2020*

Source: BCBS

1. Liquidity Coverage Ratio
2. Net Stable Funding Ratio
3. Standardised Approach for measuring Counterparty Credit Risk exposure (MAS has not announced implementation date)
4. Total Loss Absorbing Capacity (not applicable to Singapore banks)
5. Basel IV: Revised standards for credit risk, market risk, operational risk, leverage ratio, output floor and related disclosure requirements
6. Minimum Capital Requirements for Market Risk replaced Fundamental Review of the Trading Book
7. Revised definition on exposure measure

Basel III across the region

	BCBS	Singapore	Malaysia	Thailand	Indonesia
Minimum CET1 CAR	4.5%	6.5%[1]	4.5%	4.5%	4.5%
Minimum Tier 1 CAR	6.0%	8.0%[1]	6.0%	6.0%	6.0%
Minimum Total CAR	8.0%	10.0%[1]	8.0%	8.5%	8.0%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical Buffer in 2020[2]	n/a	0%	0%	0%	0%
D-SIB Buffer	n/a	2.0%	1.0%	1.0%	1.0%–3.5%[3]
Minimum Leverage Ratio	3.0%	3.0%	3.0%	3.0%[4]	3.0%
Minimum LCR	100%	100%	100%	100%	100%
Minimum NSFR	100%	100%	100%	100%	100%

	Temporary forbearance to enable banks to provide support to the economies amid COVID-19
Singapore	The required stable funding factor under NSFR is cut from 50% to 25% for customer loans maturing within 6 months until 30 September 2021. This has been progressively raised back to 50% as at 1 April 2022.

Source: Regulatory notifications

1. Includes 2% for D-SIB (domestic-systemically important banks) buffer for the three Singapore banks
2. Each regulator determines its own level of countercyclical capital buffer
3. According to the regulations, Indonesia D-SIBs will initially be subject to a D-SIB buffer of up to 2.5%
4. Compliance by 2022

Impact of Basel IV[1] likely to be manageable

	Lower RWA	Higher RWA
Retail credit	LGD[2] floor of Retail Mortgage cut to 5% from 10%	LGD[2] and PD[3] floors introduced for QRRE[4] and Other Retail
Wholesale credit	Unsecured corporate FIRB[5] LGD[2] cut to 40% from 45%	CCF[6] for unconditional cancellable commitments raised to 10% from 0%
Wholesale credit	CCF[6] for general commitments cut to 40% from 75%	PD[3] floor of bank asset class raised to 5bp from 3bp
Wholesale credit	Higher haircuts and lower FIRB[5] secured LGD	RWA[7] output floor set at 72.5% of that of standardised approach
Others	Removal of 1.06 multiplier for IRB[8] RWA[7]	Fundamental review of the trading book

Source: BCBS

1. Basel IV: Reducing variation in risk-weighted assets
2. Loss given default
3. Probability of default
4. Qualifying revolving retail exposures
5. Foundation internal rating-based approach
6. Credit conversion factor
7. Risk weighted assets
8. Internal rating-based approach

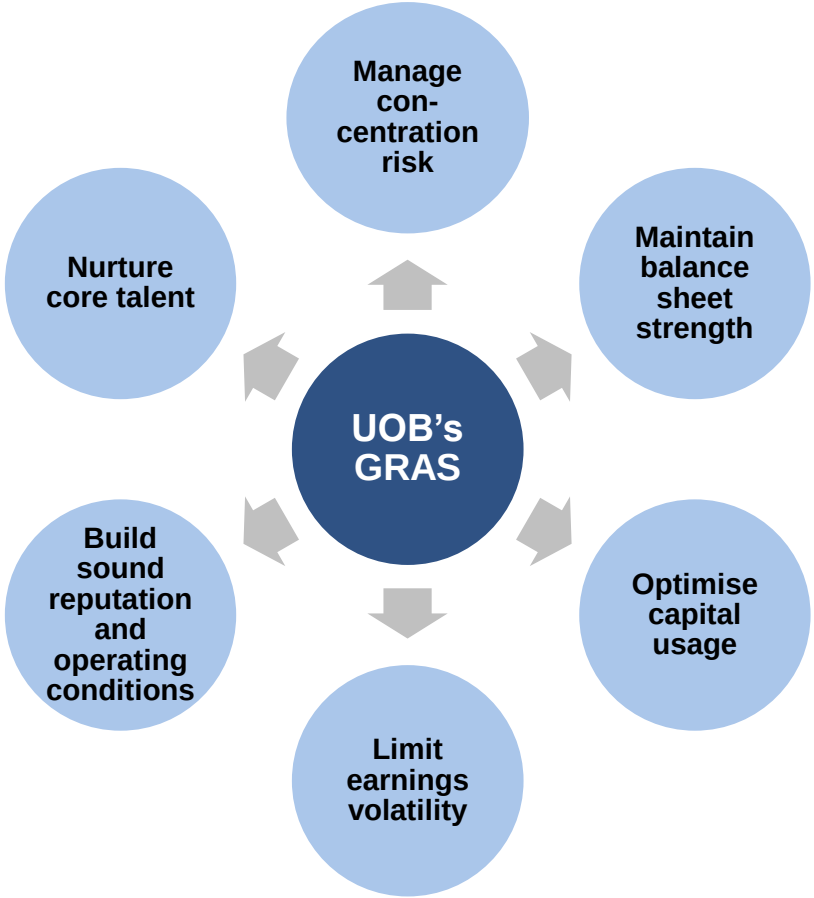
Strong UOB Fundamentals

Strong UOB fundamentals

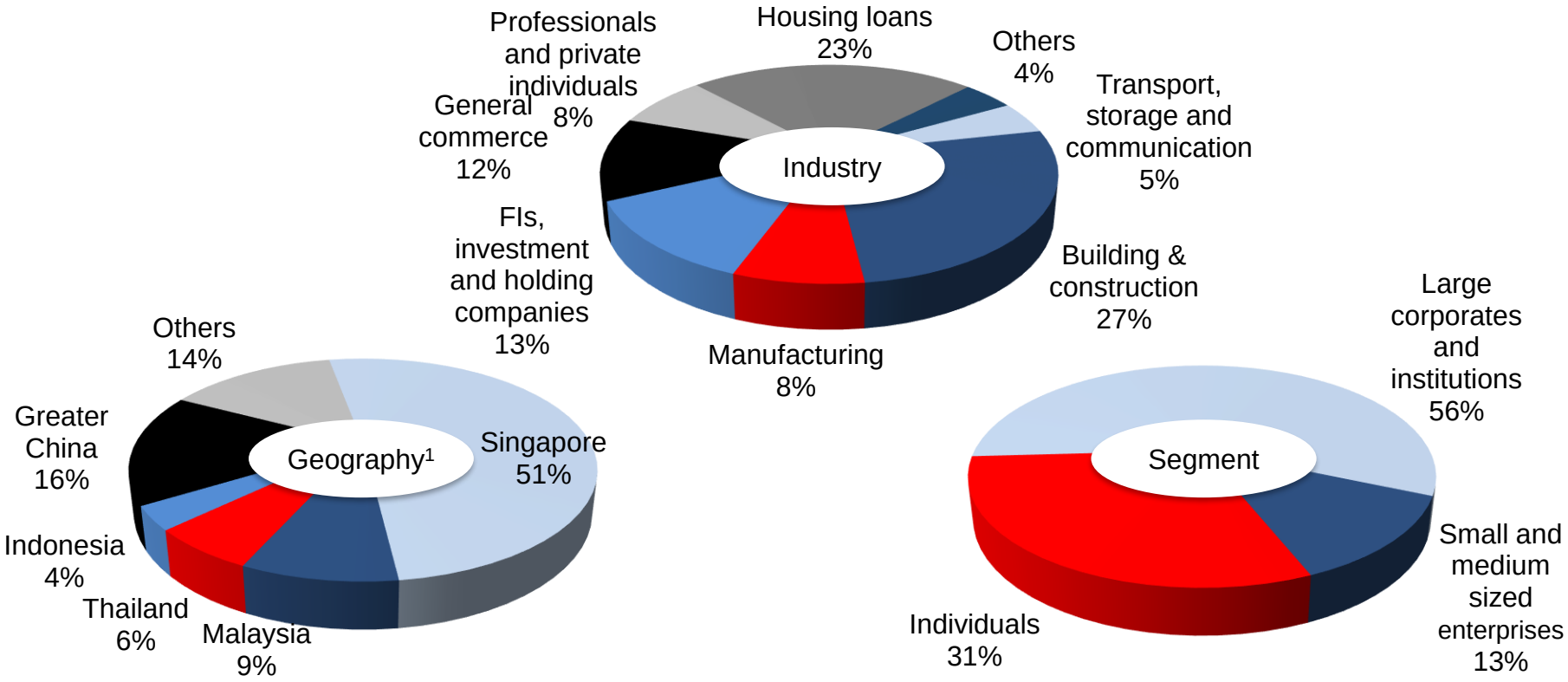
Strong management with proven track record	Consistent and focused financial management	Disciplined management of balance sheet strengths	Delivering on regional strategy
			
▪ Proven track record in steering UOB through various global events and crises ▪ Stability of management team ensures consistent execution of strategies	▪ Responsible yet prudent approach in extending loan relief to customers ▪ Continued investment in talent and technology to build capabilities in a disciplined manner ▪ At least 50% of Group earnings from home market of Singapore (AAA sovereign rating)	▪ Strong Common Equity Tier 1 capital adequacy ratio of 13.1% as at 30 June 2022 ▪ Diversified funding and sound liquidity, with 88.7% loan/deposit ratio ▪ Strengthened coverage, with general allowance on loans covering 0.9% of performing loans	▪ Holistic regional bank, with full control of overseas subsidiaries ▪ Focus on profitable niche segments and intra-regional flows ▪ Entrenched domestic presence and deep local knowledge to address needs of our targeted segments

Managing risks for stable growth

- **Prudent approach has been key to delivering sustainable returns over the years**
- **Institutionalised framework through Group Risk Appetite Statement (GRAS):**
  - Outlines risk and return objectives to guide strategic decision-making
  - Comprises 6 dimensions and 14 metrics
  - Entails instilling prudent culture as well as establishing policies and guidelines
  - Invests in capabilities, leverage integrated regional network to ensure effective implementation across key markets and businesses



Diversified loan portfolio



Note: Financial statistics as at 30 June 2022

1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)

Disciplined balance sheet management

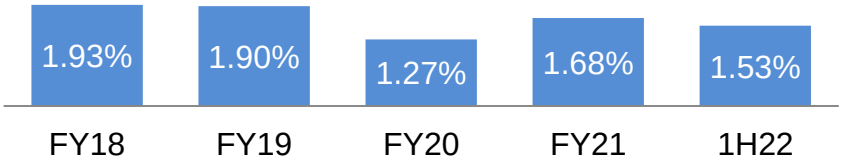
Focus on balance sheet efficiency

Healthy portfolio quality

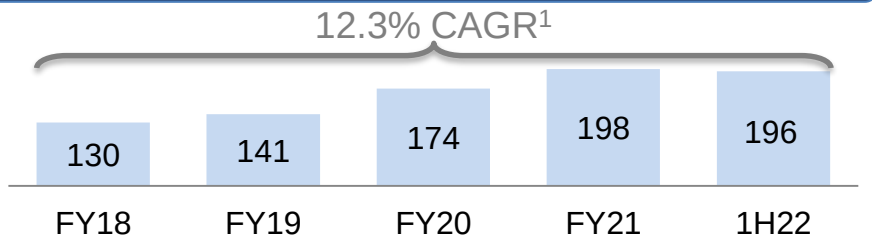
Proactive liability management

Robust capitalisation

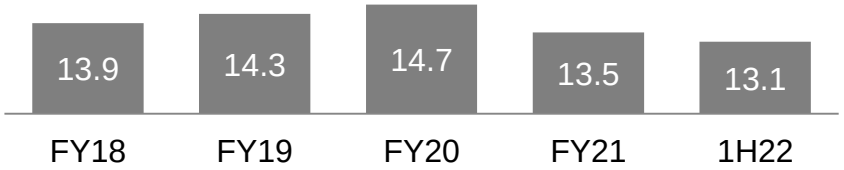
Return on risk-weighted assets



Current Account Saving Account Balances (SGD b)



Common Equity Tier 1 ratio (%)



1. Compound annual growth rate over 3.5 years (FY18 to 1H22)

UOB's responsible financing journey: pragmatic and progressive

Overview of UOB Group's Responsible Financing Journey

	Establishing	Improving	Strengthening and Evolving	
	2015 - 2016	2017 - 2018	2019 - 2020	2021-2022
Key Milestone	• Launched the Group Responsible Financing Policy. • Began to incorporate ESG clauses into Letters of Offer.	• Enhanced ESG monitoring and reporting to improve oversight on potential controversies. • Implemented ESG risk classification to better manage ESG risk in portfolio. • Adopted the ABS Haze Diagnostics Checklist as transboundary haze pollution shrouded the region.	• Strengthened due diligence process with enhanced checklist and climate-related questions. • Tightened stance in thermal coal mining sector, coal fired power sector, as well as palm oil sector. • All employees in relevant roles completed an industry-wide e-learning module on responsible financing.	• Established the Bank's Environmental Risk Management (EnRM) Framework and disclosed responsible financing sector policies on our corporate website. • Supported GFIT on various capacity-building programmes to drive industry implementation of MAS EnRM Guidelines. • Co-led the collaboration within GFIT and developed the ABS Environmental Risk Questionnaire, the first industry standard template that sets a consistent baseline for banks in Singapore to engage corporate clients on environmental risk issues, gather data points and identify opportunities to finance the transition to a low carbon economy.

* Green Finance Industry Taskforce

TCFD Implementation - Climate Scenario Analysis

	Qualitative Transition Risk Assessment	Transition Risk Scenario Analysis Pilot	Physical Risk Pilot Analysis	Improved Methodology
	2019	2020	2021	2022

Key Milestone	• Completed qualitative assessment in 2019, referencing SASB's Materiality Map® and Moody's Environmental Risks Global Heatmap.
	• Identified carbon-intensive segments most likely to be impacted by climate change:
	Metals and mining
	Transportation
	Building Materials
	Forestry
	Energy
	Chemicals
	Agriculture
		• Partnered an internationally recognised environmental consultancy in climate scenario analysis in 2020
		• Three pathways of climate scenarios based on research by IEA and OECD:
		  • An orderly transition where early actions are taken to reduce emissions to meet climate targets (high carbon price scenario)
		  • A disorderly transition where delayed and drastic actions are taken to meet climate targets (moderate carbon price scenario)
		  • Business-as-usual where no actions are taken (low carbon price scenario)
			• Conducted a pilot physical risk analysis involving approximately 2,000 wholesale banking customers (~80% of the total wholesale banking exposure) and retail banking property mortgages focusing on our major markets that are most vulnerable to physical risks, i.e. Malaysia, Thailand and Indonesia.
			• The analysis utilised a bottom-up approach with customers' operating and asset locations overlaid on various climate hazard maps to determine their vulnerability to seven physical hazards in short-, mid-, and long-term horizons up to 2050 over three IPCC climate scenarios.
			• In addition, we also refreshed our transition risk analysis.
				• Partnered with a leading global consultancy and developed an improved climate risk assessment methodology and uplift the internal capacity of the Bank.
				• The improved methodology integrates multiple climate risk drivers, considers both transition risk and physical risk, and includes sector specific approach for high-risk sectors, as well as a general approach for other sectors.
				• The detailed methodology and assessment results will be disclosed in the UOB Sustainability Report 2022.

Future Plan

Metrics and Targets To disclose climate-rated Metrics and Targets

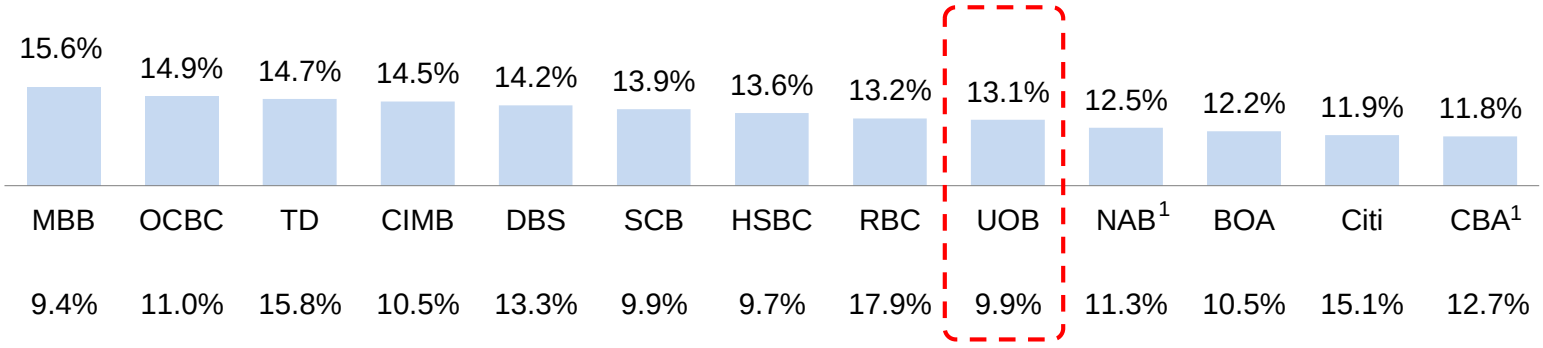
Comparison against peers

Moody's	S&P	Fitch		Standalone Strength: *Moody's baseline credit assessment*	Cost Management: *Costs/income ratio*	Returns: *Return on average assets (annualised)*	Liquidity: *Loan/deposit ratio*
Aa1	AA–	AA–	**UOB**	a1	44%	0.9%	89%
Aa1	AA–	AA–	**OCBC**	a1	45%	1.3%	84%
Aa1	AA–	AA–	**DBS**	a1	44%	1.0%	80%
A3	A–	A+	**HSBC**	a3	65%	0.6%	62%
A3	BBB+	A	**SCB**	baa1	65%	0.3%	60%
Aa2	A–	AA–	**BOA**	a3	67%	0.8%	51%
Aa3	BBB+	A	**Citi**	baa1	61%	1.2%	49%
Aa3	AA–	A+	**CBA**	a2	47%	0.9%	104%
Aa3	AA–	A+	**NAB**	a2	45%	0.7%	123%
Aa1	AA–	AA-	**RBC**	a2	54%	0.9%	67%
Aa1	AA–	AA-	**TD**	a1	53%	0.8%	66%
Baa1	A–	n.r.	**CIMB**	baa2	47%	1.0%	87%
A3	A–	n.r.	**MBB**	a3	46%	0.9%	89%

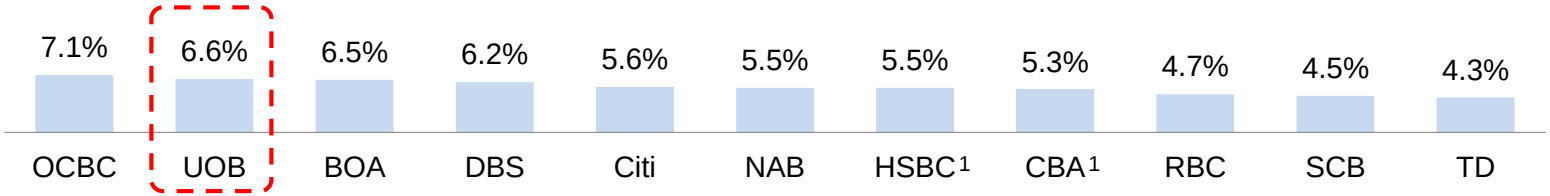
Source: Company reports, Credit rating agencies (updated as of 26 Jul 2022)
Financial data based on 30 Jun 22, except for CIMB/MBB (31 Mar 22), CBA (31 Dec 21), NAB (31 Mar 22) & RBC/TD (30 Apr 22)

Capital and leverage ratios

Reported Common Equity Tier 1 CAR



Reported Leverage Ratio



Source: Company reports

Financial data based on 30 Jun 22, except for CIMB/MBB (31 Mar 22), CBA (31 Dec 21), NAB (31 Mar 22) & RBC/TD (30 Apr 22)

1. CBA's and NAB's common equity Tier 1 CARs based on APRA's standards; their respective internationally comparable ratio was 18.4% (31 Dec 21) and 17.88% (31 Mar 22)

Strong investment grade credit ratings

Moody's Investors Service — ***Aa1 / P-1***

- Capital good by global standards
- Deposit-funded and liquid balance sheet
- Traditional banking presence in Singapore, Malaysia and other markets

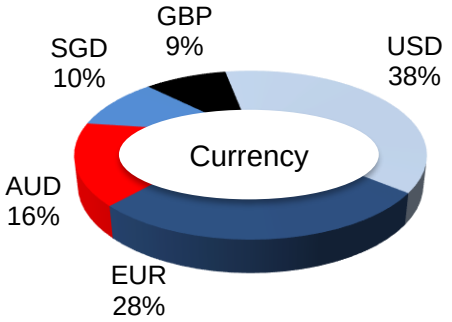
Standard & Poor's Ratings Services (McGraw Hill Financial) — ***AA– / A-1+***

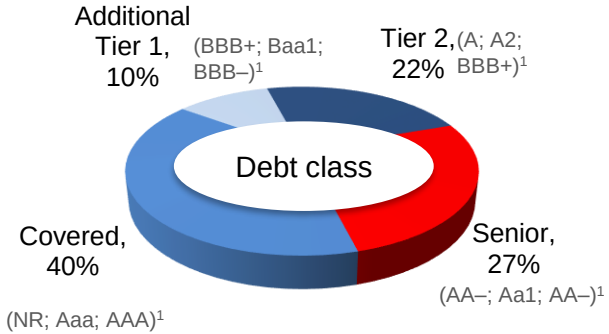
- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

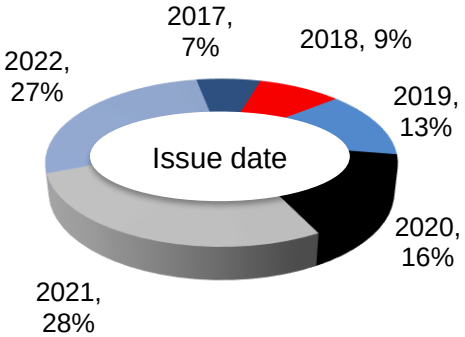
FitchRatings — ***AA– / F1+***

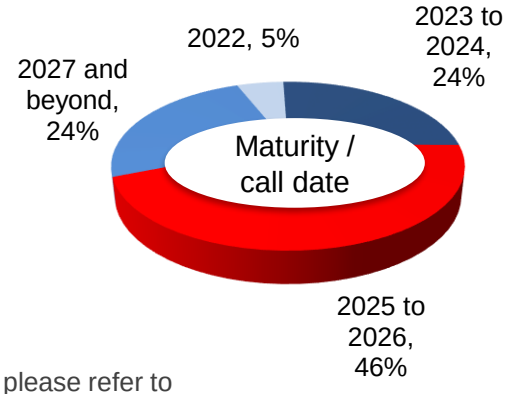
- Sound capital and high loan-loss buffers
- Disciplined funding strategy, supported by its strong domestic franchise

A regular issuer in key debt capital markets globally









Source: Credit rating agencies

Note: The pie charts represent outstanding UOB's public rated issuances as of 30 Jun 22; for more details, please refer to https://www.uobgroup.com/investor-relations/capital-and-funding-information/group-securities.html

1. The issuance ratings are by Fitch Ratings, Moody's Investors Service and S&P Global Ratings, respectively

Our Growth Drivers

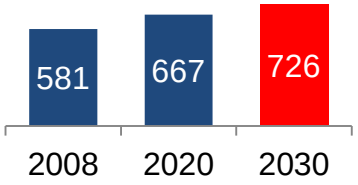
Our growth drivers

Realise full potential of our integrated platform	Sharpen regional focus	Reinforce fee income growth	Long-term growth perspective
			
▪ Provides us with ability to serve expanding regional needs of our customers ▪ Improves operational efficiency, enhances risk management, seamless customer experience and faster time to market	▪ Global macro environment remains uncertain but the region's long-term fundamentals continue to remain strong ▪ Region is our growth engine in view of growing intra-regional flows and rising consumer affluence, leveraging digitalisation and partnerships	▪ Grow fee income to offset competitive pressures on loans and improve return on risk weighted assets ▪ Increase client wallet share size by intensifying cross-selling efforts, focusing on service quality and expanding range of products and services	▪ Disciplined approach in executing growth strategy, balancing growth with stability ▪ Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

Southeast Asia's immense long-term potential

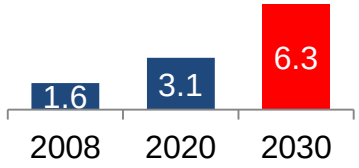
Population

(Million persons)



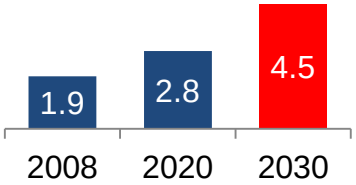
GDP[1]

(USD trillion)



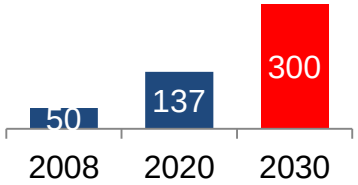
Trade[2]

(USD trillion)



FDI[3]

(USD billion)



Southeast Asia's immense growth prospects…

- Third largest population globally, after China and India
- Young demographics, with 382 million below 35 years old
- Fifth largest economic bloc globally by GDP[1]
- Fourth largest trading group globally
- Third largest recipient of inward FDI[3] globally

… that UOB is uniquely placed to capture

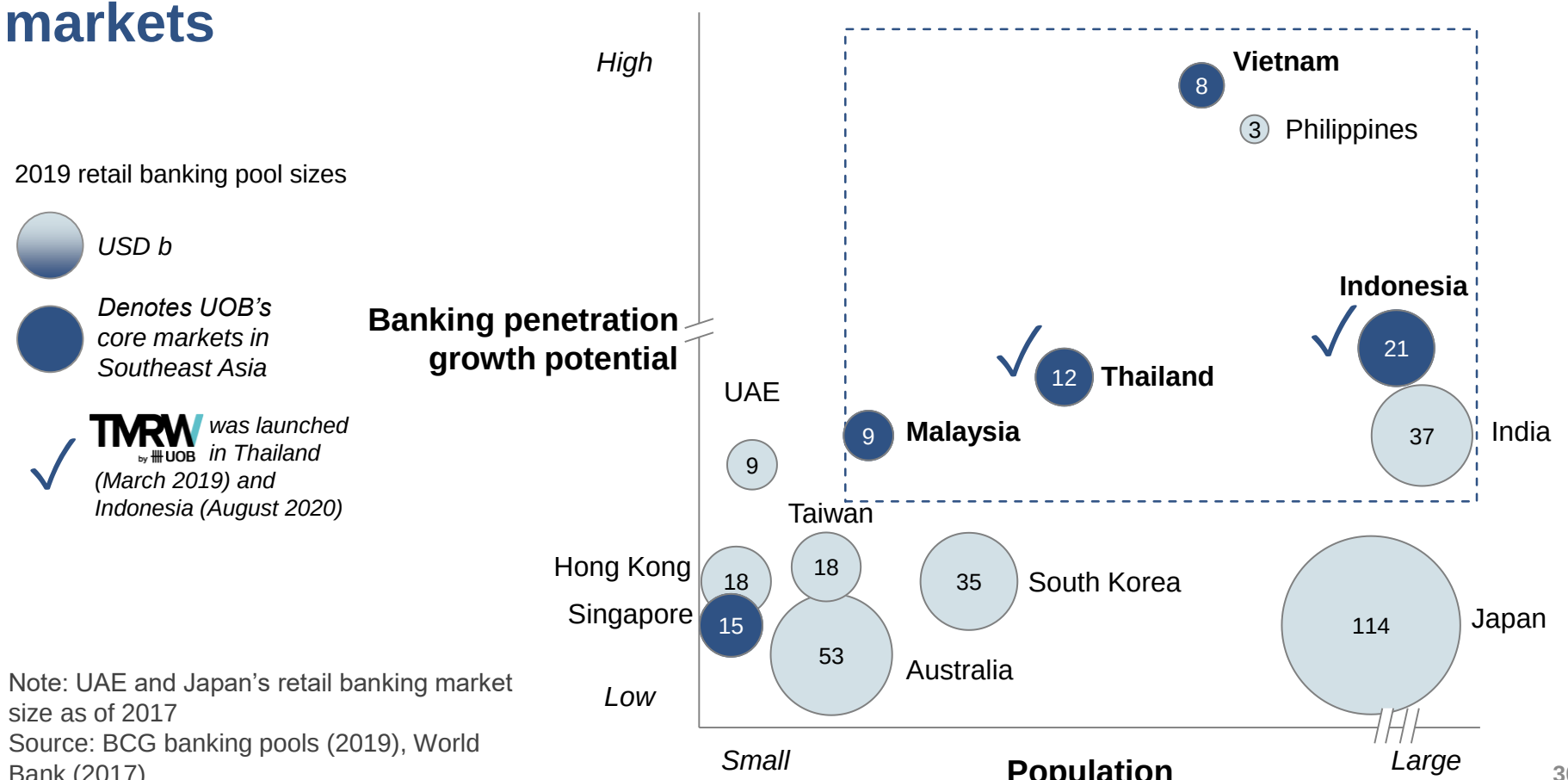
- Most diverse regional franchise among Singapore banks
- Full effective control of regional subsidiaries and integrated platform



1. Gross domestic product 2. Comprises exports and imports 3. Foreign direct investments

Source: Macrobond, UOB Global Economics and Markets Research

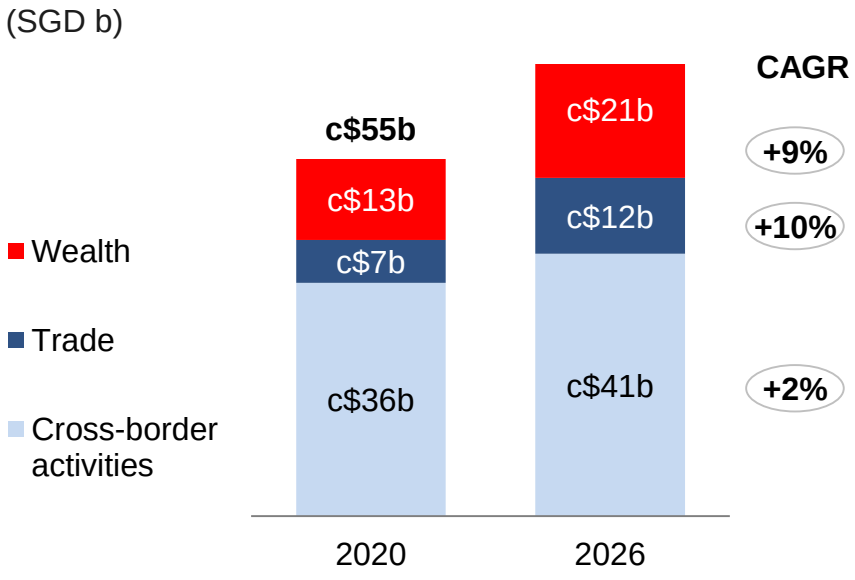
Strong retail presence in high potential regional markets



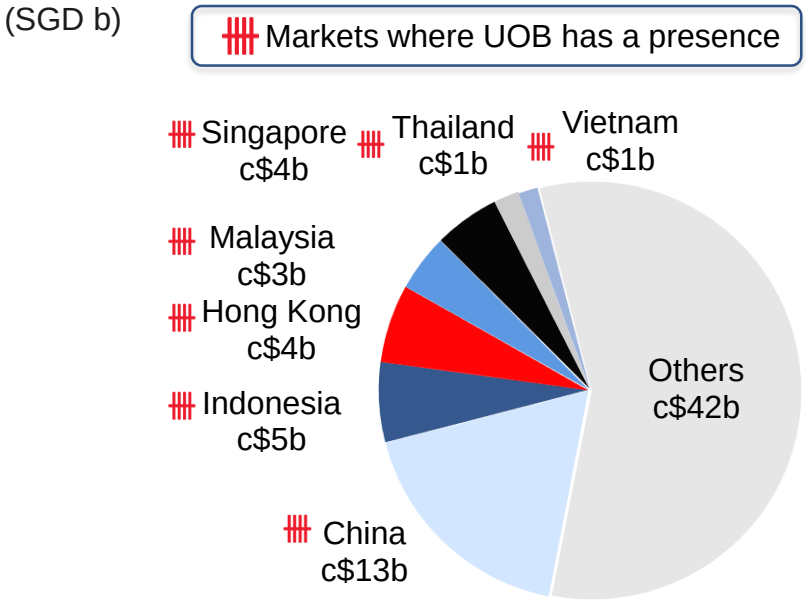
Note: UAE and Japan's retail banking market size as of 2017
Source: BCG banking pools (2019), World Bank (2017)

Revenue potential from ‘connecting the dots’ in the region

Industry’s potential connectivity revenue



Industry’s potential connectivity revenue (2026)



Note: ‘*Trade’* and ‘*cross-border activities*’ capture both inbound and outbound flows of Southeast Asia, with ‘*trade*’ comprising exports and imports while ‘*cross-border activities*’ comprising foreign direct investments and M&A. ‘*Wealth*’ captures offshore and onshore assets booked in Singapore as a wealth hub. Incorporating BCG analysis, these are converted into banking revenue potential

Source: Boston Consulting Group’s analysis, Boston Consulting Group Global Banking Revenue pool

Wholesale: Growing regional franchise, capturing cross-border opportunities

Strengthening Connectivity

Across our ASEAN footprint and global network

Sector Specialisation

Building capabilities for greater diversification and risk mitigation

Deepening Digitalisation

For secure and efficient transactions

+13%[1]
Cross-border income growth (formed 29%[2] of Group Wholesale Banking income)

+69%[2]
Suppliers and distributors within Financial Supply Chain Management (FSCM) solution

+8%[3]
Loan-related fees

+25%[3]
Global Financial Institutions Group income

+56%[3,4]
Cashless payments to businesses in the region

+10%[3,5]
Digital banking transactions by businesses across the Group

1. Year on year growth for YTD May '22. 2. As of YTD May '22. 3. Year on year growth in 1H22. 4. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 5. Refers to digital banking transactions via UOB Infinity/BIBPlus.

Consumers: Tapping on rising affluence and growing digitalisation in Southeast Asia

Driving Digital Adoption

Scale UOB TMRW across ASEAN, reduce cost to serve and deepen engagement to drive customer lifetime value

~500k

New customers to be digitally acquired across the region by UOB TMRW by end of 2022

~S$3b[1]

Deposits from digitally-acquired customers in the region

Ecosystem Partnerships

Embed partnerships and alternative data to digitally acquire at low cost, retain and reward customers

>80

Ecosystem partnerships in ASEAN to drive customer acquisition and loyalty

27%[2]

Digitally acquired customers from partnership referrals

Omni-channel Offerings

Digitalise customer experience and processes; repurpose branches for more advisory needs

S$138b[2,3]

Assets under management (AUM)[4]
▲ 1% YoY

>S$9b[2]

New mortgage sales in Singapore and across the region

1. In Singapore, Malaysia, Thailand and Indonesia. 2. As at 1H22. 3. Of which 57% are from customers overseas. 4. Refers to Privilege Banking, Privilege Reserve and Private Bank.

Forging a sustainable future with our customers in ASEAN

Sustainable financing

Sustainable growth in priority sectors driving ASEAN progress and integrating sustainability into wealth management products and advisory framework

S$21b[1]
Total sustainability financing portfolio[2]

S$11.7b[3]
Total AUM in ESG-focused investments

Delivering tangible impact

Making an impact beyond financial targets

>269k tCO_2-e
Contribution to annual avoided greenhouse gas emissions

Issued first sustainability bond allocation and impact report

Supporting businesses

Helping SMEs to go green

S$2b
Green and sustainability-linked loans disbursed

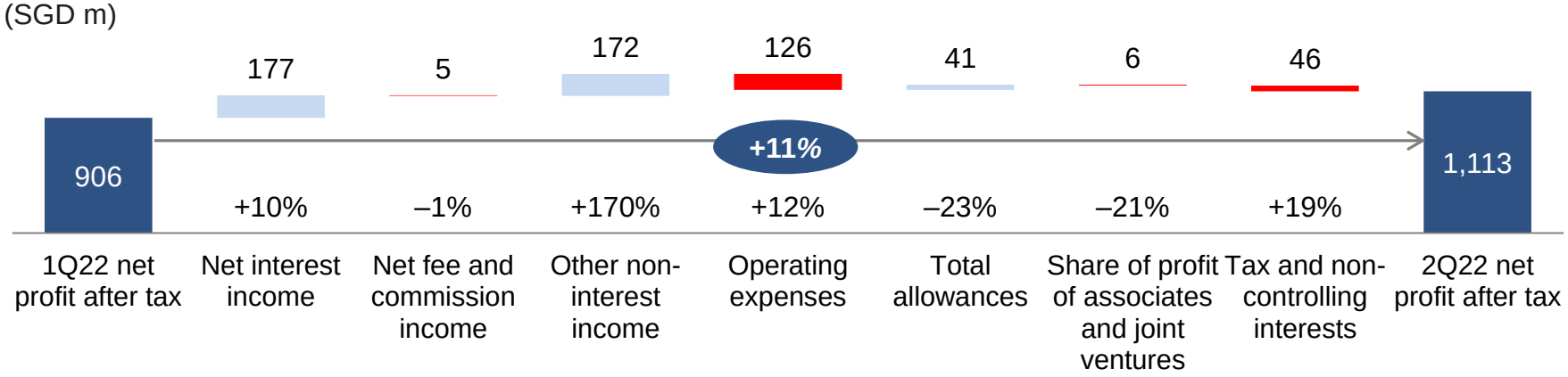
Launched Greentech Accelerator to help startups commercialise green solutions for SMEs

1. Compared to S$18b in 1Q22 2. Comprising green loans, sustainability-linked loans and loans for green certified buildings 3. Compared to S$13b in 1Q22

Latest Financials

2Q22 financial overview

Net Profit After Tax Movement, 2Q22 vs 1Q22



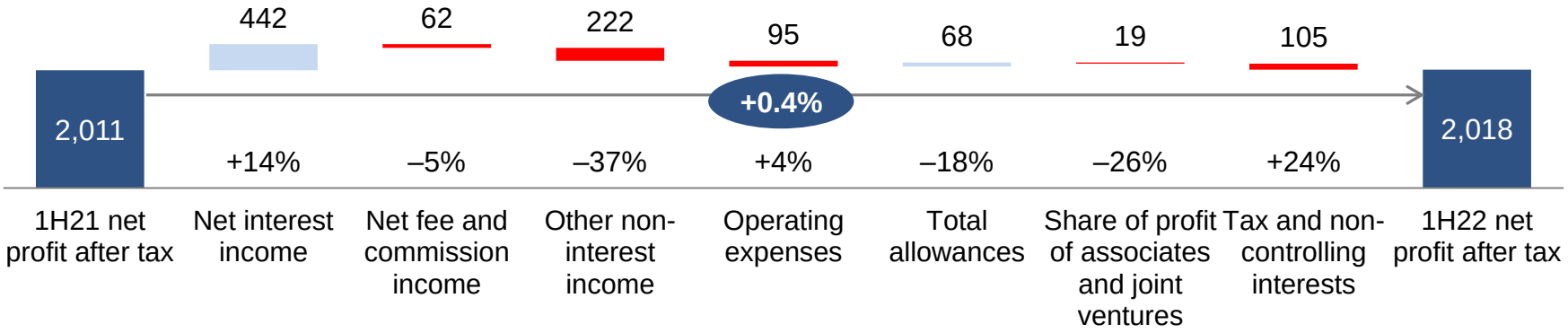
Key Indicators	2Q22	1Q22	QoQ Change	2Q21	YoY Change
Net interest margin (%) [1]	1.67	1.58	+0.09% pt	1.56	+0.11% pt
Non-interest income / Income (%)	31.1	28.5	+2.6% pt	34.7	–3.6% pt
Cost / Income ratio (%)	43.8	44.8	–1.0% pt	43.7	+0.1% pt
Return on equity (%) [1, 2]	11.0	8.8	+2.2% pt	10.1	+0.9% pt

1. Computed on an annualised basis
2. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

1H22 financial overview

Net Profit After Tax Movement, 1H22 vs 1H21

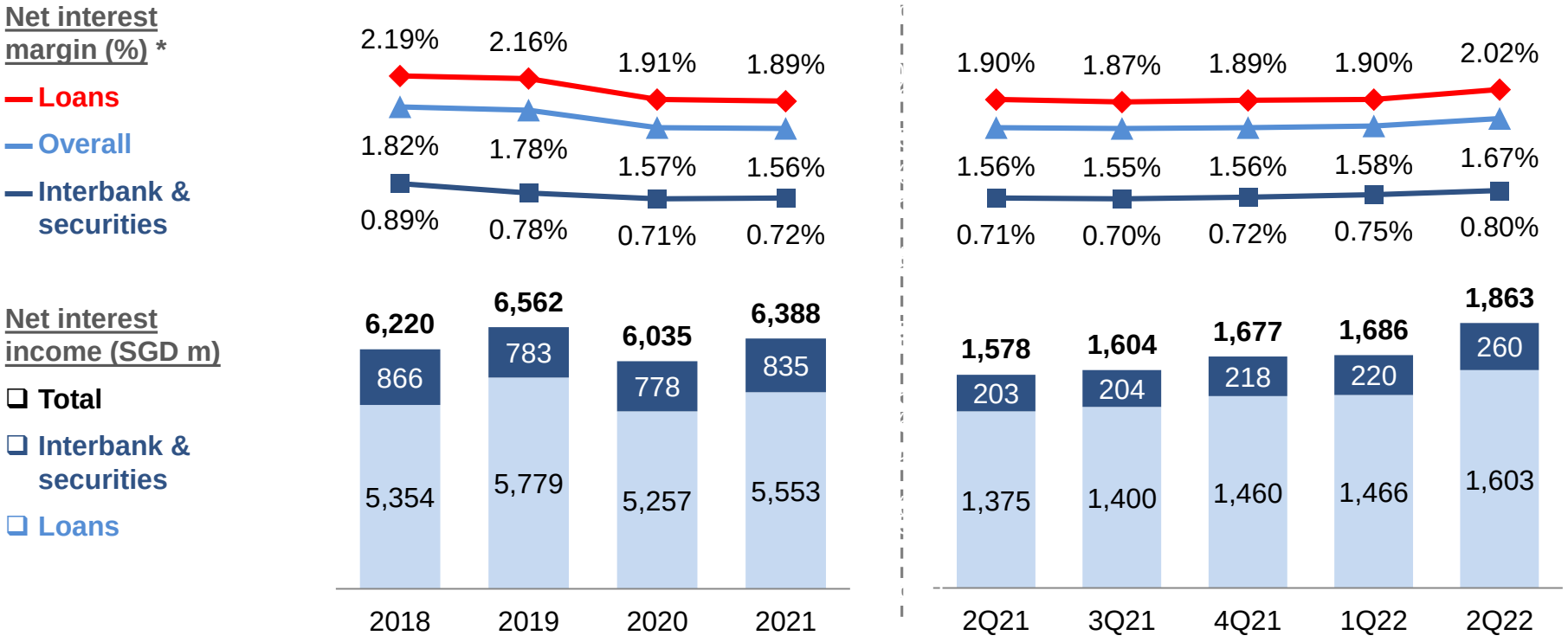
(SGD m)



Key Indicators	1H22	1H21	YoY Change
Net interest margin (%) [1]	1.63	1.56	+0.07% pt
Non-interest income / Income (%)	29.9	36.6	–6.7% pt
Cost / Income ratio (%)	44.3	43.8	+0.5% pt
Return on equity (%) [1, 2]	9.9	10.1	–0.2% pt

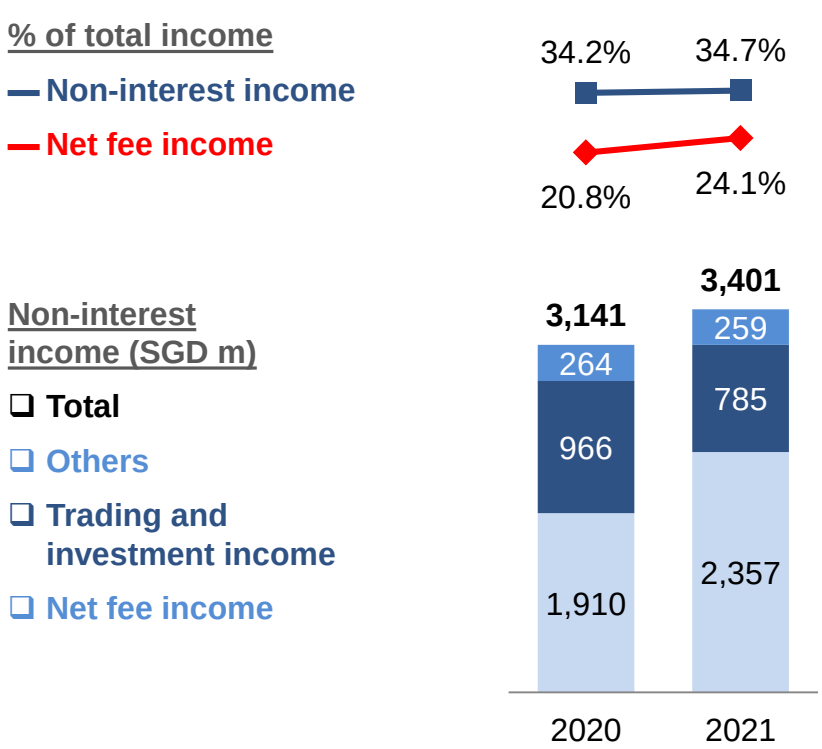
1. Computed on an annualised basis
2. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

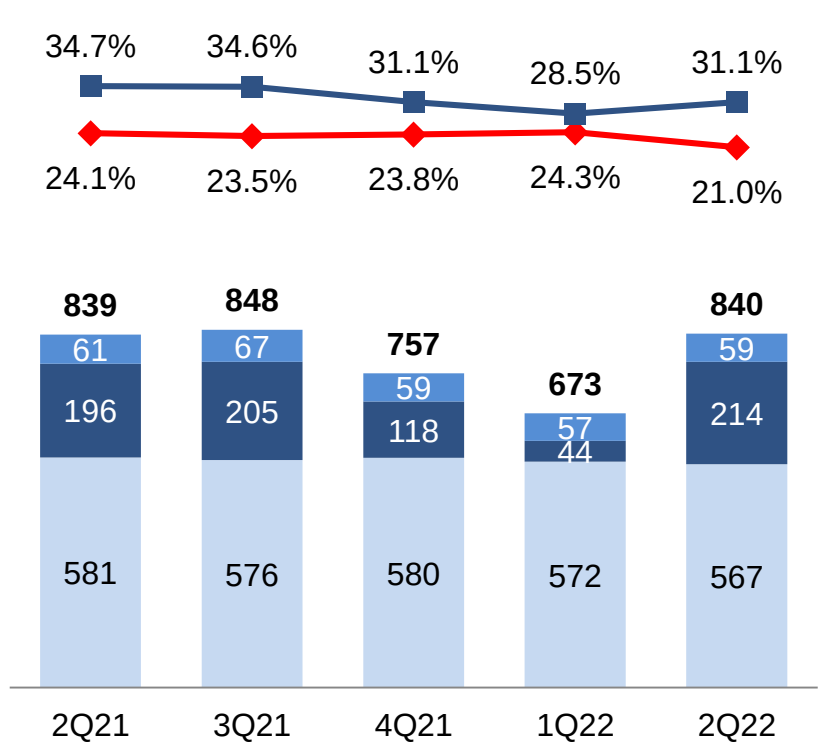
Net interest margin improved alongside rising interest rates and steady loan growth



* Computed on an annualised basis, where applicable

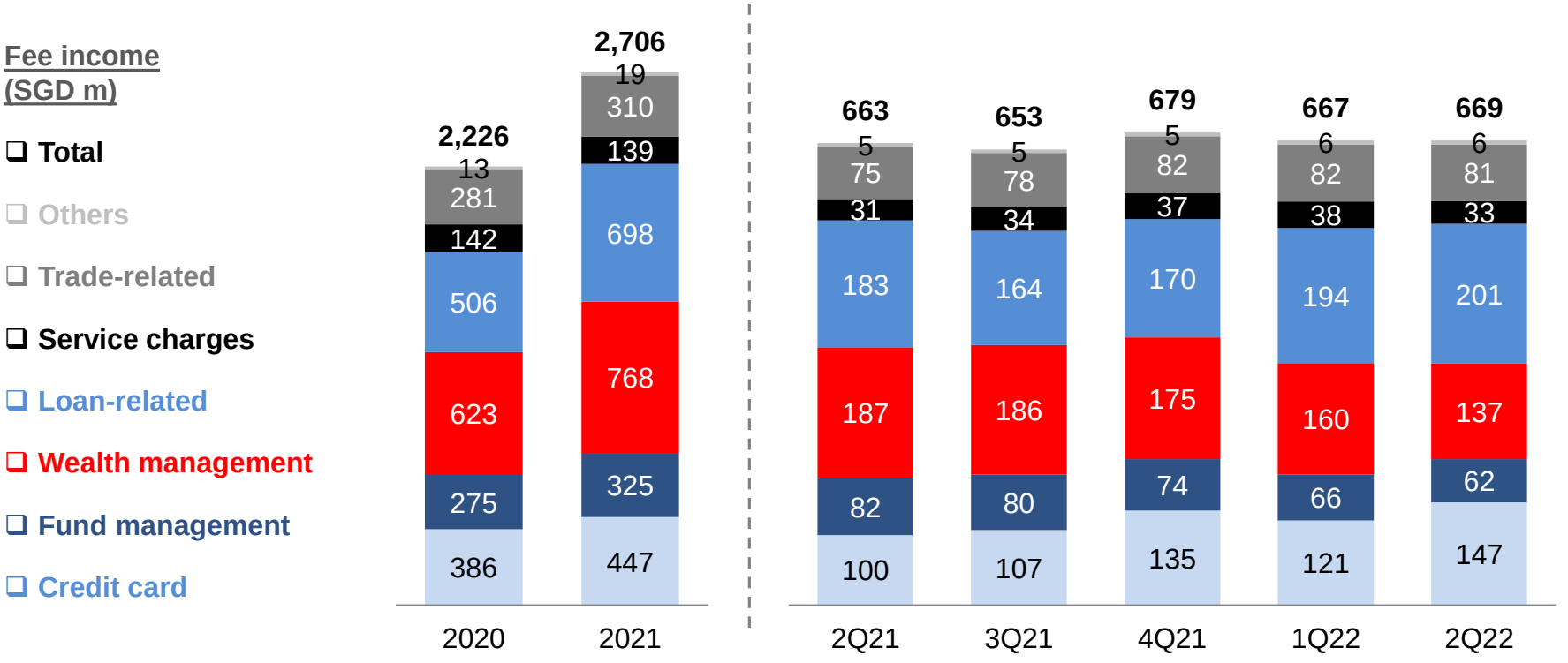
Non-interest income supported by diversified revenue engines





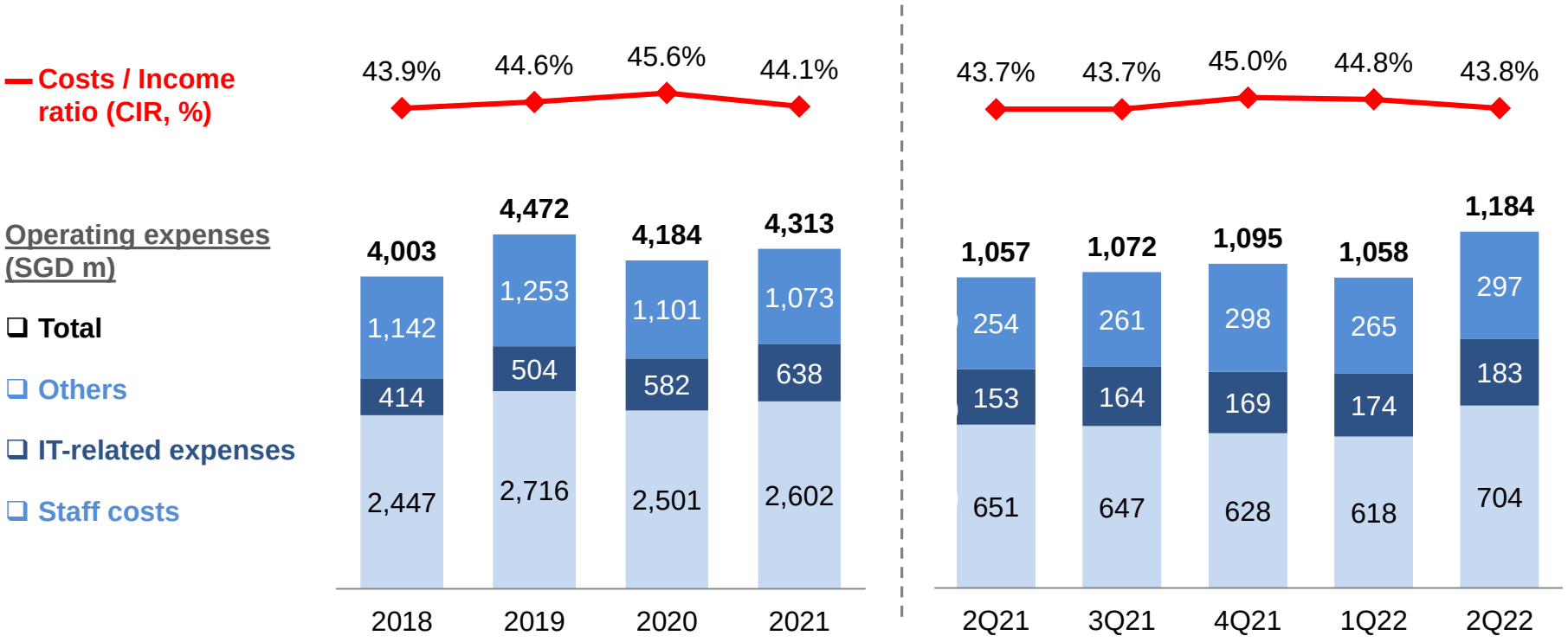
Note: Fee income has been restated where the amounts are net of expenses directly attributable to fee income

Loan-related and credit card fees at new high; wealth fees slowed on dampened market sentiment



Note: The amounts represent fee income on a gross basis

Stable CIR as we pace investments in staff and technology



Note: Expenses have been restated where the amounts no longer include expenses directly attributable to fee income

Steady growth across Singapore and North Asia franchise

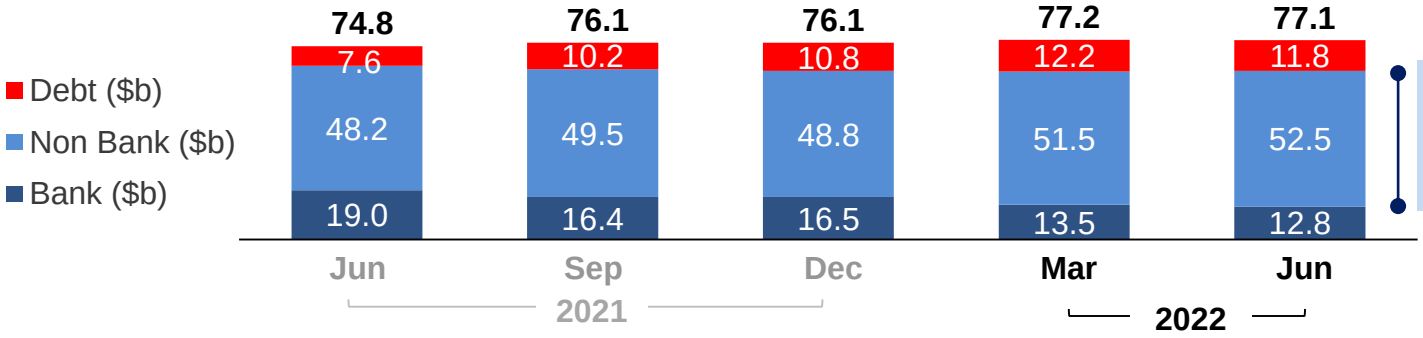
Operating profit	1H22 SGD m	1H21 SGD m	YoY +/(–) %	2Q22 SGD m	1Q22 SGD m	QoQ +/(–) %
Singapore	1,542	1,422	+9	845	697	+21
Rest of Southeast Asia	638	678	–6	318	320	–1
Malaysia	*333*	*355*	*–6*	*162*	*171*	*–6*
Thailand	*193*	*201*	*–4*	*93*	*100*	*–7*
Indonesia	*104*	*118*	*–11*	*59*	*45*	*+30*
Vietnam	*5*	*0*	*>100*	*3*	*3*	*+8*
Others	*2*	*3*	*–17*	*1*	*1*	*–15*
North Asia	320	298	+7	173	147	+18
Greater China	*295*	*280*	*+6*	*165*	*130*	*+27*
Others	*24*	*19*	*+30*	*8*	*16*	*–52*
Rest of the world	320	359	–11	183	137	+33
Total	**2,820**	**2,757**	**+2**	**1,519**	**1,301**	**+17**
Overseas contribution	**45%**	**48%**	**–3%pt**	**44%**	**46%**	**–2%pt**

Broad based growth across geographies

Gross Loans	Jun-22 SGD b	Mar-22 SGD b	QoQ +/(–) %	Jun-21 SGD b	YoY +/(–) %
Singapore	163	162	–	153	+7
Rest of Southeast Asia	64	64	+1	62	+4
Malaysia	*30*	*30*	*–*	*29*	*+2*
Thailand	*21*	*21*	*–2*	*20*	*+5*
Indonesia	*11*	*10*	*+8*	*11*	*+6*
Vietnam	*2*	*2*	*–5*	*2*	*+1*
Others	*1*	*1*	*–3*	*1*	*+36*
North Asia	56	56	–	51	+9
Greater China	*53*	*51*	*+2*	*48*	*+9*
Others	*4*	*5*	*–21*	*3*	*+14*
Rest of the world	38	38	+1	32	+18
Total	**322**	**320**	**+1**	**299**	**+8**

Note: Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)

Exposure to Greater China



- ~$3b in loans to Chinese developers (*1% of group loans & low borrower concentration*)

As at 30 Jun 2022:

Mainland China exposure

($24.8b or 5% of total assets)

Bank exposure ($8.2b)

- ~35% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~70% of total bank exposure
- 98% with <1 year tenor and mostly for trade, which accounts for ~50% of total bank exposure

Non-bank exposure ($12.6b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~60% denominated in RMB and ~55% with <1 year tenor
- NPL ratio at 0.5%

Hong Kong SAR exposure

($42.4b or 9% of total assets)

Bank exposure ($1.5b)

- ~60% are to foreign banks

Non-bank exposure ($35.6b)

- Exposure mainly to corporate and institutional clients
- ~55% with <1 year tenor
- NPL ratio at 2.1%, QoQ increase attributable to a major real estate client downgraded in 2Q22

Note: Classification is according to where credit risks reside, largely represented by the borrower's country of incorporation/ operation for non-individuals and residence for individuals.

Exposure to Commodities

Jun 22	Oil and Gas (O&G)		Other Commodity Segments[2]	Total
	Upstream industries	Traders / downstream industries[1]		
Outstanding loans	S$2.5b	S$9.0b	S$10.3b	S$21.8b
% of total loans	4%		3%	7%

As of 30 June 2022, outstanding loans to commodities remain modest and represented 7% of total loans. In particular, outstanding O&G loans represented 4% of total loans as compared to 5% as at 30 June 2018.

Outstanding O&G exposure is to downstream players and traders which are mainly national oil companies (NOCs) and global firms, while short-term structured loans account for a significant share of the remainder.

A considerable portion of upstream exposure is to NOCs and international oil companies, while vulnerable accounts were already classified and their collateral value marked down (by as much as 90%) by end 2017.

Note:
(1) O&G upstream industries include offshore service companies.
(2) Other commodity segments refer to agribusiness, metals and mining.

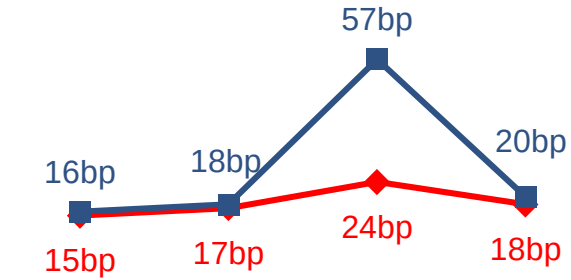
New NPA formation rose due to a major but non-systemic corporate account; NPL ratio stable

(SGD m)	2Q21	3Q21	4Q21	1Q22	2Q22
NPAs at start of period	**4,544**	**4,547**	**4,772**	**5,077**	**5,289**
Non-individuals:					
New NPAs	360	251	670	462	661
Upgrades and recoveries	(158)	(73)	(172)	(207)	(363)
Write-offs	(202)	(42)	(205)	(36)	(123)
	4,544	4,683	5,065	5,296	5,464
Individuals (Net)	3	89	12	(7)	(42)
NPAs at end of period	**4,547**	**4,772**	**5,077**	**5,289**	**5,422**
NPL ratio (%)	**1.5%**	**1.5%**	**1.6%**	**1.6%**	**1.7%**

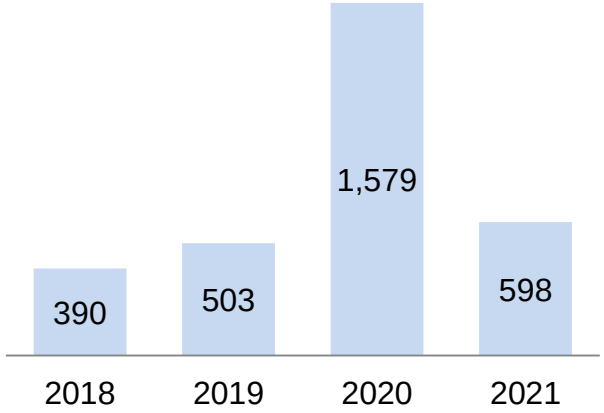
Steady credit costs as asset quality remains benign

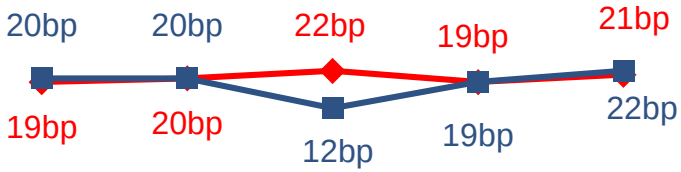
Average Gross Loans (basis points) *

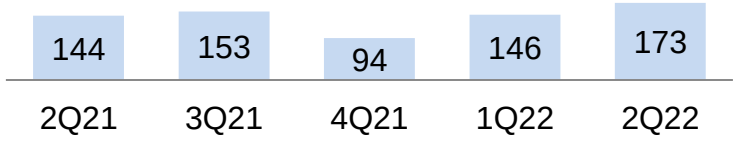
- **Allowances for NPLs**
- **Total allowances for loans**



Total allowances for loans (SGD m)







* Computed on an annualised basis, where applicable

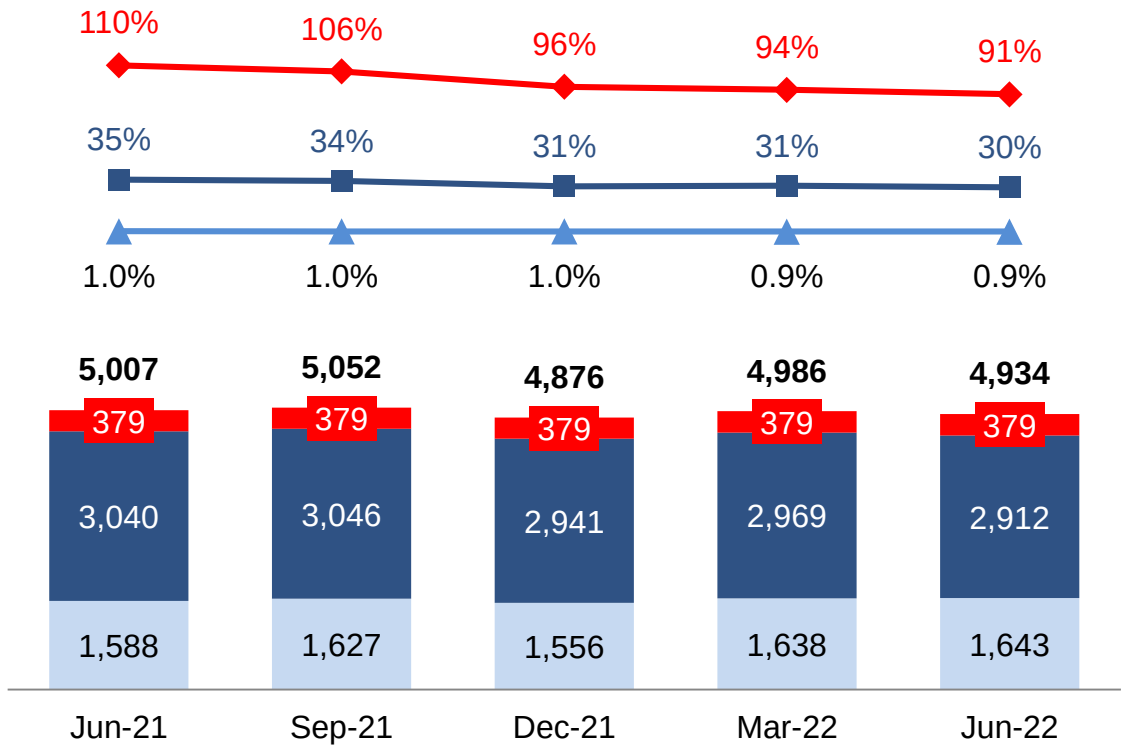
Allowances sufficient amid ongoing macro uncertainties

Coverage ratios (%)

- **Total allowances* / NPAs**
- **Specific allowances / NPAs**
- **General allowance on loans* / performing loans (%)**

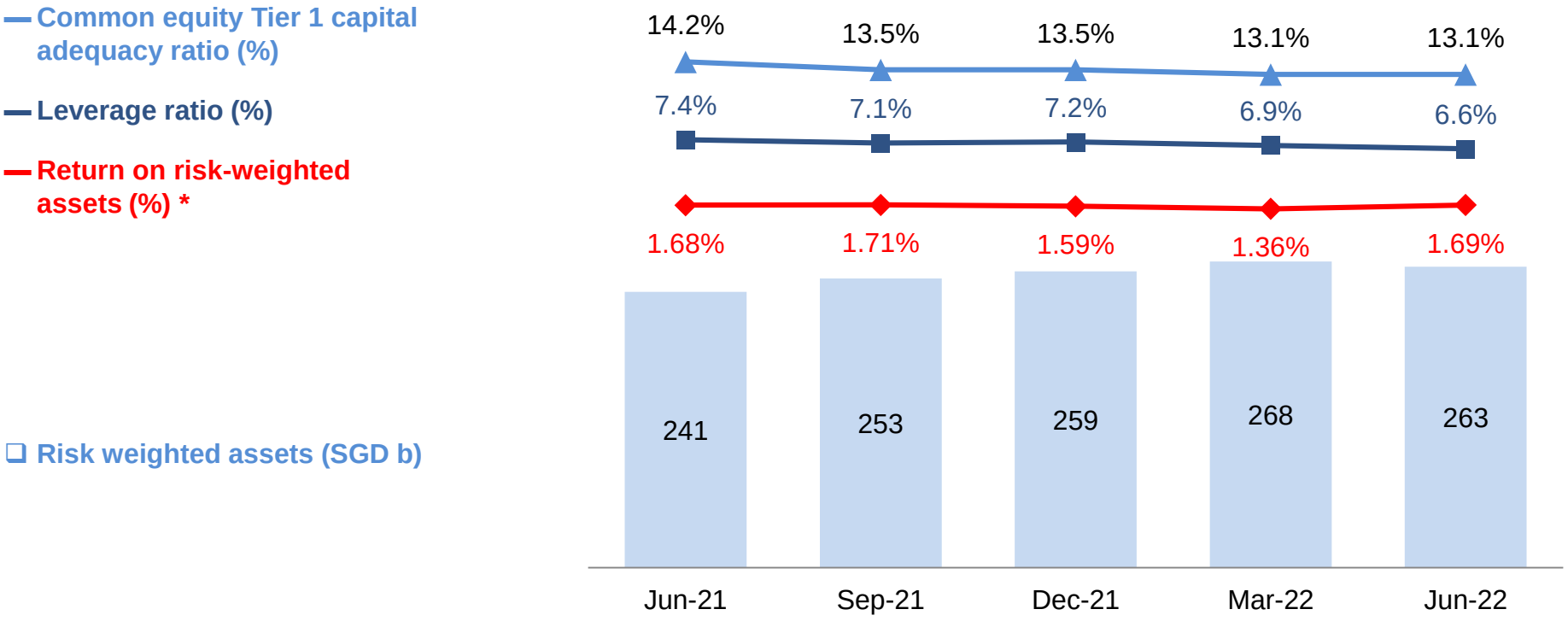
Allowances (SGD m)

- ❑ **Total**
- ❑ **Regulatory loss allowance reserve**
- ❑ **Specific allowance**
- ❑ **General allowance**



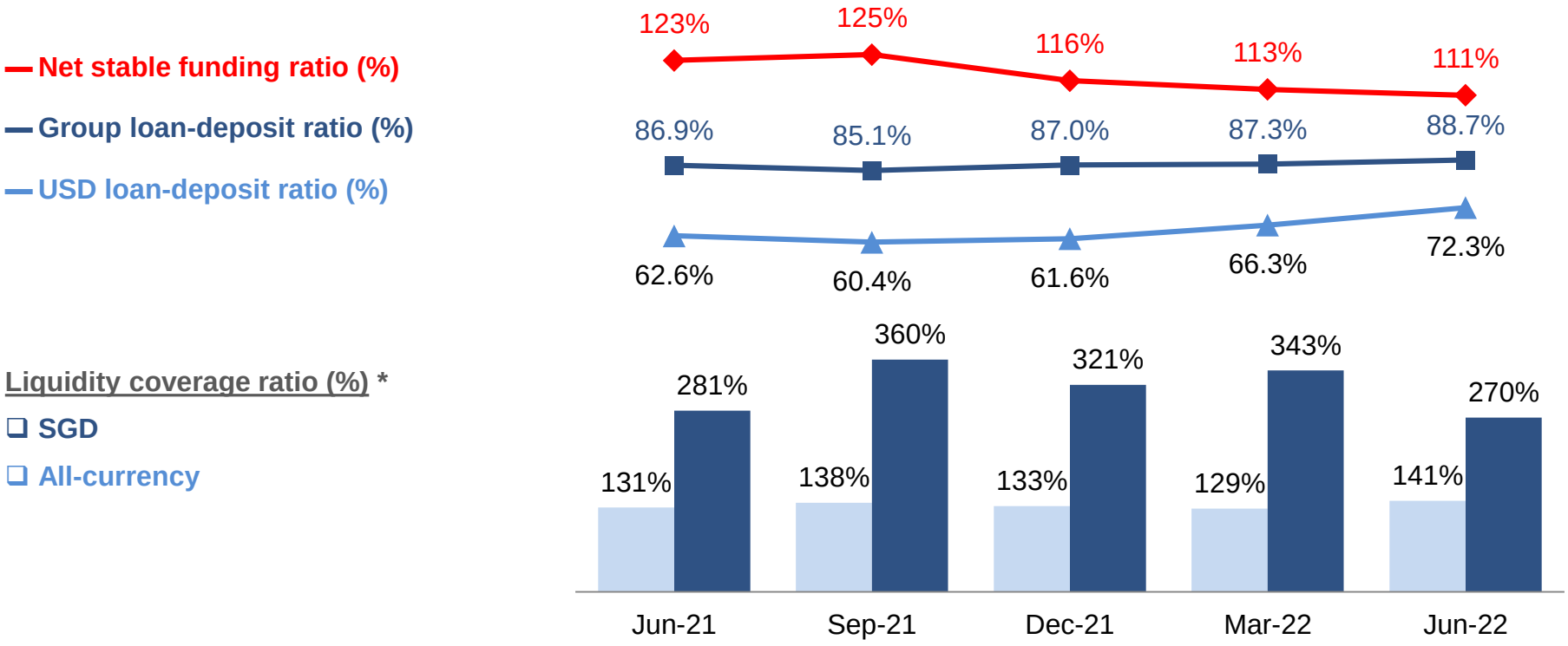
* Total allowances include regulatory loss allowance reserve pursuant to MAS Notice No. 612

Capital and leverage ratios



* Computed on an annualised basis

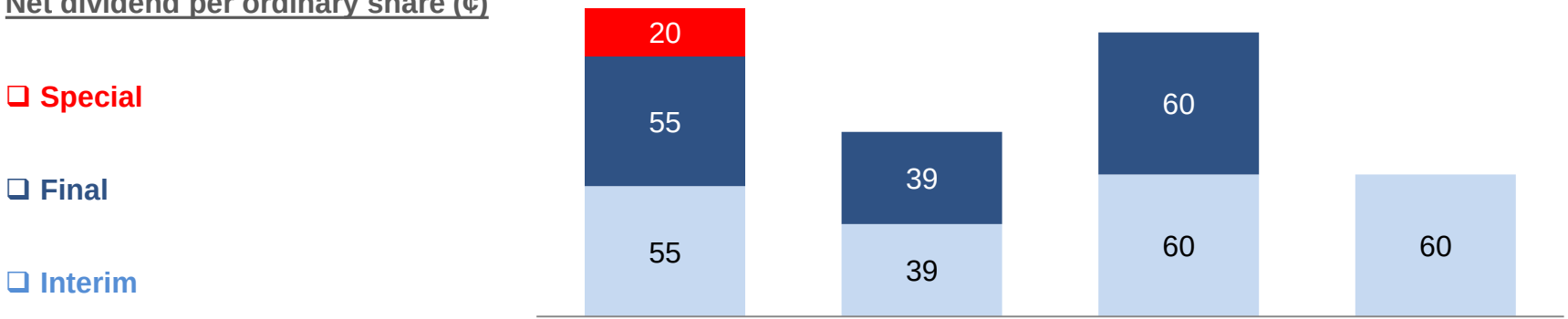
Sound funding and liquidity positions



* Computed on a quarterly average basis

Dividends in line with stable earnings and strong capital position

Net dividend per ordinary share (¢)



	2019	2020	2021	2022
Payout amount (SGD m)	2,171	1,304	2,011	1,005
Payout ratio (%)	50	45[1]	49	50
Payout ratio (excluding special dividends) (%)	42	45[1]	49	50

1. FY20 dividends were in line with Monetary Authority of Singapore's call for banks to cap dividends at 60% of 2019 dividends.

Note: The Scrip Dividend Scheme was applied to all the dividends for the financial years ended 2020

The Scheme provides shareholders with the option to receive Shares in lieu of the cash amount of any dividend declared on their holding of Shares. For more details, please refer to www.uobgroup.com/investor-relations/shares-and-dividends/dividends.html

Thank You

