

SIAS Corporate Connect Webinar

Record Profit Supported By Growth in Core Franchise

March 2023

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Agenda

1. Overview of UOB Group
2. Our Growth Drivers
3. Consistent Track Record
4. Summary
5. Q&A

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 FY22

- Gross loans : SGD320b (USD238b[1])
- Customer deposits : SGD369b (USD274b[1])
- Loan / Deposit ratio : 85.6%
- Net stable funding ratio : 116%
- All-currency liquidity coverage ratio : 147%[2]
- Common Equity Tier 1 ratio : 13.3%
- Leverage ratio : 6.6%
- Return on equity [3 4] : 11.9%
- Return on assets [4] : 0.99%
- Net interest margin : 1.86%
- Non-interest income / Total income : 27.9%
- Cost / Income [4] : 43.3%
- Non-performing loan ratio : 1.6%
- 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 31 December 2022

1. USD 1 = SGD 1.344 as at 31 December 2022
2. Average for 4Q22
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions
4. Excluding one-off expenses

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 2022

Best Retail Bank[1], 2022

Best SME Bank[2], 2022

EUROMONEY AWARDS FOR EXCELLENCE SINGAPORE BEST BANK 2022

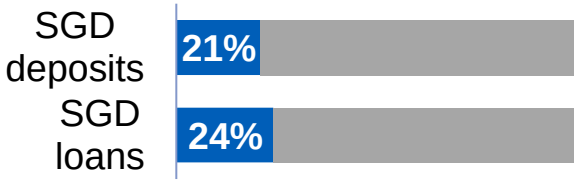
Best Bank[1], 2022

ASIAN BANKING & FINANCE RETAIL BANKING AWARDS 2022

Domestic Retail Bank of the Year[1], 2022

Source: Company reports
1. In Singapore 2. In Singapore and Asia Pacific

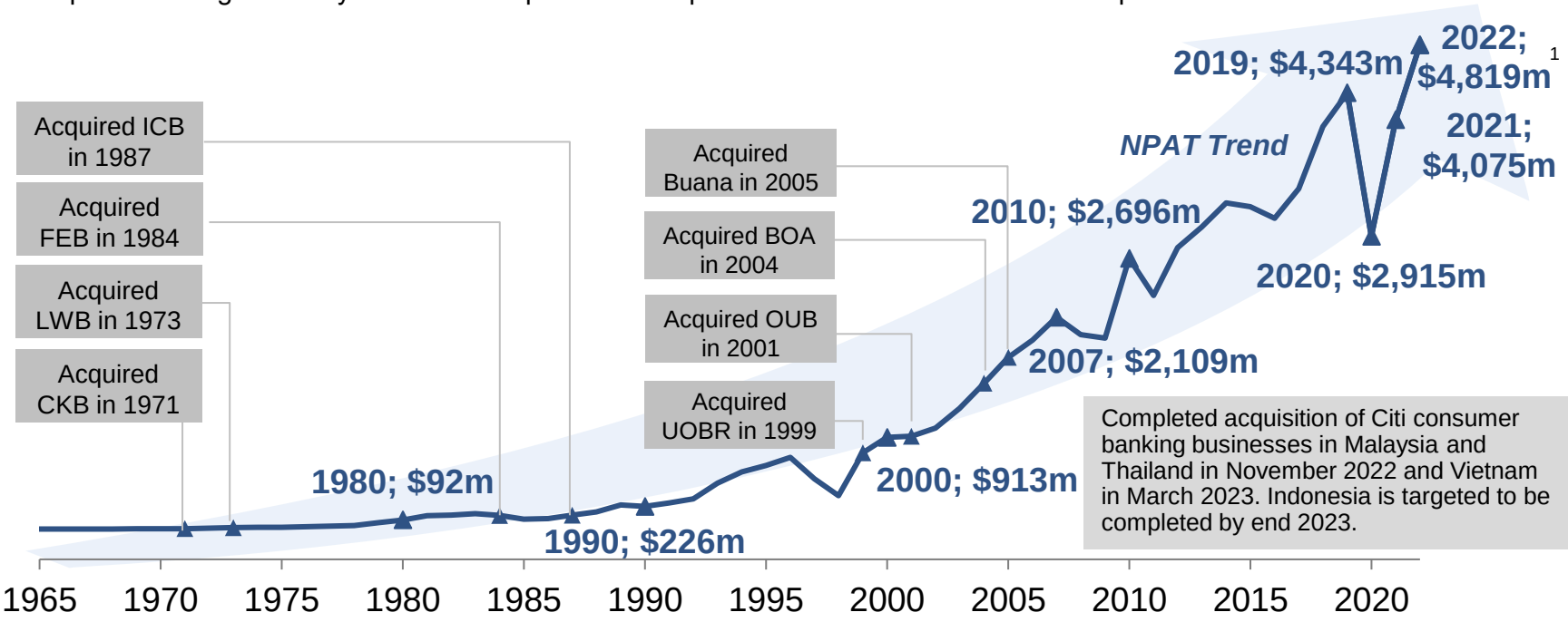
Sizeable domestic market share



Source: UOB, MAS (data as of 31 Dec 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



Completed acquisition of Citi consumer banking businesses in Malaysia and Thailand in November 2022 and Vietnam in March 2023. Indonesia is targeted to be completed by end 2023.

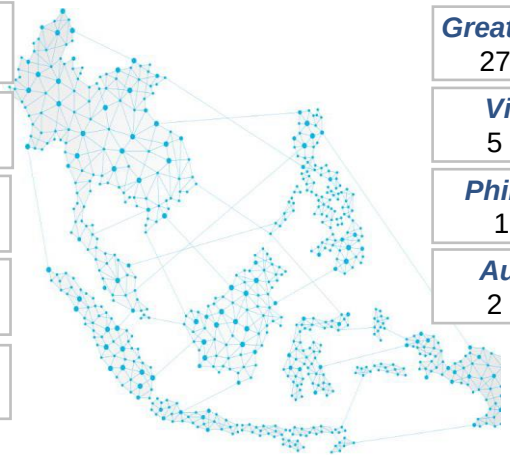
1. Excluding one-off expenses

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	***Greater China***[1] 27 offices
Thailand 153 offices	***Vietnam*** 5 offices
Malaysia 49 offices	***Philippines*** 1 office
Singapore 73 offices	***Australia*** 2 offices
Indonesia 176 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

FY22 performance by segment

Group retail

Operating profit
SGD2.1b[2]
+23% YoY

SGD154b[3]
Assets under management **+11% YoY**

AUM from overseas customers **60%**

Group wholesale banking

Operating profit
SGD4.7b
+27% YoY

28%[4]
Cross-border income to Group wholesale banking's income

1. Comprise Mainland China, Hong Kong SAR and Taiwan
2. Excluding one-off expenses
3. Refers to Privilege Banking, Privilege Reserve and Private Bank – including acquisition of Citigroup Malaysia and Thailand
4. As of Dec-2022

Our Growth Drivers

UOB's strategic priorities

Tap on rising regional affluence



- Acquire and serve customers via digital channels, with a focus on customer engagement
- Omni-channel approach to engage and serve customers as their needs become more sophisticated
- Ride on the rising consumer affluence opportunities in Asia with our holistic wealth management solutions

Capture cross-border opportunities



- Deep and entrenched Asian footprint enables UOB to capture regional trade and capital flows through our wholesale banking division
- Aim to be no 1 cross border trade bank in ASEAN

Forge a sustainable future



- Huge opportunities for green financing as urban cities embrace sustainable concepts and lifestyles
- Integrate sustainable concepts into wealth management products and advisory framework
- Committed to achieve net zero carbon emissions by 2050, via a just and orderly transition

Well-timed transformational Citigroup deal, generating higher risk-weighted returns

Financial impact so far



Positive boost to income drivers

~10bps
lift in NIM

~20%
growth in card fees



Costs[1] in tandem with income

Mid-40%
CIR



Asset quality stable

Mid-single digit
credit costs

Our 2026 Promise

- **Group to remain well capitalised**
- **ROE > 13%**
- **RoRWA > 2%**
- **Maintain dividend payout ratio of 50%**

1. Excluding one-off expenses

Integration progress

- Completed the acquisition of Citigroup's consumer portfolio in Malaysia and Thailand on 1 Nov 2022, and Vietnam on 1 Mar 2023
- Indonesia to come onboard by end of 2023

Well-positioned to compete with a larger consumer banking franchise

- Business momentum sustained and profit accretive
- ASEAN-4 income mix closer to 30% mark

Income and ASEAN franchise augmented by Citi

UOB

Accelerate growth in customer base

+1.3m
net customers addition from Citi Malaysia and Thailand

Digitally-enabled customers

>80%
of customers have either mobile or internet banking

Strong cards player in region

2x
Citi customers' average spend per credit card vs industry

Augment wealth franchise

~20%
Lift from Citi on assets under management in Malaysia and Thailand

Stronger regional contribution

ASEAN-4 mix of Group income (%)

Pre-Acquisition[1]		Post-Acquisition[1]
25	+ 4% pt ↑	29

1. In November and December 2022

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

Driving Digital Adoption

Scale UOB TMRW across ASEAN to digitally acquire at low cost

~7m
Retail customers
>70% are digitally enabled

>800k
New-to-bank customers
55% are digitally acquired

Ecosystem Partnerships

Leverage combined regional franchise in growing the number of multi-markets partnerships to drive customer engagement and lifetime value

30
Strategic multi-markets partnerships, amongst >1,000 in-country partnerships

+25%
Year on year growth in credit card fees

Omni-channel Offerings

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

S$154b[1,2]
Assets under management (AUM)
▲11% YoY

3x
Higher average revenue generation by omni-channel vs traditional customers

1. Of which 60% are from customers overseas. 2. Refers to Privilege Banking, Privilege Reserve and Private Bank.

Wholesale: Growing regional franchise, capturing cross-border opportunities

Strengthening Connectivity

Across our ASEAN footprint and global network

+12%[1]
Cross-border income growth (formed 28%[2] of Group Wholesale Banking income)

+31%[2]
Suppliers and distributors within Financial Supply Chain Management (FSCM) solution

Sector Specialisation

Building capabilities for greater diversification and risk mitigation

+21%[1]
Income from Real Estate & Hospitality Sectors

+25%[1]
Global Financial Institutions Group income

Deepening Digitalisation

For secure and efficient transactions

+85%[1,3]
Cashless payments to businesses in the region

+13%[1,4]
Digital banking transactions by businesses across the Group

1. Year on year growth in 2022 2. As of YTD Nov '22. 3. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 4. Refers to digital banking transactions via UOB Infinity/BIBPlus.

Championing sustainability with ecosystem partners

Net-zero Commitment

Ensuring just and orderly transition



Work closely with our customers to assist them with their transition journeys, **balancing growth with social responsibility**



Maintained operational carbon neutrality across our operations **in 2022**

Sustainable Financing

Sustainable growth in priority sectors driving ASEAN progress



SGD25b

Total sustainability financing[1] provided to date at end-2021



Launched **UOB Sustainability Compass,** a tool to help SMEs identify steps that they can take to go green in their businesses

Responsible Investment

Integrate sustainability into wealth management products and advisory framework



SGD10b

Total AUM in ESG-focused investments at end-2022

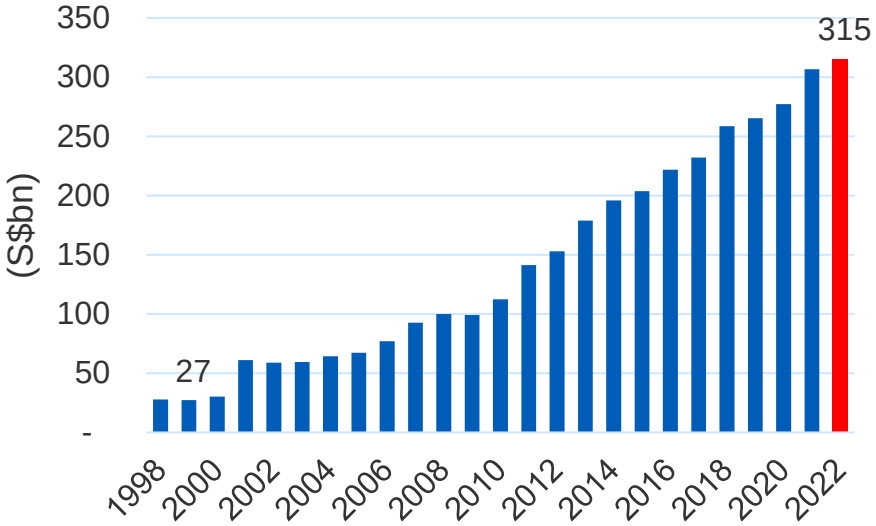
1. Comprise green loans, sustainability-linked loans, loans for green certified buildings and sustainable trade finance

Consistent Track Record

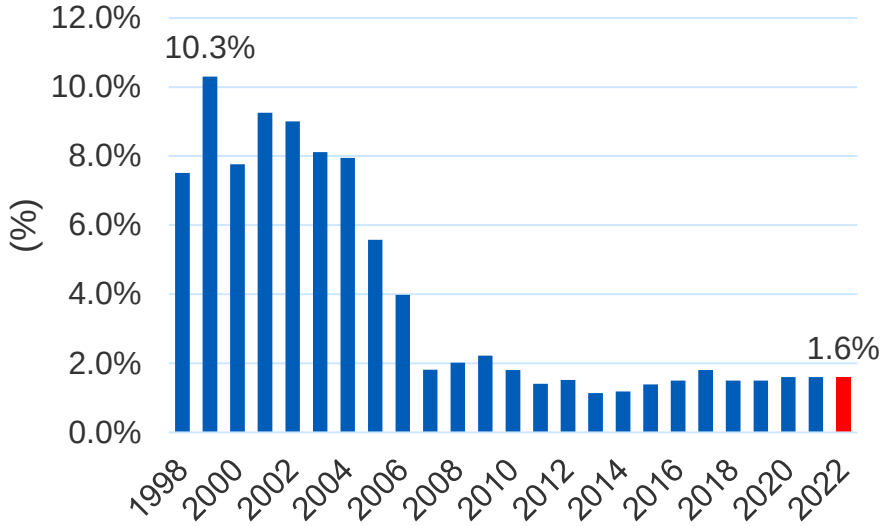
Growing loans without compromising asset quality

Loan book up >10x in 20 years with asset quality staying well managed despite macro challenges

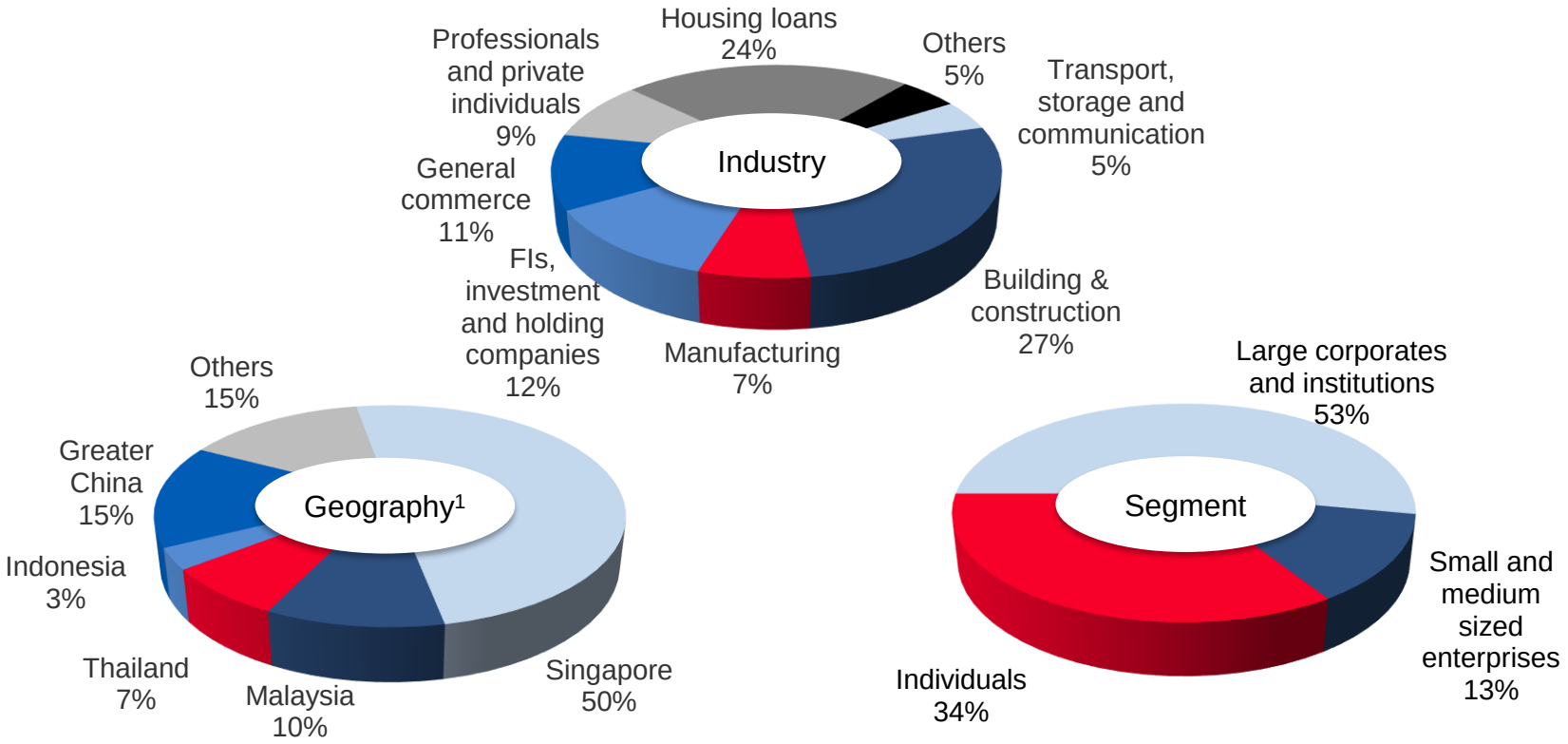
Net loans



Non-performing loans ratio



Diversified loan portfolio

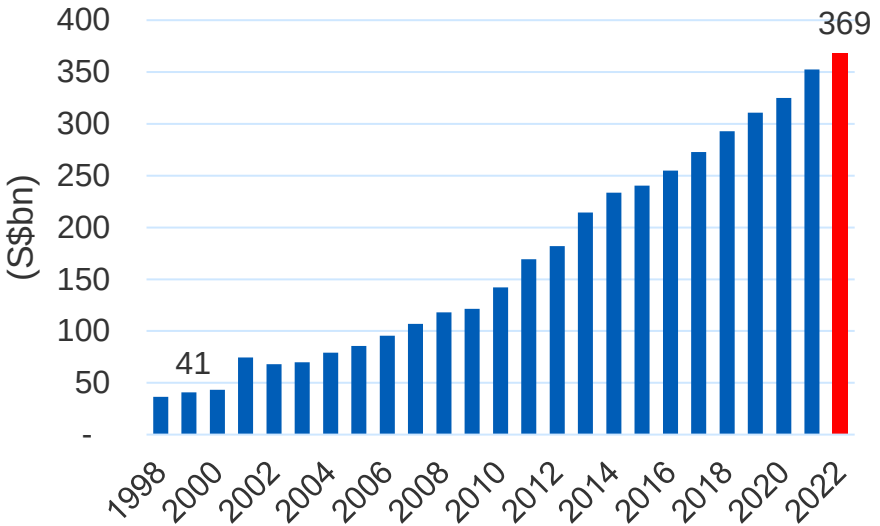


1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)

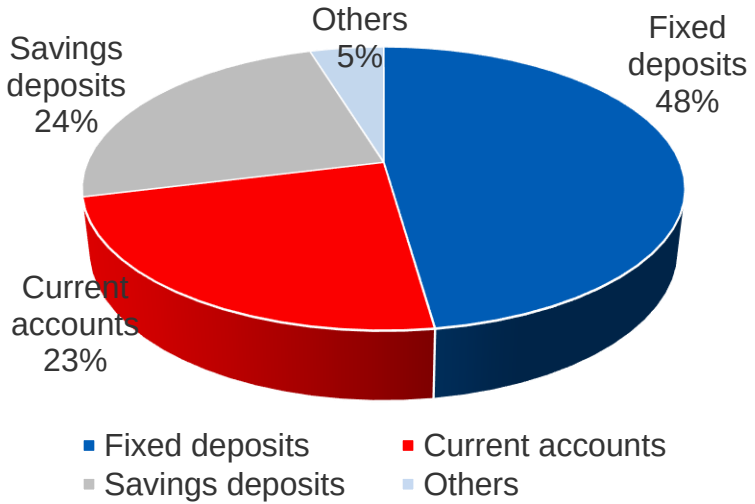
Note: Financial statistics as at 31 December 2022

Business largely funded by customer deposits

Customer deposits



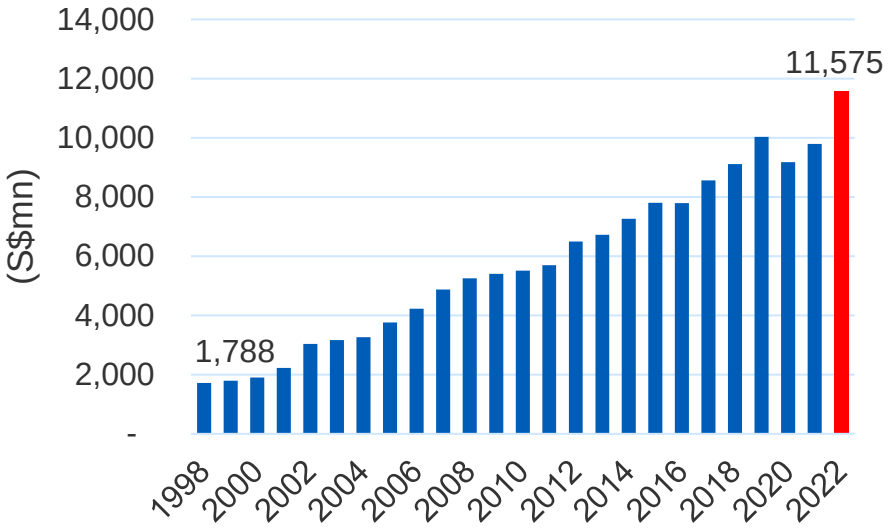
Customer deposit mix



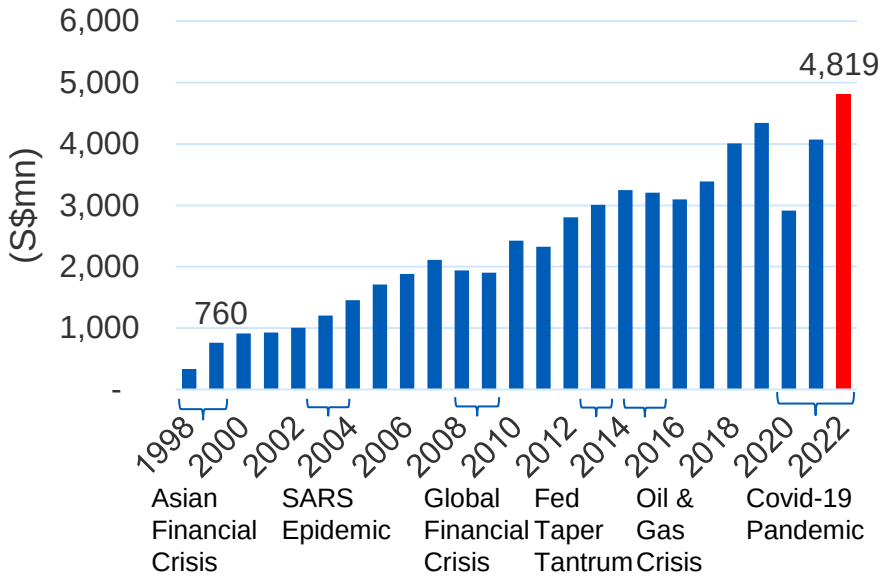
Consistently delivering profits over the years

UOB has remained profitable over various economic cycles

Total income

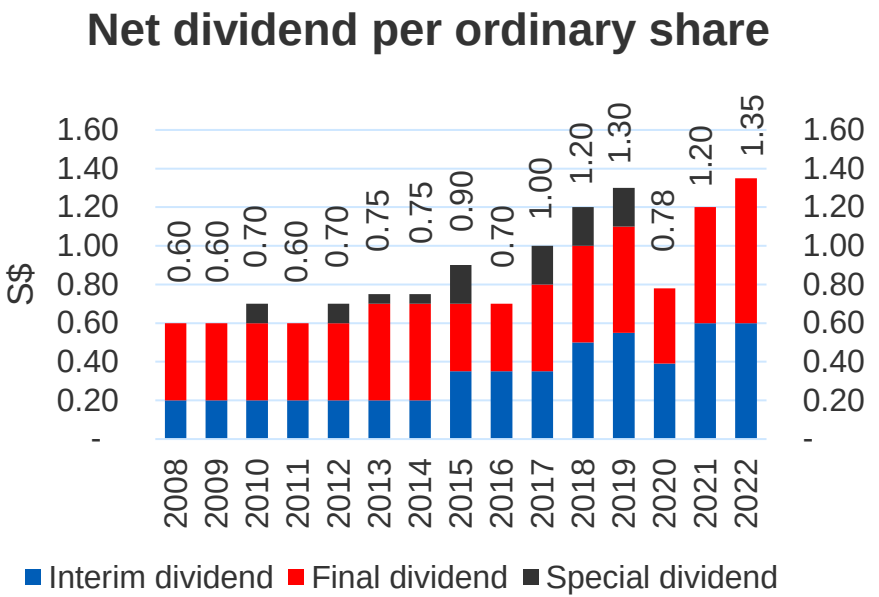


Net profit after tax[1]



1. Excluding one-off expenses

Dividends in line with higher earnings



- Dividend per share (DPS) has increased significantly over the years
- Shareholders can expect higher DPS as earnings improve
- Comfortable with paying out ~50% of core profits as dividends given that capital position and earnings are expected to stay resilient

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

Summary

Why UOB?

Stable management



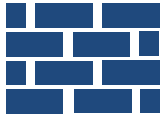
- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

Integrated regional platform



- 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

Strong fundamentals



- 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

Balance growth with stability



- 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

Questions & Answers



Right By You