

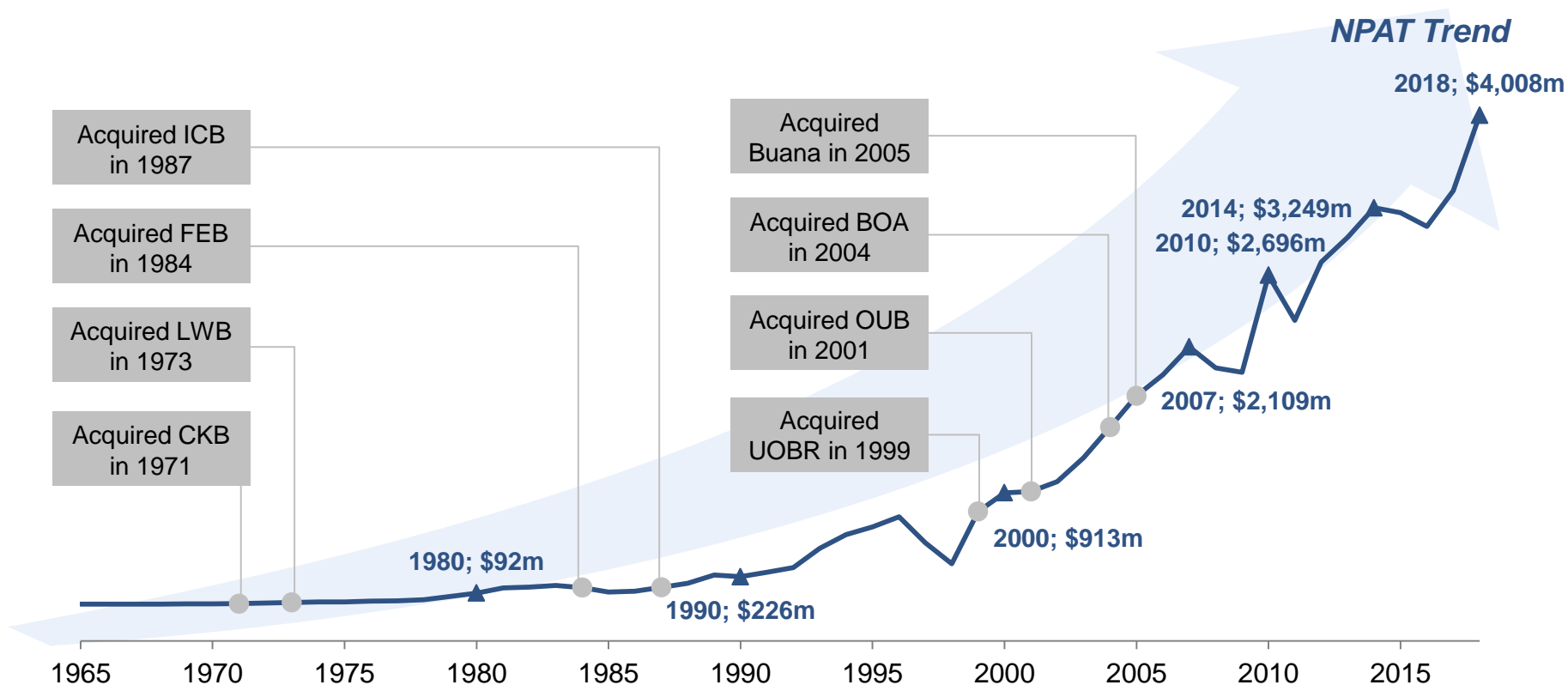
# Corporate Connect Seminar UOB Group

Riding on Southeast Asia's Long-term Growth Potential

18 April 2019

# 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

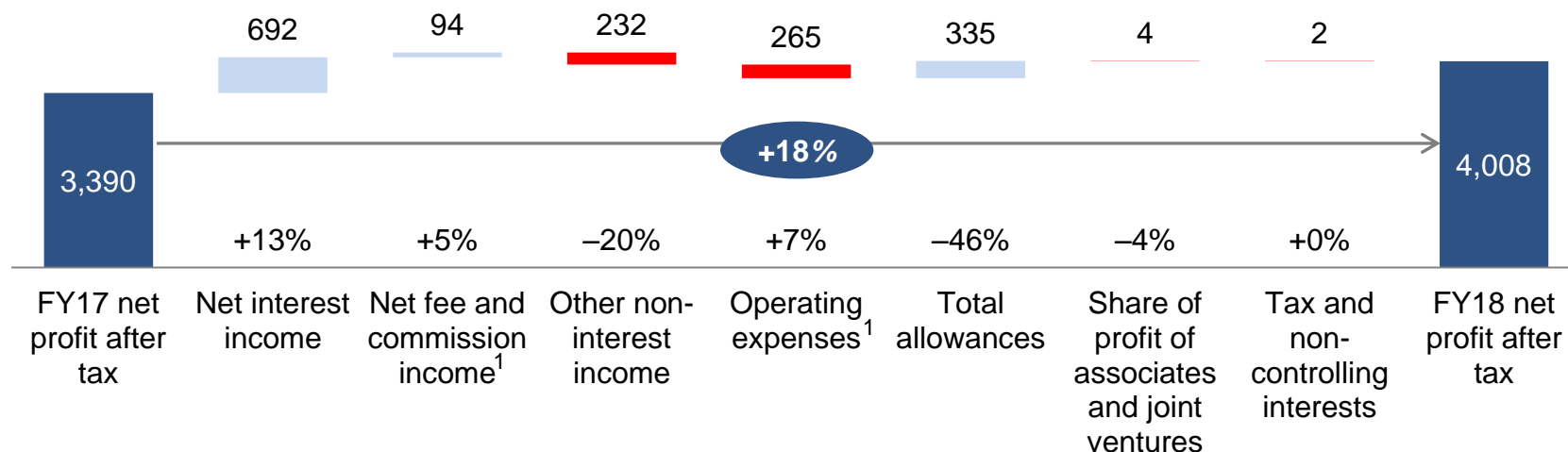


Note: Bank of Asia Public Company Limited (“BOA”), Chung Khiaw Bank Limited (“CKB”), Far Eastern Bank Limited (“FEB”), Industrial & Commercial Bank Limited (“ICB”), Lee Wah Bank Limited (“LWB”), Overseas Union Bank Limited (“OUB”), Radanasin Bank Thailand (“UOBR”).

# FY18 Financial Overview

## Net Profit After Tax (NPAT) Movement, FY18 vs FY17

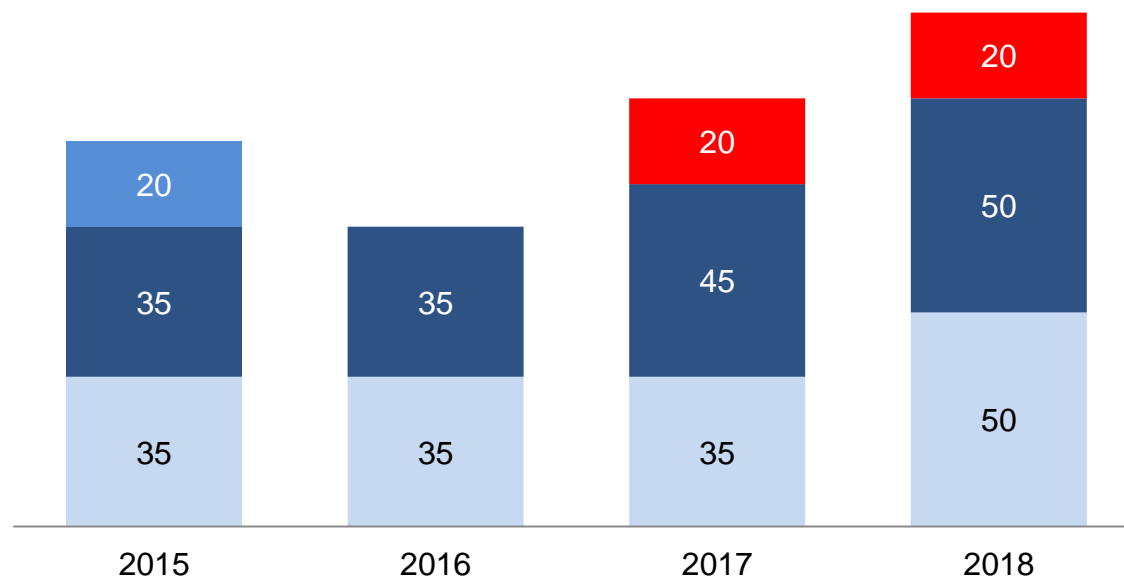
(SGD m)



Key Indicators	FY18	FY17	YoY Change
Net interest margin (%) <sup>2</sup>	1.82	1.77	+0.05% pt
Non-interest income / Income (%)	31.8	35.4	(3.6) pt
Cost / Income ratio (%)	43.9	43.7	+0.2% pt
Return on equity (%) <sup>2,3</sup>	11.3	10.2	+1.1% pt
Return on risk-weighted assets (%) <sup>2</sup>	1.93	1.63	+0.30% pt

1. Fee income and expenses have been restated where expenses directly attributable to fee income are presented net of fee income.
2. Computed on an annualised basis.
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions.

# Higher Dividend for 2018



Net dividend per ordinary share (¢)	Interim	Final	Special	UOB 80th Anniversary
Payout amount (SGD m)	1,444	1,135	1,661	2,000
Payout ratio (%)	45	37	49	50
Payout ratio (excluding special/one-off dividends) (%)	35	37	39	42

**Note:** The Scrip Dividend Scheme was applied to UOB 80<sup>th</sup> Anniversary dividend for the financial year 2015; interim and final dividends for the financial year 2016; as well as interim, final and special dividends for the financial year 2017. 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 [http://www.uobgroup.com/investor/stock/dividend\\_history.html](http://www.uobgroup.com/investor/stock/dividend_history.html).

# A Leading Singapore Bank; Established Franchise in Core Market Segments



## Group Retail

- Best Retail Bank in Singapore<sup>1</sup>
- Strong player in credit cards and private residential home loan business

## Group Wholesale Banking

- Best SME Banking<sup>1</sup>
- Seamless access to regional network for our corporate clients

## Global Markets

- Strong player in Singapore dollar treasury instruments

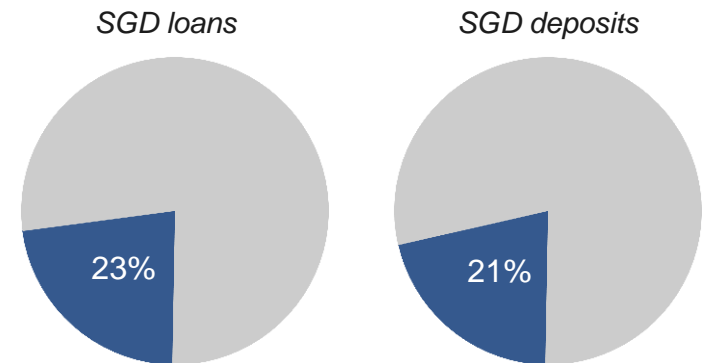
## UOB Group's recognition in the industry

  <p>Bank of the Year, Singapore, 2015</p>	 <p>Asia Trailblazer Awards 2018 Excellence in Mobile Banking - Overall</p> <p>Excellence in Mobile Banking – Overall, 2018</p>	  <p>Best Retail Bank<sup>1</sup></p> <p>SME Bank of the Year<sup>1</sup></p>
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Source: Company reports.

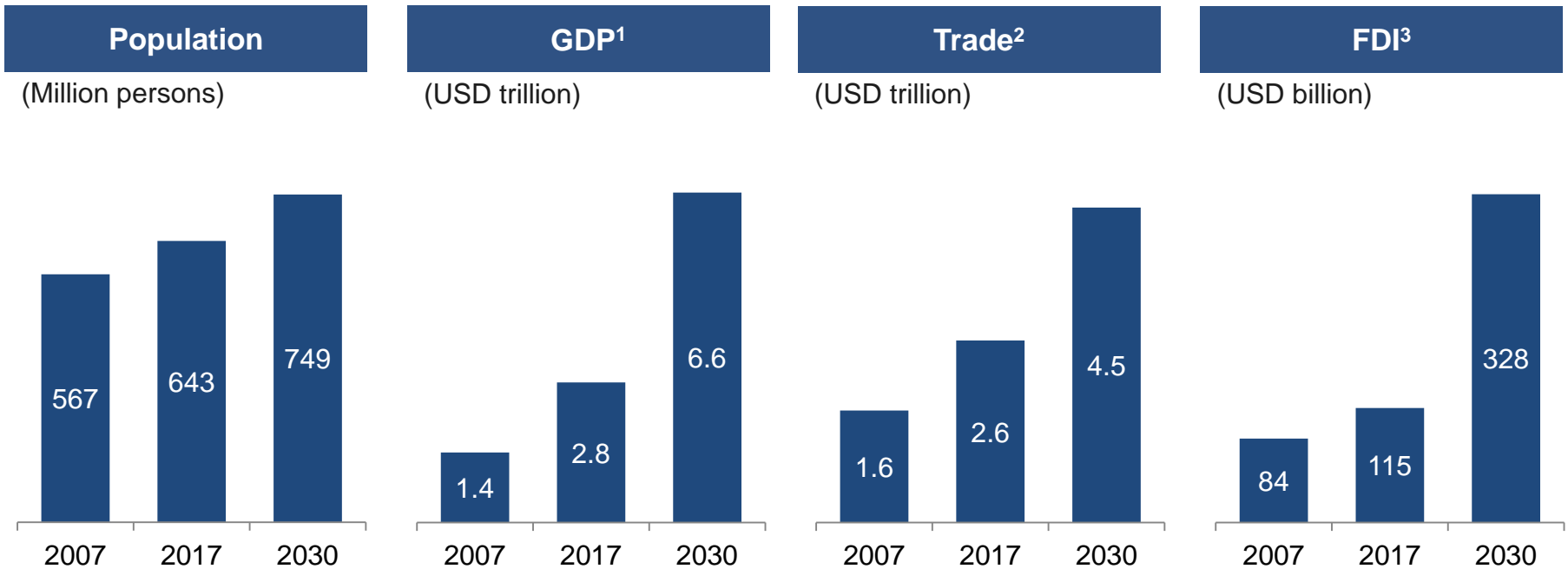
1. The Asian Banker "Excellence in Retail Financial Service Awards": 2016 & 2017 (SME Bank of the Year), 2014 (Best Retail Bank in Asia Pacific and Singapore).

## UOB's sizeable market share in Singapore



Note: The resident portion of loans and advances is used as a proxy for total SGD loans in Singapore banking system.  
Source: UOB, MAS

# Southeast Asia's Immense Long-term Potential



- Third largest globally, after China and India
- Young demographics, with 384 million below 35 years old

- Fifth largest economic bloc globally
- GDP doubled over the last decade

- Fourth largest trading group globally
- 23% are intra-ASEAN<sup>4</sup> (European Union: 63%, NAFTA<sup>5</sup>: 41%)

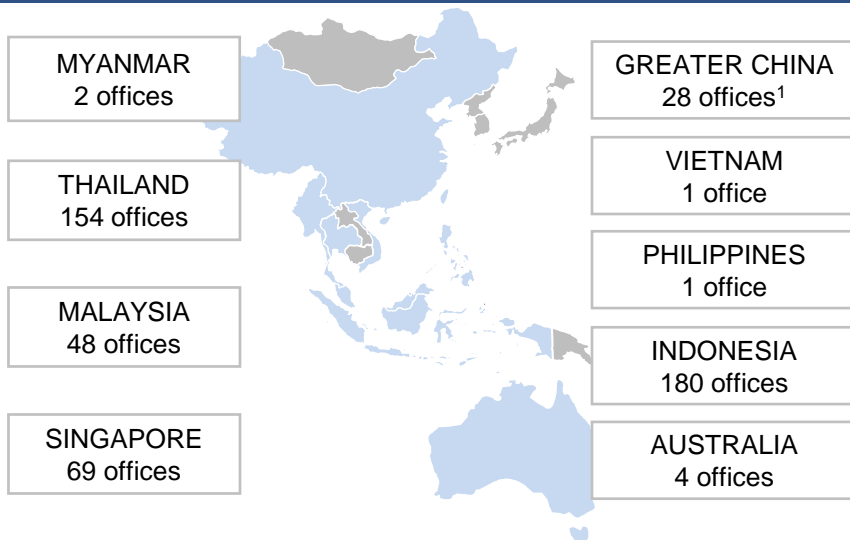
- Third largest recipient of inward FDI globally
- Grown 1.4x over the last decade

1. GDP: Gross domestic product  
 2. Comprises exports and imports  
 3. FDI: Foreign direct investments  
 4. ASEAN: Association of South East Asian Nations  
 5. NAFTA: North America Free Trade Agreement

Source: Macrobond, Visual Capitalist, UOB Economic-Treasury Research

# Expanding Regional Banking Franchise

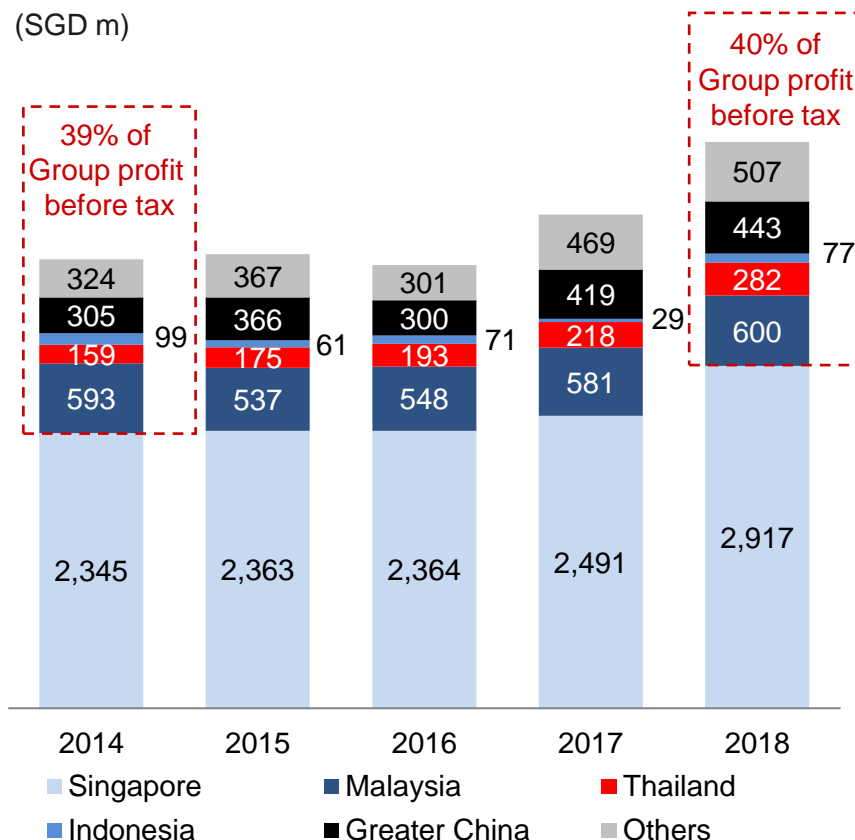
## Extensive Regional Footprint with c.500 Offices



- 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

## Profit Before Tax by Region

(SGD m)



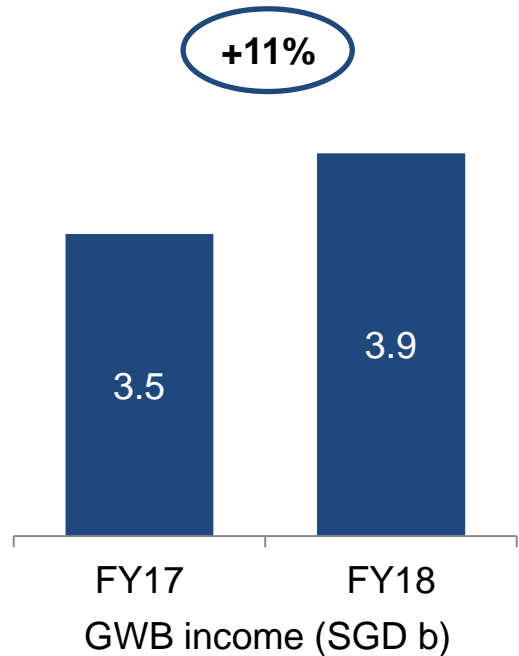
*Established regional network with key Southeast Asian pillars, supporting fast-growing trade, capital and wealth flows*

1. UOB owns c13% in Hengfeng Bank (formerly Evergrowing Bank) in China.

# Wholesale Banking: Tapping Intra-Regional Flows through Diversification

Strong income & RoRWA<sup>1</sup> growth...

... supported by diverse sources



+11%

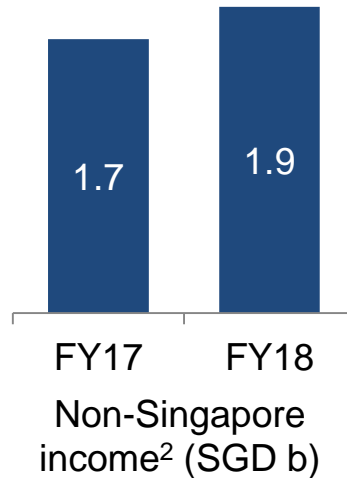
FY17

FY18

WGB income (SGD b)

By geography

+17%



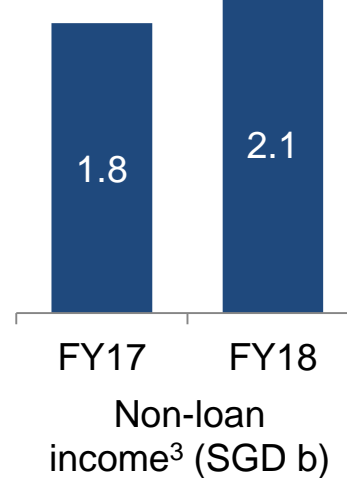
FY17

FY18

Non-Singapore income<sup>2</sup> (SGD b)

By product

+15%



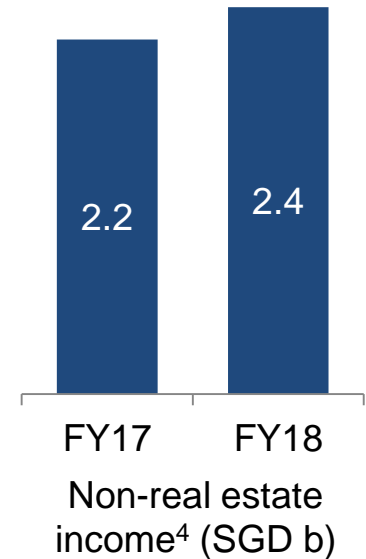
FY17

FY18

Non-loan income<sup>3</sup> (SGD b)

By sector

+11%



FY17

FY18

Non-real estate income<sup>4</sup> (SGD b)

RORWA<sup>1</sup>

0.91%

1.63%

1. RoRWA: Ratio of "Profit before tax" to "Average segment RWA".
2. Income from Hong Kong, China, Malaysia, Thailand, Indonesia, others.
3. Income from Cash, Trade, Global Markets, Investment Banking, others.
4. Income from Industrial, Financial Institutions, Oil & Gas, Consumer Goods, Construction & Infrastructures, Technology, Media & Telecommunications (TMT), Healthcare, Logistics, others.



# Strategic Initiatives to Tap Intra-Regional Flows

1

## Strengthen Connectivity

### Support and grow with our customers in the region

- Focused on tapping Chinese / ASEAN flows
- FDI<sup>1</sup> advisory team, supporting companies' regional expansion

Cross-border revenue:  
**+15% growth<sup>2</sup> &  
25% of GWB income**

FDI<sup>1</sup> contributed **S\$46b** of deposit flows<sup>4</sup>

2

## Sector Specialisation

### Offer customised solutions to our customers

- Focused sector teams supporting RM<sup>3</sup> with insights & solutions

Non-loan income:  
**+15%<sup>2</sup>**

Non-real estate income:  
**+11%<sup>2</sup>**

3

## Products & Platforms

### Building new capabilities

- New product platforms
- Re-designed customer journeys
- Rapid deployment across the Group

GWB e-Banking customers  
**~20% growth<sup>2</sup>**

Targeted cost productivity improvement<sup>5</sup>:  
**~10-15%**

1. FDI: Foreign Direct Investment.  
2. 2018 year-on-year growth.  
3. RM: Relationship Manager.

4. Deposit flows in 2018.

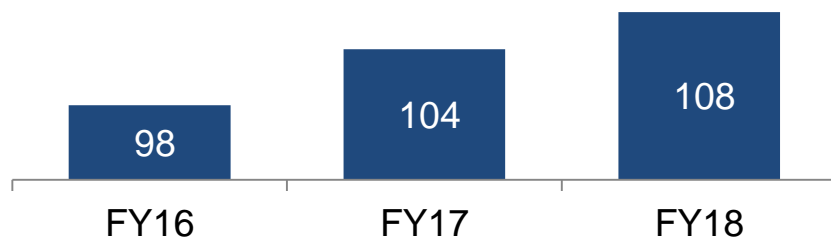
5. 2021 target.

6. The Asian Banker Transaction Awards 2018, in Singapore.

# Retail Banking: Serving Rising Affluent via Our Extensive In-country Presence

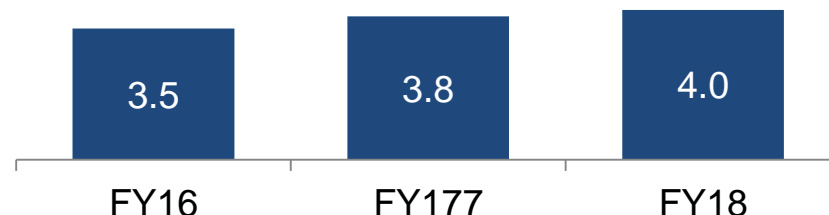
Gross Loans (Group Retail<sup>1</sup>): +4% YoY in FY18

SGD b



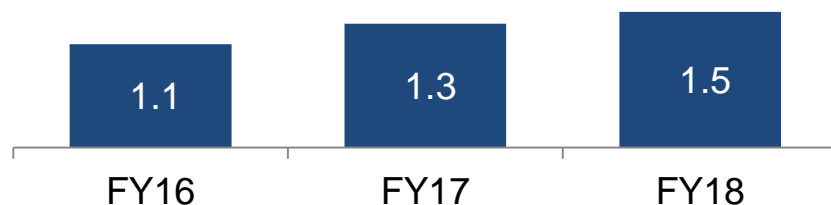
Income<sup>3</sup> (Group Retail<sup>1</sup>) +4% YoY in FY18

SGD b

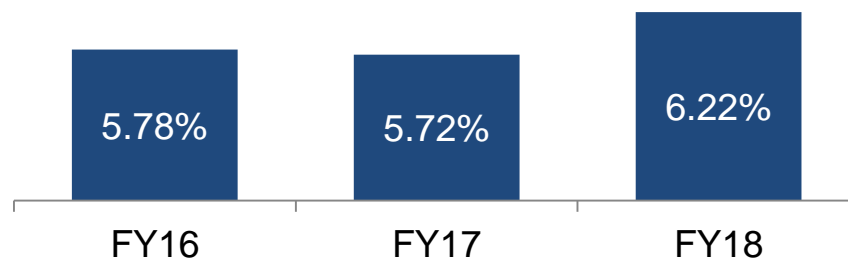


High Affluent<sup>2</sup> income: +10% YoY in FY18

SGD b



Segment RoRWA<sup>4</sup> +0.50%pt YoY in FY18



AUM SGD93 b    SGD104 b    SGD111 b

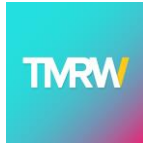
1. Includes Business Banking.
2. High Affluent comprises Privilege Banking, Privilege Reserve and Private Bank segments.
3. Income includes fee and commission income that is net of directly attributable expenses.
4. RoRWA: Ratio of "Profit before tax" to "Average segment RWA".

# Leveraging Digitalisation and Partnerships to Grow and Deepen Customer Franchise

1

## Digital Bank

### Targeting Mobile-First and Mobile-Only Generation



- Delivered and launched TMRW in Thailand within 14 months
- Payments, deposits and unsecured

Target 5 markets  
3-5m customers  
Engagement Index >7  
Steady-state cost-income ratio ~35%

2

## Omni-Channel Experience

### Traditional and affluent customers with universal banking needs

- Digitised application & approval of consumer products<sup>1</sup>
- Rise in Mighty app usage
- Leveraging data analytics & machine learning across customer touch points

UOB Mighty App:  
Transaction volume: +125%<sup>2</sup>  
New Orchard Wealth Banking Centre with state of the art features

3

## Ecosystem Partnerships

### Forging collaborations to widen distribution reach

- Strengthening customer acquisition & deepen customer wallet share
- Improving banking access by plugging into consumers' lifestyles

Regional bancassurance arrangement with Prudential  
Strategic alliance with Grab  
Partnerships in property and car ecosystems

1. Include UOB Housing Loan, Car Loan, Credit Cards and Deposits.

2. 2018 year-on-year growth

## Creating Sustainable Value across Our Franchise

**Capitalising on  
Regional Growth  
Drivers**

**Strengthening  
Enablers to  
Support  
Business  
Growth**

**Balancing  
Growth with  
Stability**

# Thank You

