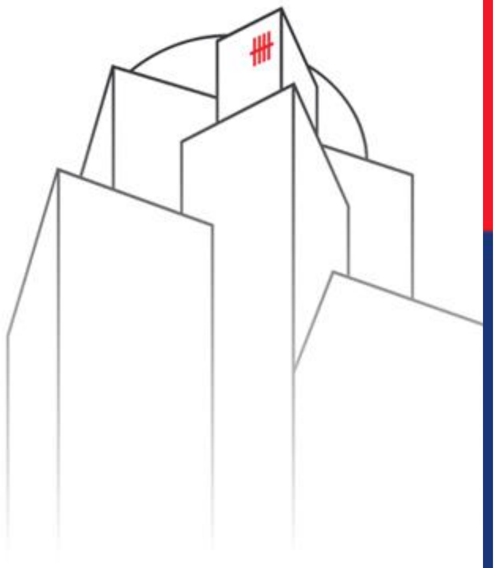


UOB Group

For the Nine Months / Third Quarter Ended 30 September 2020

Financial Updates

Lee Wai Fai
Group Chief Financial Officer

4 November 2020

Financial Highlights

3Q20 Key financial indicators

Operating profit	$1.25b	+ 3% QoQ	- 14% YoY
Net profit after tax	$668m	- 5% QoQ	- 40% YoY
Cost/Income ratio	44.6%	- 1.4%pt QoQ	+ 0.4%pt YoY
Credit costs	68bps	+ 1bp QoQ	+ 45bps YoY
NPL ratio	1.5%	- 0.1%pt QoQ	No change YoY
Customer loans	$281b	No change QoQ	+ 2% YoY
NSFR ratio	122%	+ 3%pt QoQ	+ 15%pt YoY
CET 1 ratio	14.0%	No change QoQ	+ 0.3%pt YoY

3Q20 operating profit improved, built up additional $339m credit allowance to strengthen provision coverage

- 3Q20 NPAT at $668m, down 5% QoQ; 9M20 NPAT at $2.23b, down 33% YoY
- Operating profit up 3% QoQ, led by improved margin as well as higher fees as economic activity gradually resumed
- Additional allowance of $339 million was taken in for non-impaired assets this quarter with total credit cost on loans at 68bps. Allowance coverage strengthened further to 111% or 264% with collateral
- NPL formation remained low as loan moratorium reliefs in the region are still in force. Coupled with higher recoveries this quarter, NPL ratio improved from 1.6% to 1.5%.
- Customer loan growth flat QoQ and slowed to 2% YoY
- Healthy funding with loan-to-deposit ratio at 86.7% and higher CASA mix at 51%; liquidity position was strong supported by LCR for the quarter at 127% and NSFR at 122%
- CET1 ratio remained strong at 14.0%

9M20 earnings fell on declining revenue and higher allowance amid global pandemic, 3Q20 operating profits improved as lockdowns ease

	9M20 $m	9M19 $m	YoY +/(-)%	3Q20 $m	3Q19 $m	YoY +/(-)%	2Q20 $m	QoQ +/(-)%
Net interest income	4,524	4,927	(8)	1,474	1,687	(13)	1,456	1
Net fee income	1,475	1,557	(5)	514	551	(7)	445	15
Others	929	1,114	(17)	272	371	(27)	359	(24)
Total income	**6,927**	**7,598**	**(9)**	**2,261**	**2,609**	**(13)**	**2,260**	**0**
Less: Total expenses	3,135	3,356	(7)	1,009	1,154	(13)	1,040	(3)
Operating profit	**3,792**	**4,242**	**(11)**	**1,252**	**1,455**	**(14)**	**1,220**	**3**
Less: Impairment charge	1,158	289	>100	477	145	>100	396	20
Add: Assoc & JV	64	31	>100	24	14	71	22	10
Net profit	**2,226**	**3,338**	**(33)**	**668**	**1,118**	**(40)**	**703**	**(5)**

Operating profit declined YoY in Singapore while overseas franchise diversification provided stability

Operating Profit	9M20 $m	9M19 $m	YoY +/(-)%	3Q20 $m	2Q20 $m	QoQ +/(-)%
Singapore	**1,941**	2,519	(23)	**626**	603	4
Southeast Asia	**995**	903	10	**332**	318	4
Malaysia	**512**	479	7	**161**	156	3
Thailand	**299**	295	1	**109**	97	13
Indonesia	**160**	106	51	**57**	58	(1)
Vietnam	**19**	16	17	**3**	6	(47)
Others	**7**	6	2	**2**	2	(1)
North Asia	**445**	438	2	**154**	179	(14)
Greater China	**414**	420	(1)	**149**	164	(9)
Others	**31**	18	75	**6**	15	(61)
Rest of the world	**411**	382	8	**139**	120	16
Total	**3,792**	4,242	(11)	**1,252**	1,220	3

- **Singapore**
  - YoY results were impacted by NIM compression from falling rates while QoQ benefitted from improved NIM on proactive liquidity management and higher fees as customer activities resume.
- **Southeast Asia**
  - YoY, MY and ID benefitted from assets growth, lower cost of funds and improved trading and investment income. VN franchise continued to show good momentum
  - QoQ, TH and MY benefitted from improved fees as economic activity gradually resumes
- **North Asia**
  - CN YoY and QoQ improved from lower cost of funds
  - HK YoY was impacted by unrealised losses arising from market volatilities. QoQ results impacted by NIM compression
- **Rest of the world**
  - Cayman: YoY and QoQ benefitted from unrealised gains on investments

Business segment performance

Operating Profit	9M20 $m	9M19 $m	YoY +/(-) %	3Q20 $m	2Q20 $m	QoQ +/(-) %
Group Retail	**1,566**	1,639	(5)	**529**	480	10
Group Wholesale Banking	**2,369**	2,345	1	**810**	820	(1)
Global Markets	**428**	254	69	**143**	175	(19)
Others *	**(571)**	4	(>100)	**(230)**	(255)	10
Total	**3,792**	4,242	(11)	**1,252**	1,220	3

❖ **Group Retail**

Group Retail's operating profit affected by declining interest rates, partly moderated by healthy deposit growth, higher wealth income and expense management. Improvement in QoQ operating profit driven by stronger wealth income.

+7% YoY
Assets under management at $130b, of which ~60% from overseas customers in Southeast Asia

❖ **Group Wholesale Banking**

Group Wholesale Banking's performance supported by loans, trade and treasury products which offset the impact of margin compression.

28%
Cross-border income against total Wholesale income

❖ **Global Markets**

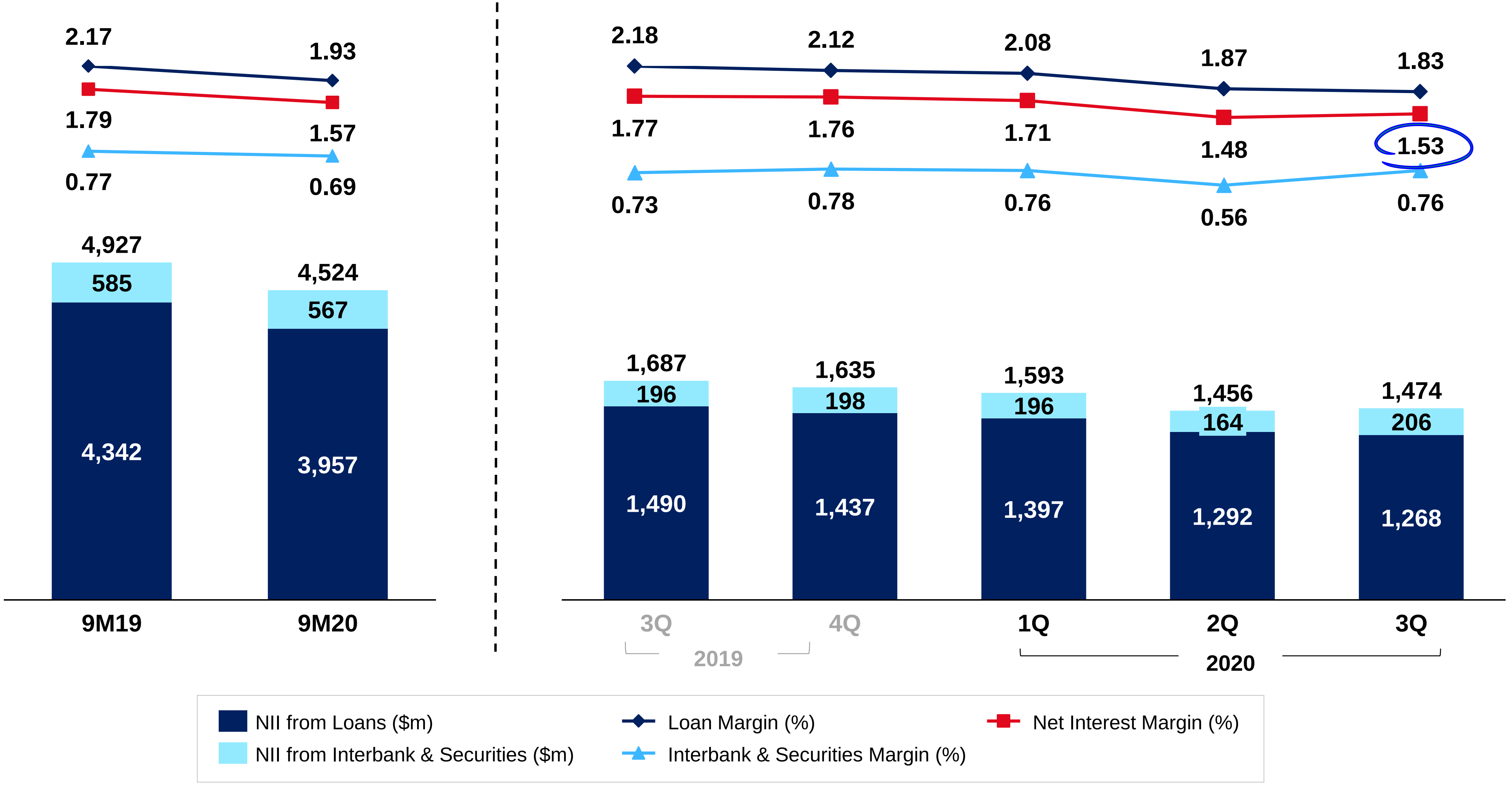
Global Markets registered stronger trading performance and gain from sale of investment securities, as well as higher revenue from funding and liquidity management on the back of sharp decrease in interest rates. Operating profit declined QoQ mainly from lower trading income.

-1% YoY
Treasury customer flow

* Comprises Investment Management, Central Treasury, Corporate Functions and Banknotes.

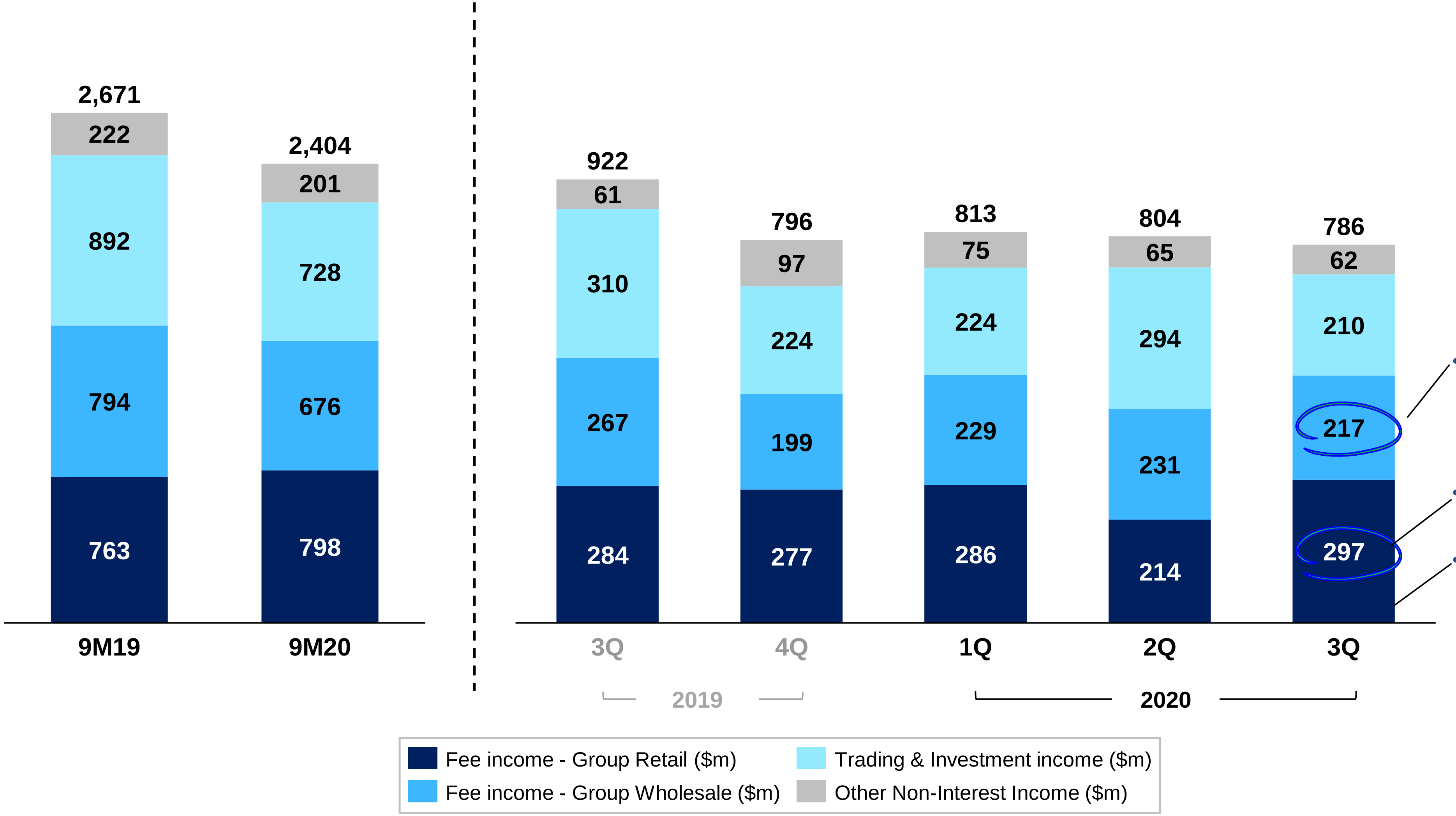
QoQ NIM improved 5 bps to 1.53% as liquidity buffers eased in line with a stabilising funding environment

Net Interest Income (NII) and Margin



Fee income increased 15% QoQ as wealth management and credit card fees rebounded while trading income declined

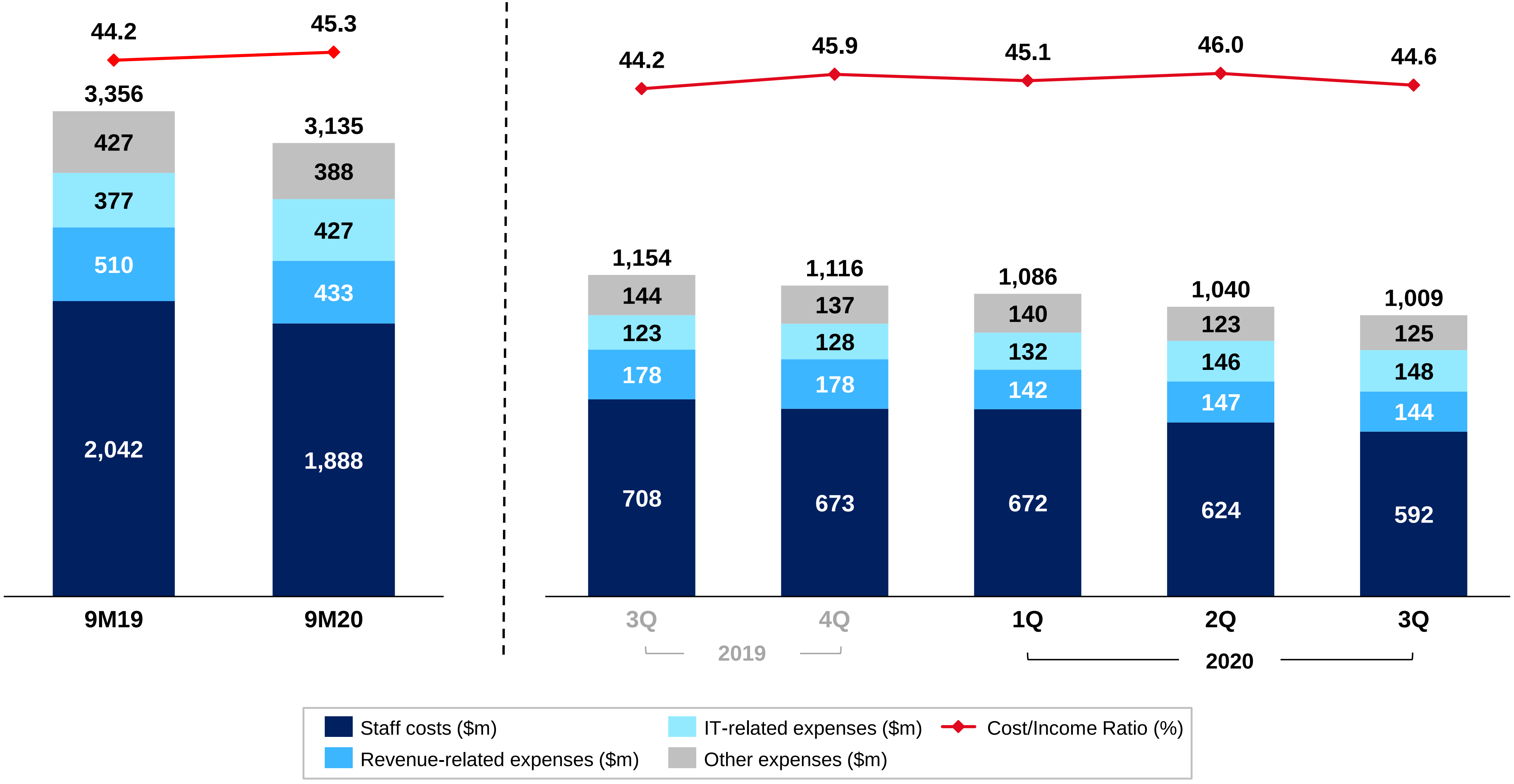
Non-Interest Income



- Loan-related $124m -14% QoQ
- Wealth Management $188m +41% QoQ
- Credit Card $95m +25% QoQ

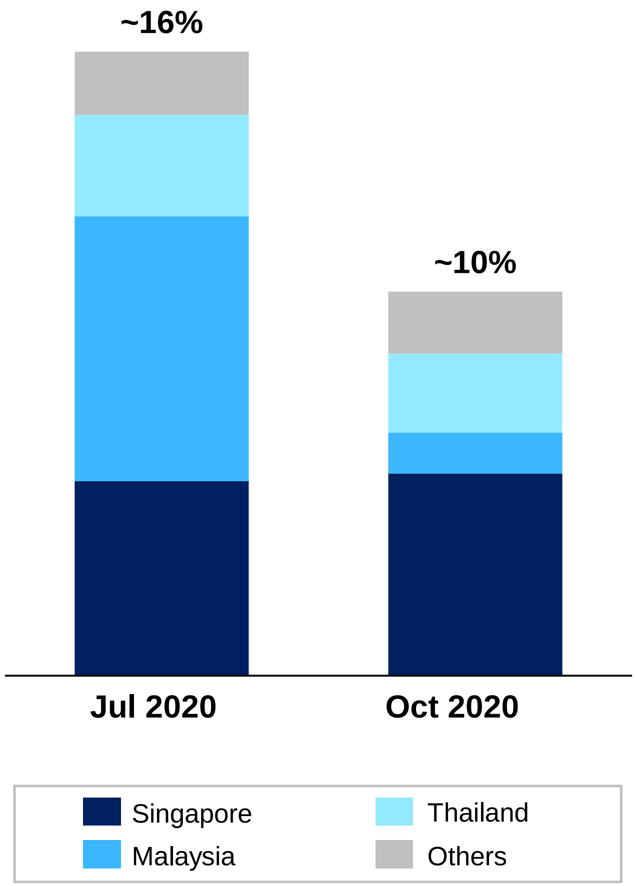
Operating expenses continued to fall QoQ and YoY from lower staff costs and controlled discretionary spend

Expenses and Cost / Income Ratio



Decline in loans under relief as loan moratoriums being phased out

Share of loans under moratorium/relief



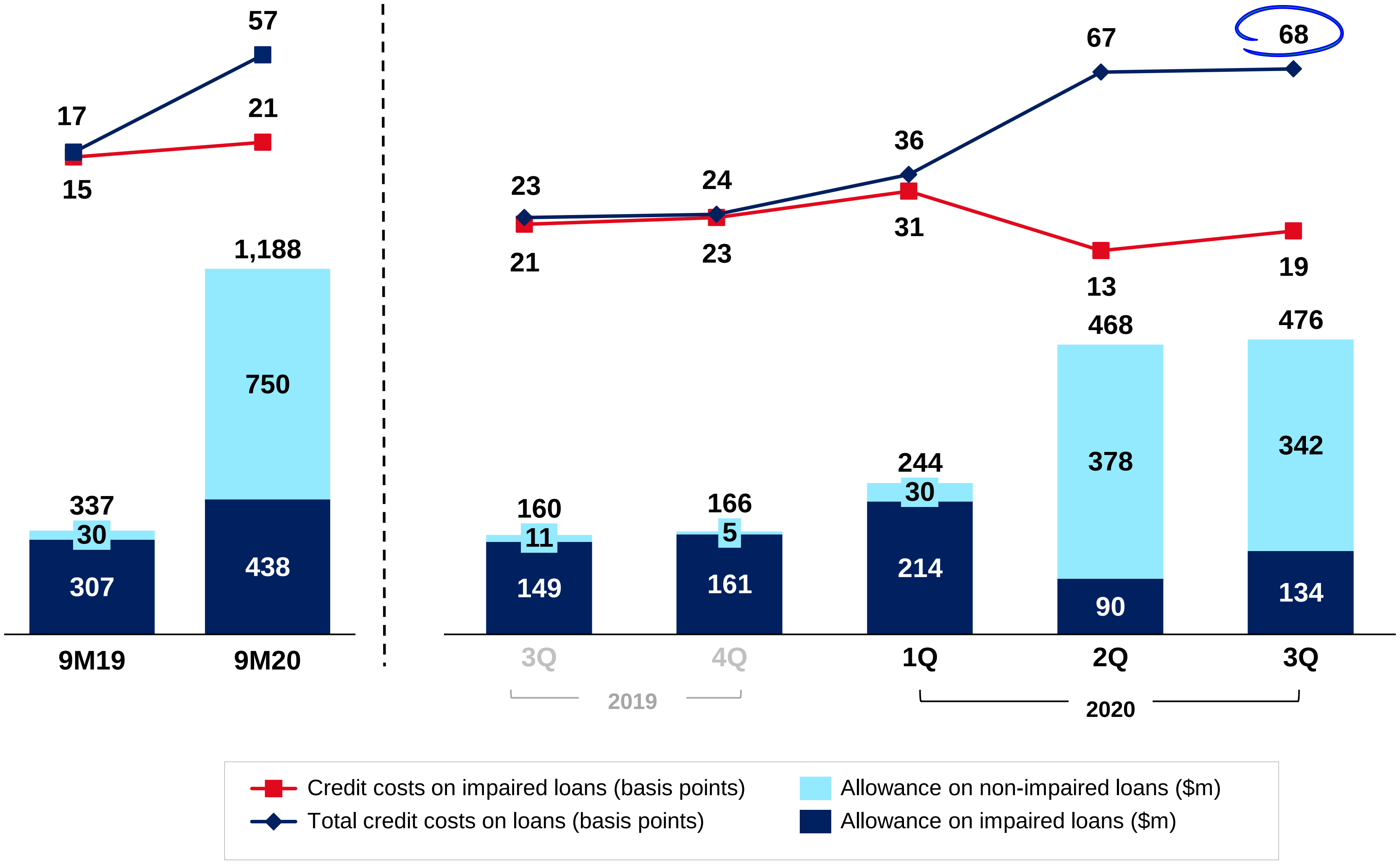
- In Singapore, applications for loan moratorium and liquidity assistance for vulnerable segments have been extended into 2021
- In Malaysia, the automatic loan moratorium has ended on 30 September 2020, but eligible borrowers can reach out to banks to seek an extension until end-2020
- In Thailand, eligible SMEs can seek extension until 30 June 2021
- Asset quality impact is manageable, as the bulk (~90%) is secured with collateral or government guarantees

NPA formation stayed low as moratorium in the region still in force, while recoveries rose this quarter

($m)	2019 3Q	2019 4Q	2020 1Q	2020 2Q	2020 3Q
NPAs at start of period	4,185	4,350	4,297	4,590	4,628
Non-individuals					
New NPAs	180	437	573	131	74
Upgrades and recoveries	(38)	(400)	(101)	(126)	(216)
Write-offs	(26)	(81)	(208)	(42)	(63)
	4,301	4,307	4,561	4,553	4,423
Individuals	49	(10)	29	75	(122)
NPAs at end of period	4,350	4,297	4,590	4,628	4,301
NPL Ratio (%)	1.5	1.5	1.6	1.6	**1.5**

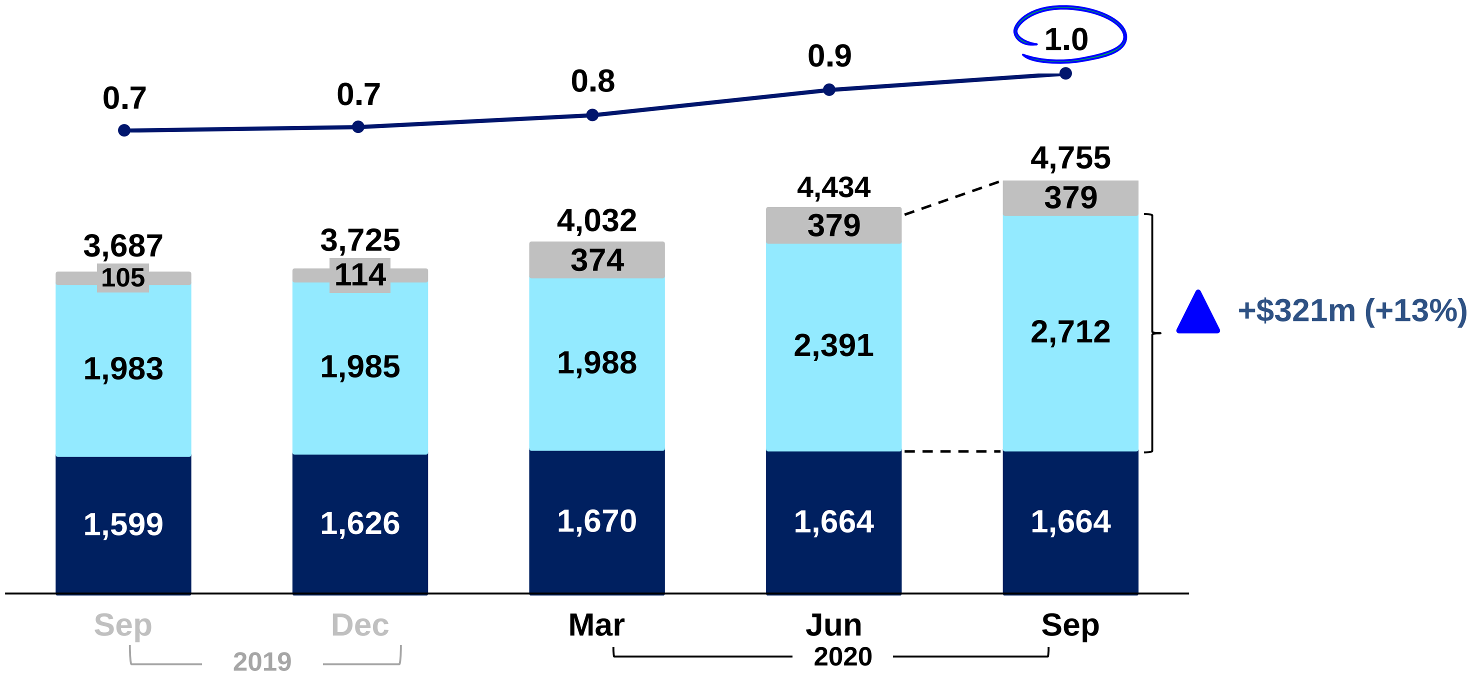
3Q20 total credit costs at 68bps mainly from allowance set aside for non-impaired loans

Total Allowance on Loans



Pre-emptive provisioning to build up credit allowance; coverage strengthened to 111%

Allowance Coverage



	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020
NPA coverage (%) [2]	85	87	88	96	111
Unsecured NPA coverage (%) [2]	210	202	206	230	264

Allowance for non-impaired loan include RLAR / performing loans (%)

Allowance for impaired assets ($m) | Allowance for non-impaired assets ($m) | RLAR ($m) [1]

Notes: (1) Regulatory loss allowance reserve (RLAR) is a non-distributable reserve appropriated through retained earnings to meet MAS Notice No. 612 Credit Files, Grading and Provisioning requirements.
(2) Includes RLAR as part of total allowance.

Loan growth flat QoQ and slowed to 2%YoY

Gross Loans	Sep-20 $b	Jun-20 $b	Sep-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**144**	142	141	2	2
Southeast Asia	**63**	64	62	(2)	1
Malaysia	**30**	30	29	2	3
Thailand	**19**	21	19	(6)	2
Indonesia	**11**	11	12	(4)	(7)
Vietnam	**2**	2	1	(6)	20
Others	**1**	1	1	(1)	6
North Asia	**47**	47	47	(0)	(1)
Greater China	**44**	44	45	0	(2)
Others	**3**	3	2	(6)	12
Rest of the world	**27**	28	24	(4)	10
Total	**281**	281	275	(0)	2

Note: Loans are classified based on where credit risks reside, represented by country of incorporation/operation for non-individuals and residence for individuals.

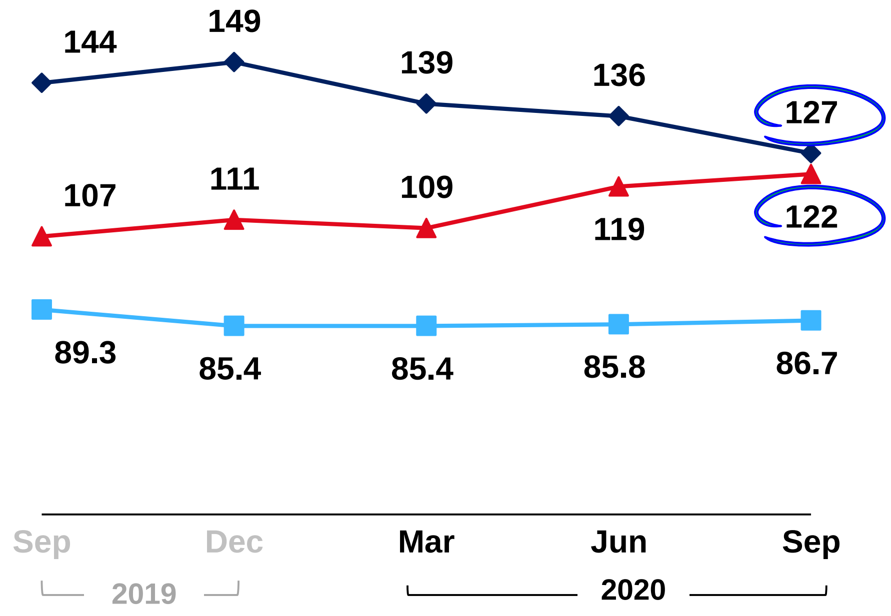
Continue to focus on stable funding; CASA ratio reached 51.0%, the highest since a year ago

	Sep-20 $b	Jun-20 $b	Sep-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**217**	217	199	0	9
Southeast Asia	**64**	65	62	(0)	3
Malaysia	**32**	30	31	4	4
Thailand	**21**	23	22	(7)	(4)
Indonesia	**8**	8	8	2	9
Vietnam	**3**	3	2	(2)	59
Others	**0**	0	0	15	25
North Asia	**18**	20	22	(12)	(18)
Greater China	**18**	20	22	(11)	(18)
Others	**0**	0	0	(76)	(13)
Rest of the world	**19**	21	21	(7)	(7)
Total Customer Deposits	**319**	323	304	(1)	5
Wholesale funding (1)	**43**	50	52	(13)	(17)
Total funding	**363**	373	357	(3)	2
CASA/Deposit Ratio (%)	**51.0**	49.6	43.8	1.4	7.2

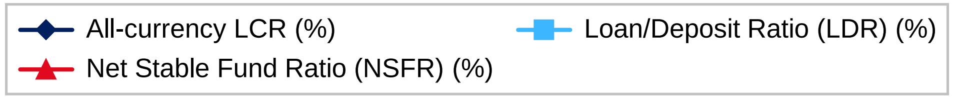
Note: (1) Comprises debt issuances, perpetual capital securities and interbank liabilities.

Balance sheet remained strong with ample liquidity and robust capital

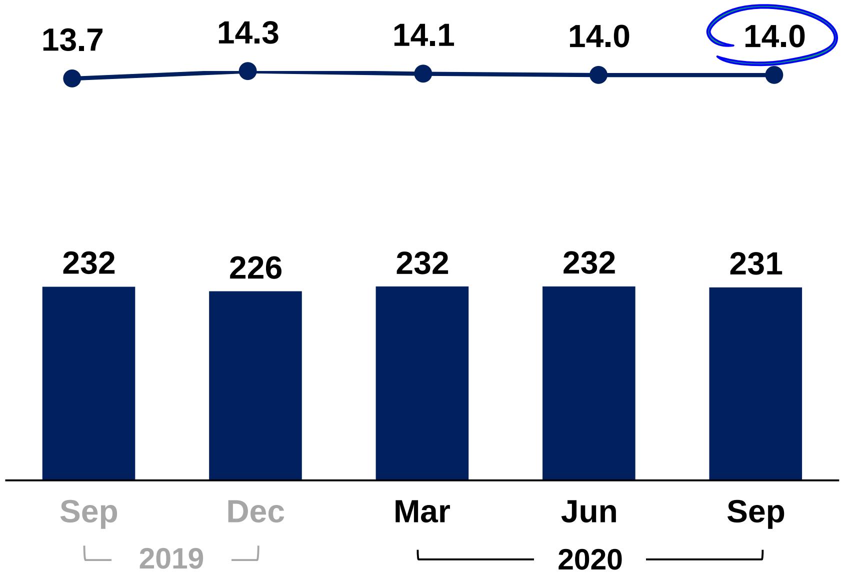
LDR, LCR and NSFR



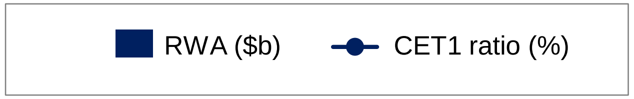
USD LDR (%)	72.2	61.2	62.7	59.6	58.0



CET1, Leverage and RWA



Leverage ratio (%)	7.6	7.7	7.4	7.3	7.4



Appendix :

- Navigating COVID-19
- Loan portfolio
- Exposure to Greater China
- Exposure to Oil & Gas sector

Navigating COVID-19

For our Colleagues

- Providing additional allowances, family care leave and face masks
- Offering flexible work arrangements where currently >10k[1] staff are working remotely
- Equipping staff through Better U upskilling programme and enriched staff physical and mental wellness through educational webinars
- Offering on-the-job training for >100 graduates for up to 12 months with potential conversion to full-time

For our Customers

- Assisted >1m[1] businesses and individuals with various loan relief schemes
- Engaging customers proactively to understand their needs and extended pre-emptive restructuring for customers requiring additional support
- Supporting SMEs with Enterprise Singapore's loans[2] and facilitated their digital transformation[3]
- Enabling record number of customers banking through digital channels

Businesses

- Moratorium for existing secured loans
- Fresh liquidity through working capital and temporary bridging loans

Individuals

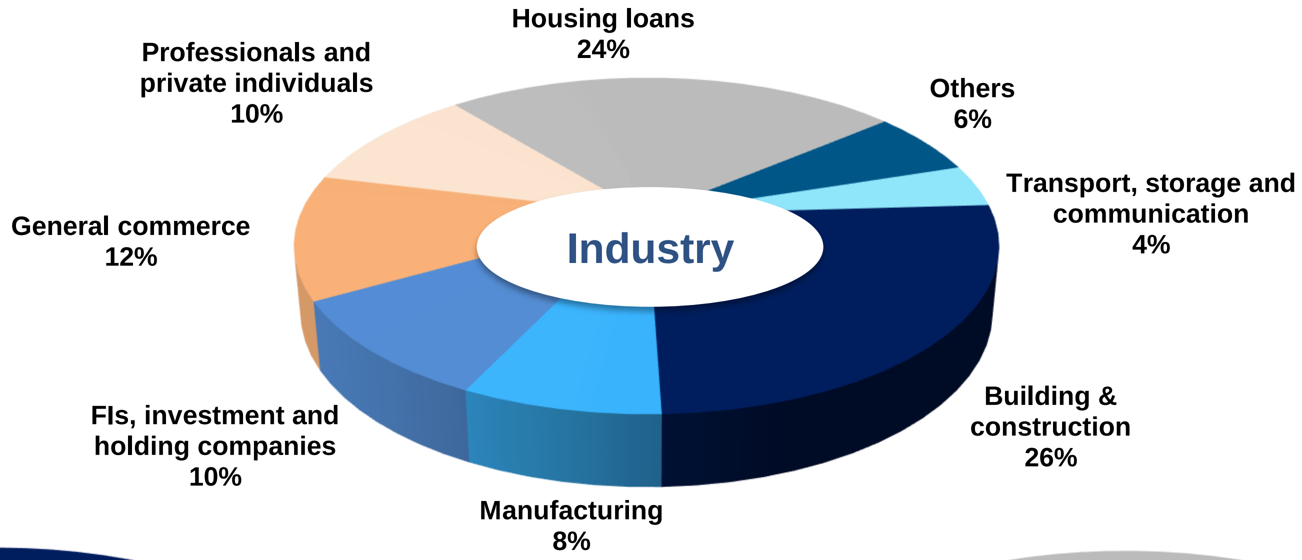
- Moratorium for mortgage borrowers
- Lower interest rates on unsecured credit

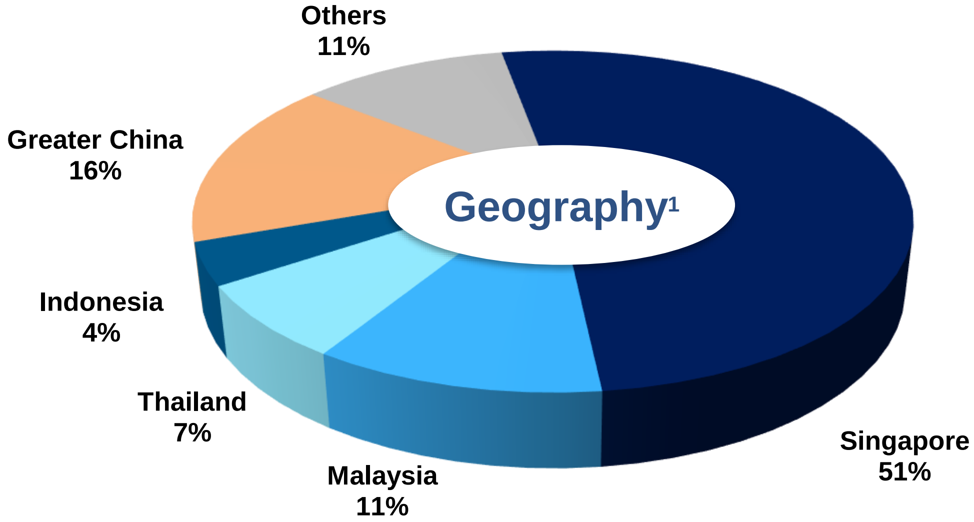
For our Communities

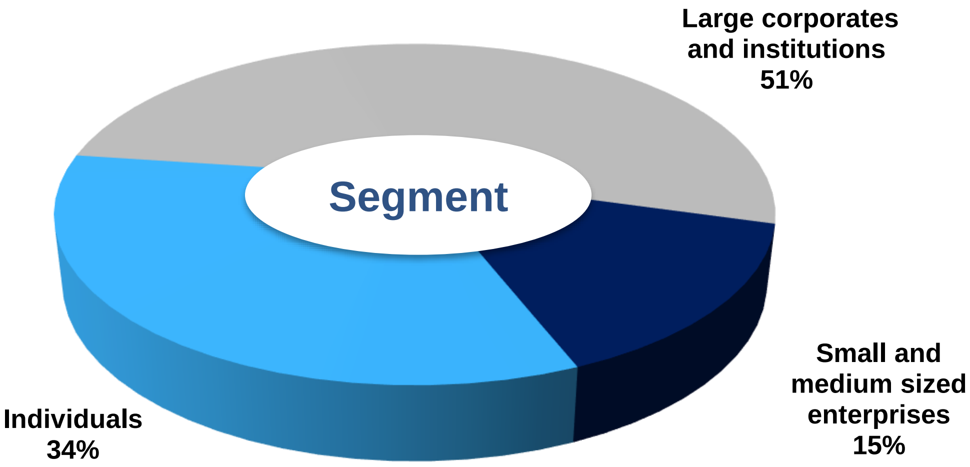
- Donated >1m personal protective equipment to healthcare workers and disadvantaged communities globally
- Raised >S$1.6m globally for the UOB Heartbeat COVID-19 Relief Fund
- Launched UOB My Digital Space which provides laptops and digital resources for disadvantaged children
- Launched UOB Global Heartbeat Virtual Run / Walk: Staff from 18 markets clocked >50,000km for charity

Notes:
1. As of October 2020.
2. Such as Temporary Bridging Loan and SME Working Capital Loan under Enhanced Enterprise Financing Scheme.
3. UOB BizSmart and The FinLab Online.

Diversified loan portfolio

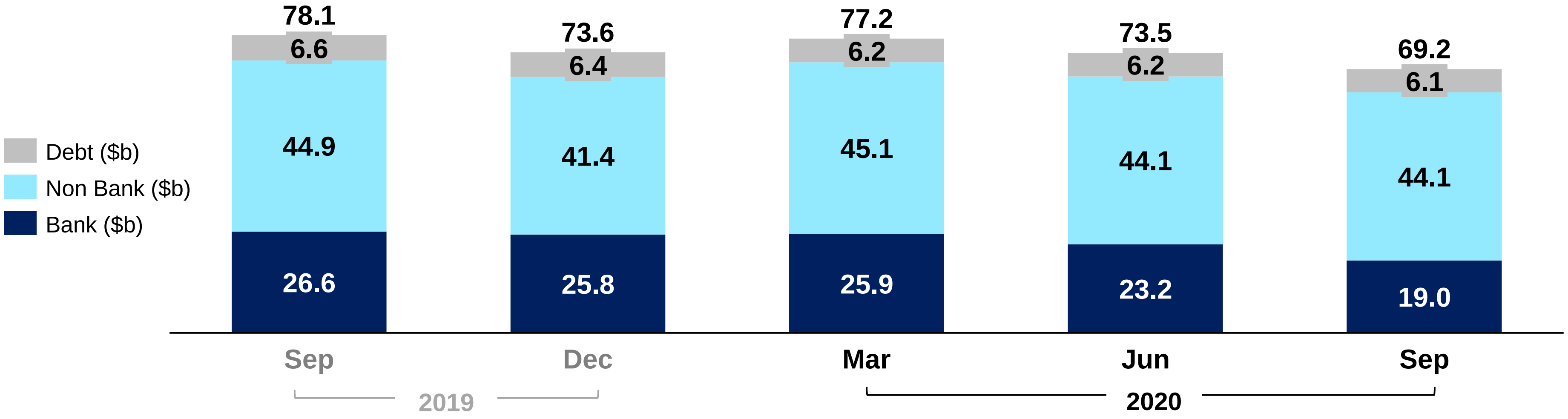






Note: Financial statistics as at 30 September 2020.
1. Loans are classified based on where credit risks reside, represented by country of incorporation/operation for non-individuals and residence for individuals.

Exposure to Greater China



As at 30 Sep 2020:

Mainland China exposure ($28.7b or 7% of total assets)

Bank exposure ($13.9b)

- Accounted for ~50% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~70% of total bank exposure
- 100% with <1 year tenor
- Trade exposures comprise ~30% of total bank exposure

Non-bank exposure ($12b)

- Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~50% denominated in RMB
- ~50% with <1 year tenor
- NPL ratio at 0.6%

Hong Kong SAR exposure ($34b or 8% of total assets)

Bank exposure ($2.7b)

- Majority of exposure are to foreign banks

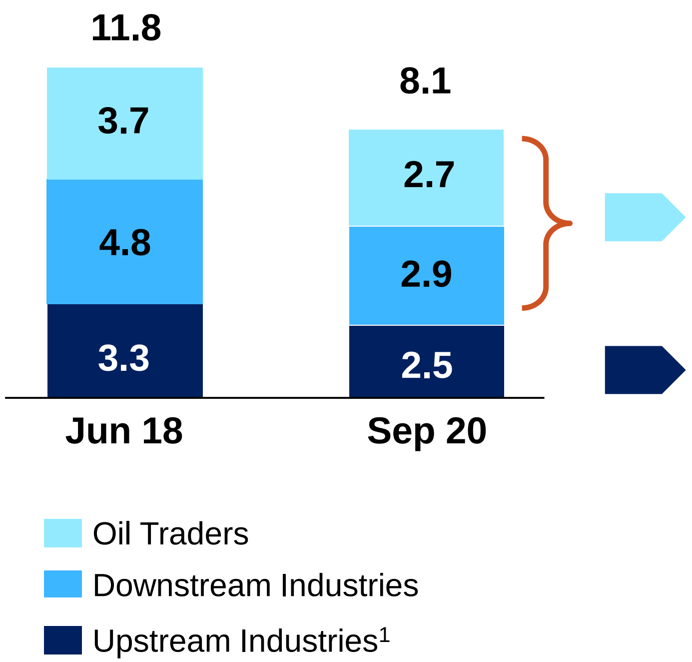
Non-bank exposure ($28.4b)

- Exposure mainly to wholesale corporates
- Real estate loans accounted for $11.8b (~4% of total loans); loans are well-collateralised and predominantly to network clients or clients with strong financial sponsors
- Other potential vulnerable industries (hospitality, consumer discretionary, transportation and oil & gas) amounted to $7.7b
- ~50% with <1 year tenor
- NPL ratio at 0.6%

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 Oil and Gas (O&G) Sector

Total Outstanding O&G Loans ($b)



As of 30 September 2020, outstanding O&G loans represented 3% of total loans as compared with 4.7% at 30 June 2018

Approximately 70% of O&G exposure is to downstream players and traders, of which around two thirds are to national oil companies (NOCs) and global firms, while short-term structured loans account for a significant share of the remainder

A significant 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.

Thank You

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