

1H20 Results: Maintaining Strong Balance Sheet Amid Challenging Economic Conditions

Wee Ee Cheong
Deputy Chairman and Chief Executive Officer
6 August 2020

Disclaimer: This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.

Private & Confidential

Navigating COVID-19

For our Colleagues



- Enabled ~13k staff working from home across the region
- Provided additional allowances and family care leave, flexible work arrangements and face masks
- Equipped staff with relevant skills to thrive in ever-changing environment through Better U upskilling programme
- Offered on-the-job training for >100 graduates for up to 12 months with potential conversion to full-time

For our Customers



- Assisted >1m¹ businesses and individuals (~16% of total loans) with various loan relief schemes
- Supported SMEs with Enterprise Singapore's loans² and facilitated their digital transformation³
- Enabling record number of customers banking through digital channels



Businesses

- Moratorium for existing secured loans
- Fresh liquidity through working capital and temporary bridging loans
- Pre-approved loan financing programme

Individuals

- Moratorium for mortgage borrowers
- Lower interest rates on unsecured credit
- Daily banking hour dedicated for the elderly and vulnerable

For our Communities



- Donated >1m personal protective equipment to frontline healthcare workers and disadvantaged communities globally
- Raised >S\$1.6m globally for the UOB Heartbeat COVID-19 Relief Fund
- Launched UOB My Digital Space to bridge the digital gap for disadvantaged children across 6 markets by providing laptops and digital resources for learning

1. As of 24 July 2020. 2. Such as Temporary Bridging Loan and SME Working Capital Loan under Enhanced Enterprise Financing Scheme. 3. UOB BizSmart and The FinLab Online.

1H20: Softer performance amid challenging conditions but balance sheet strengths intact

Income
▼ 6% YoY
S\$4.7b

Net Profit After Tax
▼ 30% YoY
S\$1.6b

Cost / Income Ratio
▲ 1.5ppt YoY
45.6%

Gross Customer Loans
▲ 3% YoY
S\$281b

NPA¹ Coverage
▲ 12ppt YoY
96%

Credit Costs
▲ 39bp² YoY
52bp²

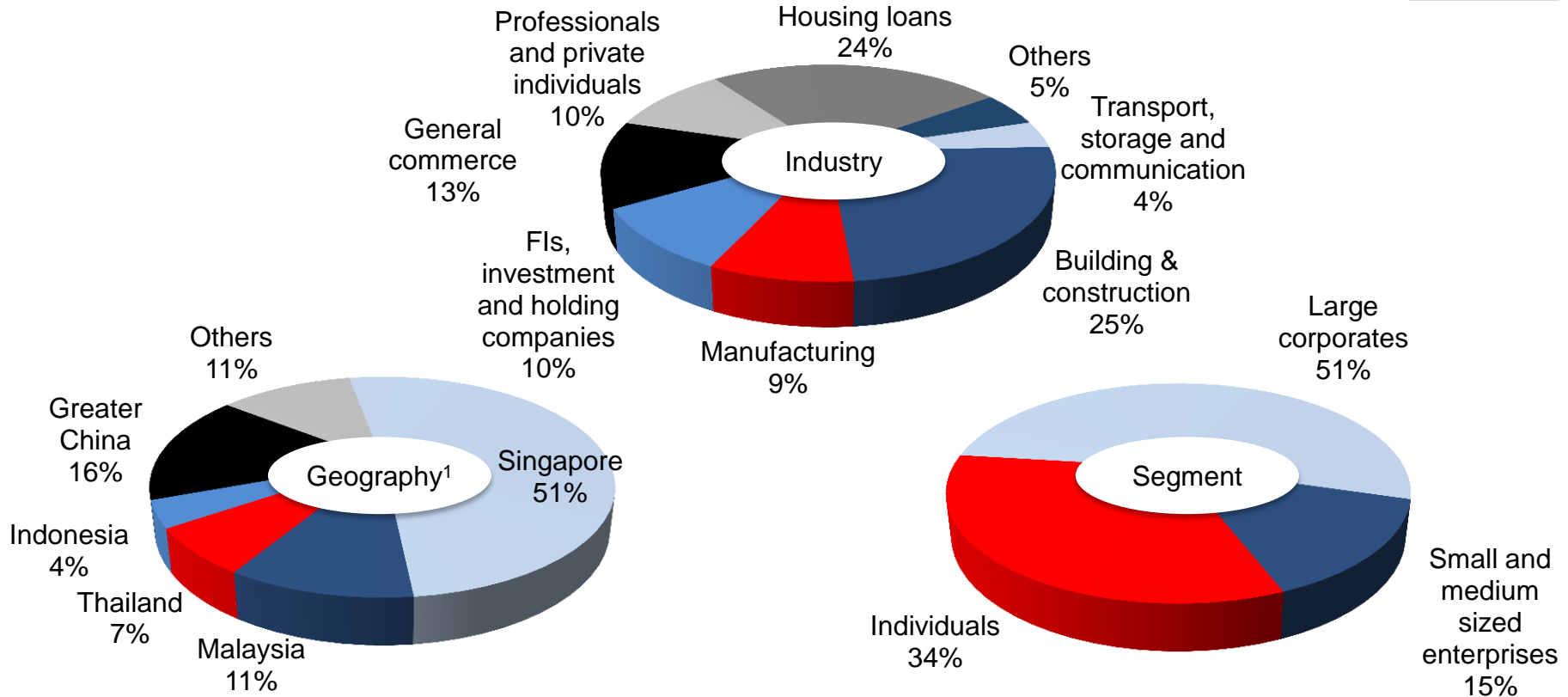
All Currency LCR³
▼ 9ppt YoY
138%

CET1 CAR⁴
▲ 0.1ppt YoY
14.0%

1. NPA: Non Performing Assets
2. Basis points

3. LCR: Liquidity Coverage Ratio
4. CET1 CAR: Common Equity Tier 1 Capital Adequacy Ratio

Diversified loan portfolio



Note: Financial statistics as at 30 June 2020.

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).

Corporates: Growing our regional franchise, capturing cross-border opportunities



Strengthening Connectivity

Across our ASEAN footprint and global network



28%¹

Cross-border income's contribution to Group Wholesale Banking income



+5%²

Non-Singapore income



Asia's Best Bank for SMEs (2020)



Sector Specialisation

Building capabilities for greater diversification and risk mitigation



>S\$8b

Total sustainability financing provided³



+5%²

Non-real estate income



Best SME Bank in Singapore and in Asia Pacific (2020)



Deepening Digitalisation

For secure and efficient transactions



77%⁴

Corporate clients in Singapore using UOB BIBPlus⁶



+58%⁵

Cash management mandates won at Group level



Best Bank in ASEAN in Working Capital and Trade Finance (2020)

1. Year-to-date (YTD) end-May 2020. 2. Year-on-year (YoY) growth for YTD May 2020. 3. Outstanding green loans, sustainability-linked loans and loans for green certified buildings as of end-Jun 2020. 4. As of end-Jun 2020. 5. YoY growth in 1H20. 6. Business Internet Banking Plus.

Consumers: Tapping on rising affluence in Southeast Asia



Omni-channel Experience

Serving affluent customers across various touchpoints



> 50%
Digitally-engaged customers¹



S\$129b^{1,2}
Assets under management (AUM)
▲ 9% YoY in 1H20



UOB Mighty, ATMs & contact centre ranked top in customer satisfaction³



Digital Bank: TMRW

Specially for mobile-first and mobile-only generation



< 9 min
Onboarding journey in Indonesia



Achieved industry-leading NPS⁴ in Thailand & Indonesia



17 awards
won⁵, including *Best Digital Bank for Customer Experience*⁶



Ecosystem Partnerships

Forging collaborations to widen distribution reach & deepen wallet share



100%
of car loan applications⁷ were digital in 2Q20



1 in 2
home mortgage applications⁷ were digital in 2Q20



Launched mobile robo-adviser, UOBAM Invest, in collaboration with FNZ Group

1. As of end-Jun 2020. 2. 60% of AUM from customers overseas. 3. Customer Satisfaction Index of Singapore 2019, Institute of Service Excellence, Singapore Management University. 4. Net promoter score. 5. Across Thailand and Indonesia in 2019 and 2020. 6. The Digital Banker - Digital CX Summit & Awards 2020. 7. In Singapore.

Reaping benefits from our technology investments

+14%

UOB Mighty App
Transactions

+12%

Personal Internet Banking
(PIB) Transactions

+2.4X

PayNow
Transactions

+12%

Business Internet Banking
Plus (BIBPlus) Transactions

+3.5X

Application Programming
Interface (API) Calls

+8.9X

PayNow Corporate
Transactions

Note: Data on this slide covers only Singapore, comparing the year on year growth in transactions across digital channels between 1H20 and 1H19.

Focused on riding Southeast Asia's long-term growth potential



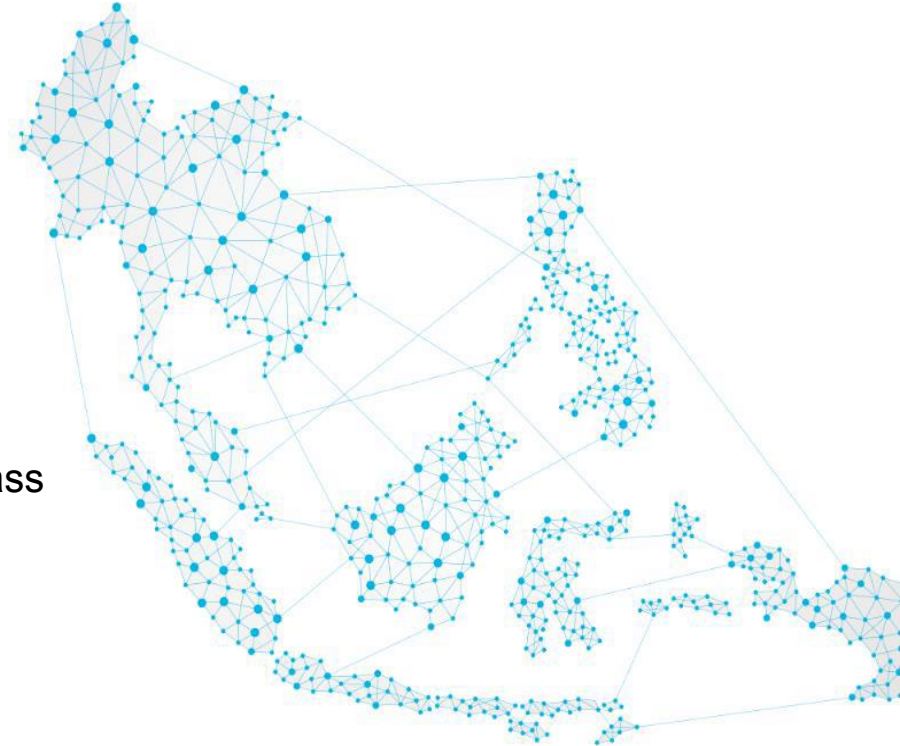
Group Wholesale Banking

Capture growing cross-border trade and investment flows through our sector specialisation and integrated regional platform.



Group Retail

Ride on growing affluence and wealth potential of the region's rising middle class with our omni-channel and ecosystem partnerships strategy.



Outlook: 2020 Guidance



- Maintain responsible and prudent approach in supporting our customers
- Grow and seize opportunities selectively, backed by strong balance sheet and enhanced capabilities
- Some upside to NIM in 2H20 after hitting trough levels
- Expect moderate rebound in fees in 2H20 as economies gradually reopen.
- Keep cost to income ratio stable, as we pace our investments as a long-term player, committed to our ASEAN franchise
- Credit costs likely to remain around 2Q20 levels, with more preemptive allowances to cushion anticipated asset quality weaknesses
- Continue approach of balancing growth with stability to drive shareholder value and dividends in a sustainable manner

Thank You



RIGHT BY YOU

