

UOB Group

Sustained growth reflecting our diversified franchise

August 2021

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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.

Note: Financial statistics as at 30 June 2021

1. USD 1 = SGD 1.344 as at 30 June 2021
2. Average for 2Q21
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions
4. Computed on an annualised basis

Key Statistics for 1H21

■ Gross loans	: SGD299b (USD222b ¹)
■ Customer deposits	: SGD339b (USD252b ¹)
■ Loan / Deposit ratio	: 86.9%
■ Net stable funding ratio	: 123%
■ All-currency liquidity coverage ratio	: 131% ²
■ Common Equity Tier 1 ratio	: 14.2%
■ Leverage ratio	: 7.4%
■ Return on equity ^{3, 4}	: 10.1%
■ Return on assets ⁴	: 0.92%
■ Net interest margin ⁴	: 1.56%
■ Non-interest income / Total income	: 36.6%
■ Cost / Income	: 43.8%
■ Non-performing loan ratio	: 1.5%

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

A leading Singapore bank; Established franchise in core market segments



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



Best Retail Bank¹, 2021
Best SME Bank², 2021



Asia's Best Bank for SMEs, 2021



Domestic Retail Bank of the Year¹, 2021

Source: Company reports

1. In Singapore 2. In Singapore and Asia Pacific

Sizeable domestic market share

SGD deposits

20%

SGD loans

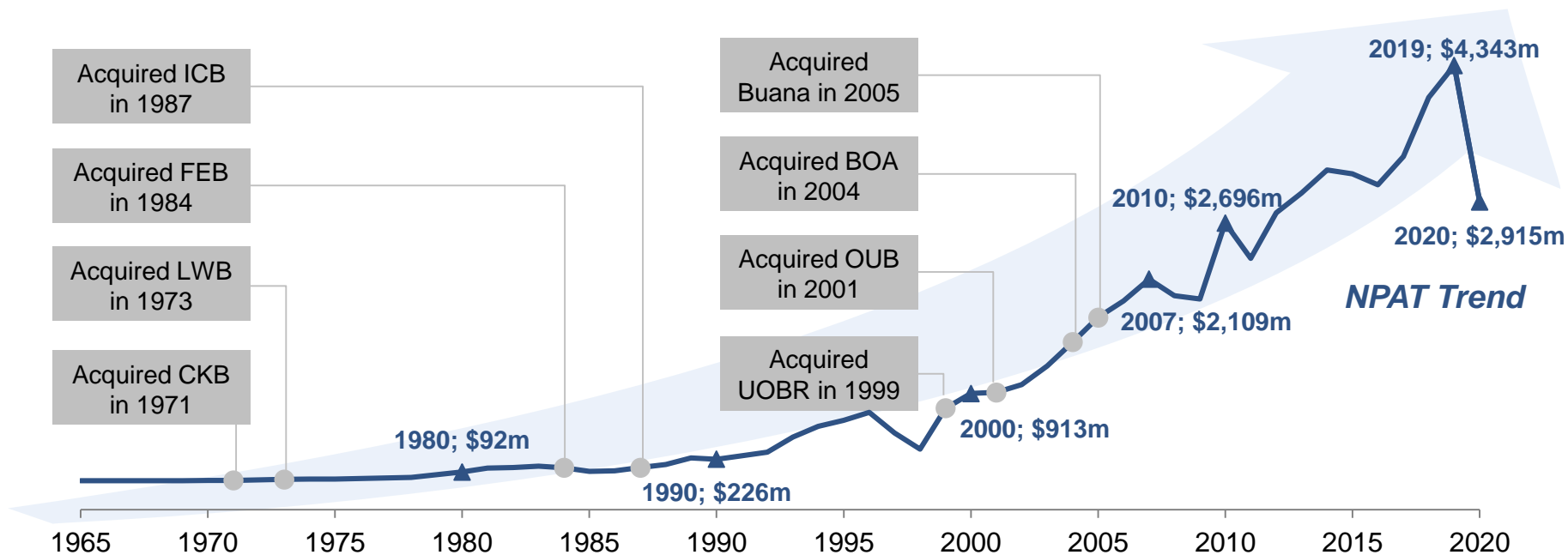
23%

Note: The resident portion of loans and advances as a proxy for total SGD loans in Singapore banking system

Source: UOB, MAS, data as of 30 June 2021

Proven track record of execution

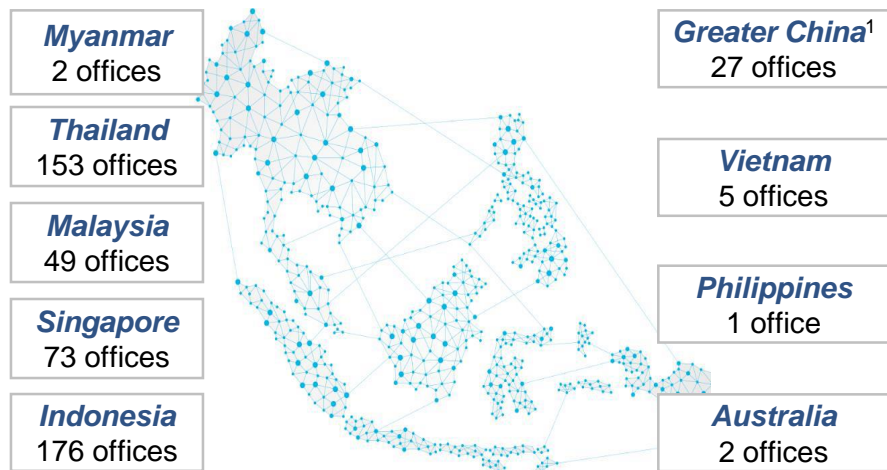
- UOB Group's management has a proven track record in steering the Group through various global events and crises.
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group's overall resilience and sustained performance



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”)

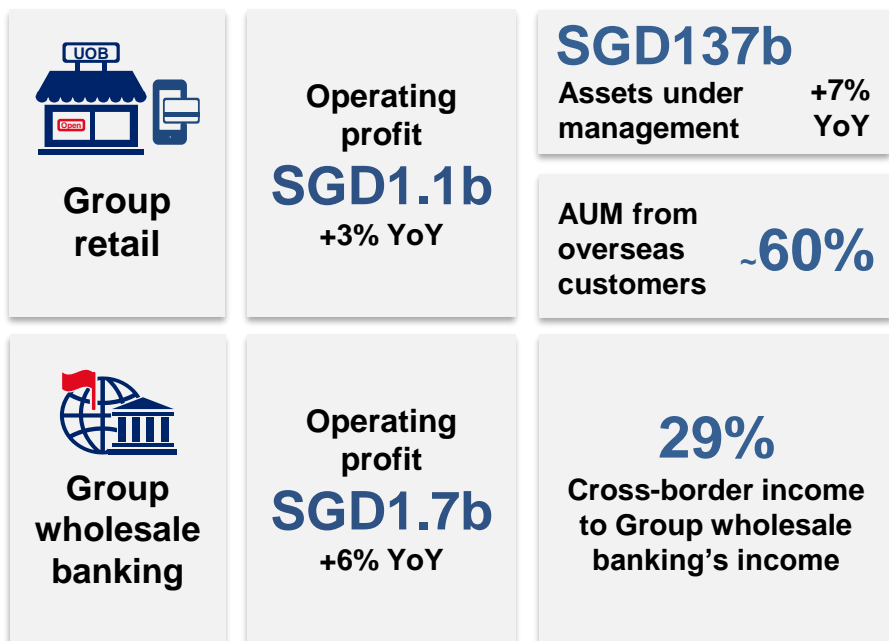
Comprehensive regional banking franchise

Extensive regional footprint with ~500 offices



- 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

1H21 performance by segment



1. Comprise Mainland China, Hong Kong SAR and Taiwan

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

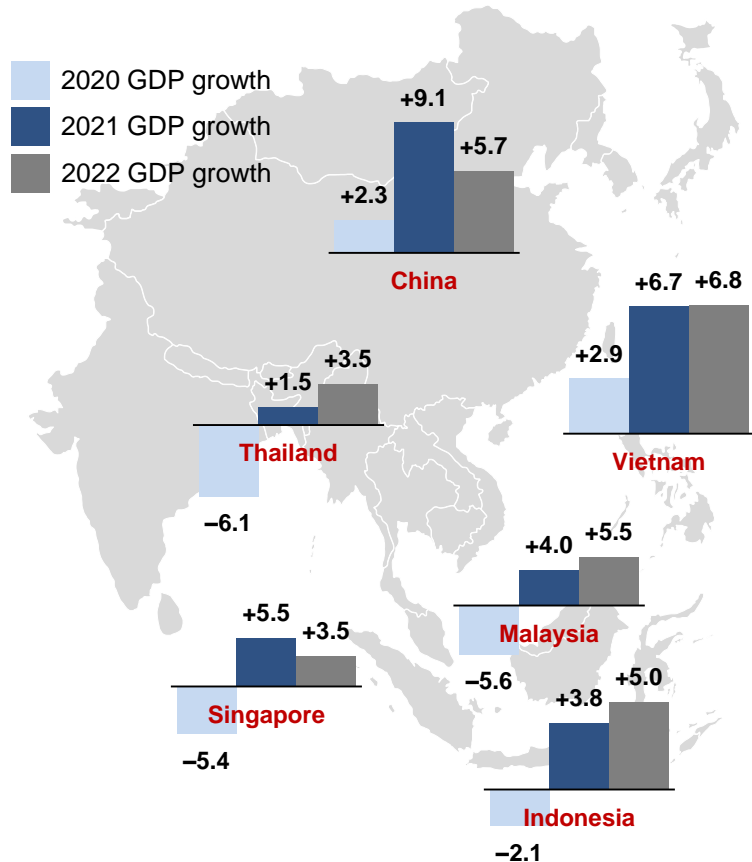
Balance growth with stability



- 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

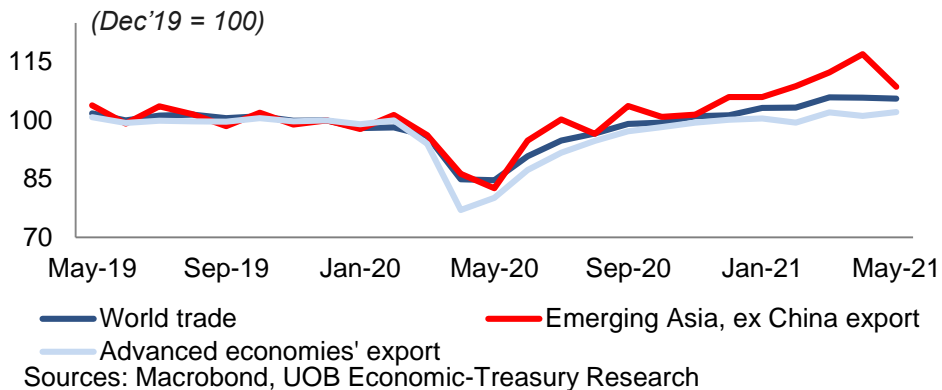
Macroeconomic Outlook

Asia projected to rebound in 2021 and 2022

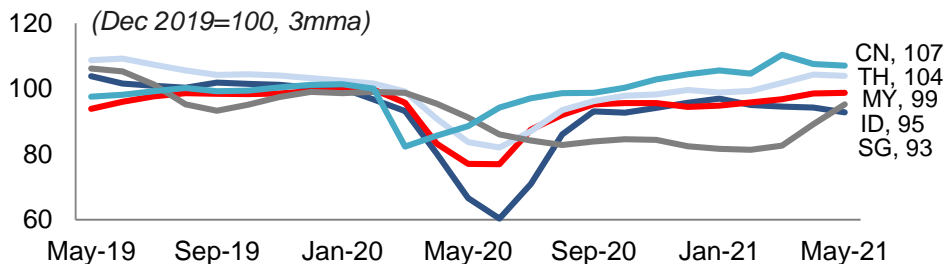


Source: UOB Global Economics & Markets Research forecasts

Trade volume returning to pre-COVID levels



Retail sales at pre-COVID level in China, to pick up elsewhere



Note: CN: China; ID: Indonesia; MY: Malaysia; SG: Singapore, TH: Thailand; 3mma: 3-month moving average

Sources: CEIC, UOB Economic-Treasury Research

Accommodative monetary policy stance

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21f	4Q21f	1Q22f	2Q22f
US 10-Year Treasury	0.67	0.66	0.68	0.91	1.74	1.48	1.75	2.00	2.10	2.25
US Fed Funds	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
SG 3M SIBOR	1.00	0.56	0.41	0.41	0.44	0.43	0.40	0.40	0.40	0.40
SG 3M SOR	0.92	0.20	0.18	0.19	0.36	0.24	0.25	0.25	0.25	0.25
SG 3M SORA	0.89	0.14	0.10	0.13	0.23	0.13	0.16	0.16	0.16	0.19
MY Overnight Policy Rate	2.50	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
TH 1-Day Repo	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
ID 7-Day Reverse Repo	4.50	4.25	4.00	3.75	3.50	3.50	3.50	3.50	3.75	4.00
CH 1-Year Loan Prime Rate	4.05	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85

Following the June 2021 FOMC, the Quantitative Easing (QE) taper is expected to start in Dec 2021 and may last until May 2023; this is likely to be hinted during the Jackson Hole Symposium (26 Aug) followed by a pledge of the taper timeline in the Sep 2021 FOMC. Thereafter, two 25bp-hikes in FED rates are likely in 2023: to 0.25%-0.50% in Jun 0.50%-0.75% in Dec.

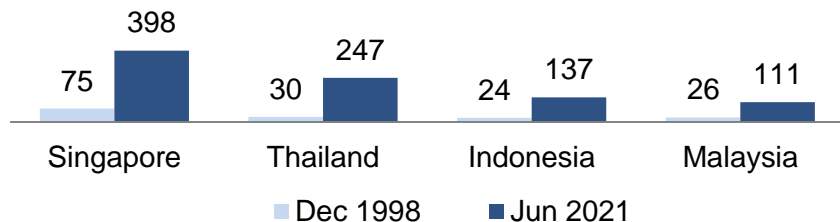
In April, the Monetary Authority of Singapore (MAS) kept its policy parameters (gradient and width of the policy band, as well as the level at which it is centred) unchanged. The MAS projected that Singapore's 2021 GDP growth is likely to "exceed the upper end of the official 4–6% forecast range, barring any setback to the global economy."

In other parts of Asia, monetary policies are expected to be kept accommodative to facilitate the economic recovery. Risks of more contagious COVID-19 variants will drag out the recovery process, keeping the level of uncertainty high. Some economies may start to normalise monetary policy in 2022 as outlook improves.

Sound fundamentals in Southeast Asia

Significantly Higher Foreign Reserves

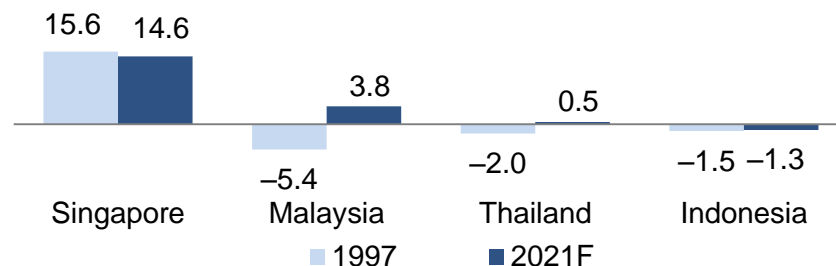
(USD billion)



Sources: World Bank, International Monetary Fund

Healthy Current Account Balances

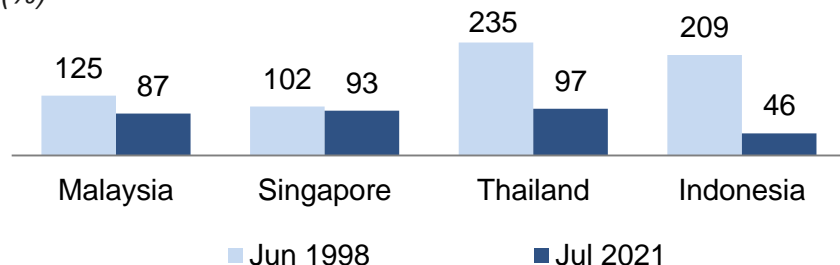
(% of GDP)



Source: International Monetary Fund

Lower Debt to Equity Ratio

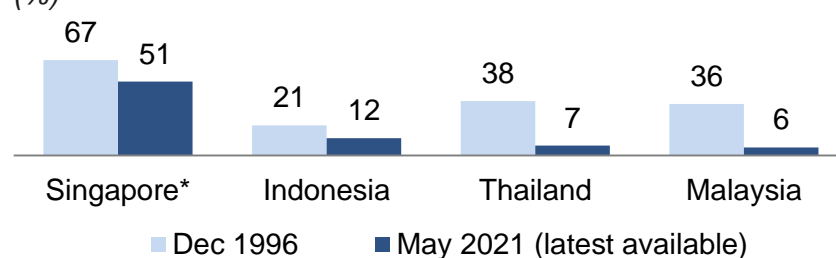
(%)



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

(%)

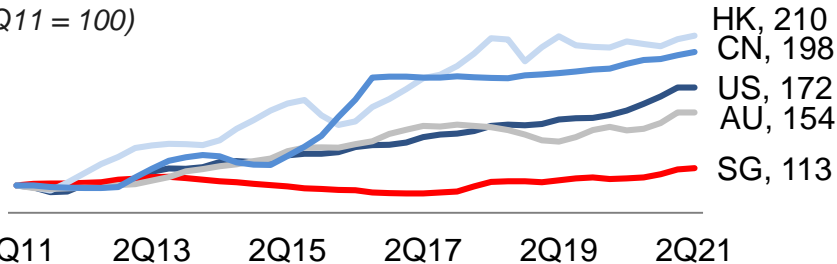


* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units; sources: Central banks

Singapore mortgages remains a low risk asset class

Low Risk of Housing Bubble due to Cooling Measures

(2Q11 = 100)

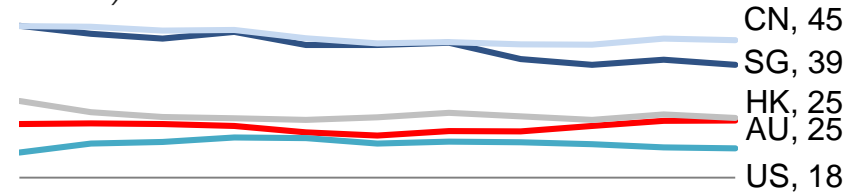


Sources: CEIC, UOB Economic-Treasury Research

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

High National Savings Rate

(% of GDP)



Sources: IMF, UOB Economic-Treasury Research

Property Cooling Measures in Singapore

Loan-to-value (LTV) limit	1 st property 75%/55%*	2 nd property 45%/25%*	Thereafter 35%/15%*	Corporates 15%
Max mortgage tenor	35 years			
Total debt servicing ratio	60% limit, 3.5% interest rate applied on mortgages			
Seller stamp duty	Sold in 1 st year 12%	2 nd year 8%	3 rd year 4%	Thereafter 0%
Buyer's stamp duty	First \$180k 1%	Next \$180k 2%	Next \$640k 3%	Thereafter 4%
Additional buyer's stamp duty	0 to 20%, depending on nationality and number of properties owned by purchaser			

* Higher LTV limits applies if mortgage tenor is ≤ 30 years or sum of mortgage tenor and age of borrower ≤ 65 years old

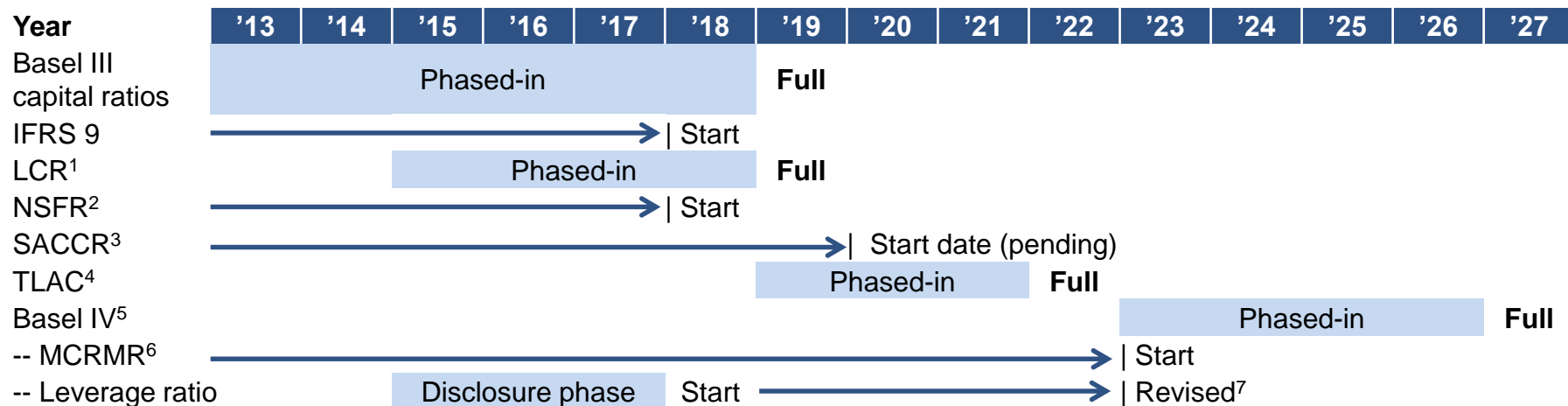
Household Income in Line with Property Prices

	2010	1Q21	+/(−)
Unit costs ¹ (SGD m)	1.09	1.30	+18%
Interest rate (%)	2.03	1.39	
Household income ² (SGD / mth)	13,035	17,250	+34%
Debt servicing ratio ³ (%)	23	19 ⁴	

Sources: URA, CEIC, Singapore Statistics, UOB Economic-Treasury Research

1. Reflects average price of condominiums in Singapore
2. Reflects median of resident households living in private properties
3. Based on a 30-year housing loan, with a loan-to-value of 75%
4. A housing loan with 5% interest rate would increase DSR to 30%

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

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)


“ 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

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

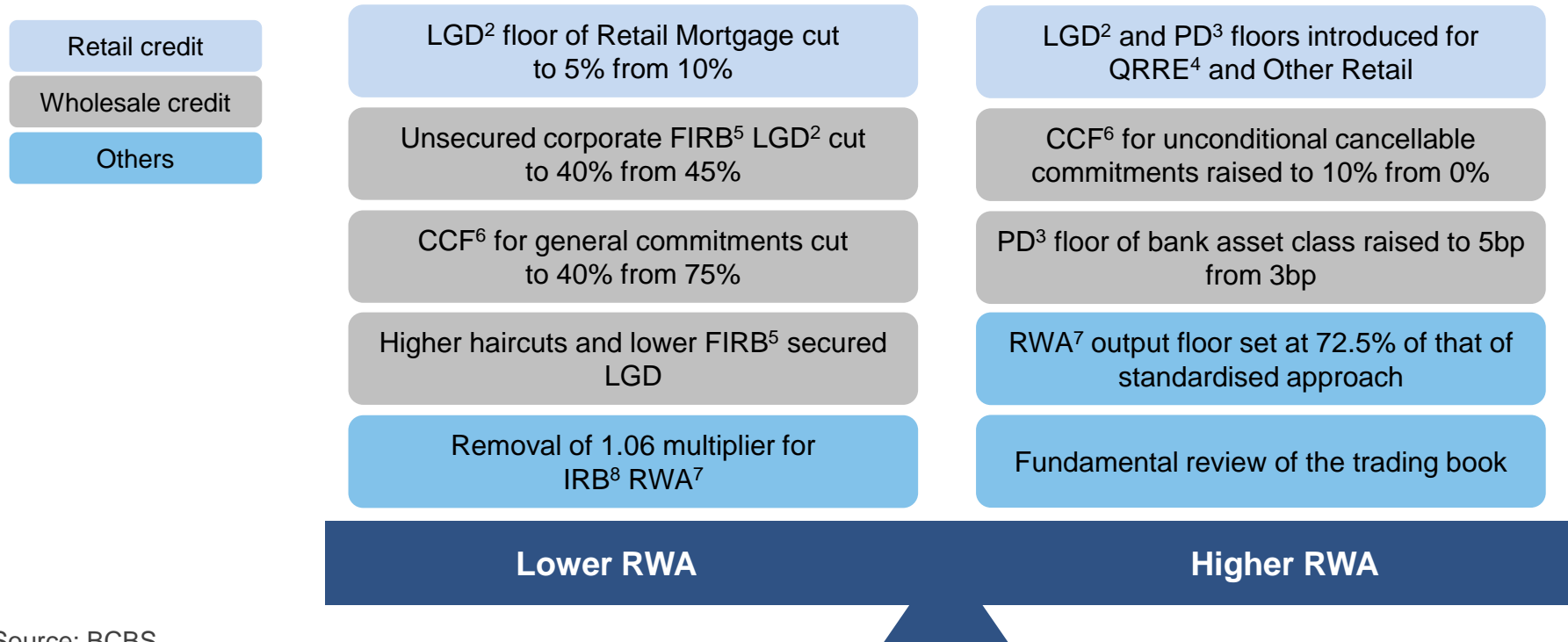
	BCBS	Singapore	Malaysia	Thailand	Indonesia
Minimum CET1 CAR	4.5%	6.5% ¹	4.5%	4.5%	4.5%
Minimum Tier 1 CAR	6.0%	8.0% ¹	6.0%	6.0%	6.0%
Minimum Total CAR	8.0%	10.0% ¹	8.0%	8.5%	8.0%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical Buffer in 2020 ²	n/a	0%	0%	0%	0%
D-SIB Buffer	n/a	2.0%	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 will be progressively raised back to 50% by 1 April 2022.
Malaysia	NSFR was implemented on 1 July 2020, but with a lower minimum of 80%. The 100% minimum will start from 30 September 2021.
Thailand	Banks are able to temporarily maintain LCR and NSFR at lower than 100% until 31 December 2021.

Source: Regulatory notifications

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

Impact of Basel IV¹ likely to be manageable



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



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

Consistent and focused financial management



- 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)

Disciplined management of balance sheet strengths



- Strong Common Equity Tier 1 capital adequacy ratio of 14.2% as at 30 June 2021
- Diversified funding and sound liquidity, with 86.9% loan/deposit ratio
- Strengthened coverage, with allowances for non-impaired loans covering 1% of performing loans

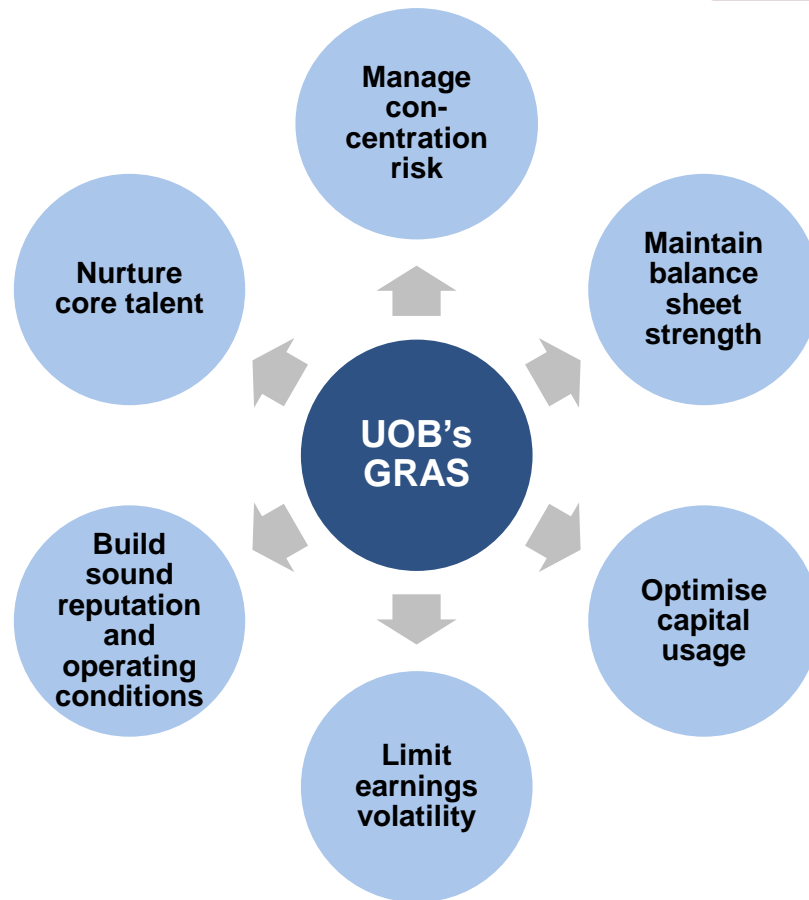
Delivering on regional strategy



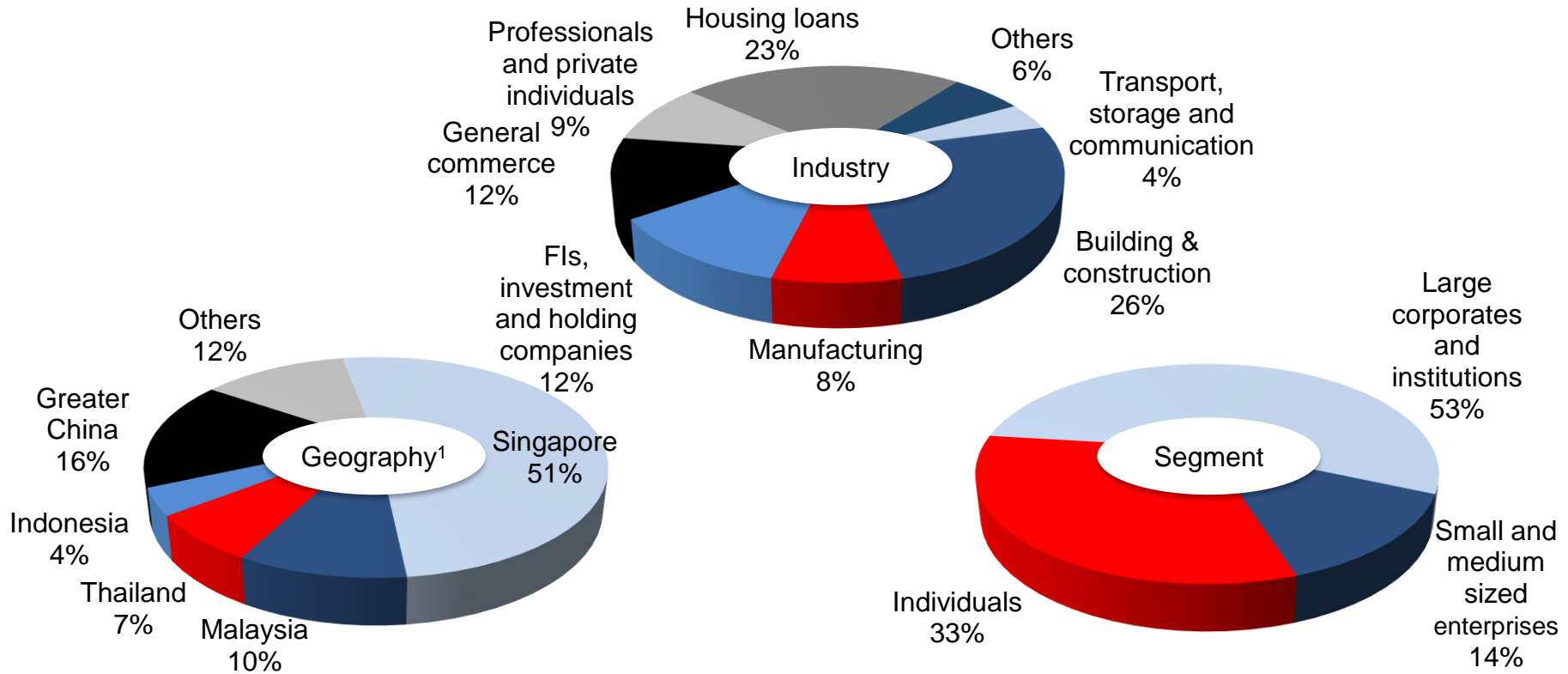
- Holistic regional bank, with full control of overseas subsidiaries
- Focus on profitable niche segments and intra-regional flows
- Entrenched domestic presence and deep local knowledge to address needs of our targeted segments

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 2021

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

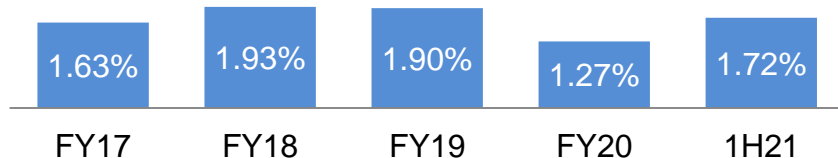
Focus on
balance
sheet
efficiency

Healthy
portfolio
quality

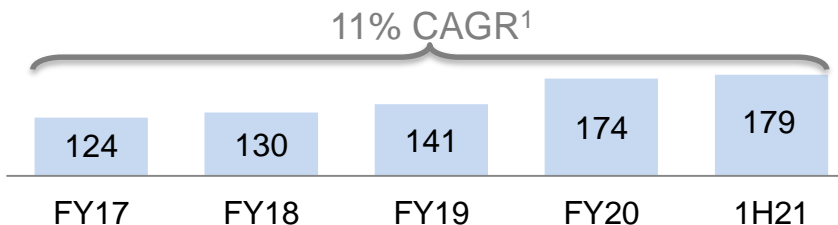
Proactive
liability
management

Robust
capitalisation

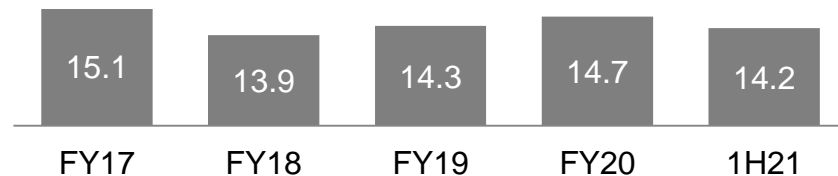
Return on risk-weighted assets



Current Account Saving Account Balances (SGD b)



Common Equity Tier 1 ratio (%)



1. Compound annual growth rate over 3½ years (FY17 to 1H21)

UOB's responsible financing journey: pragmatic and progressive

2018

- Rolled out ESG risk classification to better manage ESG risk in portfolio
- Led industry-wide efforts via the Association of Banks in Singapore (ABS) to develop:
 - i. minimum ESG representations and warranties for Singapore banks, and
 - ii. responsible financing e-learning module
- Enhanced ESG monitoring and reporting to improve oversight on potential controversies

2019

- Discontinued (i) new project financing of coal-fired power plant projects, (ii) project financing of greenfield thermal coal mines and (iii) new financing of greenfield oil palm plantations
- Endorsed Task Force on Climate-related Financial Disclosures (TCFD) recommendations and outlined roadmap, led by cross-functional TCFD Working Group
- Part of Monetary Authority of Singapore' (MAS) working group to co-create the Environmental Risk Management (ENRM) Guidelines

2020

- Strengthened due diligence process with enhanced checklist and climate-related questions
- Completed pilot transition risk climate scenario analysis in line with TCFD roadmap
- MAS' ENRM Guidelines issued; involved in MAS Green Finance Industry Taskforce (GFIT)
- All employees in relevant roles completed industry-wide e-learning module on responsible financing



Qualitative assessment

- Completed **qualitative assessment** in 2019, referencing SASB's¹ Materiality Map® and Moody's Environmental Risks Global Heatmap
- **Identified carbon-intensive segments** most likely to be impacted by climate change:
 - i. Metals and mining
 - ii. Energy
 - iii. Transportation
 - iv. Chemicals
 - v. Building material
 - vi. Agriculture
 - vii. Forestry



Transition risk scenario analysis

- Partnered an internationally recognised environmental consultancy in climate scenario analysis in 2020
- **Three pathways of climate scenarios** based on research by IEA² and OECD³:
 - 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*)



Findings

- Carbon-intensive segments formed **less than 10% of loans**
- In a high carbon price scenario, an average 2-notch credit rating deterioration was observed among the sampled 382 borrowers in carbon-sensitive sectors (5% of loans); overall, **resulting credit risk impact on our portfolio is immaterial**
- **Negligible credit rating deterioration** was observed for a sample of 68 borrowers in the real estate sector (6% of loans)

Competitive against peers

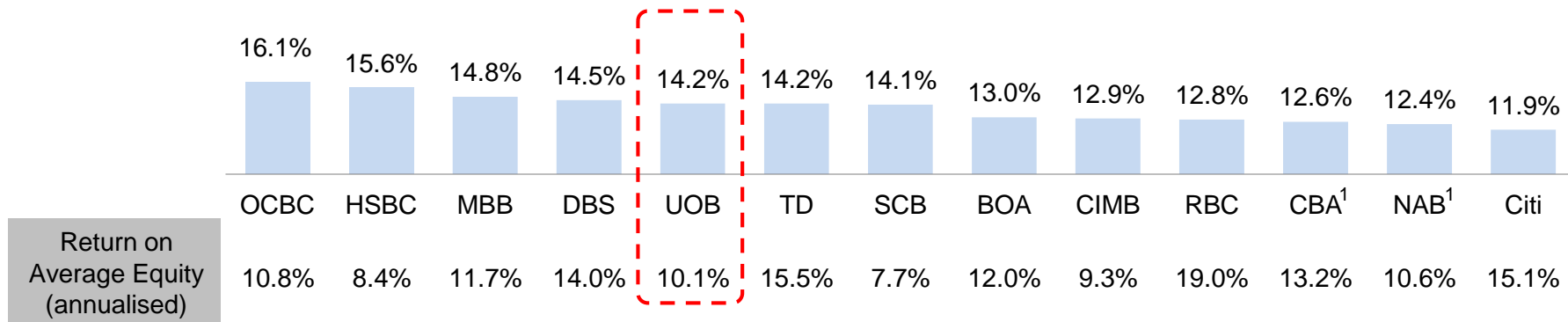
			Standalone Strength	Efficient Cost Management	Competitive returns	Well-Maintained Liquidity	
Moody's	S&P	Fitch		Moody's baseline credit assessment	Costs/income ratio	Return on average assets (annualised)	Loan/deposit ratio
Aa1	AA-	AA-	UOB	a1	44%	0.9%	87%
Aa1	AA-	AA-	OCBC	a1	42%	1.3%	86%
Aa1	AA-	AA-	DBS	a1	42%	1.1%	82%
A3	A-	A+	HSBC	a3	67%	0.6%	64%
A3	BBB+	A	SCB	baa1	68%	0.5%	64%
A2	A-	AA-	BOA	a3	69%	1.2%	47%
A3	BBB+	A	Citi	baa1	61%	1.2%	50%
Aa3	AA-	A+	CBA	a2	47%	0.9%	105%
Aa3	AA-	A+	NAB	a2	46%	0.7%	126%
Aa2	AA-	AA-	RBC	a3	53%	1.0%	68%
Aa1	AA-	AA-	TD	a1	55%	0.8%	65%
A3	A-	n.r.	CIMB	baa2	49%	0.9%	89%
A3	A-	BBB+	MBB	a3	41%	1.1%	89%

Source: Company reports, Credit rating agencies (updated as of 5 Aug 2021)

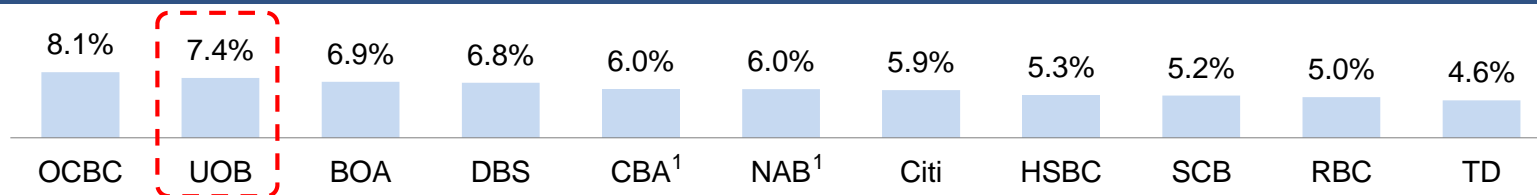
Banks' financials were as of 30 Jun 21, except for those of RBC, TD (30 Apr 21), NAB, CIMB, Maybank (31 Mar 21) and CBA (31 Dec 20)

Strong capital and leverage ratios

Reported Common Equity Tier 1 CAR



Reported Leverage Ratio



Source: Company reports

Banks' financials were as of 30 Jun 21, except for those of RBC, TD (30 Apr 21), NAB, CIMB, Maybank (31 Mar 21) and CBA (31 Dec 20)

1. NAB's and CBA's Tier 1 CARs based on APRA's standards; their respective internationally comparable ratio was 17.0% (31 Mar 21) and 18.7% (31 Dec 20)

Strong investment grade credit ratings



Aa1 / P-1

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



AA- / A-1+

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



AA- / F1+

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

- AT1: Additional Tier 1 securities
- Sustainability bonds

Note: Table outlines UOB's public rated issues; FXN: Fixed Rate Notes; FRN: Floating Rate Notes; NC: Non-call; Updated as of 5 Aug 2021.
FX rates at 30 June 2021: USD 1 = SGD 1.34; AUD 1 = SGD 1.01; GBP 1 = SGD 1.86; EUR 1 = SGD 1.60; RMB 1 = SGD 0.21

Debt Issuance History

Debt Maturity Profile (SGD b)

	Issue Date	Structure	Call	Amount	Ratings (M/S/F)	'21	'22	'23	'24	'25	'26	'27	'28	'29
AT1 ¹	Jun-21	Perpetual	2028	SGD600m	Baa1/BBB-/BBB+	-	-	-	-	-	-	-	0.6	-
	Jul-19	Perpetual	2026	SGD750m	Baa1/BBB-/BBB+	-	-	-	-	-	0.8	-	-	-
	Oct-17	Perpetual	2023	USD650m	Baa1 / - /BBB+	-	-	0.9	-	-	-	-	-	-
Tier 2	Apr-21 ²	10½NC5½	2026	USD750m	A2 / BBB+ / A	-	-	-	-	-	1.0	-	-	-
	Sep-20	10½NC5½	2026	USD600m	A2 / BBB+ / A	-	-	-	-	-	0.8	-	-	-
	Apr-19	10NC5	2024	USD600m	A2 / BBB+ / A	-	-	-	0.8	-	-	-	-	-
	Feb-17	12NC7	2024	SGD750m	A2 / - / A	-	-	-	0.8	-	-	-	-	-
	Sep-16	10½NC5½	2022	USD600m	A2 / - / A	-	0.8	-	-	-	-	-	-	-
	Mar-16	10½NC5½	2021	USD700m	A2 / - / A	0.9	-	-	-	-	-	-	-	-
Senior	Apr-21 ²	3yr FXN	-	USD750m	Aa1 / AA- / AA-	-	-	-	-	-	1.0	-	-	-
	Oct-20	5yr FRN	-	AUD750m	Aa1 / AA- / AA-	-	-	-	-	0.8	-	-	-	-
	Oct-20	3yr FRN	-	AUD500m	- / AA- / -	-	-	0.5	-	-	-	-	-	-
	Jul-19	3yr FRN	-	AUD500m	Aa1 / AA- / AA-	-	0.5	-	-	-	-	-	-	-
	Mar-19	3yr FXN	-	RMB2b	AAA (CCXI)	-	0.4	-	-	-	-	-	-	-
	Jul-18	3½yr FRN	-	AUD600m	Aa1 / AA- / AA-	-	0.6	-	-	-	-	-	-	-
Covered	May-21	8yr FXN	-	EUR750m	Aaa / AAA / -	-	-	-	-	-	-	-	-	1.2
	Dec-20	7yr FXN	-	EUR1b	Aaa / AAA / -	-	-	-	-	-	-	1.6	-	-
	Sep-19	3yr FXN	-	USD500m	Aaa / AAA / -	-	0.7	-	-	-	-	-	-	-
	Sep-18	5yr FXN	-	EUR500m	Aaa / AAA / -	-	-	0.8	-	-	-	-	-	-
	Feb-18	5yr FRN	-	GBP350m	Aaa / AAA / -	-	-	0.7	-	-	-	-	-	-
	Jan-18	7yr FXN	-	EUR500m	Aaa / AAA / -	-	-	-	-	0.8	-	-	-	-
Mar-17	5yr FXN	-	EUR500m	Aaa / AAA / -	-	0.8	-	-	-	-	-	-	-	
Total						0.9	3.8	2.8	1.6	1.6	3.6	1.6	0.6	1.2

Our Growth Drivers

Our growth drivers

Realise full potential of our integrated platform



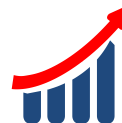
- Provides us with ability to serve expanding regional needs of our customers
- Improves operational efficiency, enhances risk management, seamless customer experience and faster time to market

Sharpen regional focus



- 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

Reinforce fee income growth



- 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

Long-term growth perspective

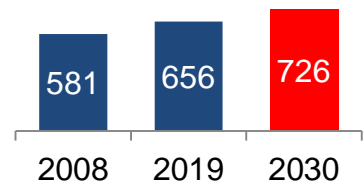


- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

Southeast Asia's immense long-term potential

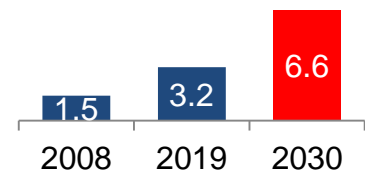
Population

(Million persons)



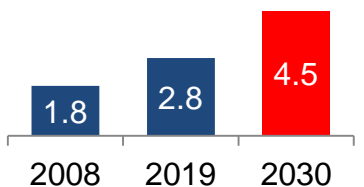
GDP¹

(USD trillion)



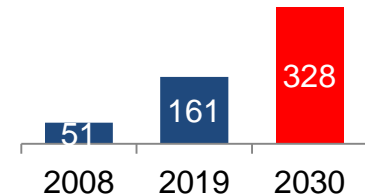
Trade²

(USD trillion)



FDI³

(USD billion)



Southeast Asia's immense growth prospects...

- Third largest population globally, after China and India
- Young demographics, with 384 million below 35 years old
- Fifth largest economic bloc globally by GDP¹
- Fourth largest trading group globally
- Third largest recipient of inward FDI³ 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

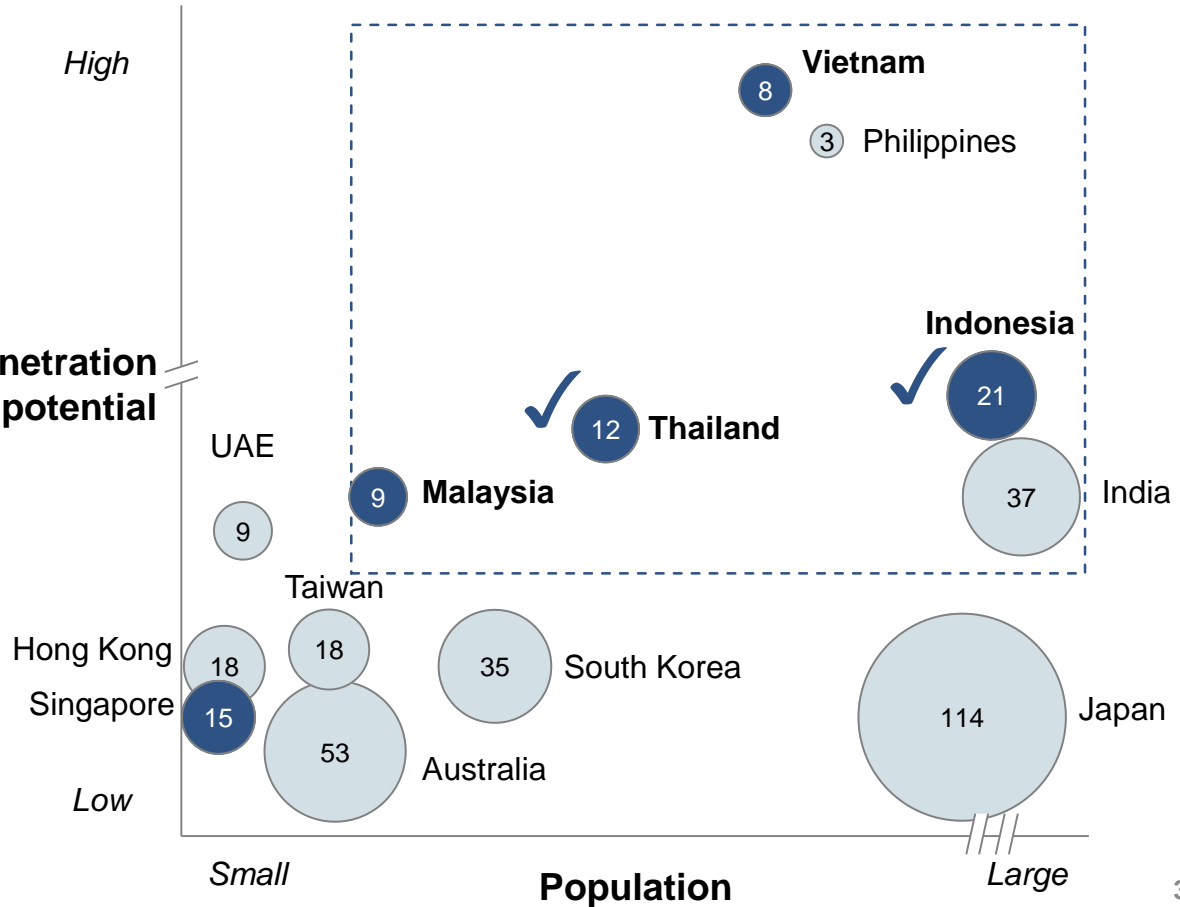
2019 retail banking pool sizes

USD b

Denotes UOB's core markets in Southeast Asia

TMRW was launched by UOB in Thailand (March 2019) and Indonesia (August 2020)

Banking penetration growth potential



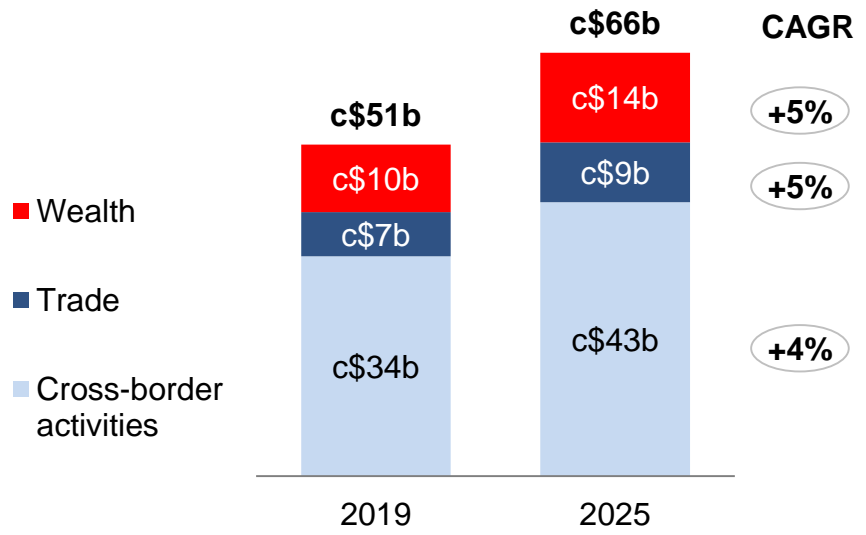
Note: UAE and Japan's retail banking market size as of 2017

Source: BCG banking pools (2019), World Bank (2017)

Revenue potential from ‘connecting the dots’ in the region

Industry’s potential connectivity revenue

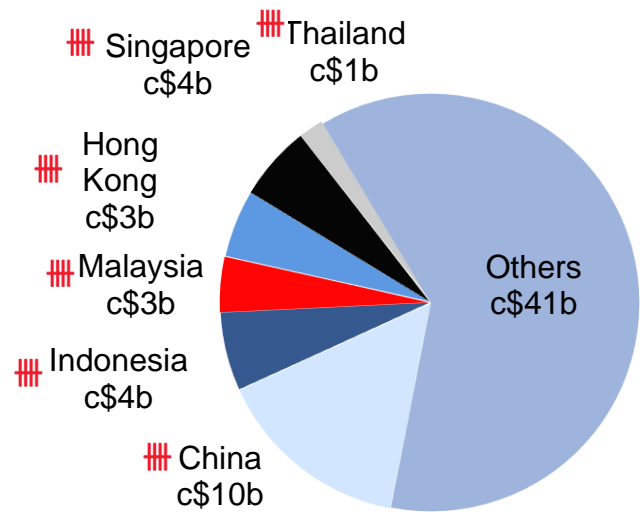
(SGD b)



Industry’s potential connectivity revenue (2025)

(SGD b)

Markets where UOB has a presence



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: Record income on regional franchise, capturing cross-border opportunities



Strengthening Connectivity

Across our ASEAN footprint and global network



+7%¹

Cross-border income growth (formed 29% of Group Wholesale Banking income)



+78%¹

Growth in suppliers and distributors within financial supply chain management solution



Sector Specialisation

Building capabilities for greater diversification and risk mitigation



+16%

Global Financial Institutions Group income growth



+25%

Loan- and trade-related fee growth



Deepening Digitalisation

For secure and efficient transactions



+36%²

Digital banking transactions by businesses



3x³

Cashless payments to businesses

Note: Figures are for 1H21 and growth rates are relative to 1H20 1. Year-on-year growth for 5M21 2. Refers to number of transactions via UOB Infinity/BIBPlus across the Group 3. Refers to payments made on Corporate PayNow in Singapore

Consumers: Tapping on rising affluence in Southeast Asia



Omni-channel Experience

Serving affluent customers across various touchpoints



+20%
YoY growth in mortgage sales¹



SGD137b²
Assets under management (AUM)
▲ 7% YoY



Digital Bank: TMRW

Specially for mobile-first and mobile-only generation



>355k
Total TMRW customers in Indonesia and Thailand



4x
YoY growth in total TMRW customer deposits



Ecosystem Partnerships

Forging collaborations to widen distribution reach and deepen wallet share



100%
of car loan applications¹ were digital



2 in 3
home loan applications¹ were digital

Forging a sustainable future with our customers in ASEAN



Sustainable financing
Sustainable growth in priority sectors driving ASEAN progress



Responsible investment
Integrate sustainability into wealth management products and advisory framework



Delivering tangible impact
Making an impact beyond financial targets



SGD13b
Total sustainability financing¹ provided to date at end-1H21



UOB Green Trade Finance Framework
Also co-led development of industry framework Under MAS GFIT²



SGD5.7b
Total AUM in ESG-focused investments at end-1H21



120k tCO₂-e
Contribution to annual avoided greenhouse gas emissions



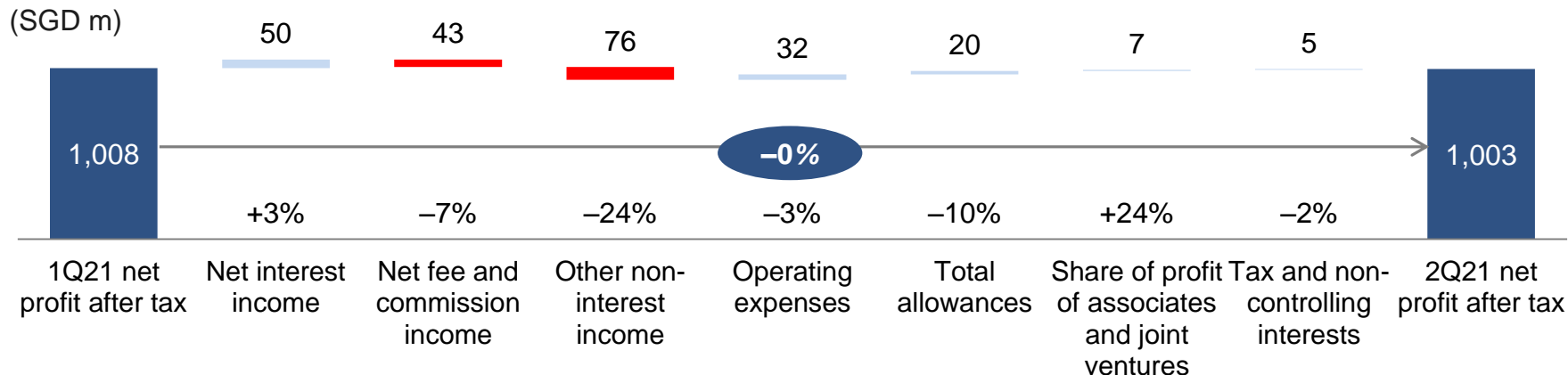
160GWh³
Solar energy generated under U-Solar programme, equivalent to 1.3m new tree seedlings grown over 10 years

1. Comprise green loans, sustainability-linked loans and loans for green certified buildings 2. Green Finance Industry Taskforce
3. Gigawatt hours

Latest Financials

2Q21 financial overview

Net Profit After Tax Movement, 2Q21 vs 1Q21



Key Indicators	2Q21	1Q21	QoQ Change	2Q20	YoY Change
Net interest margin (%) ¹	1.56	1.57	-0.01% pt	1.48	+0.08% pt
Non-interest income / Income (%)	34.7	38.5	-3.8% pt	35.6	-0.9% pt
Cost / Income ratio (%)	43.7	43.8	-0.1% pt	46.0	-2.3% pt
Return on equity (%) ^{1, 2}	10.1	10.2	-0.1% pt	7.1	+3.0% pt

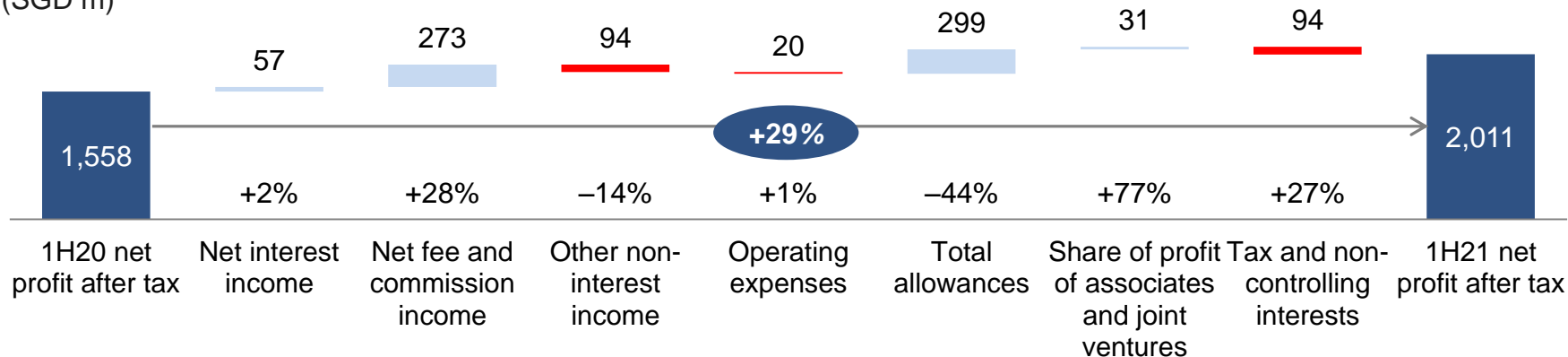
1. Computed on an annualised basis

2. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

1H21 financial overview

Net Profit After Tax Movement, 1H21 vs 1H20

(SGD m)



Key Indicators	1H21	1H20	YoY Change
Net interest margin (%) ¹	1.56	1.60	-0.04% pt
Non-interest income / Income (%)	36.6	34.7	+1.9% pt
Cost / Income ratio (%)	43.8	45.6	-1.8% pt
Return on equity (%) ^{1, 2}	10.1	8.0	+2.1% pt

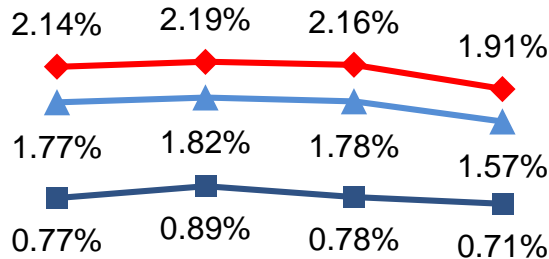
1. Computed on an annualised basis

2. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

Net interest income rose with asset volumes, while net interest margin was stable

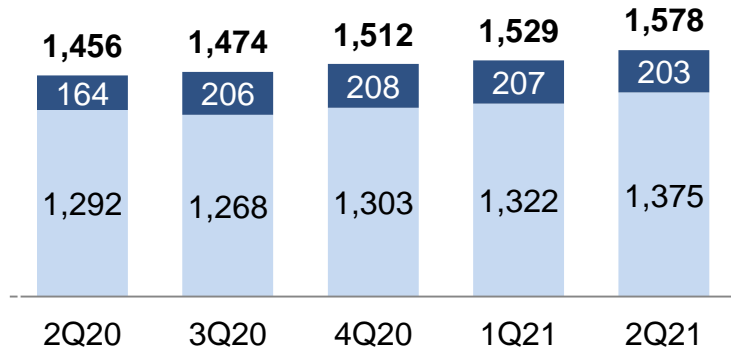
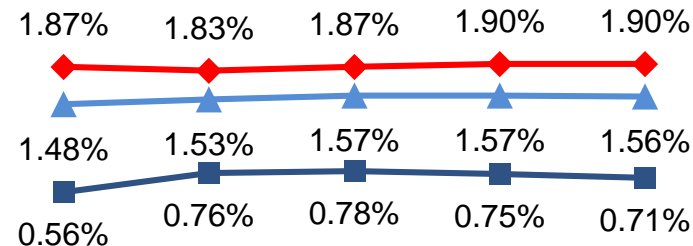
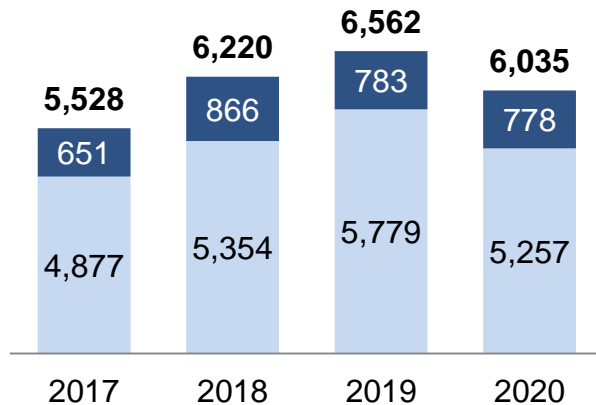
Net interest margin (%) *

- Loans
- Overall
- Interbank & securities



Net interest income (SGD m)

- Total
- Interbank & securities
- Loans



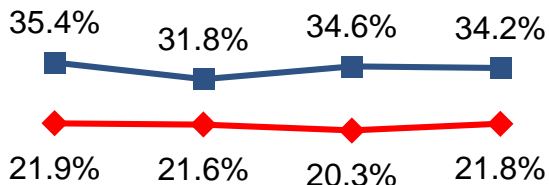
* Computed on an annualised basis, where applicable

Non-interest income supported by diversified revenue engines

% of total income

— Non-interest income

— Net fee income



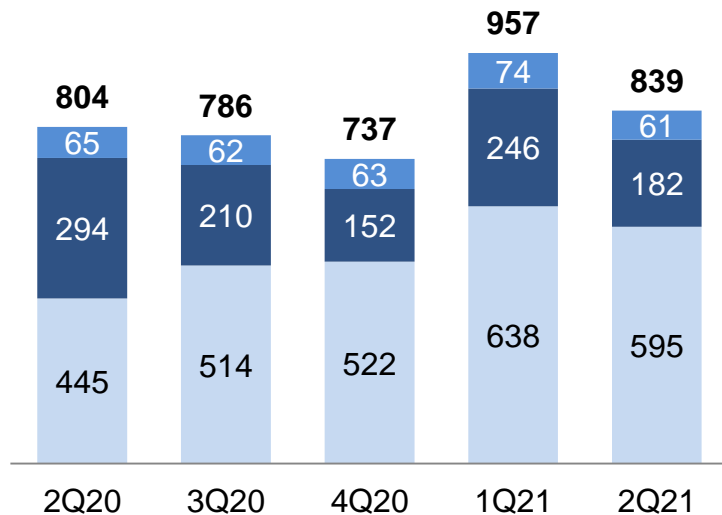
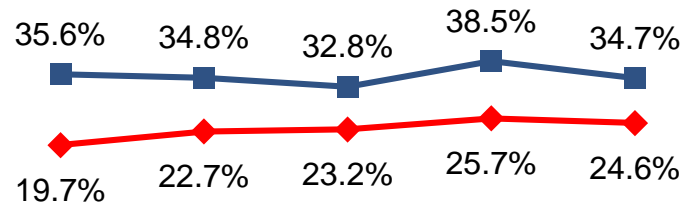
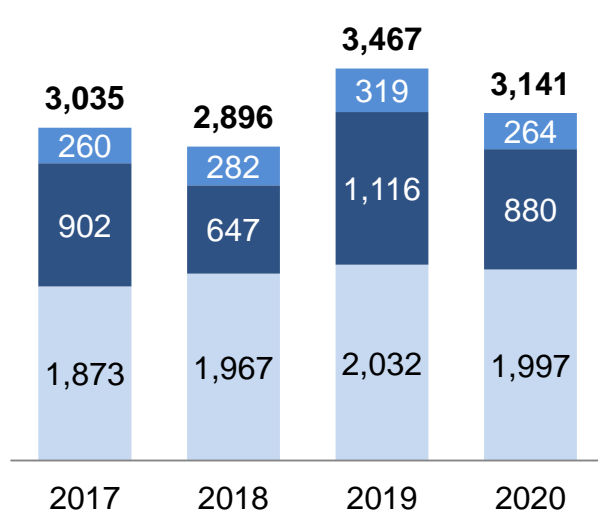
Non-interest income (SGD m)

□ Total

□ Others

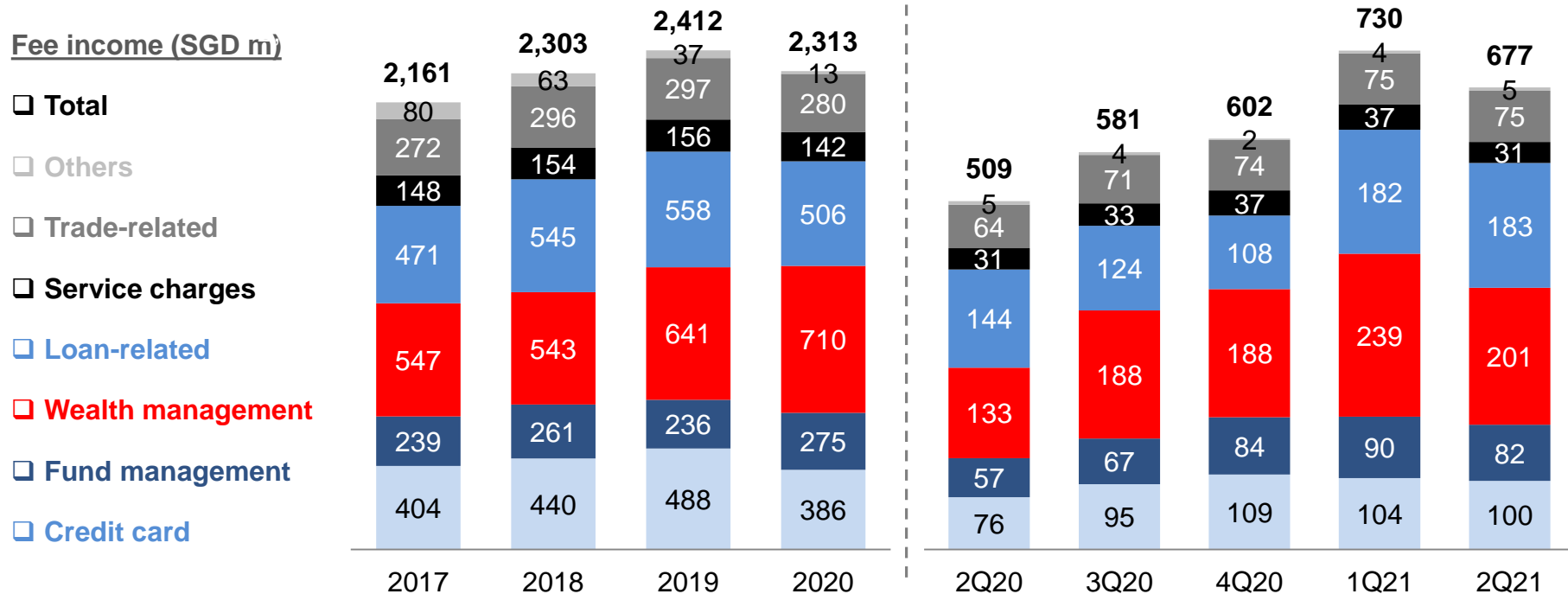
□ Trading and investment income

□ Net fee income



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

Diverse fee base, with sustained momentum in loan-related fees



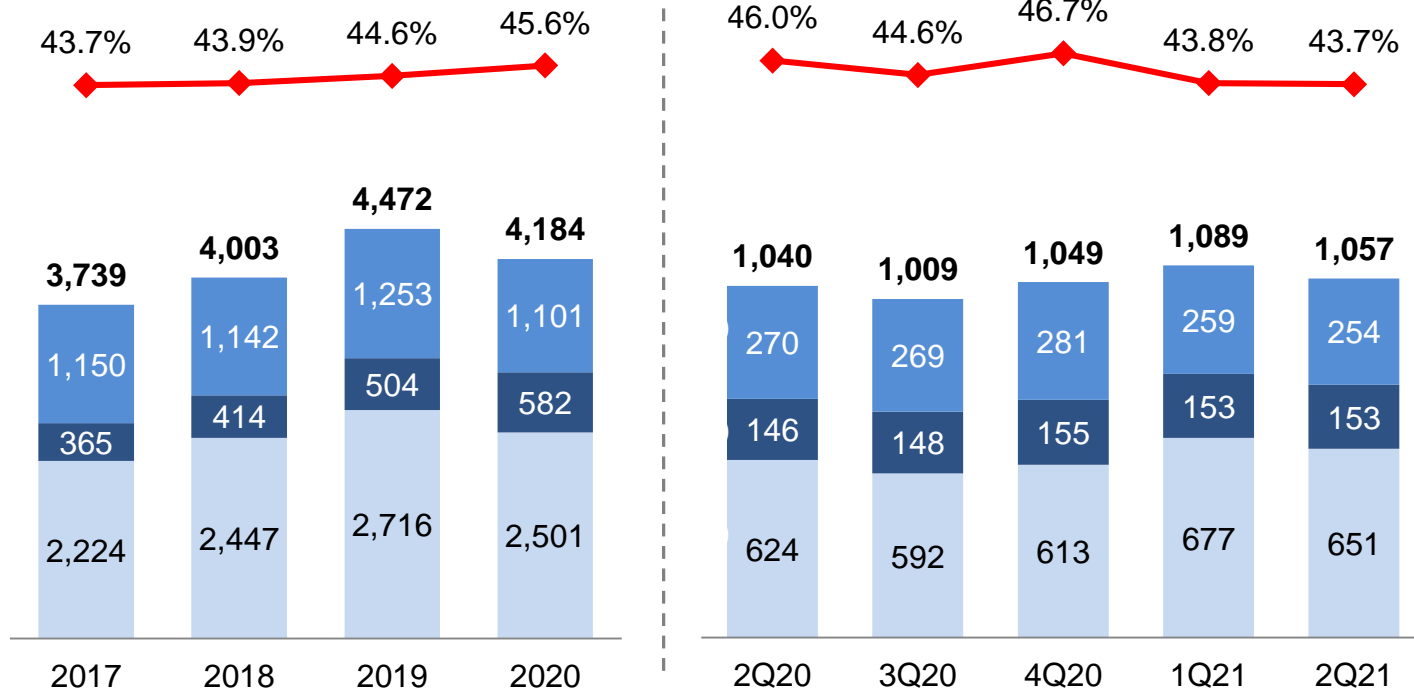
Note: The amounts represent fee income on a gross basis

Stable CIR as we pace investments in staff and technology

— Costs / Income ratio (CIR, %)

Operating expenses (SGD m)

- Total
- Others
- IT-related expenses
- Staff costs



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

Steady growth across our key markets in Southeast Asia and North Asia

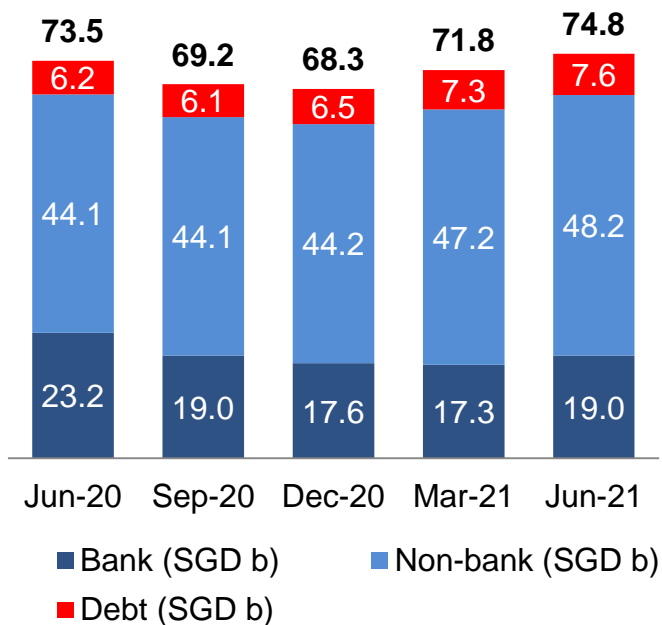
	1H21	1H20	YoY +/(−) %	2Q21	1Q21	QoQ +/(−) %
Operating profit	SGD m	SGD m		SGD m	SGD m	
Singapore	1,429	1,316	+9	705	724	−3
Rest of Southeast Asia	678	663	+2	335	342	−2
<i>Malaysia</i>	355	351	+1	173	182	−5
<i>Thailand</i>	201	189	+6	101	101	−0
<i>Indonesia</i>	118	103	+15	59	59	−1
<i>Vietnam</i>	0	15	−97	1	−1	> +100
<i>Others</i>	3	5	−36	2	1	+11
North Asia	298	291	+3	144	155	−7
<i>Greater China</i>	280	266	+5	133	146	−9
<i>Others</i>	19	25	−26	10	9	+19
Rest of the world	352	271	+30	176	176	−0
Total	2,757	2,541	+9	1,360	1,397	−3
Overseas contribution	48%	48%	−pt	48%	48%	−pt

Healthy growth led by term and trade loans in Singapore, North Asia and rest of the world

	Jun-21	Mar-21	QoQ	Jun-20	YoY
	SGD b	SGD b	+/(−) %	SGD b	+/(−) %
Gross Loans					
Singapore	153	151	+1	142	+8
Rest of Southeast Asia	62	63	−1	64	−4
<i>Malaysia</i>	29	30	−2	30	−2
<i>Thailand</i>	20	20	−3	21	−5
<i>Indonesia</i>	11	10	+3	11	−6
<i>Vietnam</i>	2	2	+3	2	+12
<i>Others</i>	1	1	−7	1	−15
North Asia	51	50	+2	47	+10
<i>Greater China</i>	48	47	+2	44	+9
<i>Others</i>	3	3	+8	3	+14
Rest of the world	32	29	+11	28	+17
Total	299	293	+2	281	+6

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



As at 30 June 2021:

Mainland China exposure

(\$27.3b or 6% of total assets)

Bank exposure (\$12.9b)

- ~70% to top five domestic banks and three policy banks
- 99% with <1 year tenor
- Trade exposures accounting for ~50% of total bank exposure

Non-bank exposure (\$11.0b)

- Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~60% denominated in RMB
- ~50% with <1 year tenor
- NPL ratio at 0.4%

Hong Kong SAR exposure

(\$38.2b or 9% of total assets)

Bank exposure (\$2.9b)

- Majority to foreign banks

Non-bank exposure (\$32.0b)

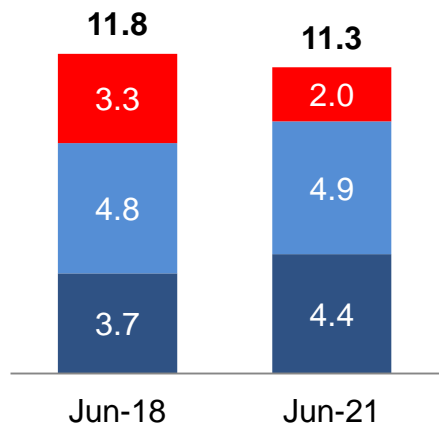
- Mainly wholesale corporates
- ~60% with <1 year tenor
- NPL ratio at 0.8%

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 sector

Total Outstanding O&G Loans

(SGD b)



- Upstream industries
- Downstream industries
- Oil traders

- As of 30 June 2021, oil and gas (O&G) loans represented 4% of total loans as compared with 5% at 30 June 2018
- Around 80% of 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

NPA formation rose due to a few corporate accounts; NPL ratio stable

(SGD m)	2Q20	3Q20	4Q20	1Q21	2Q21
NPAs at start of period	4,590	4,628	4,301	4,608	4,544
Non-individuals:					
New NPAs	131	74	622	145	360
Upgrades and recoveries	(126)	(216)	(175)	(250)	(158)
Write-offs	(42)	(63)	(179)	(26)	(202)
	4,553	4,423	4,569	4,477	4,544
Individuals (Net)	75	(122)	39	67	3
NPAs at end of period	4,628	4,301	4,608	4,544	4,547

NPL ratio (%)

1.6%

1.5%

1.6%

1.5%

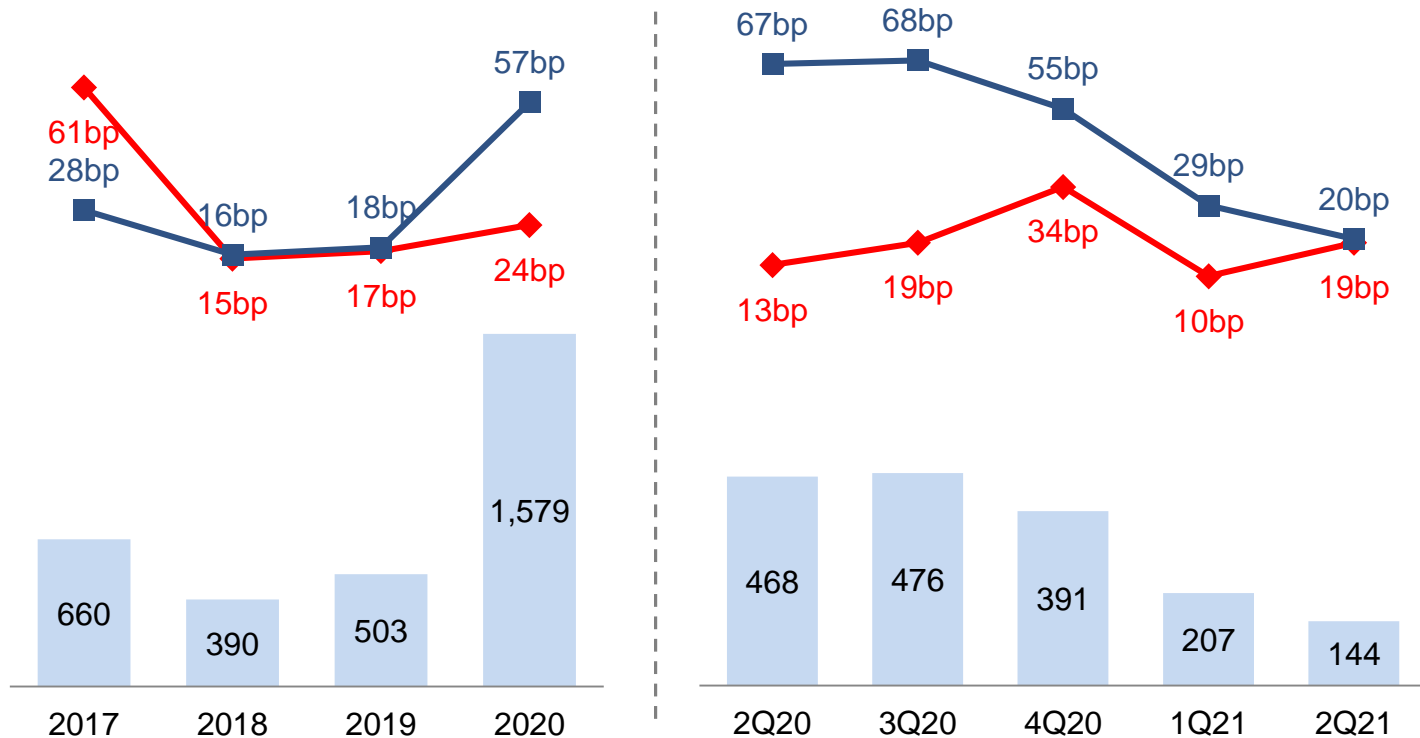
1.5%

Credit costs eased as macro outlook stabilises and pre-emptive provisions mostly taken in 2020

Average Gross Loans (basis points) *

— Allowances for NPLs
— Total allowances for Loans

Total allowances for loans (SGD m)

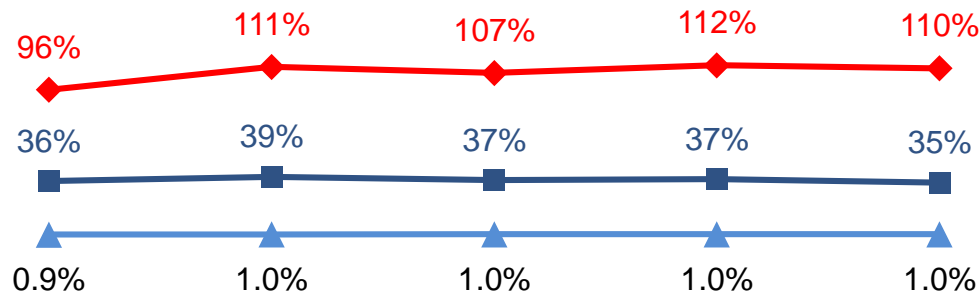


* Computed on an annualised basis, where applicable

Allowances sufficient amid ongoing macro uncertainties

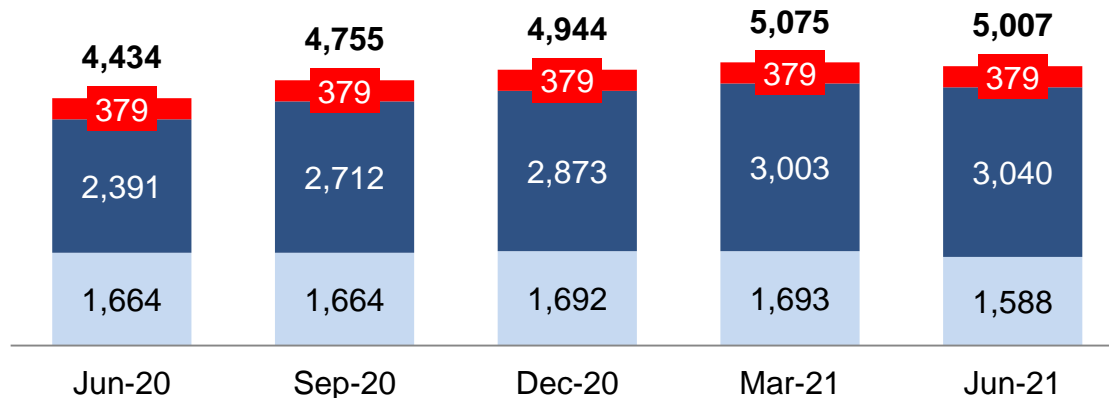
Coverage ratios (%)

- Total allowances* / NPAs
- Allowances for NPAs / NPAs
- Allowance for non-impaired loans* / performing loans (%)



Allowances (SGD m)

- Total
- Regulatory loss allowance reserve
- Allowances for non-impaired assets
- Allowances for impaired assets



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

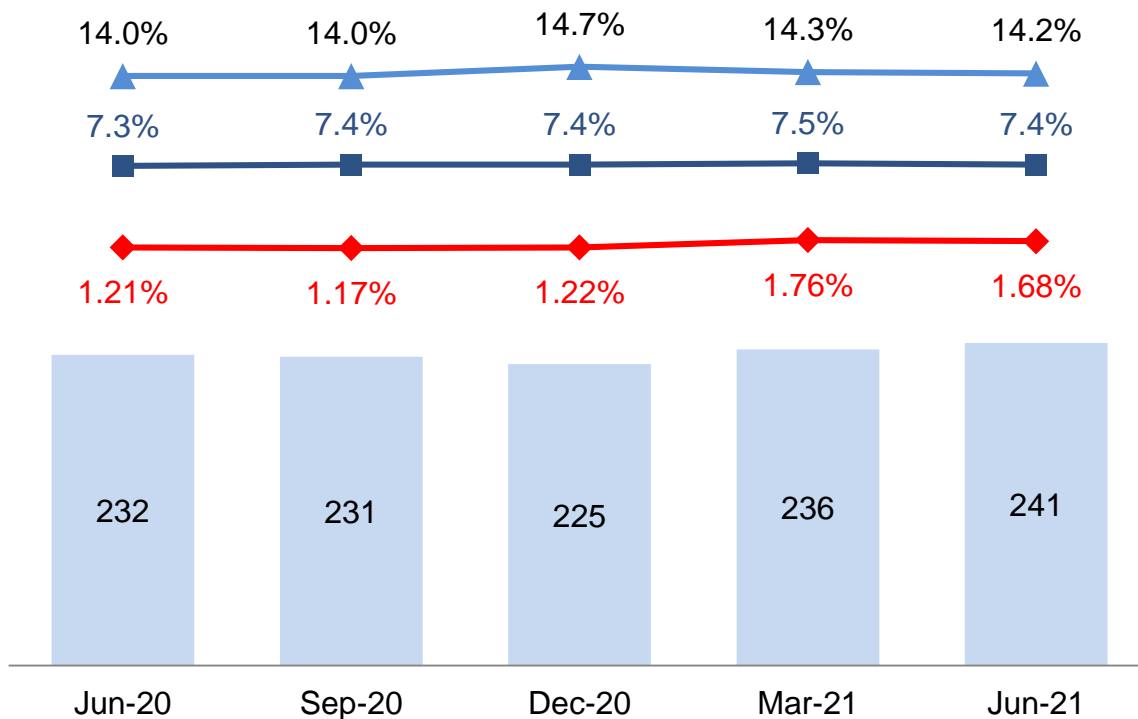
Strong capital and leverage ratios

— Common equity Tier 1 capital adequacy ratio (%)

— Leverage ratio (%)

— Return on risk-weighted assets (%) *

□ Risk weighted assets (SGD b)



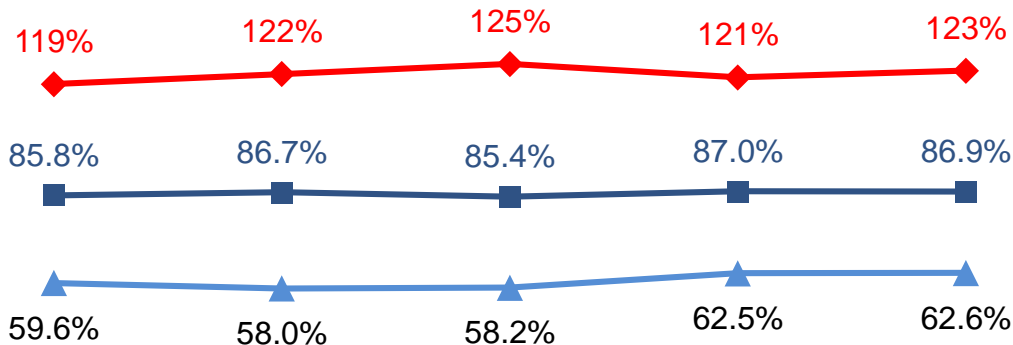
* Computed on an annualised basis

Sound funding and liquidity positions

— Net stable funding ratio (%)

— Group loan-deposit ratio (%)

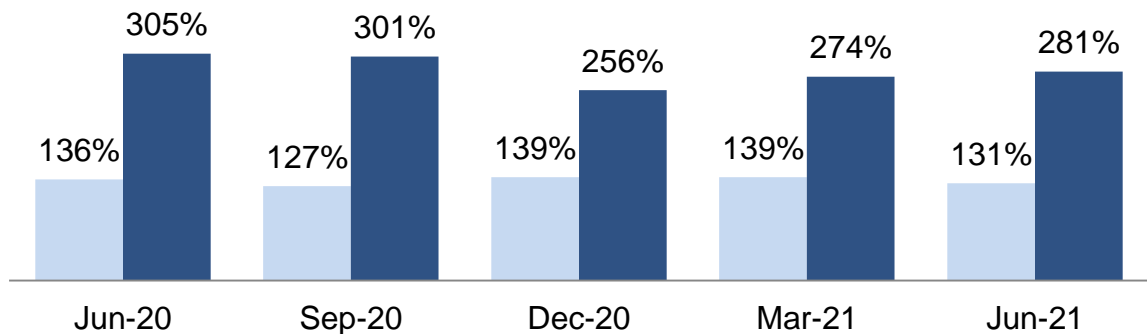
— USD loan-deposit ratio (%)



Liquidity coverage ratio (%) *

□ SGD

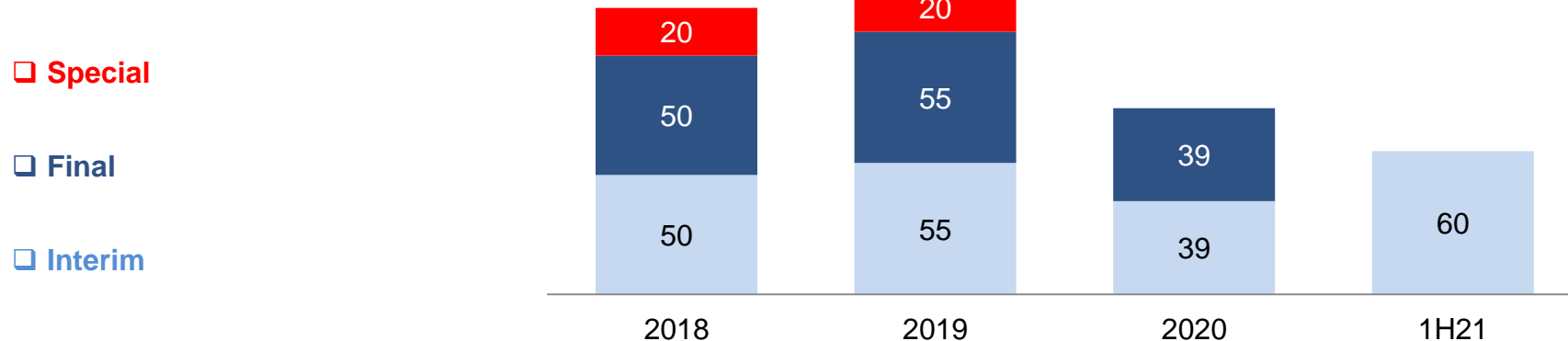
□ All-currency



* Computed on a quarterly average basis

Dividends in line with higher earnings and strong capital position

Net dividend per ordinary share (¢)



	2018	2019	2020	1H21
Payout amount (SGD m)	2,000	2,171	1,304	1,006
Payout ratio (%)	50	50	45 ¹	50
Payout ratio (excluding special dividends) (%)	42	42	45 ¹	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

