

First Half 2019 Results: Steady Business Momentum Backed by Solid Balance Sheet

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Steady 1H19 Earnings Built on Strong Growth Momentum of Core Business

S\$2.2b

Net profit
after tax

▲ 8% YoY

S\$273b

Gross customer
loans

▲ 9% YoY

S\$3.2b

Net interest
income

▲ 8% YoY

1.80%

Net interest
margin

▼ 3bp YoY

S\$1.7b

Non-interest
income

▲ 12% YoY

44.1%

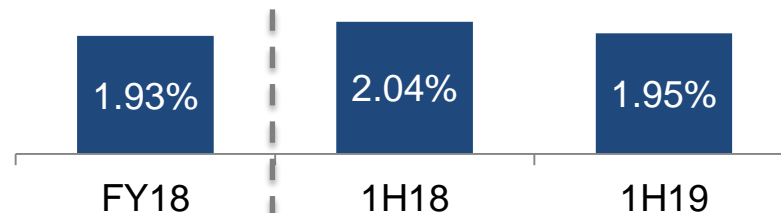
Cost /
income ratio

▲ 0.2%pt YoY

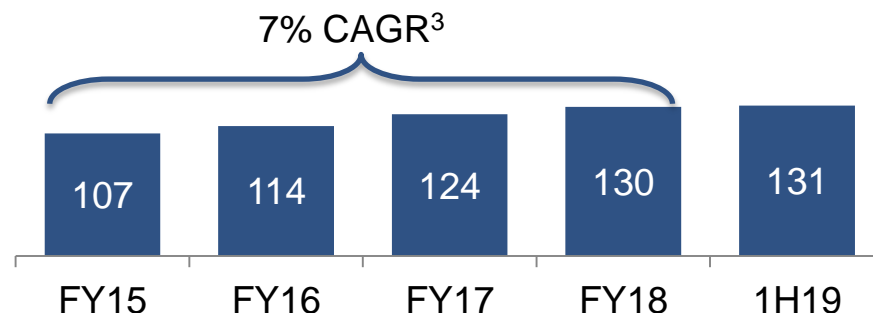
Our Balance Sheet Remains Strong

- **Sustained balance sheet efficiency**
 - Healthy RoRWA¹
- **Healthy portfolio quality**
 - Non-performing loan ratio stable at 1.5%
 - 13bp credit cost on loans
 - Adequate non-performing assets reserve cover: 84%, or 191% after taking collateral into account
- **Proactive liability management**
 - Liquidity coverage ratios: SGD (312%²) and all-currency (147%²)
 - Net stable funding ratio: 108%
- **Robust capitalisation**
- **Interim dividend / share ▲ to 55 cents, vs 50 cents in 1H18**

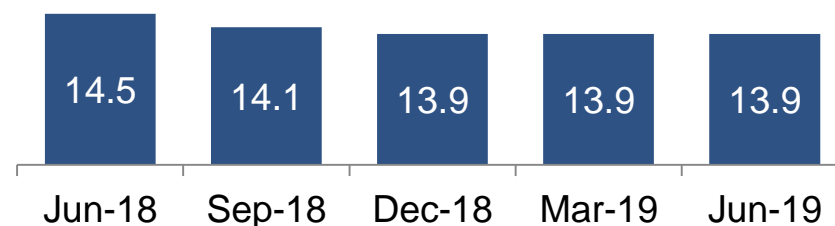
RoRWA¹



Current Account Saving Account Balances (SGD b)



Common Equity Tier 1 Capital Adequacy Ratio (%)



Note: All figures as at 30 June 2019 unless otherwise specified.

1. Return on average risk-weighted assets.

2. Average liquidity coverage ratios over 2Q19.

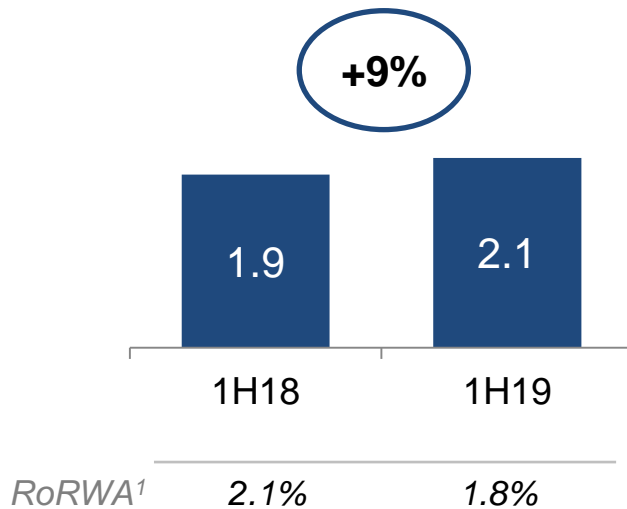
3. Compound annual growth rate over 3 years (2015 to 2018).

Tapping Intra-Regional Flows through Diversification

Steady income growth...

... supported by diverse sources

Group Wholesale Banking income
(SGD b)



+11%²

growth in non-Singapore income

+9%²

growth in non-real estate income

+14%²

growth in non-loan income

1. Return on risk weighted assets (RoRWA), computed as a ratio of "Profit before tax" to "Average segment RWA".
2. Year on year growth for May 2019 year-to-date.

Strategic Initiatives to Tap Intra-Regional Flows



Strengthened Connectivity

Tapping Greater China / Southeast Asian flows

- Support regional needs of companies from Southeast Asia & Greater China
- Singapore remains attractive as hub for region
- Open second Vietnam branch in Hanoi

Cross-border revenue:
+19% growth¹ and
27%² of GWB income



Sector Specialisation

Offering tailored solutions

- Improve customer engagement with insights and sectoral benchmarking
- Well-positioned to bank opportunities from trade diversion and re-shoring arising in the region

Non-loan income:
+14%¹
Non-real estate income:
+9%¹



Products and Platforms

Building new capabilities

- Platform integrated into national payment system
- API⁴ solutions powering real time transactions
- Re-designed customer journeys
- Faster speed to market

API⁴ solutions: Powering **>0.5m** payment transactions every month
Targeted cost productivity improvement³: **~10%**

1. Year on year growth for May 2019 year-to-date (ytd).

2. As of May 19 ytd.

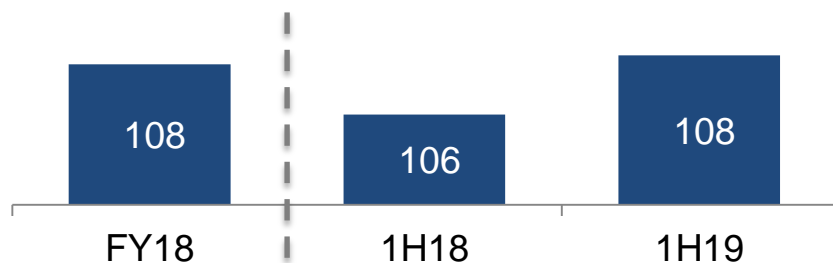
3. 2021 target.

4. Application programming interface

Serving the Rising Affluent via Our Extensive In-country Presence

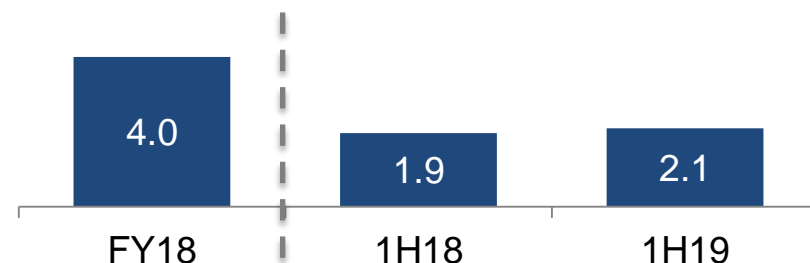
Gross Loans (Group Retail¹): +2% YoY in 1H19

SGD b



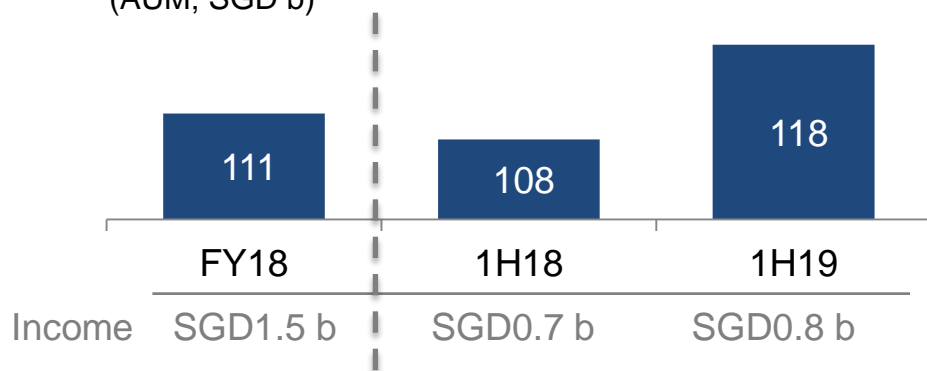
Income (Group Retail¹) +7% YoY in 1H19

SGD b

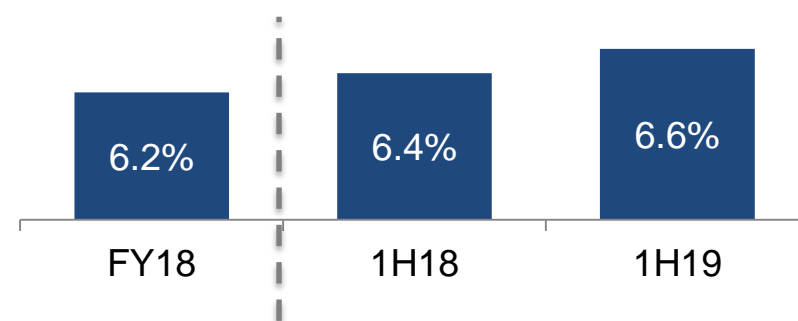


~60% of AUM from overseas customers²

Assets under management
(AUM; SGD b)



Segment RoRWA³ +0.2%pt YoY in 1H19



1. Includes Business Banking.

2. Through the Group's network of wealth management centres in Southeast Asia

3. Return on risk weighted assets (RoRWA), computed as a ratio of "Profit before tax" to "Average segment RWA".

Leveraging Digitalisation & Partnerships for Stronger Customer Franchise



Digital Bank: TMRW

Targeting Mobile-First & Mobile-Only Generation

- Launched TMRW in Thailand within 14 months
- Products: Payments, deposits and unsecured

Target 5 markets

3-5m customers

Engagement Index >7

Steady-state cost-income ratio ~35%



Omni-Channel Experience

Traditional & affluent customers with universal banking needs

- Launched UOB Mighty 2 app with improved features for better experience
- Leveraging data analytics & machine learning across customer touch points

Ranked top in Singapore for quality of Branch Services¹

RMs² at Orchard Wealth Centre: Higher sales productivity



Ecosystem Partnerships

Forging collaborations to widen distribution reach

- Strengthening customer acquisition & deepening wallet share
- Improving banking access by integrating with lifecycle needs of consumers & small businesses

Launched Singapore's first online utilities marketplace with 10 partners

Supported ~20k SMEs with BizSmart³ across the region

1. UOB was top bank in Singapore with best score in Branch Services in Customer Satisfaction Index of Singapore (CSISG) 2018.
2. Relationship Managers.
3. UOB BizSmart offers a suite of integrated account, payroll and business operational solutions. Data as of 30 June 2019.

Looking Ahead

Southeast Asia's Resilient Fundamentals

Young
Growing
Population

Rising
Income

Intra-
regional
Flows

Capabilities Built Over the Years Best Position UOB to Seize Opportunities Amid Uncertainties

**Regional
Connectivity**

Sector
Expertise

Integrated
Regional
Network

Deep Local
Knowledge

**Customer
Engagement**

Digital Bank

Omni-channel
Experience

Ecosystem
Partnerships

**Long-Term
Focus**

Robust
Balance
Sheet

Investments
in People &
Capabilities

Thank You

