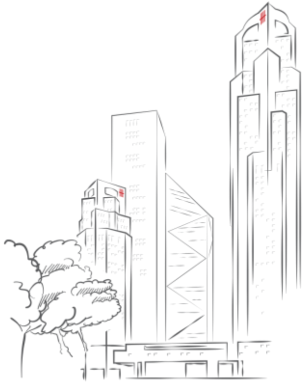

UOB Group

Financial Updates

Lee Wai Fai

Group Chief Financial Officer

For the Financial Year / Fourth Quarter Ended 31 December 2020

Financial Highlights

	FY20	4Q20
Operating profit	**$5.0b** - 10% YoY	**$1.2b** - 4% QoQ
Net profit	**$2.9b** -33% YoY	**$0.7b** +3% QoQ
Cost/Income ratio	**45.6%** +1%pt YoY	**46.7%** +2.1%pt QoQ
Credit costs	**57bps** +39 bps YoY	**55bps** -13 bps QoQ

NPL ratio
1.6%
+ 0.1%pt QoQ
+ 0.1%pt YoY

Customer loans
$281b
No change QoQ
+ 5% YoY

NSFR ratio
125%
+ 3%pt QoQ
+ 14%pt YoY

CET 1 ratio
14.7%
+ 0.7%pt QoQ
+ 0.4%pt YoY

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4Q20 NPAT up 3% QoQ as business momentum gradually improved

Balance sheet remained resilient supported by strong liquidity, capital and pre-emptive provisioning

- NIM improved 4 basis points and is expected to stabilise.
- Resilient fee base, good momentum in wealth management continuing into 2021.
- Strong provisioning build up in 2020 sufficient to address impact of new NPA formation; 2021 credit costs projected to ease.
- Strong CET1 ratio at 14.7%; 50% dividend payout ratio to resume once dividend cap is relaxed.

Performance by Segment

Client franchise affected by lower rates; business momentum remains healthy & on track to delivering our strategic priorities.

Retail driven by wealth & deposits while Wholesale continued to scale industry coverage, focusing on Cash, Trade & FX

Global Markets supported by stronger trading performance

Operating Profit	2020 $m	2019 $m	YoY +/(-) %
Group Retail	**2,064**	2,200	(6)
Group Wholesale Banking	**3,101**	3,065	1
Global Markets	**499**	318	57

+6% YoY
Assets under management at $134b, of which ~60% from overseas customers in the region

29%
Cross-border income's contribution to Group Wholesale Banking income

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Wholesale customers

Growing regional franchise, capturing cross-border opportunities

Strengthening Connectivity

Across our ASEAN footprint and global network

29%[1]
Cross-border income's contribution to Group Wholesale Banking income

+2%[2]
Non-Singapore income

Sector Specialisation

Building capabilities for greater diversification and risk mitigation

+17%[2]
Financial Institutions sector income

+3%[2]
Non-real estate income

Deepening Digitalisation

For secure and efficient transactions

+23%[2,3]
Digital banking transactions by businesses across the Group

+6x[2,4]
Cashless payments to businesses in Singapore

1. For FY20. 2. Year-on-year growth for FY20. 3. Refers to digital banking transactions via Business Internet Banking (BIB) Plus. 4. Refers to payments made on Corporate PayNow in Singapore.

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Consumers

Tapping on rising affluence in Southeast Asia

Omni-channel Experience

Serving affluent customers across various touchpoints

67%[1]
Digitally-engaged customers[1]

S$134b[1,2]
Assets under management (AUM)
▲ 6% YoY[3]

Digital Bank:TMRW

Specially for mobile-first and mobile-only generation

+ 3x[3]
Increase in TMRW customers in Thailand and Indonesia

25%
Highly active customers[4]

Ecosystem Partnerships

Forging collaborations to widen distribution reach & deepen wallet share

100%
of new car loan applications[5] were digital in 4Q20

> 1 in 2
home mortgage applications[5] were digital in 4Q20

1. For FY20. 2. Of which around 60% are from customers overseas. 3. Year-on-year (YoY) growth in FY20. 4. Defined as customers who transact at least 4 times monthly. 5. In Singapore.

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Performance by Geography

Overseas franchise provided diversification and cross border connectivity; contribution grew to 48%.

ASEAN franchise remains resilient and delivered 7% growth

Operating Profit	2020 $m	2019 $m	YoY +/(-)%
Singapore	**2,592**	3,276	(21)
Rest of Southeast Asia	**1,302**	1,220	7
Malaysia	**675**	649	4
Thailand	**392**	405	(3)
Indonesia	**211**	137	54
Vietnam	**16**	21	(26)
Others	**8**	8	(8)
North Asia	**548**	556	(1)
Greater China	**514**	536	(4)
Others	**34**	19	75
Rest of the world	**550**	506	9
Total	**4,992**	5,558	(10)
Overseas contribution (%)	**48.1**	41.1	7.0

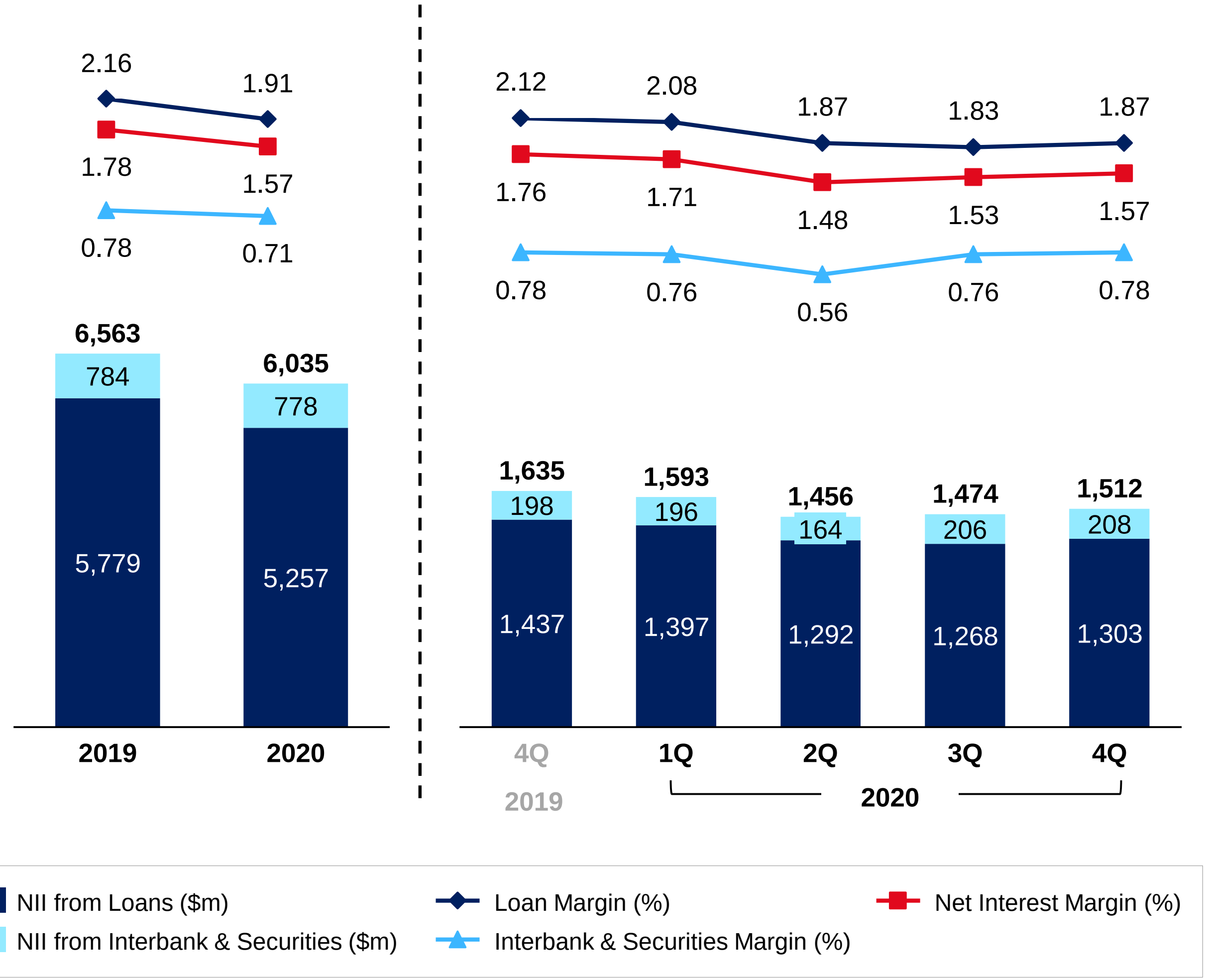
Financial Highlights

Quarter earnings up 3% on improved NIM, fees and lower allowance as business momentum improved.

	2020 $m	2019 $m	YoY +/(-)%	4Q20 $m	3Q20 $m	QoQ +/(-)%	4Q19 $m	YoY +/(-)%
Net interest income	6,035	6,563	(8)	1,512	1,474	3	1,635	(8)
Net fee income	1,997	2,032	(2)	522	514	2	476	10
Others	1,144	1,435	(20)	214	272	(21)	321	(33)
Total income	**9,176**	**10,030**	**(9)**	**2,249**	**2,261**	**(1)**	**2,432**	**(8)**
Less: Total expenses	4,184	4,472	(6)	1,049	1,009	4	1,116	(6)
Operating profit	**4,992**	**5,558**	**(10)**	**1,200**	**1,252**	**(4)**	**1,316**	**(9)**
Less: Impairment charge	1,554	435	>100	396	477	(17)	146	>100
Add: Assoc & JV	98	51	91	34	24	40	20	69
Net profit	**2,915**	**4,343**	**(33)**	**688**	**668**	**3**	**1,006**	**(32)**

Net Interest Income (NII) and Margin (NIM)

NIM rose 4bps supported by significant improvement in deposit repricing and CASA mix amid proactive balance sheet management.

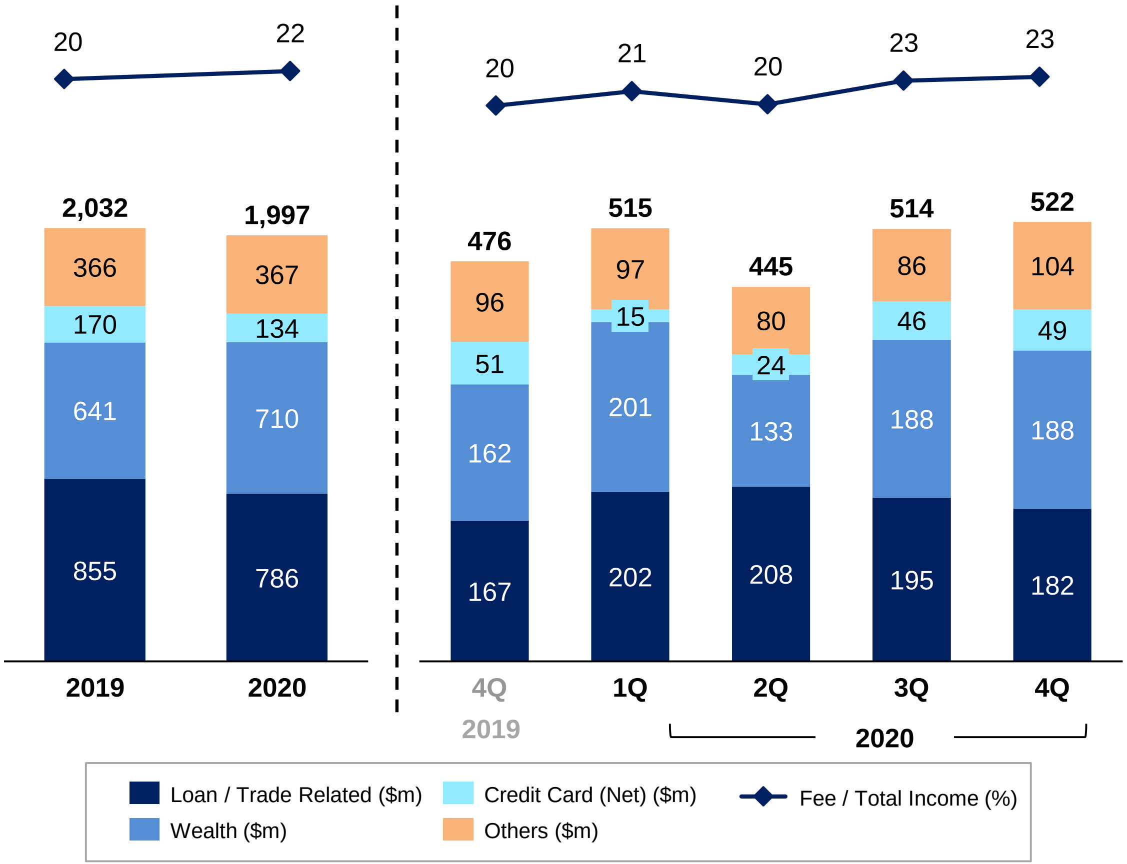


Fee Income

Fee up 2% QoQ driven by fund and cards income while wealth remains stable.

Amid global pandemic, fees remained resilient supported by good momentum from wealth management.

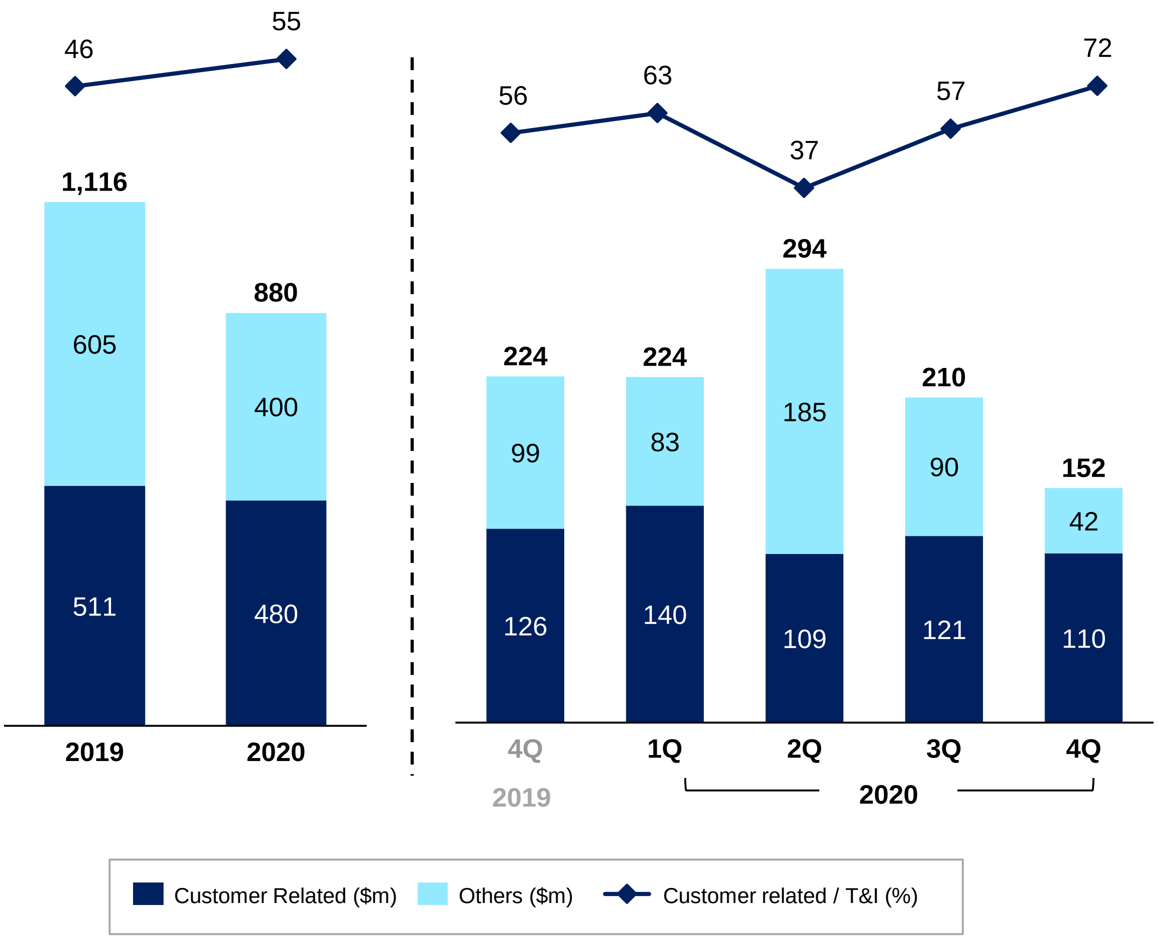
Continue to deliver sustainable fee growth through focus on wealth and connectivity-related products/ services.



Trading & Investment Income

T&I income down QoQ from trading and bond sales amid relatively low/ flat rates.

Lower trading income on the back of volatile markets in 2020, partially offset by gains from investment securities.



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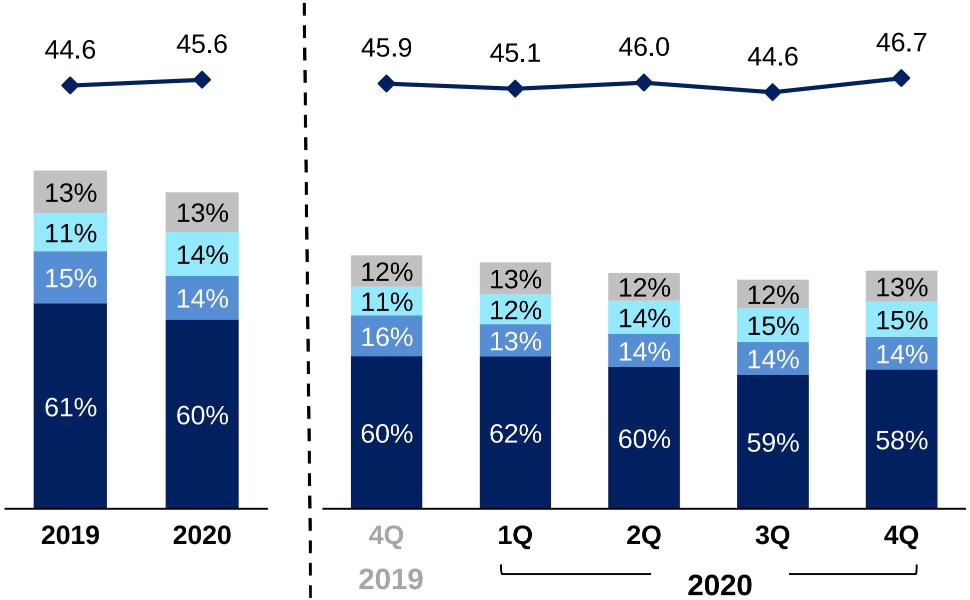
Expenses and Cost / Income Ratio

Continue to invest in people and technology to enhance digital and product capabilities.

IT-related cost mix increased to 14%, while others declined from tighter discretionary expense management.



Total expenses ($m)	2019	2020	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020
	4,472	4,184	1,116	1,086	1,040	1,009	1,049

Staff costs
Revenue-related expenses
IT-related expenses
Other expenses
Cost-to-income Ratio (%)

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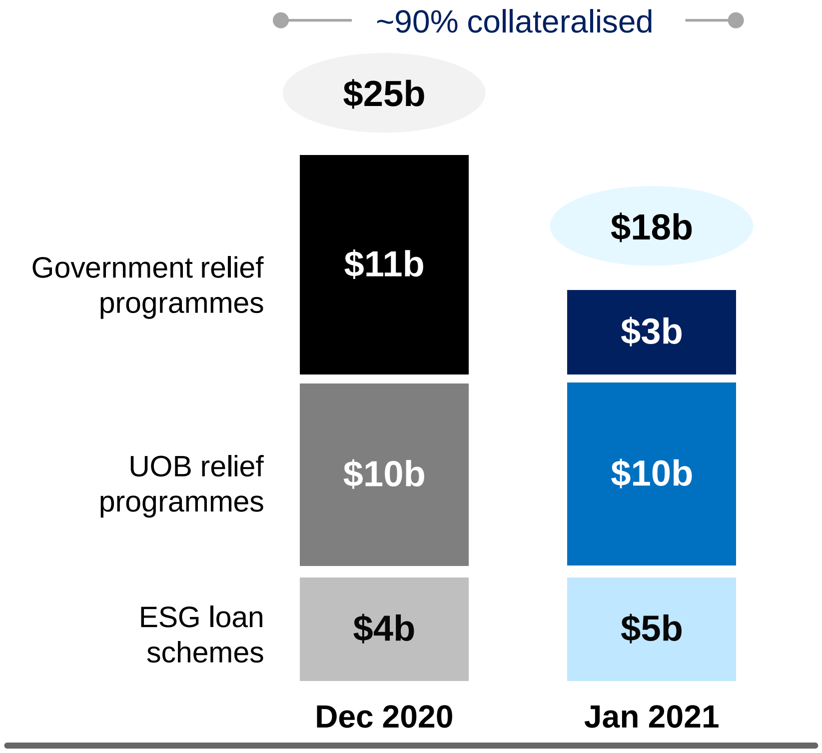
Loans under relief

Gradual reopening of economies will help to cushion future NPA formation.

Bottom-up analysis of our book to proactively engage customers for support through the pandemic.

Asset quality impact is manageable, with $2 billion in NPLs expected, which are highly collateralised; our books remain resilient.

Book under relief measures



Assumptions

- *No unforeseen single/ large NPL*
- *No further deterioration of COVID-19 situation/ prolonged lockdown*

Outlook

~$2b

Potential new NPA

30 to 40 bps

Total credit costs on loans

Non-Performing Assets (NPA)

NPA formation rose this quarter from a few secured exposures, no concentration risks observed.

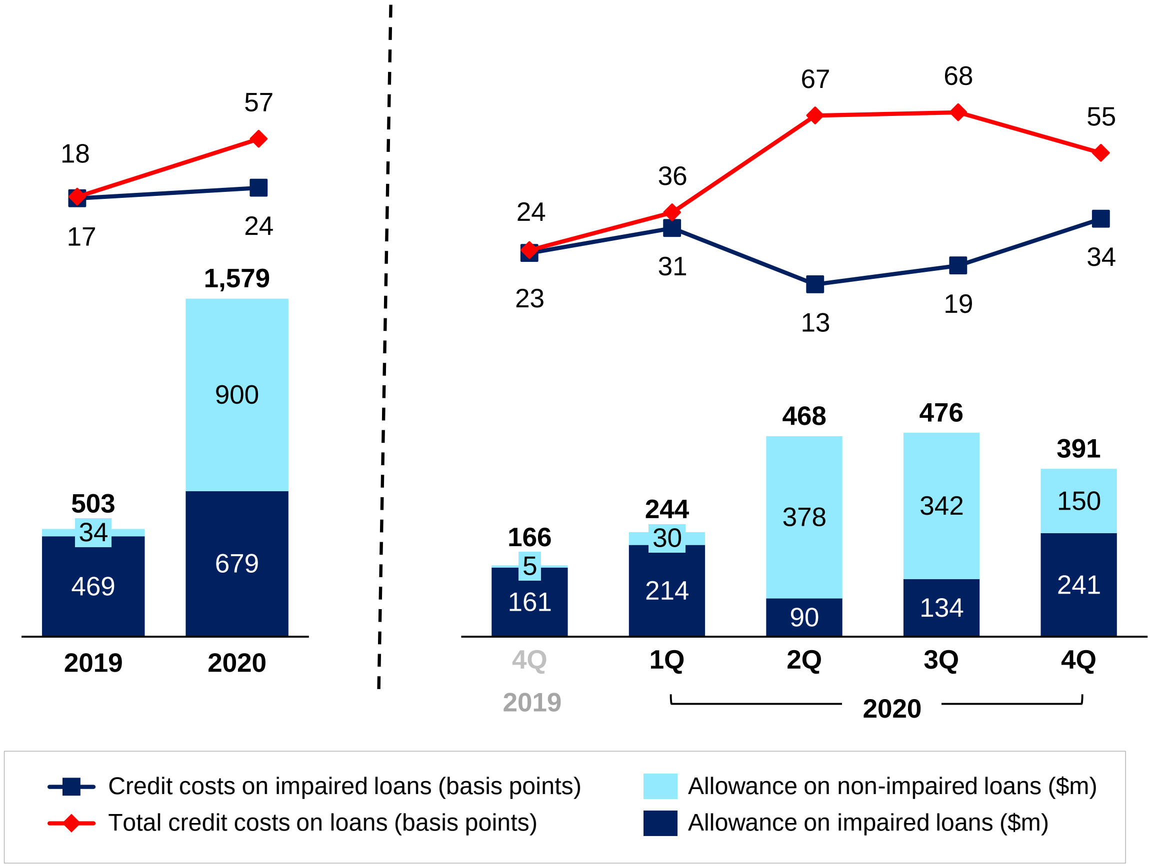
SP/NPA trend demonstrate consistent approach to provisioning given well-collateralised portfolio.

($m)	2019 4Q	2020 1Q	2020 2Q	2020 3Q	2020 4Q
NPAs at start of period	4,350	4,297	4,590	4,628	4,301
Non-individuals					
New NPAs	437	573	131	74 (1)	622
Less:					
Upgrades and recoveries	400	101	126	216	175
Write-offs	81	208	42	63	179
	4,307	4,561	4,553	4,423	4,569
Individuals	(10)	29	75	(122)	39
NPAs at end of period	4,297	4,590	4,628	4,301	4,608
NPL Ratio (%)	1.5	1.6	1.6	1.5	**1.6**
SP/NPA (%)	38	36	36	39	**37**

(1) Moratorium relief for most countries were still in force at 3Q20.

Total Allowance on Loans

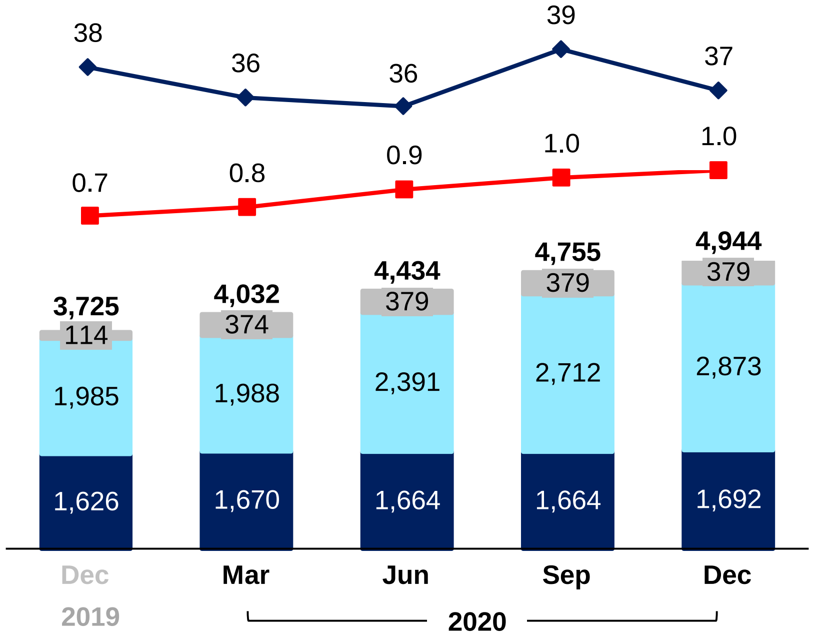
Higher credit costs in FY20 mainly from pre-emptive allowance for non-impaired loans, to fortify reserves buffers against credit risks.



Allowance Coverage

Strong provisioning with coverage for performing loans at 1%.

NPA coverage strengthened to 107% or 245% taking collateral into account.



	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020
NPA coverage (%) [(2)]	87	88	96	111	**107**
Unsecured NPA coverage (%) [(2)]	202	206	230	264	**245**

Allowance for non-impaired loan include RLAR / performing loans (%) | Allowance on impaired assets/NPA (%)

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

(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.

Gross Loans

Loan growth flat QoQ

YoY growth of 5% mainly corporate loans across most territories.

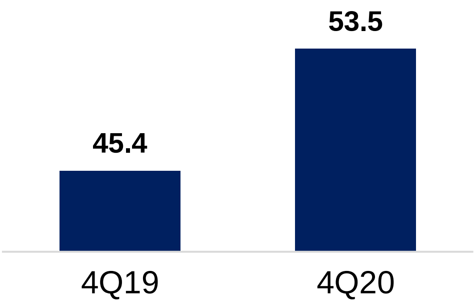
	Dec-20 $b	Sep-20 $b	Dec-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**143**	144	139	(1)	3
Rest of Southeast Asia	**63**	63	63	0	0
Malaysia	**30**	30	30	(2)	0
Thailand	**21**	19	20	6	5
Indonesia	**10**	11	11	(4)	(9)
Vietnam	**2**	2	1	6	17
Others	**1**	1	1	(11)	(27)
North Asia	**47**	47	43	(0)	9
Greater China	**44**	44	41	0	7
Others	**3**	3	2	(3)	59
Rest of the world	**28**	27	24	6	17
Total	**281**	281	269	0	5

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

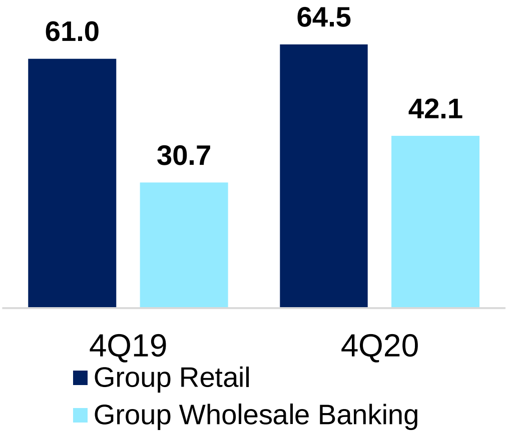
Deposits

Strong CASA growth across the Group, providing NIM support.

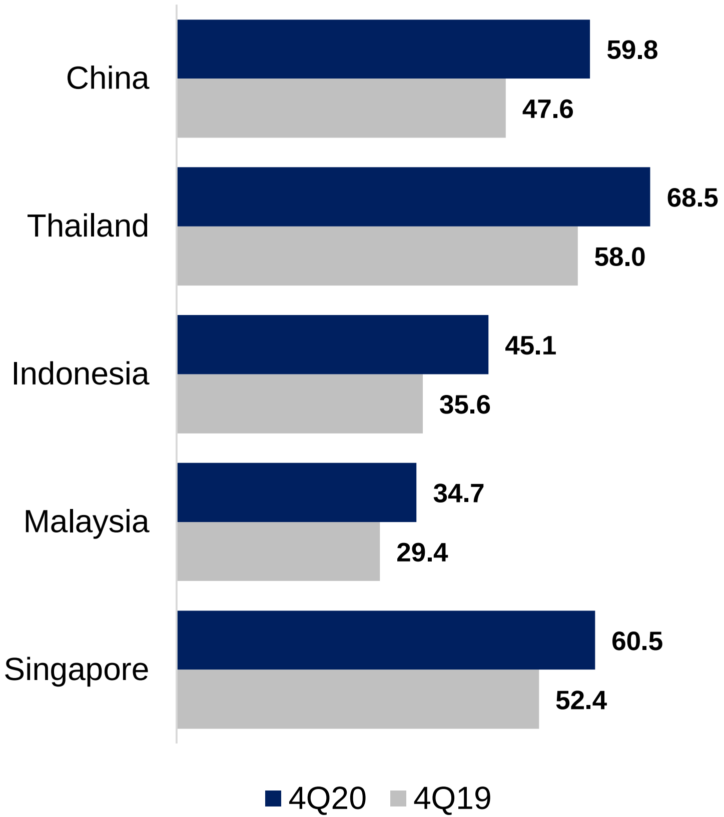
Group CASA (%)



CASA by Segment (%)

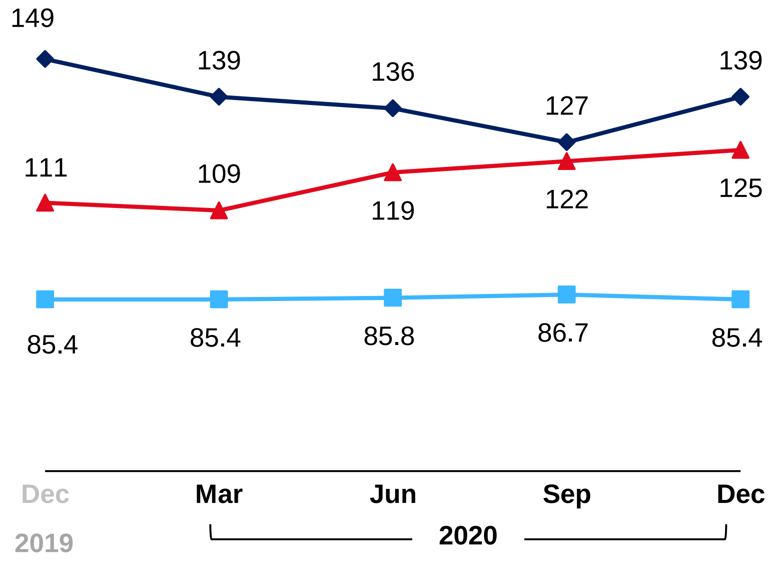


CASA by Region (%)



Liquidity ratios

Balance sheet remained resilient with ample liquidity.

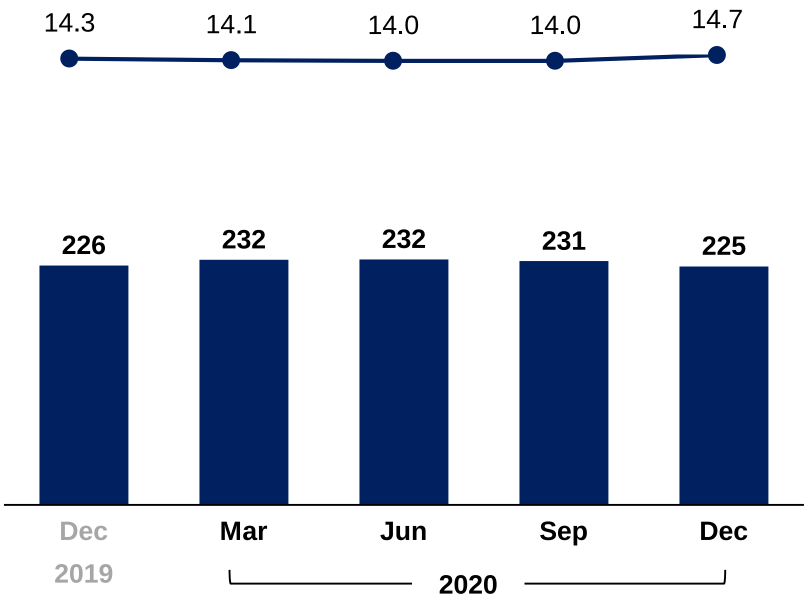


	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020
USD LDR (%)	61.2	62.7	59.6	58.0	58.2

All-currency LCR (%)
Loan/Deposit Ratio (LDR) (%)
Net Stable Fund Ratio (NSFR) (%)

Capital

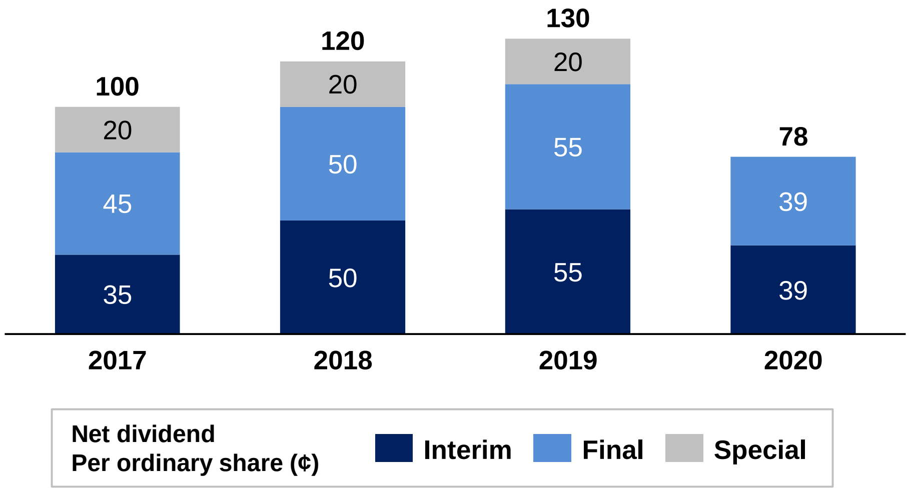
Strong capital position with CET1 ratio at 14.7%, 50% dividend payout ratio to resume once dividend cap is relaxed.



Leverage ratio (%)	7.7	7.4	7.3	7.4	7.4

Dividends

Dividends in line with MAS guidance.



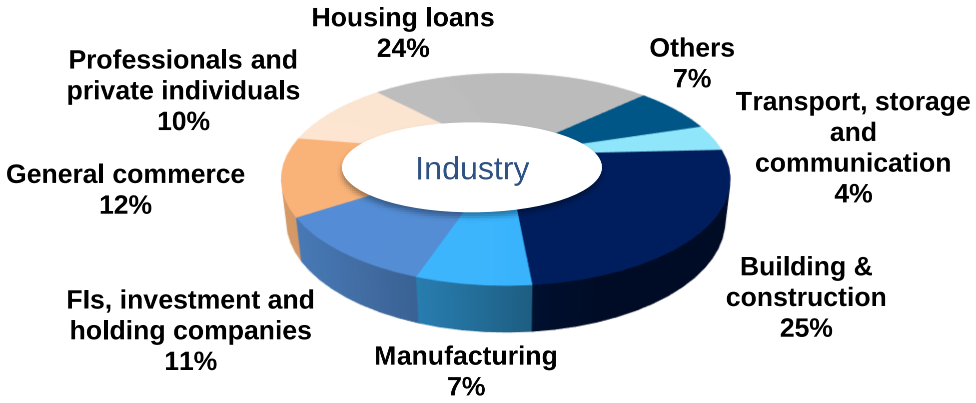
	2017	2018	2019	2020
Payout amount ($m)	1,660	2,000	2,170	1,303
Payout ratio (%)	49	50	50	45 ^
Payout ratio (excl special dividends) (%)	39	42	42	45 ^

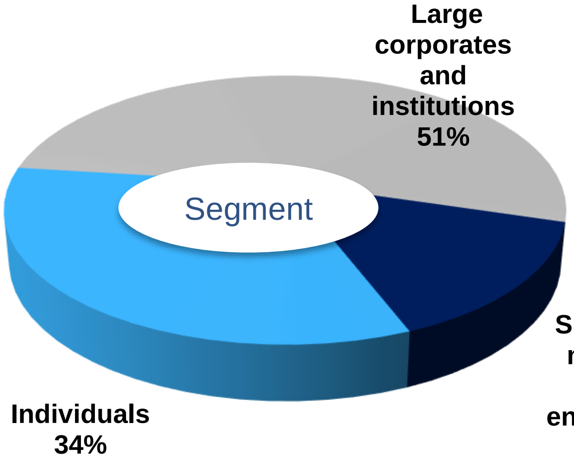
^ *Dividend for 2020 is in line with Monetary Authority of Singapore's call for banks to cap the total dividends per share (DPS) at 60% of 2019's DPS.*

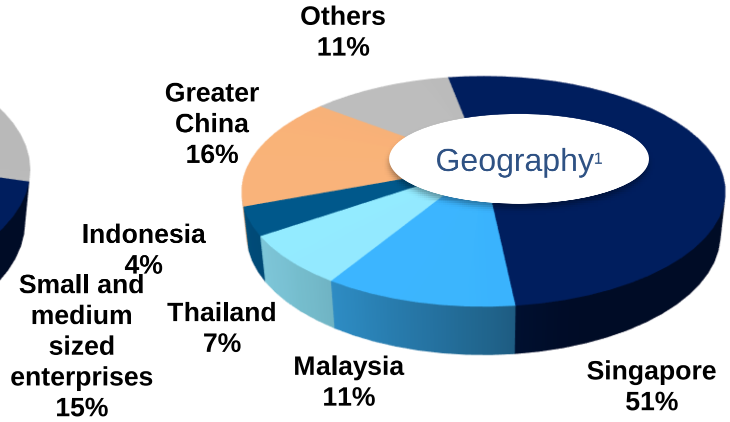
Appendix

- Loan portfolio
- Total Funding
- Exposure to Greater China
- Exposure to Oil & Gas sector
- ESG

Diversified Loan portfolio







Note: Financial statistics as at 31 December 2020

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

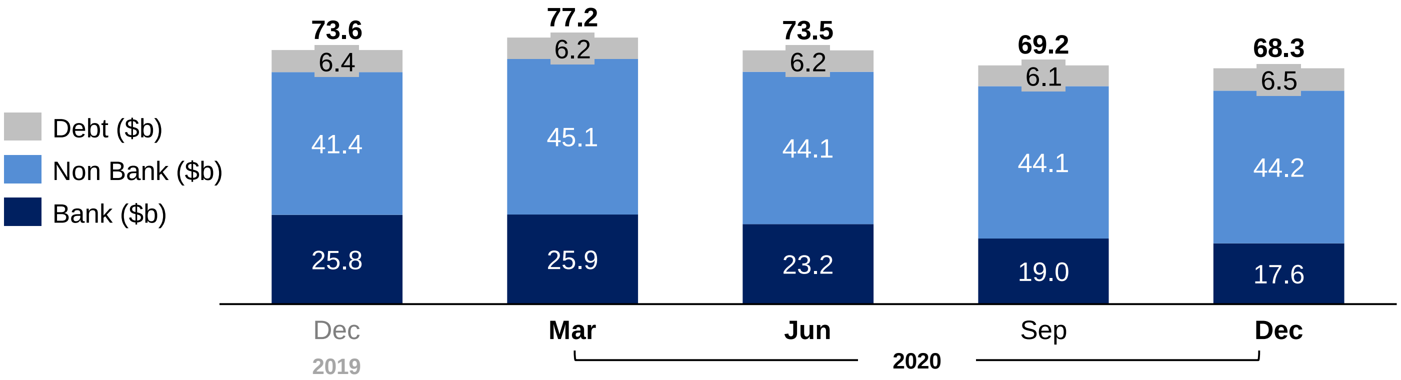
Total Funding

Continue to focus on stable funding; CASA ratio increased steadily to 53.5%.

	Dec-20 $b	Sep-20 $b	Dec-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**221**	217	206	2	7
Rest of Southeast Asia	**67**	64	61	3	9
Malaysia	**31**	32	30	(1)	6
Thailand	**23**	21	21	7	8
Indonesia	**9**	8	8	3	10
Vietnam	**3**	3	2	14	63
Others	**0**	0	0	(12)	(14)
North Asia	**18**	18	22	(2)	(21)
Greater China	**18**	18	22	(2)	(21)
Others	**0**	0	0	11	(59)
Rest of the world	**19**	19	21	0	(8)
Total Customer Deposits	**325**	319	311	2	4
Wholesale funding[(1)]	**48**	43	43	10	12
Total funding	**373**	363	354	3	5
CASA/Deposit Ratio (%)	**53.5**	51.0	45.4	2.5	8.1

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

Exposure to Greater China



As at 31 Dec 2020:

Mainland China exposure ($25.8b or 6% of total assets)

Bank exposure ($12.5b)

- Accounted for ~50% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~60% of total bank exposure
- 100% with <1 year tenor
- Trade exposures comprise ~30% of total bank exposure

Non-bank exposure ($10.6b)

- 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 0.4%

Hong Kong SAR exposure ($35.2b or 8% of total assets)

Bank exposure ($3.2b)

- Majority of exposure are to foreign banks

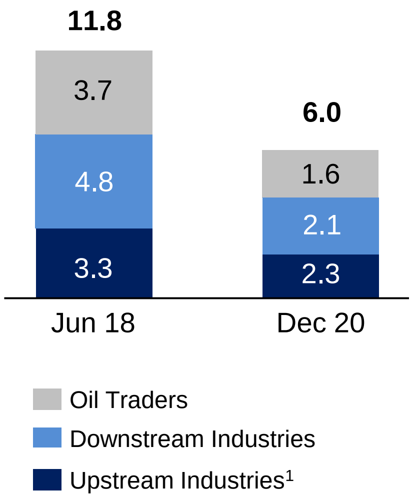
Non-bank exposure ($29.0b)

- Exposure mainly to wholesale corporates
- ~60% with <1 year tenor
- NPL ratio at 1%

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 31 December 2020, outstanding O&G loans represented 2% of total loans as compared with 4.7% at 30 June 2018

Approximately 60% of O&G exposure is to downstream players and traders, of which 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.

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ESG Highlights

Recognised by extra-financial rating agencies and included in leading sustainability indices

RATINGS

#2
Among ASEAN banks in 2021
WWF Sustainable Banking Assessment

25.9
Medium Risk[1], as at Sep 2020
Sustainalytics ESG Risk Rating

RANKINGS

Top 20
Among ASEAN companies
ASEAN Corporate Governance Scorecard (ACGS)

#2
Among Singapore companies
ASEAN Corporate Governance Scorecard (ACGS)

#10
Among Singapore companies
Singapore Governance & Transparency Index (SGTI)

INDICES

#3
By market cap as at Jan 2021
FTSE4Good ASEAN-5 Index

#2
Largest constituent as at Dec 2020
iEdge Singapore ESG Leaders Index

Inclusion
In 2021
Bloomberg Gender Equality Index

1. In September 2020, UOB received an ESG Risk Rating of 25.9 and was assessed by Sustainalytics to be at Medium Risk of experiencing material financial impacts from ESG factors.

Source: Bloomberg, Centre for Governance and Sustainability at National University of Singapore Business School; FTSE Russell; Singapore Exchange (SGX); Sustainalytics; and World Wide Fund for Nature.