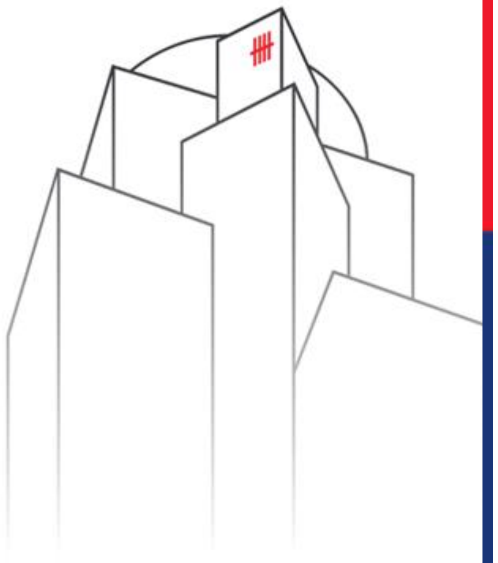


UOB Group

For the First Quarter Ended 31 March 2020

Financial Updates

6 May 2020

Our Covid-19 response: Supporting our stakeholders

For our **customers**

- First Singapore bank to announce **S$3b** in liquidity relief programme
- Assisted **>1m**[1] businesses and individuals (~12% of total loans) with various loan relief schemes
- Enabling record number of customers banking through digital channels

Businesses

- Moratorium for existing secured loans
- Fresh liquidity in 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 **colleagues**

- **~19k** staff working from home across the region
- Additional allowances and family care leave; flexible work arrangements; and face masks
- Enriching staff's physical and mental wellness with educational webinars
- Offer on-the-job training to **>100** new graduates for up to 12 months with potential conversion to full-time staff

For our **communities**

- Donating **>1m** personal protective equipment to frontline healthcare workers and disadvantaged communities globally
- Set up UOB Heartbeat Covid-19 Relief Fund – a global fundraising effort across 16 markets to support vulnerable communities
- Launched UOB My Digital Space to bridge the digital gap for disadvantaged children across 6 markets by providing laptops and digital resources for learning
- Anchor donor of LEAP201's 'Leap for Migrant' initiative to improve quality of life for migrant workers

Note: (1) As of 29 April 2020.

Large-scale stimulus and extensive relief measures across the region

	Singapore	Malaysia	Thailand	Indonesia	Vietnam	Hong Kong	China
Size of fiscal stimulus / GDP	12.8%	17.7%	11.4%	2.7%	3.5%	10.0%	–
Year-to-date decline in policy/short-term rates	91bp/116bp[1]	50bp	50bp	50bp	100bp	89bp	30bp
Debt moratorium	✓	✓	✓	✓	✓	✓	✓
Wage subsidies and other relief measures to protect jobs	✓	✓	✓		✓	✓	
Credit guarantees for companies	✓	✓	✓		✓	✓	✓
Tax/social security relief	✓	✓	✓	✓	✓	✓	✓
Direct cash to households (or in kind)	✓	✓	✓	✓	✓	✓	✓

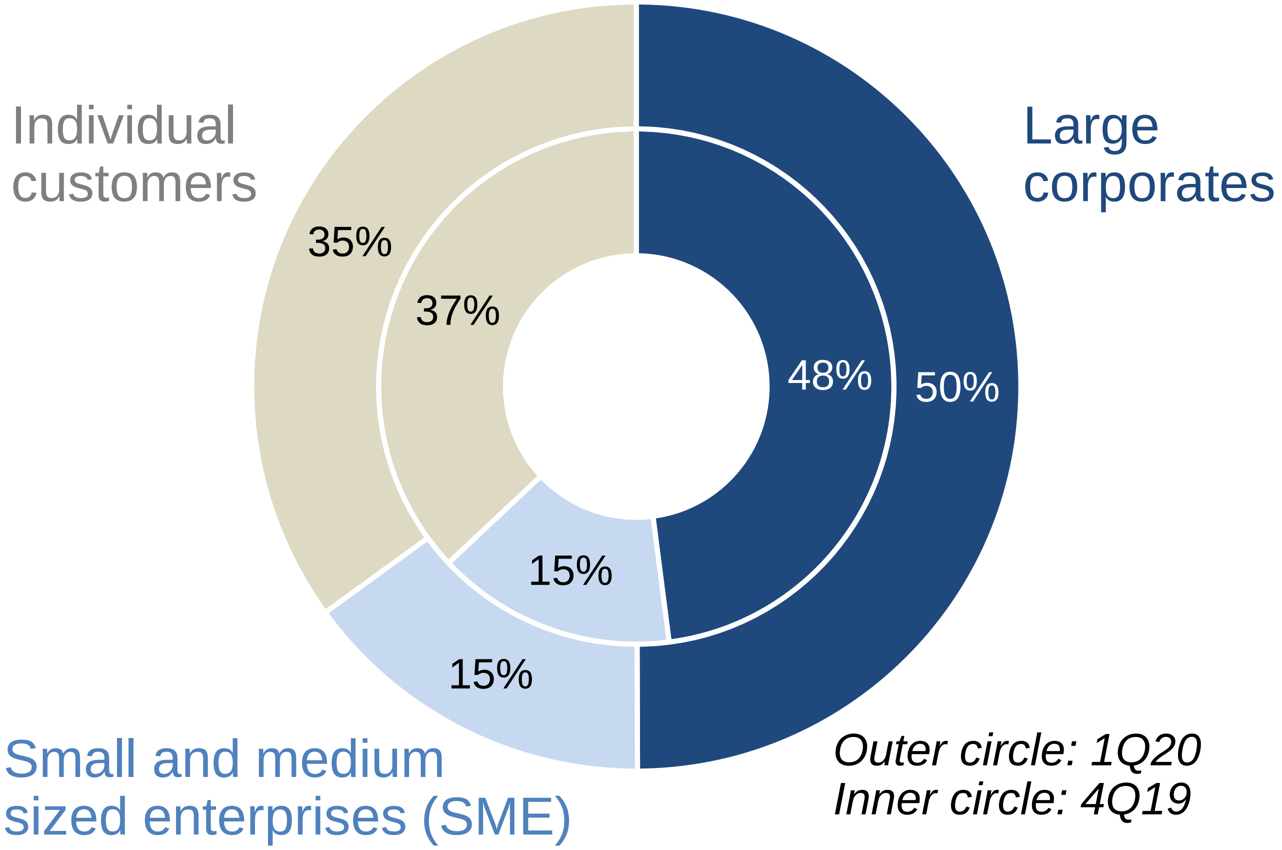
“*The primary aim … is to take further steps to **save jobs** and protect the livelihoods of our people during this temporary period of heightened measures. We will also **help businesses preserve their capacity and capabilities**, to resume activities when the circuit breaker is lifted.*”

– Mr Heng Swee Keat,
Deputy Prime Minister and Minister for Finance, Singapore, 16 April 2020

Note: (1) 91bp decline for 3-month Singapore Interbank Offered Rate (SIBOR) and 116bp decline 3-month Singapore Overnight Rate (SOR)
Source: UOB Global Economics & Markets Research (note: Updated as of 30 April 2020)

Committed as a long-term player in the region

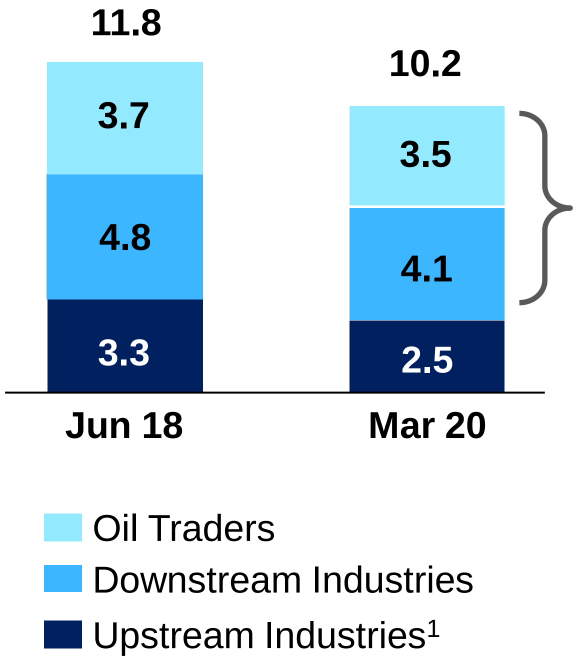
Lending profile



- Strong capital and funding positions enable us to support our customers across the region
- Incremental lending in 1Q20 was driven by large corporates and top tier customers in developed markets
- Loans to individuals and SMEs spread across a large number of customers, and are predominantly well-secured
- Responsible yet prudent approach in extending assistance through various relief measures, in line with government-led efforts to protect productive capacity of economies

Exposure to Oil and Gas (O&G) Sector

Total Outstanding O&G Loans ($b)



As of 31 March 2020, outstanding O&G loans stood at S$10.2b, representing 3.6% of total loans as compared with 4.7% at 30 June 2018

75% of O&G exposure is to downstream players and traders, of which 70% are national oil companies (NOCs) and global firms, while the remaining exposure are mainly short-term structured exposure

Upstream exposure is mainly 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.

Financial Highlights

UOB

Key financial indicators

Income **$2.41b** - 1% QoQ no change YoY	Net profit after tax **$855m** - 15% QoQ - 19% YoY
Cost/Income ratio **45.1%** - 0.8%pt QoQ + 0.5%pt YoY	Credit costs **36bps** + 12bps QoQ + 17bps YoY
NPL ratio **1.6%** + 0.1%pt QoQ + 0.1%pt YoY	Unsecured NPA coverage ratio **206%** + 4%pt QoQ + 2%pt YoY
Customer loans **$278b** + 4% QoQ + 3% YoY	CET 1 ratio **14.1%** - 0.2%pt QoQ + 0.2%pt YoY

1Q20 Earnings impacted by declining interest rates and higher credit costs; balance sheet position remained strong

- Total income flat at $2.41 billion despite a lower interest rate environment and slowing business momentum towards the end of the quarter due to the effects of the global pandemic
- Customer loans grew 4% largely from Singapore and Hong Kong
- NPL ratio higher at 1.6% while total credit costs increased to 36bps due to a few significant non-performing accounts. Coverage strengthened with $546 million increase in allowance
- Stable funding with loan-to-deposit ratio at 85.4%; LCR for the quarter at 139% and NSFR at 109%
- Strong CET1 ratio at 14.1%

First quarter earnings declined 15% QoQ and 19% YoY on lower margins and higher credit costs

	1Q20 $m	4Q19 $m	1Q19 $m	QoQ +/(-)%	YoY +/(-)%
Net interest income	1,593	1,635	1,587	(3)	0
Net fee income	515	476	479	8	8
Others	298	321	340	(7)	(12)
Total income	**2,407**	**2,432**	**2,406**	**(1)**	**0**
Less: Total expenses	1,086	1,116	1,073	(3)	1
Operating profit	**1,320**	**1,316**	**1,333**	**0**	**(1)**
Less: Impairment charge	286	146	93	96	>100
Add: Assoc & JV	18	20	17	(13)	3
Net profit	**855**	**1,006**	**1,052**	**(15)**	**(19)**
Return on equity[1,2]	8.8	10.6	11.4		
Return on total assets[1]	0.83	1.00	1.07		

- Lower NII as falling margins (NIM down 5bps QoQ) more than offset loan growth of 4%
- Fee growth in loan-related and wealth management from pre-pandemic momentum built up in Jan/Feb. Slow down evident in March
- Lower expenses QoQ in tandem with lower operating income
- Higher impairment charge resulting from the challenging macro environment this quarter

Notes: (1) Computed on an annualised basis.
(2) Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.

1Q20 Total income contracted in Singapore and North Asia amid the uncertain global outlook

Total Income	1Q20 $m	1Q19 $m	YoY +/(-)%
Singapore	1,307	1,399	(7)
South East Asia	713	643	11
Malaysia	306	256	19
Thailand	252	251	1
Indonesia	130	118	10
Others	25	18	42
North Asia	219	237	(7)
Greater China	203	226	(10)
Others	16	11	47
Rest of the world	167	128	31
Total	2,407	2,406	0

Business segment performance

Operating Profit	1Q20 $m	1Q19 $m	YoY +/(-) %
Group Retail	**556**	509	9
Group Wholesale Banking	**740**	780	(5)
Global Markets	**110**	84	31
Others *	**(86)**	(40)	>100
Total	**1,320**	1,333	(1)

Retail

- Retail income grew 9% driven by strong contribution from wealth, deposit volume growth and improvement in loan margin.

+14%
Income from high affluent customers

Wholesale

- Wholesale income declined from lower loan-related and investment banking fee, partly moderated by franchise loan growth.

27%
Cross-border income against total Wholesale income

Global Markets

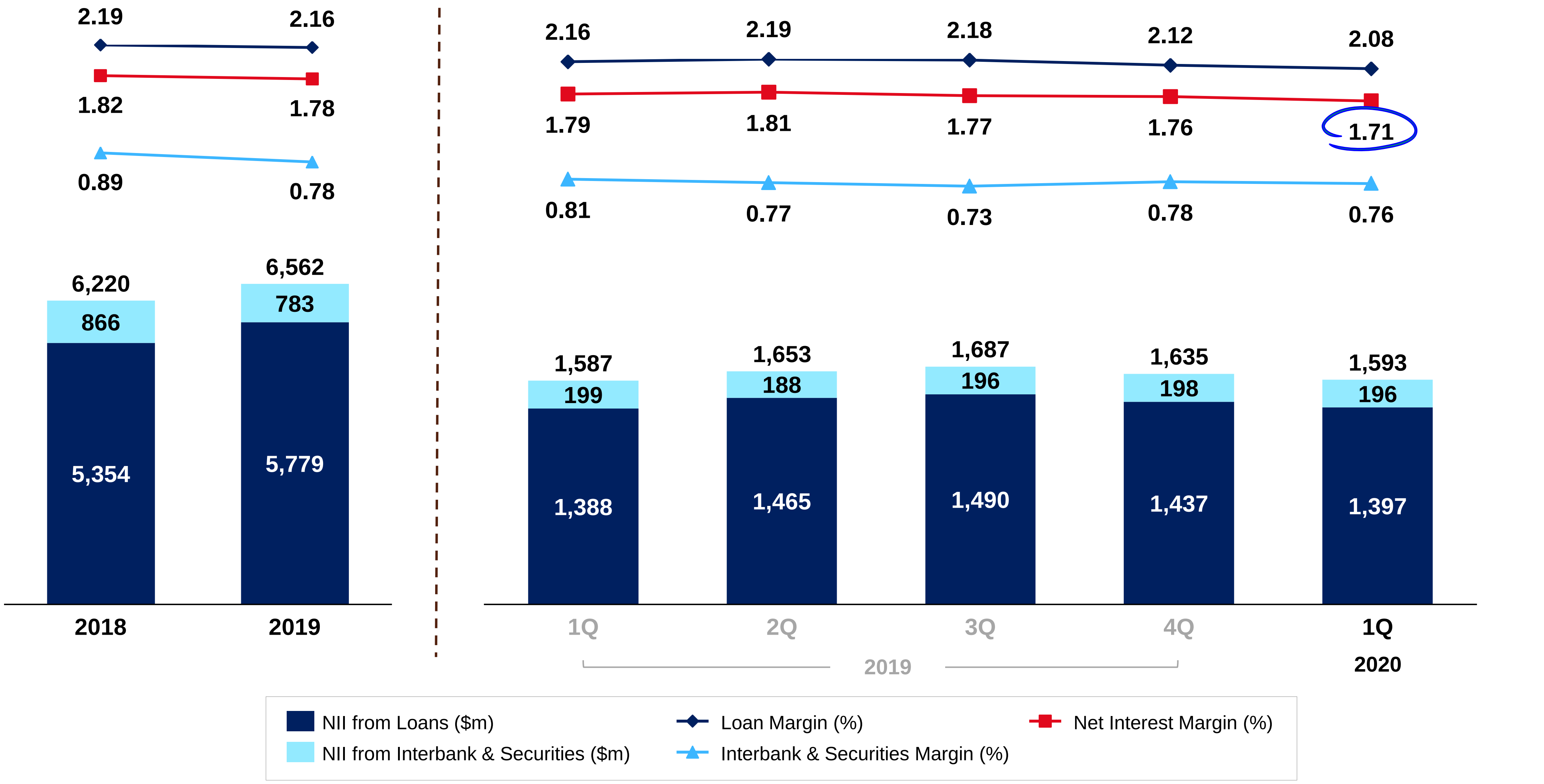
- Global Markets' better performance was supported by higher net interest income, offset by decline in trading and investment income

+16%
Treasury customer flow

Note: * Comprise Investment Management, Central Treasury, Corporate Functions and Banknotes.

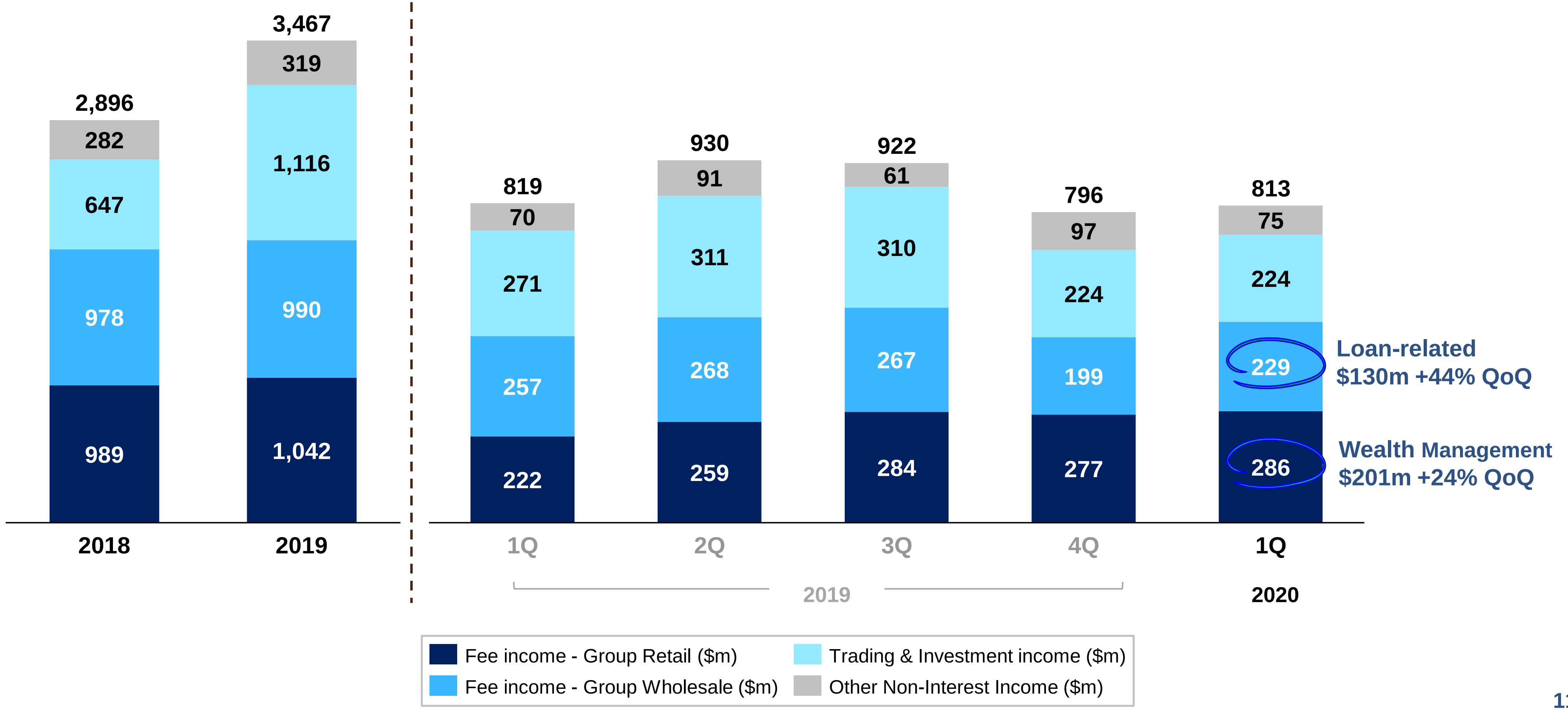
QoQ NIM down 5 bps amid falling interest rates

Net Interest Income (NII) and Margin



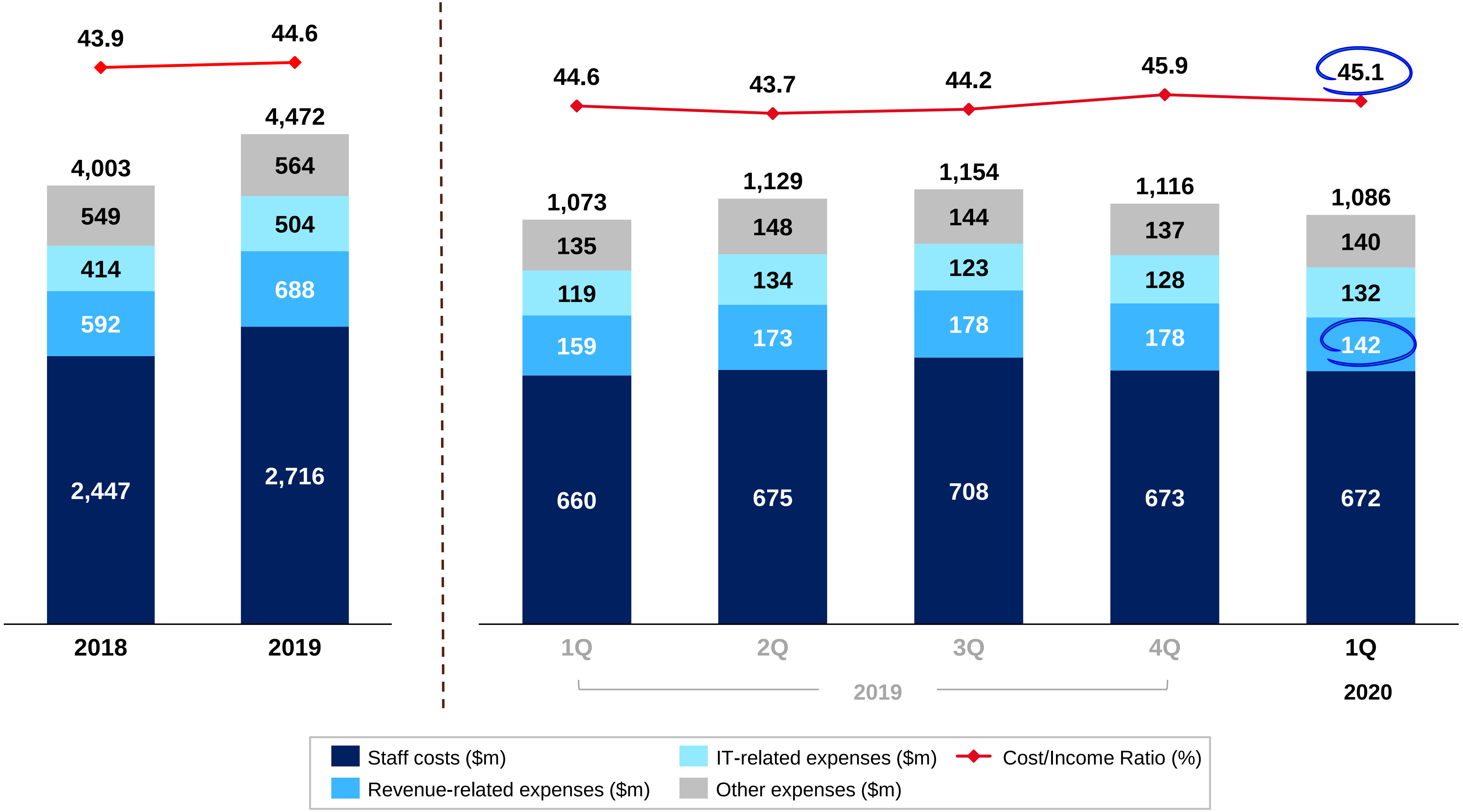
Fee income grew 8% QoQ led by growth in loan-related and wealth management fees while credit card fees declined

Non-Interest Income



Cost/Income ratio improved to 45.1% as revenue-related expenses fell QoQ in tandem with operating income

Expenses and Cost / Income Ratio

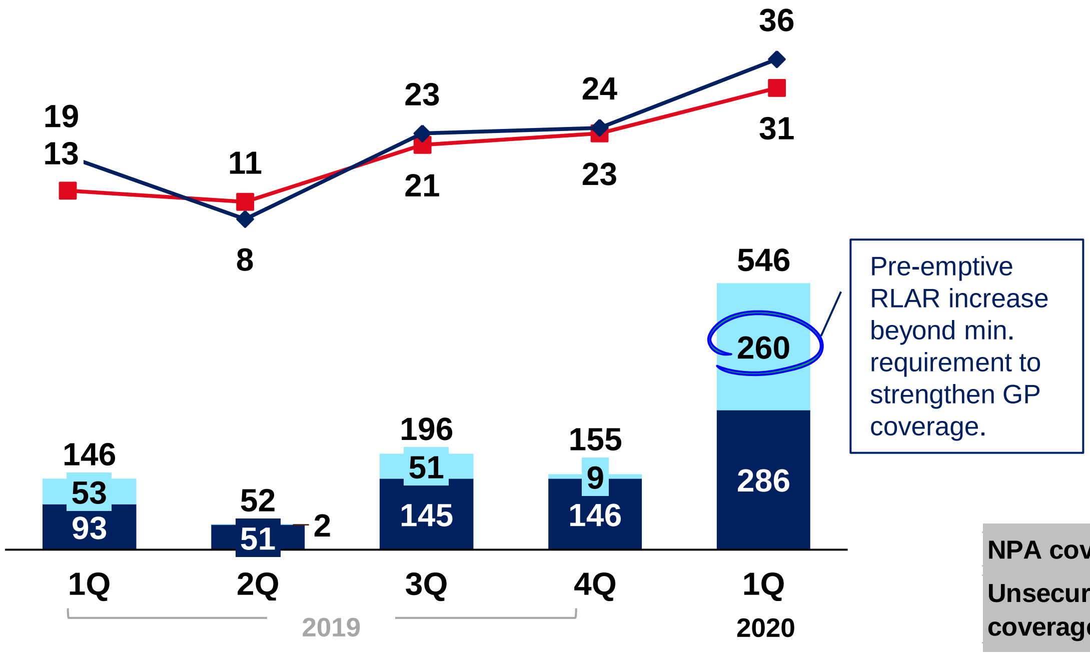


Increased new NPA formation due to a few significant accounts

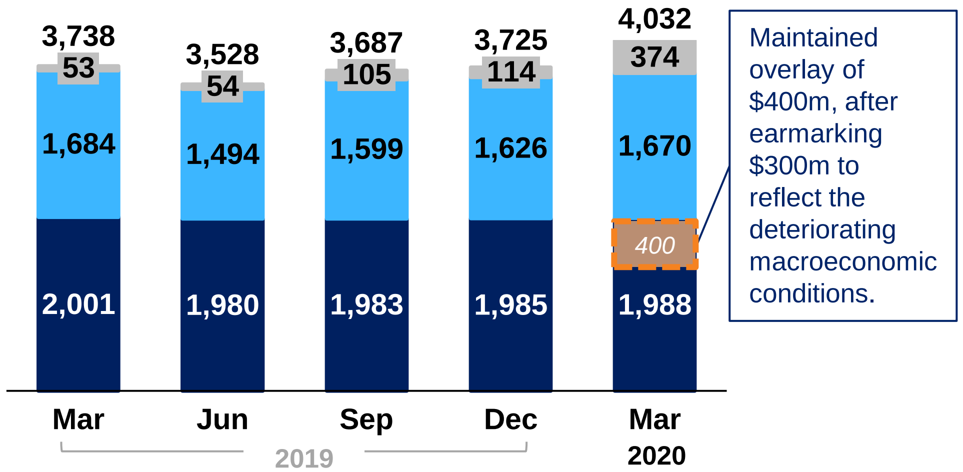
($m)	2019 1Q	2019 2Q	2019 3Q	2019 4Q	2020 1Q
NPAs at start of period	4,166	4,215	4,185	4,350	4,297
<u>Non-individuals</u>					
New NPAs	230	357	180	437	573
Upgrades and recoveries	(139)	(182)	(38)	(400)	(101)
Write-offs	(17)	(229)	(26)	(81)	(208)
	4,240	4,161	4,301	4,307	4,561
Individuals	(25)	24	49	(10)	29
NPAs at end of period	4,215	4,185	4,350	4,297	4,590
NPL Ratio (%)	1.5	1.5	1.5	1.5	**1.6**

Additional $546m of allowance taken through IFRS 9 impairment charge and RLAR[(1)] to strengthen coverage

Impairment Charge and RLAR[1]



Allowance Coverage



NPA coverage (%)[(2)]	89	84	85	87	**88**
Unsecured NPA coverage (%)[(2)]	204	191	210	202	**206**

Allowance for non-impaired assets ($m)[(3)] RLAR ($m)
Allowance for impaired assets ($m)

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.
(3) Includes foreign currency translation effects.

Steady loan growth of 4% QoQ from Singapore and North Asia

Gross Loans	Mar-20 $b	Dec-19 $b	Mar-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**141**	139	139	2	2
South East Asia	**63**	63	60	(0)	4
Malaysia	**30**	30	29	0	1
Thailand	**20**	20	18	(0)	11
Indonesia	**11**	11	11	(4)	(4)
Others	**2**	2	2	7	21
North Asia	**48**	43	46	11	5
Greater China	**45**	41	43	9	5
Others	**3**	2	3	76	(3)
Rest of the world	**26**	24	25	9	8
Total	**278**	269	270	4	3

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

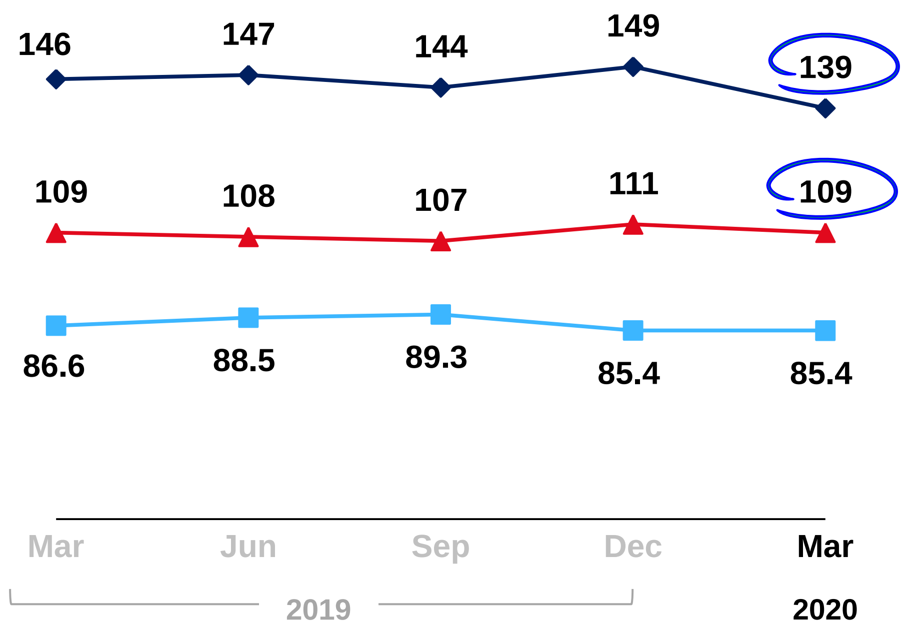
Deposits grew in tandem with loans, CASA trending up to 47%

	Mar-20 $b	Dec-19 $b	Mar-19 $b	QoQ +/(-)%	YoY +/(-)%
Singapore	**216**	206	206	5	5
South East Asia	**62**	61	57	2	10
Malaysia	**30**	30	30	1	0
Thailand	**22**	21	18	3	22
Indonesia	**7**	8	7	(10)	(4)
Others	**4**	2	1	44	>100
North Asia	**23**	22	21	4	11
Greater China	**23**	22	21	4	11
Others	**0**	0	0	(10)	>100
Rest of the world	**21**	21	24	(3)	(14)
Total Customer Deposits	**322**	311	308	4	5
Wholesale funding [1]	**48**	43	44	12	10
Total funding	**370**	354	351	5	5
CASA/Deposit Ratio (%)	**47.0**	45.4	42.7	1.6	4.3

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

Strong balance sheet position with ample liquidity maintained in view of greater uncertainties ahead

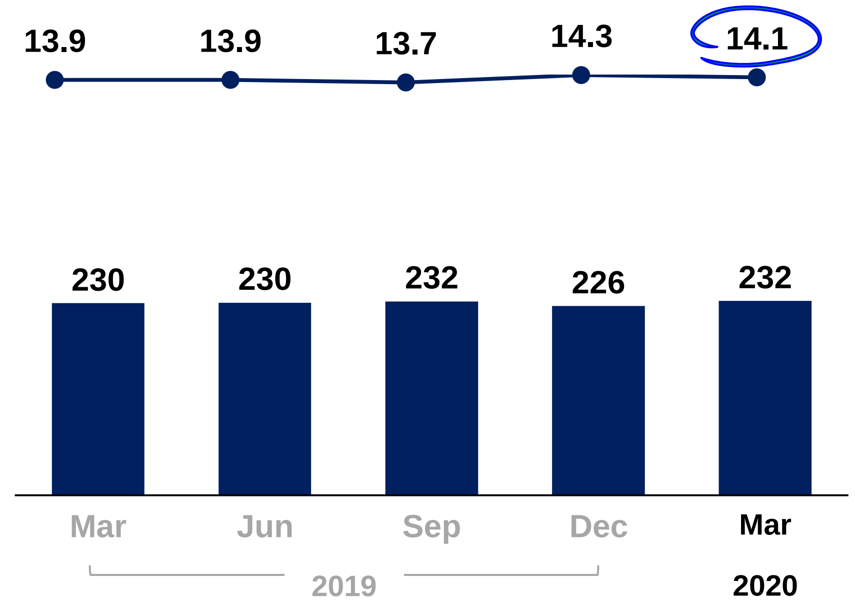
LDR, LCR and NSFR



USD LDR (%)	65.8	70.1	72.2	61.2	62.7

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

CET1, Leverage and RWA



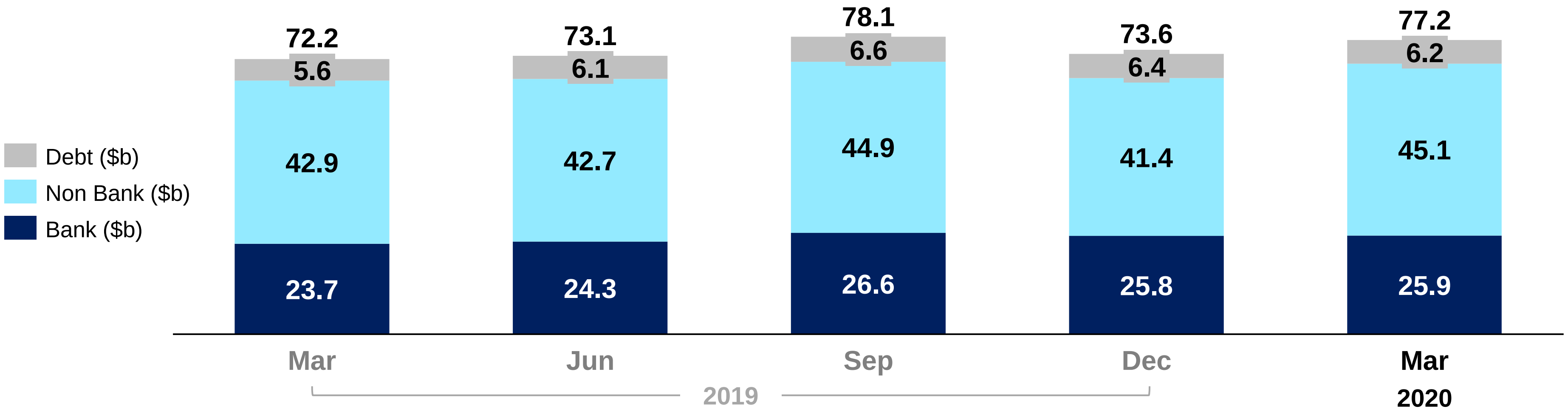
Leverage ratio (%)	7.6	7.5	7.6	7.7	7.4

RWA ($b)
CET1 ratio (%)

Appendix :

Exposure to Greater China

Exposure to Greater China



As at 31 Mar 2020:

Mainland China exposure ($32b or 7% of total assets)

Bank exposure ($18b)

- Accounted for ~60% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~70% of total bank exposure
- 99% with <1 year tenor
- Trade exposures mostly with bank counterparties, representing ~40% 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 0.5%

Hong Kong SAR exposure ($36b or 8% of total assets)

Bank exposure ($4b)

- Majority of exposure are to foreign banks

Non-bank exposure ($29b)

- Exposure mainly to wholesale corporates
- Real estate loans accounted for $13b (~4% of total loans); loans are well-collateralised and predominantly to network clients or clients with strong financial sponsors
- Other potential vulnerable industries (hospitality and consumer discretionary) amounted to $5b
- ~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.

Thank You

RIGHT BY YOU