



# UOB Group

## Robust results supported by strong balance sheet

Aug 2023

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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 2023

1. USD 1 = SGD 1.356689 as at 30 June 2023
2. Average for 2Q23
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions
4. Excluding one-off expenses

## Key Statistics for 1H23

|   |                     |                         |
|---|---------------------|-------------------------|
| ■ Gross loans                           | : SGD319b           | (USD235b <sup>1</sup> ) |
| ■ Customer deposits                     | : SGD377b           | (USD278b <sup>1</sup> ) |
| ■ Loan / Deposit ratio                  | : 83.5%             |                         |
| ■ Net stable funding ratio              | : 121%              |                         |
| ■ All-currency liquidity coverage ratio | : 160% <sup>2</sup> |                         |
| ■ Common Equity Tier 1 ratio            | : 13.6%             |                         |
| ■ Leverage ratio                        | : 7.0%              |                         |
| ■ Return on equity <sup>3 4</sup>       | : 14.5%             |                         |
| ■ Return on assets <sup>4</sup>         | : 1.22%             |                         |
| ■ Net interest margin                   | : 2.13%             |                         |
| ■ Non-interest income / Total income    | : 31.4%             |                         |
| ■ Cost / Income <sup>4</sup>            | : 40.9%             |                         |
| ■ Non-performing loan ratio             | : 1.6%              |                         |
| ■ Credit Ratings                        |                     |                         |

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

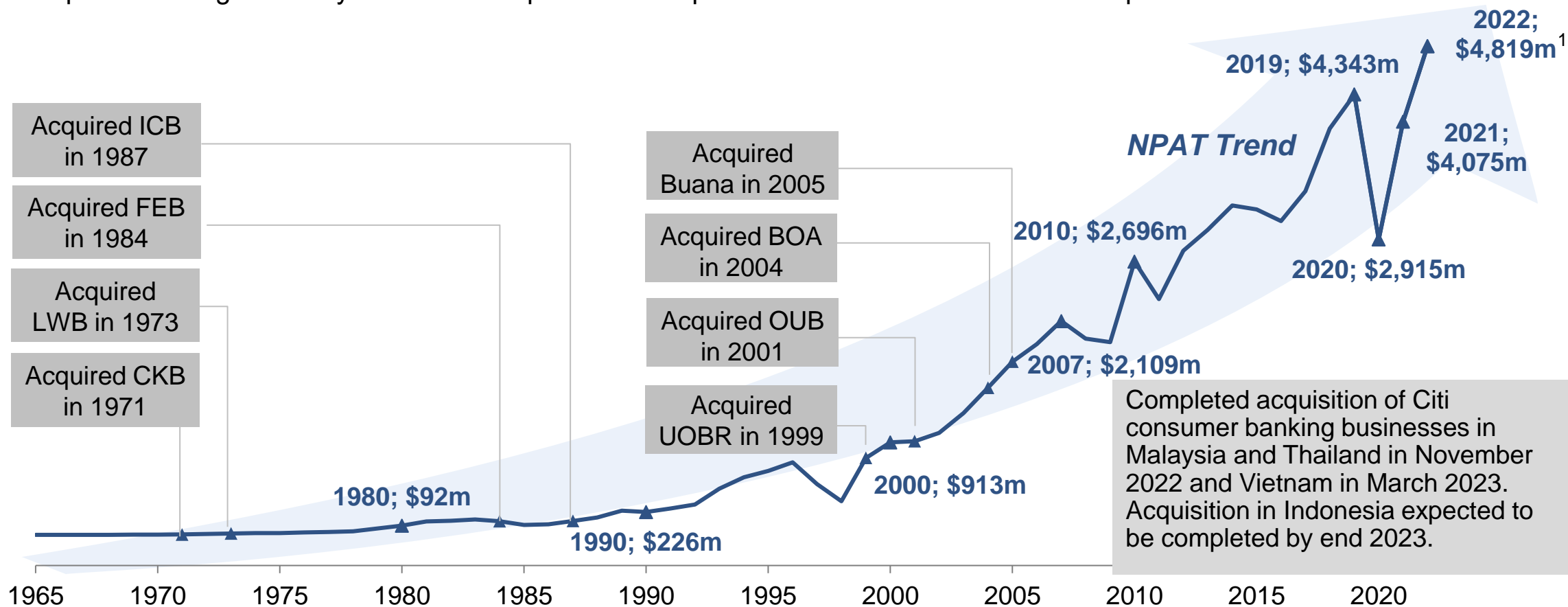
# A leading Singapore bank; Established franchise in core market segments



| UOB Group's recognition in the industry   |   |  | Sizeable domestic market share   |              |     |           |     |
|---|---|--|--|--------------|-----|-----------|-----|
|  <p>Best Retail Bank<sup>1</sup>, 2022<br/>Best SME Bank<sup>2</sup>, 2022</p> |  <p>Best Bank<sup>1</sup>, 2022</p> |  <p>Domestic Retail Bank of the Year<sup>1</sup>, 2022</p> |  <table border="1"> <tr> <td>SGD deposits</td> <td>22%</td> </tr> <tr> <td>SGD loans</td> <td>24%</td> </tr> </table> <p>Source: UOB, MAS (data as of 30 Jun 2023)</p> | SGD deposits | 22% | SGD loans | 24% |
| SGD deposits  | 22%   |  |  |              |     |           |     |
| SGD loans   | 24%   |  |  |              |     |           |     |
| <p>Source: Company reports<br/>1. In Singapore 2. In Singapore and Asia Pacific</p>   |   |  |  |              |     |           |     |

# 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



1. Excluding one-off expenses

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

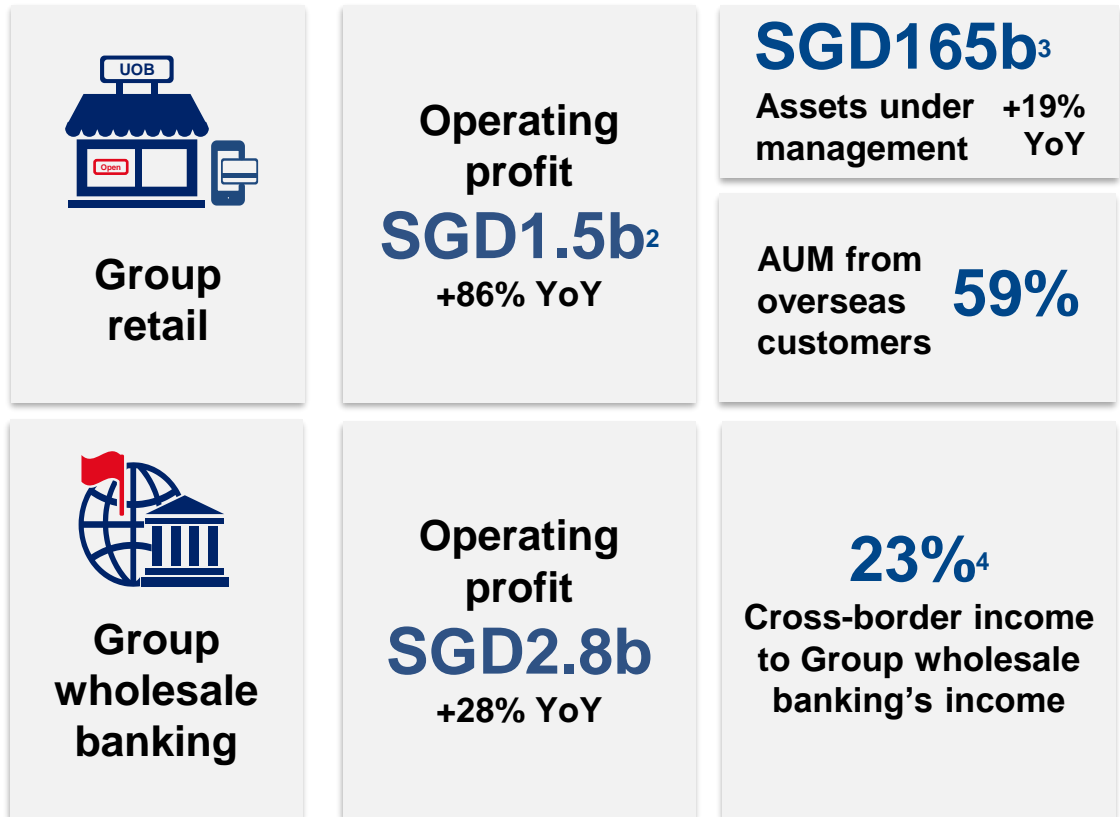


## Extensive regional footprint with ~500 offices



- 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

## 1H23 performance by segment



1. Comprise Mainland China, Hong Kong SAR and Taiwan
2. Excluding one-off expenses
3. Refers to Privilege Banking, Privilege Reserve and Private Bank – including acquisition of Citigroup Malaysia, Thailand and Vietnam
4. As of May-2023

# Why UOB?

## Stable management



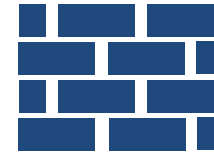
- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

## Integrated regional platform



- Truly regional bank with full ownership and control of regional subsidiaries
- Entrenched domestic presence and deep local knowledge to address the needs of our targeted segments
- Continued investment in talent and technology to build capabilities in a disciplined manner

## Strong fundamentals



- Strong Common Equity Tier 1 capital adequacy ratio of 13.6% as at 30 June 2023
- Diversified funding and sound liquidity, with 84% loan/deposit ratio
- Strengthened coverage, with general allowance on loans (including RLAR) covering 1.0% of performing loans

## Balance growth with stability

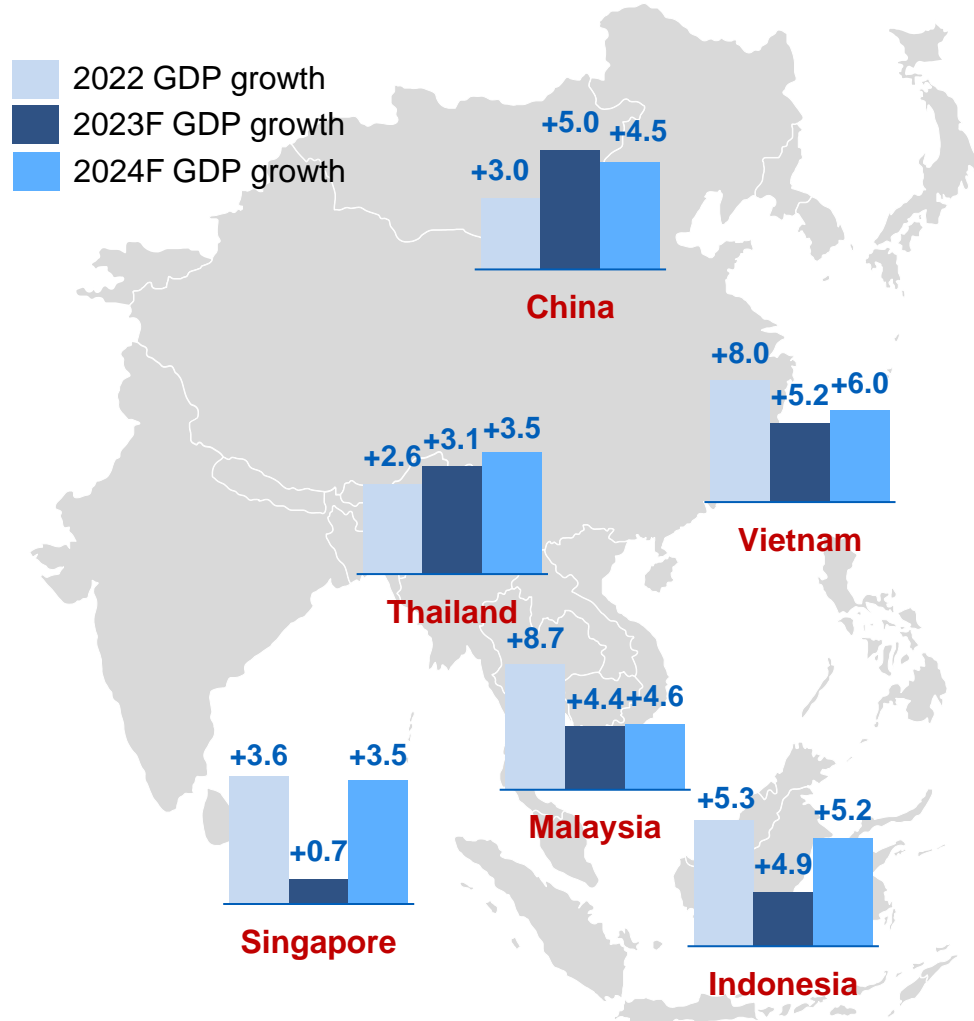


- Over 50% of Group's earnings from home market of Singapore (AAA sovereign rating)
- Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future
- Maintain long-term perspective to growth for sustainable shareholder returns



# Macroeconomic Outlook

# Growth Seen Holding Up Across Asian Economies in 2023 Amid Growing External Risks



## Tourism Rebound In Asia To Support Consumption Demand Amid Weaker Trade

| Asia: Inbound Visitor Arrivals, YTD |                  |   |   |                      |                |                |                |                |
|-------------------------------------|------------------|---|---|----------------------|----------------|----------------|----------------|----------------|
|                                     | Persons, million |   |   | Latest YTD<br>mn pax | 2022<br>mn pax | 2021<br>mn pax | 2020<br>mn pax | 2019<br>mn pax |
|                                     | 0                | 2 | 4 |                      |                |                |                |                |
| Hong Kong                           |                  |   |   | 12.9                 | 0.6            | 0.1            | 3.6            | 55.9           |
| Thailand                            |                  |   |   | 10.7                 | 11.2           | 0.4            | 6.7            | 39.9           |
| Japan                               |                  |   |   | 8.6                  | 3.8            | 0.2            | 4.1            | 31.9           |
| Singapore                           |                  |   |   | 6.3                  | 6.3            | 0.3            | 2.7            | 19.1           |
| Vietnam                             |                  |   |   | 5.6                  | 3.7            | 0.2            | 3.8            | 18.0           |
| Indonesia                           |                  |   |   | 4.1                  | 5.5            | 1.6            | 4.1            | 16.1           |
| South Korea                         |                  |   |   | 3.5                  | 3.2            | 1.0            | 2.5            | 17.5           |
| Taiwan region                       |                  |   |   | 2.2                  | 0.9            | 0.1            | 1.4            | 11.9           |

Legend: Latest YTD (blue), 2022 (red)

Source: Global Economics & Markets Research

Source: UOB Global Economics & Markets Research forecasts

## Fed closing in on end of rate hiking cycle



|                           | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23F | 4Q23F |
|---------------------------|------|------|------|------|------|------|------|------|------|------|-------|-------|
| US 10-Year Treasury       | 1.74 | 1.47 | 1.49 | 1.51 | 2.34 | 3.01 | 3.83 | 3.87 | 3.47 | 3.84 | 3.50  | 3.20  |
| US Fed Funds              | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 1.75 | 3.25 | 4.50 | 5.00 | 5.25 | 5.50  | 5.50  |
| SG 3M SIBOR               | 0.44 | 0.43 | 0.43 | 0.44 | 0.79 | 1.91 | 3.17 | 4.25 | 4.19 | 4.09 |       |       |
| SG 3M SOR                 | 0.36 | 0.24 | 0.21 | 0.36 | 0.95 | 2.06 | 3.28 | 4.21 | 4.09 | 4.23 |       |       |
| SG 3M SORA                | 0.23 | 0.13 | 0.13 | 0.19 | 0.27 | 0.76 | 1.97 | 3.10 | 3.54 | 3.64 | 4.07  | 3.97  |
| MY Overnight Policy Rate  | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 2.00 | 2.50 | 2.75 | 2.75 | 3.00 | 3.00  | 3.00  |
| TH 1-Day Repo             | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 1.00 | 1.25 | 1.75 | 2.00 | 2.00  | 2.00  |
| ID 7-Day Reverse Repo     | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 4.25 | 5.50 | 5.75 | 5.75 | 5.75  | 5.75  |
| CH 1-Year Loan Prime Rate | 3.85 | 3.85 | 3.85 | 3.80 | 3.70 | 3.70 | 3.65 | 3.65 | 3.65 | 3.55 | 3.45  | 3.45  |

We see an increasing divergence in monetary policy between Developed Market (DM) which are more data-dependent and continuing with their rate hikes, while the majority of Asian central banks have now signaled an end to their rate hiking cycle. PBOC is on the opposite end of the monetary policy cycle, as it progressively eases monetary policy on a targeted basis.

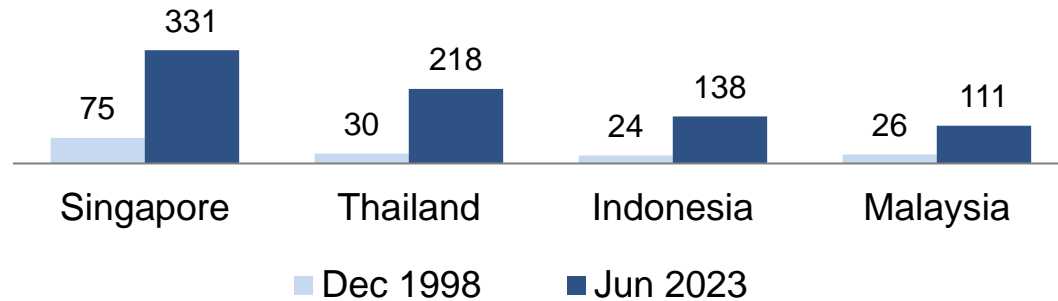
Following the July rate hike, we expect the Fed will be on pause for the rest of 2023 with the terminal FFTR level at 5.25-5.50%. We continue to expect no rate cuts in 2023 but with rate cuts coming in from 1Q 2024 onwards. There is a risk that the Fed will hike by one more 25-bps, but we think the Fed [hiking] cycle is at/very near the end.

While inflation concerns remained in recent months, it was also evident the growth outlook has been subjected to greater uncertainty and biased to the weaker side. That said, it is too soon to expect monetary policy to reverse course given the stickiness of core inflation. Faced with sticky inflation and a weaker growth outlook, we keep the view that tightening cycle to have ended in Apr and the Monetary Authority of Singapore (MAS) will maintain this pause in the next meeting in Oct.

# Macro resilience across key Southeast Asian markets

## Significantly Higher Foreign Reserves

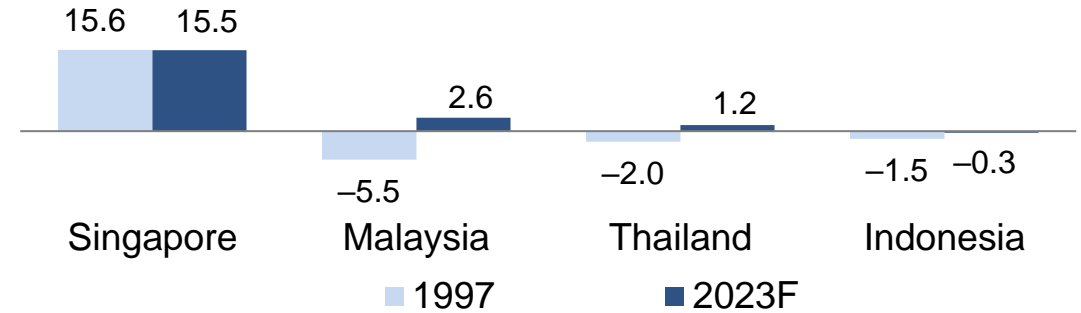
(USD billion)



Sources: World Bank, International Monetary Fund

## Improved Current Account Balances

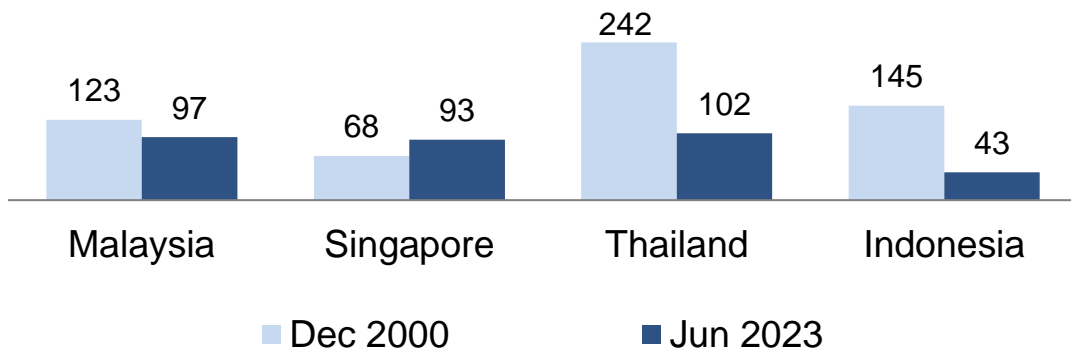
(% of GDP)



Source: International Monetary Fund

## Lower Debt to Equity Ratio

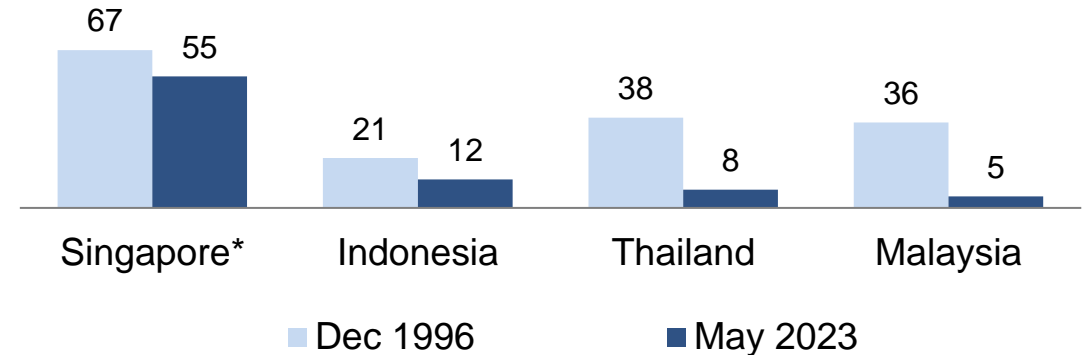
(%)



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

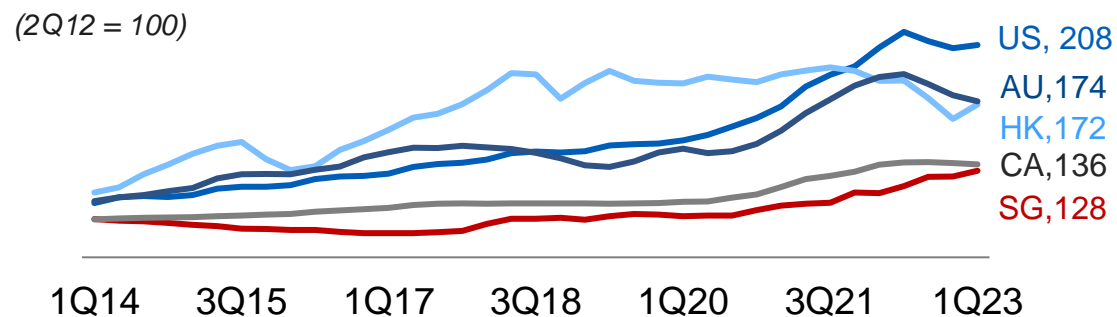
(%)



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

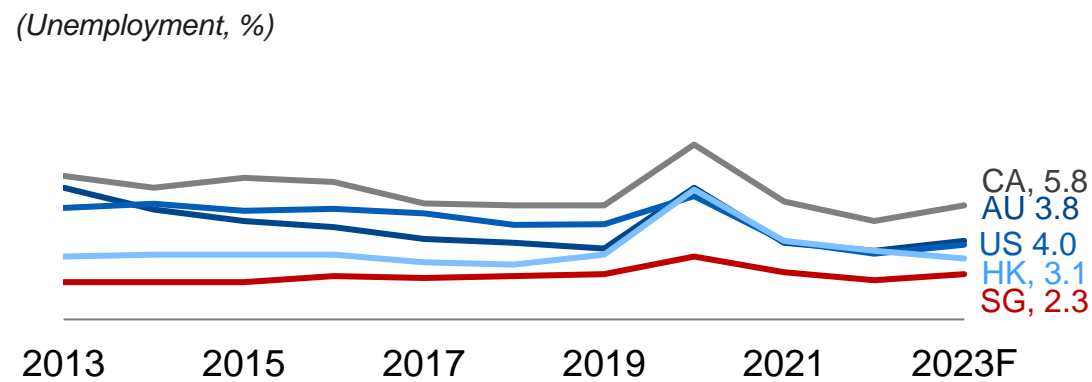
# Singapore mortgages remain a low-risk asset class

## Low risk of housing bubble due to cooling measures



Sources: CEIC, UOB Economic-Treasury Research

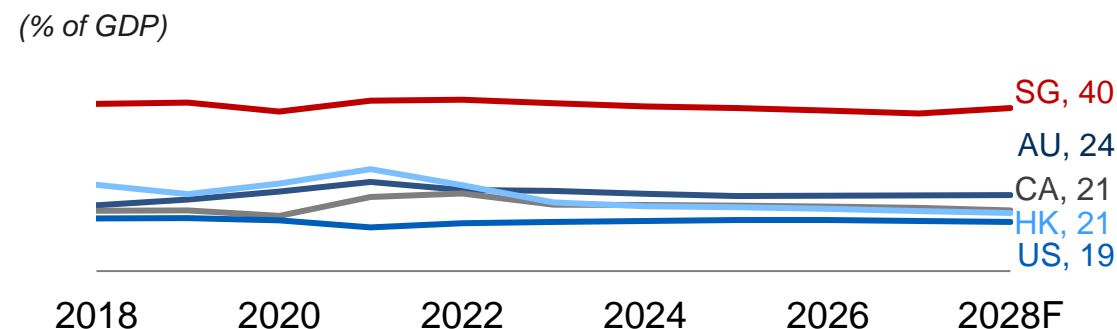
## Low unemployment underscores housing affordability and support for mortgage servicing



Sources: Macrobond, UOB Economic-Treasury Research

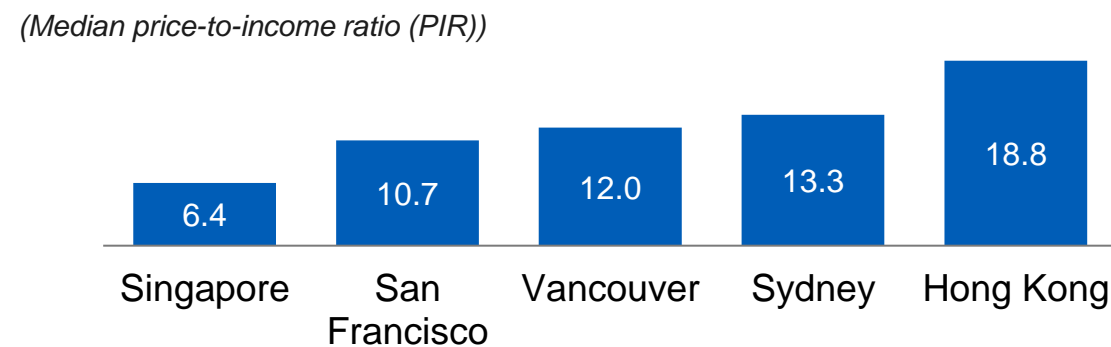
Note: AU: Australia; CA: China; HK: Hong Kong; SG: Singapore; US: United States

## High national savings rate



Sources: IMF, UOB Economic-Treasury Research

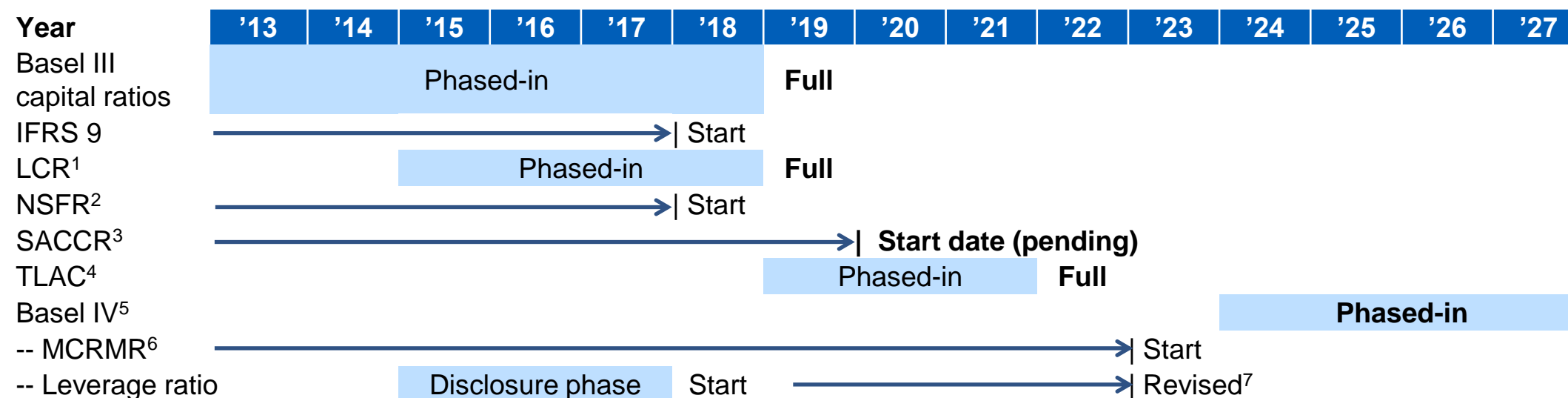
## Singapore private residential housing stays affordable as median price-to-income ratio remains low



As of 3Q22, based on 2023 edition of Urban Reform Institute report  
 Singapore's PIR calculated based on condominium price of S\$1.41m and medium monthly household income of S\$18.5k.

Sources: Singapore Statistics, Urban Reform Institute, Frontier Centre for Public Policy, UOB Economic-Treasury Research

# 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

“ 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

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)

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

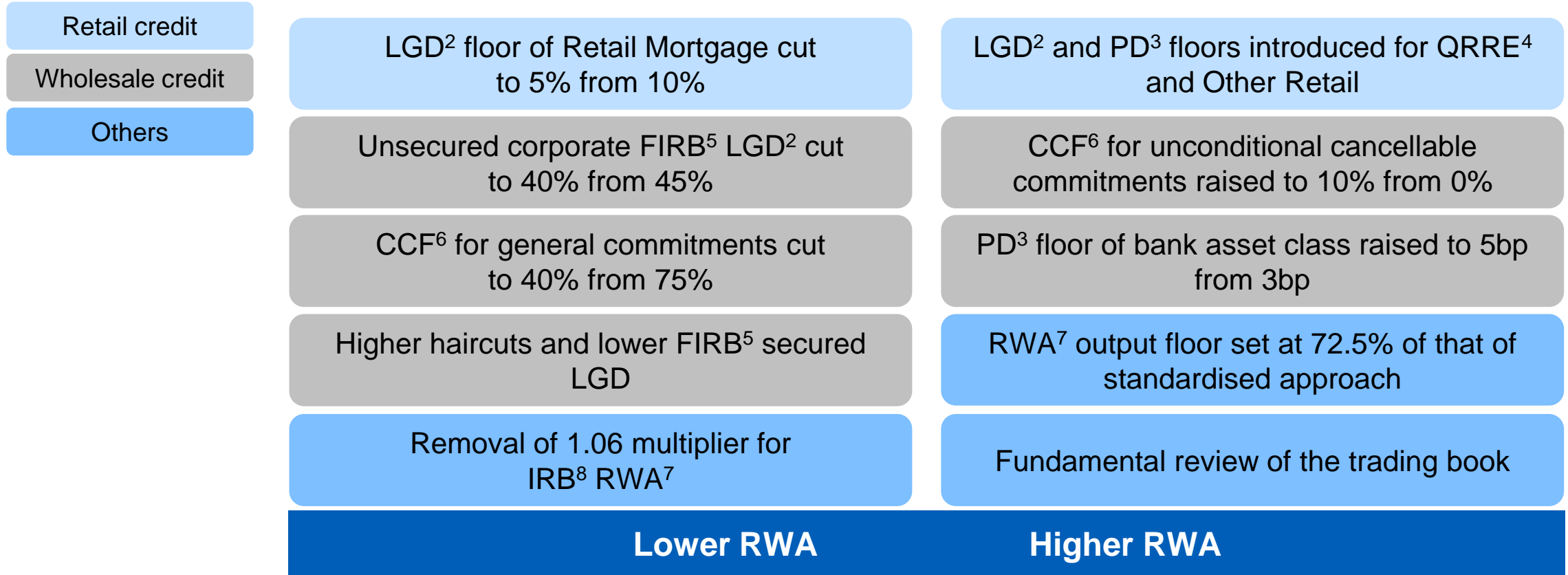
|                                     | BCBS | Singapore          | Malaysia | Thailand | Indonesia              |
|-------------------------------------|------|--------------------|----------|----------|------------------------|
| Minimum CET1 CAR                    | 4.5% | 6.5% <sup>1</sup>  | 4.5%     | 4.5%     | 4.5%                   |
| Minimum Tier 1 CAR                  | 6.0% | 8.0% <sup>1</sup>  | 6.0%     | 6.0%     | 6.0%                   |
| Minimum Total CAR                   | 8.0% | 10.0% <sup>1</sup> | 8.0%     | 8.5%     | 8.0%                   |
| Capital Conservation Buffer         | 2.5% | 2.5%               | 2.5%     | 2.5%     | 2.5%                   |
| Countercyclical Buffer <sup>2</sup> | n/a  | 0%                 | 0%       | 0%       | 0%                     |
| D-SIB Buffer                        | n/a  | 2.0%               | 1.0%     | 1.0%     | 1.0%–2.5% <sup>3</sup> |
| Minimum Leverage Ratio              | 3.0% | 3.0%               | 3.0%     | 3.0%     | 3.0%                   |
| Minimum LCR                         | 100% | 100%               | 100%     | 100%     | 100%                   |
| Minimum NSFR                        | 100% | 100%               | 100%     | 100%     | 100%                   |

Source: Regulatory notifications

1. Includes 2% for D-SIB (domestic-systemically important banks) buffer for the three Singapore banks
2. Each regulator determines its own level of countercyclical capital buffer

3. According to the regulations, capital surcharge for Indonesia D-SIBs are classified into four buckets based on the tier 1 capital (Bucket 1 – 1%, Bucket 2 – 1.5%, Bucket 3 – 2%, Bucket 4 – 2.5%)

# Impact of Basel IV<sup>1</sup> 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

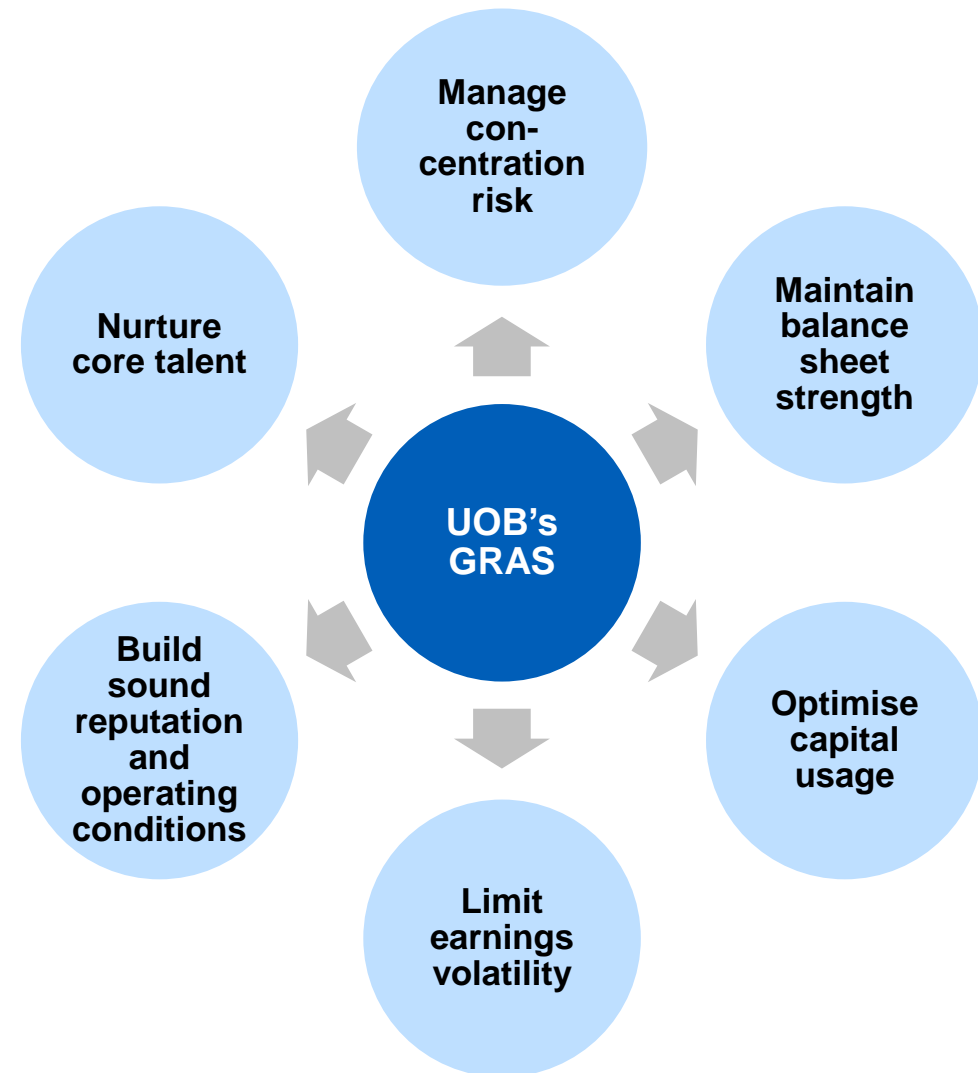
- 5. Foundation internal rating-based approach
- 6. Credit conversion factor
- 7. Risk weighted assets
- 8. Internal rating-based approach



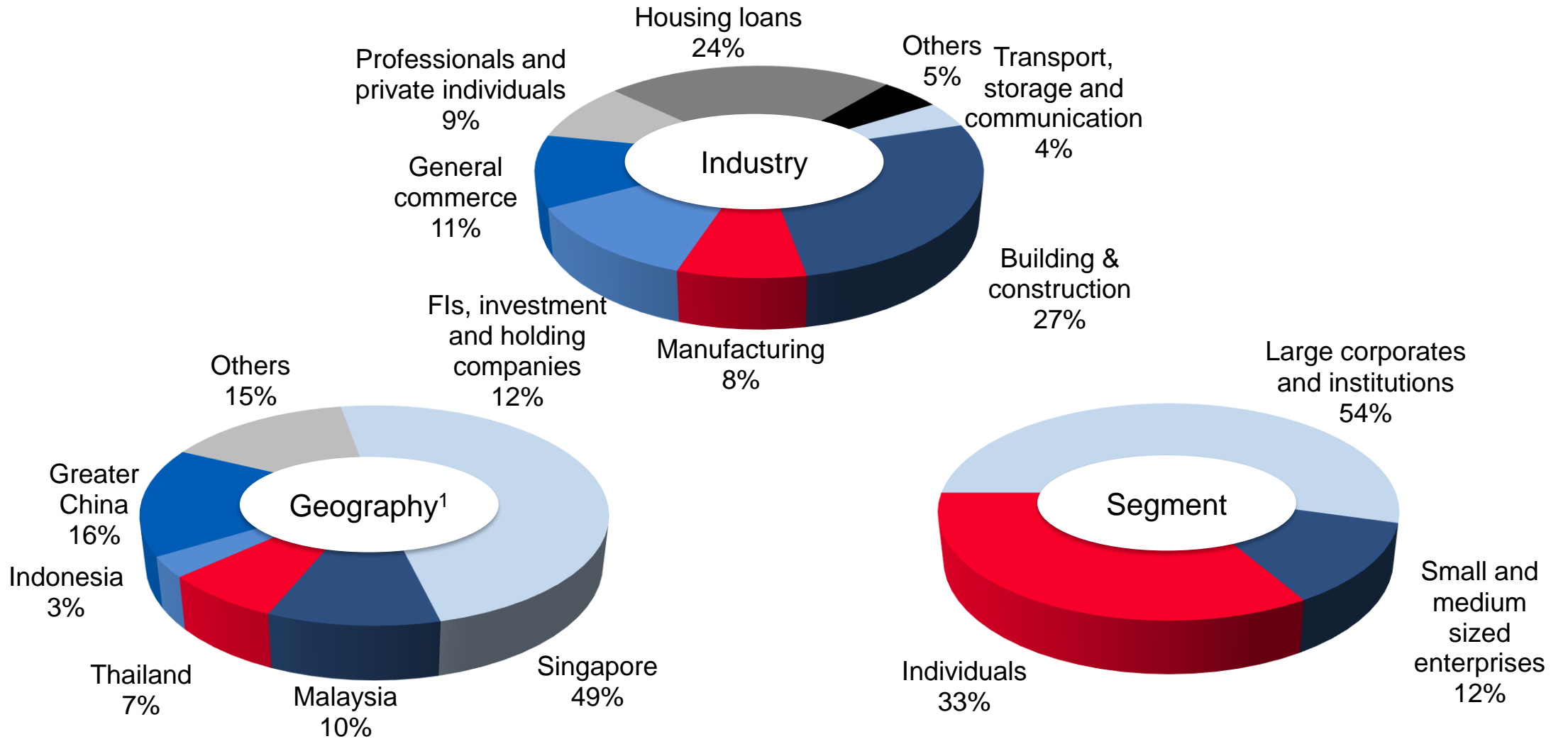
# Strong UOB Fundamentals

# 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



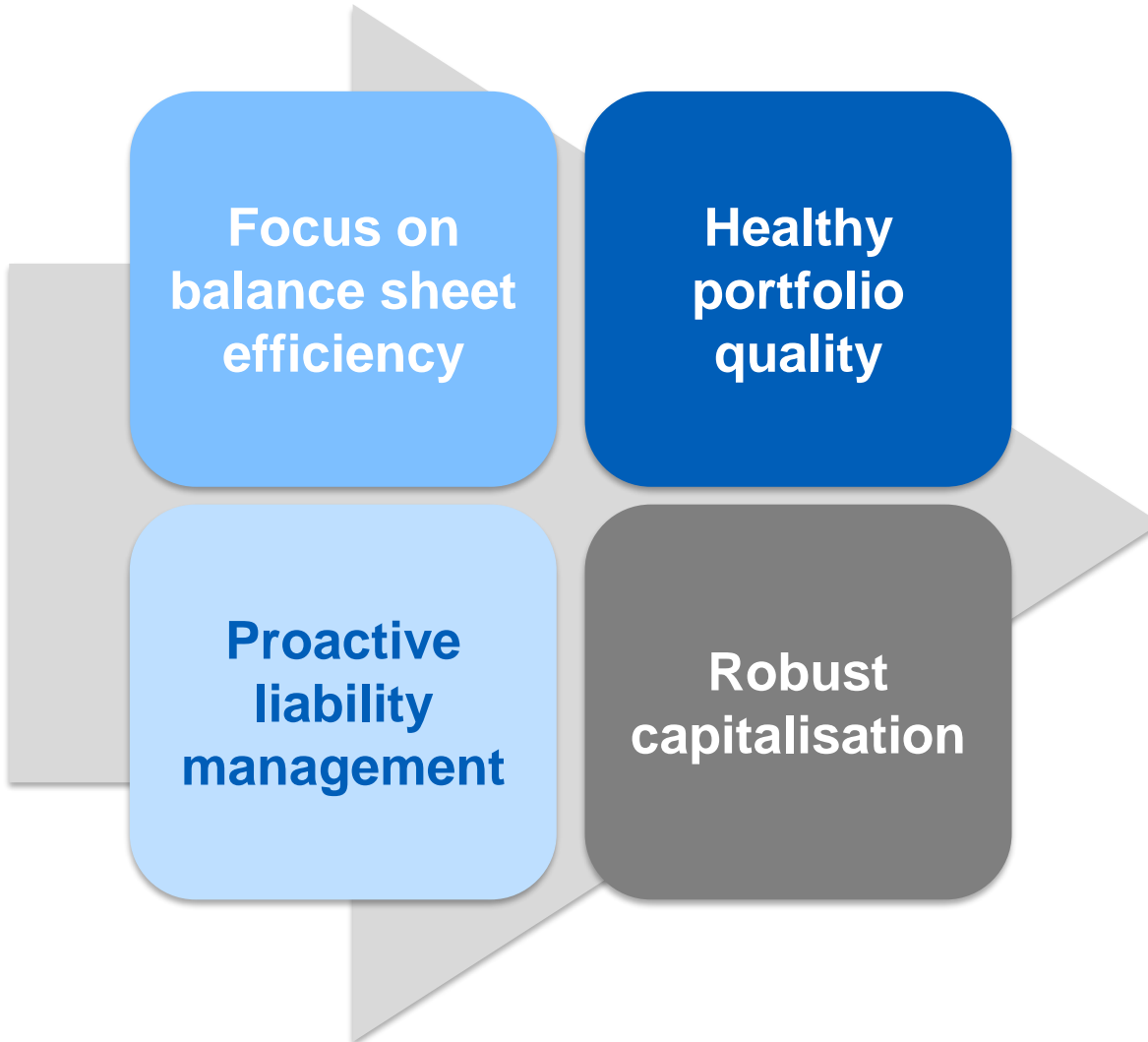
# Diversified loan portfolio



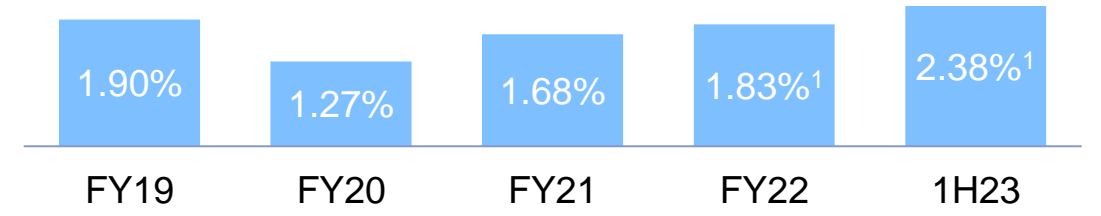
1, Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)

Note: Financial statistics as at 30 Jun 2023

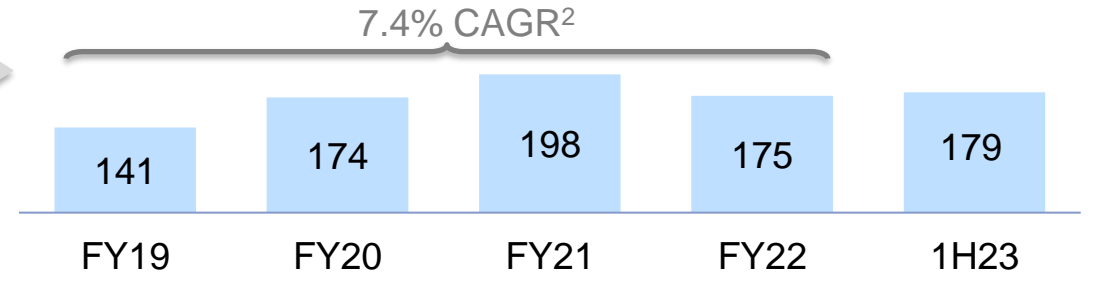
# Disciplined balance sheet management



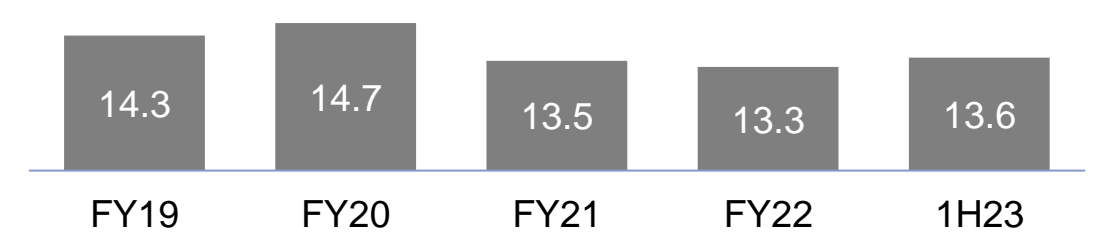
## Return on risk-weighted assets



## Current Account Saving Account Balances (SGD b)



## Common Equity Tier 1 ratio (%)

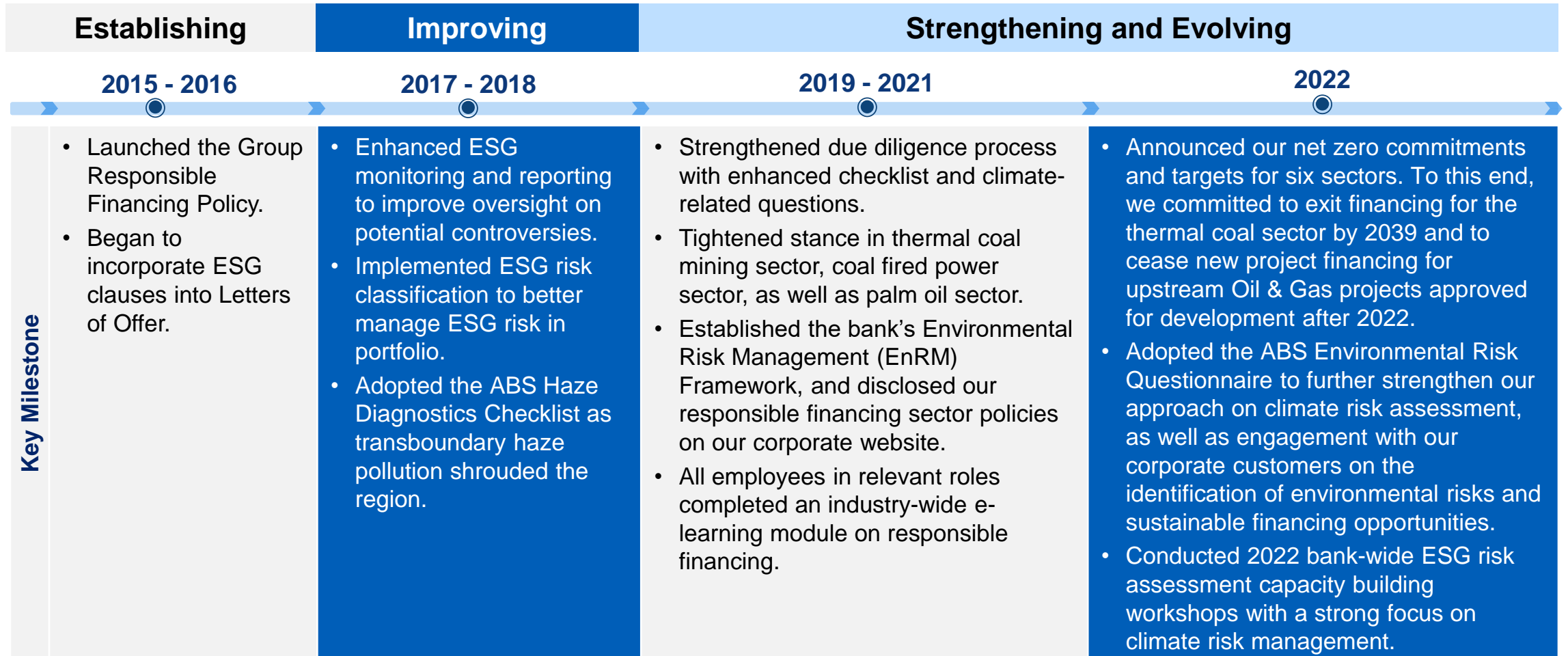


Notes

- 1. Excluding one-off expenses
- 2. Compound annual growth rate over 3 years (FY19 to FY22)

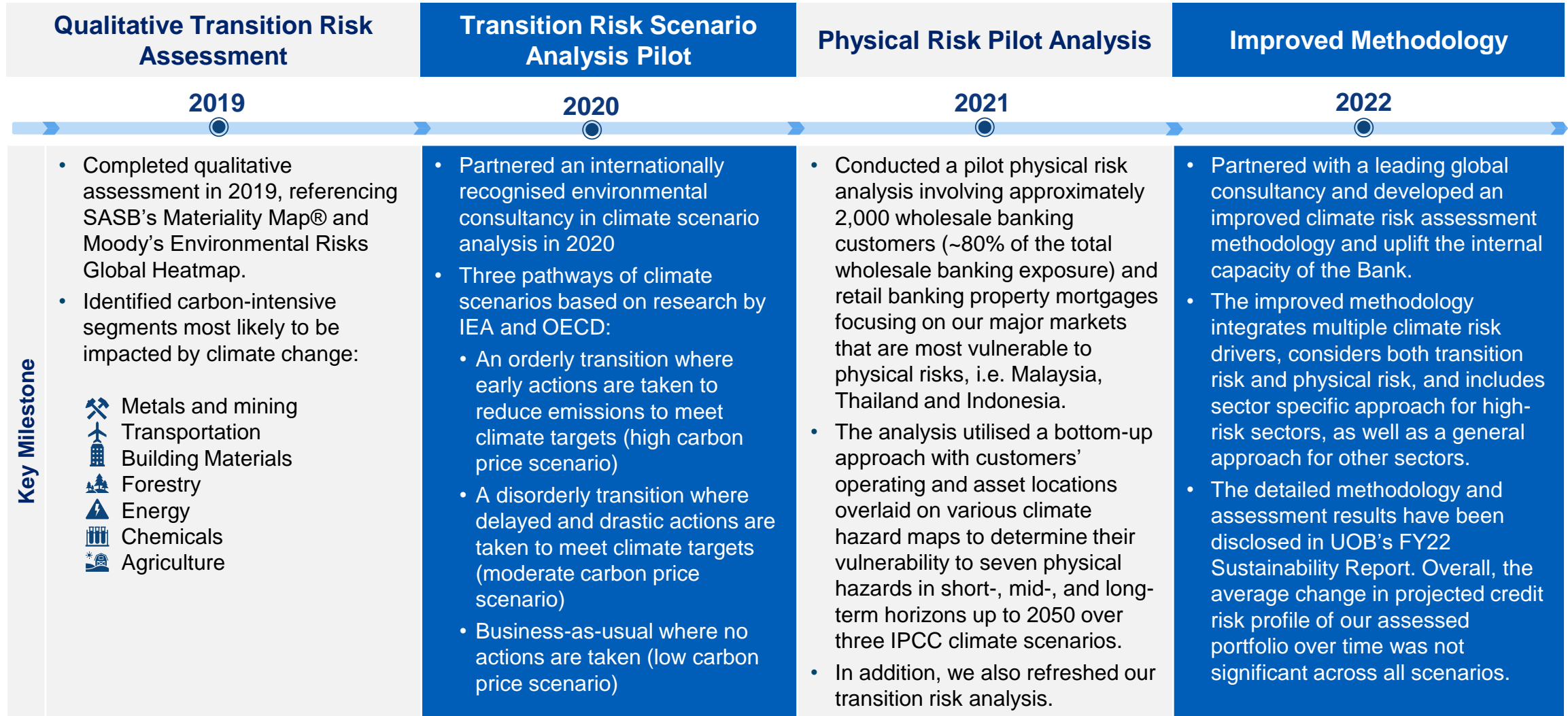
# UOB's responsible financing journey: pragmatic and progressive

## Overview of UOB Group's Responsible Financing Journey



\* Green Finance Industry Taskforce

# TCFD Implementation - Climate Scenario Analysis



# Comparison against peers



|         |      |       | Standalone Strength | Cost Management                    | Returns            | 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-   | <b>UOB</b>          | a1                                 | 41% <sup>1</sup>   | 1.2% <sup>1</sup>                     | 84%                |
| Aa1     | AA-  | AA-   | <b>OCBC</b>         | a1                                 | 38%                | 1.5%                                  | 79%                |
| Aa1     | AA-  | AA-   | <b>DBS</b>          | a1                                 | 38%                | 1.4%                                  | 80%                |
| A3      | A-   | A+    | <b>HSBC</b>         | a3                                 | 42%                | 1.2%                                  | 60%                |
| A3      | BBB+ | A     | <b>SCB</b>          | baa1                               | 62%                | 0.6%                                  | 54%                |
| A1      | A-   | AA-   | <b>BOA</b>          | a2                                 | 62%                | 1.0%                                  | 55%                |
| A3      | BBB+ | A     | <b>Citi</b>         | baa1                               | 70%                | 0.5%                                  | 49%                |
| Aa3     | AA-  | A+    | <b>CBA</b>          | a2                                 | 44%                | 0.8%                                  | 103%               |
| Aa3     | AA-  | A+    | <b>NAB</b>          | a2                                 | 42%                | 0.8%                                  | 121%               |
| Aa1     | AA-  | AA-   | <b>RBC</b>          | a2                                 | 55%                | 0.4%                                  | 69%                |
| Aa2     | AA-  | AA-   | <b>TD</b>           | a1                                 | 53%                | 0.4%                                  | 75%                |
| A3      | A-   | n.r.  | <b>CIMB</b>         | baa2                               | 47%                | 1.0%                                  | 88%                |
| A3      | A-   | n.r.  | <b>MBB</b>          | a3                                 | 48%                | 1.0%                                  | 91%                |

1. Excluding one-off expenses

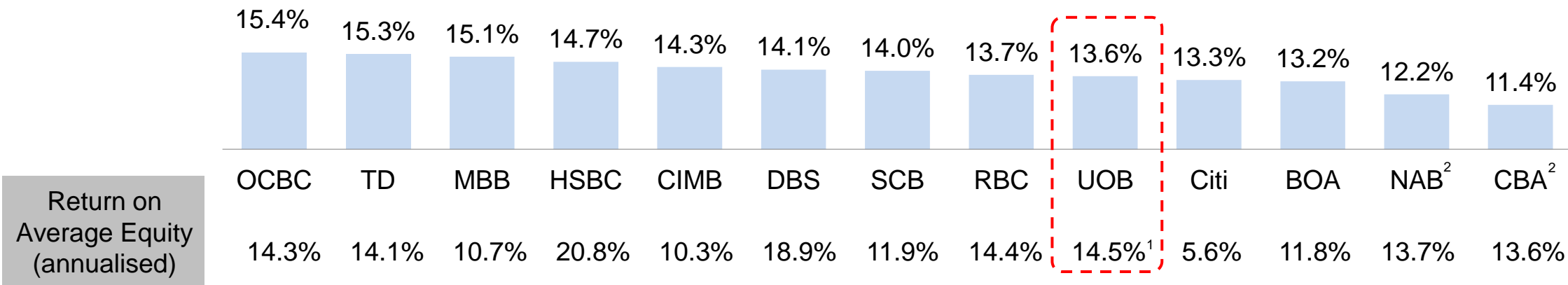
Source: Company reports, Credit rating agencies (updated as of 31 Jul 2023)

Financial data based on period ended 30 Jun 23, except for RBC/TD (period ended 31 Apr 23), NAB, CIMB, Maybank (31 Mar 23), CBA (Half-year ended 31 Dec 22)

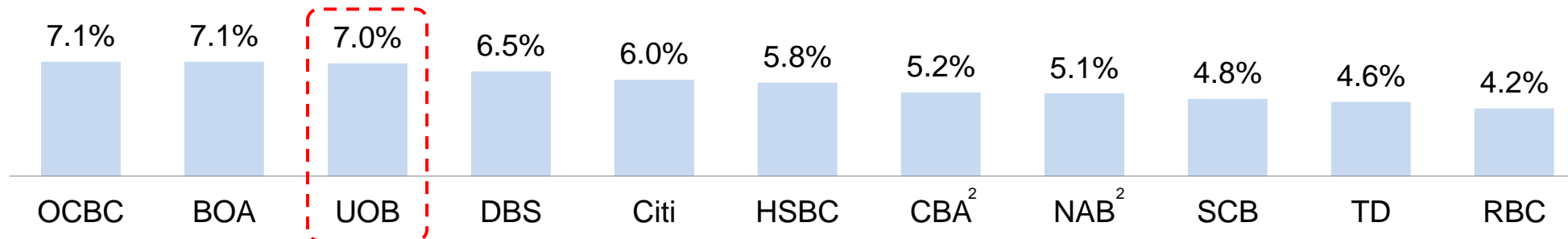
# Capital and leverage ratios



## Reported Common Equity Tier 1 CAR



## Reported Leverage Ratio



1. Excluding one-off expenses

2. CBA's and NAB's common equity Tier 1 CARs based on APRA's standards; their respective internationally comparable ratio was 18.2% (31 Dec 22) and 17.3% (31 Mar 23)

Source: Company reports

Financial data based on period ended 30 Jun 23, except for RBC, TD (Half-year ended 30 Apr 23), NAB, CIMB, Maybank (31 Mar 23), CBA (Half-year ended 31 Dec 22)



# Strong investment grade credit ratings



**MOODY'S**  
INVESTORS SERVICE

**Aa1 / P-1**

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

**S&P Global**  
Ratings

**AA- / A-1+**

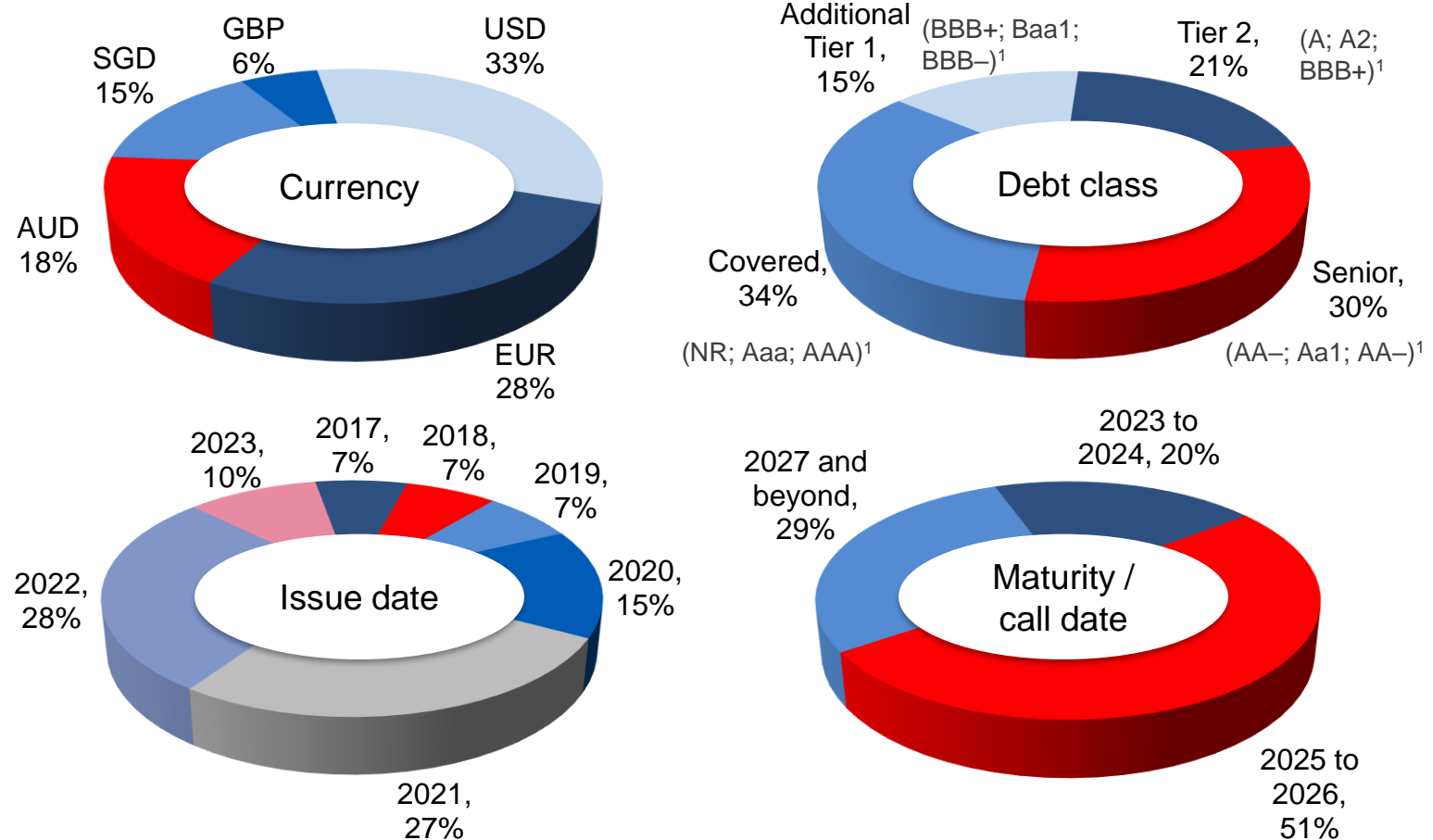
- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

**FitchRatings**

**AA- / F1+**

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

## A regular issuer in key debt capital markets globally



Source: Credit rating agencies

**Note:** The pie charts represent outstanding UOB's public rated issuances as of 17 Jul 23; for more details, please refer to <https://www.uobgroup.com/investor-relations/capital-and-funding-information/group-securities.html>

1. The issuance ratings are by Fitch Ratings, Moody's Investors Service and S&P Global Ratings, respectively

# Our Growth Drivers

# Our growth drivers

| Realise full potential of our integrated platform | Sharpen regional focus | Reinforce fee income growth | Long-term growth perspective |
|---|------------------------|-----------------------------|------------------------------|
|---|------------------------|-----------------------------|------------------------------|



- 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



- 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



- 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

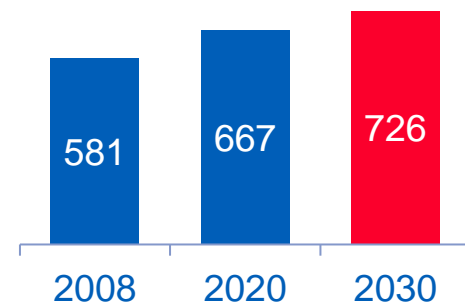


- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

# Southeast Asia's immense long-term potential

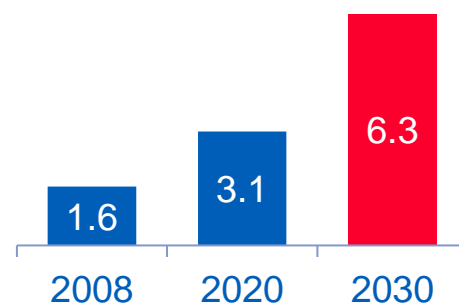
## Population

(Million persons)



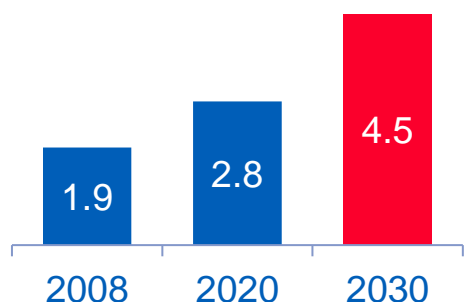
## GDP<sup>1</sup>

(USD trillion)



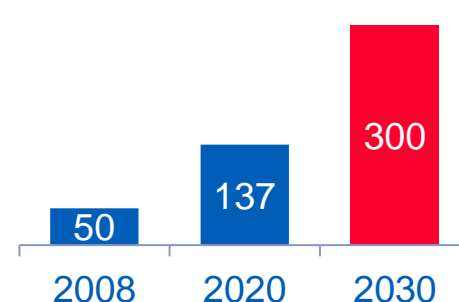
## Trade<sup>2</sup>

(USD trillion)



## FDI<sup>3</sup>

(USD billion)

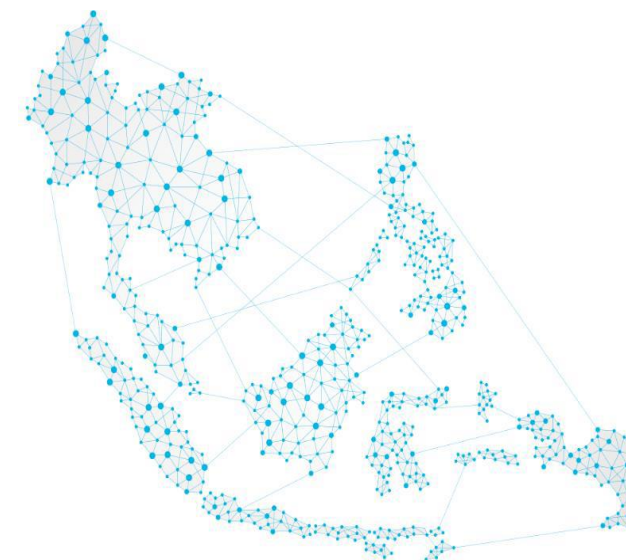


## Southeast Asia's immense growth prospects...

- Third largest population globally, after China and India
- Young demographics, with 382 million below 35 years old
- Fifth largest economic bloc globally by GDP<sup>1</sup>
- Fourth largest trading group globally
- Third largest recipient of inward FDI<sup>3</sup> 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

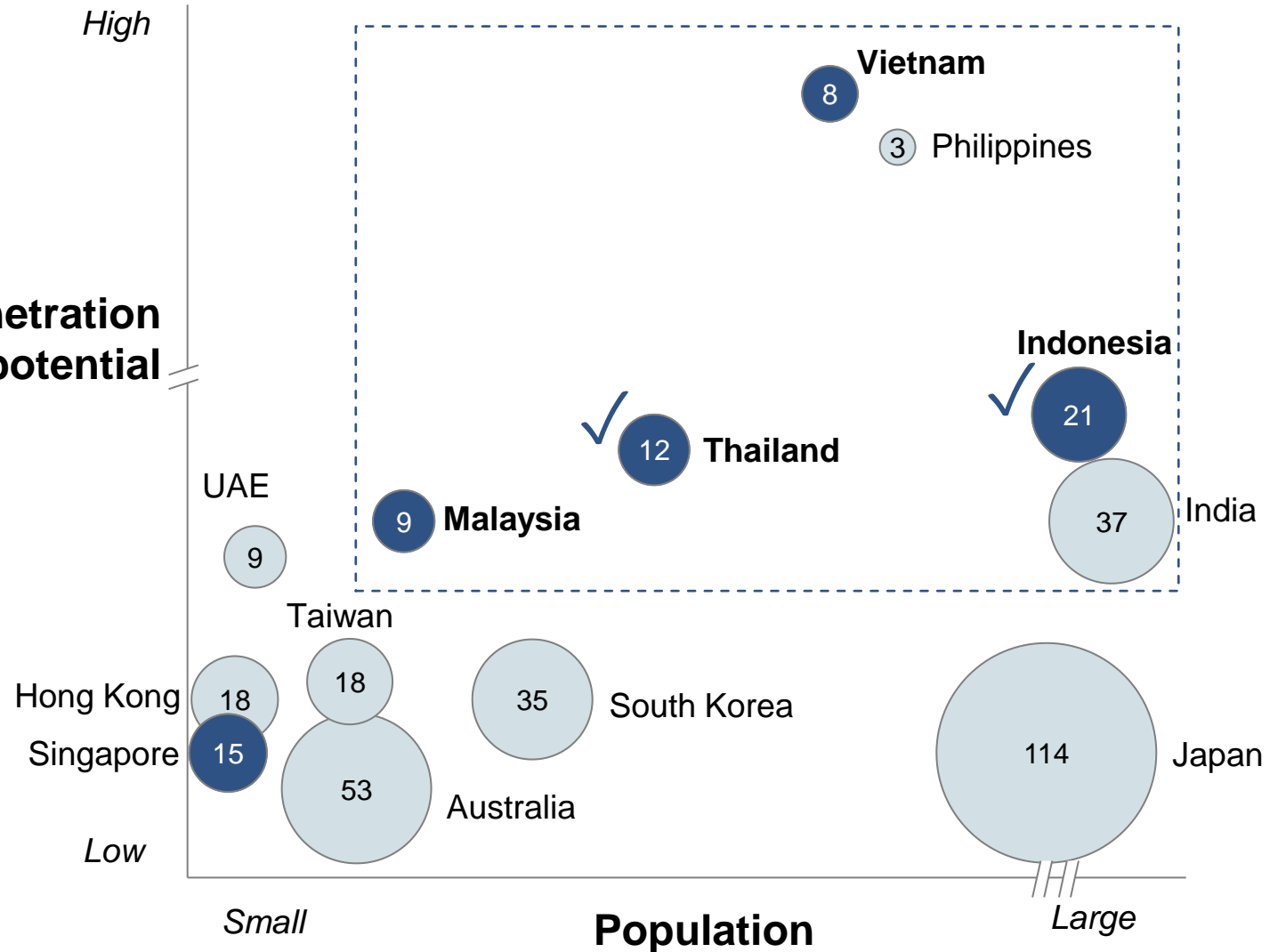
2019 retail banking pool sizes

USD b

Denotes UOB's core markets in Southeast Asia

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

**Banking penetration growth potential**

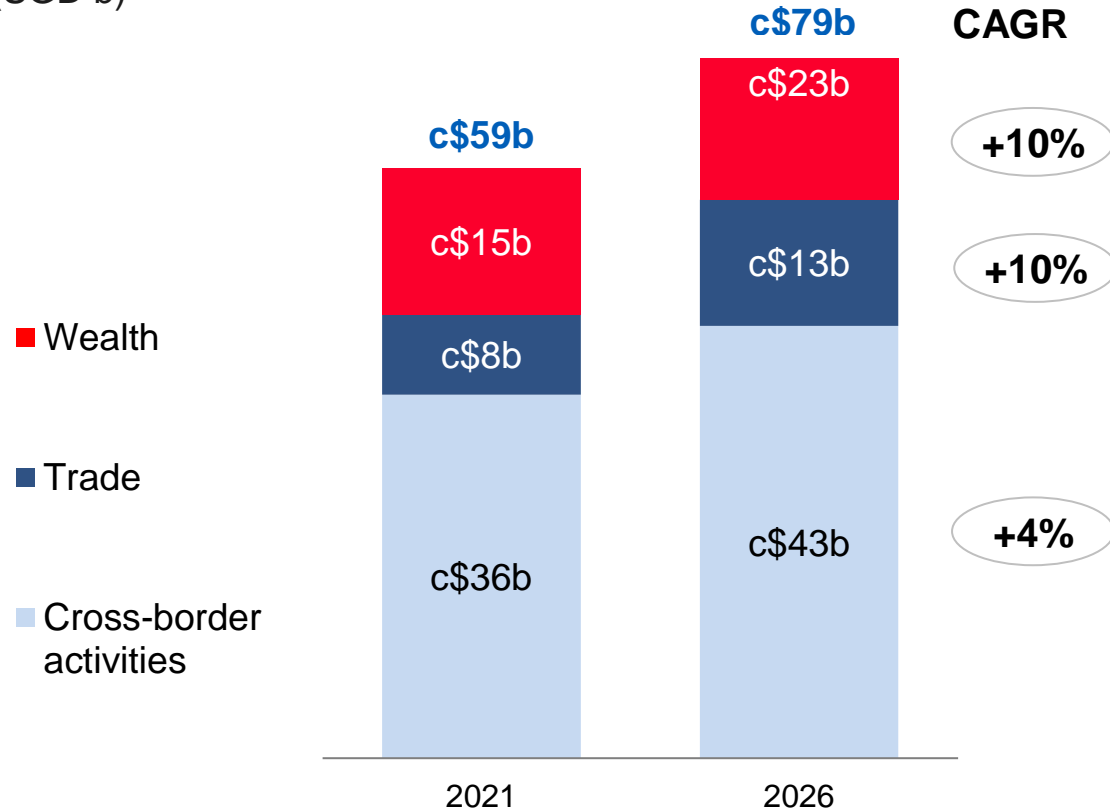


Note: UAE and Japan's retail banking market size as of 2017  
 Source: BCG banking pools (2019), World Bank (2017)

# Revenue potential from ‘connecting the dots’ in the region

## Industry’s potential connectivity revenue

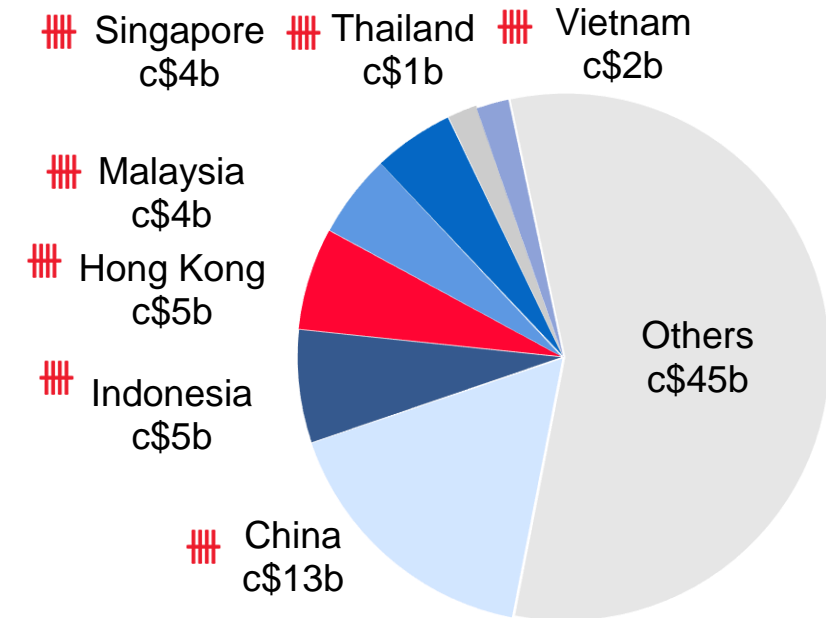
(SGD b)



## Industry’s potential connectivity revenue (2026)

(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

# Consumers

- Tapping on rising affluence and growing digitalisation in Southeast Asia



## Scale Acquisition with Digital

Scale UOB TMRW across ASEAN to digitally acquire at low cost

**>7m**

Retail customers, 78% are digitally enabled

**+47%**

Year on year increase of new-to-bank customers acquired vs 1H22, 56% digitally acquired



## Deepen Engagement with Eco-system Partnerships

Leverage combined regional franchise in growing the number of multi-markets partnerships to drive customer engagement and lifetime value

**45**

Strategic multi-markets partnerships to cater for our customers growing lifestyle needs

**+51%**

Year on year growth in credit card fees in 1H23



## Leverage data insights to drive Omni-channel Offerings

Embrace data insights to digitalise customer experiences & processes; repurpose branches for more advisory needs

**S\$165b**

Assets under management (AUM)<sup>1,2</sup>  
▲ 19% YoY

**~2x**

Higher average revenue generation by omni-channel customers vs other customers

1. Of which 59% are from customers overseas. 2. Refers to Privilege Banking, Privilege Reserve and Private Bank.

# Wholesale customers

- Growing regional franchise, capturing cross-border opportunities



## Strengthening Connectivity

Across our ASEAN footprint and global network



**+17%**  
Cross border income<sup>1</sup>;  
Formed 23% of GWB income



**+35%**  
Suppliers and distributors<sup>2</sup> within  
Financial Supply Chain  
Management (FSCM) solution



## Sector Specialisation

Building capabilities for  
greater diversification  
and risk mitigation



**+28%**  
Income from Non-Real Estate &  
Hospitality and Non-FIG sectors<sup>1</sup>



**+25%**  
Global Financial Institutions  
Group (FIG) income<sup>1</sup>



## Deepening Digitalisation

For secure and  
efficient transactions



**+103%**  
Cashless payments to  
businesses in the region<sup>3</sup>



**+8%**  
Digital banking transactions by  
businesses across the Group<sup>4</sup>

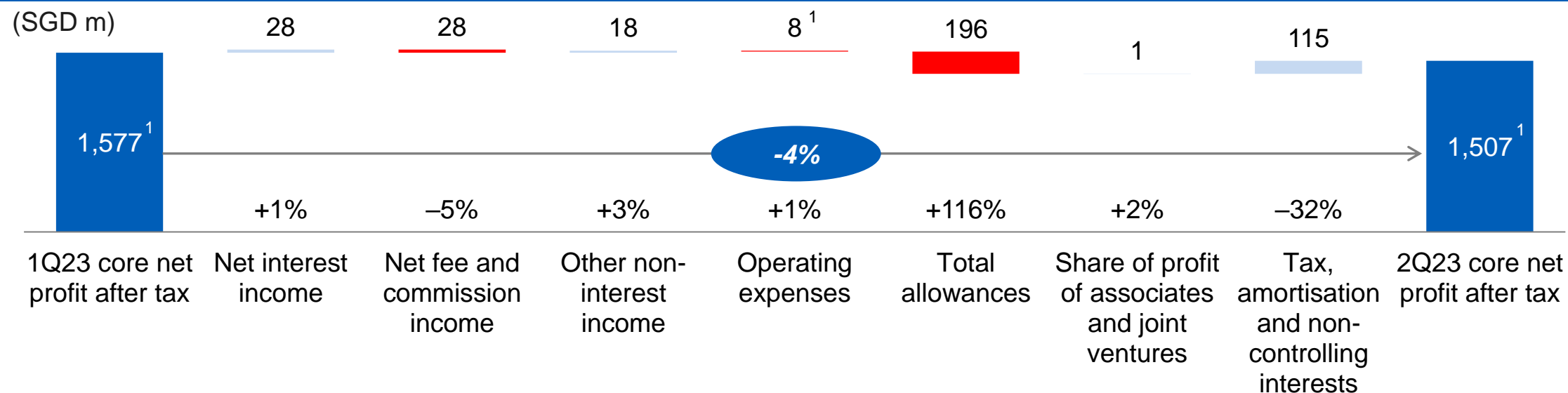
1. Year on year growth for May-23 YTD. 2. As of May-23. 3. 2Q23 YoY. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 4. 2Q23 YoY. Refers to digital banking transactions via UOB Infinity/BIBPlus



# Latest Financials

## 2Q23 financial overview

### Core Net Profit After Tax Movement, 2Q23 vs 1Q23



| Key Indicators                          | 2Q23 | 1Q23 | QoQ Change | 2Q22 | YoY Change |
|---|------|------|------------|------|------------|
| Net interest margin (%) <sup>2</sup>    | 2.12 | 2.14 | -0.02% pt  | 1.67 | +0.45% pt  |
| Non-interest income / Income (%)        | 31.2 | 31.6 | -0.4% pt   | 31.1 | +0.1% pt   |
| Cost / Income ratio (%) <sup>1</sup>    | 40.9 | 40.9 | -          | 43.8 | -2.9% pt   |
| Return on equity (%) <sup>1, 2, 3</sup> | 14.1 | 14.9 | -0.8% pt   | 11.0 | +3.1% pt   |

1. Excluding one-off expenses

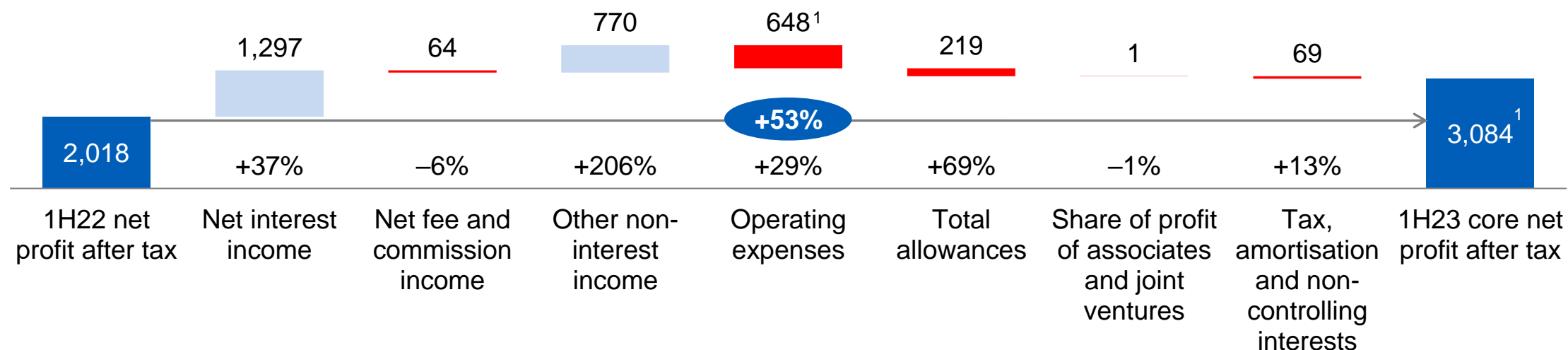
2. Computed on an annualised basis

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

# 1H23 financial overview

## Core Net Profit After Tax Movement, 1H23 vs 1H22

(SGD m)



| Key Indicators                        | 1H23 | 1H22 | YoY Change |
|---------------------------------------|------|------|------------|
| Net interest margin (%) <sup>2</sup>  | 2.13 | 1.63 | +0.50% pt  |
| Non-interest income / Income (%)      | 31.4 | 29.9 | +1.5% pt   |
| Cost / Income ratio (%) <sup>1</sup>  | 40.9 | 44.3 | -3.4% pt   |
| Return on equity (%) <sup>1,2,3</sup> | 14.5 | 9.9  | +4.6% pt   |

1. Excluding one-off expenses  
 2. Computed on an annualised basis  
 3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

## Performance by Geography

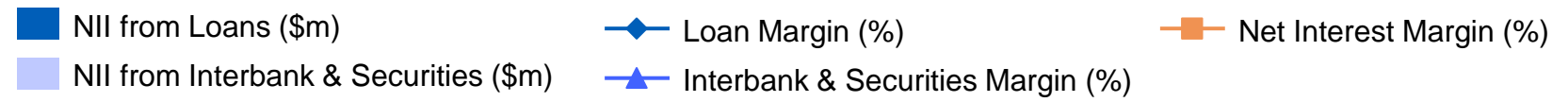
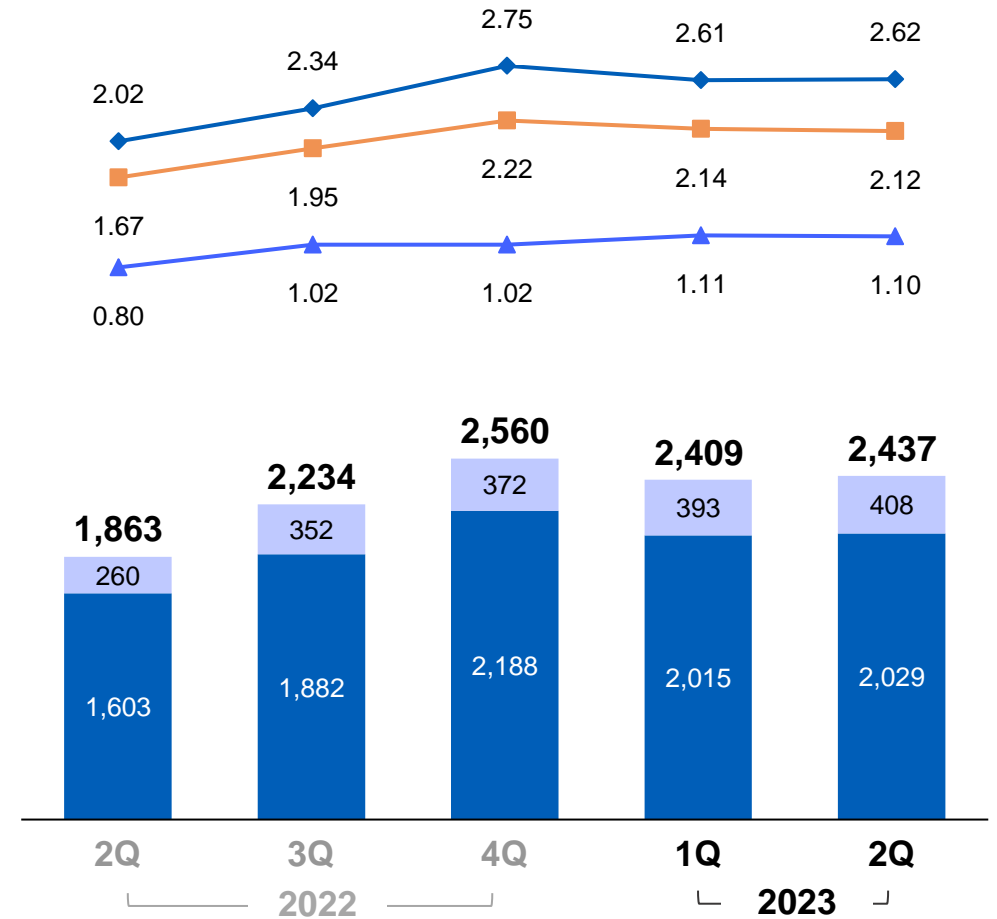
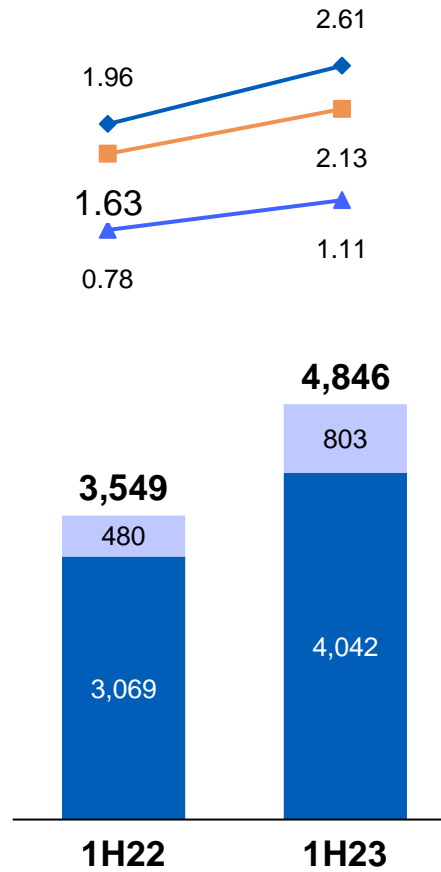
- 1H23 Core operating profit surged to \$4.2b
- ASEAN-4 benefited from Citi consolidation
- Overseas contribution at 42% to Group operating profit

|   | 1H23<br>\$m  | 1H22<br>\$m | YoY<br>+/(-)% | 2Q23<br>\$m  | 1Q23<br>\$m | QoQ<br>+/(-)% |
|---|--------------|-------------|---------------|--------------|-------------|---------------|
| <b>Core operating profit <sup>(1)</sup></b>     |              |             |               |              |             |               |
| Singapore                                       | 2,418        | 1,542       | 57            | 1,184        | 1,233       | (4)           |
| <b>ASEAN-4</b>                                  | <b>911</b>   | 635         | 43            | <b>446</b>   | 465         | (4)           |
| Malaysia  | 412          | 333         | 24            | 188          | 224         | (16)          |
| Thailand  | 364          | 193         | 89            | 193          | 171         | 13            |
| Indonesia                                       | 122          | 104         | 17            | 57           | 64          | (11)          |
| Vietnam   | 14           | 5           | >100          | 8            | 6           | 46            |
| <b>North Asia</b>                               | <b>343</b>   | 320         | 7             | <b>190</b>   | 153         | 24            |
| Greater China                                   | 310          | 295         | 5             | 172          | 137         | 26            |
| Others  | 33           | 24          | 35            | 17           | 16          | 9             |
| <b>Rest of the world</b>                        | <b>505</b>   | 323         | 57            | <b>273</b>   | 232         | 18            |
| <b>Total</b>                                    | <b>4,177</b> | 2,820       | 48            | <b>2,093</b> | 2,083       | 0             |
| <b>Overseas contribution (%) <sup>(1)</sup></b> | <b>42.1</b>  | 45.3        | (3.2)         | <b>43.4</b>  | 40.8        | 2.6           |

(1) Excluding one-off expenses

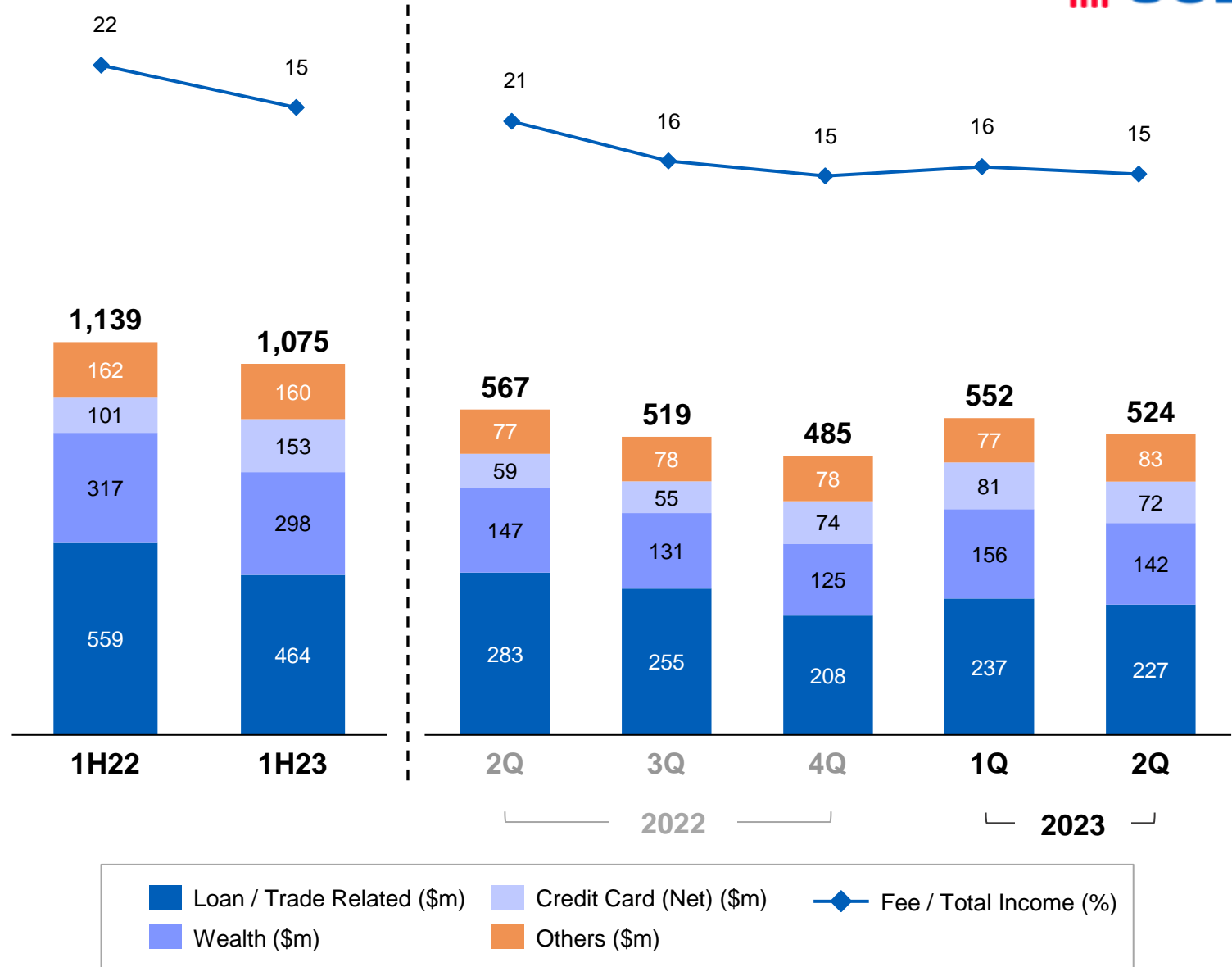
# Net Interest Income and Margin

- NII rose 1% QoQ from longer calendar quarter
- Slight moderation in 2Q23 NIM due to excess liquidity deployed to high quality assets



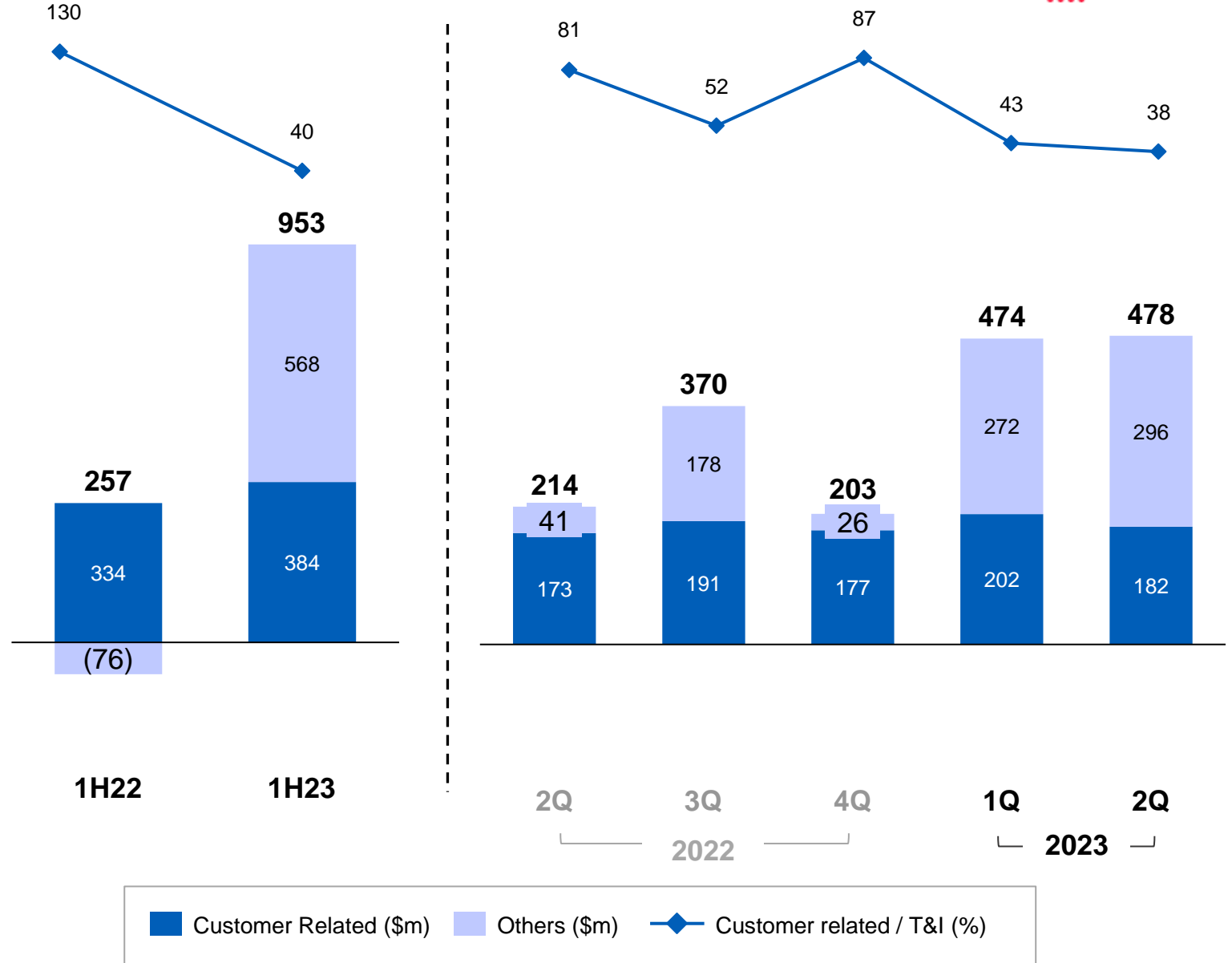
# Fee Income

- Net fee income eased 5% QoQ
- Loan / trade related fees declined on softer lending activities
- Wealth fees recovery hampered by cautious investor sentiments
- Credit card fees sustained momentum after excluding last quarter one-off adjustment on rebates



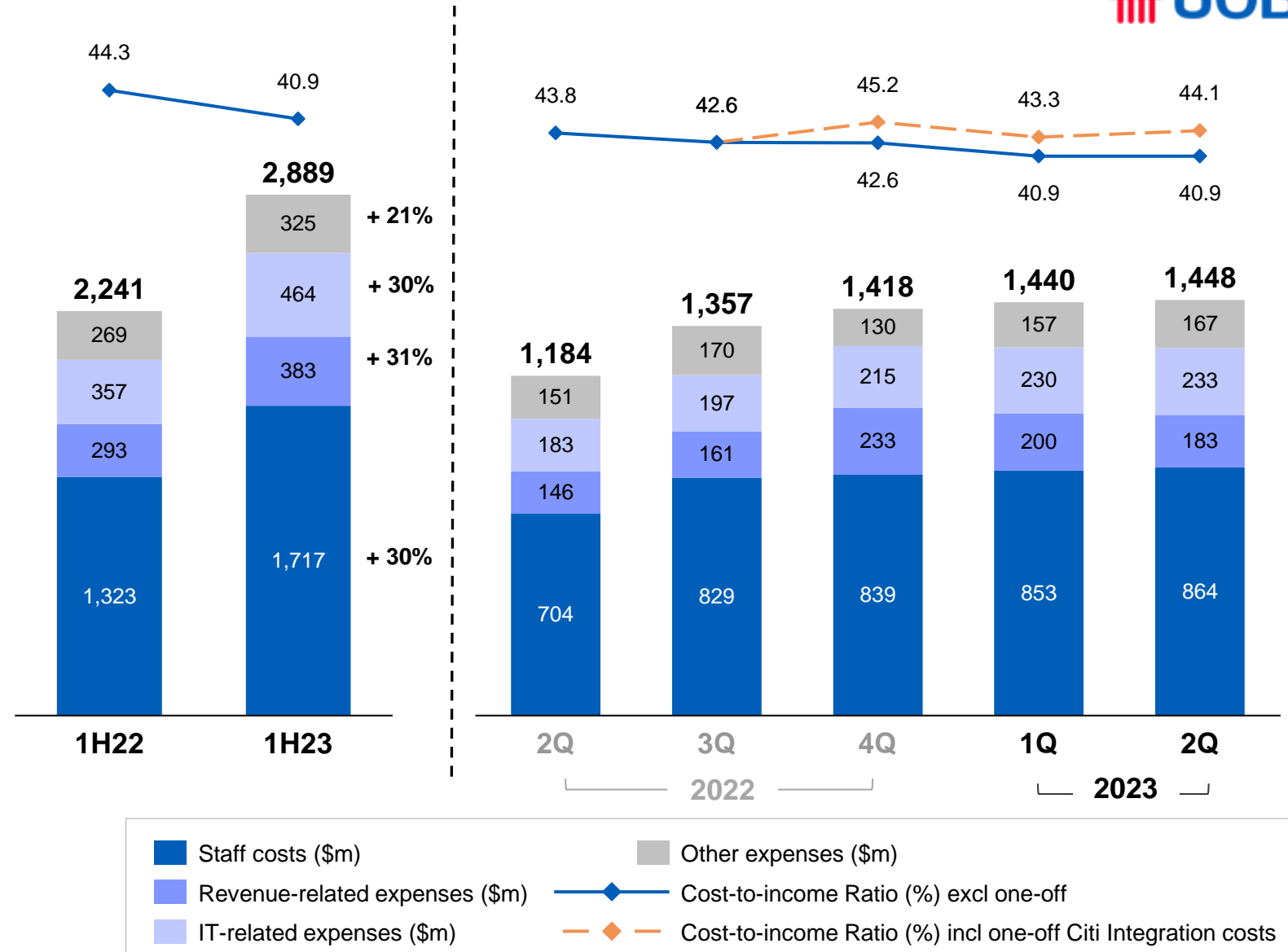
# Trading & Investment Income

- Another record quarter for T&I
- Resilient customer-related treasury income, supported by hedging demands
- Good performance from trading and liquidity management activities



# Core Expenses and Cost / Income Ratio <sup>(1)</sup>

- CIR unchanged at 40.9% on the back of disciplined spending
- Continued focus on investments to enhance capabilities to drive strategic initiatives



(1) Excluding one-off expenses



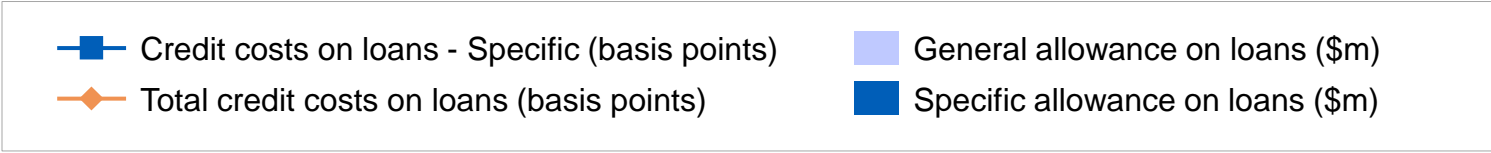
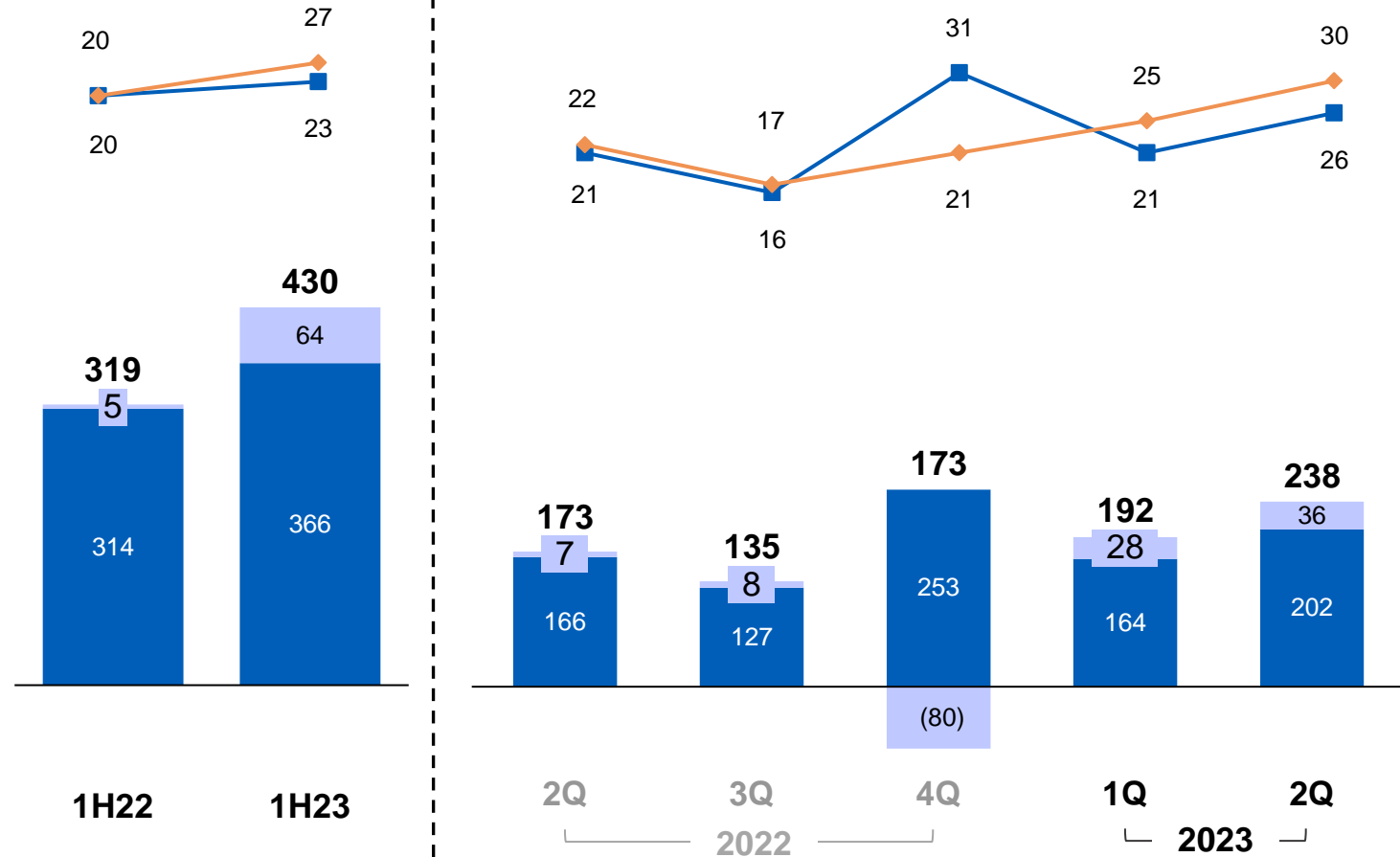
## Non-Performing Assets

- Asset quality remained resilient and portfolio well-collateralized with SP/NPA stable at 33%

| (\$m)                                       | 2022         |              |              | 2023         |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           |
| <b>NPAs at start of period</b>              | 5,289        | 5,422        | 5,037        | 5,127        | 5,150        |
| <u>Non-individuals</u>                      |              |              |              |              |              |
| New NPAs                                    | 661          | 214          | 395          | 301          | 364          |
| Less:                                       |              |              |              |              |              |
| Upgrades and recoveries                     | 363          | 448          | 322          | 80           | 137          |
| Write-offs                                  | 123          | 60           | 121          | 218          | 65           |
|   | <u>5,464</u> | <u>5,128</u> | <u>4,989</u> | <u>5,130</u> | <u>5,312</u> |
| Individuals                                 | (42)         | (91)         | (27)         | 13           | (120)        |
| <b>NPAs at end of period</b>                | 5,422        | 5,037        | 4,962        | 5,143        | 5,192        |
| Add: Citi acquisition                       | -            | -            | 165          | 7            | -            |
| <b>NPAs at end of period including Citi</b> | <u>5,422</u> | <u>5,037</u> | <u>5,127</u> | <u>5,150</u> | <u>5,192</u> |
| <b>NPL Ratio (%)</b>                        | 1.7          | 1.5          | 1.6          | 1.6          | <b>1.6</b>   |
| <b>Specific allowance/NPA (%)</b>           | 30           | 33           | 34           | 32           | <b>33</b>    |

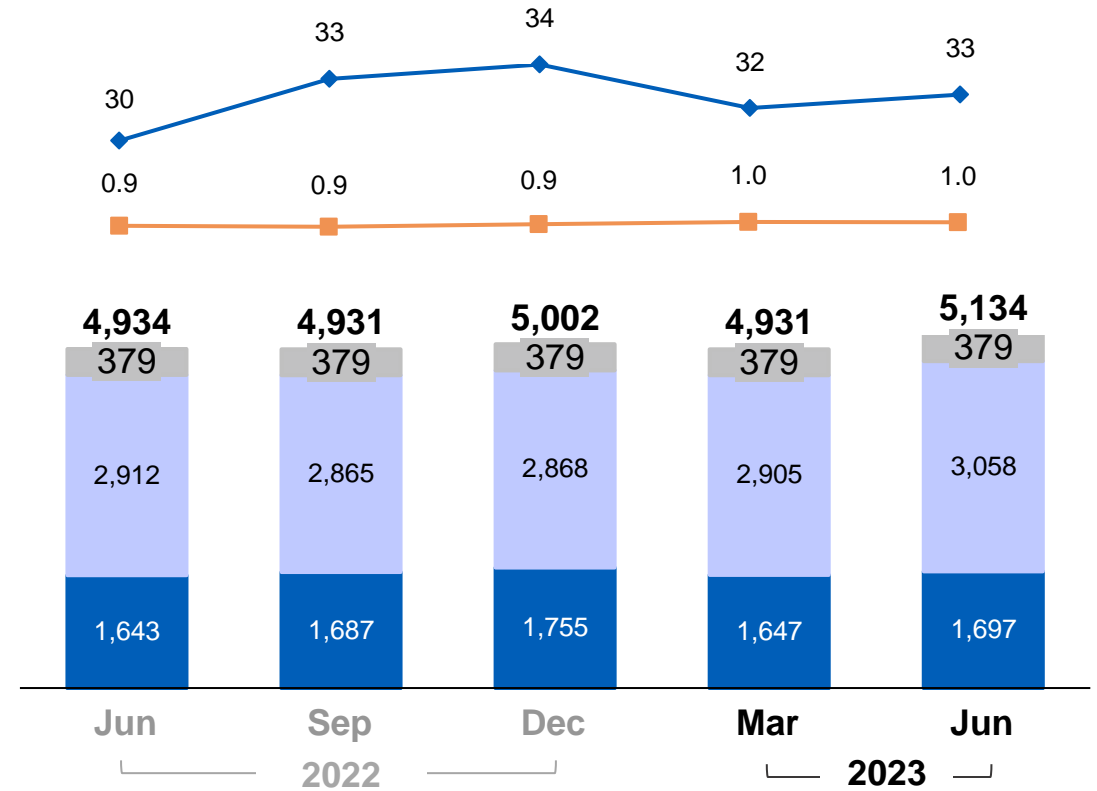
# Total Allowance on Loans

- Specific allowance higher this quarter largely due to a major Thailand corporate account
- Pre-emptive general allowance set aside to maintain prudent provisioning level; total credit costs on loans increased to 30bp for 2Q23



# Allowance Coverage

- Adequate reserve buffer with prudent coverage for performing loans at 1.0%
- NPA coverage stable at 99% or 209% taking collateral into account



|   |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|
| NPA coverage (%) <sup>(2)</sup>           | 91  | 98  | 98  | 96  | 99  |
| Unsecured NPA coverage (%) <sup>(2)</sup> | 185 | 207 | 207 | 212 | 209 |

■ General allowance on loans include RLAR/Performing loans (%) 
 ◆ Specific allowance/NPA (%) 
 ■ Specific allowance (\$m) 
 ■ General allowance (\$m) 
 ■ RLAR (\$m) <sup>(1)</sup>

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.

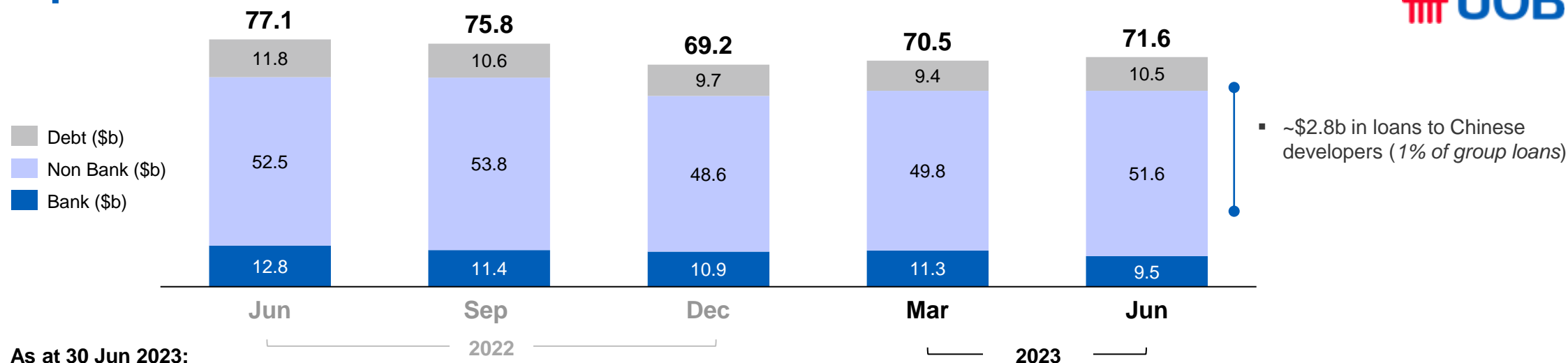
## Gross Loans

- Loans grew 1% QoQ driven by Singapore, North Asia and developed markets
- YoY growth of 1% on constant currency basis

|                             | Jun-23<br>\$b | Mar-23<br>\$b | Jun-22<br>\$b | QoQ<br>+/(-)% | YoY<br>+/(-)% |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Singapore                   | 156           | 155           | 163           | 1             | (4)           |
| <b>ASEAN-4</b>              | <b>68</b>     | <b>68</b>     | <b>63</b>     | <b>(1)</b>    | <b>7</b>      |
| Malaysia                    | 32            | 33            | 30            | (3)           | 8             |
| Thailand                    | 24            | 24            | 21            | (0)           | 15            |
| Indonesia                   | 10            | 10            | 11            | 0             | (14)          |
| Vietnam                     | 2             | 2             | 2             | 3             | 21            |
| <b>North Asia</b>           | <b>55</b>     | <b>53</b>     | <b>56</b>     | <b>3</b>      | <b>(1)</b>    |
| Greater China               | 52            | 50            | 53            | 4             | (2)           |
| Others                      | 4             | 4             | 4             | 0             | 2             |
| <b>Rest of the world</b>    | <b>40</b>     | <b>39</b>     | <b>39</b>     | <b>3</b>      | <b>3</b>      |
| <b>Total</b>                | <b>319</b>    | <b>316</b>    | <b>322</b>    | <b>1</b>      | <b>(1)</b>    |
| <i>At constant FX basis</i> | <i>319</i>    | <i>316</i>    | <i>316</i>    | <i>1</i>      | <i>1</i>      |

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

# Exposure to Greater China



## Mainland China exposure

(\$21.9b or 4% of total assets)

### Bank exposure (\$7.7b)

- ~35% 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 accounts for ~20% of total bank exposure

### Non-bank exposure (\$10.9b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~65% denominated in RMB and ~55% with <1 year tenor
- NPL ratio at 0.7%

## Hong Kong SAR exposure

(\$43.8b or 9% of total assets)

### Bank exposure (\$0.4b)

- ~85% are to foreign banks

### Non-bank exposure (\$37.3b)

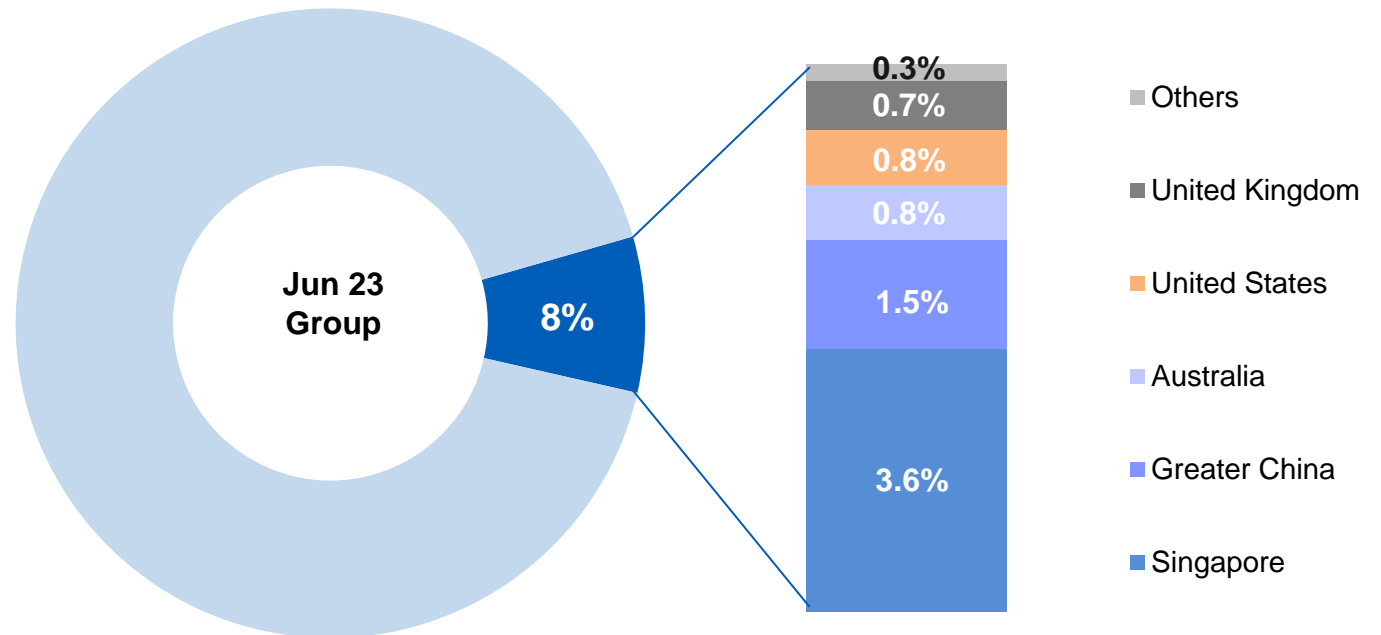
- Exposure mainly to corporate and institutional clients
- ~55% with <1 year tenor
- NPL ratio at 1.4%

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 Commercial Real Estate - Office

- Almost half of office exposure is in Singapore
- Overseas exposure backed by strong sponsors
- Largely secured by class-A office properties
- Average LTV around 50-60%

Commercial Real Estate - Office exposure is ~8% of loans



## Total Funding

- Customer deposits up 1% QoQ, alongside stable CASA ratio at 47.6%

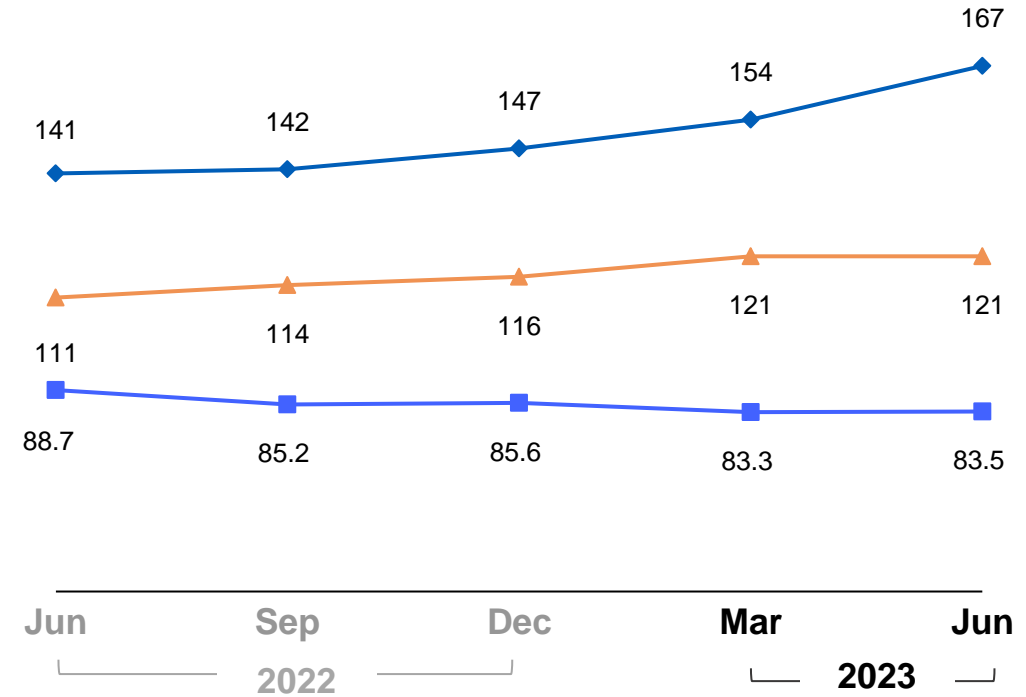
|                                  | Jun-23<br>\$b | Mar-23<br>\$b | Jun-22<br>\$b | QoQ<br>+/(-)% | YoY<br>+/(-)% |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Singapore                        | 261           | 254           | 245           | 3             | 7             |
| <b>ASEAN-4</b>                   | <b>70</b>     | <b>73</b>     | <b>66</b>     | <b>(4)</b>    | <b>7</b>      |
| Malaysia                         | 34            | 34            | 31            | 1             | 8             |
| Thailand                         | 25            | 26            | 22            | (6)           | 11            |
| Indonesia                        | 10            | 11            | 11            | (12)          | (8)           |
| Vietnam                          | 2             | 2             | 2             | (3)           | 18            |
| <b>North Asia</b>                | <b>22</b>     | <b>22</b>     | <b>22</b>     | <b>(1)</b>    | <b>1</b>      |
| Greater China                    | 22            | 22            | 22            | (1)           | (0)           |
| Others                           | 0             | 0             | 0             | (1)           | >100          |
| <b>Rest of the world</b>         | <b>24</b>     | <b>25</b>     | <b>26</b>     | <b>(6)</b>    | <b>(7)</b>    |
| Total Customer Deposits          | 377           | 374           | 358           | 1             | 5             |
| Wholesale funding <sup>(1)</sup> | 61            | 60            | 74            | 0             | (18)          |
| Total funding                    | 437           | 435           | 432           | 1             | 1             |
| <b>CASA/Deposit Ratio (%)</b>    | <b>47.6</b>   | <b>47.9</b>   | <b>54.7</b>   | <b>(0.3)</b>  | <b>(7.1)</b>  |

Note:

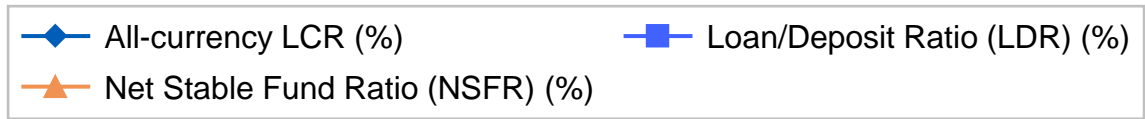
(1) Comprising debt issuances, perpetual capital securities and interbank liabilities.

# Liquidity Ratios

- Funding and liquidity positions remained strong with LCR at 167% and NSFR at 121%



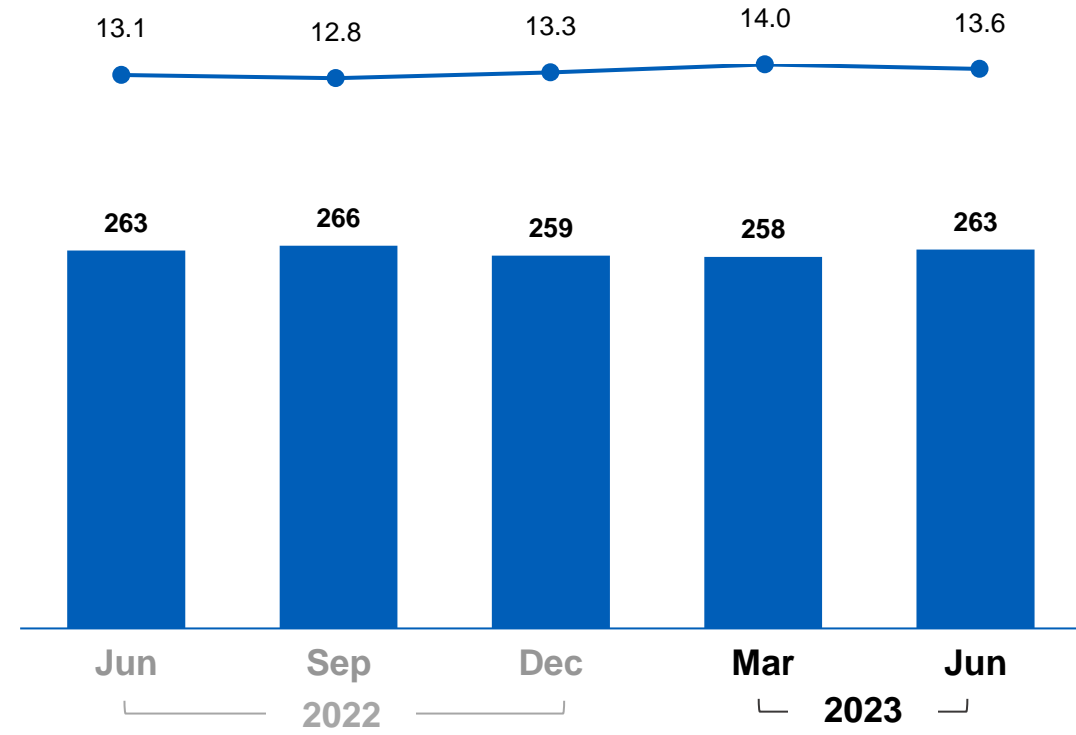
| USD LDR (%) | 72.3 | 64.2 | 60.0 | 60.7 | 62.9 |
|-------------|------|------|------|------|------|
|-------------|------|------|------|------|------|



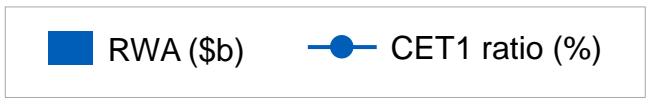


# Capital

- CET1 ratio steady at 13.6%



| Leverage ratio (%) | 6.6 | 6.4 | 6.6 | 7.0 | 7.0 |
|--------------------|-----|-----|-----|-----|-----|
|--------------------|-----|-----|-----|-----|-----|

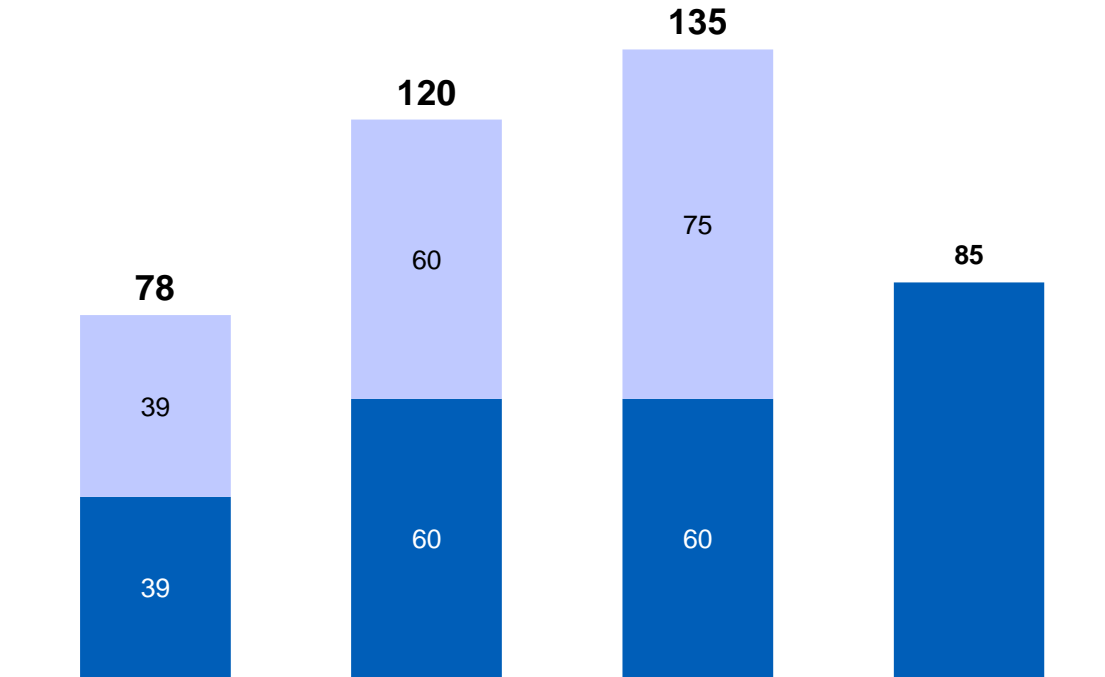


# Dividends

- Committed to consistent and sustainable returns to shareholders
- Interim dividend of 85 cents per share

Net dividend  
Per ordinary share (¢)

■ Interim ■ Final



|                            | 2020  | 2021  | 2022  | 1H23  |
|----------------------------|-------|-------|-------|-------|
| <b>Payout amount (\$m)</b> | 1,304 | 2,011 | 2,263 | 1,424 |
| <b>Payout ratio (%)</b>    | 45 ^  | 49    | 49    | 49    |

^ 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.



**Right By You**