UOB Group

Record Profit Supported By Growth in Core Franchise

March 2023

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Agenda

1. Overview of UOB Group
2. Strong UOB Fundamentals
3. Latest Financials
4. Resilience of the Singapore Housing Market

Appendices:

A: Our Growth Drivers

B: Macroeconomic Outlook

C: UOB's Sustainability Approach

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Overview of UOB Group

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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.

Key Statistics for FY22

- Gross loans : SGD320b (USD238b[1])
- Customer deposits : SGD369b (USD274b[1])
- Loan / Deposit ratio : 85.6%
- Net stable funding ratio : 116%
- All-currency liquidity coverage ratio : 147%[2]
- Common Equity Tier 1 ratio : 13.3%
- Leverage ratio : 6.6%
- Return on equity [3,4] : 11.9%
- Return on assets [4] : 0.99%
- Net interest margin : 1.86%
- Non-interest income / Total income : 27.9%
- Cost / Income [4] : 43.3%
- Non-performing loan ratio : 1.6%
- Credit Ratings

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

Note: Financial statistics as at 31 December 2022

1. USD 1 = SGD 1.344 as at 31 December 2022
2. Average for 4Q22
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions
4. Excluding one-off expenses

A leading Singapore bank; Established franchise in core market segments

UOB

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

THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES INTERNATIONAL AWARDS 2022

Best Retail Bank[1], 2022

Best SME Bank[2], 2022

EUROMONEY AWARDS FOR EXCELLENCE SINGAPORE 2022 BEST BANK

Best Bank[1], 2022

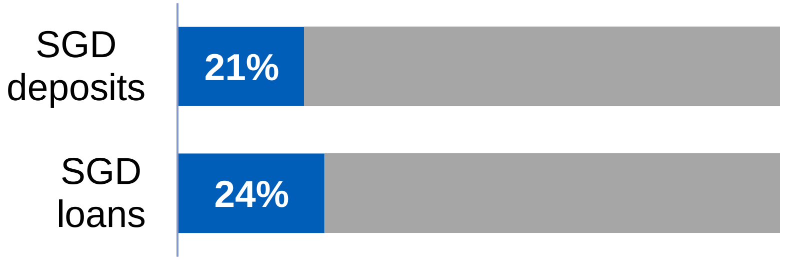
ASIAN BANKING & FINANCE RETAIL BANKING AWARDS 2022

Domestic Retail Bank of the Year[1], 2022

Source: Company reports

1. In Singapore 2. In Singapore and Asia Pacific

Sizeable domestic market share



Source: UOB, MAS (data as of 31 Dec 2022)

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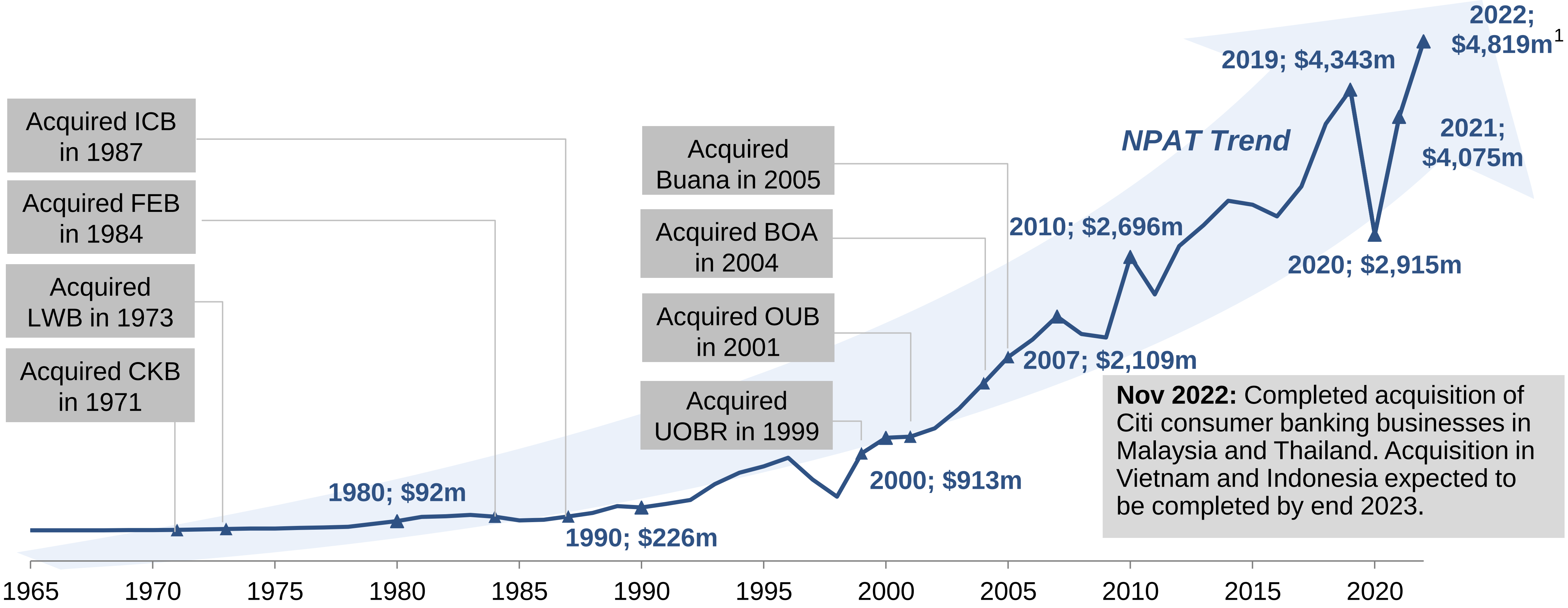
Proven track record of execution

- 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



Nov 2022: Completed acquisition of Citi consumer banking businesses in Malaysia and Thailand. Acquisition in Vietnam and Indonesia expected to be completed by end 2023.

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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")

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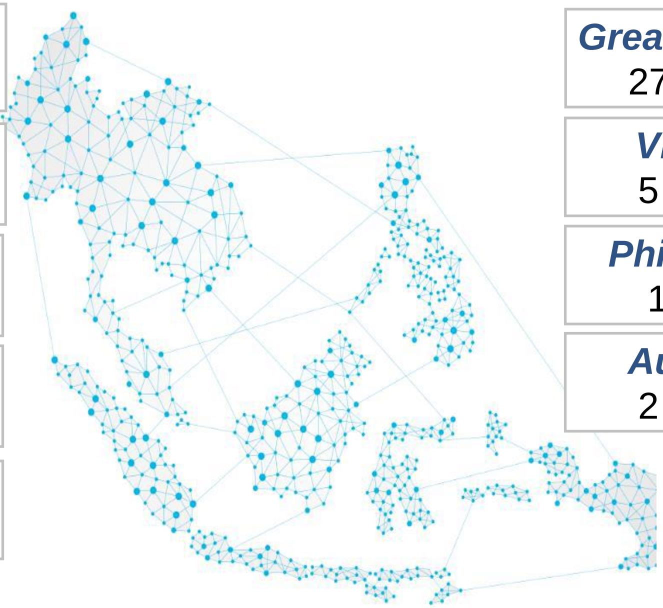
Comprehensive regional banking franchise

UOB

Extensive regional footprint with ~500 offices



Myanmar	2 offices
Thailand	153 offices
Malaysia	49 offices
Singapore	73 offices
Indonesia	176 offices
Greater China[1]	27 offices
Vietnam	5 offices
Philippines	1 office
Australia	2 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

FY22 performance by segment

Group retail

Operating profit
SGD2.1b[2]
+23% YoY

SGD154b[3]
Assets under management **+11% YoY**

AUM from overseas customers **60%**

Group wholesale banking

Operating profit
SGD4.7b
+27% YoY

28%[4]
Cross-border income to Group wholesale banking's income

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 and Thailand
4. As of Dec-2022

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UOB Sydney – Overview

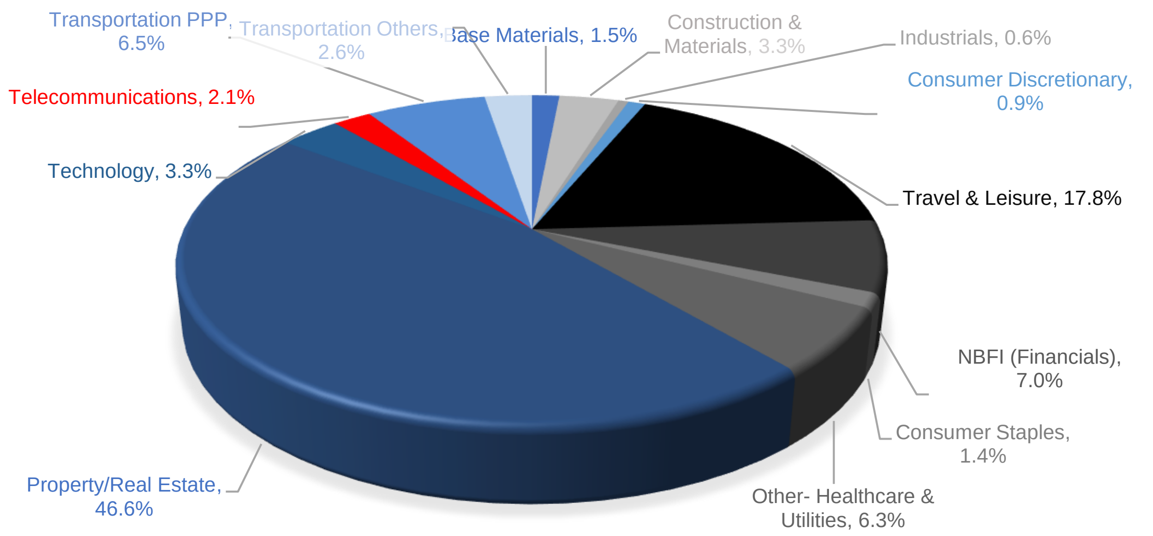
Long term commitment to Australia

- Presence in Australia since 1986 / operational as a full branch since 1993
- Support AU/NZ clients and those expanding into our Asian franchise
- Specific areas of focus are network customers in the key industry sectors of property, construction, agriculture, leisure, consumer staple and TMT

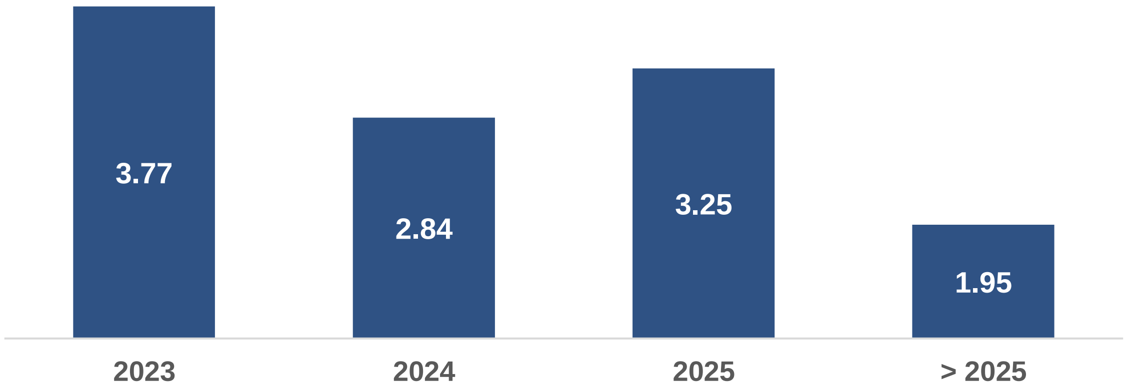
High Quality Balance Sheet

- High quality asset portfolio
- Holds substantial amount of high quality liquid assets and repo-eligible securities
- Supported by diversified funding sources

Gross Loan Outstanding by Industry



Gross Loan Outstanding by Maturity (AUD'bn)



Sources: UOB Sydney Branch

Note: UOB Sydney Branch financial statistics as at 31 Dec 2022

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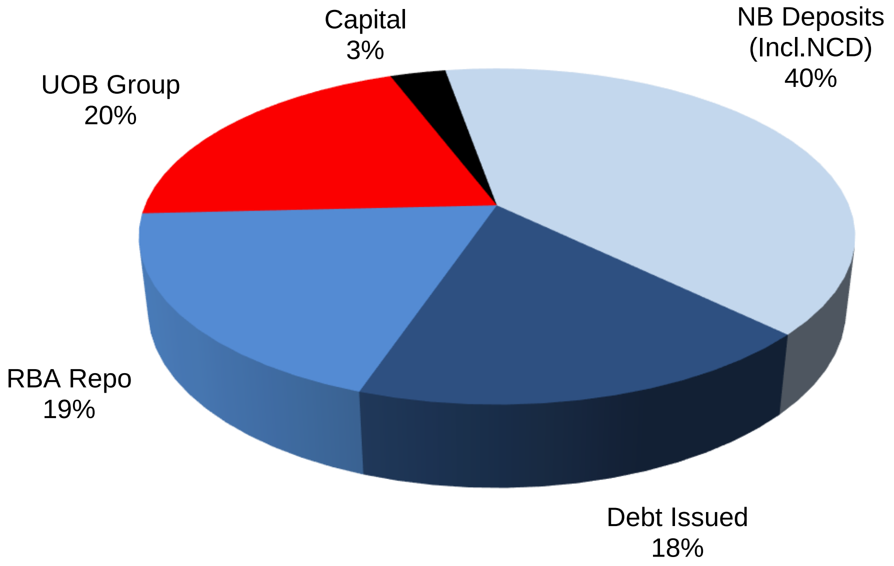
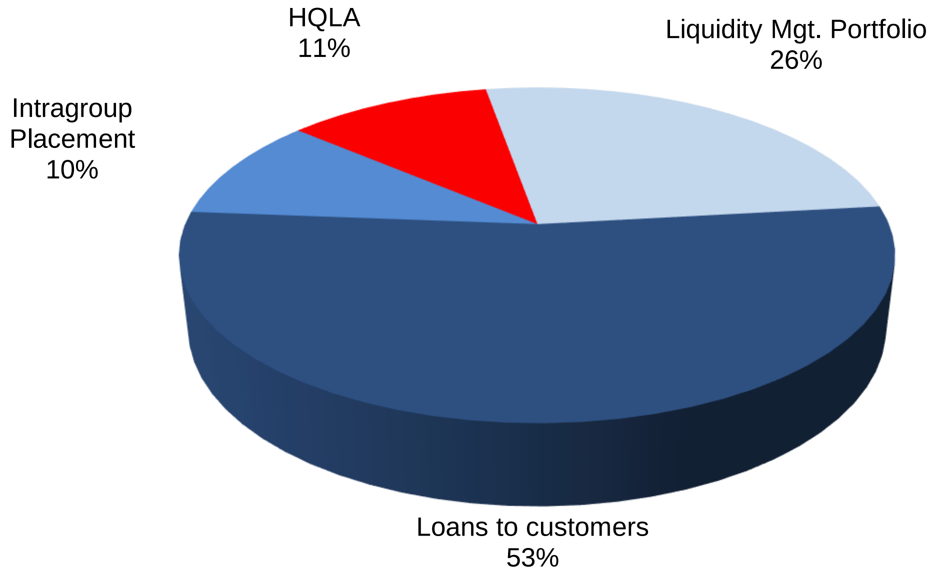
UOB Sydney – Balance Sheet

Funding Mix



Total Assets



Total Funding / Assets: AUD21bn

Sources: UOB Sydney Branch
Note: UOB Sydney Branch financial statistics as at 31 Dec 2022

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Strong UOB Fundamentals

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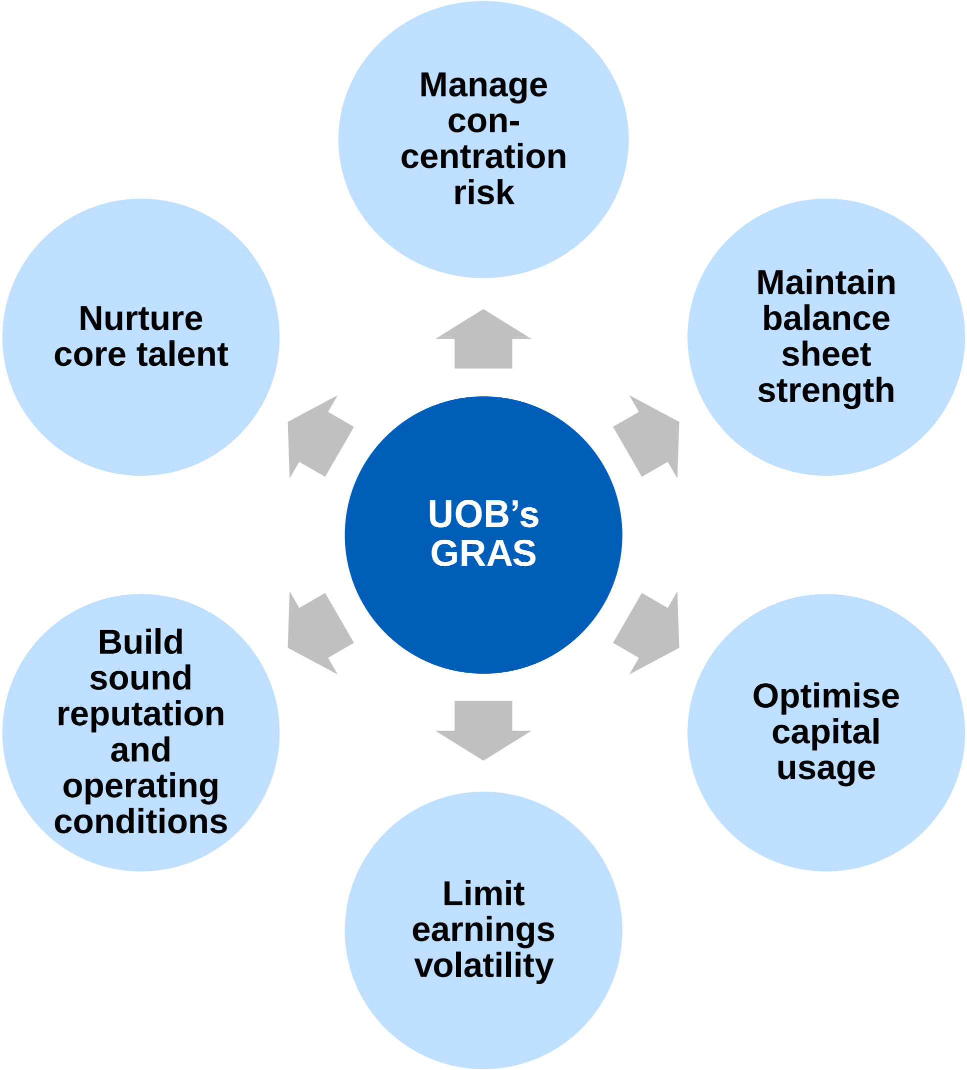
Managing risks for stable growth

- **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



UOB's GRAS

Manage con-centration risk

Maintain balance sheet strength

Optimise capital usage

Limit earnings volatility

Build sound reputation and operating conditions

Nurture core talent

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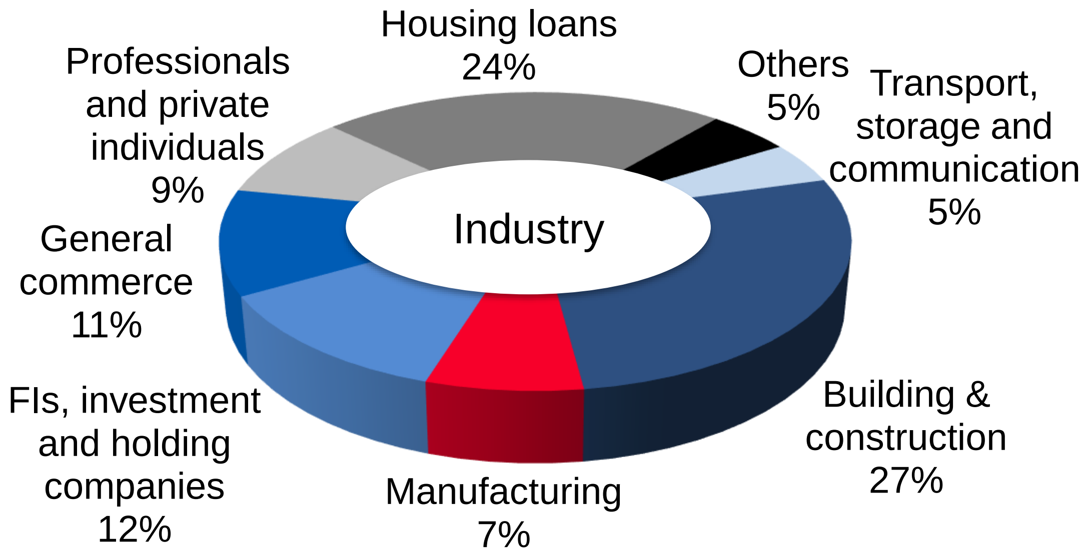
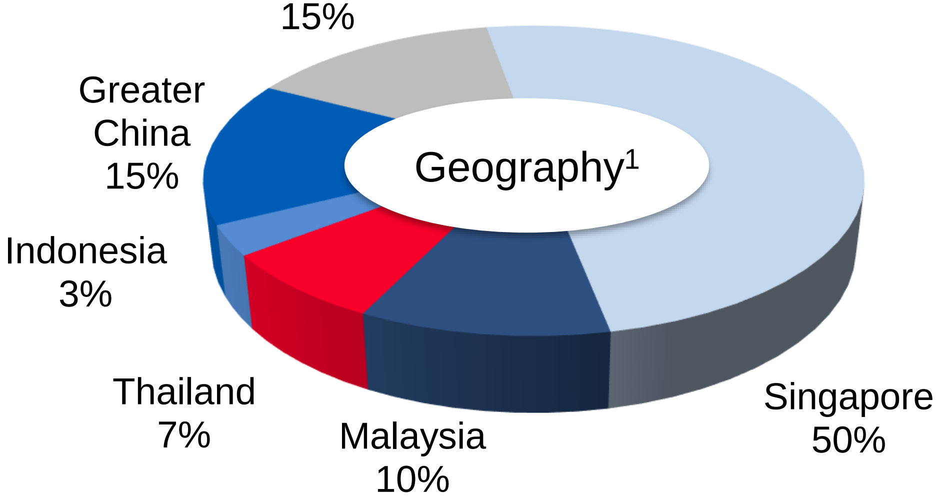
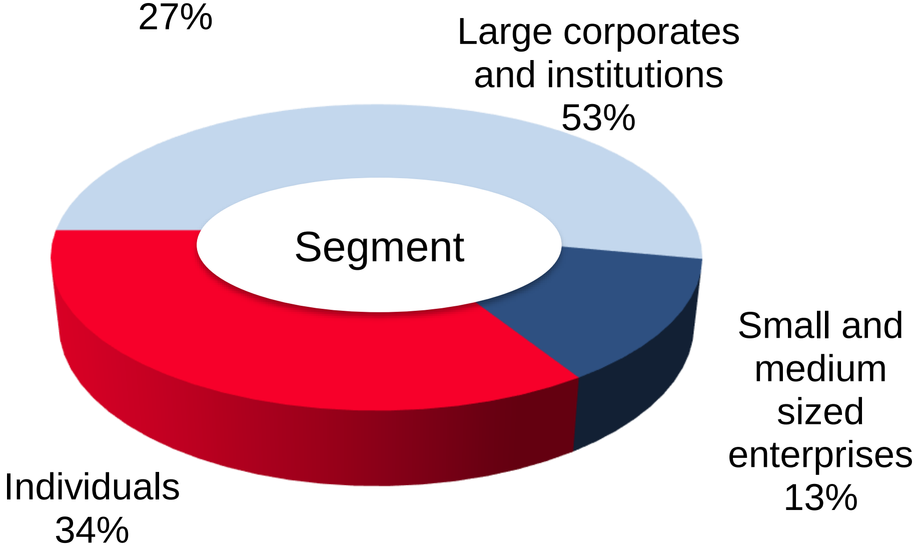
Diversified loan portfolio







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 31 December 2022

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Disciplined balance sheet management

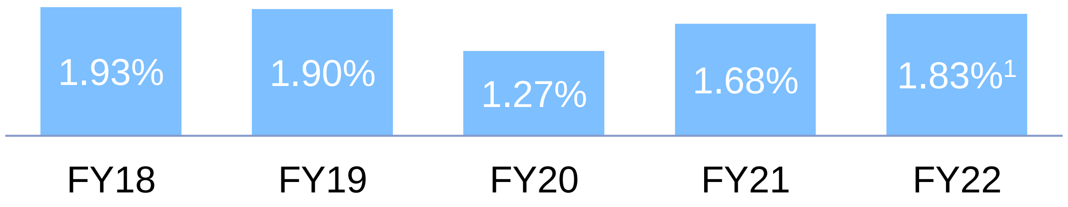
Focus on balance sheet efficiency

Healthy portfolio quality

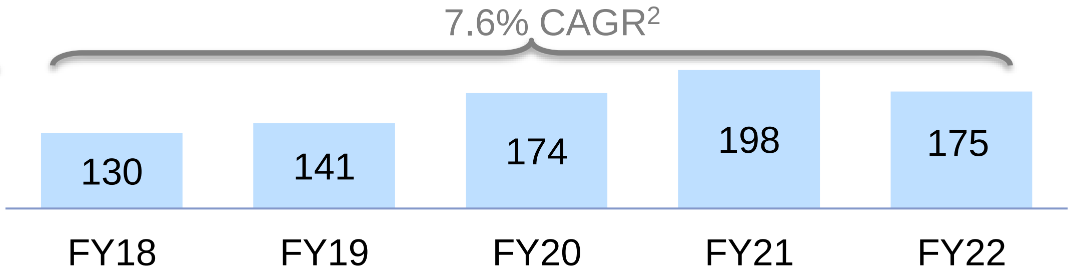
Proactive liability management

Robust capitalisation

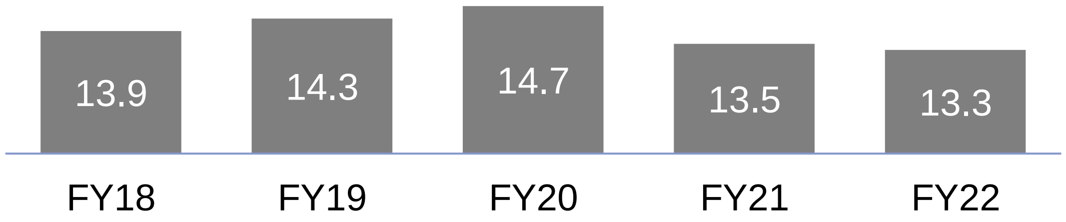
Return on risk-weighted assets



Current Account Saving Account Balances (SGD b)



Common Equity Tier 1 ratio (%)



Notes

1. Excluding one-off expenses
2. Compound annual growth rate over 4 years (FY18 to FY22)

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Comparison against peers

Moody's	S&P	Fitch		Standalone Strength Moody's baseline credit assessment	Cost Management Costs/income ratio	Returns Return on average assets (annualised)	Liquidity Loan/deposit ratio
Aa1	AA–	AA–	**UOB**	a1	43%[1]	1.0%[1]	86%
Aa1	AA–	AA–	**OCBC**	a1	43%	1.3%	83%
Aa1	AA–	AA–	**DBS**	a1	43%	1.1%	79%
A3	A–	A+	**HSBC**	a3	64%	0.6%	59%
A3	BBB+	A	**SCB**	baa1	66%	0.4%	57%
Aa2	A–	AA–	**BOA**	a3	65%	0.9%	54%
Aa3	BBB+	A	**Citi**	baa1	68%	0.6%	47%
Aa3	AA–	A+	**CBA**	a2	44%	0.8%	103%
Aa3	AA–	A+	**NAB**	a2	45%	0.7%	120%
Aa1	AA–	AA-	**RBC**	a2	54%	0.8%	68%
Aa2	AA–	AA-	**TD**	a1	53%	0.8%	70%
A3	A–	n.r.	**CIMB**	baa2	46%	1.0%	90%
A3	A–	n.r.	**MBB**	a3	45%	0.9%	92%

1. Excluding one-off expenses

Source: Company reports, Credit rating agencies (updated as of 13 Feb 2023)

Financial data based on 31 Dec 22, except for CIMB/MBB, NAB (30 Sep 22), & RBC/TD (31 Oct 22)

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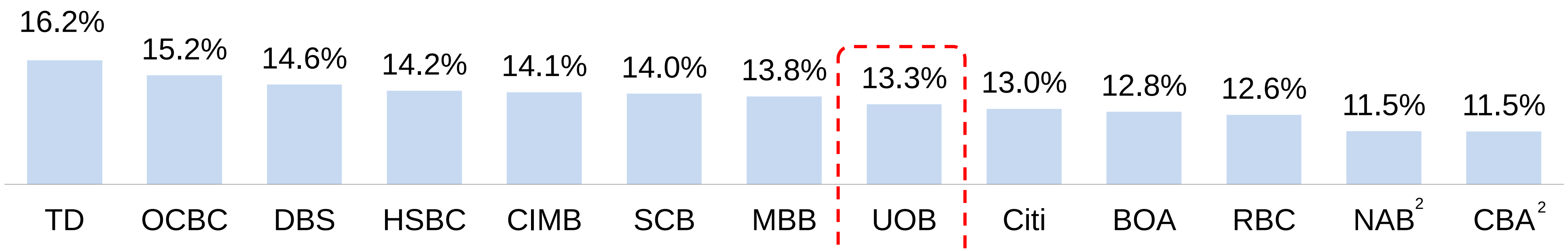
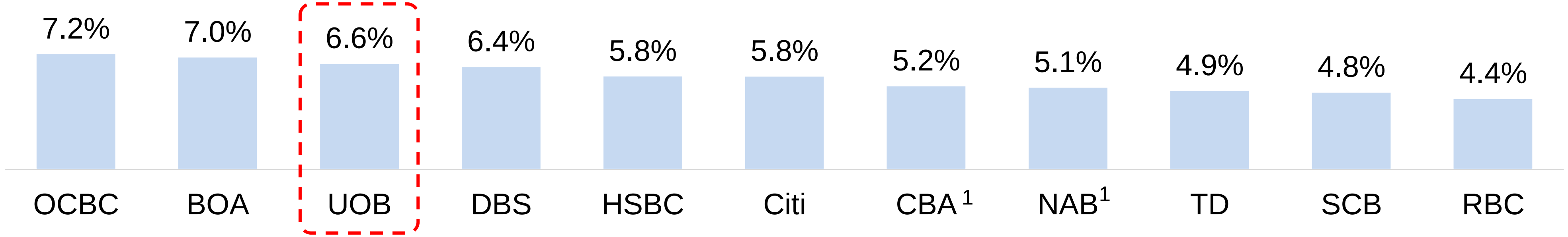
Capital and leverage ratios

Reported Common Equity Tier 1 CAR



	TD	OCBC	DBS	HSBC	CIMB	SCB	MBB	UOB	Citi	BOA	RBC	NAB[2]	CBA[2]
Return on Average Equity (annualised)	15.9%	11.1%	15.0%	8.7%	10.4%	8.0%	9.6%	11.9%[1]	7.7%	10.8%	16.4%	12.1%	13.6%

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 18.5% (31 Dec 22) and 16.89% (30 Sep 22)

Source: Company reports

Financial data based on 31 Dec 22, except for CIMB/MBB, NAB (30 Sep 22), & RBC/TD (31 Oct 22)

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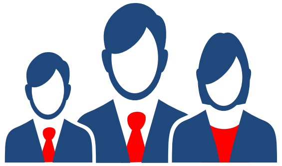
Strong UOB fundamentals

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
- More than 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 13.3% as at 31 December 2022
- Diversified funding and sound liquidity, with 85.6% loan/deposit ratio
- Strengthened coverage, with general allowance on loans (including RLAR) covering 0.9% 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

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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

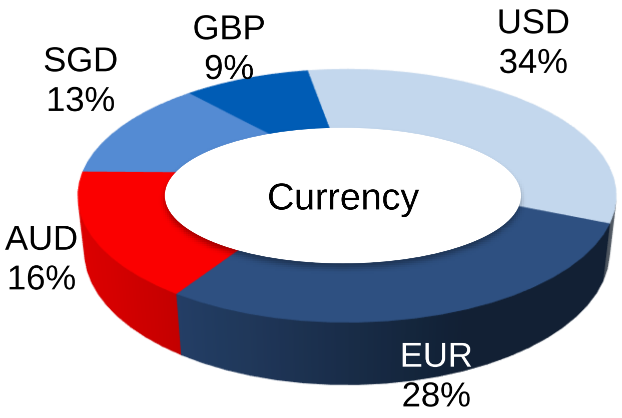
S&P Global Ratings ***AA– / A-1+***

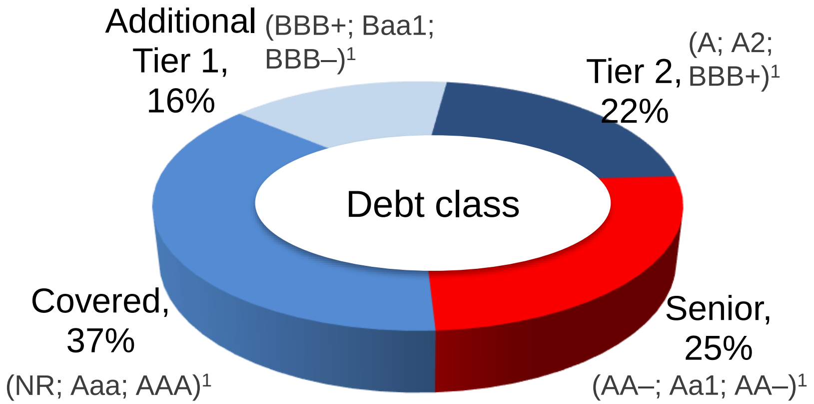
- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

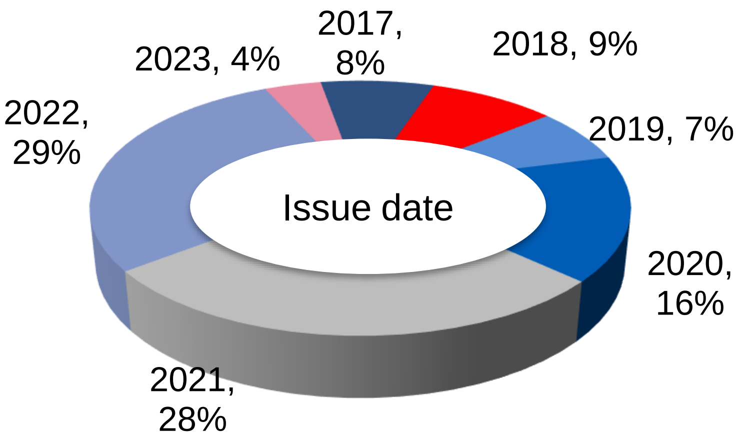
Fitch Ratings ***AA– / F1+***

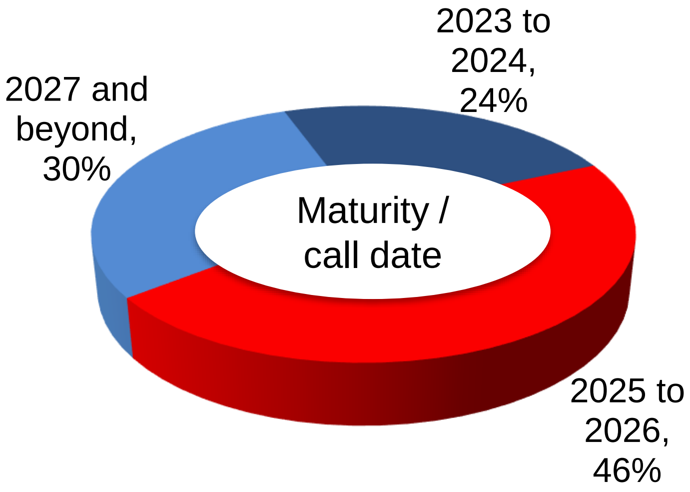
- Sound capital and high loan-loss buffers
- Disciplined funding strategy, supported by its strong domestic franchise

A regular issuer in key debt capital markets globally









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

Source: Credit rating agencies

Note: The pie charts represent outstanding UOB's public rated issuances as of 13 Feb 23; for more details, please refer to https://www.uobgroup.com/investor-relations/capital-and-funding-information/group-securities.html

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Latest Financials

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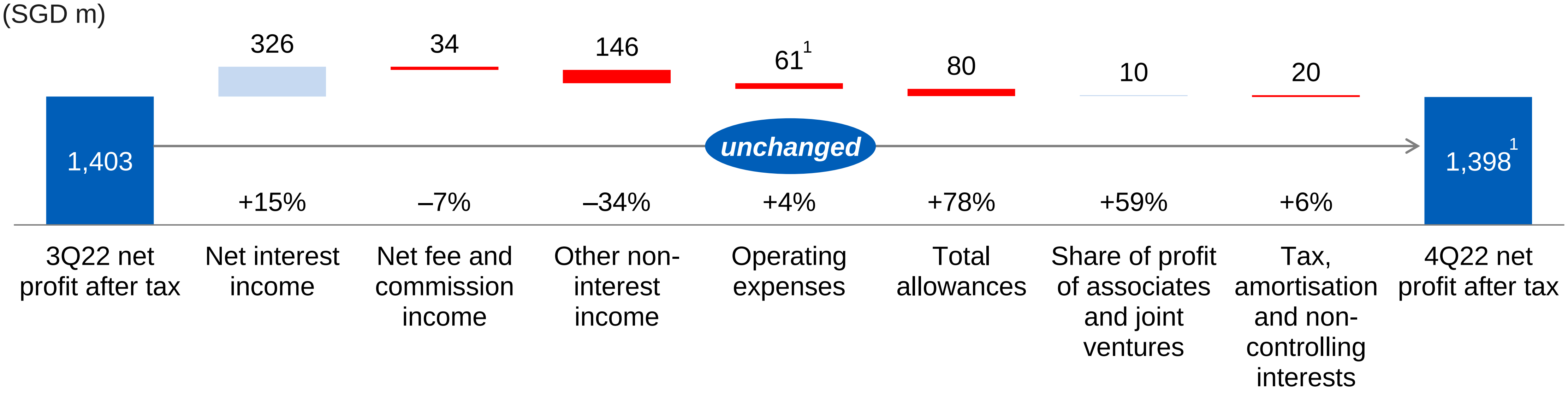
4Q22 financial overview

UOB

Net Profit After Tax Movement, 4Q22 vs 3Q22



Key Indicators	4Q22	3Q22	QoQ Change	4Q21	YoY Change
Net interest margin (%) [2]	2.22	1.95	+0.27% pt	1.56	+0.66% pt
Non-interest income / Income (%)	23.1	29.8	–6.7% pt	31.1	–8.0% pt
Cost / Income ratio (%) [1]	42.6	42.6	–	45.0	–2.4% pt
Return on equity (%) [1, 2, 3]	13.8	14.0	–0.2% pt	10.0	+3.8% 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

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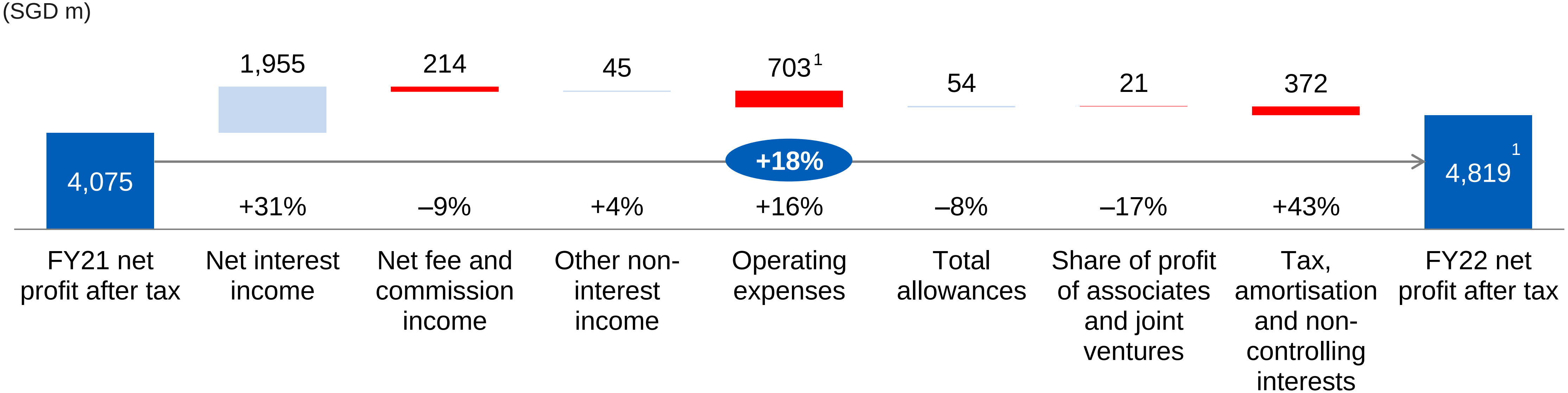
FY22 financial overview

Net Profit After Tax Movement, FY22 vs FY21



Key Indicators	FY22	FY21	YoY Change
Net interest margin (%)	1.86	1.56	+0.30% pt
Non-interest income / Income (%)	27.9	34.7	–6.8% pt
Cost / Income ratio (%) [1]	43.3	44.1	–0.8% pt
Return on equity (%) [1, 2]	11.9	10.2	+1.7% pt

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

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Strong net interest margin expansion amid rate hikes

Net interest margin (%) *

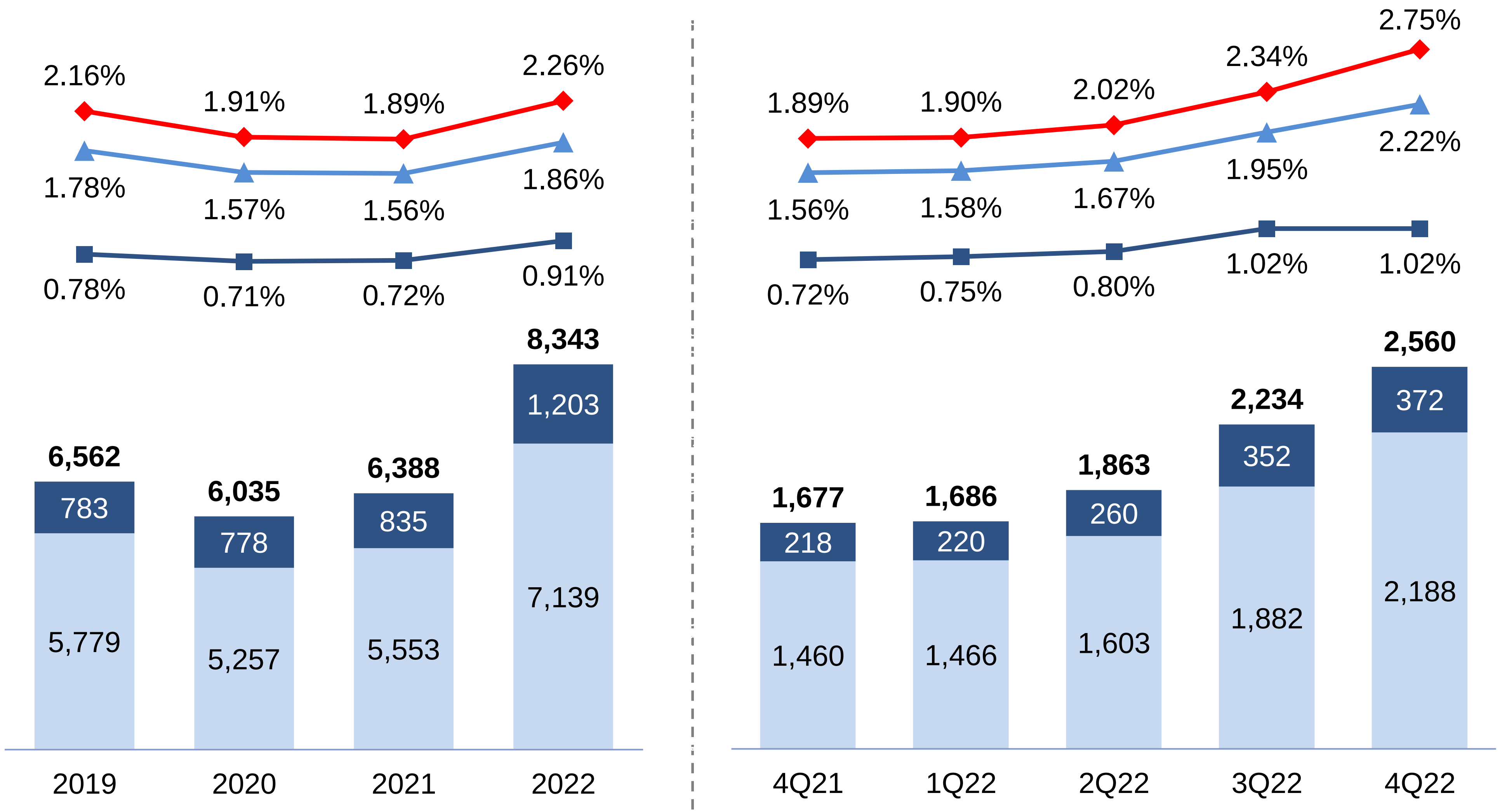
- Loans
- Overall
- Interbank & securities

Net interest income (SGD m)

☐ Total

☐ Interbank & securities

☐ Loans



* Computed on an annualised basis, where applicable

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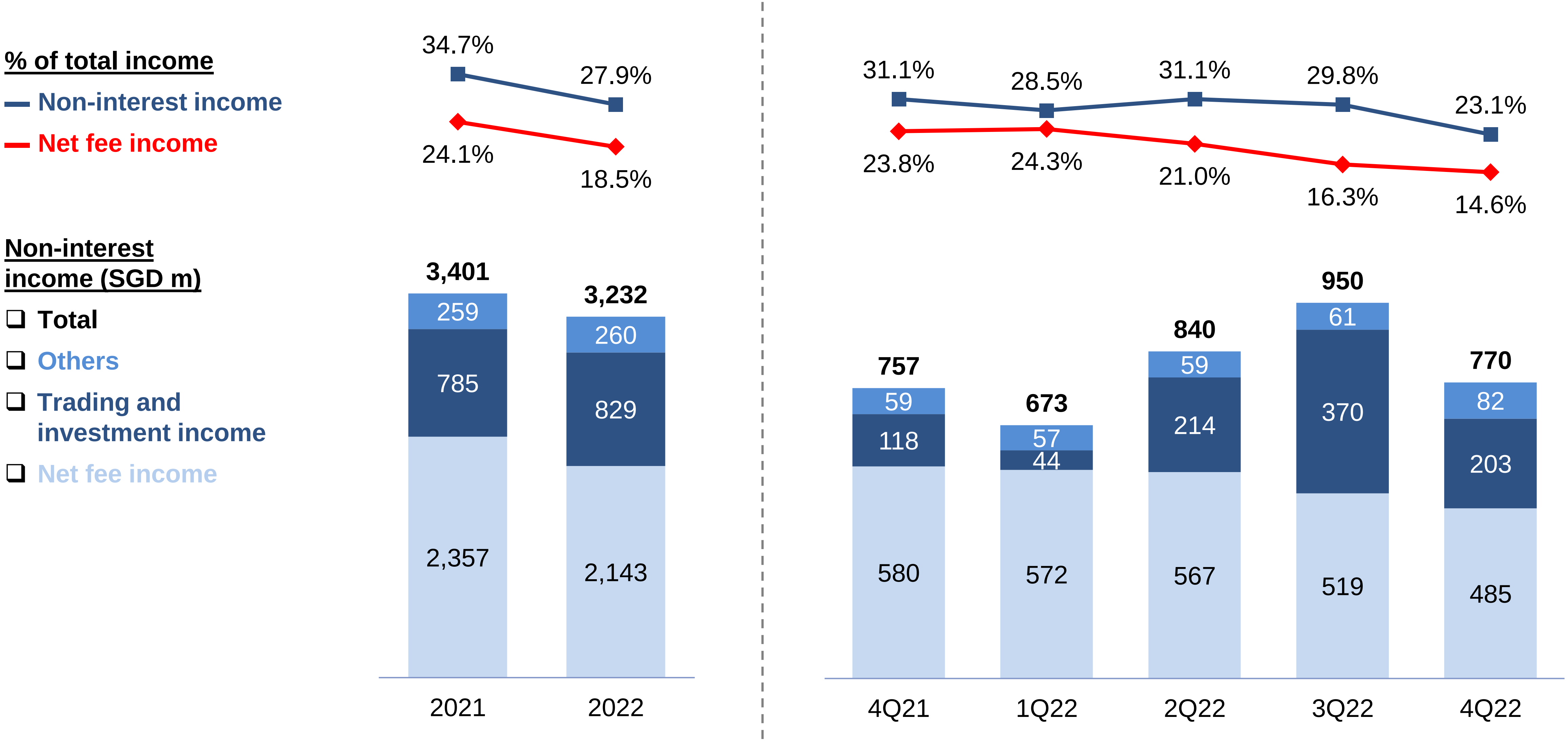
Non-interest income supported by diversified revenue engines



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

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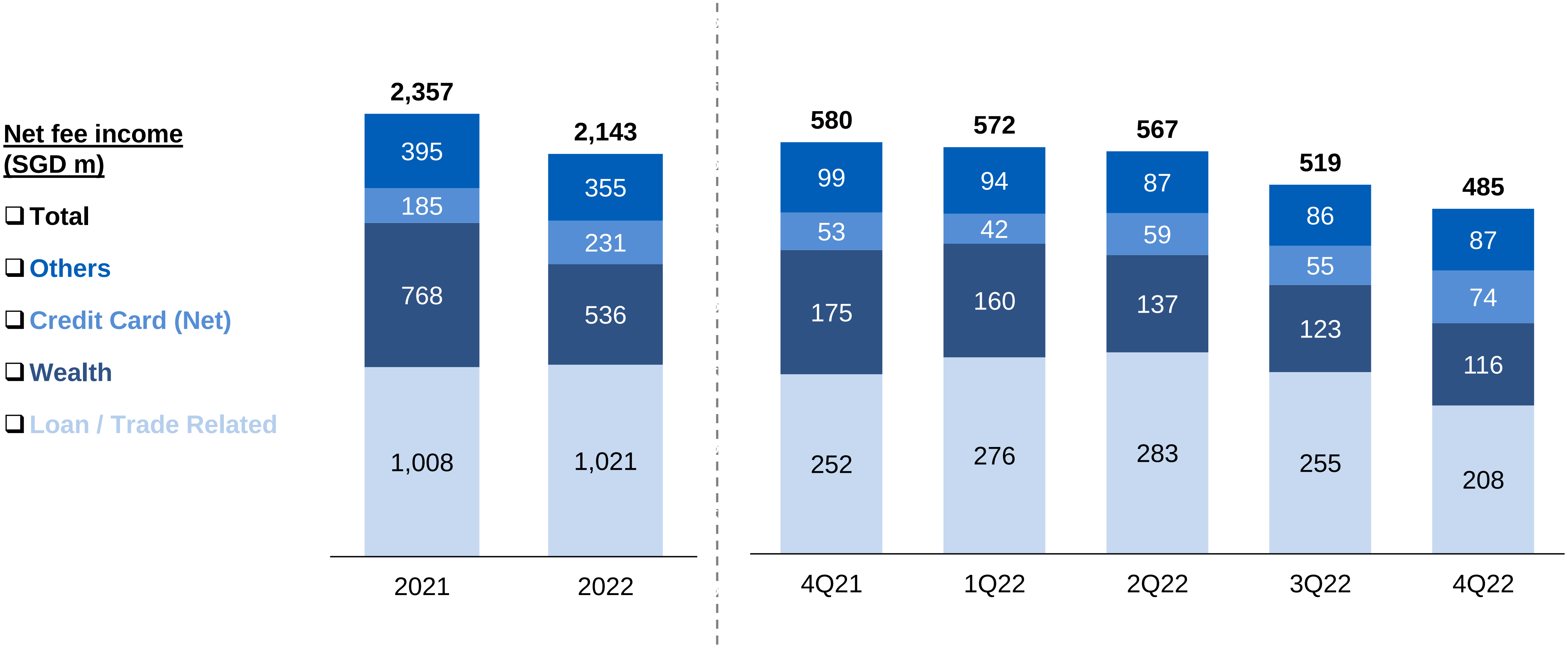
Credit card fees driven by strong rebound in regional spending and travel; muted investor sentiments weighed on wealth fees



Note: The amounts represent fee income on a net basis

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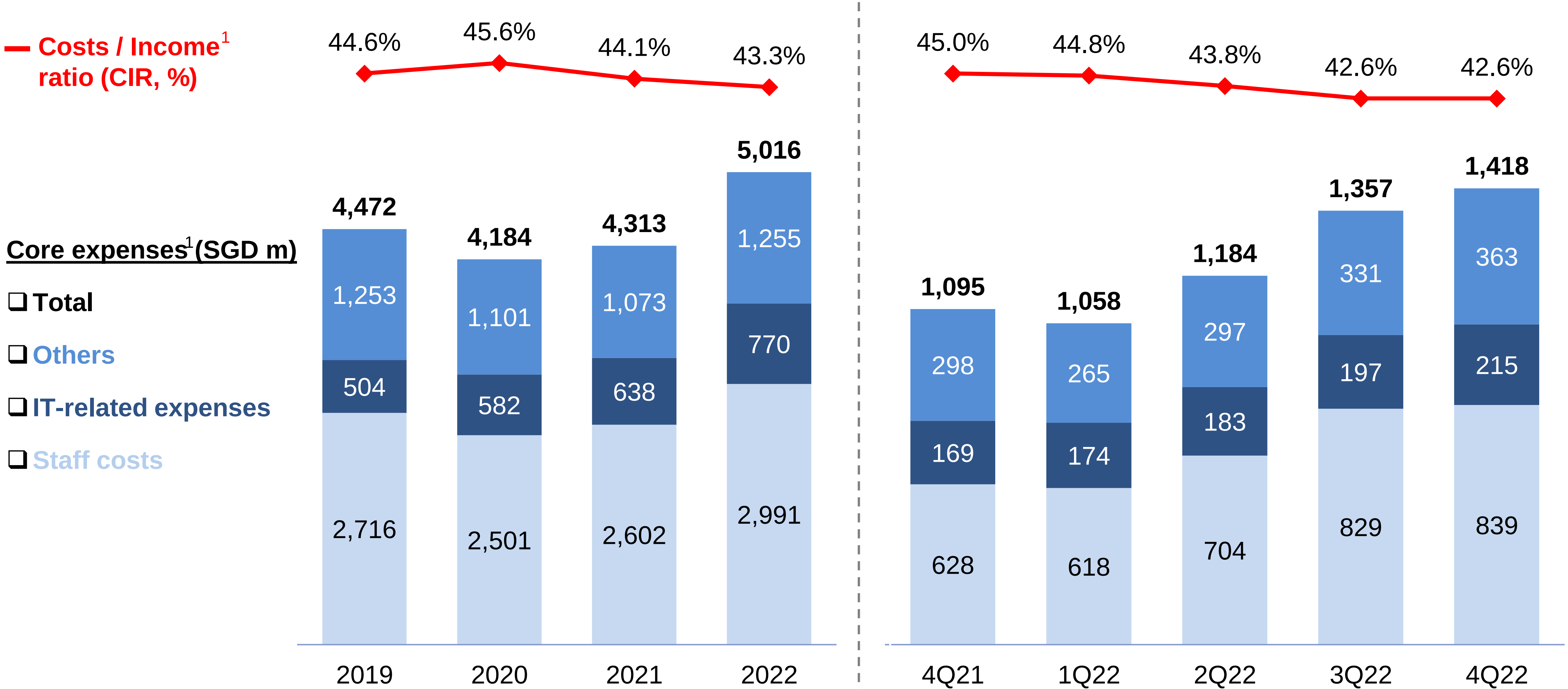
Lower CIR as revenue growth outpaced increase in expenses



1. Excluding one-off expenses

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

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Diversified growth across our key markets

Core Operating profit[1]	FY22 SGD m	FY21 SGD m	YoY +/(–) %	4Q22 SGD m	3Q22 SGD m	QoQ +/(–) %
Singapore	3,824	2,805	+36	1,204	1,078	+12
Rest of Southeast Asia	1,427	1,327	+8	404	386	+5
Malaysia	*744*	*689*	*+8*	*195*	*216*	*–10*
Thailand	*425*	*407*	*+5*	*135*	*98*	*+37*
Indonesia	*233*	*221*	*+5*	*67*	*62*	*+8*
Vietnam	*17*	*4*	*>100*	*5*	*7*	*–26*
Others	*8*	*6*	*+44*	*3*	*3*	*+21*
North Asia	670	605	+11	170	180	–6
Greater China	*626*	*568*	*+10*	*162*	*169*	*–4*
Others	*44*	*36*	*+21*	*8*	*11*	*–25*
Rest of the world	637	740	–14	134	183	–26
Total	**6,559**	**5,476**	**+20**	**1,912**	**1,827**	**+5**
Overseas contribution[1]	**42%**	**49%**	**–7%pt**	**37%**	**41%**	**–4%pt**

1. Excluding one-off expenses

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Broad based growth across most geographies

Gross Loans	Dec-22 SGD b	Sep-22 SGD b	QoQ +/(–) %	Dec-21 SGD b	YoY +/(–) %
Singapore	160	165	–3	158	+2
Rest of Southeast Asia	69	63	+11	63	+9
Malaysia	*33*	*29*	*+13*	*30*	*+12*
Thailand	*23*	*20*	*+20*	*21*	*+13*
Indonesia	*10*	*11*	*–9*	*10*	*–1*
Vietnam	*2*	*2*	*–8*	*2*	*(0)*
Others	*1*	*1*	*–3*	*1*	*–2*
North Asia	52	57	–9	53	–2
Greater China	*49*	*54*	*–10*	*49*	*(0)*
Others	*3*	*3*	*–4*	*4*	*–26*
Rest of the world	38	39	–2	37	+3
Total	**320**	**323**	**–1**	**311**	**+3**

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)

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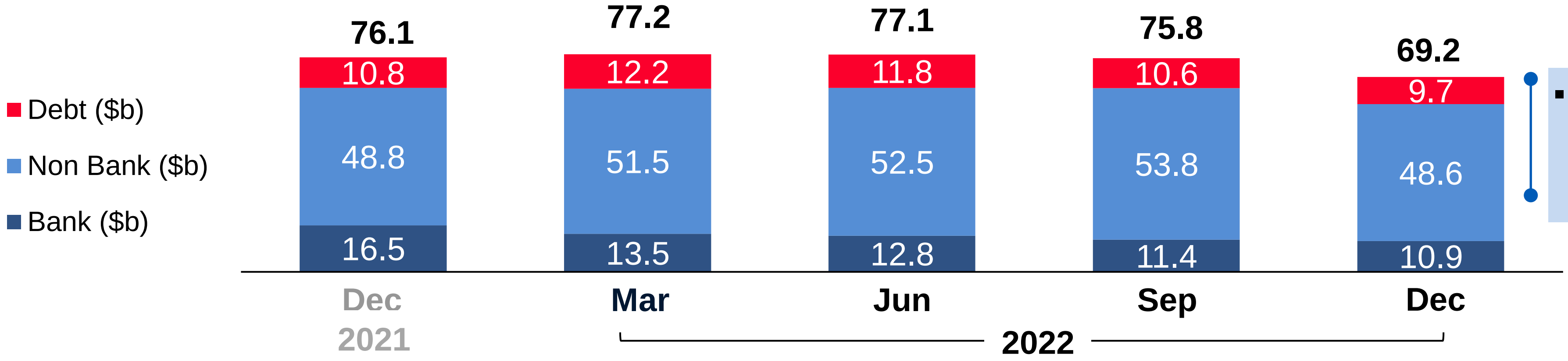
Exposure to Greater China



- ~$3b in loans to Chinese developers (*1% of group loans & low borrower concentration*)

As at 31 Dec 2022:

Mainland China exposure

($22.3b or 4% of total assets)

Bank exposure ($8.3b)

- ~40% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~65% of total bank exposure
- 99% with <1 year tenor; trade accounts for ~40% of total bank exposure

Non-bank exposure ($11.2b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~60% denominated in RMB and ~50% with <1 year tenor
- NPL ratio at 0.6%

Hong Kong SAR exposure

($40.8b or 8% of total assets)

Bank exposure ($0.8b)

- ~80% are to foreign banks

Non-bank exposure ($34.5b)

- Exposure mainly to corporate and institutional clients
- ~50% with <1 year tenor
- NPL ratio at 1.1%

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.

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Exposure to Commodities

Dec 22	Oil and Gas (O&G)		Other Commodity Segments[2]	Total
	Upstream industries	Traders / downstream industries[1]		
Outstanding loans	S$1.9b	S$8.0b	S$8.8b	S$18.7b
% of total loans	3%		3%	6%

Outstanding 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.

Note:
1. O&G upstream industries include offshore service companies.
2. Other commodity segments refer to agribusiness, metals and mining.

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NPA formation normalised from previous quarter; NPL ratio remained low at 1.6%

(SGD m)	4Q21	1Q22	2Q22	3Q22	4Q22
NPAs at start of period	**4,772**	**5,077**	**5,289**	**5,422**	**5,037**
Non-individuals:					
New NPAs	670	462	661	214	395
Upgrades and recoveries	(172)	(207)	(363)	(448)	(322)
Write-offs	(205)	(36)	(123)	(60)	(121)
	5,065	5,296	5,464	5,128	4,989
Individuals (Net)	12	(7)	(42)	(91)	(27)
Citi Acquisition	0	0	0	0	165
NPAs at end of period	**5,077**	**5,289**	**5,422**	**5,037**	**5,127**
NPL ratio (%)	**1.6%**	**1.6%**	**1.7%**	**1.5%**	**1.6%**

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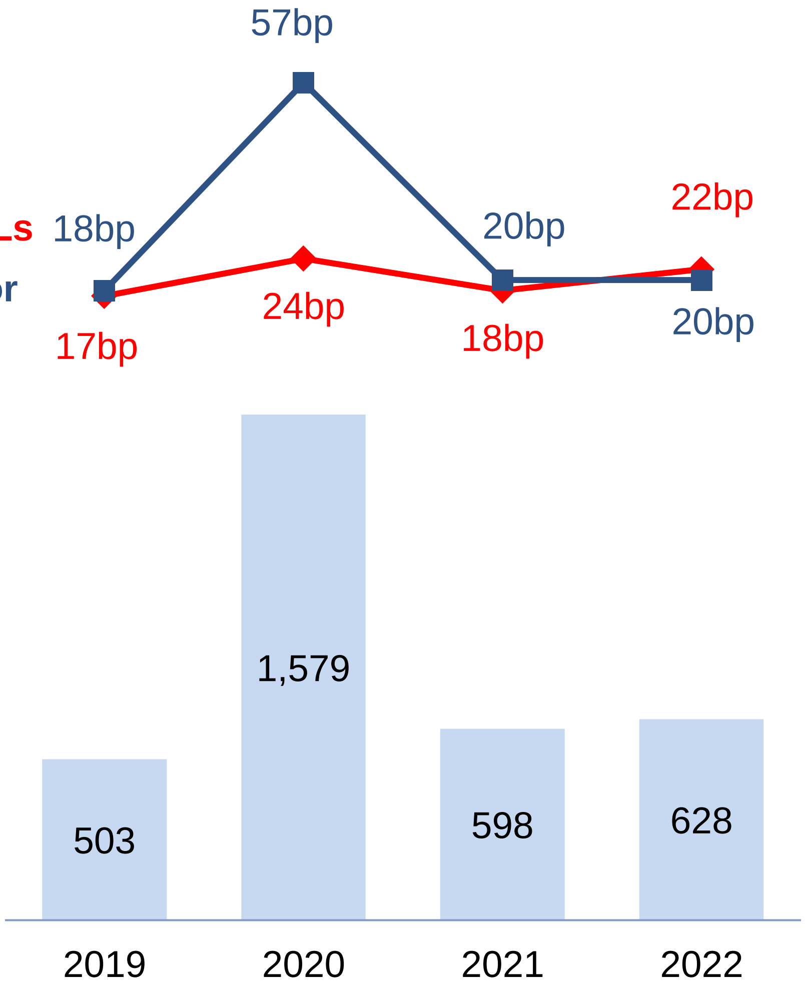
Steady credit costs as asset quality remains benign

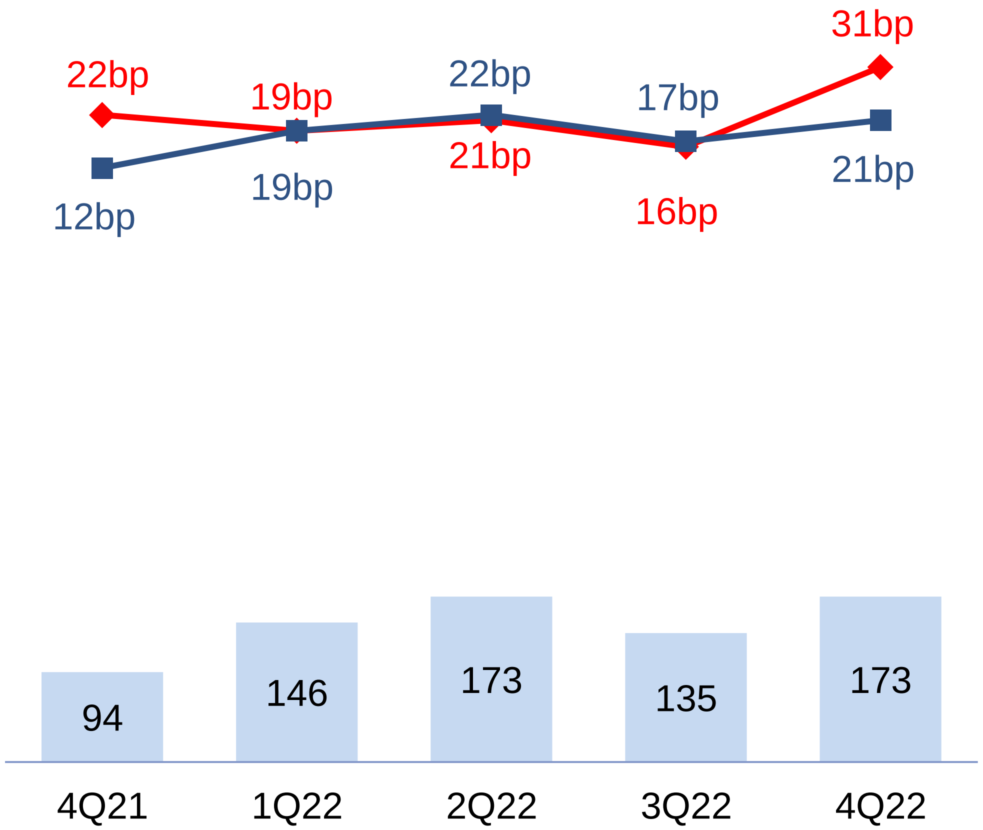
Average Gross Loans (basis points) [1]

Allowances for NPLs

Total allowances for loans



Total allowances for loans (SGD m)



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1. Computed on an annualised basis, where applicable

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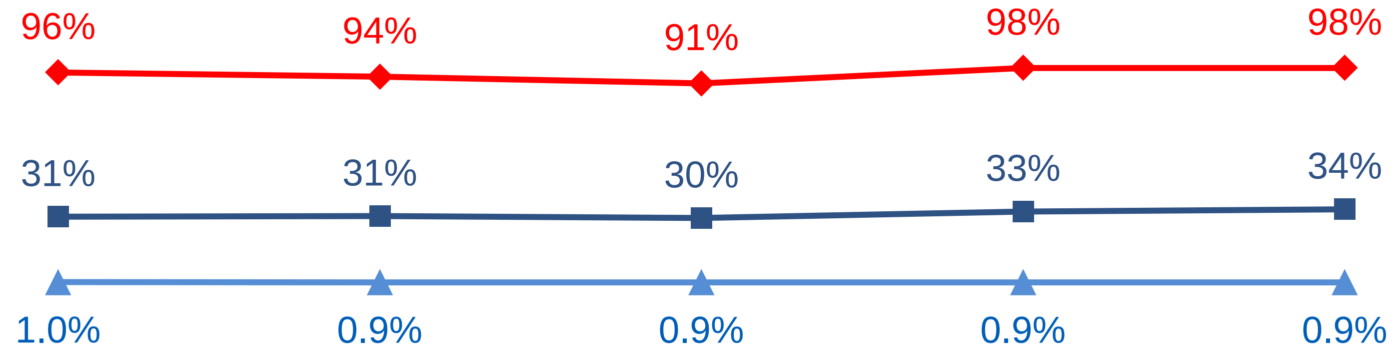
Allowances sufficient amid ongoing macro uncertainties

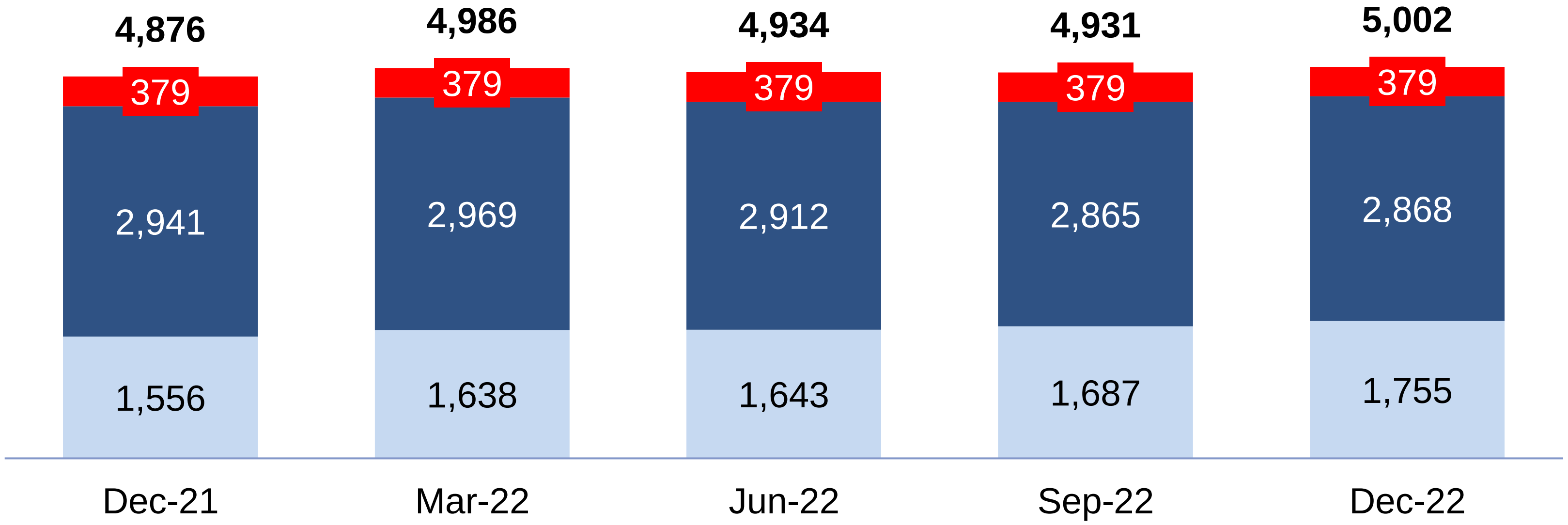
Coverage ratios (%)

- **Total allowances[1] / NPAs**
- **Specific allowances / NPAs**
- **General allowance on loans[1] / performing loans (%)**



Allowances (SGD m)

- ☐ **Total**
- ☐ **Regulatory loss allowance reserve**
- ☐ **General allowance**
- ☐ **Specific allowance**



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

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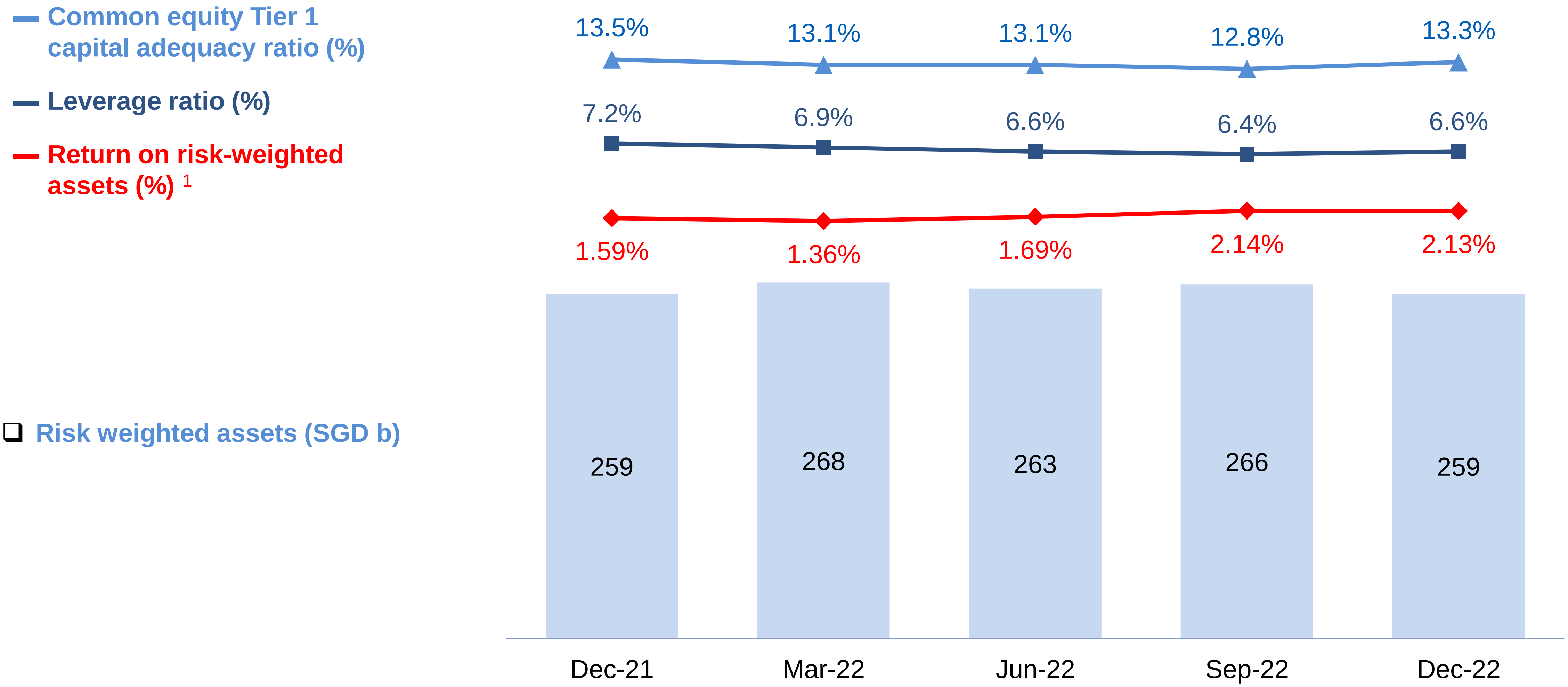
Capital and leverage ratios remained robust



	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Common equity Tier 1 capital adequacy ratio (%)	13.5%	13.1%	13.1%	12.8%	13.3%
Leverage ratio (%)	7.2%	6.9%	6.6%	6.4%	6.6%
Return on risk-weighted assets (%) [1]	1.59%	1.36%	1.69%	2.14%	2.13%
Risk weighted assets (SGD b)	259	268	263	266	259

---

1. Computed on an annualised basis, excluding one-off expenses

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Sound funding and liquidity positions

— Net stable funding ratio (%)

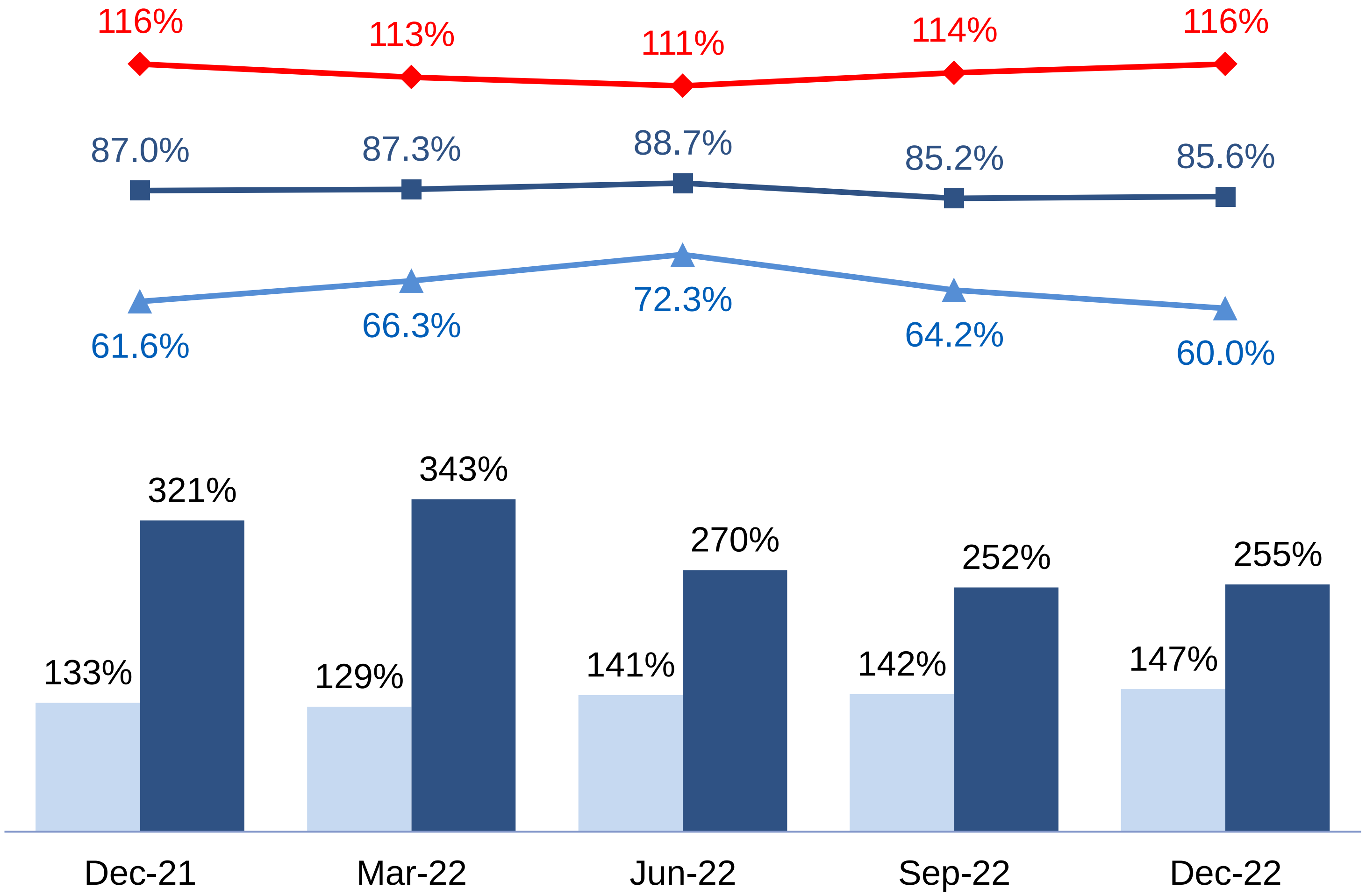
— Group loan-deposit ratio (%)

— USD loan-deposit ratio (%)

Liquidity coverage ratio (%) [1]

☐ **SGD**

☐ **All-currency**



[1] Computed on a quarterly average basis

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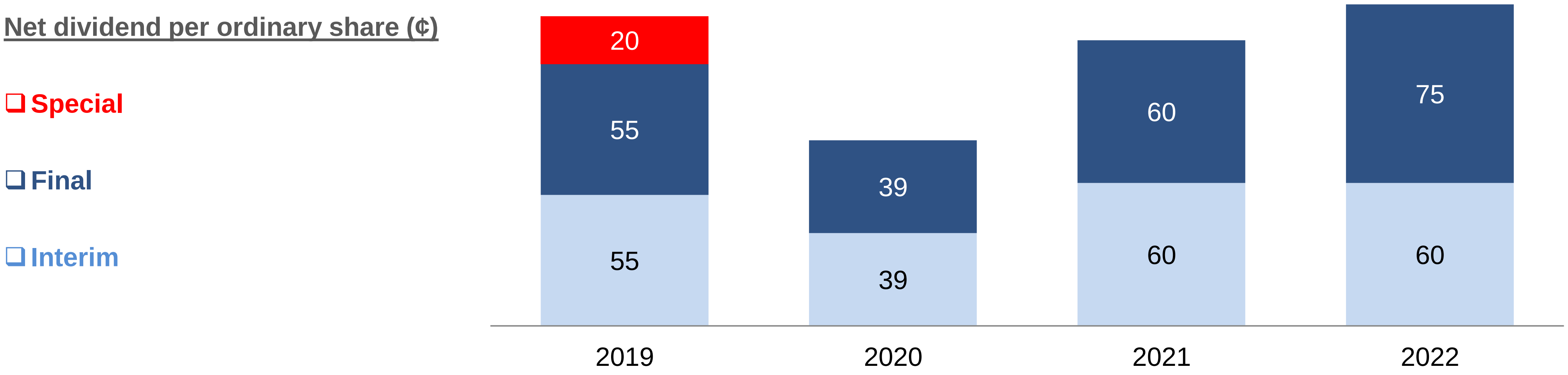
Dividends in line with higher earnings and strong capital position



	2019	2020	2021	2022
Payout amount (SGD m)	2,171	1,304	2,011	2,261
Payout ratio (%)	50	45[1]	49	49
Payout ratio (excluding special dividends) (%)	42	45[1]	49	49

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

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Resilience of the Singapore Housing Market

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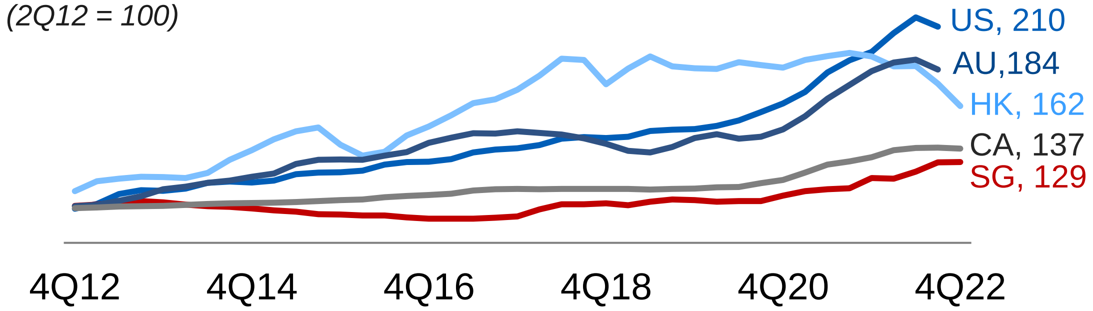
Singapore mortgages remain a low-risk asset class

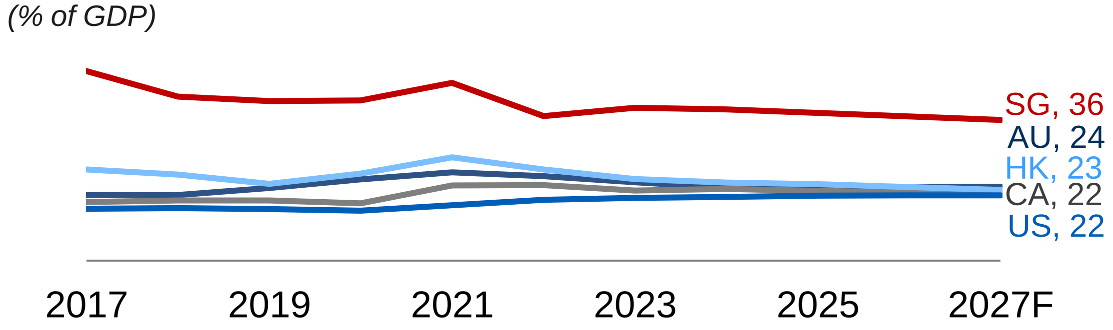
Low risk of housing bubble due to cooling measures



US and AU are based on 3Q22 data

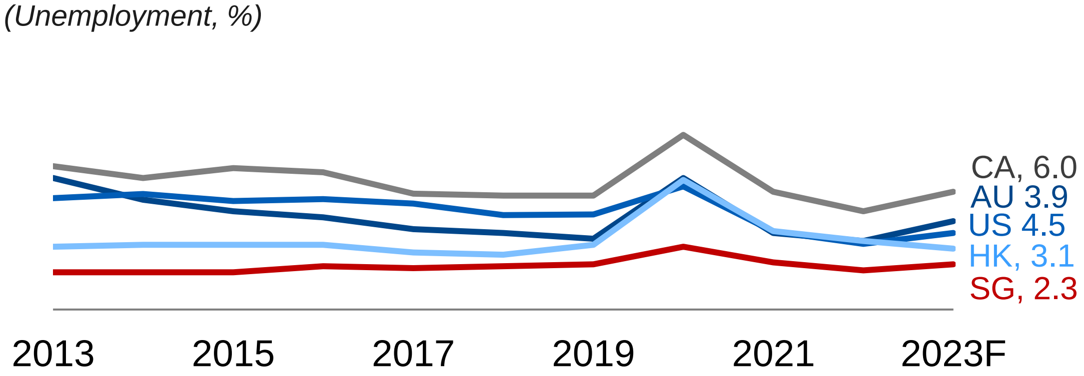
Sources: CEIC, UOB Economic-Treasury Research

High national savings rate



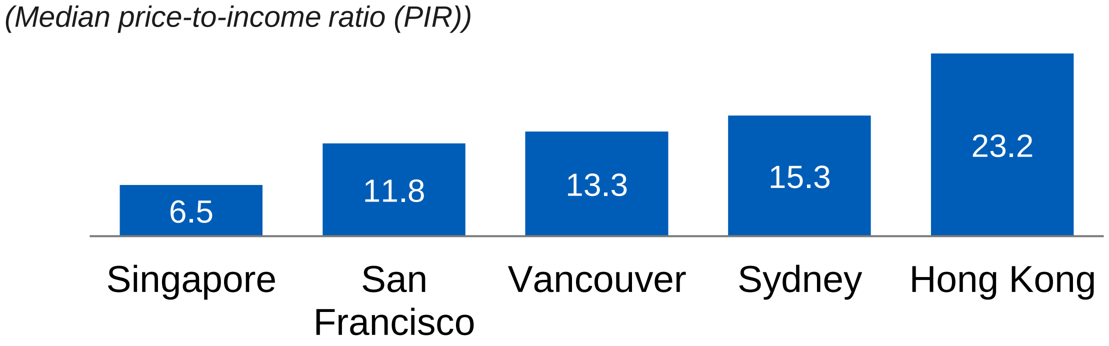
Sources: IMF, UOB Economic-Treasury Research

Low unemployment underscores housing affordability and support for mortgage servicing



Sources: Macrobond, UOB Economic-Treasury Research

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



As of 30 September 2021, based on 2022 edition of Urban Reform Institute report
Singapore's PIR calculated based on condominium price of S$1.44m and medium monthly household income of S$18.5k.
Sources: Singapore Statistics, Urban Reform Institute, Frontier Centre for Public Policy, UOB Economic-Treasury Research

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

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Appendix A:
Our Growth Drivers

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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

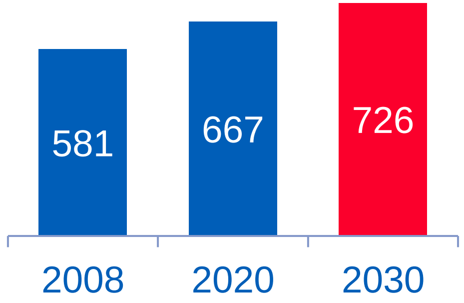
Long-term growth perspective

- 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

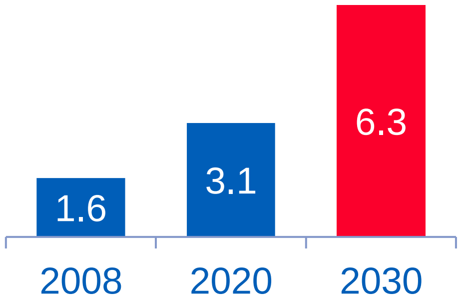
Population

(Million persons)



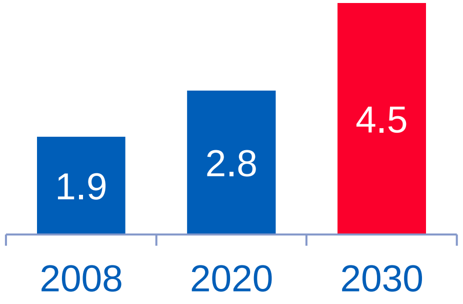
GDP[1]

(USD trillion)



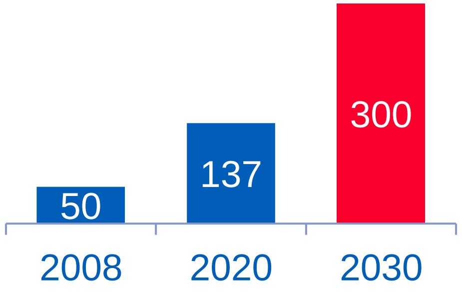
Trade[2]

(USD trillion)



FDI[3]

(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[1]
- Fourth largest trading group globally
- Third largest recipient of inward FDI[3] globally

… that UOB is uniquely placed to capture

- Most diverse regional franchise among Singapore banks
- Full effective control of regional subsidiaries and integrated platform

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1. Gross domestic product 2. Comprises exports and imports 3. Foreign direct investments

Source: Macrobond, UOB Global Economics and Markets Research

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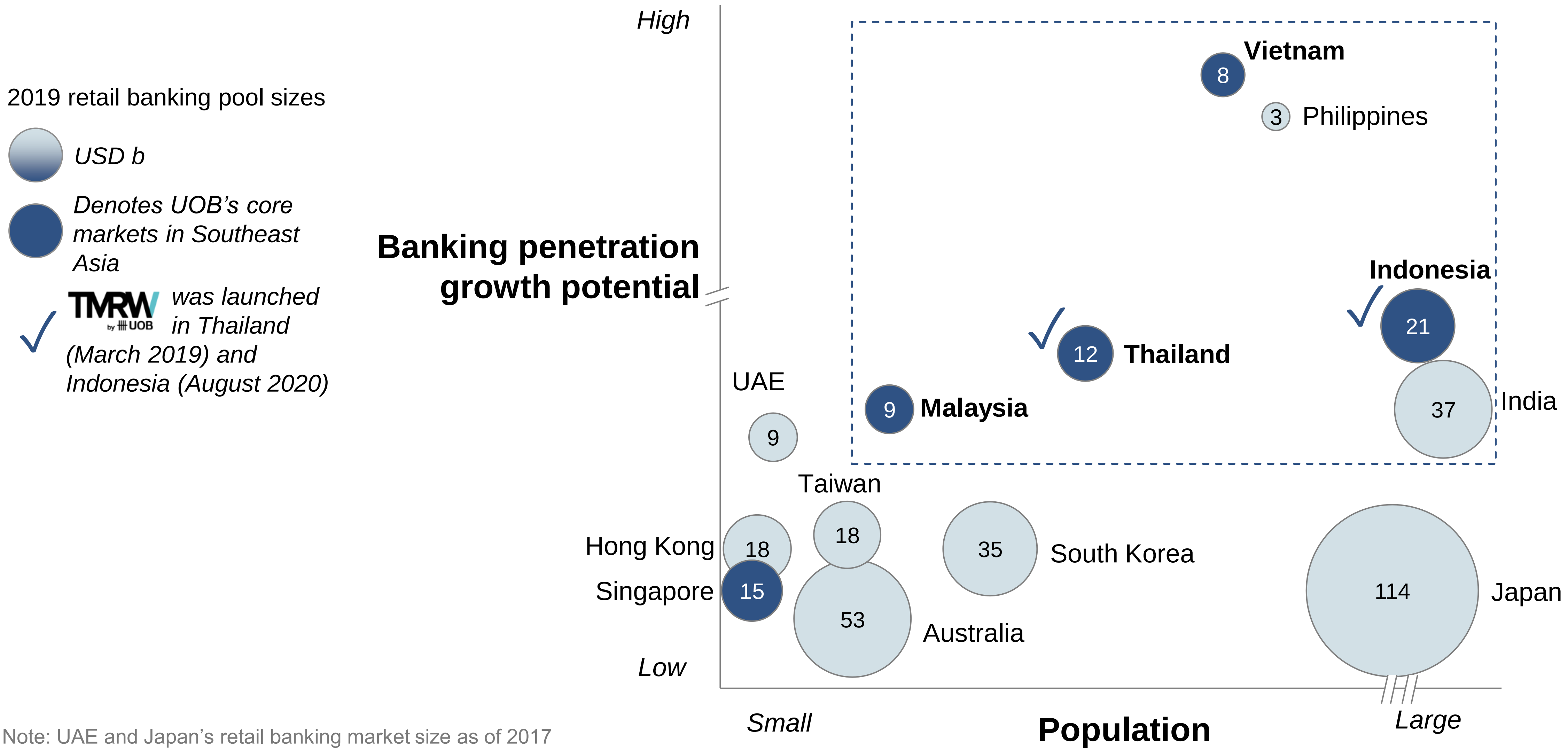
Strong retail presence in high potential regional markets



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

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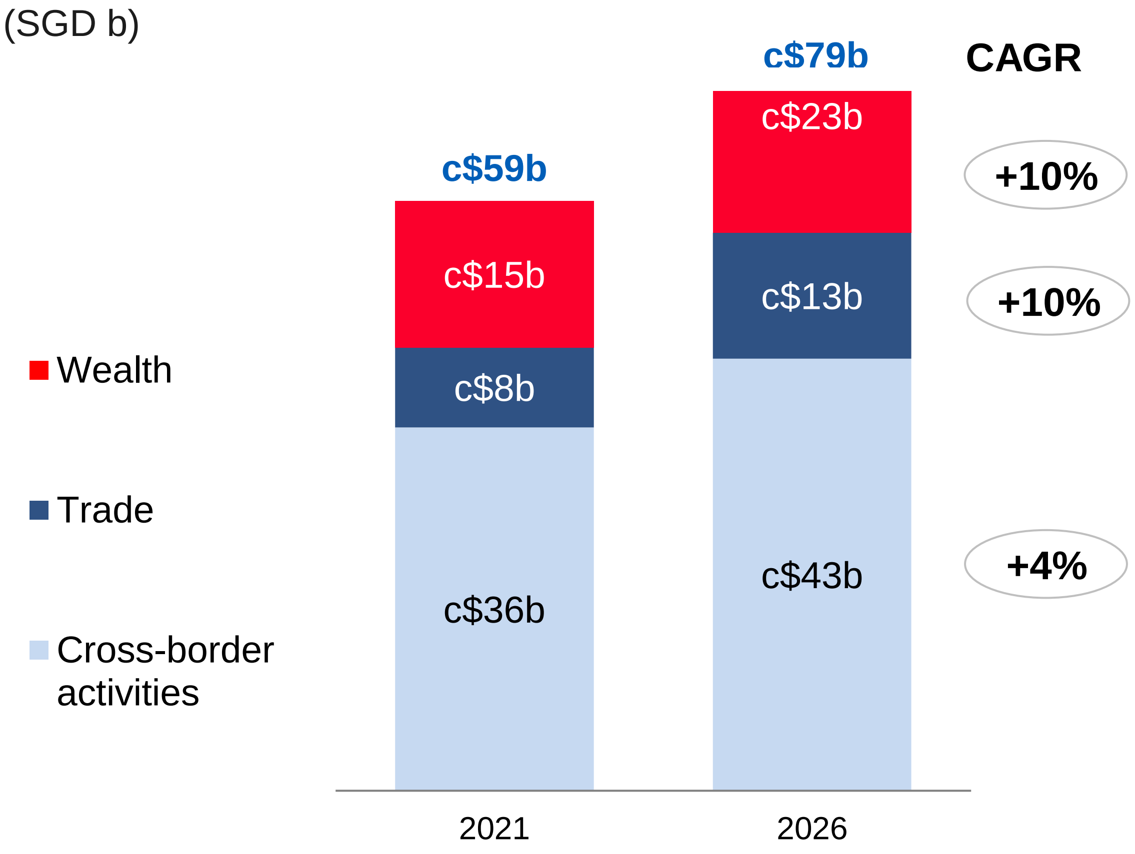
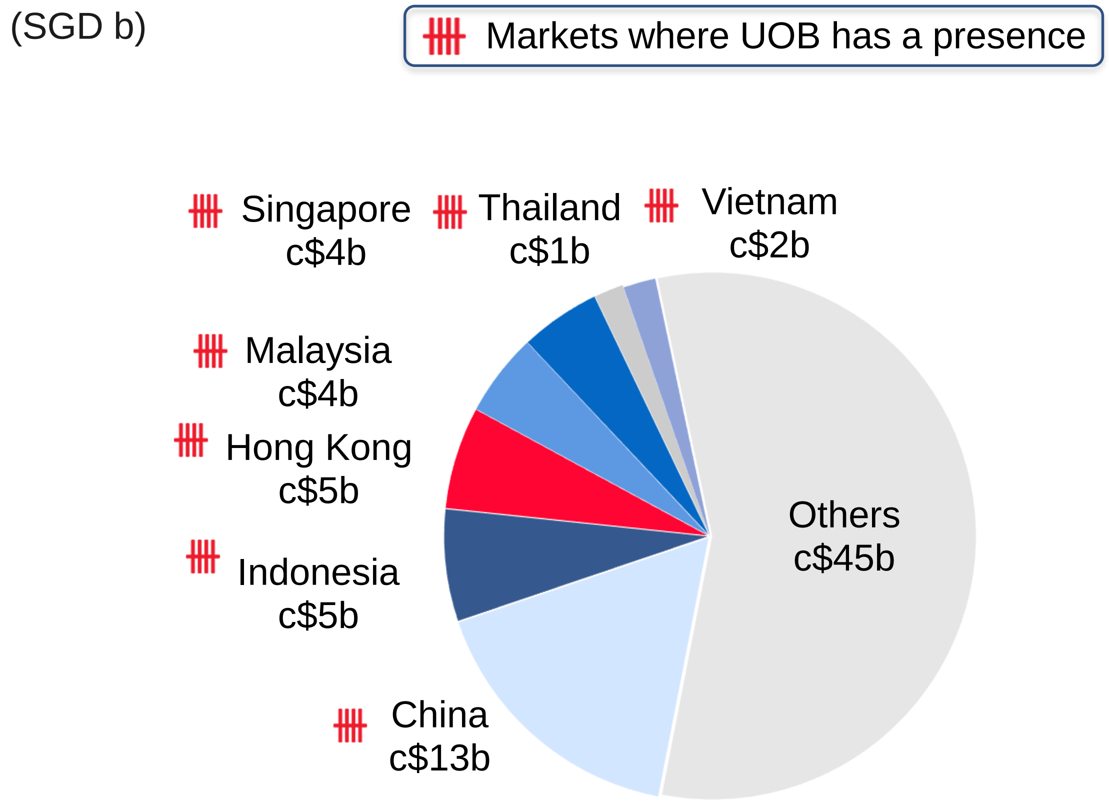
Revenue potential from ‘connecting the dots’ in the region

Industry’s potential connectivity revenue



Industry’s potential connectivity revenue (2026)



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

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Well-timed acquisition complementing the ASEAN strategy

Financial impact so far

Positive boost to income drivers

~10bps
lift in NIM

~20%
growth in card fees

Costs[1] in tandem with income

Mid-40%
CIR

Asset quality stable

Mid-single digit
credit costs

Our 2026 Promise

- **Group to remain well capitalised**
- **ROE > 13%**
- **RoRWA > 2%**
- **Maintain dividend payout ratio of 50%**

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1. Excluding one-time expenses

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Integration progress

- Completed the acquisition of Citigroup's consumer portfolio in Malaysia and Thailand on 1 Nov 2022
- Indonesia and Vietnam to come onboard in 2023

Well-positioned to compete with a larger consumer banking franchise

- Business momentum sustained and profit accretive
- ASEAN-4 income mix closer to 30% mark

Income and ASEAN franchise augmented by Citi

Accelerate growth in customer base

+1.3m
net customers addition from Citi Malaysia and Thailand

Digitally-enabled customers

>80%
of customers have either mobile or internet banking

Strong cards player in region

2x
Citi customers' average spend per credit card vs industry

Augment wealth franchise

~20%
Lift from Citi on assets under management in Malaysia and Thailand

Stronger regional contribution

	Pre-Acquisition[1]		Post-Acquisition[1]
ASEAN-4 mix of Group income (%)	25	+ 4% pt ⬆	29

---

[1] In Nov and Dec 2022

Consumers: Tapping on rising affluence and growing digitalisation in Southeast Asia

Driving Digital Adoption

Scale UOB TMRW across ASEAN to digitally acquire at low cost

~7m

Retail customers
>70% are digitally enabled

>800k

New-to-bank customers
55% are digitally acquired

Ecosystem Partnerships

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

30

Strategic multi-markets partnerships, amongst >1,000 in-country partnerships

+25%

Year on year growth in credit card fees

Omni-channel Offerings

Digitalise customer experience and processes; repurpose branches for more advisory needs

S$154b[1,2]

Assets under management (AUM)
▲ 11% YoY

3x

Higher average revenue generation by omni-channel vs traditional customers

1. Of which 60% are from customers overseas. 2. Refers to Privilege Banking, Privilege Reserve and Private Bank.

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Wholesale: Growing regional franchise, capturing cross-border opportunities

UOB

Strengthening Connectivity

Across our ASEAN footprint and global network

+12%[1]
Cross-border income growth (formed 28%[2] of Group Wholesale Banking income)

+31%[2]
Suppliers and distributors within Financial Supply Chain Management (FSCM) solution

Sector Specialisation

Building capabilities for greater diversification and risk mitigation

+21%[1]
Income from Real Estate & Hospitality Sectors

+25%[1]
Global Financial Institutions Group income

Deepening Digitalisation

For secure and efficient transactions

+85%[1,3]
Cashless payments to businesses in the region

+13%[1,4]
Digital banking transactions by businesses across the Group

---

1. Year on year growth in 2022 2. As of YTD Nov ’22. 3. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 4. Refers to digital banking transactions via UOB Infinity/BIBPlus.

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Appendix B:
Macroeconomic Outlook

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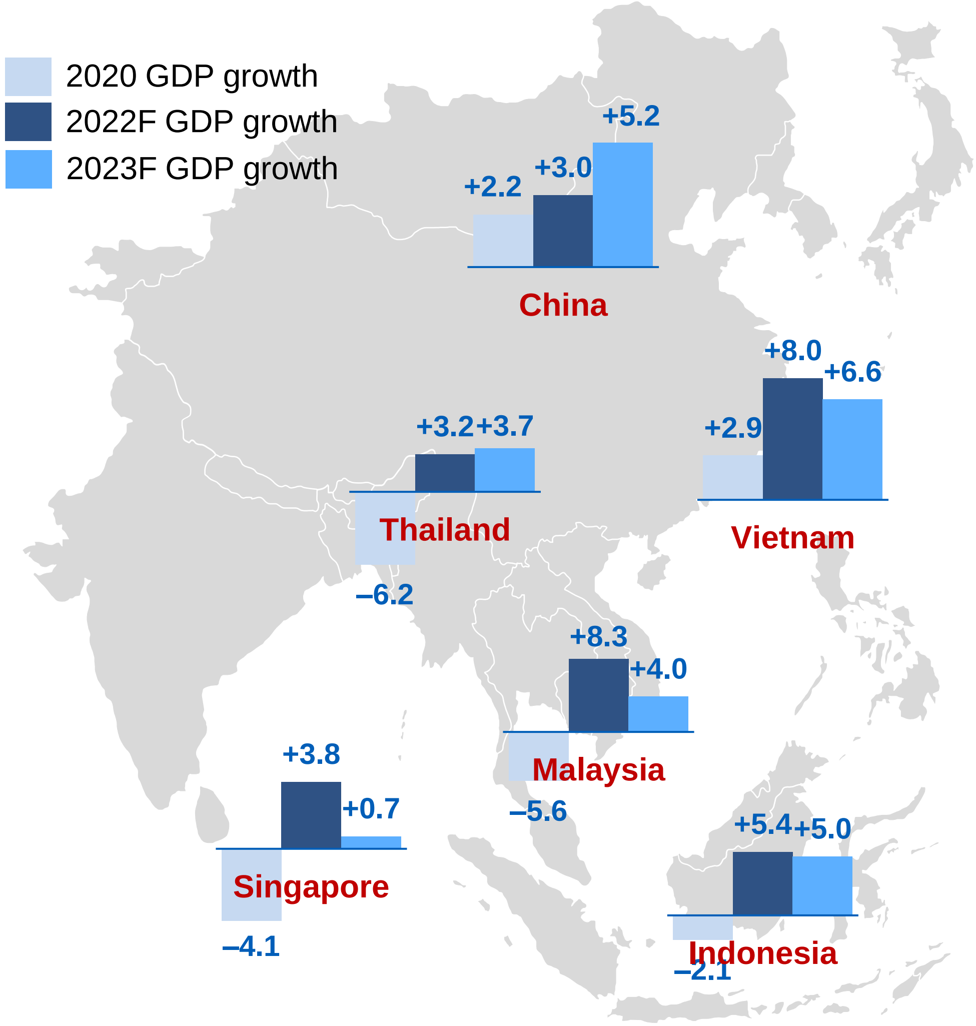
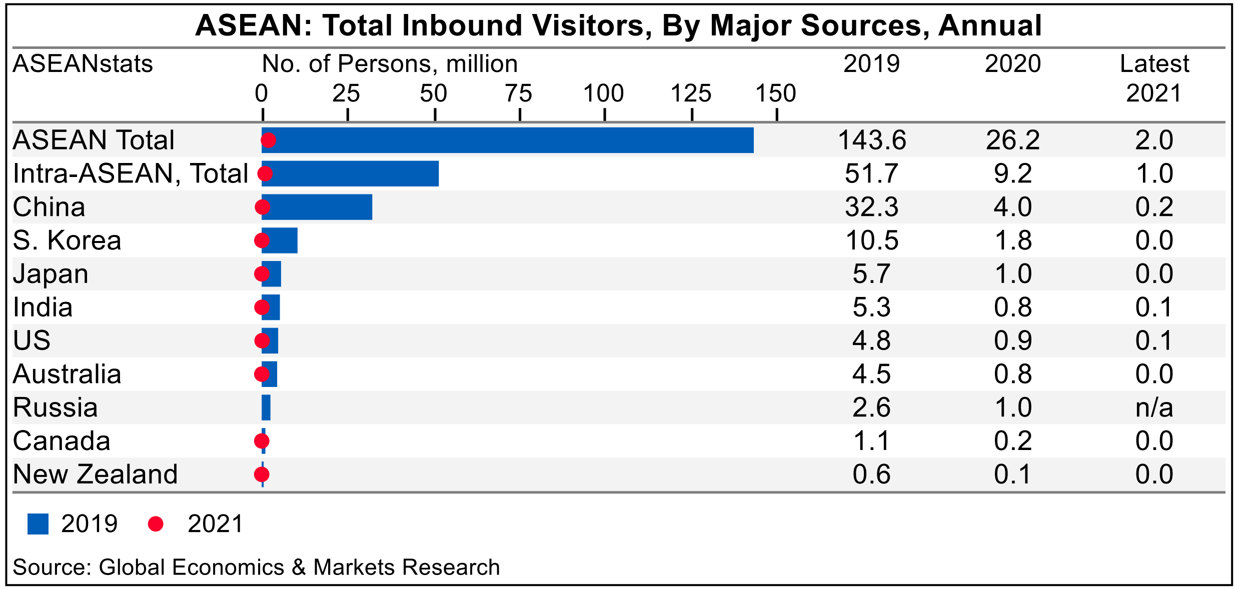
Asian growth to sustain into 2023



Source: UOB Global Economics & Markets Research forecasts

China's reopening poised to boost tourism in ASEAN to pre-pandemic levels



ASEAN: Total Inbound Visitors, By Major Sources, Annual

ASEANstats — No. of Persons, million

	2019	2020	Latest 2021
ASEAN Total	143.6	26.2	2.0
Intra-ASEAN, Total	51.7	9.2	1.0
China	32.3	4.0	0.2
S. Korea	10.5	1.8	0.0
Japan	5.7	1.0	0.0
India	5.3	0.8	0.1
US	4.8	0.9	0.1
Australia	4.5	0.8	0.0
Russia	2.6	1.0	n/a
Canada	1.1	0.2	0.0
New Zealand	0.6	0.1	0.0

Source: Global Economics & Markets Research

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Monetary policy to tighten further as inflation stays elevated

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F
US 10-Year Treasury	1.74	1.47	1.49	1.51	2.34	3.01	3.83	3.87	3.90	3.80	3.60	3.40
US Fed Funds	0.25	0.25	0.25	0.25	0.50	1.75	3.25	4.50	5.00	5.25	5.25	5.25
SG 3M SIBOR	0.44	0.43	0.43	0.44	0.79	1.91	3.17	4.25	4.63	4.78	4.73	4.73
SG 3M SOR	0.36	0.24	0.21	0.36	0.95	2.06	3.28	4.21	4.48	4.73	0.00	0.00
SG 3M SORA	0.23	0.13	0.13	0.19	0.27	0.76	1.97	3.10	3.34	4.24	4.33	4.32
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	1.75	1.75	1.75
ID 7-Day Reverse Repo	3.50	3.50	3.50	3.50	3.50	3.50	4.25	5.50	6.00	6.00	6.00	6.00
CH 1-Year Loan Prime Rate	3.85	3.85	3.85	3.80	3.70	3.70	3.65	3.65	3.55	3.55	3.55	3.60

The US Federal Reserve (Fed) dialed down the pace of its rate hike to 25bps during Feb 23 FOMC, lifting the Fed Funds Target Rate (FFTR) to 4.50%-4.75%, highest since Sep 2007. We expect the Fed to hike a couple more times (25bps each in Mar and May FOMC), bringing the terminal FFTR level to 5.25%, which we expect to be held through 2023.

We see room for further tightening of Singapore’s monetary policy in 2023, with the MAS pulling only one lever in Oct 2022, via the re-centring of the mid-point of the S$NEER policy band, and as core inflation is expected to remain high in 1H23. Another re-centring of the policy mid-point appears likely in Apr 23 MPS.

Asian central banks have raised interest rates at a more moderate pace than the Fed. Economic activities have shown signs of slowdown, following multi-year high inflation and interest rates, but GDP growth across the region will likely stay positive in 2023. Rates are expected to peak by 1H23 in most Asian economies.

Source: UOB Global Economics & Markets Research forecasts

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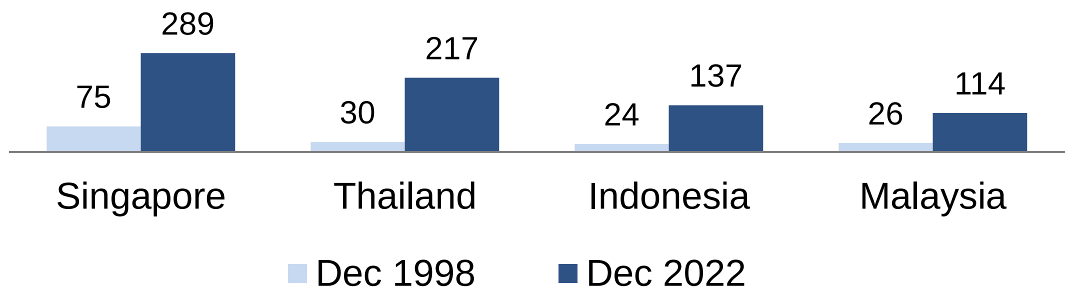
Macro resilience across key Southeast Asian markets

Significantly Higher Foreign Reserves

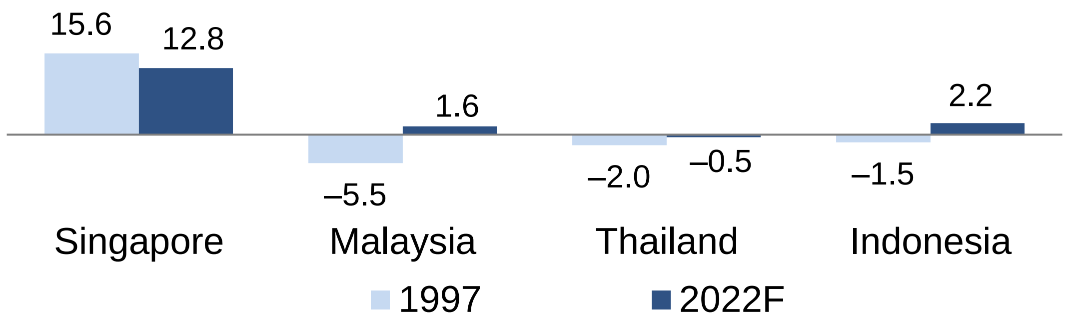
(USD billion)



Sources: World Bank, International Monetary Fund

Improved Current Account Balances

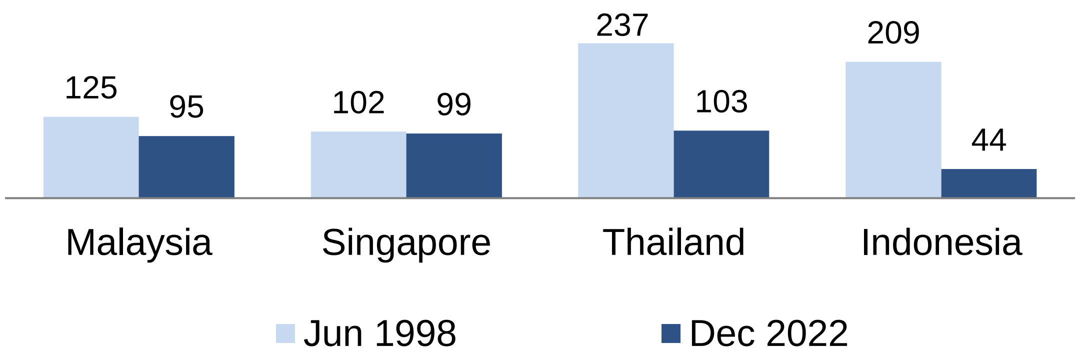
(% of GDP)



Source: International Monetary Fund

Lower Debt to Equity Ratio

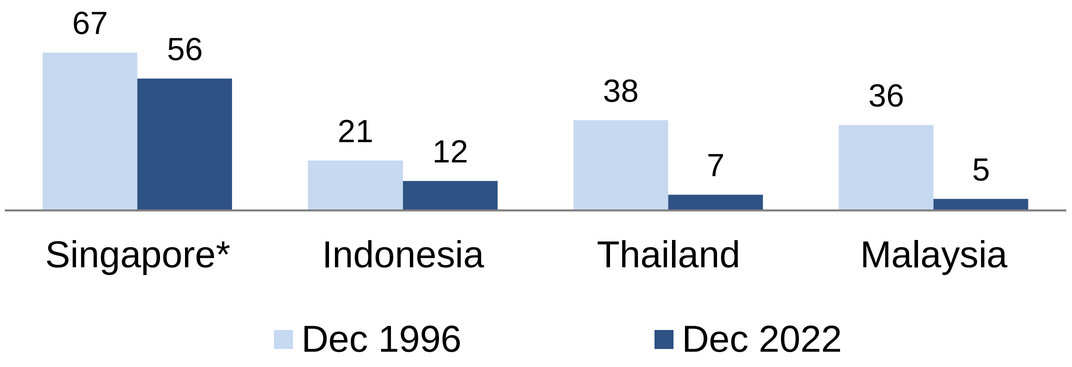
(%)



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

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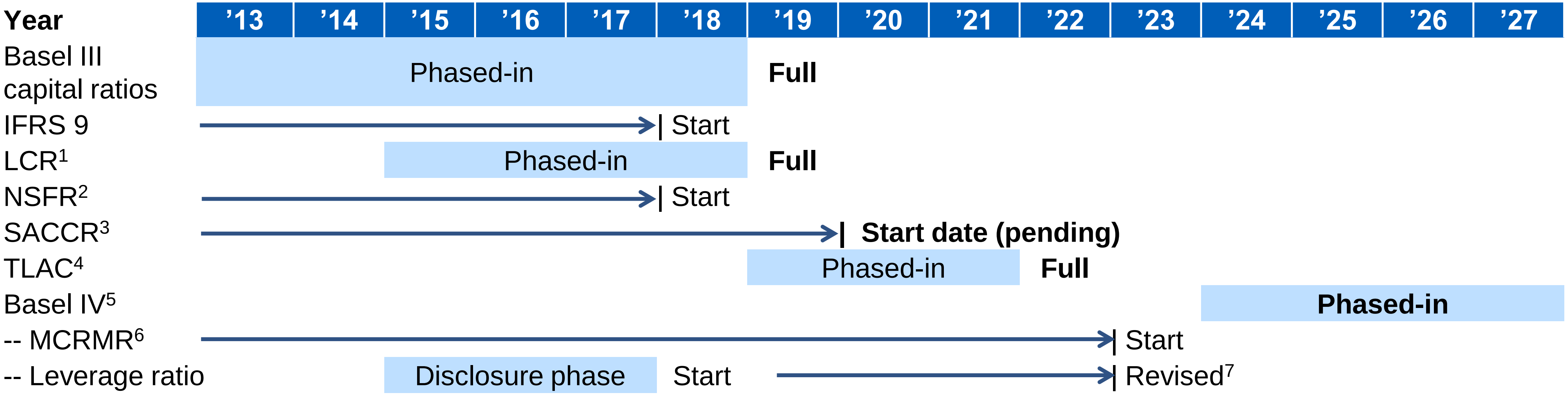
Global regulators delayed capital rules by a year



Year	’13	’14	’15	’16	’17	’18	’19	’20	’21	’22	’23	’24	’25	’26	’27
Basel III capital ratios	Phased-in						**Full**								
IFRS 9	→	→	→	→	→	| Start									
LCR[1]			Phased-in				**Full**								
NSFR[2]	→	→	→	→	→	| Start								
SACCR[3]	→	→	→	→	→	→	→	| **Start date (pending)**							
TLAC[4]							Phased-in			**Full**					
Basel IV[5]												**Phased-in**			
-- MCRMR[6]	→	→	→	→	→	→	→	→	→	→	| Start				
-- Leverage ratio			Disclosure phase			Start	→	→	→	→	| Revised[7]				

> 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

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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 [2]	n/a	0%	0%	0%	0%
D-SIB Buffer	n/a	2.0%	1.0%	1.0%	1.0%–2.5%[3]
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%)

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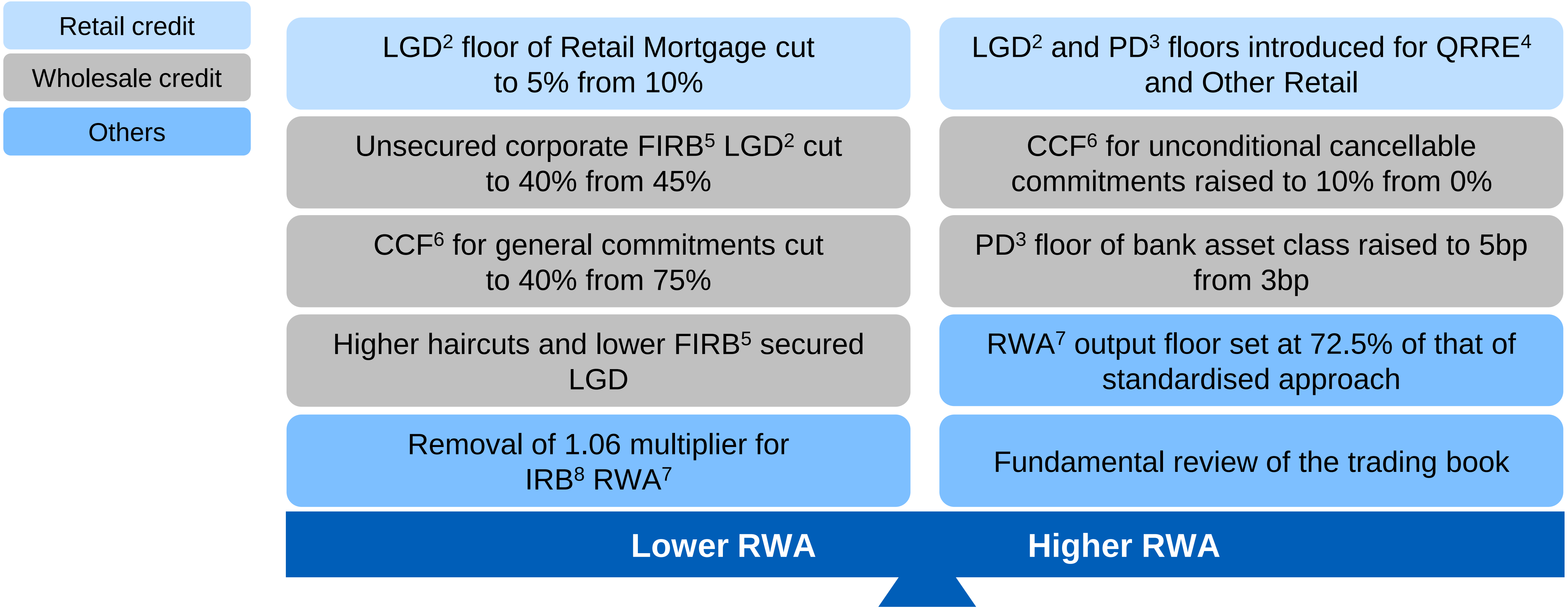
Impact of Basel IV[1] likely to be manageable



- Retail credit
- Wholesale credit
- Others

Lower RWA	Higher RWA
LGD[2] floor of Retail Mortgage cut to 5% from 10%	LGD[2] and PD[3] floors introduced for QRRE[4] and Other Retail
Unsecured corporate FIRB[5] LGD[2] cut to 40% from 45%	CCF[6] for unconditional cancellable commitments raised to 10% from 0%
CCF[6] for general commitments cut to 40% from 75%	PD[3] floor of bank asset class raised to 5bp from 3bp
Higher haircuts and lower FIRB[5] secured LGD	RWA[7] output floor set at 72.5% of that of standardised approach
Removal of 1.06 multiplier for IRB[8] RWA[7]	Fundamental review of the trading book

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

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Appendix C:
UOB's Sustainability Approach

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UOB’s responsible financing journey: pragmatic and progressive

Overview of UOB Group’s Responsible Financing Journey

	Establishing	Improving	Strengthening and Evolving	
	2015 - 2016	2017 - 2018	2019 - 2021	2022
Key Milestone	• Launched the Group Responsible Financing Policy. • Began to incorporate ESG clauses into Letters of Offer.	• Enhanced ESG monitoring and reporting to improve oversight on potential controversies. • Implemented ESG risk classification to better manage ESG risk in portfolio. • Adopted the ABS Haze Diagnostics Checklist as transboundary haze pollution shrouded the region.	• Strengthened due diligence process with enhanced checklist and climate-related questions. • Tightened stance in thermal coal mining sector, coal fired power sector, as well as palm oil sector. • Established the bank’s Environmental Risk Management (EnRM) Framework, and disclosed our responsible financing sector policies on our corporate website. • All employees in relevant roles completed an industry-wide e-learning module on responsible financing.	• Announced our net zero commitments and targets for six sectors. To this end, we committed to exit financing for the thermal coal sector by 2039 and to cease new project financing for upstream Oil & Gas projects approved for development after 2022. • Adopted the ABS Environmental Risk Questionnaire to further strengthen our approach on climate risk assessment, as well as engagement with our corporate customers on the identification of environmental risks and sustainable financing opportunities. • Conducted 2022 bank-wide ESG risk assessment capacity building workshops with a strong focus on climate risk management.

* Green Finance Industry Taskforce

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TCFD Implementation - Climate Scenario Analysis

UOB

Key Milestone

Qualitative Transition Risk Assessment

2019

- Completed qualitative assessment in 2019, referencing SASB's Materiality Map® and Moody's Environmental Risks Global Heatmap.
- Identified carbon-intensive segments most likely to be impacted by climate change:

Metals and mining
Transportation
Building Materials
Forestry
Energy
Chemicals
Agriculture

Transition Risk Scenario Analysis Pilot

2020

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

Physical Risk Pilot Analysis

2021

- Conducted a pilot physical risk analysis involving approximately 2,000 wholesale banking customers (~80% of the total wholesale banking exposure) and retail banking property mortgages focusing on our major markets that are most vulnerable to physical risks, i.e. Malaysia, Thailand and Indonesia.
- The analysis utilised a bottom-up approach with customers' operating and asset locations overlaid on various climate hazard maps to determine their vulnerability to seven physical hazards in short-, mid-, and long-term horizons up to 2050 over three IPCC climate scenarios.
- In addition, we also refreshed our transition risk analysis.

Improved Methodology

2022

- Partnered with a leading global consultancy and developed an improved climate risk assessment methodology and uplift the internal capacity of the Bank.
- The improved methodology integrates multiple climate risk drivers, considers both transition risk and physical risk, and includes sector specific approach for high-risk sectors, as well as a general approach for other sectors.
- The detailed methodology and assessment results will be disclosed in the UOB Sustainability Report 2022.

Future Plan

Metrics and Targets To disclose our climate related progress in line with our net zero commitments

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