



UOB Group

Robust results supported by strong balance sheet

September 2023

Disclaimer: The material in this presentation contains general background information about United Overseas Bank Limited ("UOB") and its activities as at the date of the presentation. The information is given in summary form and is therefore not necessarily complete. Information in this presentation is not intended to be relied upon as advice or as a recommendation to investors or potential investors to purchase, hold or sell securities and other financial products and does not take into account the investment objectives, financial situation or needs of any particular investor. When deciding if an investment is suitable, you should consider the appropriateness of the information, any relevant offer document and seek independent financial advice. All securities and financial product transactions involve risks such as the risk of adverse or unanticipated market, financial or political developments and currency risk. UOB does not accept any liability including in relation to the use of the material or contents herein. All information contained herein shall not be copied or disseminated for whatever purpose.

Private and Confidential

Agenda

1. Overview of UOB Group

2. Strong UOB Fundamentals

3. Resilience of the Singapore Housing Market & UOB's Cover Pool

Appendices:

A. Macroeconomic Outlook

B. Growth Drivers

C. Latest Financials

1. Overview of UOB Group

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 ¹)
■ Customer deposits	: SGD377b	(USD278b ¹)
■ Loan / Deposit ratio	: 83.5%	
■ Net stable funding ratio	: 121%	
■ All-currency liquidity coverage ratio	: 160% ²	
■ Common Equity Tier 1 ratio	: 13.6%	
■ Leverage ratio	: 7.0%	
■ Return on equity ^{3 4}	: 14.5%	
■ Return on assets ⁴	: 1.22%	
■ Net interest margin	: 2.13%	
■ Non-interest income / Total income	: 31.4%	
■ Cost / Income ⁴	: 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



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



Best Retail Bank¹,
2022
Best SME Bank²,
2022



Best Bank¹, 2022

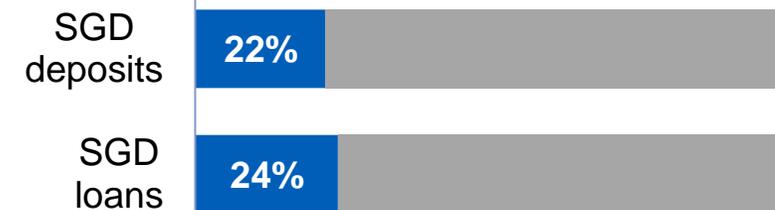


Domestic Retail Bank of
the Year¹, 2022

Source: Company reports

1. In Singapore 2. In Singapore and Asia Pacific

Sizeable domestic market share

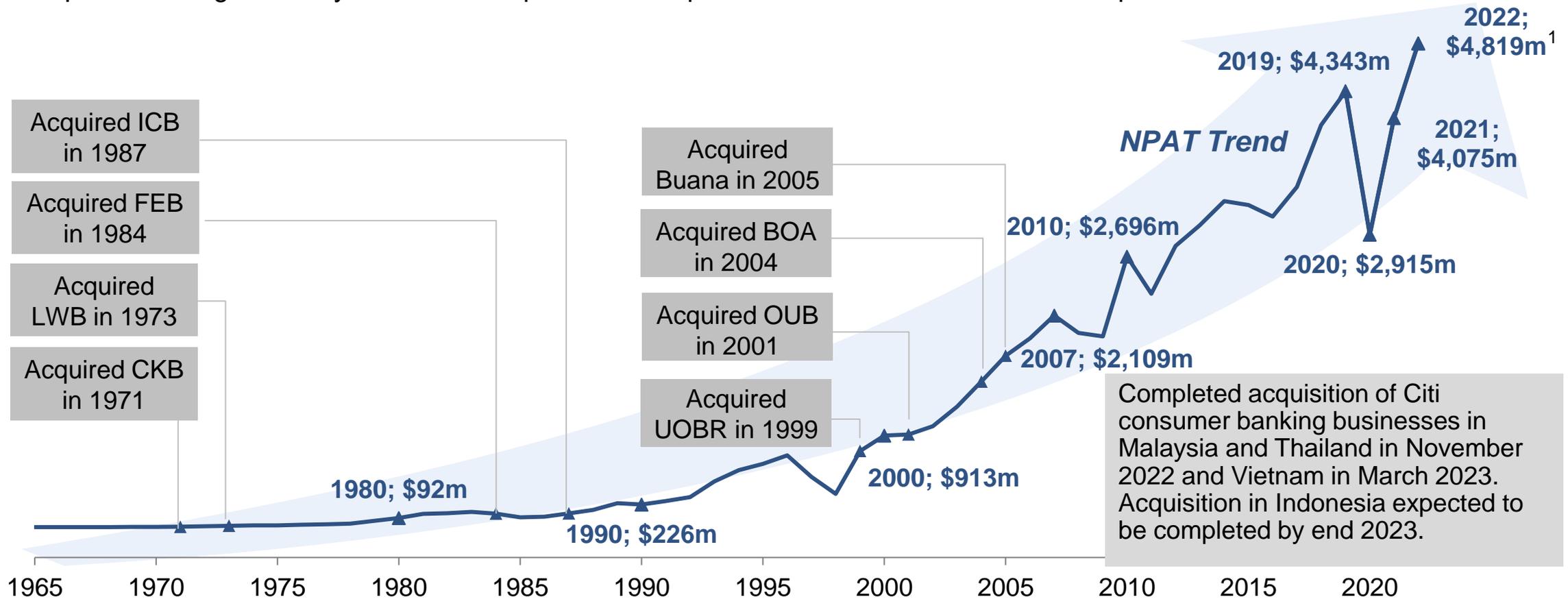


Source: UOB, MAS (data as of 30 Jun 2023)

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

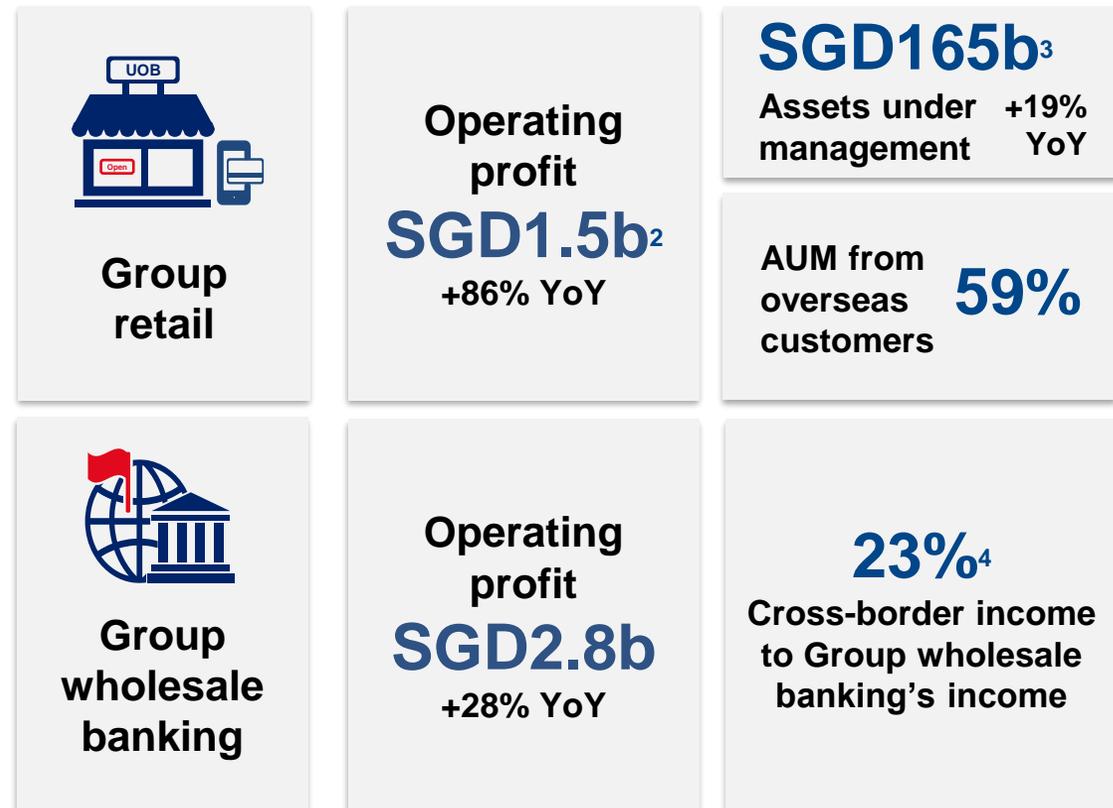


Extensive regional footprint with ~500 offices



- 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

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

1. Excluding one-off expenses

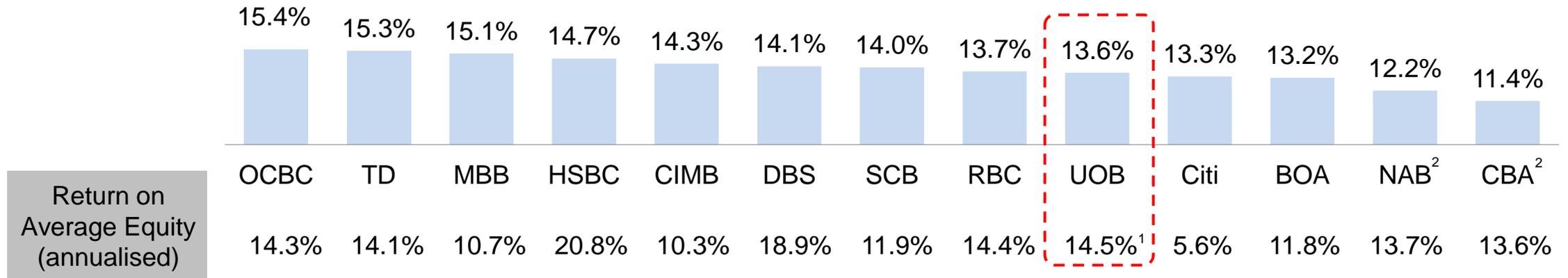
Source: Company reports, Credit rating agencies (updated as of 31 Jul 2023)

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)

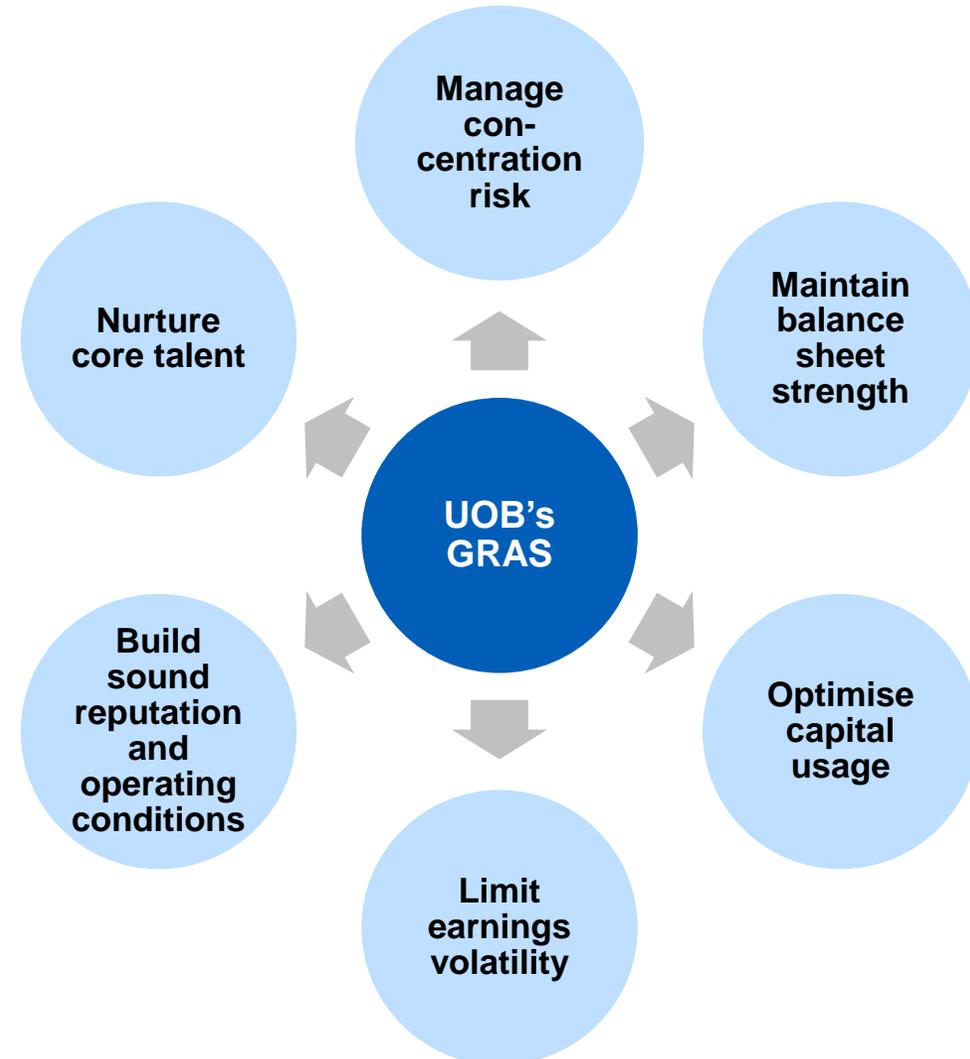
Source: Company reports

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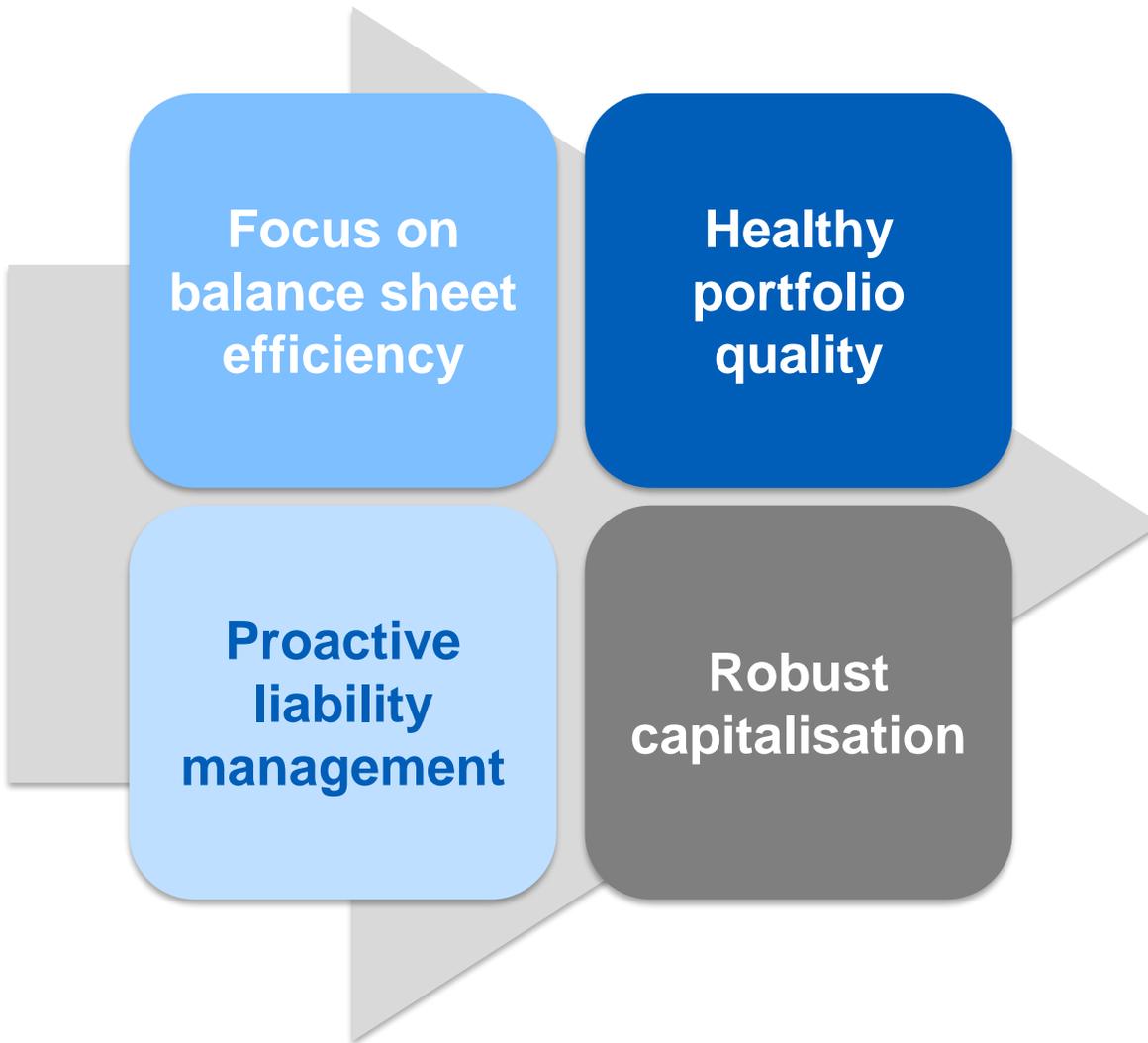
2. Strong UOB Fundamentals

Managing risks for stable growth

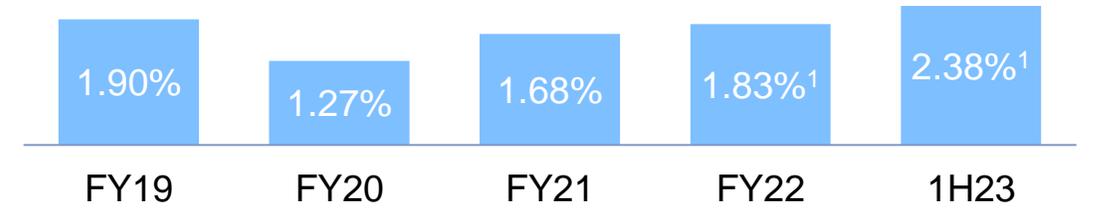
- **Prudent approach has been key to delivering sustainable returns over the years**
- **Institutionalised framework through Group Risk Appetite Statement (GRAS):**
 - Outlines risk and return objectives to guide strategic decision-making
 - Comprises 6 dimensions and 14 metrics
 - Entails instilling 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



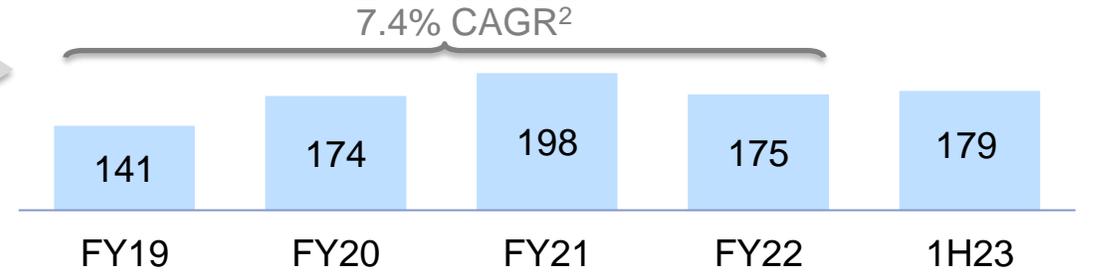
Disciplined balance sheet management



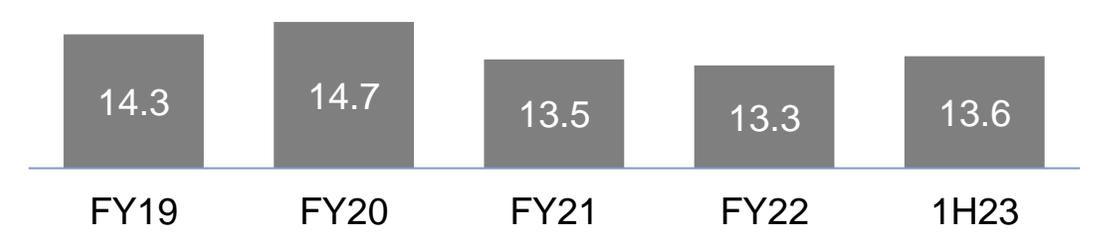
Return on risk-weighted assets



Current Account Saving Account Balances (SGD b)



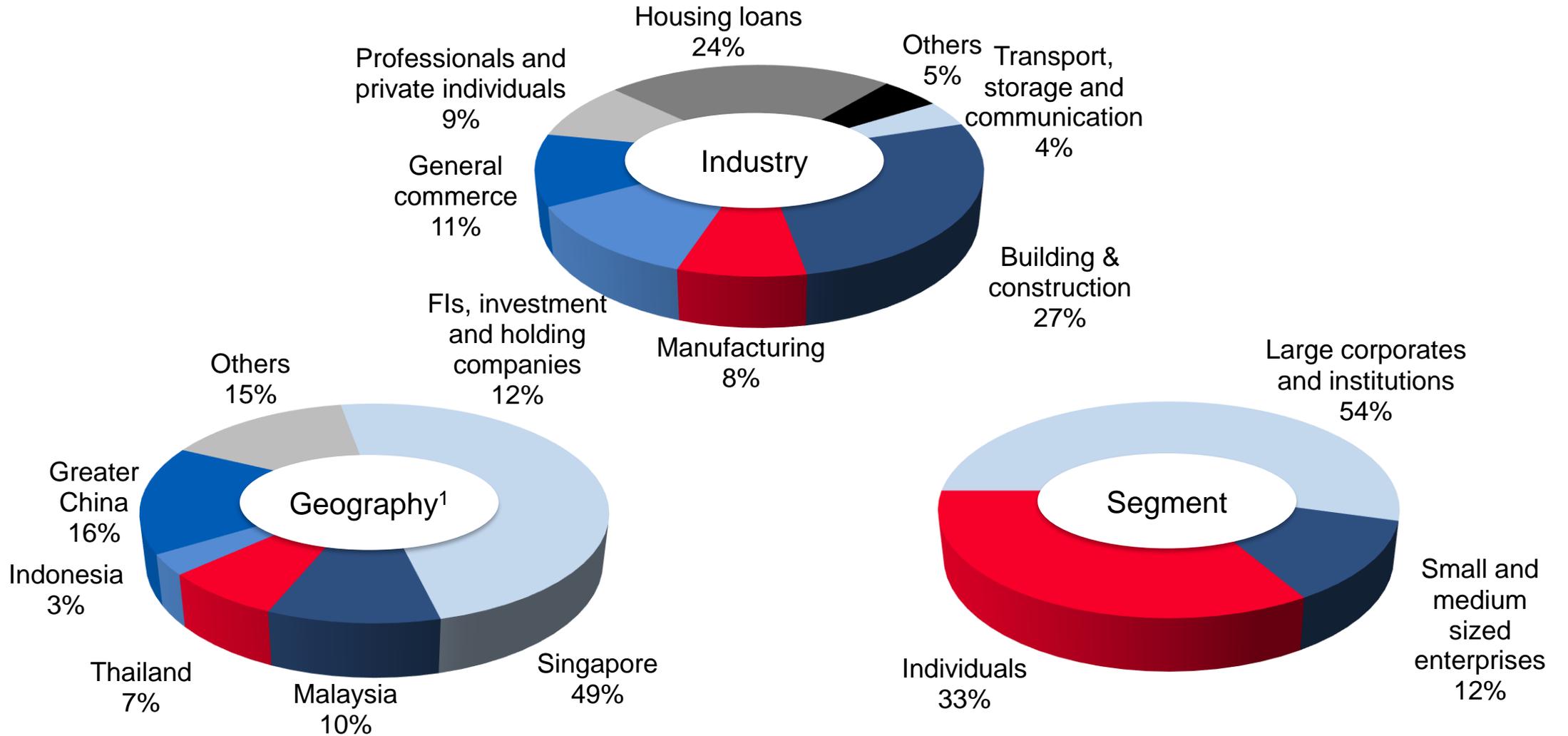
Common Equity Tier 1 ratio (%)



Notes

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

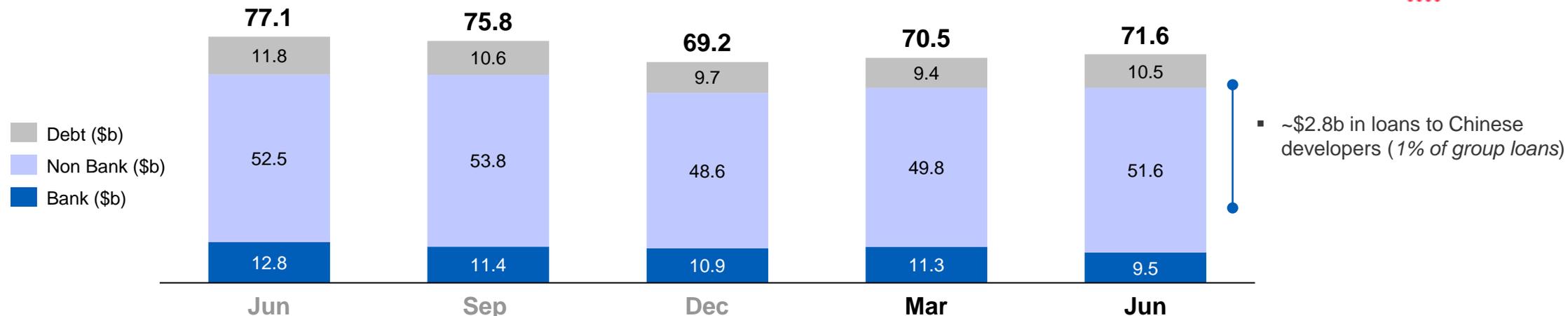
Diversified loan portfolio



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

Exposure to Greater China



As at 30 Jun 2023:

Mainland China exposure

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

Hong Kong SAR exposure

(\$43.8b or 9% 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%

Bank exposure (\$0.4b)

- ~85% are to foreign banks

Non-bank exposure (\$37.3b)

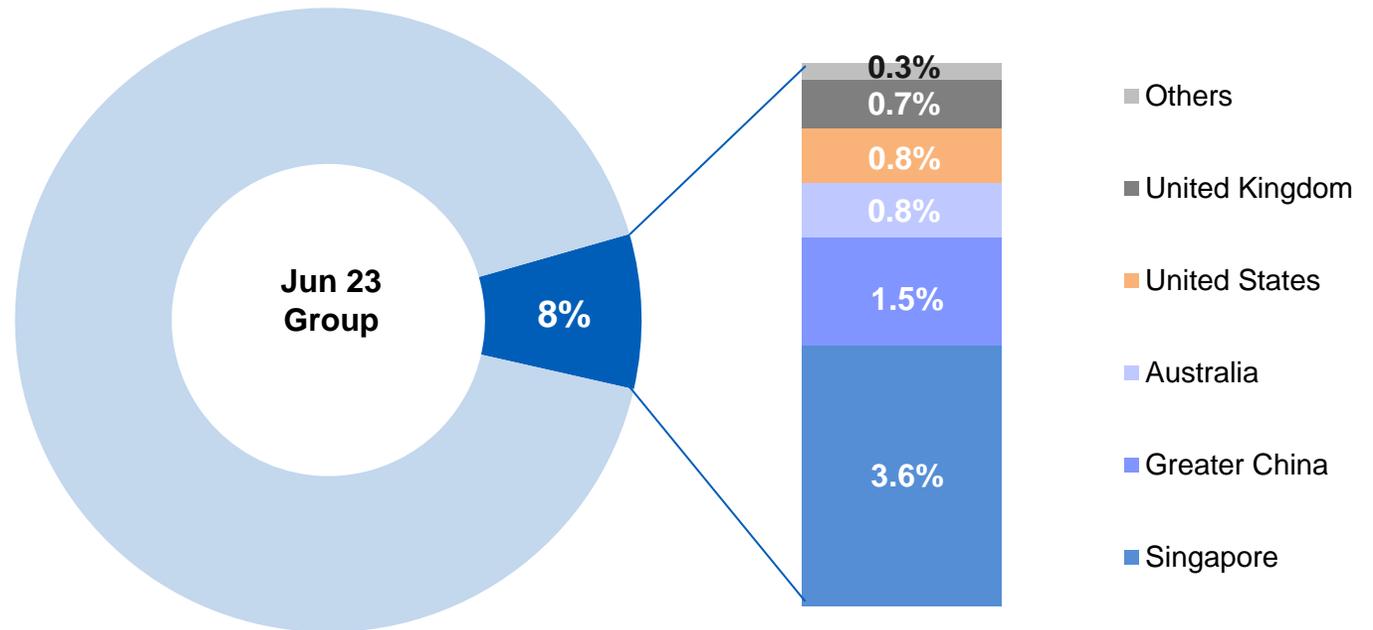
- Exposure mainly to corporate and institutional clients
- ~55% with <1 year tenor
- NPL ratio at 1.4%

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



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+

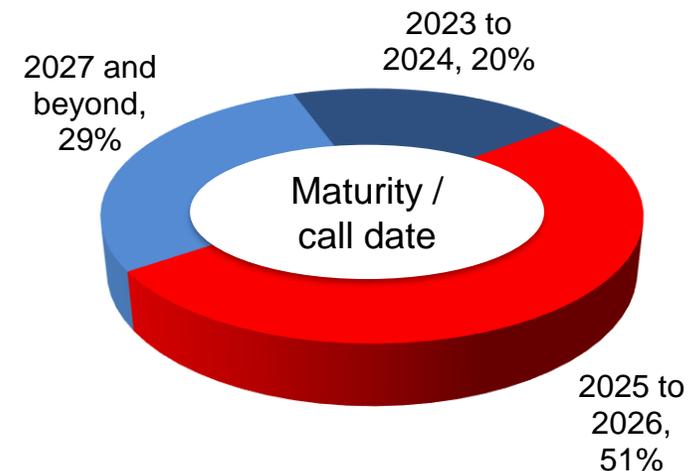
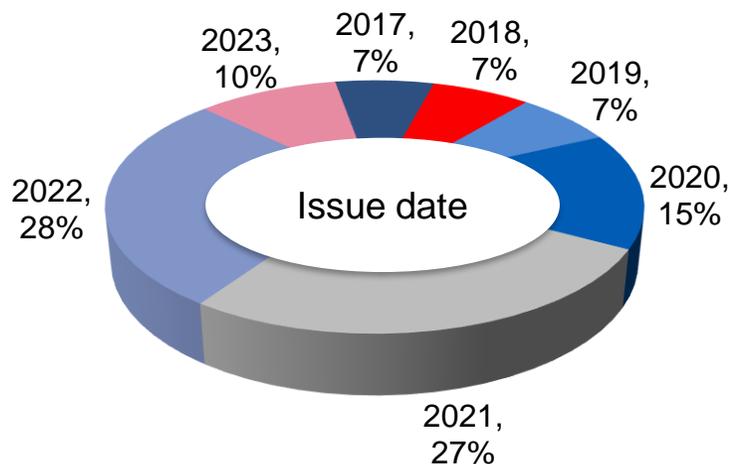
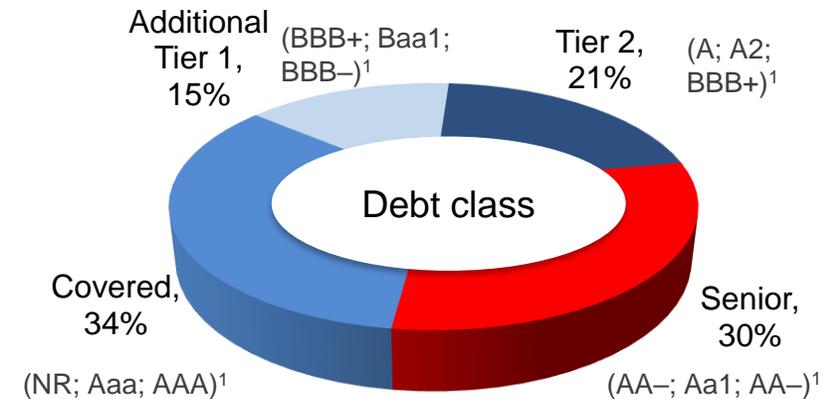
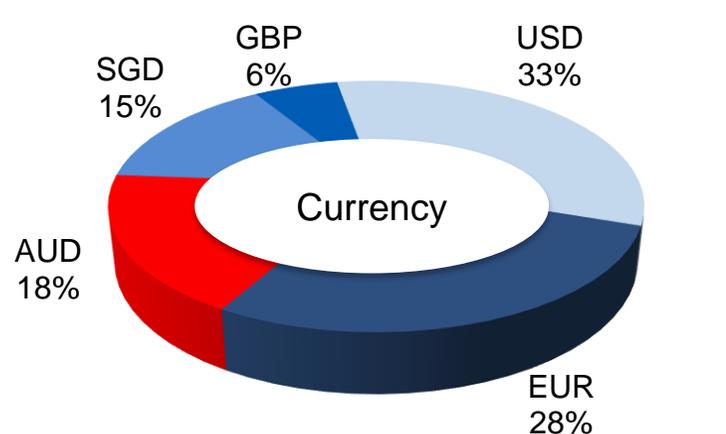
- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

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



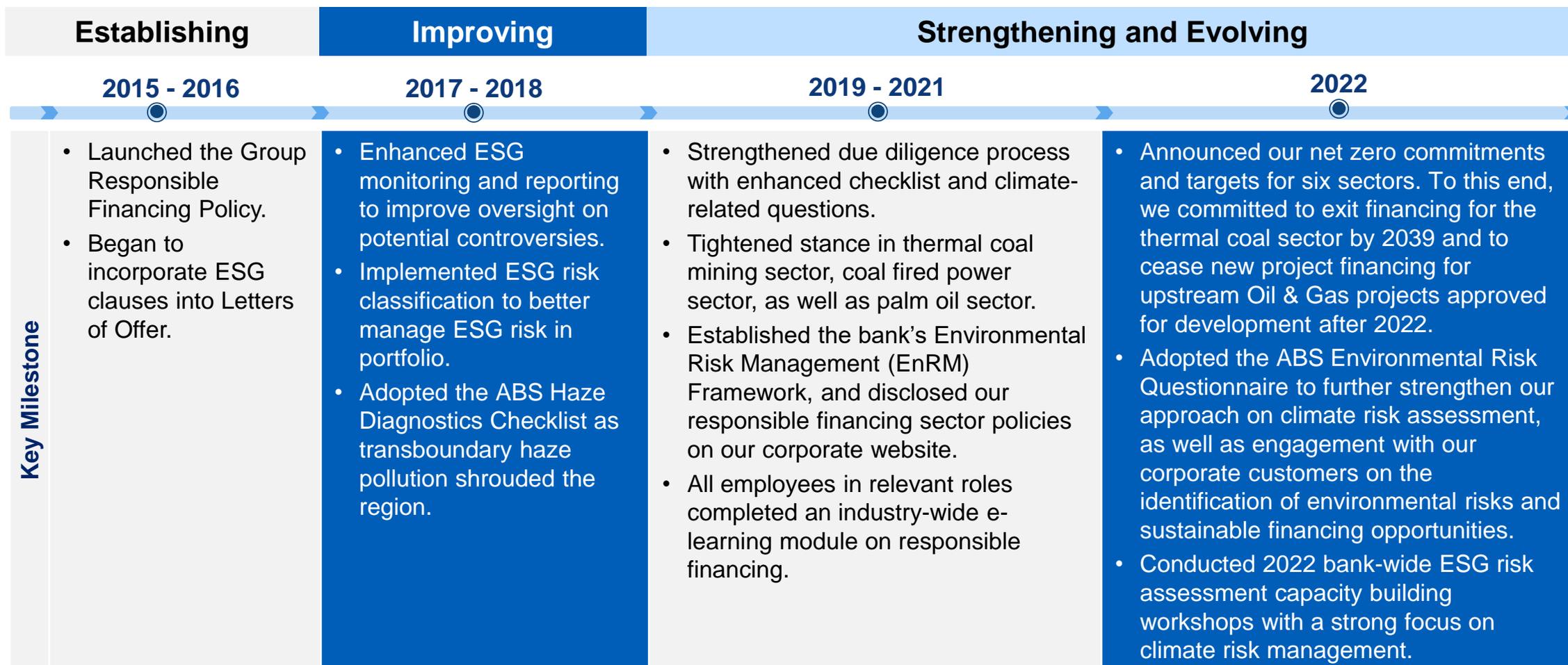
Source: Credit rating agencies

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

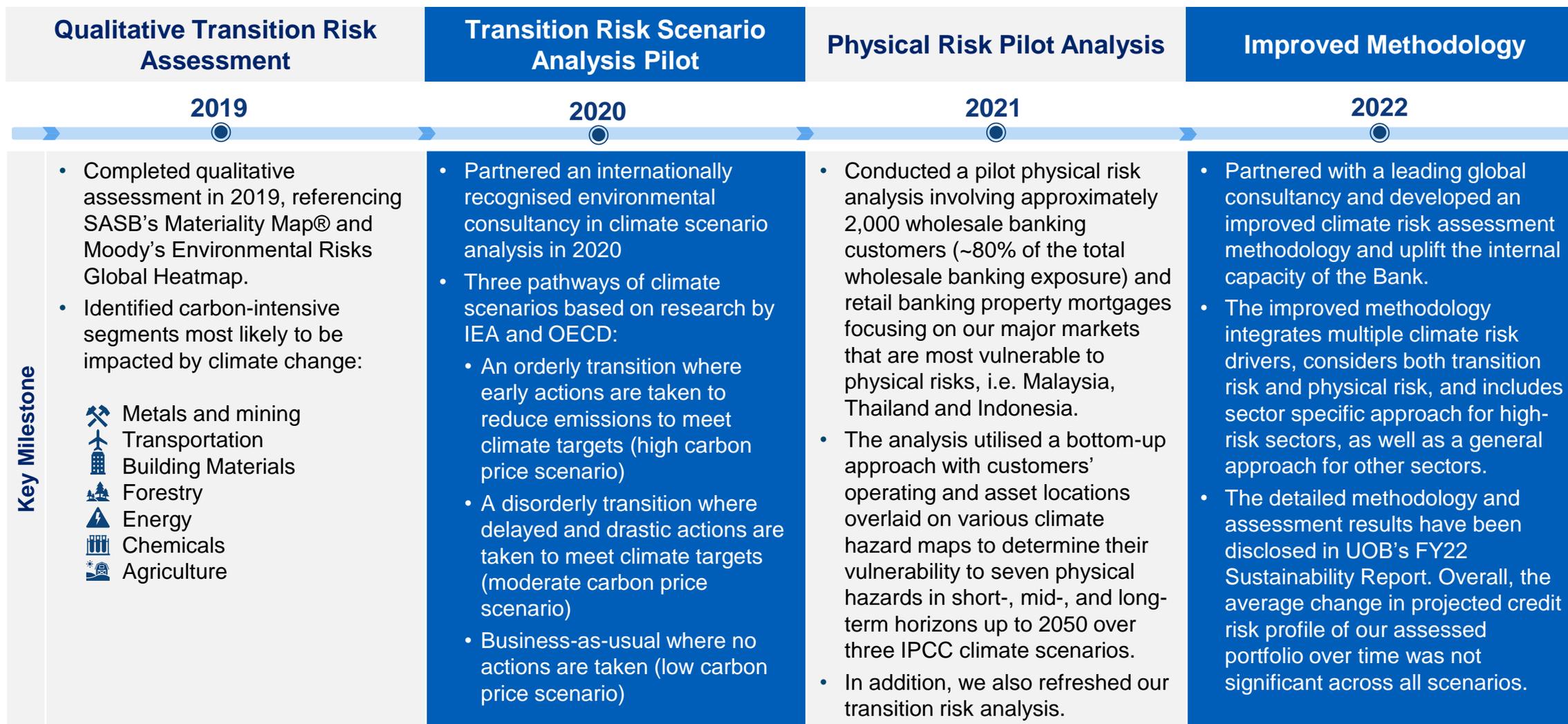
UOB's responsible financing journey: pragmatic and progressive

Overview of UOB Group's Responsible Financing Journey



* Green Finance Industry Taskforce

TCFD Implementation - Climate Scenario Analysis



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

ESG ratings, rankings and indices



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



Ratings

AA

As at Apr 2023
MSCI ESG Rating

B

In 2022¹
CDP Climate Change
Score

19.8

Low Risk as at 2022
Sustainalytics
ESG Risk Rating



Rankings

Top 20

Among ASEAN companies
ASEAN Corporate Governance
Scorecard (ACGS)

#2

Among Singapore companies
ASEAN Corporate Governance
Scorecard (ACGS)

#1

Among ASEAN banks in 2022
WWF Sustainable Banking
Assessment



Indices

#4

By market cap as at Jul 2023
FTSE4Good
ASEAN-5 Index

#3

Largest constituent as at Jun 2023
iEdge Singapore
ESG Leaders Index

#4

Among Singapore companies
NUS-CGS
Singapore Governance &
Transparency Index (SGTI)

1. An improvement from 'C' score in 2021.

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

Why UOB?



Stable management



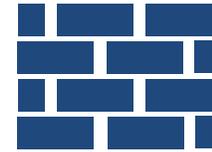
- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

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



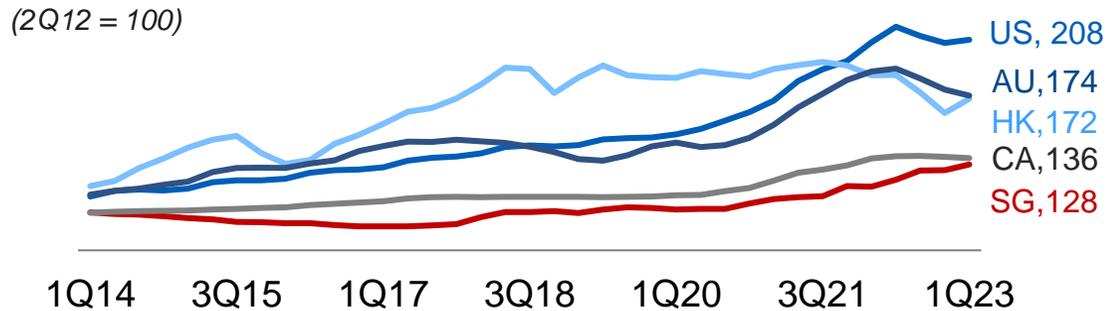
- Over 50% of Group's earnings from home market of Singapore (AAA sovereign rating)
- Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future
- Maintain long-term perspective to growth for sustainable shareholder returns

3. Resilience of the Singapore Housing Market & UOB's Cover Pool

Singapore mortgages remain a low-risk asset class

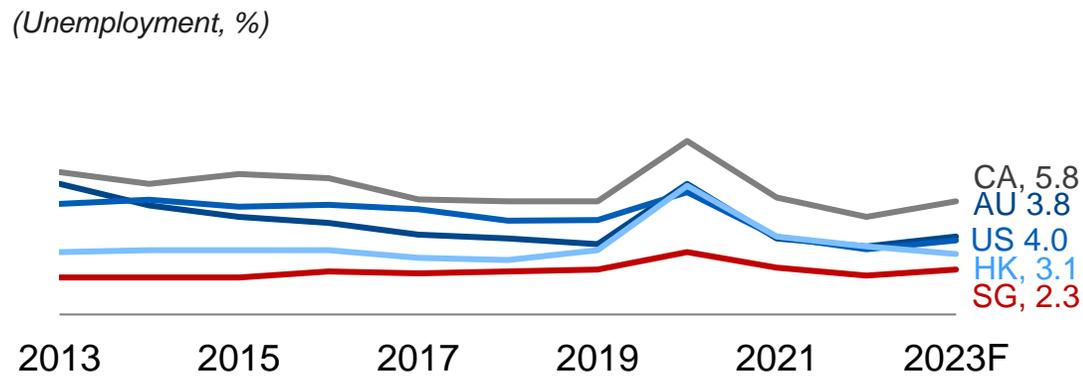


Low risk of housing bubble due to cooling measures



Sources: CEIC, UOB Economic-Treasury Research

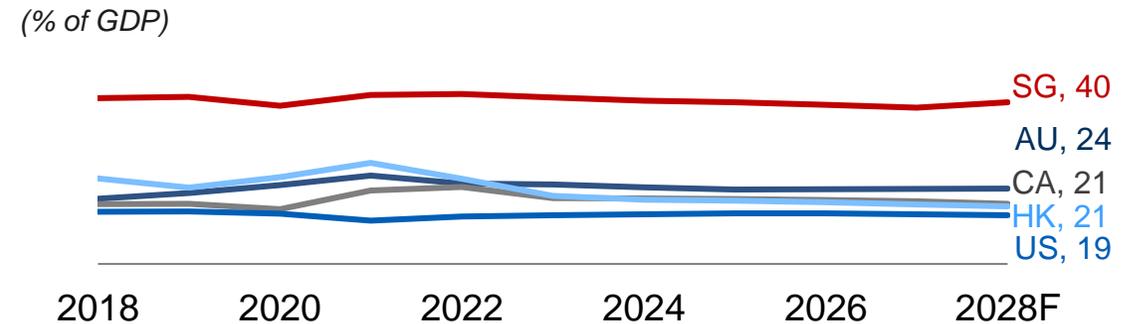
Low unemployment underscores housing affordability and support for mortgage servicing



Sources: Macrobond, UOB Economic-Treasury Research

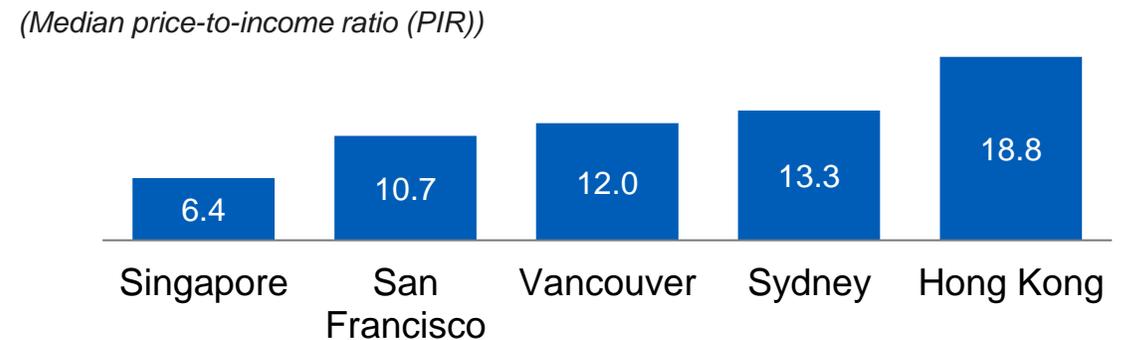
Note: AU: Australia; CA: China; HK: Hong Kong; SG: Singapore; US: United States

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

USD15,000,000,000 Global Covered Bond Programme



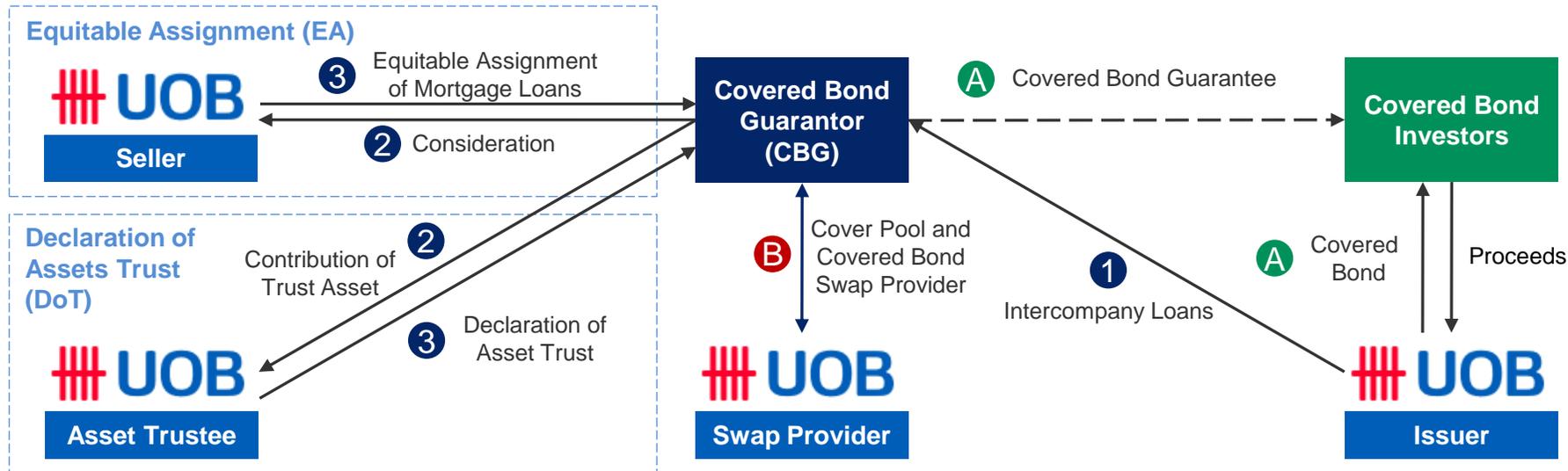
Issuer	United Overseas Bank Limited
Issuer Long Term Rating	Aa1 (stable) / AA- (stable) / AA- (negative) (Moody's / S&P / Fitch)
Issuer Short Term Rating	P-1 / A-1+ / F1+ (Moody's / S&P / Fitch)
Programme Limit	USD15,000,000,000
LCR Status / ECB Repo Eligibility	Expected Level 2A Eligible (EU)^ / Not Eligible
Programme Rating	Aaa / AAA (Moody's / S&P)
Issuance Structure (Dual Recourse)	Direct issuance covered bond regulated under MAS Notice 648, Senior unsecured claim against the Issuer and senior secured claim against the Cover Pool
Covered Bond Guarantor (CBG)	Glacier Eighty Pte. Ltd., a newly set up orphan SPV incorporated in Singapore for the sole purpose of facilitating the activities under the Covered Bond Programme
Covered Bond Guarantee	The CBG has provided a guarantee as to payments of interest and principal under the Covered Bonds
Cover Pool	Eligible 1 st ranking SGD denominated residential mortgages loans originated by UOB in Singapore (and other eligible assets)
Mortgage Loan-to-Value Cap	80% of latest Valuation of the Property, to be adjusted at least quarterly
Over-collateralisation (OC)	Legal minimum OC of 3% and committed OC of 15.90%
Hedging	Cover Pool Swap ¹ to hedge against possible variances between the interest received from the residential mortgage loans to the CBG's SGD interest/swap payments; Covered Bond Swap to hedge against the currency risk between the amount received by the CBG against its payment in other currency
Listing	Singapore Stock Exchange (SGX – ST)
Governing Law	English law (bond & swap documents) and Singapore law (asset documents)
Servicer, Cash Manager and Seller	United Overseas Bank Limited
Asset Monitor	Ernst & Young LLP
Trustee	DB International Trust (Singapore) Limited
Issuing and Paying Agent	Deutsche Bank AG, Singapore Branch
Arrangers	BNP Paribas, United Overseas Bank Limited and Hong Kong and Shanghai Banking Corporation

[^]Please refer to http://ec.europa.eu/finance/bank/docs/regcapital/acts/delegated/141010_delegated-act-liquidity-coverage_en.pdf and check for details. At the time of this presentation and subject to any relevant matters which are within the control of a relevant EU investor (including its compliance with the transparency requirement referred to in article 129(7) of Regulation (EU) 575/2013) and to the issuer and the covered bonds being regarded to be subject to supervisory and regulatory arrangements regarded to be at least equivalent to those applied in the EU, this bond should satisfy the eligibility criteria for its classification as a Level 2A asset in accordance with Chapter 2 of Regulation (EU) 2015/61 supplementing Regulation (EU) 575/2013. Notwithstanding the foregoing, it should be noted that whether or not a bond is a liquid asset for the purposes of the Liquidity Coverage Ratio under Regulation (EU) 575/2013 is ultimately to be determined by a relevant investor institution and its relevant supervisory authority and neither the issuer nor the manager accept any responsibility in this regard

¹Only entered into if and when required by either Rating Agency in order to ensure that the then current rating of the Covered Bonds would not be downgraded

Covered Bond Structure

Notwithstanding that CPF's consent is required for the transfer or assignment of mortgages relating to CPF Loans, no such consent is required for a declaration of trust over mortgages relating to CPF Loans. The Seller is acting as the Assets Trustee and the CPF Loans are held on trust for the benefit of the Covered Bond Guarantor (CBG). Both EA and DOT mechanisms are permissible under MAS Notice 648 and such hybrid structure has been used in Covered Bond programmes in other jurisdiction.



¹ Only entered into if and when required by either Rating Agency to ensure that the then current rating of the Covered Bonds would not be downgraded.

² DOT Loans mean:
 (1) the borrowers had used CPF funds in connection with a residential property (CPF Loan) or
 (2) the required documentation for the borrowers' use of CPF funds, in connection with a residential property, is prepared.

³ EA Loans mean a non-CPF Loan and the required documentation for the borrowers' use of CPF funds, in connection with a residential property, is not prepared.

Credit Structure (Dual Recourse)

- A** Covered Bond issued directly from UOB constitutes direct, unsecured and unsubordinated obligations of the issuer
- CBG guarantees the payment of interest and principal on the Covered Bonds, secured by the Cover Pool

Hedging

- B** Cover Pool Swap¹ – to hedge interest rate risk between the mortgage loans and CBG's SGD interest / swap payments¹
- Covered Bond Swap (if necessary) – to hedge against the currency risk between the amount received by the CBG against its payment in other currency

Segregation of Mortgage Loans

- UOB provides an intercompany loan to the CBG
- CBG pays UOB consideration for the purchase of the mortgage loans
- A dual ring-fencing structure which uses both equitable assignment (EA) and declaration of assets trust (DOT) mechanisms:
 - DOT – for the sale of DOT loans²
 - EA – for the sale of EA loans³ via equitable assignment

UOB's Cover Pool Profile

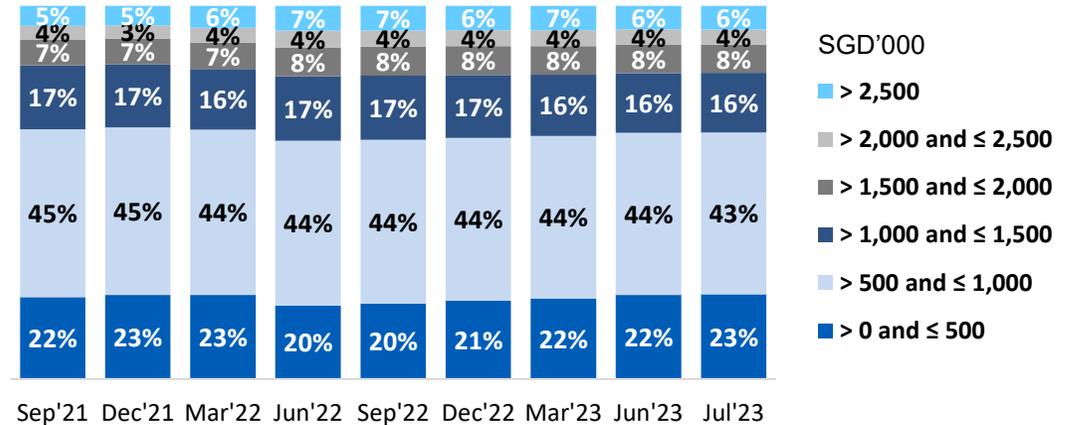


Overview of Cover Pool (as of Jul'23)

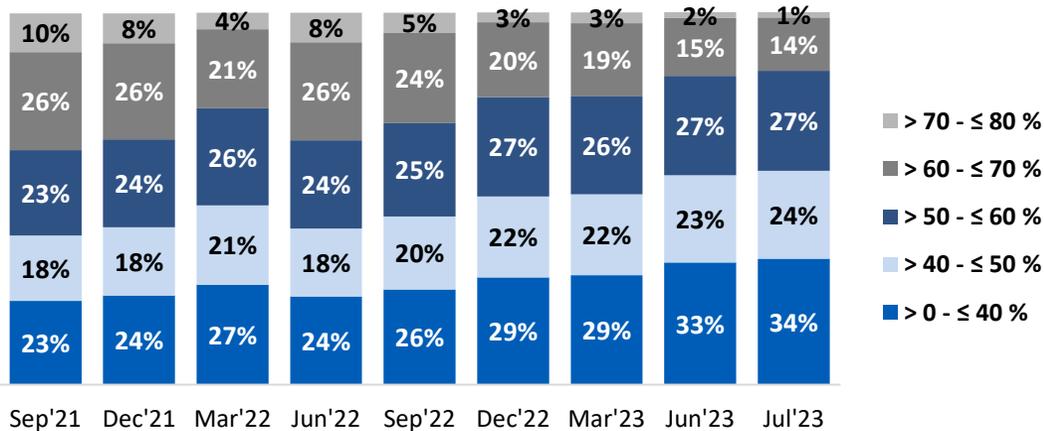
Number of Mortgage Accounts	21,028
Total Current Balance (SGD)	13.2 billion
Average Current Loan Balance (SGD)	629,690
Maximum Current Loan Balance (SGD)	9,436,750
Weighted Average Current Interest Rate	3.13 %
Weighted Average Seasoning	65 months
Weighted Average Remaining Tenor	242 months
Weighted Average Indexed Current LTV ¹	45.2 %
Weighted Average Unindexed ² Current LTV ¹	53.9 %

1. Loan to value 2. Current loan balance divided by the original property value

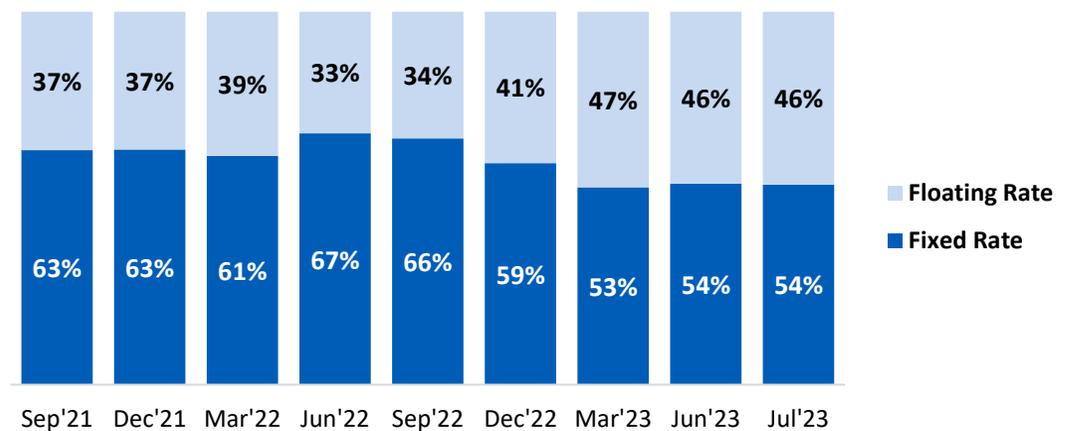
Current Loan Balances Mainly <SGD1m



Current LTV Mainly ≤60%



Slightly More Fixed Rate Mortgages

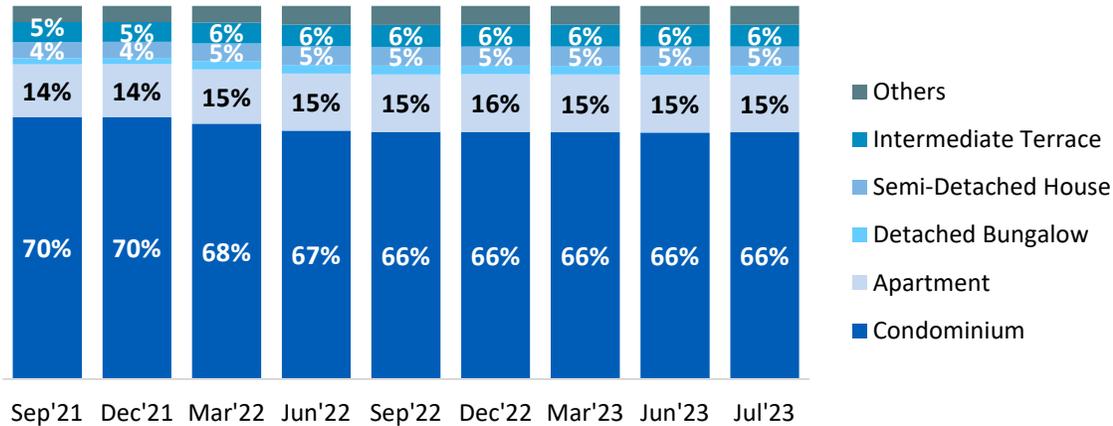


Note: Percentages less than 2% are not shown due to immateriality.

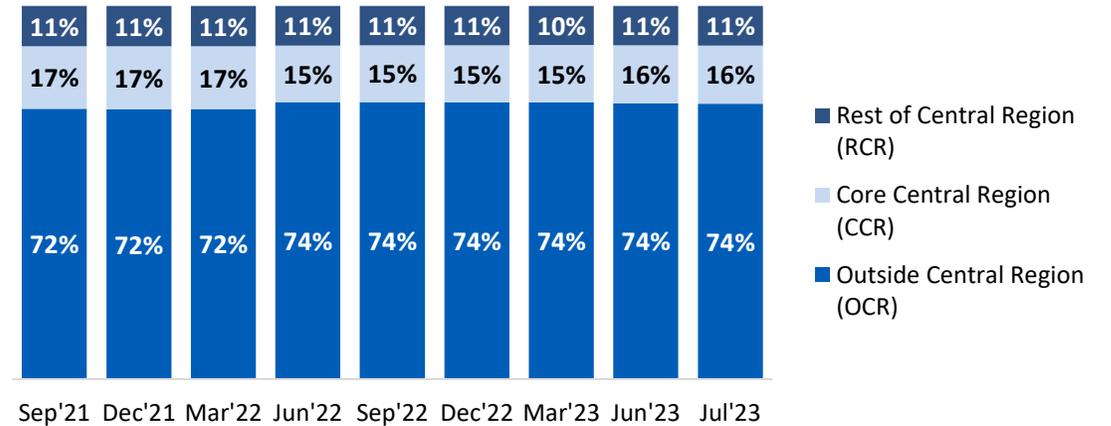
Cover Pool Has Been Stable



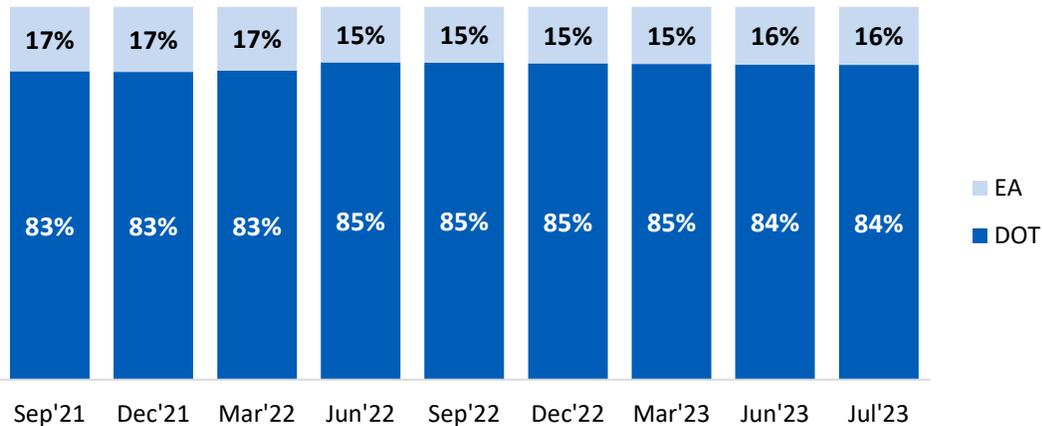
Primarily Condominiums and Apartment



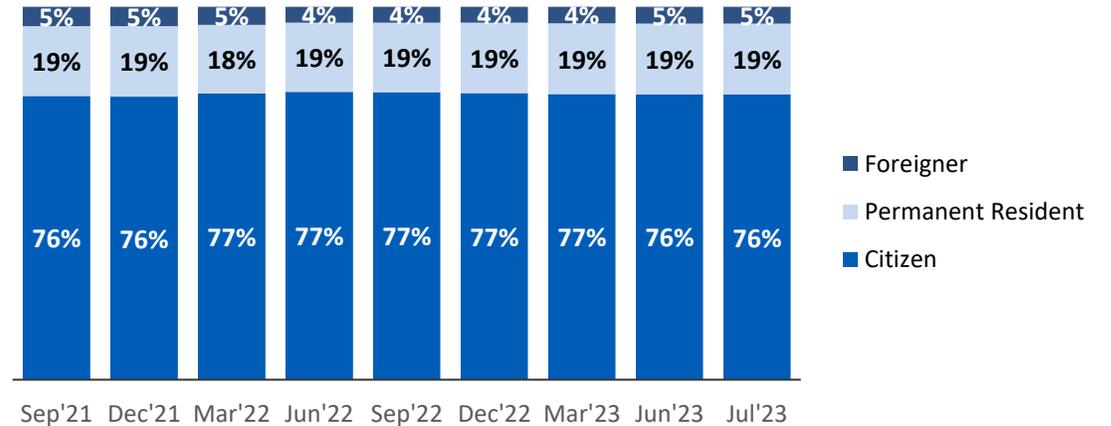
Diversified Geographical Distribution



Strong Legal Protection by EA¹ and DOT²



Borrowers Mainly Citizens and PRs

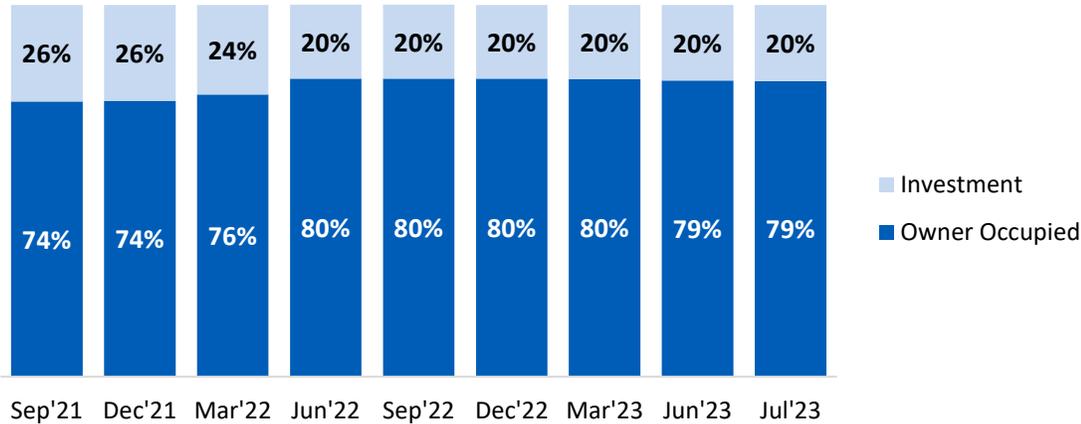


1. Equitable assignment 2. Declaration of asset trust
 Note: Percentages less than 2% are not shown due to immateriality.

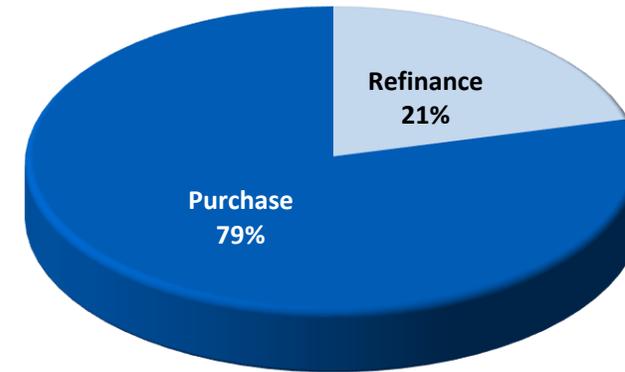
Cover Pool Has Been Stable (Cont'd)



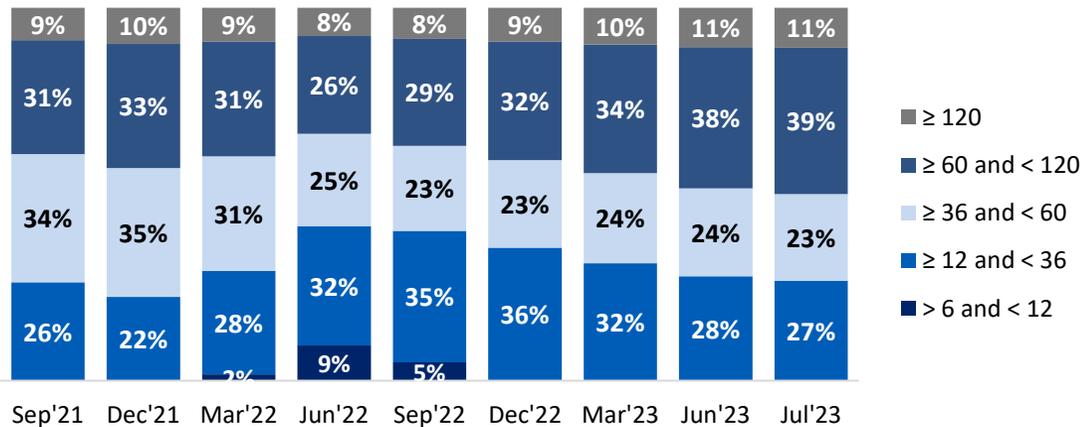
Majority Owner Occupied



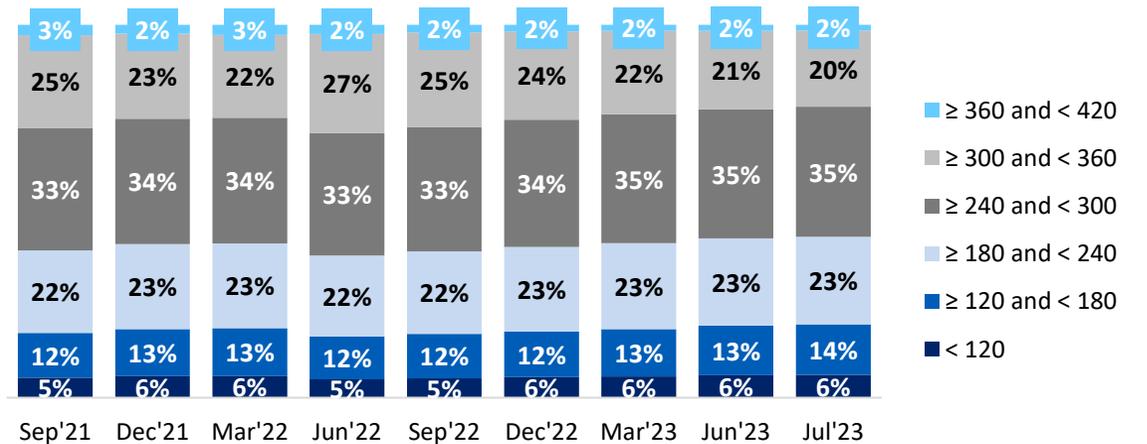
Loans Mainly for Purchases



Well Seasoned Portfolio (in Months)



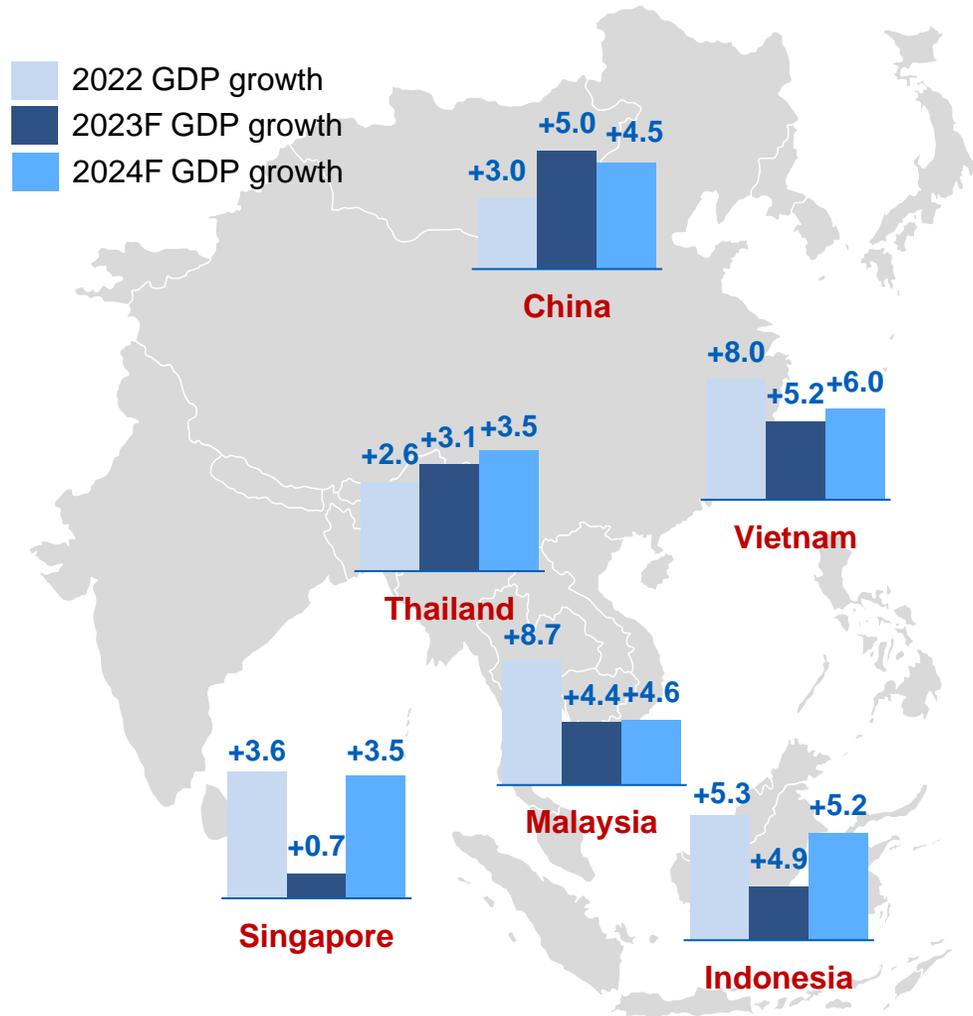
Stable Profile for Remaining Loan Tenors (in Months)



Note: Percentages less than 2% are not shown due to immateriality.

Appendix A: 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

	Persons, million					Latest YTD mn pax	2022 mn pax	2021 mn pax	2020 mn pax	2019 mn pax
	0	2	4	6	8					
Hong Kong	[Bar chart showing 12.9 million]					12.9	0.6	0.1	3.6	55.9
Thailand	[Bar chart showing 10.7 million]					10.7	11.2	0.4	6.7	39.9
Japan	[Bar chart showing 8.6 million]					8.6	3.8	0.2	4.1	31.9
Singapore	[Bar chart showing 6.3 million]					6.3	6.3	0.3	2.7	19.1
Vietnam	[Bar chart showing 5.6 million]					5.6	3.7	0.2	3.8	18.0
Indonesia	[Bar chart showing 4.1 million]					4.1	5.5	1.6	4.1	16.1
South Korea	[Bar chart showing 3.5 million]					3.5	3.2	1.0	2.5	17.5
Taiwan region	[Bar chart showing 2.2 million]					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	4.10	3.85
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	3.82	3.93
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	2.50	2.50
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	3.40	3.35

Developed market central banks are likely nearing the end of their rate hikes cycle, even as they maintain a data-dependence approach. In contrast, most Asian central banks have indicated they are wrapping up their rate hikes. The PBOC is taking a different path, gradually loosening its monetary policy. We believe that China's stimulus measures will continue to remain targeted and measured.

After the rate hike in July and FOMC Chair Powell's neutral yet ambiguous Jackson Hole speech, we anticipate the Fed will maintain its current stance in the September FOMC and throughout 2023, settling the FFTR level at 5.25-5.50%. We foresee no rate reductions in 2023 but expect them to start in 1Q24. There is a slight chance the Fed might increase rates by another 25 bps. However, we believe the Fed's hiking cycle is at/very near the end, and we think the Fed rate is unlikely to go to 6%.

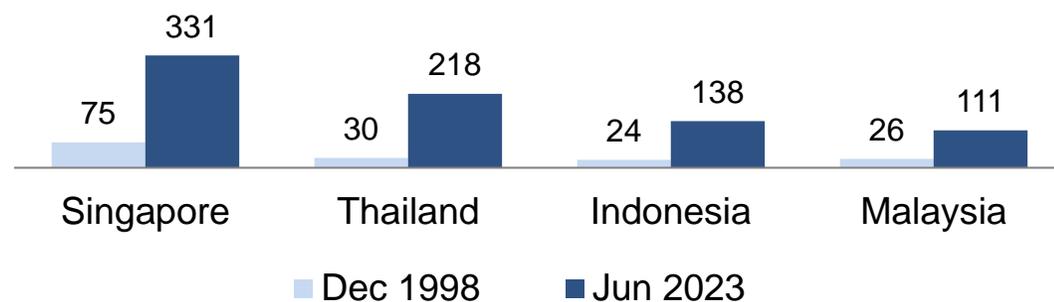
While inflation concerns remained in recent months, it is also evident that economic growth forecast is becoming more uncertain and biased to the weaker side. However, given the persistence of core inflation, it is premature to anticipate a reverse course in monetary policy. Faced with sustained inflation and a weaker growth outlook, we believe the tightening phase have concluded in April and we expect the Monetary Authority of Singapore to uphold this stance in their next meeting in October.

Macro resilience across key Southeast Asian markets



Significantly Higher Foreign Reserves

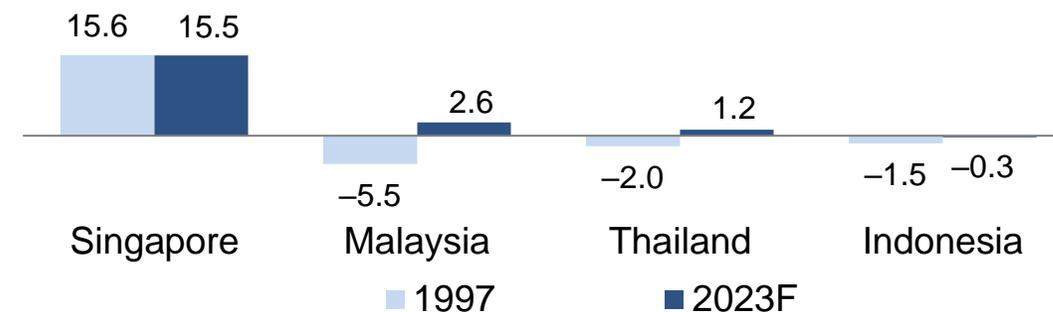
(USD billion)



Sources: World Bank, International Monetary Fund

Improved Current Account Balances

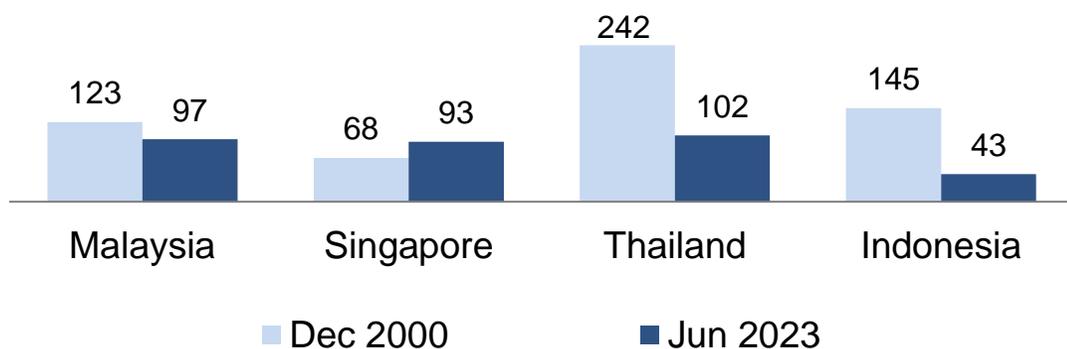
(% of GDP)



Source: International Monetary Fund

Lower Debt to Equity Ratio

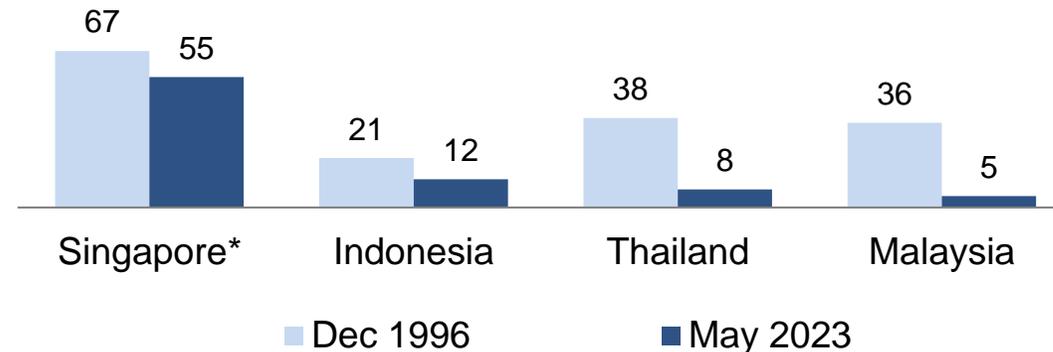
(%)



Total debt to equity ratio = total ST and LT borrowings divided by total equity, multiplied by 100; sources: MSCI data from Bloomberg

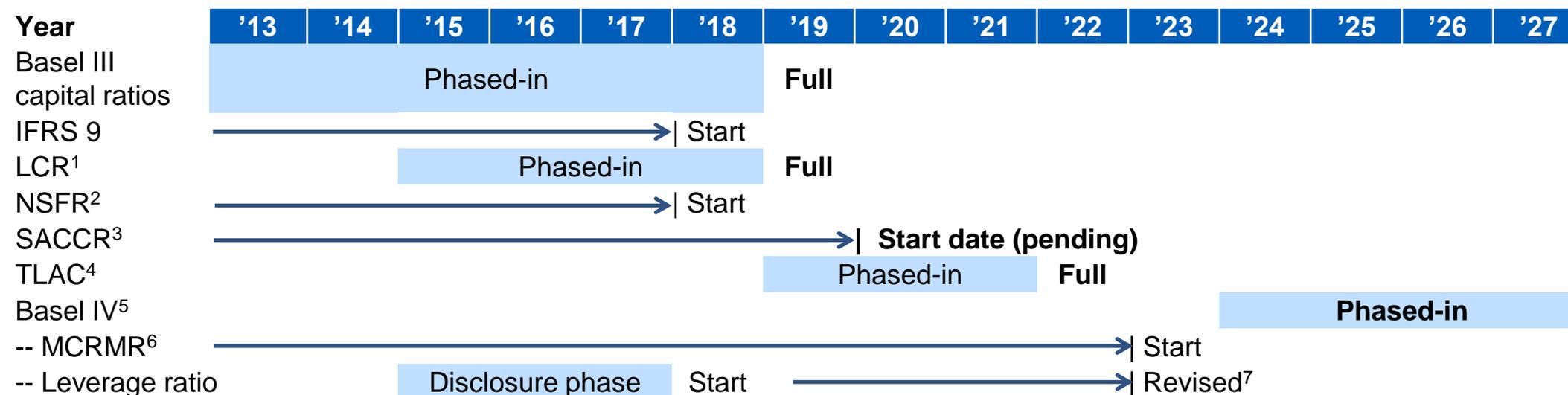
Lower Foreign Currency Loan Mix

(%)



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

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



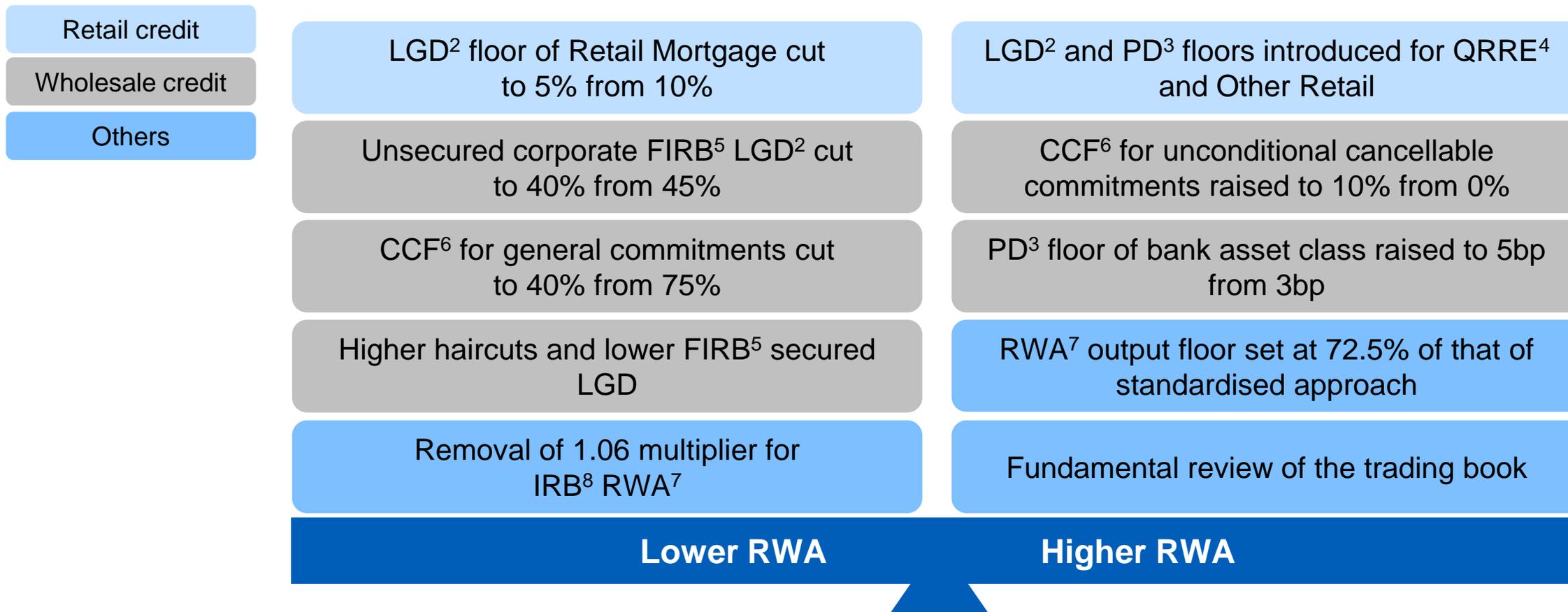
	BCBS	Singapore	Malaysia	Thailand	Indonesia
Minimum CET1 CAR	4.5%	6.5% ¹	4.5%	4.5%	4.5%
Minimum Tier 1 CAR	6.0%	8.0% ¹	6.0%	6.0%	6.0%
Minimum Total CAR	8.0%	10.0% ¹	8.0%	8.5%	8.0%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical Buffer ²	n/a	0%	0%	0%	0%
D-SIB Buffer	n/a	2.0%	1.0%	1.0%	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%)

Impact of Basel IV¹ 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

Appendix B: Growth Drivers

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

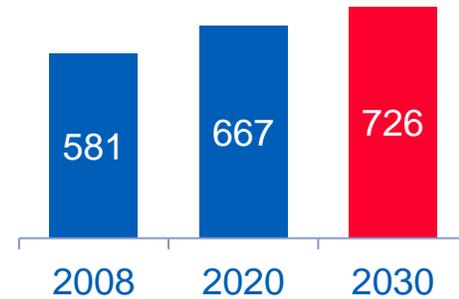


- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

Southeast Asia's immense long-term potential

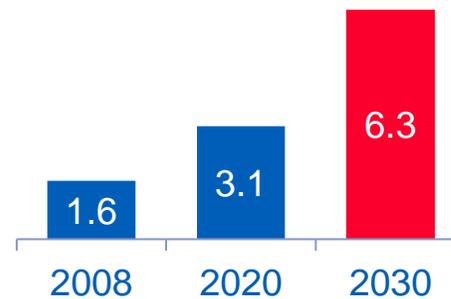
Population

(Million persons)



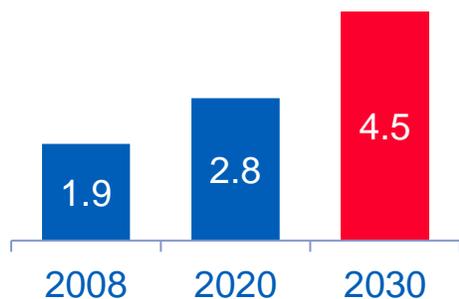
GDP¹

(USD trillion)



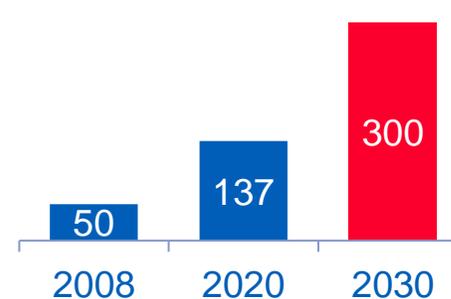
Trade²

(USD trillion)



FDI³

(USD billion)

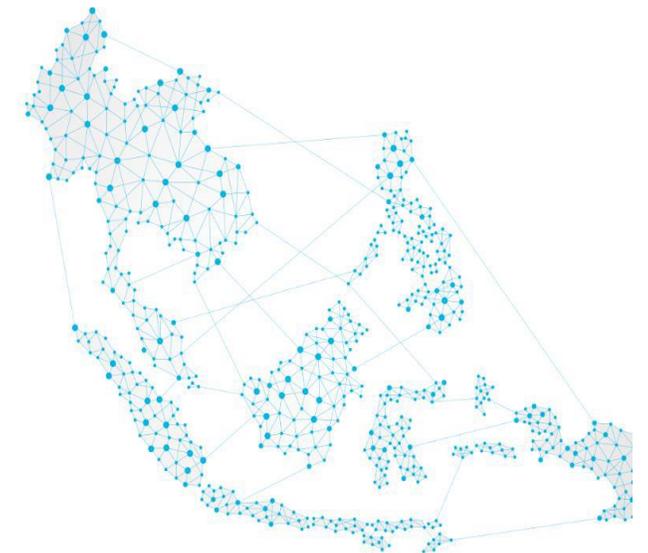


Southeast Asia's immense growth prospects...

- Third largest population globally, after China and India
- Young demographics, with 382 million below 35 years old
- Fifth largest economic bloc globally by GDP¹
- Fourth largest trading group globally
- Third largest recipient of inward FDI³ 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



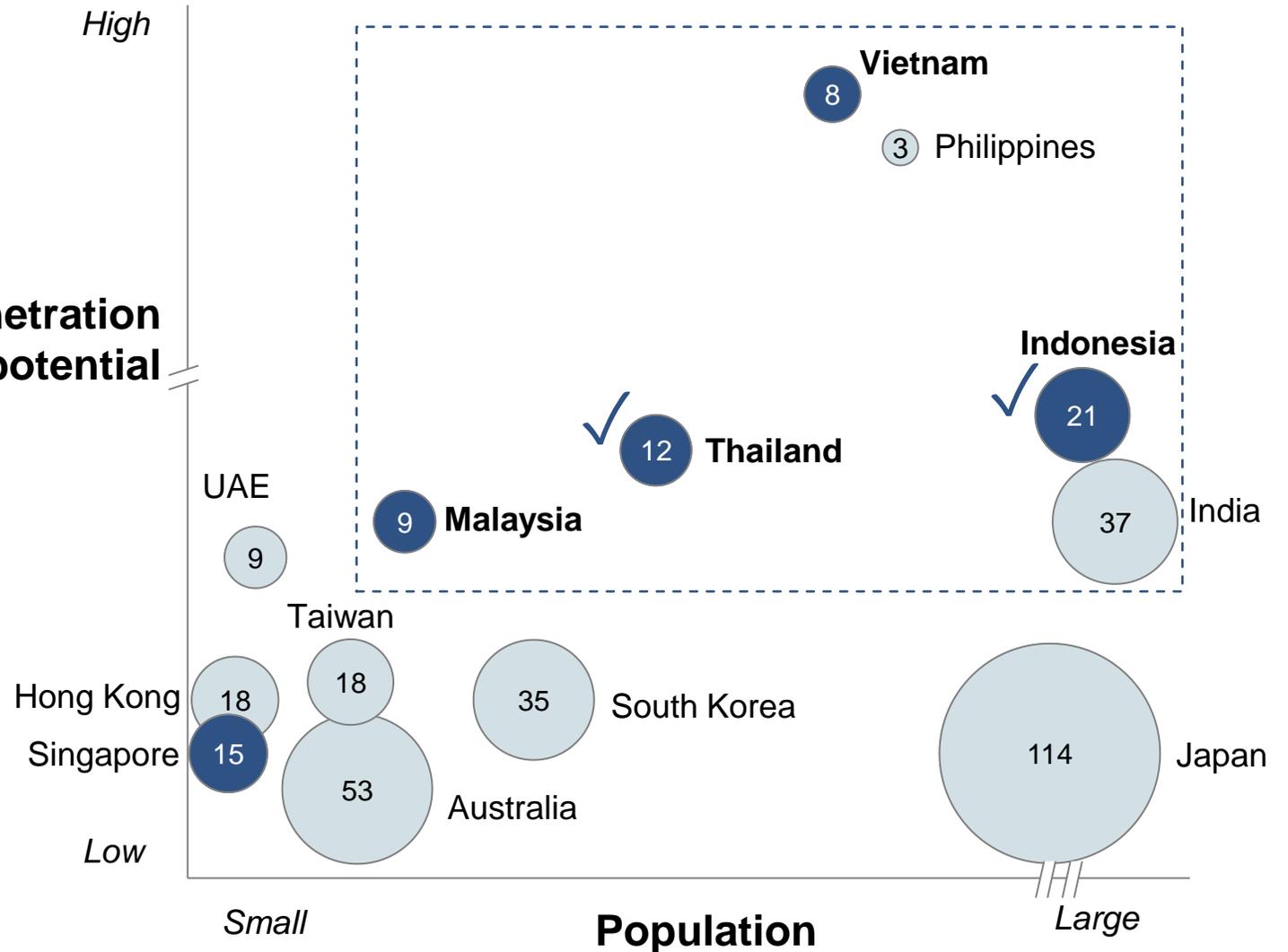
2019 retail banking pool sizes

● 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



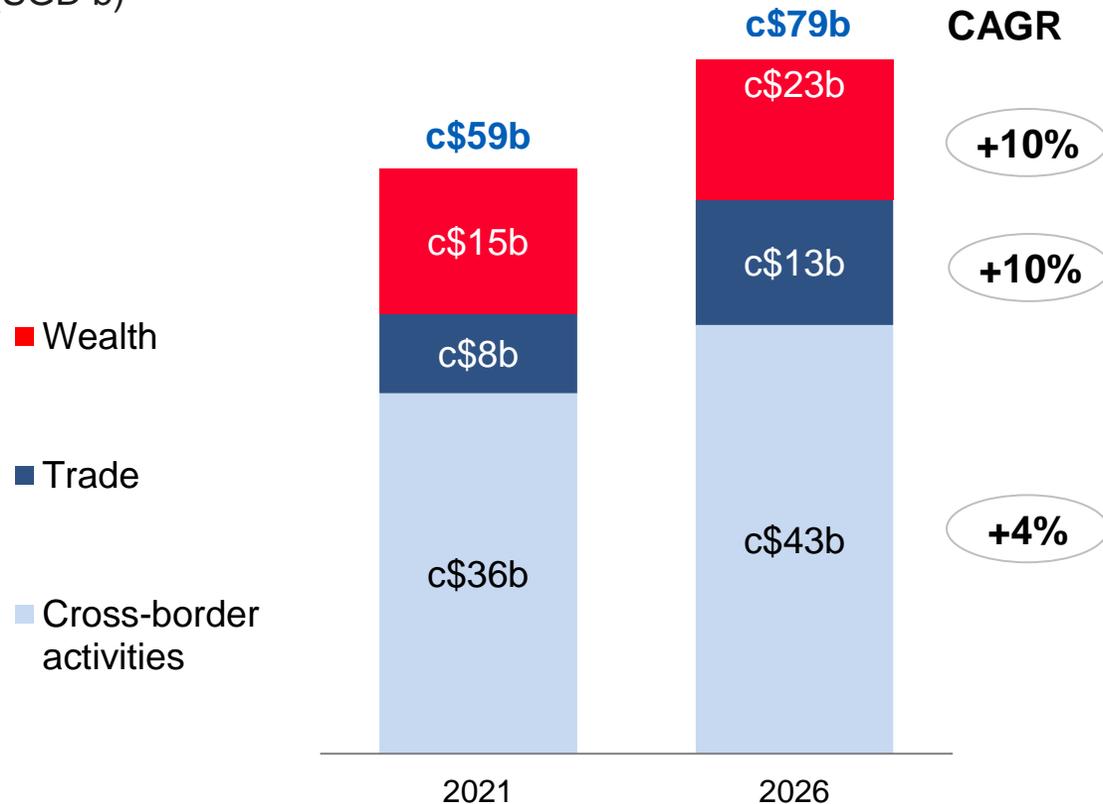
Note: UAE and Japan's retail banking market size as of 2017
 Source: BCG banking pools (2019), World Bank (2017)

Revenue potential from 'connecting the dots' in the region



Industry's potential connectivity revenue

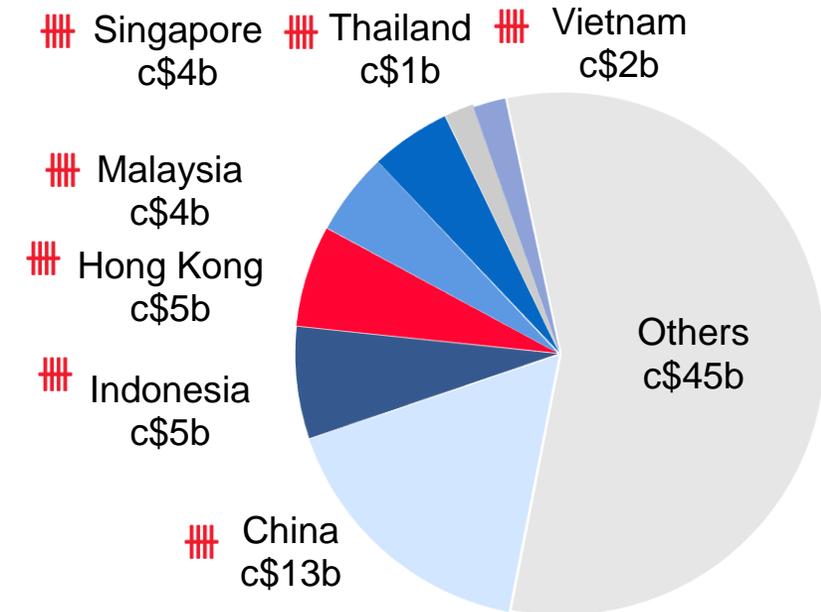
(SGD b)



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)^{1,2}
▲ 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 income¹;
Formed 23% of GWB income



+35%
Suppliers and distributors² 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 sectors¹



+25%
Global Financial Institutions
Group (FIG) income¹



Deepening Digitalisation

For secure and
efficient transactions



+103%
Cashless payments to
businesses in the region³



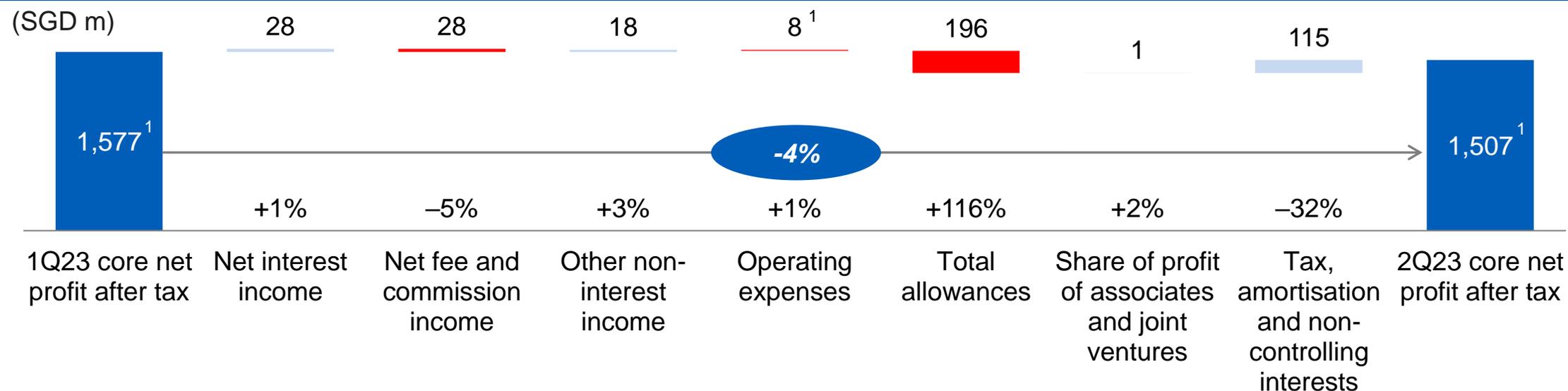
+8%
Digital banking transactions by
businesses across the Group⁴

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

Appendix C: 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 (%) ²	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 (%) ¹	40.9	40.9	-	43.8	-2.9% pt
Return on equity (%) ^{1, 2, 3}	14.1	14.9	-0.8% pt	11.0	+3.1% pt

1. Excluding one-off expenses

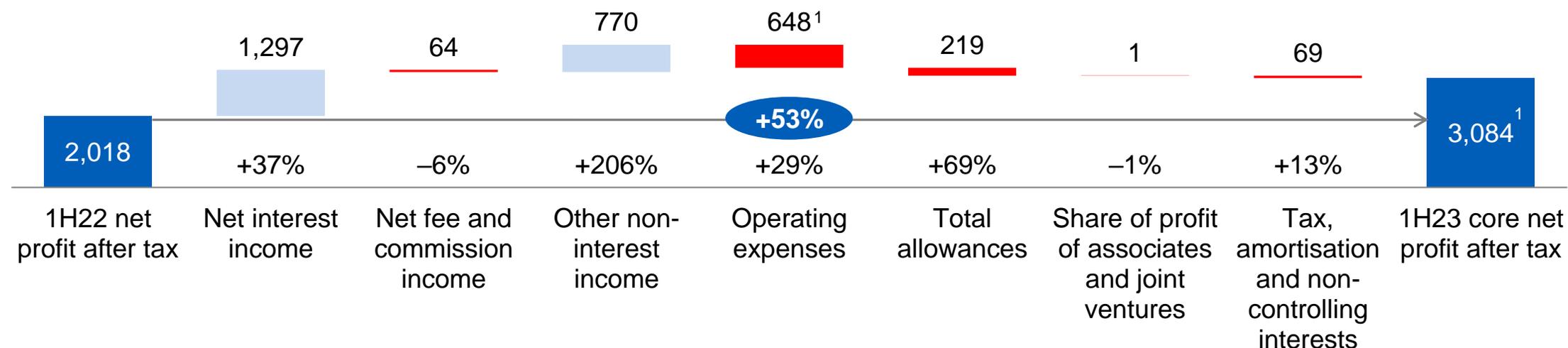
2. Computed on an annualised basis

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 (%) ²	2.13	1.63	+0.50% pt
Non-interest income / Income (%)	31.4	29.9	+1.5% pt
Cost / Income ratio (%) ¹	40.9	44.3	-3.4% pt
Return on equity (%) ^{1,2,3}	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

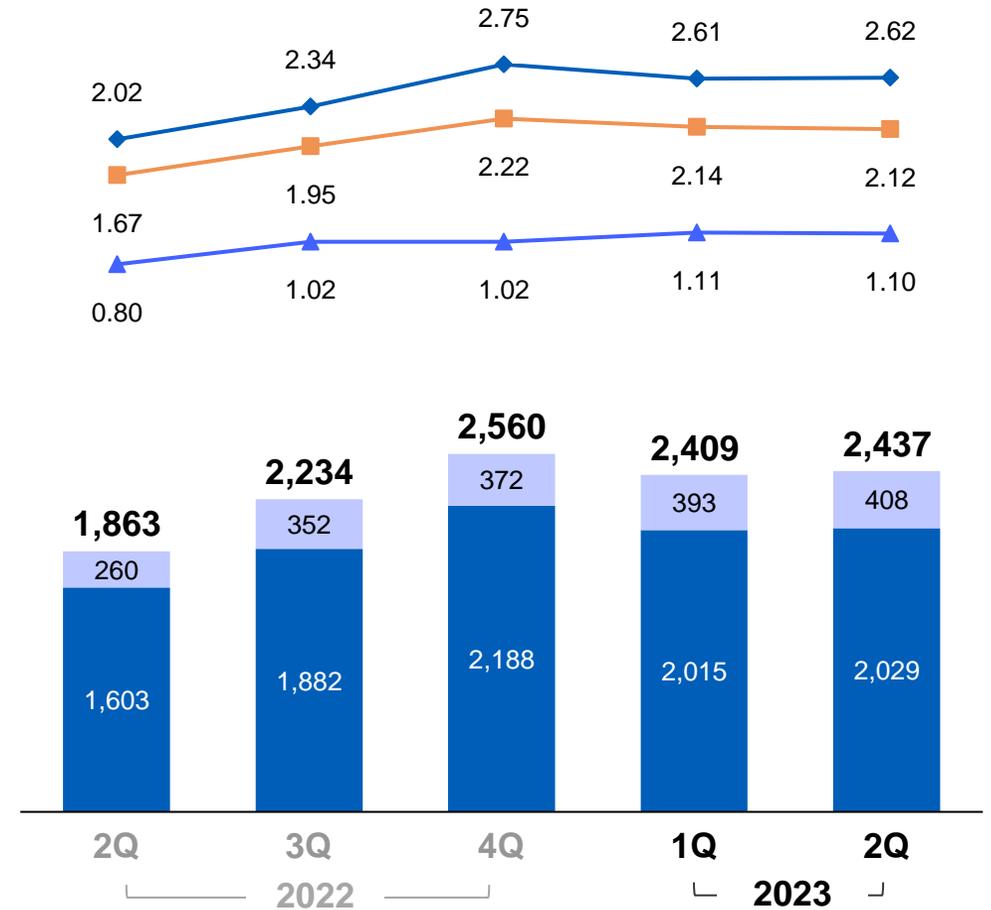
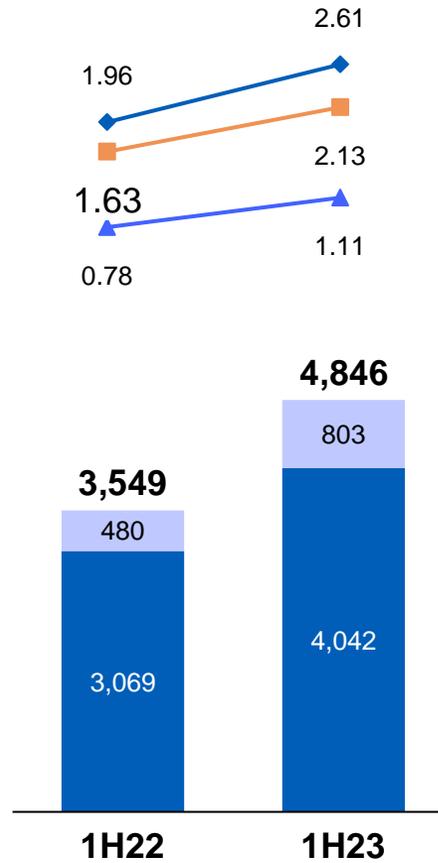
- 1H23 Core operating profit surged to \$4.2b
- ASEAN-4 benefited from Citi consolidation
- Overseas contribution at 42% to Group operating profit

	1H23 \$m	1H22 \$m	YoY +/(-)%	2Q23 \$m	1Q23 \$m	QoQ +/(-)%
Core operating profit ⁽¹⁾						
Singapore	2,418	1,542	57	1,184	1,233	(4)
ASEAN-4	911	635	43	446	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
North Asia	343	320	7	190	153	24
Greater China	310	295	5	172	137	26
Others	33	24	35	17	16	9
Rest of the world	505	323	57	273	232	18
Total	4,177	2,820	48	2,093	2,083	0
Overseas contribution (%) ⁽¹⁾	42.1	45.3	(3.2)	43.4	40.8	2.6

(1) Excluding one-off expenses

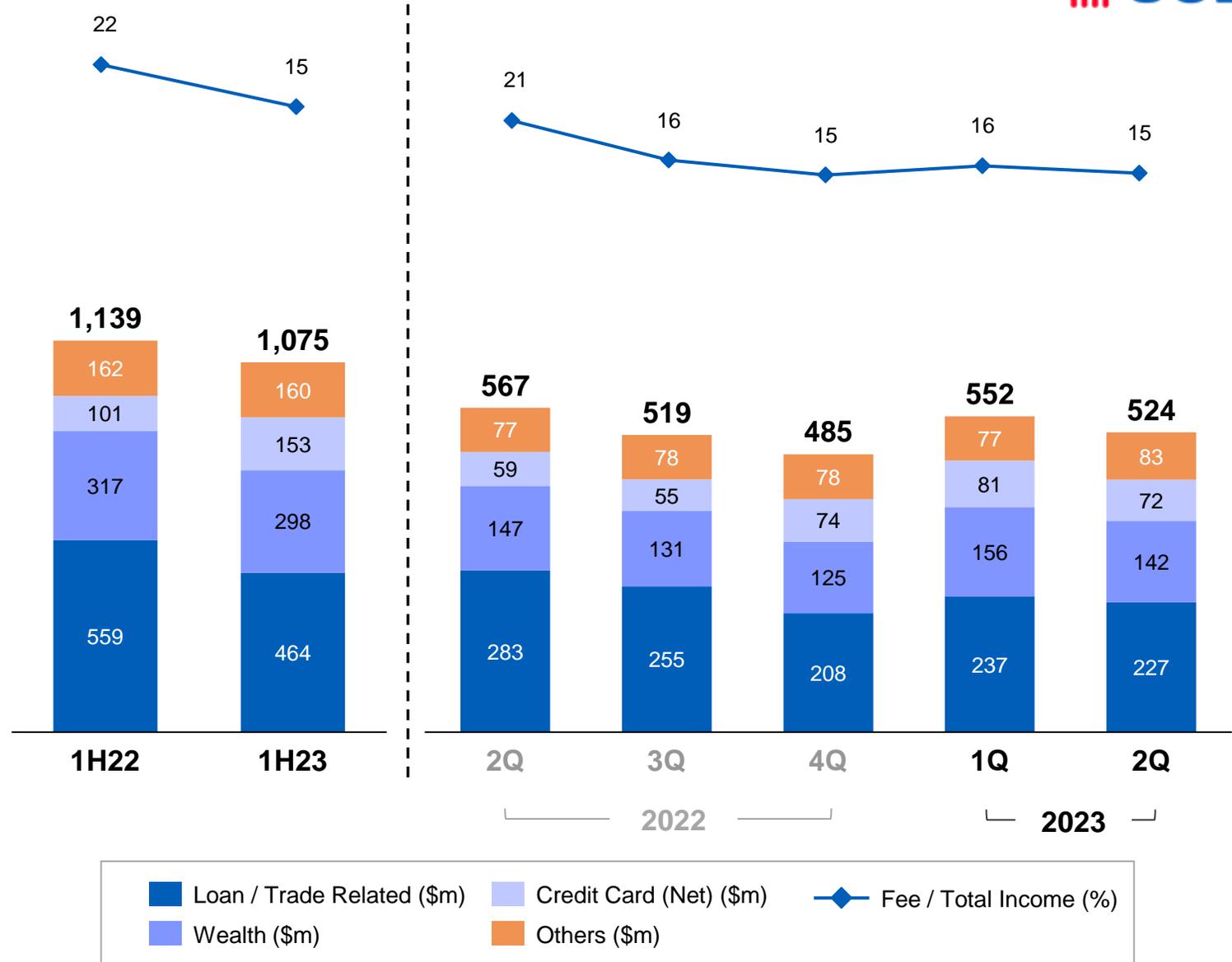
Net Interest Income and Margin

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



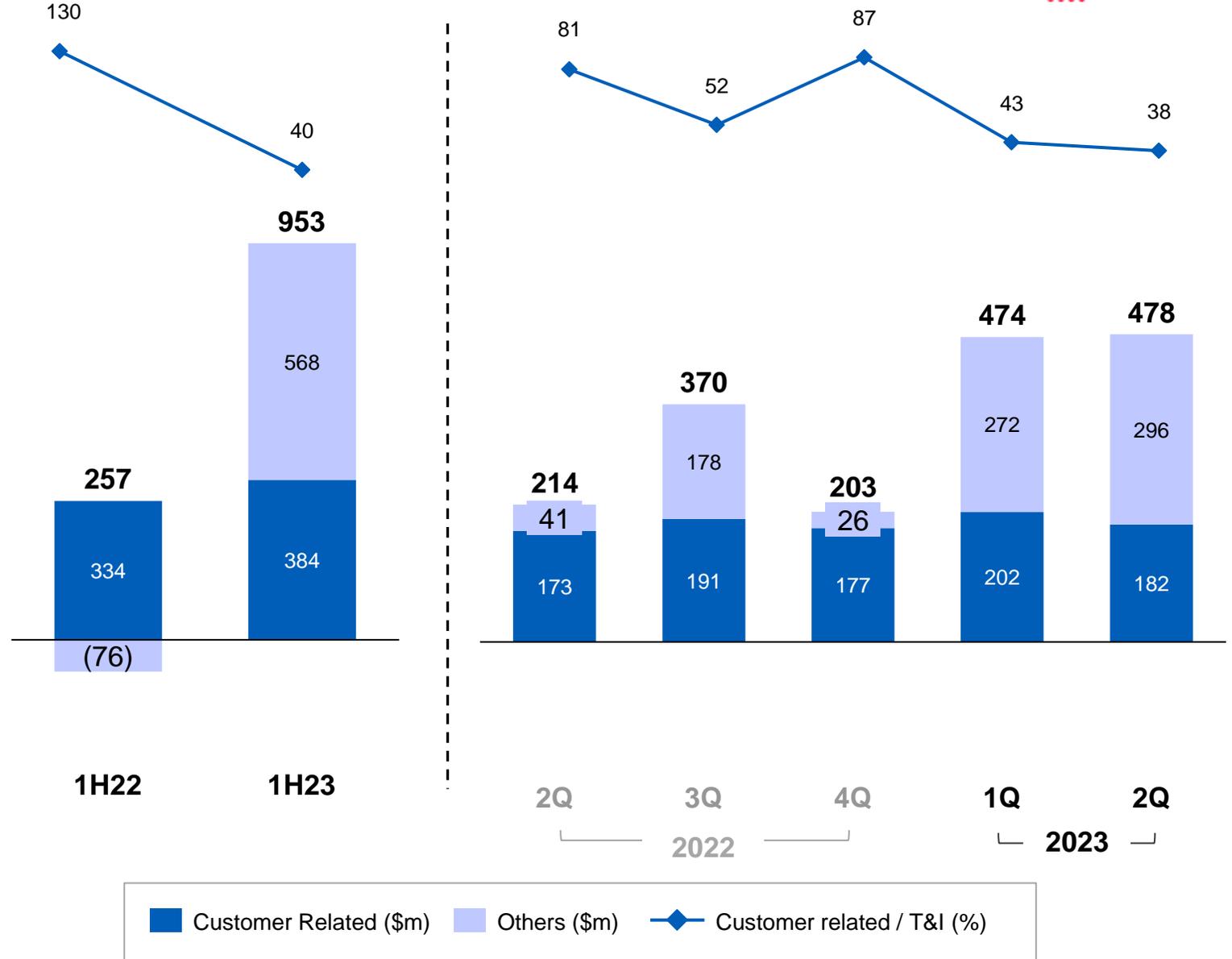
Fee Income

- 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



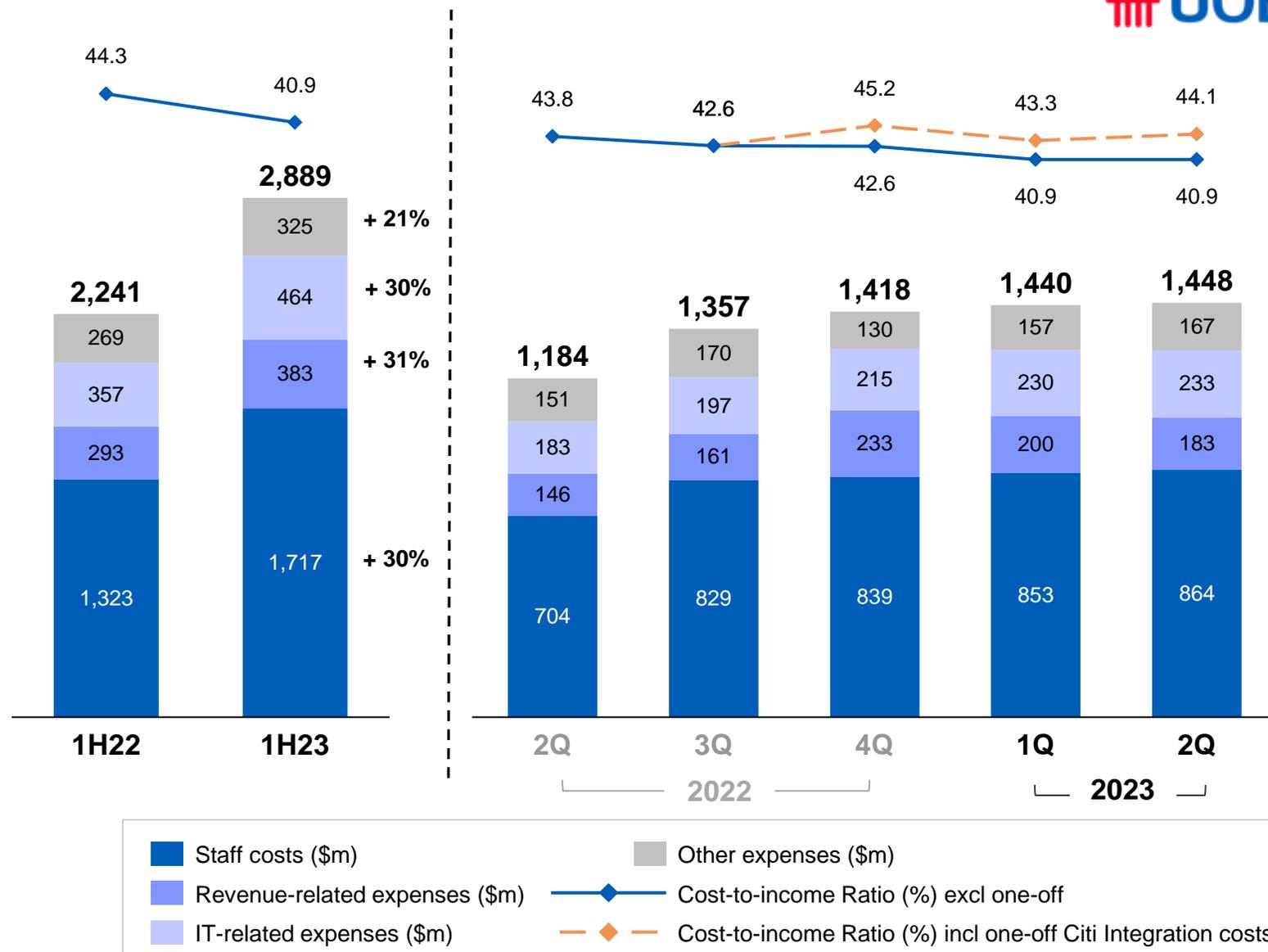
Trading & Investment Income

- 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 ⁽¹⁾

- 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

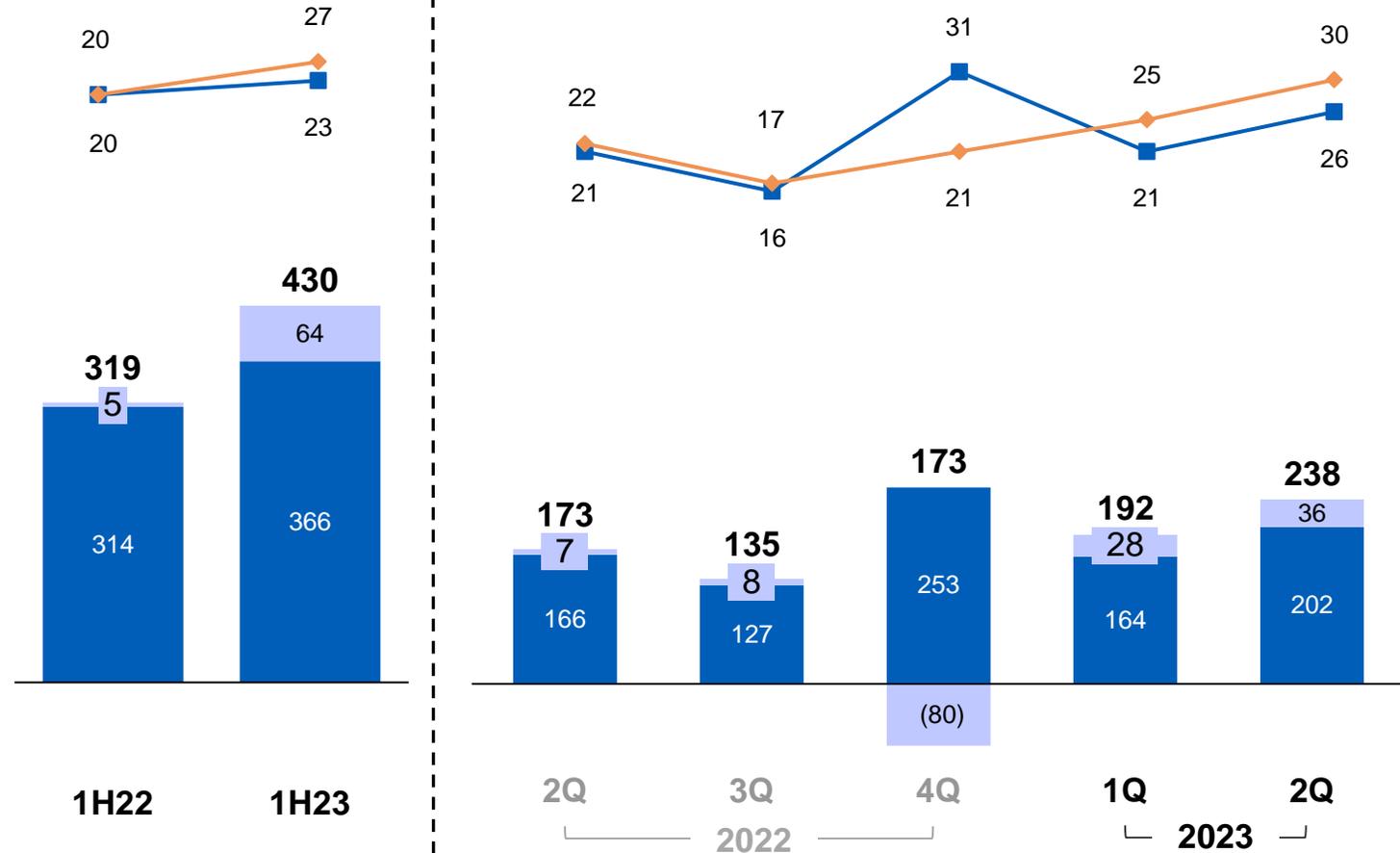
Non-Performing Assets

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

(\$m)	2022			2023	
	2Q	3Q	4Q	1Q	2Q
NPAs at start of period	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)
NPAs at end of period	5,422	5,037	4,962	5,143	5,192
Add: Citi acquisition	-	-	165	7	-
NPAs at end of period including Citi	<u>5,422</u>	<u>5,037</u>	<u>5,127</u>	<u>5,150</u>	<u>5,192</u>
NPL Ratio (%)	1.7	1.5	1.6	1.6	1.6
Specific allowance/NPA (%)	30	33	34	32	33

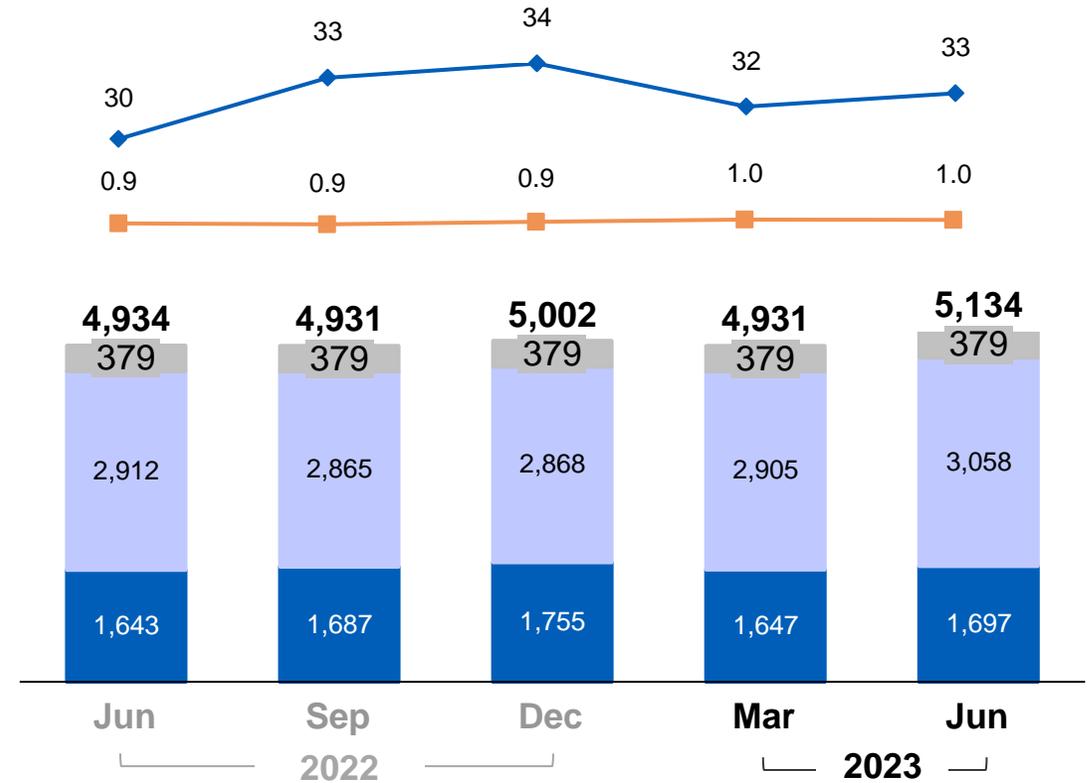
Total Allowance on Loans

- 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 (%) ⁽²⁾	91	98	98	96	99
Unsecured NPA coverage (%) ⁽²⁾	185	207	207	212	209

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

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

Total Funding

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

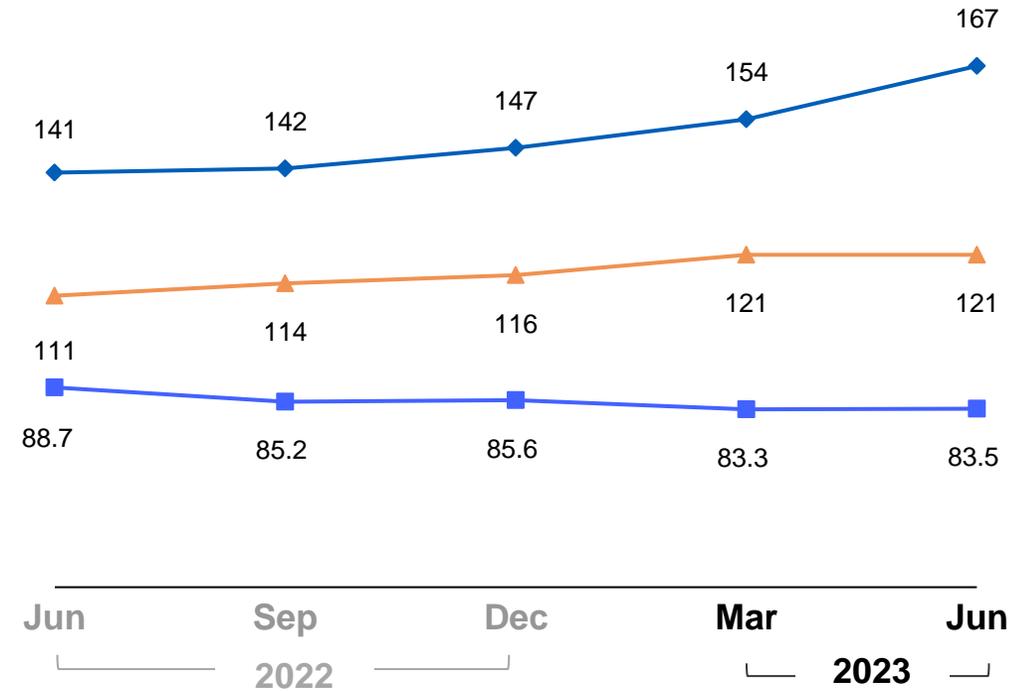
	Jun-23 \$b	Mar-23 \$b	Jun-22 \$b	QoQ +/(-)%	YoY +/(-)%
Singapore	261	254	245	3	7
ASEAN-4	70	73	66	(4)	7
Malaysia	34	34	31	1	8
Thailand	25	26	22	(6)	11
Indonesia	10	11	11	(12)	(8)
Vietnam	2	2	2	(3)	18
North Asia	22	22	22	(1)	1
Greater China	22	22	22	(1)	(0)
Others	0	0	0	(1)	>100
Rest of the world	24	25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

Note:

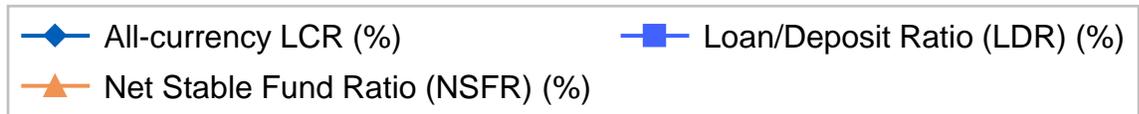
(1) Comprising debt issuances, perpetual capital securities and interbank liabilities.

Liquidity Ratios

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

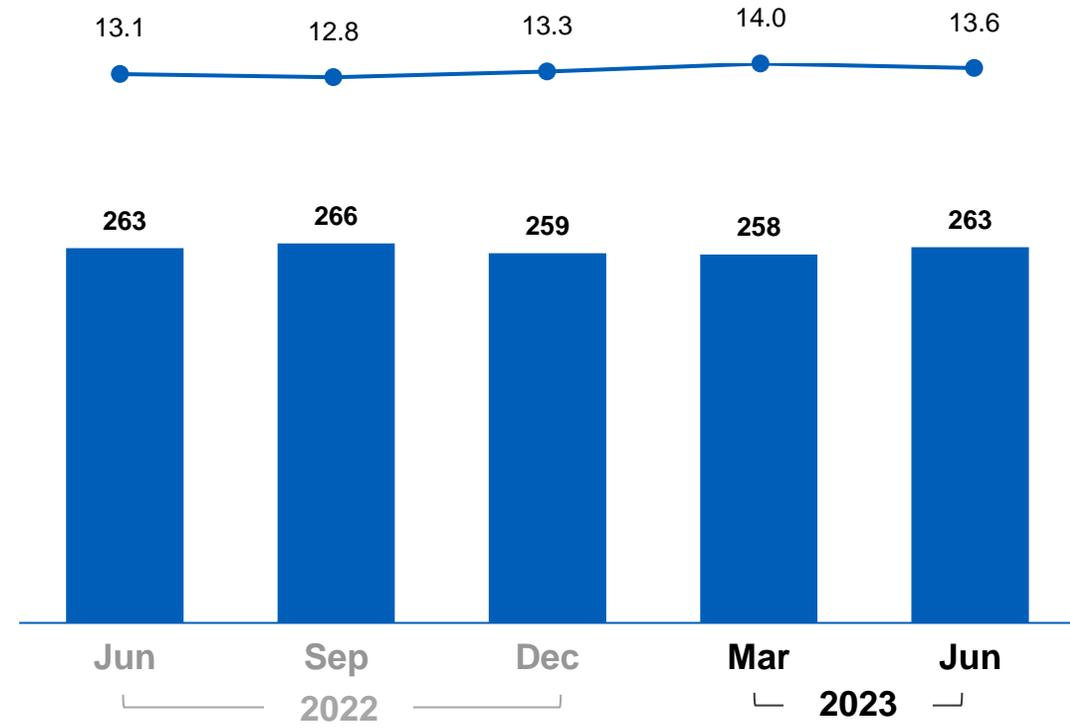


USD LDR (%)	72.3	64.2	60.0	60.7	62.9
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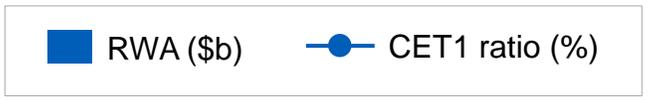


Capital

- CET1 ratio steady at 13.6%



Leverage ratio (%)	6.6	6.4	6.6	7.0	7.0

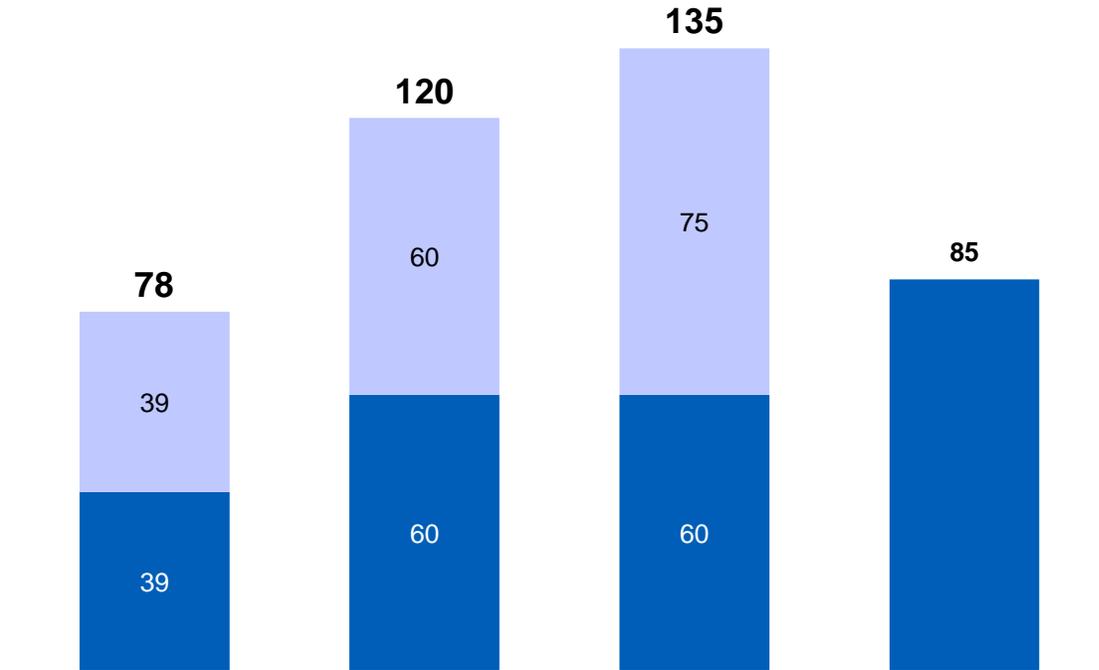


Dividends

- 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
Payout amount (\$m)	1,304	2,011	2,263	1,424
Payout ratio (%)	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