First Half 2019 Results:

Steady Business Momentum Backed by Solid Balance Sheet

Wee Ee Cheong
Deputy Chairman and Chief Executive Officer

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Steady 1H19 Earnings Built on Strong Growth Momentum of Core Business

- **S$2.2b** Net profit after tax, up 8% YoY
- **S$273b** Gross customer loans, up 9% YoY
- **S$3.2b** Net interest income, up 8% YoY
- **1.80%** Net interest margin, down 3bp YoY
- **S$1.7b** Non-interest income, up 12% YoY
- **44.1%** Cost/income ratio, up 0.2%pt YoY
Our Balance Sheet Remains Strong

- **Sustained balance sheet efficiency**
  - Healthy RoRWA\(^1\)

- **Healthy portfolio quality**
  - Non-performing loan ratio stable at 1.5%
  - 13bp credit cost on loans
  - Adequate non-performing assets reserve cover: 84%, or 191% after taking collateral into account

- **Proactive liability management**
  - Liquidity coverage ratios: SGD (312\(^2\)) and all-currency (147\(^2\))
  - Net stable funding ratio: 108%

- **Robust capitalisation**

- **Interim dividend / share** ▲ to 55 cents, vs 50 cents in 1H18

Note: All figures as at 30 June 2019 unless otherwise specified.
1. Return on average risk-weighted assets.
2. Average liquidity coverage ratios over 2Q19.
Tapping Intra-Regional Flows through Diversification

Steady income growth…

Group Wholesale Banking income (SGD b)

- 1.9
- 2.1

1H18 1H19

+9%

... supported by diverse sources

- +11%2 growth in non-Singapore income
- +9%2 growth in non-real estate income
- +14%2 growth in non-loan income

Return on risk weighted assets (RoRWA), computed as a ratio of “Profit before tax” to “Average segment RWA”.

1. Year on year growth for May 2019 year-to-date.
Strategic Initiatives to Tap Intra-Regional Flows

**Strengthened Connectivity**

**Tapping Greater China / Southeast Asian flows**
- Support regional needs of companies from Southeast Asia & Greater China
- Singapore remains attractive as hub for region
- Open second Vietnam branch in Hanoi

Cross-border revenue: +19% growth\(^1\) and 27%\(^2\) of GWB income

**Sector Specialisation**

**Offering tailored solutions**
- Improve customer engagement with insights and sectoral benchmarking
- Well-positioned to bank opportunities from trade diversion and re-shoring arising in the region

Non-loan income: +14%\(^1\)
Non-real estate income: +9%\(^1\)

**Products and Platforms**

**Building new capabilities**
- Platform integrated into national payment system
- API\(^4\) solutions powering real time transactions
- Re-designed customer journeys
- Faster speed to market

API\(^4\) solutions: Powering >0.5m payment transactions every month
Targeted cost productivity improvement\(^3\): ~10%

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1. Year on year growth for May 2019 year-to-date (ytd).
2. As of May 19 ytd.
3. 2021 target.
4. Application programming interface
Serving the Rising Affluent via Our Extensive In-country Presence

**Gross Loans (Group Retail): +2% YoY in 1H19**

<table>
<thead>
<tr>
<th></th>
<th>SGD b</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>108</td>
</tr>
<tr>
<td>1H18</td>
<td>106</td>
</tr>
<tr>
<td>1H19</td>
<td>108</td>
</tr>
</tbody>
</table>

**Income (Group Retail): +7% YoY in 1H19**

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<thead>
<tr>
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<th>SGD b</th>
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<tbody>
<tr>
<td>FY18</td>
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<tr>
<td>1H18</td>
<td>1.9</td>
</tr>
<tr>
<td>1H19</td>
<td>2.1</td>
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</tbody>
</table>

**~60% of AUM from overseas customers**

<table>
<thead>
<tr>
<th></th>
<th>Assets under management (AUM; SGD b)</th>
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</thead>
<tbody>
<tr>
<td>FY18</td>
<td>111</td>
</tr>
<tr>
<td>1H18</td>
<td>108</td>
</tr>
<tr>
<td>1H19</td>
<td>118</td>
</tr>
</tbody>
</table>

**Segment RoRWA: +0.2%pt YoY in 1H19**

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>6.2%</td>
<td>6.4%</td>
<td>6.6%</td>
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</tbody>
</table>

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1. Includes Business Banking.
2. Through the Group’s network of wealth management centres in Southeast Asia
3. Return on risk weighted assets (RoRWA), computed as a ratio of “Profit before tax” to “Average segment RWA”.

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6
## Leveraging Digitalisation & Partnerships for Stronger Customer Franchise

### Digital Bank: TMRW

**Targeting Mobile-First & Mobile-Only Generation**
- Launched TMRW in Thailand within 14 months
- Products: Payments, deposits and unsecured

<table>
<thead>
<tr>
<th>Target 5 markets</th>
<th>3-5m customers</th>
<th>Engagement Index &gt;7</th>
<th>Steady-state cost-income ratio ~35%</th>
</tr>
</thead>
</table>

### Omni-Channel Experience

**Traditional & affluent customers with universal banking needs**
- Launched UOB Mighty 2 app with improved features for better experience
- Leveraging data analytics & machine learning across customer touch points

| Ranked top in Singapore for quality of Branch Services¹ | RMs² at Orchard Wealth Centre: Higher sales productivity |

### Ecosystem Partnerships

**Forging collaborations to widen distribution reach**
- Strengthening customer acquisition & deepening wallet share
- Improving banking access by integrating with lifecycle needs of consumers & small businesses

| Launched Singapore’s first online utilities marketplace with 10 partners | Supported ~20k SMEs with BizSmart³ across the region |

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1. UOB was top bank in Singapore with best score in Branch Services in Customer Satisfaction Index of Singapore (CSISG) 2018.
2. Relationship Managers.
3. UOB BizSmart offers a suite of integrated account, payroll and business operational solutions. Data as of 30 June 2019.
Looking Ahead

Southeast Asia’s Resilient Fundamentals

- Young Growing Population
- Rising Income
- Intra-regional Flows

Capabilities Built Over the Years Best Position UOB to Seize Opportunities Amid Uncertainties

Regional Connectivity
- Sector Expertise
- Integrated Regional Network
- Deep Local Knowledge

Customer Engagement
- Digital Bank
- Omni-channel Experience
- Ecosystem Partnerships

Long-Term Focus
- Robust Balance Sheet
- Investments in People & Capabilities

Digital Bank
Omni-channel Experience
Ecosystem Partnerships
Robust Balance Sheet
Investments in People & Capabilities

Long-Term Focus
Thank You