



# UOB Group Steady performance amid macro uncertainties

September 2025

Disclaimer: The material in this presentation contains general background information about United Overseas Bank Limited ("UDB") 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
- Resilience of the Singapore Housing Market & UOB's Cover Pool

### **Appendices**

- A Macroeconomic Outlook
- B Sustainable Development
- C Our Growth Drivers
- D Latest Financials





# 1. Overview of UOB Group

#### **UOB Overview**



## **Founding**

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong.

#### **Expansion**

UOB has grown over the decades organically and through a series of strategic acquisitions. It is today a leading bank in Asia with an established presence in the Southeast Asia region. The Group has a global network of around 470 branches and offices in 19 countries and territories.

# Key Statistics for 1H25

■ Gross loans : SGD343b (USD269b¹)

■ Customer deposits : SGD405b (USD318b¹)

■ Loan / Deposit ratio : 83.7%

■ Net stable funding ratio : 118%

All-currency liquidity coverage ratio : 141%²

■ Common Equity Tier 1 ratio : 15.3%

■ Leverage ratio : 7.1%

■ Return on equity <sup>3</sup> : 11.7%

■ Return on assets : 1.05%

■ Net interest margin : 1.96%

■ Non-interest income / Total income : 33.4%

■ Cost / Income : 43.5%

■ 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+

Note: Financial statistics as at 30 June 2025

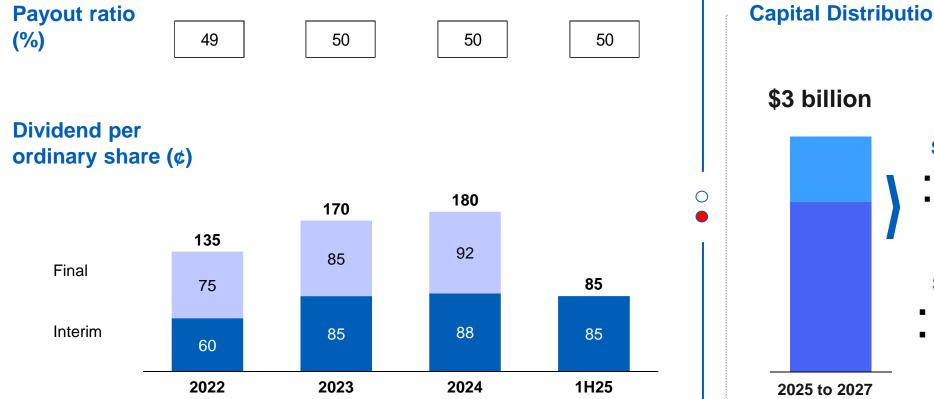
1. USD 1 = SGD 1.274 as at 30 June 2025

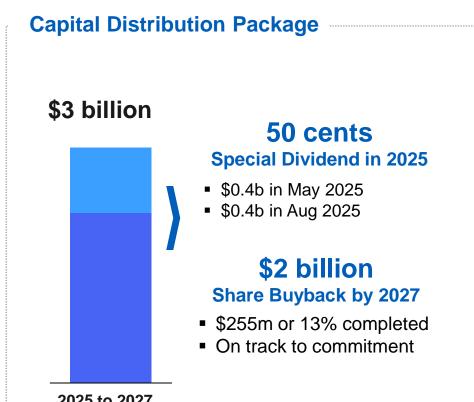
<sup>2.</sup> Average for 2Q25

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

# **Delivering long-term and sustainable returns**







# 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**

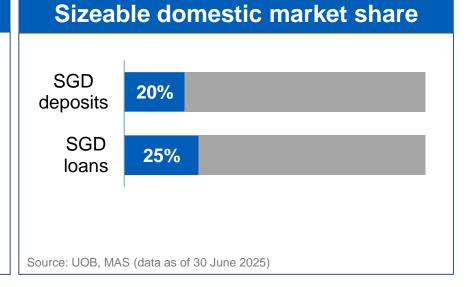




Singapore's Best Bank, 2024 World's Best Bank for SMEs, 2024



Domestic Retail Bank of the Year -Singapore, 2024

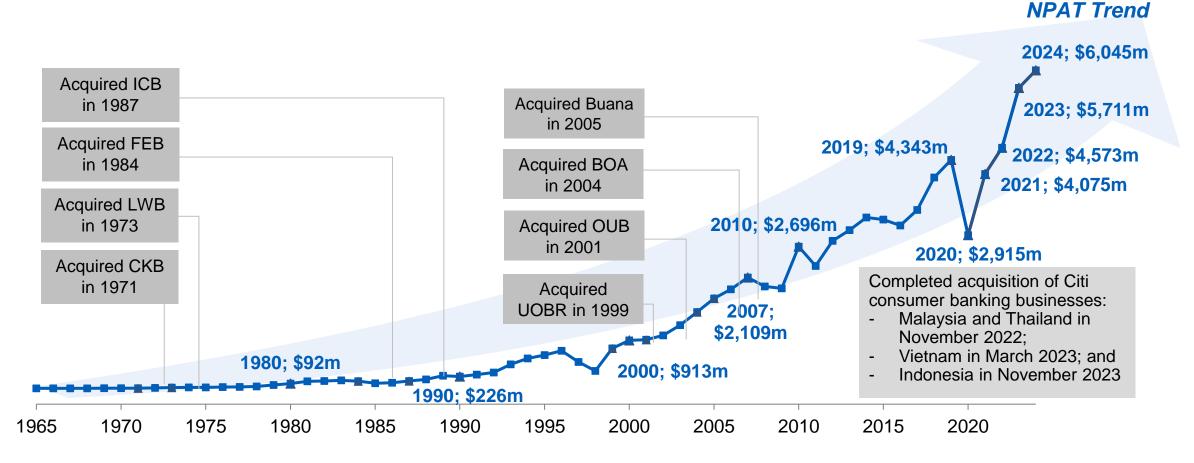


Source: Company reports

#### 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



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

Greater China<sup>1</sup>

20 branches

Vietnam

5 branches

**Philippines** 

1 branches

**Australia** 

1 branch





#### **Extensive Regional Footprint**

**Myanmar** 1 branch

**Thailand** 142 branches

Malaysia 54 branches

Singapore 46 branches

Indonesia 91 branches

- 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

#### 1H25 performance by segment

Group Retail • ₩UOB

Income

SGD2.6b

-5% YoY

SGD191b<sup>2</sup>

Assets under management +5% YoY

60%

**AUM from** overseas customers

Group Wholesale **Banking** 



Income

SGD3.3b

-5% YoY

26%

**Cross-border** income to Group wholesale banking's income

- Comprise Mainland China, Hong Kong SAR and Taiwan
- Refers to Privilege Banking and Private Bank

# **Comparison against peers**

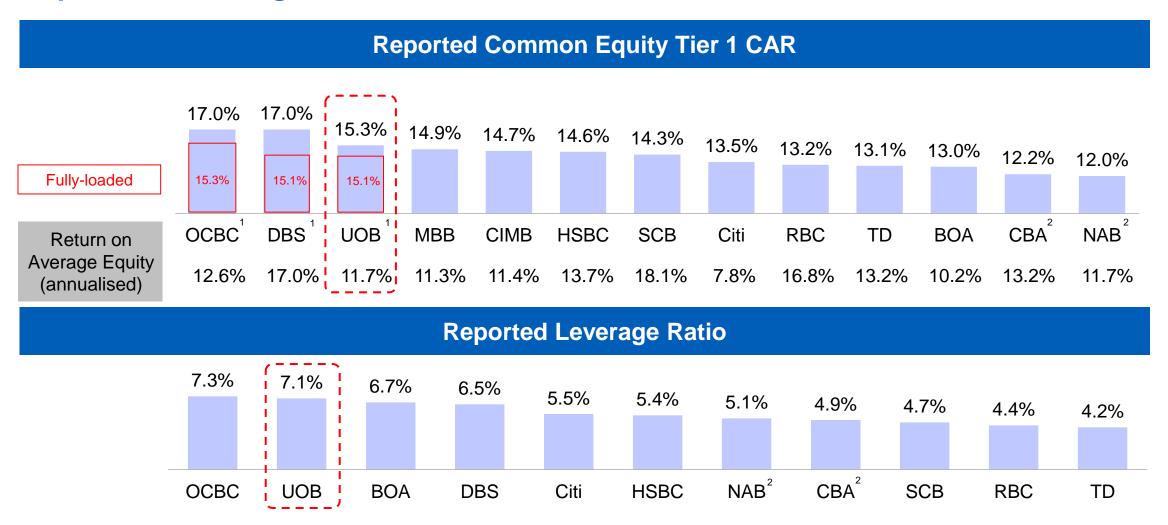


				Standalone Strength	Cost Management	Returns	Liquidity
Moody's	S&P	Fitch		Moody's baseline credit assessment	Costs/income ratio	Return on average assets (annualised)	Loan/deposit ratio
Aa1	AA-	AA-	UOB	a1	44%	1.1%	84%
Aa1	AA-	AA-	OCBC	a1	39%	1.4%	79%
Aa1	AA-	AA-	DBS	a1	39%	1.4%	75%
A3	A-	A+	HSBC	a3	50%	0.8%	57%
A3	BBB+	Α	SCB	baa1	55%	0.8%	51%
A1	A-	AA-	BOA	a2	65%	0.9%	58%
A3	BBB+	А	Citi	baa1	62%	0.6%	52%
Aa2	AA-	AA-	CBA	a1	46%	0.8%	107%
Aa2	AA-	AA-	NAB	a2	47%	0.6%	118%
Aa1	AA-	AA-	RBC	a2	55%	0.9%	70%
Aa3	A+	AA-	TD	a2	59%	0.7%	78%
			-				
A3	A-	n.r.	CIMB	baa1	47%	1.0%	89%
A3	A-	n.r.	MBB	a3	49%	1.0%	91%

Source: Company reports, Credit rating agencies (updated as of 09 May 2025)

# Capital and leverage ratios





<sup>1.</sup> The three major Singapore banks have implemented Final Basel III reforms (both transitional and fully-loaded ratios are shown above)

Financial data based on period ended 31 March 2025, except for CIMB, Maybank (31 December 2024), CBA (Half-year ended 31 December 2024), & RBC/TD (period ended 31 January 2025).

<sup>2.</sup> Common equity Tier 1 ratios of CBA and NAB are based on APRA's standards; their respective internationally comparable ratio was 18.8% (31 December 2024) and 17.6% (31 March 2025) Source: Company reports



# 2. Strong UOB Fundamentals

# **Disciplined balance sheet management**

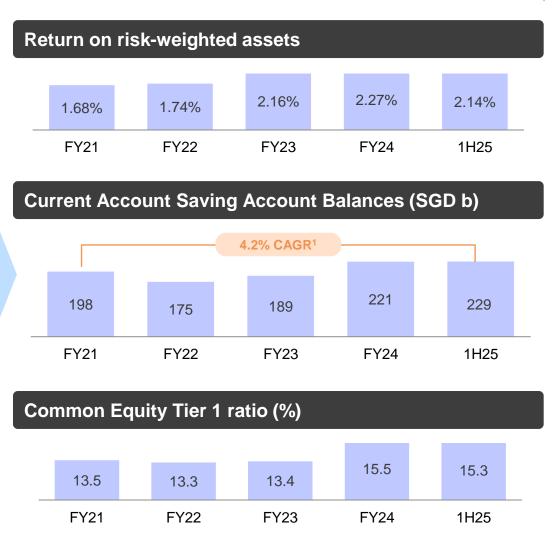


Focus on balance sheet efficiency

Healthy portfolio quality

Proactive liability management

Robust capitalisation

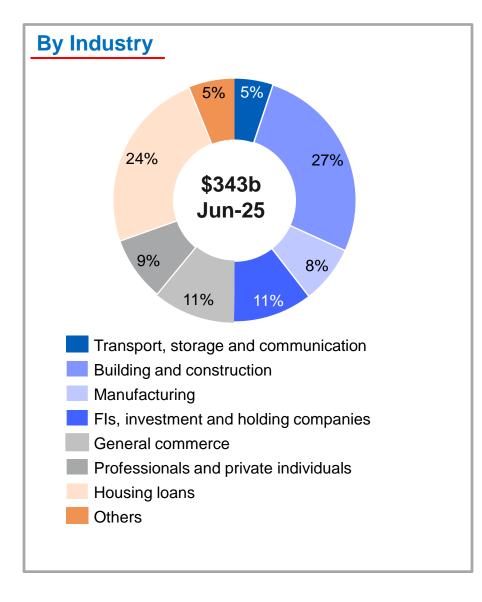


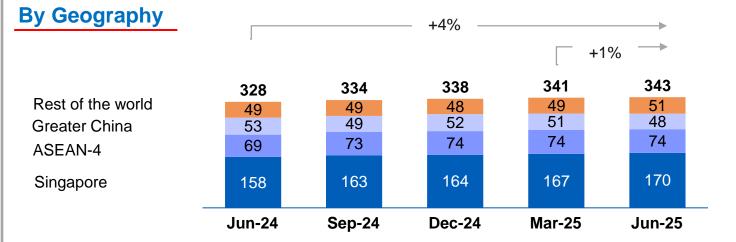
#### Notes

1. Compound annual growth rate over FY21 to 1H25 period

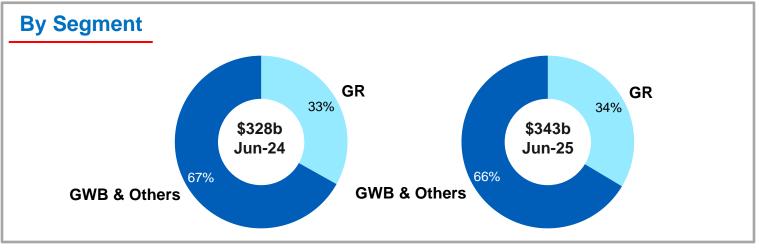
# Loans growth of 4% YoY and 1% QoQ, mainly from corporates and mortgages in Singapore







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



# **Exposure to Greater China**





#### **Mainland China**

#### Bank exposure (\$4.7b)

- ~25% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~75% of total bank exposure
- ~100% with <1 year tenor; trade accounts for ~15% of total bank exposure

#### Non-bank exposure (\$10.8b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~65% denominated in RMB and ~65% with <1 year tenor</li>
- NPL ratio at 3.4%

#### **Hong Kong SAR**

#### Bank exposure (\$0.6b)

~90% are to foreign banks

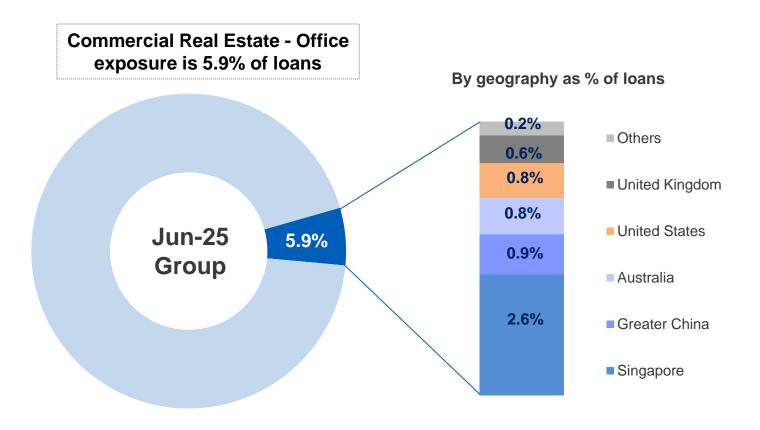
#### Non-bank exposure (\$34.0b)

- Exposure mainly to corporate and institutional clients
- ~70% with <1 year tenor</li>
- NPL ratio at 2.8%

# **Exposure to Commercial Real Estate - Office**

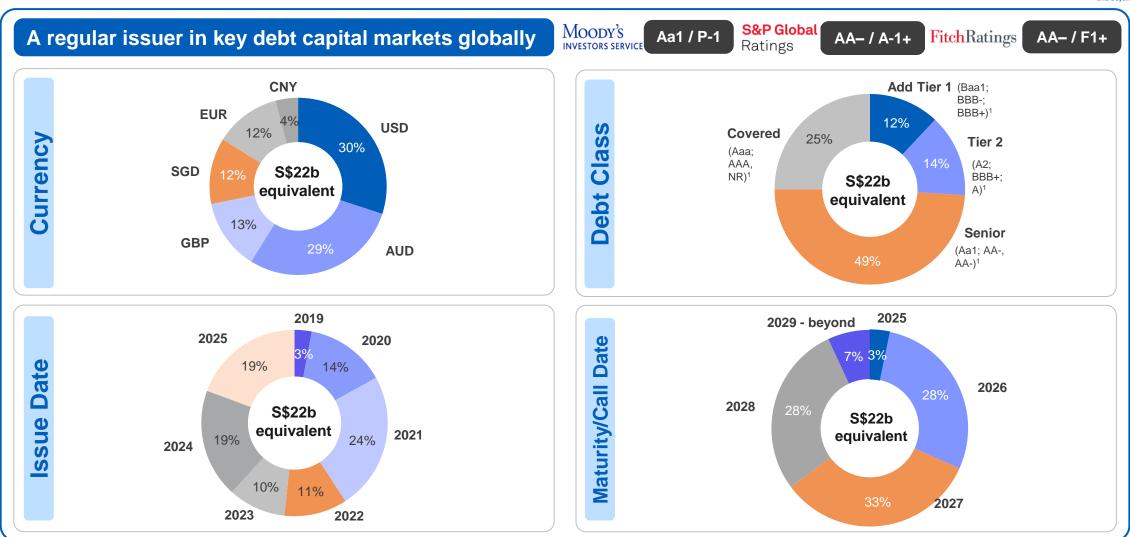


- Almost half of office exposure is in Singapore
- Overseas exposure backed by strong sponsors
- Largely secured by class-A office properties
- Average LTV around 50%



# **Strong investment grade credit ratings**





Source: Credit rating agencies

Note: The pie charts represent outstanding UOB's public rated issuances as 07 August 2025; for more details, please refer to https://www.uobgroup.com/investor-relations/capital-and-funding-information/group-securities.html

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

# 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 15.3% as at 30 June 2025
- Diversified funding and sound liquidity, with 83.7% loan/deposit ratio
- Strong coverage, with general allowance on loans (including RLAR) covering 0.8% of performing loans



# **Balance growth** with stability

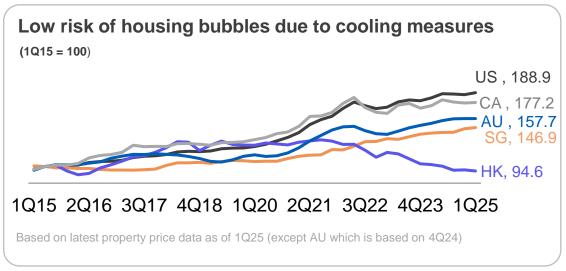
- More than half of Group's earnings from home market of Singapore (AAA sovereign rating)
- Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future
- Maintain long-term perspective to growth for sustainable shareholder returns



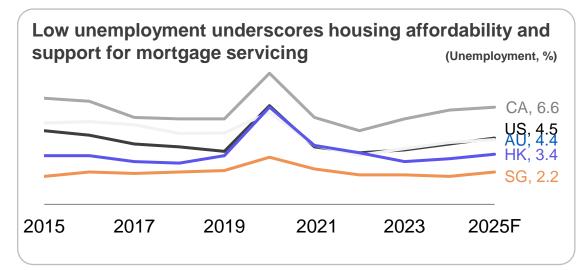
# 3. Resilience of the Singapore Housing Market & UOB's Cover Pool

# Singapore mortgages remain a low-risk asset class

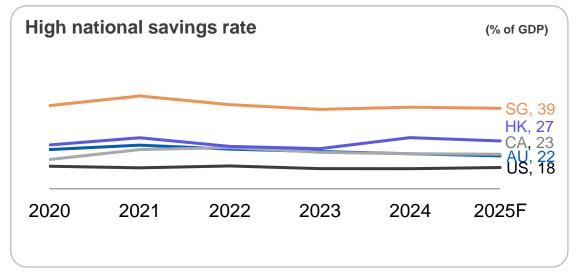




Sources: CEIC, UOB Economic-Treasury Research



Sources: Macrobond, UOB Economic-Treasury Research



Source: International Monetary Fund, UOB Economic-Treasury Research

#### Singapore private residential housing stays affordable as median price-to-income ratio remains low (Median price-to-income ratio (PIR)) 14.4 13.8 11.8 10.0 6.7 Singapore San Sydney Hong Kong Vancouver Francisco As of 3Q24, based on 2025 edition of Urban Reform Institute report Singapore's PIR calculated based on condominium price of S\$1.62m and medium monthly household income of S\$20.2k.

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

# USD15,000,000,000 Global Covered Bond Programme



and Reyond.
red claim against the Issuer and senior secured claim against the Cover
for the sole purpose of facilitating the activities under the Covered Bond
der the Covered Bonds
by UOB in Singapore (and other eligible assets)
ceived from the residential mortgage loans to the CBG's SGD sk between the amount received by the CBG against its payment in
anking Corporation

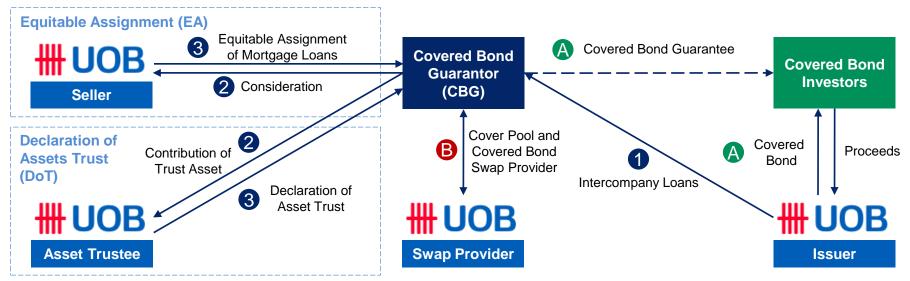
<sup>&#</sup>x27;Please refer to http://ec.europa.eu/finance/bank/docs/regcapital/acts/delegated/141010\_delegated-act-liquidity-coverage\_en.pdf and check for details. At the time of this presentation and subject to any relevant matters which are within the control of a relevant EU investor (including 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

<sup>&</sup>lt;sup>1</sup>Only 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.



- 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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**

- 1 UOB provides an intercompany loan to the CBG
- 2 CBG pays UOB consideration for the purchase of the mortgage loans
- 3 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**



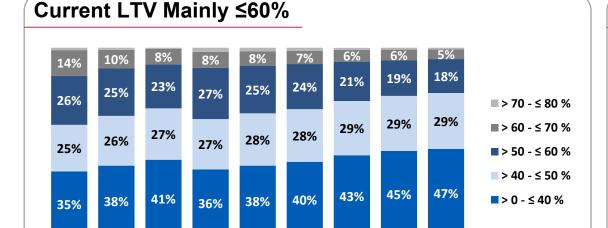


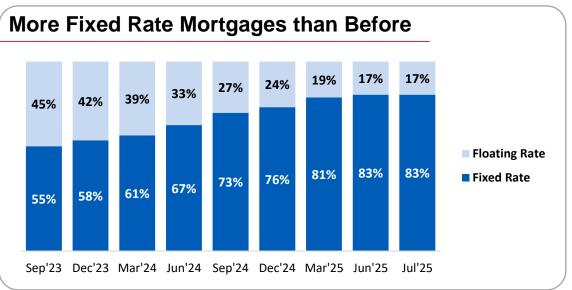
Overview of	of Cover	Pool (as	of Jul'25)
-------------	----------	----------	------------

	-
Number of Mortgage Accounts	20,664
Total Current Balance (SGD)	12.8 billion
Average Current Loan Balance (SGD)	618,119
Maximum Current Loan Balance (SGD)	8,746,858
Weighted Average Current Interest Rate	2.92 %
Weighted Average Seasoning	73 months
Weighted Average Remaining Tenor	233 months
Weighted Average Indexed Current LTV <sup>1</sup>	40.1 %
Weighted Average Unindexed <sup>2</sup> Current LTV <sup>1</sup>	49.8 %

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

#### **Current Loan Balances Mainly <SGD1m** SGD'000 > 2,500 15% 16% 16% 17% 17% 17% 18% 17% **■** > 2,000 and ≤ 2,500 $\blacksquare$ > 1,500 and $\le$ 2,000 43% 42% 43% 44% 43% 43% 44% 44% $\blacksquare$ > 1,000 and $\le$ 1,500 $\blacksquare$ > 500 and ≤ 1,000 > 0 and ≤ 500 23% 24% 25% 23% 23% 22% 24% 21% 21% Sep'23 Dec'23 Mar'24 Jun'24 Sep'24 Dec'24 Mar'25 Jun'25 Jul'25

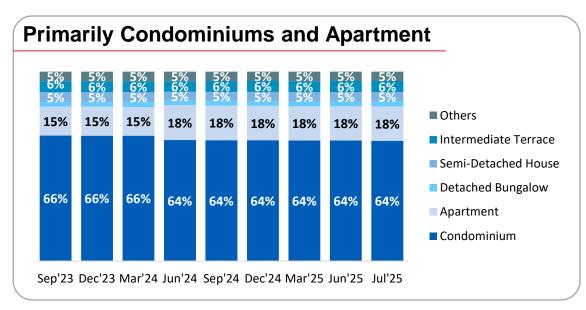


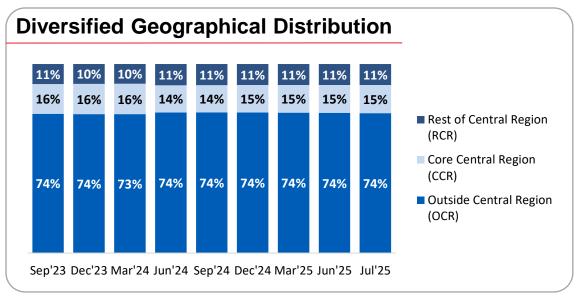


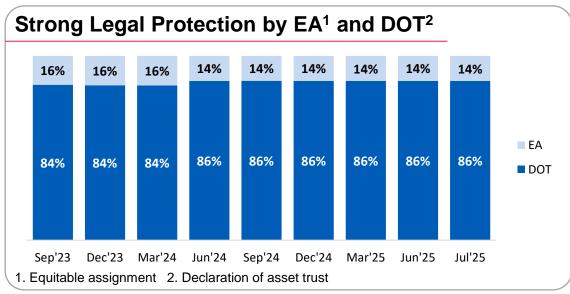
Sep'23 Dec'23 Mar'24 Jun'24 Sep'24 Dec'24 Mar'25 Jun'25 Jul'25

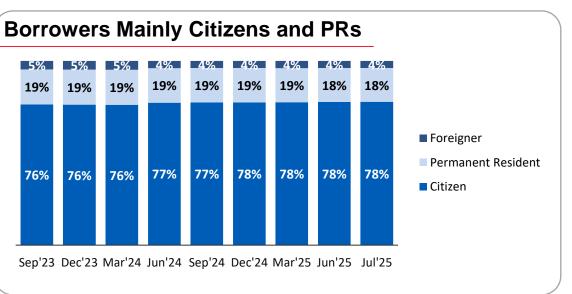
#### **Cover Pool Has Been Stable**





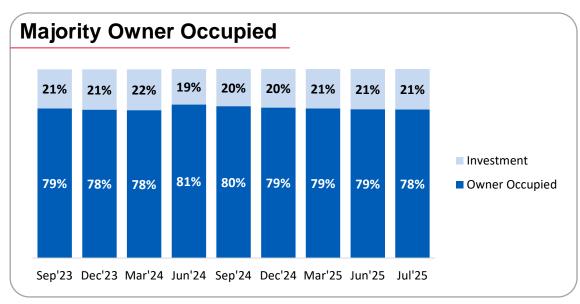


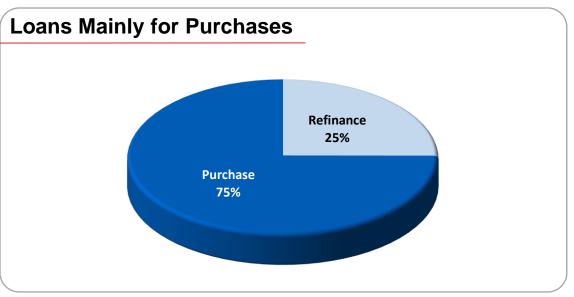


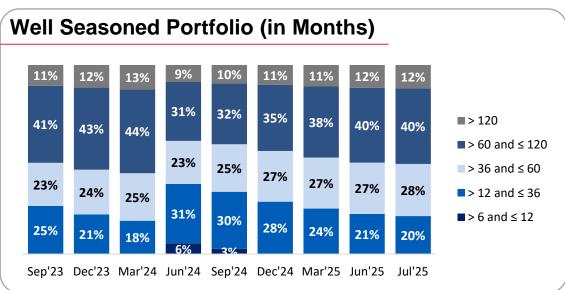


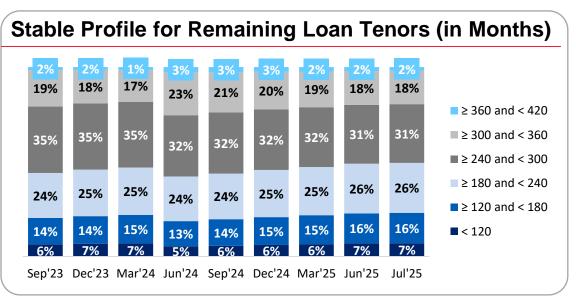
# **Cover Pool Has Been Stable (Cont'd)**













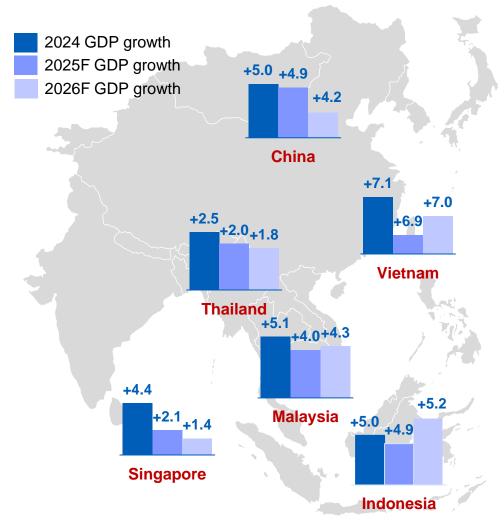
# Appendix A. Macroeconomic Outlook

# **ASEAN: Navigating US Tariff Risks Amid Slowing Growth**



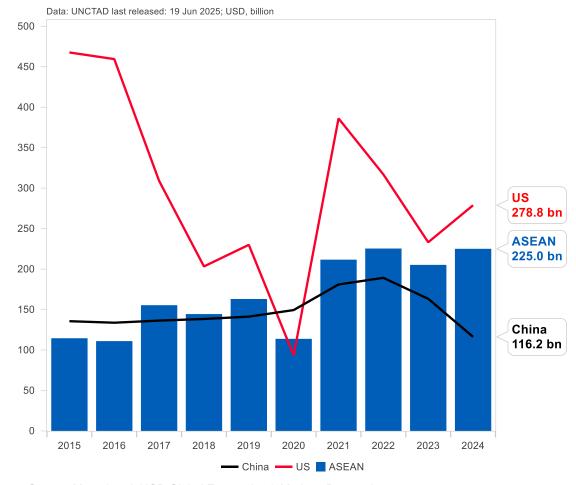


Supply Chain Shifts, Intra-Regional Trade, Infrastructure and Policy Support to Anchor Medium-Term Outlook



#### Source: UOB Global Economics & Markets Research forecasts

#### Global FDI Flows: Top Three Destinations (latest: 2024)



Source: Macrobond, UOB Global Economics & Markets Research

# **Expecting three 25-bps Fed cuts in 2H25**



	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	5-Sep-25	4Q25F	1Q26F	2Q26F	3Q26F
US 10-Year Treasury	3.88	4.20	4.40	3.78	4.57	4.21	4.23	4.15	4.10	4.00	4.00	4.10
US Fed Funds	5.50	5.50	5.50	5.00	4.50	4.50	4.50	4.50	3.75	3.75	3.50	3.25
SG 3M SORA	3.71	3.68	3.64	3.49	3.07	2.56	2.06	1.53	1.28	1.26	1.24	1.29
HK 1M HIBOR	5.27	4.80	4.61	4.32	4.58	3.73	0.73	3.00	2.75	2.65	2.45	2.55
MY Overnight Policy Rate	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.75	2.50	2.50	2.50	2.50
TH 1-Day Repo	2.50	2.50	2.50	2.50	2.25	2.00	1.75	1.50	1.25	1.00	1.00	1.00
ID 7-Day Reverse Repo	6.00	6.00	6.25	6.00	6.00	5.75	5.50	5.00	4.75	4.75	4.75	4.75
CH 1-Year Loan Prime Rate	3.45	3.45	3.45	3.35	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.90

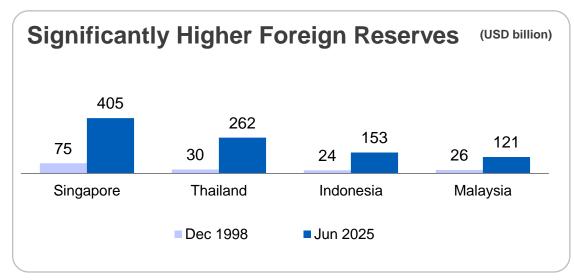
The Fed held rates steady at 4.25%-4.50% for the fifth straight meeting in Jul, after a 100bps cut in late 2024. Given the significant negative surprise in the Jul US employment report (accompanied by sharp downward revisions in May and Jun), there was a sharp jump in Fed rate cut expectations for Sep FOMC. We continue to hold our view of three 25-bps cuts in 2025, one each in Sep, Oct and Dec FOMC, bringing the Fed Funds Target rate (FFTR) to 3.75% by end-2025. We are also keeping our view for the two rate cuts for 2026, implying a lower terminal FFTR of 3.25% in 2026.

Other major central banks (ECB, BOE, RBA, RBNZ) and Asian central banks are also expected to ease monetary policy towards early next year, but to a much lesser extent, while the BOJ may still hike its policy rate, but at a delayed pace with the next 25 bps hike to 0.75% in Dec and the final 25 bps hike to the anticipated terminal rate of 1.0% now delayed to 3Q26. The PBOC announced on 7 May its first stimulus package since the tariff escalation, cutting banks' RRR by 50-bps and key interest rates by 10-bps. We expect an additional 10-bps interest rate cut in 4Q25 with the 7-day reverse repo rate, 1Y LPR and 5Y LPR to end the year at 1.30%, 2.90% and 3.40% respectively. There remains prospect of another 50-bps cut to the RRR. However, fresh concerns over a bubble in the stock market may reduce enthusiasm for near-term monetary policy easing.

Singapore's resilient 1H25 GDP growth was driven by front-loaded exports ahead of expected US tariffs. However, this momentum could fade in 2H25 due to payback effects and reciprocal tariff headwinds. A slowdown among key trading partners could further weigh on growth. We see upside risk to our 2025 Singapore's GDP growth forecast of 2.2% should the strong Al-related demand momentum persist, and if payback effects from earlier front-loading are delayed, could portend weaker growth in 2026 instead (UOB: 1.5%). Core inflation averaged a soft 0.6% in 1H25 (2025F: 0.6%, 2026F: 1.1%), with imported inflation likely to remain contained. We expect MAS to ease policy further by shifting to a zero percent S\$NEER appreciation stance in the Oct 2025 or Jan 2026 MPS.

# Macro resilience across key Southeast Asian markets

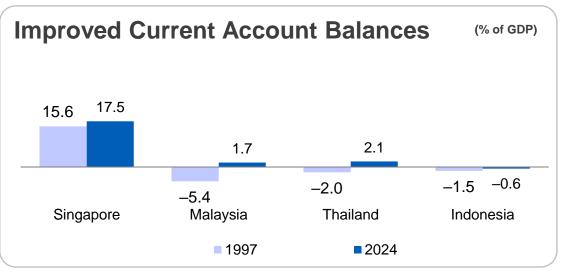




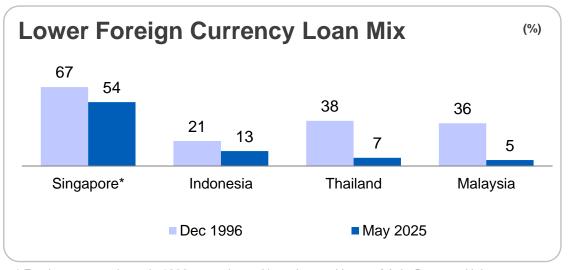
Sources: World Bank, International Monetary Fund



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



Source: International Monetary Fund

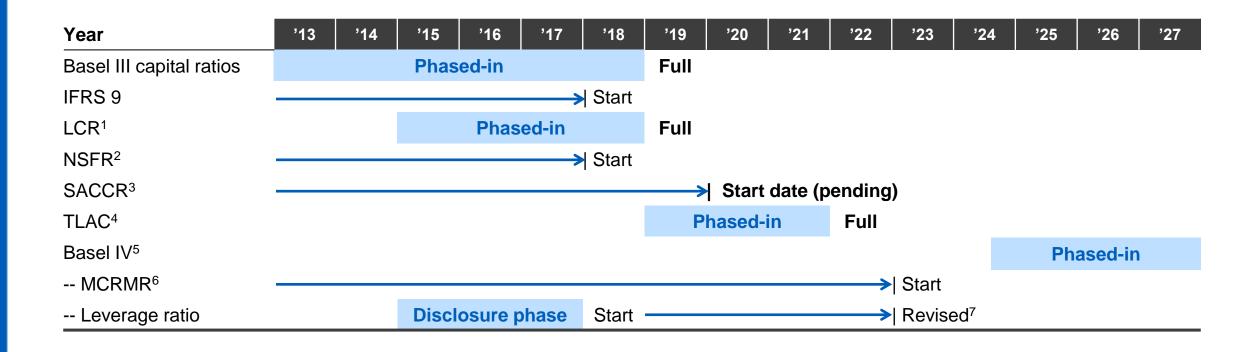


<sup>\*</sup> Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units Sources: Central banks

# Singapore has implemented Basel IV<sup>5</sup>







#### Source: BCBS

- 1. Liquidity Coverage Ratio
- 2. Net Stable Funding Ratio
- Standardised Approach for measuring Counterparty Credit Risk exposure (MAS has not announced implementation date)
- Total Loss Absorbing Capacity (not applicable to Singapore banks)
- Basel IV (Final Basel III reforms): Revised standards for credit risk, market risk, operational risk, leverage ratio, output floor and related disclosure requirements
- Minimum Capital Requirements for Market Risk replaced Fundamental Review of the Trading Book
- Revised definition on exposure measure

# Capital adequacy rules across the region



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

Source: Regulatory notifications

<sup>1.</sup> Includes 2% for D-SIB (domestic-systemically important banks) buffer for the three Singapore banks

<sup>2.</sup> Each regulator determines its own level of countercyclical capital buffer

<sup>3.</sup> 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%)



# Appendix B. Sustainable Development





#### **Establishing**

#### **Improving**

#### **Strengthening**



2015 - 2016 ······ 2017 - 2018 ····· 2019 - 2022 ···· 2023 - 2025









- 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.

- Announced our net zero commitment. Strengthened due diligence process with enhanced climate-related questions.
- Established Environmental Risk Management (EnRM) Framework and disclosed our responsible financing sector policies.
- Discontinued new financing of coal-fired power plants, greenfield thermal coal mines/expansion. Aim to exit financing for thermal coal sector by 2039.
- Discontinued new financing of greenfield palm oil plantations; all mature plantations to be certified by recognised sustainability bodies.
- Discontinued new project financing for upstream oil and gas projects after 2022.
- Completed a bank-wide ESG risk assessment capacity-building workshops.

- · Completed the design of a net zero operationalisation programme.
- Bolstered our environmental risk appetite statement with a quantitative climate risk-related metric.
- Developed a GenAl solution for ESG risk assessments to uplift productivity of relationship managers.
- Launched an ESG Adverse News Surveillance System to enhance ongoing ESG risk client monitoring.
- Further strengthened deforestation prohibition requirement within palm oil sector.
- Committed to be early adopter of TNFD recommendations.
- Continued to strengthen our internal capabilities in responsible financing, net zero and decarbonisation, as well as other general sustainability topics.

**Key Milestone** 

# **TCFD Implementation: Climate Scenario Analysis**



Qualitative **Transition Risk Assessment** 

**Transition Risk** Scenario **Analysis Pilot** 

**Physical Risk Pilot Analysis** 

**Improved Methodology** 









- Completed qualitative assessment in 2019, referencing SASB's Materiality Map® and Moody's Environmental Risks Global Heatmap.
- Identified carbonintensive segments most likely to be impacted by climate change
  - Metals and mining
  - **Transportation**
  - **Building Materials**
  - Forestry
  - Energy
  - Chemicals
  - Agriculture

- Partnered an environmental consultancy in climate scenario analysis
- · 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)

- Conducted a pilot physical risk analysis for wholesale banking customers and retail banking property mortgages, focusing on our key 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 climate 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.

- Developed an improved climate scenario analysis methodology in 2022 that considers the long-term impact of both transition and physical risk, integrates multiple climate risk drivers and incorporates differentiated dynamics across key climate-relevant sectors.
- Built internal capability to assess short term impact of physical hazards i.e., flood and typhoon, in 2024/25.
- Advanced climate scenario analysis capabilities in key subsidiaries and branches, with special focus on assessing the climate risk in Indonesia and Hong Kong.

**Future Plan** 



**Metrics and Targets** 

To align our disclosure with ISSB requirements in view of the transition from TCFD to ISSB standards

Key Milestone

# In October 2022, we announced our commitment to achieving net zero by 2050, with a focus on 6 priority sectors









**Built environment** 

#### **Net zero targets and commitments for six sectors**







Reduce emissions intensity by 64% by 2030 and 98% by 2050



**Automotive** 

Reduce emissions intensity by 58% by 2030 and net zero by 2050



#### Oil and gas

No new project financing for upstream oil and gas projects approved for development after 2022



Built environment

Real estate

Reduce emissions intensity by 36% by 2030 and 97% by 2050



#### Construction

Reduce emissions intensity by 31% by 2030 and 85% by 2050



#### Steel

Reduce emissions intensity by **20%** by 2030 and **92%** by 2050

Covers ~60% of our corporate lending portfolio

We focused on two significant, high-emitting ecosystems, **energy** and **built environment**, spanning 6 sectors based on:

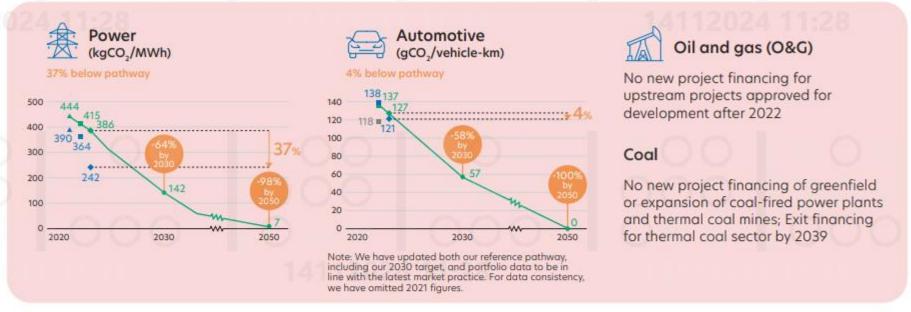
- Significant contributors to GHG emissions regionally: ~73% of global emissions<sup>1</sup>
- Material to UOB's corporate lending portfolio: ~60% of total corporate lending portfolio

Our commitments were defined in line with guidance by the Net Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ)

Source: 1) Our World in Data

# 2 years on, we are progressing across all priority sectors, and are trending below the reference pathways







# Nature risks: Our portfolio has low to medium risk, with ~20% estimated to have material impacts and/or dependencies on nature



#### Double materiality sector assessment

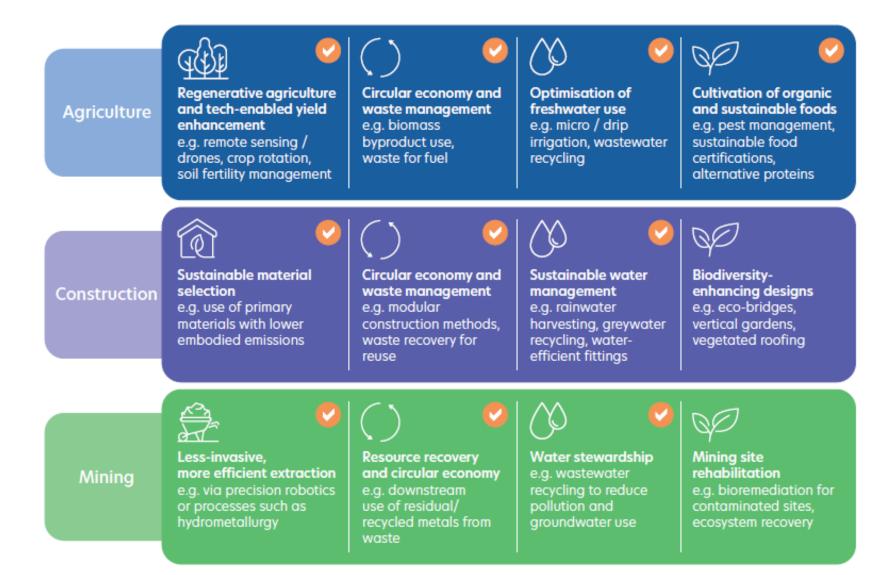
Spread of high to low impacts and dependencies for sectors present in our portfolio



- UOB's overall portfolio has low to medium risk based on direct sector scores
- 5 sub-sectors with material impacts and/or dependencies on nature (~20% of exposure)
- Agriculture, Metals & Mining and Built Environment value chains have the most material risks and opportunities related to nature. We have focused on these three sectors in our analysis
- Oil & Gas has material impacts on nature and is minimally considered for nature dependencies. It is not prioritized because opportunities in O&G are primarily in net zero related activities
- Waste management material impact and dependency but has a small exposure (0.1%) in UOB's portfolio so are not prioritizing this sector

### Nature opportunities: ~60% of our sustainable finance portfolio is focused on the nature-climate nexus







## Appendix C. Our Growth Drivers

## **Our growth drivers**





# Realise 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

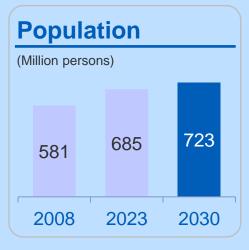


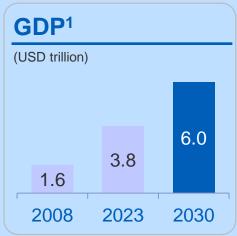
# Long-term growth perspective

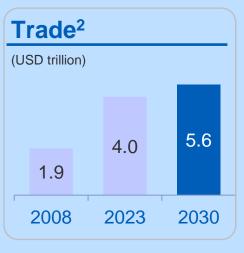
- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

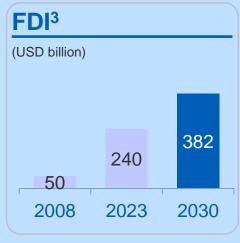
## Southeast Asia's immense long-term potential











## 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 FDI<sup>3</sup> globally

## ... that UOB is uniquely placed to capture

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



## Strong retail presence in high potential regional markets





2022 retail banking pool sizes

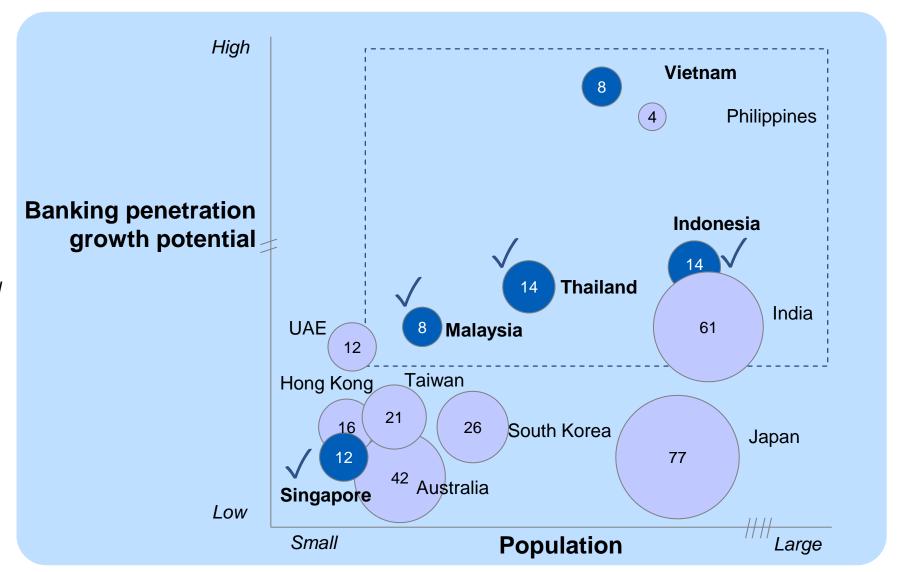


USD b





was launched in Thailand, Indonesia, Singapore and Malaysia.



## Revenue potential from 'connecting the dots' in the region

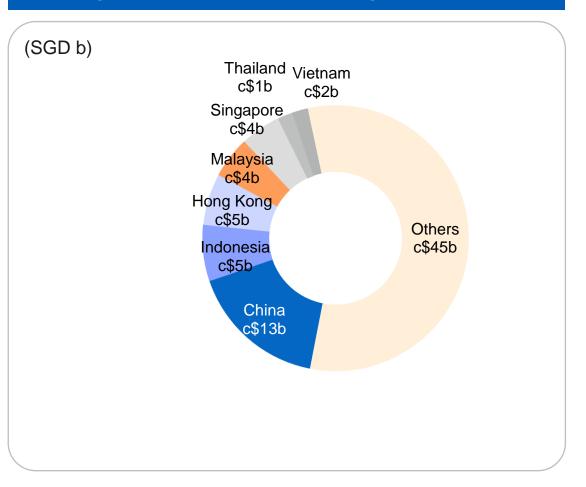




#### Industry's potential connectivity revenue

#### (SGD b) c\$79b **CAGR** c\$23b +10% c\$59b c\$15b +10% c\$13b ■ Wealth c\$8b Trade +4% c\$43b c\$36b Cross-border activities 2021 2026

### 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



## Appendix D. Latest Financials

## 1H25 net profit at \$2.8 billion

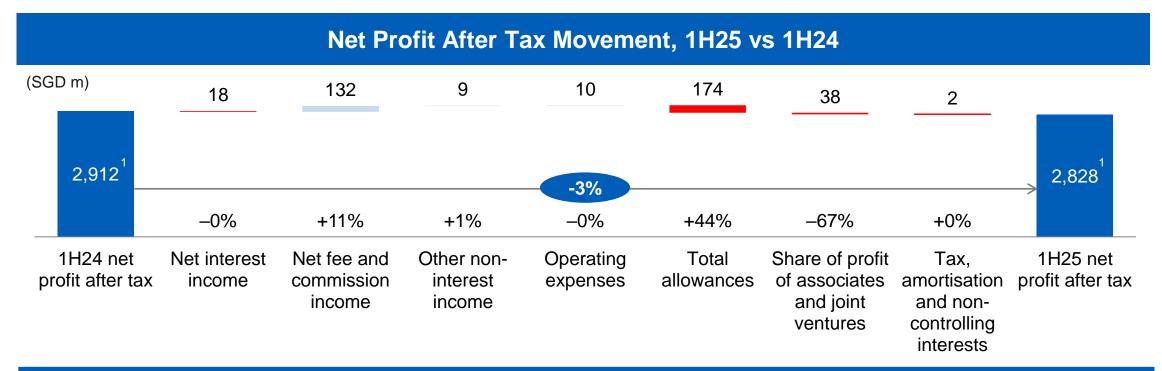
## Growth in operating profit offset by pre-emptive credit provisioning



	1H25 \$m	1H24 \$m	YoY +/(-)%	2Q25 \$m	1Q25 \$m	QoQ +/(-)%	2Q24 \$m	YoY +/(-)%
Net interest income	4,745	4,763	(0)	2,336	2,409	(3)	2,401	(3)
Net fee income	1,330	1,198	11	636	694	(8)	618	3
Other non-interest income	1,047	1,038	1	493	554	(11)	457	8
Total income	7,121	6,998	2	3,465	3,657	(5)	3,476	(0)
Less: Total expenses	3,095	3,105	(0)	1,535	1,559	(2)	1,534	0
Operating profit	4,027	3,894	3	1,929	2,097	(8)	1,941	(1)
Less: Amortisation of intangible assets Less: Allowance for credit and other	16	13	21	9	7	27	7	39
losses	569	395	44	279	290	(4)	232	20
Add: Associates & Joint Ventures	19	56	(67)	(3)	22	(>100)	31	(>100)
Net profit	2,828	2,912	(3)	1,338	1,490	(10)	1,425	(6)

#### 1H25 financial overview





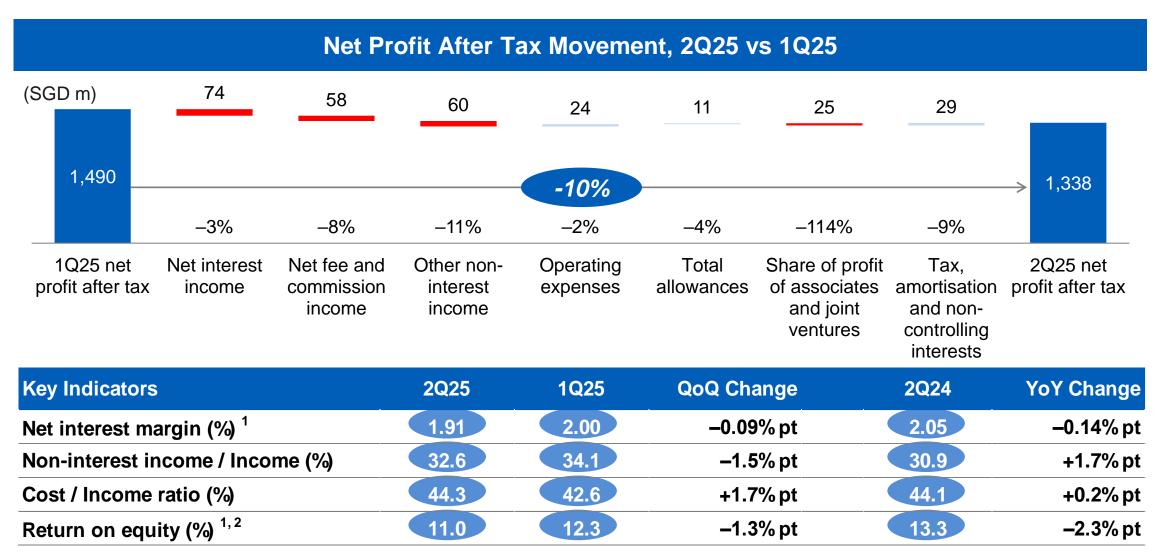
Key Indicators	1H25	1H24	YoY Change
Net interest margin (%) 1	1.96	2.04	-0.08% pt
Non-interest income / Income (%)	31.9	31.9	_
Cost / Income ratio (%)	43.5	44.4	–0.9% pt
Return on equity (%) 1,2	11.7	13.0	<b>–1.3%</b> pt

<sup>1.</sup> Computed on an annualised basis

<sup>2.</sup> Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

#### 2Q25 financial overview





<sup>1.</sup> Computed on an annualised basis

<sup>2.</sup> Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

### **Group Retail**



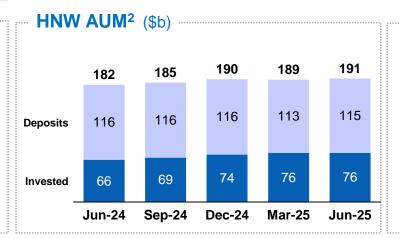
#### Selected income statement data

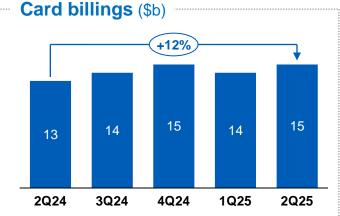
	1H25	1H24	YoY
	\$m	\$m	%
Income	2,592	2,695	(4)
Lending, Deposits <sup>1</sup>	1,556	1,759	(12)
Wealth	619	540	15
Credit Cards	416	395	5
Expenses	1,367	1,488	(8)
Operating Profit	1,225	1,207	1
Allowance for credit and other losses	127	216	(41)
Profit before Tax	1,084	977	11

#### **Highlights**

- PBT rose as one-off expenses and credit cost pressures from operational merger in Thailand have abated
- Strategic priorities of CASA, cards and wealth delivered results, offsetting income headwinds of lower rates and competition
- Retail deposits crossed \$200b, with sound CASA growth on strong customer value proposition
- Double-digit wealth income growth backed by conversion of deposits into invested AUM; net new money stable at \$3b for 2Q25
- Robust card billing growth across ASEAN franchise, driven by strategic partnerships and enhanced rewards offering. Customer grew 4% YoY to 8.4m

#### **Key metrics** 1H25 1H24 YoY % Cost / Income ratio 52.7% 55.2% (2.5) pt Total credit costs 40 bps (18) bps 22 bps **RoRWA** 4.9% 4.9% Gross Customer Loans (\$b) 115 108 6 Customer Deposits (\$b) 204 195 of which CASA (\$b) 116 98 18





<sup>1.</sup> Includes Others

<sup>2.</sup> Refers to Privilege Banking and Private Bank

### **Group Wholesale Banking**



#### Selected income statement data

	1H25	1H24	YoY
	\$m	\$m	%
Income	3,254	3,415	(5)
Transaction Banking	1,596	1,863	(14)
Loans <sup>1</sup>	1,092	1,092	0
Investment Banking	254	190	34
Customer Treasury	311	270	15
Expenses	874	835	5
Operating Profit	2,379	2,580	(8)
Allowance for credit and other losses	167	92	81
Profit before Tax	2,192	2,484	(12)

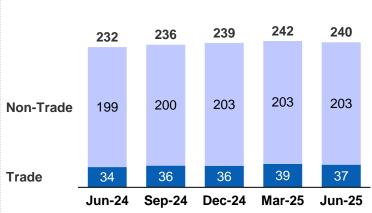
#### **Highlights**

- PBT impacted by exogenous factors like lower benchmark rates and keen competition for quality assets, while allowance rose from a low base
- Amid tariff uncertainties, close to 50% of GWB income generated from Transaction Banking – underpinned by an enlarged CASA base and 12% trade loan growth – while customer treasury activities also picked up
- Investment Banking delivered record fees in 1H25
- Steady income contribution from non-real estate sectors at 69%, while crossborder income mix stayed stable at 26%

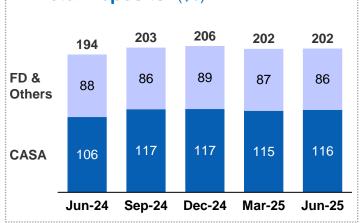
#### **Key metrics**

110			
	1H25	1H24	YoY
			%
Cost / Income ratio	26.9%	24.4%	2.5 pt
Total credit costs	15 bps	9 bps	6 bps
RoRWA	1.8%	1.9%	(0.1) pt
Total Gross Loans <sup>2</sup> (\$b)	240	232	3
Total Deposits <sup>2</sup> (\$b)	202	194	4

#### Total Gross Loans<sup>2</sup> (\$b)



#### Total Deposits<sup>2</sup> (\$b)



- 1. Includes Others
- 2. Includes Banks and Non-Banks

# Global Markets Continue to deliver strong customer flows



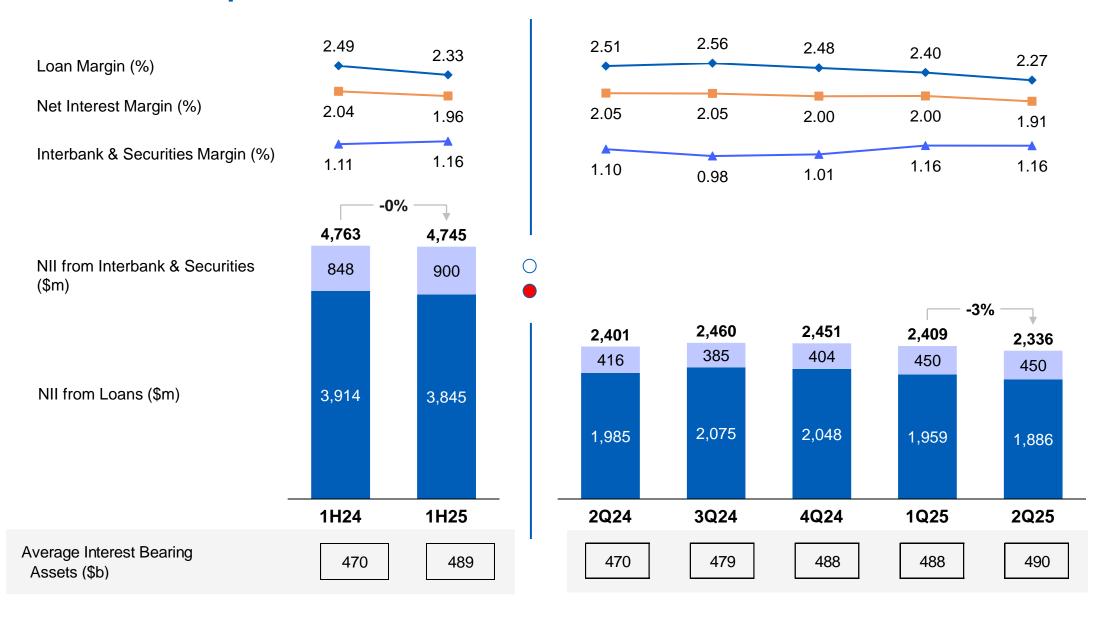


<sup>1.</sup> Reflects income from treasury products offered to Group Retail and Group Wholesale Banking segments

<sup>2.</sup> Total Assets excluding derivative-related assets

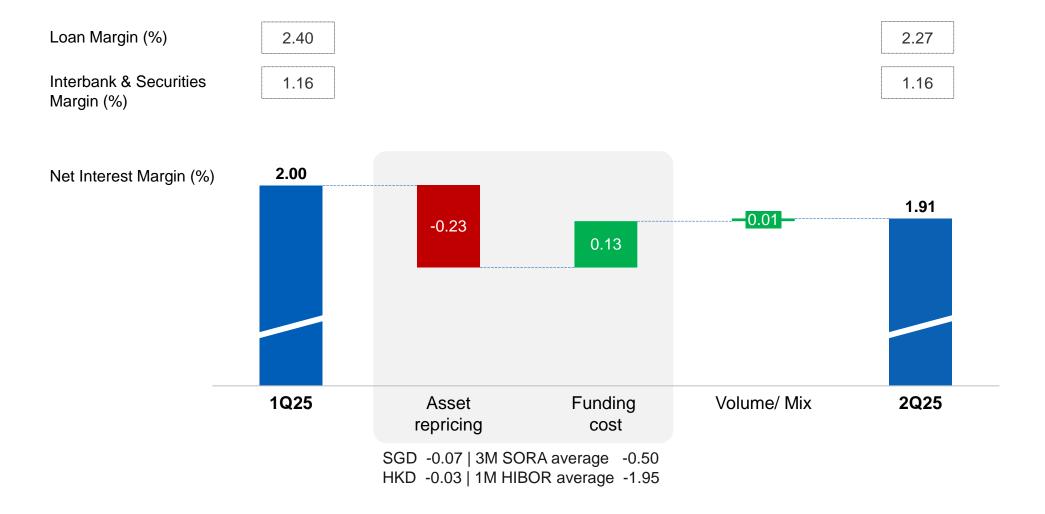
# Net interest income moderated as asset growth cushioned effects of sharp decline in benchmark rates





# Net interest margin eased on asset repricing mitigated by improved funding and balance sheet management

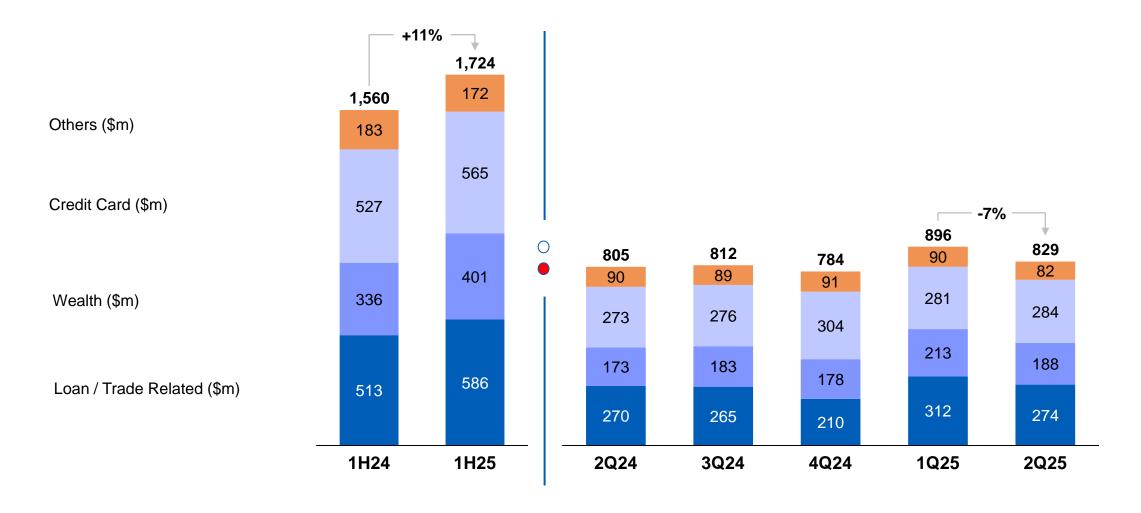




# 2Q25 fee income declined from last quarter's record high, Wealth fees affected by cautious approach amid macro uncertainties



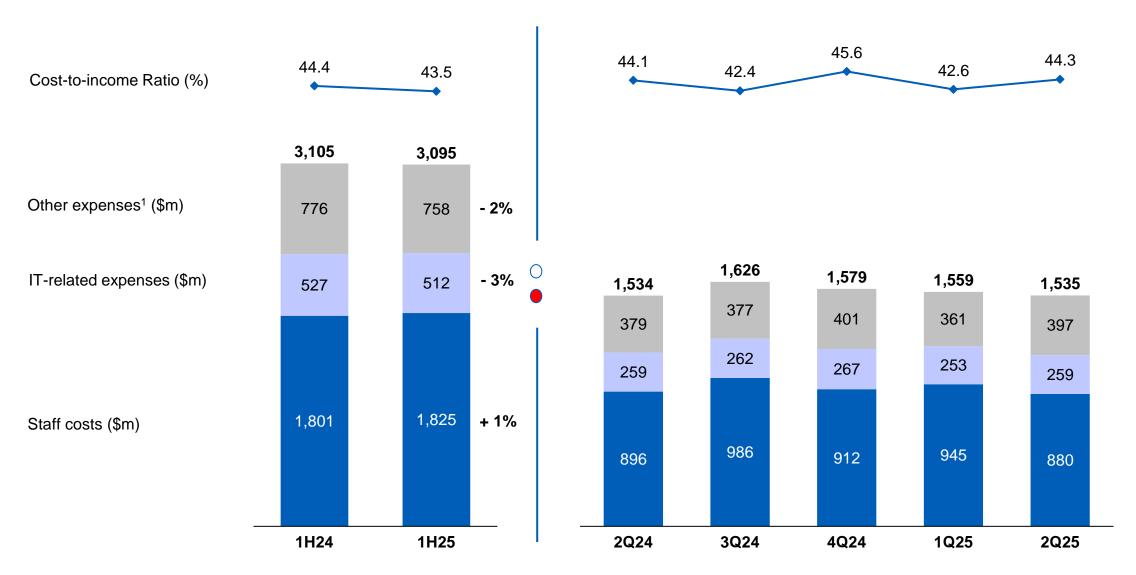




Note: Above fees are gross of expenses, unless stated otherwise

## Total expenses declined on tighter cost discipline

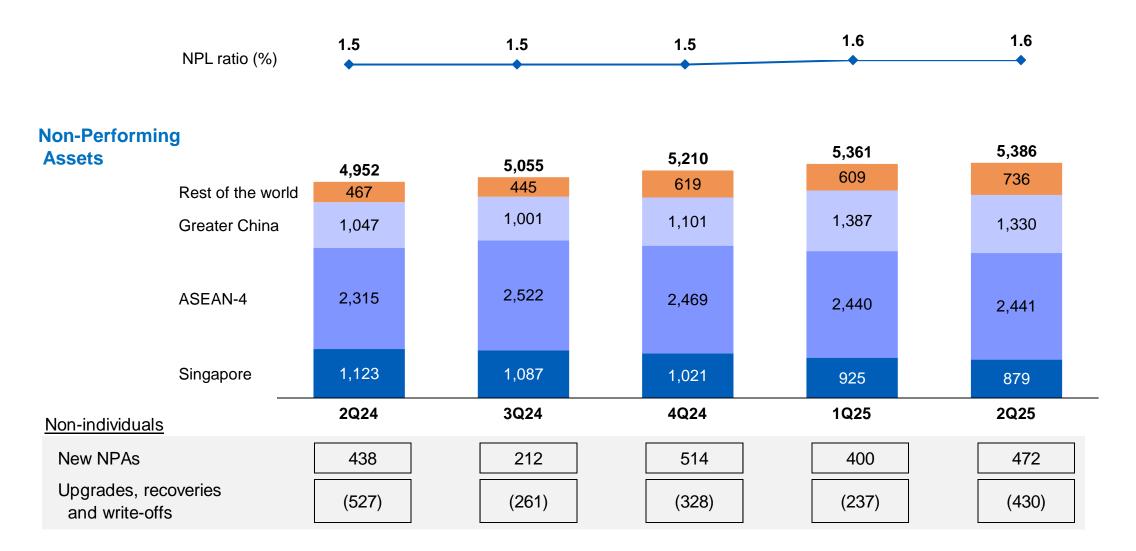




<sup>1.</sup> Includes revenue-related, occupancy-related and other expenses

## Stable NPL ratio at 1.6% and new NPAs within expectation

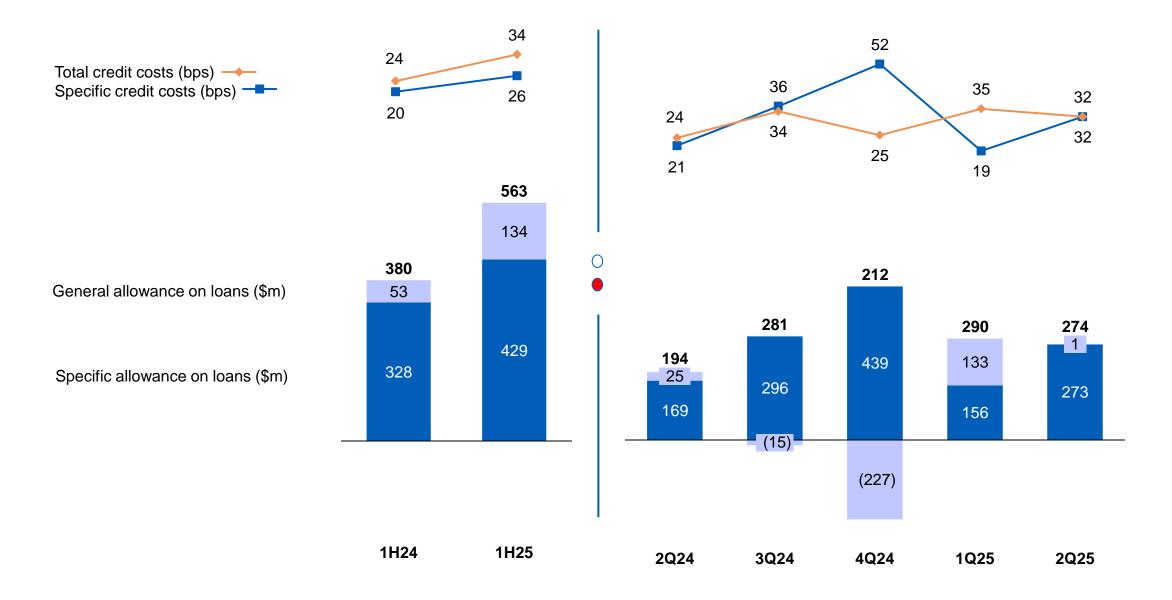




## Specific allowance increased, mitigated by pre-emptive provisions



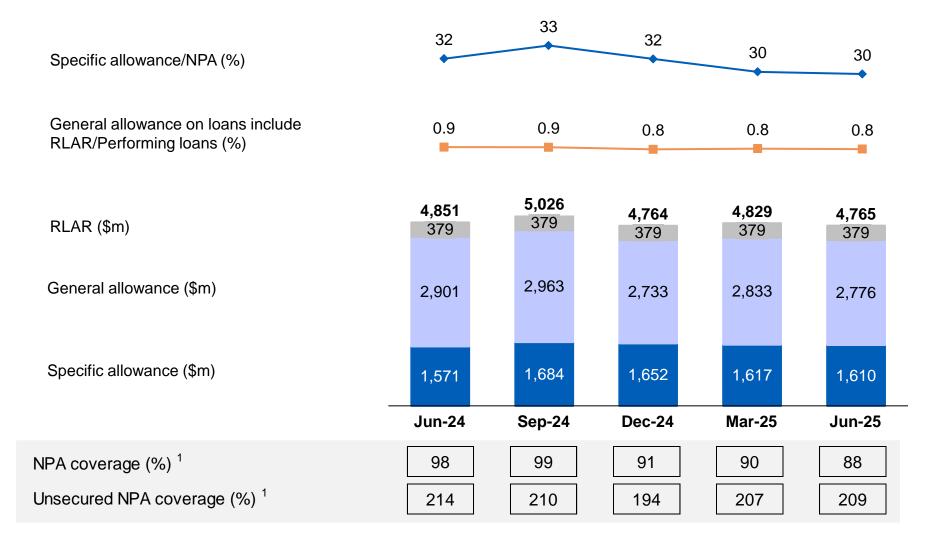




### Provision coverage maintained at prudent levels





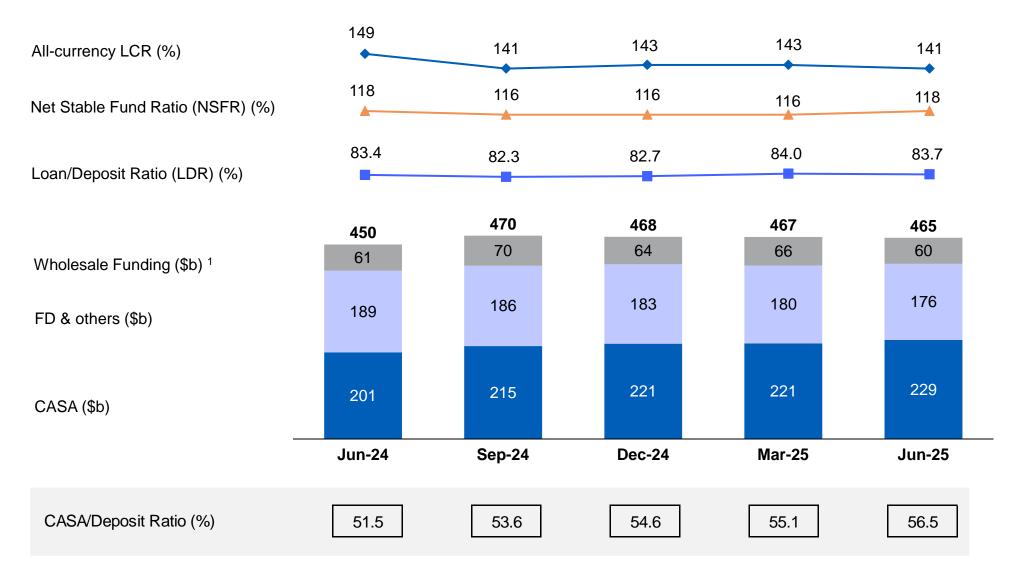


<sup>1.</sup> Includes RLAR (Regulatory loss allowance reserve) as part of total allowance

## Healthy liquidity and funding base with continued CASA growth



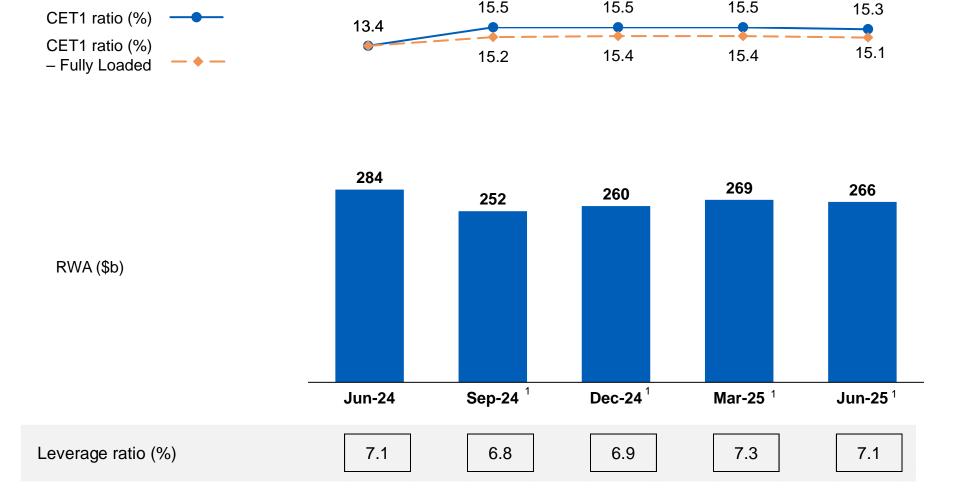




<sup>1.</sup> Comprising debt issuances, perpetual capital securities and interbank liabilities

## Robust CET1 ratio at 15.3% following capital returns to shareholders





15.5

15.5

15.5

<sup>1.</sup> Based on MAS Notice 637 issued on 20 September 2023, with effect from 1 July 2024

