

# Smartkarma Corporate Webinar

## UOB: A Safe Harbour in ASEAN

May 2022

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# Agenda

1. UOB Group overview
2. UOB's strategy
3. UOB: The story in numbers
4. Summary
5. Q&A



## UOB Group overview

# UOB Overview



## Founding

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

## Expansion

UOB has grown over the decades organically and through a series of strategic acquisitions. It is today a leading bank in Asia with an established presence in the Southeast Asia region. The Group has a global network of around 500 branches and offices in 19 countries and territories.

Note: Financial statistics as at 31 March 2022

1. USD 1 = SGD 1.353 as at 31 March 2022
2. Average for 1Q22
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

## Key Statistics for 1Q22

■ Gross loans	: SGD320b (USD236b <sup>1</sup> )
■ Customer deposits	: SGD362b (USD267b <sup>1</sup> )
■ Loan / Deposit ratio	: 87.3%
■ Net stable funding ratio	: 113%
■ All-currency liquidity coverage ratio	: 129% <sup>2</sup>
■ Common Equity Tier 1 ratio	: 13.1%
■ Leverage ratio	: 6.9%
■ Return on equity <sup>3</sup>	: 8.8%
■ Return on assets	: 0.77%
■ Net interest margin	: 1.58%
■ Non-interest income / Total income	: 28.5%
■ Cost / Income	: 44.8%
■ Non-performing loan ratio	: 1.6%

	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
Issuer rating (Senior unsecured)	Aa1	AA-	AA-
Outlook	Stable	Stable	Negative
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 Bank<sup>1</sup>,  
2021  
Best SME Bank<sup>2</sup>,  
2021



World's Best Bank for  
SMEs, 2021  
Asia's Best Bank for  
SMEs, 2021



Domestic Retail Bank of  
the Year<sup>1</sup>, 2021

Source: Company reports

1. In Singapore 2. In Singapore and Asia Pacific

## Sizeable domestic market share

SGD  
deposits

20%

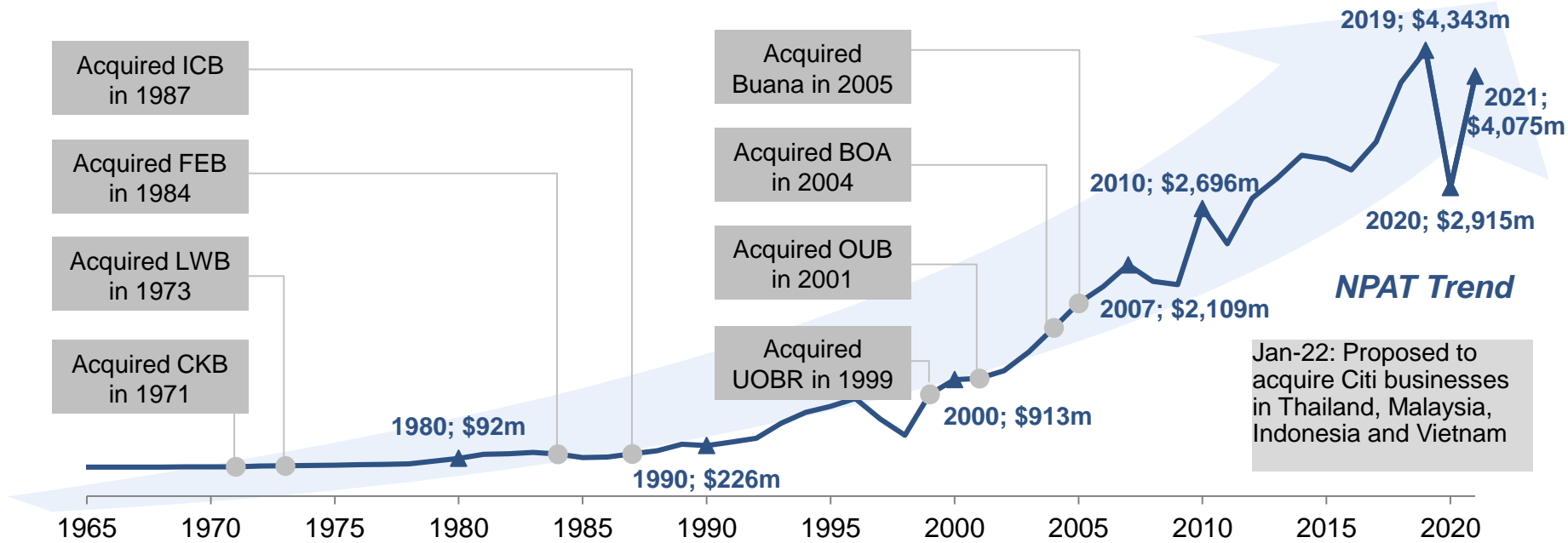
SGD  
loans

25%

Source: UOB, MAS, data as of 31 December 2021

# 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



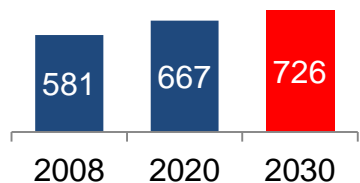
Note: Bank of Asia Public Company Limited (“BOA”), Chung Khiaw Bank Limited (“CKB”), Far Eastern Bank Limited (“FEB”), Industrial & Commercial Bank Limited (“ICB”), Lee Wah Bank Limited (“LWB”), Overseas Union Bank Limited (“OUB”), Radanasin Bank Thailand (“UOBR”)

# Comprehensive regional banking franchise

## Southeast Asia's potential

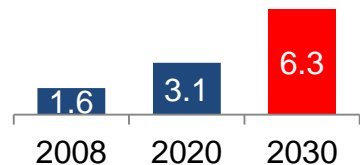
### Population

(Million persons)



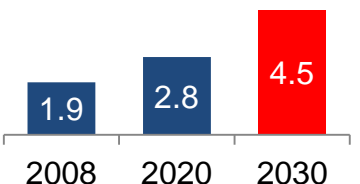
### GDP

(USD trillion)



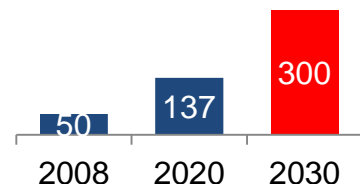
### Trade<sup>1</sup>

(USD trillion)



### FDI<sup>2</sup>

(USD billion)



## Extensive regional footprint with ~500 offices



- Most diverse regional franchise among Singapore banks; effectively full control of regional subsidiaries

\* Comprise Mainland China, Hong Kong SAR and Taiwan

1. Comprises exports and imports 2. Foreign direct investments  
Source: Macrobond, UOB Global Economics and Markets Research

## UOB's strategy



# UOB's strategic priorities

## Capture cross-border opportunities



- Deep and entrenched Asian footprint enables UOB to capture regional trade and capital flows as our customers expand across the region

## Tap on rising regional affluence



- Leverage digital banking to acquire customers at scale in a cost efficient manner with a relentless focus on customer engagement
- Omni-channel approach to engage and serve customers as their needs become more sophisticated
- Ride on the rising consumer affluence opportunities in Asia with our holistic wealth management solutions

## Forge a sustainable future



- Huge opportunities for green financing as urban cities embrace sustainable concepts and lifestyles
- Integrate sustainable concepts into wealth management products and advisory framework

# Doubling scale with acquisition of Citi's consumer banking businesses in four Southeast Asian markets

Strategy: Tap rising affluence in Southeast Asia, acquire customers digitally using TMRW and engage our customers with our omni-channel capabilities as they move up the wealth continuum

## Omni-channel platform

To deepen relationship and serve client segment needs across continuum with wider suite of financial solutions



## UOB TMRW digital platform

To acquire and engage seamlessly across simple product solutions

serving

## Serving ~5.3 million<sup>1</sup> retail customers post-acquisition

### Thailand

~2.4m Customers  
Top 6 Retail Bank  
(▲1 rank)  
Top 3 Card Issuer  
(▲5 ranks)

### Malaysia

~1.5m Customers  
Top 5 Retail Bank  
(▲2 ranks)  
Top 2 Card Issuer  
(▲3 ranks)

### Vietnam

~200k Customers

### Indonesia

~1.2m Customers  
Top 10 Retail Bank  
(▲9 ranks)  
Top 5 Card Issuer  
(▲4 ranks)

## Leading retail bank and card issuer

1. Refers to Malaysia, Thailand, Indonesia and Vietnam only.

Note: UOB customers as at 1H21. Citi customers are estimated, excluding overlaps with existing UOB customers. Retail bank ranking estimated based on FY20 retail income. Card Issuer ranking projected based on Aug/Sep'21 data from schemes and regulators' websites.

# Consumers: Tapping on rising affluence and digital adoption in Southeast Asia



## Driving Digital Adoption

Scale UOB TMRW across ASEAN in a cost-effective manner



**~140k**

Customers digitally acquired across the region by UOB TMRW in 1Q22



**>80%**

Customers digitally acquired across the region in 1Q22 by UOB TMRW are new to bank customers



## Ecosystem Partnerships

Embed partnerships and data to digitally acquire at low cost, retain and reward customers



**5**

Key strategic partnerships to grow adoption of TMRW Pay in Indonesia



**30%**

Digitally acquired customers in 1Q22 from partnership referrals<sup>1</sup>



## Omni-channel Offerings

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



**SGD140b<sup>2,3</sup>**

Assets under management (AUM)<sup>4</sup>  
▲ 3% YoY



**#1**

2021 Customer Satisfaction Index of Singapore (CSISG) Finance Sector Ranking

1. In Thailand and Indonesia. 2. As at 1Q22. 3. Of which 57 % are from customers overseas. 4. Refers to Privilege Banking, Privilege Reserve and Private Bank.

# Wholesale: Strong regional franchise to capture cross-border opportunities



## Strengthening Connectivity

Across our ASEAN footprint and global network



**+11%<sup>1</sup>**

Cross-border income growth (formed 31%<sup>2</sup> of Group Wholesale Banking income)



**2x**

Growth in suppliers and distributors within financial supply chain management solution



## Sector Specialisation

Building capabilities for greater diversification and risk mitigation



**+25%<sup>3</sup>**

Global Financial Institutions Group income growth



**+7%<sup>3</sup>**

Loan- and trade-related fee growth



## Deepening Digitalisation

For secure and efficient transactions



**+10%<sup>3,5</sup>**

Digital banking transactions by businesses



**+42%<sup>3,4</sup>**

Cashless payments to businesses

1. Year on year growth for YTD Feb '22. 2. As of YTD Feb '22. 3. Year on year growth in 1Q22. 4. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 5. Refers to digital banking transactions via UOB Infinity/BIBPlus.

# Forging a sustainable future with our customers in ASEAN



**Sustainable financing**

Sustainable growth in priority sectors driving ASEAN progress



**SGD18b<sup>1</sup>**

Total sustainability financing portfolio<sup>2</sup>



U-Energy U-Drive

Ecosystem solutions offering end-to-end financing for energy-efficiency projects and EVs



**Responsible investment**

Integrate sustainability into wealth management products and advisory framework



**SGD13b<sup>3</sup>**

Total AUM in ESG-focused investments

**Achieved operational carbon neutrality in 2021**



**Delivering tangible impact**

Making an impact beyond financial targets



**>236k tCO<sub>2</sub>-e**

Contribution to annual avoided greenhouse gas emissions

1. Compared to S\$17b in 4Q21    2. Comprising green loans, sustainability-linked loans and loans for green certified buildings  
2. 3. Compared to S\$9b in 4Q21

# UOB: The story in numbers

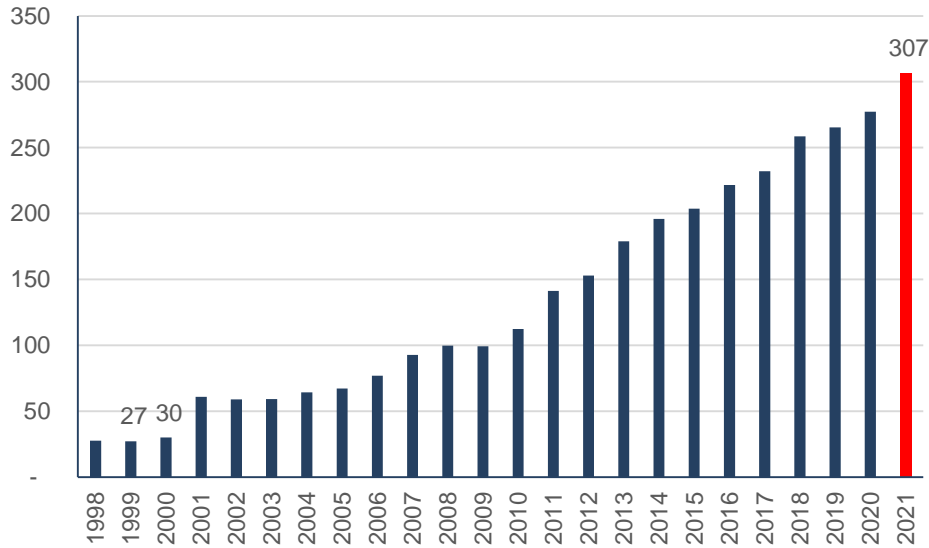
# Growing loans without compromising asset quality



Loan book up >10x in 20 years with asset quality staying well managed despite macro challenges

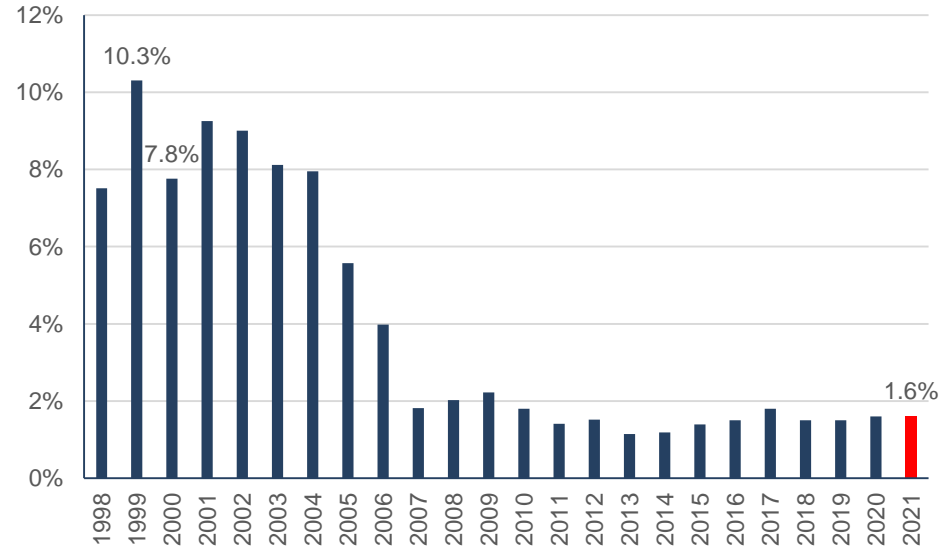
## Net loans

(S\$b)

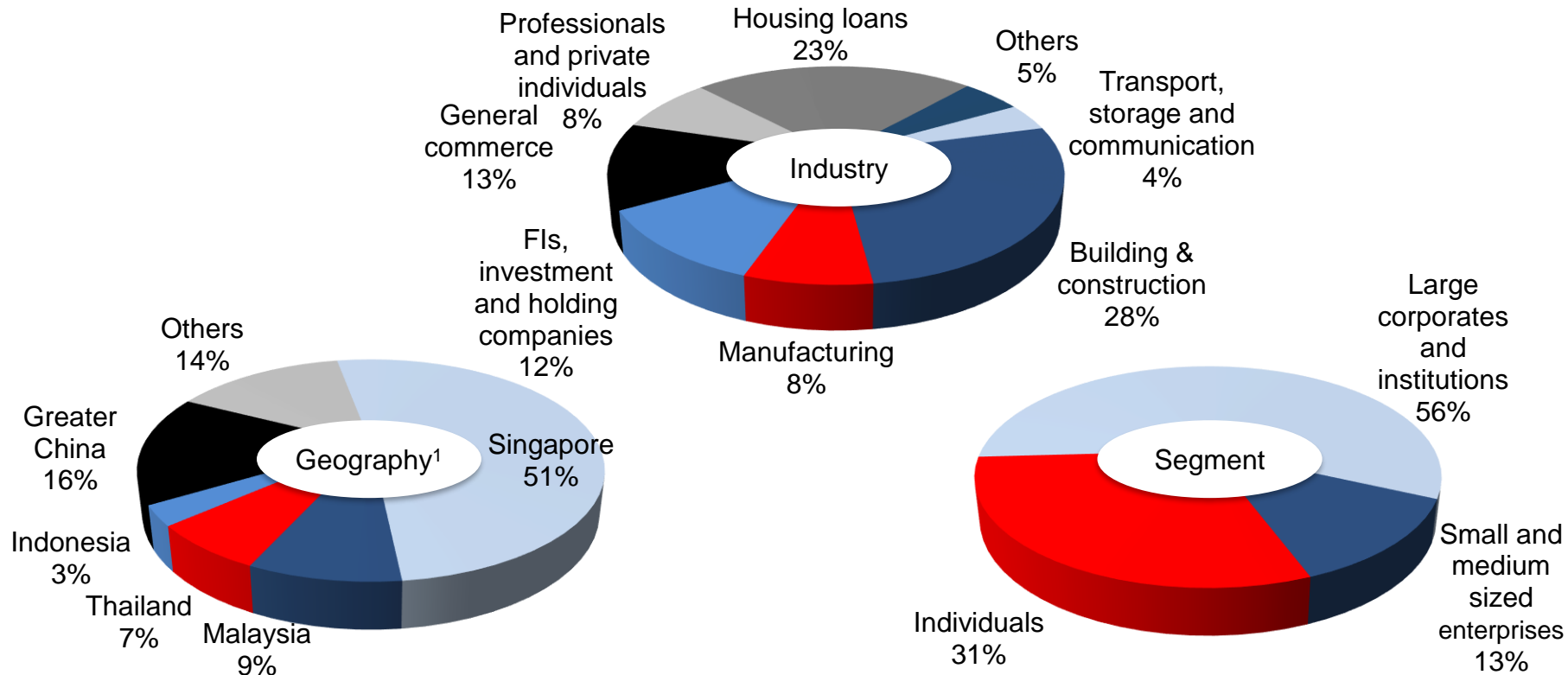


## NPL ratio

(%)



# Diversified loan portfolio



Note: Financial statistics as at 31 March 2022

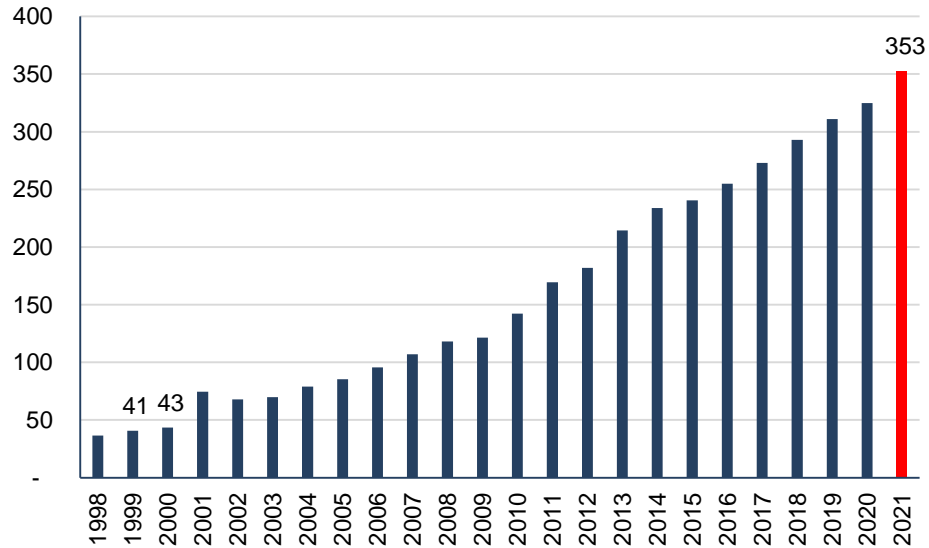
1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)



# Funding our business with sticky customer deposits

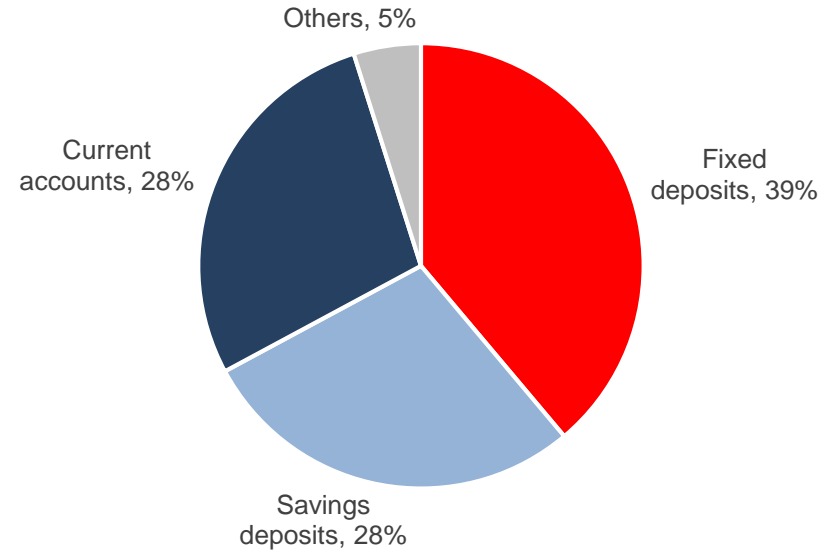
## Customer deposits

(S\$b)



## Customer deposit mix

(%)

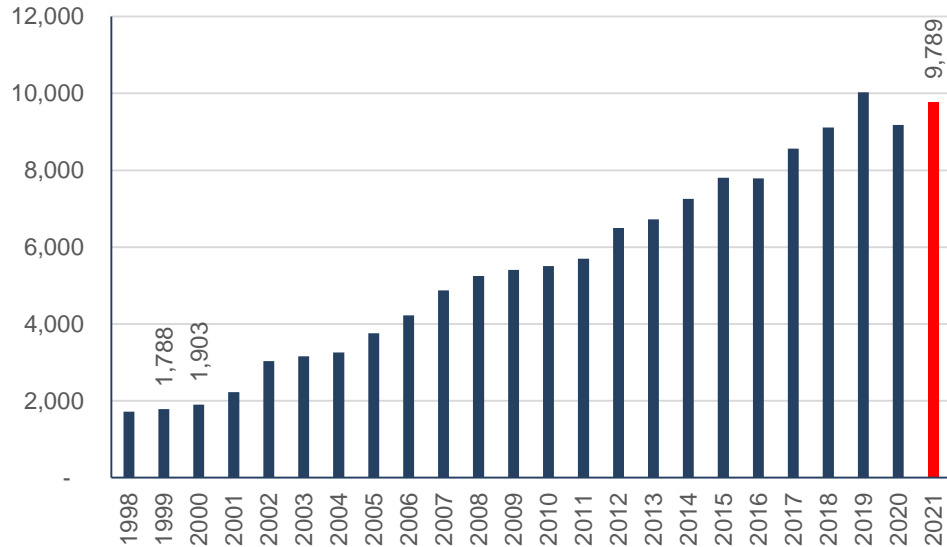


# Consistently delivering profits over the years

UOB has remained profitable over the various economic cycles

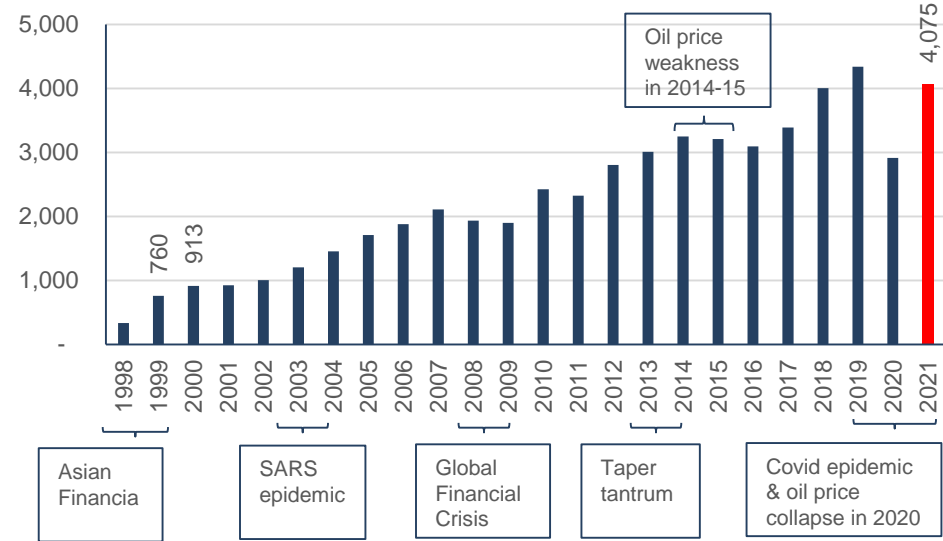
## Total income

(S\$m)



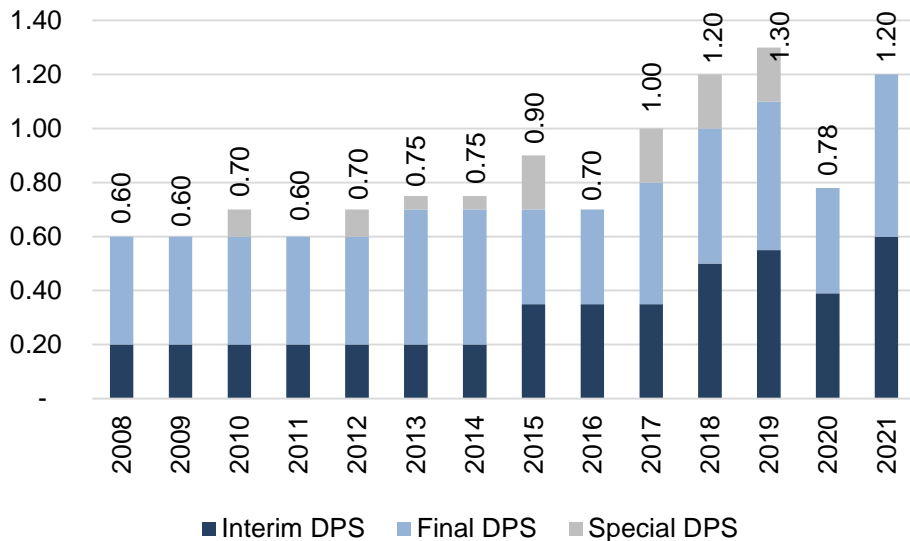
## NPAT

(S\$m)



# Dividends in line with higher earnings

## Net dividend per ordinary share (¢)



- Dividend per share (DPS) has increased significantly over the years
- Shareholders can expect higher DPS as earnings improve
- Comfortable with paying out ~50% of core profits as dividends given that capital position and earnings are expected to stay resilient

FY20 dividends were in line with Monetary Authority of Singapore's call for banks to cap dividends at 60% of 2019 dividends.

**Note:** The Scrip Dividend Scheme was applied to all the dividends for the financial years ended 2020

The Scheme provides shareholders with the option to receive Shares in lieu of the cash amount of any dividend declared on their holding of Shares. For more details, please refer to [www.uobgroup.com/investor-relations/shares-and-dividends/dividends.html](http://www.uobgroup.com/investor-relations/shares-and-dividends/dividends.html)

# Summary

# 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



- Entrenched domestic presence and deep local knowledge to address the needs of our targeted segments
- Truly regional bank with full ownership and control of regional subsidiaries

## Strong fundamentals



- Sustainable revenue channels as a result of carefully-built core businesses
- Strong capital and reserves, sound liquidity position and resilient asset quality – testament of solid foundation built on the premise of basic banking

## Balance growth with stability



- 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

## Questions & answers

# Thank You

