Corporate Connect Seminar
UOB Group
Riding on Southeast Asia’s Long-term Growth Potential
18 April 2019
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

NPAT Trend

- Acquired ICB in 1987
- Acquired FEB in 1984
- Acquired LWB in 1973
- Acquired CKB in 1971
- Acquired BOA in 2004
- Acquired UOBR in 1999
- Acquired OUB in 2001
- Acquired Buana in 2005

FY18 Financial Overview

Net Profit After Tax (NPAT) Movement, FY18 vs FY17

(SGD m)

<table>
<thead>
<tr>
<th>FY17 net profit after tax</th>
<th>FY18 net profit after tax</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,390</td>
<td>4,008</td>
<td>+18%</td>
</tr>
<tr>
<td>+13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>692</td>
<td>94</td>
<td>+5%</td>
</tr>
<tr>
<td>232</td>
<td>265</td>
<td>+7%</td>
</tr>
<tr>
<td>335</td>
<td>4</td>
<td>-46%</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>+0%</td>
</tr>
</tbody>
</table>

Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY17</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest margin (%)</td>
<td>1.82</td>
<td>1.77</td>
<td>+0.05% pt</td>
</tr>
<tr>
<td>Non-interest income / Income (%)</td>
<td>31.8</td>
<td>35.4</td>
<td>(3.6) pt</td>
</tr>
<tr>
<td>Cost / Income ratio (%)</td>
<td>43.9</td>
<td>43.7</td>
<td>+0.2% pt</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>11.3</td>
<td>10.2</td>
<td>+1.1% pt</td>
</tr>
<tr>
<td>Return on risk-weighted assets (%)</td>
<td>1.93</td>
<td>1.63</td>
<td>+0.30% pt</td>
</tr>
</tbody>
</table>

1. Fee income and expenses have been restated where expenses directly attributable to fee income are presented net of fee income.
2. Computed on an annualised basis.
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions.
### Higher Dividend for 2018

#### Net dividend per ordinary share (¢)

<table>
<thead>
<tr>
<th>Year</th>
<th>Interim</th>
<th>Final</th>
<th>Special</th>
<th>UOB 80th Anniversary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>35</td>
<td>35</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>35</td>
<td>35</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2017</td>
<td>35</td>
<td>45</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>2018</td>
<td>35</td>
<td>50</td>
<td>20</td>
<td>50</td>
</tr>
</tbody>
</table>

#### Payout amount (SGD m)

- 2015: 1,444
- 2016: 1,135
- 2017: 1,661
- 2018: 2,000

#### Payout ratio (%)

- 2015: 45
- 2016: 37
- 2017: 49
- 2018: 50

#### Payout ratio (excluding special/one-off dividends) (%)

- 2015: 35
- 2016: 37
- 2017: 39
- 2018: 42

**Note:** The Scrip Dividend Scheme was applied to UOB 80th Anniversary dividend for the financial year 2015; interim and final dividends for the financial year 2016; as well as interim, final and special dividends for the financial year 2017. 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 [http://www.uobgroup.com/investor/stock/dividend_history.html](http://www.uobgroup.com/investor/stock/dividend_history.html).
A Leading Singapore Bank; Established Franchise in Core Market Segments

**Group Retail**
- Best Retail Bank in Singapore¹
- Strong player in credit cards and private residential home loan business

**Group Wholesale Banking**
- Best SME Banking¹
- Seamless access to regional network for our corporate clients

**Global Markets**
- Strong player in Singapore dollar treasury instruments

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**UOB Group’s recognition in the industry**

- Bank of the Year, Singapore, 2015
- Excellence in Mobile Banking – Overall, 2018
- Best Retail Bank¹
- SME Bank of the Year¹

**UOB’s sizeable market share in Singapore**

- **SGD loans**
  - 23%

- **SGD deposits**
  - 21%

Source: Company reports.

Note: The resident portion of loans and advances is used as a proxy for total SGD loans in Singapore banking system. Source: UOB, MAS
Southeast Asia’s Immense Long-term Potential

<table>
<thead>
<tr>
<th>Population</th>
<th>GDP(^1)</th>
<th>Trade(^2)</th>
<th>FDI(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Million persons)</td>
<td>(USD trillion)</td>
<td>(USD trillion)</td>
<td>(USD billion)</td>
</tr>
<tr>
<td>2007</td>
<td>567</td>
<td>1.4</td>
<td>84</td>
</tr>
<tr>
<td>2017</td>
<td>643</td>
<td>2.8</td>
<td>115</td>
</tr>
<tr>
<td>2030</td>
<td>749</td>
<td>6.6</td>
<td>328</td>
</tr>
</tbody>
</table>

- Third largest globally, after China and India
- Young demographics, with 384 million below 35 years old
- Fifth largest economic bloc globally
- GDP doubled over the last decade
- Fourth largest trading group globally
- 23% are intra-ASEAN\(^4\)
  (European Union: 63%, NAFTA\(^5\): 41%)
- Third largest recipient of inward FDI globally
- Grown 1.4x over the last decade

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1. GDP: Gross domestic product  
2. Comprises exports and imports  
3. FDI: Foreign direct investments  
4. ASEAN: Association of South East Asian Nations  
5. NAFTA: North America Free Trade Agreement  
Source: Macrobond, Visual Capitalist, UOB Economic-Treasury Research
Expanding Regional Banking Franchise

Extensive Regional Footprint with c.500 Offices

- MYANMAR: 2 offices
- THAILAND: 154 offices
- MALAYSIA: 48 offices
- SINGAPORE: 69 offices
- VIETNAM: 1 office
- PHILIPPINES: 180 offices
- INDONESIA: 180 offices
- AUSTRALIA: 4 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

Profit Before Tax by Region (SGD m)

- 39% of Group profit before tax

<table>
<thead>
<tr>
<th>Region</th>
<th>Profit Before Tax</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>SGD m</td>
<td>593</td>
<td>537</td>
<td>548</td>
<td>581</td>
<td>600</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td>159</td>
<td>175</td>
<td>193</td>
<td>218</td>
<td>282</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>305</td>
<td>366</td>
<td>300</td>
<td>419</td>
<td>443</td>
</tr>
<tr>
<td>Greater China</td>
<td></td>
<td>324</td>
<td>367</td>
<td>301</td>
<td>469</td>
<td>507</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

40% of Group profit before tax

Established regional network with key Southeast Asian pillars, supporting fast-growing trade, capital and wealth flows

1. UOB owns c13% in Hengfeng Bank (formerly Evergrowing Bank) in China.
Wholesale Banking: Tapping Intra-Regional Flows through Diversification

Strong income & RoRWA¹ growth…

… supported by diverse sources

By geography

- +17%
- +15%
- +11%

By product

By sector

1. RoRWA: Ratio of “Profit before tax” to “Average segment RWA”.
2. Income from Hong Kong, China, Malaysia, Thailand, Indonesia, others.
3. Income from Cash, Trade, Global Markets, Investment Banking, others.
4. Income from Industrial, Financial Institutions, Oil & Gas, Consumer Goods, Construction & Infrastructures, Technology, Media & Telecommunications (TMT), Healthcare, Logistics, others.
Strategic Initiatives to Tap Intra-Regional Flows

1. Strengthen Connectivity
   - Support and grow with our customers in the region
     - Focused on tapping Chinese / ASEAN flows
     - FDI\(^1\) advisory team, supporting companies' regional expansion
   - Cross-border revenue: \(+15\%\) growth\(^2\) & 25\% of GWB income
   - FDI\(^1\) contributed S$46b of deposit flows\(^4\)

2. Sector Specialisation
   - Offer customised solutions to our customers
     - Focused sector teams supporting RM\(^3\) with insights & solutions
   - Non-loan income: \(+15\%\)^\(^2\)
   - Non-real estate income: \(+11\%\)^\(^2\)

3. Products & Platforms
   - Building new capabilities
     - New product platforms
     - Re-designed customer journeys
     - Rapid deployment across the Group
   - GWB e-Banking customers ~20\% growth\(^2\)
   - Targeted cost productivity improvement\(^5\): ~10-15\%

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1. FDI: Foreign Direct Investment.
2. 2018 year-on-year growth.
3. RM: Relationship Manager.
5. 2021 target.
Retail Banking: Serving Rising Affluent via Our Extensive In-country Presence

Gross Loans (Group Retail\(^1\)): +4% YoY in FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>SGD b</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>98</td>
</tr>
<tr>
<td>FY17</td>
<td>104</td>
</tr>
<tr>
<td>FY18</td>
<td>108</td>
</tr>
</tbody>
</table>

Income\(^3\) (Group Retail\(^1\)) +4% YoY in FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>SGD b</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>3.5</td>
</tr>
<tr>
<td>FY17</td>
<td>3.8</td>
</tr>
<tr>
<td>FY18</td>
<td>4.0</td>
</tr>
</tbody>
</table>

High Affluent\(^2\) income: +10% YoY in FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>SGD b</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>1.1</td>
</tr>
<tr>
<td>FY17</td>
<td>1.3</td>
</tr>
<tr>
<td>FY18</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Segment RoRWA\(^4\) +0.50%pt YoY in FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>5.78%</td>
</tr>
<tr>
<td>FY17</td>
<td>5.72%</td>
</tr>
<tr>
<td>FY18</td>
<td>6.22%</td>
</tr>
</tbody>
</table>

AUM  SGD93 b  SGD104 b  SGD111 b

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1. Includes Business Banking.
2. High Affluent comprises Privilege Banking, Privilege Reserve and Private Bank segments.
3. Income includes fee and commission income that is net of directly attributable expenses.
4. RoRWA: Ratio of “Profit before tax” to “Average segment RWA”.
Leveraging Digitalisation and Partnerships to Grow and Deepen Customer Franchise

1. **Digital Bank**
   - Targeting Mobile-First and Mobile-Only Generation
     - Delivered and launched TMRW in Thailand within 14 months
     - Payments, deposits and unsecured
   - Target 5 markets
     - 3-5m customers
     - Engagement Index >7
     - Steady-state cost-income ratio ~35%

2. **Omni-Channel Experience**
   - Traditional and affluent customers with universal banking needs
     - Digitised application & approval of consumer products¹
     - Rise in Mighty app usage
     - Leveraging data analytics & machine learning across customer touch points
   - UOB Mighty App:
     - Transaction volume: +125%²
     - New Orchard Wealth Banking Centre with state of the art features

3. **Ecosystem Partnerships**
   - Forging collaborations to widen distribution reach
     - Strengthening customer acquisition & deepen customer wallet share
     - Improving banking access by plugging into consumers’ lifestyles
   - Regional bancassurance arrangement with Prudential
   - Strategic alliance with Grab
   - Partnerships in property and car ecosystems

¹ Include UOB Housing Loan, Car Loan, Credit Cards and Deposits.
² 2018 year-on-year growth
Conclusion

Creating Sustainable Value across Our Franchise

- Capitalising on Regional Growth Drivers
- Strengthening Enablers to Support Business Growth
- Balancing Growth with Stability
Thank You