UOB Group
Record Earnings Supported by Strong Balance Sheet
February / March 2019
## Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials
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 more than 500 branches and offices in 19 countries and territories.

Key Statistics for FY18

- Total assets : SGD388b (USD285b¹)
- Shareholders’ equity : SGD38b (USD28b¹)
- Gross loans : SGD262b (USD192b¹)
- Customer deposits : SGD293b (USD215b¹)
- Loan/Deposit ratio : 88.2%
- Net stable funding ratio : 107%
- Average all-currency liquidity coverage ratio : 127% ²
- Common Equity Tier 1 CAR : 13.9%
- Leverage ratio : 7.6%
- Return on equity ³, 4 : 11.3%
- Return on assets ⁴ : 1.07%
- Return on risk-weighted assets ⁴ : 1.93%
- Net interest margin ⁴ : 1.82%
- Non-interest income/Total income : 31.8%
- Cost / Income : 43.9%
- Non-performing loan ratio : 1.5%

Credit Ratings

<table>
<thead>
<tr>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer Rating (Senior Unsecured)</td>
<td>Aa1</td>
<td>AA–</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Short Term Debt</td>
<td>P-1</td>
<td>A-1+</td>
</tr>
</tbody>
</table>

Note: Financial statistics as at 31 December 2018.
1. USD 1 = SGD 1.36275 as at 31 December 2018.
2. Average for 4Q18.
3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions.
4. Computed on an annualised basis.
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

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

- **The Banker**
  - Bank of the Year, Singapore, 2015

- **RETAIL BANKER**
  - Excellence in Mobile Banking – Overall, 2018

- **THE ASIAN BANKER**
  - Best Retail Bank¹
  - SME Bank of the Year¹

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

- **SGD loans**
  - 23%

- **SGD deposits**
  - 21%

Note: The resident portion of loans and advances is used as a proxy for total SGD loans in Singapore banking system. Source: UOB, MAS

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

Acquired ICB in 1987
Acquired FEB in 1984
Acquired LWB in 1973
Acquired CKB in 1971

Acquired BOA in 2004
Acquired OUB in 2001
Acquired BUana in 2005
Acquired UOBR in 1999

1980; $92m
1990; $226m
2000; $913m
2007; $2,109m
2010; $2,696m
2014; $3,249m
2018; $4,008m

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
- AUSTRALIA: 4 offices
- GREATER CHINA: 28 offices\(^1\)

Profit Before Tax by Region (SGD m)

- 39% of Group profit before tax
- 40% of Group profit before tax

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>2,345</td>
<td>2,363</td>
<td>2,364</td>
<td>2,491</td>
<td>2,917</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>324</td>
<td>367</td>
<td>301</td>
<td>419</td>
<td>507</td>
</tr>
<tr>
<td>Greater China</td>
<td>305</td>
<td>366</td>
<td>300</td>
<td>218</td>
<td>282</td>
</tr>
<tr>
<td>Others</td>
<td>159</td>
<td>175</td>
<td>193</td>
<td>519</td>
<td>600</td>
</tr>
</tbody>
</table>

- 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

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.
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 local presence. Ground resources and integrated regional network allow us to better 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 balance sheet, sound capital & 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

Proven track record of financial conservatism and strong management committed to the long term
Trade Tensions Cloud China’s Outlook but Low Risk of Hard Landing

- The Chinese economy has its underlying momentum, supported by rebalancing reforms and steady jobs market.
- Low central government debt underpins China’s fiscal capacity, which could help mitigate “black swan” events.
- Our base case scenario is for 2019 GDP to moderate to around 6.3% (2018: +6.6%), with downside risks from trade tensions with the US and easing tech cycle. People’s Bank of China (PBoC) has eased credit conditions and used its fiscal levers to provide targeted support.

Structural Shift of China’s Economy

(Average Contribution to GDP growth rate, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 - 2011</td>
<td>9.9</td>
<td>4.3</td>
<td>5.2</td>
</tr>
<tr>
<td>2012 - 2014</td>
<td>7.6</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td>2015 - 2019f</td>
<td>6.7</td>
<td>3.9</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Episodes of Market Volatility Contained

(Feb’14 = 100)

Source: Bloomberg, UOB Global Economics & Markets Research

New Financing Increasingly from Banking Sector

(Rolling 12 months, CNY trn)

Source: PBOC, UOB Global Economics & Markets Research

Source of China Debt Risk

(2017, % of GDP)

Source: BIS, Macrobond, UOB Global Economics & Markets Research
Global Trade Tension Negative for Asia but Some Silver Lining May Emerge

Exports growth slowed across Asian countries in 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Year on year export growth in USD terms (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>2017: 15  2018: 14</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2017: 13  2018: 22</td>
</tr>
<tr>
<td>Thailand</td>
<td>2017: 10  2018: 7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2017: 7   2018: 16</td>
</tr>
<tr>
<td>Singapore</td>
<td>2017: 9   2018: 7</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2017: 6   2018: 13</td>
</tr>
<tr>
<td>South Korea</td>
<td>2017: 5   2018: 16</td>
</tr>
<tr>
<td>Philippines</td>
<td>2017: -2  2018: 20</td>
</tr>
</tbody>
</table>

Key recipients of foreign direct investments in Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Foreign direct investments* (USD billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>2016: 35  2017: 35  2018: 34</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2016: 11  2017: 11  2018: 11</td>
</tr>
<tr>
<td>Philippines</td>
<td>2016: 2   2017: 2   2018: 5</td>
</tr>
</tbody>
</table>

* Based on official releases, definitions may differ across territories.

Sources: CEIC, UOB Global Economics & Markets Research
## Implication on Regional Policy Rates

<table>
<thead>
<tr>
<th></th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19f</th>
<th>2Q19f</th>
<th>3Q19f</th>
<th>4Q19f</th>
</tr>
</thead>
<tbody>
<tr>
<td>US 10-Year Treasury</td>
<td>2.33</td>
<td>2.40</td>
<td>2.74</td>
<td>2.86</td>
<td>3.06</td>
<td>2.68</td>
<td>2.80</td>
<td>3.00</td>
<td>3.00</td>
<td>3.25</td>
</tr>
<tr>
<td>US Fed Funds</td>
<td>1.25</td>
<td>1.50</td>
<td>1.75</td>
<td>2.00</td>
<td>2.25</td>
<td>2.50</td>
<td>2.50</td>
<td>2.75</td>
<td>2.75</td>
<td>3.00</td>
</tr>
<tr>
<td>SG 3M SIBOR</td>
<td>1.12</td>
<td>1.50</td>
<td>1.45</td>
<td>1.52</td>
<td>1.64</td>
<td>1.89</td>
<td>1.95</td>
<td>2.15</td>
<td>2.20</td>
<td>2.45</td>
</tr>
<tr>
<td>SG 3M SOR</td>
<td>1.01</td>
<td>1.30</td>
<td>1.48</td>
<td>1.59</td>
<td>1.64</td>
<td>1.92</td>
<td>1.90</td>
<td>2.15</td>
<td>2.20</td>
<td>2.45</td>
</tr>
<tr>
<td>MY Overnight Policy Rate</td>
<td>3.00</td>
<td>3.00</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
<td>3.25</td>
</tr>
<tr>
<td>TH 1-Day Repo</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>ID 7-Day Reverse Repo</td>
<td>4.25</td>
<td>4.25</td>
<td>4.25</td>
<td>5.25</td>
<td>5.75</td>
<td>6.00</td>
<td>6.25</td>
<td>6.50</td>
<td>6.50</td>
<td>6.50</td>
</tr>
<tr>
<td>CH 1-Year Deposit Rate</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
</tbody>
</table>

- The projected Federal Funds Target Rate (FFTR) range of 2.75%-3.00% by end-2019 incorporates two more hikes, albeit with some pauses. The two hikes are likely to be postponed to the June and December Federal Open Market Committee (FOMC), from earlier expectations at the March and September FOMC respectively. Similarly, balance-sheet reduction (BSR) – which reached its equilibrium state (US$50 billion in Oct’18) – is expected to slow down in light of potential financial market volatility.

- In Singapore, short-term interest rates are expected to rise further in 2019, alongside projections for higher Fed rates. However, the monetary policy bias in the region is tilted towards status quo for now. Growth in regional economies has generally moderated in 2H18, after a resilient 1H18. The US-China trade tensions – which are likely to be protracted – are negative for export-oriented Asian economies, as reflected in growth outlook in 2019.

- On balance, risks of capital flight from Asia remains low as pressure for monetary tightening has eased with the US expected to take a slower approach to interest rate normalisation. Yet emerging markets, particularly for those with current account and fiscal deficits, could see renewed pressure amid escalating trade tensions.

Sources: UOB Global Economics & Markets Research forecasts
Southeast Asia: Resilient Key Markets

### Significantly Higher Foreign Reserves

<table>
<thead>
<tr>
<th>Country</th>
<th>1998</th>
<th>2018 (latest available)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>75</td>
<td>289</td>
</tr>
<tr>
<td>Thailand</td>
<td>30</td>
<td>205</td>
</tr>
<tr>
<td>Indonesia</td>
<td>24</td>
<td>118</td>
</tr>
<tr>
<td>Malaysia</td>
<td>26</td>
<td>105</td>
</tr>
</tbody>
</table>

Sources: World Bank, International Monetary Fund

### Healthy Current Account Balances

<table>
<thead>
<tr>
<th>Country</th>
<th>1997</th>
<th>2019 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>-5.5</td>
<td>-2.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-2.0</td>
<td>-1.5</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: International Monetary Fund

### Lower Debt to Equity Ratio

<table>
<thead>
<tr>
<th>Country</th>
<th>Jun 1998</th>
<th>Jan 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>125</td>
<td>79</td>
</tr>
<tr>
<td>Singapore</td>
<td>102</td>
<td>81</td>
</tr>
<tr>
<td>Thailand</td>
<td>235</td>
<td>68</td>
</tr>
<tr>
<td>Indonesia</td>
<td>209</td>
<td>55</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Country</th>
<th>1996</th>
<th>2018 (latest available data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore*</td>
<td>67</td>
<td>50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Thailand</td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>36</td>
<td>6</td>
</tr>
</tbody>
</table>

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

Long-term fundamentals and prospects of key Southeast Asia have greatly improved since the 1997 Asian Financial Crisis.
Singapore GDP Growth to Moderate in 2019 Amidst Further Policy Tightening

- 4Q18 GDP growth slowed to 1.9% y/y (3Q18: +2.4%). This brought the full-year GDP growth to 3.2% (2017: +3.9%), as manufacturing growth slowed to 7.2% in 2018 (2017: +10.5%). For 2019, GDP growth is projected at 2.5% with downside risks, although construction could potentially accelerate into 2019.

- The MAS further tightened its monetary policy in Oct’18, due to growth staying above potential and higher core inflation. The slope of SGD NEER policy band was slightly raised to an estimated 1.0% per annum, from an estimated 0.5% slope since Apr’18. The MAS could tighten further with another slope increase at the Apr’19 meeting, but the biggest uncertainty is the ongoing US-China trade tension.

Source: Singapore Department of Statistics

 MAS Normalised SGD NEER Further in Oct’18

<table>
<thead>
<tr>
<th>MAS kept neutral stance at Oct’16, Apr’17 and Oct’17 meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tightening #1: SGD NEER slope shifted to 0.5%</td>
</tr>
<tr>
<td>Tightening #2: Slope shifted to 1.0%</td>
</tr>
</tbody>
</table>

Source: CEIC, UOB Global Economics & Markets Research

Construction activity to accelerate into 2019

Slowdown in manufacturing (2019f: +3%)

Source: Singapore Department of Statistics
Southeast Asia Banking Sectors: Strong Fundamentals Remain Intact

Robust Capital Positions
(Common equity Tier 1 capital adequacy ratio, in %)

Adequate Loan/Deposit Ratio
(Loan/deposit ratio, in %)

Healthy Reserves
(NPL reserve cover, in %)

Note: For Singapore, common equity Tier 1 capital adequacy ratio and NPL reserve cover are based on the average of the three Singapore banking groups, while the loans/deposit ratio approximates that of Singapore dollar.

Source: Central banks, banks
Conducive Macro Conditions Underpin Singapore Property Market

Regional House Price Indices over Last 10 Years

(4Q08 = 100)

HK, 342
MY, 211
AU, 165
TH, 153
SG, 129

Sources: CEIC, UOB Economic-Treasury Research

Low Unemployment vs Global Peers

(%)

EU, 6.6
US, 3.9
CH, 3.8
HK, 2.7
SG, 2.0

Sources: CEIC, UOB Economic-Treasury Research

High National Savings Rate

(% of GDP)

SG, 47
CH, 45
HK, 26
AU, 22
US, 17

Sources: IMF, UOB Economic-Treasury Research

SG Household Income in Line with Property Prices

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2018</th>
<th>+/(-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (SGD / sq ft)</td>
<td>940</td>
<td>1,136</td>
<td>+21%</td>
</tr>
<tr>
<td>Unit size (sq ft)</td>
<td>1,200</td>
<td>1,200</td>
<td>–</td>
</tr>
<tr>
<td>Unit costs (SGD m)</td>
<td>1.13</td>
<td>1.36</td>
<td>+21%</td>
</tr>
<tr>
<td>Interest rate (%)</td>
<td>3.72</td>
<td>2.42</td>
<td></td>
</tr>
<tr>
<td>Household income (SGD / mth)</td>
<td>11,933</td>
<td>17,492</td>
<td>+47%</td>
</tr>
<tr>
<td>Debt servicing ratio (%)</td>
<td>33</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

1. Reflects median price of non-landed private residential
2. Reflects median of resident households living in private properties
3. Based on a 30-year housing loan, with a loan-to-value of 75%
4. A housing loan with 5% interest rate would increase DSR to 31%

Sources: URA, CEIC, Singapore Statistics, UOB Economic-Treasury Research

Note: AU: Australia; CH: China, EU: European Union, HK: Hong Kong, SG: Singapore, TH: Thailand, UK: United Kingdom, US: United States
Revenue Potential from ‘Connecting the Dots’ in the Region

<table>
<thead>
<tr>
<th>Markets where UOB has a presence</th>
<th>Others</th>
<th>China</th>
<th>Others</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Hong Kong</th>
<th>Singapore</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>c$32b</td>
<td>c$7b</td>
<td>c$3b</td>
<td>c$4b</td>
<td>c$4b</td>
<td>c$4b</td>
<td>c$3b</td>
<td>c$2b</td>
</tr>
</tbody>
</table>

### Industry’s Potential Connectivity Revenue

<table>
<thead>
<tr>
<th>(SGD b)</th>
<th>2017</th>
<th>2020</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealth</td>
<td>c$10b</td>
<td>c$14b</td>
<td>+11%</td>
</tr>
<tr>
<td>Trade</td>
<td>c$6b</td>
<td>c$6b</td>
<td>+4%</td>
</tr>
<tr>
<td>Cross-border activities</td>
<td>c$28b</td>
<td>c$35b</td>
<td>+7%</td>
</tr>
</tbody>
</table>

**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
## Basel III across the Region

<table>
<thead>
<tr>
<th></th>
<th>BCBS</th>
<th>Singapore</th>
<th>Malaysia</th>
<th>Thailand</th>
<th>Indonesia</th>
<th>Hong Kong</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum CET1 CAR</strong></td>
<td>4.5%</td>
<td>6.5%(^1)</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Minimum Tier 1 CAR</strong></td>
<td>6.0%</td>
<td>8.0%(^1)</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Minimum Total CAR</strong></td>
<td>8.0%</td>
<td>10.0%(^1)</td>
<td>8.0%</td>
<td>8.5%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-15</td>
<td>Jan-15</td>
<td>Jan-15</td>
<td>Jan-13</td>
<td>Jan-14</td>
<td>Jan-15</td>
<td>Jan-13</td>
</tr>
<tr>
<td><strong>Capital Conservation Buffer</strong></td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
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</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
</tr>
<tr>
<td><strong>Countercyclical Buffer(^2)</strong></td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
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</tr>
<tr>
<td><strong>2019 Requirement</strong></td>
<td>n/a</td>
<td>Up to 2.5%</td>
<td>0%</td>
<td>Up to 2.5%</td>
<td>0%</td>
<td>1.0%</td>
<td>1.0%–3.5%</td>
</tr>
<tr>
<td><strong>D-SIB Buffer</strong></td>
<td>n/a</td>
<td>2.0%</td>
<td>Pending</td>
<td>1.0%</td>
<td>n/a</td>
<td>1.0%–3.5%</td>
<td>n/a</td>
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<tr>
<td><strong>G-SIB Buffer</strong></td>
<td>1.0%–3.5%</td>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td><strong>Minimum Leverage Ratio</strong></td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
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<tr>
<td><strong>Full Compliance</strong></td>
<td>2018</td>
<td>2018</td>
<td>2018</td>
<td>2022</td>
<td>2018</td>
<td>2018</td>
<td>2015/16</td>
</tr>
<tr>
<td><strong>Minimum LCR</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-20</td>
<td>Dec-18</td>
<td>Jan-19</td>
<td>Dec-18</td>
</tr>
<tr>
<td><strong>Minimum NSFR</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td><strong>Full Compliance</strong></td>
<td>Jan-18</td>
<td>Jan-18</td>
<td>Jan-20</td>
<td>Jul-18</td>
<td>Jan-18</td>
<td>Jan-18</td>
<td>Jul-18</td>
</tr>
</tbody>
</table>

### % of risk weighted assets\(^5\)

- **Minimum CET1 CAR**
- **Minimum Tier 1 CAR**
- **Minimum Total CAR**

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, Indonesia D-SIBs will initially be subject to a D-SIB buffer of up to 2.5%.
4. In China, G-SIBs (global-systemically important banks) are only subject to the higher of G-SIB and D-SIB buffer.
5. Minimum ratios on fully-loaded basis, including capital conservation buffer and D-SIB surcharge, but excluding countercyclical capital buffer and G-SIB surcharge.
### Banking Regulations Still Evolving

<table>
<thead>
<tr>
<th>Year</th>
<th>’13</th>
<th>’14</th>
<th>’15</th>
<th>’16</th>
<th>’17</th>
<th>’18</th>
<th>’19</th>
<th>’20</th>
<th>’21</th>
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<th>’25</th>
<th>’26</th>
<th>’27</th>
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<td>Basel III capital ratios</td>
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<td>Full</td>
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<tr>
<td>Leverage ratio</td>
<td>Disclosure phase</td>
<td>Start</td>
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<td>Revised</td>
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<tr>
<td>LCR&lt;sup&gt;1&lt;/sup&gt;</td>
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</tr>
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<td></td>
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<td>SACCR&lt;sup&gt;3&lt;/sup&gt;</td>
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<td>MCRMR&lt;sup&gt;4&lt;/sup&gt;</td>
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<td>Full</td>
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</tr>
</tbody>
</table>

**Banks need to be profitable in order to be strong.** Retained earnings are one of the major sources of equity – which is the highest quality capital that banks hold. Banks also need to be profitable to be able to support the real economy. 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

**…certain liabilities should be excluded from the scope of bail-in because their repayment is necessary to ensure the continuity of essential services and to avoid widespread and disruptive contagion to other parts of the financial system. The proposed scope of bail-in would hence exclude liabilities such as … senior debt and all deposits.**

– Consultation Paper by the Monetary Authority of Singapore, June 2015

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. Minimum Capital Requirements for Market Risk replaced Fundamental Review of the Trading Book (MAS has not announced implementation date)
5. Total Loss Absorbing Capacity (not applicable to Singapore banks)
6. Basel IV: Reducing variation in credit risk-weighted assets
7. Revised definition on exposure measure
Impact of Basel IV¹ Likely to be Manageable

- LGD² floor of Retail Mortgage cut to 5% from 10%
- Unsecured corporate FIRB⁵ LGD² cut to 40% from 45%
- CCF⁶ for general commitments cut to 40% from 75%
- Higher haircuts and lower FIRB⁵ secured LGD
- Removal of 1.06 multiplier for IRB⁸ RWA⁷
- LGD² and PD³ floors introduced for QRRE⁴ and Other Retail
- CCF⁶ for unconditional cancellable commitments raised to 10% from 0%
- PD³ floor of bank asset class raised to 5bp from 3bp
- RWA⁷ output floor set at 72.5% of that of standardised approach
- Fundamental review of the trading book

Lower RWA

Higher RWA

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
Strong UOB Fundamentals
Strong UOB Fundamentals

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

- Prudent growth amid the subdued business environment
- Continue to invest in building long-term capabilities in a disciplined manner
- Total credit costs expected to be below long-term trend of 28bp
- Higher profit supports an increase in full-year dividend to 120 cents per share

- Strong capital base; Common Equity Tier 1 capital adequacy ratio of 13.9% as at 31 December 2018
- Liquid and well diversified funding mix with loan/deposits ratio at 88.2%
- Stable asset quality, with a diversified loan portfolio

- Holistic regional bank with effectively full control of subsidiaries in key markets
- Focus on profitable niche segments and intra-regional needs of customers
- Entrenched local presence: ground resources and integrated regional network to better address the needs of our targeted segments

Source: Company's reports.
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
## Competitive Against Peers

<table>
<thead>
<tr>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
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<tbody>
<tr>
<td>Aa1</td>
<td>AA−</td>
<td>AA−</td>
</tr>
<tr>
<td>Aa1</td>
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<td>AA−</td>
<td>AA−</td>
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<tr>
<td>A2</td>
<td>A</td>
<td>AA−</td>
</tr>
<tr>
<td>A2</td>
<td>BBB+</td>
<td>A+</td>
</tr>
<tr>
<td>Baa1</td>
<td>A−</td>
<td>n.r.</td>
</tr>
<tr>
<td>A3</td>
<td>A−</td>
<td>A−</td>
</tr>
<tr>
<td>Baa1</td>
<td>BBB+</td>
<td>BBB+</td>
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<td>n.r.</td>
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<tr>
<td>A−</td>
<td>A−</td>
<td>A+</td>
</tr>
<tr>
<td>Baa1</td>
<td>BBB+</td>
<td>A</td>
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<td>Aa3</td>
<td>AA−</td>
<td>AA−</td>
</tr>
<tr>
<td>Aa3</td>
<td>AA−</td>
<td>AA−</td>
</tr>
</tbody>
</table>

### Standalone Strength
- **Moody's baseline credit assessment**
  - UOB: a1
  - OCBC: a1
  - DBS: a1
  - HSBC: a2
  - SCB: baa1
  - CIMB: baa2
  - MBB: a3
  - BBL: baa2
  - BCA: baa3
  - BOA: baa1
  - Citi: baa2
  - CBA: a2
  - NAB: a2

### Efficient Cost Management
- **Costs/income ratio**: 43.9%
  - UOB: 43.9%
  - OCBC: 43.4%
  - DBS: 44.0%
  - HSBC: 64.4%
  - SCB: 68.0%
  - CIMB: 51.3%
  - MBB: 46.9%
  - BBL: 45.4%
  - BCA: 45.5%
  - BOA: 58.1%
  - Citi: 57.4%
  - CBA: 44.4%
  - NAB: 50.0%

### Competitive ROAA
- **Return on average assets**: 1.07%
  - UOB: 1.07%
  - OCBC: 1.17%
  - DBS: 1.05%
  - HSBC: 0.59%
  - SCB: 0.47%
  - CIMB: 0.92%
  - MBB: 1.00%
  - BBL: 1.13%
  - BCA: 3.90%
  - BOA: 1.21%
  - Citi: 0.94%
  - CBA: 0.94%
  - NAB: 0.70%

### Well-Maintained Liquidity
- **Loan/deposit ratio**: 88.2%
  - UOB: 88.2%
  - OCBC: 86.4%
  - DBS: 87.6%
  - HSBC: 72.0%
  - SCB: 68.2%
  - CIMB: 94.0%
  - MBB: 92.8%
  - BBL: 89.5%
  - BCA: 80.9%
  - BOA: 67.8%
  - Citi: 66.3%
  - CBA: 118.3%
  - NAB: 143.2%

Source: Company reports, Credit rating agencies (updated as of 22 Feb 19).
Banks' financials were as of 31 Dec 18, except for those of BCA, NAB (both of which were as of 30 Sep 18), SCB, CIMB and Maybank (which were as of 30 Jun 18).
1. Computed on an annualised year-to-date basis.
### Strong Capital and Leverage Ratios

#### Reported Common Equity Tier 1 CAR, Tier 1 CAR and Total CAR

<table>
<thead>
<tr>
<th>Bank</th>
<th>BCA</th>
<th>BBL</th>
<th>SCB</th>
<th>OCBC</th>
<th>HSBC</th>
<th>UOB</th>
<th>DBS</th>
<th>MBB</th>
<th>CIMB</th>
<th>BOA</th>
<th>Citi</th>
<th>SCB</th>
<th>CBA</th>
<th>NAB</th>
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<tbody>
<tr>
<td>CAR (%)</td>
<td>22.7</td>
<td>22.7</td>
<td>23.7</td>
<td>16.4</td>
<td>16.4</td>
<td>14.2</td>
<td>14.0</td>
<td>14.8</td>
<td>14.0</td>
<td>14.0</td>
<td>17.0</td>
<td>17.0</td>
<td>13.9</td>
<td>13.9</td>
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</table>

#### Reported Leverage Ratio (%)

<table>
<thead>
<tr>
<th>Bank</th>
<th>BCA</th>
<th>UOB</th>
<th>OCBC</th>
<th>DBS</th>
<th>CIMB</th>
<th>BOA</th>
<th>Citi</th>
<th>SCB</th>
<th>CBA</th>
<th>HSBC</th>
<th>NAB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>16.6</td>
<td>7.6</td>
<td>7.2</td>
<td>7.1</td>
<td>6.8</td>
<td>6.8</td>
<td>6.4</td>
<td>5.8</td>
<td>5.6</td>
<td>5.5</td>
<td>5.4</td>
</tr>
</tbody>
</table>

**UOB is among the most well-capitalised banks, with capital ratios comfortably above regulatory requirements and high compared with some of the most renowned banks globally.**

Source: Company reports.

Banks’ financials were as of 31 Dec 18, except for those of BCA, NAB (both of which were as of 30 Sep 18), SCB, CIMB and Maybank (which were as of 30 Jun 18).

1. NAB’s and CBA’s CARs are based on APRA’s standards. Their internationally comparable CET1 CAR was 14.6% (30 Sep 18) and 16.5% (31 Dec 18), respectively.
2. Computed on an annualised year-to-date basis.
3. BBL and MBB do not disclose their leverage ratio.
Disciplined Balance Sheet Management

- **Improved balance sheet efficiency**
  - Stronger RoRWA\(^1\) driven mainly by higher profit

- **Healthy portfolio quality**
  - NPL ratio improved to 1.5% in 2018
  - 16bp credit cost on loans lower YoY
  - Adequate non-performing assets reserve cover: 87%, or 202% including collateral

- **Proactive liability management**
  - Liquidity Coverage Ratios: S$ (209%) and all-currency (135%)
  - Net stable funding ratio: 107%

- **Robust capital; 13.9% CET1 CAR\(^3\)**

- **Total dividend / share \(\uparrow\) to $1.20, vs $1.00 in FY17**

---

1. RORWA: Return on average risk-weighted assets.
2. Compound annual growth rate (CAGR) computed over 4 years (2014 to 2018).
3. CAR: Capital adequacy ratio.
Diversified Loan Portfolio

**Gross Customer Loans by Geography**

- Singapore: 52%
- Greater China: 15%
- Indonesia: 4%
- Thailand: 6%
- Malaysia: 11%
- Others: 12%

**Gross Customer Loans by Currency**

- SGD: 47%
- USD: 19%
- MYR: 10%
- THB: 6%
- IDR: 2%
- Others: 16%

**Gross Customer Loans by Maturity**

- >5 years: 29%
- 3-5 years: 12%
- 1-3 years: 19%
- <1 year: 40%

**Gross Customer Loans by Industry**

- Housing loans: 26%
- Manufacturing: 8%
- Financial institutions, investment and holding companies: 9%
- Building & construction: 24%
- Others: 5%
- Transport, storage and communication: 4%
- General commerce: 13%
- Professionals and private individuals: 11%

Note: Financial statistics as at 31 December 2018.
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).
## Debt Issuance History

<table>
<thead>
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<th>Issue Date</th>
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<th>Coupon</th>
<th>Amount</th>
<th>Ratings (M/S/F)</th>
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<th>2021</th>
<th>2022</th>
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<td>Oct-17</td>
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<td>SGD750m</td>
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<td>Sep-16</td>
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<td>USD600m</td>
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<td>-</td>
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<td>500</td>
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<td>A2 / BBB+ / A+</td>
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<td><strong>Senior Unsecured</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-18</td>
<td>3½yr FRN</td>
<td>BBSW 3m+0.81%</td>
<td>AUD600m</td>
<td>Aa1 / AA– / AA–</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>578</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-18</td>
<td>3yr FRN</td>
<td>3m LIBOR+0.48%</td>
<td>USD500m</td>
<td>Aa1 / AA– / AA–</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>681</td>
<td>-</td>
<td></td>
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</tr>
<tr>
<td>Apr-18</td>
<td>3yr FXN</td>
<td></td>
<td>3.20%</td>
<td>USD700m</td>
<td>Aa1 / AA– / AA–</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>954</td>
<td>-</td>
<td></td>
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<tr>
<td>Apr-17</td>
<td>4yr FRN</td>
<td>BBSW 3m+0.81%</td>
<td>AUD300m</td>
<td>Aa1 / AA– / AA–</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>289</td>
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</tr>
<tr>
<td>Sep-14</td>
<td>5½yr FXN</td>
<td></td>
<td>2.50%</td>
<td>USD500m</td>
<td>Aa1 / AA– / AA–</td>
<td>-</td>
<td>681</td>
<td>-</td>
<td></td>
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<tr>
<td><strong>Covered</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Sep-18</td>
<td>5yr FXN</td>
<td></td>
<td>0.250%</td>
<td>EUR500m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>780</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-18</td>
<td>5yr FRN</td>
<td>3m LIBOR+0.24%</td>
<td>GBP350m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>608</td>
<td>-</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Jan-18</td>
<td>7yr FXN</td>
<td></td>
<td>0.500%</td>
<td>EUR500m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>780</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-17</td>
<td>3yr FXN</td>
<td></td>
<td>2.125%</td>
<td>USD500m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>681</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-17</td>
<td>5yr FXN</td>
<td></td>
<td>0.125%</td>
<td>EUR500m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>780</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar-16</td>
<td>5yr FXN</td>
<td></td>
<td>0.250%</td>
<td>EUR500m</td>
<td>Aaa / AAA / –</td>
<td>-</td>
<td>-</td>
<td>780</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,590</td>
<td>1,863</td>
<td>4,408</td>
<td>2,175</td>
<td>2,273</td>
<td>750</td>
<td>780</td>
<td>-</td>
</tr>
</tbody>
</table>

The table comprises UOB’s public rated issues; Maturities shown at first call date for AT1 and T2 notes; FXN: Fixed Rate Notes; FRN: Floating Rate Notes; Updated as of 22 Feb 2019.

FX rates at 31 Dec 2018: USD 1 = SGD 1.36; AUD 1.04 = SGD 1; 1 GBP = SGD 1.74; EUR 1 = SGD 1.56

---

**Moody’s Investors Service**

**Aa1 / Stable / P-1**
- Capital good by global standards
- Deposit-funded and liquid balance sheet
- Traditional banking presence in Singapore, Malaysia and other markets

**Fitch Ratings**

**AA– / Stable / A1+**
- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

**Capital good by global standards**
- **Deposit-funded and liquid balance sheet**
- **Traditional banking presence in Singapore, Malaysia and other markets**

---

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

### Notable Achievements

#### MUDAJAYA GROUP BERHAD

**Sinar Kamiri Sdn Bhd**  
(A subsidiary of Mudajaya Group)

**SRI Sukuk**  
RM245m  
Joint Lead Arranger  
Jan 2018

#### Dodid Data Centre

**Dodid Data Centre**

**Bilateral Loan**  
S$76m  
Sole Financial Adviser  
May 2018

### Notable Recognitions

1. **FTSE4Good ASEAN 5 Index**  
UOB was ranked second by market capitalisation at end-2018

2. **Bloomberg Gender-Equality Index**  
UOB was included in 2019 based on disclosure in 2018.

3. **Sustainable Banking Assessment**  
UOB was ranked second among the Southeast Asian banks in 2018.

4. **ASEAN Corporate Governance Scorecard**  
UOB was ranked fifth in Singapore in 2018.

5. **Singapore Governance and Transparency Index**  
UOB was ranked eighth out of 589 companies listed in Singapore in 2018.

6. **Singapore Corporate Awards**  
UOB won the Bronze Award for Best Management Board for listed companies with market capitalisation of above SGD1 billion in 2018.

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1. BCA-IMDA: Building and Construction Authority - Infocomm Media Development Authority.  
Source: UOB, FTSE Russell, Bloomberg, World Wildlife Fund (WWF), Centre for Governance, Institutions and Organisations (CGIO) of the National University of Singapore (NUS) Business School; Singapore Corporate Awards.
Our 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
Wholesale Banking: Tapping Intra-Regional Flows through Diversification

Strong income & RoRWA\(^1\) growth…

… supported by diverse sources

By geography

- 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%\(^2\) growth & 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\(^%\)

---

**Best Transaction Bank**

**Best Cash Management Bank**

**Best Trade Finance Bank**

---

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

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

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

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

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

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

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

AUM

<table>
<thead>
<tr>
<th></th>
<th>SGD93 b</th>
<th>SGD104 b</th>
<th>SGD111 b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

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”.

34
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

2. Omni-Channel Experience
   - Deepening customer engagement
     - Digitised application & approval of consumer products
     - Growth in Mighty app usage
     - Leveraging data analytics & machine learning across customer touch points

3. Ecosystem Partnerships
   - Forging collaborations to widen distribution reach
     - Strengthening customer acquisition & deepen customer wallet share
     - Improving banking access by plugging into consumers’ lifestyles

- Target 5 markets
- 3-5m customers
- Engagement Index >7
- Steady-state cost-income ratio ~35%

- UOB Mighty App: Transaction volume: +125%
- New Orchard Wealth Banking Centre with state of the art features

- 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
Latest Financials
FY18 Financial Overview

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

(SGD m)

<table>
<thead>
<tr>
<th></th>
<th>FY17 net after tax</th>
<th>Net interest income</th>
<th>Net fee and commission income</th>
<th>Other non-interest income</th>
<th>Operating expenses</th>
<th>Total allowances</th>
<th>Share of profit of associates and joint ventures</th>
<th>Tax and non-controlling interests</th>
<th>FY18 net after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>3,390</td>
<td>+13%</td>
<td>+5%</td>
<td>-20%</td>
<td>+7%</td>
<td>-46%</td>
<td>-4%</td>
<td>+0%</td>
<td>4,008</td>
</tr>
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</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.
4Q18 Financial Overview

Net Profit After Tax (NPAT) Movement, 4Q18 vs 3Q18

(SGD m)

<table>
<thead>
<tr>
<th></th>
<th>3Q18 net profit after tax</th>
<th>Net interest income</th>
<th>Net fee and commission income</th>
<th>Other non-interest income</th>
<th>Operating expenses</th>
<th>Total allowances</th>
<th>Share of profit of associates and joint ventures</th>
<th>Tax and non-controlling interests</th>
<th>4Q18 net profit after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,037</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>916</td>
</tr>
<tr>
<td>+1%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>–4%</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>–42%</td>
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<tr>
<td>+34%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>–99%</td>
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<td>–10%</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>17</td>
<td>103</td>
<td>27</td>
<td>33</td>
<td>24</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+1%</td>
<td>–4%</td>
<td>–42%</td>
<td>–3%</td>
<td>+34%</td>
<td>–99%</td>
<td>–10%</td>
<td></td>
<td>–12%</td>
</tr>
</tbody>
</table>

Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>4Q18</th>
<th>3Q18</th>
<th>QoQ Change</th>
<th>4Q17</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest margin (%) (^1)</td>
<td>1.80</td>
<td>1.81</td>
<td>(0.01) pt</td>
<td>1.81</td>
<td>(0.01) pt</td>
</tr>
<tr>
<td>Non-interest income / Income (%)</td>
<td>27.4</td>
<td>31.3</td>
<td>(3.9) pt</td>
<td>34.5</td>
<td>(7.1) pt</td>
</tr>
<tr>
<td>Cost / Income ratio (%)</td>
<td>44.4</td>
<td>43.4</td>
<td>+1.0% pt</td>
<td>46.0</td>
<td>(1.6) pt</td>
</tr>
<tr>
<td>Return on equity (%) (^1,2)</td>
<td>10.2</td>
<td>11.7</td>
<td>(1.5) pt</td>
<td>9.8</td>
<td>+0.4% pt</td>
</tr>
<tr>
<td>Return on risk-weighted assets (%) (^1)</td>
<td>1.68</td>
<td>1.99</td>
<td>(0.31) pt</td>
<td>1.69</td>
<td>(0.01) pt</td>
</tr>
</tbody>
</table>

1. Computed on an annualised basis.
2. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions.
Volume Sustained Growth in Net Interest Income; Margin Stable

Net Interest Income and Net Interest Margin

- **Net interest income – loans (SGD m)**
- **Net loan margin (%) **
- **Overall net interest margin (%) **

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans (SGD m)</td>
<td>4,926</td>
<td>4,991</td>
<td>5,528</td>
<td>866</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>2.26%</td>
<td>2.20%</td>
<td>2.14%</td>
<td>2.19%</td>
</tr>
<tr>
<td>Loans (SGD m)</td>
<td>4,535</td>
<td>4,688</td>
<td>4,877</td>
<td>5,354</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>0.50%</td>
<td>0.38%</td>
<td>0.77%</td>
<td>0.89%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans (SGD m)</td>
<td>1,461</td>
<td>1,470</td>
<td>1,542</td>
<td>1,599</td>
<td>1,608</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>2.14%</td>
<td>2.18%</td>
<td>2.22%</td>
<td>2.18%</td>
<td>2.15%</td>
</tr>
<tr>
<td>Loans (SGD m)</td>
<td>1,254</td>
<td>1,261</td>
<td>1,331</td>
<td>1,369</td>
<td>1,392</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>0.93%</td>
<td>0.94%</td>
<td>0.87%</td>
<td>0.90%</td>
<td>0.87%</td>
</tr>
</tbody>
</table>

* Computed on an annualised basis, where applicable.
# Broad-based Increase in Loan Portfolio

<table>
<thead>
<tr>
<th>Gross Loans</th>
<th>Dec-18 SGD b</th>
<th>Sep-18 SGD b</th>
<th>QoQ +/- (%)</th>
<th>Dec-17 SGD b</th>
<th>YoY +/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>By Geography</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>137</td>
<td>133</td>
<td>+3</td>
<td>128</td>
<td>+8</td>
</tr>
<tr>
<td>Regional:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>97</td>
<td>95</td>
<td>+2</td>
<td>85</td>
<td>+15</td>
</tr>
<tr>
<td>Thailand</td>
<td>29</td>
<td>29</td>
<td>+1</td>
<td>27</td>
<td>+9</td>
</tr>
<tr>
<td>Indonesia</td>
<td>17</td>
<td>16</td>
<td>+3</td>
<td>15</td>
<td>+12</td>
</tr>
<tr>
<td>Greater China</td>
<td>11</td>
<td>11</td>
<td>+2</td>
<td>11</td>
<td>+5</td>
</tr>
<tr>
<td>Others</td>
<td>40</td>
<td>39</td>
<td>+3</td>
<td>32</td>
<td>+24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>262</td>
<td>255</td>
<td>+3</td>
<td>236</td>
<td>+11</td>
</tr>
</tbody>
</table>

| **By Industry**                  |              |              |             |              |             |
| Transport, storage and communication | 10          | 10           | +2          | 9            | +9          |
| Building and construction        | 63           | 60           | +5          | 54           | +18         |
| Manufacturing                    | 21           | 22           | −2          | 19           | +13         |
| Financial institutions, investment & holding companies | 23          | 23           | +2          | 19           | +22         |
| General commerce                 | 33           | 32           | +2          | 31           | +7          |
| Professionals and private individuals | 29          | 29           | +1          | 28           | +4          |
| Housing loans                    | 68           | 68           | +1          | 66           | +4          |
| Others                           | 13           | 12           | +14         | 11           | +24         |
| **Total**                        | 262          | 255          | +3          | 236          | +11         |

Note: 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).
Non-Interest Income Softened with Subdued Market Conditions

### Non-Interest Income and as a % of Total Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Net fee income (SGD m)</th>
<th>Trading and investment income (SGD m)</th>
<th>Other non-interest income (SGD m)</th>
<th>Non-interest income / Total income (%)</th>
<th>Net fee income / Total income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,642</td>
<td>1,659</td>
<td>1,873</td>
<td>21.0%</td>
<td>21.0%</td>
</tr>
<tr>
<td>2016</td>
<td>2,799</td>
<td>2,633</td>
<td>970</td>
<td>21.3%</td>
<td>21.3%</td>
</tr>
<tr>
<td>2017</td>
<td>2,896</td>
<td>3,035</td>
<td>1,026</td>
<td>21.9%</td>
<td>21.9%</td>
</tr>
<tr>
<td>2018</td>
<td>2,880</td>
<td>3,035</td>
<td>1,026</td>
<td>21.6%</td>
<td>21.6%</td>
</tr>
</tbody>
</table>

#### 4Q17 - 4Q18

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Trading and investment income (SGD m)</th>
<th>Other non-interest income (SGD m)</th>
<th>Net fee income (SGD m)</th>
<th>Non-interest income / Total income (%)</th>
<th>Net fee income / Total income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q17</td>
<td>771</td>
<td>198</td>
<td>509</td>
<td>34.5%</td>
<td>22.8%</td>
</tr>
<tr>
<td>1Q18</td>
<td>761</td>
<td>187</td>
<td>517</td>
<td>34.1%</td>
<td>23.2%</td>
</tr>
<tr>
<td>2Q18</td>
<td>800</td>
<td>216</td>
<td>498</td>
<td>34.2%</td>
<td>21.3%</td>
</tr>
<tr>
<td>3Q18</td>
<td>728</td>
<td>185</td>
<td>484</td>
<td>31.3%</td>
<td>20.8%</td>
</tr>
<tr>
<td>4Q18</td>
<td>607</td>
<td>692</td>
<td>607</td>
<td>27.4%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>

**Note:** Fee income has been restated where the amounts are net of expenses directly attributable to fee income.
**Broad-based Focus in Fee Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Income (SGD m)</td>
<td>1,883</td>
<td>1,931</td>
<td>2,161</td>
<td>2,303</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card</td>
<td>18</td>
<td>72</td>
<td>36</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Fund management</td>
<td>133</td>
<td>141</td>
<td>148</td>
<td>135</td>
<td>121</td>
</tr>
<tr>
<td>Wealth management</td>
<td>547</td>
<td>543</td>
<td>545</td>
<td>551</td>
<td>551</td>
</tr>
<tr>
<td>Loan-related</td>
<td>418</td>
<td>418</td>
<td>418</td>
<td>418</td>
<td>418</td>
</tr>
<tr>
<td>Service charges</td>
<td>67</td>
<td>68</td>
<td>68</td>
<td>65</td>
<td>60</td>
</tr>
<tr>
<td>Trade-related</td>
<td>111</td>
<td>99</td>
<td>108</td>
<td>110</td>
<td>123</td>
</tr>
<tr>
<td>Others</td>
<td>345</td>
<td>368</td>
<td>404</td>
<td>440</td>
<td>440</td>
</tr>
</tbody>
</table>

Note: The amounts represent fee income on a gross basis.
Pacing Growth in Operating Expenses, with Maintaining a Stable CIR

Operating Expenses and Costs / Income Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff costs (SGD m)</th>
<th>IT-related expenses (SGD m)</th>
<th>Operating Expenses (SGD m)</th>
<th>Costs / Income ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,064</td>
<td>242</td>
<td>3,356</td>
<td>43.0%</td>
</tr>
<tr>
<td>2016</td>
<td>2,050</td>
<td>286</td>
<td>3,425</td>
<td>44.0%</td>
</tr>
<tr>
<td>2017</td>
<td>2,224</td>
<td>365</td>
<td>3,739</td>
<td>43.7%</td>
</tr>
<tr>
<td>2018</td>
<td>2,447</td>
<td>414</td>
<td>4,003</td>
<td>43.9%</td>
</tr>
<tr>
<td>4Q17</td>
<td>608</td>
<td>98</td>
<td>1,027</td>
<td>46.0%</td>
</tr>
<tr>
<td>1Q18</td>
<td>606</td>
<td>103</td>
<td>987</td>
<td>44.2%</td>
</tr>
<tr>
<td>2Q18</td>
<td>619</td>
<td>112</td>
<td>1,022</td>
<td>43.6%</td>
</tr>
<tr>
<td>3Q18</td>
<td>626</td>
<td>106</td>
<td>1,011</td>
<td>43.4%</td>
</tr>
<tr>
<td>4Q18</td>
<td>597</td>
<td>94</td>
<td>984</td>
<td>44.4%</td>
</tr>
</tbody>
</table>

Note: Expenses have been restated where the amounts no longer include expenses directly attributable to fee income.
IT Investments Towards “Changing the Bank”

<table>
<thead>
<tr>
<th>Focus</th>
<th>Centralisation and Standardisation</th>
<th>Connectivity and Digital for Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative IT investments</td>
<td>2009 to 2013 (cSGD0.6 b)</td>
<td>2014 to 2018 (cSGD1.6 b)</td>
</tr>
</tbody>
</table>

**Total IT investments**

- Run the Bank: 36% (2014) → 34% (2018)
- Change the Bank: 64% (2014) → 66% (2018)

**Global Market Platform:**
Customer flow income +9%¹

**Cash Management Platform:**
Transaction banking income +16%¹

**Wealth Platform:**
Wealth management income +14%¹

**Digital Transformation:**
Online penetration rate for retail customers – Group: 59% in 2018 (2017: 54%)

---

1. CAGR computed over 5 years (2013 to 2018)
Exposure to China

Bank exposure as of 31 December 2018
• Bank exposure accounted for 60% of total exposure to China
• Top 5 domestic banks and 3 policy banks accounted for 70% of total bank exposure
• 99% with <1 year tenor
• Trade exposures mostly with bank counterparties, representing about half of bank exposure

Non-bank exposure as of 31 December 2018
• Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
• NPL ratio at 0.6%
• 50% denominated in RMB
• 50% with <1 year tenor

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).
NPL Ratio Improved to 1.5%

<table>
<thead>
<tr>
<th></th>
<th>Dec-17</th>
<th>Mar-18</th>
<th>Jun-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>1.8%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td>NPLs (SGD m)</td>
<td>4,211</td>
<td>4,138</td>
<td>4,208</td>
<td>4,185</td>
<td>3,994</td>
</tr>
</tbody>
</table>

Note: NPLs 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).
## New NPA Formation Trending to More Normalised Level

<table>
<thead>
<tr>
<th>(SGD m)</th>
<th>4Q16</th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPA at start of period</td>
<td>3,632</td>
<td>3,480</td>
<td>3,543</td>
<td>3,587</td>
<td>3,919</td>
<td>4,389</td>
<td>4,323</td>
<td>4,404</td>
<td>4,374</td>
</tr>
<tr>
<td>New NPA</td>
<td>387</td>
<td>424</td>
<td>537</td>
<td>799</td>
<td>1,167</td>
<td>416</td>
<td>436</td>
<td>475</td>
<td>609</td>
</tr>
<tr>
<td>Upgrades, recoveries and</td>
<td>(320)</td>
<td>(293)</td>
<td>(255)</td>
<td>(369)</td>
<td>(354)</td>
<td>(310)</td>
<td>(212)</td>
<td>(398)</td>
<td>(382)</td>
</tr>
<tr>
<td>translations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write-offs</td>
<td>(219)</td>
<td>(68)</td>
<td>(238)</td>
<td>(98)</td>
<td>(343)</td>
<td>(172)</td>
<td>(143)</td>
<td>(107)</td>
<td>(435)</td>
</tr>
<tr>
<td>NPA at end of period</td>
<td>3,480</td>
<td>3,543</td>
<td>3,587</td>
<td>3,919</td>
<td>4,389</td>
<td>4,323</td>
<td>4,404</td>
<td>4,374</td>
<td>4,166</td>
</tr>
</tbody>
</table>
Credit Costs Also Normalising

1. Computed on an annualised basis, where applicable.
Adequate Reserve Coverage Ratios

- **Total Allowances / Unsecured NPLs (%)**
  - Dec-17: 195%
  - Mar-18: 178%
  - Jun-18: 178%
  - Sep-18: 177%
  - Dec-18: 188%

- **Total Allowances / NPLs (%)**
  - Dec-17: 91%
  - Mar-18: 81%
  - Jun-18: 80%
  - Sep-18: 80%
  - Dec-18: 77%

- **Allowances for NPLs / NPLs (%)**
  - Dec-17: 44%
  - Mar-18: 43%
  - Jun-18: 42%
  - Sep-18: 43%
  - Dec-18: 38%

- **Allowances for performing loans (SGDm)**
  - Dec-17: 1,961
  - Mar-18: 1,570
  - Jun-18: 1,581
  - Sep-18: 1,586
  - Dec-18: 1,571

- **Allowances for NPLs (SGD m)**
  - Dec-17: 1,855
  - Mar-18: 1,771
  - Jun-18: 1,766
  - Sep-18: 1,781
  - Dec-18: 1,508

---

*ECL*: Expected credit losses under Singapore Financial Reporting Standards (International) 9: Financial Instruments
## Strong Capital and Leverage Ratios

<table>
<thead>
<tr>
<th></th>
<th>Dec-17</th>
<th>Mar-18</th>
<th>Jun-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage ratio 1</td>
<td>8.0%</td>
<td>8.2%</td>
<td>7.7%</td>
<td>7.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Total CAR 2</td>
<td>18.7%</td>
<td>18.8%</td>
<td>18.4%</td>
<td>17.4%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Tier 2 CAR 2</td>
<td>2.5%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Tier 1 CAR 2</td>
<td>15.1%</td>
<td>14.9%</td>
<td>14.5%</td>
<td>14.1%</td>
<td>13.9%</td>
</tr>
<tr>
<td>CET1 CAR 2</td>
<td>14.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fully-loaded CET1 CAR 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SGD

| Common Equity Tier 1 Capital | 30 | 30 | 30 | 30 | 31 |
| Tier 1 Capital              | 32 | 33 | 33 | 32 | 33 |
| Total Capital               | 37 | 38 | 38 | 37 | 38 |
| Risk-Weighted Assets        | 199 | 202 | 206 | 213 | 221 |
| Credit                      | 176 | 179 | 182 | 188 | 195 |
| Market                      | 9   | 9   | 10  | 10  | 10  |
| Operational                 | 14  | 14  | 14  | 15  | 15  |

1. Leverage ratio is calculated based on the revised MAS Notice 637.
2. CAR: Capital adequacy ratio
3. Fully phased in, as per Basel III rules.
4. All capital ratios are fully-phased in from 2018 onwards.
Stable Liquidity and Funding Position

- Net stable funding ratio (%)
- SGD loan-deposit ratio (LDR) (%)
- Group LDR (%)
- USD LDR (%)

All-currency liquidity coverage ratio (%)*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>135%</td>
<td>170%</td>
<td>174%</td>
<td>206%</td>
<td>235%</td>
<td>220%</td>
</tr>
</tbody>
</table>

SGD liquidity coverage ratio (%)*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>128%</td>
<td>174%</td>
<td>206%</td>
<td>235%</td>
<td>220%</td>
<td></td>
</tr>
</tbody>
</table>

* Liquidity coverage ratios are computed on a quarterly average basis.
Note: Net stable funding ratio is a new regulatory requirement from 2018 onwards.
Higher Dividend for 2018

<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>20</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>2016</td>
<td>35</td>
<td>35</td>
<td></td>
<td>35</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></td>
<td>50</td>
</tr>
</tbody>
</table>

### Net dividend per ordinary share (¢)

<table>
<thead>
<tr>
<th>Payout amount (SGD m)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,444</td>
<td>1,135</td>
<td>1,661</td>
<td>2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payout ratio (%)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45</td>
<td>37</td>
<td>49</td>
<td>50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payout ratio (excluding special/one-off dividends) (%)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35</td>
<td>37</td>
<td>39</td>
<td>42</td>
</tr>
</tbody>
</table>

**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).
Thank You