

UOB Group Fixed Income Investor Presentation

Steady Business Momentum Backed by Solid Balance Sheet
September 2019

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Private & Confidential

Agenda

1. Overview of UOB Group

2. Strong UOB Fundamentals

3. Our Growth Drivers

4. Resilience of Singapore Housing Market and UOB's Cover Pool

Appendix:

A. Latest Financials

B. Macroeconomic Outlook and Banking Regulations



Overview of UOB Group

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.

Note: Financial statistics as at 30 June 2019.

1. USD 1 = SGD 1.3528 as at 30 June 2019.

2. Average for 2Q19.

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

4. Computed on an annualised basis.

Key Statistics for 1H19

| | |
|---|-----------------------------------|
| ■ Total assets | : SGD406b (USD300b ¹) |
| ■ Shareholders' equity | : SGD39b (USD29b ¹) |
| ■ Gross loans | : SGD273b (USD202b ¹) |
| ■ Customer deposits | : SGD305b (USD225b ¹) |
| ■ Loan/Deposit ratio | : 88.5% |
| ■ Net stable funding ratio | : 108% |
| ■ Average all-currency liquidity coverage ratio | : 147% ² |
| ■ Common Equity Tier 1 CAR | : 13.9% |
| ■ Leverage ratio | : 7.5% |
| ■ Return on equity ^{3, 4} | : 12.0% |
| ■ Return on assets ⁴ | : 1.12% |
| ■ Return on risk-weighted assets ⁴ | : 1.95% |
| ■ Net interest margin ⁴ | : 1.80% |
| ■ Non-interest income/ Total income | : 35.0% |
| ■ Cost / Income | : 44.1% |
| ■ Non-performing loan ratio | : 1.5% |
| ■ Credit Ratings | |

| | Moody's | S&P | Fitch |
|-------------------------------------|---------|--------|--------|
| Issuer Rating (Senior Unsecured) | Aa1 | AA- | AA- |
| Outlook | Stable | Stable | Stable |
| Short Term Debt | P-1 | A-1+ | F1+ |

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



Best Retail Bank¹
Best SME Bank¹



Excellence in Mobile Banking – Overall, 2018



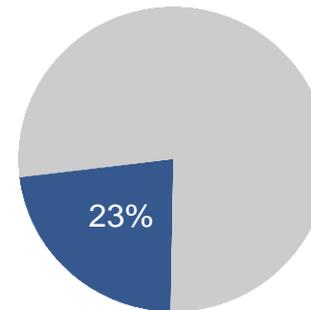
Bank of the Year, Singapore, 2015

Source: Company reports.

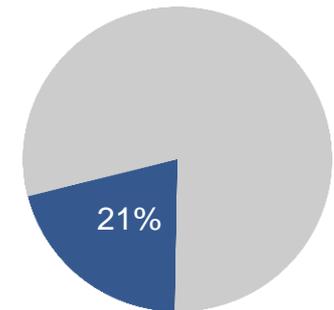
1. The Asian Banker "International Excellence in Retail Financial Service Awards": 2019 (Best SME Bank in Asia Pacific & Singapore), 2017 & 2016 (SME Bank of the Year), 2014 (Best Retail Bank in Asia Pacific & Singapore).

UOB's sizeable market share in Singapore

SGD loans



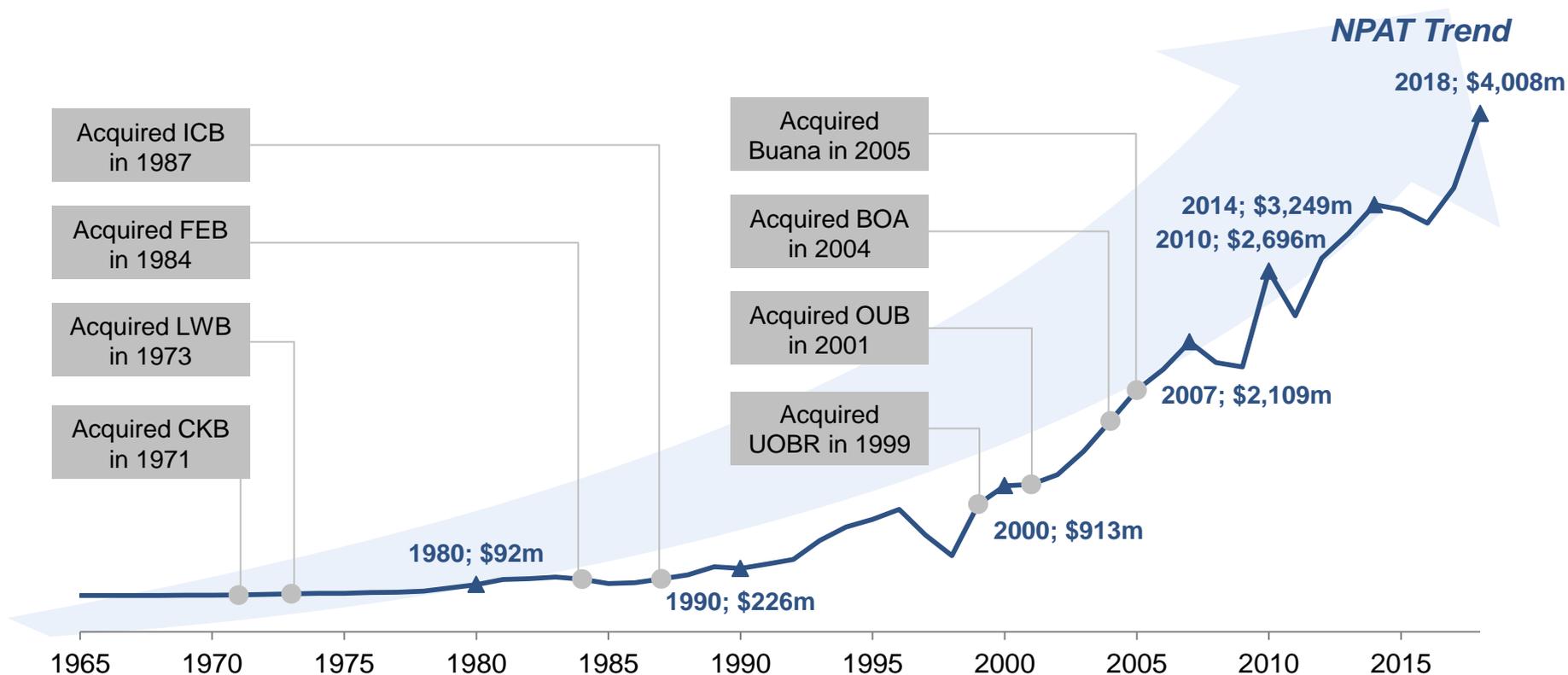
SGD deposits



Note: The resident portion of loans and advances is used as a proxy for total SGD loans in Singapore banking system.
Source: UOB, MAS data as of 30 Jun 19

Proven Track Record of Execution

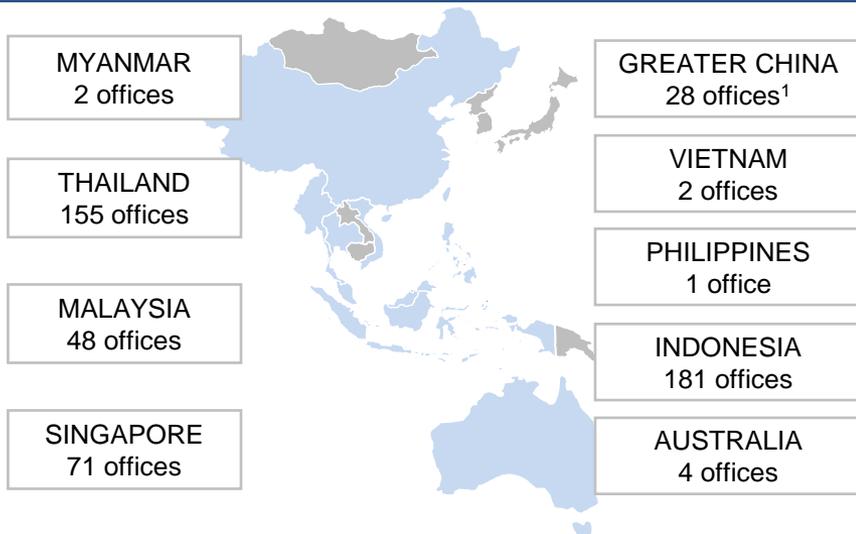
- UOB Group's management has a proven track record in steering the Group through various global events and crises.
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group's overall resilience and sustained performance



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”).

Expanding Regional Banking Franchise

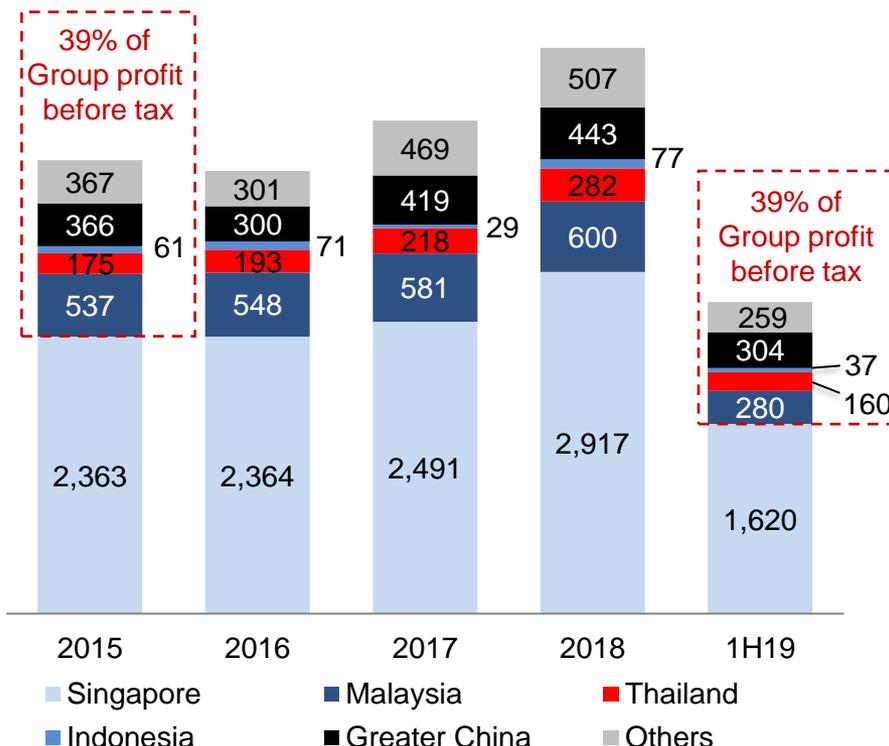
Extensive Regional Footprint with c.500 Offices



- 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)



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



Strong UOB Fundamentals

Strong UOB Fundamentals

Strong Management with Proven Track Record

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

Consistent and Focused Financial Management

- Prudent income growth amid the subdued business environment
- Continued investment in talent and technology to build long-term capabilities in a disciplined manner
- Total credit costs expected to be below long-term trend of 28bp

Disciplined Management of Balance Sheet

- Strong capital base; Common Equity Tier 1 capital adequacy ratio of 13.9% as at 30 June 2019
- Liquid and well diversified funding mix with loan/deposits ratio at 88.5%
- Stable asset quality, with a diversified loan portfolio

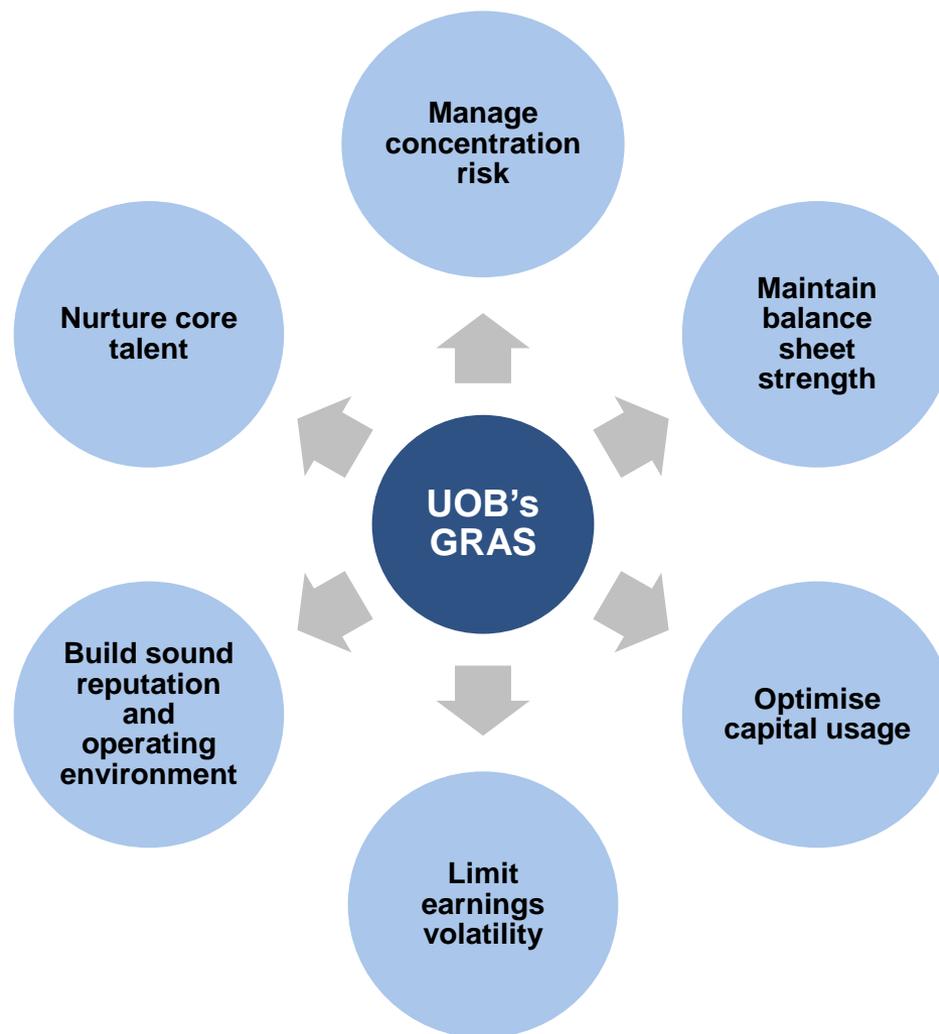
Delivering on Regional Strategy

- 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

***UOB is focused on the basics of banking;
Stable management team with proven execution capabilities***

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

| | | | Standalone Strength | Efficient Cost Management | Competitive ROAA ¹ | Well-Maintained Liquidity |
|---------|------|-------|------------------------------------|---------------------------|-------------------------------|---------------------------|
| Moody's | S&P | Fitch | Moody's baseline credit assessment | Costs/income ratio | Return on average assets | Loan/deposit ratio |
| Aa1 | AA- | AA- | UOB a1 | 44.1% | 1.12% | 88.5% |
| Aa1 | AA- | AA- | OCBC a1 | 42.4% | 1.27% | 87.6% |
| Aa1 | AA- | AA- | DBS a1 | 41.9% | 1.17% | 89.6% |
| A2 | A | AA- | HSBC a3 | 57.0% | 0.74% | 74.1% |
| A2 | BBB+ | A+ | SCB baa1 | 67.7% | 0.43% | 63.7% |
| Baa1 | A- | n.r. | CIMB baa2 | 55.3% | 0.88% | 91.4% |
| A3 | A- | A- | MBB a3 | 47.9% | 0.93% | 92.4% |
| Baa1 | BBB+ | BBB+ | BBL baa1 | 45.3% | 1.19% | 85.7% |
| Baa2 | n.r. | BBB- | BCA baa2 | 46.2% | 3.70% | 79.0% |
| A2 | A- | A+ | BOA a3 | 57.5% | 1.24% | 69.4% |
| A3 | BBB+ | A | Citi baa1 | 56.5% | 0.98% | 64.7% |
| Aa3 | AA- | AA- | CBA a2 | 44.4% | 0.94% | 118.3% |
| Aa3 | AA- | AA- | NAB a2 | 47.0% | 0.66% | 142.6% |

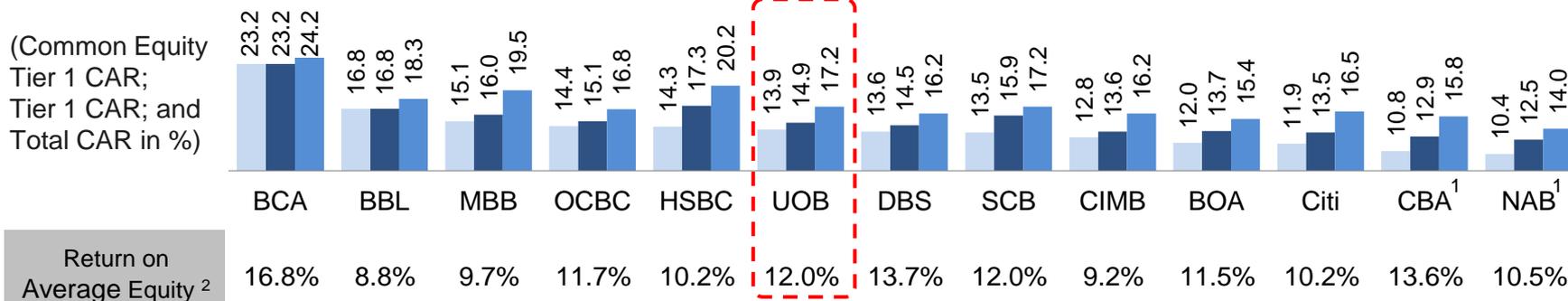
Source: Company reports, Credit rating agencies (updated as of 2 Aug 19).

Banks' financials were as of 30 Jun 19, except for those of HSBC, CIMB, Maybank and NAB (which were as of 31 Mar 19) and CBA (which were as of 31 Dec 18).

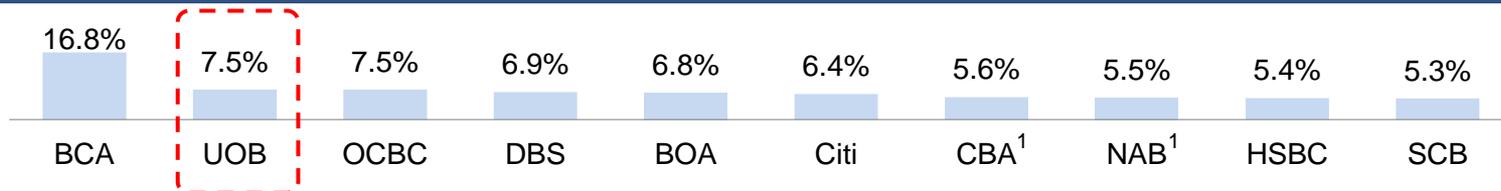
1. Computed on an annualised year-to-date basis.

Strong Capital and Leverage Ratios

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



Reported Leverage Ratio³



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.

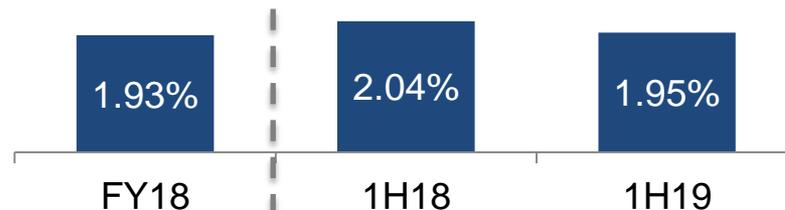
Banks' financials were as of 30 Jun 19, except for those of HSBC, CIMB, Maybank and NAB (which were as of 31 Mar 19) and CBA (which were as of 31 Dec 18).

1. NAB's and CBA's CARs are based on APRA's standards. Their internationally comparable CET1 CAR was 14.6% (31 Mar 19) and 16.5% (31 Dec 18), respectively.
2. Computed on an annualised year-to-date basis.
3. BBL, CIMB and MBB do not disclose their leverage ratio.

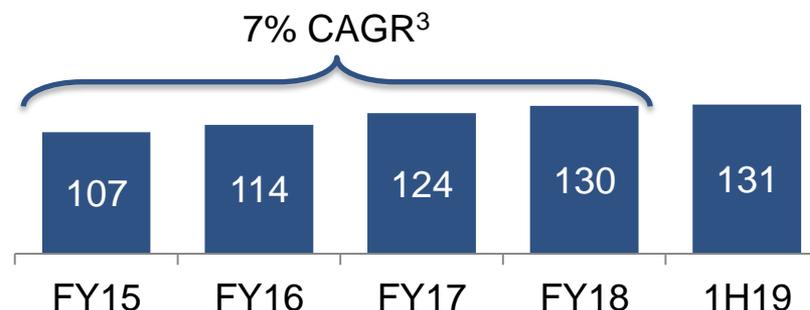
Disciplined Balance Sheet Management

- **Sustained balance sheet efficiency**
 - Healthy RoRWA¹
- **Healthy portfolio quality**
 - Non-performing loan ratio stable at 1.5%
 - 13bp credit cost on loans
 - Adequate non-performing assets reserve cover: 84%, or 191% after taking collateral into account
- **Proactive liability management**
 - Liquidity coverage ratios: SGD (312%²) and all-currency (147%²)
 - Net stable funding ratio: 108%
- **Robust capitalisation**
- **Interim dividend / share ▲ to 55 cents, vs 50 cents in 1H18**

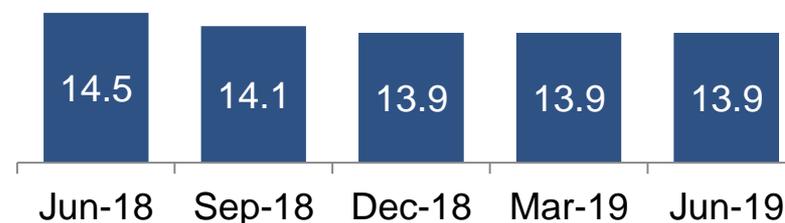
RoRWA¹



Current Account Saving Account Balances (SGD b)



Common Equity Tier 1 Capital Adequacy Ratio (%)



Note: All figures as at 30 June 2019 unless otherwise specified.

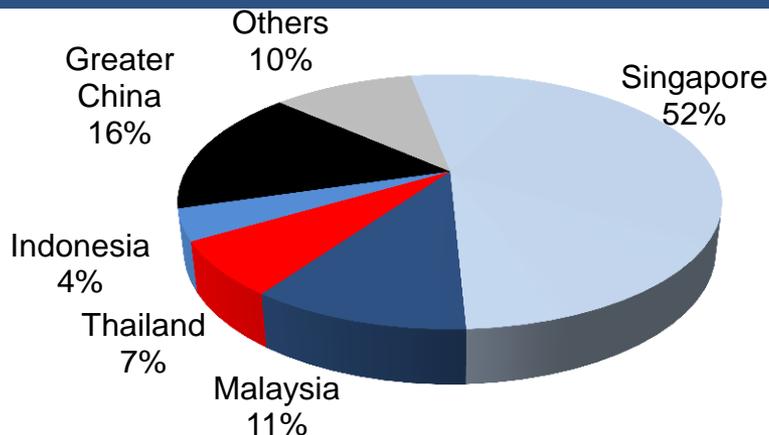
1. Return on average risk-weighted assets.

2. Average liquidity coverage ratios over 2Q19.

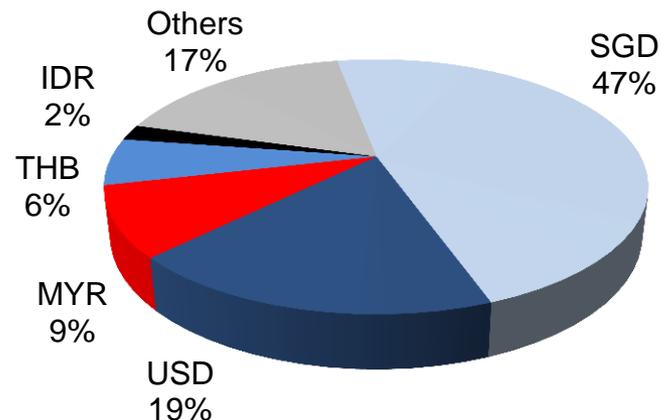
3. Compound annual growth rate over 3 years (2015 to 2018).

Diversified Loan Portfolio

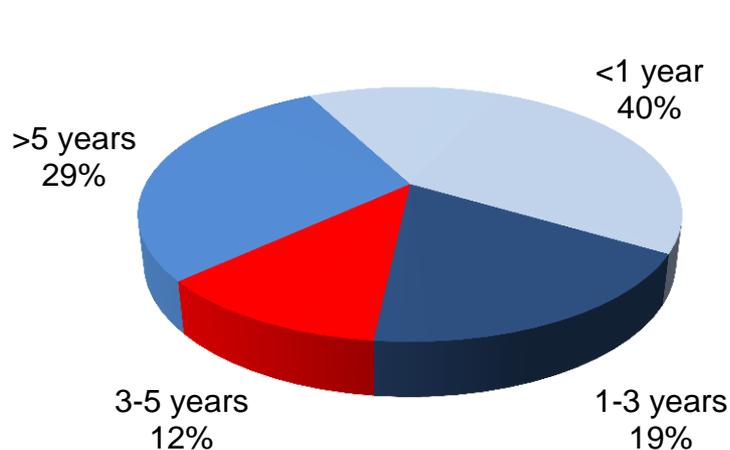
Gross Customer Loans by Geography ¹



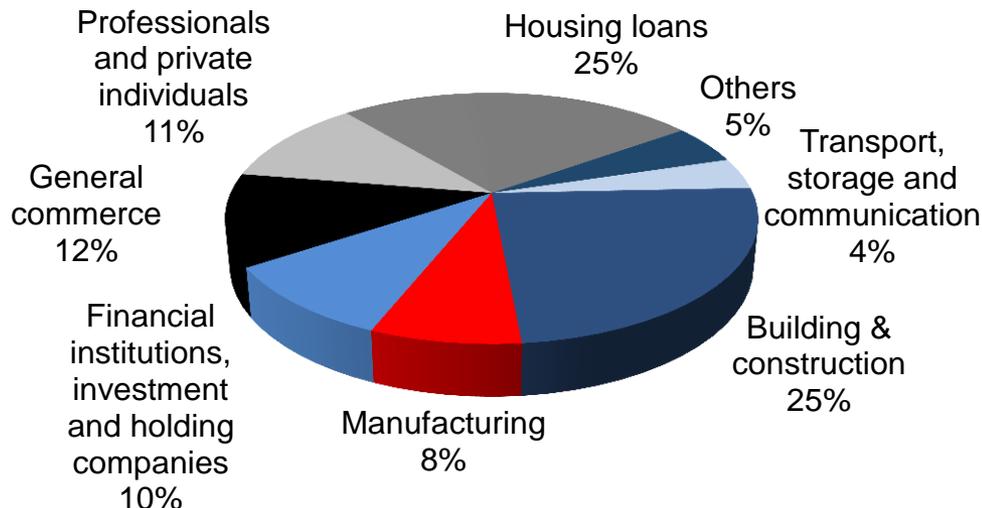
Gross Customer Loans by Currency



Gross Customer Loans by Maturity



Gross Customer Loans by Industry



Note: Financial statistics as at 30 June 2019.

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).

Strong Investment Grade Credit Ratings



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



AA- / Stable / A-1+

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

FitchRatings AA- / Stable / F1+

- Sound capital and high loan-loss buffers
- Disciplined funding strategy, supported by its strong domestic franchise

Debt Issuance History

Debt Maturity Profile (SGD m)

| | Issue Date | Structure | Call | Coupon | Amount | Ratings (M/S/F) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|------------------|------------|-----------|------|----------------|---------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| AT1 ¹ | Jul-19 | Perpetual | 2026 | 3.58% | SGD750m | Baa1/BBB-/BBB | - | - | - | - | - | - | - | 750 |
| | Oct-17 | Perpetual | 2023 | 3.875% | USD650m | Baa1 / - /BBB | - | - | - | - | 879 | - | - | - |
| | May-16 | Perpetual | 2021 | 4.00% | SGD750m | Baa1 / - /BBB | - | - | 750 | - | - | - | - | - |
| | Nov-13 | Perpetual | 2019 | 4.75% | SGD500m | Baa1/BBB-/BBB | 500 | - | - | - | - | - | - | - |
| Tier 2 | Apr-19 | 10NC5 | 2024 | 3.75% | USD600m | A2 / BBB+ / A+ | - | - | - | - | - | 812 | - | - |
| | Feb-17 | 12NC7 | 2024 | 3.50% | SGD750m | A2 / - / A+ | - | - | - | - | - | 750 | - | - |
| | Sep-16 | 10½NC5½ | 2022 | 2.88% | USD600m | A2 / - / A+ | - | - | - | 812 | - | - | - | - |
| | Mar-16 | 10½NC5½ | 2021 | 3.50% | USD700m | A2 / - / A+ | - | - | 947 | - | - | - | - | - |
| | May-14 | 12NC6 | 2020 | 3.50% | SGD500m | A2 / BBB+ / A+ | - | 500 | - | - | - | - | - | - |
| | Mar-14 | 10½NC5½ | 2019 | 3.75% | USD800m | A2 / BBB+ / A+ | 1,082 | - | - | - | - | - | - | - |
| Senior Unsecured | Jul-19 | 3yr FRN | - | BBSW 3m+0.53% | AUD500m | Aa1 / AA- / AA- | - | - | - | 475 | - | - | - | - |
| | Mar-19 | 3yr FXN | - | 3.49% | RMB2b | Aa1 / AA- / AA- | - | - | - | 403 | - | - | - | - |
| | Jul-18 | 3½yr FRN | - | BBSW 3m+0.81% | AUD600m | Aa1 / AA- / AA- | - | - | - | 569 | - | - | - | - |
| | Apr-18 | 3yr FRN | - | 3m LIBOR+0.48% | USD500m | Aa1 / AA- / AA- | - | - | 676 | - | - | - | - | - |
| | Apr-18 | 3yr FXN | - | 3.20% | USD700m | Aa1 / AA- / AA- | - | - | 947 | - | - | - | - | - |
| | Apr-17 | 4yr FRN | - | BBSW 3m+0.81% | AUD300m | Aa1 / AA- / AA- | - | - | 285 | - | - | - | - | - |
| | Sep-14 | 5½yr FXN | - | 2.50% | USD500m | Aa1 / AA- / AA- | - | 676 | - | - | - | - | - | - |
| | Sep-19 | 3yr FXN | - | 1.625% | USD500m | Aaa / AAA / - | - | - | - | 676 | - | - | - | - |
| Covered | Sep-18 | 5yr FXN | - | 0.250% | EUR500m | Aaa / AAA / - | - | - | - | - | 770 | - | - | - |
| | Feb-18 | 5yr FRN | - | 3m LIBOR+0.24% | GBP350m | Aaa / AAA / - | - | - | - | - | 600 | - | - | - |
| | Jan-18 | 7yr FXN | - | 0.500% | EUR500m | Aaa / AAA / - | - | - | - | - | - | - | 770 | - |
| | Mar-17 | 3yr FXN | - | 2.125% | USD500m | Aaa / AAA / - | - | 676 | - | - | - | - | - | - |
| | Mar-17 | 5yr FXN | - | 0.125% | EUR500m | Aaa / AAA / - | - | - | - | 770 | - | - | - | - |
| | Mar-16 | 5yr FXN | - | 0.250% | EUR500m | Aaa / AAA / - | - | - | 770 | - | - | - | - | - |
| Total | | | | | | | 1,582 | 1,853 | 4,375 | 3,705 | 2,250 | 1,562 | 770 | 750 |

1. AT1: Additional Tier 1 securities.

2. 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 5 Sep 2019.

FX rates at 30 Jun 2019: USD 1 = SGD 1.35; AUD 0.95 = SGD 1; 1 GBP = SGD 1.71; EUR 1 = SGD 1.54

Our Sustainability Milestones

Supporting Sustainable Development



MUDAJAYA GROUP BERHAD

Sinar Kamiri Sdn Bhd
(A subsidiary of Mudajaya Group)

SRI Sukuk

RM245m

Joint Lead Arranger
Jan 2018



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 in 2019

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 Silver Awards for both Best Managed Board and Best Risk Management for listed companies with market capitalisation of above SGD1 billion in 2019.

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

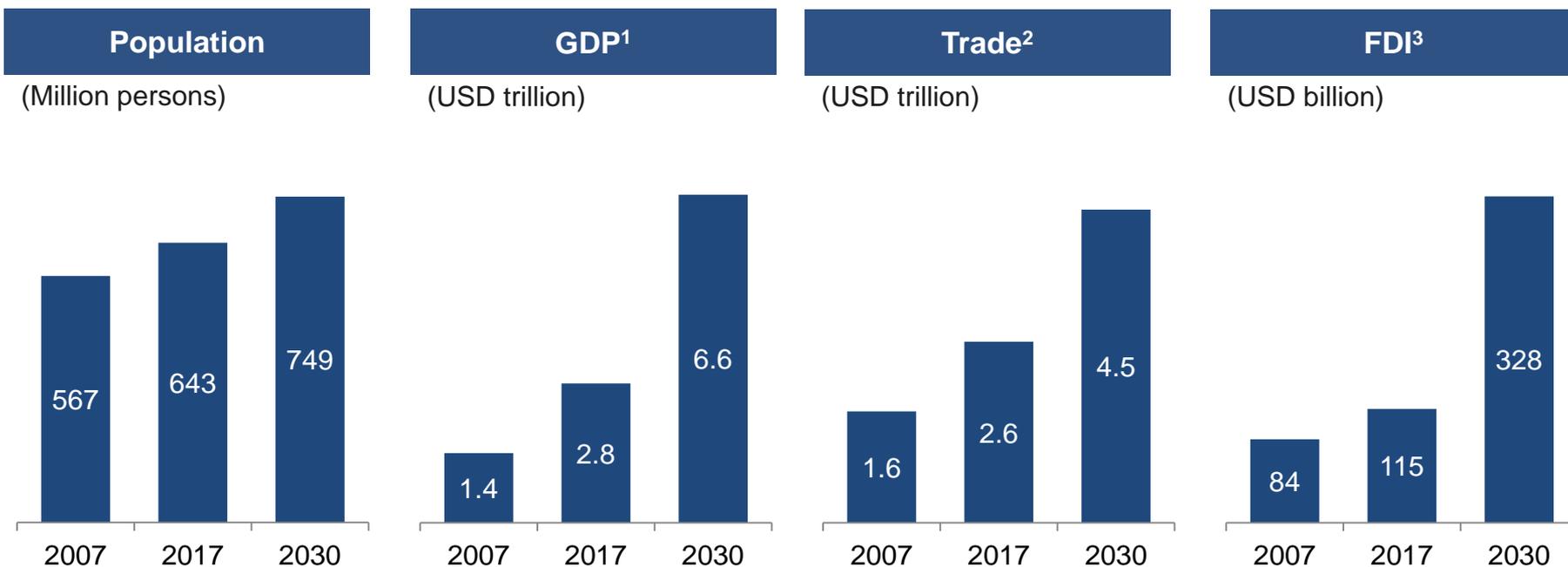
Reinforce Fee Income Growth

- 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

Southeast Asia's Immense Long-term Potential



- Third largest globally, after China and India
- Young demographics, with 384 million below 35 years old

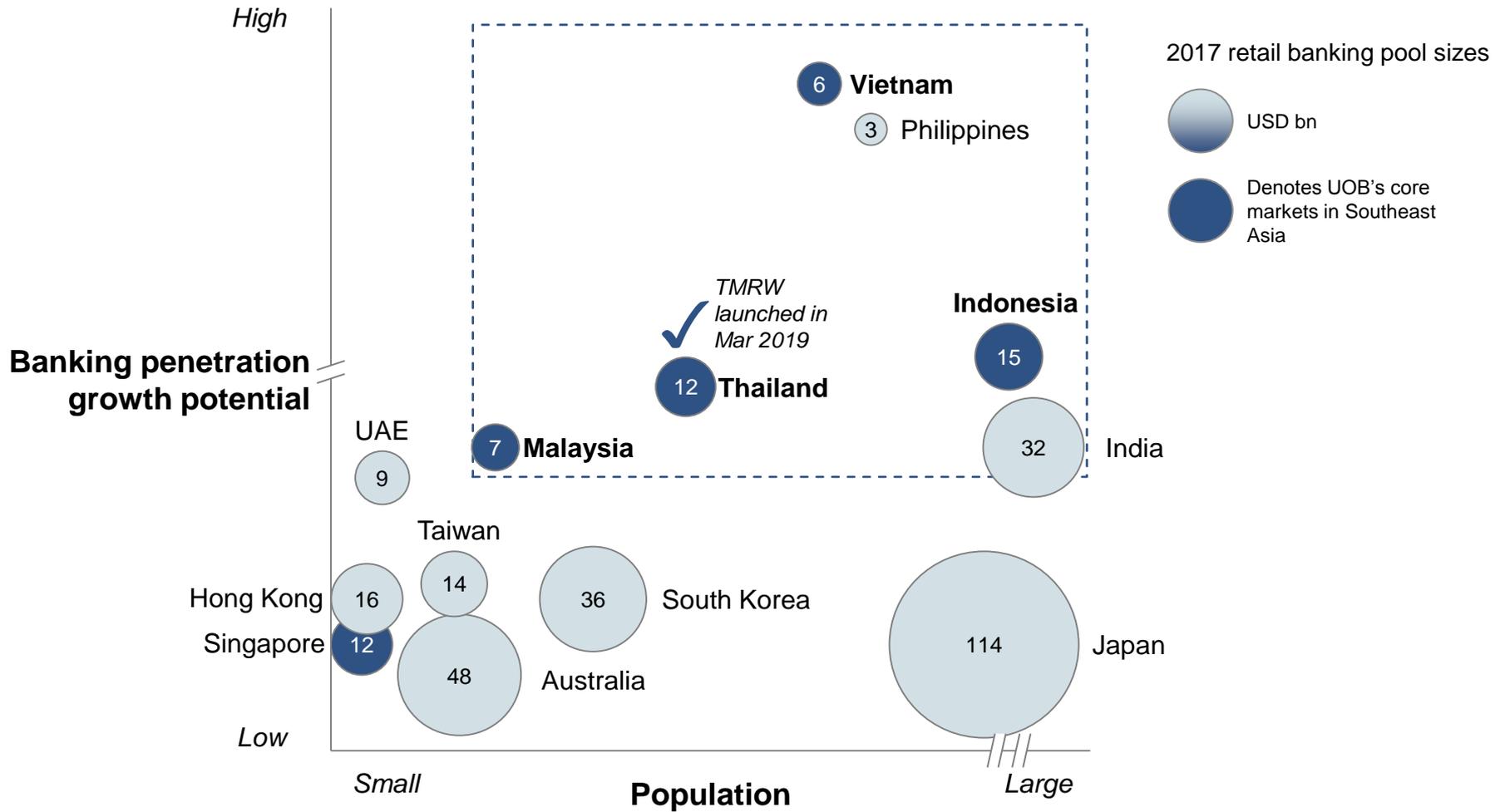
- Fifth largest economic bloc globally
- GDP doubled over the last decade

- Fourth largest trading group globally
- 23% are intra-ASEAN⁴ (European Union: 63%, NAFTA⁵: 41%)

- Third largest recipient of inward FDI globally
- Grown 1.4x over the last decade

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.

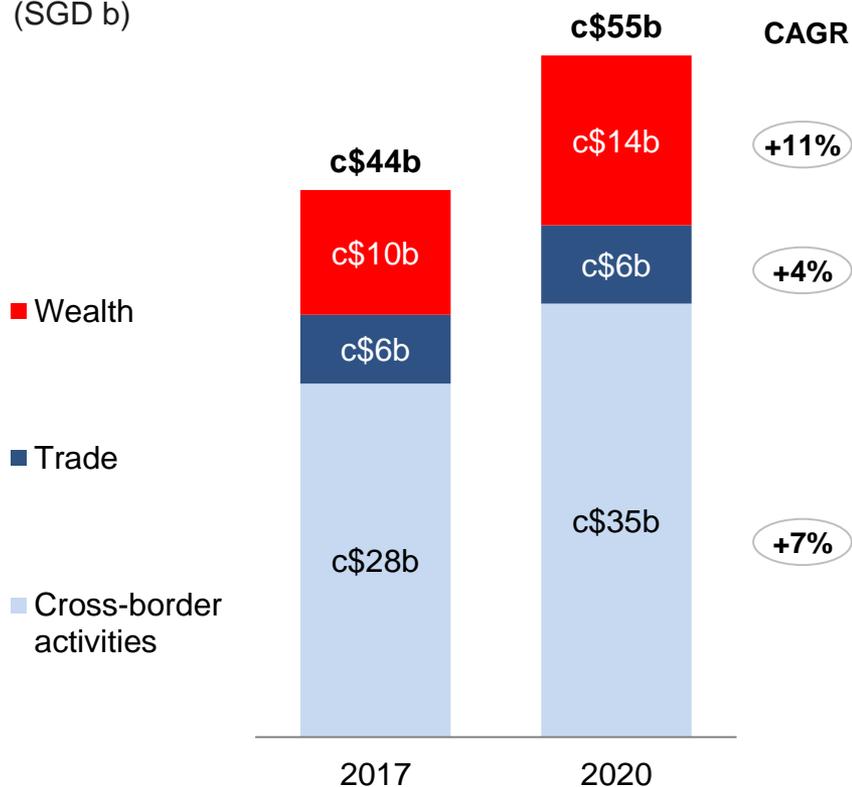
Strong Retail Presence in High Potential Regional Markets



Revenue Potential from 'Connecting the Dots' in the Region

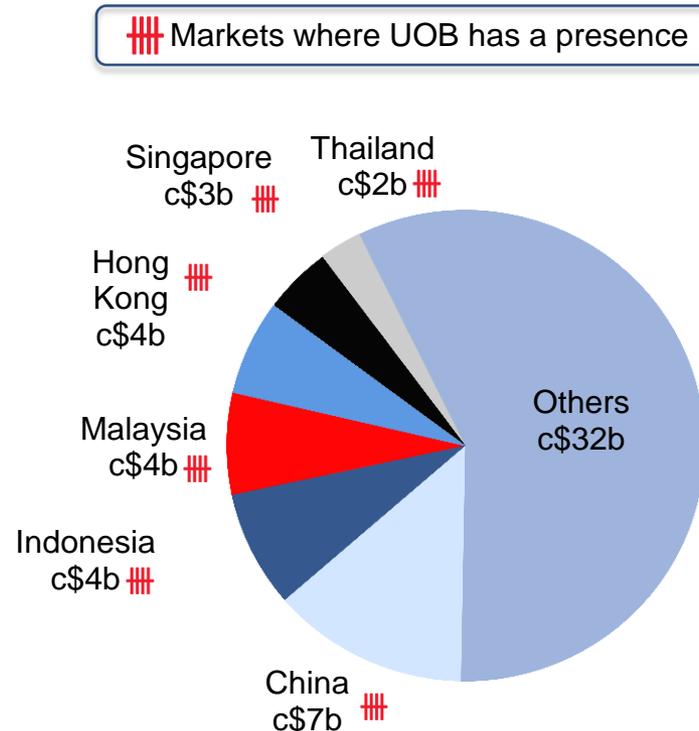
Industry's Potential Connectivity Revenue

(SGD b)



Industry's Potential Connectivity Revenue (2020)

(SGD b)



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.

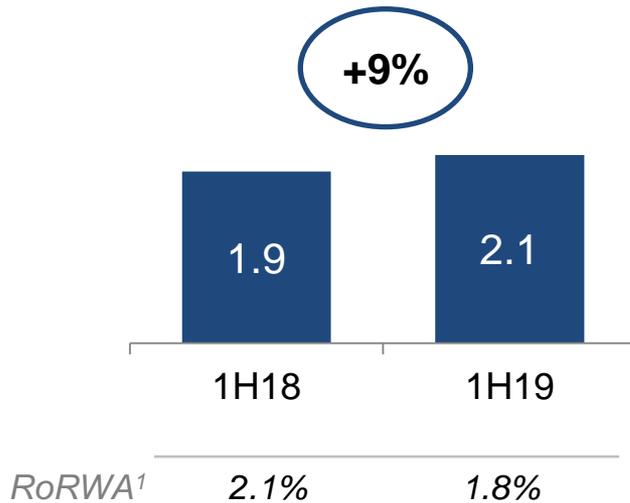
Source: Boston Consulting Group's analysis, Boston Consulting Group Global Banking Revenue pool.

Group Wholesale Banking: Tapping Intra-Regional Flows through Diversification

Steady income growth...

... supported by diverse sources

Group Wholesale Banking income
(SGD b)



+11%²

growth in non-Singapore income

+9%²

growth in non-real estate income

+14%²

growth in non-loan income

1. Return on risk weighted assets (RoRWA), computed as a ratio of "Profit before tax" to "Average segment RWA".
2. Year on year growth for May 2019 year-to-date.

Group Wholesale Banking: Strategic Initiatives to Tap Intra-Regional Flows



Strengthen Connectivity

Tapping Greater China / Southeast Asian flows

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

Cross-border revenue: **+19% growth¹** and **27%²** of GWB income



Sector Specialisation

Offering tailored solutions for customers

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

Non-loan income: **+14%¹**
Non-real estate income: **+9%¹**



Products and Platforms

Building new capabilities

- Platform integrated into national payment system
- API⁴ solutions powering real time transactions
- Re-designed customer journeys
- Faster speed to market

API⁴ solutions: Powering **>0.5m** payment transactions every month

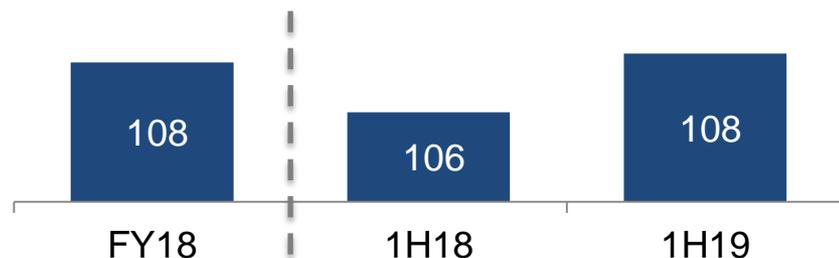
Targeted cost productivity improvement³: **~10%**

1. Year on year growth for May 2019 year-to-date (ytd).
2. As of May 19 ytd.
3. 2021 target.
4. Application programming interface.

Group Retail: Serving the Rising Affluent via Our Extensive In-country Presence

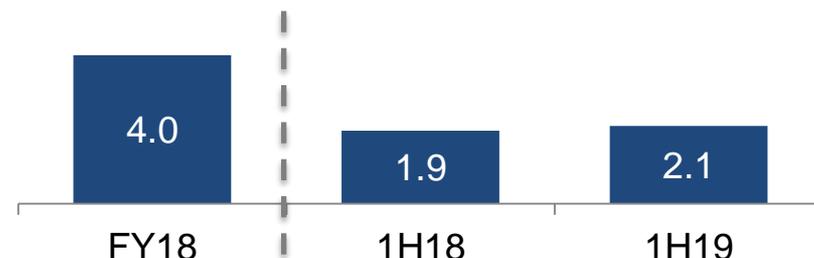
Gross Loans (Group Retail¹): +2% YoY in 1H19

SGD b



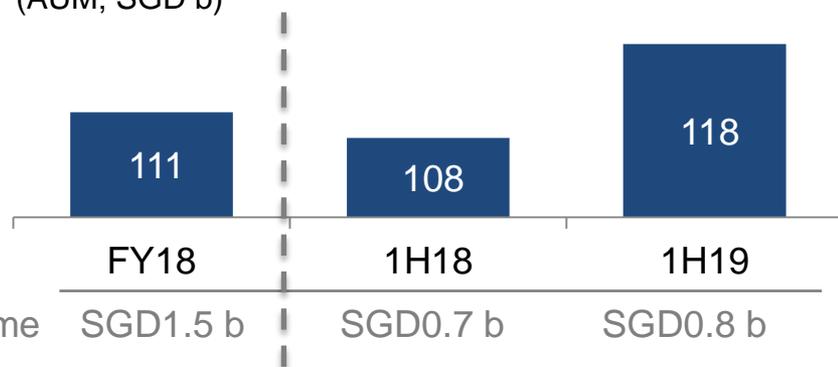
Income (Group Retail¹) +7% YoY in 1H19

SGD b

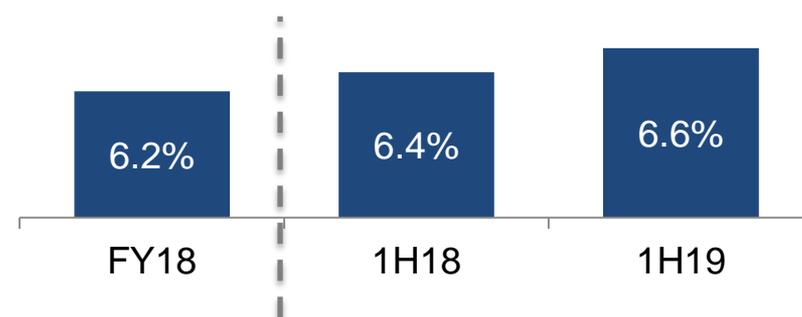


~60% of AUM from overseas customers²

Assets under management (AUM; SGD b)



Segment RoRWA³ +0.2%pt YoY in 1H19



1. Includes Business Banking.

2. Through the Group's network of wealth management centres in Southeast Asia.

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

Group Retail: Leveraging Digitalisation & Partnerships for Stronger Customer Franchise



Digital Bank: TMRW

Targeting Mobile-First & Mobile-Only Generation

- Launched TMRW in Thailand within 14 months
- Products: Payments, deposits and unsecured

Target 5 markets

3-5m customers

Engagement Index >7

Steady-state cost-income ratio ~35%



Omni-Channel Experience

Traditional & affluent customers with universal banking needs

- Launched UOB Mighty 2 app with improved features for better experience
- Leveraging data analytics & machine learning across customer touch points

Ranked top in Singapore for quality of Branch Services¹

RMs² at Orchard Wealth Centre: Higher sales productivity



Ecosystem Partnerships

Forging collaborations to widen distribution reach

- Strengthening customer acquisition & deepening wallet share
- Improving banking access by integrated with lifecycle needs of consumers & small businesses

Launched Singapore's first online utilities marketplace with 10 partners

Supported ~20k SMEs with BizSmart³ across the region

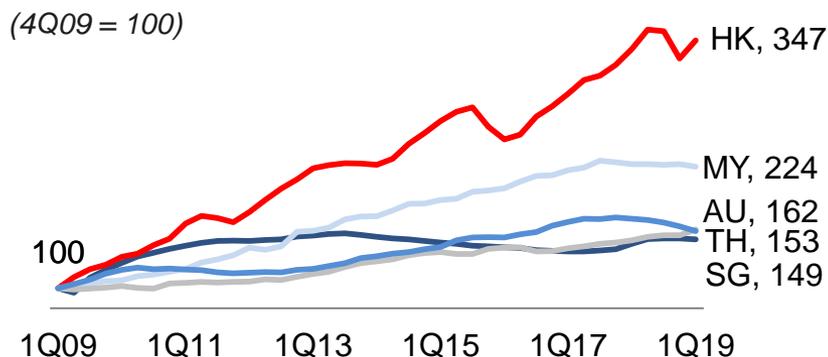
1. UOB was top bank in Singapore with best score in Branch Services in Customer Satisfaction Index of Singapore (CSISG) 2018.
2. Relationship Managers.
3. UOB BizSmart offers a suite of integrated account, payroll and business operational solutions. Data as of 30 June 2019.



Resilience of Singapore Housing Market and UOB's Cover Pool

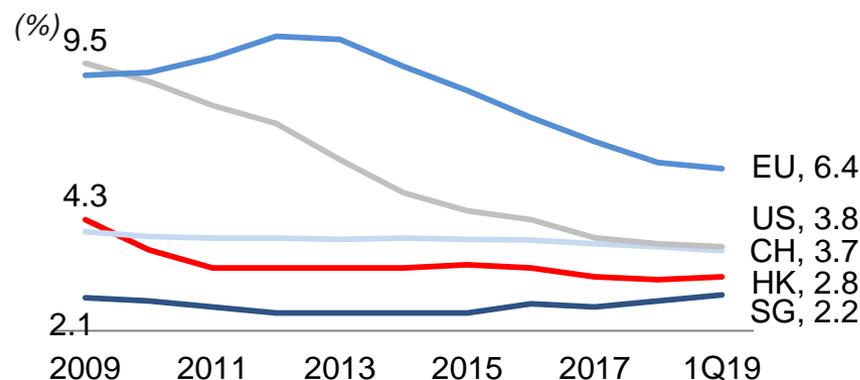
Conducive Macro Conditions Underpin Singapore Property Market

Regional House Price Indices over Last 10 Years



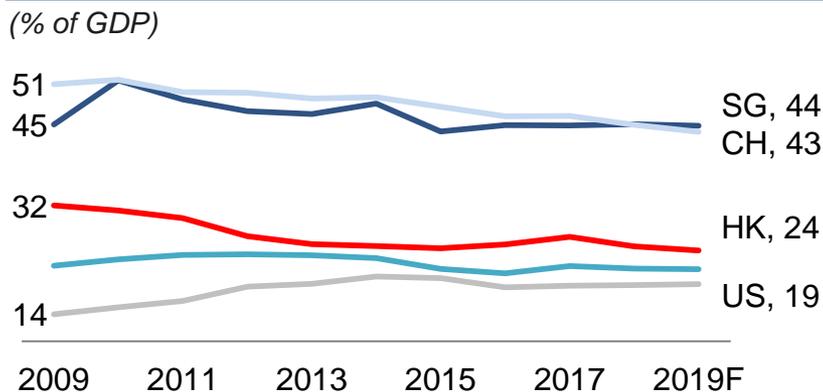
Sources: CEIC, UOB Economic-Treasury Research

Low Unemployment vs Global Peers



Sources: CEIC, UOB Economic-Treasury Research

High National Savings Rate



Sources: IMF, UOB Economic-Treasury Research

SG Household Income in Line with Property Prices

| | 2008 | 1Q19 | +/(-) |
|---|--------|-----------------|-------|
| Price ¹ (SGD / sq ft) | 895 | 1,120 | +25% |
| Unit size (sq ft) | 1,200 | 1,200 | - |
| Unit costs (SGD m) | 1.07 | 1.34 | +25% |
| Interest rate (%) | 2.80 | 2.45 | |
| Household income ² (SGD / mth) | 12,763 | 17,492 | +37% |
| Debt servicing ratio ³ (%) | 49 | 23 ⁴ | |

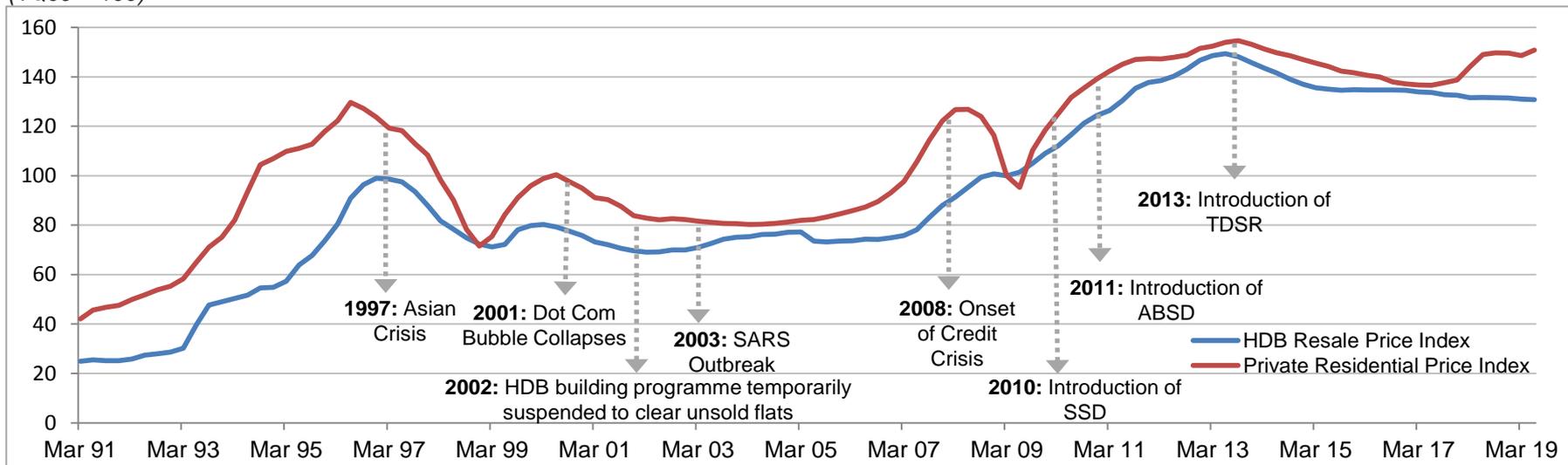
1. Reflects median price of non-landed private residential
2. Reflects median of resident households living in private properties
3. Based on a 30-year housing loan, with a loan-to-value of 75%
4. A housing loan with 5% interest rate would increase DSR to 31%

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

Prudent Policies for Sustainable Prices

Residential Property Price Indices in Singapore

(1Q09 = 100)



| Regulatory Measures | 2009 | 2010 | 2011 | 2012 | 2013 | 2016 / 2017 | 2018 |
|---|---|------------------------|------|------------------|--|--|-----------------------------------|
| LTV Limit: 1st property | 90% | 80% | 80% | | 80% / 60% ¹ | | 75%/55% ¹ |
| 2nd property | 90% | 70% | 60% | 60% / | 50% / 30% ¹ | No change | 45%/25% ¹ |
| Subsequent property | 90% | 70% | 60% | 40% ¹ | 40% / 20% ¹ | | 35%/15% ¹ |
| Non- individual buyers | 90% | 80% / 70% ² | 50% | 40% | 20% | | 15% |
| Maximum Mortgage Tenor | Originating banks use their own tenor and affordability guidelines | | | 35 years | No change | No change | No change |
| Total Debt Servicing Ratio (TDSR) Framework | | | | | 60% limit; 3.5% interest rate | No change ³ | No change |
| Seller Stamp Duty (SSD): Percentage / Holding Period | | | | | Applicable for properties purchased from 20 February 2010 onwards, if property is sold within the applicable holding period ⁴ | Reduced in Mar 17: 12% if sold within 1st year; 2nd year: 8%; 3rd year: 4%; thereafter : nil | No change |
| Buyer's Stamp Duty | First S\$180k: 1%; Next S\$180k: 2%; Remaining: 3% | | | | | | New Tier of 4% for prices > S\$1m |
| Additional Buyer's Stamp Duty | Depending on the nationality and number of properties owned by the purchaser ⁴ | | | | | | |

1. From 6 October 2012, the higher LTV limit applies if the mortgage tenor ≤30 years and sum of mortgage tenor and age of borrower is ≤65 years old, otherwise lower LTV limit will apply. 2. 80% LTV limit for 1st property and 70% LTV limit for subsequent properties. 3. Exemptions granted to certain borrowers if they meet exemption criteria. 4. Refer to IRAS website for more details. Source: Singapore Department of Statistics

Covered Bond Program Summary

USD8,000,000,000 Global Covered Bond Programme

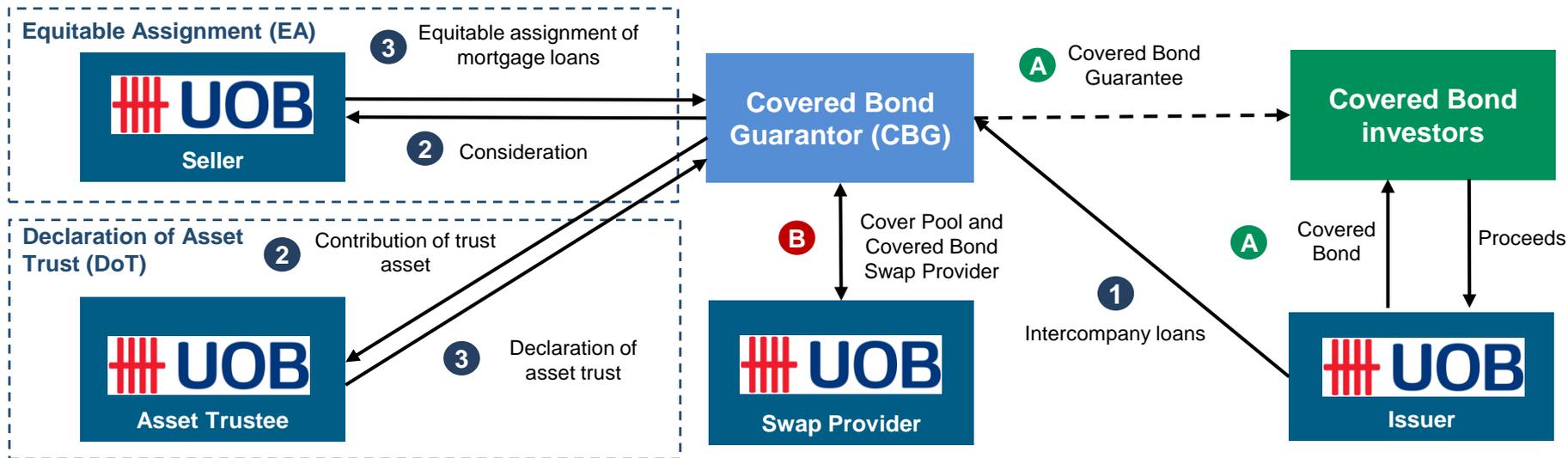
| | |
|------------------------------------|---|
| Issuer | United Overseas Bank Limited |
| Issuer Long Term Rating | Aa1 (stable) / AA- (stable) / AA- (stable) (Moody's / S&P / Fitch) |
| Issuer Short Term Rating | P-1 (stable) / A-1+ (stable) / F1+ (stable) (Moody's / S&P / Fitch) |
| Programme Limit | USD8,000,000,000 |
| LCR Status / ECB Repo Eligibility | Expected Level 2A Eligible (EU) ¹ / Not Eligible |
| Programme Rating | Aaa / AAA (Moody's / S&P) |
| Issuance Structure (Dual Recourse) | Direct issuance covered bond regulated under MAS Notice 648, Senior unsecured claim against the Issuer and senior secured claim against the Cover Pool |
| Covered Bond Guarantor (CBG) | Glacier Eighty Pte. Ltd., a newly set up orphan SPV incorporated in Singapore for the sole purpose of facilitating the activities under the Covered Bond Programme |
| Covered Bond Guarantee | The CBG has provided a guarantee as to payments of interest and principal under the Covered Bonds |
| Cover Pool | Eligible 1 st ranking SGD-denominated residential mortgages loans originated by UOB in Singapore (and other eligible assets) |
| Mortgage Loan-to-Value Cap | 80% of latest Valuation of the Property, to be adjusted at least quarterly |
| Over-collateralisation (OC) | Legal minimum OC of 3% and committed OC of 15.90% |
| Hedging | Cover Pool Swap ² to hedge against possible variances between the interest received from the residential mortgage loans to the CBG's SGD interest/swap payments; Covered Bond Swap to hedge against the currency risk between the amount received by the CBG against its payment in other currency |
| Listing | Singapore Stock Exchange (SGX – ST) |
| Governing Law | English law (bond & swap documents) and Singapore law (asset documents) |
| Servicer, Cash Manager and Seller | United Overseas Bank Limited |
| Asset Monitor | Ernst & Young LLP |
| Trustee | DB International Trust (Singapore) Limited |
| Issuing and Paying Agent | Deutsche Bank AG, Singapore Branch |
| Arrangers | BNP Paribas and United Overseas Bank Limited and Hong Kong and Shanghai Banking Corporation |

1. 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

2. 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



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

1. 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

2. 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

3. 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

UOB's Cover Pool Profile

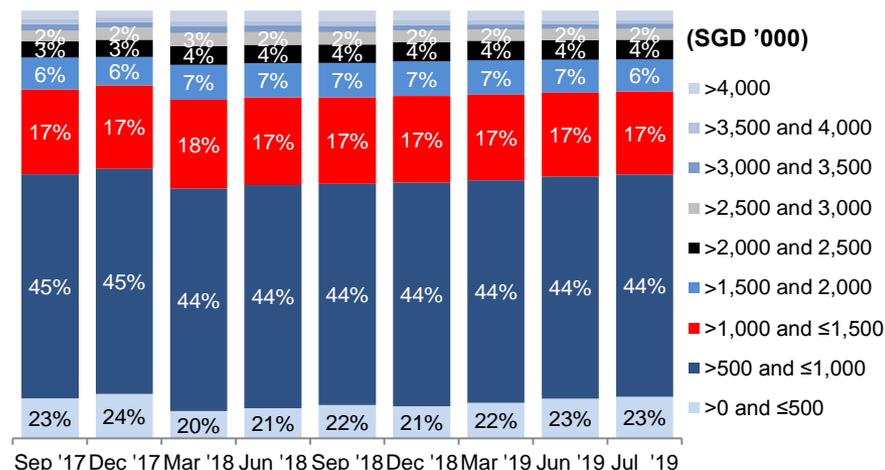


Overview of Cover Pool (as of Jul'19)

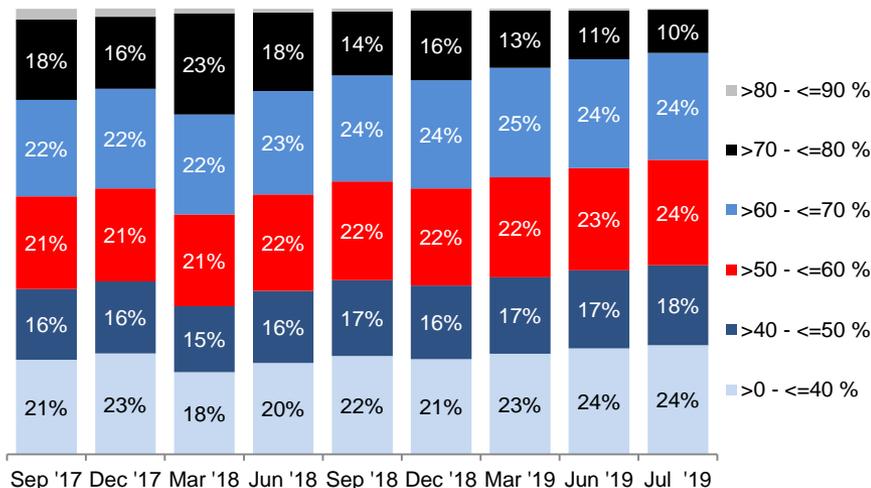
| | |
|--|-------------|
| Number of Mortgage Accounts | 12,335 |
| Total Current Balance (SGD) | 7.6 billion |
| Average Current Loan Balance (SGD) | 616,754 |
| Maximum Current Loan Balance (SGD) | 9,115,303 |
| Weighted Average Current Interest Rate | 2.47% |
| Weighted Average Seasoning | 65 months |
| Weighted Average Remaining Tenor | 240 months |
| Weighted Average Indexed Current LTV ¹ | 51% |
| Weighted Average Unindexed ² Current LTV ¹ | 55% |

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

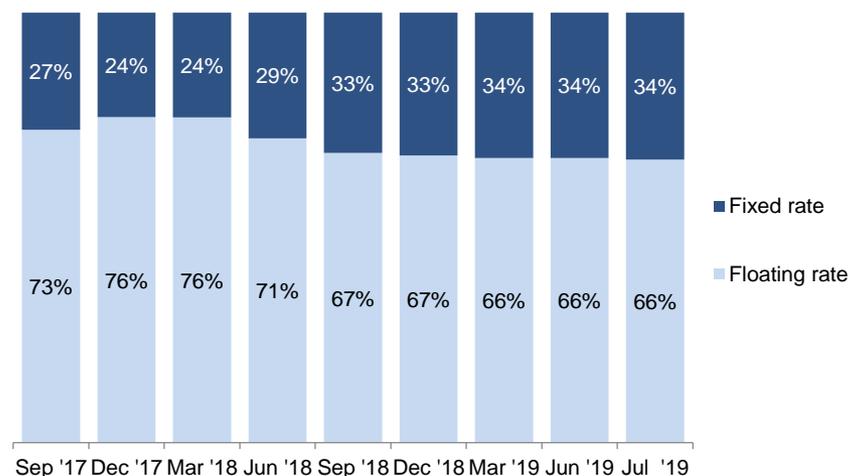
Current Loan Balances Mainly <SGD1m



Current LTV mainly ≤60%



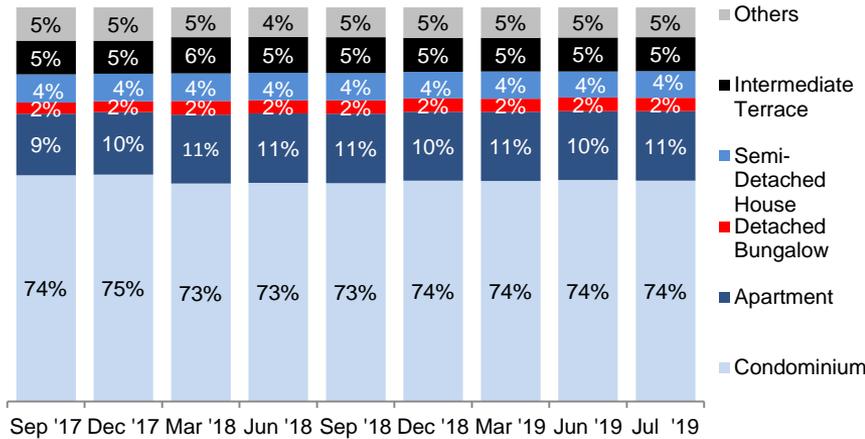
Largely Floating Rate Mortgages



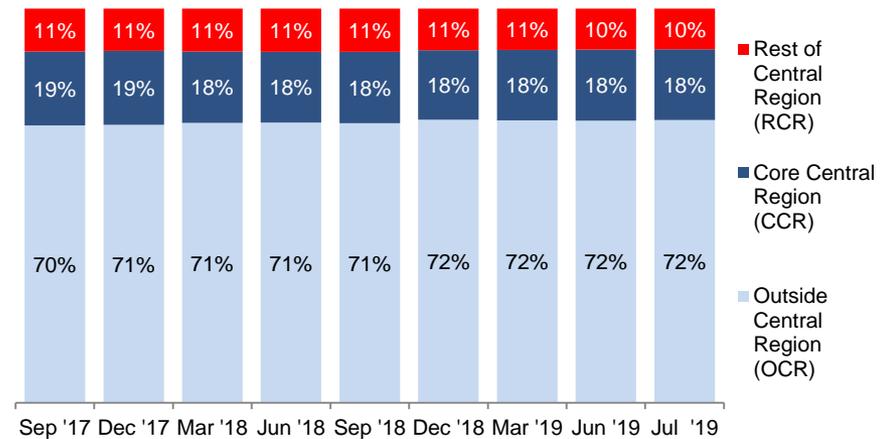
Note: Percentages less than 2% are not shown due to immateriality.

Cover Pool has Been Stable

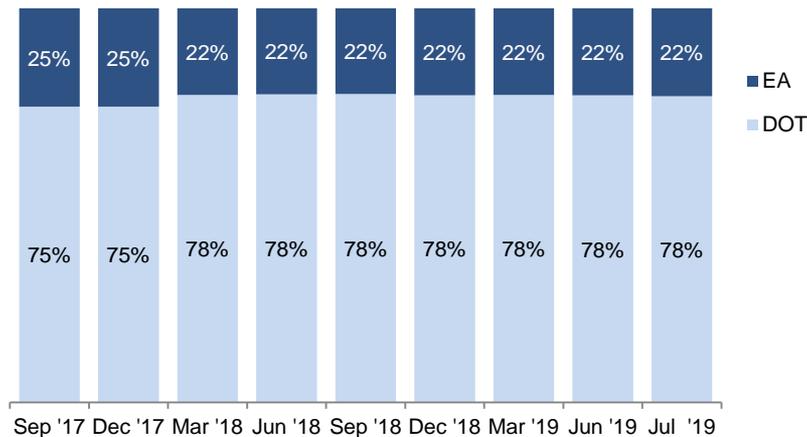
Primarily Apartments / Condominiums



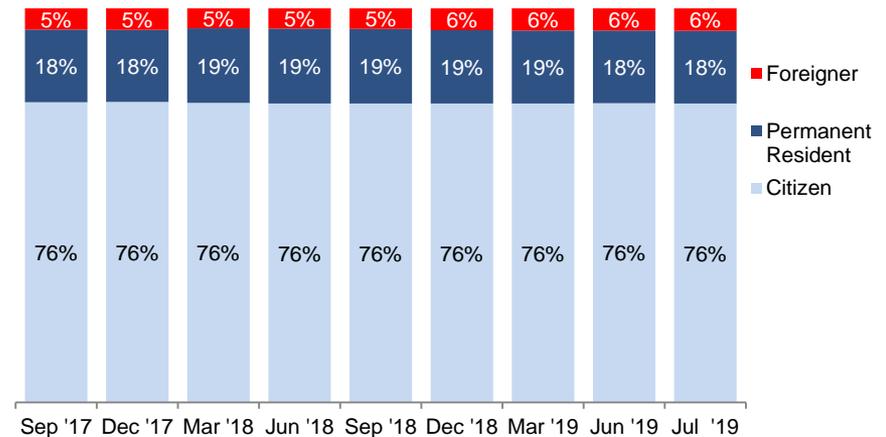
Diversified Geographical Distribution



Strong Legal Protection by EA¹ / DOT²



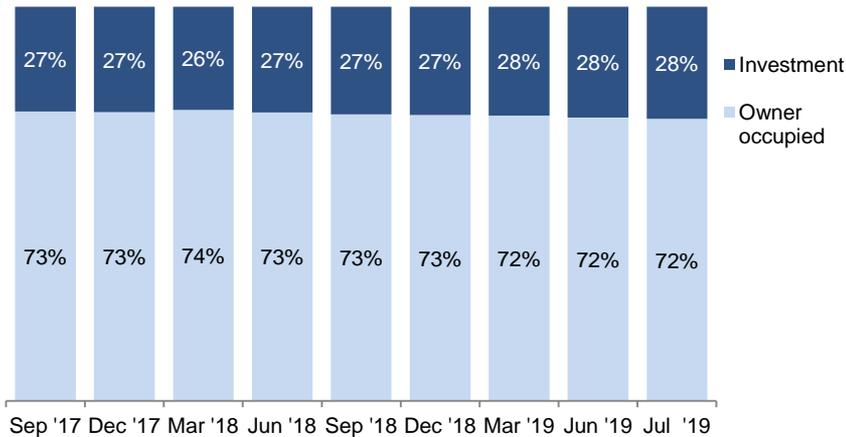
Borrowers mainly Citizens / PRs



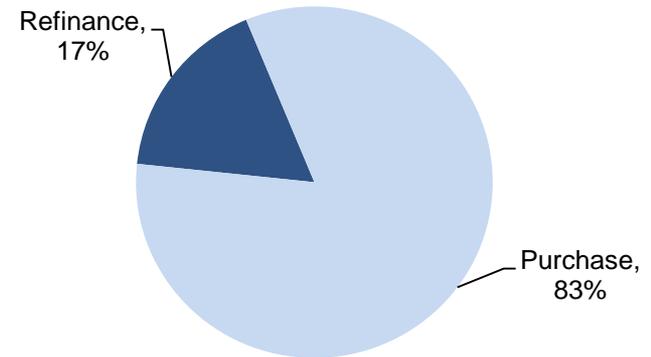
1. Equitable assignment 2. Declaration of asset trust
 Note: Percentages less than 2% are not shown due to immateriality.

Cover Pool has Been Stable

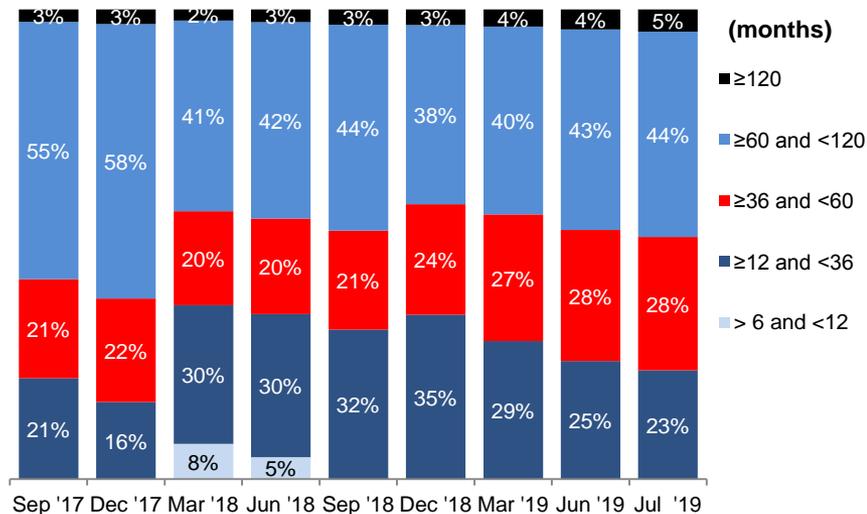
Majority Owner Occupied



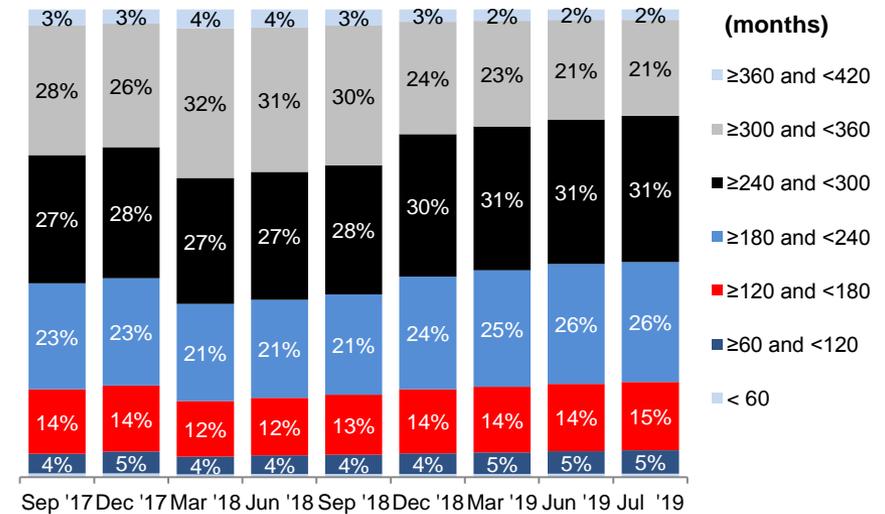
Loans Mainly for Purchases



Well Seasoned Portfolio (in months)



Stable Profile for Remaining Loan Tenors



Note: Percentages less than 2% are not shown due to immateriality.

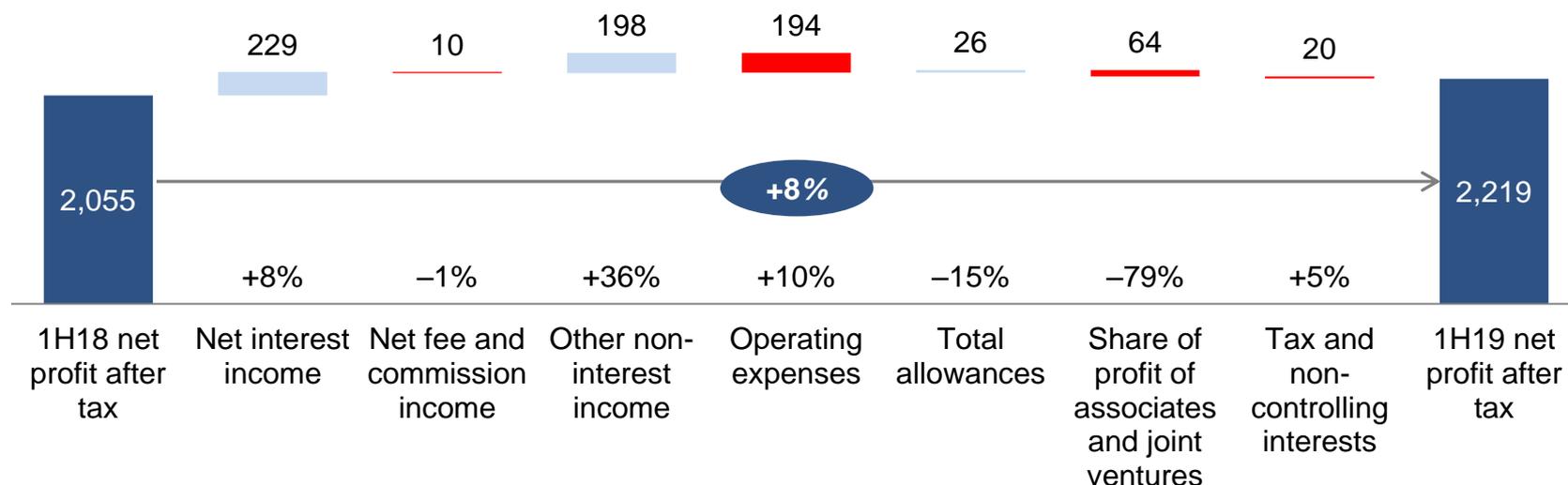


Appendix A: Latest Financials

1H19 Financial Overview

Net Profit After Tax (NPAT) Movement, 1H19 vs 1H18

(SGD m)



| Key Indicators | 1H19 | 1H18 | YoY Change |
|---|------|------|------------|
| Net interest margin (%) ¹ | 1.80 | 1.83 | (0.03) pt |
| Non-interest income / Income (%) | 35.0 | 34.1 | +0.9% pt |
| Cost / Income ratio (%) | 44.1 | 43.9 | +0.2% pt |
| Return on equity (%) ^{1,2} | 12.0 | 11.6 | +0.4% pt |
| Return on risk-weighted assets (%) ¹ | 1.95 | 2.04 | (0.09) pt |

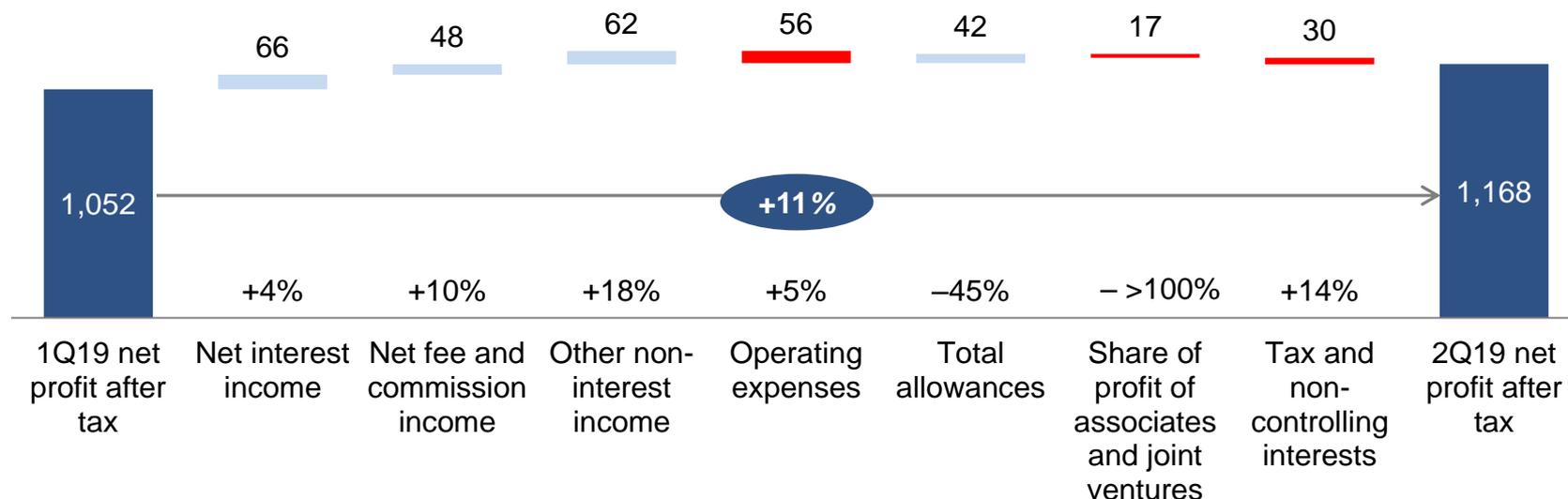
1. Computed on an annualised basis.

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

2Q19 Financial Overview

Net Profit After Tax (NPAT) Movement, 2Q19 vs 1Q19

(SGD m)



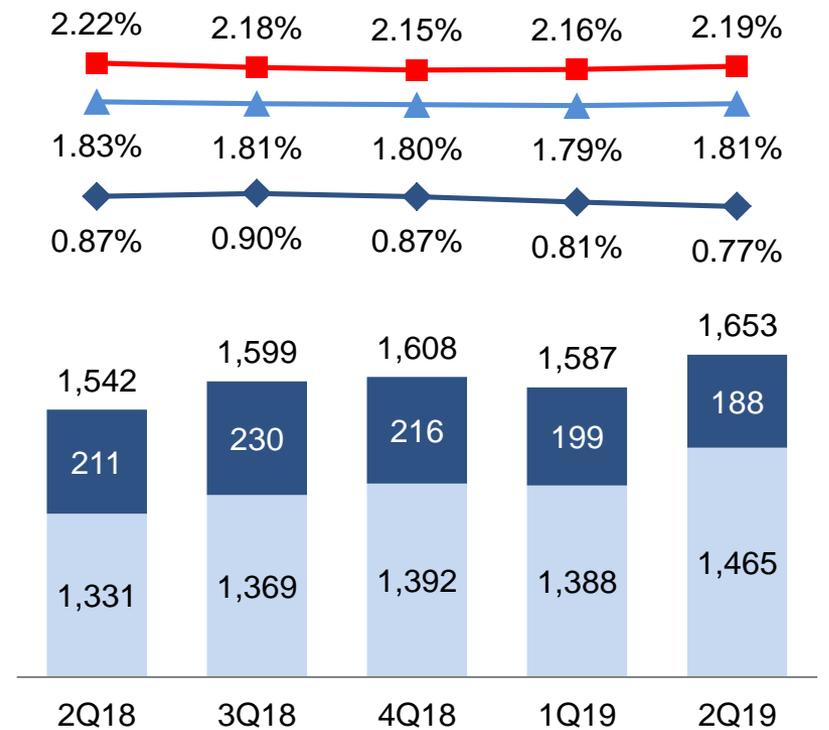
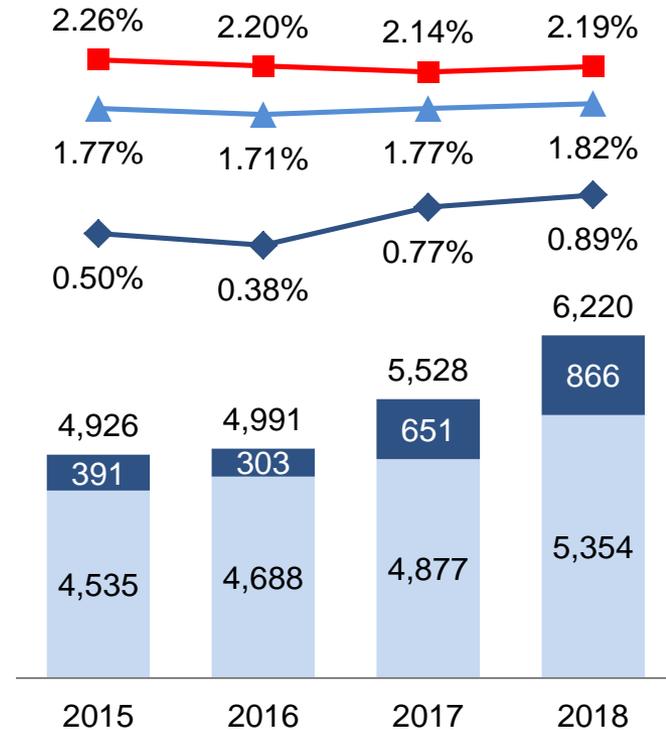
| Key Indicators | 2Q19 | 1Q19 | QoQ Change | 2Q18 | YoY Change |
|---|------|------|------------|------|------------|
| Net interest margin (%) ¹ | 1.81 | 1.79 | +0.02% pt | 1.83 | (0.02) pt |
| Non-interest income / Income (%) | 36.0 | 34.0 | +2.0% pt | 34.2 | +1.8% pt |
| Cost / Income ratio (%) | 43.7 | 44.6 | (0.9) pt | 43.6 | +0.1% pt |
| Return on equity (%) ^{1,2} | 12.5 | 11.4 | +1.1% pt | 12.1 | +0.4% pt |
| Return on risk-weighted assets (%) ¹ | 2.02 | 1.88 | +0.14% pt | 2.13 | (0.11) pt |

1. Computed on an annualised basis.

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

Net Interest Income Supported by Loan Margin and Volume

Net Interest Income and Net Interest Margin



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

■ Net interest income – interbank & securities (SGD m)
◆ Net interbank & securities margin (%) *

* Computed on an annualised basis, where applicable.

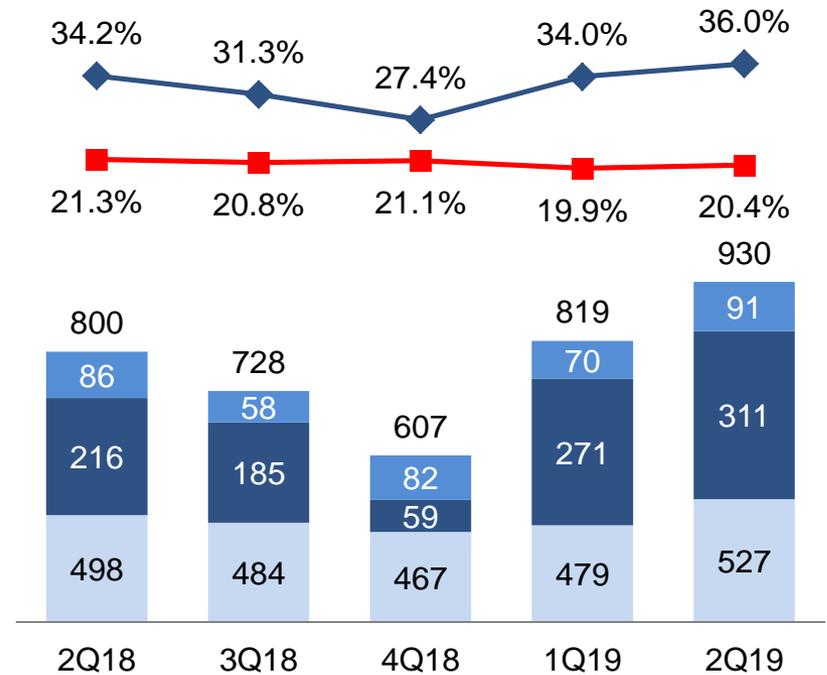
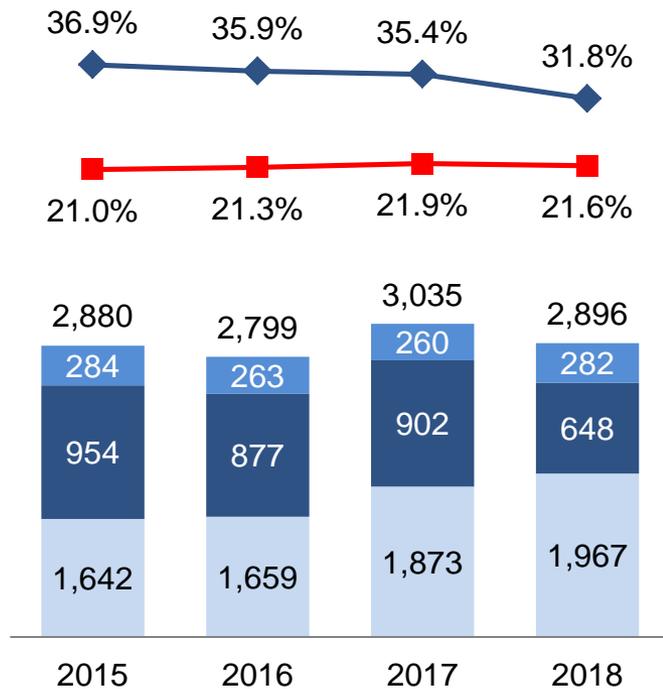
Broad-based Increase in Loan Portfolio

| | Jun-19 SGD b | Mar-19 SGD b | QoQ +/(–) % | Jun-18 SGD b | YoY +/(–) % |
|--|-----------------|-----------------|-------------------|-----------------|-------------------|
| Gross Loans | | | | | |
| By Geography | | | | | |
| Singapore | 142 | 139 | +2 | 131 | +9 |
| Regional: | 101 | 101 | – | 94 | +8 |
| <i>Malaysia</i> | 29 | 29 | –1 | 29 | – |
| <i>Thailand</i> | 18 | 18 | +3 | 16 | +15 |
| <i>Indonesia</i> | 11 | 11 | – | 11 | +4 |
| <i>Greater China</i> | 43 | 43 | – | 38 | +12 |
| Others | 30 | 29 | +2 | 25 | +18 |
| Total | 273 | 270 | +1 | 250 | +9 |
| By Industry | | | | | |
| Transport, storage and communication | 11 | 11 | –1 | 10 | +12 |
| Building and construction | 68 | 67 | +1 | 58 | +18 |
| Manufacturing | 22 | 23 | –4 | 22 | +3 |
| Financial institutions, investment & holding companies | 27 | 23 | +16 | 22 | +24 |
| General commerce | 34 | 34 | – | 31 | +7 |
| Professionals and private individuals | 29 | 29 | – | 29 | +1 |
| Housing loans | 68 | 69 | – | 67 | +2 |
| Others | 13 | 14 | –1 | 12 | +16 |
| Total | 273 | 270 | +1 | 250 | +9 |

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 Supported by Sustained Rebound in Financial Market

Non-Interest Income and as a % of Total Income



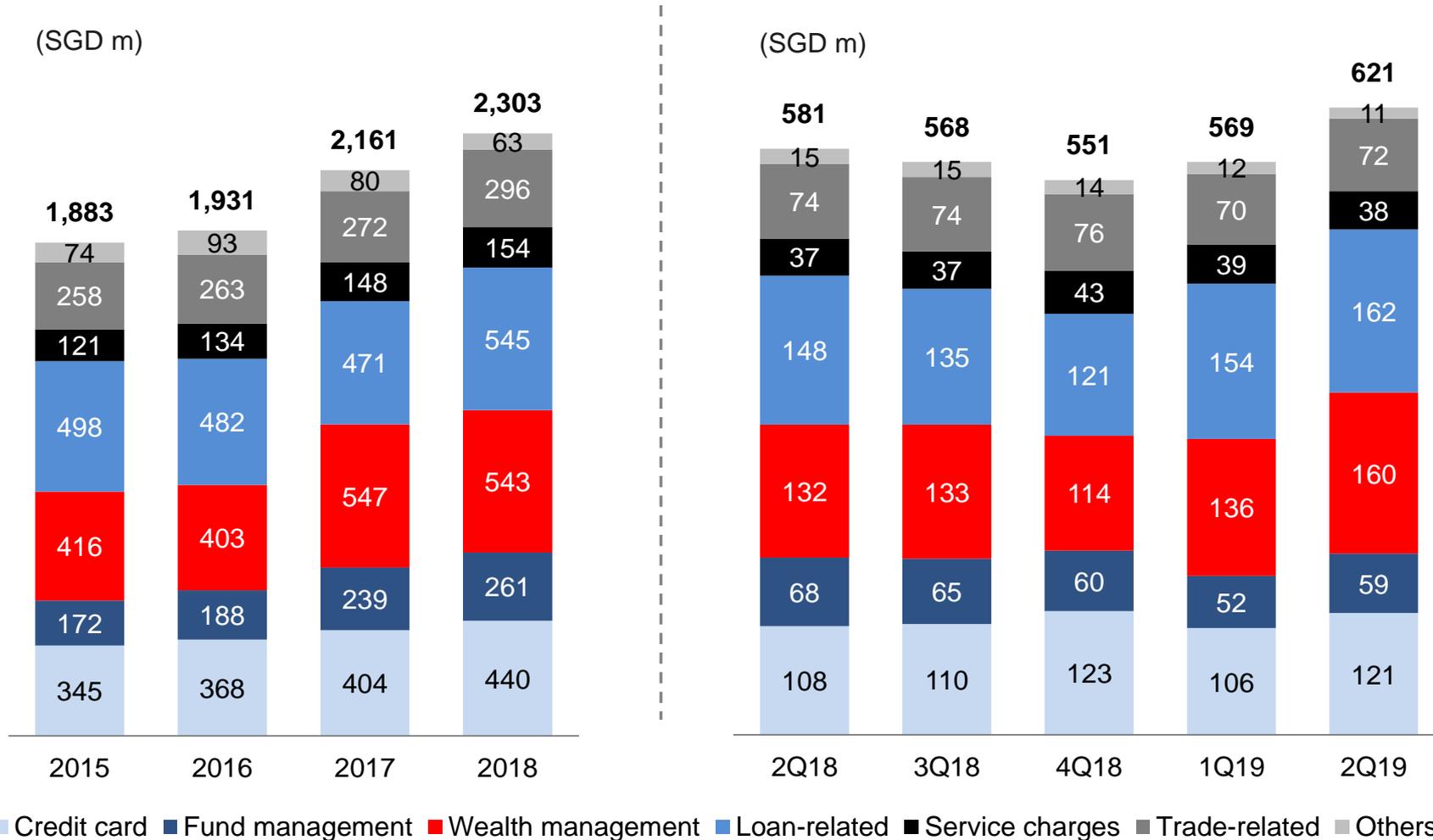
■ Net fee income (SGD m)
■ Other non-interest income (SGD m)
■ Net fee income / Total income (%)

■ Trading and investment income (SGD m)
◆ Non-interest income / Total income (%)

Note: Fee income has been restated where the amounts are net of expenses directly attributable to fee income.

Broad-based Focus in Fee Income

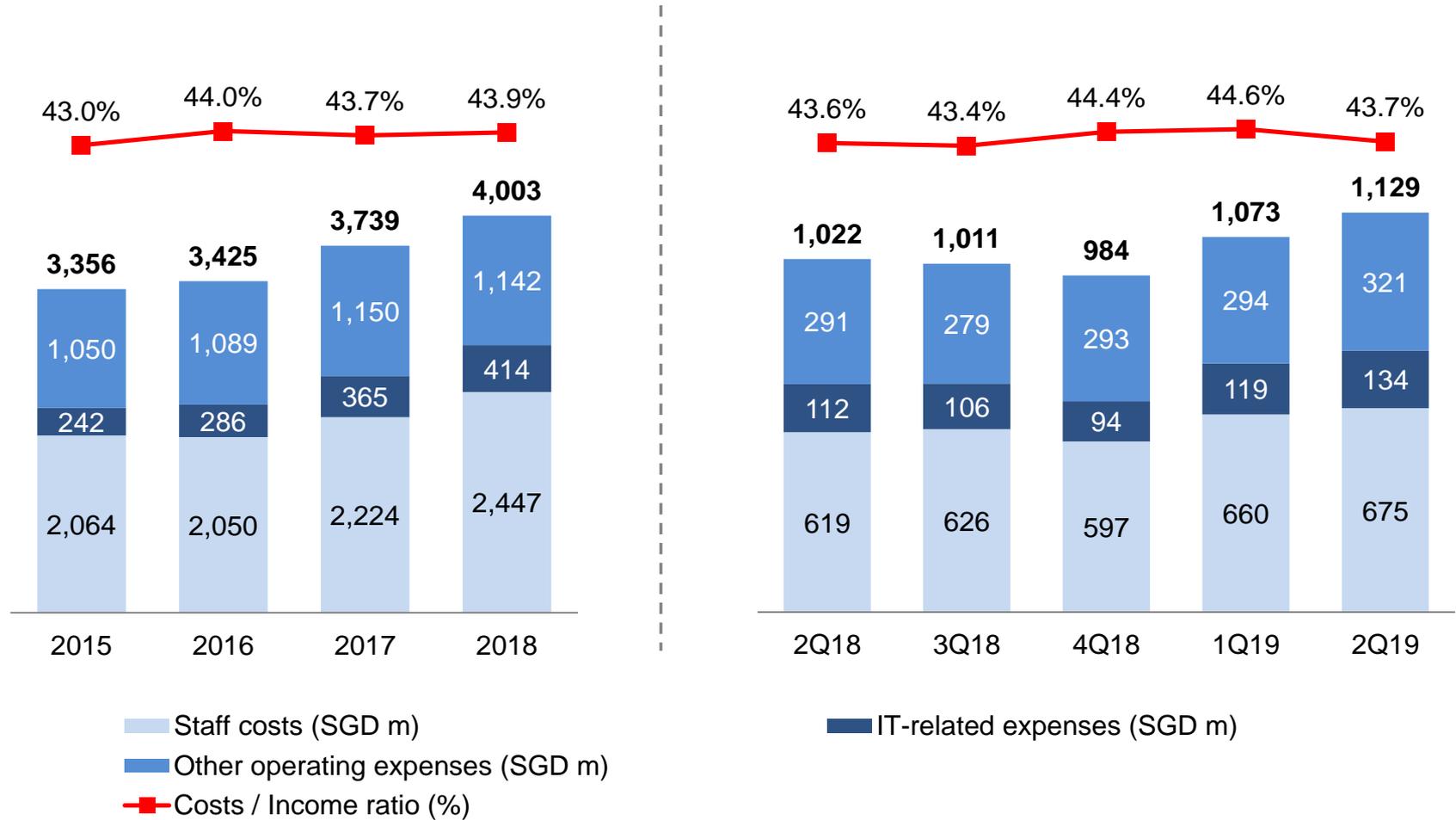
Breakdown of Fee Income



Note: The amounts represent fee income on a gross basis.

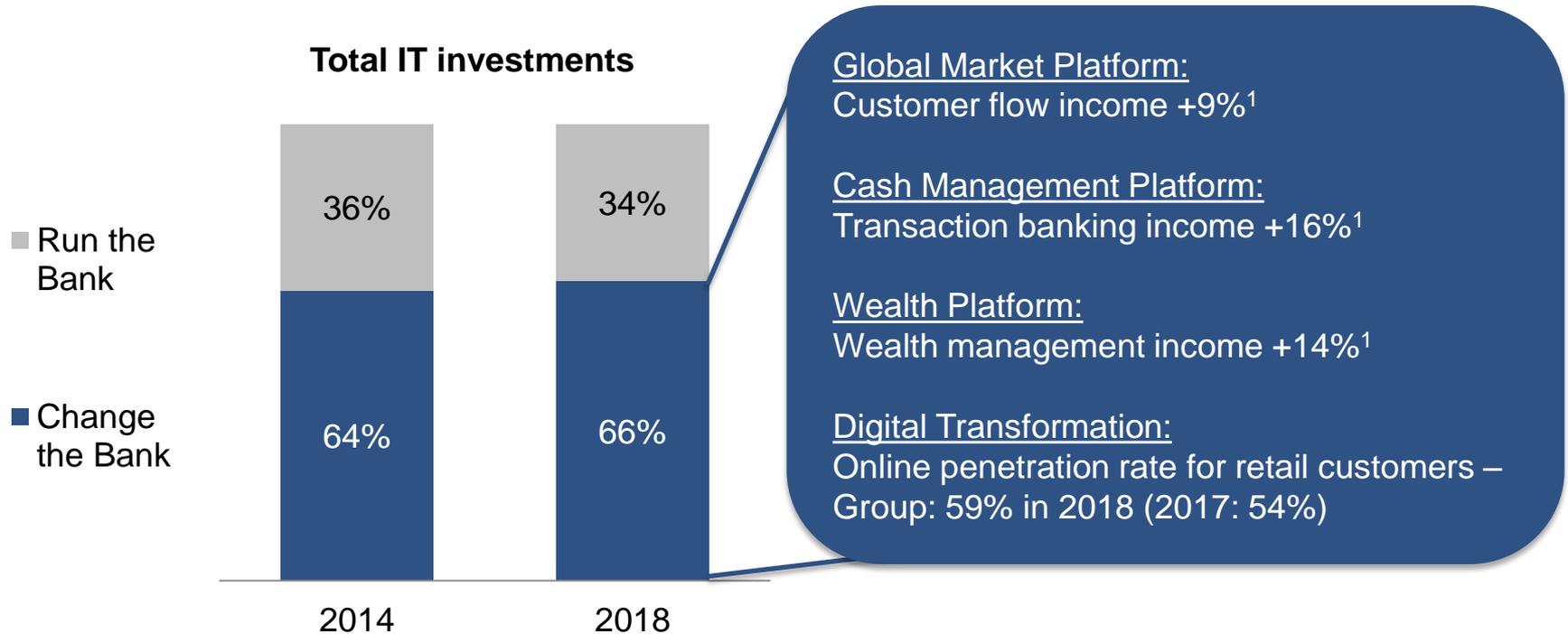
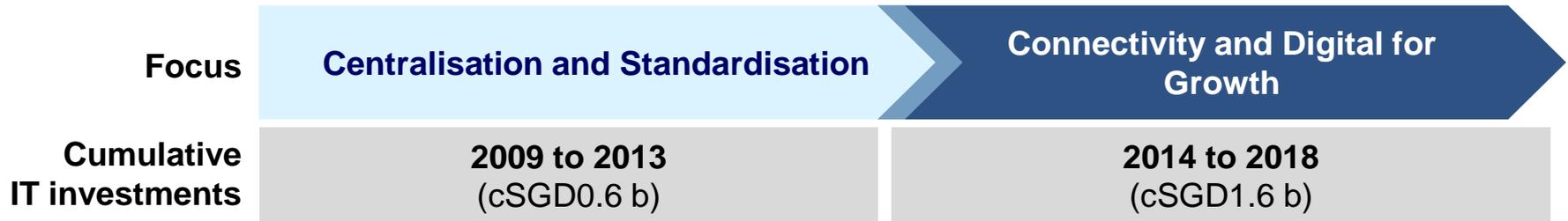
Pacing Growth in Operating Expenses, with Maintaining a Stable CIR

Operating Expenses and Costs / Income Ratio (CIR)



Note: Expenses have been restated where the amounts no longer include expenses directly attributable to fee income.

IT Investments Towards “Changing the Bank”



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

Exposure to China

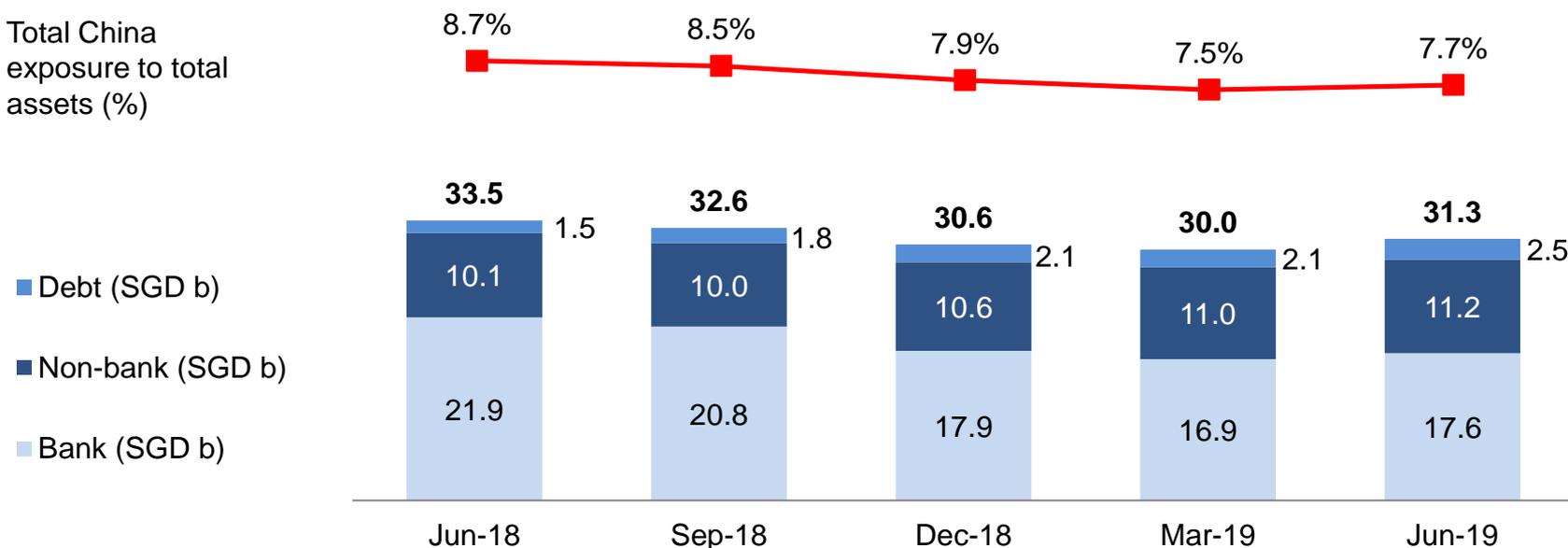
Bank exposure as of 30 June 2019

- Bank exposure accounted for 56% of total exposure to China
- Top 5 domestic banks and 3 policy banks accounted for 76% 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 30 June 2019

- 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

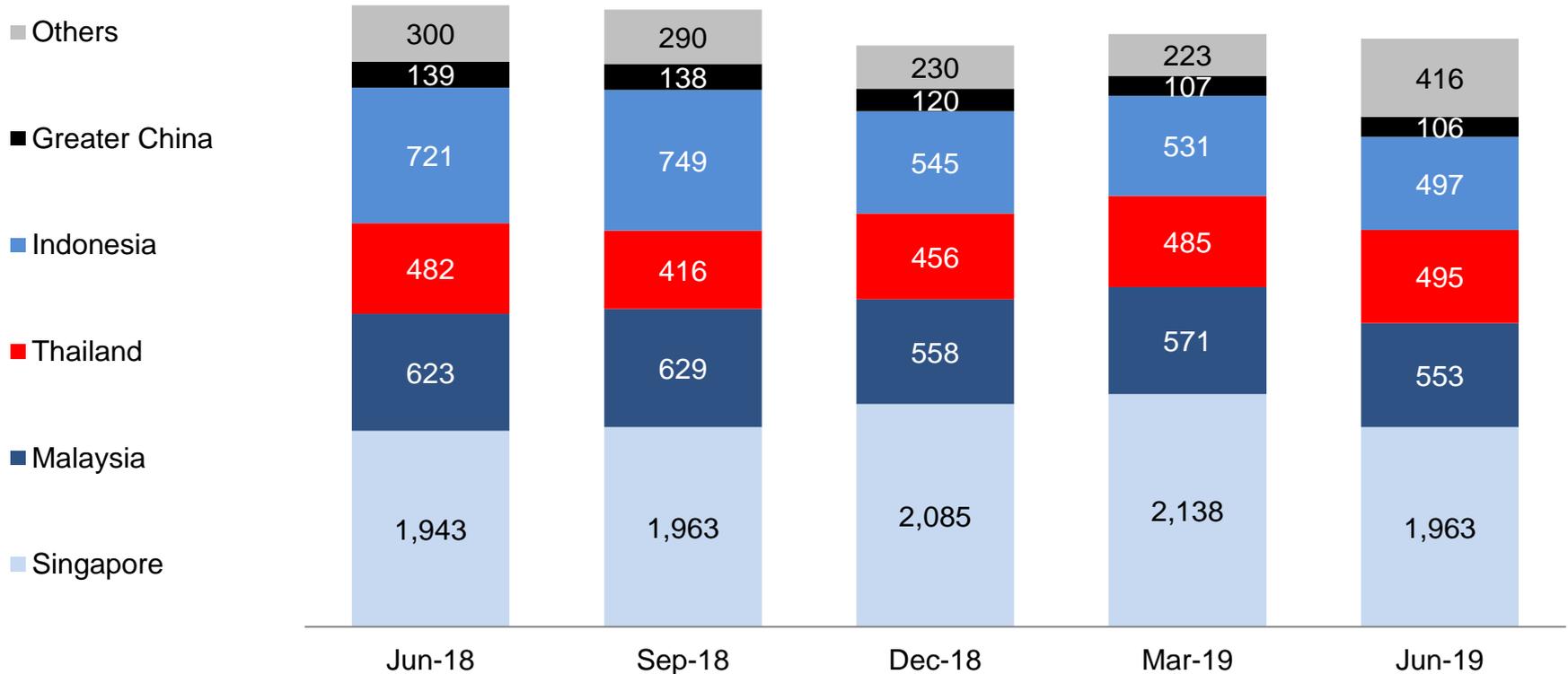
Total China exposure to total assets (%)



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 Stable at 1.5%

| | | | | | |
|--------------|-------|-------|-------|-------|-------|
| NPL ratio | 1.7% | 1.6% | 1.5% | 1.5% | 1.5% |
| NPLs (SGD m) | 4,208 | 4,185 | 3,994 | 4,055 | 4,030 |



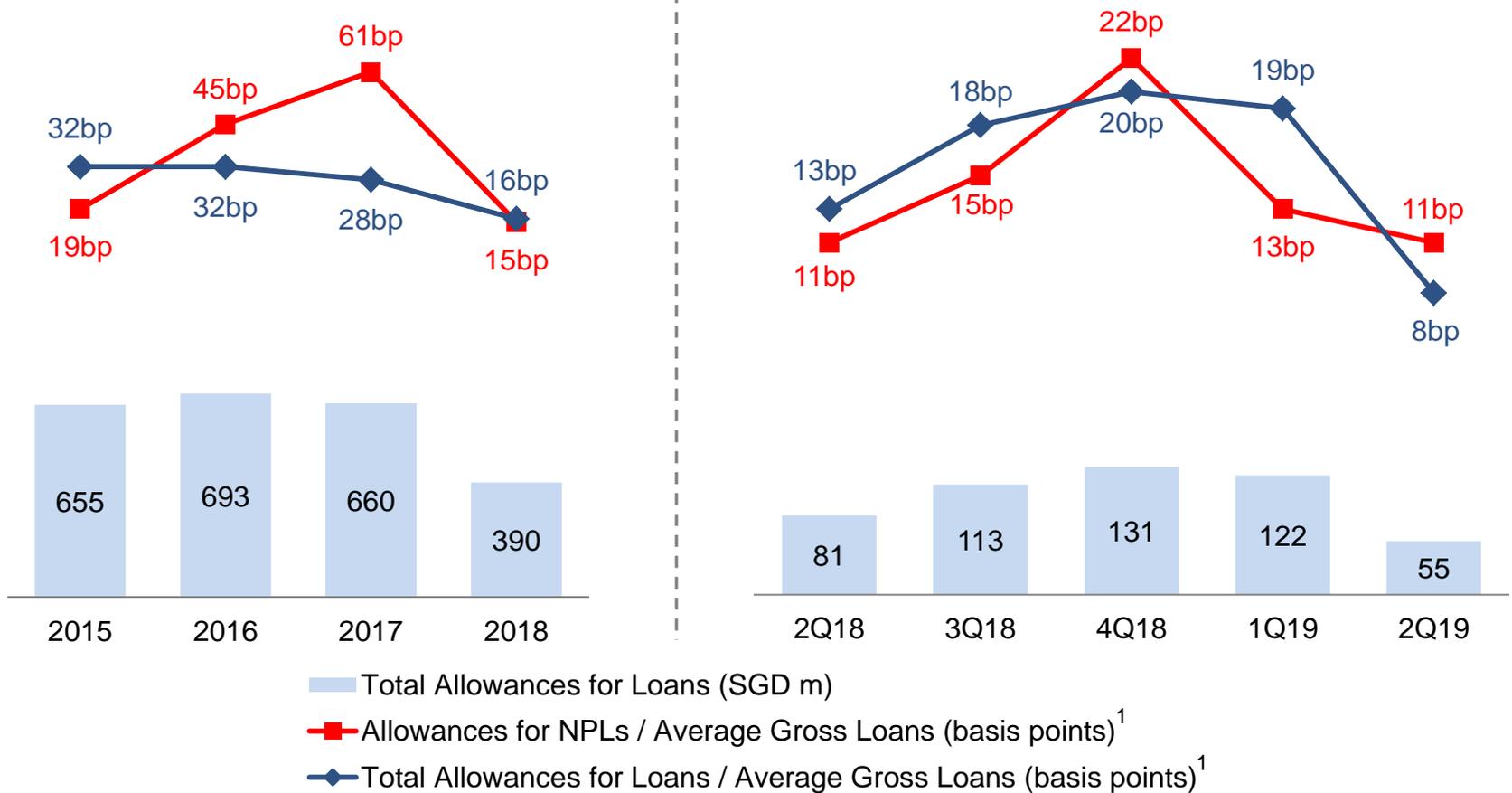
Note: NPLs by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals).

New NPA Formation Stayed within Historical Norm

| (SGD m) | 2Q18 | 3Q18 | 4Q18 | 1Q19 | 2Q19 |
|--|--------------|--------------|--------------|--------------|--------------|
| NPA at start of period | 4,323 | 4,404 | 4,374 | 4,166 | 4,215 |
| Group wholesale and small enterprise customers: | | | | | |
| New NPA | 252 | 275 | 370 | 230 | 357 |
| Upgrades, recoveries and translations | (88) | (229) | (257) | (139) | (182) |
| Write-offs | (101) | (29) | (392) | (17) | (229) |
| | 4,386 | 4,421 | 4,095 | 4,240 | 4,161 |
| Group retail (personal customers only) | 18 | (47) | 71 | (25) | 24 |
| NPA at end of period | 4,404 | 4,374 | 4,166 | 4,215 | 4,185 |

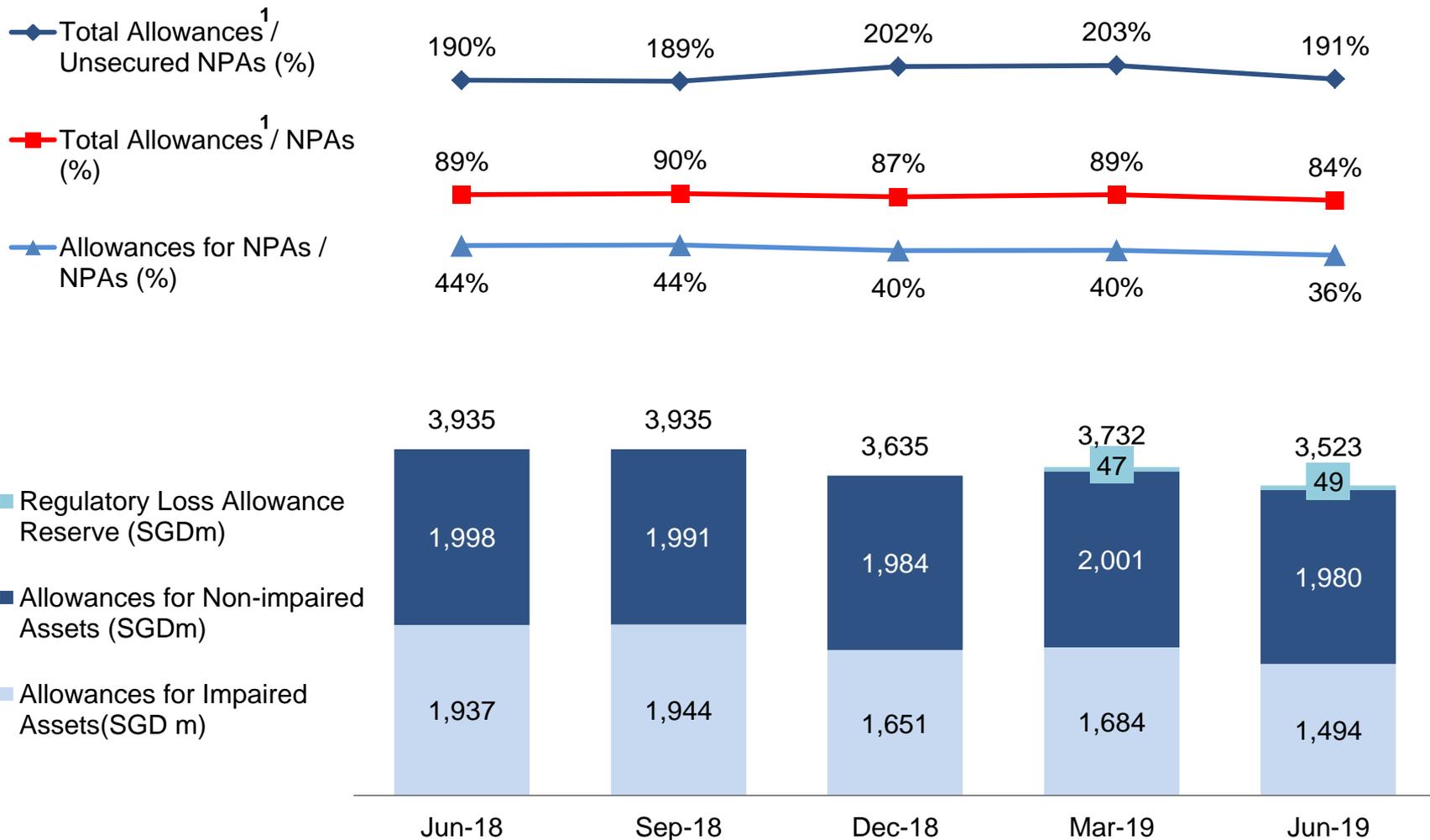
Credit Costs Still Supported by Benign Environment

Allowances for Loans



1. Computed on an annualised basis, where applicable.

Adequate Reserve Coverage Ratios



1. Include regulatory loss allowance reserve (RLAR) as part of total allowances. RLAR is a non-distributable reserve appropriated through retained earnings to meet MAS Notice No. 612 Credit Files, Grading and Provisioning requirements.

Strong Capital and Leverage Ratios

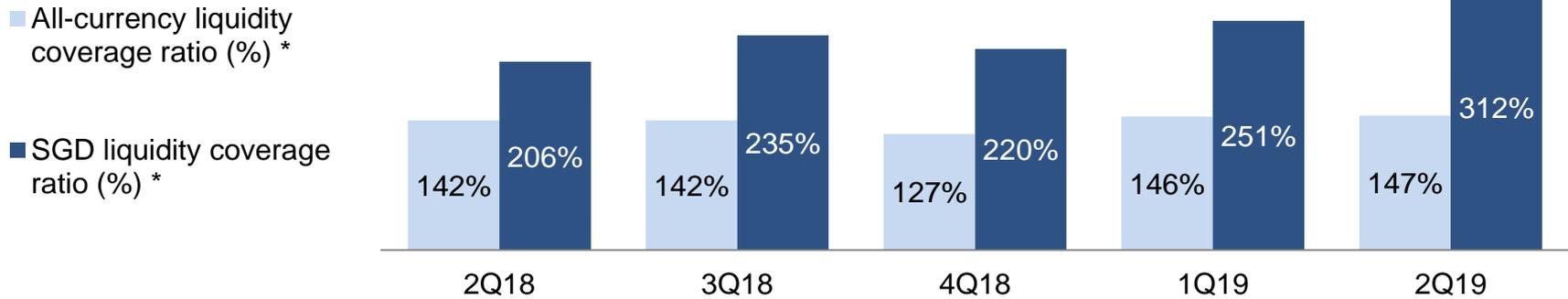
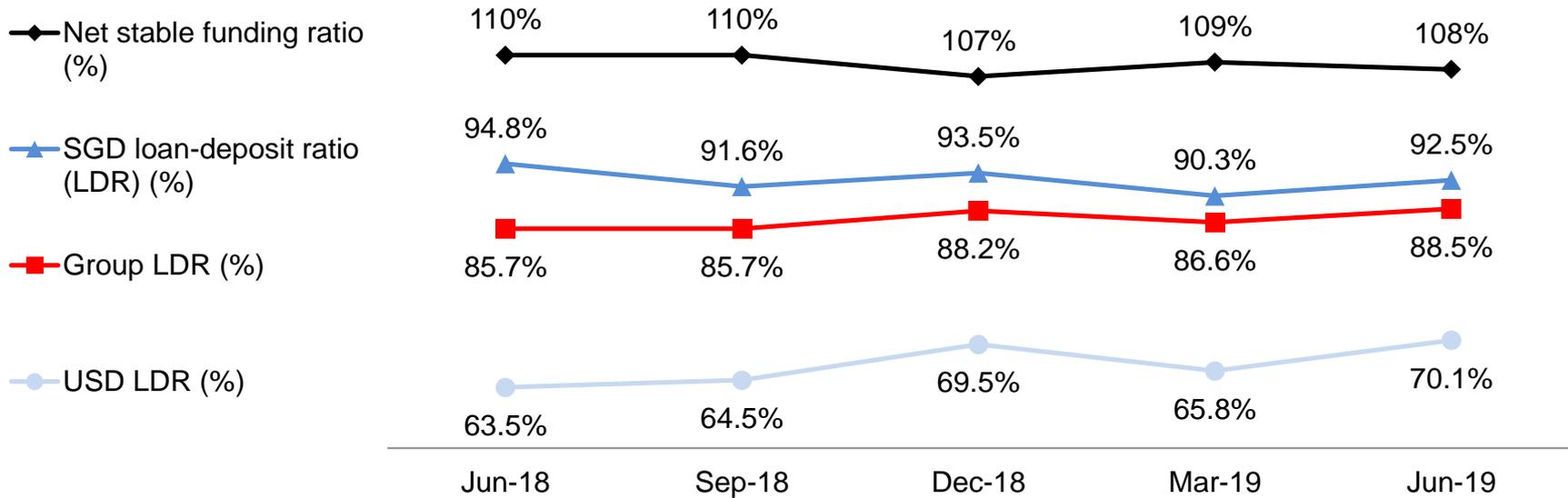


SGD b

| | | | | | |
|------------------------------|-----|-----|-----|-----|-----|
| Common Equity Tier 1 Capital | 30 | 30 | 31 | 32 | 32 |
| Tier 1 Capital | 33 | 32 | 33 | 34 | 34 |
| Total Capital | 38 | 37 | 38 | 39 | 40 |
| Risk-Weighted Assets | 206 | 213 | 221 | 230 | 230 |

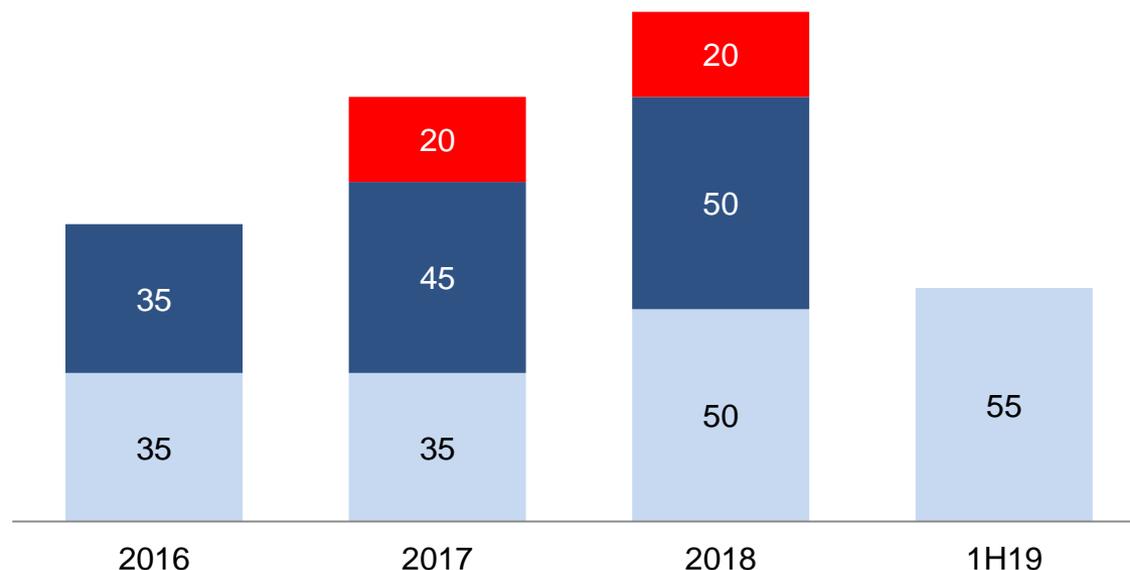
1. Leverage ratio is calculated based on the revised MAS Notice 637.
2. CAR: Capital adequacy ratio.
3. Return on average risk weighted assets, computed on an annualised basis.

Stable Liquidity and Funding Position



* Liquidity coverage ratios are computed on a quarterly average basis.

Higher Interim Dividend for 1H19



| Net dividend per ordinary share (¢) | Interim | Final | Special | |
|--|---------|-------|---------|-----|
| Payout amount (SGD m) | 1,135 | 1,661 | 2,000 | 918 |
| Payout ratio (%) | 37 | 49 | 50 | 41 |
| Payout ratio (excluding special/one-off dividends) (%) | 37 | 39 | 42 | 41 |

Note: The Scrip Dividend Scheme was applied to 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.



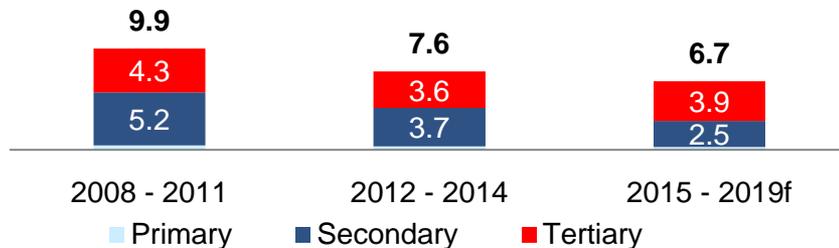
Appendix B: Macroeconomic Outlook and Banking Regulations

Trade Tensions Cloud China's Outlook but Low Risk of Hard Landing

- Despite ongoing structural slowdown, 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.
- Baseline GDP growth est for China at 6.2% in 2019 & 2020 (2018: 6.6%). Greatest near-term risk from protracted US-China trade negotiations (30% prob of talks breakdown). Growth to slow to 5.8% should all Chinese exports to the US be targeted in trade conflicts.

Structural Shift of China's Economy

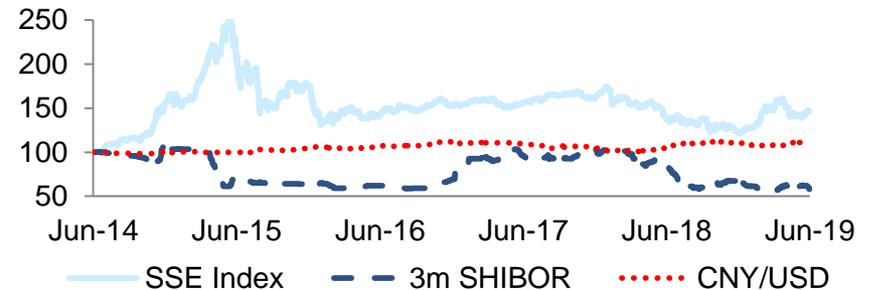
(Average Contribution to GDP growth rate, %)



Source: IMF, CEIC, UOB Global Economics & Markets Research

Episodes of Market Volatility Contained

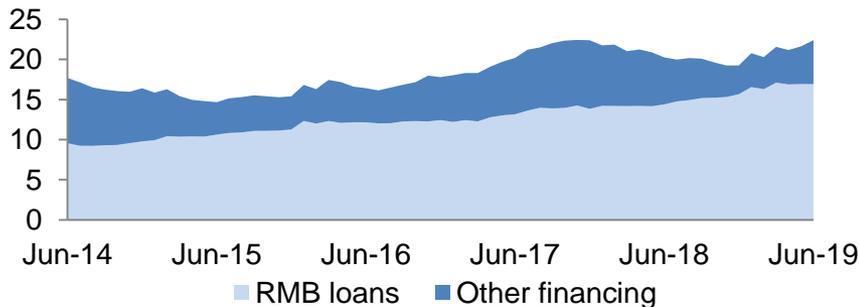
(Jun' 14 = 100)



Source: Bloomberg, UOB Global Economics & Markets Research

New Financing Increasingly from Banking Sector

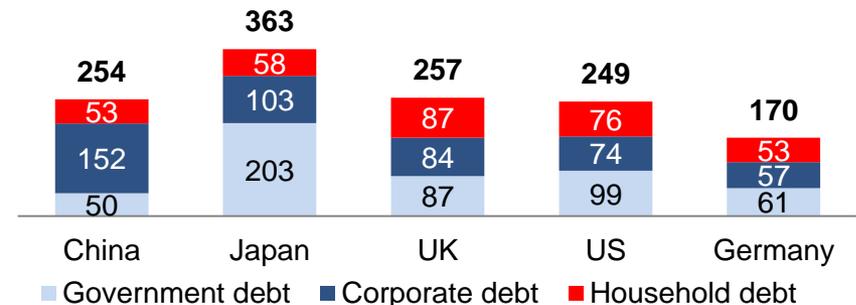
(Rolling 12 months, CNY trn)



Source: PBOC, UOB Global Economics & Markets Research

Source of China Debt Risk

(As of 2018, % of GDP)

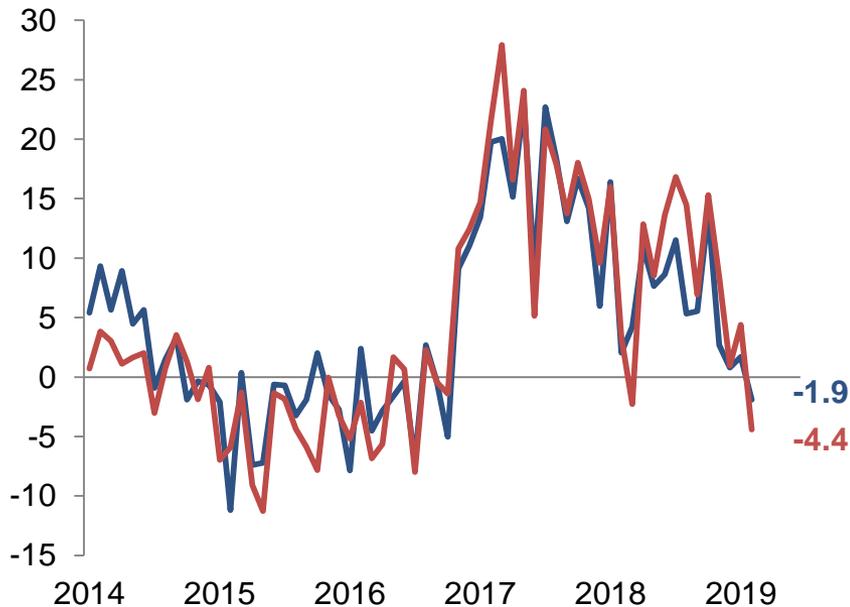


Source: BIS, Macrobond, UOB Global Economics & Markets Research

Global Trade Tension Negative for ASEAN but Some Silver Lining May Emerge

Exports growth slowed across ASEAN countries in 1H2019

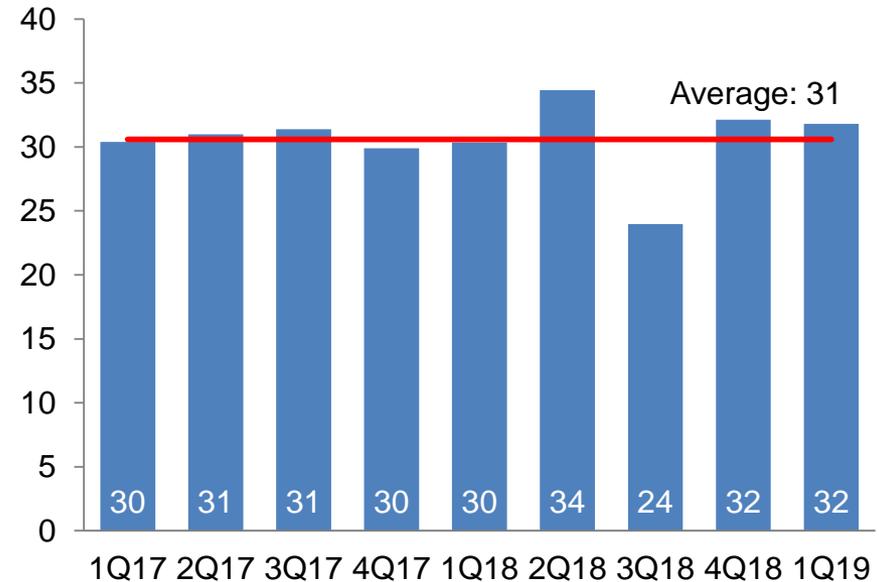
Year on year growth (%)



— ASEAN-5 Exports — ASEAN-5 Imports

Strong foreign direct investment inflows to ASEAN

(US\$ billion)



■ ASEAN Quarterly Foreign Direct Investments
— 2017 Quarterly Average

Implication on Regional Policy Rates

| | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | 2Q19 | 3Q19f | 4Q19f | 1Q20f |
|--------------------------|------|------|------|------|------|------|------|-------|-------|-------|
| US 10-Year Treasury | 2.40 | 2.74 | 2.86 | 3.06 | 2.68 | 2.41 | 2.00 | 2.00 | 1.90 | 1.80 |
| US Fed Funds | 1.50 | 1.75 | 2.00 | 2.25 | 2.50 | 2.50 | 2.50 | 2.25 | 2.00 | 2.00 |
| SG 3M SIBOR | 1.50 | 1.45 | 1.52 | 1.64 | 1.89 | 1.94 | 2.00 | 2.00 | 1.95 | 1.95 |
| SG 3M SOR | 1.30 | 1.48 | 1.59 | 1.64 | 1.92 | 1.93 | 1.83 | 2.00 | 1.95 | 1.95 |
| MY Overnight Policy Rate | 3.00 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 |
| TH 1-Day Repo | 1.50 | 1.50 | 1.50 | 1.50 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 |
| ID 7-Day Reverse Repo | 4.25 | 4.25 | 5.25 | 5.75 | 6.00 | 6.25 | 6.00 | 5.50 | 5.50 | 5.50 |
| CH 1-Year Deposit Rate | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |

The FOMC cut its policy Fed Funds Target Rate by 25bps in its 31 Jul meeting, in light of the implications of global developments for the economic outlook as well as muted inflation pressures even with the view that US domestic conditions remaining robust. The FOMC did not commit to a further rate cut but said that it will continue to monitor the incoming economic data growth. We expect the Fed to go into a period of wait-and-see as more US data becomes available, and then to follow up with another 25bps cut only in Dec, bringing the upper bound of FFTR to 2.00% by end-2019. That said, an escalation of the US-China trade tensions may also influence the Fed's timeline for the next rate cut.

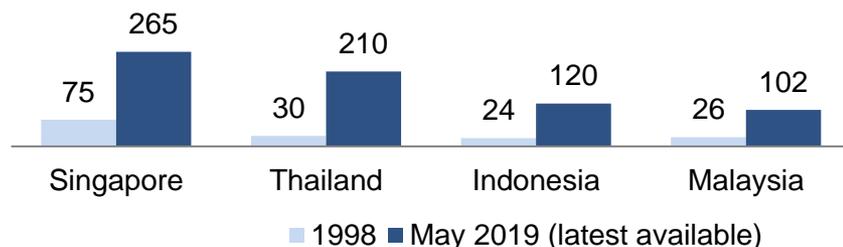
We see downside risk to our base call for MAS to keep policy unchanged in October. SG\$NEER is coming from a position of strength that is inconsistent with underlying weakness displayed in the domestic economy. Convergence of views towards MAS easing in October will reinforce downside pressure on SG\$NEER. Potential for weaker domestic currency will cause SORs to lag US rates when the latter is repricing lower.

China's growth is expected to slow further due to its structural reforms and trade tensions with the US but policymakers have been able to manage downside risks with proactive fiscal and monetary measures. On balance, with China's growth within target (6-6.5%) and more dovish Fed, capital flight risk from Asia will remain low. Asian central banks are also likely to move towards easing monetary policy to support growth, albeit those with current account and fiscal deficits, would likely do so in a cautious approach.

Southeast Asia: Resilient Key Markets

Significantly Higher Foreign Reserves

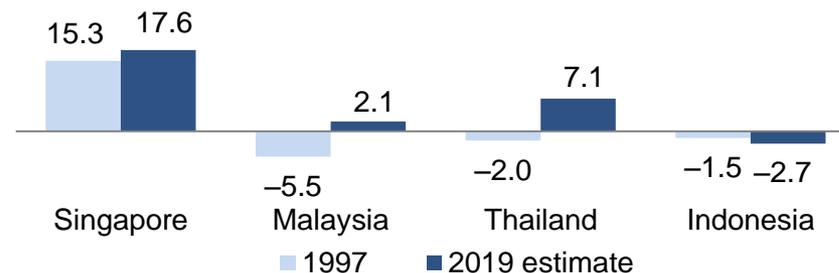
(USD billion)



Sources: World Bank, International Monetary Fund

Healthy Current Account Balances

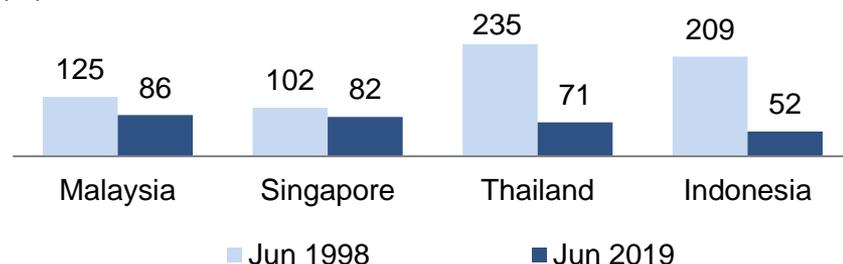
(% of GDP)



Source: International Monetary Fund

Lower Debt to Equity Ratio

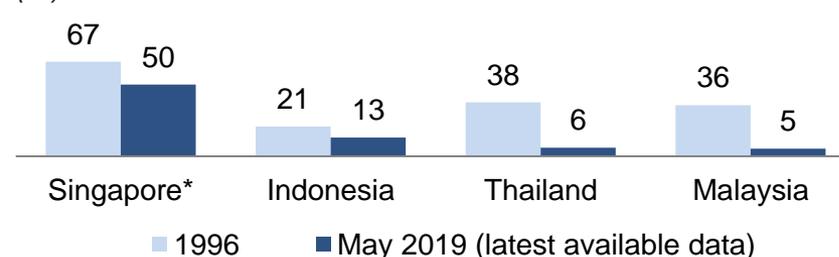
(%)



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

(%)



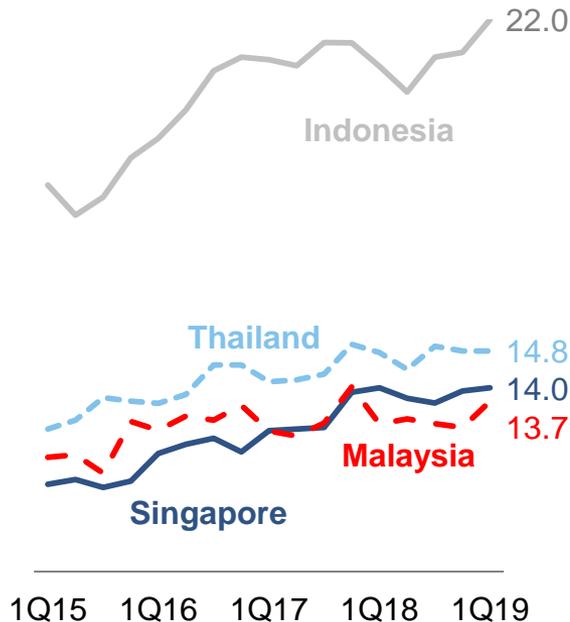
* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units; sources: Central banks

Long-term fundamentals and prospects of key Southeast Asia have greatly improved since the 1997 Asian Financial Crisis.

Southeast Asia Banking Sectors: Strong Fundamentals Remain Intact

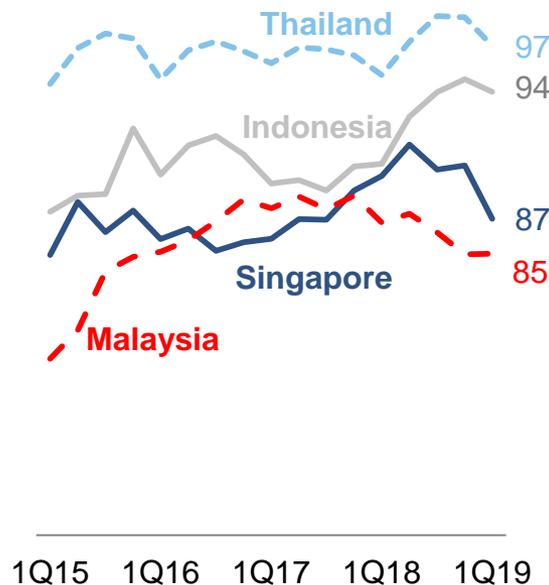
Robust Capital Positions

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



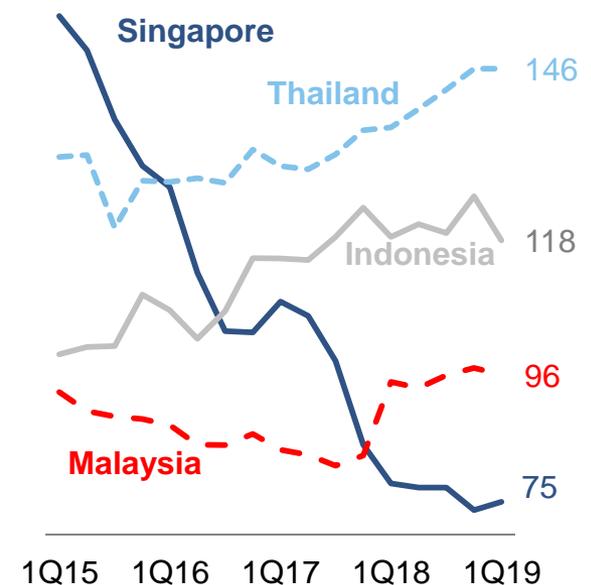
Adequate Loan/Deposit Ratio

(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.

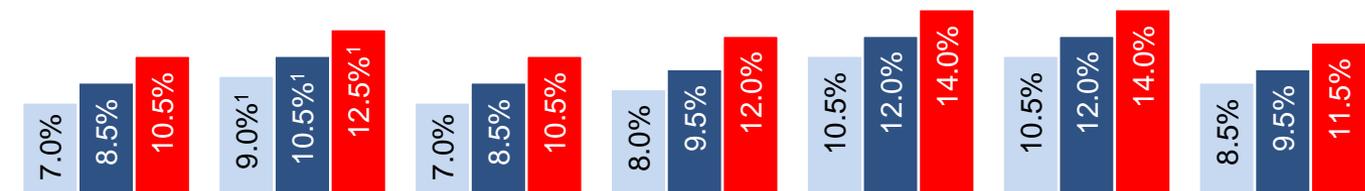
Source: Central banks, banks

Basel III across the Region

| | BCBS | Singapore | Malaysia | Thailand | Indonesia | Hong Kong | China |
|-------------------------------------|------------|--------------------|------------|------------|------------------------|------------|------------------------|
| Minimum CET1 CAR | 4.5% | 6.5% ¹ | 4.5% | 4.5% | 4.5% | 4.5% | 5.0% |
| Minimum Tier 1 CAR | 6.0% | 8.0% ¹ | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Minimum Total CAR | 8.0% | 10.0% ¹ | 8.0% | 8.5% | 8.0% | 8.0% | 8.0% |
| Full Compliance | Jan-15 | Jan-15 | Jan-15 | Jan-13 | Jan-14 | Jan-15 | Jan-13 |
| Capital Conservation Buffer | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Full Compliance | Jan-19 | Jan-19 | Jan-19 | Jan-19 | Jan-19 | Jan-19 | Jan-19 |
| Countercyclical Buffer ² | Up to 2.5% | Up to 2.5% | Up to 2.5% | Up to 2.5% | Up to 2.5% | Up to 2.5% | Up to 2.5% |
| 2019 Requirement | n/a | 0% | 0% | 0% | 0% | 2.5% | 0% |
| D-SIB Buffer | n/a | 2.0% | 2.0% | 1.0% | 1.0%–3.5% ³ | 1.0%–3.5% | 1.0% ⁴ |
| G-SIB Buffer | 1.0%–3.5% | n/a | n/a | n/a | n/a | n/a | 1.0%–1.5% ⁴ |
| Minimum Leverage Ratio | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 4.0% |
| Full Compliance | 2018 | 2018 | 2018 | 2022 | 2018 | 2018 | 2015/16 |
| Minimum LCR | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Full Compliance | Jan-19 | Jan-19 | Jan-19 | Jan-20 | Dec-18 | Jan-19 | Dec-18 |
| Minimum NSFR | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Full Compliance | Jan-18 | Jan-18 | Jan-20 | Jul-18 | Jan-18 | Jan-18 | Jul-18 |

% of risk weighted assets⁵

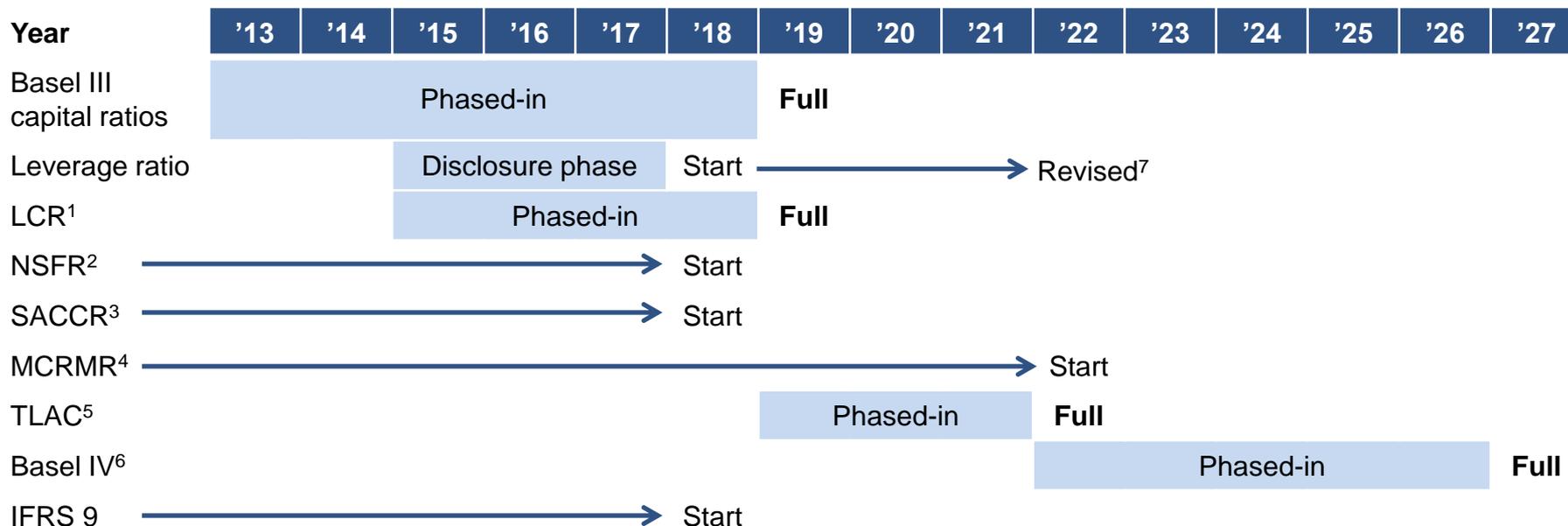
- Minimum CET1 CAR
- Minimum Tier 1 CAR
- Minimum Total CAR



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



“ 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

Retail credit

Wholesale credit

Others

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

Thank You

