

# 1H20 Results: Maintaining Strong Balance Sheet Amid Challenging Economic Conditions

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# Navigating COVID-19

## For our Colleagues



- Enabled ~13k staff working from home across the region
- Provided additional allowances and family care leave, flexible work arrangements and face masks
- Equipped staff with relevant skills to thrive in ever-changing environment through Better U upskilling programme
- Offered on-the-job training for >100 graduates for up to 12 months with potential conversion to full-time

## For our Customers



- Assisted >1m<sup>1</sup> businesses and individuals (~16% of total loans) with various loan relief schemes
- Supported SMEs with Enterprise Singapore's loans<sup>2</sup> and facilitated their digital transformation<sup>3</sup>
- Enabling record number of customers banking through digital channels



### Businesses

- Moratorium for existing secured loans
- Fresh liquidity through working capital and temporary bridging loans
- Pre-approved loan financing programme

### Individuals

- Moratorium for mortgage borrowers
- Lower interest rates on unsecured credit
- Daily banking hour dedicated for the elderly and vulnerable

## For our Communities



- Donated >1m personal protective equipment to frontline healthcare workers and disadvantaged communities globally
- Raised >S\$1.6m globally for the UOB Heartbeat COVID-19 Relief Fund
- Launched UOB My Digital Space to bridge the digital gap for disadvantaged children across 6 markets by providing laptops and digital resources for learning

1. As of 24 July 2020. 2. Such as Temporary Bridging Loan and SME Working Capital Loan under Enhanced Enterprise Financing Scheme. 3. UOB BizSmart and The FinLab Online.

# 1H20: Softer performance amid challenging conditions but balance sheet strengths intact

Income  
▼ 6% YoY  
**S\$4.7b**

Net Profit After Tax  
▼ 30% YoY  
**S\$1.6b**

Cost / Income Ratio  
▲ 1.5ppt YoY  
**45.6%**

Gross Customer Loans  
▲ 3% YoY  
**S\$281b**

NPA<sup>1</sup> Coverage  
▲ 12ppt YoY  
**96%**

Credit Costs  
▲ 39bp<sup>2</sup> YoY  
**52bp<sup>2</sup>**

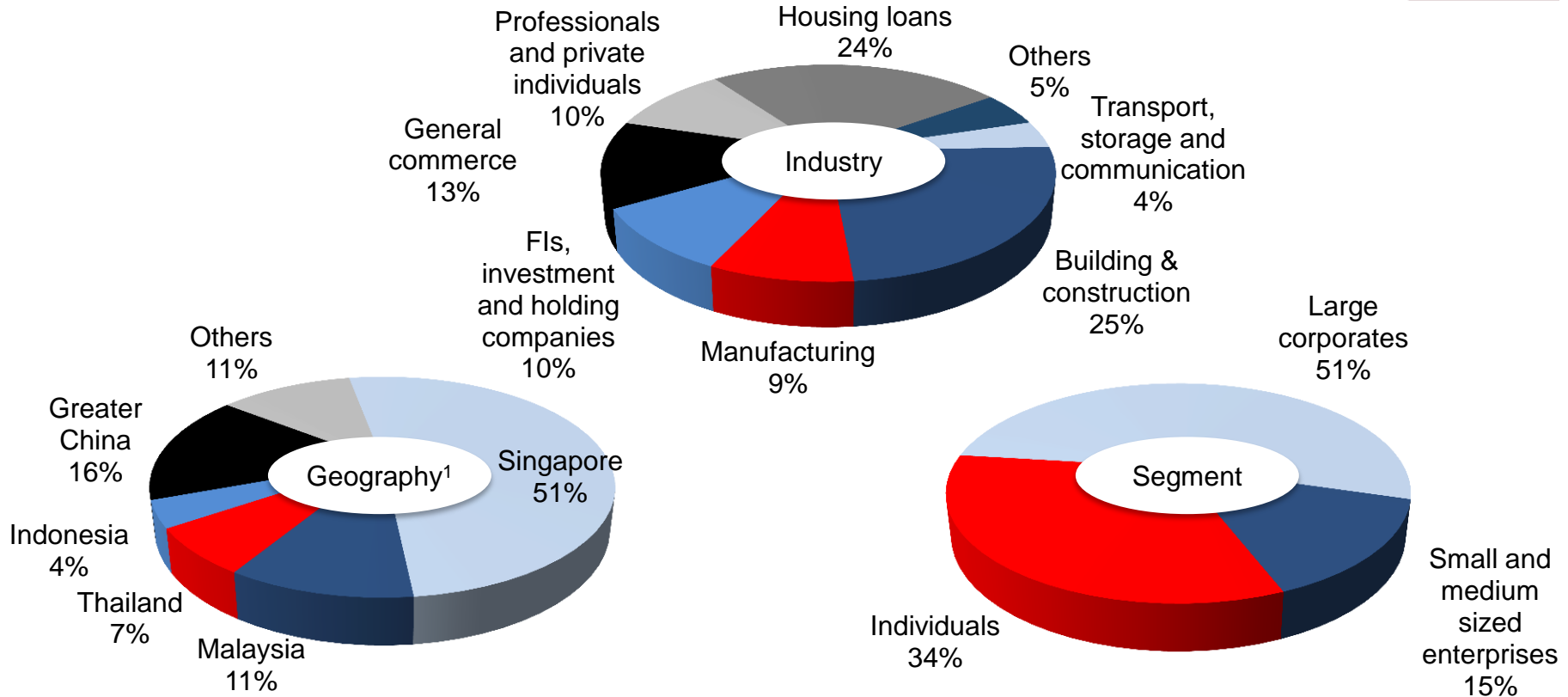
All Currency LCR<sup>3</sup>  
▼ 9ppt YoY  
**138%**

CET1 CAR<sup>4</sup>  
▲ 0.1ppt YoY  
**14.0%**

1. NPA: Non Performing Assets  
2. Basis points

3. LCR: Liquidity Coverage Ratio  
4. CET1 CAR: Common Equity Tier 1 Capital Adequacy Ratio

# Diversified loan portfolio



Note: Financial statistics as at 30 June 2020.

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).

# Corporates: Growing our regional franchise, capturing cross-border opportunities



## Strengthening Connectivity

Across our ASEAN footprint and global network



**28%<sup>1</sup>**

Cross-border income's contribution to Group Wholesale Banking income



**+5%<sup>2</sup>**

Non-Singapore income



*Asia's Best Bank for SMEs (2020)*



## Sector Specialisation

Building capabilities for greater diversification and risk mitigation



**>S\$8b**

Total sustainability financing provided<sup>3</sup>



**+5%<sup>2</sup>**

Non-real estate income



*Best SME Bank in Singapore and in Asia Pacific (2020)*



## Deepening Digitalisation

For secure and efficient transactions



**77%<sup>4</sup>**

Corporate clients in Singapore using UOB BIBPlus<sup>6</sup>



**+58%<sup>5</sup>**

Cash management mandates won at Group level



*Best Bank in ASEAN in Working Capital and Trade Finance (2020)*

1. Year-to-date (YTD) end-May 2020. 2. Year-on-year (YoY) growth for YTD May 2020. 3. Outstanding green loans, sustainability-linked loans and loans for green certified buildings as of end-Jun 2020. 4. As of end-Jun 2020. 5. YoY growth in 1H20. 6. Business Internet Banking Plus.

# Consumers: Tapping on rising affluence in Southeast Asia



## Omni-channel Experience

Serving affluent customers across various touchpoints



**> 50%**  
Digitally-engaged customers<sup>1</sup>



**S\$129b<sup>1,2</sup>**  
Assets under management (AUM)  
▲ 9% YoY in 1H20



UOB Mighty, ATMs & contact centre ranked top in customer satisfaction<sup>3</sup>



## Digital Bank: TMRW

Specially for mobile-first and mobile-only generation



**< 9 min**  
Onboarding journey in Indonesia



Achieved industry-leading NPS<sup>4</sup> in Thailand & Indonesia



**17 awards**  
won<sup>5</sup>, including *Best Digital Bank for Customer Experience*<sup>6</sup>



## Ecosystem Partnerships

Forging collaborations to widen distribution reach & deepen wallet share



**100%**  
of car loan applications<sup>7</sup> were digital in 2Q20



**1 in 2**  
home mortgage applications<sup>7</sup> were digital in 2Q20



Launched mobile robo-adviser, UOBAM Invest, in collaboration with FNZ Group

1. As of end-Jun 2020. 2. 60% of AUM from customers overseas. 3. Customer Satisfaction Index of Singapore 2019, Institute of Service Excellence, Singapore Management University. 4. Net promoter score. 5. Across Thailand and Indonesia in 2019 and 2020. 6. The Digital Banker - Digital CX Summit & Awards 2020. 7. In Singapore.

# Reaping benefits from our technology investments

**+14%**

UOB Mighty App  
Transactions

**+12%**

Personal Internet Banking  
(PIB) Transactions

**+2.4X**

PayNow  
Transactions

**+12%**

Business Internet Banking  
Plus (BIBPlus) Transactions

**+3.5X**

Application Programming  
Interface (API) Calls

**+8.9X**

PayNow Corporate  
Transactions

Note: Data on this slide covers only Singapore, comparing the year on year growth in transactions across digital channels between 1H20 and 1H19.

# Focused on riding Southeast Asia's long-term growth potential



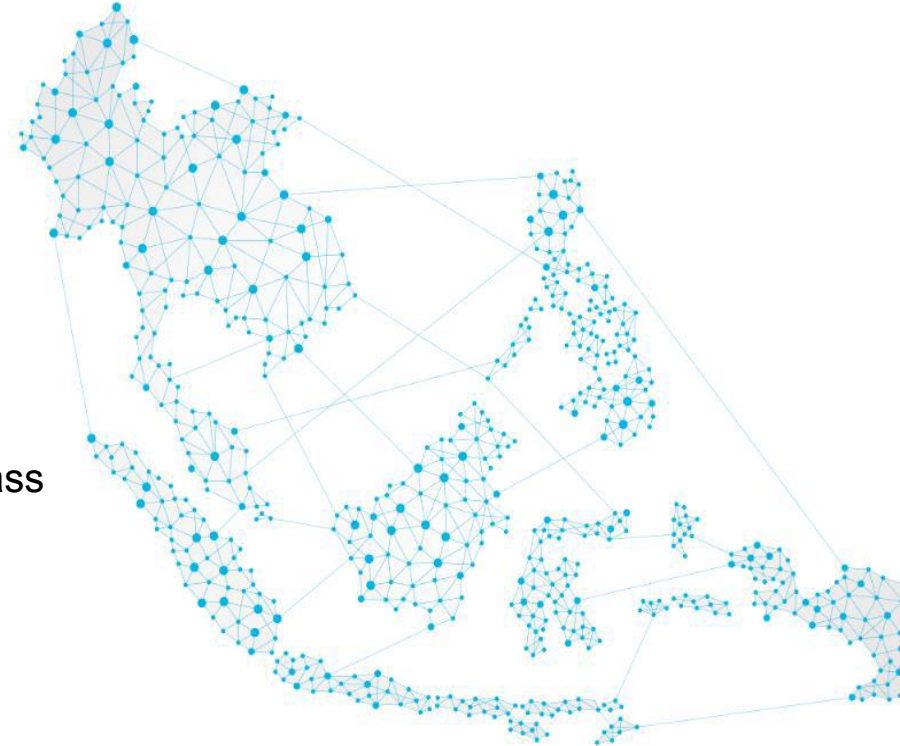
## Group Wholesale Banking

Capture growing cross-border trade and investment flows through our sector specialisation and integrated regional platform.



## Group Retail

Ride on growing affluence and wealth potential of the region's rising middle class with our omni-channel and ecosystem partnerships strategy.





# Outlook: 2020 Guidance



- Maintain responsible and prudent approach in supporting our customers
- Grow and seize opportunities selectively, backed by strong balance sheet and enhanced capabilities
- Some upside to NIM in 2H20 after hitting trough levels
- Expect moderate rebound in fees in 2H20 as economies gradually reopen.
- Keep cost to income ratio stable, as we pace our investments as a long-term player, committed to our ASEAN franchise
- Credit costs likely to remain around 2Q20 levels, with more preemptive allowances to cushion anticipated asset quality weaknesses
- Continue approach of balancing growth with stability to drive shareholder value and dividends in a sustainable manner

# Thank You

