

Announcement

UOB Group to Acquire Citigroup's Consumer Business in Indonesia, Malaysia, Thailand and Vietnam

Acquisition Will Accelerate Scaling Up of Retail Banking Business Across ASEAN

Ho Chi Minh City, 14 January 2022 – United Overseas Bank Limited (UOB)'s subsidiaries have entered into agreements to acquire Citigroup's consumer banking businesses comprising its unsecured and secured lending portfolios, wealth management and retail deposit businesses (the Consumer Business) in Indonesia, Malaysia, Thailand and Vietnam (the Proposed Acquisition). As part of the Proposed Acquisition, UOB intends to bring onboard the employees in the Consumer Business. The Proposed Acquisition will further strengthen and deepen UOB's ASEAN franchise.

Citigroup's Consumer Business had an aggregate net asset value of approximately S\$4.0 billion and a customer base of about 2.4 million as at 30 June 2021, and generated income of approximately S\$0.5 billion in the first half of 2021. Excluding one-off transaction costs, the Proposed Acquisition is expected to be immediately accretive to UOB's earnings per share (EPS) and return on equity (ROE).

The total cash consideration for the Proposed Acquisition, will be calculated based on an aggregate premium equivalent to S\$915 million plus the net asset value of the Consumer Business as at completion. The Proposed Acquisition is expected to be financed through excess capital and estimated to reduce UOB's CET1 ratio by 70 basis points to 12.8%, based on its capital position as at 30 September 2021. The effect to CET1 ratio is not expected to be material and will be well within regulatory requirements.

Completion of the acquisition in each country will be conditional on obtaining regulatory approvals relevant to each country and in Singapore. It is estimated that completion will take place between mid-2022 and early 2024, depending on the progress and outcome of the regulatory approval process. Citigroup will assist UOB and its subsidiaries (collectively the UOB Group) with the migration of the customers and employees of its Consumer Business to ensure a smooth transition.

Mr. Wee Ee Cheong, Deputy Chairman and Chief Executive Officer (CEO) of UOB, said, "The acquisition of Citigroup's retail business in our key markets of Indonesia, Malaysia, Thailand and Vietnam is a great opportunity that comes at the right time. UOB believes in Southeast Asia's long-term potential and we have been disciplined, selective and patient in seeking the right opportunities to grow. Subject to regulatory approval, we look forward to integrating Citigroup's quality portfolio and welcoming its team, and to creating value for our enlarged base of customers, employees and other stakeholders. The acquired business, together with UOB's regional consumer franchise, will form a powerful combination that will scale up UOB Group's business and advance our position as a leading regional bank."

Mr Peter Babej, Citi Asia Pacific CEO, said, "We are excited to announce this transaction with UOB, a leading pan-Asian institution. We are confident that UOB, with its strong culture and broad regional

ambitions, will provide excellent opportunities and a long-term home for our consumer banking colleagues in Indonesia, Malaysia, Thailand and Vietnam. Focusing our business through these actions will facilitate additional investment in our strategic focus areas, including our institutional network across Asia Pacific, driving optimal returns for Citi.”

UOB’s retail strategy includes tapping the rising affluence in Southeast Asia, acquiring and serving customers through its digital banking platform, UOB TMRW, and meeting their financial needs through its omni-channel approach as they move up the wealth continuum. The Proposed Acquisition will expand UOB’s partner ecosystem and is expected to double UOB’s existing retail customer base in the four markets, accelerating its customer base target five years ahead of time.

Citigroup’s Consumer Business employs about 5,000 employees, including senior leadership and various teams with a wealth of experience. Their transfer will deepen UOB Group’s bench strength and unlock business synergies.

UOB Group looks forward to welcoming Citigroup’s customers and employees, who will be kept updated of the progress of the Proposed Acquisition in the coming months.

Credit Suisse (Singapore) Limited is acting as financial adviser to UOB Group in this Proposed Acquisition and Allen & Overy LLP (Singapore) as its legal advisers.

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About United Overseas Bank Vietnam

United Overseas Bank (Vietnam) Limited (UOB Vietnam) commenced operations officially on 6 August 2018. It is a wholly-owned subsidiary of United Overseas Bank Limited (UOB), a leading bank in Asia with a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America.

UOB established its presence in Vietnam with the opening of a representative office in 1993 and was the first Singapore bank to launch a branch in the country in 1995. Today, UOB Vietnam offers a range of personal and institutional financial services to both Vietnamese and overseas customers across the country backed by the seamless connectivity offered through UOB's regional network. In 2019, UOB Vietnam expanded into northern Vietnam in 2019 with a branch in Hanoi.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

For media queries, please contact:

Pham Tieu Giang
Strategic Communications and Brand, UOB Vietnam
Email: Pham.TieuGiang@UOBgroup.com
Tel: (84) 937 813 613

Kelyn Tan
Group Strategic Communications and Brand, UOB
Email: Kelyn.TanSW@UOBgroup.com
Tel: (65) 6539 3967