

A blue line-art illustration of a modern skyscraper with a unique, angular design, positioned on the left side of the page.

UOB Group First Half 2014

Financial Highlights

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Group Chief Financial Officer

31 July 2014

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Record 1H14 NPAT of \$1.60 billion, 6.1% higher YoY

	1H14	1H13	+/(-)
	\$m	\$m	%
Net interest income	2,234	1,979	12.9 ▲
Fee and commission income	824	889	(7.3) ▼
Other non-interest income	578	446	29.5 ▲
Total income	3,636	3,315	9.7 ▲
Less: Total expenses	1,542	1,421	8.5 ▲
Operating profit	2,094	1,894	10.6 ▲
Less: Individual impairment	124	28	>100.0 ▲
Collective impairment	183	177	3.3 ▲
Add: Associates & joint ventures	69	125	(44.7) ▼
Net profit before tax	1,857	1,813	2.4 ▲
Less: Tax & non-controlling interests	260	308	(15.6) ▼
Net profit after tax	1,596	1,505	6.1 ▲

 favourable variance to earnings
  unfavourable variance to earnings

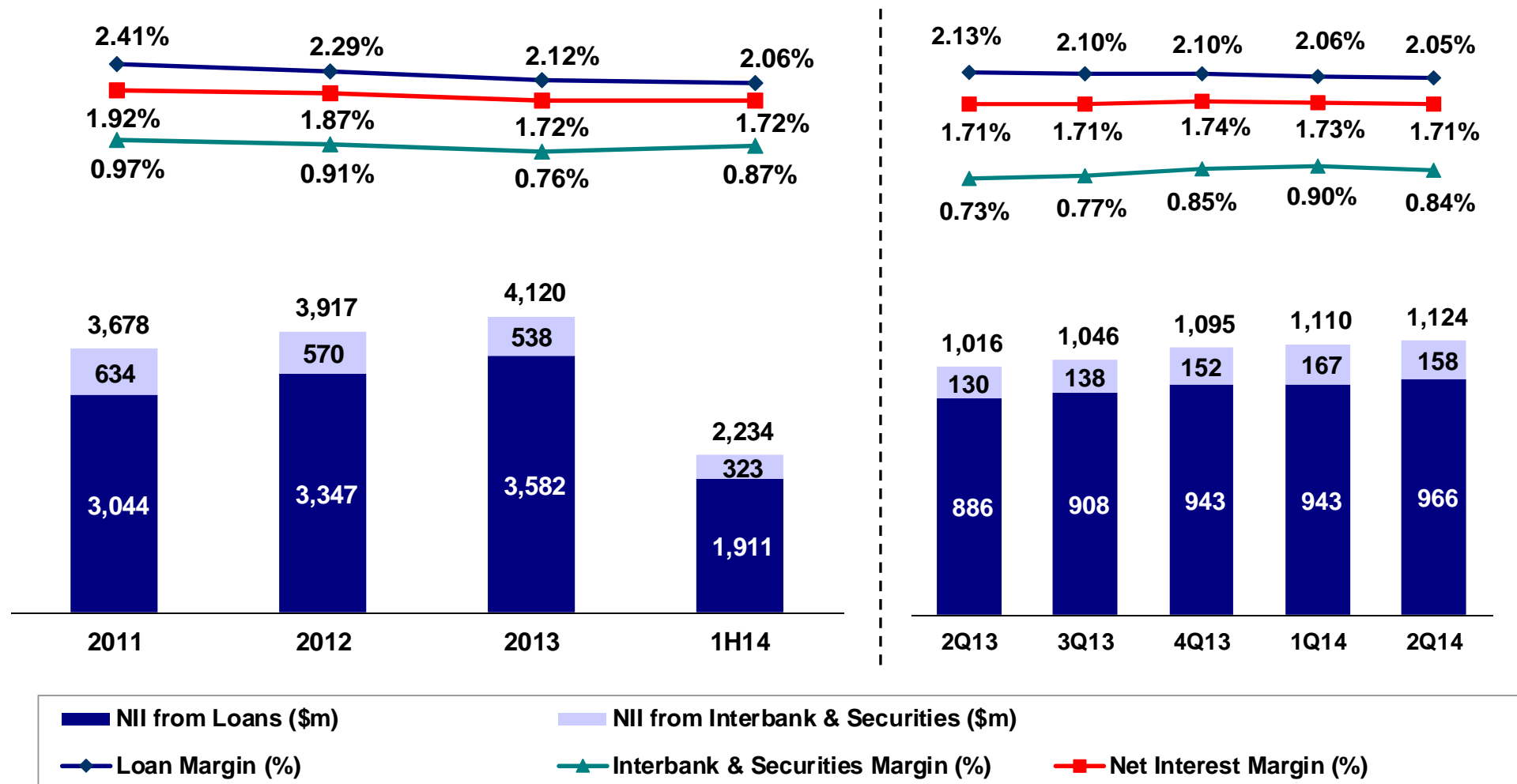
New High 2Q14 NPAT, up 3.2% YoY and 2.5% QoQ

	2Q14	2Q13	+/(-)	1Q14	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,124	1,016	10.7 ▲	1,110	1.3 ▲
Fee and commission income	410	436	(6.0) ▼	414	(0.9) ▼
Other non-interest income	350	191	83.0 ▲	228	53.3 ▲
Total income	1,884	1,643	14.7 ▲	1,752	7.6 ▲
Less: Total expenses	787	726	8.4 ▲	755	4.2 ▲
Operating profit	1,098	917	19.7 ▲	997	10.1 ▲
Less: Individual impairment	91	(11)	>100.0 ▲	33	>100.0 ▲
Collective impairment	59	86	(31.8) ▼	124	(52.9) ▼
Add: Associates & joint ventures	26	101	(74.0) ▼	43	(38.8) ▼
Net profit before tax	974	944	3.2 ▲	882	10.4 ▲
Less: Tax & non-controlling interests	166	161	3.3 ▲	94	76.3 ▲
Net profit after tax	808	783	3.2 ▲	788	2.5 ▲

▲ favourable variance to earnings ▼ unfavourable variance to earnings

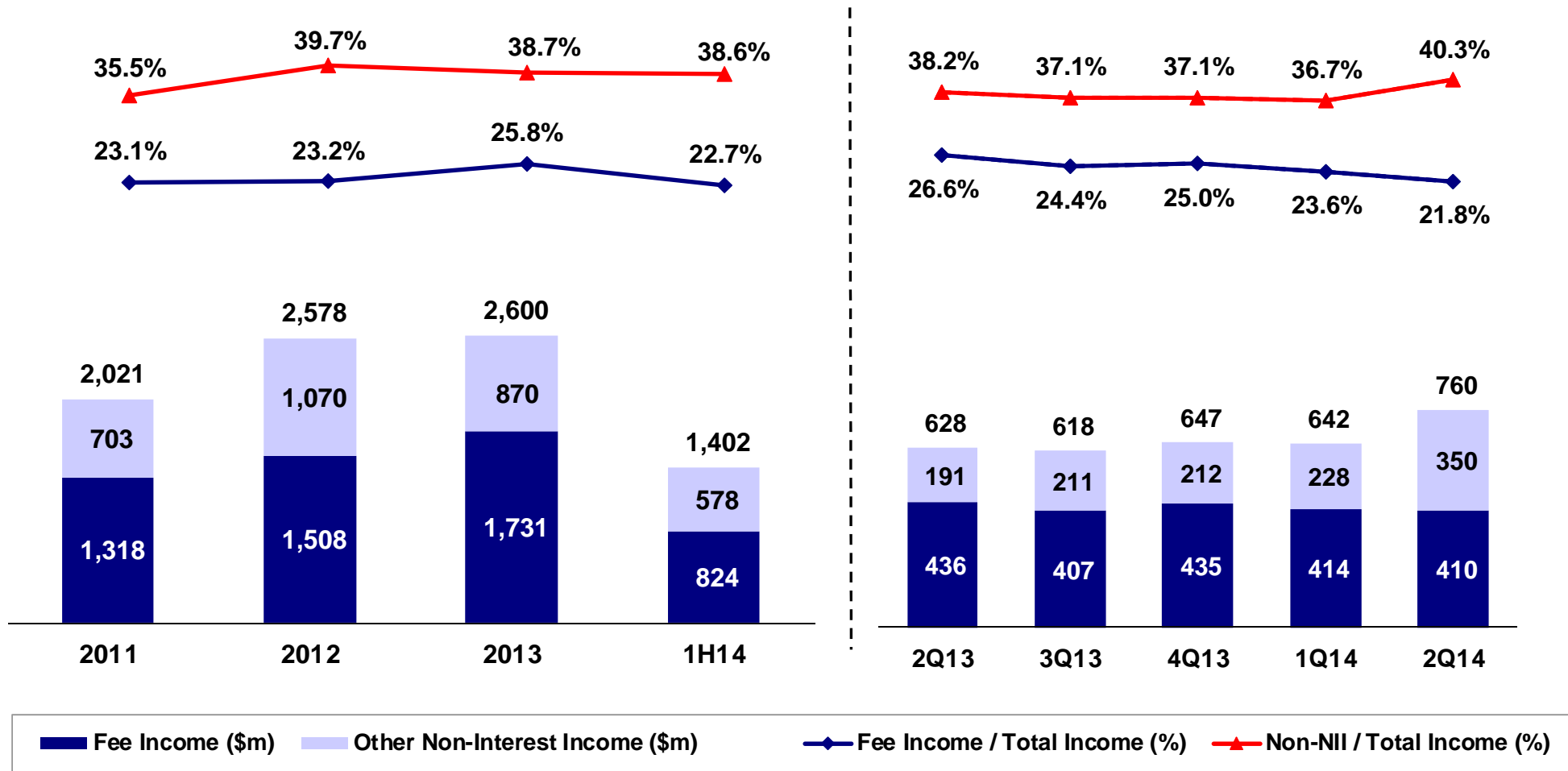
NII Rose 12.9% YoY and 1.3% QoQ on Strong Loan Growth

Net Interest Income (NII) and Margin



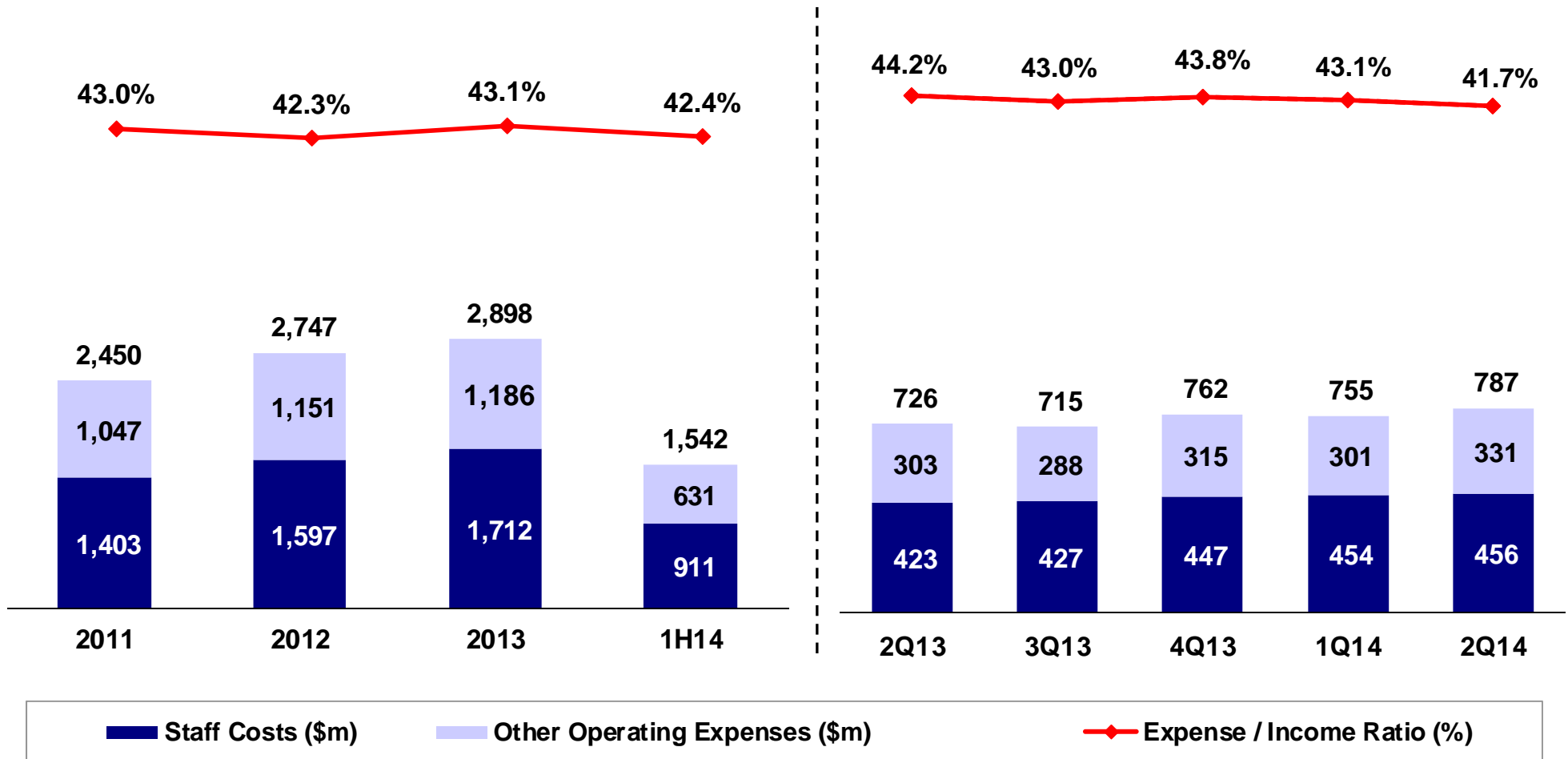
Non-Interest Income Increased with Improved T&I Income

Non-Interest Income (Non-NII) and Non-NII Ratio



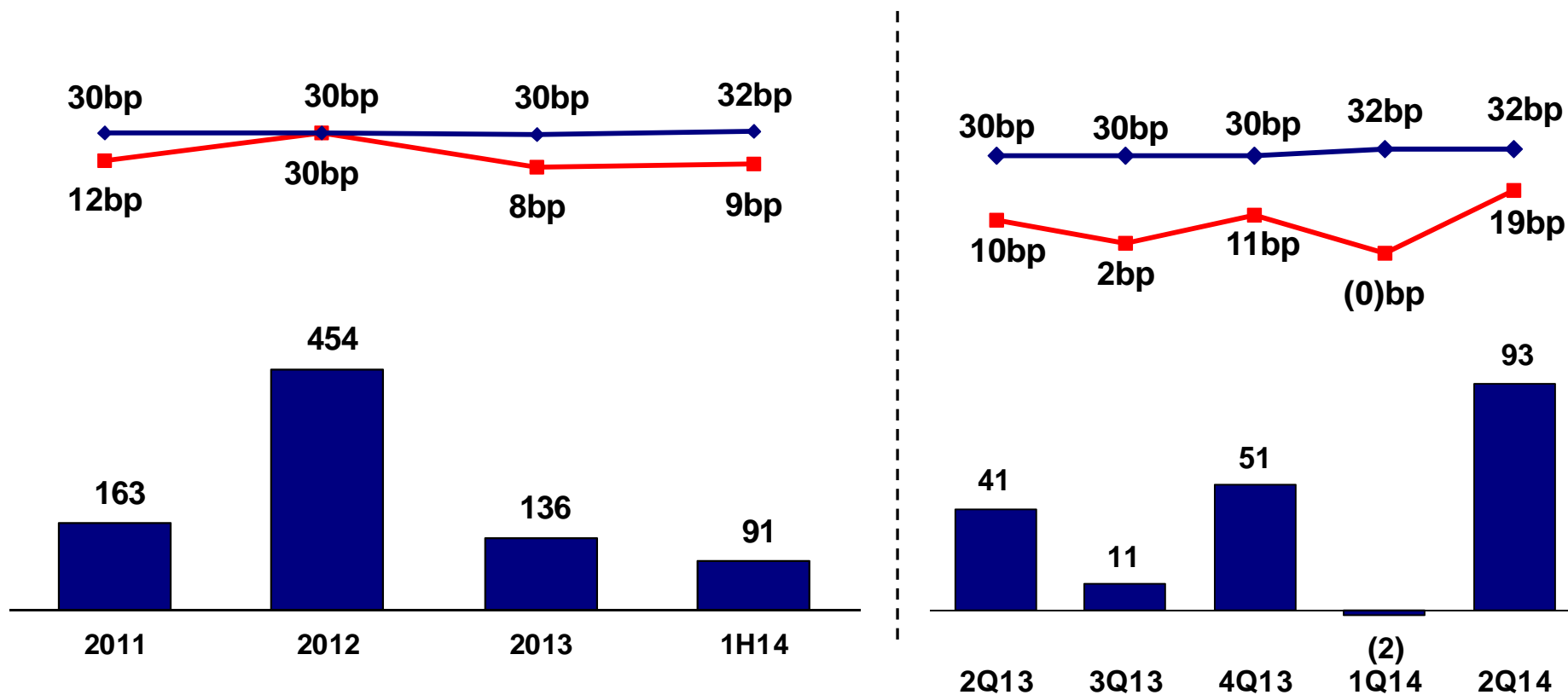
Disciplined Cost Management with lower CIR YoY and QoQ

Operating Expenses and Expense / Income Ratio



Pace Credit Costs to Loan Growth

Impairment Charges on Loans

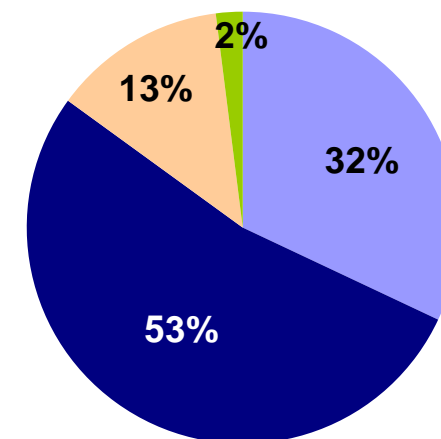


* On annualised basis

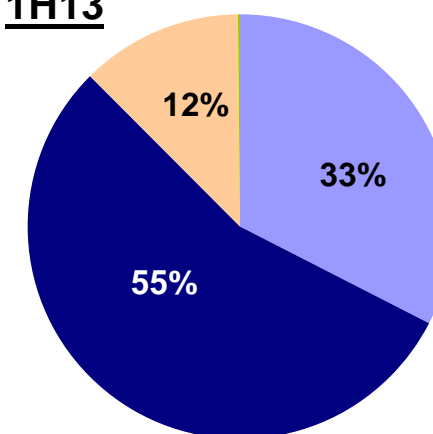
Performance by Business Segment

Segment Operating Profit	1H14	1H13	+/(-)
	\$m	\$m	%
Group Retail (GR)	673	618	8.9
Group Wholesale Banking (GWB)	1,115	1,045	6.7
Global Markets & Investment Mgt (GMIM)	277	234	18.4
Others	29	(3)	>100.0
Total	2,094	1,894	10.6

1H14

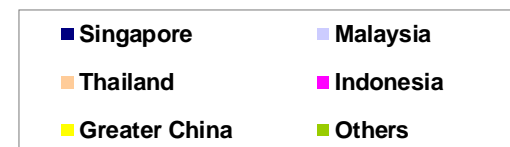
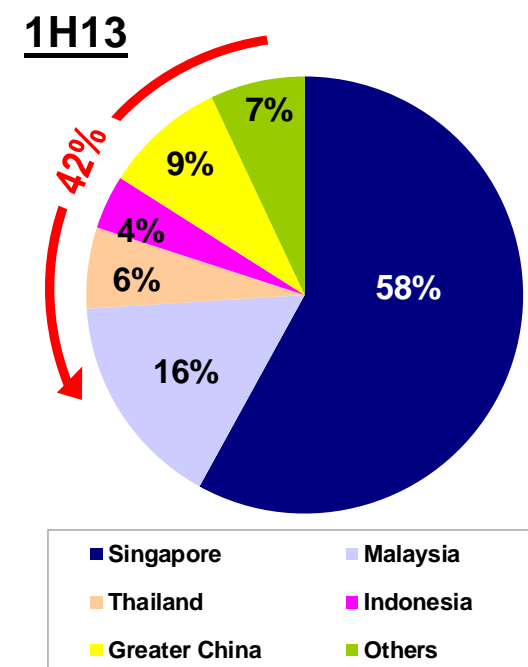
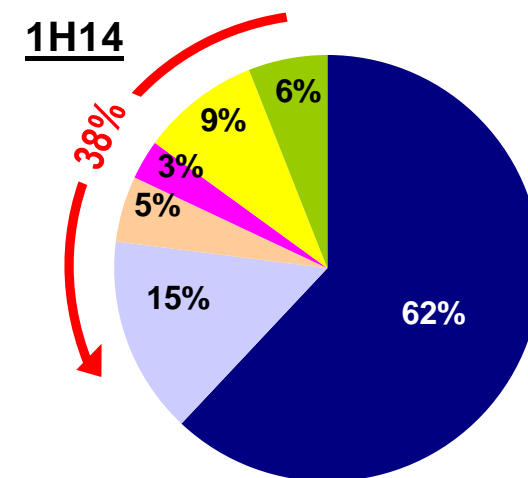


1H13



Overseas Operating Profit Contribution up 5.1% (FX Translation Excluded)

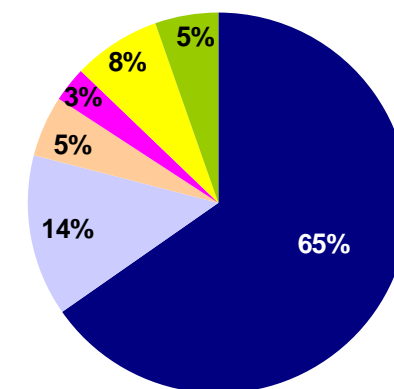
Operating Profit	1H14	1H13	At constant FX rate	
	\$m	\$m	+/(-) %	+/(-) %
Singapore	1,303	1,091	19.4	19.4
Regional:	668	666	0.3	5.1
Malaysia	308	309	(0.3)	3.8
Thailand	111	109	2.3	10.6
Indonesia	65	84	(22.5)	(8.8)
Greater China	184	165	11.6	10.0
Others	124	137	(9.3)	(7.1)
Total	2,094	1,894	10.6	12.6



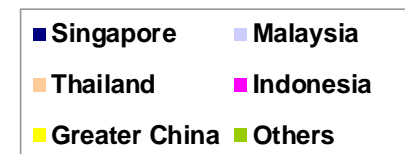
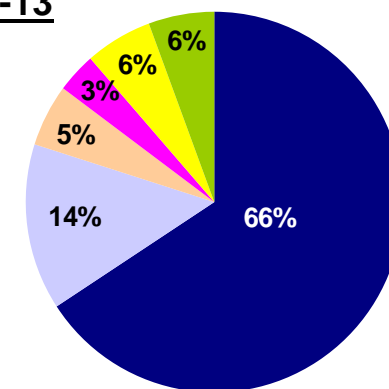
Loans Increased to \$193b, up 11.7% YoY and 2.4% QoQ

Gross Loans	Jun-14	Jun-13	+ / (-)	At constant FX rate	Mar-14	+ / (-)	At constant FX rate
	\$b	\$b	%	%	\$b	%	%
Singapore	126.1	113.7	10.9	10.9	123.1	2.5	2.5
Regional:	56.7	49.4	14.6	20.1	55.1	2.9	3.5
Malaysia	26.5	24.4	8.6	11.3	25.9	2.6	1.8
Thailand	10.0	9.2	9.3	15.8	9.9	0.6	1.6
Indonesia	5.7	5.9	(2.6)	17.2	5.9	(3.3)	2.3
Greater China	14.4	10.0	44.5	46.6	13.3	7.8	8.7
Others	10.4	9.7	6.4	5.0	10.4	(0.7)	(1.3)
Total	193.1	172.9	11.7	13.1	188.6	2.4	2.6
USD Loans	30.3	22.5	34.7	36.3	29.0	4.4	5.4

Jun-14



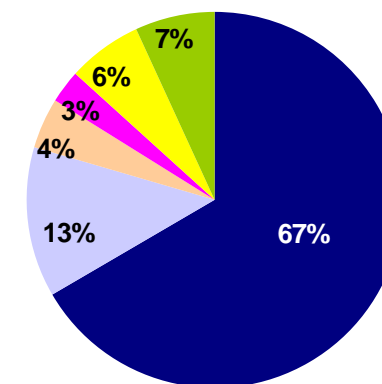
Jun-13



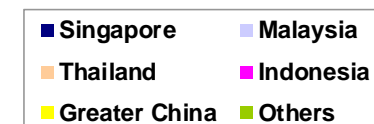
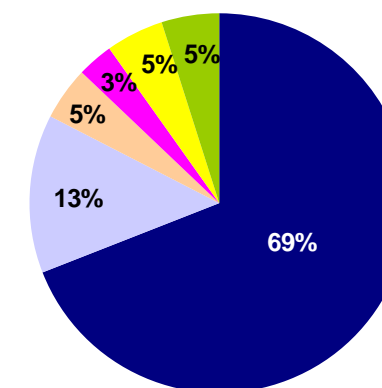
Stable Deposits Across Singapore and Region

Customer Deposits	Jun-14 \$b	Jun-13 \$b	+/(-) %	At constant FX rate		Mar-14 \$b	+/(-) %	At constant FX rate +/(-) %
				+/(-) %	+/(-) %			
Singapore	143.9	137.6	4.6	4.6	146.3	(1.6)	(1.6)	
Regional:	57.4	51.9	10.6	15.8	55.9	2.6	3.2	
Malaysia	28.0	26.9	3.9	6.5	27.8	0.7	(0.1)	
Thailand	9.4	9.1	3.5	9.6	9.3	1.3	2.3	
Indonesia	6.1	6.1	0.8	21.3	6.2	(1.4)	4.3	
Greater China	13.9	9.8	41.5	43.8	12.7	9.5	10.4	
Others	14.8	9.8	51.4	49.4	14.4	3.0	2.8	
Total	216.1	199.3	8.5	9.7	216.6	(0.2)	(0.1)	
USD Deposits	42.6	32.1	32.6	34.2	41.0	4.0	5.1	
USD LDR (%)	70.5	69.3			70.2			

Jun-14

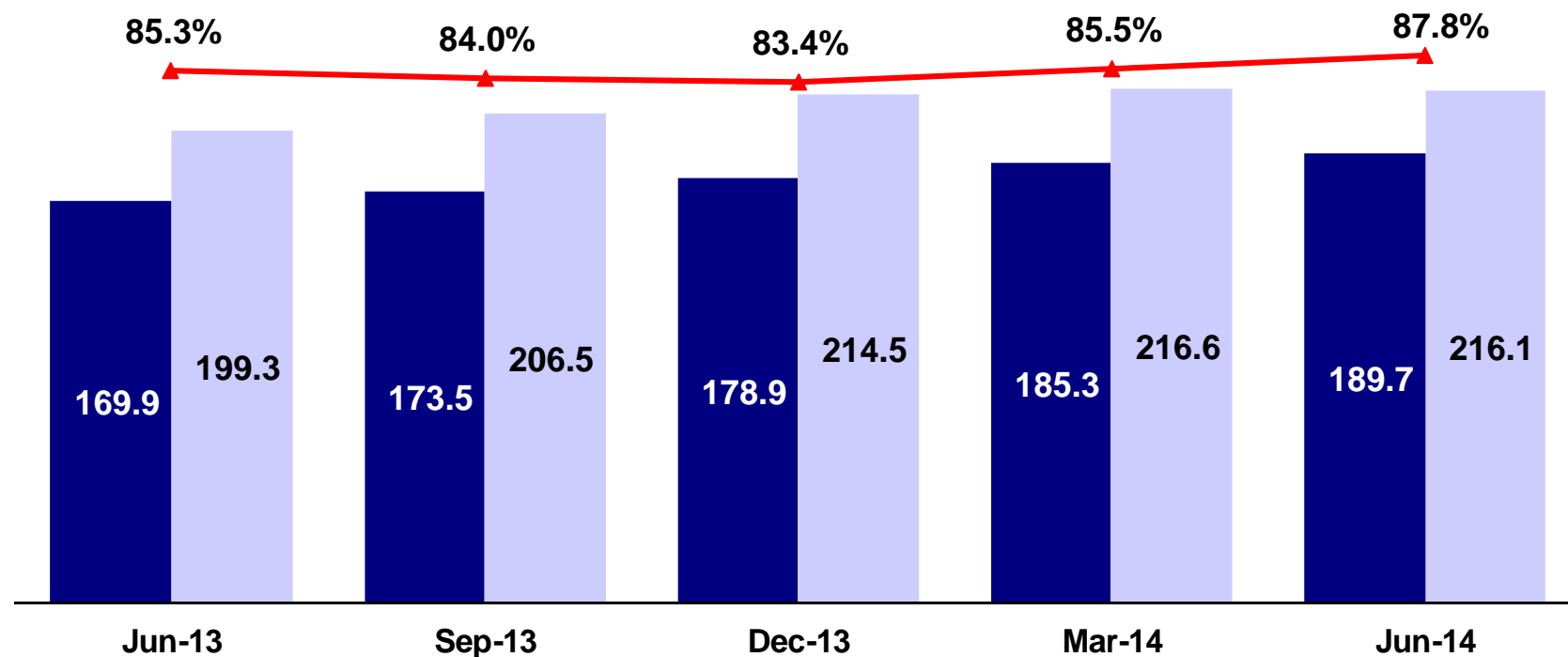


Jun-13



Stable Liquidity Position

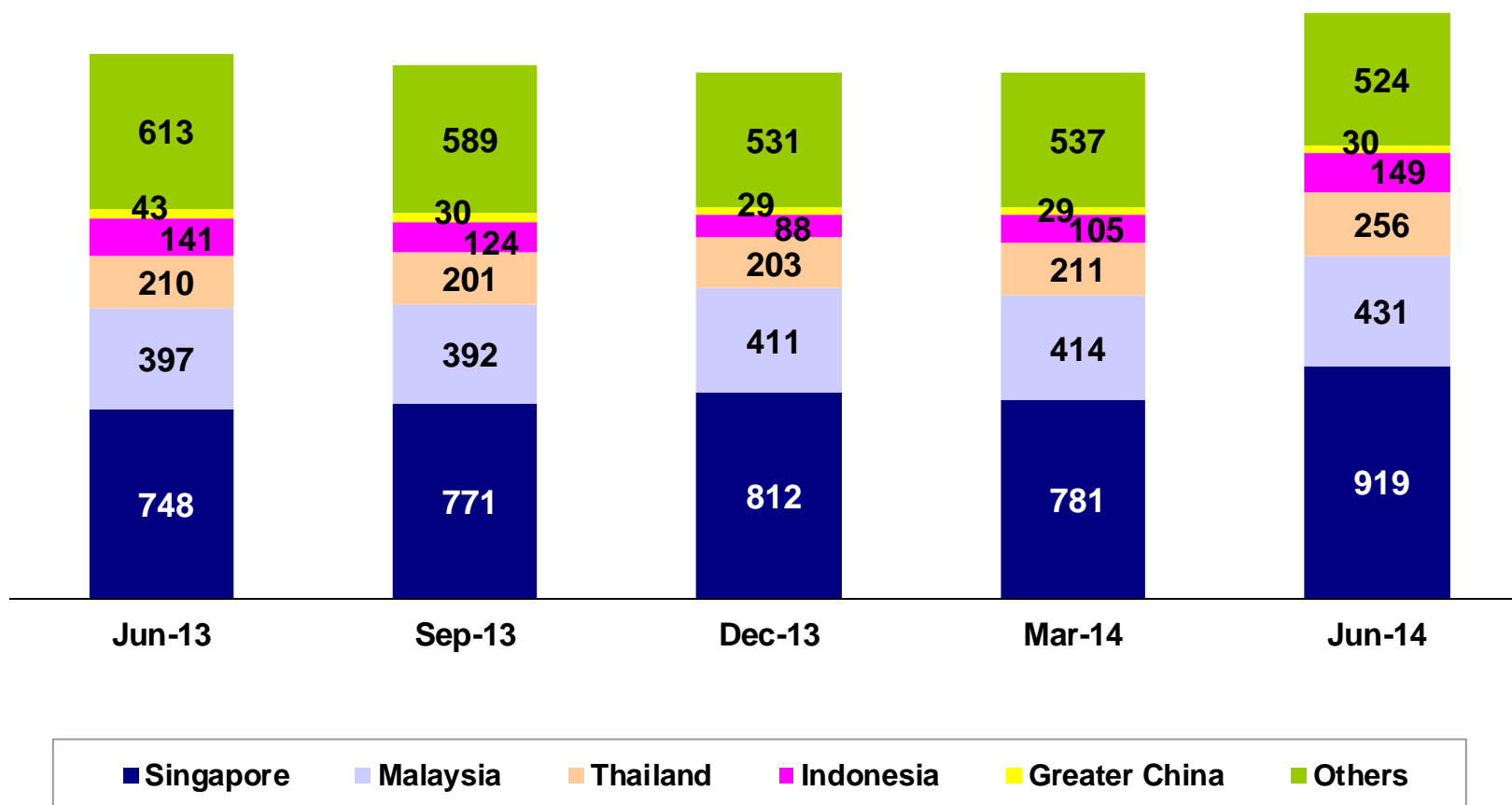
Customer Loans, Deposits and LDR



■ Net Customer Loans (\$b) ■ Customer Deposits (\$b) ▲ Loans / Deposits Ratio (LDR) (%)

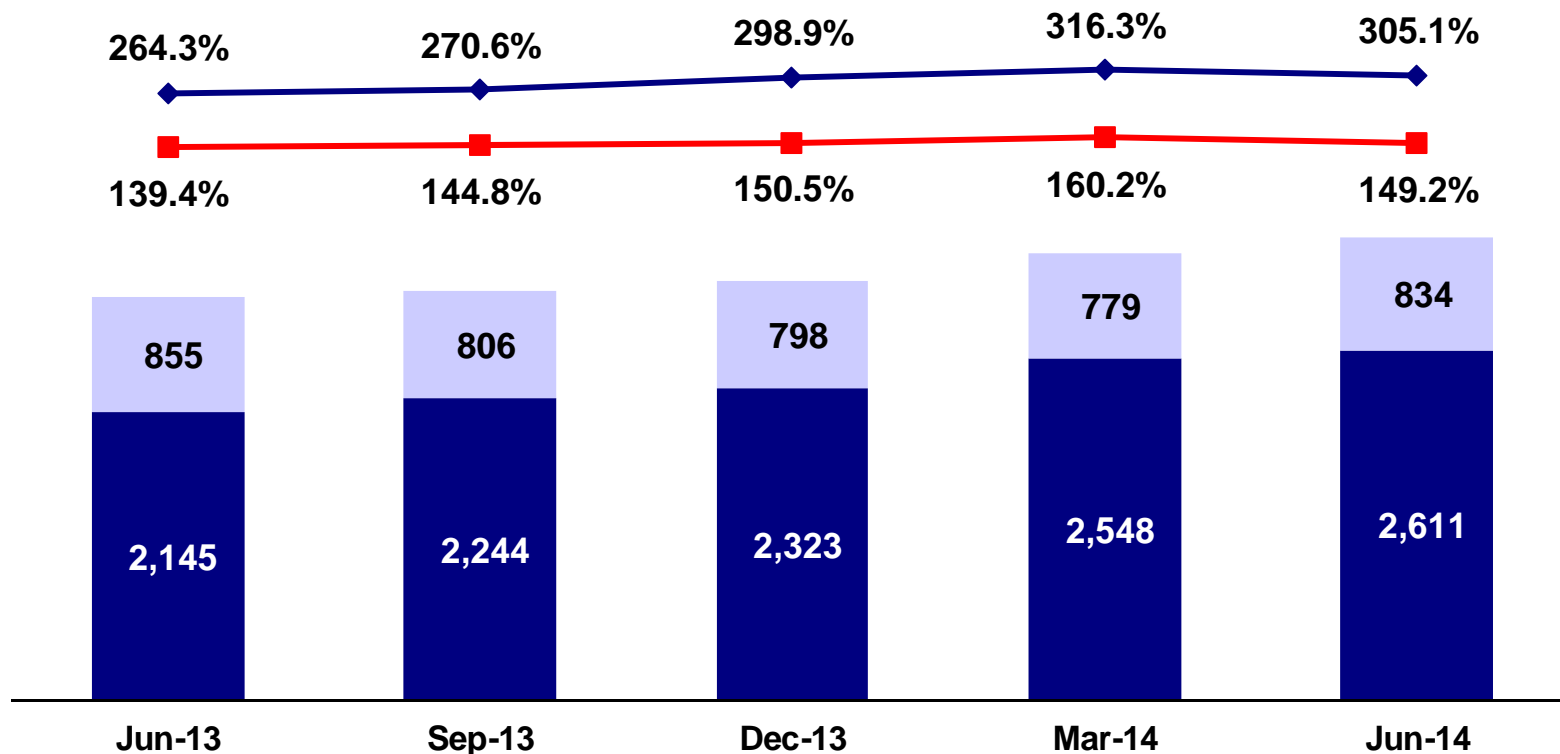
Credit Quality Remained Sound

NPL (\$m)	2,152	2,107	2,074	2,077	2,309
NPL Ratio	1.2%	1.2%	1.1%	1.1%	1.2%



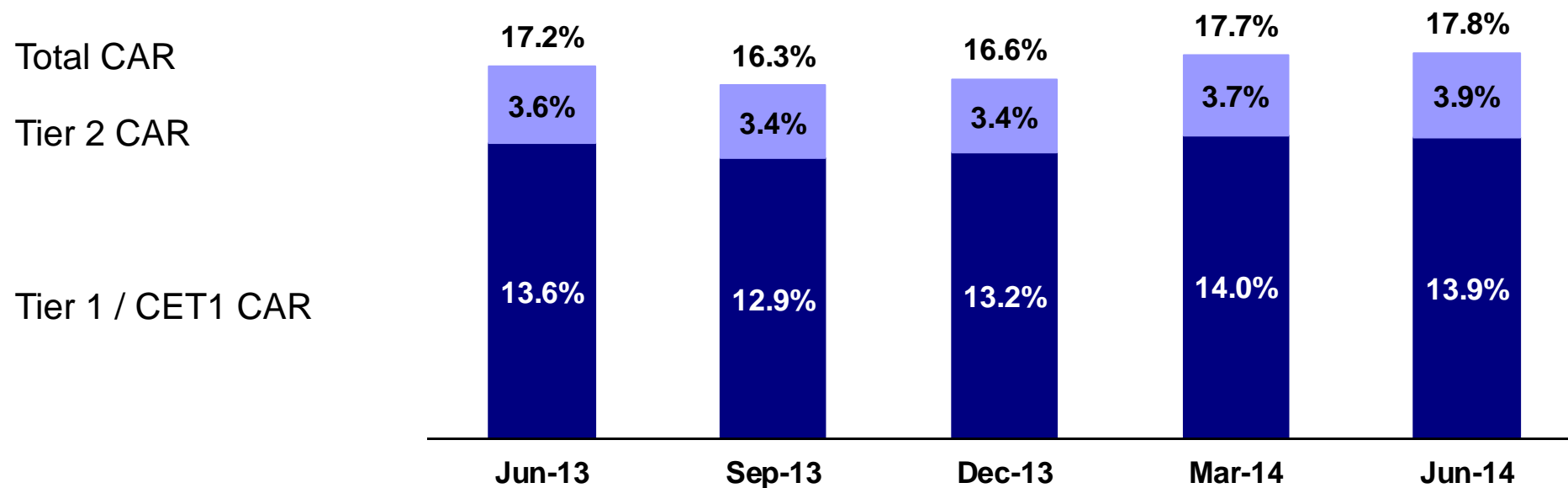
Strong Impairment Coverage

Total Loan Impairment (\$m)	3,000	3,050	3,121	3,327	3,445



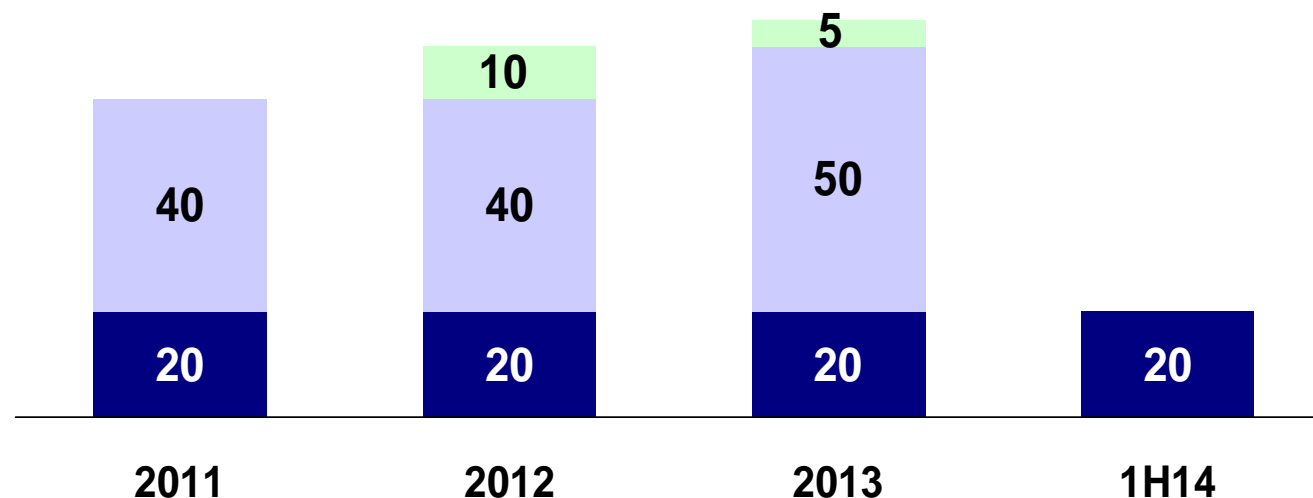
Capital Ratios Remained Strong

Capital Adequacy Ratios (CAR)



CET1 Capital (\$b)	21	21	22	23	23
Tier 1 Capital (\$b)	21	21	22	23	23
Total Capital (\$b)	26	26	27	29	30
RWA (\$b)	152	159	165	161	168

Interim Dividend Maintained



Net dividend per ordinary share (¢)			
	Interim		Final
	Special		

Interim dividend

Payout amount (\$m)	315	315	315	320
Payout ratio (%)	25	23	21	20

Singapore – Summarised Income Statement

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	1,217	1,034	17.7	608	608	-
Fee and commission income	490	569	(14.0)	249	241	3.1
Other non-interest income	428	254	68.7	273	155	76.7
Total income	2,134	1,856	14.9	1,130	1,004	12.6
Less: Total expenses	831	765	8.6	420	412	1.9
Operating profit	1,303	1,091	19.4	711	592	20.0
Less: Total impairment charges	193	64	>100.0	60	132	(54.5)
Add: Associates & joint ventures	37	106	(65.0)	22	15	45.3
Profit before tax	1,147	1,133	1.2	672	475	41.6

Singapore – Key Financial Indicators

	1H14	1H13	+/(–)	2Q14	1Q14	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	1.33	1.30	0.03	1.32	1.35	(0.03)
Non-NII / Total income	43.0	44.3	(1.3)	46.2	39.4	6.8
Expense / Total income	38.9	41.2	(2.3)	37.1	41.0	(3.9)
Customer loans (net) - \$b	124.0	111.9	10.8%	124.0	120.9	2.5%
Customer deposits - \$b	143.9	137.6	4.6%	143.9	146.3	(1.6%)
Loans / Deposits	86.2	81.3	4.9	86.2	82.7	3.5
NPL ratio	0.7	0.7	-	0.7	0.6	0.1

Malaysia – Summarised Income Statement

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	888	783	13.4	464	424	9.4
Fee and commission income	286	250	14.4	133	153	(13.1)
Other non-interest income	111	134	(17.2)	58	53	9.4
Total income	1,285	1,167	10.1	655	630	4.0
Less: Total expenses	489	400	22.3	263	226	16.4
Operating profit	796	767	3.8	392	404	(3.0)
Less: Total impairment charges	105	138	(23.9)	49	56	(12.5)
Add: Associates & joint ventures	77	46	67.4	8	69	(88.4)
Profit before tax	768	675	13.8	351	417	(15.8)
Profit before tax (S\$m)	297	272	9.0	136	160	(15.0)

Malaysia – Key Financial Indicators

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.13	2.11	0.02	2.15	2.09	0.06
Non-NII / Total income	30.9	32.9	(2.0)	29.2	32.7	(3.5)
Expense / Total income	38.1	34.3	3.8	40.2	35.9	4.3
Customer loans (net) - RM'b	66.9	60.2	11.2%	66.9	65.7	1.8%
Customer deposits - RM'b	71.9	67.5	6.5%	71.9	71.9	(0.1%)
Loans / Deposits	93.1	89.1	4.0	93.1	91.3	1.8
NPL ratio	1.6	1.6	-	1.6	1.6	-

Thailand – Summarised Income Statement

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	5,967	5,530	7.9	3,042	2,925	4.0
Fee and commission income	2,338	1,881	24.3	1,216	1,122	8.4
Other non-interest income	(9)	72 (>100.0)		(30)	21 (>100.0)	
Total income	8,296	7,483	10.9	4,228	4,068	3.9
Less: Total expenses	5,420	4,882	11.0	2,770	2,650	4.5
Operating profit	2,876	2,601	10.6	1,458	1,418	2.8
Less: Total impairment charges	989	762	29.8	1,032	(43)	>100.0
Profit before tax	1,887	1,839	2.6	426	1,461	(70.8)
Profit before tax (S\$m)	73	77	(4.9)	16	57	(71.1)

Thailand – Key Financial Indicators

	1H14	1H13	+/(–)	2Q14	1Q14	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	3.33	3.44	(0.11)	3.30	3.37	(0.07)
Non-NII / Total income	28.1	26.1	2.0	28.1	28.1	-
Expense / Total income	65.3	65.2	0.1	65.5	65.1	0.4
Customer loans (net) - THB'b	252.1	218.0	15.7%	252.1	248.7	1.4%
Customer deposits - THB'b	244.4	222.9	9.6%	244.4	238.9	2.3%
Loans / Deposits	103.2	97.8	5.4	103.2	104.1	(0.9)
Loans / Deposits (Include Bills of Exchange*)	94.7	88.8	5.9	94.7	95.2	(0.5)
NPL ratio	2.6	2.3	0.3	2.6	2.1	0.5

* UOB(Thai) offers bills of exchange to customers as an alternative deposit product, common in Thailand's market. This product serves as an alternative funding source and is reflected separately from deposits.

Indonesia – Summarised Income Statement

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,380	1,232	12.0	687	693	(0.9)
Fee and commission income	347	350	(0.9)	197	150	31.3
Other non-interest income	135	158	(14.6)	68	67	1.5
Total income	1,862	1,740	7.0	952	910	4.6
Less: Total expenses	1,262	1,082	16.6	641	621	3.2
Operating profit	600	658	(8.8)	311	289	7.6
Less: Total impairment charges	235	12	>100.0	168	67	>100.0
Profit before tax	365	646	(43.5)	143	222	(35.6)
Profit before tax (S\$m)	40	82	(51.7)	16	24	(35.6)

Indonesia – Key Financial Indicators

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	4.52	4.68	(0.16)	4.41	4.62	(0.21)
Non-NII / Total income	25.9	29.2	(3.3)	27.8	23.8	4.0
Expense / Total income	67.8	62.2	5.6	67.3	68.2	(0.9)
Customer loans (net) - IDR't	53.4	46.1	15.8%	53.4	53.0	0.7%
Customer deposits - IDR't	58.4	48.1	21.3%	58.4	56.0	4.3%
Loans / Deposits	91.4	95.7	(4.3)	91.4	94.7	(3.3)
NPL ratio	2.6	2.4	0.2	2.6	1.8	0.8

Greater China – Summarised Income Statement

	1H14	1H13	+/(–)	2Q14	1Q14	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	176	125	40.6	81	94	(13.7)
Fee and commission income	54	48	12.6	22	32	(30.6)
Other non-interest income	74	91	(18.6)	40	34	17.9
Total income	304	264	15.1	144	160	(10.4)
Less: Total expenses	120	100	20.7	62	58	5.7
Operating profit	184	165	11.6	82	102	(19.6)
Less: Total impairment charges	15	5	>100.0	13	2	>100.0
Add: Associates & joint ventures	2	0	>100.0	1	1	21.5
Profit before tax	171	160	6.6	71	101	(29.8)

Greater China – Key Financial Indicators

	1H14	1H13	+/(-)	2Q14	1Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.24	1.30	(0.06)	1.14	1.35	(0.21)
Non-NII / Total income	42.3	52.8	(10.5)	43.4	41.3	2.1
Expense / Total income	39.5	37.6	1.9	42.9	36.4	6.5
Customer loans (net) - \$b	14.3	9.9	44.7%	14.3	13.3	7.8%
Customer deposits - \$b	13.9	9.8	41.5%	13.9	12.7	9.5%
Loans / Deposits	103.0	100.7	2.3	103.0	104.7	(1.7)
NPL ratio	0.2	0.4	(0.2)	0.2	0.2	-