

First Half 2018 Results

Record Quarterly Earnings; Healthy Balance Sheet Growth

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Record Earnings – Healthy Contributions from Core Business

- **2Q18 profit exceeded \$1bn; 1H18 profit at \$2.05bn, ▲ 24% YoY**
 - Both net interest income and fee income saw strong growth in 1H18

- **Net interest income ▲ 13% YoY to \$3.01bn**
 - Loans ▲ 10% YoY; increase was broad-based across most markets and industries
 - NIM ▲ 9bps to 1.83%, as short-term rates rise

- **Non-interest income lifted mainly by fee income (▲ 15% YoY)**

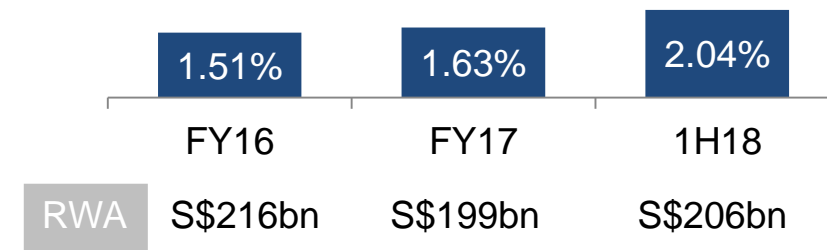
- **Cost-to-income ratio stable at 43.9%**
 - Continue to invest in infrastructure and technology to enhance capabilities

Disciplined Balance Sheet Management

- **Healthy portfolio quality**
 - 11bps credit cost on NPL lower YoY
 - NPL ratio stable at 1.7%
 - Adequate non-performing assets reserve cover: 89%, or 190% including collateral
- **Improved balance sheet efficiency**
 - Stronger RoRWA¹ driven mainly by higher profit
- **Proactive liability management**
 - Liquidity Coverage Ratios³: S\$ (206%) and all-currency (142%)
 - Net stable funding ratio: 110%, above regulatory requirement
- **Robust capital; 14.5% CET1 ratio**
- **Interim dividend / share ▲ to 50 cents, vs 35 cents in 1H17**

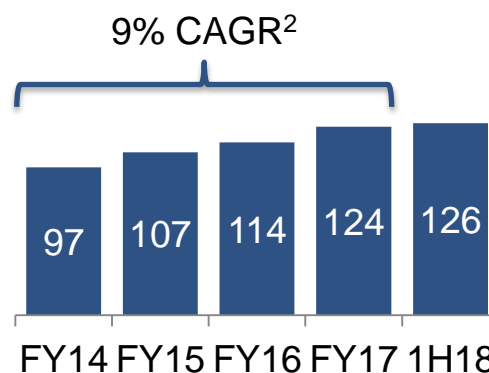
Balance Sheet Efficiency a Key Priority

RoRWA¹

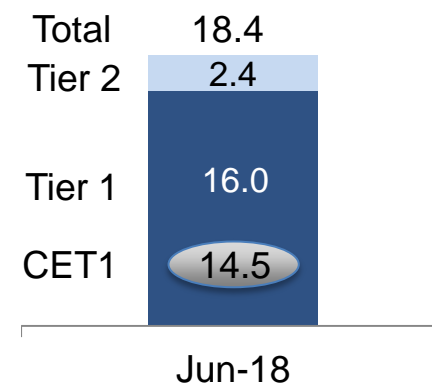


Liability Management and Capital

Group CASA (S\$bn)



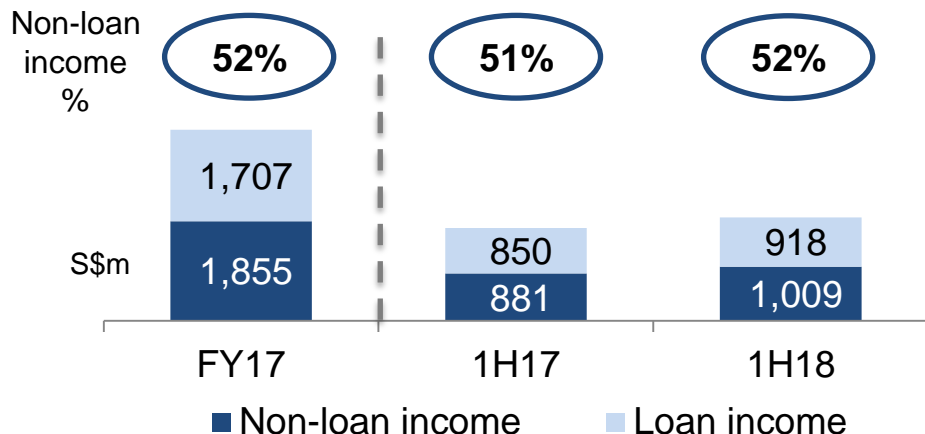
Capital Adequacy Ratios (%)



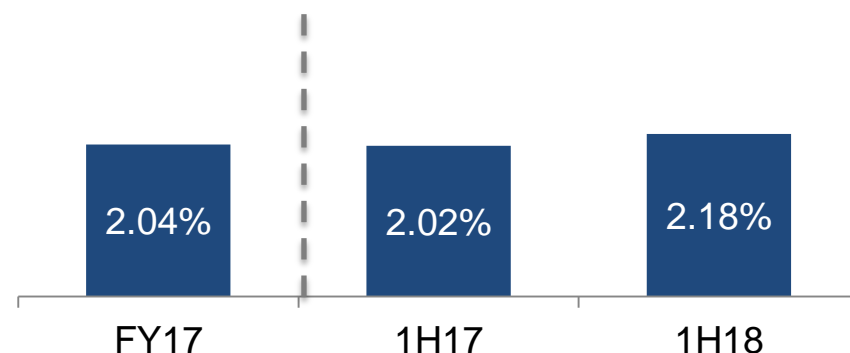
1. Return on average risk-weighted assets (RoRWA) is computed on an annualised basis for 1H18.
 2. Compound annual growth rate (CAGR) computed over 3 years (2014 to 2017)
 3. Average ratios for second quarter of 2018

Wholesale Banking: Income Diversification Remains Key

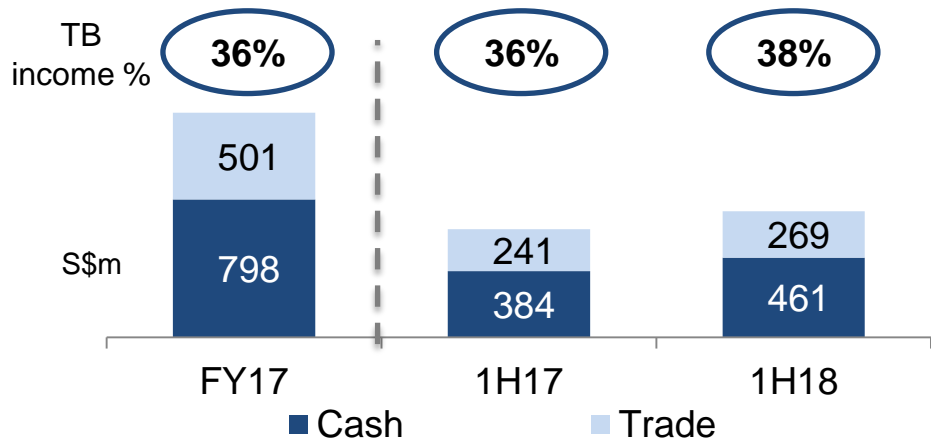
Income from Non-Loan: +15% YoY in 1H18



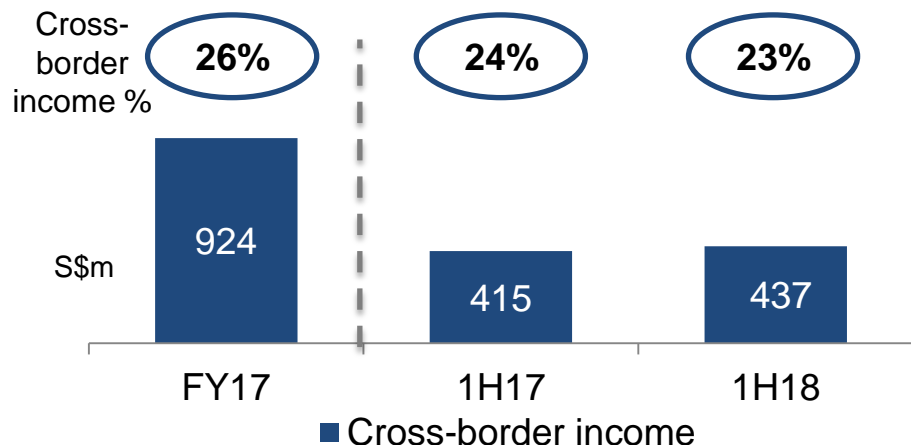
Segment RoRWA¹: +0.16% pt YoY in 1H18



Income from Transaction Banking: +17% YoY in 1H18



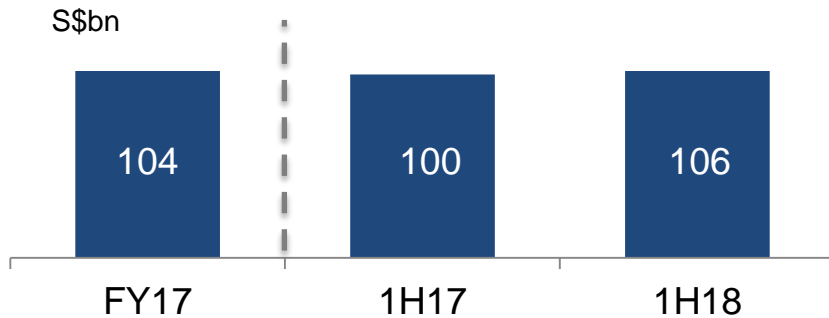
Cross-border income: +5% YoY in 1H18



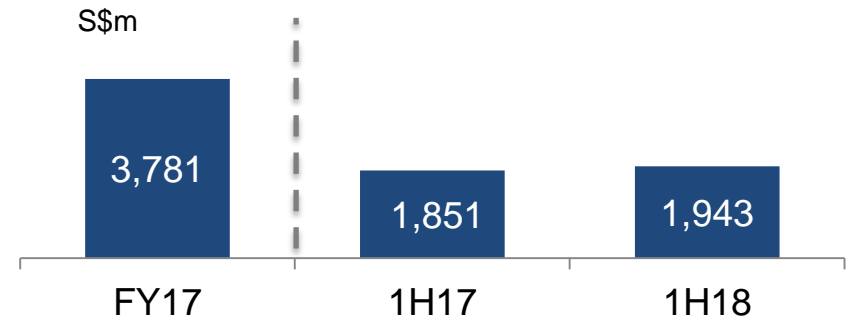
1. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

Retail Banking: Steady Improvement in Performance

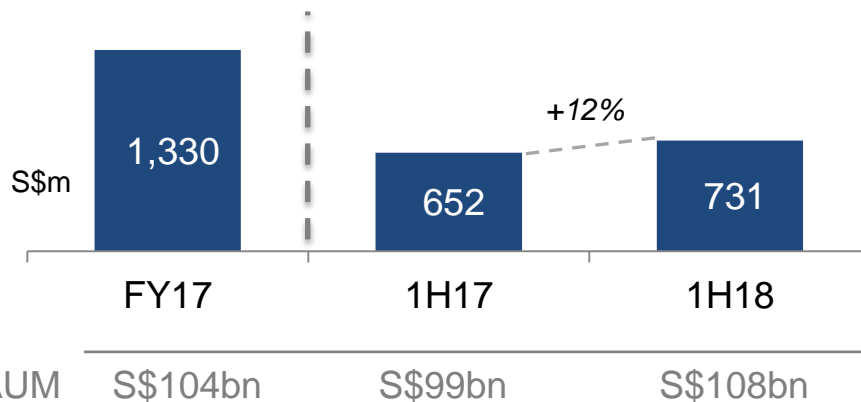
Gross Loans (Group Retail¹): +6% YoY in 1H18



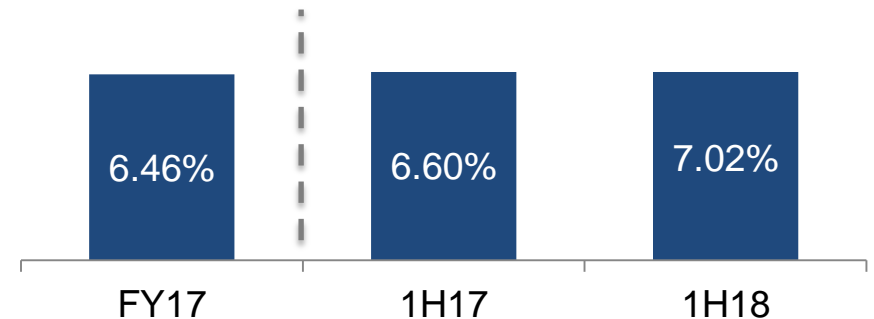
Income³ (Group Retail¹) +5% YoY in 1H18



High Affluent² Income: +12% YoY in 1H18



Segment RoRWA⁴ +0.42% pt YoY in 1H18



1. Includes Business Banking
2. High Affluent comprises Privilege Banking and High Net Worth (Privilege Reserve + Private Bank) segments.
3. Income includes fee and commission income that is net of directly attributable expenses.
4. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

Harnessing Technology and Innovation to Enhance the Customer Experience

- **Keep our customers at the centre**
 - Provide an omni-channel experience
 - Offer relevant, seamless, smarter, simpler and safer solutions
 - Increase performance and productivity
- **Invest for the future**
 - Strengthen capabilities in technology and people
 - Collaborate with ecosystem partners
 - Incorporate innovations into our end-to-end solutions
- **Scale up our regional customer franchise**
 - Deepen relationships
 - Sharpen focus on the “mobile first” and “mobile only”
 - Wrap technology in the human touch

- **Near-term uncertainties for global economy and Singapore**
 - Trade tensions between US and China, slowing China's economy
 - Impact of government's recent property market measures
- **Confidence in Asia's long-term potential, underpinned by intra-regional investment flows and rising affluence**
 - UOB is well-positioned, given our unique regional footprint, diversified customer franchise and strong balance sheet
 - Strengthening capabilities to tap connectivity opportunities

Thank You

