



# *UOB Group*

*Strong Fundamentals with Record Earnings,  
Managing Risks for Stable Growth*

*August 2014*

*Disclaimer : This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.*

Singapore Company Reg No. 193500026Z

# Agenda

**1**

**Overview of UOB Group**

2

Macroeconomic Outlook

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Strong UOB Fundamentals

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Our Growth Drivers

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Latest Financials

# UOB Overview



## 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 through organic means and a series of acquisitions. It is today a leading bank in Singapore with an established presence in the ASEAN region. The Group has an international network of over 500 offices in 19 countries and territories.

Note: Financial statistics as at 30 June 2014.

1. FX rate used: USD 1 = SGD 1.24835 as at 30 June 2014.

2. With effect from 1 January 2013, the Group adopted Basel III framework for its capital adequacy ratio computation in accordance with the revised Monetary Authority of Singapore Notice 637.

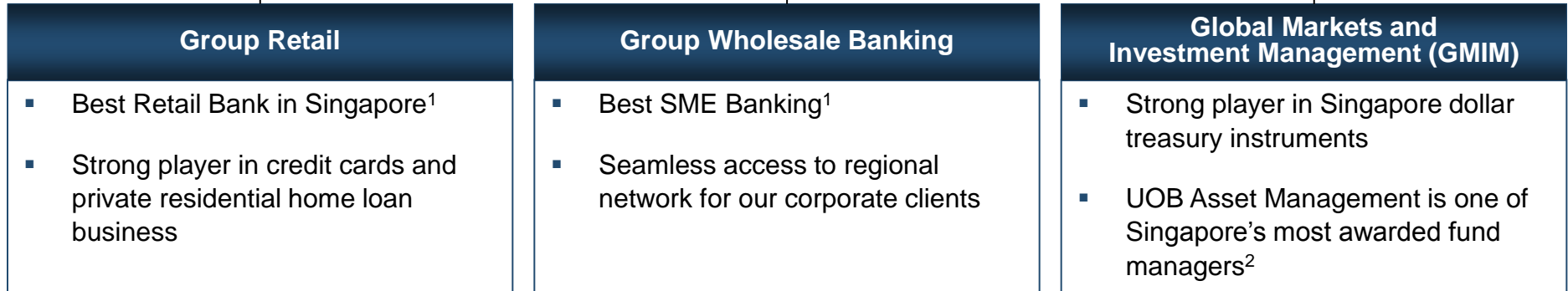
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.

## Key Statistics




■ Total assets	: SGD297.0b	(USD237.9b)
■ Shareholder's equity	: SGD28.1b	(USD22.5b)
■ Gross loans	: SGD193.1b	(USD154.7b)
■ Customer deposits	: SGD216.1b	(USD173.1b)
■ Common Equity Tier 1 CAR <sup>2</sup>	: 13.9%	
■ Tier 1 CAR <sup>2</sup>	: 13.9%	
■ Total CAR <sup>2</sup>	: 17.8%	
■ ROA	: 1.10%	
■ ROE <sup>3</sup>	: 12.4%	
■ NIM	: 1.72%	
■ Non-interest/Total income	: 38.6%	
■ NPL ratio	: 1.2%	
■ Loans/Deposits ratio	: 87.8%	
■ Cost / Income	: 42.4%	
■ 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+

# Leading Singapore Bank With Established Franchise In Core Market Segments



## UOB Group's recognition in the industry

 <p><b>Bank of the Year, Singapore</b></p>	 <p><b>Best Bank in Singapore</b></p>	 <p><b>Best Retail Bank in Singapore</b> <b>Best SME Banking</b></p>
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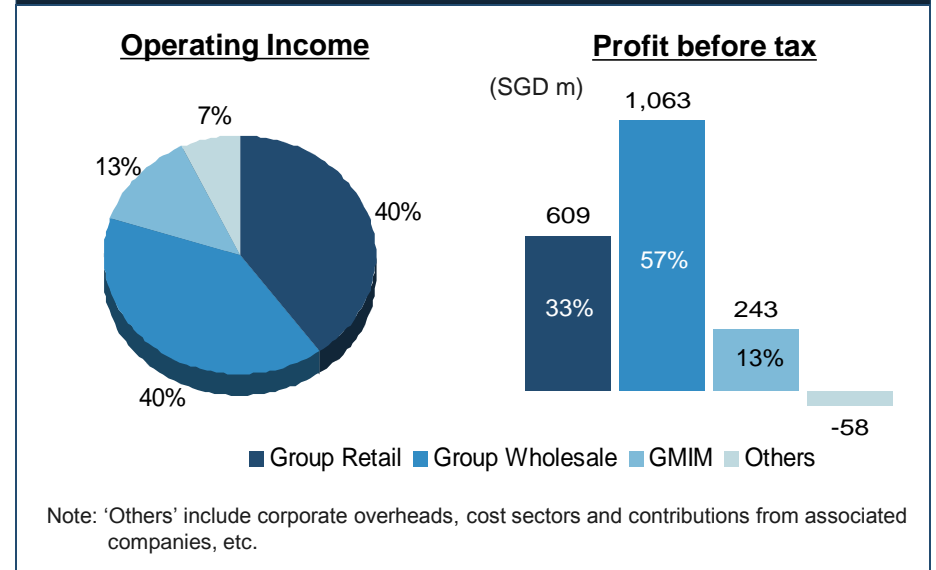
Source: Company reports.

Notes:

1. The Asian Banker Excellence in Retail Financial Services International Awards 2011 (Retail and SME Banking), 2012 & 2014 (Retail Banking).

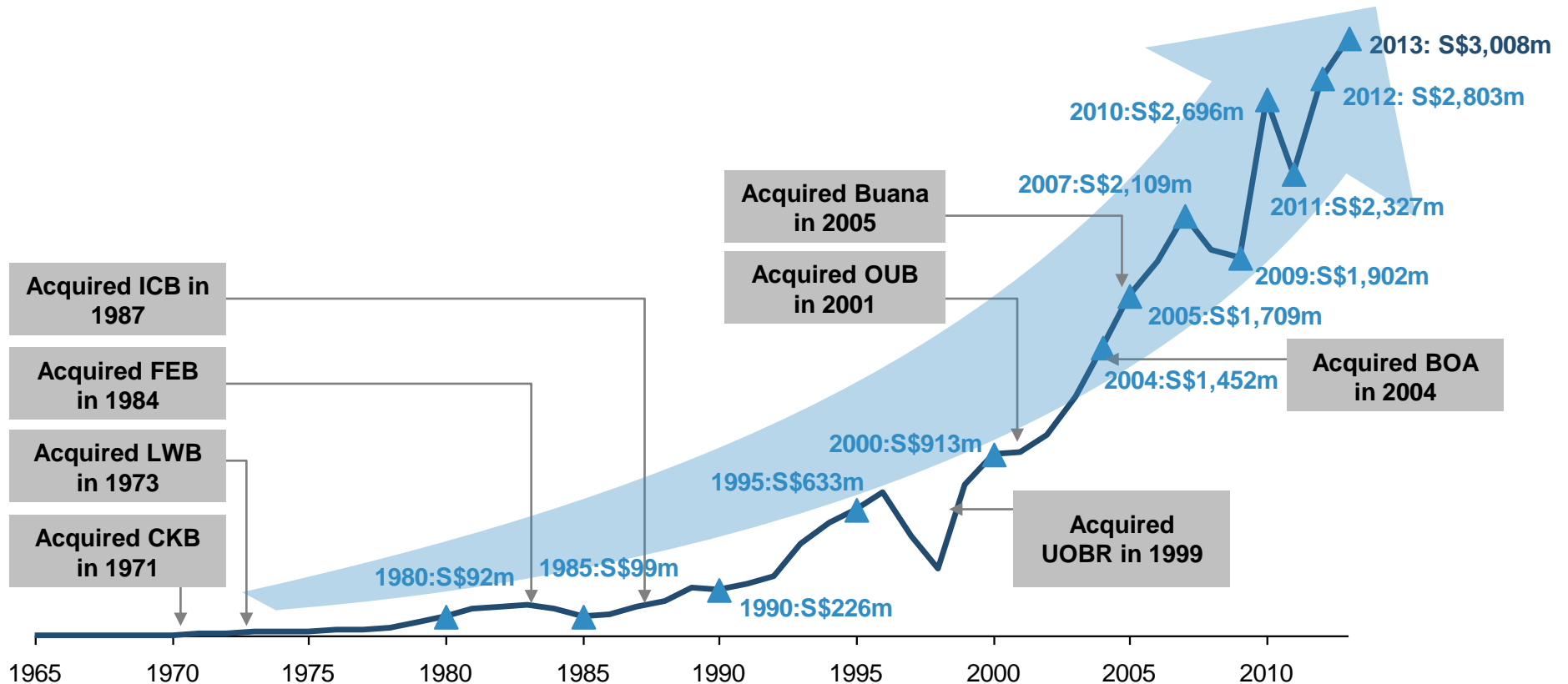
2. The Edge Lipper – Singapore Fund Awards.

## Performance by Operating Segment, 1H2014



# Proven Track Record Of Execution

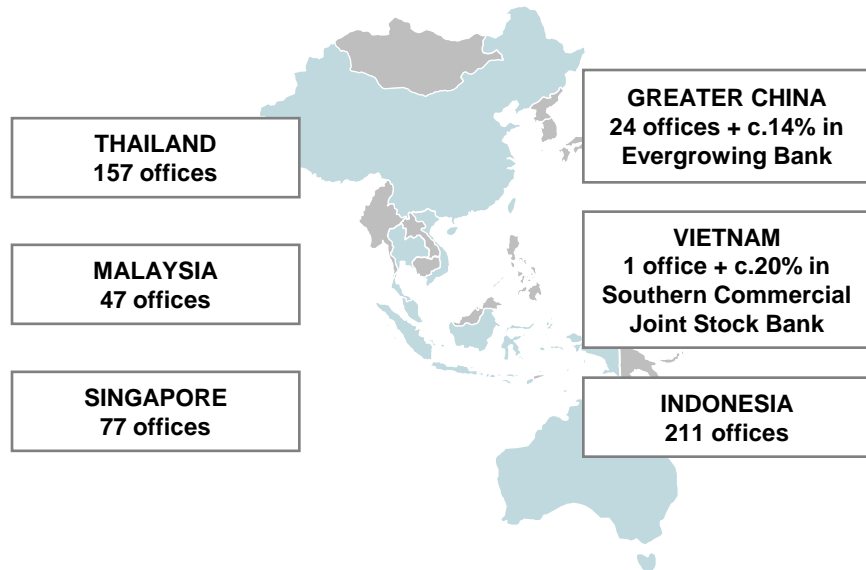
- UOB Group's management has demonstrated strong track record in steering the Group through various global events and crises. Achieved record NPAT of SGD3,008 million in 2013
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group's 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 ("ICB"), Lee Wah Bank Limited ("LWB"), Overseas Union Bank Limited ("OUB"), Radanasin Bank Thailand "UOBR".

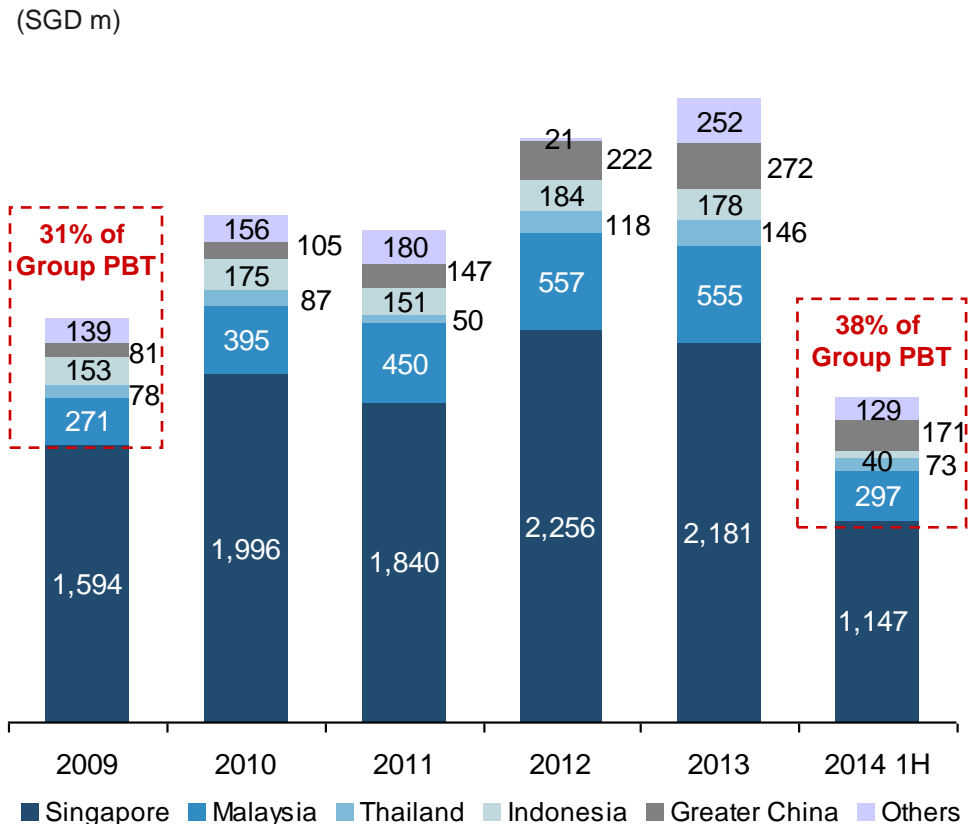
# Expanding Regional Banking Franchise

## Extensive Regional Footprint with 500+ Offices



- Most diverse regional franchise among Singaporean 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
- Simultaneous organic and inorganic growth strategy in emerging/new markets of China and Vietnam
- Aim for region to contribute 40% of Group's PBT in medium term

## Profit before Tax and Intangibles by Region



*Established regional network with key South East Asian pillars, supporting fast-growing trade, capital and wealth flows*

Source: Company reports.  
 Note: Profit before tax and intangibles excluded gain on UOB Life and UIC for 2010.

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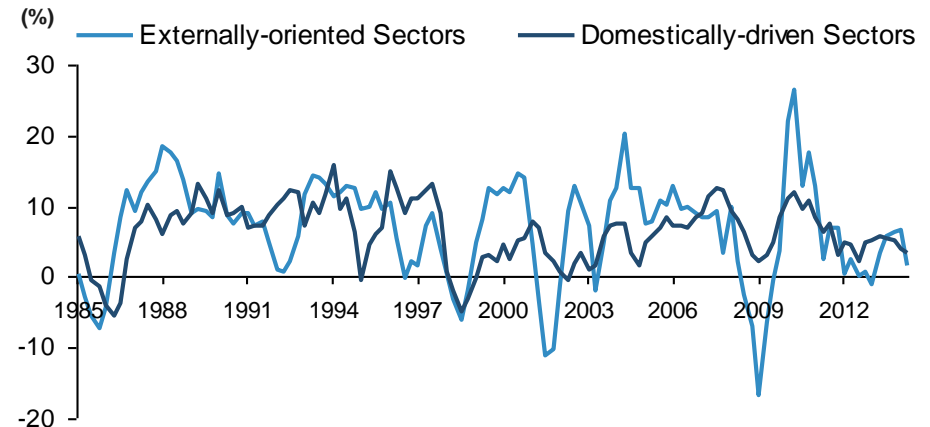
Latest Financials

# Singapore to Grow 3.5% in 2014, Amidst Current Economic Restructuring

- Singapore's electronics manufacturing sector expected to face considerable headwinds in 2014, although transport engineering, chemicals and biomedical manufacturing sectors are likely to do well. Services sector to remain robust, although growth may be slower than 2013.
- 2014 GDP forecast to grow 3.5% (2013: 3.9%), as the recent pick-up in externally-oriented industries (manufacturing, wholesale trade, transport & storage) fell short of expectations, while a higher base in 2H 2013 will show up as slower growth in 2H this year.
- Core inflation for 2014 likely to edge higher to 2.4% (2013: 1.7%) as cost-pushed inflation from higher wages and industrial costs passes through to consumer prices.
- Labour market will remain tight with unemployment rate averaging around 2%.

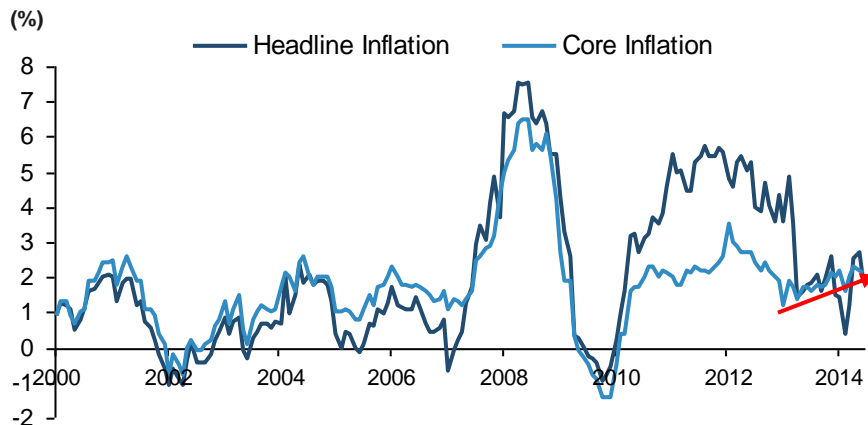
Source: UOB Economic-Treasury Research

## Slower-Than-Expected Pickup In External Sectors



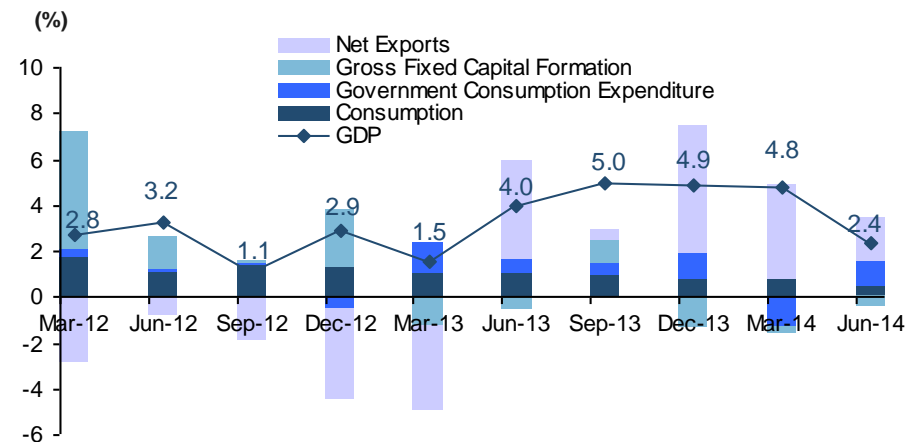
Source: Singapore Department of Statistics

## Core Inflation Trending Higher Due To Labour Costs



Source: Singapore Department of Statistics

## Economy To Grow 3.5% In 2014



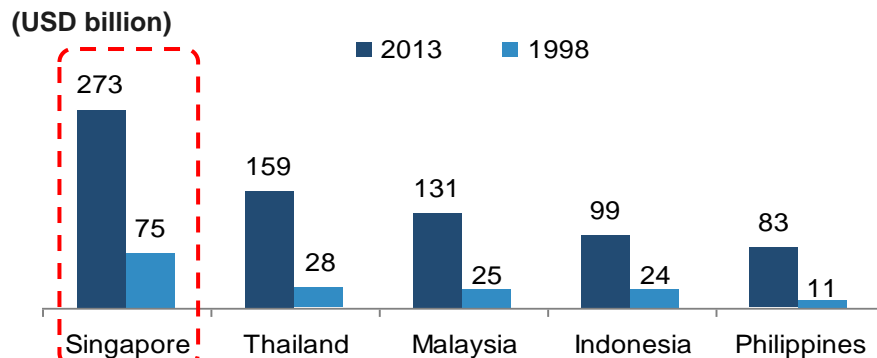
Source: Singapore Department of Statistics



# Resilient Key Markets: Not a Repeat of the Asian Financial Crisis

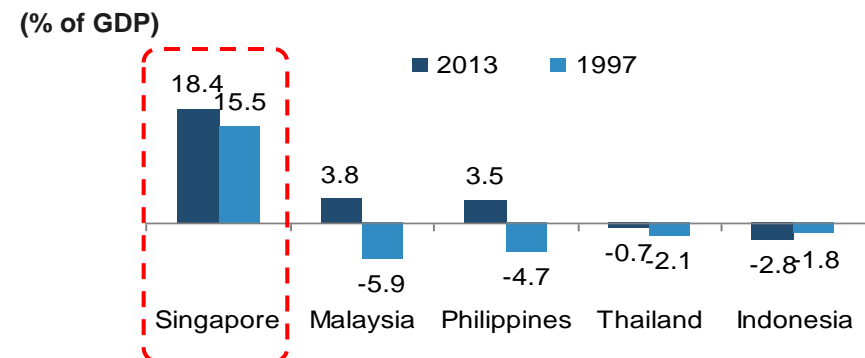
- The key Southeast Asian markets' long-term growth and economic prospects remain stable despite recent market volatilities
- Compared to 1997, they have:
  - Significantly higher levels of foreign reserves
  - Healthier current account and balance of payment positions
  - Lower levels of corporate leverage
  - Lower levels of foreign currency debts
  - Policy makers have proactively come up with measures to manage rising consumer leverage

## Asian Foreign Reserves



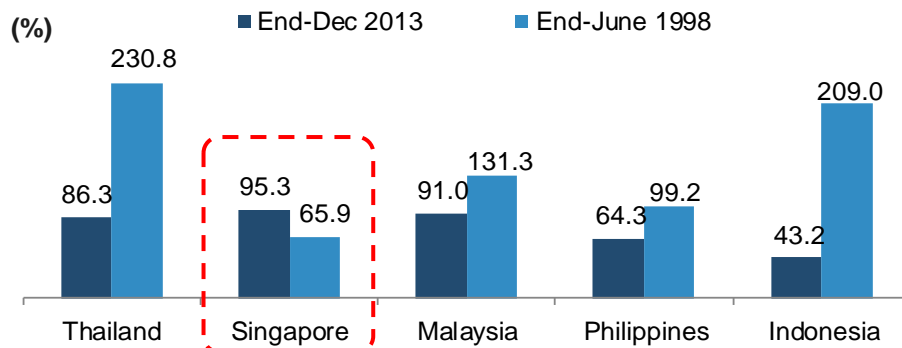
Source: The World Bank

## Current Account as % of GDP



Source: IMF, UOB Economic-Treasury Research

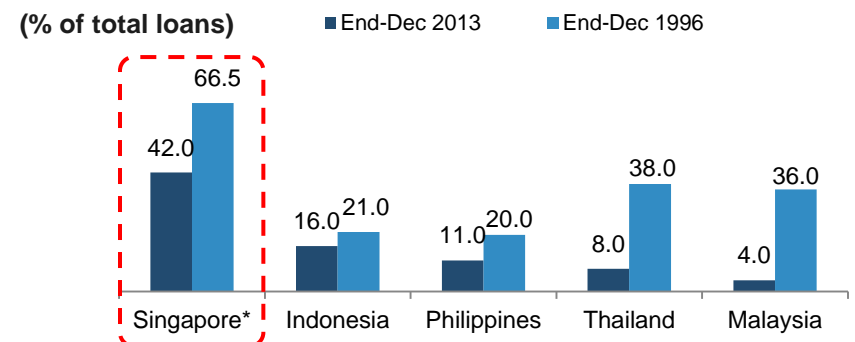
## Asian Corporates: Total Debt to Equity Ratio



Note: Total debt to equity ratio = sum of total ST and LT borrowings divided by total equity, multiplied by 100

Sources: MSCI data from Bloomberg, UOB Economic-Treasury Research

## Foreign Currency Loans as % of Total Loans



\* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units

Sources: CEIC, Monetary Authority of Singapore, Bangko Sentral ng Pilipinas

# SEA Banking Sector: Strong Fundamentals Remain Intact

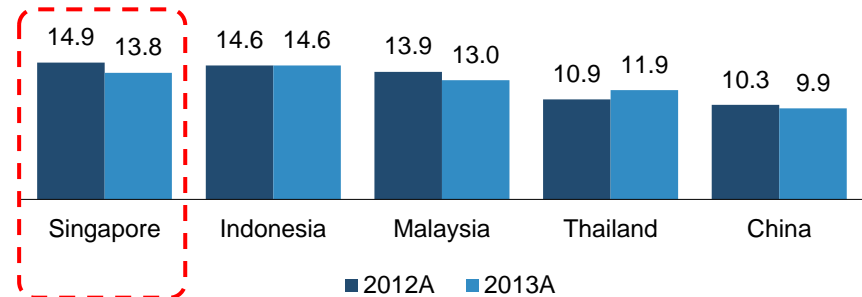
## Key Banking Trends

- There has been a resurgence in loan demand after the deleveraging of ASEAN banks during the Global Financial Crisis
  - Singapore banks have stable loan-to-deposit ratios and healthy loan growth.
- ASEAN banks have healthy capital and funding levels
  - Singapore banks enjoy one of the highest capital ratios in the region
  - As solvency is not generally an issue in ASEAN, focus would be on putting the excess capital to productive uses
- For China, interest rate is liberalised as the lending rate floor was removed in July 2013. The removal of deposit rate cap is seen as the next step towards complete interest rate liberalization

Source: Research estimates, Monetary Authority of Singapore, PBOC

## Robust Capital Positions

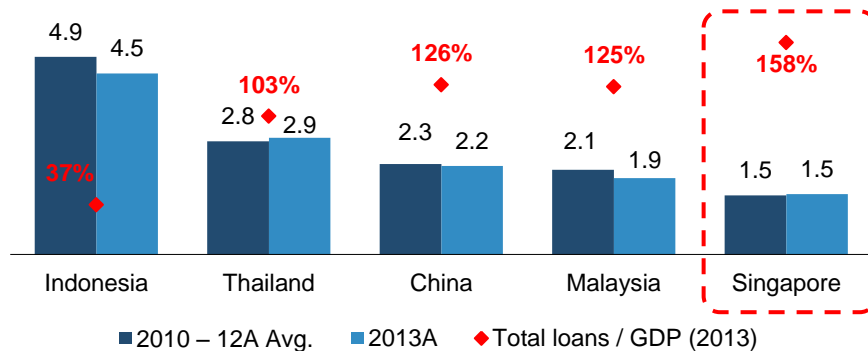
(Tier 1 CAR, in %)



Source: Broker reports, Bank Negara Malaysia

## Higher NIM, Lower Credit Penetration in Region

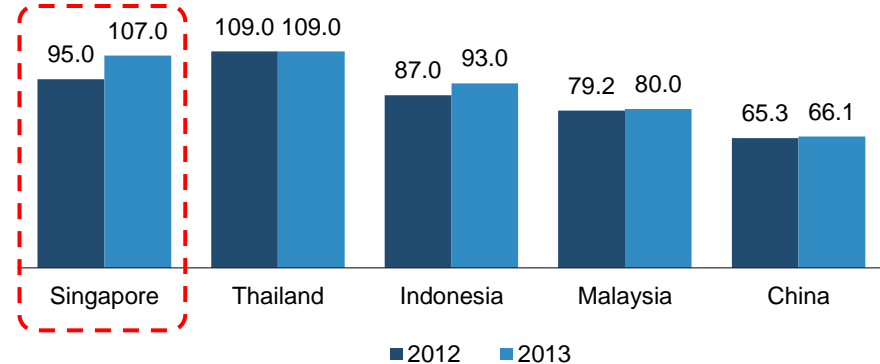
(Net interest margin and total loans / GDP, in %)



Source: Economist Intelligence Unit, broker reports, CEIC Data

## Stable Funding – Adequate Loan-to-Deposit Ratios

(Loan-to-deposit ratio, in %)



Source: CEIC Data

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# 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

- Delivered record NPAT of SGD1,596m in 1H14, driven by healthy loans growth and non-interest income
- Improved fee income capabilities since 2010
- Well-controlled costs while continuing to invest in building long-term capabilities

## Prudent Management of Capital, Liquidity and Balance Sheet

- Strong capital base backed by resilient core business; Common Equity Tier 1 and Tier 1 capital adequacy ratios at 13.9% respectively, well above Basel III capital requirements
- Liquid and well diversified funding mix with loans-to-deposits ratio at 87.8%
- Stable asset quality and low risk-weighted assets, with well-diversified loan portfolio

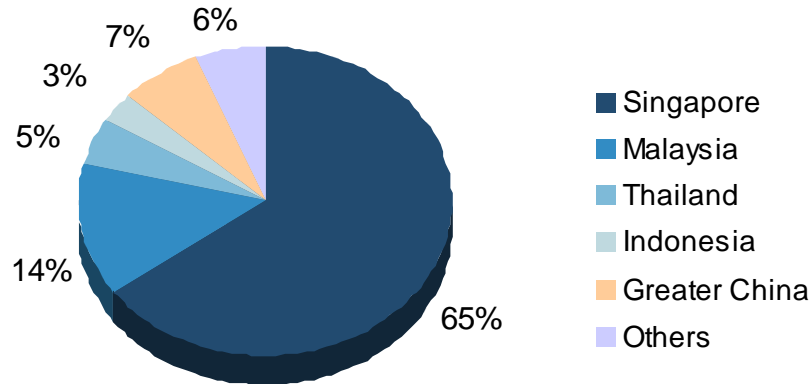
## Delivering on Regional Strategy

- Holistic regional bank with effective full control of subsidiaries in key markets with lower credit penetration
- Key regional franchise continues to deliver
- Entrenched local presence: ground resources and integrated regional network to better address the needs of our targeted segments

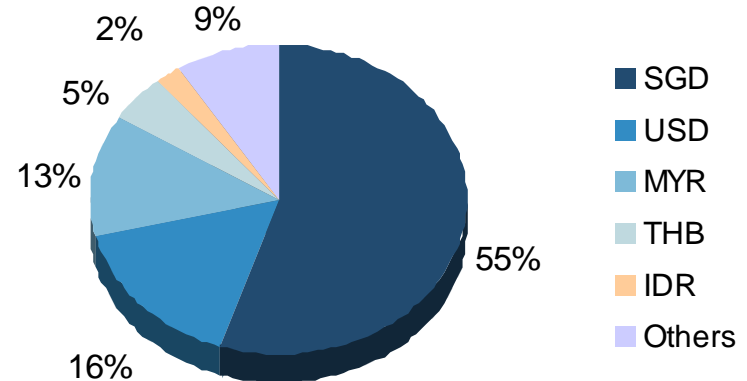
***UOB is focused on the basics of banking;  
Stable management team with proven execution capabilities***

# Diversified Loan Portfolio

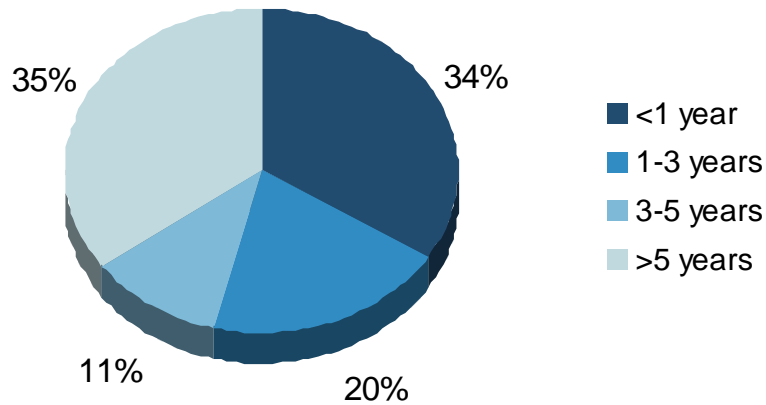
## Gross Customer Loans by Geography



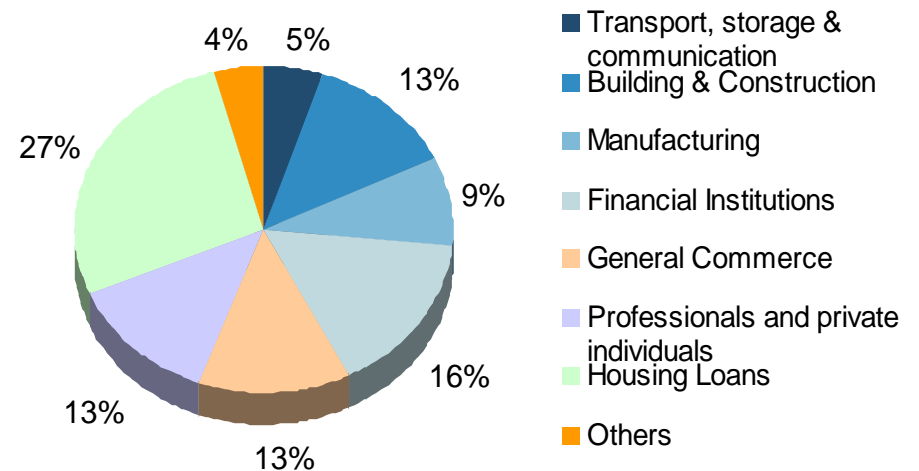
## Gross Customer Loans by Currency



## Gross Customer Loans by Maturity



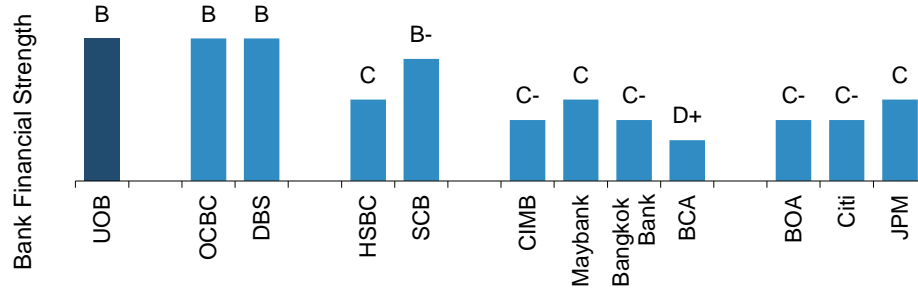
## Gross Customer Loans by Industry



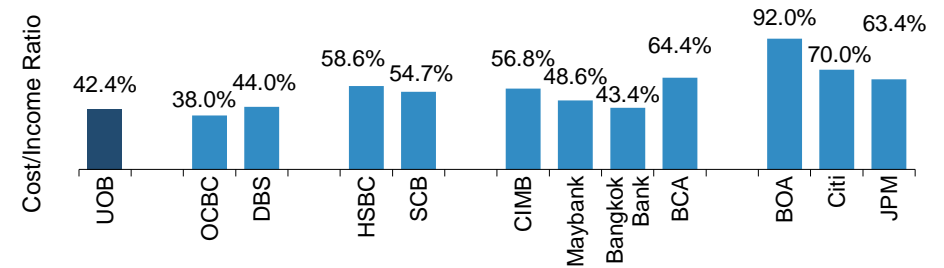
Note: Financial statistics as at 30 June 2014.

# Competitive Against Peers

## Bank Financial Strength



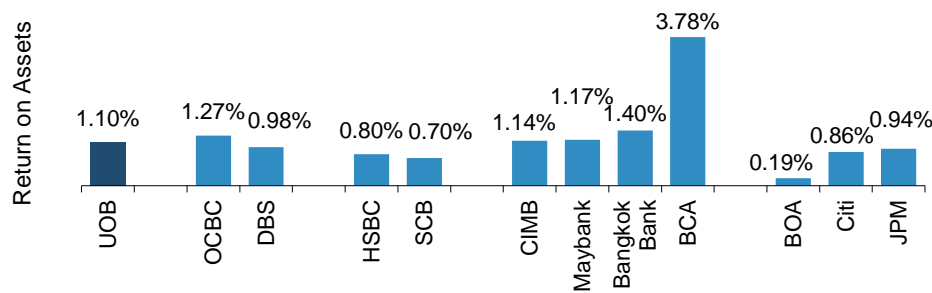
## Efficient Cost Management



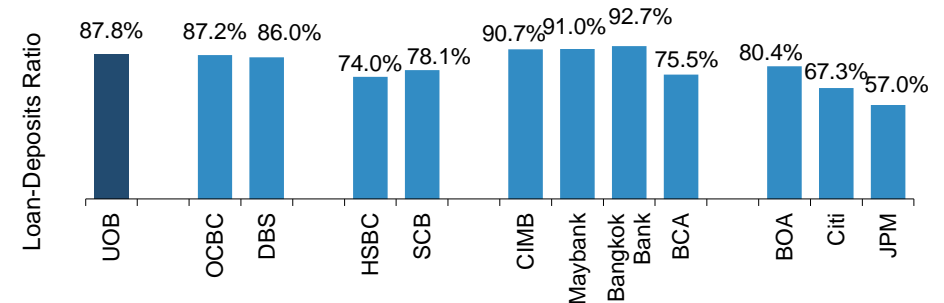
Moody's	Aa1	Aa1	Aa1	Aa3	A2	A3	A3	Baa1	Baa3	Baa2	Baa2	A3
S&P	AA-	AA-	AA-	AA-	A+	BBB-	A-	BBB+	n.r.	A-	A-	A
Fitch	AA-	AA-	AA-	AA-	AA-	n.r.	A-	BBB+	BBB-	A	A	A+

Moody's	Aa1	Aa1	Aa1	Aa3	A2	A3	A3	Baa1	Baa3	Baa2	Baa2	A3
S&P	AA-	AA-	AA-	AA-	A+	BBB-	A-	BBB+	n.r.	A-	A-	A
Fitch	AA-	AA-	AA-	AA-	AA-	n.r.	A-	BBB+	BBB-	A	A	A+

## Competitive ROA



## Well-Maintained Liquidity



*UOB's competitiveness enhanced by prudent management and strong financials*

Source: Company reports, Credit rating agencies.

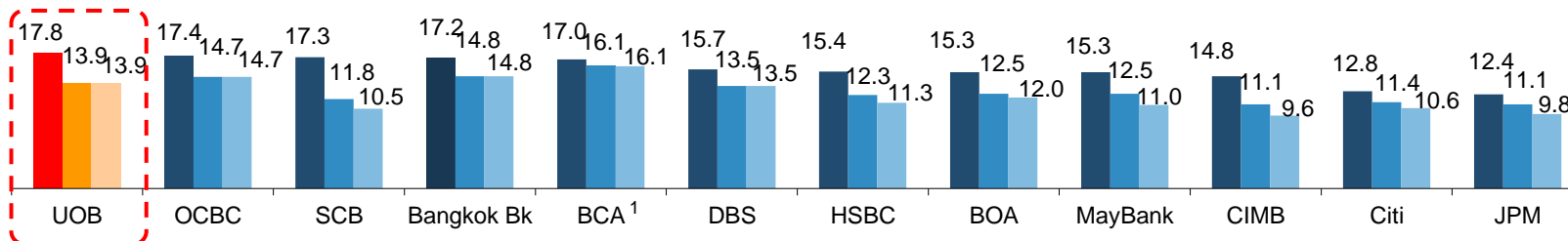
Financials as of 30 June 2014, except CIMB and Maybank (as of 31 March 2014). Figures for BCA and Bangkok Bank include bank only.

(1) ROA calculated on an annualised basis

# Strong Capitalisation Levels and Low Leverage

## Total CAR, Tier 1 CAR, Common Equity Tier 1

(Total CAR, Tier 1 CAR, Common Equity Tier 1 in %)



Capital raised in last 2 years (US\$ bn)<sup>2</sup>

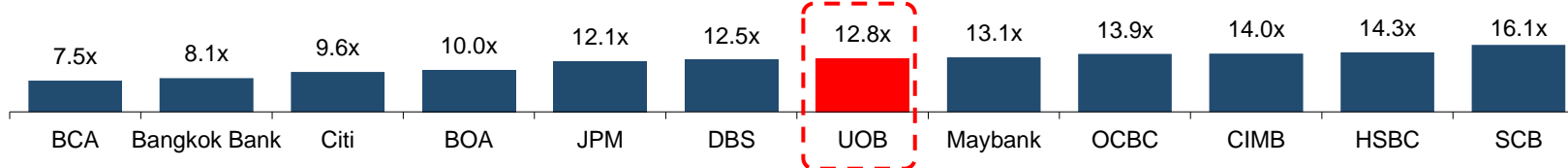
1.1      -      -      -      -      0.6      -      1.0      1.2      0.1      8.0      12.4

Return on Equity<sup>3</sup>

12.4%      14.9%      10.4%      11.9%      24.6%      11.7%      10.7%      1.4%      13.8%      13.0%      9.3%      11.0%

## Leverage

Leverage (no. of times)<sup>4</sup>



***UOB is one of the most well-capitalized banks with lower gearing compared to some of the most renowned banks globally***

Source: Company reports

Note: Financials as of 30 June 2014, except for CIMB and MayBank (as of 31 March 2014). Figures for BCA and Bangkok Bank include bank only.

1. On Basel II framework.
2. '2 years' refer to period from 30 June 2012 to 30 June 2014. Includes Tier 1 capital only. Includes capital raised for subsidiaries.
3. Calculated on an annualized basis
4. Leverage is calculated as total tangible assets / total tangible common equity from latest company reports.

# Strong Investment Grade Credit Ratings

## Ratings

**MOODY'S**  
INVESTORS SERVICE

**Aa1 / Stable / P-1**

- ‘...Strong and valuable business franchise’
- ‘Long experience in serving SME segment should enable it to maintain its customer base.’
- ‘Ability to keep its asset quality measures consistently at a good level’

**STANDARD & POOR'S**

**AA-/Stable/A-1+**

- Prudent management team... expect the bank to continue its emphasis on funding and capitalization to buffer against global volatility’
- ‘UOB will maintain its earnings, asset quality and capitalization while pursuing regional growth.’
- ‘Above average funding and strong liquidity position’

**FitchRatings**

**AA- / Stable / F1+**

- ‘Ratings reflect its strong domestic franchise, prudent management, robust balance sheet...’
- ‘Stable funding profile and liquid balance sheet...its healthy loan/deposit ratio hovers at 80-85%’
- ‘Key rating strength is UOB’s capital buffer, which had a high core Tier 1 CAR of 13.3% at end 2010’

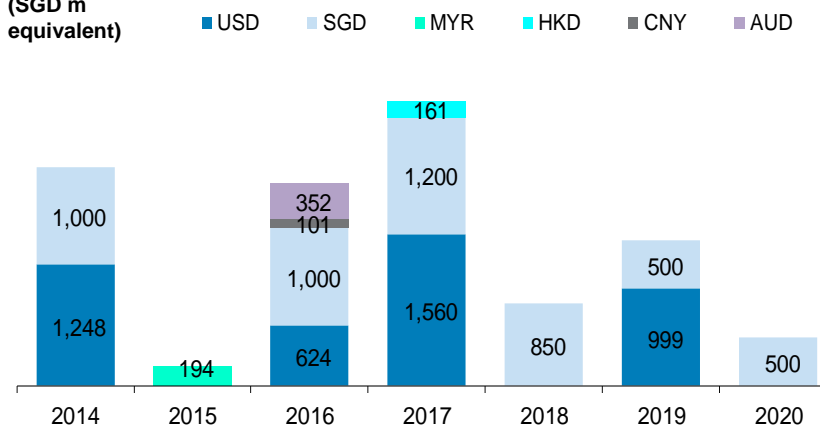
## Debt Issuance History

Issue Date	Type of Instrument	Structure	Call	Coupon	Amount	Issue Rating (M / S&P / F)
<b>Tier 1</b>						
Nov 2013	B3 AT1	Perpetual	2019	4.750%	SGD500m	A3 / BBB- / BBB
Jul 2013	B3 AT1	Perpetual	2018	4.900%	SGD850m	A3 / BBB- / BBB
Dec 2005	B2 AT1	Perpetual	2016	5.796%	USD500m	A3 / BBB / BBB
<b>Tier 2</b>						
May 2014	B3 T2	12NC6	2020	3.500%	SGD500m	A2 / BBB / A+
Mar 2014	B3 T2	10.5NC5.5	2019	3.750%	USD800m	A2 / BBB / A+
Oct 2012	B2 LT2	10NC5	2017	2.875%	USD 500m	Aa3 / A+ / A+
Jul 2012	B2 LT2	10NC5	2017	3.150%	SGD1,200m	Aa3 / A+ / A+
Apr 2011	B2 LT2	10NC5	2016	3.450%	SGD1,000m	Aa3 / A+ / A+
Mar 2010	B2 LT2	10NC5	2015	4.880%	MYR500m	RAM AA1
Aug 2004	B2 UT2	15NC10	2014	5.375%	USD1,000m	A1 / BBB / A-
Aug 2004	B2 UT2	15NC10	2014	4.100%	SGD1,000m	A1 / BBB / A-
<b>Senior Unsecured</b>						
Apr 2014	-	1yr FRN	-	3mGBP LIBOR flat	GBP200m	Aa1 / AA- / -
Nov 2013	-	3yr FRN	-	BBSW 3m +0.65%	AUD300m	Aa1 / AA- / AA-
Jun 2013	-	3yr FXN	-	2.50%	CNY500m	Aa1 / AA- / AA-
Mar 2012	-	5yr FXN	-	2.20%	HKD1,000m	Aa1 / - / -
Mar 2012	-	5yr FXN	-	2.25%	USD750m	Aa1 / AA- / AA-

B2: Basel II, B3: Basel III, AT1: Additional Tier 1, T2: Tier 2, LT2: Lower Tier 2, UT2: Upper Tier 2

## Debt Maturity Profile

(SGD m equivalent)



Note: Maturities shown at first call date rather than ultimate maturity.  
FX rates used: USD 1 = SGD 1.25, SGD 1 = MYR 2.57, SGD 1 = HKD 4.97, AUD 1 = SGD 1.17, SGD 1 = CNY 6.21, 1 GBP = SGD 2.13 as at 30 June 2014.

Updated as of 16 August 2014.



# Robust Risk Management Framework

## Robust Risk Management Framework

- Operate under strict regulatory regime ; prudential standards in line with global best practices
- Strong risk culture; do not believe in achieving short-term gains at the expense of long-term interests
- Focused on businesses which we understand and are well-equipped to manage
- Active board and senior management oversight
- Comprehensive risk management policies, procedures and limits governing credit risks, funding risks, interest rate risks, market risks and operational risks
- Regular stress tests
- Strong internal controls and internal audit process

## Common Operating Framework across Region

- Standardized and centralized core banking systems at end-2013
- Common operating framework integrates regional technology, operations and risk infrastructure, ensuring consistent risk management practices across core markets
- Core framework anchored to Singapore head office's high standards of corporate governance

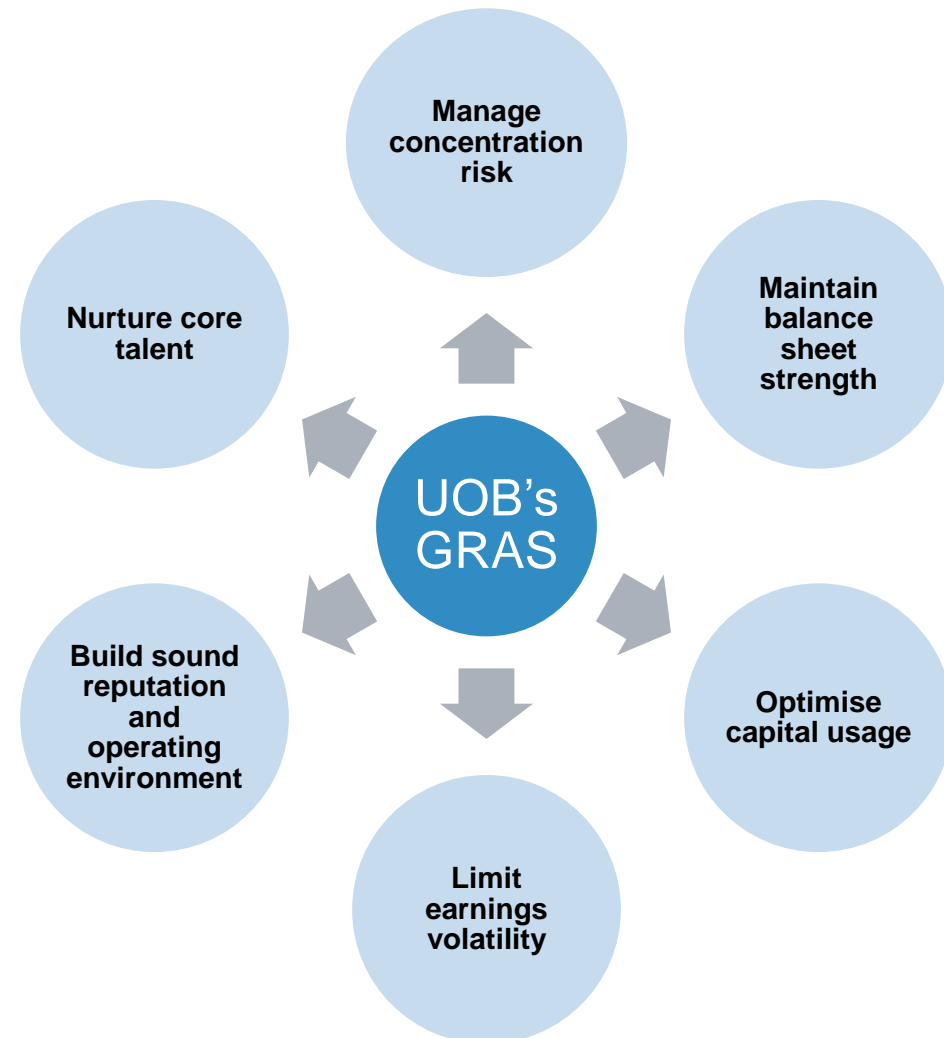
## Key Risks to Monitor

- Property-related risks
  - Healthy portfolio: low NPL ratio and provisions
  - Majority of housing loans are for owner-occupied properties; comfortable average LTV ratio; delinquency and NPL trends regularly analysed
  - ~50% of property-related corporate loan portfolio are shorter-term development loans with diversified risks; progress, sales and cashflow projections of development projects closely monitored
- Exposure to steepening yield curve: Investment portfolio (mainly liquid asset holdings) monitored daily with monthly reporting to ALCO. Average duration reduced to around 2 years.
- Exposure to declining regional currencies: Ensure loans only granted to borrowers who have foreign currency revenues; otherwise, borrowers are required to hedge

# Managing Risks for Stable Growth

- Prudent approach has been key to delivering sustainable returns over the years
- Institutionalised framework through GRAS
  - Outline 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
  - Invest in capabilities, leverage integrated regional network to ensure effective implementation across key markets and businesses

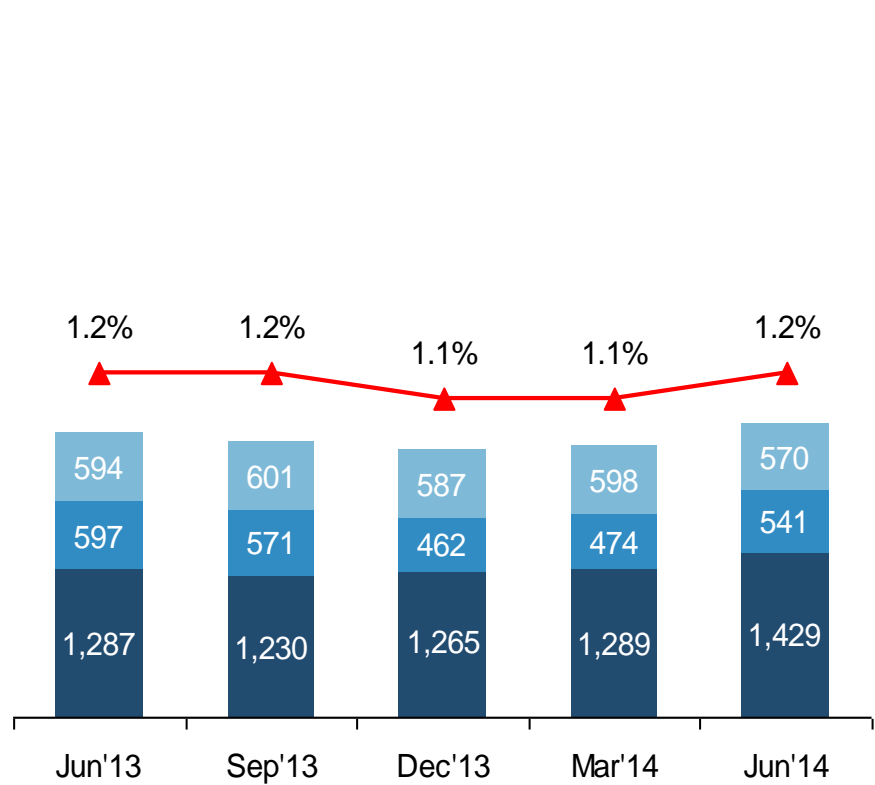
## Group Risk Appetite Statement (GRAS)



# Resilient Asset Quality; High Impairment Coverage

## Stable NPL Ratio

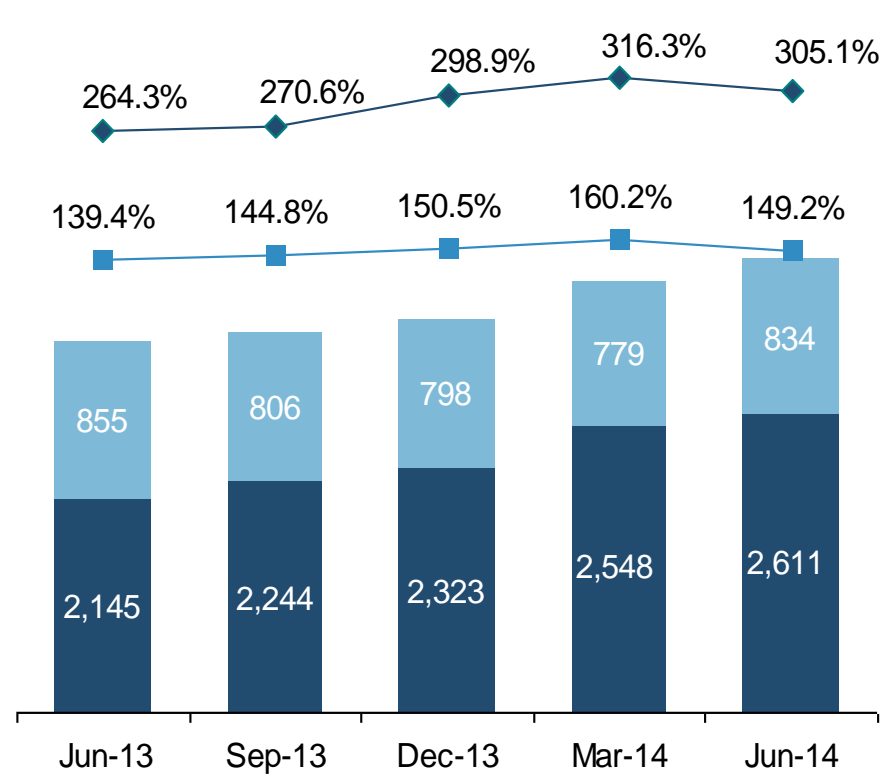
(In SGD m)



■ Substandard NPA    ■ Doubtful NPA  
■ Loss NPA         ▲ NPL Ratio

## Consistently High Impairment Coverage

(In SGD m)



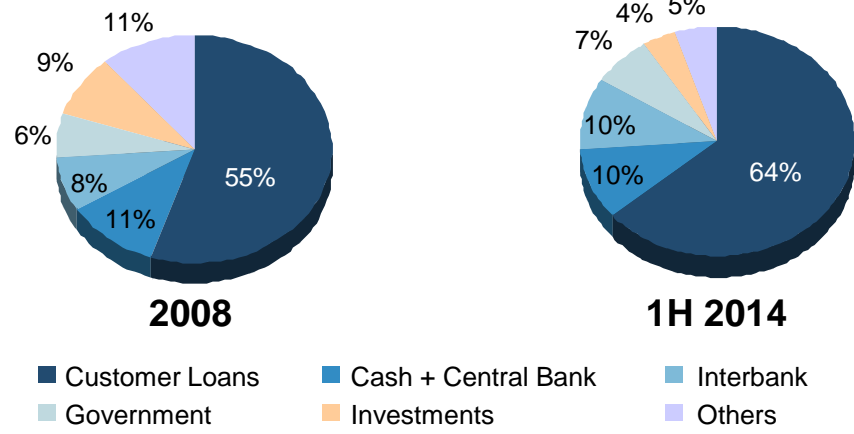
■ Individual Impairment  
■ Collective Impairment  
◆ Cumulative Impairment / Unsecured NPL (%)  
■ Cumulative Impairment / Total NPL (%)

# Focusing on Preserving Balance Sheet Strength

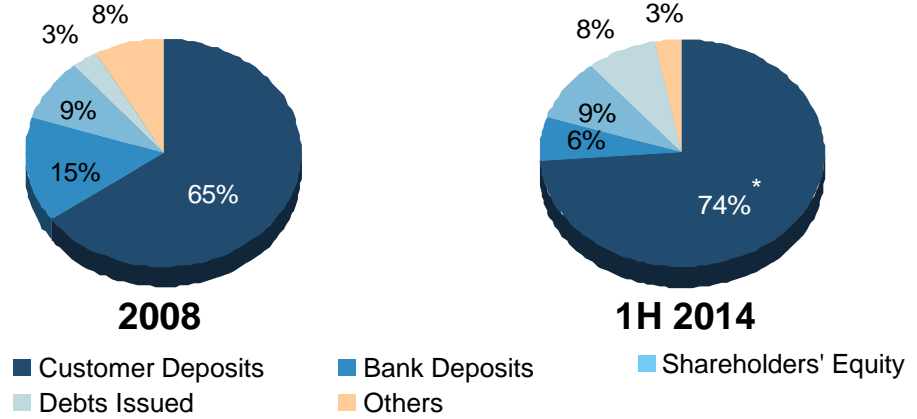
- **Building customer franchise**
  - Focusing on target segments within key markets
  
- **Focusing on stable funding base and optimising funding sources in 1H 2014**
  - Increased commercial paper programme size
  - Issuances: Commercial papers (S\$12.1bn) and senior debt (>S\$3bn) as at June 14
  - Tapped overseas branches for corporate deposits
  
- **Proactive in capital management**
  - Two issuances of Basel III Tier 2 securities (US\$800m and S\$500m)

## Strengthening our Balance Sheet

### Assets



### Liabilities



\* Definition of 'Customer Deposits' was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards.

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# 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. The region's long-term fundamentals continue to remain strong
- Region is our future engine of growth

## Reinforce Fee Income Growth

- Grow fee income to offset competitive pressures on loans and improve return on capital
- 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 amidst global volatilities

# Milestone in Regionalisation

- Harnessing potential of regional network through an integrated platform
  - Completion of platform at end-2013
- Integrated regional platform to bring:
  - Improved productivity and operational efficiency
  - Quicker speed to market
  - Enhanced risk management
  - Consistent and seamless customer experience
- Positions us for next stage of regional business growth

## Full Rollout of Integrated Regional Platform

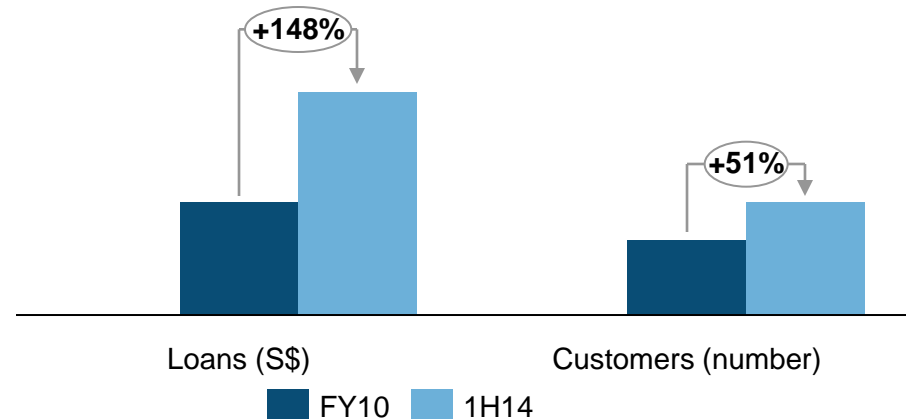


✓ All other overseas locations (across 14 countries) completed

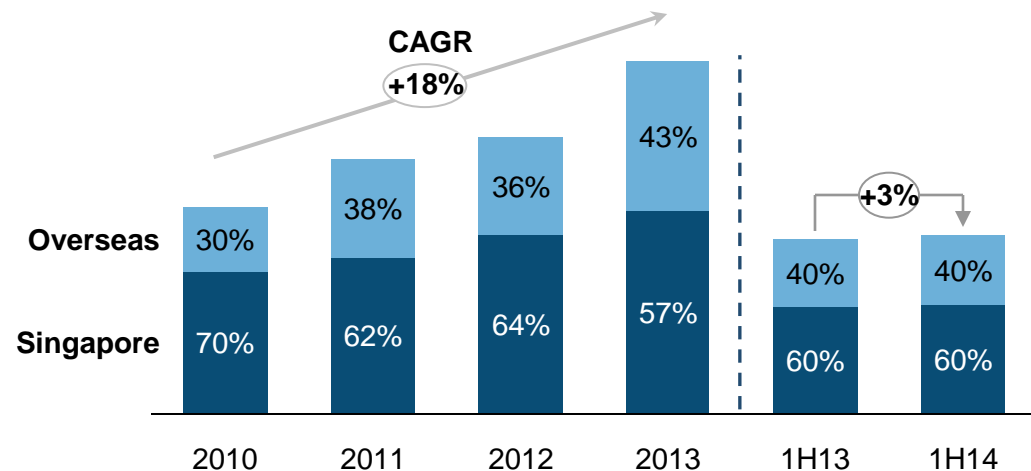
# Capitalising on Rising Intra-Regional Flows

- Robust growth in customer base and cross-border loans over last 3 years
- Strengthened in-market teams and capabilities to serve customers' regionalisation needs
- Broadening and deepening product capabilities to drive cross-sell activities and reinforce fee income growth
- On track to achieve 50% target for overseas wholesale profit contribution by 2015

## Growing Number of Intra-Regional Deals



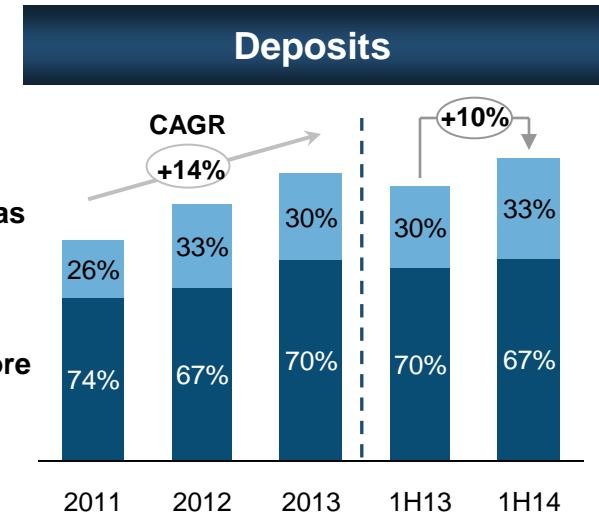
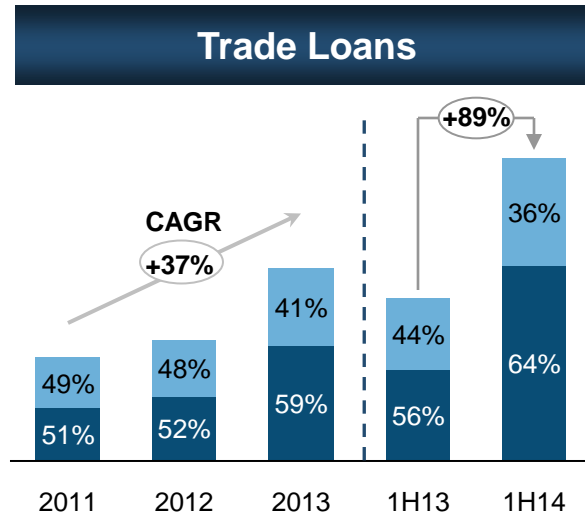
## Growing Overseas Wholesale Profit Contribution



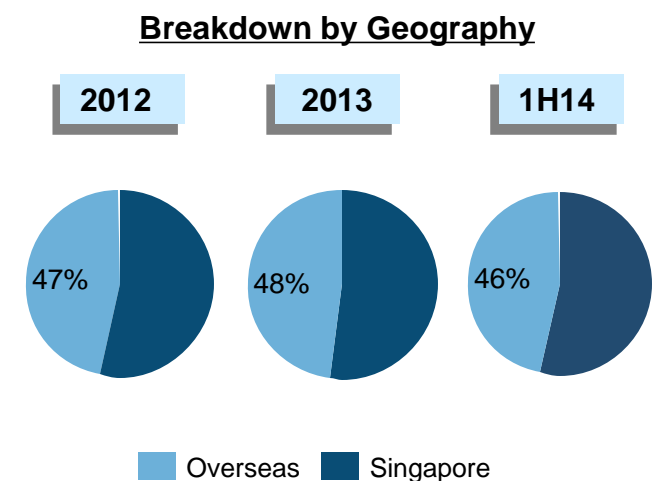
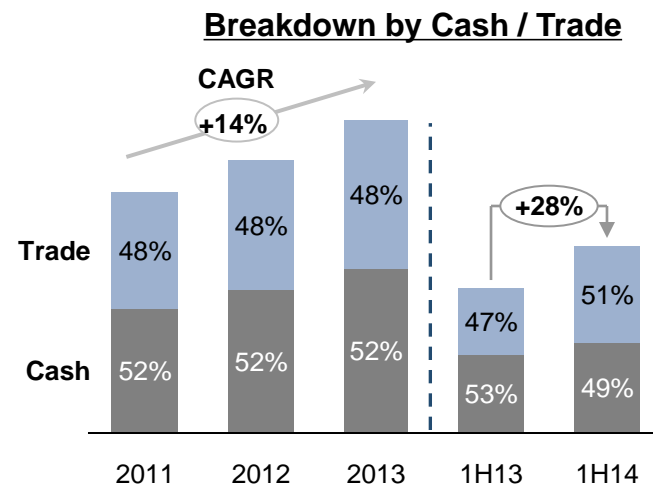


# Making Good Progress in Transaction Banking

- Offer end-to-end solutions ranging from cash, trade and supply chain financing across our network
- Strong increase in trade loans, spurred by intra-regional trades
- Growing corporate deposits by leveraging strong credit ratings and product bundling/solutions
- Industry recognition with 29 awards across the region in 1H2014

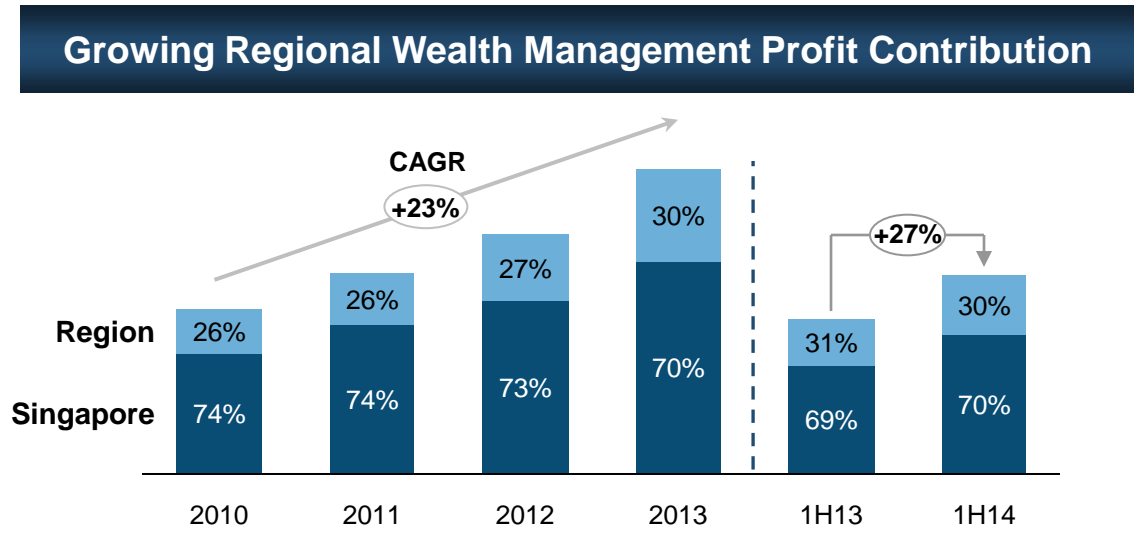


## Transaction Banking Revenue

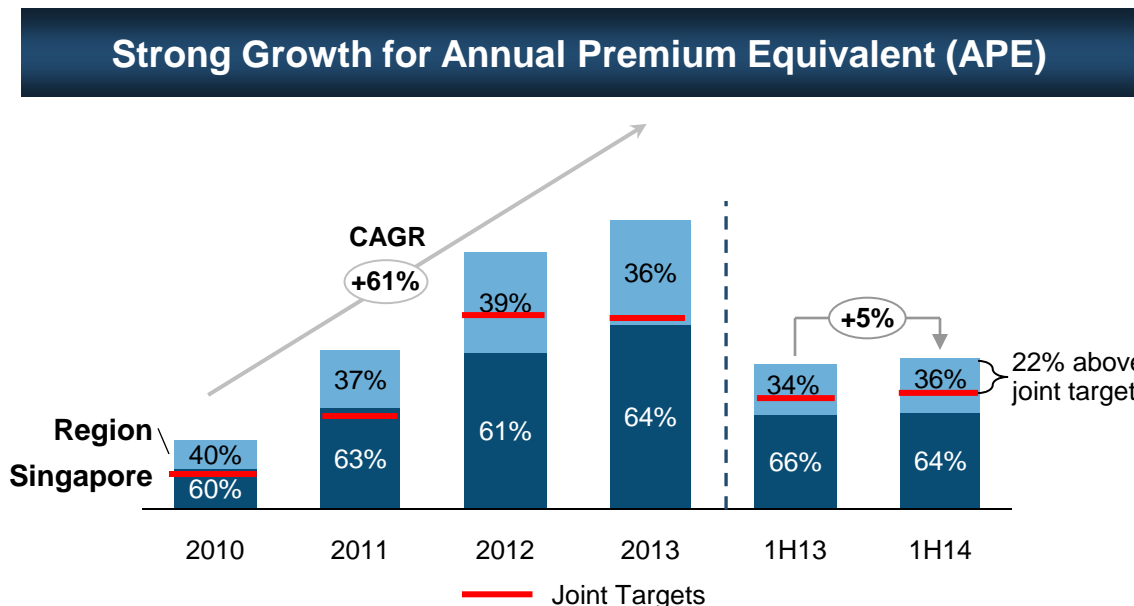


# Capturing Rising Asian Consumer Affluence

- From FY2010 to June 2014,
  - Grew wealth management AUM from \$48bn to \$76bn
  - Expanded customer base from 100,000 to 183,000
  - Increased regional wealth management footprint from 29 to 50 wealth management centres



- Bancassurance consistently performing well ahead of joint targets



# 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 business
- 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 to ensure sustainable shareholder returns

*Proven track record of financial conservatism and strong management committed to the long term*

# Agenda

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1

Overview of UOB Group

2

Macroeconomic Outlook

3

Strong UOB Fundamentals

4

Our Growth Drivers

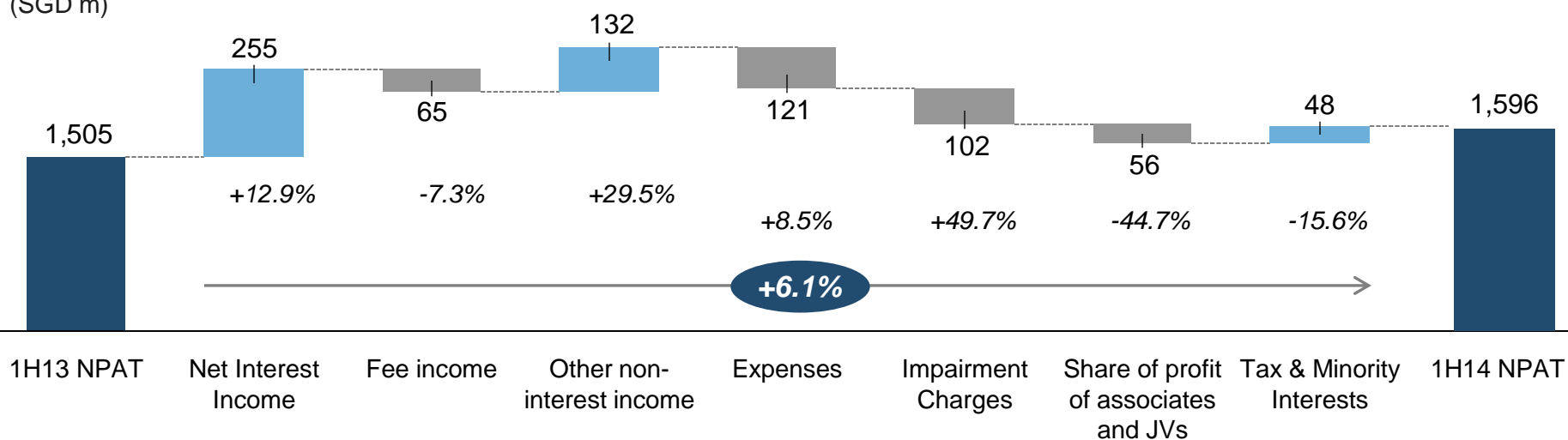
**5**

**Latest Financials**

# 1H14 Financial Overview

## Net Profit After Tax<sup>1</sup> (NPAT) Movement, 1H14 vs 1H13

(SGD m)



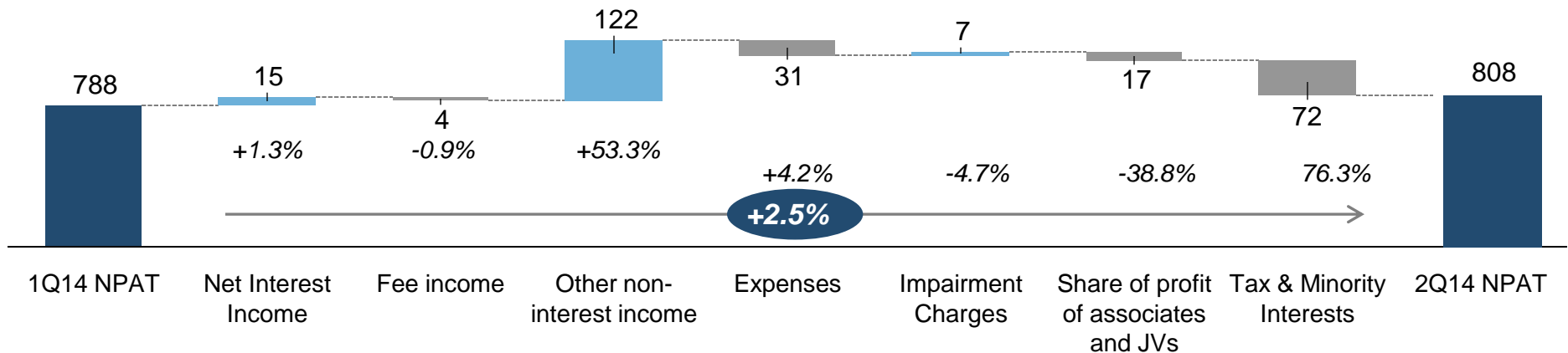
Key Indicators	1H14	1H13	YoY Change
NIM (%) <sup>2</sup>	1.72	1.71	0.01% pt
Non-NII / Income (%)	38.6	40.3	(1.7)% pt
Expense / Income ratio (%)	42.4	42.9	(0.5)% pt
ROE (%) <sup>2,3</sup>	12.4	12.4	-

1. Refer to profit attributable to equity holders of the Bank.
2. Computed on an annualised basis.
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.

# 2Q14 Financial Overview

## Net Profit After Tax<sup>1</sup> (NPAT) Movement, 2Q14 vs 1Q14

(SGD m)



Key Indicators	2Q14	1Q14	QoQ Change	2Q13	YoY Change
NIM (%) <sup>2</sup>	1.71	1.73	(0.02)% pt	1.71	-
Non-NII / Income (%)	40.3	36.7	3.6% pt	38.2	2.1% pt
Expense / Income ratio (%)	41.7	43.1	(1.4)% pt	44.2	(2.5)% pt
ROE (%) <sup>2,3</sup>	12.5	12.4	0.1% pt	13.1	(0.6)% pt

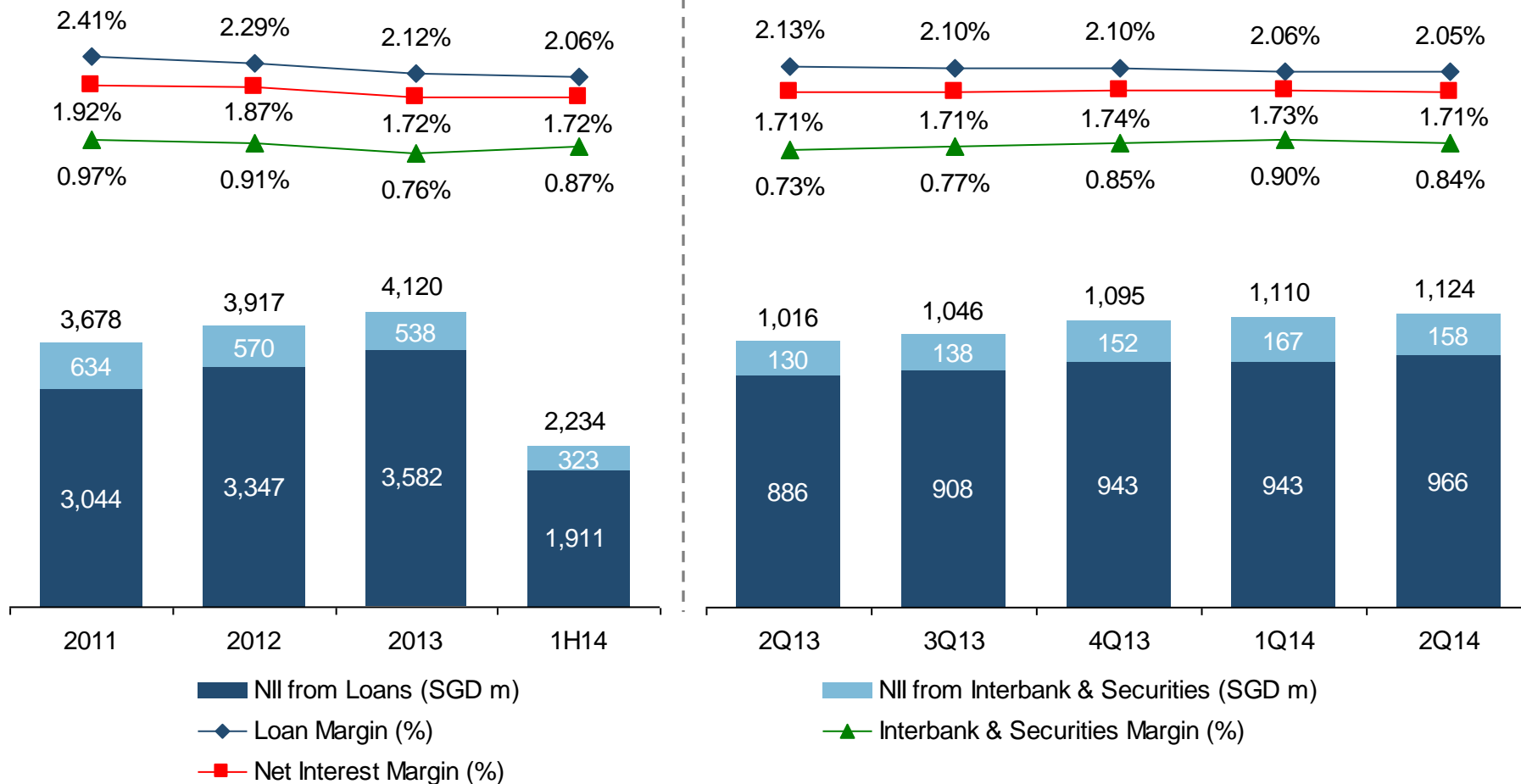
1. Refer to profit attributable to equity holders of the Bank.

2. Computed on an annualised basis.

3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.

# Record NII driven by Healthy Loans Growth

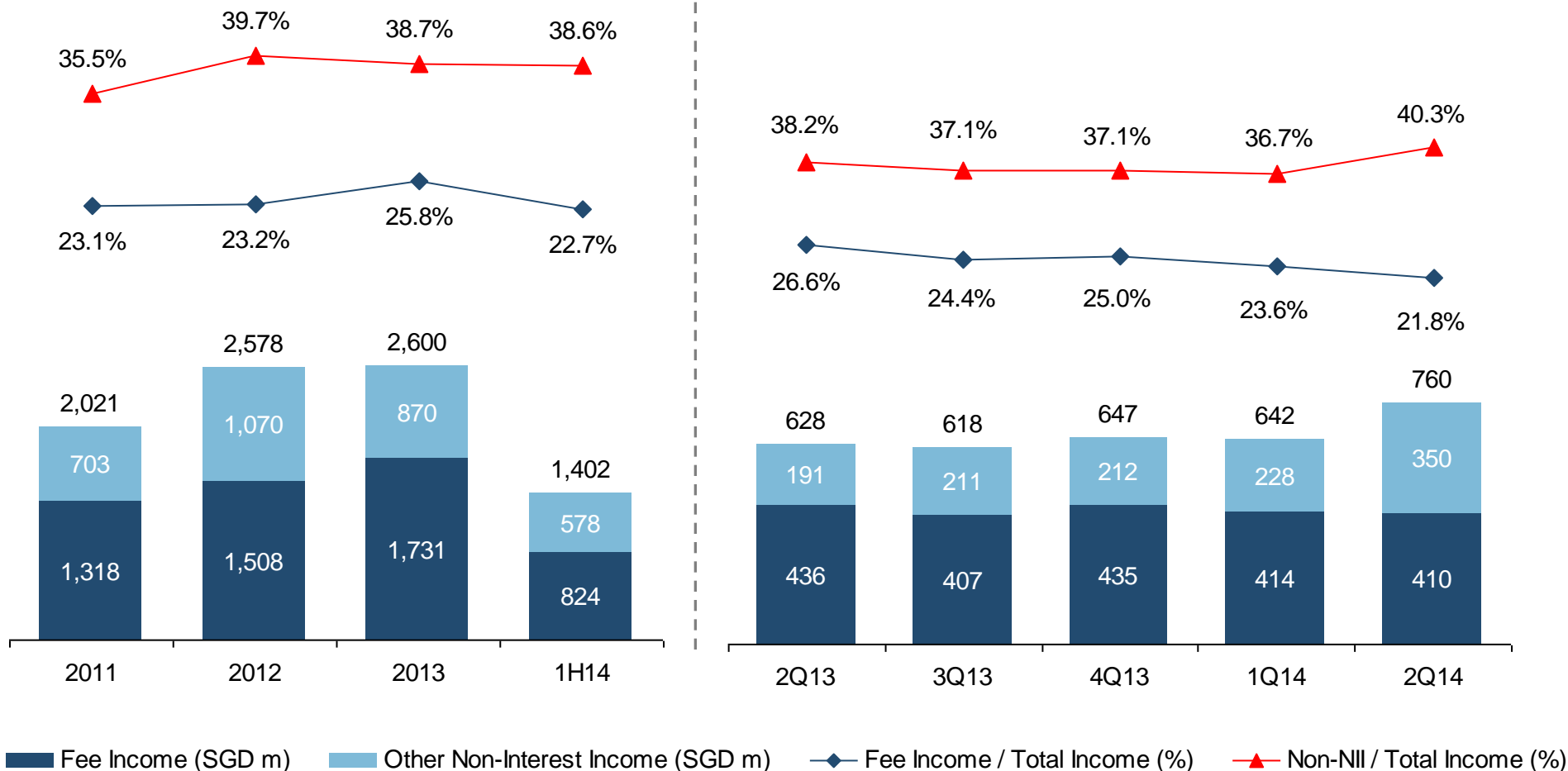
## Net Interest Income (NII) and Margin



Note: Definition of 'Customer Deposits' was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards. The interest relating to these deposits and the corresponding impact to loan margin and interbank/securities margin for FY2013 was restated accordingly.

# Non-Interest Income Lifted by Trading & Invt Income

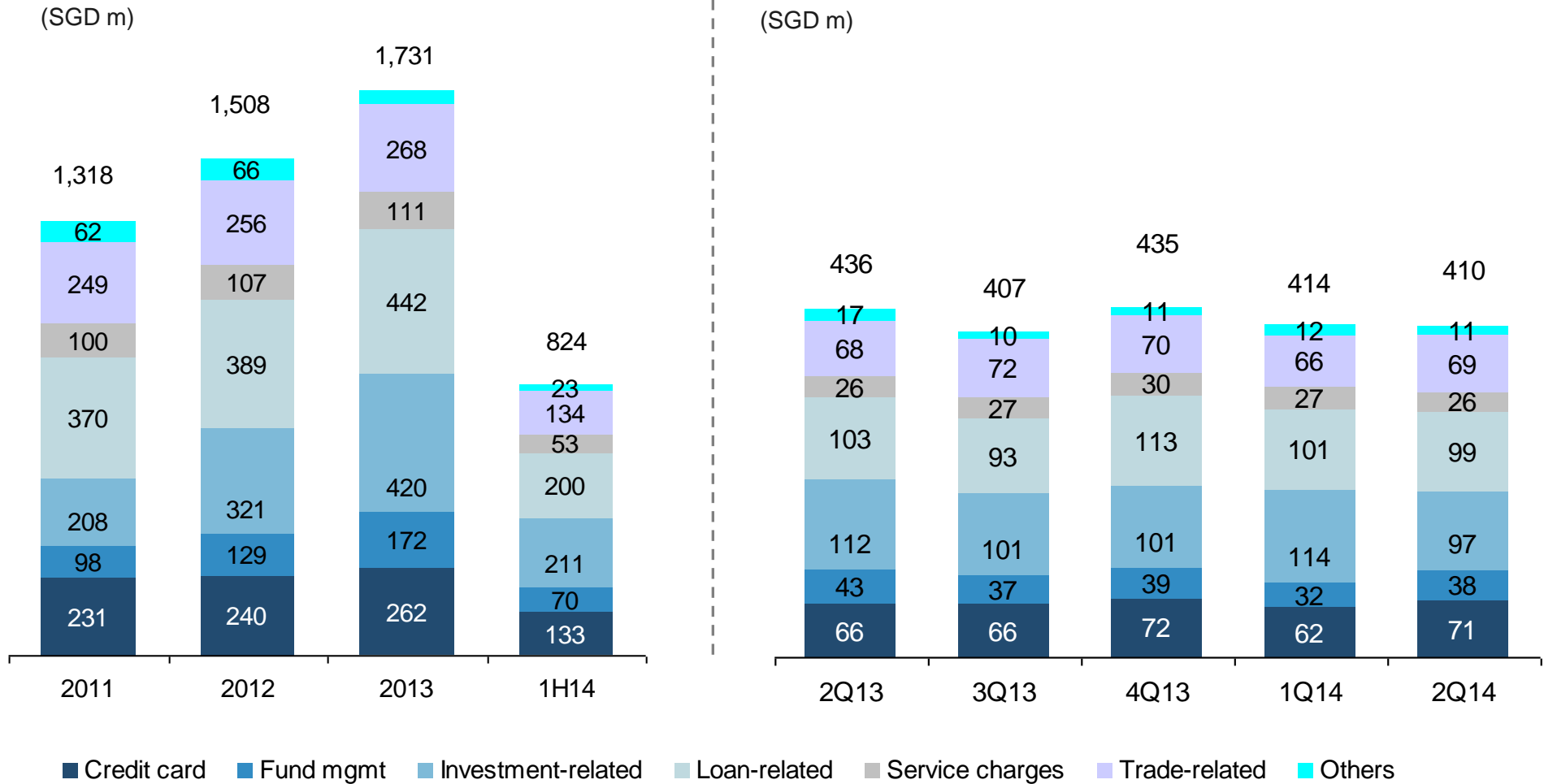
## Non-Interest Income (Non-NII) and Non-NII Ratio





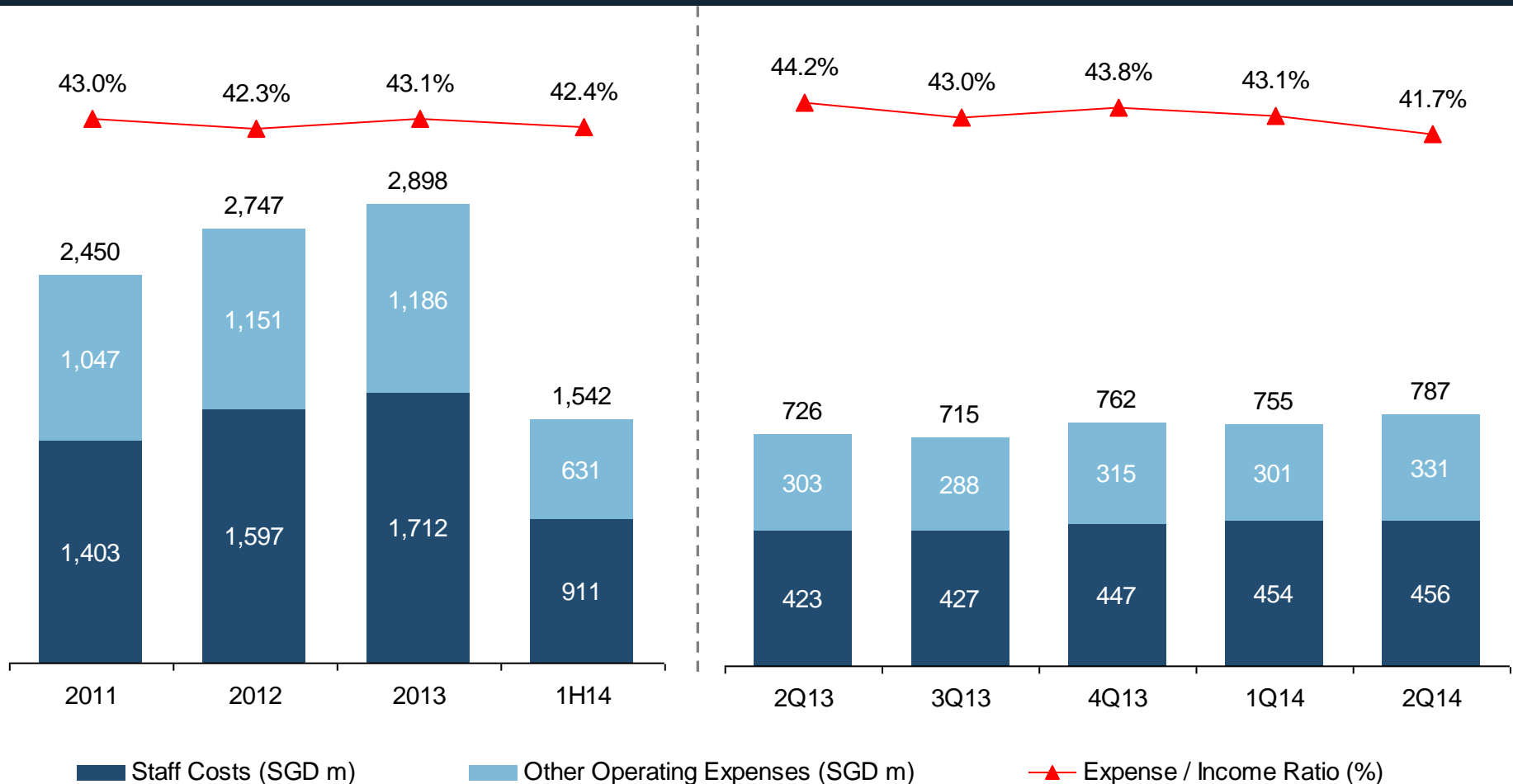
# Fee Income Stable Quarter-on-Quarter

## Breakdown of Fee Income



# Disciplined Cost Management

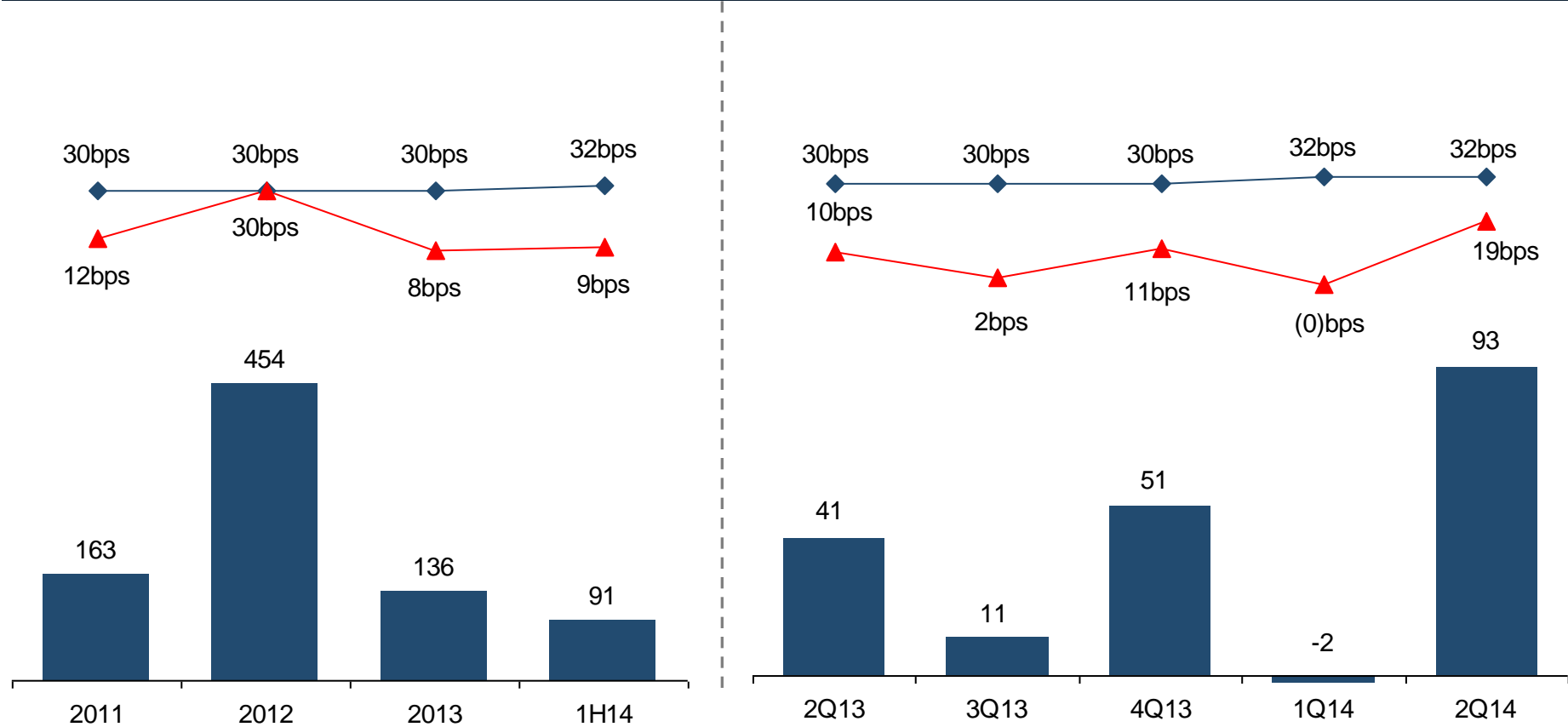
## Operating Expenses and Expense / Income Ratio



Note: Core income excluded gain on UOB Life and UIC for 2010

# Total Loans Charge-off Rate Relatively Stable

## Impairment Charges on Loans



- Individual Impairment Charges on Loans (SGD m)
- ▲ Individual Impairment Charges on Loans / Average Gross Customer Loans (basis points) \*
- ◆ Total Impairment Charges on Loans / Average Gross Customer Loans (basis points) \*

\* On annualised basis

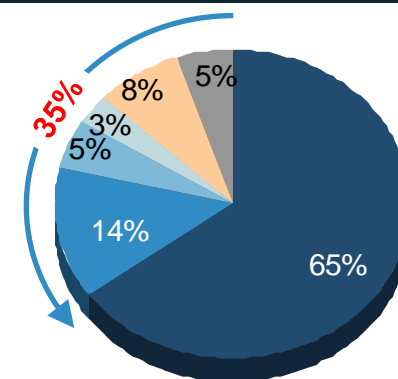
# Healthy Loans Growth

Gross Loans	2Q14	1Q14	QoQ	2Q13	YoY
	SGD b	SGD b	+/(-) %	SGD b	+/(-) %
Singapore	126.1	123.1	2.5	113.7	10.9
Regional:	56.7	55.1	2.9	49.4	14.6
Malaysia	26.5	25.9	2.6	24.4	8.6
Thailand	10.0	9.9	0.6	9.2	9.3
Indonesia	5.7	5.9	(3.3)	5.9	(2.6)
Greater China	14.4	13.3	7.8	10.0	44.5
Others	10.4	10.4	(0.7)	9.7	6.4
<b>Total</b>	<b>193.1</b>	<b>188.6</b>	<b>2.4</b>	<b>172.9</b>	<b>11.7</b>

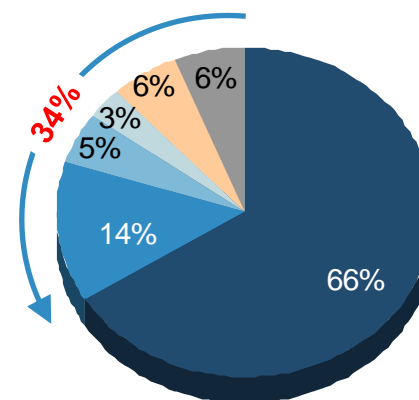
  

<b>USD Loans</b>	<b>30.3</b>	<b>29.0</b>	<b>4.4</b>	<b>22.5</b>	<b>34.7</b>
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1H14



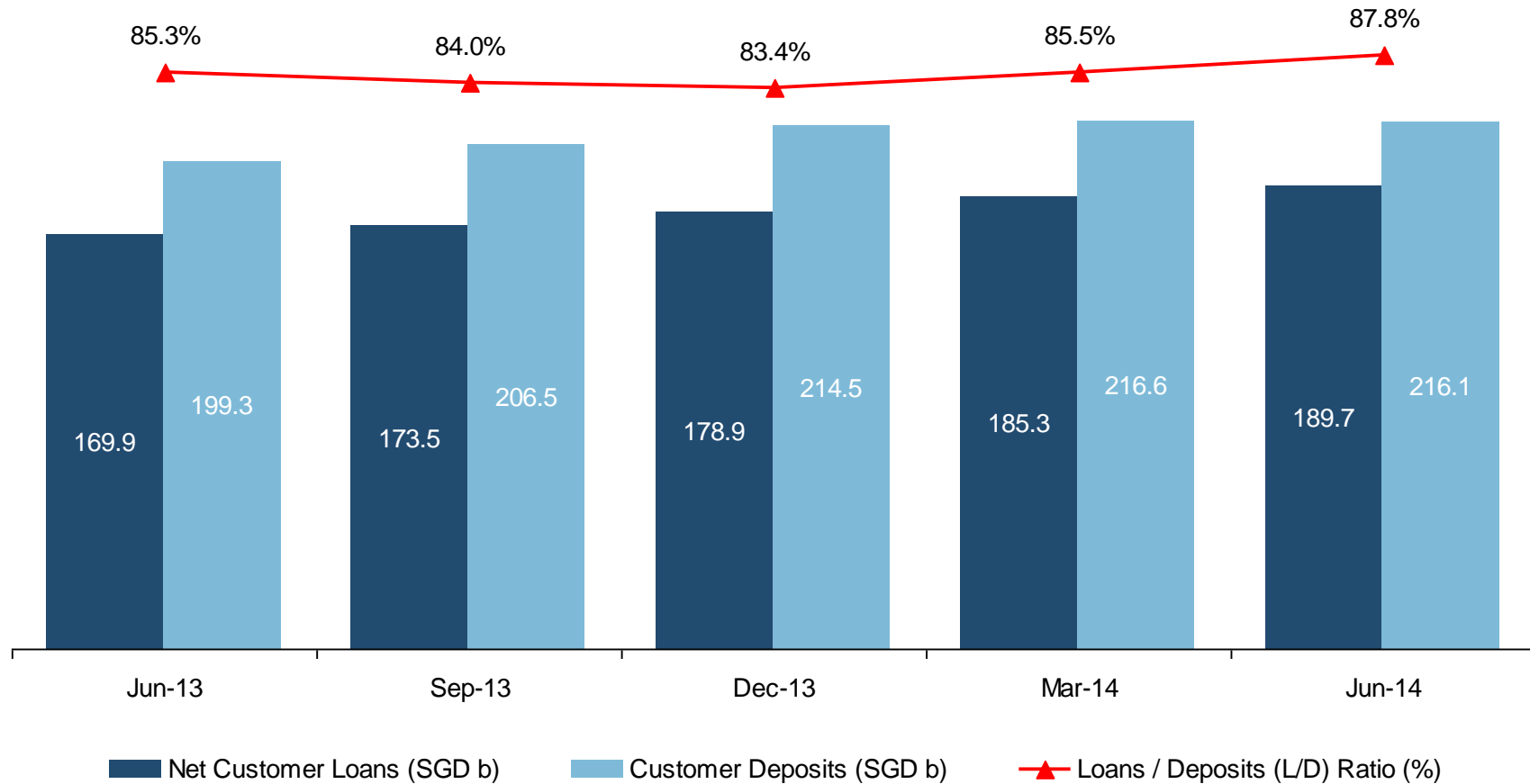
1H13



■ Singapore   
 ■ Malaysia   
 ■ Thailand  
■ Indonesia   
 ■ Greater China   
 ■ Others

# Stable Liquidity Position

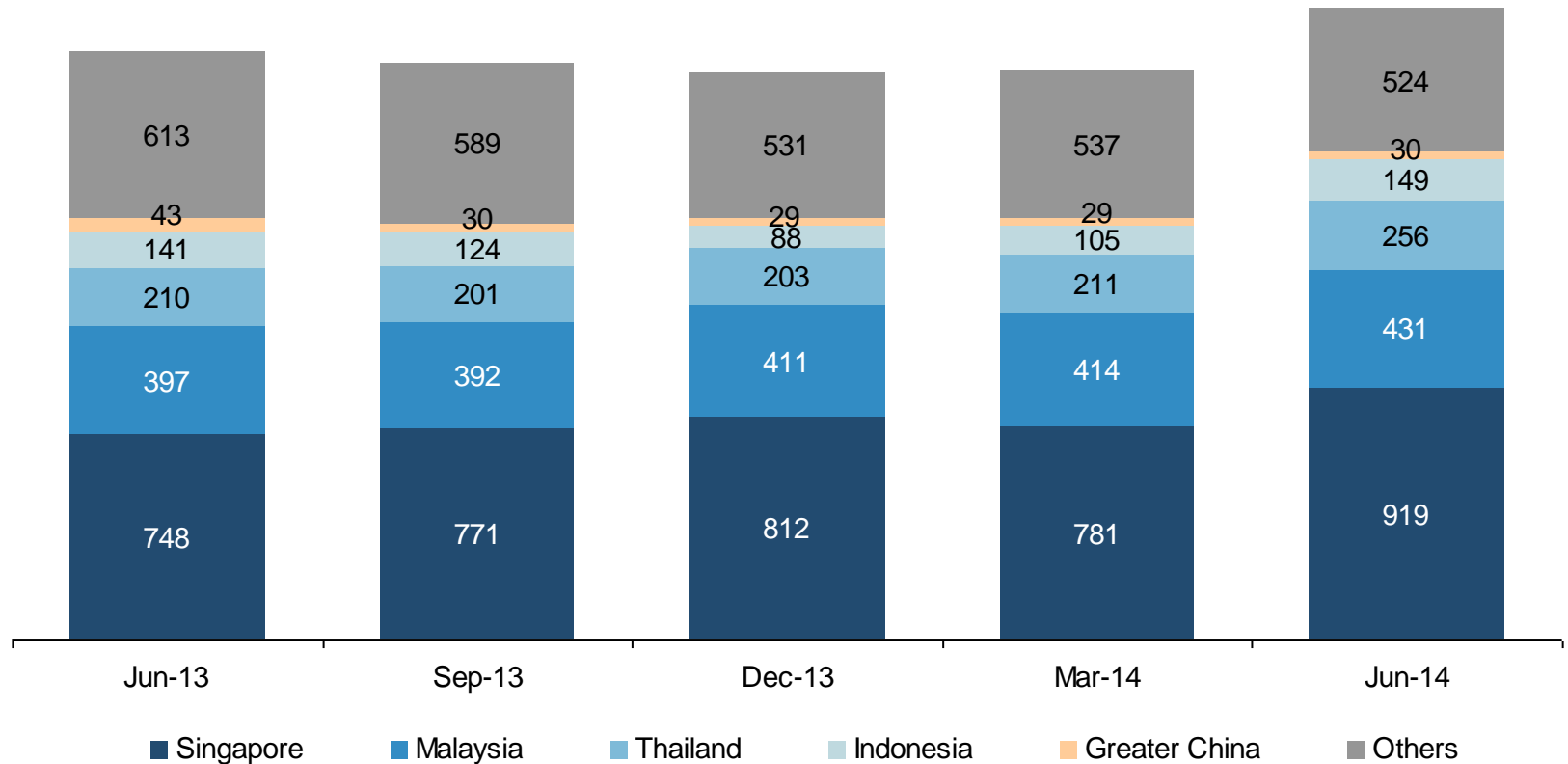
## Customer Loans, Deposits and L/D Ratio



Note: Definition of 'Customer Deposits' was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards. Prior quarters of 2013 have been restated accordingly.

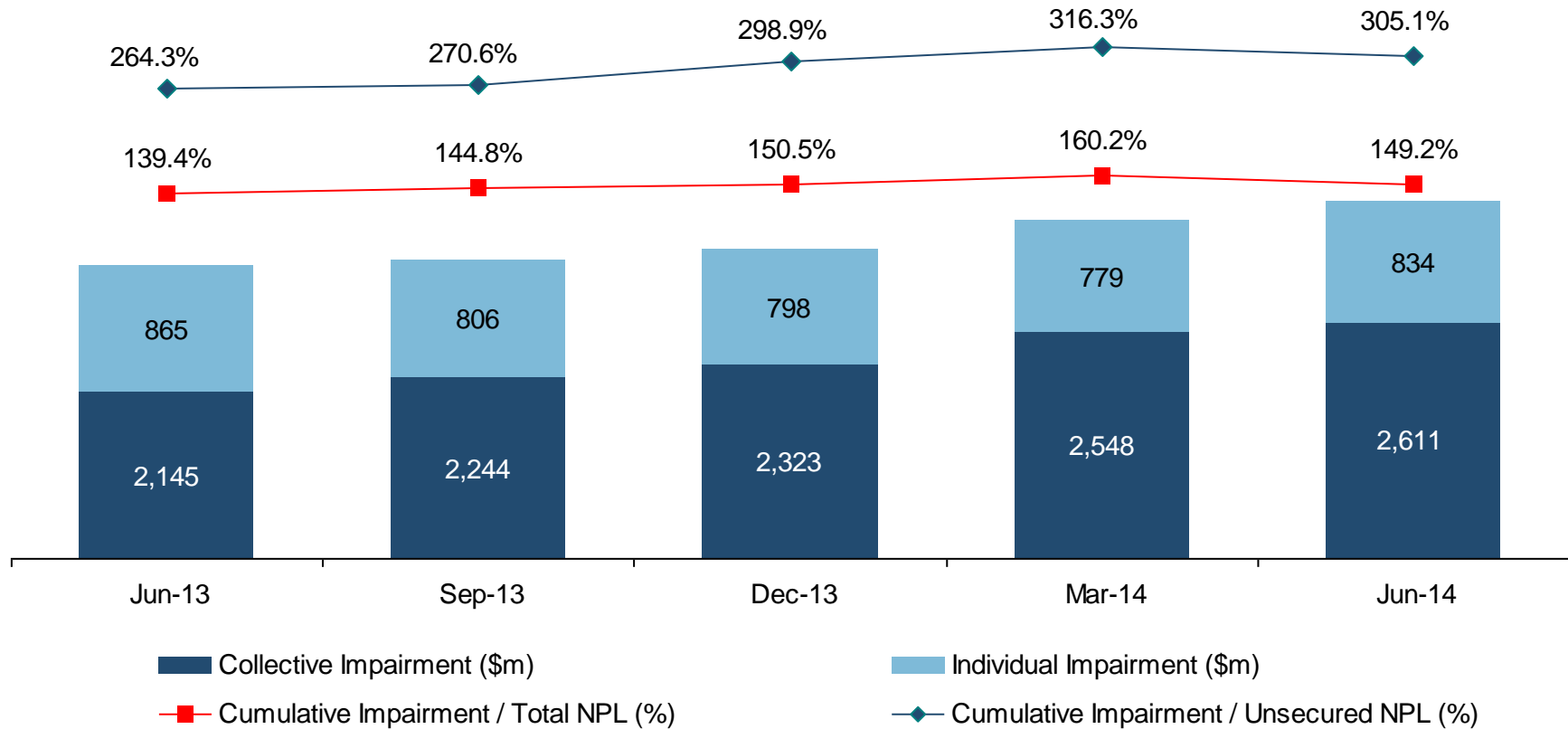
# Robust Credit Quality; NPL Ratio Stable at 1.2%

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



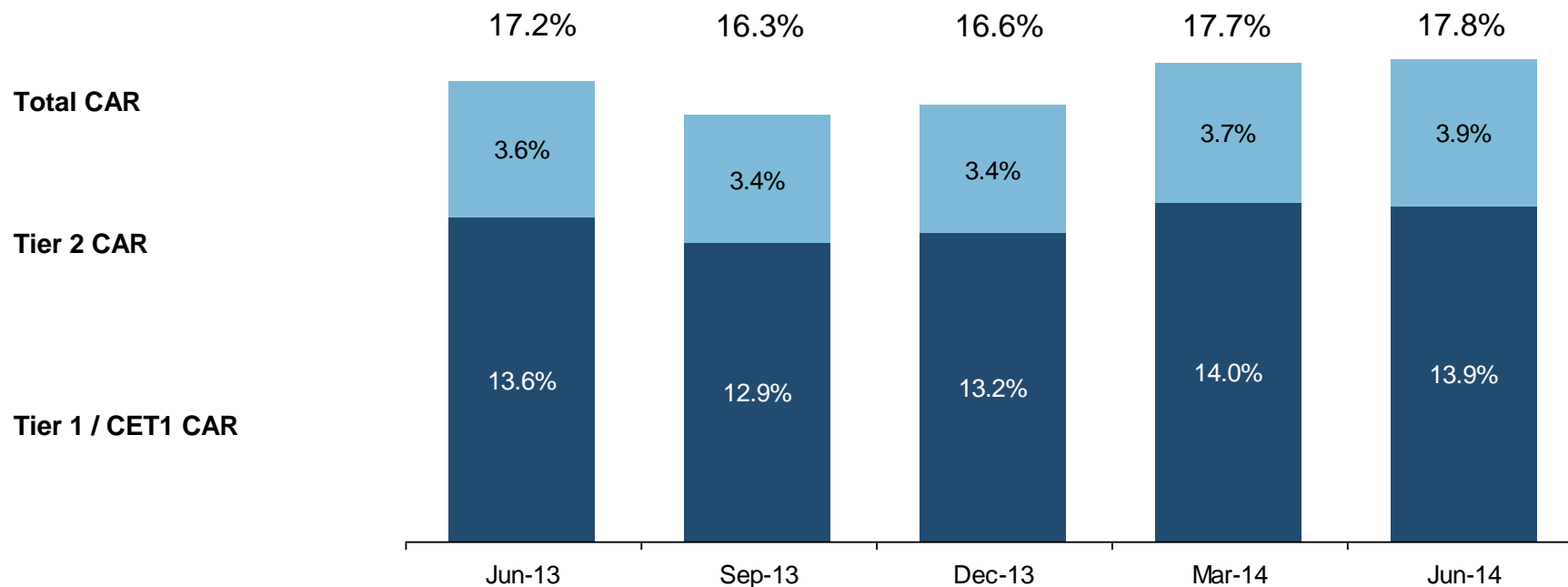
# Strong Impairment Coverage

## Consistently High Impairment Coverage



# Capital Ratios Remained Strong

## Basel III

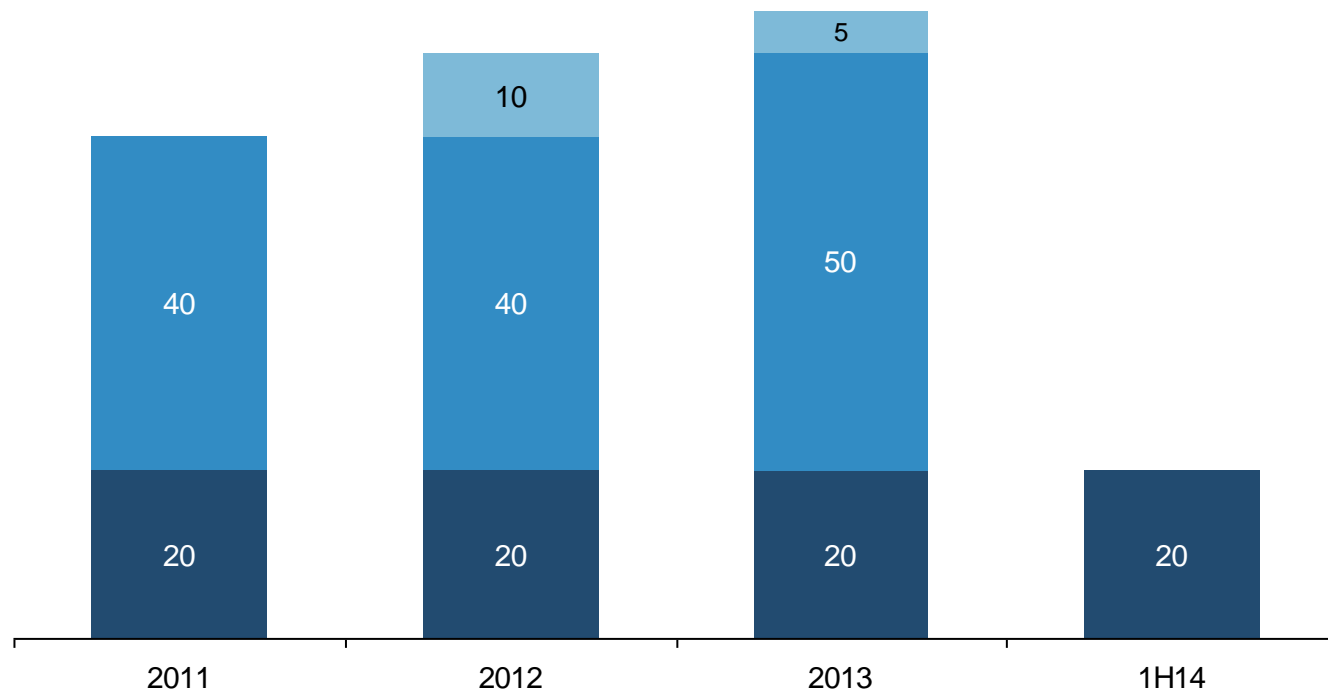


## SGD b

Common Equity Tier 1 Capital	21	21	22	23	23
Tier 1 Capital	21	21	22	23	23
Total Capital	26	26	27	29	30
RWA	152	159	165	161	168



# Stable Dividend Payout



Net dividend per ordinary share (¢)

■ Interim

■ Final

■ Special

Payout amount (SGD m)	944	1,102	1,182	320
Payout ratio (%)	41	39	39	20