



UOB Group First Half 2014

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

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Achieving Record Earnings in 1H 2014

- **Profit: New high of S\$1.6bn, backed by 2 quarters of record earnings. Driven by healthy loan growth and non-interest income**
- **Net interest income at new high**
 - **Loans: Broad-based 6.1% YTD growth across industries and countries**
 - **NIM: Stable over past few quarters**
- **Non-interest income: Lower fees offset by improved trading and investment income. Continue to build fee capabilities**
- **Costs: Well-controlled while continuing to invest in building long-term capabilities**
- **Prudent balance sheet management: Resilient asset quality, strong capital and liquidity position**
- **Dividend: Interim dividend of 20 cents per share**

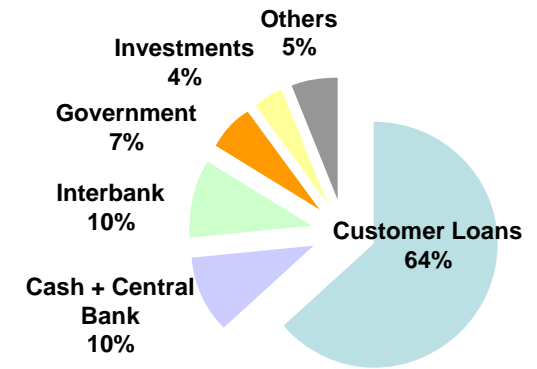
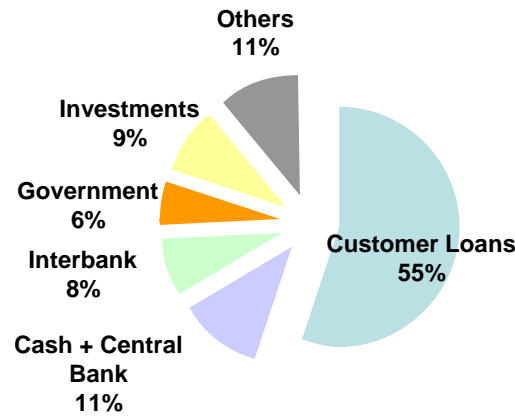
Focusing on Preserving Balance Sheet Strength

- Building customer franchise
 - Focusing on target segments within key markets

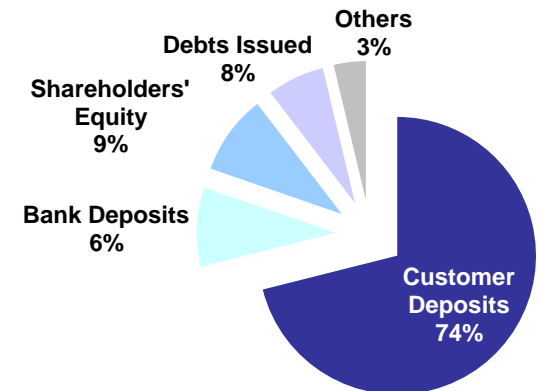
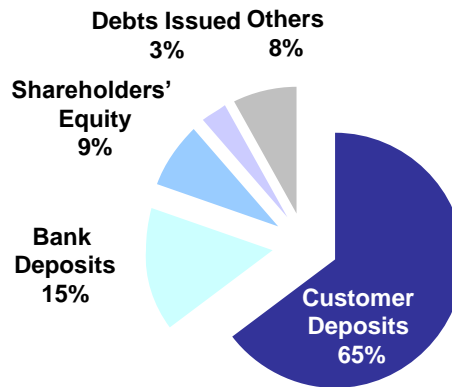
- Focus on stable funding base and optimising funding sources in 1H 2014
 - Increased commercial paper programme size
 - Issuances: Commercial papers (S\$12.1bn) and senior debt (>S\$3bn) as at June 14
 - Tapped overseas branches for corporate deposits

- Proactive in capital management
 - Two issuances of Basel III Tier 2 securities (US\$800mn and S\$500mn)

Strengthening our Balance Sheet



2008 **ASSETS** **1H 2014**

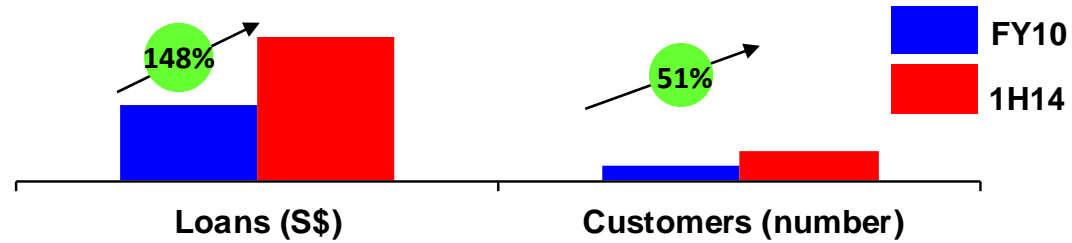


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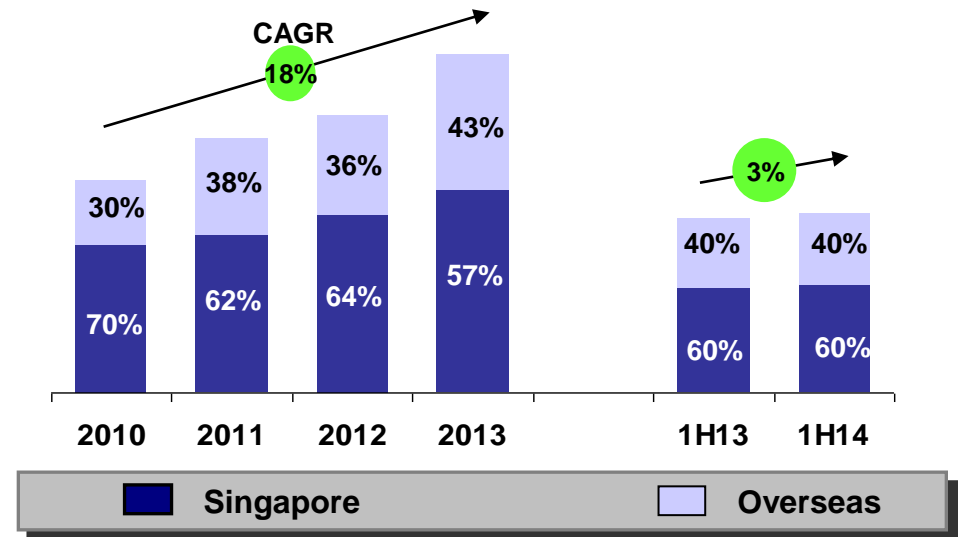
Capitalising on Rising Intra-regional Flows

- 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

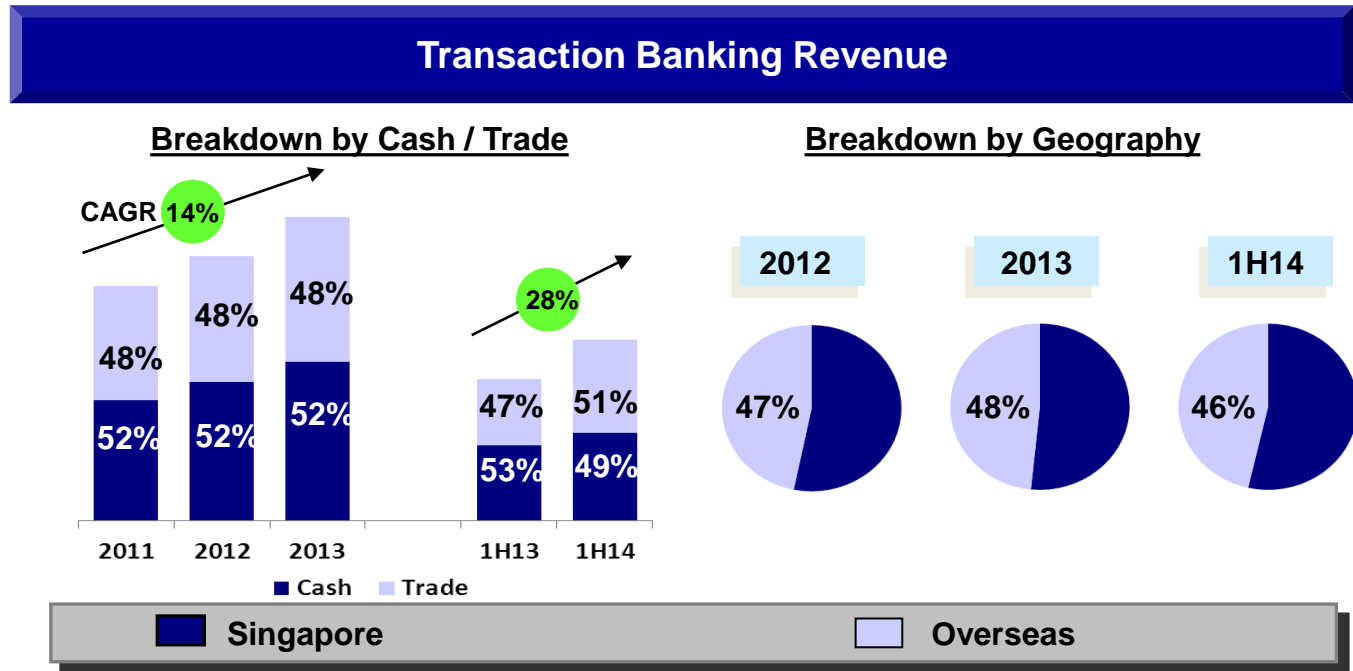
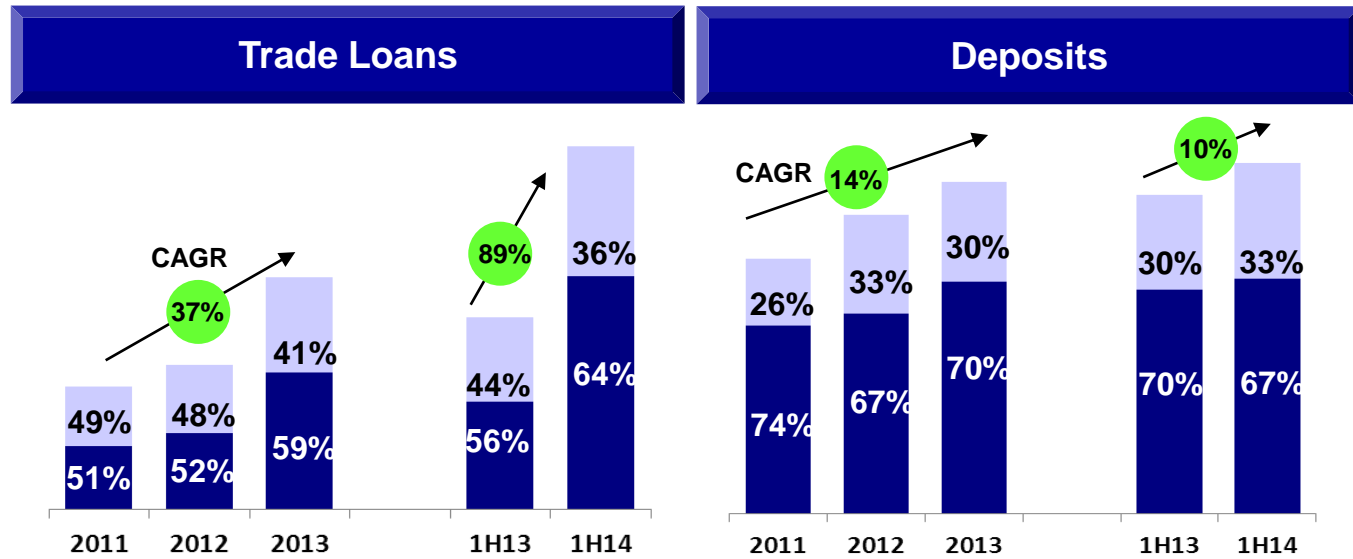


Growing Overseas Wholesale Profit Contribution



Making Good Progress in Transaction Banking

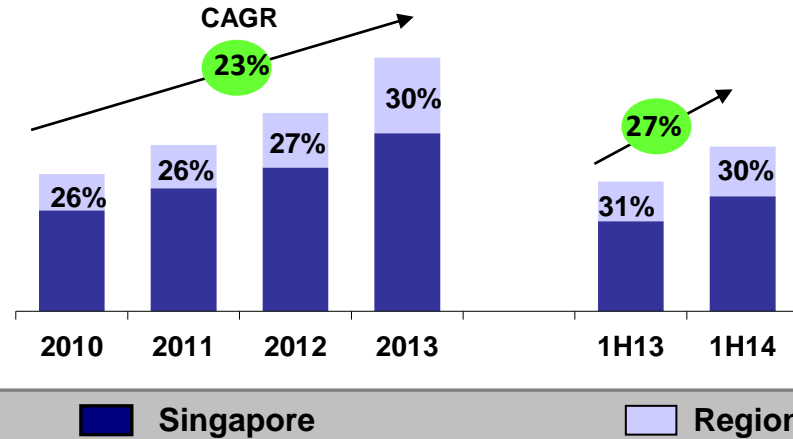
- Offer end-to-end solutions ranging from cash, trade and supply chain financing across our network
- Strong increase in trade loans, spurred by intra-regional trades
- Growing corporate deposits by leveraging strong credit ratings and product bundling/solutions
- Industry recognition with 29 awards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



Capturing Rising Asian Consumer Affluence

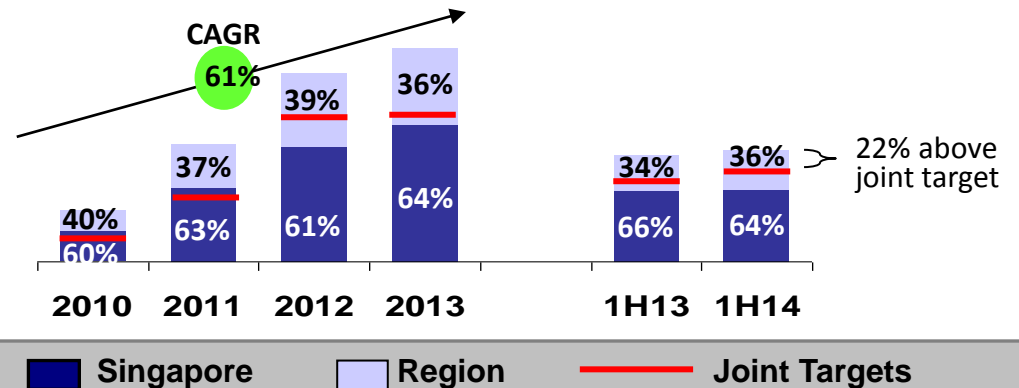
- From FY2010 to June 2014,
 - Grew wealth management AUM from \$48bn to \$76bn
 - Expanded customer base from 100,000 to 183,000
 - Increased regional wealth management footprint from 29 to 50 wealth management centres

Growing Regional Wealth Management Profit Contribution



- Bancassurance consistently performing well ahead of joint targets

Strong Growth for Annual Premium Equivalent (APE)



Looking Ahead

- **Operating environment likely to be more moderate, with slower but more sustainable growth**
 - **Works well for commercial banks that focus on building long-term customer franchise**

- **Remain committed to our key regional markets and delivering on our long-term strategy**

- **Well-positioned to navigate evolving banking landscape with our strong balance sheet, disciplined risk management and focus on fundamentals**