UOB Group
First Half 2013

Strong Fundamentals with Record Earnings, Managing Risks for Sustainable Growth

Wee Ee Cheong
Deputy Chairman & Chief Executive Officer

1 August 2013
Record Earnings in 1H 2013

- Profit: Achieved 2 consecutive quarters of record profit, bringing 1H 2013 earnings to a new high, backed by strength in core businesses.
- Net interest income > S$1 billion in 2Q 2013, a new milestone
  - Loans: 11.1% growth year-to-date, pipeline remains healthy
  - NIM: Stabilised in 2Q 2013. Function of market conditions and portfolio mix
- Fees: Maintained growth momentum, hit new high in 1H 2013
- Costs: Well controlled. Continue to invest in building long-term capabilities
- Prudent balance sheet management: Improved asset quality, robust capital and liquidity position
- Dividend: Declared interim dividend of 20 cents
Staying Focused on Fundamentals amidst Uncertainty

- **Stable funding base**
  - Increased customer deposits proportion of funding mix
  - All regional subsidiaries are fully self funded in local currencies
  - Reduced interbank funding and diversified funding base with debt instruments

- **Building customer franchise**
  - Increased customer loans proportion of asset mix
  - Key Asian markets now account for c.95% of total loans
  - Reduced size and shortened average duration of investment securities portfolio
Capitalising on Rising Intra-regional Flows

- Facilitating cross-border business flows via dedicated business units

- Launched FDI units in Malaysia, Thailand and China in 1H 2013

- Well positioned to capitalise on Singapore’s role as an offshore RMB centre:
  - Extensive, fully owned regional network
  - Deep customer base
  - Expanding product capabilities

- On track to achieve overseas wholesale profit contribution target by 2015
Capturing Rising Asian Consumer Affluence

- Steady inflows in AUM and customers
- From FY 2010 to date,
  - Grew AUM from $48bn to $71bn
  - Expanded customer base from 100,000 to 165,000
  - Increased regional wealth management footprint from 29 to 48 wealth management centres
- On track to achieve wealth management growth targets by 2015

Wealth Management Growth Progress

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<th>FY10</th>
<th>1H13</th>
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<td>$48bn</td>
<td>$71bn</td>
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Growing Regional Wealth Management Profit Contribution

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<th>2010</th>
<th>1H 2013</th>
<th>2015 Target</th>
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<tr>
<td>20%</td>
<td>31%</td>
<td>50%</td>
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Singapore | Overseas
Looking Ahead

- Volatility to persist as the world adjusts to QE tapering. Reflects improving outlook of the US economy, which is a positive development for this part of the world.

- Fundamentals in ASEAN remain sound, backed by rising intra-regional business flows and consumer affluence.

- Singapore banking system remains resilient.

- Well placed to seize opportunities with strong balance sheet, integrated regional network and disciplined approach to growth.