UOB Group
First Half 2014

Strong Fundamentals with Record Earnings, 
Managing Risks for Stable Growth

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31 July 2014

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Singapore Company Reg No. 193500026Z
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)
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
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

- Bancassurance consistently performing well ahead of joint targets

**Growing Regional Wealth Management Profit Contribution**

**Strong Growth for Annual Premium Equivalent (APE)**

- CAGR: 23% for 2010-2014
- CAGR: 66% for 2010-2014
- 22% above joint target
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