

A blue line drawing of several skyscrapers of varying heights and widths, arranged in a cluster. The drawing is minimalist, using only outlines to define the buildings' forms.

# UOB Group Full Year 2014

## Financial Highlights

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**Group Chief Financial Officer**

**13 February 2015**

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Singapore Company Reg No. 193500026Z

## New High FY14 NPAT of \$3.25 billion, up 8% YoY

	2014	2013	+ / (-)
	\$m	\$m	%
Net interest income	4,558	4,120	10.6 ▲
Fee and commission income	1,749	1,731	1.1 ▲
Other non-interest income	1,151	870	32.3 ▲
<b>Total income</b>	<b>7,457</b>	<b>6,720</b>	<b>11.0 ▲</b>
Less: Total expenses	3,146	2,898	8.6 ▲
<b>Operating profit</b>	<b>4,311</b>	<b>3,822</b>	<b>12.8 ▲</b>
Less: Individual impairment	301	157	91.9 ▲
Collective impairment	334	272	22.8 ▲
Add: Associates & joint ventures	149	191	(21.9) ▼
<b>Net profit before tax</b>	<b>3,825</b>	<b>3,584</b>	<b>6.7 ▲</b>
Less: Tax & non-controlling interests	576	576	(0.1) ▼
<b>Net profit after tax</b>	<b>3,249</b>	<b>3,008</b>	<b>8.0 ▲</b>

 favourable variance to earnings    
  unfavourable variance to earnings

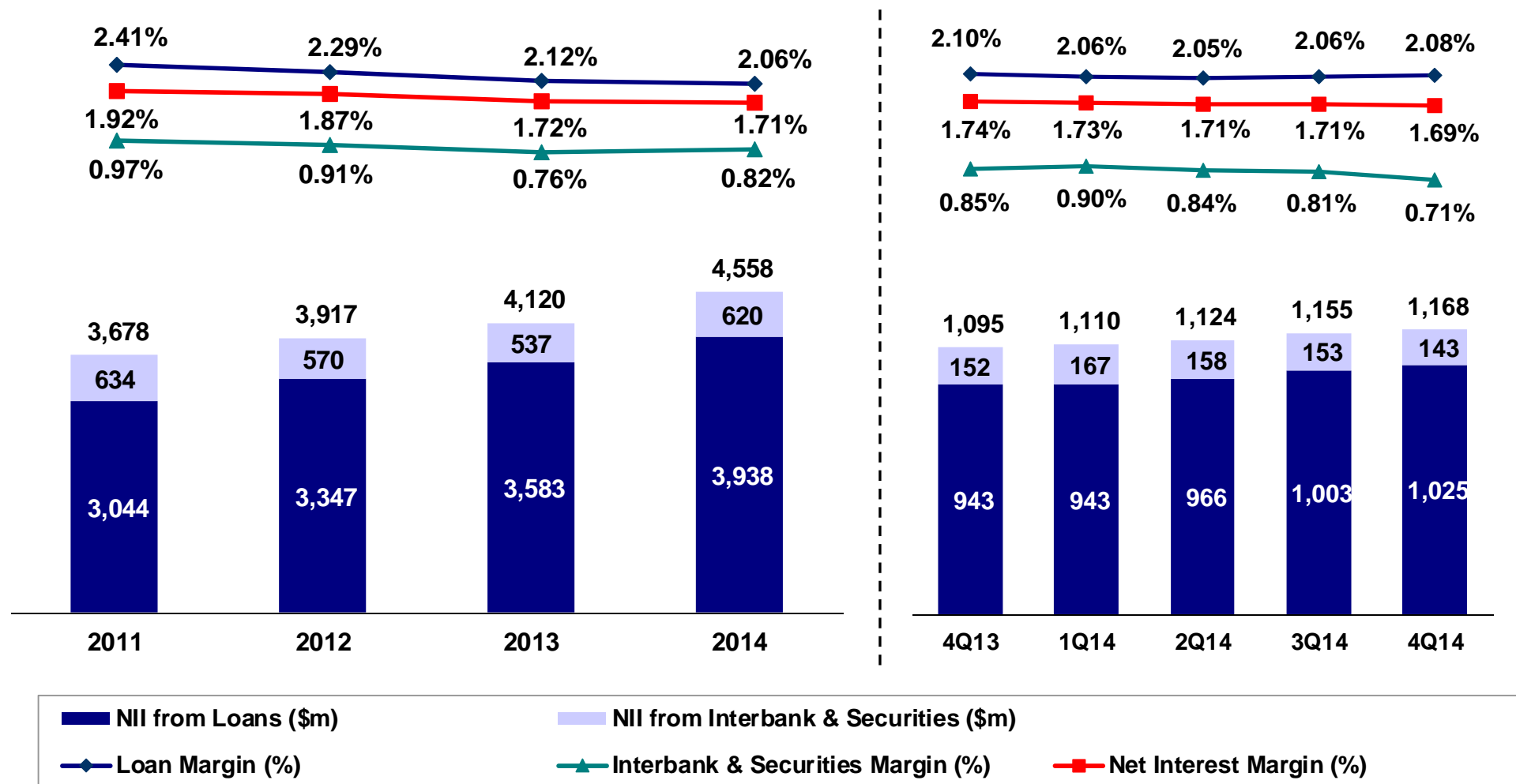
# 4Q14 NPAT of \$786 million, up 2% YoY but down 9% QoQ

	4Q14	4Q13	+/(-) %	3Q14	+/(-) %
	\$m	\$m		\$m	
Net interest income	1,168	1,095	6.7 ▲	1,155	1.1 ▲
Fee and commission income	450	435	3.5 ▲	475	(5.3) ▼
Other non-interest income	232	212	9.2 ▲	341	(32.0) ▼
<b>Total income</b>	<b>1,850</b>	<b>1,742</b>	<b>6.2 ▲</b>	<b>1,971</b>	<b>(6.1) ▼</b>
Less: Total expenses	805	762	5.6 ▲	800	0.7 ▲
<b>Operating profit</b>	<b>1,045</b>	<b>980</b>	<b>6.7 ▲</b>	<b>1,171</b>	<b>(10.8) ▼</b>
Less: Individual impairment	87	88	(1.6) ▼	91	(3.9) ▼
Collective impairment	79	50	57.8 ▲	72	10.3 ▲
Add: Associates & joint ventures	43	14	>100.0 ▲	37	16.5 ▲
<b>Net profit before tax</b>	<b>922</b>	<b>855</b>	<b>7.8 ▲</b>	<b>1,046</b>	<b>(11.9) ▼</b>
Less: Tax & non-controlling interests	136	82	65.7 ▲	180	(24.4) ▼
<b>Net profit after tax</b>	<b>786</b>	<b>773</b>	<b>1.7 ▲</b>	<b>866</b>	<b>(9.3) ▼</b>

▲ favourable variance to earnings      ▼ unfavourable variance to earnings

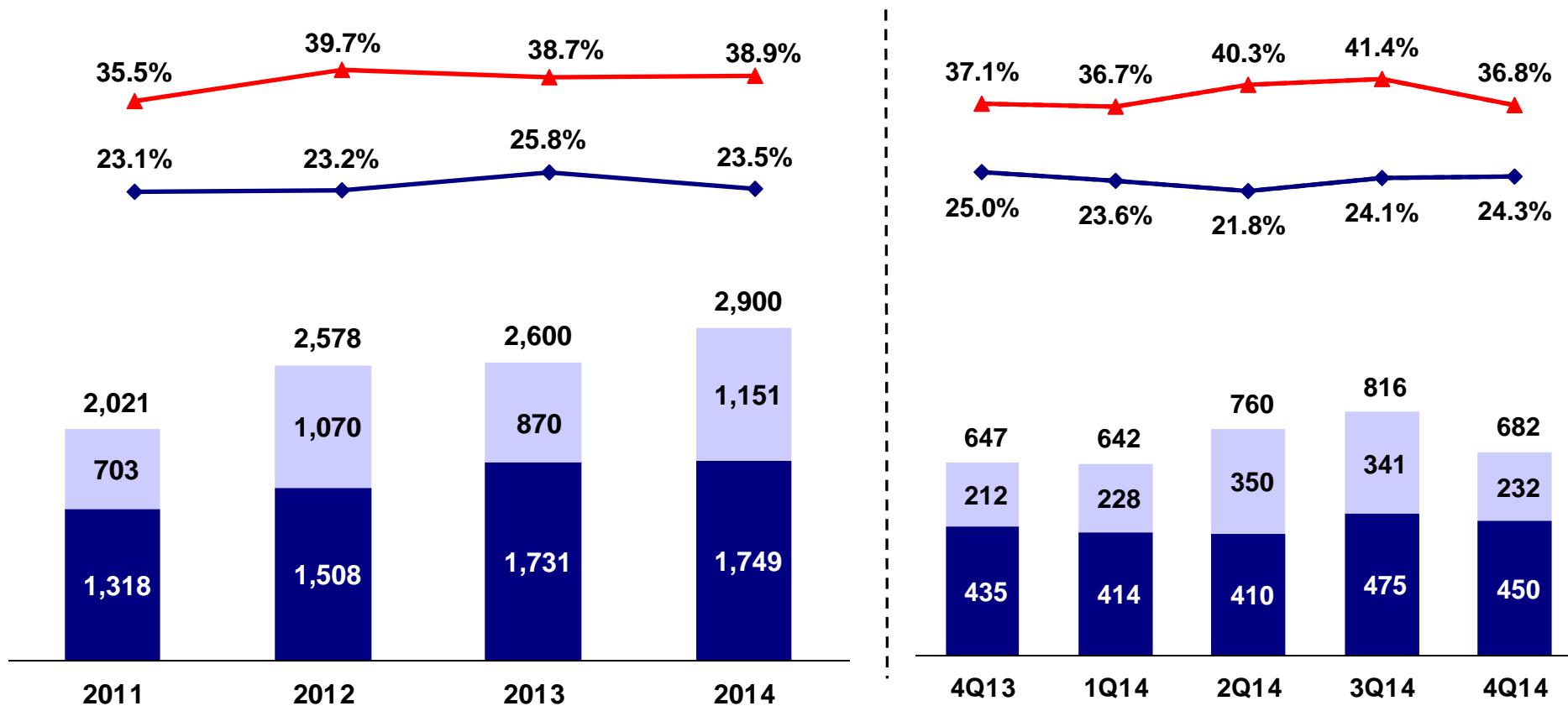
# NII Rose 11% YoY on Strong Loan Growth

## Net Interest Income (NII) and Margin



# Strong Fee Income and Improved Trading and Investment Income YoY Led By Favourable Market Sentiment

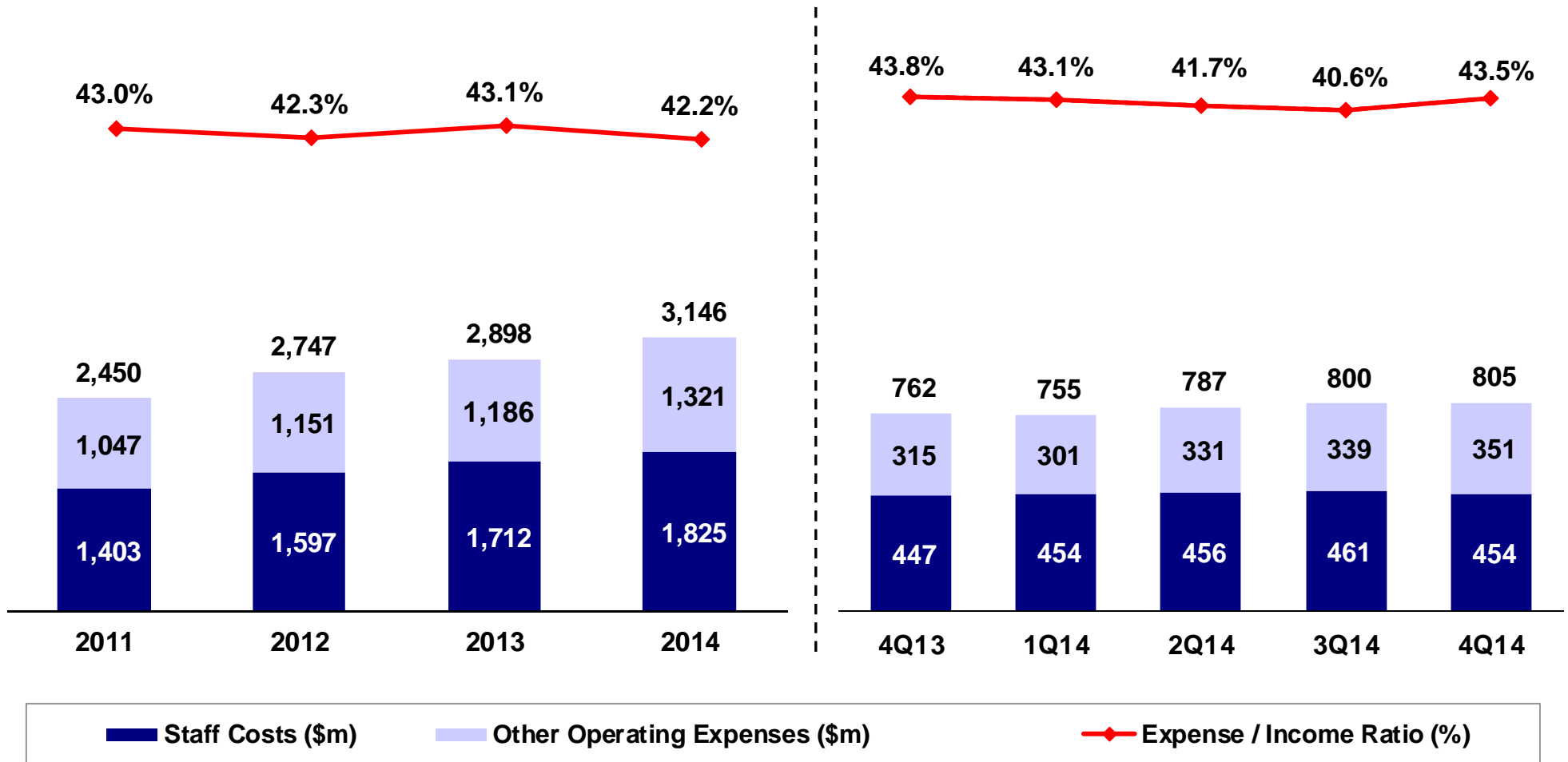
## Non-Interest Income (Non-NII) and Non-NII Ratio



■ Fee Income (\$m)   
 ■ Other Non-Interest Income (\$m)   
 ◆ Fee Income / Total Income (%)   
 ▲ Non-NII / Total Income (%)

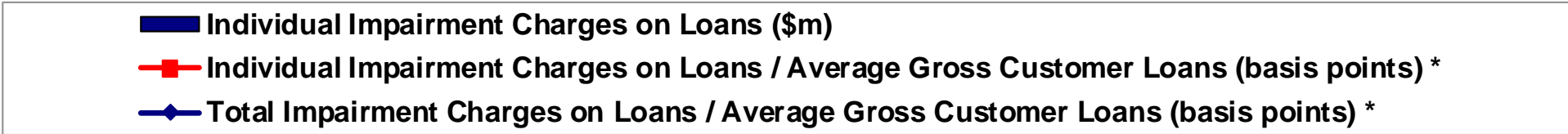
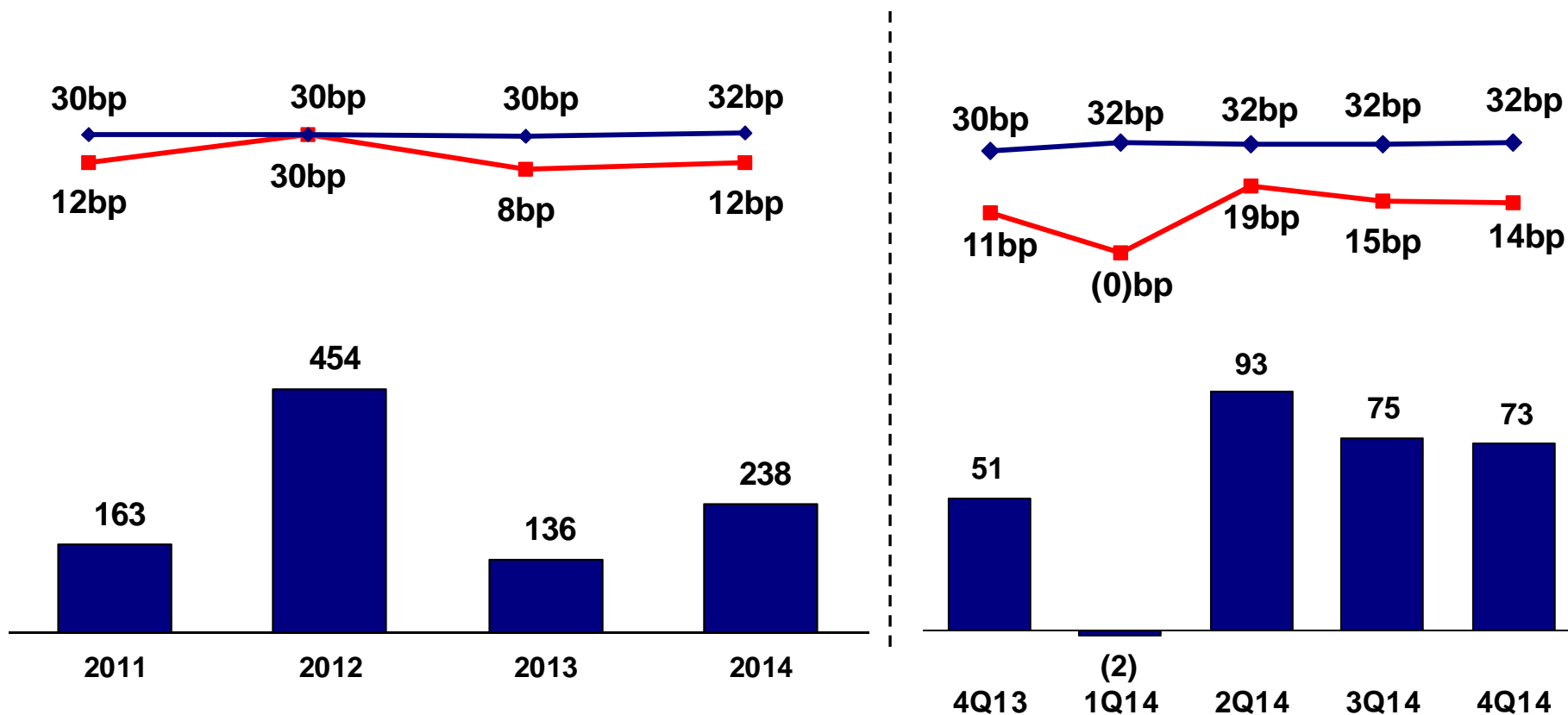
# CIR was lower at 42.2%

## Operating Expenses and Expense / Income Ratio



# Total Credit Costs Paced to Loan Growth

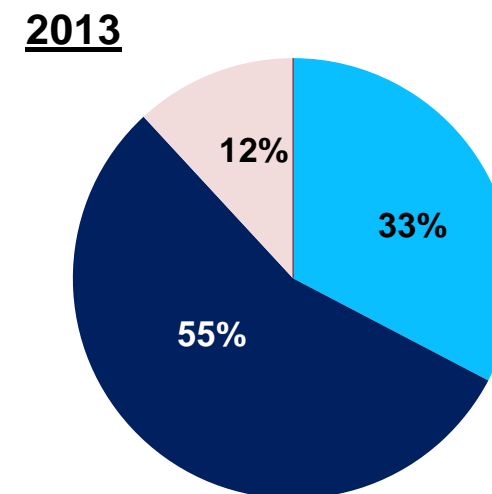
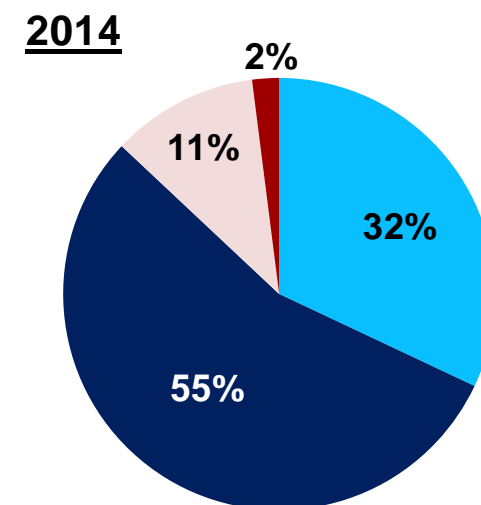
## Impairment Charges on Loans



\* On annualised basis

# Performance by Business Segment

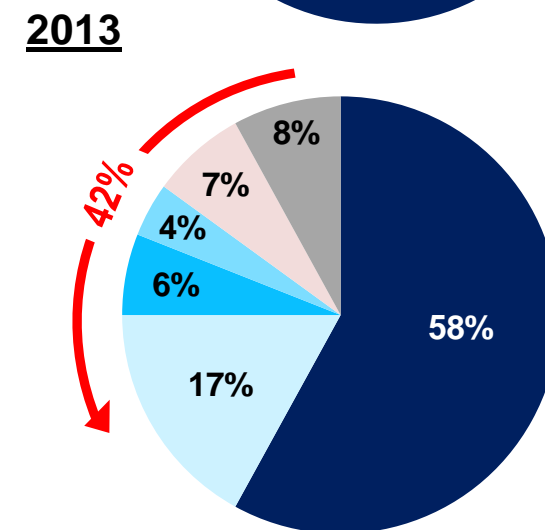
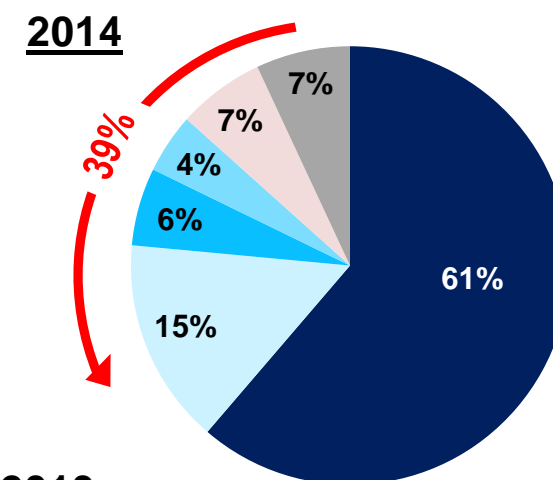
Segment Operating Profit	2014	2013	+ / (-)
	\$m	\$m	%
Group Retail (GR)	1,386	1,257	10.3
Group Wholesale Banking (GWB)	2,349	2,131	10.2
Global Markets & Investment Mgt (GMIM)	474	464	2.2
Others	102	(30)	>100.0
<b>Total</b>	<b>4,311</b>	<b>3,822</b>	<b>12.8</b>





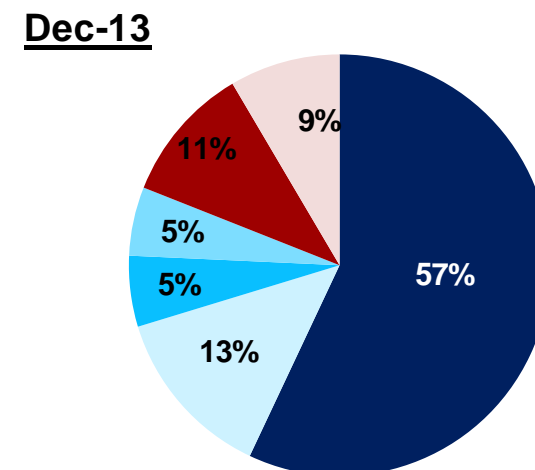
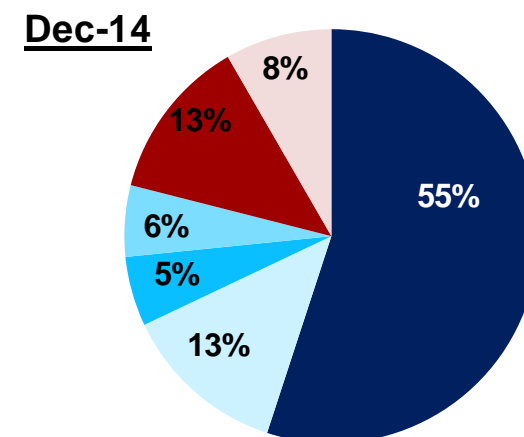
# Regional Operating Profit Contribution Rose 7% YoY (FX translation excluded)

Operating Profit	2014	2013	At constant FX rate	
	\$m	\$m	+/(-) %	+/(-) %
Singapore	2,642	2,213	19.4	19.4
Regional:	1,370	1,310	4.6	7.3
Malaysia	655	634	3.3	5.4
Thailand	248	222	11.7	16.0
Indonesia	147	171	(14.3)	(4.9)
Greater China	320	283	13.1	11.7
Others	300	299	0.1	1.5
<b>Total</b>	<b>4,311</b>	<b>3,822</b>	<b>12.8</b>	<b>13.9</b>



# Loans Increased to \$199b, up 10% YoY and 2% QoQ Across Geographies

	Dec-14 \$b	Dec-13 \$b	+/(-) %	Sep-14 \$b	+/(-) %
<b>Gross Loans ^</b>					
Singapore	109.7	103.7	5.8	109.1	0.5
Regional:	73.0	62.8	16.2	71.4	2.3
Malaysia	25.8	24.2	6.5	26.1	(1.2)
Thailand	10.8	9.9	9.6	10.5	3.6
Indonesia	11.1	9.6	15.5	10.7	4.0
Greater China	25.3	19.1	32.3	24.2	4.7
Others	16.6	15.4	7.8	15.4	8.0
<b>Total</b>	<b>199.3</b>	<b>182.0</b>	<b>9.5</b>	<b>195.9</b>	<b>1.7</b>

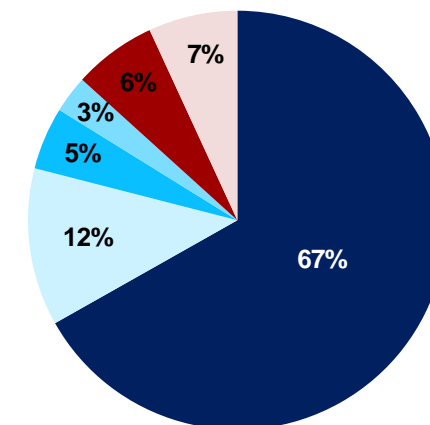


^ With effect from December 2014, loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals). Prior period comparatives have been restated to conform with the current presentation. 10

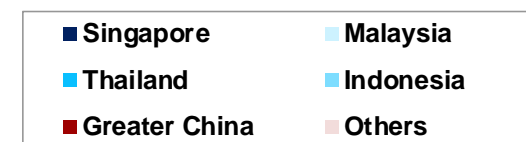
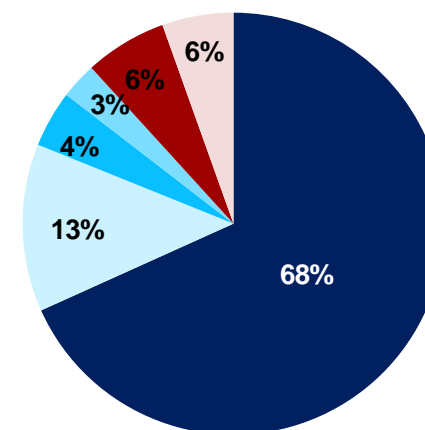
# Healthy Deposit Growth of 9% YoY and 4% QoQ

Customer Deposits	Dec-14 \$b	Dec-13 \$b	+/(-) %	Sep-14 \$b	+/(-) %
<b>Singapore</b>	<b>156.2</b>	146.5	6.6	149.7	4.3
Regional:	<b>61.5</b>	56.3	9.1	59.3	3.6
Malaysia	<b>28.5</b>	27.5	3.3	28.4	0.1
Thailand	<b>11.3</b>	9.3	20.9	10.5	8.0
Indonesia	<b>6.7</b>	6.0	12.9	6.2	8.5
Greater China	<b>15.0</b>	13.5	11.2	14.2	5.5
Others	<b>16.1</b>	11.7	36.9	15.3	4.8
<b>Total</b>	<b>233.8</b>	214.5	9.0	224.4	4.2

**Dec-14**

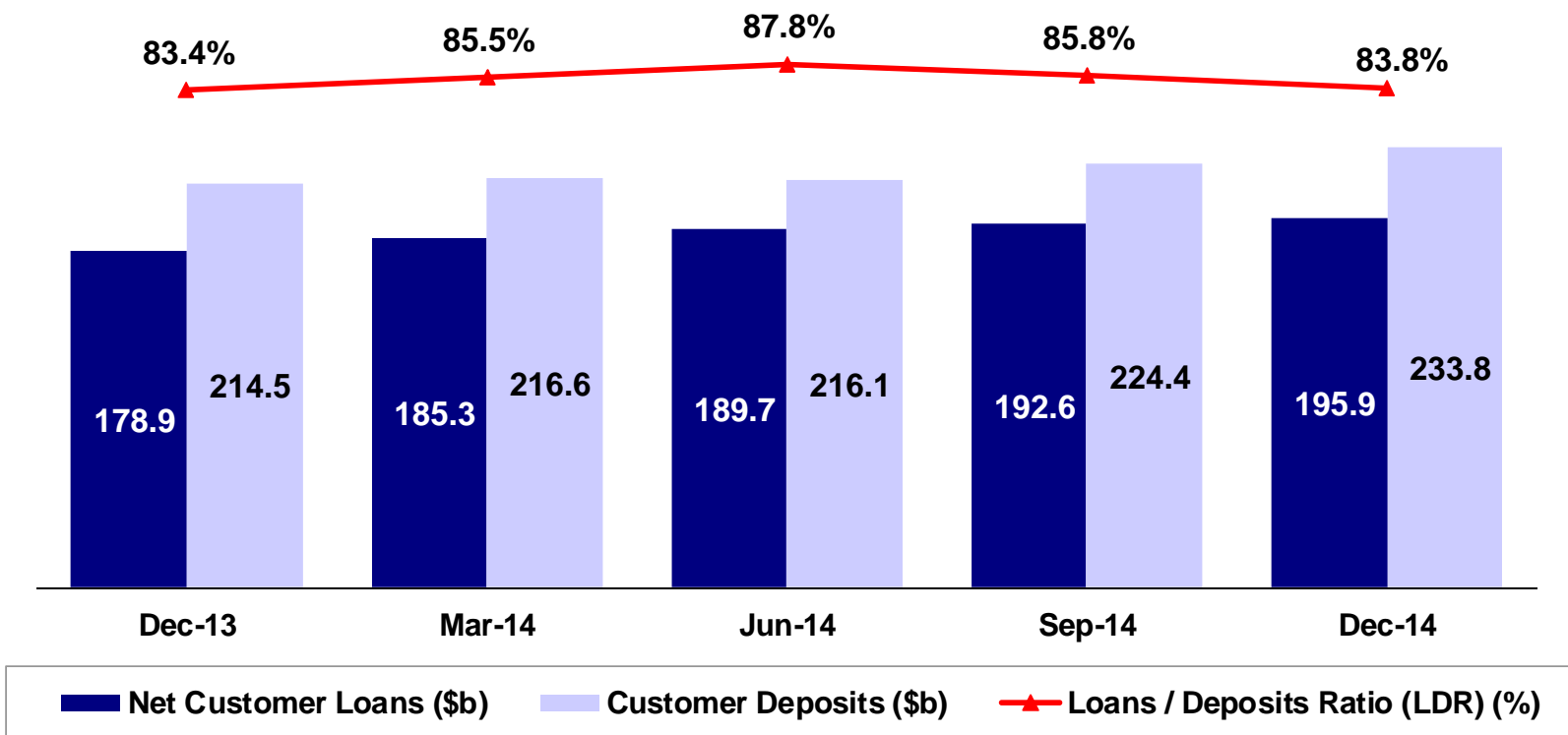


**Dec-13**



# Stable Liquidity Position

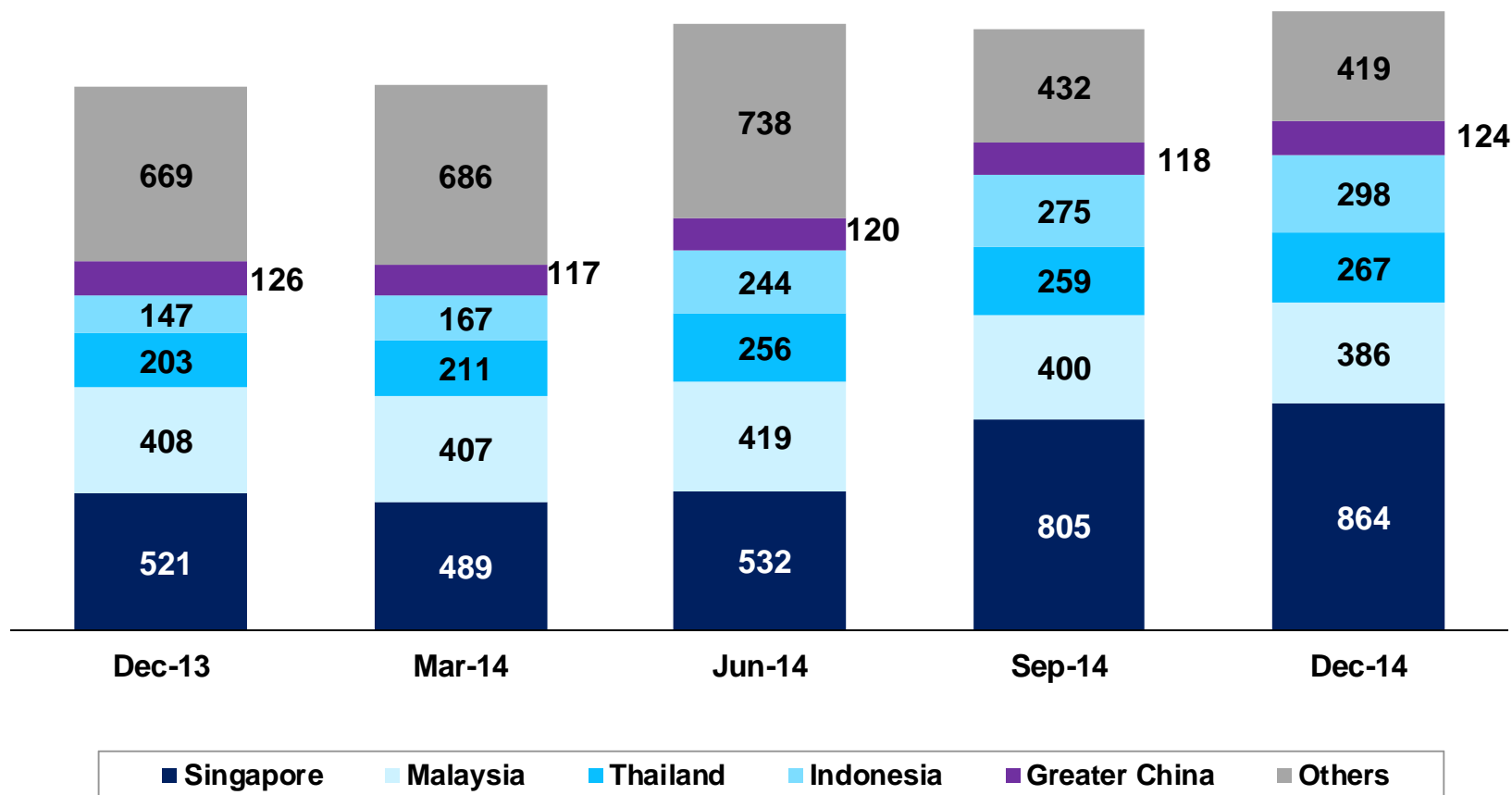
## Customer Loans, Deposits and LDR



SGD LDR (%)	93.6	93.7	98.2	94.1	93.0
USD LDR (%)	65.2	70.2	70.5	70.6	67.7

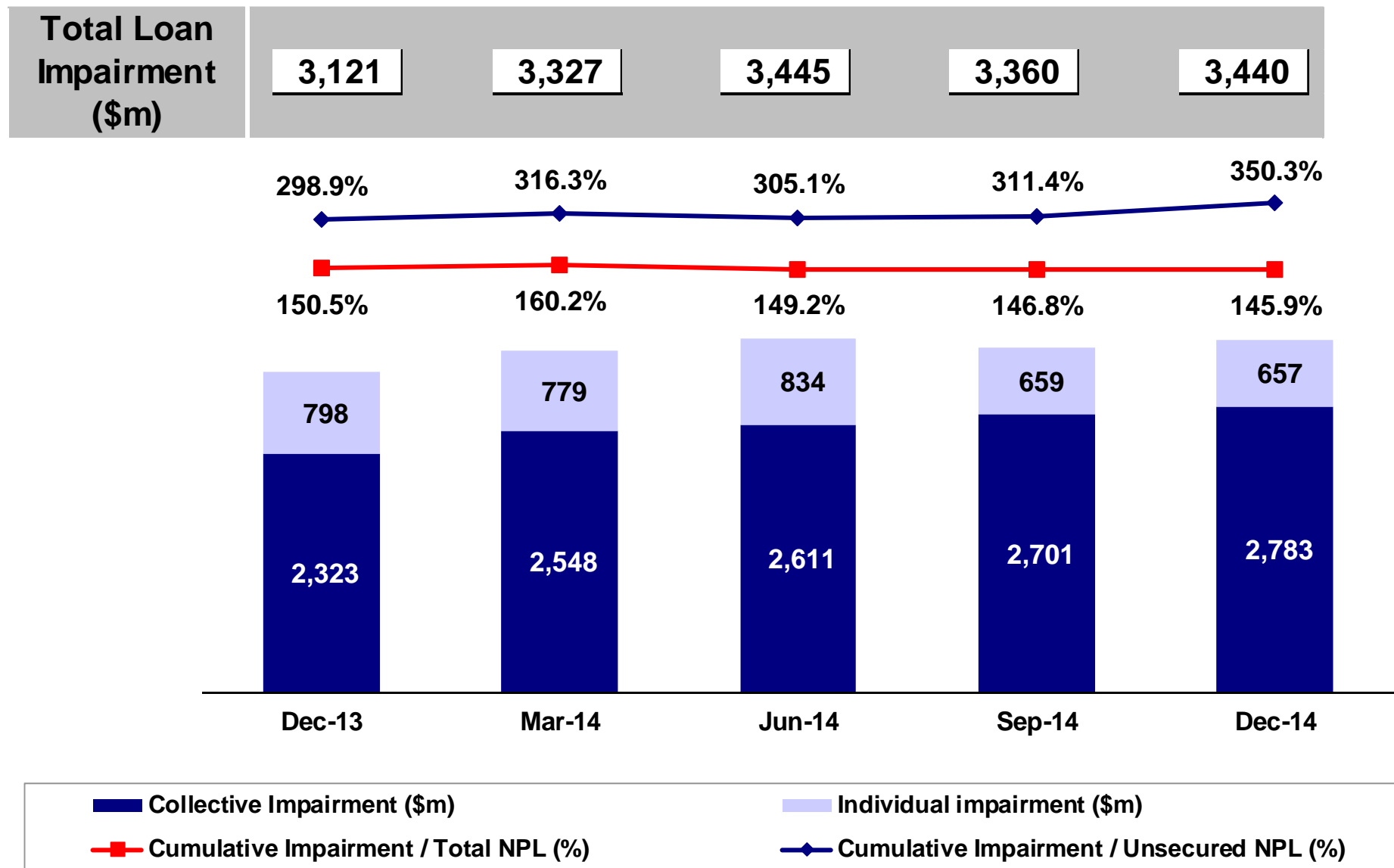
# Credit Quality Remained Intact

NPL (\$m)	2,074	2,077	2,309	2,289	2,358
NPL Ratio	1.1%	1.1%	1.2%	1.2%	1.2%



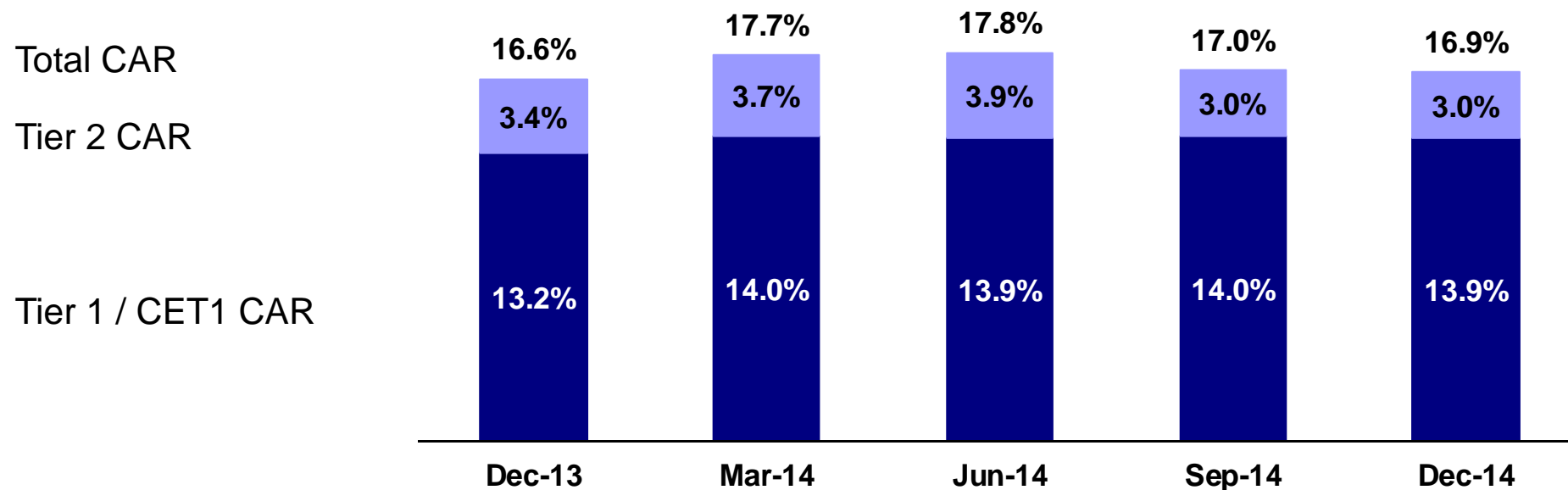
Note: With effect from December 2014, NPL by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation /operation (for non-individuals) and residence (for individuals). Prior period comparatives have been restated to conform with the current presentation.

# Strong Impairment Coverage



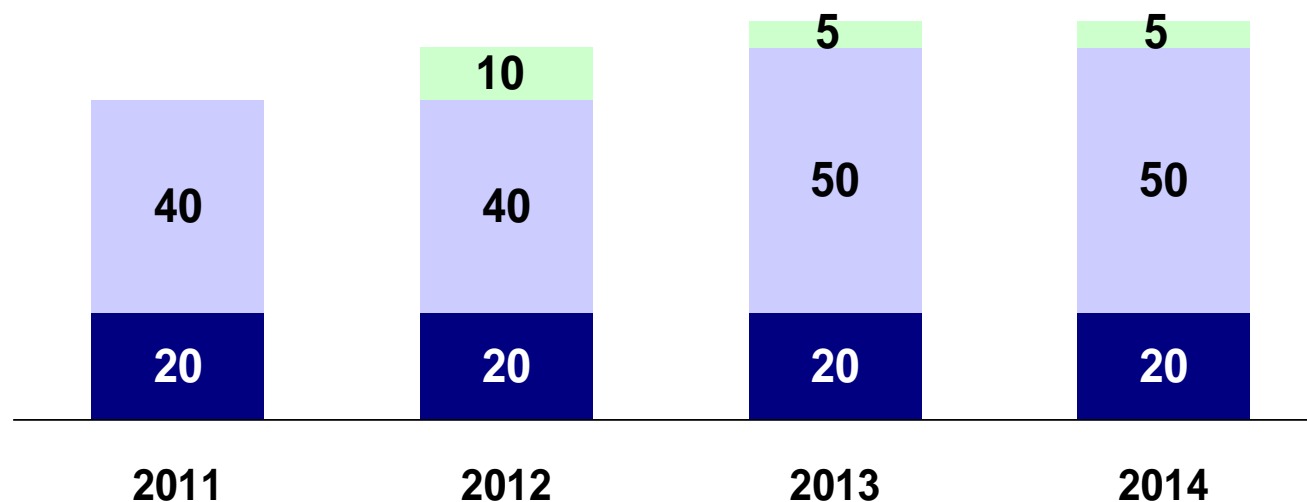
# Capital Ratios Remained Strong

## Capital Adequacy Ratios (CAR)



CET1 Capital (\$b)	22	23	23	24	25
Tier 1 Capital (\$b)	22	23	23	24	25
Total Capital (\$b)	27	29	30	29	30
RWA (\$b)	165	161	168	171	179

# Final Dividend of 50 cents and Special Dividend of 5 cents



Net dividend per ordinary share (¢)			
	Interim		Final
	Special		

Payout amount (\$m)	944	1,102	1,182	1,202
Payout ratio (%)	41	39	39	37



# Singapore – Summarised Income Statement

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	2,440	2,176	12.1	605	618	(2.1)
Fee and commission income	1,026	1,053	(2.5)	257	280	(8.4)
Other non-interest income	847	546	55.0	161	258	(37.7)
<b>Total income</b>	<b>4,313</b>	<b>3,775</b>	<b>14.3</b>	<b>1,022</b>	<b>1,156</b>	<b>(11.6)</b>
Less: Total expenses	1,671	1,562	7.0	410	430	(4.8)
<b>Operating profit</b>	<b>2,642</b>	<b>2,213</b>	<b>19.4</b>	<b>613</b>	<b>726</b>	<b>(15.6)</b>
Less: Total impairment charges	364	188	93.0	92	79	16.4
Add: Associates & joint ventures	67	157	(57.0)	14	16	(9.8)
<b>Profit before tax</b>	<b>2,345</b>	<b>2,181</b>	<b>7.5</b>	<b>535</b>	<b>663</b>	<b>(19.3)</b>

## Singapore – Key Financial Indicators

	2014	2013	+/(-)	4Q14	3Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.32	1.32	-	1.27	1.32	(0.05)
Non-NII / Total income	43.4	42.4	1.0	40.8	46.6	(5.8)
Expense / Total income	38.7	41.4	(2.7)	40.1	37.2	2.9
Customer loans (net) - \$b	126.0	117.1	7.6%	126.0	124.4	1.3%
Customer deposits - \$b	156.2	146.5	6.6%	156.2	149.7	4.3%
Loans / Deposits	80.6	80.0	0.6	80.6	83.1	(2.5)

# Malaysia – Summarised Income Statement

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	1,892	1,616	17.1	510	494	3.2
Fee and commission income	576	555	3.8	152	138	10.1
Other non-interest income	235	279	(15.8)	55	69	(20.3)
<b>Total income</b>	<b>2,703</b>	<b>2,450</b>	<b>10.3</b>	<b>717</b>	<b>701</b>	<b>2.3</b>
Less: Total expenses	1,013	847	19.6	274	250	9.6
<b>Operating profit</b>	<b>1,690</b>	<b>1,603</b>	<b>5.4</b>	<b>443</b>	<b>451</b>	<b>(1.8)</b>
Less: Total impairment charges	279	285	(2.1)	123	51	>100.0
Add: Associates & joint ventures	119	85	40.0	1	41	(97.6)
<b>Profit before tax</b>	<b>1,530</b>	<b>1,403</b>	<b>9.1</b>	<b>321</b>	<b>441</b>	<b>(27.2)</b>
<b>Profit before tax (S\$m)</b>	<b>593</b>	<b>555</b>	<b>6.9</b>	<b>124</b>	<b>173</b>	<b>(28.5)</b>

## Malaysia – Key Financial Indicators

	2014	2013	+/(-)	4Q14	3Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.21	2.09	0.12	2.26	2.32	(0.06)
Non-NII / Total income	30.0	34.0	(4.0)	28.9	29.5	(0.6)
Expense / Total income	37.5	34.6	2.9	38.2	35.7	2.5
Customer loans (net) - RM'b	70.5	64.1	9.9%	70.5	69.5	1.5%
Customer deposits - RM'b	75.2	71.5	5.3%	75.2	73.1	3.0%
Loans / Deposits	93.7	89.8	3.9	93.7	95.1	(1.4)

## Thailand – Summarised Income Statement

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	12,366	11,316	9.3	3,284	3,115	5.4
Fee and commission income	5,215	4,124	26.5	1,394	1,483	(6.0)
Other non-interest income	106	122	(13.1)	16	99	(83.8)
<b>Total income</b>	<b>17,687</b>	<b>15,562</b>	<b>13.7</b>	<b>4,694</b>	<b>4,697</b>	<b>(0.1)</b>
Less: Total expenses	11,347	10,097	12.4	2,989	2,938	1.7
<b>Operating profit</b>	<b>6,340</b>	<b>5,465</b>	<b>16.0</b>	<b>1,705</b>	<b>1,759</b>	<b>(3.1)</b>
Less: Total impairment charges	2,274	1,890	20.3	716	569	25.8
<b>Profit before tax</b>	<b>4,066</b>	<b>3,575</b>	<b>13.7</b>	<b>989</b>	<b>1,190</b>	<b>(16.9)</b>
<b>Profit before tax (S\$m)</b>	<b>159</b>	<b>146</b>	<b>9.0</b>	<b>39</b>	<b>47</b>	<b>(15.5)</b>

# Thailand – Key Financial Indicators

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	3.45	3.42	0.03	3.63	3.48	0.15
Non-NII / Total income	30.1	27.3	2.8	30.0	33.7	(3.7)
Expense / Total income	64.2	64.9	(0.7)	63.7	62.6	1.1
Customer loans (net) - THB'b	258.8	247.8	4.4%	258.8	255.8	1.2%
Customer deposits - THB'b	281.0	242.3	16.0%	281.0	265.9	5.7%
Loans / Deposits	92.1	102.3	(10.2)	92.1	96.2	(4.1)
Loans / Deposits (Include Bills of Exchange*)	92.1	93.6	(1.5)	92.1	96.2	(4.1)

\* UOB(Thai) offers bills of exchange to customers as an alternative deposit product, common in Thailand's market. This product serves as an alternative funding source and is reflected separately from deposits.

# Indonesia – Summarised Income Statement

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	2,767	2,573	7.5	703	684	2.8
Fee and commission income	759	716	6.0	210	202	4.0
Other non-interest income	300	375	(20.0)	85	80	6.3
<b>Total income</b>	<b>3,826</b>	<b>3,664</b>	<b>4.4</b>	<b>998</b>	<b>966</b>	<b>3.3</b>
Less: Total expenses	2,458	2,226	10.4	599	597	0.3
<b>Operating profit</b>	<b>1,368</b>	<b>1,438</b>	<b>(4.9)</b>	<b>399</b>	<b>369</b>	<b>8.1</b>
Less: Total impairment charges	443	(63)	>100.0	(15)	223	(>100.0)
<b>Profit before tax</b>	<b>925</b>	<b>1,501</b>	<b>(38.4)</b>	<b>414</b>	<b>146</b>	<b>&gt;100.0</b>
<b>Profit before tax (S\$m)</b>	<b>99</b>	<b>178</b>	<b>(44.2)</b>	<b>44</b>	<b>16</b>	<b>&gt;100.0</b>

## Indonesia – Key Financial Indicators

	2014	2013	+ / (-)	4Q14	3Q14	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	4.41	4.69	(0.28)	4.25	4.37	(0.12)
Non-NII / Total income	27.7	29.8	(2.1)	29.6	29.2	0.4
Expense / Total income	64.2	60.8	3.4	60.0	61.8	(1.8)
Customer loans (net) - IDR't	54.8	51.6	6.2%	54.8	53.7	2.1%
Customer deposits - IDR't	63.4	57.5	10.3%	63.4	59.3	6.8%
Loans / Deposits	86.5	89.8	(3.3)	86.5	90.5	(4.0)



# Greater China – Summarised Income Statement

	2014	2013	+/(–)	4Q14	3Q14	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	351	296	18.6	94	81	15.2
Fee and commission income	104	101	3.3	23	26	(11.4)
Other non-interest income	131	105	25.1	25	33	(24.3)
<b>Total income</b>	<b>587</b>	<b>502</b>	<b>16.9</b>	<b>142</b>	<b>140</b>	<b>1.1</b>
Less: Total expenses	266	218	21.8	79	67	19.3
<b>Operating profit</b>	<b>320</b>	<b>283</b>	<b>13.1</b>	<b>62</b>	<b>74</b>	<b>(15.4)</b>
Less: Total impairment charges	20	13	62.1	2	3	(46.1)
Add: Associates & joint ventures	5	1	>100.0	1	3	(66.8)
<b>Profit before tax</b>	<b>305</b>	<b>272</b>	<b>12.4</b>	<b>61</b>	<b>73</b>	<b>(15.7)</b>

## Greater China – Key Financial Indicators

	2014	2013	+/(-)	4Q14	3Q14	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.21	1.39	(0.18)	1.23	1.12	0.11
Non-NII / Total income	40.2	41.0	(0.8)	33.8	42.0	(8.2)
Expense / Total income	45.4	43.5	1.9	56.0	47.4	8.6
Customer loans (net) - \$b	16.7	12.2	37.3%	16.7	15.6	7.3%
Customer deposits - \$b	15.0	13.5	11.2%	15.0	14.2	5.5%
Loans / Deposits	111.5	90.3	21.2	111.5	109.6	1.9