UOB Group

Delivering on Core Banking Franchise, Supported by Healthy Balance Sheet

September 2015

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
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. 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 Asia with an established presence in the ASEAN region. The Group has an international network of over 500 offices in 19 countries and territories.

Key Statistics for 1H15

- Total assets: SGD310.1b (USD230.6b)
- Shareholder’s equity: SGD30.5b (USD22.7b)
- Gross loans: SGD202.4b (USD150.5b)
- Customer deposits: SGD241.5b (USD179.6b)
- Common Equity Tier 1 CAR: 14.0%
- Proforma Common Equity Tier 1 CAR: 12.5%
- Leverage ratio: 7.6%
- ROA: 1.01%
- ROE: 10.8%
- NIM: 1.76%
- Non-interest/Total income: 37.8%
- NPL ratio: 1.2%
- Loans/Deposits ratio: 82.3%
- Cost / Income: 44.5%
- Credit Ratings:
  - Moody’s: Aa1
  - S&P: AA–
  - Fitch: AA–

Note: Financial statistics as at 30 June 2015.
1. FX rate used: USD 1 = SGD 1.34445 as at 30 June 2015.
2. Based on final rules effective 1 January 2018.
3. Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015.
4. Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.
5. Computed on an annualised basis.
A Leading Singapore Bank With Established Franchise In Core Market Segments

<table>
<thead>
<tr>
<th>Group Retail</th>
<th>Group Wholesale Banking</th>
<th>Global Markets and Investment Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Best Retail Bank in Singapore¹</td>
<td>• Best SME Banking¹</td>
<td>• Strong player in Singapore dollar treasury instruments</td>
</tr>
<tr>
<td>• Strong player in credit cards and private residential home loan business</td>
<td>• Seamless access to regional network for our corporate clients</td>
<td>• UOB Asset Management is one of Singapore’s most awarded fund managers²</td>
</tr>
</tbody>
</table>

UOB Group’s recognition in the industry

| The Banker | Best Bank in Singapore | Best Retail Bank in Singapore | Best SME Banking |

Source: Company reports.

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.

Highest 1H15 NIM among local peers

<table>
<thead>
<tr>
<th></th>
<th>UOB</th>
<th>DBS</th>
<th>OCBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM</td>
<td>1.76%</td>
<td>1.72%</td>
<td>1.64%</td>
</tr>
<tr>
<td>Loan margin</td>
<td>2.23%</td>
<td>1.90%</td>
<td>1.98%</td>
</tr>
</tbody>
</table>

Loan margin is the difference between the rate of return from customer loans and costs of deposits.

Source: Company reports.

Loan margin is the difference between the rate of return from customer loans and costs of deposits.

Source: Company reports.
UOB Group’s management has a proven track record in steering the Group through various global events and crises. Achieved record NPAT of SGD3,249 million in 2014.

- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group’s overall resilience and sustained performance

Expanding Regional Banking Franchise

Extensive Regional Footprint with 500+ Offices

- MYANMAR: 2 offices
- THAILAND: 156 offices
- MALAYSIA: 47 offices
- SINGAPORE: 76 offices
- VIETNAM: 211 offices
- GREATER CHINA: 26 offices

Profit before Tax and Intangibles by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>1,996</td>
<td>1,840</td>
<td>2,256</td>
<td>2,181</td>
<td>2,345</td>
<td>1,117</td>
</tr>
<tr>
<td>Thailand</td>
<td>32% of Group PBT</td>
<td>30% of Group PBT</td>
<td>31% of Group PBT</td>
<td>32% of Group PBT</td>
<td>33% of Group PBT</td>
<td>34% of Group PBT</td>
</tr>
<tr>
<td>Malaysia</td>
<td>184</td>
<td>118</td>
<td>178</td>
<td>146</td>
<td>159</td>
<td>99</td>
</tr>
<tr>
<td>Indonisia</td>
<td>186</td>
<td>87</td>
<td>87</td>
<td>87</td>
<td>87</td>
<td>87</td>
</tr>
</tbody>
</table>

Note: Profit before tax and intangibles excluded gain on UOB Life and UIC for 2010.
UOB Hong Kong – Overview

- Hong Kong operations are a key component of UOB Group’s regional strategy.
- UOB Group opened its first overseas branch in Hong Kong in 1965.
- On top of corporate banking and trade financing, HK Branch has built commercial banking and transaction banking capabilities and is acting as the Group’s regional treasury hub for CNH products.
- Profitable operations since inception, with an increasing profit trend and record high profit in 2014.
- Asset book was HKD107bn as at 30 Jun 2015.
- Well diversified loan book and funding mix.
- Strong management team, with multinational banking experience and over 20 years in wholesale banking.

Funding Mix

- UOB Group: 44%
- Customer deposits: 39%
- Other banks: 16%
- CD issued: 1%

Loans by Industry

- Property development: 21%
- Property investment: 19%
- Financial concerns: 1%
- Wholesale & retail trade: 4%
- Manufacturing: 7%
- Hotels, boarding houses & catering: 8%
- Trade finance: 10%
- Recreational activities: 6%
- Information technology: 2%
- Others: 21%

Loans by Maturity

- <1 year: 43%
- 1-3 years: 34%
- 3-5 years: 22%
- >5 years: 1%
- >1 year: 43%

Financial data as of 30 June 2015
Source: UOB Hong Kong branch
UOB Hong Kong – Financial Highlights

**Cost Income Ratio**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>31%</td>
<td>26%</td>
<td>23%</td>
<td>26%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Non-Interest Income**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKD m</td>
<td>785</td>
<td>898</td>
<td>1,242</td>
<td>1,132</td>
<td>735</td>
</tr>
</tbody>
</table>

**Operating Profit**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKD m</td>
<td>726</td>
<td>943</td>
<td>1,384</td>
<td>1,410</td>
<td>859</td>
</tr>
</tbody>
</table>

**Gross Income**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKD m</td>
<td>1,056</td>
<td>1,276</td>
<td>1,803</td>
<td>1,910</td>
<td>1,139</td>
</tr>
</tbody>
</table>

Source: UOB Hong Kong branch

1. Note: Operating profit included property disposal gains in 2012 to 2014
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Central Banks’ Recent Easing Moves Spurred by Low/Negative Inflation & Weak Growth

Recent Central Banks’ Policy Decisions on Rates in year-to-date 2015

Contractionary

- +50bps
  - Brazil

Expansionary

- QE¹ (Eurozone) and Slowing the rise of S$ (Singapore)
  - −100bps and more
    - Pakistan, Russia
  - −50bps
    - Australia, China, Egypt, India, South Korea, Switzerland, Thailand, Turkey
  - −25bps
    - Canada, Denmark, Indonesia, New Zealand, Peru, Romania

Sources: Bloomberg and various news wires
1. QE: Quantitative easing
Fed Expected to Hike Rates in 2015, With Conclusion of QE Tapering in 2014

Effects Of Low Interest Rates & QE
- Increased liquidity
- Lower interest rates and borrowing costs
- Flow of hot money in search of yields
- Wealth effects from higher equity and asset prices

Negative Implications on Markets
- Asset bubbles with influx of hot money
- Rise in household debt and corporate leverage
- More carry trades (borrowing funds in US$ to invest in higher yield emerging market assets)
- Investments in marginal assets

Impact Of Reversing QE & Low Rates
- Reversal of capital flows and unwinding of carry trades
- Depreciation of Asian currencies → unhedged foreign exchange (FX) risks
- Depletion of FX reserves to stabilize currencies
- Higher interest rates → higher debt servicing for corporates and consumers
- Correction in property and financial markets → impact on LTVs for property and mortgage portfolio, margin financing

Indonesia and India are most vulnerable due to higher current account deficits relative to other Asian countries (and increasingly being financed by volatile portfolio flows)
Hong Kong and Singapore are vulnerable to major corrections in the property market
Burgeoning household debt in Malaysia, Singapore and Thailand could also cause problems, should interest rates rise
Singapore Interest Rates Lifted by Stronger US$; Further Upside When Fed Eventually Hikes Rates

UOB’s S$ Floating-rate Loans to Benefit from Uptrend in Singapore’s Short-term Interest Rates

![Chart showing SIBOR/SOR (%) and S$ per US$ over time, with labels for 3-mth SOR(LHS), 3-mth SIBOR(LHS), and S$ vs US$ (RHS).]
## Southeast Asia – Resilient Key Markets

- The long-term fundamentals and prospects of key Southeast Asian markets have greatly improved since the 1997 Asian Financial Crisis.
- Compared with 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

### Asian Foreign Reserves

<table>
<thead>
<tr>
<th>Country</th>
<th>1997 (USD billion)</th>
<th>2014 (USD billion)</th>
<th>2015 (USD billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>75</td>
<td>30</td>
<td>159</td>
</tr>
<tr>
<td>Thailand</td>
<td>24</td>
<td>24</td>
<td>111</td>
</tr>
<tr>
<td>Indonesia</td>
<td>26</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Malaysia</td>
<td>30</td>
<td>159</td>
<td>250</td>
</tr>
</tbody>
</table>

2015 foreign reserves include foreign currency reserves (in convertible foreign currencies)
Source: IMF

### Current Account as % of GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>1997</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>15.2</td>
<td>19.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>–5.9</td>
<td>–3.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>–2.0</td>
<td>–3.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>–1.8</td>
<td>–3.0</td>
</tr>
</tbody>
</table>

Source: IMF

### Asian Corporates: Total Debt to Equity Ratio

<table>
<thead>
<tr>
<th>Country</th>
<th>1997 (%)</th>
<th>2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>132</td>
<td>91</td>
</tr>
<tr>
<td>Singapore</td>
<td>102</td>
<td>78</td>
</tr>
<tr>
<td>Thailand</td>
<td>235</td>
<td>78</td>
</tr>
<tr>
<td>Indonesia</td>
<td>209</td>
<td>50</td>
</tr>
</tbody>
</table>

Total debt to equity ratio = total ST and LT borrowings divided by total equity, multiplied by 100
Sources: MSCI data from Bloomberg

### Foreign Currency Loans as % of Total Loans

<table>
<thead>
<tr>
<th>Country</th>
<th>1996 (%)</th>
<th>1H15 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore*</td>
<td>67</td>
<td>50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Thailand</td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>36</td>
<td>5</td>
</tr>
</tbody>
</table>

* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units
Sources: Central banks
Singapore Expected to Grow 2.5% in 2015, While Restructuring Continues

- Singapore’s 2Q15 GDP grew 1.8% y/y, the slowest in nearly three years, as the lacklustre manufacturing sector was weighed down by a slowdown in biomedical and transport engineering clusters. However, the services sector remained robust, expanding 3.4% y/y.

- Our 2015 GDP forecast is 2.5% (2014: +2.9%), as we expect a weak manufacturing sector, despite a likely pickup in 2H15 with improvement in US economy.

- Core inflation for 2015 will ease towards 0.3% (2014: +1.9%) as lower commodity prices and slower growth in healthcare costs outweigh cost pressures from the tight labour market.

Source: UOB Global Economics & Markets Research
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.
- 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.
- Policy changes in regulation, liquidity, rates and sector consolidation are shaping the ASEAN banking business models going forward.

Source: Research estimates, Monetary Authority of Singapore

Robust Capital Positions

(Tier 1 CAR, in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>15.3</td>
<td>16.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>13.8</td>
<td>13.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>11.7</td>
<td>11.9</td>
</tr>
<tr>
<td>Thailand</td>
<td>11.2</td>
<td>11.7</td>
</tr>
<tr>
<td>China</td>
<td>10.1</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Higher NIM, Lower Credit Penetration in Region

(Net interest margin and private-sector credit / GDP, in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>40%</td>
<td>3.2</td>
</tr>
<tr>
<td>Thailand</td>
<td>159%</td>
<td>3.2</td>
</tr>
<tr>
<td>China</td>
<td>142%</td>
<td>3.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>125%</td>
<td>2.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>132%</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Stable Funding – Adequate Loan-to-Deposit Ratios

(Loan-to-deposit ratio, in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Indonesia</td>
<td>94</td>
<td>93</td>
</tr>
<tr>
<td>Malaysia</td>
<td>87</td>
<td>90</td>
</tr>
<tr>
<td>Singapore</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>China</td>
<td>68</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: Research estimates, World Bank
Prospects for Asia Remain Optimistic Due to Growing Population and Consumer Affluence

**Growing Global Middle Class**

- APAC’s middle class:
  - 2009: 28% of global middle class
  - 2030: 66%

**Spending by Global Middle Class**

- APAC’s middle class spending:
  - 2009: 23% of global middle class
  - 2030: 56%

Source: UN, OECD, The Brookings Institution, UOB Economic-Treasury Research
Room For More Optimism As Intra-Regional Trade is Set to Thrive in ASEAN after AEC\(^1\) Kicks Off

### Association of Southeast Asian Nations (ASEAN)

- **$0.7 trillion**
  - Extra-regional (excluding China): 73%
  - Trade with China: 23%
  - Intra-regional: 4%

- **$2.2 trillion**
  - Extra-regional (excluding China): 69%
  - Trade with China: 24%
  - Intra-regional: 10%

- **$3.4 trillion**
  - Extra-regional (excluding China): 65%
  - Trade with China: 25%
  - Intra-regional: 13%

- **$8.2 trillion**
  - Extra-regional (excluding China): 63%
  - Trade with China: 24%
  - Intra-regional: 13%

### European Union (EU)

- **$2.2 trillion**
  - Extra-regional (excluding China): 49%
  - Trade with China: 5%
  - Intra-regional: 64%

- **$3.4 trillion**
  - Extra-regional (excluding China): 47%
  - Trade with China: 8%
  - Intra-regional: 66%

- **$8.2 trillion**
  - Extra-regional (excluding China): 48%
  - Trade with China: 10%
  - Intra-regional: 64%

### North American Free Trade Agreement (NAFTA)

- **$2.2 trillion**
  - Extra-regional (excluding China): 46%
  - Trade with China: 5%
  - Intra-regional: 46%

- **$4.8 trillion**
  - Extra-regional (excluding China): 45%
  - Trade with China: 8%
  - Intra-regional: 42%

Source: Comtrade; McKinsey Global Institute analysis

1. AEC: ASEAN Economic Community
## Basel III Implementation across Jurisdictions

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BCBS</th>
<th>Singapore</th>
<th>Malaysia</th>
<th>Thailand</th>
<th>Indonesia</th>
<th>Hong Kong</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum CET1</strong></td>
<td>4.5%</td>
<td>6.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Minimum Tier 1</strong></td>
<td>6.0%</td>
<td>8.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Minimum Total Capital</strong></td>
<td>8.0%</td>
<td>10.0%</td>
<td>8.0%</td>
<td>8.5%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-15</td>
<td>Jan-15</td>
<td>Jan-15</td>
<td>Jan-13</td>
<td>Jan-14</td>
<td>Jan-15</td>
<td>Jan-13</td>
</tr>
<tr>
<td><strong>Capital Conservation Buffer</strong></td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
</tr>
<tr>
<td><strong>Countercyclical Capital Buffer</strong></td>
<td>Up to 2.5%</td>
<td>Up to 2.5%</td>
<td>Under consideration</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
<td>Jan-19</td>
</tr>
<tr>
<td><strong>D-SIB</strong></td>
<td>–</td>
<td>2.0%</td>
<td>n/a</td>
<td>Pending</td>
<td>n/a</td>
<td>1.0% – 2.5%</td>
<td>Pending</td>
</tr>
<tr>
<td><strong>G-SIB</strong></td>
<td>1.0% – 3.5%</td>
<td>n/a</td>
<td>n/a</td>
<td>Pending</td>
<td>n/a</td>
<td>1.0% – 3.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Minimum Leverage Ratio</strong></td>
<td>3.0%</td>
<td>Pending</td>
<td>Pending</td>
<td>Pending</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Full Compliance</strong></td>
<td>2018</td>
<td>Pending</td>
<td>Pending</td>
<td>2018</td>
<td>2018</td>
<td>Pending</td>
<td>2013</td>
</tr>
</tbody>
</table>

### % of Risk Weighted Assets

<table>
<thead>
<tr>
<th></th>
<th>BCBS</th>
<th>Singapore</th>
<th>Malaysia</th>
<th>Thailand</th>
<th>Indonesia</th>
<th>Hong Kong</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-SIB</td>
<td>16.5%</td>
<td>15.0%</td>
<td>13.0%</td>
<td>15.5%</td>
<td>16.5%</td>
<td>14.0%</td>
<td></td>
</tr>
<tr>
<td>D-SIB</td>
<td>1% – 3.5%</td>
<td>2.5%</td>
<td>10.5%</td>
<td>13.0%</td>
<td>15.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countercyclical capital buffer</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital conservation buffer</td>
<td>2.5%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 2</td>
<td>2.0%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AT1</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum CET1</td>
<td>4.5%</td>
<td>6.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Regulatory notifications and rating reports

1. Includes 2% for D-SIB buffer
2. Each local regulator determines its own level of countercyclical capital buffer to accumulate capital in periods of economic expansion.
3. In Hong Kong, the countercyclical capital buffer will be at 0.625%, effective on 1 January 2016.
Resolution Regime Overview

Resolution Regime in Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Public Discussion</th>
<th>Existing Resolution Powers</th>
<th>Factors influencing views on bail-in</th>
<th>How Past resolution been handled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>Yes</td>
<td>Transfer powers; statutory bail-in proposed but excludes senior</td>
<td>Role as an international financial centre; strength of system; good coordination between regulator and local banks</td>
<td>Crisis prevention tools; no record of bank failures in the past</td>
</tr>
<tr>
<td>Indonesia</td>
<td>No</td>
<td>Transfer powers; no statutory bail-in</td>
<td>History of public sector bailouts</td>
<td>Liquidation; public funds</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Yes</td>
<td>Transfer powers; statutory bail-in proposed</td>
<td>Role as an international financial centre and presence of G-SIBs</td>
<td>Liquidation; public funds; M&amp;A</td>
</tr>
<tr>
<td>China</td>
<td>No</td>
<td>Transfer powers; no statutory bail-in</td>
<td>Risk of contagion in debt market; role of government in banking sector</td>
<td>Capital injections; NPL disposals; forbearance</td>
</tr>
</tbody>
</table>

1. **Bold text** indicates factors in favor of implementing a bail-in regime; **italic text** indicates factors against

Resolution Regime: Priorities for 2015

As per Financial Stability Board (FSB), any Financial Institution that could be systemically significant or critical if it fails, should be subject to a resolution regime that has the Key Attributes set out. Reforms on resolution regimes are still underway and the FSB has identified the following priorities for 2015 to help further advance progress on this area:

- Finalise the common international standard on TLAC that G-SIBs must have;
- Achieve the broad adoption of contractual recognition of temporary stays on early termination and cross-default rights in financial contracts and finalise FSB guidance on effective cross-border recognition;
- Develop further guidance to support resolution planning by home and host authorities, in particular in regard to funding arrangements and operational continuity of core critical services; and
- Promote full implementation of FSB’s requirements for resolution regimes and resolution planning beyond the banking sector

1. Source: Moody's report on A Compendium of Bank Resolution and Bail-in Regimes in the Asia-Pacific, Regulatory notifications
Note: Malaysia and Thailand have also yet to implement a framework for resolution regime
Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials
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 SGD3,249m in FY14, driven by broad-based growth
  - 1H15 NPAT of S$1,563m; driven by wider NIM (+4 basis points over 1H14) and broad-based increase in fee income
  - Maintain costs discipline while continuing to invest in building long-term capabilities

- **Prudent Management of Capital, Liquidity and Balance Sheet**
  - Strong capital base; Common Equity Tier 1 capital adequacy ratio of 14.0% as at 30 June 2015, well above Basel III capital requirements
  - Liquid and well diversified funding mix with loan/deposits ratio at 82.3%
  - Stable asset quality, 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 as we leverage regional business flows
  - Entrenched local presence: ground resources and integrated regional network to better address the needs of our targeted segments

*Source: Company report*
Diversified Loan Portfolio

Gross Customer Loans by Geography

- Singapore: 57%
- Malaysia: 13%
- Greater China: 12%
- Indonesia: 5%
- Thailand: 5%
- Others: 8%

Gross Customer Loans by Currency

- SGD: 53%
- USD: 17%
- MYR: 12%
- THB: 5%
- IDR: 2%
- Others: 11%

Gross Customer Loans by Maturity

- <1 year: 35%
- 1-3 years: 18%
- 3-5 years: 12%
- >5 years: 35%

Gross Customer Loans by Industry

- Building & Construction: 20%
- Transport, storage & communication: 5%
- Financial Institutions: 8%
- Manufacturing: 8%
- General Commerce: 14%
- Professionals and private individuals: 13%
- Housing Loans: 27%
- Others: 5%

Note: Financial statistics as at 30 June 2015.

1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals).
## Competitive Against Peers

<table>
<thead>
<tr>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Standalone Strength</th>
<th>Efficient cost management</th>
<th>Competitive ROAA</th>
<th>Well-Maintained Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aa1</td>
<td>AA−</td>
<td>AA−</td>
<td>UOB</td>
<td>aa3</td>
<td>44.5%</td>
<td>1.01%</td>
</tr>
<tr>
<td>Aa1</td>
<td>AA−</td>
<td>AA−</td>
<td>OCBC</td>
<td>aa3</td>
<td>41.4%</td>
<td>1.21%</td>
</tr>
<tr>
<td>Aa1</td>
<td>AA−</td>
<td>AA−</td>
<td>DBS</td>
<td>aa3</td>
<td>44.2%</td>
<td>1.02%</td>
</tr>
<tr>
<td>A1</td>
<td>A</td>
<td>AA−</td>
<td>HSBC</td>
<td>a3</td>
<td>58.2%</td>
<td>0.82%</td>
</tr>
<tr>
<td>Aa3</td>
<td>A−</td>
<td>AA−</td>
<td>SCB</td>
<td>a2</td>
<td>59.2%</td>
<td>0.43%</td>
</tr>
<tr>
<td>A3</td>
<td>A−</td>
<td>n.r.</td>
<td>CIMB</td>
<td>baa1</td>
<td>58.1%</td>
<td>0.73%</td>
</tr>
<tr>
<td>A3</td>
<td>A−</td>
<td>A−</td>
<td>MBB</td>
<td>a3</td>
<td>49.7%</td>
<td>1.05%</td>
</tr>
<tr>
<td>Baa1</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBL</td>
<td>baa2</td>
<td>44.3%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Baa3</td>
<td>n.r.</td>
<td>BBB−</td>
<td>BCA</td>
<td>baa3</td>
<td>64.8%</td>
<td>3.75%</td>
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<tr>
<td>Baa1</td>
<td>A−</td>
<td>A</td>
<td>BOA</td>
<td>baa2</td>
<td>67.4%</td>
<td>0.82%</td>
</tr>
<tr>
<td>Baa1</td>
<td>A−</td>
<td>A</td>
<td>Citi</td>
<td>baa2</td>
<td>70.0%</td>
<td>0.44%</td>
</tr>
<tr>
<td>A3</td>
<td>A</td>
<td>A+</td>
<td>JPM</td>
<td>a3</td>
<td>61.0%</td>
<td>0.97%</td>
</tr>
</tbody>
</table>

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

Source: Company reports, Credit rating agencies.
Financials were as of 30 June 2015, except for Maybank (MBB) and CIMB (whose financials were as of 31 March 2015).
1. ROAA calculated on an annualised basis
### Strong Capitalisation and Low Leverage

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

<table>
<thead>
<tr>
<th></th>
<th>BCA</th>
<th>SCB</th>
<th>BBL</th>
<th>UOB</th>
<th>HSBC</th>
<th>OCBC</th>
<th>MBB</th>
<th>BOA</th>
<th>DBS</th>
<th>CIMB</th>
<th>JPM</th>
<th>Citi</th>
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</thead>
<tbody>
<tr>
<td>CAR</td>
<td>19.3</td>
<td>18.4</td>
<td>18.2</td>
<td>17.6</td>
<td>16.8</td>
<td>16.3</td>
<td>16.1</td>
<td>15.7</td>
<td>15.5</td>
<td>15.3</td>
<td>14.3</td>
<td>12.5</td>
</tr>
<tr>
<td>Tier 1 CAR</td>
<td>18.4</td>
<td>18.4</td>
<td>15.5</td>
<td>15.5</td>
<td>14.0</td>
<td>14.0</td>
<td>15.5</td>
<td>11.5</td>
<td>11.2</td>
<td>13.4</td>
<td>11.2</td>
<td>14.1</td>
</tr>
<tr>
<td>Common Equity Tier 1 CAR</td>
<td>15.5</td>
<td>15.5</td>
<td>14.0</td>
<td>14.0</td>
<td>11.1</td>
<td>11.1</td>
<td>11.5</td>
<td>11.5</td>
<td>11.2</td>
<td>11.4</td>
<td>11.4</td>
<td>11.4</td>
</tr>
</tbody>
</table>

#### Capital raised from 2013 – 2015 YTD (US$ bn)\(^1\)

- - - 1.1 9.4 3.0 2.3 5.4 0.6 1.3 18.2 13.3

#### Return on Average Equity \(^2\)

21.7% 5.4% 10.5% 10.8% 10.6% 13.3% 12.8% 7.1% 11.9% 8.2% 11.0% 4.5%

#### Leverage

<table>
<thead>
<tr>
<th></th>
<th>BCA</th>
<th>BBL</th>
<th>Citi</th>
<th>UOB</th>
<th>BOA</th>
<th>DBS</th>
<th>JPM</th>
<th>MBB</th>
<th>OCBC</th>
<th>HSBC</th>
<th>CIMB</th>
<th>SCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage (no. of times)(^3)</td>
<td>7.0x</td>
<td>8.2x</td>
<td>9.3x</td>
<td>11.5x</td>
<td>11.7x</td>
<td>11.9x</td>
<td>12.5x</td>
<td>12.8x</td>
<td>12.9x</td>
<td>14.4x</td>
<td>14.5x</td>
<td>16.4x</td>
</tr>
</tbody>
</table>

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

Source: Company reports, Dealogic.
Financials were as of 30 June 2015, except for Maybank (MBB) and CIMB (whose financials were as of 31 March 2015).
1. From 1 January 2013 till 19 August 2015 and includes Tier 1 capital
2. Computed on an annualised basis.
3. Leverage is calculated as tangible assets (reported total assets less goodwill and intangibles) divided by tangible equity (reported total equity less goodwill and intangibles).
Strong Investment Grade Credit 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’

**AA– / Stable/A-1+**
- ‘Prudent management team… expect the bank to continue its emphasis on funding and capitalisation 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’

Fitch Ratings

**AA– / Stable/F1+**
- ‘Ratings reflect its strong domestic franchise, prudent management, robust balance sheet…’
- ‘Stable funding profile and liquid balance sheet…’
- ‘Notable credit strengths …core capitalisation, domestic funding franchises and close regulatory oversight.’

Debt Issuance History

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>Type</th>
<th>Structure</th>
<th>Call</th>
<th>Coupon</th>
<th>Amount</th>
<th>Issue Rating (M / S&amp;P / F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov 2013</td>
<td>B3 AT1</td>
<td>Perpetual</td>
<td>2019</td>
<td>4.750%</td>
<td>SGD500m</td>
<td>A3 / BB+ / BBB</td>
</tr>
<tr>
<td>Jul 2013</td>
<td>B3 AT1</td>
<td>Perpetual</td>
<td>2018</td>
<td>4.900%</td>
<td>SGD850m</td>
<td>A3 / BB+ / BBB</td>
</tr>
<tr>
<td>Dec 2005</td>
<td>B2 AT1</td>
<td>Perpetual</td>
<td>2016</td>
<td>5.796%</td>
<td>USD500m</td>
<td>A3 / BBB- / BBB</td>
</tr>
<tr>
<td>Tier 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 2014</td>
<td>B3 T2</td>
<td>12NC6</td>
<td>2020</td>
<td>3.500%</td>
<td>SGD500m</td>
<td>A2 / BBB / A+</td>
</tr>
<tr>
<td>Oct 2012</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2017</td>
<td>2.875%</td>
<td>USD 500m</td>
<td>Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Jul 2012</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2017</td>
<td>3.150%</td>
<td>SGD1,200m</td>
<td>Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Apr 2011</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2016</td>
<td>3.450%</td>
<td>SGD1,000m</td>
<td>Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Senior Unsecured</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep 2014</td>
<td>-</td>
<td>5.5yr FXN</td>
<td>-</td>
<td>2.50%</td>
<td>USD500m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Sep 2014</td>
<td>-</td>
<td>4yr FRN</td>
<td>-</td>
<td>BBSW 3m +0.64%</td>
<td>AUD300m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Apr 2014</td>
<td>-</td>
<td>1yr FRN</td>
<td>-</td>
<td>3mGBP LIBOR flat</td>
<td>GBP200m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Nov 2013</td>
<td>-</td>
<td>3yr FRN</td>
<td>-</td>
<td>BBSW 3m +0.65%</td>
<td>AUD300m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Jun 2013</td>
<td>-</td>
<td>3yr FXN</td>
<td>-</td>
<td>2.50%</td>
<td>CNY500m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Mar 2012</td>
<td>-</td>
<td>5yr FXN</td>
<td>-</td>
<td>2.20%</td>
<td>HKD1,000m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
<tr>
<td>Mar 2012</td>
<td>-</td>
<td>5yr FXN</td>
<td>-</td>
<td>2.25%</td>
<td>USD750m</td>
<td>Aa1 / AA– / AA–</td>
</tr>
</tbody>
</table>

Note: Maturities shown at first call date rather than ultimate maturity.

Debt Maturity Profile

- **108** USD
- **310** SGD
- **1,000** HKD
- **1,681** GBP
- **310** CNY
- **500** AUD

(Fixed Rate Notes; FRN: Floating Rate Notes)

Above table includes only rated debt issuances; updated as of 31 July 2015
Robust Risk Management Framework

- 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
  - c.50% of property-related corporate loans are short-term development loans with diversified risks; progress, sales and cashflow projections of projects closely monitored
- Exposure to steepening yield curve: Investment portfolio (mainly liquid asset holdings) monitored daily with monthly reporting to ALCO. Average duration maintained at 2–3 years.
- Exposure to weakening regional currencies: Ensure loans only granted to borrowers who have foreign currency revenues; otherwise, borrowers are required to hedge open positions
Managing Risks for Stable Growth

- Prudent approach has been key to delivering sustainable returns over the years

- Institutionalised framework through GRAS
  - Outlines 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
  - Invests in capabilities, leverage integrated regional network to ensure effective implementation across key markets and businesses
Resilient Asset Quality; High Allowances Coverage

### Stable NPL Ratio

- **Jun-14**: 1.2% 1,429
- **Sep-14**: 1.2% 1,832
- **Dec-14**: 1.2% 1,855
- **Mar-15**: 1.2% 1,900
- **Jun-15**: 1.2% 1,853

### Consistently High Allowances Coverage

- **Jun-14**: 149.2% 834
- **Sep-14**: 146.8% 659
- **Dec-14**: 145.9% 657
- **Mar-15**: 147.0% 699
- **Jun-15**: 144.1% 747

### Specific Allowances (SGD m)

- **Jun-14**: 570
- **Sep-14**: 548
- **Dec-14**: 536
- **Mar-15**: 605
- **Jun-15**: 648

### Doubtful NPA

- **Jun-14**: 541
- **Sep-14**: 143
- **Dec-14**: 197
- **Mar-15**: 187
- **Jun-15**: 204

### Loss NPA

- **Jun-14**: 1,429
- **Sep-14**: 1,832
- **Dec-14**: 1,855
- **Mar-15**: 1,900
- **Jun-15**: 1,853

### General Allowances (SGD m)

- **Jun-14**: 2,611
- **Sep-14**: 2,701
- **Dec-14**: 2,783
- **Mar-15**: 2,890
- **Jun-15**: 2,862

### General Allowances / Gross Loans net of Specific Allowances (%)

- **Jun-14**: 1.4%
- **Sep-14**: 1.4%
- **Dec-14**: 1.4%
- **Mar-15**: 1.4%
- **Jun-15**: 1.4%

### Total Allowances / Total NPL (%)

- **Jun-14**: -3.0%
- **Sep-14**: -2.0%
- **Dec-14**: -1.0%
- **Mar-15**: 0.0%
- **Jun-15**: 1.0%

### NPL Ratio

- **Jun-14**: 0
- **Sep-14**: 500
- **Dec-14**: 1,000
- **Mar-15**: 1,500
- **Jun-15**: 2,000
Focusing on Preserving Balance Sheet Strength

- **Portfolio resilient with stable asset quality and adequate provisions**
  - NPL ratio stable at 1.2%
  - Strong NPL coverage of 144.1%
  - High general allowances-to-loans ratio of 1.4%

- **Strong liquidity and capital positions**
  - Liquidity Coverage Ratios: S$ and all-currency at 166% and 142% respectively; well above regulatory minimum
  - Fully-loaded CET1 ratio\(^1\) of 12.5%

- **Continue to focus on garnering high quality deposits**

---

1. Proforma CET1 ratio (based on final rules effective 1 January 2018)
2. The definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q14 onwards.
Agenda

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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
Tapping on Increasing Connectivity

**Physical Connectivity**

- **ASEAN-China**
  - 2014 Total trade: USD380bn
  - 10-yr CAGR: 13%

- **OBOR**: UOB present in > 10 of the OBOR countries

**AEC**: New growth catalyst

- **Intra-ASEAN**
  - 2014 Total trade: US$463bn
  - 10-yr CAGR: 8%
  - 2030 forecast: US$1.9tn (4x increase)

---

**Digital Connectivity**

- **Mobile**
- **Analytics**
- **Payments**
- **Collaboration**
- **Building an ecosystem to deepen engagement and mindshare with customers**
- **Social Media**
- **Innovation**
- **Crowdfunding**

**Enhancing Customer Engagement**

Source: UOB Global Economics & Markets Research

1. AEC: ASEAN Economic Community, OBOR: China’s ‘One Belt, One Road’ initiative
Capitalising on Rising Intra-Regional Flows

- Capture regional opportunities arising from increased regional connectivity
- Continuing to invest in regional capabilities
  - Helped >500 companies expand their footprint in Southeast Asia within 4 years
  - Recently opened 1st branch in Myanmar
  - Set up a pan-regional RMB solutions team to actively help clients manage their cross-border needs in RMB
- Targeting for overseas wholesale profit contribution of 50% by end-2015

**Growing Intra-Regional Wholesale Business**

**Intra-Regional Loan (S$) Breakdown by Origin**

- Dec 2010: ASEAN 81%, Greater China 13%, Others 6%
- Jun 2015: ASEAN 43%, Greater China 45%, Others 12%

**Loans Grew 2.8X**

**Growing Overseas Wholesale Profit Contribution**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H14</th>
<th>1H15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>62%</td>
<td>64%</td>
<td>57%</td>
<td>59%</td>
<td>60%</td>
<td>52%</td>
</tr>
<tr>
<td>Overseas</td>
<td>38%</td>
<td>36%</td>
<td>43%</td>
<td>41%</td>
<td>40%</td>
<td>48%</td>
</tr>
</tbody>
</table>

CAGR +14% +6%
Trade loans declined in line with China’s slowing economy

Emphasis on liability management demonstrated by strong cash management performance

Remain focused on delivering solutions that meet clients’ regional business needs

Strong recognition from industry; received 32 industry awards in 1H 2015
Consuming Rising Asian Consumer Affluence

- **Wealth management’s**¹ FY2010 – June 2015 performance:
  - AUM up from S$48bn to S$83bn
  - Customer base grew from 100,000 to 198,000
  - Widened regional wealth management footprint from 29 to 52 wealth management centres

- **Encouraging growth in UOB’s private banking segment**
  - Investing in distribution and service capabilities and leveraging shared resources across UOB Group

---

1. Wealth Management comprises Privilege Banking, Privilege Reserve and Private Banking customer segments
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
**1H15 Financial Overview**

**Net Profit After Tax\(^1\) (NPAT) Movement, 1H15 vs 1H14**

(SGD m)

<table>
<thead>
<tr>
<th>Component</th>
<th>1H14</th>
<th>1H15</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H14 net profit after tax</td>
<td>1,596</td>
<td>1,563</td>
<td>–2.1%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>95</td>
<td>180</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Fee income</td>
<td>28</td>
<td>187</td>
<td>+11.5%</td>
</tr>
<tr>
<td>Other non-interest income</td>
<td></td>
<td>–4.9%</td>
<td>–4.9%</td>
</tr>
<tr>
<td>Expenses</td>
<td>14</td>
<td>25</td>
<td>+12.1%</td>
</tr>
<tr>
<td>Total allowances</td>
<td></td>
<td>13</td>
<td>+4.7%</td>
</tr>
<tr>
<td>Share of profit of associates and joint ventures</td>
<td></td>
<td></td>
<td>–36.3%</td>
</tr>
<tr>
<td>Tax and non-controlling interests</td>
<td>53</td>
<td></td>
<td>+20.3%</td>
</tr>
<tr>
<td>1H15 net profit after tax</td>
<td></td>
<td>1,563</td>
<td></td>
</tr>
</tbody>
</table>

---

**Key Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1H15</th>
<th>1H14</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM (%)</td>
<td>1.76</td>
<td>1.72</td>
<td>+0.04% pt</td>
</tr>
<tr>
<td>Non-NII / Income (%)</td>
<td>37.8</td>
<td>38.6</td>
<td>(0.8)% pt</td>
</tr>
<tr>
<td>Expense / Income ratio (%)</td>
<td>44.5</td>
<td>42.4</td>
<td>+2.1% pt</td>
</tr>
<tr>
<td>ROE (%)(^2)</td>
<td>10.8</td>
<td>12.4</td>
<td>(1.6)% pt</td>
</tr>
</tbody>
</table>

---

1. Refer to profit attributable to equity holders of the Bank.
2. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends and capital securities distributions.
# 2Q15 Financial Overview

## Net Profit After Tax Movement, 2Q vs 1Q

<table>
<thead>
<tr>
<th>1Q15 net profit after tax (SGD m)</th>
<th>Net interest income</th>
<th>Fee income</th>
<th>Other non-interest income</th>
<th>Expenses</th>
<th>Total allowances</th>
<th>Share of profit of associates and joint ventures</th>
<th>Tax and non-controlling interests</th>
<th>2Q15 net profit after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>801</td>
<td>12</td>
<td>12</td>
<td>53</td>
<td>25</td>
<td>17</td>
<td>36</td>
<td>39</td>
<td>762</td>
</tr>
<tr>
<td></td>
<td>+1.0%</td>
<td>+2.6%</td>
<td>−17.5%</td>
<td>+2.8%</td>
<td>−10.0%</td>
<td>&gt;100.0%</td>
<td>+28.1%</td>
<td></td>
</tr>
</tbody>
</table>

**QoQ Change:** −4.9%

**YoY Change:** +2.6%

---

### Key Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2Q15</th>
<th>1Q15</th>
<th>QoQ Change</th>
<th>2Q14</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM (%) ^2</td>
<td>1.77</td>
<td>1.76</td>
<td>+0.01% pt</td>
<td>1.71</td>
<td>+0.06% pt</td>
</tr>
<tr>
<td>Non-NII / Income (%)</td>
<td>37.0</td>
<td>38.6</td>
<td>(1.6)% pt</td>
<td>40.3</td>
<td>(3.3)% pt</td>
</tr>
<tr>
<td>Expense / Income ratio (%)</td>
<td>45.5</td>
<td>43.6</td>
<td>+1.9% pt</td>
<td>41.7</td>
<td>+3.8% pt</td>
</tr>
<tr>
<td>ROE (%) ^2,3</td>
<td>10.4</td>
<td>11.1</td>
<td>(0.7)% pt</td>
<td>12.5</td>
<td>(2.1)% pt</td>
</tr>
</tbody>
</table>

---

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 and capital securities distributions.
NII driven by Growth in Loans and Margins

Net Interest Income (NII) and Margin

Note: The definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q14 onwards. The interest expenses relating to these deposits and the corresponding impact to loan margin and interbank/securities margin for FY2013 were restated accordingly.
Steady Non-Interest Income Mix Underpins Diversity

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

Fee Income (SGD m)  |  Other Non-Interest Income (SGD m)  |  Fee Income / Total Income (%)
2011  |  2,021  |  311  |  1,318
2012  |  2,578  |  673  |  1,508
2013  |  2,600  |  544  |  1,731
2014  |  2,900  |  817  |  1,749

Trading and Investment Income (SGD m)  |  Non-NII / Total Income (%)
2Q14  |  760  |  250  |  410
3Q14  |  816  |  257  |  475
4Q14  |  682  |  160  |  450
1Q15  |  755  |  225  |  453
2Q15  |  714  |  156  |  465
Broad-based Growth in Fee Income

Breakdown of Fee Income

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Credit card</th>
<th>Fund management</th>
<th>Wealth management</th>
<th>Loan-related</th>
<th>Service charges</th>
<th>Trade-related</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,318</td>
<td>120</td>
<td>268</td>
<td>273</td>
<td>113</td>
<td>111</td>
<td>95</td>
</tr>
<tr>
<td>2012</td>
<td>1,508</td>
<td>256</td>
<td>504</td>
<td>490</td>
<td>26</td>
<td>28</td>
<td>69</td>
</tr>
<tr>
<td>2013</td>
<td>1,731</td>
<td>107</td>
<td>504</td>
<td>490</td>
<td>116</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>2014</td>
<td>1,749</td>
<td>299</td>
<td>504</td>
<td>490</td>
<td>116</td>
<td></td>
<td>108</td>
</tr>
</tbody>
</table>

2Q14: 410 | 14 | 106 | 40 | 38 | 45 |
3Q14: 475 | 14 | 146 | 129 | 32 | 45 |
4Q14: 450 | 16 | 129 | 110 | 28 | 45 |
1Q15: 453 | 16 | 116 | 108 | 28 | 45 |
2Q15: 465 | 20 | 111 | 111 | 29 | 45 |

Credit card | Fund management | Wealth management | Loan-related | Service charges | Trade-related | Others
Maintain Costs Discipline while Investing in Long-Term Capabilities

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs (SGD m)</td>
<td>1,403</td>
<td>1,597</td>
<td>1,712</td>
<td>1,825</td>
</tr>
<tr>
<td>Other Operating Expenses (SGD m)</td>
<td>1,047</td>
<td>1,151</td>
<td>1,186</td>
<td>1,321</td>
</tr>
<tr>
<td>Total Expenses (SGD m)</td>
<td>2,450</td>
<td>2,747</td>
<td>2,898</td>
<td>3,146</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs (SGD m)</td>
<td>456</td>
<td>461</td>
<td>454</td>
<td>496</td>
<td>517</td>
</tr>
<tr>
<td>Other Operating Expenses (SGD m)</td>
<td>331</td>
<td>339</td>
<td>351</td>
<td>356</td>
<td>359</td>
</tr>
<tr>
<td>Total Expenses (SGD m)</td>
<td>787</td>
<td>800</td>
<td>805</td>
<td>852</td>
<td>877</td>
</tr>
</tbody>
</table>

Expense / Income Ratio (%):
- 2011: 43.0%
- 2012: 42.3%
- 2013: 43.1%
- 2014: 42.2%

Expense / Income Ratio (%):
- 2Q14: 41.7%
- 3Q14: 40.6%
- 4Q14: 43.5%
- 1Q15: 43.6%
- 2Q15: 45.5%
Total Loan Charge-off Rate Relatively Stable

Allowances on Loans

- Specific Allowances on Loans ($m)
- Specific Allowances on Loans / Average Gross Customer Loans (basis points) *
- Total Allowances on Loans / Average Gross Customer Loans (basis points) *

* Computed on an annualised basis.
Loans Growth was 1% QoQ in Constant Currency Terms

<table>
<thead>
<tr>
<th>Gross Loans *</th>
<th>Jun-15 SGD b</th>
<th>Mar-15 SGD b</th>
<th>QoQ +/- (%)</th>
<th>Jun-14 SGD b</th>
<th>YoY +/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>115.0</td>
<td>114.5</td>
<td>0.5</td>
<td>112.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Regional:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>25.3</td>
<td>25.9</td>
<td>-2.3</td>
<td>25.7</td>
<td>-1.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>11.0</td>
<td>11.4</td>
<td>-3.5</td>
<td>10.1</td>
<td>9.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>10.8</td>
<td>11.0</td>
<td>-1.3</td>
<td>10.4</td>
<td>4.1</td>
</tr>
<tr>
<td>Greater China</td>
<td>23.9</td>
<td>24.3</td>
<td>-1.4</td>
<td>19.0</td>
<td>26.1</td>
</tr>
<tr>
<td>Others</td>
<td>16.3</td>
<td>16.3</td>
<td>-</td>
<td>16.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Total</td>
<td>202.4</td>
<td>203.3</td>
<td>-0.5</td>
<td>193.1</td>
<td>4.8</td>
</tr>
</tbody>
</table>

USD Loans

<table>
<thead>
<tr>
<th></th>
<th>Jun-15</th>
<th>Mar-15</th>
<th>QoQ +/- (%)</th>
<th>Jun-14</th>
<th>YoY +/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33.6</td>
<td>34.0</td>
<td>-1.3</td>
<td>30.3</td>
<td>10.8</td>
</tr>
</tbody>
</table>

* Loans by geography are classified according to where credit risks reside, largely represented by the borrower’s country of incorporation / operation (for non-individuals) and residence (for individuals).
Stable Liquidity Position

Customer Loans, Deposits, Loan/Deposit Ratio (LDR) and Liquidity Coverage Ratio (LCR)

- All-currency LCR
  - SGD LDR (%)
    - SGD LDR (%)
    - Group LDR (%)
    - USD LDR (%)

Net Customer Loans (SGD b)
Customer Deposits (SGD b)

- Jun-14: 189.7
- Sep-14: 206.1
- Dec-14: 224.4
- Mar-15: 233.8
- Jun-15: 241.5

- Jun-14: 192.6
- Sep-14: 224.4
- Dec-14: 233.8
- Mar-15: 239.4
- Jun-15: 241.5

LCR
- All-currency LCR
  - 144%
  - 142%
- SGD LCR
  - 157%
  - 166%
Robust Credit Quality; NPL Ratio Stable at 1.2%

<table>
<thead>
<tr>
<th>Month</th>
<th>NPL ratio</th>
<th>NPL* (SGD m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-14</td>
<td>1.2%</td>
<td>2,309</td>
</tr>
<tr>
<td>Sep-14</td>
<td>1.2%</td>
<td>2,289</td>
</tr>
<tr>
<td>Dec-14</td>
<td>1.2%</td>
<td>2,358</td>
</tr>
<tr>
<td>Mar-15</td>
<td>1.2%</td>
<td>2,442</td>
</tr>
<tr>
<td>Jun-15</td>
<td>1.2%</td>
<td>2,504</td>
</tr>
</tbody>
</table>

* 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).
## Strong Capital and Leverage Ratios

<table>
<thead>
<tr>
<th>Category</th>
<th>Jun-14</th>
<th>Sep-14</th>
<th>Dec-14</th>
<th>Mar-15</th>
<th>Jun-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CAR</td>
<td>17.8%</td>
<td>17.0%</td>
<td>16.9%</td>
<td>17.1%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Tier 2 CAR</td>
<td>3.9%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Tier 1 / CET1 CAR</td>
<td>13.9%</td>
<td>14.0%</td>
<td>13.9%</td>
<td>14.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Proforma CET1 CAR ²</td>
<td>12.5%</td>
<td>12.6%</td>
<td>12.6%</td>
<td>12.8%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

### SGDb

<table>
<thead>
<tr>
<th>Category</th>
<th>Jun-14</th>
<th>Sep-14</th>
<th>Dec-14</th>
<th>Mar-15</th>
<th>Jun-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 Capital</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Tier 1 Capital</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Total Capital</td>
<td>30</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>Risk-Weighted Assets</td>
<td>168</td>
<td>171</td>
<td>179</td>
<td>182</td>
<td>182</td>
</tr>
</tbody>
</table>

1. Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015.
2. Based on final rules effective 1 January 2018.
Stable Dividend Payout

<table>
<thead>
<tr>
<th>Year</th>
<th>Net dividend per ordinary share (¢)</th>
<th>Payout amount (SGD m)</th>
<th>Payout ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Interim: 10, Final: 40, Special: 20</td>
<td>1,102</td>
<td>39</td>
</tr>
<tr>
<td>2013</td>
<td>Interim: 20, Final: 50, Special: 20</td>
<td>1,182</td>
<td>39</td>
</tr>
<tr>
<td>2014</td>
<td>Interim: 20, Final: 50, Special: 20</td>
<td>1,202</td>
<td>37</td>
</tr>
<tr>
<td>1H15</td>
<td>Interim: 35</td>
<td>561</td>
<td>36</td>
</tr>
</tbody>
</table>