



# UOB Group First Half 2015

## Financial Highlights

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**Group Chief Financial Officer**

**31 July 2015**

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## 1H15 NPAT of \$1.56 billion, down 2% YoY

	1H15	1H14	+ / (-)
	\$m	\$m	%
Net interest income	2,414	2,234	8.1 ▲
Fee and commission income	919	824	11.5 ▲
Other non-interest income	550	578	(4.9) ▼
<b>Total income</b>	<b>3,882</b>	<b>3,636</b>	<b>6.8 ▲</b>
Less: Total expenses	1,729	1,542	12.1 ▲
<b>Operating profit</b>	<b>2,153</b>	<b>2,094</b>	<b>2.8 ▲</b>
Less: Specific allowances	271	124	>100.0 ▲
General allowances	51	183	(72.2) ▼
Add: Associates & joint ventures	44	69	(36.3) ▼
<b>Net profit before tax</b>	<b>1,876</b>	<b>1,857</b>	<b>1.0 ▲</b>
Less: Tax & non-controlling interests	313	260	20.3 ▲
<b>Net profit after tax</b>	<b>1,563</b>	<b>1,596</b>	<b>(2.1) ▼</b>

▲ favourable variance to earnings

▼ unfavourable variance to earnings

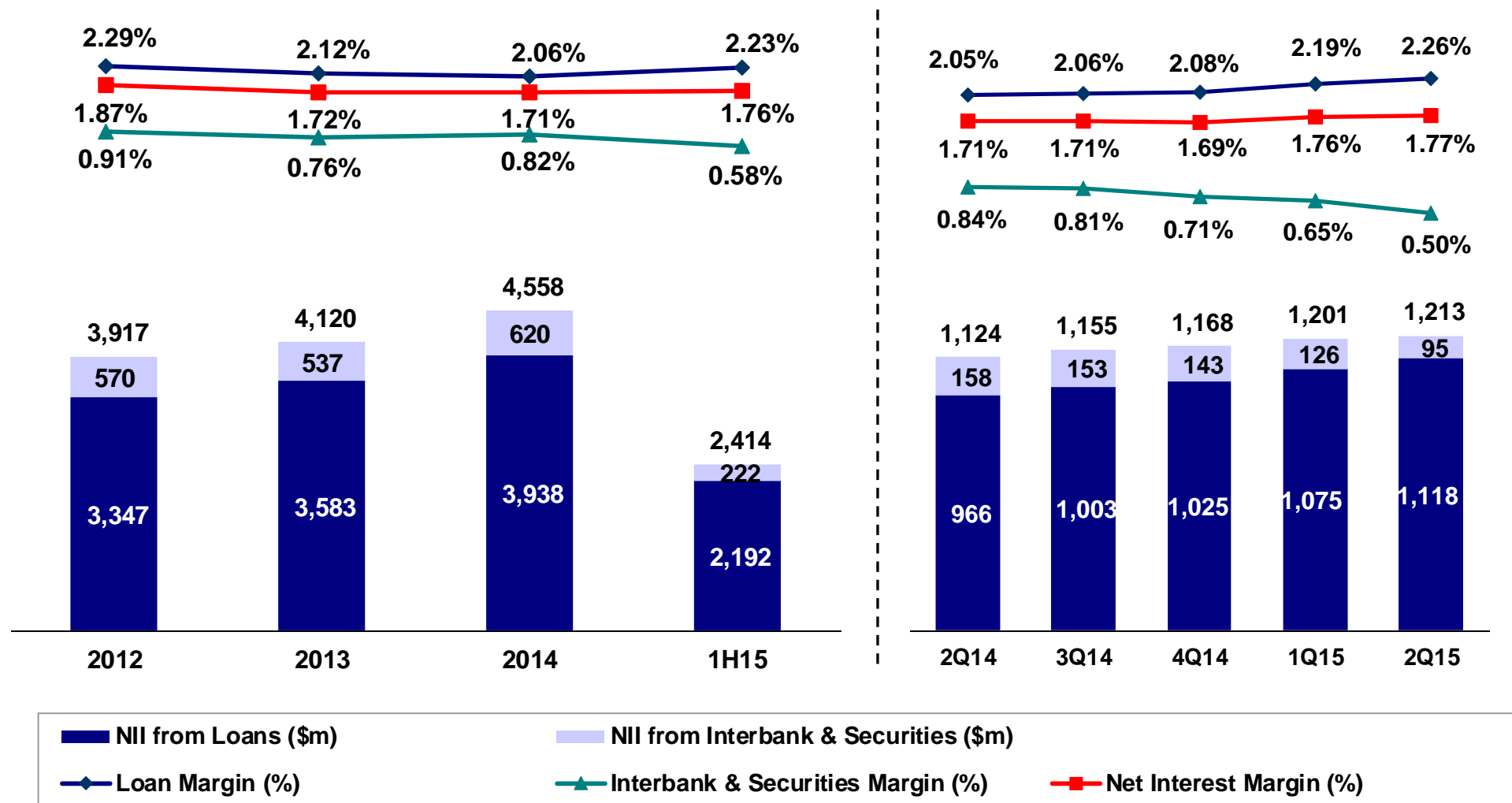
## 2Q15 NPAT of \$762 million, down 6% YoY and 5% QoQ

	2Q15	2Q14	+/(-)	1Q15	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,213	1,124	7.9 ▲	1,201	1.0 ▲
Fee and commission income	465	410	13.4 ▲	453	2.6 ▲
Other non-interest income	248	350	(29.0) ▼	301	(17.5) ▼
<b>Total income</b>	<b>1,927</b>	<b>1,884</b>	<b>2.2 ▲</b>	<b>1,956</b>	<b>(1.5) ▼</b>
Less: Total expenses	877	787	11.4 ▲	852	2.8 ▲
<b>Operating profit</b>	<b>1,050</b>	<b>1,098</b>	<b>(4.4) ▼</b>	<b>1,103</b>	<b>(4.8) ▼</b>
Less: Specific allowances	176	91	92.7 ▲	95	84.7 ▲
General allowances	(23)	59	(>100.0) ▼	74	(>100.0) ▼
Add: Associates & joint ventures	40	26	52.7 ▲	4	>100.0 ▲
<b>Net profit before tax</b>	<b>938</b>	<b>974</b>	<b>(3.8) ▼</b>	<b>938</b>	<b>(0.1) ▼</b>
Less: Tax & non-controlling interests	176	166	5.9 ▲	137	28.1 ▲
<b>Net profit after tax</b>	<b>762</b>	<b>808</b>	<b>(5.7) ▼</b>	<b>801</b>	<b>(4.9) ▼</b>

▲ favourable variance to earnings    ▼ unfavourable variance to earnings

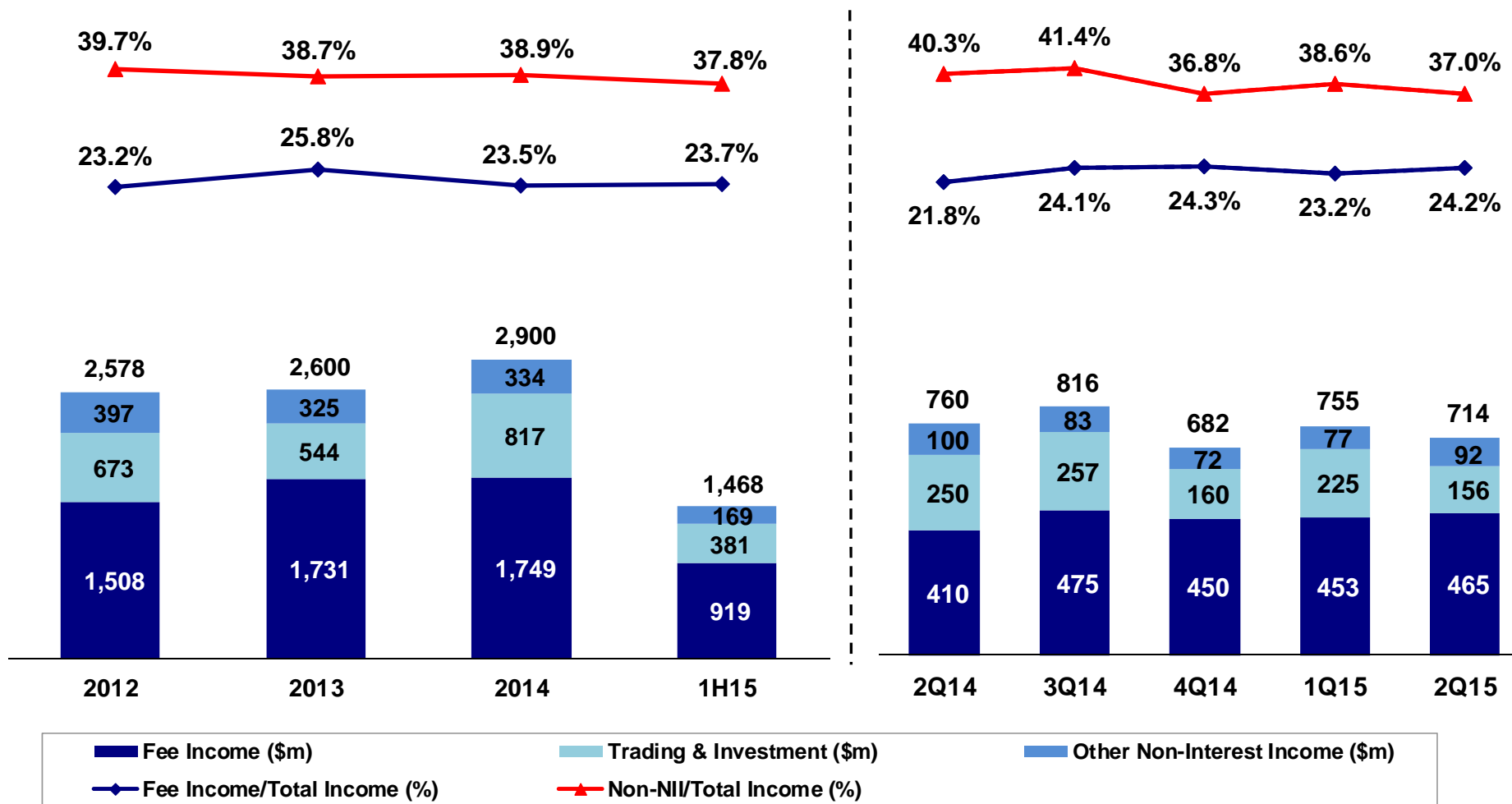
# NII Continued its Upward Trend Rising 8% YoY and 1% QoQ

## Net Interest Income (NII) and Margin



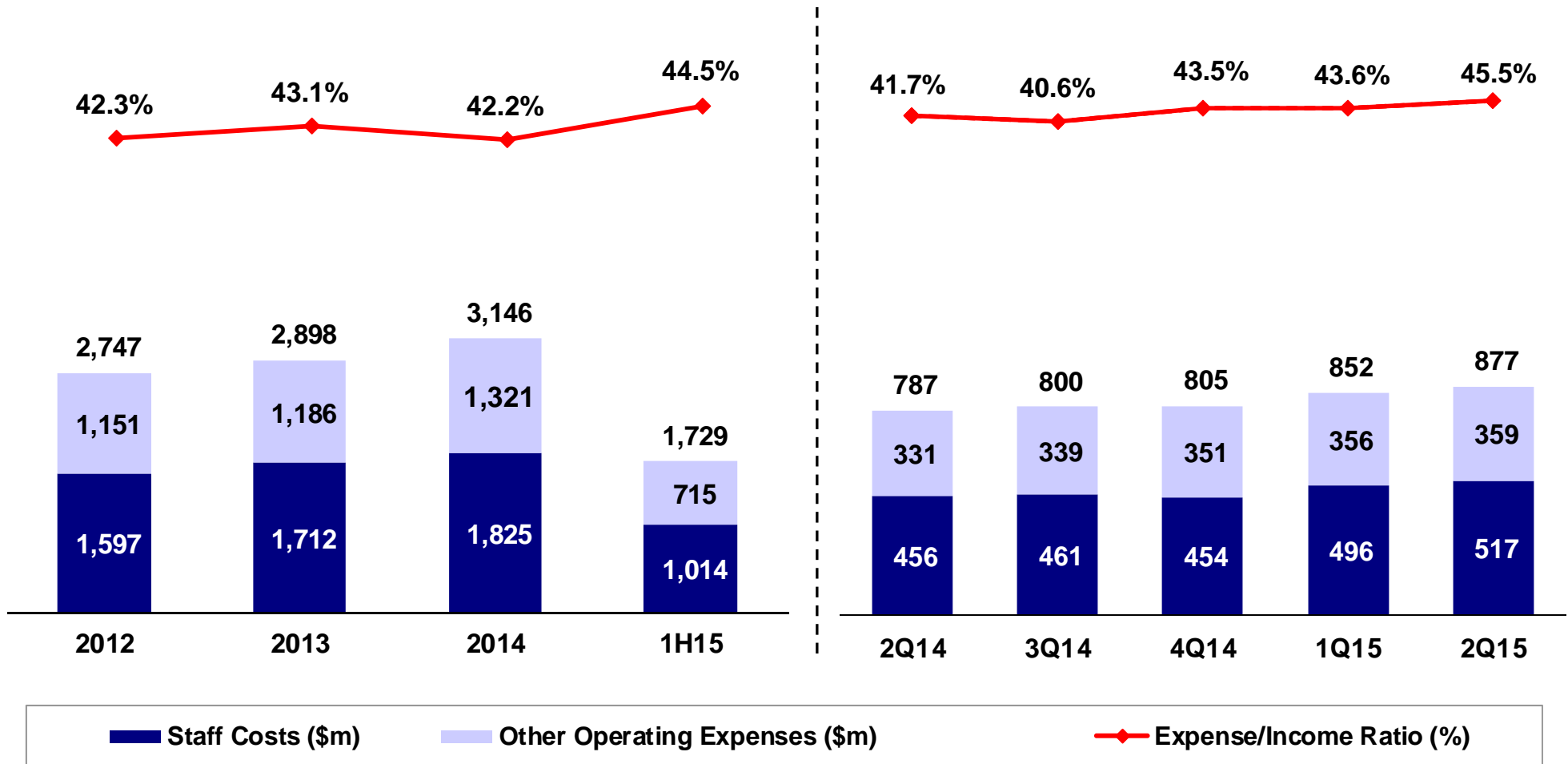
# Fee Income up 12% YoY and 3% QoQ offset by weaker Trading and Investment Income

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



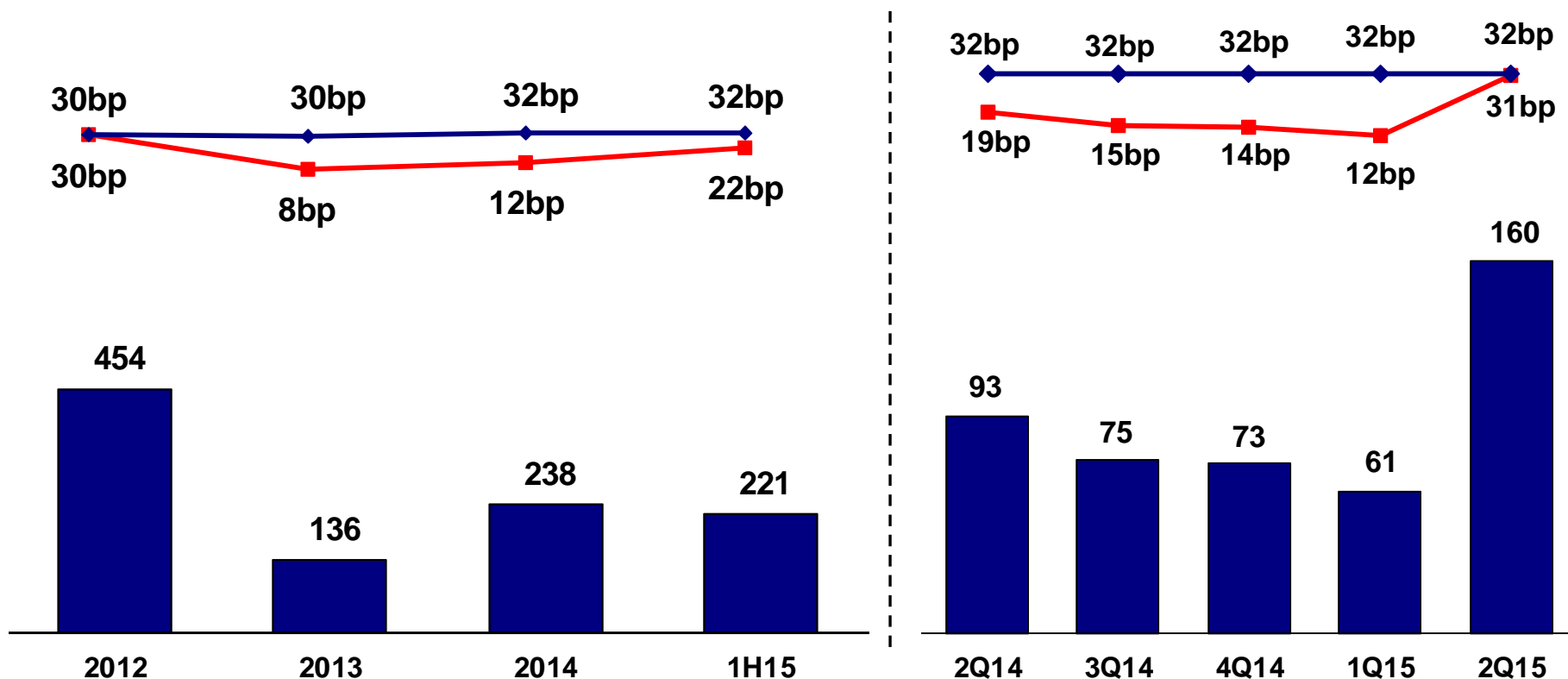
# Higher Expenses to Support Growing Franchise

## Operating Expenses and Expense / Income Ratio



# Maintain Total Loan Charge Off Rate at 32bps

## Allowances on Loans



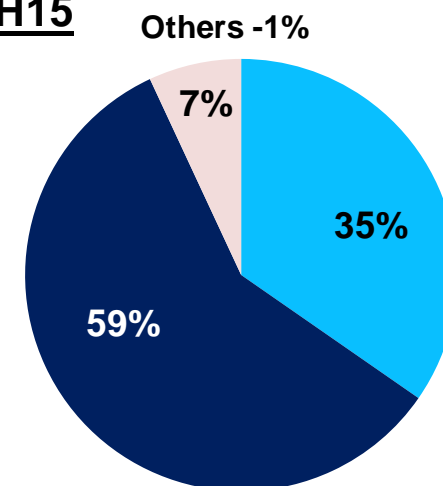
- Specific Allowances on Loans (\$m)
- Specific Allowances on Loans/Average Gross Customer Loans (basis points) \*
- ◆ Total Allowances on Loans/Average Gross Customer Loans (basis points) \*

\* On annualised basis

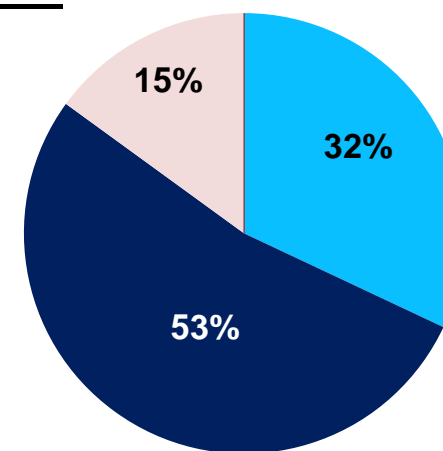
# Performance by Business Segment

Segment Operating Profit	1H15	1H14	+/( -)
	\$m	\$m	%
Group Retail (GR)	751	672	11.8
Group Wholesale Banking (GWB)	1,263	1,115	13.3
Global Markets & Investment Mgt (GMIM)	152	319	(52.4)
Others	(13)	(12)	(8.3)
<b>Total</b>	<b>2,153</b>	<b>2,094</b>	<b>2.8</b>

**1H15**



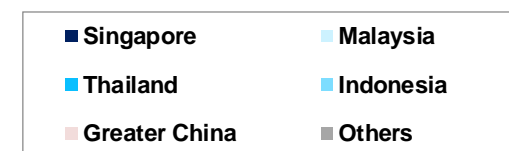
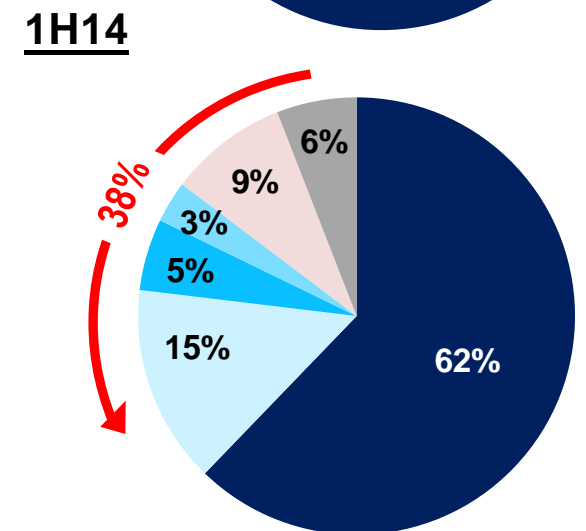
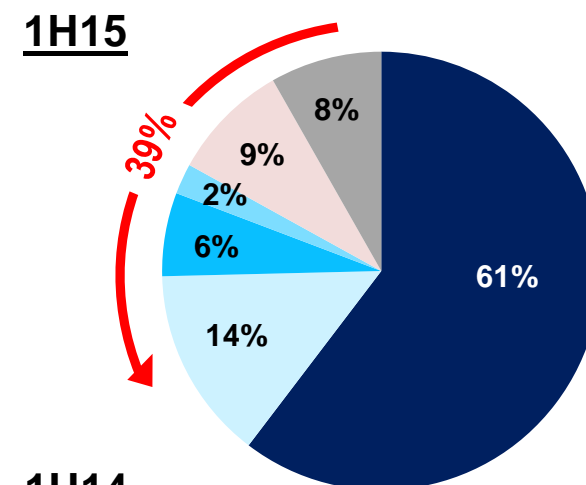
**1H14**





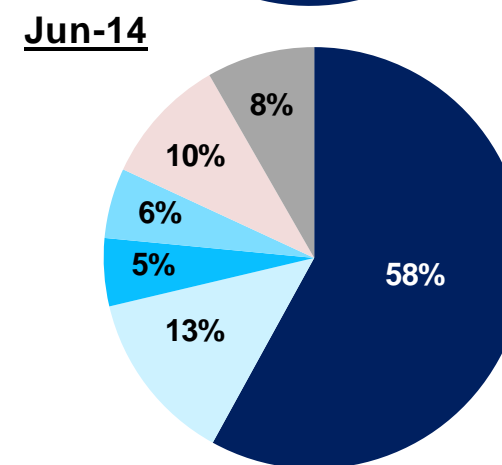
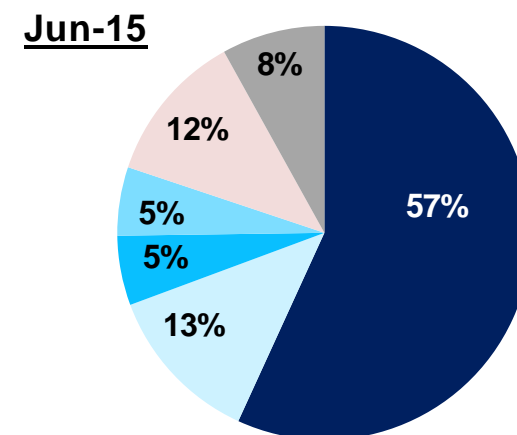
# Overseas Operating Profit Contribution Rose 8% YoY (FX Translation Excluded)

Operating Profit	1H15		1H14		At constant FX rate	
	\$m	\$m	+/(-) %	+/(-) %	+/(-) %	+/(-) %
Singapore	1,300	1,303	(0.3)	(0.3)		
Regional:	677	668	1.3	0.9		
Malaysia	307	308	(0.2)	4.3		
Thailand	133	111	19.5	12.7		
Indonesia	49	65	(24.9)	(21.8)		
Greater China	188	184	2.2	2.2		
Others	177	124	43.1	44.6		
<b>Total</b>	<b>2,153</b>	<b>2,094</b>	<b>2.8</b>	<b>2.7</b>		



# Loans Increased to \$202b, up 5% YoY and 1% QoQ in Constant Currency Terms

	Jun-15 \$b	Jun-14 \$b	+/(-) %	Mar-15 \$b	+/(-) %
<b>Gross Loans</b>					
Singapore	115.0	112.0	2.7	114.5	0.5
Regional:	71.1	65.1	9.1	72.5	(2.0)
Malaysia	25.3	25.7	(1.5)	25.9	(2.3)
Thailand	11.0	10.1	9.5	11.4	(3.5)
Indonesia	10.8	10.4	4.1	11.0	(1.3)
Greater China	23.9	19.0	26.1	24.3	(1.4)
Others	16.3	16.0	1.9	16.3	0.0
<b>Total</b>	<b>202.4</b>	193.1	4.8	203.3	(0.5)

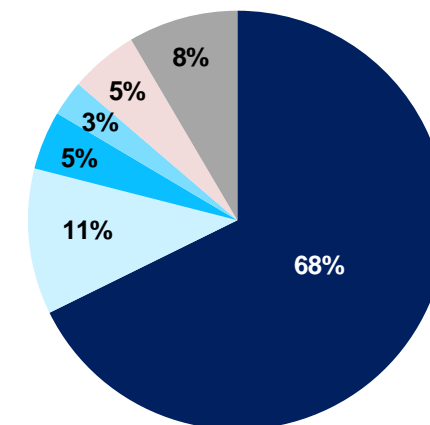


Note: Loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

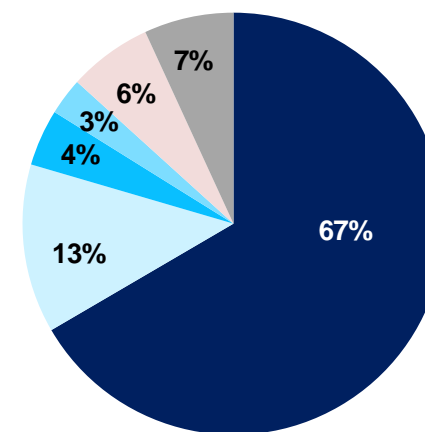
# Healthy Deposit Growth of 12% YoY and 1% QoQ

Customer Deposits	Jun-15 \$b	Jun-14 \$b	+/(-) %	Mar-15 \$b	+/(-) %
<b>Singapore</b>	<b>163.5</b>	143.9	13.6	159.1	2.8
Regional:	<b>57.5</b>	57.4	0.2	61.6	(6.6)
Malaysia	<b>27.2</b>	28.0	(2.7)	28.0	(3.0)
Thailand	<b>11.0</b>	9.4	16.6	11.9	(7.9)
Indonesia	<b>6.6</b>	6.1	8.1	7.1	(7.0)
Greater China	<b>12.7</b>	13.9	(8.4)	14.5	(12.3)
Others	<b>20.5</b>	14.8	38.0	18.7	9.2
<b>Total</b>	<b>241.5</b>	216.1	11.7	239.4	0.9

**Jun-15**

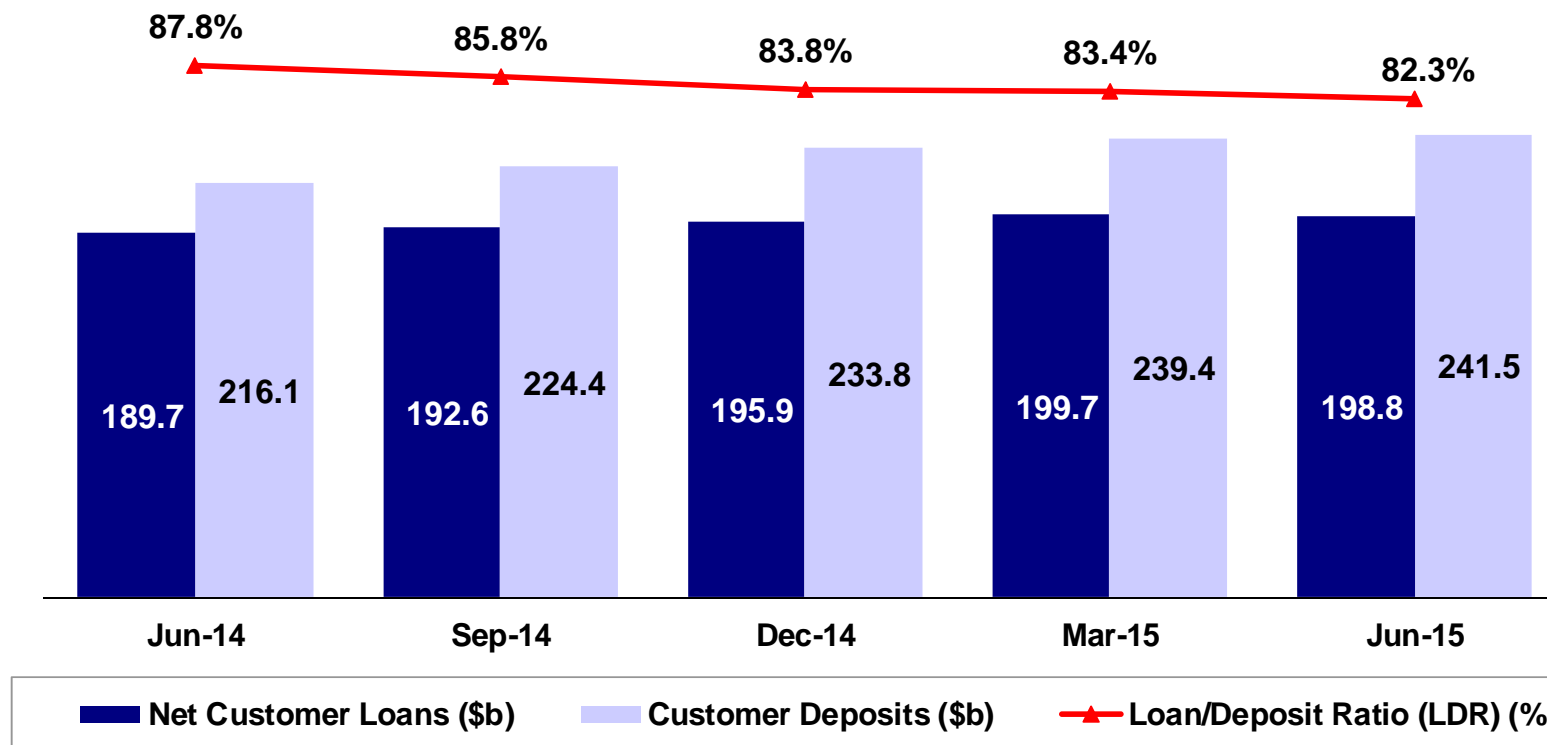


**Jun-14**



# Stable Liquidity Position

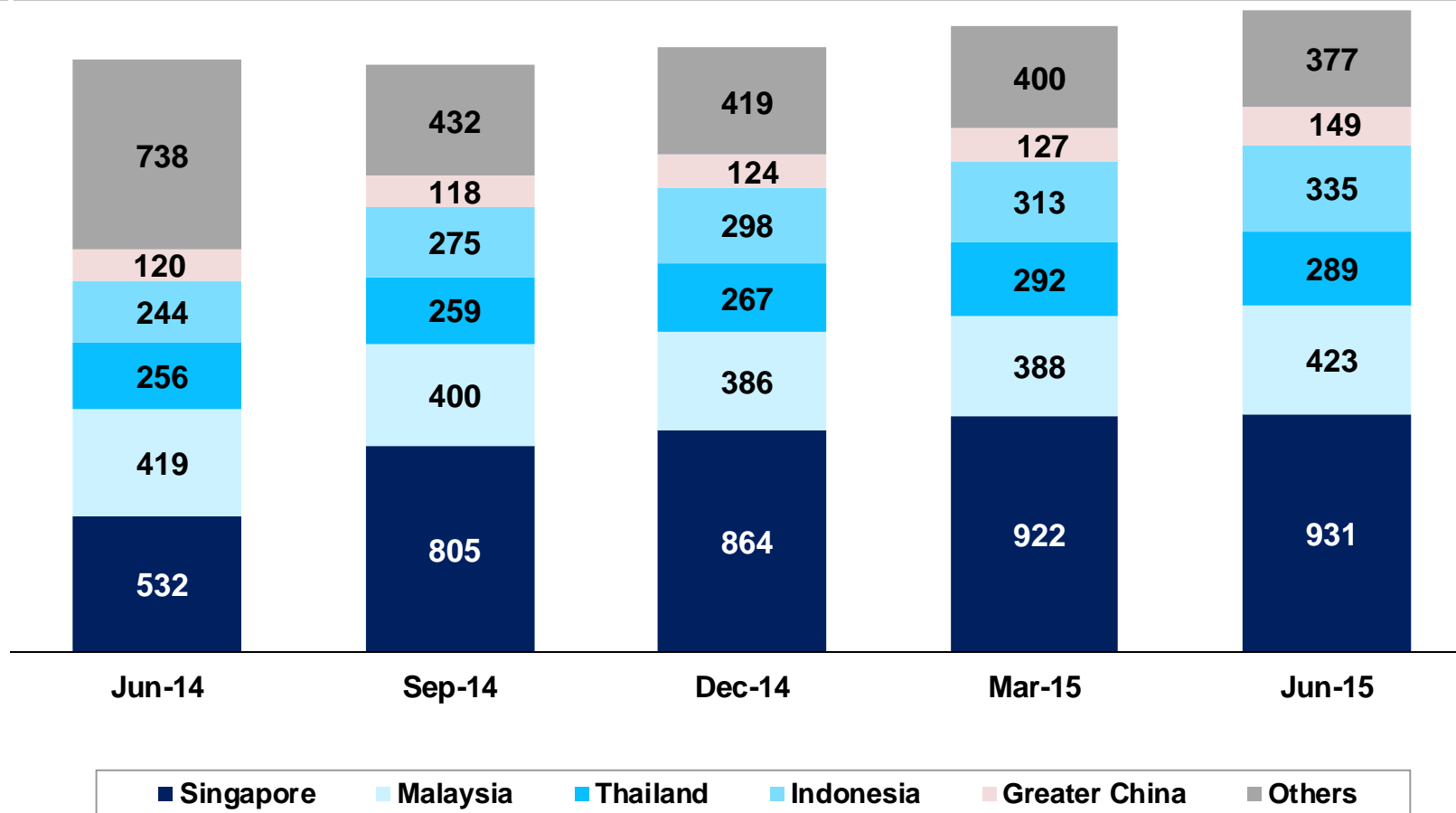
## Customer Loans and Deposits; LDR and LCR



SGD LDR (%)	98.2	94.1	93.0	94.5	91.9
USD LDR (%)	70.5	70.6	67.7	58.0	54.9
SGD LCR (%)	NA	NA	NA	157	166
Total LCR (%)	NA	NA	NA	144	142

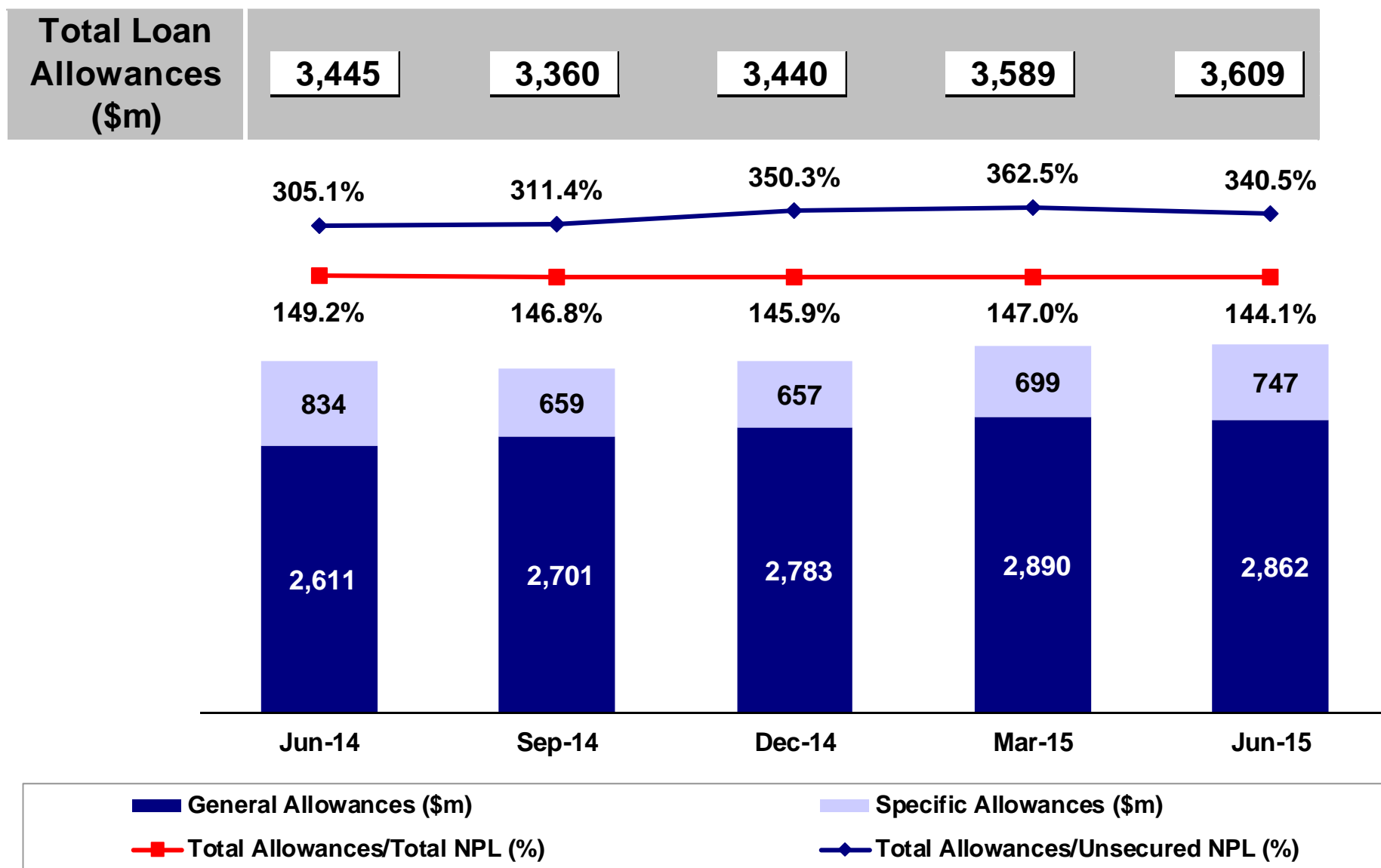
# Stable NPL Ratio at 1.2%

NPL (\$m)	2,309	2,289	2,358	2,442	2,504
NPL Ratio	1.2%	1.2%	1.2%	1.2%	1.2%



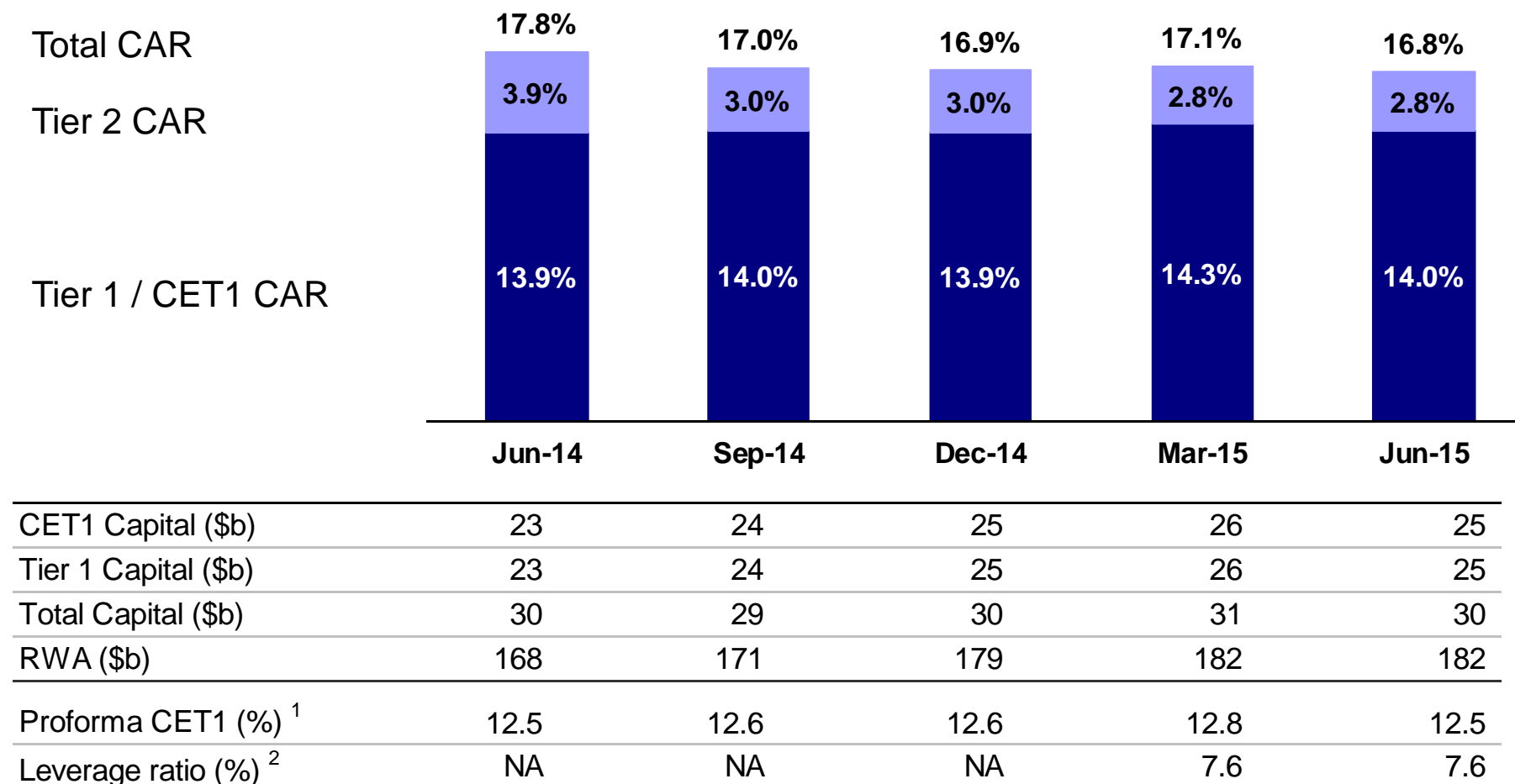
Note: Non-performing loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

# Strong Allowances Coverage



# Capital Ratios Remained Strong

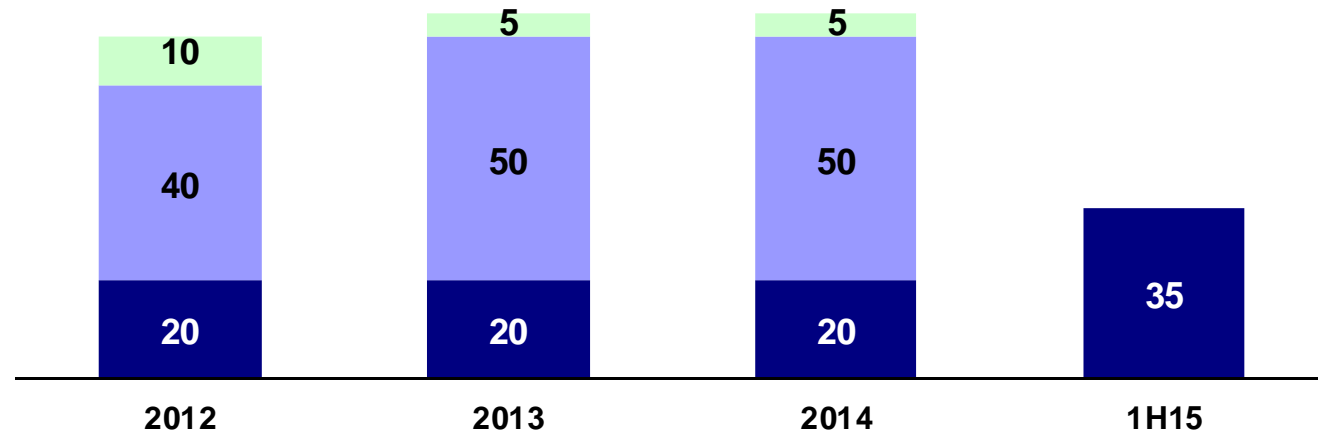
## Capital Adequacy Ratios (CAR)



<sup>1</sup> based on final rules effective 1 Jan 2018.

<sup>2</sup> Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.

# Interim Dividend



Net dividend per ordinary share (¢)	Interim	Final	Special
2012	20	40	10
2013	20	50	5
2014	20	50	5
1H15	35	0	0

## Interim Dividend

Payout amount (\$m)	315	315	320	561
Payout ratio (%)	23	21	20	36



# Singapore – Summarised Income Statement

	1H15	1H14	+/(-)	2Q15	1Q15	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	1,322	1,217	8.7	678	644	5.2
Fee and commission income	543	490	10.9	275	267	2.9
Other non-interest income	357	428	(16.5)	149	208	(28.1)
<b>Total income</b>	<b>2,222</b>	<b>2,134</b>	<b>4.1</b>	<b>1,102</b>	<b>1,120</b>	<b>(1.5)</b>
Less: Total expenses	923	831	11.0	464	458	1.3
<b>Operating profit</b>	<b>1,300</b>	<b>1,303</b>	<b>(0.3)</b>	<b>638</b>	<b>661</b>	<b>(3.5)</b>
Less: Allowances for credit & other losses	226	193	17.4	110	116	(5.0)
Add: Associates & joint ventures	44	37	18.1	32	12	>100.0
<b>Profit before tax</b>	<b>1,117</b>	<b>1,147</b>	<b>(2.6)</b>	<b>560</b>	<b>557</b>	<b>0.6</b>

## Singapore – Key Financial Indicators

	1H15	1H14	+/(-)	2Q15	1Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.40	1.33	0.07	1.43	1.38	0.05
Non-NII/Total income	40.5	43.0	(2.5)	38.5	42.4	(3.9)
Expense/Total income	41.5	38.9	2.6	42.1	40.9	1.2
Customer loans (net) - \$b	128.9	124.0	4.0%	128.9	128.1	0.6%
Customer deposits - \$b	163.5	143.9	13.6%	163.5	159.1	2.8%
Loan/Deposit	78.8	86.2	(7.4)	78.8	80.5	(1.7)

# Malaysia – Summarised Income Statement

	1H15	1H14	+/(–)	2Q15	1Q15	+/(–)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	978	888	10.1	475	503	(5.6)
Fee and commission income	285	286	(0.3)	145	140	3.6
Other non-interest income	110	111	(0.9)	54	56	(3.6)
<b>Total income</b>	<b>1,373</b>	<b>1,285</b>	<b>6.8</b>	<b>674</b>	<b>699</b>	<b>(3.6)</b>
Less: Total expenses	543	489	11.0	289	254	13.8
<b>Operating profit</b>	<b>830</b>	<b>796</b>	<b>4.3</b>	<b>385</b>	<b>445</b>	<b>(13.5)</b>
Less: Allowances for credit & other losses	74	105	(29.5)	12	62	(80.6)
Add: Associates & joint ventures	2	77	(97.4)	1	1	-
<b>Profit before tax</b>	<b>758</b>	<b>768</b>	<b>(1.3)</b>	<b>374</b>	<b>384</b>	<b>(2.6)</b>
<b>Profit before tax (S\$m)</b>	<b>280</b>	<b>297</b>	<b>(5.6)</b>	<b>137</b>	<b>143</b>	<b>(4.5)</b>

## Malaysia – Key Financial Indicators

	1H15	1H14	+/(-)	2Q15	1Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.28	2.13	0.15	2.21	2.35	(0.14)
Non-NII/Total income	28.8	30.9	(2.1)	29.5	28.0	1.5
Expense/Total income	39.5	38.1	1.4	42.9	36.3	6.6
Customer loans (net) - RM'b	71.3	66.9	6.6%	71.3	70.8	0.7%
Customer deposits - RM'b	76.3	71.9	6.2%	76.3	75.6	1.0%
Loan/Deposit	93.4	93.1	0.3	93.4	93.7	(0.3)

## Thailand – Summarised Income Statement

	1H15	1H14	+/(–)	2Q15	1Q15	+/(–)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	6,433	5,967	7.8	3,205	3,228	(0.7)
Fee and commission income	2,836	2,338	21.3	1,512	1,324	14.2
Other non-interest income	109	(9)	>100.0	50	59	(15.3)
<b>Total income</b>	<b>9,378</b>	<b>8,296</b>	<b>13.0</b>	<b>4,767</b>	<b>4,611</b>	<b>3.4</b>
Less: Total expenses	6,137	5,420	13.2	3,205	2,932	9.3
<b>Operating profit</b>	<b>3,241</b>	<b>2,876</b>	<b>12.7</b>	<b>1,562</b>	<b>1,679</b>	<b>(7.0)</b>
Less: Allowances for credit & other losses	960	989	(2.9)	496	464	6.9
<b>Profit before tax</b>	<b>2,281</b>	<b>1,887</b>	<b>20.9</b>	<b>1,066</b>	<b>1,215</b>	<b>(12.3)</b>
<b>Profit before tax (S\$m)</b>	<b>93</b>	<b>73</b>	<b>28.0</b>	<b>43</b>	<b>51</b>	<b>(16.1)</b>

## Thailand – Key Financial Indicators

	1H15	1H14	+/(–)	2Q15	1Q15	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	3.43	3.33	0.10	3.39	3.48	(0.09)
Non-NII/Total income	31.4	28.1	3.3	32.8	30.0	2.8
Expense/Total income	65.4	65.3	0.1	67.2	63.6	3.6
Customer loans (net) - THB'b	266.5	252.1	5.7%	266.5	260.4	2.3%
Customer deposits - THB'b	275.4	244.4	12.7%	275.4	281.7	(2.2%)
Loan/Deposit	96.8	103.2	(6.4)	96.8	92.5	4.3
Loan/Deposit (Include Bills of Exchange*)	96.8	94.7	2.1	96.8	92.5	4.3

\* 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

	1H15	1H14	+/(–)	2Q15	1Q15	+/(–)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,307	1,380	(5.3)	628	679	(7.5)
Fee and commission income	355	347	2.3	194	161	20.5
Other non-interest income	176	135	30.4	100	76	31.6
<b>Total income</b>	<b>1,838</b>	<b>1,862</b>	<b>(1.3)</b>	<b>922</b>	<b>916</b>	<b>0.7</b>
Less: Total expenses	1,369	1,262	8.5	685	684	0.1
<b>Operating profit</b>	<b>469</b>	<b>600</b>	<b>(21.8)</b>	<b>237</b>	<b>232</b>	<b>2.2</b>
Less: Allowances for credit & other losses	270	235	14.9	137	133	3.0
<b>Profit before tax</b>	<b>199</b>	<b>365</b>	<b>(45.5)</b>	<b>100</b>	<b>99</b>	<b>1.0</b>
<b>Profit before tax (S\$m)</b>	<b>21</b>	<b>40</b>	<b>(47.9)</b>	<b>10</b>	<b>10</b>	<b>(2.7)</b>

## Indonesia – Key Financial Indicators

	1H15	1H14	+/(-)	2Q15	1Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.83	4.52	(0.69)	3.58	4.10	(0.52)
Non-NII/Total income	28.9	25.9	3.0	31.9	25.9	6.0
Expense/Total income	74.5	67.8	6.7	74.3	74.7	(0.4)
Customer loans (net) - IDR't	54.0	53.4	1.2%	54.0	55.0	(1.8%)
Customer deposits - IDR't	65.7	58.4	12.6%	65.7	67.8	(3.1%)
Loan/Deposit	82.2	91.4	(9.2)	82.2	81.0	1.2



# Greater China – Summarised Income Statement

	1H15	1H14	+/(–)	2Q15	1Q15	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	193	176	10.0	97	97	(0.1)
Fee and commission income	56	54	2.6	29	27	8.8
Other non-interest income	92	74	23.6	44	48	(8.3)
<b>Total income</b>	<b>341</b>	<b>304</b>	<b>12.0</b>	<b>170</b>	<b>171</b>	<b>(1.0)</b>
Less: Total expenses	153	120	27.0	78	74	5.9
<b>Operating profit</b>	<b>188</b>	<b>184</b>	<b>2.2</b>	<b>91</b>	<b>97</b>	<b>(6.2)</b>
Less: Allowances for credit & other losses	1	15	(90.7)	4	(2)	>100.0
Add: Associates & joint ventures	10	2	>100.0	5	5	(1.3)
<b>Profit before tax</b>	<b>197</b>	<b>171</b>	<b>14.9</b>	<b>92</b>	<b>104</b>	<b>(11.8)</b>

## Greater China – Key Financial Indicators

	1H15	1H14	+/(-)	2Q15	1Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.25	1.24	0.01	1.26	1.24	0.02
Non-NII/Total income	43.3	42.3	1.0	43.0	43.6	(0.6)
Expense/Total income	44.8	39.5	5.3	46.3	43.3	3.0
Customer loans (net) - \$b	17.7	14.3	24.0%	17.7	17.7	0.1%
Customer deposits - \$b	12.7	13.9	(8.4%)	12.7	14.5	(12.3%)
Loan/Deposit	139.6	103.0	36.6	139.6	122.3	17.3