

# First Half 2018 Results

## Record Quarterly Earnings; Healthy Balance Sheet Growth

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# Record Earnings – Healthy Contributions from Core Business

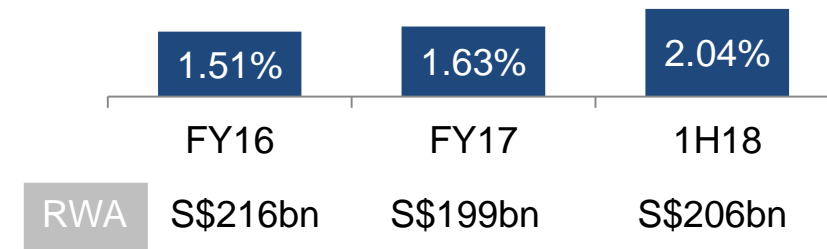
- **2Q18 profit exceeded \$1bn; 1H18 profit at \$2.05bn, ▲ 24% YoY**
  - Both net interest income and fee income saw strong growth in 1H18
- **Net interest income ▲ 13% YoY to \$3.01bn**
  - Loans ▲ 10% YoY; increase was broad-based across most markets and industries
  - NIM ▲ 9bps to 1.83%, as short-term rates rise
- **Non-interest income lifted mainly by fee income (▲ 15% YoY)**
- **Cost-to-income ratio stable at 43.9%**
  - Continue to invest in infrastructure and technology to enhance capabilities

# Disciplined Balance Sheet Management

- **Healthy portfolio quality**
  - 11bps credit cost on NPL lower YoY
  - NPL ratio stable at 1.7%
  - Adequate non-performing assets reserve cover: 89%, or 190% including collateral
- **Improved balance sheet efficiency**
  - Stronger RoRWA<sup>1</sup> driven mainly by higher profit
- **Proactive liability management**
  - Liquidity Coverage Ratios<sup>3</sup>: S\$ (206%) and all-currency (142%)
  - Net stable funding ratio: 110%, above regulatory requirement
- **Robust capital; 14.5% CET1 ratio**
- **Interim dividend / share ▲ to 50 cents, vs 35 cents in 1H17**

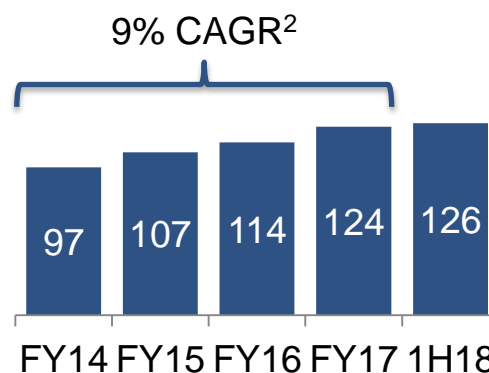
## Balance Sheet Efficiency a Key Priority

RoRWA<sup>1</sup>

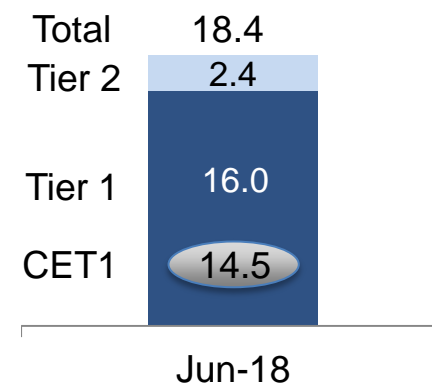


## Liability Management and Capital

Group CASA (S\$bn)



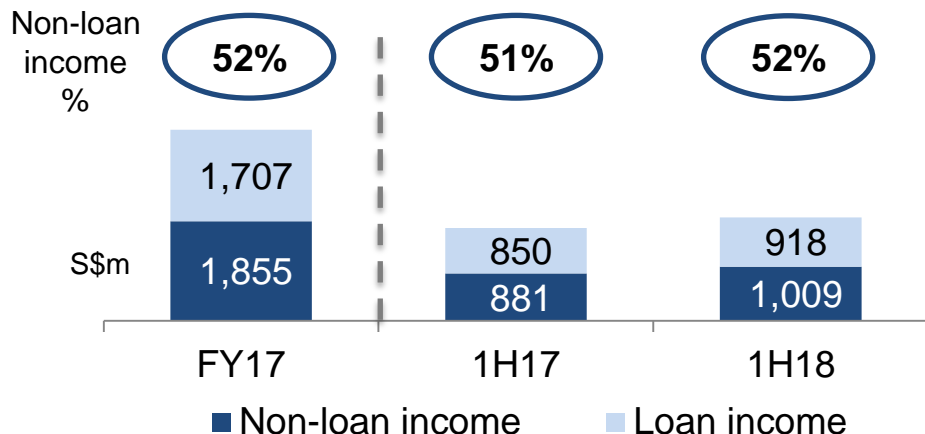
Capital Adequacy Ratios (%)



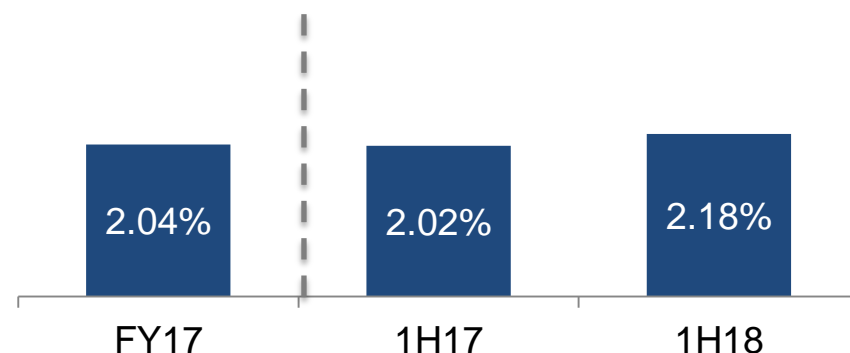
1. Return on average risk-weighted assets (RoRWA) is computed on an annualised basis for 1H18.  
 2. Compound annual growth rate (CAGR) computed over 3 years (2014 to 2017)  
 3. Average ratios for second quarter of 2018

# Wholesale Banking: Income Diversification Remains Key

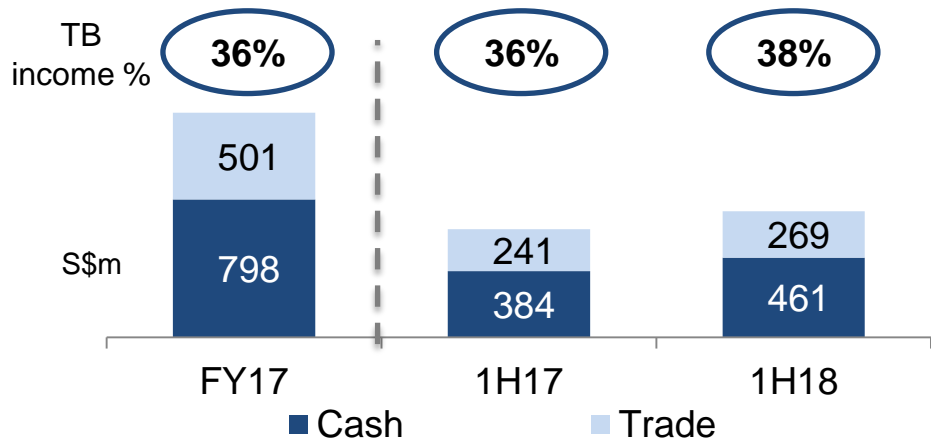
Income from Non-Loan: +15% YoY in 1H18



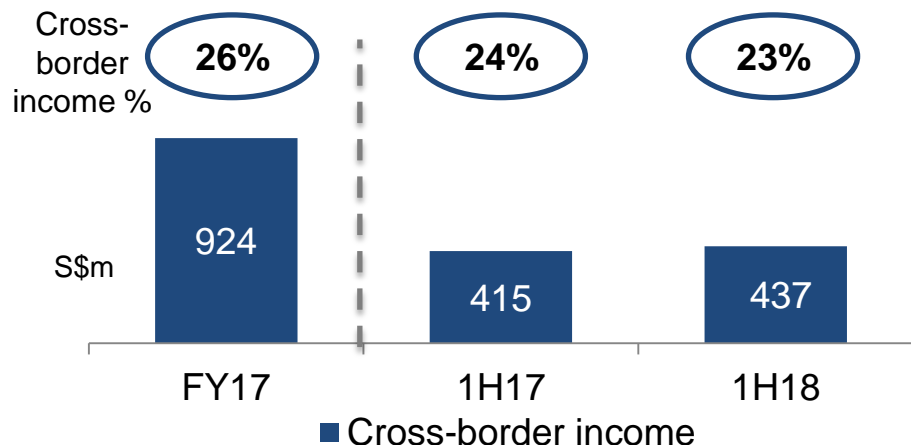
Segment RoRWA<sup>1</sup>: +0.16% pt YoY in 1H18



Income from Transaction Banking: +17% YoY in 1H18



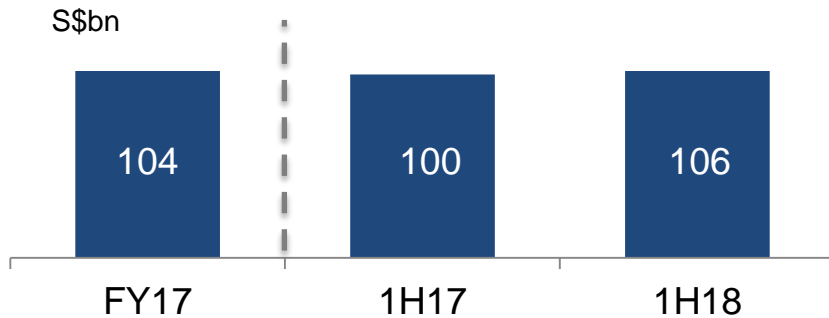
Cross-border income: +5% YoY in 1H18



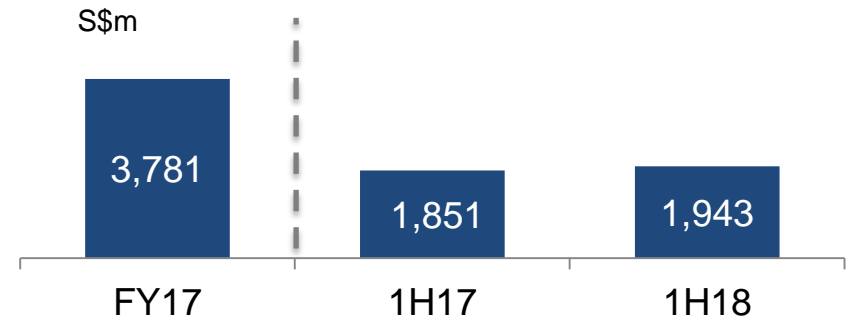
1. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

# Retail Banking: Steady Improvement in Performance

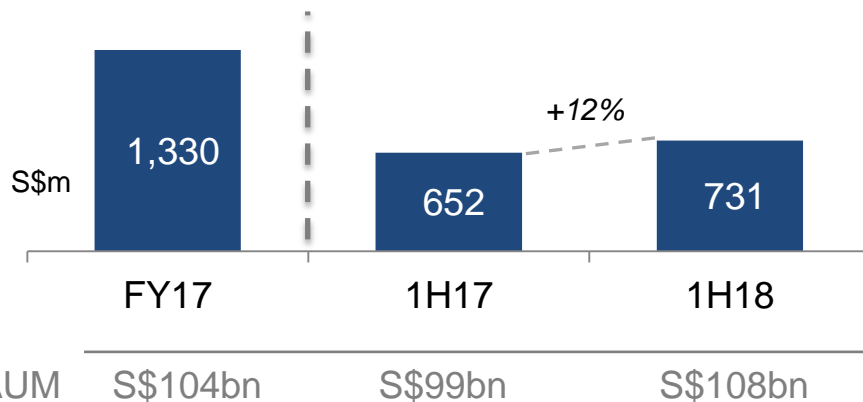
Gross Loans (Group Retail<sup>1</sup>): +6% YoY in 1H18



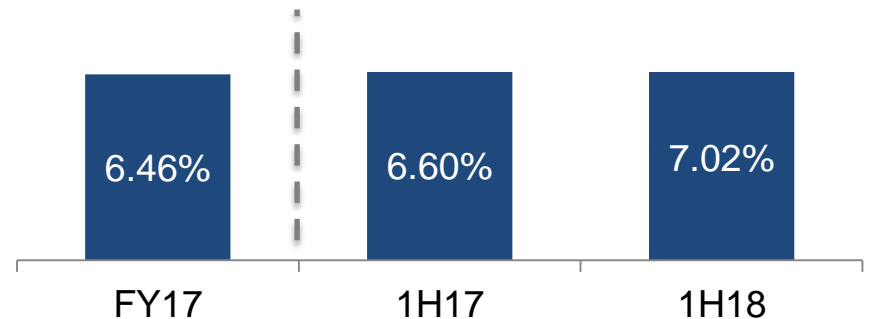
Income<sup>3</sup> (Group Retail<sup>1</sup>) +5% YoY in 1H18



High Affluent<sup>2</sup> Income: +12% YoY in 1H18



Segment RoRWA<sup>4</sup> +0.42% pt YoY in 1H18



1. Includes Business Banking
2. High Affluent comprises Privilege Banking and High Net Worth (Privilege Reserve + Private Bank) segments.
3. Income includes fee and commission income that is net of directly attributable expenses.
4. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

# Harnessing Technology and Innovation to Enhance the Customer Experience

- **Keep our customers at the centre**
  - Provide an omni-channel experience
  - Offer relevant, seamless, smarter, simpler and safer solutions
  - Increase performance and productivity
- **Invest for the future**
  - Strengthen capabilities in technology and people
  - Collaborate with ecosystem partners
  - Incorporate innovations into our end-to-end solutions
- **Scale up our regional customer franchise**
  - Deepen relationships
  - Sharpen focus on the “mobile first” and “mobile only”
  - Wrap technology in the human touch

- **Near-term uncertainties for global economy and Singapore**
  - Trade tensions between US and China, slowing China's economy
  - Impact of government's recent property market measures
- **Confidence in Asia's long-term potential, underpinned by intra-regional investment flows and rising affluence**
  - UOB is well-positioned, given our unique regional footprint, diversified customer franchise and strong balance sheet
  - Strengthening capabilities to tap connectivity opportunities

# Thank You

