UOB Group 大華銀行集團

United Overseas Bank Limited
HEAD OFFICE
80 Raffles Place UOB Plaza Singapore 048624
Tel: (65) 6533 9898 Fax: (65) 6534 2334
uobgroup.com
Co. Reg. No. 193500026Z

NEWS RELEASE

UOB Group First Half 2013 Earnings Up 8% to a Record S$1.5 billion

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Record Profits underpinned by Strong Fees, Steady Growth in Loans and Robust Asset Quality

SINGAPORE, 1 August 2013 – The UOB Group ("Group") net earnings for the first half of 2013 ("1H13") grew 8% year-on-year to a record S$1.5 billion. The improvement was underpinned by strong fee income, steady growth in loans and higher associates' profits. For the second quarter of 2013 ("2Q13"), the Group delivered a consecutive quarter of record profits of S$783 million, 8% higher than the first quarter of 2013 ("1Q13") and up 10% from the second quarter of 2012 ("2Q12").

Net interest income exceeded $1 billion this quarter, a new milestone, as the Group's loans portfolio grew 3% to S$173 billion, bringing year-to-date loans growth to 11%. Fees kept up the strong momentum from the record level set in 1Q13, setting a new high in 1H13. Asset quality improved with non-performing loans ("NPL") ratio lower at 1.2% and total loans charge off maintained at 30 basis points.

The Board has declared an interim cash dividend of 20 cents per ordinary share.

First half 2013 earnings

Net earnings for 1H13 grew 8% year-on-year to a record high of S$1.5 billion, driven by strong contributions from net interest income, fee income and higher associates' profits.

Net interest income in 1H13 was relatively unchanged year-on-year, at S$2 billion, as the lower net interest margin of 1.71%, attributable to lower loans yields, was offset by growth in the Group's average assets volume of 15%.

As the Group intensified its cross-selling initiatives, fee and commission income continued its strong growth momentum, increasing 19% from 1H12 to S$889 million in 1H13. Robust growth was registered in corporate finance-related activities, wealth management, fund management and loans-related activities.

Share of associates' profits grew from S$49 million to S$125 million year-on-year, attributable to gains from the sale of investment securities.

Second quarter 2013 earnings

The Group posted a consecutive record quarter of net earnings of S$783 million in 2Q13, contributed by higher net interest income, increased associates' profits and lower impairment charges.

Net interest income achieved a new milestone, crossing the $1 billion mark in 2Q13. The increase of 5% quarter-on-quarter was supported by higher loans volume and an improvement of 1 basis point in net interest margin to 1.71%. Despite loans yield remaining under pressure due to intense competition, the reversal of the declining net interest margin trend was achieved through an improved assets mix and lower cost of funds.

Keeping up with the strong fee momentum from the record level set in 1Q13, 2Q13 fee income remained robust at S$436 million, driven mainly by fees from trade-related, credit card and wealth management products. Amid volatile market conditions, trading and investment income declined to S$99 million mainly due to loss on the sale of securities.

Share of associates' profit increased to S$101 million in 2Q13, bolstered by gains from sale of investment securities.

Compared with 2Q12, Group net earnings rose 10% to S$783 million. The profit growth was boosted by higher contribution from fee income and associates' profit, as well as lower impairment charges. Net interest income grew 4% to S$1 billion due to higher loans volume. Fee income increased 13% to S$436 million mainly from investment-related and fund management activities. Trading and investment income was lower at S$99 million due to loss on sale of securities. Total impairment charges declined 29% to S$75 million with lower individual impairment.

Strong balance sheet and capital position

Gross customer loans increased 15% from a year ago to S$173 billion, while deposits grew 12% to S$189 billion. The Group's loans-to-deposits ratio rose to 89.9% as the Group rebalanced its balance sheet mix and diversified its funding sources.

The Group's regional branch network continues to underpin its funding capabilities, with deposits growth in the key regional markets keeping pace with loans growth, resulting in the loans-to-deposits ratio of each regional subsidiary remaining below 100%.

US dollar loans-to-deposits ratio remained stable at 88.2% as US dollar loans continued to be funded primarily by deposits. To further strengthen the Group's funding base, S$1.9 billion was issued under the US commercial paper programme in 1H13.

The Group's asset quality stayed resilient. Individual impairment charges were S$28 million in 1H13, significantly lower than S$160 million in 1H12. Total loans charge off rate remained at 30 basis points, while NPL ratio improved to 1.2% as compared with 1.4% a year ago.

Shareholders' equity rose 8% year-on-year to S$26 billion, largely contributed by higher retained earnings as well as improved valuation on the investment portfolio. Annualised return on shareholders' equity for 1H13 stood at 12.4%.

The Group remained well capitalised with Common Equity Tier 1 and Total Capital Adequacy Ratios at 13.6% and 17.2% respectively as at 30 June 2013, well above the minimum ratios required by the Monetary Authority of Singapore.

CEO's statement

Mr Wee Ee Cheong, the UOB Group's Deputy Chairman and Chief Executive Officer, said: "We are pleased to have delivered another record set of results, with both profits and fees reaching new highs in the first half of 2013. Our performance was underpinned by steady contribution from our core business and customer franchise, as we continue to build capabilities for long-term growth.

"While recent talks about QE tapering in the US have led to market volatility, the US economic outlook has improved, which is a positive development for this part of the world. Policy makers regionally have also introduced preemptive measures to manage asset price inflation and consumer leverage. With our strong capital and balance sheet, we are confident of riding out any uncertainty ahead.

"Asia's long-term fundamentals remain sound, backed by expanding intra-regional business flows and rising consumer affluence. With our integrated regional network and disciplined approach to growth, we are well placed to seize opportunities in the evolving banking landscape ahead."

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its Incorporation in 1935, UOB has grown organically through a series of strategic acquisitions. Today it operates in Asia through its branches and representative offices as well as banking subsidiaries in China, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

UOB plays an active role in the community, focusing on the arts, education and children. For more than three decades UOB has held the prestigious UOB Painting Of The Year Competition and Exhibition. In recognition of its contributions to the arts, UOB was conferred the National Arts Council's Distinguished Patron of the Arts Award for the ninth consecutive year in 2013. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

For more information about UOB, visit UOBGroup.com.

For media queries, please contact:	For investor/analyst queries, please contact:
Jean Khong Lye Yee	Stephen Lin Shih Tung
Group Brand Performance and Corporate Communications	Investor Relations
Email: Jean.KhongLY@UOBgroup.com	Email: Stephen.LinST@UOBgroup.com
Tel: 6539 3981 / 9791-2300	Tel: 6539 2523