

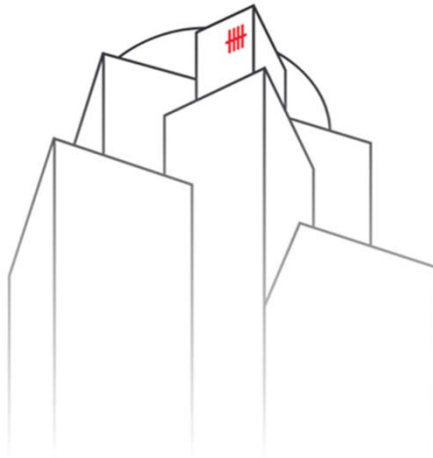


UOB Group 1st Quarter 2017

Financial Highlights

Lee Wai Fai
Group Chief Financial Officer

28 April 2017



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1Q17 Highlights

1Q17 NPAT of \$807m ↑9% vs 4Q16 and ↑5% vs 1Q16

1Q17 vs 4Q16

- Total income rose 5%, led by higher net interest income and trading income
- Operating expenses were flat
- Specific allowance for loans decreased

Strong balance sheet

- Gross customer loans and deposits increased 2% QoQ
- Asset quality remains sound
- New NPL formation off its 2016 peak
- NPL ratio at 1.5%; NPL coverage stayed high at 118%

Capital and liquidity positions

- Capital position remained strong with fully-loaded CET1 higher at 12.8%.
- Leverage ratio of 7.6%, well above Basel's minimum requirement
- Average SGD and all-currency liquidity coverage ratios of 232% and 154% in 1Q17

1Q17 NPAT of \$807 million, up 5% YoY and 9% QoQ

	1Q17	1Q16	+/(-)	4Q16	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,303	1,275	2.3 ▲	1,276	2.2 ▲
Fee and commission income	508	433	17.5 ▲	531	(4.2) ▼
Other non-interest income	311	262	18.8 ▲	222	40.0 ▲
Total income	2,123	1,969	7.8 ▲	2,028	4.6 ▲
Less: Total expenses	957	894	7.0 ▲	957	-
Operating profit	1,166	1,075	8.5 ▲	1,071	8.8 ▲
Less: Specific allowance	279	140	99.7 ▲	441	(36.6) ▼
General allowance	(93)	(23)	(>100.0) ▼	(310)	70.0 ▲
Add: Associates & joint ventures	34	(30)	>100.0 ▲	(21)	>100.0 ▲
Net profit before tax	1,014	927	9.3 ▲	920	10.2 ▲
Less: Tax & non-controlling interests	206	161	27.7 ▲	181	14.2 ▲
Net profit after tax	807	766	5.4 ▲	739	9.3 ▲



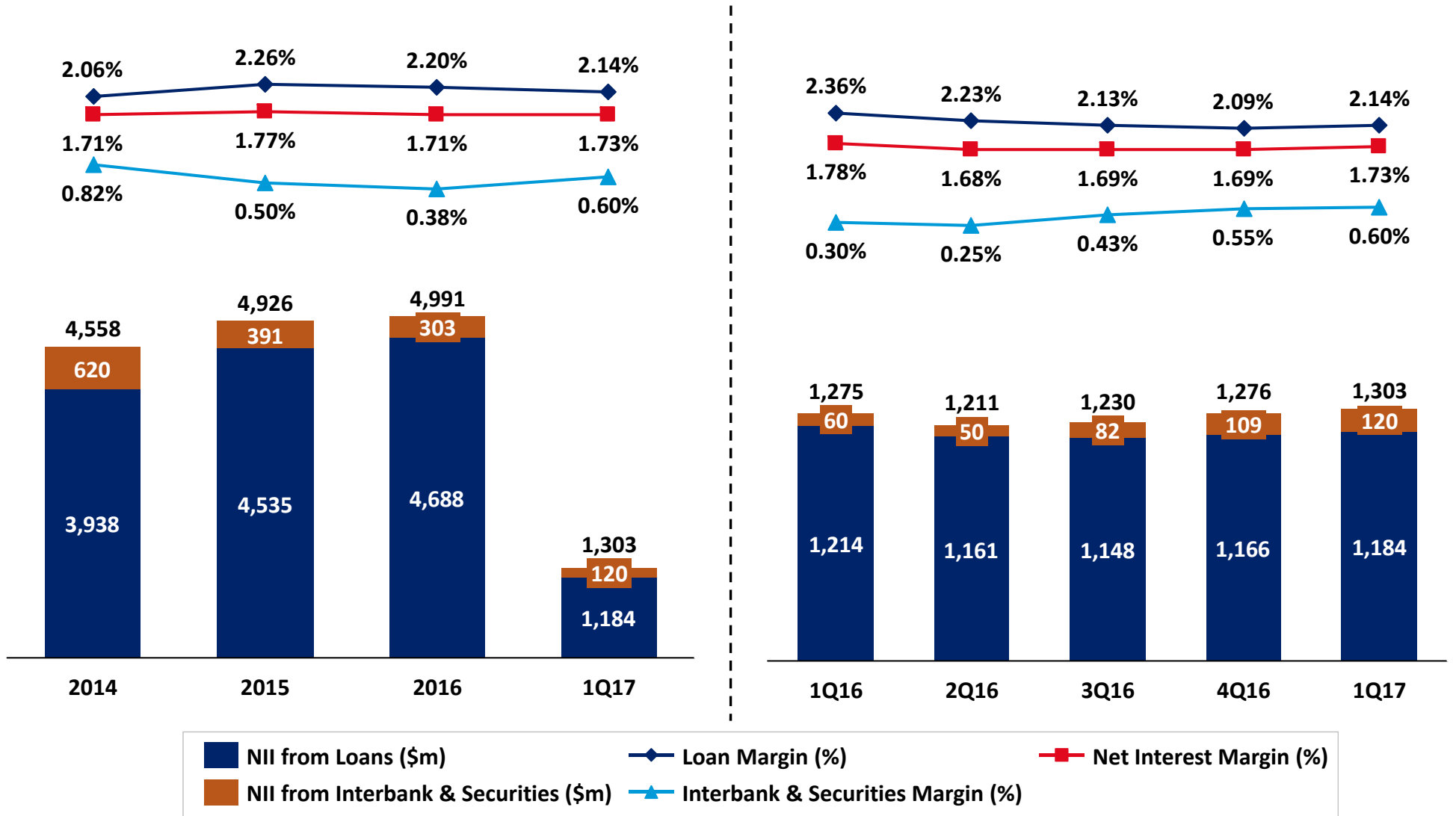
favourable variance to earnings



unfavourable variance to earnings

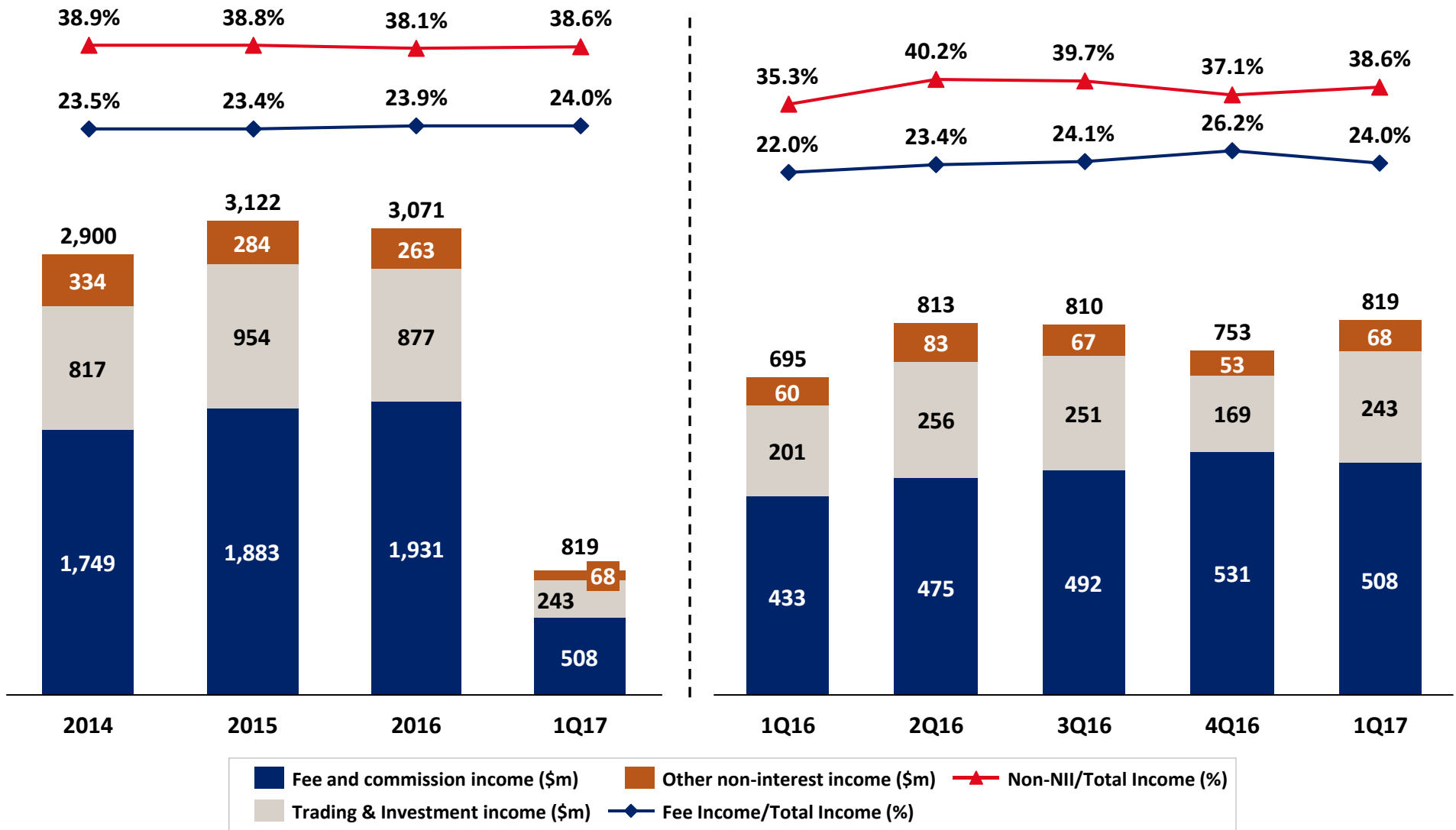
NII rose 2% YoY supported by broad-based loan growth

Net Interest Income (NII) and Margin



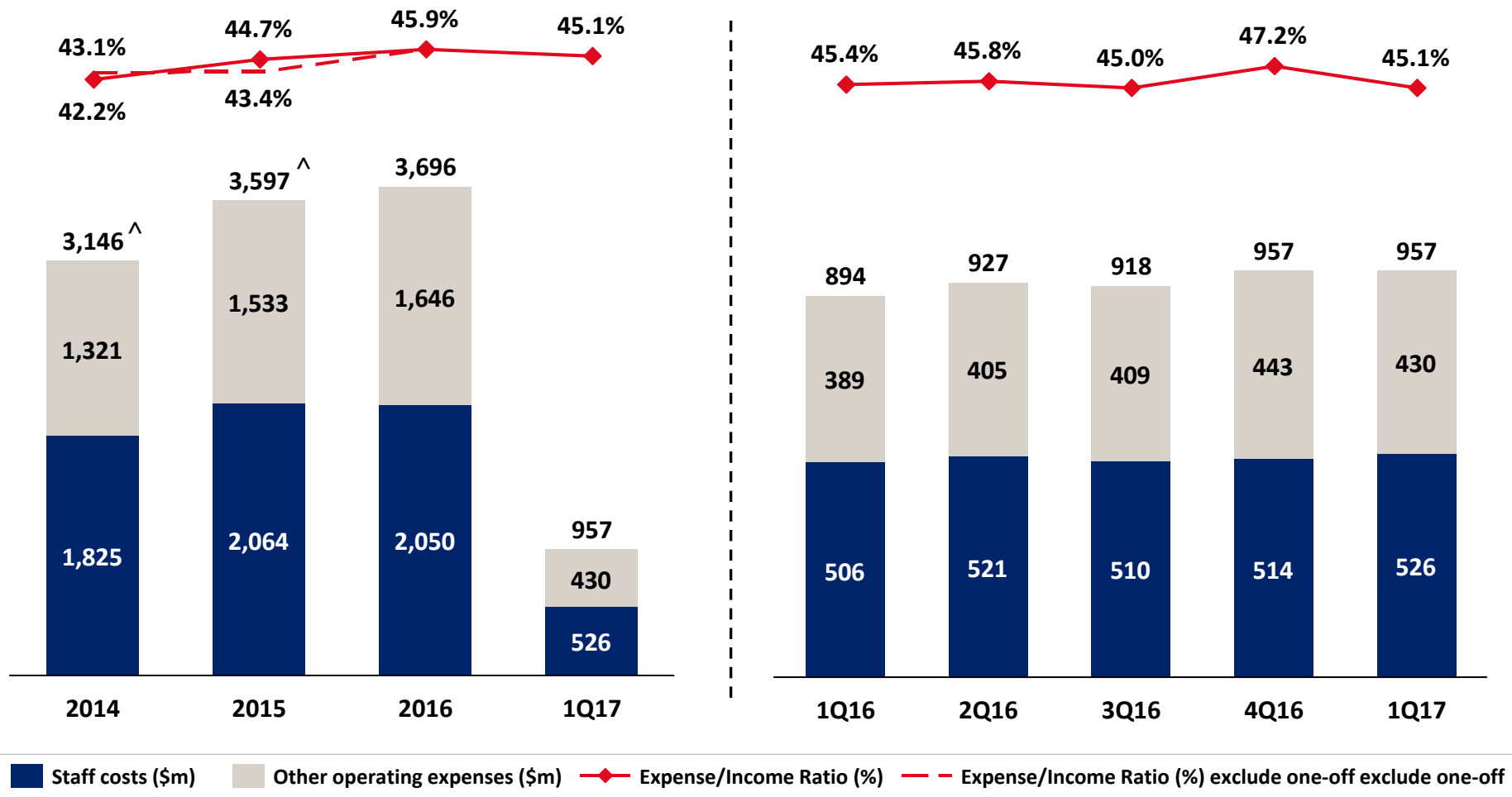
Fee income and trading income 18% and 59% higher YoY. Higher trading income this quarter offset by lower fee income

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



Disciplined cost management resulting in stable expense/income ratio of 45.1%

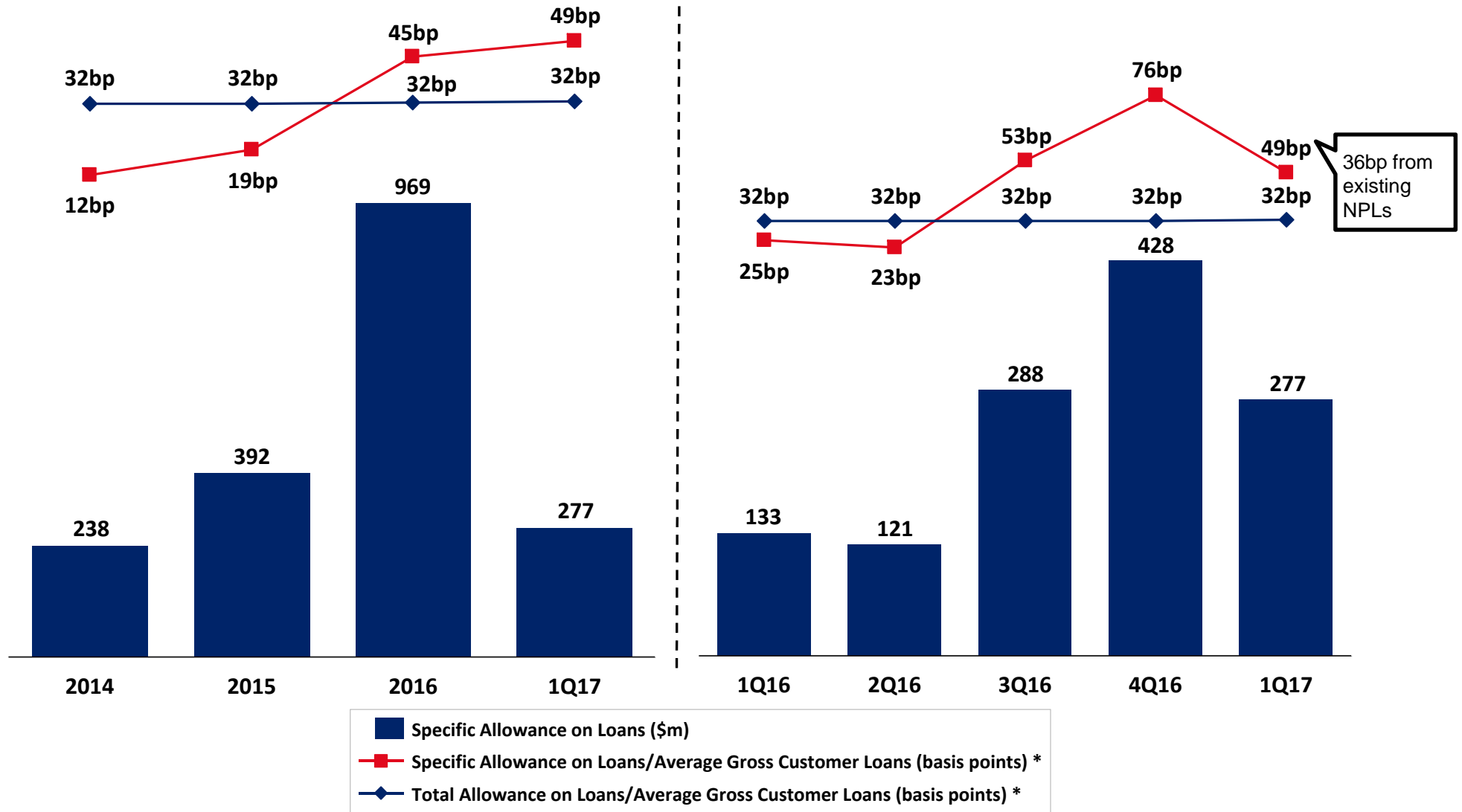
Operating Expenses and Expense / Income Ratio



^ Included one-off expenses relating to SG50 and UOB80 commemorative events and brand campaign (2015: \$67m) and adjustment for prior year's bonus.

Lower specific allowance on loans in 1Q17 as allowance from exposures in the oil and gas and shipping industries has dropped

Allowance on Loans



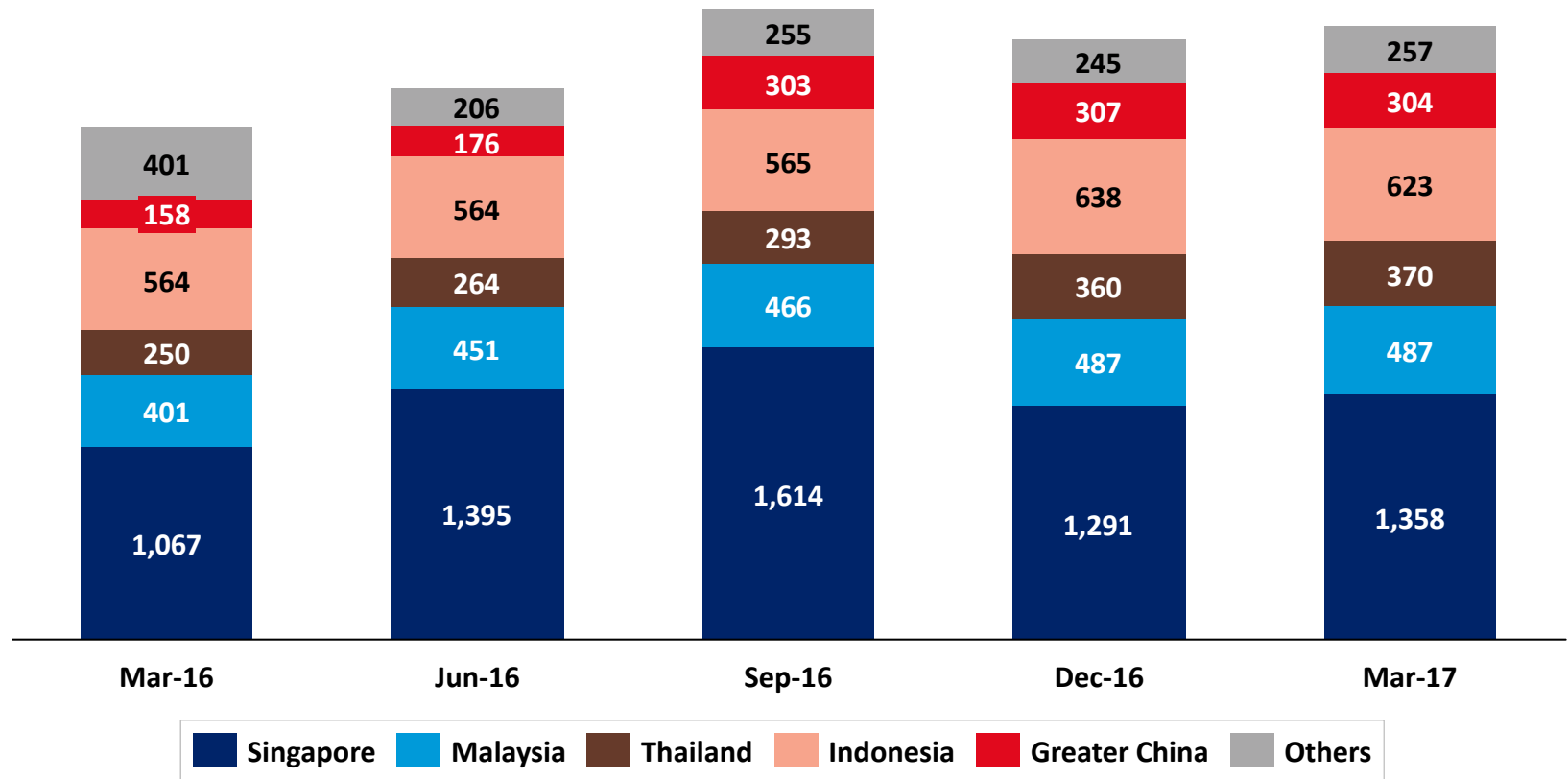
* On annualised basis

Movements in non-performing assets

	1Q16 \$m	2Q16 \$m	3Q16 \$m	4Q16 \$m	1Q17 \$m
NPA at start of period	3,066	3,016	3,164	3,632	3,480
New NPA	344	802	780	387	424
Upgrades, recoveries and translations	(235)	(548)	(201)	(320)	(293)
Write-offs	(159)	(106)	(111)	(219)	(68)
NPA at end of period	3,016	3,164	3,632	3,480	3,543

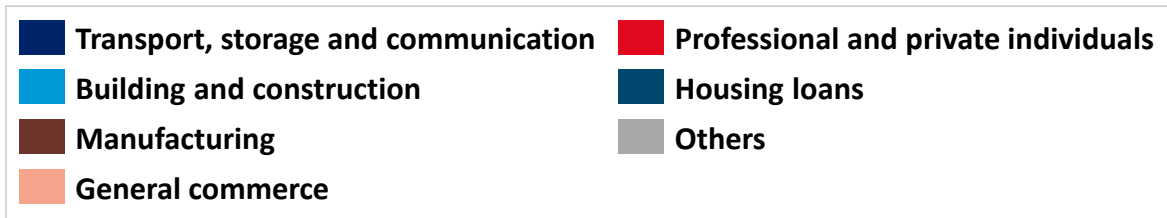
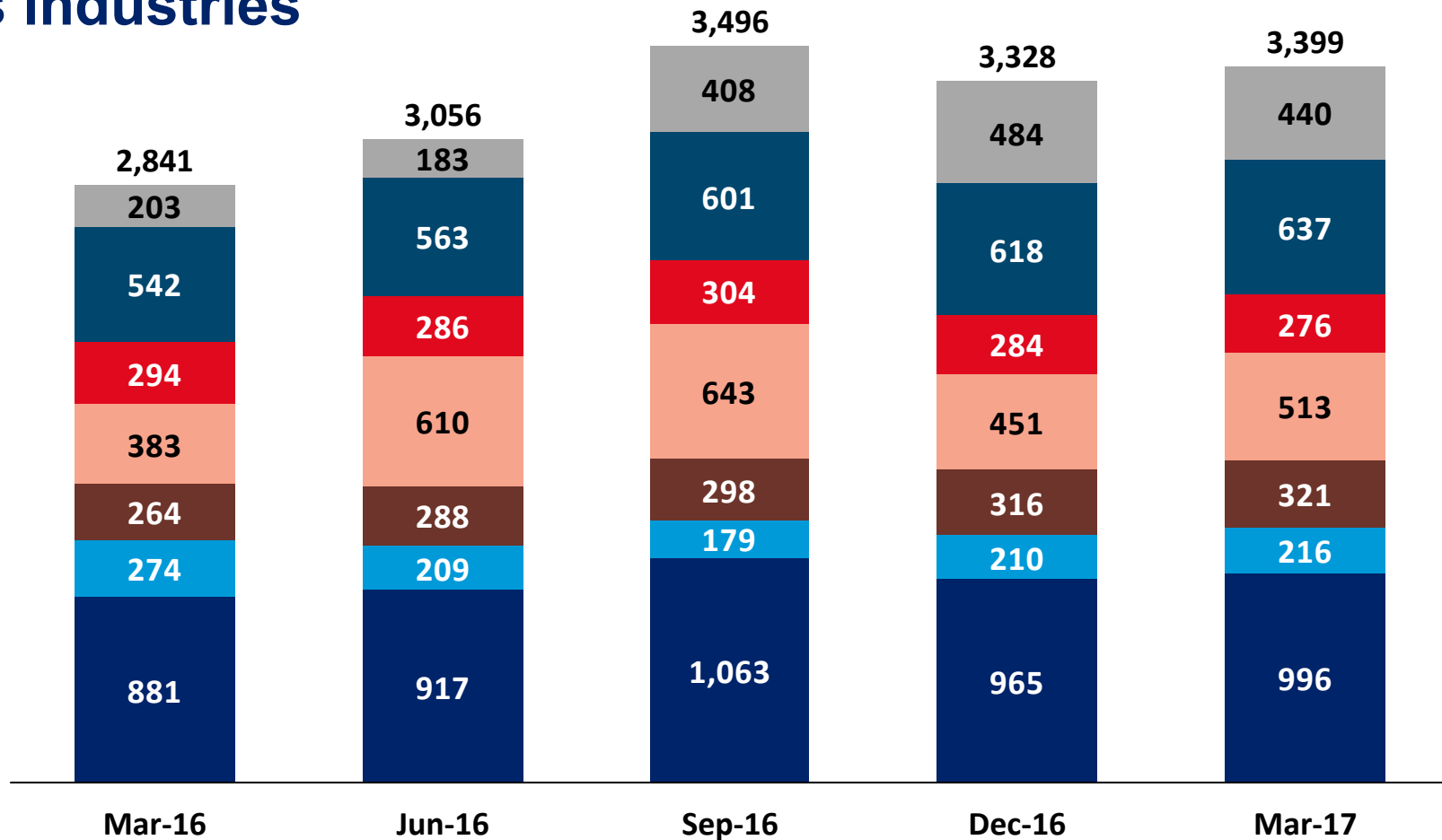
NPL ratio remained stable 1.5%

NPL (\$m)	2,841	3,056	3,496	3,328	3,399
NPL Ratio	1.4%	1.4%	1.6%	1.5%	1.5%




Note : Non-performing 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).



New NPLs mainly from general commerce and oil and gas industries




Exposure to commodities

Mar 17	Oil and gas		Other commodity segments	Total
	Upstream industries ²	Traders/ downstream industries		
Total exposure ¹	SGD5.2b	SGD12.5b	SGD10.5b	SGD28.2b
Outstanding loans	SGD4.6b	SGD7.3b	SGD7.5b	SGD19.4b



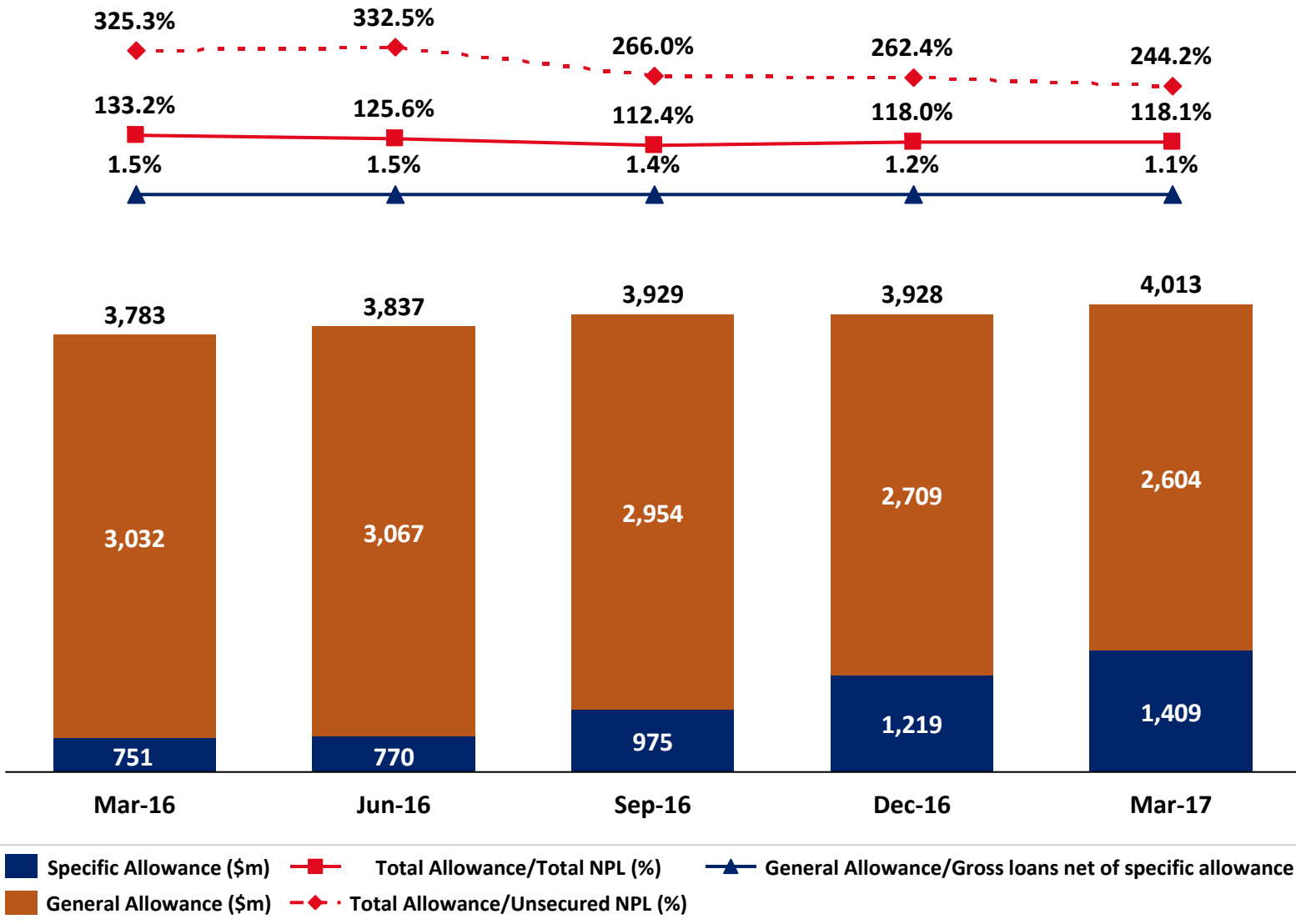

5% of total loans



8.5% of total loans

- Total exposure, including off-balance sheet items, stood at SGD28.2b as of 31 March 2017
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

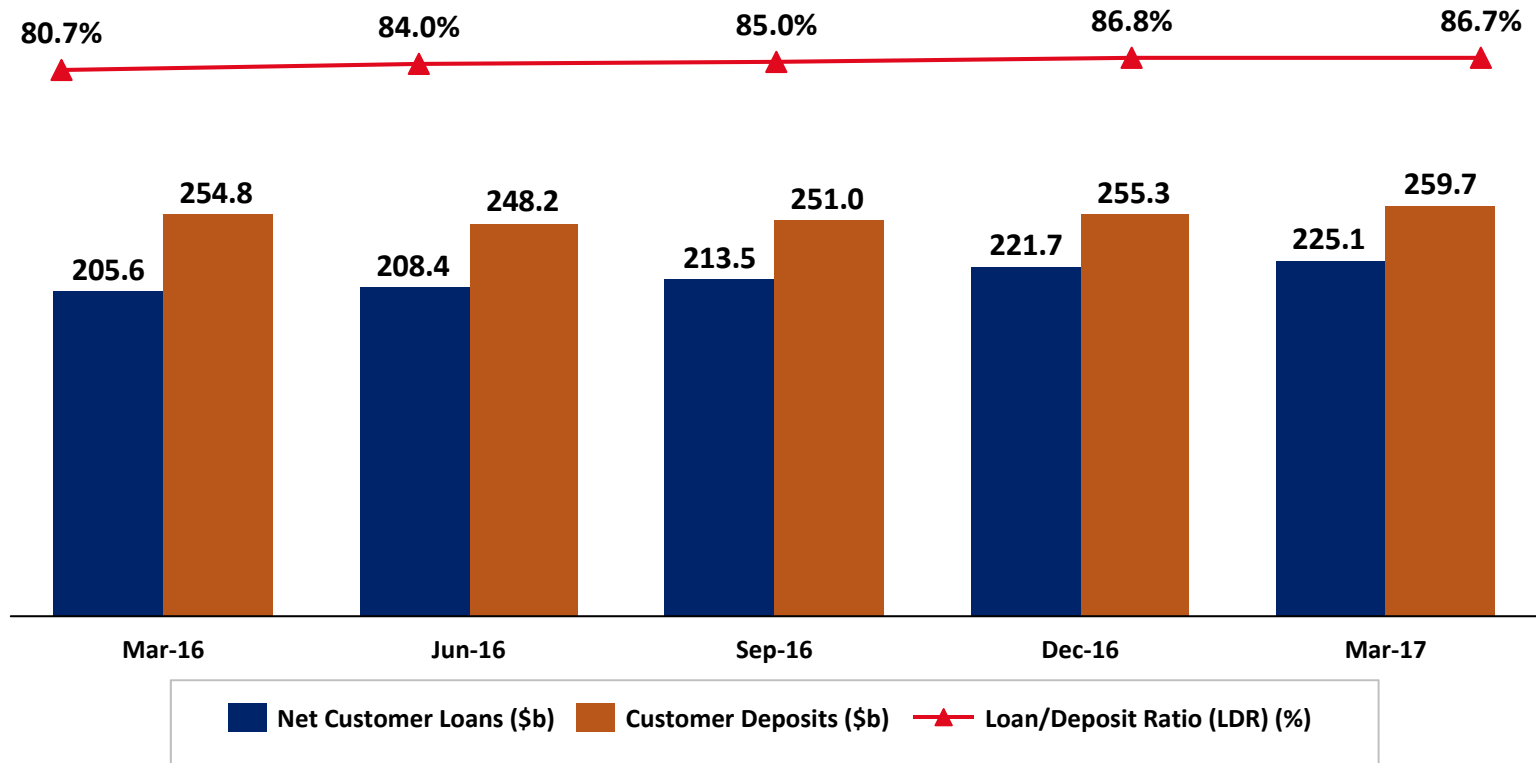
Notes: 1. Total exposure comprises outstanding loans and contingent liabilities
 2. Oil and gas upstream industries include offshore service companies.

Loan allowance coverage remains adequate



Stable liquidity position

Customer Loans and Deposits; LDR and LCR



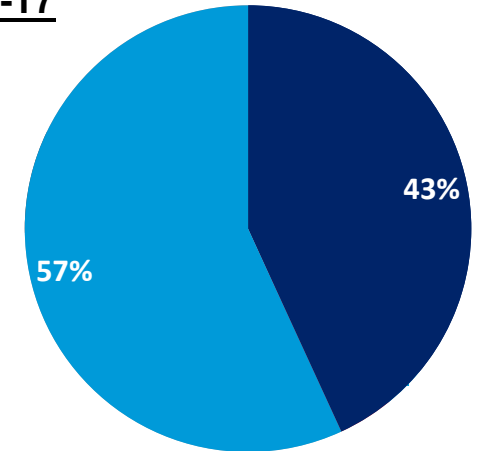
SGD LDR (%)	88.1	91.9	89.7	89.7	87.8
USD LDR (%)	56.7	63.1	68.3	74.6	75.7
SGD LCR (%) ¹	169	224	213	275	232
Total LCR (%) ¹	139	167	148	162	154

¹ Average for quarters

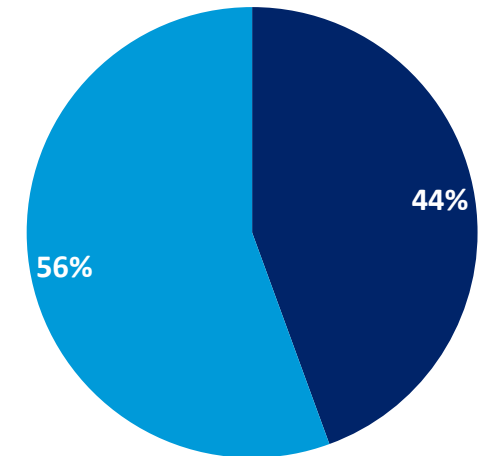
Loans up 9% YoY and 2% QoQ to \$229b

Gross Loans	Mar-17	Mar-16	+/(-)	Dec-16	+/(-)
	\$b	\$b	%	\$b	%
Singapore	125.1	117.8	6.2	125.5	(0.4)
Regional:	80.6	72.4	11.4	78.1	3.2
Malaysia	25.6	25.5	0.3	25.8	(0.7)
Thailand	13.7	11.4	20.2	13.2	3.4
Indonesia	11.4	10.9	4.7	11.9	(3.7)
Greater China	29.9	24.6	21.7	27.2	9.8
Others	23.5	19.2	22.2	22.1	6.4
Total	229.1	209.4	9.4	225.7	1.5

Mar-17



Mar-16



■ Group Retail ■ Group Wholesale

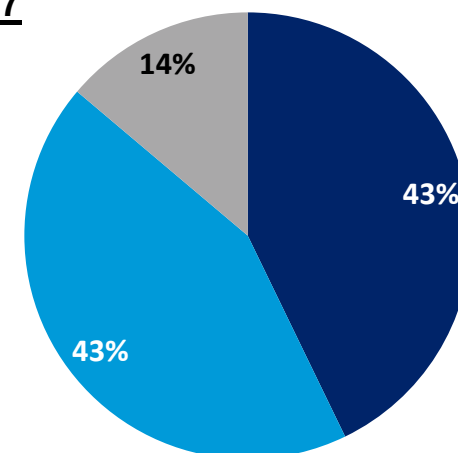
Notes: 1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

2. No significant currency translation impact.

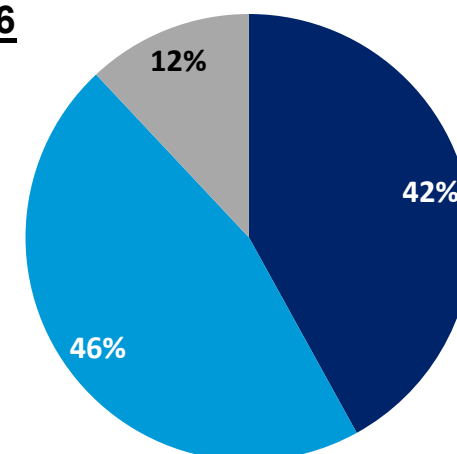
Funding increased by 4% YoY and 1% QoQ with proactive liquidity management

	Mar-17 \$b	Mar-16 \$b	+/(-) %	Dec-16 \$b	+/(-) %
Singapore	182.0	177.4	2.6	178.7	1.9
Regional:	63.4	61.7	2.7	63.1	0.5
Malaysia	26.6	27.0	(1.3)	27.2	(2.2)
Thailand	13.7	12.2	12.6	13.4	2.5
Indonesia	7.8	6.7	17.5	7.9	(0.4)
Greater China	15.3	15.9	(4.2)	14.7	4.1
Others	14.3	15.6	(8.9)	13.5	5.3
Total customer deposits	259.7	254.8	1.9	255.3	1.7
Wholesale funding	39.4	33.0	19.5	40.1	(1.6)
Total funding	299.1	287.8	3.9	295.4	1.3

Mar-17



Mar-16

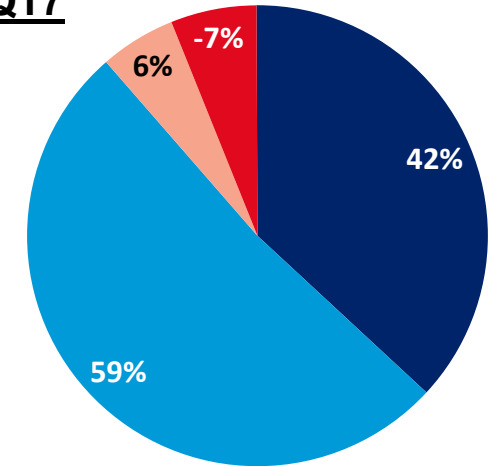


Note: No significant currency translation impact.

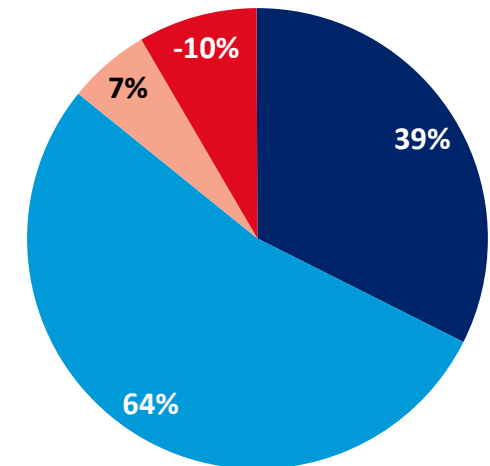
Performance by business segment

	1Q17	1Q16	+/(-)
Segment Operating Profit	\$m	\$m	%
Group Retail (GR)	493	424	16.3
Group Wholesale Banking (GWB)	690	685	0.7
Global Markets (GM)	64	73	(12.3)
Others	(81)	(107)	24.6
Total	1,166	1,075	8.5

1Q17



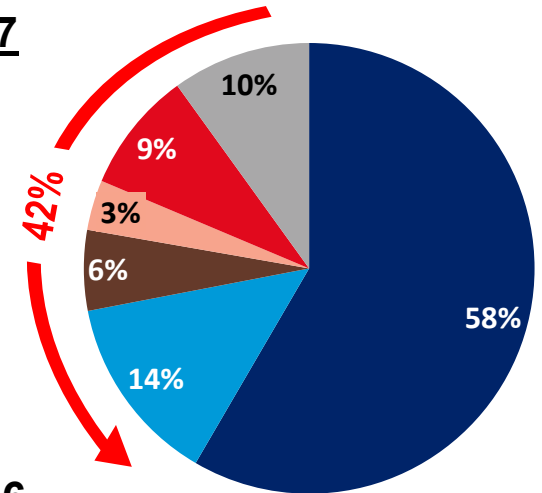
1Q16



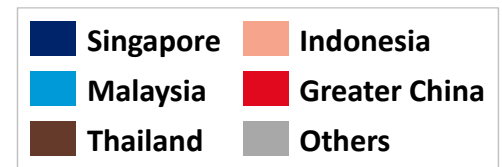
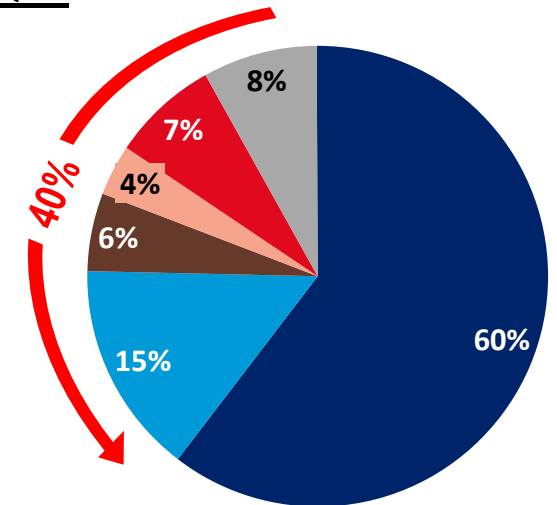
Regional operating profit increased 14% YoY in constant currency terms

Operating Profit	1Q17	1Q16	At constant FX rate	
	\$m	\$m	+/(-) %	+/(-) %
Singapore	672	649	3.6	3.6
Regional:	377	339	11.4	13.5
Malaysia	159	161	(1.1)	6.4
Thailand	68	70	(3.4)	(6.4)
Indonesia	40	39	2.4	-
Greater China	111	69	60.1	57.2
Others	116	87	33.7	36.3
Total	1,166	1,075	8.5	9.3

1Q17



1Q16

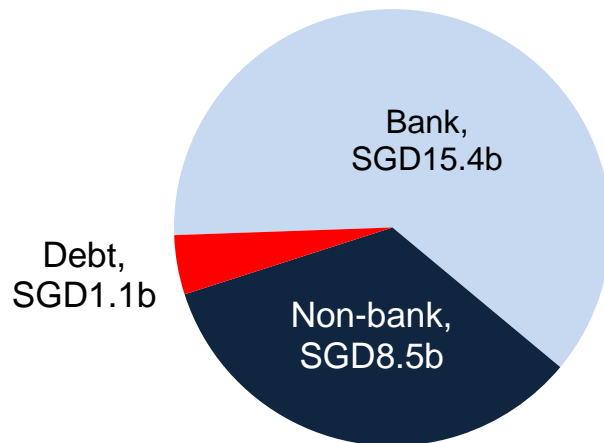


Exposure to China

Mar 2017

SGD25.0b

or 7.3% of total assets



Bank exposure in China

- 98% with <1 year tenor
- Around 77% accounted for by top 5 domestic banks and policy banks
- Trade exposures mostly with bank counterparties, representing slightly more than half of bank exposure

Non-bank exposure in China

- Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- NPL ratio around 1.0%
- Around half of loans denominated in RMB
- Around 43% of the loans has tenor within a year
- Minimal exposure to stockbroking companies linked to China's stock market
- No exposure to Qingdao fraud and local government financing vehicles

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

Exposure to Europe

Mar 2017	Non-bank	Bank	Debt securities	Total	As a % of total assets
Europe	SGD3.5b	SGD3.5b	SGD1.0b	SGD8.0b	2.3%
of which UK	SGD2.4b	SGD0.8b	SGD0.2b	SGD3.4b	1.0%

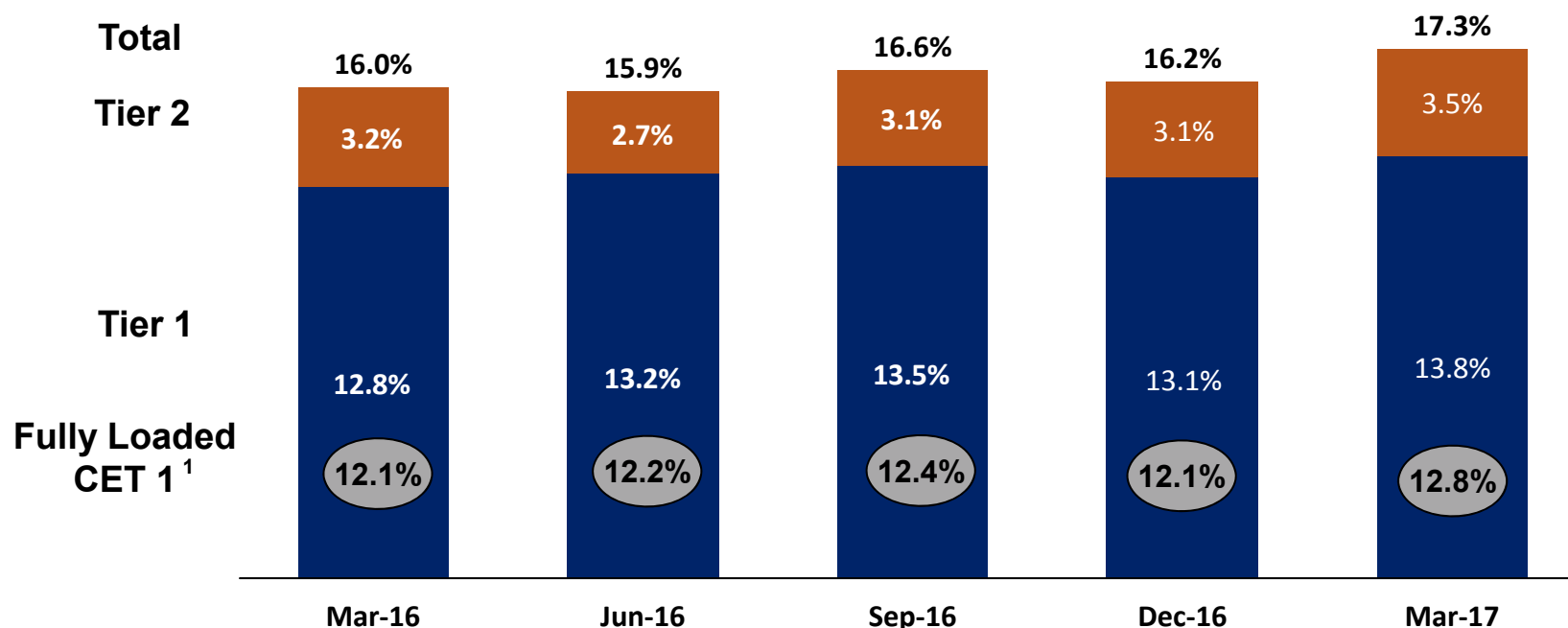
Minimal direct impact from Brexit

- Bulk of UK non-bank exposure is secured and denominated in GBP
- Consumer mortgage book small and healthy
- Highly rated bank counterparties in the UK

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

Capital position augmented by various capital management initiatives

Capital Adequacy Ratios (CAR)



CET1 Capital (\$b)	26	26	27	28	28
Tier 1 Capital (\$b)	26	27	28	28	29
Total Capital (\$b)	32	32	34	35	36
RWA (\$b)	202	202	205	216	211
Leverage ratio (%) ²	7.0	7.4	7.5	7.4	7.6

Notes:

1. Based on final rules effective 1 Jan 2018.

2. Leverage ratio is calculated based on the revised MAS Notice 637. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.

Appendix :

Performance of Major Territories

- Singapore
- Malaysia
- Thailand
- Indonesia
- Greater China

Singapore – Key Financials

	1Q17	1Q16	+/(-)	4Q16	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	704	713	(1.3)	673	4.6
Fee & commission income	316	256	23.5	317	(0.4)
Other non-interest income	184	173	6.5	128	43.4
Total income	1,203	1,141	5.4	1,118	7.6
Less: Expenses	531	492	7.9	519	2.3
Operating profit	672	649	3.6	599	12.2
Less: Allowances	132	(3)	>100.0	35	>100.0
Add: Associates & JVs	11	10	19.2	16	(28.6)
Profit before tax	551	661	(16.6)	581	(5.0)
<u>Key ratios (%)</u>					
Net interest margin	1.29	1.40		1.23	
Non-NII/Total income	41.5	37.5		39.8	
Expense/Total income	44.1	43.1		46.4	
Loan/Deposit	76.8	74.3		78.5	

Malaysia – Key Financials

	1Q17	1Q16	+/(–)	4Q16	+/(–)
	RM'm	RM'm	%	RM'm	%
Net interest income	522	510	2.4	502	4.0
Fee & commission income	178	136	30.9	185	(3.8)
Other non-interest income	80	88	(9.1)	67	19.4
Total income	780	734	6.3	754	3.4
Less: Expenses	279	263	6.1	303	(7.9)
Operating profit	501	471	6.4	451	11.1
Less: Allowances	14	69	(79.7)	32	(56.3)
Add: Associates & JVs	-	-	-	-	-
Profit before tax	487	402	21.1	419	16.2
Profit before tax (S\$m)	154	137	12.6	136	13.7
<i>Average Exchange rate</i>	3.15	2.93		3.08	
<u>Key ratios (%)</u>					
Net interest margin	2.20	2.35		2.16	
Non-NII/Total income	33.1	30.5		33.4	
Expense/Total income	35.8	35.8		40.2	
Loan/Deposit	95.0	93.6		93.2	

Thailand – Key Financials

	1Q17	1Q16	+/(-)	4Q16	+/(-)
	THB'm	THB'm	%	THB'm	%
Net interest income	3,699	3,479	6.3	3,707	(0.2)
Fee & commission income	1,390	1,348	3.1	1,611	(13.7)
Other non-interest income	126	92	37.0	171	(26.3)
Total income	5,215	4,919	6.0	5,489	(5.0)
Less: Expenses	3,531	3,120	13.2	3,304	6.9
Operating profit	1,684	1,799	(6.4)	2,185	(22.9)
Less: Allowances	683	815	(16.2)	971	(29.7)
Profit before tax	1,001	984	1.7	1,214	(17.5)
Profit before tax (S\$m)	40	38	5.5	49	(17.1)
<i>Average Exchange rate</i>	24.76	25.69		24.91	
<u>Key ratios (%)</u>					
Net interest margin	3.51	3.59		3.62	
Non-NII/Total income	29.1	29.3		32.5	
Expense/Total income	67.7	63.4		60.2	
Loan/Deposit	94.1	90.6		93.5	

Indonesia – Key Financials

	1Q17	1Q16	+/(-)	4Q16	+/(-)
	IDR'b	IDR'b	%	IDR'b	%
Net interest income	828	765	8.2	853	(2.9)
Fee & commission income	188	178	5.6	206	(8.7)
Other non-interest income	100	138	(27.5)	102	(2.0)
Total income	1,116	1,081	3.2	1,161	(3.9)
Less: Expenses	741	706	5.0	782	(5.2)
Operating profit	375	375	-	379	(1.1)
Less: Allowances	155	187	(17.1)	337	(54.0)
Profit before tax	220	188	17.0	42	>100.0
Profit before tax (S\$m)	23	19	20.3	4	>100.0
<i>Average Exchange rate</i>	9,464	9,732		9,554	
<u>Key ratios (%)</u>					
Net interest margin	4.08	4.22		4.34	
Non-NII/Total income	25.8	29.2		26.5	
Expense/Total income	66.4	65.3		67.4	
Loan/Deposit	86.3	87.2		88.1	

Greater China – Key Financials

	1Q17	1Q16	+/(–)	4Q16	+/(–)
	\$m	\$m	%	\$m	%
Net interest income	99	94	6.1	102	(2.5)
Fee & commission income	25	29	(13.4)	29	(16.0)
Other non-interest income	72	32	>100.0	41	75.1
Total income	196	155	27.0	173	13.8
Less: Expenses	85	85	0.1	88	(2.6)
Operating profit	111	69	60.1	85	30.6
Less: Allowances	7	15	(52.7)	4	62.7
Add: Associates & JVs	12	12	(6.0)	11	10.1
Profit before tax	115	66	73.7	91	26.7
<u>Key ratios (%)</u>					
Net interest margin	1.06	1.13		1.06	
Non-NII/Total income	49.5	39.5		41.0	
Expense/Total income	43.5	55.1		50.8	
Loan/Deposit	159.2	115.8		145.9	

Thank You