

Full Year 2016 Results Stable Core Earnings in Slower Operating Environment

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Deputy Chairman and Chief Executive Officer

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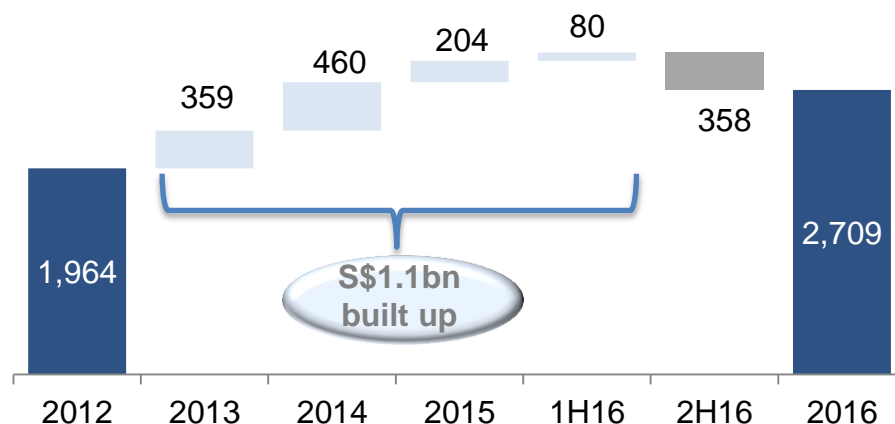
Stable Performance from Core Businesses

- **FY16 profit: S\$3.1bn, slightly lower YoY**
 - Higher net interest income and fee income offset by lower investment income
- **Net interest income up 1.3% to S\$5bn, led by healthy loan growth**
 - Loans: +8.8% YoY, with selective targeting of quality credits
 - NIM: -6bps to 1.71%, although it has stabilised over last 2 quarters
- **Non-interest income flat at S\$3.1bn**
 - Higher fee income (+2.5% YoY) offset by lower trading & investment income (-8.1% YoY)
- **Higher cost-to-income ratio**
 - 45.9%, with continued investments in infrastructure and technology to sharpen capabilities

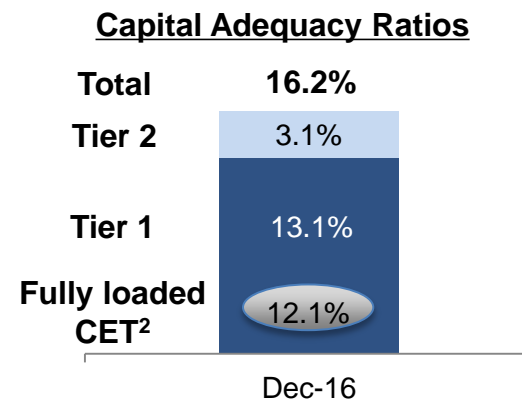
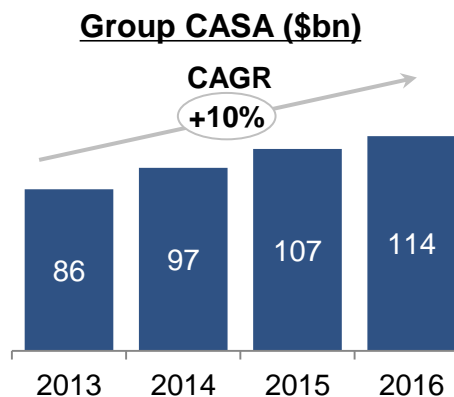
Disciplined Balance Sheet Management

- **Portfolio quality broadly stable**
 - NPL ratio up slightly at 1.5%
 - High general allowances-to-loans ratio of 1.2%
 - 32bps total credit costs maintained
- **Proactive liability management**
 - Liquidity Coverage Ratios¹: S\$ (275%) and all-currency (162%)
- **Healthy capital position**
 - 12.1% fully-loaded CET1 ratio²
- **Final dividend of 35 cents/share**
 - Scrip dividend scheme applied

Countercyclical Approach to General Allowances (\$m)



Liability Management and Capital

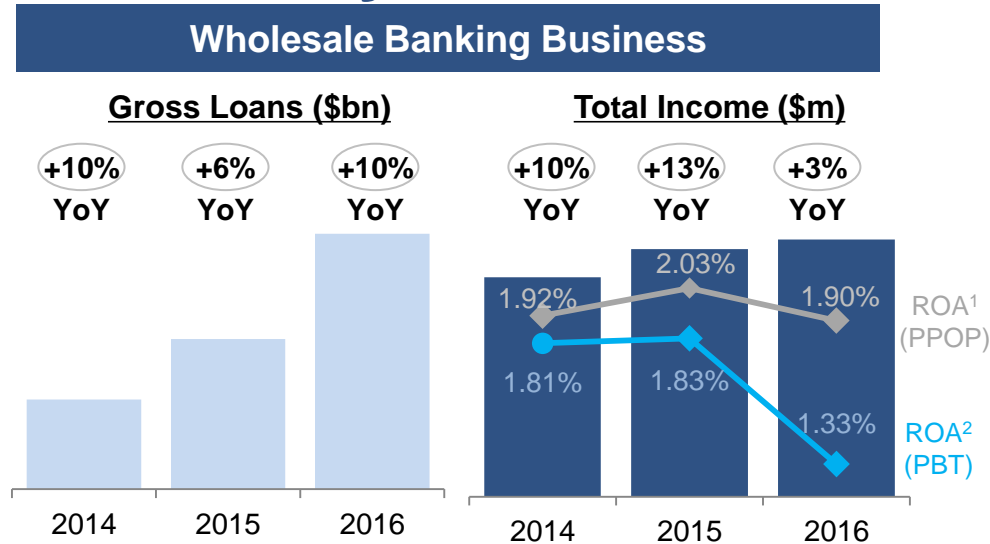


1. Average ratios for fourth quarter of 2016.

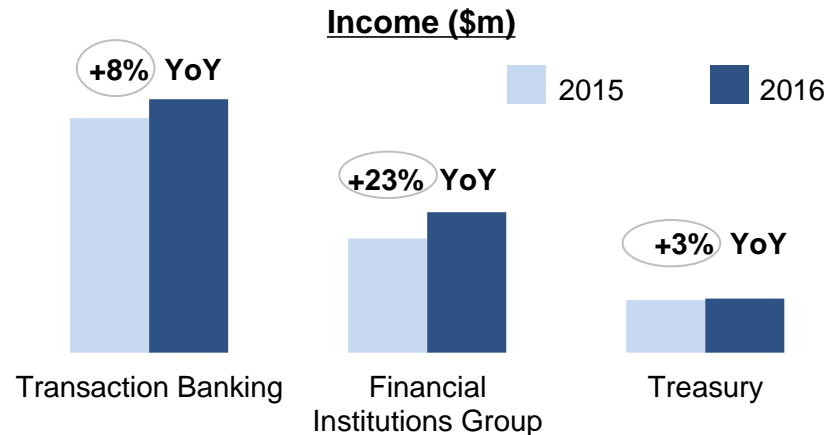
2. Proforma CET1 ratio (based on final rules effective 1 January 2018).

Wholesale Banking: Steady Franchise Growth; Broader Portfolio Quality Sound

- Wholesale Banking's loans and income up in 2016
- Bottom line dampened by higher allowances, largely from offshore & marine sector
 - Broader portfolio quality remains sound
- Selective loans growth, despite cautious business climate
 - Transaction Banking and Financial Institutions continue to grow
- Capturing regional opportunities
 - Cross-border income: 21% of Group Wholesale Banking income



Transaction Banking and Financial Institutions Group Seeing Good Momentum



1. ROA: Ratio of "Pre-provision profit" to "Average Assets"
 2. ROA: Ratio of "Profit before tax" to "Average Assets"

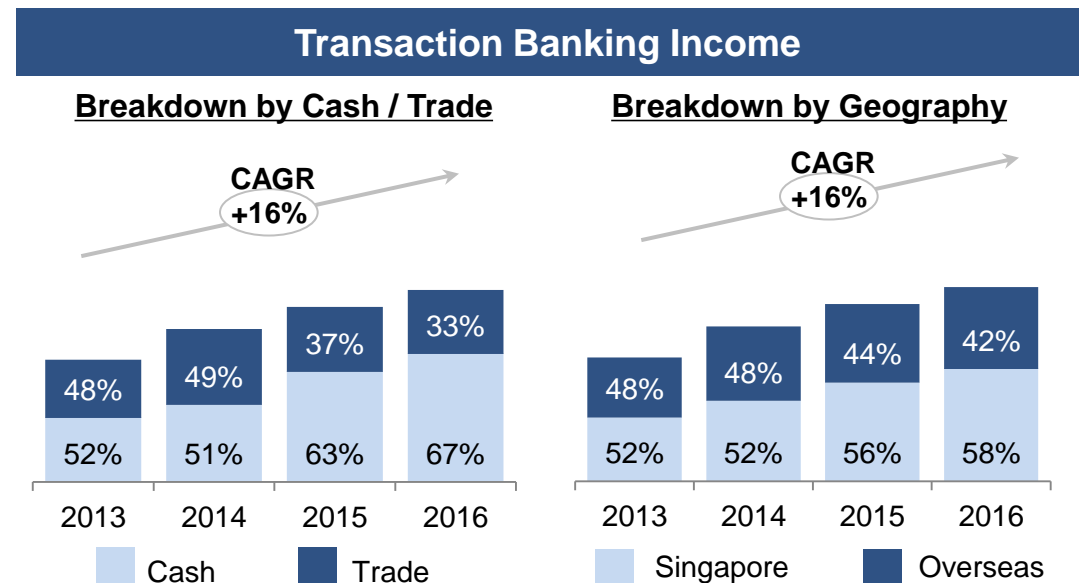
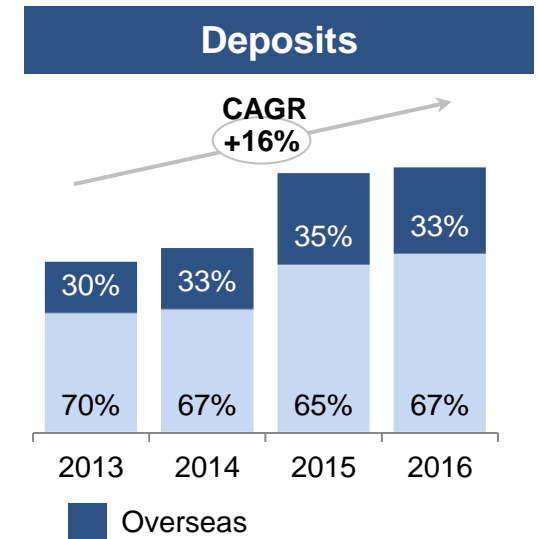
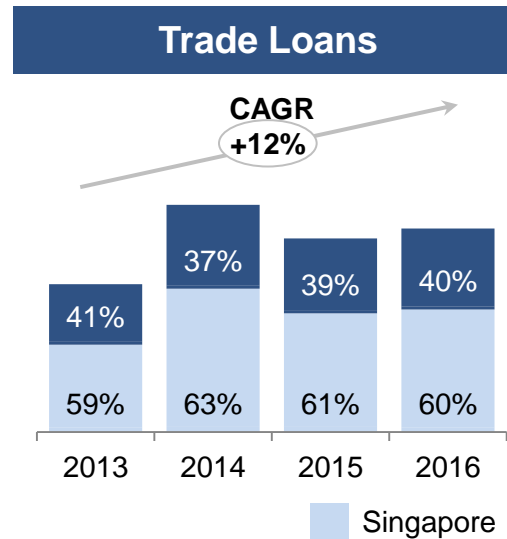
Group Transaction Banking: Stable Income Contributor

- Cash management increasing in significance

- Healthy growth in trade loans with focus on increasing client wallet share

- Continue to draw high-quality deposits, supporting our liability management

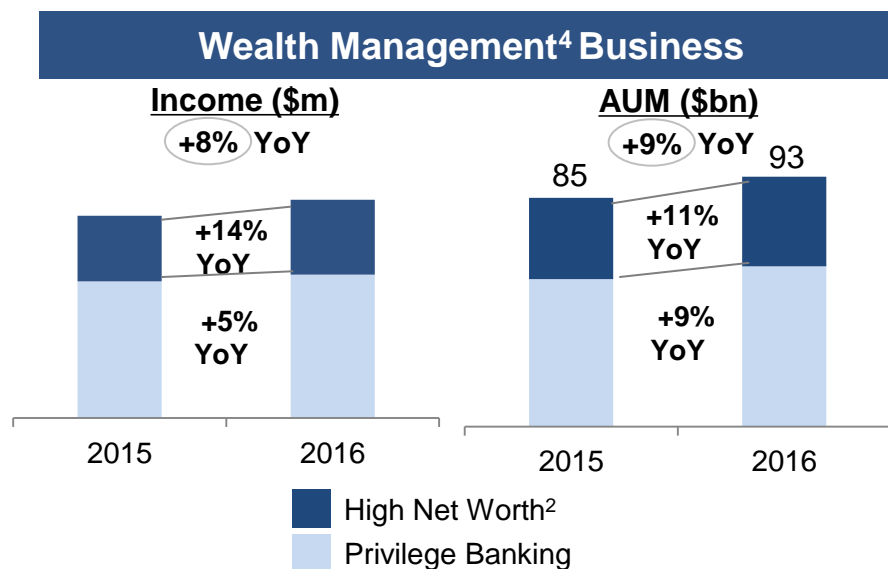
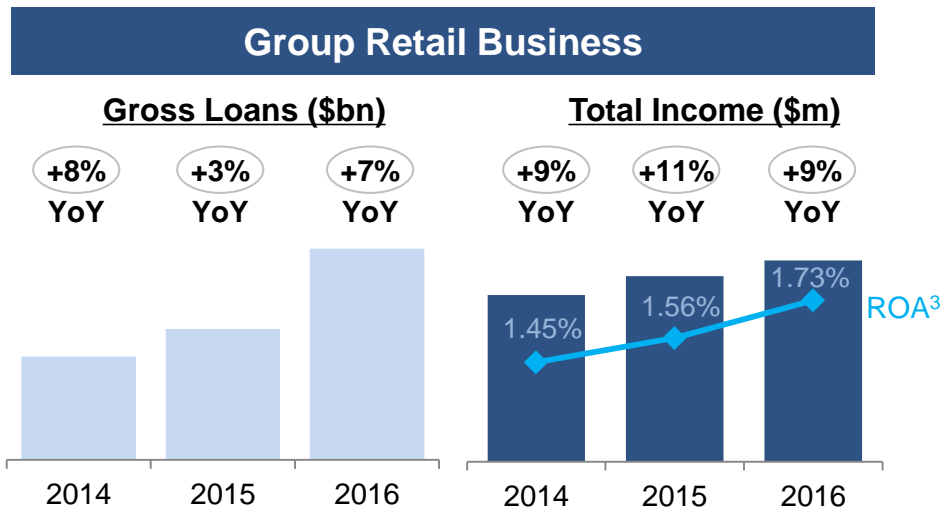
- Strong industry recognition for cash and trade achievements



Retail Banking: Growing Income with Stable Asset Quality

- Housing loans a key driver for Retail Banking's¹ loan growth in 2016; regional housing loans +11% YoY
 - Asset quality remains stable
- Gaining CASA in Singapore for the past 2 years
- Wealth management (WM) did well, across mass affluent and High Net Worth² segments
 - WM Income +8% YoY; profit +16% YoY
 - \$93bn AUM as at end-2016

1. Retail Banking comprises Personal Financial Services, Private Banking and Business Banking.
2. High Net Worth segment comprises Privilege Reserve and Private Bank segments.
3. ROA: Ratio of "Profit before tax" to "Average Assets".
4. Wealth Management comprises Privilege Banking, Privilege Reserve and Private Bank segments.



Looking Ahead

- **Volatile and less predictable environment, with focus on US and China**

- **Confident of ASEAN's fundamental strengths**
 - Regional countries have fiscal flexibility to support domestic growth
 - Growing regional connectivity, within ASEAN and China-ASEAN
 - UOB well-placed to help support companies in trade and investments

- **Uncertainty and disruption present opportunities for long-term players such as UOB**
 - Tap on connectivity in the region and strategic alliances
 - Continue to invest in capabilities, to meet and anticipate our customers' needs, for banking and beyond

Thank You

