Full Year 2015 Results
Steady Growth in Client Franchise Income; Disciplined Balance Sheet Management

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Steady Growth Amid Volatility

- FY2015 profit broadly stable at $3.21bn

- Net interest income higher, driven by growth in both loan volume and NIM
  - Loans: +4.0% YoY growth across industries and countries
  - NIM: +6bps to 1.77%

- Non-interest income boosted by
  - Higher fee income (+7.7% YoY) and trade and investment income (+16.8% YoY)
  - Good momentum in treasury customer income

- Cost-to-income (“CIR”)
  - Underlying CIR at 43.4%, due to ongoing investments in long-term capabilities
  - Reported CIR at 44.7%, with one-off expenses included

- Dividend
  - Final dividend of 35 cents/share
  - Full-year dividend of 90 cents/share, including 80th Anniversary dividend of 20 cents/share
Disciplined Balance Sheet Management

- Slight uptick in NPLs buffered by diversified portfolio with significant allowances
  - NPL ratio largely stable at 1.4%
  - High general allowances-to-loans ratio of 1.4%
  - Strong NPL coverage: 130.5%

- Strong funding and capital base
  - US$8bn covered bond programme to broaden funding sources and investor base
  - Liquidity Coverage Ratios: SGD (217%) and all-currency (142%); well above regulatory minimum
  - Fully-loaded CET1 ratio\(^1\) of 11.7%

- High-quality ‘sticky’ deposits remains a key focus

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1. Proforma CET1 ratio (based on final rules effective 1 January 2018).
2. The definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q14 onwards.
Wholesale Banking: Forging Ahead

- **Stronger wholesale banking income**
  - Driven by stronger liability management and cross-selling efforts

- **Investing and developing strong product coverage and advisory capabilities**

- **Capturing regional opportunities**
  - Helped more than 700 companies expand in the region since 2011

**Higher Income Mainly Due to Stronger Liability Management and Fees**

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+14% YoY
+45% YoY
+26% YoY
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**Wholesale Banking Business**

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Gross Loans ($bn)
2013 2014 2015
- +23% YoY
- +10% YoY
- +6% YoY

Total Income ($m)
2013 2014 2015
- +8% YoY
- +10% YoY
- +13% YoY

ROA:
- 2013: 2.03%
- 2014: 1.81%
- 2015: 1.83%

1. ROA: Ratio of “Profit before tax” to “Average Assets”
Cash Management Maintains Strong Momentum

- Growth in transaction banking income in 2015, despite lower trade loans

- Strong cash management performance
  - Invested in product solutions and innovations
  - Growth driven by significant mandates won
  - Continue to garner quality deposits

- Won 32 awards, exceeding the 28 won in 2014
Healthy retail banking income despite challenging environment

Growth of housing loan portfolio easing
- Overall asset quality expected to remain healthy

Improved returns, with successful growth in CASA

Wealth management growing steadily
- $85bn AUM as at end-2015
- High Net Worth segment seeing good traction

1. Retail Banking comprises Personal Financial Services, Private Banking and Business Banking.
3. ROA: Ratio of “Profit before tax” to “Average Assets”
Digitalisation in 2015 - Enriched Customer Experience

1. Seamless connectivity across channels for superior customer experience & access
   - PIB New look & feel
   - UOB Mighty launch
   - ~7 million LINE social app “friends” in UOB Thailand
   - +30% internet & mobile activity
   - +27% Online funds transfers

2. Analytics-driven customer insights
   - 1st in the market with Bank, Dine & Pay on-the-go with UOB Mighty
   - 1st in Asia for Contactless Pay
   - +14% visits to revamped website

3. Innovation within & collaboration with Eco-system partners & FinTechs to deliver customer-centric solutions
   - UOB & IIPL JV FinTech innovation Lab & Accelerator
   - Collaborate with BASH & Spring to support start-ups
   - Venture debt JV with Temasek to finance Asian start-ups in region

Engaged customers → higher cross-sell & revenue lift
Higher online activity → lower cost-to-serve
Looking Ahead

- **Confident of Asia’s fundamentals**
  - Long-term growth drivers will continue to be underpinned by increasing connectivity, both physically and digitally
  - UOB’s regional network: a key competitive advantage in helping customers to expand

- **UOB’s strong balance sheet and fundamentals will see us through this volatile period**

- **Remain guided by the same principles that underpinned UOB’s growth and development for past 80 years**
Thank you