



UOB Group First Half 2016

Financial Highlights

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28 July 2016

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1H16 NPAT of \$1.57 billion, up 0.2% YoY

	1H16	1H15	+/(-)
	\$m	\$m	%
Net interest income	2,485	2,414	3.0 ▲
Fee and commission income	907	919	(1.2) ▼
Other non-interest income	600	550	9.2 ▲
Total income	3,993	3,882	2.8 ▲
Less: Total expenses	1,821	1,729	5.3 ▲
Operating profit	2,172	2,153	0.8 ▲
Less: Specific allowances	252	271	(6.8) ▼
General allowances	26	51	(49.1) ▼
Add: Associates & joint ventures	2	44	(96.0) ▼
Net profit before tax	1,895	1,876	1.0 ▲
Less: Tax & non-controlling interests	329	313	5.1 ▲
Net profit after tax	1,566	1,563	0.2 ▲



favourable variance to earnings



unfavourable variance to earnings

2Q16 NPAT of \$801 million, up 5% QoQ

	2Q16	2Q15	+/(-) %	1Q16	+/(-) %
	\$m	\$m		\$m	
Net interest income	1,211	1,213	(0.2) ▼	1,275	(5.0) ▼
Fee and commission income	475	465	2.0 ▲	433	9.6 ▲
Other non-interest income	338	248	36.2 ▲	262	29.3 ▲
Total income	2,024	1,927	5.0 ▲	1,969	2.8 ▲
Less: Total expenses	927	877	5.7 ▲	894	3.6 ▲
Operating profit	1,097	1,050	4.5 ▲	1,075	2.0 ▲
Less: Specific allowances	112	176	(36.0) ▼	140	(19.6) ▼
General allowances	49	(23)	>100.0 ▲	(23)	>100.0 ▲
Add: Associates & joint ventures	32	40	(19.7) ▼	(30)	>100.0 ▲
Net profit before tax	968	938	3.2 ▲	927	4.4 ▲
Less: Tax & non-controlling interests	167	176	(4.8) ▼	161	3.7 ▲
Net profit after tax	801	762	5.1 ▲	766	4.6 ▲



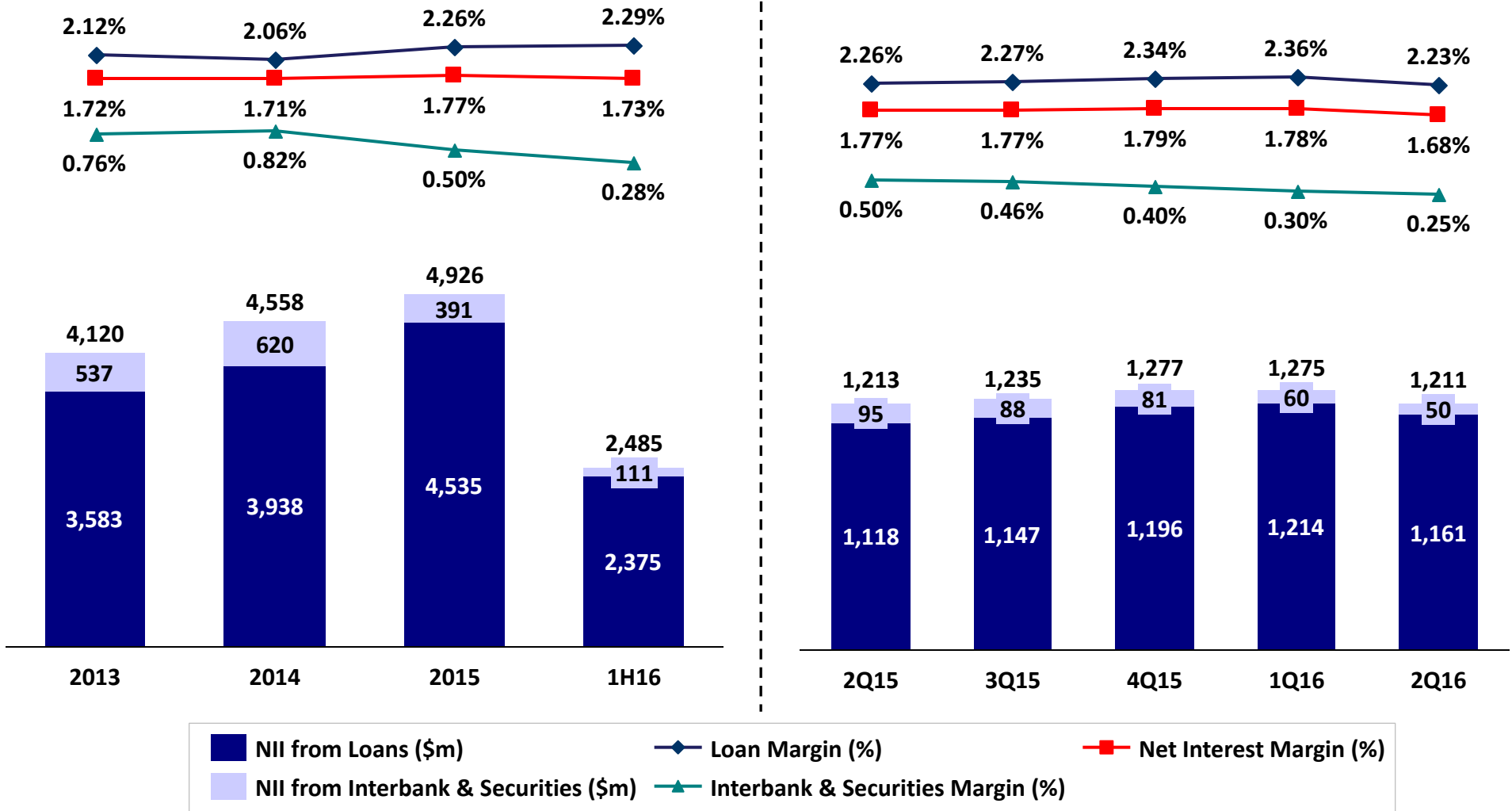
favourable variance to earnings



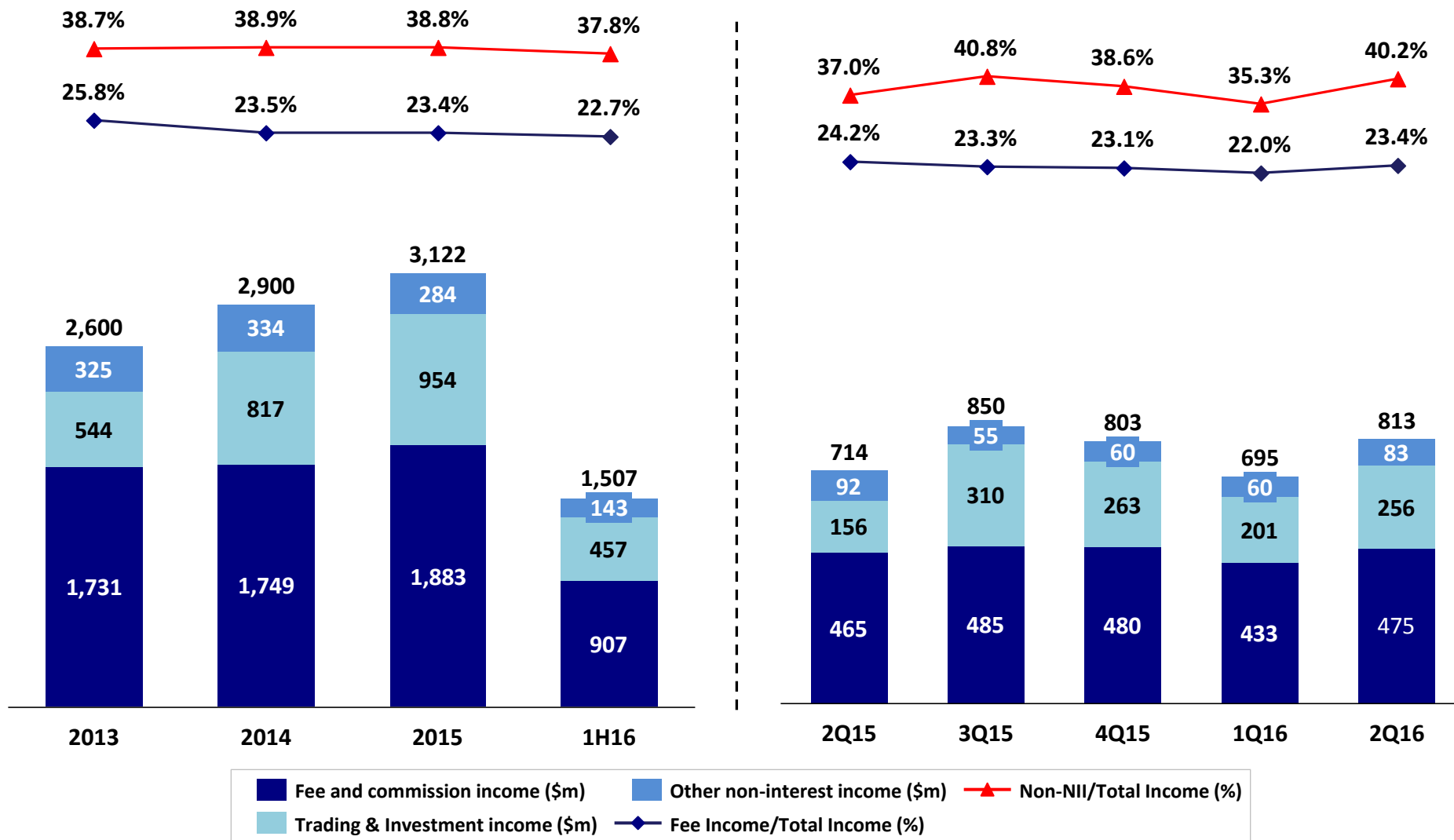
unfavourable variance to earnings

NII Rose 3% YoY supported by Loan Growth

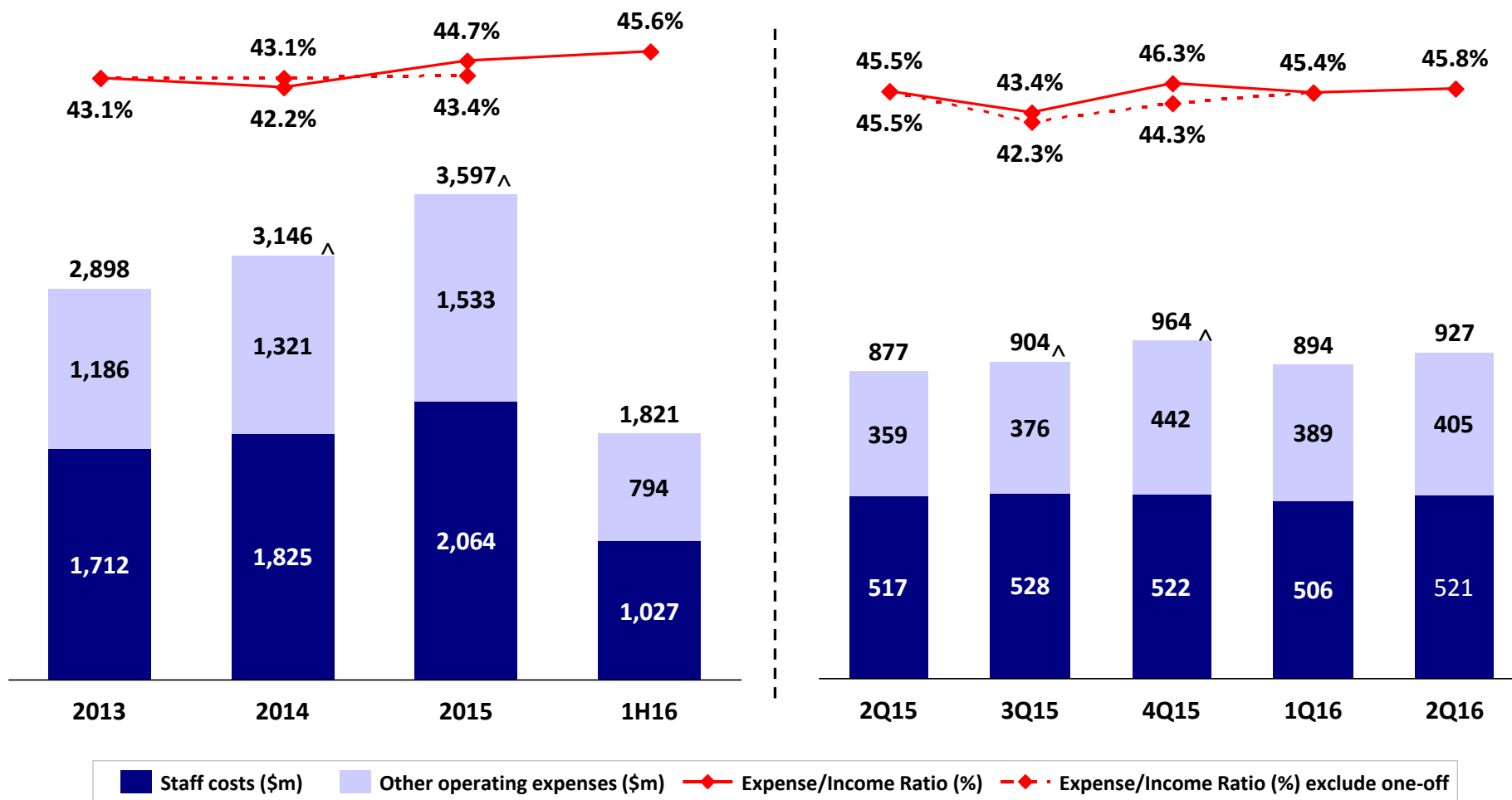
Net Interest Income (NII) and Margin



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



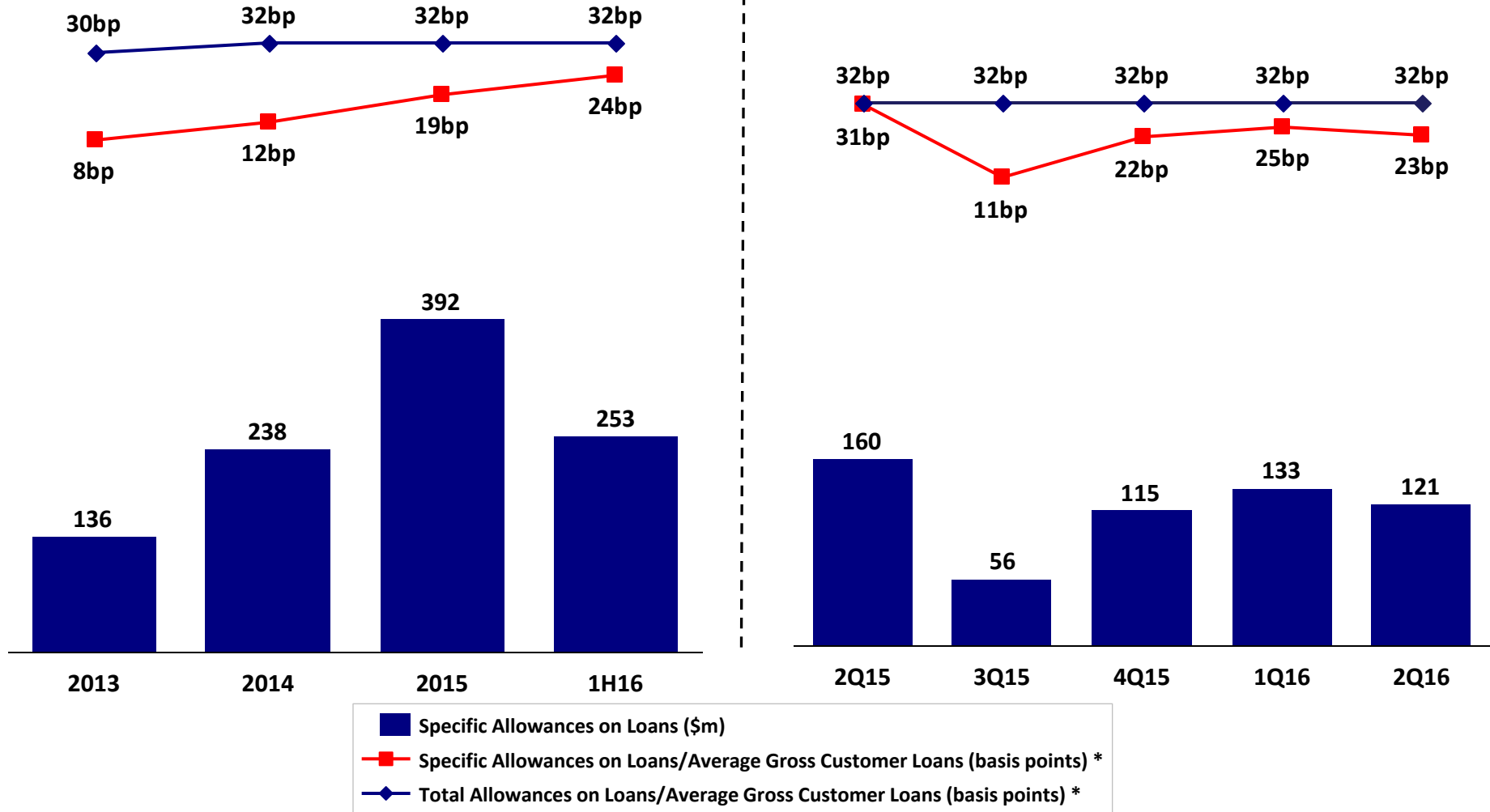
Operating Expenses and Expense / Income Ratio



^ Included one-off expenses relating to SG50 and UOB80 commemorative events and brand campaign (2015: \$67m, 4Q15: \$43m, 3Q15: \$21m) and adjustment for prior year bonus.

Total Credit Costs Stable at 32bps

Allowances on Loans



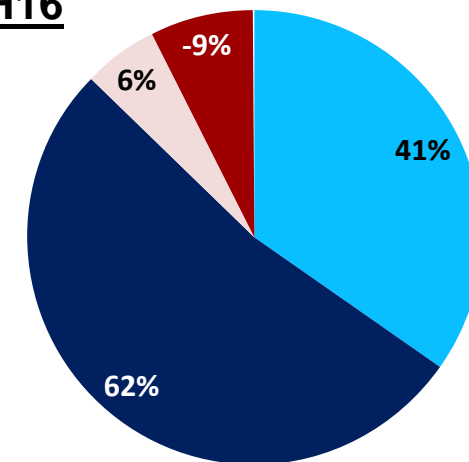
* On annualised basis

Performance by Business Segment

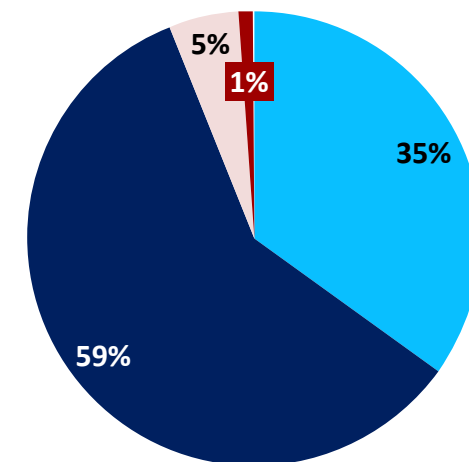
Segment Operating Profit

	1H16	1H15	+ / (-)
	\$m	\$m	%
Group Retail (GR)	883	750	17.7
Group Wholesale Banking (GWB)	1,352	1,264	7.0
Global Markets (GM)	131	109	20.2
Others	(194)	30	(>100.0)
Total	2,172	2,153	0.8

1H16



1H15

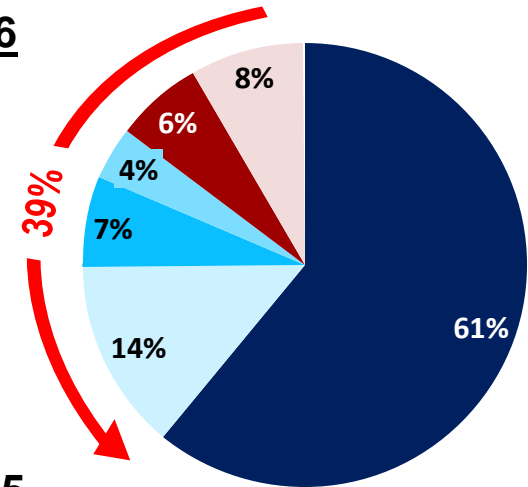


Regional Operating Profit Rose 4% YoY in Constant Currency Terms

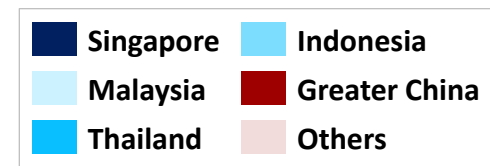
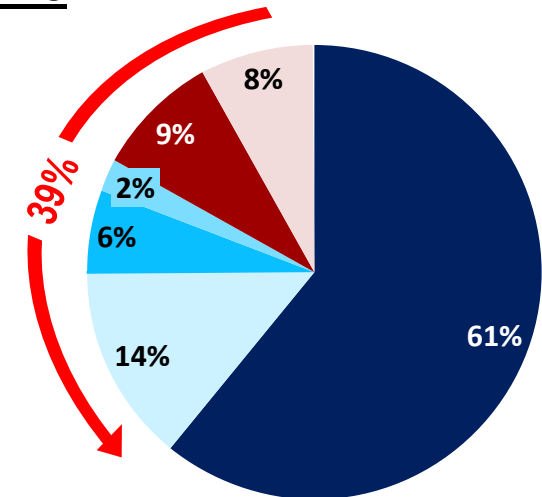


Operating Profit			At constant FX rate	
	1H16 \$m	1H15 \$m	+/(-) %	+/(-) %
Singapore	1,319	1,300	1.5	1.5
Regional:	671	677	(0.8)	3.6
Malaysia	302	307	(1.7)	7.1
Thailand	148	133	11.9	18.1
Indonesia	83	49	69.5	72.1
Greater China	138	188	(26.7)	(27.5)
Others	182	177	2.6	4.2
Total	2,172	2,153	0.8	2.4

1H16

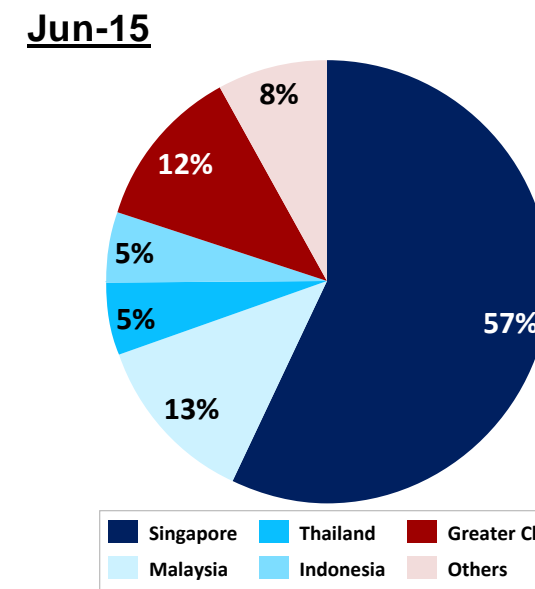
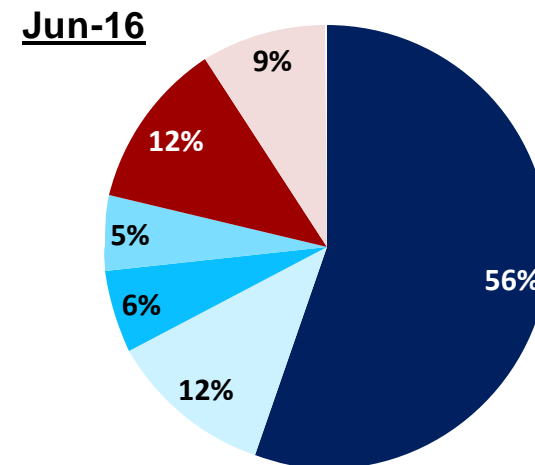


1H15



Loans increased to \$212b, up 6% YoY and 2% QoQ in Constant Currency Terms

Gross Loans	Jun-16	Jun-15	+/(-)	Mar-16	+/(-)
	\$b	\$b	%	\$b	%
Singapore	119.9	115.0	4.2	117.8	1.8
Regional:	72.8	71.1	2.4	72.4	0.6
Malaysia	25.4	25.3	0.3	25.5	(0.4)
Thailand	11.6	11.0	5.8	11.4	2.3
Indonesia	11.4	10.8	5.2	10.9	4.4
Greater China	24.4	23.9	1.9	24.6	(0.7)
Others	19.6	16.3	20.1	19.2	1.9
Total	212.3	202.4	4.9	209.4	1.4

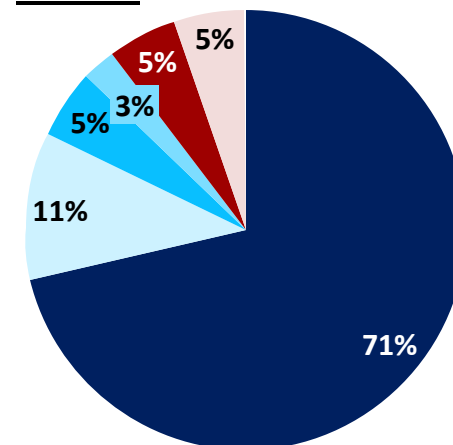


Note: Loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

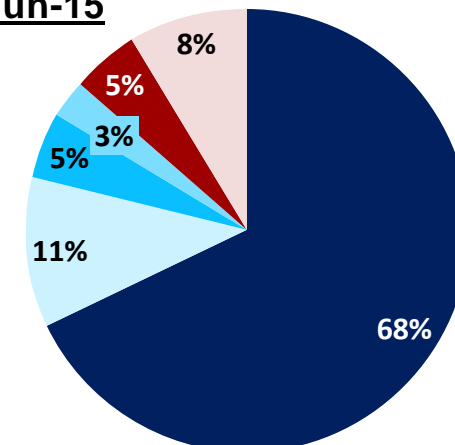
Deposits decreased by 2%, on constant currency terms, through proactive liquidity management

Customer Deposits	Jun-16 \$b	Jun-15 \$b	+ / (-) %	Mar-16 \$b	+ / (-) %
Singapore	177.1	163.5	8.3	177.4	(0.2)
Regional:	58.3	57.5	1.4	61.7	(5.6)
Malaysia	26.8	27.2	(1.6)	27.0	(0.8)
Thailand	12.4	11.0	12.8	12.2	1.8
Indonesia	6.6	6.6	(1.0)	6.7	(1.3)
Greater China	12.6	12.7	(0.9)	15.9	(20.9)
Others	12.8	20.5	(37.5)	15.6	(18.3)
Total	248.2	241.5	2.8	254.8	(2.6)

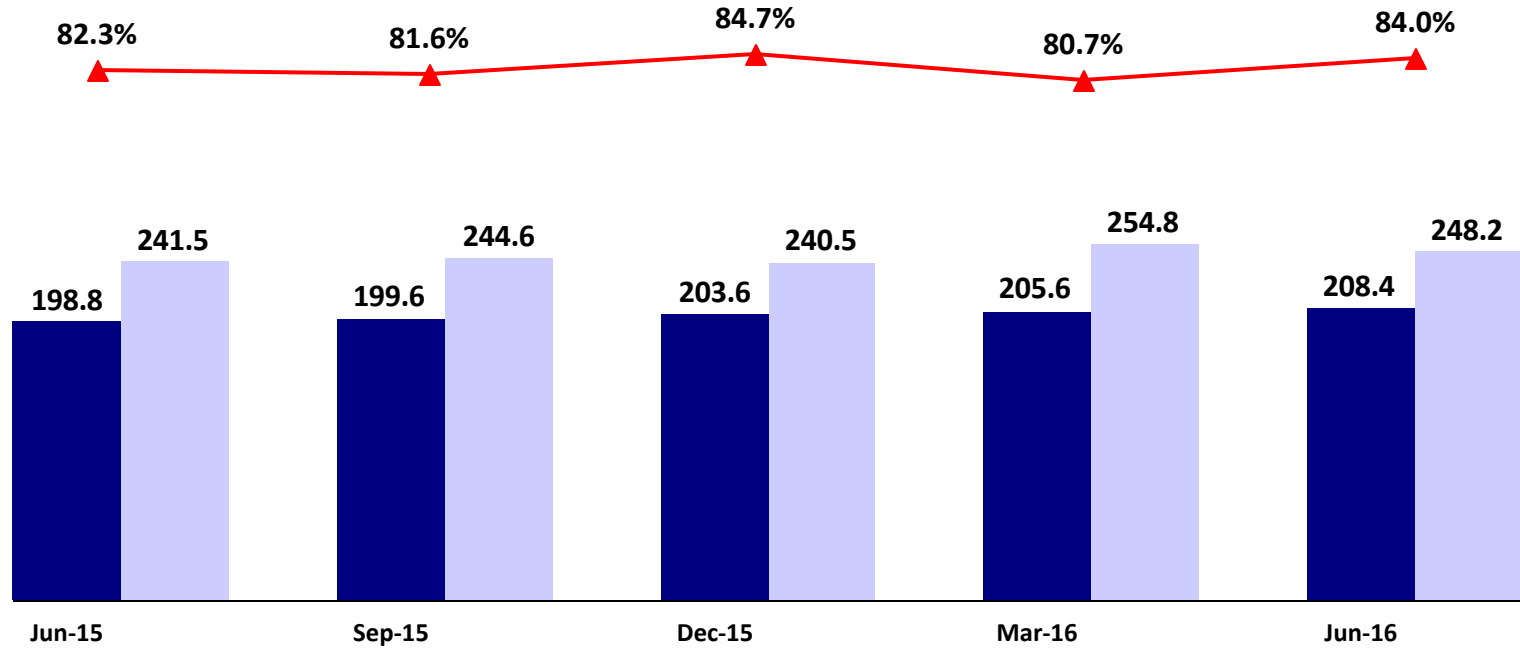
Jun-16



Jun-15



Customer Loans and Deposits; LDR and LCR



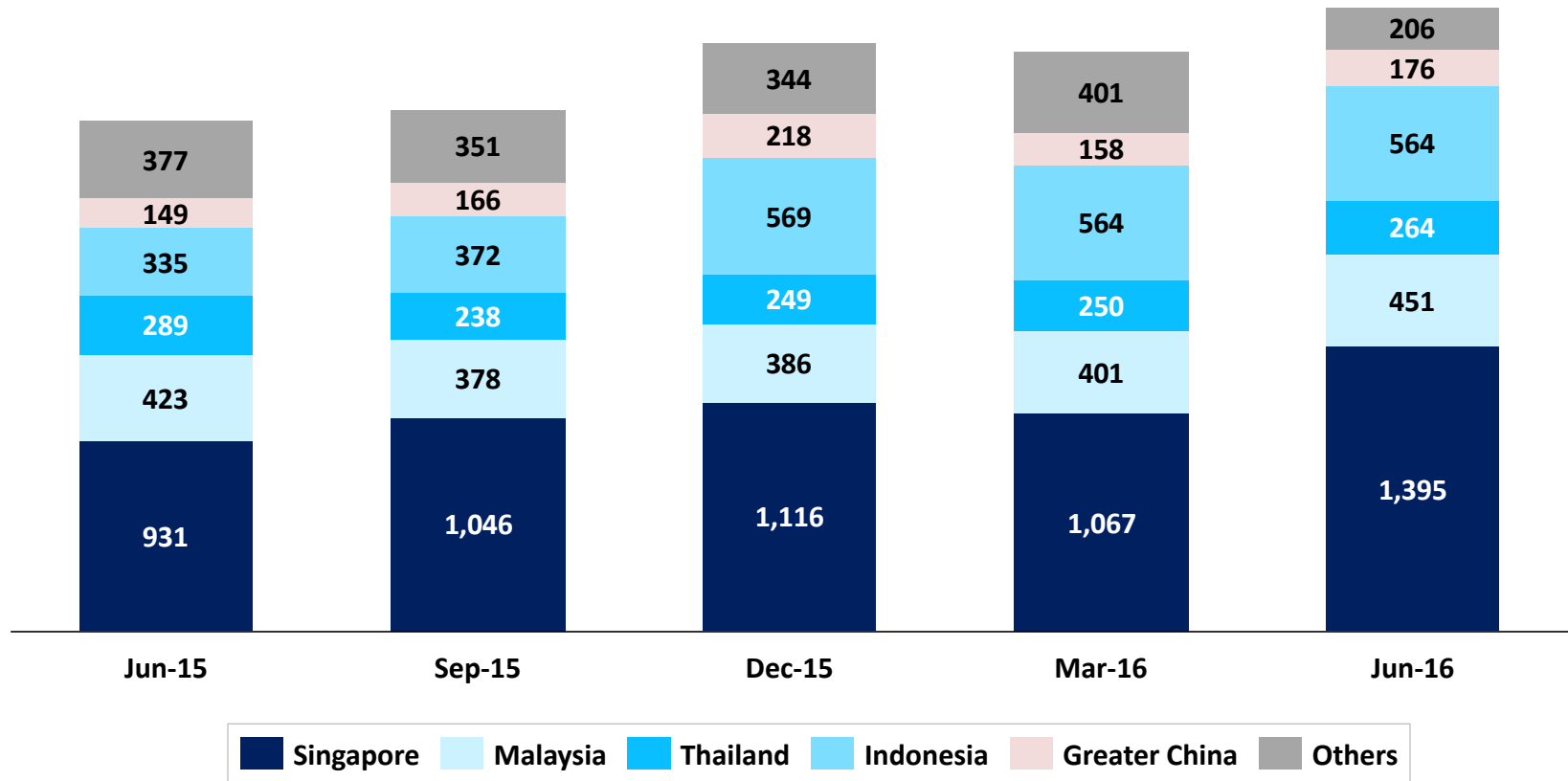
■ Loan/Deposit Ratio (LDR) (%)
 ■ Customer Deposits (\$b)
 ▲ Loan/Deposit Ratio (LDR) (%)

SGD LDR (%)	91.9	88.4	91.7	88.1	91.9
USD LDR (%)	54.9	59.8	65.6	56.7	63.1
SGD LCR (%) ¹	165	179	217	169	224
Total LCR (%) ¹	152	138	142	139	167

¹ Average for quarters

NPL Ratio remains stable

NPL (\$m)	2,504	2,551	2,882	2,841	3,056
NPL Ratio	1.2%	1.3%	1.4%	1.4%	1.4%



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

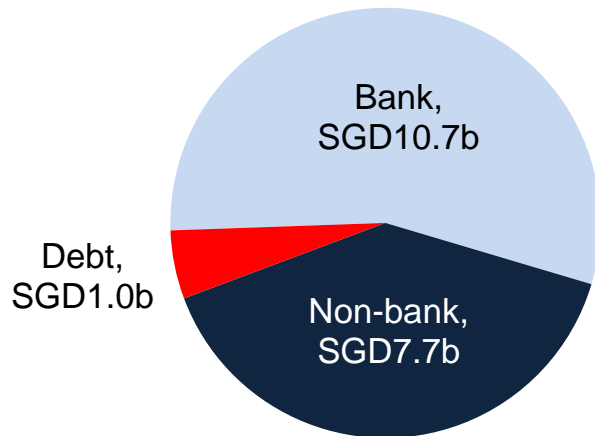
Movements in Non-Performing Assets

	2Q16	1Q16	2Q15
	\$m	\$m	\$m
NPA at start of period	3,016	3,066	2,692
New NPA	802	344	372
Upgrades, recoveries and translations	(548)	(235)	(263)
Write-offs	(106)	(159)	(96)
NPA at end of period	3,164	3,016	2,705

Exposure to China

Total = SGD19.4b

or 6.0% of total assets



Bank exposure in China

- 99% with <1 year tenor
- Around 75% accounted for by top 5 domestic banks and policy banks
- Trade exposures mostly with bank counterparties, representing around 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 half 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 Commodities

As of 30 June 16	Oil and gas		Other commodity segments	Total
	Upstream industries	Traders/ downstream industries		
Total exposure ¹	SGD4.9b	SGD9.1b	SGD8.8b	SGD22.8b
Outstanding loans	SGD4.0b	SGD5.3b	SGD6.6b	SGD15.9b


4% of total loans

7.5% of total loans

- Total exposure, including off-balance sheet items, stood at SGD22.8b as of 30 June 2016
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

1. Total exposure comprises outstanding loans and contingent liabilities

Exposure to Europe

As of 30 Jun 2016	Non-bank	Bank	Debt securities	Total	As a % of total assets
Europe	SGD3.4b	SGD3.1b	SGD1.2b	SGD7.7b	2.4%
of which UK	SGD2.6b	SGD0.8b	SGD0.2b	SGD3.6b	1.1%

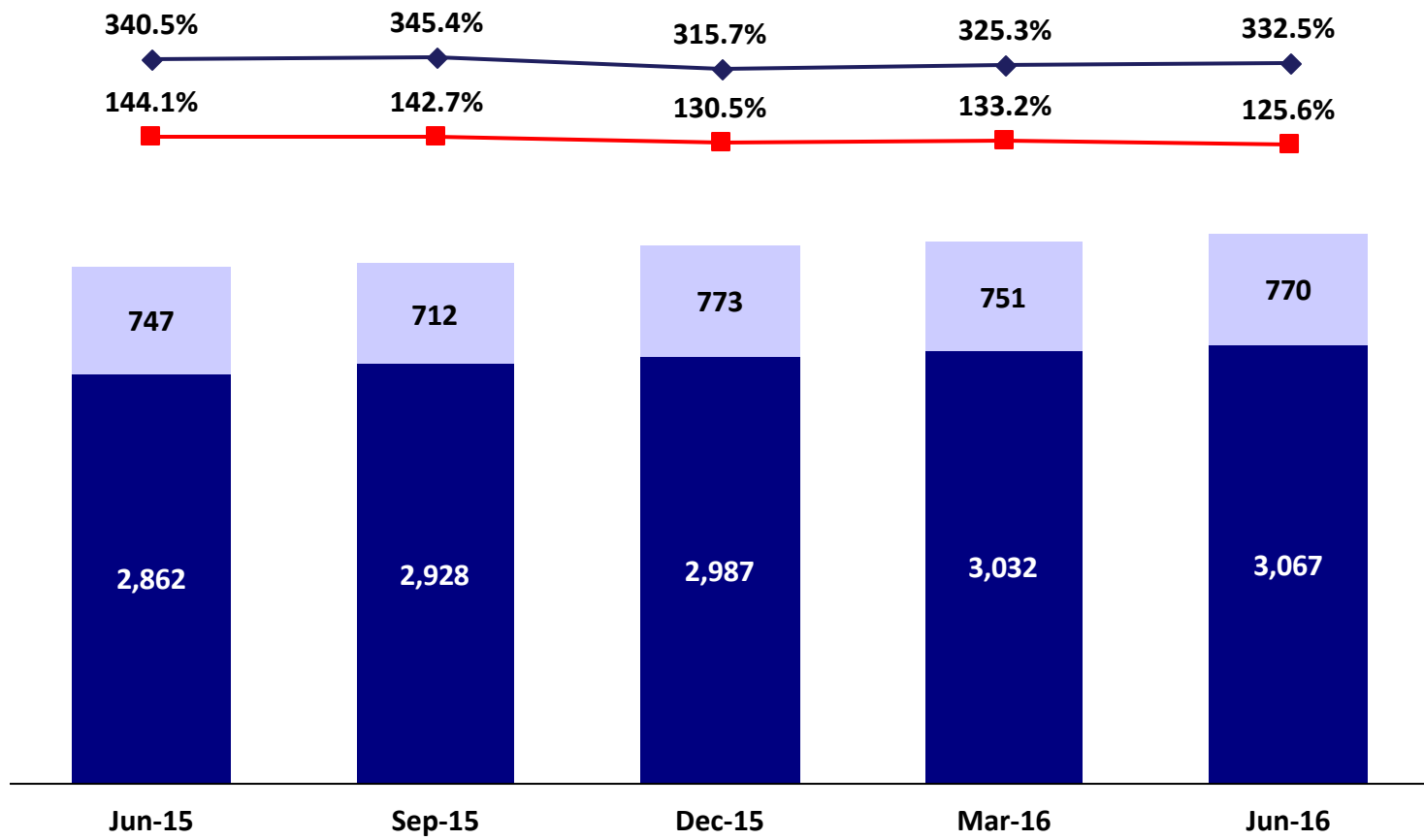
Minimal direct impact from Brexit

- 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).

Strong Loan Allowances Coverage

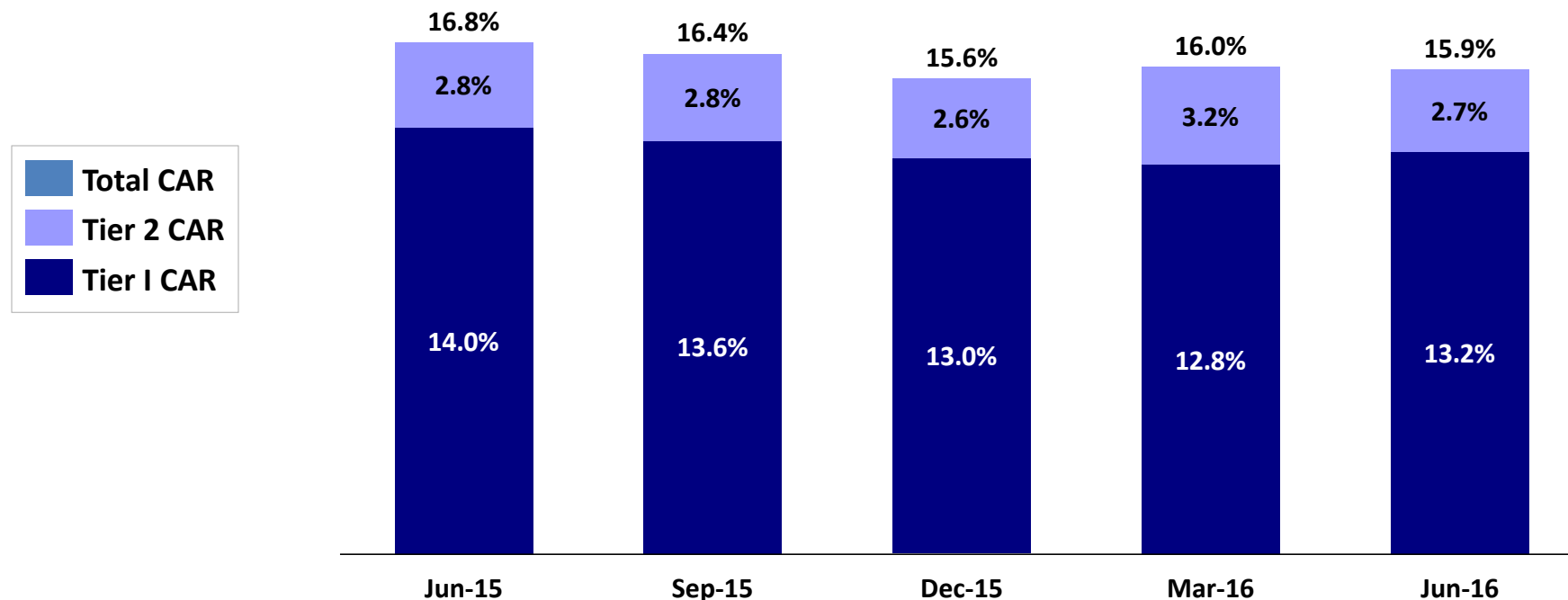
Total Loan Allowances (\$m)	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
	3,609	3,640	3,760	3,783	3,837



■ General Allowances (\$m) ■ Total Allowances/Total NPL (%)
■ Specific Allowances (\$m) ◆ Total Allowances/Unsecured NPL (%)

Capital Ratios Remained Strong

Capital Adequacy Ratios (CAR)

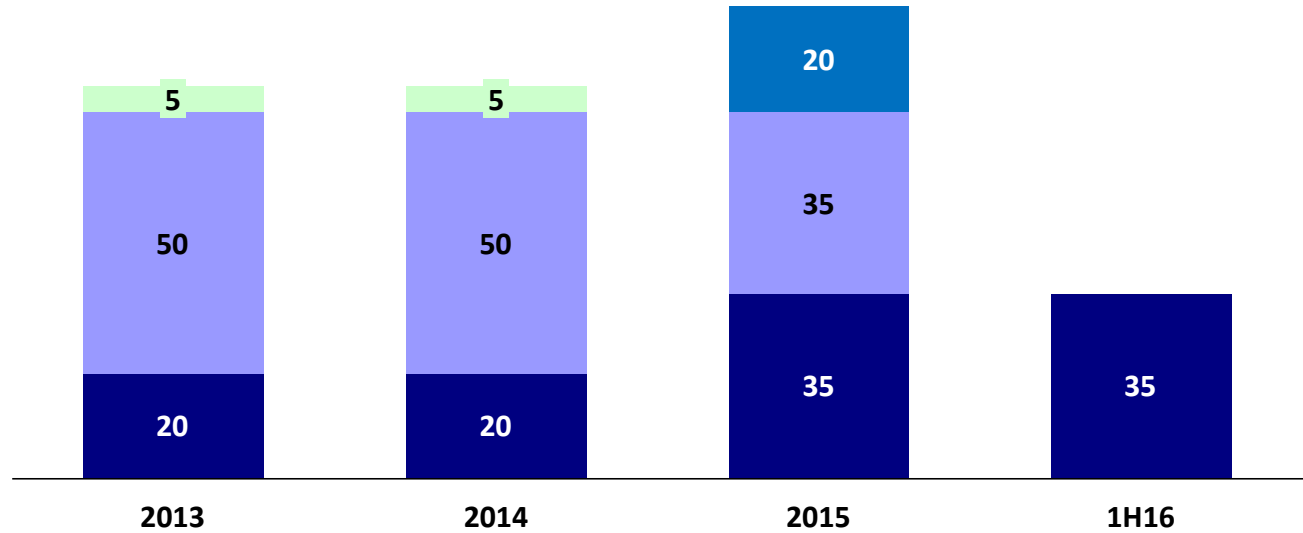


	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
CET1 Capital (\$b)	25	25	26	26	26
Tier 1 Capital (\$b)	25	25	26	26	27
Total Capital (\$b)	30	30	31	32	32
RWA (\$b)	182	186	201	202	202
Fully loaded CET1 (%) ¹	12.5	12.2	11.7	12.1	12.2
Leverage ratio (%) ²	7.6	7.2	7.3	7.0	7.4

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.

Interim Dividend



Net dividend per ordinary share (¢)	Interim	Final	Special	UOB 80 th Anniversary
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	1H13	1H14	1H15	1H16
Payout amount (\$m)	315	320	561	563
Payout ratio (%)	21	20	36	36

Singapore – Summarised Income Statement

	1H16	1H15	+/(–)	2Q16	1Q16	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	1,361	1,322	2.9	648	713	(9.1)
Fee and commission income	541	543	(0.3)	286	256	11.7
Other non-interest income	420	357	17.8	248	173	43.5
Total income	2,323	2,222	4.5	1,182	1,141	3.5
Less: Total expenses	1,004	923	8.8	512	492	4.0
Operating profit	1,319	1,300	1.5	670	649	3.2
Less: Allowances for credit & other losses	124	226	(45.0)	127	(3)	>100.0
Add: Associates & joint ventures	25	44	(42.7)	16	10	62.2
Profit before tax	1,220	1,117	9.2	558	661	(15.6)

Singapore – Key Financial Indicators

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.32	1.40	(0.08)	1.24	1.40	(0.16)
Non-NII/Total income	41.4	40.5	0.9	45.1	37.5	7.6
Expense/Total income	43.2	41.5	1.7	43.3	43.1	0.2
Customer loans (net) - \$b	134.0	128.9	4.0%	134.0	131.9	1.6%
Customer deposits - \$b	177.1	163.5	8.3%	177.1	177.4	(0.2%)
Loan/Deposit	75.7	78.8	(3.1)	75.7	74.3	1.4

Malaysia – Summarised Income Statement

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	995	978	1.7	485	510	(4.9)
Fee and commission income	299	285	4.9	163	136	19.9
Other non-interest income	154	110	40.0	66	88	(25.0)
Total income	1,448	1,373	5.5	714	734	(2.7)
Less: Total expenses	559	543	2.9	296	263	12.5
Operating profit	889	830	7.1	418	471	(11.3)
Less: Allowances for credit & other losses	118	74	59.5	49	69	(29.0)
Add: Associates & joint ventures	-	2	NM	-	-	-
Profit before tax	771	758	1.7	369	402	(8.2)
Profit before tax (S\$m)	262	280	(6.4)	125	137	(8.8)

Malaysia – Key Financial Indicators

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.27	2.28	(0.01)	2.20	2.35	(0.15)
Non-NII/Total income	31.3	28.8	2.5	32.1	30.5	1.6
Expense/Total income	38.6	39.5	(0.9)	41.5	35.8	5.7
Customer loans (net) - RM'b	74.2	71.3	4.1%	74.2	73.4	1.2%
Customer deposits - RM'b	79.9	76.3	4.7%	79.9	78.4	2.0%
Loan/Deposit	92.9	93.4	(0.5)	92.9	93.6	(0.7)

Thailand – Summarised Income Statement

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	7,051	6,433	9.6	3,572	3,479	2.7
Fee and commission income	2,746	2,836	(3.2)	1,398	1,348	3.7
Other non-interest income	398	109	>100.0	306	92	>100.0
Total income	10,195	9,378	8.7	5,276	4,919	7.3
Less: Total expenses	6,366	6,137	3.7	3,246	3,120	4.0
Operating profit	3,829	3,241	18.1	2,030	1,799	12.8
Less: Allowances for credit & other losses	1,352	960	40.8	537	815	(34.1)
Profit before tax	2,477	2,281	8.6	1,493	984	51.7
Profit before tax (S\$m)	96	93	2.5	58	38	50.2

Thailand – Key Financial Indicators

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.56	3.43	0.13	3.54	3.59	(0.05)
Non-NII/Total income	30.8	31.4	(0.6)	32.3	29.3	3.0
Expense/Total income	62.4	65.4	(3.0)	61.5	63.4	(1.9)
Customer loans (net) - THB'b	292.7	266.5	9.8%	292.7	287.5	1.8%
Customer deposits - THB'b	322.4	275.4	17.1%	322.4	317.4	1.6%
Loan/Deposit	90.8	96.8	(6.0)	90.8	90.6	0.2

Indonesia – Summarised Income Statement

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,609	1,307	23.1	844	765	10.3
Fee and commission income	383	355	7.9	205	178	15.2
Other non-interest income	276	176	56.8	138	138	-
Total income	2,268	1,838	23.4	1,187	1,081	9.8
Less: Total expenses	1,461	1,369	6.7	755	706	6.9
Operating profit	807	469	72.1	432	375	15.2
Less: Allowances for credit & other losses	425	270	57.4	238	187	27.3
Profit before tax	382	199	92.0	194	188	3.2
Profit before tax (S\$m)	39	21	88.9	20	19	2.0

Indonesia – Key Financial Indicators

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	4.47	3.83	0.64	4.71	4.22	0.49
Non-NII/Total income	29.1	28.9	0.2	28.9	29.2	(0.3)
Expense/Total income	64.4	74.5	(10.1)	63.6	65.3	(1.7)
Customer loans (net) - IDR't	59.6	54.0	10.4%	59.6	57.0	4.6%
Customer deposits - IDR't	64.1	65.7	(2.4%)	64.1	65.4	(2.0%)
Loan/Deposit	93.0	82.2	10.8	93.0	87.2	5.8

Greater China – Summarised Income Statement

	1H16	1H15	+/(–)	2Q16	1Q16	+/(–)
	\$m	\$m	%	\$m	\$m	%
Net interest income	185	193	(4.3)	91	94	(2.4)
Fee and commission income	53	56	(4.9)	25	29	(14.0)
Other non-interest income	67	92	(26.8)	35	32	7.0
Total income	305	341	(10.5)	151	155	(2.6)
Less: Total expenses	167	153	9.5	82	85	(3.9)
Operating profit	138	188	(26.7)	69	69	(1.0)
Less: Allowances for credit & other losses	28	1	>100.0	13	15	(14.5)
Add: Associates & joint ventures	23	10	>100.0	11	12	(12.2)
Profit before tax	133	197	(32.4)	66	66	-

Greater China – Key Financial Indicators

	1H16	1H15	+/(-)	2Q16	1Q16	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.11	1.25	(0.14)	1.09	1.13	(0.04)
Non-NII/Total income	39.4	43.3	(3.9)	39.4	39.5	(0.1)
Expense/Total income	54.8	44.8	10.0	54.4	55.1	(0.7)
Customer loans (net) - \$b	18.8	17.7	6.0%	18.8	18.4	2.0%
Customer deposits - \$b	12.6	12.7	(0.9%)	12.6	15.9	(20.9%)
Loan/Deposit	149.3	139.6	9.7	149.3	115.8	33.5



Thank you

