



UOB Group 3rd Quarter 2016

Financial Highlights

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9M16 NPAT of \$2.36 billion, down 3% YoY

	9M16	9M15	+/(-)
	\$m	\$m	%
Net interest income	3,715	3,649	1.8 ▲
Fee and commission income	1,400	1,403	(0.3) ▼
Other non-interest income	918	915	0.3 ▲
Total income	6,033	5,967	1.1 ▲
Less: Total expenses	2,739	2,633	4.0 ▲
Operating profit	3,293	3,334	(1.2) ▼
Less: Specific allowances	551	324	70.3 ▲
General allowances	(88)	158	(>100.0) ▼
Add: Associates & joint ventures	27	72	(62.1) ▼
Net profit before tax	2,857	2,925	(2.3) ▼
Less: Tax & non-controlling interests	500	504	(0.8) ▼
Net profit after tax	2,357	2,421	(2.6) ▼



favourable variance to earnings



unfavourable variance to earnings

3Q16 NPAT of \$791 million, down 1% QoQ

	3Q16	3Q15	+/(-)	2Q16	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,230	1,235	(0.4) ▼	1,211	1.6 ▲
Fee and commission income	492	485	1.6 ▲	475	3.8 ▲
Other non-interest income	318	365	(13.0) ▼	338	(6.1) ▼
Total income	2,040	2,085	(2.1) ▼	2,024	0.8 ▲
Less: Total expenses	918	904	1.6 ▲	927	(0.9) ▼
Operating profit	1,122	1,181	(5.0) ▼	1,097	2.3 ▲
Less: Specific allowances	299	53	>100.0 ▲	112	>100.0 ▲
General allowances	(113)	107	(>100.0) ▼	49	(>100.0) ▼
Add: Associates & joint ventures	25	28	(8.8) ▼	32	(20.8) ▼
Net profit before tax	962	1,049	(8.3) ▼	968	(0.6) ▼
Less: Tax & non-controlling interests	171	191	(10.4) ▼	167	2.3 ▲
Net profit after tax	791	858	(7.8) ▼	801	(1.2) ▼



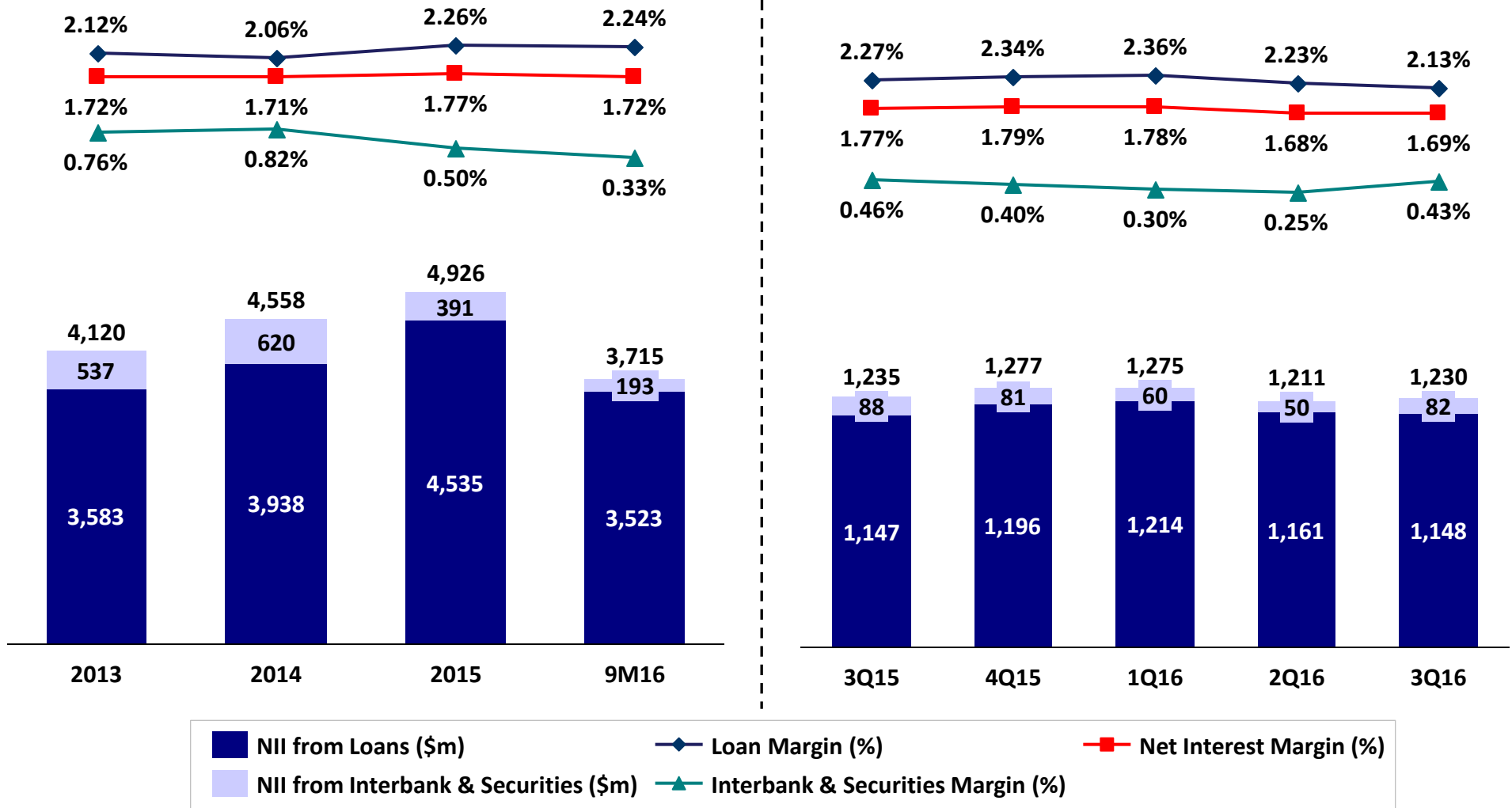
favourable variance to earnings



unfavourable variance to earnings

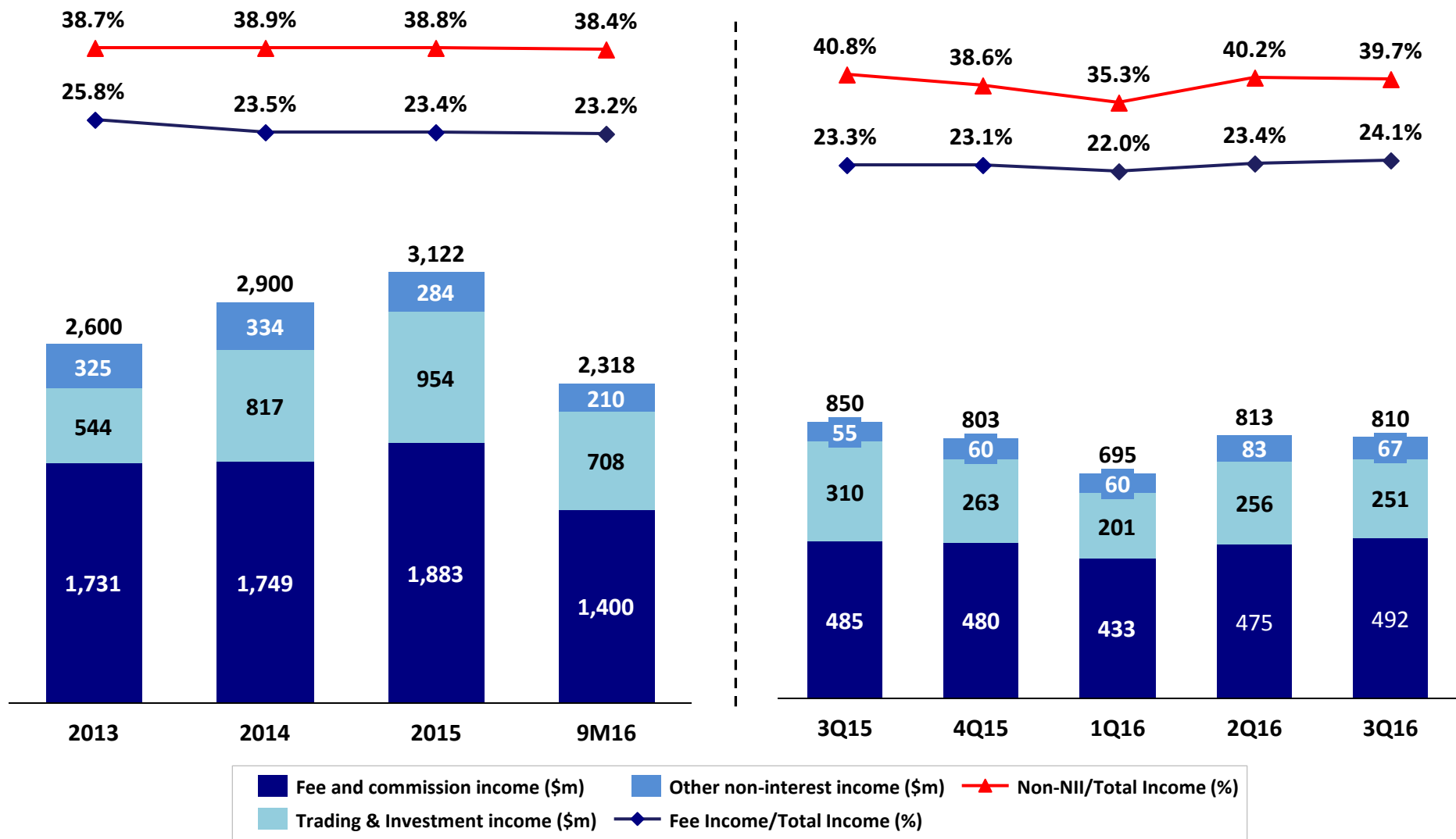
Higher NII supported by Loan Growth

Net Interest Income (NII) and Margin

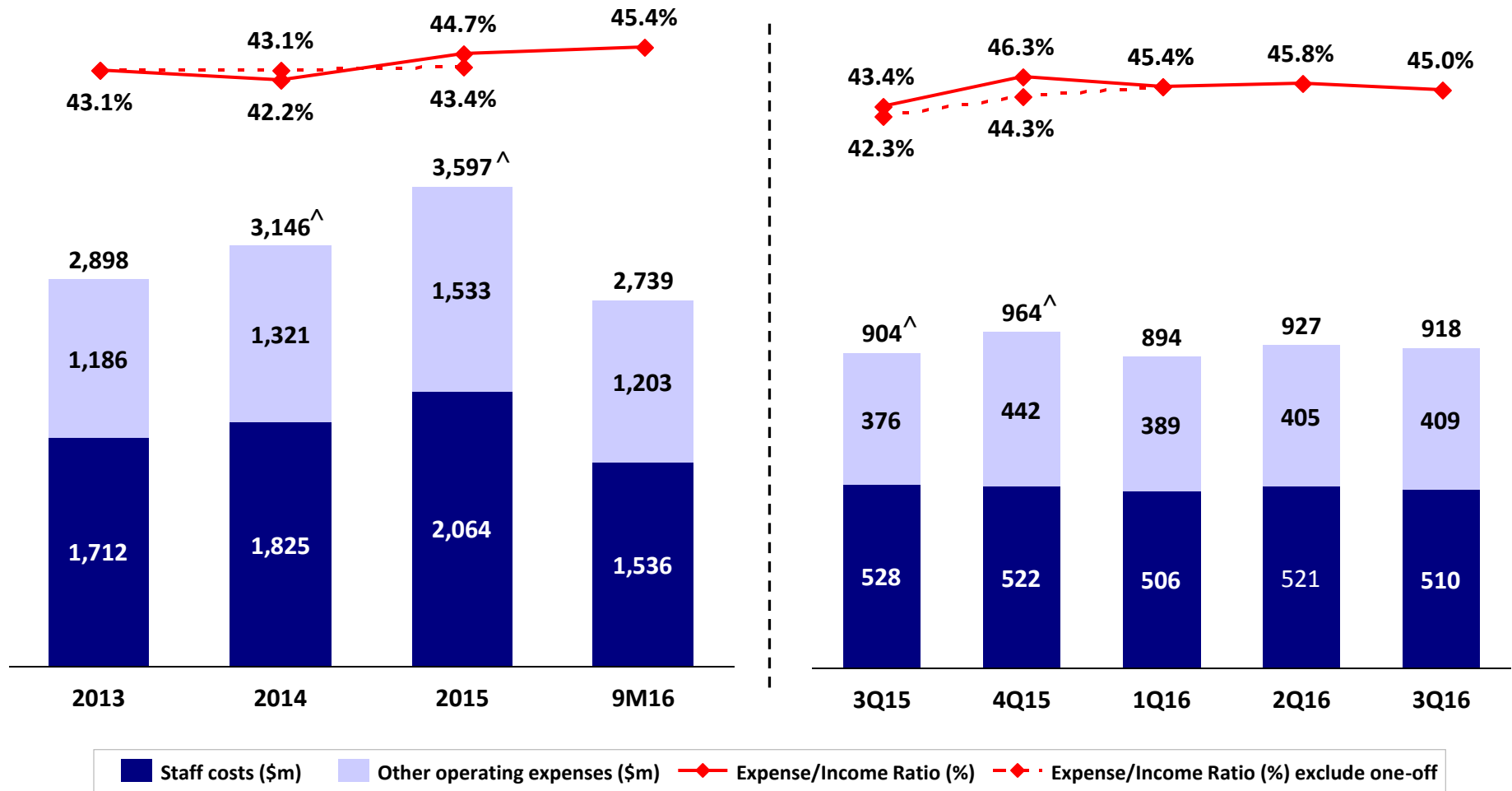


Fee Income up 4% QoQ from Loan-related and Fund Management fees

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



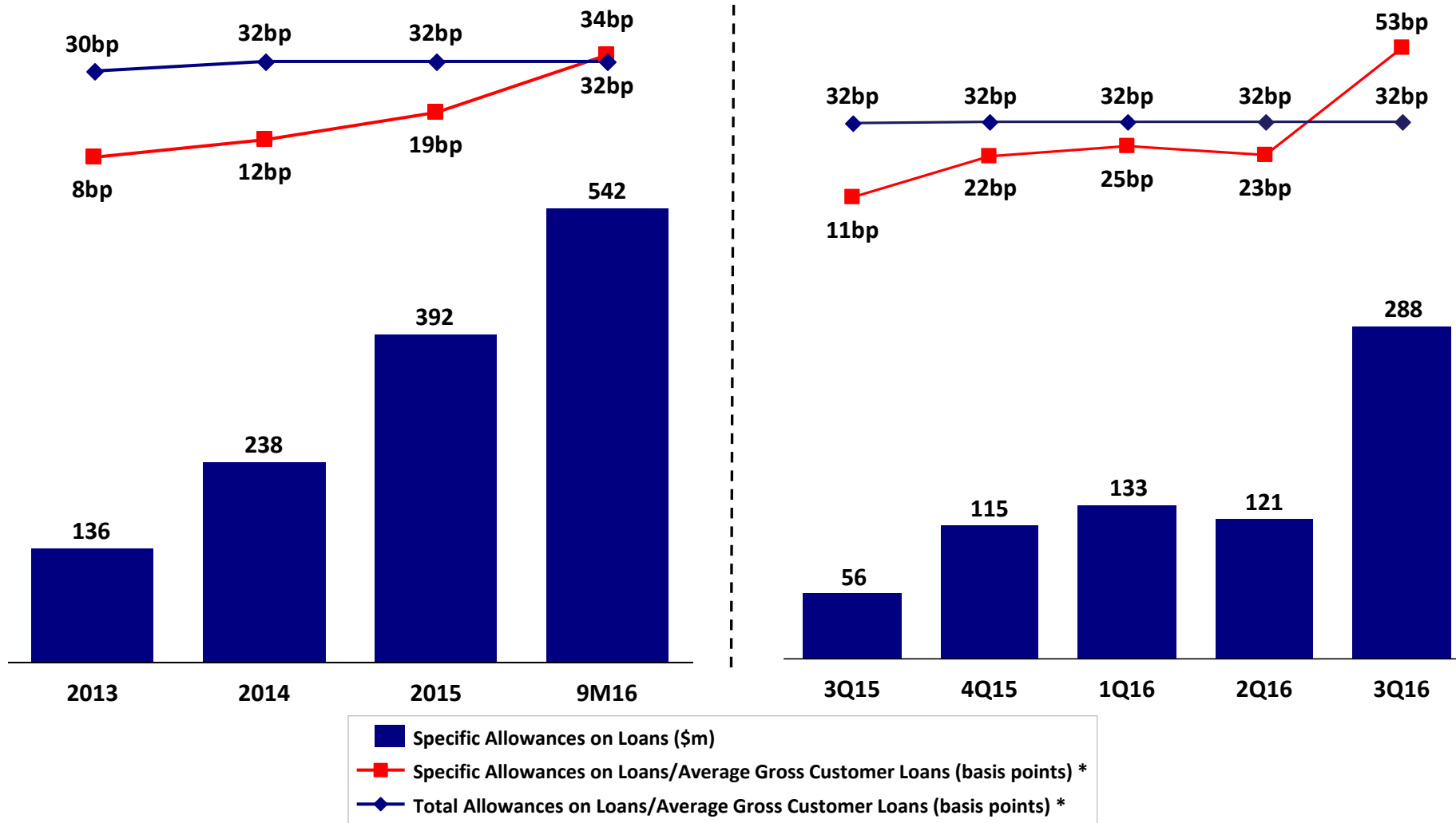
Operating Expenses and Expense / Income Ratio



^ 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's bonus.

Higher specific allowances in 3Q largely from Oil & Gas Sector; total credit cost is kept at 32 bps

Allowances on Loans

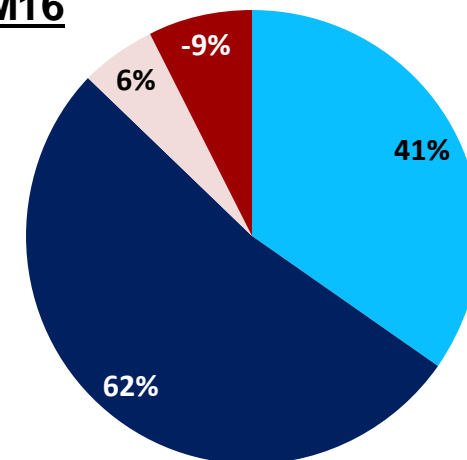


* On annualised basis

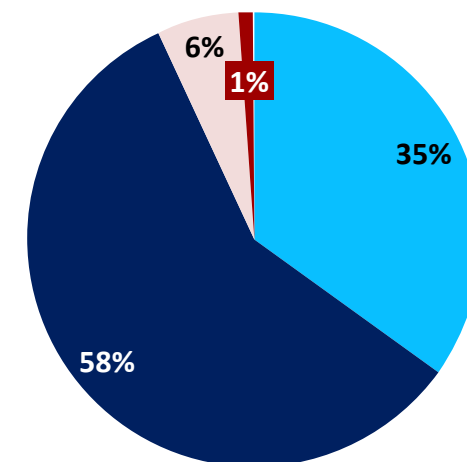
Performance by Business Segment

	9M16	9M15	+ / (-)
Segment Operating Profit	\$m	\$m	%
Group Retail (GR)	1,359	1,158	17.4
Group Wholesale Banking (GWB)	2,035	1,942	4.8
Global Markets (GM)	193	191	1.0
Others	(294)	44	(>100.0)
Total	3,293	3,334	(1.2)

9M16



9M15

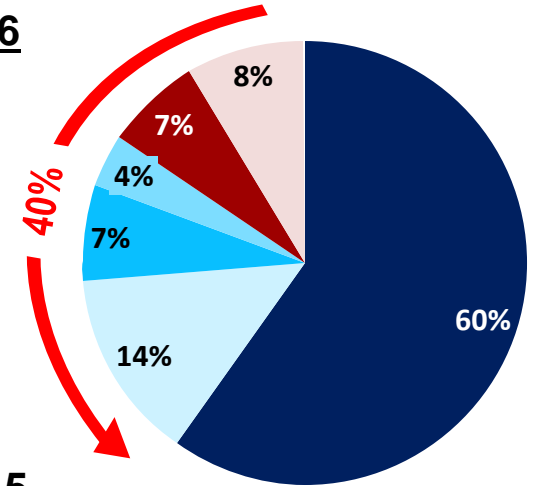


Regional Operating Profit increased Constant Currency Terms

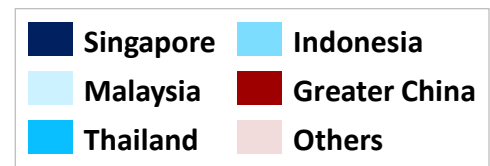
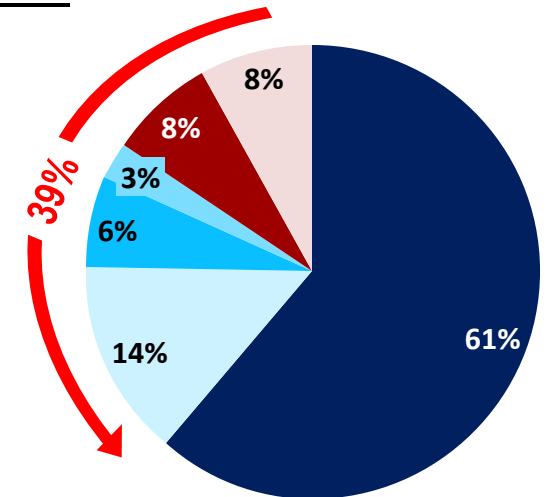
2% YoY in

Operating Profit	9M16 \$m	9M15 \$m	+/(-) %	At constant FX rate
				+/(-) %
Singapore	1,969	2,018	(2.4)	(2.4)
Regional:	1,041	1,055	(1.4)	2.1
Malaysia	457	463	(1.3)	5.2
Thailand	228	215	6.1	9.8
Indonesia	130	90	45.2	44.2
Greater China	226	287	(21.5)	(20.8)
Others	284	262	8.5	11.5
Total	3,293	3,334	(1.2)	0.1

9M16

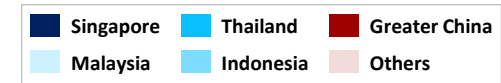
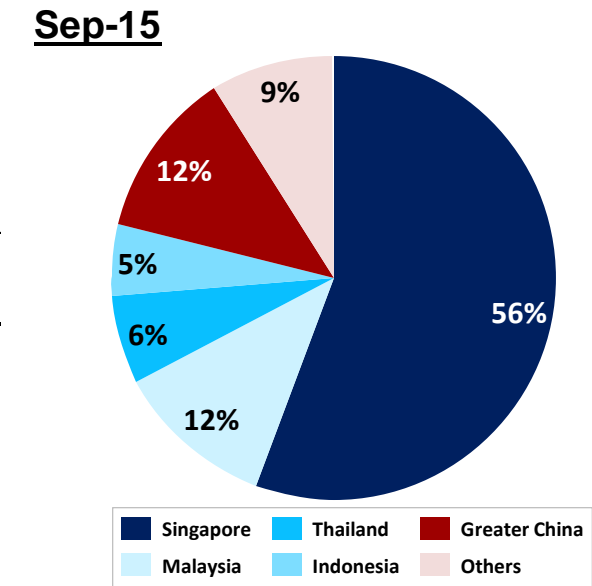
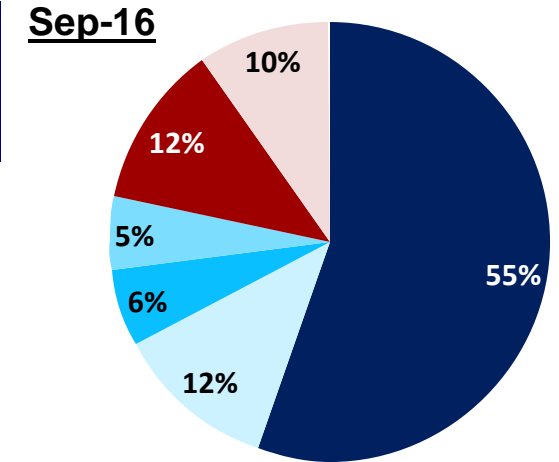


9M15



Loans increased to \$217b, up 7% YoY and 2% QoQ

Gross Loans	Sep-16	Sep-15	+/(-)	Jun-16	+/(-)
	\$b	\$b	%	\$b	%
Singapore	120.4	114.3	5.4	119.9	0.4
Regional:	75.8	70.7	7.2	72.8	4.1
Malaysia	25.7	23.7	8.5	25.4	1.0
Thailand	12.4	11.2	10.9	11.6	6.2
Indonesia	11.6	10.8	7.7	11.4	2.1
Greater China	26.1	25.1	4.2	24.4	7.2
Others	21.2	18.3	16.0	19.6	8.4
Total	217.4	203.2	7.0	212.3	2.4

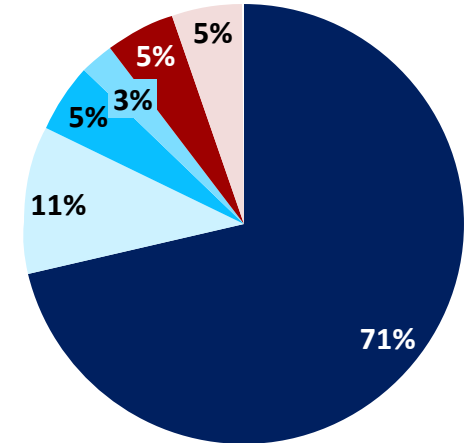


Note: 1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).
 2. No significant currency translation impact.

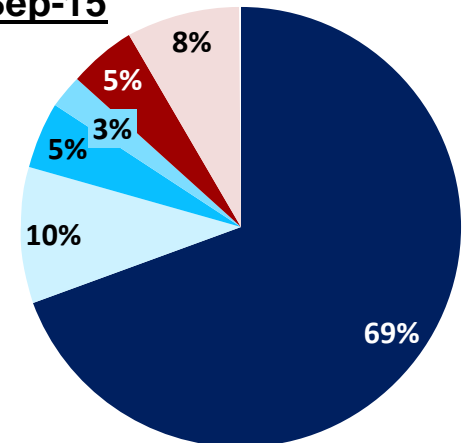
Deposits increased by 3% YoY and 1% QoQ with proactive liquidity management

Customer Deposits	Sep-16 \$b	Sep-15 \$b	+/(-) %	Jun-16 \$b	+/(-) %
Singapore	178.6	169.6	5.3	177.1	0.9
Regional:	60.3	54.9	10.0	58.3	3.5
Malaysia	26.7	24.9	7.2	26.8	(0.1)
Thailand	12.6	11.3	11.2	12.4	1.9
Indonesia	7.0	6.2	13.3	6.6	6.7
Greater China	14.0	12.4	12.8	12.6	11.1
Others	12.0	20.1	(40.3)	12.8	(6.0)
Total	251.0	244.6	2.6	248.2	1.1

Sep-16

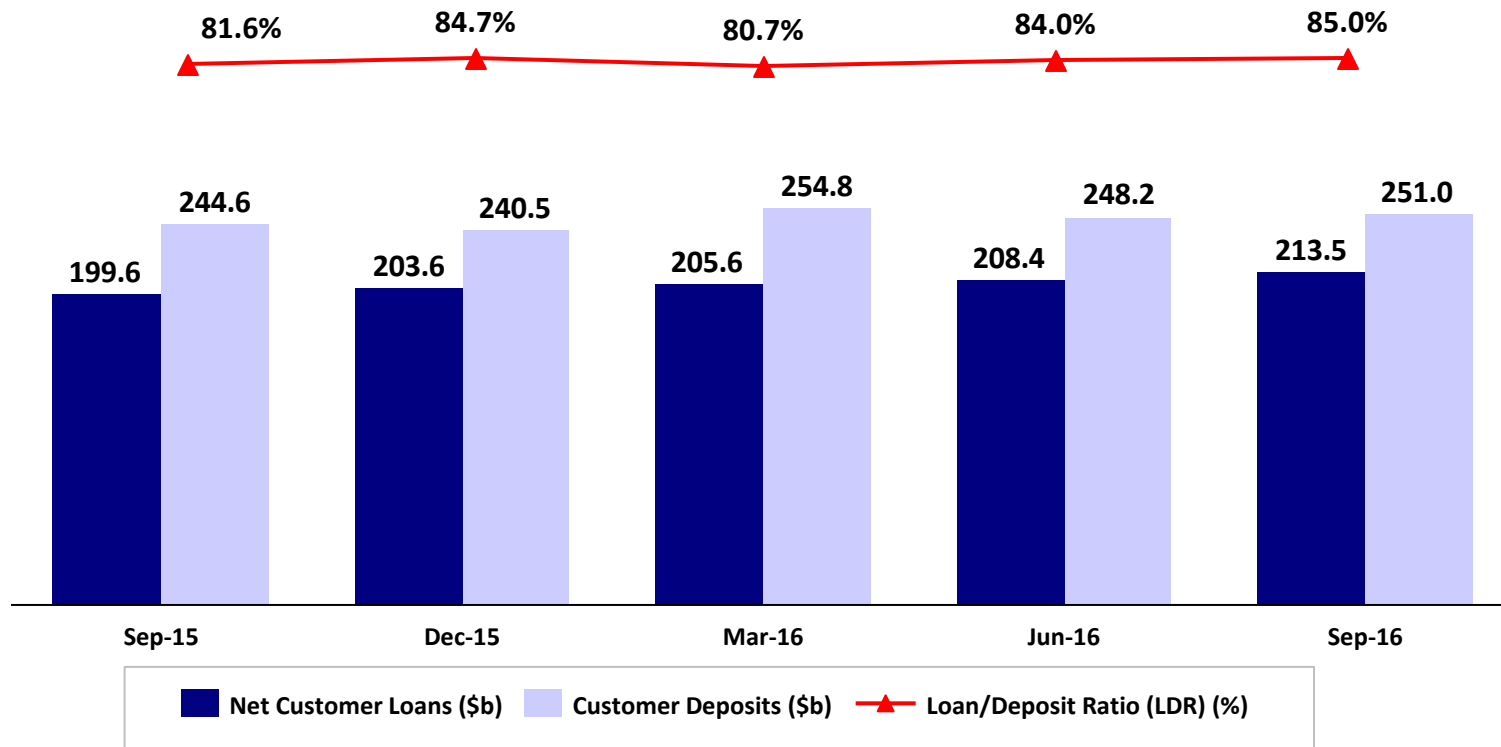


Sep-15



Note: No significant currency translation impact.

Customer Loans and Deposits; LDR and LCR

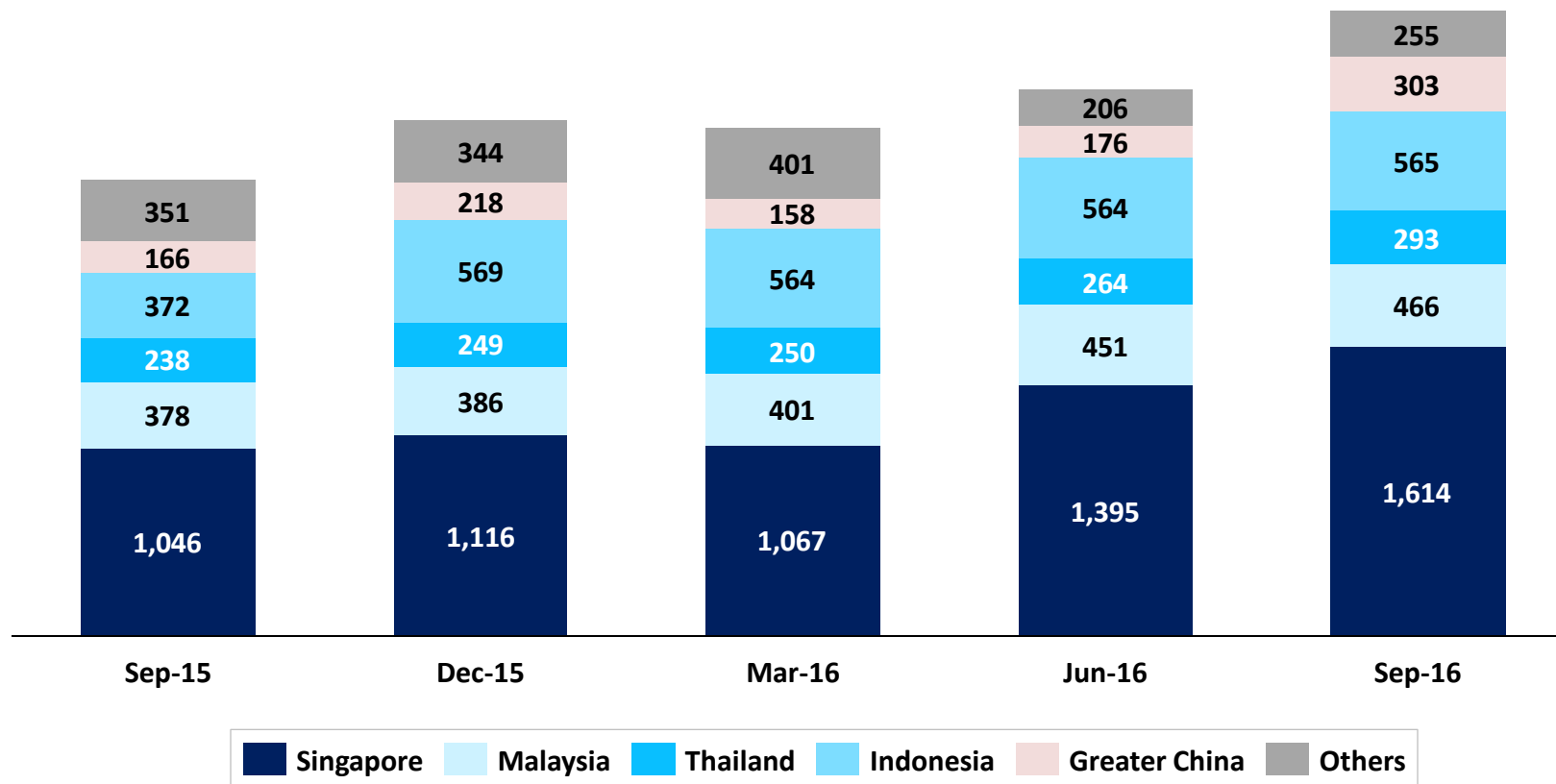


SGD LDR (%)	88.4	91.7	88.1	91.9	89.7
USD LDR (%)	59.8	65.6	56.7	63.1	68.3
SGD LCR (%) ¹	179	217	169	224	213
Total LCR (%) ¹	138	142	139	167	148

¹ Average for quarters

NPL Ratio at 1.6% with NPLs mainly from Oil and Gas Sector

NPL (\$m)	2,551	2,882	2,841	3,056	3,496
NPL Ratio	1.3%	1.4%	1.4%	1.4%	1.6%



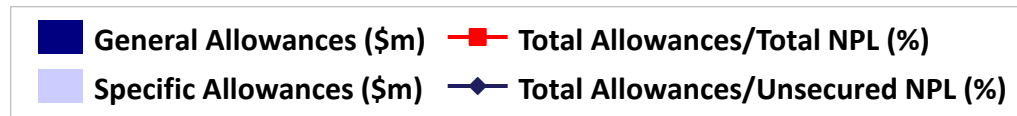
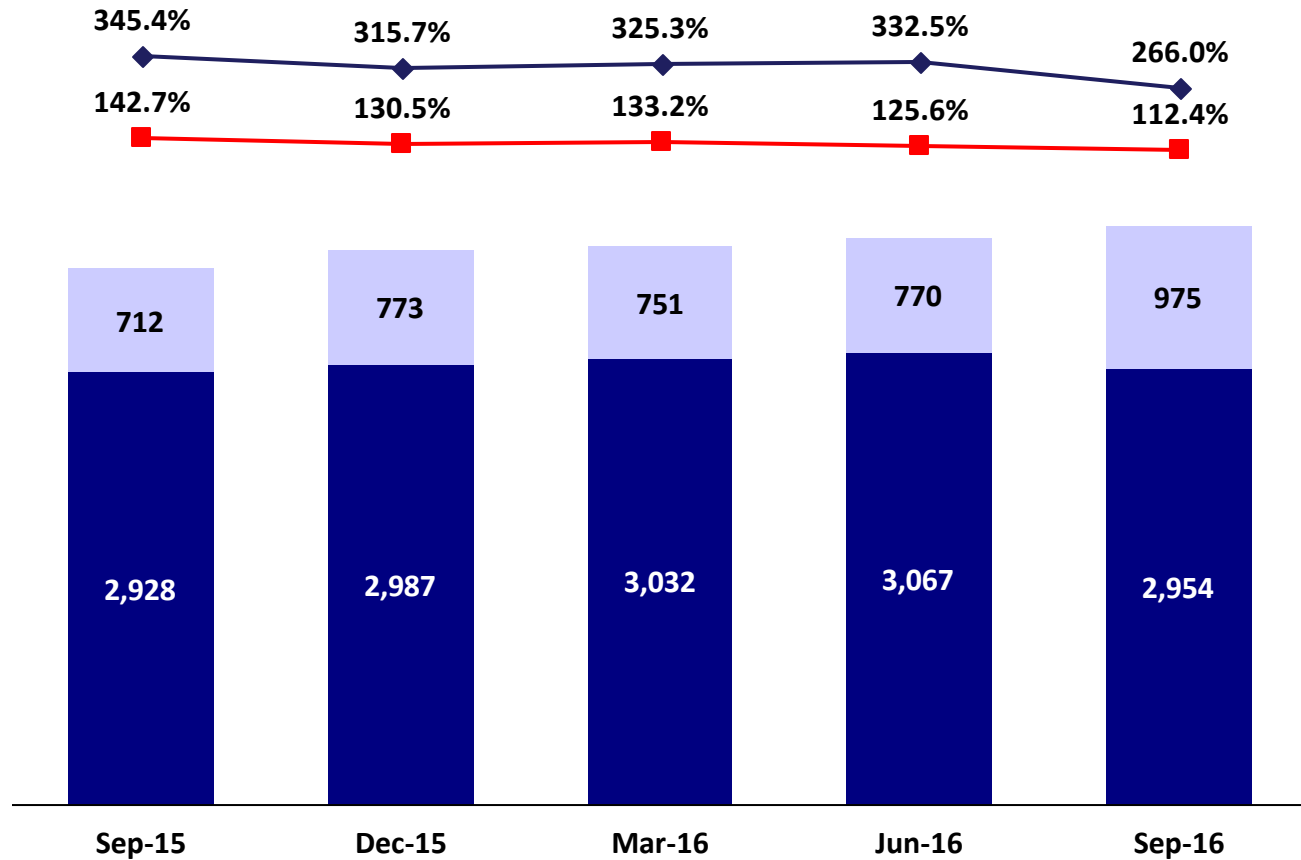
Note : Non-performing loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

Movements in Non-Performing Assets

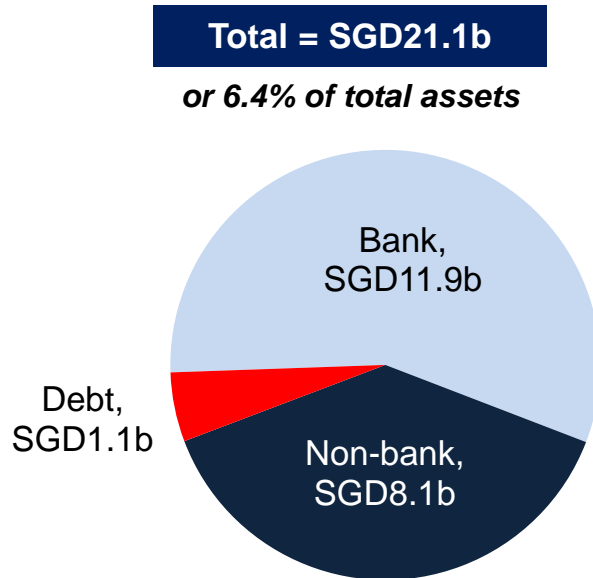
	3Q16	2Q16	3Q15
	\$m	\$m	\$m
NPA at start of period	3,164	3,016	2,705
New NPA	780	802	422
Upgrades, recoveries and translations	(201)	(548)	(278)
Write-offs	(111)	(106)	(112)
NPA at end of period	3,632	3,164	2,737

Loan Allowances Coverage continues to be Adequate

Total Loan Allowances (\$m)	3,640	3,760	3,783	3,837	3,929
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Exposure to China



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 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 40% 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

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Exposure to Commodities

As of 30 September 16	Oil and gas		Other commodity segments	Total
	Upstream industries	Traders/ downstream industries		
Total exposure ¹	SGD4.8b	SGD8.4b	SGD9.0b	SGD22.2b
Outstanding loans	SGD4.0b	SGD5.2b	SGD6.9b	SGD16.1b


4% of total loans
7.4% of total loans

- Total exposure, including off-balance sheet items, stood at SGD22.2b as of 30 September 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 Sep 2016	Non-bank	Bank	Debt securities	Total	As a % of total assets
Europe	SGD3.6b	SGD4.0b	SGD1.7b	SGD9.3b	2.8%
of which UK	SGD2.7b	SGD0.8b	SGD0.2b	SGD3.7b	1.1%

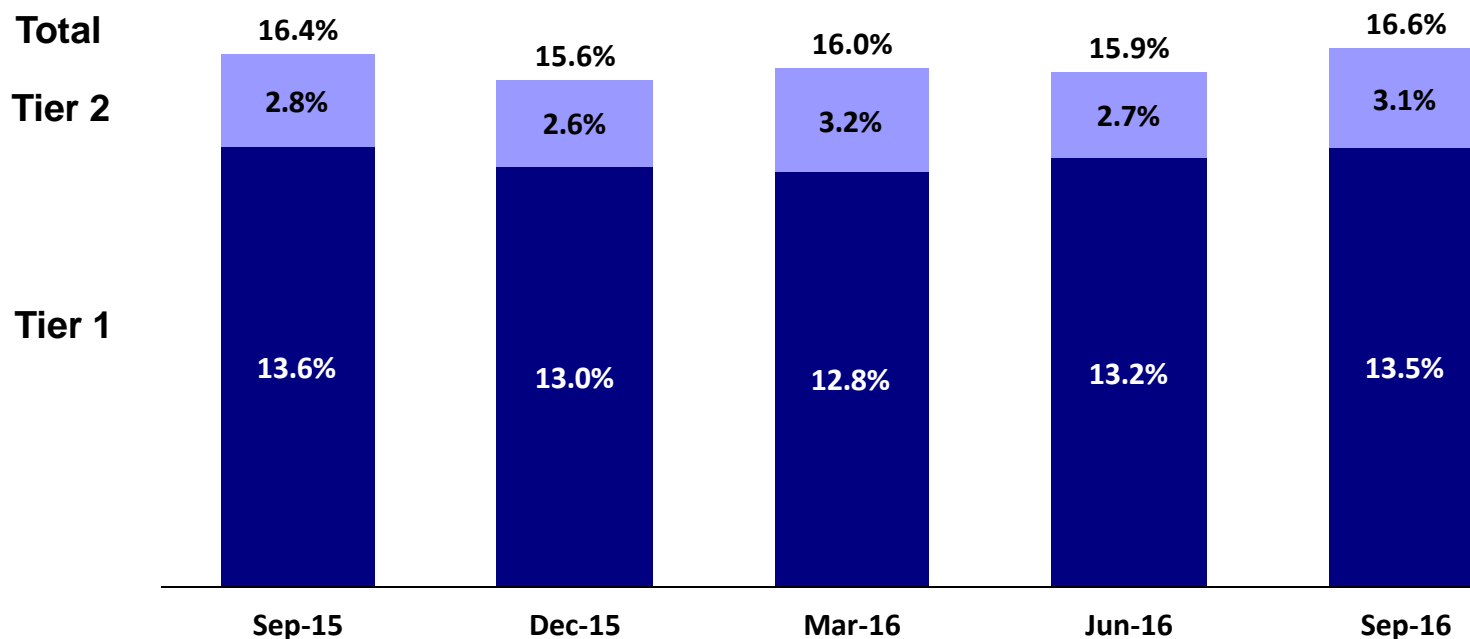
Minimal direct impact from Brexit

- Bulk of UK non-bank exposure is 95% secured and 78% 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).

Stronger Capital Position from Scrip Dividend and Access to Bank Capital Markets

Capital Adequacy Ratios (CAR)



	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
CET1 Capital (\$b)	25	26	26	26	27
Tier 1 Capital (\$b)	25	26	26	27	28
Total Capital (\$b)	30	31	32	32	34
RWA (\$b)	186	201	202	202	205
Fully loaded CET1 (%) ¹	12.2	11.7	12.1	12.2	12.4
Leverage ratio (%) ²	7.2	7.3	7.0	7.4	7.5

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.

Thank You

