

# Full Year 2017 Results

## Healthy Growth Momentum and Strong Balance Sheet

Wee Ee Cheong

Deputy Chairman and Chief Executive Officer

14 February 2018

# Record Earnings Driven by Core Businesses' Stronger Performance

- **FY17 profit: \$3.4bn, ▲ 9% YoY**
  - Both net interest income and fee income reach new highs
- **Net interest income ▲ 11% to \$5.5bn, backed by growth in both loans and NIM**
  - Loans: ▲ 5% YoY, driven by broad-based increases across most markets and industries
  - NIM: ▲ 6bps to 1.77%, mainly due to more efficient deployment of liquid assets
- **Non-interest income lifted mainly by fee income (▲ 12% YoY)**
- **Cost-to-income ratio stable at 45.5%**
  - Ongoing investment in infrastructure and technology to enhance capabilities
- **Dividend**
  - Final dividend of 45 cents/share; special dividend of 20 cents/share
  - Full-year dividend of \$1/share, including special dividend
  - Scrip dividend applied

# Disciplined Balance Sheet Management

## Portfolio quality broadly stable

- Uptick in NPL ratio to 1.8%; accelerated recognition of residual vulnerable exposures in oil & gas and related sectors as NPL in 4Q17
- 28bps total credit costs lower YoY
- Comfortable level of allowance to meet SFRS(I) 9 requirements

## Improved balance sheet efficiency

- Result of ongoing efforts to optimise RWA

## Proactive liability management

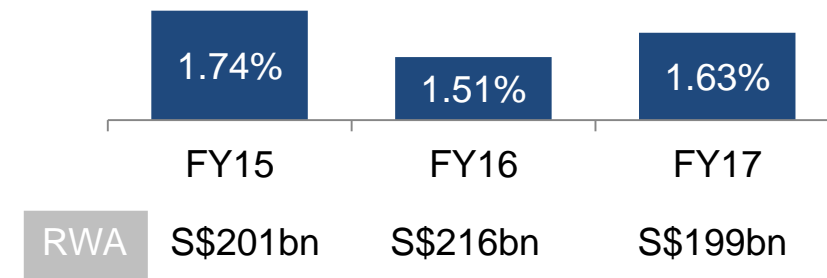
- Liquidity Coverage Ratios<sup>3</sup>: S\$ (170%) and all-currency (135%)

## Robust capital position

- 14.7% fully-loaded CET1 ratio<sup>4</sup>

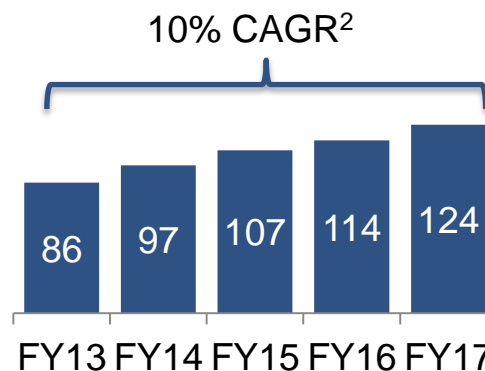
### Optimising RWA to drive higher RoRWA<sup>1</sup>

RoRWA

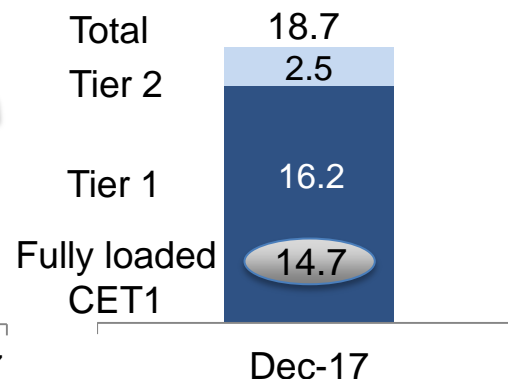


### Liability Management and Capital

Group CASA (S\$bn)



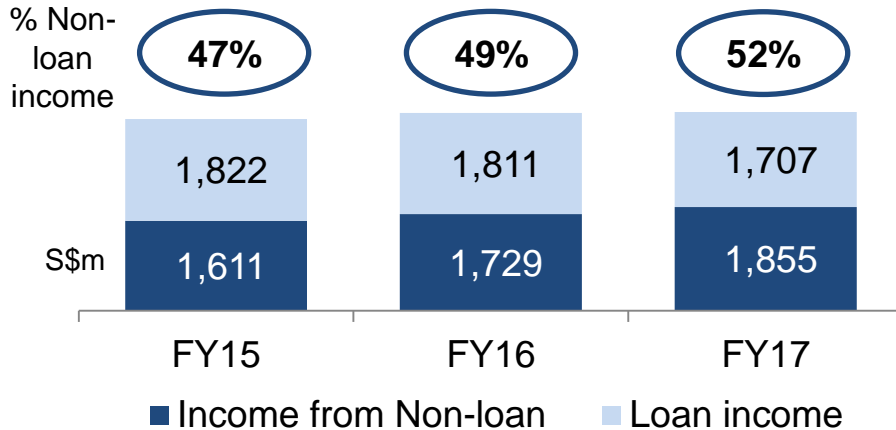
Capital Adequacy Ratios (%)



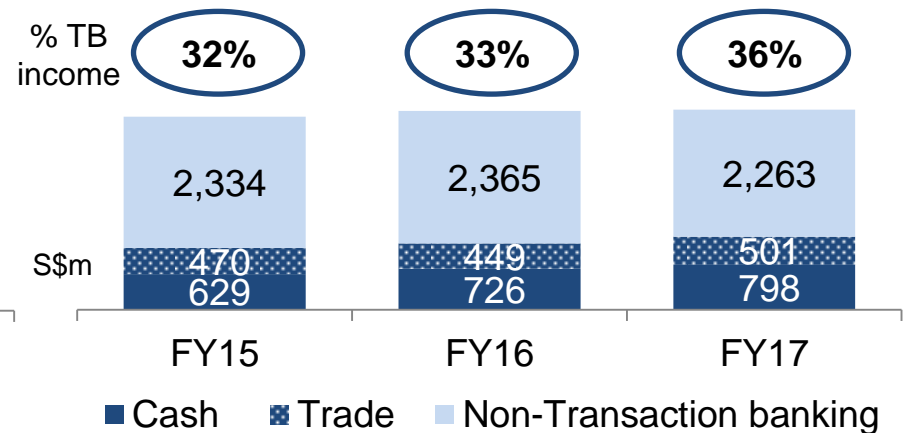
1. Return on average risk-weighted assets
2. Compound annual growth rate (CAGR) computed over 4 years (2013 to 2017)
3. Average ratios for fourth quarter of 2017
4. Fully phased in, as per Basel III rules

# Wholesale Banking: Diversifying Income Mix to Grow RoRWA

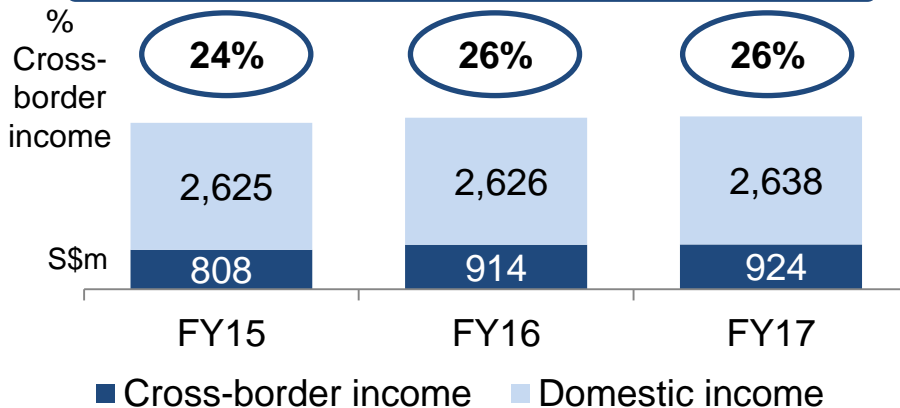
Income from Non-Loan: +7% CAGR<sup>1</sup>



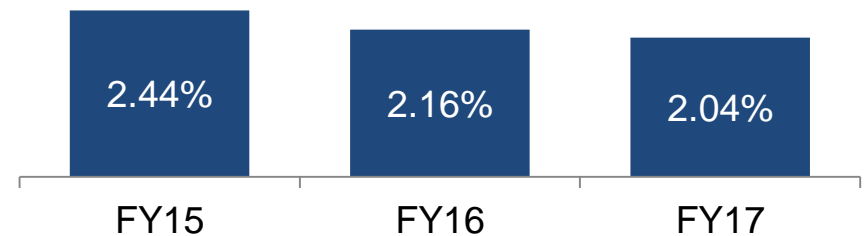
Income from Transaction Banking: +9% CAGR<sup>1</sup>



Cross-border income: +7% CAGR<sup>1</sup>



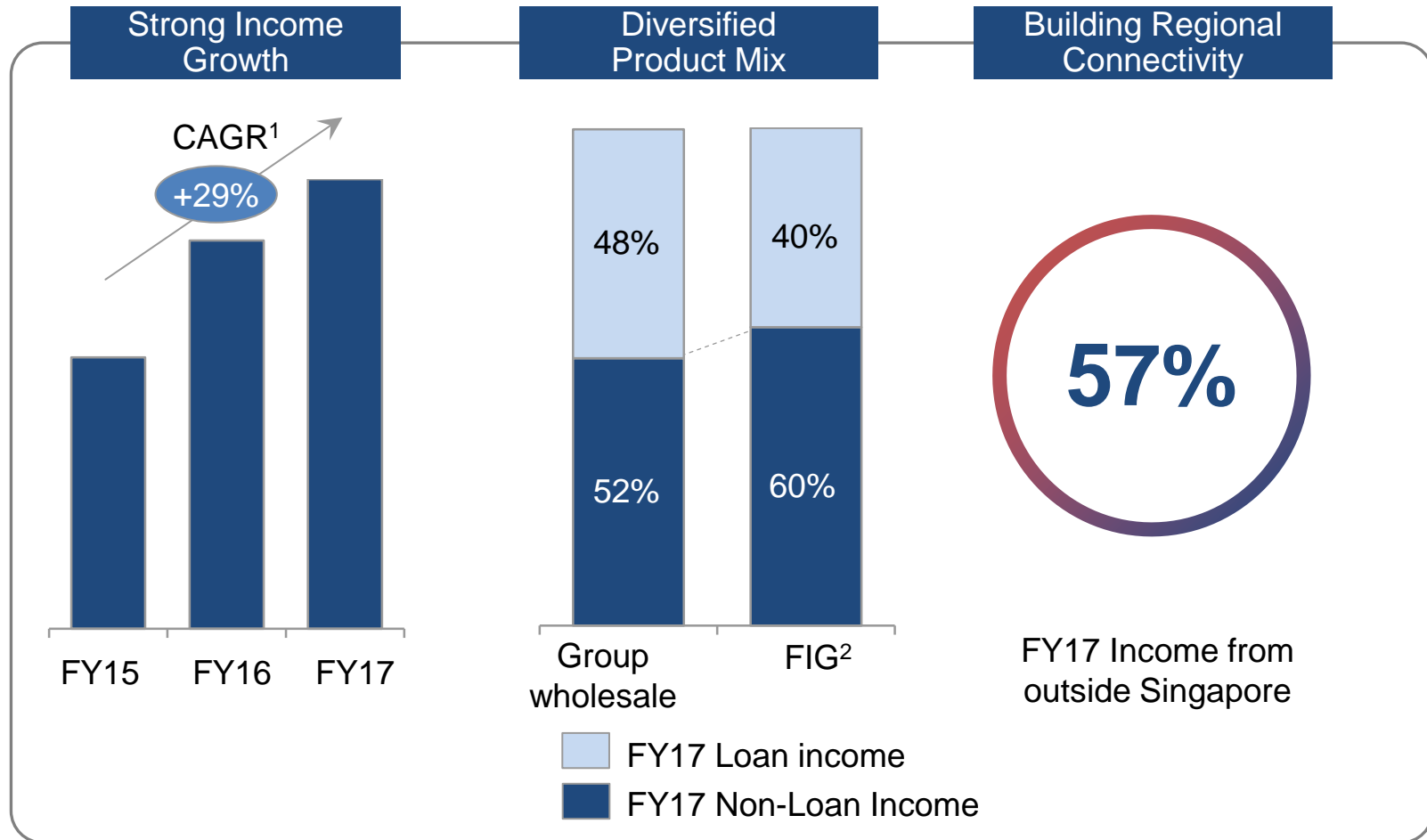
Segment RoRWA<sup>2</sup>: -0.12% pt YoY



1. Compound annual growth rate (CAGR) computed over 2 years (2015 to 2017)  
 2. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

# Focus on Sectors with Highest Trade and Connectivity Flows

One of 1<sup>st</sup> sectors launched: Financial Institution segment showing good progress

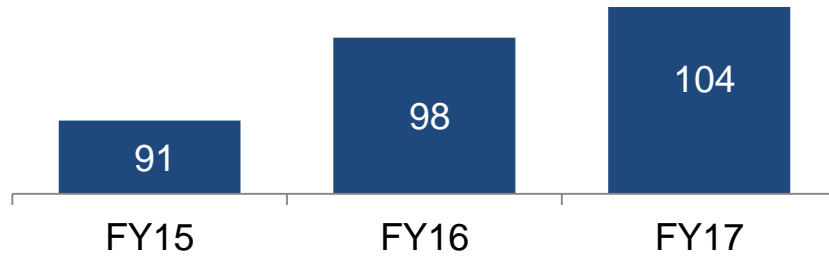


1. Compound annual growth rate (CAGR) computed over 2 years (2015 to 2017)  
2. FIG: Financial Institutional Group

# Retail Banking: Growth Momentum Gaining Traction

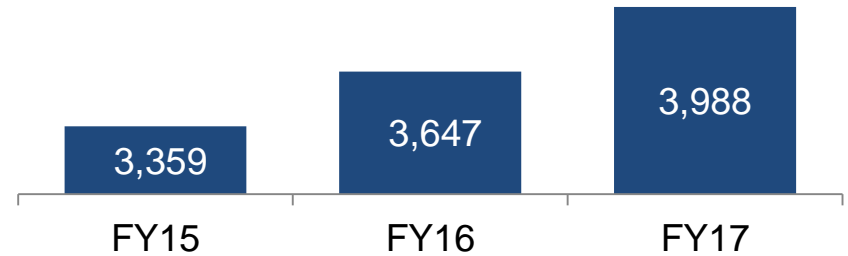
Gross Loans (Group Retail<sup>1</sup>): +7% CAGR<sup>2</sup>

S\$bn



Income (Group Retail<sup>1</sup>) +9% CAGR<sup>2</sup>

S\$m



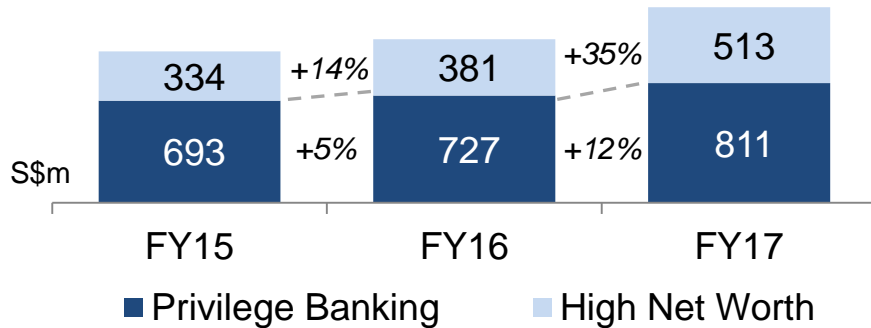
WM<sup>3</sup> Income: +14% CAGR<sup>2</sup>

AUM

S\$85bn

S\$93bn

S\$104bn



Segment RoRWA<sup>4</sup> -0.01% pt YoY

6.37%

6.47%

6.46%

FY15

FY16

FY17

1. Includes Business Banking
2. Compound annual growth rate (CAGR) computed over 2 years (2015 to 2017)
3. WM (Wealth management) comprises Privilege Banking and High Net Worth (Privilege Reserve + Private Bank) segments.
4. RoRWA: Ratio of "Operating profit" to "Average segment RWA"

# Harnessing Technology & Innovation to Improve Productivity & Customer Experience



**UOB MIGHTY**  
debuts



**CONTACTLESS PAYMENT**  
at general ticketing machines



**MIGHTY SECURE**  
for use on mobile phone as security token  
**FIRST IN SINGAPORE**



**MIGHTY FX**  
Trade, Transact and Travel at your preferred FX rate.

Nov '15

'16

'17

Jan'18

**4** INDUSTRY AWARDS

**7** INDUSTRY AWARDS

**3** INDUSTRY AWARDS



**CONTACTLESS MOBILE PAYMENTS**  
**FIRST IN SINGAPORE**



**INSTANT CARD ISSUANCE; CONTACTLESS ATMS**  
**FIRST IN REGION**



**MYKEY**  
for use of PayNow in social messaging apps  
**FIRST IN REGION**

## Increased Frequency

- 1.6 million (▲ 9% YoY) digital<sup>1</sup> customers
- ▶ 0.8 million (▲ 34% YoY) Mighty customers, with more than 50% actively using the app each month

## Improved Usage

- 40% YoY growth in financial transactions for Digital<sup>1</sup>. YoY growth for Mighty is double at 82%

## Shorter Route to Apply

- 114% YoY growth in accounts<sup>2</sup> opened online, leveraging Singapore Government MyInfo database

1. Digital: Comprises Personal Internet banking (PIB) and UOB Mighty  
2. UOB Stash, UOB Krisflyer and Mighty FX account opening

# Looking Ahead

- **Positive outlook for global economy for next couple of years; Asia to benefit from recovery**
- **Normalising monetary policies; gradually rising short-term interest rates will benefit commercial banks like UOB**
- **UOB is well positioned to tap on growth opportunities across franchise:**
  - Robust balance sheet, integrated network and sharpened capabilities allow us to tap on growing physical and digital connectivity opportunities
  - Continue to invest in our capabilities and core franchise



# Thank You

