

First Half 2017 Results Sound Operating Performance, Healthy Balance Sheet

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- **Asian Financial Crisis' (AFC) 20th anniversary**

- **ASEAN is in stronger position. Sound fundamentals of sovereigns, banks and corporates**

- **UOB:**
 - Made several strategic acquisitions post-AFC
 - Has scalable and sustainable integrated ASEAN platform today
 - Now extracting value from regional franchise, tapping on growing connectivity opportunities
 - Long term perspective; investing for the future

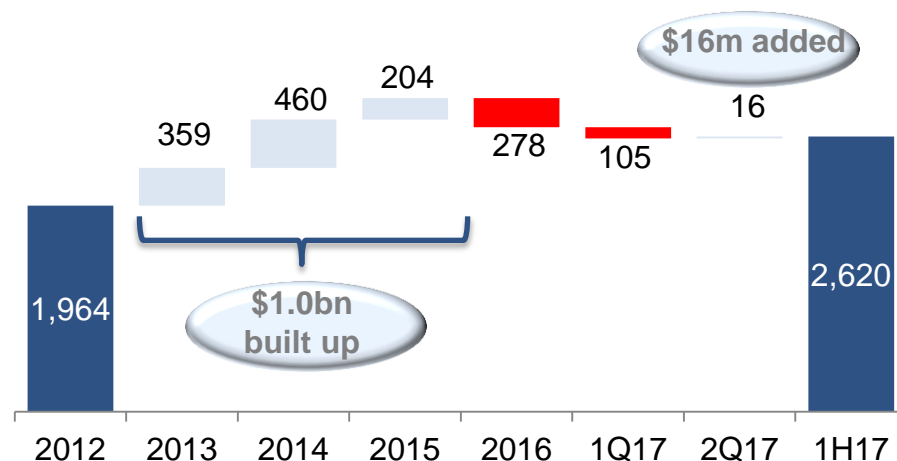
Sound Performance; Broad-based Growth Across Businesses

- **1H17 profit: S\$1.7bn, +5.5% YoY**
 - Driven by higher net interest income and fee income
- **Net interest income up 7.0% to S\$2.7bn, on the back of higher loans and NIM**
 - Loans: +7.3% YoY, as we continued to build customer franchise in Singapore and region
 - NIM: +1bp to 1.74%, mainly due to more efficient deployment of liquid assets
- **Non-interest income lifted by fee income and trading & investment income**
 - Fee income (+13.1% YoY); trading & investment income (+5.6% YoY)
- **Cost-to-income ratio flat at 45.3%**
 - Ongoing investment in infrastructure and technology to enhance capabilities

Disciplined Balance Sheet Management

- **Portfolio quality broadly stable**
 - NPL ratio stable at 1.5%
 - High general allowances-to-loans ratio of 1.2%
 - Begin to build up general allowances, when possible
 - 32bps total credit costs maintained

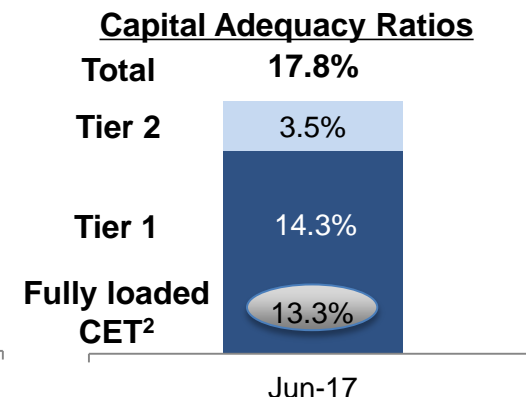
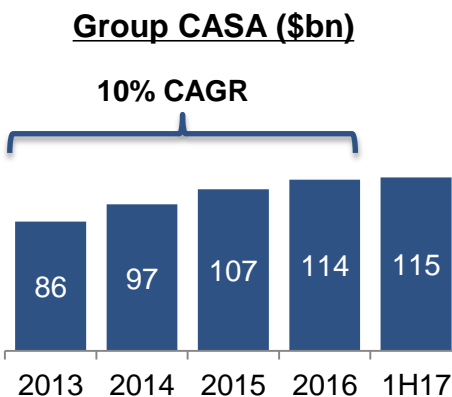
Countercyclical Approach to General Allowances (\$m)



- **Proactive liability management**
 - Liquidity Coverage Ratios¹: S\$ (203%) and all-currency (157%)

Liability Management and Capital

- **Robust capital position**
 - 13.3% fully-loaded CET1 ratio²
- **Interim dividend of 35 cents/share**
 - Scrip dividend scheme applied

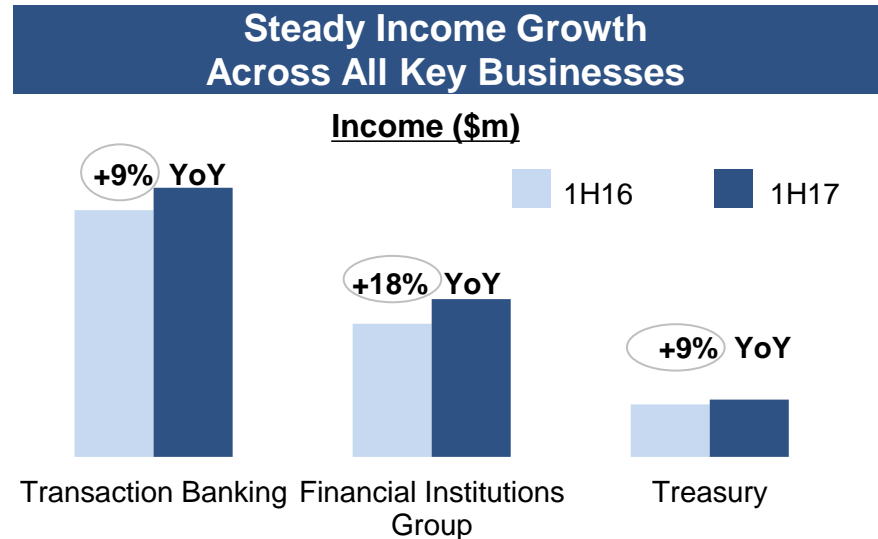
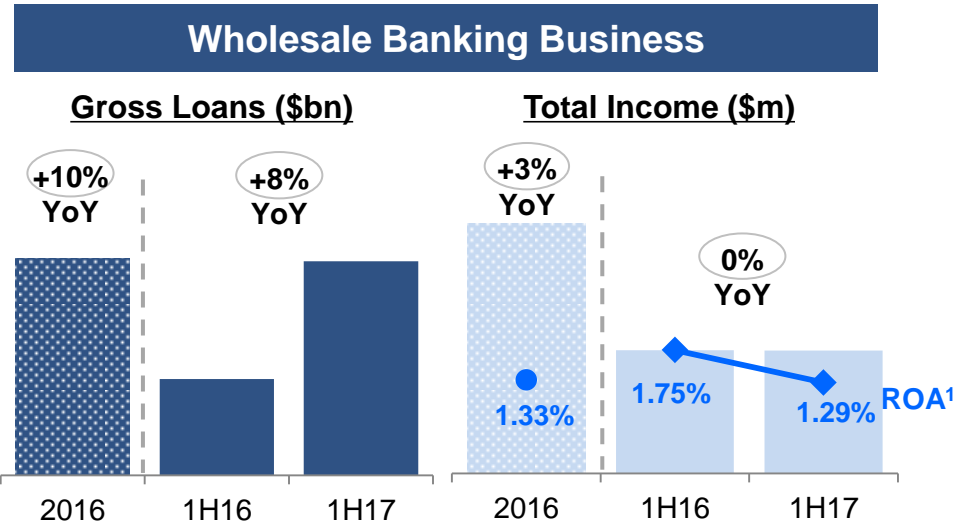


1. Average ratios for second quarter of 2017.

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

Wholesale Banking: Good Traction in Growing Customer Franchise

- Stable performance in 1H 2017, amidst cautious business climate
 - Higher loans, with growing customer franchise
- Bottom line affected by higher allowances, largely from offshore & marine sector
 - Broader portfolio quality remains sound
- Capturing regional opportunities
 - Cross-border income: 21%² of Group Wholesale Banking income



1. ROA: Ratio of "Profit before tax" to "Average Assets"
 2. Data for year-to-date May 2017

Transaction Banking: A Key Income Generator for Wholesale Banking

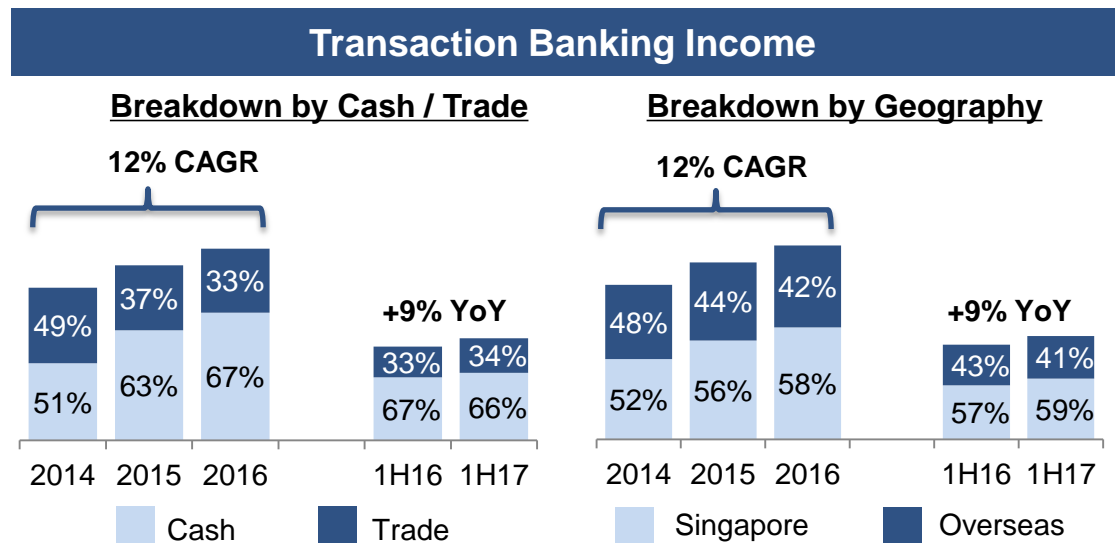
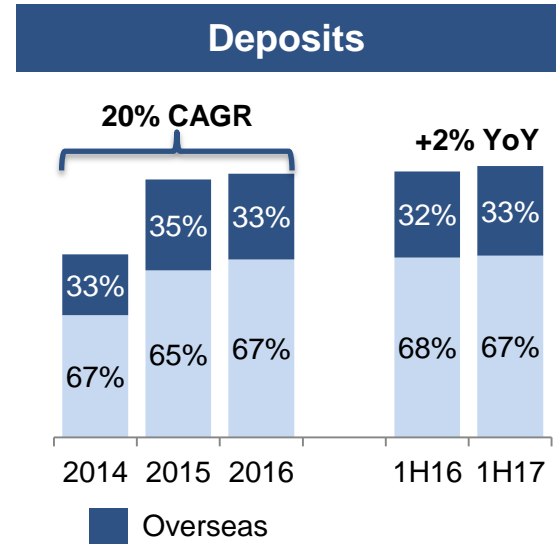
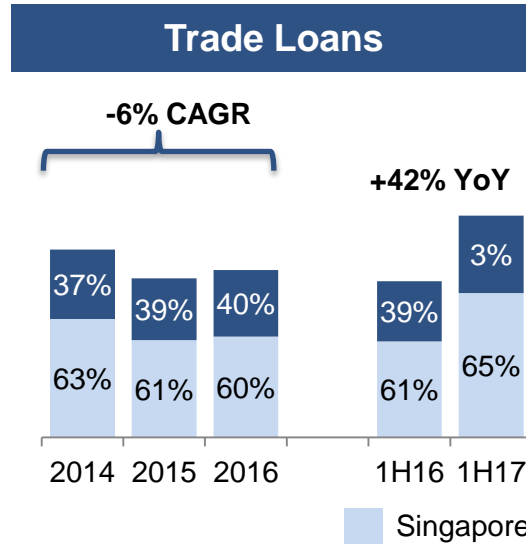
- Overall transaction banking income grew by 9%

- Growth in trade revenue, driven by strong growth momentum in trade assets, despite competitive market and margin compression

- Cash management revenue up; significant mandates won

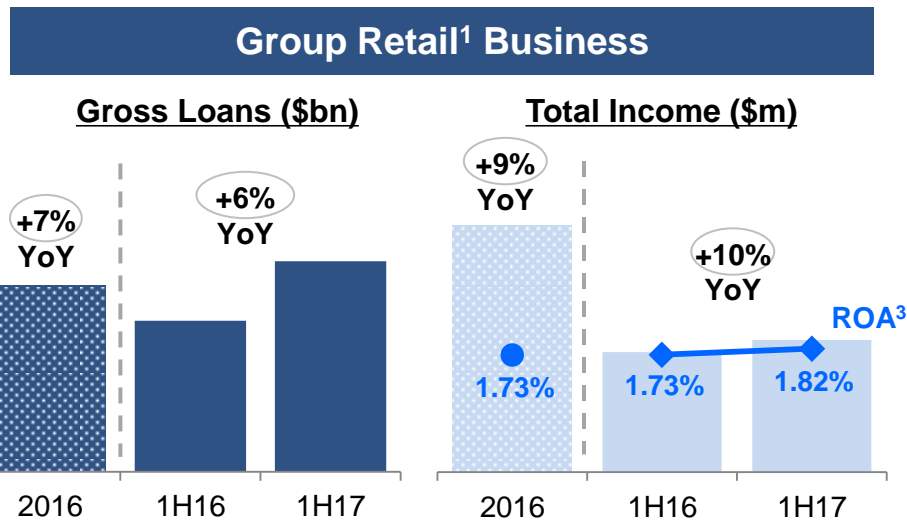
- High-quality deposits on the uptrend

- Strong industry recognition with numerous accolades; recent accolade won for 'Best Transaction Bank' (*The Asian Banker*)

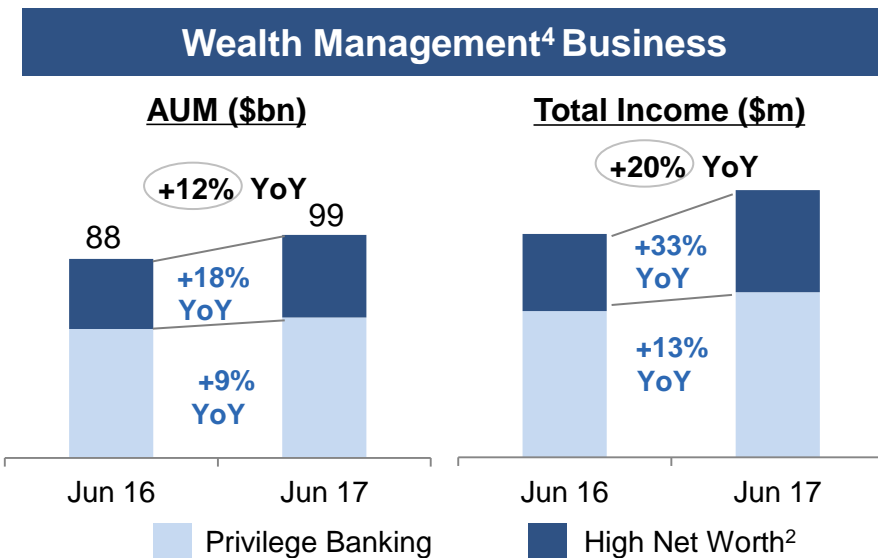


Retail Banking: Growth Momentum Picking Up

- **Housing loans in Singapore and in the region fared well**
 - Asset quality remains stable
- **Business Banking a growing earnings driver; 16% of Group Retail's revenue**
 - Helping small business owners to raise productivity and save costs



- **Wealth management⁴:**
 - Steady growth for both mass affluent and High Net Worth² segments
 - \$99bn AUM as at end-Jun 2017

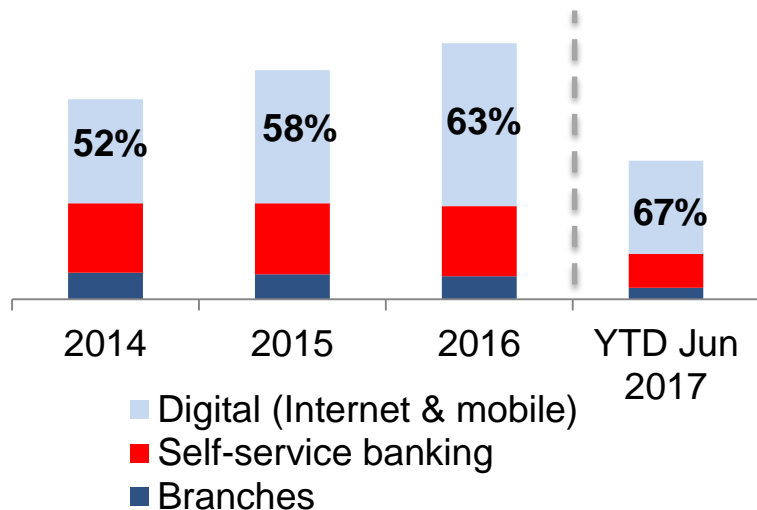


1. Retail Banking comprises Personal Financial Services, Private Banking and Business Banking.
2. High Net Worth segment comprises Privilege Reserve and Private Bank segments.
3. ROA: Ratio of "Profit before tax" to "Average Assets".
4. Wealth Management comprises Privilege Banking, Privilege Reserve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

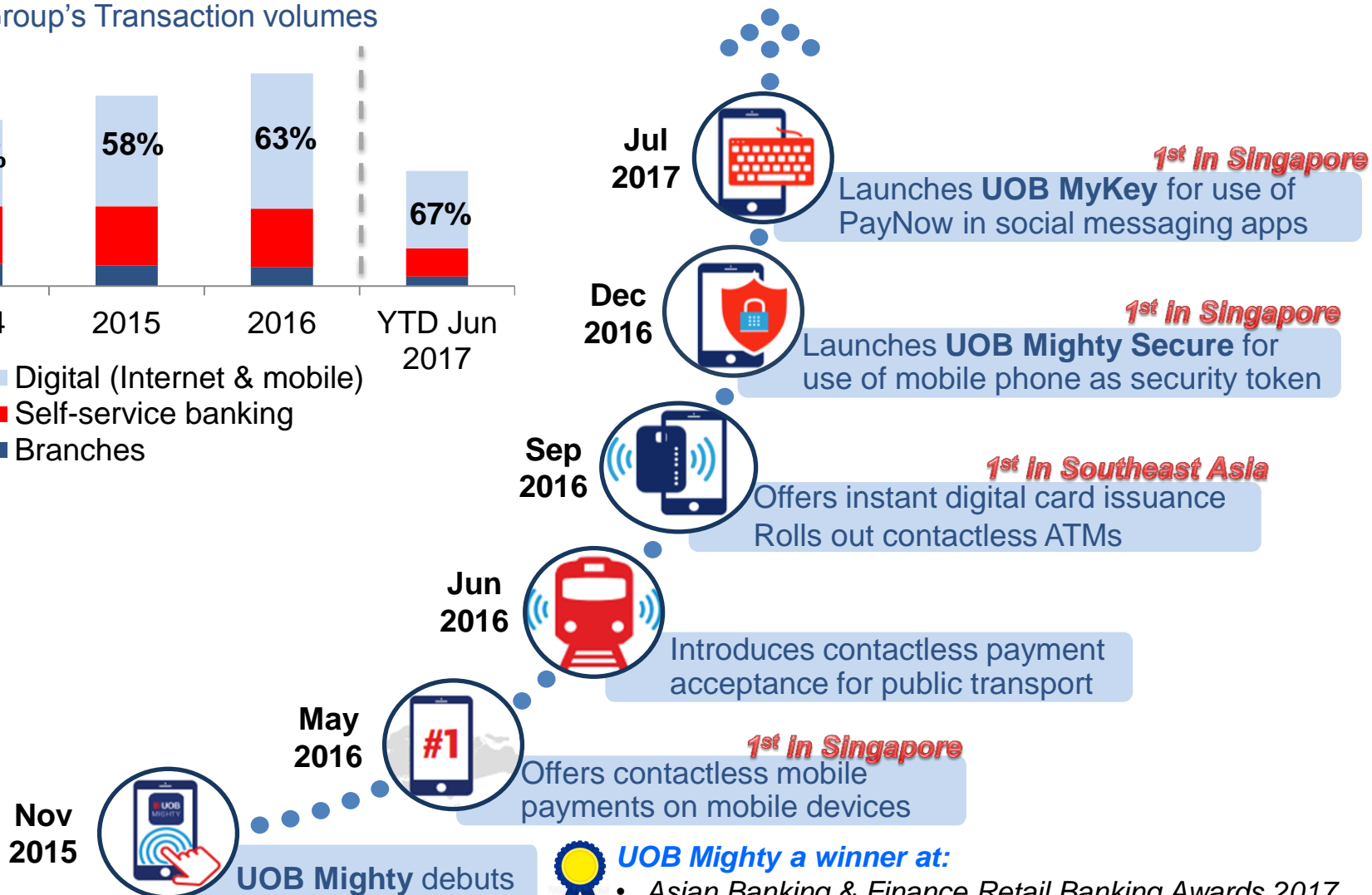
Customer-Centric Approach in Digital

Rising Digital Adoption Amongst Customers

Group's Transaction volumes



UOB's Digital Roadmap



UOB Mighty a winner at:

- Asian Banking & Finance Retail Banking Awards 2017
- Retail Banker International Asia Trailblazer Awards 2017

Looking Ahead

- **Global economic outlook is stabilising, but mindful that possibly more uncertainties ahead**

- **Asia's long-term fundamentals still strong, underpinned by connectivity opportunities and rising affluence**

- **UOB:**
 - Integrated regional network positions us well to tap on these connectivity opportunities in Asia
 - Takes long-term paced approach to building sustainable returns
 - Ongoing initiatives and investments to engage and better serve customers' needs in the digital age
 - Disciplined approach to balance sheet management

Thank You

