

## Announcement

To: All Shareholders

The Board of Directors of United Overseas Bank Limited wishes to make the following announcement:

### **Unaudited Financial Results for the First Quarter Ended 31 March 2017**

Details of the financial results are in the accompanying Group Financial Report.

### **Dividends and Distributions**

#### ***Ordinary share dividend***

No dividend on ordinary shares has been declared for the first quarter of 2017.

#### ***Capital securities distributions***

On 23 January 2017, a semi-annual distribution at an annual rate of 4.90% totalling S\$21 million was paid on the Bank's S\$850 million 4.90% non-cumulative non-convertible perpetual capital securities for the period from 23 July 2016 up to, but excluding, 23 January 2017.

### **Interested Person Transactions**

The Bank has not obtained a general mandate from shareholders for Interested Person Transactions.

### **Confirmation by Directors**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the three months/first quarter ended 31 March 2017 to be false or misleading in any material aspect.

### **Undertakings from Directors and Executive Officers**

The Bank has procured undertakings in the form set out in Appendix 7.7 of the Listing Manual from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

### **BY ORDER OF THE BOARD**

### **UNITED OVERSEAS BANK LIMITED**

Ms Joyce Sia  
Secretary

Dated this 28<sup>th</sup> day of April 2017

The results are also available at [www.uobgroup.com](http://www.uobgroup.com)



# Group Financial Report

## For the First Quarter 2017

United Overseas Bank Limited  
Incorporated in the Republic of Singapore



## **Contents**

### **Page**

2	Financial Highlights
4	Performance Review
6	Net Interest Income
7	Non-Interest Income
8	Operating Expenses
9	Allowance for Credit and Other Losses
10	Customer Loans
11	Non-Performing Assets
13	Customer Deposits
13	Debts Issued
14	Shareholders' Equity
14	Changes in Issued Shares of the Bank
15	Performance by Business Segment
18	Performance by Geographical Segment
19	Capital Adequacy and Leverage Ratios

### **Appendix**

1	Consolidated Income Statement
2	Consolidated Statement of Comprehensive Income
3	Consolidated Balance Sheet
4	Consolidated Statement of Changes in Equity
5	Consolidated Cash Flow Statement
6	Balance Sheet of the Bank
7	Statement of Changes in Equity of the Bank
8	Capital Adequacy Ratios of Major Bank Subsidiaries

#### Notes:

- 1 The financial statements are presented in Singapore dollars.
- 2 Certain comparative figures have been restated to conform with the current period's presentation.
- 3 Certain figures in this report may not add up to the respective totals due to rounding.
- 4 Amounts less than \$500,000 in absolute term are shown as "0".  
"NM" denotes not meaningful.  
"NA" denotes not applicable.

## Financial Highlights

	1Q17	1Q16	+/(-) %	4Q16	+/(-) %
<b>Selected income statement items (\$m)</b>					
Net interest income	1,303	1,275	2.3	1,276	2.2
Fee and commission income	508	433	17.5	531	(4.2)
Other non-interest income	311	262	18.8	222	40.0
Total income	2,123	1,969	7.8	2,028	4.6
Less: Total expenses	957	894	7.0	957	-
Operating profit	1,166	1,075	8.5	1,071	8.8
Less: Total allowance	186	117	59.0	131	42.8
Add: Share of profit of associates and joint ventures	34	(30)	>100.0	(21)	>100.0
Net profit before tax	1,014	927	9.3	920	10.2
Less: Tax and non-controlling interests	206	161	27.7	181	14.2
Net profit after tax <sup>1</sup>	807	766	5.4	739	9.3

## Selected balance sheet items (\$m)

Net customer loans	225,107	205,576	9.5	221,734	1.5
Customer deposits	259,672	254,779	1.9	255,314	1.7
Total assets	342,574	329,666	3.9	340,028	0.7
Shareholders' equity <sup>1</sup>	33,739	30,629	10.2	32,873	2.6

## Key financial ratios (%)

Net interest margin <sup>2</sup>	1.73	1.78		1.69	
Non-interest income/Total income	38.6	35.3		37.1	
Expense/Income ratio	45.1	45.4		47.2	
Overseas profit before tax contribution	45.6	28.7		36.9	
Credit costs (bp) <sup>2</sup>					
Exclude general allowance	49	25		76	
Include general allowance	32	32		32	
NPL ratio <sup>3</sup>	1.5	1.4		1.5	

### Notes:

- 1 Relate to amount attributable to equity holders of the Bank.
- 2 Computed on an annualised basis.
- 3 Refer to non-performing loans as a percentage of gross customer loans.

**Financial Highlights (cont'd)**

	1Q17	1Q16	4Q16
<b>Key financial ratios (%) (cont'd)</b>			
Return on average total assets <sup>1</sup>	<b>0.95</b>	0.95	0.89
Return on average ordinary shareholders' equity <sup>1,2</sup>	<b>10.0</b>	10.2	9.4
Loan/Deposit ratio <sup>3</sup>	<b>86.7</b>	80.7	86.8
Liquidity coverage ratios ("LCR") <sup>4</sup>			
All-currency	<b>154</b>	139	162
Singapore dollar	<b>232</b>	169	275
Capital adequacy ratios			
Common Equity Tier 1	<b>13.2</b>	12.8	13.0
Tier 1	<b>13.8</b>	12.8	13.1
Total	<b>17.3</b>	16.0	16.2
Leverage ratio <sup>5</sup>	<b>7.6</b>	7.0	7.4
Earnings per ordinary share (\$) <sup>1,2</sup>			
Basic	<b>1.92</b>	1.84	1.75
Diluted	<b>1.91</b>	1.84	1.74
Net asset value ("NAV") per ordinary share (\$) <sup>6</sup>	<b>19.35</b>	18.22	18.82
Revalued NAV per ordinary share (\$) <sup>6</sup>	<b>22.11</b>	20.93	21.54

**Notes:**

- 1 Computed on an annualised basis.
- 2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.
- 3 Refer to net customer loans and customer deposits.
- 4 Figures reported are based on average LCR for the respective period. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 60% shall be maintained at all times with effect from 1 January 2015, with all-currency LCR increasing by 10% each year to 100% by 2019. Public disclosure required under MAS Notice 651 is available in the UOB website at [www.UOBGroup.com/investor/financial/overview.html](http://www.UOBGroup.com/investor/financial/overview.html).
- 5 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.
- 6 Preference shares and capital securities are excluded from the computation.

## **Performance Review**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in the Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning.

The revised FRS applicable to the Group with effect from 1 January 2017 are listed below. The adoption of these FRS is not expected to have a significant impact on the financial statements of the Group.

- Amendments to FRS 7 - Disclosure Initiative
- Amendments to FRS 12- Recognition of Deferred Tax Assets for Unrealised Losses

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first quarter of 2017 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2016.

## **First quarter 2017 ("1Q17") performance**

### **1Q17 versus 1Q16**

The Group registered net earnings of \$807 million for 1Q17, 5.4% higher than a year ago.

Net interest income grew 2.3% to \$1.30 billion, largely driven by broad-based loan growth. Net interest margin decreased 5 basis points to 1.73%.

Non-interest income increased 18.0% to \$819 million in 1Q17. Fees and commission income rose 17.5% to \$508 million, driven by higher fund management and wealth management fees. Trading and investment income also registered an increase of 20.5% to \$243 million due to higher trading income.

Total expenses at \$957 million were 7% higher than a year ago, driven by higher base salaries and an increase in revenue-related expenses. The expense-to-income ratio was stable at 45.1%.

Total allowances for loans and other assets at \$186 million were 59% higher compared with a year ago. This was due to a release of general allowances that were no longer required on other assets relating to debt securities in 1Q16. Specific allowance on loans increased \$145 million from a year ago to \$277 million, largely from the oil and gas and shipping industries. Combined with a release in the general allowance, total credit costs on loans were maintained at 32 basis points. The Group's general allowance remained strong at \$2.6 billion and the ratio of general allowance to gross loans stood at 1.1% as at 31 March 2017.

Contribution from associated companies was \$34 million in 1Q17, as compared with a loss a year ago from investment losses in an associated company.

### **1Q17 versus 4Q16**

Compared with 4Q16, the Group's net earnings grew 9.3% to \$807 million.

Net interest income increased 2.2% to \$1.30 billion, driven by loan volume growth and an improvement in net interest margin from 1.69% to 1.73%.

Non-interest income rose 8.8% to \$819 million. Trading and investment income grew 43.7% to \$243 million. This was partially offset by lower fees and commission income, which declined 4.2% to \$508 million from loan-related and credit card fees.

Total expenses were flat at \$957 million as the Group remained disciplined in its cost management initiatives.

Total allowances increased 42.8% to \$186 million compared with last quarter. This was due to a release of general allowances that were no longer required on other assets including debt securities in 4Q16. Specific allowance on loans decreased \$151 million to \$277 million driven by a drop in allowance from exposures in the oil and gas and shipping industries this quarter.

Contribution from associated companies contributed a profit of \$34 million as compared with a loss in 4Q16.

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**Performance Review (cont'd)****Balance sheet and capital position**

The Group maintains a strong funding position. The loan-to-deposit ratio remained healthy at 86.7%. Gross loans amounted to \$229 billion at the end of the quarter, an increase of 9.4% year-on-year and 1.5% compared with the previous quarter. Customer deposits increased 1.9% from a year ago and 1.7% quarter-on-quarter to \$260 billion as at 31 March 2017, mainly from growth in the Singapore dollar deposits.

Leveraging conducive market conditions, the Group issued \$2.2 billion in debt and capital securities to diversify its funding mix and with the intention to refinance debts that are due for redemption this year.

The average Singapore dollar and all-currency liquidity coverage ratios during the first quarter were 232% and 154% respectively, well above the corresponding regulatory requirements of 100% and 80%.

NPL ratio was stable at 1.5% as at 31 March 2017. NPL coverage stayed high at 118.1%, or 244.2% after taking collateral into account.

Shareholders' equity increased by 10.2% from a year ago to \$33.7 billion due to higher retained earnings and strong shareholders' participation in the scrip dividend scheme. Compared with 4Q16, shareholders' equity rose 2.6% mainly due to higher retained earnings. Return on equity declined slightly to 10.0% from 10.2% a year ago.

As at 31 March 2017, the Group's Common Equity Tier 1 and Total Capital Adequacy Ratio (CAR) remained strong at 13.2% and 17.3% respectively. On a fully-loaded basis, the Common Equity Tier 1 CAR stood at 12.8%. The Group's leverage ratio was 7.6%, well above Basel's minimum requirement of 3%.

## Net Interest Income

### Net interest margin

	1Q17			1Q16			4Q16		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>									
Customer loans	225,282	1,803	3.25	207,176	1,809	3.51	221,293	1,787	3.21
Interbank balances	51,390	193	1.52	51,474	157	1.23	48,888	171	1.39
Securities	29,165	149	2.07	28,612	131	1.84	30,007	150	1.98
<b>Total</b>	<b>305,836</b>	<b>2,144</b>	<b>2.84</b>	<b>287,262</b>	<b>2,097</b>	<b>2.94</b>	<b>300,187</b>	<b>2,108</b>	<b>2.79</b>
<b>Interest bearing liabilities</b>									
Customer deposits	259,030	712	1.11	248,704	714	1.15	254,062	712	1.12
Interbank balances/others	37,738	129	1.39	32,981	108	1.32	37,214	120	1.28
<b>Total</b>	<b>296,768</b>	<b>841</b>	<b>1.15</b>	<b>281,685</b>	<b>822</b>	<b>1.17</b>	<b>291,276</b>	<b>832</b>	<b>1.14</b>
<b>Net interest margin <sup>1</sup></b>			<b>1.73</b>			<b>1.78</b>			<b>1.69</b>

### Volume and rate analysis

	1Q17 vs 1Q16			1Q17 vs 4Q16		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Interest income</b>						
Customer loans	158	(149)	9	32	19	51
Interbank balances	(0)	38	38	9	16	25
Securities	3	16	19	(4)	6	2
<b>Total</b>	<b>160</b>	<b>(95)</b>	<b>65</b>	<b>37</b>	<b>42</b>	<b>78</b>
<b>Interest expense</b>						
Customer deposits	30	(26)	4	14	(1)	13
Interbank balances/others	21	1	22	3	9	12
<b>Total</b>	<b>51</b>	<b>(25)</b>	<b>26</b>	<b>17</b>	<b>8</b>	<b>25</b>
<b>Net interest income</b>	<b>110</b>	<b>(70)</b>	<b>29</b>	<b>20</b>	<b>34</b>	<b>28</b>

Net interest income grew 2.3% from a year ago to \$1.30 billion, largely driven by broad-base loan growth. Net interest margin decreased 5 basis points to 1.73%.

Quarter-on-quarter, net interest income increased 2.2% on loan volume growth and an improvement in net interest margin from 1.69% to 1.73%.

Note:

<sup>1</sup> Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.



## Non-Interest Income

	1Q17	1Q16	+ / (-)	4Q16	+ / (-)
	\$m	\$m	%	\$m	%
<b>Fee and commission income</b>					
Credit card	90	82	9.3	103	(12.9)
Fund management	54	38	39.5	52	2.6
Wealth management	126	81	56.1	110	14.5
Loan-related <sup>1</sup>	114	110	3.1	134	(14.9)
Service charges	37	31	18.2	39	(6.2)
Trade-related <sup>2</sup>	66	63	4.3	68	(2.9)
Others	23	27	(16.0)	25	(9.1)
	<b>508</b>	<b>433</b>	<b>17.5</b>	<b>531</b>	<b>(4.2)</b>
<b>Other non-interest income</b>					
Net trading income	261	165	58.8	168	55.3
Net (loss)/gain from investment securities	(19)	37	(>100.0)	1	(>100.0)
Dividend income	1	1	(22.5)	1	(46.1)
Rental income	30	29	3.8	30	(0.9)
Other income	37	30	23.3	21	75.7
	<b>311</b>	<b>262</b>	<b>18.8</b>	<b>222</b>	<b>40.0</b>
<b>Total</b>	<b>819</b>	<b>695</b>	<b>18.0</b>	<b>753</b>	<b>8.8</b>

Non-interest income increased 18.0% to \$819 million in 1Q17. Fees and commission income rose 17.5% to \$508 million, driven by higher fund management and wealth management income. Trading and investment income also registered an increase of 20.5% to \$243 million due to higher trading income.

Quarter-on-quarter, non-interest income rose 8.8%, mainly driven by an increase of 43.7% in trading and investment income. This was partially offset by lower fees and commission income, which declined 4.2% from loan-related and credit card fees.

### Notes:

- 1 Loan-related fees include fees earned from corporate finance activities.
- 2 Trade-related fees include trade, remittance and guarantees related fees.

## Operating Expenses

	<u>1Q17</u>	<u>1Q16</u>	<u>+ / (-)</u>	<u>4Q16</u>	<u>+ / (-)</u>
	\$m	\$m	%	\$m	%
<b>Staff costs</b>	<b>526</b>	506	4.1	514	2.5
<b>Other operating expenses</b>					
Revenue-related	<b>214</b>	194	10.2	227	(6.0)
Occupancy-related	<b>87</b>	81	6.8	80	8.2
IT-related	<b>78</b>	71	9.7	70	11.8
Others	<b>52</b>	42	22.1	66	(21.7)
	<b>430</b>	389	10.7	443	(3.0)
<b>Total</b>	<b>957</b>	894	7.0	957	-
Of which, Depreciation of assets	<b>66</b>	54	22.7	59	11.9
<b>Manpower (number)</b>	<b>25,033</b>	25,100	(67)	24,853	180

Total expenses of \$957 million were 7% higher than a year ago, driven by higher base salaries and an increase in revenue-related expenses. The expense-to-income ratio was stable at 45.1%.

Quarter-on-quarter, total expenses were flat at \$957 million as the Group remained disciplined in its cost management initiatives.

## Allowance for Credit and Other Losses

	1Q17	1Q16	+ / (-)	4Q16	+ / (-)
	\$m	\$m	%	\$m	%
<b>Specific allowance on loans <sup>1</sup></b>					
Singapore	178	33	>100.0	171	4.1
Malaysia	61	6	>100.0	33	84.8
Thailand	21	23	(11.1)	37	(44.7)
Indonesia	18	30	(40.1)	65	(72.0)
Greater China <sup>2</sup>	0	9	(98.5)	107	(99.9)
Others	(0)	31	(>100.0)	14	(>100.0)
	<b>277</b>	133	>100.0	428	(35.2)
<b>Specific allowance on securities and others</b>	<b>2</b>	7	(67.2)	13	(81.3)
<b>General allowance</b>	<b>(93)</b>	(23)	(>100.0)	(310)	70.0
<b>Total</b>	<b>186</b>	117	59.0	131	42.8

Total allowances for loans and other assets at \$186 million were 59% higher compared with a year ago. This was due to a release of general allowances that were no longer required on other assets relating to debt securities in 1Q16. Specific allowance on loans increased \$145 million from a year ago to \$277 million, largely from the oil and gas and shipping industries. Combined with a release in the general allowance, total credit costs on loans were maintained at 32 basis points. The Group's general allowance remained strong at \$2.6 billion and the ratio of general allowance to gross loans stood at 1.1% as at 31 March 2017.

Compared to last quarter, total allowance increased 42.8% to \$186 million as there was a release of general allowances that were no longer required on other assets including debt securities in 4Q16. Specific allowance on loans decreased \$151 million to \$277 million driven by a drop in allowance from exposures in the oil and gas and shipping industries this quarter.

### Notes:

- 1 Specific allowance on 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 Comprise China, Hong Kong and Taiwan.

## Customer Loans

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
Gross customer loans	<b>229,120</b>	225,662	209,360
Less: Specific allowance	<b>1,409</b>	1,219	751
General allowance	<b>2,604</b>	2,709	3,032
Net customer loans	<b>225,107</b>	221,734	205,576
<b>By industry</b>			
Transport, storage and communication	<b>9,698</b>	9,780	9,388
Building and construction	<b>52,795</b>	52,281	46,729
Manufacturing	<b>17,018</b>	15,747	16,562
Financial institutions, investment and holding companies	<b>16,726</b>	15,519	13,154
General commerce	<b>30,972</b>	30,269	27,733
Professionals and private individuals	<b>26,815</b>	26,950	25,828
Housing loans	<b>62,038</b>	61,451	58,345
Others	<b>13,057</b>	13,665	11,620
Total (gross)	<b>229,120</b>	225,662	209,360
<b>By currency</b>			
Singapore dollar	<b>113,098</b>	112,160	110,574
US dollar	<b>46,885</b>	45,079	35,202
Malaysian ringgit	<b>22,673</b>	22,993	23,540
Thai baht	<b>12,758</b>	12,423	10,864
Indonesian rupiah	<b>5,305</b>	5,401	4,917
Others	<b>28,401</b>	27,606	24,263
Total (gross)	<b>229,120</b>	225,662	209,360
<b>By maturity</b>			
Within 1 year	<b>89,670</b>	85,002	75,355
Over 1 year but within 3 years	<b>42,398</b>	43,665	40,581
Over 3 years but within 5 years	<b>23,691</b>	27,655	26,637
Over 5 years	<b>73,361</b>	69,340	66,787
Total (gross)	<b>229,120</b>	225,662	209,360
<b>By geography <sup>1</sup></b>			
Singapore	<b>125,081</b>	125,529	117,795
Malaysia	<b>25,584</b>	25,767	25,511
Thailand	<b>13,681</b>	13,226	11,382
Indonesia	<b>11,415</b>	11,857	10,905
Greater China	<b>29,889</b>	27,232	24,557
Others	<b>23,470</b>	22,051	19,211
Total (gross)	<b>229,120</b>	225,662	209,360

Gross loans amounted to \$229 billion at the end of the quarter, an increase of 9.4% year-on-year and 1.5% compared to previous quarter.

The loan growth in Singapore was 6.2% from a year ago and were little changed over the previous quarter to \$125 billion as at 31 March 2017. Regional countries continued to contribute a strong growth of 11.4% year-on-year.

Note:

<sup>1</sup> 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).

## Non-Performing Assets

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
Loans ("NPL")	3,399	3,328	2,841
Debt securities and others	144	152	175
Non-Performing Assets ("NPA")	3,543	3,480	3,016

### By grading

Substandard	2,031	2,185	2,213
Doubtful	318	270	217
Loss	1,194	1,025	586
Total	3,543	3,480	3,016

### By security

Secured by collateral type:

Properties	1,252	1,177	1,177
Shares and debentures	39	39	25
Fixed deposits	11	11	7
Others <sup>1</sup>	460	613	476
	1,762	1,840	1,685
Unsecured	1,781	1,640	1,331
Total	3,543	3,480	3,016

### By ageing

Current	377	343	400
Within 90 days	306	285	401
Over 90 to 180 days	596	646	356
Over 180 days	2,264	2,206	1,859
Total	3,543	3,480	3,016

### Total allowance

Specific	1,513	1,322	903
General	2,619	2,724	3,061
Total	4,132	4,046	3,964

	NPL		NPL		NPL	
	NPL	ratio	NPL	ratio	NPL	ratio
	\$m	%	\$m	%	\$m	%
<b>NPL by industry</b>						
Transport, storage and communication	996	10.3	965	9.9	881	9.4
Building and construction	216	0.4	210	0.4	274	0.6
Manufacturing	321	1.9	316	2.0	264	1.6
Financial institutions, investment and holding companies	73	0.4	76	0.5	102	0.8
General commerce	513	1.7	451	1.5	383	1.4
Professionals and private individuals	276	1.0	284	1.1	294	1.1
Housing loans	637	1.0	618	1.0	542	0.9
Others	367	2.8	408	3.0	101	0.9
Total	3,399	1.5	3,328	1.5	2,841	1.4

Note:

<sup>1</sup> Comprise mainly of marine vessels.

**Non-Performing Assets (cont'd)**

	NPA/NPL \$m	NPL ratio %	Specific allowance \$m	Total allowance	
				as a % of NPA/NPL %	as a % of unsecured NPA/NPL %
<b>NPL by geography <sup>1</sup></b>					
Singapore					
<b>Mar-17</b>	<b>1,358</b>	<b>1.1</b>	<b>605</b>	<b>172.1</b>	<b>342.2</b>
Dec-16	1,291	1.0	468	179.6	387.0
Mar-16	1,067	0.9	250	230.3	684.4
Malaysia					
<b>Mar-17</b>	<b>487</b>	<b>1.9</b>	<b>134</b>	<b>112.1</b>	<b>295.1</b>
Dec-16	487	1.9	82	103.7	376.9
Mar-16	401	1.6	60	129.9	548.4
Thailand					
<b>Mar-17</b>	<b>370</b>	<b>2.7</b>	<b>138</b>	<b>107.3</b>	<b>268.2</b>
Dec-16	360	2.7	134	106.4	267.8
Mar-16	250	2.2	94	123.2	308.0
Indonesia					
<b>Mar-17</b>	<b>623</b>	<b>5.5</b>	<b>216</b>	<b>48.5</b>	<b>119.4</b>
Dec-16	638	5.4	208	44.8	134.3
Mar-16	564	5.2	174	39.9	116.0
Greater China					
<b>Mar-17</b>	<b>304</b>	<b>1.0</b>	<b>223</b>	<b>106.9</b>	<b>141.3</b>
Dec-16	307	1.1	230	106.5	140.3
Mar-16	158	0.6	51	91.8	162.9
Others					
<b>Mar-17</b>	<b>257</b>	<b>1.1</b>	<b>93</b>	<b>41.2</b>	<b>73.6</b>
Dec-16	245	1.1	97	44.5	62.3
Mar-16	401	2.1	122	31.7	39.0
<b>Group NPL</b>					
<b>Mar-17</b>	<b>3,399</b>	<b>1.5</b>	<b>1,409</b>	<b>118.1</b>	<b>244.2</b>
Dec-16	3,328	1.5	1,219	118.0	262.4
Mar-16	2,841	1.4	751	133.2	325.3
<b>Debt securities and others</b>					
<b>Mar-17</b>	<b>144</b>		<b>104</b>	<b>82.6</b>	<b>86.2</b>
Dec-16	152		103	77.6	82.4
Mar-16	175		152	103.1	107.4
<b>Group NPA</b>					
<b>Mar-17</b>	<b>3,543</b>		<b>1,513</b>	<b>116.6</b>	<b>232.0</b>
Dec-16	3,480		1,322	116.3	246.7
Mar-16	3,016		903	131.4	297.8

Non-performing loans ("NPL") ratio was stable at 1.5% as at 31 March 2017. NPL coverage remained high at 118.1% or 244.2% after taking collateral into account.

Group NPL increased 19.6% from a year ago to \$3.4 billion attributable to new NPLs from the oil and gas and shipping industries. As compared to the previous quarter, Group NPL increased by \$71 million mainly due to new NPLs in Singapore and Australia.

**Note:**

1 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).

## Customer Deposits

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
<b>By product</b>			
Fixed deposits	134,638	133,966	136,046
Savings deposits	62,684	61,951	57,368
Current accounts	53,953	51,690	51,572
Others	8,398	7,707	9,793
<b>Total</b>	<b>259,672</b>	<b>255,314</b>	<b>254,779</b>
<b>By maturity</b>			
Within 1 year	253,504	249,750	247,085
Over 1 year but within 3 years	3,939	3,589	5,472
Over 3 years but within 5 years	1,087	978	832
Over 5 years	1,143	997	1,390
<b>Total</b>	<b>259,672</b>	<b>255,314</b>	<b>254,779</b>
<b>By currency</b>			
Singapore dollar	126,542	122,736	122,817
US dollar	60,750	59,425	61,595
Malaysian ringgit	25,000	25,295	25,266
Thai baht	13,497	13,049	11,776
Indonesian rupiah	5,568	5,741	5,283
Others	28,316	29,068	28,042
<b>Total</b>	<b>259,672</b>	<b>255,314</b>	<b>254,779</b>
Group Loan/Deposit ratio (%)	86.7	86.8	80.7
Singapore dollar Loan/Deposit ratio (%)	87.8	89.7	88.1
US dollar Loan/Deposit ratio (%)	75.7	74.6	56.7

Customer deposits increased 1.9% from a year ago and 1.7% quarter-on-quarter to \$260 billion as at 31 March 2017, mainly from growth in the Singapore dollar deposits.

As at 31 March 2017, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 86.7% and 87.8% respectively.

## Debts Issued

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
<b>Unsecured</b>			
Subordinated debts	6,540	5,926	5,804
Commercial papers	13,646	14,364	8,458
Fixed and floating rate notes	2,099	3,408	4,055
Others	1,653	1,687	1,584
<b>Secured</b>			
Covered bonds	2,177	758	761
<b>Total</b>	<b>26,115</b>	<b>26,143</b>	<b>20,662</b>
Due within 1 year	14,159	16,172	11,295
Due after 1 year	11,956	9,971	9,367
<b>Total</b>	<b>26,115</b>	<b>26,143</b>	<b>20,662</b>

### Shareholders' Equity

	<b>Mar-17</b>	Dec-16	Mar-16
	<b>\$m</b>	\$m	\$m
Shareholders' equity	<b>33,739</b>	32,873	30,629
Add: Revaluation surplus	<b>4,517</b>	4,456	4,360
Shareholders' equity including revaluation surplus	<b>38,256</b>	37,329	34,989

Shareholders' equity increased by 10.2% from a year ago to \$33.7 billion as at 31 March 2017 due to higher retained earnings and strong shareholders' participation in the scrip dividend scheme. Compared with 4Q16, shareholders' equity rose 2.6% mainly due to higher retained earnings.

As at 31 March 2017, revaluation surplus of \$4.52 billion relating to the Group's properties, is not recognised in the financial statements.

### Changes in Issued Shares of the Bank

	<b>Number of shares</b>	
	<b>1Q17</b>	1Q16
	<b>'000</b>	'000
<b>Ordinary shares</b>		
Balance at beginning of period	<b>1,646,966</b>	1,614,544
Shares issued under scrip dividend scheme	-	5,026
Balance at end of period	<b>1,646,966</b>	1,619,570
<b>Treasury shares</b>		
Balance at beginning of period	<b>(11,274)</b>	(12,281)
Shares issued under share-based compensation plans	<b>79</b>	2
Balance at end of period	<b>(11,195)</b>	(12,279)
Ordinary shares net of treasury shares	<b>1,635,771</b>	1,607,291



## **Performance by Business Segment**

Segmental reporting is prepared based on the Group's internal organisational structure. The Banking Group is organised into three major business segments – Group Retail, Group Wholesale Banking and Global Markets. Others segment includes non-banking activities and corporate functions.

### **Group Retail ("GR")**

GR segment covers personal and small enterprise customers.

Customers have access to a diverse range of products and services, including deposits, insurance, card, wealth management, investment, loan and trade financing products which are available across the Group's global branch network.

Profit before tax increased 18% to \$449 million as compared to a year ago. The double digit growth was supported by higher net interest income and fee income from wealth management and credit card products, partly offset by higher revenue-related expenses. Compared to the previous quarter, profit before tax increased 12%, led by higher non-interest income supported by growth in wealth management, lower revenue-related expenses and allowances for credit losses.

### **Group Wholesale Banking ("GWB")**

GWB encompasses corporate and institutional client segments which include medium and large enterprises, local corporations, multi-national corporations, financial institutions, government-linked entities, financial sponsors and property funds.

GWB provides customers with a broad range of products and services, including financing, trade services, cash management, capital markets solutions and advisory, treasury products and bank notes.

Profit before tax declined 25% to \$443 million from a year ago. Improvement in operating profit from higher non-interest income attributable to treasury sales, trade and cash management products, was offset by higher allowances, largely from the oil and gas sectors. Compared to the previous quarter, profit before tax improved by 42% due to lower allowances for credit and other losses.

### **Global Markets ("GM")**

GM provides a comprehensive suite of treasury products and services across multi asset classes which includes foreign exchange, interest rate, credit, commodities, equities and structured investment products to help customers manage market risks and volatility. GM also engages in market making activities and management of funding and liquidity.

Income from products and services offered to customers of Group Retail and Group Wholesale Banking are reflected in the respective client segments.

Profit before tax declined 12% to \$64 million as compared to a year ago due to unfavourable foreign exchange movement, partly offset by higher net interest income. Compared to the previous quarter, profit before tax improved 39% supported by higher non-interest income from sale of government bonds and gain on derivatives.

### **Others**

Others segment includes corporate support functions and decisions not attributable to business segments mentioned above and other activities, which comprises property, insurance and investment management.

Other segment recorded a gain of \$58 million as compared to a year ago, supported by higher income from fund management, central treasury activities, share of associates' profits and write-back of general allowances. Profit before tax decreased quarter on quarter due to lower write-back of general allowances.

**Performance by Business Segment**<sup>1</sup> (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
<b>1Q17</b>					
Net interest income	626	609	51	17	1,303
Non-interest income	333	284	80	122	819
Operating income	959	893	131	140	2,123
Operating expenses	(466)	(203)	(67)	(221)	(957)
Allowance for credit and other losses	(44)	(246)	-	104	(186)
Share of profit of associates and joint ventures	-	(1)	-	35	34
Profit before tax	449	443	64	58	1,014
Tax					(203)
<b>Profit for the financial period</b>					<b>811</b>
<b>Other information:</b>					
Capital expenditure	10	6	2	63	81
Depreciation of assets	4	3	1	57	66
<b>1Q16</b>					
Net interest income	596	621	24	34	1,275
Non-interest income	265	264	124	42	695
Operating income	861	885	148	75	1,969
Operating expenses	(437)	(200)	(75)	(182)	(894)
Allowance for credit and other losses	(43)	(92)	-	18	(117)
Share of profit of associates and joint ventures	-	-	-	(30)	(30)
Profit before tax	381	593	73	(120)	927
Tax					(158)
<b>Profit for the financial period</b>					<b>769</b>
<b>Other information:</b>					
Capital expenditure	5	5	3	63	76
Depreciation of assets	4	2	1	46	54
<b>4Q16</b>					
Net interest income	628	618	55	(25)	1,276
Non-interest income	322	294	61	76	753
Operating income	950	912	116	50	2,028
Operating expenses	(489)	(200)	(70)	(198)	(957)
Allowance for credit and other losses	(60)	(399)	-	328	(131)
Share of profit of associates and joint ventures	-	(1)	-	(20)	(21)
Profit before tax	401	312	46	161	920
Tax					(177)
<b>Profit for the financial period</b>					<b>742</b>
<b>Other information:</b>					
Capital expenditure	12	9	4	102	127
Depreciation of assets	4	3	1	50	59

**Notes:**

- Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.
- Comparative segment information for prior periods will be adjusted for changes in organisational structure and management reporting methodology.

**Performance by Business Segment <sup>1</sup> (cont'd)**

Selected balance sheet items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
<b>At 31 March 2017</b>					
<b>Segment assets</b>	<b>98,519</b>	<b>156,401</b>	<b>45,712</b>	<b>36,648</b>	<b>337,281</b>
Intangible assets	1,318	2,089	660	81	4,148
Investment in associates and joint ventures	-	86	-	1,058	1,145
<b>Total assets</b>	<b>99,837</b>	<b>158,577</b>	<b>46,373</b>	<b>37,787</b>	<b>342,574</b>
<b>Segment liabilities</b>	<b>128,961</b>	<b>137,279</b>	<b>25,222</b>	<b>17,199</b>	<b>308,660</b>
<b>Other information:</b>					
Gross customer loans	98,330	130,689	101	(0)	229,120
Non-performing assets	1,075	2,453	16	-	3,543
<b>At 31 December 2016</b>					
<b>Segment assets</b>	97,781	153,242	47,699	36,045	334,768
Intangible assets	1,319	2,090	661	81	4,151
Investment in associates and joint ventures	-	79	-	1,029	1,109
<b>Total assets</b>	<b>99,100</b>	<b>155,412</b>	<b>48,360</b>	<b>37,155</b>	<b>340,028</b>
<b>Segment liabilities</b>	<b>127,114</b>	<b>127,485</b>	<b>33,571</b>	<b>18,816</b>	<b>306,986</b>
<b>Other information:</b>					
Gross customer loans	97,570	127,956	128	8	225,662
Non-performing assets	1,059	2,400	16	5	3,480
<b>At 31 March 2016</b>					
<b>Segment assets</b>	93,065	133,403	58,884	39,078	324,430
Intangible assets	1,319	2,090	660	73	4,142
Investment in associates and joint ventures	-	40	-	1,054	1,093
<b>Total assets</b>	<b>94,383</b>	<b>135,532</b>	<b>59,545</b>	<b>40,205</b>	<b>329,666</b>
<b>Segment liabilities</b>	<b>118,895</b>	<b>136,098</b>	<b>24,296</b>	<b>19,588</b>	<b>298,877</b>
<b>Other information:</b>					
Gross customer loans	92,919	116,407	25	9	209,360
Non-performing assets	943	1,989	17	67	3,016

**Notes:**

1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

2 Comparative segment information for prior periods will be adjusted for changes in organisational structure and management reporting methodology.

## Performance by Geographical Segment <sup>1</sup>

	1Q17	1Q16	4Q16
	\$m	\$m	\$m
<b>Total operating income</b>			
Singapore	1,203	1,141	1,118
Malaysia	247	250	245
Thailand	210	192	220
Indonesia	118	112	124
Greater China	196	155	173
Others	148	119	149
<b>Total</b>	<b>2,123</b>	<b>1,969</b>	<b>2,028</b>
<b>Profit before tax</b>			
Singapore	551	661	581
Malaysia	154	137	136
Thailand	40	38	49
Indonesia	23	19	4
Greater China	115	66	91
Others	129	5	59
<b>Total</b>	<b>1,014</b>	<b>927</b>	<b>920</b>

The Group's total operating income rose 7.8% from a year ago to \$2.12 billion led by growth in core income, in particular Singapore, Greater China and Thailand. Compared with 4Q16, total operating income increased 4.6% largely contributed by Singapore.

The Group's profit before tax grew 9.3% from a year ago and 10.2% from 4Q16 mainly due to higher contribution from banking operations in overseas and associated companies. Singapore contribution was lower due to write-back of general allowances.

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
<b>Total assets</b>			
Singapore	210,603	210,937	207,651
Malaysia	33,969	33,845	33,182
Thailand	17,766	18,031	16,241
Indonesia	9,528	9,840	8,364
Greater China	40,623	40,233	35,607
Others	25,938	22,991	24,479
	<b>338,426</b>	<b>335,877</b>	<b>325,524</b>
Intangible assets	4,148	4,151	4,142
<b>Total</b>	<b>342,574</b>	<b>340,028</b>	<b>329,666</b>

Note:

<sup>1</sup> Based on the location where the transactions and assets are booked. Information is stated after elimination of inter-segment transactions.

## Capital Adequacy and Leverage Ratios <sup>1,2,3</sup>

	Mar-17	Dec-16	Mar-16
	\$m	\$m	\$m
Share capital	4,258	4,257	3,803
Disclosed reserves/others	27,239	26,384	25,351
Regulatory adjustments	(3,570)	(2,685)	(3,217)
<b>Common Equity Tier 1 Capital ("CET1")</b>	<b>27,927</b>	<b>27,956</b>	<b>25,937</b>
Perpetual capital securities/others	2,096	2,096	1,348
Regulatory adjustments - capped	(892)	(1,772)	(1,348)
<b>Additional Tier 1 Capital ("AT1")</b>	<b>1,204</b>	<b>324</b>	<b>-</b>
<b>Tier 1 Capital</b>	<b>29,131</b>	<b>28,280</b>	<b>25,937</b>
Subordinated notes	6,168	5,546	5,414
Provisions/others	1,125	1,122	1,027
Regulatory adjustments	(0)	(22)	(93)
<b>Tier 2 Capital</b>	<b>7,293</b>	<b>6,646</b>	<b>6,348</b>
<b>Eligible Total Capital</b>	<b>36,424</b>	<b>34,926</b>	<b>32,285</b>
<b>Risk-Weighted Assets ("RWA")</b>	<b>211,139</b>	<b>215,559</b>	<b>201,934</b>
<b>Capital Adequacy Ratios ("CAR")</b>			
CET1	13.2%	13.0%	12.8%
Tier 1	13.8%	13.1%	12.8%
Total	17.3%	16.2%	16.0%
Fully-loaded CET1 (based on final rules effective 1 Jan 2018)	12.8%	12.1%	12.1%
<b>Leverage Exposure</b>	<b>384,439</b>	<b>380,238</b>	<b>368,179</b>
<b>Leverage Ratio</b>	<b>7.6%</b>	<b>7.4%</b>	<b>7.0%</b>

The Group's CET1, Tier 1 and Total CAR as at 31 March 2017 were well above the regulatory minimum requirements.

Compared to a year ago, total capital was higher mainly from retained earnings, issuance of shares pursuant to the scrip dividend scheme and issuance of capital instruments. RWA was higher year-on-year largely due to asset growth.

Total capital increased quarter-on-quarter, mainly from retained earnings and issuance of capital instruments. The lower RWA was mainly attributable to enhanced methodology in RWA computation, partly offset by revised capital rules effective January 2017.

The Group's leverage ratio was 7.6% as at 31 March 2017 compared to 7.4% and 7.0% at 31 December 2016 and 31 March 2016 respectively, primarily from retained earnings, partly offset by asset growth.

### Notes:

- For the year 2017, Singapore-incorporated banks are required to maintain minimum CAR as follows: CET1 at 6.5%, Tier 1 at 8% and Total at 10%. In addition, with the phased-in implementation of the capital conservation buffer (CCB) and the countercyclical capital buffer (CCyB) with effect from 1 January 2016, the Group is required to maintain CET1 capital to meet CCB of 1.25% and CCyB (computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures) of up to 1.25%.
- Leverage ratio is calculated based on the MAS Notice 637. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.
- More information on regulatory disclosure is available on the UOB website at [www.UOBGroup.com/investor/financial/overview.html](http://www.UOBGroup.com/investor/financial/overview.html).

**Consolidated Income Statement (Unaudited)**

	1Q17	1Q16	+ / (-)	4Q16	+ / (-)
	\$m	\$m	%	\$m	%
Interest income	2,144	2,097	2.3	2,108	1.7
Less: Interest expense	841	822	2.3	832	1.1
<b>Net interest income</b>	<b>1,303</b>	<b>1,275</b>	<b>2.3</b>	<b>1,276</b>	<b>2.2</b>
Fee and commission income	508	433	17.5	531	(4.2)
Dividend income	1	1	(22.5)	1	(46.1)
Rental income	30	29	3.8	30	(0.9)
Net trading income	261	165	58.8	168	55.3
Net (loss)/gain from investment securities	(19)	37	(>100.0)	1	(>100.0)
Other income	37	30	23.3	21	75.7
<b>Non-interest income</b>	<b>819</b>	<b>695</b>	<b>18.0</b>	<b>753</b>	<b>8.8</b>
<b>Total operating income</b>	<b>2,123</b>	<b>1,969</b>	<b>7.8</b>	<b>2,028</b>	<b>4.6</b>
Less: Staff costs	526	506	4.1	514	2.5
Other operating expenses	430	389	10.7	443	(3.0)
<b>Total operating expenses</b>	<b>957</b>	<b>894</b>	<b>7.0</b>	<b>957</b>	<b>-</b>
<b>Operating profit before allowance</b>	<b>1,166</b>	<b>1,075</b>	<b>8.5</b>	<b>1,071</b>	<b>8.8</b>
Less: Allowance for credit and other losses	186	117	59.0	131	42.8
<b>Operating profit after allowance</b>	<b>979</b>	<b>958</b>	<b>2.3</b>	<b>941</b>	<b>4.1</b>
Share of profit of associates and joint ventures	34	(30)	>100.0	(21)	>100.0
<b>Profit before tax</b>	<b>1,014</b>	<b>927</b>	<b>9.3</b>	<b>920</b>	<b>10.2</b>
Less: Tax	203	158	28.2	177	14.3
<b>Profit for the financial period</b>	<b>811</b>	<b>769</b>	<b>5.4</b>	<b>742</b>	<b>9.3</b>
Attributable to:					
<b>Equity holders of the Bank</b>	<b>807</b>	<b>766</b>	<b>5.4</b>	<b>739</b>	<b>9.3</b>
Non-controlling interests	3	3	7.4	3	8.9
	<b>811</b>	<b>769</b>	<b>5.4</b>	<b>742</b>	<b>9.3</b>

**Consolidated Statement of Comprehensive Income (Unaudited)**

	<b>1Q17</b>	1Q16	+ / (-)	4Q16	+ / (-)
	<b>\$m</b>	\$m	%	\$m	%
<b>Profit for the financial period</b>	<b>811</b>	769	5.4	742	9.3
<b>Other comprehensive income</b> <sup>1</sup>					
Currency translation adjustments	<b>(131)</b>	74	(>100.0)	85	(>100.0)
Change in available-for-sale/other reserves					
Change in fair value	<b>179</b>	(138)	>100.0	(385)	>100.0
Transfer to income statement on disposal/impairment	<b>33</b>	(83)	>100.0	(14)	>100.0
Tax relating to available-for-sale reserve	<b>(11)</b>	15	(>100.0)	29	(>100.0)
Change in shares of other comprehensive income of associates and joint ventures	<b>2</b>	(9)	>100.0	13	(83.3)
Remeasurement of defined benefit obligation	<b>-</b>	-	-	7	NM
<b>Other comprehensive income for the financial period, net of tax</b>	<b>72</b>	(140)	>100.0	(265)	>100.0
<b>Total comprehensive income for the financial period, net of tax</b>	<b>883</b>	629	40.4	477	85.1
Attributable to:					
<b>Equity holders of the Bank</b>	<b>876</b>	626	40.0	474	84.8
Non-controlling interests	<b>7</b>	3	>100.0	3	>100.0
	<b>883</b>	629	40.4	477	85.1

## Note:

- 1 Other comprehensive income will be reclassified subsequently to Income Statement when specific conditions are met, except for the remeasurement of defined benefit obligation.

**Consolidated Balance Sheet (Unaudited)**

	Mar-17 \$m	Dec-16 <sup>1</sup> \$m	Mar-16 \$m
<b>Equity</b>			
Share capital and other capital	6,353	6,351	5,149
Retained earnings	18,120	17,334	16,188
Other reserves	9,266	9,189	9,292
Equity attributable to equity holders of the Bank	<b>33,739</b>	32,873	30,629
Non-controlling interests	175	169	159
Total	<b>33,914</b>	33,042	30,788
<b>Liabilities</b>			
Deposits and balances of banks	11,227	11,855	10,990
Deposits and balances of customers	259,672	255,314	254,779
Bills and drafts payable	521	522	492
Other liabilities	11,125	13,152	11,955
Debts issued	26,115	26,143	20,662
Total	<b>308,660</b>	306,986	298,877
<b>Total equity and liabilities</b>	<b>342,574</b>	340,028	329,666
<b>Assets</b>			
Cash, balances and placements with central banks	25,644	24,322	36,663
Singapore Government treasury bills and securities	6,848	6,877	6,796
Other government treasury bills and securities	10,222	10,638	13,175
Trading securities	2,561	3,127	2,147
Placements and balances with banks	42,849	40,033	33,244
Loans to customers	225,107	221,734	205,576
Investment securities	11,113	11,640	10,910
Other assets	9,952	13,407	13,070
Investment in associates and joint ventures	1,145	1,109	1,093
Investment properties	1,099	1,105	1,096
Fixed assets	1,886	1,885	1,753
Intangible assets	4,148	4,151	4,142
Total	<b>342,574</b>	340,028	329,666
<b>Off-balance sheet items</b>			
Contingent liabilities	25,198	24,617	20,680
Financial derivatives	883,551	814,650	680,753
Commitments	134,831	136,348	148,580
<b>Net asset value per ordinary share (\$)</b>	<b>19.35</b>	18.82	18.22

Note:

1 Audited.



**Consolidated Statement of Changes in Equity (Unaudited)**

	<u>Attributable to equity holders of the Bank</u>					Total equity \$m
	Share capital and other capital	Retained earnings	Other reserves	Total	Non- controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	807	-	807	3	811
Other comprehensive income for the financial period	-	-	68	68	3	72
Total comprehensive income for the financial period	-	807	68	876	7	883
Dividends	-	(21)	-	(21)	(0)	(21)
Share-based compensation	-	-	11	11	-	11
Shares issued under share-based compensation plans	2	-	(2)	-	-	-
Balance at 31 March 2017	<b>6,353</b>	<b>18,120</b>	<b>9,266</b>	<b>33,739</b>	<b>175</b>	<b>33,914</b>
Balance at 1 January 2016	5,881	15,463	9,424	30,768	155	30,924
Profit for the financial period	-	766	-	766	3	769
Other comprehensive income for the financial period	-	-	(140)	(140)	(0)	(140)
Total comprehensive income for the financial period	-	766	(140)	626	3	629
Change in non-controlling interests	-	-	-	-	1	1
Dividends	-	(41)	-	(41)	(0)	(42)
Shares issued under scrip dividend scheme	99	-	-	99	-	99
Share-based compensation	-	-	8	8	-	8
Shares issued under share-based compensation plans	0	-	(0)	-	-	-
Redemption of preference shares	(832)	-	-	(832)	-	(832)
Balance at 31 March 2016	<b>5,149</b>	<b>16,188</b>	<b>9,292</b>	<b>30,629</b>	<b>159</b>	<b>30,788</b>

**Consolidated Cash Flow Statement (Unaudited)**

	1Q17	1Q16
	\$m	\$m
<b>Cash flows from operating activities</b>		
Profit for the financial period	811	769
Adjustments for:		
Allowance for credit and other losses	186	117
Share of (profit)/loss of associates and joint ventures	(34)	30
Tax	203	158
Depreciation of assets	66	54
Net gain on disposal of assets	(15)	(50)
Share-based compensation	11	8
Operating profit before working capital changes	<u>1,227</u>	<u>1,087</u>
Change in working capital		
Deposits and balances of banks	(629)	(996)
Deposits and balances of customers	4,359	14,254
Bills and drafts payable	(1)	58
Other liabilities	(2,179)	307
Restricted balances with central banks	278	(621)
Government treasury bills and securities	418	(436)
Trading securities	595	(859)
Placements and balances with banks	(2,816)	(4,598)
Loans to customers	(3,557)	(2,134)
Investment securities	743	(499)
Other assets	3,459	(1,046)
Cash generated from operations	<u>1,896</u>	<u>4,516</u>
Income tax paid	(61)	(49)
Net cash provided by operating activities	<u>1,835</u>	<u>4,468</u>
<b>Cash flows from investing activities</b>		
Capital injection into associates and joint ventures	(9)	(0)
Acquisition of associates and joint ventures	-	(44)
Distribution from associates and joint ventures	1	8
Acquisition of properties and other fixed assets	(81)	(76)
Proceeds from disposal of properties and other fixed assets	11	-
Net cash used in investing activities	<u>(79)</u>	<u>(112)</u>
<b>Cash flows from financing activities</b>		
Redemption of preference shares	-	(689)
Issuance of debts issued	11,725	8,921
Redemption of debts issued	(11,501)	(8,290)
Change in non-controlling interests	-	1
Dividends paid on ordinary shares	-	(221)
Dividends paid on preference shares	-	(20)
Distribution for perpetual capital securities	(21)	(21)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by/(used in) financing activities	<u>202</u>	<u>(318)</u>
Currency translation adjustments	(358)	(301)
<b>Net increase in cash and cash equivalents</b>	<u>1,600</u>	<u>3,736</u>
Cash and cash equivalents at beginning of the financial period	<u>18,401</u>	<u>27,228</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>20,000</u>	<u>30,964</u>

**Balance Sheet of the Bank (Unaudited)**

	Mar-17	Dec-16 <sup>1</sup>	Mar-16
	\$m	\$m	\$m
<b>Equity</b>			
Share capital and other capital	6,353	6,351	5,149
Retained earnings	13,664	13,031	12,383
Other reserves	9,804	9,625	9,729
<b>Total</b>	<b>29,820</b>	29,007	27,261
<b>Liabilities</b>			
Deposits and balances of banks	10,050	10,618	10,199
Deposits and balances of customers	203,643	199,665	201,786
Deposits and balances of subsidiaries	8,085	7,239	8,058
Bills and drafts payable	305	324	243
Other liabilities	7,353	8,995	8,198
Debts issued	24,999	25,015	19,484
<b>Total</b>	<b>254,435</b>	251,856	247,969
<b>Total equity and liabilities</b>	<b>284,255</b>	280,863	275,230
<b>Assets</b>			
Cash, balances and placements with central banks	18,781	16,573	29,846
Singapore Government treasury bills and securities	6,848	6,877	6,796
Other government treasury bills and securities	4,662	5,257	8,209
Trading securities	2,428	2,977	1,865
Placements and balances with banks	36,455	33,731	27,269
Loans to customers	175,666	172,656	159,778
Placements with and advances to subsidiaries	9,845	9,440	9,116
Investment securities	10,504	10,992	10,041
Other assets	7,281	10,588	10,394
Investment in associates and joint ventures	332	333	450
Investment in subsidiaries	5,784	5,786	5,862
Investment properties	1,155	1,162	1,166
Fixed assets	1,333	1,310	1,258
Intangible assets	3,182	3,182	3,182
<b>Total</b>	<b>284,255</b>	280,863	275,230
<b>Off-balance sheet items</b>			
Contingent liabilities	16,751	17,550	14,253
Financial derivatives	787,426	725,617	597,336
Commitments	115,298	116,251	118,387
<b>Net asset value per ordinary share (\$)</b>	<b>16.95</b>	16.45	16.12

Note:

1 Audited.



**Statement of Changes in Equity of the Bank (Unaudited)**

	Share capital and other capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	654	-	654
Other comprehensive income for the financial period	-	-	169	169
Total comprehensive income for the financial period	-	654	169	823
Dividends	-	(21)	-	(21)
Share-based compensation	-	-	11	11
Shares issued under share-based compensation plans	2	-	(2)	-
Balance at 31 March 2017	<b>6,353</b>	<b>13,664</b>	<b>9,804</b>	<b>29,820</b>
Balance at 1 January 2016	5,050	11,735	9,971	26,756
Profit for the financial period	-	664	-	664
Other comprehensive income for the financial period	-	-	(245)	(245)
Total comprehensive income for the financial period	-	664	(245)	419
Transfers	-	5	(5)	-
Dividends	-	(21)	-	(21)
Shares issued under scrip dividend scheme	99	-	-	99
Share-based compensation	-	-	8	8
Shares issued under share-based compensation plans	0	-	(0)	-
Balance at 31 March 2016	<b>5,149</b>	<b>12,383</b>	<b>9,729</b>	<b>27,261</b>

### Capital Adequacy Ratios of Major Bank Subsidiaries

The information below is prepared on solo basis under the capital adequacy framework of the respective countries.

	Mar-17			
	Total Risk-Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
\$m	%	%	%	
United Overseas Bank (Malaysia) Bhd	17,021	15.4	15.4	18.7
United Overseas Bank (Thai) Public Company Limited	11,999	15.5	15.5	17.7
PT Bank UOB Indonesia	8,069	14.3	14.3	16.4
United Overseas Bank (China) Limited	7,469	17.9	17.9	18.5