

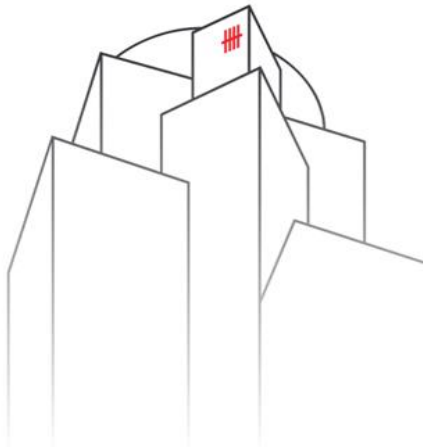


UOB Group 1st Half 2017 and 2nd Quarter 2017

Financial Highlights

Lee Wai Fai
Group Chief Financial Officer

28 July 2017



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1H17 and 2Q17 Highlights

Sound operating performance and healthy balance sheet

1H17 NPAT of \$1.65b ↑5.5% YoY

2Q17 NPAT of \$845m ↑4.6% QoQ

Stable top lines growth

- NIM pick up from active balance sheet management and stable funding costs
- Strong growth in fee income from wealth management, fund management and credit card products

Asset quality remains broadly stable

- Proactive management of oil & gas exposures
- Broader portfolio of sound quality
- Sufficient buffers and coverage

Balance sheet remains strong

- Continued growth in gross loans and customer deposits
- Strong capital and liquidity positions

Healthy contribution from client franchise, driven by fees and balance sheet growth

| | 1H17 | 1H16 | +/(-) |
|---------------------------------------|--------------|--------------|--------------|
| | \$m | \$m | % |
| Net interest income | 2,659 | 2,485 | 7.0 ▲ |
| Fee and commission income | 1,026 | 907 | 13.1 ▲ |
| Other non-interest income | 621 | 600 | 3.5 ▲ |
| Total income | 4,306 | 3,993 | 7.8 ▲ |
| Less: Total expenses | 1,952 | 1,821 | 7.2 ▲ |
| Operating profit | 2,355 | 2,172 | 8.4 ▲ |
| Less: Specific allowance | 447 | 252 | 77.2 ▲ |
| General allowance | (81) | 26 | (>100.0) ▼ |
| Add: Associates & joint ventures | 59 | 2 | >100.0 ▲ |
| Net profit before tax | 2,047 | 1,895 | 8.0 ▲ |
| Less: Tax & non-controlling interests | 395 | 329 | 20.0 ▲ |
| Net profit after tax | 1,652 | 1,566 | 5.5 ▲ |



favourable variance to earnings



unfavourable variance to earnings

Sound operating performance, with stable contribution from client franchise

| | 2Q17 | 2Q16 | + / (-) | 1Q17 | + / (-) |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | % | \$m | % |
| Net interest income | 1,356 | 1,211 | 12.0 ▲ | 1,303 | 4.0 ▲ |
| Fee and commission income | 517 | 475 | 9.0 ▲ | 508 | 1.7 ▲ |
| Other non-interest income | 310 | 338 | (8.3) ▼ | 311 | (0.1) ▼ |
| Total income | 2,183 | 2,024 | 7.9 ▲ | 2,123 | 2.9 ▲ |
| Less: Total expenses | 995 | 927 | 7.3 ▲ | 957 | 4.0 ▲ |
| Operating profit | 1,189 | 1,097 | 8.4 ▲ | 1,166 | 2.0 ▲ |
| Less: Specific allowance | 168 | 112 | 49.0 ▲ | 279 | (40.0) ▼ |
| General allowance | 12 | 49 | (74.3) ▼ | (93) | >100.0 ▲ |
| Add: Associates & joint ventures | 24 | 32 | (24.3) ▼ | 34 | (28.9) ▼ |
| Net profit before tax | 1,033 | 968 | 6.7 ▲ | 1,014 | 1.9 ▲ |
| Less: Tax & non-controlling interests | 188 | 167 | 12.6 ▲ | 206 | (8.7) ▼ |
| Net profit after tax | 845 | 801 | 5.5 ▲ | 807 | 4.6 ▲ |



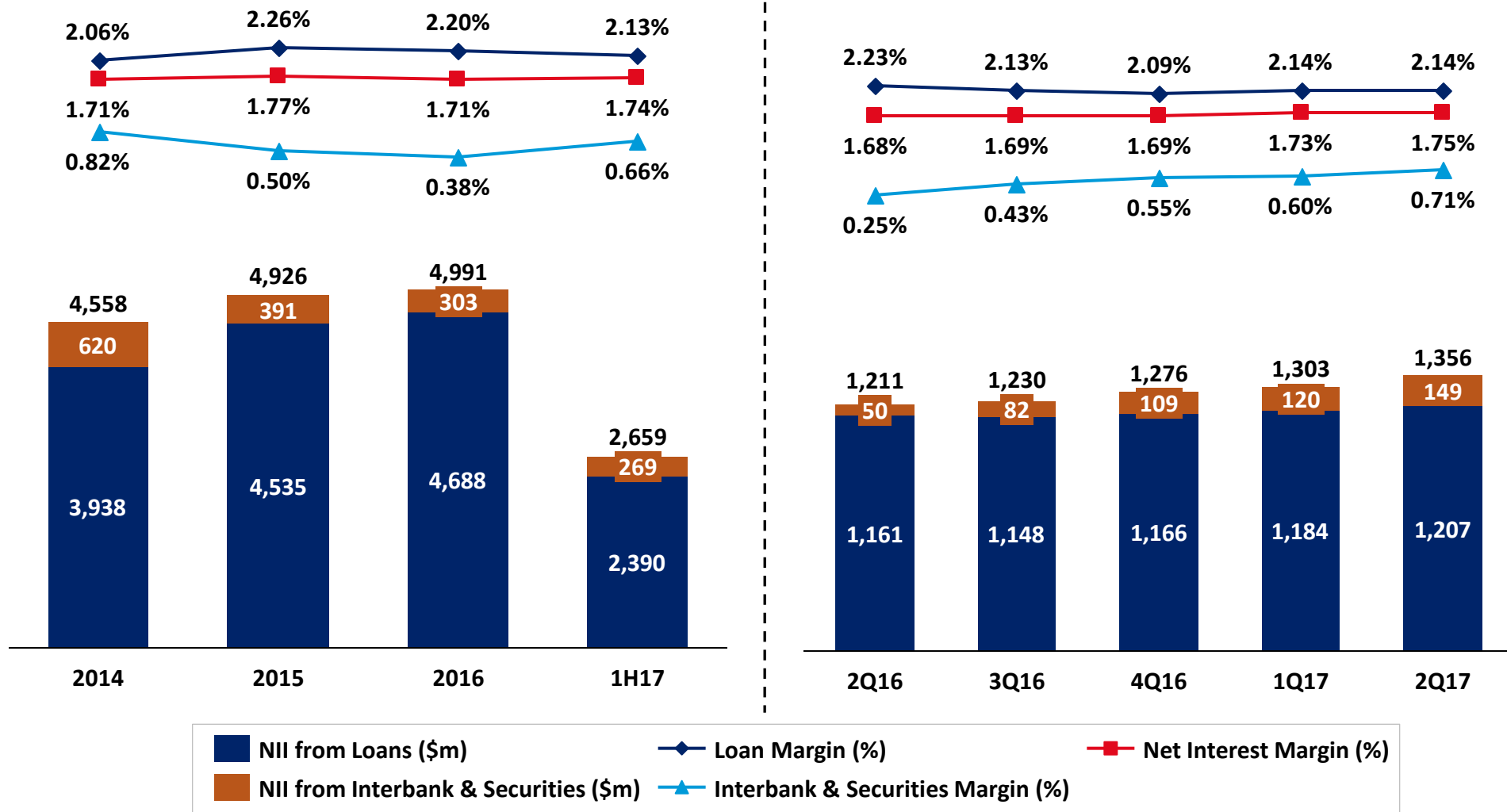
favourable variance to earnings



unfavourable variance to earnings

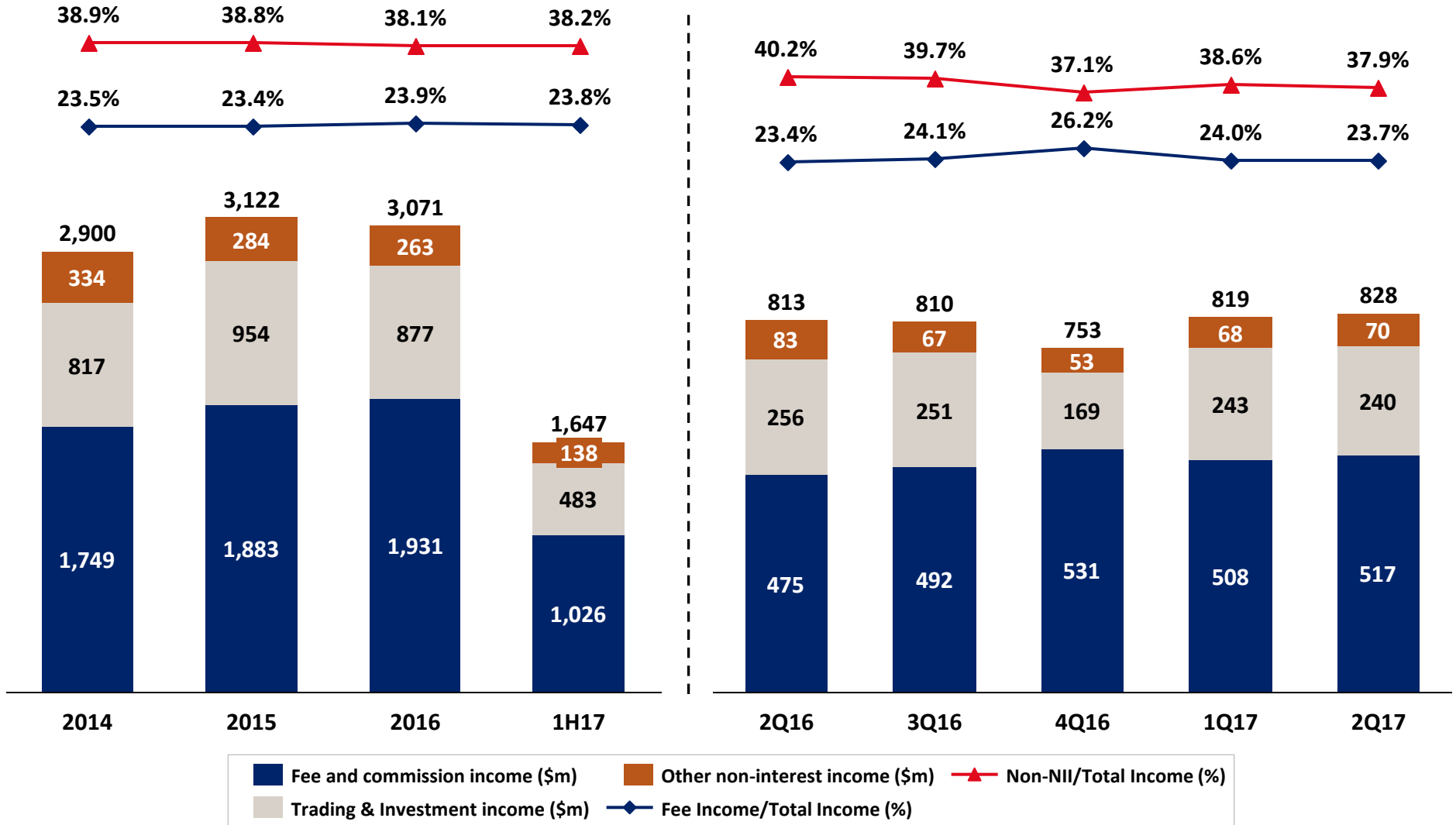
NII rose 7% YoY supported by loan growth and improved margin

Net Interest Income (NII) and Margin



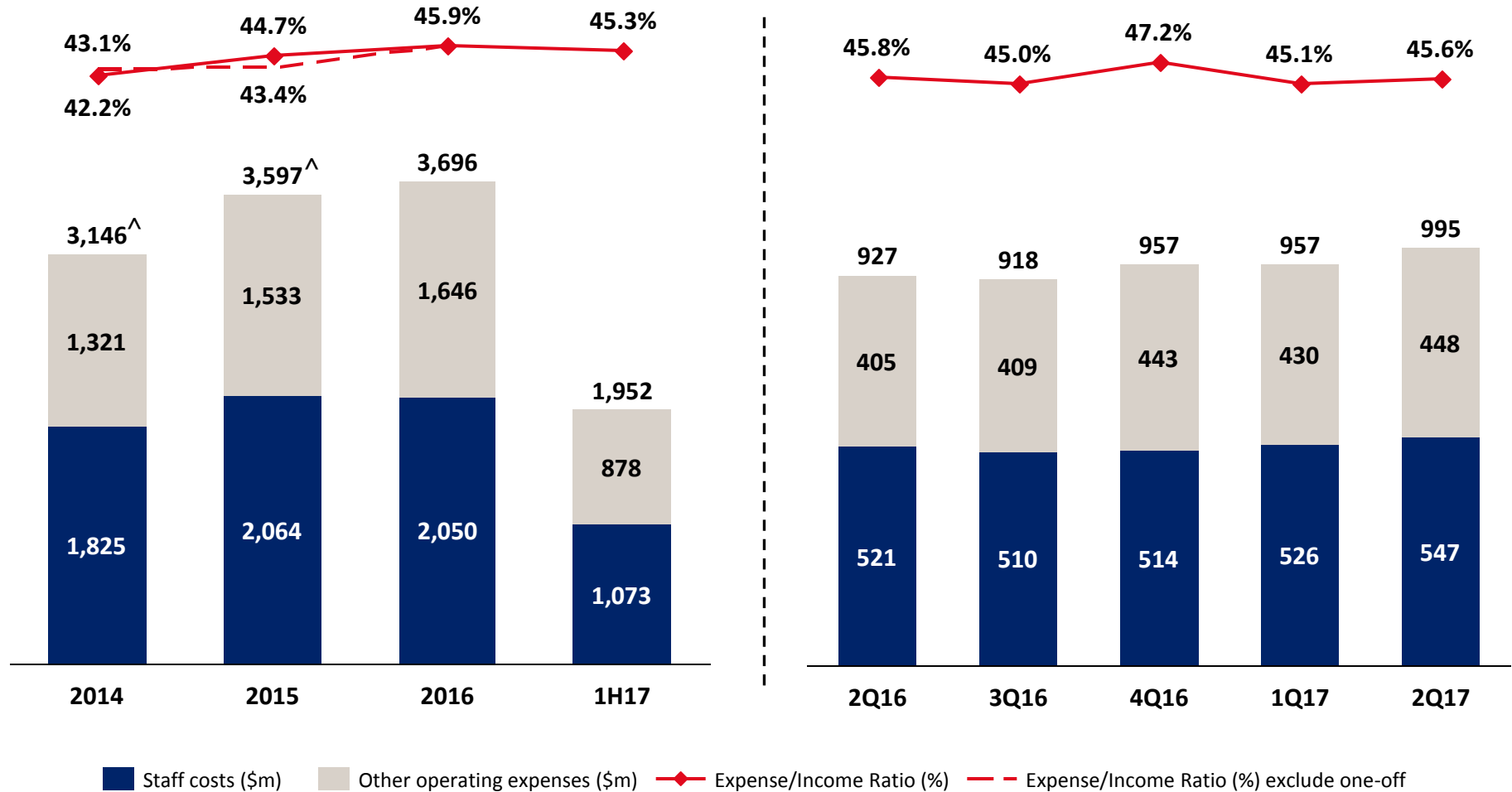
Fee income up 13% YoY and 2% QoQ from credit card, fund management and wealth management products

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



Disciplined cost management maintained expense/income ratio as investment in technology and infrastructure continues

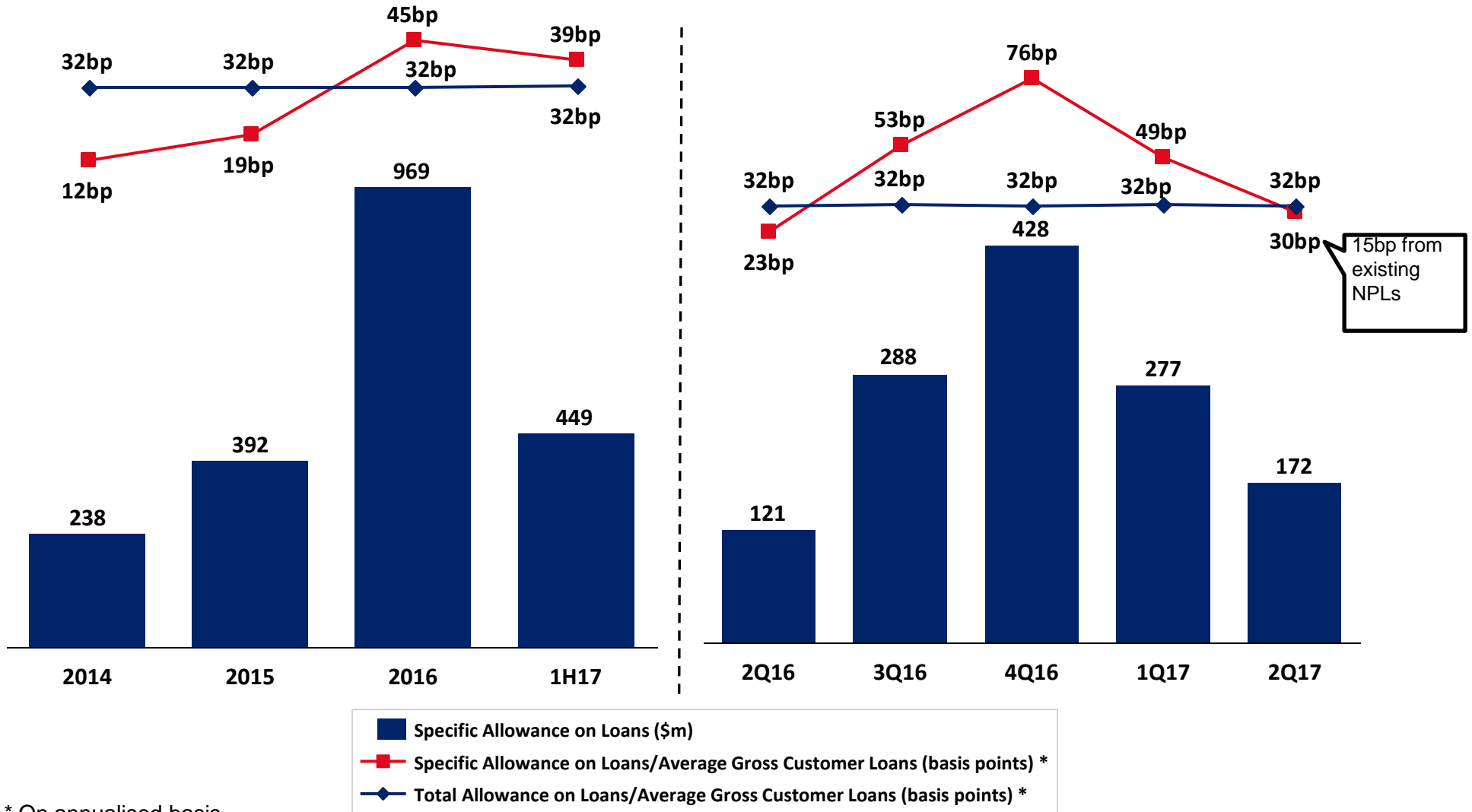
Operating Expenses and Expense / Income Ratio



^ Included one-off expenses relating to SG50 and UOB80 commemorative events and brand campaign (2015: \$67m) and adjustment for prior year's bonus.

Lower specific allowance in 2Q17. General allowance increased to build up reserves while total credit costs on loans were kept at 32bps

Allowance on Loans



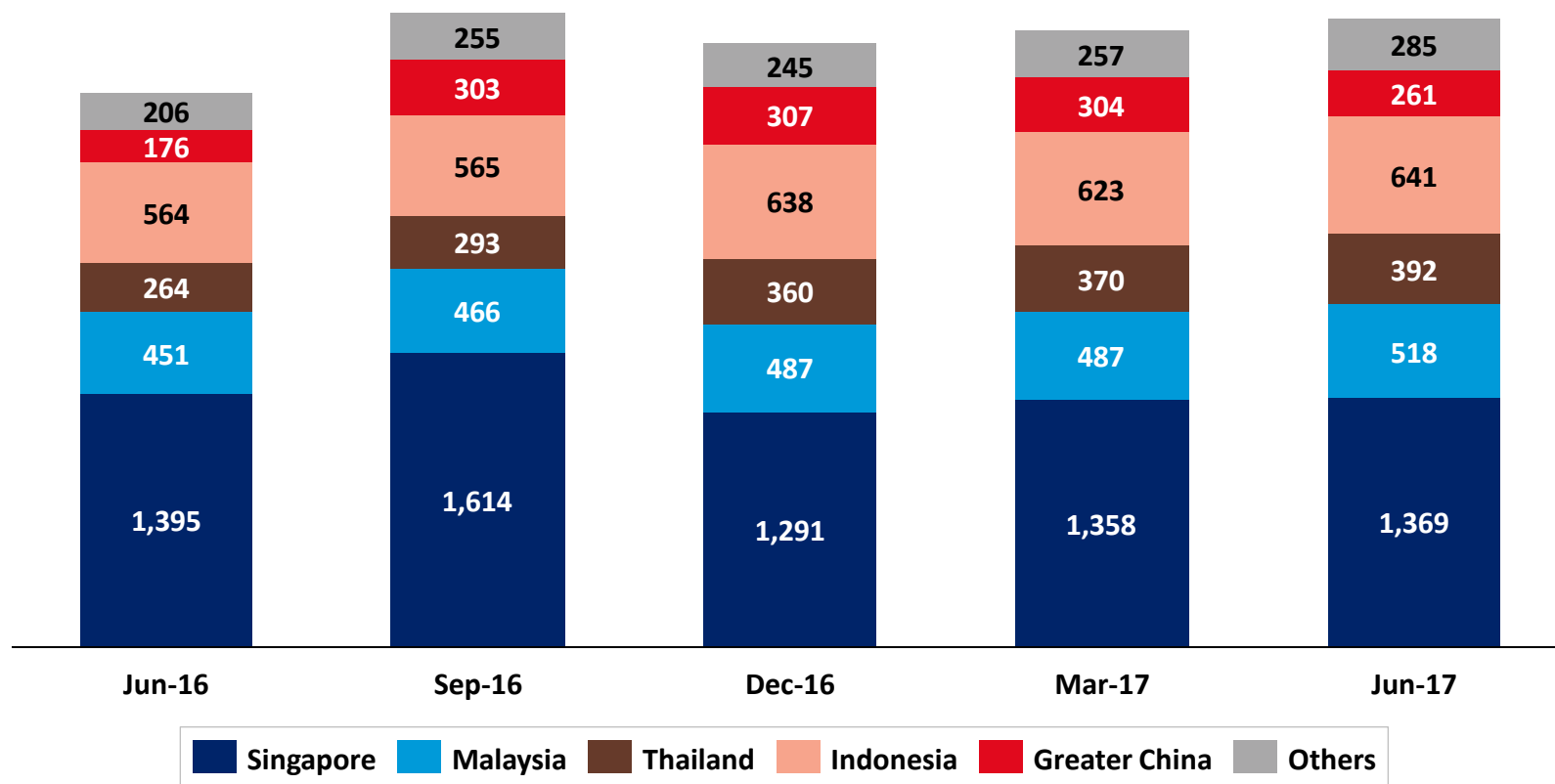
* On annualised basis

Movements in non-performing assets

| | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|--|--------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | \$m | \$m | \$m |
| NPA at start of period | 3,016 | 3,164 | 3,632 | 3,480 | 3,543 |
| New NPA | 802 | 780 | 387 | 424 | 537 |
| Upgrades, recoveries and translations | (548) | (201) | (320) | (293) | (255) |
| Write-offs | (106) | (111) | (219) | (68) | (238) |
| NPA at end of period | 3,164 | 3,632 | 3,480 | 3,543 | 3,587 |

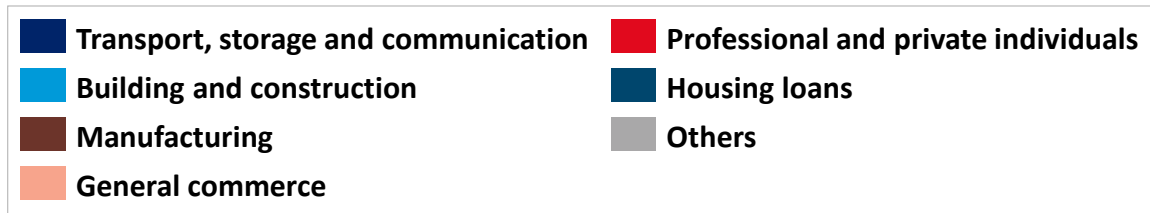
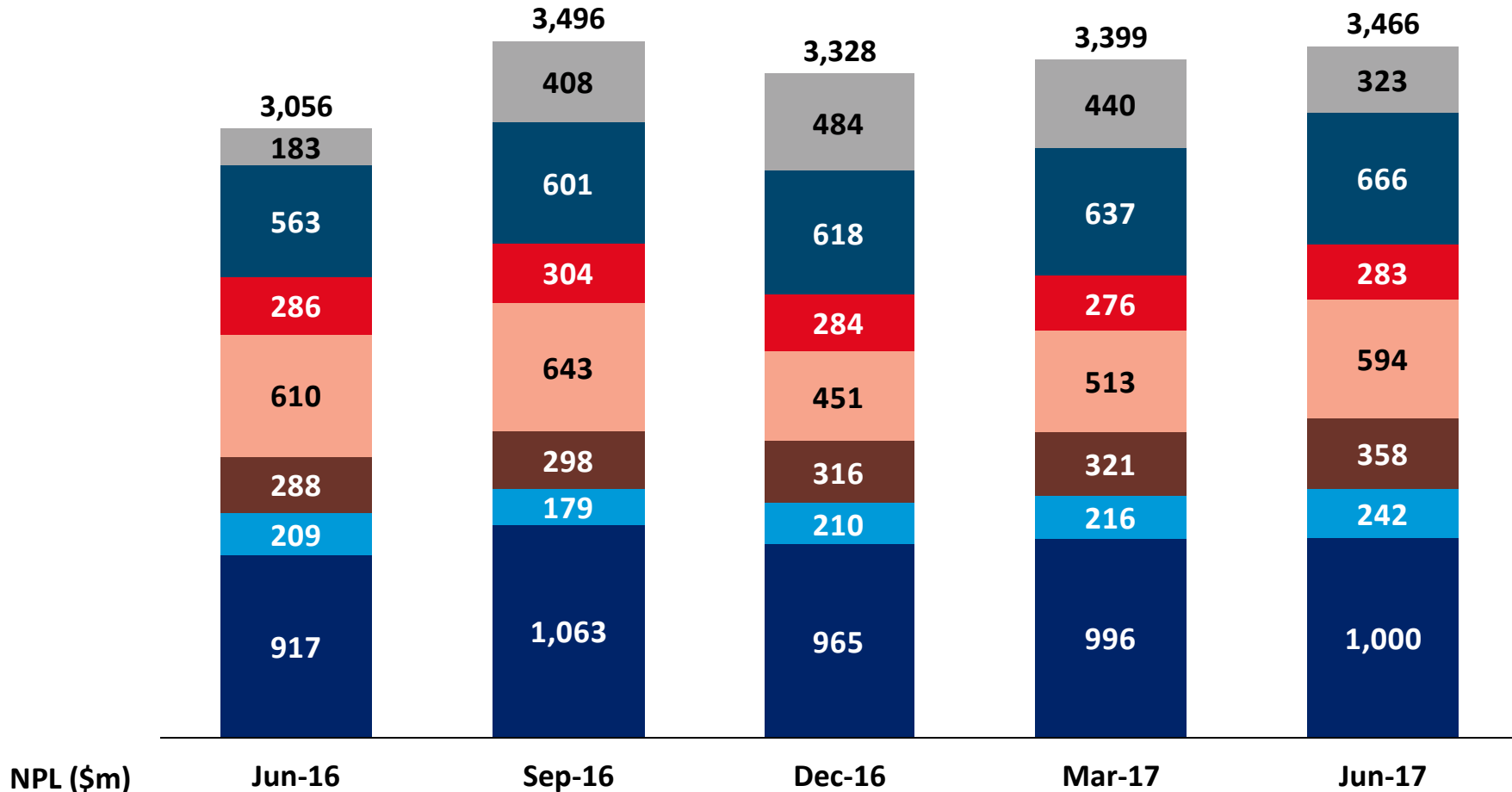
NPL ratio remained stable 1.5%

| | | | | | |
|-----------|-------|-------|-------|-------|-------|
| NPL (\$m) | 3,056 | 3,496 | 3,328 | 3,399 | 3,466 |
| NPL Ratio | 1.4% | 1.6% | 1.5% | 1.5% | 1.5% |



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).

New NPLs mainly from general commerce and manufacturing industries



Exposure to commodities

| Jun 17 | Oil and gas | | Other commodity segments | Total |
|-----------------------------|----------------------------------|--------------------------------|--------------------------|----------|
| | Upstream industries ² | Traders/ downstream industries | | |
| Total exposure ¹ | SGD4.3b | SGD10.1b | SGD9.2b | SGD23.6b |
| Outstanding loans | SGD3.7b | SGD5.8b | SGD7.0b | SGD16.5b |

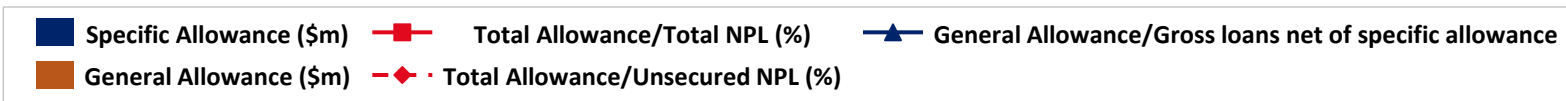
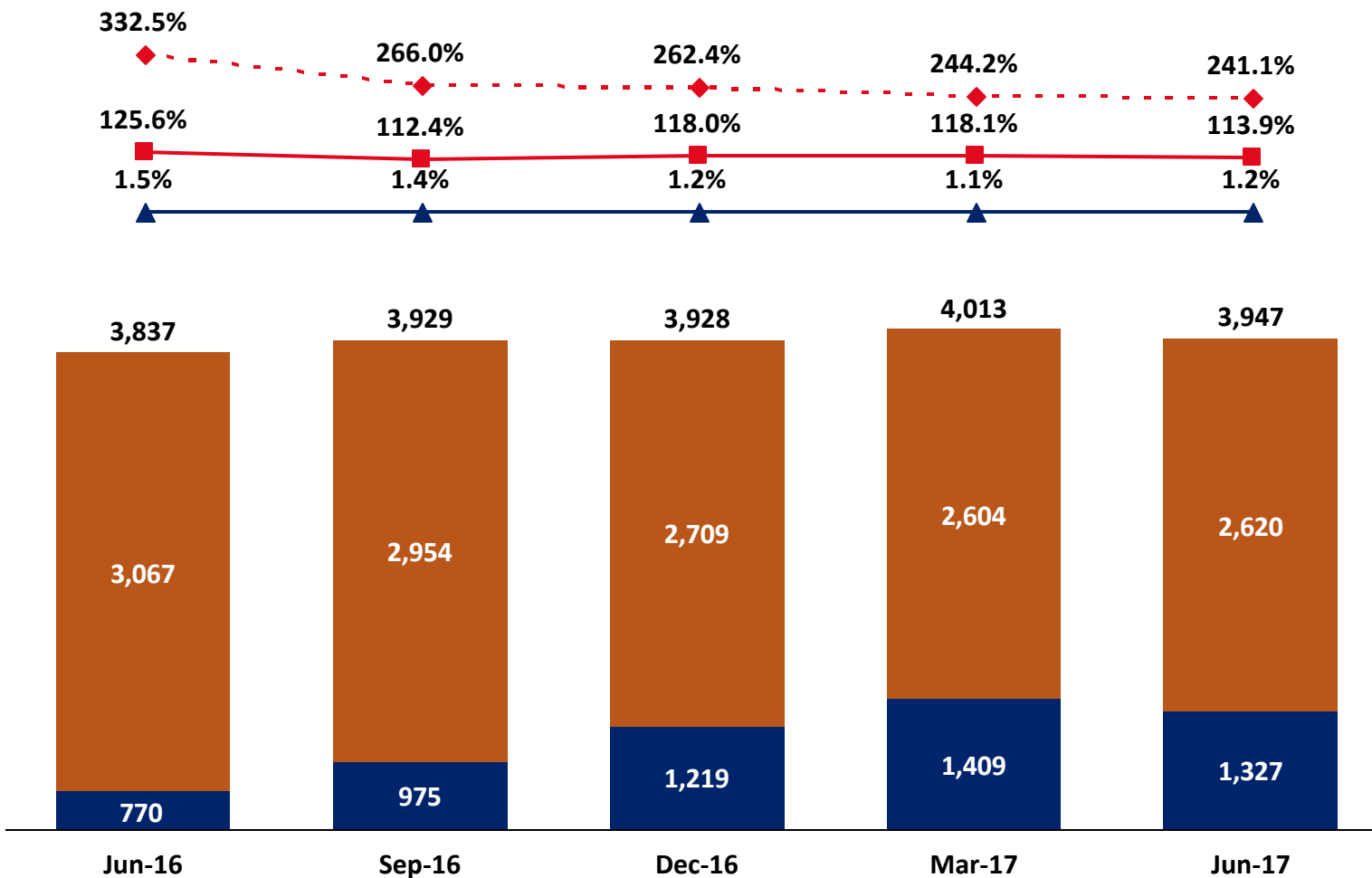
4% of total loans

7% of total loans

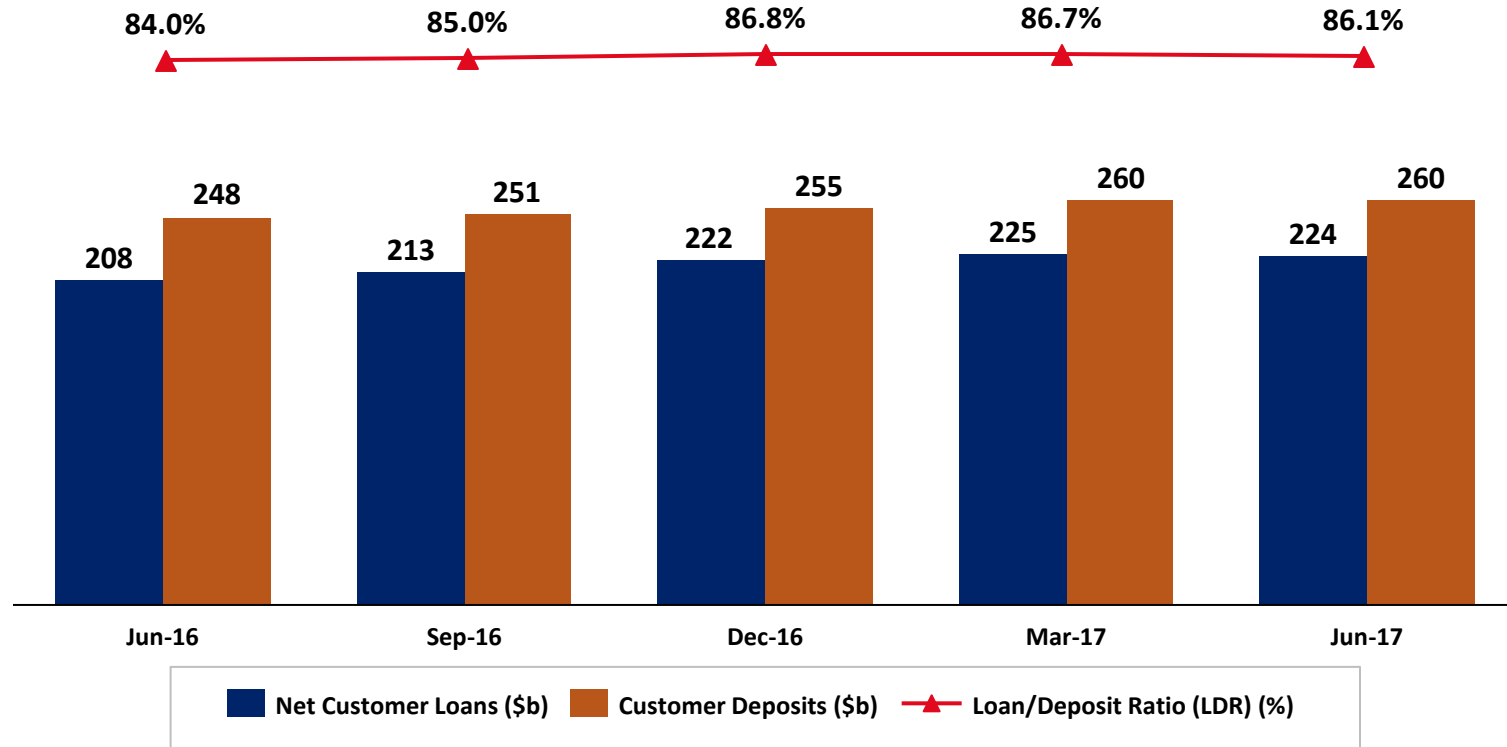
- Total exposure, including off-balance sheet items, stood at SGD23.6b as of 30 June 2017
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

Notes: 1. Total exposure comprises outstanding loans and contingent liabilities
 2. Oil and gas upstream industries include offshore service companies.

Loan allowance coverage remains adequate



Customer Loans and Deposits; LDR and LCR



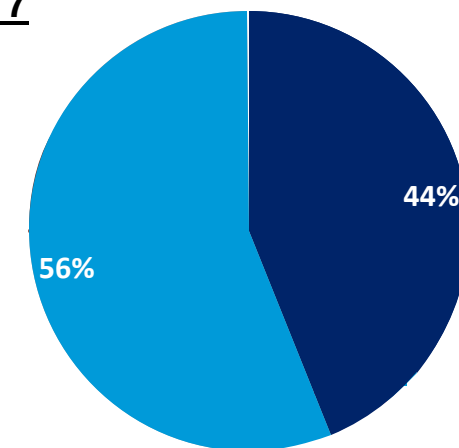
| | | | | | |
|----------------------------|------|------|------|------|------|
| SGD LDR (%) | 91.9 | 89.7 | 89.7 | 87.8 | 89.9 |
| USD LDR (%) | 63.1 | 68.3 | 74.6 | 75.7 | 66.5 |
| SGD LCR (%) ¹ | 224 | 213 | 275 | 232 | 203 |
| Total LCR (%) ¹ | 167 | 148 | 162 | 154 | 157 |

¹ Average for quarters

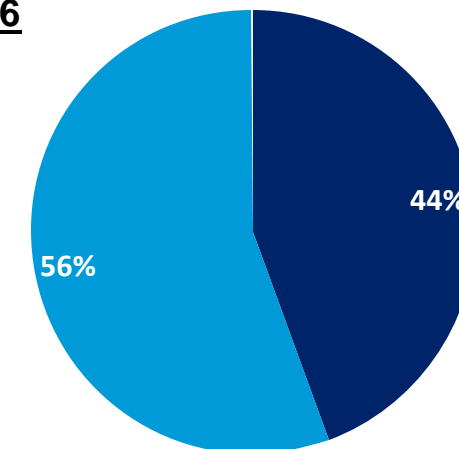
Loans up 7% YoY to \$228b across all key countries

| Gross Loans | Jun-17 | Jun-16 | +/(-) | Mar-17 | +/(-) |
|---------------|------------|------------|------------|------------|--------------|
| | \$b | \$b | % | \$b | % |
| Singapore | 125 | 120 | 4.6 | 125 | 0.3 |
| Regional: | 79 | 73 | 9.2 | 81 | (1.4) |
| Malaysia | 26 | 25 | 2.9 | 26 | 2.2 |
| Thailand | 14 | 12 | 19.3 | 14 | 1.6 |
| Indonesia | 12 | 11 | 1.3 | 11 | 1.0 |
| Greater China | 28 | 24 | 14.5 | 30 | (6.6) |
| Others | 23 | 20 | 16.6 | 23 | (2.8) |
| Total | 228 | 212 | 7.3 | 229 | (0.6) |

Jun-17



Jun-16



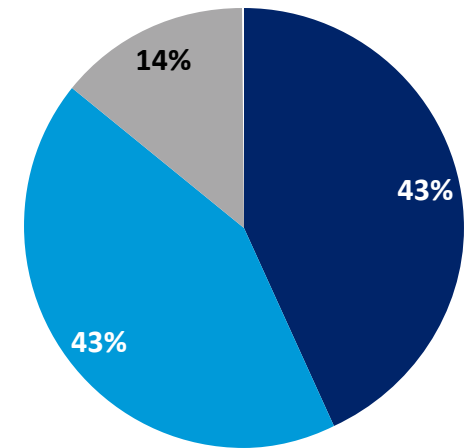
■ Group Retail ■ Group Wholesale

Notes: 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.

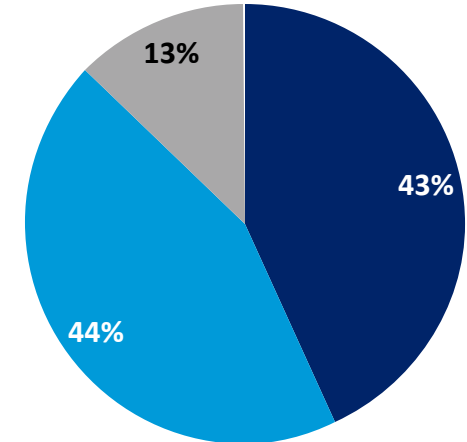
Funding increased by 8% or \$21b YoY with proactive liquidity and balance sheet management

| Customer Deposits | Jun-17 \$b | Jun-16 \$b | +/(-) % | Mar-17 \$b | +/(-) % |
|--------------------------------|---------------|---------------|------------|---------------|------------|
| Singapore | 180 | 177 | 1.5 | 182 | (1.3) |
| Regional: | 65 | 58 | 11.4 | 63 | 2.4 |
| Malaysia | 27 | 27 | 1.4 | 27 | 1.8 |
| Thailand | 14 | 12 | 14.9 | 14 | 3.8 |
| Indonesia | 8 | 7 | 17.1 | 8 | (1.7) |
| Greater China | 16 | 13 | 26.3 | 15 | 4.2 |
| Others | 15 | 13 | 19.9 | 14 | 7.5 |
| Total customer deposits | 260 | 248 | 4.7 | 260 | 0.1 |
| Wholesale funding | 40 | 31 | 29.1 | 39 | 2.4 |
| Total funding | 300 | 279 | 7.5 | 299 | 0.4 |

Jun-17



Jun-16

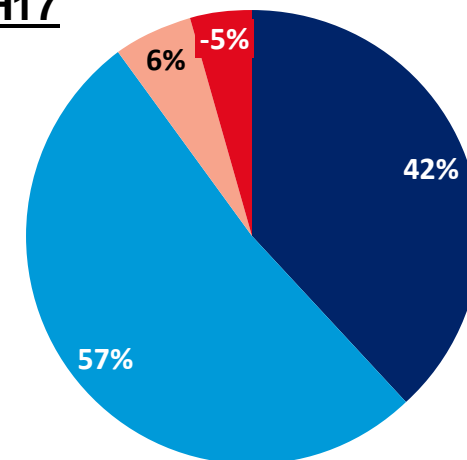


Note: No significant currency translation impact.

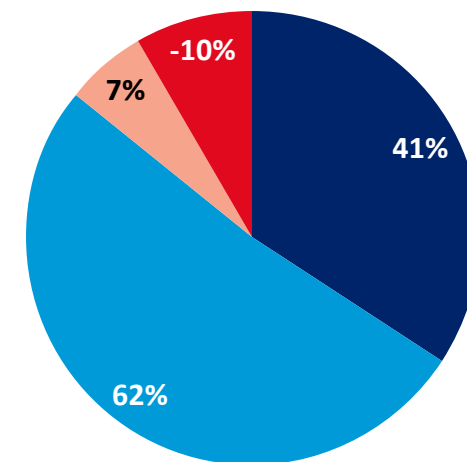
Performance by business segment

| Segment Operating Profit | 1H17 | 1H16 | + / (-) |
|-------------------------------|--------------|--------------|------------|
| | \$m | \$m | % |
| Group Retail (GR) | 992 | 883 | 12.4 |
| Group Wholesale Banking (GWB) | 1,337 | 1,353 | (1.2) |
| Global Markets (GM) | 132 | 148 | (10.6) |
| Others | (106) | (212) | 49.8 |
| Total | 2,355 | 2,172 | 8.4 |

1H17



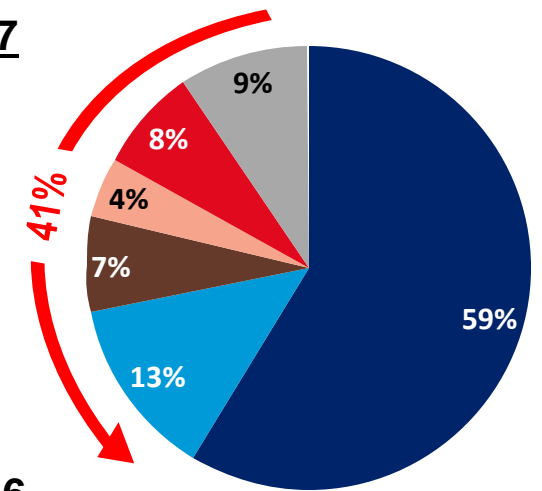
1H16



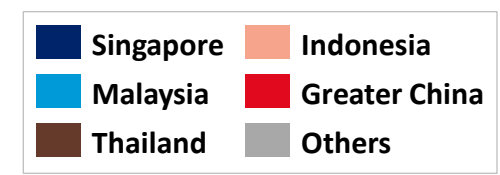
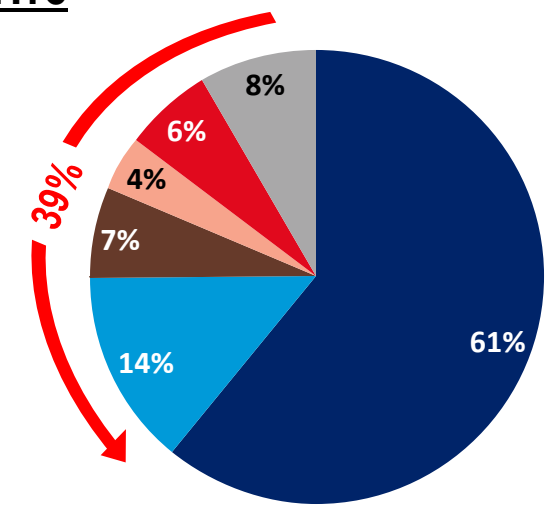
Regional operating profit rose 14% YoY in constant currency terms

| Operating Profit | 1H17 | 1H16 | At constant FX rate | |
|------------------|--------------|--------------|---------------------|------------|
| | \$m | \$m | +/(-) % | +/(-) % |
| Singapore | 1,378 | 1,319 | 4.5 | 4.5 |
| Regional: | 756 | 671 | 12.7 | 13.7 |
| Malaysia | 312 | 302 | 3.3 | 9.8 |
| Thailand | 161 | 148 | 8.5 | 4.1 |
| Indonesia | 82 | 83 | (0.6) | (3.1) |
| Greater China | 201 | 138 | 45.6 | 42.9 |
| Others | 220 | 182 | 21.0 | 21.0 |
| Total | 2,355 | 2,172 | 8.4 | 8.7 |

1H17



1H16

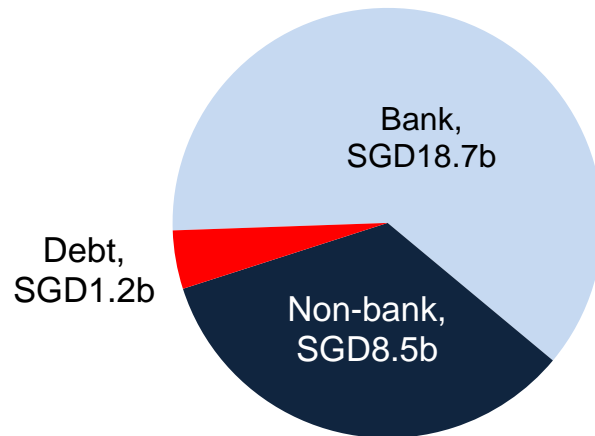


Exposure to China

Jun 2017

SGD28.4b

or 8.3% of total assets



Bank exposure in China

- Around 99% with <1 year tenor
- Around 80% accounted for by top 5 domestic banks and policy banks
- Trade exposures represent close to half of bank exposure

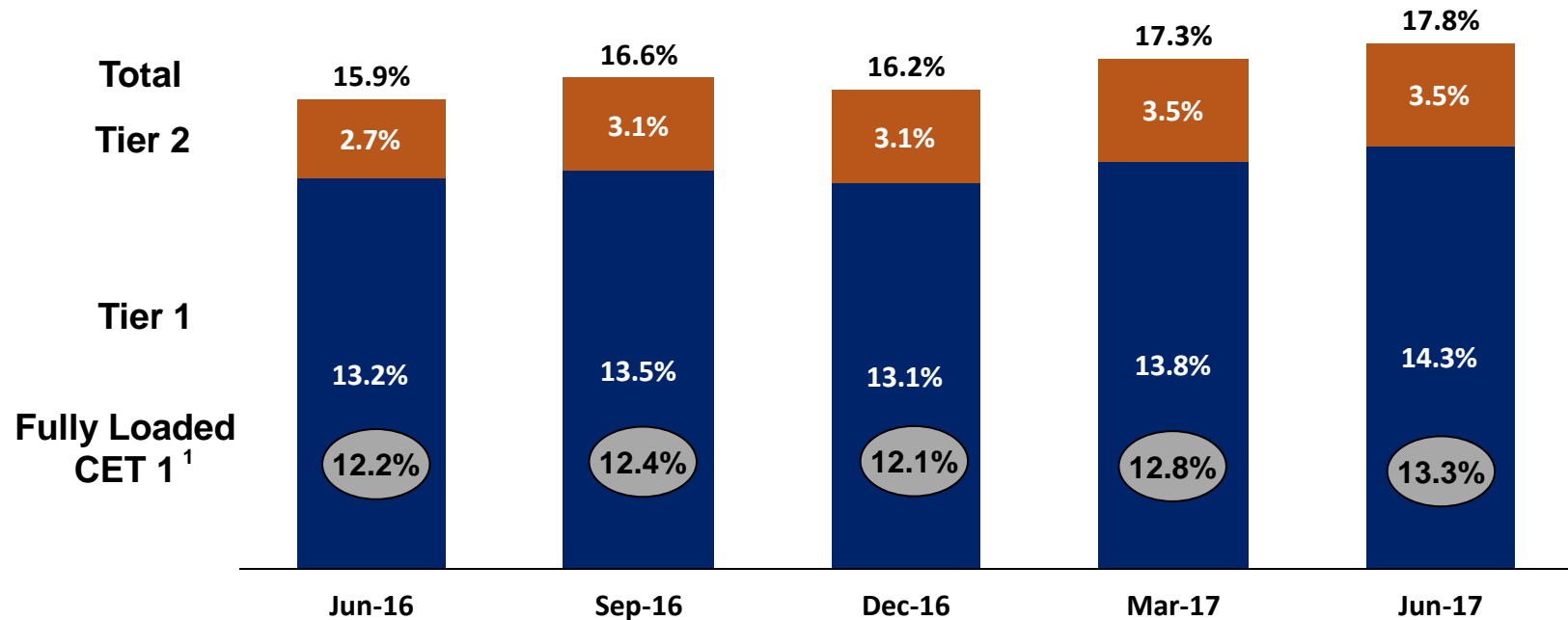
Non-bank exposure in China

- Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- NPL ratio around 0.9%
- Around 42% with <1 year tenor
- Around half of loans denominated in RMB
- 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).

Capital position augmented by various capital management initiatives

Capital Adequacy Ratios (CAR)

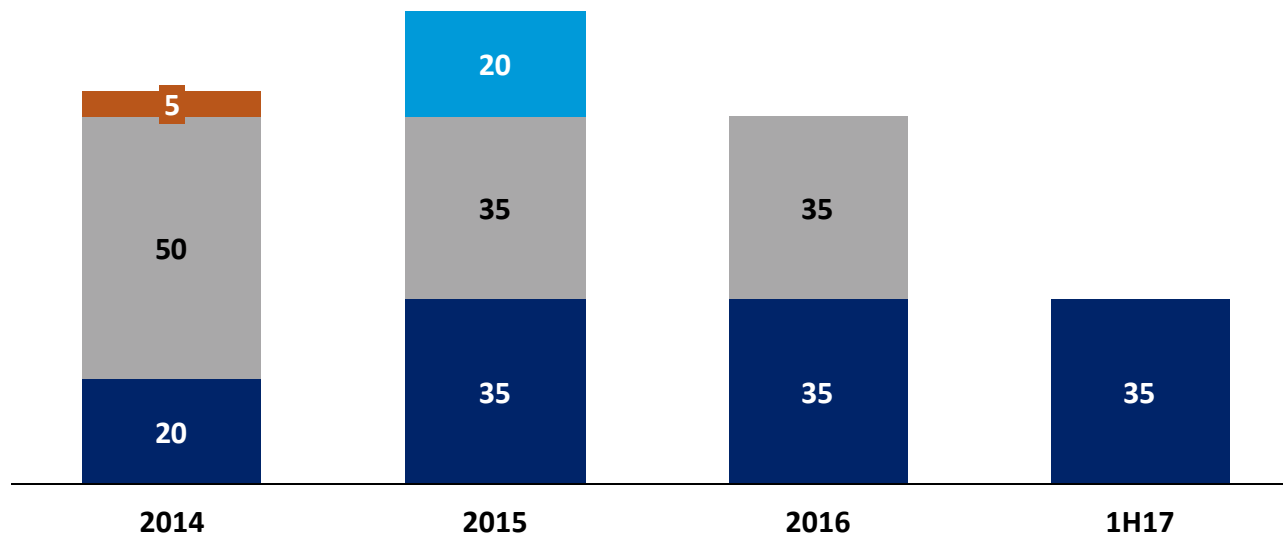


| | | | | | |
|---------------------------------|-----|-----|-----|-----|-----|
| CET1 Capital (\$b) | 26 | 27 | 28 | 28 | 29 |
| Tier 1 Capital (\$b) | 27 | 28 | 28 | 29 | 30 |
| Total Capital (\$b) | 32 | 34 | 35 | 36 | 37 |
| RWA (\$b) | 202 | 205 | 216 | 211 | 209 |
| Leverage ratio (%) ² | 7.4 | 7.5 | 7.4 | 7.6 | 7.8 |

Notes:

1. Based on final rules effective 1 Jan 2018.
2. Leverage ratio is calculated based on the MAS Notice 637.

Interim dividend



**Net dividend
per ordinary share (¢)**

■ Interim ■ Final ■ Special ■ UOB 80th anniversary

| | 1H14 | 1H15 | 1H16 | 1H17 |
|----------------------------|------------|------------|------------|------------|
| Payout amount (\$m) | 320 | 561 | 563 | 581 |
| Payout ratio (%) | 20 | 36 | 36 | 35 |

Appendix :

Performance of Major Territories

- Singapore
- Malaysia
- Thailand
- Indonesia
- Greater China

Singapore – Key Financials

| | 1H17 | 1H16 | +/(–) | 2Q17 | 1Q17 | +/(–) |
|---------------------------|--------------|--------------|--------------|--------------|--------------|------------|
| | \$m | \$m | % | \$m | \$m | % |
| Net interest income | 1,446 | 1,361 | 6.3 | 743 | 704 | 5.6 |
| Fee & commission income | 638 | 541 | 17.8 | 322 | 316 | 1.9 |
| Other non-interest income | 392 | 420 | (6.9) | 208 | 184 | 13.0 |
| Total income | 2,476 | 2,323 | 6.6 | 1,272 | 1,203 | 5.7 |
| Less: Expenses | 1,097 | 1,004 | 9.3 | 567 | 531 | 6.7 |
| Operating profit | 1,378 | 1,319 | 4.5 | 706 | 672 | 5.0 |
| Less: Allowances | 254 | 124 | >100.0 | 122 | 132 | (7.9) |
| Add: Associates & JVs | 24 | 25 | (4.5) | 13 | 11 | 10.0 |
| Profit before tax | 1,148 | 1,220 | (5.9) | 597 | 551 | 8.2 |
| Key ratios (%) | | | | | | |
| Net interest margin | 1.32 | 1.32 | | 1.35 | 1.29 | |
| Non-NII/Total income | 41.6 | 41.4 | | 41.6 | 41.5 | |
| Expense/Total income | 44.3 | 43.2 | | 44.5 | 44.1 | |
| Loan/Deposit | 77.7 | 75.7 | | 77.7 | 76.8 | |

Malaysia – Key Financials

| | 1H17 | 1H16 | +/(–) | 2Q17 | 1Q17 | +/(–) |
|---------------------------------|--------------|--------------|-------------|------------|------------|--------------|
| | RM'm | RM'm | % | RM'm | RM'm | % |
| Net interest income | 1,060 | 995 | 6.5 | 538 | 522 | 3.1 |
| Fee & commission income | 340 | 299 | 13.7 | 162 | 178 | (9.0) |
| Other non-interest income | 151 | 154 | (1.9) | 71 | 80 | (11.3) |
| Total income | 1,551 | 1,448 | 7.1 | 771 | 780 | (1.2) |
| Less: Expenses | 575 | 559 | 2.9 | 296 | 279 | 6.1 |
| Operating profit | 976 | 889 | 9.8 | 475 | 501 | (5.2) |
| Less: Allowances | 12 | 118 | (89.8) | (2) | 14 | (>100.0) |
| Profit before tax | 964 | 771 | 25.0 | 477 | 487 | (2.1) |
| Profit before tax (S\$m) | 308 | 262 | 17.5 | 154 | 154 | (0.5) |
| <i>Average Exchange rate</i> | 3.13 | 2.94 | | 3.10 | 3.15 | |
| <u>Key ratios (%)</u> | | | | | | |
| Net interest margin | 2.20 | 2.27 | | 2.19 | 2.20 | |
| Non-NII/Total income | 31.7 | 31.3 | | 30.2 | 33.1 | |
| Expense/Total income | 37.1 | 38.6 | | 38.4 | 35.8 | |
| Loan/Deposit | 96.1 | 92.9 | | 96.1 | 95.0 | |

Thailand – Key Financials

| | 1H17 | 1H16 | +/(-) | 2Q17 | 1Q17 | +/(-) |
|--------------------------------|---------------|---------------|--------------|--------------|--------------|-------------|
| | THB'm | THB'm | % | THB'm | THB'm | % |
| Net interest income | 7,513 | 7,051 | 6.6 | 3,814 | 3,699 | 3.1 |
| Fee & commission income | 2,969 | 2,746 | 8.1 | 1,579 | 1,390 | 13.6 |
| Other non-interest income | 427 | 398 | 7.3 | 301 | 126 | >100.0 |
| Total income | 10,909 | 10,195 | 7.0 | 5,694 | 5,215 | 9.2 |
| Less: Expenses | 6,922 | 6,366 | 8.7 | 3,391 | 3,531 | (4.0) |
| Operating profit | 3,987 | 3,829 | 4.1 | 2,303 | 1,684 | 36.8 |
| Less: Allowances | 1,583 | 1,352 | 17.1 | 900 | 683 | 31.8 |
| Profit before tax | 2,404 | 2,477 | (2.9) | 1,403 | 1,001 | 40.2 |
| Profit before tax (\$m) | 97 | 96 | 1.4 | 57 | 40 | 40.5 |
| <i>Average Exchange rate</i> | 24.73 | 25.85 | | 24.70 | 24.76 | |
| <u>Key ratios (%)</u> | | | | | | |
| Net interest margin | 3.54 | 3.56 | | 3.57 | 3.51 | |
| Non-NII/Total income | 31.1 | 30.8 | | 33.0 | 29.1 | |
| Expense/Total income | 63.5 | 62.4 | | 59.6 | 67.7 | |
| Loan/Deposit | 91.8 | 90.8 | | 91.8 | 94.1 | |

Indonesia – Key Financials

| | 1H17 | 1H16 | +/(-) | 2Q17 | 1Q17 | +/(-) |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | IDR'b | IDR'b | % | IDR'b | IDR'b | % |
| Net interest income | 1,652 | 1,609 | 2.7 | 824 | 828 | (0.5) |
| Fee & commission income | 411 | 383 | 7.3 | 223 | 188 | 18.6 |
| Other non-interest income | 213 | 276 | (22.8) | 113 | 100 | 13.0 |
| Total income | 2,276 | 2,268 | 0.4 | 1,160 | 1,116 | 3.9 |
| Less: Expenses | 1,494 | 1,461 | 2.3 | 753 | 741 | 1.6 |
| Operating profit | 782 | 807 | (3.1) | 407 | 375 | 8.5 |
| Less: Allowances | 361 | 425 | (15.1) | 206 | 155 | 32.9 |
| Profit before tax | 421 | 382 | 10.2 | 201 | 220 | (8.6) |
| Profit before tax (S\$m) | 44 | 39 | 13.4 | 21 | 23 | (9.6) |
| <i>Average Exchange rate</i> | 9,515 | 9,789 | | 9,570 | 9,464 | |
| <u>Key ratios (%)</u> | | | | | | |
| Net interest margin | 4.05 | 4.47 | | 4.01 | 4.08 | |
| Non-NII/Total income | 27.4 | 29.1 | | 29.0 | 25.8 | |
| Expense/Total income | 65.6 | 64.4 | | 64.9 | 66.4 | |
| Loan/Deposit | 89.7 | 93.0 | | 89.7 | 86.3 | |

Greater China – Key Financials

| | 1H17 | 1H16 | +/(-) | 2Q17 | 1Q17 | +/(-) |
|---------------------------|------------|------------|-------------|------------|------------|---------------|
| | \$m | \$m | % | \$m | \$m | % |
| Net interest income | 196 | 185 | 6.0 | 97 | 99 | (2.5) |
| Fee & commission income | 52 | 53 | (2.1) | 27 | 25 | 10.2 |
| Other non-interest income | 122 | 67 | 81.3 | 49 | 72 | (31.8) |
| Total income | 370 | 305 | 21.2 | 173 | 196 | (11.7) |
| Less: Expenses | 169 | 167 | 1.0 | 83 | 85 | (2.2) |
| Operating profit | 201 | 138 | 45.6 | 90 | 111 | (19.0) |
| Less: Allowances | 10 | 28 | (63.8) | 3 | 7 | (57.9) |
| Add: Associates & JVs | 23 | 23 | (1.5) | 11 | 12 | (3.1) |
| Profit before tax | 214 | 133 | 60.7 | 98 | 115 | (14.9) |
| Key ratios (%) | | | | | | |
| Net interest margin | 1.04 | 1.11 | | 1.03 | 1.06 | |
| Non-NII/Total income | 47.0 | 39.4 | | 44.2 | 49.5 | |
| Expense/Total income | 45.7 | 54.8 | | 48.1 | 43.5 | |
| Loan/Deposit | 140.6 | 149.3 | | 140.6 | 159.2 | |

Thank You

