United Overseas Bank Limited
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uobgroup.com
Co. Reg. No. 193500026Z

Announcement

To: All Shareholders

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

Unaudited Financial Results for the Nine Months/Third Quarter Ended 30 September 2018
Details of the financial results are in the accompanying Group Financial Report.

Dividends and Distributions for the Third Quarter ended 30 September 2018
Ordinary share dividend
No dividend on ordinary shares has been declared for the third quarter of 2018.

Distributions on perpetual capital securities
On 23 July 2018, 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 January 2018 up to, but excluding, 23 July 2018.

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 nine months/third quarter ended 30 September 2018 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 26th day of October 2018

The results are also available at www.uobgroup.com

Group Financial Report

For the Nine Months/Third Quarter ended 30 September 2018

United Overseas Bank Limited
Incorporated in the Republic of Singapore

Contents

Notes

1 The financial statements are presented in Singapore dollars.
2 Certain comparative figures have been restated to conform with 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".
5 Non-impaired assets refer to Stage 1 and Stage 2 assets under SFRS(I) 9.
6 Impaired assets refer to Stage 3 and purchased or originated credit-impaired assets under SFRS(I) 9.

Abbreviation

"9M18" and "9M17" denote to the nine months of 2018 and 2017 respectively.
"2Q18" denotes second quarter of 2018.
"3Q18" and "3Q17" denote third quarter of 2018 and 2017 respectively.
"NM" denotes not meaningful.
"NA" denotes not applicable.

Financial Highlights

	9M18	9M17	+/(-) %	3Q18	3Q17	+/(-) %	2Q18	+/(-) %
Selected income statement items ($m)								
Net interest income	**4,612**	4,067	13	**1,599**	1,408	14	1,542	4
Net fee and commission income	**1,500**	1,364	10	**484**	477	2	498	(3)
Other non-interest income	**789**	900	(12)	**244**	279	(13)	302	(19)
Total income	**6,901**	6,331	9	**2,327**	2,164	8	2,342	(1)
Less: Operating expenses	**3,019**	2,712	11	**1,011**	900	12	1,022	(1)
Operating profit	**3,881**	3,619	7	**1,317**	1,265	4	1,320	(0)
Less: Allowances for credit and other losses	**265**	587	(55)	**95**	221	(57)	90	5
Add: Share of profit of associates and joint ventures	**106**	88	20	**25**	29	(16)	52	(53)
Net profit before tax	**3,722**	3,120	19	**1,246**	1,073	16	1,282	(3)
Less: Tax and non-controlling interests	**630**	585	8	**209**	190	10	205	2
Net profit after tax [1]	**3,092**	2,535	22	**1,037**	883	17	1,077	(4)
Selected balance sheet items ($m)								
Net customer loans	**251,755**	230,068	9	**251,755**	230,068	9	246,392	2
Customer deposits	**293,634**	268,296	9	**293,634**	268,296	9	287,515	2
Total assets	**382,638**	354,143	8	**382,638**	354,143	8	384,263	(0)
Shareholders' equity [1]	**36,768**	35,147	5	**36,768**	35,147	5	37,660	(2)
Key financial ratios (%)								
Net interest margin [2]	**1.83**	1.76		**1.81**	1.79		1.83	
Non-interest income/Total income	**33.2**	35.8		**31.3**	34.9		34.2	
Cost/Income ratio	**43.8**	42.8		**43.4**	41.6		43.6	
Overseas profit before tax contribution	**41.4**	41.8		**41.1**	37.7		40.0	
Credit costs on loans (bp) [2]								
Non-impaired	**2**	(6)		**3**	(4)		3	
Impaired	**12**	38		**15**	37		11	
Total	**14**	32		**18**	32		13	
NPL ratio [3]	**1.6**	1.6		**1.6**	1.6		1.7	

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)*

	9M18	9M17	**3Q18**	3Q17	2Q18
Key financial ratios (%) *(cont'd)*					
Return on average ordinary shareholders' equity [1,2]	**11.6**	10.3	**11.7**	10.5	12.1
Return on average total assets [1]	**1.11**	0.99	**1.09**	1.02	1.16
Return on average risk-weighted assets [1]	**2.02**	1.60	**1.99**	1.69	2.13
Loan/Deposit ratio [3]	**85.7**	85.8	**85.7**	85.8	85.7
Liquidity coverage ratios ("LCR") [4]					
All-currency	**137**	151	**142**	142	142
Singapore dollar	**205**	211	**235**	196	206
Net stable funding ratio ("NSFR") [5]	**110**	NA	**110**	NA	110
Capital adequacy ratios					
Common Equity Tier 1	**14.1**	14.3	**14.1**	14.3	14.5
Tier 1	**15.1**	14.8	**15.1**	14.8	16.0
Total	**17.4**	17.8	**17.4**	17.8	18.4
Leverage ratio [6]	**7.4**	7.7	**7.4**	7.7	7.7
Earnings per ordinary share ($) [1,2]					
Basic	**2.41**	2.00	**2.43**	2.07	2.51
Diluted	**2.40**	1.99	**2.42**	2.06	2.50
Net asset value ("NAV") per ordinary share ($) [7]	**20.78**	19.88	**20.78**	19.88	20.77
Revalued NAV per ordinary share ($) [7]	**23.64**	22.62	**23.64**	22.62	23.63

Notes:
1 Computed on an annualised basis.
2 Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.
3 Refer to net customer loans and customer deposits.
4 Figures reported are based on average LCR for the respective periods. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 90% shall be maintained at all times with effect from 1 January 2018 (2017: 80%), with all-currency LCR increasing 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.
5 NSFR is calculated based on MAS Notice 652. A minimum requirement of 100% shall be maintained effective January 2018. Public disclosure required under MAS Notice 653 is available in the UOB website at www.UOBGroup.com/investor/financial/overview.html.
6 Leverage ratio is calculated based on MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.
7 Perpetual capital securities are excluded from the computation.

Performance Review

Changes in Accounting Policies
The Group adopted the following changes with effect from 1 January 2018:

(i) New financial reporting framework
Singapore listed companies are required to apply a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") that is equivalent to the International Financial Reporting Standards ("IFRS") with effect from 1 January 2018. Accordingly, the financial statements have been prepared based on the new reporting framework. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) was applied with no impact on the financial statements.

(ii) SFRS(I) and SFRS(I) Interpretations
SFRS(I) and SFRS(I) Interpretations effective from 1 January 2018 have been applied. The following represents a change from the requirements previously applied under Singapore Financial Reporting Standards ("FRS").

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
- Amendments to FRS incorporated within SFRS(I):
    - Amendments to FRS 40: Transfers of Investment Property
    - Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
    - Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

(iii) Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning
The Notice requires Singapore-incorporated Domestic Systemically Important Banks to maintain a minimum level of regulatory loss allowance equivalent to 1% of the gross carrying amount of the selected credit exposures net of collaterals. Where the loss allowance provided for under SFRS(I) 9 for the selected credit exposures falls below the minimum regulatory requirement, an additional loss allowance in a non-distributable regulatory loss allowance reserve through an appropriation of retained earnings is required.

The adoption of the above changes did not have a significant impact on the Group's financial statements on transition date. The impact of adopting SFRS(I) 9 on retained earnings and other reserves is shown in Appendix 4 - Consolidated Statement of Changes in Equity. No additional loss allowance was required by MAS Notice 612 on transition date.

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the nine months ended 30 September 2018 are the same as those applied in the audited financial statements for the financial year ended 31 December 2017.

9M18 versus 9M17

Net earnings for 9M18 of $3.09 billion was 22% higher than a year ago.

Net interest income expanded 13% to $4.61 billion, lifted by higher net interest margin and healthy loan growth of 9%. Net interest margin improved seven basis points to 1.83%, mainly from an increase in net loan margin by six basis points due to the favourable interest rate environment.

Net fee and commission income rose 10% to $1.50 billion due to broad-based growth across loan-related, fund management, credit card and wealth management fees. Other non-interest income declined 12% to $789 million, mainly due to lower net gains from investment securities and trading income.

Business segments continued to register strong income growth in 9M18 against last year. Group Retail income grew 5% to $2.94 billion, led by healthy volume growth and increased contribution from wealth management and credit cards. Total income for Group Wholesale Banking rose 12% to $2.93 billion, mainly driven by net interest income from double-digit volume growth and deposit margin improvement, coupled with higher fee income. Global Markets income increased 8% to $362 million, supported by higher trading income and favourable foreign exchange movements.

Total expenses increased 11% year on year to $3.02 billion. This was mainly due to higher performance-related staff costs and IT-related expenses as the Group continued to invest in talent, technology and infrastructure to enhance productivity, product capabilities and customer experience. Cost-to-income ratio increased marginally to 43.8%.

Year on year, total allowances decreased 55% to $265 million, attributed to the benign credit environment with lower residual risks from the oil and gas and shipping sectors and continued resilience in the broader portfolio. Credit costs on impaired loans for 9M18 eased to 12 basis points.

Performance Review *(cont'd)*

3Q18 versus 3Q17

The Group reported net earnings of $1.04 billion in 3Q18, 17% higher than the same quarter last year, driven by double-digit growth in net interest income and lower allowances.

Net interest income rose 14% to $1.60 billion, from healthy loan growth and a net interest margin uplift of two basis points to 1.81%.

Net fee and commission income increased 2% to $484 million due to higher loan-related, credit card and trade-related fees. Other non-interest income was lower at $244 million as 3Q17 recorded stronger gains from investment securities.

Total expenses for the quarter increased 12% from a year ago to $1.01 billion, mainly from higher staff costs and IT-related expenses. The cost-to-income ratio for the quarter was 43.4%.

Total allowances more than halved to $95 million, largely due to high allowances provided for impaired loans from the oil and gas and shipping sectors in 3Q17.

3Q18 versus 2Q18

Compared with the previous quarter, net earnings for the quarter were 4% lower at $1.04 billion, as credit costs rose marginally, while total income and expenses were stable despite intensifying macro headwinds.

Net interest income grew 4% to $1.60 billion. With the expectation of further interest rate increases, the Group built up deposits during the quarter to ensure that its funding position remains well placed to meet projected business growth. This resulted in a slight dip in net interest margin to 1.81% for the quarter.

Net fee and commission income decreased 3% to $484 million on the back of lower loan-related and fund management fees. Other non-interest income declined 19% quarter on quarter, mainly due to lower gains from structural foreign exchange positions.

Total expenses declined 1% to $1.01 billion in line with lower operating income, resulting in a slight improvement in cost-to-income ratio to 43.4% for the quarter.

Total allowances increased by $5 million to $95 million, with credit costs on impaired loans rising to 15 basis points for the quarter.

Balance sheet and capital position

As at 30 September 2018, the Group's funding position remained strong with stable loan-to-deposit ratio at 85.7% as customer deposits and gross loans both grew 2% from last quarter to $294 billion and $255 billion respectively.

The non-performing loan ratio improved to 1.6% from 1.7% in the last quarter. The coverage for non-performing assets remained stable at 90%, or 189% after taking collateral into account. Total allowances for non-impaired assets remained adequate at $1.99 billion as at 30 September 2018.

The average Singapore dollar and all-currency liquidity coverage ratios for 3Q18 were 235% and 142% respectively, well above the corresponding regulatory requirements of 100% and 90%. The net stable funding ratio was 110% as at 30 September 2018.

Shareholders' equity increased 5% from a year ago to $36.8 billion mainly from higher retained earnings. Compared with last quarter, shareholders' equity decreased 2% mainly due to the redemption of the $850 million perpetual capital securities.

As at 30 September 2018, the Group's Common Equity Tier 1 CAR remained strong at 14.1%. The Group's leverage ratio of 7.4% was more than double the regulatory minimum requirement of 3%. The Group remains well capitalised against growing macro uncertainties ahead.

Net Interest Income

Net interest margin

	9M18			9M17		
	Average balance	**Interest**	**Average rate**	Average balance	Interest	Average rate
	$m	**$m**	**%**	$m	$m	%
Interest bearing assets						
Customer loans	**241,231**	**6,436**	**3.57**	226,378	5,541	3.27
Interbank balances	**68,989**	**1,113**	**2.16**	57,315	706	1.65
Securities	**27,239**	**554**	**2.72**	25,853	444	2.30
Total	**337,459**	**8,103**	**3.21**	309,546	6,690	2.89
Interest bearing liabilities						
Customer deposits	**283,973**	**2,914**	**1.37**	262,761	2,226	1.13
Interbank balances/others	**38,649**	**577**	**1.99**	36,121	397	1.47
Total	**322,622**	**3,491**	**1.45**	298,882	2,623	1.17
Net interest margin [1]			**1.83**			1.76

	3Q18			3Q17			2Q18		
	Average balance	**Interest**	**Average rate**	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	$m	**$m**	**%**	$m	$m	%	$m	$m	%
Interest bearing assets									
Customer loans	**248,590**	**2,303**	**3.68**	227,610	1,899	3.31	240,568	2,162	3.61
Interbank balances	**72,704**	**421**	**2.30**	62,158	276	1.76	69,710	381	2.19
Securities	**28,418**	**195**	**2.73**	23,086	146	2.50	27,463	186	2.71
Total	**349,712**	**2,920**	**3.31**	312,854	2,321	2.94	337,741	2,729	3.24
Interest bearing liabilities									
Customer deposits	**294,404**	**1,107**	**1.49**	265,940	778	1.16	283,545	980	1.39
Interbank balances/others	**39,834**	**214**	**2.13**	34,757	134	1.53	39,035	207	2.12
Total	**334,238**	**1,321**	**1.57**	300,697	912	1.20	322,580	1,186	1.48
Net interest margin [1]			**1.81**			1.79			1.83

Note:

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

Net Interest Income *(cont'd)*

Volume and rate analysis

	9M18 vs 9M17			3Q18 vs 3Q17			3Q18 vs 2Q18		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Interest income									
Customer loans	364	532	895	175	230	405	72	44	116
Interbank balances	144	263	407	47	98	145	16	19	36
Securities	24	86	110	34	16	50	6	1	8
Total	531	881	1,412	256	344	599	95	64	159
Interest expense									
Customer deposits	180	509	689	83	245	329	38	77	115
Interbank balances/others	28	152	179	20	60	80	4	0	5
Total	207	661	868	103	305	408	42	78	120
Change in number of days	-	-	-	-	-	-	-	-	17
Net interest income	324	221	544	153	38	191	53	(14)	57

Net interest income expanded 13% year on year to $4.61 billion, lifted by higher net interest margin and healthy loan growth of 9%. Net interest margin improved seven basis points to 1.83%, mainly from an increase in net loan margin by six basis points due to the favourable interest rate environment.

Against the same quarter last year, net interest income rose 14% to $1.60 billion, from healthy loan growth and a net interest margin uplift of two basis points to 1.81%.

Quarter on quarter, net interest income grew 4%. With the expectation of further interest rate increases, the Group built up deposits during the quarter to ensure that its funding position remains well placed to meet projected business growth. This resulted in a slight dip in net interest margin to 1.81% for the quarter.

Non-Interest Income

	9M18	9M17	+/(-)	3Q18	3Q17	+/(-)	2Q18	+/(-)
	$m	$m	%	$m	$m	%	$m	%
Net fee and commission income								
Credit card [1]	**317**	292	9	**110**	103	7	108	1
Fund management	**201**	173	16	**65**	62	5	68	(5)
Wealth management	**429**	405	6	**133**	143	(7)	132	1
Loan-related [2]	**424**	338	26	**135**	122	10	148	(9)
Service charges	**110**	107	3	**37**	35	7	37	1
Trade-related [3]	**220**	200	10	**74**	68	9	74	1
Others	**49**	62	(20)	**15**	18	(19)	15	(2)
	1,751	1,577	11	**568**	551	3	581	(2)
Less: Fee and commission expenses[4]	**(252)**	(213)	(18)	**(84)**	(74)	(14)	(83)	(1)
	1,500	1,364	10	**484**	477	2	498	(3)
Other non-interest income								
Net trading income	**565**	589	(4)	**174**	164	7	215	(19)
Net gain from investment securities	**24**	115	(79)	**11**	57	(80)	1	>100
Dividend income	**26**	22	21	**5**	3	51	20	(74)
Rental income	**90**	90	0	**30**	29	1	30	(2)
Other income	**84**	85	(1)	**23**	26	(10)	36	(35)
	789	900	(12)	**244**	279	(13)	302	(19)
Total	**2,289**	2,264	1	**728**	756	(4)	800	(9)

Net fee and commission income rose 10% to $1.50 billion due to broad-based growth across loan-related, fund management, credit card and wealth management fees. Other non-interest income declined 12% to $789 million, mainly due to lower net gains from investment securities and trading income.

Compared with the same quarter last year, net fee and commission income increased 2% to $484 million due to higher loan-related, credit card and trade-related fees. Other non-interest income was lower at $244 million as 3Q17 recorded stronger gains from investment securities.

Quarter on quarter, net fee and commission income decreased 3% on the back of lower loan-related and fund management fees. Other non-interest income declined 19%, mainly due to lower gains from structural foreign exchange positions.

Notes:

1 Credit card fees are net of interchange fees paid.

2 Loan-related fees include fees earned from corporate finance activities.

3 Trade-related fees include trade, remittance and guarantees related fees.

4 Fee and commission expenses that were directly attributable to the fee and commission income. Certain comparative figures have been restated to conform with current period's presentation.

Operating Expenses

	9M18	9M17	+/(-)	3Q18	3Q17	+/(-)	2Q18	+/(-)
	$m	$m	%	**$m**	$m	%	$m	%
Staff costs	**1,850**	1,616	14	**626**	543	15	619	1
Other operating expenses								
Revenue-related [1]	**439**	430	2	**147**	146	0	149	(1)
Occupancy-related	**238**	246	(3)	**77**	82	(6)	81	(6)
IT-related	**321**	267	20	**106**	90	18	112	(6)
Others	**171**	152	12	**55**	38	44	61	(10)
	1,169	1,096	7	**384**	357	8	403	(5)
Total	**3,019**	2,712	11	**1,011**	900	12	1,022	(1)
Of which, Depreciation of assets	**200**	188	6	**68**	63	8	68	1
Manpower (number)	**25,826**	24,898	928	**25,826**	24,898	928	25,424	402

Total expenses increased 11% year on year to $3.02 billion. This was mainly due to higher performance-related staff costs and IT-related expenses as the Group continued to invest in talent, technology and infrastructure to enhance productivity, product capabilities and customer experience. Cost-to-income ratio increased marginally to 43.8%.

Compared with the same quarter last year, total expenses increased 12% to $1.01 billion, mainly from higher staff costs and IT-related expenses. The cost-to-income ratio for the quarter was 43.4%.

Quarter on quarter, total expenses declined 1% in line with lower operating income, resulting in a slight improvement in cost-to-income ratio to 43.4% for the quarter.

Note:

1 Expenses directly attributable to the fee and commission income are presented net of fee and commission income. Certain comparative figures have been restated to conform with current period's presentation.

Allowances for Credit and Other Losses

	9M18	9M17	+/(-)	3Q18	3Q17	+/(-)	2Q18	+/(-)
	$m	$m	%	**$m**	$m	%	$m	%
Allowances for non-impaired assets	**25**	(107)	>100	**8**	(26)	>100	27	(71)
Allowances for impaired loans [1]	**230**	663	(65)	**94**	214	(56)	64	47
Singapore	**39**	374	(90)	**20**	107	(82)	12	61
Malaysia	**15**	96	(84)	**15**	19	(24)	(1)	>100
Thailand	**87**	82	7	**32**	28	13	19	69
Indonesia	**77**	55	41	**19**	4	>100	27	(31)
Greater China [2]	**7**	39	(81)	**6**	41	(85)	(0)	>100
Others	**4**	18	(77)	**3**	15	(81)	7	(61)
Allowances for impaired securities and others	**9**	31	(69)	**(7)**	33	(>100)	(1)	(>100)
Total	**265**	587	(55)	**95**	221	(57)	90	5

Total allowances decreased 55% to $265 million from a year ago, attributed to the benign credit environment with lower residual risks from the oil and gas and shipping sectors and continued resilience in the broader portfolio. Credit costs on impaired loans for 9M18 eased to 12 basis points.

Compared with same quarter last year, total allowances more than halved to $95 million, largely due to high allowances provided for impaired loans from the oil and gas and shipping sectors in 3Q17.

Quarter on quarter, total allowances increased by $5 million to $95 million, with credit costs on impaired loans rising to 15 basis points for the quarter.

Notes:
1 Allowances for impaired 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

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Gross customer loans	**255,122**	249,739	236,028	234,115
Less: Allowances for non-impaired loans	**1,586**	1,581	1,961	2,595
Allowances for impaired loans	**1,781**	1,766	1,855	1,452
Net customer loans	**251,755**	246,392	232,212	230,068
By industry				
Transport, storage and communication	**9,996**	9,575	9,388	9,704
Building and construction	**60,174**	57,861	53,646	53,688
Manufacturing	**21,507**	21,809	18,615	18,949
Financial institutions, investment and holding companies	**22,698**	21,558	19,090	18,131
General commerce	**32,365**	31,470	30,664	30,317
Professionals and private individuals	**28,934**	28,851	28,182	27,812
Housing loans	**67,631**	66,983	65,569	63,918
Others	**11,816**	11,633	10,874	11,594
Total (gross)	**255,122**	249,739	236,028	234,115
By currency				
Singapore dollar	**119,752**	118,168	115,750	114,823
US dollar	**50,377**	49,367	44,507	45,409
Malaysian ringgit	**24,929**	25,100	24,000	23,296
Thai baht	**15,161**	14,487	14,006	13,385
Indonesian rupiah	**5,014**	5,044	4,853	5,162
Others	**39,888**	37,572	32,912	32,039
Total (gross)	**255,122**	249,739	236,028	234,115
By maturity				
Within 1 year	**103,778**	104,084	92,969	92,149
Over 1 year but within 3 years	**45,505**	43,553	42,828	41,627
Over 3 years but within 5 years	**28,763**	26,626	24,851	26,130
Over 5 years	**77,075**	75,476	75,379	74,209
Total (gross)	**255,122**	249,739	236,028	234,115
By geography [1]				
Singapore	**133,018**	130,503	127,602	127,241
Malaysia	**28,980**	29,009	26,948	26,220
Thailand	**16,363**	15,685	14,977	14,443
Indonesia	**11,114**	10,892	10,718	11,276
Greater China	**38,882**	38,190	32,301	31,588
Others	**26,765**	25,460	23,482	23,347
Total (gross)	**255,122**	249,739	236,028	234,115

As at 30 September 2018, gross loans rose 9% year on year and 2% quarter on quarter to $255 billion, driven by broad-based increase across most territories and industries.

Singapore loans grew 5% from a year ago to $133 billion as at 30 September 2018, while regional countries contributed a strong growth of 14% in the same period.

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).

Non-Performing Assets

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Loans ("NPL")	**4,185**	4,208	4,211	3,748
Debt securities and others	**189**	196	178	171
Non-performing assets ("NPA")	**4,374**	4,404	4,389	3,919
By grading				
Substandard	**2,436**	2,467	2,411	2,325
Doubtful	**277**	260	128	435
Loss	**1,661**	1,677	1,850	1,159
Total	**4,374**	4,404	4,389	3,919
By security				
Secured by collateral type:				
Properties	**1,877**	1,896	1,771	1,458
Shares and debentures	**6**	7	8	8
Fixed deposits	**15**	15	12	12
Others [1]	**397**	416	467	565
	2,295	2,334	2,258	2,043
Unsecured	**2,079**	2,070	2,131	1,876
Total	**4,374**	4,404	4,389	3,919
By ageing				
Current	**768**	713	936	537
Within 90 days	**475**	400	600	661
Over 90 to 180 days	**457**	422	735	460
Over 180 days	**2,674**	2,869	2,118	2,261
Total	**4,374**	4,404	4,389	3,919
Total allowances				
Non-impaired	**1,991**	1,998	1,976	2,610
Impaired	**1,944**	1,937	2,014	1,580
Total	**3,935**	3,935	3,990	4,190

	NPL	NPL ratio	NPL	NPL ratio	NPL	NPL ratio	NPL	NPL ratio
	$m	%	$m	%	$m	%	$m	%
NPL by industry								
Transport, storage and communication	**1,113**	**11.1**	1,131	11.8	1,209	12.9	1,254	12.9
Building and construction	**530**	**0.9**	474	0.8	428	0.8	317	0.6
Manufacturing	**617**	**2.9**	589	2.7	638	3.4	434	2.3
Financial institutions, investment and holding companies	**31**	**0.1**	66	0.3	92	0.5	78	0.4
General commerce	**583**	**1.8**	586	1.9	485	1.6	587	1.9
Professionals and private individuals	**294**	**1.0**	296	1.0	295	1.0	283	1.0
Housing loans	**683**	**1.0**	736	1.1	677	1.0	622	1.0
Others	**334**	**2.8**	330	2.8	387	3.6	173	1.5
Total	**4,185**	**1.6**	4,208	1.7	4,211	1.8	3,748	1.6

Note:
1 Comprise mainly marine vessels.

Non-Performing Assets *(cont'd)*

NPL by geography [1]	NPL/NPA	NPL ratio	Allowances for impaired assets	Allowances for impaired assets as a % of NPL/NPA
	$m	%	$m	%
Singapore				
Sep-18	**1,963**	**1.5**	**827**	**42**
Jun-18	1,943	1.5	821	42
Dec-17	2,058	1.6	934	45
Sep-17	1,675	1.3	696	42
Malaysia				
Sep-18	**629**	**2.2**	**208**	**33**
Jun-18	623	2.1	202	32
Dec-17	585	2.2	220	38
Sep-17	563	2.1	153	27
Thailand				
Sep-18	**416**	**2.5**	**143**	**34**
Jun-18	482	3.1	159	33
Dec-17	439	2.9	157	36
Sep-17	386	2.7	145	38
Indonesia				
Sep-18	**749**	**6.7**	**364**	**49**
Jun-18	721	6.6	351	49
Dec-17	694	6.5	312	45
Sep-17	608	5.4	208	34
Greater China				
Sep-18	**138**	**0.4**	**83**	**60**
Jun-18	139	0.4	79	57
Dec-17	132	0.4	76	58
Sep-17	244	0.8	143	59
Others				
Sep-18	**290**	**1.1**	**155**	**53**
Jun-18	300	1.2	154	51
Dec-17	303	1.3	156	52
Sep-17	272	1.2	107	39
Group NPL				
Sep-18	**4,185**	**1.6**	**1,781**	**43**
Jun-18	4,208	1.7	1,766	42
Dec-17	4,211	1.8	1,855	44
Sep-17	3,748	1.6	1,452	39
Group NPA				
Sep-18	**4,374**		**1,944**	**44**
Jun-18	4,404		1,937	44
Dec-17	4,389		2,014	46
Sep-17	3,919		1,580	40

	Total allowances	
	as a % of NPA	as a % of unsecured NPA
Group	%	%
Sep-18	**90**	**189**
Jun-18	89	190
Dec-17	91	187
Sep-17	107	223

The Group's NPA increased 12% as compared to a year ago mainly due to the accelerated recognition of residual vulnerable exposures in oil and gas and shipping sectors as NPA in the last quarter of 2017. As compared with the previous quarter, the Group's NPA decreased 1% point to $4.37 billion.

NPL ratio was 1.6% as at 30 September 2018, 0.1% point lower than last quarter. The coverage for non-performing assets remained adequate at 90%, or 189% after taking collateral into account.

Note:
1 NPL 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

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
By product				
Fixed deposits	**155,775**	148,755	139,257	140,590
Savings deposits	**70,081**	69,513	66,404	64,984
Current accounts	**57,617**	56,817	57,570	54,171
Others	**10,161**	12,430	9,534	8,552
Total	**293,634**	287,515	272,765	268,296
By maturity				
Within 1 year	**287,601**	282,021	268,233	263,435
Over 1 year but within 3 years	**4,397**	3,692	2,545	2,739
Over 3 years but within 5 years	**852**	1,094	1,174	1,038
Over 5 years	**784**	708	813	1,083
Total	**293,634**	287,515	272,765	268,296
By currency				
Singapore dollar	**129,665**	123,671	123,806	122,832
US dollar	**76,299**	75,874	67,739	68,251
Malaysian ringgit	**28,452**	28,649	26,475	26,199
Thai baht	**17,369**	16,383	15,317	15,024
Indonesian rupiah	**5,117**	5,151	5,119	5,311
Others	**36,732**	37,787	34,308	30,679
Total	**293,634**	287,515	272,765	268,296
Group Loan/Deposit ratio (%)	**85.7**	85.7	85.1	85.8
Singapore dollar Loan/Deposit ratio (%)	**91.6**	94.8	92.3	91.9
US dollar Loan/Deposit ratio (%)	**64.5**	63.5	63.9	65.3

Customer deposits grew in tandem with loan growth by 9% year on year and 2% quarter on quarter to $294 billion as at 30 September 2018.

As at 30 September 2018, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 85.7% and 91.6% respectively.

Debts Issued

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Unsecured				
Subordinated debts	**5,021**	4,833	4,827	5,529
Commercial papers	**7,393**	12,788	13,674	13,750
Fixed and floating rate notes	**5,429**	4,869	2,630	2,280
Others	**1,617**	1,602	1,801	1,829
Secured				
Covered bonds	**4,446**	3,664	2,247	2,268
Total	**23,906**	27,756	25,178	25,655
Due within 1 year	**8,809**	14,499	14,807	14,636
Due after 1 year	**15,098**	13,257	10,371	11,019
Total	**23,906**	27,756	25,178	25,655

Shareholders' Equity

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Shareholders' equity	**36,768**	37,660	36,850	35,147
Add: Revaluation surplus	**4,770**	4,775	4,679	4,546
Shareholders' equity including revaluation surplus	**41,538**	42,434	41,529	39,693

Shareholders' equity increased 5% from a year ago to $36.8 billion as at 30 September 2018 mainly from higher retained earnings. Compared with the last quarter, shareholders' equity decreased 2% mainly due to the redemption of the S$850 million perpetual capital securities.

As at 30 September 2018, the revaluation surplus of $4.77 billion relating to the Group's properties, was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	9M18	9M17	**3Q18**	3Q17
	'000	'000	**'000**	'000
Ordinary shares				
Balance at beginning of period	**1,671,534**	1,646,966	**1,680,541**	1,669,416
Shares issued under scrip dividend scheme	**9,007**	24,568	**-**	2,118
Balance at end of period	**1,680,541**	1,671,534	**1,680,541**	1,671,534
Treasury shares				
Balance at beginning of period	**(8,879)**	(11,274)	**(10,777)**	(10,430)
Shares re-purchased - held in treasury	**(6,061)**	-	**(2,330)**	-
Shares issued under share-based compensation plans	**1,854**	1,975	**21**	1,131
Balance at end of period	**(13,086)**	(9,299)	**(13,086)**	(9,299)
Ordinary shares net of treasury shares	**1,667,455**	1,662,235	**1,667,455**	1,662,235

Performance by Business Segment

Business segment performance reporting is prepared based on the Group's internal organisation structure and the methodologies adopted in our management reporting framework. Our business segments' results include all applicable revenue, expenses, internal fund transfer price and cost allocations associated with the activities of the business. Transactions between business segments are operated on an arm's length basis in a manner similar to third party transactions and they are eliminated on consolidation.

Following the adoption of SFRS(I) 9 with effect from 1Q18, business segment results now include both allowances for impaired and non-impaired assets as compared to previous year where allowances for non-impaired assets were reported under Others segment.

The Banking Group is organised into three major business segments - Group Retail, Group Wholesale Banking and Global Markets. Others 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.

Compared to a year ago, profit before tax in 9M18 grew 2% to $1.37 billion. Net interest income rose 5% to $2.01 billion from higher loan and deposit volumes, partly offset by decline in loan margin. Non-interest income grew 3% to $934 million supported by wealth management and credit card products. Expenses were higher by 8% mainly from investments in headcount and technology for franchise growth.

Against last quarter and the same quarter last year, profit before tax decreased marginally to $443 million as higher net interest income was offset by increase in staff, technology and revenue-related expenses.

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 and treasury products.

Operating profit in 9M18 increased 11% to $2.25 billion as compared to a year ago. Total income rose 12% to $2.93 billion, driven by stronger net interest income from volume growth and deposit margin improvement on the back of rising interest rates. Non-interest income improved by 8% from loan-related fees, trade and investment banking. Expenses were higher primarily from continued investments and headcount to support regional expansion. Profit before tax increased 48% to $2.20 billion as credit costs eased in a benign credit environment.

Compared to the same quarter last year, operating profit grew 11% to $766 million. Total income increased 13% to $1 billion, led by higher net interest income from healthy volume growth. As compared to the previous quarter, operating profit and profit before tax remained relatively flat.

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.

Compared to a year ago, operating profit rose 8% to $174 million in 9M18. Total income improved 8% to $362 million on the back of favourable foreign exchange movements and higher trading income. Expenses were 7% higher primarily from staff and technology related expenses.

Operating profit grew 3% to $29 million against the same quarter last year but declined 55% from the previous quarter, mainly from unfavourable foreign exchange movements and lower trading income while expenses were relatively flat.

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

Others registered a loss of $3 million in 9M18 as compared to a net profit of $132 million a year ago, mainly from higher operating expenses and allowances for non-impaired assets.

Against the same quarter last year, profit before tax was lower at $35 million as income growth from central treasury activities was offset by gain from sale of equity investments a year ago. Compared to the previous quarter, profit before tax was higher, attributable to decrease in operating expenses.

Performance by Business Segment [1,2] *(cont'd)*

Selected income statement items	GR	GWB	GM	Others	Total
	$m	$m	$m	$m	$m
9M18					
Net interest income	**2,009**	**2,089**	**94**	**420**	**4,612**
Non-interest income	**934**	**841**	**268**	**246**	**2,289**
Operating income	**2,943**	**2,930**	**362**	**666**	**6,901**
Operating expenses	**(1,414)**	**(683)**	**(188)**	**(734)**	**(3,019)**
Allowances for credit and other losses	**(162)**	**(74)**	**(12)**	**(17)**	**(265)**
Share of profit of associates and joint ventures	**-**	**23**	**-**	**83**	**106**
Profit before tax	**1,367**	**2,196**	**162**	**(3)**	**3,722**
Tax					**(620)**
Profit for the financial period					**3,102**
Other information:					
Capital expenditure	**46**	**26**	**16**	**270**	**358**
Depreciation of assets	**18**	**8**	**5**	**169**	**200**
9M17					
Net interest income	1,908	1,842	176	141	4,067
Non-interest income	905	781	161	417	2,264
Operating income	2,813	2,623	337	558	6,331
Operating expenses	(1,310)	(595)	(176)	(631)	(2,712)
Allowances for credit and other losses	(160)	(546)	-	119	(587)
Share of profit of associates and joint ventures	-	2	-	86	88
Profit before tax	1,343	1,484	161	132	3,120
Tax					(574)
Profit for the financial period					2,546
Other information:					
Capital expenditure	33	19	7	195	253
Depreciation of assets	17	9	5	158	188

Notes:
1 Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
2 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment [1,2] *(cont'd)*

Selected income statement items	GR	GWB	GM	Others	Total
	$m	$m	$m	$m	$m
3Q18					
Net interest income	**695**	**741**	**25**	**138**	**1,599**
Non-interest income	**304**	**262**	**66**	**96**	**728**
Operating income	**999**	**1,003**	**91**	**234**	**2,327**
Operating expenses	**(487)**	**(237)**	**(62)**	**(225)**	**(1,011)**
Allowances for credit and other losses	**(69)**	**(31)**	**0**	**4**	**(95)**
Share of profit of associates and joint ventures	**-**	**3**	**-**	**22**	**25**
Profit before tax	**443**	**738**	**30**	**35**	**1,246**
Tax					**(206)**
Profit for the financial period					**1,040**
Other information:					
Capital expenditure	**20**	**11**	**5**	**88**	**124**
Depreciation of assets	**6**	**3**	**2**	**57**	**68**
2Q18					
Net interest income	676	715	21	130	1,542
Non-interest income	305	291	107	97	800
Operating income	980	1,006	129	227	2,342
Operating expenses	(474)	(234)	(64)	(250)	(1,022)
Allowances for credit and other losses	(49)	(48)	7	1	(90)
Share of profit of associates and joint ventures	-	19	-	33	52
Profit before tax	457	743	72	10	1,282
Tax					(202)
Profit for the financial period					1,080
Other information:					
Capital expenditure	17	11	7	116	151
Depreciation of assets	6	3	2	57	68
3Q17					
Net interest income	645	625	48	90	1,408
Non-interest income	317	266	40	133	756
Operating income	962	891	88	223	2,164
Operating expenses	(451)	(200)	(60)	(189)	(900)
Allowances for credit and other losses	(59)	(189)	-	28	(221)
Share of profit of associates and joint ventures	-	1	-	28	29
Profit before tax	452	503	28	90	1,073
Tax					(187)
Profit for the financial period					886
Other information:					
Capital expenditure	12	6	2	66	86
Depreciation of assets	6	3	2	53	63

Notes:
1. Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
2. Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment [1,2] *(cont'd)*

Selected balance sheet items	GR $m	GWB $m	GM $m	Others $m	Total $m
At 30 September 2018					
Segment assets	**106,706**	**175,067**	**63,812**	**31,653**	**377,238**
Intangible assets	**1,314**	**2,083**	**659**	**81**	**4,136**
Investment in associates and joint ventures	**-**	**163**	**-**	**1,100**	**1,264**
Total assets	**108,020**	**177,313**	**64,471**	**32,834**	**382,638**
Segment liabilities	**140,271**	**159,549**	**32,771**	**13,089**	**345,680**
Other information:					
Gross customer loans	**106,723**	**147,932**	**451**	**16**	**255,122**
Non-performing assets	**1,163**	**3,182**	**8**	**21**	**4,374**
At 30 June 2018					
Segment assets	105,832	176,198	66,116	30,726	378,873
Intangible assets	1,315	2,084	659	81	4,138
Investment in associates and joint ventures	-	163	-	1,089	1,252
Total assets	107,147	178,445	66,775	31,895	384,263
Segment liabilities	138,456	154,421	42,951	10,586	346,413
Other information:					
Gross customer loans	105,875	143,238	605	21	249,739
Non-performing assets	1,215	3,160	8	21	4,404
At 30 September 2017					
Segment assets	101,595	159,209	57,842	30,176	348,822
Intangible assets	1,317	2,087	660	80	4,144
Investment in associates and joint ventures	-	102	-	1,075	1,177
Total assets	102,912	161,399	58,501	31,331	354,143
Segment liabilities	132,314	141,300	36,413	8,787	318,814
Other information:					
Gross customer loans	101,377	132,605	100	33	234,115
Non-performing assets	1,089	2,814	16	-	3,919

Notes:
1 Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
2 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Geographical Segment [1]

	9M18	9M17	**3Q18**	3Q17	2Q18
	$m	$m	**$m**	$m	$m
Total operating income					
Singapore	**3,911**	3,637	**1,315**	1,247	1,342
Malaysia	**789**	723	**261**	243	258
Thailand	**711**	639	**243**	226	234
Indonesia	**328**	348	**111**	113	110
Greater China	**659**	555	**217**	188	231
Others	**502**	430	**180**	148	167
Total	**6,901**	6,331	**2,327**	2,164	2,342

	9M18	9M17	**3Q18**	3Q17	2Q18
Profit before tax					
Singapore	**2,183**	1,816	**734**	668	770
Malaysia	**447**	452	**144**	144	145
Thailand	**216**	160	**79**	63	60
Indonesia	**56**	32	**5**	(12)	11
Greater China	**387**	316	**145**	102	124
Others	**432**	343	**140**	107	172
Total	**3,722**	3,120	**1,246**	1,073	1,282

Total operating income for 9M18 rose 9% year on year to $6.90 billion, led by broad-based growth across most of the geographical segments. Profit before tax also registered a strong growth of 19% to $3.72 billion over the same period last year, on the back of strong performance and lower allowances in a benign credit environment.

Compared with the same quarter last year, profit before tax rose 16% to $1.25 billion, led by strong overall operating income and lower allowances.

Quarter on quarter, total operating income remained largely the same at $2.33 billion, while profit before tax decreased 3% to $1.25 billion mainly from Singapore.

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Total assets				
Singapore	**222,510**	225,965	217,979	215,424
Malaysia	**40,362**	40,110	35,373	35,398
Thailand	**22,329**	21,365	20,988	21,097
Indonesia	**9,257**	8,666	9,105	9,459
Greater China	**55,230**	55,229	46,298	44,377
Others	**28,814**	28,790	24,707	24,244
	378,502	380,125	354,450	349,999
Intangible assets	**4,136**	4,138	4,142	4,144
Total	**382,638**	384,263	358,592	354,143

Note:
1 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 [1,2,3]

	Sep-18	Jun-18	Dec-17	Sep-17
	$m	$m	$m	$m
Share capital	**4,931**	4,993	4,792	4,783
Disclosed reserves/others	**29,541**	29,530	28,922	28,114
Regulatory adjustments	**(4,570)**	(4,602)	(3,580)	(3,505)
Common Equity Tier 1 Capital ("CET1")	**29,902**	29,921	30,134	29,392
Perpetual capital securities/others	**2,129**	2,976	2,976	2,096
Regulatory adjustments	**-**	-	(890)	(872)
Additional Tier 1 Capital ("AT1")	**2,129**	2,976	2,086	1,224
Tier 1 Capital	**32,030**	32,897	32,220	30,616
Subordinated notes	**4,144**	4,150	4,150	4,908
Provisions/others	**721**	755	983	1,116
Regulatory adjustments	**-**	-	(5)	(4)
Tier 2 Capital	**4,865**	4,905	5,128	6,020
Eligible Total Capital	**36,895**	37,803	37,348	36,636
Risk-Weighted Assets ("RWA")	**212,502**	205,704	199,481	206,169
Capital Adequacy Ratios ("CAR")				
CET1	**14.1%**	14.5%	15.1%	14.3%
Tier 1	**15.1%**	16.0%	16.2%	14.8%
Total	**17.4%**	18.4%	18.7%	17.8%
Fully-loaded CET1 (fully phased-in per Basel III rules)	**14.1%**	14.5%	14.7%	13.8%
Leverage Exposure	**430,329**	428,845	400,803	396,451
Leverage Ratio	**7.4%**	7.7%	8.0%	7.7%

The Group's CET1, Tier 1 and Total CAR as at 30 September 2018 were well above the regulatory minimum requirements.

Year on year, total capital was higher mainly from retained earnings, partly offset by redemption of old-style Tier-2 subordinated notes and lower eligible provisions. RWA was higher largely due to asset growth.

Total capital was lower quarter on quarter, mainly due to the redemption of the S$850 million perpetual capital securities. The higher RWA was mainly due to loan growth.

As at 30 September 2018, the Group's leverage ratio was 7.4%, more than double the regulatory minimum requirement of 3%.

Notes:

1 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) commencing 1 January 2016, the Group is required to maintain CET1 capital to meet CCB of 1.875% and CCyB (computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures) of up to 1.875% for the year 2018. With effect from 1 January 2018, all regulatory adjustments are fully phased-in, i.e., CET1 CAR is reported on fully-loaded basis.

2 Leverage ratio is calculated in accordance with MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.

3 Disclosures required under MAS Notice 637 are published on our website: www.UOBGroup.com/investor/financial/overview.html.

Consolidated Income Statement (Unaudited)

	9M18	9M17	+/(-)	3Q18	3Q17	+/(-)	2Q18	+/(-)
	$m	$m	%	$m	$m	%	$m	%
Interest income [1]	8,103	6,690	21	2,920	2,321	26	2,729	7
Less: Interest expense	3,491	2,623	33	1,321	912	45	1,186	11
Net interest income	4,612	4,067	13	1,599	1,408	14	1,542	4
Net fee and commission income	1,500	1,364	10	484	477	2	498	(3)
Dividend income	26	22	21	5	3	51	20	(74)
Rental income	90	90	0	30	29	1	30	(2)
Net trading income	565	589	(4)	174	164	7	215	(19)
Net gain from investment securities	24	115	(79)	11	57	(80)	1	>100
Other income	84	85	(1)	23	26	(10)	36	(35)
Non-interest income	2,289	2,264	1	728	756	(4)	800	(9)
Total operating income	6,901	6,331	9	2,327	2,164	8	2,342	(1)
Less: Staff costs	1,850	1,616	14	626	543	15	619	1
Other operating expenses	1,169	1,096	7	384	357	8	403	(5)
Total operating expenses	3,019	2,712	11	1,011	900	12	1,022	(1)
Operating profit before allowance	3,881	3,619	7	1,317	1,265	4	1,320	(0)
Less: Allowances for credit and other losses	265	587	(55)	95	221	(57)	90	5
Operating profit after allowance	3,616	3,032	19	1,222	1,044	17	1,230	(1)
Share of profit of associates and joint ventures	106	88	20	25	29	(16)	52	(53)
Profit before tax	3,722	3,120	19	1,246	1,073	16	1,282	(3)
Less: Tax	620	574	8	206	187	10	202	2
Profit for the financial period	3,102	2,546	22	1,040	886	17	1,080	(4)
Attributable to:								
Equity holders of the Bank	3,092	2,535	22	1,037	883	17	1,077	(4)
Non-controlling interests	10	11	(11)	3	3	(6)	4	(20)
	3,102	2,546	22	1,040	886	17	1,080	(4)

1 Included interest income on financial assets at fair value through profit or loss of $36 million, $29 million and $19 million for 3Q17, 2Q18 and 3Q18 respectively.

Consolidated Statement of Comprehensive Income (Unaudited)

	9M18	9M17	+/(-)	3Q18	3Q17	+/(-)	2Q18	+/(-)
	$m	$m	%	$m	$m	%	$m	%
Profit for the financial period	**3,102**	2,546	22	**1,040**	886	17	1,080	(4)
Other comprehensive income that will not be reclassified to income statement								
Net gains/(losses) on equity instruments at fair value through other comprehensive income	**(217)**	-	NM	**(80)**	-	NM	(244)	67
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	**31**	-	NM	**(18)**	-	NM	24	(>100)
Remeasurement of defined benefit obligation	**6**	(0)	>100	**6**	-	NM	0	>100
Related tax on above items	**(3)**	-	NM	**12**	-	NM	5	>100
	(183)	(0)	(>100)	**(81)**	**-**	NM	(215)	63
Other comprehensive income that will be reclassified to income statement								
Currency translation adjustments	**(69)**	(132)	48	**(121)**	(13)	(>100)	(84)	(44)
Debt instruments at fair value through other comprehensive income								
Change in fair value	**(226)**	-	NM	**39**	-	NM	(97)	>100
Transfer to income statement on disposal	**26**	-	NM	**5**	-	NM	4	28
Changes in allowance for expected credit losses	**(4)**	-	NM	**(5)**	-	NM	3	(>100)
Related tax	**6**	-	NM	**(8)**	-	NM	10	(>100)
Available-for-sale financial assets								
Change in fair value	**-**	682	NM	**-**	221	NM	-	-
Transfer to income statement on disposal/impairment	**-**	(63)	NM	**-**	(37)	NM	-	-
Related tax	**-**	(39)	NM	**-**	(13)	NM	-	-
	(267)	447	(>100)	**(91)**	158	(>100)	(164)	45
Change in shares of other comprehensive income of associates and joint ventures	**(10)**	(0)	(>100)	**(3)**	(3)	22	(0)	(>100)
Other comprehensive income for the financial period, net of tax	**(460)**	447	(>100)	**(174)**	154	(>100)	(380)	54
Total comprehensive income for the financial period, net of tax	**2,641**	2,993	(12)	**866**	1,040	(17)	700	24
Attributable to:								
Equity holders of the Bank	**2,632**	2,974	(12)	**863**	1,036	(17)	697	24
Non-controlling interests	**9**	18	(51)	**3**	4	(37)	4	(23)
	2,641	2,993	(12)	**866**	1,040	(17)	700	24

Consolidated Balance Sheet (Unaudited)

	Sep-18	Jun-18	Dec-17[1]	Sep-17
	$m	$m	$m	$m
Equity				
Share capital and other capital	**7,057**	7,967	7,766	6,878
Retained earnings	**20,863**	20,681	19,707	18,879
Other reserves	**8,848**	9,011	9,377	9,390
Equity attributable to equity holders of the Bank	**36,768**	37,660	36,850	35,147
Non-controlling interests	**190**	190	187	182
Total	**36,959**	37,850	37,037	35,329
Liabilities				
Deposits and balances of banks	**14,811**	17,161	11,440	13,024
Deposits and balances of customers	**293,634**	287,515	272,765	268,296
Bills and drafts payable	**769**	873	702	836
Other liabilities	**12,559**	13,108	11,469	11,003
Debts issued	**23,906**	27,756	25,178	25,655
Total	**345,680**	346,413	321,556	318,814
Total equity and liabilities	**382,638**	384,263	358,592	354,143
Assets				
Cash, balances and placements with central banks	**24,375**	29,450	26,625	30,809
Singapore Government treasury bills and securities	**5,761**	5,864	4,267	3,956
Other government treasury bills and securities	**12,393**	11,066	11,709	10,205
Trading securities	**2,075**	2,174	1,766	1,593
Placements and balances with banks	**54,954**	57,929	52,181	46,973
Loans to customers	**251,755**	246,392	232,212	230,068
Investment securities	**12,467**	11,784	11,273	12,143
Other assets	**10,258**	11,053	10,164	10,043
Investment in associates and joint ventures	**1,264**	1,252	1,194	1,177
Investment properties	**1,038**	1,046	1,088	1,079
Fixed assets	**2,161**	2,114	1,971	1,954
Intangible assets	**4,136**	4,138	4,142	4,144
Total	**382,638**	384,263	358,592	354,143
Off-balance sheet items				
Contingent liabilities	**31,524**	30,998	26,415	25,774
Financial derivatives	**987,792**	1,001,268	961,880	982,707
Commitments	**146,065**	140,924	136,664	135,341
Net asset value per ordinary share ($)	**20.78**	20.77	20.37	19.88

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	$m	$m	$m	$m	$m	$m
Balance at 1 January 2018	**7,766**	**19,707**	**9,377**	**36,850**	**187**	**37,037**
Impact of adopting SFRS(I) 9	**-**	**62**	**(59)**	**3**	**(1)**	**2**
Restated opening balance under SFRS(I) 9	**7,766**	**19,769**	**9,318**	**36,853**	**185**	**37,039**
Profit for the financial period	**-**	**3,092**	**-**	**3,092**	**10**	**3,102**
Other comprehensive income for the financial period	**-**	**6**	**(466)**	**(460)**	**(1)**	**(460)**
Total comprehensive income for the financial period	**-**	**3,098**	**(466)**	**2,632**	**9**	**2,641**
Transfers	**-**	**(6)**	**6**	**-**	**-**	**-**
Change in non-controlling interests	**-**	**-**	**-**	**-**	**4**	**4**
Dividends	**-**	**(1,998)**	**-**	**(1,998)**	**(8)**	**(2,007)**
Shares re-purchased - held in treasury	**(167)**	**-**	**-**	**(167)**	**-**	**(167)**
Shares issued under scrip dividend scheme	**267**	**-**	**-**	**267**	**-**	**267**
Share-based compensation	**-**	**-**	**31**	**31**	**-**	**31**
Shares issued under share-based compensation plans	**39**	**-**	**(39)**	**-**	**-**	**-**
Redemption of perpetual capital securities	**(847)**	**-**	**(3)**	**(850)**	**-**	**(850)**
Balance at 30 September 2018	**7,057**	**20,863**	**8,848**	**36,768**	**190**	**36,959**
Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	2,535	-	2,535	11	2,546
Other comprehensive income for the financial period	-	(0)	439	439	8	447
Total comprehensive income for the financial period	-	2,535	439	2,974	18	2,993
Transfers	-	232	(232)	-	-	-
Change in non-controlling interests	-	-	-	-	1	1
Dividends	-	(1,222)	-	(1,222)	(5)	(1,227)
Shares issued under scrip dividend scheme	488	-	-	488	-	488
Share-based compensation	-	-	33	33	-	33
Shares issued under share-based compensation plans	39	-	(39)	-	-	-
Balance at 30 September 2017	6,878	18,879	9,390	35,147	182	35,329

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	$m	$m	$m	$m	$m	$m
Balance at 1 July 2018	**7,967**	**20,681**	**9,011**	**37,660**	**190**	**37,850**
Profit for the financial period	-	**1,037**	**-**	**1,037**	**3**	**1,040**
Other comprehensive income for the financial period	**-**	**6**	**(180)**	**(174)**	**(0)**	**(174)**
Total comprehensive income for the financial period	**-**	**1,043**	**(180)**	**863**	**3**	**866**
Transfers	**-**	**(7)**	**7**	**-**	**-**	**-**
Dividends	**-**	**(855)**	**-**	**(855)**	**(2)**	**(857)**
Shares re-purchased - held in treasury	**(63)**	**-**	**-**	**(63)**	**-**	**(63)**
Share-based compensation	**-**	**-**	**13**	**13**	**-**	**13**
Shares issued under share-based compensation plans	**0**	**-**	**(0)**	**-**	**-**	**-**
Redemption of perpetual capital securities	**(847)**	**-**	**(3)**	**(850)**	**-**	**(850)**
Balance at 30 September 2018	**7,057**	**20,863**	**8,848**	**36,768**	**190**	**36,959**
Balance at 1 July 2017	6,805	18,367	9,480	34,652	178	34,830
Profit for the financial period	-	883	-	883	3	886
Other comprehensive income for the financial period	-	-	153	153	1	154
Total comprehensive income for the financial period	-	883	153	1,036	4	1,040
Transfers	-	230	(230)	-	-	-
Change in non-controlling interests	-	-	-	-	1	1
Dividends	-	(601)	-	(601)	(1)	(602)
Shares issued under scrip dividend scheme	51	-	-	51	-	51
Share-based compensation	-	-	9	9	-	9
Shares issued under share-based compensation plans	22	-	(22)	-	-	-
Balance at 30 September 2017	6,878	18,879	9,390	35,147	182	35,329

Consolidated Cash Flow Statement (Unaudited)

	9M18	9M17	3Q18	3Q17
	$m	$m	$m	$m
Cash flows from operating activities				
Profit for the financial period	3,102	2,546	1,040	886
Adjustments for:				
Allowances for credit and other losses	265	587	95	221
Share of profit of associates and joint ventures	(106)	(88)	(25)	(29)
Tax	620	574	206	187
Depreciation of assets	200	188	68	63
Net loss/(gain) on disposal of assets	11	(175)	4	(67)
Share-based compensation	31	33	13	10
Operating profit before working capital changes	4,123	3,665	1,401	1,271
Change in working capital:				
Deposits and balances of banks	3,419	1,168	(2,286)	1,363
Deposits and balances of customers	21,004	12,982	6,827	8,376
Bills and drafts payable	61	314	(105)	40
Other liabilities	822	(2,139)	(351)	403
Restricted balances with central banks	151	(66)	22	(86)
Government treasury bills and securities	(2,212)	3,344	(1,281)	(339)
Trading securities	(308)	1,595	88	161
Placements and balances with banks	(2,751)	(6,940)	2,850	1,059
Loans to customers	(19,606)	(8,890)	(6,093)	(6,464)
Investment securities	(1,689)	232	(845)	(462)
Other assets	(212)	3,289	734	(134)
Cash generated from operations	2,802	8,554	961	5,189
Income tax paid	(617)	(559)	(300)	(234)
Net cash provided by operating activities	2,185	7,996	662	4,955
Cash flows from investing activities				
Capital injection into associates and joint ventures	(32)	(27)	(13)	(12)
Acquisition of associates and joint ventures	-	(0)	-	-
Distribution from associates and joint ventures	48	27	16	8
Acquisition of properties and other fixed assets	(358)	(253)	(124)	(86)
Proceeds from disposal of properties and other fixed assets	21	12	8	2
Change in non-controlling interests	4	-	-	-
Net cash used in investing activities	(318)	(241)	(112)	(89)
Cash flows from financing activities				
Redemption of perpetual capital securities	(850)	-	(850)	-
Issuance of debts issued	27,217	34,812	3,351	11,881
Redemption of debts issued	(28,428)	(34,983)	(7,182)	(12,771)
Shares re-purchased - held in treasury	(167)	-	(63)	-
Change in non-controlling interests	-	1	-	1
Dividends paid on ordinary shares	(1,647)	(665)	(834)	(530)
Distribution for perpetual capital securities	(85)	(68)	(21)	(21)
Dividends paid to non-controlling interests	(8)	(5)	(2)	(1)
Net cash used in financing activities	(3,968)	(909)	(5,600)	(1,441)
Currency translation adjustments	19	(424)	46	(89)
Net increase in cash and cash equivalents	(2,082)	6,421	(5,004)	3,336
Cash and cash equivalents at beginning of the financial period	20,975	18,401	23,898	21,486
Cash and cash equivalents at end of the financial period	18,893	24,822	18,893	24,822

Balance Sheet of the Bank (Unaudited)

	Sep-18	Jun-18	Dec-17[1]	Sep-17
	$m	$m	$m	$m
Equity				
Share capital and other capital	**7,057**	7,967	7,766	6,878
Retained earnings	**15,457**	15,489	14,701	13,954
Other reserves	**9,631**	9,685	10,045	10,094
Total	**32,144**	33,140	32,512	30,927
Liabilities				
Deposits and balances of banks	**13,743**	16,107	10,870	11,879
Deposits and balances of customers	**230,858**	224,804	215,212	209,834
Deposits and balances of subsidiaries	**9,307**	11,159	6,505	8,733
Bills and drafts payable	**476**	564	492	597
Other liabilities	**8,346**	8,952	7,434	7,247
Debts issued	**22,207**	26,248	23,890	24,391
Total	**284,937**	287,834	264,404	262,681
Total equity and liabilities	**317,082**	320,974	296,916	293,608
Assets				
Cash, balances and placements with central banks	**20,088**	24,445	19,960	23,362
Singapore Government treasury bills and securities	**5,761**	5,864	4,267	3,956
Other government treasury bills and securities	**5,709**	5,105	6,236	4,085
Trading securities	**1,938**	1,951	1,502	1,375
Placements and balances with banks	**41,631**	45,767	42,772	37,872
Loans to customers	**196,687**	191,934	180,521	179,250
Placements with and advances to subsidiaries	**15,457**	15,652	12,485	13,461
Investment securities	**10,969**	10,575	10,495	11,405
Other assets	**6,686**	7,575	6,878	7,006
Investment in associates and joint ventures	**353**	345	338	343
Investment in subsidiaries	**5,912**	5,912	5,744	5,793
Investment properties	**1,098**	1,102	1,119	1,120
Fixed assets	**1,611**	1,565	1,417	1,398
Intangible assets	**3,182**	3,182	3,182	3,182
Total	**317,082**	320,974	296,916	293,608
Off-balance sheet items				
Contingent liabilities	**20,775**	20,467	17,500	17,034
Financial derivatives	**799,820**	826,681	788,002	820,724
Commitments	**120,124**	115,270	114,167	112,179
Net asset value per ordinary share ($)	**18.00**	18.07	17.77	17.35

Note:

1 Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	$m	$m	$m	$m
Balance at 1 January 2018	**7,766**	**14,701**	**10,045**	**32,512**
Impact of adopting SFRS(I) 9	**-**	**93**	**(34)**	**59**
Restated opening balance under SFRS(I) 9	**7,766**	**14,794**	**10,011**	**32,571**
Profit for the financial period	**-**	**2,667**	**-**	**2,667**
Other comprehensive income for the financial period	**-**	**0**	**(376)**	**(376)**
Total comprehensive income for the financial period	**-**	**2,667**	**(376)**	**2,291**
Transfers	**-**	**(6)**	**6**	**-**
Dividends	**-**	**(1,998)**	**-**	**(1,998)**
Share buyback - held in treasury	**(167)**	**-**	**-**	**(167)**
Shares issued under scrip dividend scheme	**267**	**-**	**-**	**267**
Share-based compensation	**-**	**-**	**31**	**31**
Shares issued under share-based compensation plans	**39**	**-**	**(39)**	**-**
Redemption of perpetual capital securities	**(847)**	**-**	**(3)**	**(850)**
Balance at 30 September 2018	**7,057**	**15,457**	**9,631**	**32,144**
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	2,143	-	2,143
Other comprehensive income for the financial period	-	(0)	477	477
Total comprehensive income for the financial period	-	2,143	477	2,620
Transfers	-	2	(2)	-
Dividends	-	(1,222)	-	(1,222)
Shares issued under scrip dividend scheme	488	-	-	488
Share-based compensation	-	-	33	33
Shares issued under share-based compensation plans	39	-	(39)	-
Balance at 30 September 2017	6,878	13,954	10,094	30,927

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	$m	$m	$m	$m
Balance at 1 July 2018	**7,967**	**15,489**	**9,685**	**33,140**
Profit for the financial period	**-**	**830**	**-**	**830**
Other comprehensive income for the financial period	**-**	**(0)**	**(71)**	**(71)**
Total comprehensive income for the financial period	**-**	**830**	**(71)**	**759**
Transfers	**-**	**(7)**	**7**	**-**
Dividends	**-**	**(855)**	**-**	**(855)**
Share buyback - held in treasury	**(63)**	**-**	**-**	**(63)**
Share-based compensation	**-**	**-**	**13**	**13**
Shares issued under share-based compensation plans	**0**	**-**	**(0)**	**-**
Redemption of perpetual capital securities	**(847)**	**-**	**(3)**	**(850)**
Balance at 30 September 2018	**7,057**	**15,457**	**9,631**	**32,144**
Balance at 1 July 2017	6,805	13,849	9,970	30,624
Profit for the financial period	-	707	-	707
Other comprehensive income for the financial period	-	-	137	137
Total comprehensive income for the financial period	-	707	137	844
Dividends	-	(601)	-	(601)
Share-based compensation	-	-	9	9
Shares issued under scrip dividend scheme	51	-	-	51
Shares issued under share-based compensation plans	22	-	(22)	-
Balance at 30 September 2017	6,878	13,954	10,094	30,927

Capital Adequacy Ratios of Significant Banking Subsidiaries

The CAR information of the Group's significant banking subsidiaries is prepared based on the capital adequacy framework of the countries in which they operate.

	Sep-18			
	Total Risk-Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
	$m	%	%	%
United Overseas Bank (Malaysia) Bhd	**18,955**	**14.8**	**14.8**	**18.1**
United Overseas Bank (Thai) Public Company Limited	**13,267**	**16.7**	**16.7**	**19.1**
PT Bank UOB Indonesia	**7,543**	**13.6**	**13.6**	**15.9**
United Overseas Bank (China) Limited	**10,172**	**13.3**	**13.3**	**14.3**