

# UOB Group 1<sup>st</sup> Quarter 2016

## Financial Highlights

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# 1Q16 NPAT of \$766 million, down 4% YoY and 3% QoQ

	1Q16	1Q15	+/(-)	4Q15	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,275	1,201	6.1 ▲	1,277	(0.2) ▼
Fee and commission income	433	453	(4.5) ▼	480	(9.8) ▼
Other non-interest income	262	301	(13.1) ▼	323	(19.0) ▼
<b>Total income</b>	<b>1,969</b>	<b>1,956</b>	<b>0.7 ▲</b>	<b>2,081</b>	<b>(5.4) ▼</b>
Less: Total expenses <sup>1</sup>	894	852	4.9 ▲	964	(7.2) ▼
<b>Operating profit</b>	<b>1,075</b>	<b>1,103</b>	<b>(2.6) ▼</b>	<b>1,116</b>	<b>(3.7) ▼</b>
Less: Specific allowances	140	95	47.2 ▲	152	(8.2) ▼
General allowances	(23)	74	(>100.0) ▼	38	(>100.0) ▼
Add: Associates & joint ventures	(30)	4	(>100.0) ▼	18	(>100.0) ▼
<b>Net profit before tax</b>	<b>927</b>	<b>938</b>	<b>(1.2) ▼</b>	<b>944</b>	<b>(1.8) ▼</b>
Less: Tax & non-controlling interests	161	137	17.7 ▲	156	3.7 ▲
<b>Net profit after tax</b>	<b>766</b>	<b>801</b>	<b>(4.4) ▼</b>	<b>788</b>	<b>(2.8) ▼</b>

1. One-off expenses of \$43m in 4Q15 were relating to UOB80 commemorative events and brand campaign.



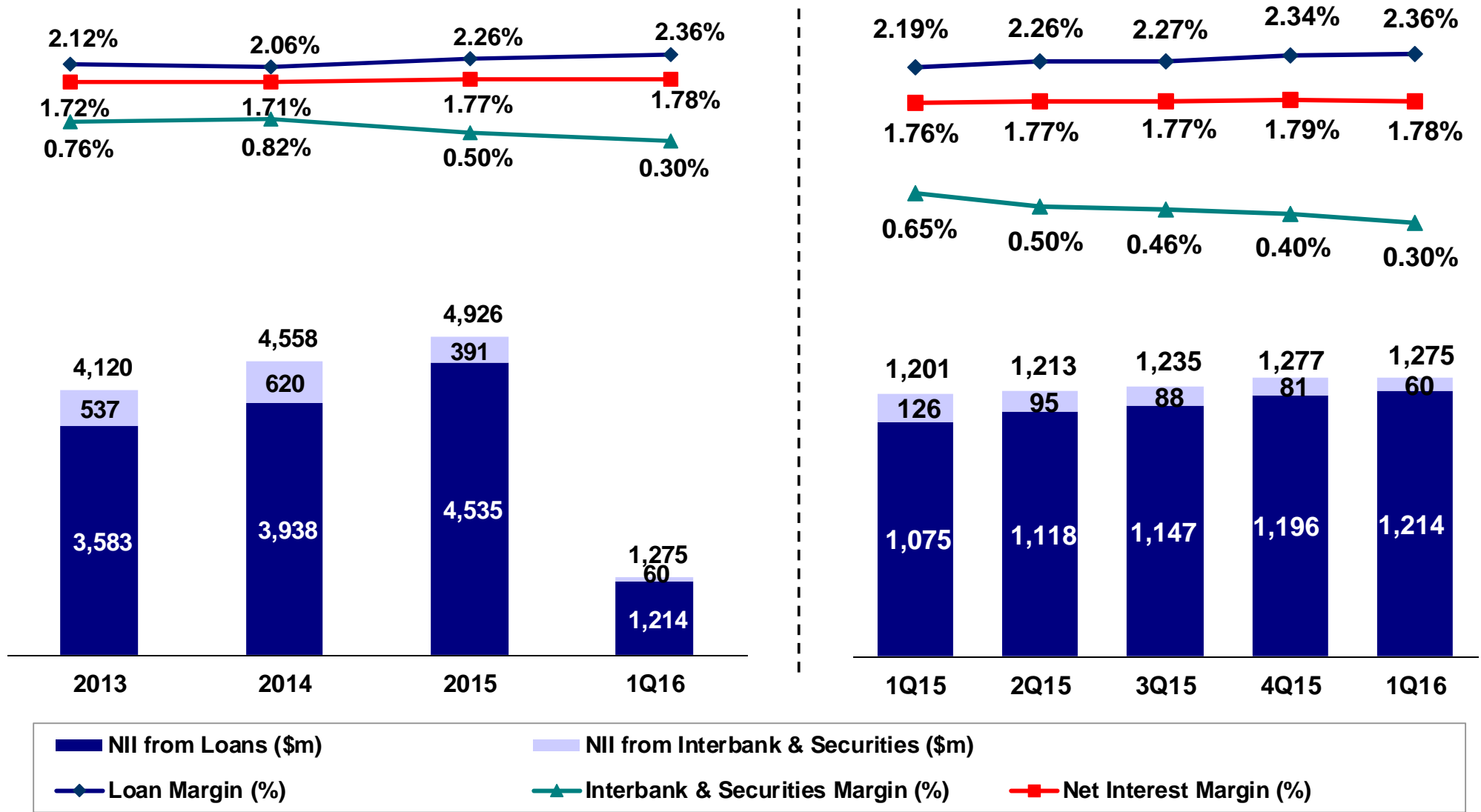
favourable variance to earnings



unfavourable variance to earnings

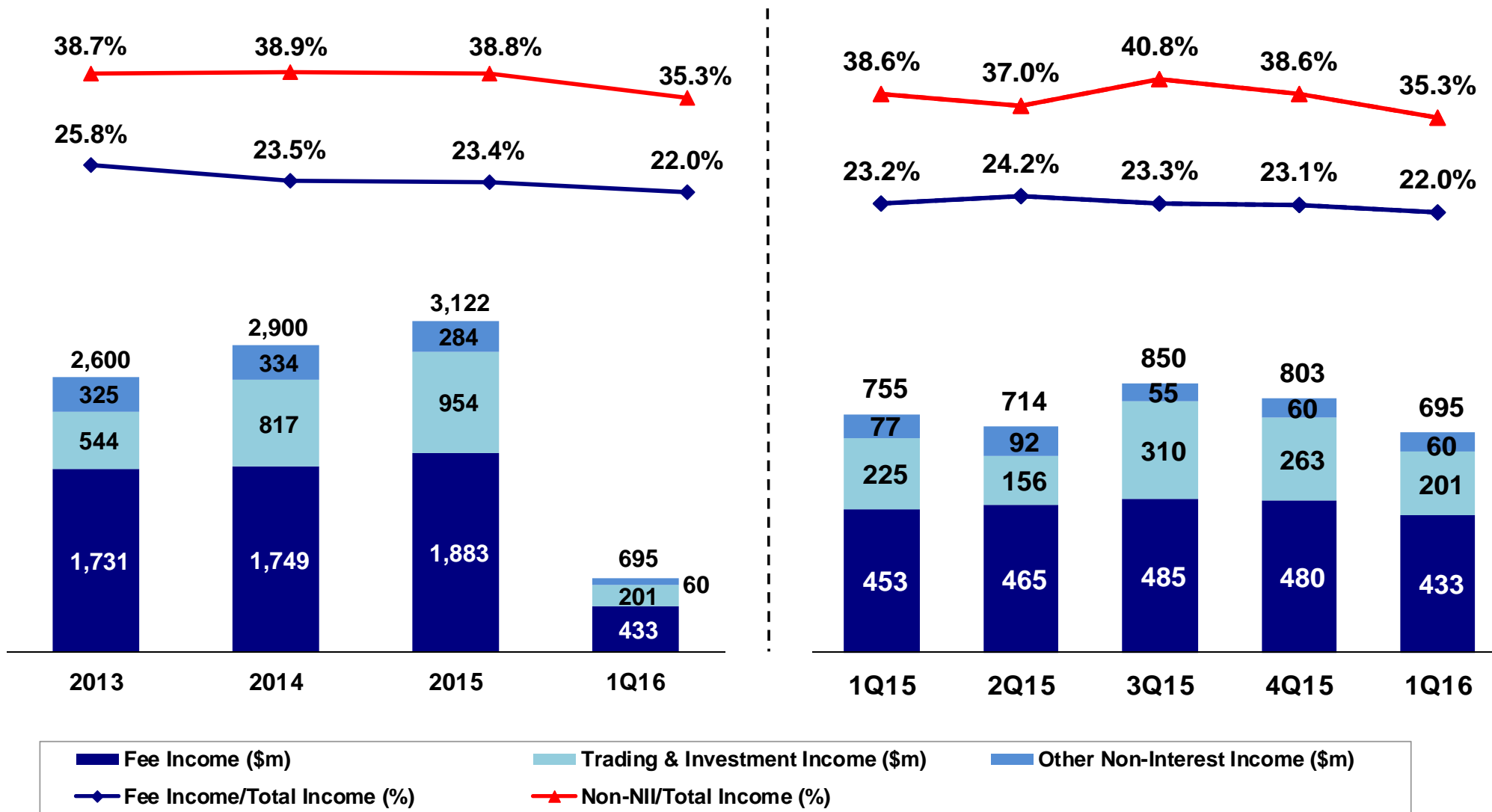
# NII Rose 6% YoY on Loan Growth

## Net Interest Income (NII) and Margin



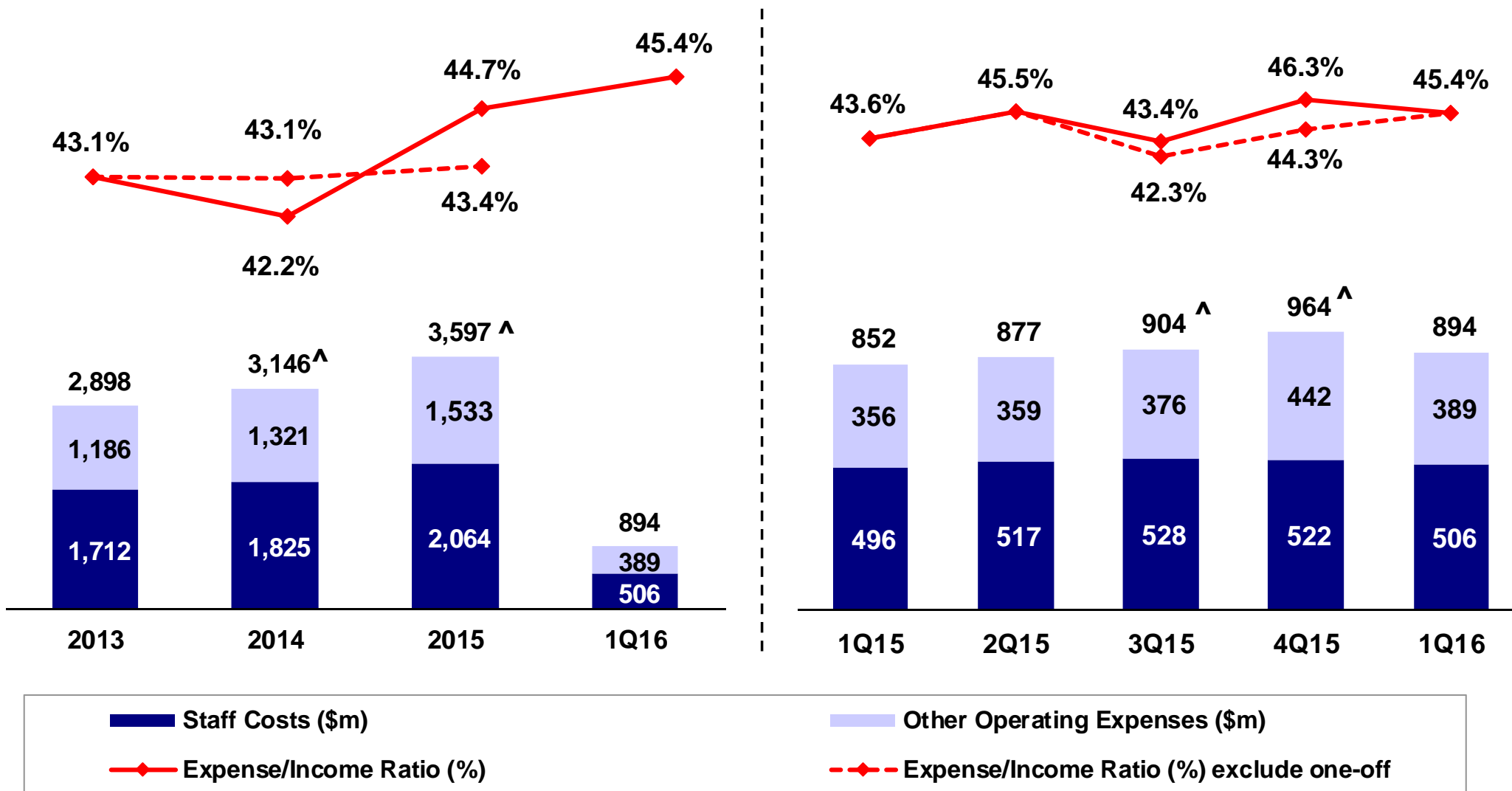
# Non-Interest Income Decreased on Lower Wealth Management and Loan Fees and T&I Income

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



# Disciplined Cost Management as Expenses are Paced to Revenue

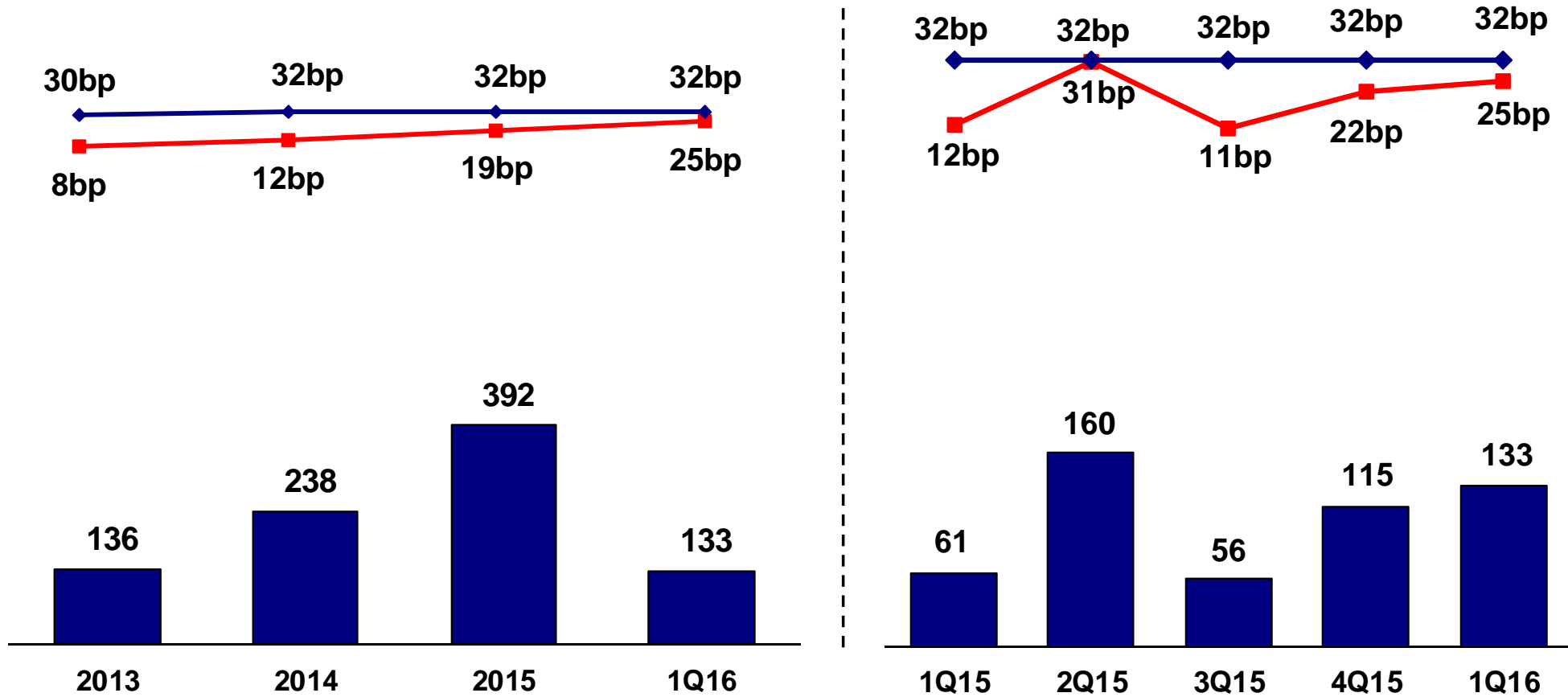
## Operating Expenses and Expense / Income Ratio



^ Included one-off expenses relating to SG50 and UOB80 commemorative events and brand campaign (2015: \$67m, 4Q15: \$43m, 3Q15: \$21m) and adjustment for prior year bonus.

# Total Credit Costs Stable at 32bps

## Allowances on Loans

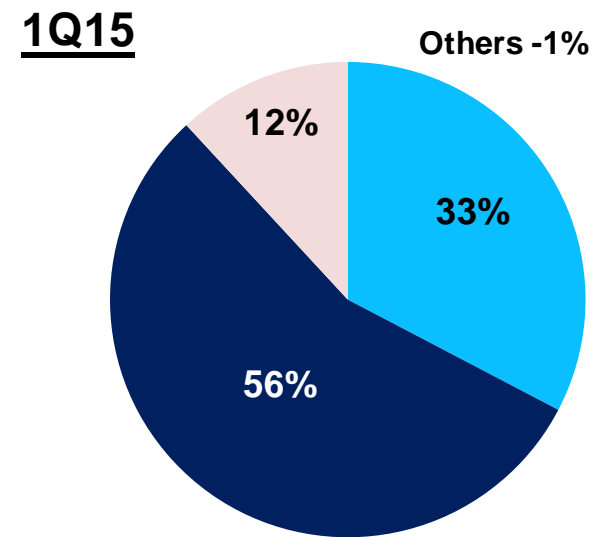
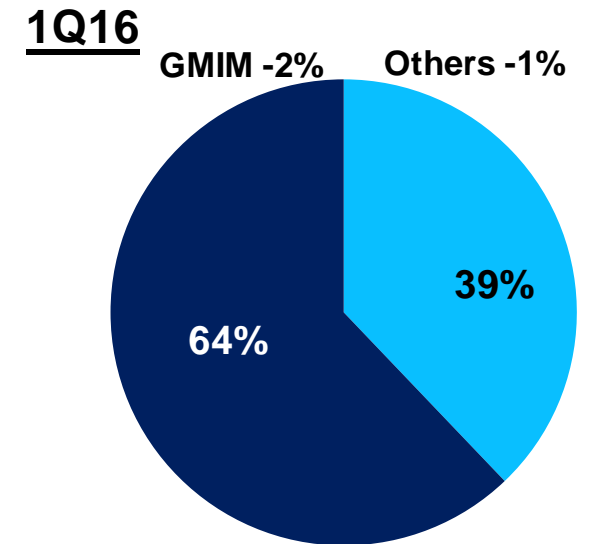


- Specific Allowances on Loans (\$m)
- Specific Allowances on Loans/Average Gross Customer Loans (basis points) \*
- ◆— Total Allowances on Loans/Average Gross Customer Loans (basis points) \*

\* On annualised basis

# Performance by Business Segment

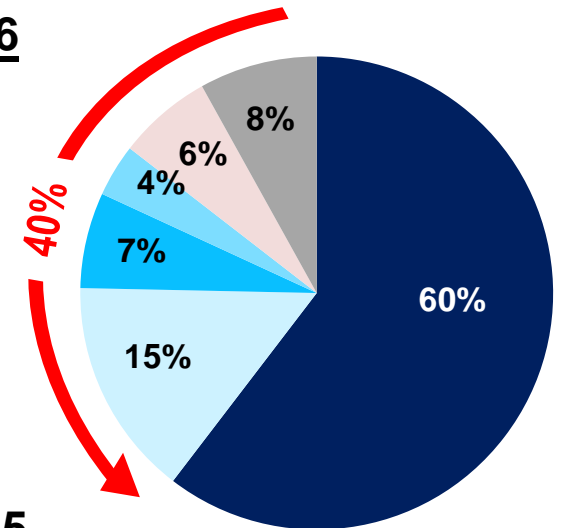
Segment Operating Profit	1Q16	1Q15	+ / (-)
	\$m	\$m	%
Group Retail (GR)	422	369	14.4
Group Wholesale Banking (GWB)	685	616	11.2
Global Markets & Investment Mgt (GMIM)	(24)	128	(>100.0)
Others	(8)	(10)	20.0
<b>Total</b>	<b>1,075</b>	<b>1,103</b>	<b>(2.6)</b>



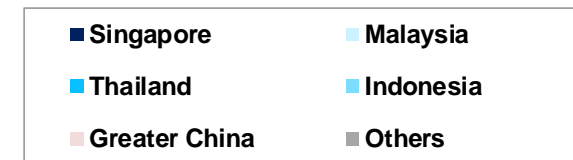
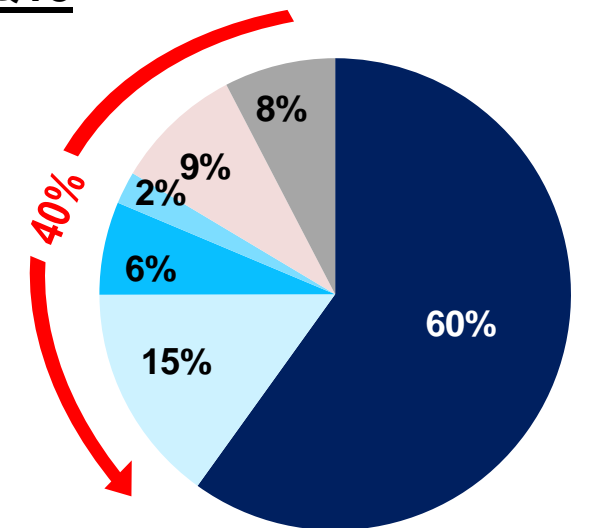
# Regional Operating Profit Contribution Declined 1% YoY in Constant Currency Terms

Operating Profit	1Q16	1Q15	At constant FX rate	
	\$m	\$m	+/(-) %	+/(-) %
Singapore	649	661	(1.8)	(1.8)
Regional:	339	358	(5.3)	(0.7)
Malaysia	161	166	(3.2)	5.8
Thailand	70	70	0.1	7.1
Indonesia	39	25	57.4	61.6
Greater China	69	97	(28.6)	(29.8)
Others	87	84	3.0	4.0
<b>Total</b>	<b>1,075</b>	<b>1,103</b>	<b>(2.6)</b>	<b>(1.0)</b>

**1Q16**



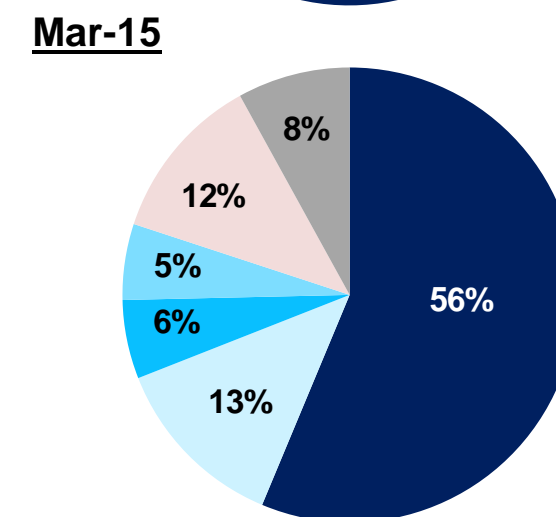
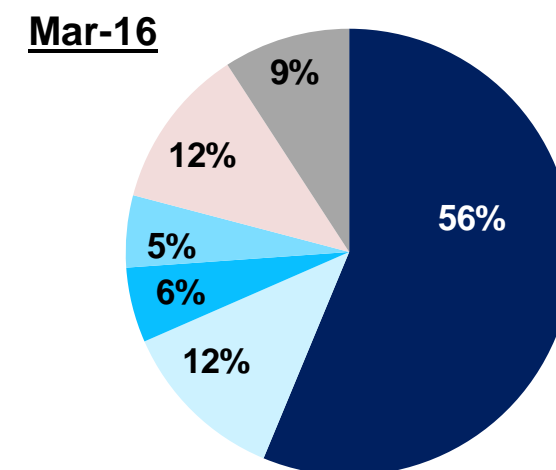
**1Q15**





# Loans increased to \$209b, up 5% YoY and 1% QoQ in Constant Currency Terms

	Mar-16 \$b	Mar-15 \$b	+ / (-) %	Dec-15 \$b	+ / (-) %
<b>Gross Loans</b>					
Singapore	117.8	114.5	2.9	116.1	1.5
Regional:	72.4	72.5	(0.3)	72.8	(0.7)
Malaysia	25.5	25.9	(1.5)	24.6	3.7
Thailand	11.4	11.4	(0.2)	11.5	(0.9)
Indonesia	10.9	11.0	(0.6)	11.5	(5.5)
Greater China	24.6	24.3	1.2	25.2	(2.6)
Others	19.2	16.3	17.8	18.4	4.2
<b>Total</b>	<b>209.4</b>	<b>203.3</b>	<b>3.0</b>	<b>207.4</b>	<b>1.0</b>

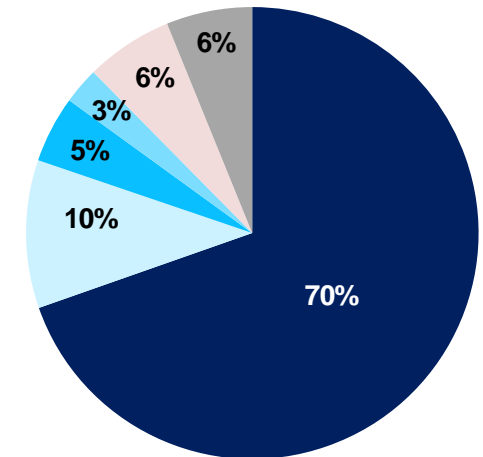


Note: Loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

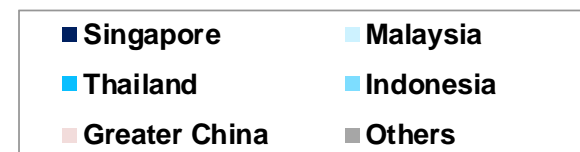
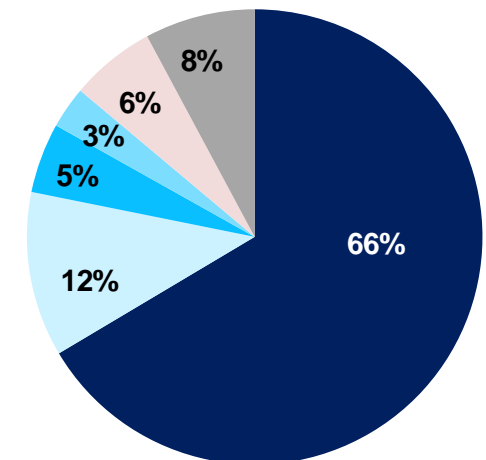
# Healthy Deposit Growth

Customer Deposits	Mar-16 \$b	Mar-15 \$b	+/(-) %	Dec-15 \$b	+/(-) %
<b>Singapore</b>	<b>177.4</b>	159.1	11.5	168.6	5.2
Regional:	<b>61.7</b>	61.6	0.3	56.6	9.0
Malaysia	<b>27.0</b>	28.0	(3.8)	25.4	6.3
Thailand	<b>12.2</b>	11.9	2.2	12.1	0.3
Indonesia	<b>6.7</b>	7.1	(6.7)	6.6	0.9
Greater China	<b>15.9</b>	14.5	9.9	12.5	27.1
Others	<b>15.6</b>	18.7	(16.5)	15.3	2.5
<b>Total</b>	<b>254.8</b>	239.4	6.4	240.5	5.9

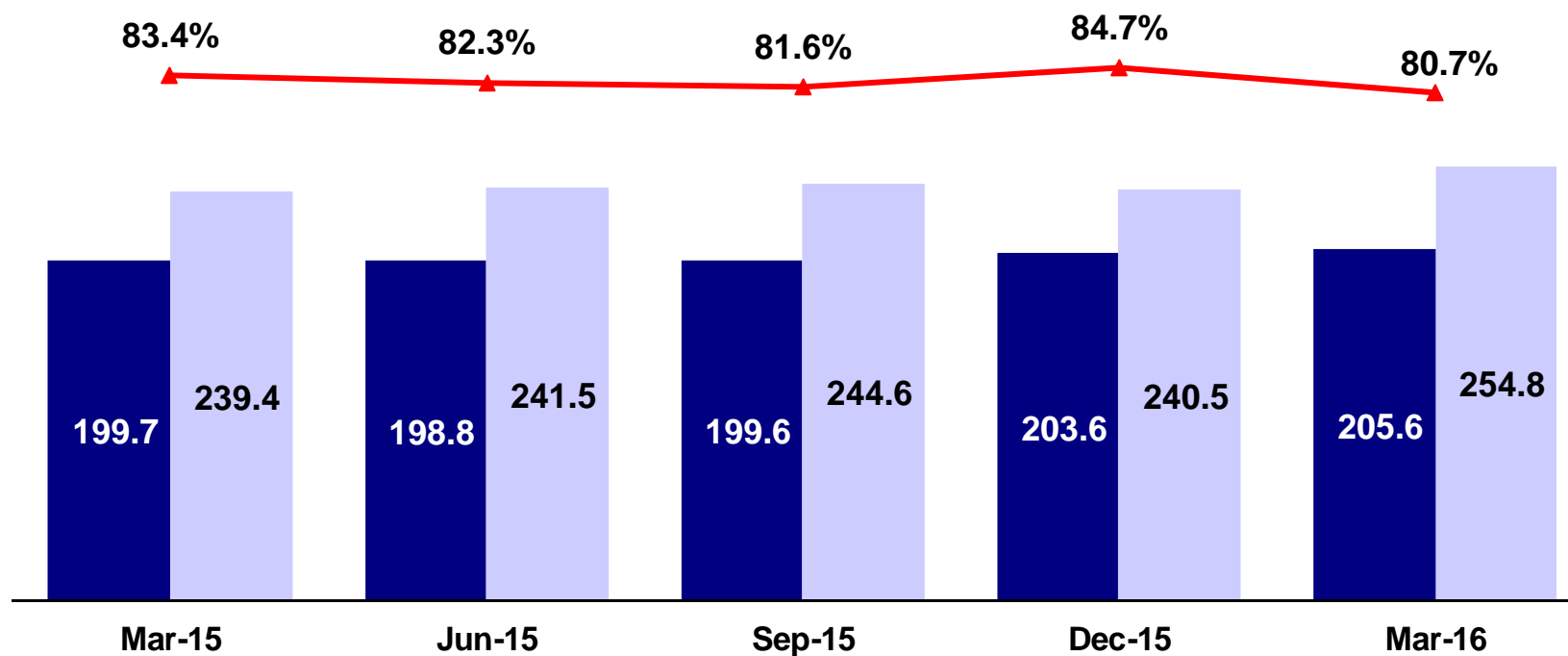
**Mar-16**



**Mar-15**



## Customer Loans and Deposits; LDR and LCR



■ Net Customer Loans (\$b)    
 ■ Customer Deposits (\$b)    
 ▲ Loan/Deposit Ratio (LDR) (%)

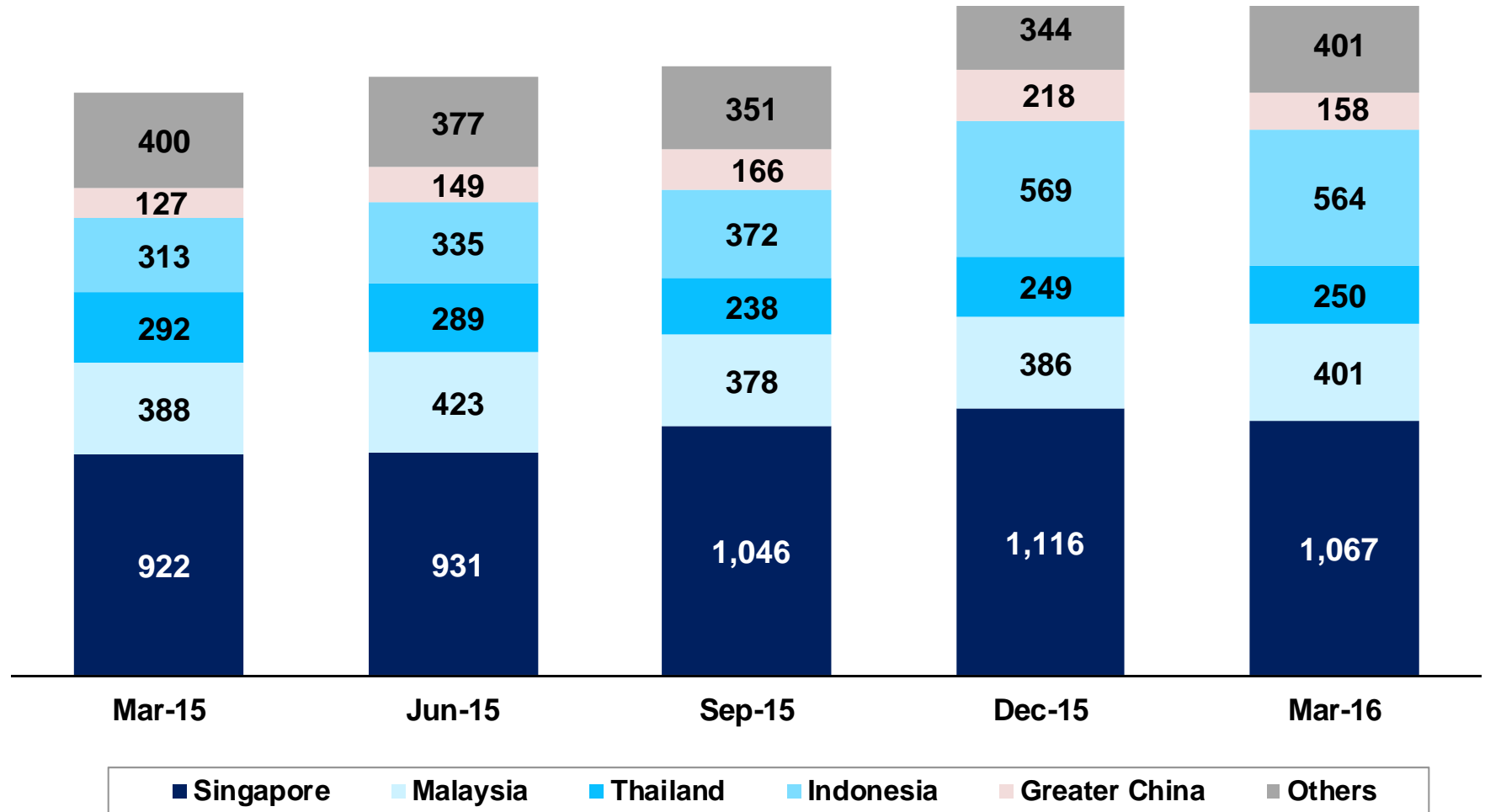
SGD LDR (%)	94.5	91.9	88.4	91.7	88.1
USD LDR (%)	58.0	54.9	59.8	65.6	56.7
SGD LCR (%) <sup>1</sup>	150	165	179	217	169
Total LCR (%) <sup>1</sup>	140	152	138	142	139

<sup>1</sup> Average for quarters

*Note* : LDR is computed using net loans over customer deposits. If gross loans is used SGD LDR would have been 93.7% and 90.0% respectively at 31 December 2015 and 31 March 2016.

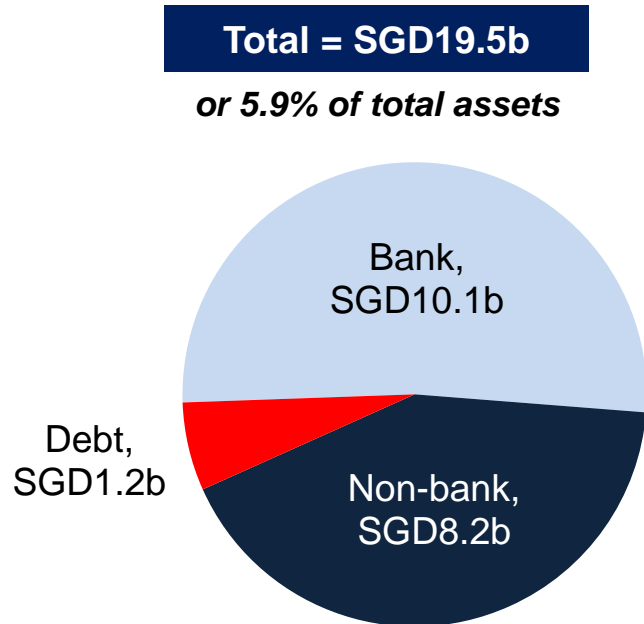
# NPL Ratio at 1.4%

NPL (\$m)	2,442	2,504	2,551	2,882	2,841
NPL Ratio	1.2%	1.2%	1.3%	1.4%	1.4%



Note : Non-performing loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

# Exposure to China



## Bank exposure in China

- 99% with <1 year tenor
- Around 75% accounted for by top 5 domestic banks and policy banks
- Trade exposures mostly with bank counterparties, representing around half of bank exposure

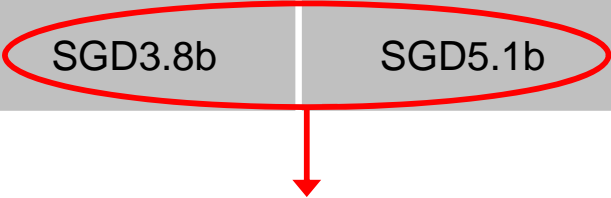
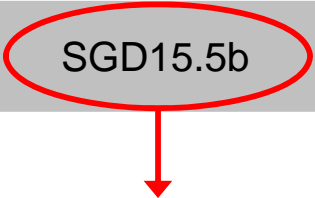
## Non-bank exposure in China

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

# Exposure to Commodities

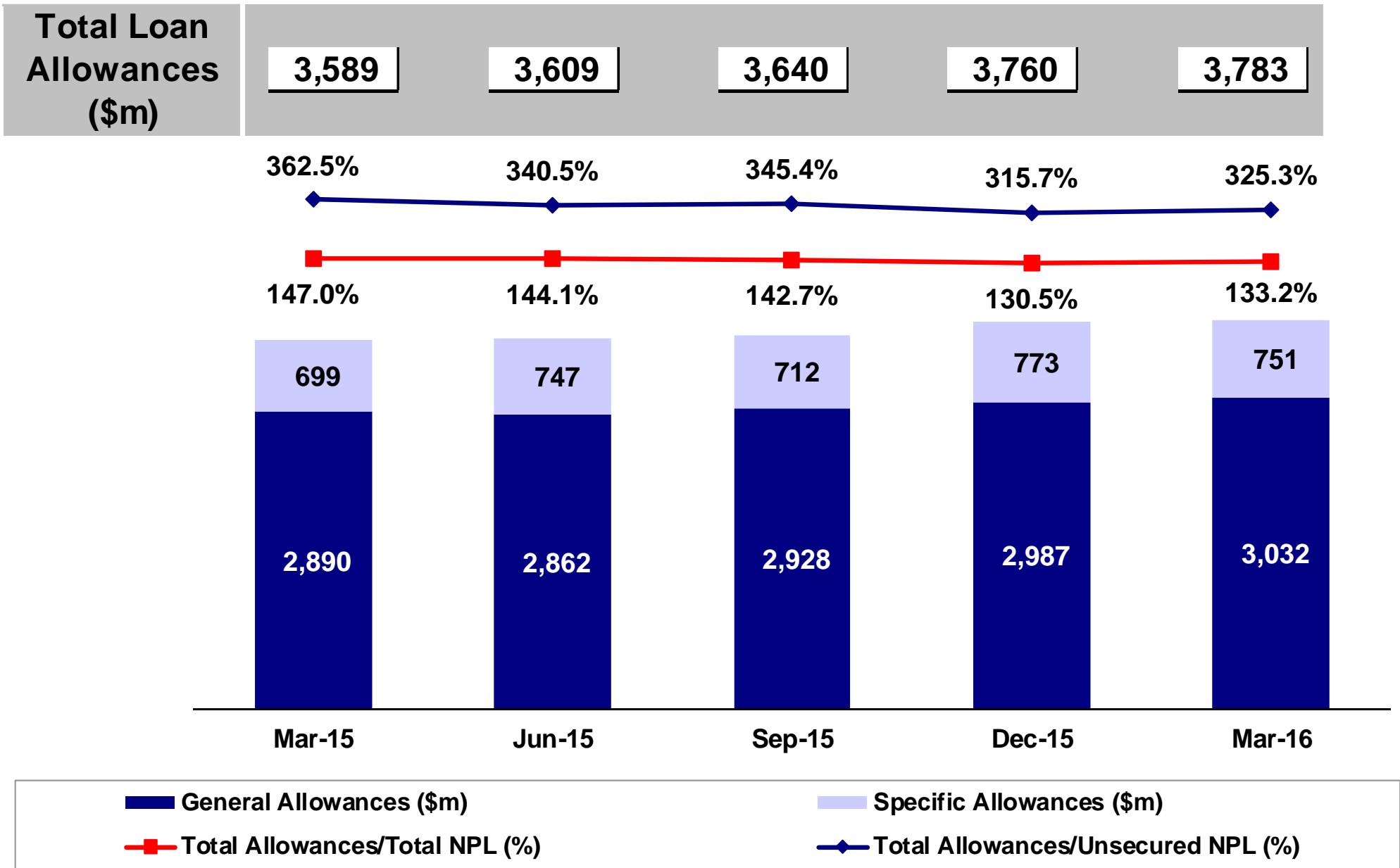
As of 31 Mar 16	Oil and gas		Other commodity segments	Total
	Upstream industries	Traders/ downstream industries		
Total exposure <sup>1</sup>	SGD4.6b	SGD8.4b	SGD8.8b	SGD21.8b
Outstanding loans	SGD3.8b	SGD5.1b	SGD6.5b	SGD15.5b

- Total exposure, including off-balance sheet items, stood at SGD21.8b as of 31 Mar 2016
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

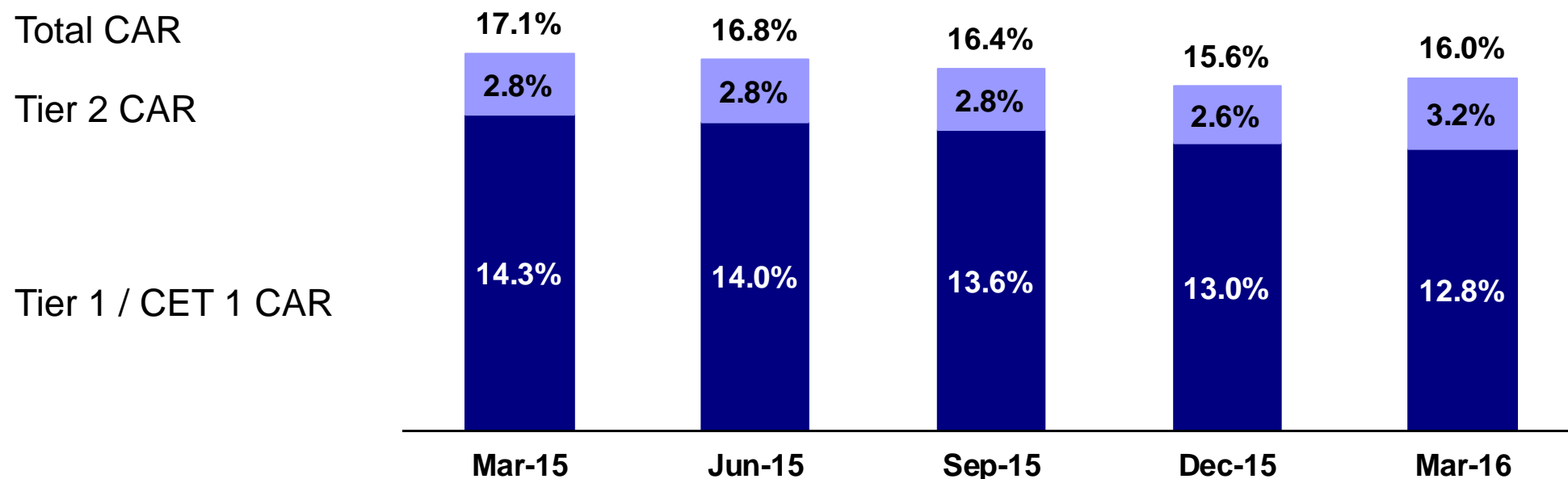
1. Total exposure comprises outstanding loans and contingent liabilities

# Strong Allowances Coverage



# Capital Ratios Remained Strong

## Capital Adequacy Ratios (CAR)



CET1 Capital (\$b)	26	25	25	26	26
Tier 1 Capital (\$b)	26	25	25	26	26
Total Capital (\$b)	31	30	30	31	32
RWA (\$b)	182	182	186	201	202
Fully loaded CET1 (%) <sup>1</sup>	12.8	12.5	12.2	11.7	12.1
Leverage ratio (%) <sup>2</sup>	7.6	7.6	7.2	7.3	7.0

<sup>1</sup> Based on final rules effective 1 Jan 2018.

<sup>2</sup> 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.





Thank you

