



UOB Group

Steady Performance and Resilient Balance Sheet amidst Volatile Markets

August 2016

Disclaimer: This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB accepts no liability whatsoever with respect to the use of this document or its content.

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Agenda

- ① Overview of UOB Group
- ② Macroeconomic Outlook
- ③ Strong UOB Fundamentals
- ④ Our Growth Drivers
- ⑤ Latest Financials



Overview of UOB Group

UOB Overview

Founding

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong

Expansion

UOB has grown over the decades through organic means and a series of acquisitions. It is today a leading bank in Asia with an established presence in the ASEAN region. The Group has an international network of around 500 offices in 19 countries and territories.

Note: Financial statistics as at 30 June 2016.

1. FX rate used: USD 1 = SGD 1.34985 as at 30 June 2016.

2. Based on final rules effective 1 January 2018.

3. Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015.

4. Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.

5. Computed on an annualised basis.

6. Average for 2Q16.

Key Statistics for 1H16

■ Total assets	: SGD321.6b (USD238.3b ¹)
■ Shareholder's equity	: SGD31.3b (USD23.2b ¹)
■ Gross loans	: SGD212.3b (USD157.3b ¹)
■ Customer deposits	: SGD248.2b (USD183.9b ¹)
■ Common Equity Tier 1 CAR	: 13.1%
■ Fully-loaded Common Equity Tier 1 CAR ²	: 12.2%
■ Leverage ratio ³	: 7.4%
■ ROA	: 0.97% ⁵
■ ROE ⁴	: 10.5% ⁵
■ NIM	: 1.73% ⁵
■ Non-interest/Total income	: 37.8%
■ NPL ratio	: 1.4%
■ Loans/Deposits ratio	: 84.0%
■ Average all-currency liquidity coverage ratio	: 167% ⁶
■ Cost / Income	: 45.6%
■ Credit Ratings	:

	Moody's	S&P	Fitch
Issuer Rating (Senior Unsecured)	Aa1	AA–	AA–
Outlook	Negative	Stable	Stable
Short Term Debt	P-1	A-1+	F1+

A Leading Singapore Bank with Established Franchise in Core Market Segments



Group Retail

- Best Retail Bank in Singapore¹
- Strong player in credit cards and private residential home loan business

Group Wholesale Banking

- Best SME Banking¹
- Seamless access to regional network for our corporate clients

Global Markets and Investment Management

- Strong player in Singapore dollar treasury instruments
- UOB Asset Management is one of Singapore's most awarded fund managers²

UOB Group's recognition in the industry

The Banker
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926



Bank of the Year, Singapore



Best Bank in Singapore

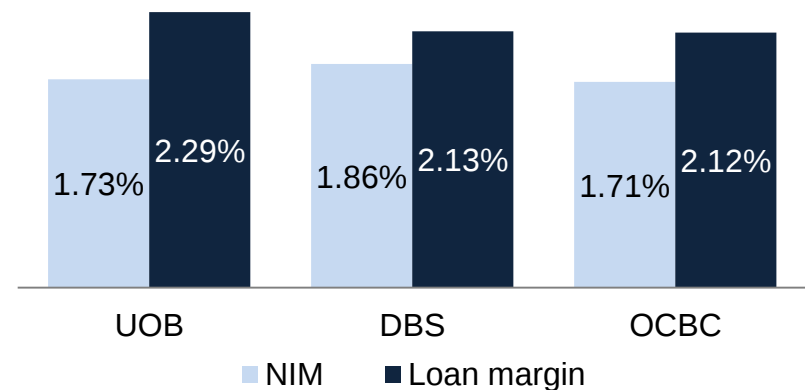


Best Retail Bank in Singapore
Best SME Banking

Source: Company reports.

1. The Asian Banker Excellence in Retail Financial Services International Awards 2011 (Retail and SME Banking), 2012 & 2014 (Retail Banking).
2. The Edge Lipper – Singapore Fund Awards, 2014.

Higher 1H16 loan margin than local peers

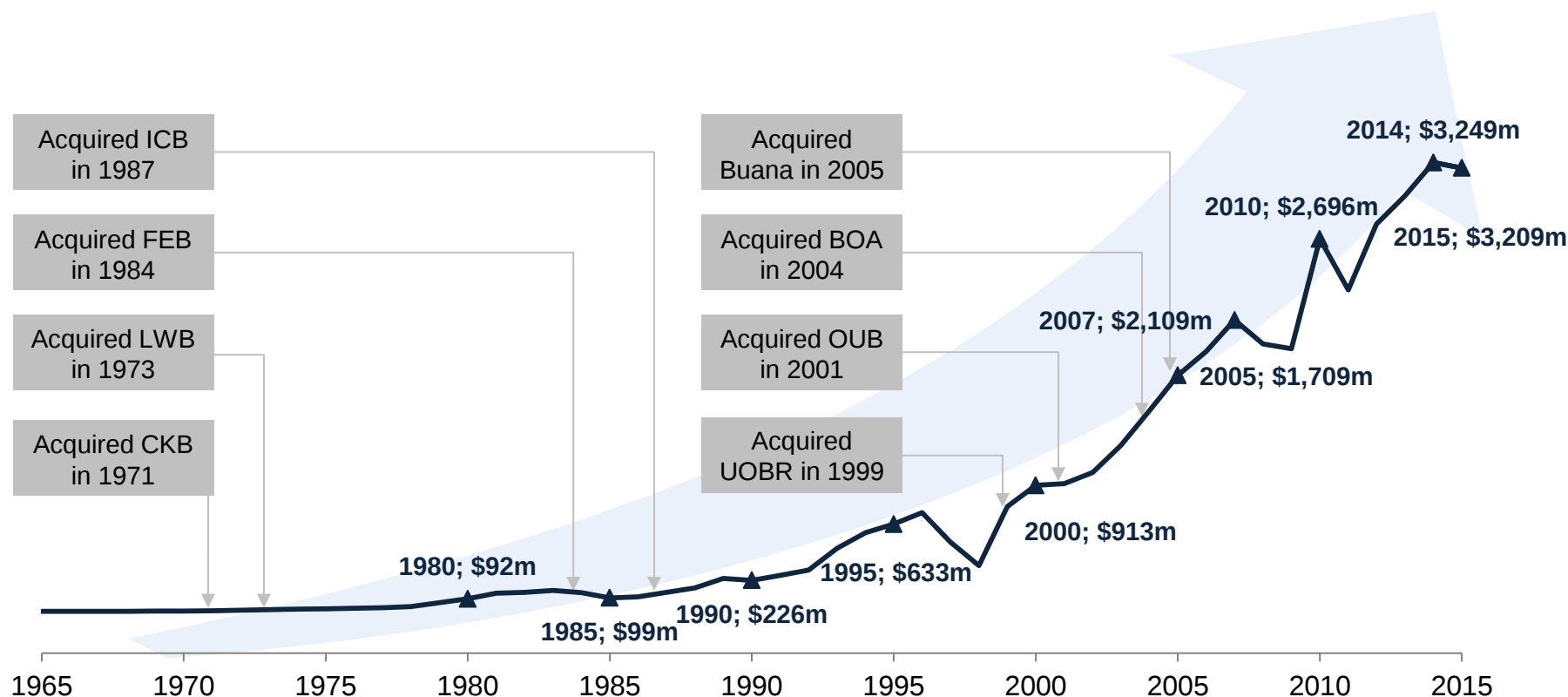


Loan margin is the difference between the rate of return from customer loans and costs of deposits.

Source: Company reports.

Proven Track Record of Execution

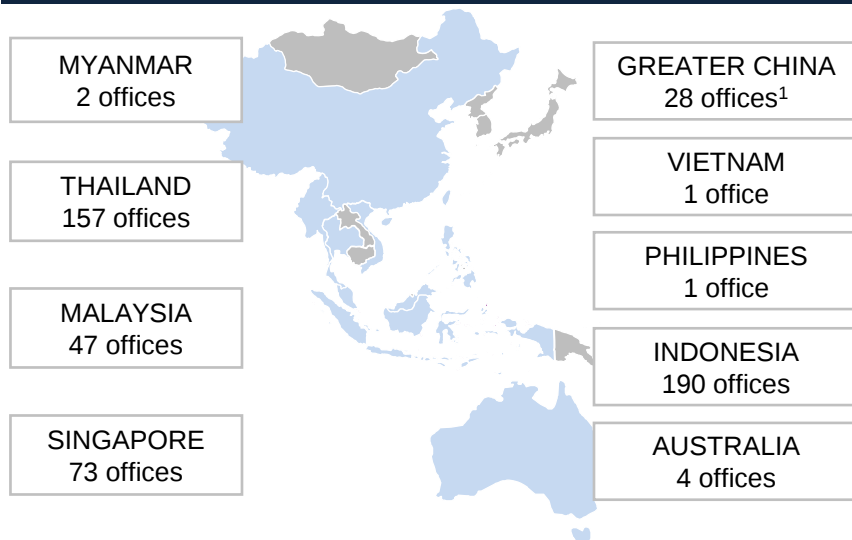
- UOB Group's management has a proven track record in steering the Group through various global events and crises.
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group's overall resilience and sustained performance



Note: Bank of Asia Public Company Limited ("BOA"), Chung Khiaw Bank Limited ("CKB"), Far Eastern Bank Limited ("FEB"), Industrial & Commercial Bank Limited ICB ("ICB"), Lee Wah Bank Limited ("LWB"), Overseas Union Bank Limited ("OUB"), Radanasin Bank Thailand "UOBR".

Expanding Regional Banking Franchise

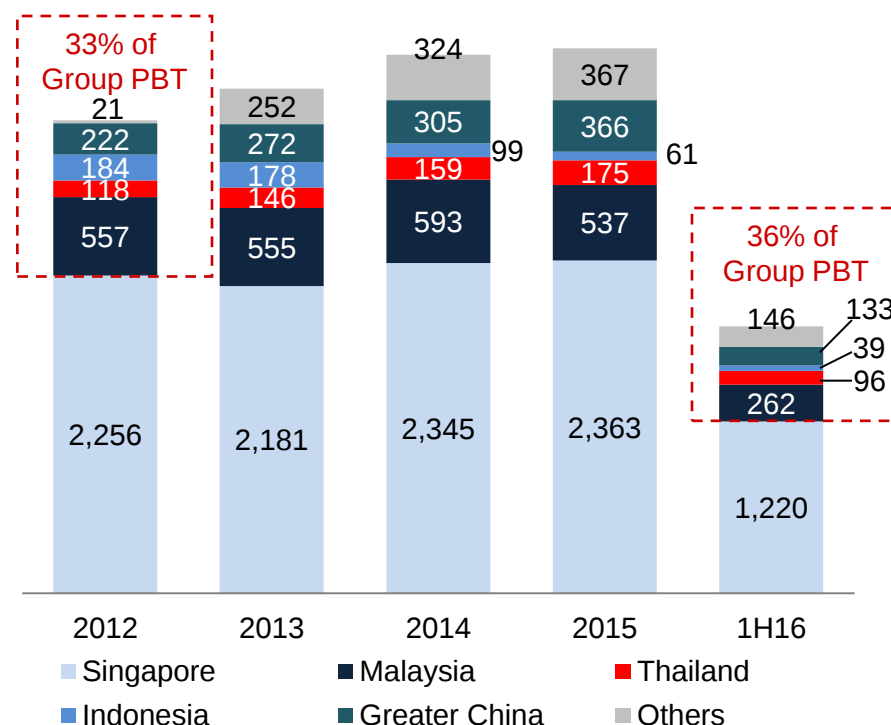
Extensive Regional Footprint with c.500 Offices



- Most diverse regional franchise among Singapore banks; effectively full control of regional subsidiaries
- Integrated regional platform improves operational efficiencies, enhances risk management and provides faster time-to-market and seamless customer service
- Simultaneous organic and inorganic growth strategies in emerging/new markets of China and Vietnam
- Aim for region to contribute 40% of Group's PBT in medium term

Profit Before Tax and Intangibles by Region

(SGD m)



Established regional network with key South East Asian pillars, supporting fast-growing trade, capital and wealth flows

1. UOB owns c13% in Evergrowing Bank in China.

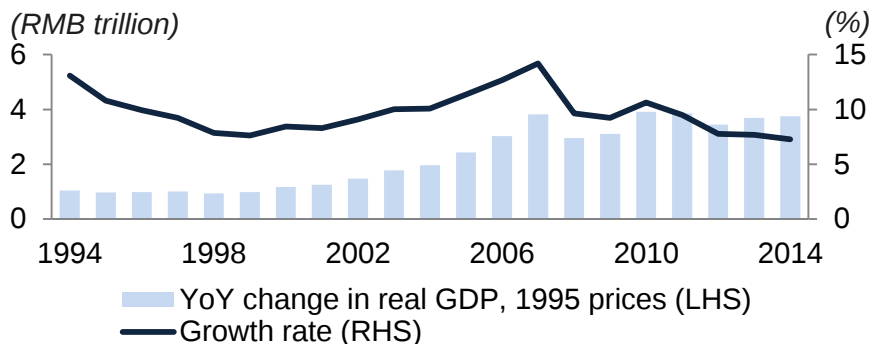


Macroeconomic Outlook

China's Growth Slower but Low Risk of Hard-Landing

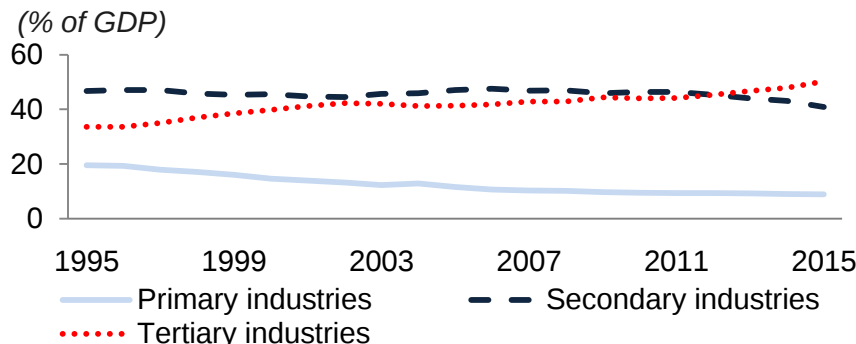
- While China's GDP growth rate is slowing, the annual increase in absolute GDP has been stable.
- The Chinese economy has its underlying momentum, supported by rebalancing reforms and steady job market.
- Low government debt underpins China's fiscal capacity, which could help mitigate "black swan" events
- Base case scenario for China: slow and unexciting growth, RMB sideways, global economy muddling along dragged down by Europe and Japan in deflationary and low yield environment.

China "New Normal": Quality Versus Quantity



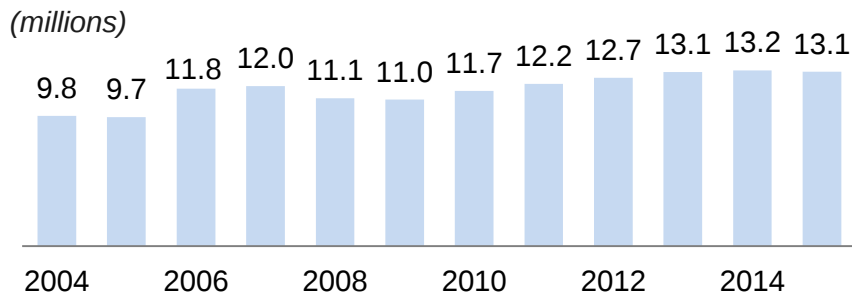
Source: IMF, UOB Global Economics & Markets Research est

Structural Shift of China's Economy



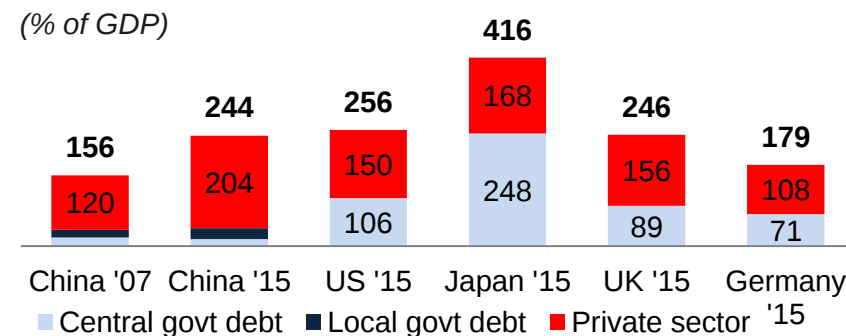
Source: CEIC, UOB Global Economics & Markets Research est

Annual Employment Changes



Source: CEIC, UOB Global Economics & Markets Research est

Source of China Debt Risk

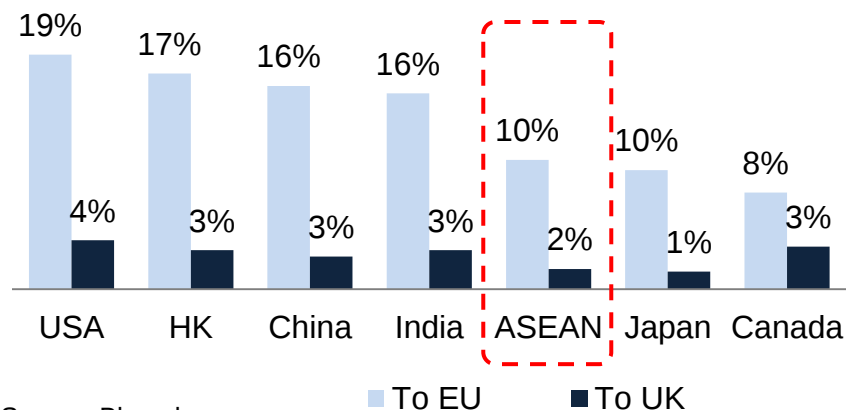


Source: China NAO, CEIC, IMF, OECD, UOB Global Economics & Markets Research est

Brexit Impact On Asian Markets via Trade and Investment Channels

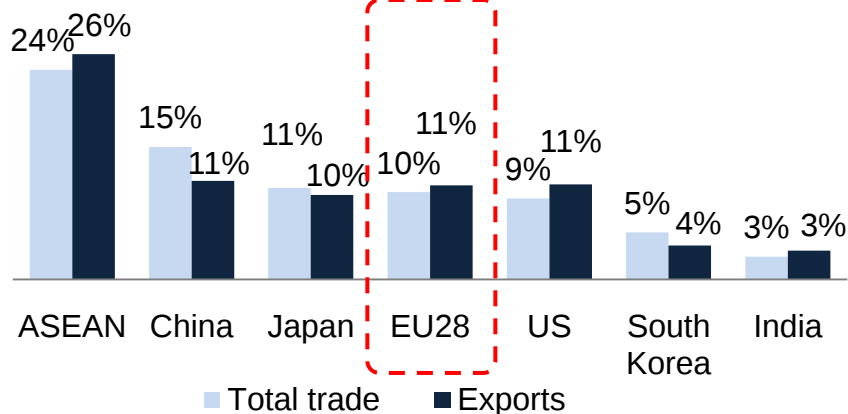
- It is a challenge to quantify Brexit effects with certainty at this stage.
- The immediate impact on Asian economies is likely to be limited and shallow, considering the low export reliance.
- If adverse impact of Brexit spreads to the broader European Union, however, this could have a more significant impact on Asia given the trade and investment links. As a bloc, EU represented 10.3% of ASEAN's total exports and 16% of FDI in 2015.

EU & UK Export Mix of Selected Partners (2015)



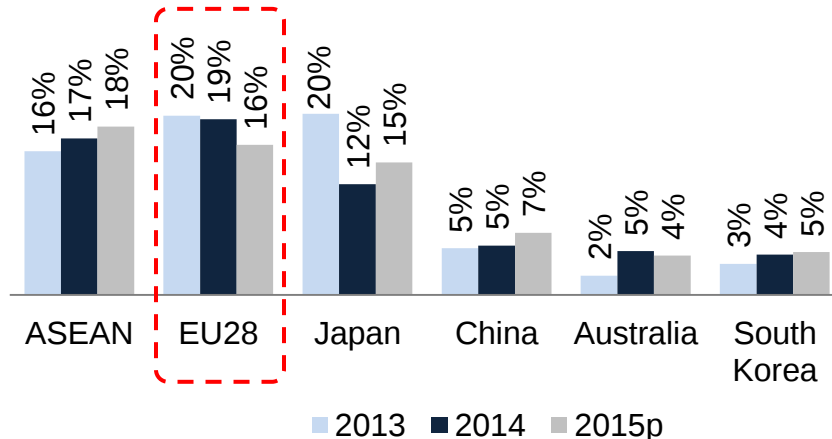
Source: Bloomberg

ASEAN's Trade/Export Mix by Key Partners (2015)



Source: ASEAN Secretariat

ASEAN's Net FDI Flows by Key Partners (2015)



Source: ASEAN Secretariat

Implication on Regional Policy Rates

	3Q15	4Q15	1Q16	2Q16	3Q16f	4Q16f	1Q17f	2Q17f	3Q17f	4Q17f
US Fed Funds	0.25	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25
SG 3M SOR	1.24	1.70	0.81	0.81	0.90	1.10	1.35	1.50	1.55	1.70
MY Overnight Policy Rate	3.25	3.25	3.25	3.25	3.00	3.00	3.00	3.00	3.00	3.00
TH 1-Day Repo	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
ID 7-Day Reverse Repo	6.25	6.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00
CH 1-Year Deposit Rate	1.75	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00

- Regional monetary policies have either diverged or maintained status quo against the first Fed Reserve hike and we still expect this trend to continue.
- Market-based instruments have persistently under priced US rate hikes. Yellen has been dovish, giving rise to the possibility of downward bias in official projections.
- Stabilisation of and appreciation in regional currencies have enabled greater flexibility for regional central banks to ease policy.

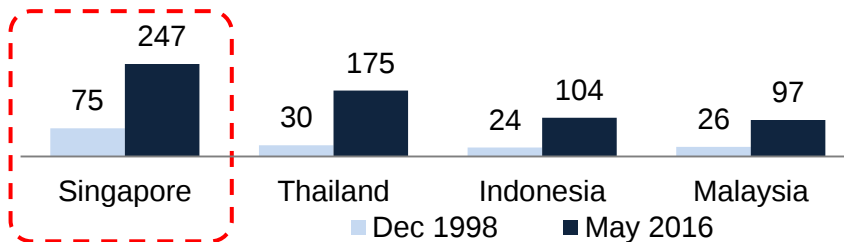
Southeast Asia: Resilient Key Markets

Long-term fundamentals and prospects of key Southeast Asia have greatly improved since the 1997 Asian Financial Crisis. Compared with 1997, they have:

- Significantly higher levels of foreign reserves
- Healthier current account and balance of payment positions
- Lower levels of corporate leverage
- Lower levels of foreign currency debts

Asian Foreign Reserves

(USD billion)

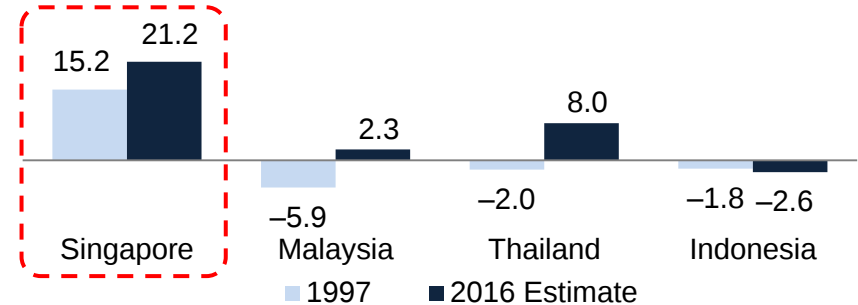


2015 foreign reserves include foreign currency reserves (in convertible foreign currencies)

Source: IMF

Current Account as % of GDP

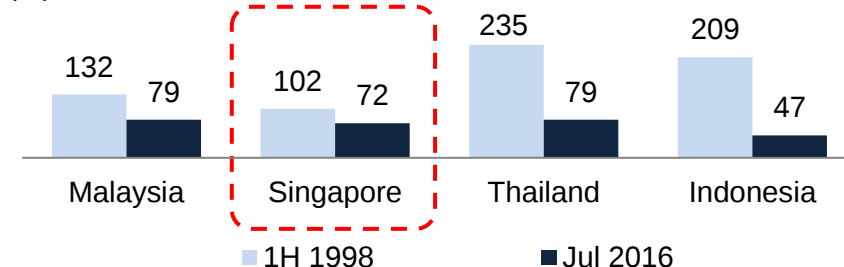
(%)



Source: IMF

Asian Corporates: Total Debt to Equity Ratio

(%)

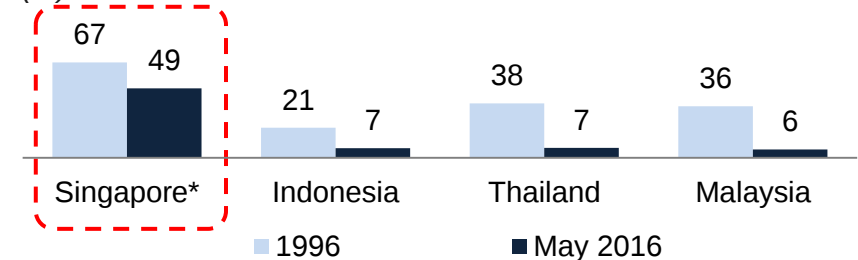


Total debt to equity ratio = total ST and LT borrowings divided by total equity, multiplied by 100

Sources: MSCI data from Bloomberg

Foreign Currency Loans as % of Total Loans

(%)



* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units

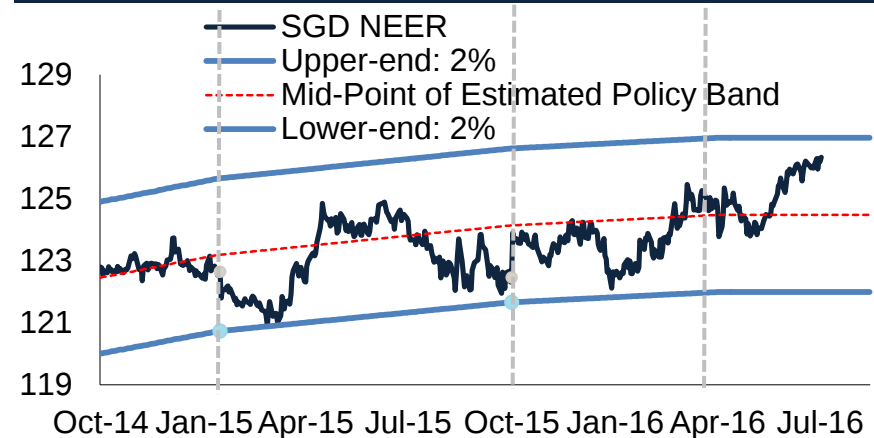
Sources: Central banks

We Expect Singapore GDP Growth Slightly Stronger at 2.2% in 2016

- Singapore's GDP grew 2.2% y/y in 2Q16, as the manufacturing sector finally registered a 1.1% y/y growth, after contracting for the past six consecutive quarters. However, the services sector growth of 1.7% y/y was the slowest on record since the 2008 global financial crisis.
- We forecast 2016 GDP to grow 2.2% on the back of the low base in 2015, as well as the continued improvement in the US economy.
- We expect core inflation to edge higher to average 1.0% this year, from 0.5% in 2015 as the base effects of lower commodity prices and government subsidies from last year wear off.

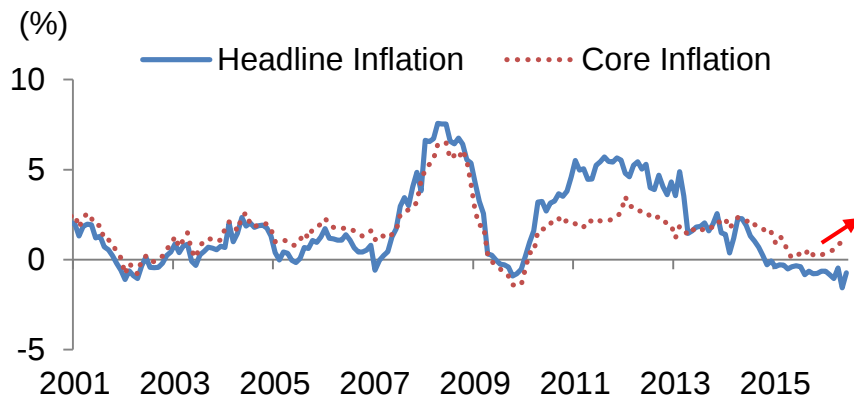
Source: UOB Global Economics & Markets Research

Neutral Stance Adopted In April 2016



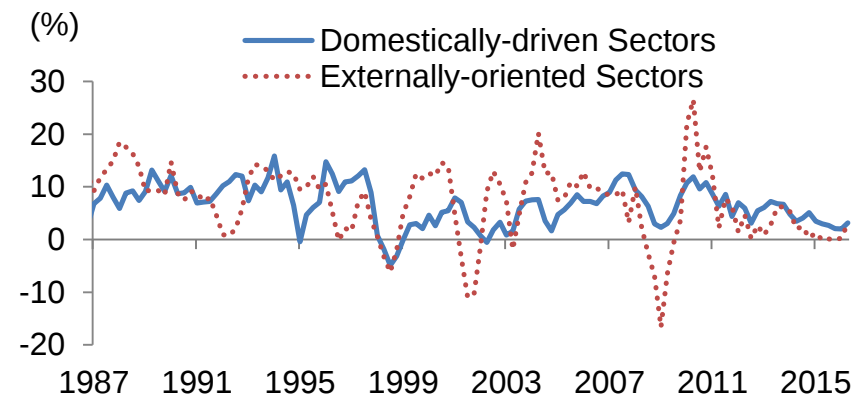
Source: CEIC, UOB Global Economics & Markets Research

2016 Core Inflation To Average 1.0%



Source: Singapore Department of Statistics

External Sectors Slowed Considerably



Source: Singapore Department of Statistics

ASEAN Banking Sector: Strong Fundamentals Remain Intact

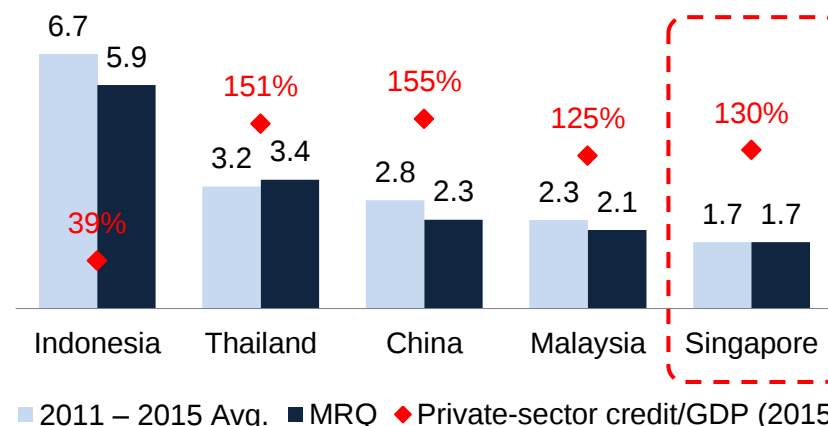
Key Banking Trends

- ASEAN banks have healthy capital and funding levels
 - Singapore banks have among the highest capital ratios in the region
 - As solvency is not generally an issue in ASEAN, focus would be on putting the excess capital to productive uses
- Policy changes in regulation, liquidity, rates and sector consolidation are shaping the ASEAN banking business models going forward

Source: Research estimates, Monetary Authority of Singapore

Higher NIM in Lightly Penetrated Markets

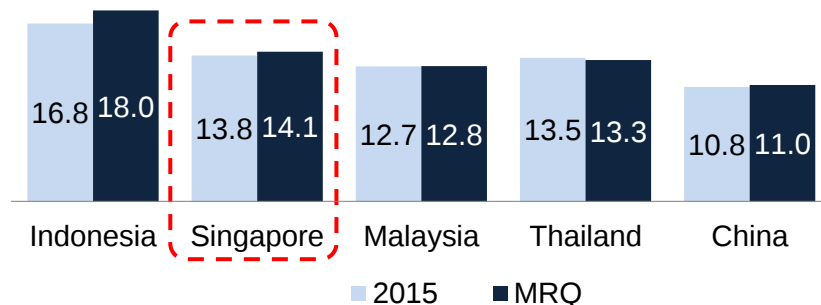
(Net interest margin and private-sector credit / GDP, in %)



Source: SNL, Research estimates, World Bank

Robust Capital Positions

(Tier 1 CAR, in %)

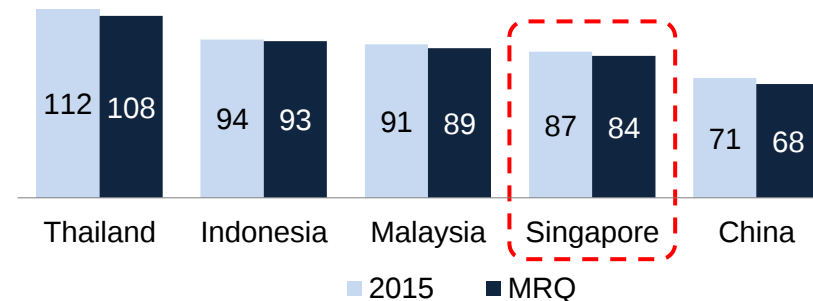


Source: SNL, Research estimates

Note: MRQ refers to the most recent quarter financials available for each bank

Stable Funding; Adequate Loan/Deposit Ratios

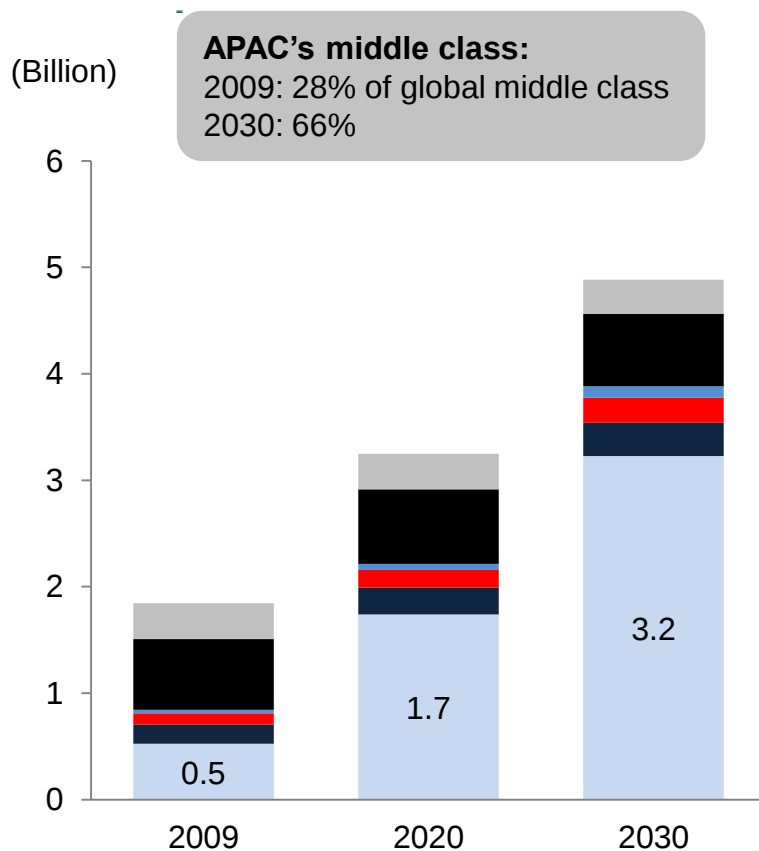
(Loan-to-deposit ratio, in %)



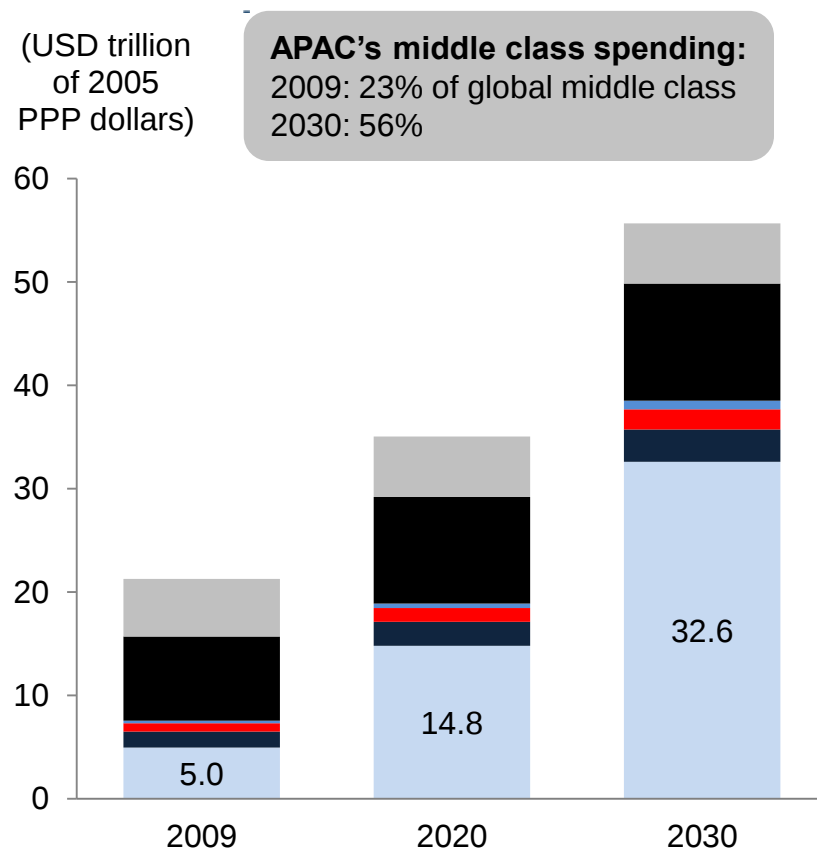
Source: SNL, Research estimates

Prospects for Asia Optimistic with Growing Population and Consumer Affluence

Growing Global Middle Class

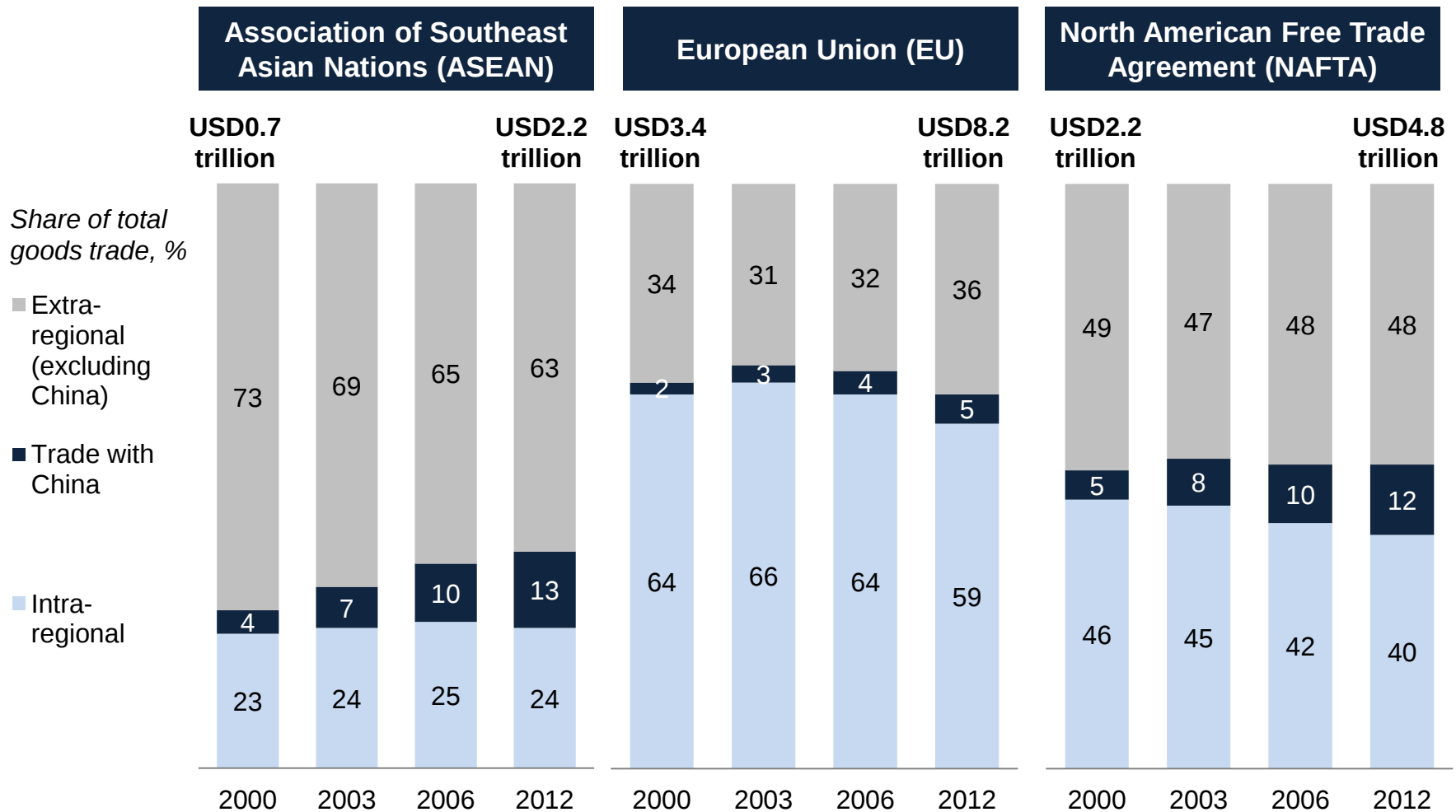


Spending by Global Middle Class



■ Asia Pacific
 ■ LatAm
 ■ Middle East & North Africa
 ■ Sub Saharan Africa
 ■ Europe
 ■ North America

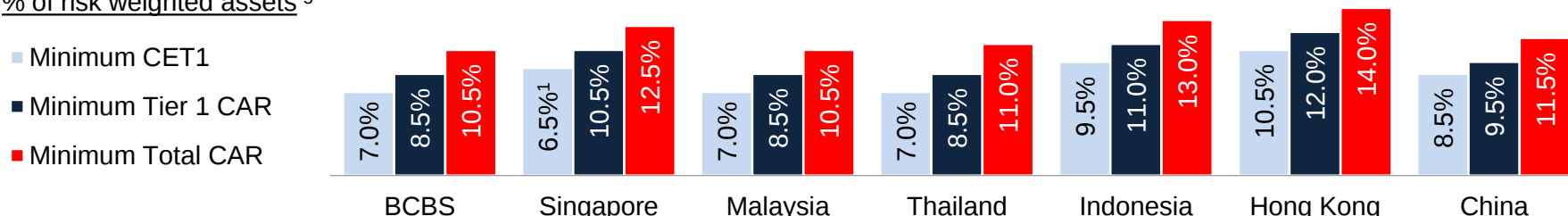
Room for More Optimism on Intra-Regional Trade in the ASEAN region



Basel III across the Region

	BCBS	Singapore	Malaysia	Thailand	Indonesia	Hong Kong	China
							
Minimum CET1 CAR	4.5%	6.5% ¹	4.5%	4.5%	4.5%	4.5%	5.0%
Minimum Tier 1 CAR	6.0%	8.0% ¹	6.0%	6.0%	6.0%	6.0%	6.0%
Minimum Total CAR	8.0%	10.0% ¹	8.0%	8.5%	8.0%	8.0%	8.0%
Full Compliance	Jan-15	Jan-15	Jan-15	Jan-13	Jan-14	Jan-15	Jan-13
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Full Compliance	Jan-19	Jan-19	Jan-19	Jan-19	Jan-19	Jan-19	Jan-19
Countercyclical Capital Buffer ²	Up to 2.5%	Up to 2.5%	Up to 2.5%	Up to 2.5%	Up to 2.5%	Up to 2.5% ³	Up to 2.5%
Full Compliance	Jan-19	Jan-19	Pending	Jan-19	Jan-19	Jan-19	Jan-19
D-SIB	–	2.0%	Pending	Pending	1.0% – 2.5%	1.0% – 3.5%	1.0% ⁴
G-SIB	1.0% – 3.5%	n/a	n/a	n/a	n/a	n/a	1.0% ⁴
Minimum Leverage Ratio	3.0%	Pending	3.0%	3.0%	3.0%	3.0%	4.0%
Full Compliance	2018	Pending	2018	2018	2018	2018	2013

% of risk weighted assets ⁵



Source: Regulatory notifications and rating reports.

1. Includes 2% for D-SIB buffer for the three Singapore banks.
2. Each local regulator determines its own level of countercyclical capital buffer to accumulate capital in periods of economic expansion.
3. HKMA has set a CCyB of 2.5% to be phased in over a period of 3 years. In 2016, the CCyB requirement is 0.625% of RWA.
4. In China, G-SIBs are only subject to the higher of G-SIB and D-SIB buffer
5. Minimum ratios on a fully-loaded basis, including capital conservation buffer and D-SIB capital surcharge, but excluding countercyclical capital buffer and G-SIB

Resolution Regime Overview

Resolution Regime in Asia

Country		Public discussion	Existing resolution powers	Factors influencing views on bail-in ¹	How past resolution been handled
Singapore		Yes	Statutory bail-in proposed to apply to only subordinated debt	Role as an global financial hub; strength of system; good coordination between regulator and local banks	Crisis prevention tools; no record of bank failures in the past
Indonesia		No	Transfer powers; no statutory bail-in	<i>History of public sector bailouts</i>	Liquidation; public funds
Hong Kong		Yes, ended	Transfer powers; statutory bail-in proposed	Role as an international financial centre and presence of G-SIBs	Liquidation; public funds; M&A
China		No	Transfer powers; no statutory bail-in	<i>Risk of contagion in debt market; role of government in banking sector</i>	Capital injections; NPL disposals; forbearance

1. **Bold text** indicates factors in favor of implementing a bail-in regime; *italic text* indicates factors against

Resolution Regime: Priorities for 2015 ²

As per Financial Stability Board (FSB), any systemically significant financial institution that fails should be subject to a resolution regime as set out in *The Key Attributes of Effective Resolution Regimes for Financial Institutions*. In Nov 2015, the FSB released two finalised guidance papers on the Principles for Cross-border Effectiveness of Resolution Actions, and Guidance on Cooperation and Information Sharing with Host Authorities of Jurisdictions.

- Jurisdictions should have in place a transparent and efficient process for resolution measures by a foreign resolution authority to have cross-border effect, provided that domestic creditors are treated equitably.
- Authorities must have the confidence that resolution powers are legally enforceable, especially where instruments are governed by a foreign law.
- Jurisdictions should continue to develop statutory frameworks but in the interim use contractual approaches to aid the enforceability of resolution actions. Even after implementation of statutory frameworks, contractual approach can continue to complement such regimes.

2. Source: Financial Stability Board's *The Key Attributes of Effective Resolution Regimes for Financial Institutions*

Note: Malaysia and Thailand have yet to implement a framework for resolution regime.



Strong UOB Fundamentals

Strong UOB Fundamentals

Strong Management with Proven Track Record

- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

Consistent and Focused Financial Management

- Total income grew 2.8% yoy in 1H16, despite market volatilities
- Continue to invest in building long-term capabilities in a discipline manner
- Stable credit costs at 32bp

Disciplined Management of Capital, Liquidity and Balance Sheet

- Strong capital base; fully-loaded Common Equity Tier 1 capital adequacy ratio of 12.2% as at 30 June 2016
- Liquid and well diversified funding mix with loan/deposits ratio at 84.0%
- Stable asset quality, with a diversified loan portfolio, and high reserves buffer

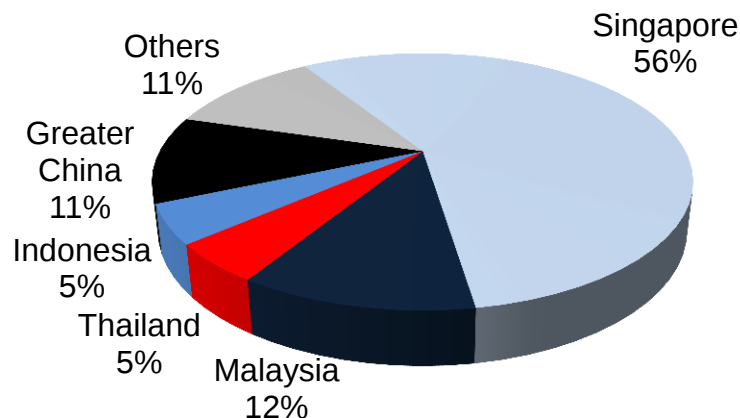
Delivering on Regional Strategy

- Holistic regional bank with effective full control of subsidiaries in key markets
- Focus on profitable niche segments and intra-regional needs of customers
- Entrenched local presence: ground resources and integrated regional network to better address the needs of our targeted segments

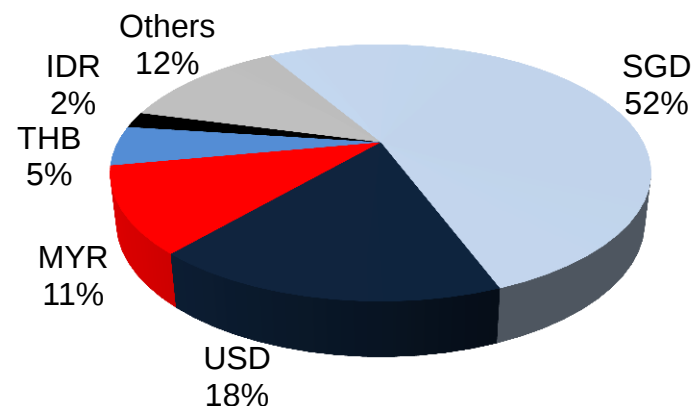
***UOB is focused on the basics of banking;
Stable management team with proven execution capabilities***

Diversified Loan Portfolio

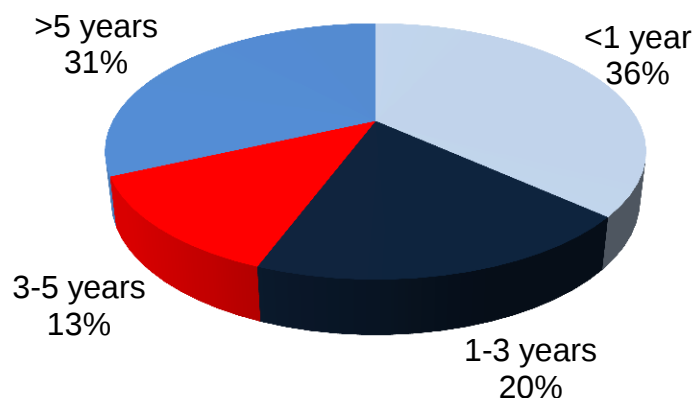
Gross Customer Loans by Geography ¹



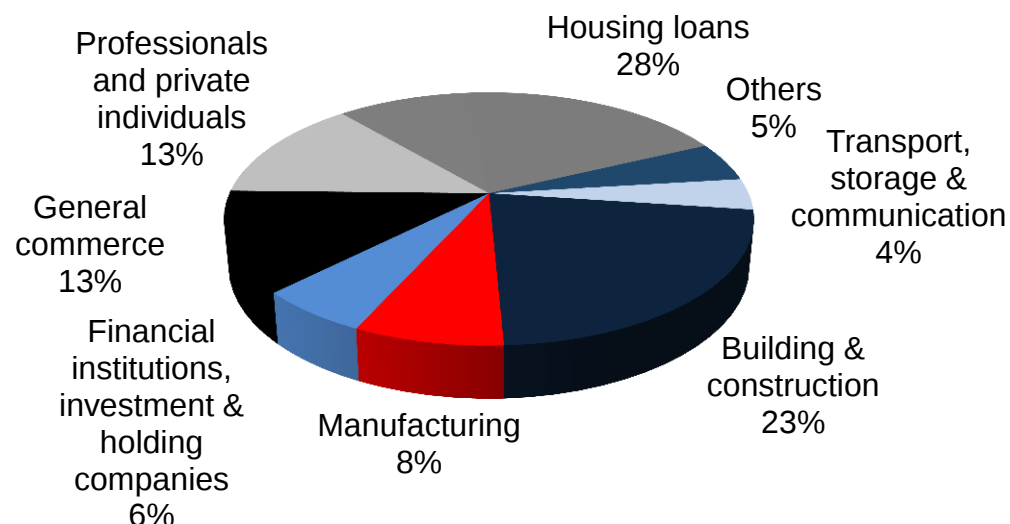
Gross Customer Loans by Currency



Gross Customer Loans by Maturity



Gross Customer Loans by Industry



Note: Financial statistics as at 30 June 2016.

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).

Competitive Against Peers

				Standalone Strength	Efficient Cost Management	Competitive ROAA ¹	Well-Maintained Liquidity
Moody's	S&P	Fitch		Moody's baseline credit assessment	Costs/income ratio	Return on average assets	Loan/deposit ratio
Aa1	AA-	AA-	UOB	aa3	45.6%	0.97%	84.0%
Aa1	AA-	AA-	OCBC	aa3	45.2%	1.05%	82.2%
Aa1	AA-	AA-	DBS	aa3	44.1%	1.01%	91.8%
A1	A	AA-	HSBC	a3	63.2%	0.57%	68.8%
A1	BBB+	A+	SCB	a2	66.5%	0.12%	71.5%
Baa1	A-	n.r.	CIMB	baa2	57.4%	0.70%	90.6%
A3	A-	A-	MBB	a3	48.4%	0.83%	94.7%
Baa1	BBB+	BBB+	BBL	baa2	49.4%	1.07%	88.5%
Baa3	n.r.	BBB-	BCA	baa3	63.5%	3.86%	77.9%
Baa1	BBB+	A	BOA	baa2	70.9%	0.64%	74.3%
Baa1	BBB+	A	Citi	baa2	59.5%	0.84%	67.6%
Aa2	AA-	AA-	CBA	a1	42.2%	1.10%	124.1%
Aa2	AA-	AA-	NAB	a1	41.6%	0.75%	141.3%

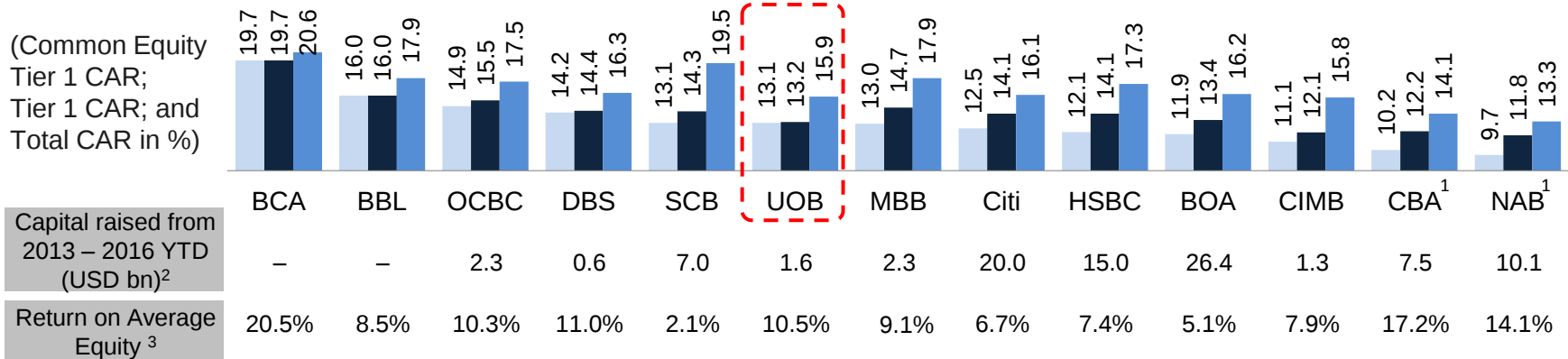
Source: Company reports, Credit rating agencies (updated as of 1 August 2016).

The financials of banks were as of 30 June 2016, except for those of CIMB, Malayan Banking Berhad (MBB), National Australia Bank (NAB) which were as of 31 Mar 2016; and Commonwealth Bank of Australia which were as of 31 Dec 2015.

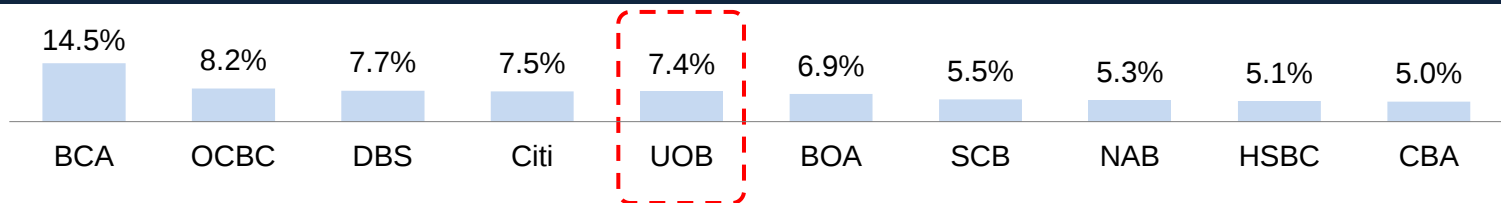
1. Computed on an annualised basis.

Strong Capitalisation and Low Gearing Ratio

Reported Common Equity Tier 1 CAR, Tier 1 CAR, Total CAR



Reported Leverage Ratio⁴



UOB is among the most well-capitalised banks, with capital ratios comfortably above regulatory requirements and high compared with some of the most renowned banks globally

Source: Company reports, Dealogic.

The financials of banks were as of 30 June 2016, except for those of CIMB, Malayan Banking Berhad (MBB), National Australia Bank (NAB) which were as of 31 Mar 2016; and Commonwealth Bank of Australia which were as of 31 Dec 2015.

1. NAB's and CBA's CET1 ratios are computed based on APRA's standards
2. From 1 Jan 2013 till 1 Aug 2016 and includes Tier 1 capital.
3. Computed on an annualised basis.
4. Bangkok Bank PCL (BBL), Malayan Banking Berhad (MBB) and CIMB do not disclose their leverage ratio.

Strong Investment Grade Credit Ratings

Ratings

Moody's
INVESTORS SERVICE

Aa1/Stable/P-1

- 'Very strong buffers in terms of capital, loan loss provisions and pre-provision income'
- 'Funding and liquidity profiles are robust.'
- 'Diversified Singaporean and Malaysian consumer banking and services to small-and medium-sized enterprises (SMEs)'

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

AA- /Stable/A-1+

- 'Prudent management team... expect the bank to continue its emphasis on funding and capitalisation to buffer against global volatility'
- 'UOB will maintain its earnings, asset quality and capitalization while pursuing regional growth.'
- 'Above average funding and strong liquidity position'

FitchRatings

AA- /Stable/F1+

- 'Ratings reflect its strong domestic franchise, prudent management, robust balance sheet...'
- 'Stable funding profile and liquid balance sheet...'
- 'Notable credit strengths ...core capitalisation, domestic funding franchises and close regulatory oversight.'

Debt Issuance History

Issue Date	Type	Structure	Call	Coupon	Amount	Issue Rating (M / S&P / F)
Tier 1						
May-16	B3 AT1	Perpetual	2021	4.00%	SGD750m	A3 / - / BBB
Nov-13	B3 AT1	Perpetual	2019	4.75%	SGD500m	A3 / BB+ / BBB
Jul-13	B3 AT1	Perpetual	2018	4.90%	SGD850m	A3 / BB+ / BBB
Tier 2						
Mar-16	B3 T2	10½NC5½	2021	3.50%	USD700m	A2 / - / A+
May-14	B3 T2	12NC6	2020	3.50%	SGD500m	A2 / BBB / A+
Mar-14	B3 T2	10½NC5½	2019	3.75%	USD800m	A2 / BBB / A+
Oct-12	B2 LT2	10NC5	2017	2.88%	USD500m	Aa3 / A+ / A+
Jul-12	B2 LT2	10NC5	2017	3.15%	SGD1.2b	Aa3 / A+ / A+
Senior Unsecured						
Sep-14	-	5½yr FXN	-	2.50%	USD500m	Aa1 / AA- / AA-
Sep-14	-	4yr FRN	-	BBSW 3m +0.640%	AUD300m	Aa1 / AA- / AA-
Nov-13	-	3yr FRN	-	BBSW 3m +0.650%	AUD300m	Aa1 / AA- / AA-
Jun-13	-	3yr FXN	-	2.50%	CNY500m	Aa1 / AA- / AA-
Mar-12	-	5yr FXN	-	2.25%	USD750m	Aa1 / AA- / AA-
Covered						
Mar-16	Covered	5yr FXN	-	0.25%	EUR500m	Aaa / AAA / -

Debt Maturity Profile

	2016	2017	2018	2019	2020	2021
	SGDm	SGDm	SGDm	SGDm	SGDm	SGDm
May-16	-	-	-	-	-	750
Nov-13	-	-	-	500	-	-
Jul-13	-	-	850	-	-	-
Mar-16	-	-	-	-	-	945
May-14	-	-	-	-	500	-
Mar-14	-	-	-	1,080	-	-
Oct-12	-	675	-	-	-	-
Jul-12	-	1,200	-	-	-	-
Sep-14	-	-	-	675	-	-
Sep-14	-	-	301	-	-	-
Nov-13	301	-	-	-	-	-
Jun-13	102	-	-	-	-	-
Mar-12	-	1,012	-	-	-	-
Total	402	2,887	1,151	2,255	500	2,445

B2: Basel II, B3: Basel III, AT1: Additional Tier 1, T2: Tier 2, LT2: Lower Tier 2; FXN: Fixed Rate Notes; FRN: Floating Rate Notes; the table comprises public rated issues of UOB; updated as of 30 July 2016.

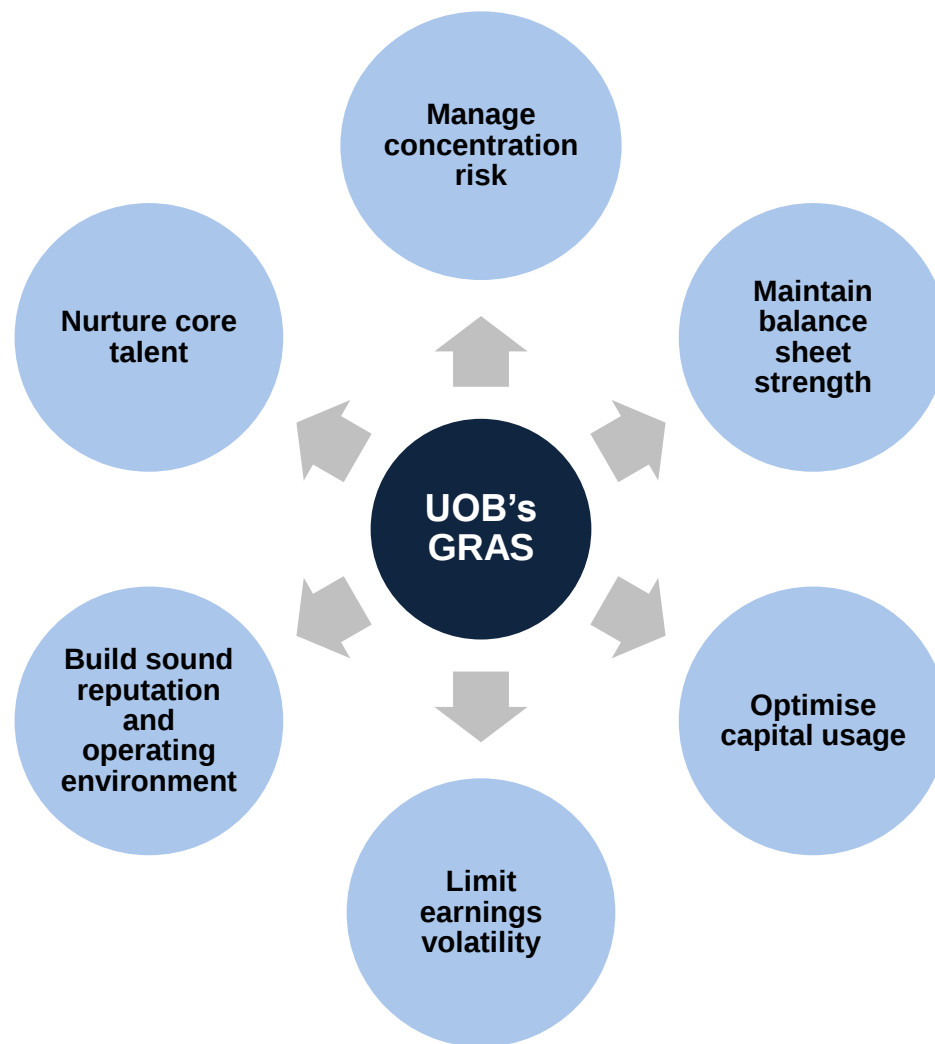
Note: Maturities shown at first call date for Capital Securities
FX rates as at 30 June 2016: USD 1 = SGD 1.35; SGD 1 = MYR 2.99; SGD 1 = HKD 5.75; SGD 1.00 = AUD 1; SGD 1 = CNY 4.92; 1 GBP = SGD 1.82; EUR 1 = SGD 1.50.

Robust Risk Management Framework

Robust Risk Management Framework	▪ Operate under strict regulatory regime; prudential rules in line with global best practices ▪ Strong risk culture; focus beyond long-term sustainability, beyond gains in short-term ▪ Focused on businesses which we understand and are well-equipped to manage ▪ Active board and senior management oversight ▪ Comprehensive risk management policies, procedures and limits governing credit risks, funding risks, interest rate risks, market risks and operational risks ▪ Regular stress tests ▪ Strong internal controls and internal audit process
Common Operating Framework across Region	▪ Standardised and centralised core banking systems completed at end-2013 ▪ Common operating framework integrates regional technology, operations and risk infrastructure, ensuring consistent risk management practices across core markets ▪ Framework anchored to Singapore head office's high corporate governance standards
Key Risks to Monitor	▪ Property-related risks: — Healthy portfolio: low NPL ratio and provisions — Majority of housing loans are for owner-occupied properties; comfortable average LTV ratio; delinquency and NPL trends regularly analysed — c.50% of property-related corporate loans are short-term development loans with diversified risks; progress, sales and cashflow forecasts of projects closely monitored ▪ Modest oil and gas exposure, with c.60% to less vulnerable downstream and traders; some weakness at upstream loans, but potential losses partly mitigated by collateral ▪ Exposure to weakening regional currencies: Extend such loans only to borrowers with foreign currency revenues; otherwise, borrowers required to hedge open positions

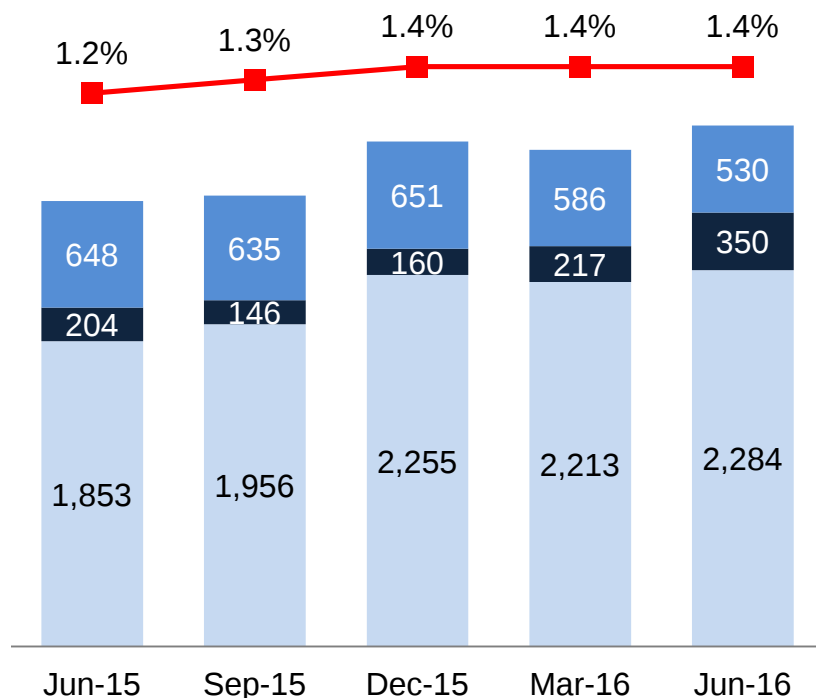
Managing Risks for Stable Growth

- Prudent approach has been key to delivering sustainable returns over the years
- Institutionalised framework through Group Risk Appetite Statement (GRAS):
 - Outlines risk and return objectives to guide strategic decision-making
 - Comprises 6 dimensions and 14 metrics
 - Entails instilling prudent culture as well as establishing policies and guidelines
 - Invests in capabilities, leverage integrated regional network to ensure effective implementation across key markets and businesses

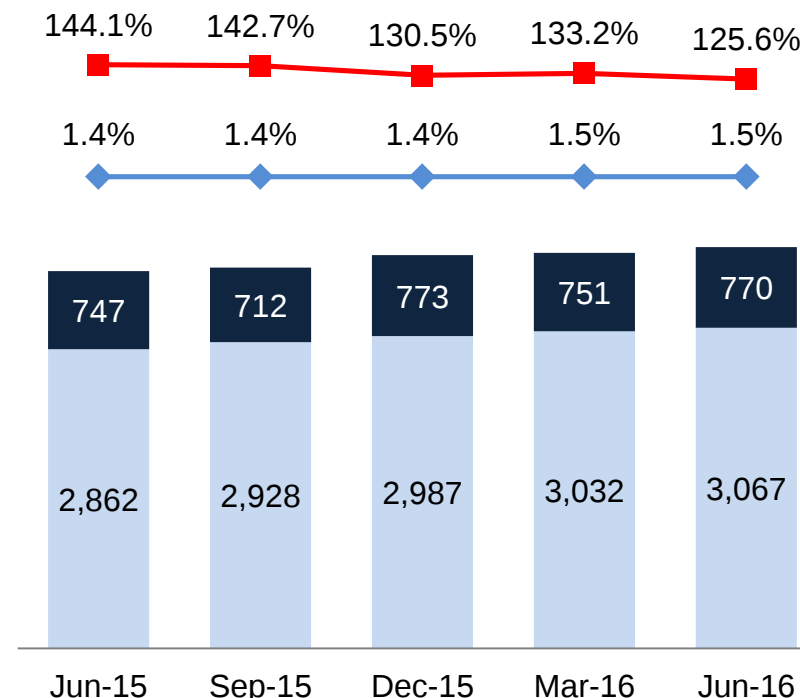


Resilient Asset Quality; High Allowances Coverage

Stable NPL Ratio



Consistently High Allowances Coverage

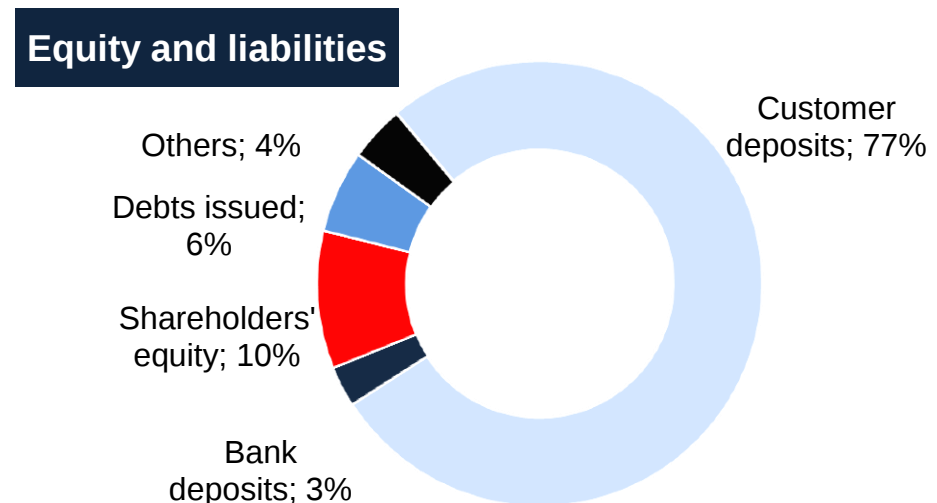
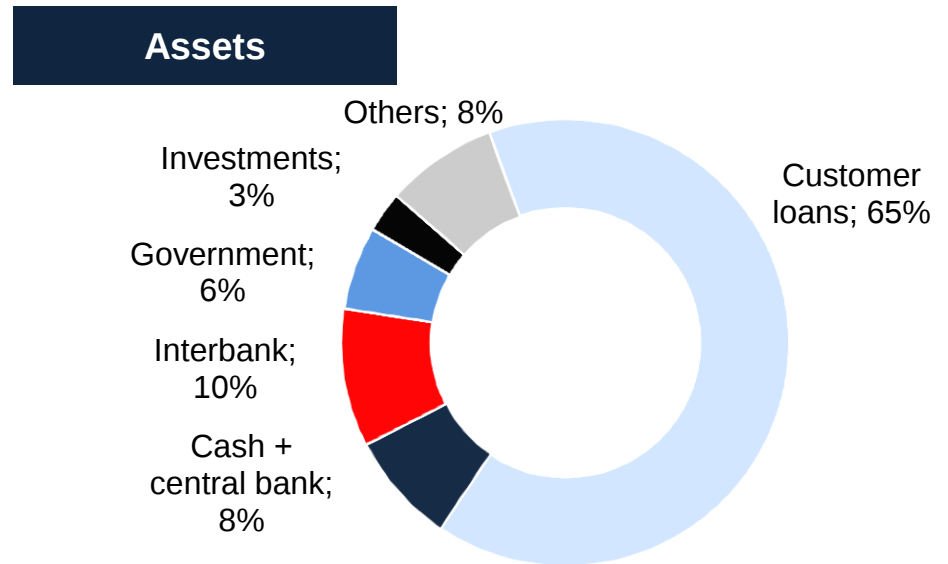


 Substandard NPA (SGD m)
 Doubtful NPA (SGD m)
 Loss NPA (SGD m)
 NPL Ratio (%)

 Specific Allowances (SGD m)
 General Allowances (SGD m)
 Total Allowances / Total NPL (%)
 General Allowances / Gross Loans net of Specific Allowances (%)

Disciplined Balance Sheet Management

- **Resilient balance sheet**
 - Stable NPL ratio: 1.4%
 - High general allowances-to-loans ratio of 1.5%
 - Strong NPL coverage: 125.6%
- **Strong funding and capital base**
 - Liquidity Coverage Ratios¹: SGD (224%) and all-currency (167%)
 - Healthy fully-loaded CET1 ratio² of 12.2%
- **Positive affirmation from markets**
 - Issuance of Basel III perpetual capital securities (\$750m) in May: 3 times subscribed
 - Upgrade of UOB's standalone rating by Standard & Poor's



1. Average for 2Q16.
 2. Fully-loaded CET1 ratio (based on final rules effective 1 January 2018).



Our Growth Drivers

Our Growth Drivers

Realise Full Potential of our Integrated Platform

- Provides us with ability to serve expanding regional needs of our customers
- Improves operational efficiency, enhances risk management, seamless customer experience and faster time to market

Sharpen Regional Focus

- Global macro environment remains uncertain. The region's long-term fundamentals continue to remain strong
- Region is our future engine of growth

Reinforce Fee Income Growth

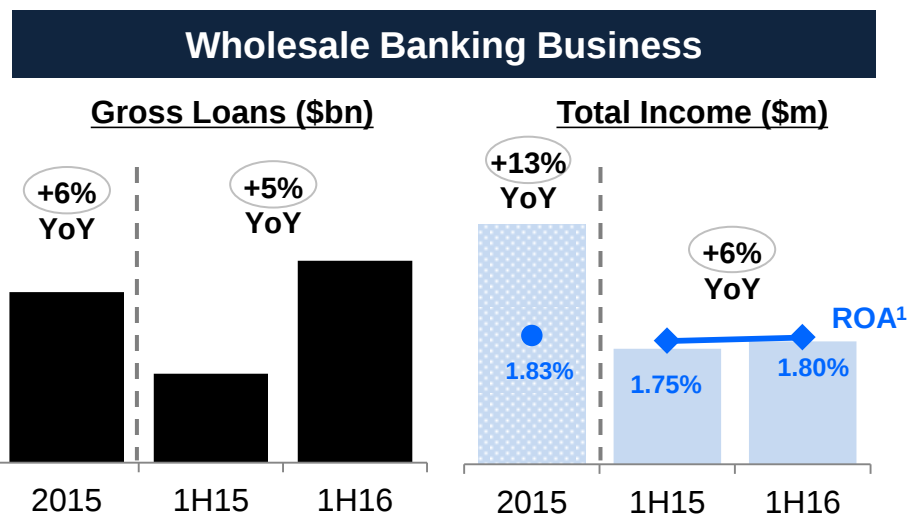
- Grow fee income to offset competitive pressures on loans and improve return on capital
- Increase client wallet share size by intensifying cross-selling efforts, focusing on service quality and expanding range of products and services

Long-term Growth Perspective

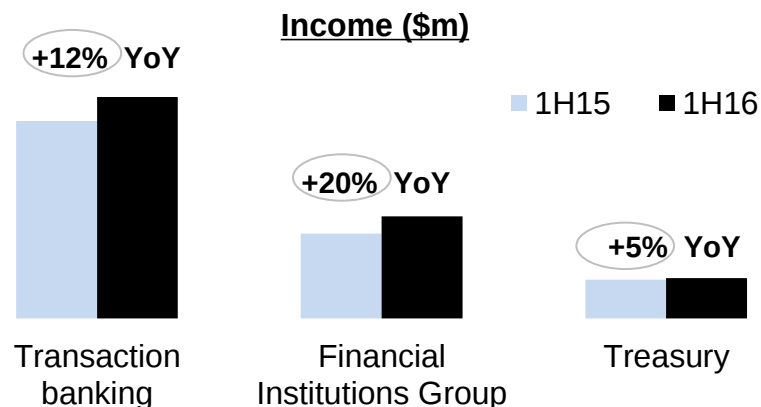
- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength amidst global volatilities

Wholesale Banking: Steady Performance

- Wholesale banking's loans and income up in 1H16 despite weaker macro environment
- Financial Institutions segment doing well
 - Supporting property funds and sovereign funds in overseas asset acquisitions
 - Attracting quality deposits; enhancing liability profile
- Capturing regional opportunities
 - Cross-border income: 20%² of Group wholesale banking income



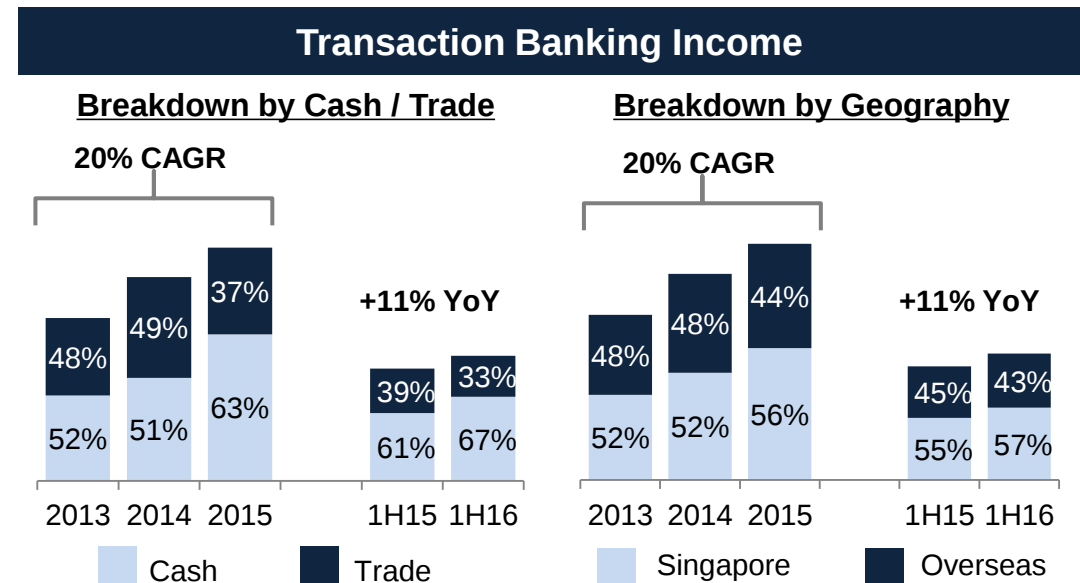
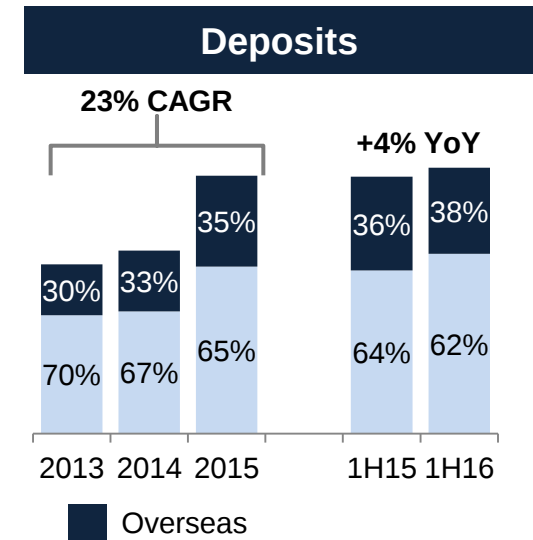
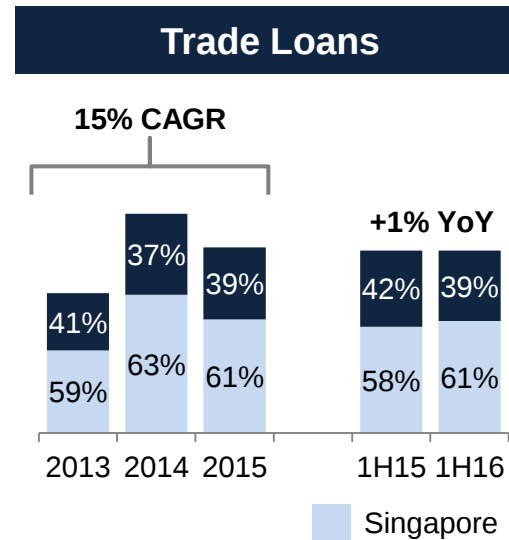
Higher Income Supported by Strong Liability Management



1. ROA: Ratio of "Profit before tax" to "Average Assets"
 2. Data for year-to-date May 2016

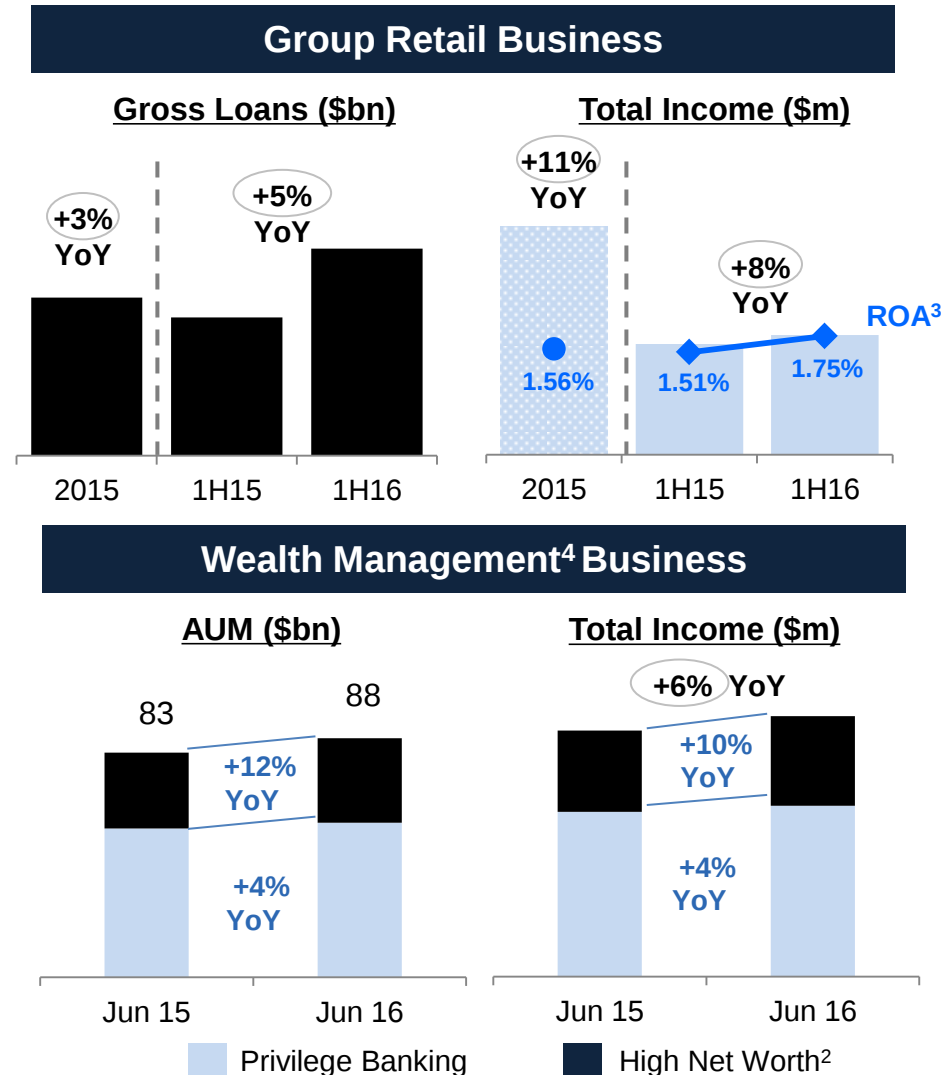
Group Transaction Banking Continues to Grow

- One of main pillars for wholesale banking
- Cash management grows with significant mandates
- Good traction from trade due to focus on new clients and industries
- Made significant investments to provide innovative solutions
- Strong industry recognition for cash and trade achievements



Retail Banking: Growing Income with Stable Asset Quality

- Growth in retail banking¹ income outpaced loan growth in 1H16
- Singapore housing loan portfolio's growth improved YoY in 1H16
 - Overall asset quality remains stable
 - Lower credit costs yoy in 1H16
- Wealth management income +6% YoY in 1H16 despite market volatilities
 - \$88bn AUM as at end-Jun 2016
 - High Net Worth² segment trending higher



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

Digitalisation: Enriching Customer Experience

1 Seamless connectivity
across channels for
superior customer
experience & access

**2 Analytics-driven
customer insights**
Increase & improve
customer engagement

**3 Innovation within &
collaboration with**
Eco-system partners &
FinTechs to deliver customer-
centric solutions



PIB New look & feel

+30% internet &
mobile activity ytd

+33.5% Online
funds transfers ytd



UOB Business App
>6,000 downloads fr May'16



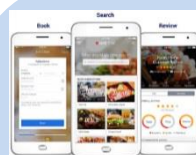
**Branch-Customer
Activity Centres**
~educate, engage
seminars, networking



~7.8 million LINE social app
"friends" in UOB Thailand

>36k Cards & >5500
One Account bundle
online applications since
Aug'15

Welcome to 24-hour
Online Account Opening!
Available anywhere, anytime, day or night



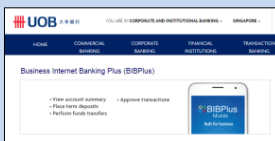
1st in the market
with Bank, Dine & Pay
on-the-go with UOB
Mighty



1st in Asia
Contactless Pay



+21.5% visits to
revamped website
from Q1'16



Close to **20,000**
visits to revamped
**Business Internet
Banking site** since
May'16



>550 sign-ups for
BB E-Payroll Service
since launch



UOB & IIPL JV
>200 FinTech
applicants



Since launch:
>257 NTB Customers
>\$35m Fresh Deposits



US\$10m Equity
Crowdfunding
investment



Commercial Banking
Venture Debt UOB-
Temasek JV to
**finance Asian start-
ups**

Engaged customers → higher cross-sell & revenue lift
Higher online activity → lower cost-to-serve

Why UOB?

Stable Management

- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

Integrated Regional Platform

- Entrenched local presence. Ground resources and integrated regional network allow us to better address the needs of our targeted segments
- Truly regional bank with full ownership and control of regional subsidiaries

Strong Fundamentals

- Sustainable revenue channels as a result of carefully-built core business
- Strong balance sheet, sound capital & liquidity position and resilient asset quality – testament of solid foundation built on the premise of basic banking

Balance Growth with Stability

- Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future
- Maintain long-term perspective to growth for sustainable shareholder returns

Proven track record of financial conservatism and strong management committed to the long term

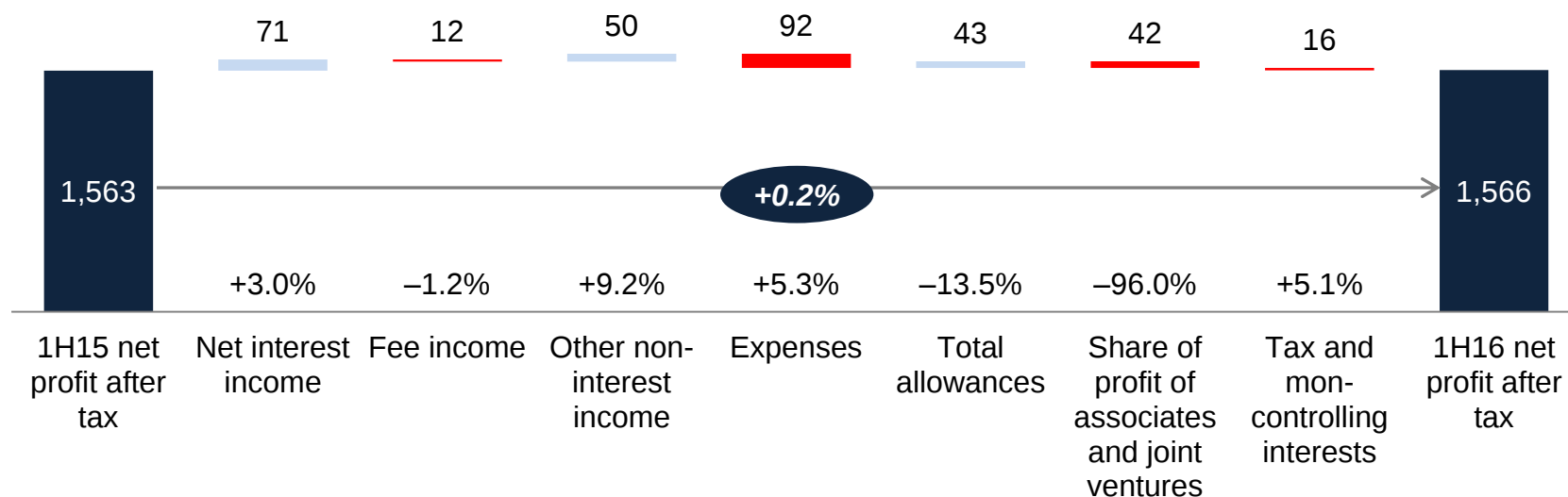


Latest Financials

1H16 Financial Overview

Net Profit After Tax¹ (NPAT) Movement, 1H16 vs 1H15

(SGD m)



Key Indicators	1H16	1H15	YoY Change
NIM (%) ²	1.73	1.76	(0.03)% pt
Non-NII / Income (%)	37.8	37.8	--
Expense / Income ratio (%)	45.6	44.5	+1.1% pt
ROE (%) ^{2, 3}	10.5	10.8	(0.3)% pt

1. Relate to amount attributable to equity holders of the Bank.

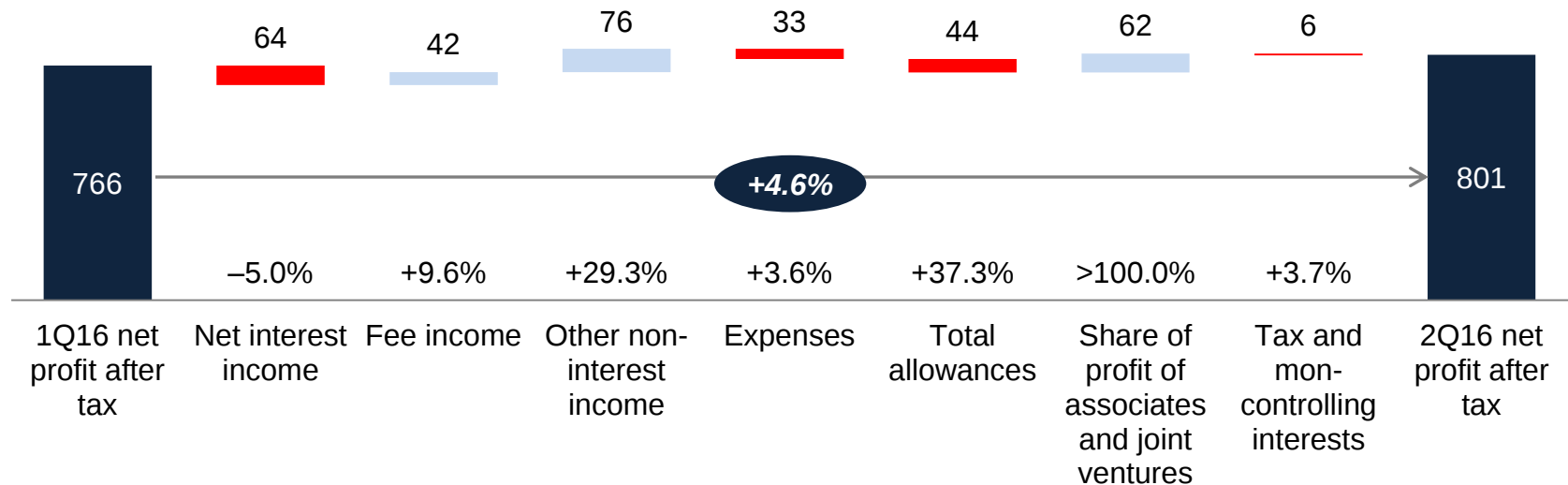
2. Computed on an annualised basis.

3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends and capital securities distributions.

2Q16 Financial Overview

Net Profit After Tax¹ (NPAT) Movement, 2Q16 vs 1Q16

(SGD m)



Key Indicators	2Q16	1Q16	QoQ Change	2Q15	YoY Change
NIM (%) ²	1.68	1.78	(0.10)% pt	1.77	(0.09)% pt
Non-NII / Income (%)	40.2	35.3	+4.9% pt	37.0	+3.2% pt
Expense / Income ratio (%)	45.8	45.4	+0.4% pt	45.5	+0.3% pt
ROE (%) ^{2,3}	10.7	10.2	+0.5% pt	10.4	+0.3% pt

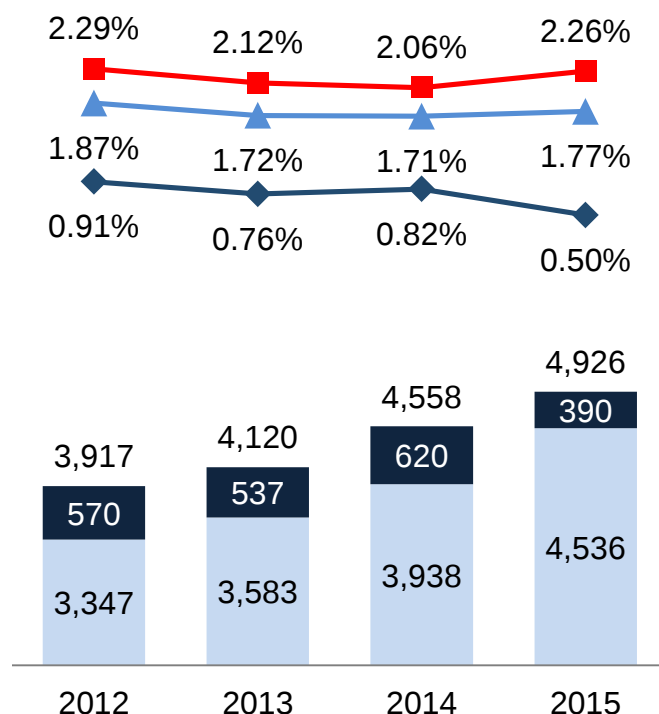
1. Relate to amount attributable to equity holders of the Bank.

2. Computed on an annualised basis.

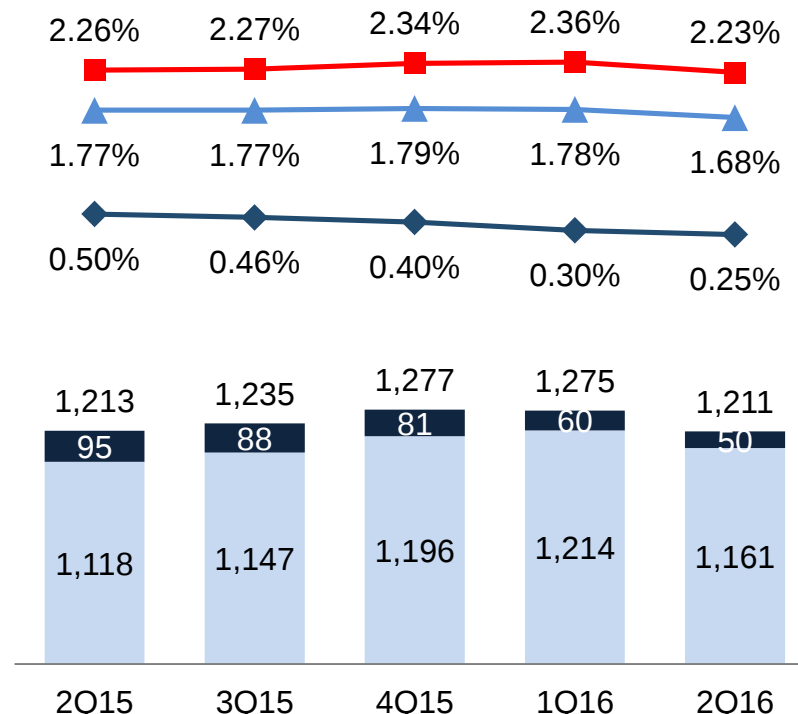
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends and capital securities distributions.

Lower Net Interest Income on Tighter Margins but Partly Offset by Loan Growth

Net Interest Income (NII) and Margin



■ NII from Loans (SGD m)
■ Loan Margin (%)
▲ Net Interest Margin (%)

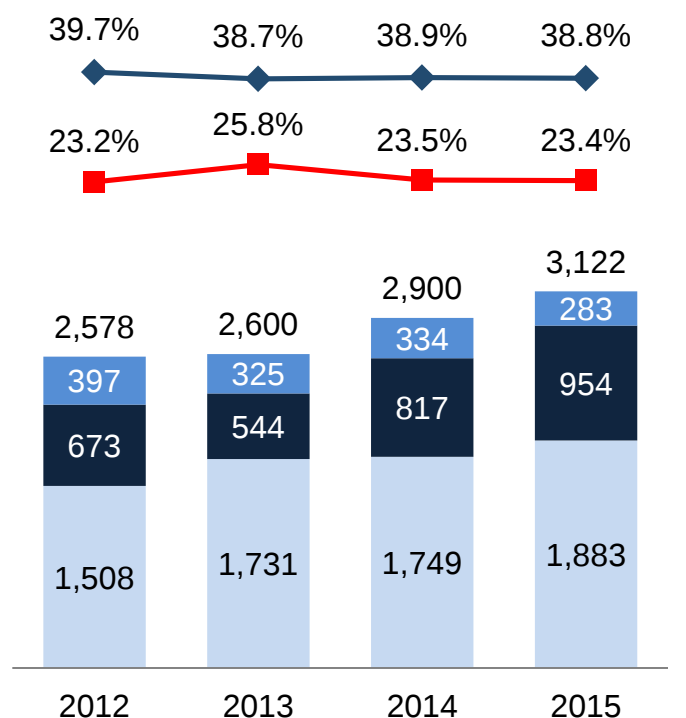


■ NII from Interbank & Securities (SGD m)
◆ Interbank & Securities Margin (%)

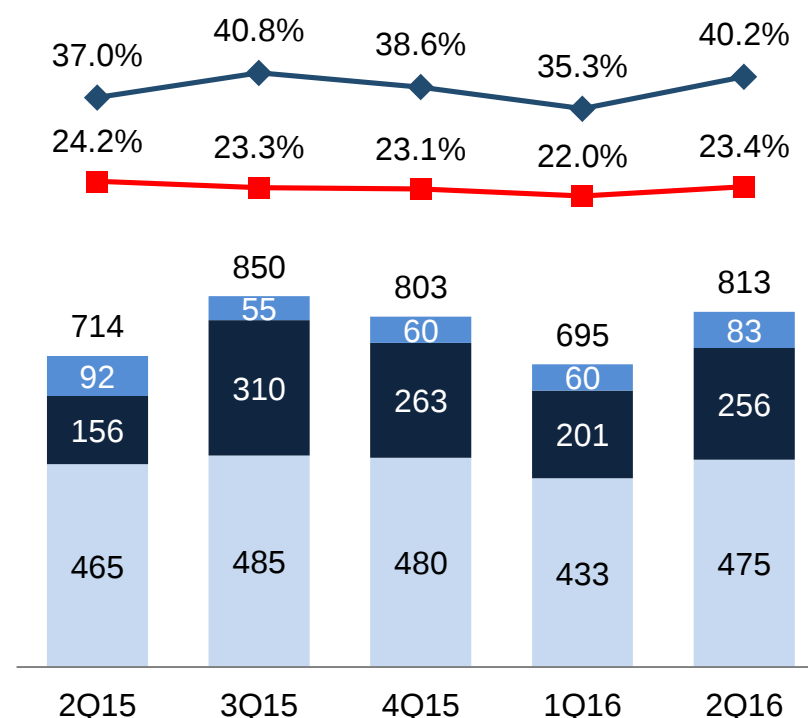
Note: The definition of 'Customer Deposits' was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q14 onwards. The interest expenses relating to these deposits and the corresponding impact to loan margin and interbank/securities margin for FY2013 were restated accordingly.

Steady Non-Interest Income Mix Underpins Diversity

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



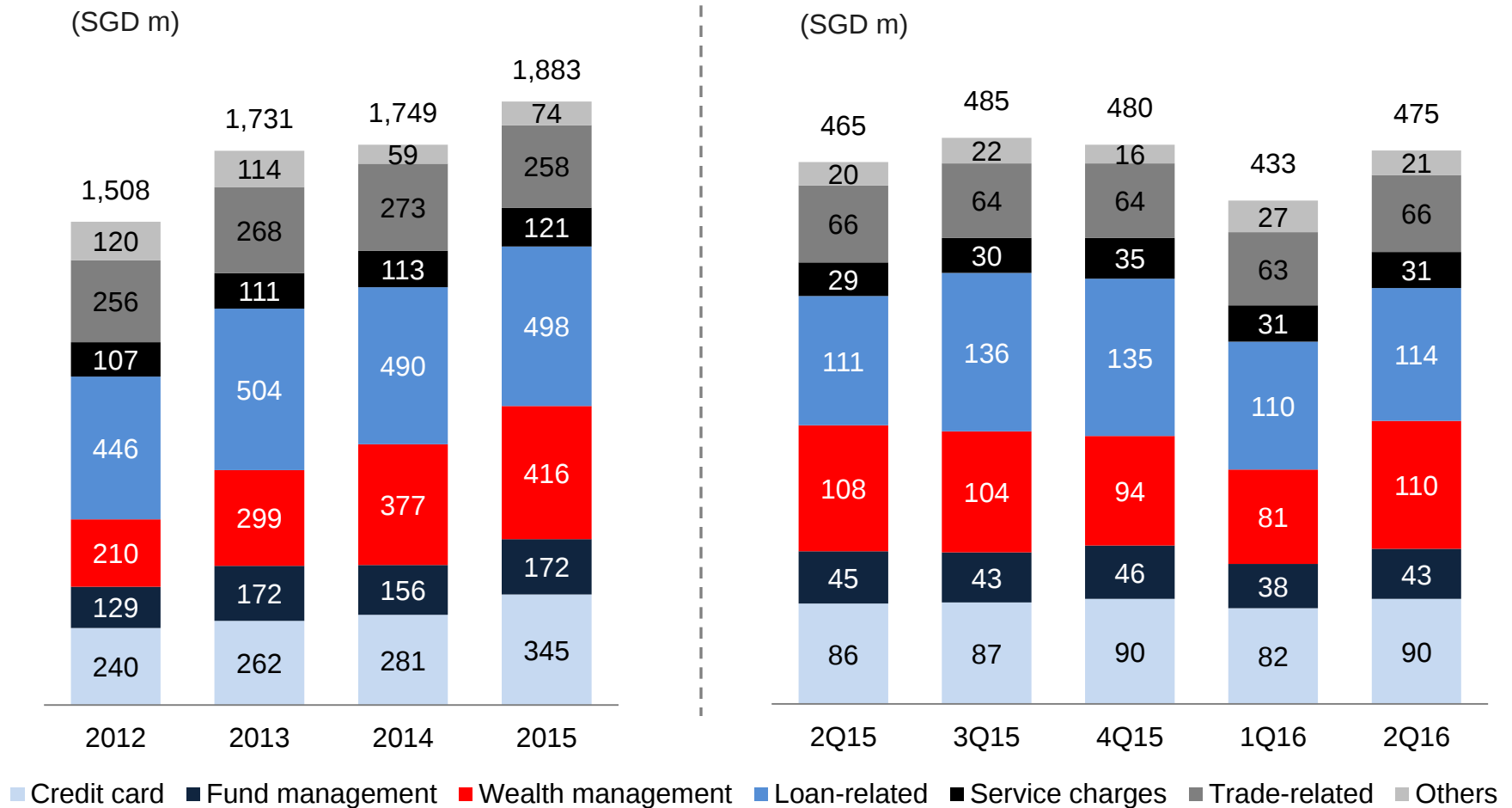
■ Fee Income (SGD m)
■ Other Non-Interest Income (SGD m)
■ Core Fee Income / Total Income (%)



■ Trading and Investment Income (SGD m)
◆ Core Non-NII / Total Income (%)

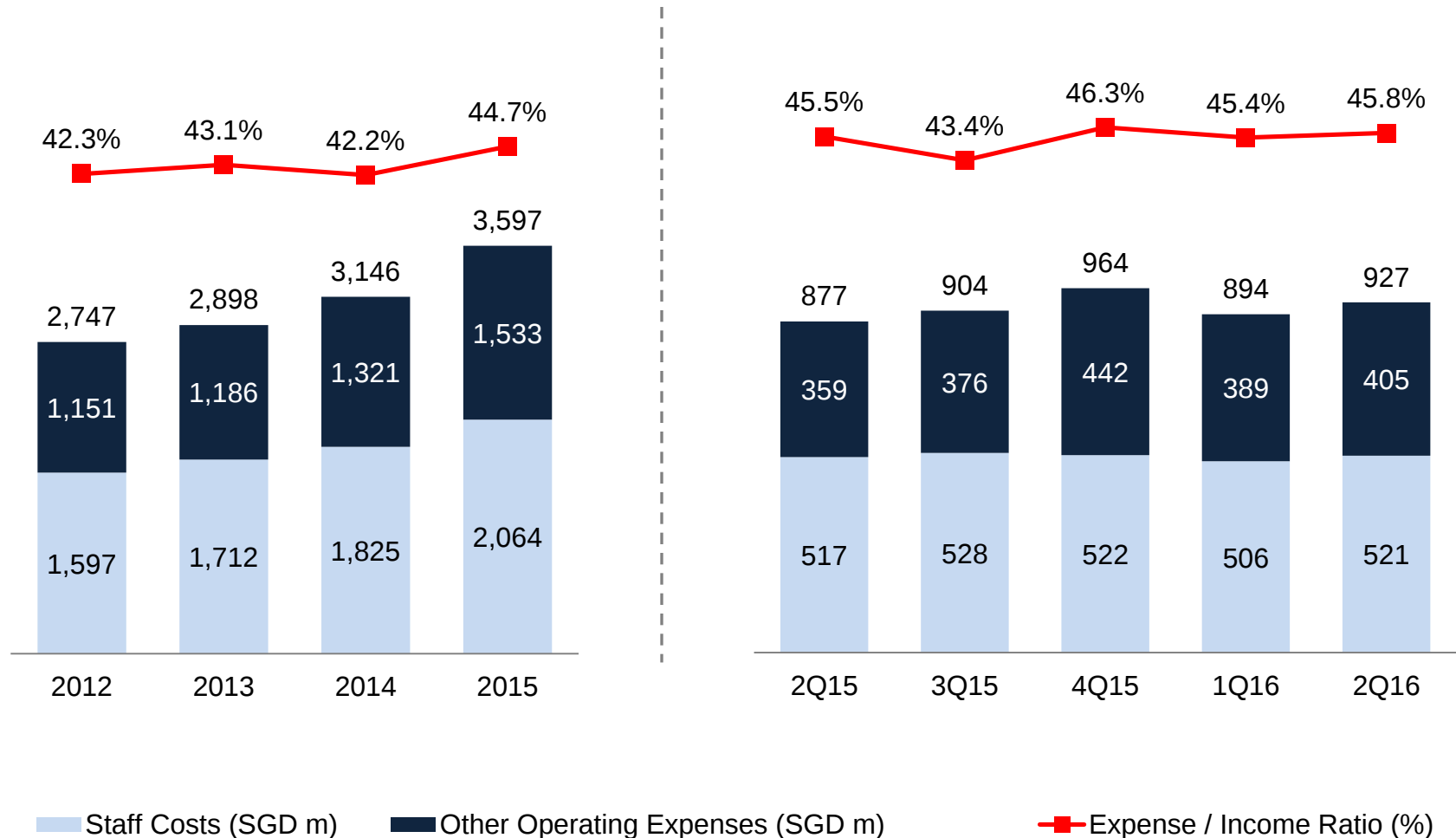
Broad-based Focus in Fee Income

Breakdown of Fee Income



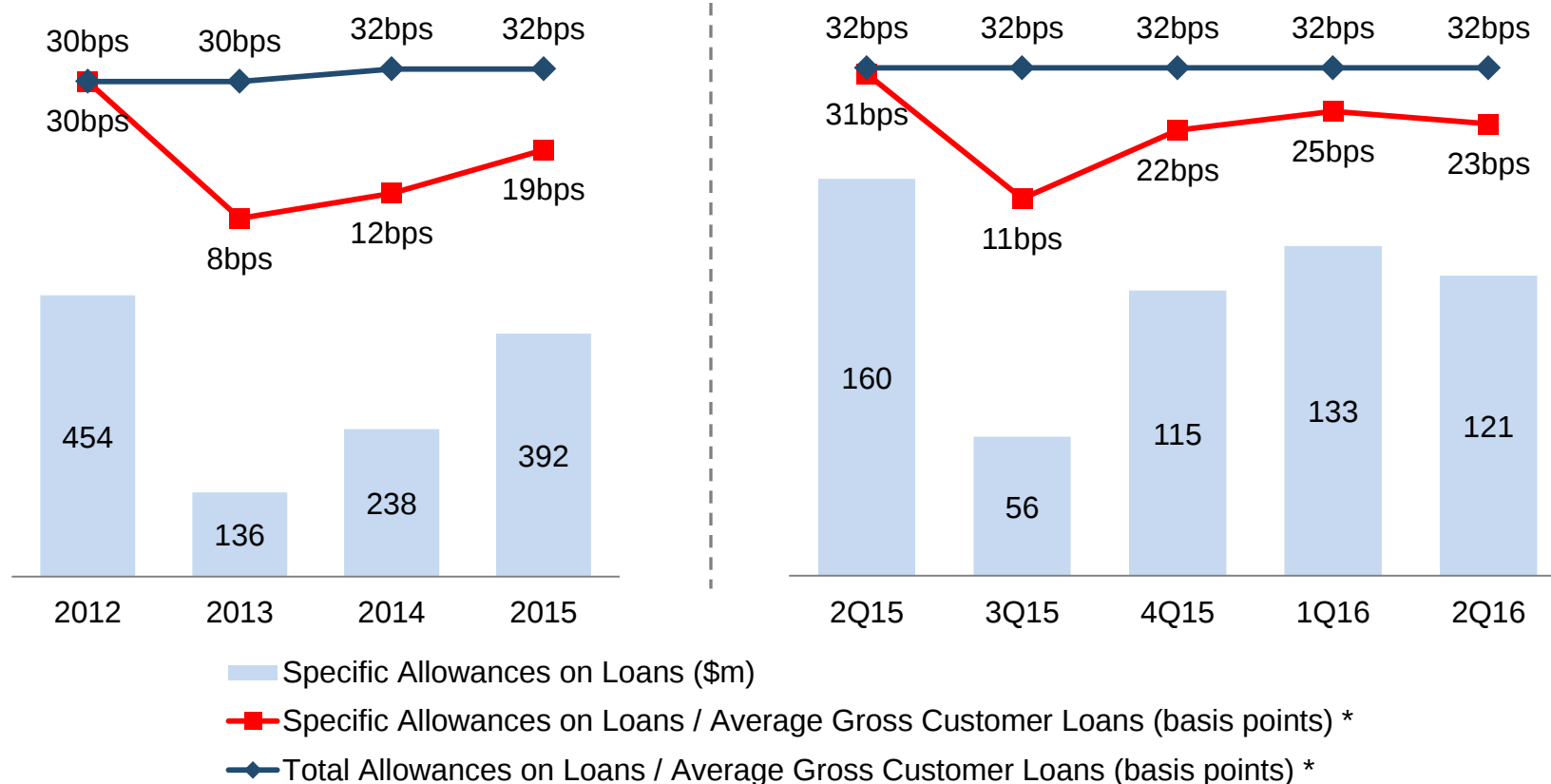
Maintain Costs Discipline while Investing in Long-term Capabilities

Operating Expenses and Expense / Income Ratio



Stable Total Credit Costs

Allowances on Loans



* Computed on an annualised basis.

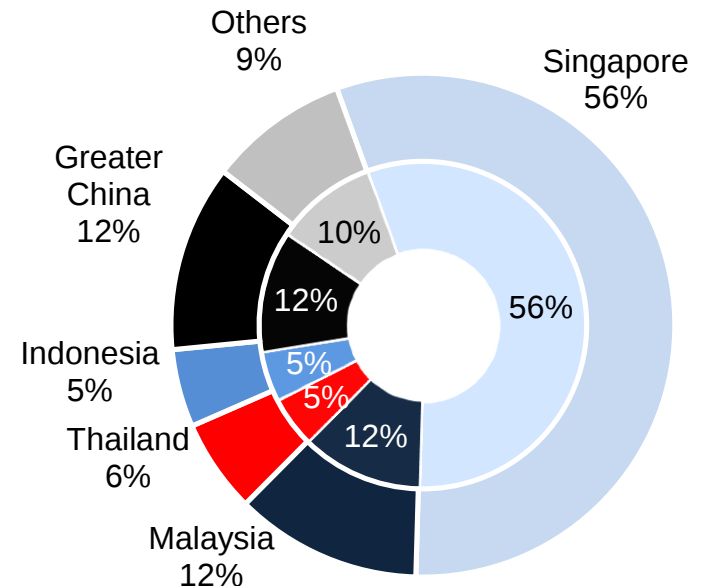
Loan Growth was 1.9% QoQ in Constant Currency Terms

Gross Loans ¹	Jun-16 SGD b	Mar-16 SGD b	QoQ +/(−) %	Jun-15 SGD b	YoY +/(−) %
Singapore	119.9	117.8	+1.8	115.0	+4.2
Regional:	72.8	72.4	+0.6	71.1	+2.4
Malaysia	25.4	25.5	−0.4	25.3	+0.3
Thailand	11.6	11.4	+2.3	11.0	+5.8
Indonesia	11.4	10.9	+4.4	10.8	+5.2
Greater China	24.4	24.6	−0.7	23.9	+1.9
Others	19.6	19.2	+1.9	16.3	+20.1
Total	212.3	209.4	+1.4	202.4	+4.9
USD Loans	37.6	35.2	+6.8	33.6	+12.0

Gross loans breakdown:

Inner circle: Mar-16

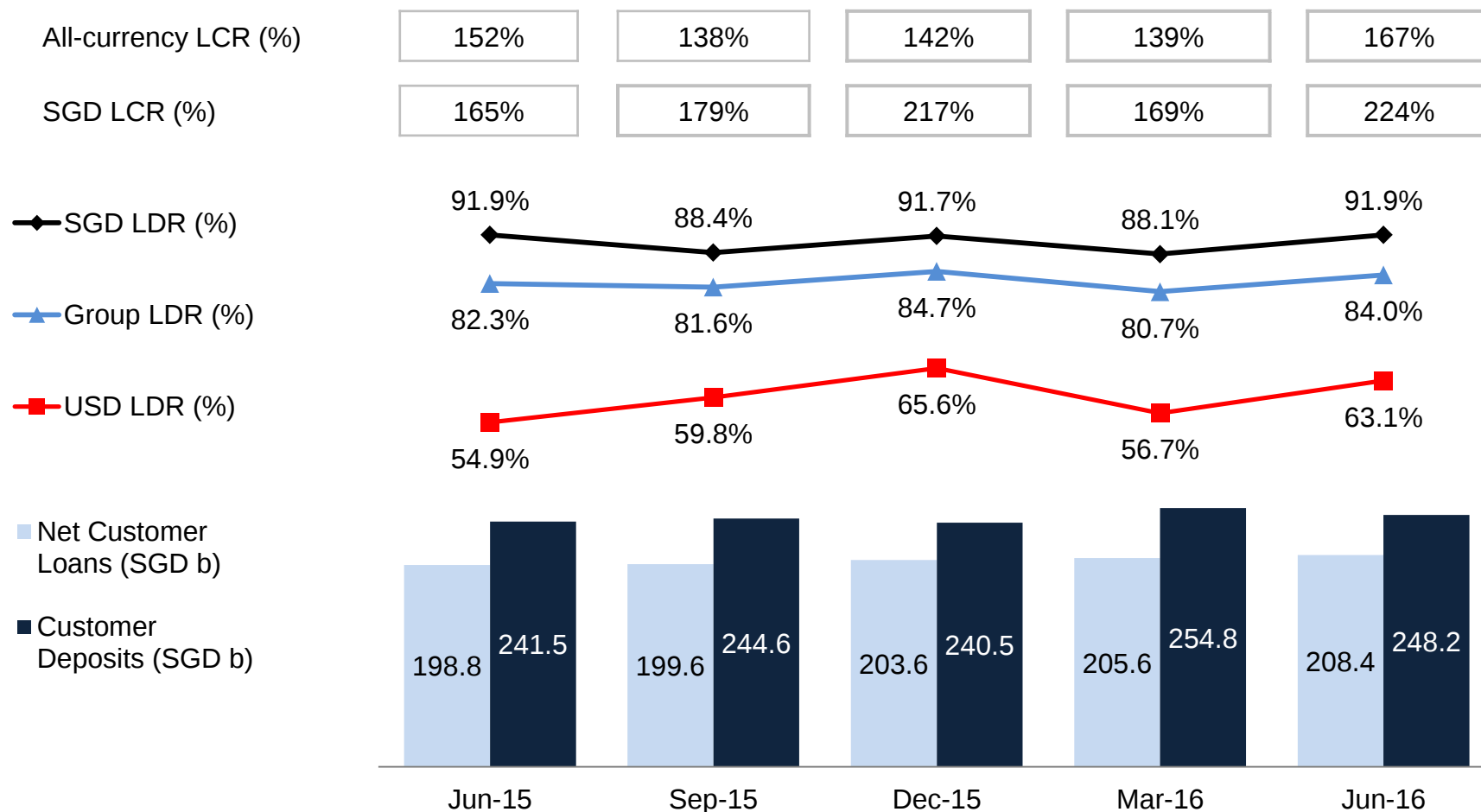
Outer circle: Jun-16



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).

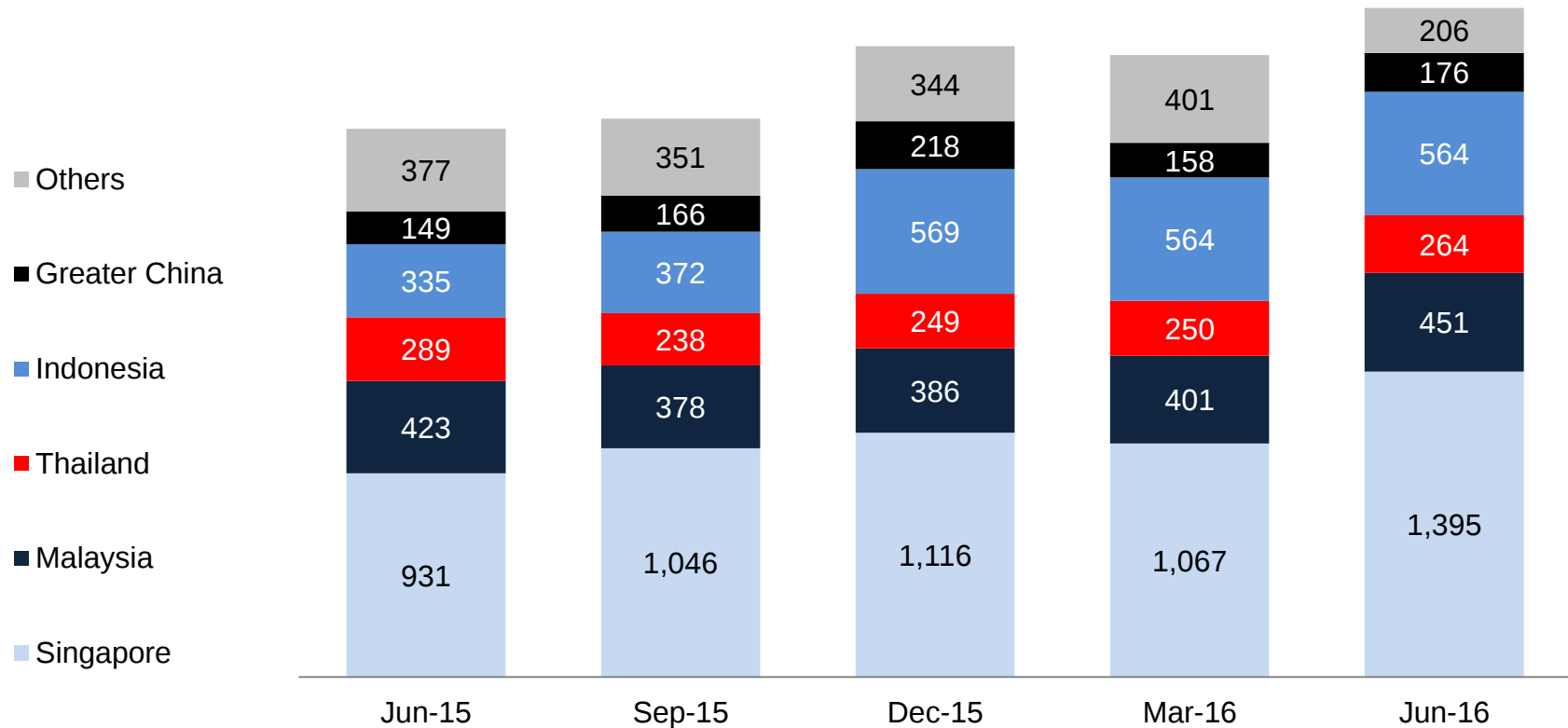
Stable Liquidity Position

Customer Loans and Deposits; Loan/Deposit Ratios (LDR); and Liquidity Coverage Ratios (LCR)



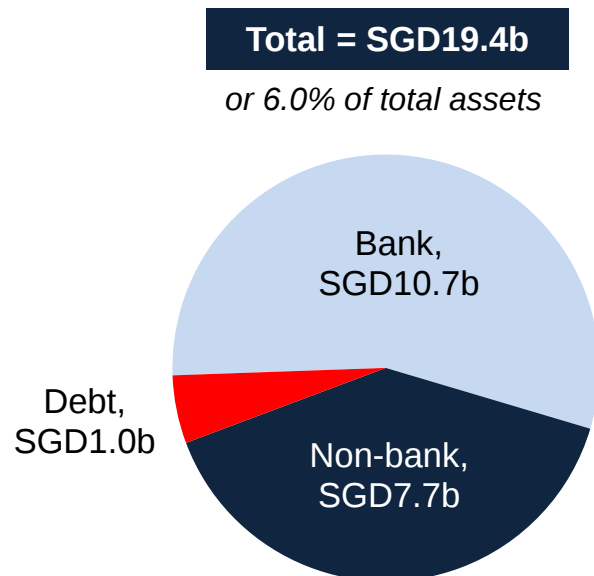
Robust Credit Quality; NPL Ratio Stable at 1.4%

NPL ratio	1.2%	1.3%	1.4%	1.4%	1.4%
NPLs ¹ (SGD m)	2,504	2,551	2,882	2,841	3,056



1. NPLs 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).

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 1.0%
- 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 30 June 16	Oil and gas		Other commodity segments	Total
	Upstream industries	Traders/ downstream industries		
Total exposure ¹	SGD4.9b	SGD9.1b	SGD8.8b	SGD22.8b
Outstanding loans	SGD4.0b	SGD5.3b	SGD6.6b	SGD15.9b



4% of total loans



7.5% of total loans

- Total exposure, including off-balance sheet items, stood at SGD22.8b as of 30 June 2016
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

Exposure to Europe

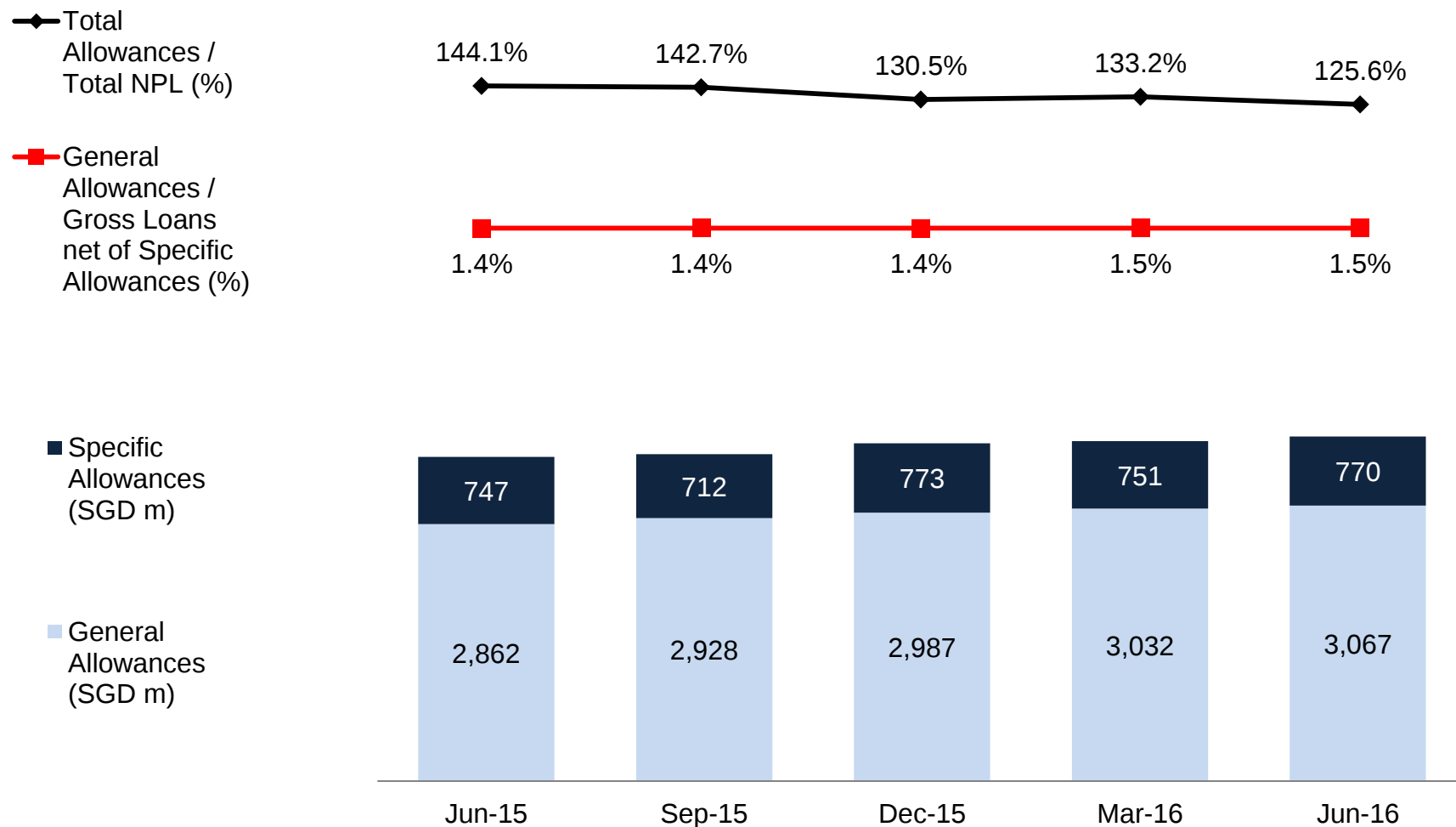
As of 30 Jun 2016	Non-bank	Bank	Debt securities	Total	As a % of total assets
Europe	SGD3.4b	SGD3.1b	SGD1.2b	SGD7.7b	2.4%
of which UK	SGD2.6b	SGD0.8b	SGD0.2b	SGD3.6b	1.1%

Minimal direct impact from Brexit

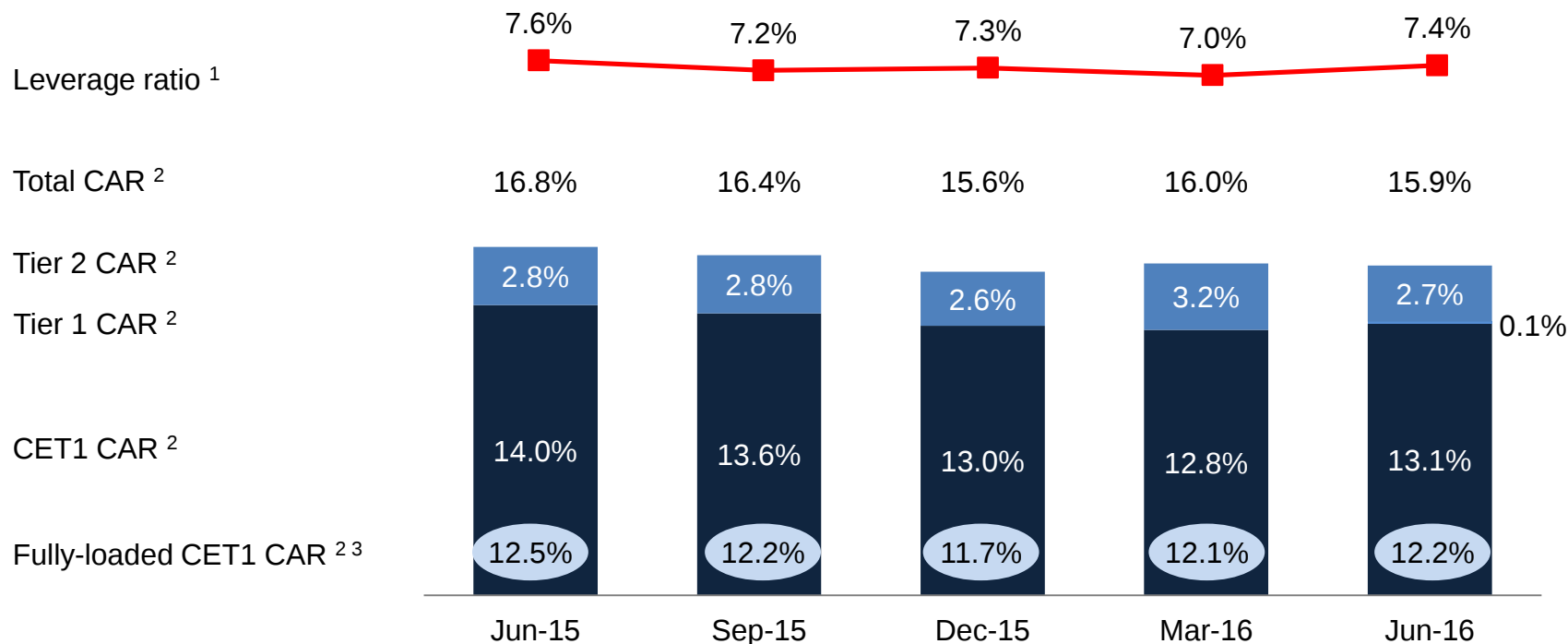
- Bulk of UK non-bank exposure is secured and denominated in GBP
- Consumer mortgage book small and healthy
- High rated bank counterparties in the UK

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).

High Allowances Coverage



Strong Capital and Leverage Ratios

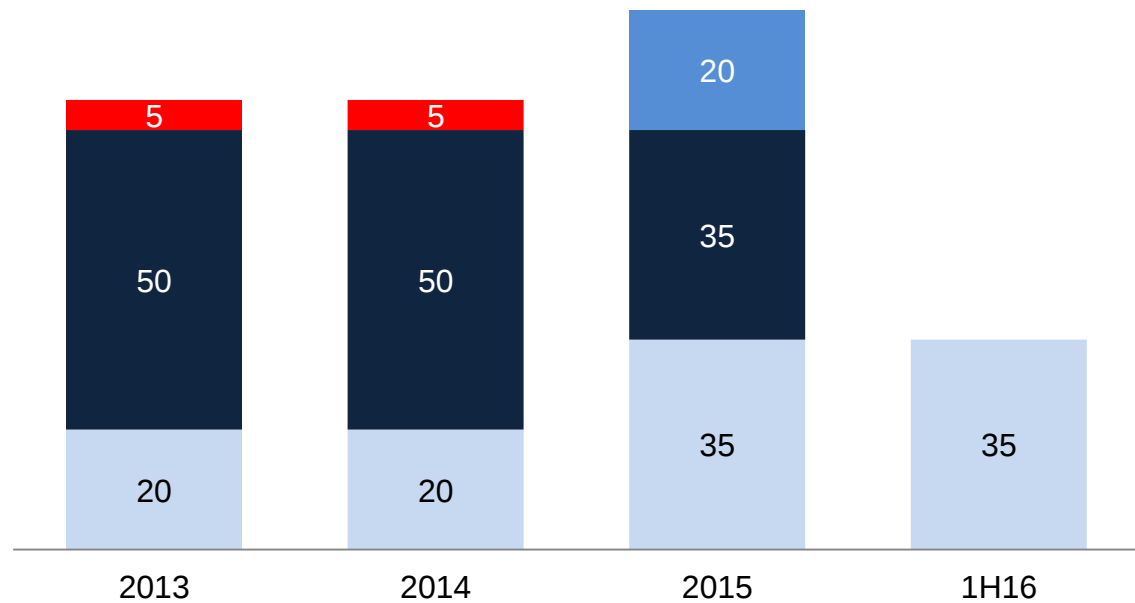


SGD b

Common Equity Tier 1 Capital	25	25	26	26	26
Tier 1 Capital	25	25	26	26	27
Total Capital	30	30	31	32	32
Risk-Weighted Assets	182	186	201	202	202

1. Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015.
2. CAR: Capital adequacy ratio
3. Based on final rules effective 1 January 2018.

Stable Dividend Payout



Net dividend per ordinary share (¢)

■ Interim

■ Final

■ Special

■ UOB 80th Anniversary

Payout amount (SGD m)

1,182

1,201

1,442

563

Payout ratio (%)

39

37

45

36

Note: The Scrip Dividend Scheme was applied to the final and special dividends for the financial year 2013, UOB 80th Anniversary dividend for the financial year 2015 and interim dividend for the financial year 2016.



Thank you