

## 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 2017**

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

### **Dividends and Distributions for the third quarter ended 30 September 2017**

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

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

#### ***Distributions on perpetual capital securities***

On 24 July 2017, a semi-annual distribution at an annual rate of 4.90% totalling S\$21 million was paid on the Bank's S\$850 million 4.90% non-cumulative non-convertible perpetual capital securities for the period from 23 January 2017 up to, but excluding, 23 July 2017.

### **Interested Person Transactions**

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

### **Confirmation by Directors**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the nine months/third quarter ended 30 September 2017 to be false or misleading in any material aspect.

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

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

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

### **UNITED OVERSEAS BANK LIMITED**

Ms Joyce Sia  
Secretary

Dated this 3<sup>rd</sup> day of November 2017

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



# Group Financial Report

For the Nine Months/Third Quarter ended 30 September 2017

United Overseas Bank Limited  
Incorporated in the Republic of Singapore



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### Notes:

- 1 The financial statements are presented in Singapore dollars.
- 2 Certain comparative figures have been restated to conform with the current period's presentation.
- 3 Certain figures in this report may not add up to the respective totals due to rounding.
- 4 Amounts less than \$500,000 in absolute term are shown as "0".  
"9M17" and "9M16" denote to the nine months period of 2017 and 2016 respectively.  
"3Q17" and "3Q16" denote to third quarter of 2017 and 2016 respectively.  
"2Q17" denotes to second quarter of 2017.  
"NM" denotes not meaningful.  
"NA" denotes not applicable.

## Financial Highlights

	9M17	9M16	+ / (-) %	3Q17	3Q16	+ / (-) %	2Q17	+ / (-) %
<b>Selected income statement items (\$m)</b>								
Net interest income	4,067	3,715	9	1,408	1,230	15	1,356	4
Fee and commission income	1,577	1,400	13	551	492	12	517	7
Other non-interest income	900	918	(2)	279	318	(12)	310	(10)
Total income	6,544	6,033	8	2,238	2,040	10	2,183	3
Less: Total expenses	2,925	2,739	7	973	918	6	995	(2)
Operating profit	3,619	3,293	10	1,265	1,122	13	1,189	6
Less: Total allowance	587	463	27	221	185	19	180	23
Add: Share of profit of associates and joint ventures	88	27	>100	29	25	15	24	20
Net profit before tax	3,120	2,857	9	1,073	962	12	1,033	4
Less: Tax and non-controlling interests	585	500	17	190	171	11	188	1
Net profit after tax <sup>1</sup>	2,535	2,357	8	883	791	12	845	5

## Selected balance sheet items (\$m)

Net customer loans	230,068	213,465	8	230,068	213,465	8	223,792	3
Customer deposits	268,296	250,999	7	268,296	250,999	7	259,920	3
Total assets	354,143	327,826	8	354,143	327,826	8	344,414	3
Shareholders' equity <sup>1</sup>	35,147	32,418	8	35,147	32,418	8	34,652	1

## Key financial ratios (%)

Net interest margin <sup>2</sup>	1.76	1.72		1.79	1.69		1.75	
Non-interest income/Total income	37.8	38.4		37.1	39.7		37.9	
Expense/Income ratio	44.7	45.4		43.5	45.0		45.6	
Overseas profit before tax contribution	41.8	37.6		37.7	41.5		42.2	
Credit costs (bp) <sup>2</sup>								
Exclude general allowance	38	34		37	53		30	
Include general allowance	32	32		32	32		32	
NPL ratio <sup>3</sup>	1.6	1.6		1.6	1.6		1.5	

### Notes:

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

2 Computed on an annualised basis.

3 Refer to non-performing loans as a percentage of gross customer loans.

**Financial Highlights (cont'd)**

	9M17	9M16	3Q17	3Q16	2Q17
<b>Key financial ratios (%) (cont'd)</b>					
Return on average total assets <sup>1</sup>	<b>0.99</b>	0.97	<b>1.02</b>	0.98	0.99
Return on average ordinary shareholders' equity <sup>1,2</sup>	<b>10.3</b>	10.5	<b>10.5</b>	10.4	10.3
Loan/Deposit ratio <sup>3</sup>	<b>85.8</b>	85.0	<b>85.8</b>	85.0	86.1
Liquidity coverage ratios ("LCR") <sup>4</sup>					
All-currency	<b>151</b>	151	<b>142</b>	148	157
Singapore dollar	<b>211</b>	202	<b>196</b>	213	203
Capital adequacy ratios					
Common Equity Tier 1	<b>14.3</b>	13.4	<b>14.3</b>	13.4	13.8
Tier 1	<b>14.8</b>	13.5	<b>14.8</b>	13.5	14.3
Total	<b>17.8</b>	16.6	<b>17.8</b>	16.6	17.8
Leverage ratio <sup>5</sup>	<b>7.7</b>	7.5	<b>7.7</b>	7.5	7.8
Earnings per ordinary share (\$) <sup>1,2</sup>					
Basic	<b>2.00</b>	1.90	<b>2.07</b>	1.90	2.00
Diluted	<b>1.99</b>	1.89	<b>2.06</b>	1.89	1.99
Net asset value ("NAV") per ordinary share (\$) <sup>6</sup>	<b>19.88</b>	18.54	<b>19.88</b>	18.54	19.63
Revalued NAV per ordinary share (\$) <sup>6</sup>	<b>22.62</b>	21.22	<b>22.62</b>	21.22	22.35

**Notes:**

- 1 Computed on an annualised basis.
- 2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and perpetual capital securities distributions.
- 3 Refer to net customer loans and customer deposits.
- 4 Figures reported are based on average LCR for the respective period. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 60% shall be maintained at all times with effect from 1 January 2015, with all-currency LCR increasing by 10% each year to 100% by 2019. Public disclosure required under MAS Notice 651 is available in the UOB website at [www.UOBGroup.com/investor/financial/overview.html](http://www.UOBGroup.com/investor/financial/overview.html).
- 5 Leverage ratio is calculated based on the MAS Notice 637.
- 6 Preference shares and perpetual capital securities are excluded from the computation.

## **Performance Review**

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

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

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

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the nine months period ended 30 September 2017 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2016.

## **9M17 versus 9M16**

The Group registered net earnings of \$2.54 billion for 9M17, 8% higher than a year ago.

Net interest income grew 9% to \$4.07 billion on higher net interest margin and healthy loan growth of 8%. Net interest margin improved four basis points to 1.76%, largely attributed to active balance sheet management and higher yields from interbank balances and securities on the back of a rising interest rate environment.

Fee and commission income rose 13% to \$1.58 billion led by double digit growth in the wealth management, fund management and credit card businesses. Wealth management fees grew 39% to \$405 million on higher sales of treasury products and unit trusts while fund management income increased by 27% to \$173 million due to conducive market conditions. Credit card fees also grew 10% to \$292 million from higher transaction volume in Singapore.

Other non-interest income declined 2% to \$900 million mainly due to lower net trading income.

From a business segment perspective, Group Retail income rose 10% to \$2.97 billion driven by strong loan volumes and fee income growth from the wealth management and credit card businesses. Group Wholesale Banking income was stable, as volume growth was offset by tighter margins. Global Markets income fell 16% to \$371 million largely due to lower trading income.

Total expenses were higher at \$2.93 billion, an increase of 7% year-on-year as the Group continued to invest in talent, technology and infrastructure to enhance its service and product capabilities. The expense-to-income ratio improved slightly to 44.7% on the back of stronger income.

For 9M17, total allowances increased 27% to \$587 million. Specific allowance on loans grew 22% to \$663 million largely due to non-performing loans from the oil and gas sector. Total credit costs on loans were unchanged at 32 basis points due to a corresponding release of general allowance on loans.

Other than the oil and gas-related portfolio, the asset quality on the rest of the Group's loan portfolio stayed resilient. The Group remains comfortable given the prudent levels of general allowance on loans, which at \$2.60 billion as at 30 September 2017, is above the expected credit loss requirements under the new FRS 109 Financial Instruments effective 1 January 2018.

Contribution from associated companies rose from \$27 million to \$88 million mainly due to investment losses in an associated company in the prior year.

## **Performance Review (cont'd)**

### **3Q17 versus 3Q16**

Earnings from 3Q17 rose 12% from a year ago to \$883 million as a result of the growth in net interest income and fee and commission income. The increase was partly offset by lower trading income and higher operating expenses and allowances.

Net interest income increased 15% to \$1.41 billion, driven by higher net interest margin and loan growth. Net interest margin improved ten basis points to 1.79%, contributed by active balance sheet management and rising interest rate environment.

Non-interest income increased 2% to \$830 million. Fee and commission income grew 12% to \$551 million from higher wealth management, fund management and credit card businesses. This was partly offset by lower net trading income.

Total expenses rose 6% from a year ago to \$973 million mainly due to higher staff and IT-related expenses.

Compared with a year ago, specific allowances on loans and other assets for the quarter decreased by \$51 million to \$247 million. Total allowances increased by \$36 million to \$221 million as the Group continued to maintain total credit costs on loans at 32 basis points.

### **3Q17 versus 2Q17**

Compared with the previous quarter, net earnings were 5% higher at \$883 million.

Net interest income increased 4% to \$1.41 billion, driven by loan growth of 3% coupled with a net interest margin increase of four basis points to 1.79%.

Non-interest income was stable at \$830 million. Fee and commission income grew 7% to \$551 million mainly on higher loan-related and wealth management fees. This was partly offset by lower net gains from investment securities.

Total expenses declined 2% to \$973 million due to lower staff costs, IT-related expenses and professional fees. The reduction in expenses, coupled with higher income, resulted in an improvement in the expense-to-income ratio from 45.6% to 43.5% this quarter.

Total allowances were 23% higher this quarter at \$221 million. Specific allowances on loans and other assets increased 47% to \$247 million largely from non-performing assets in the oil and gas sector.

### **Balance sheet and capital position**

As at 30 September 2017, the amount of non-performing loans (NPL) grew 7% year-on-year and 8% from the previous quarter to \$3.75 billion. However, new formation of NPL was mainly driven by a large account in the oil and gas sector, which remained under stress. Though the NPL ratio moved up to 1.6%, NPL coverage remained strong at 108%, or 236% after taking collateral into account.

The Group continued to maintain a strong funding position with a healthy loan-to-deposit ratio at 85.8%. Customer deposits increased 7% from a year ago to \$268 billion, led by growth in US dollar (USD) deposits. Gross loans also rose to \$234 billion at 30 September 2017, with a year-on-year increase of 8% that was broad-based across most territories and industries.

In the first nine months of 2017, the Group had issued \$2.55 billion in debt and capital securities to diversify its funding mix and to refinance debts due for redemption this year.

The average Singapore dollar and all-currency liquidity coverage ratios during 3Q17 were 196% and 142% respectively, well above the corresponding regulatory requirements of 100% and 80%.

Shareholders' equity increased by 8% from a year ago and 1% quarter-on-quarter to \$35.1 billion due to higher retained earnings and shareholders' participation in the scrip dividend scheme. Return on equity improved to 10.5% in 3Q17 from 10.3% in 2Q17 from a stronger performance this quarter.

As at 30 September 2017, the Group's Common Equity Tier 1 and Total CAR remained strong at 14.3% and 17.8% respectively. On a fully-loaded basis, the Common Equity Tier 1 CAR stood at 13.8%. The Group's leverage ratio was 7.7%, well above Basel's minimum requirement of 3%.

## Net Interest Income

### Net interest margin

	9M17			9M16		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>						
Customer loans	226,378	5,541	3.27	210,237	5,331	3.39
Interbank balances	57,315	706	1.65	49,914	465	1.25
Securities	25,853	444	2.30	28,843	386	1.79
<b>Total</b>	<b>309,546</b>	<b>6,690</b>	<b>2.89</b>	<b>288,994</b>	<b>6,183</b>	<b>2.86</b>
<b>Interest bearing liabilities</b>						
Customer deposits	262,761	2,226	1.13	251,699	2,165	1.15
Interbank balances/others	36,121	397	1.47	30,322	302	1.33
<b>Total</b>	<b>298,882</b>	<b>2,623</b>	<b>1.17</b>	<b>282,021</b>	<b>2,468</b>	<b>1.17</b>
<b>Net interest margin <sup>1</sup></b>			<b>1.76</b>			<b>1.72</b>

	3Q17			3Q16			2Q17		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>									
Customer loans	227,610	1,899	3.31	214,158	1,756	3.26	226,216	1,839	3.26
Interbank balances	62,158	276	1.76	45,308	152	1.34	58,278	237	1.63
Securities	23,086	146	2.50	29,805	131	1.74	25,376	150	2.37
<b>Total</b>	<b>312,854</b>	<b>2,321</b>	<b>2.94</b>	<b>289,271</b>	<b>2,039</b>	<b>2.80</b>	<b>309,870</b>	<b>2,225</b>	<b>2.88</b>
<b>Interest bearing liabilities</b>									
Customer deposits	265,940	778	1.16	251,212	713	1.13	263,238	736	1.12
Interbank balances/others	34,757	134	1.53	30,252	96	1.26	35,899	134	1.50
<b>Total</b>	<b>300,697</b>	<b>912</b>	<b>1.20</b>	<b>281,463</b>	<b>809</b>	<b>1.14</b>	<b>299,138</b>	<b>870</b>	<b>1.17</b>
<b>Net interest margin <sup>1</sup></b>			<b>1.79</b>			<b>1.69</b>			<b>1.75</b>

Note:

<sup>1</sup> 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

	9M17 vs 9M16			3Q17 vs 3Q16			3Q17 vs 2Q17		
	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m
<b>Interest income</b>									
Customer loans	409	(195)	215	110	27	137	11	28	39
Interbank balances	69	172	241	57	67	123	16	21	36
Securities	(40)	98	58	(29)	44	15	(14)	8	(6)
<b>Total</b>	<b>438</b>	<b>75</b>	<b>514</b>	<b>137</b>	<b>138</b>	<b>275</b>	<b>14</b>	<b>56</b>	<b>70</b>
<b>Interest expense</b>									
Customer deposits	95	(33)	62	42	21	63	8	27	34
Interbank balances/others	67	28	95	15	23	38	(6)	5	(1)
<b>Total</b>	<b>162</b>	<b>(4)</b>	<b>158</b>	<b>57</b>	<b>43</b>	<b>101</b>	<b>1</b>	<b>31</b>	<b>33</b>
Change in number of days	-	-	(4)	-	-	4	-	-	15
<b>Net interest income</b>	<b>276</b>	<b>80</b>	<b>352</b>	<b>80</b>	<b>94</b>	<b>179</b>	<b>12</b>	<b>25</b>	<b>53</b>

For 9M17, net interest income grew 9% to \$4.07 billion from a year ago on higher net interest margin and healthy loan growth of 8%. Net interest margin improved four basis points to 1.76%, largely attributed to active balance sheet management and higher yields from interbank balances and securities on the back of a rising interest rate environment.

Net interest income for 3Q17 increased 15% from a year ago and 4% quarter-on-quarter to \$1.41 billion, driven by higher net interest margin and loan growth. The net interest margin improved ten basis points year-on-year and four basis points against last quarter to 1.79%.

## Non-Interest Income

	9M17	9M16	+ / (-)	3Q17	3Q16	+ / (-)	2Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Fee and commission income</b>								
Credit card	292	265	10	103	93	11	100	3
Fund management	173	135	27	62	54	15	57	8
Wealth management	405	293	39	143	102	40	136	6
Loan-related <sup>1</sup>	338	348	(3)	122	124	(1)	102	20
Service charges	107	95	13	35	33	5	36	(3)
Trade-related <sup>2</sup>	200	196	2	68	67	2	66	2
Others	62	68	(10)	18	20	(11)	21	(14)
	<b>1,577</b>	<b>1,400</b>	<b>13</b>	<b>551</b>	<b>492</b>	<b>12</b>	<b>517</b>	<b>7</b>
<b>Other non-interest income</b>								
Net trading income	589	608	(3)	164	227	(28)	164	(0)
Net gain/(loss) from investment securities	115	100	15	57	24	>100	76	(25)
Dividend income	22	29	(26)	3	4	(14)	18	(81)
Rental income	90	88	2	29	30	(2)	30	(2)
Other income	85	93	(8)	26	33	(23)	23	14
	<b>900</b>	<b>918</b>	<b>(2)</b>	<b>279</b>	<b>318</b>	<b>(12)</b>	<b>310</b>	<b>(10)</b>
<b>Total</b>	<b>2,477</b>	<b>2,318</b>	<b>7</b>	<b>830</b>	<b>810</b>	<b>2</b>	<b>828</b>	<b>0</b>

Fee and commission income for 9M17 rose 13% to \$1.58 billion led by double digit growth in the wealth management, fund management and credit card businesses. Wealth management fees grew 39% to \$405 million on higher sales of treasury products and unit trusts while fund management income increased by 27% to \$173 million due to conducive market conditions. Credit card fees also grew 10% to \$292 million from higher transaction volume in Singapore. Other non-interest income declined 2% to \$900 million mainly due to lower net trading income.

Against same quarter last year, non-interest income increased 2% to \$830 million. Fee and commission income grew 12% to \$551 million from higher wealth management, fund management and credit card businesses. Other non-interest income declined 12% driven mainly by lower net trading income.

Quarter-on-quarter, non-interest income was stable at \$830 million. Fee and commission income grew 7% to \$551 million mainly on higher loan-related and wealth management fees. This was partly offset by lower net gains from investment securities.

### Notes:

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

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

## Operating Expenses

	<b>9M17</b>	9M16	+ / (-)	<b>3Q17</b>	3Q16	+ / (-)	2Q17	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Staff costs</b>	<b>1,616</b>	1,536	5	<b>543</b>	510	7	547	(1)
<b>Other operating expenses</b>								
Revenue-related	<b>643</b>	599	7	<b>220</b>	209	5	209	5
Occupancy-related	<b>246</b>	244	1	<b>82</b>	79	4	77	7
IT-related	<b>267</b>	217	23	<b>90</b>	69	31	99	(9)
Others	<b>152</b>	144	6	<b>38</b>	52	(27)	62	(39)
	<b>1,309</b>	1,203	9	<b>430</b>	409	5	448	(4)
<b>Total</b>	<b>2,925</b>	2,739	7	<b>973</b>	918	6	995	(2)
Of which,								
Depreciation of assets	<b>188</b>	163	15	<b>63</b>	55	15	59	8
<b>Manpower (number)</b>	<b>24,898</b>	24,679	219	<b>24,898</b>	24,679	219	24,680	218

Total expenses for 9M17 were higher at \$2.93 billion, an increase of 7% year-on-year as the Group continued to invest in talent, technology and infrastructure to enhance its service and product capabilities. The expense-to-income ratio improved slightly to 44.7% on the back of stronger income.

As compared to same quarter last year, total expenses rose 6% to \$973 million mainly due to higher staff and IT-related expenses.

Quarter-on-quarter, total expenses declined 2% due to lower staff costs, IT-related expenses and professional fees. The reduction in expenses, coupled with higher income, resulted in an improvement in the expense-to-income ratio from 45.6% to 43.5% this quarter.

## Allowance for Credit and Other Losses

	9M17	9M16	+ / (-)	3Q17	3Q16	+ / (-)	2Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Specific allowance on loans <sup>1</sup></b>								
Singapore	374	345	8	107	217	(51)	90	19
Malaysia	96	24	>100	19	4	>100	16	23
Thailand	82	51	60	28	20	44	33	(13)
Indonesia	55	60	(9)	4	3	53	32	(88)
Greater China <sup>2</sup>	39	61	(37)	41	37	10	(2)	>100
Others	18	1	>100	15	9	72	3	>100
	<b>663</b>	542	22	<b>214</b>	288	(26)	172	25
<b>Specific allowance on securities and others</b>	<b>31</b>	9	>100	<b>33</b>	10	>100	(4)	>100
<b>General allowance</b>	<b>(107)</b>	(88)	(22)	<b>(26)</b>	(113)	77	12	(>100)
<b>Total</b>	<b>587</b>	463	27	<b>221</b>	185	19	180	23

For 9M17, total allowances increased 27% to \$587 million. Specific allowance on loans grew 22% to \$663 million largely due to non-performing loans from the oil and gas sector. Total credit costs on loans were unchanged at 32 basis points due to a corresponding release of general allowance on loans.

Compared with a year ago, specific allowances on loans and other assets for the quarter decreased by \$51 million to \$247 million. Total allowances increased by \$36 million to \$221 million as the Group continued to maintain total credit costs on loans at 32 basis points.

Quarter-on-quarter, total allowances were 23% higher at \$221 million. Specific allowances on loans and other assets increased 47% to \$247 million largely from non-performing assets in the oil and gas sector.

Other than the oil and gas-related portfolio, the asset quality on the rest of the Group's loan portfolio stayed resilient. The Group remains comfortable given the prudent levels of general allowance on loans, which at \$2.60 billion as at 30 September 2017, is above the expected credit loss requirements under the new FRS 109 Financial Instruments effective 1 January 2018.

### Notes:

- 1 Specific allowance on loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).
- 2 Comprise China, Hong Kong and Taiwan.

## Customer Loans

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
Gross customer loans	<b>234,115</b>	227,740	225,662	217,395
Less: Specific allowance	<b>1,452</b>	1,327	1,219	975
General allowance	<b>2,595</b>	2,620	2,709	2,954
Net customer loans	<b>230,068</b>	223,792	221,734	213,465
<b>By industry</b>				
Transport, storage and communication	<b>9,704</b>	9,487	9,780	9,357
Building and construction	<b>53,688</b>	53,063	52,281	50,514
Manufacturing	<b>18,949</b>	16,794	15,747	16,185
Financial institutions, investment and holding companies	<b>18,131</b>	16,328	15,519	14,673
General commerce	<b>30,317</b>	30,145	30,269	28,275
Professionals and private individuals	<b>27,812</b>	27,314	26,950	26,414
Housing loans	<b>63,918</b>	62,922	61,451	59,981
Others	<b>11,594</b>	11,687	13,665	11,996
Total (gross)	<b>234,115</b>	227,740	225,662	217,395
<b>By currency</b>				
Singapore dollar	<b>114,823</b>	113,610	112,160	110,481
US dollar	<b>45,409</b>	42,330	45,079	40,463
Malaysian ringgit	<b>23,296</b>	23,270	22,993	23,168
Thai baht	<b>13,385</b>	12,946	12,423	11,630
Indonesian rupiah	<b>5,162</b>	5,363	5,401	5,329
Others	<b>32,039</b>	30,220	27,606	26,324
Total (gross)	<b>234,115</b>	227,740	225,662	217,395
<b>By maturity <sup>1</sup></b>				
Within 1 year	<b>92,149</b>	86,002	80,940	74,686
Over 1 year but within 3 years	<b>41,627</b>	40,648	43,665	44,208
Over 3 years but within 5 years	<b>26,130</b>	28,317	27,655	26,115
Over 5 years	<b>74,209</b>	72,773	73,402	72,386
Total (gross)	<b>234,115</b>	227,740	225,662	217,395
<b>By geography <sup>2</sup></b>				
Singapore	<b>127,241</b>	125,441	125,529	120,388
Malaysia	<b>26,220</b>	26,143	25,767	25,658
Thailand	<b>14,443</b>	13,895	13,226	12,362
Indonesia	<b>11,276</b>	11,533	11,857	11,631
Greater China	<b>31,588</b>	27,903	27,232	26,120
Others	<b>23,347</b>	22,825	22,051	21,237
Total (gross)	<b>234,115</b>	227,740	225,662	217,395

Gross loans grew to \$234 billion as at 30 September 2017, with a year-on-year increase of 8% and quarter-on-quarter increase of 3% that was broad-based across most territories and industries.

Singapore loans increased 6% from a year ago and 1% quarter-on-quarter to \$127 billion as at 30 September 2017. Regional countries contributed a strong year-on-year growth of 10%.

### Notes:

1 Certain comparative figures have been restated to conform with the current period's presentation.

2 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-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
Loans ("NPL")	3,748	3,466	3,328	3,496
Debt securities and others	171	121	152	136
Non-Performing Assets ("NPA")	3,919	3,587	3,480	3,632

### By grading

Substandard	2,325	2,154	2,185	2,500
Doubtful	435	254	270	517
Loss	1,159	1,179	1,025	615
Total	3,919	3,587	3,480	3,632

### By security

Secured by collateral type:

Properties	1,458	1,357	1,177	1,207
Shares and debentures	8	38	39	9
Fixed deposits	12	6	11	6
Others <sup>1</sup>	565	434	613	804
	2,043	1,835	1,840	2,026
Unsecured	1,876	1,752	1,640	1,606
Total	3,919	3,587	3,480	3,632

### By ageing

Current	537	518	343	452
Within 90 days	661	239	285	453
Over 90 to 180 days	460	351	646	676
Over 180 days	2,261	2,479	2,206	2,051
Total	3,919	3,587	3,480	3,632

### Total allowance

Specific	1,580	1,427	1,322	1,063
General	2,610	2,635	2,724	2,983
Total	4,190	4,062	4,046	4,046

### NPL by industry

	NPL	NPL	NPL	NPL	NPL	NPL	NPL	
	\$m	ratio	\$m	ratio	\$m	ratio	\$m	
		%		%		%		
Transport, storage and communication	1,254	12.9	1,000	10.5	965	9.9	1,063	11.4
Building and construction	317	0.6	242	0.5	210	0.4	179	0.4
Manufacturing	434	2.3	358	2.1	316	2.0	298	1.8
Financial institutions, investment and holding companies	78	0.4	74	0.5	76	0.5	77	0.5
General commerce	587	1.9	594	2.0	451	1.5	643	2.3
Professionals and private individuals	283	1.0	283	1.0	284	1.1	304	1.2
Housing loans	622	1.0	666	1.1	618	1.0	601	1.0
Others	173	1.5	249	2.1	408	3.0	331	2.8
Total	3,748	1.6	3,466	1.5	3,328	1.5	3,496	1.6

Note:

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

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

	NPA/NPL \$m	NPL ratio %	Specific allowance \$m	Total allowance	
				as a % of NPA/NPL %	as a % of unsecured NPA/NPL %
<b>NPL by geography <sup>1</sup></b>					
Singapore					
<b>Sep-17</b>	<b>1,675</b>	<b>1.3</b>	<b>696</b>	<b>144</b>	<b>316</b>
Jun-17	1,369	1.1	608	172	348
Dec-16	1,291	1.0	468	180	387
Sep-16	1,614	1.3	438	157	363
Malaysia					
<b>Sep-17</b>	<b>563</b>	<b>2.1</b>	<b>153</b>	<b>99</b>	<b>275</b>
Jun-17	518	2.0	145	106	281
Dec-16	487	1.9	82	104	377
Sep-16	466	1.8	57	109	405
Thailand					
<b>Sep-17</b>	<b>386</b>	<b>2.7</b>	<b>145</b>	<b>106</b>	<b>265</b>
Jun-17	392	2.8	145	104	262
Dec-16	360	2.7	134	106	268
Sep-16	293	2.4	105	119	314
Indonesia					
<b>Sep-17</b>	<b>608</b>	<b>5.4</b>	<b>208</b>	<b>48</b>	<b>116</b>
Jun-17	641	5.6	230	49	117
Dec-16	638	5.4	208	45	134
Sep-16	565	4.9	173	41	106
Greater China					
<b>Sep-17</b>	<b>244</b>	<b>0.8</b>	<b>143</b>	<b>106</b>	<b>141</b>
Jun-17	261	0.9	106	80	109
Dec-16	307	1.1	230	107	140
Sep-16	303	1.2	114	69	142
Others					
<b>Sep-17</b>	<b>272</b>	<b>1.2</b>	<b>107</b>	<b>43</b>	<b>75</b>
Jun-17	285	1.2	93	36	71
Dec-16	245	1.1	97	44	62
Sep-16	255	1.2	88	37	53
<b>Group NPL</b>					
<b>Sep-17</b>	<b>3,748</b>	<b>1.6</b>	<b>1,452</b>	<b>108</b>	<b>236</b>
Jun-17	3,466	1.5	1,327	114	241
Dec-16	3,328	1.5	1,219	118	262
Sep-16	3,496	1.6	975	112	266
<b>Debt securities and others</b>					
<b>Sep-17</b>	<b>171</b>		<b>128</b>	<b>84</b>	<b>88</b>
Jun-17	121		100	95	100
Dec-16	152		103	78	82
Sep-16	136		88	86	90
<b>Group NPA</b>					
<b>Sep-17</b>	<b>3,919</b>		<b>1,580</b>	<b>107</b>	<b>223</b>
Jun-17	3,587		1,427	113	232
Dec-16	3,480		1,322	116	247
Sep-16	3,632		1,063	111	252

As at 30 September 2017, the amount of non-performing loans (NPL) grew 7% year-on-year and 8% from the previous quarter to \$3.75 billion. However, new formation of NPL was mainly driven by a large account in the oil & gas sector, which remained under stress.

Though the NPL ratio moved up to 1.6%, NPL coverage remained strong at 108%, or 236% after taking collateral into account.

Note:

<sup>1</sup> Non-performing loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

## Customer Deposits

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
<b>By product</b>				
Fixed deposits	140,590	136,817	133,966	130,724
Savings deposits	64,984	63,059	61,951	59,271
Current accounts	54,171	51,945	51,690	52,401
Others	8,552	8,099	7,707	8,601
<b>Total</b>	<b>268,296</b>	<b>259,920</b>	<b>255,314</b>	<b>250,999</b>
<b>By maturity</b>				
Within 1 year	263,435	254,452	249,750	242,339
Over 1 year but within 3 years	2,739	3,180	3,589	6,704
Over 3 years but within 5 years	1,038	1,145	978	954
Over 5 years	1,083	1,142	997	1,001
<b>Total</b>	<b>268,296</b>	<b>259,920</b>	<b>255,314</b>	<b>250,999</b>
<b>By currency</b>				
Singapore dollar	122,832	124,141	122,736	120,614
US dollar	68,251	62,530	59,425	58,481
Malaysian ringgit	26,199	25,526	25,295	25,354
Thai baht	15,024	13,881	13,049	12,336
Indonesian rupiah	5,311	5,432	5,741	5,428
Others	30,679	28,411	29,068	28,786
<b>Total</b>	<b>268,296</b>	<b>259,920</b>	<b>255,314</b>	<b>250,999</b>
Group Loan/Deposit ratio (%)	85.8	86.1	86.8	85.0
Singapore dollar Loan/Deposit ratio (%)	91.9	89.9	89.7	89.7
US dollar Loan/Deposit ratio (%)	65.3	66.5	74.6	68.3

Customer deposits increased 7% from a year ago and 3% from last quarter to \$268 billion as at 30 September 2017, led mainly by growth in US dollar deposits.

As at 30 September 2017, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 85.8% and 91.9% respectively.

## Debts Issued

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
<b>Unsecured</b>				
Subordinated debts	5,529	6,534	5,926	5,769
Commercial papers	13,750	13,721	14,364	7,688
Fixed and floating rate notes	2,280	2,294	3,408	3,479
Others	1,829	1,830	1,687	1,690
<b>Secured</b>				
Covered bonds	2,268	2,245	758	762
<b>Total</b>	<b>25,655</b>	<b>26,625</b>	<b>26,143</b>	<b>19,388</b>
Due within 1 year	14,636	14,286	16,172	10,048
Due after 1 year	11,019	12,338	9,971	9,340
<b>Total</b>	<b>25,655</b>	<b>26,625</b>	<b>26,143</b>	<b>19,388</b>



### Shareholders' Equity

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
Shareholders' equity	<b>35,147</b>	34,652	32,873	32,418
Add: Revaluation surplus	<b>4,546</b>	4,528	4,456	4,369
Shareholders' equity including revaluation surplus	<b>39,693</b>	39,181	37,329	36,786

Shareholders' equity increased 8% from a year ago and 1% over the previous quarter to \$35.1 billion as at 30 September 2017 due to higher retained earnings and shareholders' participation in the scrip dividend scheme.

As at 30 September 2017, revaluation surplus of \$4.55 billion relating to the Group's properties, was not recognised in the financial statements.

### Changes in Issued Shares of the Bank

	Number of shares			
	9M17	9M16	3Q17	3Q16
	'000	'000	'000	'000
<b>Ordinary shares</b>				
Balance at beginning of period	<b>1,646,966</b>	1,614,544	<b>1,669,416</b>	1,619,570
Shares issued under scrip dividend scheme	<b>24,568</b>	32,422	<b>2,118</b>	27,396
Balance at end of period	<b>1,671,534</b>	1,646,966	<b>1,671,534</b>	1,646,966
<b>Treasury shares</b>				
Balance at beginning of period	<b>(11,274)</b>	(12,281)	<b>(10,430)</b>	(12,277)
Shares issued under share-based compensation plans	<b>1,975</b>	482	<b>1,131</b>	478
Balance at end of period	<b>(9,299)</b>	(11,799)	<b>(9,299)</b>	(11,799)
Ordinary shares net of treasury shares	<b>1,662,235</b>	1,635,167	<b>1,662,235</b>	1,635,167

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## **Performance by Business Segment**

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

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

GR segment covers personal and small enterprise customers.

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

Profit before tax was \$1,343 million in 9M17, 9% higher than a year ago. Total income increased 10%, supported by double digit growth in wealth management and credit card products. Net interest income grew 6% from higher loan and deposit volumes, partly offset by lower loan margin. Expenses were higher by 9% from headcount growth to support regional expansion and higher business volume.

As compared to last quarter and same quarter last year, profit before tax was higher at \$452 million, led by strong performance from wealth management products, partly offset by higher staff 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, treasury products and banknotes.

Profit before tax was \$1,484 million in 9M17, 8% lower than a year ago due to higher allowances for credit and other losses relating to oil and gas sectors. Total income grew 1% as loan volume growth and improvement in trade/ cash management was offset by lower loan margin, on the back of price competition and widening SOR against SIBOR. Expenses increased 4% to \$617 million, primarily from continued investments in product/ technology capabilities and hiring of new talents.

Compared to the same quarter last year, profit before tax improved by 18% to \$503 million, as allowances for credit and other losses moderated to \$189 million this quarter from \$258 million in 3Q16. Operating profit improved 7% against the previous quarter, driven by higher loan-related fees and treasury customer income. This was offset by higher allowances for credit and other losses.

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

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

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

Profit before tax was \$160 million in 9M17, 28% lower than a year ago. Total income declined 16% mainly due to lower trading income and unfavourable foreign exchange movements. Total operating expenses were lower by 5% from a year ago.

As compared to the same quarter last year, profit before tax declined due to lower trading income. However, against the previous quarter, profit before tax declined from \$66 million to \$28 million due to lower net interest income and trading income.

### **Others**

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

Others segment recorded net profit before tax of \$133 million in 9M17 as compared to a loss before tax of \$206 million a year ago, led by higher income from central treasury activities, fund management, improvement in share of associates' profits and write-back of general allowances.

Profit before tax was higher at \$90 million this quarter as compared to net loss of \$17 million last quarter, attributable to higher income from central treasury activities and the release of general allowances. As compared to the same quarter last year, profit before tax rose from \$28 million to \$90 million lifted by higher income from central treasury activities.

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

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
<b>9M17</b>					
Net interest income	1,908	1,842	176	141	4,067
Non-interest income	1,057	803	196	421	2,477
Operating income	2,965	2,645	371	563	6,544
Operating expenses	(1,462)	(617)	(212)	(635)	(2,925)
Allowance 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	160	133	3,120
Tax					(574)
<b>Profit for the financial period</b>					<b>2,546</b>
<b>Other information:</b>					
Capital expenditure	33	19	7	195	253
Depreciation of assets	17	9	5	158	188
<b>9M16</b>					
Net interest income	1,808	1,825	107	(25)	3,715
Non-interest income	888	804	333	293	2,318
Operating income	2,696	2,629	440	268	6,033
Operating expenses	(1,338)	(593)	(222)	(586)	(2,739)
Allowance for credit and other losses	(128)	(427)	4	88	(463)
Share of profit of associates and joint ventures	-	2	-	25	27
Profit before tax	1,230	1,612	221	(206)	2,857
Tax					(492)
<b>Profit for the financial period</b>					<b>2,366</b>
<b>Other information:</b>					
Capital expenditure	20	18	9	209	256
Depreciation of assets	13	7	4	140	163

**Notes:**

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

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

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
<b>3Q17</b>					
Net interest income	645	625	48	89	1,408
Non-interest income	371	274	50	135	830
Operating income	1,016	899	99	225	2,238
Operating expenses	(505)	(207)	(71)	(190)	(973)
Allowance for credit and other losses	(59)	(189)	-	27	(221)
Share of profit of associates and joint ventures	-	1	-	28	29
Profit before tax	452	503	28	90	1,073
Tax					(187)
<b>Profit for the financial period</b>					<b>886</b>
<b>Other information:</b>					
Capital expenditure	12	6	2	66	86
Depreciation of assets	6	3	2	53	63
<b>2Q17</b>					
Net interest income	637	610	76	33	1,356
Non-interest income	354	246	66	162	828
Operating income	991	855	142	195	2,183
Operating expenses	(489)	(206)	(76)	(224)	(995)
Allowance for credit and other losses	(57)	(111)	-	(12)	(180)
Share of profit of associates and joint ventures	-	1	-	23	24
Profit before tax	445	539	66	(17)	1,033
Tax					(184)
<b>Profit for the financial period</b>					<b>849</b>
<b>Other information:</b>					
Capital expenditure	12	7	2	65	86
Depreciation of assets	6	3	2	48	59
<b>3Q16</b>					
Net interest income	615	602	41	(28)	1,230
Non-interest income	313	281	100	116	810
Operating income	928	883	141	88	2,040
Operating expenses	(453)	(198)	(71)	(197)	(918)
Allowance for credit and other losses	(43)	(258)	4	113	(185)
Share of profit of associates and joint ventures	-	1	-	24	25
Profit before tax	432	428	73	28	962
Tax					(169)
<b>Profit for the financial period</b>					<b>793</b>
<b>Other information:</b>					
Capital expenditure	9	7	2	59	77
Depreciation of assets	4	2	1	47	55

**Notes:**

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

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

Selected balance sheet items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
<b>At 30 September 2017</b>					
<b>Segment assets</b>	<b>101,596</b>	<b>159,219</b>	<b>57,848</b>	<b>30,159</b>	<b>348,822</b>
Intangible assets	1,317	2,087	660	81	4,144
Investment in associates and joint ventures	-	102	-	1,075	1,177
<b>Total assets</b>	<b>102,912</b>	<b>161,409</b>	<b>58,508</b>	<b>31,314</b>	<b>354,143</b>
<b>Segment liabilities</b>	<b>132,314</b>	<b>141,300</b>	<b>36,413</b>	<b>8,786</b>	<b>318,814</b>
<b>Other information:</b>					
Gross customer loans	101,377	132,605	100	33	234,115
Non-performing assets	1,089	2,814	16	-	3,919
<b>At 30 June 2017</b>					
<b>Segment assets</b>	100,017	152,691	56,863	29,543	339,114
Intangible assets	1,318	2,088	660	81	4,147
Investment in associates and joint ventures	-	93	-	1,061	1,154
<b>Total assets</b>	<b>101,334</b>	<b>154,872</b>	<b>57,523</b>	<b>30,684</b>	<b>344,414</b>
<b>Segment liabilities</b>	<b>130,601</b>	<b>135,271</b>	<b>30,316</b>	<b>13,396</b>	<b>309,584</b>
<b>Other information:</b>					
Gross customer loans	99,841	127,742	157	(0)	227,740
Non-performing assets	1,132	2,439	16	-	3,587
<b>At 30 September 2016</b>					
<b>Segment assets</b>	95,629	142,301	44,779	39,878	322,586
Intangible assets	1,318	2,088	660	81	4,147
Investment in associates and joint ventures	-	43	-	1,050	1,094
<b>Total assets</b>	<b>96,947</b>	<b>144,432</b>	<b>45,439</b>	<b>41,009</b>	<b>327,826</b>
<b>Segment liabilities</b>	<b>123,880</b>	<b>127,042</b>	<b>27,254</b>	<b>17,067</b>	<b>295,243</b>
<b>Other information:</b>					
Gross customer loans	95,398	121,822	167	8	217,395
Non-performing assets	1,055	2,556	16	5	3,632

**Notes:**

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

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

	9M17	9M16	3Q17	3Q16	2Q17
	\$m	\$m	\$m	\$m	\$m
<b>Total operating income</b>					
Singapore	3,769	3,472	1,293	1,149	1,272
Malaysia	745	742	249	250	248
Thailand	683	610	242	214	231
Indonesia	353	353	115	120	121
Greater China	560	475	190	170	173
Others	435	382	150	137	138
<b>Total</b>	<b>6,544</b>	<b>6,033</b>	<b>2,238</b>	<b>2,040</b>	<b>2,183</b>
<b>Profit before tax</b>					
Singapore	1,816	1,783	668	563	597
Malaysia	452	412	144	150	154
Thailand	160	145	63	49	57
Indonesia	32	67	(12)	28	21
Greater China	316	209	102	76	98
Others	343	242	107	96	107
<b>Total</b>	<b>3,120</b>	<b>2,857</b>	<b>1,073</b>	<b>962</b>	<b>1,033</b>

Total operating income for 9M17 rose 8% year-on-year to \$6.54 billion led by growth in Singapore, Thailand and Greater China. Total operating income for 3Q17 was 3% higher than the previous quarter.

Profit before tax for 9M17 grew 9% year-on-year to \$3.12 billion mainly due to higher contribution from overseas banking operations and associated companies. Profit before tax for 3Q17 increased 4% quarter-on-quarter and 12% from a year ago largely from Singapore, Thailand and Greater China.

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
<b>Total assets</b>				
Singapore	215,424	211,025	210,937	204,339
Malaysia	35,398	35,335	33,845	33,247
Thailand	21,097	18,595	18,031	16,305
Indonesia	9,459	9,546	9,840	8,750
Greater China	44,377	39,816	40,233	38,512
Others	24,244	25,950	22,991	22,525
	<b>349,999</b>	<b>340,268</b>	<b>335,877</b>	<b>323,680</b>
Intangible assets	4,144	4,147	4,151	4,147
<b>Total</b>	<b>354,143</b>	<b>344,414</b>	<b>340,028</b>	<b>327,826</b>

Note:

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

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

	Sep-17	Jun-17	Dec-16	Sep-16
	\$m	\$m	\$m	\$m
Share capital	4,783	4,711	4,257	4,246
Disclosed reserves/others	28,114	27,696	26,384	25,942
Regulatory adjustments	(3,505)	(3,586)	(2,685)	(2,749)
<b>Common Equity Tier 1 Capital ("CET1")</b>	<b>29,392</b>	<b>28,821</b>	<b>27,956</b>	<b>27,439</b>
Perpetual capital securities/others	2,096	2,096	2,096	2,096
Regulatory adjustments	(872)	(891)	(1,772)	(1,767)
<b>Additional Tier 1 Capital ("AT1")</b>	<b>1,224</b>	<b>1,205</b>	<b>324</b>	<b>330</b>
<b>Tier 1 Capital</b>	<b>30,616</b>	<b>30,026</b>	<b>28,280</b>	<b>27,768</b>
Subordinated notes	4,908	6,158	5,546	5,391
Provisions/others	1,116	1,113	1,122	1,055
Regulatory adjustments	(4)	(5)	(22)	(70)
<b>Tier 2 Capital</b>	<b>6,020</b>	<b>7,266</b>	<b>6,646</b>	<b>6,376</b>
<b>Eligible Total Capital</b>	<b>36,636</b>	<b>37,292</b>	<b>34,926</b>	<b>34,145</b>
<b>Risk-Weighted Assets ("RWA")</b>	<b>206,169</b>	<b>209,276</b>	<b>215,559</b>	<b>205,138</b>
<b>Capital Adequacy Ratios ("CAR")</b>				
CET1	14.3%	13.8%	13.0%	13.4%
Tier 1	14.8%	14.3%	13.1%	13.5%
Total	17.8%	17.8%	16.2%	16.6%
Fully-loaded CET1 (based on final rules effective 1 Jan 2018)	13.8%	13.3%	12.1%	12.4%
<b>Leverage Exposure</b>	<b>396,451</b>	<b>385,816</b>	<b>380,238</b>	<b>367,848</b>
<b>Leverage Ratio</b>	<b>7.7%</b>	<b>7.8%</b>	<b>7.4%</b>	<b>7.5%</b>

The Group's CET1, Tier 1 and Total CAR as at 30 September 2017 were well above the regulatory minimum requirements.

Compared to a year ago, total capital was higher, mainly from retained earnings and issuance of shares pursuant to the scrip dividend scheme.

Total capital was slightly lower quarter-on-quarter, primarily due to redemption of old-style Tier-2 subordinated notes, partly offset by earnings for the quarter. The lower RWA was mainly attributed to a change in the computation of foreign exchange risk, partly offset by asset growth.

As at 30 September 2017, the Group's leverage ratio remained stable at 7.7%.

### Notes:

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

**Consolidated Income Statement (Unaudited)**

	9M17	9M16	+ / (-)	3Q17	3Q16	+ / (-)	2Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	6,690	6,183	8	2,321	2,039	14	2,225	4
Less: Interest expense	2,623	2,468	6	912	809	13	870	5
<b>Net interest income</b>	<b>4,067</b>	<b>3,715</b>	<b>9</b>	<b>1,408</b>	<b>1,230</b>	<b>15</b>	<b>1,356</b>	<b>4</b>
Fee and commission income	1,577	1,400	13	551	492	12	517	7
Dividend income	22	29	(26)	3	4	(14)	18	(81)
Rental income	90	88	2	29	30	(2)	30	(2)
Net trading income	589	608	(3)	164	227	(28)	164	(0)
Net gain/(loss) from investment securities	115	100	15	57	24	>100	76	(25)
Other income	85	93	(8)	26	33	(23)	23	14
<b>Non-interest income</b>	<b>2,477</b>	<b>2,318</b>	<b>7</b>	<b>830</b>	<b>810</b>	<b>2</b>	<b>828</b>	<b>0</b>
<b>Total operating income</b>	<b>6,544</b>	<b>6,033</b>	<b>8</b>	<b>2,238</b>	<b>2,040</b>	<b>10</b>	<b>2,183</b>	<b>3</b>
Less: Staff costs	1,616	1,536	5	543	510	7	547	(1)
Other operating expenses	1,309	1,203	9	430	409	5	448	(4)
<b>Total operating expenses</b>	<b>2,925</b>	<b>2,739</b>	<b>7</b>	<b>973</b>	<b>918</b>	<b>6</b>	<b>995</b>	<b>(2)</b>
<b>Operating profit before allowance</b>	<b>3,619</b>	<b>3,293</b>	<b>10</b>	<b>1,265</b>	<b>1,122</b>	<b>13</b>	<b>1,189</b>	<b>6</b>
Less: Allowance for credit and other losses	587	463	27	221	185	19	180	23
<b>Operating profit after allowance</b>	<b>3,032</b>	<b>2,830</b>	<b>7</b>	<b>1,044</b>	<b>937</b>	<b>11</b>	<b>1,009</b>	<b>4</b>
Share of profit of associates and joint ventures	88	27	>100	29	25	15	24	20
<b>Profit before tax</b>	<b>3,120</b>	<b>2,857</b>	<b>9</b>	<b>1,073</b>	<b>962</b>	<b>12</b>	<b>1,033</b>	<b>4</b>
Less: Tax	574	492	17	187	169	11	184	2
<b>Profit for the financial period</b>	<b>2,546</b>	<b>2,366</b>	<b>8</b>	<b>886</b>	<b>793</b>	<b>12</b>	<b>849</b>	<b>4</b>
Attributable to:								
<b>Equity holders of the Bank</b>	<b>2,535</b>	<b>2,357</b>	<b>8</b>	<b>883</b>	<b>791</b>	<b>12</b>	<b>845</b>	<b>5</b>
Non-controlling interests	11	8	26	3	3	18	4	(30)
	<b>2,546</b>	<b>2,366</b>	<b>8</b>	<b>886</b>	<b>793</b>	<b>12</b>	<b>849</b>	<b>4</b>



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

	<b>9M17</b>	9M16	+ / (-)	<b>3Q17</b>	3Q16	+ / (-)	2Q17	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Profit for the financial period</b>	<b>2,546</b>	2,366	8	<b>886</b>	793	12	849	4
<b>Other comprehensive income <sup>1</sup></b>								
Currency translation adjustments	<b>(132)</b>	24	(>100)	<b>(13)</b>	68	(>100)	12	(>100)
Change in available-for-sale/other reserves								
Change in fair value	<b>682</b>	158	>100	<b>221</b>	466	(53)	282	(22)
Transfer to income statement								
on disposal/impairment	<b>(63)</b>	(141)	55	<b>(37)</b>	(21)	(72)	(59)	38
Tax relating to available-for-sale	<b>(39)</b>	(5)	(>100)	<b>(13)</b>	(27)	50	(15)	12
Change in shares of other comprehensive								
income of associates and joint ventures	<b>(0)</b>	(18)	99	<b>(3)</b>	2	(>100)	1	(>100)
Remeasurement of defined benefit obligation	<b>(0)</b>	(4)	99	-	-	-	(0)	NM
<b>Other comprehensive income for the financial period, net of tax</b>	<b>447</b>	14	>100	<b>154</b>	489	(68)	221	(30)
<b>Total comprehensive income for the financial period, net of tax</b>	<b>2,993</b>	2,379	26	<b>1,040</b>	1,282	(19)	1,069	(3)
Attributable to:								
<b>Equity holders of the Bank</b>	<b>2,974</b>	2,366	26	<b>1,036</b>	1,276	(19)	1,062	(2)
Non-controlling interests	<b>18</b>	14	34	<b>4</b>	6	(30)	7	(38)
	<b>2,993</b>	2,379	26	<b>1,040</b>	1,282	(19)	1,069	(3)

## Note:

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

**Consolidated Balance Sheet (Unaudited)**

	Sep-17	Jun-17	Dec-16 <sup>1</sup>	Sep-16
	\$m	\$m	\$m	\$m
<b>Equity</b>				
Share capital and other capital	6,878	6,805	6,351	6,341
Retained earnings	18,879	18,367	17,334	16,628
Other reserves	9,390	9,480	9,189	9,449
Equity attributable to equity holders of the Bank	35,147	34,652	32,873	32,418
Non-controlling interests	182	178	169	166
<b>Total</b>	<b>35,329</b>	<b>34,830</b>	<b>33,042</b>	<b>32,583</b>
<b>Liabilities</b>				
Deposits and balances of banks	13,024	11,660	11,855	13,278
Deposits and balances of customers	268,296	259,920	255,314	250,999
Bills and drafts payable	836	796	522	612
Other liabilities	11,003	10,583	13,152	10,967
Debts issued	25,655	26,625	26,143	19,388
<b>Total</b>	<b>318,814</b>	<b>309,584</b>	<b>306,986</b>	<b>295,243</b>
<b>Total equity and liabilities</b>	<b>354,143</b>	<b>344,414</b>	<b>340,028</b>	<b>327,826</b>
<b>Assets</b>				
Cash, balances and placements with central banks	30,809	27,387	24,322	26,593
Singapore Government treasury bills and securities	3,956	3,527	6,877	6,455
Other government treasury bills and securities	10,205	10,290	10,638	11,619
Trading securities	1,593	1,741	3,127	3,529
Placements and balances with banks	46,973	48,032	40,033	33,969
Loans to customers	230,068	223,792	221,734	213,465
Investment securities	12,143	11,448	11,640	12,311
Other assets	10,043	9,884	13,407	11,741
Investment in associates and joint ventures	1,177	1,154	1,109	1,094
Investment properties	1,079	1,051	1,105	1,088
Fixed assets	1,954	1,962	1,885	1,817
Intangible assets	4,144	4,147	4,151	4,147
<b>Total</b>	<b>354,143</b>	<b>344,414</b>	<b>340,028</b>	<b>327,826</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	25,774	23,130	24,617	21,257
Financial derivatives	982,707	910,246	814,650	731,647
Commitments	135,341	137,264	136,348	136,374
<b>Net asset value per ordinary share (\$)</b>	<b>19.88</b>	<b>19.63</b>	<b>18.82</b>	<b>18.54</b>

Note:

1 Audited.

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

	<u>Attributable to equity holders of the Bank</u>					Total equity \$m
	Share capital and other capital	Retained earnings	Other reserves	Total	Non- controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	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	<b>6,878</b>	<b>18,879</b>	<b>9,390</b>	<b>35,147</b>	<b>182</b>	<b>35,329</b>
Balance at 1 January 2016	5,881	15,463	9,424	30,768	155	30,924
Profit for the financial period	-	2,357	-	2,357	8	2,366
Other comprehensive income for the financial period	-	(4)	12	8	5	14
Total comprehensive income for the financial period	-	2,354	12	2,366	14	2,379
Transfers	-	10	(10)	-	-	-
Change in non-controlling interests	-	-	-	-	2	2
Dividends	-	(1,199)	-	(1,199)	(5)	(1,205)
Shares issued under scrip dividend scheme	533	-	-	533	-	533
Share-based compensation	-	-	33	33	-	33
Shares issued under share-based compensation plans	9	-	(9)	-	-	-
Perpetual capital securities issued	748	-	-	748	-	748
Redemption of preference shares	(832)	-	-	(832)	-	(832)
Balance at 30 September 2016	<b>6,341</b>	<b>16,628</b>	<b>9,449</b>	<b>32,418</b>	<b>166</b>	<b>32,583</b>

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

	<u>Attributable to equity holders of the Bank</u>					<b>Total equity</b>
	<b>Share capital and other capital</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>	<b>Non-controlling interests</b>	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 July 2017	<b>6,805</b>	<b>18,367</b>	<b>9,480</b>	<b>34,652</b>	<b>178</b>	<b>34,830</b>
Profit for the financial period	-	<b>883</b>	-	<b>883</b>	<b>3</b>	<b>886</b>
Other comprehensive income for the financial period	-	-	<b>153</b>	<b>153</b>	<b>1</b>	<b>154</b>
Total comprehensive income for the financial period	-	<b>883</b>	<b>153</b>	<b>1,036</b>	<b>4</b>	<b>1,040</b>
Transfers	-	<b>230</b>	<b>(230)</b>	-	-	-
Change in non-controlling interests	-	-	-	-	<b>1</b>	<b>1</b>
Dividends	-	<b>(601)</b>	-	<b>(601)</b>	<b>(1)</b>	<b>(602)</b>
Shares issued under scrip dividend scheme	<b>51</b>	-	-	<b>51</b>	-	<b>51</b>
Share-based compensation	-	-	<b>9</b>	<b>9</b>	-	<b>9</b>
Shares issued under share-based compensation plans	<b>22</b>	-	<b>(22)</b>	-	-	-
Balance at 30 September 2017	<b>6,878</b>	<b>18,879</b>	<b>9,390</b>	<b>35,147</b>	<b>182</b>	<b>35,329</b>
Balance at 1 July 2016	5,898	16,412	8,969	31,279	160	31,439
Profit for the financial period	-	791	-	791	3	793
Other comprehensive income for the financial period	-	7	478	485	4	489
Total comprehensive income for the financial period	-	798	478	1,276	6	1,282
Transfers	-	2	(2)	-	-	-
Change in non-controlling interests	-	-	-	-	<b>1</b>	<b>1</b>
Dividends	-	<b>(583)</b>	-	<b>(583)</b>	<b>(1)</b>	<b>(585)</b>
Shares issued under scrip dividend scheme	434	-	-	434	-	434
Share-based compensation	-	-	13	13	-	13
Shares issued under share-based compensation plans	9	-	(9)	-	-	-
Balance at 30 September 2016	<b>6,341</b>	<b>16,628</b>	<b>9,449</b>	<b>32,418</b>	<b>166</b>	<b>32,583</b>

**Consolidated Cash Flow Statement (Unaudited)**

	9M17	9M16	3Q17	3Q16
	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>				
Profit for the financial period	2,546	2,366	886	793
Adjustments for:				
Allowance for credit and other losses	587	463	221	185
Share of profit of associates and joint ventures	(88)	(27)	(29)	(25)
Tax	574	492	187	169
Depreciation of assets	188	163	63	55
Net gain on disposal of assets	(175)	(208)	(67)	(79)
Share-based compensation	33	32	10	12
Operating profit before working capital changes	3,665	3,280	1,271	1,110
Change in working capital:				
Deposits and balances of banks	1,168	1,291	1,363	2,980
Deposits and balances of customers	12,982	10,474	8,376	2,846
Bills and drafts payable	314	178	40	48
Other liabilities	(2,139)	(568)	403	(1,324)
Restricted balances with central banks	(66)	(681)	(86)	(289)
Government treasury bills and securities	3,344	1,501	(339)	90
Trading securities	1,595	(2,180)	161	(598)
Placements and balances with banks	(6,940)	(5,322)	1,059	(830)
Loans to customers	(8,890)	(10,367)	(6,464)	(5,197)
Investment securities	232	(1,617)	(462)	(1,282)
Other assets	3,289	258	(134)	2,151
Cash generated from/(used in) operations	8,554	(3,753)	5,189	(295)
Income tax paid	(559)	(487)	(234)	(211)
Net cash provided by/(used in) operating activities	7,996	(4,240)	4,955	(506)
<b>Cash flows from investing activities</b>				
Capital injection into associates and joint ventures	(27)	(2)	(12)	(0)
Acquisition of associates and joint ventures	(0)	(44)	-	-
Distribution from associates and joint ventures	27	48	8	10
Acquisition of properties and other fixed assets	(253)	(256)	(86)	(78)
Proceeds from disposal of properties and other fixed assets	12	20	2	18
Net cash used in investing activities	(241)	(235)	(89)	(49)
<b>Cash flows from financing activities</b>				
Perpetual capital securities issued	-	748	-	-
Redemption of preference shares	-	(689)	-	-
Issuance of debts issued	34,812	20,828	11,881	7,716
Redemption of debts issued	(34,983)	(21,600)	(12,771)	(6,628)
Change in non-controlling interests	1	2	1	1
Dividends paid on ordinary shares	(665)	(912)	(530)	(129)
Dividends paid on preference shares	-	(20)	-	-
Distribution for perpetual capital securities	(68)	(54)	(21)	(21)
Dividends paid to non-controlling interests	(5)	(5)	(1)	(1)
Net cash (used in)/provided by financing activities	(909)	(1,701)	(1,441)	937
Currency translation adjustments	(424)	(218)	(89)	(522)
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,421	(6,394)	3,336	(141)
Cash and cash equivalents at beginning of the financial period	18,401	27,228	21,486	20,974
<b>Cash and cash equivalents at end of the financial period</b>	24,822	20,834	24,822	20,834

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

	Sep-17	Jun-17	Dec-16 <sup>1</sup>	Sep-16
	\$m	\$m	\$m	\$m
<b>Equity</b>				
Share capital and other capital	6,878	6,805	6,351	6,341
Retained earnings	13,954	13,849	13,031	12,553
Other reserves	10,094	9,970	9,625	9,936
<b>Total</b>	<b>30,927</b>	<b>30,624</b>	<b>29,007</b>	<b>28,830</b>
<b>Liabilities</b>				
Deposits and balances of banks	11,879	10,524	10,618	12,002
Deposits and balances of customers	209,834	202,584	199,665	197,522
Deposits and balances of subsidiaries	8,733	9,420	7,239	7,098
Bills and drafts payable	597	578	324	385
Other liabilities	7,247	7,295	8,995	7,595
Debts issued	24,391	25,602	25,015	18,386
<b>Total</b>	<b>262,681</b>	<b>256,004</b>	<b>251,856</b>	<b>242,989</b>
<b>Total equity and liabilities</b>	<b>293,608</b>	<b>286,628</b>	<b>280,863</b>	<b>271,819</b>
<b>Assets</b>				
Cash, balances and placements with central banks	23,362	21,406	16,573	19,235
Singapore Government treasury bills and securities	3,956	3,527	6,877	6,455
Other government treasury bills and securities	4,085	4,202	5,257	6,669
Trading securities	1,375	1,539	2,977	3,388
Placements and balances with banks	37,872	39,020	33,731	28,371
Loans to customers	179,250	173,632	172,656	166,114
Placements with and advances to subsidiaries	13,461	13,293	9,440	8,712
Investment securities	11,405	10,775	10,992	11,595
Other assets	7,006	7,426	10,588	9,425
Investment in associates and joint ventures	343	335	333	381
Investment in subsidiaries	5,793	5,791	5,786	5,846
Investment properties	1,120	1,146	1,162	1,164
Fixed assets	1,398	1,355	1,310	1,282
Intangible assets	3,182	3,182	3,182	3,182
<b>Total</b>	<b>293,608</b>	<b>286,628</b>	<b>280,863</b>	<b>271,819</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	17,034	14,719	17,550	14,502
Financial derivatives	820,724	805,422	725,617	657,708
Commitments	112,179	114,812	116,251	116,530
<b>Net asset value per ordinary share (\$)</b>	<b>17.35</b>	<b>17.20</b>	<b>16.45</b>	<b>16.35</b>

Note:

1 Audited.



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

	Share capital and other capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	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	<b>6,878</b>	<b>13,954</b>	<b>10,094</b>	<b>30,927</b>
Balance at 1 January 2016	5,050	11,735	9,971	26,756
Profit for the financial period	-	1,983	-	1,983
Other comprehensive income for the financial period	-	-	(44)	(44)
Total comprehensive income for the financial period	-	1,983	(44)	1,939
Transfers	-	15	(15)	-
Dividends	-	(1,179)	-	(1,179)
Shares issued under scrip dividend scheme	533	-	-	533
Share-based compensation	-	-	33	33
Shares issued under share-based compensation plans	9	-	(9)	-
Perpetual capital securities issued	748	-	-	748
Balance at 30 September 2016	<b>6,341</b>	<b>12,553</b>	<b>9,936</b>	<b>28,830</b>

**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 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)
Shares issued under scrip dividend scheme	51	-	-	51
Share-based compensation	-	-	9	9
Shares issued under share-based compensation plans	22	-	(22)	-
Balance at 30 September 2017	<b>6,878</b>	<b>13,954</b>	<b>10,094</b>	<b>30,927</b>
Balance at 1 July 2016	5,898	12,546	9,507	27,951
Profit for the financial period	-	590	-	590
Other comprehensive income for the financial period	-	-	426	426
Total comprehensive income for the financial period	-	590	426	1,016
Dividends	-	(583)	-	(583)
Shares issued under scrip dividend scheme	434	-	-	434
Share-based compensation	-	-	13	13
Shares issued under share-based compensation plans	9	-	(9)	-
Balance at 30 September 2016	<b>6,341</b>	<b>12,553</b>	<b>9,936</b>	<b>28,830</b>



**Capital Adequacy Ratios of Major Bank Subsidiaries**

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

	Sep-17			
	Total Risk- Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
\$m	%	%	%	
United Overseas Bank (Malaysia) Bhd	17,396	14.5	14.5	17.8
United Overseas Bank (Thai) Public Company Limited	12,402	16.1	16.1	18.3
PT Bank UOB Indonesia	8,113	13.7	13.7	15.7
United Overseas Bank (China) Limited	8,138	16.7	16.7	17.5