

# UOB Group Full Year 2015

## Financial Highlights

**Lee Wai Fai**  
**Group Chief Financial Officer**

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# 2015 NPAT of \$3.21 billion, down 1% YoY

	2015	2014	+ / (-)
	\$m	\$m	%
Net interest income	4,926	4,558	8.1 ▲
Fee and commission income	1,883	1,749	7.7 ▲
Other non-interest income	1,238	1,151	7.6 ▲
<b>Total income</b>	<b>8,048</b>	<b>7,457</b>	<b>7.9 ▲</b>
Less: Total expenses <sup>1</sup>	3,597	3,146	14.3 ▲
<b>Operating profit</b>	<b>4,451</b>	<b>4,311</b>	<b>3.2 ▲</b>
Less: Specific allowances	476	301	57.9 ▲
General allowances	196	334	(41.3) ▼
Add: Associates & joint ventures	90	149	(40.0) ▼
<b>Net profit before tax</b>	<b>3,869</b>	<b>3,825</b>	<b>1.1 ▲</b>
Less: Tax & non-controlling interests	660	576	14.6 ▲
<b>Net profit after tax</b>	<b>3,209</b>	<b>3,249</b>	<b>(1.2) ▼</b>

1. One-off expenses of \$67m were relating to Singapore's Golden Jubilee ("SG50") and UOB's 80<sup>th</sup> anniversary ("UOB80") commemorative events and brand campaign in 2015.

▲ favourable variance to earnings      ▼ unfavourable variance to earnings

# 4Q15 NPAT of \$788 million, up 0.3% YoY but down 8% QoQ

	4Q15	4Q14	+/(-)	3Q15	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	1,277	1,168	9.3 ▲	1,235	3.4 ▲
Fee and commission income	480	450	6.7 ▲	485	(1.0) ▼
Other non-interest income	323	232	39.4 ▲	365	(11.5) ▼
<b>Total income</b>	<b>2,081</b>	<b>1,850</b>	<b>12.5 ▲</b>	<b>2,085</b>	<b>(0.2) ▼</b>
Less: Total expenses <sup>1</sup>	964	805	19.8 ▲	904	6.7 ▲
<b>Operating profit</b>	<b>1,116</b>	<b>1,045</b>	<b>6.8 ▲</b>	<b>1,181</b>	<b>(5.5) ▼</b>
Less: Specific allowances	152	87	75.1 ▲	53	>100.0 ▲
General allowances	38	79	(52.0) ▼	107	(64.6) ▼
Add: Associates & joint ventures	18	43	(59.0) ▼	28	(36.7) ▼
<b>Net profit before tax</b>	<b>944</b>	<b>922</b>	<b>2.4 ▲</b>	<b>1,049</b>	<b>(10.0) ▼</b>
Less: Tax & non-controlling interests	156	136	14.6 ▲	191	(18.6) ▼
<b>Net profit after tax</b>	<b>788</b>	<b>786</b>	<b>0.3 ▲</b>	<b>858</b>	<b>(8.1) ▼</b>

1. One-off expenses of \$43m in 4Q15 and \$21m in 3Q15 were relating to SG50 and UOB80 commemorative events and brand campaign.



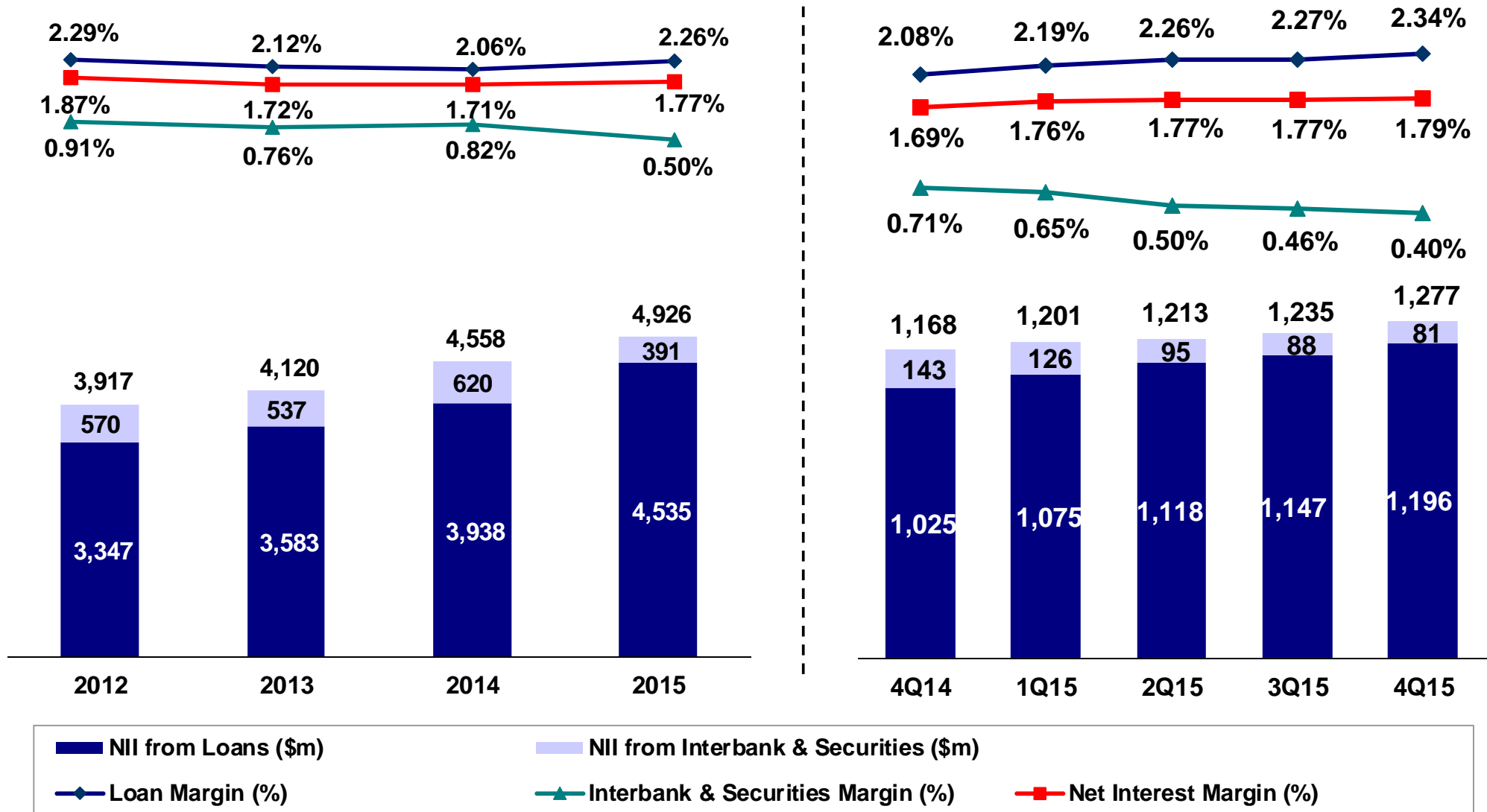
favourable variance to earnings



unfavourable variance to earnings

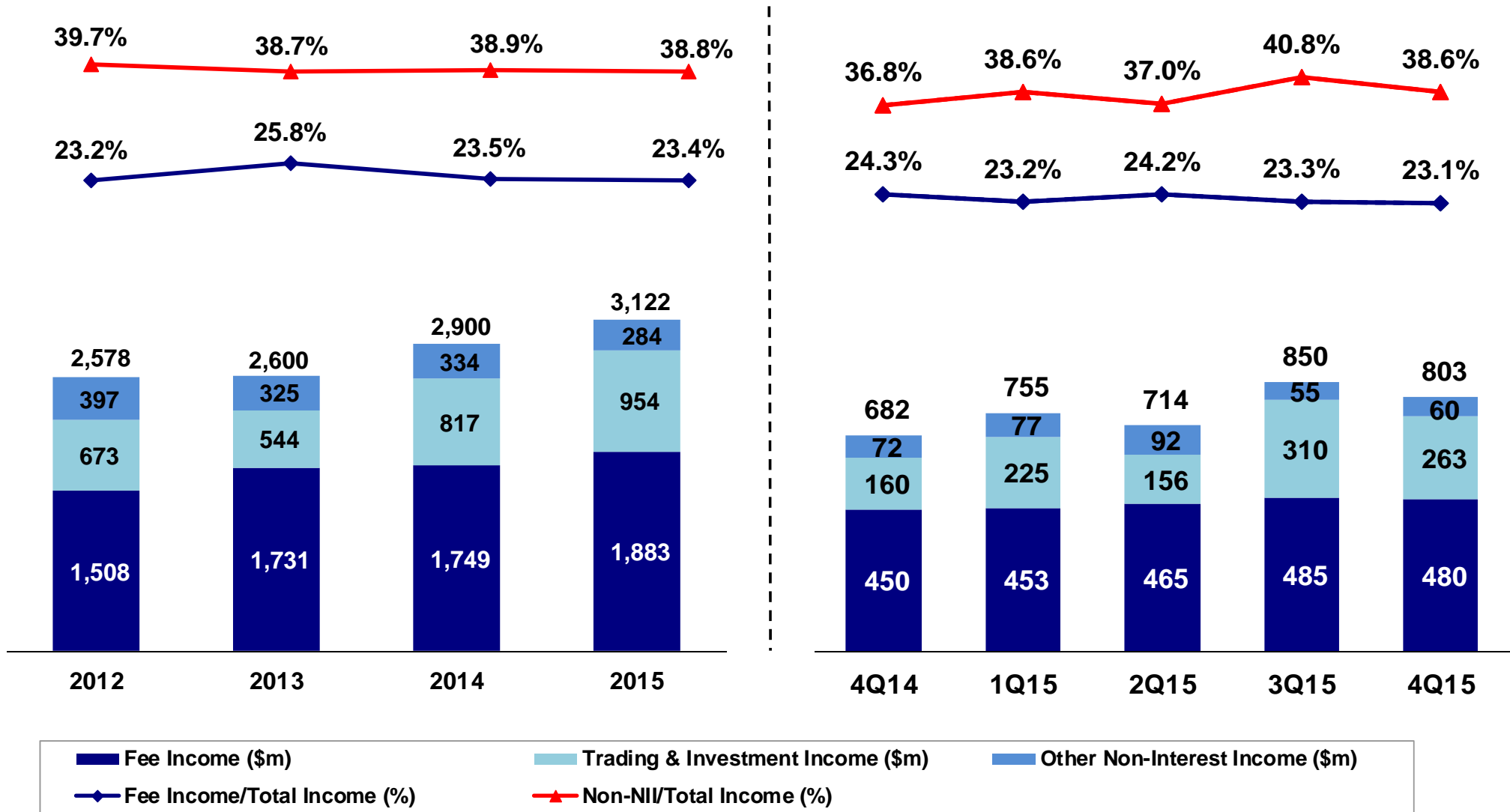
# NII Reached New High, Rising 8% YoY and 3% QoQ

## Net Interest Income (NII) and Margin



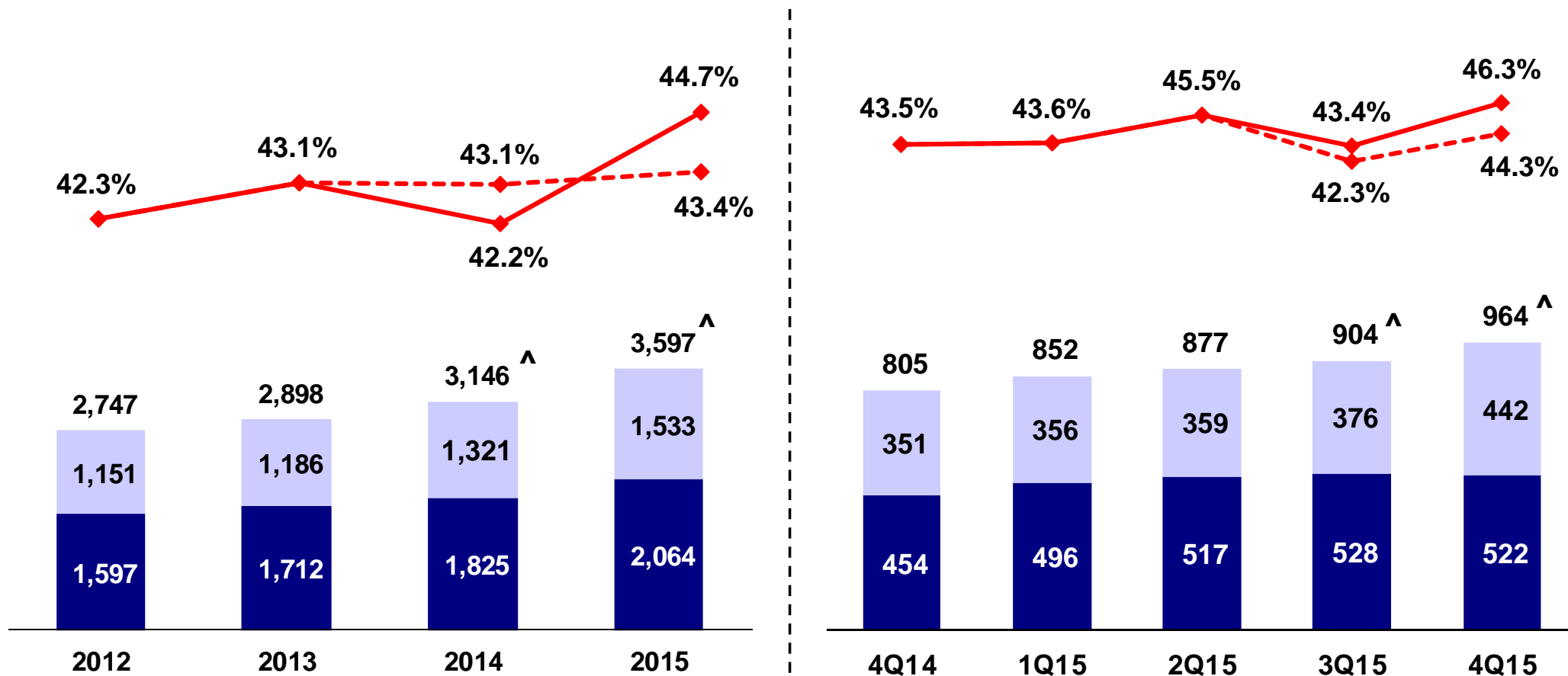
# Broad-based fee Income Growth and Stronger Treasury Contributions

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



# Higher Expenses to Support Growing Franchise

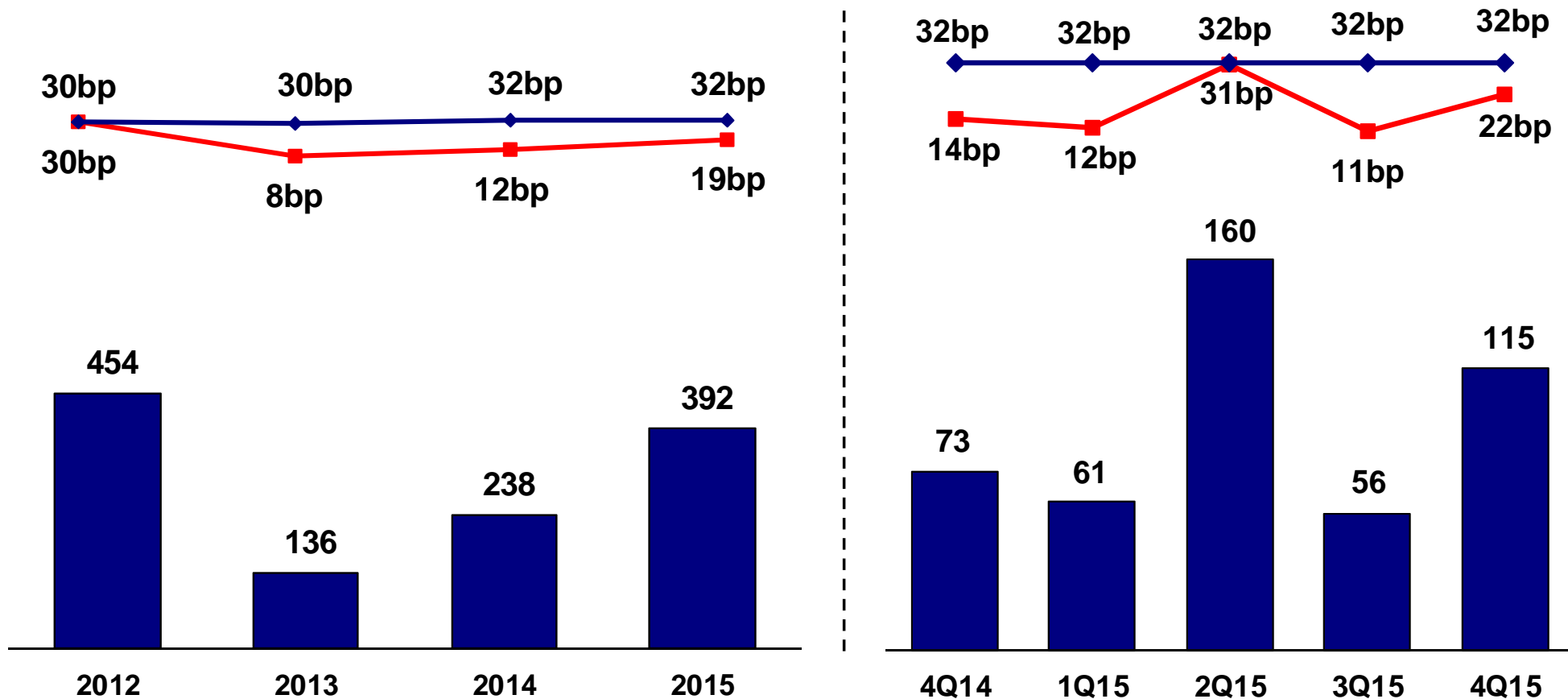
## Operating Expenses and Expense / Income Ratio



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

# Total Loan Charge Off Rate Stable at 32bps

## Allowances on Loans



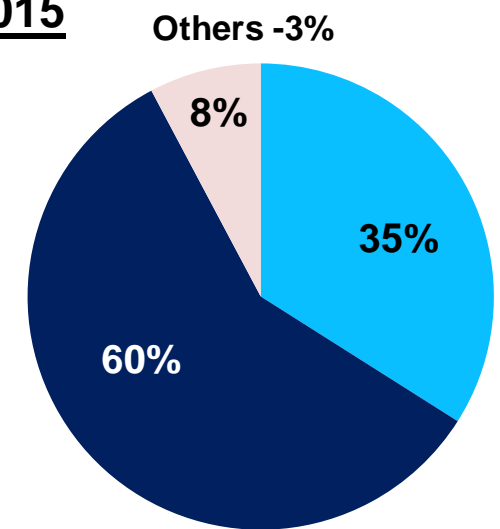
- Specific Allowances on Loans (\$m)
- Specific Allowances on Loans/Average Gross Customer Loans (basis points) \*
- ◆— Total Allowances on Loans/Average Gross Customer Loans (basis points) \*

\* On annualised basis

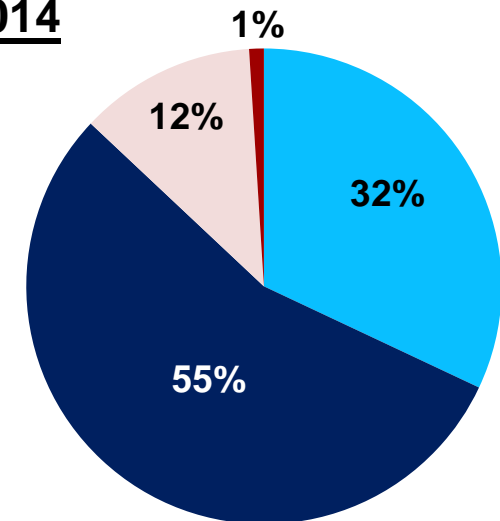
# Performance by Business Segment

Segment Operating Profit	2015	2014	+/( -)
	\$m	\$m	%
Group Retail (GR)	1,573	1,384	13.7
Group Wholesale Banking (GWB)	2,660	2,349	13.2
Global Markets & Investment Mgt (GMIM)	343	537	(36.1)
Others	(125)	41	(>100.0)
<b>Total</b>	<b>4,451</b>	<b>4,311</b>	<b>3.2</b>

**2015**



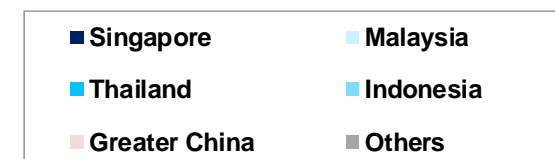
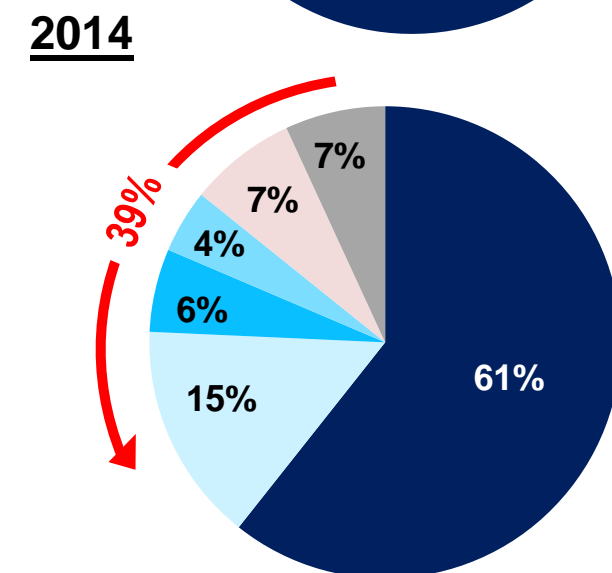
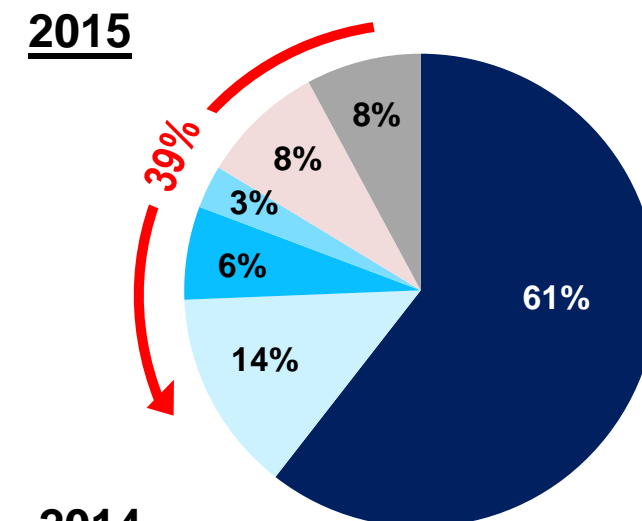
**2014**





# Overseas Operating Profit Contribution Rose 7% YoY in Constant Currency Terms

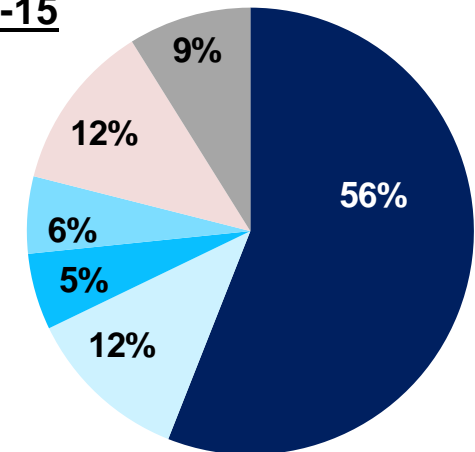
Operating Profit				At constant FX rate
	2015 \$m	2014 \$m	+/(-) %	+/(-) %
Singapore	2,694	2,642	2.0	2.0
Regional:	1,407	1,370	2.7	5.1
Malaysia	616	655	(5.9)	3.8
Thailand	283	248	14.4	11.7
Indonesia	131	147	(10.6)	(6.2)
Greater China	377	320	17.6	17.6
Others	350	300	16.8	16.6
<b>Total</b>	<b>4,451</b>	<b>4,311</b>	<b>3.2</b>	<b>4.0</b>



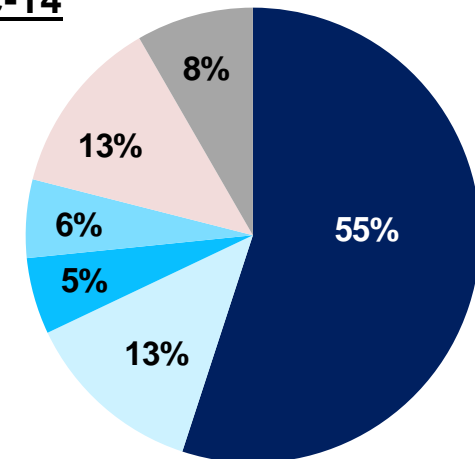
# Loans Increased to \$207b, up 5% YoY and 2% QoQ in Constant Currency Terms

	Dec-15 \$b	Dec-14 \$b	+/(-) %	Sep-15 \$b	+/(-) %
<b>Gross Loans</b>					
Singapore	116.1	109.7	5.8	114.3	1.6
Regional:	72.8	73.0	(0.2)	70.7	3.1
Malaysia	24.6	25.8	(4.5)	23.7	4.0
Thailand	11.5	10.8	6.0	11.2	3.0
Indonesia	11.5	11.1	4.0	10.8	6.9
Greater China	25.2	25.3	(0.4)	25.1	0.6
Others	18.4	16.6	10.9	18.3	0.8
<b>Total</b>	<b>207.4</b>	199.3	4.0	203.2	2.0

**Dec-15**



**Dec-14**

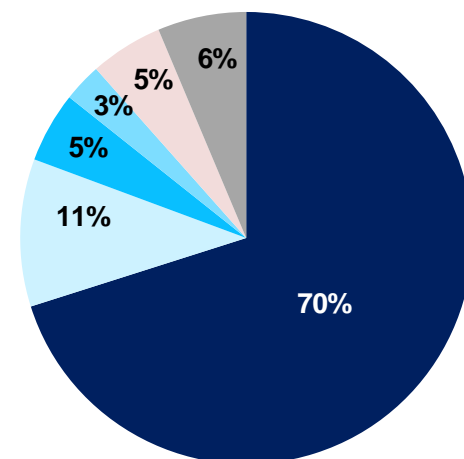


Note: Loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

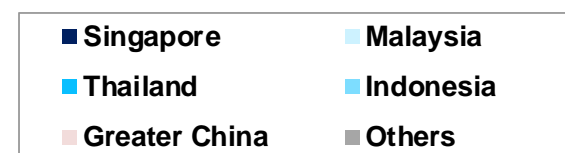
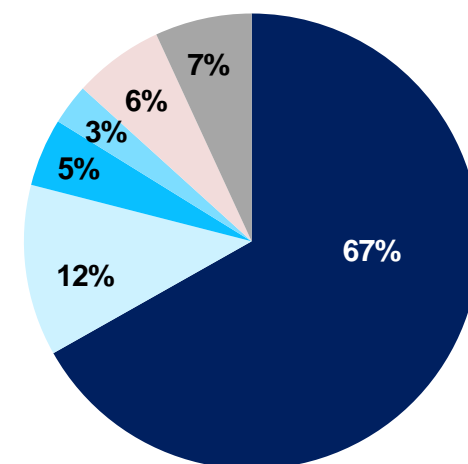
# Healthy Deposit Growth

Customer Deposits	Dec-15 \$b	Dec-14 \$b	+/(-) %	Sep-15 \$b	+/(-) %
<b>Singapore</b>	<b>168.6</b>	156.2	7.9	169.6	(0.6)
Regional:	<b>56.6</b>	61.5	(7.9)	54.9	3.3
Malaysia	<b>25.4</b>	28.5	(10.8)	24.9	1.8
Thailand	<b>12.1</b>	11.3	7.3	11.3	7.0
Indonesia	<b>6.6</b>	6.7	(2.0)	6.2	6.6
Greater China	<b>12.5</b>	15.0	(16.4)	12.4	1.0
Others	<b>15.3</b>	16.1	(5.0)	20.1	(24.2)
<b>Total</b>	<b>240.5</b>	233.8	2.9	244.6	(1.7)

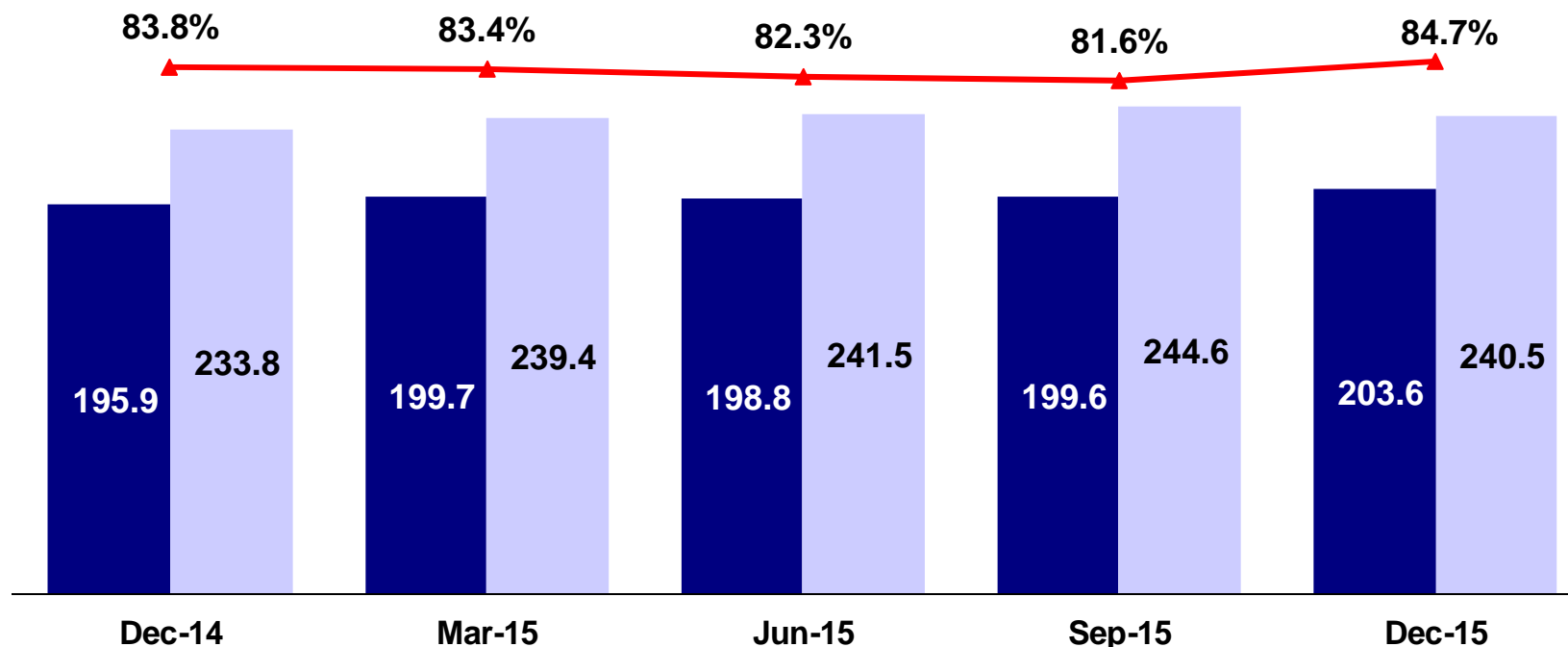
Dec-15



Dec-14



## Customer Loans and Deposits; LDR and LCR



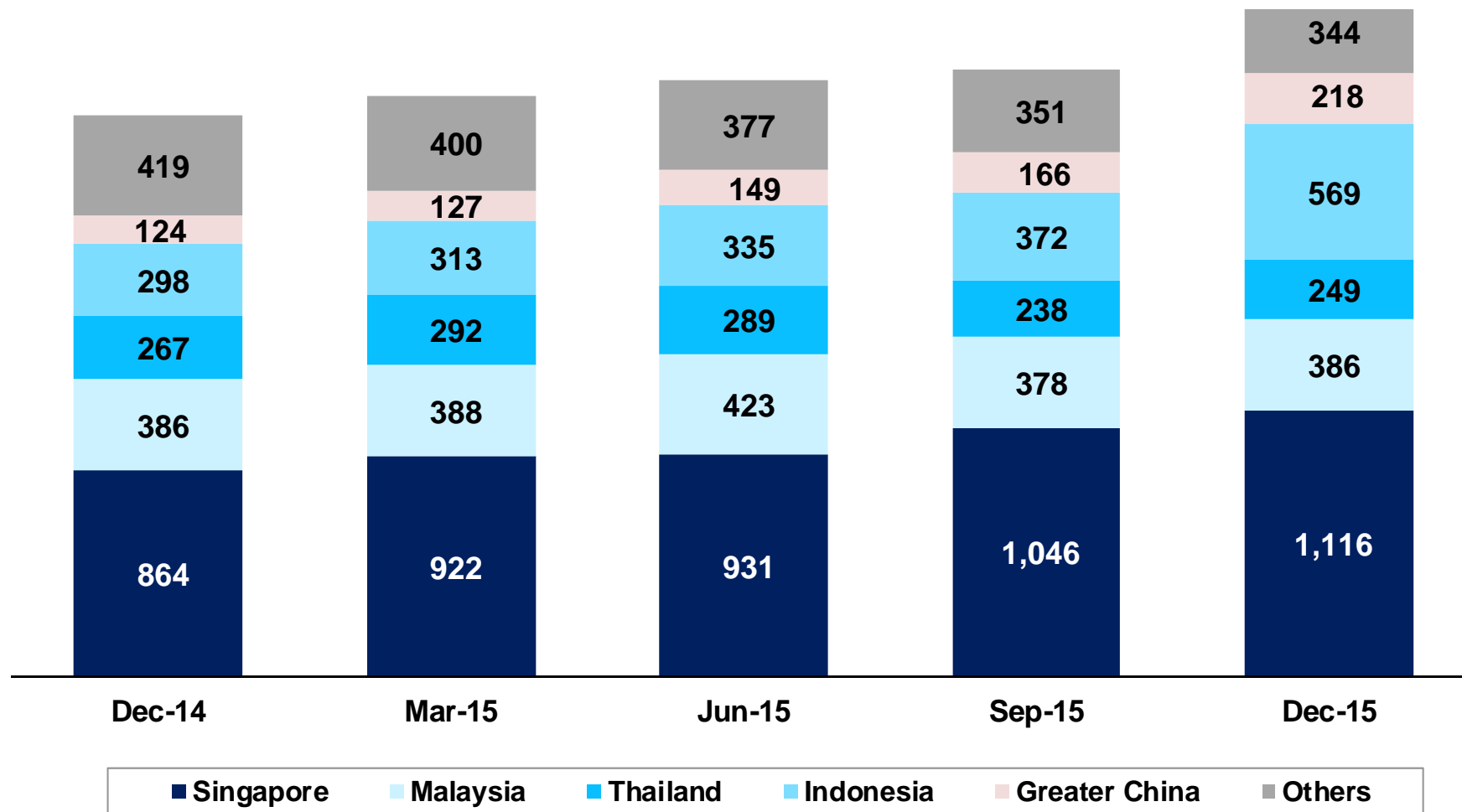
■ Net Customer Loans (\$b)    
 ■ Customer Deposits (\$b)    
 ↗ Loan/Deposit Ratio (LDR) (%)

SGD LDR (%)	93.0	94.5	91.9	88.4	91.7
USD LDR (%)	67.7	58.0	54.9	59.8	65.6
SGD LCR (%) <sup>1</sup>	NA	150	165	179	217
Total LCR (%) <sup>1</sup>	NA	140	152	138	142

<sup>1</sup> Average for quarters

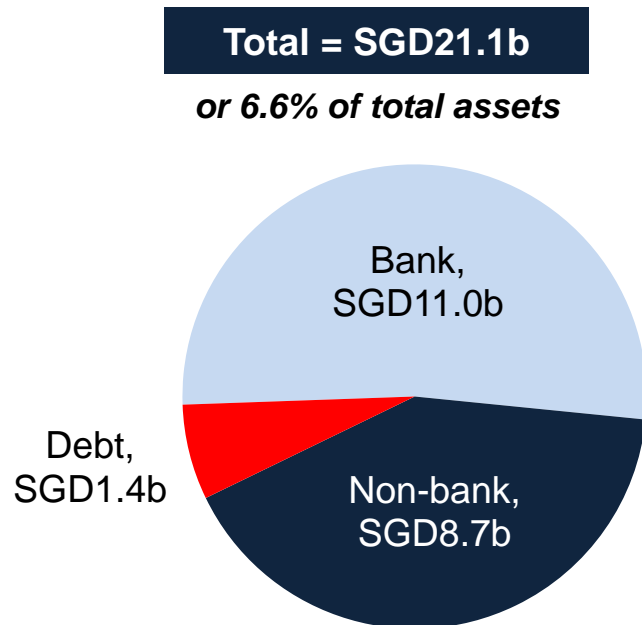
# NPL Ratio at 1.4%

NPL (\$m)	2,358	2,442	2,504	2,551	2,882
NPL Ratio	1.2%	1.2%	1.2%	1.3%	1.4%



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

# Exposure to China



## Bank exposure in China

- 99% with <1 year tenor
- Around 75% accounted for by top 5 domestic banks and policy banks
- Trade exposures mostly with bank counterparties, representing about 65% of bank exposure

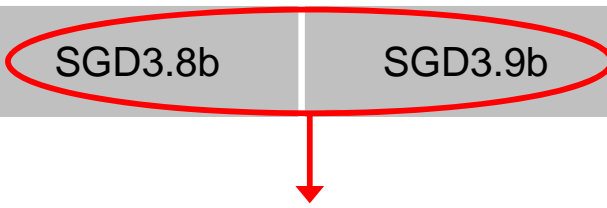

## Non-bank exposure in China

- Target customers include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- NPL ratio around 1%
- Around half of loans denominated in RMB
- Around half has tenor within a year
- Minimal exposure to stockbroking companies linked to China's stock market
- No exposure to Qingdao fraud and local government financing vehicles

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

# Exposure to Commodities

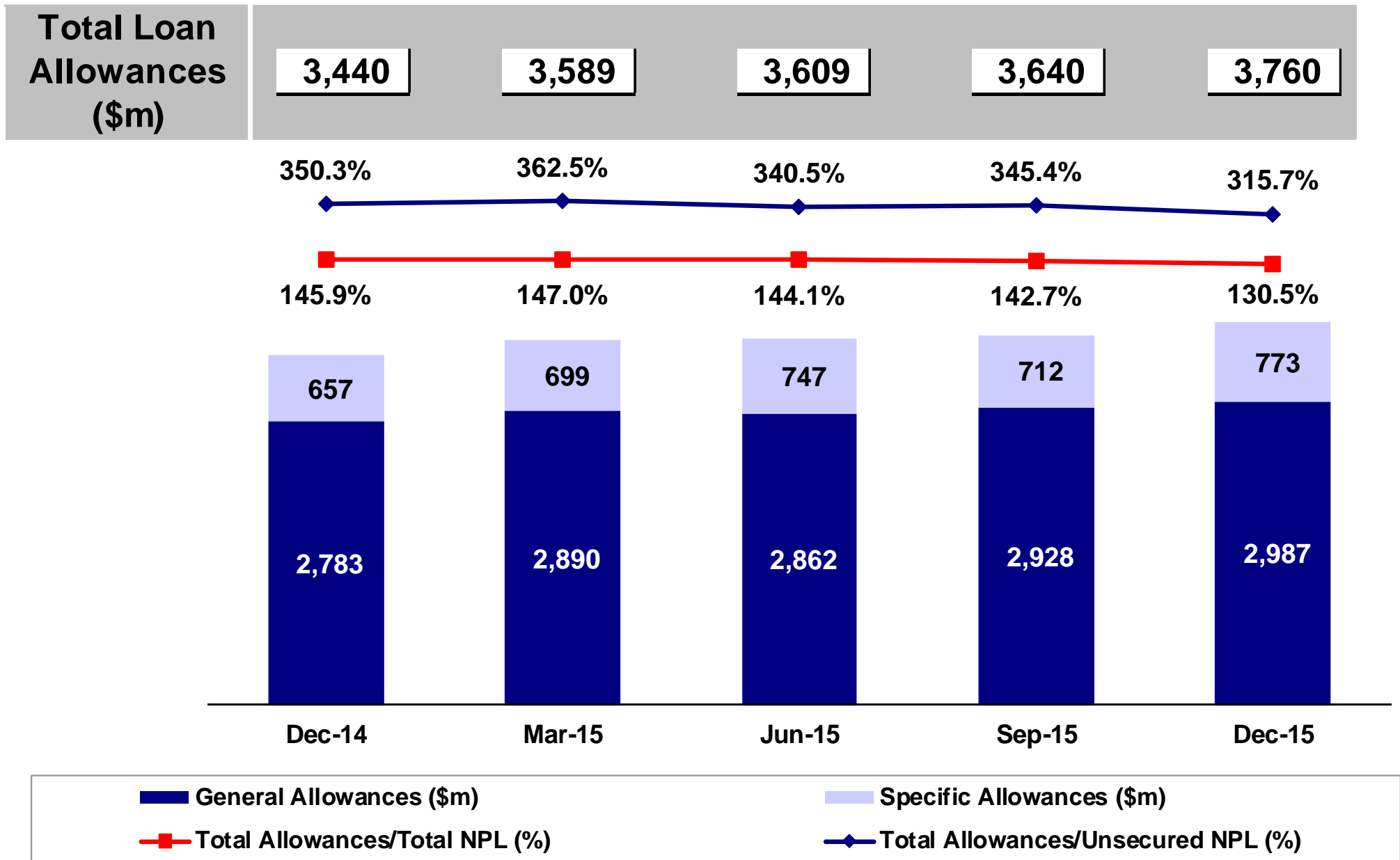
As of 31 Dec 15	Oil and gas		Other commodity segments	Total
	Upstream industries	Traders/ downstream industries		
Total exposure <sup>1</sup>	SGD5.0b	SGD7.1b	SGD8.9b	SGD21.0b
Outstanding loans	SGD3.8b	SGD3.9b	SGD7.1b	SGD14.8b


**3.6% of total loans**

**7% of total loans**

- Total exposure, including off-balance sheet items, stood at SGD21.0b as of 31 Dec 2015
- Mainly to traders and downstream segments
- Proactive monitoring, limit management and collateral enhancement

1. Total exposure comprises outstanding loans and contingent liabilities

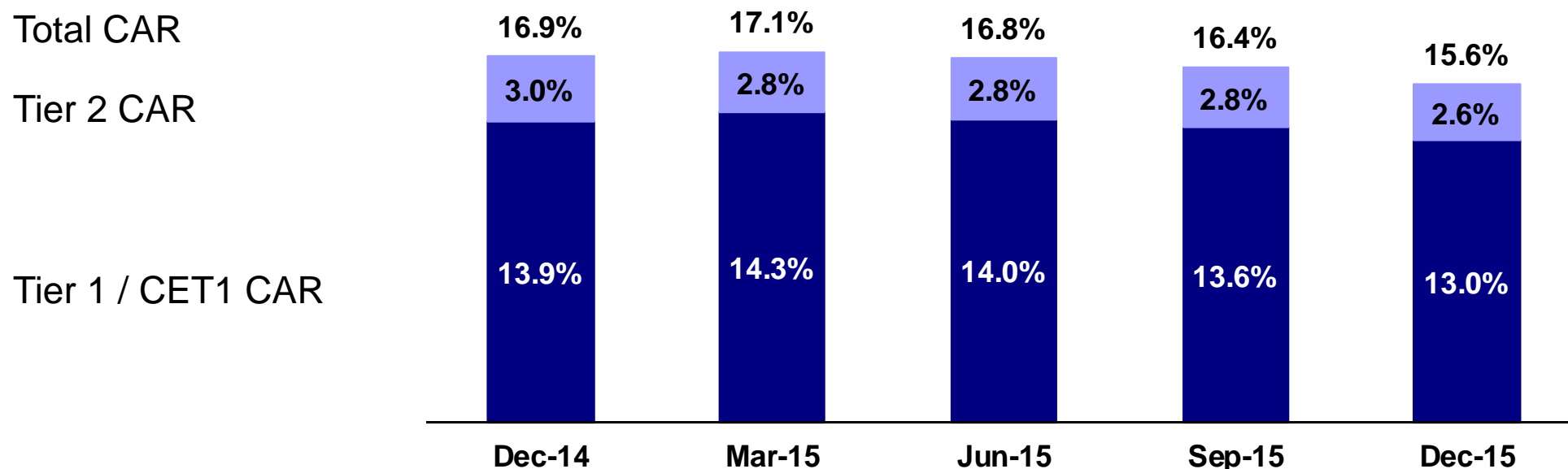
# Strong Allowances Coverage





# Capital Ratios Remained Strong

## Capital Adequacy Ratios (CAR)

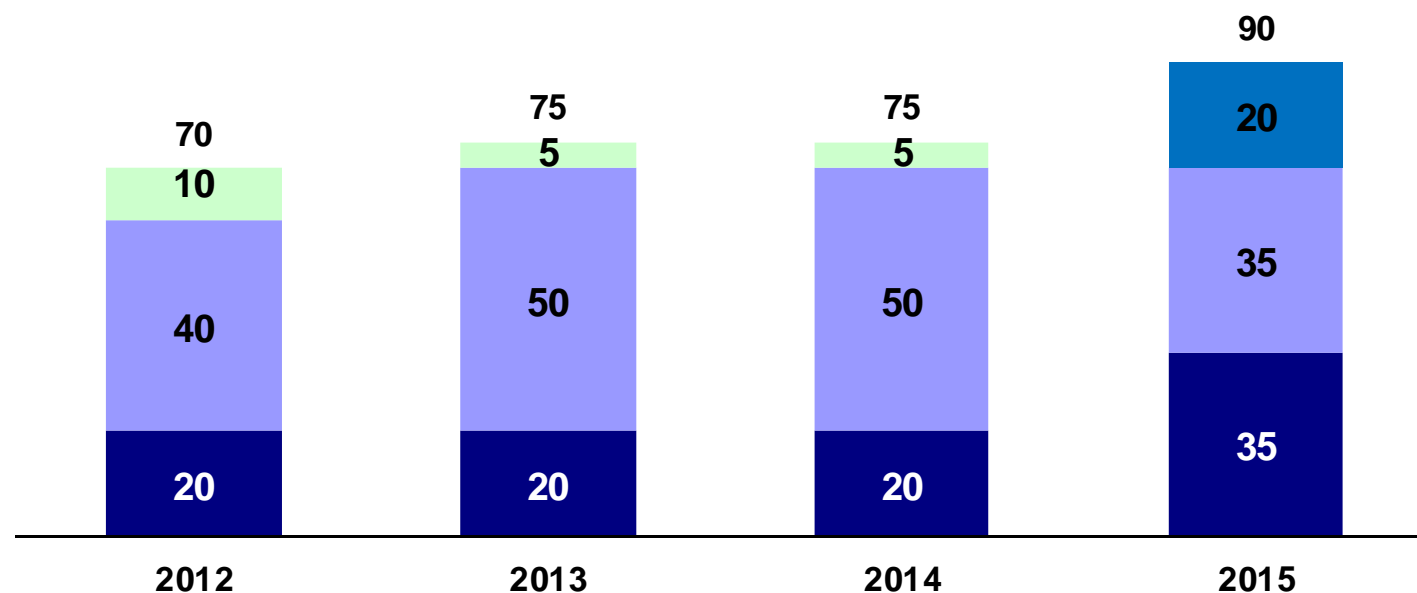


CET1 Capital (\$b)	25	26	25	25	26
Tier 1 Capital (\$b)	25	26	25	25	26
Total Capital (\$b)	30	31	30	30	31
RWA (\$b)	179	182	182	186	201
Proforma CET1 (%) <sup>1</sup>	12.6	12.8	12.5	12.2	11.7
Leverage ratio (%) <sup>2</sup>	NA	7.6	7.6	7.2	7.3

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

<sup>2</sup> Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.

# Final Dividend Maintained



Net dividend

per ordinary share (¢)



Payout amount (\$m)

1,102

1,182

1,201

1,442

Payout ratio (%)

39

39

37

45

# Singapore – Summarised Income Statement

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	2,728	2,440	11.8	720	686	4.9
Fee and commission income	1,099	1,026	7.1	278	278	(0.1)
Other non-interest income	831	847	(1.9)	219	255	(13.8)
<b>Total income</b>	<b>4,658</b>	<b>4,313</b>	<b>8.0</b>	<b>1,217</b>	<b>1,219</b>	<b>(0.1)</b>
Less: Total expenses	1,965	1,671	17.6	541	501	8.0
<b>Operating profit</b>	<b>2,694</b>	<b>2,642</b>	<b>2.0</b>	<b>676</b>	<b>718</b>	<b>(5.8)</b>
Less: Allowances for credit & other losses	401	364	10.1	85	90	(5.3)
Add: Associates & joint ventures	70	67	4.1	9	17	(44.9)
<b>Profit before tax</b>	<b>2,363</b>	<b>2,345</b>	<b>0.8</b>	<b>601</b>	<b>645</b>	<b>(6.9)</b>

# Singapore – Key Financial Indicators

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.40	1.32	0.08	1.41	1.37	0.04
Non-NII/Total income	41.4	43.4	(2.0)	40.9	43.7	(2.8)
Expense/Total income	42.2	38.7	3.5	44.5	41.1	3.4
- Normalised <sup>(1)</sup>	39.9	40.3	(0.4)	40.9	39.4	1.5
Customer loans (net) - \$b	130.9	126.0	4.0%	130.9	128.8	1.6%
Customer deposits - \$b	168.6	156.2	7.9%	168.6	169.6	(0.6%)
Loan/Deposit	77.7	80.6	(2.9)	77.7	75.9	1.8

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

# Malaysia – Summarised Income Statement

	2015	2014	+/(–)	4Q15	3Q15	+/(–)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	1,992	1,892	5.3	511	503	1.6
Fee and commission income	606	576	5.2	168	153	9.8
Other non-interest income	270	235	14.9	77	83	(7.2)
<b>Total income</b>	<b>2,868</b>	<b>2,703</b>	<b>6.1</b>	<b>756</b>	<b>739</b>	<b>2.3</b>
Less: Total expenses	1,114	1,013	10.0	291	280	3.9
<b>Operating profit</b>	<b>1,754</b>	<b>1,690</b>	<b>3.8</b>	<b>465</b>	<b>459</b>	<b>1.3</b>
Less: Allowances for credit & other losses	229	279	(17.9)	62	93	(33.3)
Add: Associates & joint ventures	2	119	(98.3)	-	-	-
<b>Profit before tax</b>	<b>1,527</b>	<b>1,530</b>	<b>(0.2)</b>	<b>403</b>	<b>366</b>	<b>10.1</b>
<b>Profit before tax (S\$m)</b>	<b>537</b>	<b>593</b>	<b>(9.4)</b>	<b>132</b>	<b>124</b>	<b>6.5</b>

# Malaysia – Key Financial Indicators

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.28	2.21	0.07	2.29	2.27	0.02
Non-NII/Total income	30.5	30.0	0.5	32.4	31.9	0.5
Expense/Total income	38.8	37.5	1.3	38.5	37.9	0.6
Customer loans (net) - RM'b	73.6	70.5	4.4%	73.6	72.9	0.9%
Customer deposits - RM'b	77.1	75.2	2.5%	77.1	77.3	(0.2%)
Loan/Deposit	95.5	93.7	1.8	95.5	94.4	1.1

# Thailand – Summarised Income Statement

	2015	2014	+/(–)	4Q15	3Q15	+/(–)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	13,143	12,366	6.3	3,387	3,323	1.9
Fee and commission income	5,868	5,215	12.5	1,492	1,540	(3.1)
Other non-interest income	719	106	>100.0	171	439	(61.0)
<b>Total income</b>	<b>19,730</b>	<b>17,687</b>	<b>11.6</b>	<b>5,050</b>	<b>5,302</b>	<b>(4.8)</b>
Less: Total expenses	12,648	11,347	11.5	3,311	3,200	3.5
<b>Operating profit</b>	<b>7,082</b>	<b>6,340</b>	<b>11.7</b>	<b>1,739</b>	<b>2,102</b>	<b>(17.3)</b>
Less: Allowances for credit & other losses	2,729	2,274	20.0	963	806	19.5
<b>Profit before tax</b>	<b>4,353</b>	<b>4,066</b>	<b>7.1</b>	<b>776</b>	<b>1,296</b>	<b>(40.1)</b>
<b>Profit before tax (S\$m)</b>	<b>175</b>	<b>159</b>	<b>10.0</b>	<b>31</b>	<b>51</b>	<b>(39.9)</b>

# Thailand – Key Financial Indicators

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.45	3.45	-	3.45	3.49	(0.04)
Non-NII/Total income	33.4	30.1	3.3	32.9	37.3	(4.4)
Expense/Total income	64.1	64.2	(0.1)	65.6	60.4	5.2
Customer loans (net) - THB'b	283.3	258.8	9.4%	283.3	275.9	2.7%
Customer deposits - THB'b	309.4	281.0	10.1%	309.4	289.2	7.0%
Loan/Deposit	91.5	92.1	(0.6)	91.5	95.4	(3.9)



# Indonesia – Summarised Income Statement

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	2,811	2,767	1.6	756	748	1.1
Fee and commission income	757	759	(0.3)	181	221	(18.1)
Other non-interest income	439	300	46.3	148	115	28.7
<b>Total income</b>	<b>4,007</b>	<b>3,826</b>	<b>4.7</b>	<b>1,085</b>	<b>1,084</b>	<b>0.1</b>
Less: Total expenses	2,724	2,458	10.8	680	675	0.7
<b>Operating profit</b>	<b>1,283</b>	<b>1,368</b>	<b>(6.2)</b>	<b>405</b>	<b>409</b>	<b>(1.0)</b>
Less: Allowances for credit & other losses	682	443	54.0	255	157	62.4
<b>Profit before tax</b>	<b>601</b>	<b>925</b>	<b>(35.0)</b>	<b>150</b>	<b>252</b>	<b>(40.5)</b>
<b>Profit before tax (S\$m)</b>	<b>61</b>	<b>99</b>	<b>(38.3)</b>	<b>15</b>	<b>25</b>	<b>(38.7)</b>

# Indonesia – Key Financial Indicators

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	4.08	4.41	(0.33)	4.29	4.37	(0.08)
Non-NII/Total income	29.8	27.7	2.1	30.3	31.0	(0.7)
Expense/Total income	68.0	64.2	3.8	62.7	62.3	0.4
Customer loans (net) - IDR't	60.1	54.8	9.8%	60.1	57.7	4.3%
Customer deposits - IDR't	64.4	63.4	1.7%	64.4	63.7	1.2%
Loan/Deposit	93.4	86.5	6.9	93.4	90.5	2.9

# Greater China – Summarised Income Statement

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	394	351	12.2	101	100	0.4
Fee and commission income	137	104	31.7	37	44	(15.3)
Other non-interest income	175	131	33.1	44	40	10.7
<b>Total income</b>	<b>706</b>	<b>587</b>	<b>20.4</b>	<b>182</b>	<b>184</b>	<b>(1.1)</b>
Less: Total expenses	329	266	23.7	92	84	9.5
<b>Operating profit</b>	<b>377</b>	<b>320</b>	<b>17.6</b>	<b>89</b>	<b>99</b>	<b>(10.1)</b>
Less: Allowances for credit & other losses	34	20	67.3	22	11	>100.0
Add: Associates & joint ventures	24	5	>100.0	7	7	10.1
<b>Profit before tax</b>	<b>366</b>	<b>305</b>	<b>20.0</b>	<b>75</b>	<b>95</b>	<b>(21.5)</b>

# Greater China – Key Financial Indicators

	2015	2014	+/(-)	4Q15	3Q15	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.26	1.21	0.05	1.27	1.27	-
Non-NII/Total income	44.2	40.2	4.0	44.6	45.5	(0.9)
Expense/Total income	46.6	45.4	1.2	50.9	45.9	5.0
Customer loans (net) - \$b	18.5	16.7	10.5%	18.5	18.8	(1.8%)
Customer deposits - \$b	12.5	15.0	(16.4%)	12.5	12.4	1.0%
Loan/Deposit	147.5	111.5	36.0	147.5	151.8	(4.3)



Thank you

