

First Half 2016 Results

Steady Performance Amidst Market Volatilities

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Stable Performance Amidst Cyclical Slowdown

- **1H16 profit: S\$1.6bn, relatively unchanged YoY**
 - Higher net interest income and trading income partially offset by higher expenses
- **Net interest income higher, led by steady loan growth**
 - Loans: +4.9% YoY growth across industries and countries
 - NIM: -3bps to 1.73%
- **Non-interest income boosted by**
 - Higher trading & investment income (+20% YoY); fee income dipped (-1.2% YoY)
- **Cost-to-income (“CIR”)**
 - CIR at 45.6%, due to investments in infrastructure and technology to strengthen the Group’s franchise
- **Dividend**
 - Interim dividend of 35 cents per share; scrip dividend scheme applied

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%

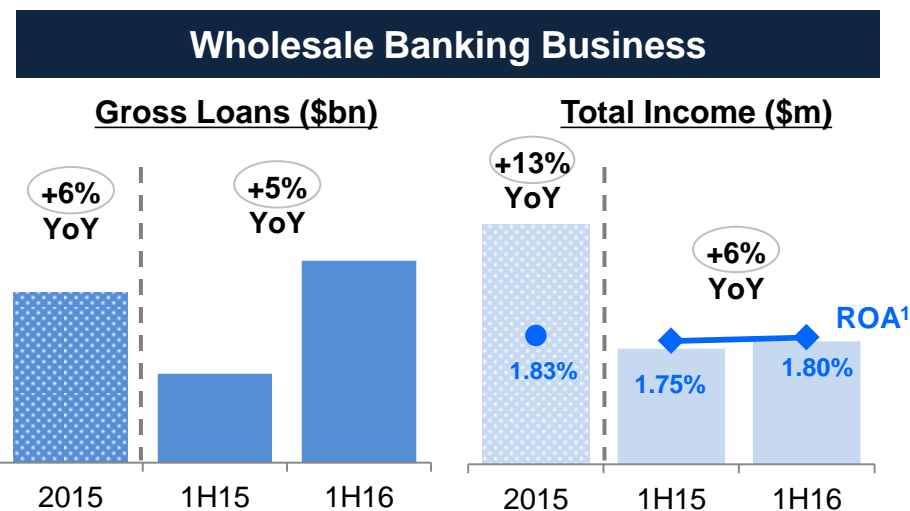
- **Strong funding and capital base**
 - Liquidity Coverage Ratios: SGD (224%) and all-currency (167%)
 - Healthy fully-loaded CET1 ratio¹ of 12.2%

- **Positive affirmation from markets**
 - Issuance of Basel III perpetual capital securities (S\$750m) in May: 3 times subscribed
 - Upgrade of UOB's standalone rating by Standard & Poor's

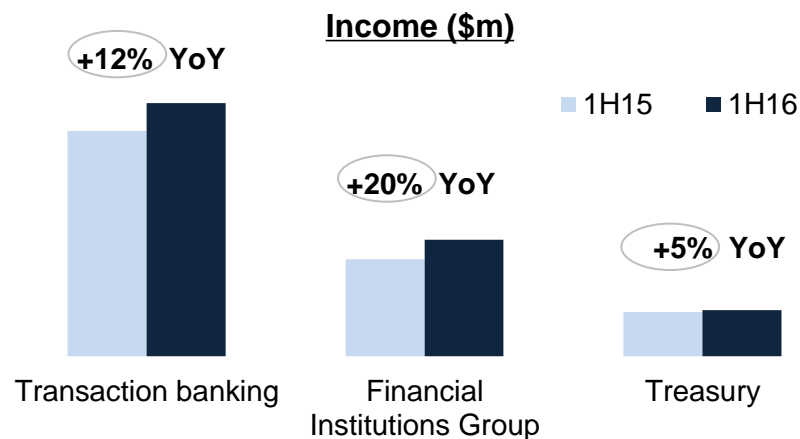
1. Proforma CET1 ratio (based on final rules effective 1 January 2018).

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



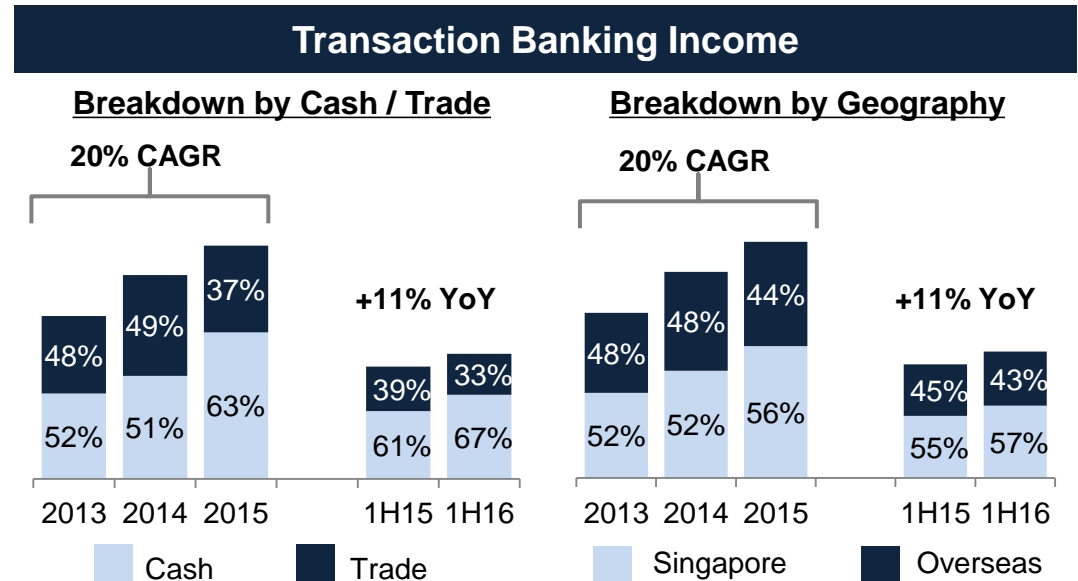
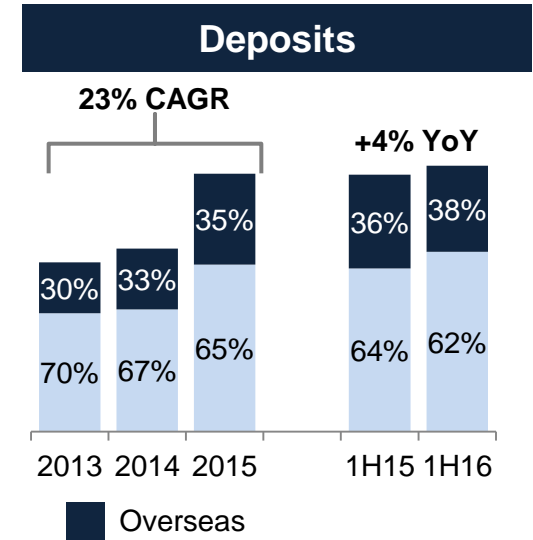
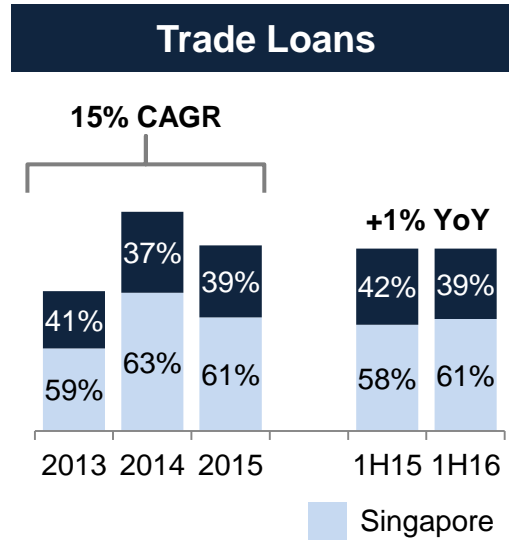
Higher Income Supported by Strong Liability Management



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

Group Transaction Banking Continues to Grow

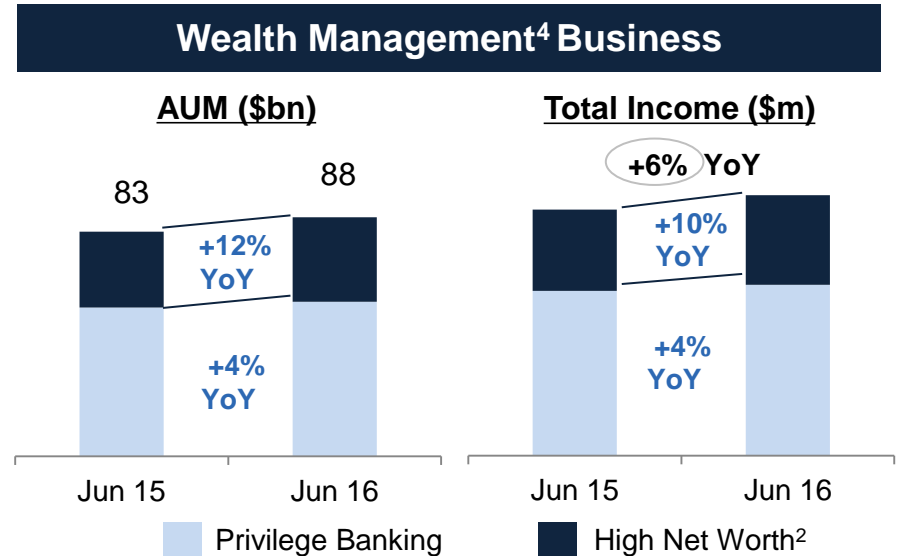
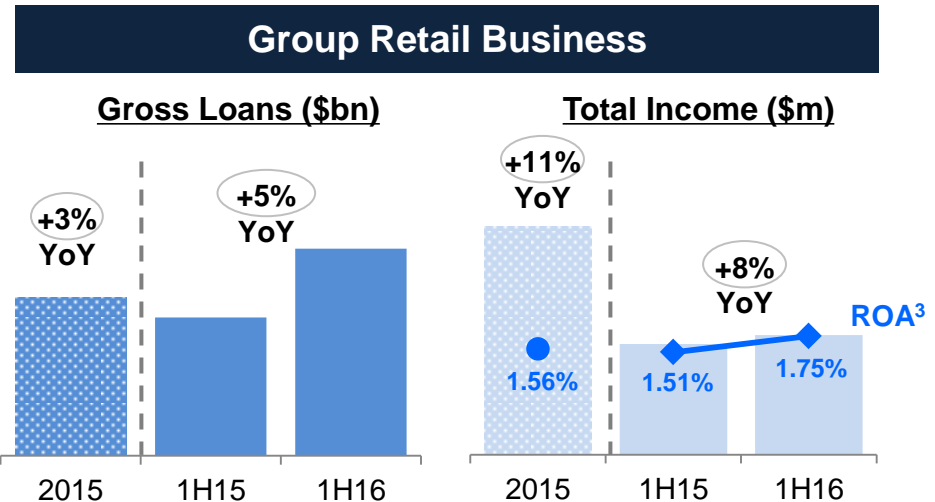
- One of main pillars for wholesale banking
- Cash management grows with significant mandates
- Good traction from trade due to focus on new clients and industries
- Made significant investments to provide innovative solutions
- Strong industry recognition for cash and trade achievements



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.

Looking Ahead

- **Uncertain outlook; low interest rates globally even as pick-up in credit costs expected**
- **Banking industry being reshaped through digital connectivity**
- **These cyclical and structural factors present opportunities, especially in Asia**
 - Reinforced by government initiatives towards tighter regional connectivity
- **Also present opportunities for long-term players such as UOB**
 - Well-positioned with strong balance sheet and integrated network
 - Continue to selectively grow and sharpen capabilities in target areas; investing for the future

Thank you

