United Overseas Bank Limited
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Co. Reg. No. 193500026Z

Announcement

To: All Shareholders

The Board of Directors of United Overseas Bank Limited wishes to make the following announcement:

Unaudited Financial Results for the First Quarter Ended 31 March 2018
Details of the financial results are in the accompanying Group Financial Report.

Dividends and Distributions for the First Quarter Ended 31 March 2018
Ordinary share dividend

No dividend on ordinary shares has been declared for the first quarter of 2018.

Distributions on perpetual capital securities

On 23 January 2018, 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 July 2017 up to, but excluding, 23 January 2018.

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 three months/first quarter ended 31 March 2018 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 3rd day of May 2018

The results are also available at www.uobgroup.com

Group Financial Report

For the First Quarter 2018

United Overseas Bank Limited
Incorporated in the Republic of Singapore

Contents

Appendix

Notes:

1 The financial statements are presented in Singapore dollars.

2 Certain comparative figures have been restated to conform with 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".

"1Q18" and "1Q17" denote first quarter of 2018 and 2017 respectively.

"4Q17" denotes fourth quarter of 2017.

"ECL" denotes expected credit losses.

"Stage 1 and Stage 2 ECL" and "General allowance" relates to allowance for performing assets under SFRS(I) 9 and MAS Notice 612 respectively.

"Stage 3 ECL" and "Specific allowance" relates to allowance for impaired assets under SFRS(I) 9 and MAS Notice 612 respectively.

"NM" denotes not meaningful.

"NA" denotes not applicable.

Financial Highlights

	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Selected income statement items ($m)					
Net interest income	**1,470**	1,303	13	1,461	1
Net fee and commission income	**517**	439	18	509	2
Other non-interest income	**244**	311	(22)	262	(7)
Total income	**2,231**	2,053	9	2,231	(0)
Less: Operating expenses	**987**	887	11	1,027	(4)
Operating profit	**1,244**	1,166	7	1,205	3
Less: Allowance for expected credit and other losses	**80**	186	(57)	140	(43)
Add: Share of profit of associates and joint ventures	**29**	34	(16)	22	29
Net profit before tax	**1,193**	1,014	18	1,087	10
Less: Tax and non-controlling interests	**216**	206	5	231	(7)
Net profit after tax [1]	**978**	807	21	855	14
Selected balance sheet items ($m)					
Net customer loans	**237,447**	225,107	5	232,212	2
Customer deposits	**273,817**	259,672	5	272,765	0
Total assets	**364,455**	342,574	6	358,592	2
Shareholders' equity [1]	**37,877**	33,739	12	36,850	3
Key financial ratios (%)					
Net interest margin [2]	**1.84**	1.73		1.81	
Non-interest income/Total income	**34.1**	36.5		34.5	
Expense/Income ratio	**44.2**	43.2		46.0	
Overseas profit before tax contribution	**43.1**	45.6		37.9	
Credit costs on loans (bp) [2]					
Stage 1 and Stage 2 ECL / General allowance	**(1)**	(17)		(107)	
Stage 3 ECL / Specific allowance	**12**	49		125	
Total ECL / Total allowance	**11**	32		17	
NPL ratio [3]	**1.7**	1.5		1.8	

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)*

	1Q18	1Q17	4Q17
Key financial ratios (%) *(cont'd)*			
Return on average ordinary shareholders' equity [1,2]	**11.0**	10.0	9.8
Return on average total assets [1]	**1.09**	0.95	0.97
Return on average risk-weighted assets [1]	**1.95**	1.51	1.69
Loan/Deposit ratio [3]	**86.7**	86.7	85.1
Liquidity coverage ratios ("LCR") [4]			
All-currency	**128**	154	135
Singapore dollar	**174**	232	170
Net stable funding ratio ("NSFR") [5]	**111**	NA	NA
Capital adequacy ratios			
Common Equity Tier 1	**14.9**	13.2	15.1
Tier 1	**16.4**	13.8	16.2
Total	**18.8**	17.3	18.7
Leverage ratio [6]	**8.2**	7.6	8.0
Earnings per ordinary share ($) [1,2]			
Basic	**2.28**	1.92	1.98
Diluted	**2.27**	1.91	1.98
Net asset value ("NAV") per ordinary share ($) [7]	**21.01**	19.35	20.37
Revalued NAV per ordinary share ($) [7]	**23.84**	22.11	23.19

Notes:
1 Computed on an annualised basis.
2 Calculated based on profit attributable to equity holders of the Bank net of 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.
5 NSFR is calculated based on MAS Notice 652. A minimum requirement of 100% shall be maintained effective January 2018.
6 Leverage ratio is calculated based on MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.
7 Perpetual capital securities are excluded from the computation.

Performance Review

Changes in Accounting Policies

The Group adopted the following changes with effect from 1 January 2018:

(i) New financial reporting framework

Singapore listed companies are required to apply a new reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") that is equivalent to the International Financial Reporting Standards ("IFRS") with effect from 1 January 2018. Accordingly, the financial statements have been prepared based on the new reporting framework. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) was applied with no impact on the financial statements.

(ii) SFRS(I) and SFRS(I) Interpretations

SFRS(I) and SFRS(I) Interpretations effective from 1 January 2018 have been applied. The following represents a change from the requirements previously applied under Singapore Financial Reporting Standards ("FRS").

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
- Amendments to FRS incorporated within SFRS(I):
    - Amendments to FRS 40: Transfers of Investment Property
    - Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
    - Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

(iii) Revised Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning

The revised Notice requires Singapore-incorporated Domestic Systemically Important Banks to maintain a minimum level of regulatory loss allowance equivalent to 1% of the gross carrying amount of the selected credit exposures net of collaterals. Where the loss allowance provided for under SFRS(I) 9 for the selected credit exposures falls below the minimum regulatory requirement, an additional loss allowance in a non-distributable regulatory loss allowance reserve through an appropriation of retained earnings is required.

The adoption of the above changes did not have a significant impact on the Group’s financial statements on transition date. The impact of applying SFRS(I) 9 resulted an increase in retained earnings of $0.2 billion (pre-tax) and a decrease in the fair value reserves of $0.2 billion arising from reclassification and remeasurement of certain financial assets and financial liabilities. No additional loss allowance was required by MAS Notice 612 on transition date.

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first quarter ended 31 March 2018 are the same as those applied in the audited financial statements for the financial year ended 31 December 2017.

1Q18 versus 1Q17

The Group achieved record net earnings of $978 million, up 21% from a year ago. Total income reached $2.23 billion, led by strong growth in both net interest income and net fee and commission income. Total expected credit loss (“ECL”) decreased substantially due to a benign credit environment and reduced residual risks from the oil and gas and shipping sectors.

A higher net interest margin coupled with healthy loan growth of 5% lifted the net interest income to a new high of $1.47 billion, up 13% from a year ago. Loan growth was broad-based across most territories and industries on the back of the improved operating environment over the year before. Net interest margin increased 11 basis points to 1.84%, mainly attributable to higher loan margin and interbank yields amid a rising interest rate environment and the Group's proactive balance sheet management.

Net fee and commission income registered strong growth of 18% to $517 million. Strong momentum in wealth management and fund management continued to support the uplift in fee income. Loan-related fee income increased 24% while credit card fees rose 11% year on year. Other non-interest income decreased 22% to $244 million mainly from lower net trading income due to fair value changes on hedges of structural positions.

All business segments delivered good performance year on year. Group Retail reported income growth of 6% to $963 million mainly from wealth management and fee based products. Group Wholesale Banking income grew 4% to $928 million supported by higher cash management, trade and investment banking activities. Global Markets also reported double digit income growth of 20% to $142 million, largely driven by favourable foreign exchange movements.

Performance Review *(cont'd)*

1Q18 versus 1Q17 *(cont'd)*

Total expenses increased 11% over the same quarter last year, due to higher performance-related staff costs and IT-related expenses, as the Group continued to invest in talent, technology and infrastructure to enhance its connectivity, digitalisation, product capabilities and services. The expense-to-income ratio increased one percentage point year on year to 44.2%.

Total ECL and other allowances more than halved to $80 million, due to a benign credit environment and reduced residual risks from the oil and gas and shipping sectors. Specifically, credit costs on non-performing loans ("NPL") reduced substantially from 49 basis points to 12 basis points.

1Q18 versus 4Q17

The Group reported net earnings of $978 million in 1Q18, 14% higher than the previous quarter. The increase was led by healthy growth in net interest income and net fee and commission income, coupled with lower ECL allowance and operating expenses.

Net interest income increased to $1.47 billion, from continued loan growth and a net interest margin increase of three basis points to 1.84%.

Net fee and commission income increased 2% quarter on quarter to $517 million, led by higher wealth, fund management and loan-related fees. This was offset by lower net trading income and resulted in the slight decrease in total non-interest income to $761 million.

Total expenses reduced 4% from the previous quarter to $987 million due to higher year-end seasonal revenue-related and professional fee expenses in 4Q17. As a result, the expense-to-income ratio improved from 46.0% to 44.2% over the quarter.

Total ECL and other allowances were lower at $80 million mainly due to a benign credit environment and reduced lingering risks from the oil and gas and shipping sectors.

Balance sheet and capital position

The Group continues to maintain a strong funding position with a healthy loan-to-deposit ratio of 86.7%. Customer deposits grew in tandem with loan growth to $274 billion as at 31 March 2018.

Total ECL allowances as at 31 March 2018 decreased 5% year on year to $3.91 billion. The quarter-on-quarter decrease of 2% was due to lower ECL allowance on NPL. The NPL ratio declined to 1.7% as at 31 March 2018, while the coverage for non-performing assets remained adequate at 91%, or 190% after taking collateral into account.

The net stable funding ratio was 111% as at 31 March 2018, above the minimum requirement of 100%.

The average Singapore dollar and all-currency liquidity coverage ratios during 1Q18 were 174% and 128% respectively, well above the corresponding regulatory requirements of 100% and 90%.

Shareholders' equity increased 12% from a year ago to $37.9 billion from higher retained earnings and the issuance of US$650 million perpetual capital securities. Compared with the previous quarter, shareholders' equity increased 3% due to higher retained earnings.

As at 31 March 2018, the Group's Common Equity Tier 1 stood at 14.9% from an increase in retained earnings for the quarter. The Group's leverage ratio of 8.2% was more than double the regulatory minimum requirement of 3%.

Net Interest Income

Net interest margin

	1Q18			1Q17			4Q17		
	Average balance	**Interest**	**Average rate**	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	$m	**$m**	**%**	$m	$m	%	$m	$m	%
Interest bearing assets									
Customer loans	**234,379**	**1,970**	**3.41**	225,282	1,803	3.25	231,490	1,934	3.31
Interbank balances	**64,455**	**311**	**1.96**	51,390	193	1.52	63,480	291	1.82
Securities	**25,807**	**173**	**2.72**	29,165	149	2.07	25,045	161	2.55
Total	**324,640**	**2,454**	**3.07**	305,836	2,144	2.84	320,015	2,386	2.96
Interest bearing liabilities									
Customer deposits	**273,743**	**828**	**1.23**	259,030	712	1.11	269,724	792	1.17
Interbank balances/others	**37,049**	**156**	**1.71**	37,738	129	1.39	36,711	133	1.44
Total	**310,792**	**984**	**1.28**	296,768	841	1.15	306,435	926	1.20
Net interest margin [1]			**1.84**			1.73			1.81

Volume and rate analysis

	1Q18 vs 1Q17			1Q18 vs 4Q17		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	$m	$m	$m	$m	$m	$m
Interest income						
Customer loans	73	95	167	24	56	80
Interbank balances	49	69	118	4	22	26
Securities	(17)	42	24	5	11	16
Total	105	205	310	34	89	123
Interest expense						
Customer deposits	40	76	116	12	42	54
Interbank balances/others	(2)	29	27	1	25	26
Total	38	105	143	13	67	80
Change in number of days	-	-	-	-	-	(32)
Net interest income	67	100	167	20	22	10

Net interest income rose to a new high of $1.47 billion, up 13% from a year ago on the back of higher net interest margin coupled with healthy loan growth of 5%. Net interest margin increased 11 basis points to 1.84%, mainly attributable to higher loan margin and interbank yields amid a rising interest rate environment and the Group's proactive balance sheet management.

Quarter-on-quarter, net interest income increased 1%, led by continued loan growth and a net interest margin increase of three basis points to 1.84%.

Note:

1 Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

Non-Interest Income

	1Q18	1Q17	+/(-)	4Q17	+/(-)
	$m	$m	%	$m	%
Net fee and commission income					
Credit card [1]	**99**	90	11	111	(11)
Fund management	**68**	54	27	67	2
Wealth management	**165**	126	30	142	16
Loan-related [2]	**141**	114	24	133	6
Service charges	**36**	37	(0)	41	(11)
Trade-related [3]	**72**	66	9	72	0
Others	**20**	23	(12)	18	10
	602	508	18	585	3
Less: Fee and commission expenses [4]	**(84)**	(70)	(21)	(76)	(12)
	517	439	18	509	2
Other non-interest income					
Net trading income	**175**	261	(33)	186	(6)
Net gain/(loss) from investment securities	**12**	(19)	>100	12	(3)
Dividend income	**1**	1	53	1	10
Rental income	**30**	30	0	30	1
Other income	**25**	37	(32)	32	(21)
	244	311	(22)	262	(7)
Total	**761**	749	1	771	(1)

Net fee and commission income registered strong growth of 18% to $517 million. Strong momentum in wealth management and fund management continued to support the uplift in fee income. Loan-related fee income increased 24% while credit card fees rose 11% year on year. Other non-interest income decreased 22% to $244 million mainly from lower net trading income due to fair value changes on hedges of structural positions.

Quarter-on-quarter, net fee and commission income increased 2% to $517 million, led by higher wealth, fund management and loan-related fees. This was offset by lower net trading income and resulted in the slight decrease in total non-interest income to $761 million.

Notes:
1 Credit card fees are net of interchange fees paid.
2 Loan-related fees include fees earned from corporate finance activities.
3 Trade-related fees include trade, remittance and guarantees related fees.
4 Fee and commission expenses that were directly attributable to the fee and commission income. Prior period comparatives have been restated to conform with current period's presentation.

Operating Expenses

	1Q18	1Q17	+/(-)	4Q17	+/(-)
	$m	$m	%	$m	%
Staff costs	**606**	526	15	608	(0)
Other operating expenses					
Revenue-related [1]	**144**	144	(0)	170	(15)
Occupancy-related	**80**	87	(8)	86	(7)
IT-related	**103**	78	31	98	5
Others	**55**	52	7	65	(15)
	381	360	6	419	(9)
Total	**987**	887	11	1,027	(4)
Of which,					
Depreciation of assets	**64**	66	(3)	70	(9)
Manpower (number)	**25,288**	25,033	255	25,137	151

Total expenses increased 11% from a year ago to $987 million due to higher performance-related staff costs and IT-related expenses, as the Group continued to invest in talent, technology and infrastructure to enhance its connectivity, digitalisation, product capabilities and services. Consequently, the expense-to-income ratio increased from 43.2% to 44.2%.

Quarter-on-quarter, total expenses reduced 4% to $987 million due to higher year-end seasonal revenue-related and professional fee expenses in 4Q17. As a result, the expense-to-income ratio improved from 46.0% to 44.2%.

Note:
1 Expenses directly attributable to the fee and commission income are presented net of fee and commission income. Prior period comparatives have been restated to conform with current period's presentation.

Allowance for expected credit and other losses

	1Q18	1Q17	+/(-)	4Q17	+/(-)
	$m	$m	%	$m	%
Stage 1 and Stage 2 ECL / General allowance	**(9)**	(93)	91	(641)	99
Stage 3 ECL / Specific allowance on loans [1]	**71**	277	(74)	744	(90)
Singapore	**7**	178	(96)	359	(98)
Malaysia	**1**	61	(98)	81	(99)
Thailand	**36**	21	75	50	(28)
Indonesia	**32**	18	75	204	(84)
Greater China [2]	**1**	0	>100	1	49
Others	**(6)**	(0)	(>100)	50	(>100)
Stage 3 ECL / Specific allowance on securities and other allowances	**17**	2	>100	37	(54)
Total	**80**	186	(57)	140	(43)

Total ECL and other allowances more than halved to $80 million, due to a benign credit environment and reduced residual risks from the oil and gas and shipping sectors. Compared to a year ago, credit costs on NPL reduced substantially from 49 basis points to 12 basis points.

Quarter-on-quarter, total ECL and other allowances were 43% lower at $80 million mainly due to a benign credit environment and reduced lingering risks from the oil and gas and shipping sectors.

Notes:
1 Stage 3 ECL / 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

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Gross customer loans	**240,788**	236,028	229,120
Less: Stage 1 and Stage 2 ECL / General allowance	**1,570**	1,961	2,604
Stage 3 ECL / Specific allowance	**1,771**	1,855	1,409
Net customer loans	**237,447**	232,212	225,107
By industry			
Transport, storage and communication	**9,235**	9,388	9,698
Building and construction	**54,883**	53,646	52,795
Manufacturing	**19,993**	18,615	17,018
Financial institutions, investment and holding companies	**19,303**	19,090	16,726
General commerce	**31,307**	30,664	30,972
Professionals and private individuals	**28,360**	28,182	26,815
Housing loans	**66,545**	65,569	62,038
Others	**11,160**	10,874	13,057
Total (gross)	**240,788**	236,028	229,120
By currency			
Singapore dollar	**115,514**	115,750	113,098
US dollar	**46,402**	44,507	46,885
Malaysian ringgit	**24,976**	24,000	22,673
Thai baht	**14,473**	14,006	12,758
Indonesian rupiah	**4,769**	4,853	5,305
Others	**34,653**	32,912	28,401
Total (gross)	**240,788**	236,028	229,120
By maturity [1]			
Within 1 year	**95,022**	92,969	85,807
Over 1 year but within 3 years	**43,828**	42,828	42,398
Over 3 years but within 5 years	**25,673**	24,851	27,554
Over 5 years	**76,265**	75,379	73,361
Total (gross)	**240,788**	236,028	229,120
By geography [2]			
Singapore	**128,559**	127,602	125,081
Malaysia	**28,771**	26,948	25,584
Thailand	**15,646**	14,977	13,681
Indonesia	**10,489**	10,718	11,415
Greater China	**33,821**	32,301	29,889
Others	**23,502**	23,482	23,470
Total (gross)	**240,788**	236,028	229,120

As at 31 March 2018, gross loans stood at $241 billion, an increase of 5% year on year and 2% quarter on quarter, driven by broad-based increase across most territories and industries on the back of the improved operating environment over the year before.

Singapore loans rose 3% to $129 billion as at 31 March 2018, while regional countries registered strong loan growth of 10% from a year ago.

Notes:

1 Certain comparative figures have been restated to conform with 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

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Loans ("NPL")	**4,138**	4,211	3,399
Debt securities and others	**185**	178	144
Non-performing assets ("NPA")	**4,323**	4,389	3,543
By grading			
Substandard	**2,402**	2,411	2,031
Doubtful	**386**	128	318
Loss	**1,535**	1,850	1,194
Total	**4,323**	4,389	3,543
By security			
Secured by collateral type:			
Properties	**1,837**	1,771	1,252
Shares and debentures	**7**	8	39
Fixed deposits	**13**	12	11
Others [1]	**410**	467	460
	2,267	2,258	1,762
Unsecured	**2,056**	2,131	1,781
Total	**4,323**	4,389	3,543
By ageing			
Current	**843**	936	377
Within 90 days	**456**	600	306
Over 90 to 180 days	**577**	735	596
Over 180 days	**2,447**	2,118	2,264
Total	**4,323**	4,389	3,543
Total ECL allowance			
Stage 1 and Stage 2 ECL / General allowance	**1,978**	1,976	2,619
Stage 3 ECL / Specific allowance	**1,935**	2,014	1,513
Total	**3,913**	3,990	4,132

	NPL	NPL ratio	NPL	NPL ratio	NPL	NPL ratio
	$m	%	$m	%	$m	%
NPL by industry						
Transport, storage and communication	**1,105**	**12.0**	1,209	12.9	996	10.3
Building and construction	**435**	**0.8**	428	0.8	216	0.4
Manufacturing	**564**	**2.8**	638	3.4	321	1.9
Financial institutions, investment and holding companies	**89**	**0.5**	92	0.5	73	0.4
General commerce	**560**	**1.8**	485	1.6	513	1.7
Professionals and private individuals	**289**	**1.0**	295	1.0	276	1.0
Housing loans	**720**	**1.1**	677	1.0	637	1.0
Others	**376**	**3.4**	387	3.6	367	2.8
Total	**4,138**	**1.7**	4,211	1.8	3,399	1.5

Note:
1 Comprise mainly marine vessels.

Non-Performing Assets *(cont'd)*

NPL by geography [1]	NPA/NPL	NPL ratio	Stage 3 ECL / Specific allowance	Stage 3 ECL / Specific allowance as a % of NPA/NPL
	$m	%	$m	%
Singapore				
Mar-18	**1,918**	**1.5**	**828**	**43**
Dec-17	2,058	1.6	934	45
Mar-17	1,358	1.1	605	45
Malaysia				
Mar-18	**603**	**2.1**	**217**	**36**
Dec-17	585	2.2	220	38
Mar-17	487	1.9	134	28
Thailand				
Mar-18	**485**	**3.1**	**172**	**36**
Dec-17	439	2.9	157	36
Mar-17	370	2.7	138	37
Indonesia				
Mar-18	**692**	**6.6**	**327**	**47**
Dec-17	694	6.5	312	45
Mar-17	623	5.5	216	35
Greater China				
Mar-18	**150**	**0.4**	**76**	**51**
Dec-17	132	0.4	76	58
Mar-17	304	1.0	223	73
Others				
Mar-18	**290**	**1.2**	**151**	**52**
Dec-17	303	1.3	156	52
Mar-17	257	1.1	93	36
Group NPL				
Mar-18	**4,138**	**1.7**	**1,771**	**43**
Dec-17	4,211	1.8	1,855	44
Mar-17	3,399	1.5	1,409	42
Group NPA				
Mar-18	**4,323**		**1,935**	**45**
Dec-17	4,389		2,014	46
Mar-17	3,543		1,513	43

	Total ECL allowance	
	as a % of NPA	as a % of unsecured NPA
	%	%
Group		
Mar-18	**91**	**190**
Dec-17	91	187
Mar-17	117	232

The Group's NPA increased 22% from a year ago mainly due to the accelerated recognition of residual vulnerable exposures in oil and gas and shipping sectors as NPA in the last quarter of 2017. As compared to the previous quarter, the Group's NPA decreased 2% to $4.32 billion.

NPL ratio decreased to 1.7% as at 31 March 2018, while the coverage for non-performing assets remained adequate at 91%, or 190% after taking collateral into account.

Note:
1 NPL 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

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
By product			
Fixed deposits	**137,922**	139,257	134,638
Savings deposits	**68,475**	66,404	62,684
Current accounts	**56,931**	57,570	53,953
Others	**10,488**	9,534	8,398
Total	**273,817**	272,765	259,672
By maturity			
Within 1 year	**269,423**	268,233	253,504
Over 1 year but within 3 years	**1,978**	2,545	3,939
Over 3 years but within 5 years	**1,190**	1,174	1,087
Over 5 years	**1,226**	813	1,143
Total	**273,817**	272,765	259,672
By currency			
Singapore dollar	**121,690**	123,806	126,542
US dollar	**68,387**	67,739	60,750
Malaysian ringgit	**27,682**	26,475	25,000
Thai baht	**16,654**	15,317	13,497
Indonesian rupiah	**4,635**	5,119	5,568
Others	**34,769**	34,308	28,316
Total	**273,817**	272,765	259,672
Group Loan/Deposit ratio (%)	**86.7**	85.1	86.7
Singapore dollar Loan/Deposit ratio (%)	**94.2**	92.3	87.8
US dollar Loan/Deposit ratio (%)	**66.2**	63.9	75.7

Customer deposits grew in tandem with loan growth by 5% year on year to $274 billion as at 31 March 2018.

As at 31 March 2018, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 86.7% and 94.2% respectively.

Debts Issued

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Unsecured			
Subordinated debts	**4,735**	4,827	6,540
Commercial papers	**11,818**	13,674	13,646
Fixed and floating rate notes	**2,576**	2,630	2,099
Others	**1,590**	1,801	1,653
Secured			
Covered bonds	**3,689**	2,247	2,177
Total	**24,409**	25,178	26,115
Due within 1 year	**13,307**	14,807	14,159
Due after 1 year	**11,102**	10,371	11,956
Total	**24,409**	25,178	26,115

Shareholders' Equity

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Shareholders' equity	**37,877**	36,850	33,739
Add: Revaluation surplus	**4,709**	4,679	4,517
Shareholders' equity including revaluation surplus	**42,586**	41,529	38,256

Shareholders' equity rose 12% from a year ago to $37.9 billion as at 31 March 2018 due to higher retained earnings and the issuance of US$650 million perpetual capital securities. Compared with the previous quarter, shareholders' equity increased by 3% due to higher retained earnings.

As at 31 March 2018, the revaluation surplus of $4.71 billion relating to the Group's properties, was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares	
	1Q18	1Q17
	'000	'000
Ordinary shares		
Balance at beginning/end of period	**1,671,534**	1,646,966
Treasury shares		
Balance at beginning of period	**(8,879)**	(11,274)
Shares re-purchased - held in treasury	**(1,377)**	-
Shares issued under share-based compensation plans	**79**	79
Balance at end of period	**(10,177)**	(11,195)
Ordinary shares net of treasury shares	**1,661,357**	1,635,771

Performance by Business Segment

Business segment performance reporting is prepared based on the Group's internal organisation structure and the methodologies adopted in our management reporting framework. Our business segments' results include all applicable revenue, expenses, internal fund transfer price and cost allocations associated with the activities of the business. Transactions between business segments are operated on an arm's length basis in a manner similar to third party transactions and they are eliminated on consolidation.

Following the adoption of SFRS(I) 9 with effect from 1Q18, business segment results now include ECL as part of allowance for expected credit and other losses as compared to previous year where general allowances were reported under Others segment.

The Banking Group is organised into three major business segments - Group Retail, Group Wholesale Banking and Global Markets. Others 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.

Compared to a year ago, profit before tax grew 4% to $466 million. Total income rose 6%, led by continued acceleration in wealth and fee based income. Net interest income increased 2% from loan and deposit volume growth, partially offset by lower loan margin. Expenses were 8% higher at $453 million mainly from staff-related cost associated with client franchise growth.

Against the previous quarter, profit before tax rose 11%. Total income remained relatively flat while expenses decreased by 8% due to seasonal marketing expenses in previous quarter.

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 and treasury products.

Operating profit grew 3% to $710 million from a year ago. Net interest income rose 4% with higher loan and deposit volumes. Non-interest income increased 4%, driven by higher fees from investment banking, partly offset by lower contribution from treasury products. Expenses were 8% higher, primarily from talent acquisition and revenue-related expenses. Profit before tax rose 62% to $716 million as credit costs normalised.

Against the previous quarter, operating profit rose 4%, driven by higher fees from investment banking and stronger net interest income from loans growth coupled with margin improvement amid rising interest rate environment. Expenses were 6% lower at $217 million while credit costs normalised.

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.

Compared to a year ago, operating profit rose 24% to $80 million. Total income registered double digit growth of 20%, driven by favourable foreign exchange movements. Expenses increased to $63 million mainly from staff and technology-related costs.

Profit before tax increased $33 million as compared to the previous quarter, largely from higher trading and investment income, while expenses were lower by 19%.

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

Others recorded a loss of $49 million as compared to net profit of $58 million last year and $686 million in the previous quarter, mainly from reversal of general allowance in both periods.

Performance by Business Segment [1,2] *(cont'd)*

Selected income statement items	GR	GWB	GM	Others	Total
	$m	$m	$m	$m	$m
1Q18					
Net interest income	**638**	**633**	**48**	**151**	**1,470**
Non-interest income	**325**	**294**	**95**	**47**	**761**
Operating income	**963**	**928**	**142**	**198**	**2,231**
Operating expenses	**(453)**	**(217)**	**(63)**	**(254)**	**(987)**
Allowance for expected credit and other losses	**(44)**	**5**	**(19)**	**(21)**	**(80)**
Share of profit of associates and joint ventures	**-**	**1**	**-**	**28**	**29**
Profit before tax	**466**	**716**	**60**	**(49)**	**1,193**
Tax					**(212)**
Profit for the financial period					**981**
Other information:					
Capital expenditure	**9**	**4**	**4**	**66**	**83**
Depreciation of assets	**5**	**3**	**2**	**54**	**64**
4Q17					
Net interest income	643	630	62	126	1,461
Non-interest income	325	285	42	118	771
Operating income	968	915	104	244	2,231
Operating expenses	(490)	(230)	(78)	(229)	(1,027)
Allowance for expected credit and other losses	(58)	(734)	1	651	(140)
Share of profit of associates and joint ventures	-	3	-	19	22
Profit before tax	420	(46)	27	686	1,087
Tax					(226)
Profit for the financial period					861
Other information:					
Capital expenditure	10	7	3	77	97
Depreciation of assets	6	3	2	59	70
1Q17					
Net interest income	626	609	51	17	1,303
Non-interest income	284	283	67	115	749
Operating income	910	892	118	133	2,053
Operating expenses	(417)	(202)	(54)	(214)	(887)
Allowance for expected credit and other losses	(44)	(246)	-	104	(186)
Share of profit of associates and joint ventures	-	(1)	-	35	34
Profit before tax	449	443	64	58	1,014
Tax					(203)
Profit for the financial period					811
Other information:					
Capital expenditure	10	6	2	63	81
Depreciation of assets	4	3	1	57	66

Notes:
1 Operating income is presented net of fee and commission expense.
2 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment [1,2] *(cont'd)*

Selected balance sheet items	GR	GWB	GM	Others	Total
	$m	$m	$m	$m	$m
At 31 March 2018					
Segment assets	**104,891**	**164,231**	**58,712**	**31,269**	**359,103**
Intangible assets	**1,315**	**2,085**	**659**	**81**	**4,140**
Investment in associates and joint ventures	**-**	**129**	**-**	**1,084**	**1,212**
Total assets	**106,206**	**166,445**	**59,371**	**32,433**	**364,455**
Segment liabilities	**136,782**	**142,105**	**38,198**	**9,306**	**326,390**
Other information:					
Gross customer loans	**104,887**	**135,337**	**538**	**26**	**240,788**
Non-performing assets	**1,196**	**3,092**	**35**	**-**	**4,323**
At 31 December 2017					
Segment assets	103,806	161,241	59,026	29,183	353,256
Intangible assets	1,316	2,086	659	81	4,142
Investment in associates and joint ventures	-	122	-	1,072	1,194
Total assets	105,122	163,449	59,685	30,336	358,592
Segment liabilities	134,532	142,511	33,201	11,312	321,556
Other information:					
Gross customer loans	103,596	132,200	202	30	236,028
Non-performing assets	1,157	3,216	16	-	4,389
At 31 March 2017					
Segment assets	98,522	156,400	46,922	35,437	337,281
Intangible assets	1,318	2,089	660	81	4,148
Investment in associates and joint ventures	-	86	-	1,058	1,145
Total assets	99,841	158,575	47,582	36,576	342,574
Segment liabilities	128,961	137,279	25,222	17,199	308,660
Other information:					
Gross customer loans	98,330	130,689	101	(0)	229,120
Non-performing assets	1,075	2,453	16	-	3,543

Notes:
1 Operating income is presented net of fee and commission expense.
2 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Geographical Segment [1]

	1Q18	1Q17	4Q17
	$m	$m	$m
Total operating income			
Singapore	**1,254**	1,158	1,276
Malaysia	**270**	239	262
Thailand	**233**	198	232
Indonesia	**107**	116	112
Greater China	**212**	195	196
Others	**155**	146	153
Total	**2,231**	2,053	2,231
Profit before tax			
Singapore	**679**	551	675
Malaysia	**159**	154	129
Thailand	**77**	40	58
Indonesia	**40**	23	(3)
Greater China	**118**	115	103
Others	**120**	129	125
Total	**1,193**	1,014	1,087

Total operating income registered a growth of 9% from a year ago to $2.23 billion led by the growth from Singapore, Malaysia and Thailand.

Profit before tax grew 18% year on year and 10% quarter on quarter to $1.19 billion driven by broad-based growth across most of the geographical segments.

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Total assets			
Singapore	**214,936**	217,979	210,603
Malaysia	**38,891**	35,373	33,969
Thailand	**21,977**	20,988	17,766
Indonesia	**8,518**	9,105	9,528
Greater China	**50,590**	46,298	40,623
Others	**25,405**	24,707	25,938
	360,315	354,450	338,426
Intangible assets	**4,140**	4,142	4,148
Total	**364,455**	358,592	342,574

Note:
1 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 [1,2,3]

	Mar-18	Dec-17	Mar-17
	$m	$m	$m
Share capital	**4,755**	4,792	4,258
Disclosed reserves/others	**29,983**	28,922	27,239
Regulatory adjustments	**(4,532)**	(3,580)	(3,570)
Common Equity Tier 1 Capital ("CET1")	**30,206**	30,134	27,927
Perpetual capital securities/others	**2,976**	2,976	2,096
Regulatory adjustments	**-**	(890)	(892)
Additional Tier 1 Capital ("AT1")	**2,976**	2,086	1,204
Tier 1 Capital	**33,182**	32,220	29,131
Subordinated notes	**4,046**	4,150	6,168
Provisions/others	**758**	983	1,125
Regulatory adjustments	**-**	(5)	(0)
Tier 2 Capital	**4,804**	5,128	7,293
Eligible Total Capital	**37,986**	37,348	36,424
Risk-Weighted Assets ("RWA")	**202,286**	199,481	211,139
Capital Adequacy Ratios ("CAR")			
CET1	**14.9%**	15.1%	13.2%
Tier 1	**16.4%**	16.2%	13.8%
Total	**18.8%**	18.7%	17.3%
Fully-loaded CET1 (fully phased-in per Basel III rules)	**14.9%**	14.7%	12.8%
Leverage Exposure	**406,608**	400,803	384,439
Leverage Ratio	**8.2%**	8.0%	7.6%

The Group's CET1, Tier 1 and Total CAR as at 31 March 2018 were well above the regulatory minimum requirements.

Compared to a year ago, total capital was higher mainly from retained earnings and the issuance of AT1 capital instruments, partly offset by redemption of old-style Tier-2 subordinated notes. RWA was lower year on year largely due to enhancements in RWA computation methodology.

Total capital increased quarter on quarter, mainly from retained earnings. The higher RWA was mainly due to asset growth.

As at 31 March 2018, the Group's leverage ratio was higher at 8.2%, primarily from higher Tier 1 Capital.

Notes:

1 Singapore-incorporated banks are required to maintain minimum CAR as follows: CET1 at 6.5%, Tier 1 at 8% and Total at 10%. With effect from 1 January 2018, all regulatory adjustments are fully phased-in, i.e., CET1 CAR is fully loaded. In addition, with the phased-in implementation of the capital conservation buffer (CCB) and the countercyclical capital buffer (CCyB) commencing 1 January 2016, the Group is required to maintain CET1 capital to meet CCB of 1.875% and CCyB (computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures) of up to 1.875% for the year 2018.

2 Leverage ratio is calculated in accordance with MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.

3 Disclosures required under MAS Notice 637 are published on our website: www.UOBGroup.com/investor/financial/overview.html.

Consolidated Income Statement (Unaudited)

	1Q18	1Q17	+/(-)	4Q17	+/(-)
	$m	$m	%	$m	%
Interest income [1]	**2,454**	2,144	14	2,386	3
Less: Interest expense	**984**	841	17	926	6
Net interest income	**1,470**	1,303	13	1,461	1
Net fee and commission income	**517**	439	18	509	2
Dividend income	**1**	1	53	1	10
Rental income	**30**	30	0	30	1
Net trading income	**175**	261	(33)	186	(6)
Net gain/(loss) from investment securities	**12**	(19)	>100	12	(3)
Other income	**25**	37	(32)	32	(21)
Non-interest income	**761**	749	1	771	(1)
Total operating income	**2,231**	2,053	9	2,231	(0)
Less: Staff costs	**606**	526	15	608	(0)
Other operating expenses	**381**	360	6	419	(9)
Total operating expenses	**987**	887	11	1,027	(4)
Operating profit before allowance	**1,244**	1,166	7	1,205	3
Less: Allowance for expected credit and other losses	**80**	186	(57)	140	(43)
Operating profit after allowance	**1,164**	979	19	1,064	9
Share of profit of associates and joint ventures	**29**	34	(16)	22	29
Profit before tax	**1,193**	1,014	18	1,087	10
Less: Tax	**212**	203	5	226	(6)
Profit for the financial period	**981**	811	21	861	14
Attributable to:					
Equity holders of the Bank	**978**	807	21	855	14
Non-controlling interests	**3**	3	(5)	6	(42)
	981	811	21	861	14

1. Included interest income on financial assets at fair value through profit or loss of $26 million, $36 million and $37 million for 1Q17, 4Q17 and 1Q18 respectively.

Consolidated Statement of Comprehensive Income (Unaudited)

	1Q18	1Q17	+/(-)	4Q17	+/(-)
	$m	$m	%	$m	%
Profit for the financial period	**981**	811	21	861	14
Other comprehensive income that will not be reclassified to the income statement					
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	**107**	-	NM	-	NM
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	**25**	-	NM	-	NM
Remeasurement of defined benefit obligation	**-**	-	-	(7)	NM
Related tax on above items	**(19)**	-	NM	-	NM
	113	-	NM	(7)	>100
Other comprehensive income that will be reclassified to the income statement					
Currency translation adjustments	**136**	(131)	>100	67	>100
Debt instruments at fair value through other comprehensive income					
Change in fair value	**(167)**	-	NM	-	NM
Transfer to income statement on disposal	**17**	-	NM	-	NM
Changes in allowance for expected credit losses	**(1)**	-	NM	-	NM
Related tax	**4**	-	NM	-	NM
Available-for-sale financial assets					
Change in fair value	**-**	179	NM	(93)	NM
Transfer to income statement on disposal/impairment	**-**	33	NM	2	NM
Related tax	**-**	(11)	NM	21	NM
	(12)	70	(>100)	(3)	(>100)
Change in shares of other comprehensive income of associates and joint ventures	**(7)**	2	(>100)	(3)	(>100)
Other comprehensive income for the financial period, net of tax	**94**	72	31	(13)	>100
Total comprehensive income for the financial period, net of tax	**1,075**	883	22	848	27
Attributable to:					
Equity holders of the Bank	**1,072**	876	22	843	27
Non-controlling interests	**3**	7	(60)	5	(43)
	1,075	883	22	848	27

Consolidated Balance Sheet (Unaudited)

	Mar-18	Dec-17[1]	Mar-17
	$m	$m	$m
Equity			
Share capital and other capital	**7,729**	7,766	6,353
Retained earnings	**20,726**	19,707	18,120
Other reserves	**9,423**	9,377	9,266
Equity attributable to equity holders of the Bank	**37,877**	36,850	33,739
Non-controlling interests	**188**	187	175
Total	**38,065**	37,037	33,914
Liabilities			
Deposits and balances of banks	**14,004**	11,440	11,227
Deposits and balances of customers	**273,817**	272,765	259,672
Bills and drafts payable	**1,151**	702	521
Other liabilities	**13,008**	11,469	11,125
Debts issued	**24,409**	25,178	26,115
Total	**326,390**	321,556	308,660
Total equity and liabilities	**364,455**	358,592	342,574
Assets			
Cash, balances and placements with central banks	**27,401**	26,625	25,644
Singapore Government treasury bills and securities	**5,352**	4,267	6,848
Other government treasury bills and securities	**11,224**	11,709	10,222
Trading securities	**1,948**	1,766	2,561
Placements and balances with banks	**49,679**	52,181	42,849
Loans to customers	**237,447**	232,212	225,107
Investment securities	**11,458**	11,273	11,113
Other assets	**11,504**	10,164	9,952
Investment in associates and joint ventures	**1,212**	1,194	1,145
Investment properties	**1,041**	1,088	1,099
Fixed assets	**2,050**	1,971	1,886
Intangible assets	**4,140**	4,142	4,148
Total	**364,455**	358,592	342,574
Off-balance sheet items			
Contingent liabilities	**28,596**	26,415	25,198
Financial derivatives	**1,022,489**	961,880	883,551
Commitments	**135,106**	136,664	134,831
Net asset value per ordinary share ($)	**21.01**	20.37	19.35

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					
	Share capital and other capital $m	Retained earnings $m	Other reserves $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 January 2018	**7,766**	**19,707**	**9,377**	**36,850**	**187**	**37,037**
Impact of adopting SFRS(I) 9	**-**	**62**	**(59)**	**3**	**(1)**	**2**
Restated opening balance under SFRS(I) 9	**7,766**	**19,769**	**9,318**	**36,853**	**185**	**37,039**
Profit for the financial period	**-**	**978**	**-**	**978**	**3**	**981**
Other comprehensive income for the financial period	**-**	**-**	**95**	**95**	**(1)**	**94**
Total comprehensive income for the financial period	**-**	**978**	**95**	**1,072**	**3**	**1,075**
Reclassification of net change in fair value on equity instruments upon derecognition	**-**	**(0)**	**0**	**-**	**-**	**-**
Reclassification of own credit reserve upon derecognition	**-**	**(0)**	**0**	**-**	**-**	**-**
Dividends	**-**	**(21)**	**-**	**(21)**	**(0)**	**(21)**
Shares re-purchased - held in treasury	**(39)**	**-**	**-**	**(39)**	**-**	**(39)**
Share-based compensation	**-**	**-**	**11**	**11**	**-**	**11**
Shares issued under share-based compensation plans	**2**	**-**	**(2)**	**-**	**-**	**-**
Balance at 31 March 2018	**7,729**	**20,726**	**9,423**	**37,877**	**188**	**38,065**

Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	807	-	807	3	811
Other comprehensive income for the financial period	-	-	68	68	3	72
Total comprehensive income for the financial period	-	807	68	876	7	883
Dividends	-	(21)	-	(21)	(0)	(21)
Share-based compensation	-	-	11	11	-	11
Shares issued under share-based compensation plans	2	-	(2)	-	-	-
Balance at 31 March 2017	6,353	18,120	9,266	33,739	175	33,914

Consolidated Cash Flow Statement (Unaudited)

	1Q18	1Q17
	$m	$m
Cash flows from operating activities		
Profit for the financial period	**981**	811
Adjustments for:		
Allowance for expected credit and other losses	**80**	186
Share of profit of associates and joint ventures	**(29)**	(34)
Tax	**212**	203
Depreciation of assets	**64**	66
Net loss/(gain) on disposal of assets	**5**	(15)
Share-based compensation	**11**	11
Operating profit before working capital changes	**1,324**	1,227
Change in working capital:		
Deposits and balances of banks	**2,640**	(629)
Deposits and balances of customers	**430**	4,359
Bills and drafts payable	**441**	(1)
Other liabilities	**1,801**	(2,179)
Restricted balances with central banks	**(32)**	278
Government treasury bills and securities	**(603)**	418
Trading securities	**(171)**	595
Placements and balances with banks	**2,574**	(2,816)
Loans to customers	**(5,046)**	(3,557)
Investment securities	**(198)**	743
Other assets	**(1,422)**	3,459
Cash generated from operations	**1,737**	1,896
Income tax paid	**(18)**	(61)
Net cash provided by operating activities	**1,719**	1,835
Cash flows from investing activities		
Capital injection into associates and joint ventures	**(9)**	(9)
Distribution from associates and joint ventures	**9**	1
Acquisition of properties and other fixed assets	**(83)**	(81)
Proceeds from disposal of properties and other fixed assets	**-**	11
Net cash used in investing activities	**(83)**	(79)
Cash flows from financing activities		
Issuance of debts issued	**12,597**	11,725
Redemption of debts issued	**(13,082)**	(11,501)
Shares re-purchased - held in treasury	**(39)**	-
Distribution for perpetual capital securities	**(21)**	(21)
Dividends paid to non-controlling interests	**(0)**	(0)
Net cash (used in)/provided by financing activities	**(545)**	202
Currency translation adjustments	**(390)**	(358)
Net increase in cash and cash equivalents	**701**	1,600
Cash and cash equivalents at beginning of the financial period	**20,975**	18,401
Cash and cash equivalents at end of the financial period	**21,676**	20,000

Balance Sheet of the Bank (Unaudited)

	Mar-18	Dec-17 [1]	Mar-17
	$m	$m	$m
Equity			
Share capital and other capital	**7,729**	7,766	6,353
Retained earnings	**15,545**	14,701	13,664
Other reserves	**9,977**	10,045	9,804
Total	**33,251**	32,512	29,820
Liabilities			
Deposits and balances of banks	**12,615**	10,870	10,050
Deposits and balances of customers	**213,792**	215,212	203,643
Deposits and balances of subsidiaries	**9,646**	6,505	8,085
Bills and drafts payable	**849**	492	305
Other liabilities	**7,826**	7,434	7,353
Debts issued	**23,128**	23,890	24,999
Total	**267,857**	264,404	254,435
Total equity and liabilities	**301,107**	296,916	284,255
Assets			
Cash, balances and placements with central banks	**20,940**	19,960	18,781
Singapore Government treasury bills and securities	**5,352**	4,267	6,848
Other government treasury bills and securities	**6,397**	6,236	4,662
Trading securities	**1,779**	1,502	2,428
Placements and balances with banks	**37,871**	42,772	36,455
Loans to customers	**183,967**	180,521	175,666
Placements with and advances to subsidiaries	**15,522**	12,485	9,845
Investment securities	**10,294**	10,495	10,504
Other assets	**7,151**	6,878	7,281
Investment in associates and joint ventures	**338**	338	332
Investment in subsidiaries	**5,709**	5,744	5,784
Investment properties	**1,108**	1,119	1,155
Fixed assets	**1,499**	1,417	1,333
Intangible assets	**3,182**	3,182	3,182
Total	**301,107**	296,916	284,255
Off-balance sheet items			
Contingent liabilities	**18,082**	17,500	16,751
Financial derivatives	**860,899**	788,002	787,426
Commitments	**109,499**	114,167	115,298
Net asset value per ordinary share ($)	**18.22**	17.77	16.95

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 2018	**7,766**	**14,701**	**10,045**	**32,512**
Impact of adopting SFRS(I) 9	**-**	**93**	**(34)**	**59**
Restated opening balance under SFRS(I) 9	**7,766**	**14,794**	**10,011**	**32,571**
Profit for the financial period	**-**	**773**	**-**	**773**
Other comprehensive income for the financial period	**-**	**-**	**(44)**	**(44)**
Total comprehensive income for the financial period	**-**	**773**	**(44)**	**728**
Reclassification of net change in fair value on equity instruments upon derecognition	**-**	**(0)**	**0**	**-**
Reclassification of own credit reserve upon derecognition	**-**	**(0)**	**0**	**-**
Dividends	**-**	**(21)**	**-**	**(21)**
Share buyback - held in treasury	**(39)**	**-**	**-**	**(39)**
Share-based compensation	**-**	**-**	**11**	**11**
Shares issued under share-based compensation plans	**2**	**-**	**(2)**	**-**
Balance at 31 March 2018	**7,729**	**15,545**	**9,977**	**33,251**
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	654	-	654
Other comprehensive income for the financial period	-	-	169	169
Total comprehensive income for the financial period	-	654	169	823
Dividends	-	(21)	-	(21)
Share-based compensation	-	-	11	11
Shares issued under share-based compensation plans	2	-	(2)	-
Balance at 31 March 2017	6,353	13,664	9,804	29,820

Capital Adequacy Ratios of Major Bank Subsidiaries

The subsidiary bank solo information below is prepared based on the capital adequacy framework of the respective countries.

	Mar-18			
	Total Risk-Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
	$m	%	%	%
United Overseas Bank (Malaysia) Bhd	**18,728**	**16.2**	**16.2**	**19.5**
United Overseas Bank (Thai) Public Company Limited	**12,858**	**16.0**	**16.0**	**18.5**
PT Bank UOB Indonesia	**7,218**	**14.6**	**14.6**	**17.2**
United Overseas Bank (China) Limited	**8,953**	**15.5**	**15.5**	**16.4**