

# UOB Group First Half / Second Quarter 2006 Results Briefing

## FINANCIAL HIGHLIGHTS

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# Agenda

1

**Review of Financial Performance**

2

**Business & Geographical Segments**

3

**Loans, Deposits & Asset Quality**

4

**Review of Key Territories**

5

**Capital Management**

# Profit Surged 92.8% in 1<sup>st</sup> Half 2006 from Divestment Gain

	1H06	1H05	+ / (-)
	\$m	\$m	%
Net interest income	1,324	1,156	14.5
Non-interest income	660	650	1.5
<b>Total income</b>	<b>1,984</b>	<b>1,807</b>	<b>9.8</b>
Less: Total expenses	815	667	22.2
<b>Operating profit</b>	<b>1,169</b>	<b>1,140</b>	<b>2.6</b>
Less: Intangible assets amortised / impaired	6	58	(89.1)
Other impairment charges	91	81	12.4
Add: Share of profit of associates	71	46	53.6
Less: Tax & minority interests	261	233	12.1
<b>Net profit after tax (excluding one-time gain)</b>	<b>882</b>	<b>815</b>	<b>8.3</b>
Add : One-time gain	689	-	NM
<b>Net profit after tax</b>	<b>1,571</b>	<b>815</b>	<b>92.8</b>

“NM” denotes not meaningful.

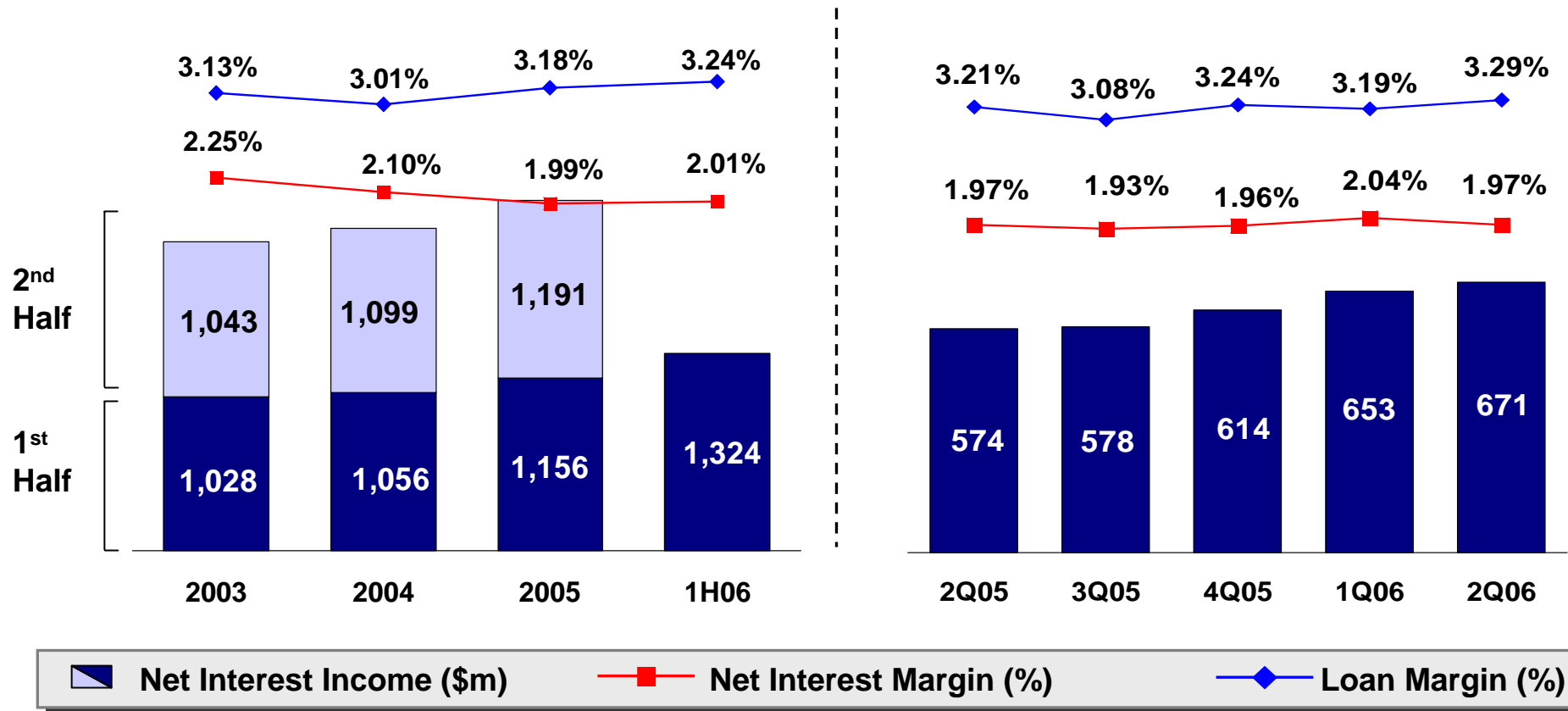
# Higher Profit in 2<sup>nd</sup> Quarter 2006

	2Q06	1Q06	+ / (-)	2Q05	+ / (-)
	\$m	\$m	%	\$m	%
Net interest income	671	653	2.7	574	17.0
Non-interest income	310	350	(11.4)	334	(7.1)
<b>Total income</b>	<b>981</b>	<b>1,003</b>	<b>(2.2)</b>	<b>908</b>	<b>8.1</b>
Less: Total expenses	419	396	5.7	347	20.5
<b>Operating profit</b>	<b>562</b>	<b>607</b>	<b>(7.4)</b>	<b>560</b>	<b>0.4</b>
Less: Intangible assets amortised / impaired	3	3	(7.9)	56	(94.6)
Other impairment charges	35	55	(35.6)	14	144.8
Add: Share of profit of associates	41	30	33.2	32	25.4
Less: Tax & minority interests	122	140	(13.0)	113	7.9
<b>Net profit after tax (excluding one-time gain)</b>	<b>443</b>	<b>439</b>	<b>0.8</b>	<b>409</b>	<b>8.3</b>
Add : One-time gain	689	-	NM	-	NM
<b>Net profit after tax</b>	<b>1,132</b>	<b>439</b>	<b>157.5</b>	<b>409</b>	<b>176.7</b>

“NM” denotes not meaningful.

# Higher Net Interest Income and Loan Margin

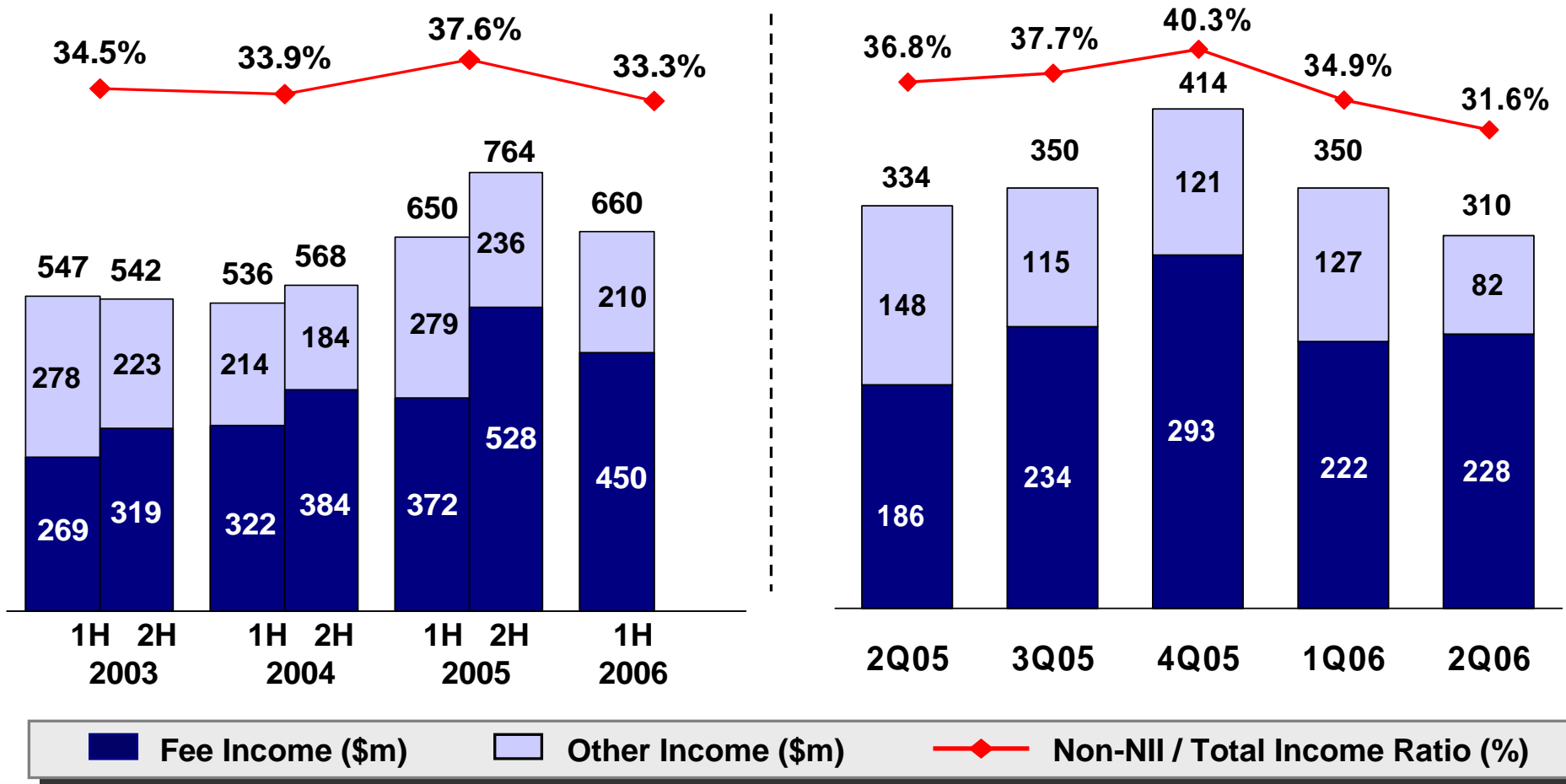
## Net Interest Income and Margin



\* Computed based on loan yield less cost of deposits

# Higher Fee and Commission Income

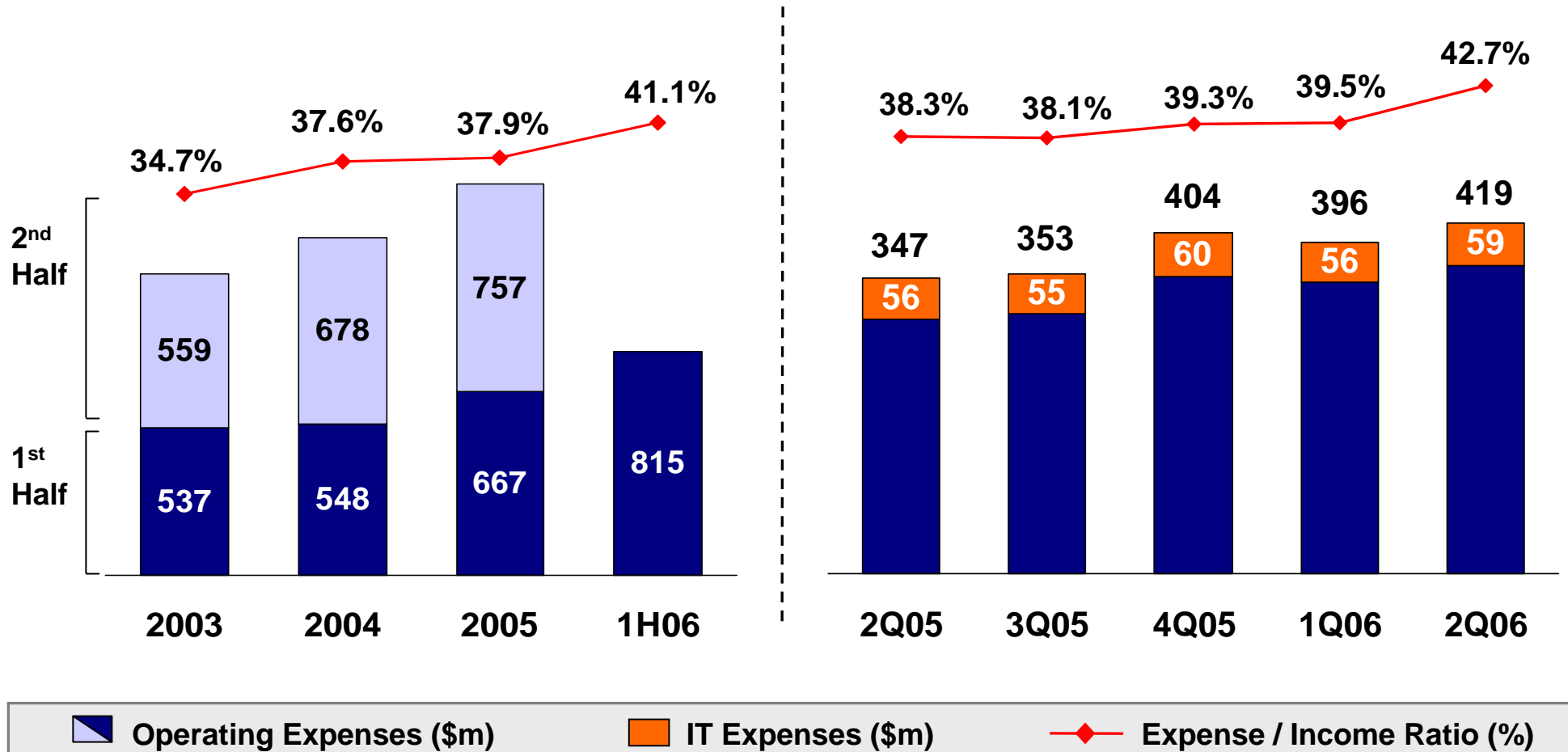
## Non-Interest Income (Non-NII) and Non-NII Ratio \*



\* Excluding the one-time income

# Continue Infrastructure Investments

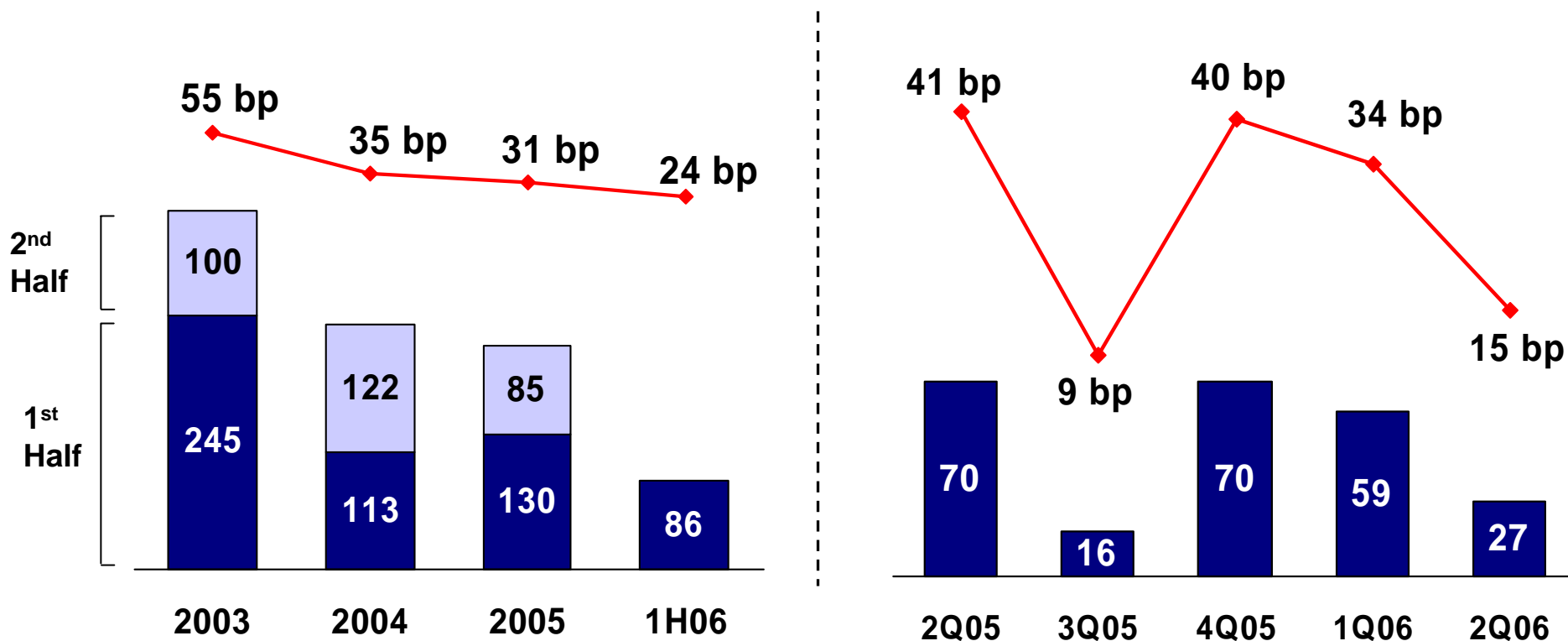
## Operating Expenses and Expense / Income Ratio \*



\* Excluding the one-time income

# Lower Impairment Charges on Loans

## Individual Impairment on Loans Charged to Profit & Loss Account



Individual Impairment Charges on Loans (\$m)

Individual Impairment Charges on Loans / Gross Customer Loans (basis points) \*

\* On annualised basis



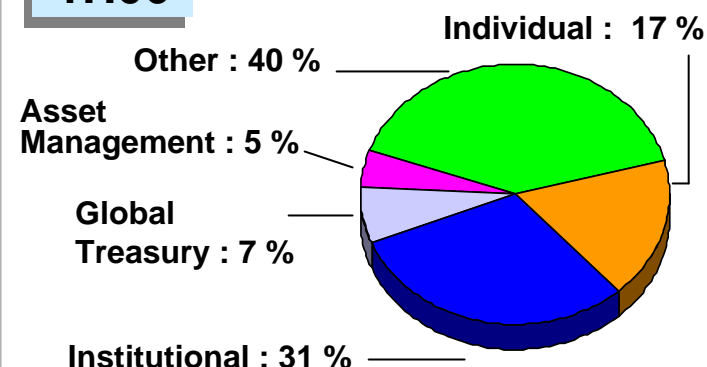
# Profit Contribution by Business Segment

## Business Segment

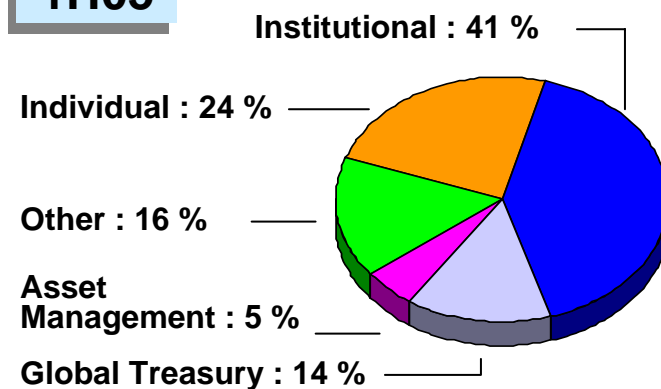
Segment Pre-tax Profit *	1H06 \$m	1H05 \$m	+ / (-) %
Individual Financial Services	299	254	17.7
Institutional Financial Services	529	446	18.6
Global Treasury	117	153	(23.5)
Asset Management	83	54	53.7
Other	696	175	297.7
<b>Total</b>	<b>1,724</b>	<b>1,082</b>	<b>59.3</b>

\* Before unallocated expenses, amortisation / impairment of intangible assets, and share of profit of associates

### 1H06



### 1H05



# Higher Operating Profit Contribution From Overseas Operations

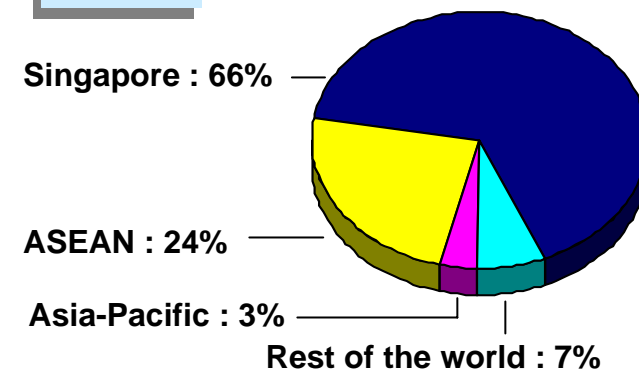
## Geographical Segment

Operating Profit *	1H06 \$m	1H05 \$m	+/(-) %
Singapore (including ACU) **	771	817	(5.6)
Other ASEAN countries	280	200	40.0
Other Asia-Pacific countries	40	52	(23.1)
Rest of the world	78	71	9.9
<b>Operating Profit</b>	<b>1,169</b>	<b>1,140</b>	<b>2.6</b>

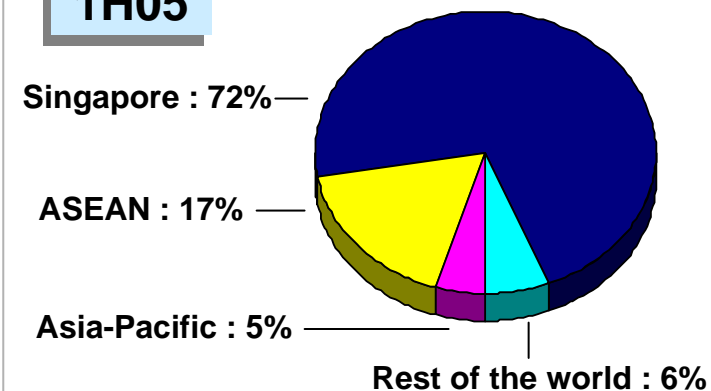
\* Before amortisation and impairment charges

\*\* Excluding the one-time income

### 1H06

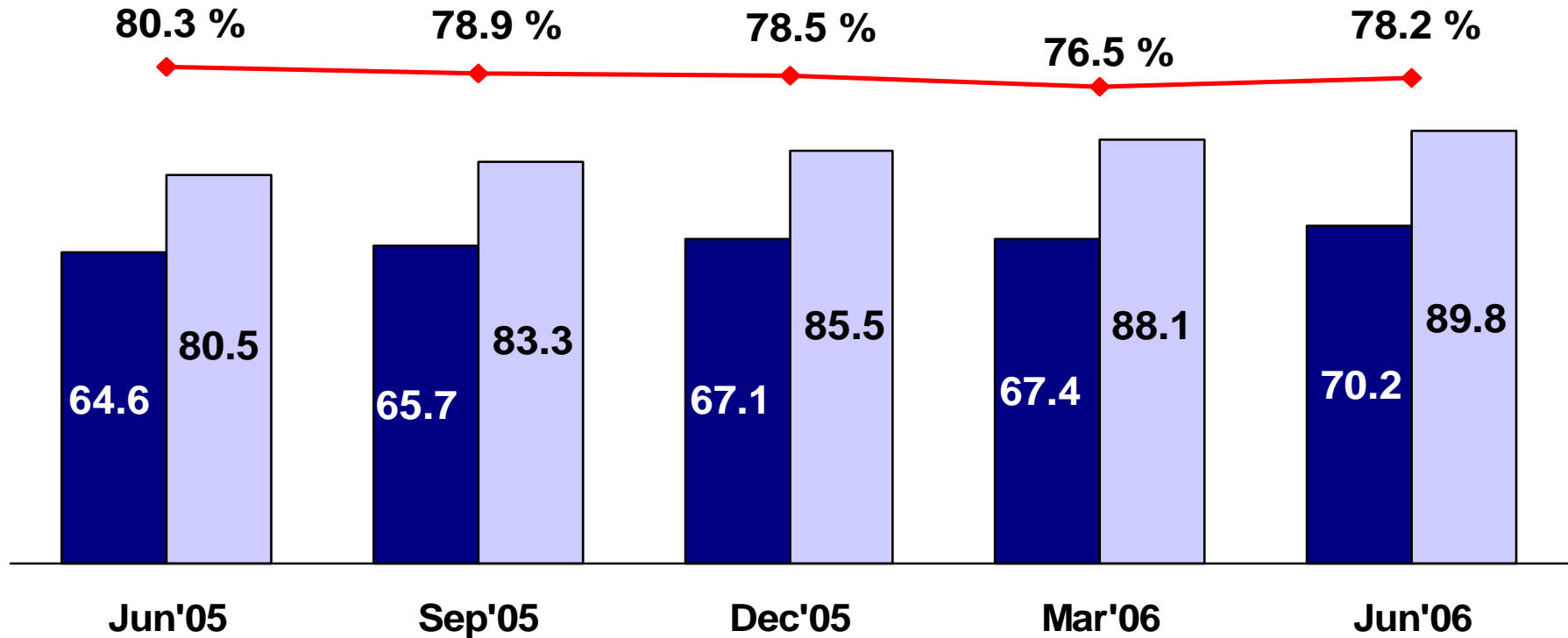


### 1H05



# Higher Loans Growth in 2<sup>nd</sup> Quarter 2006

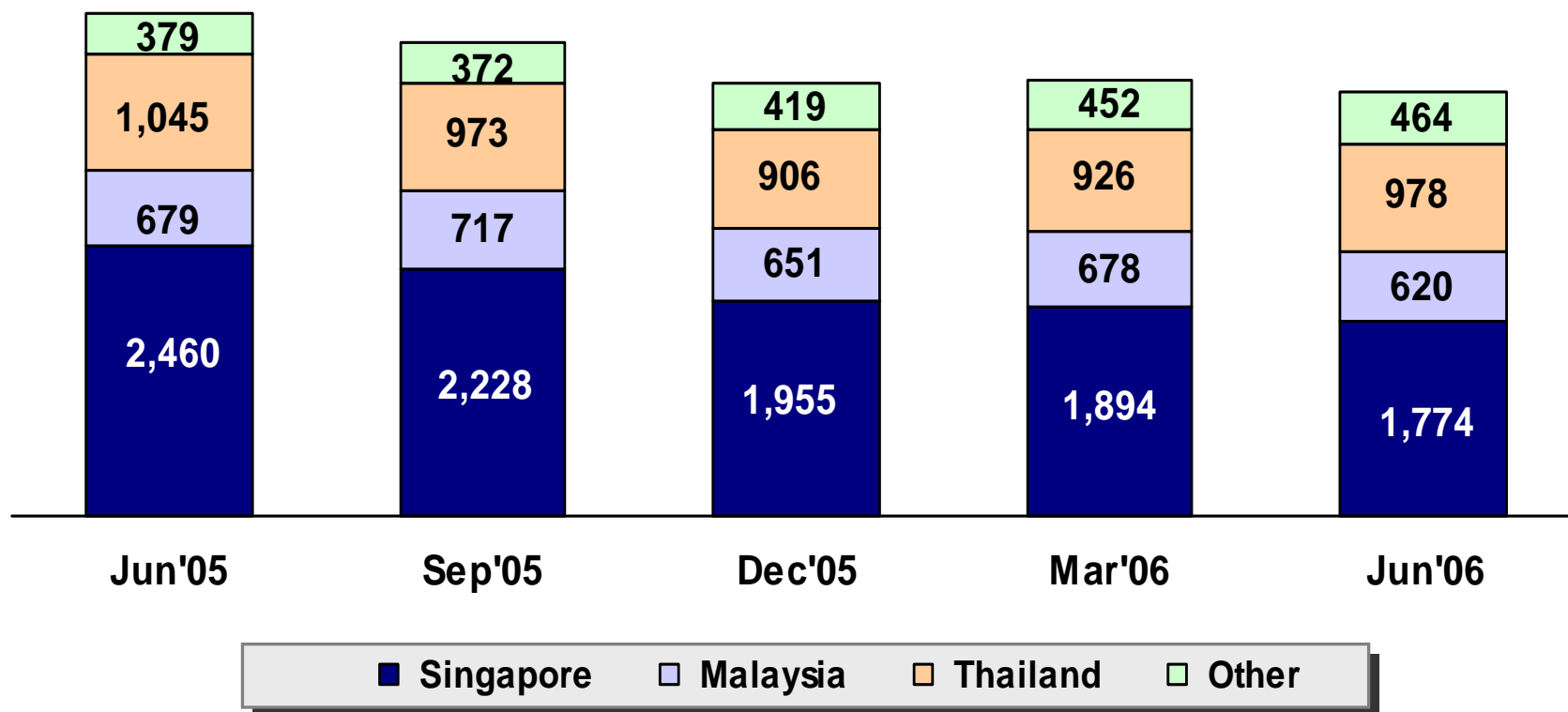
## Customer Loans, Deposits and L/D Ratio



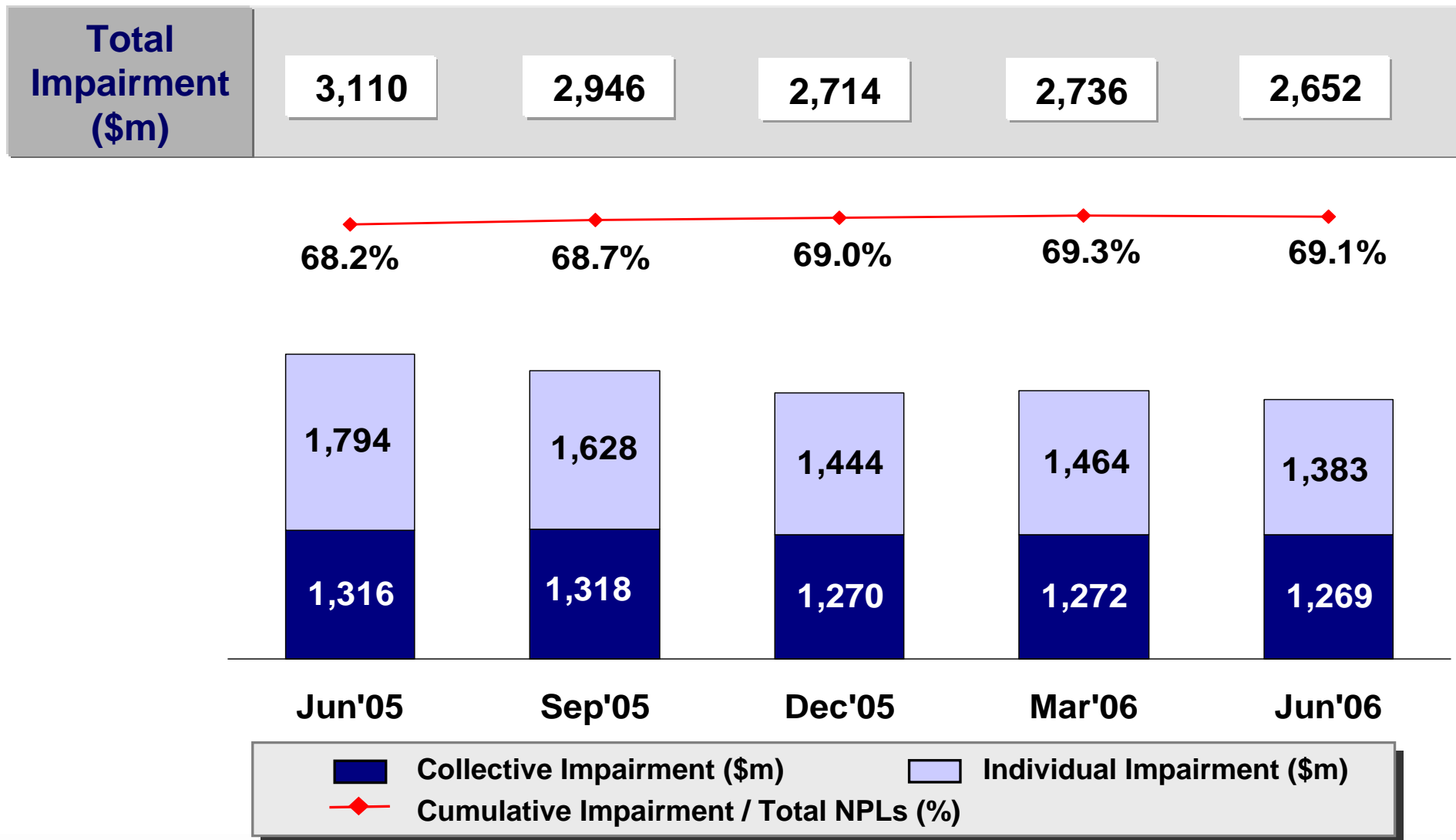
■ Net Customer Loans (\$b)      □ Customer Deposits (\$b)  
—◆— Loans / Deposits (L/D) Ratio (%)

# Continued Decrease in NPLs

<b>Group:</b>					
<b>NPLs (\$m)</b>	4,563	4,290	3,931	3,950	3,836
<b>NPL Ratio</b>	6.7%	6.2%	5.6%	5.6%	5.3%



# Impairment Coverage Remained Adequate



# Malaysia – Summarised P/L

	1H06	1H05	+ / (-)	2Q06	1Q06	+ / (-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	332	277	20	185	147	26
Non-interest income	174	151	15	79	95	(17)
<b>Total income</b>	<b>506</b>	<b>428</b>	<b>18</b>	<b>264</b>	<b>242</b>	<b>9</b>
Less: Total expenses	165	142	16	87	78	12
<b>Operating profit</b>	<b>341</b>	<b>286</b>	<b>19</b>	<b>177</b>	<b>164</b>	<b>8</b>
Less: Total impairment charges	(5)	105	(105)	(27)	22	(223)
Add: Share of profit of associates	17	6	183	12	5	140
<b>Net profit before tax</b>	<b>363</b>	<b>187</b>	<b>94</b>	<b>216</b>	<b>147</b>	<b>47</b>
<b>Net profit before tax (S\$m)</b>	<b>157</b>	<b>83</b>	<b>89</b>	<b>93</b>	<b>64</b>	<b>45</b>
<i>Exchange rate</i>	<i>0.4316</i>	<i>0.4433</i>		<i>0.4316</i>	<i>0.4393</i>	

# Malaysia – Key Financial Indicators

	1H06	1H05	+ / (-)	2Q06	1Q06	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	2.36	2.27	0.09	2.51	2.18	0.33
Non-NII / Total income	34.4	35.3	(0.9)	29.9	39.3	(9.4)
Expense / Total income	32.6	33.2	(0.6)	33.0	32.2	0.8
Customer loans (net) – RM'm	18,777	17,116	9.7%	18,777	17,764	5.7%
Loans / Deposits	91.3	86.0	5.3	91.3	85.3	6.0
NPL ratio	6.9	8.1	(1.2)	6.9	7.8	(0.9)

# Thailand – Summarised P/L

	1H06 THB'm	1H05 THB'm	+ / (-) %	2Q06 THB'm	1Q06 THB'm	+ / (-) %
Net interest income	3,201	3,131	2	1,578	1,623	(3)
Non-interest income	1,387	1,564	(11)	708	679	4
<b>Total income</b>	<b>4,588</b>	<b>4,695</b>	<b>(2)</b>	<b>2,286</b>	<b>2,302</b>	<b>(1)</b>
Less: Total expenses	2,902	3,134	(7)	1,436	1,466	(2)
<b>Operating profit</b>	<b>1,686</b>	<b>1,561</b>	<b>8</b>	<b>850</b>	<b>836</b>	<b>2</b>
Less: Total impairment charges	686	769	(11)	288	398	(28)
Add: Share of profit of associates	18	(18)	NM	9	9	-
<b>Net profit before tax</b>	<b>1,018</b>	<b>774</b>	<b>32</b>	<b>571</b>	<b>447</b>	<b>28</b>
<b>Net profit before tax (S\$m)</b>	<b>42</b>	<b>32</b>	<b>34</b>	<b>24</b>	<b>19</b>	<b>28</b>
<i>Exchange rate</i>	<i>0.04157</i>	<i>0.04080</i>		<i>0.04157</i>	<i>0.04169</i>	



# Thailand – Key Financial Indicators

	1H06	1H05	+ / (-)	2Q06	1Q06	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	3.93	3.43	0.50	3.86	3.97	(0.11)
Non-NII / Total income	30.2	33.3	(3.1)	31.0	29.5	1.5
Expense / Total income	63.3	66.8	(3.5)	62.8	63.7	(0.9)
Customer loans (net) – THB'm	148,305	153,197	(3.2%)	148,305	147,467	0.6%
Loans / Deposits	98.2	96.7	1.5	98.2	92.0	6.2
NPL ratio	14.6	14.9	(0.3)	14.6	13.5	1.1

# Indonesia – Summarised P/L

	1H06	1H05*	+ / (-)	2Q06	1Q06	+ / (-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	616	492	25	313	303	3
Non-interest income	167	152	10	77	90	(14)
<b>Total income</b>	<b>783</b>	<b>644</b>	<b>22</b>	<b>390</b>	<b>393</b>	<b>1</b>
Less: Total expenses	346	284	22	187	159	18
<b>Operating profit</b>	<b>437</b>	<b>360</b>	<b>21</b>	<b>203</b>	<b>234</b>	<b>(13)</b>
Less: Total impairment charges	62	(7)	NM	13	49	(74)
<b>Net profit before tax</b>	<b>375</b>	<b>367</b>	<b>2</b>	<b>190</b>	<b>185</b>	<b>3</b>
<b>Net profit before tax (S\$m)</b>	<b>64</b>	<b>64</b>	<b>1</b>	<b>31</b>	<b>33</b>	<b>(5)</b>
<i>Exchange rate</i>	<i>0.1714</i>	<i>0.1730</i>		<i>0.1714</i>	<i>0.1784</i>	

\* Proforma basis, including PT Bank Buana Indonesia Tbk.

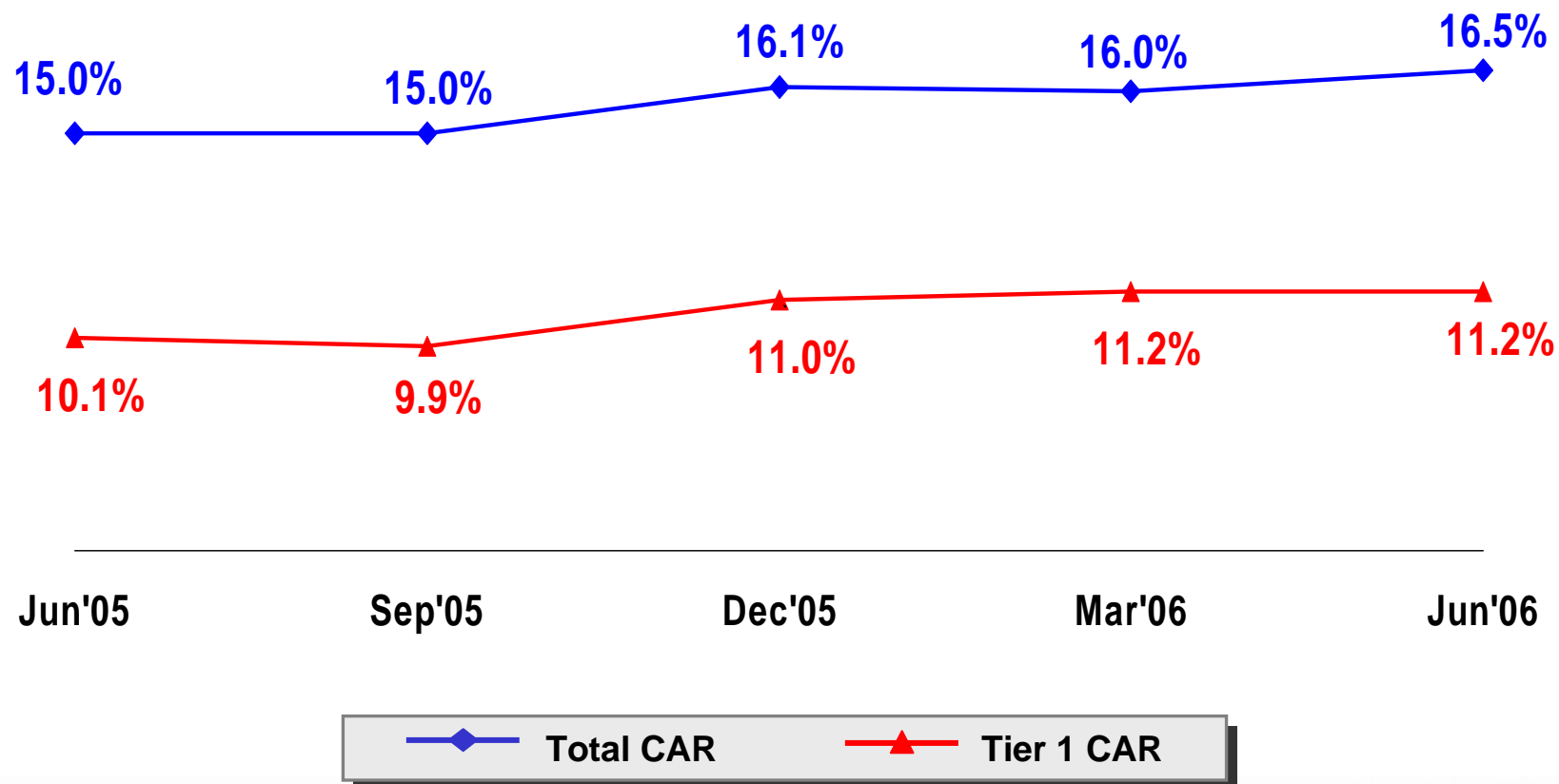
# Indonesia – Key Financial Indicators

	1H06	1H05*	+ / (-)	2Q06	1Q06	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	6.61	6.03	0.58	6.28	6.70	(0.42)
Non-NII / Total income	21.3	23.6	(2.3)	19.7	22.9	(3.2)
Expense / Total income	44.2	44.1	0.1	47.9	40.5	7.4
Customer loans (net) – IDR'b	12,570	11,014	14.1%	12,570	11,965	5.1%
Loans / Deposits	81.6	75.4	6.2	81.6	76.5	5.1
NPL ratio	4.7	2.3	2.4	4.7	3.0	1.7

\* Proforma basis, including PT Bank Buana Indonesia Tbk.

# Strong Capital Position

## Capital Adequacy Ratios (CAR)



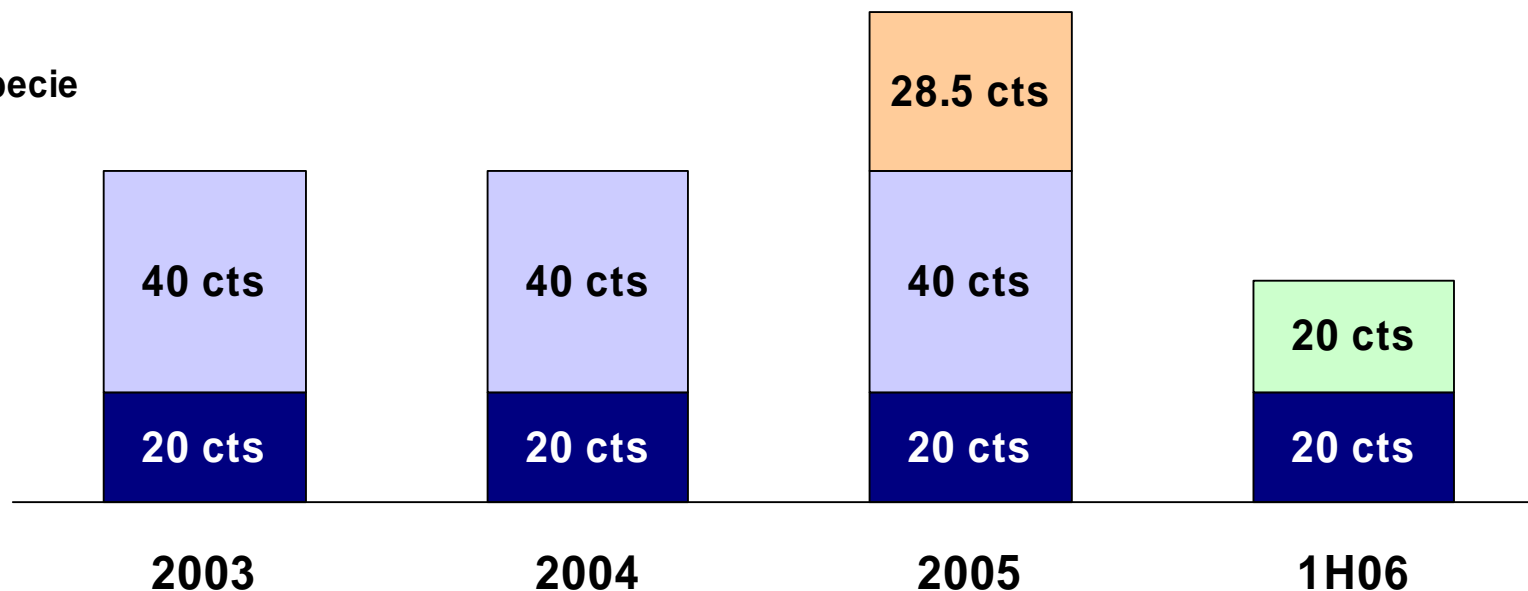
# Special Dividend of 20 Cents Per Share

Special

Dividend in Specie

Final

Interim



	2003	2004	2005	1H06
Special Dividend	-	-	\$351m *	\$244m
Cash Dividend	\$748m	\$744m	\$737m	\$244m
<b>Dividend Payout</b>	<b>\$748m</b>	<b>\$744m</b>	<b>\$1,088m</b>	<b>\$488m</b>
<b>Dividend Payout Ratio</b>	<b>62%</b>	<b>51%</b>	<b>64%</b>	<b>31%</b>

\* Dividend in specie of shares in United Overseas Land Limited.

## In Summary ...

- Net profit surged 92.8% to \$1.6 billion
- One-time gain of \$689m from special dividend from OUE and divestment of OUE and Hotel Negara
- Total income growth of 9.8% driven by net interest income increase of 14.5%
- Expense-to-income ratio was 41.1%
- Loans growth of 8.6% year-on-year to \$70.2 billion
- NPL ratio improved to 5.3%
- Special dividend of 20 cents per share in addition to interim dividend of 20 cents per share