

A blue line-art illustration of a skyscraper, showing the building's structure with various levels and a pointed top, positioned on the left side of the slide.

UOB Group First Half 2010 Briefing

Financial Highlights

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Chief Financial Officer**

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Singapore Company Reg No. 193500026Z

First Half Net Profit Increased 48% to \$1.3 billion



	1H10 \$m	1H09 \$m	+ / (-) %
Net interest income	1,784	1,857	(3.9)
Non-interest income	984	985	(0.1)
Total income	2,768	2,842	(2.6)
Less: Total expenses	1,082	1,011	7.1
Operating profit	1,686	1,831	(7.9)
Less: Intangible assets amortised	6	5	12.4
Individual impairment – loans	18	320	(94.4)
Individual impairment – other assets	8	27	(70.0)
Collective impairment	134	495	(73.0)
Add: Share of profit of associates	73	42	74.6
Less: Tax & minority interests	290	146	99.3
Net Profit After Tax (NPAT)	1,302	880	48.0

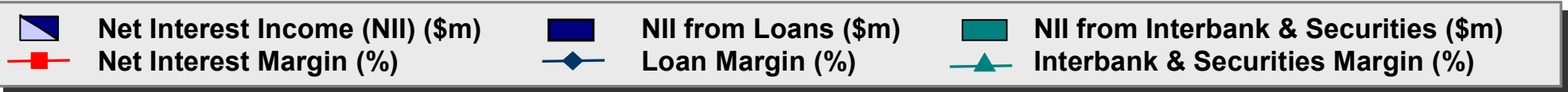
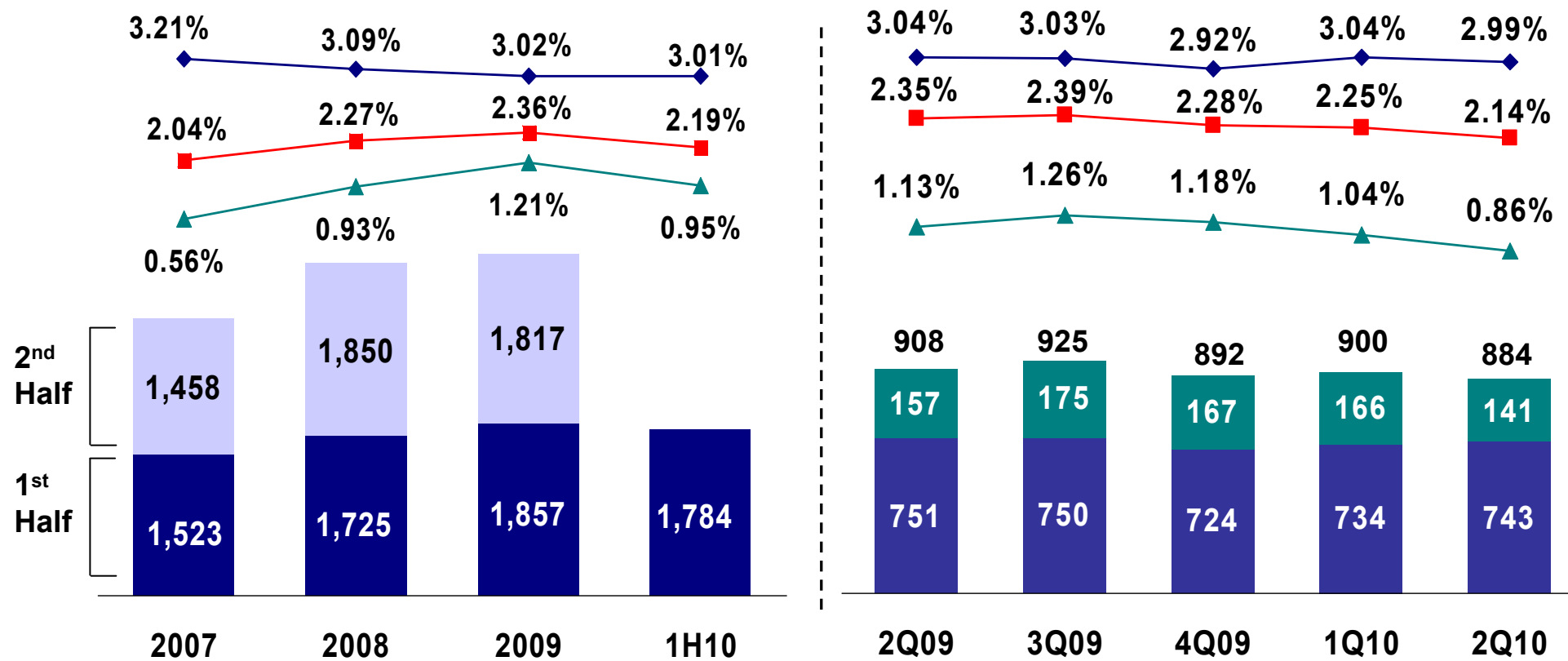
YoY Profit Rose 27.9%; QoQ Profit Dipped 2.7%



	2Q10	1Q10	+ / (-)	2Q09	+ / (-)
	\$m	\$m	%	\$m	%
Net interest income	884	900	(1.8)	908	(2.6)
Non-interest income	382	602	(36.6)	551	(30.7)
Total income	1,266	1,502	(15.7)	1,458	(13.2)
Less: Total expenses	540	542	(0.3)	520	3.8
Operating profit	725	960	(24.4)	938	(22.6)
Less: Intangible assets amortised	3	3	0.8	3	8.8
Individual impairment – loans	8	10	(12.1)	151	(94.4)
Individual impairment – other assets	(14)	22	(>100.0)	(7)	(90.9)
Collective impairment	57	77	(25.4)	321	(82.2)
Add: Share of profit of associates	48	25	90.4	32	50.9
Less: Tax & minority interests	117	174	(32.7)	32	>100.0
NPAT	602	700	(14.1)	470	27.9
NPAT (exclude gain on UOB Life)	602	618	(2.7)	470	27.9

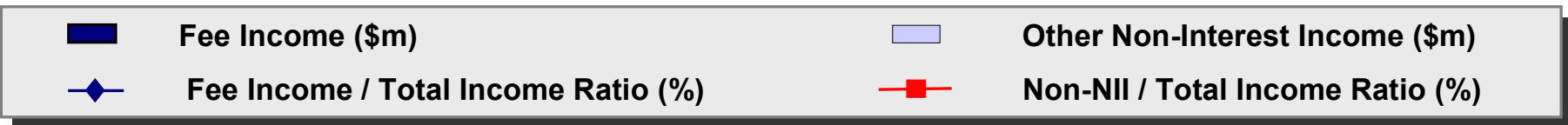
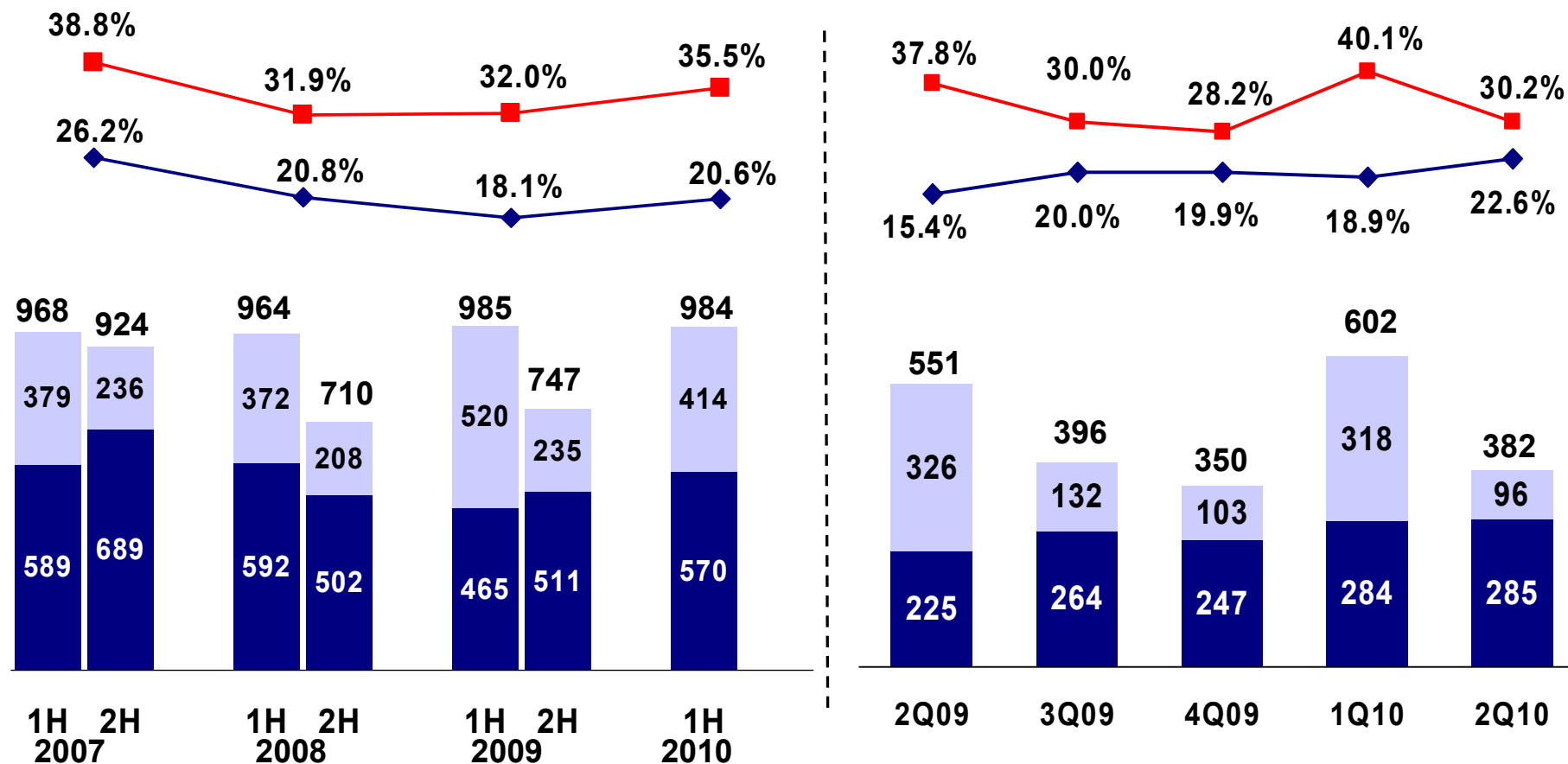
Net Interest Income Stable, Trending Lower with Overall Market

Net Interest Income and Margin



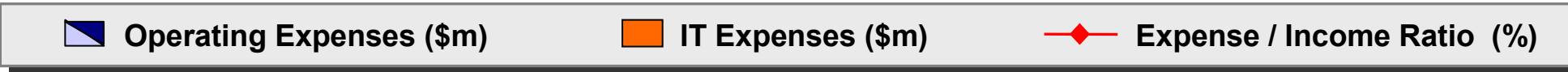
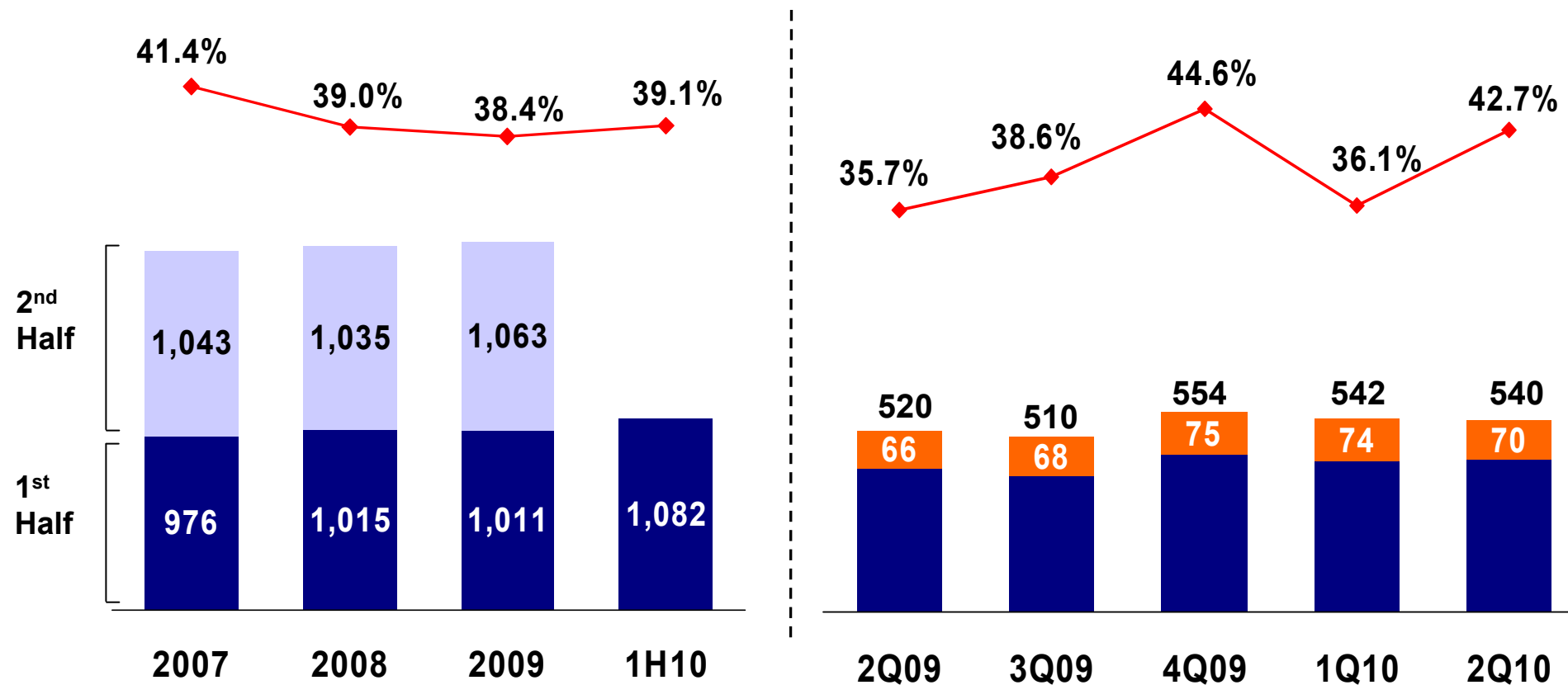
Fee and Commission Income Record High since Last Crisis

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



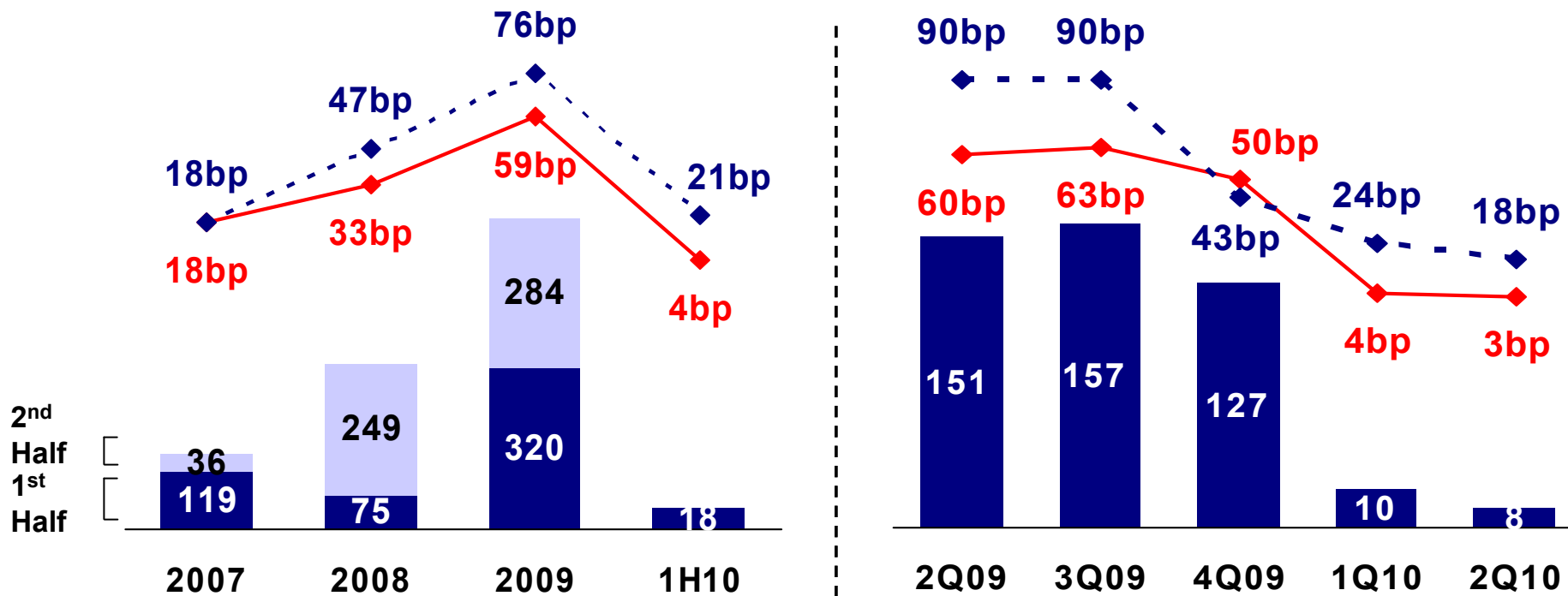
Cost Continued To Be Under Control

Operating Expenses and Expense / Income Ratio



Adequate Provisioning

Impairment Charges on Loans



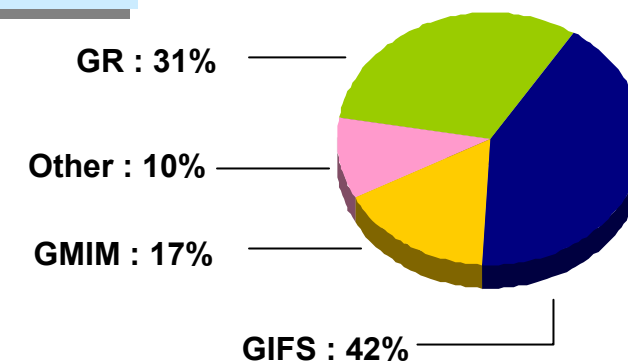
- Individual Impairment Charges on Loans (\$m)
- Individual Impairment Charges on Loans / Average Gross Customer Loans (basis points) *
- Total Impairment Charges on Loans / Average Gross Customer Loans (basis points) *

* On annualised basis

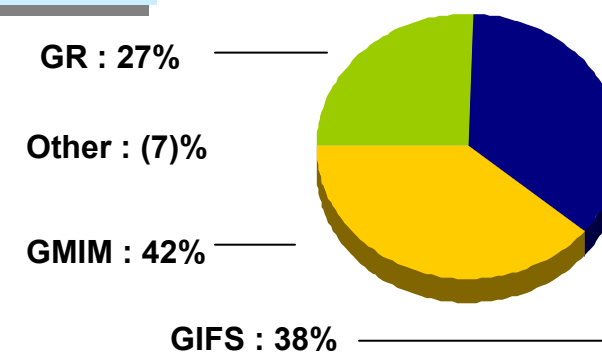
Performance by Business Segment

	1H10	1H09	+ / (-)
<u>Segment Operating Profit *</u>	<u>\$m</u>	<u>\$m</u>	<u>%</u>
Group Retail (GR)	527	498	5.8
Group Institutional Financial Svc (GIFS)	704	696	1.1
Global Markets & Investment Mgt (GMIM)	279	759	(63.2)
Other	176	(122)	>100.0
Total	1,686	1,831	(7.9)

1H10



1H09

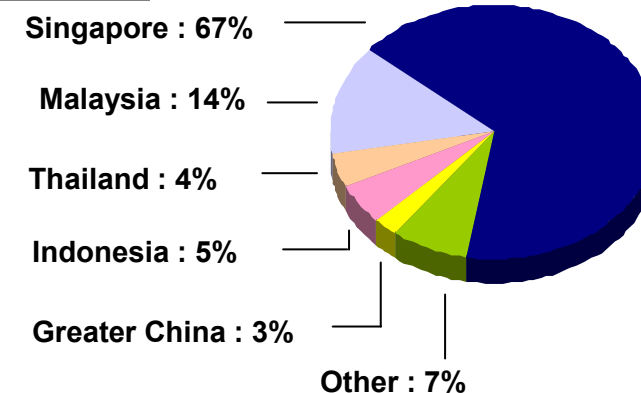


* Before amortisation and impairment charges

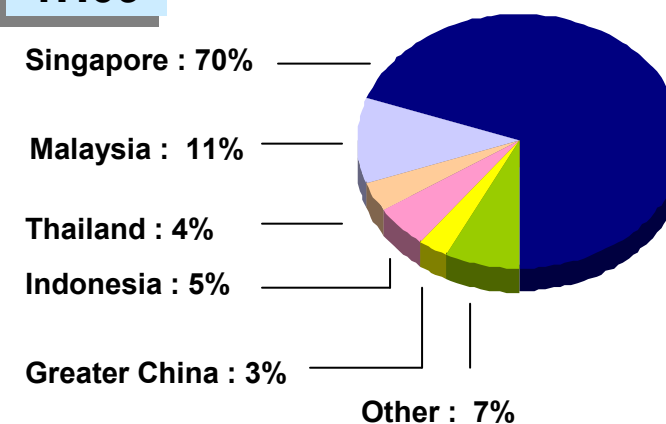
Overseas Operating Profit

<u>Operating Profit</u> *	1H10 \$m	1H09 \$m	+ / (-) %	At constant FX rate %
Singapore (including ACU)	1,124	1,274	(11.8)	(11.8)
Total Overseas	562	557	0.9	(1.4)
Malaysia	232	198	17.2	15.8
Thailand	72	73	(2.1)	(2.8)
Indonesia	88	94	(6.7)	(17.0)
Greater China	44	55	(20.1)	(14.6)
Other	127	137	(7.5)	(8.7)
Total	1,686	1,831	(7.9)	(8.6)

1H10



1H09



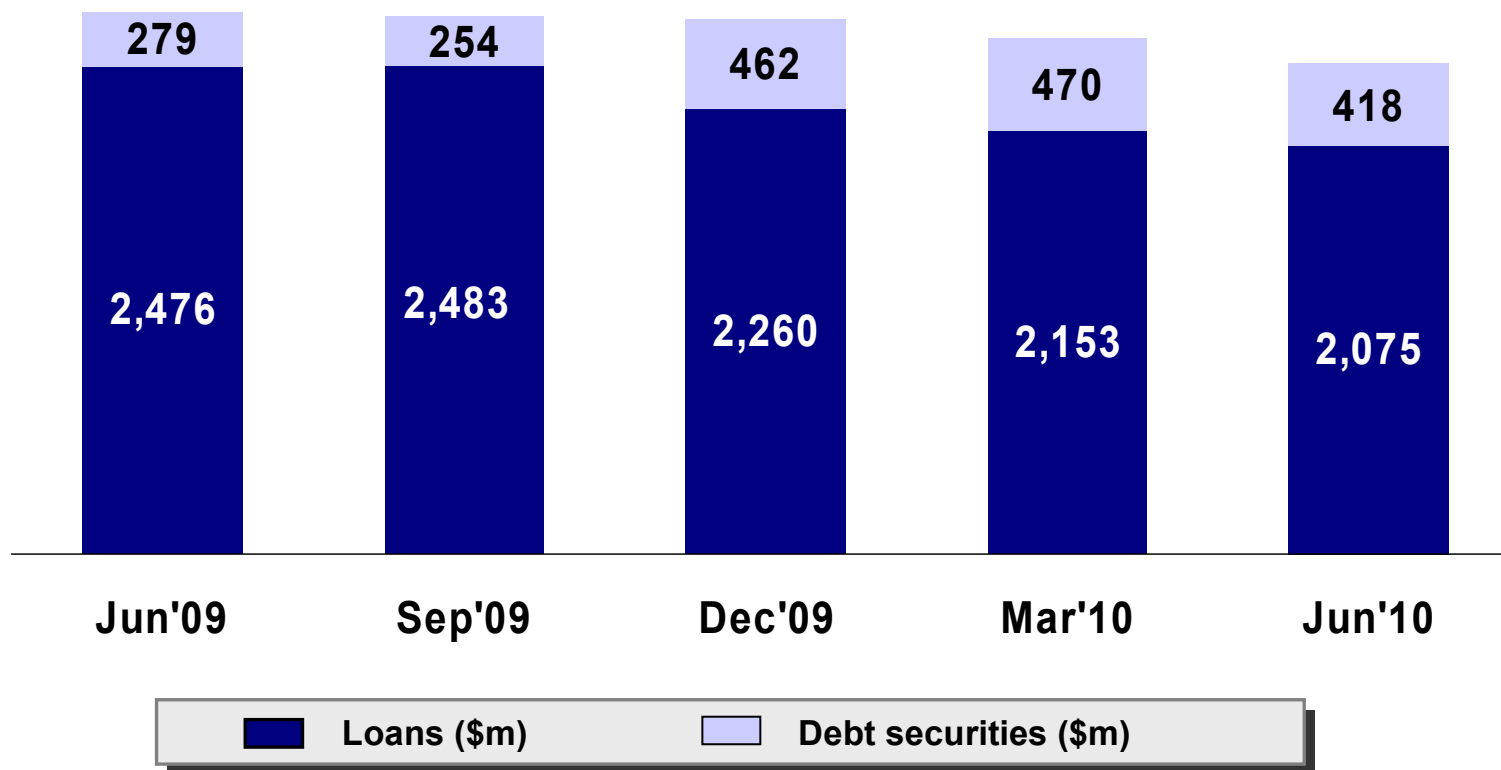
* Before amortisation and impairment charges

Growth From Regional Franchise

Gross Loans	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	\$m	\$m	%	\$m	\$m	%
Singapore	69,170	65,239	6.0	69,170	67,161	3.0
Malaysia	13,716	11,636	17.9	13,716	13,170	4.2
Thailand	6,352	6,030	5.3	6,352	6,398	(0.7)
Indonesia	3,842	3,240	18.6	3,842	3,594	6.9
Greater China	4,795	4,059	18.1	4,795	4,143	15.7
Other	8,464	10,054	(15.8)	8,464	8,679	(2.5)
Total	106,339	100,257	6.1	106,339	103,145	3.1

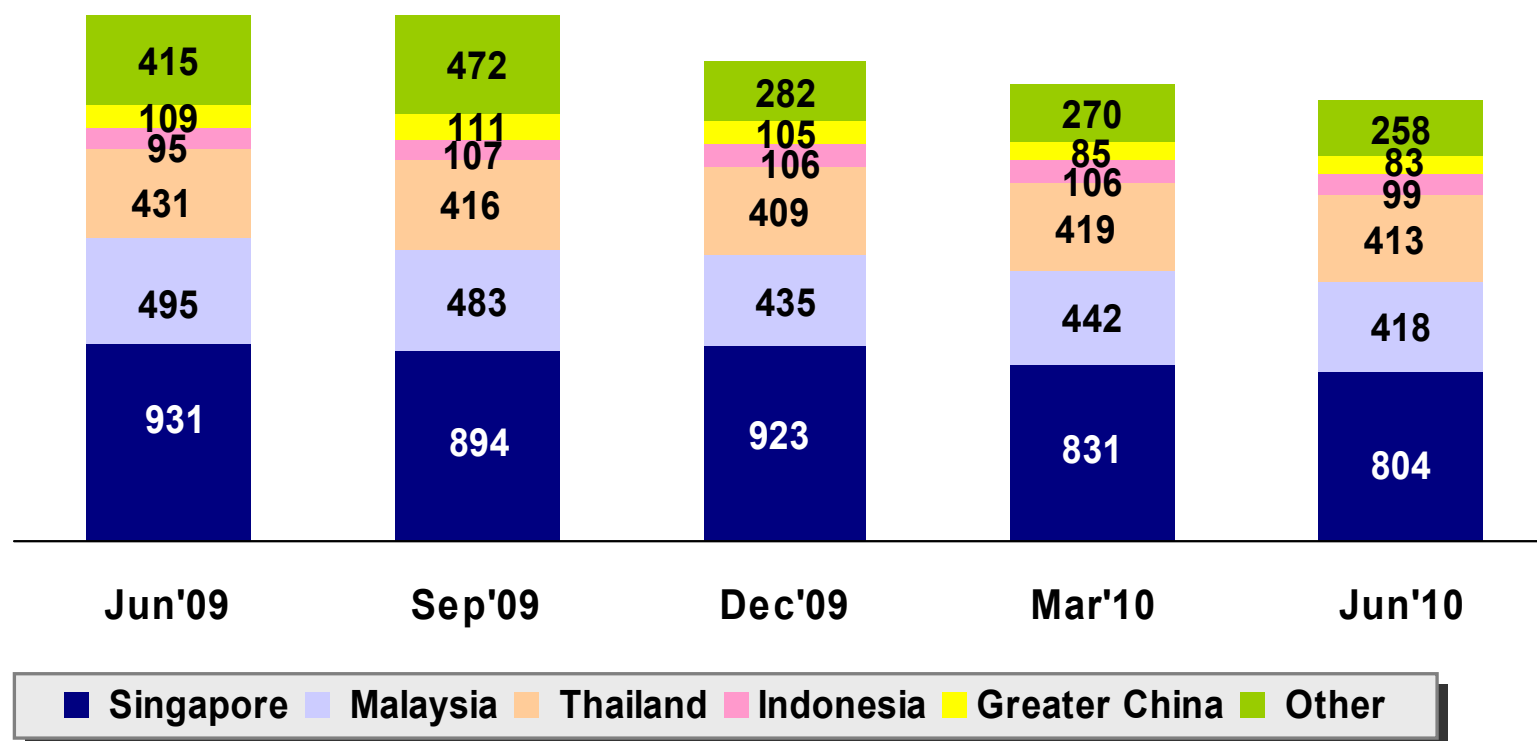
Improved Asset Quality

NPA (\$m)	2,755	2,737	2,722	2,623	2,493
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NPL Continued To Decline As Economy Recovers

NPL (\$m)	2,476	2,483	2,260	2,153	2,075
NPL Ratio *	2.4%	2.4%	2.2%	2.0%	1.9%



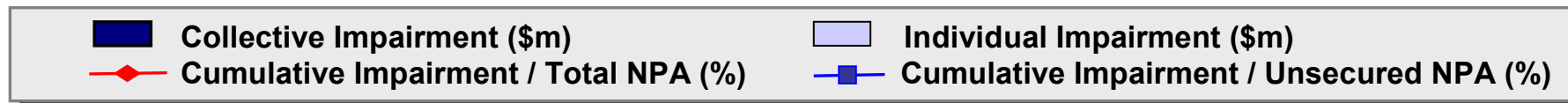
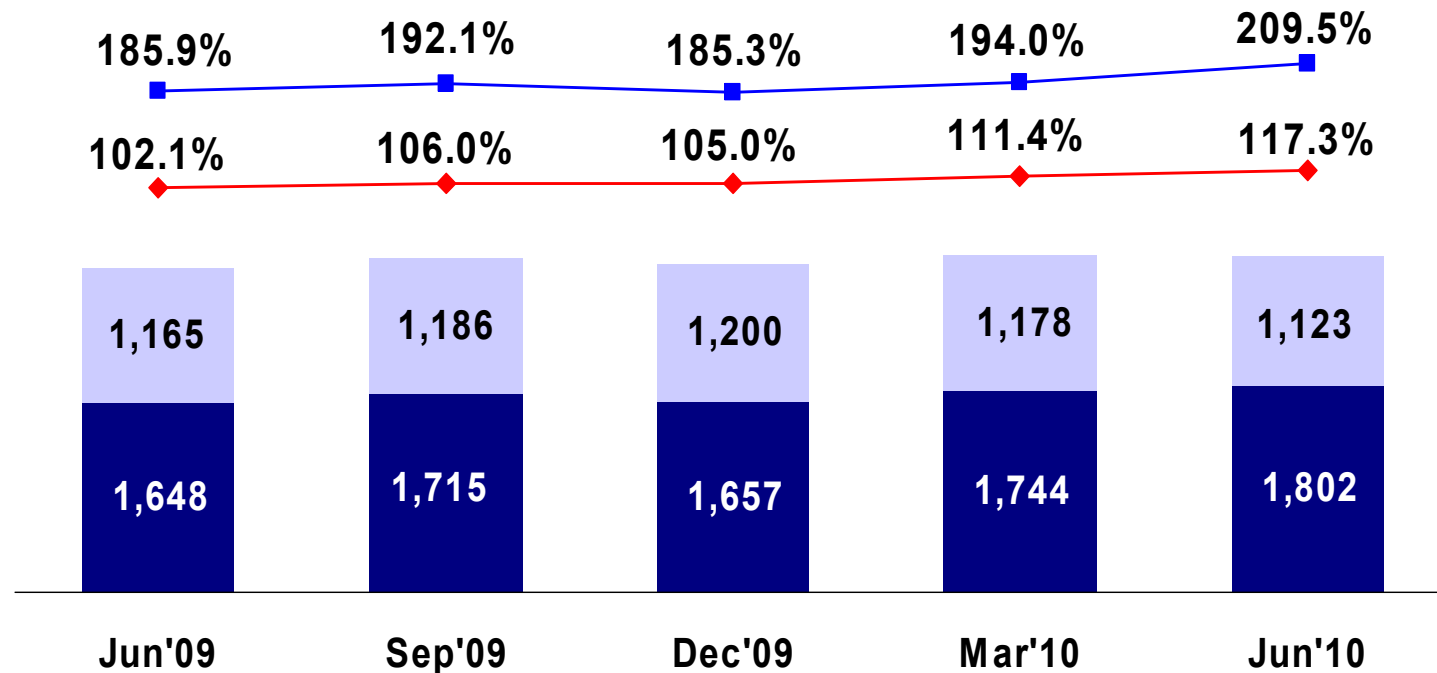
* Debt securities and contingent assets are excluded from the computation.

NPL Movement

	1H10	1H09	2Q10	1Q10
	\$m	\$m	\$m	\$m
Opening Balance	2,260	2,062	2,153	2,260
New / Existing	320	924	152	224
Write-off	(92)	(203)	(44)	(65)
Payment / Declassification	(413)	(307)	(186)	(266)
Closing Balance	2,075	2,476	2,075	2,153

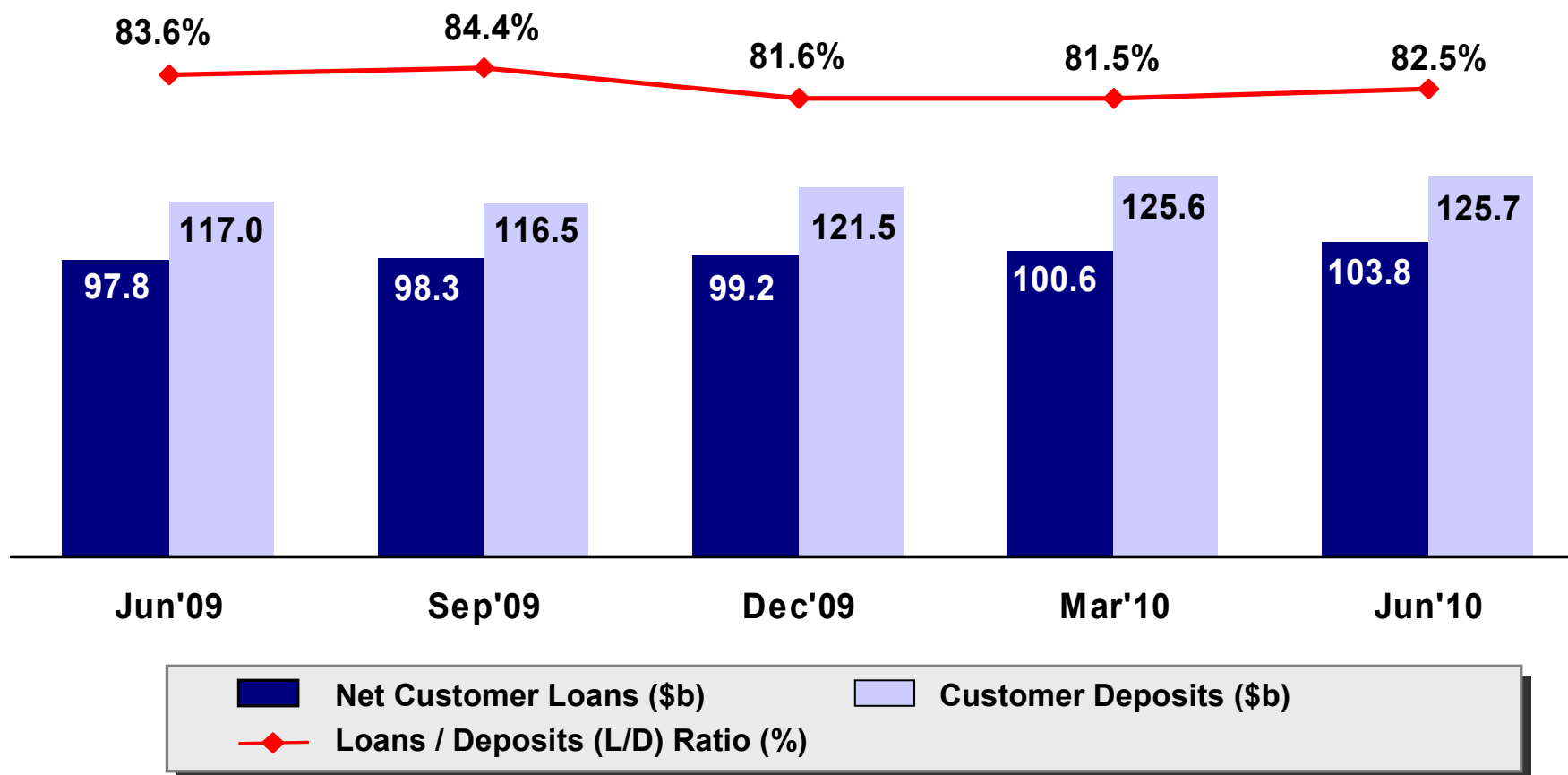
Adequate Impairment Coverage

Total Impairment (\$m)	2,813	2,901	2,857	2,922	2,925
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Growth in Customer Loans and Deposits Well Paced

Customer Loans, Deposits and L/D Ratio



Singapore (incl ACU) – Summarised P/L

	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	1,062	1,176	(9.7)	525	537	(2.2)
Non-interest income	690	702	(1.7)	249	442	(43.7)
Total income	1,753	1,879	(6.7)	774	979	(20.9)
Less: Total expenses	629	605	4.0	308	321	(4.1)
Operating profit	1,124	1,274	(11.8)	466	658	(29.1)
Less: Total impairment charges	86	675	(87.3)	10	76	(87.0)
Add: Share of profit of associates	61	37	66.8	38	23	64.6
Net profit before tax	1,099	636	72.9	494	605	(18.3)

Singapore (incl ACU) – Key Financial Indicators



	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.79	2.09	(0.30)	1.72	1.87	(0.15)
Non-NII / Total income	39.4	37.4	2.0	32.1	45.1	(13.0)
Expense / Total income	35.9	32.2	3.7	39.8	32.8	7.0
Customer loans (net) – \$'m	67,441	63,678	5.9%	67,441	65,428	3.1%
Loans / Deposits	73.3	73.4	(0.1)	73.3	72.9	0.4
NPL ratio	1.2	1.4	(0.2)	1.2	1.2	-

Malaysia – Summarised P/L

	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	568	478	18.8	289	279	3.6
Non-interest income	258	235	9.8	112	146	(23.3)
Total income	826	713	15.8	401	425	(5.6)
Less: Total expenses	275	237	16.0	140	135	3.7
Operating profit	551	476	15.8	261	290	(10.0)
Less: Total impairment charges	64	116	(44.8)	10	54	(81.5)
Add: Share of profit of associates	22	3	>100.0	20	2	>100.0
Net profit before tax	509	363	40.2	271	238	13.9
Net profit before tax (S\$m)	214	151	41.8	116	98	18.4

Malaysia – Key Financial Indicators



	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.92	2.47	0.45	3.05	2.80	0.25
Non-NII / Total income	31.2	33.0	(1.8)	27.9	34.4	(6.5)
Expense / Total income	33.3	33.2	0.1	34.9	31.8	3.1
Customer loans (net) – RM'm	31,076	27,578	12.7%	31,076	29,990	3.6%
Loans / Deposits	99.7	96.6	3.1	99.7	97.1	2.6
NPL ratio	3.0	4.2	(1.2)	3.0	3.3	(0.3)

Thailand – Summarised P/L



	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	3,435	3,454	(0.6)	1,700	1,735	(2.0)
Non-interest income	1,341	1,477	(9.2)	539	802	(32.8)
Total income	4,776	4,931	(3.1)	2,239	2,537	(11.7)
Less: Total expenses	3,101	3,207	(3.3)	1,509	1,592	(5.2)
Operating profit	1,675	1,724	(2.8)	730	945	(22.8)
Less: Total impairment charges	566	627	(9.7)	215	351	(38.7)
Add: Share of profit of associates	6	(2)	>100.0	2	4	(50.0)
Net profit before tax	1,115	1,095	1.8	517	598	(13.5)
Net profit before tax (S\$m)	48	47	2.5	22	26	(13.9)

Thailand – Key Financial Indicators



	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.50	3.69	(0.19)	3.59	3.42	0.17
Non-NII / Total income	28.1	30.0	(1.9)	24.1	31.6	(7.5)
Expense / Total income	64.9	65.0	(0.1)	67.4	62.8	4.6
Customer loans (net) – THB'm	140,496	135,084	4.0%	140,496	141,021	(0.4)%
Loans / Deposits	95.2	89.3	5.9	95.2	90.9	4.3
NPL ratio	5.9	6.5	(0.6)	5.9	5.9	-

Indonesia – Summarised P/L

	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	963	962	0.1	487	476	2.3
Non-interest income	302	375	(19.5)	136	166	(18.1)
Total income	1,265	1,337	(5.4)	623	642	(3.0)
Less: Total expenses	686	639	7.4	382	304	25.7
Operating profit	579	698	(17.0)	241	338	(28.7)
Less: Total impairment charges	55	78	(29.5)	16	39	(59.0)
Net profit before tax	524	620	(15.5)	225	299	(24.7)
Net profit before tax (S\$m)	80	84	(5.2)	34	45	(24.4)

Indonesia – Key Financial Indicators

	1H10	1H09	+/(-)	2Q10	1Q10	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	6.49	6.34	0.15	6.49	6.49	-
Non-NII / Total income	23.9	28.0	(4.1)	21.8	25.9	(4.1)
Expense / Total income	54.2	47.8	6.4	61.3	47.4	13.9
Customer loans (net) – IDR'b	24,485	22,448	9.1%	24,485	22,891	7.0%
Loans / Deposits	101.2	85.0	16.2	101.2	92.1	9.1
NPL ratio	2.6	2.9	(0.3)	2.6	2.9	(0.3)

China – Summarised P/L

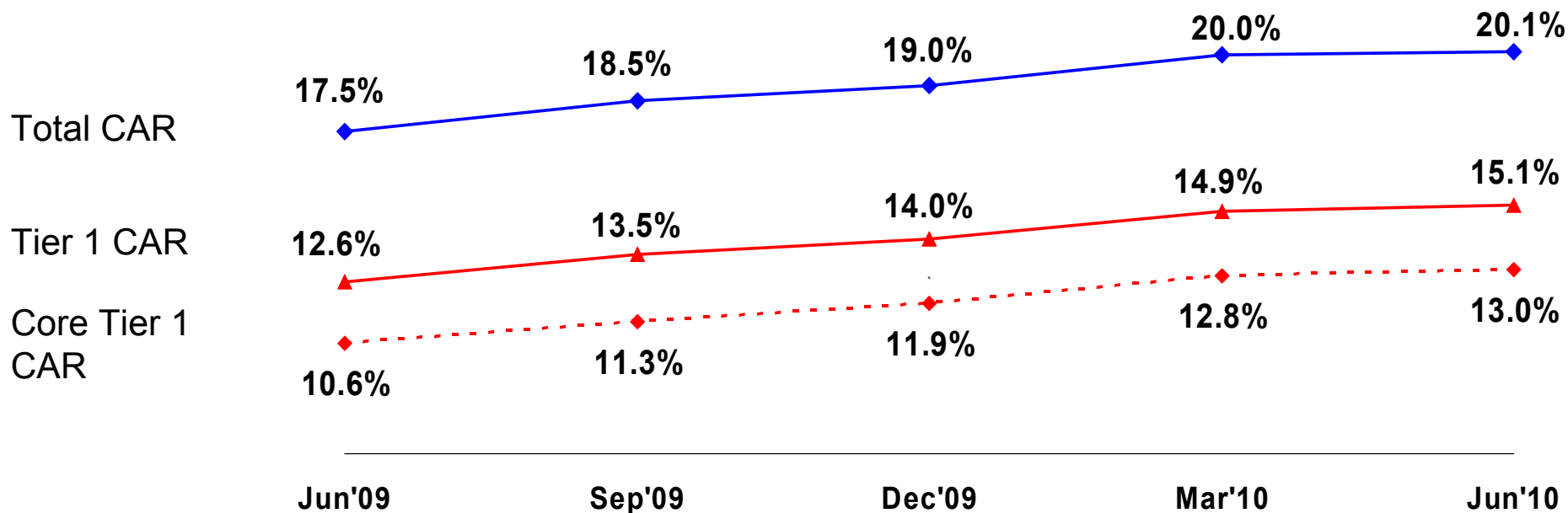
	1H10	1H09	+/(–)	2Q10	1Q10	+/(–)
	CNY'm	CNY'm	%	CNY'm	CNY'm	%
Net interest income	172	199	(13.6)	86	86	-
Non-interest income	39	15	>100.0	22	17	29.4
Total income	211	214	(1.4)	108	103	4.9
Less: Total expenses	145	114	27.2	73	72	1.4
Operating profit	66	100	(34.0)	35	31	12.9
Less: Total impairment charges	5	6	(16.7)	15	(10)	>100.0
Add: Share of profit of associates	4	2	100.0	2	2	-
Net profit before tax	65	96	(32.3)	22	43	(48.8)
Net profit before tax (S\$m)	13	21	(37.9)	4	9	(48.5)

China – Key Financial Indicators

	1H10	1H09	+/(–)	2Q10	1Q10	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	2.38	2.84	(0.46)	2.27	2.50	(0.23)
Non-NII / Total income	18.5	7.0	11.5	20.4	16.5	3.9
Expense / Total income	68.7	53.3	15.4	67.6	69.9	(2.3)
Customer loans (net) – CNY'm	9,280	9,950	(6.7)%	9,280	9,235	0.5%
Loans / Deposits	143.7	210.1	(66.4)	143.7	152.4	(8.7)
NPL ratio	3.9	3.8	0.1	3.9	4.0	(0.1)

Capital Position Strengthened

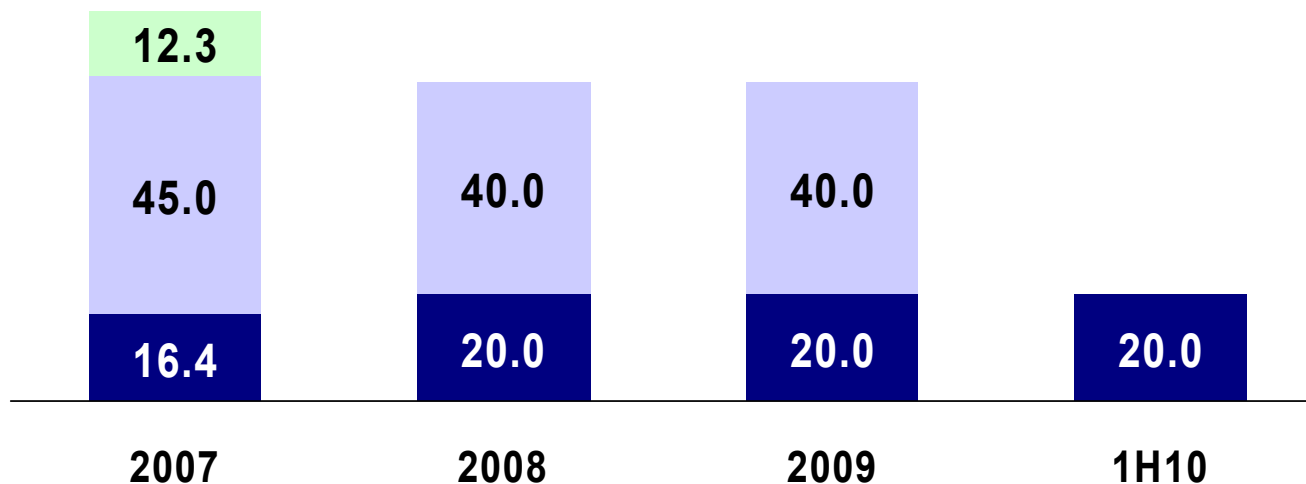
Capital Adequacy Ratios






\$m

Core Tier 1 Capital	11,074	11,462	11,978	12,942	13,175
Tier 1 Capital	13,223	13,611	14,127	15,091	15,324
RWA	104,821	101,130	100,908	101,414	101,174

Maintain Interim Dividend



Net dividend per ordinary share (¢)			
	Interim		Final
	Special		

Interim dividend

Payout amount (\$m)	249	301	301	306
Payout ratio (%)	23	27	34	24

Investment Securities



	Jun-10 \$m	Dec-09 \$m	+ / (-) \$m
Debt securities – bank			
Tier 1	1,639	1,933	(294)
Tier 2	864	1,098	(234)
Senior/Other	3,547	4,253	(706)
	6,050	7,284	(1,234)
Debt securities – non bank	6,454	6,330	124
	12,504	13,614	(1,110)
Equity securities	2,838	2,563	275
Total	15,342	16,177	(835)

Debt securities by country of risk	Jun-10			Dec-09			+ / (-)		
	Bank \$m	Non- bank \$m	Total \$m	Bank \$m	Non- bank \$m	Total \$m	Bank \$m	Non- bank \$m	Total \$m
Singapore	328	1,426	1,754	332	1,427	1,759	(4)	(1)	(5)
Other Asia Pacific	2,186	3,004	5,190	2,997	2,600	5,597	(811)	404	(407)
Europe	2,111	654	2,764	2,338	724	3,062	(227)	(70)	(298)
United States	1,395	1,158	2,553	1,550	1,280	2,830	(155)	(122)	(277)
Other	31	212	243	67	299	366	(36)	(87)	(123)
Total	6,050	6,454	12,504	7,284	6,330	13,614	(1,234)	124	(1,110)

In Summary ...

- **First half net profit increased 48% to \$1.3 billion**
- **Strong ASEAN franchise**
- **Core income from NII and fee and commission income remained strong**
- **Expenses under control**
- **Loans and deposits growth well paced**
- **Asset quality sound, NPL ratio low at 1.9%**
- **Tier 1 and total CAR strengthened to 15.1% and 20.1% respectively**
- **Interim dividend maintained**