



# UOB Group First Half 2009 Briefing

## Financial Highlights

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# Strong Operating Profit Growth

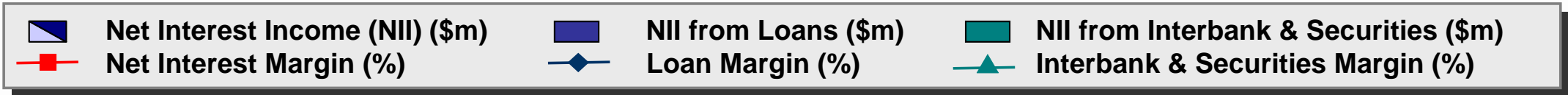
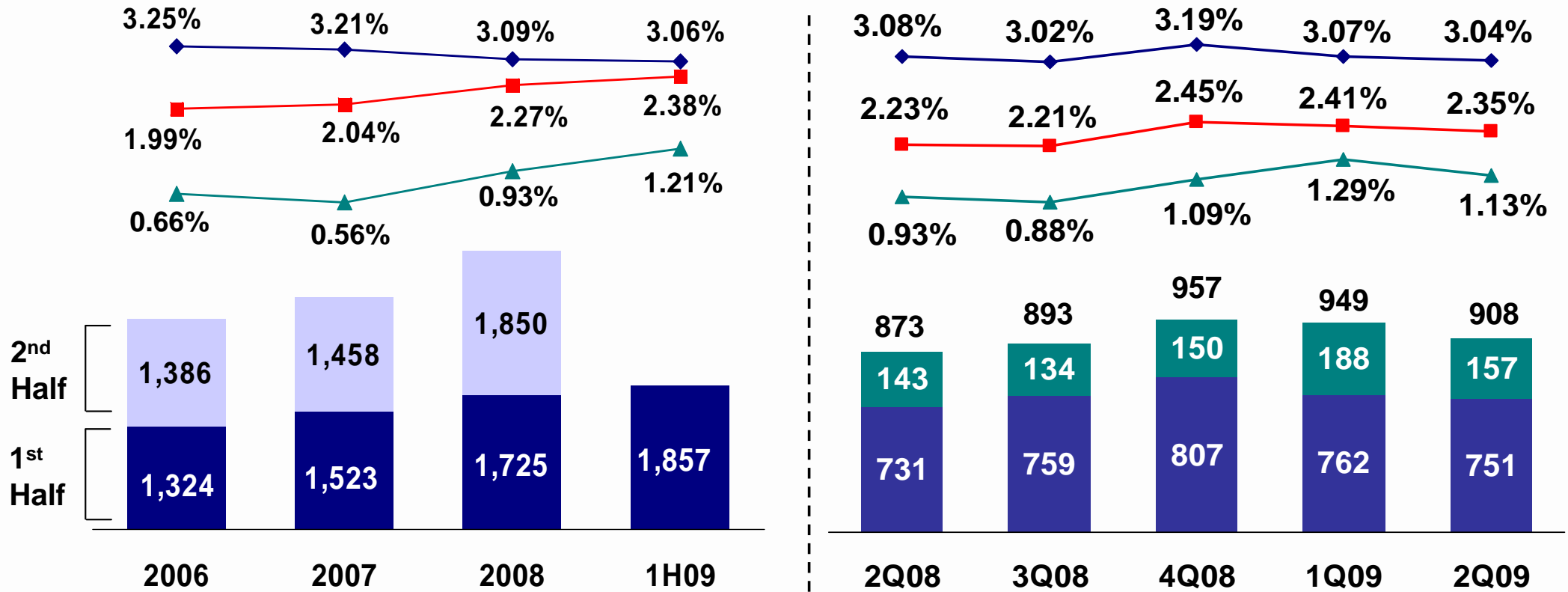
	1H09	1H08	+ / (-)
	\$m	\$m	%
Net interest income	1,857	1,725	7.6
Non-interest income	985	964	2.1
<b>Total income</b>	<b>2,842</b>	<b>2,690</b>	<b>5.7</b>
Less: Total expenses	1,011	1,015	(0.4)
<b>Operating profit</b>	<b>1,831</b>	<b>1,675</b>	<b>9.3</b>
Less: Intangible assets amortised	5	5	(8.2)
Individual impairment - loans	320	75	326.7
Individual impairment - other assets	27	82	(67.5)
Collective impairment	495	112	343.3
Add: Share of profit of associates	42	56	(26.1)
Less: Tax & minority interests	146	327	(55.4)
<b>Net Profit After Tax (NPAT)</b>	<b>880</b>	<b>1,130</b>	<b>(22.1)</b>
NPAT growth at constant FX rate			<b>(21.4)</b>

# Profit Up 15.0% QoQ

	2Q09	1Q09	+ / (-)	2Q08	+ / (-)
	\$m	\$m	%	\$m	%
Net interest income	908	949	(4.4)	873	3.9
Non-interest income	551	434	26.8	550	0.1
<b>Total income</b>	<b>1,458</b>	<b>1,384</b>	<b>5.4</b>	<b>1,424</b>	<b>2.4</b>
Less: Total expenses	520	491	6.1	518	0.4
<b>Operating profit</b>	<b>938</b>	<b>893</b>	<b>5.0</b>	<b>905</b>	<b>3.6</b>
Less: Intangible assets amortised	3	2	7.7	3	(3.4)
Individual impairment – loans	151	169	(11.1)	65	131.0
Individual impairment – other assets	(7)	34	(121.5)	51	(114.5)
Collective impairment	321	174	84.7	64	401.1
Add: Share of profit of associates	32	10	214.4	34	(7.6)
Less: Tax & minority interests	32	114	(72.2)	156	(79.7)
<b>NPAT</b>	<b>470</b>	<b>409</b>	<b>15.0</b>	<b>601</b>	<b>(21.7)</b>
NPAT growth at constant FX rate			<b>15.0</b>		<b>(21.3)</b>

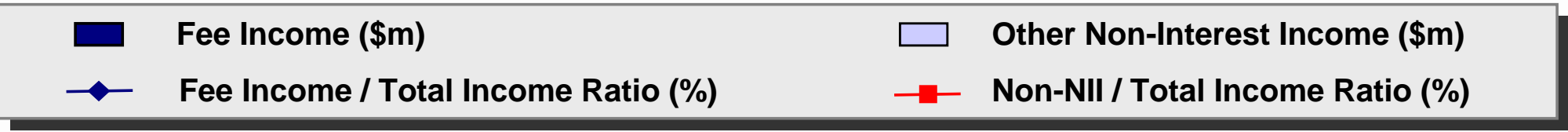
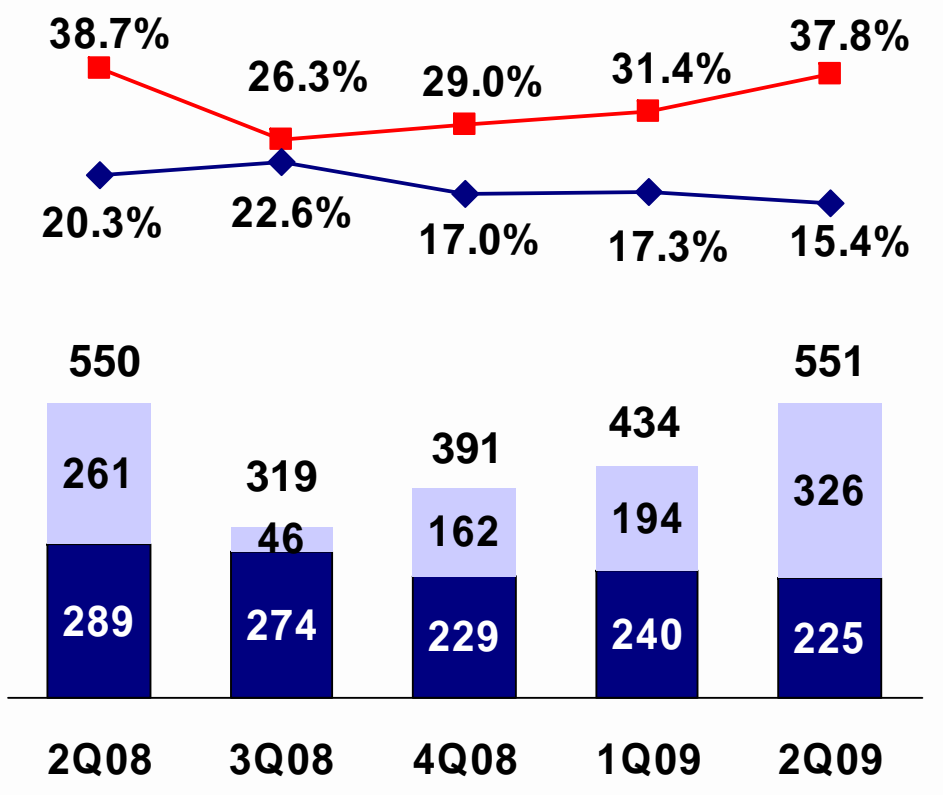
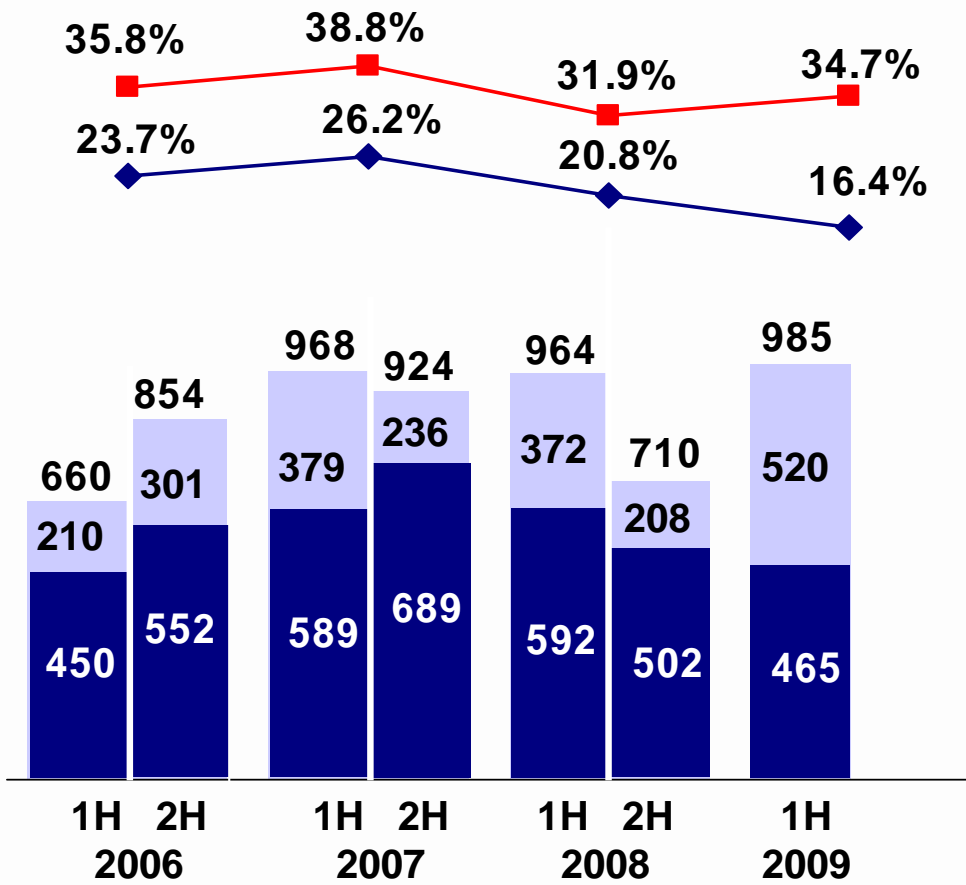
# Higher Net Interest Income and Margin YoY

## Net Interest Income and Margin



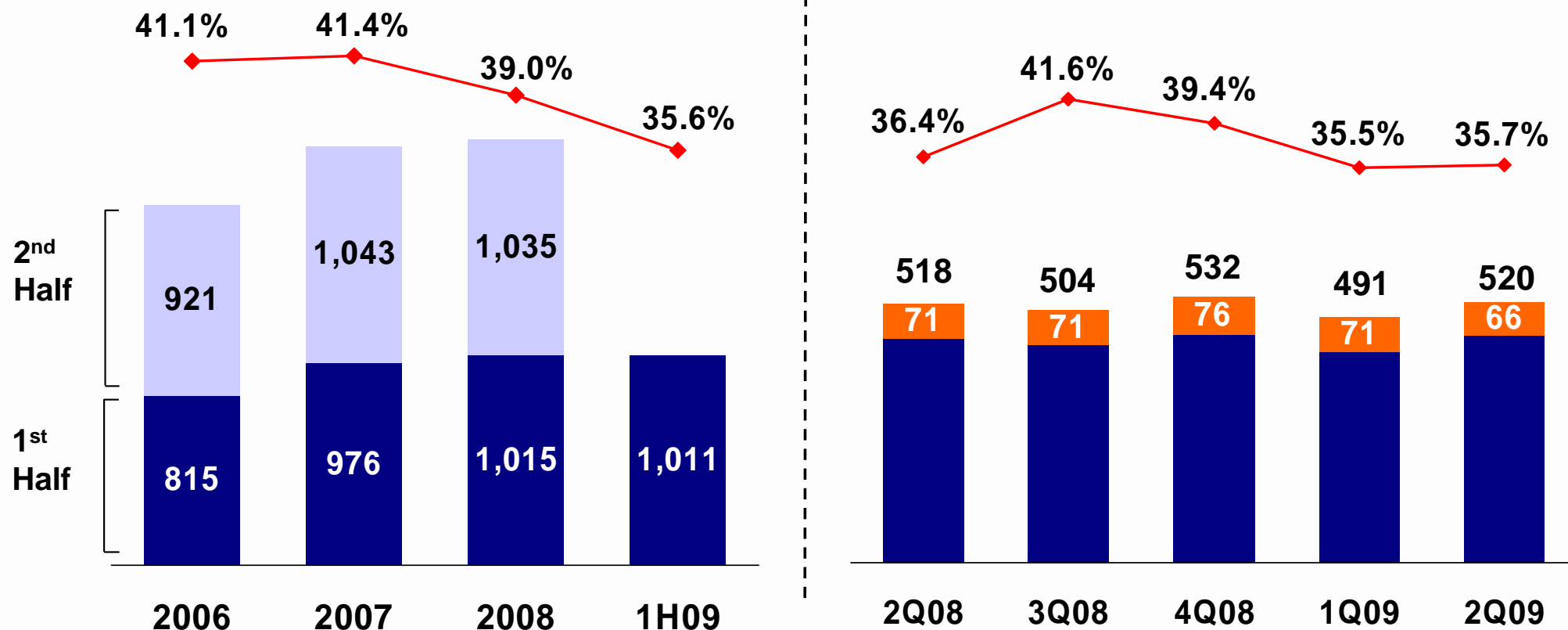
# Strong Non-Interest Income

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



# Disciplined Cost Management

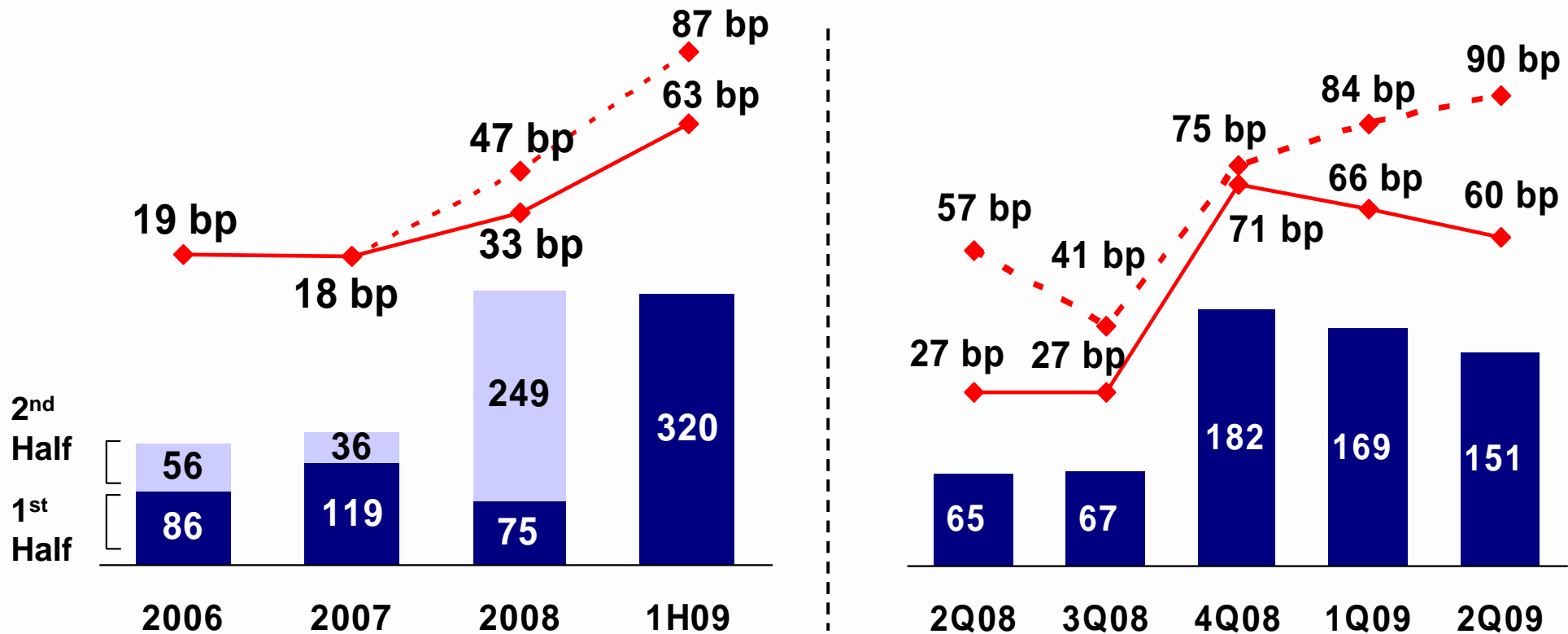
## Operating Expenses and Expense / Income Ratio



■ Operating Expenses (\$m)     
 ■ IT Expenses (\$m)     
 ◆ Expense / Income Ratio (%)

# Prudent Provisioning Policy

## Impairment Charges on Loans



\* On annualised basis

# Performance By Business Segment

<u>Segment Operating Profit *</u>	1H09	1H08	+ / (-)
	\$m	\$m	%
Personal Financial Services (PFS)	451	496	(9.1)
Institutional Financial Services (IFS)	764	716	6.7
Global Markets & Investment Mgt (GMIM)	670	355	88.7
Other	(54)	108	(150.0)
<b>Total</b>	<b>1,831</b>	<b>1,675</b>	<b>9.3</b>

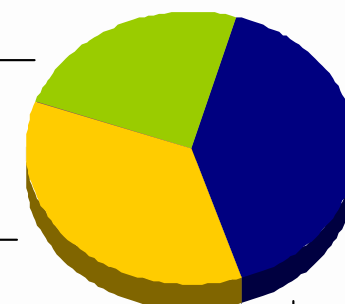
**1H09**

PFS 25%

Other (3%)

GMIM 36%

IFS 42%



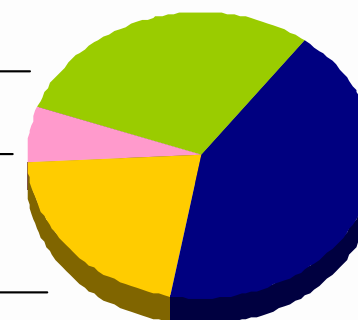
**1H08**

PFS 30%

Other 6%

GMIM 21%

IFS 43%



\* Before amortisation and impairment charges



# Strong Contribution From Singapore

<b>Operating Profit *</b>	1H09	1H08	+ / (-)	At constant
	<b>\$m</b>	<b>\$m</b>	<b>%</b>	<b>FX rate</b>
				<b>%</b>
<b>Singapore</b>	<b>1,274</b>	<b>1,181</b>	<b>7.9</b>	<b>7.9</b>
<b>Overseas</b>	<b>557</b>	<b>494</b>	<b>12.7</b>	<b>16.7</b>
<b>Malaysia</b>	<b>198</b>	<b>176</b>	<b>12.4</b>	<b>15.8</b>
<b>Thailand</b>	<b>73</b>	<b>85</b>	<b>(13.5)</b>	<b>(12.8)</b>
<b>Indonesia</b>	<b>94</b>	<b>52</b>	<b>81.0</b>	<b>99.4</b>
<b>Greater China</b>	<b>55</b>	<b>24</b>	<b>132.0</b>	<b>114.3</b>
<b>Other</b>	<b>137</b>	<b>158</b>	<b>(13.3)</b>	<b>(8.4)</b>
<b>Total</b>	<b>1,831</b>	<b>1,675</b>	<b>9.3</b>	<b>10.4</b>

## 1H09

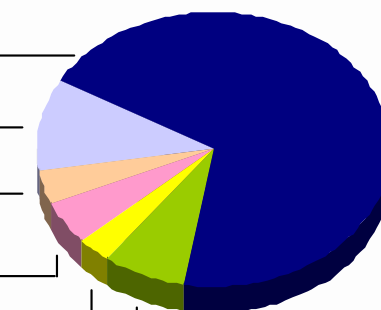
Singapore 70%

Malaysia 11%

Thailand 4%

Indonesia 5%

Greater China 3%



Other 7%

## 1H08

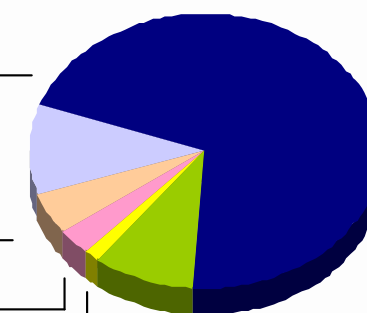
Singapore 71%

Malaysia 11%

Thailand 5%

Indonesia 3%

Greater China 1%

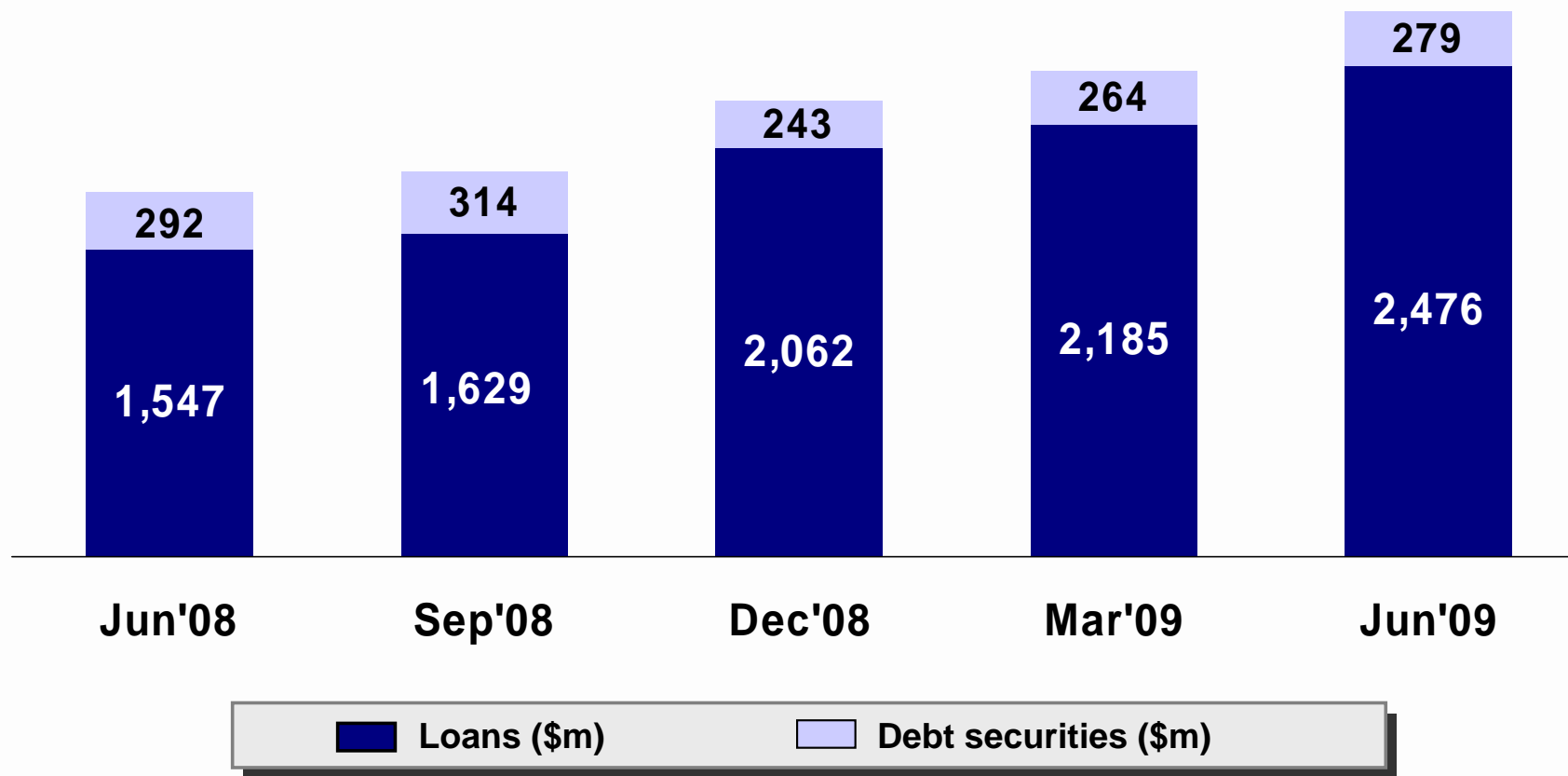


Other 9%

\* Before amortisation and impairment charges

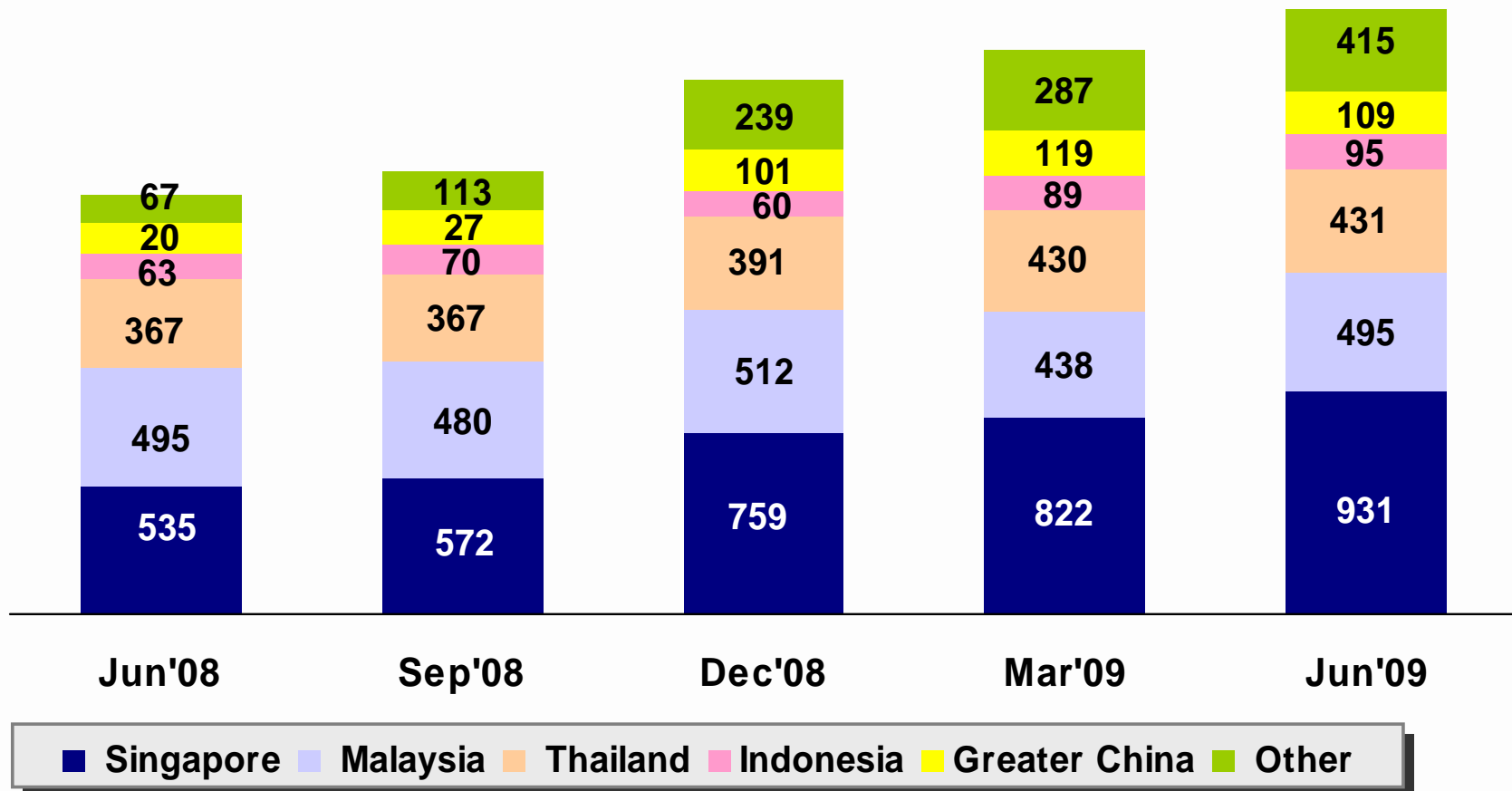
# Increased NPA amid Global Economic Downturn

<b>NPA (\$m)</b>	<b>1,839</b>	<b>1,943</b>	<b>2,305</b>	<b>2,449</b>	<b>2,755</b>
<b>NPA Ratio</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.5%</b>



# Higher NPL Reflecting Difficult Economic Conditions

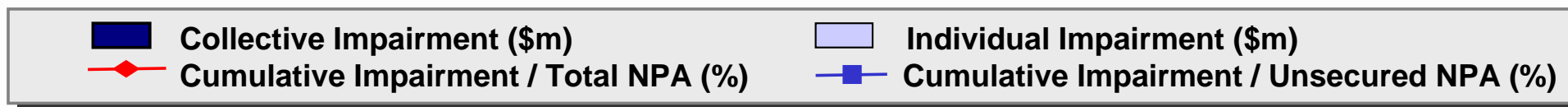
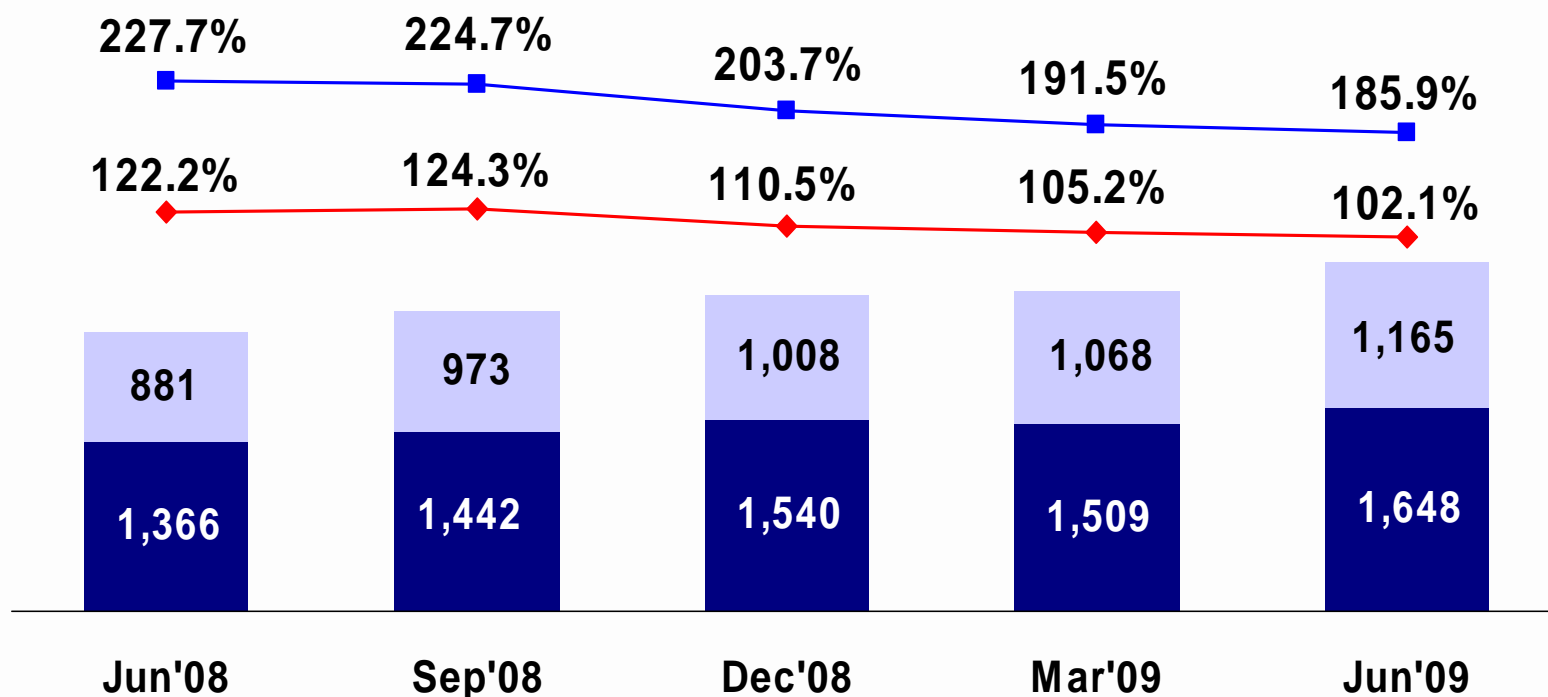
<b>NPL (\$m)</b>	<b>1,547</b>	<b>1,629</b>	<b>2,062</b>	<b>2,185</b>	<b>2,476</b>
<b>NPL Ratio *</b>	<b>1.5%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.4%</b>



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

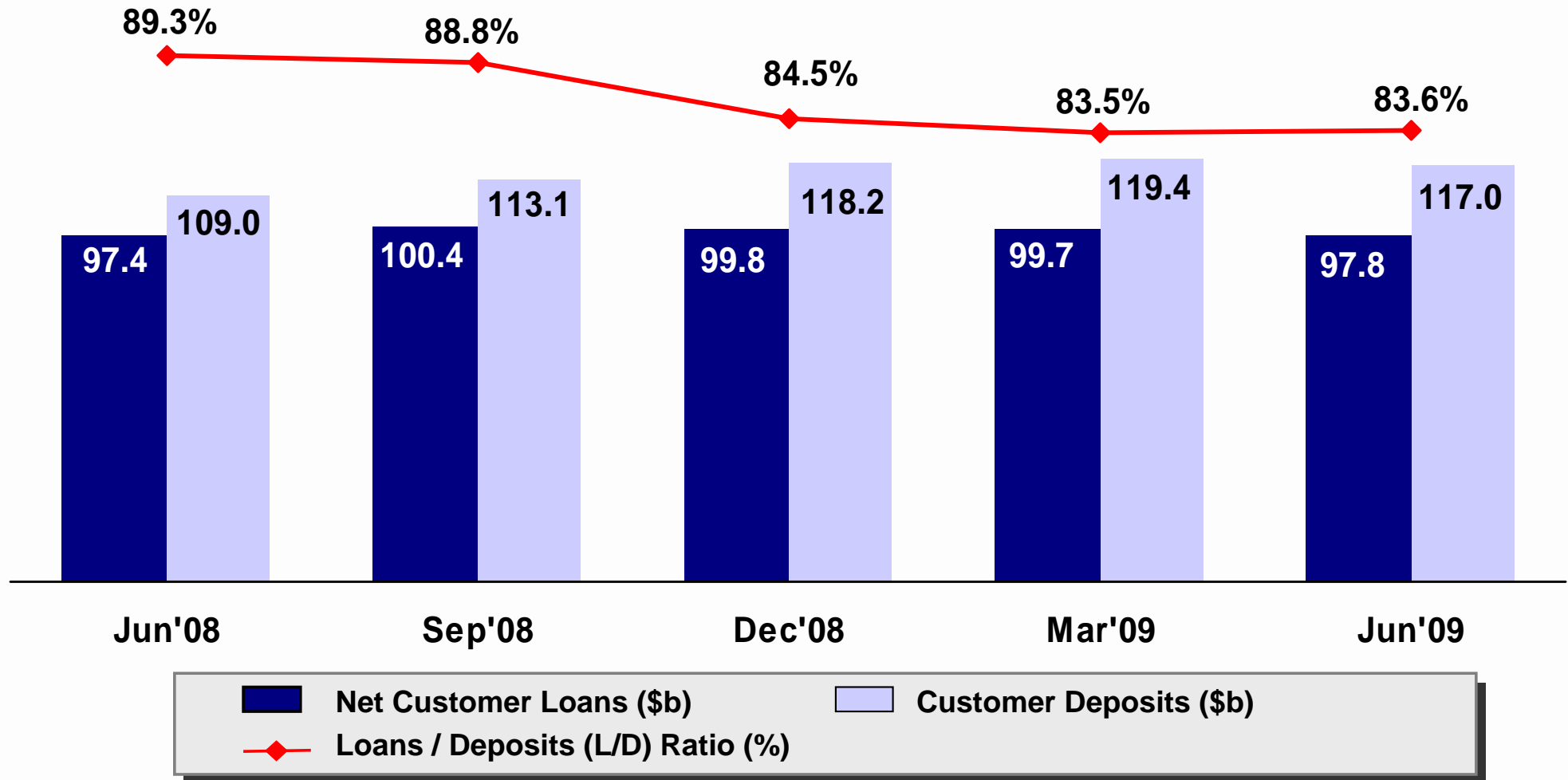
# Adequate Impairment Coverage

Total Impairment (\$m)	2,247	2,415	2,548	2,577	2,813
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# Liquidity Preserved

## Customer Loans, Deposits and L/D Ratio



# Balanced Investment Portfolio

	Dec'08	Mar'09	Jun'09	Jun'09	QoQ
	\$m	\$m	\$m	% mix	\$m
Singapore government securities *	8,733	12,509	13,118	41%	609
Other government securities *	1,596	1,496	2,189	7%	692
Investment securities	15,674	15,758	16,395	52%	637
Debt	13,453	13,627	13,876	44%	248
Equity	2,221	2,131	2,520	8%	389
<b>Total</b>	<b>26,003</b>	<b>29,763</b>	<b>31,702</b>	<b>100%</b>	<b>1,939</b>

\* Excluding held for trading securities.

# Singapore – Summarised P/L

	1H09	1H08	+/( -)	2Q09	1Q09	+/( -)
	\$'m	\$'m	%	\$'m	\$'m	%
Net interest income	1,176	1,016	15.8	574	602	(4.8)
Non-interest income	702	724	(2.9)	405	297	36.3
<b>Total income</b>	<b>1,879</b>	<b>1,739</b>	<b>8.0</b>	<b>979</b>	<b>900</b>	<b>8.8</b>
Less: Total expenses	605	559	8.3	328	277	18.4
<b>Operating profit</b>	<b>1,274</b>	<b>1,181</b>	<b>7.9</b>	<b>651</b>	<b>623</b>	<b>4.6</b>
Less: Total impairment charges	675	148	356.9	398	276	44.1
Add: Share of profit of associates	37	54	(32.1)	30	7	335.0
<b>Net profit before tax</b>	<b>636</b>	<b>1,087</b>	<b>(41.5)</b>	<b>283</b>	<b>353</b>	<b>(20.0)</b>

# Singapore – Key Financial Indicators

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.09	1.99	0.10	2.07	2.11	(0.04)
Non-NII / Total income	37.4	41.6	(4.2)	41.4	33.0	8.4
Expense / Total income	32.2	32.1	0.1	33.5	30.8	2.7
Customer loans (net) – \$'m	63,678	62,022	2.7%	63,678	63,928	(0.4)%
Loans / Deposits	73.4	74.0	(0.6)	73.4	71.9	1.5
NPL ratio	1.4	0.8	0.6	1.4	1.2	0.2



# Malaysia – Summarised P/L

	1H09	1H08	+/(–)	2Q09	1Q09	+/(–)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	478	482	(0.8)	234	244	(4.1)
Non-interest income	235	174	35.1	110	125	(12.0)
<b>Total income</b>	<b>713</b>	<b>656</b>	<b>8.7</b>	<b>344</b>	<b>369</b>	<b>(6.8)</b>
Less: Total expenses	237	245	(3.3)	116	121	(4.1)
<b>Operating profit</b>	<b>476</b>	<b>411</b>	<b>15.8</b>	<b>228</b>	<b>248</b>	<b>(8.1)</b>
Less: Total impairment charges	116	158	(26.6)	63	53	18.9
Add: Share of profit of associates	3	3	-	-	3	(100.0)
<b>Net profit before tax</b>	<b>363</b>	<b>256</b>	<b>41.8</b>	<b>165</b>	<b>198</b>	<b>(16.7)</b>
<b>Net profit before tax (S\$m)</b>	<b>151</b>	<b>109</b>	<b>38.5</b>	<b>68</b>	<b>83</b>	<b>(17.1)</b>

# Malaysia – Key Financial Indicators

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.47	2.54	(0.07)	2.37	2.57	(0.20)
Non-NII / Total income	33.0	26.5	6.5	32.0	33.9	(1.9)
Expense / Total income	33.2	37.3	(4.1)	33.7	32.8	0.9
Customer loans (net) – RM'm	27,578	27,404	0.6%	27,578	27,640	(0.2)%
Loans / Deposits	96.6	106.6	(10.0)	96.6	93.7	2.9
NPL ratio	4.2	4.1	0.1	4.2	3.6	0.6

# Thailand – Summarised P/L

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	3,454	3,647	(5.3)	1,666	1,788	(6.8)
Non-interest income	1,477	1,725	(14.4)	703	774	(9.2)
<b>Total income</b>	<b>4,931</b>	<b>5,372</b>	<b>(8.2)</b>	<b>2,369</b>	<b>2,562</b>	<b>(7.5)</b>
Less: Total expenses	3,207	3,395	(5.5)	1,526	1,681	(9.2)
<b>Operating profit</b>	<b>1,724</b>	<b>1,977</b>	<b>(12.8)</b>	<b>843</b>	<b>881</b>	<b>(4.3)</b>
Less: Total impairment charges	627	1,069	(41.3)	223	404	(44.8)
Add: Share of profit of associates	(2)	10	(120.0)	(3)	1	(400.0)
<b>Net profit before tax</b>	<b>1,095</b>	<b>918</b>	<b>19.3</b>	<b>617</b>	<b>478</b>	<b>29.1</b>
<b>Net profit before tax (S\$m)</b>	<b>47</b>	<b>41</b>	<b>15.0</b>	<b>26</b>	<b>21</b>	<b>27.3</b>

# Thailand – Key Financial Indicators

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.69	3.91	(0.22)	3.55	3.84	(0.29)
Non-NII / Total income	30.0	32.1	(2.1)	29.7	30.2	(0.5)
Expense / Total income	65.0	63.2	1.8	64.4	65.6	(1.2)
Customer loans (net) – THB'm	135,084	152,349	(11.3)%	135,084	140,202	(3.7)%
Loans / Deposits	89.3	101.3	(12.0)	89.3	87.7	1.6
NPL ratio	6.5	5.0	1.5	6.5	6.2	0.3

# Indonesia – Summarised P/L

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	962	721	33.4	472	490	(3.7)
Non-interest income	375	166	125.9	187	188	(0.5)
<b>Total income</b>	<b>1,337</b>	<b>887</b>	<b>50.7</b>	<b>659</b>	<b>678</b>	<b>(2.8)</b>
Less: Total expenses	639	537	19.0	341	298	14.4
<b>Operating profit</b>	<b>698</b>	<b>350</b>	<b>99.4</b>	<b>318</b>	<b>380</b>	<b>(16.3)</b>
Less: Total impairment charges	78	20	290.0	12	66	(81.8)
<b>Net profit before tax</b>	<b>620</b>	<b>330</b>	<b>87.9</b>	<b>306</b>	<b>314</b>	<b>(2.5)</b>
<b>Net profit before tax (S\$m)</b>	<b>84</b>	<b>49</b>	<b>70.9</b>	<b>43</b>	<b>41</b>	<b>4.7</b>

# Indonesia – Key Financial Indicators

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	6.34	5.89	0.45	6.29	6.39	(0.10)
Non-NII / Total income	28.0	18.7	9.3	28.4	27.7	0.7
Expense / Total income	47.8	60.5	(12.7)	51.7	44.0	7.7
Customer loans (net) – IDR'b	22,448	20,753	8.2%	22,448	23,311	(3.7)%
Loans / Deposits	85.0	104.7	(19.7)	85.0	87.1	(2.1)
NPL ratio	2.9	2.0	0.9	2.9	2.9	-

# China – Summarised P/L

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	CNY'm	CNY'm	%	CNY'm	CNY'm	%
Net interest income	199	250	(20.4)	94	105	(10.5)
Non-interest income *	15	56	(73.2)	11	4	175.0
<b>Total income</b>	<b>214</b>	<b>306</b>	<b>(30.1)</b>	<b>105</b>	<b>109</b>	<b>(3.7)</b>
Less: Total expenses	114	131	(13.0)	57	57	-
<b>Operating profit</b>	<b>100</b>	<b>175</b>	<b>(42.9)</b>	<b>48</b>	<b>52</b>	<b>(7.7)</b>
Less: Total impairment charges	6	31	(80.6)	-	6	(100.0)
Add: Share of profit of associates	2	-	NM	2	-	NM
<b>Net profit before tax</b>	<b>96</b>	<b>144</b>	<b>(33.3)</b>	<b>50</b>	<b>46</b>	<b>8.7</b>
<b>Net profit before tax (S\$m)</b>	<b>21</b>	<b>28</b>	<b>(25.2)</b>	<b>11</b>	<b>10</b>	<b>3.7</b>

\* Excluding revaluation gain/loss on the USD capital injection

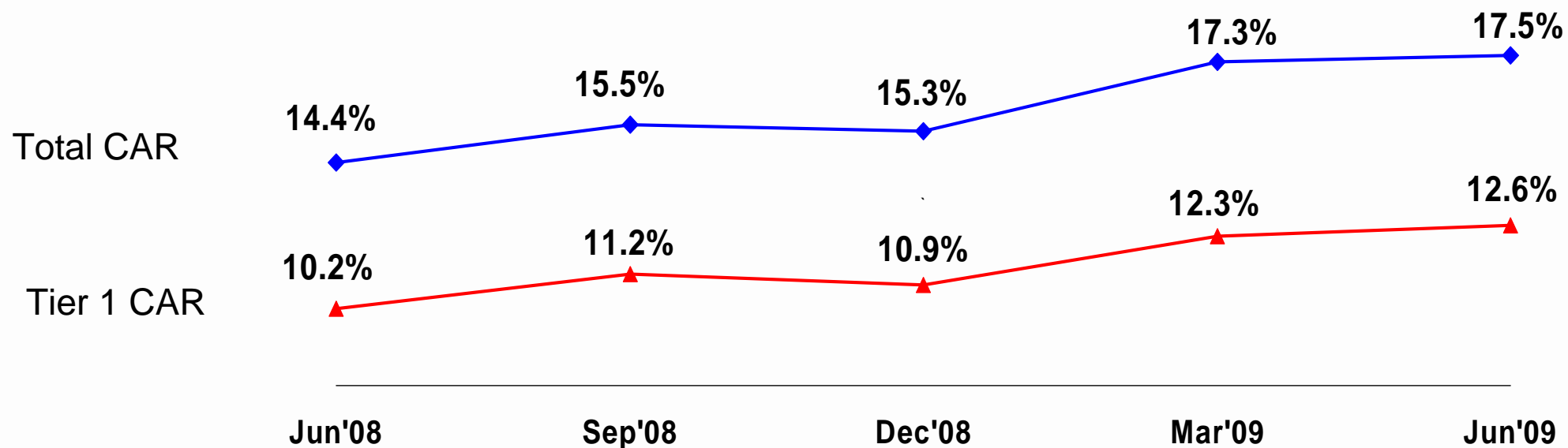
# China – Key Financial Indicators

	1H09	1H08	+/(-)	2Q09	1Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.84	3.89	(1.05)	2.79	2.89	(0.10)
Non-NII / Total income	7.0	18.3	(11.3)	10.5	3.7	6.8
Expense / Total income	53.3	42.8	10.5	54.3	52.3	2.0
Customer loans (net) – CNY'm	9,950	10,399	(4.3)%	9,950	10,412	(4.4)%
Loans / Deposits	210.1	379.7	(169.6)	210.1	188.3	21.8
NPL ratio	3.8	0.8	3.0	3.8	3.7	0.1



# Strong Capital Position

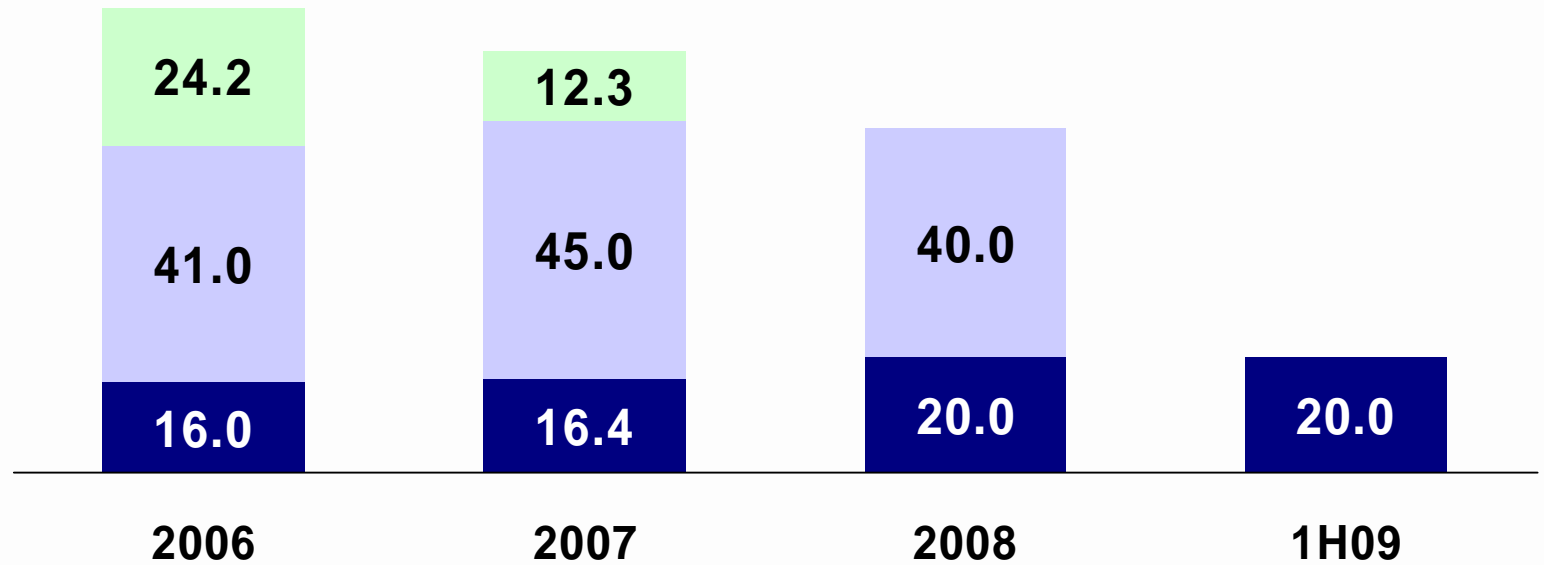
## Capital Adequacy Ratios



\$m

Tier 1 Capital	11,630	13,177	12,456	13,127	13,223
RWA	114,368	118,044	114,712	106,634	104,821

# High Dividend Payout Ratio



Net dividend

per ordinary share (¢)

■ Interim

■ Final

■ Special

## Interim dividend

Payout amount (\$m)	244	249	301	301
Payout ratio (%)	28	23	27	34

## In Summary ...

- Strong operating profit growth
- Higher NIM YoY
- Disciplined cost management
- Key Singapore market remains stable
- Increased NPA amid economic downturn, adequate provisioning
- Full provision for CDO portfolio
- Strong CAR and improved AFS reserve
- High dividend payout ratio