



# UOB Group First Half 2010 Briefing

## Results Overview

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# Creditable Financial Performance

Key Indicators	1H10	1H09	YoY Change	2Q10	1Q10	QoQ Change
Net Profit After Tax (\$m)	1,302	880	48.0%	602	700	(14.1)%
Operating Profit (\$m)	1,686	1,831	(7.9)%	725	960	(24.4)%
NIM (%) *	2.19	2.38	(0.19)% pt	2.14	2.25	(0.11)% pt
Fee Income / Income (%)	20.6	16.4	4.2% pt	22.6	18.9	3.7% pt
Expense / Income (%)	39.1	35.6	3.5% pt	42.7	36.1	6.6% pt
ROE (%) *	13.9	11.7	2.2% pt	13.0	14.2	(1.2)% pt

\* On annualised basis

## Resilient Business Operations

- **Singapore operating profit down 11.8% as asset yields declined.  
Loans grew 2.7% YTD**
  - **Remained one of the key players in housing loans**
  - **New business loans comprised mainly short-term working capital and trade facilities**
  - **Strengthen cross-selling efforts and fee income to offset competitive pressures on loan margins**

## Resilient Business Operations (cont'd)

- **Sharpened focus on the region. Overseas operating profit contribution grew to 33.3% in 1H10. Loans grew 11.7% YTD in key regional markets**
  - **Malaysia**
    - **Achieved good traction, remains a leader amongst foreign banks in target segments**
    - **Continue to grow market share in various consumer and SME segments. Engage top tier corporates with intra-regional needs**
  - **Thailand**
    - **Situation has stabilised. Thai economy remains resilient**
    - **Continue to participate in Thai growth story, especially in sectors that are recovering strongly**

## Resilient Business Operations (cont'd)

- **Indonesia**
  - **Benefitted from buoyant economic activity given foothold in SME banking**
  - **Continue building consumer banking platform to tap on growing affluence. Expect Indonesia to increase contribution in the medium term**
- **China**
  - **In investment mode. Immediate priority to increase deposits base to fund assets growth**
  - **Building for the future to participate in China's long term growth prospects**

## **Strong Balance Sheet and Stable Funding**

- **Strong balance sheet and capital position provide capacity and flexibility to grow. Resilient core business and capital management initiatives further strengthened capital base**
- **Tier 1 and Total CAR rose to 15.1% and 20.1% respectively**
- **AFS reserves recovered. Pared down bank debt securities and increased holdings of Asian corporate papers**
- **Comfortable with European exposure, with insignificant exposure to PIIGS**
- **Established MTN program to manage foreign currency needs**
- **The Board declared an interim dividend of 20 cents per share. Application of scrip dividend scheme to interim dividend**

## Looking Ahead

- **Results consistent with Asian economic recovery story**
- **Performance to-date is in line with long-term strategy**
- **Ongoing de-leveraging process in the West, policy response should minimise risk of double-dip recession**
- **UOB is confident of delivering growth in our key markets**
- **Continued investment in regional infrastructure to build an integrated regional platform**
- **Disciplined approach, balancing growth and stability, for sustainable returns**