

UOB Group First Half / Second Quarter 2005 Results Briefing

**Presentation by
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29 July 2005



United for Growth

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Agenda

- **Review of Financial Performance**
- **Business & Geographical Segments**
- **Loans, Deposits & Asset Quality**
- **Capital Management**



Profit Growth of 15.6% Achieved in 1st Half 2005

	1H05	1H04	Incr / (Decr)	
	\$m	\$m	\$m	%
Net Interest Income	1,156	1,056	100	9.5
Non-Interest Income	650	536	114	21.4
Total Income	1,807	1,592	215	13.5
Less : Operating Expenses	667	548	119	21.6
Opr. Profit before Goodwill & Other Impairment	1,140	1,043	97	9.3
Less : Goodwill Written-off / Amortised	58	101	(43)	(42.4)
Impairment Charges	81	97	(16)	(16.6)
Opr. Profit after Goodwill & Other Impairment	1,002	846	156	18.3
Share of Profit of Associates	46	76	(30)	(39.2)
Profit before Tax & Minority Interests	1,048	922	126	13.6
Less : Tax & Minority Interests	233	218	15	7.1
Net Profit after Tax	815	705	110	15.6
NPAT excluding BOA	789	705	84	12.0

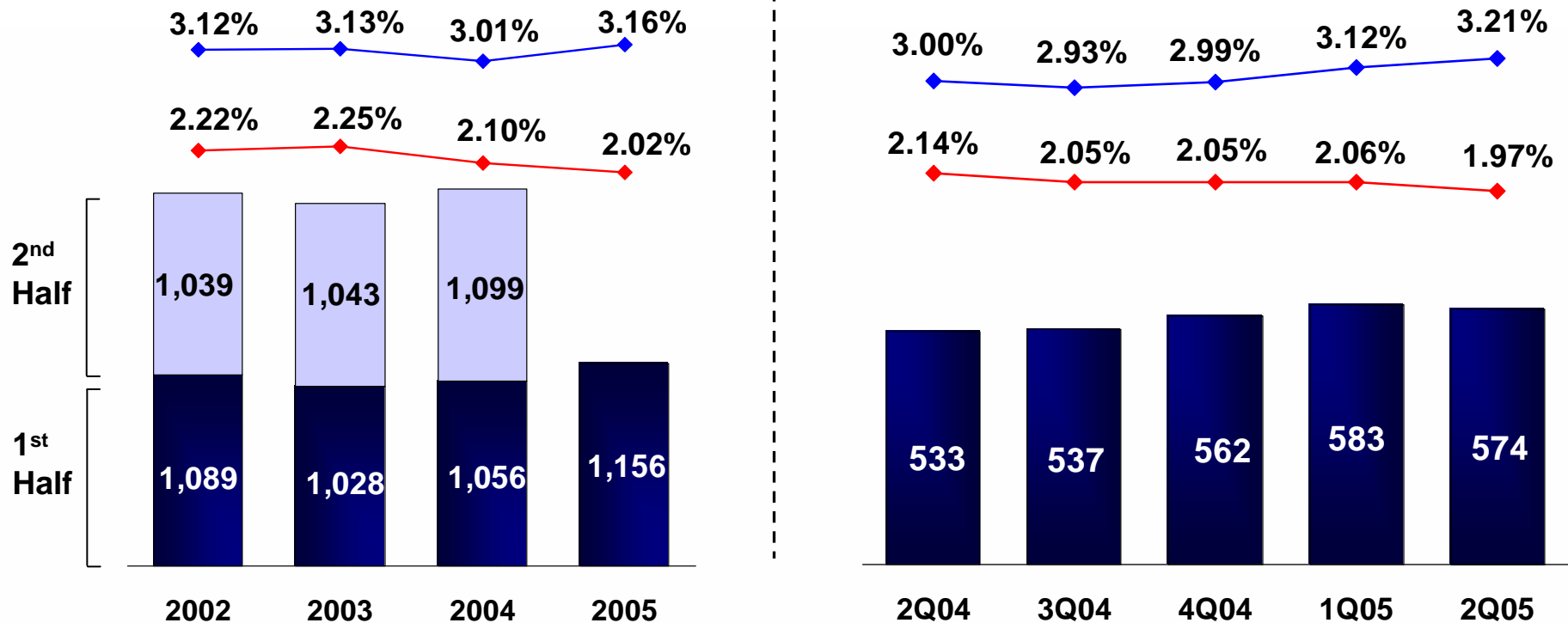
Higher Profit in 2nd Quarter 2005

	2Q05 \$m	1Q05 \$m	%	2Q04 \$m	%
Net Interest Income	574	583	(1.6)	533	7.7
Non-Interest Income	334	316	5.6	243	37.5
Total Income	908	899	0.9	775	17.0
Less : Operating Expenses	347	319	8.8	280	23.9
Opr. Profit before Goodwill & Other Impairment	560	580	(3.4)	495	13.2
Less : Goodwill Written-off / Amortised Impairment Charges	56 14	2 66	nm (78.1)	50 36	11.8 (59.9)
Opr. Profit after Goodwill & Other Impairment	489	512	(4.5)	408	19.8
Share of Profit of Associates	32	14	132.5	47	(30.7)
Profit before Tax & Minority Interests	522	526	(0.9)	455	14.6
Less : Tax & Minority Interests	113	120	(6.4)	108	4.6
Net Profit after Tax	409	406	0.8	347	17.7
NPAT excluding BOA	395	394	0.1	347	13.6

nm: not meaningful

Higher Net Interest Income despite Lower Average Interest Margin

Net Interest Income and Margin



Net Interest Income (\$m)

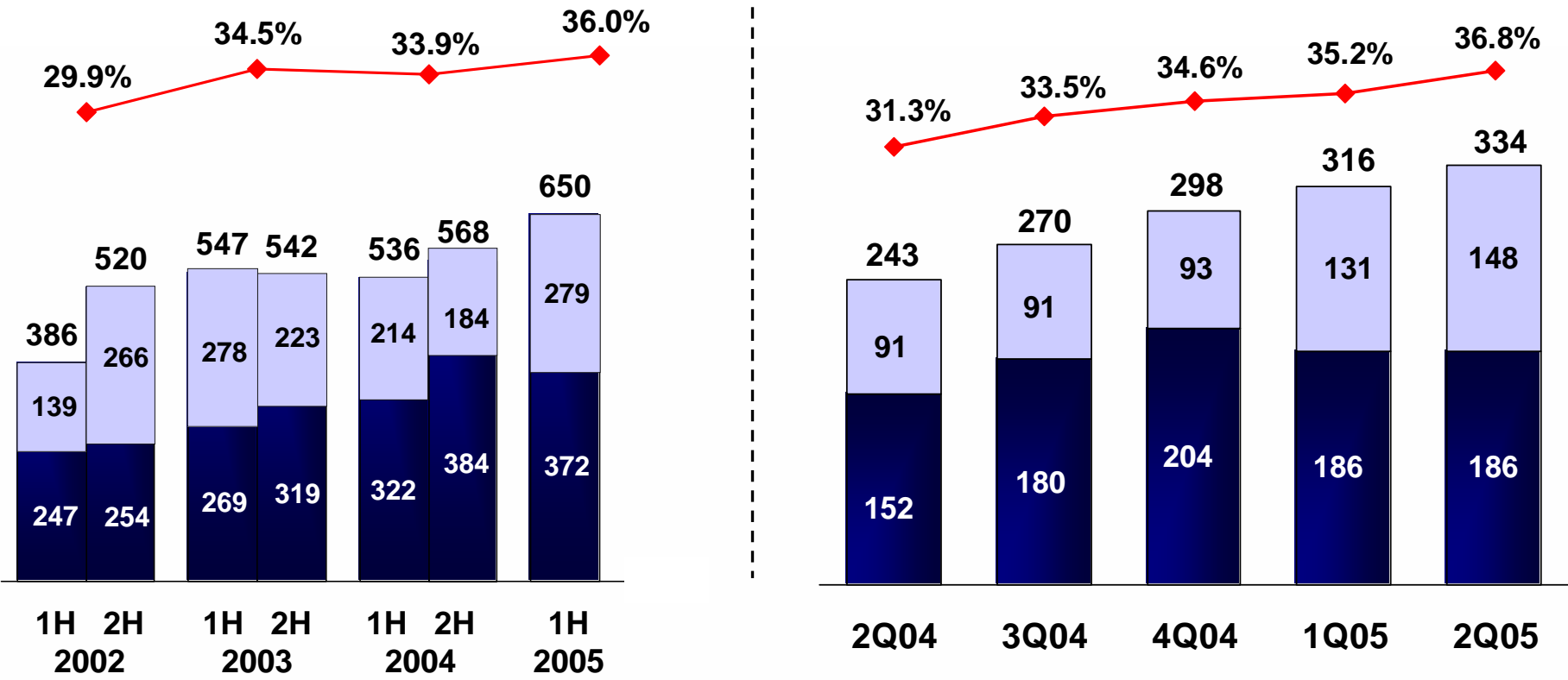
◆ Average Interest Margin (%)

◆ Loan Margin (%) *

* Computed based on loan yields less cost of deposits

Higher Non-Interest Income

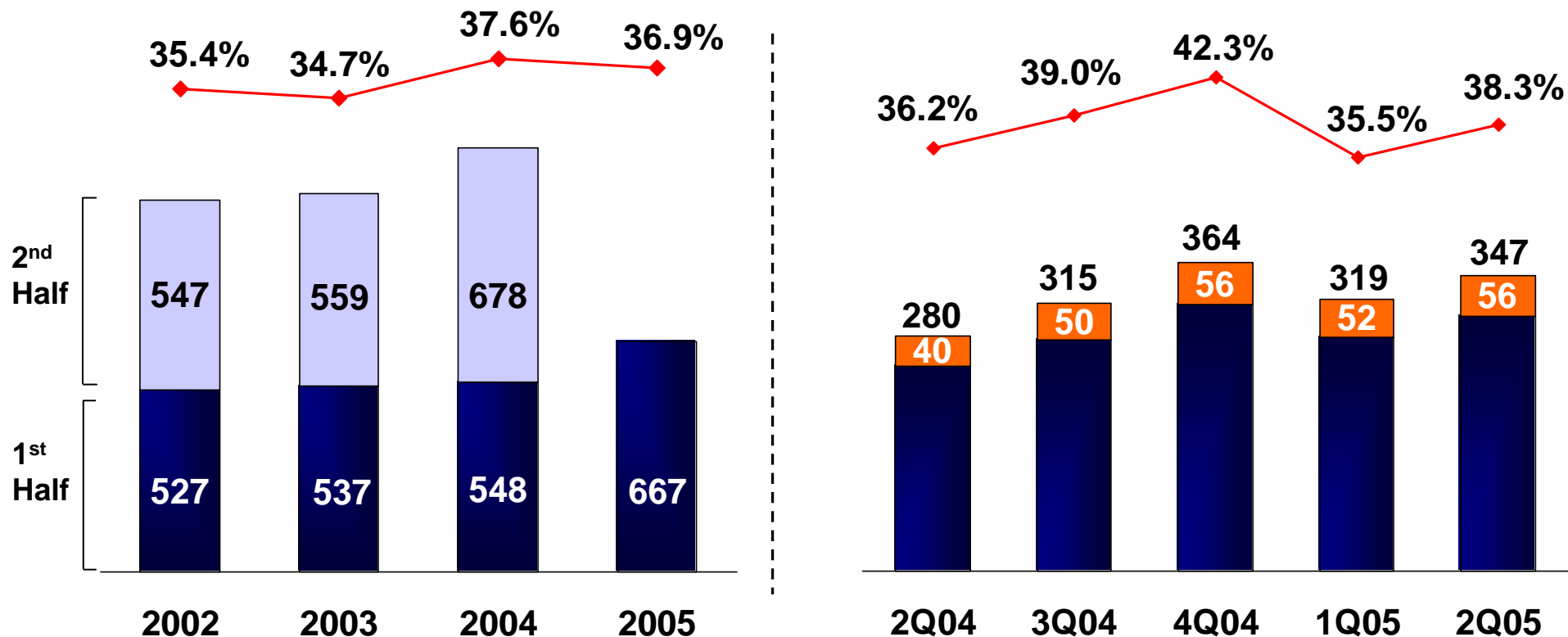
Non-Interest Income (Non-NII) and Non-NII Ratio



Fee Income (\$m)
 Other Income (\$m)
 ◆ Non-NII / Total Income Ratio (%)

Higher Operating Expenses

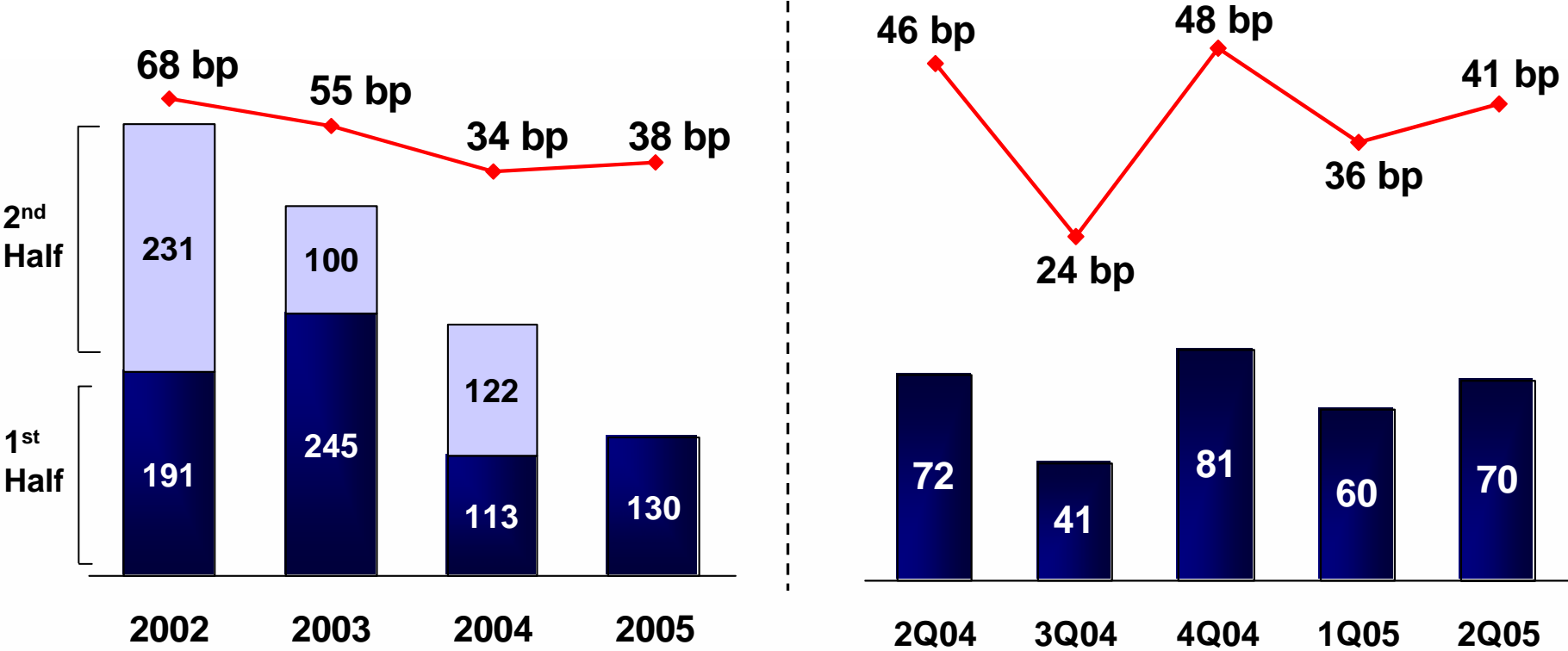
Operating Expenses and Expense/Income Ratio



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

Individual 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) *

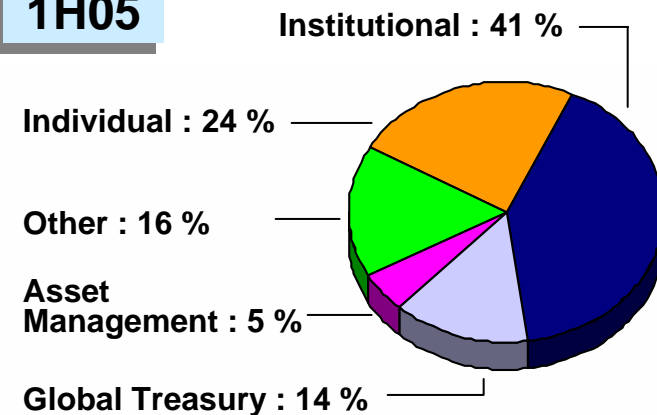
* On annualised basis

Profit Contribution by Business Segment

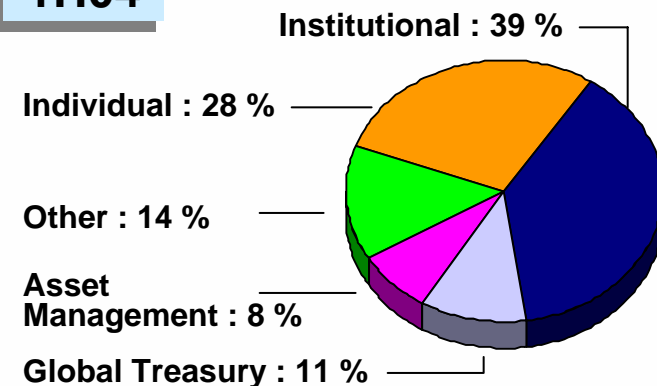
Business Segment

Segment Profit Before Tax	1H05 \$m	1H04 \$m	Incr/(Decr) %
Individual Financial Services	255	276	(7.6)
Institutional Financial Services	446	374	19.3
Global Treasury	153	106	44.3
Asset Management	54	74	(27.0)
Other	178	137	29.9
Total Segment Profit	1,086	967	12.3
Unallocated Income, Expenses & Goodwill	38	45	(15.6)
Profit Before Tax	1,048	922	13.6

1H05



1H04

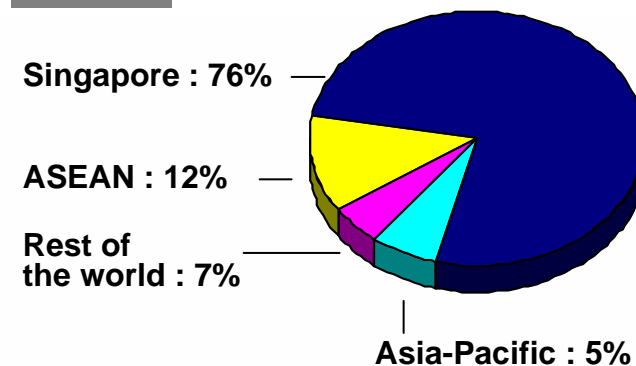


Higher Profit Contribution from Overseas Operations

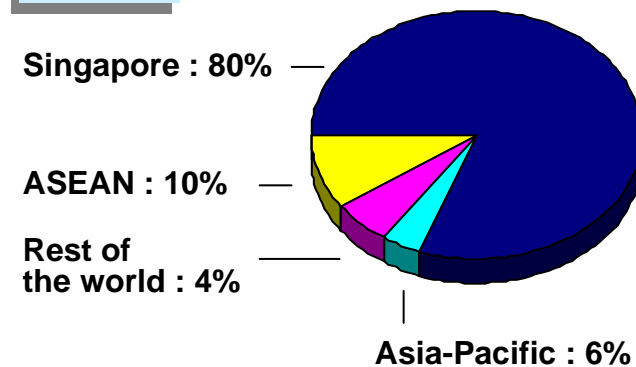
Geographical Segment

Profit Before Tax	1H05 \$m	1H04 \$m	Incr/(Decr) %
Singapore (including ACU)	843	824	2.3
Other ASEAN countries	135	99	36.4
Other Asia-Pacific countries	57	59	(3.4)
Rest of the world	71	41	73.2
Profit before Goodwill	1,106	1,023	8.1
Less : Goodwill Written-off / Amortised	(58)	(101)	(42.4)
Profit before Tax	1,048	922	13.6

1H05

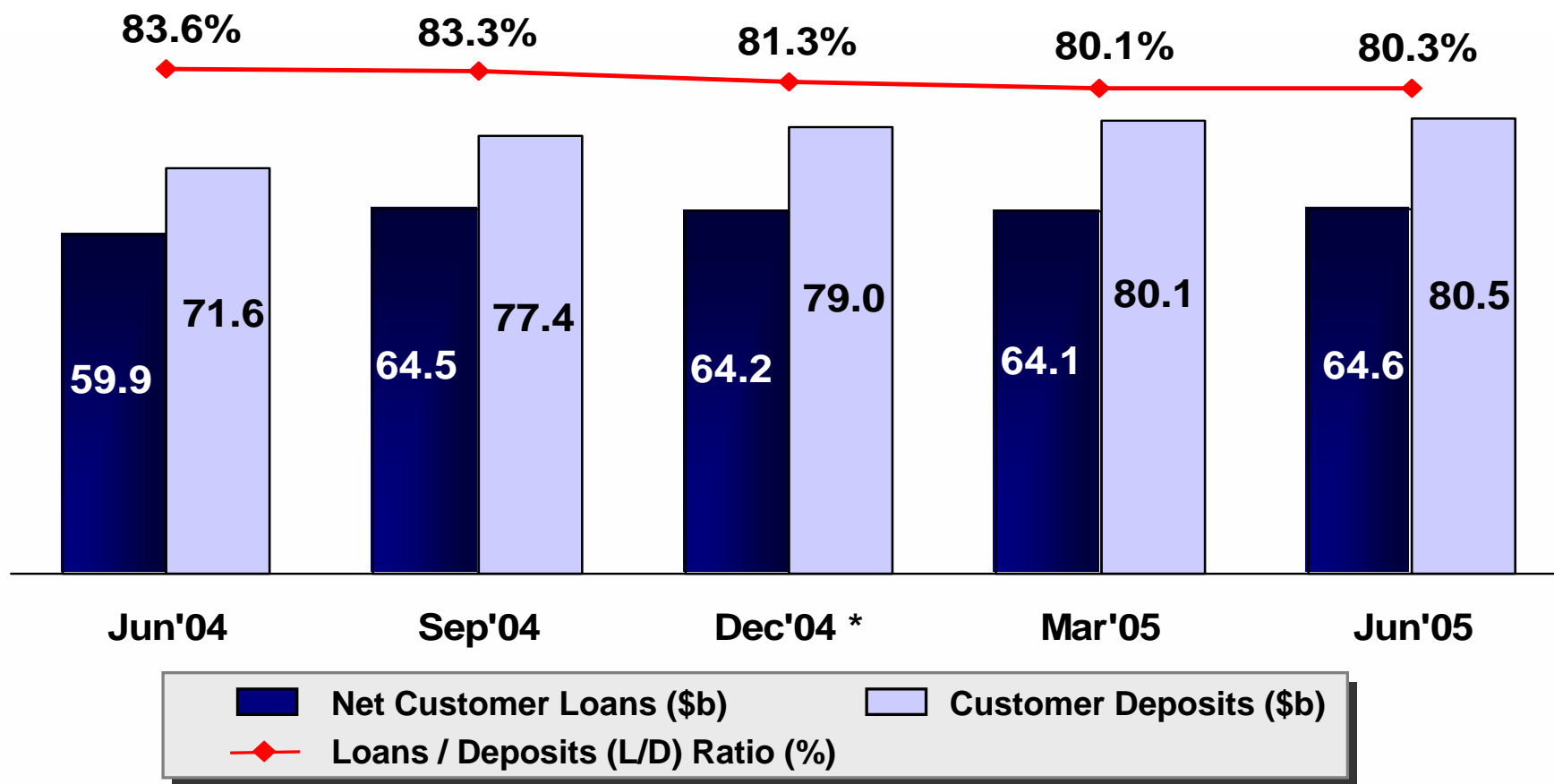


1H04



Slight Growth in Loans and Deposits

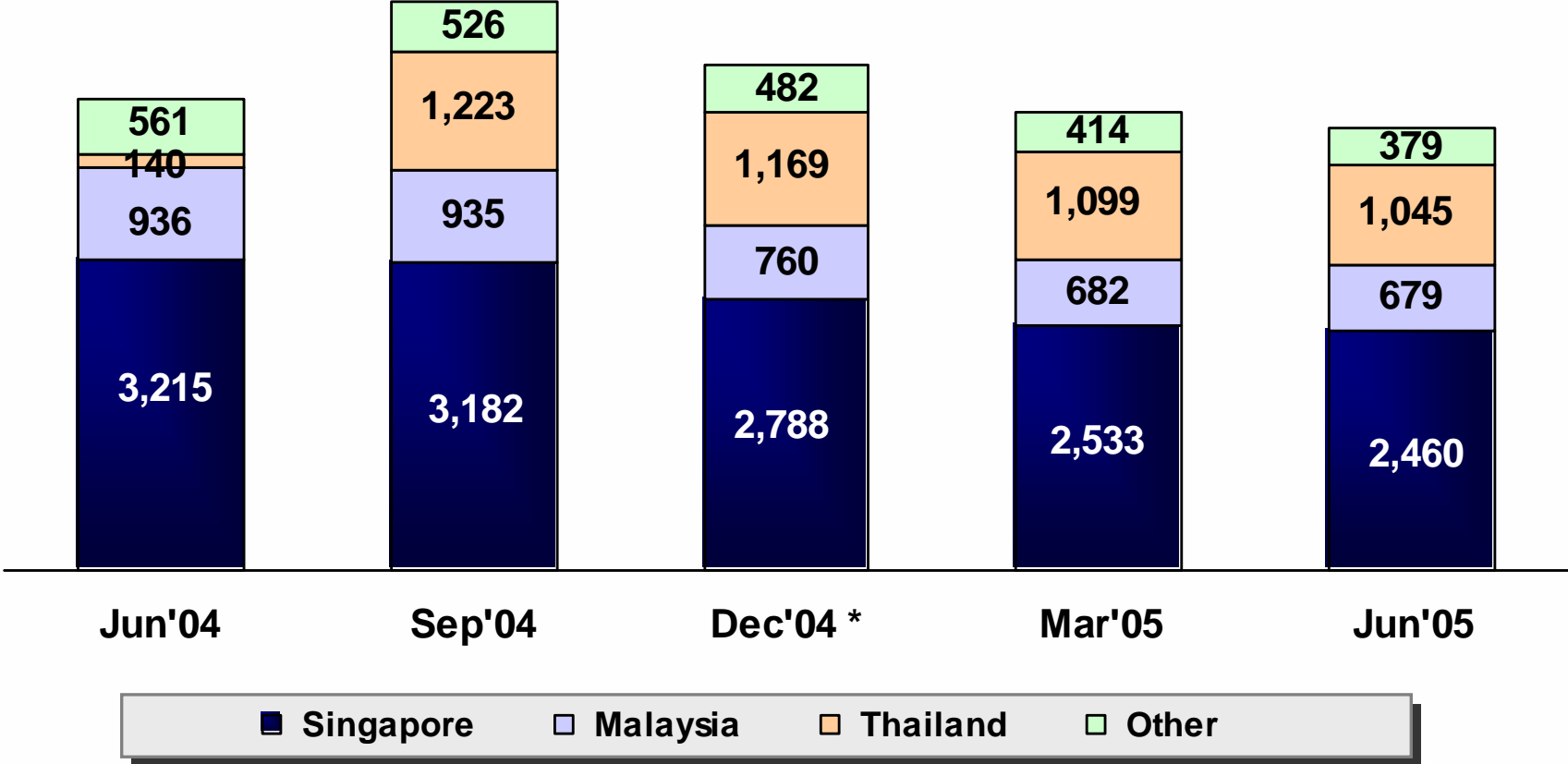
Customer Loans, Deposits and L/D Ratio



* Restated upon adoption of FRS39 on 1 January 2005

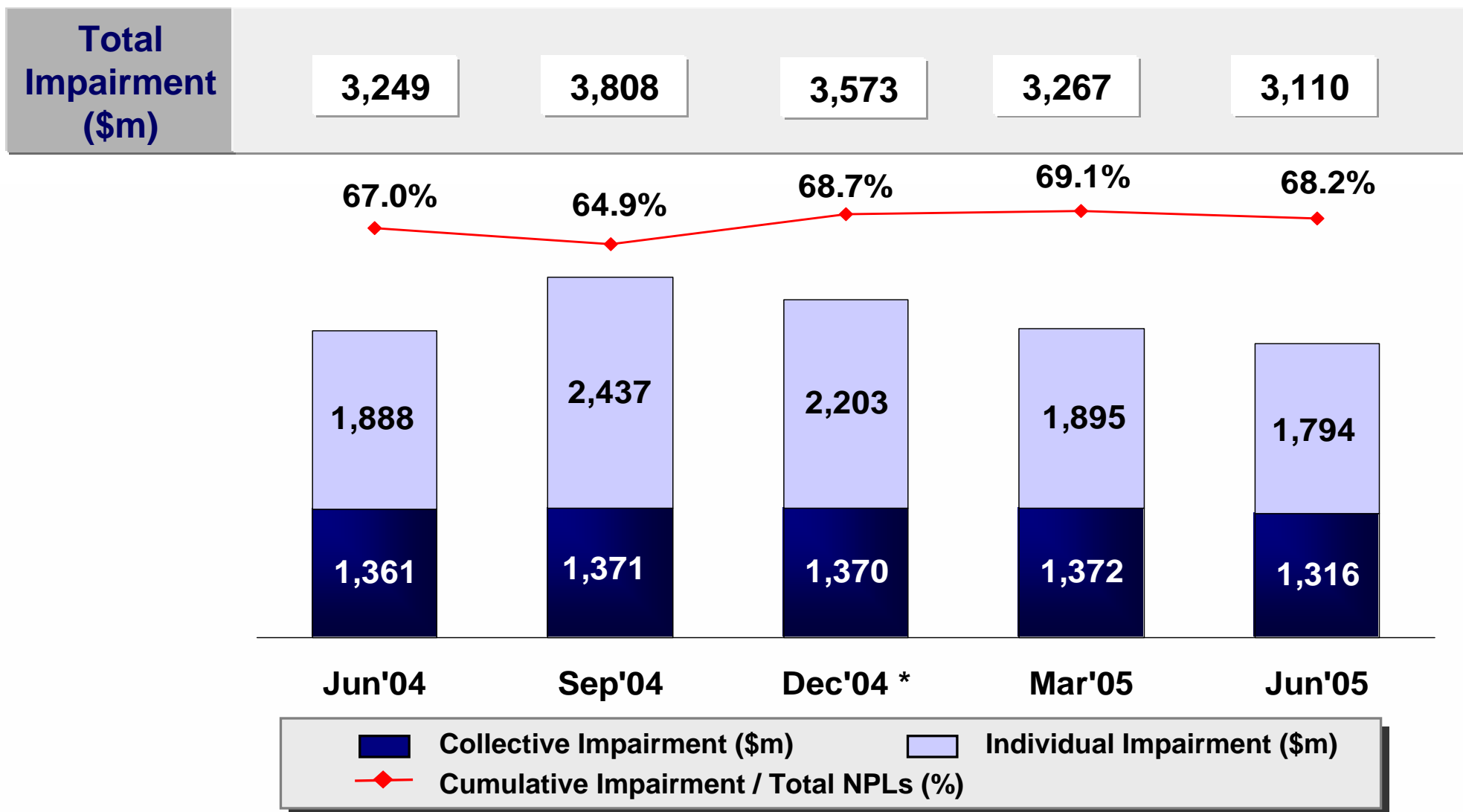
Decrease in NPLs across Major Countries

Group:	NPLs (\$m)	4,852	5,866	5,199	4,728	4,563
	NPL Ratio	7.6%	8.5%	7.6%	6.9%	6.7%



* Restated upon adoption of FRS39 on 1 January 2005

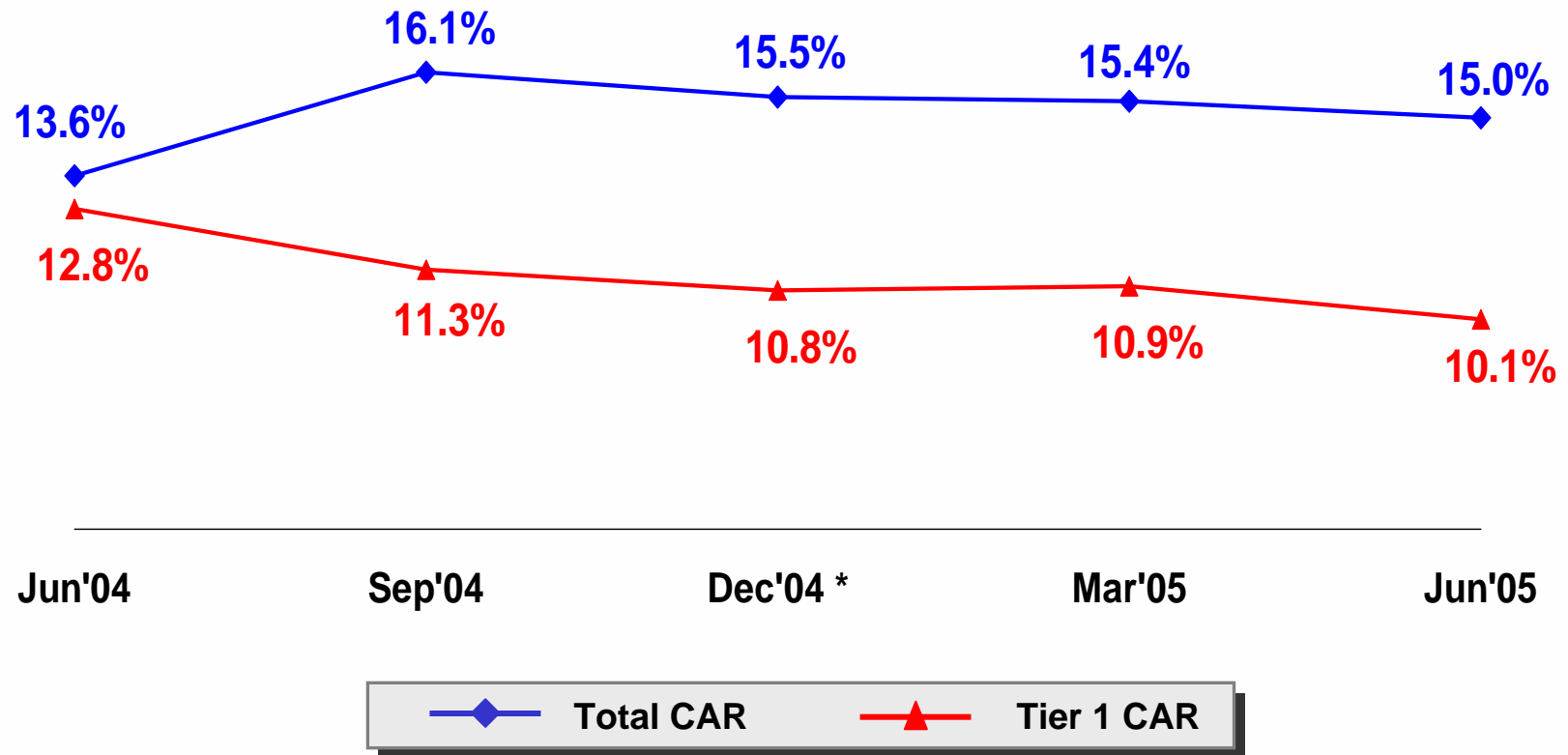
Impairment Coverage Remains Strong



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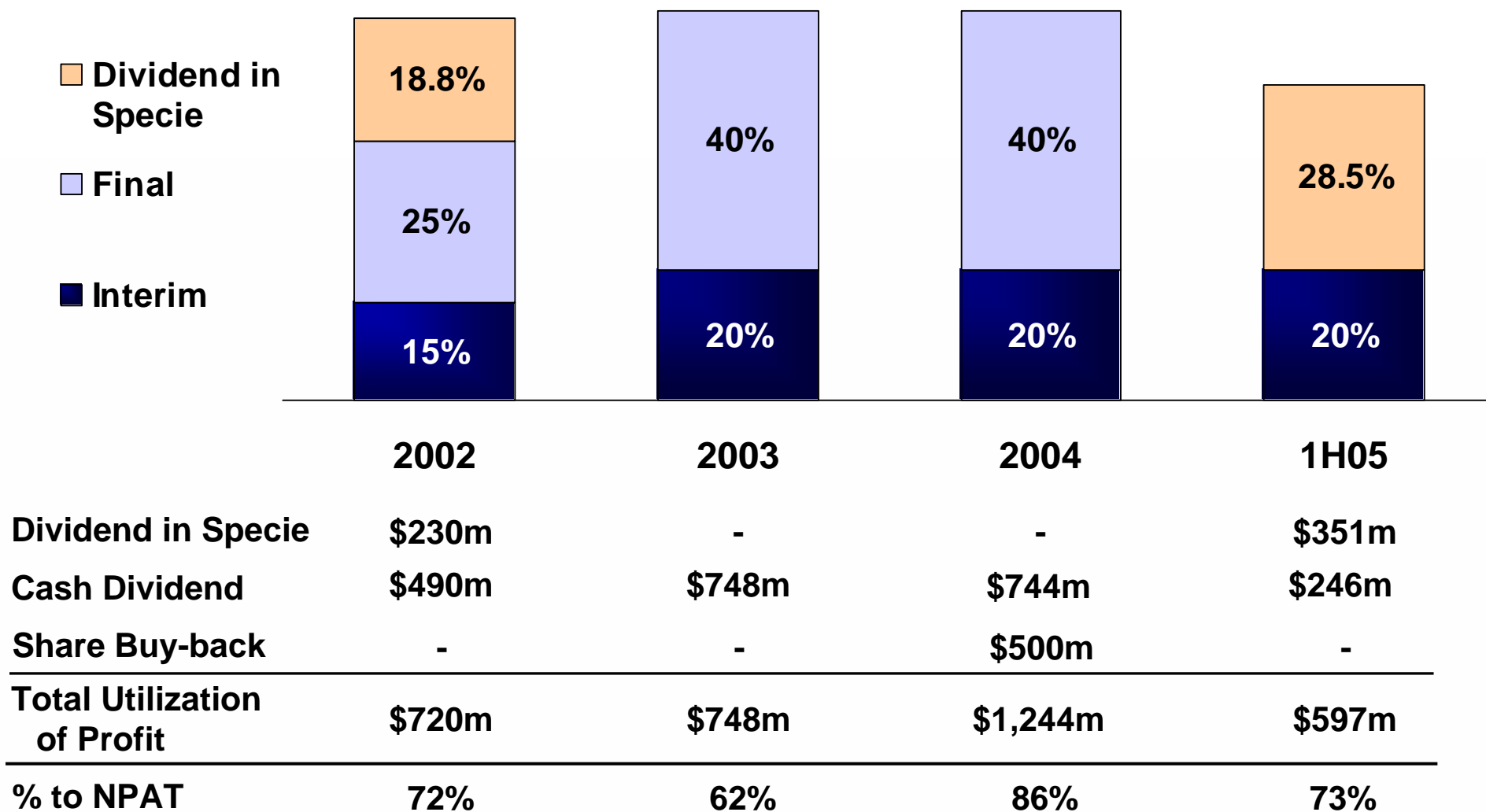
Strong Capital Position

Capital Adequacy Ratios (CAR)



* Restated upon adoption of FRS39 on 1 January 2005

Maintain High Dividend Rate



In Summary ...

- NPAT grew 15.6% to reach \$815 million in 1st Half 2005
- ROE (excluding goodwill) increased to 12.8% in 1st Half 2005 from 12.0% in 1st Half 2004
- Expense-to-income ratio increased 2.5% points to 36.9% in 1st Half 2005
- NPL ratio improved to 6.7% in 1st Half 2005 from 7.6% in 1st Half 2004
- Dividend payout ratio is 73% of net profit