

A blue line drawing of several skyscrapers of varying heights and widths, some with windows, arranged in a cluster. The drawing is minimalist and uses only outlines.

UOB Group First Half 2011

Financial Highlights

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Group Chief Financial Officer

12 August 2011

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1H11 Core Earnings Improved 2.3% to \$1.2 billion



	1H11	1H10	+ / (-)
	\$m	\$m	%
Net interest income	1,785	1,784	-
Fee and commission income	668	570	17.3
Other non-interest income	407	332	22.6
Total income	2,860	2,686	6.5
Less: Total expenses	1,195	1,082	10.4
Operating profit	1,665	1,604	3.8
Less: Intangible assets amortised	5	6	(5.6)
Individual impairment - loans	56	18	>100.0
Individual impairment - other assets	8	8	5.7
Collective impairment	134	134	(0.1)
Add: Share of profit of associates	73	73	1.2
Less: Tax & minority interests	287	290	(1.1)
Core Net Profit After Tax	1,248	1,220	2.3
Add: One-time gain (sale of UOB Life)	-	82	NM
Net Profit After Tax	1,248	1,302	(4.2)

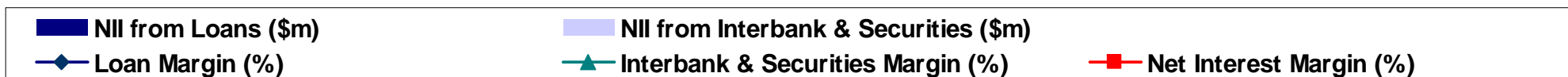
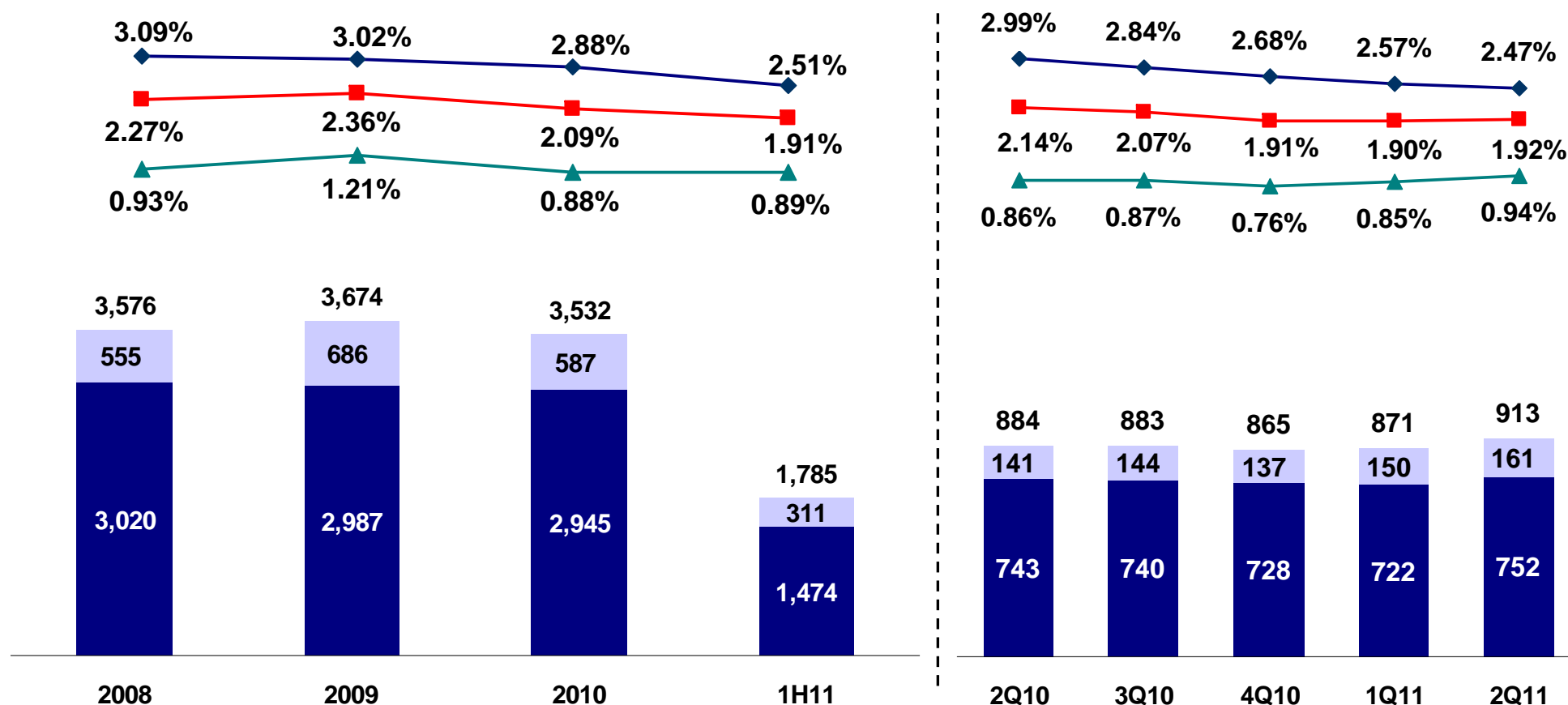
Quarter Profit Up 4% QoQ and 6% YoY to \$636 million



	2Q11	1Q11	+/(-)	2Q10	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	913	871	4.8	884	3.3
Fee and commission income	338	330	2.2	285	18.3
Other non-interest income	186	221	(15.6)	96	93.5
Total income	1,437	1,423	1.0	1,266	13.6
Less: Total expenses	612	583	4.9	540	13.2
Operating profit	825	840	(1.7)	725	13.8
Less: Intangible assets amortised	3	3	(0.2)	3	(6.0)
Individual impairment - loans	22	34	(33.8)	8	>100.0
Individual impairment - other assets	(1)	9	(>100.0)	(14)	92.8
Collective impairment	74	60	24.6	57	29.7
Add: Share of profit of associates	48	25	88.0	48	0.8
Less: Tax & minority interests	140	148	(5.5)	117	19.5
Net Profit After Tax	636	612	3.8	602	5.6

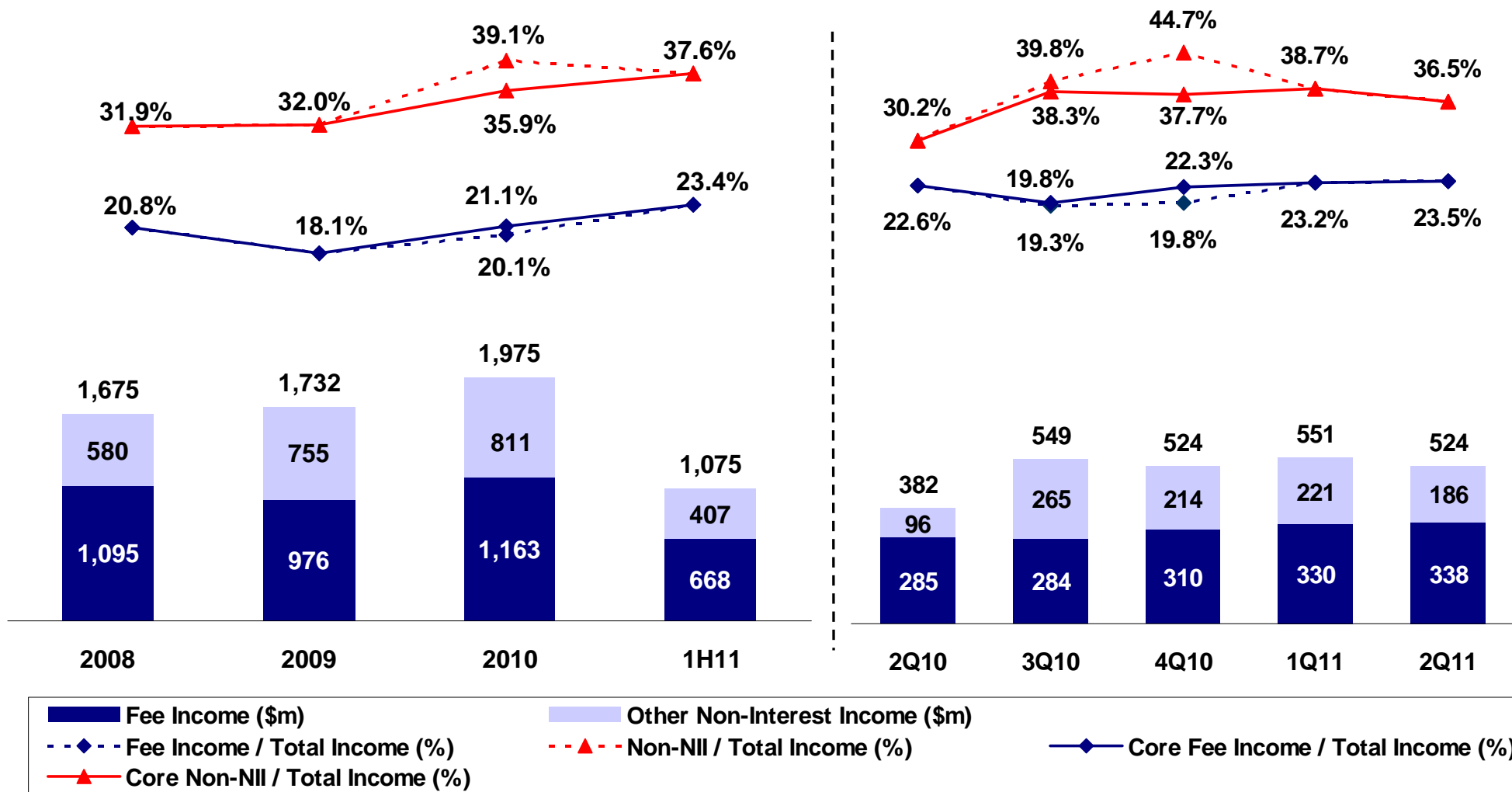
NII Improved for the Quarter on Loan Growth, NIM Stabilised

Net Interest Income (NII) and Margin



Continued Uptrend on Fee Income

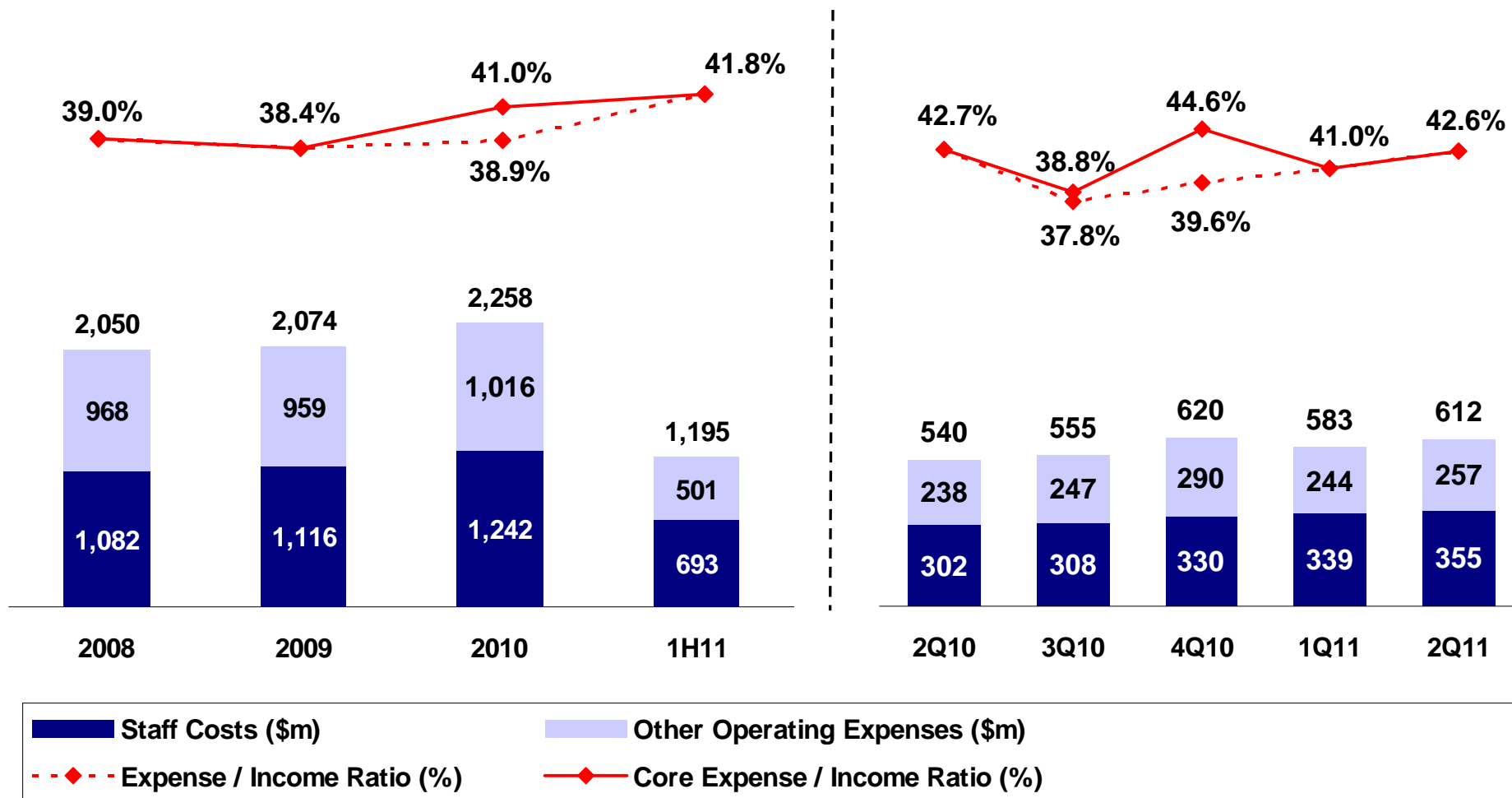
Non-Interest Income (Non-NII) and Non-NII Ratio



Note: core income excluded gain on UOB Life and UIC for 2010.

Expenses Well Managed, Paced for Growth

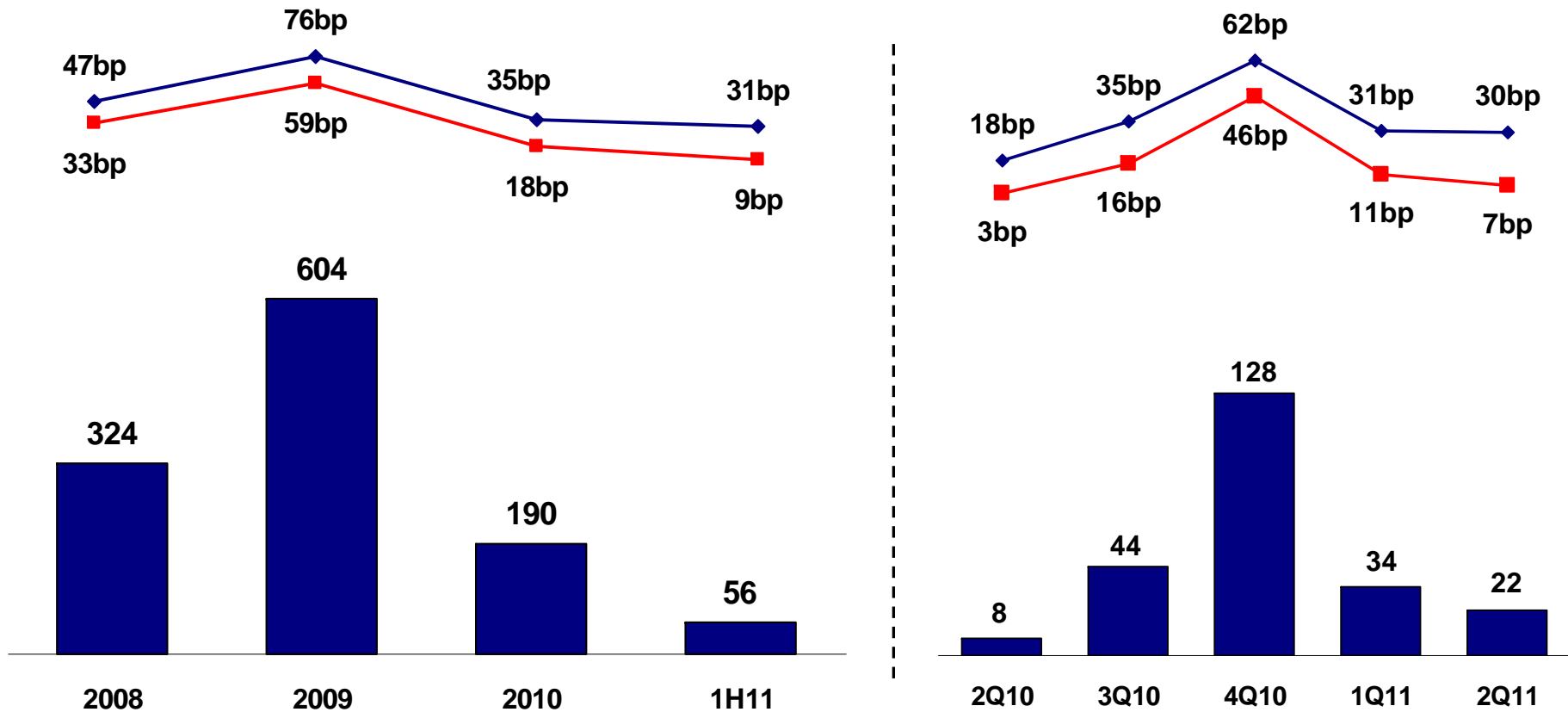
Operating Expenses and Expense / Income Ratio



Note: core income excluded gain on UOB Life and UIC for 2010.

Adequate Provisioning

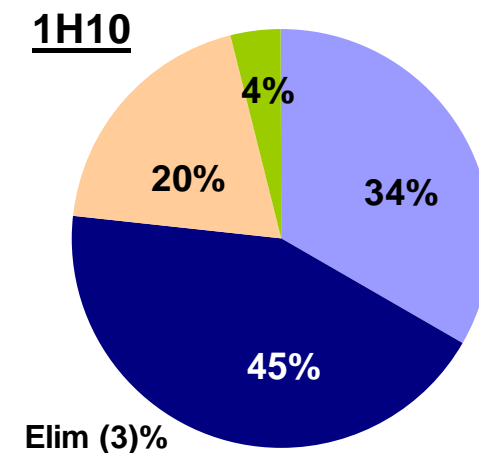
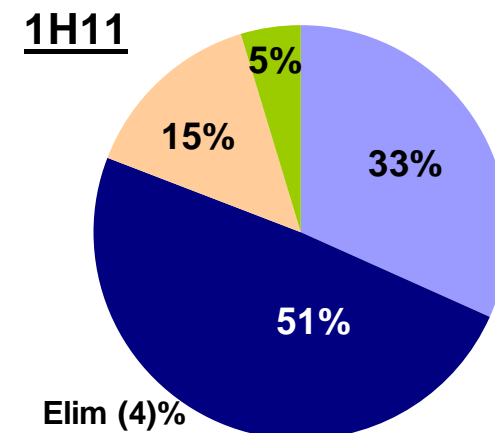
Impairment Charges on Loans



* On annualised basis

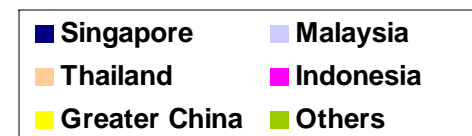
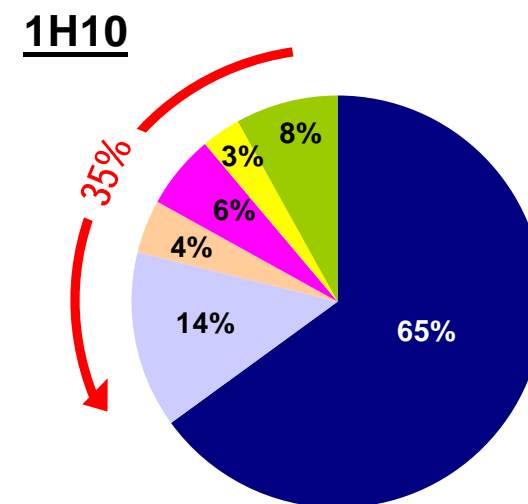
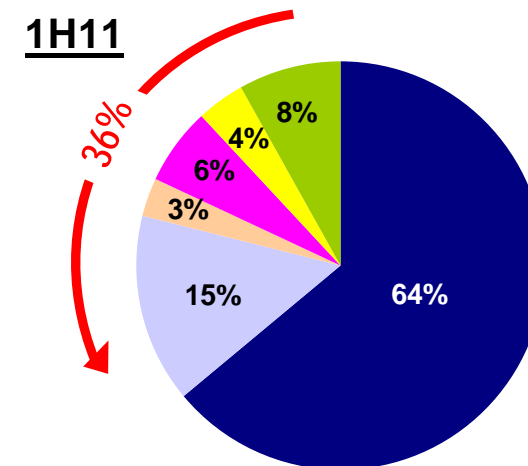
Performance by Business Segment

	1H11	1H10	+ / (-)
	\$m	\$m	%
Core Segment Operating Profit			
Group Retail (GR)	544	551	(1.3)
Group Wholesale (GW)	846	714	18.5
Global Markets & Investment Mgt (GMIM)	247	319	(22.6)
Others	81	64	26.6
Elimination	(53)	(44)	(20.5)
Total	1,665	1,604	3.8



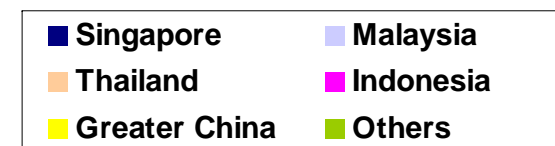
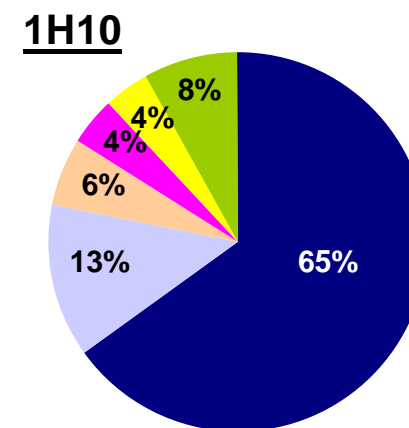
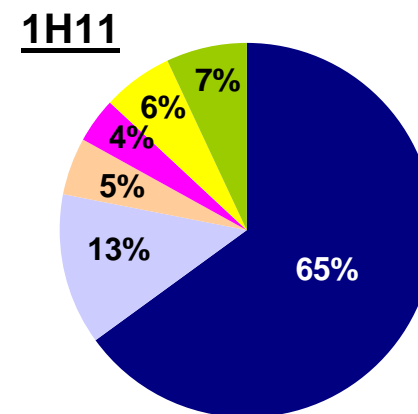
Double-digit Regional Profit Growth

Core Operating Profit	1H11	1H10		At constant FX rate
	\$m	\$m	+/(-) %	+/(-) %
Singapore	1,061	1,042	1.8	1.8
Regional:	474	435	9.0	13.1
Malaysia	248	232	6.9	8.7
Thailand	57	72	(20.1)	(16.8)
Indonesia	95	88	8.2	14.3
Greater China	74	44	69.0	86.0
Others	130	127	2.9	7.0
Total	1,665	1,604	3.8	5.2



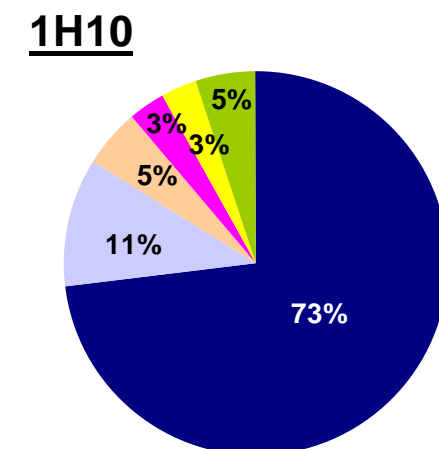
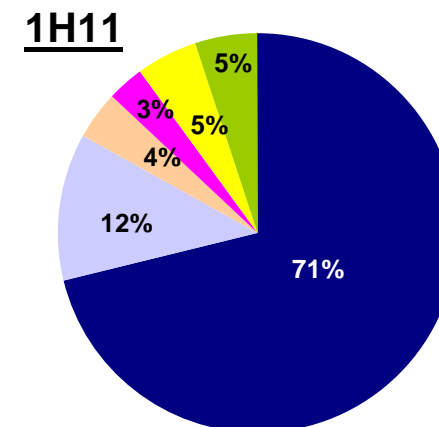
Robust Loan Growth Across Geographies

	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
Gross Loans	\$m	\$m	%	\$m	\$m	%
Singapore	85,619	69,170	23.8	85,619	80,153	6.8
Regional:	36,527	28,705	27.3	36,527	34,074	7.2
Malaysia	17,332	13,716	26.4	17,332	16,495	5.1
Thailand	7,006	6,352	10.3	7,006	7,064	(0.8)
Indonesia	4,929	3,842	28.3	4,929	4,417	11.6
Greater China	7,260	4,795	51.4	7,260	6,098	19.0
Others	9,097	8,464	7.5	9,097	8,624	5.5
Total	131,244	106,339	23.4	131,244	122,851	6.8



Strong Deposit Franchise in the Regions

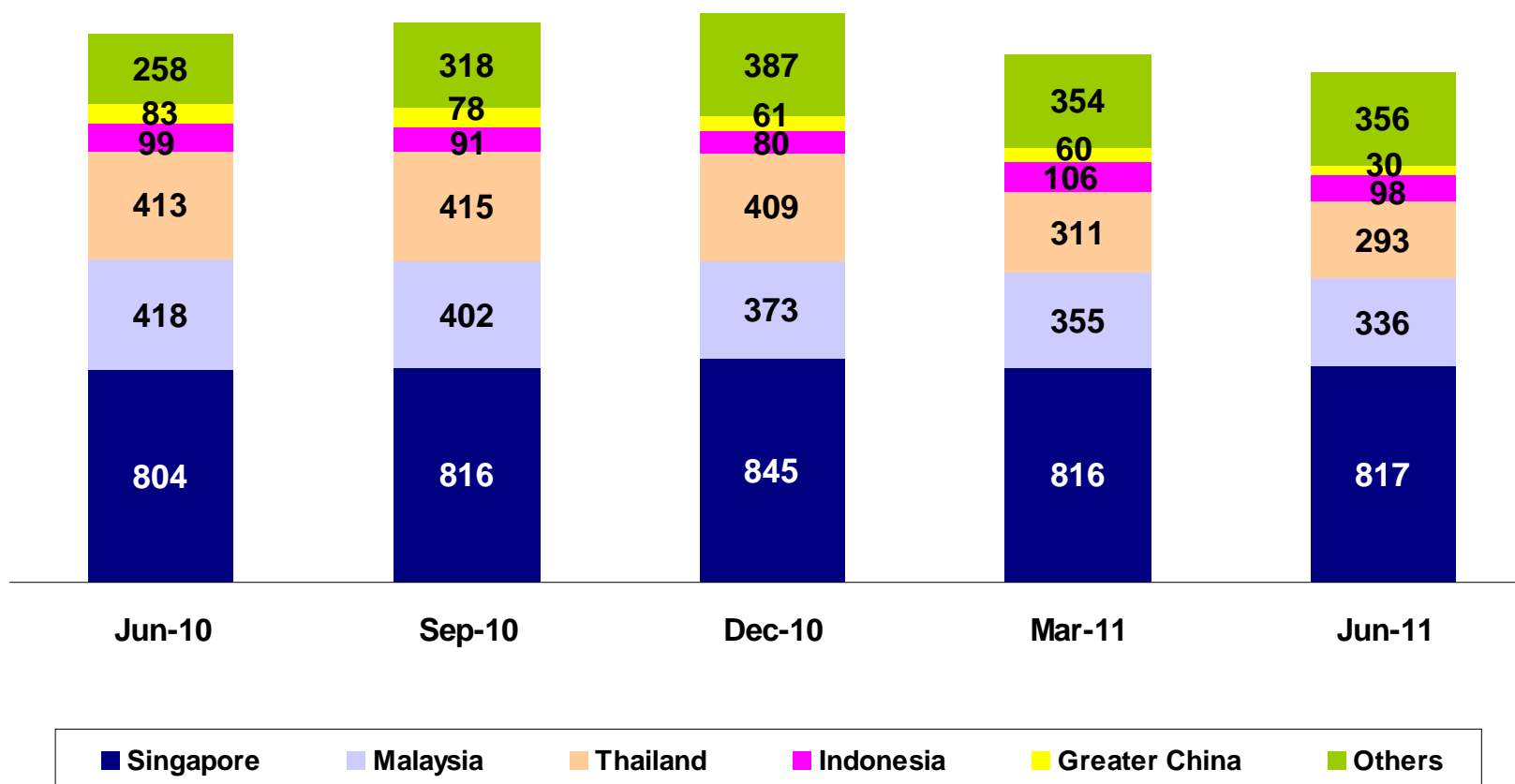
	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
	\$m	\$m	%	\$m	\$m	%
Singapore	105,166	91,944	14.4	105,166	105,885	(0.7)
Regional:	35,728	27,591	29.5	35,728	33,419	6.9
Malaysia	17,963	13,430	33.8	17,963	17,277	4.0
Thailand *	5,655	6,366	(11.2)	5,655	5,764	(1.9)
Indonesia	4,769	3,733	27.8	4,769	4,698	1.5
Greater China	7,341	4,063	80.7	7,341	5,679	29.3
Others	7,464	6,187	20.7	7,464	7,270	2.7
Total	148,358	125,722	18.0	148,358	146,574	1.2



* UOB(Thai) offers bills of exchange to customers as an alternative deposit product, common in Thailand's market. This product serves as an alternative funding source and is reflected separately from deposits.

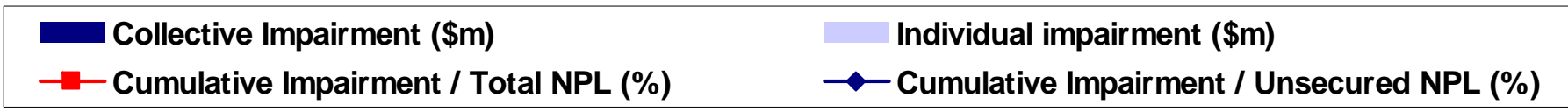
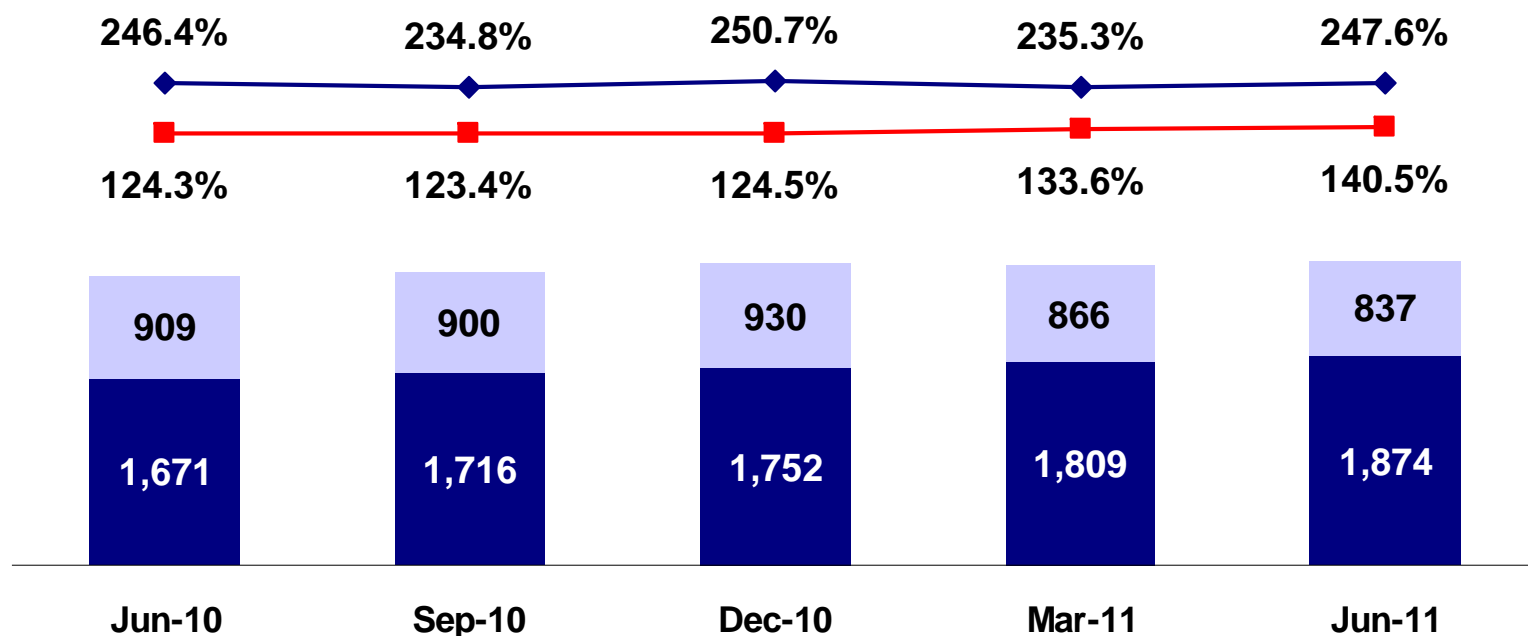
NPL Trending Down with Ratio Improved Further to 1.5%

NPL (\$m)	2,075	2,120	2,155	2,002	1,930
NPL Ratio	1.9%	1.9%	1.8%	1.6%	1.5%



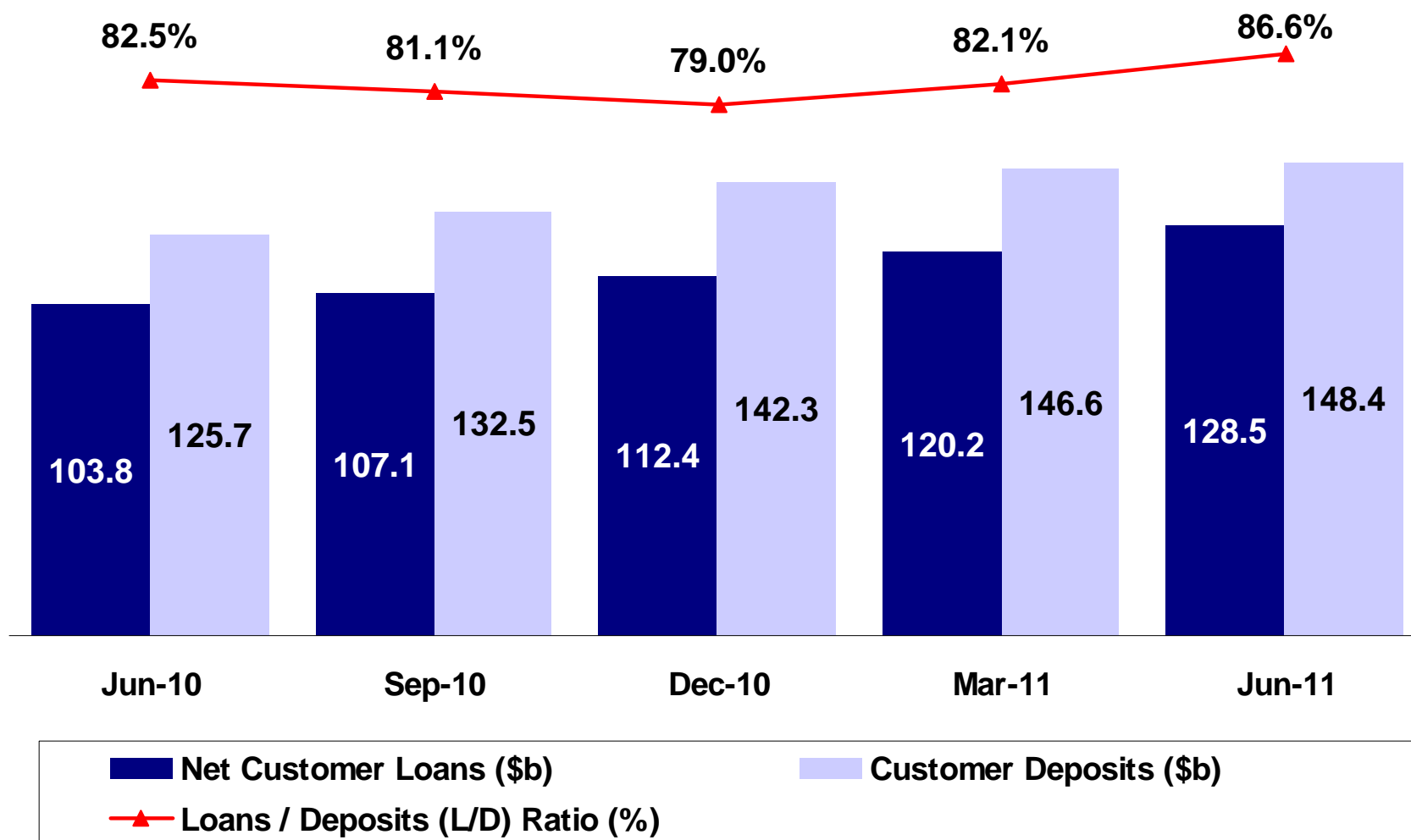
Strong Impairment Coverage

Total Loan Impairment (\$m)	2,580	2,616	2,682	2,675	2,711
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Loans / Deposits Ratio Managed at Comfortable Level

Customer Loans, Deposits and L/D Ratio



Singapore – Summarised P/L

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)
	\$'m	\$'m	%	\$'m	\$'m	%
Net interest income	1,013	1,062	(4.7)	513	500	2.6
Fee and commission income	412	358	15.1	203	210	(3.4)
Other non-interest income	297	250	19.0	141	156	(9.3)
Total income	1,722	1,670	3.1	857	866	(1.0)
Less: Total expenses	661	629	5.2	340	322	5.5
Operating profit	1,061	1,042	1.8	517	544	(4.9)
Less: Total impairment charges	109	86	27.7	51	58	(11.5)
Add: Share of profit of associates	66	61	7.4	42	23	80.5
Core net profit before tax	1,017	1,017	-	508	509	(0.2)

Singapore – Key Financial Indicators

	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.51	1.79	(0.28)	1.52	1.50	0.02
Non-NII / Total income	41.2	36.4	4.8	40.2	42.2	(2.0)
Expense / Total income	38.4	37.6	0.8	39.6	37.2	2.4
Customer loans (net) - \$'m	83,742	67,441	24.2%	83,742	78,313	6.9%
Customer deposits - \$'m	105,166	91,944	14.4%	105,166	105,885	(0.7%)
Loans / Deposits	79.6	73.3	6.3	79.6	74.1	5.5
NPL ratio	1.0	1.2	(0.2)	1.0	1.0	-

Malaysia – Summarised P/L

	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	643	568	13.2	333	310	7.4
Fee and commission income	199	163	22.1	107	92	16.3
Other non-interest income	96	95	1.1	44	52	(15.4)
Total income	938	826	13.6	484	454	6.6
Less: Total expenses	339	275	23.3	185	154	20.1
Operating profit	599	551	8.7	299	300	(0.3)
Less: Total impairment charges	96	64	50.0	53	43	23.3
Add: Share of profit of associates	27	22	22.7	23	4	>100.0
Net profit before tax	530	509	4.1	269	261	3.1
Net profit before tax (S\$m)	219	214	2.3	110	109	1.3

Malaysia – Key Financial Indicators

	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.68	2.92	(0.24)	2.67	2.69	(0.02)
Non-NII / Total income	31.4	31.2	0.2	31.2	31.7	(0.5)
Expense / Total income	36.1	33.3	2.8	38.2	33.9	4.3
Customer loans (net) - RM'm	41,671	31,076	34.1%	41,671	38,725	7.6%
Customer deposits - RM'm	44,146	31,176	41.6%	44,146	41,480	6.4%
Loans / Deposits	94.4	99.7	(5.3)	94.4	93.4	1.0
NPL ratio	1.9	3.0	(1.1)	1.9	2.2	(0.3)

Thailand – Summarised P/L

	1H11	1H10	+/(–)	2Q11	1Q11	+/(–)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	3,868	3,435	12.6	2,006	1,862	7.7
Fee and commission income	1,083	984	10.1	565	518	9.1
Other non-interest income	(19)	357	(>100.0)	(130)	111	(>100.0)
Total income	4,932	4,776	3.3	2,441	2,491	(2.0)
Less: Total expenses	3,539	3,101	14.1	1,804	1,735	4.0
Operating profit	1,393	1,675	(16.8)	637	756	(15.7)
Less: Total impairment charges	507	566	(10.4)	208	299	(30.4)
Add: Share of profit of associates	(1)	6	(>100.0)	(4)	3	(>100.0)
Net profit before tax	885	1,115	(20.6)	425	460	(7.6)
Net profit before tax (S\$m)	37	48	(23.6)	17	19	(10.0)

Thailand – Key Financial Indicators

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	3.27	3.50	(0.23)	3.27	3.27	-
Non-NII / Total income	21.6	28.1	(6.5)	17.8	25.3	(7.5)
Expense / Total income	71.8	64.9	6.9	73.9	69.7	4.2
Customer loans (net) - THB'm	169,749	140,496	20.8%	169,749	163,962	3.5%
Customer deposits * - THB'm	141,501	147,588	(4.1%)	141,501	138,395	2.2%
Loans / Deposits	120.0	95.2	24.8	120.0	118.5	1.5
NPL ratio	4.2	5.9	(1.7)	4.2	4.4	(0.2)

* UOB(Thai) offers bills of exchange to customers as an alternative deposit product, common in Thailand's market. This product serves as an alternative funding source and is reflected separately from deposits.

Indonesia – Summarised P/L

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,039	963	7.9	521	518	0.6
Fee and commission income	314	196	60.2	167	147	13.6
Other non-interest income	134	106	26.4	81	53	52.8
Total income	1,487	1,265	17.5	769	718	7.1
Less: Total expenses	825	686	20.3	422	403	4.7
Operating profit	662	579	14.3	347	315	10.2
Less: Total impairment charges	141	55	>100.0	68	73	(6.8)
Net profit before tax	521	524	(0.6)	279	242	15.3
Net profit before tax (S\$m)	75	80	(6.0)	40	35	15.0

Indonesia – Key Financial Indicators

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	5.71	6.49	(0.78)	5.44	6.01	(0.57)
Non-NII / Total income	30.1	23.9	6.2	32.2	27.9	4.3
Expense / Total income	55.5	54.2	1.3	54.9	56.1	(1.2)
Customer loans (net) - IDR'b	34,029	24,485	39.0%	34,029	30,091	13.1%
Customer deposits - IDR'b	33,339	24,201	37.8%	33,339	32,442	2.8%
Loans / Deposits	102.1	101.2	0.9	102.1	92.8	9.3
NPL ratio	2.0	2.6	(0.6)	2.0	2.4	(0.4)

Greater China – Summarised P/L

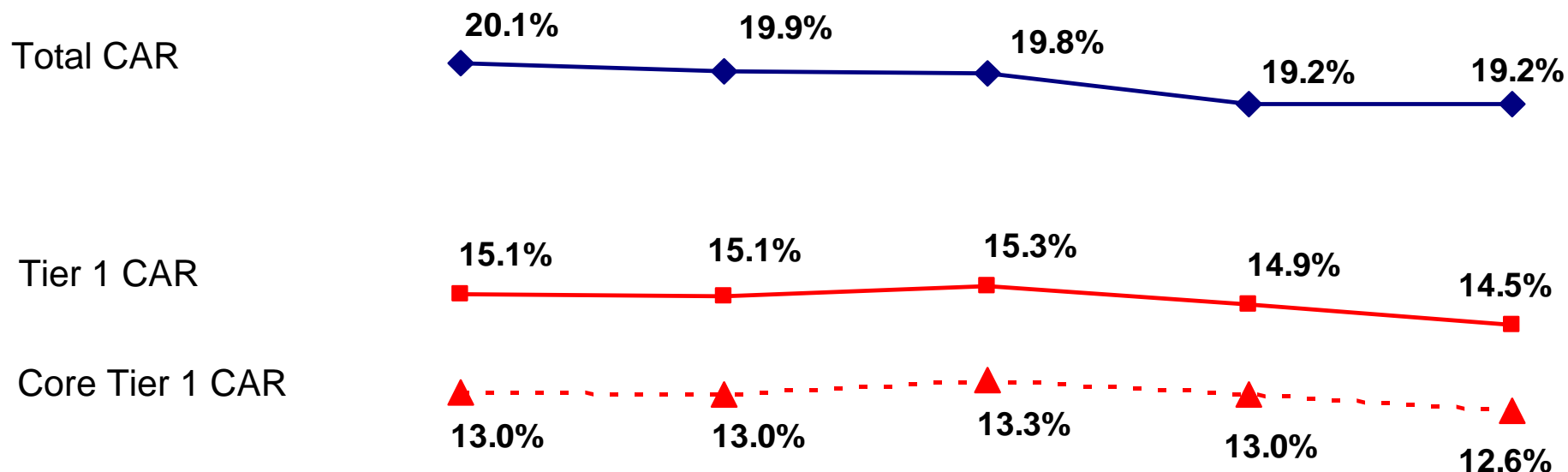
	1H11	1H10	+/(–)	2Q11	1Q11	+/(–)
	S\$m	S\$m	%	S\$m	S\$m	%
Net interest income	67	51	30.7	39	28	39.9
Fee and commission income	31	20	54.3	19	12	57.2
Other non-interest income	53	26	>100.0	28	25	12.8
Total income	150	96	55.7	86	64	32.7
Less: Total expenses	76	53	44.6	37	39	(3.4)
Operating profit	74	44	69.0	48	26	86.8
Less: Total impairment charges	(7)	1	(>100.0)	(6)	(0)	(>100.0)
Add: Share of profit of associates	(4)	1	(>100.0)	(4)	0	(>100.0)
Net profit before tax	77	43	77.6	51	26	91.8

Greater China – Key Financial Indicators

	1H11	1H10	+/(-)	2Q11	1Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.08	1.31	(0.23)	1.16	0.98	0.18
Non-NII / Total income	55.6	47.2	8.4	54.6	57.0	(2.4)
Expense / Total income	50.7	54.6	(3.9)	43.7	60.0	(16.3)
Customer loans (net) - S\$m	7,204	4,724	52.5%	7,204	6,036	19.4%
Customer deposits - S\$m	7,341	4,063	80.7%	7,341	5,679	29.3%
Loans / Deposits	98.1	116.3	(18.2)	98.1	106.3	(8.2)
NPL ratio	0.4	1.7	(1.3)	0.4	1.0	(0.6)

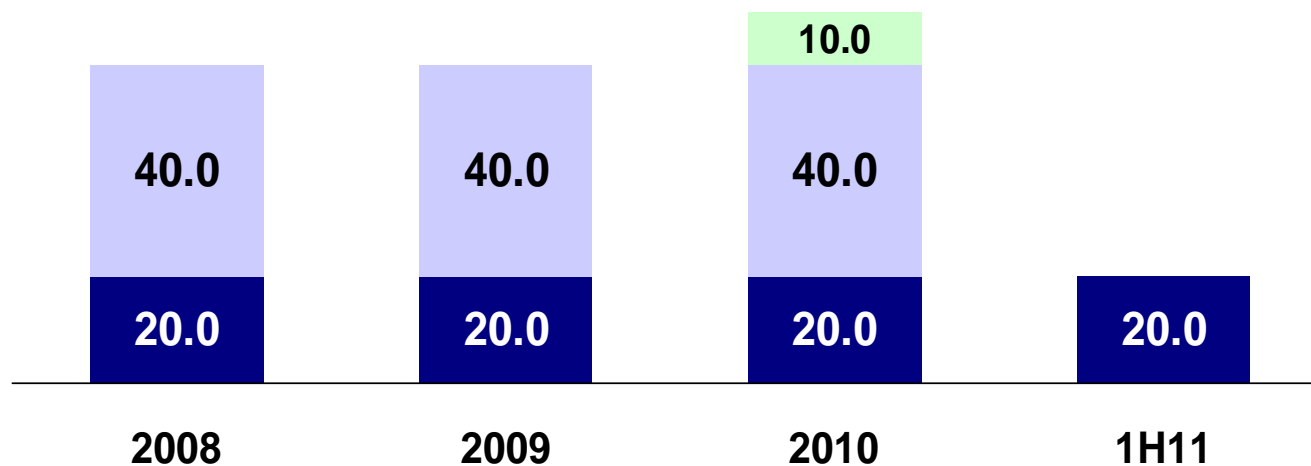
Capital ratios continued to be high

Capital Adequacy Ratios



\$'m	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Core Tier 1 Capital	13,175	13,411	14,213	14,676	14,954
Tier 1 Capital	15,324	15,560	16,362	16,825	17,103
Total Capital	20,295	20,537	21,206	21,635	22,691
RWA	101,174	103,269	106,889	112,791	118,298

Sustainable Interim Dividends



Net dividend per ordinary share (¢)	Interim	Final	Special
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Interim dividend

Payout amount (\$m)	301	301	306	315
Payout ratio (%)	27	34	24	25

In Summary, 1H11 Results Showed:

- **NPAT of \$1.2 billion, 2.3% higher yoy**
- **NII showed positive growth for the second consecutive quarter**
- **NIM stabilised**
- **Fee income momentum sustained**
- **Expenses paced for future growth; Expense/income ratio managed at 41.8%**
- **Loan growth continued to be strong; Double-digit increases in Singapore and key regional markets**
- **Funding position well managed; funding sources diversified**
- **Asset quality remained good, NPL ratio low at 1.5%**
- **Interim dividend sustained**

Investment Securities

	Jun-11 \$m	Jun-09 \$m
Debt securities – bank		
Tier 1	1,336	1,884
Tier 2	760	1,192
Senior/Other	2,280	4,463
	4,377	7,539
Debt securities – non bank	8,031	6,336
	12,408	13,876
Equity securities	3,038	2,520
Total	15,446	16,395

Debt securities by <u>country of risk</u>	Jun-11			Jun-09		
	Bank \$m	Non- bank \$m	Total \$m	Bank \$m	Non- bank \$m	Total \$m
Singapore	306	1,956	2,262	350	1,522	1,873
Other Asia Pacific	1,790	3,309	5,099	3,175	2,566	5,741
Europe	1,516	1,116	2,632	2,161	713	2,874
United States	724	1,351	2,075	1,788	1,230	3,017
Other	40	300	341	65	305	371
Total	4,377	8,031	12,408	7,539	6,336	13,876