

A blue line-art illustration of several skyscrapers of varying heights and widths, arranged in a cluster. The lines are thin and create a sense of depth and perspective.

UOB Group First Half 2012

Financial Highlights

**Lee Wai Fai
Group Chief Financial Officer**

7 August 2012

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Singapore Company Reg No. 193500026Z

1H12 Net Profit Rose 12% to \$1.4 billion. Double Digit Growth across All Top Line Income Categories



	1H12	1H11	+/(-)
	\$m	\$m	%
Net interest income	1,980	1,785	10.9
Fee and commission income	748	668	12.0
Other non-interest income	511	407	25.5
Total income	3,239	2,860	13.2
Less: Total expenses	1,341	1,195	12.3
Operating profit	1,897	1,665	13.9
Less: Individual impairment	160	65	>100.0
Collective impairment	48	134	(64.2)
Intangible assets amortised	5	5	(5.2)
Add: Share of profit of associates	49	73	(32.8)
Less: Tax & non-controlling interests	333	287	15.8
Net profit after tax	1,401	1,248	12.3

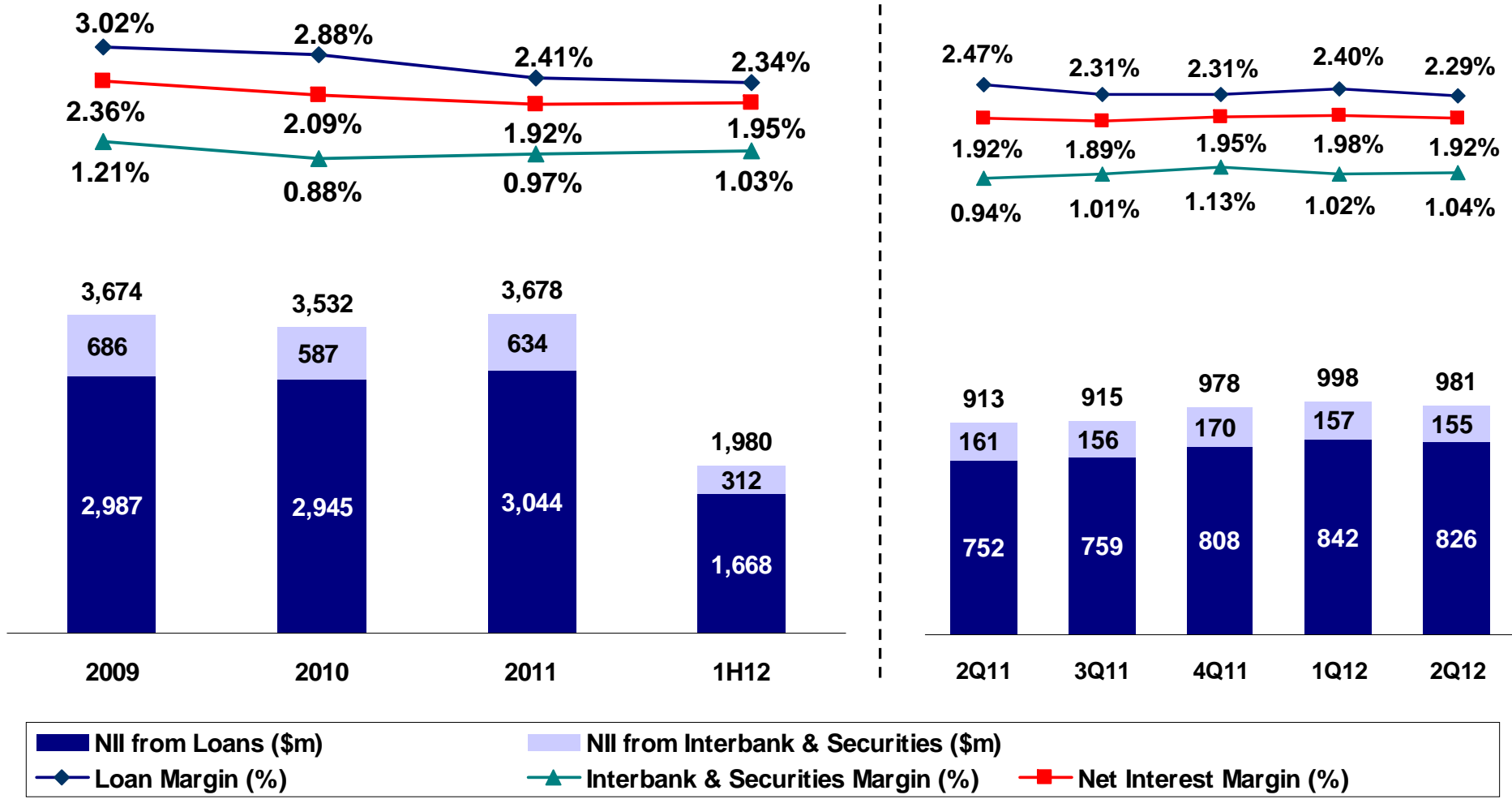
Quarter Profit Up 4% QoQ and 12% YoY to \$713 million



	2Q12	1Q12	+ / (-)	2Q11	+ / (-)
	\$m	\$m	%	\$m	%
Net interest income	981	998	(1.7)	913	7.4
Fee and commission income	386	362	6.7	338	14.3
Other non-interest income	243	268	(9.5)	186	30.3
Total income	1,610	1,629	(1.1)	1,437	12.0
Less: Total expenses	666	676	(1.5)	612	8.8
Operating profit	944	953	(0.9)	825	14.4
Less: Individual impairment	72	88	(18.1)	21	>100.0
Collective impairment	32	16	>100.0	74	(56.4)
Intangible assets amortised	2	3	(2.5)	3	(6.3)
Add: Share of profit of associates	31	18	71.1	48	(35.0)
Less: Tax & non-controlling interests	156	177	(11.7)	140	11.8
Net profit after tax	713	688	3.6	636	12.1

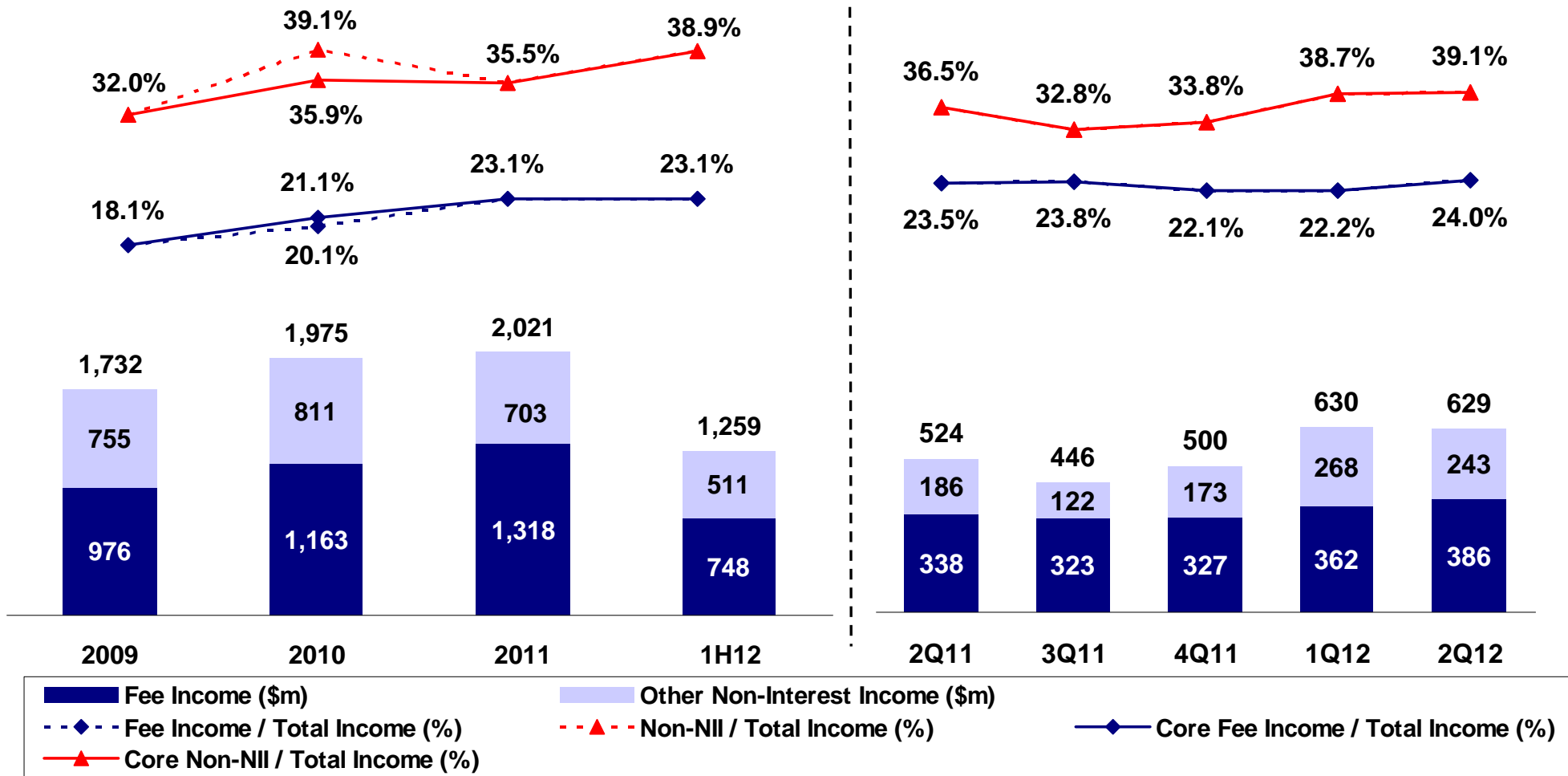
1H12 recorded Higher NII and NIM; QoQ NII and NIM Lower amidst High Liquidity and Keen Competition in the Market

Net Interest Income (NII) and Margin



Upward Momentum Maintained. 2Q12 Fee Income recorded Another New High

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

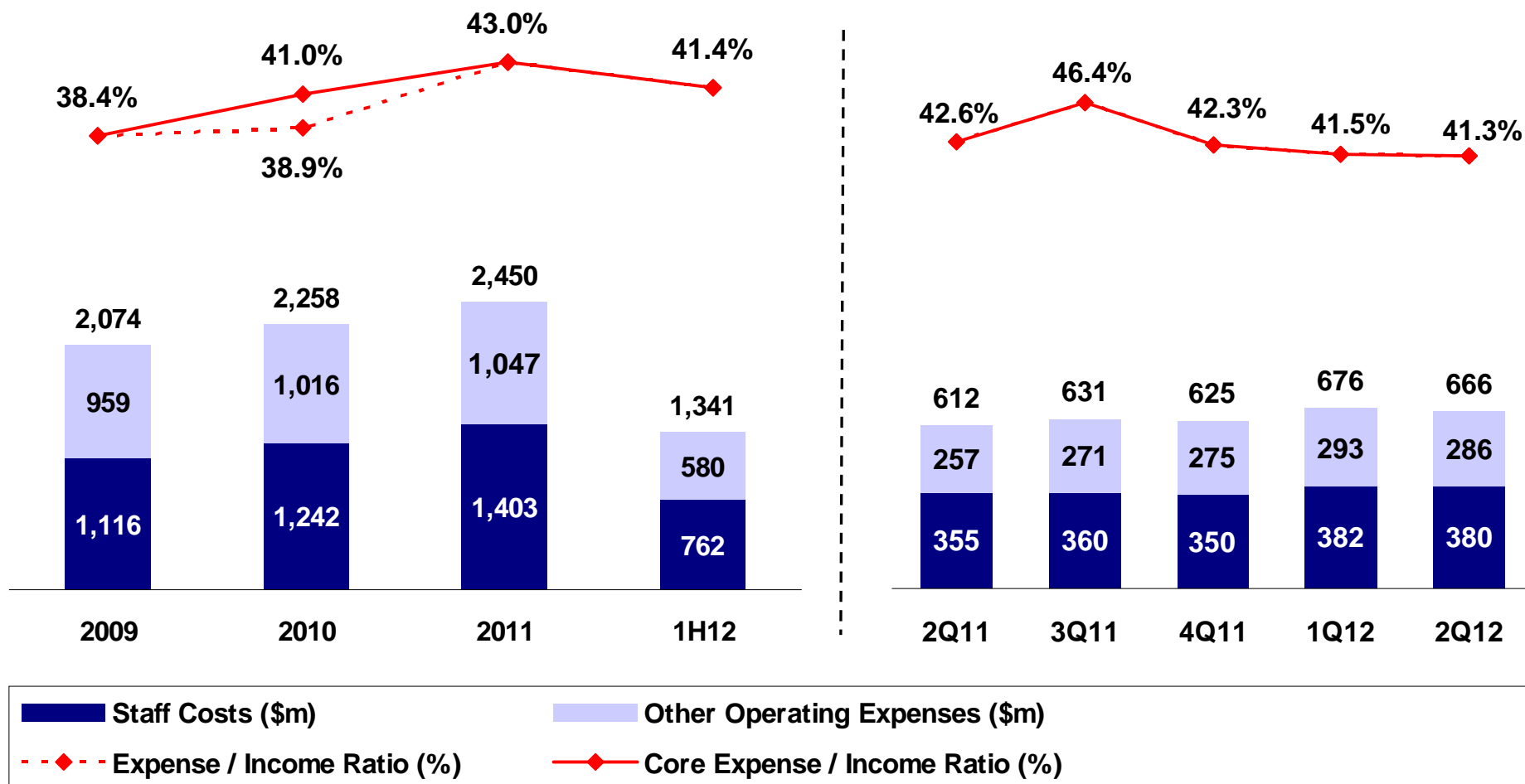


Note: core income excluded gain on UOB Life and UIC for 2010.

Expenses Controlled, Well Paced with Business Growth



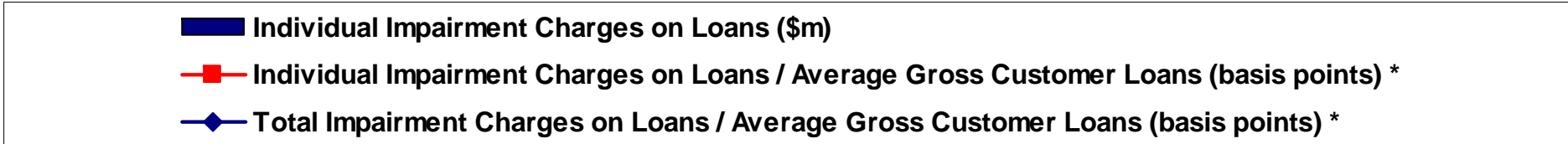
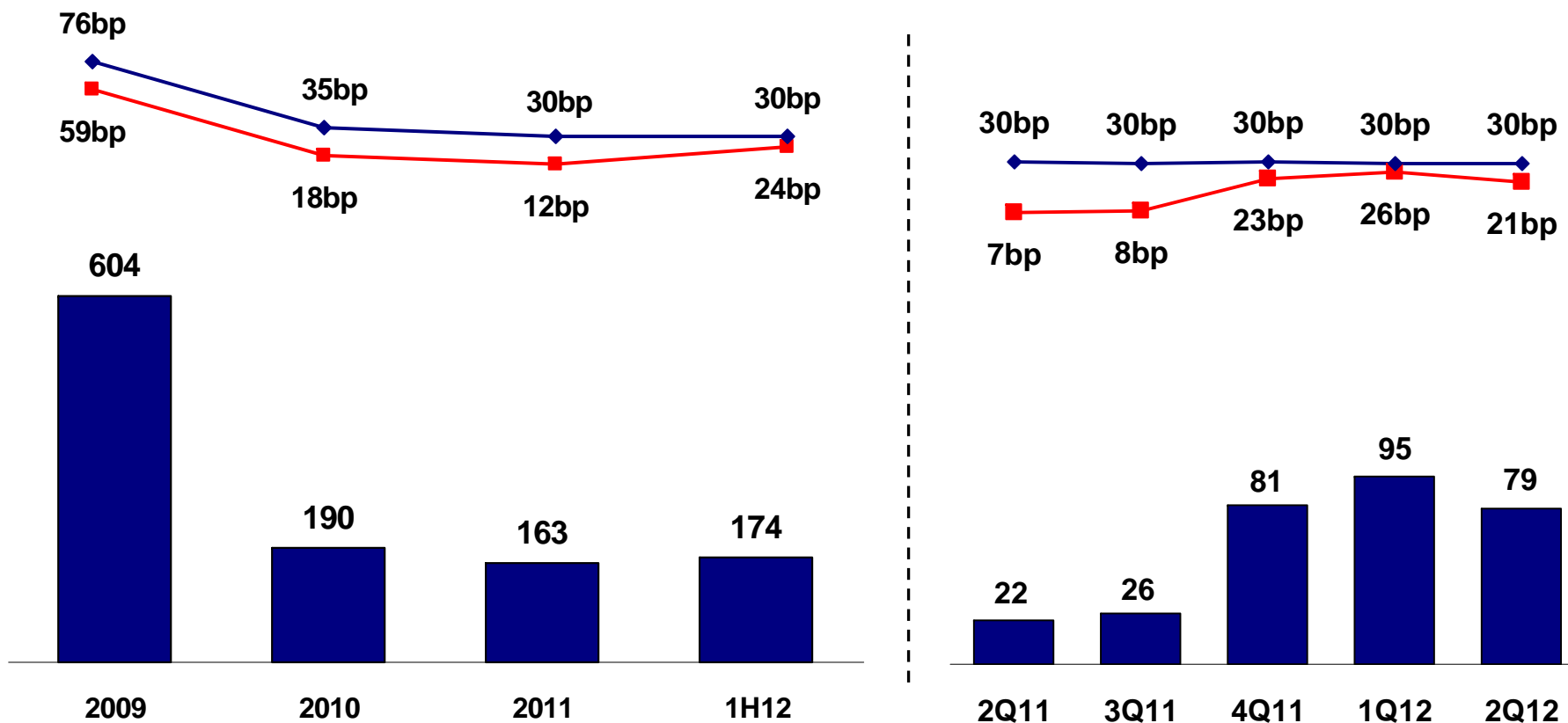
Operating Expenses and Expense / Income Ratio



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

Total Credit Costs Stable at 30bp

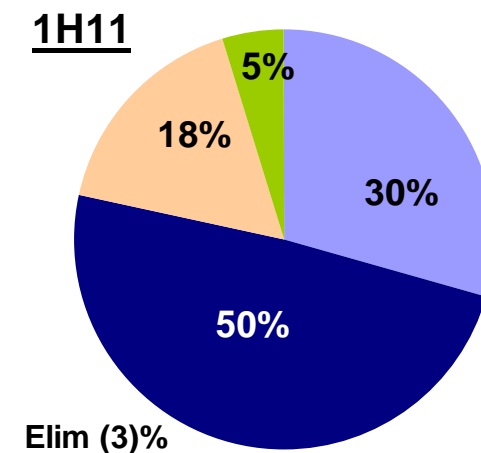
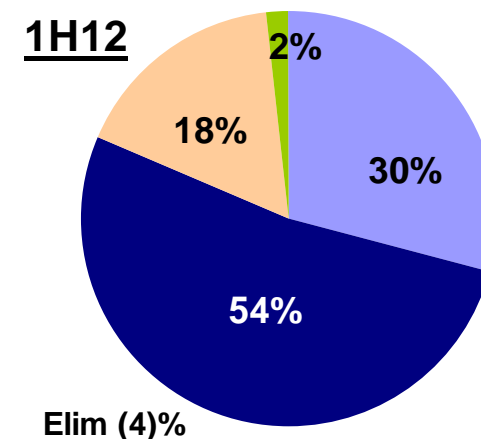
Impairment Charges on Loans



* On annualised basis

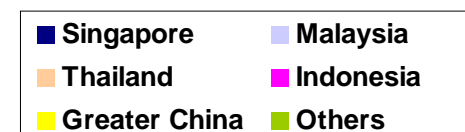
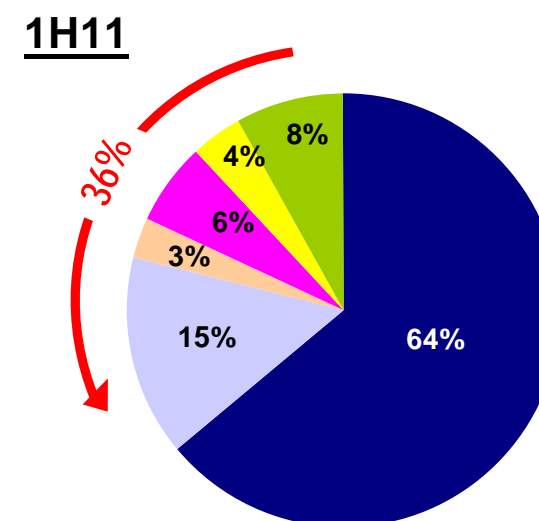
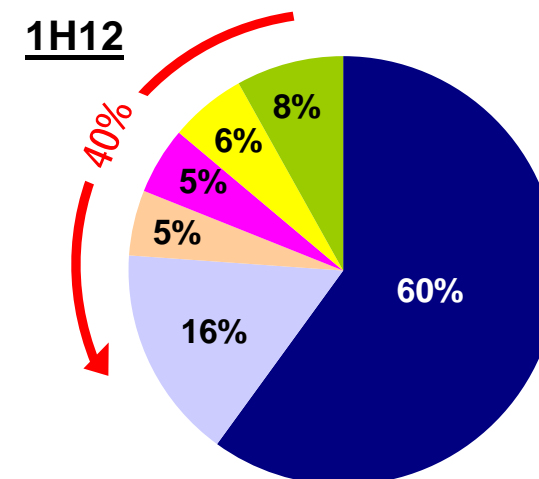
Performance by Business Segment

Segment Operating Profit	1H12 \$m	1H11 \$m	+ / (-) %
Group Retail (GR)	575	505	13.9
Group Wholesale (GW)	1,021	841	21.4
Global Markets & Investment Mgt (GMIM)	337	294	14.6
Others	31	79	(60.8)
Elimination	(67)	(54)	(24.1)
Total	1,897	1,665	13.9



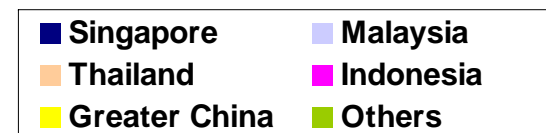
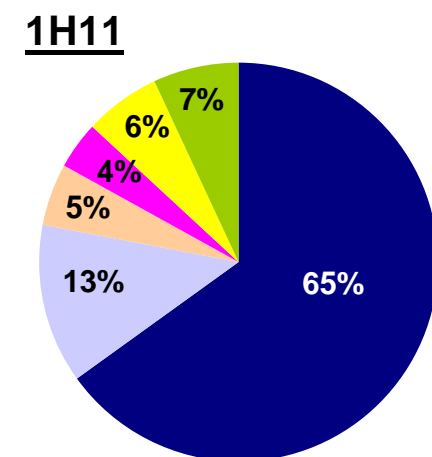
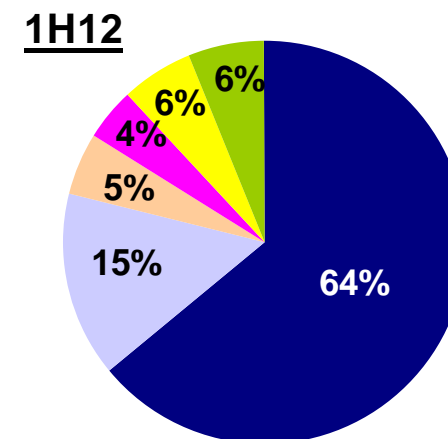
Regional Countries Continued to Perform, Operating Profit Rose 33% YoY. Overseas Contribution Hit 40%, Up 4% points YoY.

Operating Profit	1H12 \$m	1H11 \$m	+/(-) %	At constant FX rate +/(-) %
Singapore	1,133	1,061	6.8	6.8
Regional:	617	474	30.3	32.6
Malaysia	303	248	22.4	24.0
Thailand	92	57	60.5	63.2
Indonesia	106	95	11.1	17.4
Greater China	117	74	58.0	55.4
Others	146	130	12.3	12.8
Total	1,897	1,665	13.9	14.5



Loans Growth Resilient, Regional Countries Outpaced Singapore.

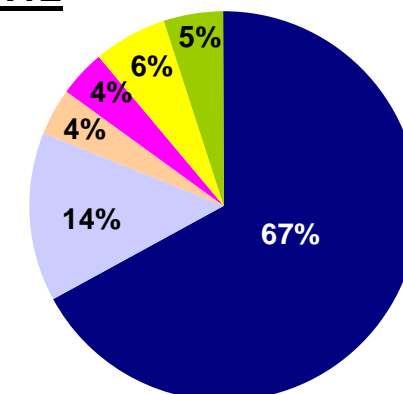
	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
Gross Loans	\$b	\$b	%	\$b	\$b	%
Singapore	96.4	85.6	12.6	96.4	95.2	1.3
Regional:	44.8	36.5	22.8	44.8	43.6	3.0
Malaysia	22.2	17.3	28.2	22.2	21.8	2.1
Thailand	7.9	7.0	12.1	7.9	7.7	2.6
Indonesia	5.8	4.9	16.9	5.8	5.5	4.1
Greater China	9.0	7.3	24.1	9.0	8.6	4.8
Others	8.5	9.1	(6.2)	8.5	8.9	(4.3)
Total	149.8	131.2	14.2	149.8	147.7	1.4
USD Loans	19.2	17.6	8.8	19.2	19.4	(1.0)



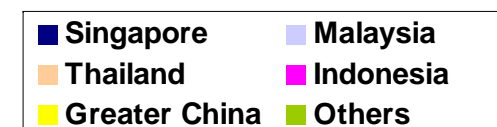
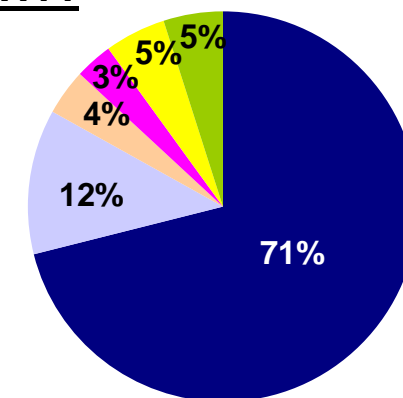
Robust Deposits Franchise; Regional Deposits Up 31% YoY

	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	\$b	\$b	%	\$b	\$b	%
Singapore	112.9	105.2	7.3	112.9	115.3	(2.1)
Regional:	46.8	35.7	31.1	46.8	45.0	4.2
Malaysia	24.2	18.0	35.0	24.2	23.0	5.3
Thailand	6.8	5.7	19.9	6.8	6.3	7.6
Indonesia	6.2	4.8	30.4	6.2	5.6	10.3
Greater China	9.6	7.3	30.8	9.6	10.0	(4.1)
Others	9.1	7.5	21.5	9.1	8.2	10.6
Total	168.8	148.4	13.8	168.8	168.5	0.2
USD Deposits	19.9	16.6	19.7	19.9	21.7	(8.1)
USD LDR (%)	95.2	104.4	(9.2)%pt	95.2	88.3	6.9%pt

1H12

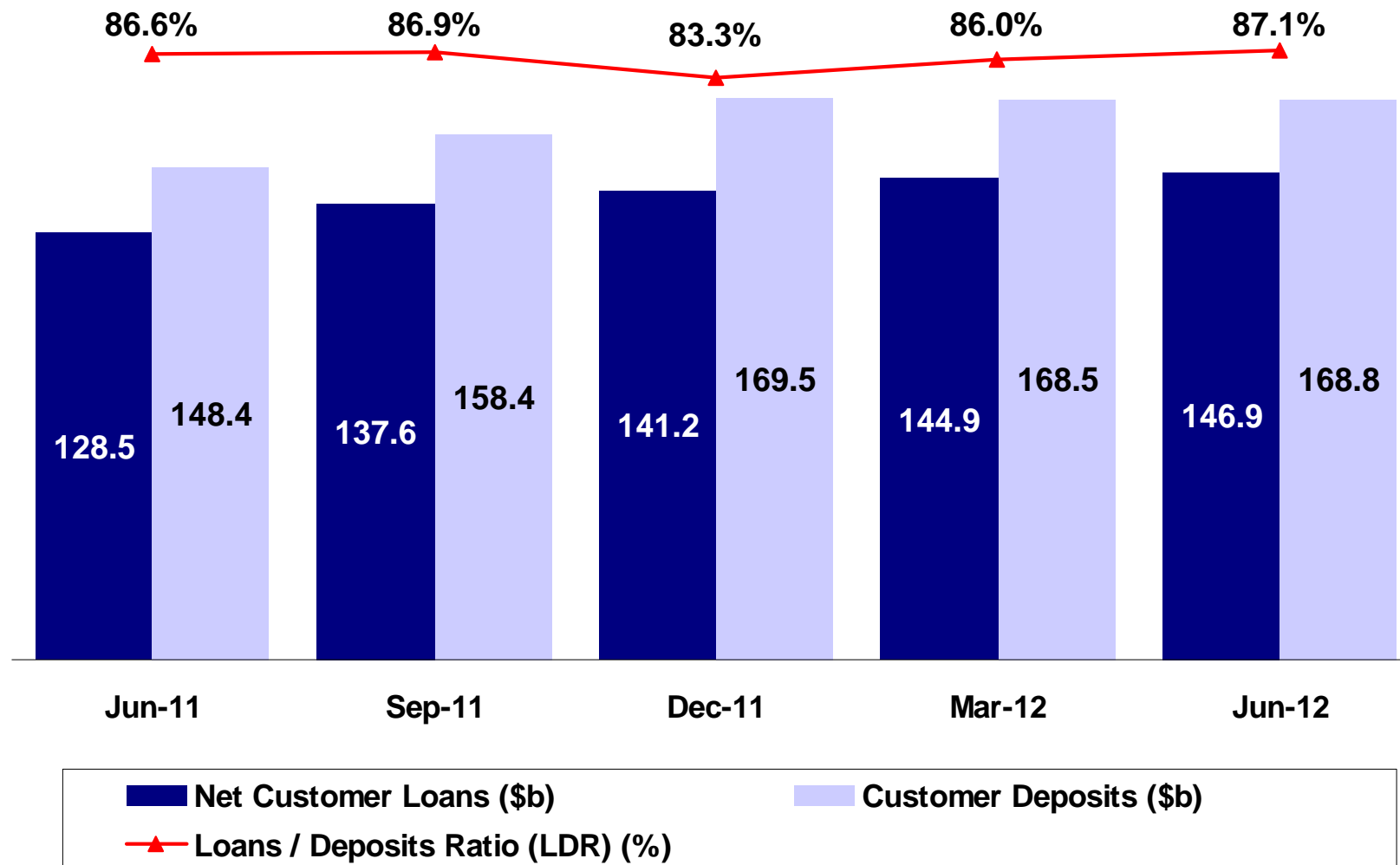


1H11



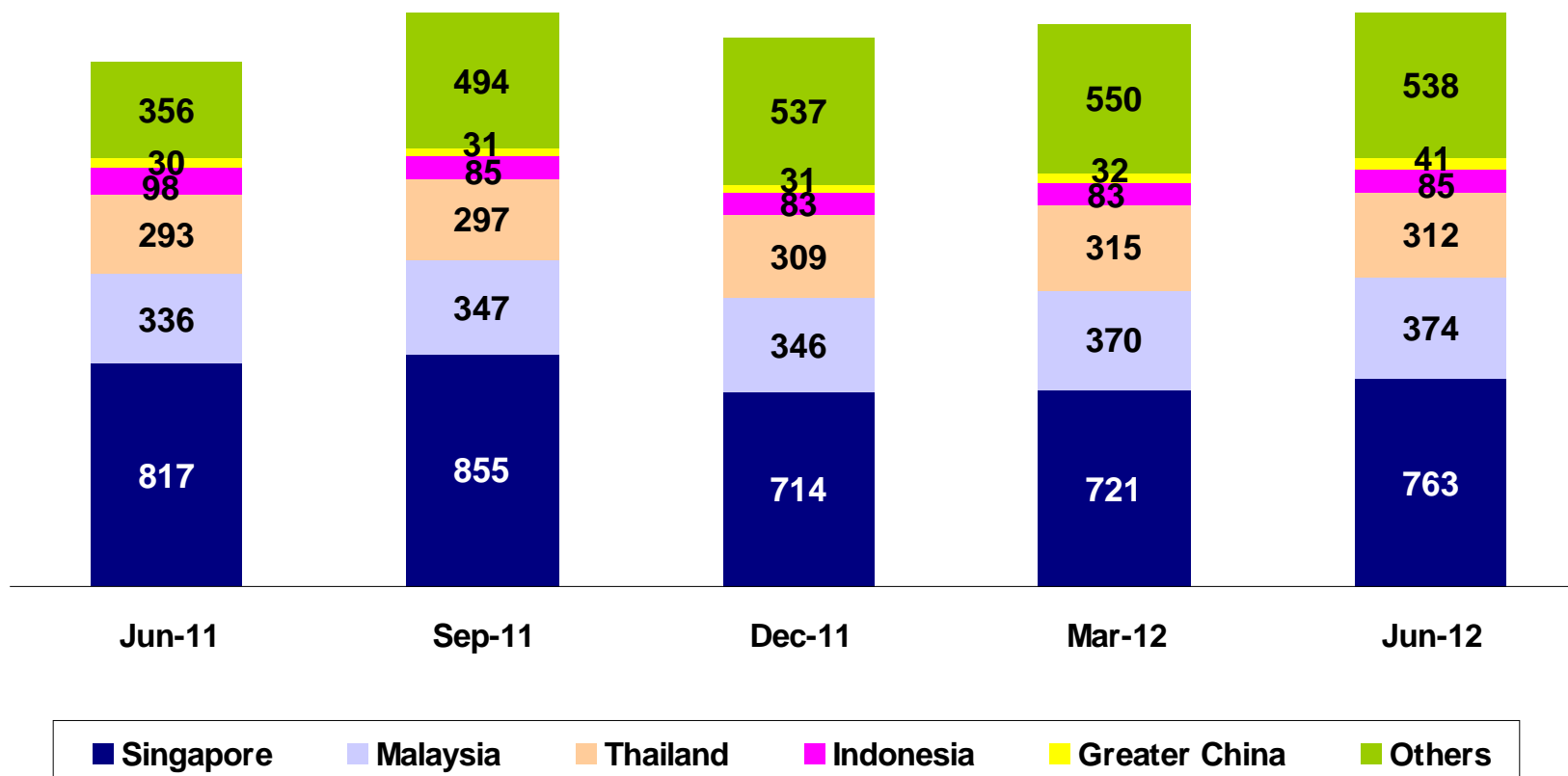
Sturdy Liquidity Position Sustained

Customer Loans, Deposits and LDR



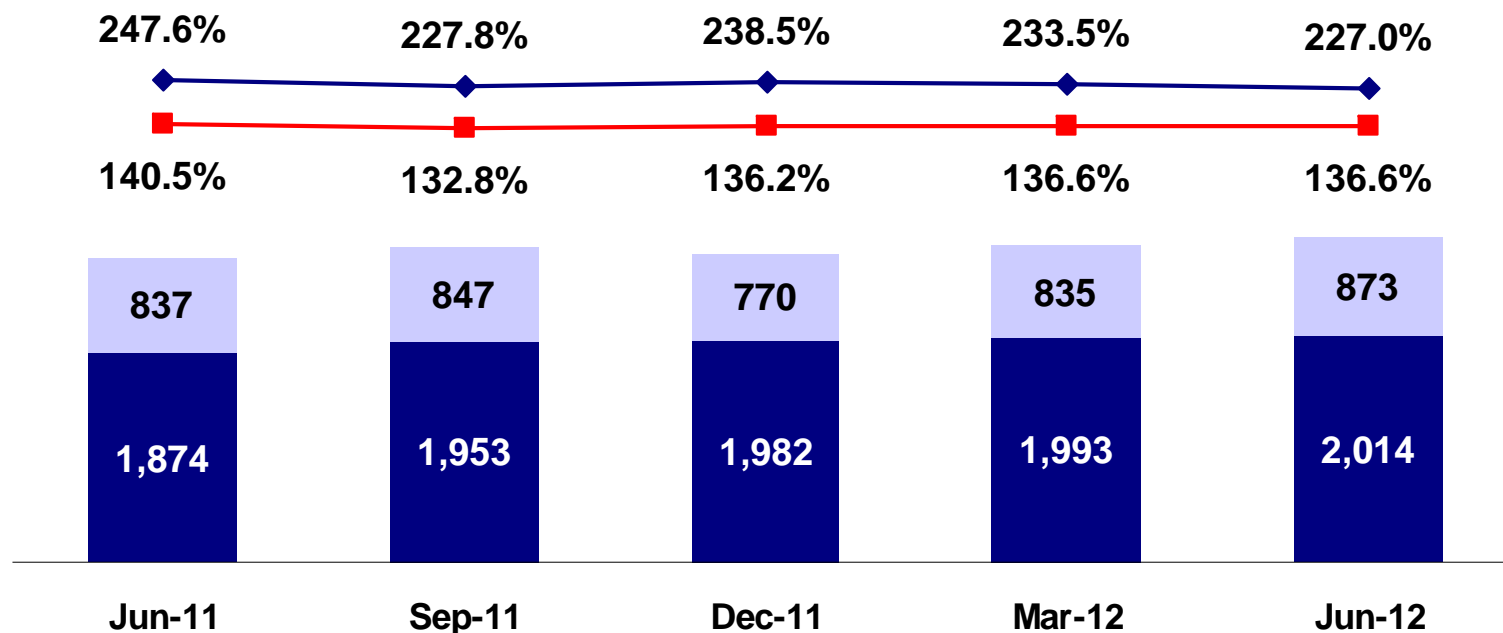
Credit Quality Intact

NPL (\$m)	1,930	2,109	2,020	2,071	2,113
NPL Ratio	1.5%	1.5%	1.4%	1.4%	1.4%



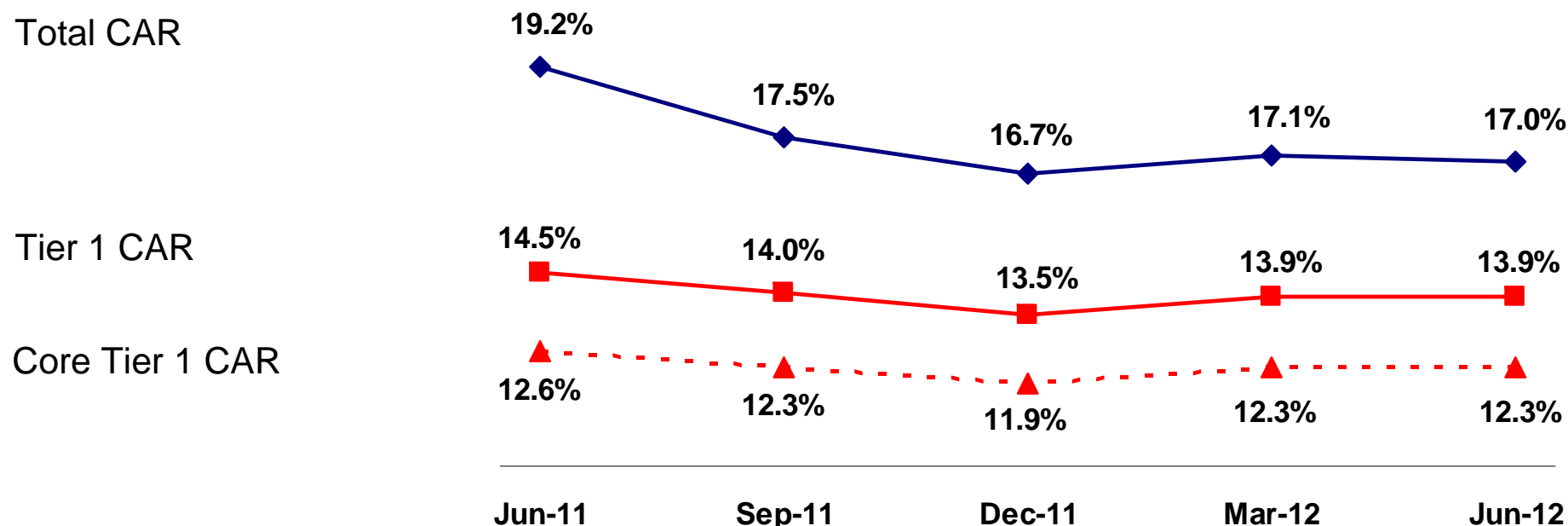
Strong Impairment Coverage

Total Loan Impairment (\$m)	2,711	2,800	2,752	2,828	2,887



Capital Ratios Remained Strong

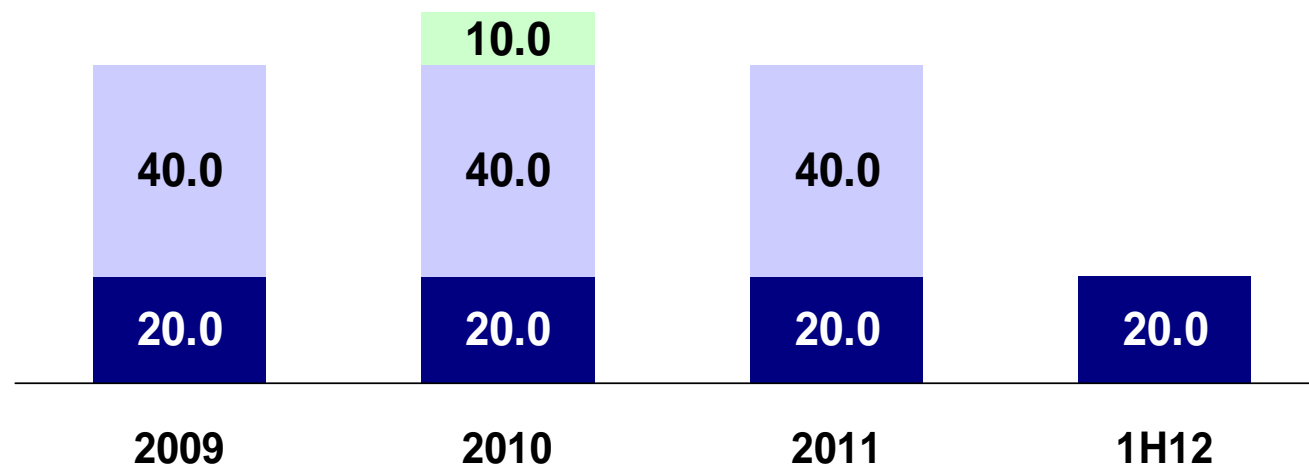
Capital Adequacy Ratios (CAR)






\$b

Core Tier 1 Capital	15.0	15.2	15.9	16.5	16.5
Tier 1 Capital	17.1	17.4	18.0	18.6	18.6
Total Capital	22.7	21.8	22.3	23.0	22.7
Risk-weighted assets (RWA)	118.3	124.3	133.6	134.1	134.0

Interim Dividend



Net dividend per ordinary share (¢)			
	Interim		Final
	Special		

Interim dividend

Payout amount (\$m)	301	306	315	315
Payout ratio (%)	34	24	25	23

In Summary, 1H12 Results Showed:

- **Group NPAT of \$1.4 billion, up 12%.**
- **NII & NIM lower in 2Q12 but more than compensated by the strong increase in fee income.**
- **Efforts to boost fee income to counter interest rate pressures continue to show results. Fee income hit a new high of \$386 million in 2Q12.**
- **Expenses were well paced with business growth, cost-income ratio improved 0.4% point to 41.4%.**
- **Gross loans hit \$150 billion as at end June 12. Regional countries loans growth outpaced Singapore.**
- **Liquidity position remained stable with loans-to-deposits ratio at 87.1%.**
- **Credit quality continued to be intact, NPL ratio stayed at 1.4%. Loans charge off maintained at 30 basis points.**
- **Capital adequacy ratios remained strong and well above regulatory requirements.**
- **Interim dividend maintained.**

Singapore – Summarised Income Statement

	1H12	1H11	+ / (-)	2Q12	1Q12	+ / (-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	1,075	1,013	6.2	524	551	(4.8)
Fee and commission income	468	412	13.4	243	224	8.4
Other non-interest income	349	297	17.2	176	173	1.7
Total income	1,892	1,722	9.8	943	948	(0.5)
Less: Total expenses	758	661	14.6	370	388	(4.6)
Operating profit	1,133	1,061	6.8	573	560	2.3
Less: Total impairment charges	80	109	(27.1)	72	8	>100.0
Add: Share of profit of associates	37	66	(44.3)	22	15	45.2
Profit before tax	1,090	1,017	7.2	523	567	(7.7)

Singapore – Key Financial Indicators

	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.59	1.51	0.08	1.55	1.63	(0.08)
Non-NII / Total income	43.2	41.2	2.0	44.4	41.9	2.5
Expense / Total income	40.1	38.4	1.7	39.2	40.9	(1.7)
Customer loans (net) - \$b	94.6	83.7	13.0%	94.6	93.4	1.2%
Customer deposits - \$b	112.9	105.2	7.3%	112.9	115.3	(2.1%)
Loans / Deposits	83.8	79.6	4.2	83.8	81.0	2.8
NPL ratio	0.8	1.0	(0.2)	0.8	0.8	-

Malaysia – Summarised Income Statement

	1H12	1H11	+/(–)	2Q12	1Q12	+/(–)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	735	643	14.3	377	358	5.3
Fee and commission income	242	199	21.6	132	110	20.0
Other non-interest income	118	96	22.9	59	59	-
Total income	1,095	938	16.7	568	527	7.8
Less: Total expenses	352	339	3.8	183	169	8.3
Operating profit	743	599	24.0	385	358	7.5
Less: Total impairment charges	112	96	16.7	27	85	(68.2)
Add: Share of profit of associates	32	27	18.5	24	8	>100.0
Profit before tax	663	530	25.1	382	281	35.9
Profit before tax (\$m)	270	219	23.1	154	116	32.5

Malaysia – Key Financial Indicators



	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.22	2.68	(0.46)	2.22	2.23	(0.01)
Non-NII / Total income	32.9	31.4	1.5	33.6	32.1	1.5
Expense / Total income	32.1	36.1	(4.0)	32.2	32.1	0.1
Customer loans (net) - RM'b	54.7	41.7	31.1%	54.7	52.0	5.0%
Customer deposits - RM'b	60.8	44.1	37.7%	60.8	56.2	8.2%
Loans / Deposits	89.9	94.4	(4.5)	89.9	92.6	(2.7)
NPL ratio	1.7	1.9	(0.2)	1.7	1.7	-

Thailand – Summarised Income Statement



	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	4,724	3,868	22.1	2,442	2,282	7.0
Fee and commission income	1,412	1,083	30.4	674	738	(8.7)
Other non-interest income	218	(19)	>100.0	80	138	(42.0)
Total income	6,354	4,932	28.8	3,196	3,158	1.2
Less: Total expenses	4,080	3,539	15.3	2,081	1,999	4.1
Operating profit	2,274	1,393	63.2	1,115	1,159	(3.8)
Less: Total impairment charges	983	507	93.9	479	504	(5.0)
Add: Share of profit of associates	-	(1)	NM	-	-	-
Profit before tax	1,291	885	45.9	636	655	(2.9)
Profit before tax (\$m)	52	37	43.2	26	27	(4.6)

Thailand – Key Financial Indicators



	1H12	1H11	+/(–)	2Q12	1Q12	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	3.59	3.27	0.32	3.57	3.60	(0.03)
Non-NII / Total income	25.7	21.6	4.1	23.6	27.7	(4.1)
Expense / Total income	64.2	71.8	(7.6)	65.1	63.3	1.8
Customer loans (net) - THB'b	189.6	169.7	11.7%	189.6	181.0	4.8%
Customer deposits - THB'b	169.8	141.5	20.0%	169.8	154.3	10.0%
Loans / Deposits	111.7	120.0	(8.3)	111.7	117.3	(5.6)
Loans / Deposits (Include Bills of Exchange*)	96.0	97.1	(1.1)	96.0	96.6	(0.6)
NPL ratio	4.0	4.2	(0.2)	4.0	4.1	(0.1)

* 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 Income Statement



	1H12	1H11	+/(–)	2Q12	1Q12	+/(–)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,282	1,039	23.4	659	623	5.8
Fee and commission income	312	314	(0.6)	177	135	31.1
Other non-interest income	167	134	24.6	70	97	(27.8)
Total income	1,761	1,487	18.4	906	855	6.0
Less: Total expenses	984	825	19.3	516	468	10.3
Operating profit	777	662	17.4	390	387	0.8
Less: Total impairment charges	46	141	(67.4)	(2)	48	(>100.0)
Profit before tax	731	521	40.3	392	339	15.6
Profit before tax (\$m)	99	75	32.7	53	47	12.8

Indonesia – Key Financial Indicators

	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	5.45	5.71	(0.26)	5.55	5.35	0.20
Non-NII / Total income	27.2	30.1	(2.9)	27.3	27.1	0.2
Expense / Total income	55.9	55.5	0.4	57.0	54.7	2.3
Customer loans (net) - IDR't	42.4	34.0	24.7%	42.4	40.0	6.1%
Customer deposits - IDR't	46.3	33.3	38.9%	46.3	41.2	12.4%
Loans / Deposits	91.6	102.1	(10.5)	91.6	97.0	(5.4)
NPL ratio	1.5	2.0	(0.5)	1.5	1.5	-

Greater China – Summarised Income Statement



	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	\$m	\$m	%	\$m	\$m	%
Net interest income	122	67	83.0	61	61	1.2
Fee and commission income	32	31	3.1	15	16	(6.5)
Other non-interest income	50	53	(5.9)	16	34	(54.0)
Total income	203	150	35.4	92	111	(16.9)
Less: Total expenses	86	76	13.5	43	44	(2.9)
Operating profit	117	74	58.0	50	67	(26.1)
Less: Total impairment charges	3	(7)	>100.0	3	(0)	>100.0
Add: Share of profit of associates	(0)	(4)	93.9	(0)	(0)	(>100.0)
Profit before tax	113	77	47.4	46	67	(31.5)

Greater China – Key Financial Indicators



	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.34	1.08	0.26	1.34	1.33	0.01
Non-NII / Total income	40.0	55.6	(15.6)	33.5	45.4	(11.9)
Expense / Total income	42.5	50.7	(8.2)	46.2	39.5	6.7
Customer loans (net) - \$b	8.9	7.2	24.1%	8.9	8.5	4.8%
Customer deposits - \$b	9.6	7.3	30.8%	9.6	10.0	(4.1%)
Loans / Deposits	93.1	98.1	(5.0)	93.1	85.2	7.9
NPL ratio	0.5	0.4	0.1	0.5	0.4	0.1