
To: All Shareholders

The Board of Directors of United Overseas Bank Limited wishes to make the following announcement:

Financial Results

The unaudited financial results of the Group for the first quarter of 2010 are enclosed.

Dividends

Ordinary share dividend

No dividend on ordinary shares has been declared for the first quarter of 2010.

Preference share dividends

On 15 March 2010, a semi-annual dividend at an annual rate of 5.796% totalling USD14 million (1Q09: USD14 million) was paid on the 5,000 non-cumulative non-convertible guaranteed SPV-A preference shares issued by the Bank's wholly-owned subsidiary, UOB Cayman I Limited.

On 15 March 2010, a semi-annual one-tier tax-exempt dividend of 5.05% per annum totalling S\$33 million (1Q09: S\$33 million) was paid on the Bank's S\$1.32 billion Class E non-cumulative non-convertible preference shares.

Confirmation by Directors

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first quarter of 2010 to be false or misleading.

**BY ORDER OF THE BOARD
UNITED OVERSEAS BANK LIMITED**

Mrs Vivien Chan
Secretary

Dated this 7th day of May 2010

The results are also available at uobgroup.com



Group Financial Report

For the First Quarter 2010

United Overseas Bank Limited
Incorporated in the Republic of Singapore
Company Registration Number: 193500026Z

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Notes:

- 1 The financial statements are presented in Singapore dollars.
- 2 Certain comparative figures have been restated to conform with the current period's presentation.
- 3 Certain figures in this report may not add up to the respective totals due to rounding.
- 4 Amounts less than \$500,000 in absolute term are shown as "0".
"NM" denotes not meaningful.

Financial Highlights

	1Q10	4Q09	+ / (-) %	1Q09	+ / (-) %
Profit and loss summary (\$m)					
Net interest income	900	892	0.9	949	(5.2)
Non-interest income	602	350	71.9	434	38.6
Total income	1,502	1,242	20.9	1,384	8.6
Less: Total expenses	542	554	(2.1)	491	10.5
Operating profit	960	688	39.4	893	7.5
Less: Amortisation/impairment charges	111	47	136.0	380	(70.8)
Add: Share of profit of associates	25	19	28.3	10	149.2
Less: Tax and minority interests	174	139	24.9	114	52.2
Net profit after tax ¹	700	522	34.2	409	71.2

Financial indicators

Non-interest income/Total income (%)	40.1	28.2	11.9% pt	31.4	8.7% pt
Overseas profit contribution (%)	31.0	19.0	12.0% pt	32.8	(1.8)% pt
Earnings per ordinary share (\$) ^{2,3}					
Basic	1.63	1.31	24.4	1.01	61.4
Diluted	1.62	1.31	23.7	1.01	60.4
Return on average ordinary shareholders' equity (%) ^{2,3}	14.2	12.1	2.1% pt	11.2	3.0% pt
Return on average total assets (%) ³	1.37	1.16	0.21% pt	0.90	0.47% pt
Net interest margin (%) ³	2.25	2.28	(0.03)% pt	2.41	(0.16)% pt
Expense/Income ratio (%)	36.1	44.6	(8.5)% pt	35.5	0.6% pt
Loan charge off rate (bp) ³					
Exclude collective impairment	4	50	(46)bp	66	(62)bp
Include collective impairment	24	43	(19)bp	84	(60)bp

Notes:

1 Refer to profit attributable to equity holders of the Bank.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.

3 Computed on an annualised basis for quarters.

Financial Highlights (cont'd)

	Mar-10	Dec-09	+ / (-) %	Mar-09	+ / (-) %
Financial indicators					
Customer loans (net) (\$m)	100,577	99,201	1.4	99,660	0.9
Customer deposits (\$m)	125,570	121,502	3.3	119,357	5.2
Loans/Deposits ratio (%) ¹	81.5	81.6	(0.1)% pt	83.5	(2.0)% pt
NPL ratio (%) ²	2.0	2.2	(0.2)% pt	2.1	(0.1)% pt
Total assets (\$m)	191,587	185,578	3.2	178,543	7.3
Shareholders' equity (\$m) ³	19,926	18,986	4.9	16,260	22.5
Net asset value ("NAV") per ordinary share (\$) ⁴	11.80	11.17	5.6	9.37	25.9
Revalued NAV per ordinary share (\$) ⁴	13.41	12.76	5.1	11.30	18.7
Capital adequacy ratios (%)					
Tier 1	14.9	14.0	0.9% pt	12.3	2.6% pt
Total	20.0	19.0	1.0% pt	17.3	2.7% pt

Notes:

- 1 Refer to net customer loans and customer deposits.
- 2 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 3 Refer to equity attributable to equity holders of the Bank.
- 4 Preference shares are excluded from the computation.

Performance Review

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore ("MAS").

The new or amended FRS and Interpretations to FRS ("INT FRS") applicable to the Group with effect from 1 January 2010 are listed below. The adoption of these FRS and INT FRS has no significant impact on the financial statements of the Group.

- FRS27 Consolidated and Separate Financial Statements
- FRS103 Business Combinations
- INT FRS117 Distributions of Non-cash Assets to Owners
- Amendments to FRS32 Financial Instruments: Presentation - Classification of Rights Issue
- Amendments to FRS39 Financial Instruments: Recognition and Measurement - Eligible Hedged Item
- Amendments to FRS102 Share-based Payment - Group Cash-settled Share-based Payment Transactions

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first quarter of 2010 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2009.

First quarter 2010 ("1Q10") versus fourth quarter 2009 ("4Q09")

Group net profit after tax ("NPAT") rose 34.2% to \$700 million in 1Q10, while operating profit grew 39.4% to \$960 million. Excluding the \$82 million gain from the sale of UOB Life Assurance Limited ("UOB Life"), NPAT rose 18.5% driven by strong growth in our core business.

Total operating income increased 20.9% to \$1,502 million. Net interest income grew 0.9% to \$900 million, led by growth in interest bearing assets and higher loan yield. Non-interest income rose 71.9% to \$602 million, underpinned by strong growth in almost all business areas. Trading and investment activities, as well as loan-related and fund management business contributed to the increase in non-interest income. Growth in the loan business was healthy with loan-related fee income registering an increase of 38.6% to \$77 million.

Total operating expenses declined 2.1% to \$542 million as a result of disciplined cost management. Expense-to-income ratio improved 8.5% points to 36.1%.

Impairment charges increased 144.1% to \$108 million. The increase was largely due to collective impairment provided for loans and investments as compared to last quarter's writeback, partly offset by lower individual impairment on loans.

Net customer loans grew 1.4% to \$100.6 billion from the previous quarter mainly from housing loans. NPL ratio improved to 2.0%.

Shareholders' equity increased 4.9% over 31 December 2009 to \$19.9 billion as at 31 March 2010. The increase was mainly contributed by higher retained earnings, foreign exchange translation and improved valuation of the investment portfolio.

Group Tier 1 and total capital adequacy ratios were higher at 14.9% and 20.0% as at 31 March 2010 respectively largely due to higher retained earnings.

Performance Review (cont'd)**First quarter 2010 ("1Q10") versus first quarter 2009 ("1Q09")**

Group NPAT grew 71.2% to \$700 million in 1Q10. Excluding the \$82 million gain from the sale of UOB Life, NPAT increased 51.1%, largely on reduced impairment charges and higher non-interest income.

Total operating income increased 8.6% to \$1,502 million. Apart from the gain from sale of UOB Life, non-interest income from most of the core business areas including investment activities, credit card and fund management business registered increases. Net interest income was lower due to compressed net interest margin.

Total operating expenses increased 10.5% to \$542 million largely on higher staff costs. Expense-to-income ratio increased 0.6% point to 36.1%.

Impairment charges decreased 71.3% to \$108 million, mainly due to lower individual impairment on loans and lower collective impairment.

Net customer loans of \$100.6 billion as at 31 March 2010 was 0.9% higher than a year ago, primarily driven by housing loans. NPL ratio improved to 2.0% from a year ago.

Shareholders' equity grew 22.5% over a year ago to \$19.9 billion as at 31 March 2010 contributed largely by improved valuation of the investment portfolio.

Group Tier 1 and total capital adequacy ratios were higher at 14.9% and 20.0% as at 31 March 2010 respectively over a year ago. The increase was primarily due to lower risk-weighted assets and higher reserves arising mainly from higher retained earnings as well as lower revaluation loss on available-for-sale assets.

Net Interest Income

Net interest margin

	1Q10			4Q09			1Q09		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Interest bearing assets									
Customer loans	98,159	928	3.84	98,479	926	3.73	100,784	1,056	4.25
Interbank balances	29,346	97	1.34	23,306	84	1.43	28,589	145	2.06
Securities	35,072	198	2.29	33,137	194	2.33	30,342	228	3.05
Total	162,577	1,224	3.05	154,922	1,204	3.08	159,715	1,429	3.63
Interest bearing liabilities									
Customer deposits	125,249	248	0.80	119,360	244	0.81	121,586	355	1.18
Interbank balances/other	33,073	76	0.93	30,285	68	0.90	34,206	125	1.49
Total	158,322	324	0.83	149,644	312	0.83	155,792	480	1.25
Net interest margin¹			2.25			2.28			2.41

Volume and rate analysis

	1Q10 vs 4Q09			1Q10 vs 1Q09		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m
Interest income						
Customer loans	(3)	26	23	(27)	(100)	(127)
Interbank balances	22	(7)	15	4	(52)	(48)
Securities	11	(3)	8	36	(65)	(30)
Total	30	17	47	12	(218)	(206)
Interest expense						
Customer deposits	12	(3)	9	11	(118)	(107)
Interbank balances/other	4	5	9	(5)	(44)	(49)
Total	17	2	18	6	(162)	(157)
Change in number of days	-	-	(20)	-	-	-
Net interest income	14	15	8	6	(56)	(49)

1Q10 vs 4Q09

Net interest income grew 0.9% to \$900 million. The increase was largely contributed by growth in interest bearing assets and higher loan yield. Net interest margin decreased 3 basis points to 2.25% for the quarter.

1Q10 vs 1Q09

Net interest income decreased 5.2% to \$900 million mainly due to lower interest margin. Net interest margin was 16 basis points lower than that of 1Q09 as the drop in asset yields outpaced the reduced borrowing costs.

Note:

¹ Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

Non-Interest Income

	1Q10	4Q09	+/(-)	1Q09	+/(-)
	\$m	\$m	%	\$m	%
Fee and commission income					
Credit card	45	44	1.0	35	29.8
Fund management	34	23	49.6	26	33.7
Investment-related	25	24	3.5	17	44.2
Loan-related	77	56	38.6	76	1.3
Service charges	23	22	1.7	22	2.7
Trade-related	50	52	(4.1)	43	15.7
Other	29	25	18.9	20	45.1
	284	247	15.1	240	18.4
Dividend income	3	4	(30.2)	4	(21.6)
Rental income	30	36	(17.4)	34	(13.8)
Other operating income					
Net gain/(loss) from:					
Trading activities	31	1	NM	33	(5.9)
Non-trading activities					
Financial instruments measured at fair value to profit and loss	56	47	19.0	29	92.5
Available-for-sale assets and other	100	(16)	NM	69	44.1
	187	32	481.5	131	42.3
Other income	99	31	218.0	25	294.3
	285	63	352.0	156	82.7
Total	602	350	71.9	434	38.6

1Q10 vs 4Q09

Non-interest income increased 71.9% to \$602 million. Apart from the gain from sale of UOB Life, the increase was mainly attributed to higher trading and investment income, as well as loan-related and fund management business.

1Q10 vs 1Q09

Non-interest income increased 38.6% to \$602 million. Apart from the gain from sale of UOB Life, the increase was driven by growth in investment activities, credit card and fund management business.

Operating Expenses

	1Q10	4Q09	+/(-) %	1Q09	+/(-) %
	\$m	\$m	%	\$m	%
Staff costs	301	308	(2.1)	259	16.3
Other operating expenses					
Revenue-related	112	125	(10.6)	111	0.9
Occupancy-related	53	53	(1.2)	52	0.5
IT-related	51	44	16.4	40	28.5
Other	26	24	7.7	29	(11.4)
	241	246	(2.0)	232	4.0
Total	542	554	(2.1)	491	10.5
Of which, depreciation of assets	34	37	(6.6)	33	2.2
Manpower (number)	20,660	20,431	229no.	21,940	(1,280)no.

1Q10 vs 4Q09

Total operating expenses decreased 2.1% to \$542 million as a result of disciplined cost management.

1Q10 vs 1Q09

Total operating expenses increased 10.5% to \$542 million mainly on higher staff costs.

Impairment Charges

	1Q10	4Q09	+ / (-)	1Q09	+ / (-)
	\$m	\$m	%	\$m	%
Individual impairment on loans ¹					
Singapore	(11)	58	(119.6)	62	(118.2)
Malaysia	14	26	(47.0)	22	(38.0)
Thailand	13	10	35.8	21	(38.3)
Indonesia	4	6	(34.4)	6	(35.4)
Greater China ²	(1)	9	(108.7)	2	(135.4)
Other	(9)	19	(147.3)	56	(115.6)
	10	127	(92.4)	169	(94.3)
Individual impairment on securities and other assets	22	(23)	NM	34	(35.4)
Collective impairment	77	(59)	NM	174	(55.9)
Total	108	44	144.1	378	(71.3)

1Q10 vs 4Q09

Impairment charges increased 144.1% to \$108 million. The increase was largely due to collective impairment provided for loans and investments as compared to last quarter's writeback, partly offset by lower individual impairment on loans.

1Q10 vs 1Q09

Impairment charges decreased 71.3% to \$108 million, mainly due to lower individual impairment on loans and lower collective impairment.

Notes:

1 Based on the location where the non-performing loans are booked.

2 Comprise China, Hong Kong S.A.R. and Taiwan.

Customer Loans

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Gross customer loans	103,145	101,744	101,952
Less: Individual impairment	935	973	848
Collective impairment	1,633	1,570	1,444
Net customer loans	100,577	99,201	99,660
By industry			
Transport, storage and communication	6,311	6,301	5,999
Building and construction	11,777	11,718	12,713
Manufacturing	8,693	8,794	9,853
Financial institutions	14,854	14,741	16,492
General commerce	12,650	12,770	13,043
Professionals and private individuals	13,496	13,346	12,858
Housing loans	28,623	27,444	24,650
Other	6,740	6,630	6,342
Total (gross)	103,145	101,744	101,952
By currency			
Singapore dollar	59,592	59,978	56,461
US dollar	13,093	12,813	15,810
Malaysian ringgit	12,392	11,414	11,235
Thai baht	6,246	5,944	6,172
Indonesian rupiah	2,976	2,890	2,390
Other	8,845	8,705	9,884
Total (gross)	103,145	101,744	101,952
By maturity			
Within 1 year	39,130	37,772	37,761
Over 1 year but within 3 years	20,335	21,087	21,059
Over 3 years but within 5 years	11,004	10,615	12,621
Over 5 years	32,676	32,270	30,511
Total (gross)	103,145	101,744	101,952
By geography ¹			
Singapore	67,161	67,350	65,341
Malaysia	13,170	12,120	11,807
Thailand	6,398	6,077	6,311
Indonesia	3,594	3,499	3,080
Greater China	4,143	4,011	4,622
Other	8,679	8,688	10,792
Total (gross)	103,145	101,744	101,952

Net customer loans increased 1.4% from last quarter and 0.9% from a year ago to \$100.6 billion as at 31 March 2010 due to housing loans. By geography, Malaysia was the largest contributor to loan growth for the quarter while both Singapore and Malaysia contributed to the improvement year-on-year.

Note:

¹ Based on the location where the loans are booked.

Non-Performing Assets

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Loans ("NPL")	2,153	2,260	2,185
Debt securities	470	462	264
Non-Performing Assets ("NPA")	2,623	2,722	2,449
By grading			
Substandard	1,555	1,623	1,406
Doubtful	399	519	338
Loss	669	580	705
Total	2,623	2,722	2,449
By security coverage			
Secured	1,117	1,180	1,103
Unsecured	1,506	1,542	1,346
Total	2,623	2,722	2,449
By ageing			
Current	419	351	420
Within 90 days	491	489	472
Over 90 to 180 days	191	333	338
Over 180 days	1,522	1,549	1,219
Total	2,623	2,722	2,449
Cumulative impairment			
Individual	1,178	1,200	1,068
Collective	1,744	1,657	1,509
Total	2,922	2,857	2,577
As a % of NPA	111.4%	105.0%	105.2%
As a % of unsecured NPA	194.0%	185.3%	191.5%

	NPL	NPL	NPL	NPL	NPL	
	\$m	ratio ¹	\$m	ratio	\$m	ratio
	\$m	%	\$m	%	\$m	%
NPL by industry						
Transport, storage and communication	79	1.3	78	1.2	28	0.5
Building and construction	168	1.2	208	1.6	179	1.2
Manufacturing	644	7.3	678	7.6	626	6.2
Financial institutions	208	1.4	206	1.4	265	1.6
General commerce	369	2.8	385	2.9	431	3.2
Professionals and private individuals	215	1.6	228	1.7	282	2.2
Housing loans	277	1.0	310	1.1	307	1.2
Other	193	2.7	167	2.3	67	0.9
Total	2,153	2.0	2,260	2.2	2,185	2.1

Note:

¹ Debt securities and contingent assets are excluded from the computation.

Non-Performing Assets (cont'd)

	NPL \$m	NPL ratio ¹ %	Total cumulative impairment	
			as a % of NPL %	as a % of unsecured NPL %
NPL by geography²				
Singapore				
Mar 10	831	1.2	208.5	341.1
Dec 09	923	1.4	185.5	299.8
Mar 09	822	1.2	171.8	356.6
Malaysia				
Mar 10	442	3.3	71.9	230.4
Dec 09	435	3.5	68.3	225.0
Mar 09	438	3.6	63.0	231.9
Thailand				
Mar 10	419	5.9	70.4	119.9
Dec 09	409	6.1	69.9	120.7
Mar 09	430	6.2	69.3	101.4
Indonesia				
Mar 10	106	2.9	66.0	250.0
Dec 09	106	3.0	63.2	304.5
Mar 09	89	2.9	68.5	290.5
Greater China				
Mar 10	85	2.1	81.2	222.6
Dec 09	105	2.6	83.8	220.0
Mar 09	119	2.5	73.1	135.9
Other				
Mar 10	270	3.1	30.7	67.5
Dec 09	282	3.2	33.0	78.2
Mar 09	287	2.6	55.1	84.0
Group NPL				
Mar 10	2,153	2.0	119.3	239.1
Dec 09	2,260	2.2	112.5	226.9
Mar 09	2,185	2.1	104.9	211.8

Group NPL declined 4.7% from last quarter and 1.5% from a year ago to \$2,153 million as at 31 March 2010. NPL ratio improved against both comparative periods to 2.0%.

Notes:

- 1 Debt securities and contingent assets are excluded from the computations.
- 2 Based on the location where the non-performing loans are booked.

Customer Deposits

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
By product group			
Fixed deposits	65,332	64,343	72,324
Savings deposits	31,232	30,121	26,226
Current accounts	24,911	25,200	19,490
Other	4,095	1,838	1,317
Total	125,570	121,502	119,357
By maturity			
Within 1 year	121,993	117,602	115,396
Over 1 year but within 3 years	2,411	2,795	2,591
Over 3 years but within 5 years	771	738	880
Over 5 years	394	367	490
Total	125,570	121,502	119,357
Loans/Deposits ratio (%)	81.5	81.6	83.5

Customer deposits was \$125.6 billion as at 31 March 2010, an increase of 3.3% from the previous quarter. Year-on-year, customer deposits increased 5.2%, led by current accounts and savings deposits, partially offset by lower fixed deposits.

Debts Issued

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Subordinated debts			
Due after one year (unsecured)	5,588	5,354	5,717
Other debts issued			
Due within one year (unsecured)	427	576	575
Due after one year (unsecured)	107	114	236
	534	690	812
Total	6,122	6,044	6,529

Shareholders' Equity

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Shareholders' equity	19,926	18,986	16,260
Add: Revaluation surplus	2,416	2,394	2,909
Shareholders' equity including revaluation surplus	22,342	21,380	19,169

Shareholders' equity increased 4.9% over 31 December 2009 to \$19.9 billion as at 31 March 2010. The increase was mainly contributed by higher retained earnings, foreign exchange translation and improved valuation of the investment portfolio.

Compared to a year ago, shareholders' equity grew 22.5% largely attributed to improved valuation of the investment portfolio.

As at 31 March 2010, revaluation surplus of \$2.4 billion on the Group's properties was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares	
	1Q10	1Q09
	'000	'000
Balance at beginning/end of period		
Ordinary shares	1,524,194	1,523,931
Treasury shares	(18,175)	(18,320)
Ordinary shares net of treasury shares	1,506,019	1,505,611
Class E non-cumulative non-convertible preference shares	13,200	13,200

As at 31 March 2010, there were no outstanding and exercisable options (31 March 2009: 267,000) that would render new shares to be issued.

Performance by Operating Segment

The Group's businesses are organised into the following four segments based on the types of products and services that it provides:

Group Retail ("GR")

GR segment covers Consumer, Privilege and Business Banking. Consumer Banking serves the individual customers, while Business Banking serves small enterprises with a wide range of products and services, including deposits, loans, investments, credit and debit cards and insurance products. Privilege Banking provides an extended range of financial services, including wealth management, offshore and restricted products such as structured notes, funds of hedge funds, and high networth insurance plans to the wealthy and affluent customers.

Segment profit increased 15.6% to \$252 million in 1Q10. The increase was mainly due to higher fee and commission income from investment products and credit cards and lower impairment charges. These were partly negated by higher operating expenses.

Group Institutional Financial Services ("GIFS")

GIFS segment encompasses Commercial Banking, Corporate Banking, Corporate Finance, Debt Capital Markets and Private Banking. Commercial Banking serves the medium and large enterprises, while Corporate Banking serves large local corporations, government-linked companies and agencies. Both Commercial Banking and Corporate Banking provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, ship finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and corporate advisory services. Debt Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans for general corporate needs, leveraged buy-outs, project and structured finance, and underwriting and lead managing bond issues. Private Banking caters to the high net worth individuals and accredited investors, offering financial and portfolio planning, including investment management, asset management and estate planning.

Segment profit increased 120.2% to \$359 million in 1Q10. The increase was largely due to lower impairment charges on loans.

Global Markets and Investment Management ("GMIM")

GMIM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, gold products, as well as an array of structured products. It is a dominant player in Singapore dollar treasury instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds.

Segment profit decreased 35.1% to \$231 million in 1Q10. The decrease was mainly attributed to lower income from money market, trading and investment activities.

Other

Other segment includes property-related activities, insurance businesses and income and expenses not attributable to other operating segments.

The segment recorded a profit of \$32 million in 1Q10 compared to a loss of \$214 million in 1Q09. This was mainly due to higher realised gain on investment securities, gain on sale of UOB Life and lower collective impairment.

Performance by Operating Segment¹ (cont'd)

	GR	GIFS	GMIM	Other	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1Q10						
Operating income ²	522	462	321	226	(29)	1,502
Operating expenses	(263)	(114)	(89)	(105)	29	(542)
Impairment charges	(6)	13	(2)	(113)	-	(108)
Amortisation of intangible assets	(1)	(2)	-	-	-	(3)
Share of profit of associates	-	-	1	24	-	25
Profit before tax	252	359	231	32	-	874
Segment assets	45,126	58,370	80,598	4,609	(2,582)	186,121
Intangible assets	1,181	2,303	669	80	-	4,233
Investment in associates	-	-	18	1,215	-	1,233
Total assets	46,307	60,673	81,285	5,904	(2,582)	191,587
Segment liabilities	62,593	57,236	45,706	8,535	(2,582)	171,488
Other information						
Inter-segment operating income	27	(29)	(41)	72	(29)	-
Gross customer loans	44,831	57,791	438	85	-	103,145
Non-performing assets	603	1,550	307	163	-	2,623
Capital expenditure	4	-	-	9	-	13
Depreciation of assets	4	1	1	28	-	34
1Q09						
Operating income ²	451	480	449	33	(29)	1,384
Operating expenses	(204)	(120)	(83)	(113)	29	(491)
Impairment charges	(28)	(196)	(12)	(142)	-	(378)
Amortisation of intangible assets	(1)	(1)	-	-	-	(2)
Share of profit of associates	-	-	2	8	-	10
Profit before tax	218	163	356	(214)	-	523
Segment assets	38,978	64,426	66,804	6,021	(2,959)	173,270
Intangible assets	1,181	2,285	665	80	-	4,211
Investment in associates	-	-	30	1,032	-	1,062
Total assets	40,159	66,711	67,499	7,133	(2,959)	178,543
Segment liabilities	58,863	60,188	36,714	9,330	(2,959)	162,136
Other information						
Inter-segment operating income	86	(114)	6	51	(29)	-
Gross customer loans	38,624	63,131	98	99	-	101,952
Non-performing assets	652	1,532	123	142	-	2,449
Capital expenditure	6	1	1	26	-	34
Depreciation of assets	4	1	-	28	-	33

Notes:

- 1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.
- 2 No operating income from transactions with a single external customer or counterparty amounted to 10% or more of the Group's operating income in the financial periods reported above.
- 3 Certain prior period comparatives have been restated to reflect the re-alignment of the organisation to be more segment focused.

Performance by Geographical Segment¹

	1Q10	4Q09	1Q09
	\$m	\$m	\$m
Total operating income			
Singapore	979	794	900
Malaysia	176	141	154
Thailand	109	100	110
Indonesia	97	89	88
Greater China	47	40	45
Other	94	78	87
Total	1,502	1,242	1,384
Profit before tax			
Singapore	605	537	353
Malaysia	98	44	83
Thailand	26	14	21
Indonesia	45	36	41
Greater China	23	1	17
Other	79	32	11
	877	664	526
Intangible assets amortised	(3)	(3)	(2)
Total	874	661	523

Singapore and the regional countries accounted for 69.0% and 19.3% of the Group's pre-tax profit in 1Q10 respectively.

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Total assets			
Singapore	128,890	121,190	118,578
Malaysia	18,897	17,776	16,019
Thailand	9,725	9,509	9,032
Indonesia	4,945	4,920	4,263
Greater China	7,405	7,132	8,156
Other	17,493	20,822	18,284
	187,354	181,349	174,332
Intangible assets	4,233	4,229	4,211
Total	191,587	185,578	178,543

Note:

¹ Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.

Capital Adequacy Ratios

	Mar-10	Dec-09	Mar-09
	\$m	\$m	\$m
Tier 1 capital			
Share capital	1,902	1,902	1,896
Preference shares	2,149	2,149	2,149
Disclosed reserves/other	15,859	15,189	14,171
Deductions from Tier 1 capital	(4,819)	(5,113)	(5,089)
Eligible Tier 1 capital	15,091	14,127	13,127
Tier 2 capital			
Cumulative collective impairment/other	863	912	622
Subordinated notes	4,785	4,767	5,365
Deductions from Tier 2 capital	(468)	(623)	(617)
Eligible total capital	20,271	19,183	18,497
Risk-weighted assets	101,414	100,908	106,634
Capital adequacy ratios ("CAR")			
Tier 1	14.9%	14.0%	12.3%
Total	20.0%	19.0%	17.3%

As at 31 March 2010, Group Tier 1 and total CAR of 14.9% and 20.0% were well above the minimum 6% and 10% required by MAS respectively.

The increase in CAR over 31 December 2009 was largely attributed to higher retained earnings.

The higher CAR over 31 March 2009 were primarily due to lower risk-weighted assets and higher reserves arising mainly from higher retained earnings as well as lower revaluation loss on available-for-sale assets.

Consolidated Profit and Loss Account (Unaudited)

	1Q10	4Q09	+ / (-)	1Q09	+ / (-)
	\$m	\$m	%	\$m	%
Interest income	1,224	1,204	1.6	1,429	(14.4)
Less: Interest expense	324	312	3.6	480	(32.6)
Net interest income	900	892	0.9	949	(5.2)
Dividend income	3	4	(30.2)	4	(21.6)
Fee and commission income	284	247	15.1	240	18.4
Rental income	30	36	(17.4)	34	(13.8)
Other operating income	285	63	352.0	156	82.7
Non-interest income	602	350	71.9	434	38.6
Total operating income	1,502	1,242	20.9	1,384	8.6
Less: Staff costs	301	308	(2.1)	259	16.3
Other operating expenses	241	246	(2.0)	232	4.0
Total operating expenses	542	554	(2.1)	491	10.5
Operating profit before charges	960	688	39.4	893	7.5
Less: Amortisation/impairment charges					
Intangible assets	3	3	2.9	2	16.3
Loans and other assets	108	44	144.1	378	(71.3)
Operating profit after charges	849	641	32.4	513	65.5
Share of profit of associates	25	19	28.3	10	149.2
Profit before tax	874	661	32.2	523	67.1
Less: Tax	167	134	24.2	112	49.4
Profit for the financial period	707	527	34.3	412	71.9
Attributable to:					
Equity holders of the Bank	700	522	34.2	409	71.2
Minority interests	7	5	43.2	2	181.9
	707	527	34.3	412	71.9

Consolidated Statement of Comprehensive Income (Unaudited)

	1Q10	4Q09	+ / (-)	1Q09	+ / (-)
	\$m	\$m	%	\$m	%
Profit for the financial period	707	527	34.3	412	71.9
Currency translation adjustments	152	16	860.9	131	15.5
Change in available-for-sale reserve					
Change in fair value	139	225	(38.1)	26	426.4
Transfer to profit and loss account on disposal/impairment	11	2	378.1	224	(95.0)
Tax on net movement	(24)	(18)	(32.5)	(32)	26.7
Change in share of other comprehensive income of associates	(4)	27	(114.7)	(33)	87.9
Other comprehensive income for the financial period	275	252	8.8	317	(13.3)
Total comprehensive income for the financial period	982	779	26.0	728	34.8
Attributable to:					
Equity holders of the Bank	974	773	26.1	726	34.2
Minority interests	8	6	24.9	3	188.0
	982	779	26.0	728	34.8

Consolidated Balance Sheet (Unaudited)

	Mar-10	Dec-09 ¹	Mar-09
	\$m	\$m	\$m
Equity			
Share capital	4,051	4,051	4,045
Retained earnings	6,981	6,324	6,087
Other reserves	8,894	8,611	6,129
Equity attributable to equity holders of the Bank	19,926	18,986	16,260
Minority interests	173	169	148
Total	20,099	19,155	16,408
Liabilities			
Deposits and balances of banks	28,910	27,751	23,620
Deposits and balances of non-bank customers	125,570	121,502	119,357
Bills and drafts payable	1,282	1,438	826
Other liabilities	9,605	9,688	11,804
Debts issued	6,122	6,044	6,529
Total	171,488	166,423	162,136
Total equity and liabilities	191,587	185,578	178,543
Assets			
Cash, balances and placements with central banks	21,221	18,865	16,086
Singapore Government treasury bills and securities	14,850	12,787	12,782
Other government treasury bills and securities	9,625	7,704	2,547
Trading securities	127	118	135
Placements and balances with banks	13,131	14,116	12,274
Loans to non-bank customers	100,577	99,201	99,660
Investment securities	15,801	16,177	15,758
Other assets	8,625	8,994	11,923
Investment in associates	1,233	1,212	1,062
Investment properties	1,131	1,134	1,040
Fixed assets	1,033	1,040	1,064
Intangible assets	4,233	4,229	4,211
Total	191,587	185,578	178,543
Off-balance sheet items			
Contingent liabilities	13,463	12,388	11,578
Financial derivatives	283,348	269,080	365,963
Commitments	50,073	47,278	51,414
Net asset value per ordinary share (\$)	11.80	11.17	9.37

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank			Minority interests	Total equity
	Share capital	Retained earnings	Other reserves		
	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2010	4,051	6,324	8,611	169	19,155
Profit for the financial period	-	700	-	7	707
Other comprehensive income for the financial period	-	-	274	1	275
Total comprehensive income for the financial period	-	700	274	8	982
Change in minority interests	-	-	0	(2)	(2)
Dividends	-	(43)	-	(1)	(45)
Share-based compensation	-	-	9	-	9
Balance at 31 March 2010	4,051	6,981	8,894	173	20,099
Balance at 1 January 2009	4,045	5,724	5,804	146	15,719
Profit for the financial period	-	409	-	2	412
Other comprehensive income for the financial period	-	-	317	0	317
Total comprehensive income for the financial period	-	409	317	3	728
Transfers	-	(3)	3	-	-
Change in minority interests	-	-	-	0	0
Dividends	-	(44)	-	(1)	(45)
Share-based compensation	-	-	5	-	5
Balance at 31 March 2009	4,045	6,087	6,129	148	16,408

Consolidated Cash Flow Statement (Unaudited)

	1Q10	1Q09
	\$m	\$m
Cash flows from operating activities		
Operating profit before amortisation and impairment charges	960	893
Adjustments for:		
Depreciation of assets	34	33
Net gain on disposal of assets	(134)	(23)
Share-based compensation	9	5
Operating profit before working capital changes	869	909
Increase/(decrease) in working capital		
Deposits	5,226	(3,646)
Bills and drafts payable	(155)	(722)
Other liabilities	(185)	(1,073)
Trading securities	(9)	4
Placements and balances with banks	984	2,922
Loans to non-bank customers	(1,438)	(35)
Other assets	37	1,113
Cash generated from/(used in) operations	5,329	(529)
Income tax paid	(49)	(28)
Net cash provided by/(used in) operating activities	5,280	(556)
Cash flows from investing activities		
Net cash flow on disposal/(acquisition) of:		
Investment securities and associates	489	53
Properties and other fixed assets	(23)	(44)
Proceeds from disposal of subsidiaries	426	-
Change in minority interests	(2)	0
Dividends received from associates	1	4
Net cash provided by investing activities	890	13
Cash flows from financing activities		
Net increase in debts issued	78	283
Dividends paid on preference shares	(53)	(55)
Dividends paid to minority interests	(1)	(1)
Net cash provided by financing activities	23	227
Currency translation adjustments	147	132
Net increase/(decrease) in cash and cash equivalents	6,340	(185)
Cash and cash equivalents at beginning of the financial period	39,356	31,600
Cash and cash equivalents at end of the financial period	45,696	31,415
Represented by:		
Cash, balances and placements with central banks	21,221	16,086
Singapore Government treasury bills and securities	14,850	12,782
Other government treasury bills and securities	9,625	2,547
Cash and cash equivalents at end of the financial period	45,696	31,415

Balance Sheet of the Bank (Unaudited)

	Mar-10	Dec-09 ¹	Mar-09
	\$m	\$m	\$m
Equity			
Share capital	3,220	3,220	3,213
Retained earnings	5,932	5,337	5,323
Other reserves	8,299	8,136	5,812
Total	17,450	16,693	14,348
Liabilities			
Deposits and balances of banks	27,706	26,482	22,536
Deposits and balances of non-bank customers	99,691	95,930	94,482
Deposits and balances of subsidiaries	2,587	2,513	4,027
Bills and drafts payable	275	166	107
Other liabilities	7,416	7,937	8,833
Debts issued	6,315	6,324	6,736
Total	143,991	139,352	136,722
Total equity and liabilities	161,441	156,046	151,070
Assets			
Cash, balances and placements with central banks	14,736	12,935	11,548
Singapore Government treasury bills and securities	14,797	12,724	12,717
Other government treasury bills and securities	7,480	4,694	1,287
Trading securities	127	114	125
Placements and balances with banks	11,523	12,821	10,508
Loans to non-bank customers	76,622	76,600	77,001
Placements with and advances to subsidiaries	3,700	2,578	2,055
Investment securities	14,749	15,169	14,759
Other assets	7,208	7,384	9,882
Investment in associates	371	371	372
Investment in subsidiaries	4,764	5,278	5,404
Investment properties	1,403	1,424	1,262
Fixed assets	779	771	967
Intangible assets	3,182	3,182	3,182
Total	161,441	156,046	151,070
Off-balance sheet items			
Contingent liabilities	10,899	9,936	9,548
Financial derivatives	259,309	246,936	346,737
Commitments	38,051	35,897	36,638
Net asset value per ordinary share (\$)	10.71	10.20	8.65

Note:

1 Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 January 2010	3,220	5,337	8,136	16,693
Profit for the financial period	-	627	-	627
Other comprehensive income for the financial period	-	-	154	154
Total comprehensive income for the financial period	-	627	154	781
Dividends	-	(33)	-	(33)
Share-based compensation	-	-	9	9
Balance at 31 March 2010	3,220	5,932	8,299	17,450
Balance at 1 January 2009	3,213	5,031	5,632	13,876
Profit for the financial period	-	325	-	325
Other comprehensive income for the financial period	-	-	174	174
Total comprehensive income for the financial period	-	325	174	499
Dividends	-	(33)	-	(33)
Share-based compensation	-	-	5	5
Balance at 31 March 2009	3,213	5,323	5,812	14,348