

A blue line-art illustration of a skyscraper, showing the building's structure with various levels and setbacks, rendered in a perspective view.

UOB Group Full Year 2009 Briefing

Financial Highlights

**Lee Wai Fai
Chief Financial Officer**

26 February 2010

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Singapore Company Reg No. 193500026Z

Record Operating Profit of \$3.33 billion

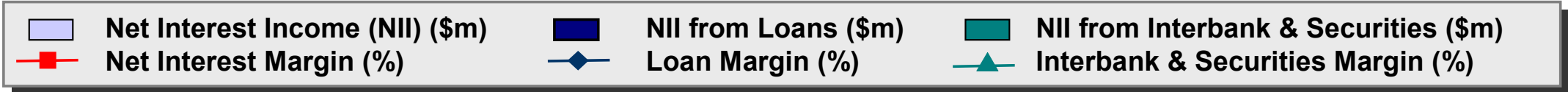
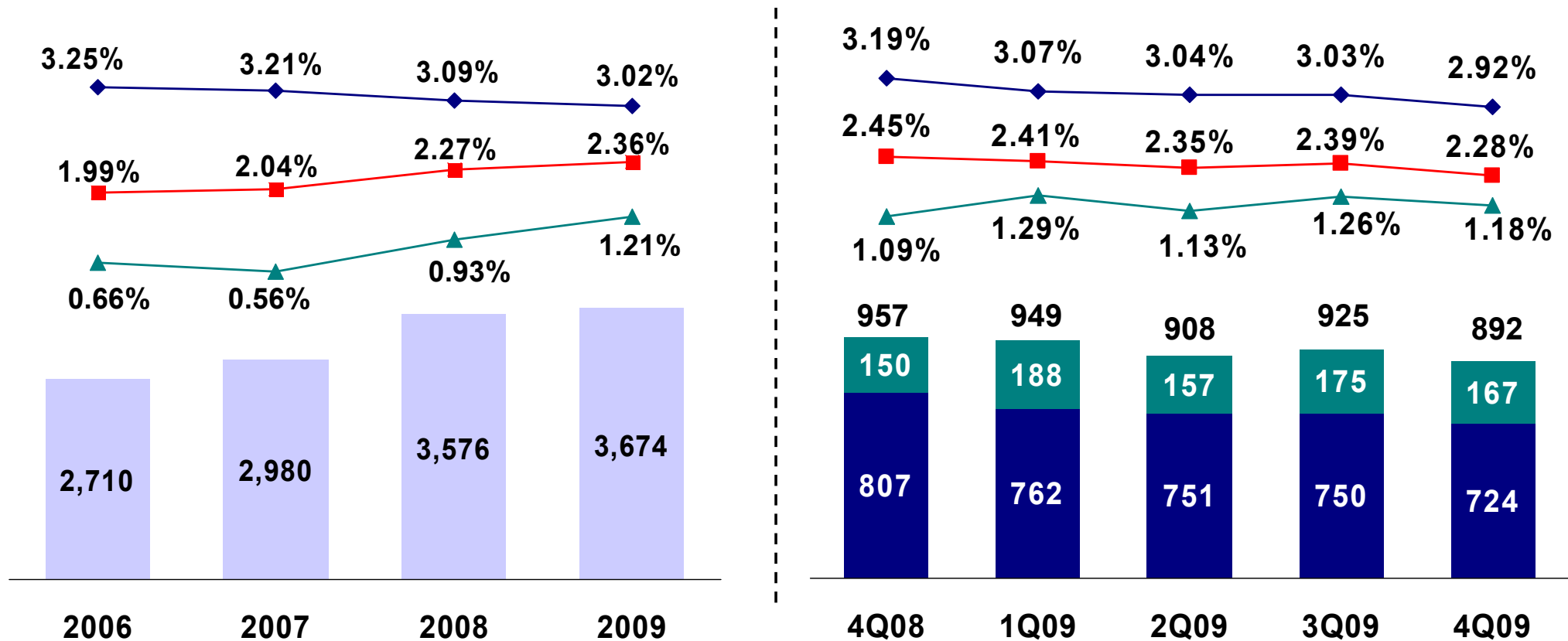
	2009 \$m	2008 \$m	+ / (-) %
Net interest income	3,674	3,576	2.7
Non-interest income	1,732	1,675	3.4
Total income	5,405	5,250	3.0
Less: Total expenses	2,074	2,050	1.2
Operating profit	3,331	3,200	4.1
Less: Intangible assets amortised	10	11	(3.4)
Individual impairment - loans	604	324	86.5
Individual impairment - other assets	11	195	(94.3)
Collective impairment	506	288	75.5
Add: Share of profit of associates	107	103	3.8
Less: Tax & minority interests	404	548	(26.2)
Net Profit After Tax (NPAT)	1,902	1,937	(1.8)
NPAT growth at constant FX rate			(1.3)

Quarter on Quarter Profit up 4.3%

	4Q09 \$m	3Q09 \$m	+ / (-) %	4Q08 \$m	+ / (-) %
Net interest income	892	925	(3.6)	957	(6.9)
Non-interest income	350	396	(11.6)	391	(10.4)
Total income	1,242	1,322	(6.0)	1,348	(7.9)
Less: Total expenses	554	510	8.6	532	4.1
Operating profit	688	812	(15.2)	817	(15.7)
Less: Intangible assets amortised	3	3	1.7	2	14.2
Individual impairment – loans	127	157	(19.5)	182	(30.4)
Individual impairment – other assets	(23)	8	(402.6)	94	(124.7)
Collective impairment	(59)	70	(184.6)	104	(156.5)
Add: Share of profit of associates	19	46	(57.2)	14	38.5
Less: Tax & minority interests	139	120	16.2	116	20.1
NPAT	522	500	4.3	332	57.2
NPAT growth at constant FX rate			4.5		59.0

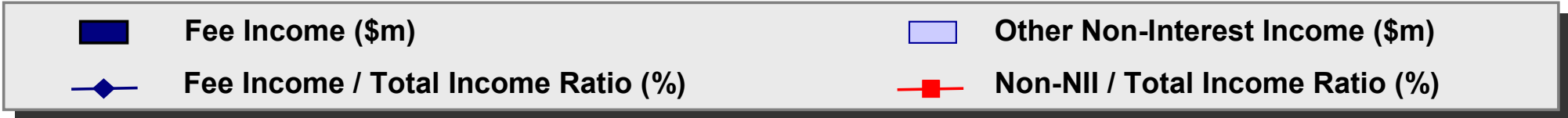
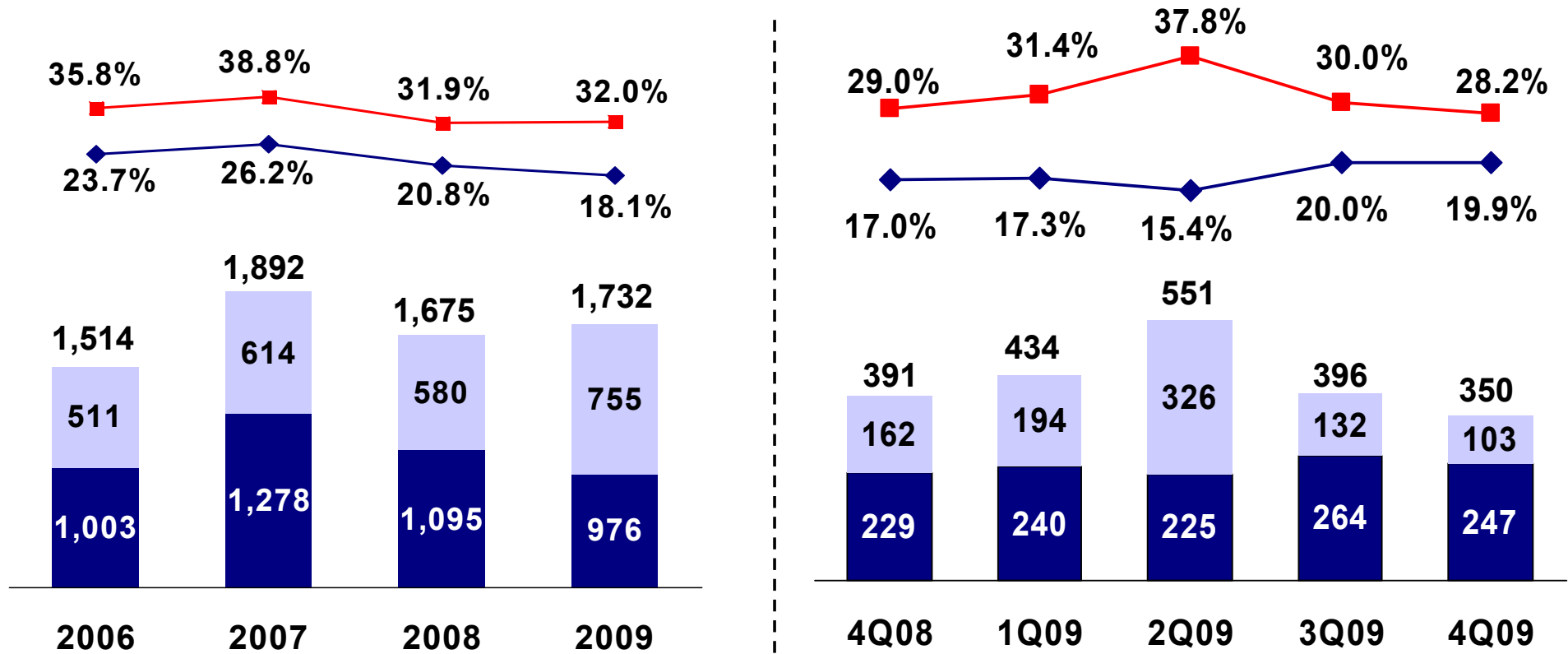
Net Interest Income & Margins remained steady

Net Interest Income and Margin



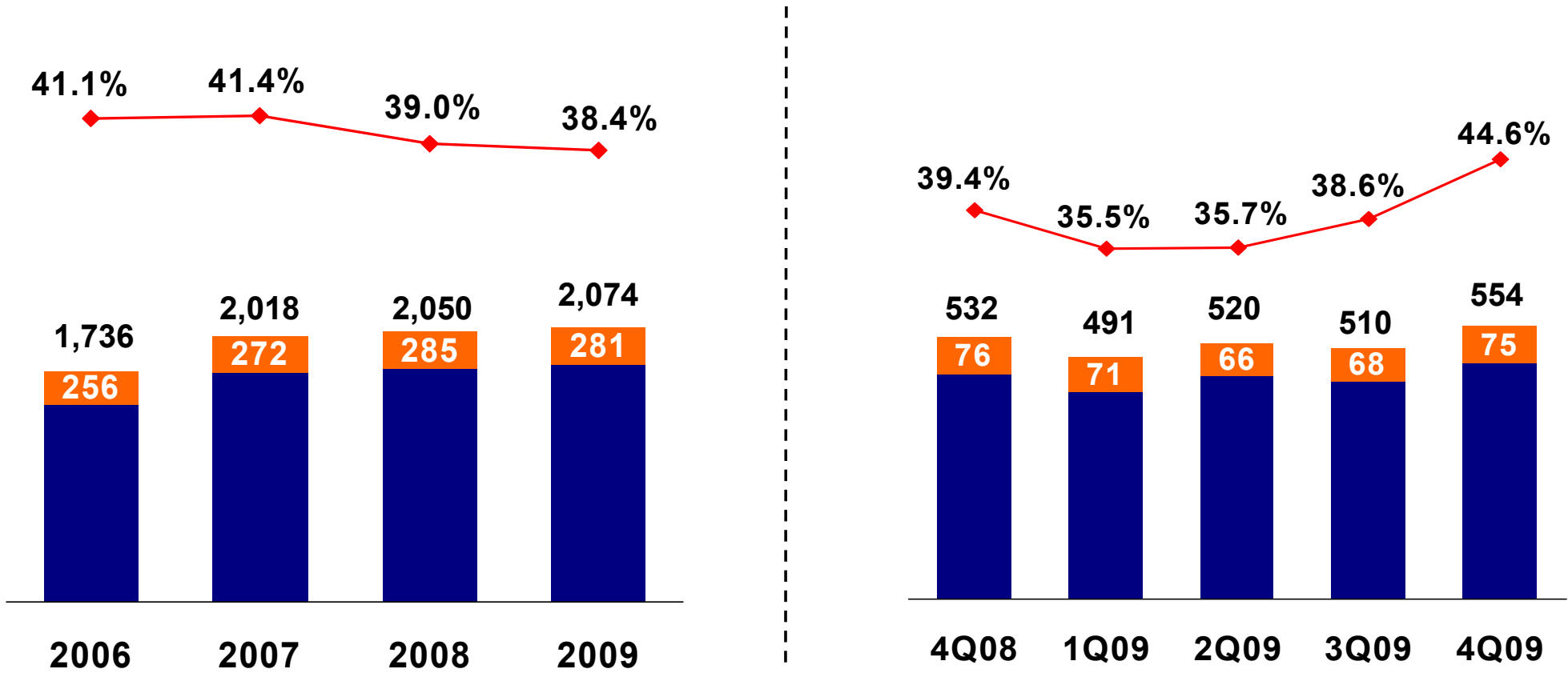
Higher Non-Interest Income Year-on-Year

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



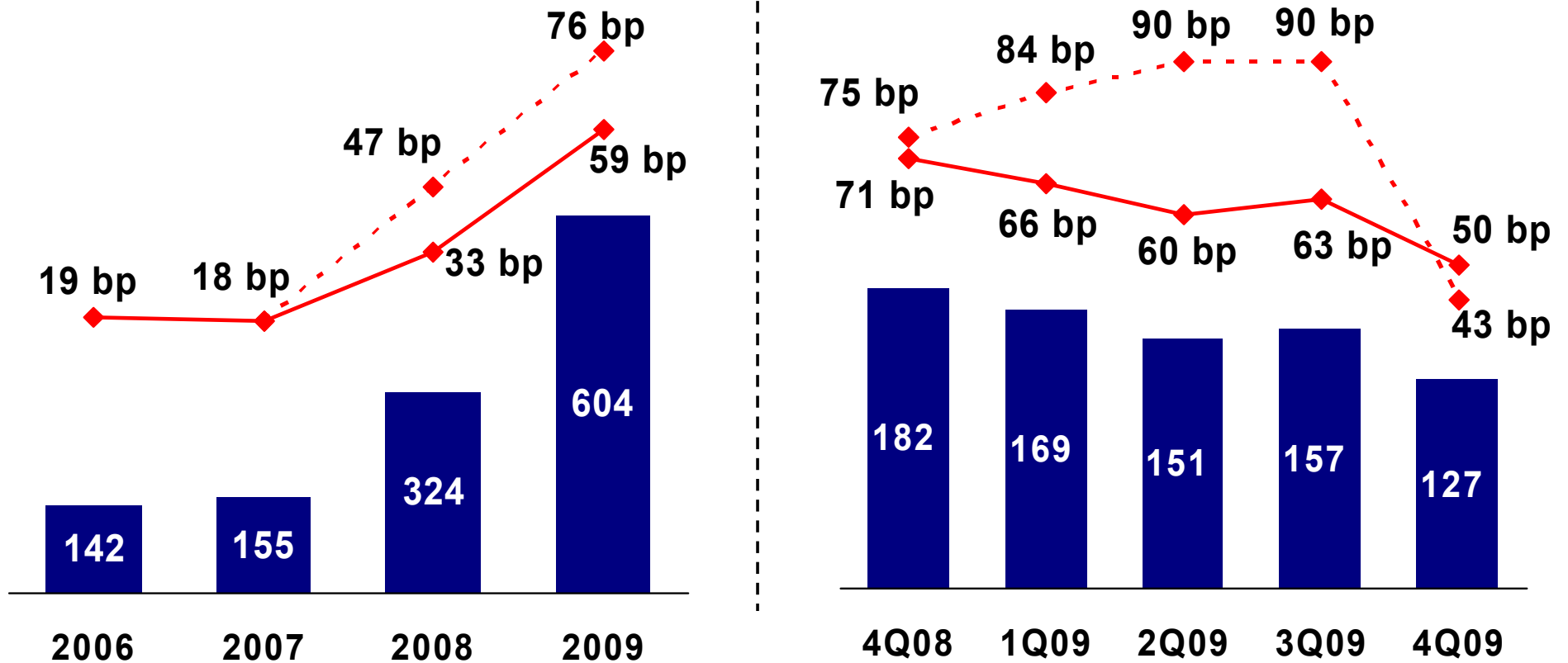
Disciplined Cost Management

Operating Expenses and Expense / Income Ratio



Prudent Provisioning Policy

Impairment Charges on Loans



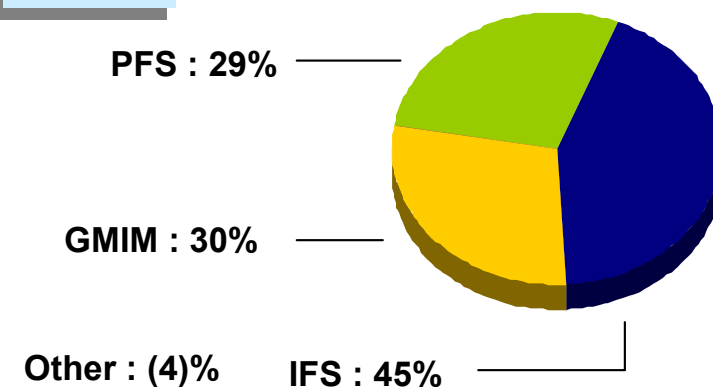
- Individual Impairment Charges on Loans (\$m)
- ◆— Individual Impairment Charges on Loans / Average Gross Customer Loans (basis points) *
- ◆- Total Impairment Charges on Loans / Average Gross Customer Loans (basis points) *

* On annualised basis for quarters

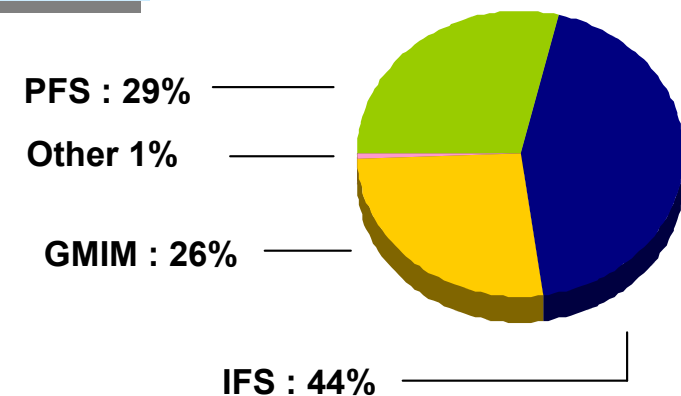
Broad Based Business Growth

<u>Segment Operating Profit *</u>	2009	2008	+ / (-)
	\$m	\$m	%
Personal Financial Services (PFS)	975	920	6.0
Institutional Financial Services (IFS)	1,498	1,412	6.1
Global Markets & Investment Mgt (GMIM)	985	853	15.5
Other	(127)	15	(946.7)
Total	3,331	3,200	4.1

2009



2008

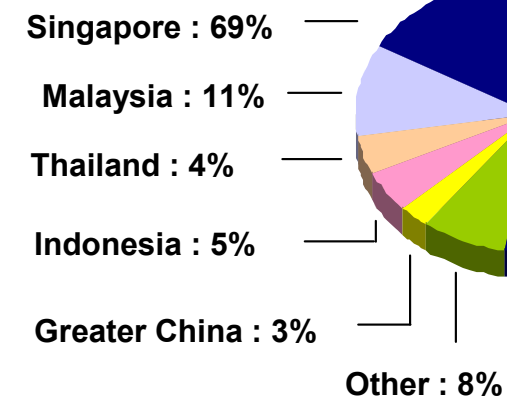


* Before amortisation and impairment charges

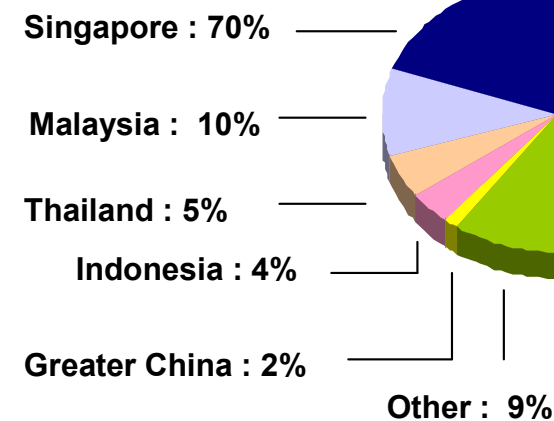
Operating Growth in Singapore and Overseas

<u>Operating Profit *</u>	<u>2009</u> <u>\$m</u>	<u>2008</u> <u>\$m</u>	<u>+ / (-)</u> <u>%</u>	<u>At constant</u> <u>FX rate</u> <u>%</u>
Singapore (including ACU)	2,308	2,230	3.5	3.5
Total Overseas	1,023	970	5.5	6.9
Malaysia	361	330	9.2	12.2
Thailand	144	165	(12.6)	(12.7)
Indonesia	172	124	38.1	40.5
Greater China	95	49	93.1	82.4
Other	251	301	(16.5)	(15.0)
Total	3,331	3,200	4.1	4.5

2009



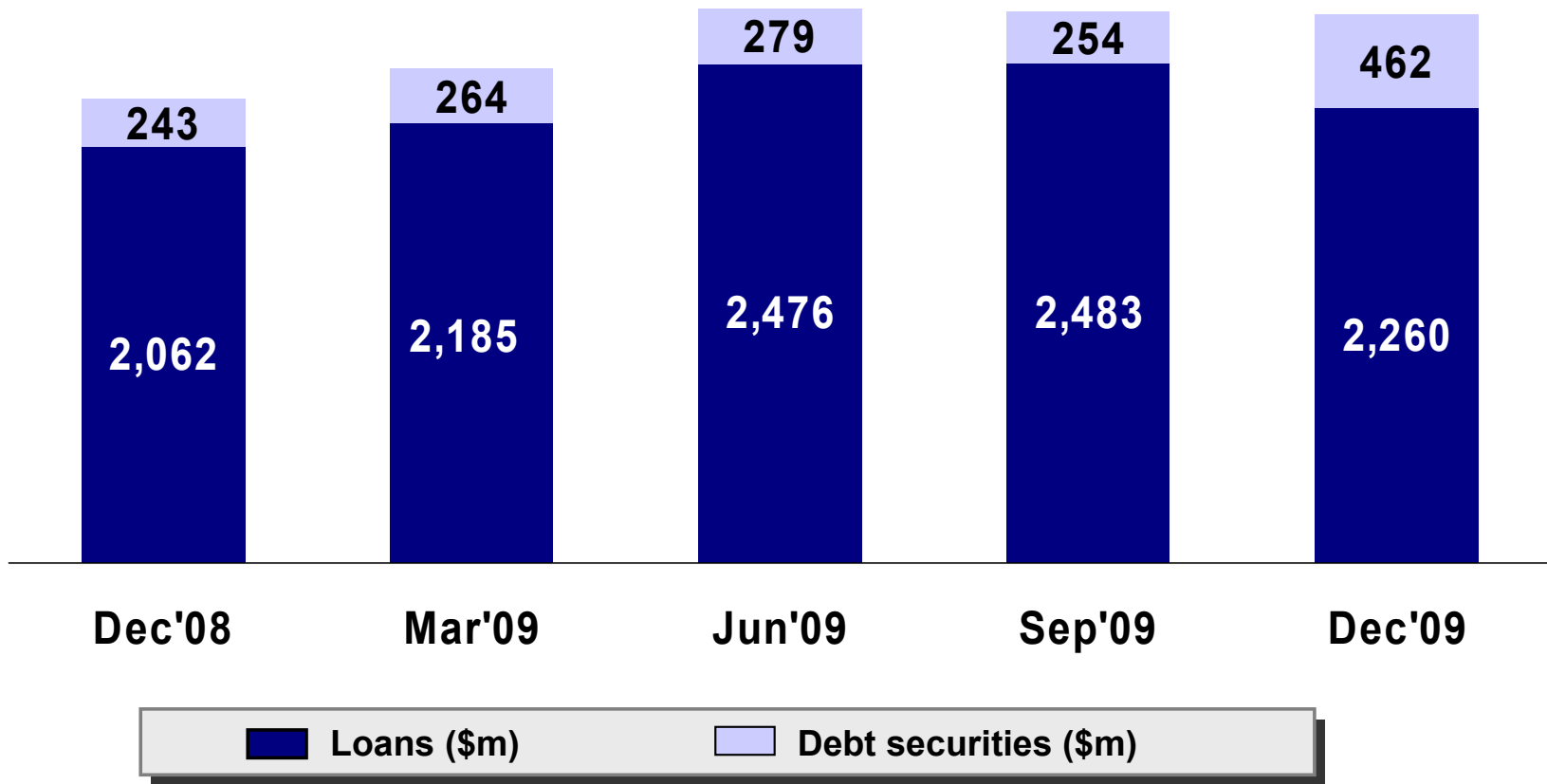
2008



* Before amortisation and impairment charges

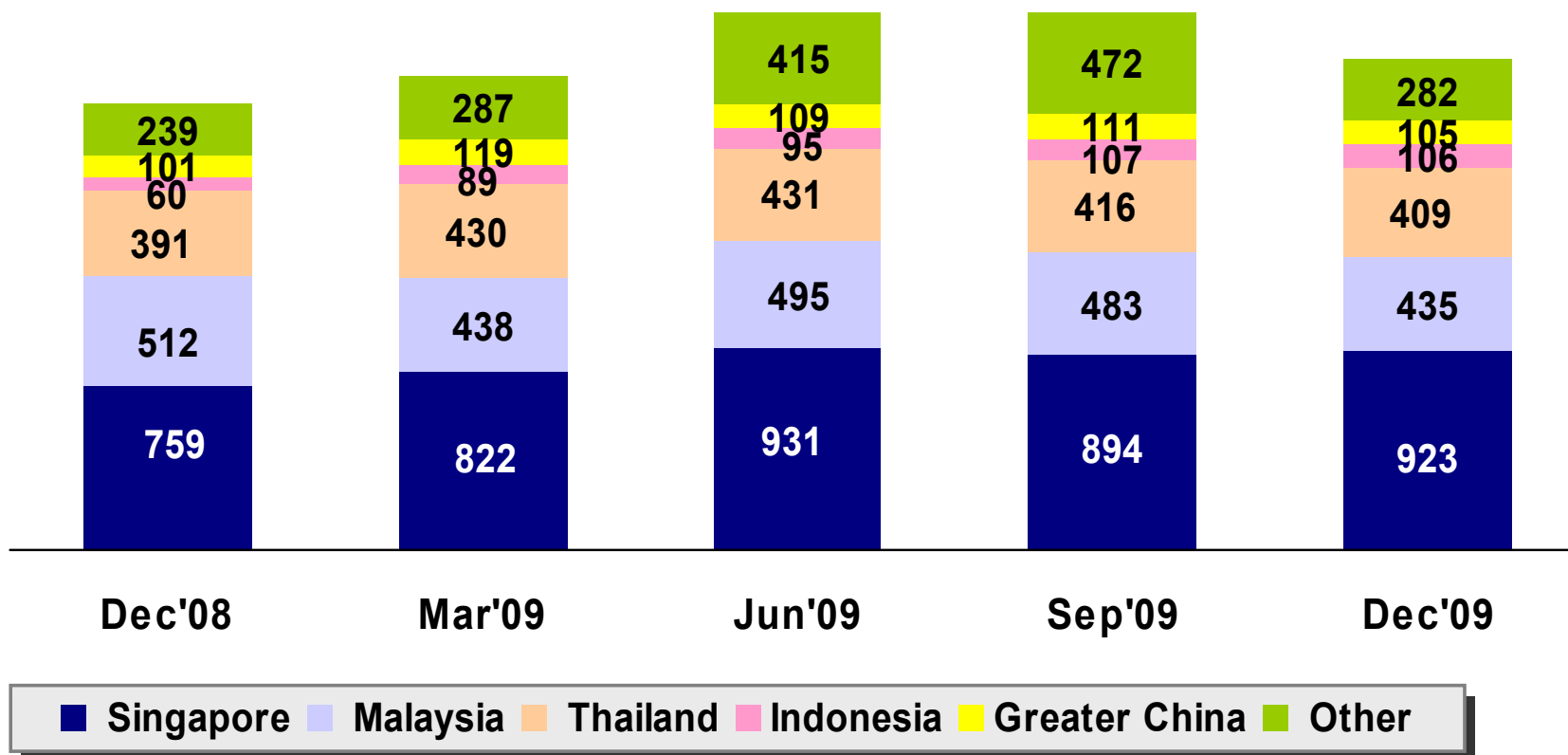
Stabilising Asset Quality

NPA (\$m)	2,305	2,449	2,755	2,737	2,722
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Improved NPL amid recovering economies

NPL (\$m)	2,062	2,185	2,476	2,483	2,260
NPL Ratio *	2.0%	2.1%	2.4%	2.4%	2.2%



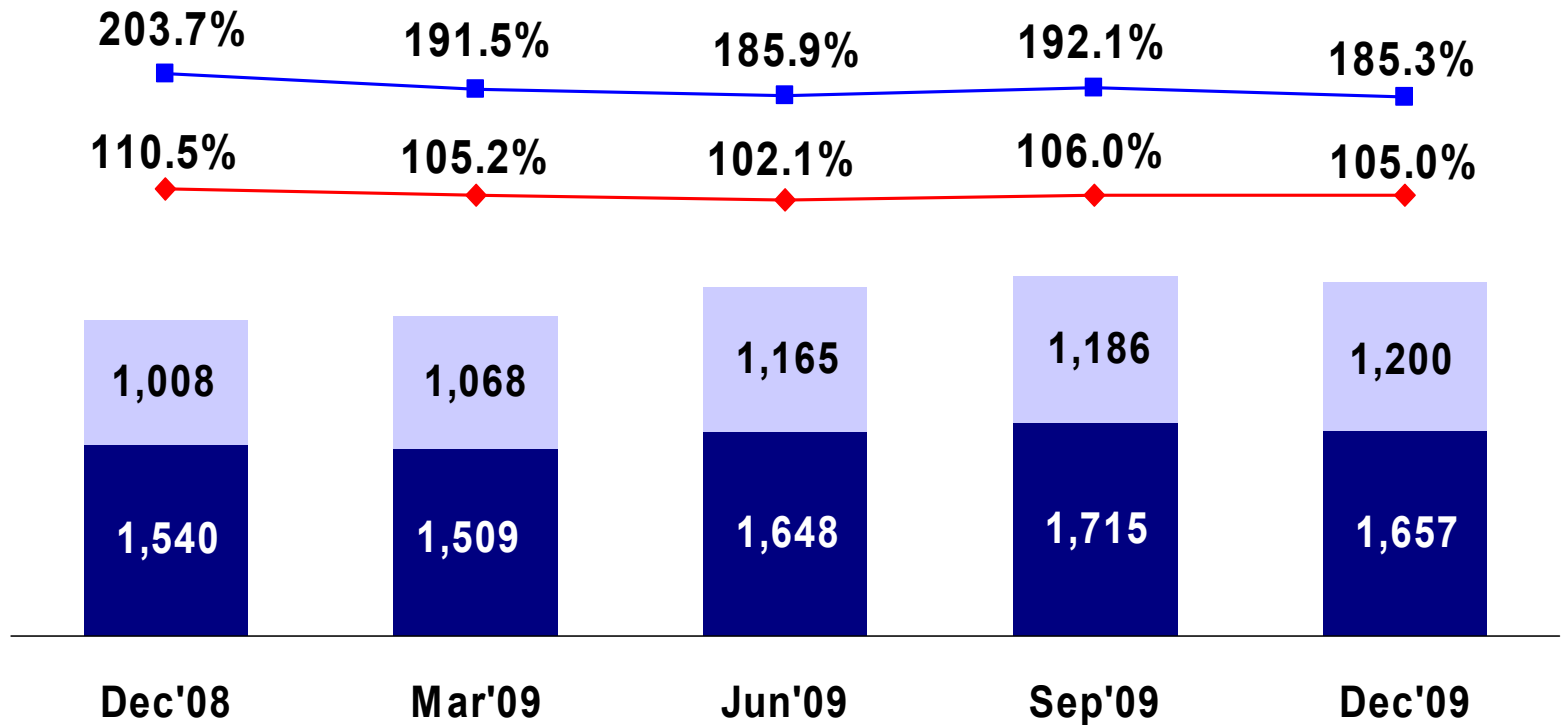
* Debt securities and contingent assets are excluded from the computation.

Movement in NPL

	2009	2008	4Q09	3Q09
	\$m	\$m	\$m	\$m
Opening Balance	2,062	1,713	2,483	2,476
New / Existing	1,155	982	298	347
Write-off	(377)	(172)	(167)	(90)
Payment / Declassification	(580)	(461)	(354)	(250)
Closing Balance	2,260	2,062	2,260	2,483

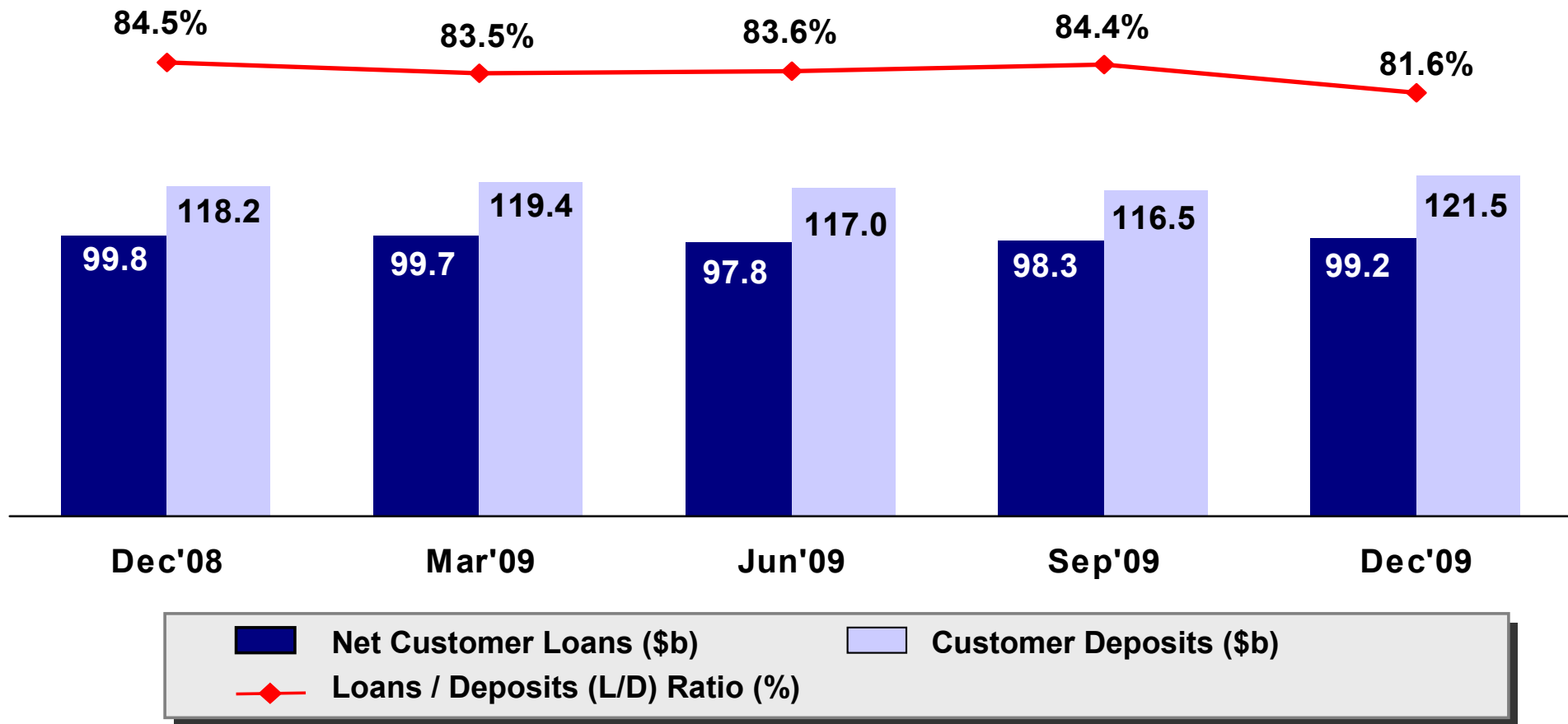
Adequate Impairment Coverage

Total Impairment (\$m)	2,548	2,577	2,813	2,901	2,857
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Higher Customer Loans and Deposits

Customer Loans, Deposits and L/D Ratio



Singapore (incl ACU) – Summarised P/L

	2009	2008	+ / (-)	4Q09	3Q09	+ / (-)
	\$'m	\$'m	%	\$'m	\$'m	%
Net interest income	2,300	2,156	6.7	551	573	(3.8)
Non-interest income	1,223	1,225	(0.2)	244	276	(11.9)
Total income	3,522	3,380	4.2	794	849	(6.4)
Less: Total expenses	1,214	1,150	5.6	318	291	9.1
Operating profit	2,308	2,230	3.5	476	558	(14.5)
Less: Total impairment charges	814	423	92.6	(40)	179	(122.2)
Add: Share of profit of associates	100	100	0.8	21	43	(50.6)
Net profit before tax	1,594	1,907	(16.4)	537	421	27.5

Singapore (incl ACU) – Key Financial Indicators



	2009 %	2008 %	+/(-) % pt	4Q09 %	3Q09 %	+/(-) % pt
Net interest margin	2.06	2.00	0.06	2.00	2.07	(0.07)
Non-NII / Total income	34.7	36.2	(1.5)	30.7	32.6	(1.9)
Expense / Total income	34.5	34.0	0.5	40.0	34.3	5.7
Customer loans (net) – \$'m	65,637	63,451	3.4%	65,637	65,145	0.8%
Loans / Deposits	74.1	70.7	3.4	74.1	75.1	(1.0)
NPL ratio	1.4	1.2	0.2	1.4	1.3	0.1

Malaysia – Summarised P/L

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	961	987	(2.6)	242	241	0.4
Non-interest income	426	310	37.4	103	88	17.0
Total income	1,387	1,297	6.9	345	329	4.9
Less: Total expenses	511	516	(1.0)	159	115	38.3
Operating profit	876	781	12.2	186	214	(13.1)
Less: Total impairment charges	216	227	(4.8)	72	28	157.1
Add: Share of profit of associates	(4)	4	(200.0)	(8)	1	(900.0)
Net profit before tax	656	558	17.6	106	187	(43.3)
Net profit before tax (S\$m)	271	235	15.2	44	76	(42.8)

Malaysia – Key Financial Indicators

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.37	2.56	(0.19)	2.23	2.36	(0.13)
Non-NII / Total income	30.7	23.9	6.8	29.9	26.7	3.2
Expense / Total income	36.8	39.8	(3.0)	46.1	35.0	11.1
Customer loans (net) – RM'm	28,851	28,313	1.9%	28,851	28,030	2.9%
Loans / Deposits	91.3	94.3	(3.0)	91.3	97.7	(6.4)
NPL ratio	3.5	4.2	(0.7)	3.5	4.1	(0.6)

Thailand – Summarised P/L

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	7,013	7,578	(7.5)	1,764	1,795	(1.7)
Non-interest income	2,790	3,292	(15.2)	617	696	(11.4)
Total income	9,803	10,870	(9.8)	2,381	2,491	(4.4)
Less: Total expenses	6,404	6,977	(8.2)	1,599	1,598	0.1
Operating profit	3,399	3,893	(12.7)	782	893	(12.4)
Less: Total impairment charges	1,578	2,134	(26.1)	464	487	(4.7)
Add: Share of profit of associates	9	23	(60.9)	10	1	900.0
Net profit before tax	1,830	1,782	2.7	328	407	(19.4)
Net profit before tax (S\$m)	78	77	1.4	14	17	(20.3)

Thailand – Key Financial Indicators

	2009	2008	+ / (-)	4Q09	3Q09	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	3.80	4.08	(0.28)	3.79	4.01	(0.22)
Non-NII / Total income	28.5	30.3	(1.8)	25.9	27.9	(2.0)
Expense / Total income	65.3	64.2	1.1	67.2	64.2	3.0
Customer loans (net) – THB'm	137,547	153,971	(10.7)%	137,547	136,100	1.1%
Loans / Deposits	90.5	94.1	(3.6)	90.5	88.8	1.7
NPL ratio	6.1	5.3	0.8	6.1	6.3	(0.2)

Indonesia – Summarised P/L

	2009	2008	+/(–)	4Q09	3Q09	+/(–)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	1,918	1,600	19.9	463	493	(6.1)
Non-interest income	649	397	63.5	138	136	1.5
Total income	2,567	1,997	28.5	601	629	(4.5)
Less: Total expenses	1,339	1,123	19.2	326	374	(12.8)
Operating profit	1,228	874	40.5	275	255	7.8
Less: Total impairment charges	133	128	3.9	34	21	61.9
Net profit before tax	1,095	746	46.8	241	234	3.0
Net profit before tax (S\$m)	153	107	44.1	36	34	4.9

Indonesia – Key Financial Indicators

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	6.40	6.07	0.33	6.47	6.49	(0.02)
Non-NII / Total income	25.3	19.9	5.4	23.0	21.6	1.4
Expense / Total income	52.2	56.2	(4.0)	54.2	59.5	(5.3)
Customer loans (net) – IDR'b	22,977	23,542	(2.4)%	22,977	22,485	2.2%
Loans / Deposits	87.6	92.4	(4.8)	87.6	89.4	(1.8)
NPL ratio	3.0	1.9	1.1	3.0	3.2	(0.2)

China – Summarised P/L

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	CNY'm	CNY'm	%	CNY'm	CNY'm	%
Net interest income	374	484	(22.7)	84	91	(7.7)
Non-interest income *	35	96	(63.5)	9	11	(18.2)
Total income	409	580	(29.5)	93	102	(8.8)
Less: Total expenses	255	245	4.1	74	67	10.4
Operating profit	154	335	(54.0)	19	35	(45.7)
Less: Total impairment charges	40	136	(70.6)	39	(5)	NM
Add: Share of profit of associates	3	-	NM	(1)	2	(150.0)
Net profit before tax	117	199	(41.2)	(21)	42	(150.0)
Net profit before tax (S\$m)	26	39	(34.8)	(4)	9	(149.2)

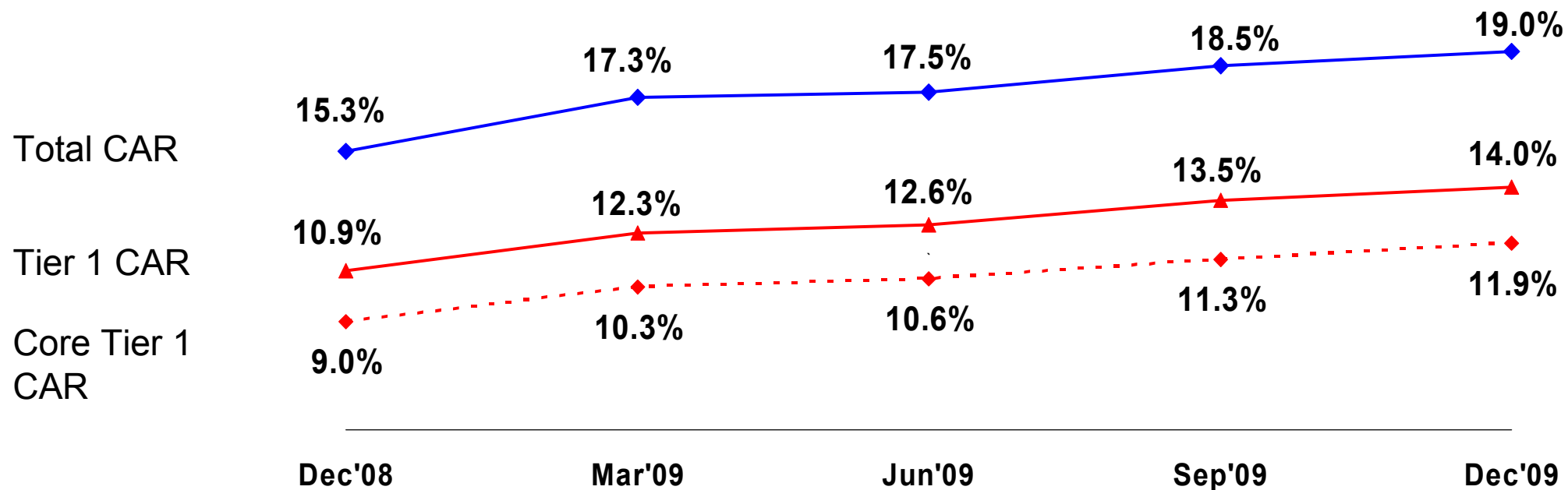
* Excluding the revaluation gain/loss on the USD capital injection

China – Key Financial Indicators

	2009	2008	+/(-)	4Q09	3Q09	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	2.87	3.42	(0.55)	2.80	3.02	(0.22)
Non-NII / Total income	8.6	16.6	(8.0)	9.7	10.8	(1.1)
Expense / Total income	62.3	42.2	20.1	79.6	65.7	13.9
Customer loans (net) – CNY'm	9,394	10,621	(11.6)%	9,394	9,121	3.0%
Loans / Deposits	142.7	202.7	(60.0)	142.7	210.2	(67.5)
NPL ratio	4.0	3.1	0.9	4.0	4.4	(0.4)

Capital Position Strengthened

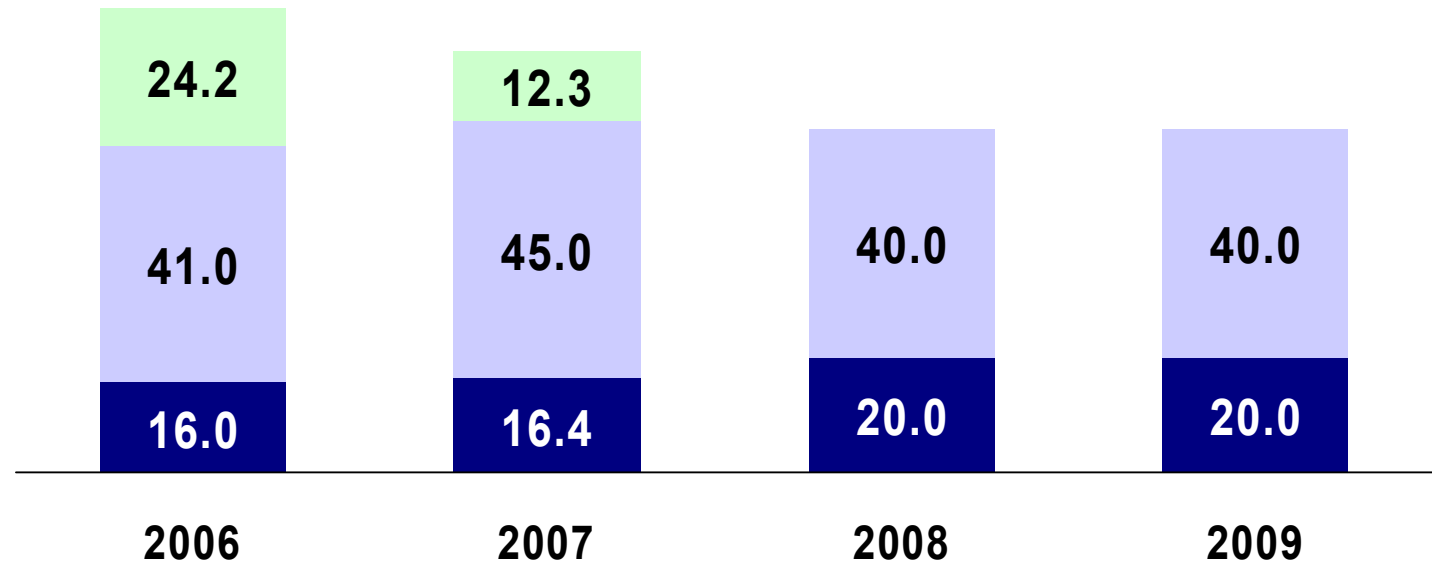
Capital Adequacy Ratios



\$m

Core Tier 1 Capital	10,307	10,978	11,074	11,462	11,978
Tier 1 Capital	12,456	13,127	13,223	13,611	14,127
RWA	114,712	106,634	104,821	101,130	100,908

Maintain High Dividend Payout



Net dividend
per ordinary share (¢)

■ Interim

■ Final

■ Special

Dividend Payout (\$m)

1,237

1,113

903

904

Dividend Payout Ratio (%)

48

53

47

48

In Summary ...

- **Record operating profit of \$3.33 billion**
- **Core business income remained steady**
- **Continuing discipline in cost management**
- **Stabilising asset quality, NPL ratio at 2.2%**
- **Tier 1 and total CAR strengthened to 14.0% and 19.0% respectively**
- **Maintain high dividend payout**