

A blue line drawing of several skyscrapers of varying heights and widths, arranged in a cluster. The drawing is minimalist, using only outlines to define the buildings' forms.

UOB Group Full Year 2011

Financial Highlights

Lee Wai Fai
Group Chief Financial Officer

23 February 2012

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UOB Group NPAT at \$2.3 billion in FY2011



	2011	2010	+/(-)
	\$m	\$m	%
Net interest income	3,678	3,532	4.1
Fee and commission income	1,318	1,163	13.3
Other non-interest income	703	811	(13.4)
Total income	5,699	5,507	3.5
Less: Total expenses	2,450	2,258	8.5
Operating profit	3,248	3,249	-
Less: Intangible assets amortised	10	11	(4.7)
Individual impairment - loans	163	190	(14.4)
Individual impairment - other assets	58	48	21.1
Collective impairment	303	236	28.2
Add: Share of profit of associates	93	139	(33.0)
Less: Tax & non-controlling interests	481	478	0.7
Core Net Profit After Tax	2,327	2,426	(4.1)
Add: One-time gain (sale of UOB Life and UIC)	-	270	NM
Net Profit After Tax	2,327	2,696	(13.7)

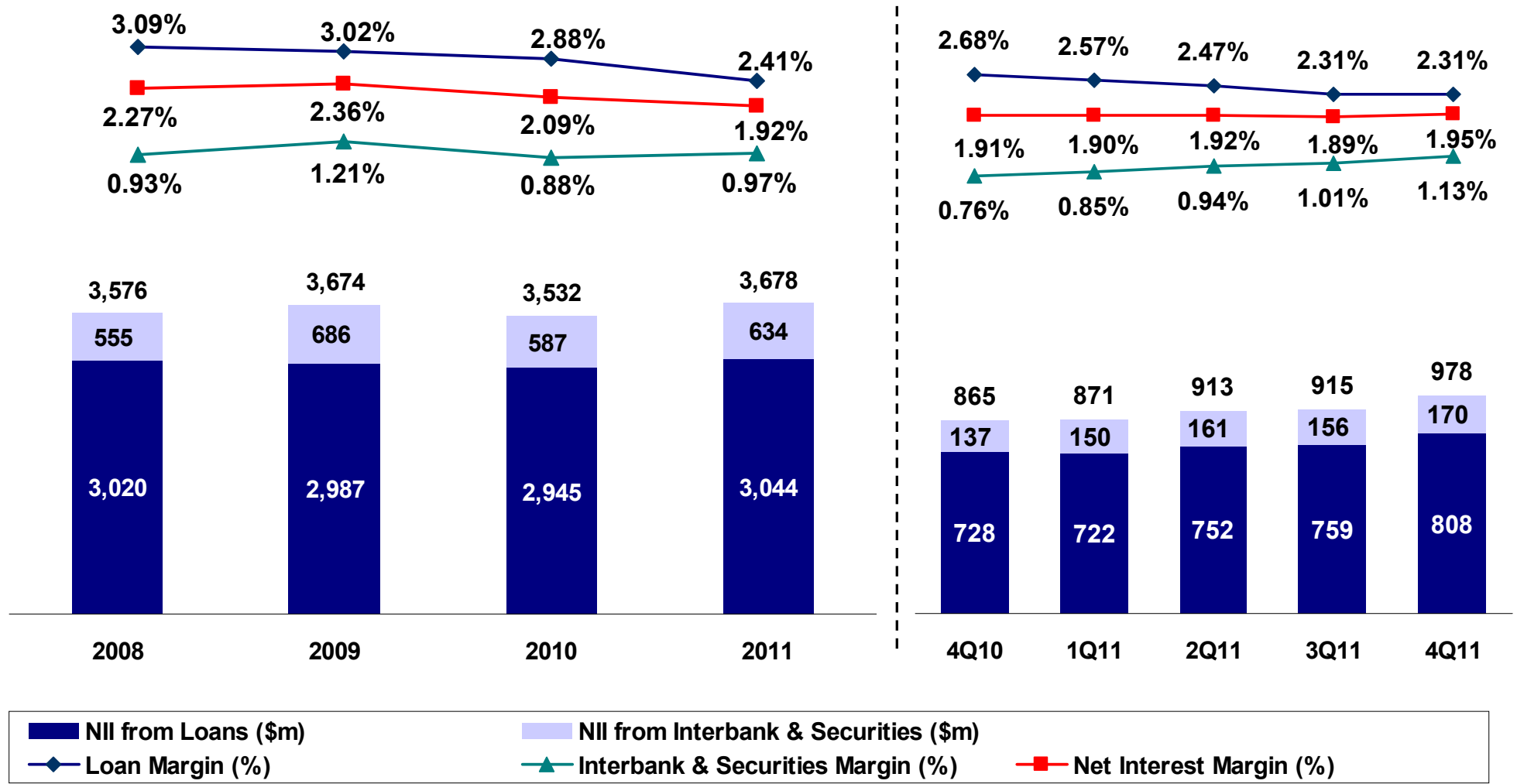
Net Profit Up 7% QoQ to \$558 million

	4Q11	3Q11	+/(-)	4Q10	+/(-)
	\$m	\$m	%	\$m	%
Net interest income	978	915	6.9	865	13.1
Fee and commission income	327	323	1.0	310	5.4
Other non-interest income	173	122	41.6	214	(19.2)
Total income	1,478	1,361	8.6	1,389	6.4
Less: Total expenses	625	631	(1.0)	620	0.8
Operating profit	853	730	16.8	769	10.9
Less: Intangible assets amortised	3	3	(1.0)	3	(2.5)
Individual impairment - loans	81	26	>100.0	128	(37.0)
Individual impairment - other assets	53	(3)	>100.0	30	77.4
Collective impairment	92	77	19.3	22	>100.0
Add: Share of profit of associates	0	19	(98.7)	38	(99.3)
Less: Tax & non-controlling interests	67	126	(46.5)	71	(5.2)
Core Net Profit After Tax	558	522	7.0	553	0.8
Add: One-time gain (sale of UOB Life and UIC)	-	-	-	152	NM
Net Profit After Tax	558	522	7.0	706	(21.0)

NII and NIM Improved for the Quarter on Loans Growth

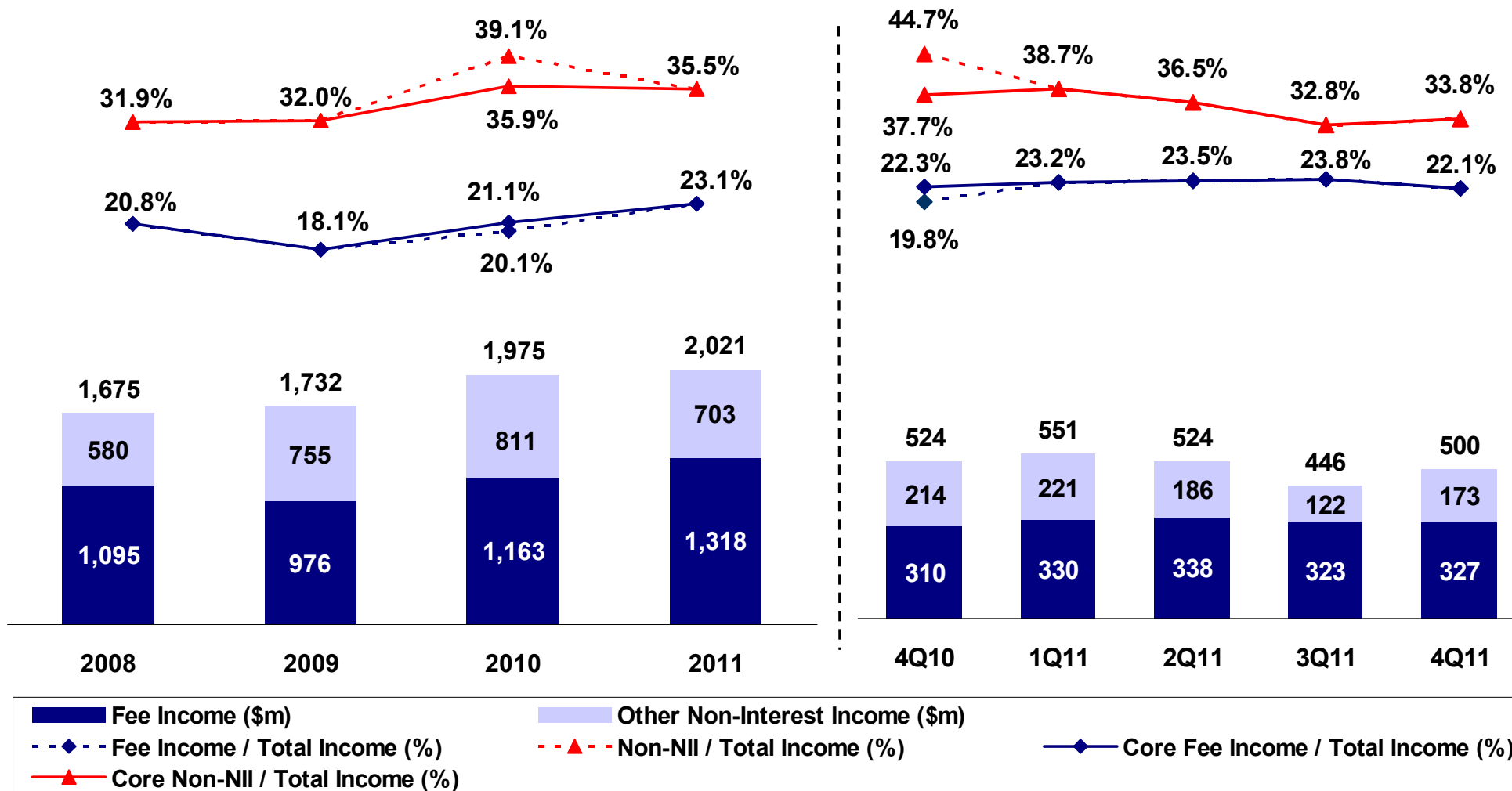


Net Interest Income (NII) and Margin



Fee Income Strong, Steady Through 2011

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

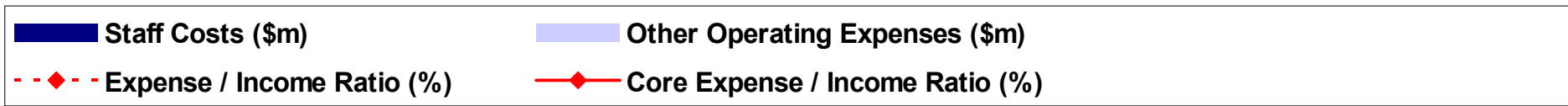
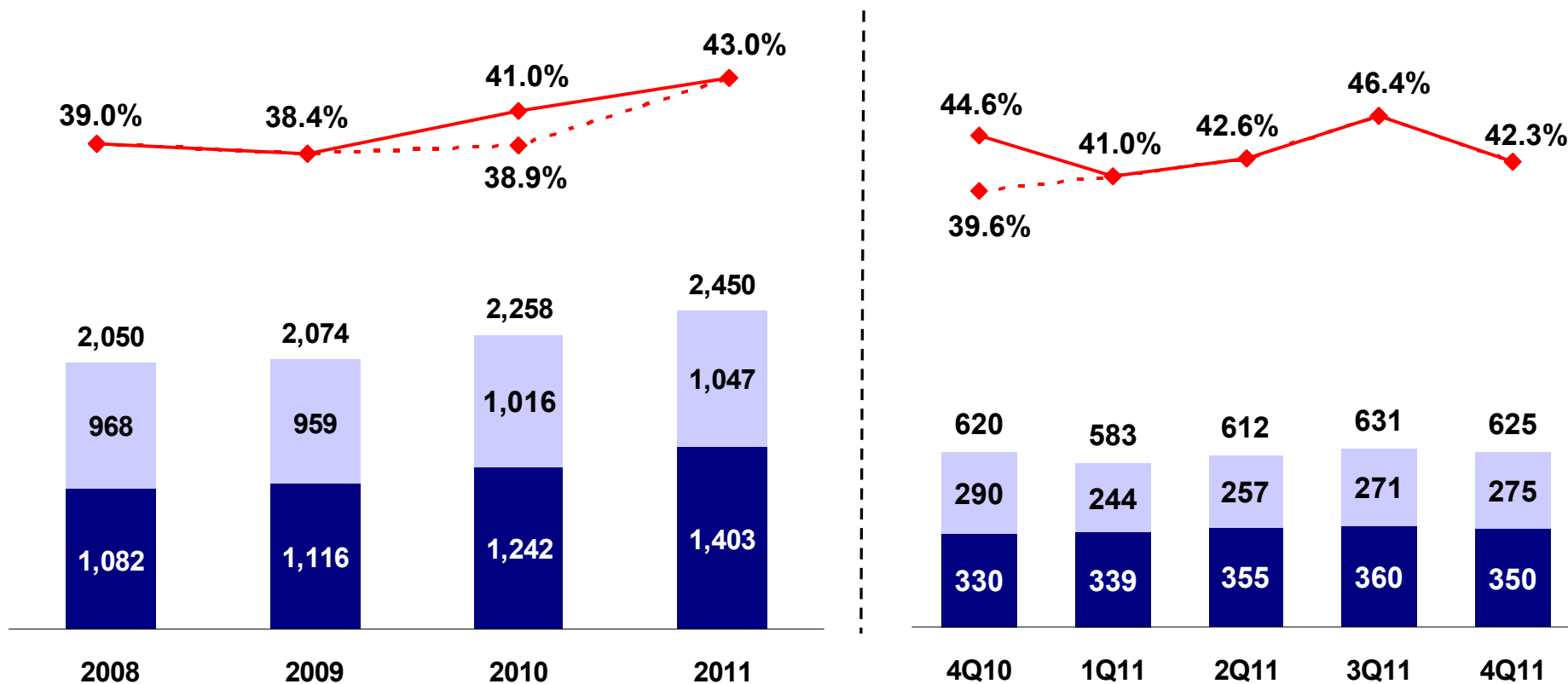


Note: core income excluded gain on UOB Life and UIC for 2010.

Expenses Well Controlled to Support Business Growth



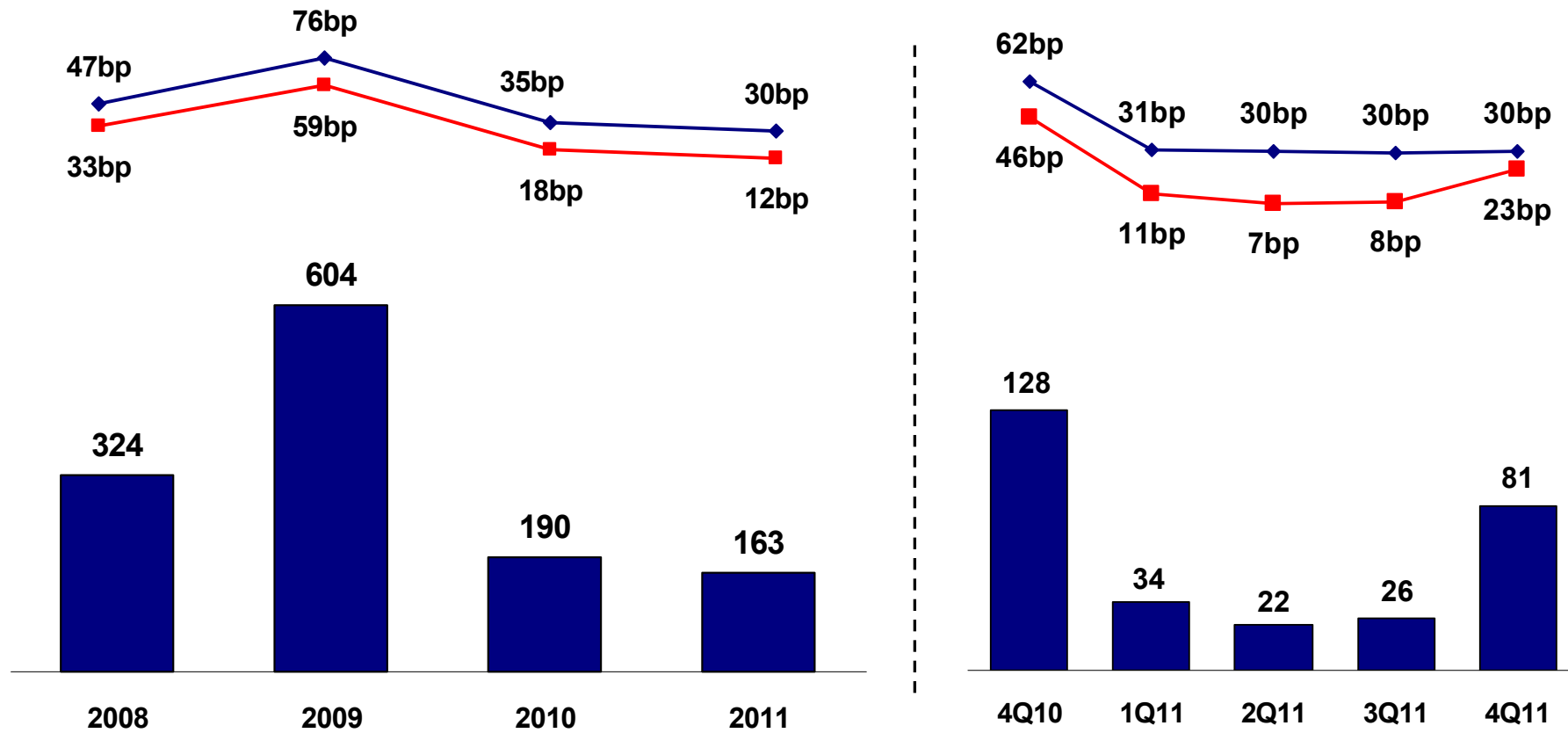
Operating Expenses and Expense / Income Ratio



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

Loans Credit Quality Continued to be Stable

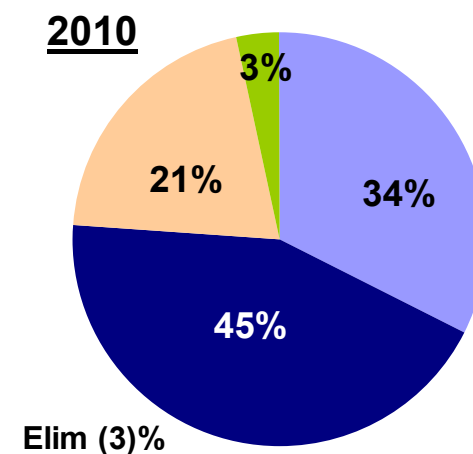
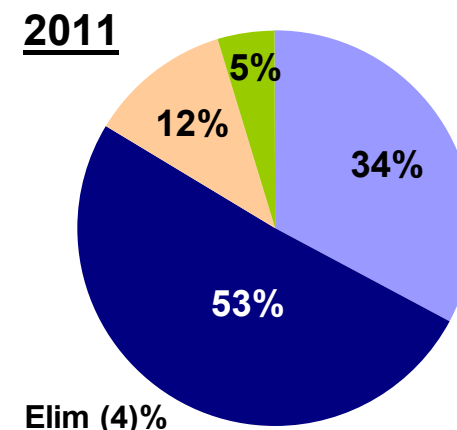
Impairment Charges on Loans



* On annualised basis

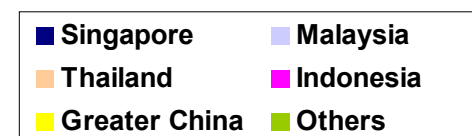
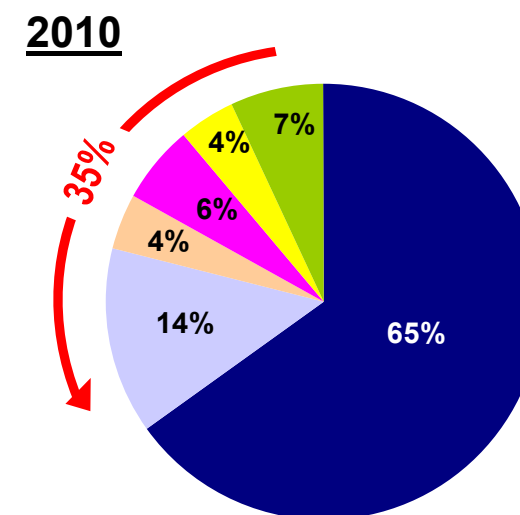
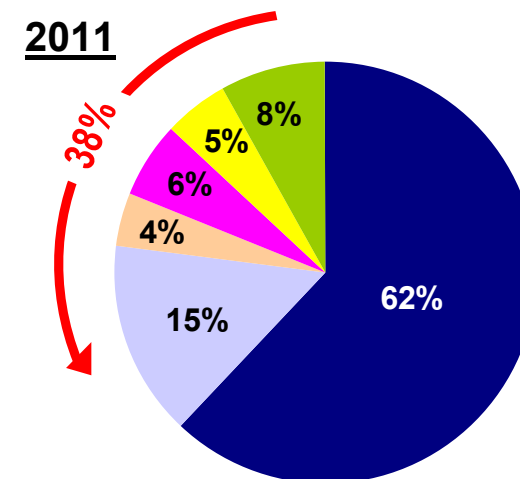
Performance by Business Segment

	2011	2010	+ / (-)
	\$m	\$m	%
Core Segment Operating Profit			
Group Retail (GR)	1,100	1,088	1.1
Group Wholesale (GW)	1,712	1,452	17.9
Global Markets & Investment Mgt (GMIM)	394	692	(43.1)
Others	158	108	46.3
Elimination	(116)	(91)	(27.5)
Total	3,248	3,249	-



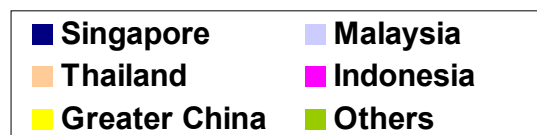
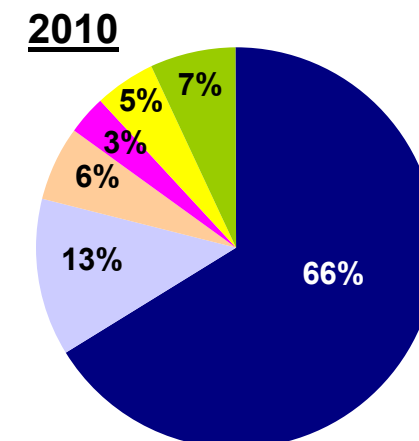
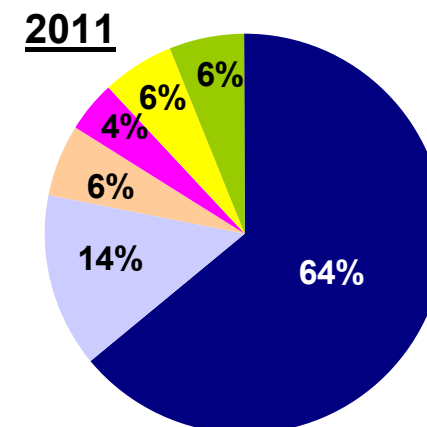
Regional Franchise Continued to Grow, Operating Profit Rose 14% YoY

Core Operating Profit	2011 \$m	2010 \$m	+ / (-) %	At constant FX rate + / (-) %
Singapore	2,008	2,125	(5.5)	(5.5)
Regional:	967	883	9.5	13.8
Malaysia	506	453	11.7	15.0
Thailand	120	131	(8.5)	(4.5)
Indonesia	182	186	(2.1)	2.4
Greater China	158	112	40.9	49.1
Others	274	240	14.0	16.8
Total	3,248	3,249	-	1.2



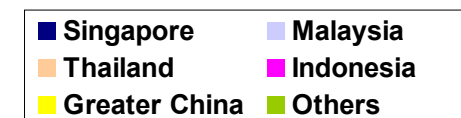
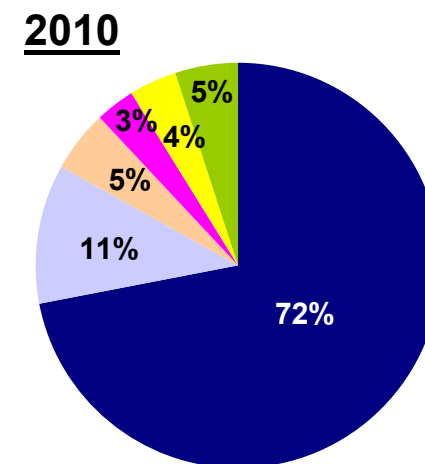
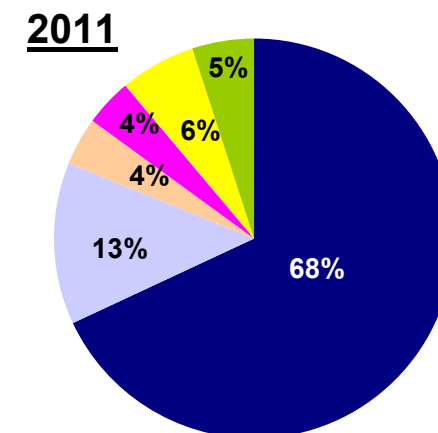
Regional Countries Loans Growth Exceeded Singapore

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
Gross Loans	\$m	\$m	%	\$m	\$m	%
Singapore	92,268	75,534	22.2	92,268	90,156	2.3
Regional:	42,725	31,598	35.2	42,725	41,184	3.7
Malaysia	20,712	15,278	35.6	20,712	19,129	8.3
Thailand	7,818	7,050	10.9	7,818	7,745	0.9
Indonesia	5,765	3,975	45.0	5,765	5,469	5.4
Greater China	8,430	5,295	59.2	8,430	8,841	(4.6)
Others	8,949	7,990	12.0	8,949	9,093	(1.6)
Total	143,943	115,122	25.0	143,943	140,432	2.5
USD Loans	19,791	13,855	42.9	19,791	21,328	(7.2)



Deposits Built Up Significantly, Reduced Reliance on Interbank Funding

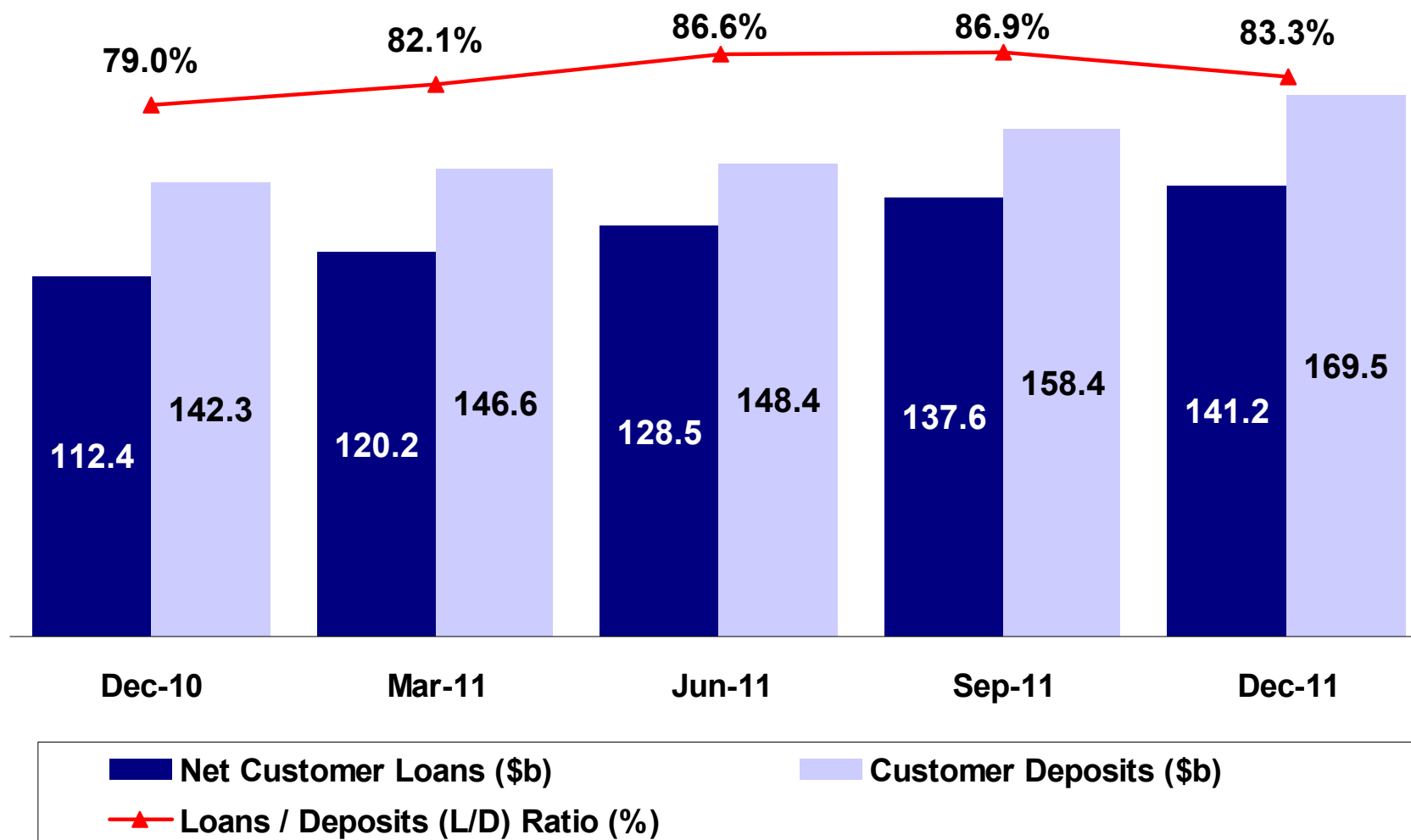
	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	\$m	\$m	%	\$m	\$m	%
Singapore	115,717	102,467	12.9	115,717	112,917	2.5
Regional:	44,944	32,537	38.1	44,944	38,242	17.5
Malaysia	21,567	16,230	32.9	21,567	19,215	12.2
Thailand *	6,953	6,541	6.3	6,953	5,397	28.8
Indonesia	6,057	4,050	49.6	6,057	5,771	5.0
Greater China	10,367	5,717	81.3	10,367	7,858	31.9
Others	8,799	7,295	20.6	8,799	7,276	20.9
Total	169,460	142,299	19.1	169,460	158,435	7.0
USD Deposits	19,818	17,264	14.8	19,818	16,794	18.0
USD LDR (%)	98.7	78.5	20.2%pt	98.7	125.4	26.7%pt



* 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.

Liquidity Position Remained Strong and Well Managed, Deposits Kept Pace

Customer Loans, Deposits and L/D Ratio

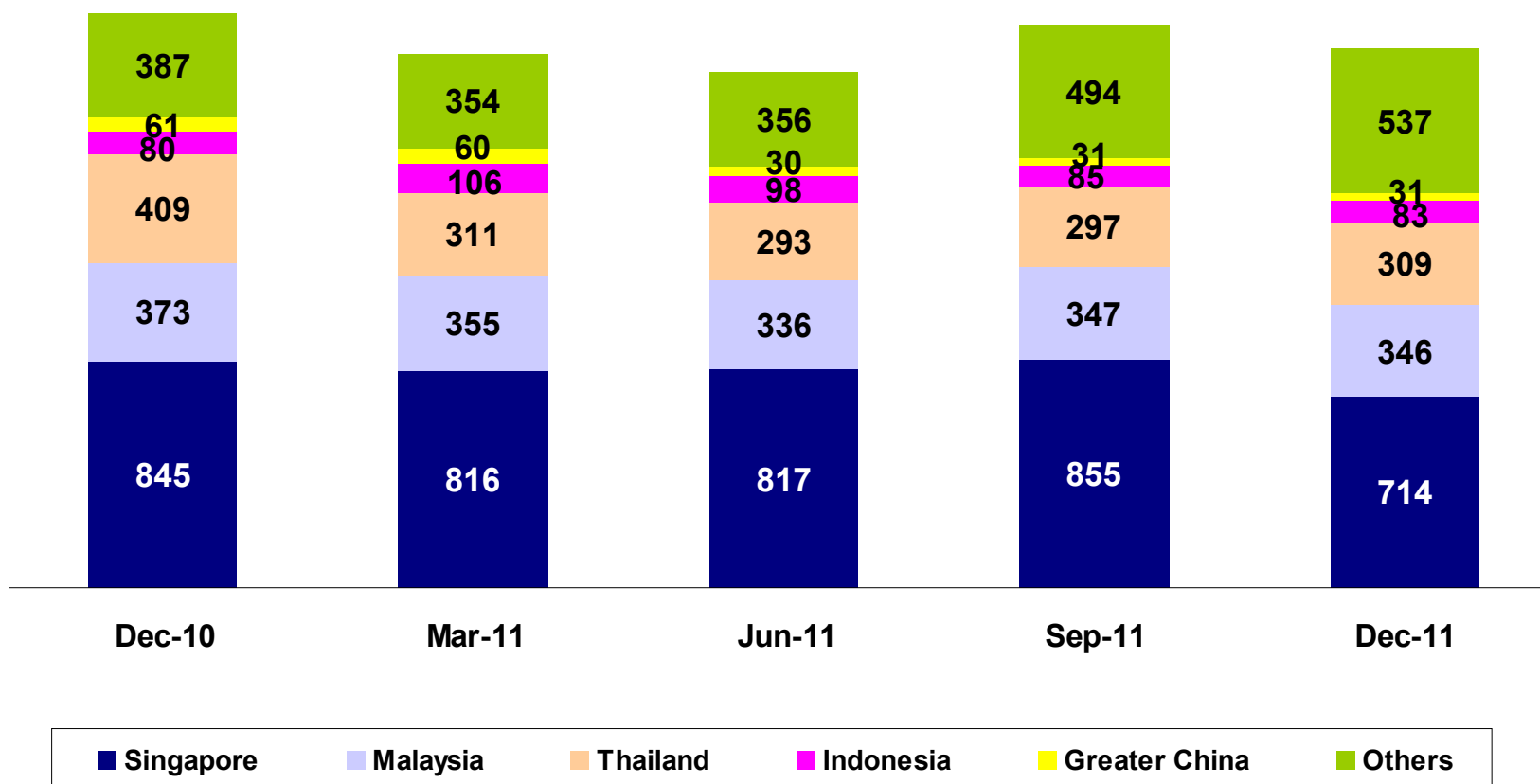


Loans quality Improved, NPL Trending Down

NPL Ratio Improved to 1.4%

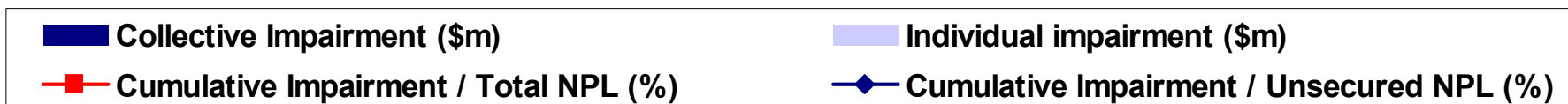
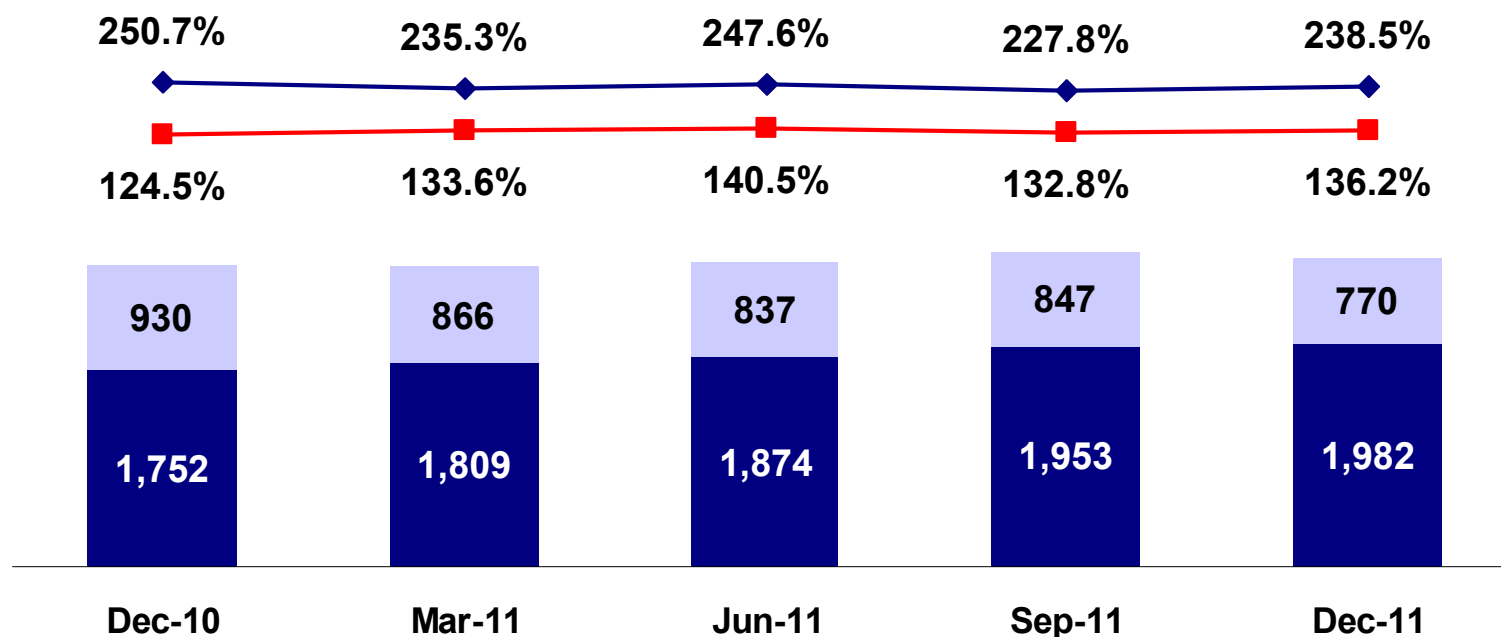


NPL (\$m)	2,155	2,002	1,930	2,109	2,020
NPL Ratio	1.8%	1.6%	1.5%	1.5%	1.4%



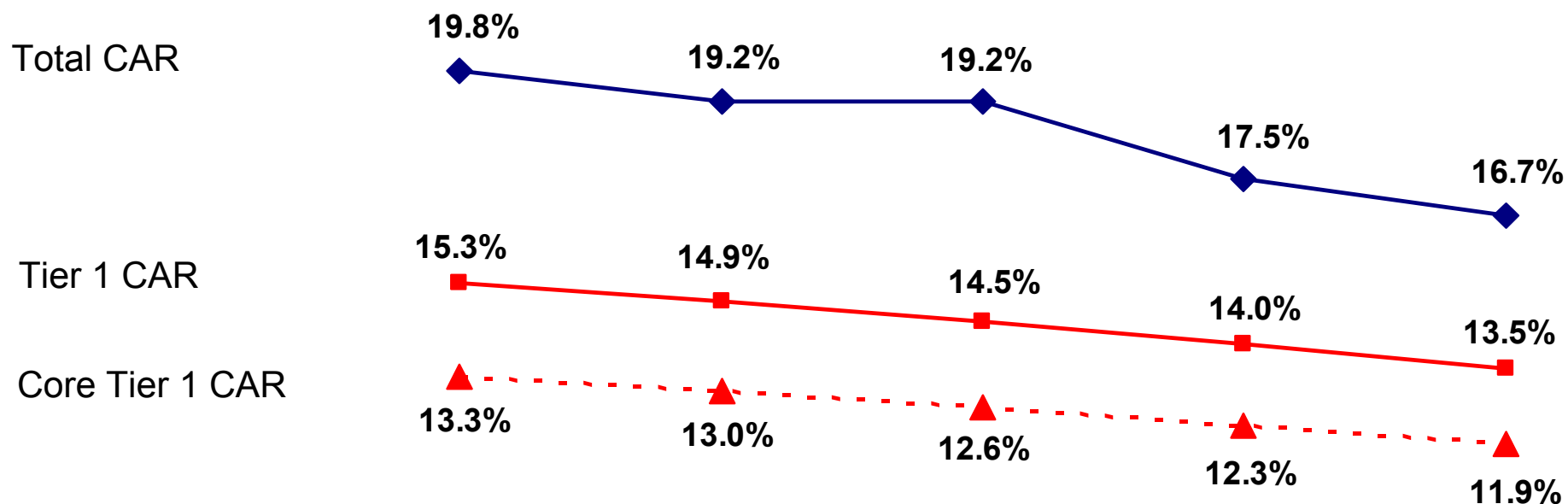
High Impairment Coverage Maintained

Total Loan Impairment (\$m)	2,682	2,675	2,711	2,800	2,752



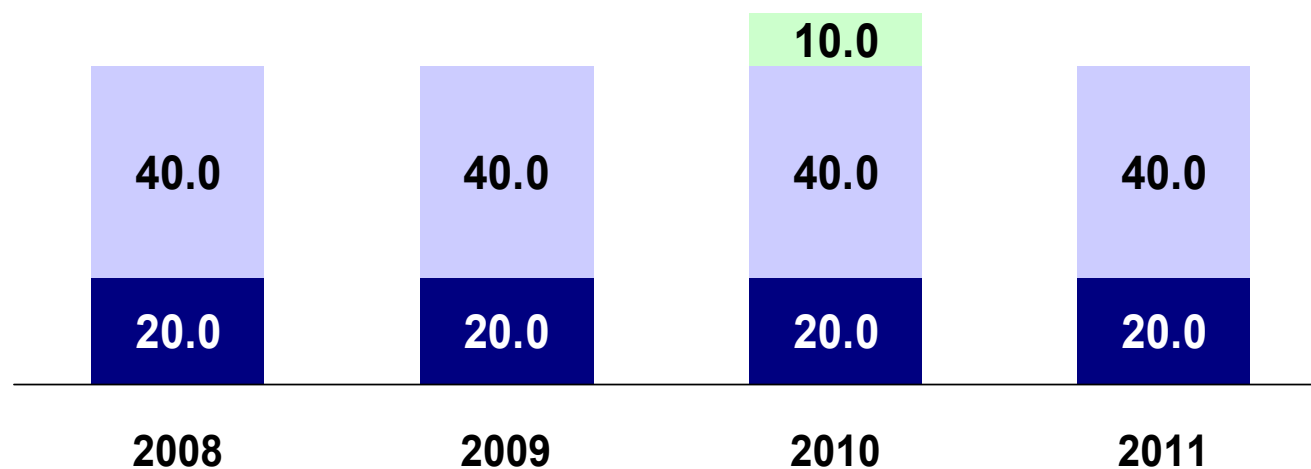
Capital Ratios Remained Strong




Capital Adequacy Ratios



	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
\$'m					
Core Tier 1 Capital	14,213	14,676	14,954	15,249	15,865
Tier 1 Capital	16,362	16,825	17,103	17,398	18,014
Total Capital	21,206	21,635	22,691	21,790	22,337
RWA	106,889	112,791	118,298	124,295	133,578

Final Dividend of 40 Cents Recommended



Net dividend per ordinary share (¢)				
		Interim		Final
				Special

Payout amount (\$m)	903	903	1,077	944
Payout ratio (%)	47	48	44	41

In Summary, 2011 Results Showed:

- Group NPAT achieved \$2.3 billion for FY2011
- 4Q11 NPAT at \$558 million, up 7% QoQ
- NII rose 6.9% in 4Q11 and 4.1% for FY2011 mainly on expanded loans volume; NIM increased 6bp to 1.95% in 4Q11.
- Fee income grew 13.3% for the year to \$1.3 billion.
- Expenses continued to be managed, with cost-income ratio at 43.0%.
- Gross loans up 25.0% to \$144 billion in 2011. Regional countries grew higher at 35.2% as the Group's regional franchise gained further traction.
- Deposits growth, liquidity and funding position continued to be strong. Loans-to-deposits ratio at 83.3%.
- Asset quality remained sound, NPL ratio improved to 1.4%. Loans charge off maintained at 30 basis points.
- Capital adequacy ratios remained strong and well above regulatory requirements.
- Final dividend of 40 cents per ordinary share recommended, payout ratio of 41%.

Investment Securities

	Dec-11 \$m	Jun-11 \$m
Debt securities – bank		
Tier 1	998	1,336
Tier 2	614	760
Senior/Other	1,791	2,280
	3,403	4,377
Debt securities – non bank	8,119	8,031
	11,523	12,408
Equity securities	2,831	3,038
Total	14,354	15,446

<u>Exposures</u>	Dec-11			Jun-11		
	Bank	Non-bank	Total	Bank	Non-bank	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Singapore	272	2,076	2,347	306	1,956	2,262
Other Asia Pacific	1,980	3,782	5,761	1,790	3,309	5,099
Europe	629	953	1,582	1,516	1,116	2,632
United States	489	1,131	1,620	724	1,351	2,075
Other	34	178	212	40	300	341
Total	3,403	8,119	11,523	4,377	8,031	12,408

European bank exposure was pared down to \$629 million on disposals and CDS protection.

Singapore – Summarised Income Statement

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	\$'m	\$'m	%	\$'m	\$'m	%
Net interest income	2,049	2,077	(1.4)	537	499	7.6
Fee and commission income	792	715	10.8	187	193	(3.4)
Other non-interest income	498	644	(22.6)	85	116	(26.4)
Total income	3,339	3,436	(2.8)	809	808	0.1
Less: Total expenses	1,331	1,310	1.6	316	354	(10.8)
Operating profit	2,008	2,125	(5.5)	493	454	8.6
Less: Total impairment charges	260	250	3.7	100	50	>100.0
Add: Share of profit of associates	92	122	(24.5)	8	18	(58.1)
Core net profit before tax	1,840	1,996	(7.8)	400	422	(5.2)

Singapore – Key Financial Indicators

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.52	1.68	(0.16)	1.57	1.48	0.09
Non-NII / Total income	38.6	39.5	(0.9)	33.6	38.2	(4.6)
Expense / Total income	39.9	38.1	1.8	39.0	43.8	(4.8)
Customer loans (net) - \$'m	90,483	73,729	22.7%	90,483	88,224	2.6%
Customer deposits - \$'m	115,717	102,467	12.9%	115,717	112,917	2.5%
Loans / Deposits	78.2	72.0	6.2	78.2	78.1	0.1
NPL ratio	0.8	1.1	(0.3)	0.8	0.9	(0.1)

Malaysia – Summarised Income Statement

	2011	2010	+ / (-)	4Q11	3Q11	+ / (-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	1,355	1,163	16.5	366	346	5.8
Fee and commission income	417	363	14.9	111	107	3.7
Other non-interest income	173	147	17.7	55	22	>100.0
Total income	1,945	1,673	16.3	532	475	12.0
Less: Total expenses	710	599	18.5	190	181	5.0
Operating profit	1,235	1,074	15.0	342	294	16.3
Less: Total impairment charges	170	173	(1.7)	34	40	(15.0)
Add: Share of profit of associates	35	36	(2.8)	3	5	(40.0)
Net profit before tax	1,100	937	17.4	311	259	20.1
Net profit before tax (S\$m)	450	395	13.9	127	105	21.1

Malaysia – Key Financial Indicators

	2011	2010	+ / (-)	4Q11	3Q11	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	2.59	2.87	(0.28)	2.51	2.53	(0.02)
Non-NII / Total income	30.3	30.5	(0.2)	31.2	27.2	4.0
Expense / Total income	36.5	35.8	0.7	35.7	38.1	(2.4)
Customer loans (net) - RM'm	49,636	35,901	38.3%	49,636	46,092	7.7%
Customer deposits - RM'm	52,698	39,030	35.0%	52,698	47,251	11.5%
Loans / Deposits	94.2	92.0	2.2	94.2	97.5	(3.3)
NPL ratio	1.7	2.4	(0.7)	1.7	1.8	(0.1)

Thailand – Summarised Income Statement

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	8,183	6,977	17.3	2,240	2,075	8.0
Fee and commission income	2,300	2,021	13.8	608	609	(0.2)
Other non-interest income	44	512	(91.4)	66	(3)	>100.0
Total income	10,527	9,510	10.7	2,914	2,681	8.7
Less: Total expenses	7,596	6,442	17.9	2,129	1,928	10.4
Operating profit	2,931	3,068	(4.5)	785	753	4.2
Less: Total impairment charges	1,515	1,048	44.6	789	219	>100.0
Add: Share of profit of associates	(186)	6	(>100.0)	(185)	-	NM
Net profit before tax	1,230	2,026	(39.3)	(189)	534	(>100.0)
Net profit before tax (S\$m)	50	87	(41.8)	(8)	22	(>100.0)

Thailand – Key Financial Indicators



	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.28	3.45	(0.17)	3.44	3.14	0.30
Non-NII / Total income	22.3	26.6	(4.3)	23.1	22.6	0.5
Expense / Total income	72.2	67.7	4.5	73.1	71.9	1.2
Customer loans (net) - THB'm	183,880	158,439	16.1%	183,880	180,445	1.9%
Customer deposits * - THB'm	169,006	153,172	10.3%	169,006	129,650	30.4%
Loans / Deposits	108.8	103.4	5.4	108.8	139.2	(30.4)
NPL ratio	4.0	5.2	(1.2)	4.0	3.8	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 Income Statement

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	2,099	1,963	6.9	526	534	(1.5)
Fee and commission income	629	418	50.5	157	158	(0.6)
Other non-interest income	285	214	33.2	104	47	>100.0
Total income	3,013	2,595	16.1	787	739	6.5
Less: Total expenses	1,737	1,349	28.8	488	424	15.1
Operating profit	1,276	1,246	2.4	299	315	(5.1)
Less: Total impairment charges	212	74	>100.0	18	53	(66.0)
Net profit before tax	1,064	1,172	(9.2)	281	262	7.3
Net profit before tax (S\$m)	151	175	(13.6)	40	37	6.2

Indonesia – Key Financial Indicators

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	5.20	6.40	(1.20)	4.58	5.00	(0.42)
Non-NII / Total income	30.3	24.4	5.9	33.2	27.7	5.5
Expense / Total income	57.7	52.0	5.7	62.0	57.4	4.6
Customer loans (net) - IDR'b	40,282	27,427	46.9%	40,282	37,227	8.2%
Customer deposits - IDR'b	42,834	28,346	51.1%	42,834	39,769	7.7%
Loans / Deposits	94.0	96.8	(2.8)	94.0	93.6	0.4
NPL ratio	1.4	2.0	(0.6)	1.4	1.6	(0.2)

Greater China – Summarised Income Statement



	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	S\$m	S\$m	%	S\$m	S\$m	%
Net interest income	176	97	80.5	58	51	13.0
Fee and commission income	67	42	59.1	20	16	28.2
Other non-interest income	80	88	(9.0)	24	3	>100.0
Total income	323	227	41.9	102	71	44.6
Less: Total expenses	164	115	43.0	49	39	23.1
Operating profit	158	112	40.9	53	31	72.0
Less: Total impairment charges	5	8	(34.0)	7	5	50.7
Add: Share of profit of associates	(5)	1	(>100.0)	(1)	(1)	1.4
Net profit before tax	147	105	40.1	45	25	78.7

Greater China – Key Financial Indicators

	2011	2010	+/(-)	4Q11	3Q11	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.20	1.11	0.09	1.31	1.28	0.03
Non-NII / Total income	45.5	57.1	(11.6)	43.2	27.3	15.9
Expense / Total income	50.9	50.5	0.4	47.7	56.0	(8.3)
Customer loans (net) - S\$m	8,361	5,231	59.8%	8,361	8,778	(4.8%)
Customer deposits - S\$m	10,367	5,717	81.3%	10,367	7,858	31.9%
Loans / Deposits	80.7	91.5	(10.8)	80.7	111.7	(31.0)
NPL ratio	0.4	1.2	(0.8)	0.4	0.4	-