

# **Building A Premier Regional Bank**

***First Half 2001 Results Presentation***

**August 3, 2001**

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# Performance at a glance

✓ Net Profit After Tax - \$Sm

## Selected Balance Sheet Items - \$'m

✓ Customer Loans (Net of Provisions)

Customer Deposits

Total Assets

Shareholders' Funds

## Financial Ratios

Basic EPS (cents)

✓ ROE (%)

✓ Cost-to-Income Ratio (%)

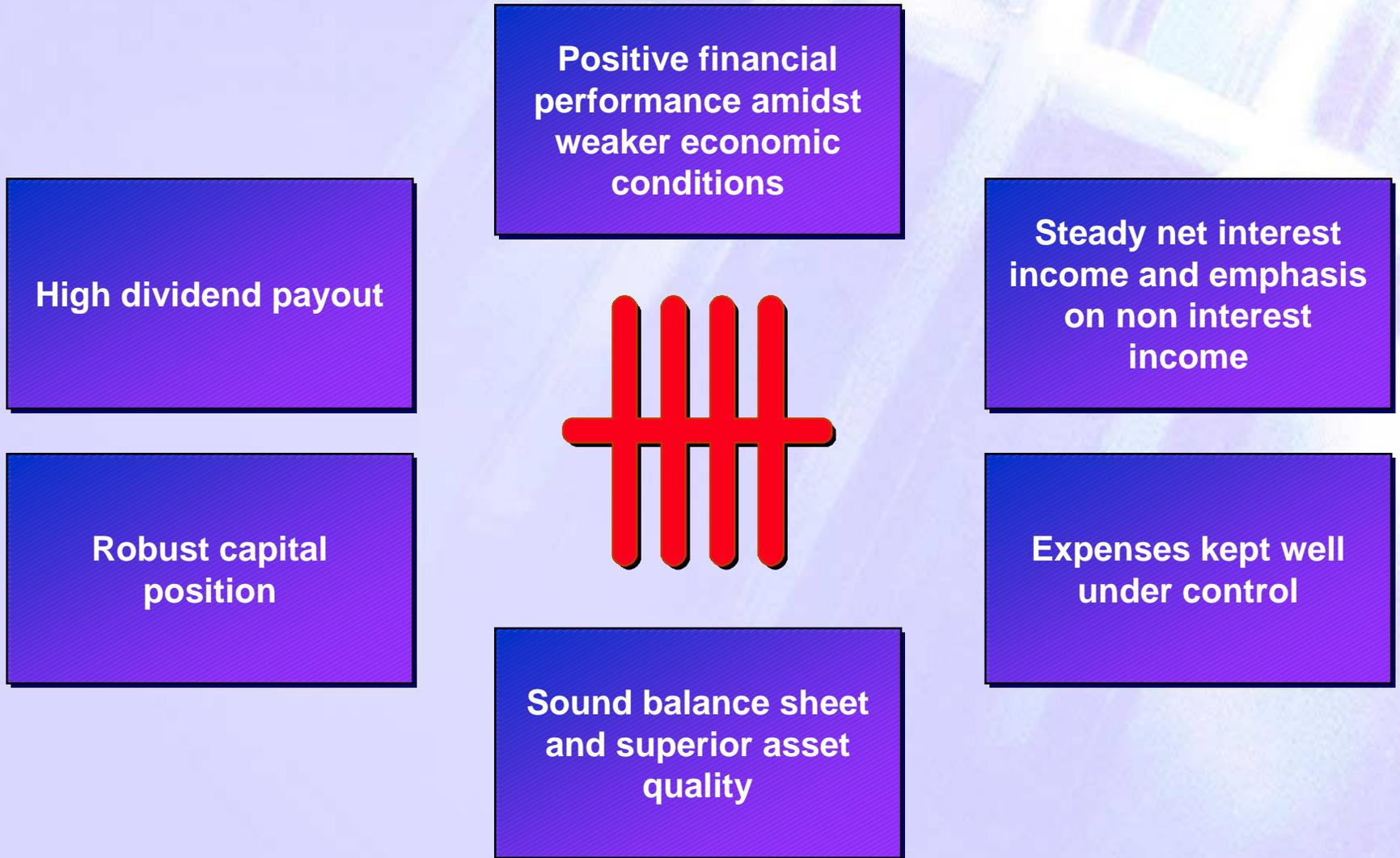
✓ Interim Dividend Rate (%)

NTA Per Share (S\$)

CAR (%)

	1H 2001	1H 2000	Inc / (Dec)
Net Profit After Tax - \$Sm	455	408	11.3 %
<u>Selected Balance Sheet Items - \$'m</u>			
Customer Loans (Net of Provisions)	31,249	28,628	9.2 %
Customer Deposits	44,053	37,799	16.5 %
Total Assets	68,432	58,462	17.1 %
Shareholders' Funds	7,262	6,563	10.7 %
<u>Financial Ratios</u>			
Basic EPS (cents)	86.4	77.6	11.3 %
ROE (%)	12.8	12.5	0.3 % pt
Cost-to-Income Ratio (%)	37.9	38.6	(0.7% pt)
Interim Dividend Rate (%)	15.0	15.0	-
NTA Per Share (S\$)	6.90	6.24	10.6 %
CAR (%)	20.1	20.8	(0.7% pt)

# Building A Premier Regional Bank



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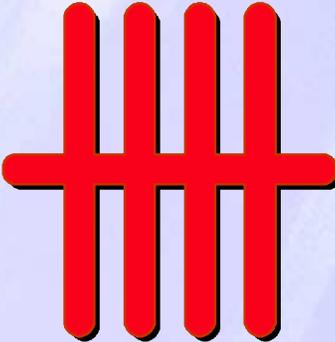
**Positive financial performance amidst weaker economic conditions**

High dividend payout

Steady net interest income and emphasis on non interest income

Robust capital position

Expenses kept well under control



Sound balance sheet and superior asset quality

# Continuing Our Strong Financial Performance

(S\$m)	Six Months Ended		
	30 Jun 01	30 Jun 00	Inc/(Dec) (%)
Net Interest Income	588	583	0.9
Non Interest Income	362	364	(0.5)
<b>Total Income</b>	<b>950</b>	<b>947</b>	<b>0.4</b>
Operating Expenses	360	366	(1.5)
<b>Operating Profit Before Provisions</b>	<b>590</b>	<b>581</b>	<b>1.6</b>
Provisions	11	68	(84.0)
<b>Operating profit</b>	<b>579</b>	<b>513</b>	<b>12.8</b>
Share of profit of associates	25	42	(39.9)
Tax & Minority Interests	(150)	(147)	2.1
<b>Net Profit After Tax</b>	<b>455</b>	<b>408</b>	<b>11.3</b>

**Despite weaker economic conditions, net profit after tax grew by 11.3%**

# Solid Net Profit Growth

## Net Profit After Tax

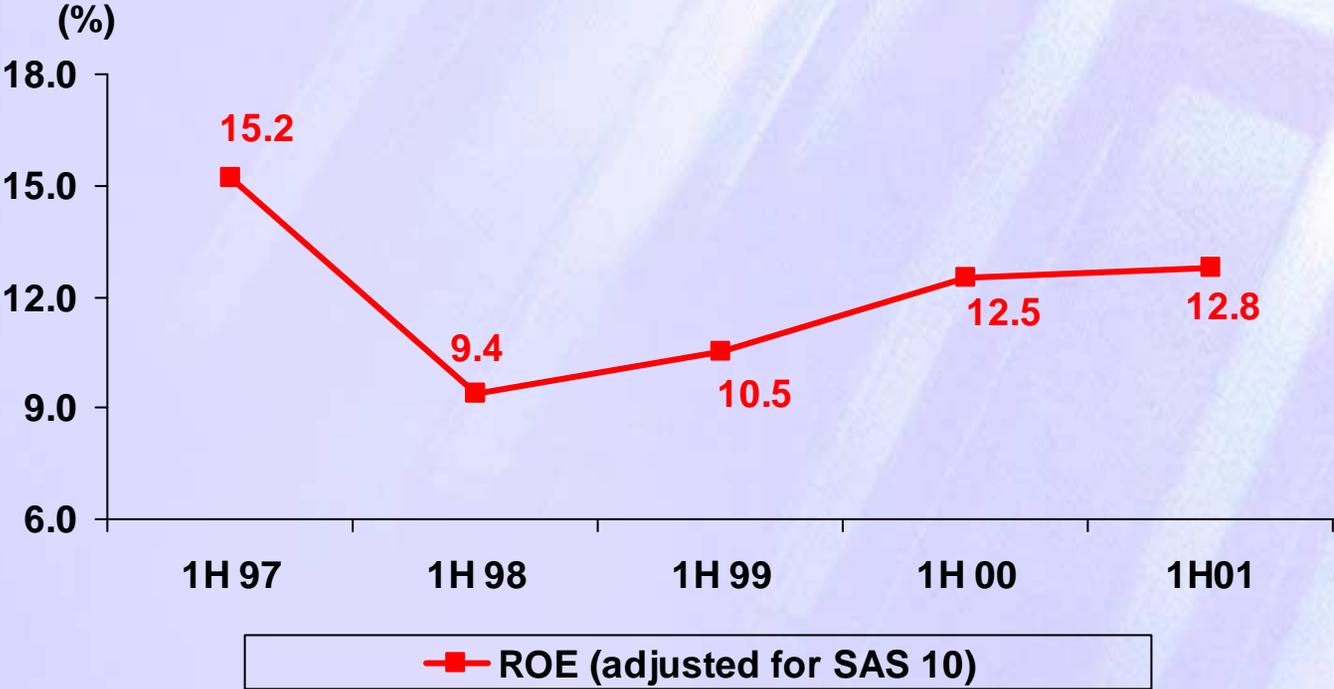


	(S\$m)
1H00 Profit	408
<b>Positive Factors</b>	
↑ Net Interest Income	5
↓ Operating Expenses	6
↓ Provisions Charged	57
<b>Negative Factors</b>	
↓ Non-interest Income	(2)
↓ Associated Profit	(17)
↑ Tax & MI	(3)
1H01 Profit	455

**Increase in Net Profit mainly due to higher earnings, lower expenses and lower provisions charges**

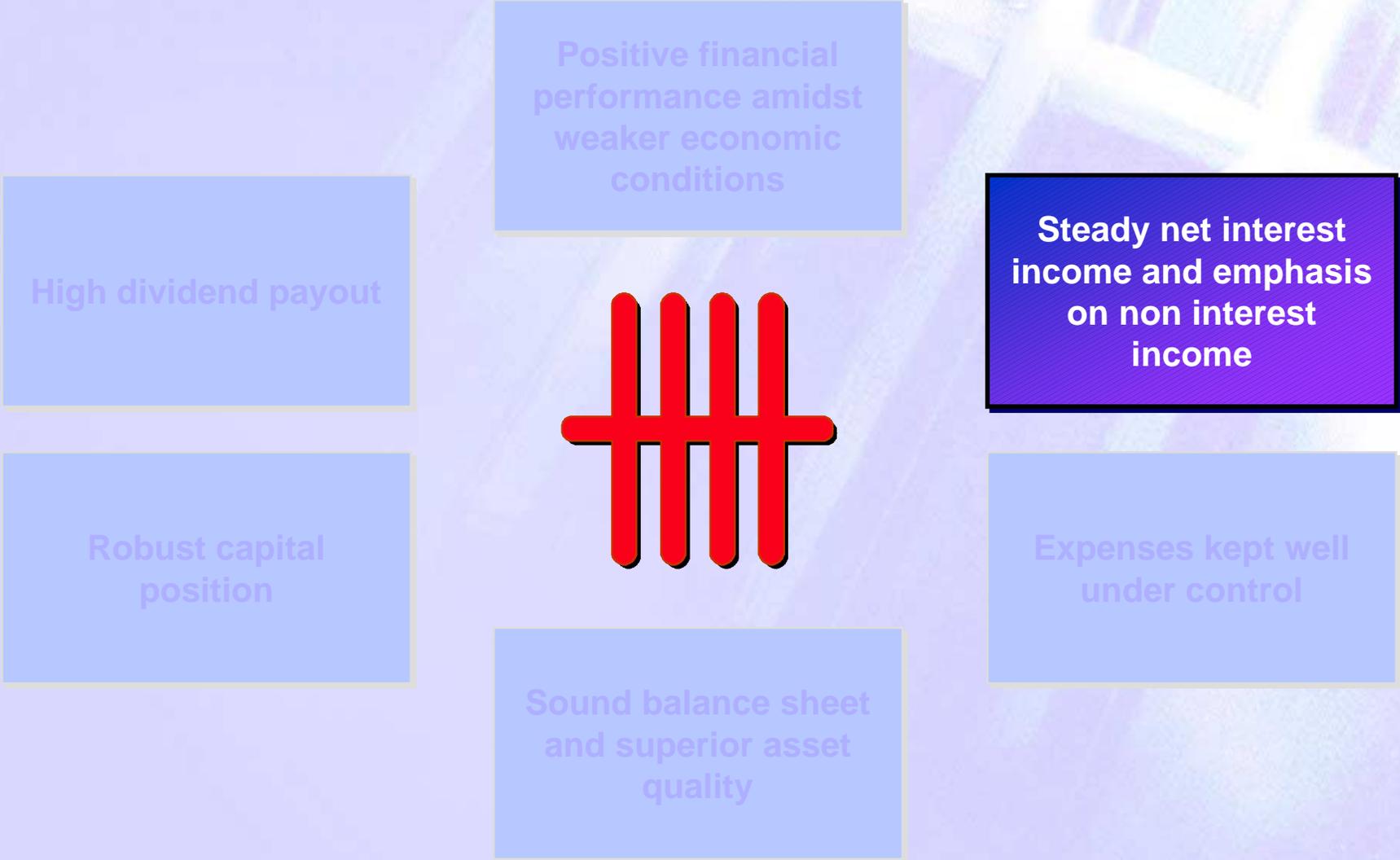
# Superior Profitability

## Return on Average Equity



**Profitability improved, as evidenced by the 0.3% pt increase over the same period last year**

# Building A Premier Regional Bank

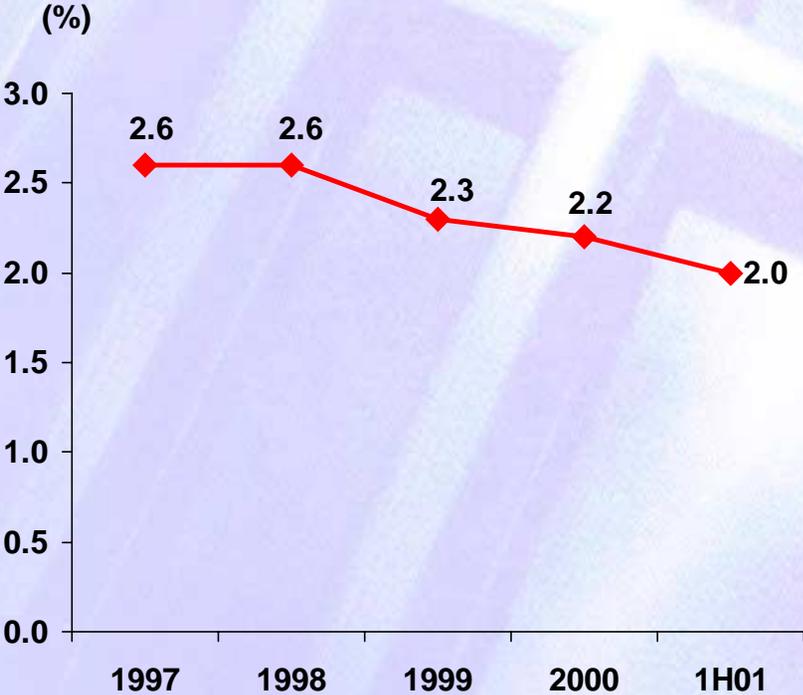


# Steady Net Interest Income Growth

**Net Interest Income**



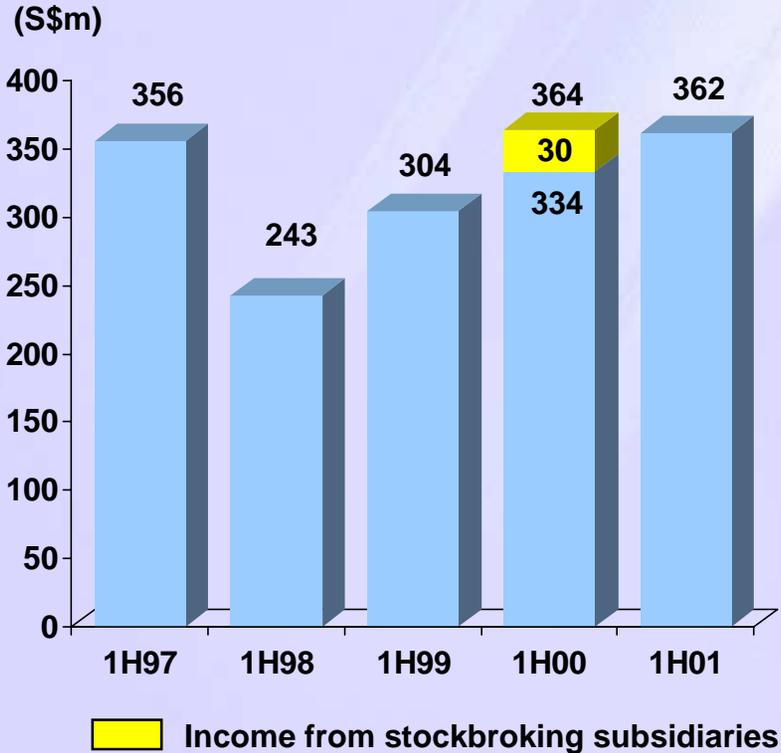
**Net Interest Margin**



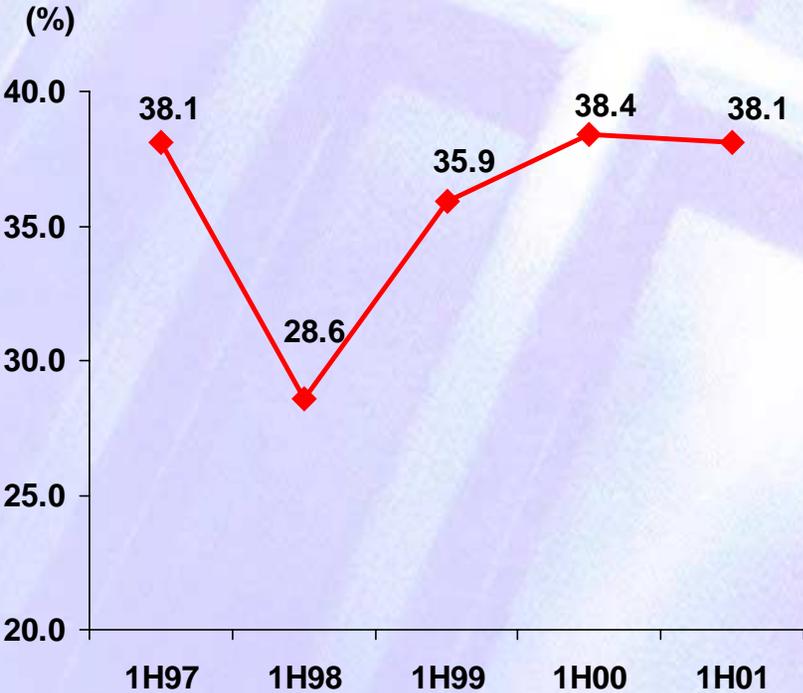
**Fall in net interest margins has not affected net interest income growth, which grew by 0.9%**

# Focus on Non Interest Income

**Non Interest Income**

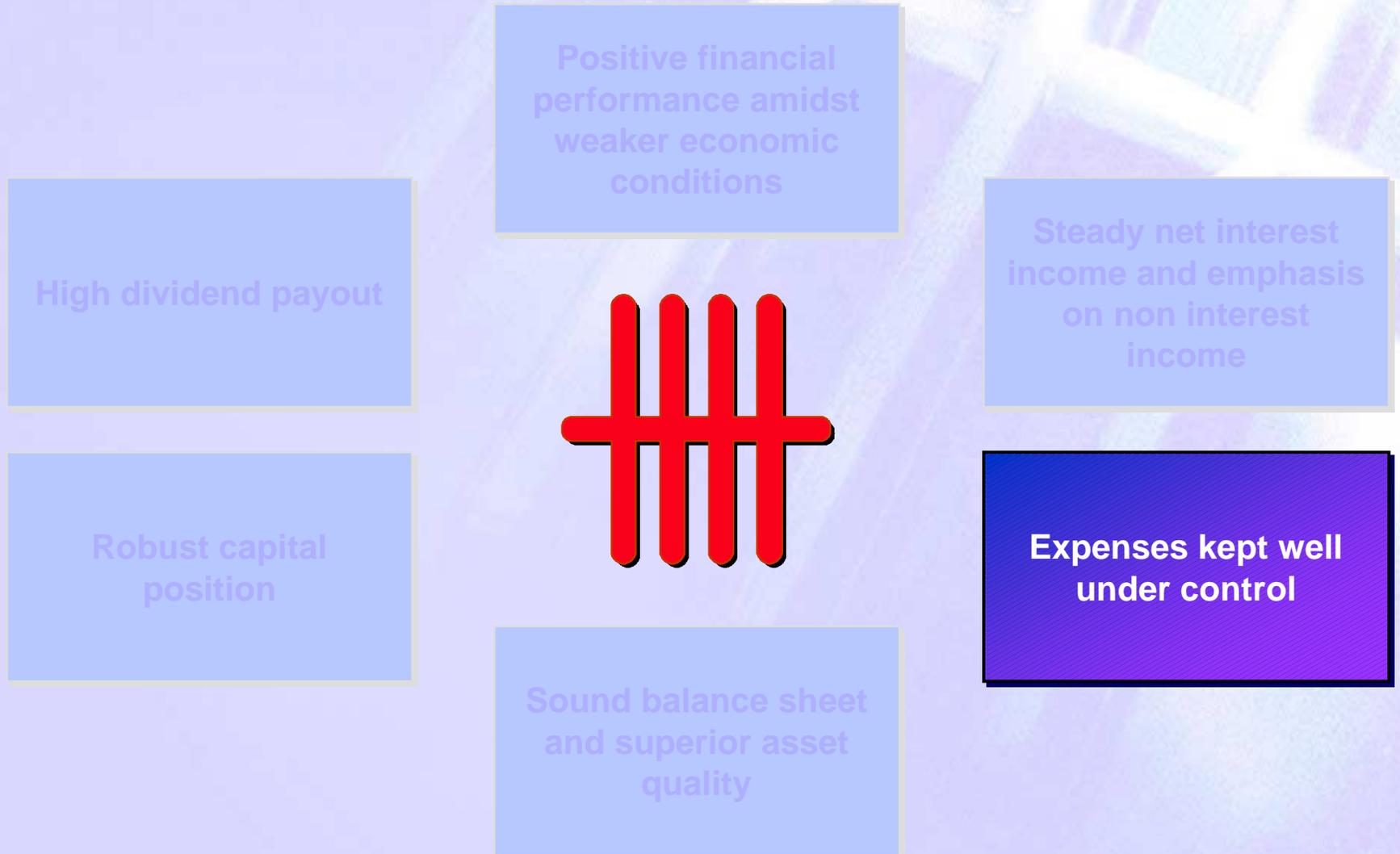


**Non Interest Income as % of Total Income**



**We focused on maintaining our high proportion of non interest income**

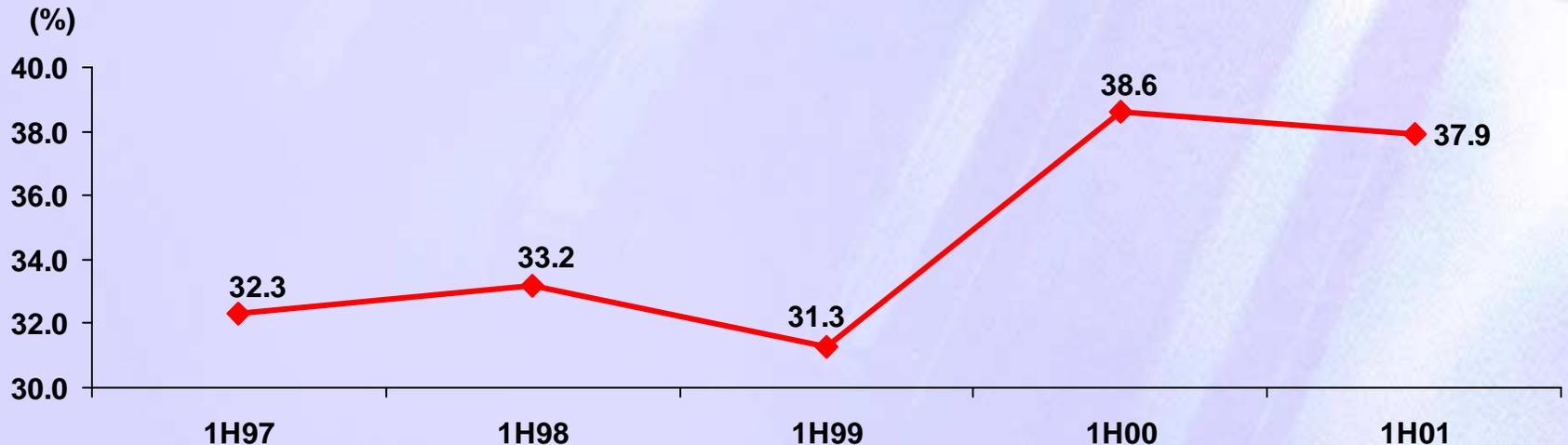
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# Keeping Expenses Under Control

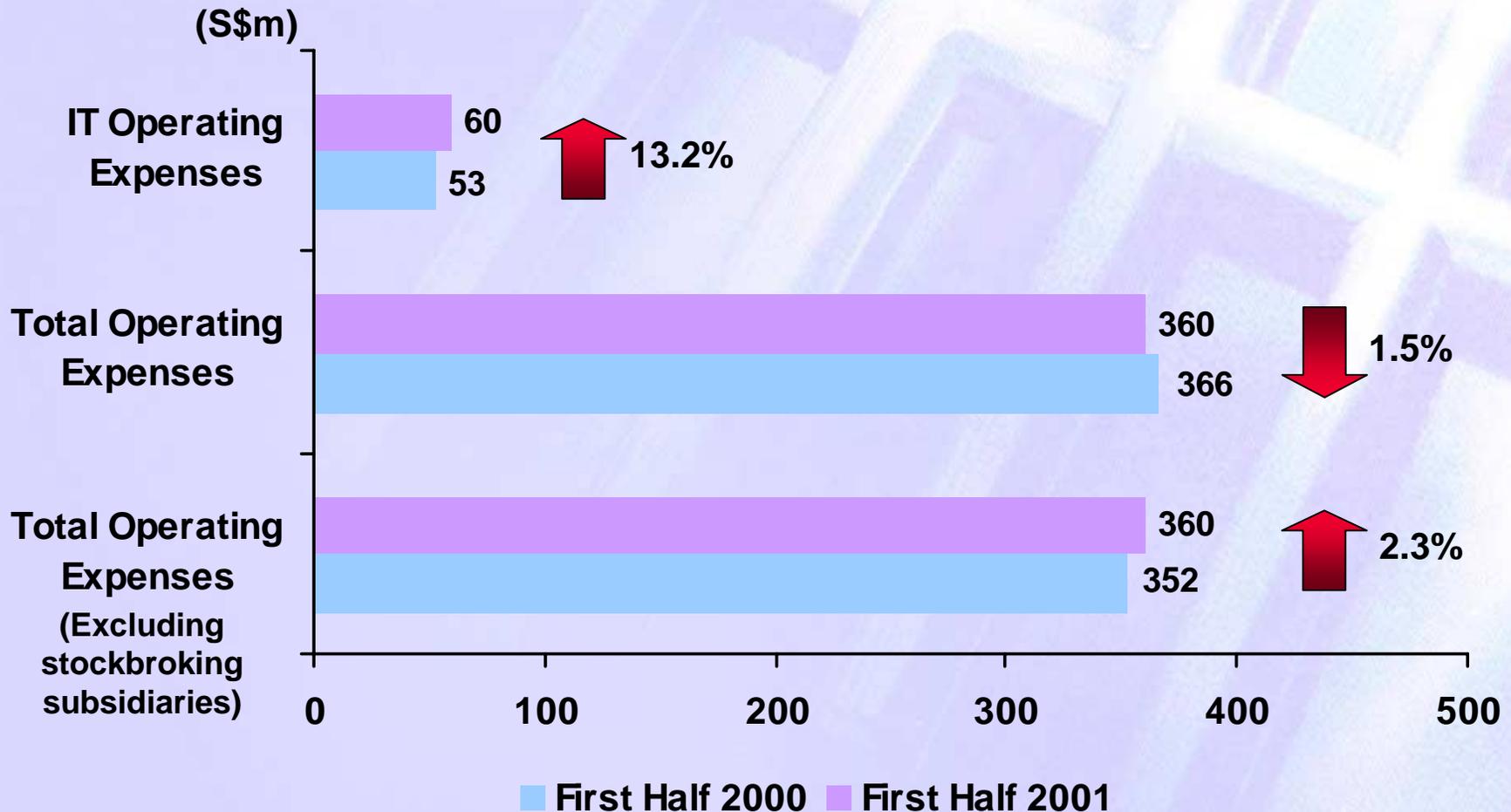
(S\$ m)	1H01	1H00	Inc/(Dec) (%)
Staff Costs	186	185	0.5
Other Operating Expenses	174	181	(3.5)
<b>Total</b>	<b>360</b>	<b>366</b>	<b>(1.5)</b>

## Cost-to-Income Ratio



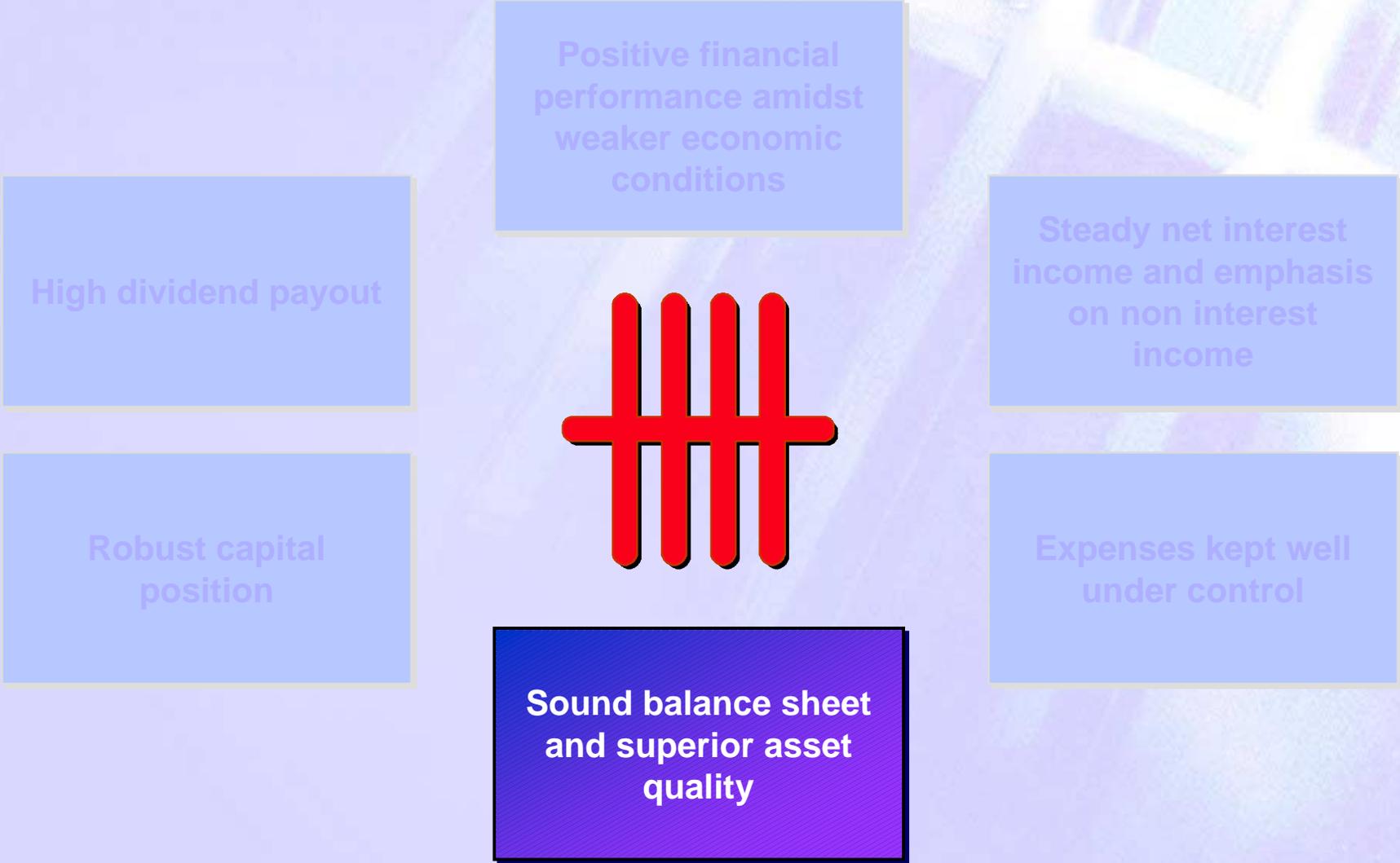
**Our expenses fell by 1.5%, and our cost-to-income ratio decreased by 0.7% pt**

# Efficiently Managing Our Costs



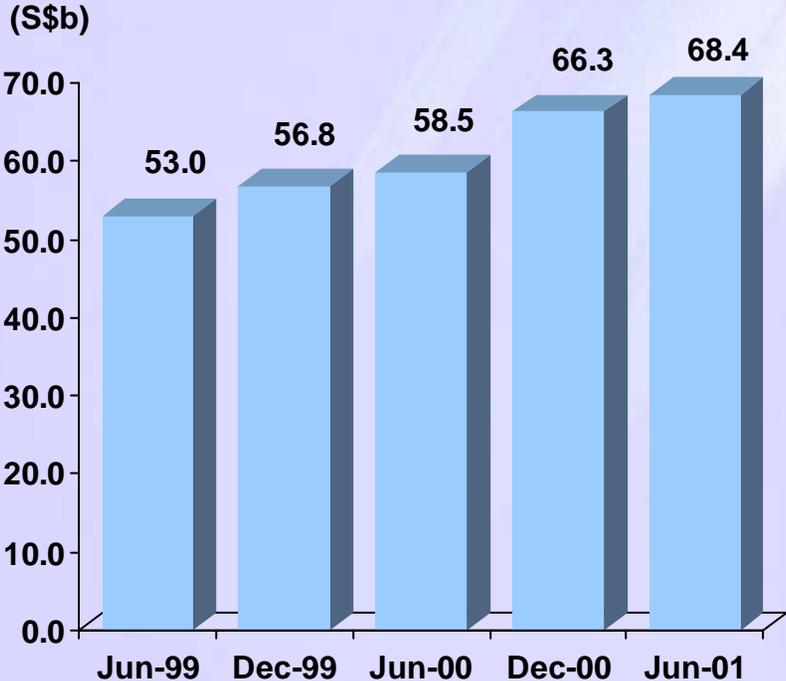
**We continue to exercise effective control over costs, without compromising on our investment in IT**

# Building A Premier Regional Bank

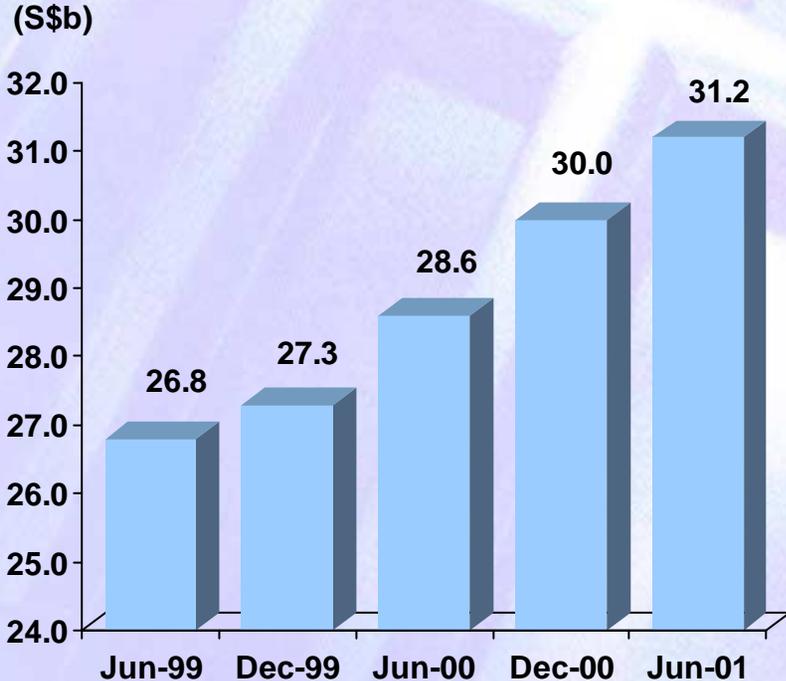


# Maintaining a Sound Balance Sheet

**Total Assets**



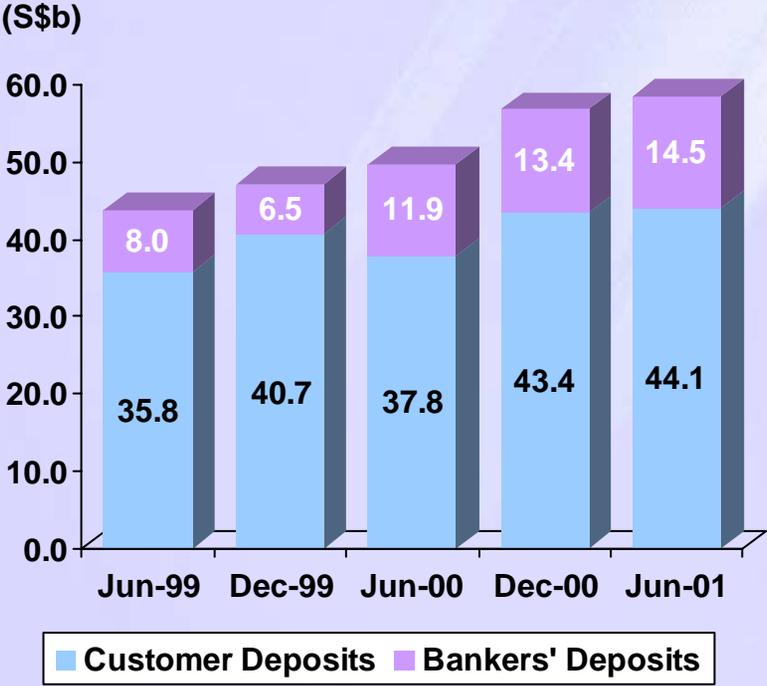
**Customer Loans**



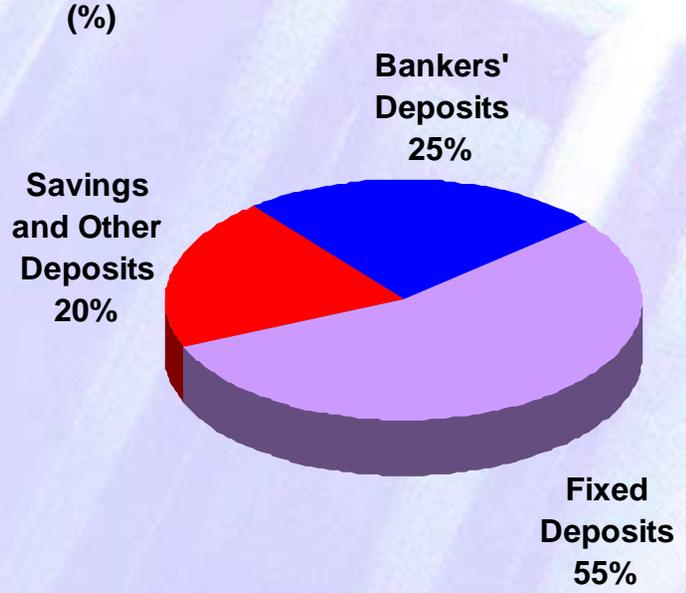
**Steady assets and loans growth illustrates the strength of our balance sheet**

# Growing and Well Diversified Customer Deposits

**Total Bank and Non-Bank Deposits**



**Breakdown of Deposits**

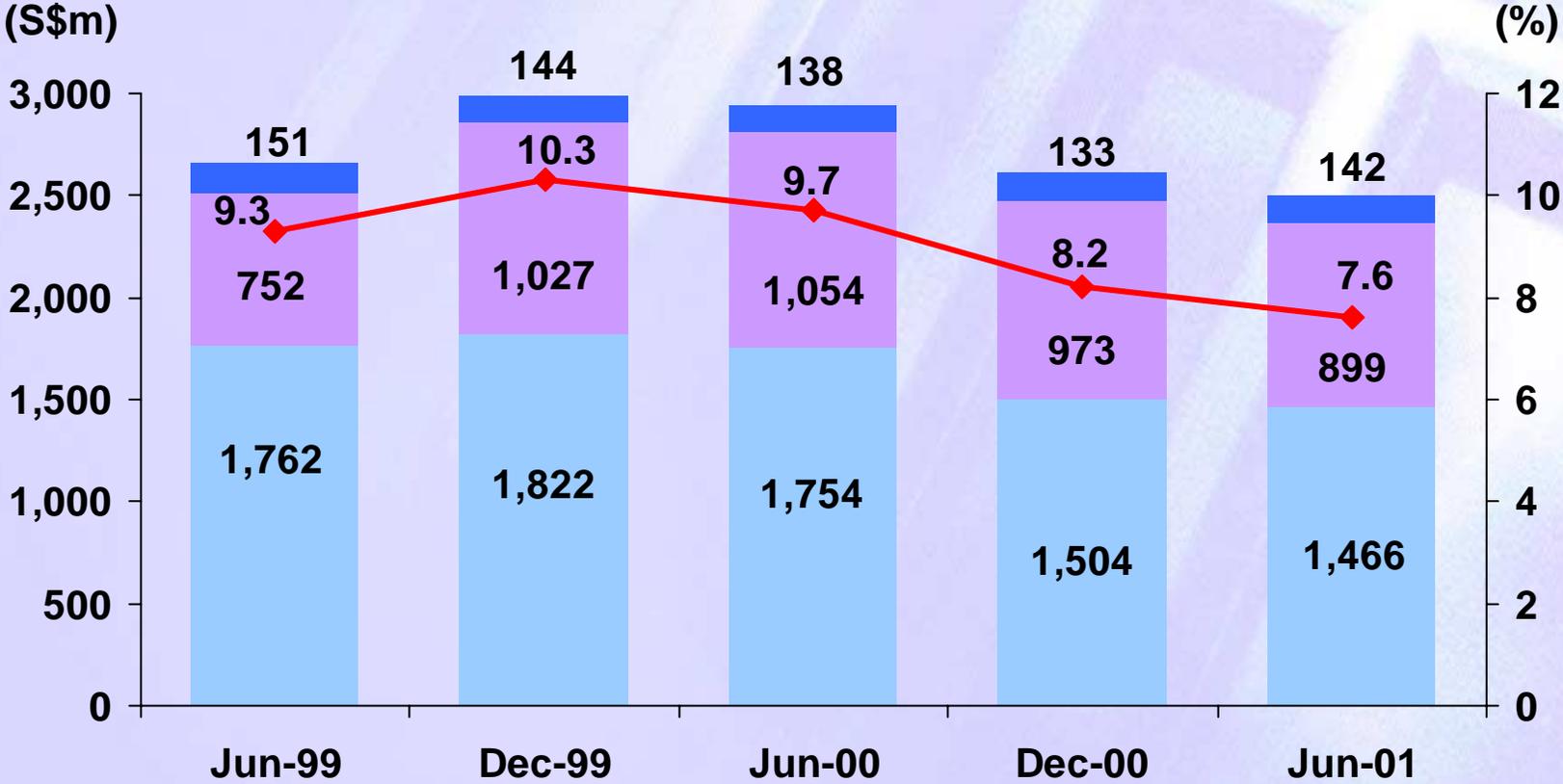


**Our deposit base reflects our customers' confidence in our franchise and services**

# Non Performing Loans Declined By 14.9% (y-o-y)

**Total NPLs  
(S\$m)**

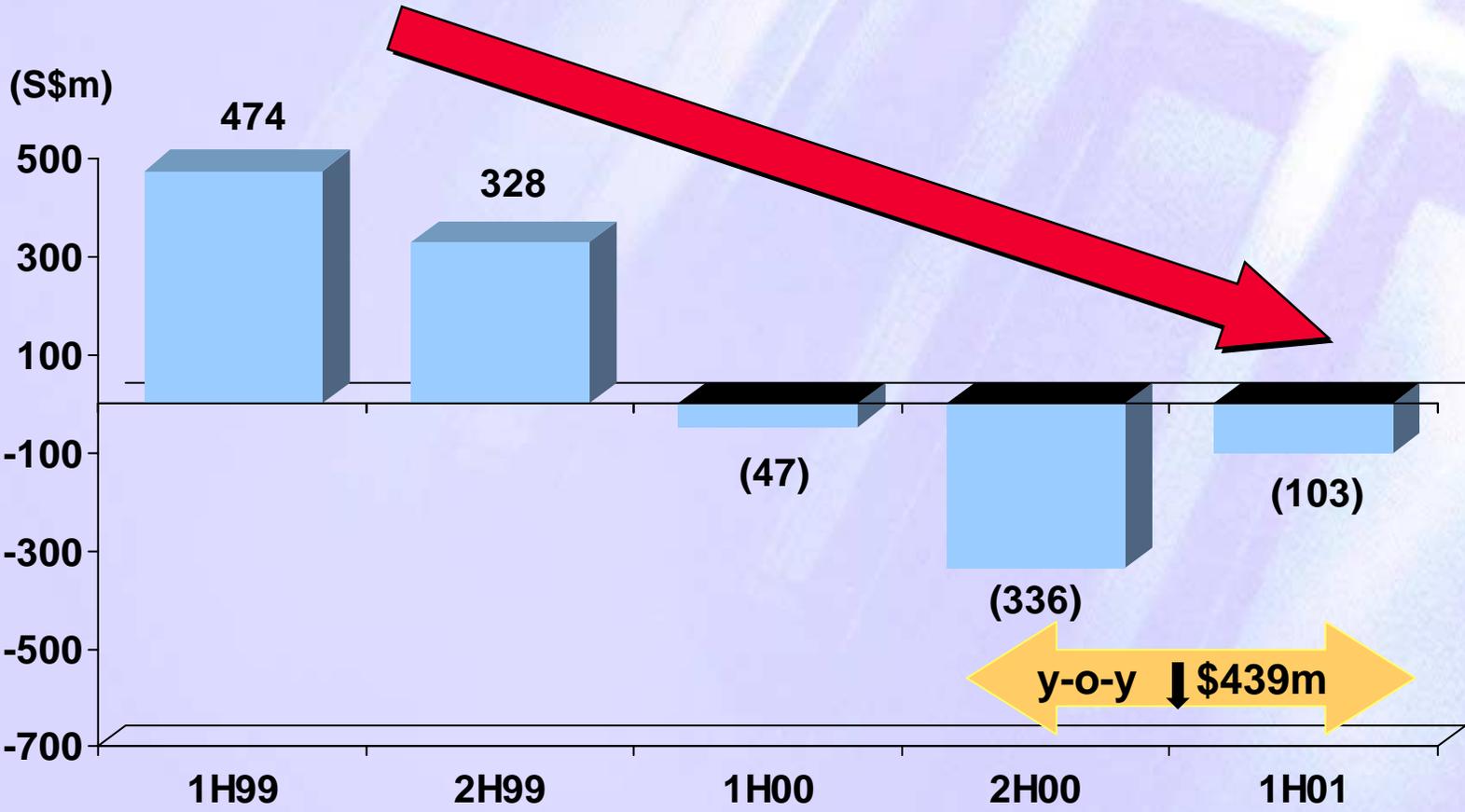
2,665      2,993      2,946      2,610      2,507



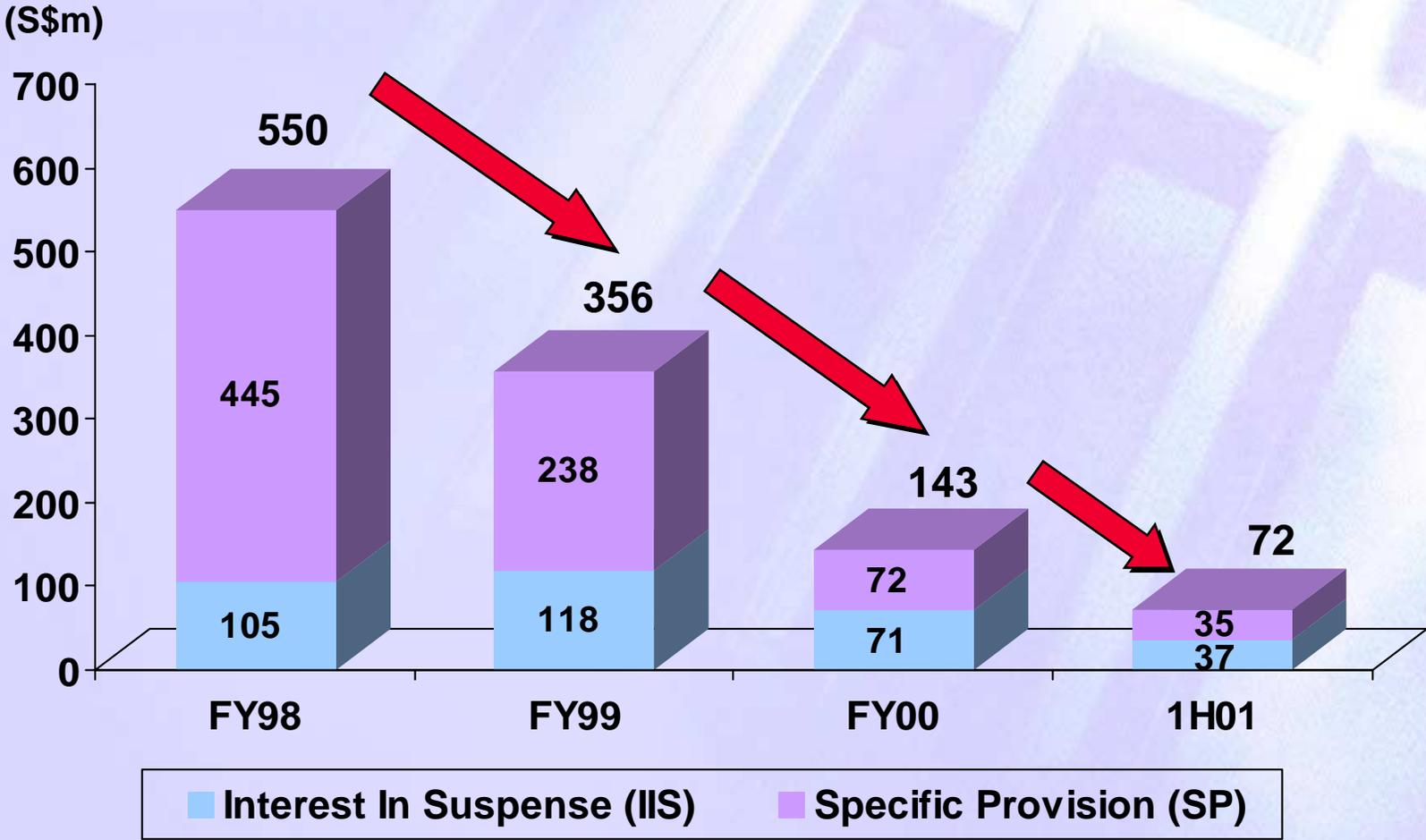
■ Singapore & Overseas   
 ■ 5 Regional Countries   
 ■ Greater China   
 ◆ NPL / Gross Non Bank Loan

# Drop in NPLs

**Net Increase/(Decrease) in NPLs**

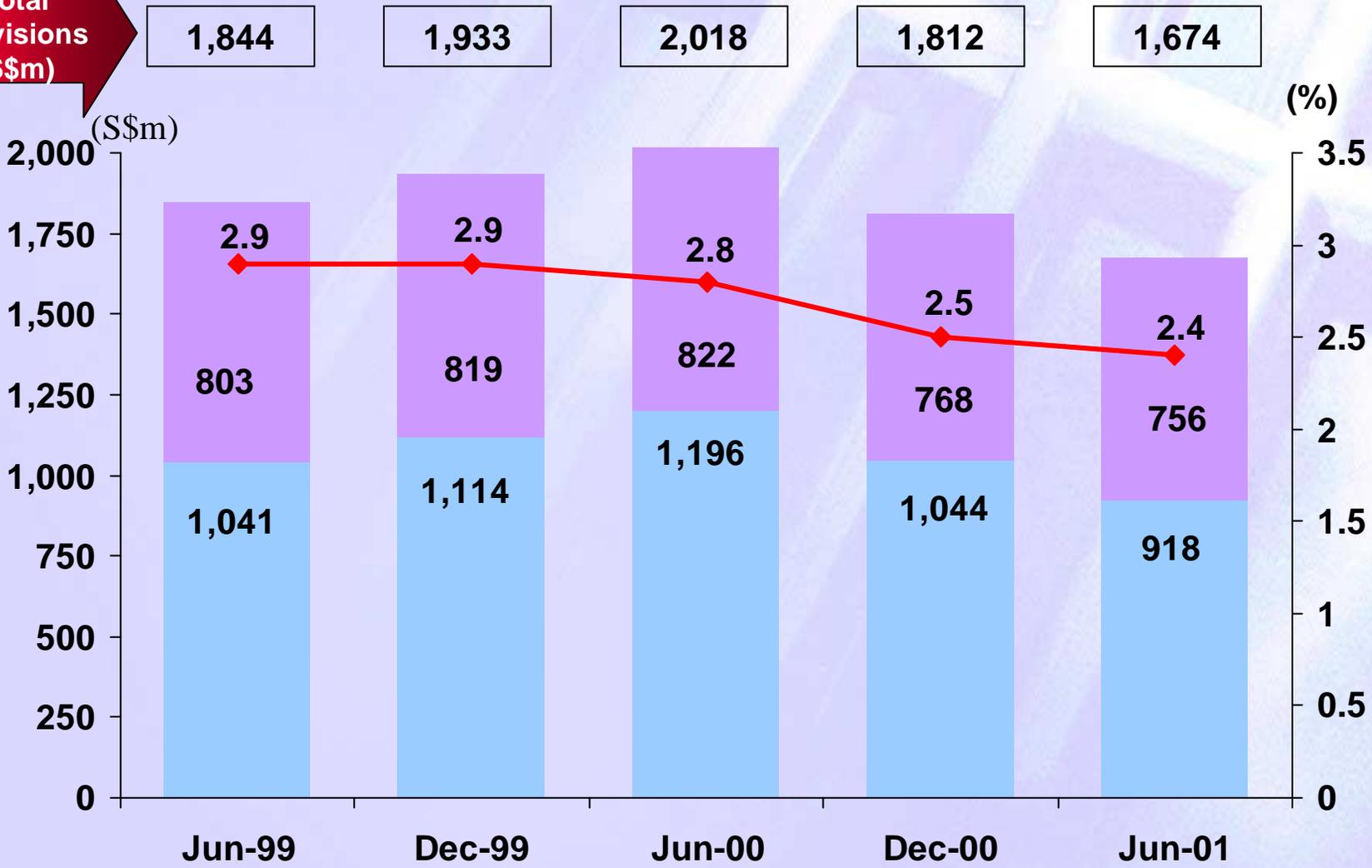


# Decline in IIS And SP Charged To P&L



# Decline in Cumulative Provisions in Line With Drop in NPLs

**Total Provisions (\$m)**

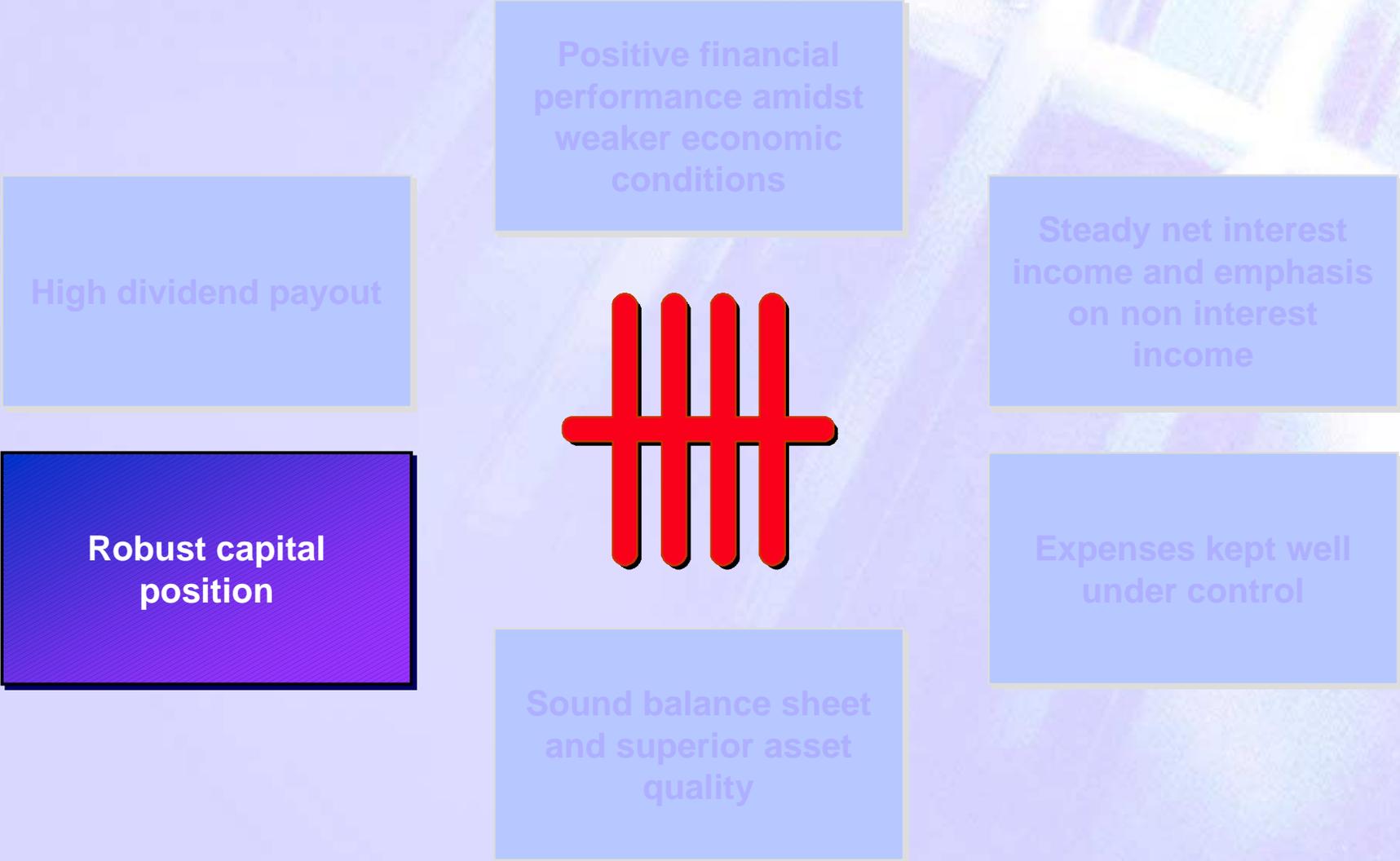


■ Specific Provisions    
 ■ General Provisions    
 —◆— GP/Customer Loans (net of SP)

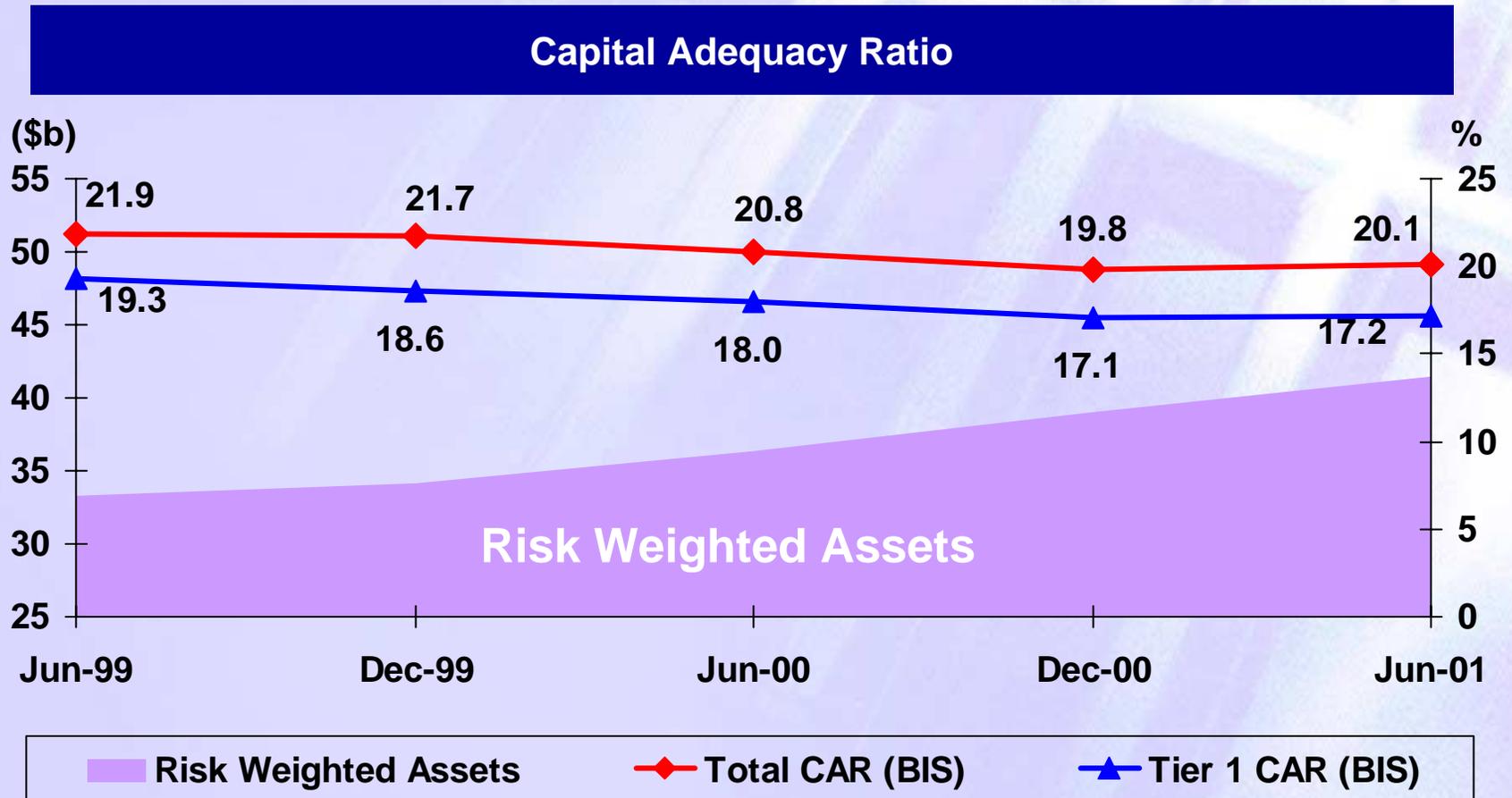
# Maintaining Provision Coverage

(%)	Dec 1999	Jun 2000	Dec 2000	Jun 2001
Specific Provision/NPLs	37.2	40.6	40.0	36.6
General Provision/NPLs	27.4	27.9	29.4	30.2
Total Provisions/NPLs	64.6	68.5	69.4	66.8

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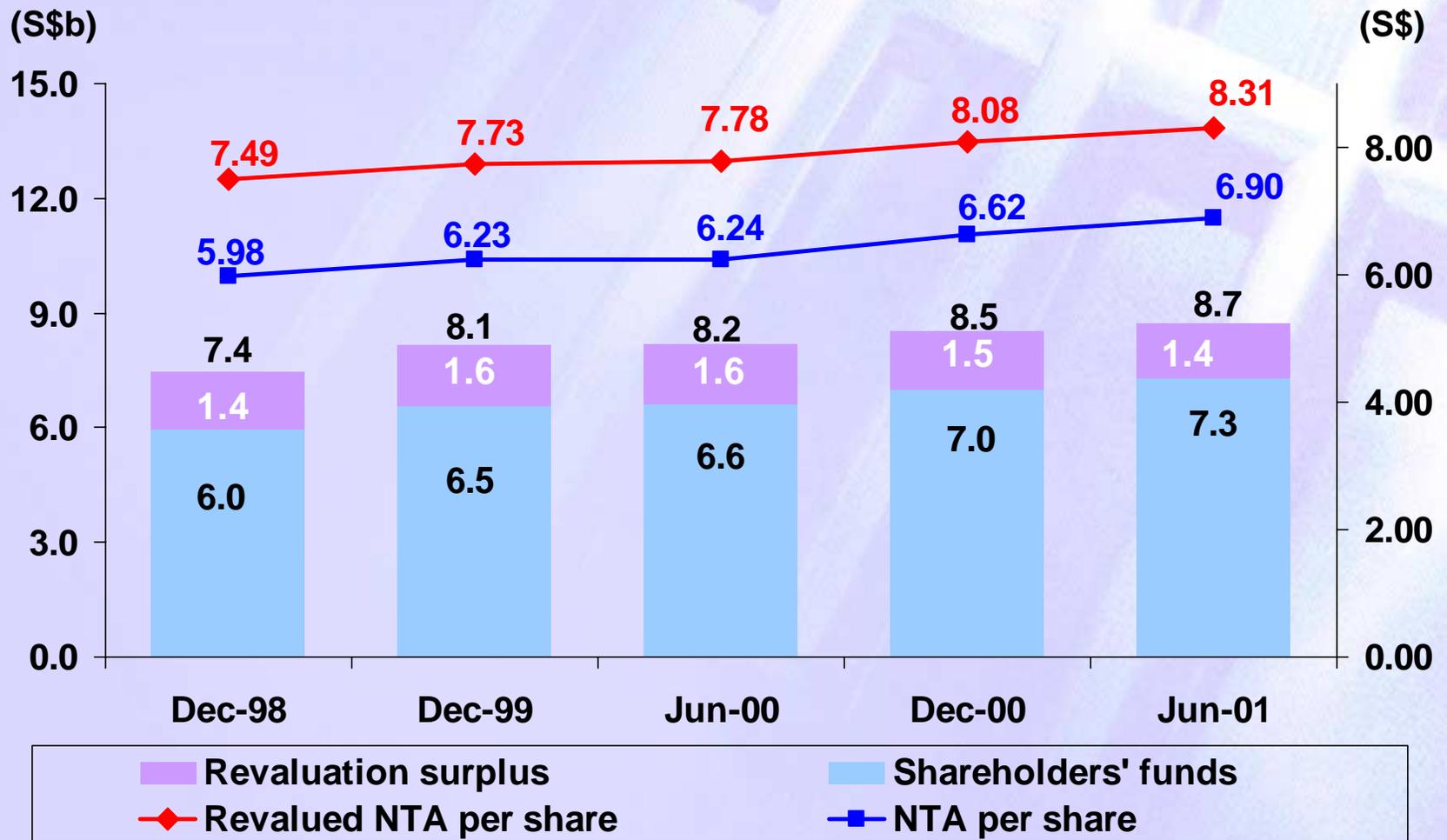


# Strong Capital Adequacy Ratio



**Our ability to maintain our high capital adequacy ratio concurrent with our strong growth in assets demonstrates our strong capital position**

# Respectable Growth in NTA



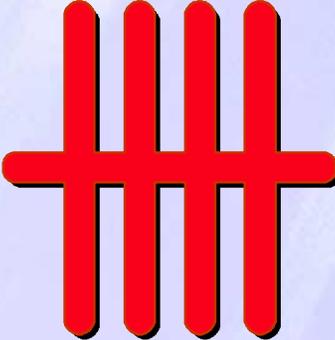
# Building A Premier Regional Bank

**High dividend payout**

Positive financial performance amidst weaker economic conditions

Steady net interest income and emphasis on non interest income

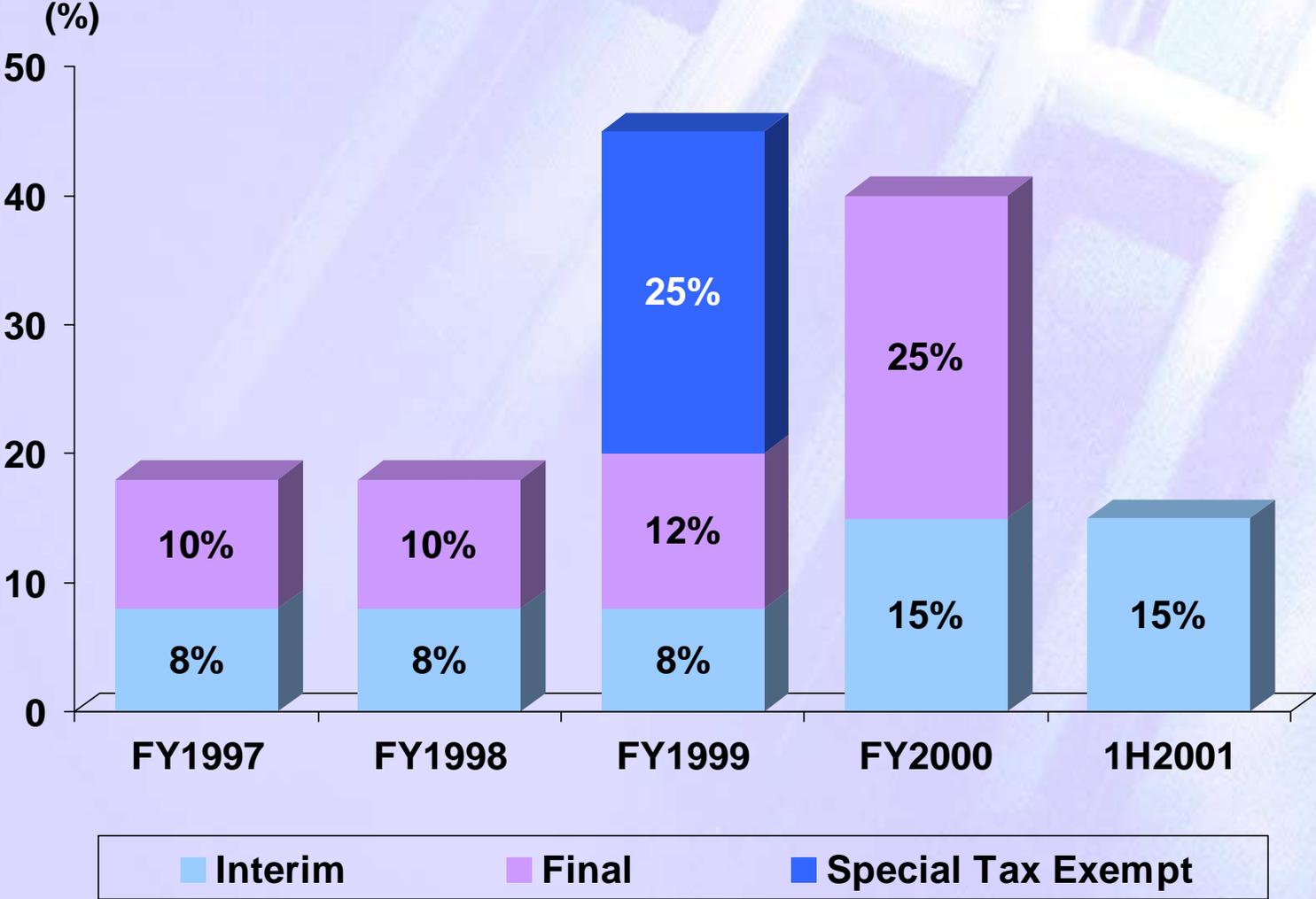
Robust capital position



Expenses kept well under control

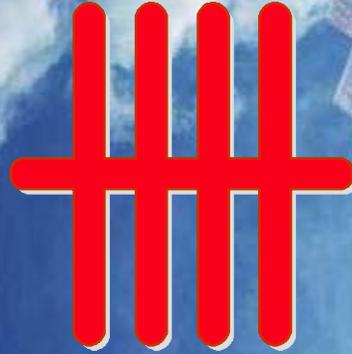
Sound balance sheet and superior asset quality

# High Dividend Payout to Reward Shareholders



# Delivering Results Once Again

Net Profit After Tax	\$455m (1H00: \$408m)		11.3%
ROE	12.8% (1H00: 12.5%)		0.3% pt
Cost / Income Ratio	37.9% (1H00: 38.6%)		0.7% pt
NPL / Gross Non Bank Loans	7.6% (1H00: 9.7%)		2.1%pt
CAR	20.1% (1H00: 20.8%)		0.7% pt
Interim Dividend Payout	15.0% (1H00: 15.0%)		



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**August 3, 2001**