

FRBSF Asia Symposium: Asian Banks, A Closer Look at Singapore

Exhibit 1: Key Financial Data of Singapore Banks 1Q2009

(S\$m)	OCBC			DBS			UOB		
	1Q09	1Q08	y-o-y (%)	1Q09	1Q08	y-o-y (%)	1Q09	1Q08	y-o-y (%)
Total Assets	180,160	179,997	0%	273,252	251,453	9%	178,543	185,784	-4%
Loans	80,403	75,393	7%	132,784	115,660	15%	101,952	96,257	6%
Deposits	92,401	92,867	-1%	179,818	157,379	14%	119,357	109,580	9%
Loan-to-Deposit Ratio (%)	85.3	79.7	7%	72.6	72.6	0%	83.5	86.1	-3%
Total NPLs	1,633	1,325	23%	3,233	1,464	121%	2,449	1,886	30%
NPL ratio (Total %)	1.8	1.6		2.0	1.0		2.1	1.6	
NPL ratio (Singapore %)	0.9	1.0		1.3	0.8		1.1	0.9	
Tier 1 Capital (%)	15.1	12.8		12.5	9.2		12.3	10.7	
Total CAR (%)	15.8	13.5		16.7	13.4		17.3	15.6	
Net interest income	740	638	16%	1,076	1,057	2%	949	852	11%
<i>Fee & Commission</i>	155	212	-27%	317	353	-10%	240	303	-21%
<i>Income from Insurance</i>	297	24	1120%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Dividends</i>	17	18	-4%	n.a.	n.a.	n.a.	4	3	33%
<i>Rental income</i>	19	15	25%	n.a.	n.a.	n.a.	34	24	42%
<i>Other income</i>	119	107	11%	269	153	76%	156	84	86%
Non-interest income	607	377	61%	586	506	16%	434	414	5%
Total income	1,347	1,015	33%	1,662	1,563	6%	1,384	1,266	9%
Total operating expenses	(413)	(426)	-3%	(638)	(656)	-3%	(491)	(496)	-1%
Core operating profit	934	589	59%	1,024	907	13%	893	770	16%
Allowances/ Impairment Charges	(197)	8	nm	(414)	(140)	196%	(378)	(89)	325%
Net profits	545	622	-12%	433	603	-28%	409	529	-23%
Ratios based on core earnings									
Net interest margin (%)	2.42	2.17		1.99	2.09		2.41	2.20	
Cost-to-Income Ratio (%)	30.7	42.0		38.4	42.0		35.5	39.2	
Fee Income / Total Income (%)	12	21		19	23		17	24	
Non-Interest Inc / Total Inc (%)	45	37		35	32		31	33	
ROE, annualised (%)	14.9	12.2		8.0	11.6		11.2	12.7	
ROA, annualised (%)	1.54	1.34		0.69	0.99		0.90	1.17	
EPS, annualised (cents)	68	59		85	134		101	138	

Source: Banks' annual reports

Exhibit 2: Loan Data by Economic Sectors

Total Loans By Sectors	OCBC		DBS		UOB		Total Loans		
	1Q09	1Q08	1Q09	1Q08	1Q09	1Q08	1Q09	1Q08	y-o-y
Tpt, Storage & Comm	5,628	3,770	13,278	11,566	6,117	5,775	25,024	21,111	19%
Building & Construction	16,885	15,079	18,590	13,879	12,234	12,513	47,709	41,471	15%
Manufacturing	6,432	6,031	17,262	15,036	10,195	9,626	33,889	30,693	10%
NBFI	11,256	11,309	17,262	13,879	16,312	16,364	44,831	41,552	8%
General commerce	6,432	6,785	11,951	11,566	13,254	12,513	31,637	30,865	3%
Prof & pte individuals	8,040	7,539	10,623	10,409	13,254	11,551	31,917	29,500	8%
Housing loans	19,297	19,602	30,540	26,602	24,468	23,102	74,306	69,306	7%
Others	6,432	4,524	14,606	12,723	6,117	5,775	27,156	23,022	18%
Total	80,403	74,639	134,112	115,660	101,952	97,220	316,467	287,519	10%

Source: Banks' annual reports

Exhibit 3: Peer Comparison – Loans Breakdown

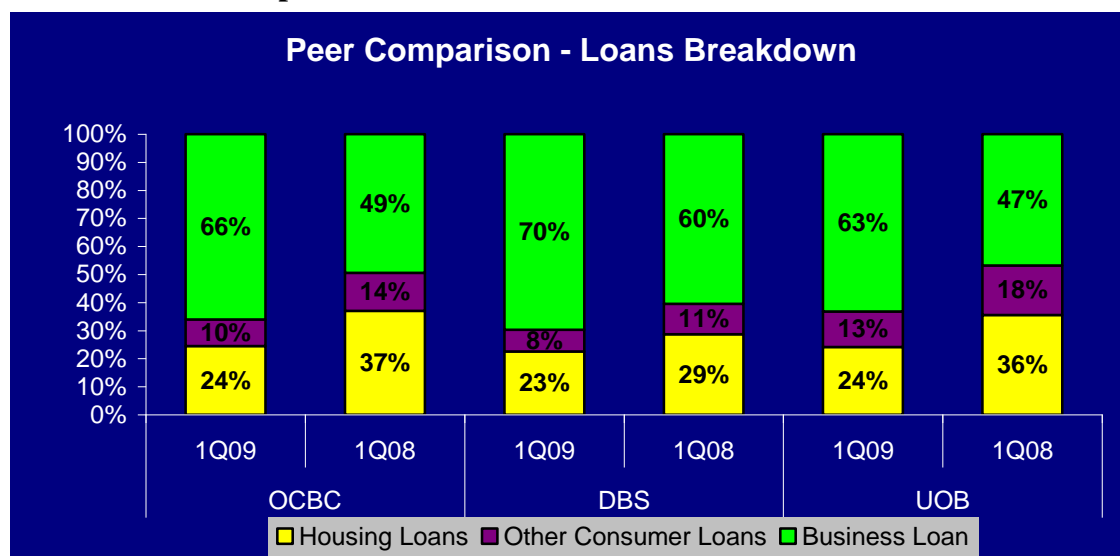


Exhibit 4: Singapore government budgeted a fiscal deficit of 6% of GDP for FY2009

Key elements of S\$20.5 billion fiscal stimulus package

Measure	Description	S\$ B
Jobs credit scheme	12% cash credit for employers (up to max of S\$300/mth per employee on CPF payroll) to cover part of their wage bills and avoid mass lay-offs	5.1
Skills Program for Upgrading and Resilience (SPUR) for workers and professionals	Government will pay up to 90% of retraining fees as well as hourly lost productivity rebate for companies that send their workers for training. Course fee subsidies introduced for professionals, managers, executives and technicians (PMETs).	
Workfare Income Supplement (WIS)	Supplements the wages of low income earners – the supplement will be increased by 50%	
Special risk-sharing initiative	Government guarantees to working-capital loans (up to S\$5 million) to individual firms to stimulate bank lending, especially to mid size companies. Two components: 1. The New Bridging Loan Program (BLP) 2. Trade Finance Schemes a. Loan Insurance Scheme - Plus (LIS+) b. Trade Credit Insurance Program (TCIP)	5.8
Corporate Tax	Corporate tax cut from 18% to 17%	2.6
Property Tax Rebate	40% Property Tax Rebate for Industrial and Commercial Properties	
Personal Income Tax	Personal income tax rebate of 20% for the 2009 assessment year capped at S\$2,000	2.6
Infrastructure spending	S\$4.4b to bring forward infrastructure spending plus health and education improvements	4.4

Source: Ministry of Finance

Exhibit 5: Government-sponsored financing schemes administered by Spring Singapore offered through participating financial institutions (PFIs)

a. Special risk-sharing initiative (SRI):

	New Bridging Loan Program (BLP)	Loan Insurance Scheme - Plus (LIS+)
Duration	1 year from Feb 2009	1 year from Feb 2009
Source of Funds	Government Capital	Financial Institution
Use of Funds	Working capital, including unsecured credit	Secured working capital (e.g. against receivables)
Interest Rate	Minimum 5% interest rate for loan tenure of 4 years and below, accrue fully to PFIs	
Maximum Loan Quantum	S\$5 million	Up to \$15 million per borrower group
Eligible Companies	All locally owned (>30% equity) companies, and foreign-owned SMEs	<u>Domestic Facilities</u> <ul style="list-style-type: none"> • Companies with at least 30% local shareholding <u>Export Facilities</u> <ul style="list-style-type: none"> • Companies with at least 3 strategic business functions in Singapore • Incorporated in Singapore

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Risk Share (% Govt: PFI)	80:20	75:25
Insurance Premium		LIS: 1.5% p.a. (with 90% govt subsidy); LIS+: 0.5% p.a. (on amt insured by govt.)

Source: Ministry of Finance

b. Enhancements to existing credit measures:

	Local Enterprise Finance Scheme (LEFS)	Micro Loan Program (MLP)	Internationalization Finance Scheme (IF Scheme)
Details	Fixed interest rate financing program to encourage and assist local enterprises to modernize and upgrade their operations.	Fixed interest rate financing program for enterprises with no more than 10 employees	Financing to assist Singapore-based companies to expand overseas. Companies can tap on the IF Scheme to acquire fixed assets for use overseas and/or to finance the working capital expenses of secured overseas projects.
Source of Funds	Government capital	Government capital	Financial Institution
Use of Funds	Secured factory loan Machinery term loan Hire Purchase	Unsecured working capital	Overseas fixed assets, structured project financing. Refinancing into IF scheme allowed.
Interest Rate	Minimum of 5.0% (< 4 years) Minimum of 5.5% (> 4 years)	Floor of 5.0% (< 4 years)	
Maximum Loan Quantum	S\$15 million	S\$100,000	
Eligible Companies	All companies (at least 30% local shareholding)	SMEs ≤ 10 employees: • At least 30% of local shareholding • Group fixed assets < S\$15m (for manufacturing sector) • Group has ≤ 200 employees (for services sector)	<u>Turnover caps</u> Non-trading companies: • <\$300m for both listed and privately-held Trading companies: • Listed: < \$300m • Privately-held: < S\$500m
Risk Share (% Govt: PFI)	80:20	90:10	80:20

Source: Ministry of Finance