

United Overseas Bank Group First Half 2008 Briefing

Results Overview

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Overview Of Financial Performance

Key Indicators		1H08	YoY Change
Operating Profit (\$m)	Higher NII	1,675	↑ 10.6%
Net Profit After Tax (\$m)	Consistent uptrend	1,130	↑ 2.5%
Net Loans (\$m)	Broad-based growth	97,395	↑ 18.1%
NIM [^] (%)	Effective asset & liability management	2.22	↑ 0.12%pt
Expense / Income (%)	Disciplined cost control	37.7	↑ 1.5%pt
ROE [^] (%)	Continues to improve	13.8	↑ 0.6%pt
Non-NII / Total Income (%)	Reflecting weaker market conditions	35.9	↓ 3.0%pt
Offshore Profit Contribution [#] (%)	Positive long-term outlook	25.6	↓ 0.9%pt

[^] Computed on an annualised basis

[#] Before tax and amortisation of intangible assets

Singapore – Continued Robust Growth

- Operating profit up 19%; Loans up 25%
- Housing loan growth momentum continued amid healthy market correction
- Further grew SME & Corporate portfolios. Selective & focus on quality credits
- Strong asset quality with low NPL ratio at 0.8%
- Well-placed to seize growth opportunities

Overseas – Anchoring Regional Franchise

- Overseas operating profit down 6%. But core NII up 18%; Loans grew 8%
- Asset quality remains sound
- Core business intact. Continue to focus on Consumer & SME segments
- Ongoing infrastructure investments for future growth
- Short-term uncertainties in region, but long-term potential
- Prudent & disciplined in building regional franchise

Overseas – Markets In Review

- Malaysia
 - Double-digit growth in loans & NII
 - Infrastructure in place. Continued focus in target segments
- Thailand
 - Turned around with improved loans & profits
 - Pursue disciplined growth
- Indonesia
 - Progressing well in core franchise. Continue to invest
 - Consolidating position with tender offer of remaining stake in Buana
- Further inroads in China & Vietnam – Strategic investments to complement organic growth

Disciplined Balance Sheet Management

- Well-diversified asset base
 - 54% in loans across countries, segments, industries
 - 10% in investment-grade securities
 - Maintain quality book; conservative provisioning policy
- Sound liquidity management
 - 22% of deposits deployed into cash & balances with central banks, T-bills & government securities
 - Stable funding sources – 75% from customer deposits
- Strong capital position
 - 10.2% Tier 1 CAR & 14.4% Total CAR well-above regulatory minimum
 - Monitoring market for opportunities
 - Consistent dividend payout – Net interim dividend of 20 cents per share

Well-diversified quality portfolio. Strong capital & liquidity

In Summary

- Commendable performance in first half. Core business remains strong
- Global environment continues to be challenging. Asia not spared, but remains fairly resilient
- UOB well-positioned to meet challenges ahead – Strong franchise, balance sheet strength, valued distribution network
- Stay vigilant in managing risk. Focus on fundamentals. Expect moderating growth for 2008
- Continue to diversify & build franchise for long-term viability