

NEWS RELEASE

UOB Group First Quarter Core Earnings Rose 11% to S\$612 million quarter-on-quarter

Regional Strategy Delivered Strong Loan Growth and Fee Income

SINGAPORE, 6 May 2011 – The UOB Group (Group) recorded net profit after tax of S\$612 million in the first quarter of 2011 (1Q11). Core earnings rose 11% from the last quarter and declined marginally by 1% from a year ago. There were one-time gains on disposal of long-term investments in the two comparative periods. Including these one-time gains, net profit decreased 13% against both periods.

Loan growth gained further traction with a 7% quarter-on-quarter increase and a 19% growth year-on-year to reach S\$123 billion. The growth was broad-based across different industries with significant increases registered in housing loans, loans to non-bank financial institutions and general commerce.

In Singapore, the continued strong GDP growth enabled loans to expand 6% quarter-on-quarter and 19% year-on-year. In the key regional markets, the momentum for loan growth remained robust where loans expanded 8% quarter-on-quarter and 25% year-on-year.

Net interest income registered positive growth of 1% quarter-on-quarter to S\$871 million after four consecutive quarters of decline. The strong loan growth contributed to the increase in net interest income as it cushioned the impact of margin pressure. Net interest margin was stable at 1.90%.

Fee and commission income rose 7% quarter-on-quarter to reach a new high of S\$330 million in 1Q11. Loan-related fee income rose significantly contributed by strong lending activities. Year-on-year, the increase was 16%. The Group's strong regional presence continued to provide the platform to generate higher revenues from cross-selling products to customers.

Expenses amounted to S\$583 million, lower by 6% quarter-on-quarter due to the seasonal nature of certain expenses. Compared to the same quarter last year, expenses were higher by 8%. Apart from higher operating expenses arising from increased business volume, the Group continued to invest in talent in tandem with expansion in its business. Cost-to-income ratio stood at 41.0%.

Asset quality continued to improve. Impairment charges decreased to S\$103 million in 1Q11, of which S\$60 million was for collective impairment set aside for the increase in loan volume. Non-performing loans (NPL) ratio dropped to 1.6% from 1.8% in the last quarter as NPL fell 7% to S\$2 billion. Loan charge off declined to 31bp from 62bp in the last quarter. If collective impairment is excluded, loan charge off is lower at 11bp.

On the deposits front, deposits grew at a slower pace of 3% compared to loans as the excess deposits which were collected ahead of loans in the last quarter were utilised for loan growth. Loans-to-deposits ratio increased to 82.1% from 79.0% in the last quarter.

Subsequent to the balance sheet date, UOB issued S\$1 billion 3.45% fixed rate subordinated notes and A\$350 million senior unsecured unsubordinated floating rate notes. The issuance of these notes further strengthened the Group's funding position to support future asset growth.

Capital remained strong with Tier 1 and total capital adequacy ratios at 14.9% and 19.2% respectively as at 31 March 2011, well above the minimum 6% and 10% required by the Monetary Authority of Singapore respectively.

CEO's Statement

Mr Wee Ee Cheong, the UOB Group's Deputy Chairman and Chief Executive Officer said: "We are pleased to sustain the strong momentum from last year, in terms of loan and fee growth.

Whilst the global economy continues to grapple with various shocks, our core markets remain buoyant, reflecting the strong regional economic fundamentals and rising affluence in Asia.

We remain committed to serving the rising intra-regional needs of our customers and leveraging our regional platform to tap the growing affluence in the region. We will

continue to focus efforts on harmonising systems and processes and providing our customers with a positive, seamless experience across borders.”

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia. It provides a wide range of financial services through its global network of over 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America, including banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and mainland China.

In Singapore, UOB is a market leader in the credit and debit cards business, and the private residential home loan business. It is also a key player in loans to small and medium enterprises. Its fund management arm, UOB Asset Management, is one of Singapore's most awarded fund managers.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B for financial strength, and Aa1 and Prime-1 for long-term and short-term bank deposits respectively.

UOB also plays an active role in the community, focusing on children, education and the arts. It has organised the prestigious Painting Of The Year Competition and Exhibition since 1982, and supports Very Special Arts Singapore which provides art programmes for the disabled. In recognition of its contributions to the arts, UOB has been conferred the National Arts Council's Distinguished Patron of the Arts Award for the sixth consecutive year. UOB has also established the annual UOB Heartbeat Run to raise funds for charity.

For more information about UOB, visit uobgroup.com.

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