

United Overseas Bank Group First Half 2008 Briefing

Financial Highlights

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Profit Growth 2.5% in 1st Half 2008

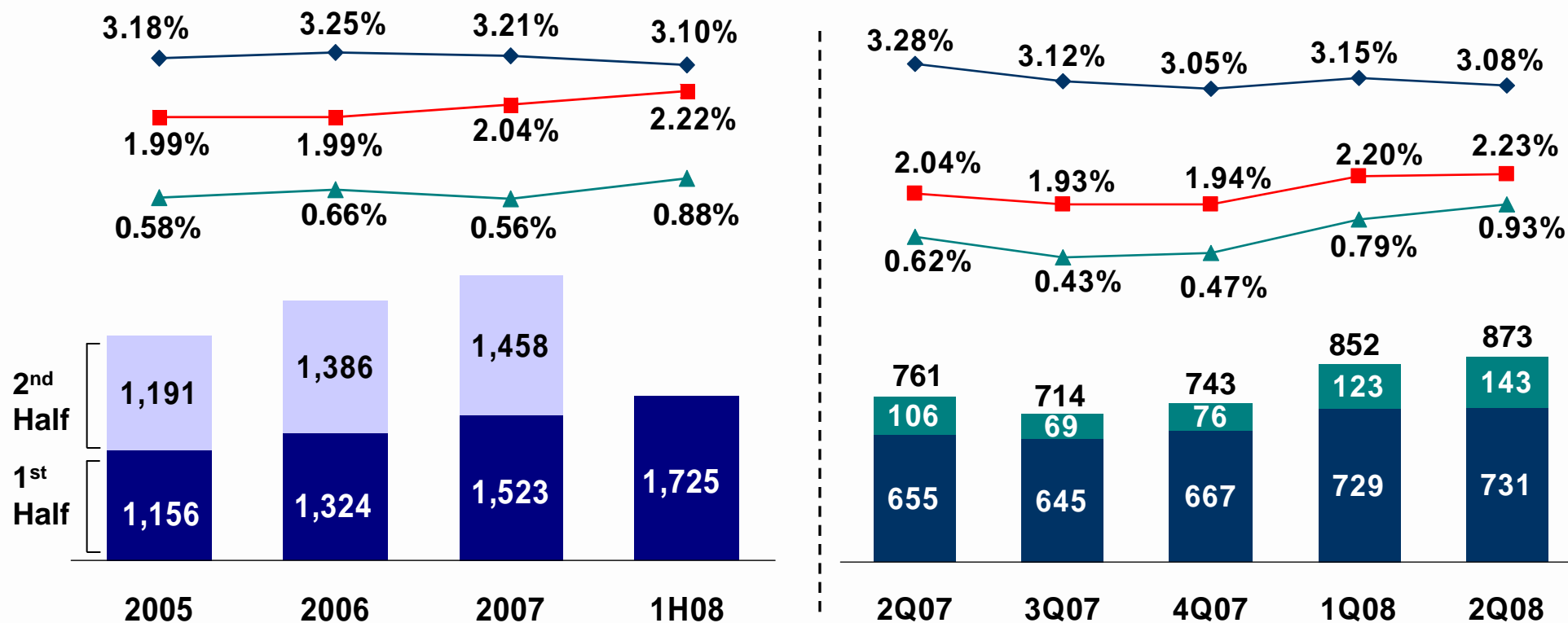
	1H08 \$m	1H07 \$m	+ / (-) %
Net interest income	1,725	1,523	13.3
Non-interest income	964	968	(0.3)
Total income	2,690	2,490	8.0
Less: Total expenses	1,015	976	4.0
Operating profit	1,675	1,515	10.6
Less: Intangible assets amortised	5	6	(13.0)
Individual impairment - loans	75	119	(36.8)
Individual impairment - other assets	82	50	65.9
Collective impairment	112	-	NM
Add: Share of profit of associates	56	112	(50.0)
Less: Tax & minority interests	327	350	(6.6)
Net Profit After Tax (NPAT)	1,130	1,103	2.5
NPAT Growth at constant FX rate			4.2

Quarter-on-Quarter Profit Up 13.5%

	2Q08	1Q08	+ / (-)	2Q07	+ / (-)
	\$m	\$m	%	\$m	%
Net interest income	873	852	2.5	761	14.7
Non-interest income	550	414	32.9	536	2.7
Total income	1,424	1,266	12.4	1,297	9.8
Less: Total expenses	518	496	4.4	504	2.9
Operating profit	905	770	17.6	793	14.2
Less: Intangible assets amortised	3	3	(3.0)	3	(15.9)
Individual impairment – loans	65	10	563.4	33	99.4
Individual impairment – other assets	51	32	60.6	48	5.2
Collective impairment	64	48	34.7	-	NM
Add: Share of profit of associates	34	22	54.3	65	(47.8)
Less: Tax & minority interests	156	171	(8.6)	190	(17.7)
Net Profit After Tax (NPAT)	601	529	13.5	585	2.7
NPAT Growth at constant FX rate			14.2		4.4

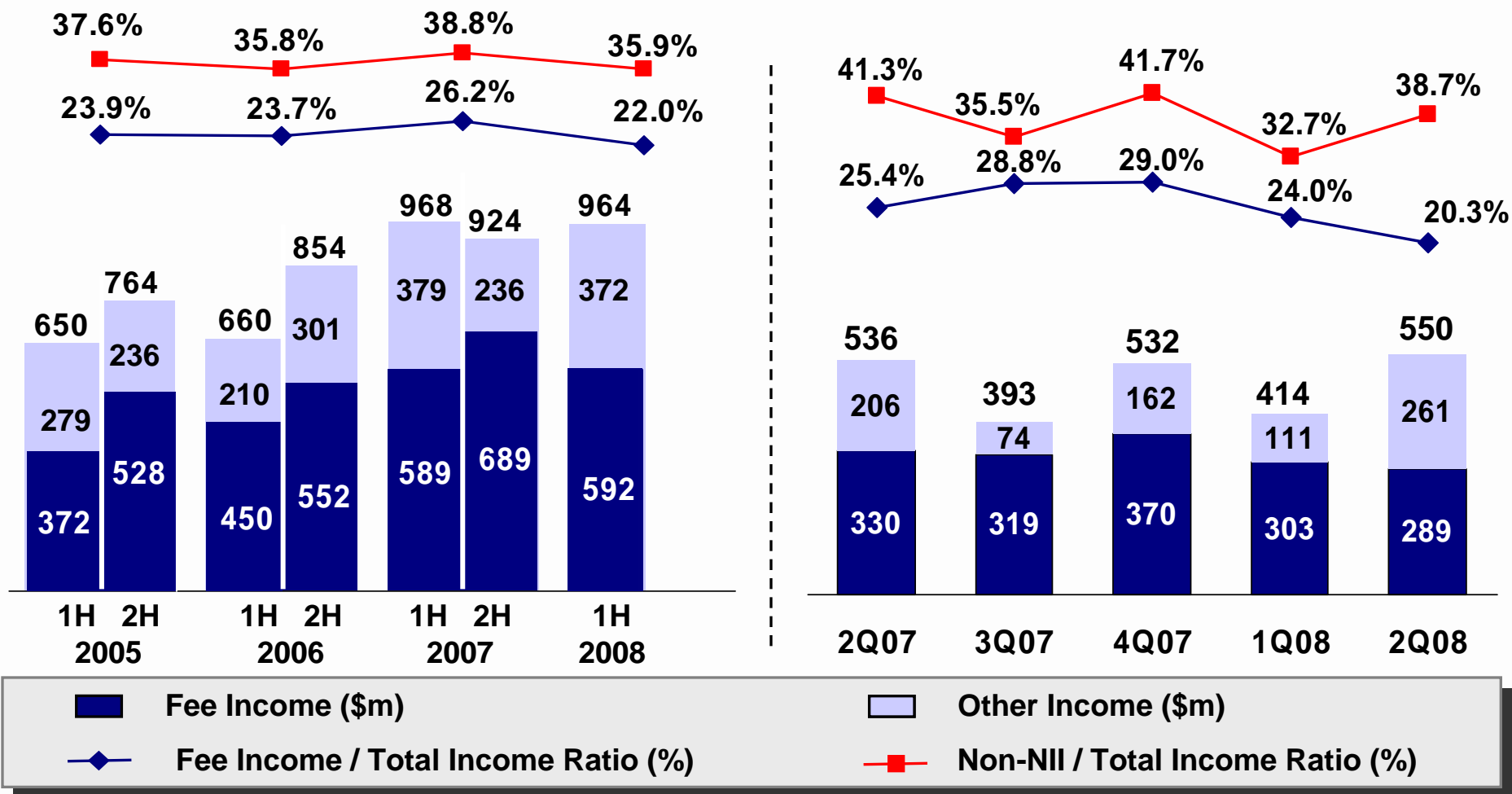
Strong Growth in Net Interest Income and Margin

Net Interest Income and Margin



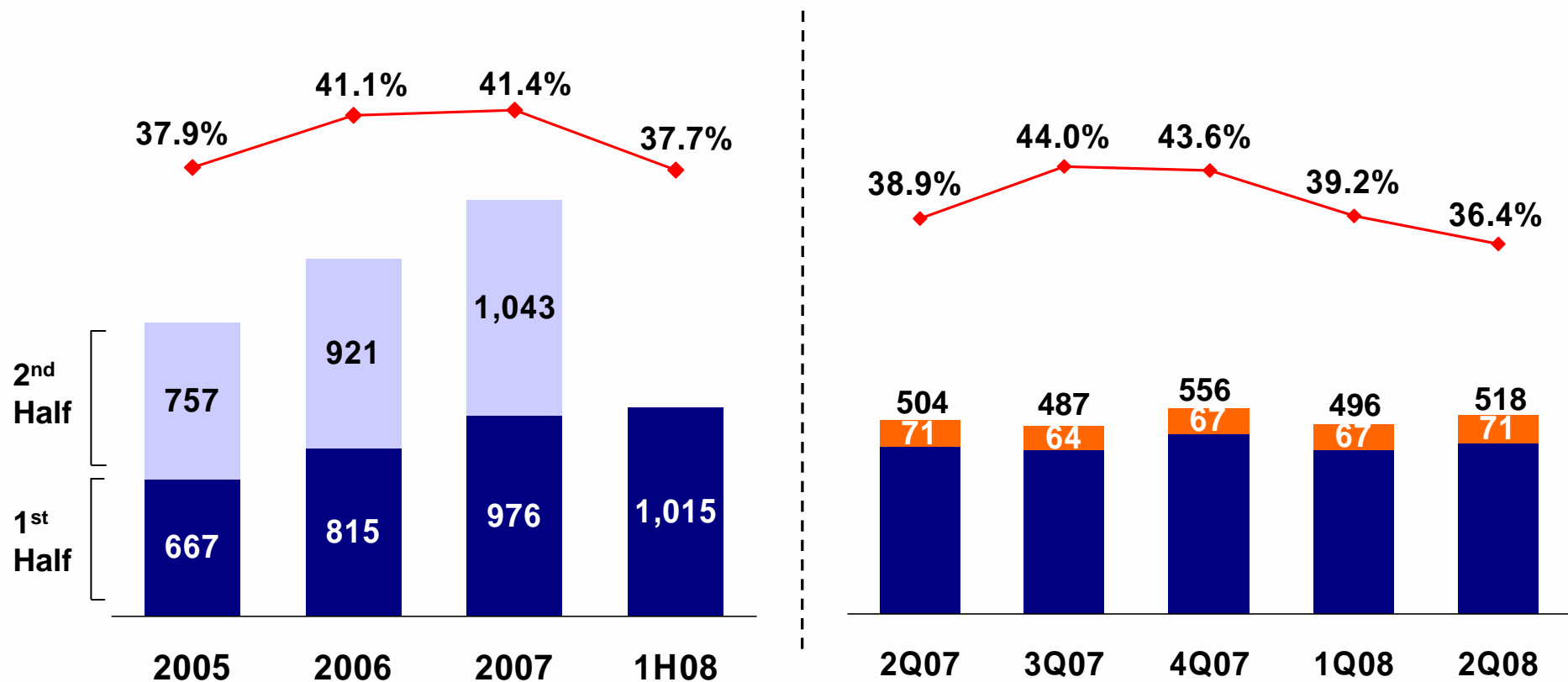
Higher Non Interest Income Quarter-on-Quarter

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



Disciplined Cost Management

Operating Expenses and Expense / Income Ratio



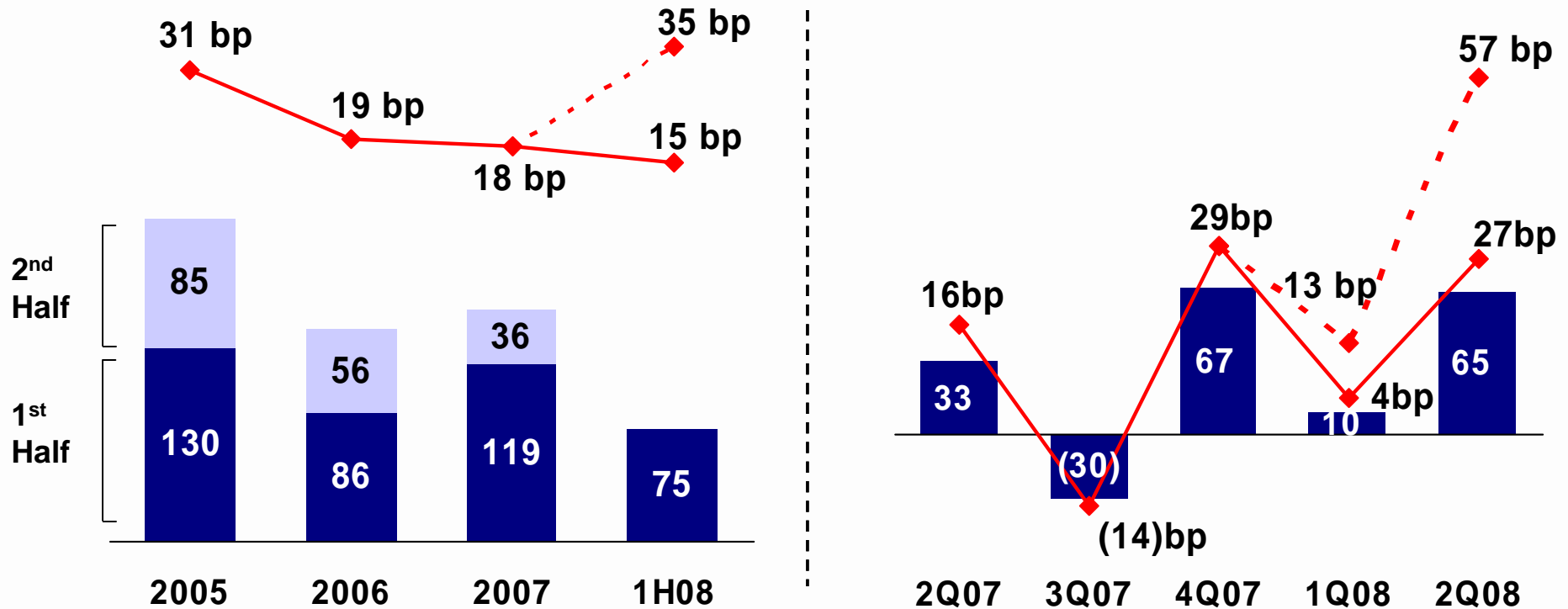
Operating Expenses (\$m)

IT Expenses (\$m)

Expense / Income Ratio (%)

Prudent Provisioning Policy

Individual Impairment Charges on Loans



■ Individual Impairment Charges on Loans (\$m)

—◆— Individual Impairment Charges on Loans / Average Gross Customer Loans (basis points) *

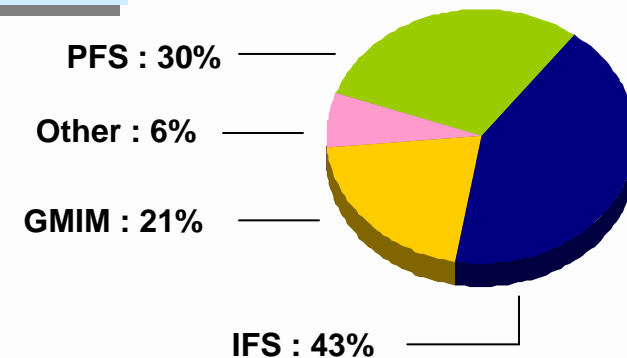
-◆- Total Impairment Charges on Loans / Average Gross Customer Loans (basis points) *

* On annualised basis

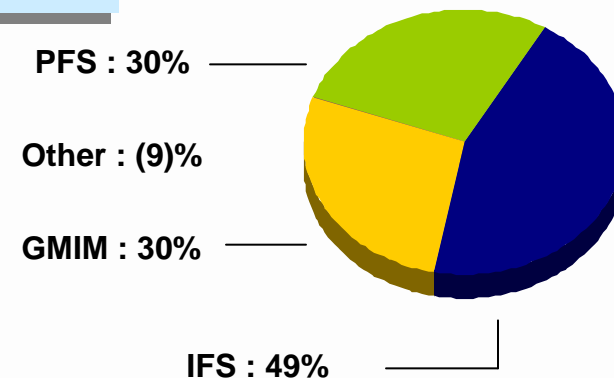
Performance By Business Segment

	1H08	1H07	+ / (-)
<u>Segment Operating Profit *</u>	<u>\$m</u>	<u>\$m</u>	<u>%</u>
Personal Financial Services (PFS)	496	456	8.8
Institutional Financial Services (IFS)	714	741	(3.6)
Global Markets & Investment Mgt (GMIM)	351	452	(22.3)
Other ^	114	(134)	NM
Total	1,675	1,515	10.6

1H08



1H07



* Before amortisation of intangible assets and impairment charges.

^ Including unallocated expenses.

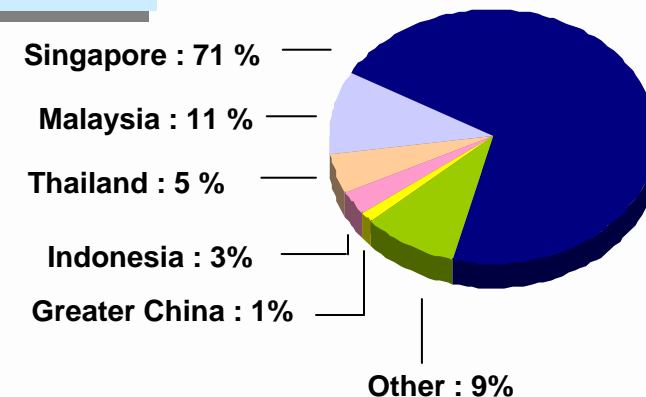
Performance by Geographical Segment

	1H08	1H07	+ / (-)	At constant FX rate
<u>Operating Profit *</u>	<u>\$m</u>	<u>\$m</u>	<u>%</u>	<u>%</u>
Singapore (including ACU)	1,181	990	19.3	19.3
Total Overseas	494	525	(5.7)	1.4
Malaysia	176	191	(8.1)	(4.9)
Thailand	85	66	27.9	43.8
Indonesia	52	80	(34.6)	(25.5)
Greater China	24 [^]	45	(47.6)	(42.6)
Other	158	143	10.5	20.6
Total	1,675	1,515	10.6	13.5

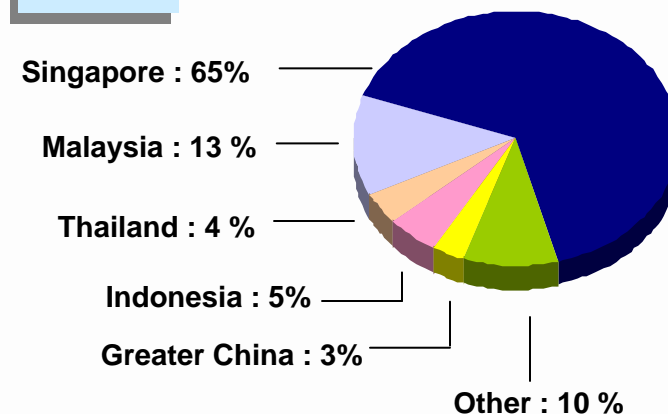
[^] Excluding the revaluation loss on the USD capital, the operating profit would be \$65m for Greater China.

* Before amortisation of intangible assets and impairment charges.

1H08

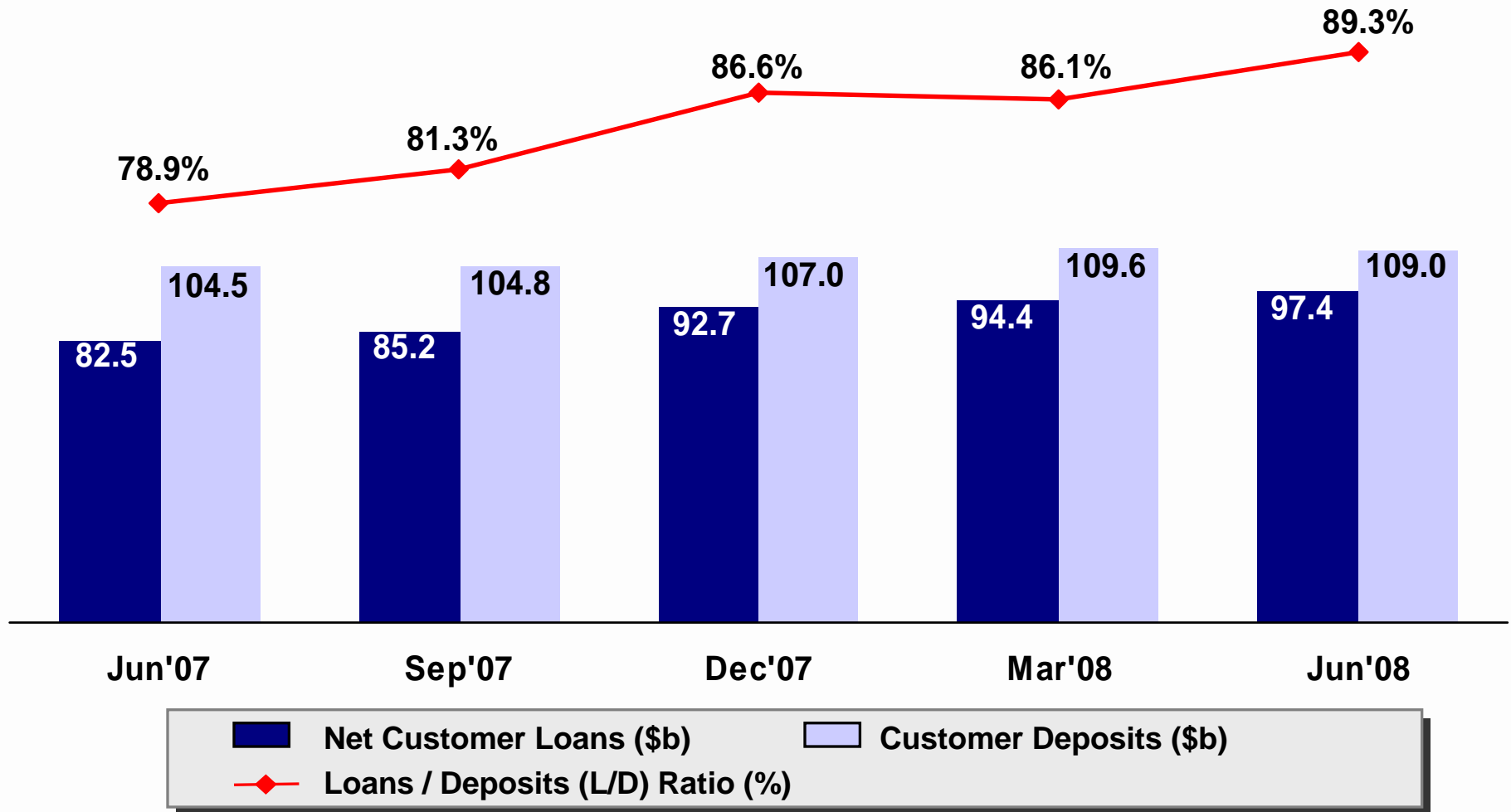


1H07



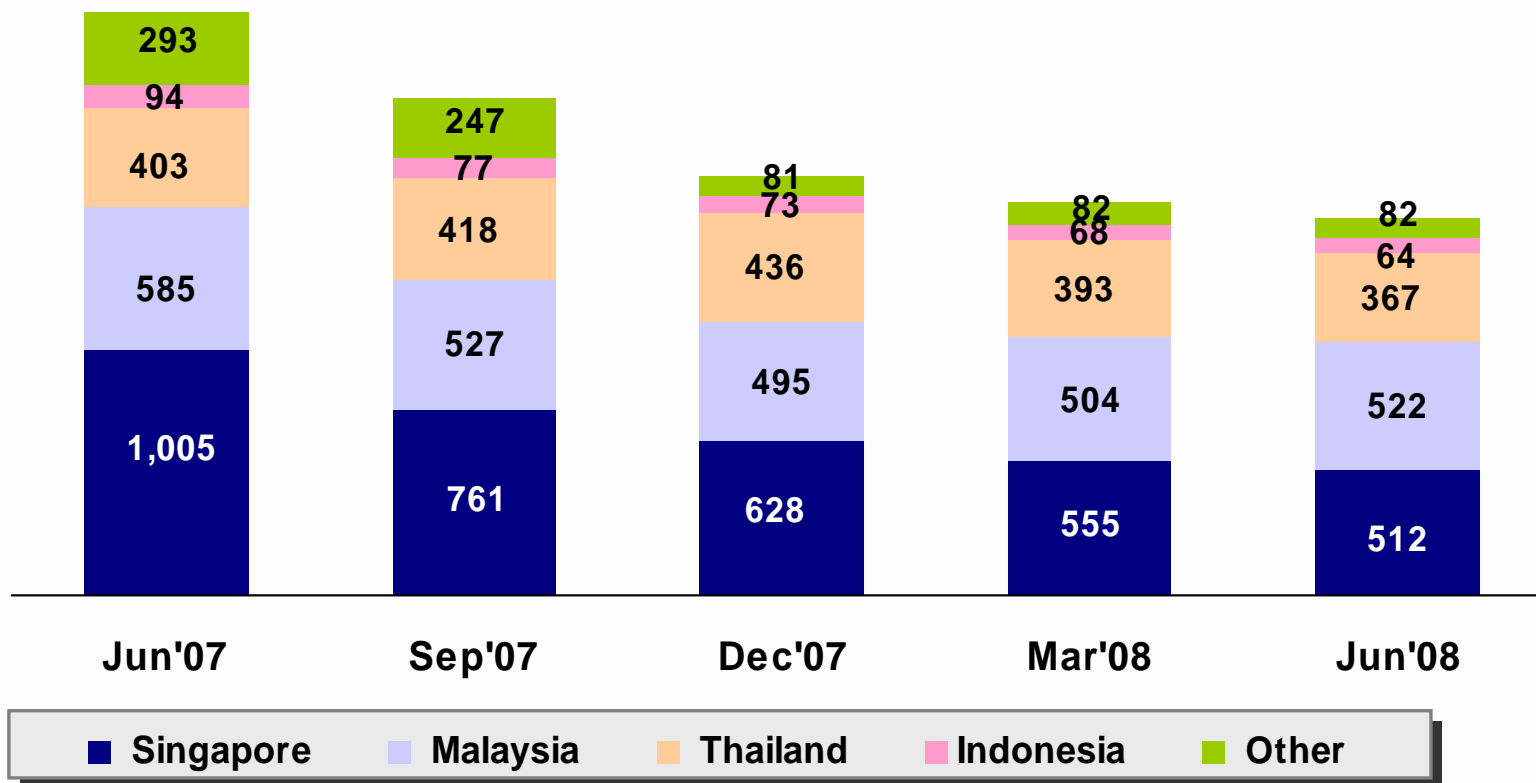
Strong Growth in Loans

Customer Loans, Deposits and L/D Ratio



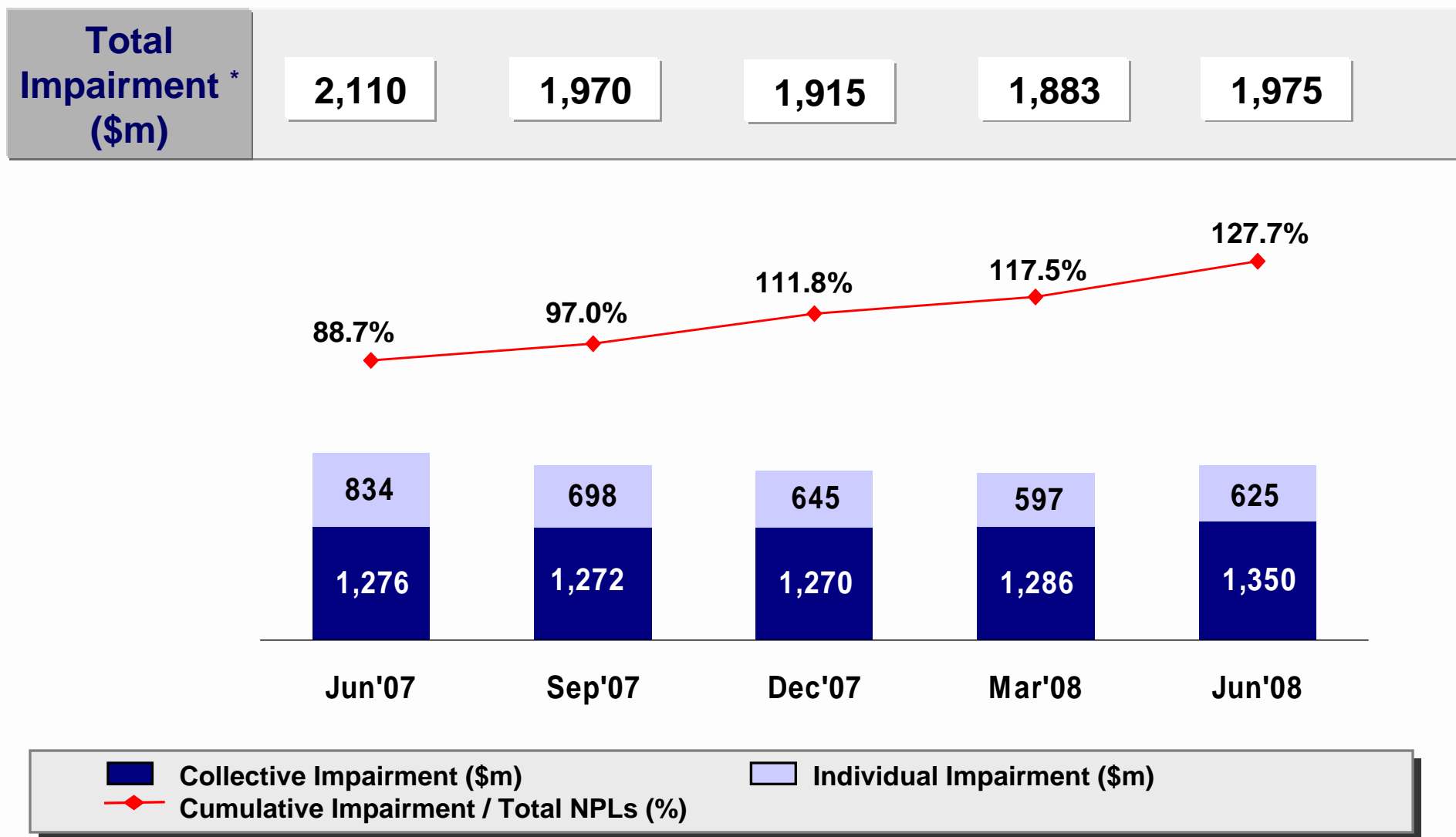
NPL Ratio Continued to Improve

NPL (\$m) *	2,380	2,030	1,713	1,602	1,547
NPL Ratio	2.8%	2.3%	1.8%	1.6%	1.5%



* Excluding debt securities

Impairment Coverage Remained Strong



* Excluding debt securities

Singapore (including ACU) – Summarised P/L

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)
	\$'m	\$'m	%	\$'m	\$'m	%
Net interest income	1,016	919	10.5	507	509	(0.4)
Non-interest income	724	621	16.5	441	283	55.8
Total income	1,739	1,540	12.9	948	792	19.7
Less: Total expenses	559	551	1.4	291	267	8.9
Operating profit	1,181	990	19.3	656	524	25.2
Less: Total impairment charges	148	22	584.2	89	59	51.6
Add: Share of profit of associates	54	106	(48.7)	35	20	76.3
Net profit before tax	1,087	1,073	1.3	602	485	24.1

Singapore (including ACU) – Key Financial Indicators

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	1.89	1.96	(0.07)	1.85	1.92	(0.07)
Non-NII / Total income	41.6	40.3	1.3	46.5	35.7	10.8
Expense / Total income	32.1	35.8	(3.7)	30.7	33.8	(3.1)
Customer loans (net) – \$'m	62,022	49,658	24.9%	62,022	59,249	4.7%
Loans / Deposits	74.0	65.7	8.3	74.0	72.7	1.3
NPL ratio	0.8	2.0	(1.2)	0.8	0.9	(0.1)

Malaysia – Summarised P/L

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)
	RM'm	RM'm	%	RM'm	RM'm	%
Net interest income	482	435	10.8	243	239	1.7
Non-interest income	174	212	(17.9)	80	94	(14.9)
Total income	656	647	1.4	323	333	(3.0)
Less: Total expenses	245	215	14.0	127	118	7.6
Operating profit	411	432	(4.9)	196	215	(8.8)
Less: Total impairment charges	158	123	28.5	123	35	251.4
Add: Share of profit of associates	3	16	(81.3)	(2)	5	(140.0)
Net profit before tax	256	325	(21.2)	71	185	(61.6)
Net profit before tax (S\$m)	109	144	(24.2)	29	80	(63.9)

Malaysia – Key Financial Indicators

	1H08	1H07	+ / (-)	2Q08	1Q08	+ / (-)
	%	%	% pt	%	%	% pt
Net interest margin	2.82	2.98	(0.16)	2.82	2.81	0.01
Non-NII / Total income	26.5	32.8	(6.3)	24.8	28.2	(3.4)
Expense / Total income	37.3	33.2	4.1	39.3	35.4	3.9
Customer loans (net) – RM'm	27,404	22,460	22.0%	27,404	26,818	2.2%
Loans / Deposits	106.6	90.9	15.7	106.6	105.5	1.1
NPL ratio	4.3	5.5	(1.2)	4.3	4.1	0.2

Thailand – Summarised P/L

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)
	THB'm	THB'm	%	THB'm	THB'm	%
Net interest income	3,647	3,147	15.9	1,849	1,798	2.8
Non-interest income	1,725	1,420	21.5	919	806	14.0
Total income	5,372	4,567	17.6	2,768	2,604	6.3
Less: Total expenses	3,395	3,192	6.4	1,741	1,654	5.3
Operating profit	1,977	1,375	43.8	1,027	950	8.1
Less: Total impairment charges	1,069	1,900	(43.7)	822	247	232.8
Add: Share of profit of associates	10	(3)	NM	4	6	(33.3)
Net profit before tax	918	(528)	NM	209	709	(70.5)
Net profit before tax (S\$m)	41	(25)	NM	9	31	(69.5)

Thailand – Key Financial Indicators

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)
	%	%	% pt	%	%	% pt
Net interest margin	3.85	3.34	0.51	3.87	3.82	0.05
Non-NII / Total income	32.1	31.1	1.0	33.2	31.0	2.2
Expense / Total income	63.2	69.9	(6.7)	62.9	63.5	(0.6)
Customer loans (net) – THB'm	152,349	137,552	10.8%	152,349	143,688	6.0%
Loans / Deposits	101.3	80.5	20.8	101.3	80.5	20.8
NPL ratio	5.3	6.3	(1.0)	5.3	5.6	(0.3)

Indonesia – Summarised P/L

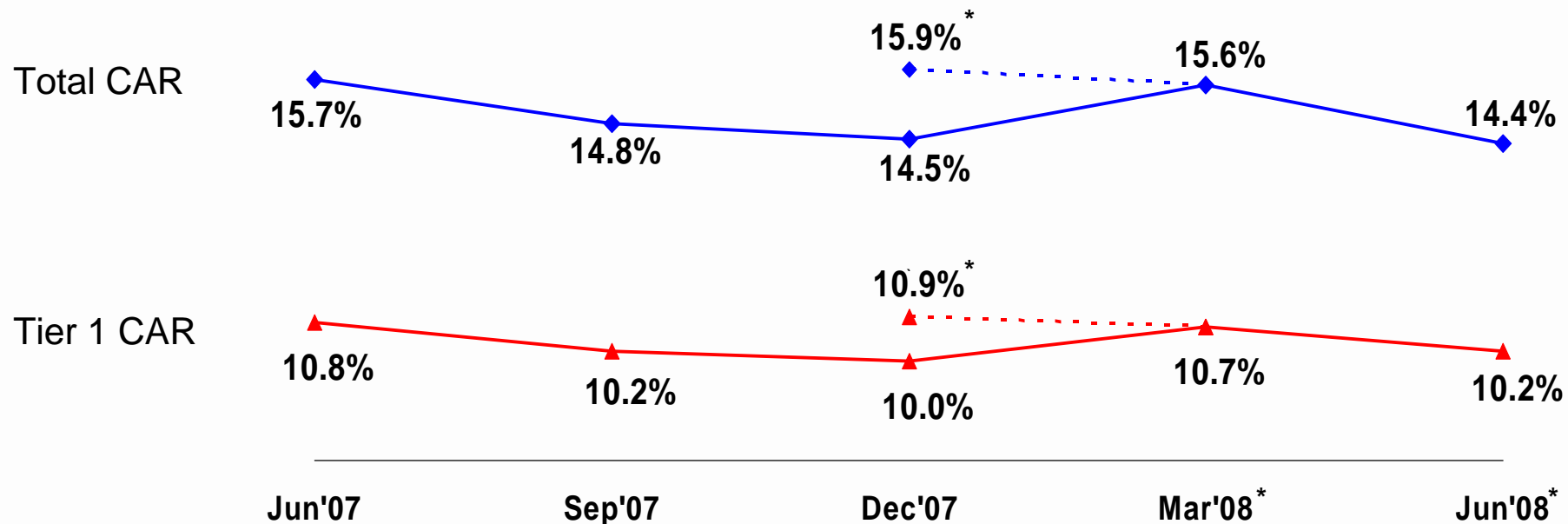
	1H08	1H07	+/(–)	2Q08	1Q08	+/(–)
	IDR'b	IDR'b	%	IDR'b	IDR'b	%
Net interest income	721	702	2.7	375	346	8.4
Non-interest income	166	145	14.5	76	90	(15.6)
Total income	887	847	4.7	451	436	3.4
Less: Total expenses	537	377	42.4	290	247	17.4
Operating profit	350	470	(25.5)	161	189	(14.8)
Less: Total impairment charges	20	13	53.8	14	6	133.3
Net profit before tax	330	457	(27.8)	147	183	(19.7)
Net profit before tax (S\$m)	49	77	(36.5)	22	27	(20.7)

Indonesia – Key Financial Indicators

	1H08	1H07	+/(–)	2Q08	1Q08	+/(–)
	%	%	% pt	%	%	% pt
Net interest margin	5.87	6.57	(0.70)	6.15	5.70	0.45
Non-NII / Total income	18.7	17.1	1.6	16.9	20.6	(3.7)
Expense / Total income	60.5	44.5	16.0	64.3	56.7	7.6
Customer loans (net) – IDR'b	20,753	15,770	31.6%	20,753	19,317	7.4%
Loans / Deposits	104.7	96.0	8.7	104.7	103.2	1.5
NPL ratio	1.7	2.7	(1.0)	1.7	1.8	(0.1)

Strong Capital Position

Capital Adequacy Ratios (CAR)

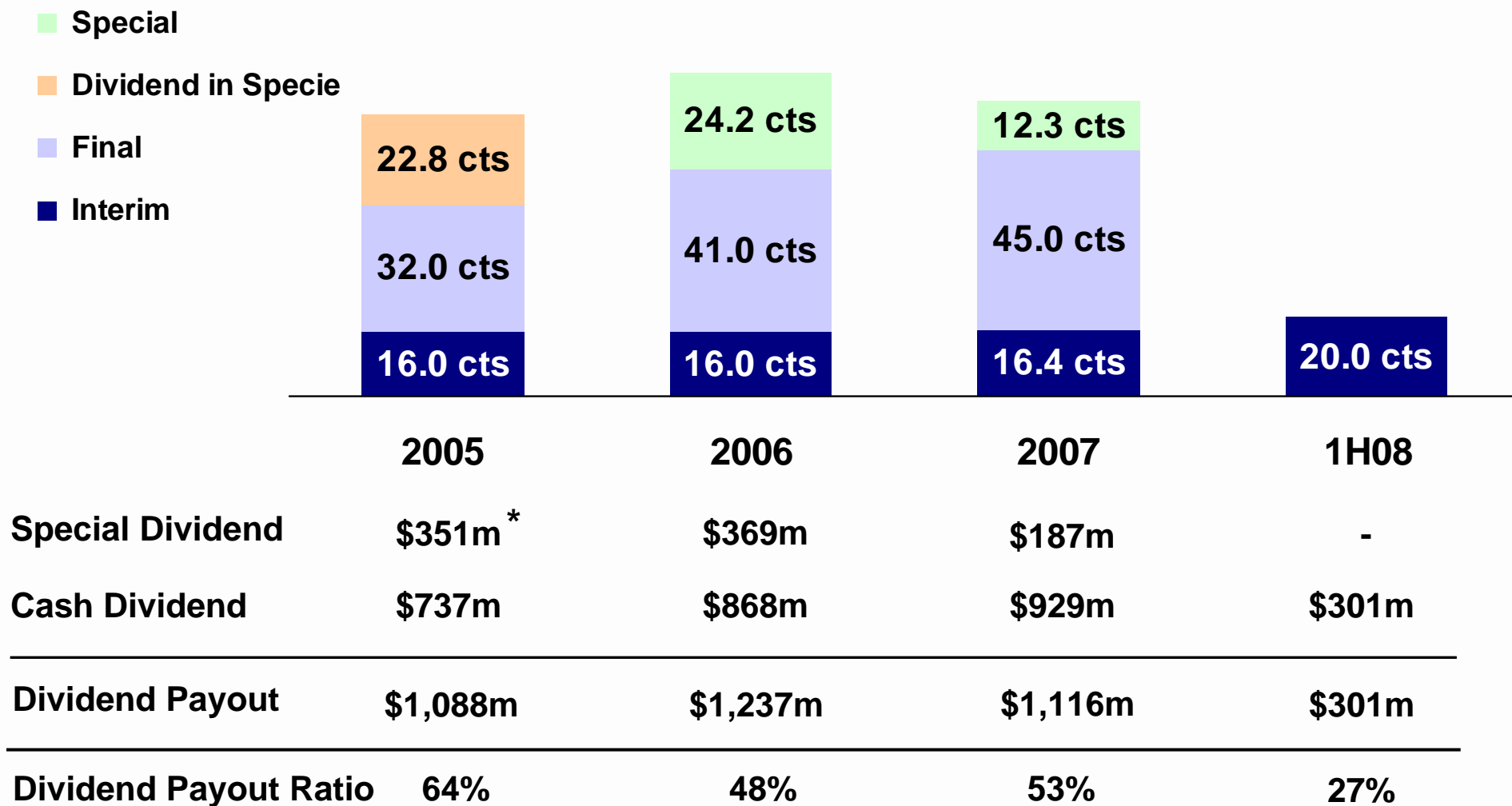


	Jun'07	Sep'07	Dec'07	Mar'08*	Jun'08*
Tier 1 Capital	12,382	12,210	12,461	12,011	11,630
Risk-Weighted Assets	114,842	120,181	124,772	111,850	114,368

\$m

* Computed based on Basel II framework in accordance with the revised MAS Notice 637 with effect from January 2008

Maintain High Net Dividend Rate



* Dividend in specie of shares in United Overseas Land Limited.

In Summary ...

- Net profit grew 13.5% to reach \$601 million in 2Q08
- Strong net interest income growth
- Broad based loan growth
- Disciplined cost management
- Continued improvement in asset quality
- High dividend payout

CDOs

UOB Group	Exposure as at		For 2Q08		For 1Q08		As at 30/6/08		
	30/6/08	31/3/08	Provision	Reserves	Provision	Reserves	Provision	Reserves	Coverage
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
ABS	81	82	-	-	43	(35)	81	-	100
Corporate	183	186	23	(19)	-	10	76	16	50
Total	264	268	23	(19)	43	(25)	157	16	66

- Total CDO exposure was 0.15% of total assets
- For the corporate CDOs,
 - 56% were rated A and above
 - 37% will mature in Sep 2009
- ABS CDOs were fully provided
- Corporate CDOs were 50% provided. \$16m was in general provision