

News Release

PT UOB Indonesia remains positive on the country's growth, but watchful of liquidity and credit shocks from the West

Jakarta – Tuesday, 25 October 2011 – PT United Overseas Bank (UOB) Indonesia today said that Indonesia's economy will continue to hold up due to strong domestic demand, rise of the middle-income segment and commodities-related sectors. The bank remains positive about Indonesia's growth prospects, barring major financial shocks from the West.

PT UOB Indonesia forecasts that Indonesia's economy will maintain a full-year growth rate of 6.4%, and for the benchmark Bank Indonesia rate to be kept at 6.5% until at least end of 2011 as the central bank continues to keep its monetary policy accommodative to boost growth.

The Bank shared these views with 400 Indonesia business leaders at the PT UOB Indonesia's 2012 Economic Outlook titled "Navigating through the Global Crisis". This seminar was to give the Bank's commercial customers insights into global economic developments and the possible impact on their businesses.

Armand B. Arief, President Director of PT UOB Indonesia said, "Given the ongoing financial troubles in Europe and the United States, our customers need to be kept updated on the latest economic developments and the investment opportunities as we help them steer through this volatile period. We remain as committed as ever to supporting our customers through credit cycles."

UOB Group's outlook for Asia's growth also remains positive. The steps that Asian banks, corporations and individuals took following the Asian Financial Crisis should help cushion the region's economies from ongoing economic uncertainty in 2012.

Speaking at the seminar, Jimmy Koh, Head of Research and Investor Relations, UOB Group, said the bank was monitoring closely the effects of weak US economic growth sentiment and the continuing debt crisis in the Eurozone as any impact on Asia was likely to come via liquidity and credit channels.

"Policy responses in the West are crucial factors, and the next few months will be a critical period. These responses will determine if the East faces a financial shock or a mere economic slowdown. So far, despite the bumpy economic road, the impact on Asia has been manageable," Mr Koh said.

Looking into 2012, while there are near-term growth constraints emerging from lack-lustre demand from developed economies, PT UOB Indonesia believes that Indonesia's growth momentum will remain healthy in the coming quarters. For 2012, PT UOB Indonesia is expecting Indonesia's economic growth to hover at 6.0%, barring major shocks from the West. This growth is likely to be boosted by domestic factors such as higher income and investment demand. The benchmark policy interest rate is likely to be kept at 6.5% till the end of 2012.

About PT Bank UOB Indonesia

Established in Jakarta in 1956, PT Bank UOB Indonesia is one of the most prominent banks in Indonesia with a service network of 213 offices and 132 ATMs spread across 30 cities in 18 provinces throughout Indonesia.

Effective from 19 May 2011, the Bank officially changed its name from PT Bank UOB Buana into PT Bank UOB Indonesia.

UOB Indonesia is well recognized as a Bank with a focus on small and medium enterprises and a strong retail customer base. UOB Indonesia is also developing its corporate banking business that offers customers a suite of treasury products and services.

UOB Indonesia performance has been recognized and conferred with various awards from independent parties. During the year 2011, several awards won by the bank are the Excellence of Financial Performance Year 2010 and Platinum Award for Exceptional Financial Performance for 10 consecutive years, namely from 2001-2010, both being the awards from *Infobank* Magazine. The ABFI Banking Award Best Performance Banking 2011 for Medium Private Category was awarded by *Tempo Media Group* and *ABFI Institute Perbanas*. The Bank is also the third winner of the Annual Report Award for the category of Non-Listed Financial Private Companies.

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.

UOB plays an active role in the community, focusing on children, education and the arts. Its staff volunteerism programme was initiated in 2007. Through the UOB Heartbeat Run/Walk, UOB has raised funds for its named beneficiaries. UOB has also organised the prestigious Painting Of The Year Competition and Exhibition since 1982. 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.

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