

United Overseas Bank Group Full Year 2007 Briefing

Results Overview

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In Summary

Another Record Year

Key Indicators		2007	2006 *	YoY Change
Operating Profit ^ (\$m)	Contributed by both higher NII & Non-NII	2,854	2,488	↑ 14.7%
Net Profit After Tax (\$m)	Core business remains strong	2,109	1,882	↑ 12.1%
ROE (%)	Steady upward trend	12.6	12.3	↑ 0.3%pt
Non-NII / Total Income (%)	Driven by strong fee & commission income	38.8	35.8	↑ 3.0%pt
Offshore Profit Contribution # (%)	Overseas growth outpaced by Singapore	30.2	32.5	↓ 2.3%pt
Offshore Profit # (\$m)	Portfolio diversification on track	833	799	↑ 4.3%

* Excludes one-time gain

^ Before amortisation of intangible assets and impairment charges

Before tax and amortisation of intangible assets

Broad-based Quality Growth

- Loans up 20.5%
- Deposits up 11.9%
- Margins up – NIM at 2.04%
- Every fee & commission business up
- Expenses under control – Cost/Income ratio at 41.4%
- Asset quality sound – NPL ratio at 1.8%
- CDO exposure immaterial

Singapore – Riding on Domestic Boom

- Operating profit up 12.6%*; Loans up 20.0%
- Buoyant domestic growth – strong line-up of infrastructure projects; positive property market
- UOB's dominant positions in growth areas enable us to seize business opportunities
 - Above-industry home loan growth
 - Grew wealth management business
 - Expanded SME portfolio with enhanced supporting fee-related products & services
 - Robust corporate lending

* Excludes one-time income in 2006

Regionalisation On Track

- Diversified global portfolio. Total overseas operating profit crossed \$1bn, up 18.4%. Loans up 21.4%
- Prized regional distribution network in place
- New strategic initiatives in China & Vietnam – Local incorporation of UOB (China), 10% stake in Southern Bank
- Invest in greater synergies & efficiencies, supported by strong Singapore infrastructure & risk management systems
- Global diversification key as we build long-term capabilities

Malaysia – Accelerating Growth

- Operating profit up 13.3%; Loans up 28.1%
- Increased financing to consumer & SME segments
- Further inroads in fee-based business, especially wealth management
- Governance structure & risk management processes for Basel II in place
- Focus on accelerating growth in core businesses whilst building capacity & capabilities

Thailand – Better Outlook

- Operating profit down 11.3%; Loans down 1.5%
- Strengthened balance sheet & infrastructure
- Growth momentum picked up in last 2 quarters
- Continue to grow consumer & SME segments

Indonesia – Entrenching Market Position

- Operating profit down 9.1%; Loans up 24.1%
- Good momentum in building consumer business. Mortgage loans up. Launched cards
- SME portfolio grew & complemented well with corporate banking business
- Significant strides in enhancing operating infrastructure for business growth. Pacing our investments
- Strengthen brand name, improve market positions in consumer & institutional banking

Capital Management

- Efficient capital structure
- Strong CAR at 10.0% for tier 1 & 14.5% for total
- Utilised capital for organic expansion – 15.1% increase in risk-weighted assets
- The Board declared final net dividend of 45 cents per share. For 2007, total net dividend of 73.7 cents per share & payout of 53%

In Summary

- Quality broad-based growth in 2007
- 2008 another challenging year. But region remains resilient
- UOB well-placed to grow – strong core franchise; valued distribution network; financial strengths
- Maintain disciplined balance sheet management
- Continue to focus on fundamentals for quality & sustainability
- Long-term strategy intact. On track to becoming a premier regional bank