

UOB Group First Half / Second Quarter 2007 Results Briefing

RESULTS OVERVIEW

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1H07 Financial Performance Highlights

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Key Markets In Review

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Capital Management

Strong Growth Momentum

Key Indicators		1H07	1H06	YoY Change
Net Profit After Tax [^] (\$m)	Strong growth momentum	1,103	882	↑ 25.0%
Operating Profit ^{^*} (\$m)	Continued increase in core operations	1,515	1,169	↑ 29.5%
ROE [^] (%)	Steady upward trend	13.2	11.9	↑ 1.3%pt
Non-NII / Total Income [^] (%)	Supported by solid rise in fee & commission income	38.9	33.3	↑ 5.6%pt
Offshore Profit Contribution ^{^#} (%)	Overshadowed by Singapore's robust growth	26.5	29.1	↓ 2.6%pt

[^] Excludes one-time gain in 1H06

^{*} Before amortization and impairment charges

[#] Before tax and intangible assets

Singapore – Well-Placed for Expansion

- Robust economic expansion
- Buoyant property market
- Growing affluence and demand for wealth solutions
- All segments grew
- Increase market share in home loans – Lending up 15%.
Wealth management income up 70%
- Commercial banking income and profit up strongly
- Overall momentum expected to continue

Progress in Regionalisation

- Diversified global portfolio. Overseas operating profit up 32%
- Operating profit for ASEAN up 21%
- Southeast Asia platform well-positioned for growth
- New strategic initiatives in Vietnam and China
- OECD operating profit up 46%
- Global diversification key as we build long-term capabilities

Malaysia – Poised For Accelerated Growth

- Operating profit up 27%; Net loans up 20%
- Infrastructure and extended distribution network in place for accelerated growth
- Double-digit loan growth for SME and consumer segments
- Stepped up activities in consumer banking – Housing loans up 23%; Wealth management sales doubled; Credit cards up almost 30%
- Tap on increasing opportunities in treasury and investment banking for higher non-interest income
- Another strong year

Thailand – Cautious Approach Ahead

- Operating profit down 18%; Net loans down 7%
- Feeling impact of challenging environment
- Focused on growing targeted consumer and retail SME segments
- Active management of balance sheet – Sold bulk of NPL portfolio; Conservative lending policy
- Laid robust credit management systems for future growth
- Raise UOB brand awareness to enhance competitiveness
- Remain positive, committed to Thailand

Indonesia – Entrenching Market Position

- Operating profit up 8%; Net loans up 26%
- Enhanced consumer activities – Mortgage loans up 32%; Re-launched card business; Developing wealth management platform
- SME and corporate banking businesses performed well
- Strengthen foothold in lending and fee-based activities
- Enhancing operating infrastructure with strong risk and IT systems for long-term growth
- Expansion on track

Capital Management

Seek Capital Efficiency

- Recent MAS changes give flexibility
- Review mix of capital structure
- Option of share buyback and/or special dividend for any excess capital

Strong Capital for Strategic Flexibility

- Keep buffer above regulatory CAR to maintain high credit ratings
- Reserve capital as we see opportunities in Singapore and region to strengthen franchise

High Dividend Policy

- Special dividend of 15 cents per share. Total dividend of 35 cents per share for this interim
- Target for consistent high payout to reward shareholders

In Summary

- Strategy remains intact
- Core businesses strong. Broad-based growth in loans and fee income
- Further entrenched market leadership in Singapore while strengthening regional platform. Balanced global portfolio diversification
- Manage rising costs and talent development while investing in operating infrastructure, hubbing and processes for regional growth
- New economic paradigm
- Recognise potential global risks and challenges in near-term. But global resilience, liquidity, more robust regional financials will override challenges
- We have experience, track record and are in for the long haul
- UOB on track to become an established premier bank