

United Overseas Bank

QDII – Investor Meeting

January 2008

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A Robust Singapore Banking Industry

- Rapid liberalization has strengthened Singapore's competitiveness as a financial centre. Financial services accounted for 12% of nominal GDP in 3Q07
- Favourable and stable environment – Strong sovereign credit ratings of Aaa (Moody's), well-regulated banking sector
- Sound corporate governance framework – High degree of transparency and disclosure standards
- Monetary Authority of Singapore's capital adequacy requirements remain one of the strongest in the region.
- Strong risk management capability among banks in the region
- Leading product and operational sophistication in Southeast Asia

UOB Overview

Founding

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr Wee Ee Cheong

Expansion

UOB has grown over the decades through organic means and a series of acquisitions. It is today a leading bank in Singapore with an established presence in ASEAN. The Group has a total network of 525 offices over 18 countries and territories

Key Statistics

- Total Assets: S\$172.2 billion
- Shareholder's Equity: S\$17.2 billion
- Gross Loans: S\$87.1 billion
- Customer Deposits: S\$104.8 billion

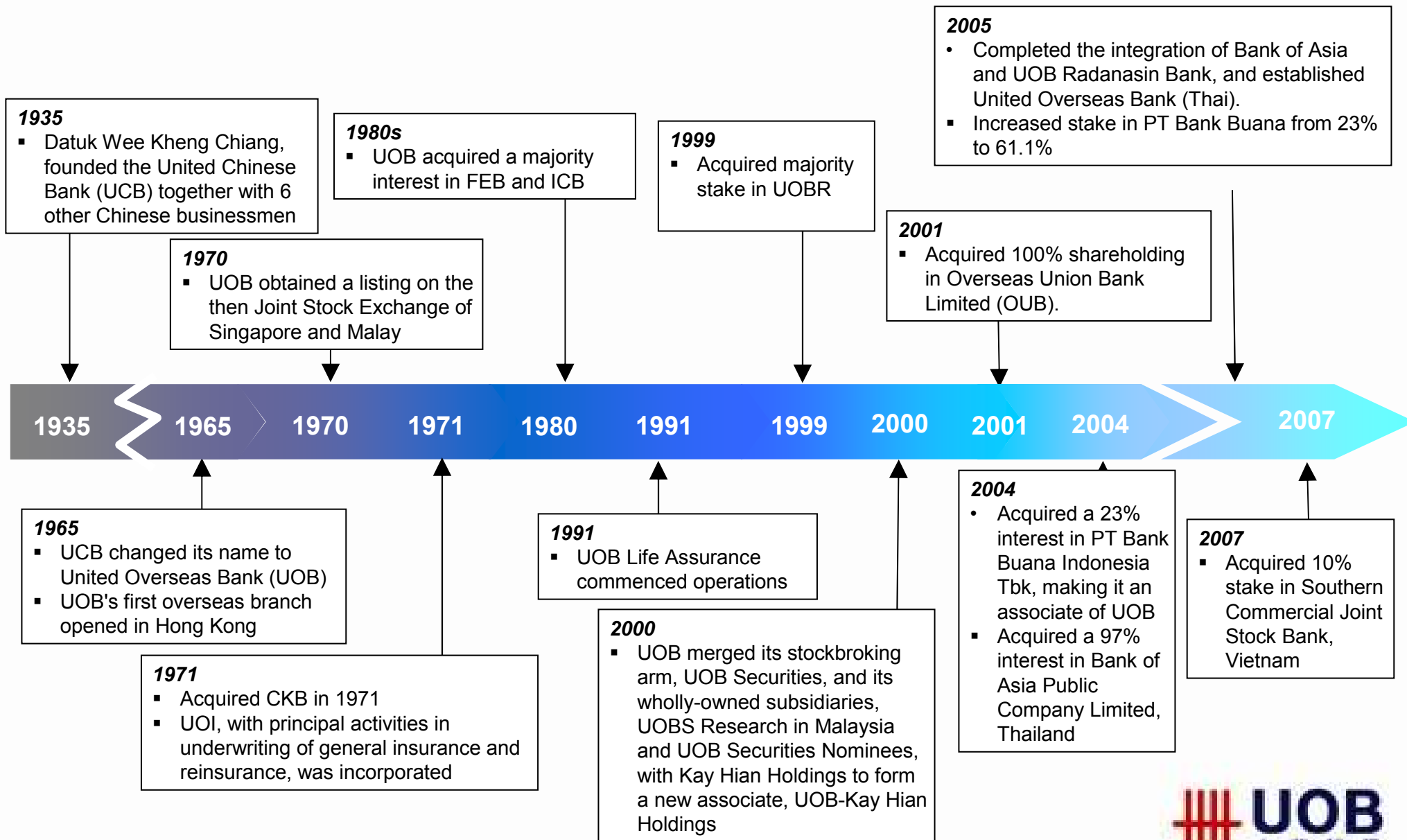
- ROAA: 1.27%
- ROAE: 12.8%
- NIM: 2.05%
- Non-interest / Total Income: 37.8%
- Cost / Income: 40.7%

- Tier 1 CAR: 10.2%
- Total CAR: 14.8%

- Moody's: Aa1 LT Bank Deposits
- S&P's: A+ LT Counterparty Credit

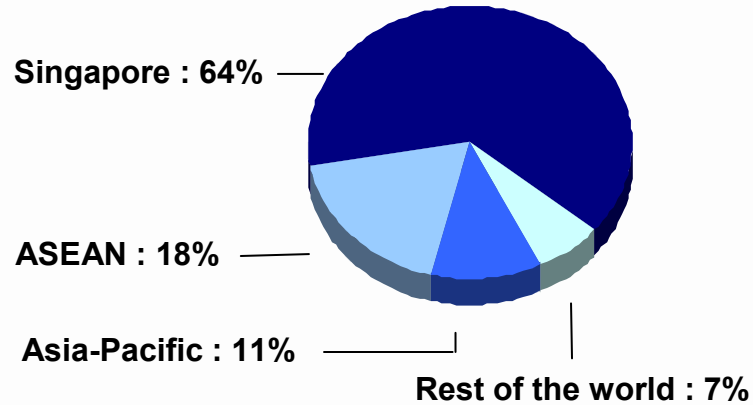
Note: Financial statistics for the nine months ended 30 September 2007

Execution Track Record

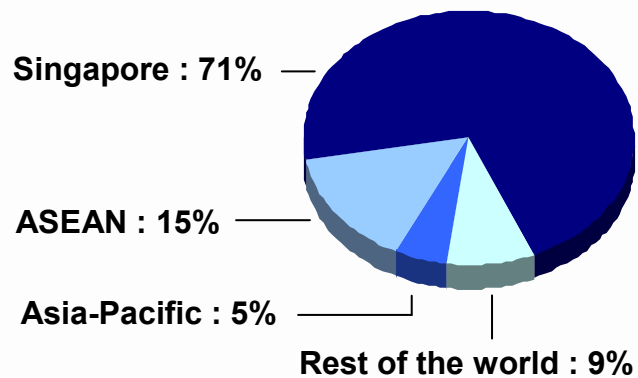


Established International Presence

Total Assets Breakdown



Profit Before Tax Breakdown

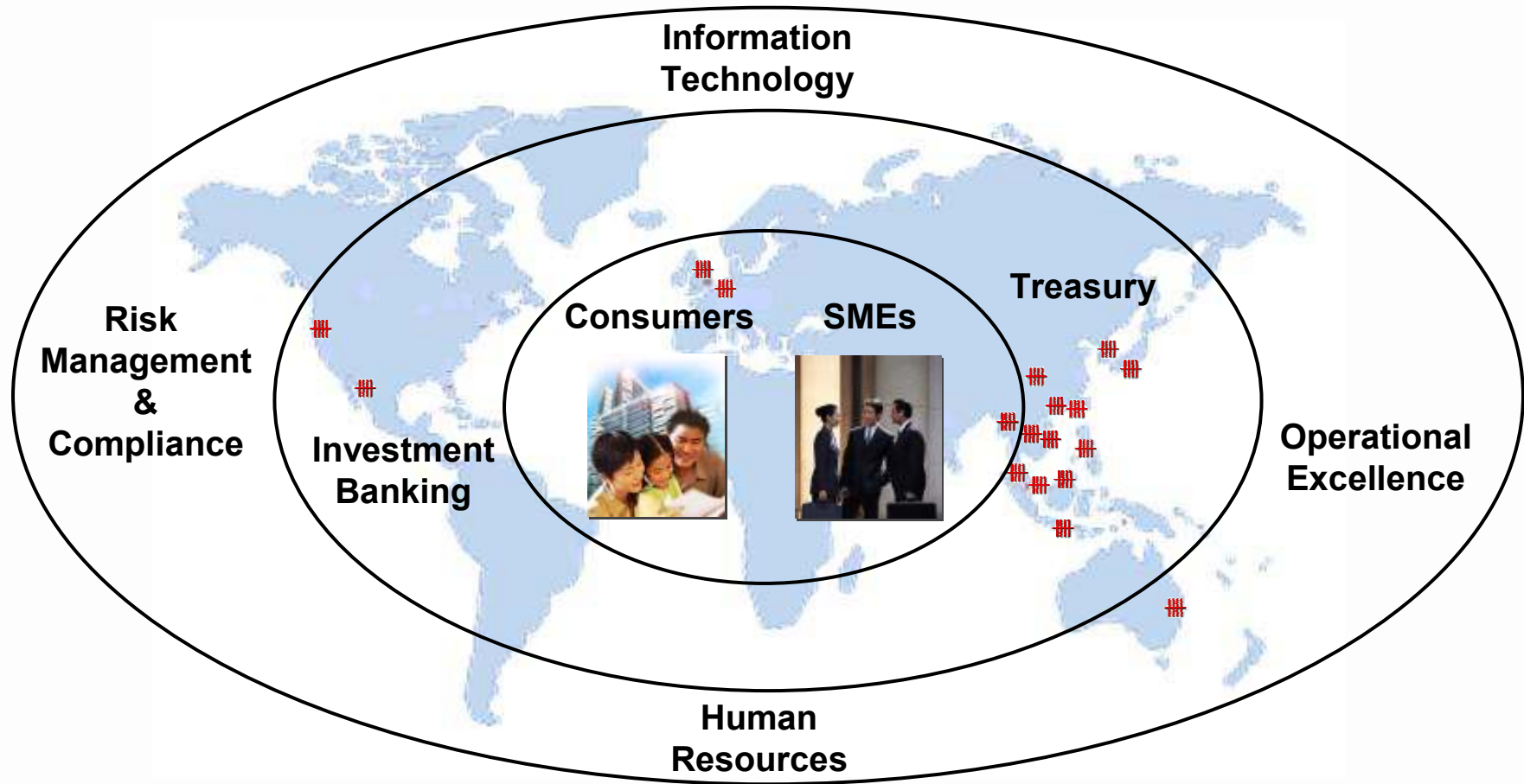


Note: For the nine months ended 30 September 2007

More than 500 Offices / Branches in 18 Countries

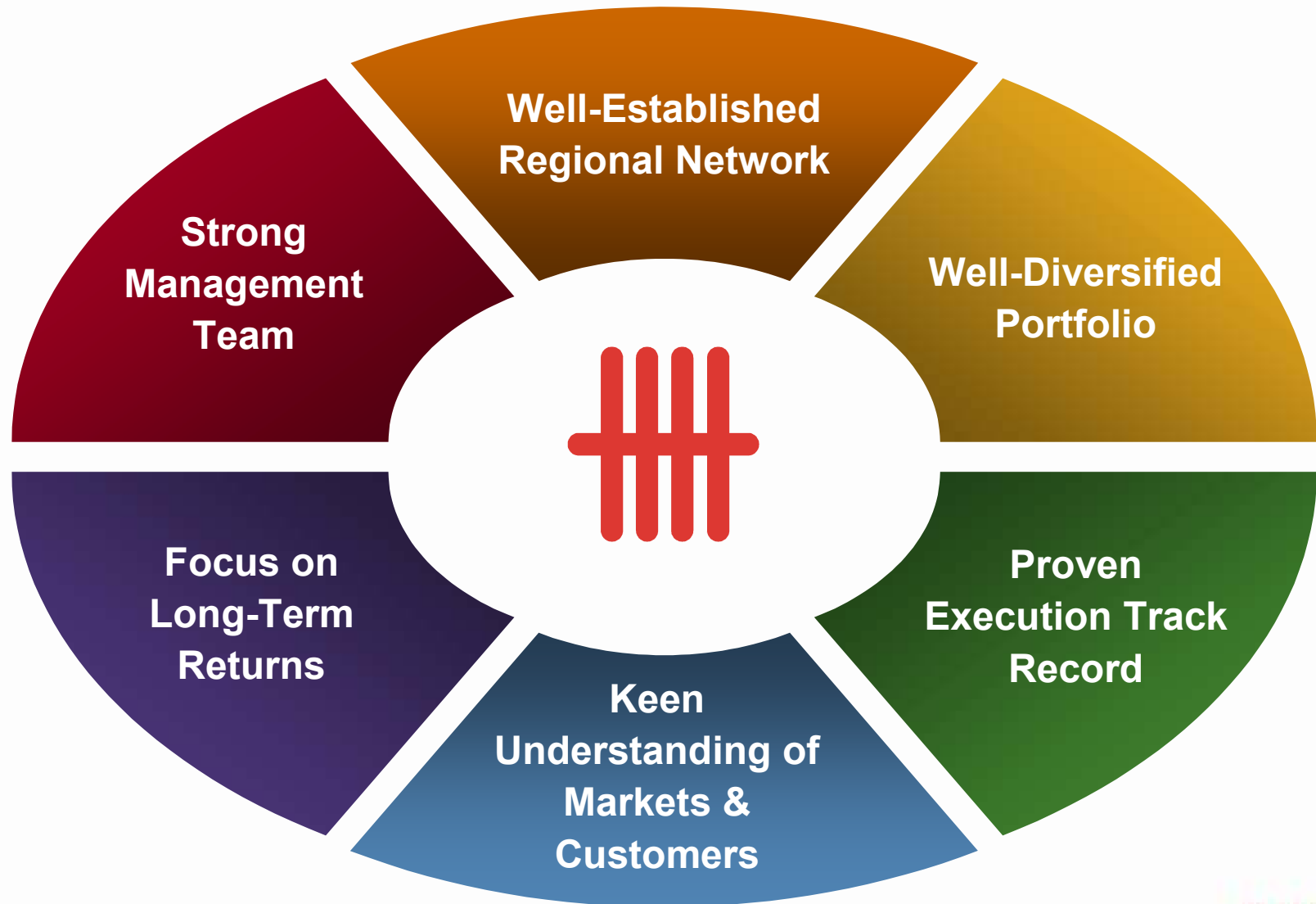


Strategic Focus



To be recognized as a leader in consumer and SME banking services in the region with investment banking and treasury products in support

The UOB Difference



Financial Highlights

(S\$m)	2002	2006 ⁽¹⁾	'02 – '06 CAGR	9M07
Income Statement				
Net interest income	2,128	2,710	6.2%	2,237
Non interest income	906	1,514	13.7%	1,360
Total income	3,034	4,224	8.6%	3,597
Total expense	1,074	1,736	12.8%	1,463
Operating profit ⁽²⁾	1,960	2,488	6.1%	2,134
Impairment charges on loans	422	142	(23.8%)	89
Net profit	1,006	1,882	17.0%	1,603
Key Ratios				
Net interest margin ⁽³⁾	2.2%	2.0%	(2.4%)	2.1%
Expense / Income	35.4%	41.1%	3.8%	40.7%
ROA ⁽³⁾	0.9%	1.2%	7.7%	1.3%
Cash ROE ^{(3),(4)}	9.5%%	12.4%	6.9%	12.8%

(1) Excluding one-time gain in 2006

(2) Before amortization and impairment charges

(3) 9M07: Computed on an annualized basis

(4) Calculated based on profit attributable to equity holders of the Bank net of subsidiary preference share dividend incurred for the financial period



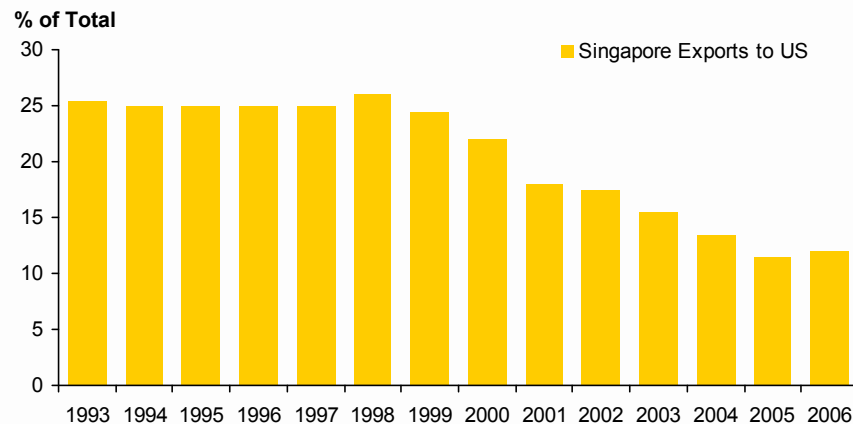
Financial Highlights (cont'd)

(S\$m)	Dec 2002	Dec 2006	'02 – '06 CAGR	Sep 2007
Balance Sheet				
Total Assets	107,430	161,312	10.7%	172,192
Customer Loans (Net)	58,884	76,875	6.9%	85,161
Customer Deposits	67,919	95,552	8.9%	104,798
Tier-1 Capital Adequacy Ratio	12.2%	11.0%	(2.6%)	10.2%
Total Capital Adequacy Ratio	15.3%	16.3%	1.6%	14.8%
Asset Quality				
NPLs	5,679	3,165	(13.6%)	2,032
Coverage Ratio	61.7%	79.2%	6.4%	97.0
NPLs ratio	9.0%	4.0%	(18.4%)	2.3%

Singapore Outlook Promising

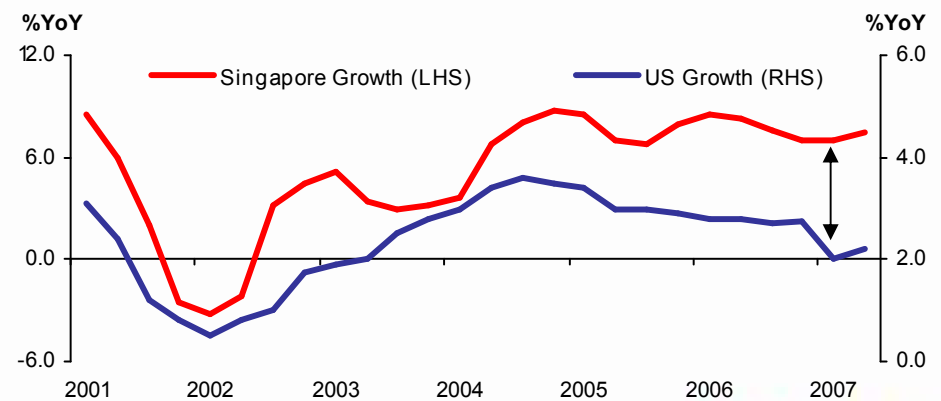
- Singapore enjoys economic leadership status within ASEAN
 - As a key Asian financial services hub, Singapore has continued drawing a multitude of global multinational banks and corporations, thereby contributing to a strong across-the-board economic boom
 - Positive governmental policies have enabled smooth transformation from a manufacturing to a knowledge- and service-based economy
 - Reduced dependence on US consumer with export exposure to the US having more than halved from 25% in 1999 to just over 11%
 - Leisure and infrastructure expansion through domestic mega projects (2 new integrated resorts, debut of Formula One Grand Prix street race slated for 2008)

Declining Exports to US



Source: Wall Street Research

Singapore and US Growth Decoupled



Stronger Southeast Asia Economies

- Economic fundamentals across the region are much more robust than pre-1997
 - Strong GDP outlook across all economies
 - High levels of foreign exchange reserves
 - FDI inflows strong and improving
- Economic activities more broad-based with less dependence on US economy
- Asian currencies have strengthened vis-à-vis the US dollar
- Key structural issues related to weak financial systems and poor governance have been addressed
- The banking sector remains strong with high levels of capitalization and low NPL levels across the region
- More stable socio-political environment across the key Southeast Asian economies

Some Macro Risks But UOB Remains Insulated

	Concerns	Comments
Risk of US Economic Slowdown	<ul style="list-style-type: none"> ▪ Challenging macro environment with Inflationary pressure, real estate deflation and tightening credit ▪ Risk of a US economy slowdown is now higher 	<ul style="list-style-type: none"> ▪ Macro fundamentals remain strong in Asia with buoyant consumer demand and ample liquidity ▪ Asia growth should remain resilient despite any US slowdown
Challenging Credit & Currency Markets	<ul style="list-style-type: none"> ▪ Widening credit spreads and reduction of risk tolerance ▪ Appreciation of global currencies weakens US\$-based revenue flows 	<ul style="list-style-type: none"> ▪ Global credit markets are now more settled ▪ Limited UOB exposure to high risk credit
Singapore Loan Demand	<ul style="list-style-type: none"> ▪ Potential risk of mortgage market slowdown ▪ Risk of weaker consumer confidence to personal lending growth 	<ul style="list-style-type: none"> ▪ Economic growth has been broad-based ▪ Healthy pipeline of residential completions ▪ Strengthened regional platform can easily scale up for increased volume

UOB is largely insulated from any US recessionary downturn. Importantly, the Bank will continue to benefit from the strong domestic demand in its core markets of Singapore and ASEAN

Expand Southeast Asia Franchise

▪ Malaysia – Poised for accelerated growth

- Largest foreign branch network
- Long-established history with good local knowledge and understanding of customers and market (2nd home market)
- Aim to become the top 3 foreign bank
- Leverage on Group's strong regional presence to strengthen market position in Consumer & SME segments

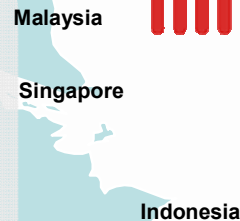


▪ Thailand – Ready for expansion

- Focused on targeted segments. Meantime managing balance sheet for long-term
- Infrastructure in place. Getting ready to ramp up business once climate improves
- Plan to grow card and mortgage business, and focus on retail SMEs and corporates' regional requirements

▪ Singapore – Well-placed for expansion

- Dominance in consumer and SME markets
- Robust economic outlook with buoyant property market. Expect increasing affluence and demand for wealth solutions
- UOB well-placed to seize upside from its leadership position in growth segments
- Growth momentum to continue



▪ Indonesia – Entrench market position

- Strengthening UOB brand name and enhancing operating infrastructure for long-term growth
- Expand activities to increase share in consumer and SME markets
- Expansion on track

Continue to build on established positions in the 4 Southeast Asian Pillars

Next Growth Phase - China



- Our first office in China was set up in Beijing in 1984
- We have 8 branches (including Puxi sub-branch) in China
- Greater China is one of our key growth markets
- Recently gained local incorporation status. We will focus on high-end affluent consumers and foreign JV business, targeting SOEs, listed & non-listed large corporates. Will also open more branches.
- Seek strategic investments and alliances to gain access to distribution network – potential investment in China’s Evergrowing Bank
- Capturing commodity trade financing opportunities in Greater China

Next Growth Phase (Cont'd)

▪ Vietnam

- Seeking to grow branch network – first Singapore bank to establish presence in country (Full-service branch in Ho Chi Minh City)
- Fast growing market. Opportunities in consumer banking. UOB is leading credit card merchant acquirer
- Developing Vietnam as another key growth pillar – acquired 10% stake in Southern Commercial Joint Stock Bank with room to increase stake further

▪ India

- Intend to be disciplined and prudent by focusing on selective segments as we build understanding of the market
- Applying to set up first branch in Mumbai

▪ OECD

- Provide risk diversification and balanced global portfolio
- Will continue to be a meaningful overseas contributor



Approach To Capital Management

Seek Capital Efficiency

- 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 in 1H07. Total dividend of 35 cents per share for the period
- Target for consistent high payout to reward shareholders

Awards & Accolades

“Best SME Bank in Asia Pacific”



2007

“Best Local Private Bank – Singapore (2nd)”



2007

“Best Domestic Bank – Singapore”



2006

“Top 10 Best Managed Companies – Singapore”
“Top 10 Best Investor Relations – Singapore”



2006

“Best Bank - Singapore”
“Best Sub-Custodian Bank – Singapore”



2006

“Most Valuable Singapore Brand – 2nd position”



2003, 2004, 2005, 2006

Locally and overseas, with the Bank's strong financial performance and regional reputation, it continues to receive strong endorsement with numerous accolades from leading publications, trade organisations and the investment community

In Conclusion

Singapore a new growth paradigm – UOB well-positioned to capture upside



Prized distribution network in region. Regional franchise value to further enhance with Asia's growth. Best SEA proxy



Regional growth potential supported by strong Singapore risk management culture



Discipline in balance sheet management; diversified portfolio, core lending franchise, strong liquidity



Focus on building operating infrastructure for regional differentiation and long-term sustainable growth



Positive outlook despite short-term challenges. Strategy intact, core business remains strong



UOB remains the most compelling bank investment story in Southeast Asia