

**UOB Group Reports Record Quarterly  
Net Profit of S\$463 million, a surge of 24.6%**

**Operating Profit Increased 16.5% to S\$574 million**

**Singapore, 28 October 2005** - United Overseas Bank Group (“The Group”) today reported net profit after tax of S\$463 million for the quarter ended 30 September 2005, a growth of 24.6% from the corresponding period in the previous year.

In a year where the Group spent much efforts building long-term capabilities in the region, particularly in Thailand and Indonesia, it managed to post the strong results backed by a robust operating profit growth of 16.5% when compared with the same period ending 30 September 2004. The strong performance was achieved despite intense competition in Singapore and the region, coupled with difficult trading market conditions resulting from the flat yield curve.

As the market leader in SME financing, the Group remained committed to this segment which helped lift net interest income by 7.6% in spite of the more competitive lending market. The Group achieved a growth of 2.4% in customer loans to S\$65,739 million as at 30 September 2005, up from S\$64,188 million as at 31 December 2004. The Group continued to build its funding base ahead of a rising interest rate environment and remain in good stead to respond to market demand from an increasingly positive economic environment.

More significantly, the Group made good progress in fee-based activities which saw non-interest income surge almost 30%, due to strong contribution from investment-related activities and fund management. During the quarter, the Group became the first credit card issuer to cross one million cards in Singapore.

The Group continued to improve on its asset quality with impairment charges totalling only S\$19 million for the quarter and non-performing loans (“NPL”) dropping 26.9% year-on-year to S\$4,290 million. NPL ratio improved to 6.2% as at 30 September 2005, down from 8.5% as at 30 September 2004.

On the capital front, the Group reported a return on equity of 13.7% for the quarter. Tier-1 capital adequacy ratio remained strong at 9.9% with total capital adequacy ratio at 15%. The Group will continue to actively manage its capital position to maximise its return to stakeholders.

Overseas, the Group made significant progress towards achieving 40% of profit from outside Singapore by 2010, following regulatory approval to merge Bank of Asia Public Company Limited (“BOA”) and UOB Radanasin Public Company Limited (“UOBR”) in Thailand and the completion of the acquisition of additional 30% stake in P. T. Bank Buana Indonesia Tbk (“Bank Buana”) in Indonesia.

Mr Wee Ee Cheong, UOB’s Deputy Chairman and President said: “We have delivered a good set of results amidst the intense competition in Singapore and the region. Besides increase in net interest income, the Group also reported strong showing in fee-based activities. While maintaining our market share in Singapore, the Group will continue to build its regional platform for sustainable long-term growth.”

“We remain optimistic about the region’s long-term prospects. We have made significant progress in expanding our Southeast Asian platform; the completion of the acquisition of additional 30% stake in Bank Buana as well as the integration of BOA and UOBR which is on track for completion by year end, put us another step closer to achieving 40% of our profit from overseas by 2010. We believe the Group is in good stead to face the challenges ahead.”

## **About United Overseas Bank**

UOB is a leading bank in Singapore that provides a wide range of financial services through its global network of 578 branches, offices and subsidiaries in 18 countries and territories in Asia-Pacific, Western Europe and North America. It has banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and the Philippines.

UOB is focused on enhancing its leadership in the consumer market, and is today, the largest credit card-issuing bank in Singapore with a card base that has reached 1 million. The Bank also has the largest base of merchants in Singapore, both for consumer and commercial credit card acceptance. There are currently more than 20 co-brand cards in its stable, covering the retail sector, service providers and non-profit organisations.

For more information on UOB, visit [www.uobgroup.com](http://www.uobgroup.com)

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