

UOB Group First Half / Second Quarter 2006 Results Briefing

*“Building Regional Platform For
Long-Term Growth”*

Wee Ee Cheong
Deputy Chairman & President

1 August 2006

Disclaimer : This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.

Panel Members

- Mr Wee Ee Cheong Deputy Chairman & President
- Mr Terence Ong SEVP, Global Treasury & Asset Management
- Mr Francis Lee SEVP, Personal Financial Services & International
- Mr Chong Kie Cheong SEVP, Institutional Financial Services & Private Banking
- Ms Susan Hwee EVP, Information Technology
- Mr Lee Wai Fai Chief Financial Officer

Agenda

1

Highlights of 1H06 Financial Performance

2

Key Markets In Review

3

Capital Management

A Quick Glance At The Results

	1H06	1H05	1H06 / 1H05	2Q06	1Q06	2Q06 / 1Q06
Operating Profit*	\$1,782m	\$1,140m	↑ 56.3%	\$1,175m	\$607m	↑ 93.6%
Net Profit After Tax	\$1,571m	\$815m	↑ 92.8%	\$1,132m	\$439m	↑ 157.5%
Basic EPS [^]	\$1.57	\$1.06	↑ 48.3%	\$1.58	\$1.12	↑ 41.4%
Cash ROE	16.7%	12.8%	↑ 30.5%	16.5%	12.0%	↑ 37.5%
Dividend Per Share	\$0.20	\$0.20	-	\$0.20	-	NM
Special Dividend Per Share	\$0.20	\$0.285 [#]	↓ 29.8%	\$0.20	-	NM

* Before amortisation and impairment charges

[^] Computed based on annualised profit attributable to equity holders of the Bank net of subsidiary preference share dividend incurred for the financial period

[#] Dividend in specie of shares in United Overseas Land Limited

Core Customer Business Remains Robust

- NPAT increased 8.3% yoy.
- Net interest income up 14.5% yoy due to higher loan volume and interbank money market activities.
- Customer loans grew 4.5% ytd. Loans margin improved 8bps yoy. Overall NIM down as we placed excess funds in the short end in view of rising interest rate.
- Fee and commission income rose 21.1% yoy. Other non-interest income affected by investment securities losses.
- Expenses under control as we continue to invest in regional capabilities.
- Offshore pre-tax profit* contribution increased from 23.8% to 29.1%.
- Achieved steady growth in operating profit in recent years.

* Before intangible assets amortised / impaired

Singapore – Maintaining Our Leadership

- Leadership in target segments in Consumer and SME. Customer loans and margins up.
- Growth in consumer loans with increased market share in mortgages. Maintained lead in cards industry.
- SME loans and profitability improved. Continue to expand in structured trade finance.
- Enhanced treasury and wealth management capabilities to support core franchise.
- Continue to cultivate long-term customer relationships and strengthen fee-based capabilities to remain at the forefront.

Malaysia – Expanding The Franchise

- Pre-tax profit rose 94.1% yoy. Operating profit up 19.2% yoy.
- Achieved above-industry loans growth of 6.8% ytd.
- Good progress in fee-based business. Expect sustainable results with economic growth on track.
- Expanding delivery channels to better serve customers. Opened 2 branches in Jul 06, another 2 by year-end.
- Leverage on strengths to seize growth opportunities with market liberalisation.

Thailand – Strengthening Our Platform

- Pre-tax profit rose 31.5% and operating profit up 8.0% yoy.
- Loans growth flat reflecting a more cautious environment.
- Improving overall risk management framework. Upgrading and hubbing credit management systems in preparation for Basel II compliance, allowing business activities to scale up.
- UOB (Thai) will be a strong contributor in the medium term.

Indonesia – Scaling Up

- Pre-tax profit and operating profit up 2.2%* and 21.4%* yoy respectively. Loans growth of 4.8% ytd.
- Upgrading infrastructure and processes.
- Further strengthen SME and Consumer Banking businesses by leveraging on Group's network and capabilities.
- Plan to comply with one-bank policy.
- Indonesia to be key contributor in the medium term.

* 1H05 based on proforma figures for Bank Buana and UOBI

Overseas Expansion On Track

- Regionalisation efforts seeing results. Established strong SEA platform. Pre-tax profit* grew 70.4%.
- Operations outside ASEAN key to achieving well-balanced global portfolio.
- Promote synergies across countries, products and customers in expanded regional footprint.
- Offshore contribution accounts for 29.1% of pre-tax profit*.

* Before intangible assets amortised / impaired

Capital Management

- Completed non-core assets divestment exercises.
- Overall capital position strengthened by the gain on divestment and reduction in earmarked capital for non-core assets.
- The Board declared special dividend of 20 cents per share on top of interim dividend of 20 cents per share.

In Summary

- Our core business remains strong.
- Regional expansion on track and beginning to bear fruits.
- We are upbeat about the region's prospects.
- Confident of becoming an established regional bank by 2010.