

United Overseas Bank Investor Roadshow April 2006

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Overview of UOB Group

2

Growth and Regional Strategy

3

Infrastructure, Systems & Operations

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Review of Financial Performance

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Capital Management

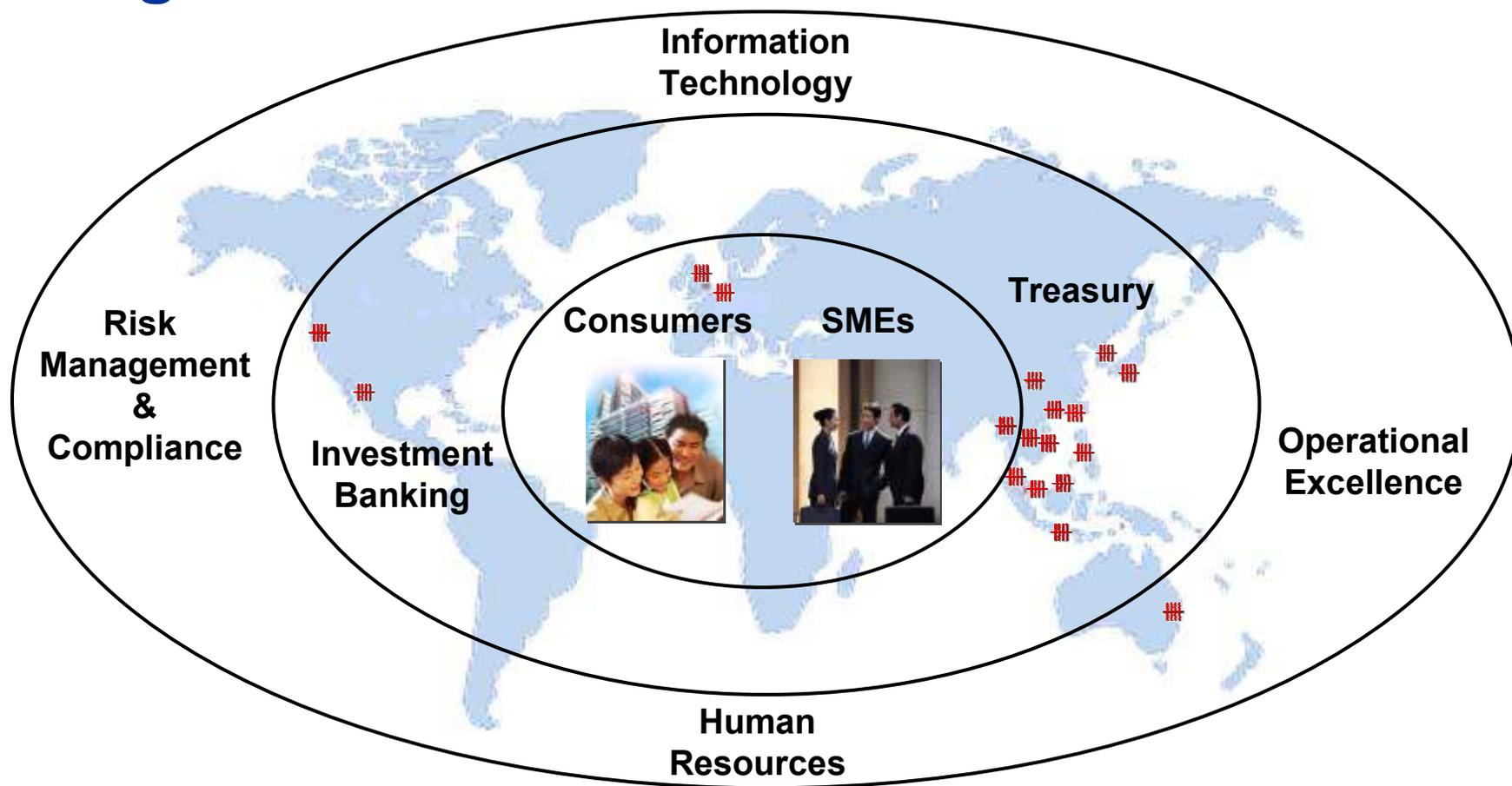
Overview of UOB Group

- Established in 1935. Listed on Singapore Stock Exchange since 1970
- Vast network of 503 offices in 18 countries
- Leading Singapore bank with strong regional platform in key Southeast Asian countries – Malaysia, Thailand and Indonesia
- Strong operating platform:
 - Market capitalization of S\$24bn* (~US\$15bn)
 - Total assets of S\$145bn** (~US\$90bn)
 - Net profit after tax of S\$1,709mm** (~US\$1bn)
- Robust capital levels
 - Tier I CAR of 11.0%**
 - Total CAR of 16.1%**
- Strong credit ratings:
 - Aa3 for long-term bank deposits (stable outlook) by Moody's
 - A+ for long-term counterparty credit (positive outlook) by S&P

* As at 27 March 2006

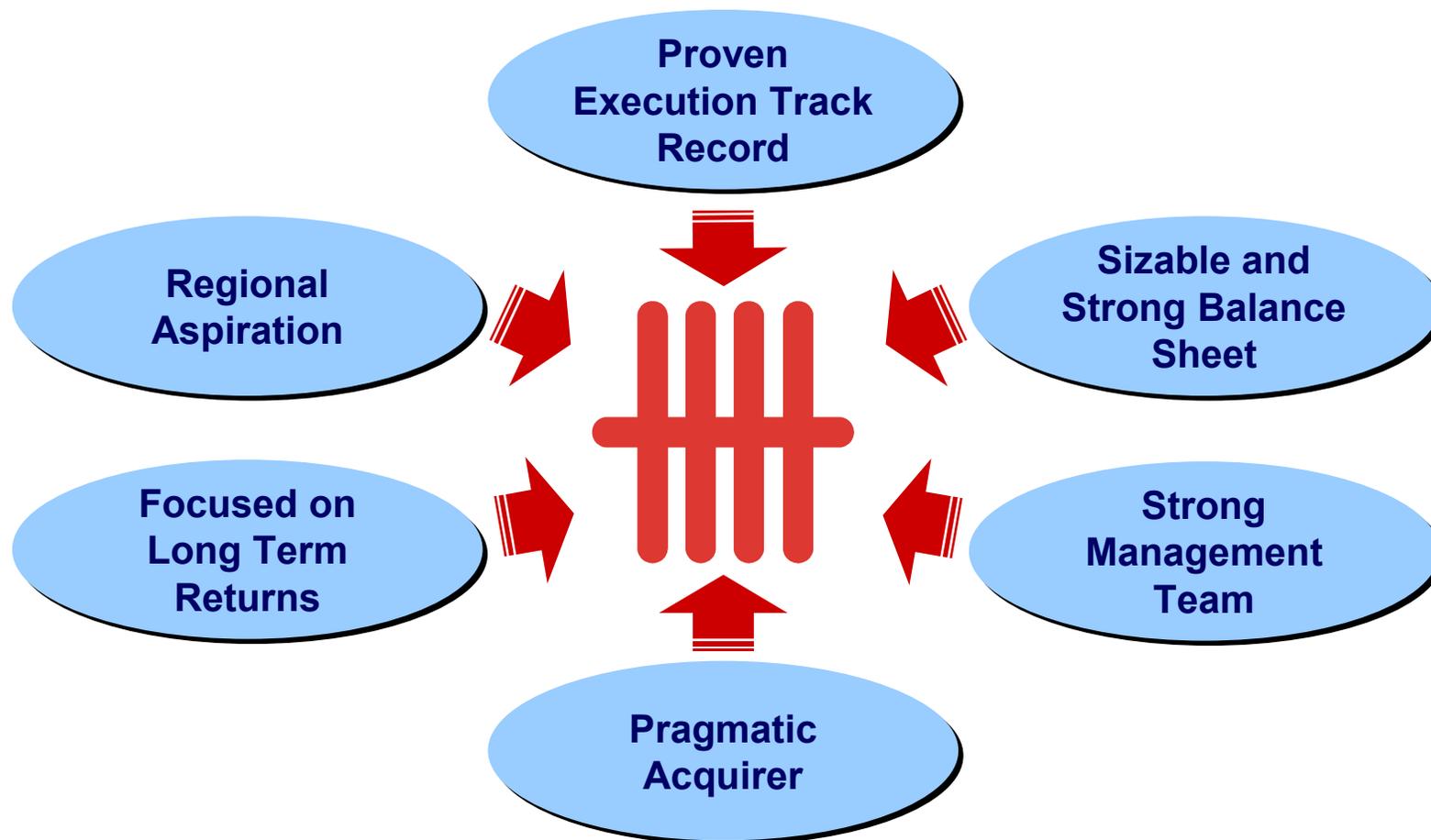
** As at 31 December 2005

Strategic Focus



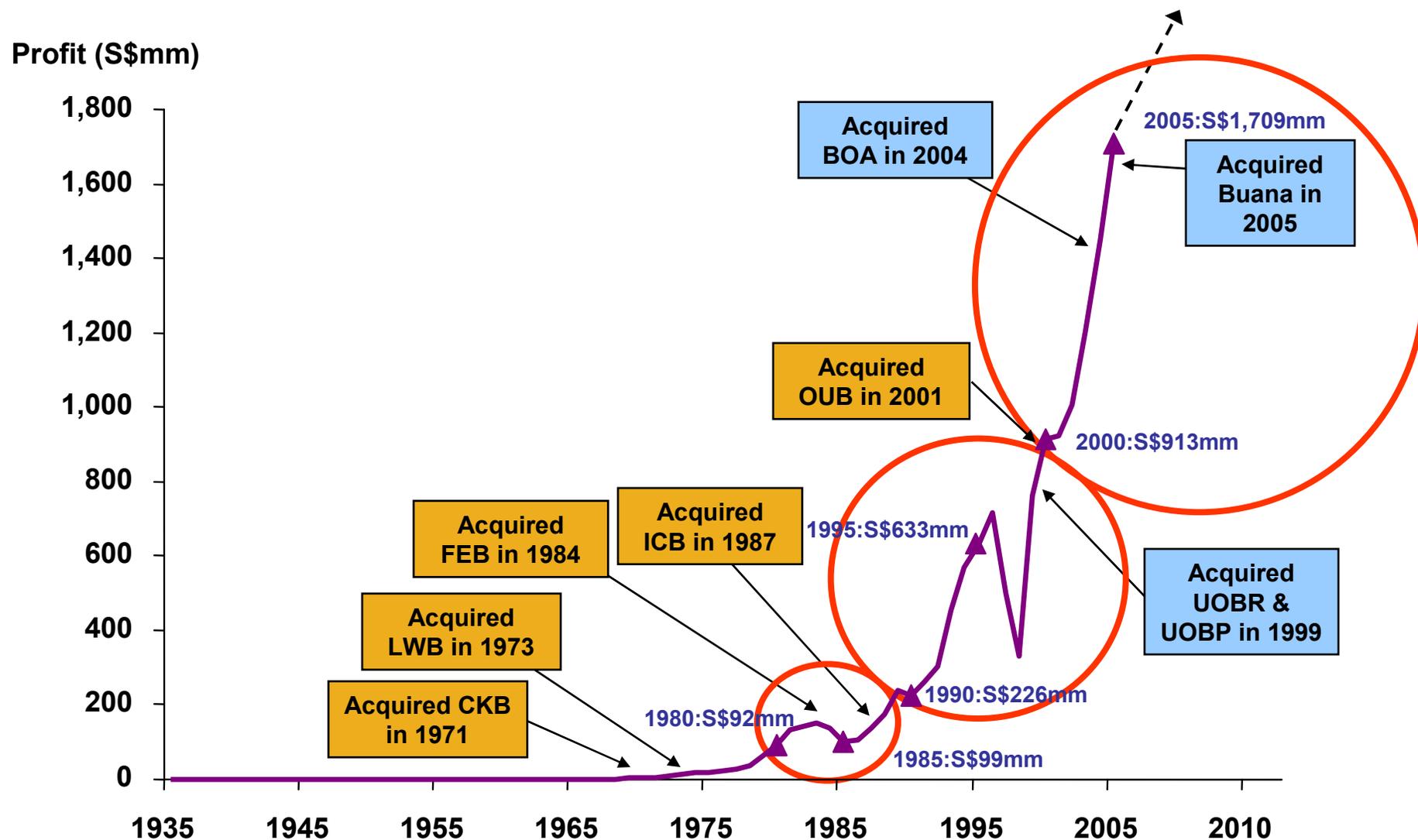
To be recognized as a leader in consumer and SME banking services in the region with investment banking and treasury products in support

The UOB Difference



UOB's mission: To be a premier banking group in the Asia-Pacific region, committed to providing quality products and excellent customer service

Proven Execution Track Record



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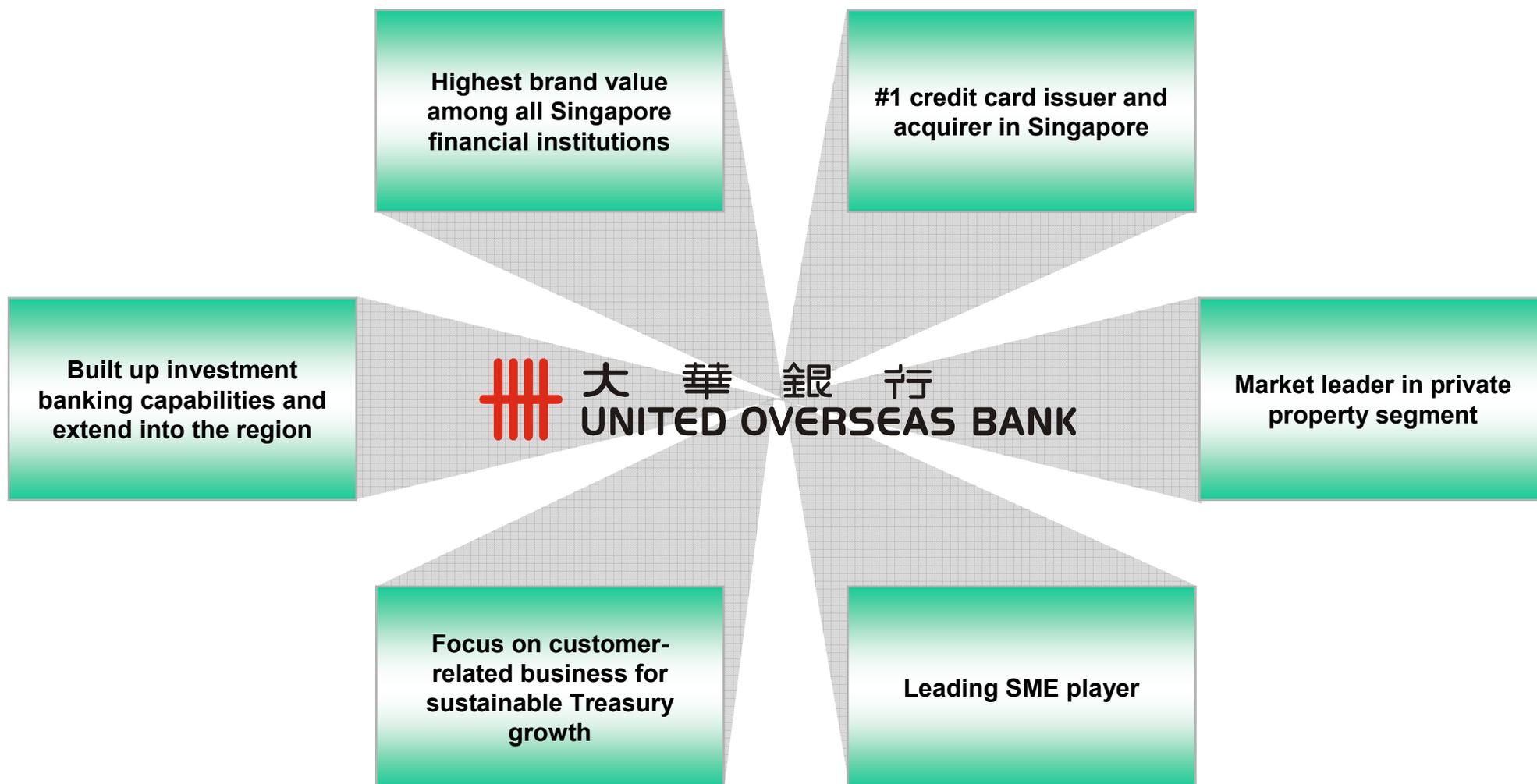
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Capital Management

Market Leader in Singapore



Venturing Beyond Singapore

- See the region as key to our long term growth given strategic location of Singapore
- UOB has unique competitive advantages venturing into the region
 - Familiar with the markets to seize opportunities
 - Natural flow of customers' regional expansions
 - Existing infrastructure that can be scaled up
- Also recognize huge upside potential of Southeast Asia
 - Southeast Asia's resilient economies
 - GDP growth projected to surpass world's growth
 - Strengthening intra-regional trade

Established Southeast Asia Platform

- **Malaysia**
 - Long-established history with good local knowledge and understanding of customers and market
 - Largest foreign branch network with 39 branches/offices
 - Focus on consumer and SME and expand sales and distribution channels for wealth management
- **Thailand**
 - Completed integration of BOA and UOBR, becoming 8th largest commercial bank in Thailand
 - Scale increased more than 3 times to 156 branches/offices
 - Focus now on revenue generation. Expand consumer and SME franchise
- **Indonesia**
 - Enhanced foothold with controlling stake in Bank Buana
 - Network expanded to 204 branches/offices
 - Aligning to Group systems and processes. Laying groundwork for expansion into consumer and SME
- **Singapore**
 - Leading local bank with dominance in consumer and SME markets
 - Well-entrenched with 69 branches/offices
 - Aggressively pursuing growth in target segments

Successfully built a solid regional banking footprint with 4 key Southeast Asian pillars

Beyond the Four Pillars

■ China

- Deepen market understanding through existing network and possible future tie-ups. Continue with organic growth and branch expansion but keep eye for strategic alliances and merger & acquisition
- Expanding capability in Renminbi banking services and capturing opportunities that come with them
- Expanded structured trade and commodity finance team in Hong Kong to provide financing for growing commodity trade in Greater China region

■ Vietnam

- 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 acquirer

■ 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

- Will continue to be a meaningful overseas contributor

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IT Management Philosophy

Differentiation through customer segmentation and service

Leveraging volume to create infrastructure scale

Fast and measurable benefits

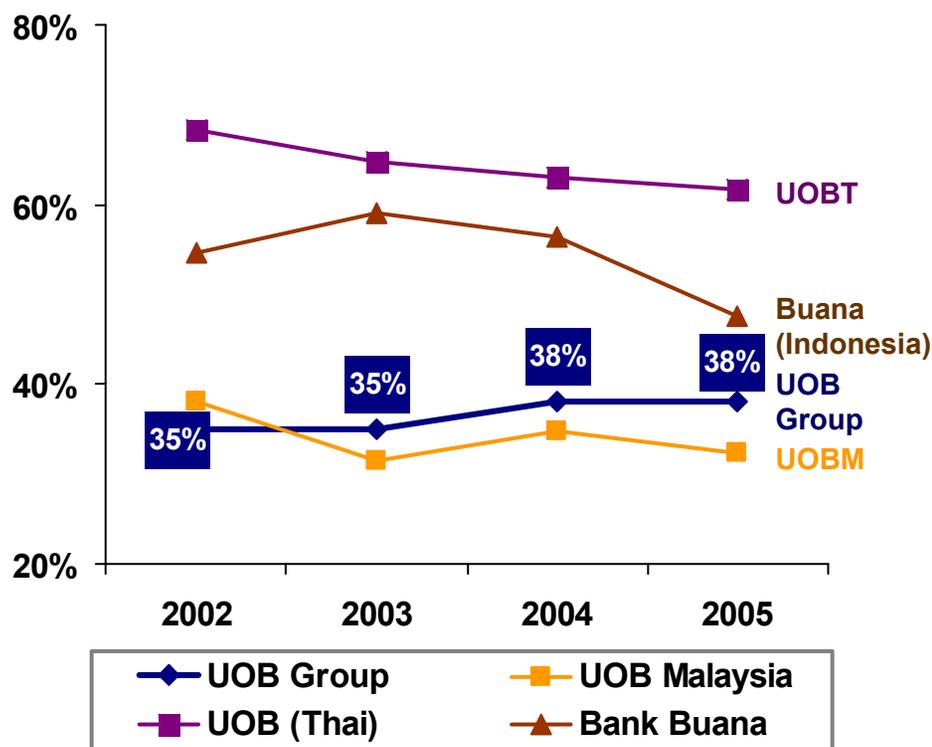
Operating Infrastructure – Track Record Of Execution

- Integrated Thailand operations and IT systems in 12 months (UOB Radanasin and Bank of Asia), on 28 Nov 2005 to become UOB (Thai)
- Re-engineered all branch operations in Singapore. Focus on sales, operational efficiency, mobile sales team, wealth management centers. Upgraded tools – CRM, Teller, Credit Management & workflow
- Established Basel-related infrastructure and processes
- Created Centers of Operating Excellence in IT and Operations starting in Singapore. Improving overall efficiency and reducing operational risks as we grow into the region



Infrastructure Investment

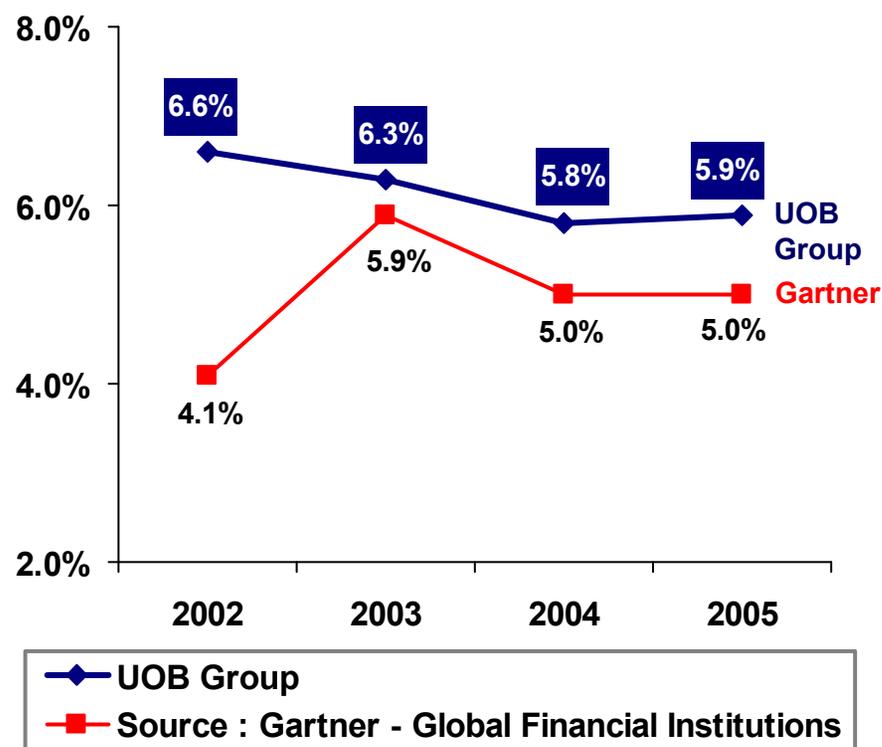
Expense To Income Ratio



Banking Industry Cost Income Ratio by Country

- Singapore : 40%
- Malaysia : 42%
- Thailand : 54%
- Indonesia : 57%

IT Operating Expenditure As A % Of Revenue



Focus 2006 – 2007

- Leveraging on tested business models and rolling out best practices to the region
- Singapore
 - Focus on fee income and deepening wallet share: structured products & wealth management
- Malaysia
 - Consumer Banking
- Thailand
 - Credit Management
 - Consumer Banking
 - Service
 - Scale & Straight-through Processing
- Indonesia
 - Credit Cards
 - Treasury



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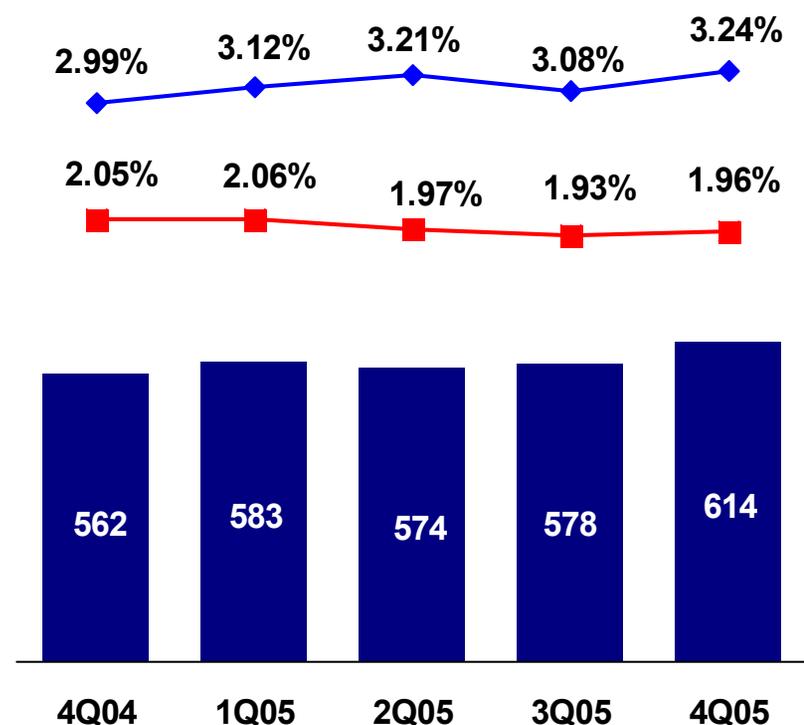
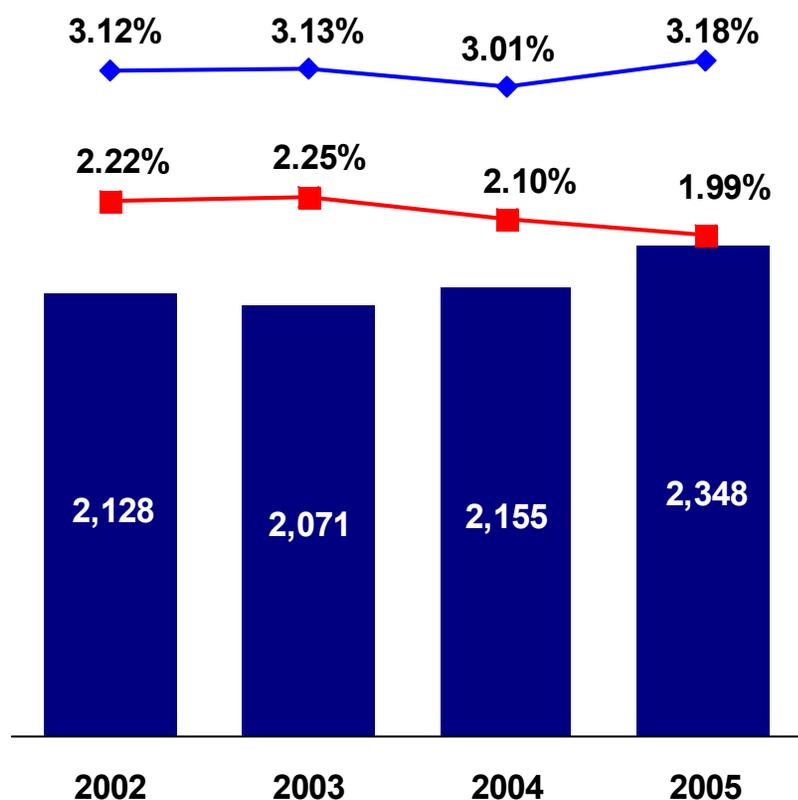
Strong Operating Performance

	2002	2003	2004	2005	2005 / 2004
Operating Profit *	S\$1,960mm	S\$2,064mm	S\$2,032mm	S\$2,337mm	↑ 15.0%
Net Profit After Tax	S\$1,006mm	S\$1,202mm	S\$1,452mm	S\$1,709mm	↑ 17.7%
Earnings Per Share	S\$0.64	S\$0.77	S\$0.93	S\$1.11	↑ 20.1%
Cash ROE	9.5%	10.9%	12.4%	12.9%	↑ 0.5% pt
Non-Interest Income / Total Income	29.9%	34.5%	33.9%	37.6%	↑ 3.7% pt
Offshore Profit Contribution	22.0%	24.4%	21.2%	22.4%	↑ 1.2% pt

* Before amortization and impairment charges

Higher Net Interest Income and Loan Margin

Net Interest Income and Margin

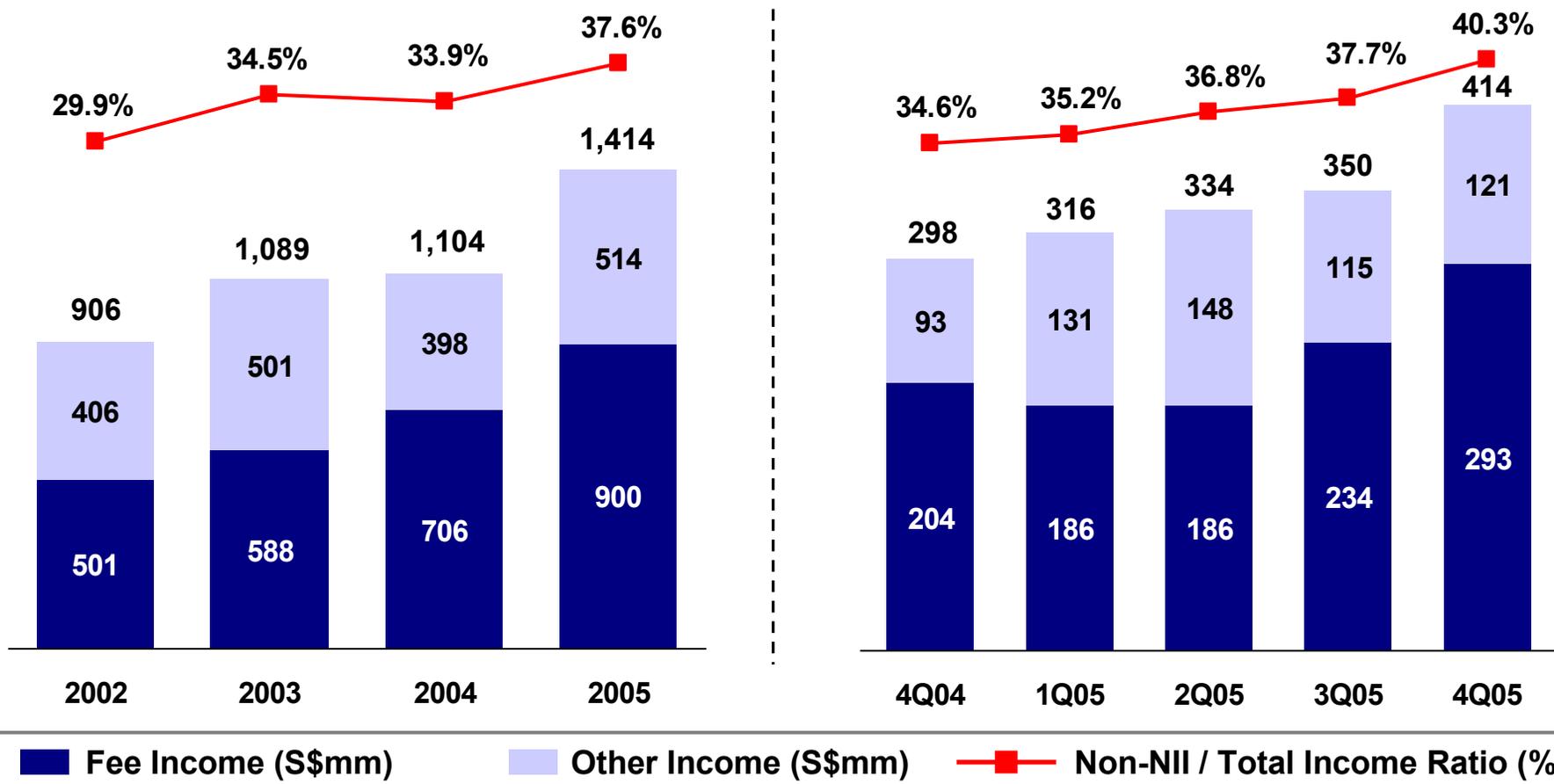


■ Net Interest Income (S\$m)
 —■— Average Interest Margin (%)
 —◆— Loan Margin (%) *

* Computed based on loan yields less cost of deposits

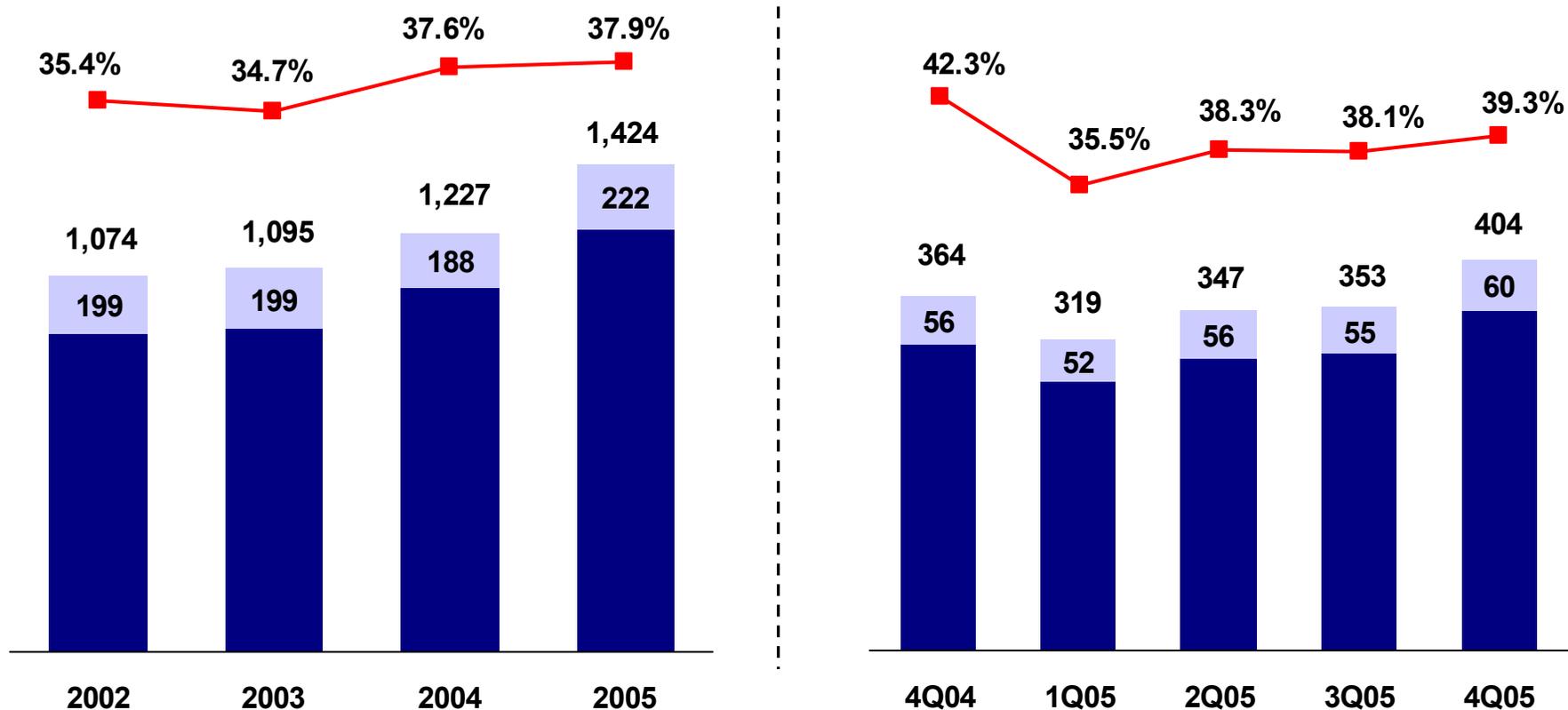
Non-Interest Income Up 28.1% against 2004

Non-Interest Income (Non-NII) and Non-NII Ratio



Stable Operating Expenses

Operating Expenses and Expense / Income Ratio



Operating Expenses (S\$mm)

IT Expenses (S\$mm)

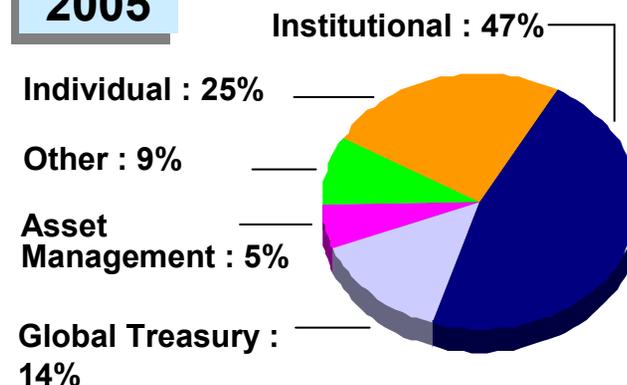
Expense / Income Ratio (%)

Profit Contribution by Business Segment

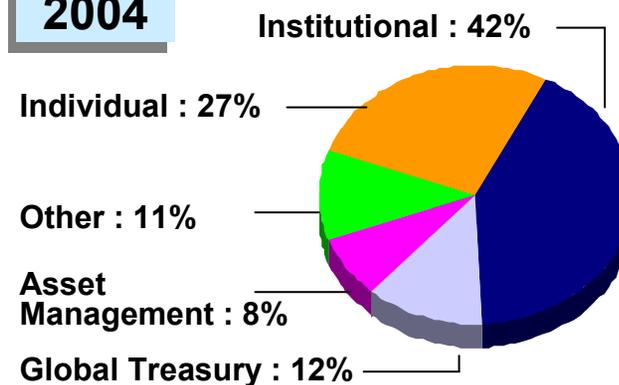
Business Segment

Segment Pre-tax Profit *	2005 S\$mm	2004 S\$mm	Incr/(Decr) %
Individual Financial Services	548	503	8.9
Institutional Financial Services	1,034	791	30.7
Global Treasury	308	226	36.3
Asset Management	125	141	(11.3)
Other	196	214	(8.4)
Total	2,211	1,875	17.9

2005



2004



* Before unallocated expenses, amortization / impairment of intangible assets, and share of profit of associates

Higher Operating Profit Contribution From Overseas Operations

Geographical Segment

<u>Operating Profit *</u>	<u>2005 S\$mm</u>	<u>2004 S\$mm</u>	<u>Incr/(Decr) %</u>
Singapore (including ACU)	1,706	1,522	12.1
Other ASEAN countries	409	317	29.0
Other Asia-Pacific countries	88	102	(13.7)
Rest of the world	134	91	47.3
Operating Profit	2,337	2,032	15.0

* Before amortisation and impairment charges

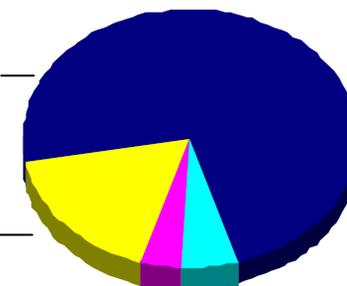
2005

Singapore : 73%

ASEAN : 17%

Asia-Pacific : 4%

Rest of the world : 6%



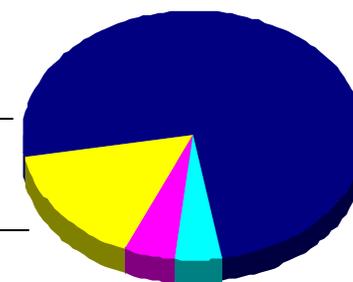
2004

Singapore : 75%

ASEAN : 16%

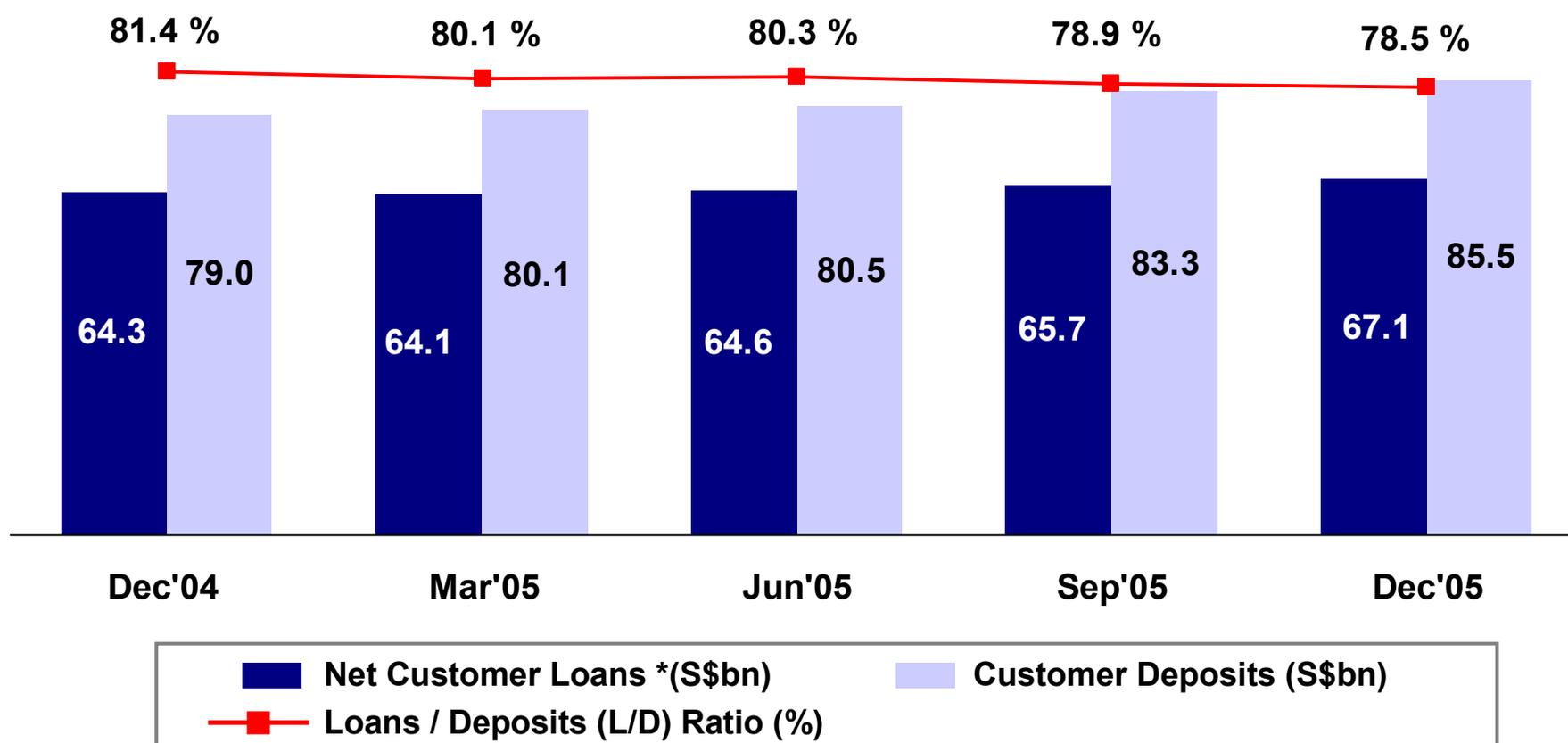
Asia-Pacific : 5%

Rest of the world : 4%



Measured Growth in Loans and Deposits

Customer Loans, Deposits and L/D Ratio

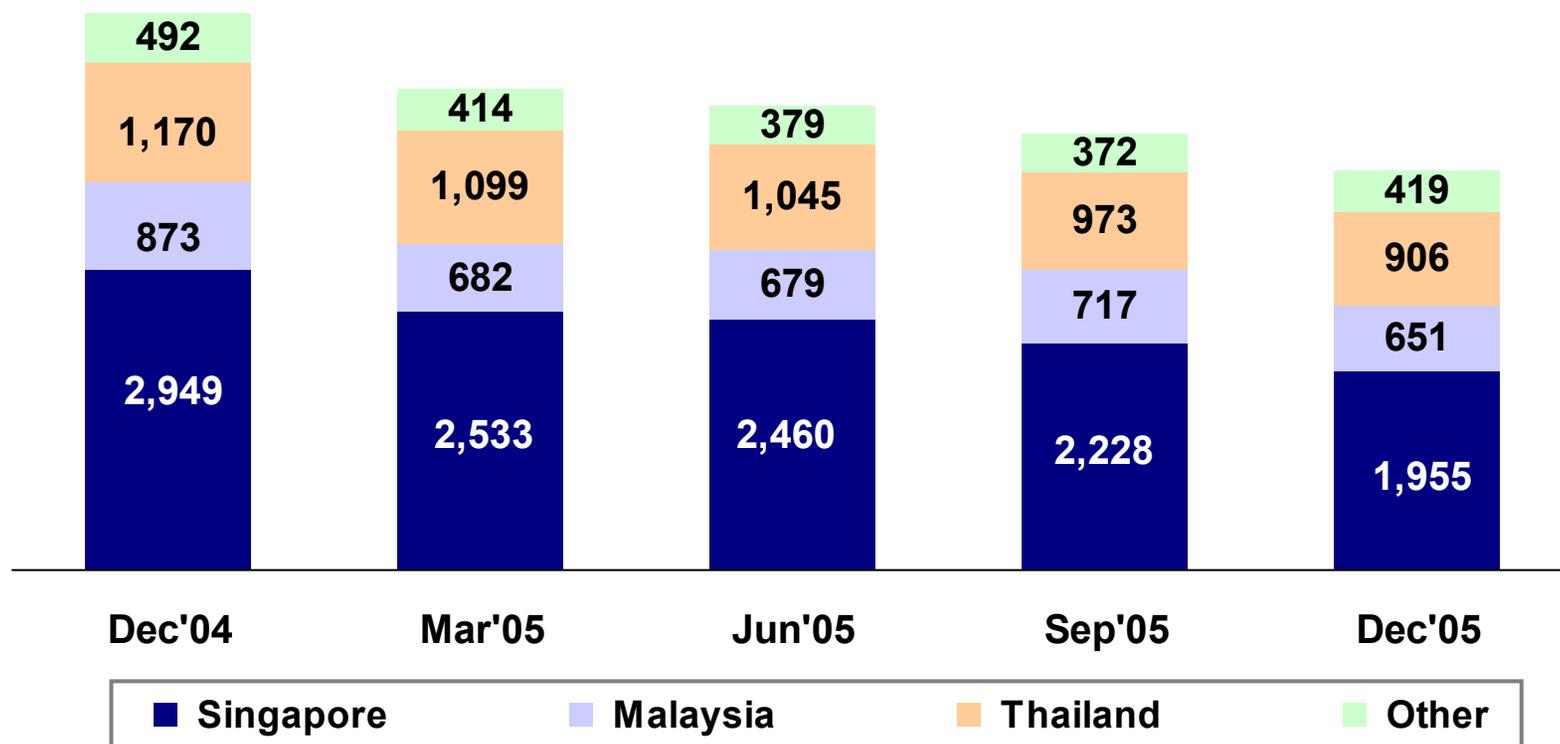


* included amount sold under Repo

Decrease in NPLs across Major Countries

Group:
NPLs (S\$mm)
NPL Ratio

5,484	4,728	4,563	4,290	3,931
8.0%	6.9%	6.7%	6.2%	5.6%



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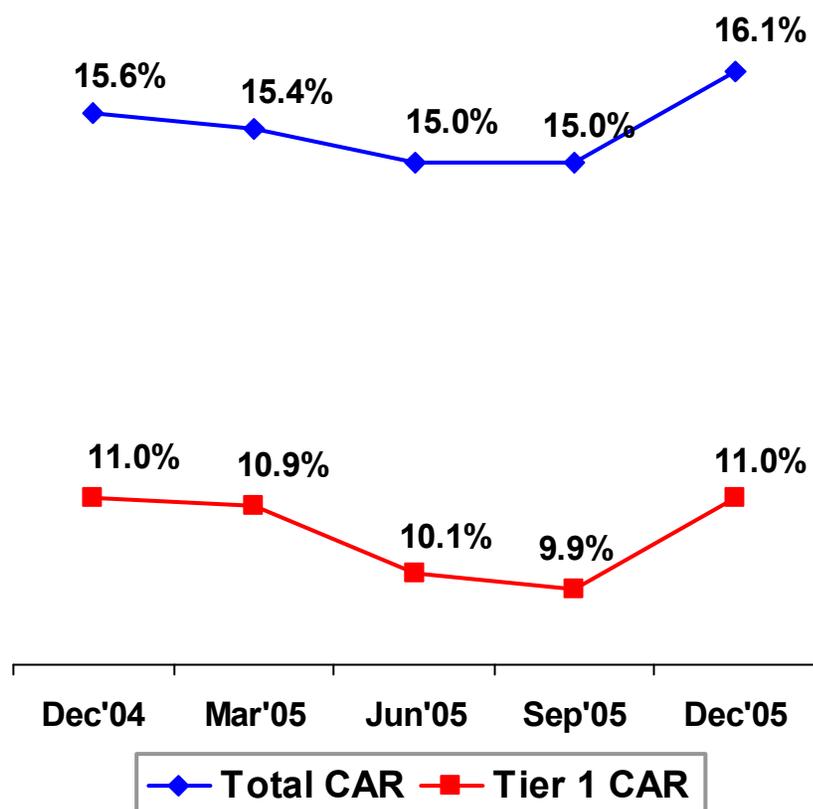
Capital Management

Approach to Capital Management

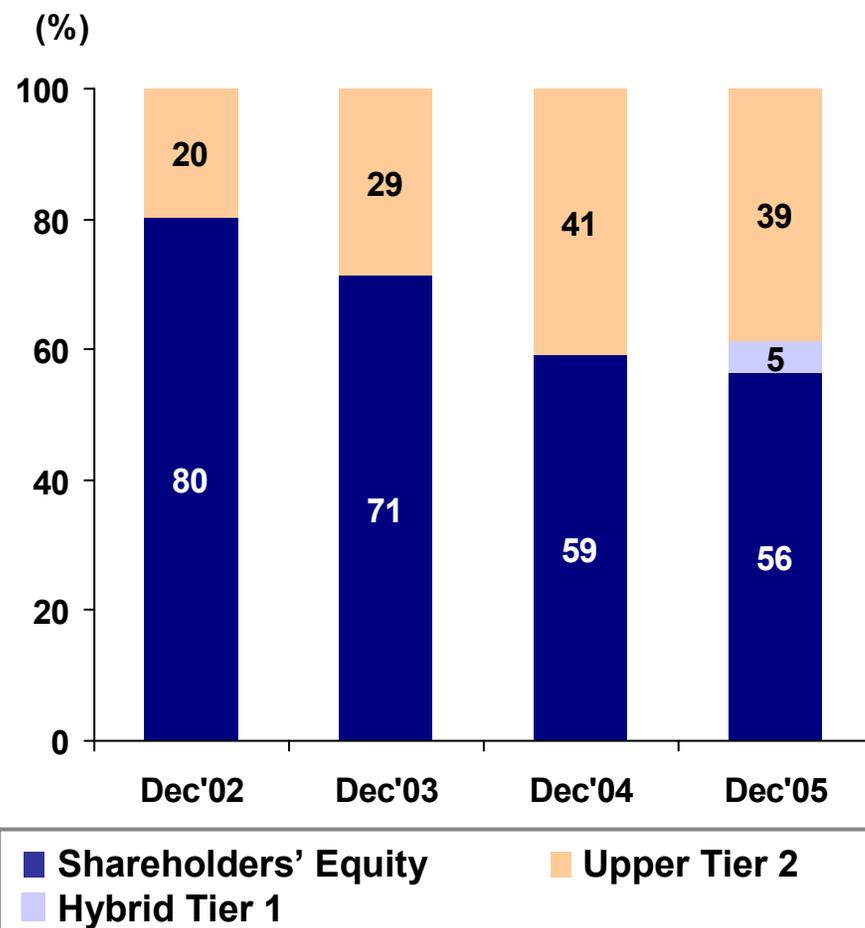
- Strong capital position for strategic flexibility
 - Track record of investing capital efficiently
 - Continue to focus on strengthening our Asian banking franchise
 - In absence of opportunities, option to return excess capital to shareholders
- Ensuring capital efficiency while pursuing growth
 - Rebalanced capital mix with issuance of Hybrid Tier 1 capital
 - Launched S\$600mm share buyback program
 - Capital efficiency needs to be balanced in relation to UOB's growth objective, shareholder expectations and rating agency views
- Continue high dividend policy
 - With final dividend of S\$0.40 per share proposed, total dividend for the year remains high at S\$0.885 per share
- Completed divestment of 34.7% in UOL. Exploring options for OUE and Hotel Negara
- Based II initiatives

Strong Capital Position

Capital Adequacy Ratio



Capital Structure



Consistently High Dividend Payouts

