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Agenda

1. Overview of UOB Group
2. Growth and Regional Strategy
3. Infrastructure, Systems & Operations
4. Review of Financial Performance
5. 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.

Information Technology

Risk Management & Compliance

Investment Banking

Consumers

SMEs

Treasury

Operational Excellence

Human Resources

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

Profit (S$mm)


- Acquired BOA in 2004
- Acquired CKB in 1971
- Acquired FEB in 1984
- Acquired ICB in 1987
- Acquired LWB in 1973
- Acquired Buana in 2005
- Acquired UOBR & UOBP in 1999

- 1980: S$92mm
- 1985: S$99mm
- 1990: S$226mm
- 1995: S$633mm
- 2000: S$913mm
- 2005: S$1,709mm
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Market Leader in Singapore

- Highest brand value among all Singapore financial institutions
- Built up investment banking capabilities and extend into the region
- Focus on customer-related business for sustainable Treasury growth
- #1 credit card issuer and acquirer in Singapore
- Market leader in private property segment
- Leading SME player
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

IT Operating Expenditure As A % Of Revenue

Banking Industry Cost Income Ratio by Country
- Singapore: 40%
- Thailand: 54%
- Malaysia: 42%
- Indonesia: 57%

Source: Gartner - Global Financial Institutions
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

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

* Before amortization and impairment charges
Higher Net Interest Income and Loan Margin

### Net Interest Income and Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest Income (S$mm)</th>
<th>Average Interest Margin (%)</th>
<th>Loan Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2,128</td>
<td>3.12%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>2,071</td>
<td>3.13%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>2,155</td>
<td>3.01%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>2,348</td>
<td>3.18%</td>
<td></td>
</tr>
</tbody>
</table>

* Computed based on loan yields less cost of deposits

![Graph showing Net Interest Income and Margin](image)

**4Q04** 2,128 3.12% 2.05% 562
**1Q05** 2,071 3.13% 2.06% 583
**2Q05** 2,155 3.01% 1.97% 574
**3Q05** 2,348 3.21% 1.93% 578
**4Q05** 2,128 3.24% 1.96% 614
Non-Interest Income Up 28.1% against 2004

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Income (S$mm)</th>
<th>Other Income (S$mm)</th>
<th>Non-NII / Total Income Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>906</td>
<td>298</td>
<td>37.6%</td>
</tr>
<tr>
<td>2003</td>
<td>1,089</td>
<td>588</td>
<td>34.5%</td>
</tr>
<tr>
<td>2004</td>
<td>1,104</td>
<td>706</td>
<td>33.9%</td>
</tr>
<tr>
<td>2005</td>
<td>1,414</td>
<td>900</td>
<td>29.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Fee Income (S$mm)</th>
<th>Other Income (S$mm)</th>
<th>Non-NII / Total Income Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q04</td>
<td>204</td>
<td>186</td>
<td>36.8%</td>
</tr>
<tr>
<td>1Q05</td>
<td>316</td>
<td>186</td>
<td>35.2%</td>
</tr>
<tr>
<td>2Q05</td>
<td>334</td>
<td>131</td>
<td>34.5%</td>
</tr>
<tr>
<td>3Q05</td>
<td>350</td>
<td>115</td>
<td>35.2%</td>
</tr>
<tr>
<td>4Q05</td>
<td>414</td>
<td>293</td>
<td>40.3%</td>
</tr>
</tbody>
</table>

- Fee Income (S$mm)
- Other Income (S$mm)
- Non-NII / Total Income Ratio (%)
Stable Operating Expenses

Operating Expenses and Expense / Income Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Expenses (S$mm)</th>
<th>IT Expenses (S$mm)</th>
<th>Expense / Income Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,074</td>
<td>199</td>
<td>35.4%</td>
</tr>
<tr>
<td>2003</td>
<td>1,095</td>
<td>199</td>
<td>34.7%</td>
</tr>
<tr>
<td>2004</td>
<td>1,227</td>
<td>188</td>
<td>37.6%</td>
</tr>
<tr>
<td>2005</td>
<td>1,424</td>
<td>222</td>
<td>37.9%</td>
</tr>
<tr>
<td>4Q04</td>
<td>364</td>
<td>56</td>
<td>42.3%</td>
</tr>
<tr>
<td>1Q05</td>
<td>319</td>
<td>52</td>
<td>35.5%</td>
</tr>
<tr>
<td>2Q05</td>
<td>347</td>
<td>56</td>
<td>38.3%</td>
</tr>
<tr>
<td>3Q05</td>
<td>353</td>
<td>55</td>
<td>38.1%</td>
</tr>
<tr>
<td>4Q05</td>
<td>404</td>
<td>60</td>
<td>39.3%</td>
</tr>
</tbody>
</table>

*Operating Expenses and IT Expenses in Singapore Dollars (S$mm)*

*Expense / Income Ratio in percentage*
## Profit Contribution by Business Segment

### Business Segment Pre-tax Profit

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>2005 S$mm</th>
<th>2004 S$mm</th>
<th>Incr/(Decr) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Financial Services</td>
<td>548</td>
<td>503</td>
<td>8.9</td>
</tr>
<tr>
<td>Institutional Financial Services</td>
<td>1,034</td>
<td>791</td>
<td>30.7</td>
</tr>
<tr>
<td>Global Treasury</td>
<td>308</td>
<td>226</td>
<td>36.3</td>
</tr>
<tr>
<td>Asset Management</td>
<td>125</td>
<td>141</td>
<td>(11.3)</td>
</tr>
<tr>
<td>Other</td>
<td>196</td>
<td>214</td>
<td>(8.4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,211</strong></td>
<td><strong>1,875</strong></td>
<td><strong>17.9</strong></td>
</tr>
</tbody>
</table>

*Before unallocated expenses, amortization / impairment of intangible assets, and share of profit of associates*
## Higher Operating Profit Contribution From Overseas Operations

### Geographical Segment

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

*Before amortisation and impairment charges*
Measured Growth in Loans and Deposits

Customer Loans, Deposits and L/D Ratio

<table>
<thead>
<tr>
<th>Month</th>
<th>Net Customer Loans *(S$bn)</th>
<th>Customer Deposits (S$bn)</th>
<th>Loans / Deposits (L/D) Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec'04</td>
<td>64.3</td>
<td>79.0</td>
<td>81.4 %</td>
</tr>
<tr>
<td>Mar'05</td>
<td>64.1</td>
<td>80.1</td>
<td>80.1 %</td>
</tr>
<tr>
<td>Jun'05</td>
<td>64.6</td>
<td>80.5</td>
<td>80.3 %</td>
</tr>
<tr>
<td>Sep'05</td>
<td>65.7</td>
<td>83.3</td>
<td>78.9 %</td>
</tr>
<tr>
<td>Dec'05</td>
<td>67.1</td>
<td>85.5</td>
<td>78.5 %</td>
</tr>
</tbody>
</table>

* included amount sold under Repo

*UNITED OVERSEAS BANK*
## Decrease in NPLs across Major Countries

<table>
<thead>
<tr>
<th>Group:</th>
<th>NPLs (S$mm)</th>
<th>NPL Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec'04</td>
<td>Mar'05</td>
</tr>
<tr>
<td></td>
<td>5,484</td>
<td>4,728</td>
</tr>
<tr>
<td></td>
<td>8.0%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

|        | Singapore   | Malaysia  | Thailand  | Other     |
|        | 2,533       | 682       | 679       | 651       |
|        | 2,949       | 1,170     | 873       | 906       |
|        | 492         | 414       | 379       | 372       |
|        | 4,563       | 1,099     | 1,045     | 973       |
|        | 8.0%        | 6.9%      | 6.7%      | 5.6%      |
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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

Dec'02 Dec'03 Dec'04 Dec'05
15.6% 15.4% 15.0% 15.0% 16.1%
11.0% 10.9% 10.1% 9.9% 11.0%

Capital Structure

Dec'02 Dec'03 Dec'04 Dec'05
Total CAR Tier 1 CAR
Shareholders’ Equity Upper Tier 2 Hybrid Tier 1
20 29 41 39 80 71 59 56 5
Consistently High Dividend Payouts

Return of excess capital S$230mm (Dividend in Specie)

Includes Share Buyback of S$500mm

Return of excess capital S$351mm (Dividend in Specie)

S$720mm

S$748mm

S$1,244mm

S$1,089mm

2002

18.8cts

25cts

15cts

2003

40cts

20cts

2004

40cts

20cts

2005

40cts

20cts

Profit Utilization

Interim

Final

Dividend in Specie

United Overseas Bank

United Behind You