Nomura Investment Forum 2007

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Chief Financial Officer

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Agenda

1. Business Overview
2. Financial Overview
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 527 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
- NIM: 2.05%
- Non-interest / Total Income: 37.8%
- ROAA: 1.27%
- ROAE: 12.8%
- 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

Profit (S$ million)

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

Note: 2006 net profit after tax was S$2,570 million including one-time gain
Established Regional Presence

Total Assets Breakdown
- Singapore: 64%
- ASEAN: 18%
- Asia-Pacific: 11%
- Rest of the world: 7%

Profit Before Tax Breakdown
- Singapore: 71%
- ASEAN: 15%
- Asia-Pacific: 5%
- Rest of the world: 9%

Note: For the nine months ended 30 September 2007
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

- Proven Execution Track Record
- Well-diversified Regional Portfolio
- Strong Management Team
- Focus on Long-Term Returns
- Keen Understanding of Markets & Customers
Strong Regional Economies

Real GDP Growth

- Singapore
- Malaysia
- Thailand
- Indonesia

Private Consumption Growth

- Singapore
- Malaysia
- Thailand
- Indonesia

Foreign Exchange Reserves

- Singapore
- Malaysia
- Thailand
- Indonesia

Net Foreign Direct Investments

- Singapore
- Malaysia
- Thailand
- Indonesia

Source: UNCTAD, BOT, CEIC, UOB, EIU, Asia Pacific Consensus Forecasts, Brokers’ Reports
Note: * FDI Inflow
Strategic Directions

- Strengthen Domestic Market Leadership
- Establish Strategic Partnerships
- Focused Regional Expansion
- Invest In The Future

Our Mission:
To be a Premier Bank in the Asia Pacific Region
Agenda

1. Business Overview
2. Financial Overview
Increasing Profitability

Operating Profit

Net Profit

One-time income of S$613 million

One-time gain of S$689 million

CAGR 6%

CAGR 17%

CAGR 19%
Diversified Income & Controlled Expenses

Operating Income

<table>
<thead>
<tr>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>9M06</th>
<th>9M07</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,128</td>
<td>2,071</td>
<td>2,155</td>
<td>2,348</td>
<td>2,710</td>
<td>2,009</td>
<td>2,237</td>
</tr>
</tbody>
</table>

NII

Non-NII

Non-NII / Total Income

Operating Expenses

<table>
<thead>
<tr>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>9M06</th>
<th>9M07</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,074</td>
<td>1,095</td>
<td>1,227</td>
<td>1,188</td>
<td>1,424</td>
<td>1,222</td>
<td>1,492</td>
</tr>
</tbody>
</table>

Other Operating Expenses

IT Expenses

Expense / Income Ratio

Note: Excluding one-time income for 9M06 and FY06
Growing Customer Margins & Loans

**Net Interest Margin**

- Yearly percentages from FY02 to FY06:
  - 2006: 3.24%, 2007: 3.26%

**Net Customer Loans**

- Loan amounts from Dec-02 to Sep-07:
  - December 2002: 58,884 S$m
  - December 2003: 59,297 S$m
  - December 2004: 64,300 S$m
  - December 2005: 67,142 S$m
  - December 2006: 76,875 S$m
  - September 2006: 73,673 S$m
  - September 2007: 85,161 S$m

- CAGR 7% growth from December 2002 to September 2007.
Strong Asset Quality

**NPL Ratio**

- Dec-02: 9.0
- Dec-03: 8.1
- Dec-04: 8.0
- Dec-05: 5.6
- Dec-06: 4.0
- Sep-06: 4.6
- Sep-07: 2.3

**Impairment Coverage**

- Dec-02: 138.3
- Dec-03: 141.4
- Dec-04: 138.6
- Dec-05: 159.4
- Dec-06: 172.6
- Sep-06: 172.9
- Sep-07: 249.0

**Graph Notes**

- Red line: Cumulative Impairment/Total NPLs
- Blue line: Cumulative Impairment/Unsecured NPLs

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## Capital Management

<table>
<thead>
<tr>
<th><strong>Seek Capital Efficiency</strong></th>
<th><strong>Strong Capital for Strategic Flexibility</strong></th>
<th><strong>High Dividend Policy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Recent MAS changes give flexibility</td>
<td></td>
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<tr>
<td>▪ Review mix of capital structure</td>
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<tr>
<td>▪ Option of share buyback and/or special dividend for any excess capital</td>
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<td>▪ Keep buffer above regulatory CAR to maintain high credit ratings</td>
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<td>▪ Reserve capital as we see opportunities in Singapore and region to strengthen franchise</td>
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<td>▪ Special dividend of 15 cents per share in 1H07. Total dividend of 35 cents per share for the period</td>
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<tr>
<td>▪ Target for consistent high payout to reward shareholders</td>
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In Summary

- Strategy remains intact. Core businesses gathering pace
- Further entrenched market leadership in Singapore while strengthening regional platform. Balanced global portfolio diversification
- Manage rising costs and talent development while investing in operating infrastructure, hubbing and processes for regional growth
- UOB on track to become an established premier Asian bank