



# United Overseas Bank Limited

*July 2007*

This material that follows is a presentation of general background information about United Overseas Bank Limited's ("UOB" or the "Bank") 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. The Bank accepts no liability whatsoever with respect to the use of this document or its content.

# Agenda



- 1. Introduction to UOB**
- 2. Investment Highlights**
- 3. Conclusion**

大華銀行  
UNITED OVERSEAS BANK  
INCORPORATED IN SINGAPORE



## Founding

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, father of the present UOB Group Chairman, Mr Wee Cho Yaw

## Expansion

Over the decades, UOB expanded its regional reach through organic means and a series of acquisitions, targeting Malaysia, Thailand and Indonesia. UOB has also made recent inroads in China and Vietnam

## Key Statistics

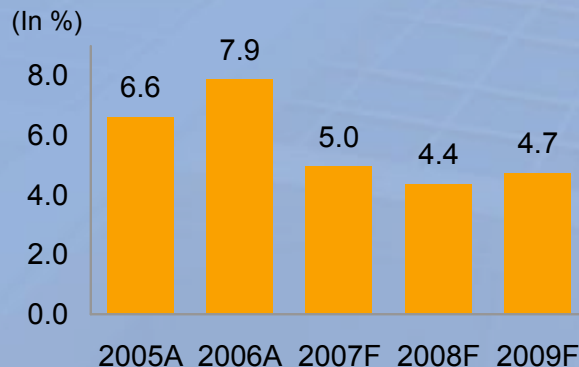
- Total Assets: S\$166.7 billion
- Shareholder's Equity: S\$17.5 billion
- Gross Loans: S\$81.6 billion
- Customer Deposits: S\$99.7 billion
  
- NIM: 2.18%
- Non-interest income / Total: 36.2%
- ROAA / ROAE: 1.27% / 12.4%
- Cost / Income: 39.5%
- Tier 1 / Total CAR: 11.1% / 16.2%
  
- Senior LT Debt Ratings:
  - ▶ Aa1 (Moody's)
  - ▶ A+ (S&P)
  - ▶ AA- (Fitch)

Note: Financial statistics are as of 2007 Q1

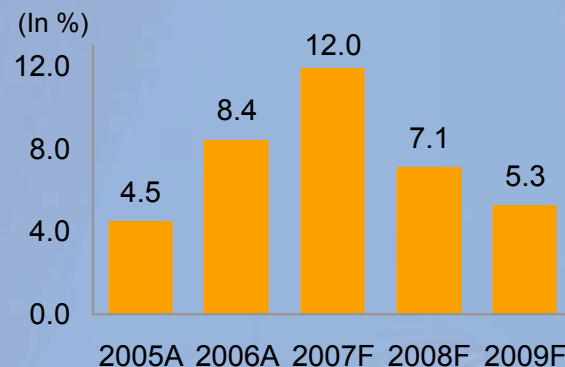
# Singapore: Stable Operating and Supportive Regulatory Environment



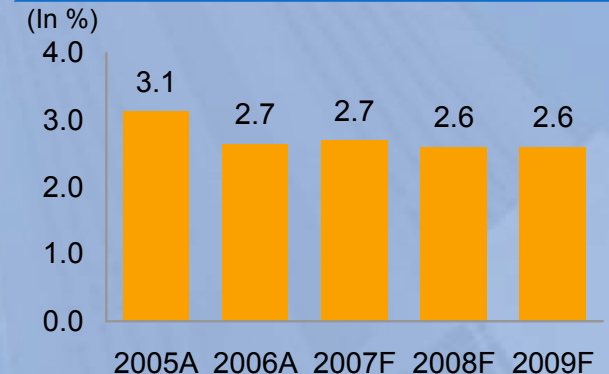
## Real GDP Growth



## Private Consumption Growth

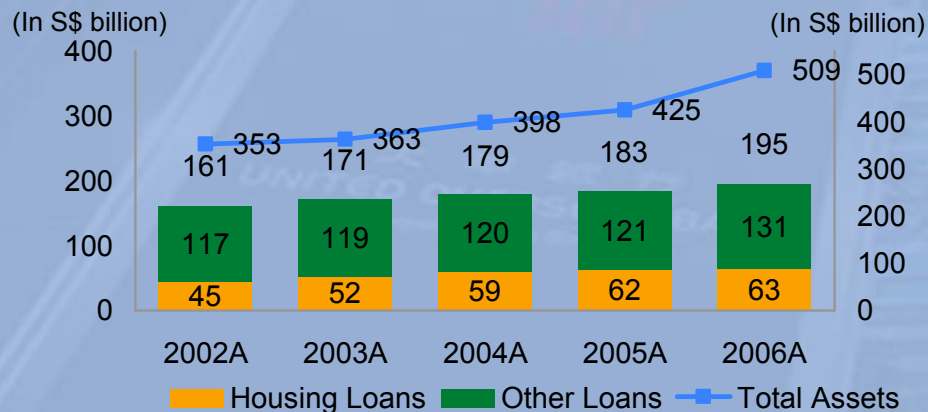


## Unemployment Rate



Note: A = Actual; F = Forecast  
Source: Economist Intelligence Unit (July 2007)

## Banking System Total Assets / Loans



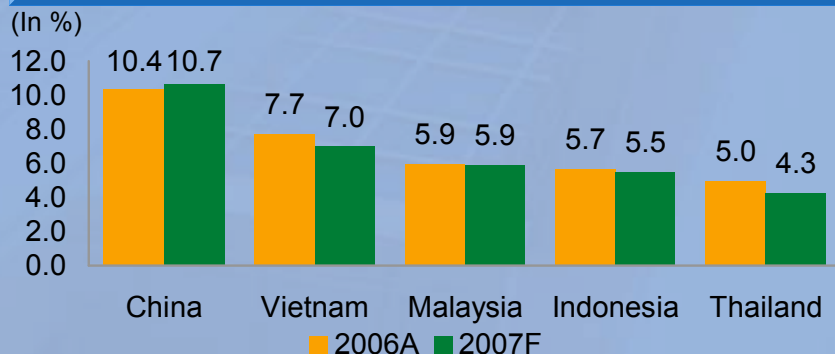
Source: MAS (July 2007)

- Macroeconomic indicators for Singapore remain positive
- Backed by sovereign ratings of Aaa by Moody's and AAA by S&P
- Strong regulator in MAS, supported by transparent and stable legal system
- Strong domestic economic growth continues to bode well for UOB's key Singaporean SME and property lending businesses



# Key Asian Markets: Positive Macro Indicators

## Real GDP Growth



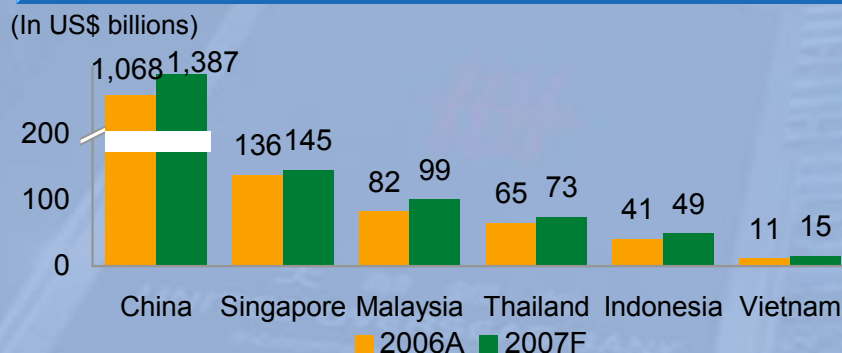
Note: 2006 figure for Vietnam is estimated

## Private Consumption Growth



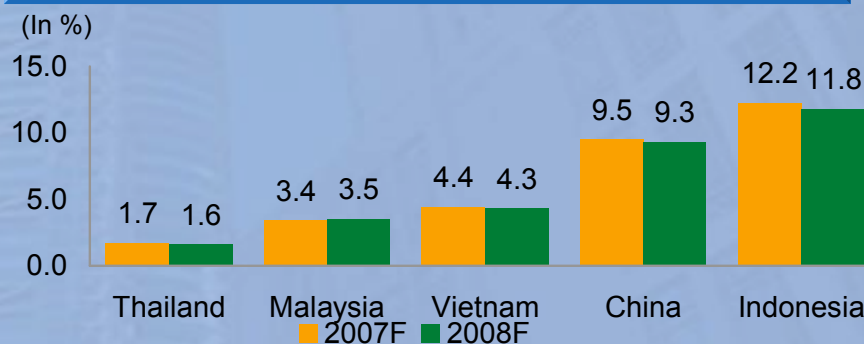
Note: 2006 figures for China and Vietnam are estimated

## FX Reserve



Note: 2006 figure for Vietnam is estimated

## Unemployment Rate



Note: A = Actual; F = Forecast

Source: Economist Intelligence Unit (July 2007)

**Regional countries in which UOB has high or growing exposure to are expected to exhibit steady economic growth**



# Agenda



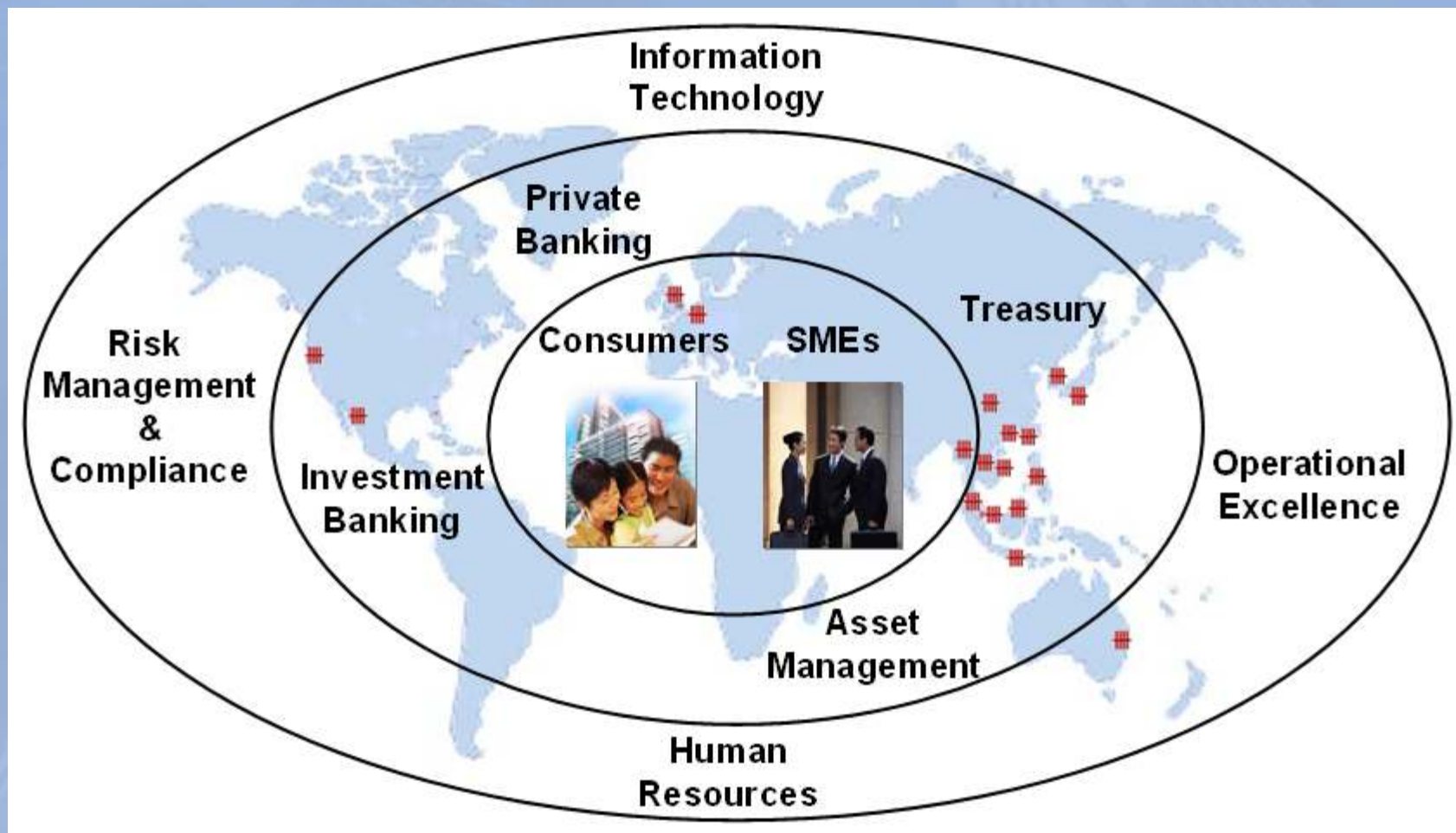
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# Investment Highlights



# 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*





# Leading Full Service Banking Platform

## Consumer Banking

- #1 Singaporean credit cards issuer
- Market leader in Singapore private home loans

## SME Banking

- SME market leader
- Global relationship management capability for customers going overseas and enhanced fee income capability

## Private Banking

- Capitalising on UOB's operating network to increase cross-selling
- Broadened product offerings

## Treasury

- Sales of structured products is ranked amongst top 10 Asian banks
- Strong trading and product structuring capabilities

## Investment Banking

- One of Singapore's major IPO underwriters
- Growing presence in capital markets activities in the region

## Asset Management

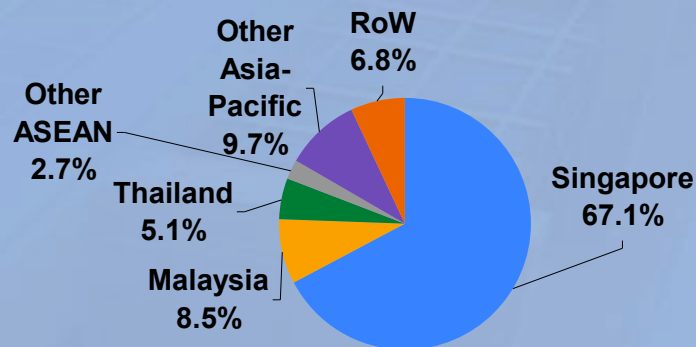
- Total AUM of S\$24.2 billion

***UOB has leading expertise in the consumer and SME segments, it also offers a wide range of fee generating products which have increasingly contributed to profitability in recent years***

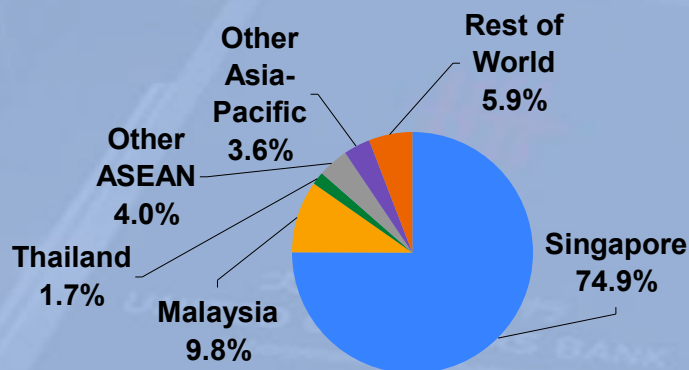


# Established Regional Banking Franchise

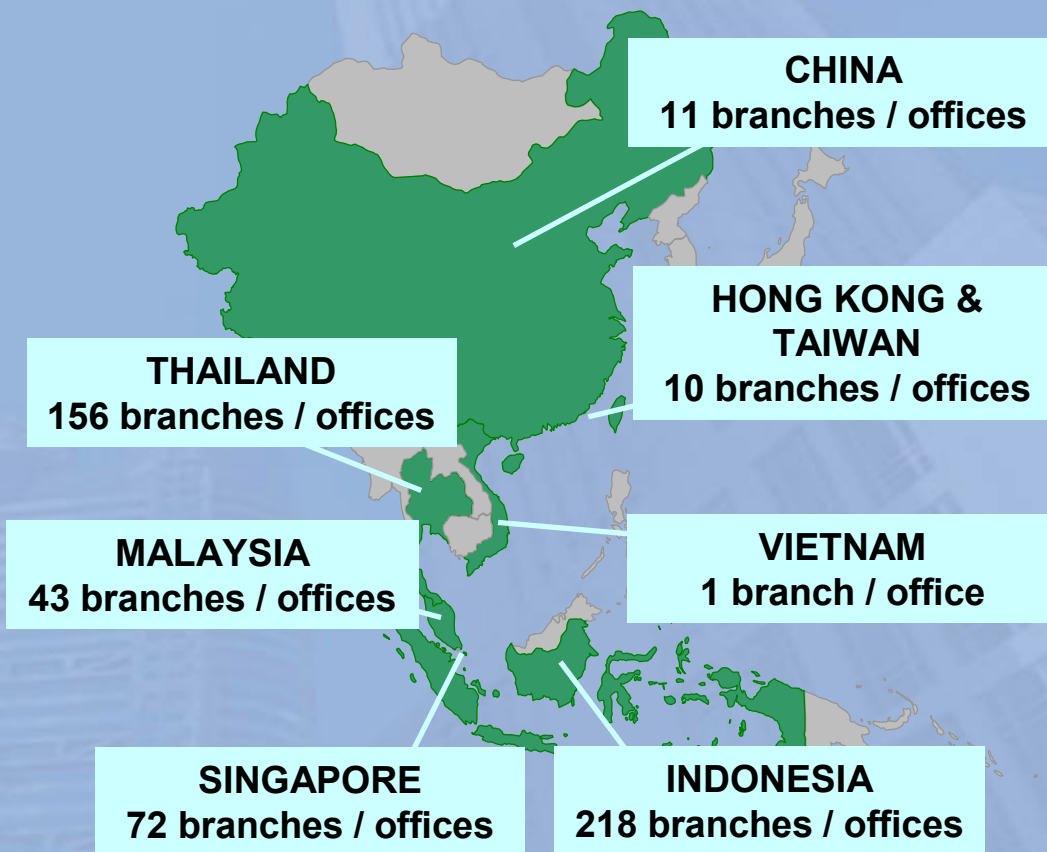
## Total Assets Breakdown



## Profit Before Tax Breakdown



Note: As of Dec 31, 2006

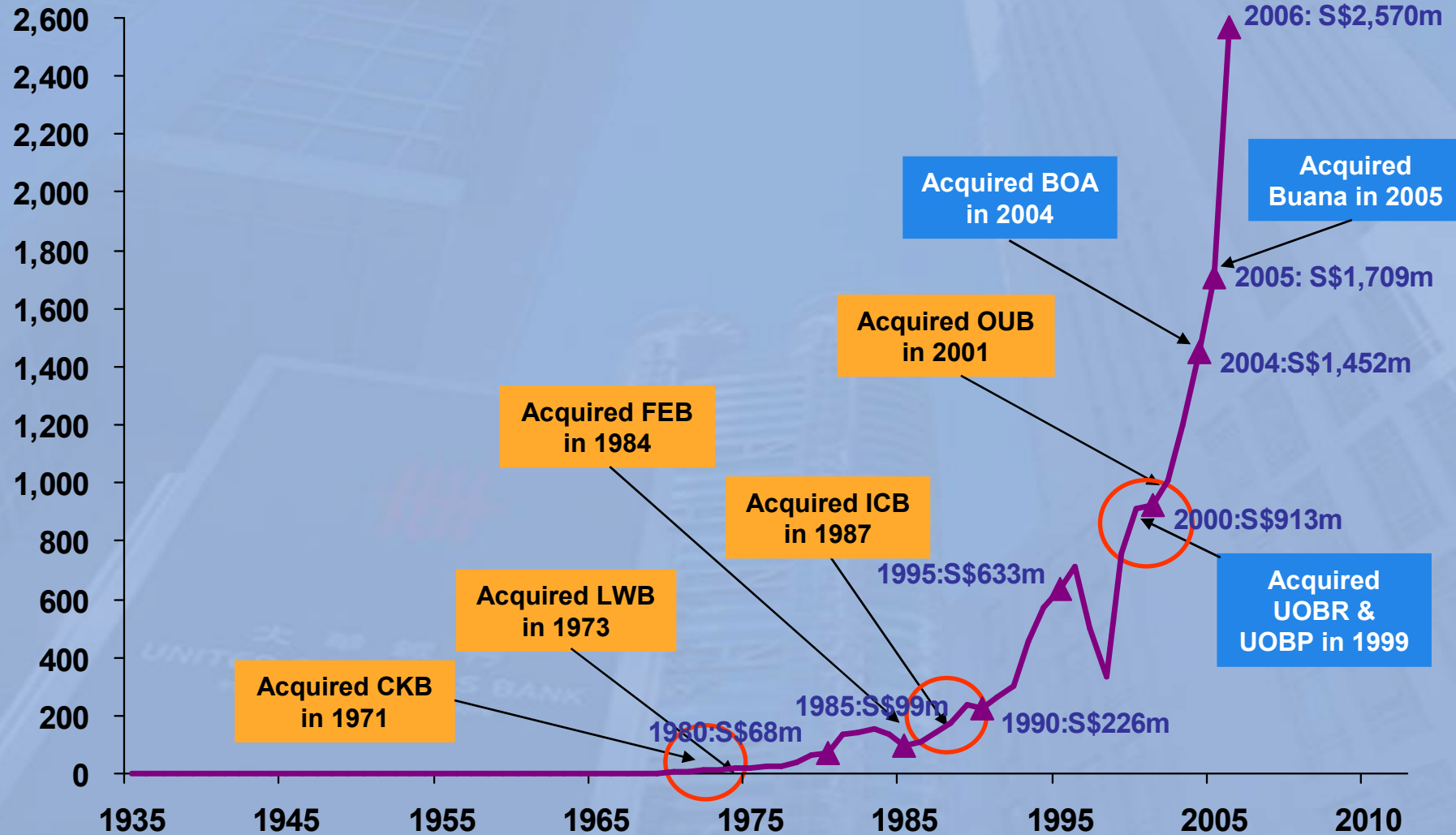


**UOB has successfully built a solid regional banking platform with its 4 key South East Asian pillars and is expanding its presence in the rapidly growing China and Vietnam markets**



# Proven Execution Track Record

Profit (S\$ millions)

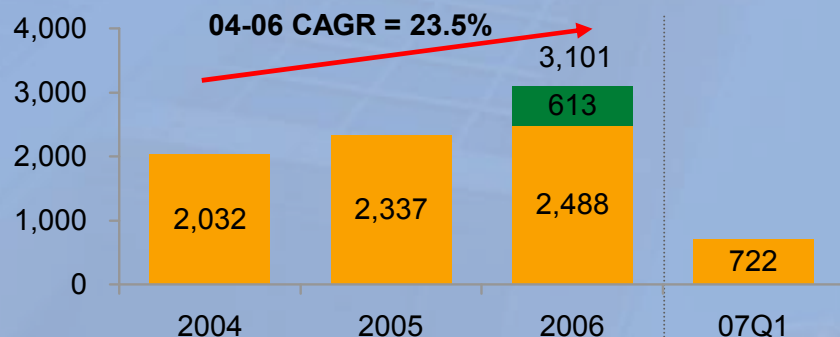




# Consistently Strong Financial Performance

## Pre-Provisioning Operating Income

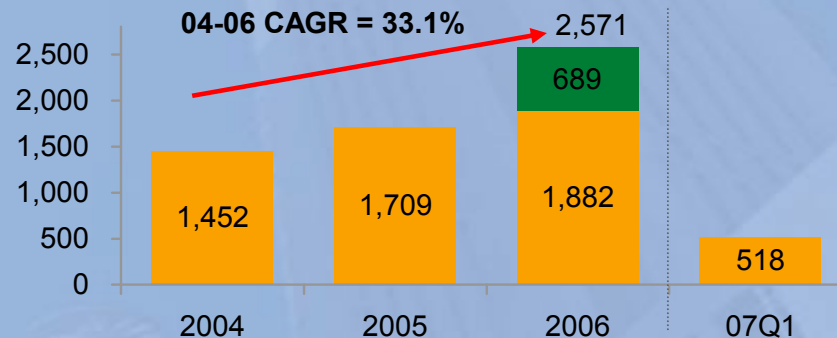
(In S\$ million)



Note: S\$613 million earned in 2006 is a one-time gain

## Net Profit

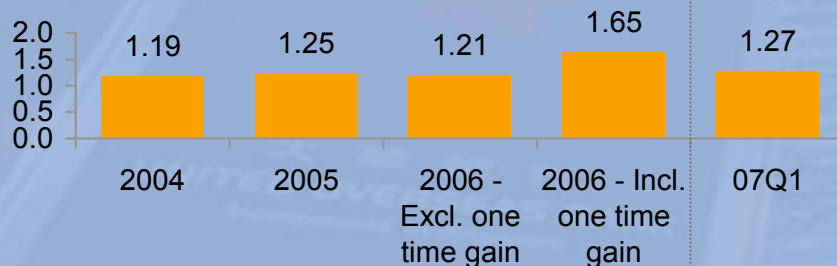
(In S\$ million)



Note: S\$689 million earned in 2006 is a one-time gain

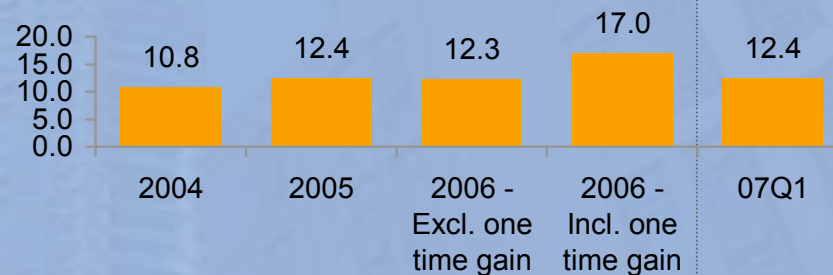
## Return on Average Assets

(In %)



## Return on Average Equity

(In %)

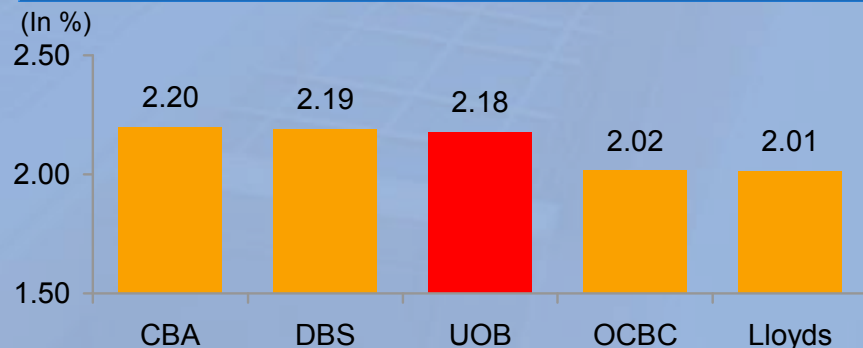


**Over the past few years, UOB has consistently recorded increases in income and profitability**

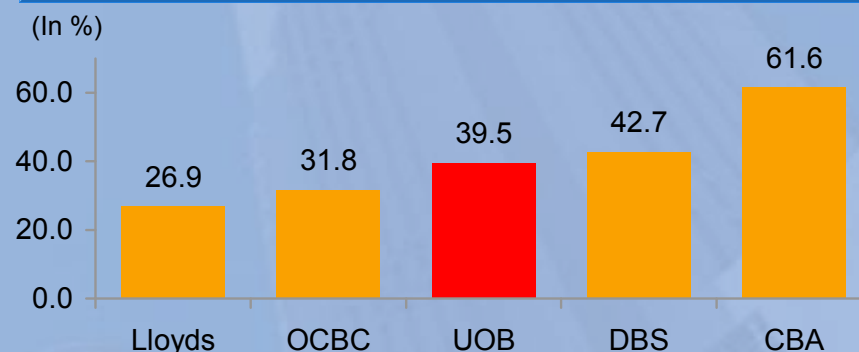


# Competitive Against Local and International Peers

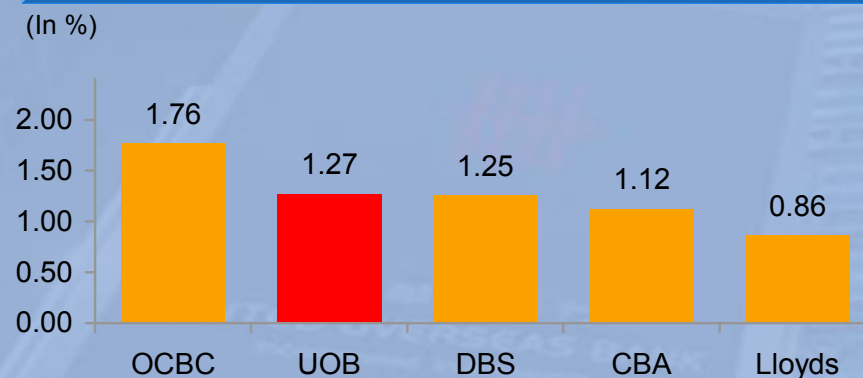
## Top End Net Interest Margin



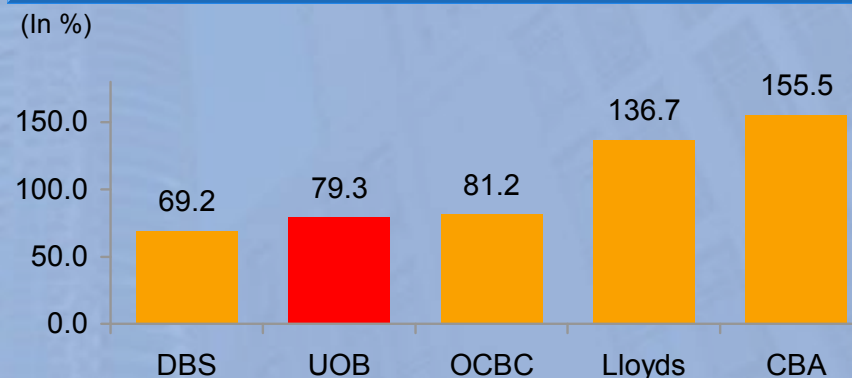
## Efficient Cost Management



## Competitive ROAA



## Well-Maintained Liquidity



Source: Latest available company reports

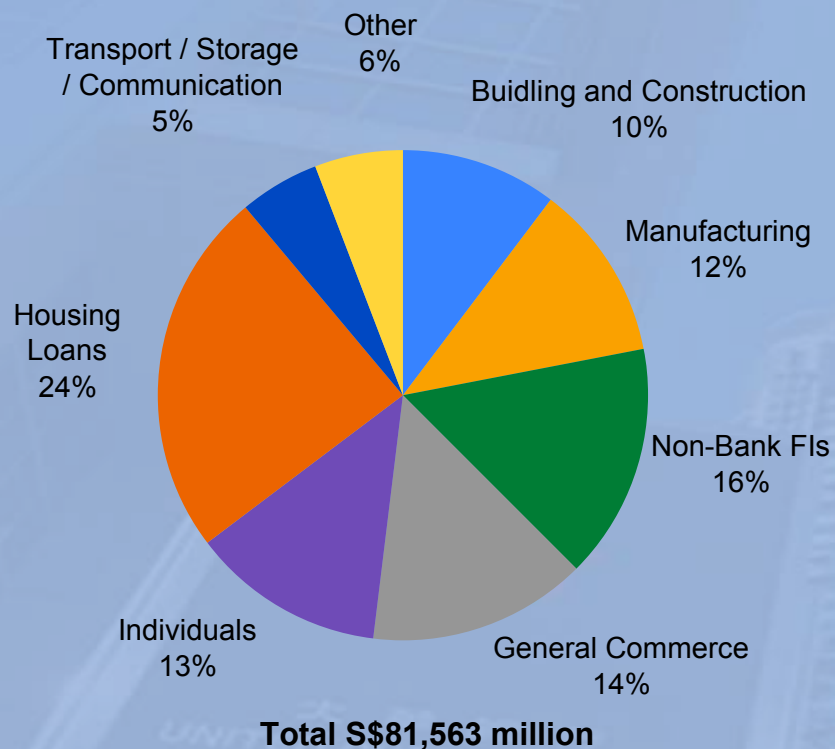
***UOB's prudent management and steadily growing financial strength continue to enhance its competitiveness in Singapore and abroad***





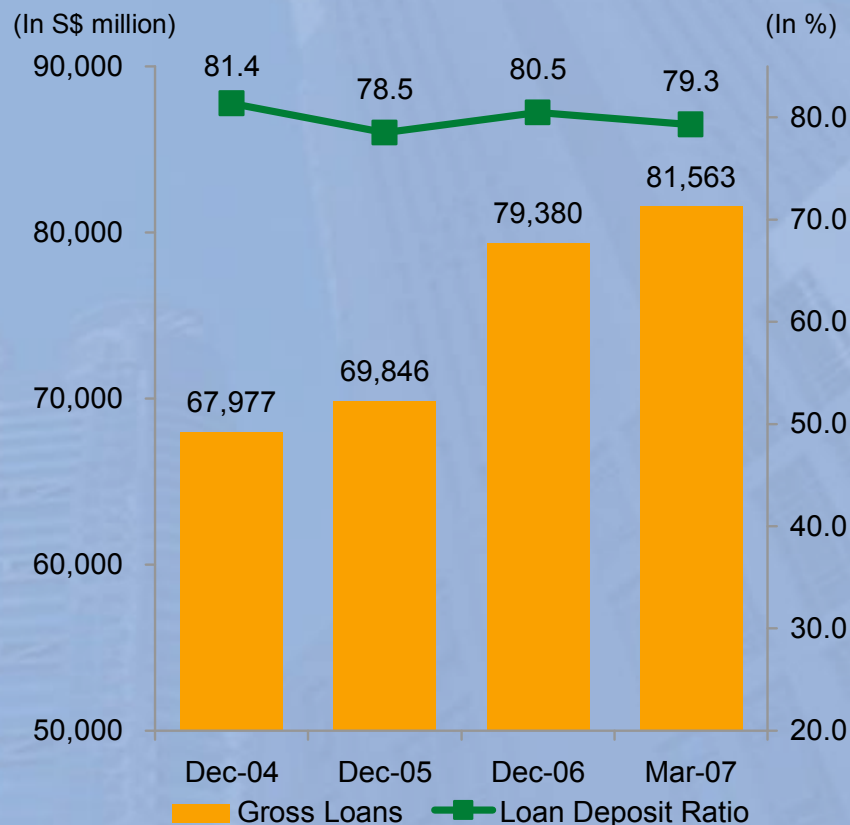
# Well-Diversified Loan Portfolio

## Gross Loans Breakdown



Note: As of Mar 31, 2007

## Gross Loans / Loan-Deposit

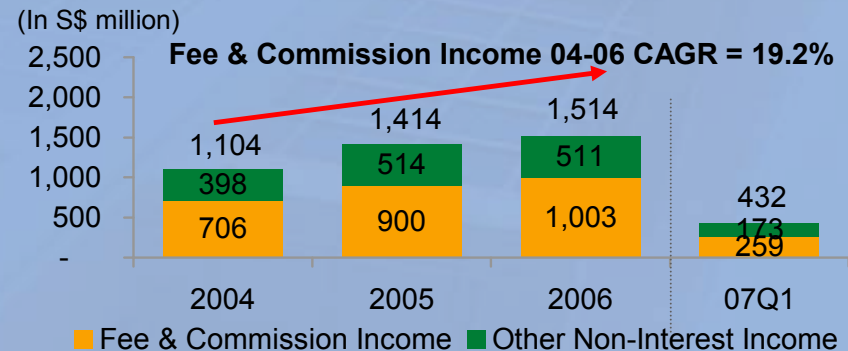


**Over the years, UOB has consistently grown its well-diversified loan portfolio while maintaining stable levels of liquidity and a healthy focus on mortgages**



# Diversified and Growing Fee Income

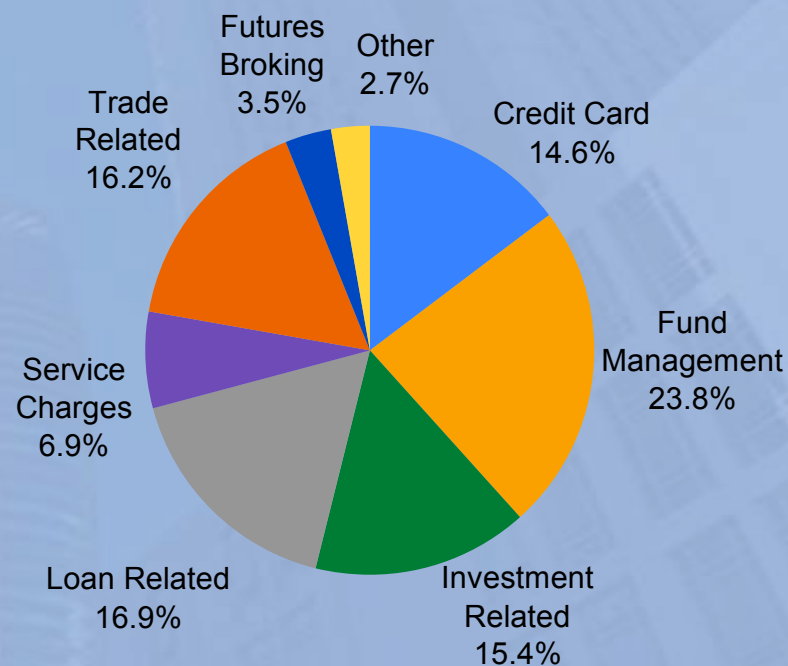
## Non-Interest / Fee & Commission Income



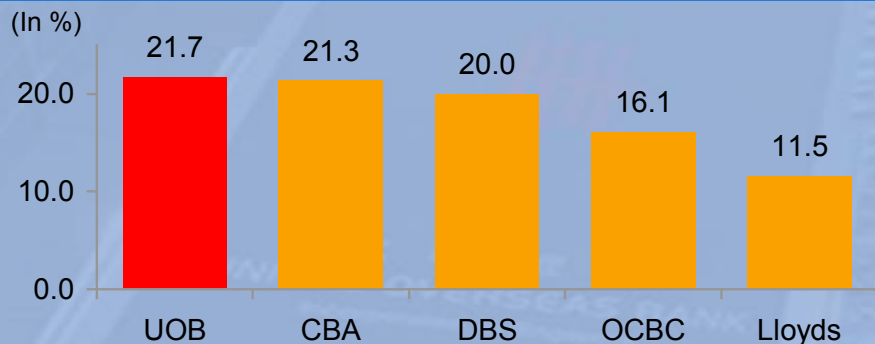
Note: 2006 excludes a one-time income of S\$613 million

## Fee & Commission Income Breakdown

**2006 Total = S\$1,003 million**  
**2007 1Q Total = S\$259 million**



## Highest Ratio of Fee & Comm. Income



Source: Latest available companies reports

Note: As of Mar 31, 2007

**UOB has continuously expanded its fee income business to diversify its income base and enhance profitability levels. More recently, UOB has successfully targeted existing SME customers for their wealth management business potential**

# Risk & Capital Management Framework



## Risk Management

### Credit and Country Risk Management

- Credit Committee (weekly)
- Executive Committee (monthly)
- Board of Directors (quarterly)

### Market Risk Management

- Asset Liability Committee (bi-weekly)
- Executive Committee (monthly)
- Board of Directors (quarterly)

### Operational Risk Management

- Management Committee (monthly)
- Executive Committee (monthly)
- Board of Directors (quarterly)

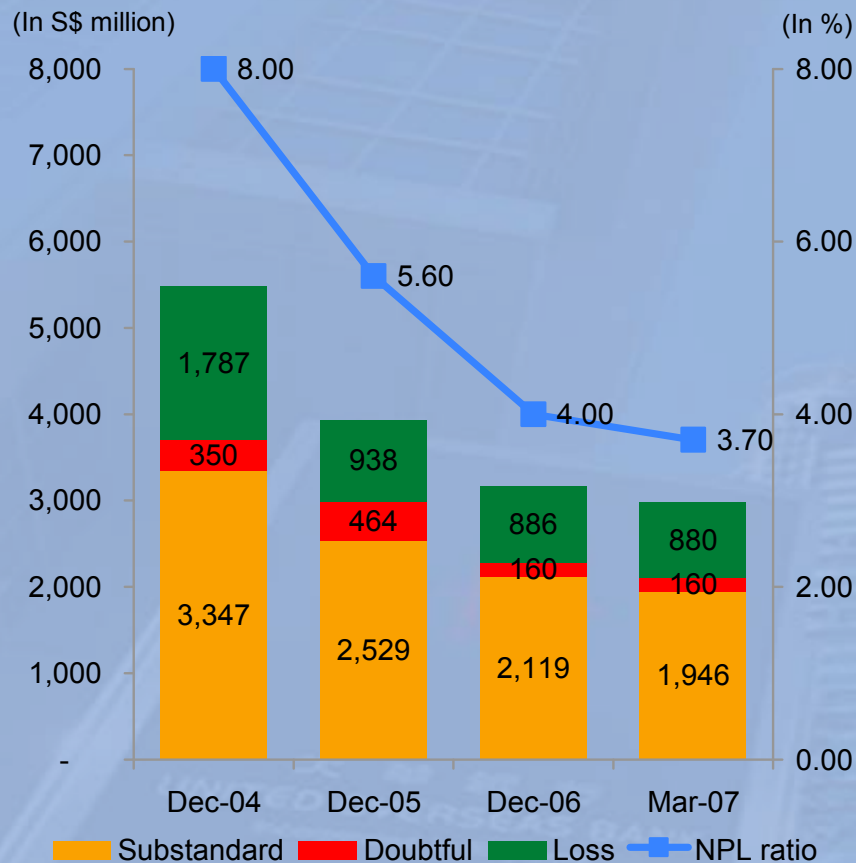
## Basel II

- Substantial investments and significant progress has been made to align the bank to Basel II initiatives
- On track to adopt an Internal Rating Based Approach (IRBA) in 2008
- Working towards the use of Internal Models for market risk capital charge

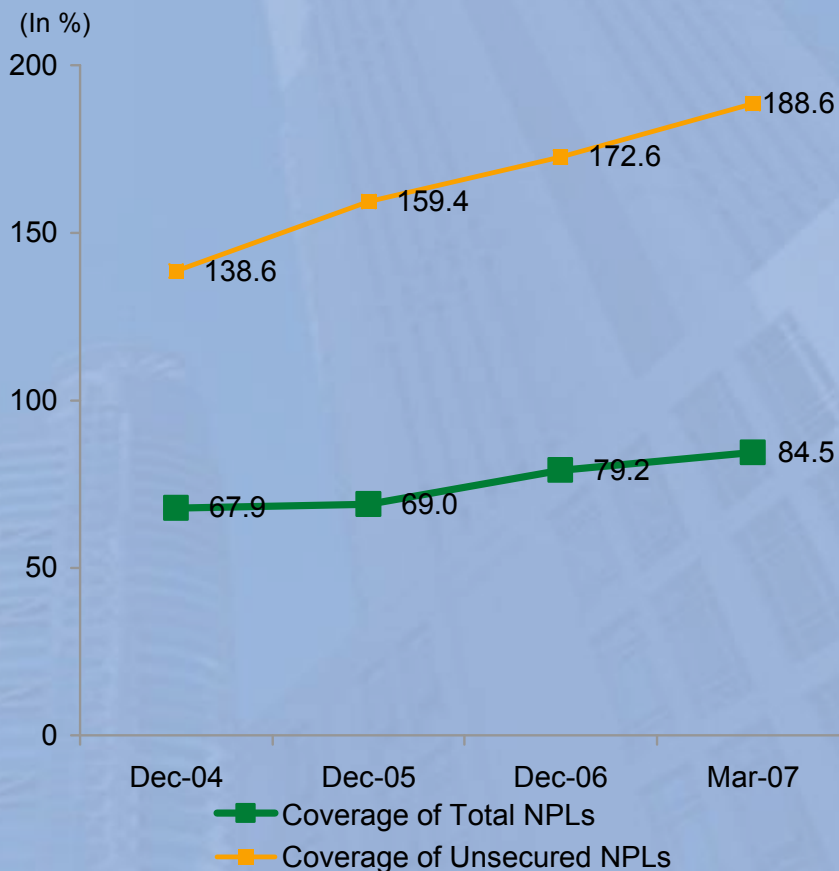


# Improving Asset Quality and Adequate Provisioning

## Decreasing Non-Performing Loans



## Maintaining Adequate Coverage

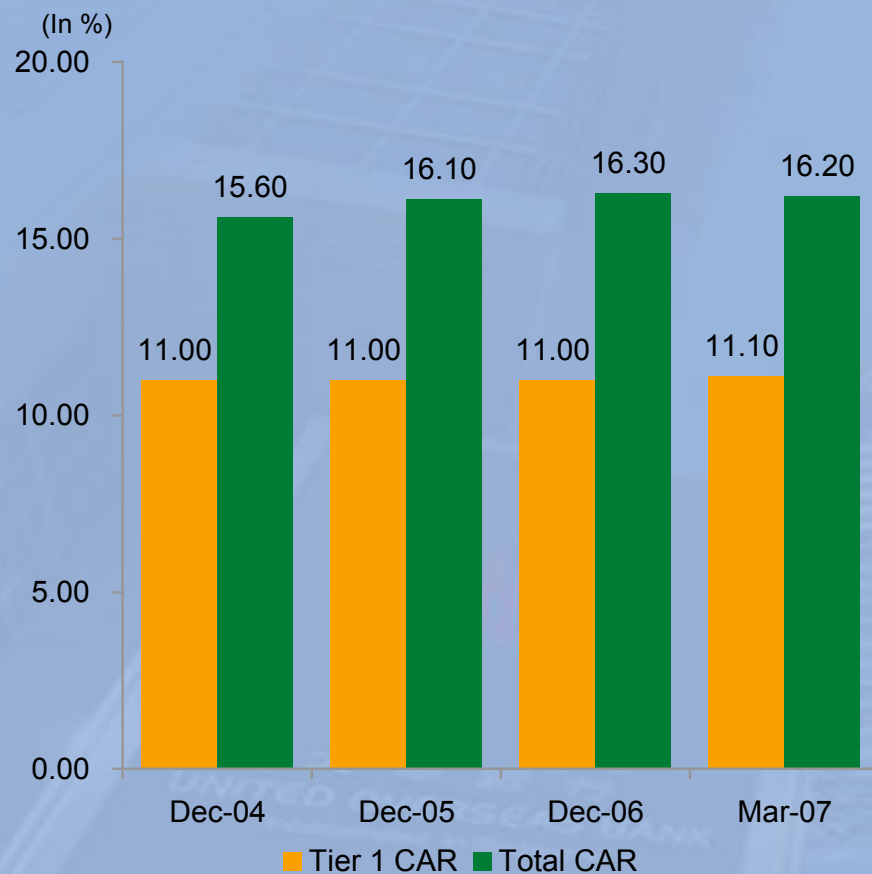


***UOB's strong risk management framework and adoption of prudent provisioning policies have contributed to a significant improvement in asset quality and impairment coverage***

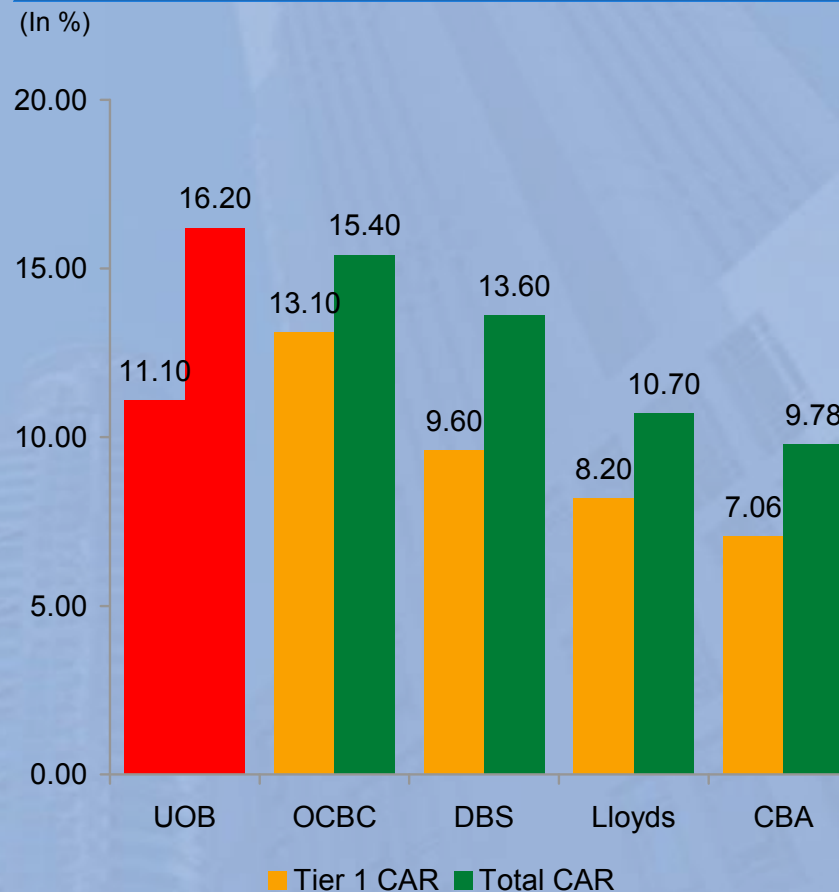


# Robust Capitalization Levels

## Capital Adequacy Ratio (CAR)



## Stronger Capitalization than Peers



Source: Latest available company reports

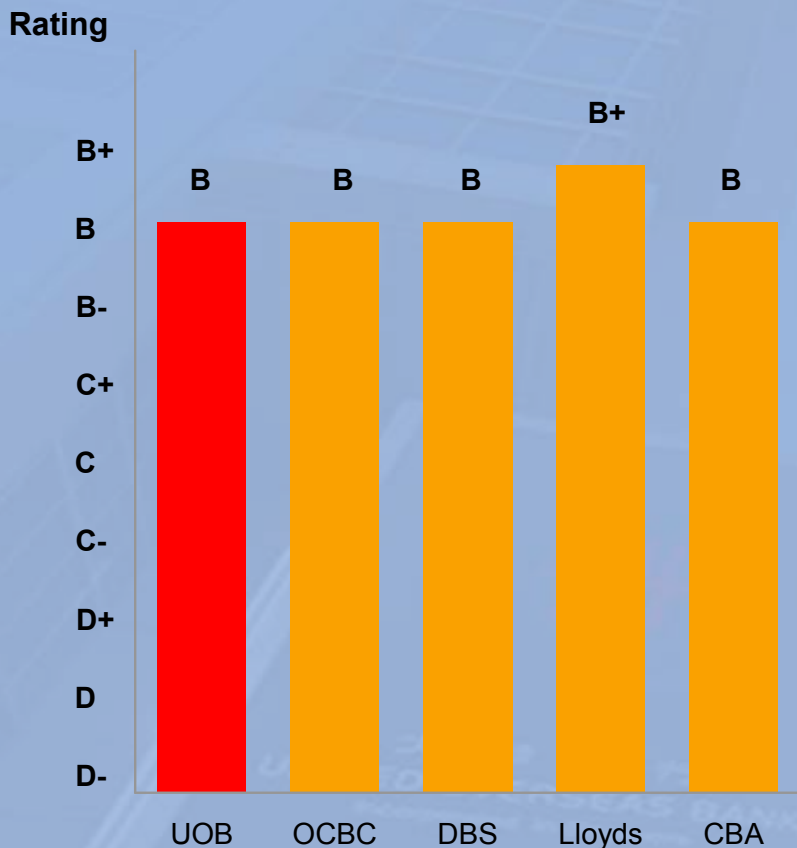
***UOB has consistently maintained robust core capitalization levels and ranks among the highest capitalized banks globally***





# One of the World's Leading Credits

## Bank Financial Strength

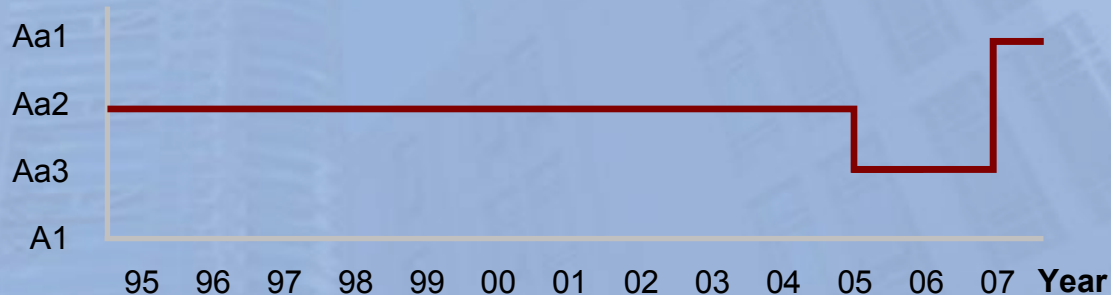


Source: Moody's as of July 2007

## Credit Ratings

	Moody's LT Deposit	S&P Issuer Rating	Fitch LT Rating	Fitch Individual Rating / Support
<b>UOB</b>	<b>Aa1</b>	<b>A+</b>	<b>AA-</b>	<b>B / 2</b>
OCBC	Aa1	A+	AA-	B / 2
DBS	Aa1	AA-	AA-	B / 2
Lloyds	Aaa	AA	AA+	A / 1
CBA	Aa1	AA	AA	A / B / 2

### Moody's LT Deposit Rating



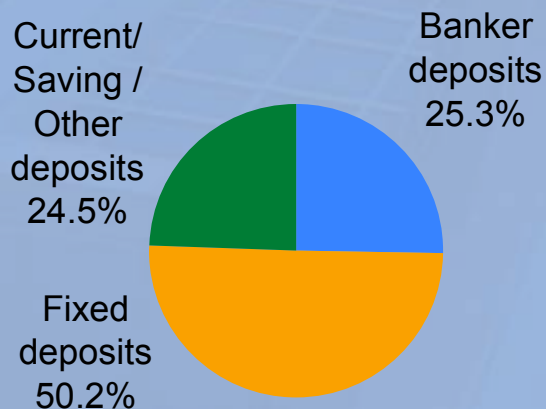
Source: As of July 2007

**UOB is one of the highest rated banks globally, Aa1 (stable outlook) by Moody's, and A+ for long-term counterparty credit (stable outlook) by S&P**



# Stable Funding and Proactive Debt Management

## Core Deposits Mix



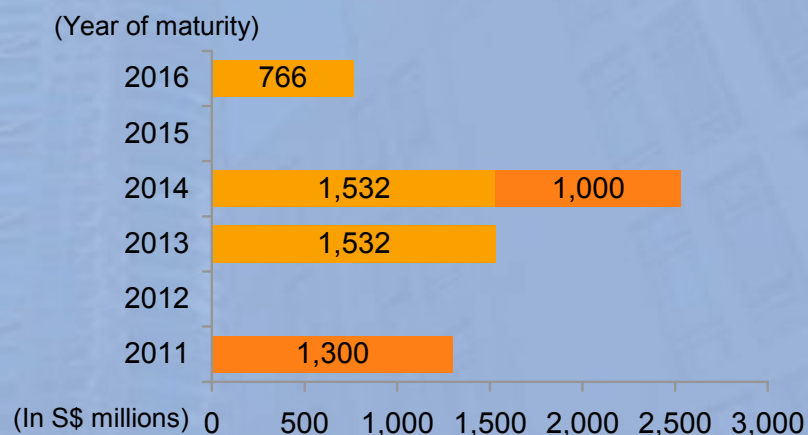
## Changes to MAS Guidelines

- Effective March 2007, Singapore authorities lowered the Tier 1 CAR requirement from 7% to 6%. The total CAR requirement remains unchanged at 10%
- MAS also allowed a broader range of Tier 2 instruments to qualify as Tier 2 capital, thereby allowing dated LT2 instruments to be issued. Up to 50% of Tier 2 can be made up of these new instruments

## International Debt Issuance Track Record

Issued	Description	Coupon	Amount (millions)
<b>Tier 1 (Moody's/S&amp;P/Fitch: Aa3/A-/A+)</b>			
Dec/05	Perp NC '16	5.796%	US\$500
<b>Upper Tier 2 (Moody's/S&amp;P/Fitch: Aa2/A-/A+)</b>			
Aug/04	Sep '19 C '14	5.375%	US\$1,000
Aug/04	Sep '19 C '14	4.1%	S\$1,000
Jun/03	10 yr Bullet '13	4.5%	US\$1,000
Aug/01	Sep '16 C '11	4.95%	S\$1300

## Debt Maturity Profile



Note: Includes debts issued by UOB Bank only, not UOB Group

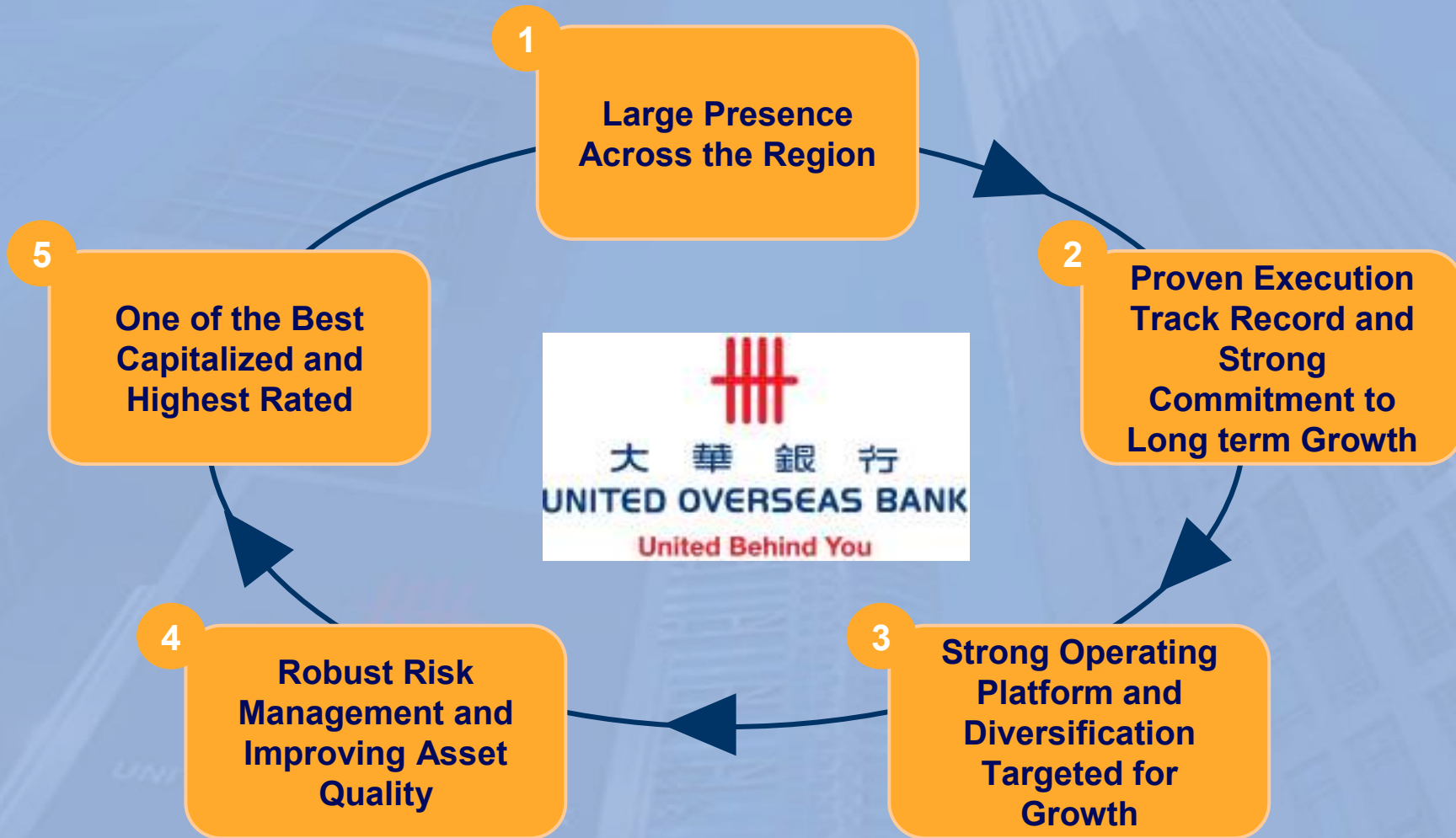
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# Conclusion



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



# Awards and Accolades

**“Best Local Private Bank –  
Singapore (2<sup>nd</sup> position)”**



2007

**“Best Corporate  
Governance – Singapore”  
“Best FIG Borrower –  
Asia”**



2006

**“Best Domestic Bank –  
Singapore”**



2006

**“Best Bank - Singapore”  
“Best Sub-Custodian Bank  
– Singapore”**



2006

**“Top 10 Best Managed  
Companies – Singapore”  
“Top 10 Best Investor  
Relations – Singapore”**



2006

**“Most Valuable Singapore  
Brand – 2<sup>nd</sup> position”**



2003, 2004, 2005, 2006

***Locally and overseas, with the Bank’s strong financial performance and regional reputation, it continues to receive strong endorsement with numerous accolades from leading publications, trade organisations and the investment community***