

United Overseas Bank Investor Roadshow November 2006

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United Behind You

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 504 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\$25bn* (~US\$16bn)#
 - Total assets of S\$157bn** (~US\$100bn)#
 - Net profit after tax of S\$2,034mm** (~US\$1.3bn)#
- Robust capital levels
 - Tier I CAR of 10.8%**
 - 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 (stable outlook) by S&P

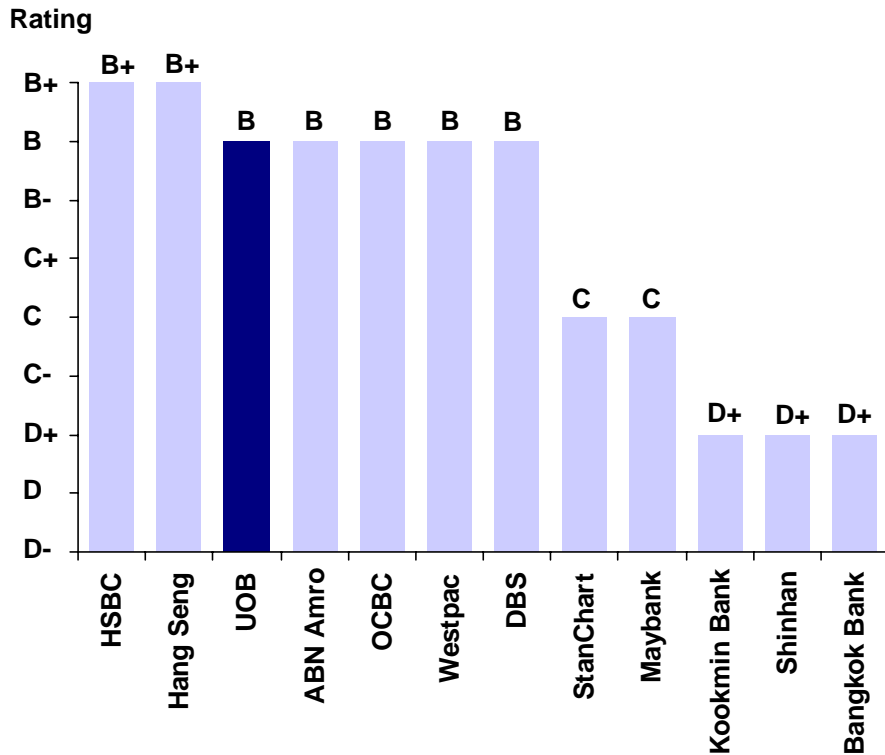
* As at September 29, 2006

** As at September 30, 2006

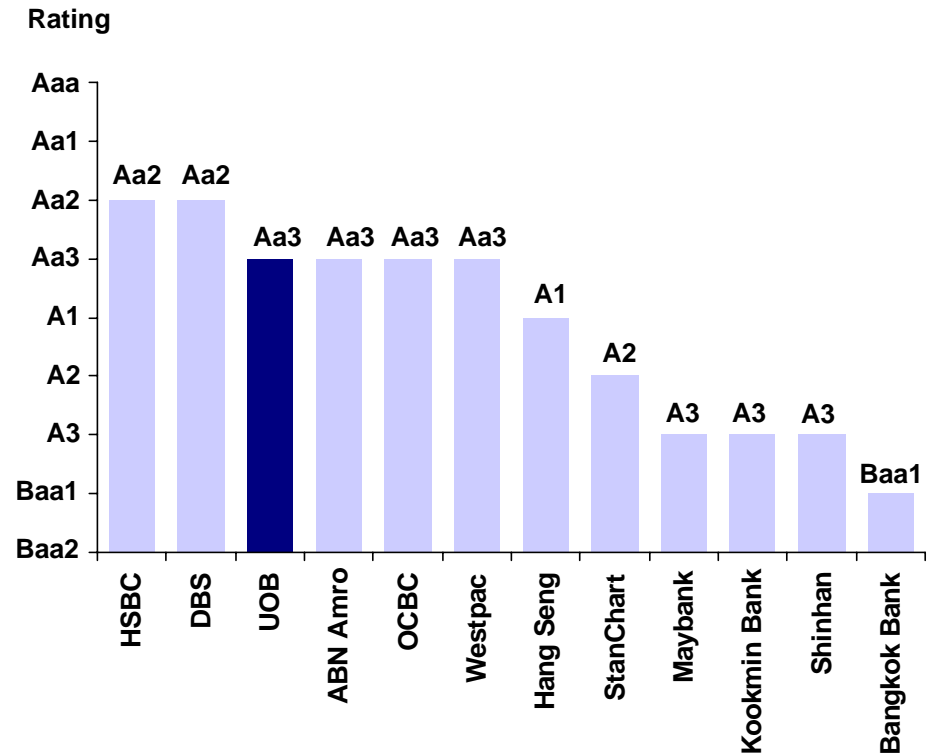
S\$1=US\$0.6349

One Of The World's Leading Credits

Bank Financial Strength



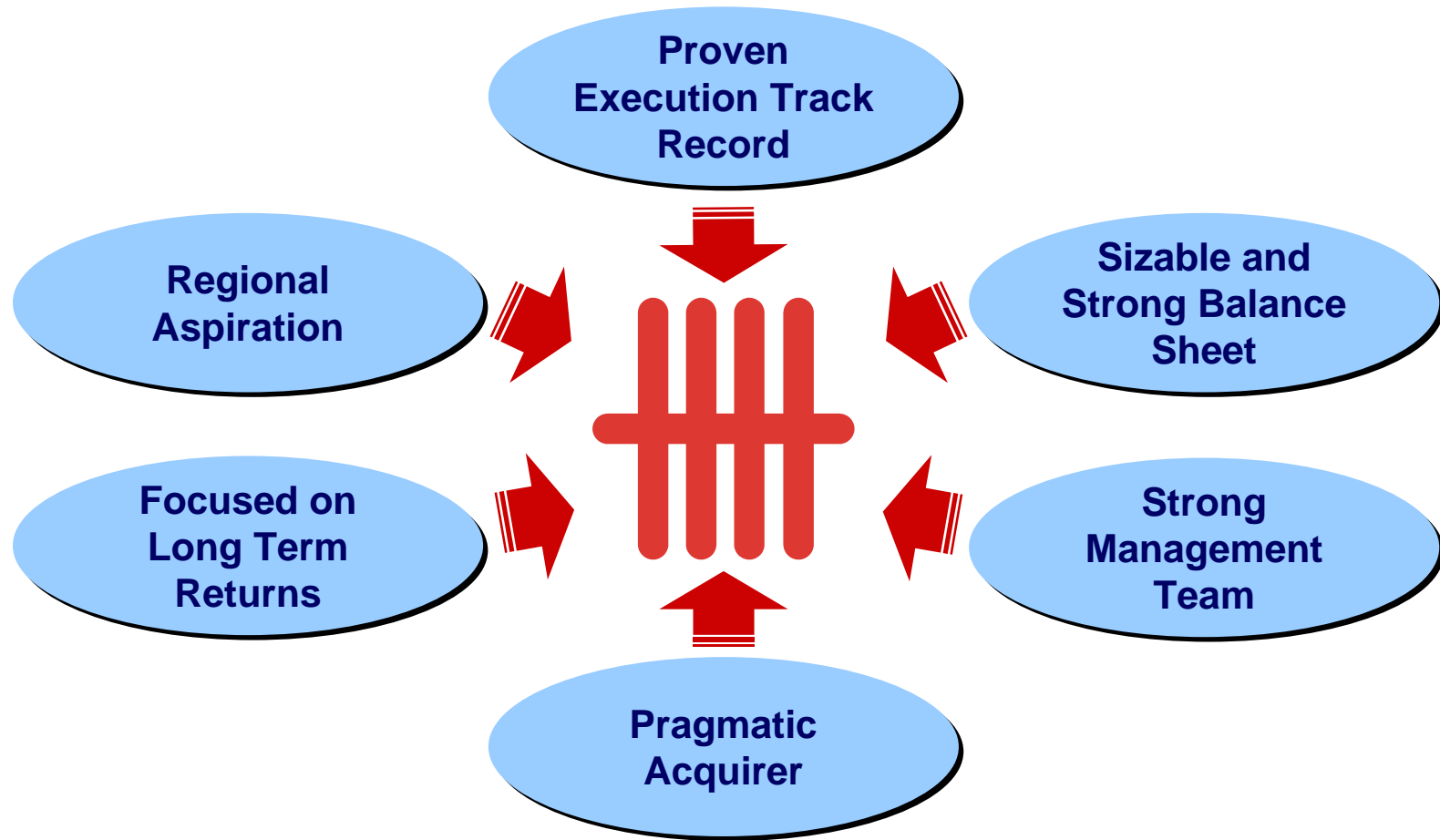
Long-Term Bank Deposit



UOB is one of the highest rated banks globally

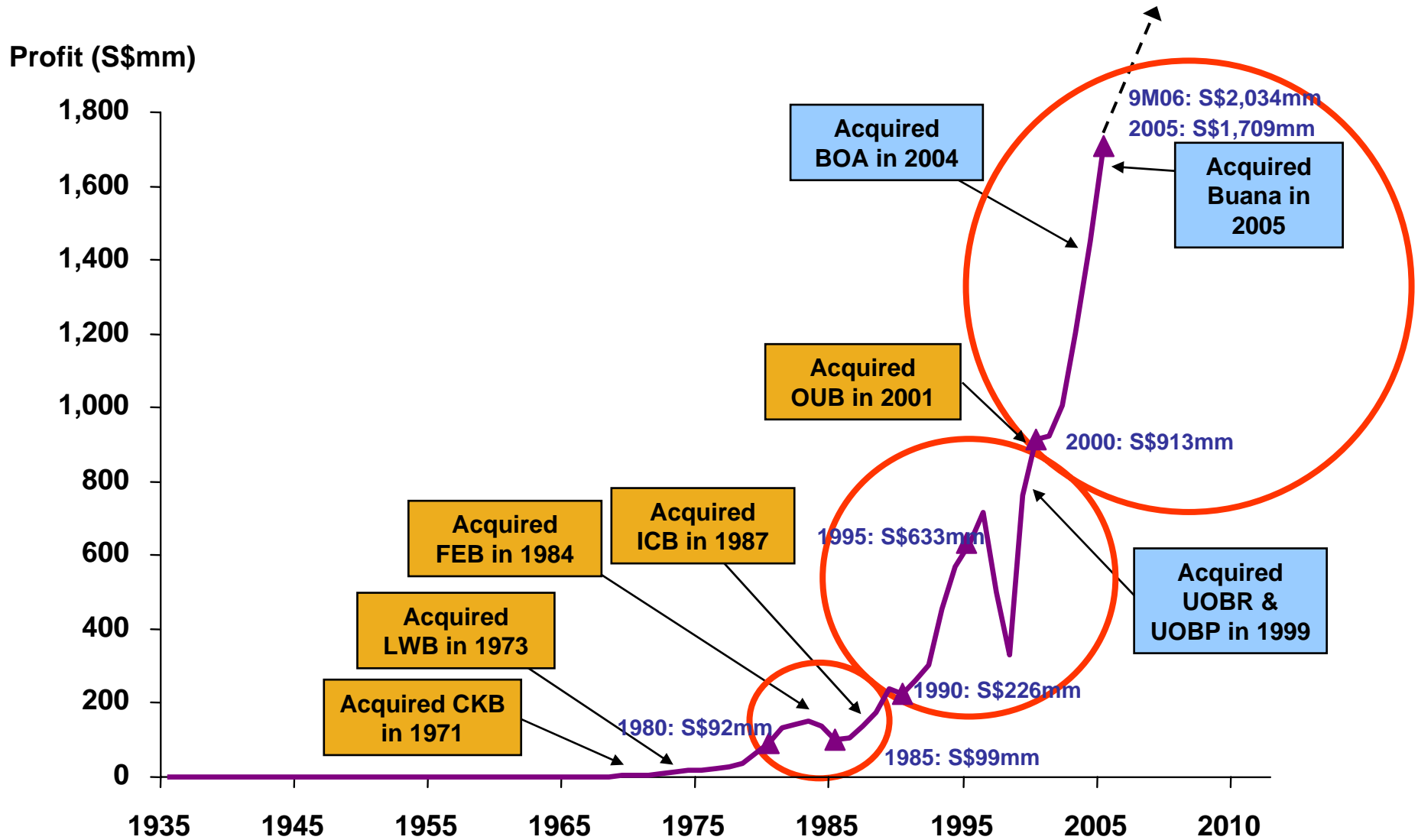
Source: Moody's as of October 2006

The UOB Difference

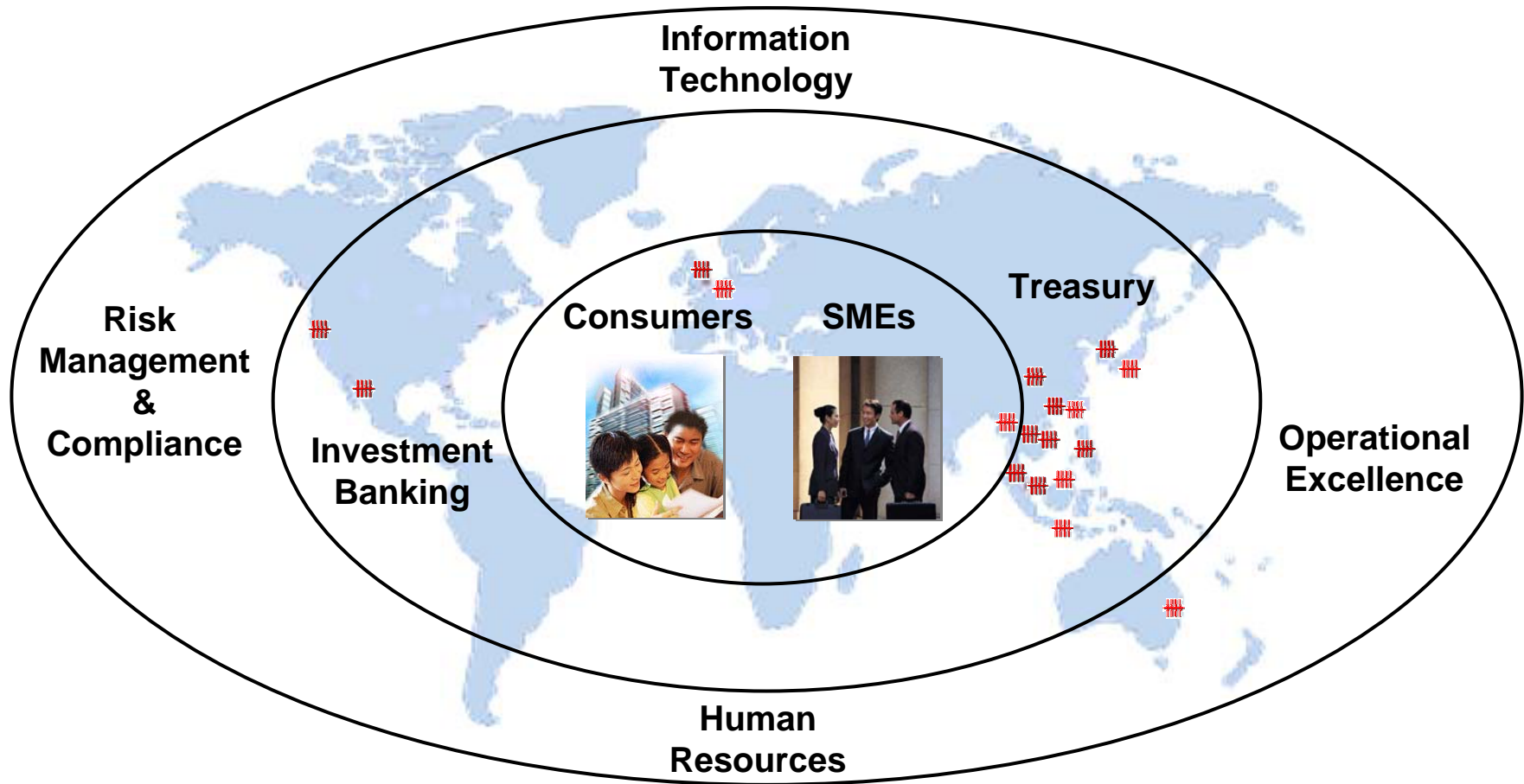


UOB's mission: To be a premier banking group in the Asia-Pacific region, committed to providing quality products and excellent customer service

Proven Execution Track Record



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

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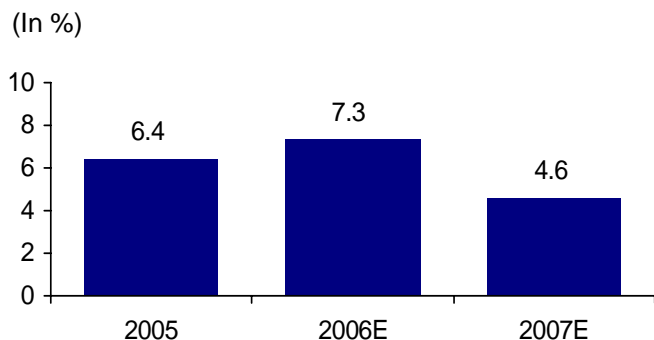
Review of Financial Performance

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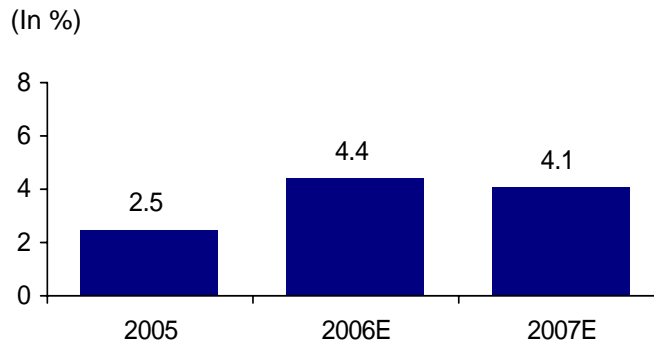
Capital Management

Singapore: Positive Macroeconomic Indicators

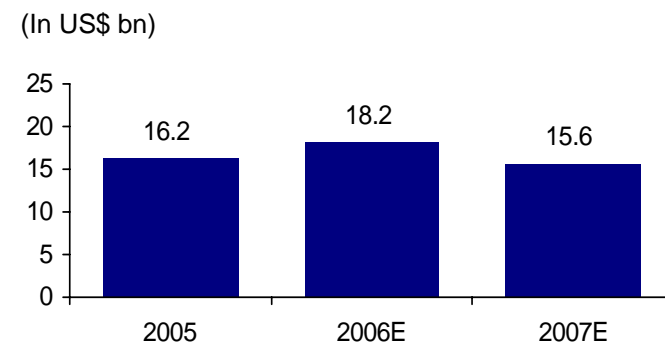
Real GDP Growth



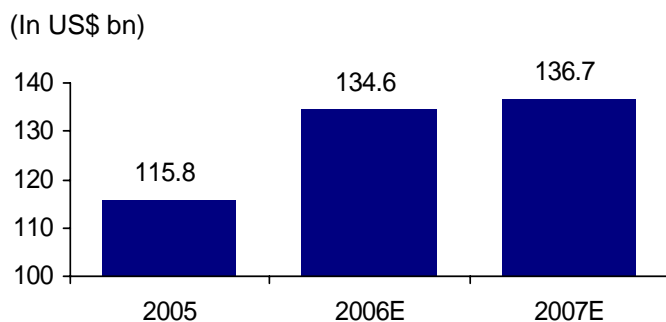
Private Consumption Growth



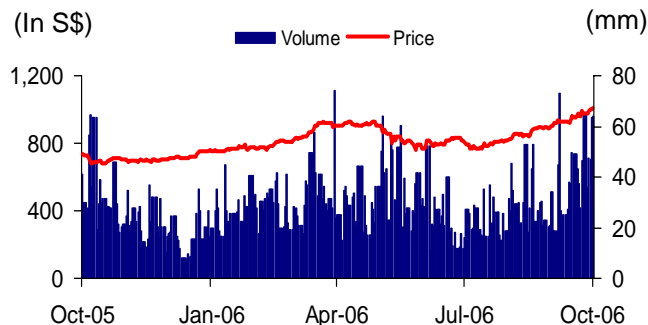
Foreign Direct Investments



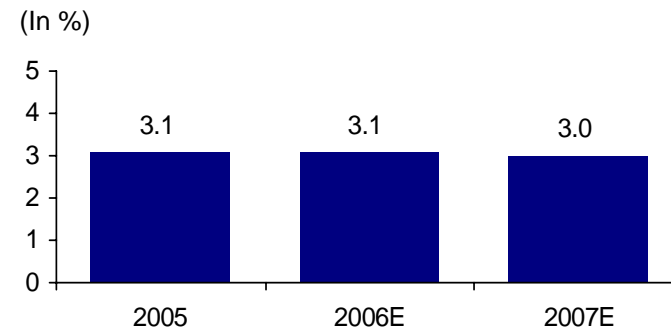
Foreign Exchange Reserves



Singapore Property Index⁽¹⁾



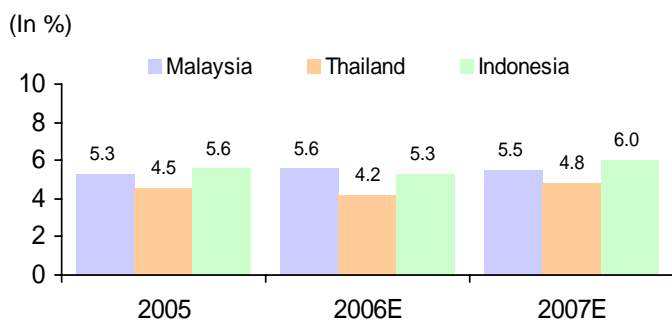
Unemployment Rate



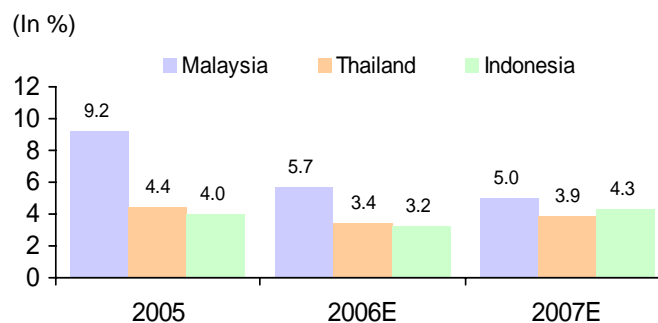
Source: EIU, as of October 4, 2006
 (1) Bloomberg as of October 13, 2006

SE Asia: Positive Macroeconomic Indicators

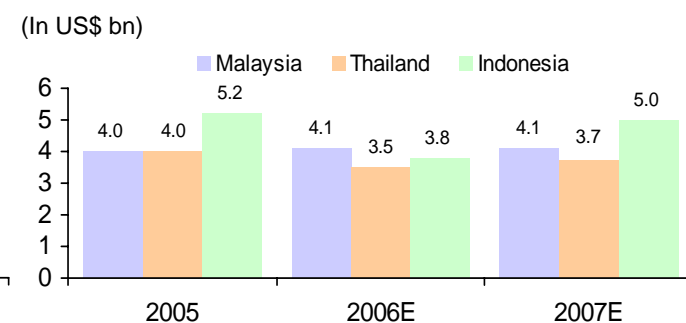
Real GDP Growth



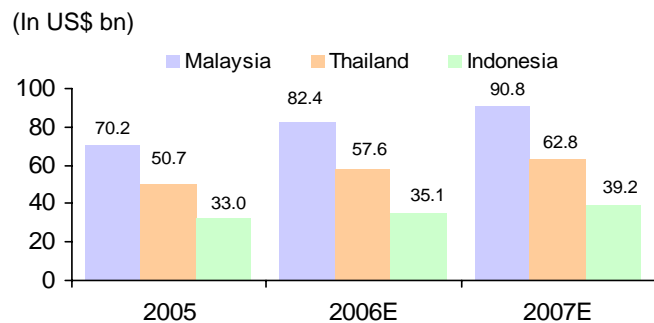
Private Consumption Growth



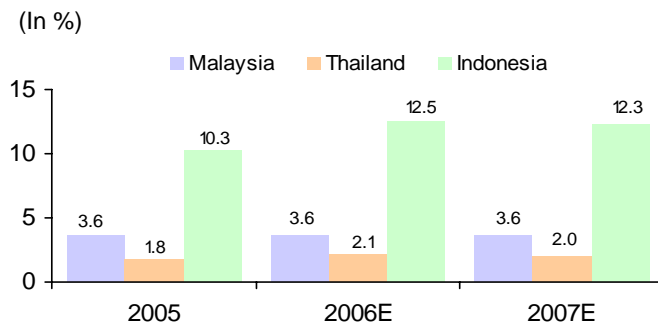
Foreign Direct Investments



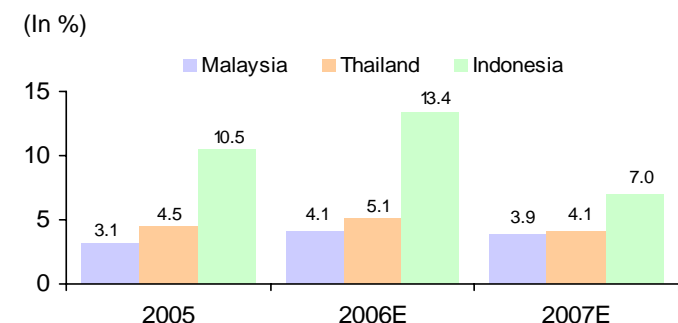
Foreign Exchange Reserves



Unemployment Rate

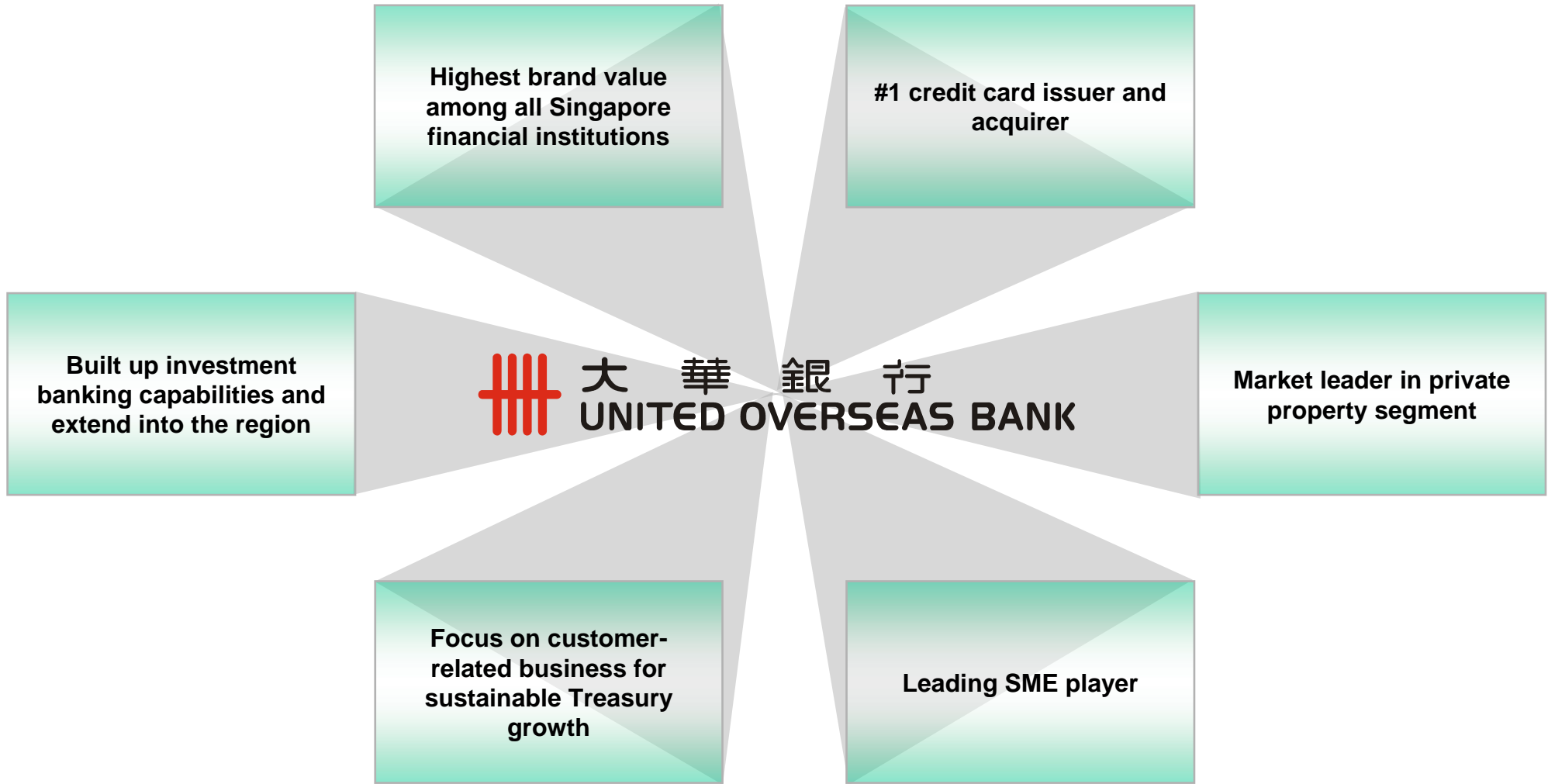


Inflation



Source: EIU, as of October 4, 2006

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 155 branches/offices
- Improving risk management framework and credit management systems to allow business activities to scale up

■ Singapore

- Leading local bank with dominance in consumer and SME markets
- Well-entrenched with 71 branches/offices
- Aggressively pursuing growth in target segments

■ Indonesia

- Enhanced foothold with controlling stake in Bank Buana
- Network expanded to 204 branches/offices
- Upgrading infrastructure and processes. Laying groundwork for expansion into consumer and SME

Thailand

Malaysia

Singapore

Indonesia



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 M&As
 - 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

Overseas Expansion On Track

- Regionalisation efforts seeing results. Established strong SEA platform. ASEAN's 9M06 pre-tax profit grew 84% yoy.
- Operations outside ASEAN key to achieving well-balanced global portfolio.
- Promote synergies across countries, products and customers in expanded regional footprint.
- Pre-tax offshore profit contribution in 9M06 accounts for 31.5%**.

* Before intangible assets amortised / impaired

** Excluding the one-time gain

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IT Management Philosophy

Differentiation through customer segmentation and service

Leveraging volume to create infrastructure scale

Fast and measurable benefits

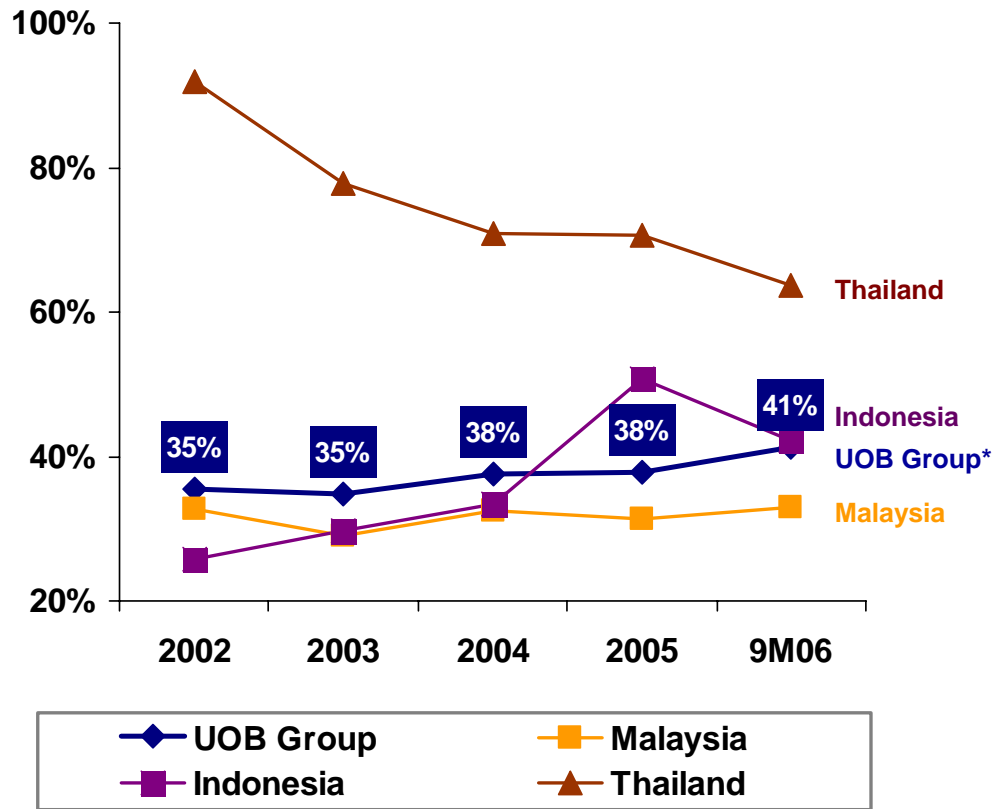
Operating Infrastructure – Track Record Of Execution

- 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

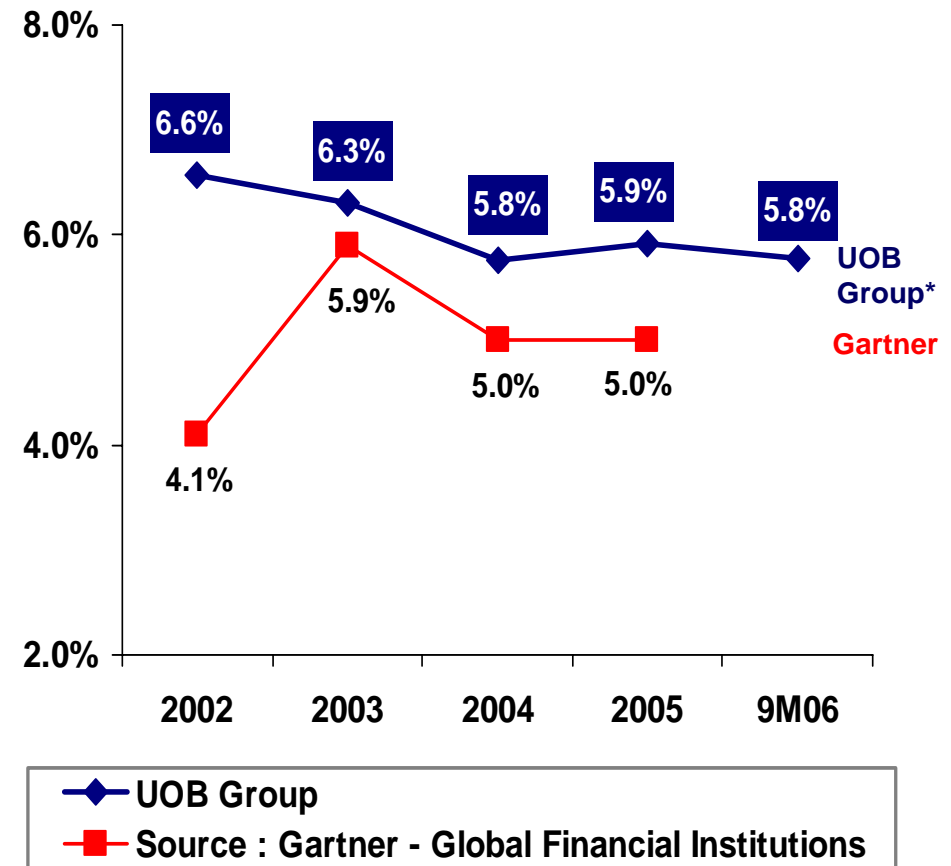


Infrastructure Investment

Expense-To-Income Ratio



IT Operating Expenditure As A % Of Revenue



* Excluding the one-time income

2006 & Beyond

- Investment focus
 - Roll out tested business models and best practices to the region
 - Basel II IRB adoption by 2008
 - Regional Disaster Recovery & Backup facilities

- Bring about ability to scale, better risk management, overall improvement in IT infrastructure and operations efficiency

- Despite infrastructure investments & post-acquisition integration, overall IT cost well-contained
 - 154 branches – Thailand
 - 200 branches – Indonesia
 - 37 branches – Malaysia
 - 61 branches – Singapore



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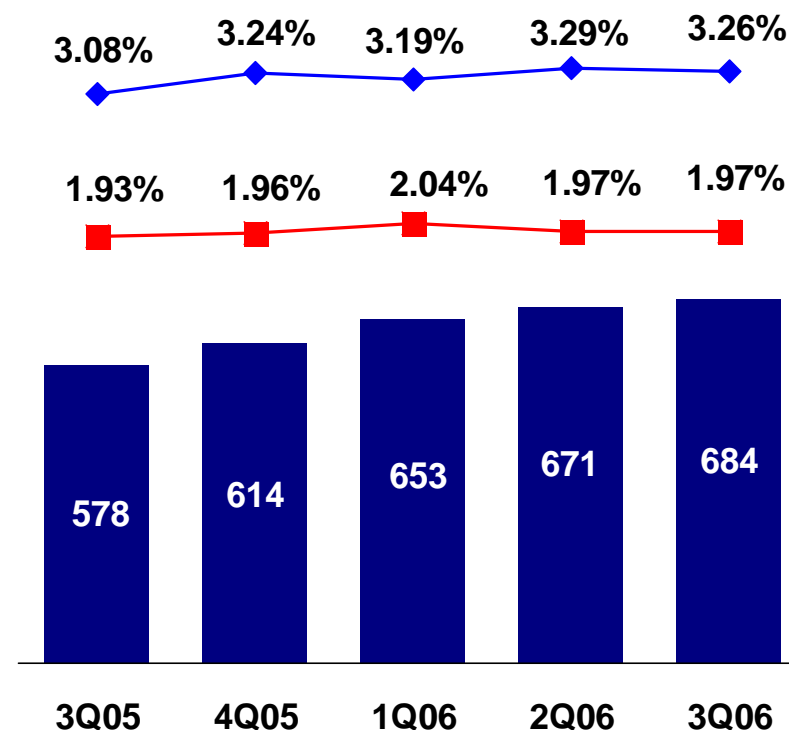
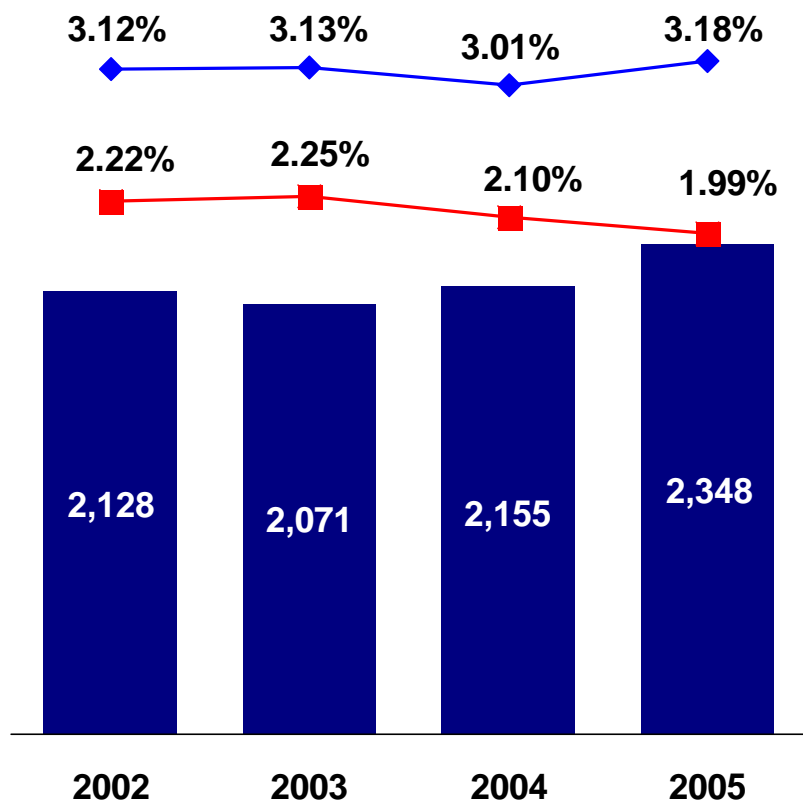
Strong Operating Performance

	2002	2003	2004	2005	9M2006
Operating Profit*	S\$1,960mm	S\$2,064mm	S\$2,032mm	S\$2,337mm	S\$2,379mm
Net Profit After Tax	S\$1,006mm	S\$1,202mm	S\$1,452mm	S\$1,709mm	S\$2,034mm
Earnings Per Share	S\$0.64	S\$0.77	S\$0.93	S\$1.11	S\$1.59
Cash ROE	9.5%	10.9%	12.4%	12.9%	16.7%
Non-Interest Income / Total Income	29.9%	34.5%	33.9%	37.6%	44.5%

* Before amortization and impairment charges

Higher Net Interest Income & Loan Margin

Net Interest Income and Margin

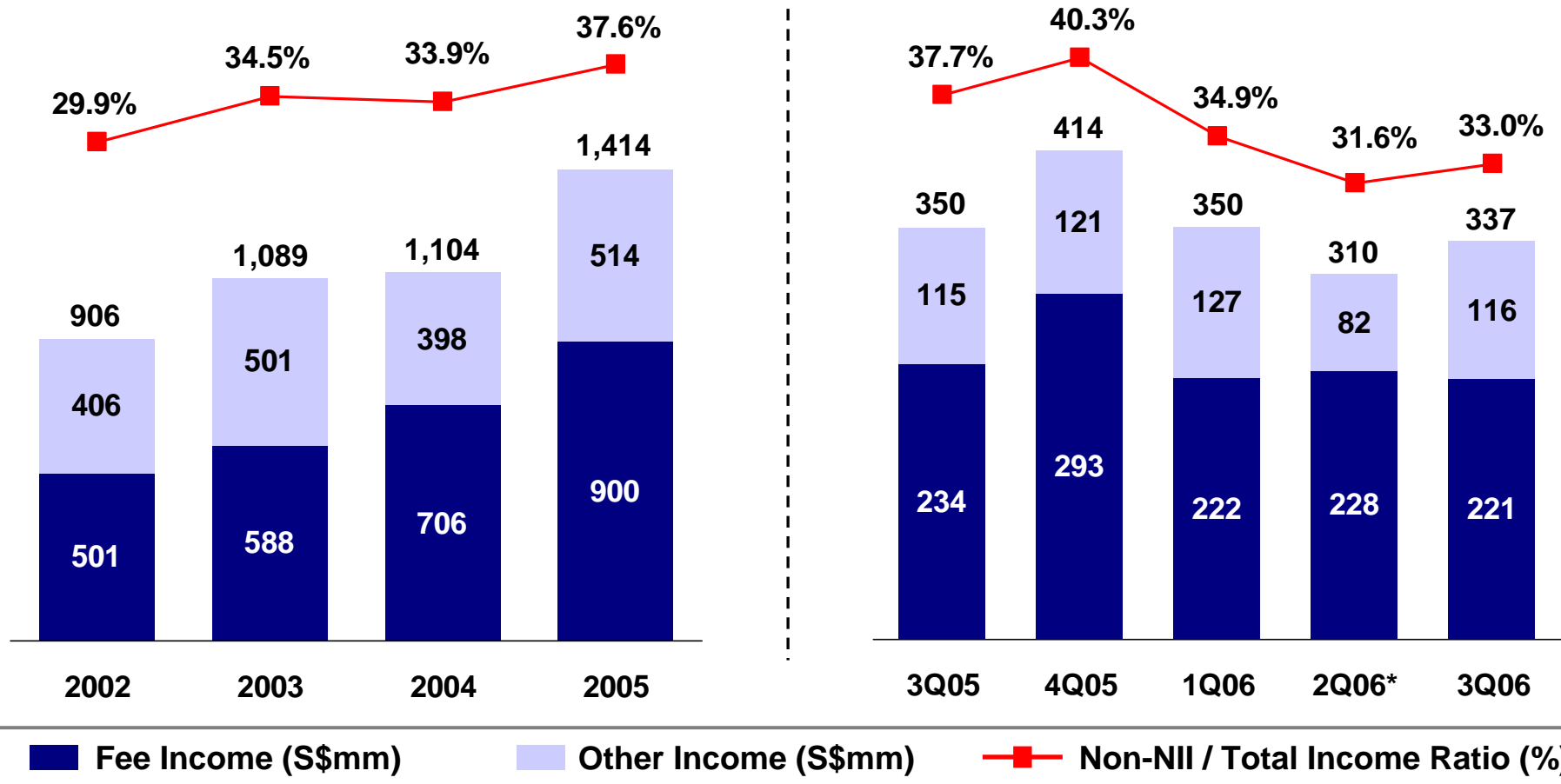


■ Net Interest Income (S\$m)
 ■ Average Interest Margin (%)
 ◆ Loan Margin (%)*

* Computed based on loan yields less cost of deposits

Significant Non-Interest Income Contribution

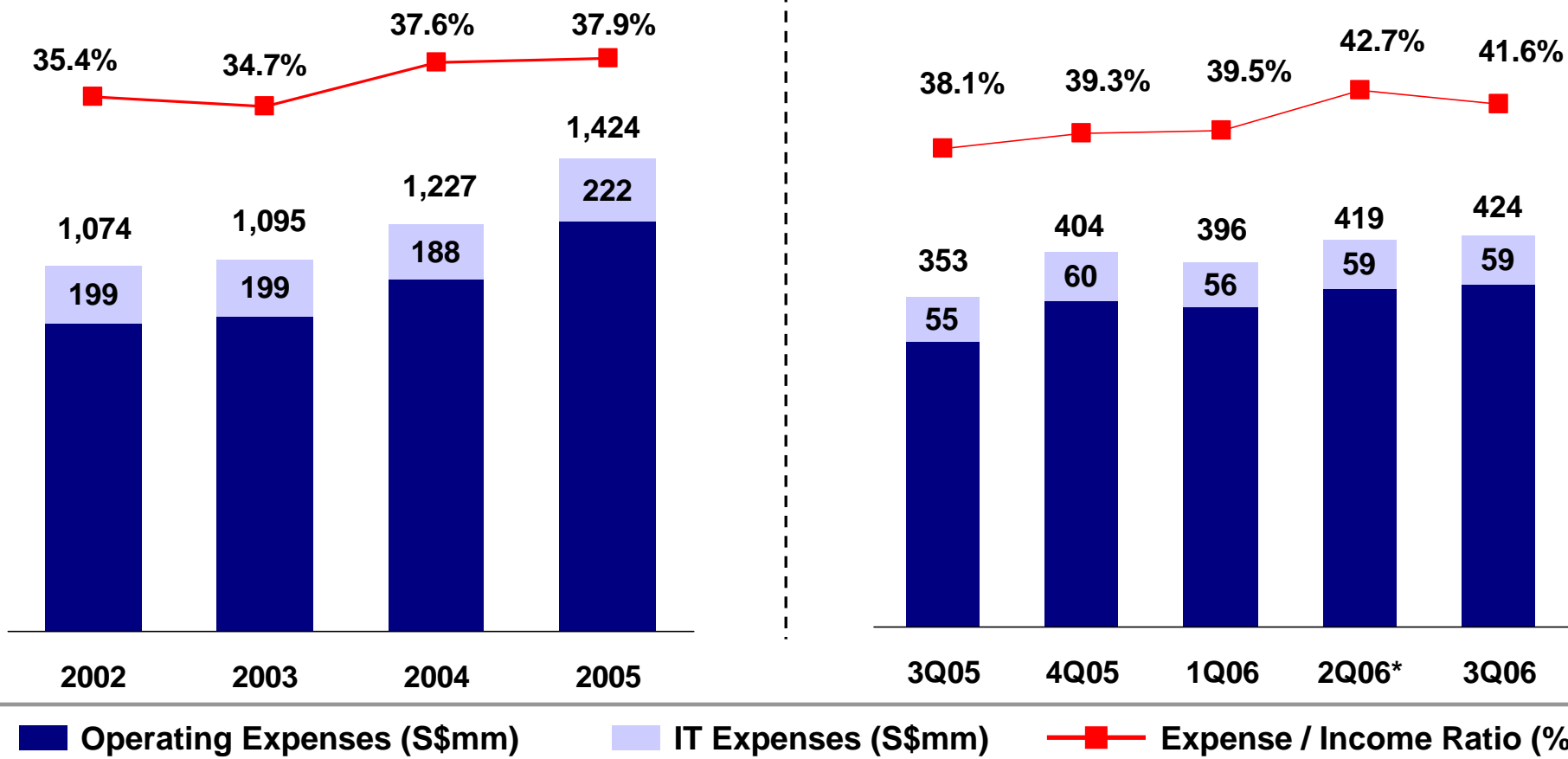
Non-Interest Income (Non-NII) and Non-NII Ratio



* Excluding the one-time income

Stable Operating Expenses

Operating Expenses and Expense / Income Ratio



* Excluding the one-time income

Higher Profit Contribution From Overseas Operations

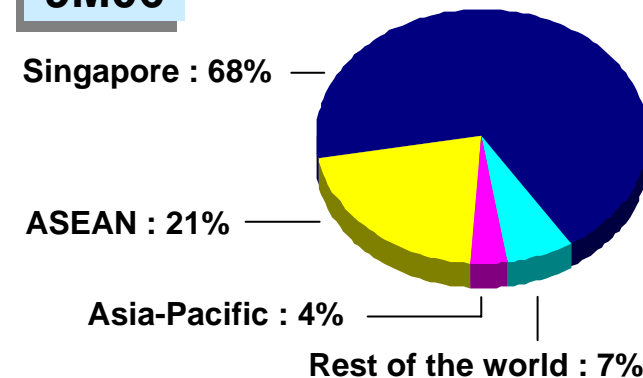
Geographical Segment

<u>Profit Before Tax*</u>	<u>9M06 S\$mm</u>	<u>9M05 S\$mm</u>	<u>Incr/(Decr) %</u>
Singapore (including ACU)**	1,200	1,295	(7.3)
Other ASEAN countries	370	201	84.1
Other Asia-Pacific countries	65	87	(25.3)
Rest of the world	117	108	8.3
Profit Before Tax	1,752	1,691	3.6

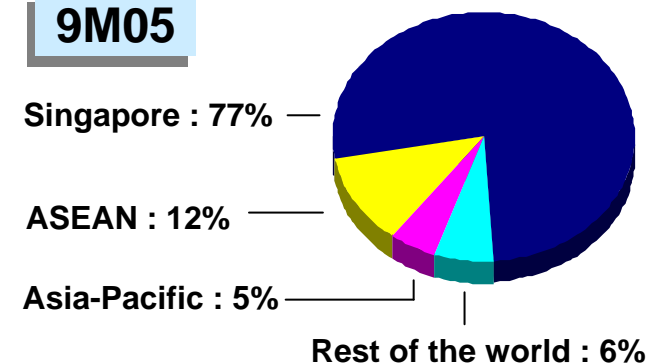
* Before amortisation and impairment charges

** Excluding the one-time gain

9M06

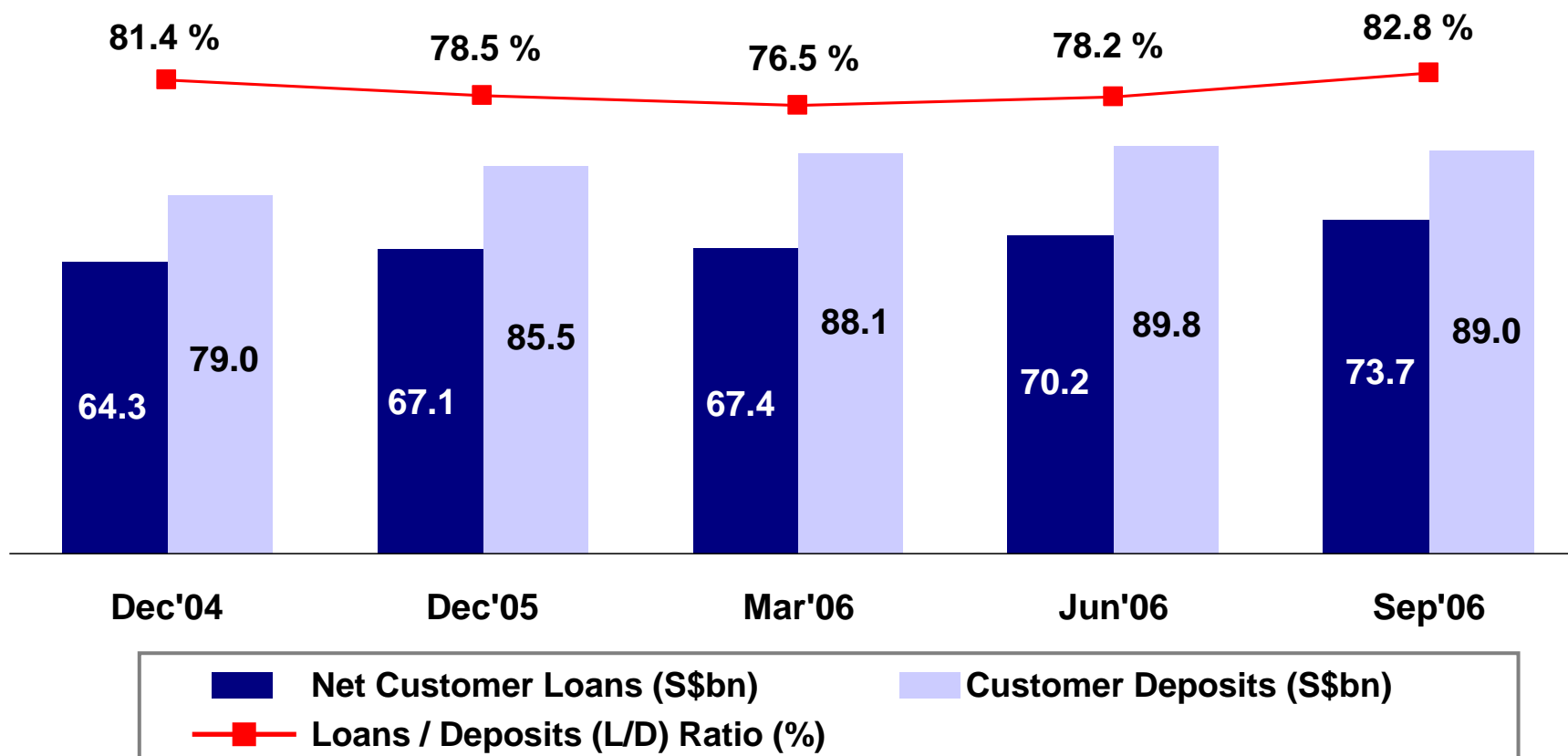


9M05



Growth In Loans & Deposits

Customer Loans, Deposits and L/D Ratio



Decrease In NPLs Across Major Countries

Group:
NPLs (S\$mm)
NPL Ratio

5,484

8.0%

3,931

5.6%

3,950

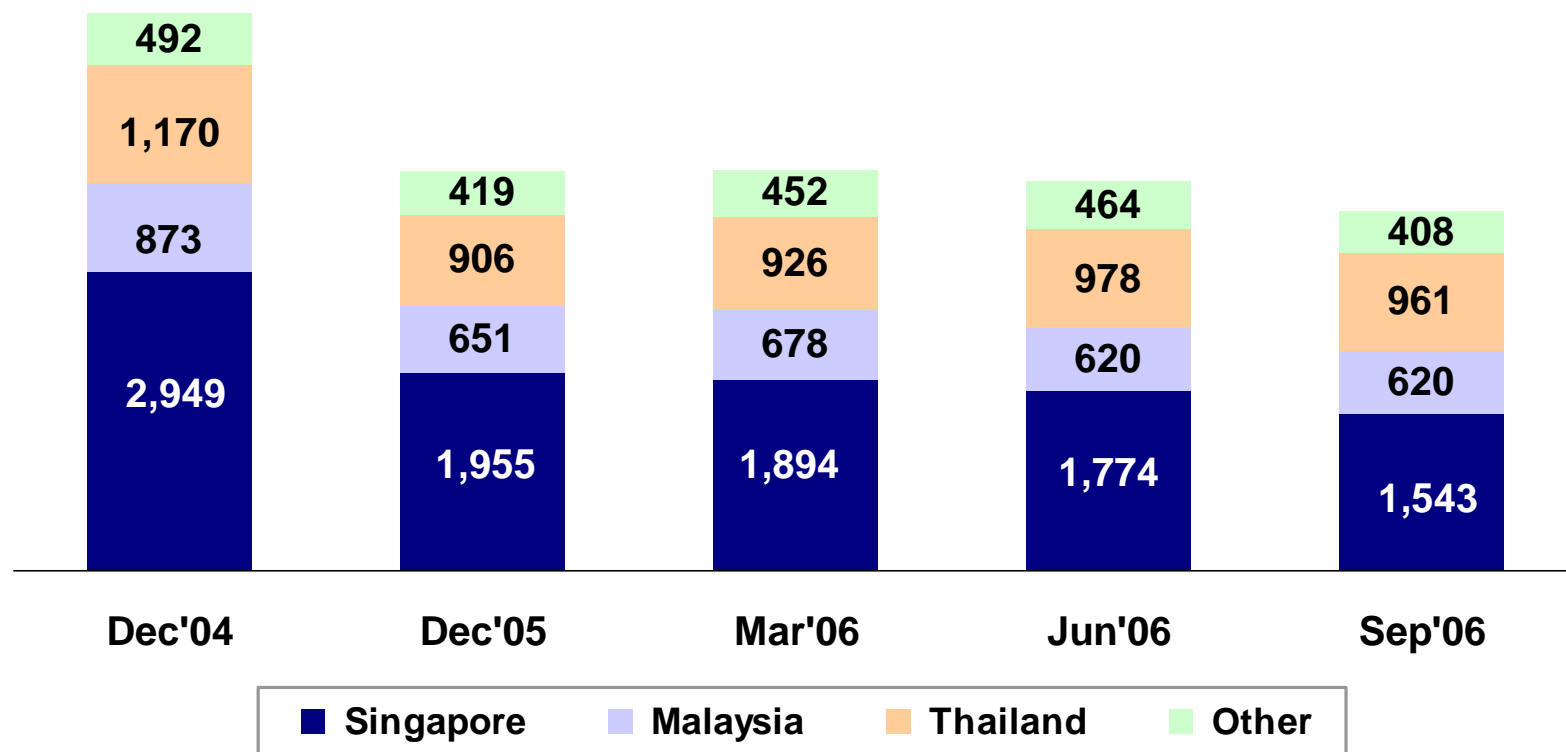
5.6%

3,836

5.3%

3,532

4.6%



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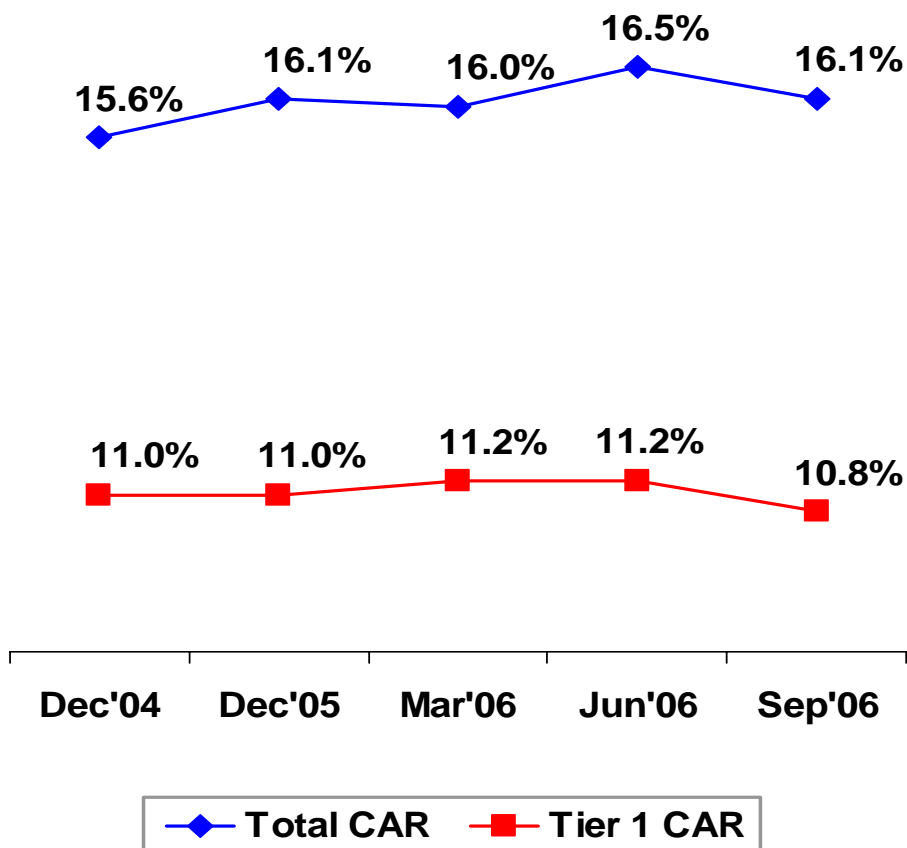
Capital Management

Approach To Capital Management

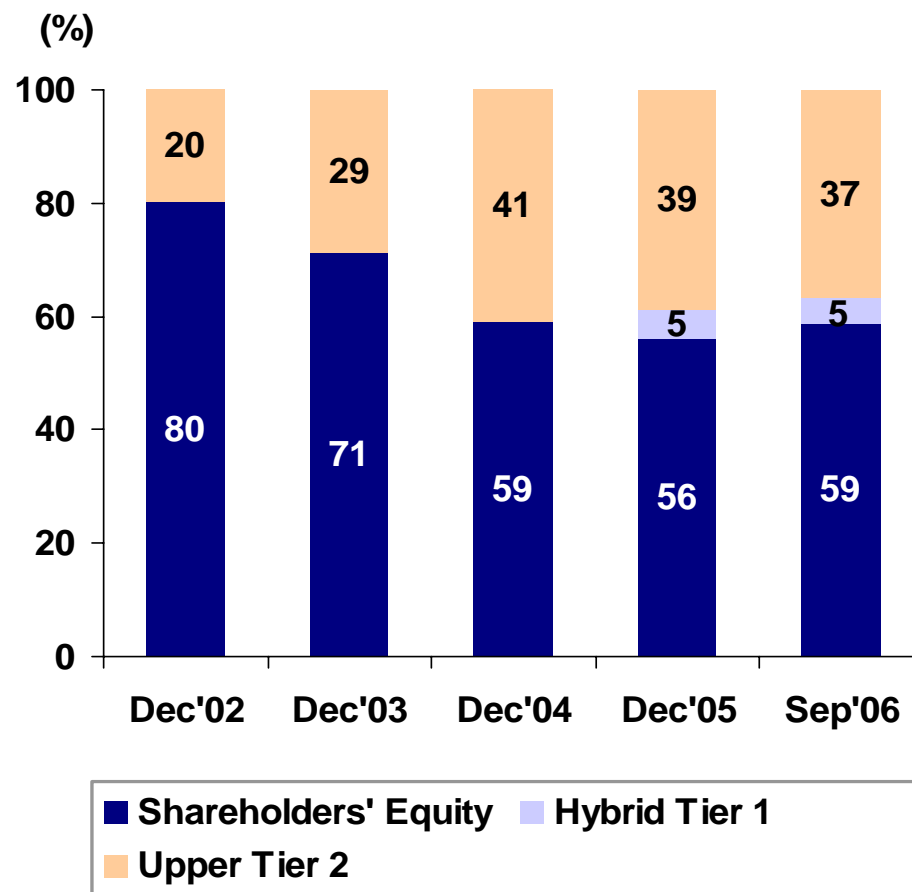
- Strong capital position for strategic flexibility
 - Capital position strengthened by divestment gain and reduction in earmarked capital for the non-core assets
 - Track record of investing capital efficiently
 - Continue to focus on strengthening our Asian banking franchise
 - In absence of opportunities, option to return excess capital to shareholders
- Ensure capital efficiency while pursuing growth
 - Rebalanced capital mix with Hybrid Tier 1 capital
 - Share buyback program
 - Continuously review capital structure to take course of action that balances capital efficiency with UOB's growth objective, shareholder expectations and rating agency views
- Continue high dividend policy
- Basel II initiatives

Strong Capital Position

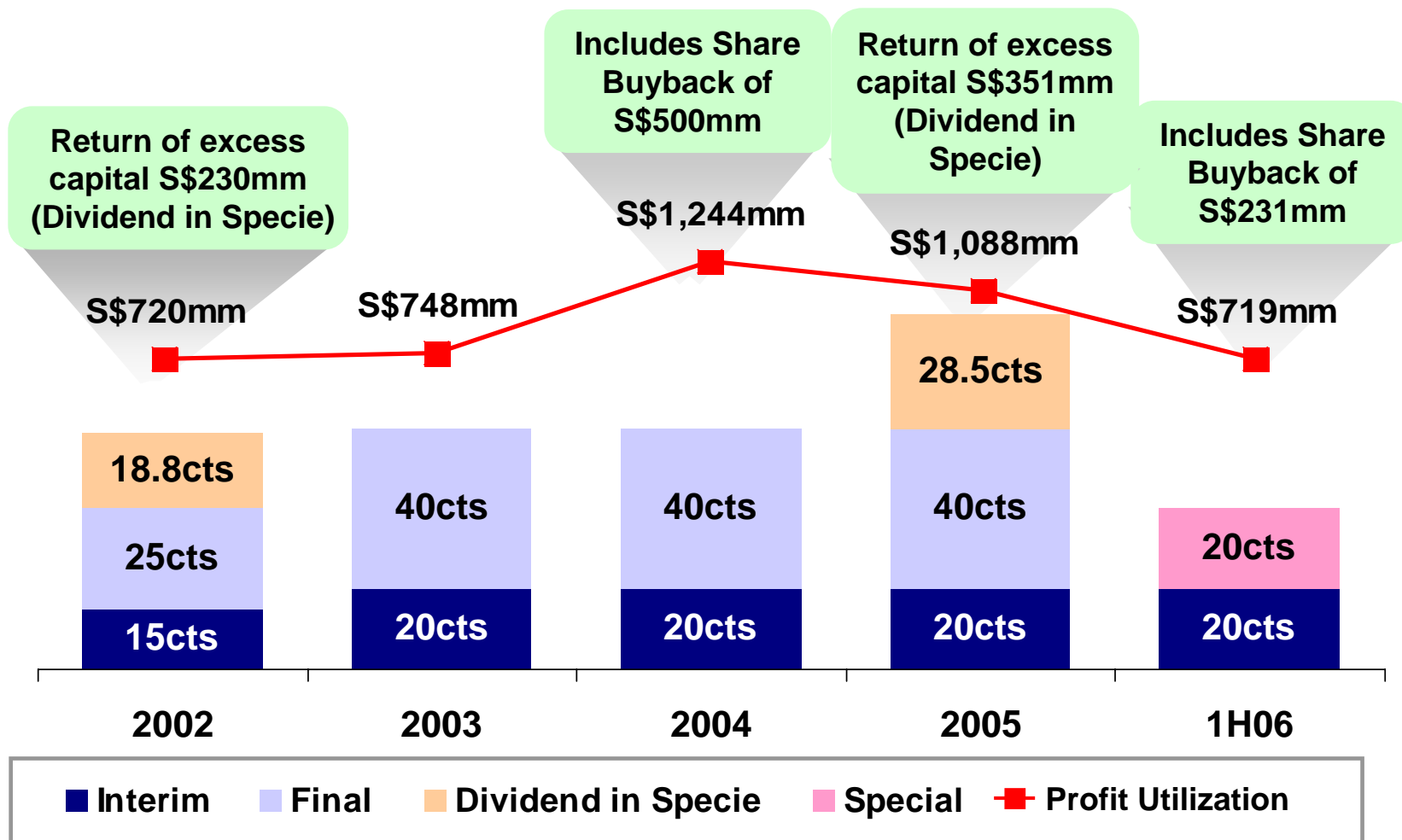
Capital Adequacy Ratio



Capital Structure



Consistently High Dividend Payouts



Awards & Accolades

“Best Corporate
Governance –
Singapore”



2005 & 2006

“Best FIG Borrower –
Asia”



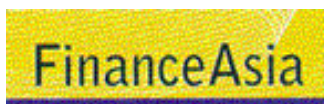
2006

“Best Domestic Bank –
Singapore”



2006

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



2006

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



2006

“Bank of The Year –
Singapore”



2002, 2003, 2004

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