

# Nomura Investment Forum 2007

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**Chief Financial Officer**

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*Disclaimer : This material that follows is a presentation of general background information about the Bank's 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. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.*

Singapore Company Reg No. 193500026Z



# 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

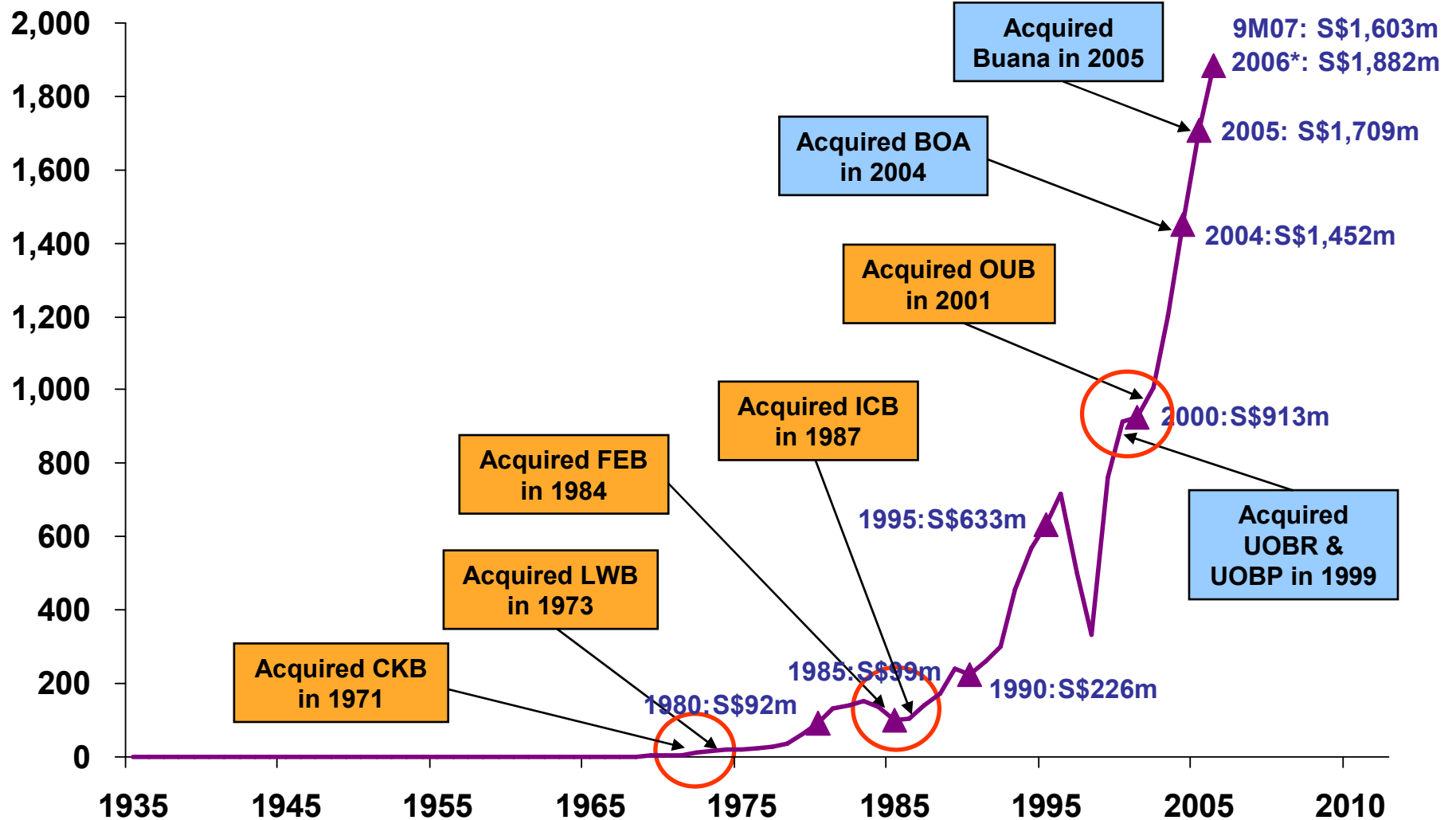
- Total Assets: S\$172.2 billion
- Shareholder's Equity: S\$17.2 billion
- Gross Loans: S\$87.1 billion
- Customer Deposits: S\$104.8 billion
  
- NIM: 2.05%
- Non-interest / Total Income: 37.8%
- ROAA: 1.27%
- ROAE: 12.8%
- Cost / Income: 40.7%
- Tier 1 CAR: 10.2%
- Total CAR: 14.8%
  
- Moody's: Aa1 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)

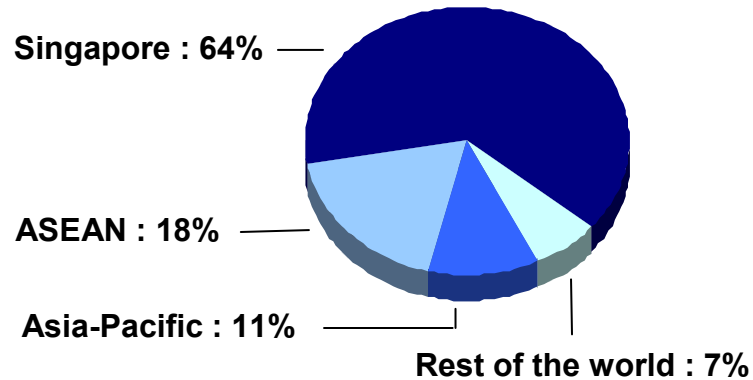


Note: 2006 net profit after tax was S\$2,570 million including one-time gain

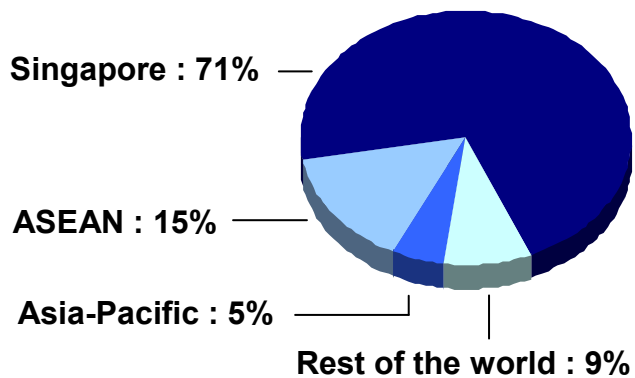


# Established Regional Presence

## Total Assets Breakdown

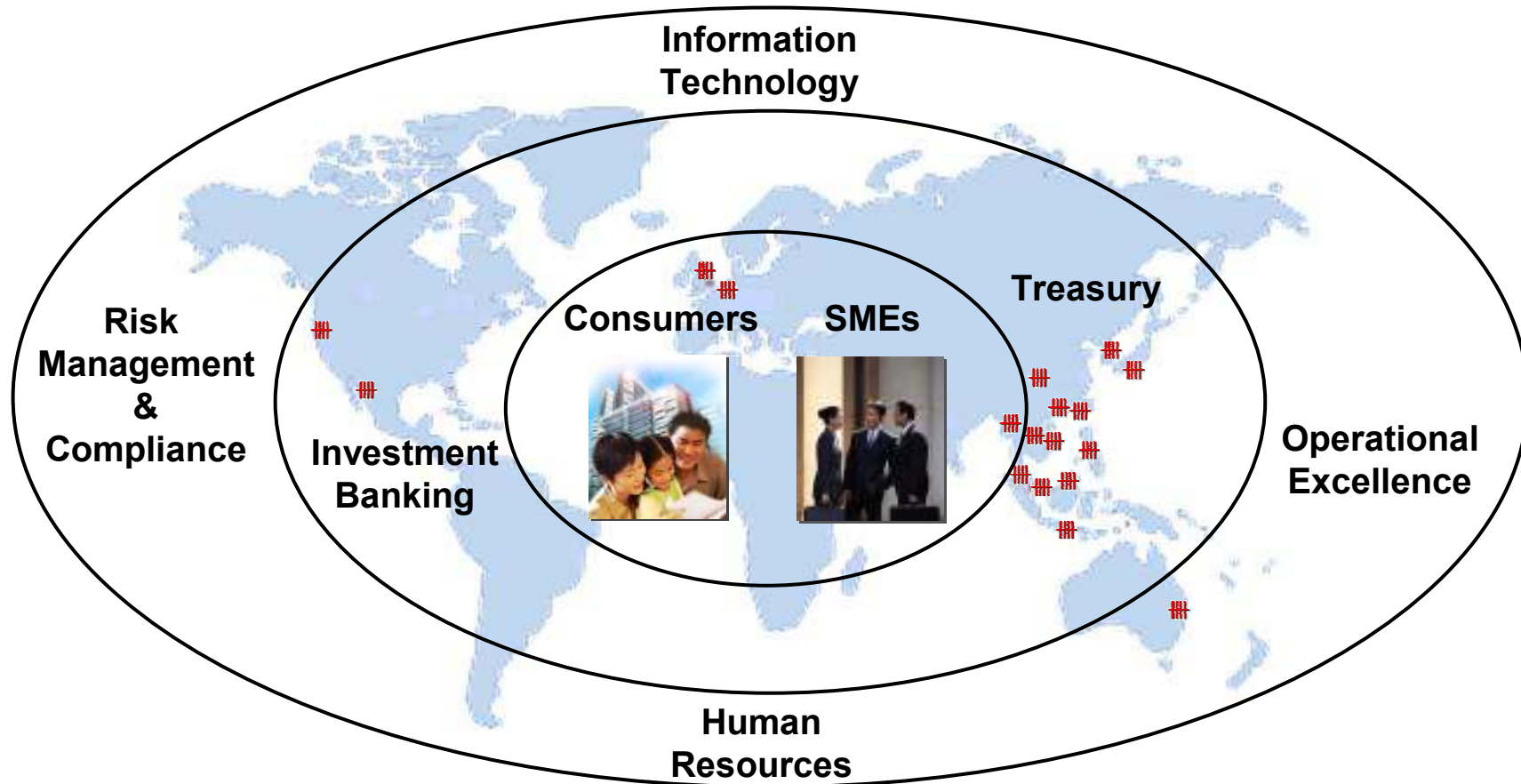


## Profit Before Tax Breakdown



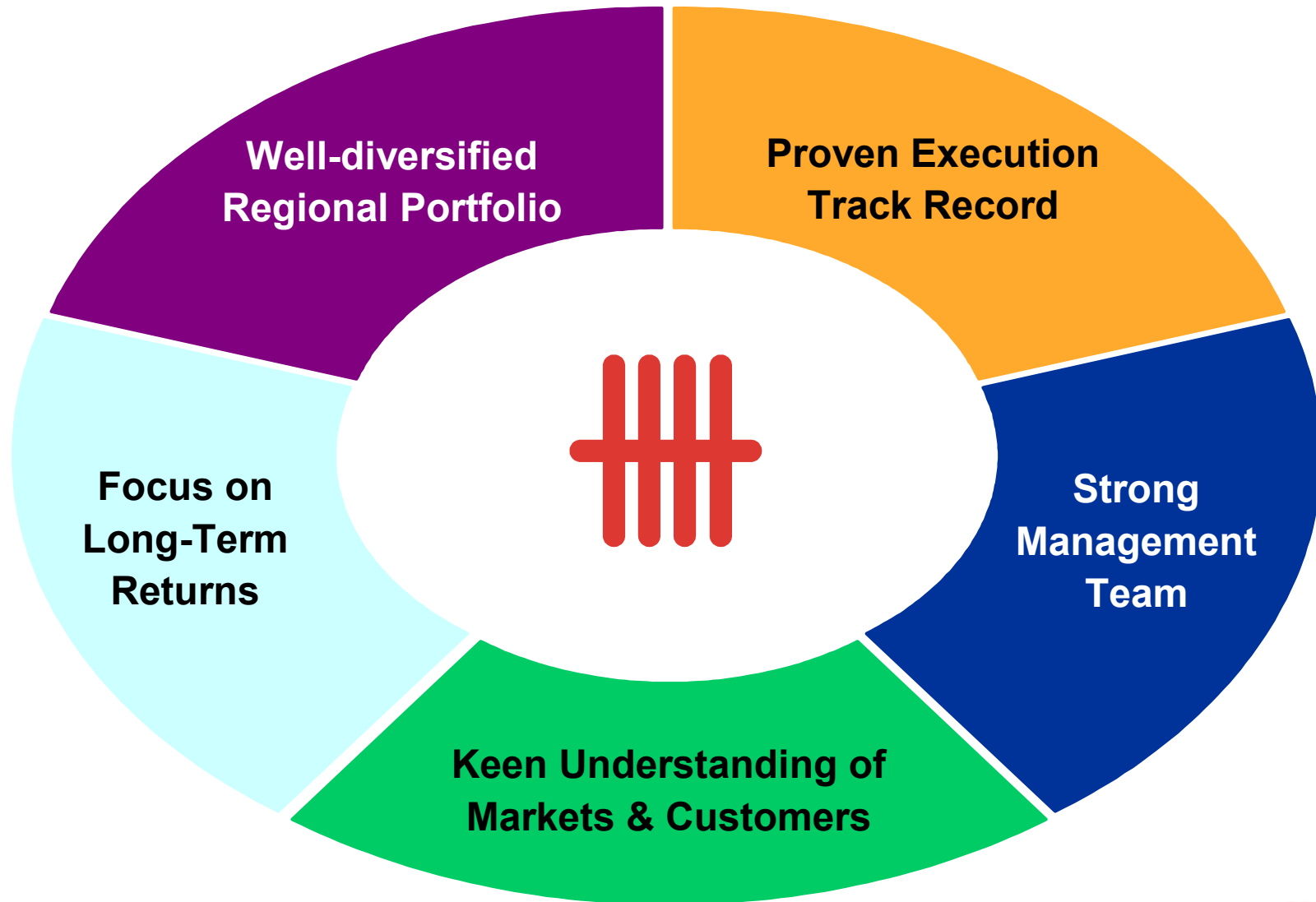
Note: For the nine months ended 30 September 2007

# Strategic Focus



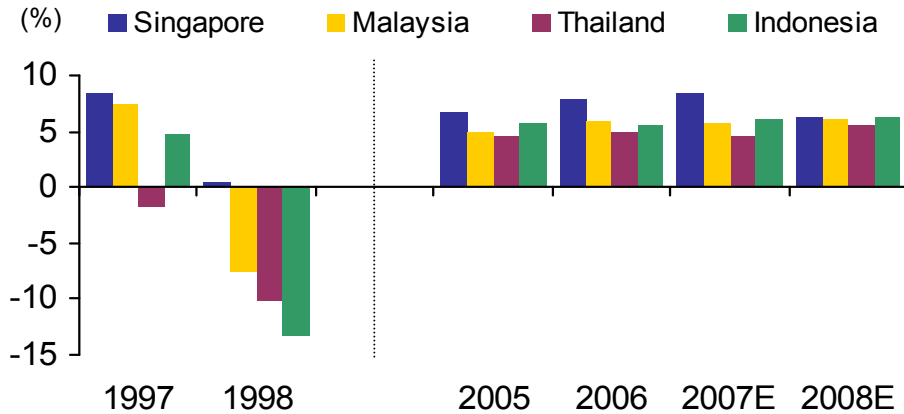
*To be recognized as a leader in consumer and SME banking services in the region with investment banking and treasury products in support*

# The UOB Difference

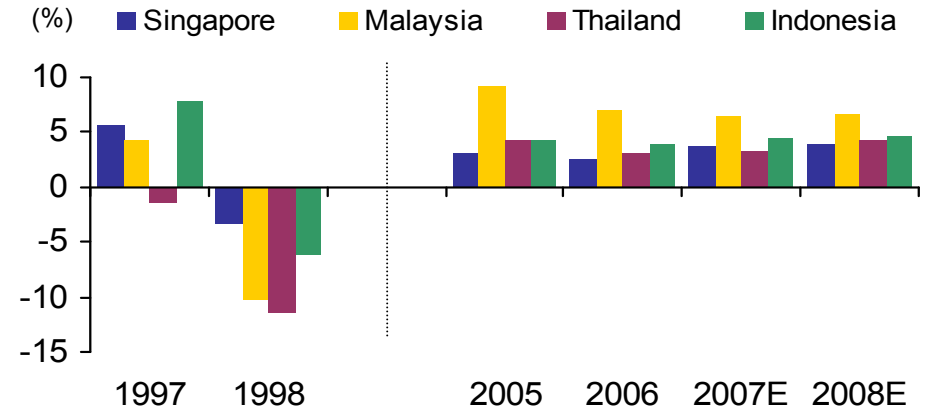


# Strong Regional Economies

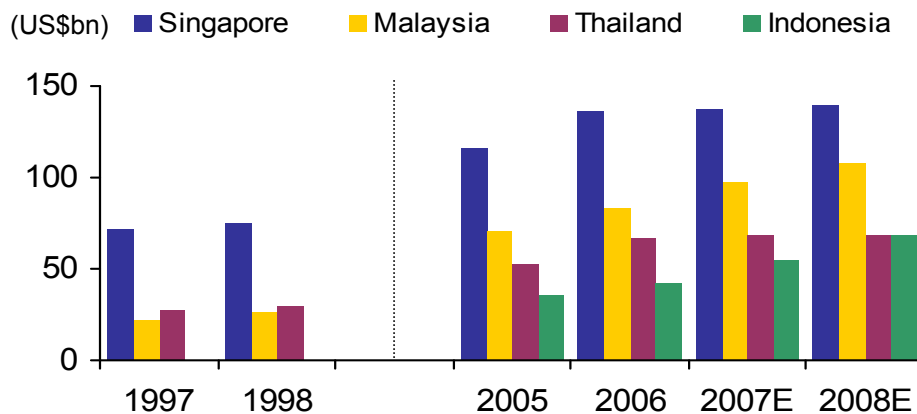
## Real GDP Growth



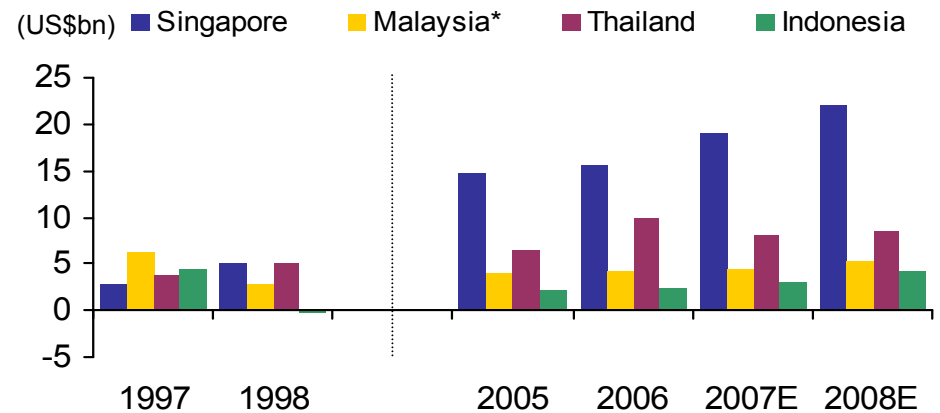
## Private Consumption Growth



## Foreign Exchange Reserves



## Net Foreign Direct Investments



Source: UNCTAD, BOT, CEIC, UOB, EIU, Asia Pacific Consensus Forecasts, Brokers' Reports  
 Note: \* FDI Inflow



# Strategic Directions

**Strengthen Domestic Market  
Leadership**

**Focused Regional Expansion**

**Establish Strategic Partnerships**

**Invest In The Future**

***Our Mission:***

**To be a Premier Bank in the Asia Pacific Region**



# Agenda

1

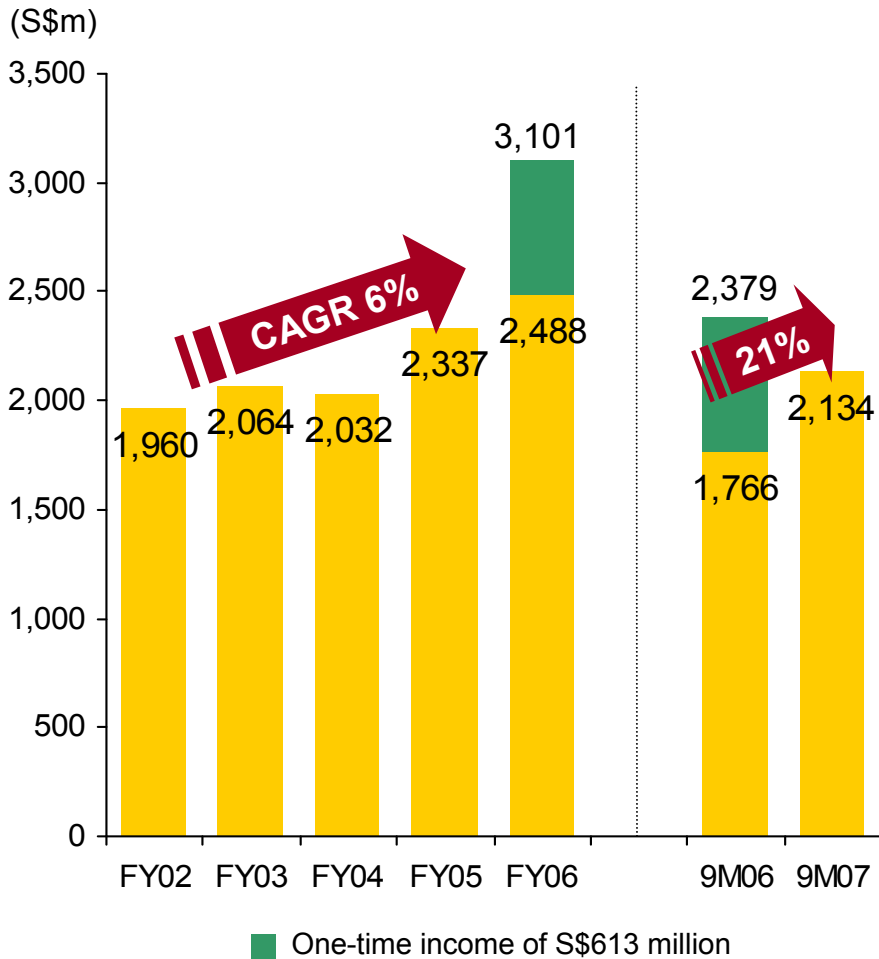
Business Overview

2

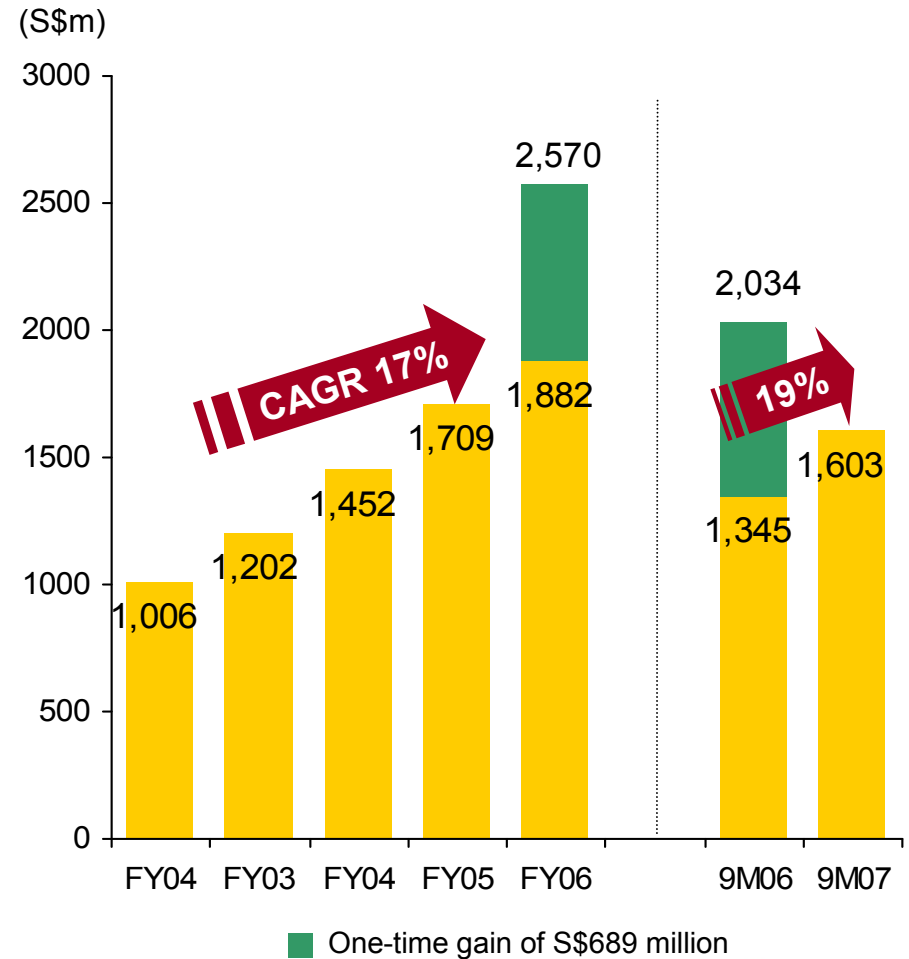
Financial Overview

# Increasing Profitability

## Operating Profit

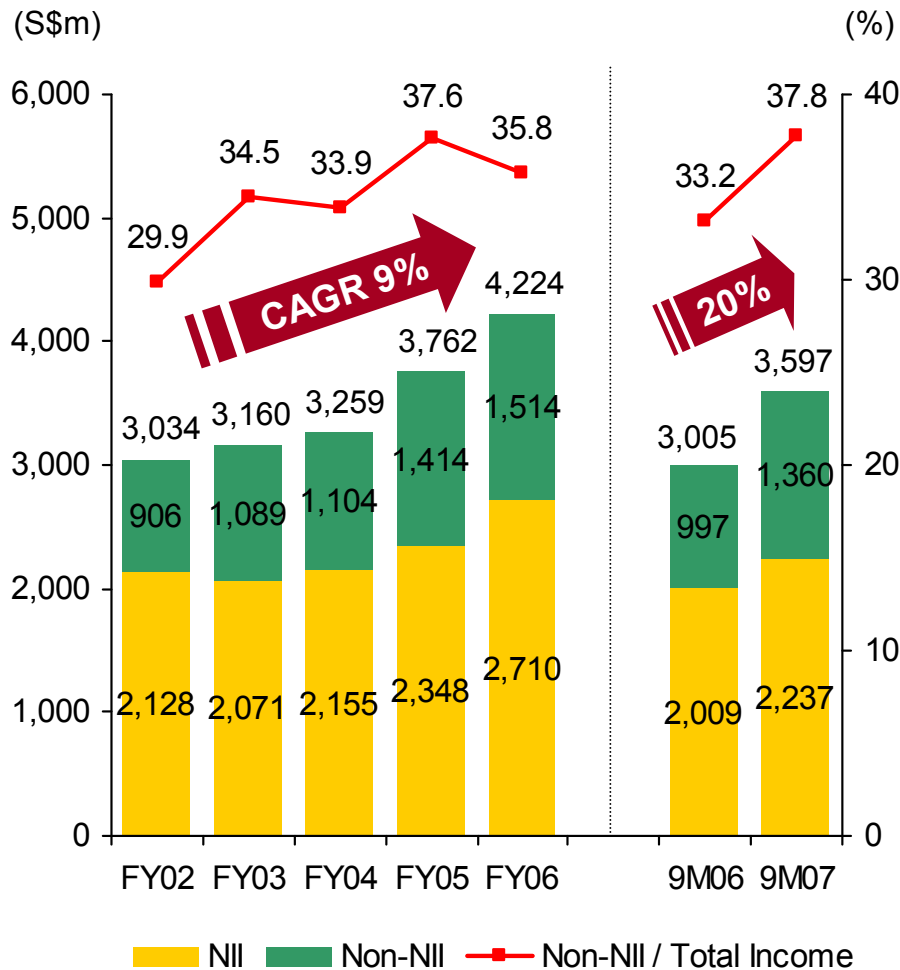


## Net Profit

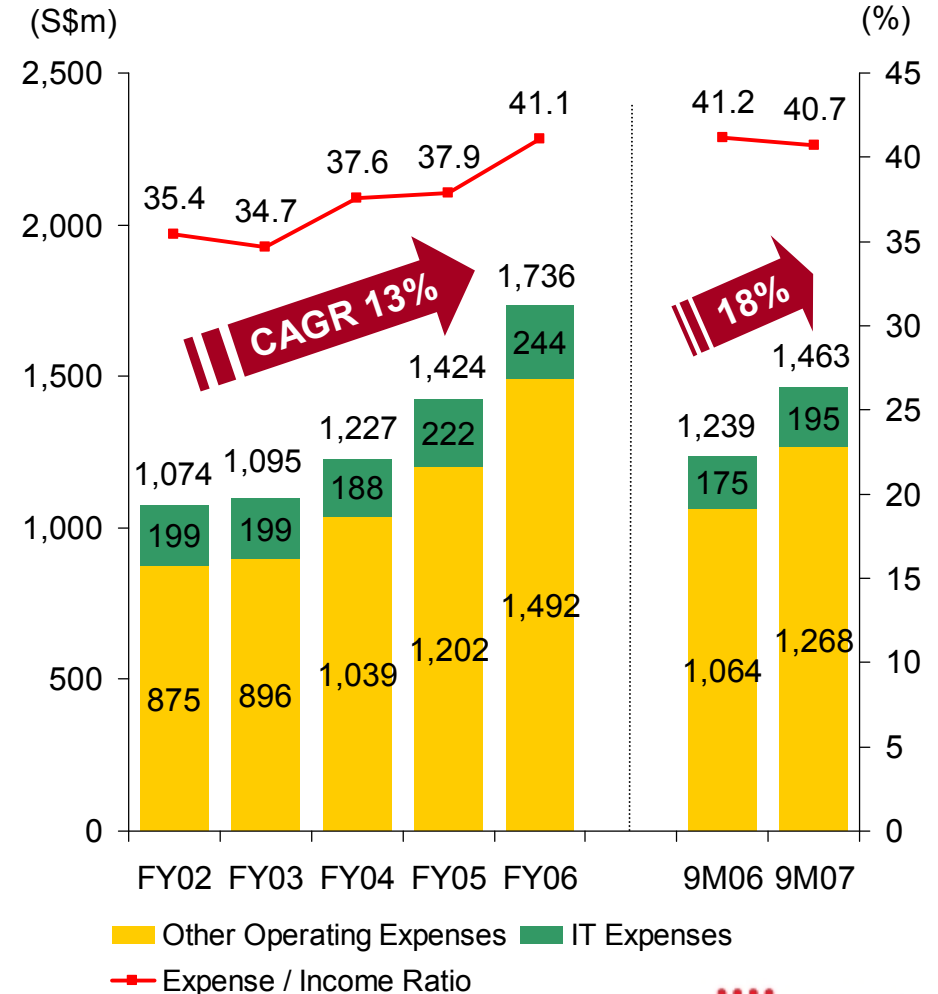


# Diversified Income & Controlled Expenses

## Operating Income



## Operating Expenses

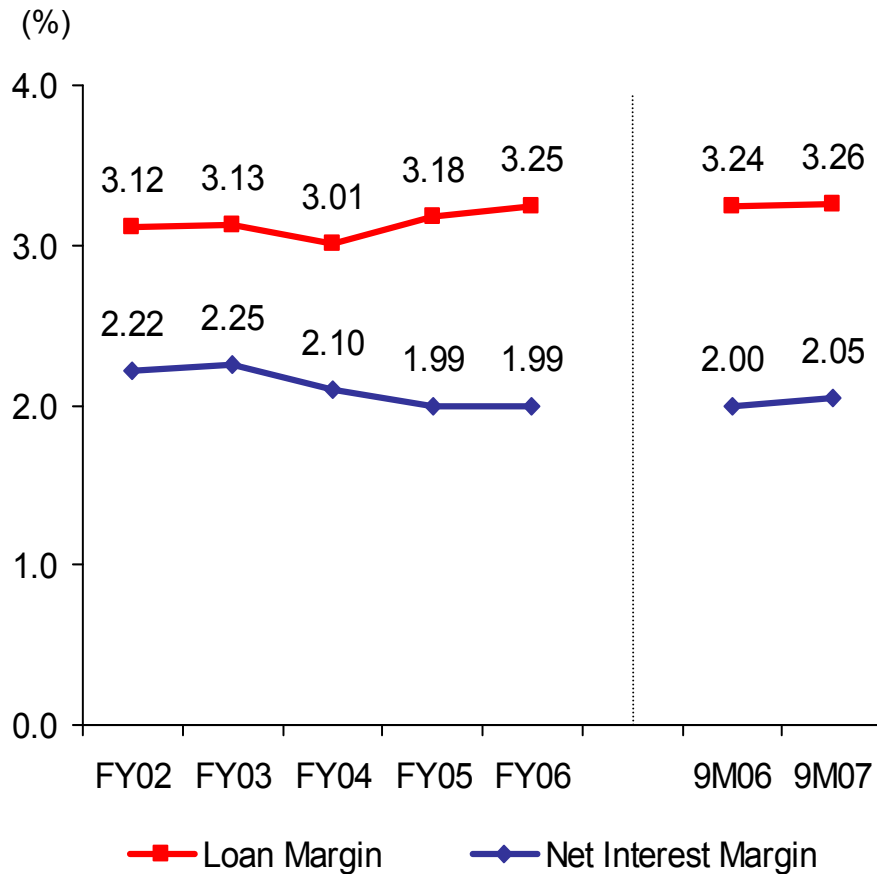


Note: Excluding one-time income for 9M06 and FY06

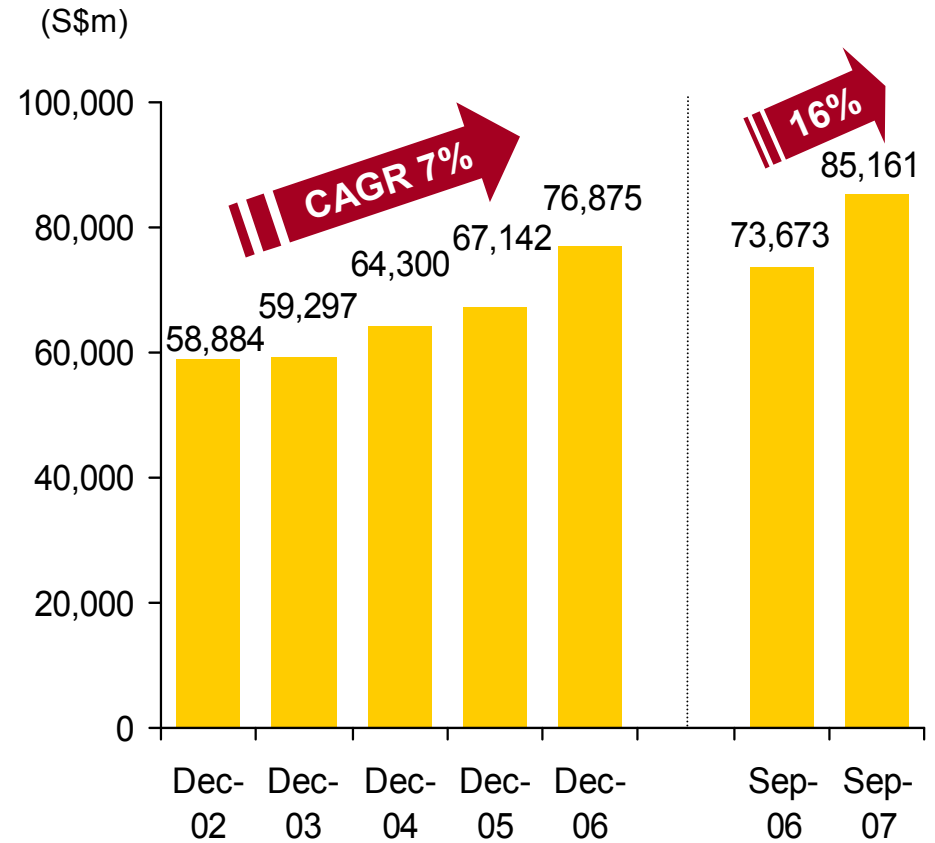


# Growing Customer Margins & Loans

## Net Interest Margin

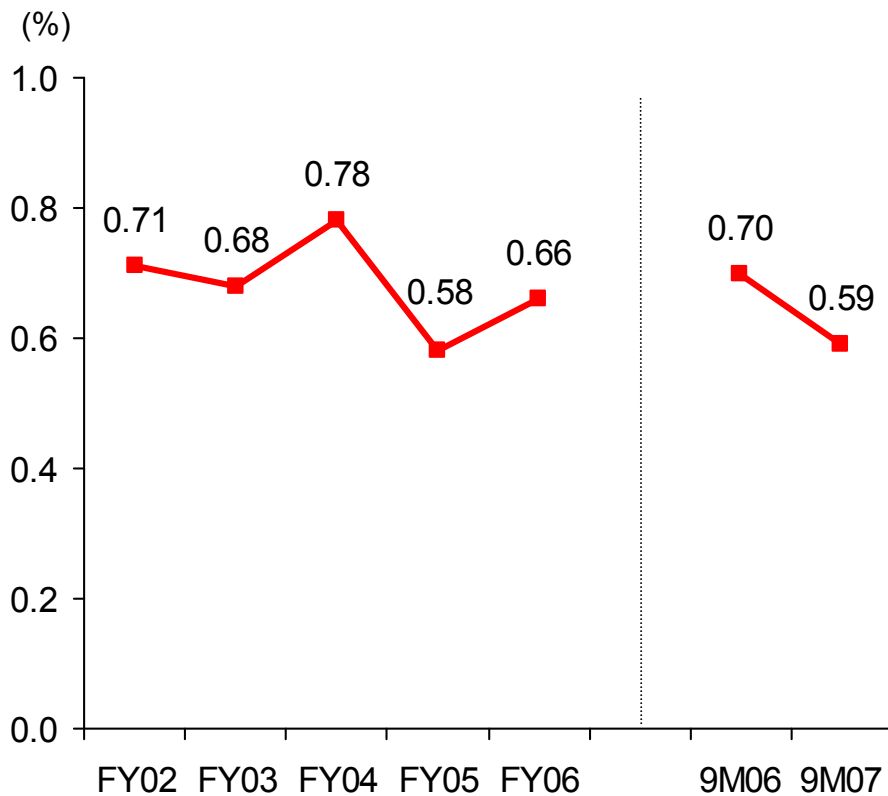


## Net Customer Loans

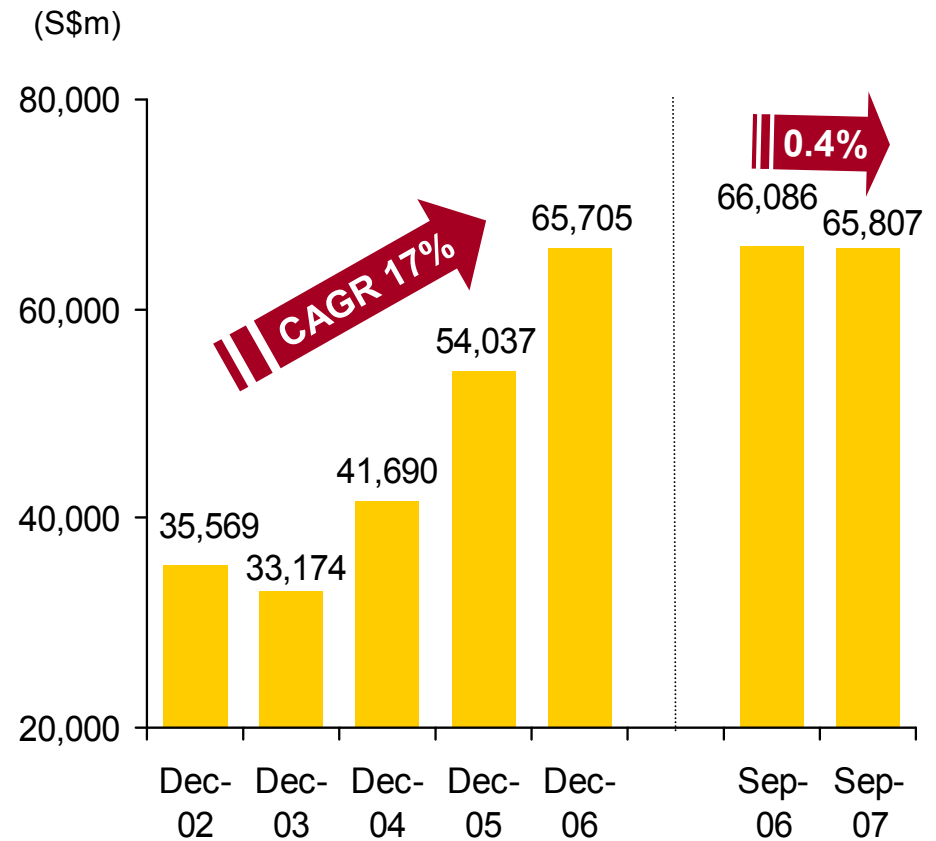


# Stable & Liquid Non-Loan Asset Portfolio

## Interbank / Securities Margin

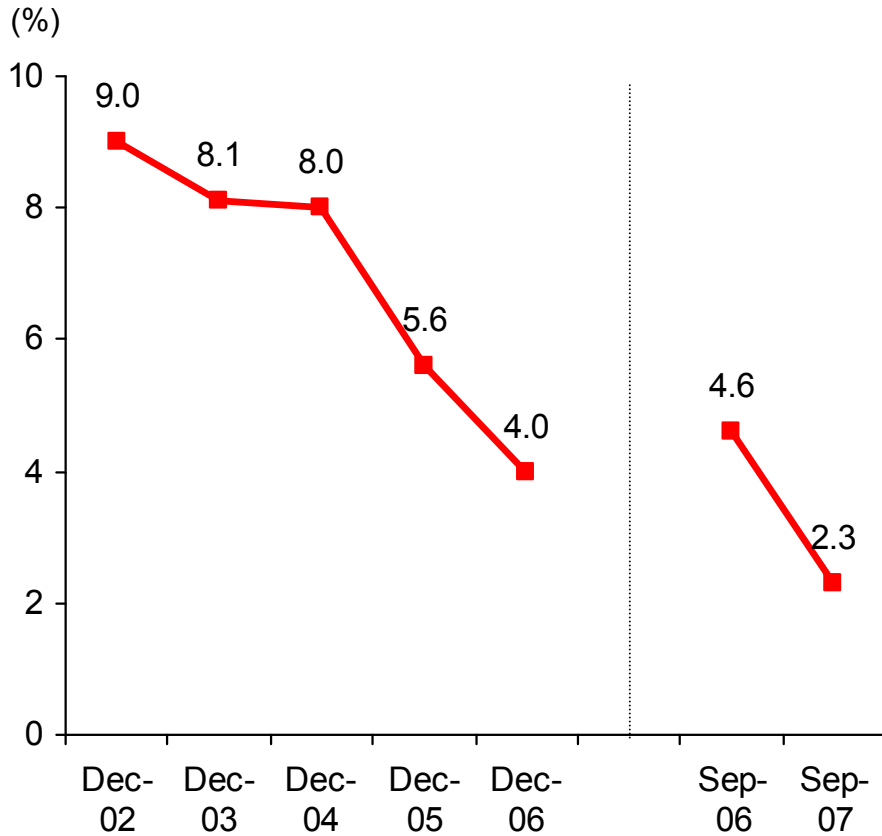


## Average Interbank Balances & Securities

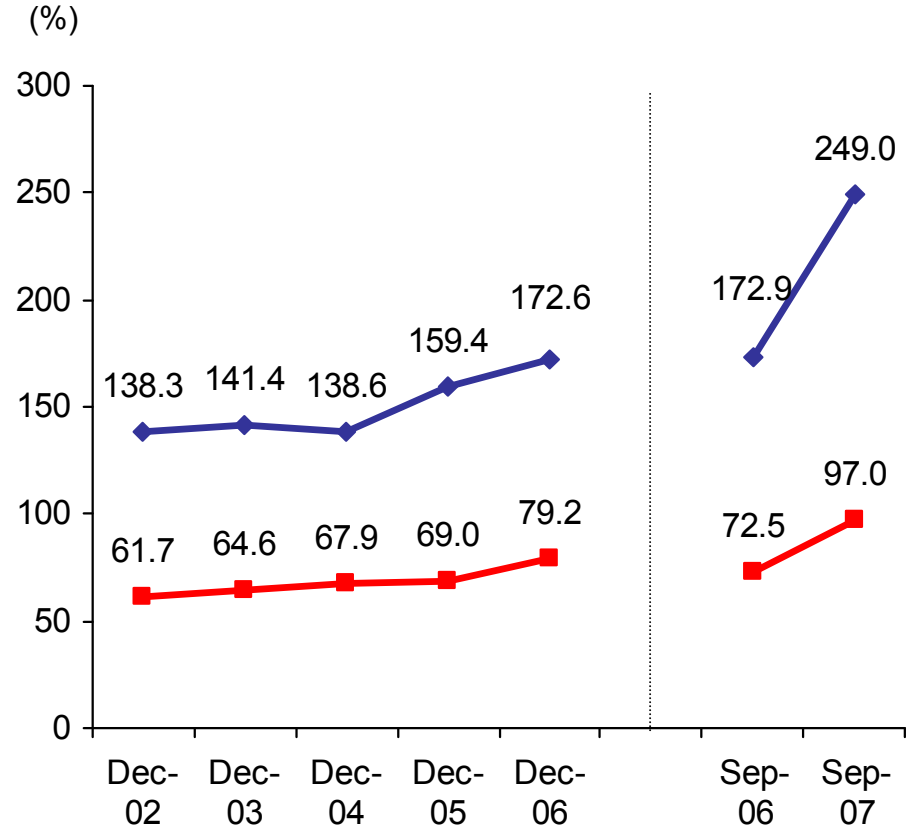


# Strong Asset Quality

## NPL Ratio



## Impairment Coverage



- Cumulative Impairment/Total NPLs
- ◆ Cumulative Impairment/Unsecured NPLs



# Capital Management

## Seek Capital Efficiency

- Recent MAS changes give flexibility
- Review mix of capital structure
- Option of share buyback and/or special dividend for any excess capital

## Strong Capital for Strategic Flexibility

- Keep buffer above regulatory CAR to maintain high credit ratings
- Reserve capital as we see opportunities in Singapore and region to strengthen franchise

## High Dividend Policy

- Special dividend of 15 cents per share in 1H07. Total dividend of 35 cents per share for the period
- Target for consistent high payout to reward shareholders



# 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