

UOB Group Full Year / Fourth Quarter 2005 Results Briefing

FINANCIAL HIGHLIGHTS

Lee Wai Fai
Chief Financial Officer

23 February 2006

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.

Agenda

1

Review of Financial Performance

2

Business & Geographical Segments

3

Loans, Deposits & Asset Quality

4

Capital Management

Profit Growth of 17.7% Achieved in 2005

	2005	2004	Incr / (Decr)	
	\$m	\$m	\$m	%
Net Interest Income	2,348	2,155	193	8.9
Non-Interest Income	1,414	1,104	310	28.1
Total Income	3,761	3,259	502	15.4
Less : Operating Expenses	1,424	1,227	197	16.1
Operating Profit *	2,337	2,032	305	15.0
Less : Intangible Assets Amortised / Impaired	60	214	(154)	(71.9)
Other Impairment Charges	174	209	(35)	(16.9)
Add : Share of Profit of Associates	100	307	(207)	(67.5)
Less : Tax & Minority Interests	495	465	30	6.3
Net Profit after Tax	1,709	1,452	257	17.7

* Before amortisation and impairment charges

Higher Operating Profit in 4Q05

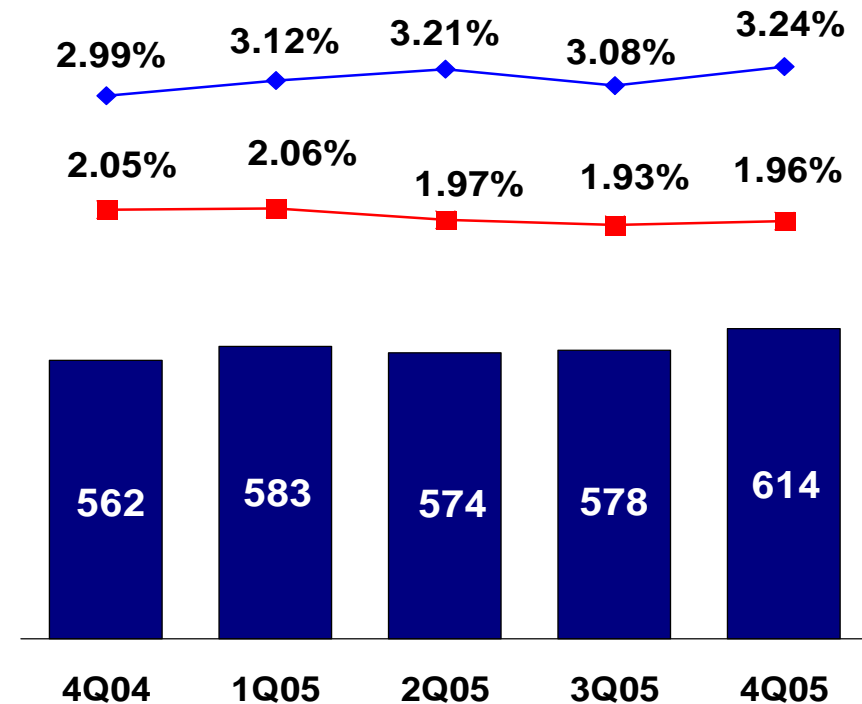
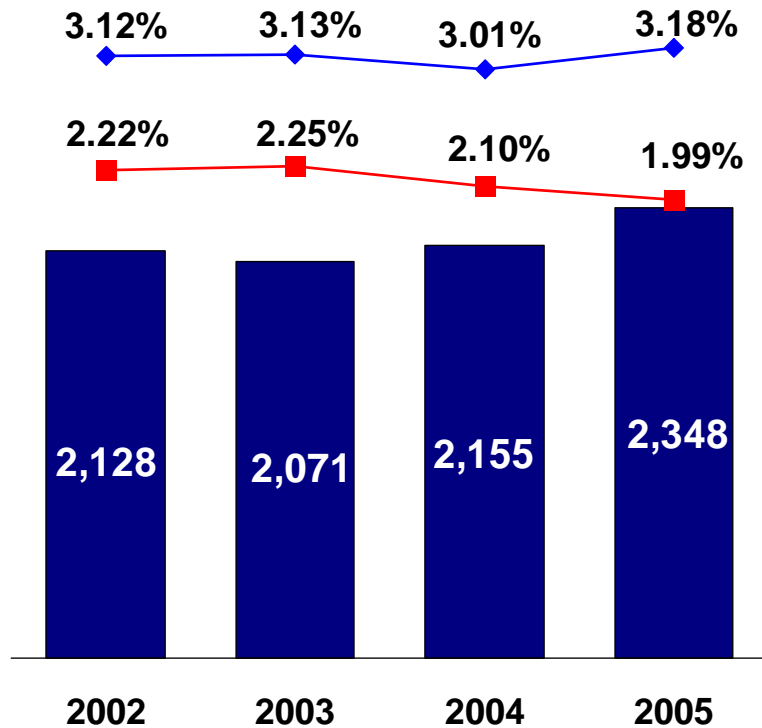
	4Q05 \$m	3Q05 \$m	+ / (-) %	4Q04 \$m	+ / (-) %
Net Interest Income	614	578	6.2	562	9.1
Non-Interest Income	414	350	18.4	298	39.1
Total Income	1,028	927	10.8	860	19.5
Less : Operating Expenses	404	353	14.4	364	11.0
Operating Profit *	623	574	8.6	496	25.7
Less : Intangible Assets Amortised / Impaired	2	-	nm	59	(96.5)
Other Impairment Charges	74	19	280.9	113	(34.8)
Add : Share of Profit of Associates	23	31	(24.2)	184	(87.4)
Less : Tax & Minority Interests	139	122	13.5	133	4.6
Net Profit after Tax	432	463	(6.7)	376	15.0

* Before amortisation and impairment charges

nm: not meaningful

Higher Net Interest Income and Loan Margin

Net Interest Income and Margin

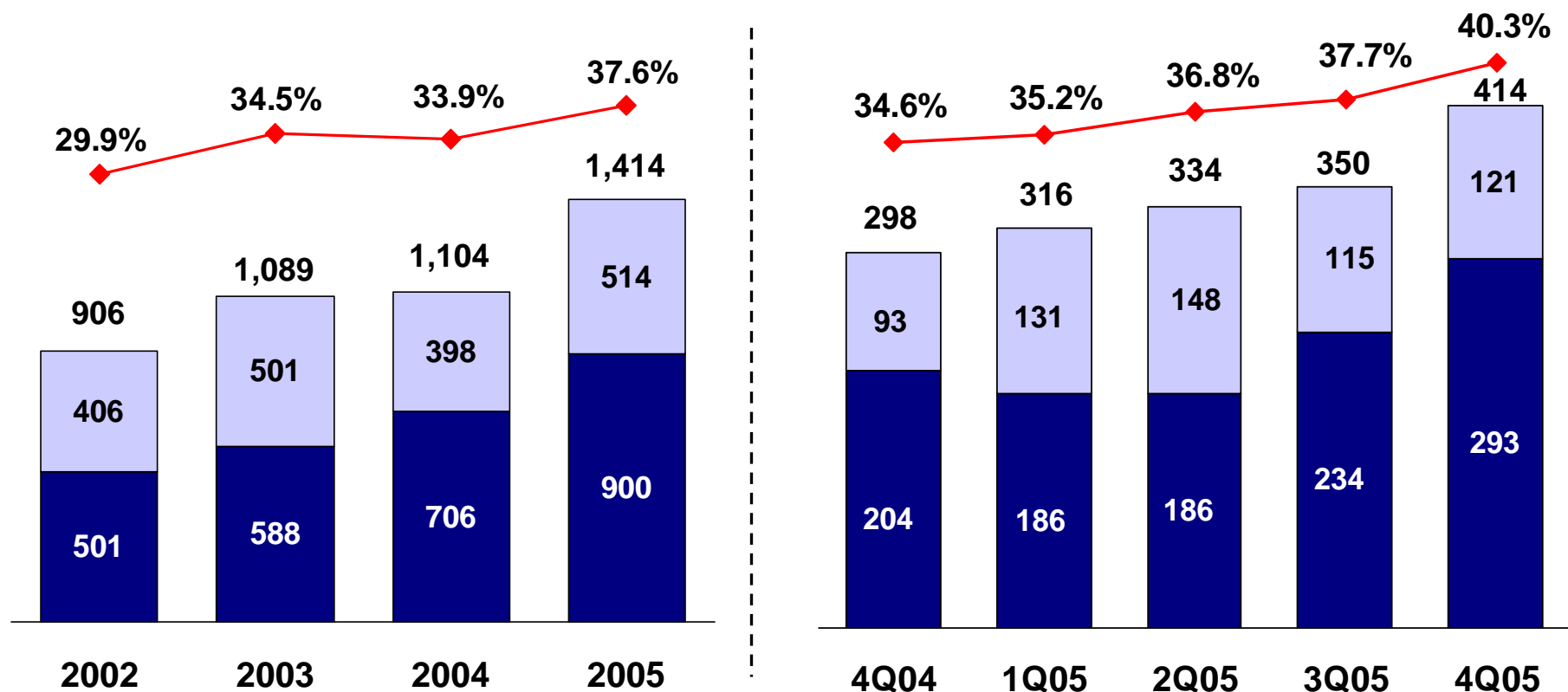


■ Net Interest Income (\$m)
 —■— Average Interest Margin (%)
 —◆— Loan Margin (%) *

* Computed based on loan yields less cost of deposits

Non-Interest Income Up 28.1% against 2004

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



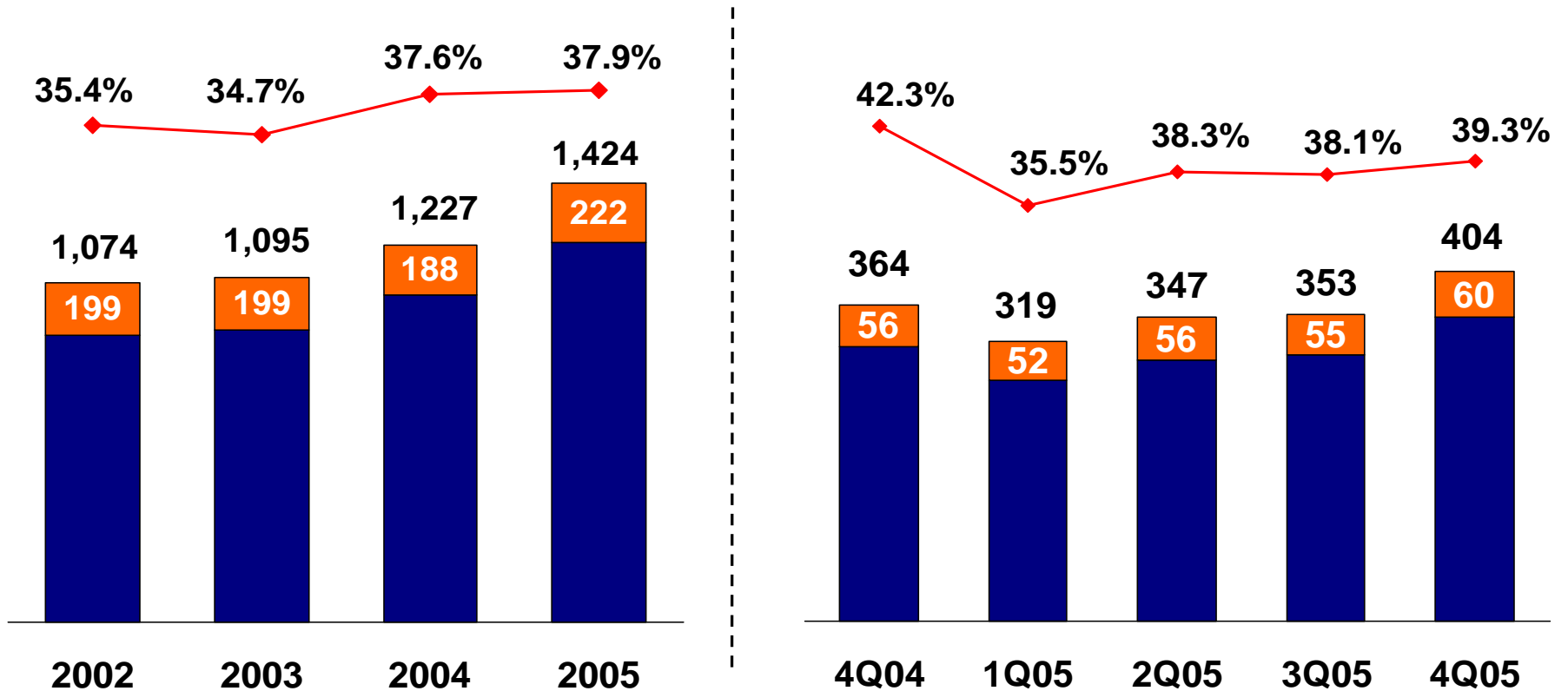
■ Fee Income (\$m)

□ Other Income (\$m)

—◆— Non-NII / Total Income Ratio (%)

Stable Operating Expenses

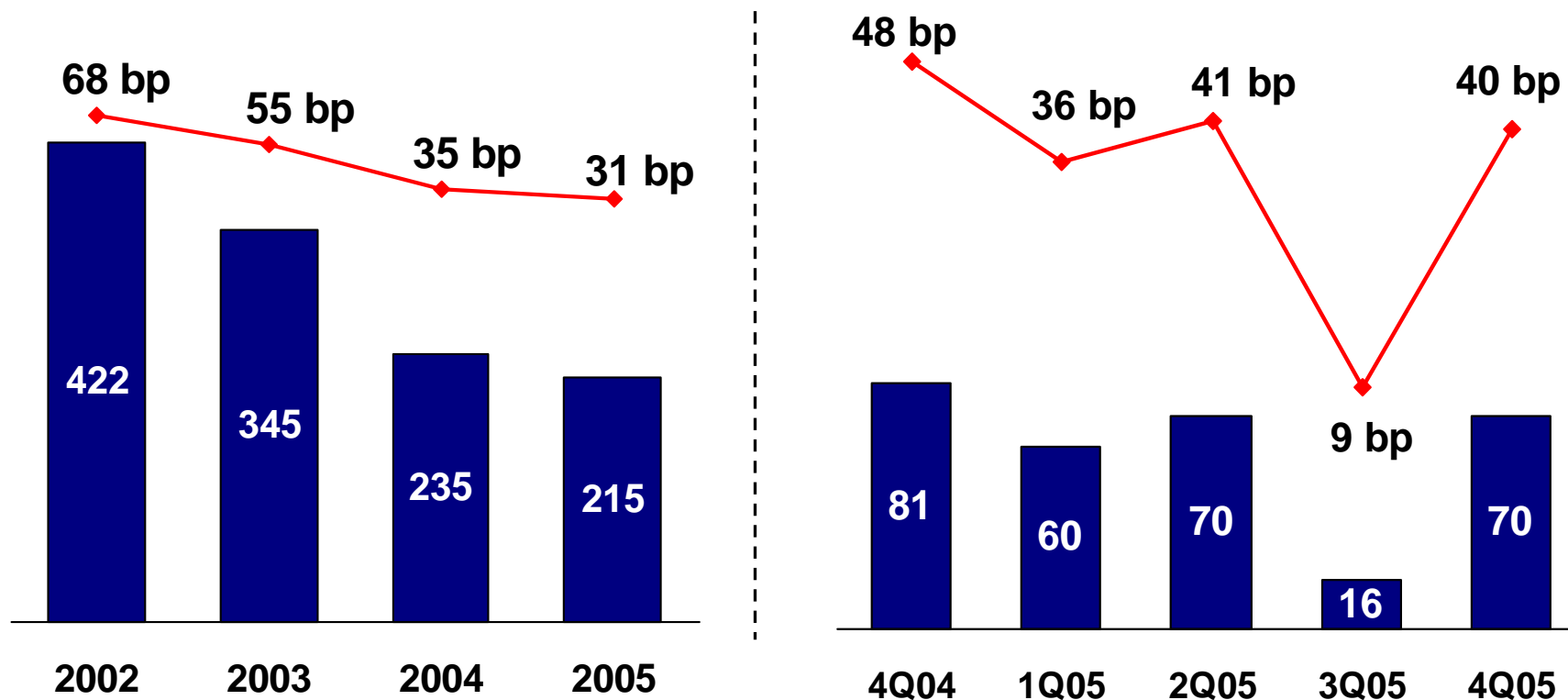
Operating Expenses and Expense / Income Ratio



■ Operating Expenses (\$m)
 ■ IT Expenses (\$m)
 —◆— Expense / Income Ratio (%)

Individual Impairment Charges on Loans

Individual Impairment on Loans Charged to Profit & Loss Account



■ Individual Impairment Charges on Loans (\$m)

◆ Individual Impairment Charges on Loans / Gross Customer Loans (basis points) *

* On annualised basis for quarters

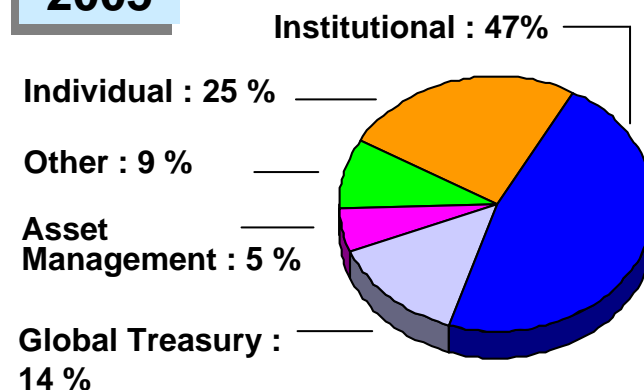
Profit Contribution by Business Segment

Business Segment

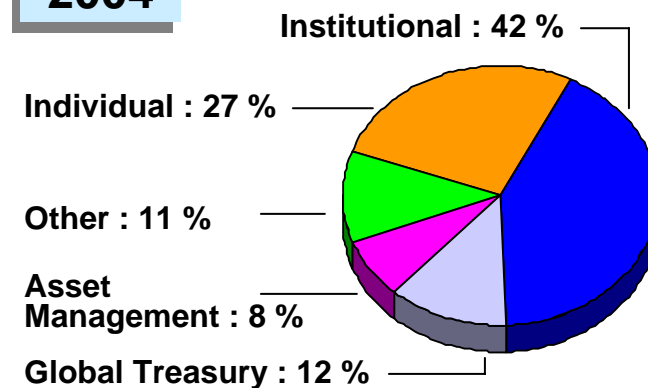
Segment Pre-tax Profit *	2005 \$m	2004 \$m	Incr/(Decr) %
Individual Financial Services	548	503	8.9
Institutional Financial Services	1,034	791	30.7
Global Treasury	308	226	36.3
Asset Management	125	141	(11.3)
Other	196	214	(8.4)
Total	2,211	1,875	17.9

* Before unallocated expenses, amortisation / impairment of intangible assets, and share of profit of associates

2005



2004



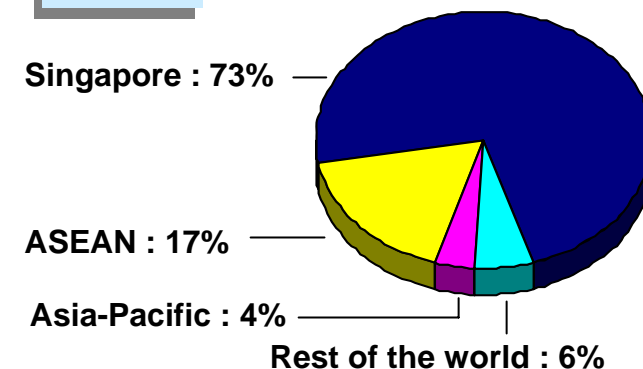
Higher Operating Profit Contribution From Overseas Operations

Geographical Segment

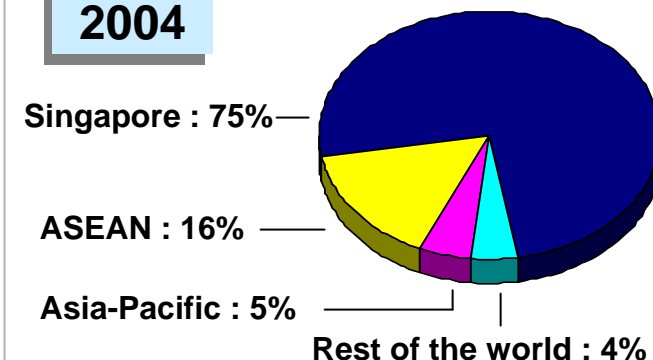
<u>Operating Profit *</u>	<u>2005 \$m</u>	<u>2004 \$m</u>	<u>Incr/(Decr) %</u>
Singapore (including ACU)	1,706	1,522	12.1
Other ASEAN countries	409	317	29.0
Other Asia-Pacific countries	88	102	(13.7)
Rest of the world	134	91	47.3
Operating Profit	2,337	2,032	15.0

* Before amortisation and impairment charges

2005

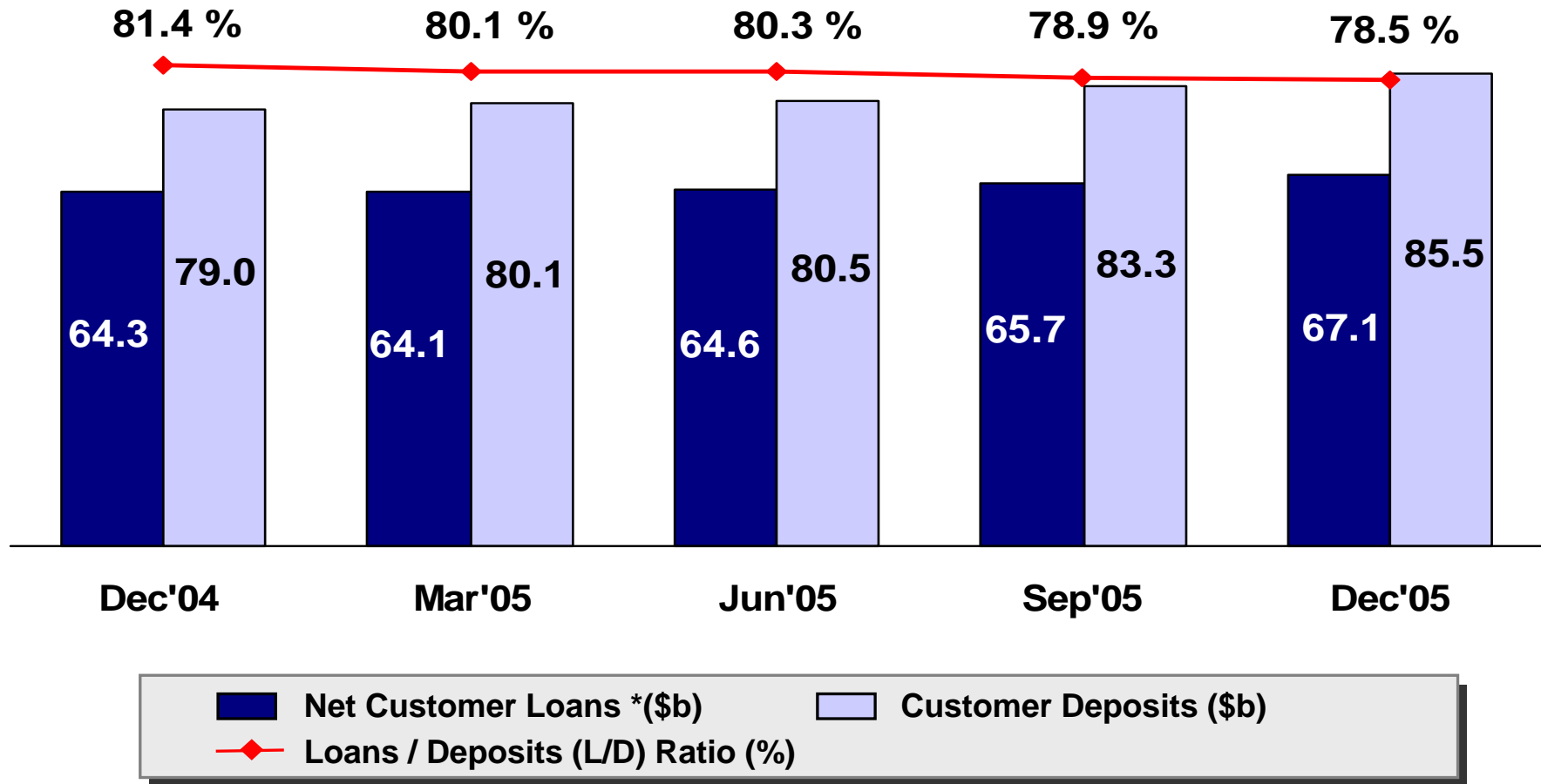


2004



Measured Growth in Loans and Deposits

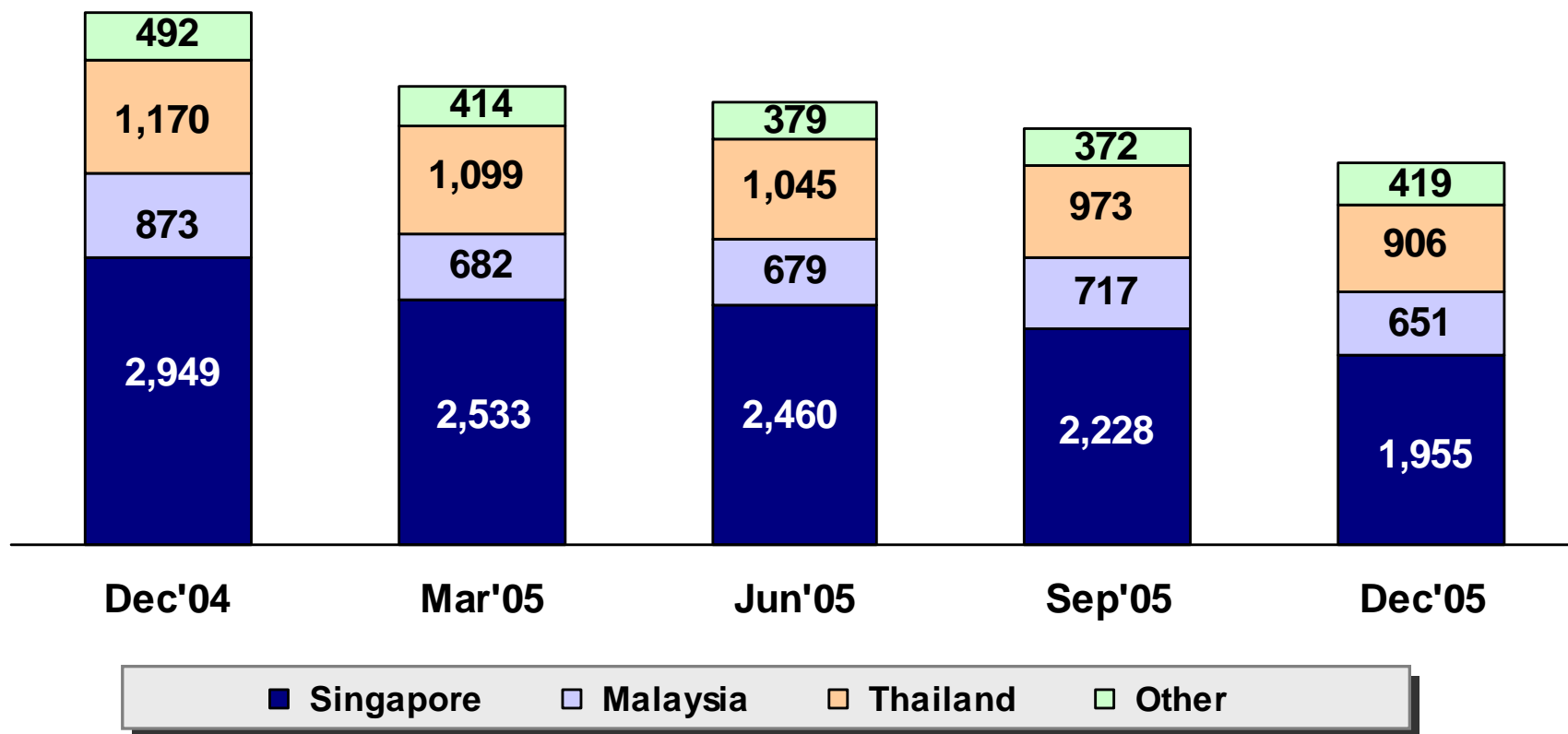
Customer Loans, Deposits and L/D Ratio



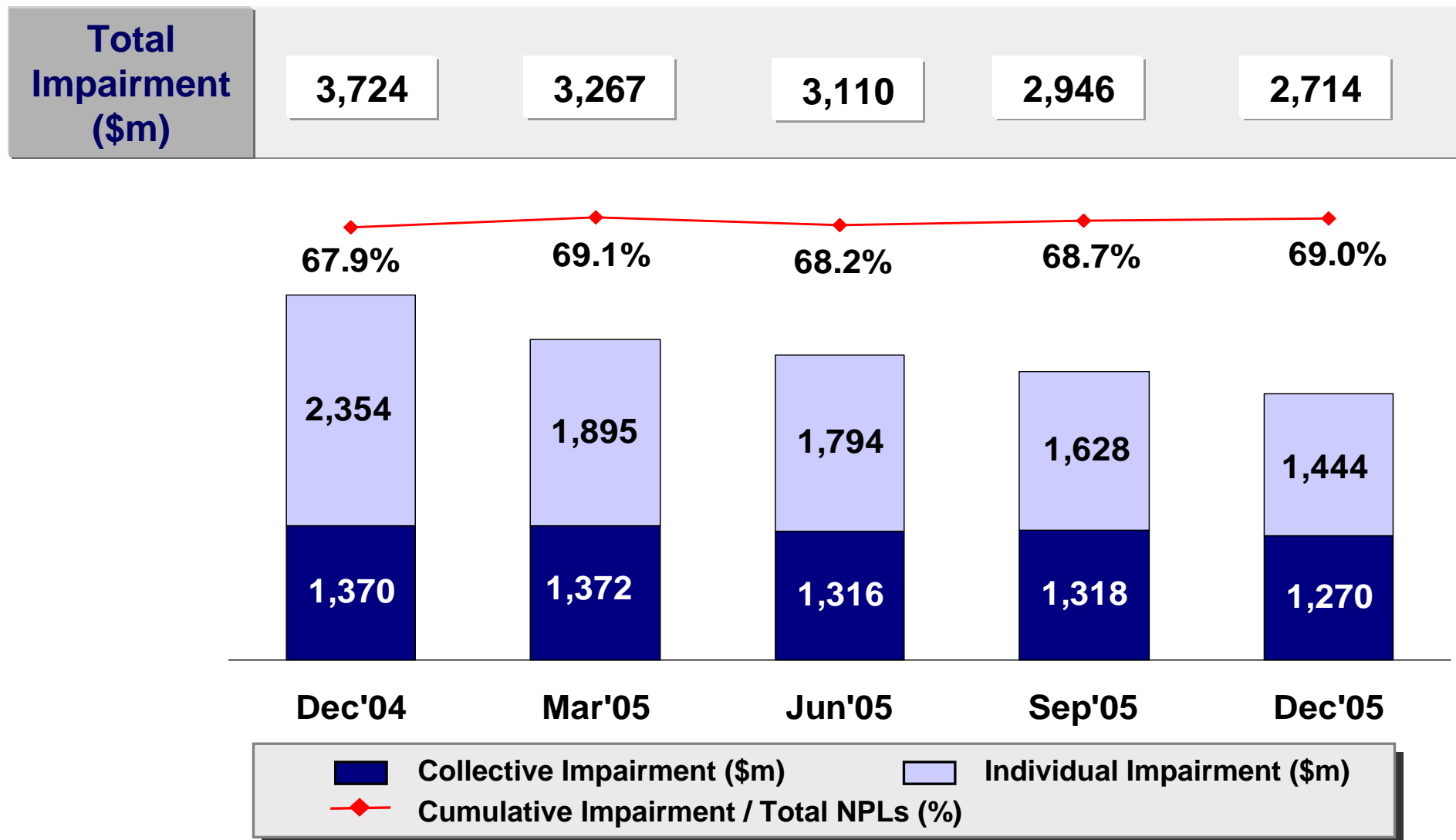
* included amount sold under Repo

Decrease in NPLs across Major Countries

Group:					
NPLs (\$m)	5,484	4,728	4,563	4,290	3,931
NPL Ratio	8.0%	6.9%	6.7%	6.2%	5.6%

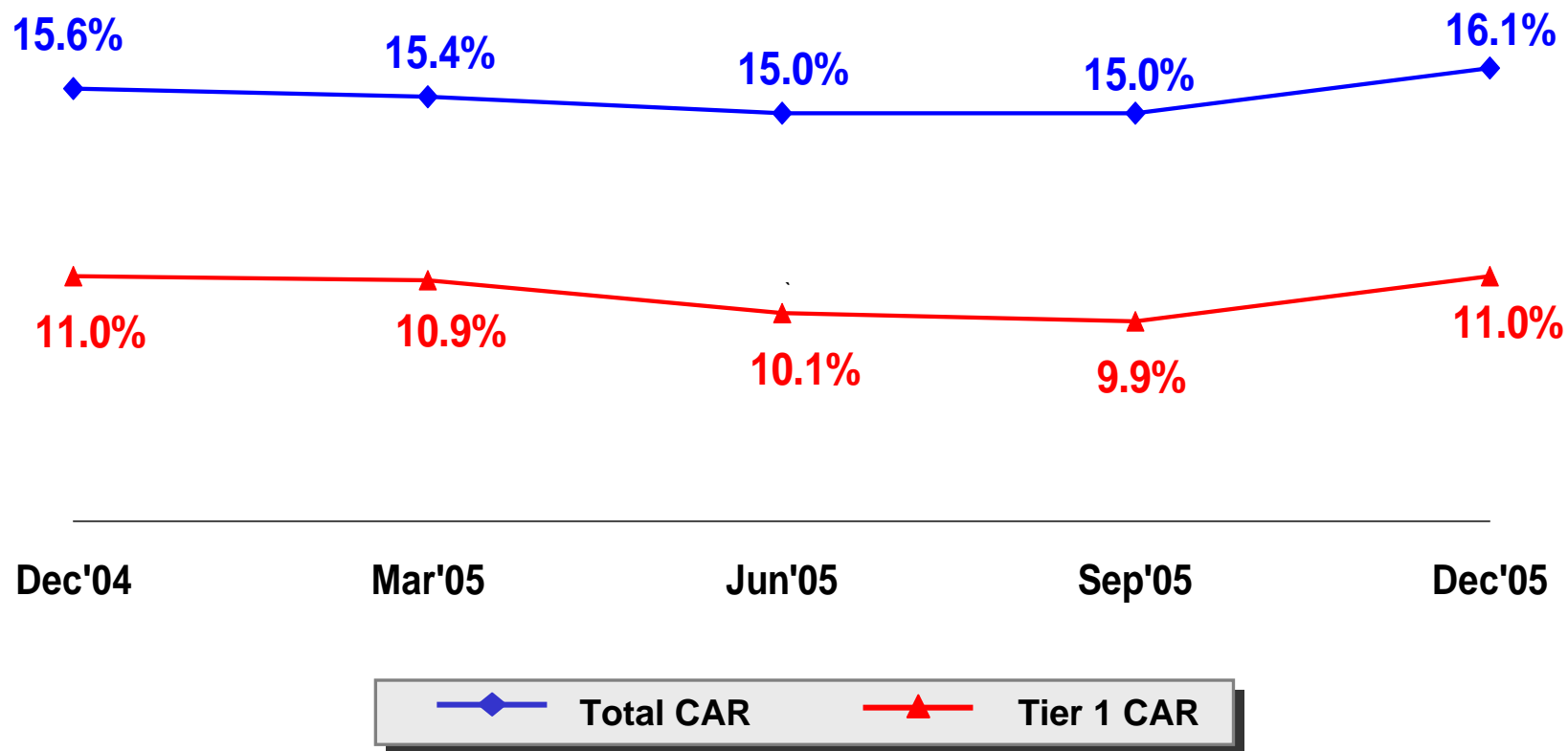


Impairment Coverage Remains Strong

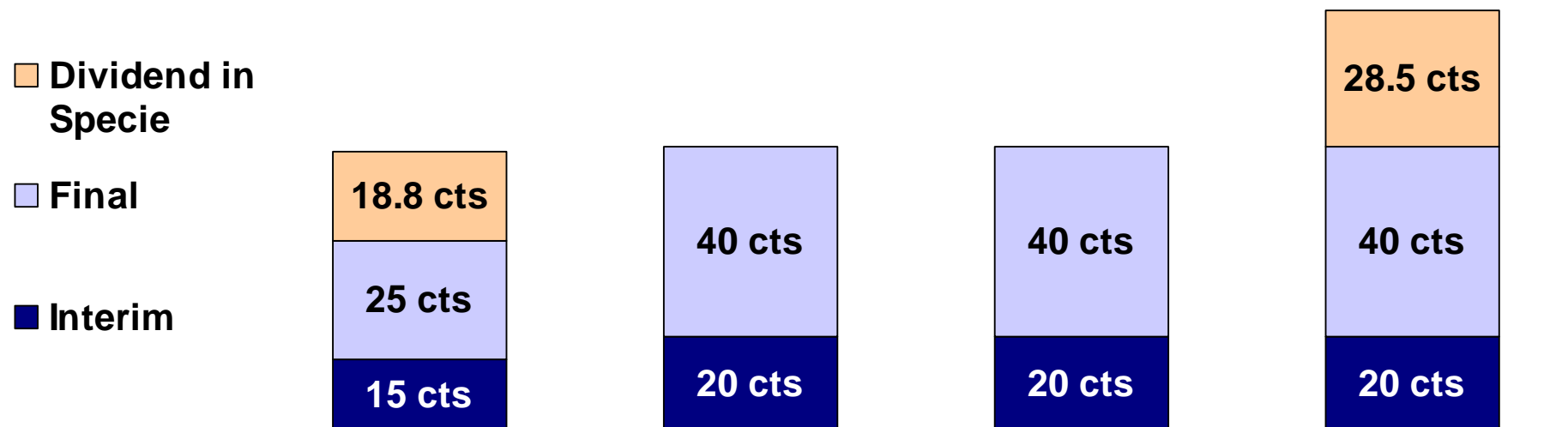


Strong Capital Position

Capital Adequacy Ratios (CAR)



Higher Dividends



	2002	2003	2004	2005
Dividend in Specie	\$230m	-	-	\$351m
Cash Dividend	\$490m	\$748m	\$744m	\$738m
Share Buy-back	-	-	\$500m	-
Total Utilization of Profit	\$720m	\$748m	\$1,244m	\$1,089m
% to NPAT	72%	62%	86%	64%

In Summary ...

- Net profit grew 17.7% to reach \$1,709 million in 2005
- ROE increased to 12.9% in 2005 from 12.4% in 2004
- Expense-to-income ratio is under control at 37.9% in 2005
- NPL ratio improved to 5.6% in 2005 from 8.0% in 2004
- Dividend payout is 88.5 cents per share