

The Group			
	2005	2004	Increase/ decrease
Profit for the financial year (\$'000)			
Profit before tax	2,203,725	1,916,865	15.0%
Net profit after tax[^]	1,709,206	1,451,769	17.7%
Selected balance sheet items as at year-end (\$'000)			
Customer loans (net)*	67,142,153	64,300,016	4.4%
Customer deposits	85,502,760	79,018,770	8.2%
Total assets	145,072,770	134,878,566	7.6%
Shareholders' equity[#]	14,928,662	13,438,752	11.1%
Financial ratios			
Basic earnings per share (cents)			
– Including intangible assets	111.2	92.6	20.1%
– Excluding intangible assets	115.1	106.3	8.3%
Return on average shareholders' equity (ROE) (%)			
– Including intangible assets	12.4	10.8	1.6% points
– Excluding intangible assets	12.9	12.4	0.5% point
Return on average assets (ROA) (%)			
– Including intangible assets	1.25	1.19	0.06% point
– Excluding intangible assets	1.29	1.36	-0.07% point
Expense/income ratio (%)	37.9	37.6	0.3% point
Dividend per share (cents)			
– Interim	20.0	20.0	–
– Special dividend in specie	28.5	–	NM
– Final	40.0	40.0	–
Net asset value per share (\$)	9.71	8.75	11.0%
Capital adequacy ratios (%)			
– Tier 1 capital	11.0	11.0	–
– Total capital	16.1	15.6	0.5% point

[^] Net profit after tax refers to profit attributable to equity holders of the Bank.

^{*} Including amount pledged under repurchase agreements.

[#] Shareholders' equity refers to equity attributable to equity holders of the Bank.

"NM" denotes not meaningful.

United Overseas Bank (UOB) was incorporated on 6 August 1935 as the United Chinese Bank. Founded by Datuk Wee Kheng Chiang, the Bank catered mainly to the Fujian community in its early years. The change of name was effected in 1965.

Over the past 71 years, UOB has grown with Singapore. Through a series of acquisitions, it is now a leading bank in Singapore with banking subsidiaries in Malaysia, Thailand and Indonesia. Today, the UOB Group has a network of 502 offices in 18 countries and territories in Asia-Pacific, Western Europe and North America.

Besides Far Eastern Bank in Singapore, UOB's banking subsidiaries include United Overseas Bank (Malaysia), United Overseas Bank (Thai), PT Bank UOB Indonesia, PT Bank Buana Indonesia and United Overseas Bank Philippines.

UOB provides a wide range of financial services through its global network of branches/offices and subsidiaries/associates: personal financial services, private banking, trust services, commercial and corporate banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management, general insurance, life assurance and stockbroking services.

In Singapore, UOB is a recognised leader in the personal loans business and its total card base of 1.3 million firmly places it in the top position in credit and debit cards. It is also the market



Our Mission

To be a premier bank in the Asia-Pacific region, committed to providing quality products and excellent service.

leader in loans to small and medium-sized enterprises. Its fund management arm, UOB Asset Management, has the distinction of being Singapore's most awarded fund manager.

Through other subsidiaries, as well as associates, UOB also has diversified interests in travel, leasing, property development and management, hotel operations and general trading.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B for Bank Financial Strength, and Aa3 and Prime-1 for long-term and short-term deposits respectively.

In 2005, UOB was again awarded recognition by leading publications, organisations and the investment community. They include: Best Corporate Governance – Singapore (Euromoney), Best Domestic Bank for local currency cash management services – Thailand THB for Fls (Asiamoney), Best Deposit-Linked Product Award 2004 – UOB FirstZero Home Loan (The Asian Banker), Most Valuable Singapore Brand (International Enterprise Singapore), Innovation in Data Warehousing (Informatica), SuperBrands Award – Gold (Reader's Digest).

Singapore	69
Indonesia	204
Thailand	155
Malaysia	39
China	10
Hong Kong	7
Taiwan	3
USA	3
Australia	2
Brunei	2
Canada	1
France	1
Japan	1
Myanmar	1
Philippines	1
South Korea	1
United Kingdom	1
Vietnam	1

As at 31 December 2005

502 offices around the world





Wee Cho Yaw
Chairman & Chief Executive Officer

“Leveraging on our strengths in SME lending and consumer banking in Singapore, I am confident that we will be able to grow these two businesses in the region.”

Overview of 2005

2005 was a year of “有惊无险” (many fears but no major catastrophe). There were fears of an avian flu pandemic and rising oil prices derailing the world economy. Bombings in London and Bali were grim reminders of the threats posed by terrorists around the world. Despite all these, however, the world economy moved at a steady course. In Asia, China reported a sterling growth of 9.9%, while Singapore registered GDP growth of 6.4%, exceeding the government’s earlier forecast of 3% to 5%.

In line with our focus on the Asian region, the UOB Group further extended its operations in the area in 2005. Our 23% equity interest in PT Bank Buana Indonesia (Bank Buana) was raised to 61.1% in December. A listed bank with 190 branches in Indonesia, Bank Buana will work closely with our 99%-owned PT Bank UOB Indonesia (UOB Indonesia).

In Thailand, the year was spent on merging and integrating the operations of our two banking subsidiaries, the former Bank of Asia and UOB Radanasin Bank. Thanks to the hard work and dedication of our Thai colleagues and their Singapore counterparts, legal merger and operational integration were successfully completed on 28 November 2005. The merged bank, United Overseas Bank (Thai) Public Company Limited [UOB (Thai)] had total assets of \$8.2 billion and 154 branches at end December 2005.

In the Philippines, we have converted our banking subsidiary to a thrift bank (with wholesale banking and fee-based business) following the sale of the branches of United Overseas Bank Philippines (UOB Philippines) to Banco de Oro Universal Bank Group.

In December, the Bank’s wholly-owned subsidiary, UOB Cayman I Limited issued US\$500 million non-cumulative non-convertible guaranteed preference shares. The issue qualified as Tier 1 capital for the Bank, strengthening the Bank’s capital base and helping it to manage its capital structure more efficiently. The issue was oversubscribed, attesting to investor confidence in the long-term future of the Bank and the Group.

As a consequence of all these corporate developments, the Group's assets grew by 7.6% in 2005, from \$134.9 billion to \$145.1 billion. Our overseas network has grown to 502 branches and offices covering 18 countries and territories.

Profit & Dividend

In 2005, the Group's after tax profit grew by 17.7% to a record high of \$1.7 billion (2004: \$1.5 billion). Our return on shareholders' equity improved from 10.8% to 12.4%.

The new high in profit was attributable to higher income of \$3.8 billion (2004: \$3.3 billion) and lower impairment charges (excluding intangible assets) of \$173.5 million (2004: \$208.7 million).

The Group's shareholders' equity rose by 11.1% to \$14.9 billion (2004: \$13.4 billion). Non-bank loans as at end-2005 stood at \$67.1 billion, representing an increase of 4.4% over 2004's \$64.3 billion. Non-bank deposits increased by 8.2% to \$85.5 billion (2004: \$79.0 billion). Non-Performing Loans were managed down by 28.3% to \$3.9 billion (2004: \$5.5 billion). Expense to income ratio increased slightly from 37.6% to 37.9% during the year, while total staff strength rose from 13,574 to 18,816, due mainly to the inclusion of Bank Buana.

Our overseas operations (including Bank Buana) achieved a 12.6% improvement in pretax profit, from \$451 million in 2004 to \$508 million in 2005. Their contribution to the Group's total pretax profit rose from 21.2% to 22.4%.

United Overseas Bank (Malaysia) Group achieved higher net interest and fee income, but this was offset by a three-fold increase in impairment charges (excluding intangible assets). As a consequence, after tax profit dropped from \$162.2 million to \$157.1 million. Profit before impairment charges (excluding intangible assets) amounted to \$282.8 million, representing an increase of 24.4% over 2004's \$227.3 million.

In Thailand, the merged UOB (Thai) achieved a 29.4% increase in net profit, from \$38.7 million to \$50.1 million in 2005. Our two Indonesian subsidiaries, UOB Indonesia and Bank Buana reported a combined profit of \$73.8 million compared with \$8.5 million achieved by the former in 2004. UOB Philippines, whose branch network was sold off in December, recorded a loss of \$22.1 million (2004: \$21.2 million).

Among our Singapore subsidiaries, Far Eastern Bank Group doubled its after tax profit to \$12.8 million (2004: \$6.2 million) mainly because of higher net interest income. United Overseas Insurance also had a sterling performance, with after tax profit of \$20.7 million (2004: \$12.1 million).

The Board proposes the transfer of \$300 million to reserves. It also recommends a final dividend of 40 cents per share less 20% income tax. Together with the interim dividend of 20 cents and the special dividend in specie of United Overseas Land Limited (UOL) shares of 28.5 cents, the total dividend for 2005 would amount to 88.5 cents per share.

Corporate Developments

The Monetary Authority of Singapore has given local banks up to July 2006 to reduce their shareholdings in non-core businesses to not more than 10%.

As part of its divestment programme for its holdings in UOL, in April the Bank issued \$276.25 million exchangeable bonds due January 2006, and in July the Bank completed the distribution in specie of about 20% of the issued share capital of UOL to our shareholders. The exchangeable bonds were exchanged into around 15% of the issued share capital of UOL in December 2005 and January 2006.

The Board is studying various options to divest its holdings in Overseas Union Enterprise and Hotel Negara in the best interest of our shareholders.

2006 Prospects

Notwithstanding concerns about rising oil prices, the bird flu pandemic and more terrorist attacks, the business community is upbeat about the world economy in general and Singapore's growth in particular. Official estimate for Singapore is 4% to 6% GDP growth in 2006, but we believe that it is likely to come in at the stronger end of the range.

In 2005, Singapore's external trade hit a record high of \$716 billion. With the US economy expected to sustain its GDP growth, and widespread agreement that China, India and Japan will be the growth engines of Asia, this momentum should be maintained. Other positive indicators include the fall of unemployment rate to 2.5% and the upward trend of the property market.

At the same time, however, competition in the banking sector will continue to squeeze margins. We intend to retain market share, especially in the SME and consumer markets by improving our service standards and introducing innovative products to facilitate the business of our customers.

The ASEAN countries are also forecasting steady growth this year. I am optimistic, therefore, that our banking subsidiaries in Malaysia, Thailand and Indonesia should be able to improve on their performance. Leveraging on our strengths in SME lending and consumer banking in Singapore, I am confident that we will be able to grow these two businesses in the region.

Recognising that every business carries attendant risks, the Group will continue to bolster its risk management and compliance functions. Singapore's high standard of corporate governance will be extended to our regional banking subsidiaries and overseas operations.

The Bank targets to adopt the Basel II – Foundation Internal Rating Based (FIRB) Approach for Credit Risk and the Standardised Approach for Operational Risk by 2008.

Over the past year, we have made significant progress in this framework and are already in the advanced stage of system implementation. The Bank has started its internal validation process on its systems, models and processes, and is targeting to engage the Monetary Authority of Singapore for supervisory validation in the second half of 2006.

Acknowledgements

I thank the Board Directors for their wise counsel during the past year. In particular, I would like to record my deep appreciation to Mrs Margaret Lien Wen Hsien who resigned from the Board in April 2005.

On behalf of the Board, I would also like to thank Mr Ernest Wong Yuen Weng for his contributions as a Director from 1990. Mr Wong resigned from the Board in December 2005 to avoid any possible conflict of interest that might arise in his new career.

I extend a very warm welcome to Mr Michael Lien Jown Leam, grandson of the late Dr George Lien Ying Chow, who joined the Board last May.

My appreciation also goes to management and staff members of the Group who, in their individual ways, have contributed towards the success of the Group in 2005.

Wee Cho Yaw

Chairman & Chief Executive Officer

February 2006

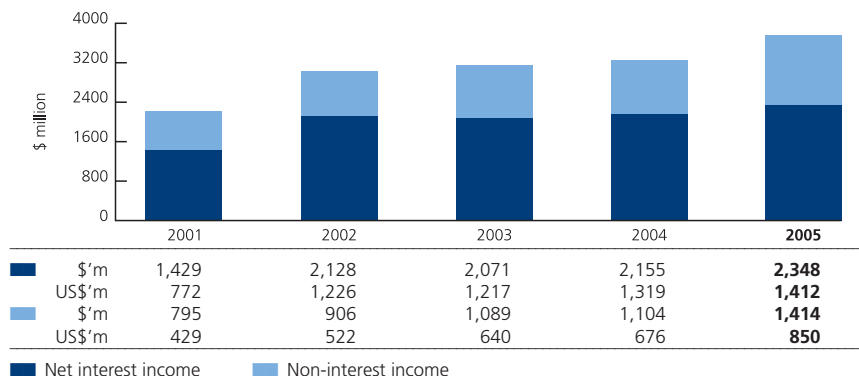
Group total income

Net interest income

2005: \$2,348 million ■ +8.9%
2004: \$2,155 million

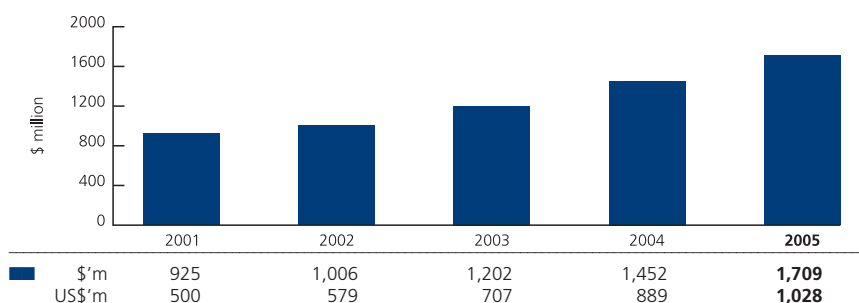
Non-interest income

2005: \$1,414 million ■ +28.1%
2004: \$1,104 million



Group net profit after tax

2005: \$1,709 million ■ +17.7%
2004: \$1,452 million



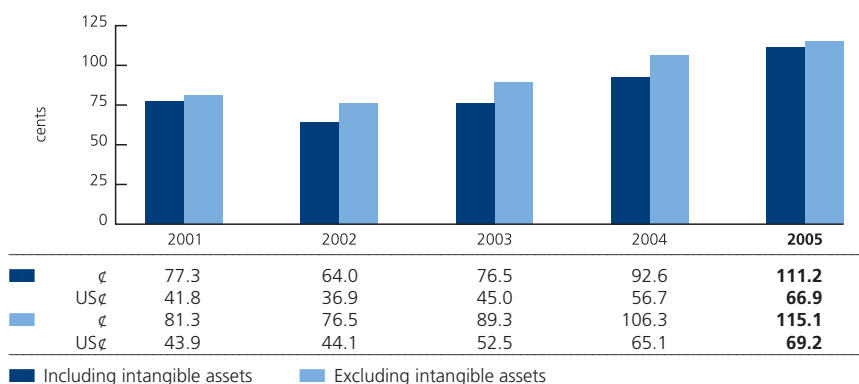
Group earnings per share

Including intangible assets

2005: 111.2 cents ■ +20.1%
2004: 92.6 cents

Excluding intangible assets

2005: 115.1 cents ■ +8.3%
2004: 106.3 cents

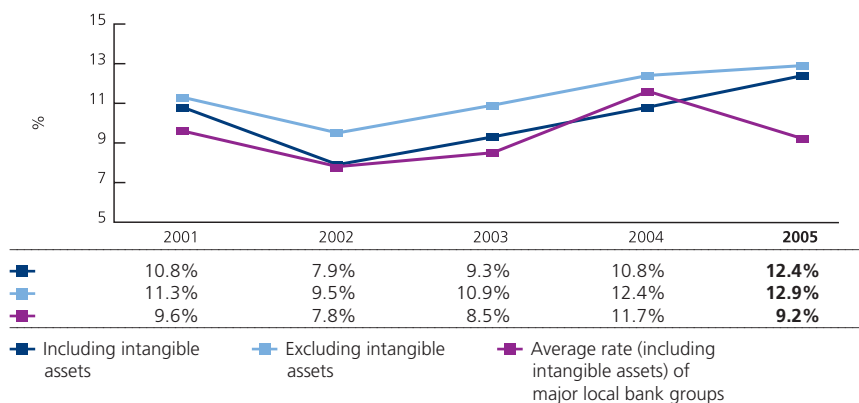


Financial Highlights

Group return on average shareholders' equity (ROE)

Including intangible assets
2005: 12.4% ■ +1.6% points
2004: 10.8%

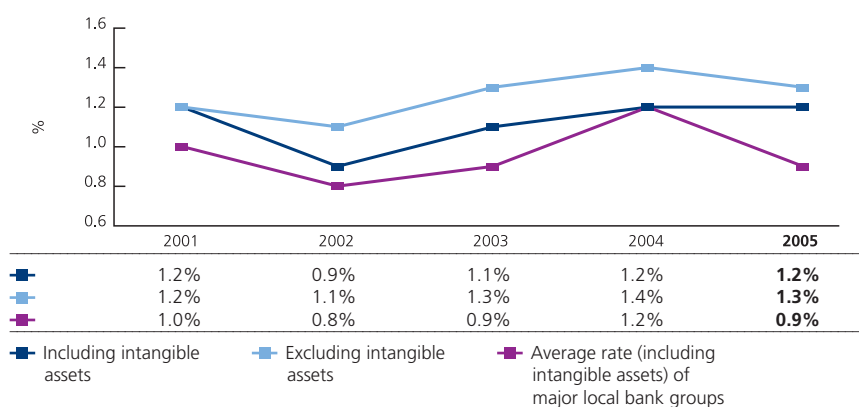
Excluding intangible assets
2005: 12.9% ■ +0.5% point
2004: 12.4%



Group return on average assets (ROA)

Including intangible assets
2005: 1.25% ■ +0.06% point
2004: 1.19%

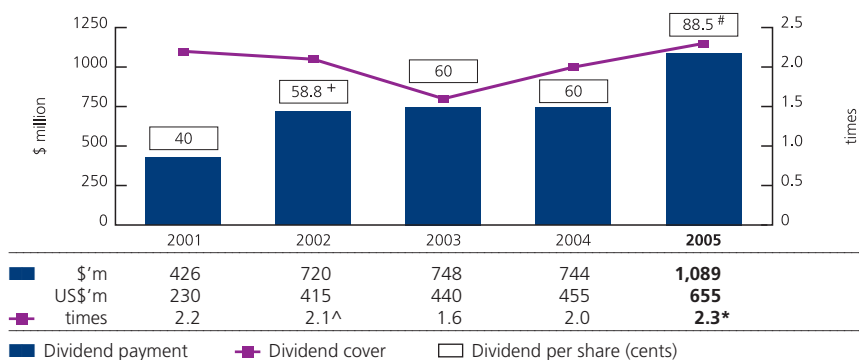
Excluding intangible assets
2005: 1.29% ■ -0.07% point
2004: 1.36%



Dividends

Dividend payment
2005: \$1,089 million ■ +46.4%
2004: \$744 million

Dividend cover
2005: 2.3 times
2004: 2.0 times



+ Includes special dividend in specie of 18.8 cents.

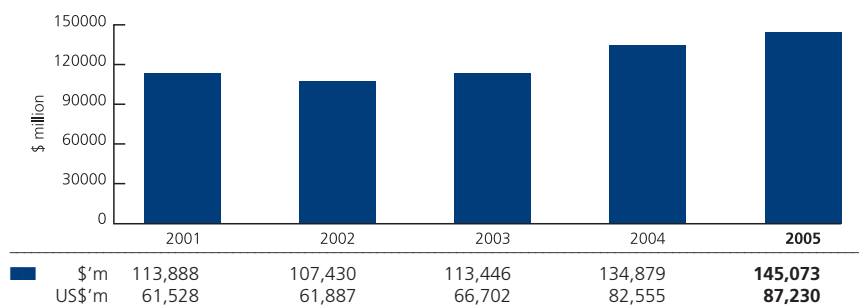
[^] Dividend cover is 1.4 times for 2002 if the special dividend in specie of 18.8 cents is included.

[#] Includes special dividend in specie of 28.5 cents.

* Dividend cover is 1.6 times for 2005 if the special dividend in specie of 28.5 cents is included.

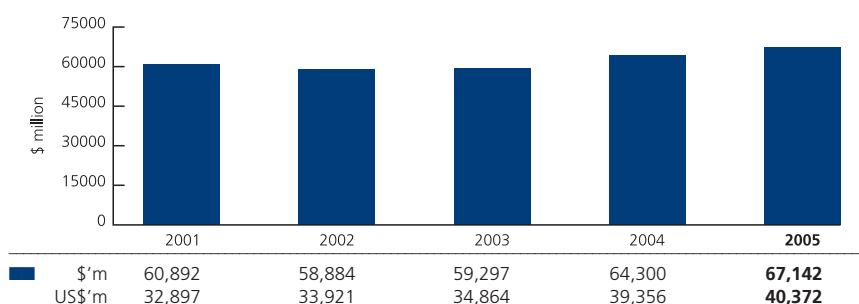
Group assets

2005: \$145,073 million ■ +7.6%
2004: \$134,879 million



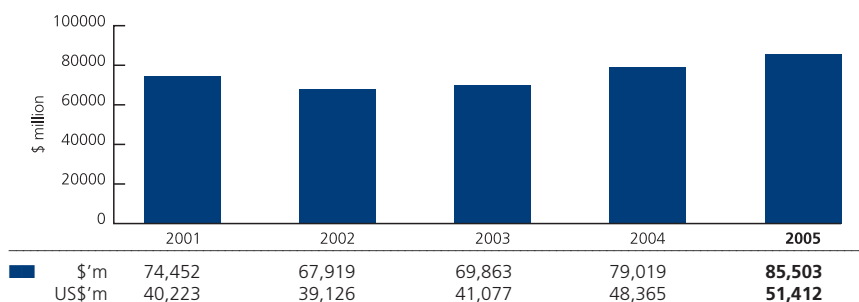
Group customer loans

2005: \$67,142 million ■ +4.4%
2004: \$64,300 million



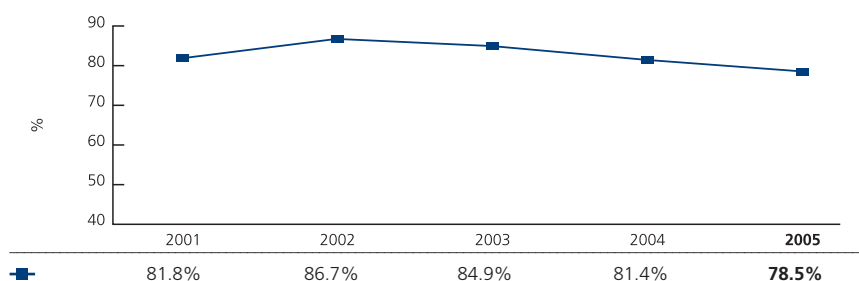
Group customer deposits

2005: \$85,503 million ■ +8.2%
2004: \$79,019 million



Group loans/deposits ratio

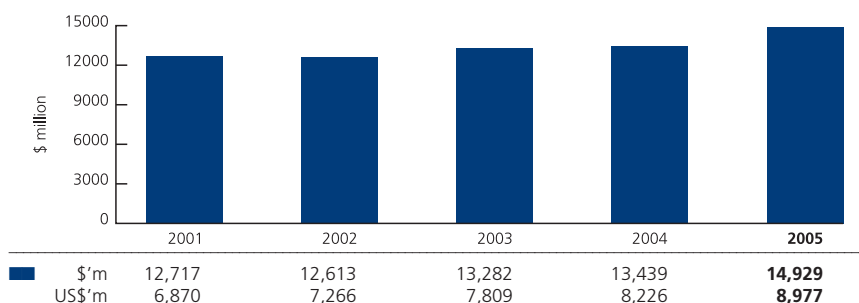
2005: 78.5% ■ -2.9% points
2004: 81.4%



Financial Highlights

Group shareholders' equity

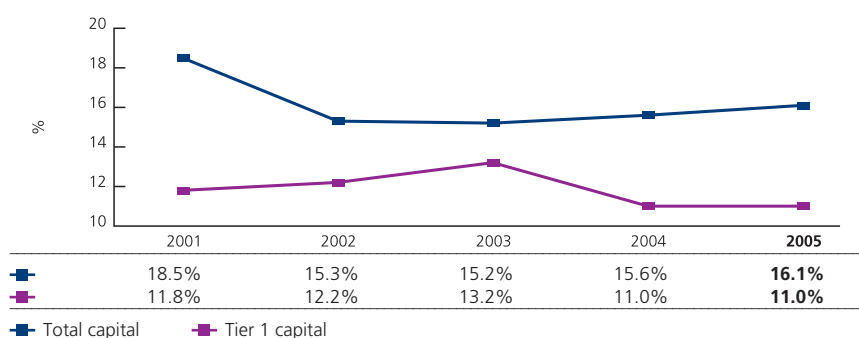
2005: \$14,929 million ■ +11.1%
2004: \$13,439 million



Group capital adequacy ratios*

Total capital
2005: 16.1% ■ +0.5% point
2004: 15.6%

Tier 1 capital
2005: 11.0% ■
2004: 11.0%

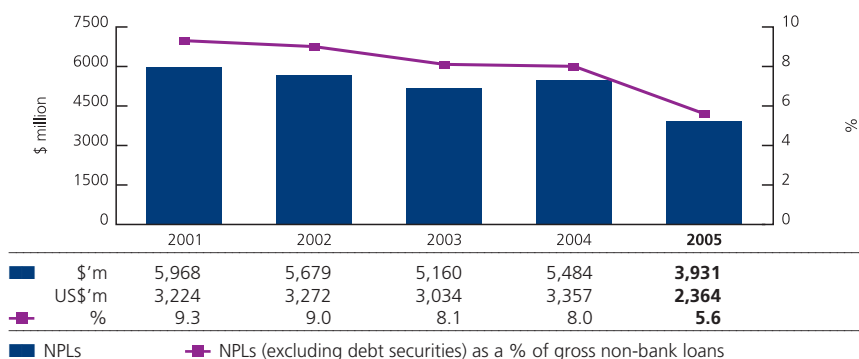


* Computed based on revised capital framework issued by MAS for 2003 to 2005, and BIS guidelines for 2001 and 2002.

Group total non-performing loans (NPLs)

NPLs
2005: \$3,931 million ■ -28.3%
2004: \$5,484 million

NPL ratio
2005: 5.6% ■ -2.4% points
2004: 8.0%

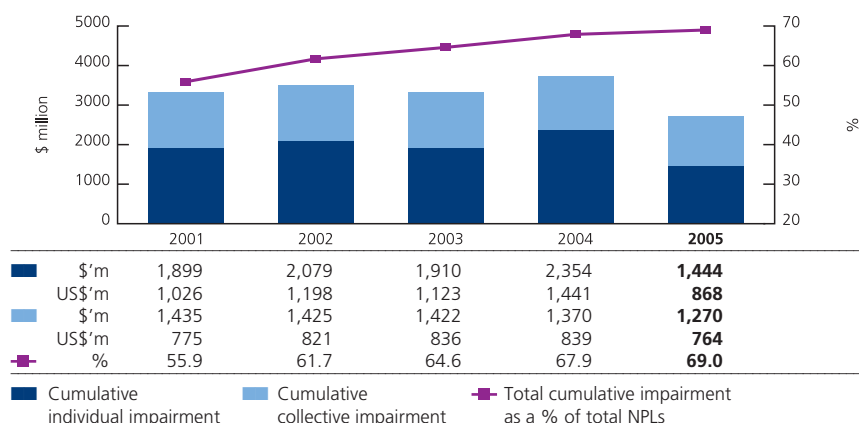


Group total cumulative impairment

Cumulative individual impairment
2005: \$1,444 million ■ -38.7%
2004: \$2,354 million

Cumulative collective impairment
2005: \$1,270 million ■ -7.3%
2004: \$1,370 million

Total cumulative impairment as a % of total NPLs
2005: 69.0% ■ +1.1% points
2004: 67.9%



Board of Directors

Mr Wee Cho Yaw
(Chairman & Chief Executive Officer)

Mr Wee Ee Cheong
(Deputy Chairman & President)

Mr Ngiam Tong Dow

Prof Cham Tao Soon

Mr Wong Meng Meng

Mr Philip Yeo Liat Kok

Mr Tan Kok Quan

Prof Lim Pin

Mr Ng Boon Yew

Mr Michael Lien Jown Leam
(Appointed on 3.5.2005)

Executive Committee

Mr Wee Cho Yaw
(Chairman)

Mr Wee Ee Cheong

Mr Ngiam Tong Dow

Prof Cham Tao Soon

Mr Philip Yeo Liat Kok
(Appointed on 10.2.2006)

Audit Committee

Prof Cham Tao Soon
(Appointed as Chairman on 10.2.2006)

Mr Philip Yeo Liat Kok

Mr Tan Kok Quan

Mr Ng Boon Yew
(Appointed on 10.2.2006)

Nominating Committee

Mr Wong Meng Meng
(Chairman)

Mr Wee Cho Yaw

Mr Ngiam Tong Dow

Prof Cham Tao Soon

Prof Lim Pin

Mr Wee Ee Cheong
(alternate to Mr Wee Cho Yaw)

Remuneration Committee

Mr Wee Cho Yaw
(Chairman)

Prof Cham Tao Soon

Mr Philip Yeo Liat Kok

Prof Lim Pin

Secretary

Mrs Vivien Chan

Share Registrar

Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360

Auditors

Ernst & Young
10 Collyer Quay
#21-01 Ocean Building
Singapore 049315
Partner-in-charge: Mr Winston Ngan

Registered Office

80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration Number:
193500026Z
Telephone: (65) 6533 9898
Facsimile: (65) 6534 2334
Telex: RS 21539 TYEHUA
SWIFT: UOVBSGSG
Website: www.uobgroup.com

Investor Relations

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Facsimile: (65) 6538 0270
Email: InvestorRelations@UOBgroup.com

Board of Directors

from left to right:

MR WEE CHO YAW

Chairman & Chief Executive Officer

MR WEE EE CHEONG

Deputy Chairman & President

MR NGIAM TONG DOW

PROF CHAM TAO SOON

MR WONG MENG MENG

MR WEE CHO YAW

Chairman & Chief Executive Officer

Age 77. A career banker with more than 40 years of experience. Received Chinese high school education. Chairman & CEO of United Overseas Bank (UOB) since 1974.

Appointed to the Board on 14 May 1958. Last re-appointed as a Director on 27 April 2005.

Chairman of the Executive Committee since 1976. Chairman of the Bank's Remuneration Committee and member of its Nominating Committee.

Chairman of UOB subsidiaries – Far Eastern Bank, United Overseas Insurance, United Overseas Bank (Malaysia), PT Bank UOB Indonesia (*President Commissioner*), PT Bank

Buana Indonesia (*President Commissioner*) and United Overseas Bank (Thai) Public Company. Chairman of United International Securities, Haw Par Corporation, United Overseas Land, Hotel Plaza, Overseas Union Enterprise, United Industrial Corporation, and Singapore Land and its subsidiary, Marina Centre Holdings. Former Director of Singapore Press Holdings.

Honorary President of Singapore Chinese Chamber of Commerce & Industry and Pro-Chancellor of Nanyang Technological University.

Awarded Businessman Of The Year in 2001 and 1990 in the Singapore Business Awards that recognise outstanding achievements by Singapore's business community.



MR WEE EE CHEONG

Deputy Chairman & President

Age 53. A professional banker who joined United Overseas Bank (UOB) in 1979. Deputy Chairman & President of UOB since 2000.

Appointed to the Board on 3 January 1990. Last re-elected as a Director on 30 May 1998. Executive Director since 1990. Member of the Bank's Executive Committee.

Director of several UOB subsidiaries and affiliates, including Far Eastern Bank, United Overseas Insurance, United Overseas Bank (Malaysia), PT Bank UOB Indonesia (*Commissioner*), United Overseas Bank (Thai) Public Company, United International Securities, United Overseas Land and Hotel Plaza.

Director of Visa International (Asia Pacific Regional Association) and the Institute of Banking & Finance. Chairman of the Association of Banks in Singapore and ASEAN Banking Council. Council member of the Singapore Chinese Chamber of Commerce & Industry as well as member of the Board of Governors of the Singapore-China Foundation and the Advisory Board of the INSEAD East Asia Council.

Has served as Deputy Chairman of Housing & Development Board and Director of Port of Singapore Authority.

Holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from The American University, Washington DC.

MR NGIAM TONG DOW

Age 68. Chairman of Surbana Corporation Pte Ltd. Served as Chairman of Housing & Development Board from 1998 to 2003. Has a distinguished public service career, having held the post of Permanent Secretary in the Prime Minister's Office, Ministries of Finance, Trade & Industry, National Development, and Communications.

Appointed to the Board on 1 October 2001. Last re-elected as a Director on 27 April 2005. An independent and non-executive Director. Member of the Bank's Executive Committee and Nominating Committee. Director of Singapore Press Holdings and Yeo Hiap Seng. Has served as Chairman of Central Provident Fund Board, Development Bank of Singapore, Economic Development Board and Telecommunication Authority of Singapore, and as Deputy Chairman of the Board of Commissioners of Currency, Singapore.

Holds a Bachelor of Arts (Economics, Honours) from the University of Malaya, Singapore, and a Master of Public Administration from Harvard University, USA.

PROF CHAM TAO SOON

Age 66. University Distinguished Professor of Nanyang Technological University (NTU). Held the post of President of NTU from 1981 to 2002.

Appointed to the Board on 4 January 2001. Last re-elected as a Director on 8 May 2003. An independent and non-executive Director. Appointed as Chairman of the Bank's Audit Committee on 10 February 2006. Member of the Bank's Executive Committee, Nominating Committee and Remuneration Committee.

Director of UOB subsidiary, Far Eastern Bank. Chairman of NatSteel, Singapore Symphonia Company and Singapore-China Foundation. Deputy Chairman of Singapore Press Holdings, and Director of Robinson & Company, TPA Strategic Holdings and WBL Corporation. Board Member of Land Transport Authority and Singapore International Foundation. A member of the Council of Presidential Advisers. Former Director of Adroit Innovations and Keppel Corporation.

Holds a Bachelor of Engineering (Civil, Honours) from the University of Malaya, a Bachelor of Science (Mathematics, Honours) from the University of London and a Doctor of Philosophy (Fluid Mechanics) from the University of Cambridge, UK. Fellow of the Institution of Engineers, Singapore and the Institution of Mechanical Engineers, UK.

MR WONG MENG MENG

Age 57. Senior Partner of Wong Partnership. Notary Public and Senior Counsel, Supreme Court of Singapore.

Appointed to the Board on 14 March 2000. Last re-elected as a Director on 27 April 2005. An independent and non-executive Director. Chairman of the Bank's Nominating Committee. Director of UOB subsidiary, Far Eastern Bank. Director of Hi-P International Limited and Mapletree Logistics Trust Management Ltd. Honorary Legal Adviser to the Real Estate Developers' Association of Singapore.

Holds a Bachelor of Law (Honours) from the University of Singapore. Member of the Singapore International Arbitration Centre's Main Panel of Arbitrators.

Board of Directors

from left to right:

MR PHILIP YEO LIAT KOK

MR TAN KOK QUAN

PROF LIM PIN

MR NG BOON YEW

MR MICHAEL LIEN JOWN LEAM

MR PHILIP YEO LIAT KOK

Age 59. Chairman of the Agency for Science, Technology & Research (A*STAR). Recognised for his contributions to Singapore's economic development and his pioneering role in the promotion and development of the country's information technology, semiconductor, chemical and pharmaceutical industries. Brings to the Bank wide government and private sector experience over a 35-year career.

Appointed to the Board on 26 May 2000. Last re-elected as a Director on 8 May 2003. An independent and non-executive Director. Member of the Bank's Audit Committee, and

Remuneration Committee. Appointed as Member of the Bank's Executive Committee on 10 February 2006. Director of UOB subsidiary, Far Eastern Bank. Chairman of Accuron Technologies Limited, an aerospace and precision engineering company based in Singapore.

Holds a Bachelor of Applied Science (Industrial Engineering), an Honorary Doctorate of Engineering from the University of Toronto, an Honorary Doctorate of Medicine from the Karolinska Institutet, Sweden, a Master of Science (Systems Engineering) from the University of Singapore and a Master of Business Administration from Harvard University, USA.



MR TAN KOK QUAN

Age 67. Senior Partner of Tan Kok Quan Partnership. Notary Public and Senior Counsel, Supreme Court of Singapore.

Appointed to the Board on 1 October 2001. Last re-elected as a Director on 27 April 2005. An independent and non-executive Director. Member of the Bank's Audit Committee. Director of Network Foods International. Has served as Deputy Chairman of Public Utilities Board. Former Director of NH Ceramics.

Holds a Bachelor of Law (Honours) from the University of Singapore.

PROF LIM PIN

Age 70. University Professor and Professor of Medicine at the National University of Singapore (NUS). Senior Consultant at the National University Hospital.

Appointed to the Board on 1 October 2001. Last re-elected as a Director on 29 April 2004. An independent and non-executive Director. Member of the Bank's Nominating Committee and Remuneration Committee. Chairman of National Wages Council and Chairman of Bioethics Committee, Singapore. Director of Raffles Medical Group. Has served as Vice-Chancellor of NUS and Deputy Chairman of Economic Development Board. Former Board Member of Singapore Institute of Labour Studies.

Holds a Master of Arts and a Doctor of Medicine from the University of Cambridge, UK. Fellow of the Academy of Medicine of Singapore (FAMS), FRCP (London) and FRACP.

MR NG BOON YEW

Age 51. A Certified Public Accountant and Member of the Institute of Certified Public Accountants of Singapore, with more than 20 years of accounting and auditing experience in both the private and public sectors.

Appointed to the Board on 1 October 2001. Last re-elected as a Director on 29 April 2004. An independent and non-executive Director. Appointed as Member of the Bank's Audit Committee on 10 February 2006. Director of Datapulse Technology, Fischer Tech, RSH and the National Kidney Foundation. Deputy Chairman of the Practice Monitoring Sub-Committee (Accounting & Corporate Regulatory Authority). Member of the Securities Industry Council, the Board of Trustees of the Cancer Research and Education Fund and the NCC Research Fund and Council of the Association of Chartered Certified Accountants.

Former Partner-in-charge of corporate finance services and former Head of Singapore banking practice at major international accounting firm, KPMG. Has served as Chairman of the Disclosure and Accounting Standards Committee, Member of the Council on Corporate Disclosure and Governance and Council on Governance of Institutions of a Public Character and Group Chief Financial Officer of Singapore Technologies.

Fellow of the Association of Chartered Certified Accountants. Associate Member of the Institute of Chartered Accountants in England and Wales, Chartered Institute of Management Accountants, Institute of Chartered Secretaries and Administrators and Chartered Institute of Taxation.

MR MICHAEL LIEN JOWN LEAM

Age 42. Mr Lien has been a Director of UOB since May 2005. He is Executive Director of Wah Hin and Company, and Managing Director of Fundamental Capital Advisors, an Asian equity advisory company. Mr Lien was a Managing Director of Morgan Stanley, and headed its Singapore corporate finance business up to 2002. Mr Lien built up Morgan Stanley's Singapore and Indonesian corporate finance franchise from 1994, focusing on cross border mergers and acquisitions, and international financings. He has advised companies including Temasek Holdings, Singapore Technologies Group, PSA Corporation, Singapore Airlines, and PT Telkom. Before he joined Morgan Stanley, Mr Lien was responsible for equity origination at Standard Chartered Merchant Bank Asia, Singapore. Mr Lien started his career as an Assistant Director in Singapore's Ministry of Trade and Industry (MTI) in the late eighties. At MTI, he co-ordinated the implementation of the \$1 billion Tourism Masterplan, and represented the Ministry on the boards of Singapore Tourism Board (then Singapore Tourist Promotion Board) and Sentosa Development Corporation.

Mr Lien was a Colombo Plan Scholar and holds a Bachelor of Economics (First Class Honours) with double majors in Finance and Econometrics from Monash University, Australia.

Principal Officers

from left to right:

MR CHONG KIE CHEONG

MR FRANCIS LEE CHIN YONG

MR TERENCE ONG SEA ENG

MR SAMUEL POON HON THANG

MR BILL CHUA TECK HUAT

MS SUSAN HWEE

MR CHONG KIE CHEONG

*Senior Executive Vice President,
Investment & Private Banking*

Mr Chong joined UOB in January 2005. He oversees the Bank's corporate finance, capital markets, venture management and private banking businesses. Mr Chong holds a Bachelor of Social Sciences (Honours) degree in Economics from the University of Singapore. He has more than 25 years of experience in the financial industry, having held senior appointments in investment banking, international banking and finance and directorships in banks in the region.

MR FRANCIS LEE CHIN YONG

*Senior Executive Vice President,
Personal Financial Services & International*

Mr Lee joined UOB in 1980. He oversees the Bank's individual banking business and is responsible for driving the Bank's businesses outside Singapore. Prior to his appointment in Singapore in 2003, Mr Lee was heading the Bank's operations in Malaysia as Chief Executive Officer of United Overseas Bank (Malaysia). He holds a Malaysia Certificate of Education. Mr Lee has spent 26 years in UOB, holding senior positions in operations, consumer services and corporate lendings.



MR TERENCE ONG SEA ENG

*Senior Executive Vice President,
Global Treasury & Asset Management*

Mr Ong, who joined UOB in 1982, has overall responsibility for the management and growth of the Bank's global treasury and fund management businesses. He holds a Bachelor of Accountancy from the University of Singapore and has more than 20 years of experience in treasury services and operations.

MR SAMUEL POON HON THANG

*Senior Executive Vice President,
Group Credit*

Mr Poon joined UOB in 1988. He oversees credit cases arising from the consumer, corporate and SME segments. Mr Poon holds a Bachelor of Commerce (Honours) from Nanyang University and has over 25 years of experience in banking and finance. Prior to joining UOB, Mr Poon worked in other financial institutions.

MR BILL CHUA TECK HUAT

*Executive Vice President,
Delivery Channels & Operations*

Mr Chua joined UOB in 2002. He oversees the Bank's delivery channels and operational areas to ensure quality service delivery and operational efficiency. Mr Chua holds a Bachelor of Arts (Economics) and a Bachelor of Engineering (Industrial, Honours) from the University of Newcastle, Australia. He has more than 26 years of experience in wholesale and consumer banking. Prior to joining UOB, he worked in Overseas Union Bank (prior to its merger into UOB), Citibank N.A. and the Ministry of Foreign Affairs.

MS SUSAN HWEE

*Executive Vice President,
Information Technology*

Ms Hwee joined UOB in 2001. She is responsible for the strategy and provision of Information Technology (IT) services to support the growth of the Bank globally. Ms Hwee holds a Bachelor of Science from the National University of Singapore. She has over 20 years of experience in IT, and has held senior positions in technology and financial services companies, including IBM and Citibank N.A.



Principal Officers

from left to right:

MR EDDIE KHOO BOO JIN

MR LEE WAI FAI

MR QUEK CHER TECK

MR WEE JOO YEOW

MR YEO ENG CHEONG

MR EDDIE KHOO BOO JIN

*Executive Vice President,
Personal Financial Services*

Mr Khoo joined UOB in 2005. As Global Head of Personal Financial Services, he is responsible for strategising and growing the consumer banking franchise. He holds a Bachelor of Business Administration in Finance and Management from the University of Oregon, USA. Prior to joining UOB, he had 19 years of experience in consumer banking with DBS and Citibank N.A.

MR LEE WAI FAI

*Chief Financial Officer
Executive Vice President, Corporate Services*

Mr Lee joined UOB in 1989. His key responsibilities include the management of a diverse range of portfolios, from capital management, finance, tax, investor relations, group communications, property to general services. Mr Lee holds a Bachelor of Accountancy (Honours) from the National University of Singapore and a Master in Banking and Finance from the Nanyang Technological University, Singapore. He has more than 20 years of experience in finance and administration.



MR QUEK CHER TECK

*Executive Vice President,
International – Greater China*

Mr Quek joined UOB in 1979. He oversees the Bank's business in Greater China (including Hong Kong and Taiwan). Over his 27 years with the Bank, Mr Quek has held positions in various business divisions. Prior to his current appointment, he was heading the Bank's private equity business as Managing Director of UOB Venture Management Pte Ltd, a subsidiary of UOB. Mr Quek holds a Bachelor of Business Administration from the University of Singapore.

MR WEE JOO YEOW

*Executive Vice President,
Corporate Banking – Singapore*

Mr Wee joined UOB in 2002. He is responsible for managing and developing the Bank's corporate banking business in Singapore. He holds a Bachelor of Business Administration (Honours) from the University of Singapore and a Master of Business Administration from New York University, USA. A career banker with more than 30 years of corporate banking experience, Mr Wee has held senior appointments in Overseas Union Bank (prior to its merger into UOB) and First National Bank of Chicago.

MR YEO ENG CHEONG

*Executive Vice President,
Commercial Credit*

Mr Yeo joined UOB in 1986. He leads and manages the Bank's SME business. Mr Yeo holds a Bachelor of Business Administration (Honours) from the University of Singapore. He is a career banker with more than 30 years of experience in credit and marketing, including 10 years with Chase Manhattan Bank (now known as JP Morgan Chase & Co).



The UOB Group is committed to maintaining the highest standards of corporate governance. The Board of Directors ("Board") believes that good governance is essential to sustaining its business performance and safeguarding the interests of its stakeholders.

The Board's approach to corporate governance is guided by best practice recommendations and the principles in the Singapore Code of Corporate Governance 2005 ("Code"), the Banking (Corporate Governance) Regulations 2005 ("Banking Regulations 2005") and the Guidelines On Corporate Governance For Banks, Financial Holding Companies And Direct Insurers issued by the Monetary Authority of Singapore ("MAS Guidelines on Corporate Governance").

Board of Directors

Board role and responsibility: The role and responsibilities of the Board are set out in the Board Terms of Reference. In summary, the Board's responsibilities include:

- providing entrepreneurial leadership, strategic guidance and effective oversight of senior management's performance
- setting long-term strategic objectives
- approving business plans and annual budgets
- monitoring the financial performance of the Bank and the Group
- determining the capital/debt structure for the Bank
- setting dividend policy and declaring dividends
- approving major acquisitions and divestments
- reviewing the effectiveness of the Group's risk management framework
- planning for succession of board members and key management positions

The Board has formed board committees to assist in the effective discharge of specific responsibilities. The board committees are the Executive Committee, Nominating Committee, Remuneration Committee, Audit Committee and the Independent Review Committee which are described below.

Board composition and independence: There are ten Board members. Their names are set out on page 11. The Board considers that the current board size of ten is adequate.

The Board comprises two executive directors and eight non-executive directors. The Nominating Committee ("NC") reviews the independence of directors annually. During the past year, the law firms of Mr Wong Meng Meng and Mr Tan Kok Quan provided legal services to the UOB Group. As they have not allowed the relationship to affect their objectivity and independence in the discharge of their duties as directors, the NC considered them independent. The NC has determined that all directors can be considered independent except for Mr Wee Cho Yaw and Mr Wee Ee Cheong who are executive directors and Mr Michael Lien Jown Leam who is connected to a substantial shareholder.

Directors retire and submit themselves for re-election once every three years except for directors holding the positions of chairman and deputy chairman. Directors over the age of 70 years of age are subject to annual re-appointments under the Companies Act.

Board nomination and appointment process: The NC assists the Board in identifying candidates for appointment as directors. In identifying suitable candidates, the NC considers candidates on merit and against objective criteria and their availability of time to devote to the position. Before recommending an appointment, the NC will evaluate the balance of skills, knowledge and experience of the Board as a whole.

Board competency: The current Board members possess diverse corporate experiences and, as a group, provide core competencies relevant to the business of the Bank. Detailed information on the directors' experience and qualifications can be found on pages 12 to 15. New directors are briefed on the Bank's business and corporate governance practices and may also attend an orientation session appropriate to their experience. Guidance is given to all directors on regulatory requirements concerning disclosure of interests, restrictions on dealings in securities and the duties and responsibilities of directors under Singapore law. Directors are briefed on changes in relevant accounting standards and the capital requirements for banks under the Basel II capital accord. The company secretary, to whom the directors have independent access, assists the Board and keeps it apprised of relevant laws and regulations. The directors and the board committees may also seek through the company secretary such independent professional advice as they consider appropriate. The Bank has a budget for directors' training needs.

Board meetings: The Board has at least four scheduled meetings each year. Additional meetings are called when necessary. Four additional board meetings were held in 2005 to deal with specific matters. When directors are unable to be physically present, directors may participate via telephonic and/or video conference. The directors' attendance record is set out on page 27.

Chairman and Chief Executive Officer ("CEO"): The Code, MAS Guidelines on Corporate Governance and Banking Regulations 2005 require the roles of Chairman and CEO to be reposed in separate individuals but the Banking Regulations 2005 make an exception for incumbents.

Mr Wee Cho Yaw has been both Chairman and CEO of the Bank since 1974. The sustained growth of UOB under the leadership of Mr Wee shows his ability to discharge the responsibilities of both roles effectively.

The Nominating Committee had considered whether the Board should appoint a lead independent director to better address shareholders' concerns. As the Bank has in place an effective process to receive and respond to public feedback, the Nominating Committee is of the view that the appointment of a lead independent director to address shareholder concerns is not necessary.

Board Committees

There are currently four standing board committees and one ad hoc board committee appointed by the Board. The membership of the four standing board committees are set out on page 11.

Executive Committee ("Exco"): The Board delegates to the Exco certain discretionary limits and authority for granting loans and other credit facilities, treasury and investment activities, capital expenditure, budgeting and human resource management. Senior management draws up the Bank's annual budget and business plan for the Board's approval. Senior management carries out the approved business strategies, implements appropriate systems of internal accounting and other controls, institutes a risk management framework and monitors for compliance. Senior management adopts suitably competitive human resource practices and remuneration policies for achieving the business strategies and ensures that the Bank operates within the expense budget.

The Exco is also tasked with the oversight of the risk profile of the Bank. The responsibilities of the Exco on risk management include reviewing regular risk management reports on risks faced in the Group's business and how they are controlled and monitored by management. The Exco also reviews the adequacy of the Group's risk management framework. The Exco meets monthly to receive management's reports on these matters.

Nominating Committee ("NC"): The NC reviews the composition of the Board and board committees. It reviews nominations of directors for appointment to the board and board committees and to the key executive positions of CEO, president, deputy president and chief financial officer. On an annual basis, the NC assesses the independence and performance of the directors and the Board. In assessing the performance of each director, the NC makes reference to a set of criteria, including the directors' attendance record, overall preparedness, participation, candour and clarity in communication, maintenance of expertise relevant to the Group, strategic insight, financial literacy, business judgment and sense of accountability. The NC meets at least once a year and the membership of the NC is reviewed every year.

Remuneration Committee ("RC"): The RC makes recommendations to the Board on directors' fees and allowances, remuneration of the executive directors and granting of share options to employees. RC members abstain from deliberations in respect of their own remuneration.

The remuneration policy of the Bank seeks, inter alia, to align the interests of employees with those of the Bank, to reward and encourage performance based on the Bank's core values and to ensure that remuneration is commercially competitive to attract and retain talent. The typical remuneration package comprises fixed and variable components, with the base salary making up the fixed component. The variable component can be in the form of a performance bonus and/or share options.

Annually, the Board submits directors' fees as a lump sum for shareholders' approval. The sum is divided among the directors with those having additional responsibilities as chairman or members of board committees receiving a higher portion of the approved fees. Details of the total fees and other remuneration of the directors are set out in the Directors' Report on page 83. As disclosed in the Directors' Report on page 84, no options were granted to the directors of the Bank during the financial year.

The Bank's top five executives are remunerated competitively at comparable market levels on a performance-related basis. The Bank believes that it is not in the best interest of the Bank to disclose details of the remuneration of its top five key executives. There is no immediate family member (as defined in the Singapore Exchange's Listing Manual) of a director in the employ of the Bank whose annual remuneration exceeds \$150,000, except for Mr Wee Ee Cheong, the son of Mr Wee Cho Yaw, whose annual remuneration is disclosed in the Directors' Report on page 83.

The Code and the MAS Guidelines on Corporate Governance recommend that the chairman of the RC should be an independent and non-executive director. Similarly, the Banking Regulations 2005 also require the chairman of the RC to be independent but make an exception for incumbents. The Board is of the view that Mr Wee Cho Yaw, the incumbent RC chairman, is the best person to chair the committee. The RC meets at least once a year.

Audit Committee ("AC"): The AC carries out the functions set out in the Code, MAS Guidelines on Corporate Governance, Banking Regulations 2005 and Companies Act. The AC's terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal and external audit procedures, the adequacy of internal audit resources, the cost effectiveness, independence and objectivity of external auditors, the significant findings of internal audit investigations and interested person transactions. The reviews are made with the internal and external auditors, the chief financial officer and/or other senior management staff, as appropriate. Annually, the AC also nominates the external auditors. The AC has nominated Messrs Ernst & Young for re-appointment as auditors for shareholders' approval at the forthcoming annual general meeting.

The AC reviews with the internal and external auditors their evaluation of the Bank's systems of internal controls and risk management processes, and reports the results of its review to the Board. The AC notes that in establishing a system of internal controls, due consideration has to be given to the materiality of the relevant risks, the probability of loss and the costs that would be incurred in implementing the control measures.

The AC reviews and discusses with management and the external auditors, the UOB Group's audited financial statements for the financial year 2005, the quality of the accounting principles that are applied and their judgement on items that might affect the financials. Based on the review and discussion, the AC would then form its view as to whether the financial statements are fairly presented in conformity with generally accepted accounting principles in all material aspects.

The AC also reviews the financial, business and professional relationships between the external auditors and the Bank. External auditors are requested to affirm quarterly that their independence and objectivity has not been affected by any business or other relationship with the Group. If there are non-audit services provided by the external auditors to the Group, the AC will form its own view as to whether the volume and nature of the non-audit services provided would be likely to affect the independence and objectivity of the external auditors.

The AC has the power to conduct or authorise investigations into any matter within its terms of reference. The AC is given resources for the proper discharge of its duties.

The AC meets separately with the internal auditor and the external auditors and also meets among themselves in the absence of management, when necessary. Last year, the AC held four meetings. Based on the information provided to the AC, nothing has come to the attention of the AC that would cause the AC to believe that the system of internal controls and risk management is inadequate.

Independent Review Committee ("IRC"): Local banks are required by law to divest their non-core assets by July 2006. The Board formed the IRC as an ad hoc committee to assist the Board to examine proposals for divestment of the Bank's non-core assets.

The members of the IRC are Professor Cham Tao Soon, Mr Philip Yeo Liat Kok and Mr Ng Boon Yew who are independent directors. The IRC meets as and when necessary.

Internal Controls: Internal control procedures are put in place in UOB for safeguarding assets, maintaining proper accounting records and reliability of financial information. Such procedures are designed to manage risks and to provide reasonable assurance against material errors, losses or fraud.

The key internal control procedures include the following:

- functional, operational, financial and management reporting standards which are established by Head Office for application across the Group.
- systems and procedures to identify, control and report on major risks, including credit, market, liquidity, operational errors, breaches of law and regulations, unauthorised activities and fraud.
- Head office control is exercised over all computer system developments and operations and common systems are employed where possible.
- Head office sets policies, procedures and standards for application throughout the Group in the areas of credit lending, product lines, services, treasury and investment activities, finance, legal and regulatory compliance, internal audit, computer systems and operations, human resources and property management.

The AC has reviewed the effectiveness of the system of internal control and has reported accordingly to the Board.

The Directors, through the AC, have conducted an annual review of the effectiveness of UOB's system of internal control including financial, operational and compliance controls and risk management. The Board derived reasonable assurance from reports submitted to it that the internal control systems, including financial, operational and compliance controls and risk management processes, which are designed to enable the Bank to meet its business objectives while managing the risks involved, are satisfactory for the Bank's business as presently conducted.

Internal Audit

The Group has a well-established internal audit function ("Group Audit"). Group Audit which reports to the AC and administratively to the Chairman and CEO, assists the Board in assessing and reporting on business risks and the internal controls of the Group. Group Audit operates within the framework defined in its Audit Charter. It has adopted the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. In addition, Group Audit was awarded the ISO 9001 (2000) Certification by the UK and USA Accreditation Services in August 2001 and is subject to semi-annual inspections for re-certification. There are formal procedures for Group Audit to report its audit findings to management and to the AC. The AC reviews the Group Audit's annual audit plan at the beginning of each year and reviews the results of the audits at subsequent AC meetings.

The scope of Group Audit covers the audit of all the Bank's units and operations, including its overseas branches and subsidiaries. The audits carried out on the Bank's units and operations are prioritised based on audit risk assessments. Group Audit's responsibilities include but are not limited to the audits of operations, lending practices, financial controls, management directives, regulatory compliance, information technologies and the risk management process of the Bank. Group Audit focuses its efforts on performing audits in accordance with the audit plan which is prioritised based on a comprehensive audit risk assessment of all auditable areas identified in the UOB Group. The structured audit risk assessment approach ensures that all risk-rated auditable areas are kept in view to ensure proper

coverage and audit frequency. The risk-based audit plan is reviewed annually taking into account the changing business and risk environment.

Group Audit participates actively in major systems development activities and project committees to advise on risk management and internal control measures. In addition, Group Audit audits the various application systems in production, data centres, network security and the Information Technology sector, paying special attention to key Internet banking and e-commerce application systems. Group Audit uses the Control Objectives for Information and Related Technology (COBIT) for evaluating the internal controls of systems.

The banking subsidiaries, United Overseas Bank (Malaysia), PT Bank UOB Indonesia, PT Bank Buana Indonesia, United Overseas Bank (Thai) Public Company and United Overseas Bank Philippines, each has its own internal audit function and is also subject to the local regulations. The head of internal audit in each of the banking subsidiaries reports to the respective local Audit Committees, where applicable, and to Group Audit and administratively, to the local CEO. They are required to provide a monthly report on audit activities and significant issues to the Chief of Group Audit. Group Audit conducts audits of selected business areas and reviews the internal audit work of each of the banking subsidiaries. The Chief of Group Audit also attends the Audit Committee meetings of each of the banking subsidiaries by invitation.

During the year, the chief internal auditor resigned and was replaced by Mr Victor Ngo whose curriculum vitae is given below.

Mr Victor Ngo
Group Chief Auditor

Mr Victor Ngo joined UOB in March 2004. He holds a Bachelor of Applied Science in Computing Science & Operations Management, a Post Graduate Diploma in Accounting, and a Master of Business Administration from Australian universities. Mr Ngo is a Certified Practising Accountant (Australia) as well as a Certified Information Systems Auditor. In addition, he has 17 years of internal audit, compliance and information technology experience in the banking industry.

Risk Management

As the management of risk is fundamental to the financial soundness and integrity of the Group, risk evaluation forms an integral part of the Group's business strategy development. The risk management philosophy is that all risks taken must be identified, measured, monitored and managed within a robust risk management framework, and that returns must be commensurate with the risks taken.

The Board has overall responsibility for determining the type and level of business risks that the Group undertakes to achieve its corporate objectives. The Board has delegated to various committees the authority to formulate, review and approve policies and limits on monitoring and managing risk exposures. The major policy decisions and proposals on risk exposures approved by these committees are subject to review by the Exco.

The various committees comprise top management and senior executives of the Bank who meet regularly to deliberate on matters relating to the key types of risks under their respective supervision. The key risks are credit and country risk, balance sheet risk, liquidity risk, market risk, operational and reputational risk.

The **Credit Committee** deals with all credit as well as country/transfer risk matters, including approval of credit applications, formulation of credit policies and the review of existing credit facilities.

The **Asset Liability Committee** formulates, reviews and approves policies, limits and strategies regarding the balance sheet structure, liquidity needs and trading activities.

The **Investment Committee** formulates, reviews and approves policies, limits and strategies regarding the investment and management of funds.

The **Computer Committee** determines and oversees the prioritisation of the Group's investments in IT as well as the resources committed to the development of the Group's technology strategy and infrastructure, and ensures that these are in line with the Group's business strategy.

The **Management Committee** formulates, reviews and approves policies and strategies relating to the monitoring and management of operational risks of the Group across all business and support units, as well as those relating to anti-money laundering measures. Under the Group Operational Risk Management framework, business and support units identify significant operational risks relating to their respective areas of operations and continually assess and monitor these risks through the Operational Risk Self Assessment (ORSA) process complemented by Key Operational Risk Indicators (KORIs).

The **Management Executive Committee**, a newly-formed committee, makes recommendations on strategic directions of the Group to the Board, monitors the execution of strategic plans, determines the allocation of resources, oversees the management of capital and monitors key performance indicators. It also reviews risk management policies and determines key human resource policies.

The **Risk Management** function which is independent of the business units, performs the role of implementing risk management policies and procedures. The process by which the Group's risk exposures are monitored and managed is detailed under the section 'Risk Management' on pages 28 to 51.

The **Group Compliance** function is also an independent function. It performs the role of safeguarding the Group against regulatory and reputational risks. It does this through appropriate policies and procedures for compliance with all applicable laws, regulations and professional standards and embedding them into the internal control system. The policies set out the procedures for safeguarding the Bank from being sanctioned or fined for regulatory non-compliance and includes procedures for deterring money laundering and terrorist financing. Group Compliance also conducts training to familiarise staff with their compliance obligations.

Interested Person Transaction

In June 2005, Messrs Wong Partnership, a law firm in which Mr Wong Meng Meng is a partner, renewed for three months the lease of its office premises at 80 Raffles Place #42-02, UOB Plaza 1, Singapore 048624, a property owned by the Bank. The lease rental was supported by an independent professional valuation. The lease expired on 30 September 2005 and was not renewed further.

In June 2005, UOB Venture Management (Shanghai) Co., Ltd, a subsidiary of the Bank, sold a 40.1% stake in UOB Investment Consultancy (Beijing) Limited ("UOBICB") for a cash consideration of RMB2.117 million (\$431,000) to KLC Holdings Ltd, a company controlled by the family of Mr Wee Cho Yaw, the Chairman and CEO of the Bank. The consideration which was based on UOBICB's net tangible assets as at 31 December 2004, was supported by an independent valuation.

Communication with shareholders

The Board keeps shareholders updated on the business and affairs of the Bank through the quarterly release of the Bank's results, the timely release of relevant information through the SGXNET of the Singapore Exchange and the publication of the Bank's annual report. Shareholders are given the opportunity to raise relevant questions and communicate their views at shareholders' meetings. The Bank also holds media and analysts' briefings of its results. The Bank does not practise selective disclosure of information. Shareholders and investors can visit the Bank's investor relations website at www.uobgroup.com for the latest information on the Bank.

Ethical standards

The Bank has adopted the Association of Banks in Singapore's Code of Conduct, which sets out the standards of good banking practice, for all staff and has drawn up guidelines for compliance. The Bank has also adopted the Singapore Exchange's Best Practices Guide with respect to dealings in securities and has developed a Code on Dealings in Securities for the guidance of directors and officers. In addition, the Bank manages its business according to the core values of integrity, performance excellence, teamwork, trust and respect, to which staff subscribe and are assessed on. The Bank has a whistle blowing policy for staff to bring to the attention of Management, Internal Audit or Group Compliance any concern, suspected breach or fraud, or activity or behaviour that may not accord with the law, Code of Conduct and the Bank's policies.

Directors' attendance 2005

Name of Director	Number of meetings attended in 2005					
	Board of Directors	Executive Committee	Audit Committee	Nominating Committee	Remuneration Committee	Independent Review Committee
Mr Wee Cho Yaw	8	11	–	2	1	–
Mr Wee Ee Cheong	8	11	–	–	–	–
Mr Ngiam Tong Dow	8	11	–	2	–	–
Mr Ernest Wong Yuen Weng (resigned on 31 December 2005)	6	–	3	–	–	1
Mr Wong Meng Meng	7	–	–	2	–	–
Mr Philip Yeo Liat Kok	4	–	2	–	1	1
Prof Cham Tao Soon	6	10	4	1	1	1
Mr Tan Kok Quan	4	–	3	–	–	–
Prof Lim Pin	6	–	–	2	0	–
Mrs Margaret Lien Wen Hsien (resigned on 30 April 2005)	3	–	–	–	–	–
Mr Ng Boon Yew	7	–	–	–	–	–
Mr Michael Lien Jown Leam (appointed on 3 May 2005)	5	–	–	–	–	–
No. of meetings held in 2005	8	11	4	2	1	1