

Building a Premier Regional Bank

Analysts' Briefing Full Year 2002 Results

**Address by
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28 February 2003

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. These should be considered with or without 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.

Performance at a glance

	2002	2001	Increase / (Decrease)	
			Amount	%
Net Profit After Tax (NPAT) - \$m	1,064	925	139	15.1
NPAT (excluding goodwill) - \$m	1,260	972	288	29.6
Net Customer Loans - \$m	58,884	60,892	(2,008)	(3.3)
Non-Performing Loans - \$m	5,679	5,968	(289)	(4.8)
Cumulative Provisions - \$m	3,504	3,334	170	5.1
Customer Deposits - \$m	67,919	74,452	(6,533)	(8.8)
Total Assets - \$m	107,469	113,888	(6,419)	(5.6)
ROE - excluding goodwill (%)	9.8	11.3	(1.5% pt)	nm
ROA - excluding goodwill (%)	1.16	1.22	(0.06% pt)	nm
Expense to Income Ratio (%)	34.9	39.3	(4.4% pt)	nm
Dividend Rate (%)	58.8	40.0	18.8% pt	nm
NAV Per Share (\$)	8.05	8.09	(0.04)	(0.5)

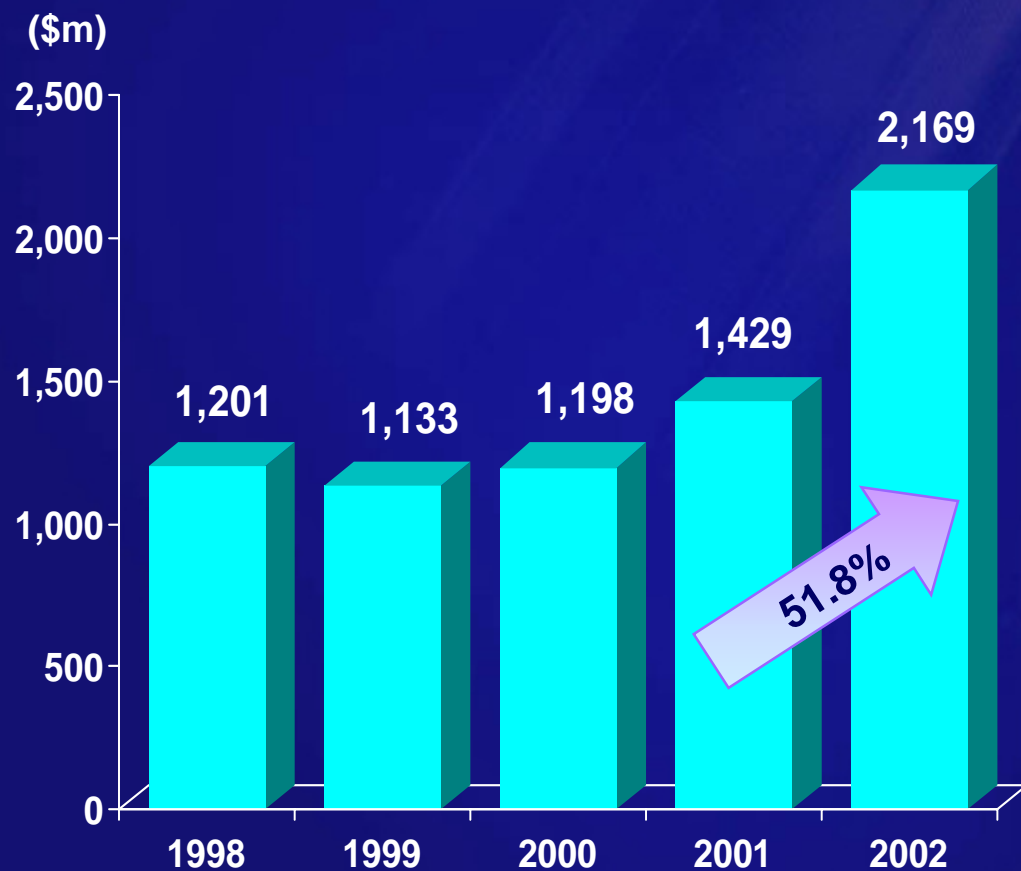
nm : not meaningful

Continuing our steady Financial Performance

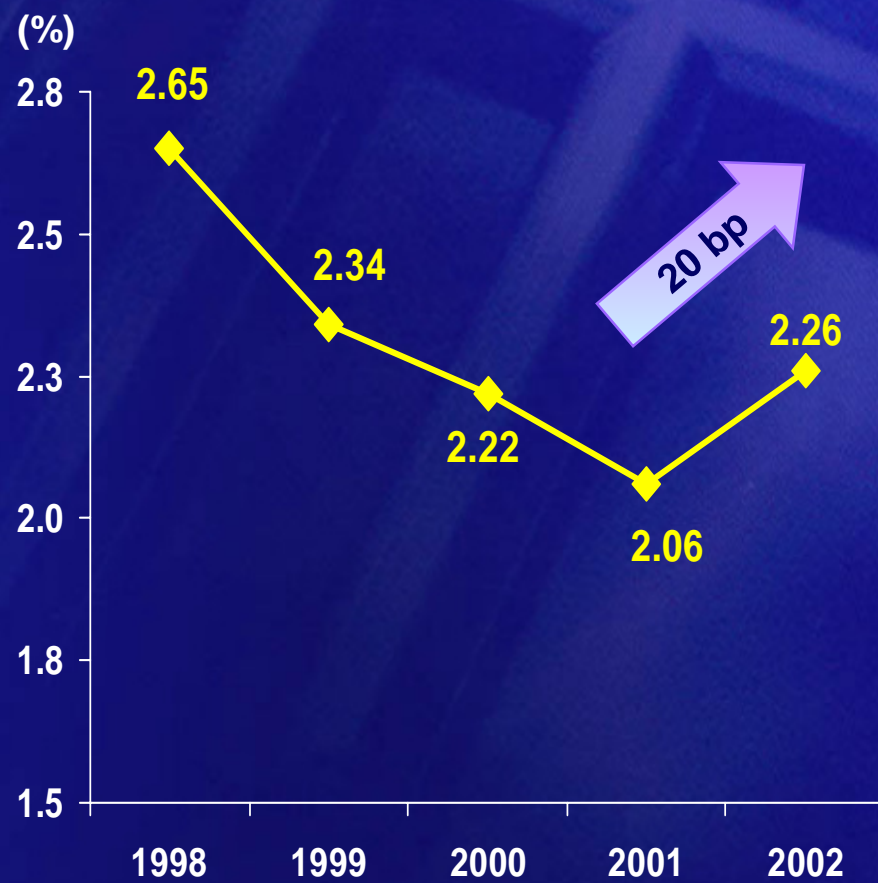
	2002	2001	Inc / (Dec)	
	\$m	\$m	\$m	%
Net Interest Income	2,169	1,429	740	51.8
Non-Interest Income	910	795	115	14.5
Total Income	3,079	2,224	855	38.4
Less: Operating Expenses	1,074	874	200	22.9
Operating Profit before Goodwill and Provisions	2,005	1,350	655	48.5
Less: Goodwill amortisation	196	48	148	309.1
Provisions	451	165	286	174.0
Operating Profit after Goodwill and Provisions	1,358	1,138	220	19.4
Exceptional Item	(48)	(12)	36	300.6
Share of Profit of Associates	123	72	51	71.6
Profit before Tax & Minority Interests	1,434	1,198	236	19.7
Less: Tax & Minority Interests	369	273	96	35.3
Net Profit After Tax	1,064	925	139	15.1

Higher Net Interest Income from expanded loan base and improved margin

Net Interest Income

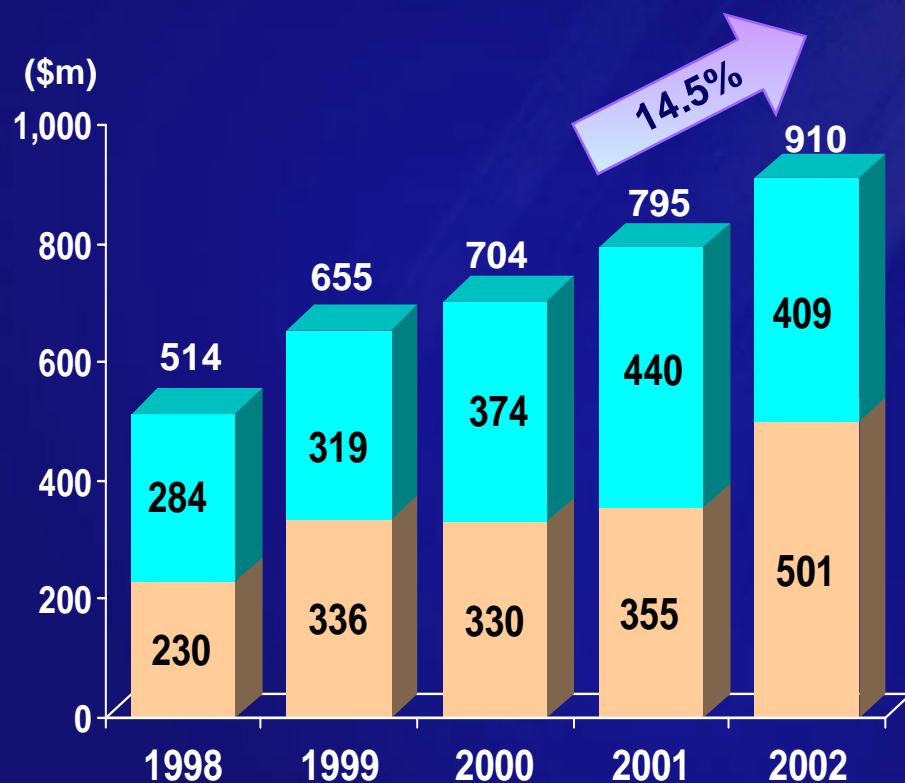


Net Interest Margin



Moderate growth in Non-Interest Income

Non-Interest Income (Non-NII)



Non-NII /Total Income :

30.0% 36.6% 37.0% 35.7% 29.6%

■ Fee & commission income ■ Other Non-interest income

Composition of Non-Interest Income

(\$m)

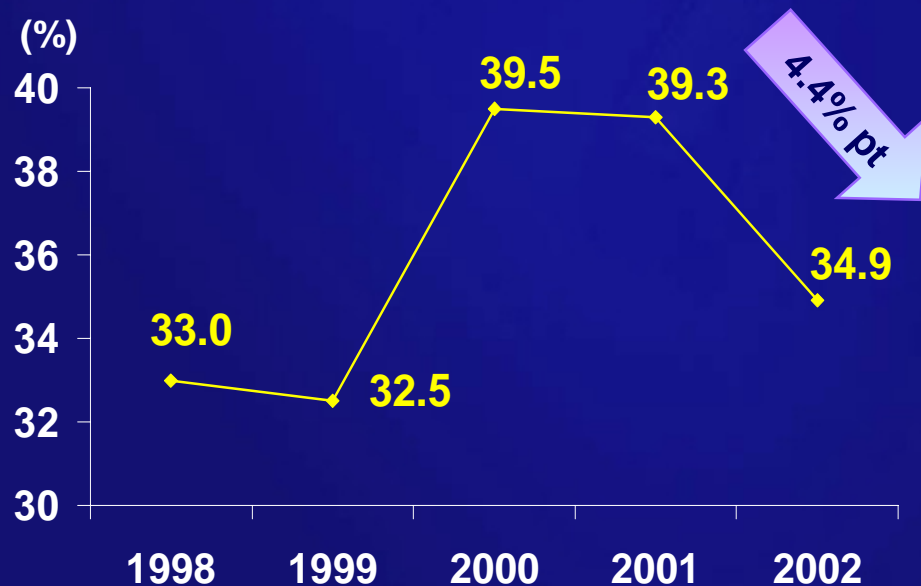
Fee & Comm
Dividend & Rental
Dealing Income
- FX/Securities
Other Income
Non-Interest Income

2002	2001	Inc/(Dec)	
		Amt	%
501	355	146	40.9
110	110	-	0.6
140	217	(77)	(35.6)
159	113	46	41.1
910	795	115	14.5

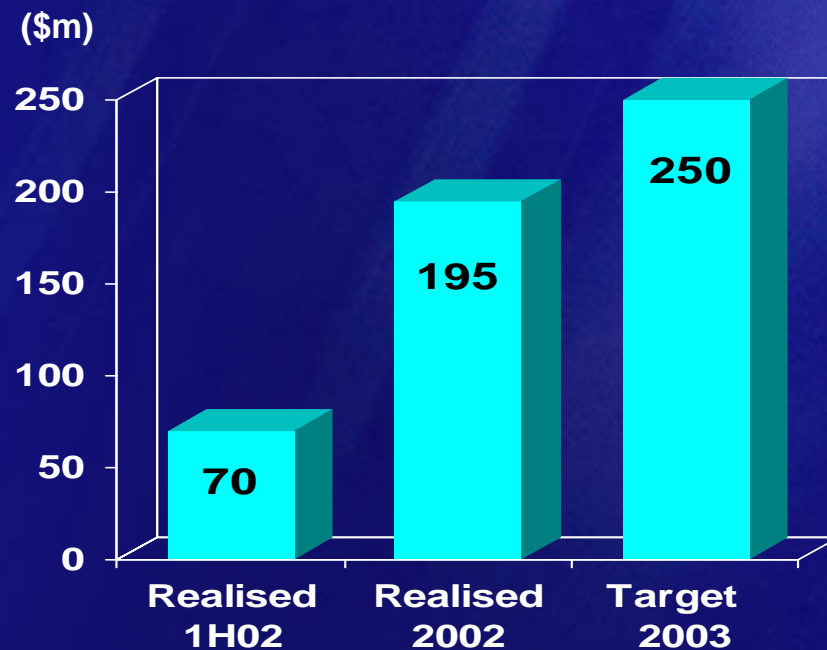
Effectively managing our Costs

	2002 \$m	2001 \$m	Inc/(Dec)	
			\$m	%
Staff Costs	536	443	93	21.2
Other Operating Expenses	538	431	107	24.7
Total	1,074	874	200	22.9

Expense to Income Ratio



Cost Savings - Integration



Continue to invest in IT for strategic advantage

IT Operating Expenses

	2002	2001	Increase	
	\$m	\$m	\$m	%
IT Operating Expenses	199	153	46	30.1
Non IT Operating Expenses	875	721	154	21.4
Total Operating Expenses	1,074	874	200	22.9
IT Operating Expenses / Total Operating Expenses (%)	18.6	17.5	1.1% pt	

Respectable Net Profit growth amidst uncertain market conditions

Net Profit After Tax



	2001 Profit	925
	<u>Positive Factors</u>	
↑	Net interest income	740
↑	Non-interest income	115
↑	Pre-tax Associates' profits	51
	<u>Negative Factors</u>	
↑	Operating expenses	(200)
↑	Goodwill amortisation	(148)
↑	Provisions charged	(286)
↑	Exceptional item	(36)
↑	Tax and MI	(96)
	2002 Profit	1,064

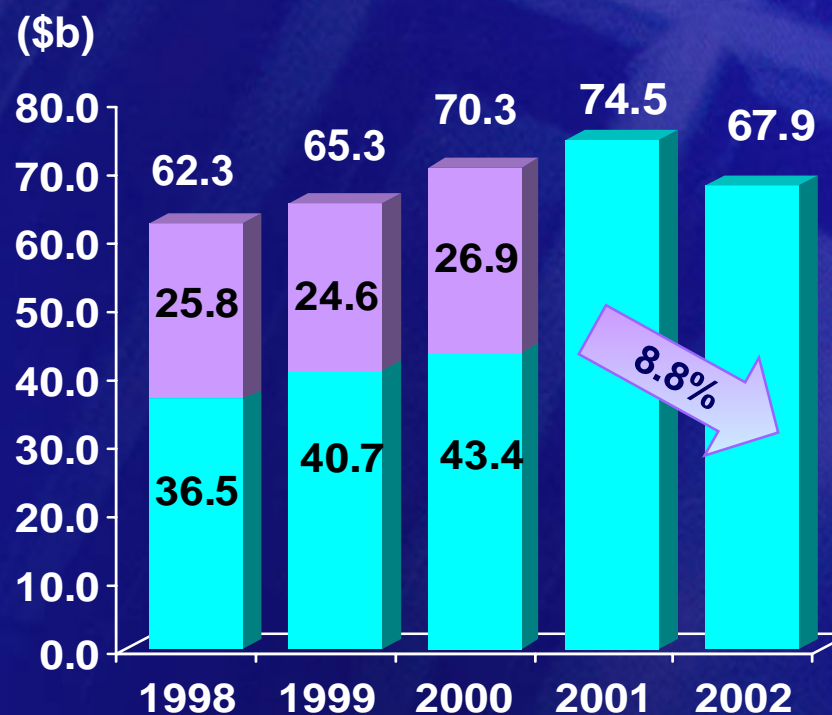
Slight decline in Loans and Deposits

Customer Loans



■ OUB Group

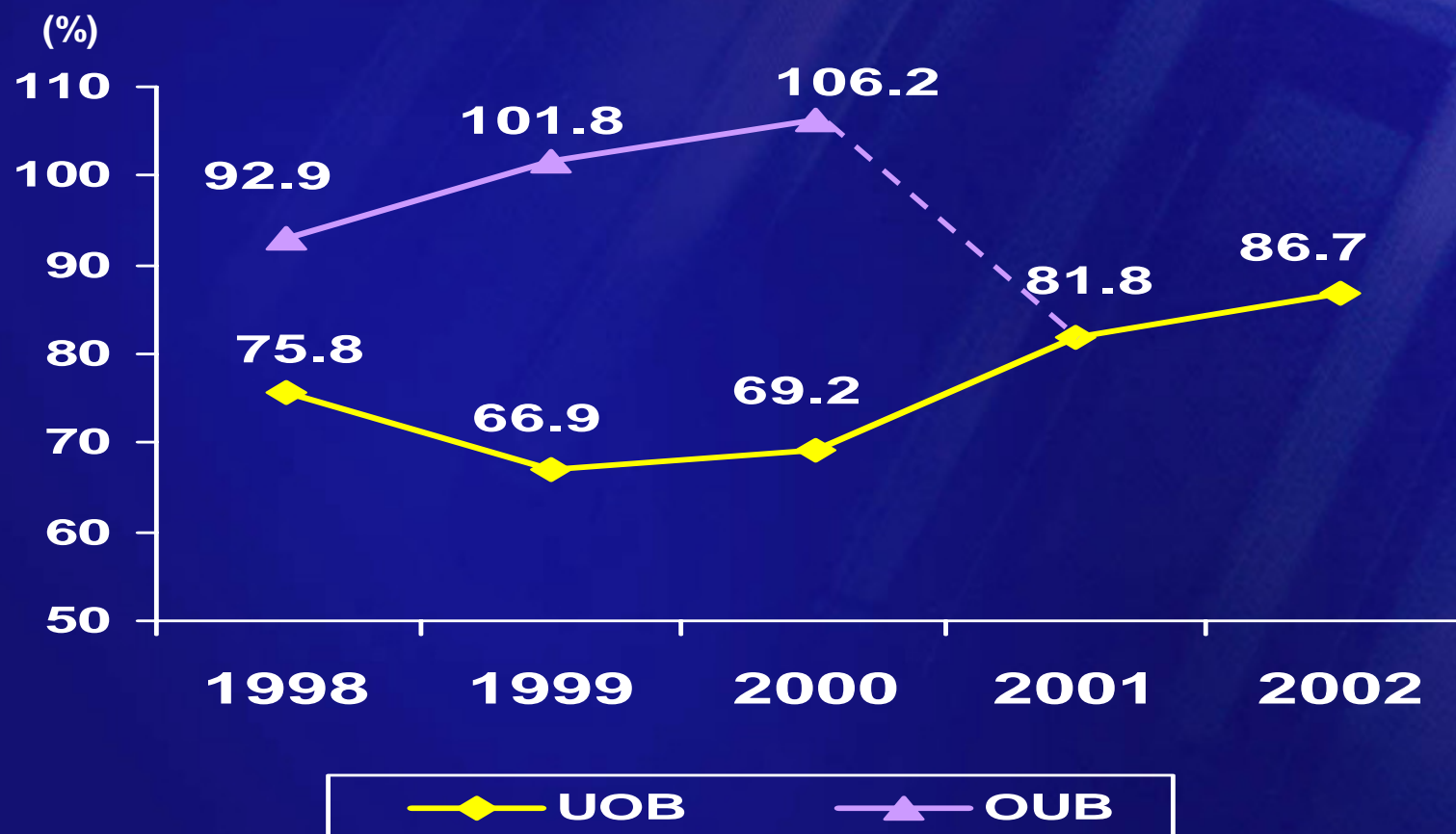
Customer Deposits



■ OUB Group

Better utilisation of surplus funds

Loans / Deposits Ratio



Improved Non-Performing Loans (NPL) ratio

Total NPL
(\$m)

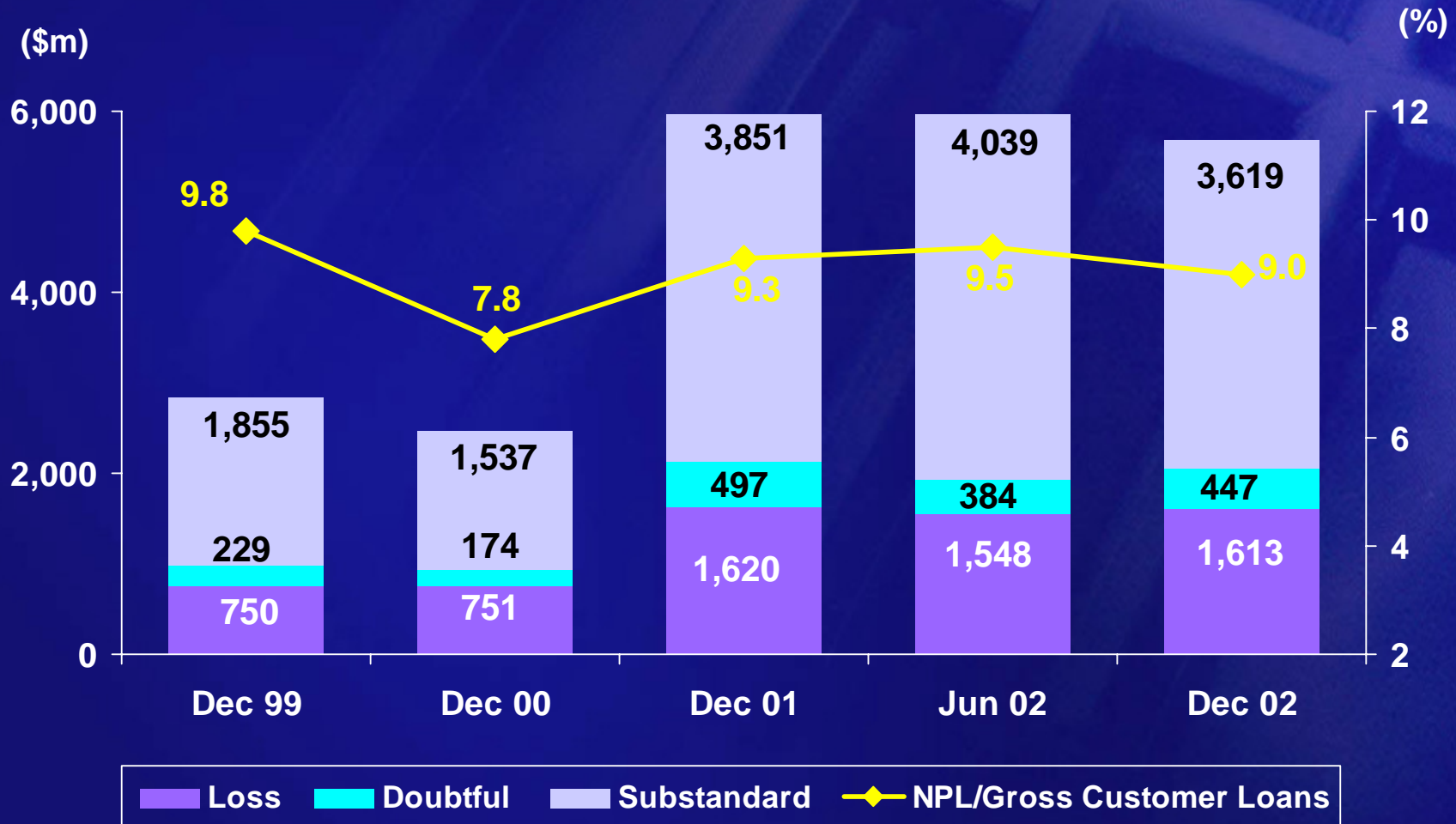
2,834

2,462

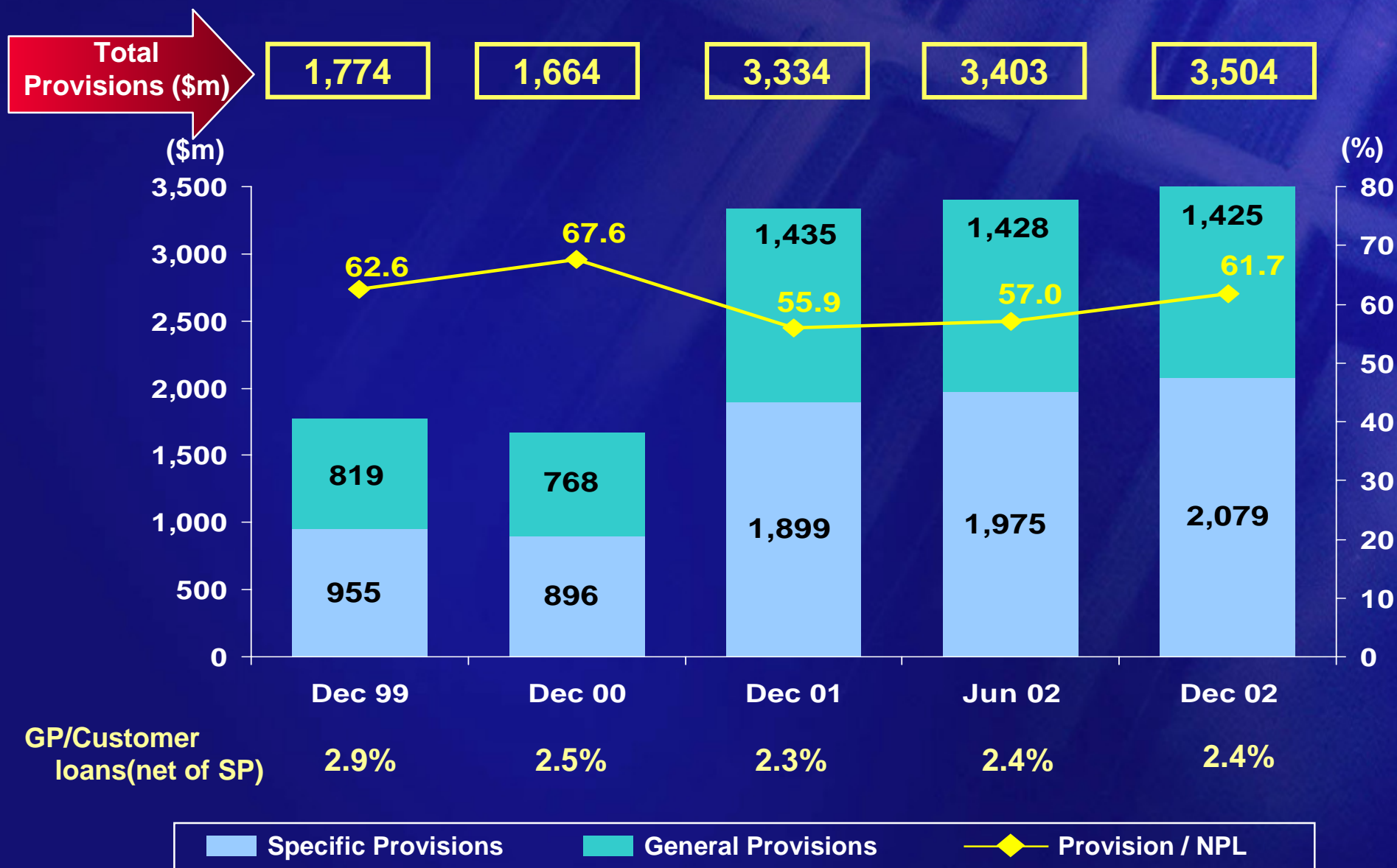
5,968

5,971

5,679

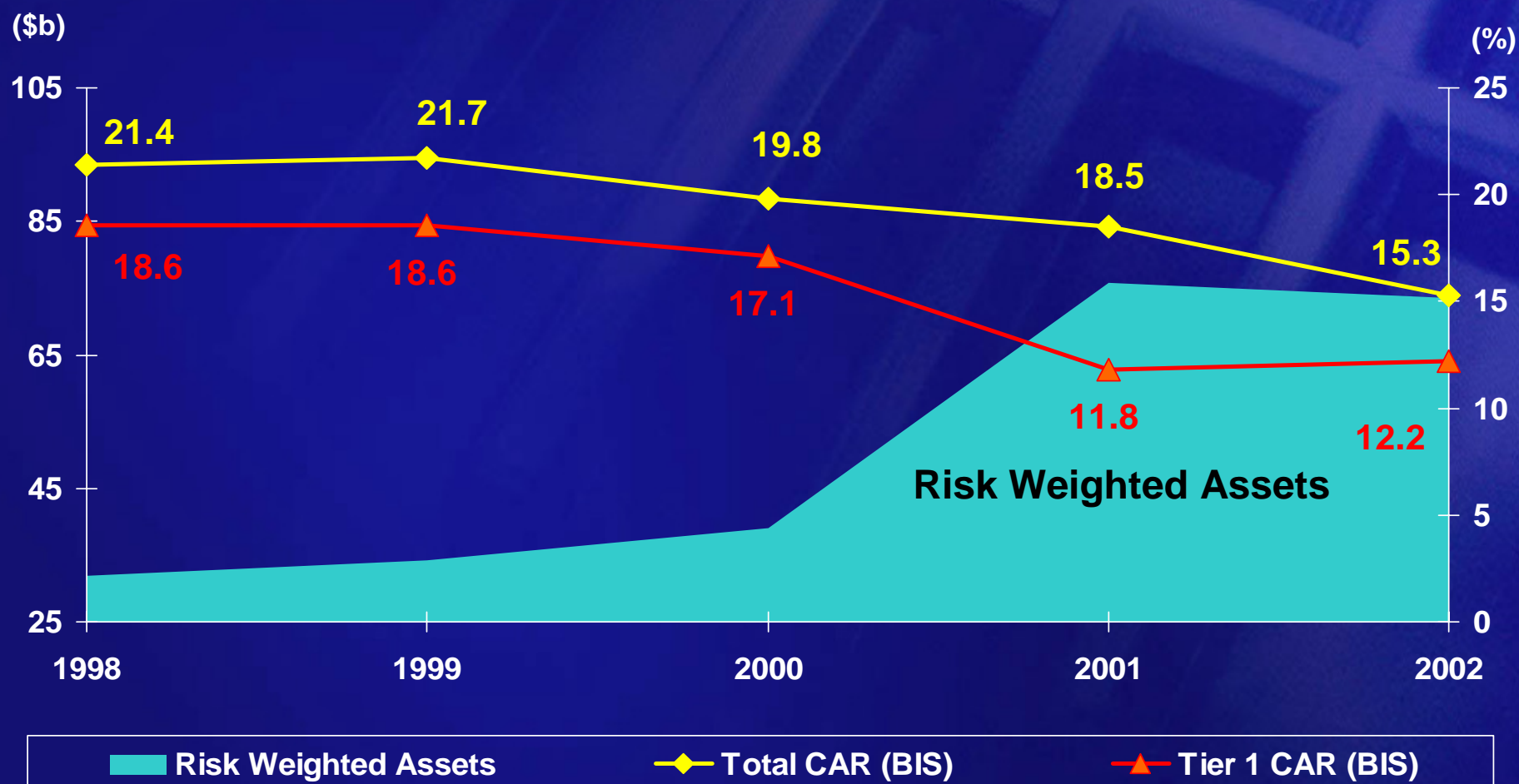


Increase in Provision Coverage

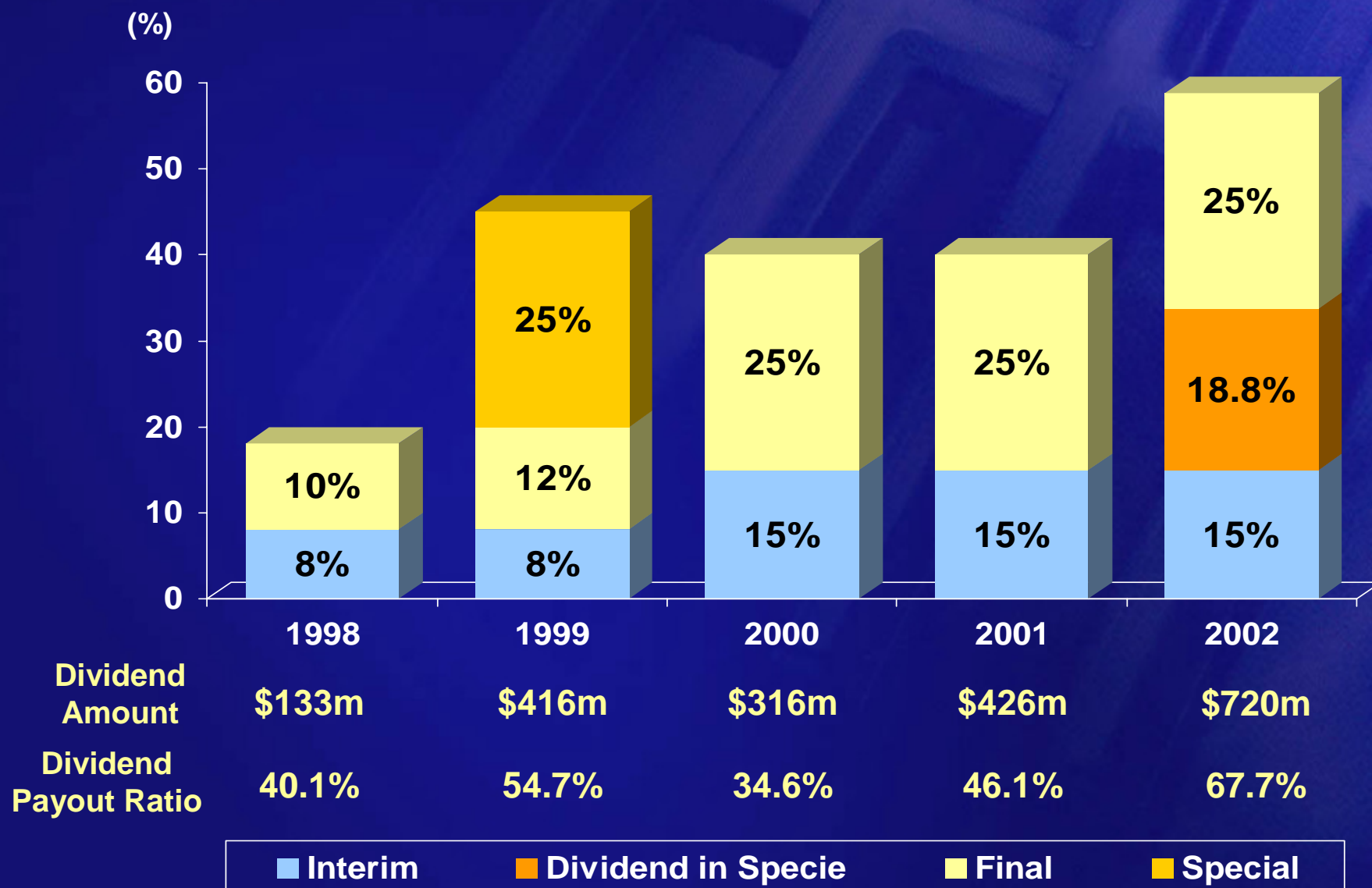


Strong Capital Position

Capital Adequacy Ratio



Higher Dividend payout to reward shareholders



In summary ...

	2002	2001	Variance 2002/2001
Net Profit After Tax	\$1,064m	\$925m	+ 15.1%
ROE (excluding goodwill)	9.8%	11.3%	- 1.5% pt
Expense to Income Ratio	34.9%	39.3%	- 4.4% pt
NPL/Gross Customer Loans	9.0%	9.3%	- 0.3% pt
Dividend Rate	58.8%	40.0%	+18.8% pt

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Q&A Session

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