



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

ACQUISITION OF 80.77% STAKE IN BANK OF ASIA

1. **Introduction**

Further to the announcement on 25 April 2004 by United Overseas Bank Limited ("UOB" or the "Bank") on its proposed acquisition ("Acquisition") of 80.77% of the ordinary shares in Bank of Asia Public Company Limited ("BOA"), UOB is pleased to announce that it has signed a conditional Sale and Purchase Agreement with ABN AMRO Bank N.V. ("ABN AMRO") in relation to the Acquisition.

UOB Chairman and CEO, Mr Wee Cho Yaw, said, "This Acquisition reaffirms our confidence in Thailand. Our initial investment in Radanasin Bank in 1999 was a key step in building up our presence, experience and expertise in this market. This Acquisition allows us to expand our platform and to elevate the scale of our operations; it also marks a significant step forward in our mission to be a premier bank in the Asia-Pacific region."

2. **Terms of the Acquisition**

Under the Sale and Purchase Agreement, UOB will acquire from ABN AMRO 4,115,769,676 ordinary shares in BOA for a cash consideration of approximately THB 22,019 million (equivalent to SGD 935 million¹) based on THB 5.35 per share. The Acquisition is subject to certain pre-conditions being satisfied, including the obtaining of regulatory approvals from the Bank of Thailand and Ministry of Finance in Thailand. Upon completion of the Acquisition, BOA will become a subsidiary of UOB.

The purchase price is at a 9.6% premium to BOA's closing share price of THB 4.88 on 11 May 2004, and a premium of 1.0% to the average closing share price for BOA over the 30 trading days immediately preceding the date of this announcement. Based on BOA's 31 December 2003 audited book value, the purchase price represents an implied price to book value multiple of 1.87 times, and a price to 2003 Earnings Per Share ("EPS") multiple of 14.9 times.

3. **Rationale for the Acquisition**

The Acquisition enables UOB to leverage its strong capital position, in a transaction that is both strategically compelling and financially attractive for the following reasons:

- (a) The Acquisition is in line with UOB's mission to be a premier bank in the Asia-Pacific region.
- (b) The Acquisition will enable UOB to immediately enhance its market position in Thailand. As at the end of 2003, BOA was ranked 9th largest bank by asset size in Thailand. Based on total assets and branches, the Acquisition will increase UOB's banking presence in Thailand by more than three times, providing the Bank with broader scale, network and customer reach.

¹ Based on a THB/SGD exchange rate of THB 23.558 per SGD 1.00



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- (c) The Acquisition, when completed, is expected to be immediately accretive to UOB's EPS and should enhance underlying return on equity for the Bank. In 2003, BOA reported a net profit after tax of THB 1.8 billion and generated a Return on Average Equity of 13.81%.

4. **Effect of the Acquisition**

Pursuant to Securities and Exchange Commission of Thailand regulations, if the pre-conditions in the Sale and Purchase Agreement are satisfied (or waived) and completion of the Acquisition occurs, UOB will be required to make a tender offer for the outstanding shares in BOA that it does not own.

UOB currently holds approximately 79% of UOB Radanasin Bank PCL. Upon completion of the Acquisition, UOB will control two banks in Thailand which together will have an aggregate asset base of THB 227 billion as at 31 December 2003. The two banks will have a combined network of 169 branches and 384 ATMs across Thailand.

5. **Financial Impact**

The Acquisition is expected to be immediately accretive to UOB's EPS upon completion. Based on a pro forma analysis of 2003 historical earnings for UOB and BOA, the transaction will result in 2003 EPS increase of 2.1 Singapore cents per share or 2.7% EPS accretion for UOB. For the purposes of this pro forma analysis, no cost savings or revenue enhancements have been included.

Based on a pro forma analysis of UOB's capital position as at 31 December 2003, the transaction will result in Tier I Capital Adequacy Ratio ("CAR") of 11.5%, compared to Tier I CAR of 12.8% before the Acquisition. On the same basis, pro forma Total CAR reduces to 16.6%, from 18.2% before the Acquisition.

Credit Suisse First Boston is the financial adviser to UOB on this Acquisition.

By Order of the Board

Vivien Chan
Company Secretary

Dated this 12th day of May 2004



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About United Overseas Bank Limited

Founded in 1935, UOB has charted steady growth over the years to establish itself as a leading bank in Singapore. It has a banking subsidiary, Far Eastern Bank, in Singapore while its banking subsidiaries in the region are United Overseas Bank (Malaysia), PT Bank UOB Indonesia, UOB Radanasin Bank in Thailand and United Overseas Bank Philippines. UOB provides a wide range of financial services through its global network of 248 offices in 18 countries and territories in Asia-Pacific, Western Europe and North America.

The UOB Group achieved a record Net Profit After Tax of SGD1.2 billion (USD706.8 million) in 2003 representing a growth of 19.5%. Its return on average shareholders' funds (ROE) was 9.3% and its return on average total assets (ROA) stood at 1.1%. Group total assets were SGD113.4 billion (USD66.7 billion) and Group shareholders' funds were SGD13.3 billion (USD7.8 billion) as at 31 December 2003. UOB is rated among the world's top banks by Moody's Investors Service, receiving B+ for Bank Financial Strength, and Aa2 and Prime-1 for long-term and short-term deposits respectively.

More information about UOB can be found on its website at www.uobgroup.com.



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About Bank of Asia Public Company Limited

Bank of Asia Public Company Limited ("BOA") is a Thai commercial bank with assets of THB 171 billion as at 31 December 2003, and providing a full range of retail and commercial financial services to customers in Thailand. BOA is listed on the Stock Exchange of Thailand.

BOA's key financial statistics, as extracted from its 2003 annual report, are appended to this announcement. More information about BOA can be found on its website at www.boa.co.th.

Key Financial Statistics of BOA

As at or for the year ended 31 December 2003

	BOA
Balance Sheet (THB million)	
Total Assets	170,514
Gross Loans	122,132
Customer Deposits	141,981
Shareholders' Equity	14,597
Income Statement (THB million)	
Net Interest and Dividend Income	3,846
Non-Interest Income	2,603
Non-Interest Expense	4,666
Net Profit	1,818
Capital Position ⁽¹⁾	
Tier I CAR (%)	9.49
Total CAR (%)	13.31
Ratios	
Net Interest Income to Average Assets (%)	2.32
ROAA (%)	1.10
ROAE (%)	13.81
EPS – Basic (Baht)	0.36

Source: Bank of Asia PCL 2003 Annual Report

(1) For Bank Only

Other information

Number of Branches	133
Number of ATMs	326
Number of Employees	2,952