Address by
Mr Wee Ee Cheong
Deputy Chairman & President

30 July 2004
Panel Members

- Mr Wee Ee Cheong, Deputy Chairman & President
- Mr Samuel Poon, SEVP, Institutional & Individual Financial Services
- Mr Terence Ong, SEVP, Global Treasury / Asset Management
- Mr Francis Lee, SEVP, International
- Mr Kuek Tong Au, EVP, Corporate Services
- Ms Susan Hwee, EVP, Information Technology
Agenda

Overview of 1H04 Performance

Update on Strategic Initiatives

UOB is Poised for Further Growth
Overview of 1H04 Performance

- Strong profitability achieved
  - NPAT increased by 40.5% to $705m
- Cash ROE increased to 12.0% from 9.4%
  - On track to achieve long term ROE target of 15% in 2006 & 20% in 2010
- Cash ROA improved 0.25% pt to 1.38%
  - Continued efficiency in asset utilisation
- Maintained high NIM of 2.15% despite intense competition
Update on Strategic Initiatives - Region as Key to Future Growth

- Scale up existing operations in key markets:
  - Malaysia
  - Thailand
  - Indonesia

- Recent acquisitions provide growth catalysts for Thailand & Indonesia
  - More significant contribution in medium to long term

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<tr>
<th>Thailand</th>
<th>Indonesia</th>
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<td>* Scale increased 4-fold with completion of BOA acquisition</td>
<td>* Leverage Bank Buana’s distribution strength to make inroads into strategic business segments</td>
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<td>* Enhanced position in Consumer &amp; SME markets</td>
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Update on Strategic Initiatives - Region as Key to Future Growth

- Continue to keep options open to acquisitions, while growing organically

- Build presence to be positioned for long term growth in Greater China

- Consolidate regional infrastructure to improve operational efficiency
Update on Strategic Initiatives - Diversify Income Base

Multi-Pronged Approach; through various business units

- Fees & commissions represent 63% of non-interest income
- Good progress in credit cards, fund management, investment-related and trade-related activities
- Proactively tapping on Asia’s rich for wealth management
Update on Strategic Initiatives - Capital Management

Guiding Principle of Maximising Value for Shareholders

- Improve capital efficiency with view for future growth
- Obtained mandate for share buy back of up to 5% of issued share capital
- MAS’ revised CAR requirements provide more flexibility in the long term
- Active pursuit of favourable divestment opportunities
- Maximise shareholder returns through high dividend policy
  - Interim dividend for 1H04 is 20%
UOB is Poised for Further Growth

- Economic potential in region & cyclical upturn beneficial to businesses, including banks
- Taken decisive move to enhance regional footprint
- Well positioned with stable leadership & strong management team

On Track to Achieve Mission:
To be a Premier Bank in the Asia Pacific Region