2004 Group Results Briefing

Address by
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Deputy Chairman & President

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<table>
<thead>
<tr>
<th>Panel Members</th>
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<tbody>
<tr>
<td><strong>Mr Wee Ee Cheong</strong></td>
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<tr>
<td><strong>Mr Samuel Poon</strong></td>
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<td><strong>Mr Terence Ong</strong></td>
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<td><strong>Mr Francis Lee</strong></td>
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<td><strong>Mr Chong Kie Cheong</strong></td>
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<td><strong>Mr Kuek Tong Au</strong></td>
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<td><strong>Ms Susan Hwee</strong></td>
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Overview of 2004 Financial Results

- Full year NPAT of $1.45bn, up 21%
  - Core earnings strengthened:
    - 20% jump in fee & commission
    - 4% increase in net interest income
  - Lower provision charges reflect improved asset quality
  - Also helped by higher contribution from associates
- Cash ROE improved from 10.9% to 12.4%
# Key Performance Indicators

<table>
<thead>
<tr>
<th>(%)</th>
<th>FY04</th>
<th>FY03</th>
<th>4Q04</th>
<th>3Q04</th>
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<tbody>
<tr>
<td>Cash ROE</td>
<td>12.4</td>
<td>10.9</td>
<td>12.8</td>
<td>12.7</td>
</tr>
<tr>
<td>ROA</td>
<td>1.19</td>
<td>1.10</td>
<td>1.16</td>
<td>1.20</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>2.10</td>
<td>2.25</td>
<td>2.05</td>
<td>2.05</td>
</tr>
<tr>
<td>Non-Interest Income / Total Income</td>
<td>33.9</td>
<td>34.5</td>
<td>34.6</td>
<td>33.5</td>
</tr>
<tr>
<td>Offshore Profit Contribution</td>
<td>21.2</td>
<td>24.4</td>
<td>22.4</td>
<td>23.1</td>
</tr>
<tr>
<td>Expense / Income Ratio</td>
<td>37.6</td>
<td>34.7</td>
<td>42.3</td>
<td>39.0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>(%)</th>
<th>Dec 04</th>
<th>Dec 04 (ex BOA)</th>
<th>Dec 03</th>
<th>Sep 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL Ratio</td>
<td>8.0</td>
<td>6.9</td>
<td>8.1</td>
<td>8.5</td>
</tr>
<tr>
<td>Provision Coverage</td>
<td>67.9</td>
<td>70.4</td>
<td>64.6</td>
<td>64.9</td>
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## Maintain High Dividend Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend in Specie</th>
<th>Final</th>
<th>Interim</th>
<th>Total Dividend Amount</th>
<th>% to NPAT</th>
</tr>
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<tbody>
<tr>
<td>2001</td>
<td>25%</td>
<td>15%</td>
<td>15%</td>
<td>$426m</td>
<td>46%</td>
</tr>
<tr>
<td>2002</td>
<td>25%</td>
<td>15%</td>
<td>15%</td>
<td>$720m</td>
<td>72%</td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>$748m</td>
<td>62%</td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
<td>$743m</td>
<td>86%</td>
</tr>
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### Dividend Amount
- 2001: $426m
- 2002: $720m
- 2003: $748m
- 2004: $743m

### Share Buy-back
- 2001: $500m

### Amount Returned to Shareholders
- 2001: $426m
- 2002: $720m
- 2003: $748m
- 2004: $1,243m
Performance in Singapore

**Consumer & SME segments are our strongholds**

- **Consumer:**
  - Market leadership reinforced with customer-centric infrastructure, innovative product offerings & highly successful “Growth” brand platform
  - Focus on mass affluent segment with a view to nurture long term, multi-product relationships
  - Housing loans grew 5% YoY
    - Reflects selective & disciplined approach in focusing on target segments
  - Wealth Management remains an area of focus:
    - Established Wealth Management Centres in Singapore & the region
    - Doubling our sales force
    - Active pursuit of product innovation in-house & via partners
  - Recognised leader in credit card business
    - Card base grew 8% despite keen competition
Performance in Singapore

- **SME:**
  - Established SEA platform
    - Important attraction for SMEs with regional/overseas footprints & ambitions
  - Significant growth in trade finance business:
    - Trade bills volume recorded a jump of 65% in last 2 years
    - On group basis, trade financing loans grew 33% & trade-related income rose 24% to $138m
  - Overall profits from SME business have improved
  - Growing well in SME segment
Growth In The Region

- Region is key to our future
- 2004 was a year of significant milestones
  - Bank of Asia - largest acquisition outside Singapore
  - Strategic stake in PT Bank Buana Indonesia
- Established SEA platform will propel growth & contribution from regional business
- 3 key markets outside Singapore
  - Malaysia
  - Thailand
  - Indonesia
- Ongoing consolidation of regional operating & IT infrastructure to support vision as a regional premier bank
Growth In The Region - Malaysia

- Key contributor outside Singapore focusing on our forte: SME & Consumer
- Overall loan growth of 11% exceeds industry growth rate
- Sharp increase in SME fee-related business:
  - Trade & remittances volume rose 21%
- Housing loan growth in line with industry growth despite intense competition
- Strong showing in credit card business
  - 70% increase in card base
  - 35% growth in credit card receivables
- Income from wealth management sales increased 39%
Growth In The Region - Malaysia

- NPAT of RM377m. Achieved ROE of 21.3%
- Cost-income ratio of 33%
- Malaysia is an important anchor within SEA region
- Recent developments in Malaysia present good prospects for further business expansion
- Sound local market knowledge & extensive distribution network position UOB to ride on the strong growth opportunities
Growth In The Region - Thailand

- NPAT of THB822m
- Enlarged presence enables bank to compete effectively to achieve meaningful contribution in 3-5 years
- Our presence is relatively short
- Critical to first put in place strong operational infrastructure to support expansion & to manage risks
- Operational merger to complete by end-05, subject to various approvals
Growth In The Region - Indonesia

- UOBI continues to be profitable with focus on trade & corporate banking business
- 23% strategic stake in Bank Buana
- Indonesia remains a key priority
- Continue to explore ways to expand in Indonesia
Group Treasury / Investment-Related Activities

- Support our focus in target segments in Singapore & the region
- Treasury performance weaker relative to 2003
- Emphasis is on growing customer-related business
  - Combined contributions from fund management & investment-related activities rose 38%
  - Increased sales in treasury & yield-enhancement products YoY:
    - Revenue from structured notes & deposits almost tripled
    - Revenue from corporate sales grew almost 33%
  - UOBAM’s AUM grew 16% to $25bn
- Expect further improvement as we continue to strengthen product innovation/development, build trading capabilities & leverage extensive network
UOB – A Committed Regional Player

- General consensus on moderated outlook for Asia
  - Fundamentals remain strong
  - Different opportunities exist in each country

- Market dynamics are unpredictable. Keys to success:
  - Careful selection of target segments
  - Disciplined cultivation of customer base

- UOB to capitalise on opportunities through:
  - Established SEA platform attracts regional businesses
  - Clear focus on building stronger customer relationships in target segments
  - Local market knowledge in key regional countries

- As a committed regional player, UOB is well-placed to create & deliver better shareholder returns