

Investment Centres at our branches across the island enhance the personalised level of service for customers.



We constantly develop innovative cards to meet the specific interests of our cardmembers. An example is the UOB Visa Mini Card for the young and trendy.



Building a growth company

Individual Financial Services

Our Individual Financial Services business covers Personal Financial Services and High Network Banking.

Personal Financial Services sector serves individual customers, including our 121 Banking customers who represent the mass affluent segment. The principal products and services for personal customers include deposits, loans, investments, and credit and debit cards. Personal Financial Services also sells and distributes a range of life assurance products. These services are delivered via our extensive network of branches and self-service machines, the telephone and the Internet. A comprehensive financial planning service is offered through our UOB Personal Bankers.

High Network Banking sector provides an extensive range of quality financial services, including wealth management and trust services as well as best-of-breed investment products, to the wealthy and more affluent customers. Dedicated Relationship Managers provide a highly personalised service to these high network clients.

At the global level, our Individual Financial Services business reported profit before tax of \$421 million in 2003, up 10.8% from 2002. The increase was primarily due to strong revenue growth in consumer loans from our overseas operations.

2003 IN REVIEW

Personal Financial Services

Personal Financial Services sector in Singapore continued to attract new customers through competitive pricing and innovative products.

We maintained our leadership position in the credit card business. Our credit card base achieved a growth rate in excess of 15%, with more than 900,000 cards issued by the end of 2003. We remained the industry leader in Visa debit cards with more than 330,000 cards in force, or a year-on-year increase of 14%. Debit card spend also grew by 50%.

During the year, we implemented our Customer Relationship Management (CRM) system. Supported by technology and enhanced data warehousing and data mining capabilities, the CRM platform provides us with a comprehensive view of all aspects of a customer's relationship with us.

This has improved our ability to sell effectively and to deliver a consistent quality of customer service across all our service channels. It has also helped us to embark on strategic initiatives that are focused on offering products and services which are appropriate to the needs of each of our customer segments. These included enhancing our 121 Banking service where we witnessed a significant increase in the product holding ratio, the roll-out of a priority queue service across our entire branch network for our most valuable customers, and the launch of UOB Rewards Plus – a loyalty programme designed to deepen the relationships with our customers across products and services by offering them attractive and relevant rewards.

Success in building stronger customer relationships was also evident in the broadening credit card range delivered to different market segments to meet their unique needs. We were the first bank in Asia-Pacific to launch the Visa Infinite Card in Singapore and Hong Kong. The UOB Visa Infinite Card is a highly exclusive card for the top 0.1% of the elite circle. We were also the first to launch the Visa Mini Card. At half the size of the conventional credit card, it is the smallest Visa card in the market and makes an ideal companion for the young and trendy.

In addition, we launched UOB FirstZero Home Loan, a groundbreaking home loan package that gives customers more savings with its 0% interest for the first year.

High Networth Banking

High Networth Banking sector in Singapore achieved outstanding results in 2003, despite the challenging market environment. The wealth management business represents a prime growth opportunity for us and we are committed to position ourselves not just as a quality custodian of our clients' funds but also as an enhancer of their wealth. Our Relationship Managers are trained professionals who are dedicated to helping our high networth clients protect, manage and grow their wealth.

Institutional Financial Services

Our Institutional Financial Services business covers Commercial Credit, Corporate Banking, Structured Trade & Commodity Finance, Corporate Finance and Capital Markets.

Commercial Credit sector serves the small and medium-sized enterprises (SMEs). The main products and services for this broad customer segment include current accounts, deposits, lending, asset finance, trade finance, cash management and cross-border payments. Relationships with SME customers are managed through a network of account relationship managers at Head Office and at the branch level.

Corporate Banking sector serves the middle market and large local corporate groups, including non-bank financial institutions. Products offered include banking, financing and advisory services.

Structured Trade & Commodity Finance is a new business established in response to the needs of our commercial credit and corporate banking customers. It works closely with Commercial Credit and Corporate Banking to structure special financing packages for large local and international commodity traders.

Corporate Finance serves corporations at local, regional and global levels with a vast platform of corporate finance tools and expertise, including initial public offerings (IPOs), rights issues, and advisory services in relation to mergers and acquisitions, corporate restructuring and valuation.





Online banking, like UOB Business Internet Banking, is increasing convenience and efficiency for our customers.

A major project financing transaction in 2003 was our participation as a Lead-Arranger in a US\$480 million loan facility cum bridge loan for STT Communications Ltd to refinance the information-communications company's acquisition of Indosat.



Capital Markets specialises in providing solution-based structures to meet the financing requirements of clients, as well as in the issue of debt and quasi-debt securities and loan syndications. Capital Markets completed a number of major deals in 2003. These are reported under the section 'International' in the respective countries where the transactions are booked.

At the global level, our Institutional Financial Services business recorded a commendable growth of 12% in profit before tax to \$682 million. The improved performance reflected a stronger fee income in the second half of 2003 and lower loan provisions, both from our capital market and corporate banking activities in Singapore and the region.

Commercial Credit

There was slow economic growth in 2003, brought about largely by the outbreak of the Severe Acute Respiratory Syndrome (SARS) and the Iraqi war. Consequently, in Singapore, our SME customers experienced a difficult year. Despite the subdued environment, our loan portfolio remained healthy. Loan provisions were lower against 2002.

We continued to be the market leader in financing the SME segment, and are well placed to meet their expanding regional

requirements through the forging of strong relationships and the provision of a full suite of products and services.

Our Business Internet Banking – launched in 2002 – is offering our SME customers more convenient access to their accounts. In 2003, we saw a five-fold growth in our online customer base. Transaction volume and transaction value also rose significantly. We plan to continue to invest in the development of this online channel in response to growing demand and usage.

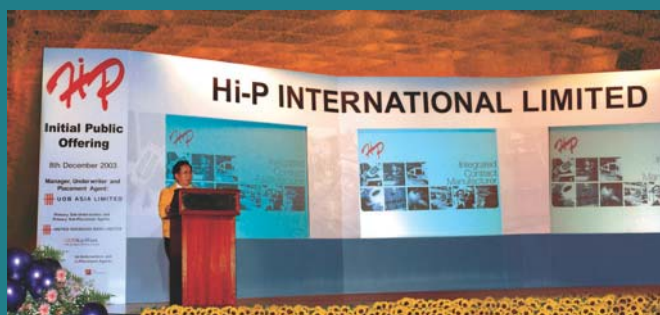
Another initiative in 2003 was the establishment of a Retail Banking Centre to better serve our smaller-sized SME customers.

Corporate Banking

In Singapore, our corporate banking portfolio is characterised by a diversified base of customers across a wide range of industries. We segmentise our customers by industry groupings, for greater customer focus and long-term relationship management.

Corporate Banking continued to develop its project financing capabilities by successfully completing several major transactions in 2003.





In 2003, we managed and underwrote one of the year's largest equity capital raising exercises with the initial public offering on the Singapore Exchange of Hi-P International Limited, an integrated contract manufacturer specialising in precision plastic with markets across the world.

We participated as a Lead-Arranger in a US\$480 million five-year term transferable loan facility cum bridge loan for STT Communications Ltd to refinance its acquisition of Indosat. STT Communications Ltd, a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd, is a leading information-communications company with operations and investments in Asia-Pacific, the Americas and Europe.

Building on our strong banking relationship with the StarHub Group, we extended a \$250 million three-year term loan to StarHub Pte Ltd to finance the group's capital expenditure and corporate and general funding requirements.

We were a Lead-Manager in a \$150 million three-year transferable loan facility to Singapore Post Ltd for financing its working capital and general corporate funding requirements.

We also participated as an Arranger in a \$150 million six-year term loan/revolving credit facility to Yellow Pages (Singapore) Pte Ltd to finance its acquisition of the business/assets under the former Yellow Pages group and its general working capital requirements; and as a Lead-Arranger in a US\$145.4 million standby letter of credit facility to guarantee Banpu Plc's equity injection into BCLP Power Ltd, a 1,434 MW coal-fired power plant in Thailand.

During the year, we strengthened our role as a Global Relationship Manager, linking our customers' regionalisation needs to tailored financial solutions through our overseas branches.

At the same time, our Business Internet Banking initiative produced tangible results, with more customers being registered for the service. Usage has also grown.

Structured Trade & Commodity Finance

Structured Trade & Commodity Finance has enhanced our core strength of providing traditional trade financing to local and international traders in commodities and general merchandise. We now have the capability to finance, on a structured basis, trades in a range of commodities – from internationally traded commodities like crude oil and metals to soft commodities like palm oil and grains. This business performed well in 2003, attracting a creditable fee income and contributing to an enlarged trade finance customer base.

Corporate Finance

In Singapore, Corporate Finance completed 13 IPOs, one rights issue and five advisory deals in 2003. The IPOs raised \$381 million of capital and earned us a second placing in the domestic IPO league table with a market share of 20% in terms of issue size.

We made significant strides in the growth of our structured products. A key achievement was the successful launch of our UOB Fixed Deposit Plus series targetted at enhancing returns for customers.



Our major achievements included floating the year's largest China-based IPO in Singapore for Full Apex (Holdings) Limited, and managing and underwriting the year's second largest IPO, Hi-P International Limited. We also completed the IPOs of two other China-based companies, Sinomem Technology Limited and Singpu Chemicals Ltd.

We were the Financial Adviser to Chew Eu Hock Holdings Ltd on a reverse takeover of the company by Hiap Hoe Holdings Pte Ltd. We also advised the Haw Par Group on the privatisation of its listed subsidiary, Haw Par Healthcare Limited.

Global Treasury

Global Treasury provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading and futures broking, as well as an array of structured products. We are the dominant provider of bank note services in the region and the only bank in Singapore to offer the full range of gold products.

Despite the challenging operating environment in 2003, marked by volatility in foreign exchange trading and the decline in prices of Singapore Government securities following the upward trend of the yield curve, Global Treasury continued to capitalise on its strengths and competitive advantage in strategic markets. Against this backdrop, profit before tax at the global level rose 1.7% to \$305 million, reflecting the strength of our core treasury businesses.

In Singapore, we reinforced our trading capabilities in Asian currencies, in particular, our role as a key market maker in Singapore dollar treasury instruments, following the expansion of our treasury franchise and an improved trading risk profile.

We also made significant strides in expanding our customer-related business. Growth in the sale of our structured products, in particular, continued to drive our Global Treasury income, as we increased our penetration into the retail and sophisticated customer segments as well as the financial institutions sector.

Amidst the low interest rate environment, our ability to innovate is key to providing our customers with products that will enhance their returns. This was evident during the year when we successfully launched our Target Redemption Inverse Floater and Equity-Linked Notes where we achieved total sales of \$400 million, and our structured deposits, called the UOB Fixed Deposit Plus series, which yielded \$480 million in sales.

We continued to lead in the area of Collateralised Debt Obligation (CDO) structuring and management in Singapore with the launch of an additional two synthetic CDO transactions in 2003. The total notional amount was US\$3.2 billion. We have thus far successfully launched four CDOs amounting to US\$6.23 billion.



With 70 industry awards garnered since 1996, UOB Asset Management remains Singapore's most awarded fund manager.

UOBM Kuching Branch, relocated during the year, is one of United Overseas Bank (Malaysia)'s 37 branches in Malaysia.



Asset Management

Our Asset Management business covers asset management, venture capital management and proprietary investment activities. At the global level, this business achieved significant growth in profit before tax, registering \$149 million for 2003. The increase was boosted by strong trading and investment gains and higher fee income.

We provide asset management services through our subsidiaries in Singapore, Malaysia, China, Taiwan, France and USA, serving institutional clients as well as retail customers with a broad array of investment products.

At the end of 2003, global assets under management and advice and committed capital rose \$6.3 billion or 40.5% to reach \$21.9 billion. Assets under management totalled \$21.5 billion, while committed capital was \$0.4 billion.

UOB Asset Management (UOBAM) launched three capital protected funds and a convertible bond fund in 2003, bringing to 56 the number of funds and sub-funds under its management. Unit trust assets under its management almost doubled in 2003, reaching \$2.4 billion compared to 2002. It also strengthened its position as a leading Asian CDO manager when it was appointed as the Collateral Manager for an additional two CDO transactions structured by parent bank, UOB, namely, United Global Investment Grade CDO III (US\$1.7 billion) and United Global Credits CDO Ltd

(US\$1.5 billion). At end-2003, there were 10 CDOs and Collateralised Bond Obligations (CBOs) under its management and advice.

UOBAM's strong performance won a number of awards in 2003. Asia Risk magazine named it 'Asset Manager Of The Year' for CDO and CBO management. It won 13 out of 69 awards at The Edge-Lipper Singapore Unit Trust Fund Awards 2003, and 6 out of 32 awards at the Standard & Poor's Investment Funds Award Singapore 2004, thus emerging as the investment house to receive the most number of awards from The Edge-Lipper and Standard & Poor's for its fund performances in 2003. With these accolades, UOBAM retains its standing as Singapore's most awarded fund manager with an impressive total of 70 industry awards since 1996.

UOB Venture Management specialises in venture capital and direct equity investments. As at the end of 2003, the subsidiary had managed and advised six funds totalling \$329 million in committed capital.

UOB Global Capital (UOBGC), our global asset management subsidiary, continued to expand its hedge fund business in 2003 by entering into a strategic alliance with Alternative Investment Management & Research S.A. for the exclusive distribution of the SOGAsia Fund worldwide. The Fund is a hedge fund that focuses on low volatility/mean reverting market neutral and event-driven strategies in Asia.

UOBGC also further expanded its mutual fund family in Dublin, Northern Ireland to include the UOB Kinetics Paradigm Fund and UOB Greater China Fund.

International

Our presence extends beyond Singapore to 185 offices in 17 countries and territories throughout Asia-Pacific, Western Europe and North America.

In line with our mission to be a premier bank in the Asia-Pacific region, we have significant operations across the region, primarily through our banking subsidiaries and branches. We have particularly strong coverage in Malaysia, Thailand, Indonesia, the Philippines and Greater China.

In the first half of 2003, a number of our key markets faced challenging conditions posed by the SARS outbreak, the war in Iraq and threats of terrorism. In spite of these, and supported by an improvement in the business climate towards the latter part of 2003, we emerged with relatively good results for the year.

Net profit from our overseas operations, excluding ACU, grew by 2.4% points, and contributed 24.4% to the Group's total profit in 2003 compared to 22.0% in 2002. This puts us on track to achieve our goal of 40% by 2010.

Malaysia

The United Overseas Bank (Malaysia) [UOBM] group registered net profit after tax of RM357.6 million (\$160.1 million) in 2003, up by 22.5% compared to 2002.

Corporate and housing loans and credit card receivables grew strongly, leading to higher interest, fee and commission income. Unit trust sales leapt by 183% over 2002 to reach RM630 million (\$282 million). The debut performance from our 49% owned insurance associate, Uni.Asia Capital Sdn Bhd, was encouraging. It helped to generate significant growth in our bancassurance business.

Our range of Internet banking services is becoming an important part of our multi-channel delivery network in the country. In 2003, we expanded our online services to meet customer expectations. Corporate Internet banking services

were also introduced to help our corporate customers manage their company finances more efficiently.

Expansion of wealth management services remains another priority. This strategy continues to be pursued with investment in upgrading our wealth management infrastructure and operations. Our customer sales relationship officers are now equipped with more sophisticated tools to better serve our valued customers.

We continued to provide innovative financing solutions in the area of investment banking. Major deals completed during the year included UOBM acting as Lead-Arranger for a RM235 million Islamic refinancing package for the Iris Corporation Group of Companies, and as Co-Arranger for a RM1.22 billion financing package for Panglima Powers Sdn Bhd. We were also a Joint Lead-Arranger for a RM5.57 billion Islamic package for SKS Power Sdn Bhd that was the largest project financing for a single phase independent power plant in Asia and the largest Islamic bond raising in the country in 2003.

In addition, The Asian Banker named UOBM as the 'Strongest Bank In Malaysia' based on our financial and operational performance, and asset quality.

With the positive outlook for the global and Malaysian economy, we are well positioned to leverage on our extensive network of 37 branches – the largest among foreign banks, strong financial resources, productive workforce and robust underwriting capabilities to grow our corporate and personal banking businesses. The prospects are also bright for our insurance arm, given the acceleration of bancassurance activities in the country.

Thailand

UOB Radanasin Bank (UOBR) has a network of 35 branches throughout Thailand. Its core activities are personal financial services, trade services, corporate banking, and treasury and investment banking services.

The operations of UOBR turned profitable in 2003, the first time since its acquisition by UOB in late 1999. Net profit after tax stood at THB86.4 million (\$3.7 million), benefiting from an increase in loans and a low interest rate environment.

2003 IN REVIEW

Our loan portfolio rose strongly by 38.3% to reach THB37 billion (\$1.6 billion), fuelled in part by a year of high economic growth in the country. Lending to the export-oriented corporate sector together with our housing loan, personal loan and credit card businesses also expanded rapidly. Trade finance services too enjoyed healthy growth, especially in the areas of packing credit, trust receipts, import letters of credit and export bill negotiations.

During the year, UOBR successfully obtained approval to access the insurance market. The licence, together with our earlier licences for the underwriting of debt issues and marketing of mutual funds, will significantly expand our business capabilities in Thailand. They are also important in our strategy to provide wealth management services to the high networth customer segment.

UOBR's continuing commitment to quality service has earned it the distinction of being the first commercial bank in Thailand to be awarded ISO9001:2000 certification for its internal audit operations. This certification is part of UOBR's efforts to align its quality management systems with international standards.

The outlook for Thailand in 2004 suggests yet another year of high GDP growth, driven by strong exports and robust domestic demand. In line with this trend, UOBR plans to stay focused on serving the needs of the export sector and the retail customers.

Indonesia

Our banking subsidiary, PT Bank UOB Indonesia, reported lower net profit after tax of IDR57.8 billion (\$11.6 million) for 2003, due mainly to declining interest spreads.

We expanded our customer base and improved the quality of our assets. We concentrated on building up a stable core deposit base and nurturing our core corporate lending, trade and treasury businesses.

Going forward, we will continue to build our business platform by steadily expanding our existing network of eight branches

and sub-branches and increasing our range of services so as to tap the opportunities in this vast market.

Our subsidiary, UOB Asia, also successfully completed a series of capital raising transactions for clients in Indonesia in 2003, including PT Kaltim Prima Coal (KPC). It was the Lead-Arranger in a US\$404 million financing package in connection with the acquisition of the beneficial ownership in KPC by PT Bumi Resources Tbk from BP and Rio Tinto and the repayment of KPC's pre-acquisition debt. KPC operates a coalmine in East Kalimantan that is regarded as one of the world's largest excavator and truck open cut mines.

Philippines

The operating environment continued to be difficult in the Philippines. Despite this, United Overseas Bank Philippines was able to significantly reduce its losses over the previous year, from PHP1,043.0 million (\$34.1 million) in 2002 to PHP644.8 million (\$19.7 million) in 2003, largely through improved revenues, and lower funding and operating costs.

Our strategy is to improve our risk profile by reducing our non-performing assets, improve the quality of our loan assets and generate stable core deposits. We will also continue to rationalise our operations to reduce costs, enhance efficiencies, and build a strong platform for delivering new products and services through our network of 67 branches – the largest among foreign banks operating in the country.

Greater China

With the further liberalisation of China's financial market, Greater China remains a growth area. We operate five branches and a representative office in China, five branches in Hong Kong and a branch in Taiwan.

In 2003, UOB Shanghai Branch became our second branch in China, after UOB Shenzhen Branch, to offer Renminbi banking services to foreign individuals, foreign enterprises and foreign joint-venture companies.



Our services in Thailand were further expanded when our banking subsidiary, UOB Radanasin Bank, received the licence to market insurance products to customers.

Our card business in Hong Kong showed strong momentum in 2003 with the launch of six new credit card types, each targetted to a specific customer segment.



In Hong Kong, we continued to widen our range of credit cards to enhance our business in the highly competitive card market in the territory. The launch in 2003 of six new credit card types was well received and increased the total number of credit card types that we offer in Hong Kong to eight within a short span of less than two years.

UOB Asia (Hong Kong), our investment banking arm in Hong Kong, is focused on expanding its corporate finance activities. Among the year's noteworthy transactions were two listings on the Main Board of the Stock Exchange of Hong Kong, comprising the initial public offering for Synergis Holdings Ltd and the listing of the shares in Vitop Bioenergy Holdings Ltd by way of introduction. With a licence to underwrite B-shares in China and a representative office in Shanghai, the subsidiary is also well positioned to tap the potential of China's investment banking market.

Other Overseas Operations

We continued to pursue organic growth in our other overseas operations, with the focus on broadening our lines of business and building on our strengths in the local markets.

In South Korea, we established a treasury team in UOB Seoul Branch to capitalise on the growing treasury business in the country. In Vietnam, UOB Ho Chi Minh City Branch was awarded the 'Outstanding Performer Award 2003' from Visa International Asia Pacific for achieving exceptional and constant growth in merchant sales volume.

Our branches in the developed markets, namely, Australia, North America and United Kingdom, performed well during the year, with increased contributions to Group profit. Besides participating in loan syndications, we will continue to seek senior arranger or lead roles so as to improve our fee income. We will also continue to support the financing needs of our customers who have investments in these markets.





Whether customers use the counter or the self-service machines, or seek a higher level of personal banking at the Investment Centre, every aspect of our redesigned branch affirms our commitment to help them grow.

Investing for future growth

Technology

Technology continues to fulfill a strategic and developmental role in every aspect of our business – from communications, service delivery and risk management to the implementation of new business initiatives and the streamlining of processes. Reflecting this commitment, our technology spend in 2003 amounted to \$199 million, representing 18.2% of the Group's total operating expenses.

During the year, critical business processes from the sales to the back office were reengineered to bring about seamless customer service for our bank-wide CRM initiative. We also developed a Wealth Management System that allows our UOB Personal Bankers to meet customers' needs more effectively. Consequently, all customer interaction activities across the major delivery channels, namely, our branches, Call Centre and the Internet, and our back office units are now integrated to ensure consistent service across all customer touchpoints.

We also reengineered our credit and loan administration systems and processes with the aim of streamlining and improving overall efficiency and effectiveness.

To support our growing loan portfolio, a collections system was installed to automate collection planning, work queue, and approval and event scheduling management. The automated system has improved the risk management and operational efficiency of our collections process.

We adopt a flexible and modular information technology (IT) architecture by integrating our various channels, software and hardware with a robust enterprise messaging layer. This approach enables us to quickly replicate our operations to our overseas branches. Our branches in Hong Kong were our first in the region to hub both its IT and back office operations into Singapore. By in-sourcing through a shared service model, we are leveraging on Singapore's scale and infrastructure to improve the overall efficiency of the operations, risk management, administration and IT infrastructure of our overseas branches.

For our excellence in strategic enterprise IT deployment, we were named a CIO 100 Honouree 2003 in CIO Asia's annual index of Asia's top performing users of IT. We were also among the top five enterprises in Asia to receive the CIO Award.

Operations

Operations sector was formed in 2002 to centralise all our banking processes. This is fundamental to achieving economies of scale and greater operational efficiency, a core principle in our growth strategy.

The focus to improve the quality and predictability of our service delivery and reduce operating costs, via our 'Towards Operational Excellence' programme, intensified during the year.

Our Quality Programme, which provides the framework for us to collect performance data, establish performance standards and instill a quality mindset in Operations sector, is moving us quickly to realise improvements in many work areas.

We streamlined our work processes to increase automation and straight-through processing (STP). For example, the integration of our credit approval and multi-currency loan systems has increased efficiency for customers, reduced costs and freed 20% of the required processing team to focus on other higher value activities.

Centralisation and standardisation bring many benefits. They give us the ability to bring a broader range of products to market with greater speed and effectiveness. The resulting efficiencies also improve turnaround time and enable us to be the low-cost producer in many of our service areas.

During the year, we centralised the processing operations of our Singapore branches into our back office units to reap economies of scale and allow our branch staff to be more focused on customer service. We also moved the credit, branch, trade services and treasury settlement operations from Hong Kong to Singapore to reside on a common technology and operations platform. Further migration of our regional operations to Singapore is planned for 2004.

Other than centralisation, outsourcing or co-sourcing is also an efficient and practical way for us to derive the most value for our customers. During the year, we set up a joint venture company, Asia Fund Services, with Bank of Bermuda to process our unit trust transactions and unit trust registry services more efficiently and effectively. Asia Fund Services will also offer its highly automated and customised services to the fund management industry in Singapore.

Our performance and relentless pursuit of business excellence led to several internationally recognised awards during the course of 2003. We attained Singapore Quality Class status, a prestigious excellence award conferred by SPRING Singapore. In the annual Global Custodian and GSCS Benchmarks surveys, we were – for the fourth year running – 'Top Rated' and awarded 'Star' ratings respectively for our custody services. From our business partners, we won the STP Excellence Award and the Quality Recognition Award for achieving a STP rate of more than 95% in US\$ fund transfers.

Service Channels

In addition to the branch redesign programme to reinforce our promise of growth, our on-going branch rationalisation programme calls for us to merge branches where it makes economic sense and to ensure presence where we are not represented.



Staff members nurture the attributes of being Supportive, Proactive, Open and Thorough (SPOT) through creative play. SPOT provides the foundation for all that we do to make every customer's experience with us consistent and positive.



In Singapore, the year saw one branch closure cum merger. Two branches underwent renovations and have been turned into Wealth Management Centres, in line with our commitment to grow our customers' wealth. A branch and two autolobbies were established in new locations to increase customer access.

We opened our first-ever Safe Deposit Box Centre that is also the first by a bank in Singapore. The Centre houses more than 5,000 boxes of various sizes and offers extended hours of service to cater to the needs of customers.

We also invested in a multimedia-enabled platform for our Call Centre that is capable of integrating inbound and outbound voice and email. The platform will enhance our existing content-based and transaction-based interactions to a personalised, relationship-based level that is consistent with our strategy to build long-term customer loyalty.

Staff

To deliver our promise of growth, talent attraction, staff development and staff retention remain our key human resource priorities. We continually seek to build a quality team by identifying the right skills, and developing and retaining the very best talents to meet our business needs.

To this end, we provide a variety of training and development programmes to help staff grow their careers. In Singapore, the average training hours per staff increased by 17% in 2003, compared to 2002.

Performance measurement and target setting, enhanced in 2002, align the interests of staff with those of our shareholders and are crucial to the success of our growth strategy. A talent management process will be put in place to continue attracting, retaining and managing our human capital. This involves providing increased opportunities for our staff to grow through career planning and developmental experiences, thus building breadth and depth in our human resource.



(Left) Our investment in arts programmes, in particular, the UOB Painting Of The Year Competition and Exhibition, actively encourages local talents. (Above) In 2003, photography was added as a new category to promote artistic expressions.

Growing in our community

Corporate citizenship is important to us and in 2003, our corporate philanthropy in Singapore continued to focus on community development, education and the arts.

Community Development

During the year, the Bank and its employees joined the community in our fight against SARS when together we raised \$300,000 for The Courage Fund. The Fund was set up to provide aid and relief to patients, healthcare workers and other Singaporeans affected by the outbreak.

Other major community initiatives included contributions to the President's Challenge 2003 that benefits more than 30 charities and to the Community Chest which supports more than 300,000 disadvantaged people.

Education

Our education activities in 2003 included a contribution of \$1 million as a Founding Donor to the Lee Kuan Yew School of Public Policy to help establish Singapore as a global point of reference for the study of public administration and public policy. Other contributions went to programmes that focused on increasing access to education for children from low-income families.

The Arts

We have pioneered and funded the UOB Painting Of The Year Competition and Exhibition for 22 years and, in the process, helped almost 300 promising local artists achieve recognition for their works. In 2003, the Competition took on a new dimension with the inclusion of digital and non-digital photography as a new category. This is consistent with our goal of constantly providing new channels for creative expression.

For our contributions towards the promotion and organisation of artistic activities in Singapore, we were conferred the Patron Of The Arts award by the National Arts Council for the ninth time.