

UOB - Premier Regional Bank

2004 Group Results Briefing

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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 Chong Kie Cheong** SEVP, Investment Banking
- **Mr Kuek Tong Au** EVP, Corporate Services
- **Ms Susan Hwee** EVP, Information Technology

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UOB – A Committed Regional Player

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

(%)

Cash ROE

ROA

Net Interest Margin

Non-Interest Income / Total Income

Offshore Profit Contribution

Expense / Income Ratio

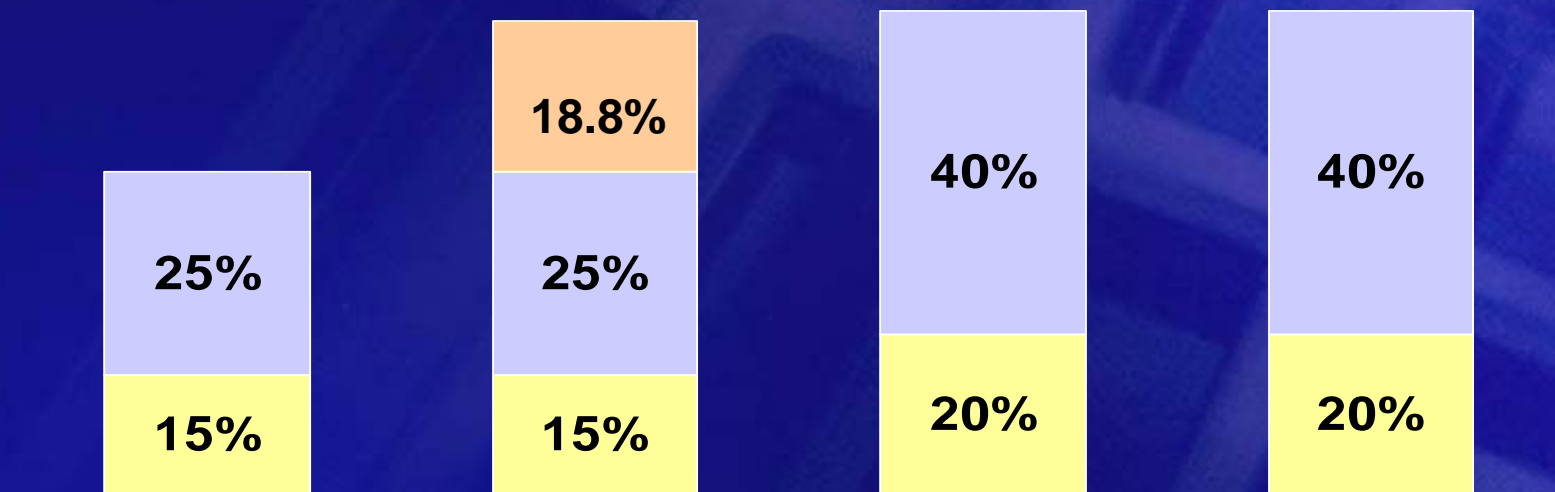
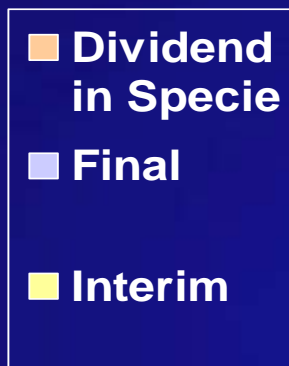
	<u>FY04</u>	<u>FY03</u>	<u>4Q04</u>	<u>3Q04</u>
Cash ROE	12.4	10.9	12.8	12.7
ROA	1.19	1.10	1.16	1.20
Net Interest Margin	2.10	2.25	2.05	2.05
Non-Interest Income / Total Income	33.9	34.5	34.6	33.5
Offshore Profit Contribution	21.2	24.4	22.4	23.1
Expense / Income Ratio	37.6	34.7	42.3	39.0

NPL Ratio

Provision Coverage

	<u>Dec 04</u>	<u>Dec 04</u> <u>(ex BOA)</u>	<u>Dec 03</u>	<u>Sep 04</u>
NPL Ratio	8.0	6.9	8.1	8.5
Provision Coverage	67.9	70.4	64.6	64.9

Maintain High Dividend Rate



	2001	2002	2003	2004
Dividend Amount	\$426m	\$720m	\$748m	\$743m
Share Buy-back	-	-	-	\$500m
Amount Returned to Shareholders	\$426m	\$720m	\$748m	\$1,243m
% to NPAT	46%	72%	62%	86%

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**