



UNITED OVERSEAS BANK LIMITED
(Incorporated in the Republic of Singapore)

ACQUISITION OF 23% STAKE IN P.T. BANK BUANA INDONESIA TBK

1. Introduction

Further to its announcement on 6 April 2004, United Overseas Bank Limited ("UOB") is pleased to announce that its wholly-owned subsidiary, UOB International Investment Private Limited, has today signed Sale & Purchase Agreements with various shareholders ("Vendors"), including P.T. Sari Dasa Karsa for the acquisition ("Transaction") of 23% of the issued common shares in P.T. Bank Buana Indonesia Tbk ("Bank Buana").

2. Terms of the Transaction

Under the Sale & Purchase Agreements, UOB will acquire from the Vendors a total of 1,147,265,760 issued common shares in Bank Buana for an aggregate cash consideration of approximately S\$196 million. The consideration was arrived at on a willing buyer-willing seller basis, with reference to the audited book value of Bank Buana as at 31 March 2004. Completion of the Transaction is subject to certain pre-conditions being satisfied. Upon completion, UOB will become the second largest shareholder in Bank Buana after P.T. Sari Dasa Karsa and Bank Buana will become an associated company of UOB.

3. Rationale for the Transaction

The Transaction is in line with UOB's mission to be a premier bank in the Asia-Pacific region. Indonesia has a large and growing market with good growth potential in the banking sector.

Bank Buana is an attractive partner to UOB as it has a proven management team and a track record of sound asset quality. Bank Buana also has a strong franchise among small and medium enterprises.

4. Financial Impact

The Transaction is not expected to have a material impact on earnings or the net tangible assets of UOB for the current financial year. UOB intends to fund the Transaction using its internal resources.

ABN AMRO is the financial advisor to UOB on the Transaction.

By Order of the Board

Vivian Chan
Company Secretary

Dated this 31st day of May 2004

About Bank Buana

Bank Buana was established in 1956 as a Private National Bank. Since July 2000, Bank Buana has been listed on the Jakarta and Surabaya Stock Exchange. Bank Buana operates from its headquarters in Jakarta through a network of 171 offices and 92 ATMs. As at 31 March 2004, Bank Buana has Total Assets of IDR14.6 trillion (USD1.6 billion¹) and Shareholders Equity of IDR1.8 trillion (USD190.2 million¹). The Return on Average Equity (ROE) and Return on Average Assets (ROA) stood at 29.6% and 3.15% respectively².

Bank Buana	As of and for the year ended 31 December 2003	As of and for the quarter ended 31 March 2004
<i>Balance Sheet (IDR billion)</i>		
Total Assets	14,335	14,634
Total Gross Loans	5,336	5,743
Total Customer Deposits	12,305	12,319
Shareholders Equity	1,683	1,765
<i>Key Ratios</i>		
Total CAR	22.32%	23.12%
Net Interest Margin ³	5.58%	6.47%
NPL over Gross Loans	0.86%	0.87%
ROE	17.00%	29.58%
ROA	2.31%	3.15%
<i>P&L (IDR billion)</i>		
Net Interest Income	686	214
Non Interest Income	90	26
Non Interest Expense	460	126
Net Profit After Tax	222	81
EPS (IDR)	61	16

Source: Bank Buana 2003 Annual Report, Audited 31 Mar 2004 Financial Report

More information about Bank Buana can be found on its website at www.bankbuana.com.

¹ USD-IDR exchange rate : IDR9,280 = 1 USD

² Annualised

³ Calculated in accordance with Bank Indonesia regulations

About UOB

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 vast network of more than 248 offices in 18 countries and territories in Asia-Pacific, Western Europe and North America.

The UOB Group achieved a Net Profit After Tax of S\$1.2 billion in 2003 representing a profit 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 S\$113.4 billion and Group shareholders funds were S\$13.3 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.