



**UNITED OVERSEAS BANK LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

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**UNITED OVERSEAS BANK PHILIPPINES**

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**Singapore, 6 May, 2005** - United Overseas Bank Limited (“UOB”) announces that its wholly-owned banking subsidiary United Overseas Bank Philippines (“UOBP”) has decided to apply for conversion to a thrift bank to better reflect its increasing focus on wholesale banking and fee-based income. Since a full branch network is not essential for wholesale banking, UOBP has decided to rationalize its branch operations. Towards this end, UOBP has entered into a conditional agreement to sell its branch assets to Banco De Oro Universal Bank (“BDO”) and/or its nominee. In exchange for the branch assets, BDO will assume UOBP’s branch deposit liabilities and pay UOBP Peso 600 million which will be applied towards subscription of new shares in the capital of BDO. UOBP may in the future, put such other assets which are not relevant to its business focus to BDO and/or its nominee at a valuation to be agreed. Completion of the sale is subject to all necessary regulatory and corporate approvals being obtained, including the approval for UOBP to be converted to a thrift bank.

BDO is a full service universal bank in the Philippines, offering a wide range of corporate, commercial and retail banking services. BDO is a member of the SM Group of companies which is the largest mall operator and retailer in the Philippines. BDO had resources of Peso 179 billion as of year-end 2004 and a deposit base of Peso 128 billion. It is currently ranked the 8<sup>th</sup> largest bank in the Philippines in terms of resources and deposits, and the 7<sup>th</sup> largest in terms of capital. BDO has a nationwide network of 184 branches and 327 ATMs. BDO, as an established local bank, will be able to build on the retail business transferred over by UOBP.

The transaction is not expected to have a material impact on the financial results of the UOB Group. For UOBP, the transaction will be positive as the overhead expenses will be reduced significantly. As a thrift bank, UOBP will be able to focus its resources on building its wholesale banking and fee income business.

The proposed transaction is in line with UOBP’s on-going efforts to rationalise its business operations so as to achieve cost efficiencies and build a business platform that is consistent with the business prospects in the country.

Mrs Vivien Chan  
Company Secretary