

Financial Statements

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Directors' Report

for the financial year ended 31 December 2004

The directors are pleased to present their report to the members together with the audited financial statements of United Overseas Bank Limited (the "Bank") and its subsidiaries (the "Group") for the financial year ended 31 December 2004.

Directors

The directors of the Bank in office at the date of this report are:

Mr Wee Cho Yaw (Chairman) Mr Wee Ee Cheong (Deputy Chairman) Mr Ngiam Tong Dow Prof Cham Tao Soon Mr Wong Yuen Weng Ernest Mr Wong Meng Meng Mr Yeo Liat Kok Philip Mr Tan Kok Quan Prof Lim Pin Mrs Lien Wen Hsien Margaret Mr Ng Boon Yew

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Bank a party to any arrangement whose object was to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than those issued in connection with the UOB 1999 Share Option Scheme as set out in this report.

Directors' interests in shares or debentures

(a) The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in shares of the Bank or related corporations as stated below:

	Direct	interest	Deemed	interest
	At 31.12.2004	At 1.1.2004	At 31.12.2004	At 1.1.2004
The Bank				
– Ordinary shares of \$1 each				
Mr Wee Cho Yaw	16,390,248	16,390,248	211,708,142	210,608,142
Mr Wee Ee Cheong	2,794,899	2,794,899	146,085,251	144,985,251
Mr Koh Beng Seng				
(resigned on 16 February 2005)	50,000	-	-	-
Mr Ngiam Tong Dow	-	-	8,600	8,600
Prof Cham Tao Soon	-	-	6,520	6,520
Mr Wong Yuen Weng Ernest	50,000	50,000	-	-
Mr Tan Kok Quan	-	-	74,475	100,038
Mrs Lien Wen Hsien Margaret	99,783	99,783	84,605,287	84,605,287
Mr Ng Boon Yew	-	-	5,280	5,280
- Options to subscribe for ordinary shares				
Mr Koh Beng Seng				
(resigned on 16 February 2005)	-	50,000	-	-
United Overseas Insurance Limited				
– Ordinary shares of \$1 each				
Mr Wee Cho Yaw	25,400	25,400	-	-

(b) There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2005 (being the 21st day after the end of the financial year).

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Bank has received or become entitled to receive a benefit by reason of a contract made by the Bank or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except that certain directors received remuneration from related corporations in their capacity as directors and/or executives of those corporations.

Directors' fees and other remuneration

(a) Details of the total fees and other remuneration paid/payable by the Group to the directors of the Bank for the financial year ended 31 December 2004 are as follows:

			Variable/	Benefits-in-	
	Directors'	Base or	performance	kind and	
	fees	fixed salary	bonus	other	Total
	%	%	%	%	%
\$7,500,000 to \$7,749,999 Mr Wee Cho Yaw	2.6	10.1	87.3	*	100.0
\$2,250,000 to \$2,499,999 Mr Wee Ee Cheong	3.7	27.9	67.9	0.5	100.0
\$1,000,000 to \$1,249,999 Mr Koh Beng Seng (resigned on 16 February 2005)	3.3	57.2	38.4	1.1	100.0
Below \$250,000	100.0	-	-	-	100.0
Mr Ngiam Tong Dow					
Prof Cham Tao Soon					
Mr Wong Yuen Weng Ernest					
Mr Wong Meng Meng					
Mr Sim Wong Hoo (resigned on 17 October 2004)					
Mr Yeo Liat Kok Philip					
Mr Tan Kok Quan					
Prof Lim Pin					
Mrs Lien Wen Hsien Margaret					
Mr Ng Boon Yew					
* Percentage is less than 0.05.					

(b) No share options were granted to the above directors during the financial year.

Directors' Report

for the financial year ended 31 December 2004

Share options

- (a) On 6 October 1999, the Bank's shareholders approved the adoption of the UOB 1999 Share Option Scheme (hereinafter called the "Scheme") to replace the UOB Executives' Share Option Scheme. Under the Scheme, options may be granted to employees in the corporate grade of Vice President (or an equivalent rank) and above and selected employees below the corporate grade of Vice President (or an equivalent rank) of the Bank and its subsidiaries, and to directors and controlling shareholders. Particulars of the share options granted under the Scheme in 1999, 2000 and 2003 (hereinafter called "Options 1999", "Options 2000" and "Options 2003" respectively) have been set out in the Directors' Reports for the financial years ended 31 December 1999, 2000 and 2003 respectively.
- (b) During the financial year, options were granted pursuant to the Scheme in respect of 2,083,000 unissued ordinary shares of \$1 each of the Bank (hereinafter called "Options 2004").
- (c) Statutory and other information regarding the options under the Scheme is as follows:

(i) Options	Option period	Offer price \$
1999	27 December 2000 to 26 December 2004	14.70
2000	11 December 2001 to 10 December 2005	12.90
2003	6 June 2004 to 5 June 2008	11.67
2004	29 November 2005 to 28 November 2009	13.67

- (ii) The share options expire at the end of the respective option periods unless they lapse earlier in the event of death, bankruptcy or cessation of employment of the participant or the take-over or winding up of the Bank. Further details of the Scheme are set out in the circulars to shareholders dated 10 September 1999.
- (iii) Since the commencement of the Scheme, no participant received 5% or more of the total options available under the Scheme and no options were granted to controlling shareholders (or their associates). No options were granted at a discount during the financial year. Since the commencement of the Scheme, no options were granted to the directors of the Bank except as follows:

	Options granted during the financial year	option since the	e number of sha ne commencem a up to 31 Decei	Number of sha		
		Granted	Exercised	Lapsed	31.12.2004	1.1.2004
Mr Koh Beng Seng (resigned on 16 February 2005)	_	50.000	50.000	_	_	50,000
Mr Wong Yuen Weng Ernest	_	75,000	_	75,000	_	

Mr Wong Yuen Weng Ernest did not receive any options after 31 December 1999.

(iv) The holders of the Bank's options have no right to participate, by virtue of the options, in any share issue of any other company.

(d) The Scheme is administered by the Remuneration Committee, which comprises the following directors:

Mr Wee Cho Yaw *(Chairman)* Prof Cham Tao Soon Mr Yeo Liat Kok Philip Prof Lim Pin

(e) During the financial year, the Bank issued 1,008,000 ordinary shares of \$1 each to option holders who exercised their rights in connection with the Scheme:

Year in which options were granted	Subscription price per share, paid in cash \$	Number of ordinary shares of \$1 each in the Bank
2000	12.90	280,000
2003	11.67	728,000
		1,008,000

All newly issued shares rank pari passu in all respects with the previously issued shares.

(f) Unissued ordinary shares of \$1 each under option in connection with the Scheme as at 31 December 2004 comprise the following:

Year in which options were granted	Price per share payable in full upon application \$	Date of expiration of option	Number of shares
2000	12.90	11 December 2005	822,000
2003	11.67	6 June 2008	1,369,000
2004	13.67	29 November 2009	2,083,000
			4,274,000

Directors' Report

for the financial year ended 31 December 2004

Audit Committee

The Audit Committee comprises four members, all of whom are non-executive independent directors. The members of the Audit Committee are as follows:

Mr Wong Yuen Weng Ernest (*Chairman*) Mr Yeo Liat Kok Philip Prof Cham Tao Soon Mr Tan Kok Quan

The Audit Committee has reviewed the financial statements, the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal and external audit procedures, the adequacy of internal audit resources, the cost effectiveness, independence and objectivity of external auditors, the significant findings of internal audit investigations and interested person transactions. The reviews were made with the internal and external auditors, the financial controller and/or other senior management staff, as appropriate. The Audit Committee has also carried out the functions required of the Committee under the Code of Corporate Governance.

The Audit Committee has also considered the financial, business and professional relationships between the external auditors and the Bank. It is of the view that the relationships are not incompatible with maintaining the independence of the external auditors.

Auditors

The Audit Committee has nominated Messrs Ernst & Young for re-appointment as auditors of the Bank and Messrs Ernst & Young have expressed their willingness to be re-appointed.

On behalf of the Board of Directors,

Wee Cho Yaw Chairman Wee Ee Cheong Deputy Chairman

Singapore 24 February 2005 We, Wee Cho Yaw and Wee Ee Cheong, being two of the directors of United Overseas Bank Limited, do hereby state that, in the opinion of the directors:

- (i) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2004, the results of the business and changes in equity of the Bank and the Group and cash flows of the Group for the financial year then ended; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Wee Cho Yaw Chairman Wee Ee Cheong Deputy Chairman

Singapore 24 February 2005 for the financial year ended 31 December 2004

We have audited the accompanying financial statements of United Overseas Bank Limited (the "Bank") and its subsidiaries (the "Group") as set out on pages 89 to 178 for the financial year ended 31 December 2004. These financial statements are the responsibility of the Bank's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements for the financial year ended 31 December 2003 were audited by another firm of auditors whose report dated 20 February 2004 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements of the Bank and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2004, the results of the Bank and of the Group and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Bank and by its subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG Certified Public Accountants

Singapore 24 February 2005

Profit and Loss Accounts

for the financial year ended 31 December 2004

		The	e Group	The Bank		
	Note(s)	2004	2003	2004	2003	
		\$'000	\$'000	\$'000	\$'000	
Interest income	3	3,661,340	3,294,101	2,866,298	2,590,650	
Less: Interest expense	4	1,506,444	1,223,563	1,171,563	922,800	
Net interest income		2,154,896	2,070,538	1,694,735	1,667,850	
Dividend income	5	42,983	42,004	304,497	284,607	
Fee and commission income	6	705,897	587,866	427,381	372,387	
Rental income		64,578	72,618	37,427	42,485	
Other operating income	7	290,389	386,586	172,457	342,162	
Income before operating expenses		3,258,743	3,159,612	2,636,497	2,709,491	
Less:						
Staff costs	8	587,453	531,780	363,748	343,644	
Other operating expenses	9	639,355	563,621	464,200	444,323	
Total operating expenses		1,226,808	1,095,401	827,948	787,967	
Operating profit before goodwill amortisation and provisions		2,031,935	2,064,211	1,808,549	1,921,524	
Less: Goodwill written-off						
and amortised	11	213,630	201,620	189,959	190,275	
Less: Provisions	12	208,705	361,512	90,685	326,914	
Operating profit after goodwill						
amortisation and provisions		1,609,600	1,501,079	1,527,905	1,404,335	
Exceptional item	13	_	_	_	12,421	
Share of profit of associates		307,265	107,249	-	-	
Profit before tax		1,916,865	1,608,328	1,527,905	1,416,756	
Less: Tax	14	450,432	392,751	337,671	346,195	
Profit after tax		1,466,433	1,215,577	1,190,234	1,070,561	
Less: Minority interests		14,664	13,491	-	-	
Net profit for the financial year						
attributable to members		1,451,769	1,202,086	1,190,234	1,070,561	
Earnings per share:	15					
Basic		93 cents	76 cents			
Diluted		93 cents	76 cents			

as at 31 December 2004

Note(s) 2004 \$'000 2003 \$'000 2004 \$'000 2003 \$'000 2003 \$'000 Share capital and reserves 5 1,571,664 1,536,255 1,571,664 Capital reserves 17 4,249,917 4,242,284 4,227,906 4,180,133 Statutory reserves 18 2,922,297 2,859,850 2,553,172 2,493,172 Revenue reserves 19 4,666,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 - - Minority interests 18,438,752 13,282,035 11,712,338 11,759,111 Minority interests 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 22			Tł	ne Group	The Bank		
Share capital and reserves Share capital 16 1,536,255 1,571,664 1,536,255 1,571,664 Capital reserves 17 4,249,917 4,242,284 4,227,906 4,180,133 Statutory reserves 18 2,922,297 2,859,850 2,553,172 2,493,172 Revenue reserves 19 4,606,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 – – 13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 – – Liabilities 21 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 24 11,717 14,579 </th <th></th> <th>Note(s)</th> <th></th> <th>•</th> <th></th> <th></th>		Note(s)		•			
Share capital 16 1,536,255 1,571,664 1,536,255 1,571,664 Capital reserves 17 4,249,917 4,242,284 4,227,906 4,180,133 Statutory reserves 18 2,922,297 2,859,850 2,553,172 2,493,172 Revenue reserves 19 4,606,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 – – 13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 – – Current, fixed, savings accounts and other deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries 21(c) 79,018,770 88,702,323 90,219,569 79,367,234 Bills and drafts payable 22 6,188,612 441,958 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,436,60 Tax payables 22 6,198,612			\$'000	\$'000	\$'000	\$'000	
Capital reserves 17 4,249,917 4,242,284 4,227,906 4,180,133 Statutory reserves 18 2,922,297 2,859,850 2,553,172 2,493,172 Revenue reserves 19 4,606,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 - - Minority interests 18 2,922,297 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 - - - Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries - - 1,668,594 1,334,435 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 22 6,198,612 6,441,438 4,169,768 3,446,955 Deferred tax liabilities 14 11,717 14,579	Share capital and reserves						
Statutory reserves 18 2,922,297 2,859,850 2,553,172 2,493,172 Revenue reserves 19 4,606,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 - - 13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 - - Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries - - - 1,348,435 17,731,499 Deposits from subsidiaries - - 1,668,594 1,334,435 113 and drafts payable 256,188 163,780 66,091 88,060 12x payables 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issu	Share capital	16	1,536,255	1,571,664	1,536,255	1,571,664	
Revenue reserves 19 4,606,878 4,464,952 3,395,005 3,514,142 Share of reserves of associates 20 123,405 143,285 – – 13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 – – Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits and balances of banks and agents 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 21 107,212,867 88,702,323 90,219,569 79,367,234 Deforted tax liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 <td< td=""><td>Capital reserves</td><td>17</td><td>4,249,917</td><td>4,242,284</td><td>4,227,906</td><td>4,180,133</td></td<>	Capital reserves	17	4,249,917	4,242,284	4,227,906	4,180,133	
Share of reserves of associates 20 123,405 143,285 – – Minority interests 13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 – – Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries – – – 1,34,435 1,7731,499 Deposits from subsidiaries 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 25 163,780 66,091 88,060 Tax payables 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269	Statutory reserves	18	2,922,297	2,859,850	2,553,172	2,493,172	
13,438,752 13,282,035 11,712,338 11,759,111 Minority interests 148,306 155,103 - - Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits and balances of banks and agents 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits from subsidiaries 21(c) 79,018,770 69,862,961 62,954,83 17,731,499 Bills and drafts payable 21 70,867 88,702,323 90,219,569 79,367,234 Deferred tax liabilities 22 6,198,612 6,441,438 4,169,768 3,343,862 Detts iss	Revenue reserves	19	4,606,878	4,464,952	3,395,005	3,514,142	
Minority interests 148,306 155,103 – – Liabilities 79,018,770 69,862,961 62,354,537 60,301,300 Deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits and balances of banks and agents 28,194,097 18,839,362 26,196,438 17,731,499 Deposits from subsidiaries – – 1,668,594 1,334,435 Bills and drafts payable 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 22 6,198,612 440,872 476,868 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Dets issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance shee	Share of reserves of associates	20	123,405	143,285	-		
Liabilities Current, fixed, savings accounts and other deposits of non-bank customers 21(c) Peposits and balances of banks and agents 28,194,097 Deposits from subsidiaries – 21 107,212,867 88,702,323 90,219,569 79,018,770 66,862,961 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 161,7212,867 490,872 490,872 476,868 90,219,569 79,367,234 Bills and drafts payable 256,188 161,712 490,872 476,868 90,219,569 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 90,802,901 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Perivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126			13,438,752	13,282,035	11,712,338	11,759,111	
Current, fixed, savings accounts and other deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits and balances of banks and agents 28,194,097 18,839,362 26,196,438 17,731,499 Deposits from subsidiaries – – 1,668,594 1,334,435 Bills and drafts payable 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 522,827 490,872 476,868 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Dets issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 <	Minority interests		148,306	155,103	-	-	
other deposits of non-bank customers 21(c) 79,018,770 69,862,961 62,354,537 60,301,300 Deposits and balances of banks and agents 28,194,097 18,839,362 26,196,438 17,731,499 Deposits from subsidiaries - - 1,668,594 1,334,435 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 22 6,198,612 6,441,438 4,169,768 3,746,985 Other liabilities 23 7,089,297 4,196,269 6,079,974 3,343,862 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 Off-balance sheet items 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,782,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995	Liabilities						
Deposits and balances of banks and agents 28,194,097 18,839,362 26,196,438 17,731,499 Deposits from subsidiaries - - 1,668,594 1,334,435 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 522,827 490,872 476,868 441,958 Other liabilities 24 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 Off-balance sheet items 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126		21(-)	70 040 770	C0 9C2 0C1	(2) 254 527	CO 201 200	
Deposits from subsidiaries – – 1,668,594 1,334,435 21 107,212,867 88,702,323 90,219,569 79,367,234 Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 522,827 490,872 476,868 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126							
21107,212,86788,702,32390,219,56979,367,234Bills and drafts payable256,188163,78066,09188,060Tax payables522,827490,872476,868441,958Other liabilities226,198,6126,441,4384,169,7683,746,985Deferred tax liabilities1411,71714,5792733,607Debts issued237,089,2974,196,2696,079,9743,343,862121,291,508100,009,261101,012,54386,991,706134,878,566113,446,399112,724,88198,750,817Off-balance sheet itemsContingent liabilities3710,001,2198,728,7498,160,1527,390,726Derivative financial instruments38278,085,916183,839,995269,758,270180,696,126			28,194,097	18,839,362	26,196,438		
Bills and drafts payable 256,188 163,780 66,091 88,060 Tax payables 522,827 490,872 476,868 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Deposits from subsidiaries		_	_	1,668,594	1,334,435	
Tax payables 522,827 490,872 476,868 441,958 Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items Contingent liabilities 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126		21	107,212,867	88,702,323	90,219,569	79,367,234	
Other liabilities 22 6,198,612 6,441,438 4,169,768 3,746,985 Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items Contingent liabilities 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Bills and drafts payable		256,188	163,780	66,091	88,060	
Deferred tax liabilities 14 11,717 14,579 273 3,607 Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items Contingent liabilities 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Tax payables		522,827	490,872	476,868	441,958	
Debts issued 23 7,089,297 4,196,269 6,079,974 3,343,862 121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items Contingent liabilities 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Other liabilities	22	6,198,612	6,441,438	4,169,768	3,746,985	
121,291,508 100,009,261 101,012,543 86,991,706 134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Deferred tax liabilities	14	11,717	14,579	273	3,607	
134,878,566 113,446,399 112,724,881 98,750,817 Off-balance sheet items 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Debts issued	23	7,089,297	4,196,269	6,079,974	3,343,862	
Off-balance sheet items Contingent liabilities 37 10,001,219 8,728,749 8,160,152 7,390,726 Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126			121,291,508	100,009,261	101,012,543	86,991,706	
Contingent liabilities3710,001,2198,728,7498,160,1527,390,726Derivative financial instruments38278,085,916183,839,995269,758,270180,696,126			134,878,566	113,446,399	112,724,881	98,750,817	
Derivative financial instruments 38 278,085,916 183,839,995 269,758,270 180,696,126	Off-balance sheet items						
	Contingent liabilities	37	10,001,219	8,728,749	8,160,152	7,390,726	
Commitments 39 39,275,821 37,659,547 30,593,118 31,058,409	Derivative financial instruments	38	278,085,916	183,839,995	269,758,270	180,696,126	
	Commitments	39	39,275,821	37,659,547	30,593,118	31,058,409	

		Т	he Group	The Bank		
	Note(s)	2004	2003	2004	2003	
		\$'000	\$'000	\$'000	\$'000	
Assets						
Cash, balances and placements with central banks		11,653,014	9,084,677	8,109,433	6,499,325	
Singapore Government treasury bills and securities	24	7,772,462	6,310,846	7,678,206	6,232,660	
Other government treasury bills	25	4.075.244	1 251 624		706 500	
and securities	25	1,975,344	1,351,624	1,615,464	706,589	
Dealing securities	26	438,934	524,506	124,573	176,864	
Placements and balances with banks and agents	27	26,725,985	20,072,137	23,869,593	18,330,481	
Trade bills	28	1,579,629	1,312,603	214,429	159,863	
Advances to customers	28	62,720,387	57,983,953	50,356,374	50,350,598	
Placements with and advances to subsidiaries		-	-	1,828,628	1,989,874	
Other assets	29	5,891,510	4,715,737	4,265,060	3,657,413	
		118,757,265	101,356,083	98,061,760	88,103,667	
Investment securities	30	8,608,545	5,422,510	6,802,650	4,061,903	
Investments in associates	31	1,702,393	1,396,784	842,870	775,380	
Investments in subsidiaries	32	-	_	2,697,667	1,285,403	
Fixed assets	34	1,862,434	1,768,393	1,116,994	1,147,140	
Deferred tax assets	14	72,200	36,470	21,121	5,546	
Goodwill	11	3,875,729	3,466,159	3,181,819	3,371,778	
		134,878,566	113,446,399	112,724,881	98,750,817	

The accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity for the financial year ended 31 December 2004

				The	Group		
	Note(s)	Share capital \$'000	Capital reserves \$'000	Statutory reserves \$'000	Revenue reserves \$'000	Share of reserves of associates \$'000	Total \$'000
2004							
Balance at 1 January 2004		1,571,664	4,242,284	2,859,850	4,464,952	143,285	13,282,035
Net profit for the financial							
year attributable							
to members		-	-	-	1,451,769	-	1,451,769
Differences arising from							
currency translation of							
financial statements of							
foreign branches,							
subsidiaries and							
associates	17(a)	-	(36,731)	-	-	-	(36,731)
Group's share of reserves						(40,700)	(40,700)
of associates Transfer to revenue reserves	20	-	-	-	-	(18,730)	(18,730)
upon disposal and liquidation of associates	19(a),20				1,150	(1,150)	
Other adjustments	19(a),20 17(a)	-	_ 2,681	-	1,150	(1,150)	_ 2,681
	17(d)		2,001				2,001
Total recognised gains/							
(losses) for the financial year		-	(34,050)	-	1,452,919	(19,880)	1,398,989
Transfer from/(to)	17(a),18,						
revenue reserves	19(a)	-	(5,834)	62,447	(56,613)		_
Dividends	19(a)	-	-	-	(754,570)	-	(754,570)
Share buy-back	16(a),17(a),		26.447				(400.040)
leave of choree week average	19(a)	(36,417)	36,417	-	(499,810)	-	(499,810)
Issue of shares upon exercise	10(-) 17(-)	1 000	11 100				12 100
of options	16(a),17(a)	1,008	11,100	-	-	-	12,108
Balance at 31 December 2004		1,536,255	4,249,917	2,922,297	4,606,878	123,405	13,438,752

				The	Group		
	Note(s)	Share capital \$'000	Capital reserves \$'000	Statutory reserves \$'000	Revenue reserves \$'000	Share of reserves of associates \$'000	Total \$'000
2003							
Balance at 1 January 2003 As restated		1,571,603	4,256,919	2,757,518	3,892,971	133,594	12,612,605
Net profit for the financial year attributable to members		_	-	-	1,202,086	-	1,202,086
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and							
associates	17(a)	-	10,481	-	-	-	10,481
Group's share of reserves of associates Other adjustments	20 17(a),18,	-	-	-	-	9,691	9,691
	19(a)	_	(1,805)	529	(632)	_	(1,908)
Total recognised gains for the financial year		_	8,676	529	1,201,454	9,691	1,220,350
Transfer from/(to) revenue reserves	17(a),18,		(23,969)	101,803	(77,834)		
Dividends Issue of shares upon exercise	19(a) 19(a)	-	(25,909) -	- 101,603	(551,639)	-	_ (551,639)
of options	16(a),17(a)	61	658	-	-	-	719
Balance at 31 December 2003		1,571,664	4,242,284	2,859,850	4,464,952	143,285	13,282,035

The movements of the respective reserve accounts are presented in Notes 16 to 20.

The accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity for the financial year ended 31 December 2004

				The Bank		
	Note(s)	Share capital \$'000	Capital reserves \$'000	Statutory reserve \$'000	Revenue reserves \$'000	Total \$'000
2004						
Balance at 1 January 2004		1,571,664	4,180,133	2,493,172	3,514,142	11,759,111
Net profit for the financial year attributable to members		_	_	_	1,190,234	1,190,234
Differences arising from currency translation of financial statements						
of foreign branches	17(b)	_	5,265	_	-	5,265
Total recognised gains for the financial year Transfer from/(to)		_	5,265	-	1,190,234	1,195,499
revenue reserves	17(b),18,19(b)	_	(5,009)	60,000	(54,991)	_
Dividends	19(b)	-	_	_	(754,570)	
Share buy-back Issue of shares upon exercise	16(a),17(b),19(b)	(36,417)	36,417	-	(499,810)	(499,810)
of options	16(a),17(b)	1,008	11,100	-	-	12,108
Balance at 31 December 2004		1,536,255	4,227,906	2,553,172	3,395,005	11,712,338

				The Bank		
		Share	Capital	Statutory	Revenue	
	Note(s)	capital	reserves	reserve	reserves	Total
		\$'000	\$'000	\$′000	\$'000	\$'000
2003						
Balance at 1 January 2003						
As restated		1,571,603	4,197,657	2,395,293	3,079,030	11,243,583
Net profit for the financial						
year attributable						
to members		-	-	-	1,070,561	1,070,561
Differences arising from						
currency translation of						
financial statements of						
foreign branches	17(b)	-	(4,113)	-	-	(4,113)
Total recognised gains/(losses)						
for the financial year		_	(4,113)	_	1,070,561	1,066,448
Transfer from/(to)						
revenue reserves	17(b),18,19(b)	-	(14,069)	97,879	(83,810)	-
Dividends	19(b)	-	-	-	(551,639)	(551,639)
Issue of shares upon exercise						
of options	16(a),17(b)	61	658	_	-	719
Balance at 31 December 2003		1,571,664	4,180,133	2,493,172	3,514,142	11,759,111

The movements of the respective reserve accounts are presented in Notes 16 to 20.

The accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the financial year ended 31 December 2004

	2004 \$'000	2003 \$′000
Cash flows from operating activities:		
Profit before tax	1,916,865	1,608,328
Adjustments for:		
Depreciation of fixed assets	124,701	107,755
Goodwill written-off and amortised	213,630	201,620
Share of profit of associates	(307,265)	(107,249)
Operating profit before working capital changes	1,947,931	1,810,454
Changes in working capital:		
Increase in deposits	12,664,532	1,481,684
Increase/(decrease) in bills and drafts payable	14,192	(85)
(Decrease)/increase in other liabilities	(354,233)	1,778,501
Decrease in dealing securities	85,572	98,905
Increase in placements and balances with banks and agents	(6,384,549)	(645,916)
Increase in trade bills and advances to non-bank customers Decrease in other government treasury bills and securities not	(802,609)	(412,549)
qualifying as cash and cash equivalents	385,380	337,955
Increase in other assets	(481,772)	(703,590)
Cash generated from operations	7,074,444	3,745,359
ncome tax paid	(366,367)	(335,092)
Net cash provided by operating activities	6,708,077	3,410,267
Cash flows from investing activities:		
ncrease in investment securities and investments in associates	(3,033,248)	(1,540,708)
let dividends received from associates	167,829	31,559
Net increase in fixed assets	(79,265)	(81,799)
Change in/acquisition of minority interests of subsidiaries	(34,637)	(3,752)
let cashflow on acquisition of subsidiaries [Note 32(b)]	(217,321)	
Net cash used in investing activities	(3,196,642)	(1,594,700)
Cash flows from financing activities:		
Proceeds from issue of shares	12,108	719
let increase in debts issued	2,809,850	2,049,459
ihare buy-back	(499,810)	
Dividends paid by the Bank	(754,570)	(551,639)
Dividends paid by subsidiaries to minority shareholders	(3,229)	(4,291)
Net cash provided by financing activities	1,564,349	1,494,248
Eurrency translation adjustment	(36,731)	10,481
Net increase in cash and cash equivalents for the financial year	5,039,053	3,320,296
Cash and cash equivalents at beginning of the financial year	16,361,767	13,041,471
Cash and cash equivalents at end of the financial year (Note 40)	21,400,820	16,361,767

The accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

United Overseas Bank Limited (the "Bank") is a limited liability company incorporated in Singapore. The registered office of the Bank is at 80 Raffles Place, UOB Plaza, Singapore 048624.

The Bank is principally engaged in the business of banking in all its aspects, including the operation of an Asian Currency Unit under the terms and conditions specified by the Monetary Authority of Singapore. The principal activities of its subsidiaries are set out in Note 45 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

2. Summary of significant accounting policies

(a) **Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act, Cap. 50.

The accounting policies have been consistently applied by the Bank and the Group and are consistent with those used in the previous financial year.

(b) Basis of accounting

The financial statements are presented in Singapore dollars.

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of dealing securities, certain Singapore Government treasury bills and securities, other government treasury bills and securities and derivative financial instruments to fair value at the balance sheet date and the inclusion of certain freehold and leasehold land and buildings at valuation.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the financial year. Although these estimates are based on management's best knowledge and efforts, actual results may ultimately differ from these estimates.

(c) Basis of consolidation

- (i) The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated profit and loss account from the respective dates of their acquisition or disposal. Intercompany balances and transactions and resulting unrealised profits and losses are eliminated in full on consolidation.
- (ii) Interpretation of Financial Reporting Standard ("INT FRS") 12: Consolidation Special Purpose Entities ("SPE") requires that SPE be consolidated when the substance of the relationship between the Group and the SPE indicates that the SPE is controlled by the Group. The adoption of INT FRS 12 has resulted in the consolidation of an SPE established in the ordinary course of the Group's business. Details of the SPE are set out in Note 35.

(d) Subsidiaries

A subsidiary is a company in which the Group, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors.

for the financial year ended 31 December 2004

2. Summary of significant accounting policies (cont'd)

(e) **Associates**

The Group treats as associates those companies in which the Group has a long-term equity interest of 20 to 50 percent and over whose financial and operating policy decisions it has significant influence except when the investment is acquired and held exclusively with a view to its subsequent disposal in the near future, in which case it is accounted for either as dealing securities or investment securities, as appropriate.

Associates are accounted for under the equity method whereby the Group's share of profits less losses of associates is included in the consolidated profit and loss account. The Group's investments in associates include goodwill on acquisition (net of accumulated amortisation), treated in accordance with the accounting policy for goodwill in Note 2(n) and the Group's share of post-acquisition reserves, net of dividends received, are adjusted against the cost of investments in the associates to arrive at the carrying amount in the consolidated balance sheet.

(f) Trade bills and advances to customers

Trade bills and advances to customers are stated at cost less provision for possible losses. These provisions comprise specific provisions made for any debts considered to be doubtful of collection and a general provision maintained to cover losses which, although not specifically identified, are inherent in any portfolio of loans and advances. Known bad debts are written-off.

(g) Investments

(i) Singapore Government and other government treasury bills and securities held for trading are initially recognised in the balance sheet at amounts paid and subsequently re-measured to fair value. The resultant profits and losses are taken up in the profit and loss account.

Singapore Government and other government treasury bills, other than those held for trading, are stated at the lower of cost and market value, determined on an aggregate basis.

Singapore Government and other government securities, other than those held for trading, are stated at cost (adjusted for amortisation of premium/discount) and provisions are made for diminution in value that is other than temporary, determined on an individual basis.

- (ii) Dealing securities are initially recognised in the balance sheet at amounts paid and are subsequently re-measured to fair value. The resultant profits and losses are taken up in the profit and loss account.
- (iii) Investment securities are stated at cost (adjusted for amortisation of premium/discount) and provisions are made for diminution in value that is other than temporary, determined on an individual basis.

Investment securities held by the consolidated SPE are initially recognised in the balance sheet at amounts paid and subsequently re-measured to fair value. Fair value for publicly quoted investments is based on quoted market prices at the balance sheet date. Fair value for unquoted investments is based on other valuation techniques, such as discounting estimated cash flows at an appropriate rate.

(iv) Investments in associates and subsidiaries are stated at cost and provisions are made for impairment, determined on an individual basis.

(h) Cash and cash equivalents

Cash equivalents are highly liquid assets that are readily convertible into cash.

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the balance sheet amounts of cash, balances and placements with central banks and Singapore Government treasury bills and securities, less non-cash equivalents included in those amounts.

(i) Revenue recognition

- (i) Interest income is recognised on a time proportion basis.
- (ii) Dividend income from investments other than investments in subsidiaries is taken up gross in the profit and loss account of the financial year in which the dividend is received.
- (iii) Dividend income from subsidiaries is taken up gross in the profit and loss account of the financial year in which the dividend is declared.
- (iv) Gains and losses on disposal of investments are taken up in the profit and loss account.
- (v) Fee and commission income and rental income are recognised on a time proportion basis. Where a fee is charged in lieu of interest, such fee is amortised over the same period as the related interest income is recognised. Rental income represents income from the tenanted areas of the buildings owned by the Bank and/or the Group.

(j) Fixed assets and depreciation

Fixed assets are stated at cost or valuation for certain land and buildings, less accumulated depreciation and impairment. Fixed assets, other than land and buildings, are depreciated on a straight-line basis over 5 or 10 years. Computer software is included in fixed assets and similarly amortised. Freehold land and leasehold land exceeding 99 years tenure are not depreciated. Other leasehold land is depreciated on a straight-line basis over the period of the lease. Buildings are depreciated on a straight-line basis over 50 years or over the period of the respective leases, whichever is shorter.

for the financial year ended 31 December 2004

2. Summary of significant accounting policies (cont'd)

(k) **Tax**

Deferred income tax is provided, using the liability method, in full on all significant temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the financial years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all significant temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all significant deductible temporary differences, carry-forward of unutilised tax losses and unabsorbed capital allowances, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax losses and unabsorbed capital allowances can be utilised.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred income tax is charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

(I) Foreign currencies

Transactions in foreign currencies are measured in Singapore dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the balance sheet date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant exchange differences are recognised in the profit and loss account.

Assets and liabilities of foreign entities are translated into Singapore dollar equivalents at exchange rates ruling at the balance sheet date. Revenues and expenses are translated at average exchange rates for the financial year, which approximate the exchange rates at the dates of the transactions. All resultant exchange differences are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences included in equity are recognised in the profit and loss account as a component of the gain or loss on disposal.

Goodwill arising on acquisition of a foreign entity are treated as assets at the Group level and are recorded at the exchange rate at the date of the transaction. Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are recorded at exchange rates ruling at the balance sheet date. All resultant exchange differences are taken directly to equity.

(m) Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at amounts paid or received, as appropriate.

Derivative financial instruments undertaken for trading purposes are subsequently re-measured to fair value and the resultant profits and losses are taken up in the profit and loss account.

Derivative financial instruments entered into for hedging purposes are accounted for in a manner consistent with the accounting treatment of the hedged items.

(n) Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets of subsidiaries, associates or businesses acquired.

Goodwill arising on acquisition of subsidiaries occurring on or after 1 January 2001 is reported in the balance sheet as an intangible asset. Goodwill on acquisition of associates occurring on or after 1 January 2001 is included in investments in associates.

Goodwill is amortised on a straight-line basis, through the profit and loss account, over its useful economic life up to a maximum of 20 years.

Negative goodwill represents the excess of the fair value of the identifiable net assets of subsidiaries, associates or businesses acquired over the fair value of the consideration given.

Negative goodwill is amortised on a straight-line basis, through the profit and loss account over the remaining weighted average useful life of the identifiable depreciable/amortisable assets acquired, with the exception of the amount of negative goodwill exceeding the fair values of acquired identifiable non-monetary assets, which is recognised as income immediately.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of.

(o) Impairment

Investments in associates, investments in subsidiaries, fixed assets and goodwill are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or the cash generating unit to which the asset is allocated exceeds its recoverable amount which is the higher of the asset's or cash generating unit's net selling price and value in use.

(p) Provisions

Provisions are recognised when the Bank or the Group has a present legal or constructive obligation where as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for possible loan losses, diminution in value, and impairment of other classes of assets, despite the use of the term "provisions", are not provisions as defined above. Instead, they represent adjustments to the carrying values of assets.

for the financial year ended 31 December 2004

2. Summary of significant accounting policies (cont'd)

(q) Employee benefits

Equity compensation benefits

Employees of the Bank and the Group with the corporate grade of Vice President (or an equivalent rank) and above as well as selected employees below Vice President (or an equivalent rank) qualify for the UOB 1999 Share Option Scheme (hereinafter called the "Scheme"), subject to certain conditions.

Pursuant to the Scheme, options have been granted to enable the holders to acquire shares in the Bank at the respective exercise prices.

The Bank and the Group do not recognise share options issued under the Scheme as a charge to the profit and loss account.

Post employment benefits

The Bank and the Group contribute to legally required social security schemes (including the Central Provident Fund) which are defined contribution schemes.

These expenses are charged to the profit and loss account as and when they arise and are included as part of staff costs.

(r) **Dividends**

Dividends on ordinary shares are recorded in the financial statements in the period in which they are declared.

(s) Repurchase and reverse repurchase agreements

Repurchase agreements are treated as collaterised borrowings and the amounts borrowed are shown as liabilities, included in deposits of and amounts owing to non-bank customers, banks and agents (Note 21). The securities sold under repurchase agreements are treated as pledged assets and remain in the respective assets on the balance sheet.

Reverse repurchase agreements are treated as collaterised lending and the amounts lent are shown as assets, included in placements and balances with banks and agents and advances to customers.

The difference between the amount received and the amount paid, under repurchase agreements and reverse repurchase agreements, is amortised as interest expense and interest income respectively.

3. Interest income

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Government treasury bills and securities	183,280	166,504	157,063	134,306
Trade bills and advances to customers	2,570,283	2,532,943	1,982,214	2,004,787
Placements and balances with				
banks and agents	630,547	409,735	521,739	324,825
Dealing and investment securities	277,230	184,919	205,282	126,732
	3,661,340	3,294,101	2,866,298	2,590,650
Received/receivable from:				
Subsidiaries	-	-	29,207	20,224
Associates	6,296	13,898	6,282	13,830
Third parties	3,655,044	3,280,203	2,830,809	2,556,596
	3,661,340	3,294,101	2,866,298	2,590,650

4. Interest expense

	The Group		Th	The Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Non-bank deposits	907,383	796,069	614,696	548,012	
Deposits and balances of					
banks and agents	366,646	292,681	341,018	255,158	
Debts issued	232,415	134,813	215,849	119,630	
	1,506,444	1,223,563	1,171,563	922,800	
Paid/payable to:					
Subsidiaries	-	-	28,521	21,871	
Associates	3,339	2,420	2,364	1,936	
Third parties	1,503,105	1,221,143	1,140,678	898,993	
	1,506,444	1,223,563	1,171,563	922,800	

for the financial year ended 31 December 2004

5. Dividend income

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Dividend income from:				
Investments in subsidiaries				
Quoted	-	_	4,947	5,195
Unquoted	-	-	93,226	222,452
Investments in associates				
Quoted	-	-	172,797	31,442
Unquoted	-	-	3,518	4,100
Other investments				
Quoted	31,013	25,813	19,406	16,152
Unquoted	11,970	16,191	10,603	5,266
	42,983	42,004	304,497	284,607

6. Fee and commission income

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Credit card	108,662	93,734	78,832	71,142
Fund management	111,247	77,885	10,076	4,954
Futures broking	32,492	35,367	-	-
Investment-related	130,814	97,519	90,046	67,936
Loan-related	114,027	96,567	95,213	82,178
Service charges	52,389	49,490	44,445	43,111
Trade-related	138,394	111,322	98,081	83,209
Other	17,872	25,982	10,688	19,857
	705,897	587,866	427,381	372,387

7. Other operating income

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Net (loss)/profit on dealing securities,				
government treasury bills and securities,				
and derivatives	(34,220)	142,478	(34,995)	144,042
Net profit on foreign exchange dealings	126,011	111,205	90,656	79,455
Net profit on disposal of investment				
securities and associates	88,391	53,923	36,336	36,748
Net profit on disposal of fixed assets	12,767	18,564	11,901	11,872
Net (loss)/profit on disposal and				
liquidation of subsidiaries	(5,366)	408	9,182	14,225
Other income	102,806	60,008	59,377	55,820
	290,389	386,586	172,457	342,162

8. Staff costs

(a)

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	498,898	449,822	302,314	283,551
Employer's contribution to defined				
contribution plans, including				
Central Provident Fund	45,790	49,422	28,153	30,994
Other staff-related costs	42,765	32,536	33,281	29,099
	587,453	531,780	363,748	343,644

(b)

	The Group		The Bank	
	2004	2003	2004	2003
Number of employees at the				
balance sheet date	13,574	10,547	5,360	5,233

for the financial year ended 31 December 2004

8. Staff costs (cont'd)

(c) Equity compensation benefits

Options to subscribe for ordinary shares of \$1 each in the Bank are granted pursuant to the UOB 1999 Share Option Scheme (hereinafter called the "Scheme") to employees of the UOB Group with the corporate grade of Vice President (or an equivalent rank) and above as well as selected employees below the corporate grade of Vice President (or an equivalent rank), subject to certain conditions.

Movements in the number of shares under option held by employees of the Group are as follows:

	The Group and The Bank	
	2004	2003
	'000	'000
Outstanding at 1 January	4,467	2,400
Issued	2,083	2,200
Exercised	(1,008)	(61)
Lapsed	(1,268)	(72)
Outstanding at 31 December	4,274	4,467

Details of the unissued ordinary shares of \$1 each of the Bank under option at the end of the financial year are set out below:

Year in which options were granted under the Scheme	Price per share payable in full upon application	Date of expiration of option	Number	of shares
	\$		2004	2003
			'000 '	'000
1999	14.70	27 December 2004	-	1,185
2000	12.90	11 December 2005	822	1,121
2003	11.67	6 June 2008	1,369	2,161
2004	13.67	29 November 2009	2,083	
			4,274	4,467

Details of share options exercised during the financial year to subscribe for ordinary shares of \$1 each in the Bank are as follows:

Year in which options were granted under the Scheme	Exercise price	Number of s	hares issued		on received ash
	\$	2004	2003	2004	2003
		' 000	'000	\$'000	\$'000
1998	3.14	-	7	-	22
2000	12.90	280	54	3,612	697
2003	11.67	728	-	8,496	
		1,008	61	12,108	719

9. Other operating expenses

Included in other operating expenses are:

	Th	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Depreciation of fixed assets	124,701	107,755	84,709	78,077	
Rental of premises and equipment	36,636	39,388	39,321	46,893	
Maintenance of premises and other assets	55,847	51,142	38,489	38,094	
Other expenses of premises	36,211	31,613	21,107	19,075	
Auditors' remuneration:					
Payable to the auditors of the Bank in Singapore					
Current year	1,505	1,649	1,084	1,060	
Prior year underprovision	-	166	-	241	
	1,505	1,815	1,084	1,301	
Payable to auditors of the Bank outside Singapore	798	1,121	387	669	
Payable to other auditors	508	117	237	-	
Other fees*					
Payable to the auditors of the Bank in Singapore	107	912	107	727	
Payable to auditors of the Bank outside Singapore	14	210	14	99	
Payable to other auditors	10	-	10	-	

* Included fees in respect of audit-related work required by laws and regulations.

10. Directors' fees and other remuneration

(a) Fees and other remuneration paid/payable to the directors of the Bank and its subsidiaries included in total expenses are as follows:

	The	Group	The	The Bank		
	2004	2003	2004	2003		
	\$'000	\$'000	\$'000	\$'000		
Directors of the Bank:						
Fees	809	871	600	619		
Remuneration	10,909	11,156	10,909	11,156		
Professional fees paid/payable to firms						
of which certain directors of the						
Bank are members	2,536	200	2,221	38		
Less:						
Amount capitalised in:						
Subordinated debts issued	443	_	443	_		
Cost of acquisition of subsidiaries						
and an associate	955	-	695	-		
Amount charged to the profit and loss						
accounts during the financial year	1,138	200	1,083	38		
	12,856	12,227	12,592	11,813		
Directors of its subsidiaries:						
Fees	673	689	10	10		
Remuneration	6,258	8,982	-			
	6,931	9,671	10	10		

for the financial year ended 31 December 2004

10. Directors' fees and other remuneration (cont'd)

(b) The number of directors of the Bank whose total directors' fees and other remuneration from the Group that fall into the following bands is as below:

	The C	Group
	2004	2003
\$7,500,000 to \$7,749,999	1	_
\$6,750,000 to \$6,999,999	-	1
\$2,250,000 to \$2,499,999	1	_
\$2,000,000 to \$2,249,999	-	1
\$1,250,000 to \$1,499,999	-	1
\$1,000,000 to \$1,249,999	1	_
\$750,000 to \$999,999	-	1
Below \$250,000	10	10
	13	14

11. Goodwill

	Th	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January	3,466,159	3,666,046	3,371,778	3,585,428	
Transfer from Overseas Union					
Trust Limited ("OUT") upon					
merger with the Bank At cost					
At cost Accumulated amortisation	_	-	-	(25,533) 425	
Accumulated amortisation	_	_			
Net deferred tax liability on fair values	-	-	-	(25,108)	
of assets and liabilities of OUT					
acquired in 2002 and adjusted in 2003	_	1,733	_	1,733	
Goodwill on acquisition of Bank of					
Asia Public Company Limited [Note 32(b)]	611,086	-	-	-	
Goodwill on acquisition of additional					
shares in subsidiaries	12,114	-	-	-	
Goodwill written-off to profit and loss account upon liquidation of a subsidiary					
At cost	_	(1,288)	_	_	
Accumulated amortisation	_	96	_	_	
	_	(1,192)	_		
Amortisation during the financial year	(213,630)	(200,428)	(189,959)	(190,275)	
Balance at 31 December	3,875,729	3,466,159	3,181,819	3,371,778	
Goodwill, at cost	4,533,051	3,909,851	3,800,657	3,800,657	
Accumulated amortisation	(657,322)	(443,692)	(618,838)	(428,879)	
	3,875,729	3,466,159	3,181,819	3,371,778	

12. Provisions

Provisions charged/(credited) to the profit and loss accounts during the financial year are as follows:

	The	Group	The	The Bank		
	2004	2003	2004	2003		
	\$'000	\$'000	\$'000	\$'000		
Specific provisions for and net write-offs						
of trade bills and advances to customers	234,782	345,402	189,657	270,839		
General provisions (written back)/charged	(102,000)	_	(107,305)	2,442		
Provision for diminution in value/impairment						
of investments, fixed assets and						
other assets (Note 33)	68,581	16,110	26,534	53,633		
Provision/(write-back of provision)						
for contingent liabilities	7,342	-	(18,201)	-		
	208,705	361,512	90,685	326,914		

13. Exceptional item

	The Group		The	The Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Surplus arising from the merger of OUT		_	_	12,421	

for the financial year ended 31 December 2004

14. Tax

(a) The tax charge to the profit and loss accounts comprises the following:

	The	Group	The	The Bank		
	2004	2003	2004	2003		
	\$'000	\$'000	\$'000	\$'000		
On the profit of the financial year:						
Current tax	405,602	386,686	359,641	358,996		
Deferred tax	(19,230)	(6,585)	(18,893)	(3,913)		
	386,372	380,101	340,748	355,083		
Share of tax of associates	65,887	26,423	-			
	452,259	406,524	340,748	355,083		
(Over)/underprovision of tax in respect of prior						
financial years:						
Current tax	(3,027)	(8,879)	(3,076)	(5,230)		
Deferred tax	1,200	(4,894)	(1)	(3,658)		
	450,432	392,751	337,671	346,195		

The tax charge on the results of the Bank and the Group for the financial year differs from the theoretical amount that would arise by applying the Singapore statutory income tax rate to the profit before tax due to the following:

	The	e Group	Th	The Bank		
	2004	2003	2004	2003		
	\$'000	\$'000	\$'000	\$'000		
Profit before tax	1,916,865	1,608,328	1,527,905	1,416,756		
Tax calculated at a tax rate of 20% (2003: 22%)	383,373	353,832	305,581	311,686		
Effects on:						
Singapore statutory stepped						
income exemption	(210)	(278)	(11)	(12)		
Offshore income from the Asian Currency Unit						
and other income taxed at concessionary rates	(30,699)	(40,199)	(24,729)	(36,552)		
Other tax rebates	(267)	(2,509)	-	-		
Different tax rates in other countries	38,647	23,819	24,547	64,155		
Losses of overseas branches, subsidiaries and						
associates not offset against taxable income						
of other entities	7,716	9,872	219	302		
Income not subject to tax	(29,884)	(1,906)	(16,153)	(39,372)		
Expenses not deductible for tax purposes	84,613	65,393	51,490	55,472		
Realisation of deferred tax benefit in respect of						
tax losses not previously recognised	(1,030)	(1,500)	(196)	(596)		
Tax expense on profit of the financial year	452,259	406,524	340,748	355,083		

(b) Deferred tax asset is recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group has not recognised the deferred tax asset in respect of tax losses of \$581,277,000 (2003: \$222,752,000) which can be carried forward to offset against future taxable income subject to meeting certain statutory requirements of the relevant tax authorities. These tax losses have no expiry date except for the amount of \$527,026,000 (2003: \$188,124,000) which will expire between the years 2005 and 2024 (2003: 2004 and 2023).

The movements in the deferred tax assets and liabilities of the Bank and the Group (prior to the offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred tax liabilities

tax depreciation depreciation S'000business combination S'000'Utax other S'000'Utax itax itax S'000'Utax itax itax S'000'Utax itax itax S'000'Utax itax itax S'000'Utax ita		Accelerated	2004 Fair value of depreciable properties acquired in			Accelerated	2003 Fair value of depreciable properties acquired in		
S'000 S'000 <th< th=""><th></th><th>tax</th><th>business</th><th></th><th></th><th>tax</th><th>business</th><th></th><th></th></th<>		tax	business			tax	business		
The Group Balance at 1 January Currency translation differences 58,997 52,181 6,972 118,150 51,310 49,526 9,073 109,909 Adjustment to goodwill (Note 11) (186) (84) 375 105 (124) - (40) (164) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Liquidation of a subsidiary (Credited//charged to profit and loss account (5,278) (6,170) 9,953 (1,495) 7,819 (5,267) (2,061) 491 Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences (35) - 375 340 (17) - (57) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - - - 319 - 319 (Credited//charg		depreciation	combination	Other	Total	depreciation	combination	Other	Total
Balance at 1 January Currency translation differences 58,997 52,181 6,972 118,150 51,310 49,526 9,073 109,909 Currency translation differences (186) (84) 375 105 (124) – (40) (164) Adjustment to goodwill (Note 11) – – – – 7,922 – 7,922 Liquidation of a subsidiary (Credited//charged to profit and loss account (5,278) (6,170) 9,953 (1,495) 7,819 (5,267) (2,061) 491 Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences (35) – 375 340 (17) – (57) (74) Adjustment to goodwill (Note 11) – – – – 7,922 – 7,922 Transfer from subsidiaries upon merger – – – – – 7,922 – 7,922 (Credited//charged to		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Currency translation differences (186) (84) 375 105 (124) - (40) (164) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Liquidation of a subsidiary (Credited)/charged to profit and loss account - - - - (8) - - (8) Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation differences (35) - 375 340 (17) - (5,7) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - - 319 - - 319 (Credited)/charged to profit and loss account (4,799)	The Group								
differences (186) (84) 375 105 (124) - (40) (164) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Liquidation of a subsidiary (Credited)/charged to profit and loss account - - - - (8) - - (8) Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Adjustment to goodwill (Note 11) - - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - - - 7,922 - 7,922 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	· · · · · · · · · · · · · · · · · · ·	58,997	52,181	6,972	118,150	51,310	49,526	9,073	109,909
Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Liquidation of a subsidiary (Credited)/charged to profit and loss account - - - - (8) - - (8) Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation differences (35) - 375 340 (17) - (57) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - - 319 - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Currency translation								
Note 11) - - - - 7,922 - 7,922 Liquidation of a subsidiary (Credited)/charged to profit and loss account - - - (8) - - (8) Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation differences (35) - 375 340 (17) - (57) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - 319 - - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	differences	(186)	(84)	375	105	(124)	-	(40)	(164)
Liquidation of a subsidiary (Credited)/charged to profit and loss account - - - (8) - - (8) Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January Currency translation differences (35) - 375 340 (17) - (5,78) (7,42) Adjustment to goodwill (Note 11) - - - - 319 - 7,922 - 7,922 Transfer from subsidiaries upon merger (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Adjustment to goodwill								
(Credited)/charged to profit and loss account (5,278) (6,170) 9,953 (1,495) 7,819 (5,267) (2,061) 491 Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation (35) - 375 340 (17) - (57) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - 319 - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	(Note 11)	-	-	-	-	-	7,922	-	7,922
profit and loss account (5,278) (6,170) 9,953 (1,495) 7,819 (5,267) (2,061) 491 Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation (35) - 375 340 (17) - (57) (74) Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - 319 - - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579		-	-	-	-	(8)	-	-	(8)
Balance at 31 December 53,533 45,927 17,300 116,760 58,997 52,181 6,972 118,150 The Bank Balance at 1 January 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation differences (35) – 375 340 (17) – (57) (74) Adjustment to goodwill (Note 11) – – – – – 7,922 – 7,922 Transfer from subsidiaries upon merger – – – – 319 – 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579									
The Bank Balance at 1 January 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Currency translation differences (35) - 375 340 (17) - (57) (74) Adjustment to goodwill - - - - 7,922 - 7,922 Transfer from subsidiaries - - - 319 - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	profit and loss account	(5,278)	(6,170)	9,953	(1,495)	7,819	(5,267)	(2,061)	491
Balance at 1 January Currency translation differences 48,526 52,181 3,432 104,139 39,658 49,526 2,209 91,393 Adjustment to goodwill (Note 11) - - 375 340 (17) - (57) (74) Transfer from subsidiaries upon merger - - - - 7,922 - 7,922 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Balance at 31 December	53,533	45,927	17,300	116,760	58,997	52,181	6,972	118,150
Currency translation Gas - 375 340 (17) - (57) (74) Adjustment to goodwill - - - - 7,922 - 7,922 (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries - - - 319 - 319 (Credited)/charged to - - 9,134 (3,467) 8,566 (5,267) 1,280 4,579	The Bank								
Currency translation (35) - 375 340 (17) - (57) (74) Adjustment to goodwill - - - - 7,922 - 7,922 (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries - - - 319 - 319 (Credited)/charged to - (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Balance at 1 January	48,526	52,181	3,432	104,139	39,658	49,526	2,209	91,393
Adjustment to goodwill (Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - 319 - - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579									
(Note 11) - - - - 7,922 - 7,922 Transfer from subsidiaries upon merger - - - 319 - - 319 (Credited)/charged to rofit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	differences	(35)	-	375	340	(17)	_	(57)	(74)
Transfer from subsidiaries upon merger – – – 319 – – 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Adjustment to goodwill								
upon merger - - - 319 - - 319 (Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	(Note 11)	-	-	-	-	-	7,922	-	7,922
(Credited)/charged to profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	Transfer from subsidiaries								
profit and loss account (4,799) (7,802) 9,134 (3,467) 8,566 (5,267) 1,280 4,579	1 5	-	-	-	-	319	-	-	319
	profit and loss account	(4,799)	(7,802)	9,134	(3,467)	8,566	(5,267)	1,280	4,579
Balance at 31 December 43,692 44,379 12,941 101,012 48,526 52,181 3,432 104,139	Balance at 31 December	43,692	44,379	12,941	101,012	48,526	52,181	3,432	104,139

for the financial year ended 31 December 2004

14. Tax (cont'd)

(b) (cont'd)

Deferred tax assets

	Non-tax deductible general	2004		Non-tax deductible general	2003	
	provisions \$'000	Other \$'000	Total \$'000	provisions \$'000	Other \$'000	Total \$'000
	\$ 000	\$ 000	\$ 000	⊅ 000	\$ 000	\$ 000
The Group						
Balance at 1 January	123,852	16,189	140,041	110,548	11,980	122,528
Currency translation differences	(4.244)	202	(053)		5	$\langle C A C \rangle$
Adjustment to goodwill	(1,244)	292	(952)	(651)	5	(646)
(Note 11)	_	_	_	6,189	_	6,189
Acquisition of subsidiaries	_	21,619	21,619	_	-	_
(Charged)/credited to						
profit and loss account	(8,585)	25,120	16,535	7,766	4,204	11,970
Balance at 31 December	114,023	63,220	177,243	123,852	16,189	140,041
The Bank						
Balance at 1 January	92,581	13,497	106,078	78,626	9,135	87,761
Currency translation						
differences	-	355	355	-	(22)	(22)
Adjustment to goodwill				C 400		6 4 9 9
(Note 11)	-	-	-	6,189	-	6,189
(Charged)/credited to profit and loss account	(8,416)	23,843	15,427	7,766	4,384	12,150
Balance at 31 December	84,165	37,695	121,860	92,581	13,497	106,078

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. Deferred tax assets and liabilities after netting are shown in the balance sheets as follows:

The Bank		
2004 2	003	
\$'000 \$'	000	
1,012 104,	139	
0,739) (100,	532)	
273 3,	607	
1,860 106,	078	
0,739) (100,	532)	
1,121 5,	546	
2	2004 2 \$'000 \$' 01,012 104, 00,739) (100, 21,860 106, 00,739) (100,	

15. Earnings per share

The calculation of basic and diluted earnings per share ("EPS") is determined based on the profit attributable to members divided by the weighted average number of ordinary shares in issue:

	The Group		
	2004	2003	
	\$'000	\$'000	
Net profit for the financial year attributable to members	1,451,769	1,202,086	
	'000	'000	
Weighted average number of ordinary shares in issue for			
computation of basic EPS	1,567,228	1,571,627	
Adjustment for assumed exercise of share options	215		
Weighted average number of ordinary shares for			
computation of diluted EPS	1,567,443	1,571,627	

16. Share capital

(a)

	The Group and The Bank				
	200)4	2003		
	Number of		Number of		
	shares		shares		
	'000	\$'000	'000	\$'000	
Ordinary shares of \$1 each					
Authorised	3,000,000	3,000,000	3,000,000	3,000,000	
Issued and fully paid:					
Balance at 1 January	1,571,664	1,571,664	1,571,603	1,571,603	
Share buy-back	(36,417)	(36,417)	-	-	
Shares issued upon exercise of options	1,008	1,008	61	61	
Balance at 31 December	1,536,255	1,536,255	1,571,664	1,571,664	
Authorised Issued and fully paid: Balance at 1 January Share buy-back Shares issued upon exercise of options	1,571,664 (36,417) 1,008	1,571,664 (36,417) 1,008	1,571,603 - 61	1,571,603 - 61	

- (b) During the financial year, the Bank issued 1,008,000 (2003: 61,000) ordinary shares of \$1 each to option holders who exercised their rights. All newly issued shares rank *pari passu* in all respects with the previously issued shares.
- (c) On 29 October 2004, the Board announced a proposed share buy-back programme of up to \$500 million by way of open market purchase, pursuant to a share purchase mandate approved by shareholders at the UOB's extraordinary general meeting held on 29 April 2004. During the financial year, the Bank purchased 36,417,000 UOB shares in the open market at an average price of \$13.72 per share. The total consideration paid for the share buy-back of \$499,810,000 (excluding related expenses) was financed by internally generated funds.

Under current law, a share purchased or acquired by UOB is deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to the share will expire on cancellation. On cancellation, the par value of the shares cancelled is transferred to a capital redemption reserve account.

(d) Details of the unissued ordinary shares of \$1 each of the Bank under option at the end of the financial year are set out in Note 8(c).

for the financial year ended 31 December 2004

17. Capital reserves

(a) **The Group**

	Share premium	Merger reserve	Foreign currency translation reserves	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2004					
Balance at 1 January	791,891	3,417,501	(84,908)	117,800	4,242,284
Currency translation					
differences	-	-	(36,731)	-	(36,731)
Share premium arising					
from the issue of shares upon exercise of options	11,100				11,100
Share buy-back	11,100	_	_	- 36,417	36,417
Transfer to retained	_	_		50,417	50,417
profits [Note 19(a)]	_	(5,009)	_	(825)	(5,834)
Other adjustments				2,681	2,681
Other adjustments	-	-	-	2,001	2,001
Balance at 31 December	802,991	_ 3,412,492	_ (121,639)	156,073	4,249,917
Balance at 31 December	802,991	_ 3,412,492	(121,639)		
Balance at 31 December 2003				156,073	4,249,917
Balance at 31 December	802,991 791,233	3,412,492 3,431,570	(121,639) (95,389)		
Balance at 31 December 2003 Balance at 1 January				156,073	4,249,917
Balance at 31 December 2003 Balance at 1 January Currency translation			(95,389)	156,073	4,249,917 4,256,919
Balance at 31 December 2003 Balance at 1 January Currency translation differences Share premium arising from the issue of shares	791,233		(95,389)	156,073	4,249,917 4,256,919
Balance at 31 December 2003 Balance at 1 January Currency translation differences Share premium arising from the issue of shares upon exercise of options			(95,389)	156,073	4,249,917 4,256,919
Balance at 31 December 2003 Balance at 1 January Currency translation differences Share premium arising from the issue of shares upon exercise of options Transfer to retained	791,233	3,431,570 –	(95,389)	156,073 129,505 –	4,249,917 4,256,919 10,481 658
Balance at 31 December 2003 Balance at 1 January Currency translation differences Share premium arising from the issue of shares upon exercise of options Transfer to retained profits [Note 19(a)]	791,233		(95,389)	156,073 129,505 – – (9,900)	4,249,917 4,256,919 10,481 658 (23,969)
Balance at 31 December 2003 Balance at 1 January Currency translation differences Share premium arising from the issue of shares upon exercise of options Transfer to retained	791,233	3,431,570 –	(95,389)	156,073 129,505 –	4,249,917 4,256,919 10,481 658

(b) The Bank

Currency translation differences – – 5,265 – 5,265 Share premium arising from the issue of shares upon exercise of options 11,100 – – – – 11,100		Share premium \$'000	Merger reserve \$'000	currency translation reserves \$'000	Other \$'000	Total \$'000
Currency translationdifferences-Share premium arising from the issue of shares upon exercise of options11,100Share buy-backTransfer to retained	2004					
differences5,265-5,265Share premium arising from the issue of shares upon exercise of options11,10011,100Share buy-back36,41736,417Transfer to retained36,41736,417	-	791,891	3,417,501	(29,259)	-	4,180,133
upon exercise of options11,100–––11,100Share buy-back–––36,41736,417Transfer to retained	differences Share premium arising	-	-	5,265	-	5,265
Share buy-back–––36,41736,417Transfer to retained		11,100	_	_	_	11,100
		-	-	-	36,417	36,417
profits [Note 19(b)] – (5,009) – – (5,009			<i>(</i>)			<i>(</i>)
	profits [Note 19(b)]		(5,009)	-	-	(5,009)
Balance at 31 December 802,991 3,412,492 (23,994) 36,417 4,227,906	Balance at 31 December	802,991	3,412,492	(23,994)	36,417	4,227,906
2003	2002					
		791 233	3 431 570	(25 146)	_	4,197,657
Currency translation	-	, 51,255	5,151,570	(20,110)		1,107,007
differences – – (4,113) – (4,113	differences	-	-	(4,113)	-	(4,113)
Share premium arising						
from the issue of shares	from the issue of shares					CE0
		658	-	-	-	658
	upon exercise of options					
Balance at 31 December 791,891 3,417,501 (29,259) - 4,180,133	upon exercise of options Transfer to retained		(14,069)	-		(14,069)

(c) The share premium account may only be utilised for specific purposes provided for by the Singapore Companies Act, Cap. 50 (the "Act").

The merger reserve of the Bank and the Group represents the premium arising from the issue of shares in connection with the acquisition of Overseas Union Bank Limited ("OUB") which was not transferred to the share premium account due to the relief provided for under Section 69B of the Act. The balances at the balance sheet date were net of the amount transferred to retained profits following the receipt of dividends paid out of OUB Group's pre-acquisition profits.

The foreign currency translation reserves of the Bank and the Group relate to currency translation differences arising from the use of year-end exchange rates versus historical rates in translating the net assets of overseas branches, subsidiaries and associates.

The other reserves of the Bank and the Group include capital redemption reserve of \$36,417,000 (2003: \$Nil), arising from share buy-back. The Group's other reserves also include an amount of \$57,796,000 (2003: \$57,796,000) relating to bonus shares which were issued by a subsidiary as fully paid shares through capitalisation of the subsidiary's revenue reserve.

for the financial year ended 31 December 2004

18. Statutory reserves

	The	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January	2,859,850	2,757,518	2,493,172	2,395,293	
Transfer from revenue reserves (Note 19)	62,447	101,803	60,000	97,879	
Other adjustments		529	-	_	
Balance at 31 December	2,922,297	2,859,850	2,553,172	2,493,172	

The statutory reserves of the Bank and the Group are maintained in accordance with the provisions of applicable laws and regulations. These reserves are non-distributable unless approved by the relevant authorities.

19. Revenue reserves

(a) The Group

	General reserves \$'000	Retained profits \$'000	Total \$'000
2004			
Balance at 1 January	1,263,212	3,201,740	4,464,952
Net profit for the financial year attributable to members	-	1,451,769	1,451,769
Transfer to general reserves	242,798	(242,798)	-
Transfer to statutory reserves (Note 18)	-	(62,447)	(62,447)
Transfer from other reserves [Note 17(a)]	-	825	825
Transfer from merger reserve [Note 17(a)]	-	5,009	5,009
Transfer from share of reserves of associates (Note 20)	-	1,150	1,150
Share buy-back [Note 16(c)]	-	(499,810)	(499,810)
Dividends:			
Final dividend in respect of financial year ended		<i>(</i>)	/
31 December 2003 of 40 cents per share paid, net of tax at 20%	-	(502,976)	(502,976)
Interim dividend in respect of financial year ended		(254 504)	(254 504)
31 December 2004 of 20 cents per share paid, net of tax at 20%	-	(251,594)	(251,594)
		(754,570)	(754,570)
Balance at 31 December	1,506,010	3,100,868	4,606,878
2003			
Balance at 1 January			
As restated	957,973	2,934,998	3,892,971
Net profit for the financial year attributable to members	-	1,202,086	1,202,086
Transfer to general reserves	349,746	(349,746)	-
Transfer to statutory reserves (Note 18)	(43,879)	(57,924)	(101,803)
Transfer from other reserves [Note 17(a)]	-	9,900	9,900
Transfer from merger reserve [Note 17(a)]	_	14,069	14,069
Other adjustments	(628)	(4)	(632)
Dividends:			
Final dividend in respect of financial year ended			
31 December 2002 of 25 cents per share paid, net of tax at 22%	-	(306,463)	(306,463)
Interim dividend in respect of financial year ended			
31 December 2003 of 20 cents per share paid, net of tax at 22%	-	(245,176)	(245,176)
	-	(551,639)	(551,639)
Balance at 31 December	1,263,212	3,201,740	4,464,952

for the financial year ended 31 December 2004

19. Revenue reserves (cont'd)

(b) The Bank

	General reserve \$'000	Retained profits \$'000	Total \$'000
2004 Balance at 1 January Net profit for the financial year attributable to members Transfer to general reserve Transfer to statutory reserve (Note 18) Transfer from merger reserve [Note 17(b)] Share buy-back [Note 16(c)]	790,249 _ 240,000 _ _ _	2,723,893 1,190,234 (240,000) (60,000) 5,009 (499,810)	3,514,142 1,190,234 – (60,000) 5,009 (499,810)
Dividends: Final dividend in respect of financial year ended 31 December 2003 of 40 cents per share paid, net of tax at 20% Interim dividend in respect of financial year ended 31 December 2004 of 20 cents per share paid, net of tax at 20%	-	(502,976) (251,594)	(502,976) (251,594)
Balance at 31 December	-	(754,570)	(754,570)
balance at 51 December	1,030,249	2,364,756	3,395,005
2003 Balance at 1 January As restated Net profit for the financial year attributable to members Transfer to general reserve Transfer to statutory reserve (Note 18) Transfer from merger reserve [Note 17(b)]	488,128 - 346,000 (43,879) -	2,590,902 1,070,561 (346,000) (54,000) 14,069	3,079,030 1,070,561 _ (97,879) 14,069
2003 Balance at 1 January As restated Net profit for the financial year attributable to members Transfer to general reserve Transfer to statutory reserve (Note 18)	488,128 _ 346,000	2,590,902 1,070,561 (346,000) (54,000)	3,079,030 1,070,561 – (97,879)

- (c) In each financial year, a certain amount of retained profits is transferred to general reserves of the Bank and the Group. These general reserves have not been earmarked for any particular purpose.
- (d) The revenue reserves of the Bank and the Group are distributable except for the amount of \$367,092,000 (2003: \$287,591,000) being the Group's share of revenue reserves of associates which is distributable only upon realisation by way of dividend from or disposal of investments in the associates.

20. Share of reserves of associates

	The Group	
	2004	2003
	\$'000	\$'000
Balance at 1 January	143,285	133,594
Movements in other reserves of associates	(18,730)	9,691
Transfer to retained profits on disposal and liquidation of associates [Note 19(a)]	(1,150)	
Balance at 31 December	123,405	143,285

The balance comprises the Group's share of associates' post-acquisition revenue reserves at the beginning of 1 January 1998, and other reserves, adjusted for goodwill arising from acquisition of associates prior to 1 January 2001. These reserves are non-distributable until they are realised by way of dividend from or disposal of investments in the associates. In the year of realisation, revaluation reserves previously brought into the Group without going through the consolidated profit and loss account are recognised in the consolidated profit and loss account. In all other cases, they are transferred to other reserves as appropriate.

The Group's share of profit of associates from 1 January 1998 is included in revenue reserves of the Group.

21. Deposits of and amounts owing to non-bank customers, banks and agents and subsidiaries

(a)

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Analysed by remaining maturity:				
Within 1 year	104,728,583	87,450,283	88,287,529	78,303,812
Over 1 year but within 3 years	1,411,887	702,924	1,000,076	590,401
Over 3 years but within 5 years	903,065	433,679	852,069	393,074
Over 5 years	169,332	115,437	79,895	79,947
	107,212,867	88,702,323	90,219,569	79,367,234

(b) Included in deposits of and amounts owing to non-bank customers, banks and agents are:

	The Group			The Bank
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Obligations on securities sold under				
repurchase agreements ("REPOs")	4,236,716	151,180	2,881,180	151,180

The related securities sold under REPOs are shown in Notes 24, 25, 27, 28 and 30 to the financial statements.

for the financial year ended 31 December 2004

21. Deposits of and amounts owing to non-bank customers, banks and agents and subsidiaries (cont'd)

(c) Included in deposits of non-bank customers are:

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Fixed rate deposits	50,933,202	45,801,200	41,194,858	38,664,804
Current, savings and other deposits	28,085,568	24,061,761	21,159,679	21,636,496
	79,018,770	69,862,961	62,354,537	60,301,300

22. Other liabilities

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Accrued interest payable	541,261	349,785	448,195	285,777
Trading derivative financial instruments				
at fair value (Note 38)	2,703,121	2,599,658	2,637,563	2,563,077
Other	2,954,230	3,491,995	1,084,010	898,131
	6,198,612	6,441,438	4,169,768	3,746,985

23. Debts issued

	The Group			The Bank
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
(a) Subordinated notes				
S\$1.3 billion 4.95% subordinated notes due 2016 callable with step-up in 2011,				
at cost US\$1 billion 4.50% subordinated notes	1,300,000	1,300,000	1,300,000	1,300,000
due 2013, at cost adjusted for discount S\$1 billion 4.100% subordinated notes due 2019 callable with step-up in 2014,	1,633,245	1,700,154	1,633,245	1,700,154
at cost adjusted for discount US\$1 billion 5.375% subordinated notes due 2019 callable with step-up in 2014,	997,637	-	997,637	-
at cost adjusted for discount THB2 billion subordinated debentures	1,632,681	-	1,632,681	-
due 2008, at cost	83,957	-	-	
	5,647,520	3,000,154	5,563,563	3,000,154
Unamortised expenses incurred in connection with the issue of the				
subordinated notes	(13,986)	(9,345)	(13,986)	(9,345)
	5,633,534	2,990,809	5,549,577	2,990,809

	Th	e Group	Th	e Bank
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
(b) Asset Backed Commercial Paper ("ABCP")				
At cost adjusted for discount:				
S\$ ABCP	724,000	678,500	-	_
US\$ ABCP	201,366	173,907	-	_
	925,366	852,407	_	
(c) Other				
Credit linked notes, at cost	32,676	34,016	32,676	34,016
Interest rate linked notes, at cost	95,470	65,830	95,470	65,830
Equity linked notes, at cost	402,251	253,207	402,251	253,207
	530,397	353,053	530,397	353,053
Total debts issued	7,089,297	4,196,269	6,079,974	3,343,862

(a) The S\$1.3 billion 4.95% subordinated notes were issued by the Bank at par on 30 August 2001 and mature on 30 September 2016. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 30 September 2011 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.95% per annum up to and including 29 September 2011. From and including 30 September 2011, interest is payable semi-annually at a fixed rate equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) as at 30 September 2011 plus 2.25% per annum.

The US\$1 billion 4.50% subordinated notes were issued by the Bank at 99.96% on 30 June 2003 and mature on 2 July 2013. The notes may be redeemed at par at the option of the Bank, in whole, on notice, in the event of certain changes in the tax laws of Singapore, subject to the approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.50% per annum beginning 2 January 2004.

The S\$1 billion 4.100% subordinated notes were issued by the Bank at 99.755% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.100% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a fixed rate per annum equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) plus 1.680%.

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23. Debts issued (cont'd)

(a) (cont'd)

The US\$1 billion 5.375% subordinated notes were issued by the Bank at 99.929% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 5.375% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a floating rate per annum equal to the six-month LIBOR plus 1.666%.

The capitalised expenses incurred in connection with the issue of the subordinated notes are amortised over 10 years from the date of issue of the subordinated notes.

All the S\$ and US\$ notes are unsecured subordinated obligations of the Bank and have been approved by the Monetary Authority of Singapore as qualifying for Upper Tier 2 capital. They rank equally with all present and future Upper Tier 2 unsecured subordinated indebtedness of the Bank and rank senior to all ordinary and preference shares of the Bank. At the balance sheet date, all outstanding liabilities of the Bank rank senior to these notes.

The Bank has entered into interest rate swaps to manage the interest rate risk arising from the S\$ and US\$ notes.

The THB2 billion subordinated debentures were issued by Bank of Asia Public Company Limited ("BOA") at par on 15 August 2001 and mature on 15 August 2008. The debentures carry a floating rate calculated based on the average of the deposit rate of one year of four major banks in Thailand and BOA, plus 2.50% per annum with a minimum guaranteed rate of 6.50% per annum. Interest rate of the debentures for the financial year was 6.50% (2003: 6.50%).

(b) The ABCP were issued in relation to a \$1 billion ABCP programme carried out by Archer 1 Limited, a SPE (Note 35). The ABCP have maturity of less than 1 year, and are secured by a first floating charge on all assets of the SPE.

Interest rates of the S\$ ABCP and US\$ ABCP as at 31 December 2004 range from 1.25% to 1.60% (2003: 1.10% to 1.25%) per annum and 2.00% to 2.48% (2003: 1.20% to 1.25%) per annum respectively.

The holders of the ABCP are entitled to receive payment comprising both the principal and interest as contracted in the ABCP but only to the extent that there are available resources in the SPE to meet those payments. The holders of the ABCP have no recourse to the Group.

The SPE intends to issue new ABCP upon the maturity of outstanding ABCP for as long as the SPE intends to carry on its principal activity of investment holding.

(c) The credit linked notes, with embedded credit default swaps, were issued at par between 5 February 2003 and 18 February 2003 and mature between 8 June 2005 and 15 February 2008. The notes will be redeemed at face value on their respective maturity dates provided there is no occurrence of a credit event. If there is an occurrence of a credit event, the underlying assets or the market values of the underlying assets in cash term, depending on the terms and conditions of the contracts, would be delivered to the holders of the notes.

The interest rate linked notes, with embedded interest rate derivatives, were issued at par between 19 September 2003 and 26 November 2004 and mature between 21 September 2007 and 6 November 2015. The periodic payouts and redemptions of the notes are linked to the interest rate indices.

The equity linked notes, with embedded equity derivatives, were issued at par between 14 March 2003 and 10 December 2004 and mature between 12 November 2008 and 15 October 2014. The periodic payments and payouts of the notes at maturity are linked to the closing value of certain underlying equities listed on various stock exchanges or the closing value of certain underlying equity indices.

24. Singapore Government treasury bills and securities

(a)

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Held for trading, at fair value	1,547,306	388,543	1,535,348	375,069
Not held for trading, at cost adjusted for				
premium and discount	6,227,351	5,922,450	6,145,053	5,857,734
Provision for diminution in value (Note 33)	(2,195)	(147)	(2,195)	(143)
	6,225,156	5,922,303	6,142,858	5,857,591
	7,772,462	6,310,846	7,678,206	6,232,660
Market value at 31 December:				
Not held for trading	6,245,398	5,947,716	6,162,056	5,870,779

(b) Included in Singapore Government treasury bills and securities are:

	The Group		The Group The Bar	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Securities sold under repurchase agreements	1,119,700	151,180	1,119,700	151,180

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25. Other government treasury bills and securities

(a)

	The Group		Th	e Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Held for trading, at fair value	482,660	114,597	370,113	_	
Not held for trading, at cost adjusted for					
premium and discount	1,492,684	1,237,030	1,245,351	706,592	
Provision for diminution in value (Note 33)		(3)	-	(3)	
	1,492,684	1,237,027	1,245,351	706,589	
	1,975,344	1,351,624	1,615,464	706,589	
Market value at 31 December:					
Not held for trading	1,501,556	1,240,151	1,251,646	713,002	

(b) Included in other government treasury bills and securities are:

	The Group		The Bank	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Securities sold under repurchase agreements	252,158	-	241,586	_

(c) Included in the Group's other government treasury bills and securities as at 31 December 2003 were promissory notes of \$385,380,000 guaranteed by a foreign government authority. The Group was not permitted to sell, transfer, pledge, or create any lien or encumbrance over any of these promissory notes without the prior consent of that authority. These promissory notes were fully redeemed during the financial year 2004.

26. Dealing securities

	The Group		The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
At fair value:					
Quoted equity shares	117,789	158,878	76,854	101,935	
Quoted debt securities	76,110	61,845	41,278	32,325	
Unquoted marketable unit trusts	37,697	19,046	-	-	
Unquoted debt securities	207,338	284,737	6,441	42,604	
	438,934	524,506	124,573	176,864	

27. Placements and balances with banks and agents

(a)

	The Group		TI	The Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Analysed by maturity period:					
Within 1 year	26,136,524	19,500,410	23,280,332	17,760,364	
Over 1 year but within 3 years	589,461	571,727	589,261	570,117	
	26,725,985	20,072,137	23,869,593	18,330,481	

(b) Included in placements and balances with banks and agents are:

	Th	e Group	The Bank		
	2004 2003		2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Negotiable certificates of deposit, floating rate certificates of deposit					
and other similar instruments Negotiable certificates of deposit sold	5,141,225	2,425,003	3,605,253	1,157,840	
under repurchase agreements	1,519,894	_	1,519,894	_	

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28. Trade bills and advances to customers

(a)

	Th	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Gross trade bills	1,590,414	1,323,477	214,429	159,863	
Specific provisions	(10,785)	(10,874)	-	-	
	1,579,629	1,312,603	214,429	159,863	
Gross advances to customers	66,386,405	61,257,548	52,829,009	53,019,100	
Specific provisions	(2,011,685)	(1,566,053)	(1,136,103)	(1,221,267)	
Interest-in-suspense	(283,879)	(285,123)	(167,785)	(170,871)	
General provisions	(1,370,454)	(1,422,419)	(1,168,747)	(1,276,364)	
	62,720,387	57,983,953	50,356,374	50,350,598	
Total gross trade bills and					
advances to customers	67,976,819	62,581,025	53,043,438	53,178,963	

(b) Total gross trade bills and advances to customers analysed by maturity period:

	The Group		The Bank	
	2004 2003		2004	2003
	\$'000	\$'000	\$'000	\$'000
Within 1 year	33,566,011	30,255,728	25,295,939	25,508,168
Over 1 year but within 3 years	9,293,144	9,668,217	7,904,899	8,853,289
Over 3 years but within 5 years	6,428,281	5,385,747	5,043,653	4,841,847
Over 5 years	18,689,383	17,271,333	14,798,947	13,975,659
	67,976,819	62,581,025	53,043,438	53,178,963

(c) Included in trade bills are:

	The O	The Group		The Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Banker's acceptance sold under					
repurchase agreements	81,861	-	-	-	

(d) Total gross trade bills and advances to customers analysed by industry group:

	TI	he Group	The Bank		
	2004 2003		2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Transport, storage and communication	2,103,986	2,103,559	1,652,042	1,928,170	
Building and construction	7,477,144	7,319,732	6,261,125	6,361,641	
Manufacturing	7,795,580	5,846,022	4,489,302	3,920,081	
Non-bank financial institutions	10,205,132	10,408,312	9,540,561	9,999,362	
General commerce	10,907,800	9,272,684	8,494,560	7,920,061	
Professionals and private individuals					
(excluding housing loans)	10,155,198	9,653,344	8,030,515	8,335,653	
Housing loans	15,875,340	14,789,494	12,299,584	12,319,357	
Other	3,456,639	3,187,878	2,275,749	2,394,638	
	67,976,819	62,581,025	53,043,438	53,178,963	

(e) At the balance sheet date, the gross amount of trade bills and advances and credit facilities granted to customers that were regarded as non-performing loans are as follows:

	The Group		Th	The Bank	
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Substandard	3,330,674	3,290,275	2,048,184	2,570,668	
Doubtful	309,425	354,861	238,569	321,611	
Loss	1,764,909	1,435,980	1,027,929	1,065,349	
	5,405,008	5,081,116	3,314,682	3,957,628	

Non-performing loans are those classified as Substandard, Doubtful and Loss in accordance with Notice to Banks, MAS 612. Specific provisions are made for any debts considered to be doubtful of collection.

for the financial year ended 31 December 2004

28. Trade bills and advances to customers (cont'd)

(f) The movements in provisions are as follows:

The Group				
Specific	Interest-in-	General		
provisions	suspense	provisions	Total	
\$'000	\$'000	\$'000	\$'000	
1,576,927	711,888	1,422,419	3,711,234	
(20,958)	(6,039)	(5,295)	(32,292)	
(260,682)	(64,366)	-	(325,048)	
178,827	-	(102,000)	76,827	
-	82,937	_	82,937	
(14,652)	(3,913)	-	(18,565)	
563,008	-	55,330	618,338	
2,022,470	720,507	1,370,454	4,113,431	
1,736,583	670,500	1,425,013	3,832,096	
(6,832)	(5,032)	(2,594)	(14,458)	
(431,181)	(34,541)	-	(465,722)	
284,437	_	_	284,437	
-	82,757	-	82,757	
(6,080)	(1,796)	-	(7,876)	
1,576,927	711,888	1,422,419	3,711,234	
	provisions \$'000 1,576,927 (20,958) (260,682) 178,827 - (14,652) 563,008 2,022,470 1,736,583 (6,832) (431,181) 284,437 - (6,080)	Specific provisions Interest-in- suspense 1,576,927 711,888 (20,958) (6,039) (260,682) (64,366) 178,827 - - 82,937 (14,652) (3,913) 563,008 - 2,022,470 720,507 1,736,583 670,500 (6,832) (5,032) (431,181) (34,541) 284,437 - - 82,757 (6,080) (1,796)	Specific provisions \$'000 Interest-in- suspense \$'000 General provisions \$'000 1,576,927 711,888 1,422,419 (20,958) (6,039) (5,295) (260,682) (64,366) - 178,827 - (102,000) - 82,937 - (14,652) (3,913) - 563,008 - 55,330 2,022,470 720,507 1,370,454 1,736,583 670,500 1,425,013 (6,832) (5,032) (2,594) (431,181) (34,541) - 284,437 - - - 82,757 - (6,080) (1,796) -	

	The Bank				
	Specific	Interest-in-	General		
	provisions	suspense	provisions	Total	
	\$'000	\$'000	\$'000	\$'000	
2004					
Balance at 1 January	1,221,267	576,576	1,276,364	3,074,207	
Currency translation differences	(7,942)	(843)	(312)	(9,097)	
Write-off against provisions	(214,226)	(47,126)	-	(261,352)	
Net charge/(write-back) to profit					
and loss account	137,004	-	(107,305)	29,699	
Interest suspended		56,727	-	56,727	
Balance at 31 December	1,136,103	585,334	1,168,747	2,890,184	
2003					
Balance at 1 January	1,326,679	507,569	1,231,305	3,065,553	
Currency translation differences	(1,355)	(2,667)	(51)	(4,073)	
Write-off against provisions	(379,184)	(22,437)	-	(401,621)	
Net charge to profit and loss account	216,524	-	2,442	218,966	
Interest suspended	-	40,156	-	40,156	
Transfer from subsidiaries upon merger	58,603	53,955	42,668	155,226	
Balance at 31 December	1,221,267	576,576	1,276,364	3,074,207	

The above interest-in-suspense includes amounts relating to interest receivable as shown in Note 29.

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28. Trade bills and advances to customers (cont'd)

(g) The Bank and the Group have granted credit facilities to related parties in the ordinary course of business at arm's length commercial terms. The outstanding credit facilities to related parties as at the balance sheet date are as follows:

		2004			2003	
	Trade bills	Off-balance	Estimated	Trade bills	Off-balance	Estimated
	and	sheet credit	values of	and	sheet credit	values of
	advances	facilities	collateral	advances	facilities	collateral
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
Associates of the Group						
Financial activities	60,942	6,774	128,726	61,937	13,725	132,391
Non-financial activities	597,386	84,549	1,337,448	582,861	64,982	1,138,560
Directors of the Bank and						
director-related parties [^]	580,324	20,651	1,516,105	722,345	51,417	1,741,068
Corporations where						
directors of the Bank						
are also directors*	456,804	14,563	230,544	640,788	20,371	479,609
The Bank						
Associates of the Group						
Financial activities	58,843	3,438	128,726	60,930	13,655	130,244
Non-financial activities	597,386	84,208	1,333,698	580,793	64,442	1,134,810
Directors of the Bank and						
director-related parties^	580,324	20,651	1,516,105	722,345	51,417	1,741,068
Corporations where						
directors of the Bank				640 700	10 505	170.000
are also directors*	456,804	14,563	230,544	640,788	19,586	478,266

^ Excluding credit facilities granted to subsidiaries and those already included in the first category.

* Excluding credit facilities granted to subsidiaries and those already included in the first two categories.

Off-balance sheet credit facilities comprise direct credit substitutes, transaction-related contingencies and trade-related contingencies.

Director-related parties include the family members of the directors of the Bank, entities in which the directors of the Bank or their family members have substantial shareholdings, and individuals, companies or firms whose credit facilities are guaranteed by the directors of the Bank.

29. Other assets

	The	Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Interest receivable	1,258,899	935,811	1,049,050	790,068	
Interest-in-suspense	(436,628)	(426,765)	(417,549)	(405,705)	
	822,271	509,046	631,501	384,363	
Trading derivative financial instruments					
at fair value (Note 38)	2,884,689	2,580,988	2,854,211	2,572,878	
Foreclosed properties	568,914	11,369	-	-	
Other	1,674,626	1,638,024	811,017	711,851	
Provision for diminution in value of					
other assets (Note 33)	(58,990)	(23,690)	(31,669)	(11,679)	
	5,891,510	4,715,737	4,265,060	3,657,413	

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30. Investment securities

(a)

	The	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Quoted securities					
Equity securities, at cost Debt securities, at cost adjusted for	880,501	844,999	640,025	582,704	
premium and discount	3,429,082	1,822,353	3,376,687	1,776,621	
	4,309,583	2,667,352	4,016,712	2,359,325	
Provision for diminution in					
value (Note 33)	(33,569)	(40,691)	(12,112)	(18,069)	
	4,276,014	2,626,661	4,004,600	2,341,256	
Quoted securities, at fair value*					
Equity securities	23,357	22,927	-	-	
Debt securities	914,994	855,388	-	_	
	938,351	878,315	_		
Unquoted securities					
Equity securities, at cost	561,033	604,646	385,715	467,812	
Debt securities, at cost adjusted for premium and discount	2,988,626	1,372,386	2,518,958	1,325,077	
	3,549,659	1,977,032	2,904,673	1,792,889	
Provision for diminution in					
value (Note 33)	(224,445)	(90,283)	(106,623)	(72,242)	
	3,325,214	1,886,749	2,798,050	1,720,647	
Unquoted debt securities, at fair value*	68,966	30,785	-	-	
Total investment securities	8,608,545	5,422,510	6,802,650	4,061,903	
Market value at 31 December:					
Quoted equity securities	1,102,553	964,318	793,803	666,701	
Quoted debt securities	4,430,980	2,760,393	3,466,858	1,860,469	
	5,533,533	3,724,711	4,260,661	2,527,170	

Quoted securities at fair value amounting to \$938,351,000 (2003: \$878,315,000) and unquoted debt securities at fair value amounting to \$68,966,000 (2003: \$30,785,000) held by the SPE, Archer 1 Limited, are subject to a first floating charge as security for the liabilities under the ABCP programme [Note 23(b)].

*

(b) Included in investment securities are:

	The	Group	The Bank		
	2004 2003		2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Debt securities sold under					
repurchase agreements	1,263,103	-	-	-	
Equity interests in companies in which the					
Group has significant influence*	674,218	708,352	484,906	513,420	

* These equity interests relate to companies in which the Group, through its acquisition of the OUB Group, presently has equity interests of 20 to 50 percent and over whose financial and operating decisions it has significant influence. These investments have not been accounted for as associates of the Group as they were acquired and held exclusively with a view to their subsequent disposal in the near future.

(c) Gross investment securities analysed by industry group:

	The	e Group	The Bank	
	2004 2003		2004	2003
	\$'000	\$'000	\$'000	\$'000
Transport, storage and communication	394,965	400,904	239,362	286,803
Building and construction	434,000	235,811	266,466	69,889
Manufacturing	587,996	560,861	560,177	436,829
Financial institutions	5,132,667	2,613,212	4,245,462	1,825,040
General commerce	800,285	689,251	573,398	507,164
Other	1,516,646	1,053,445	1,036,520	1,026,489
	8,866,559	5,553,484	6,921,385	4,152,214

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31. Investments in associates

(a)

	Th	e Group	The	e Bank
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Quoted securities, at cost				
Equity shares	915,723	650,905	684,690	614,440
Debt securities	-	2,068	-	-
Warrants	-	4,847	-	4,847
Unquoted securities, at cost				
Equity shares	289,548	306,230	162,085	166,309
	1,205,271	964,050	846,775	785,596
Provision for impairment [Note 33(b)]	-	-	(3,905)	(10,216)
Group's share of post-acquisition reserves				
of associates, net of dividends received	497,122	432,734	_	
	1,702,393	1,396,784	842,870	775,380
Market value at 31 December:				
Quoted equity shares	1,283,050	993,344	1,079,400	720,727
Quoted debt securities	-	2,495	-	_
Quoted warrants	-	9,926	-	9,926
	1,283,050	1,005,765	1,079,400	730,653

(b) The major associates of the Group as at the balance sheet date are set out in Note 46 to the financial statements. The carrying amount of the Group's investments in associates includes unamortised goodwill amounting to \$132,664,000 (2003: \$16,721,000). The amount of goodwill amortised during the financial year was \$4,790,000 (2003: \$1,858,000).

(c) On 31 May 2004, the Group acquired 23.0% of the issued share capital of PT Bank Buana Indonesia Tbk ("Bank Buana") making it an associate of the Group on that date. The consideration for the acquisition of Bank Buana of \$196 million was paid in cash.

(d) On 12 August 2004, pursuant to the merger of the associate, United International Securities ("UIS"), with Overseas Union Securities Limited ("OUS"), a subsidiary of the Group, the Group's 51.9% equity interest or 20,269,500 shares in OUS were exchanged for 35,115,000 UIS shares. Consequently, the Group's effective equity interest in UIS increased from 42.0% to 45.2%.

32. Investments in subsidiaries

(a)

	The Bank		
	2004 \$′000	2003 \$′000	
Quoted equity shares, at cost	1,139,422	25,961	
Unquoted equity shares, at cost Provision for impairment [Note 33(b)]	1,909,972 (351,727)	1,626,105 (366,663)	
	1,558,245	1,259,442	
	2,697,667	1,285,403	
Market value of quoted equity shares at 31 December	1,192,739	89,604	

The subsidiaries of the Group as at the balance sheet date are set out in Note 45 to the financial statements.

(b) On 27 July 2004, the Bank acquired 80.8% of the issued share capital of Bank of Asia Public Company Limited ("BOA"), making it a subsidiary of the Group on that date. The consideration for the acquisition of BOA of \$1,116 million was paid in cash. The Bank subsequently increased its interest in BOA to 96.9% as at 31 December 2004. As a result of the acquisition, the wholly-owned subsidiaries of BOA, namely BoA Asset Management Company Limited, an asset management company, and B.O.A. Leasing Co., Ltd, a leasing company, became subsidiaries of the Group.

The fair values of the identifiable net assets of the subsidiaries at the date of acquisition are as follows:

	\$'000
Investment and dealing securities	397,963
Trade bills and advances to customers	4,200,851
Government treasury bills and securities	300,308
Placements and balances with banks and agents	269,299
Cash, balances and placements with central banks	598,646
Other assets	877,822
Current, fixed, savings accounts and other deposits of non-bank customers	(5,726,474)
Deposits and balances of banks and agents	(119,538)
Other liabilities	(269,404)
Minority interests	(16,405)
Fair value of identifiable net assets acquired	513,068
Goodwill on acquisition	611,086
Cost of investment (inclusive of acquisition expenses capitalised of \$7,879,000)	1,124,154
Cash and cash equivalents of the subsidiaries acquired	898,954
Cash consideration paid	(1,116,275)
Net outflow of cash and cash equivalents on acquisition	(217,321)

- (c) On 12 August 2004, OUS and its wholly-owned subsidiary, Overseas Union Securities Trading Pte Ltd, ceased to be subsidiaries of the Group as a result of the merger of OUS with UIS, an associate of the Group [Note 31(d)].
- (d) During the financial year, certain subsidiaries of the Group were liquidated or placed into members' voluntary liquidation. The liquidations had no material effect on the balance sheets and results of the Bank and the Group for the financial year.

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33. Movements in the provision for diminution in value/impairment of investments and other assets

(a) The Group

	Singapore Government treasury bills and securities \$'000	Other government treasury bills and securities \$'000	Other assets \$'000	Investment securities \$'000	Fixed assets \$'000	Total \$'000
2004						
Balance at 1 January	147	3	23,690	130,974	60,388	215,202
Currency translation						
differences	-	-	(409)	(1,926)	(938)	(3,273)
Write-off against						
provisions	-	-	(469)	(6,635)	-	(7,104)
Charge/(write-back) to						
profit and loss account						
(Note 12)	2,048	(3)	21,871	48,170	(3,505)	68,581
Transfer from specific						
provisions and interest-in-						
suspense for trade bills						
and advances to						
customers [Note 28(f)]	-	-	-	18,565	-	18,565
Transfer from Overseas Union						
Insurance, Limited	-	-	1,192	-	-	1,192
Acquisition of BOA		-	13,115	68,866	-	81,981
Balance at 31 December	2,195	-	58,990	258,014	55,945	375,144
2003						
Balance at 1 January						
As restated	-	4	76,656	111,304	54,511	242,475
Currency translation						
differences	-	1	470	300	1,952	2,723
Write-off against						
provisions	-	-	(49,030)	(4,952)	-	(53,982)
Charge/(write-back) to						
profit and loss account						
(Note 12)	147	(2)	(4,406)	16,446	3,925	16,110
Transfer from specific						
provisions and interest-in-						
suspense for trade bills						
and advances to						
customers [Note 28(f)]	_	-	-	7,876	-	7,876
Balance at 31 December	147	3	23,690	130,974	60,388	215,202

(b) The Bank

	Singapore Government treasury bills and securities \$'000	Other government treasury bills and securities \$'000	Other assets \$'000	Investments securities \$'000	Investments in associates \$'000	Investments in subsidiaries \$'000	Fixed assets \$'000	Total \$'000
2004								
Balance at 1 January	143	3	11,679	90,311	10,216	366,663	19,348	498,363
Currency translation								
differences	-	-	(225)	(1,019)	-	(3)	(133)	(1,380)
Charge/(write-back) to								
profit and loss								
account (Note 12)	2,052	(3)	20,215	29,443	(6,311)	(14,933)	(3,929)	26,534
Balance at 31 December	2,195	-	31,669	118,735	3,905	351,727	15,286	523,517
2003								
Balance at 1 January			64 670	CO 274	2.264	242 240	16 007	405 627
As restated Currency translation	-	4	64,670	68,374	3,364	342,318	16,897	495,627
differences	_	1	124	629	_	(39)	15	730
Write-off against				025		(00)	10	,
provisions	-	-	(51,627)	_	-	-	_	(51,627)
Charge/(write-back) to profit and loss								
account (Note 12)	143	(2)	(1,488)	21,308	6,852	24,384	2,436	53,633
Balance at 31 December	143	3	11,679	90,311	10,216	366,663	19,348	498,363

for the financial year ended 31 December 2004

34. Fixed assets

(a) The Group

	Land and buildings \$'000	2004 Office equipment, computers, fixtures and other assets \$'000	Total \$'000	Land and buildings \$'000	2003 Office equipment, computers, fixtures and other assets \$'000	Total \$'000
Balance at 1 January						
Cost/valuation	1,753,898	924,383	2,678,281	1,795,322	841,312	2,636,634
Accumulated depreciation Provision for impairment	(219,408) (60,388)	(630,092) –	(849,500) (60,388)	(196,281) (54,511)	(591,493) _	(787,774) (54,511)
Net book value	1,474,102	294,291	1,768,393	1,544,530	249,819	1,794,349
Movements during the financial year Currency translation						
differences	(5,636)	(2,595)	(8,231)	5,742	752	6,494
Acquisition of BOA	75,320	65,658	140,978	-	-	-
Additions	2,574	95,309	97,883	2,501	134,308	136,809
Disposals	(10,067)	(5,326)	(15,393)	(48,069)	(9,510)	(57,579)
Depreciation charge Write-back of/ (provision for)	(26,638)	(98,063)	(124,701)	(26,677)	(81,078)	(107,755)
impairment	3,505		3,505	(3,925)		(3,925)
Net book value at 31 December	1,513,160	349,274	1,862,434	1,474,102	294,291	1,768,393
Balance at 31 December Cost/valuation Accumulated depreciation Provision for impairment	1,833,504 (264,399)	1,133,335 (784,061)	2,966,839 (1,048,460)	1,753,898 (219,408)	924,383 (630,092)	2,678,281 (849,500)
[Note 33(a)]	(55,945)	-	(55,945)	(60,388)	-	(60,388)
Net book value	1,513,160	349,274	1,862,434	1,474,102	294,291	1,768,393

(b) The Bank

	Land and buildings \$'000	2004 Office equipment, computers, fixtures and other assets \$'000	Total \$'000	Land and buildings \$'000	2003 Office equipment, computers, fixtures and other assets \$'000	Total \$'000
Balance at 1 January Cost/valuation	1 055 053	677 262	1 722 246	1 052 001	E02.261	1 645 160
Accumulated depreciation	1,055,953 (115,665)	677,363 (451,163)	1,733,316 (566,828)	1,052,901 (100,080)	592,261 (409,263)	1,645,162 (509,343)
Provision for impairment	(19,348)	(491,105)	(19,348)	(16,897)	(405,205)	(16,897)
Net book value	920,940	226,200	1,147,140	935,924	182,998	1,118,922
Movements during the financial year Currency translation differences Additions Transfer from subsidiaries	(197) –	(245) 64,622	(442) 64,622	6,397 3,431	403 112,565	6,800 115,996
upon merger	_	-	-	36,010	1,320	37,330
Disposals	(9,852)	(3,694)	(13,546)	(42,634)	(8,761)	(51,395)
Depreciation charge Write-back of/ (provision for)	(15,576)	(69,133)	(84,709)	(15,752)	(62,325)	(78,077)
impairment	3,929		3,929	(2,436)		(2,436)
Net book value at 31 December	899,244	217,750	1,116,994	920,940	226,200	1,147,140
Balance at 31 December Cost/valuation Accumulated depreciation Provision for impairment	1,044,314 (129,784)	720,590 (502,840)	1,764,904 (632,624)	1,055,953 (115,665)	677,363 (451,163)	1,733,316 (566,828)
[Note 33(b)]	(15,286)	-	(15,286)	(19,348)	-	(19,348)
Net book value	899,244	217,750	1,116,994	920,940	226,200	1,147,140

(c) Based on directors' valuation, the estimated market values of the land and buildings of the Bank and the Group as at 31 December 2004 were \$1,548 million and \$2,611 million (2003: \$1,608 million and \$2,656 million) respectively. The excess of the estimated market values over the net book values of the land and buildings is not recognised in the financial statements.

for the financial year ended 31 December 2004

34. Fixed assets (cont'd)

- (d) Included in the land and buildings of the Bank and the Group are leasehold properties with net book values as at 31 December 2004 amounting to \$770 million and \$1,090 million (2003: \$785 million and \$1,112 million) respectively. The rest of the properties are freehold.
- (e) Certain freehold and leasehold land and buildings of the Bank and the Group are included on the basis of valuations made by independent valuers with subsequent additions at cost. The dates of these valuations are as follows:

(i)	The leasehold land at Bonham Street on which UOB Plaza 2 is sited	April 1970
(ii)	Certain freehold and leasehold land and buildings of Chung Khiaw Realty, Limited	December 1969
(iii)	Certain freehold land and buildings of United Overseas Bank (Malavsia) Bhd	November 1965

(f) Provision for impairment as at 31 December 2004 and 31 December 2003 were in respect of certain properties in Singapore, Malaysia, Hong Kong S.A.R., China, Thailand, the Philippines and United Kingdom which were written down to their estimated market values as determined by the Bank's internal professionally qualified valuers.

35. Consolidation of Special Purpose Entity

A Special Purpose Entity ("SPE"), Archer 1 Limited ("Archer"), which is incorporated in Singapore, has been consolidated in the Group's financial statements in accordance with Interpretation of Financial Reporting Standard 12: Consolidation – Special Purpose Entities, as the Bank has the majority residual benefits in Archer.

The principal activity of Archer is to carry on the business of investment holding, and for that purpose to issue notes and bonds and apply the proceeds from the notes and bonds towards the purchase of debt securities.

36. Dividends

The directors have proposed a final dividend of 40 cents per share net of tax at 20% in respect of the financial year ended 31 December 2004, amounting to a total of \$491,602,000. These financial statements do not reflect the proposed dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2005. The proposed final dividend in respect of the financial year ended 31 December 2003 was 40 cents per share net of tax at 20% amounting to a total of \$502,932,000 based on the number of shares in issue on 31 December 2003.

37. Contingent liabilities

	The	e Group	The Bank		
	2004	2004 2003		2003	
	\$'000	\$'000	\$'000	\$'000	
Direct credit substitutes	5,634,628	5,190,203	5,305,009	4,788,862	
Transaction-related contingencies	2,156,052	1,554,039	1,184,478	978,821	
Trade-related contingencies	2,027,212	1,800,080	1,515,394	1,460,115	
Other contingent liabilities	183,327	184,427	155,271	162,928	
	10,001,219	8,728,749	8,160,152	7,390,726	

In the normal course of business, the Bank and the Group conduct businesses involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities are reimbursable by corresponding obligations of customers. No assets of the Bank and the Group have been pledged as security for these contingent liabilities.

The Group is a party to certain legal proceedings which arose from its normal course of business. Included in other contingent liabilities are estimated amounts relating to major legal cases of \$150 million (2003: \$158 million). The Bank is of the view that these claims have no merit and the ultimate resolution of which is not expected to have significant effect on the financial positions or results of the Bank and the Group. Accordingly, the Bank and the Group have not provided for any such liability in the financial statements.

for the financial year ended 31 December 2004

38. Derivative financial instruments

(a) The Group

			20	04			
	Tra	ading derivativ	es	Non-trading derivatives			
	Contract		_	Contract			
	or notional		values	or notional		r values	
	amount \$'000	Assets \$'000	Liabilities \$'000	amount \$'000	Assets \$'000	Liabilities \$'000	
Foreign exchange contract	s						
Forwards	9,113,262	296,639	145,466	580,820	5,790	5,815	
Swaps	110,997,513	1,831,624	1,769,295	6,503,232	94,064	224,953	
Options purchased	5,066,663	88,992	-	40,397	141	-	
Options written	5,173,131	-	88,430	-	-	-	
Interest rate contracts							
Forwards	19,931,300	8,728	8,961	-	-	-	
Swaps	86,507,120	643,232	664,742	22,279,988	60,429	194,804	
Futures	9,010,893	8,028	11,559	-	-	-	
Options purchased	80,000	1,375	-	409,141	5,943	-	
Options written	-	-	-	409,141	-	5,888	
Equity-related contracts							
Swaps	5,391	-	766	227,786	10,512	10,512	
Futures	15,201	-	808	-	-	-	
Options purchased	19,381	84	-	543,879	53,076	-	
Options written	3,620	-	2	536,882	-	53,049	
Credit-related contracts							
Swaps	-	-	-	384,453	3,479	281	
Precious metal contracts							
Forwards	211,152	4,870	12,916	-	-	-	
Swaps	35,570	1,117	176	_	-	_	
	246,170,197	2,884,689	2,703,121	31,915,719	233,434	495,302	
		(11 - 20)	(11 - 22)				

(Note 29) (Note 22)

			2003			
	Tr	ading derivative	S	Non-trading derivatives		
	Contract			Contract		
	or notional	Fair	r values	or notional	Fair	values
	amount	Assets	Liabilities	amount	Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Foreign exchange contracts	5					
Forwards	9,967,975	253,519	118,029	57,886	191	126
Swaps	80,471,027	1,783,700	1,817,974	3,764,205	36,074	82,828
Options purchased	5,965,359	73,207	-	245,871	2,291	-
Options written	5,021,386	-	73,020	10,613	-	80
Interest rate contracts						
Forwards	11,582,832	3,906	5,565	-	-	-
Swaps	57,901,585	453,164	538,916	3,703,398	69,105	200,884
Futures	2,103,314	1,355	2,343	-	-	-
Options purchased	121,882	730	-	205,290	3,969	-
Options written	41,670	-	17	205,290	-	3,969
Equity-related contracts						
Swaps	-	-	-	46,401	1,988	1,988
Futures	79,644	-	3,921	-	-	-
Options purchased	611,290	11,407	-	315,519	33,250	-
Options written	739,021	-	39,873	314,626	-	33,248
Credit-related contracts						
Swaps		-	-	363,911	4,020	3,172
	174,606,985	2,580,988	2,599,658	9,233,010	150,888	326,295
		(Note 29)	(Note 22)			

(Note 29) (Note 22)

for the financial year ended 31 December 2004

38. Derivative financial instruments (cont'd)

(b) The Bank

	2004						
	Trading derivatives			Non-trading derivatives			
	Contract		_	Contract		_	
	or notional		values	or notional		air values	
	amount \$'000	Assets \$'000	Liabilities \$'000	amount \$'000	Assets \$'000	Liabilities \$'000	
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Foreign exchange contracts							
Forwards	7,833,519	284,547	140,043	543,178	5,544	5,574	
Swaps	111,362,707	1,819,173	1,762,668	6,463,437	94,043	224,718	
Options purchased	5,045,755	88,995	-	40,397	141	-	
Options written	5,166,817	-	88,354	-	-	-	
Interest rate contracts							
Forwards	19,931,300	8,728	8,961	-	_	-	
Swaps	86,052,088	647,199	630,814	22,140,871	65,605	192,113	
Futures	2,471,394	4,110	4,798	-	-	-	
Options purchased	80,000	1,375	-	409,141	5,943	-	
Options written	-	-	-	409,141	-	5,888	
Equity-related contracts							
Swaps	5,391	-	766	227,786	10,512	10,512	
Futures	15,201	-	808	-	_	-	
Options purchased	19,381	84	-	542,986	53,076	-	
Options written	5,797	-	244	534,705	-	52,807	
Credit-related contracts							
Swaps	-	-	-	417,129	3,479	1,013	
Precious metal contracts							
Forwards	40,149	-	107	-	-	-	
	238,029,499	2,854,211	2,637,563	31,728,771	238,343	492,625	
		(Note 29)	(Note 22)				

	2003						
	Tr	ading derivative	S	Non-trading derivatives			
	Contract			Contract			
	or notional		r values	or notional		values	
	amount	Assets	Liabilities	amount	Assets	Liabilities	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Foreign exchange contracts							
Forwards	9,508,285	251,073	116,571	28,755	58	48	
Swaps	80,948,933	1,784,724	1,815,464	3,753,165	35,950	82,828	
Options purchased	5,965,359	73,207	-	235,258	2,211	-	
Options written	5,021,386	-	73,020	-	-	-	
Interest rate contracts							
Forwards	11,582,832	3,906	5,565	-	-	-	
Swaps	56,429,768	447,029	506,820	3,661,416	84,993	196,542	
Futures	483,302	802	1,826	-	_	_	
Options purchased	121,882	730	-	205,290	3,969	-	
Options written	41,670	-	17	205,290	-	3,969	
Equity-related contracts							
Swaps	-	-	-	46,401	1,988	1,988	
Futures	79,644	-	3,921	-	-	-	
Options purchased	611,290	11,407	-	314,626	33,248	-	
Options written	739,021	-	39,873	314,626	-	33,248	
Credit-related contracts							
Swaps	-	-	-	397,927	4,020	3,898	
	171,533,372	2,572,878	2,563,077	9,162,754	166,437	322,521	
		(Note 29)	(Note 22)				

(c) Derivative financial instruments are instruments whose values change in response to the change in prices/rates, such as foreign exchange rate, interest rate, security price and credit spread, of the "underlying". They include forwards, swaps, futures and options.

In its normal course of business, the Bank and the Group transact in customised derivatives to meet the specific needs of their customers. The Bank and the Group also transact in these derivatives for proprietary trading purposes as well as to manage the assets/liabilities and structural positions. The risks associated with the use of derivatives, as well as management's policies for controlling these risks are set out in Note 43.

The table above analyses the contract or notional amounts and the fair values of the Group's and the Bank's derivative financial instruments at the balance sheet date. A positive valuation represents a financial asset and a negative valuation represents a financial liability. The contract or notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date. They do not necessarily indicate the amounts of future cash flows or fair value of the derivatives and, therefore, do not represent the total amounts at risk.

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39. Commitments

(a)

	Th	ne Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Capital commitments contracted but not					
provided for on purchase of fixed assets	28,175	26,265	24,576	22,908	
Undrawn credit facilities	38,559,562	36,217,586	29,906,824	30,017,072	
Operating lease commitments	53,662	62,200	33,543	46,061	
Spot contracts and other	634,422	1,353,496	628,175	972,368	
	39,275,821	37,659,547	30,593,118	31,058,409	

(b) Operating lease commitments

(i) The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The	Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Not later than 1 year	22,218	27,104	15,007	21,779	
Later than 1 year but not later than 5 years	25,455	28,940	16,002	21,078	
Later than 5 years	5,989	6,156	2,534	3,204	
-	53,662	62,200	33,543	46,061	

(ii) The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Th	e Group	The Bank		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Not later than 1 year	66,173	49,005	29,395	26,994	
Later than 1 year but not later than 5 years	99,724	58,748	31,180	28,708	
Later than 5 years	4,242	6,511	-		
	170,139	114,264	60,575	55,702	

40. Cash and cash equivalents

	The Group	
	2004	2003
	\$'000	\$'000
Cash, balances and placements with central banks	11,653,014	9,084,677
Singapore Government treasury bills and securities	7,772,462	6,310,846
Other government treasury bills and securities,		
less non-cash equivalents of \$Nil (2003: \$385,380,000)	1,975,344	966,244
	21,400,820	16,361,767

41. Related party transactions

All related party transactions entered into by the Bank and the Group are made in the ordinary course of its business and are at arm's length commercial terms. Except as disclosed elsewhere in the financial statements, there are no other significant transactions with related parties during the financial year.

In addition to the related party information shown elsewhere in the financial statements, other related party information, which may be of interest, are as follows:

(a) Rental income/expense

The Group has lease contracts with associates of the Group and director-related parties. The rental income and expenses of these contracts for the financial year constitute 1.0% and 0.8% (2003: 1.0% and 1.2%) of the total non-interest income and total other operating expenses of the Group respectively.

(b) Performance fee

During the financial year, the Bank received performance fees amounting to \$25 million (2003: \$Nil) from a subsidiary.

(c) **Deposits of non-bank customers**

The Group has accepted deposits from the associates of the Group, directors and director-related parties in its ordinary course of banking business. The deposits from related parties constitute 2.0% and 0.9% of the current, fixed, savings accounts and other deposits of non-bank customers as at 31 December 2004 and 31 December 2003 respectively.

Director-related parties refer to:

- immediate family members of the Bank's directors
- companies that are majority-owned by the Bank's directors or their family members
- companies or firms in which the Bank's directors or their family members control or exercise significant influence over the Board of Directors
- individuals, companies or firms whose credit facilities are guaranteed by the Bank's directors

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42. Segment information

(a) **Primary reporting format – business segments**

			The Group	The Group		
	Individual Financial Services \$'million	Institutional Financial Services \$'million	Global Treasury \$'million	Asset Management \$'million	Other \$'million	Total \$'million
2004						
Income before						
operating expenses Less: Segment operating expenses	1,090 496	1,328 365	395 162	194 70	252 70	3,259 1,163
Less: Provisions	490 90	169	4	(17)	(37)	209
Segment profit before tax ¹	504	794	229	141	219	1,887
Unallocated corporate expenses						(63)
Goodwill written-off and amortised						1,824 (214)
Operating profit after goodwill amortisation and provisions						1,610
Share of profit of associates						307
Profit before tax Tax and minority interests						1,917 (465)
Net profit for the financial year attributable to members						1,452
Other information						
Segment assets ²	25,908	41,942	55,245	872	5,251	129,218
Investments in associates						1,702
Goodwill Unallocated assets						3,876
						83
Total assets						134,879
Gross trade bills and advances to	26.024	44.046				67.077
customers Non-performing loans ("NPLs") [#]	26,031 1,402	41,946 4,003	_	_	_	67,977 5,405
Specific provisions and	1,402	-,005	_	_	_	5,405
interest-in-suspense for NPLs#	479	1,827	-	-	-	2,306
Investments not held for						
trading (gross)^						
- Government and debt securities	-	1,285	11,061	143	2,633	15,122
– Equity securities	-	29	112	486	838	1,465
Segment liabilities ² Unallocated liabilities	46,061	34,842	33,861	66	5,870	120,700 592
Total liabilities						121,292
Shareholders' funds Minority interests	-	-	-	-	13,439	13,439 148
Total liabilities, shareholders' funds and minority interests						134,879
Capital expenditure	41	32	10	2	13	98
Depreciation of fixed assets	38	34	14	2	37	125

^

Excluding debt securities. Excluding investments in associates.

			The Group			
	Individual Financial Services \$'million	Institutional Financial Services \$'million	Global Treasury \$'million	Asset Management \$'million	Other \$'million	Total \$'million
2003						
Income before	1 0 1 7	1 220	400	203	214	2 1 6 0
operating expenses Less: Segment operating expenses	1,013 437	1,230 347	400 140	56	314 51	3,160 1,031
Less: Provisions	155	201	0*	(2)	8	362
Segment profit before tax ¹	421	682	260	149	255	1,767
Unallocated corporate expenses						(64)
Goodwill written-off and amortised						1,703 (202)
Operating profit after goodwill amortisation and provisions						1,501
Share of profit of associates						107
Profit before tax						1,608
Tax and minority interests						(406)
Net profit for the financial year attributable to members						1,202
Other information						
Segment assets ²	23,633	38,075	41,771	1,337	3,666	108,482
Investments in associates Goodwill						1,397 3,466
Unallocated assets						101
Total assets						113,446
Gross trade bills and advances to						
customers Non-performing loans ("NPLs") [#]	24,443 1,557	38,138 3,524	_	-	-	62,581 5,081
Specific provisions and	1,557	5,524	_	_	-	5,061
interest-in-suspense for NPLs#	458	1,404	-	-	-	1,862
Investments not held for						
trading (gross) [^]		1 210	0.104	500	1 225	11 2 40
 Government and debt securities Equity securities 	_	1,319 25	8,194 24	502 592	1,225 832	11,240 1,473
Segment liabilities ² Unallocated liabilities	44,343	28,255	23,618	44	3,135	99,395 614
Total liabilities						100,009
Shareholders' funds	_	-	-	_	13,282	13,282
Minority interests						155
Total liabilities, shareholders' funds and minority interests						113,446
Capital expenditure	52	44	20	3	18	137
Depreciation of fixed assets	29	25	11	2	41	108

* Amount is less than \$500,000. # Excluding debt securities. * Excluding investments in associates.

for the financial year ended 31 December 2004

42. Segment information (cont'd)

- (a) **Primary reporting format business segments** (cont'd) Notes:
 - ¹ Segment profit before tax represents income less operating expenses that are directly attributable, and those that can be allocated on a reasonable basis, to a segment. Inter-segment transactions are charged at internal transfer prices, estimated based on the costs in providing the products and services, and after taking into account competitive market prices that are charged to unaffiliated customers.
 - ² Segment assets and liabilities comprise operating assets and liabilities that are directly attributable, and those that can be allocated on a reasonable basis, to a segment.

Business segment information is stated after elimination of inter-segment transactions.

Prior year comparatives have been restated to reflect changes in organisation structure and refinement in cost allocation methodologies.

The Group's businesses are organised into five segments, based on the types of products and services that it provides worldwide. These segments are Individual Financial Services, Institutional Financial Services, Global Treasury, Asset Management and Other.

Individual Financial Services

Individual Financial Services segment covers Personal Financial Services and High Networth Banking. Personal Financial Services serves individual customers, including the mass affluent. 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. High Networth Banking provides an extensive range of financial services, including wealth management and trust services, to the wealthy and more affluent customers.

Institutional Financial Services

Institutional Financial Services segment encompasses Commercial Credit, Corporate Banking, Corporate Finance and Capital Markets. Commercial Credit serves the small and medium-sized enterprises. Corporate Banking serves the middle market and large local corporate groups, including non-bank financial institutions. Both Commercial Credit and Corporate Banking provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance serves corporations with services that include initial public offerings, rights issues, and corporate advisory services. Capital Markets specialises in providing solution-based structures to meet clients' financing requirements, as well as in the issue of debt and quasi-debt securities and loan syndications.

Global Treasury

Global Treasury segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, a full range of gold products, as well as an array of structured products. It is a dominant player in Singapore dollar treasury instruments as well as a provider of banknote services in the region.

Asset Management

Asset Management segment comprises asset management, venture capital management and proprietary investment activities.

Other

Other segment includes property-related activities, insurance businesses and the management of capital funds.

(b) Secondary reporting format – geographical segments

The Group's activities can be analysed into the following geographical areas:

		The Group							
	Incom	Income before							
	operatin	ig expenses	Profit l	pefore tax	Tota	l assets			
	2004	2003	2004	2003	2004	2003			
	\$'million	\$'million	\$'million	\$'million	\$'million	\$'million			
Singapore (including Asian									
Currency Unit)	2,332	2,353	1,680	1,367	84,688	75,087			
Malaysia	356	358	237	253	12,783	11,521			
Other ASEAN countries	268	149	41	10	10,604	3,691			
	624	507	278	263	23,387	15,212			
Other Asia-Pacific countries	178	194	95	104	15,740	13,466			
Rest of the world	125	106	78	76	7,188	6,215			
	3,259	3,160	2,131	1,810	131,003	109,980			
Goodwill		-	(214)	(202)	3,876	3,466			
	3,259	3,160	1,917	1,608	134,879	113,446			

With the exception of Singapore and Malaysia, no individual country contributed 10% or more of the Group's total income before operating expenses, total profit before tax or total assets.

The geographical segment information is based on the location where the transactions and assets are booked. It provides an approximation to geographical segment information that is based on the location of customers and assets.

Geographical segment information is stated after elimination of inter-segment transactions.

43. Financial risk management

The Group's business activities involve the use of financial instruments, including derivatives. These activities expose the Group to a variety of financial risks, mainly credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Managing financial risks is an integral part of the Group's business. It is carried out centrally by the various specialist committees of the Group under delegated authority from the Board. These various specialist committees formulate, review and approve policies and limits on monitoring and managing risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to review by the Executive Committee.

The Risk Management & Compliance sector, which is independent of the business units, performs the role of implementing the risk management policies and procedures. Compliance officers in the business units ensure that each business unit puts in place the proper control procedures to ensure regulatory and operational compliance while the Middle Office (under Finance Division) enforces compliance of trading policies and limits by the trading desks at Global Treasury. This is further enhanced by the periodic risk assessment audit carried out by the Group Audit.

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

The main financial risks that the Group is exposed to and how these risks are being managed are set out below:

(a) Credit risk

Credit risk is the potential loss arising from any failure by the Group's customers to fulfill their obligations as and when these obligations fall due. These obligations may arise from lending, trade finance, investments, receivables under derivative contracts and other credit-related activities undertaken by the Group.

The Credit Committee is responsible for the management of credit risk of the Group. Apart from direct credit management, such as approval of significant loans, it is also responsible for providing directions and timely guidance on lending to different geographical sectors and industries.

In general, the Group monitors the levels of credit risk it undertakes through regular reviews by management, with independent oversight of its credit concentration and portfolio quality by the Credit Committee.

In respect of its lending-related activities, management regularly reviews the amount of risk accepted in relation to one borrower or groups of borrowers, geographical and industry segments, types of acceptable security, level of non-performing loans and adequacy of provisioning requirements.

In respect of other credit risk activities such as money market transactions and derivative financial instruments, the Group has counterparty risk policies that set out approved counterparties with whom the Group may transact and their respective transaction limits.

Exposure to credit risk is also managed in part by obtaining collateral or right to call for collateral when certain exposure thresholds are exceeded, the right to terminate transactions upon the occurrence of unfavourable events, the right to reset the terms of transactions after specified time periods or upon the occurrence of unfavourable events, and entering into netting agreements with counterparties that permit the Group to offset receivables and payables with such counterparties.

Given the amounts, types and nature of its existing products and businesses, the Group assesses that industry concentration risk arises primarily from the Group's advances to customers and trade bills. Note 28(d) analyses the Group's total gross trade bills and advances to customers by industry classification as at the balance sheet date.

(i) The following table analyses the Group's financial assets and credit-related contingent assets (that is, contingent liabilities of customers and other counterparties to the Group) by geographical concentration as at the balance sheet date:

		т	he Group		
	Trade bills	Placements		Credit-	
	and advances	and balances	Other	related	
	to customers	with banks	financial	contingent	
	(gross)	and agents	assets	assets	Total
	\$'million	\$'million	\$'million	\$'million	\$'million
2004					
Five Regional Countries*	14,955	4,905	8,276	2,449	30,585
Greater China	2,017	3,193	1,870	571	7,651
Singapore	44,855	3,043	23,064	5,812	76,774
Other**	6,150	15,585	4,197	986	26,918
	67,977	26,726	37,407	9,818	141,928
2003					
Five Regional Countries*	9,608	3,263	5,778	1,577	20,226
Greater China	1,968	2,690	1,395	481	6,534
Singapore	45,338	1,881	17,450	5,541	70,210
Other**	5,667	12,238	4,184	945	23,034
	62,581	20,072	28,807	8,544	120,004

* Refer to Malaysia, Indonesia, the Philippines, Thailand and South Korea.

** Comprise mainly other OECD countries.

(ii) Total gross trade bills and advances to customers as at the balance sheet date analysed by currency and interest rate sensitivity:

			The Gr	oup			
		2004		2003			
		Variable			Variable		
	Fixed rate	rate	Total	Fixed rate	rate	Total	
	\$'million	\$'million	\$'million	\$'million	\$'million	\$'million	
Singapore dollar	8,146	32,103	40,249	8,987	31,777	40,764	
US dollar	1,529	7,241	8,770	960	6,948	7,908	
Malaysian ringgit	255	6,318	6,573	204	6,110	6,314	
Hong Kong dollar	47	848	895	35	966	1,001	
Thai baht	2,652	3,822	6,474	948	599	1,547	
Other	524	4,492	5,016	469	4,578	5,047	
	13,153	54,824	67,977	11,603	50,978	62,581	

Fixed rate loans that have effectively been converted to variable rate loans through interest rate swaps are classified as variable rate loans.

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(a) Credit risk (cont'd)

(iii) Total non-performing loans, debt securities and their related specific provisions analysed by geographical sector:

	The Group							
		2004						
1	Non-performing		Non-performing					
	loans and	Specific	loans and	Specific				
	debt securities	provisions	debt securities	provisions				
	\$'million	\$'million	\$'million	\$'million				
Singapore	2,949	1,157	3,530	1,200				
Five Regional Countries								
Malaysia	873	331	930	383				
Indonesia	88	68	119	78				
Philippines	160	80	184	76				
Thailand	1,170	640	140	69				
South Korea	1		5	2				
	2,292	1,119	1,378	608				
Greater China	161	52	161	61				
Other	82	26	91	41				
	5,484	2,354	5,160	1,910				

(iv) Total non-performing loans, debt securities and their related specific provisions analysed by industry group:

		The	Group		
		2004		2003	
	Non-performing		Non-performing		
	loans and	Specific	loans and	Specific	
	debt securities	provisions	debt securities	provisions	
	\$'million	\$'million	\$'million	\$'million	
Transport, storage and communication	119	56	105	44	
Building and construction	844	337	756	275	
Manufacturing	1,165	622	765	372	
Non-bank financial institutions	701	216	1,040	345	
General commerce	1,007	503	703	300	
Professionals and private individuals					
(excluding housing loans)	897	386	926	360	
Housing loans	505	93	632	98	
Other	246	141	233	116	
	5,484	2,354	5,160	1,910	

(v) Total collateralised non-performing loans and debt securities analysed by collateral type:

	The Group					
		Marketable	Cash and			
	Properties	securities	deposits	Other	Total	
	\$'million	\$'million	\$'million	\$'million	\$'million	
2004						
Singapore	1,442	21	19	36	1,518	
Five Regional Countries	1,008	85	15	42	1,150	
Greater China	84	-	-	-	84	
Other	45	-	-	-	45	
	2,579	106	34	78	2,797	
2003						
Singapore	1,883	51	16	78	2,028	
Five Regional Countries	579	69	9	41	698	
Greater China	44	1	2	-	47	
Other	30	_	-	1	31	
	2,536	121	27	120	2,804	

(vi) Loans that were classified and restructured during the financial year are as follows:

	The	Group
	2004	2003
	\$'million	\$'million
Substandard	223	196
Doubtful	49	-
Loss	30	35
	302	231

(vii) The ageing of total non-performing loans and debt securities are as follows:

	The	Group
	2004	2003
	\$'million	\$'million
Current	548	670
≤ 90 days	357	378
Between 91 and 180 days	596	464
≥ 181 days	3,983	3,648
	5,484	5,160

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(b) Foreign exchange risk

Foreign exchange risk is the risk to earnings and value of foreign currency assets, liabilities and derivative financial instruments caused by fluctuations in foreign exchange rates.

The Group's foreign exchange exposures arise from its proprietary business and customer facilitation businesses. It also has a certain amount of structural foreign currency exposures as represented by the net asset values of its overseas branches, share of the net asset values of its overseas subsidiaries and associates, and long-term investments in overseas properties. The Group utilises mainly foreign currency forwards and swaps to hedge its foreign exchange exposures.

Foreign exchange risk is managed through risk limits and policies as approved by the Asset Liability Committee. These limits and policies, such as on the level of exposure by currency and in total for both overnight and intra-day positions, are independently monitored on a daily basis by Middle Office.

The following table sets out the Group's assets, liabilities and derivative financial instruments by currency as at the balance sheet date. The off-balance sheet gap represents the net contract or notional amounts of derivatives, which are principally used to reduce the Group's exposure to foreign exchange rate movements:

2004 Assets Cash, balances and	Singapore dollar \$'million	US dollar \$'million	Malaysian ringgit \$'million	The G Hong Kong dollar \$'million	roup Australian dollar \$'million	Thai baht \$'million	Other \$'million	Total \$'million
placements with central banks Government treasury	5,171	55	2,542	14	25	690	3,156	11,653
bills and securities Placements and balances	7,773	297	50	25	39	217	1,347	9,748
with banks and agents Trade bills and advances	3,124	14,471	1,994	692	3,401	14	3,030	26,726
to customers Dealing and investment	38,020	8,604	6,155	823	1,365	5,816	3,517	64,300
securities Investments in associates Goodwill Other	1,831 1,428 3,182 4,354 64,883	4,137 4 - 1,725 29,293	268 63 - 391 11,463	114 - - 52 1,720	191 - - 74 5,095	438 6 618 885 8,684	1,121 201 76 333 12,781	8,100 1,702 3,876 7,814 133,919
Assets attributable to SPE		25,255	11,405	1,720	5,055	0,004	12,701	960
Total assets								134,879
Liabilities Current, fixed, savings accounts and other deposits of non-bank customers Deposits and balances of banks and agents,	45,075	11,777	7,663	395	2,848	7,173	4,121	79,052
and bills and drafts payable	3,093	15,957	1,305	994	1,934	650	4,517	28,450
Debts issued Other	2,300 3,861	3,780 753	- 918	- 424	- 48	84 144	- 535	6,164 6,683
other	54,329	32,267	9,886	1,813	4,830	8,051	9,173	120,349
Liabilities attributable to SPE								943
Total liabilities								121,292
On-balance sheet open position	10,554	(2,974)	1,577	(93)	265	633	3,608	
Off-balance sheet open position	(30)	3,978	(961)	(304)	(144)	858	(3,397)	
Net open position	10,524	1,004	616	(397)	121	1,491	211	
Net structural position included in above		(1)	885	8	34	1,505	505	

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(b) Foreign exchange risk (cont'd)

	Singapore dollar \$'million	US dollar	Malaysian	Hong Kong	A			
	•	\$'million	ringgit \$'million	dollar \$'million	Australian dollar \$'million	Thai baht \$'million	Other \$'million	Total \$'million
2003								
Assets								
Cash, balances and								
placements with								
central banks	2,653	34	2,309	25	7	43	4,014	9,085
Government treasury								
bills and securities	6,311	55	80	46	29	442	699	7,662
Placements and balances								
with banks and agents	3,326	10,279	1,581	488	1,030	2	3,366	20,072
Trade bills and advances								
to customers	38,366	7,723	5,857	922	1,831	1,514	3,084	59,297
Dealing and investment								
securities	1,761	2,228	280	78	27	93	631	5,098
Investments in associates	1,316	-	78	-	-	-	3	1,397
Goodwill	3,372	-	-	-	-	8	86	3,466
Other	4,250	1,373	354	173	(267)	294	334	6,511
	61,355	21,692	10,539	1,732	2,657	2,396	12,217	112,588
Assets attributable to SPE								858
Total assets								113,446
Liabilities Current, fixed, savings accounts and other deposits of non-bank								
customers Deposits and balances of banks and agents,	41,350	13,198	6,031	509	2,041	1,975	4,808	69,912
and bills and drafts payable	1,910	10,224	750	905	380	190	4,644	19,003
Debts issued	1,303	2,041	-	-	-	-	-	3,344
Other	3,765	337	1,885	248	51	52	558	6,896
	48,328	25,800	8,666	1,662	2,472	2,217	10,010	99,155
Liabilities attributable to SPE								854
Total liabilities								100,009
On-balance sheet open position	13,027	(4,108)	1,873	70	185	179	2,207	
Off-balance sheet open position	(1,365)	4,251	(1,189)	(297)	(77)	(436)	(887)	_
Net open position	11,662	143	684	(227)	108	(257)	1,320	
Net structural position included in above	_	(13)	790	3	34	138	403	_

Other foreign exchange exposures of the Group are structural foreign currency exposures. These comprise the net assets of the Group's overseas branches, share of the net assets of its overseas subsidiaries and associates, and long-term investments in overseas properties.

Where possible, the Group mitigates the effect of structural currency exposures by funding all the Group's investments in overseas branches with borrowings in the same currencies as the functional currencies of the respective overseas branches. On a selective basis, the Group's investments in overseas subsidiaries and associates, and long-term investments in overseas properties are also funded in the same functional currencies. The Group also hedges some of the structural foreign currency exposures using foreign exchange derivatives.

The structural currency exposures of the Group as at the balance sheet date are as follows:

	The Group					
	Structural					
	currency	Hedges by		Net		
	exposures in	funding in	Other	structural		
	overseas	respective	currency	currency		
	operations	currency	hedges	exposures		
	\$'million	\$'million	\$'million	\$'million		
2004						
Australian dollar	211	-	177	34		
Hong Kong dollar	64	16	40	8		
Indonesian rupiah	285	-	-	285		
Malaysian ringgit	885	-	-	885		
Philippine peso	81	_	-	81		
Thai baht	1,488	-	(17)	1,505		
US dollar	423	188	236	(1)		
Other	293	46	108	139		
	3,730	250	544	2,936		
2003						
Australian dollar	178	-	144	34		
Hong Kong dollar	147	16	128	3		
Indonesian rupiah	99	-	-	99		
Malaysian ringgit	790	-	-	790		
Philippine peso	120	-	-	120		
Thai baht	262	-	124	138		
US dollar	419	207	225	(13)		
Other	305	44	77	184		
	2,320	267	698	1,355		

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(c) Interest rate risk

Interest rate risk is the risk to earnings and value of financial instruments caused by fluctuations in interest rates.

Sensitivity to interest rates arises from the differences in maturities and re-pricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Group's policies as approved by the Asset Liability Committee.

The table below summarises the effective average interest rate of the financial assets and liabilities as at the balance sheet date by major currency:

		The Group	
	Singapore	US	Malaysian
	dollar	dollar	ringgit
	%	%	%
2004			
Assets			
Placements with central banks	1.30	0.11	2.78
Placements and balances with banks and agents	1.66	2.27	2.75
Trade bills and advances to customers	3.57	3.79	6.87
Securities	1.79	3.71	4.80
		5	
Liabilities			
Deposits and balances of banks and agents	1.53	2.24	2.34
Deposits and other accounts of non-bank customers	0.88	1.86	3.04
Debts issued	2.39	2.39	-
2003			
Assets			
Placements with central banks	0.29	0.19	2.86
Placements and balances with banks and agents	0.74	1.26	2.90
Trade bills and advances to customers	3.71	2.84	6.78
Securities	2.77	4.38	4.06
Liabilities			
Deposits and balances of banks and agents	0.65	1.08	2.72
Deposits and other accounts of non-bank customers	0.57	0.82	3.24
Debts issued	2.64	2.27	_

The table below shows the interest rate sensitivity gap, by time band, in which interest rates of instruments are next re-priced on a contractual basis or, if earlier, the dates on which the instruments mature:

	Up to 7 days \$'million	Over 7 days to 1 month \$'million	Over 1 to 3 months \$'million	Over 3 to 12 months \$'million	The G Over 1 to 3 years \$'million	iroup Over 3 years \$'million	Non- interest bearing \$'million	Banking book total \$'million	Trading book total \$'million	Total \$'million
2004										
Assets										
Cash, balances										
and placement	s									
with central										
banks	744	444	57	6	-	-	3,883	5,134	6,519	11,653
Government										
treasury bills										
and securities	-	448	1,637	2,709	1,620	1,314	-	7,728	2,020	9,748
Placements and										
balances with		6 4 9 9		=					4 470	
banks and ager Trade bills and	nts 2,963	6,193	5,902	7,099	-	-	99	22,256	4,470	26,726
advances to customers	23,054	13,825	10,763	10,851	4,181	1,578		64,252	48	64,300
Dealing and	25,054	15,025	10,705	10,001	4,101	1,576	-	04,232	40	04,500
investment										
securities	129	507	1,487	979	1,017	2,333	1,209	7,661	439	8,100
Investments in		507	1,107	575	1,017	2,000	1,205	7,001	155	0,100
associates	_	_	_	_	_	_	1,702	1,702	_	1,702
Goodwill	_	_	_	_	_	_	3,876	3,876	_	3,876
Other	-	-	-	-	-	-	4,326	4,326	3,488	7,814
	26,890	21,417	19,846	21,644	6,818	5,225	15,095	116,935	16,984	133,919
Assets attributable	e									
to SPE										960
Total assets									_	134.879

Total assets

134,879

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(c) Interest rate risk (cont'd)

2	Up to 7 days \$'million	Over 7 days to 1 month \$'million	Over 1 to 3 months \$'million	Over 3 to 12 months \$'million	The G Over 1 to 3 years \$'million	iroup Over 3 years \$'million	Non- interest bearing \$'million	Banking book total \$'million	Trading book total \$'million	Total \$'million
Liabilities Current, fixed, savings accounts and other										
deposits of non-bank customers Deposits and balances of banks and agent	25,929	22,118	10,140	11,848	1,306	1,036	6,208	78,585	467	79,052
and bills and drafts payable	3,889	6,677	4,320	1,613	-	-	1,107	17,606	10,844	28,450
Debts issued	25	103	177	225	84	5,550	-	6,164	-	6,164
Other	-	-	-	-	-	-	3,083	3,083	3,600	6,683
Internal funding of trading book	(2,073)	-	-	-	-	-	-	(2,073)	2,073	_
	27,770	28,898	14,637	13,686	1,390	6,586	10,398	103,365	16,984	120,349
Liabilities attributable to SPE Total liabilities Shareholders' funds and minority interests Shareholders' funds attributabl to SPE	–	-	-	_	-	-	13,570	13,570	-	943 121,292 13,570 17
Total shareholder funds and minority interests	s'								_	13,587 134,879
Net on-balance sheet position Net off-balance sheet position	(880)	(7,481) (1,761)	5,209 (2,685)	7,958 2,491	5,428 (1,720)	(1,361) 4,154	(8,873)	-	 _ _	
Net interest rate sensitivity gap	(1,359)	(9,242)	2,524	10,449	3,708	2,793	(8,873)	_	_	

						The Group				
		Over 7	Over	Over	Over		Non-	Banking	Trading	
	Up to 7	days to 1 month	1 to 3 months	3 to 12 months	1 to 3	Over 3	interest	book total	book total	Tota
	days \$'million	\$'million	\$'million	\$'million	years \$'million	years \$'million	bearing \$'million	\$'million	\$'million	\$'millio
2003										
Assets										
Cash, balances										
and placements										
with central	24	4 2 2 2		<i>.</i>			4766	6 4 2 5	2.050	
banks	21	1,332	-	6	-	-	4,766	6,125	2,960	9,08
Government										
treasury bills		246	1 000	2 4 4 0	4 700	705		7 0 0 7	275	7.66
and securities	-	346	1,909	2,449	1,798	785	-	7,287	375	7,66
Placements and										
balances with	2 442	2 200	2.600	2.045				42.200	6 74 9	20.07
banks and agents	2,412	3,296	3,680	3,915	-	-	57	13,360	6,712	20,07
Frade bills and										
advances to	47.000	44 7 42	0.000	44.045	7 740	4 620		50.004	10	50.00
customers	17,220	11,742	9,032	11,945	7,712	1,630	-	59,281	16	59,29
Dealing and										
investment	24	204	776	270	204	4 5 4 0	4 224	4 530	525	5.00
securities	34	201	776	378	304	1,549	1,331	4,573	525	5,09
nvestments in							4 207	4 207		4.20
associates	-	-	-	-	-	-	1,397	1,397	-	1,39
Goodwill	-	-	-	-	-	-	3,466	3,466	-	3,46
Other		-	-	_	-		3,564	3,564	2,947	6,51
	19,687	16,917	15,397	18,693	9,814	3,964	14,581	99,053	13,535	112,58
Assets attributable										
ta CDC										05

to SPE

Total assets

858

113,446

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43. Financial risk management (cont'd)

(c) Interest rate risk (cont'd)

						The Group				
	Up to 7 days \$'million	Over 7 days to 1 month \$'million	Over 1 to 3 months \$'million	Over 3 to 12 months \$'million	Over 1 to 3 years \$'million	Over 3 years \$'million	Non- interest bearing \$'million	Banking book total \$'million	Trading book total \$'million	Total \$'million
Liabilities Current, fixed, savings accounts and other deposits of non-bank customers	25,088	15,869	8,592	11,818	1,034	366	5,962	68,729	1,183	69,912
Deposits and balances of banks and agents, and bills and	23,088	13,803	0,332	11,010	1,034	300	3,302	08,729	1,105	09,912
drafts payable	2,345	5,330	2,460	1,105	34	-	870	12,144	6,859	19,003
Debts issued	400	1,314	114	221	-	1,295	-	3,344	-	3,344
Other	-	-	-	-	-	-	3,648	3,648	3,248	6,896
Internal funding of trading book	(2,245)		_	_	_	_		(2,245)	2,245	
	25,588	22,513	11,166	13,144	1,068	1,661	10,480	85,620	13,535	99,155
Liabilities attributable to SPE Total liabilities Shareholders' funds and									_	854 100,009
minority interests Shareholders' funds attributable to SPE	-	-	-	-	-	-	13,433	13,433	-	13,433
Total shareholders' funds and minority interests									_	13,437 113,446
Net on-balance sheet position Net off-balance	(5,901)	(5,596)	4,231	5,549	8,746	2,303	(9,332)	-	_	
sheet position	(395)	1,449	695	1,304	(4,260)	1,207	-	-		
Net interest rate sensitivity gap	(6,296)	(4,147)	4,926	6,853	4,486	3,510	(9,332)	_	_	

Actual re-pricing dates may differ from contractual dates because contractual terms may not reflect the actual behavioural patterns of assets and liabilities which are subject to prepayments.

(d) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its cash flow obligations as and when they fall due, such as upon maturity of deposits and draw-down of loans.

It is not unusual for a bank to have mismatches in the contractual maturity profile of its assets and liabilities. The Group manages liquidity risk in accordance with a framework of liquidity policies, controls and limits that is approved by the Asset Liability Committee, with the main objectives of honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

These controls and policies include the setting of limits on cashflow mismatches, monitoring of liquidity crisis early warning indicators, stress test analysis of cashflows in liquidity crisis scenarios and establishment of a comprehensive contingency funding plan.

Additionally, the Group is required by law in the various locations that it operates from, including Singapore, to maintain a certain percentage of its liability base in the form of cash and other liquid assets as a buffer against unforeseen liquidity requirements.

The following table shows the maturity analysis of the Group's assets and liabilities based on contractual terms:

				The Grou	qı			
	Un 4a 7	Over 7	Over	Over	Over	0	Non-	
	Up to 7 days	days to 1 month	1 to 3 months	3 to 12 months	1 to 3 vears	Over 3 years	specific maturity	Total
	\$'million	\$'million	\$'million	\$'million	\$'million	\$'million	\$'million	\$'million
2004								
Assets								
Cash, balances and								
placements with								
central banks	5,410	2,290	2,442	1,511	-	-	-	11,653
Government treasury								
bills and securities	19	456	1,709	2,875	2,019	2,670	-	9,748
Placements and balances								
with banks and agents	5,108	6,414	6,464	8,151	589	-	-	26,726
Trade bills and advances								
to customers	14,982	3,980	5,337	7,451	8,791	23,759	-	64,300
Dealing and investment								
securities	152	-	141	1,048	1,574	3,703	1,482	8,100
Investments								
in associates	-	-	-	-	-	-	1,702	1,702
Goodwill	-	-	-	-	-	-	3,876	3,876
Other	254	54	42	116	121	235	6,992	7,814
	25,925	13,194	16,135	21,152	13,094	30,367	14,052	133,919
Assets attributable to SPE								960
Total assets							_	134,879

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

			The Grou	qu			
Up to 7 days \$'million	Over 7 days to 1 month \$'million	Over 1 to 3 months \$'million	Over 3 to 12 months \$'million	Over 1 to 3 years \$'million	Over 3 years \$'million	Non- specific maturity \$'million	Total \$'million
33,144	21,545	10,013	11,866	1,412	1,072	-	79,052
7 104	12 740	6 344	2 215	23	24	_	28,450
-	1	-	16	91		_	6,164
242	82	32	37	108	40	6,142	6,683
40,490	34,368	16,389	14,134	1,634	7,192	6,142	120,349
						_	943
						_	121,292
-	-	-	-	-	-	13,570	13,570
						_	17
						_	13,587
						_	134,879
	days \$'million 33,144 7,104 - 242 40,490	Up to 7 days month \$'million \$'million 33,144 21,545 7,104 12,740 - 1 242 82 40,490 34,368	Up to 7 days days to 1 month 1 to 3 months \$'million \$'million \$'million 33,144 21,545 10,013 7,104 12,740 6,344 - 1 - 242 82 32 40,490 34,368 16,389	Over 7 days to 1 days \$'million Over 7 to 3 month S'million Over 1 to 3 months S'million Over 3 to 12 months S'million 33,144 21,545 10,013 11,866 7,104 12,740 6,344 2,215 - 1 - 16 242 82 32 37 40,490 34,368 16,389 14,134	Up to 7 days days to 1 month 1 to 3 months 3 to 12 months 1 to 3 years \$'million \$'million \$'million \$'million \$'million 33,144 21,545 10,013 11,866 1,412 7,104 12,740 6,344 2,215 23 - 1 - 16 91 242 82 32 37 108 40,490 34,368 16,389 14,134 1,634	Over 7 days Over 1 to 3 month Over 1 to 3 months Over 3 to 12 months Over 1 to 3 years 33,144 21,545 10,013 11,866 1,412 1,072 7,104 12,740 6,344 2,215 23 24 - 1 - 16 91 6,056 242 82 32 37 108 40 40,490 34,368 16,389 14,134 1,634 7,192	Over 7 days to 1 days month Over 1 to 3 months Over 3 to 12 months Over 1 to 3 years Non- Specific maturity 33,144 21,545 10,013 11,866 1,412 1,072 - 7,104 12,740 6,344 2,215 23 24 - - 1 - 16 91 6,056 - 242 82 32 37 108 40 6,142 40,490 34,368 16,389 14,134 1,634 7,192 6,142

				The Grou	р			
		Over 7	Over	Over	Over		Non-	
	Up to 7	days to 1	1 to 3	3 to 12	1 to 3	Over 3	specific	
	days \$'million	month \$'million	months \$'million	months \$'million	years \$'million	years \$'million	maturity \$'million	Total \$'million
	⇒ minon	⊅ million	⊅ minion	⊅ minion	⊅ minion	⊅ miiiion	\$ miiion	⊅ miiiion
2003								
Assets								
Cash, balances and								
placements with								
central banks	4,956	2,458	759	912	-	-	-	9,085
Government treasury								
bills and securities	30	402	1,944	2,662	1,800	824	_	7,662
Placements and balances								
with banks and agents	3,698	4,586	5,842	5,374	572	_	_	20,072
Trade bills and advances								
to customers	14,336	4,440	5,010	4,882	9,161	21,468	_	59,297
Dealing and investment								
securities	_	35	21	145	845	2,475	1,577	5,098
Investments								
in associates	_	-	-	7	_	_	1,390	1,397
Goodwill	_	_	_	-	_	_	3,466	3,466
Other	73	100	159	63	55	59	6,002	6,511
	23,093	12,021	13,735	14,045	12,433	24,826	12,435	112,588
	25,095	12,021	15,755	14,045	12,455	24,020	12,455	112,300
Assets attributable to SPE							_	858
Total assets								113,446

for the financial year ended 31 December 2004

43. Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

				The Group	р			
	Up to 7 days \$'million	Over 7 days to 1 month \$'million	Over 1 to 3 months \$'million	Over 3 to 12 months \$'million	Over 1 to 3 years \$'million	Over 3 years \$'million	Non- specific maturity \$'million	Total \$'million
Liabilities								
Current, fixed, savings accounts and other deposits of non-bank								
customers	31,873	16,458	8,401	11,928	703	549	-	69,912
Deposits and balances of banks and agents, and bills and drafts								
payable	4,317	8,142	4,167	2,377	-	-	-	19,003
Debts issued	-	-	-	-	17	3,327	-	3,344
Other	103	135	49	56	3	2	6,548	6,896
	36,293	24,735	12,617	14,361	723	3,878	6,548	99,155
Liabilities attributable to SPE							_	854
Total liabilities							_	100,009
Shareholders' funds and minority interests Shareholders' funds attributable to SPE	-	-	-	-	-	-	13,433	13,433
Total shareholders' funds and minority interests							_	13,437
Net maturity mismatch	(13,200)	(12,714)	1,118	(316)	11,710	20,948	(7,546)	113,440
-								

The contractual maturity profile often does not reflect the actual behavioural patterns. In particular, the Group has a significant amount of "core deposits" of non-bank customers which are contractually at call (included in the "Up to 7 days" time band) but history shows that such deposits provide a stable source of long-term funding for the Group.

In addition to the above, the Group is also subjected to liquidity requirements to support calls under outstanding contingent liabilities and undrawn credit facility commitments as disclosed in Notes 37 and 39. The total outstanding contractual amounts do not represent future cash requirements since the Group expects many of these contingent liabilities and commitments (such as direct credit substitutes and undrawn credit facilities) to expire without being called or drawn upon, and many of the commitments to pay third parties (such as letters of credit) are reimbursed immediately by customers.

44. Fair values of financial instruments

Financial instruments comprise financial assets, financial liabilities and also derivative financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale. The information presented herein represents best estimates of fair values of financial instruments at the balance sheet date.

The on-balance sheet financial assets and financial liabilities of the Bank and the Group whose fair values are required to be disclosed in accordance with Singapore Financial Reporting Standard 32 ("FRS 32") comprise all its assets and liabilities with the exception of investments in associates, investments in subsidiaries, fixed assets, goodwill, deferred tax assets, tax payables and deferred tax liabilities.

Where available, quoted and observable market prices are used as the measurement of fair values, such as for government treasury bills and securities, quoted securities, debts issued and most of the off-balance sheet derivative financial instruments.

The estimated fair values of those on-balance sheet financial assets and financial liabilities based on quoted and observable market prices as at the balance sheet date are as follows:

	The Group The I Carrying amount \$'000 Estimated fair value \$'000 Carrying amount \$'000 7,772,462 7,792,680 7,678,206 1,975,344 1,984,216 1,615,464 8,608,545 9,073,445 6,802,650 7,089,297 7,255,389 6,079,974 6,310,846 6,336,259 6,232,660 1,351,624 1,354,748 706,589				
	amount	fair value	amount	Estimated fair value \$'000	
2004					
Singapore Government treasury bills and securities	7,772,462	7,792,680	7,678,206	7,697,404	
Other government treasury bills and securities	1 975 344	1 984 216	1 615 464	1,621,759	
Investment securities*				7,114,170	
Debts issued*	7,089,297	7,255,389	6,079,974	6,240,508	
2003					
Singapore Government treasury bills					
and securities	6,310,846	6,336,259	6,232,660	6,245,848	
Other government treasury bills					
and securities	1,351,624	1,354,748	706,589	713,002	
Investment securities*	5,422,510	5,704,569	4,061,903	4,308,147	
Debts issued*	4,196,269	4,214,182	3,343,862	3,361,775	

* Where quoted and observable market prices are not available, fair values are arrived at using internal pricing models.

The fair values of derivative financial instruments are shown in Note 38.

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44. Fair values of financial instruments (cont'd)

Where quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions. The principal ones are as follows:

- The fair values of cash, balances and placements with central banks, and placements and balances with banks, agents and
 related companies are considered to approximate their carrying values because most of these are of negligible credit risk
 and are either short-term in nature or re-priced frequently.
- The Bank and the Group consider the carrying amount of advances to customers as a reasonable approximation of their fair values. Presently, market and observable prices do not exist as there is currently no ready market wherein exchanges between willing parties occur. In estimating the fair value, loans are categorised into homogeneous groups by product type, risk characteristic, maturity and pricing profile, and non-performing accounts. In evaluating the reasonableness of fair value, the Bank and the Group perform analysis on each of the homogeneous groups, taking into account various hypothetical credit spread and market interest rate scenarios, future expected loss experience and estimated forced sale values of collateral. General provisions are also deducted in arriving at the fair value as a discount for credit risk inherent in the large portfolio of advances to customers.
- The Bank and the Group consider the carrying amounts of all its deposits, such as non-bank customers' deposits and deposits and balances of banks, agents and related companies, as reasonable approximation of their respective fair values given that these are mostly repayable on demand or in the shorter term, and the interest rates are re-priced at short intervals.
- For derivative financial instruments and investment securities where quoted and observable market prices are not available, fair values are arrived at using internal pricing models.

The fair values of contingent liabilities and undrawn credit facilities are not readily ascertainable. These financial instruments are presently not sold or traded. They generate fees that are in line with market prices for similar arrangements. The estimated fair value may be represented by the present value of the fees expected to be received, less associated costs of obligations or services to be rendered. The Bank and the Group assess that their respective fair values are unlikely to be significant.

As assumptions were made regarding risk characteristics of the various financial instruments, discount rates, future expected loss experience and other factors, changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

In addition, the fair value information for non-financial assets and liabilities is excluded as they do not fall within the scope of FRS 32 which requires fair value information to be disclosed. These include investments in associates, investments in subsidiaries, fixed assets, long-term relationships with customers, franchise and other intangibles, which are integral to the full assessment of the Bank's and the Group's financial positions and the values of their net assets.

45. Subsidiaries

The subsidiaries of the Group as at the balance sheet date categorised by principal activities are as follows:

Name of subsidiaries	Country of incorporation and place of business	-	Percent id-up cap Bank	ital held l	by diaries	Carrying amount of Bank's investment		
Name of subsidiaries	business	2004	2003	2004	2003	2004	2003	
		2004 %	2003	2004	2003	\$'000	\$'000	
Commercial Banking								
Bank of Asia Public Company								
Limited ⁽⁶⁾	Thailand	97	-	-	-	1,124,154	-	
Far Eastern Bank Limited	Singapore	78	77	-	-	38,921	38,050	
PT Bank UOB Indonesia (1)	Indonesia	99	99	-	-	48,462	48,462	
United Overseas Bank								
(Malaysia) Bhd ⁽¹⁾	Malaysia	45	45	55	55	123,731	123,731	
United Overseas Bank								
Philippines ⁽¹⁾	Philippines	100	100	_	_	#	#	
UOB Radanasin Bank Public	1-1							
Company Limited ⁽¹⁾	Thailand	84	79	_	_	268,149	136,182	
ICB (2002) Limited	manaria	04	75			200,145	150,102	
(formerly known as								
Industrial & Commercial								
Bank Limited) ⁽²⁾ **	Singapore	100	100					
'	Siliyapole	100	100	-	_	-	-	
Overseas Union Bank	N 4 a las sala			400	100			
(Malaysia) Berhad ⁽¹⁾ **	Malaysia	-	-	100	100	-	-	
Overseas Union Bank	C'	400	100					
Limited ⁽²⁾ * *	Singapore	100	100	-	-	-	-	
Merchant Banking								
UOB Asia (Hong Kong)	Hong Kong							
Limited ⁽¹⁾	S.A.R.	50	50	50	50	11,687	11,687	
UOB Asia Limited	Singapore	100	100	_	_	9,747	9,747	
UOB Australia Limited (1)	Australia	100	100	_	_	10,865	10,865	
	, lastiana	100	100			10,000	10,000	
Leasing								
B.O.A. Leasing Co., Ltd ⁽⁶⁾	Thailand	-	-	100	-	-	-	
OUB Credit Bhd ⁽¹⁾	Malaysia	-	-	100	100	-	-	
OUL Sdn Bhd								
(liquidated during the year)	Malaysia	-	100	-	-	-	-	
Insurance								
PT UOB Life-Sun Assurance ⁽¹⁾	Indonesia		_	80	80			
United Overseas Insurance	indonesia			00	00			
Limited	Singanoro	58	58			15.269	15 260	
	Singapore	20	20	-	_	15,268	15,268	
UOB Insurance (H.K.) Limited ⁽¹⁾	Hong Kong			100	100			
	S.A.R.	-	-	100	100	-	-	
UOB Life Assurance Limited	Singapore	88	88	12	12	32,078	31,885	

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45. Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and place of business	pai The I		tage of ital held b Subsid	-	Carrying amount of Bank's investment		
		2004	2003	2004	2003	2004	2003	
		%	%	%	%	\$'000	\$'000	
Investment								
Chung Khiaw Bank								
(Malaysia) Bhd ⁽¹⁾	Malaysia	100	100	_	_	152,403	152,403	
OUB.com Pte Ltd	Singapore	100	100	-	-	18,454	18,774	
Overseas Union Holdings								
(Aust) Pty Limited (1)	Australia	_	-	100	100	-	-	
Overseas Union Holdings								
Private Limited	Singapore	100	100	_	_	196,323	196,323	
Overseas Union Securities								
Limited (7)	Singapore	_	16	_	36	_	10,693	
Overseas Union Securities								
Trading Pte Ltd (7)	Singapore	_	_	_	100	_	_	
United Investments Limited	51							
(under voluntary liquidation) (4)	Singapore	100	100	_	_	-	26,100	
UOB Capital Investments	51							
Pte Ltd	Singapore	100	100	_	_	88,136	80,987	
UOB Capital Management	0.							
Pte Ltd	Singapore	100	100	_	_	29,899	30,550	
UOB Equity Holdings (Pte) Ltd	Singapore	100	100	_	_	9,600	9,600	
UOB Finance (H.K.) Limited ⁽¹⁾	Hong Kong							
	S.A.R.	100	100	_	_	21,015	21,908	
UOB Holdings (USA) Inc. (2)	United States						,	
	of America	100	100	_	_	11,503	21,183	
UOB Realty (H.K.) Limited (1)	Hong Kong						,	
, , ,	S.A.R.	_	_	100	100	_	_	
UOB Venture Bio								
Investments Ltd (5)	Singapore	_	_	_	100	_	_	
UOB Venture Management	People's							
(Shanghai) Co., Ltd ⁽¹⁾	Republic of							
	China	_	_	100	100	_	_	
UOB Venture (Shenzhen)								
Limited ⁽³⁾	Mauritius	_	_	100	100	_	_	
CKB (2000) Limited (2) **	Singapore	100	100	_	_	_	_	
OUB Investments Pte Ltd	5-1							
(liquidated during the year)	Singapore	_	100	_	_	_	_	
Overseas Union Trust								
Limited ⁽²⁾ **	Singapore	100	100	_	_	10	10	
Linited	Singapore	100	100	_		10	10	

Name of subsidiaries	Country of incorporation and place of business	Percentage of paid-up capital held by The Bank Subsidiaries				Carrying amount of Bank's investment		
		2004	2003	2004	2003	2004	2003	
		%	%	%	%	\$'000	\$'000	
Securities Investments Pte Ltd								
(under voluntary liquidation) (4)	Singapore	100	100	_	_	_	_	
United Overseas Finance	51							
(Malaysia) Bhd. (1) **	Malaysia	_	_	100	100	_	-	
UOB International Investment	,							
Private Limited	Singapore	100	100	_	_	201,967	*	
UOF (2000) Limited (2) * *	Singapore	100	100	_	_	10	10	
	5 5 7 7 7							
Trustee/Investment								
Management								
BoA Asset Management								
Company Limited ⁽⁶⁾	Thailand	_	_	100	_	_	-	
United Overseas Bank								
Trustee Limited	Singapore	20	20	80	80	1,436	1,437	
UOBT (2003) Limited **	Singapore	20	20	80	80	100	100	
UOB Asset Management Ltd	Singapore	100	100	_	_	2,000	2,000	
UOB Bioventures	5.							
Management Pte Ltd	Singapore	_	_	100	100	-	_	
UOB Capital Partners LLC (2)	United States							
	of America	_	_	70	70	_	_	
UOBGC General Partners	United							
Limited ⁽²⁾	Kingdom	_	_	100	100	_	_	
UOB Global Capital	5							
(Dublin) Ltd ⁽²⁾	Ireland	_	_	100	100	_	_	
UOB Global Capital LLC ⁽²⁾	United States							
·	of America	_	_	70	70	_	_	
UOB Global Capital Private								
Limited	Singapore	70	70	_	_	159	107	
UOB Global Equity Sales LLC (2)	United States							
	of America	_	_	100	100	_	_	
UOB Global Capital SARL (2)	France	_	_	100	100	_	_	
UOB Hermes Asia								
Management Pte Limited	Singapore	_	_	60	60	_	_	
UOB Investment Advisor	5.							
(Taiwan) Ltd ⁽¹⁾	Taiwan	_	_	100	100	_	_	
UOB Venture Management								
Private Limited	Singapore	100	100	_	_	250	250	
							200	

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45. Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and place of business	pai The E	oy liaries	Carrying amount of Bank's investment			
Name of Subsidiaries	business	2004	2003	2004	2003	2004	2003
		%	%	%	%	\$'000	\$'000
Trustee/Investment							
Management (cont'd)							
UOB-OSK Asset							
Management Sdn. Bhd. (1)	Malaysia	-	-	70	70	-	-
UOB Trustee (Malaysia) Bhd. (1)	Malaysia	-	-	100	-	-	-
OUB Asset Management Ltd							
(under voluntary liquidation) (4)	Singapore	100	100	-	-	-	-
OUB Optimix Funds							
Management Limited							
(liquidated during the year)	Singapore	-	-	-	100	-	-
OUB-TA Asset Management							
Sdn Bhd							
(liquidated during the year)	Malaysia	-	-	-	51	-	-
Nominee Services							
Chung Khiaw Nominees	Hong Kong						
(H.K.) Limited ⁽¹⁾	S.A.R.	100	100	_	_	2	2
Far Eastern Bank Nominees						_	
(Private) Limited (2)	Singapore	_	_	100	100	_	_
Mandarin Nominees Pte Ltd (2)	Singapore	_	_	100	100	_	_
OUB Nominees (Asing)	Singapore						
Sdn Bhd ⁽¹⁾	Malaysia	_	_	100	100	_	_
OUB Nominees (Tempatan)	Walaysia				100		
Sdn Bhd ⁽¹⁾	Malaysia	_	_	100	100	_	_
Overseas Union Bank	Walaysia				100		
Nominees (Private) Limited (2)	Singapore	100	100	_	_	192	192
Overseas Union Nominees	Hong Kong						
(H.K.) Limited ⁽¹⁾	S.A.R.	100	100	_	_	4	4
Overseas Union Trust	<i>S.i</i> (.1(.		100			•	
(Nominees) Pte Ltd (2)	Singapore	100	100	_	_	10	10
Tye Hua Nominees Private	Singapore						
Limited ⁽²⁾	Singapore	100	100	_	_	10	10
United Merchant Bank			100				.0
Nominees (Pte) Ltd (2)	Singapore	_	_	100	100	_	_
United Overseas Bank	Hong Kong						
Nominees (H.K.) Limited (1)	S.A.R.	100	100	_	_	4	4
United Overseas Bank			100				
Nominees (Private) Limited (2)	Singapore	100	100	_	_	10	10
to milees (i mate) Emited	Singapore		100				.0

Name of subsidiaries	Country of incorporation and place of business	Percentage of paid-up capital held by The Bank Subsidiaries			Carrying amount of Bank's investment		
		2004	2003	2004	2003	2004	2003
		%	%	%	%	\$'000	\$'000
United Overseas Nominees							
(Asing) Sdn Bhd ⁽¹⁾	Malaysia	-	-	100	100	-	-
United Overseas Nominees							
(Tempatan) Sdn Bhd ⁽¹⁾	Malaysia	-	-	100	100	-	-
UOB Nominees (Australia)							
Limited ⁽¹⁾	Australia	-	-	100	100	-	-
UOB Nominees (UK)	United						
Limited ⁽¹⁾	Kingdom	100	100	-	-	3	2
UOBM Nominees (Asing)							
Sdn Bhd ⁽¹⁾	Malaysia	-	-	100	100	-	-
UOBM Nominees (Tempatan)							
Sdn Bhd ⁽¹⁾	Malaysia	-	-	100	100	-	-
Chung Khiaw Nominees							
(Private) Limited (2) **	Singapore	100	100	-	-	10	10
Grand Orient Nominees Pte Ltd							
(liquidated during the year)	Singapore	-	-	-	100	-	-
ICB Nominees (Private)							
Limited ⁽²⁾ **	Singapore	100	100	-	-	10	10
Lee Wah Nominees (S)							
Pte Ltd ⁽²⁾ **	Singapore	100	100	-	-	*	*
Singapore UMB (Hong Kong)	Hong Kong						
Limited (1) * *	S.A.R.	-	-	100	100	-	-
UOF Nominees (Private)							
Limited ⁽²⁾ * *	Singapore	100	100	-	-	*	*
Stockbroking							
Grand Orient Securities							
Pte Ltd **	Singapore	_	_	100	100	-	-
OUB Securities Pte Ltd **	Singapore	100	100	_	_	29,320	29,456
OUB Securities (H.K.) Limited	Hong Kong						
(under voluntary liquidation) (4)	S.A.R.	100	100	-	-	-	-
Gold/Futures Dealing							
UOB Bullion and Futures							
Limited	Singapore	100	100	_	_	9,000	9,000
OUB Bullion & Futures Ltd						-,	5,000
(under voluntary liquidation) ⁽⁴⁾	Singapore	100	100	-	_	_	_

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45. Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and place of business	Percentage of paid-up capital held by The Bank Subsidiaries			Carrying amount of Bank's investment		
		2004	2003	2004	2003	2004	2003
		%	%	%	%	\$'000	\$'000
Computer Services							
Unicom Databank Private							
Limited	Singapore	100	100	-	-	*	*
UOB Info Tech Sdn Bhd (1) * *	Malaysia	-	-	100	100	-	-
Management Services							
Overseas Union Management							
Services Pte Ltd							
(liquidated during the year)	Singapore	-	100	-	-	-	-
A.I.M. Services Pte Ltd	Circonomo		100				
(liquidated during the year)	Singapore	-	100	-	-	-	-
ICB Management Pte. Ltd. (<i>liquidated during the year</i>)	Singapore		100				
Overseas Union Management	Singapore	_	100	-	_	_	_
Services Sdn Bhd							
(liquidated during the year)	Malaysia	-	100	-	-	-	-
General Services							
United General Services							
(Pte) Ltd	Singapore	100	100	-	-	*	*
Consultancy and							
Research Services							
UOB Investment Consultancy	People's						
(Beijing) Limited (3)	Republic of						
	China	-	-	60	60	-	-
UOB Venture Management	United States						
(USA) Inc. (2)	of America	-	-	100	100	-	-
OUB Research Sdn Bhd							
(liquidated during the year)	Malaysia	-	-	-	100	-	-

Name of subsidiaries	Country of incorporation and place of business	Percentage of paid-up capital held by The Bank Subsidiaries			Carrying amount of Bank's investment		
	Dusiness	2004 2003		2004	2003	2004 2003	
		%	%	%	%	\$'000	\$'000
Property							
Chung Khiaw Realty, Limited	Singapore	99	99	_	_	60,448	60,448
Industrial & Commercial							
Property (S) Pte Ltd	Singapore	100	100	_	_	32,000	32,000
UOB Realty (USA) Inc. (2)	United States						
	of America	100	100	_	_	255	274
UOB Realty (USA) Ltd	United States						
Partnership ⁽²⁾	of America	99	99	1	1	15,199	16,322
UOB Warehouse Private							
Limited	Singapore	100	100	_	_	88,000	88,000
FEB Realty Company							
Pte. Ltd. **	Singapore	_	_	100	100	_	_
Overseas Union Holding	51						
Sdn Bhd							
(liquidated during the year)	Malaysia	-	-	-	100	-	-
Property Management							
OUB Towers Pte Ltd	Singapore	100	100	_	_	29,885	33,071
Overseas Union Developments	Jungapore						00,071
(Private) Limited	Singapore	100	100	_	_	12,991	14,279
Overseas Union Developments	Singapore	100	100			,	1,2,3
Sdn Bhd							
(liquidated during the year)	Malaysia	_	_	_	100	_	_
Overseas Union Realty	Walaysia				100		
Services Pte Ltd							
(liquidated during the year)	Singapore	_	_	_	100	_	_
(inquidated during the year)	Singapore				100		
Travel							
UOB Travel Planners Pte Ltd	Singapore	100	100	-	_	3,987	3,987
UOB Travel (General Sales							
Agent) Pte Ltd							
(liquidated during the year)	Singapore	-	55	-	-	-	-
						2,697,667	1,285,403

Investment cost is fully provided for. Investment cost is less than \$1,000. #

* ** Inactive.

Note: Audited by member firms of Ernst & Young Global in the respective countries.

(2)

(3)

(4)

Audited by member firms of Ernst & Young Global in the respective countries. Not required to be audited. Not audited by Ernst & Young, Singapore or member firms of Ernst & Young Global. Not required to be audited as subsidiary has been put into liquidation. Renamed as UOB JAIC Venture Bio Investments Ltd and has become an associated company. Audited by KPMG Phoomchai Audit Ltd., Bangkok. Ceased to be a subsidiary during the financial year. (5)

(6)

(7)

for the financial year ended 31 December 2004

46. Major associates

Name of major associates	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2004	2003
			%	<u> </u>
Quoted associates		<u> </u>	45	12
United International Securities Limited	Investment	Singapore	45	42
United Overseas Land Limited ⁽¹⁾	Property/hotel	Singapore	45	49
UOB-Kay Hian Holdings Limited ⁽¹⁾	Stockbroking	Singapore	40	40
PT Bank Buana Indonesia Tbk (2)	General banking	Indonesia	23	-
Unquoted associates				
Asfinco Singapore Limited	Investment holding	Singapore	40	40
Asia Fund Services Pte Ltd	Registrar services	Singapore	50	50
Clearing and Payment Services Pte Ltd	Continuous linked			
	settlement	Singapore	33	33
Network for Electronic Transfers	Electronic			
(Singapore) Pte Ltd	funds transfer	Singapore	33	33
Novena Square Development Ltd	Property	Singapore	20	20
Novena Square Investment Ltd	Investment	Singapore	20	20
Orix Leasing Singapore Limited	Leasing/rental	Singapore	20	20
OSK-UOB Unit Trust Management Berhad	Investment			
	management	Malaysia	30	30
Overseas Union Insurance, Limited	General insurance	Singapore	50	50
Singapore Consortium Investment	Unit trust fund			
Management Ltd	management	Singapore	33	33
SZVC-UOB Venture	Investment	People's Republic		
Management Co., Ltd		of China	50	50
Uni.Asia Capital Sdn Bhd	General and life insurance	Malaysia	49	49
UOB JAIC Venture Bio Investments Ltd	Investment	Singapore	41	_
Vertex Asia Limited	Venture capital			
	investment	Singapore	21	21
Walden Asia II Limited	Venture capital	Cayman Islands/		
	investment	People's Republi	С	
		of China	25	25

Note:

Audited by PricewaterhouseCoopers, Singapore.
 Audited by Ernst and Young Global, Jakarta.

47. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2004 were authorised for issue in accordance with a resolution of the directors on 24 February 2005.