

2000



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**UNITED OVERSEAS BANK LIMITED**  
**(Incorporated in Singapore)**  
**AND ITS SUBSIDIARIES**

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

for the financial year ended 31 December 2000

The directors present their report to the members together with the audited financial statements of the Bank and of the Group for the financial year ended 31 December 2000.

### Directors

The directors holding office at the date of this report are:

Mr Wee Cho Yaw  
Mr Wee Ee Cheong  
Mr Koh Beng Seng (*appointed on 26.5.2000*)  
Mr Ho Sim Guan  
Mr Ernest Wong Yuen Weng  
Mr Wong Meng Meng (*appointed on 14.3.2000*)  
Mr John C Dean Jr (*appointed on 14.3.2000*)  
Mr Sim Wong Hoo (*appointed on 14.3.2000*)  
Mr Philip Yeo Liat Kok (*appointed on 26.5.2000*)  
Dr Cham Tao Soon (*appointed on 4.1.2001*)

### Principal Activities

The Bank is principally engaged in the business of banking in all its aspects. The principal activities of its subsidiaries are disclosed in note 41 of the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the following:

- (a) On 3 February 2000, United Overseas Finance Limited ("UOF"), a 60.61% owned subsidiary, was delisted after the Bank acquired the minority shareholders' interests in UOF. On 26 June 2000, UOF was merged into the Bank under Section 212 of the Singapore Companies Act. As a result of the merger, the businesses, assets, liabilities, interests, rights, privileges, obligations and commitments of UOF were transferred to and vested in the Bank. The finance company licence of UOF was cancelled on 28 June 2000. Upon cancellation of the licence, the principal activity of the subsidiary was changed to that of investment holding. The subsidiary has not had any operations since 28 June 2000.
- (b) During the financial year, UOB Securities Pte Ltd ("UOBS") and its subsidiaries were merged with Kay Hian Holdings Limited ("KHHL") to form UOB-Kay Hian Holdings Limited ("UOB-Kay Hian"). UOBS was the Group's stockbroking arm in Singapore. Under the share exchange agreement, the Group received a 39.4% interest in UOB-Kay Hian, and thus, continues to retain an interest in stockbroking activities in Singapore. Further details are disclosed in paragraph (d) of "Acquisitions and Disposals of Subsidiaries" below.

### Acquisitions and Disposals of Subsidiaries

#### (a) Incorporation of Subsidiaries

During the financial year, the following subsidiaries were incorporated:

	<b>Group's Effective Interest %</b>	<b>Consideration Paid by the Group \$'000</b>
UOB Capital Investments Pte Ltd	100	600
UOB Capital Management Pte Ltd	100	100
UOB Venture Management (USA) Inc.	100	87

(b) **Acquisition of Subsidiaries**

During the financial year, the following subsidiaries were acquired:

	<b>Group's Share of Net Tangible Assets at Date of Acquisition \$'000</b>	<b>Group's Effective Interest %</b>	<b>Consideration Paid by the Group \$'000</b>
UOB Securities (Thailand) Co. Ltd <i>(formerly known as Ocean Securities Co. Limited)</i>	13,555	100	29,307
asia-reach.com Pte Ltd	*	100	*

\* The net tangible assets and consideration paid were \$2 each.

(c) **Liquidation of Subsidiaries**

During the financial year, the following subsidiaries were placed into members' voluntary liquidation:

	<b>Group's Share of Net Tangible Assets at Date of Liquidation \$'000</b>	<b>Group's Effective Interest %</b>
G H Carriers Private Limited	21	87
Gim Huat Private Limited	444	87
Ubin Private Limited	440	87
ICI (2000) Limited <i>(formerly known as Industrial &amp; Commercial Insurance Limited)</i>	3,534	59

(d) **Divestment of Subsidiaries**

During the financial year, UOB Securities Pte Ltd ("UOBS") and its wholly-owned subsidiaries, UOBS Research (M) Sdn Bhd and UOB Securities Nominees Pte Ltd, were merged with Kay Hian Holdings Limited ("KHHL"). This was effected through a share exchange agreement whereby the Group divested the whole of its 100% interest in UOBS in exchange for a 39.4% interest in UOB-Kay Hian Holdings Limited, the newly-created holding company of UOBS and KHHL. The details of the Group's share of net tangible assets and effective interest in these companies at the date of divestment are as follows:

	<b>Group's Share of Net Tangible Assets \$'000</b>	<b>Group's Effective Interest %</b>
UOB Securities Pte Ltd	232,877	100
UOBS Research (M) Sdn Bhd	231	100
UOB Securities Nominees Pte Ltd	*	100

\* The Group's share of net tangible assets was \$2.

## DIRECTORS' REPORT

for the financial year ended 31 December 2000

### Results for the Financial Year

	<b>The Group \$'000</b>	<b>The Bank \$'000</b>
Profit after taxation	912,460	630,238
Minority interests	435	—
Profit before extraordinary items	912,895	630,238
Extraordinary item	—	110,615
Net profit attributable to members	<u>912,895</u>	<u>740,853</u>

### Material Transfers To or From Reserves and Provisions

Material movements in reserves and provisions are set out in the financial statements.

### Issue of Shares and Debentures

- (a) During the financial year, the issued ordinary share capital of the Bank was increased to \$1,052,450,831 (1999: \$1,051,861,831) by the issue of the following ordinary shares of \$1 each:

	<b>Subscription Price Per Share, Paid by Cash \$</b>	<b>Number of Ordinary Shares of \$1 each in the Bank</b>
To holders of share options issued in connection with the UOB Executives' Share Option Scheme and the UOB 1999 Share Option Scheme	8.79	49,000
	9.17	247,000
	8.25	180,000
	3.14	113,000
		<u>589,000</u>

- (b) (i) During the financial year, the issued and paid-up share capital of the following subsidiary was increased by the issue of the following shares at par which were fully paid in cash to provide for working capital:

	<b>Number of Shares Issued</b>	<b>Type of Shares</b>	<b>Issue Price Paid in Cash</b>	<b>Par Value of Shares</b>
UOB Holdings (USA) Inc	2,600,000	Preference	US\$2,600,000 (equivalent to \$4,503,200)	US\$1

- (ii) On 2 February 2000, the issued ordinary share capital of United Overseas Finance Limited ("UOF") was reduced from \$72,996,185 to \$44,246,185 by the cancellation of 28,750,000 ordinary shares of par value of \$1 per share. The issued ordinary share capital was then increased to \$72,996,185 by the issue of 28,750,000 new ordinary shares at par for cash. The cancellation and issue of the shares were part of UOF's reorganisation and had the objective of enabling the Bank to become the sole shareholder of UOF.

Prior to the merger of UOF with the Bank on 26 June 2000, the issued and paid-up capital of UOF was reduced from \$72,996,185 to \$10,000 by the cancellation of 72,986,185 ordinary shares and the return of capital to the Bank.

(c) There were no debentures issued by the Bank or any corporation in the Group during the financial year.

#### 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 disclosed in this report.

#### Directors' Interests in Shares and Share Options

(a) The interests of the directors holding office at the end of the financial year in the share capital of the Bank and related corporations according to the register of directors' shareholdings were as follows:

	Number of Ordinary Shares of \$1 each			
	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At 31.12.2000	At 1.1.2000 or date of appointment, if later	At 31.12.2000	At 1.1.2000 or date of appointment, if later
<b>The Bank</b>				
Mr Wee Cho Yaw	16,530,548	16,530,548	146,072,026	145,856,026
Mr Wee Ee Cheong	2,774,899	2,774,899	143,584,731	143,084,731
Mr Ho Sim Guan	5,665,142	5,665,142	70,978,684	70,978,684
Mr Ernest Wong Yuen Weng	100,000	186,000	–	–
<b>Industrial &amp; Commercial Bank Limited</b>				
Mr Wee Ee Cheong	–	–	303,000	303,000
Mr Ho Sim Guan	7,000	7,000	57,000	57,000
<b>United Overseas Insurance Limited</b>				
Mr Wee Cho Yaw	25,400	25,400	–	–
Mr Ho Sim Guan	9,300	9,300	–	–
<b>UOF (2000) Limited</b> (formerly known as United Overseas Finance Limited)				
Mr Wee Cho Yaw	–	27,500	–	–
Mr Wee Ee Cheong	–	–	–	3,750
Mr Ho Sim Guan	–	5,000	–	–

## DIRECTORS' REPORT

for the financial year ended 31 December 2000

- (b) According to the register of directors' shareholdings, no director has any interest in the share options of the Bank at any time during the financial year except for Mr Ernest Wong Yuen Weng, whose options are as follows:

Number of Options Granted during the Financial Year	Aggregate Number of Options since the Commencement of the UOB Executives' Share Option Scheme and the UOB 1999 Share Option Scheme Up To 31 December 2000			Number of Options Outstanding As At	
	Granted	Exercised	Lapsed	31.12.2000	1.1.2000
Nil	741,000	588,000	78,000	75,000	156,000

The share options were granted pursuant to the UOB Executives' Share Option Scheme and the UOB 1999 Share Option Scheme and carry the right to subscribe for new ordinary shares of the Bank. The exercise price of the options outstanding at 31 December 2000 is \$14.70 per share.

- (c) There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2001 (being the 21st day after the end of the financial year), except that as at 21 January 2001, Mr Wee Cho Yaw had 16,390,248 shares which were registered in his own name and 146,015,326 shares in which he was deemed to have an interest.

### Dividends

Dividends paid, declared and recommended since the end of the Bank's previous financial year were as follows:

\$'000

A final dividend of 12 cents per share net of tax at 25.5% and a special tax exempt bonus dividend of 25 cents per share were paid on 16 June 2000 in respect of the financial year ended 31 December 1999:

– as proposed in the Directors' Report for that financial year	357,002
– in respect of new shares issued upon the exercise of share options before book closure date	115
	<u>357,117</u>

An interim dividend of 15 cents per share net of tax at 25.5% was paid on 1 September 2000 in respect of the financial year ended 31 December 2000

117,604

A proposed final dividend of 25 cents per share recommended by the directors, net of tax at 24.5%, in respect of the financial year ended 31 December 2000

198,650

### Bad and Doubtful Debts

Before the financial statements of the Bank were made out, the directors took reasonable steps to ascertain that proper action has been taken in relation to the writing off of bad debts and providing for doubtful debts of the Bank and have satisfied themselves that all known bad debts of the Bank have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the consolidated financial statements of the Group inadequate to any substantial extent.

### **Current Assets**

Before the financial statements of the Bank were made out, the directors took reasonable steps to ascertain that current assets of the Bank which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provision has been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the consolidated financial statements of the Group misleading.

### **Charges on Assets and Contingent Liabilities**

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Bank or any other corporation in the Group which secure the liability of any other person, nor has any contingent liability arisen since the end of the financial year in the Bank or any other corporation in the Group other than those normally undertaken in the course of the activities of the Bank and the Group.

### **Ability to Meet Obligations**

No contingent or other liability of the Bank or any corporation in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank and of the Group to meet their obligations as and when they fall due.

### **Other Circumstances Affecting the Financial Statements**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Bank and the consolidated financial statements of the Group misleading.

### **Unusual Items**

In the opinion of the directors, the results of the operations of the Bank and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the extraordinary item arising from the merger of United Overseas Finance Limited into the Bank as disclosed in the notes to the financial statements.

### **Unusual Items after the Year-End Date**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Bank and of the Group for the financial year in which this report is made.

## DIRECTORS' REPORT

for the financial year ended 31 December 2000

### Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed below and in the consolidated financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

- (a) The 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 2000 are as follows:

	Directors' Fees %	Base or Fixed Salary %	Variable/ Performance Bonus %	Benefits-In- Kind and Others*	Total %
<b>\$1,000,000 and above</b>	<b>3.6</b>	<b>16.6</b>	<b>65.4</b>	<b>14.4</b>	<b>100.0</b>
Mr Wee Cho Yaw					
Mr Wee Ee Cheong					
Mr Ernest Wong Yuen Weng					
<b>\$500,000 to \$749,999</b>	<b>7.9</b>	<b>49.0</b>	<b>36.6</b>	<b>6.5</b>	<b>100.0</b>
Mr Koh Beng Seng					
<b>Below \$250,000</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>100.0</b>
Dr Richard Eu Keng Mun					
Mr Ho Sim Guan					
Mr Wee Chong Jin					
Prof Lim Chong Yah					
Mr Tan Keong Choon					
Mr Wong Meng Meng					
Mr John C Dean Jr					
Mr Sim Wong Hoo					
Mr Philip Yeo Liat Kok					

\* Included in benefits-in-kind and others is retirement gratuity paid.

- (b) The above directors did not receive any share options during the financial year.

### Share Options

- (a) From 1990 to 1998, share options were granted by the Bank pursuant to the UOB Executives' Share Option Scheme in respect of unissued ordinary shares of \$1 each to officers of the Bank and its subsidiaries who are of Vice President rank and above and are not substantial shareholders of the Bank. Particulars of the share options granted under this scheme in 1996, 1997 and 1998 (hereinafter called "Options 1996", "Options 1997" and "Options 1998" respectively) have been set out in the Directors' Reports for the years ended 31 December 1996, 1997 and 1998 respectively.
- (b) On 6 October 1999, the Bank's shareholders approved the adoption of the UOB 1999 Share Option Scheme to replace the UOB Executives' Share Option Scheme. Under the UOB 1999 Share Option 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 this scheme in 1999 (hereinafter called "Options 1999") have been set out in the Directors' Report for the year ended 31 December 1999.

(c) During the financial year, options were granted pursuant to the UOB 1999 Share Option Scheme in respect of 1,618,000 unissued ordinary shares of \$1 each of the Bank ("Options 2000").

(d) Statutory and other information regarding the Options are as follows:

(i) Options	Option Period	Offer Price \$
<b>UOB Executives' Share Option Scheme</b>		
1996	9 May 1997 to 8 February 2001	9.17
1997	5 May 1998 to 4 February 2002	8.25
1998	14 September 1999 to 13 June 2003	3.14
<b>UOB 1999 Share Option Scheme</b>		
1999	27 December 2000 to 26 December 2004	14.70
2000	11 December 2001 to 10 December 2005	12.90

(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 UOB Executives' Share Option Scheme and the UOB 1999 Share Option Scheme ("the Schemes") are set out in the circulars to shareholders dated 18 January 1990 and 10 September 1999.

(iii) Since the commencement of the Schemes, no employee received 5% or more of the total options available under the Schemes and no options were granted to controlling shareholders (or their associates) or directors of the Bank except for Mr Ernest Wong Yuen Weng, whose options are disclosed under "Directors' Interests in Shares and Share Options".

(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.

(e) Save as disclosed in this report, no shares of the Bank were issued during the year to which this report relates by virtue of the exercise of options granted pursuant to the Schemes, whether granted before or during the financial year.

(f) Unissued shares under option at 31 December 2000 comprise the following:

Options Granted to Executives in Connection with the Schemes, Granted in	Price Per Share Payable in Full Upon Application \$	Date of Expiration of Option	Number of Ordinary Shares of \$1 each in the Bank
1996	9.17	9.2.2001	222,000
1997	8.25	5.2.2002	236,000
1998	3.14	14.6.2003	94,000
1999	14.70	27.12.2004	1,637,000
2000	12.90	11.12.2005	1,618,000
			<u>3,807,000</u>

## DIRECTORS' REPORT

for the financial year ended 31 December 2000

### **Audit Committee**

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

Mr Ernest Wong Yuen Weng (Chairman)

Mr Philip Yeo Liat Kok (*appointed on 23.8.2000*)

Dr Cham Tao Soon (*appointed on 4.1.2001*)

(Mr Wee Chong Jin and Prof Lim Chong Yah, both non-executive independent directors, were members of the Audit Committee until Mr Wee's retirement and Prof Lim's resignation from the Board of Directors on 24 May 2000 and 5 December 2000 respectively.)

In its report to the Board of Directors, the Audit Committee reports that it has reviewed with the Bank's internal auditors their audit plan and the scope and results of the Bank's internal audit procedures. The Audit Committee has also reviewed with the Bank's auditors, PricewaterhouseCoopers, their audit plan, their evaluation of the system of internal accounting controls, their management letter and the response of management thereto as well as their audit report on the financial statements of the Bank and the consolidated financial statements of the Group for the year ended 31 December 2000. The financial statements of the Bank and the consolidated financial statements of the Group for the year ended 31 December 2000 have been reviewed by the Committee prior to their submission to the Board of Directors.

The Audit Committee has also reviewed interested person transactions and the assistance given by the Bank's officers, in particular the Bank's internal auditors and financial controller, to PricewaterhouseCoopers.

The Audit Committee has nominated PricewaterhouseCoopers for re-appointment by shareholders as auditors at the next Annual General Meeting.

### **Auditors**

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

**Wee Cho Yaw**  
Chairman

**Wee Ee Cheong**  
Director

Signed on 9 March 2001

## STATEMENT BY DIRECTORS

*for the financial year ended 31 December 2000*

In the opinion of the directors, the financial statements set out on pages 73 to 117 are drawn up so as to give a true and fair view of the state of affairs of the Bank and of the Group at 31 December 2000, the results of the business and changes in equity of the Bank and of the Group and the cash flows of the Group for the financial year then ended, and 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 directors

**Wee Cho Yaw**  
Chairman

**Wee Ee Cheong**  
Director

Signed on 9 March 2001

# AUDITORS' REPORT TO THE MEMBERS OF UNITED OVERSEAS BANK LIMITED

*for the financial year ended 31 December 2000*

We have audited the financial statements of United Overseas Bank Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2000 set out on pages 73 to 117. 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.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance 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 accompanying financial statements of the Bank and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the Bank and of the Group at 31 December 2000, the profit and changes in equity of the Bank and of the Group, and the cash flows of the Group for the financial year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements of the Bank and the consolidated financial statements of the Group; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiaries are stated in note 41 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Bank are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification which is material in relation to the consolidated financial statements, and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

**PricewaterhouseCoopers**  
Certified Public Accountants

Singapore, 9 March 2001

## INCOME STATEMENTS

for the financial year ended 31 December 2000

	Notes	The Group		The Bank	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Interest income	3	<b>3,053,356</b>	2,458,534	<b>2,423,956</b>	1,801,047
Less: Interest expense	4	<b>1,854,945</b>	1,325,853	<b>1,564,262</b>	1,075,718
Net interest income		<b>1,198,411</b>	1,132,681	<b>859,694</b>	725,329
Dividend income	5	<b>8,151</b>	6,565	<b>230,326</b>	168,378
Fee and commission income	6	<b>330,435</b>	335,559	<b>168,159</b>	146,769
Rental income	7	<b>70,513</b>	76,315	<b>39,171</b>	40,503
Other operating income	8	<b>297,951</b>	236,755	<b>169,231</b>	180,924
Income before operating expenses		<b>1,905,461</b>	1,787,875	<b>1,466,581</b>	1,261,903
Less:					
Staff costs	9	<b>381,457</b>	285,175	<b>239,328</b>	187,028
Other operating expenses	10	<b>369,749</b>	295,353	<b>218,812</b>	192,369
		<b>751,206</b>	580,528	<b>458,140</b>	379,397
Operating profit before provisions		<b>1,154,255</b>	1,207,347	<b>1,008,441</b>	882,506
Less: Provisions	12	<b>93,411</b>	253,475	<b>153,876</b>	132,251
<b>OPERATING PROFIT</b>		<b>1,060,844</b>	953,872	<b>854,565</b>	750,255
<b>SHARE OF PROFIT OF ASSOCIATES</b>		<b>125,032</b>	72,345	<b>—</b>	—
<b>PROFIT BEFORE TAXATION</b>		<b>1,185,876</b>	1,026,217	<b>854,565</b>	750,255
Less: <b>TAXATION</b>	13	<b>273,416</b>	251,396	<b>224,327</b>	208,706
<b>PROFIT AFTER TAXATION</b>		<b>912,460</b>	774,821	<b>630,238</b>	541,549
Less: <b>MINORITY INTERESTS</b>		<b>(435)</b>	14,607	<b>—</b>	—
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>		<b>912,895</b>	760,214	<b>630,238</b>	541,549
<b>EXTRAORDINARY ITEMS</b>	14	<b>—</b>	—	<b>110,615</b>	772,791
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		<b>912,895</b>	760,214	<b>740,853</b>	1,314,340
<b>ATTRIBUTABLE TO MEMBERS</b>		<b>912,895</b>	760,214	<b>740,853</b>	1,314,340
<b>Earnings per share:</b>	15				
Basic		<b>87 cents</b>	72 cents		
Diluted		<b>87 cents</b>	72 cents		

The accompanying notes form an integral part of these financial statements. The Auditors' Report is on page 72.

## BALANCE SHEETS

as at 31 December 2000

	Notes	The Group		The Bank	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>SHARE CAPITAL AND RESERVES</b>					
Share capital	16	<b>1,052,451</b>	1,051,862	<b>1,052,451</b>	1,051,862
Share premium	17	<b>783,488</b>	779,542	<b>783,488</b>	779,542
Non-distributable reserves	18	<b>1,820,477</b>	1,840,097	<b>1,460,184</b>	1,365,988
Revenue reserves	19	<b>2,593,638</b>	2,073,636	<b>1,761,112</b>	1,430,428
Share of reserves of associates	20	<b>519,469</b>	445,910	—	—
		<b>6,769,523</b>	6,191,047	<b>5,057,235</b>	4,627,820
<b>MINORITY INTERESTS</b>		<b>206,727</b>	436,564	—	—
<b>LIABILITIES</b>					
Current, fixed, savings accounts and other deposits of non-bank customers		<b>43,405,504</b>	40,728,491	<b>33,937,170</b>	30,587,855
Deposits and balances of banks and agents		<b>13,431,424</b>	6,478,513	<b>11,840,866</b>	6,288,054
Deposits from subsidiaries		—	—	<b>940,008</b>	1,265,607
	21	<b>56,836,928</b>	47,207,004	<b>46,718,044</b>	38,141,516
Bills and drafts payable		<b>129,457</b>	430,170	<b>86,409</b>	153,935
Provisions for current and deferred taxation	13	<b>451,886</b>	386,684	<b>378,146</b>	314,940
Other liabilities	22	<b>1,730,881</b>	1,765,475	<b>1,148,812</b>	984,122
Proposed dividends		<b>198,650</b>	357,002	<b>198,650</b>	357,002
		<b>59,347,802</b>	50,146,335	<b>48,530,061</b>	39,951,515
		<b>66,324,052</b>	56,773,946	<b>53,587,296</b>	44,579,335
<b>OFF-BALANCE SHEET ITEMS</b>					
Contingent liabilities	34	<b>4,041,625</b>	3,824,241	<b>2,903,279</b>	2,712,255
Off-balance sheet financial instruments	35	<b>37,455,247</b>	20,725,811	<b>34,863,690</b>	20,089,215
Commitments	36	<b>18,586,493</b>	15,987,141	<b>12,539,256</b>	11,661,904

	Notes	The Group		The Bank	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>ASSETS</b>					
Cash and balances with central banks		<b>1,714,603</b>	2,013,189	<b>1,024,707</b>	1,161,308
Singapore government treasury bills and securities	23	<b>3,224,421</b>	3,366,684	<b>2,982,892</b>	3,021,247
Other government treasury bills and securities	24	<b>2,117,138</b>	2,558,458	<b>138,206</b>	130,561
Dealing securities	25	<b>556,538</b>	357,933	<b>359,836</b>	271,436
Placements and balances with banks and agents	26	<b>23,609,022</b>	16,384,924	<b>21,106,185</b>	14,652,140
Trade bills	27	<b>568,748</b>	577,256	<b>95,029</b>	209,704
Advances to customers	27	<b>29,476,535</b>	26,681,858	<b>23,399,256</b>	20,476,343
Placements with and advances to subsidiaries		—	—	<b>439,230</b>	443,529
Other accounts	28	<b>1,789,426</b>	1,916,887	<b>1,170,491</b>	934,980
		<b>63,056,431</b>	53,857,189	<b>50,715,832</b>	41,301,248
Investment securities	29	<b>459,081</b>	453,688	<b>342,654</b>	254,847
Investments in associates	30	<b>1,557,531</b>	1,227,492	<b>679,678</b>	682,435
Investments in subsidiaries	31	—	—	<b>1,210,557</b>	1,716,709
Fixed assets	33	<b>1,251,009</b>	1,235,577	<b>638,575</b>	624,096
		<b>66,324,052</b>	56,773,946	<b>53,587,296</b>	44,579,335

The accompanying notes form an integral part of these financial statements. The Auditors' Report is on page 72.

## STATEMENTS OF RECOGNISED GAINS AND LOSSES

for the financial year ended 31 December 2000

The total gains and losses generated by the Group and the Bank after taking into account gains and losses (other than transactions with shareholders) that are recognised directly to reserves instead of the income statements are as follows:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>Net profit for the financial year attributable to members</b>	<b>912,895</b>	760,214	<b>740,853</b>	1,314,340
Group's share of reserves of associates	31,183	77,124	—	—
Liquidation of subsidiaries	(2,018)	—	—	—
Exchange differences arising on translation of the financial statements of foreign subsidiaries and branches	(36,989)	4,105	396	(4,775)
<b>Net (loss)/gain not recognised in the Income Statements</b>	<b>(7,824)</b>	81,229	<b>396</b>	(4,775)
<b>Total recognised gains and losses for the financial year</b>	<b><u>905,071</u></b>	<u>841,443</u>	<b><u>741,249</u></b>	<u>1,309,565</u>
<b>Prior year adjustments for change in accounting policy with respect to investment in associates:</b>				
Adjusted against retained profits	—	(36,140)	—	—
Adjusted against share of reserves of associates	—	356,054	—	—
	<u>—</u>	<u>319,914</u>	<u>—</u>	<u>—</u>

The accompanying notes form an integral part of these financial statements. The Auditors' Report is on page 72.

## CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2000

	2000 \$'000	1999 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit after provisions	1,060,844	953,872
Adjustments for:		
Depreciation	74,743	62,905
Operating profit before working capital changes	1,135,587	1,016,777
Working capital changes:		
Deposits	9,629,924	1,999,268
Bills and drafts payable	(300,713)	75,778
Other liabilities	(34,594)	125,889
Dealing securities	(198,605)	(147,060)
Trade bills and advances to customers	(2,786,169)	778,221
Other government treasury bills and securities not qualifying as cash and cash equivalents	559,377	–
Other accounts	(49,685)	(383,107)
Cash generated from operations	7,955,122	3,465,766
Income taxes paid	(189,254)	(132,046)
<b>Net cash from operating activities</b>	<b>7,765,868</b>	<b>3,333,720</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investment securities and investments in associates	(41,716)	(115,690)
Net dividends received from associates	30,125	20,940
Net increase in fixed assets	(90,175)	(47,682)
Change in minority interests of subsidiaries	(145,939)	575
Net cash flow on acquisition of, and increase in investments in, subsidiaries	(73,435)	(382,562)
Net cash flow upon merger of UOBS Group and KHHL [note 31(c)]	(29,725)	–
<b>Net cash used in investing activities</b>	<b>(350,865)</b>	<b>(524,419)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	4,535	38,167
Dividends paid by the Bank	(474,721)	(132,750)
Dividends paid by subsidiaries to minority shareholders	(6,522)	(4,525)
<b>Net cash used in financing activities</b>	<b>(476,708)</b>	<b>(99,108)</b>
Exchange translation adjustment	(36,989)	4,105
<b>Net increase in cash and cash equivalents</b>	<b>6,901,306</b>	<b>2,714,298</b>
Cash and cash equivalents at beginning of the financial year	22,323,255	19,608,957
<b>Cash and cash equivalents at end of the financial year (note 37)</b>	<b>29,224,561</b>	<b>22,323,255</b>

The accompanying notes form an integral part of these financial statements. The Auditors' Report is on page 72.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

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

### 1 General

The Bank is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is:

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 disclosed in note 41 to the financial statements.

### 2 Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standard. The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of certain off-balance sheet financial instruments to market value at the balance sheet date and the inclusion of certain freehold and leasehold land and buildings at valuation.

The financial statements of the Bank and the consolidated financial statements of the Group are expressed in Singapore dollars.

#### (b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year. In consolidating the life insurance subsidiaries, the consolidated financial statements include only the assets and liabilities belonging to the shareholders. The assets and liabilities of the Life Funds accrue to insurance policyholders and are not consolidated. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the respective dates of their acquisition or disposal. Inter-company balances and transactions and resulting unrealised profits and losses are eliminated in full on consolidation.

#### (c) Associates

The Group treats as associates those companies in which the Group has a long-term equity interest of between 20 to 50 percent and over whose financial and operating policy decisions it has significant influence.

Associates are accounted for under the equity method whereby the Group's share of profits less losses of associates is included in the consolidated income statements and the Group's share of post-acquisition unappropriated profits, or losses, and reserves is adjusted against the cost of investments in the consolidated balance sheet.

(d) **Trade Bills and Advances to Customers**

Trade bills and advances to customers are stated after deduction of provisions 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.

(e) **Investments**

(i) Singapore government treasury bills and securities are stated at the lower of cost and market value determined on an aggregate basis.

(ii) Other government treasury bills and securities are stated at the lower of cost and market value determined on an aggregate basis.

(iii) Dealing securities are stated at the lower of cost and market value determined on an aggregate basis.

(iv) Investment securities and investments in subsidiaries and associates are stated at cost and provisions are made for diminution in value which is other than temporary, determined on an individual basis.

(f) **Cash and Cash Equivalents**

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

(g) **Revenue Recognition**

Interest income is accrued on a day-to-day basis.

Dividend income from subsidiaries is included gross in the income statement of the accounting period in which the dividend is proposed. Other dividend income is taken up gross in the income statements of the accounting period in which the dividend is received. Profits or losses on disposal of investments are taken to the income statements.

Fee and commission income and rental income are recognised on an accrual basis.

(h) **Fixed Assets and Depreciation**

Fixed assets are stated at cost, or valuation for certain land and buildings, less accumulated depreciation. Fixed assets, other than land and buildings, are depreciated on a straight-line basis over 5 or 10 years. 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### (i) Taxation

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items except where it can be demonstrated with reasonable probability that the tax deferral will continue for the foreseeable future.

In accounting for timing differences, deferred tax debits are not accounted for unless there is reasonable expectation of their realisation.

### (j) Foreign Currencies

Foreign currency assets and liabilities are translated to Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign currency transactions during the year are converted to Singapore dollars at the rates of exchange ruling on the transaction dates. All exchange differences are taken up in the income statements.

For the purpose of consolidation of foreign subsidiaries and branches and the equity accounting of associates, the balance sheets and results are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. All exchange adjustments arising on translation into Singapore dollars are taken directly to the foreign currency translation reserve.

### (k) Off-Balance Sheet Financial Instruments

Transactions in off-balance sheet financial instruments undertaken for trading purposes are marked-to-market and the resulting profits and losses are taken up in the income statements.

Transactions designated as hedges are accounted for in a manner consistent with the accounting treatment of the hedged items.

### (l) Goodwill

On acquisition of a subsidiary or an associate, the excess of the cost of acquisition over the Group's share of the fair values of the net identifiable assets of the subsidiary or associate is dealt with as goodwill and written off against reserves in the year of acquisition.

## 3 Interest Income

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Government treasury bills and securities	167,553	111,443	82,964	68,893
Trade bills and loans and advances	1,856,752	1,730,563	1,383,926	1,154,131
Inter-bank balances	995,675	605,713	937,466	569,311
Dealing and investment securities	33,376	10,815	19,600	8,712
	<u>3,053,356</u>	<u>2,458,534</u>	<u>2,423,956</u>	<u>1,801,047</u>
Received/receivable from:				
Subsidiaries	—	—	44,875	51,887
Associates	29,654	27,627	29,654	27,627
Third parties	3,023,702	2,430,907	2,349,427	1,721,533
	<u>3,053,356</u>	<u>2,458,534</u>	<u>2,423,956</u>	<u>1,801,047</u>

#### 4 Interest Expense

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Non-bank deposits	1,256,838	1,058,324	979,888	795,580
Inter-bank balances	598,107	267,529	584,374	280,138
	<u>1,854,945</u>	<u>1,325,853</u>	<u>1,564,262</u>	<u>1,075,718</u>
Paid/payable to:				
Subsidiaries	–	–	55,284	67,698
Associates	472	400	472	400
Third parties	1,854,473	1,325,453	1,508,506	1,007,620
	<u>1,854,945</u>	<u>1,325,853</u>	<u>1,564,262</u>	<u>1,075,718</u>

#### 5 Dividend Income

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
From:				
Investments in subsidiaries:				
Quoted	–	–	33,593	17,547
Unquoted	–	–	154,949	124,643
Investments in associates:				
Quoted	–	–	37,208	21,960
Unquoted	–	–	1,242	372
Other investments:				
Quoted	4,753	3,459	2,851	1,638
Unquoted	3,398	3,106	483	2,218
	<u>8,151</u>	<u>6,565</u>	<u>230,326</u>	<u>168,378</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 6 Fee and Commission Income

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Stockbroking	38,720	70,459	–	–
Fund management	60,949	56,410	–	–
Investment-related	25,075	30,329	32,358	29,944
Trade-related	67,350	57,935	45,549	38,573
Loan-related	39,310	32,418	22,181	17,013
Credit card	49,633	41,339	41,246	35,464
Others	49,398	46,669	26,825	25,775
	<u>330,435</u>	<u>335,559</u>	<u>168,159</u>	<u>146,769</u>

### 7 Rental Income

Rental income represents income from the tenanted areas of the buildings owned by the Bank and its subsidiaries.

### 8 Other Operating Income

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Net profit on disposal of dealing securities, government treasury bills and securities, and derivatives	72,296	57,005	48,681	32,941
Net profit on foreign exchange dealings	76,641	85,692	55,967	60,127
Net profit/(loss) on disposal of investment securities and associates	4,279	1,324	2,476	(1,899)
Net profit on disposal of fixed assets	3,680	2,337	3,228	2,008
Profit on sale of development properties	70,423	16,776	–	–
Surplus arising from liquidation of subsidiaries	2,308	–	–	–
Other income	68,324	73,621	58,879	87,747
	<u>297,951</u>	<u>236,755</u>	<u>169,231</u>	<u>180,924</u>

### 9 Staff Costs

	The Group		The Bank	
	2000	1999	2000	1999
	Number of employees at the balance sheet date	<u>9,228</u>	<u>9,064</u>	<u>3,284</u>

## 10 Other Operating Expenses

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Depreciation	74,743	62,905	40,704	37,979
Rental of premises and equipment	33,664	28,718	30,113	32,019
Maintenance of premises and other assets	31,386	24,256	18,794	15,436
Other expenses of premises	29,323	22,964	15,466	13,255
Auditors' remuneration:				
Bank's auditors	982	969	455	411
Other auditors	726	571	206	240
Fees payable for non-audit services rendered by the auditors of the Bank	665	345	328	233
Other expenses	198,260	154,625	112,746	92,796
	<u>369,749</u>	<u>295,353</u>	<u>218,812</u>	<u>192,369</u>

## 11 Directors' Fees and Other Remuneration

(a) Included in total expenses are fees and other remuneration paid to the directors of the Bank and its subsidiaries as follows:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Directors of the Bank:				
Fees	781	605	345	273
Remuneration	10,789	10,812	10,789	10,812
Professional fees paid to a firm of which a director of the Bank is a member	640	—	329	—
	<u>12,210</u>	<u>11,417</u>	<u>11,463</u>	<u>11,085</u>
Directors of subsidiaries:				
Fees	511	419	24	35
Remuneration	5,632	6,152	—	—
	<u>6,143</u>	<u>6,571</u>	<u>24</u>	<u>35</u>

In addition to the above, professional fees of \$283,000 (1999: \$233,000) were paid by a subsidiary to a firm of which a director of a subsidiary is a member and these were capitalised in the cost of development property and certain fixed assets of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

- (b) The number of directors of the Bank whose total fees and other remuneration from the Group falls into the following bands is:

	2000	1999
\$500,000 and above	4	3
\$250,000 to \$499,999	–	–
Below \$250,000	9	5
	<u>13</u>	<u>8</u>

### 12 Provisions

Provisions charged/(credited) to the income statements during the financial year are as follows:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Specific provisions for trade bills and advances to customers	59,846	232,276	13,638	94,276
General provisions, comprising provisions for possible loan losses, contingencies and other banking risks	(52,576)	19,043	(52,142)	12,346
Advances to customers written off	12,155	6,445	10,479	5,116
Provisions for diminution in value of:				
Subsidiaries	–	–	108,906	16,270
Other investments and other assets	65,967	(3,343)	72,995	4,243
Provisions for life funds of the Group	8,019	(946)	–	–
	<u>93,411</u>	<u>253,475</u>	<u>153,876</u>	<u>132,251</u>

### 13 Taxation

- (a) The taxation charge to the income statements comprises the following:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
On the profit of the financial year:				
Current taxation	255,000	235,047	221,577	213,229
Deferred taxation	987	(2,436)	3,309	(4,651)
	<u>255,987</u>	<u>232,611</u>	<u>224,886</u>	<u>208,578</u>
Share of tax of associates	18,960	19,936	–	–
(Over)/underprovision of tax in respect of prior financial years	(1,531)	(1,151)	(559)	128
	<u>273,416</u>	<u>251,396</u>	<u>224,327</u>	<u>208,706</u>

(b) The provisions for current and deferred taxation as at the balance sheet date are as follows:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Provision for current taxation	406,924	341,740	348,731	288,166
Provision for deferred taxation	44,962	44,944	29,415	26,774
	<u>451,886</u>	<u>386,684</u>	<u>378,146</u>	<u>314,940</u>

#### 14 Extraordinary Items

	The Bank	
	2000 \$'000	1999 \$'000
Dividend from United Overseas Finance Limited of \$148,477,000 (1999: From Chung Khiaw Bank Limited of \$851,215,000), net of tax at 25.5% amounting to \$37,862,000 (1999: 26% amounting to \$221,316,000) arising from its merger with the Bank	110,615	629,899
Surplus arising from the merger of Chung Khiaw Bank Limited into the Bank	—	142,892
	<u>110,615</u>	<u>772,791</u>

On 3 February 2000, United Overseas Finance Limited ("UOF"), a 60.61% owned subsidiary, was delisted after the Bank acquired all the minority shareholders' interests in UOF. On 26 June 2000, UOF was merged into the Bank under Section 212 of the Singapore Companies Act. As a result of the merger, the businesses, assets, liabilities, interests, rights, privileges, obligations and commitments of UOF were transferred to and vested in the Bank.

The assets, liabilities and off-balance sheet items of UOF as at 26 June 2000 transferred to the Bank were \$948 million, \$814 million and \$51 million respectively.

As a result of the merger, UOF paid the following dividend to the Bank:

	\$'000
Gross dividend of \$173,839,000 net of tax at 25.5% amounting to \$44,329,000	129,510
Less: Pre-acquisition dividend of \$25,362,000 net of tax at 25.5% amounting to \$6,467,000, credited to the Bank's cost of investment in UOF	<u>18,895</u>
Dividend credited to income statement	<u>110,615</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 15 Earnings Per Share

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

	<b>The Group</b>	
	<b>2000</b> \$'000	1999 \$'000
Profit attributable to members for computation of basic and diluted EPS	<u>912,895</u>	<u>760,214</u>
	<b>Number</b> <b>'000</b>	Number '000
Weighted average number of ordinary shares in issue for computation of basic EPS	<b>1,052,262</b>	1,049,134
Adjustment for assumed conversion of share options	<u>207</u>	<u>324</u>
Weighted average number of ordinary shares for computation of diluted EPS	<u>1,052,469</u>	<u>1,049,458</u>

### 16 Share Capital of the Bank

(a)

	<b>The Group and The Bank</b>			
	<b>2000</b>		1999	
	<b>Number of</b> <b>Shares</b> <b>'000</b>	<b>\$'000</b>	Number of Shares '000	\$'000
<b>Ordinary shares of \$1 each</b>				
Authorised	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid:				
Balance at 1 January	<b>1,051,862</b>	<b>1,051,862</b>	994,736	994,736
Shares issued to option holders who exercised their rights	<b>589</b>	<b>589</b>	4,803	4,803
Bonus shares issued	<u>—</u>	<u>—</u>	<u>52,323</u>	<u>52,323</u>
Balance at 31 December	<u>1,052,451</u>	<u>1,052,451</u>	<u>1,051,862</u>	<u>1,051,862</u>

- (b) During the year, the Bank issued 589,000 (1999: 4,803,000) 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) 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:

Options under the UOB Executives' Share Option Scheme and UOB 1999 Share Option Scheme, Granted In	Price Per Share Payable in Full Upon Application \$	Date of Expiration of Option	Number of Unissued Shares	
			At 31 December 2000 '000	At 31 December 1999 '000
1995	8.79	5.2.2000	–	93
1996	9.17	9.2.2001	222	486
1997	8.25	5.2.2002	236	417
1998	3.14	14.6.2003	94	207
1999	14.70	27.12.2004	1,637	1,721
2000	12.90	11.12.2005	<u>1,618</u>	<u>–</u>
			<u>3,807</u>	<u>2,924</u>

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 UOB Executives' Share Option Scheme and the UOB 1999 Share Option Scheme ("the Schemes") are set out in the circulars to shareholders dated 18 January 1990 and 10 September 1999.

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.

## 17 Share Premium

	The Group and The Bank	
	2000 \$'000	1999 \$'000
Balance at 1 January	779,542	798,501
Share premium arising from the issue of shares to option holders who exercised their rights	3,946	33,364
Transfer to share capital upon issue of bonus shares	–	(52,323)
Balance at 31 December	<u>783,488</u>	<u>779,542</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 18 Non-Distributable Reserves

#### (a) The Group

	2000				1999			
	Foreign Currency		Others	Total	Foreign Currency		Others	Total
	Statutory	Translation			Statutory	Translation		
	Reserves	Reserve			Reserves	Reserve		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January	1,911,817	(136,627)	64,907	1,840,097	1,541,583	(140,732)	64,907	1,465,758
Exchange differences	–	(36,989)	–	(36,989)	–	4,105	–	4,105
Transfer from revenue reserves	68,297	–	–	68,297	370,234	–	–	370,234
Transfer to share of reserves of associates upon merger of UOBS Group and KHHL <i>[note 31(c)]</i>	(48,910)	–	–	(48,910)	–	–	–	–
Liquidation of subsidiaries	–	–	(2,018)	(2,018)	–	–	–	–
Balance at 31 December	<b>1,931,204</b>	<b>(173,616)</b>	<b>62,889</b>	<b>1,820,477</b>	<b>1,911,817</b>	<b>(136,627)</b>	<b>64,907</b>	<b>1,840,097</b>

#### (b) The Bank

	2000			1999		
	Foreign Currency		Total	Foreign Currency		Total
	Statutory	Translation		Statutory	Translation	
	Reserves	Reserve		Reserves	Reserve	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January	1,373,300	(7,312)	1,365,988	1,042,300	(2,537)	1,039,763
Exchange differences	–	396	396	–	(4,775)	(4,775)
Transfer from revenue reserves	93,800	–	93,800	331,000	–	331,000
Balance at 31 December	<b>1,467,100</b>	<b>(6,916)</b>	<b>1,460,184</b>	<b>1,373,300</b>	<b>(7,312)</b>	<b>1,365,988</b>

- (c) The statutory reserves of the Group and the Bank are amounts transferred to reserve funds in accordance with the provisions of the Singapore Banking Act, Cap. 19, Singapore Finance Companies Act, Cap. 108, the Malaysian Banking and Financial Institutions Act, 1989, the Singapore Securities Industry Regulations, 1986, and the requirements of the Singapore Exchange Securities Trading Limited and Singapore Exchange Derivatives Trading Limited. These reserves are non-distributable unless approved by the relevant authorities.

The foreign currency translation reserve relates to 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.

## 19 Revenue Reserves

### (a) The Group

	2000			1999		
	General Reserves \$'000	Retained Profits \$'000	Total \$'000	General Reserves \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 January:						
As previously reported	542,938	1,530,698	2,073,636	619,124	1,680,462	2,299,586
Prior year adjustment for change in accounting policy with respect to investments in associates	—	—	—	—	(36,140)	(36,140)
As restated	542,938	1,530,698	2,073,636	619,124	1,644,322	2,263,446
Net profit for the financial year attributable to members	—	912,895	912,895	—	760,214	760,214
Net capital reserve/(goodwill) arising from acquisition of, and increase in investments in, subsidiaries	963	—	963	(163,649)	—	(163,649)
Transfer to retained profits prior to liquidation of subsidiaries	(1,467)	1,467	—	—	—	—
Transfer to share of reserves of associates upon merger of UOBS Group and KHHH [note 31(c)]	(9,190)	—	(9,190)	—	—	—
Transfer to general reserves	383,284	(383,284)	—	87,463	(87,463)	—
Transfer to statutory reserves	—	(68,297)	(68,297)	—	(370,234)	(370,234)
Dividends:						
Final dividend of 12 cents (1999: 10 cents) per share paid, net of tax at 25.5% (1999: 26%) in respect of previous year on new shares issued upon the exercise of share options before book closure date	—	(115)	(115)	—	(100)	(100)
Interim dividend of 15 cents (1999: 8 cents) per share paid, net of tax at 25.5% (1999: 26%)	—	(117,604)	(117,604)	—	(59,039)	(59,039)
Proposed final dividend of 25 cents (1999: 12 cents) per share, net of tax at 24.5% (1999: 25.5%)	—	(198,650)	(198,650)	—	(94,036)	(94,036)
Proposed special tax exempt bonus dividend of nil cents (1999: 25 cents) per share	—	—	—	—	(262,966)	(262,966)
	—	(316,369)	(316,369)	—	(416,141)	(416,141)
Balance at 31 December	916,528	1,677,110	2,593,638	542,938	1,530,698	2,073,636

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### (b) The Bank

	2000			1999		
	General	Retained	Total	General	Retained	Total
	Reserves	Profits		Reserves	Profits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	310,121	1,120,307	1,430,428	404,770	622,108	1,026,878
Net profit for the financial year attributable to members	–	740,853	740,853	–	1,314,340	1,314,340
Goodwill arising from acquisition of subsidiaries	–	–	–	(163,649)	–	(163,649)
Transfer to general reserves	306,200	(306,200)	–	69,000	(69,000)	–
Transfer to statutory reserves	–	(93,800)	(93,800)	–	(331,000)	(331,000)
Dividends:						
Final dividend of 12 cents (1999: 10 cents) per share paid, net of tax at 25.5% (1999: 26%) in respect of previous year on new shares issued upon the exercise of share options before book closure date	–	(115)	(115)	–	(100)	(100)
Interim dividend of 15 cents (1999: 8 cents) per share paid, net of tax at 25.5% (1999: 26%)	–	(117,604)	(117,604)	–	(59,039)	(59,039)
Proposed final dividend of 25 cents (1999: 12 cents) per share, net of tax at 24.5% (1999: 25.5%)	–	(198,650)	(198,650)	–	(94,036)	(94,036)
Proposed special tax exempt bonus dividend of nil cents (1999: 25 cents) per share	–	–	–	–	(262,966)	(262,966)
	–	(316,369)	(316,369)	–	(416,141)	(416,141)
Balance at 31 December	<b>616,321</b>	<b>1,144,791</b>	<b>1,761,112</b>	<b>310,121</b>	<b>1,120,307</b>	<b>1,430,428</b>

- (c) In each financial year, the Group and the Bank set aside a certain amount of retained profits to the general reserves. The general reserves have not been earmarked for any particular purpose.

The revenue reserves of the Group and the Bank are distributable except for the Group's share of revenue reserves of associates amounting to \$241,783,000 (1999: \$32,915,000) which is included in the Group's revenue reserves.

## 20 Share of Reserves of Associates

	The Group	
	2000 \$'000	1999 \$'000
Balance at 1 January, as previously reported	445,910	–
Prior year adjustment for change in accounting policy with respect to investments in associates	–	356,054
Balance at 1 January, as restated	445,910	356,054
Transfers from non-distributable and revenue reserves upon merger of UOBS Group and KHHL [note 31(c)]	58,100	–
Movements in other reserves of associates, net of goodwill arising from acquisitions during the financial year	15,459	89,856
Balance at 31 December	<u>519,469</u>	<u>445,910</u>

The balance comprises the Group's share of associates' post-acquisition revenue reserves at 1 January 1998, and other reserves, adjusted for goodwill arising on acquisition of associates. These are non-distributable reserves.

The Group's share of results after 1 January 1998 is included under 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	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Analysed by maturity period:				
Within 1 year	56,461,672	47,037,024	46,457,292	38,023,010
Over 1 year but within 3 years	177,923	87,017	63,802	36,007
Over 3 years but within 5 years	681	771	298	307
Over 5 years	196,652	82,192	196,652	82,192
	<u>56,836,928</u>	<u>47,207,004</u>	<u>46,718,044</u>	<u>38,141,516</u>

(b) Included in deposits and balances of banks and agents are:

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Obligations on securities sold under repurchase agreements ("REPOs")	<u>181,480</u>	<u>26,292</u>	<u>87,792</u>	<u>–</u>

The related securities sold under REPOs are shown in notes 23, 24 and 25 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 22 Other Liabilities

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Accrued interest payable	344,607	313,518	284,322	245,471
Balance arising from revaluation of off-balance sheet financial instruments (note 35)	379,405	172,953	371,708	171,193
Other liabilities	<u>1,006,869</u>	<u>1,279,004</u>	<u>492,782</u>	<u>567,458</u>
	<u>1,730,881</u>	<u>1,765,475</u>	<u>1,148,812</u>	<u>984,122</u>

### 23 Singapore Government Treasury Bills and Securities

(a)	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
At cost	3,224,424	3,366,684	2,982,892	3,021,247
Provision for diminution in value (note 32)	<u>(3)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>3,224,421</u>	<u>3,366,684</u>	<u>2,982,892</u>	<u>3,021,247</u>
Market value at 31 December	<u>3,234,932</u>	<u>3,375,682</u>	<u>2,992,794</u>	<u>3,029,118</u>

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

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Securities sold under repurchase agreements ("REPOs")	<u>87,792</u>	<u>—</u>	<u>87,792</u>	<u>—</u>

### 24 Other Government Treasury Bills and Securities

(a)	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
At cost	2,118,017	2,561,678	138,771	132,314
Provision for diminution in value (note 32)	<u>(879)</u>	<u>(3,220)</u>	<u>(565)</u>	<u>(1,753)</u>
	<u>2,117,138</u>	<u>2,558,458</u>	<u>138,206</u>	<u>130,561</u>
Market value at 31 December	<u>2,118,433</u>	<u>2,559,042</u>	<u>138,766</u>	<u>130,561</u>

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

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Securities sold under repurchase agreements ("REPOs")	<u>5,082</u>	<u>—</u>	<u>—</u>	<u>—</u>

In addition, the Group's other government treasury bills and securities include an amount of \$1,440,623,000 (1999: \$2,000,000,000) which the Group is not entitled to sell, transfer, pledge, or create any lien or encumbrance over without the prior consent of a certain foreign government authority.

## 25 Dealing Securities

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
At cost:				
Quoted equities	122,693	172,283	89,329	131,965
Quoted debt securities	46,773	59,436	19,953	40,497
Unquoted marketable unit trusts	21,368	21,745	—	—
Unquoted equities	2,021	2,245	2,021	2,245
Unquoted debt securities	<u>383,772</u>	<u>105,760</u>	<u>267,133</u>	<u>99,501</u>
	576,627	361,469	378,436	274,208
Provision for diminution in value (note 32)	<u>(20,089)</u>	<u>(3,536)</u>	<u>(18,600)</u>	<u>(2,772)</u>
	<u>556,538</u>	<u>357,933</u>	<u>359,836</u>	<u>271,436</u>
Market value at 31 December:				
Quoted equities	114,762	224,305	74,943	148,102
Quoted debt securities	46,049	60,130	17,815	39,894
Unquoted marketable unit trusts	<u>19,682</u>	<u>30,117</u>	<u>—</u>	<u>—</u>
	<u>180,493</u>	<u>314,552</u>	<u>92,758</u>	<u>187,996</u>
Securities sold under repurchase agreements ("REPOs")	<u>88,606</u>	<u>26,292</u>	<u>—</u>	<u>—</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 26 Placements and Balances with Banks and Agents

(a)	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Analysed by maturity period:				
Within 1 year	23,265,285	16,356,288	20,770,176	14,630,620
Over 1 year but within 3 years	340,758	21,520	333,030	21,520
Over 3 years but within 5 years	2,979	7,116	2,979	—
	<u>23,609,022</u>	<u>16,384,924</u>	<u>21,106,185</u>	<u>14,652,140</u>

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

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Negotiable certificates of deposits, floating rate certificates of deposits and other similar instruments	1,008,772	1,421,244	876,914	1,297,683
Government securities bought under reverse repurchase agreements	380,225	20,088	322,116	20,088
	<u>1,388,997</u>	<u>1,441,332</u>	<u>1,199,030</u>	<u>1,317,771</u>

### 27 Trade Bills and Advances to Customers

(a)	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Gross trade bills	568,748	582,798	95,029	209,704
Specific provisions	—	(5,542)	—	—
	<u>568,748</u>	<u>577,256</u>	<u>95,029</u>	<u>209,704</u>
Gross advances to customers	31,141,314	28,456,456	24,428,271	21,539,572
Specific provisions	(770,534)	(841,839)	(363,442)	(395,665)
Interest-in-suspense	(125,755)	(113,287)	(67,692)	(52,394)
General provisions	(768,490)	(819,472)	(597,881)	(615,170)
	<u>29,476,535</u>	<u>26,681,858</u>	<u>23,399,256</u>	<u>20,476,343</u>
Total gross trade bills and advances to customers	<u>31,710,062</u>	<u>29,039,254</u>	<u>24,523,300</u>	<u>21,749,276</u>

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

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Within 1 year	<b>18,832,614</b>	16,911,377	<b>13,490,146</b>	11,955,309
Over 1 year but within 3 years	<b>3,451,088</b>	3,886,221	<b>3,154,879</b>	3,418,861
Over 3 years but within 5 years	<b>2,762,390</b>	1,990,007	<b>2,485,597</b>	1,651,024
Over 5 years	<b>6,663,970</b>	6,251,649	<b>5,392,678</b>	4,724,082
	<b><u>31,710,062</u></b>	<u>29,039,254</u>	<b><u>24,523,300</u></b>	<u>21,749,276</u>

(c) The Group's total gross trade bills and advances to customers analysed by industry group:

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Manufacturing	<b>2,958,376</b>	2,565,606	<b>1,600,947</b>	1,465,838
Building and construction	<b>3,569,252</b>	3,087,150	<b>3,028,299</b>	2,160,006
Housing	<b>7,540,304</b>	7,340,021	<b>6,458,192</b>	5,999,401
General commerce	<b>3,857,400</b>	3,956,339	<b>2,452,767</b>	2,548,703
Transport, storage and communication	<b>708,968</b>	287,780	<b>614,511</b>	218,247
Non-bank financial institutions	<b>4,991,534</b>	4,381,969	<b>4,165,142</b>	3,711,734
Professionals and private individuals (excluding housing loans)	<b>4,223,042</b>	3,651,661	<b>3,498,714</b>	2,691,518
Others	<b>3,861,186</b>	3,768,728	<b>2,704,728</b>	2,953,829
	<b><u>31,710,062</u></b>	<u>29,039,254</u>	<b><u>24,523,300</u></b>	<u>21,749,276</u>

(d) At the balance sheet date, the details of trade bills and advances to customers that are regarded as non-performing loans are as follows:

	The Group		The Bank	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Substandard	<b>1,583,165</b>	1,946,862	<b>970,018</b>	1,097,769
Doubtful	<b>207,836</b>	244,886	<b>167,344</b>	228,114
Loss	<b>818,532</b>	801,279	<b>338,162</b>	323,173
Gross amount	<b><u>2,609,533</u></b>	<u>2,993,027</u>	<b><u>1,475,524</u></b>	<u>1,649,056</u>

Non-performing loans are those classified as Substandard, Doubtful or Loss in accordance with MAS Notice 612. All foreseeable losses relating to these non-performing loans have been provided for in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

(e) The movements in provisions are as follows:

	2000				1999			
	Specific Provisions	Interest-in-Suspense	General Provisions	Total	Specific Provisions	Interest-in-Suspense	General Provisions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>								
Balance at 1 January	847,381	266,386	819,472	1,933,239	645,650	208,042	783,199	1,636,891
Exchange differences	8,664	4,444	1,594	14,702	(376)	40	540	204
Write off against provisions	(142,399)	(68,512)	–	(210,911)	(91,400)	(60,034)	–	(151,434)
Charge/(write back) to income statements	59,846	–	(52,576)	7,270	232,276	–	19,043	251,319
Interest suspended	–	70,838	–	70,838	–	118,338	–	118,338
Transfer to provision for diminution in value of investments and other assets	(2,958)	–	–	(2,958)	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	61,231	–	16,690	77,921
Balance at 31 December	<u>770,534</u>	<u>273,156</u>	<u>768,490</u>	<u>1,812,180</u>	<u>847,381</u>	<u>266,386</u>	<u>819,472</u>	<u>1,933,239</u>
<b>The Bank</b>								
Balance at 1 January	395,665	130,775	615,170	1,141,610	334,461	97,498	503,179	935,138
Exchange differences	3,350	925	77	4,352	(260)	(235)	150	(345)
Write off against provisions	(54,780)	(7,864)	–	(62,644)	(57,272)	(43,571)	–	(100,843)
Charge/(write back) to income statements	13,638	–	(52,142)	(38,504)	94,276	–	12,346	106,622
Interest suspended	–	23,476	–	23,476	–	65,280	–	65,280
Transfer from a subsidiary upon merger	5,569	2,575	34,776	42,920	24,460	11,803	99,495	135,758
Balance at 31 December	<u>363,442</u>	<u>149,887</u>	<u>597,881</u>	<u>1,111,210</u>	<u>395,665</u>	<u>130,775</u>	<u>615,170</u>	<u>1,141,610</u>

General provisions comprise provisions for possible loan losses, contingencies and other banking risks.

The movements in interest-in-suspense include amounts relating to interest receivable as shown in note 28.

## 28 Other Accounts

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Interest receivable	<b>624,126</b>	478,098	<b>487,429</b>	357,811
Interest-in-suspense [note 27(e)]	<b>(147,401)</b>	(153,099)	<b>(82,195)</b>	(78,381)
	<b>476,725</b>	324,999	<b>405,234</b>	279,430
Balances arising from revaluation of off-balance sheet financial instruments (note 35)	<b>334,926</b>	218,637	<b>324,769</b>	217,521
Other assets	<b>1,035,721</b>	1,392,600	<b>489,976</b>	439,857
Provisions for diminution in value of other assets (note 32)	<b>(57,946)</b>	(19,349)	<b>(49,488)</b>	(1,828)
	<b>1,312,701</b>	1,591,888	<b>765,257</b>	655,550
	<b>1,789,426</b>	1,916,887	<b>1,170,491</b>	934,980

## 29 Investment Securities

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Quoted investments, at cost:				
Equities	<b>118,395</b>	117,041	<b>106,707</b>	109,791
Debt securities	<b>134,533</b>	133,928	<b>99,811</b>	79,545
	<b>252,928</b>	250,969	<b>206,518</b>	189,336
Provision for diminution in value (note 32)	<b>(5,152)</b>	(401)	—	—
	<b>247,776</b>	250,568	<b>206,518</b>	189,336
Unquoted investments, at cost:				
Equities	<b>112,893</b>	114,043	<b>70,133</b>	49,427
Debt securities	<b>108,915</b>	98,880	<b>70,294</b>	20,588
	<b>221,808</b>	212,923	<b>140,427</b>	70,015
Provision for diminution in value (note 32)	<b>(10,503)</b>	(9,803)	<b>(4,291)</b>	(4,504)
	<b>211,305</b>	203,120	<b>136,136</b>	65,511
Total investment securities	<b>459,081</b>	453,688	<b>342,654</b>	254,847
Market value at 31 December:				
Quoted equities	<b>131,933</b>	121,010	<b>99,201</b>	114,327
Quoted debt securities	<b>148,163</b>	141,523	<b>113,807</b>	85,596
	<b>280,096</b>	262,533	<b>213,008</b>	199,923

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for the financial year ended 31 December 2000

### 30 Investments in Associates

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
At cost:				
Quoted equities	<b>690,894</b>	652,000	<b>650,418</b>	638,997
Quoted debt securities	<b>2,068</b>	1,241	–	–
Quoted warrants	<b>38,737</b>	38,739	<b>38,429</b>	38,429
Unquoted equities	<b>91,625</b>	95,021	<b>10,915</b>	14,365
	<b>823,324</b>	787,001	<b>699,762</b>	691,791
Provision for diminution in value (note 32)	–	–	<b>(20,084)</b>	(9,356)
Group's share of post-acquisition reserves of associates, net of dividends received and goodwill adjustments	<b>734,207</b>	440,491	–	–
	<b>1,557,531</b>	1,227,492	<b>679,678</b>	682,435
Market value at 31 December:				
Quoted equities	<b>939,109</b>	725,964	<b>758,951</b>	702,937
Quoted debt securities	<b>2,238</b>	1,263	–	–
Quoted warrants	<b>57,575</b>	64,274	<b>56,940</b>	63,792
	<b>998,922</b>	791,501	<b>815,891</b>	766,729

The major associates of the Group as at the balance sheet date are set out in note 42 to the financial statements.

### 31 Investments in Subsidiaries

(a)	The Bank	
	2000 \$'000	1999 \$'000
Quoted equities, at cost	<b>391,986</b>	426,378
Provision for diminution in value (note 32)	<b>(10,000)</b>	(10,000)
	<b>381,986</b>	416,378
Unquoted equities, at cost	<b>1,026,419</b>	1,388,490
Provision for diminution in value (note 32)	<b>(197,848)</b>	(88,159)
	<b>828,571</b>	1,300,331
Total investments in subsidiaries	<b>1,210,557</b>	1,716,709
Market value of quoted equities at 31 December	<b>516,277</b>	766,962

The subsidiaries of the Group as at the balance sheet date are set out in note 41 to the financial statements.

(b) During the financial year, the Group acquired the following subsidiaries:

	<b>Interest Acquired</b>	<b>Consideration Paid</b>
	%	\$'000
UOB Securities (Thailand) Co. Ltd	100	29,307
asia-reach.com Pte Ltd	100	*

\* \$2

The acquisitions had no material effect on the Group's balance sheet and results for the current financial year.

(c) During the financial year, UOB Securities Pte Ltd ("UOBS") and its wholly-owned subsidiaries, UOBS Research (M) Sdn Bhd and UOB Securities Nominees Pte Ltd, were merged with Kay Hian Holdings Limited ("KHHL"). This was effected through a share exchange agreement whereby the Group divested the whole of its 100% interest in UOBS in exchange for a 39.4% interest in UOB-Kay Hian Holdings Limited, the newly-created holding company of UOBS and KHHL. As a result of the share exchange agreement, UOB-Kay Hian Holdings Limited became an associate of the Group.

In addition, certain minor subsidiaries of the Group were placed into members' voluntary liquidation during the financial year.

The above share exchange and liquidations had no material effect on the Group's balance sheet and results for the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 32 Movements in the Provisions for Diminution in Value of Investments and Other Assets

#### (a) The Group

	Singapore Government Treasury Bills and Securities \$'000	Other Government Treasury Bills and Securities \$'000	Dealing Securities \$'000	Other Assets \$'000	Investment Securities \$'000	Total \$'000
<b>2000</b>						
At 1 January	–	3,220	3,536	19,349	10,204	36,309
Exchange differences	–	(74)	(222)	(524)	(321)	(1,141)
Amounts written off	–	–	–	(1,024)	–	(1,024)
Charge/(write back) to income statements	3	(2,267)	16,888	47,759	3,361	65,744
Transfer from specific provisions for trade bills and advances to customers	–	–	–	547	2,411	2,958
Disposal of subsidiaries	–	–	(113)	(8,161)	–	(8,274)
At 31 December	<b>3</b>	<b>879</b>	<b>20,089</b>	<b>57,946</b>	<b>15,655</b>	<b>94,572</b>
<b>1999</b>						
At 1 January	77	311	16,033	14,125	6,537	37,083
Exchange differences	–	48	(5)	364	21	428
Amounts written off	–	–	–	(1,019)	–	(1,019)
Charge/(write back) to income statements	(77)	2,861	(12,492)	5,033	942	(3,733)
Acquisition of subsidiaries	–	–	–	846	2,704	3,550
At 31 December	–	3,220	3,536	19,349	10,204	36,309

(b) **The Bank**

	Singapore Government Treasury Bills and Securities \$'000	Other Government Treasury Bills and Securities \$'000	Dealing Securities \$'000	Other Assets \$'000	Investment Securities \$'000	Investments in Associates \$'000	Investments in Subsidiaries \$'000	Total \$'000
<b>2000</b>								
At 1 January	–	1,753	2,772	1,828	4,504	9,356	98,159	118,372
Exchange differences	–	(77)	(239)	(160)	161	24	783	492
Amounts written off	–	–	–	(102)	–	–	–	(102)
Charge/(write back) to income statements	(328)	(1,111)	16,067	47,922	(374)	10,679	108,906	181,761
Transfer from a subsidiary upon merger	328	–	–	–	–	25	–	353
At 31 December	–	565	18,600	49,488	4,291	20,084	207,848	300,876
<b>1999</b>								
At 1 January	–	165	6,935	2,288	5,215	746	81,838	97,187
Exchange differences	–	48	(48)	(28)	18	3	51	44
Amounts written off	–	–	–	(45)	–	–	–	(45)
Charge/(write back) to income statements	(786)	1,540	(4,115)	(387)	(729)	8,607	16,270	20,400
Transfer from a subsidiary upon merger	786	–	–	–	–	–	–	786
At 31 December	–	1,753	2,772	1,828	4,504	9,356	98,159	118,372

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 33 Fixed Assets

#### (a) The Group

	2000			1999		
	Land and Buildings \$'000	Office Equipment, Computers, Fixtures and Other Assets \$'000	Total \$'000	Land and Buildings \$'000	Office Equipment, Computers, Fixtures and Other Assets \$'000	Total \$'000
Balances at 1 January:						
Cost/valuation	1,236,459	567,619	1,804,078	1,125,925	497,165	1,623,090
Accumulated depreciation	(152,469)	(376,512)	(528,981)	(124,715)	(315,637)	(440,352)
Provision for diminution in value	(39,520)	–	(39,520)	(3,669)	–	(3,669)
Net book value	1,044,470	191,107	1,235,577	997,541	181,528	1,179,069
Movements during the financial year:						
Exchange differences	(3,864)	(2,450)	(6,314)	1,764	378	2,142
Additions	33,283	68,899	102,182	19,790	32,040	51,830
Acquisition of subsidiaries	197	223	420	43,855	27,876	71,731
Disposal of subsidiaries	–	(1,986)	(1,986)	–	–	–
Disposals	(2,354)	(1,550)	(3,904)	(1,192)	(4,708)	(5,900)
Depreciation charge	(18,374)	(56,369)	(74,743)	(16,898)	(46,007)	(62,905)
Provision for diminution in value	(223)	–	(223)	(390)	–	(390)
Net book value at 31 December	1,053,135	197,874	1,251,009	1,044,470	191,107	1,235,577
Balances at 31 December:						
Cost/valuation	1,259,109	599,190	1,858,299	1,236,459	567,619	1,804,078
Accumulated depreciation	(169,738)	(401,316)	(571,054)	(152,469)	(376,512)	(528,981)
Provision for diminution in value	(36,236)	–	(36,236)	(39,520)	–	(39,520)
Net book value	1,053,135	197,874	1,251,009	1,044,470	191,107	1,235,577

(b) **The Bank**

	2000			1999		
	Land and Buildings	Office Equipment, Computers, Fixtures and Other Assets	Total	Land and Buildings	Office Equipment, Computers, Fixtures and Other Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 January:						
Cost/valuation	602,171	333,177	935,348	575,153	287,254	862,407
Accumulated depreciation	(78,054)	(231,080)	(309,134)	(67,708)	(177,207)	(244,915)
Provision for diminution in value	(2,118)	–	(2,118)	(2,005)	–	(2,005)
Net book value	521,999	102,097	624,096	505,440	110,047	615,487
Movements during the financial year:						
Exchange differences	(2,918)	(20)	(2,938)	1,151	113	1,264
Additions	1,427	45,939	47,366	5,617	21,510	27,127
Transfer from a subsidiary upon merger	13,744	71	13,815	17,936	985	18,921
Disposals	(1,833)	(1,087)	(2,920)	(324)	(287)	(611)
Depreciation charge	(7,999)	(32,705)	(40,704)	(7,708)	(30,271)	(37,979)
Provision for diminution in value	(140)	–	(140)	(113)	–	(113)
Net book value at 31 December	524,280	114,295	638,575	521,999	102,097	624,096
Balances at 31 December:						
Cost/valuation	615,112	371,908	987,020	602,171	333,177	935,348
Accumulated depreciation	(88,275)	(257,613)	(345,888)	(78,054)	(231,080)	(309,134)
Provision for diminution in value	(2,557)	–	(2,557)	(2,118)	–	(2,118)
Net book value	524,280	114,295	638,575	521,999	102,097	624,096

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

- (c) Based on directors' valuation, the estimated market values of the land and buildings of the Group and the Bank included in fixed assets as at 31 December 2000 were \$2,538 million and \$1,348 million respectively (1999: \$2,619 million and \$1,353 million respectively). The excess of the estimated market value over the net book value of the land and buildings is not recognised in the financial statements.
- (d) Included in the land and buildings of the Group and the Bank are leasehold properties with net book value at 31 December 2000 amounting to \$828.6 million and \$469.9 million respectively (1999: \$808.9 million and \$467.2 million respectively). The rest of the properties is freehold.
- (e) Certain freehold and leasehold land and buildings of the Group and of the Bank 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 (Malaysia) Bhd November 1965
- (f) Provisions for diminution in value are in respect of certain properties in Singapore, Malaysia, Hong Kong S.A.R., China and Thailand which are written down to their estimated market values as determined by the Bank's internal professionally qualified valuers.

### 34 Contingent Liabilities

(a)	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Direct credit substitutes	1,321,950	1,292,761	1,444,947	1,341,296
Transaction-related contingencies	718,535	593,855	434,325	351,820
Trade-related contingencies	1,359,361	1,159,884	718,001	720,790
Other contingent liabilities	<u>641,779</u>	<u>777,741</u>	<u>306,006</u>	<u>298,349</u>
	<u>4,041,625</u>	<u>3,824,241</u>	<u>2,903,279</u>	<u>2,712,255</u>

In the normal course of business, the Group and the Bank conduct businesses involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities is offset by corresponding obligations of third parties.

(b) In addition to the above, the Bank and certain of its subsidiaries ("the Companies") operate a fund under the "Company Welfarism Through Employer's Central Provident Fund (CPF) Contributions" ("COWEC") Scheme known as the UOB Group COWEC Fund to provide retirement and other benefits for participating employees ("the Members"). Under the Trust Deed created on 21 August 1984 for this purpose, the Companies jointly undertake to indemnify the trustees to the extent that:

- (i) if upon termination of the Scheme, it is found that the amount of the Fund is less than the total amount which the Members of the Fund are entitled to under the Scheme, the Companies shall contribute pro-rata to the Fund such amounts as are sufficient to make up for the deficiency; and
- (ii) if in any year the Trustees find that, even after drawing from reserves, they are unable to declare a Scheme Interest Rate which is at least equal to the prevailing CPF interest rate, the Companies shall contribute pro-rata to the Fund such amounts as shall enable the Trustees to declare a Scheme Interest Rate equivalent to the prevailing CPF interest rate.

### 35 Off-Balance Sheet Financial Instruments

#### (a) The Group

	2000			1999		
	Contract or Underlying Principal Amount \$'000	Year-End Positive Fair Value \$'000	Year-End Negative Fair Value \$'000	Contract or Underlying Principal Amount \$'000	Year-End Positive Fair Value \$'000	Year-End Negative Fair Value \$'000
<b>Foreign exchange contracts</b>						
Forwards	3,872,479	64,049	77,700	2,250,101	48,685	12,770
Swaps	23,703,220	197,545	203,475	15,751,733	144,341	135,632
Options purchased	148,925	1,385	1,647	68,899	—	401
Options written	130,000	642	561	54,666	—	—
<b>Interest rate contracts</b>						
Swaps	7,289,533	62,275	84,639	1,971,614	25,060	24,114
Futures	1,851,401	3,703	5,802	602,024	425	36
<b>Equity-related contracts</b>						
Futures	68,753	354	788	—	—	—
Options purchased	70,883	550	2,126	—	—	—
Options written	309,661	4,011	2,653	26,774	126	—
<b>Credit-related contracts</b>						
Credit default swaps	10,392	412	14	—	—	—
	<b>37,455,247</b>	<b>334,926</b>	<b>379,405</b>	<b>20,725,811</b>	<b>218,637</b>	<b>172,953</b>

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for the financial year ended 31 December 2000

### (b) The Bank

	2000			1999		
	Contract or Underlying Principal Amount \$'000	Year-End Positive Fair Value \$'000	Year-End Negative Fair Value \$'000	Contract or Underlying Principal Amount \$'000	Year-End Positive Fair Value \$'000	Year-End Negative Fair Value \$'000
<b>Foreign exchange contracts</b>						
Forwards	3,593,875	57,187	75,257	2,191,903	48,367	12,699
Swaps	21,517,397	194,251	199,262	15,510,143	143,563	133,947
Options purchased	148,925	1,385	1,647	68,899	—	401
Options written	130,000	642	561	54,666	—	—
<b>Interest rate contracts</b>						
Swaps	7,287,917	62,275	84,639	1,971,614	25,060	24,114
Futures	1,726,970	3,703	4,761	265,216	405	32
<b>Equity-related contracts</b>						
Futures	67,670	353	788	—	—	—
Options purchased	70,883	550	2,126	—	—	—
Options written	309,661	4,011	2,653	26,774	126	—
<b>Credit-related contracts</b>						
Credit default swaps	10,392	412	14	—	—	—
	<b>34,863,690</b>	<b>324,769</b>	<b>371,708</b>	<b>20,089,215</b>	<b>217,521</b>	<b>171,193</b>

- (c) Off-balance sheet financial instruments are instruments whose values change in response to the change in one or more "underlying", such as foreign exchange rate, interest rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives.

In its normal course of business, the Group and the Bank transact in these financial instruments for proprietary trading purposes as well as to maintain its assets/liabilities and structural positions. The Group and the Bank also customise these financial instruments to meet the specific needs of their customers.

The tables above analyse the notional principal amounts and the year-end positive and negative fair values of the Group's and the Bank's off-balance sheet financial instruments. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date. They do not represent amounts at risk. The year-end positive and negative fair values represent the unrealised gains and losses respectively on revaluation of off-balance sheet financial instruments held for trading as at the balance sheet date.

### 36 Commitments

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Capital commitments contracted but not provided for on development of property and purchase of fixed assets	<b>18,088</b>	105,461	<b>12,136</b>	11,771
Undrawn credit facilities	<b>17,746,051</b>	15,641,321	<b>12,006,636</b>	11,571,158
Others	<b>822,354</b>	240,359	<b>520,484</b>	78,975
	<b><u>18,586,493</u></b>	<u>15,987,141</u>	<b><u>12,539,256</u></b>	<u>11,661,904</u>

The Group has also entered into a conditional agreement to transfer, for cash consideration, its overseas stockbroking interests in Malaysia, Indonesia, Thailand, Philippines and Hong Kong S.A.R. to its new associate, UOB-Kay Hian Holdings Limited. These overseas stockbroking interests are as follows:

	Country of Incorporation and Business Carried On In	Group's Interest at 31.12.2000 %
Affin-UOB Holdings Sdn Bhd	Malaysia	45
P T UOBB Securities	Indonesia	85
UOB Securities (Thailand) Co. Ltd	Thailand	100
UOB Securities (Philippines), Inc.	Philippines	100
United Mok Ying Kie Limited	Hong Kong S.A.R.	55

No loss is expected to arise on any of the transfers.

### 37 Cash and Cash Equivalents

	The Group	
	2000 \$'000	1999 \$'000
Cash and balances with central banks	<b>1,714,603</b>	2,013,189
Placements and balances with banks and agents	<b>23,609,022</b>	16,384,924
Singapore government treasury bills and securities	<b>3,224,421</b>	3,366,684
Other government treasury bills and securities, less non-cash equivalents of \$1,440,623,000 (1999: \$2,000,000,000)	<b>676,515</b>	558,458
	<b><u>29,224,561</u></b>	<u>22,323,255</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

### 38 Segment Information

#### (a) Primary Reporting Format – Business Segments

	The Group 2000				
	Wholesale & Retail Banking \$'000	Global Treasury \$'000	Investment Banking \$'000	Others \$'000	Total \$'000
Income before operating expenses	1,211,951	295,361	169,454	228,695	1,905,461
Segment profit before taxation <sup>1</sup>	691,984	213,064	54,392	184,356	1,143,796
Unallocated corporate expenses					(82,952)
Share of profit of associates					125,032
Profit before taxation					1,185,876
Taxation and minority interests					(272,981)
Net profit for the financial year attributable to members					912,895
<b>Other information:</b>					
Segment assets <sup>2</sup>	33,984,078	28,890,016	594,639	1,245,564	64,714,297
Segment liabilities <sup>2</sup>	43,189,211	15,328,171	138,083	9,780	58,665,245
Provisions included in segment profit before taxation	67,955	(706)	17,085	9,077	93,411

	The Group 1999				
	Wholesale & Retail Banking \$'000	Global Treasury \$'000	Investment Banking \$'000	Others \$'000	Total \$'000
<b>Income before operating expenses</b>	1,149,865	321,962	180,588	135,460	1,787,875
<b>Segment profit before taxation<sup>1</sup></b>	566,121	246,920	90,984	107,622	1,011,647
Unallocated corporate expenses					(57,775)
Share of profit of associates					72,345
Profit before taxation					1,026,217
Taxation and minority interests					(266,003)
Net profit for the financial year attributable to members					760,214
<b>Other information:</b>					
Segment assets <sup>2</sup>	31,552,725	21,817,108	1,049,361	1,096,201	55,515,395
Segment liabilities <sup>2</sup>	40,851,891	6,330,253	487,070	1,713,391	49,382,605
Provisions included in segment profit before taxation	259,692	25	(4,568)	(1,674)	253,475

**Notes:**

- 1 Segment profit before taxation represents segment 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.

The difference between total segment assets and total assets as disclosed in the Group's balance sheet is primarily the investments in associates.

The difference between total segment liabilities and total liabilities as disclosed in the consolidated balance sheet is primarily the unallocated provision for current and deferred taxation, and proposed dividends.

## NOTES TO THE FINANCIAL STATEMENTS

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The Group's businesses are organised into four segments, based on the types of products and services that it provides worldwide. These segments are Wholesale & Retail Banking, Global Treasury, Investment Banking, and Others that include insurance and property-related activities.

### Wholesale & Retail Banking

The Group's Wholesale & Retail Banking segment encompasses personal financial services, commercial banking and corporate banking. The personal financial services business delivers a wide array of consumer services that includes the issuance of credit and debit cards, loans and mortgages, deposit services and investment advisory services. The commercial banking business serves the small- and medium-sized enterprises, while corporate banking serves the large corporations, institutions and governments. Both commercial banking and corporate banking provide customers with, among other things, a broad range of financing options, trade services and custody services.

### Global Treasury

The Group's Global Treasury segment extends a wide range of treasury capabilities in foreign exchange and derivatives, money market activities, leveraged trading and futures broking. It is a dominant player and market maker in Singapore dollar treasury instruments and a major primary dealer in Singapore Government Securities. Global Treasury also provides banknotes services and a full range of gold products, and continues to lead in the provision of Singapore dollar cheque clearing services to correspondent banks.

### Investment Banking

The Investment Banking segment executes proprietary investments on the Group's behalf. Through the Bank's subsidiaries, Investment Banking also offers asset management products and services through UOB Asset Management Ltd, corporate finance and capital market activities through UOB Asia Limited, venture capital management through UOB Venture Management Private Limited, and stockbroking services through stockbroking subsidiaries and associates in Singapore, Hong Kong S.A.R., Indonesia, Malaysia, Philippines and Thailand.

### Others

Other operations of the Group include insurance and property-related activities. None of the activities in this group constitutes 10% or more of the Group's total segment assets, total segment income before operating expenses or total segment results.

#### (b) Secondary Reporting Format – Geographical Segments

	The Group					
	Income Before		Profit		Total Assets	
	Operating Expenses		Before Taxation			
	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore (including						
Asian Currency Units)	<b>1,516,136</b>	1,438,390	<b>1,058,715</b>	938,073	<b>50,614,322</b>	43,428,306
Other ASEAN countries	<b>260,061</b>	227,556	<b>62,465</b>	106,654	<b>8,564,287</b>	7,845,003
Other Asia-Pacific						
countries	<b>93,249</b>	91,776	<b>50,555</b>	(28,043)	<b>3,991,057</b>	3,245,410
Rest of the world	<b>36,015</b>	30,153	<b>14,141</b>	9,533	<b>3,154,386</b>	2,255,227
	<b><u>1,905,461</u></b>	<u>1,787,875</u>	<b><u>1,185,876</u></b>	<u>1,026,217</u>	<b><u>66,324,052</u></b>	<u>56,773,946</u>

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

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

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

### 39 Non-Current Assets and Liabilities

To comply with the disclosure requirements of the Ninth Schedule of the Singapore Companies Act, set out below are the non-current assets and non-current liabilities of the Group and the Bank. Assets and liabilities other than those disclosed below are current.

	The Group		The Bank	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>Non-current assets</b>				
Trade bills and advances to customers (gross)	12,877,448	12,127,877	11,033,154	9,793,967
Placements and balances with banks and agents	343,737	28,636	336,009	21,520
Investment securities	459,081	453,688	342,654	254,847
Investment in associates	1,557,531	1,227,492	679,678	682,435
Investment in subsidiaries	–	–	1,210,557	1,716,709
Fixed assets	1,251,009	1,235,577	638,575	624,096
	<u>16,488,806</u>	<u>15,073,270</u>	<u>14,240,627</u>	<u>13,093,574</u>
<b>Non-current liabilities</b>				
Deposits of and amounts owing to non-bank customers, banks and agents, and subsidiaries	375,256	169,980	260,752	118,506
Provision for deferred taxation	44,962	44,944	29,415	26,774
	<u>420,218</u>	<u>214,924</u>	<u>290,167</u>	<u>145,280</u>

### 40 Comparative Figures

Certain comparative figures have been reclassified to conform with the current financial year's presentation.

# NOTES TO THE FINANCIAL STATEMENTS

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## 41 Subsidiaries

	Country Of Incorporation	Business Carried In	Percentage Of Paid-Up Capital Held By				Cost Of Bank's Investment	
			The Bank		Subsidiaries		2000	1999
			2000 %	1999 %	2000 %	1999 %	\$'000	\$'000
<b>Commercial Banking</b>								
CKB (2000) Limited (formerly known as <i>Chung Khiaw Bank Limited</i> )	Singapore	Inactive	100	100	—	—	—	—
Industrial & Commercial Bank Limited	Singapore	Singapore	87	87	—	—	384,286	384,286
Far Eastern Bank Limited	Singapore	Singapore	74	74	—	—	34,259	34,259
* United Overseas Bank (Malaysia) Bhd	Malaysia	Malaysia	45	45	55	55	123,731	123,731
* PT Bank UOB Indonesia (formerly known as <i>P T United Overseas Bank Bali</i> )	Indonesia	Indonesia	80	80	—	—	30,562	30,562
* United Overseas Bank (Canada) LWB (1995) Limited	Canada Singapore	Canada Inactive	100 100	100 100	— —	— —	18,155 —	18,155 —
* UOB Radanasin Bank Public Company Limited	Thailand	Thailand	75	75	—	—	165,485	535,787
* United Overseas Bank Philippines	Philippines	Philippines	60	60	—	—	75,642	75,642
<b>Merchant Banking</b>								
UOB Asia Limited	Singapore	Singapore	100	100	—	—	9,747	9,747
* UOB Australia Limited	Australia	Australia	100	100	—	—	10,865	10,865
* UOB Asia (Hong Kong) Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	50	50	50	50	11,687	11,687
<b>Finance Company</b>								
* United Overseas Finance (Malaysia) Bhd	Malaysia	Inactive	—	—	100	100	—	—
<b>Insurance</b>								
United Overseas Insurance Limited ICI (2000) Limited (formerly known as <i>Industrial &amp; Commercial Insurance Limited, in members' voluntary liquidation</i> )	Singapore Singapore	Singapore Inactive	51 —	51 —	— 73	— 73	7,700 —	7,700 —
* UOB Insurance (H.K.) Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	—	—	100	100	—	—
UOB Life Assurance Limited	Singapore	Singapore	88	88	12	12	76,500	76,500
* PT UOB Life - Sun Assurance	Indonesia	Indonesia	—	—	80	80	—	—

	Country Of Incorporation	Business Carried In	Percentage Of Paid-Up Capital Held By				Cost Of Bank's Investment	
			The Bank		Subsidiaries		2000	1999
			2000 %	1999 %	2000 %	1999 %	\$'000	\$'000
<b>Investment Companies</b>								
* Chung Khiaw Bank (Malaysia) Bhd	Malaysia	Malaysia	<b>100</b>	100	–	–	<b>152,403</b>	152,403
UOF (2000) Limited ( <i>formerly known as United Overseas Finance Limited</i> )	Singapore	Inactive	<b>100</b>	61	–	–	<b>10</b>	34,392
UOB Equity Holdings (Pte) Ltd	Singapore	Singapore	<b>100</b>	100	–	–	<b>9,600</b>	9,600
United Investments Limited	Singapore	Singapore	<b>100</b>	100	–	–	<b>68,100</b>	68,100
* UOB Finance (H.K.) Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	<b>100</b>	100	–	–	<b>22,207</b>	21,444
* UOB Realty (H.K.) Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	–	–	<b>100</b>	100	–	–
ICB Pte Ltd	Singapore	Inactive	–	–	<b>100</b>	100	–	–
* ICB Finance Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	–	–	<b>100</b>	100	–	–
** UOB Holdings (USA) Inc	United States of America	United States of America	<b>100</b>	100	–	–	<b>21,182</b>	16,048
UOB Capital Investments Pte Ltd	Singapore	Singapore	<b>100</b>	–	–	–	<b>600</b>	–
UOB Capital Management Pte Ltd	Singapore	Singapore	<b>100</b>	–	–	–	<b>100</b>	–
asia-reach.com Pte Ltd	Singapore	Inactive	<b>100</b>	–	–	–	#	–
** UOB Venture Management (USA) Inc.	United States of America	United States of America	–	–	<b>100</b>	–	–	–
<b>Stockbroking</b>								
UOB Securities Pte Ltd ( <i>disposed of during the year</i> )	Singapore	Singapore	–	–	–	100	–	–
* UOB Securities (Philippines), Inc.	Philippines	Philippines	–	–	<b>100</b>	100	–	–
* United Mok Ying Kie Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	–	–	<b>55</b>	55	–	–
* P T UOBB Securities	Indonesia	Indonesia	–	–	<b>85</b>	85	–	–
*** UOB Securities (Thailand) Co. Ltd ( <i>formerly known as Ocean Securities Co. Limited</i> )	Thailand	Thailand	–	–	<b>100</b>	–	–	–
<b>Trustee/Investment Management</b>								
United Overseas Bank Trustee Limited	Singapore	Singapore	<b>20</b>	20	<b>80</b>	80	<b>100</b>	100
UOB Asset Management Ltd	Singapore	Singapore	<b>100</b>	100	–	–	<b>2,000</b>	2,000
UOB Global Capital Private Limited ( <i>formerly known as UOB Global Capital Limited</i> )	Singapore	Singapore	<b>70</b>	70	–	–	<b>672</b>	672

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

## 41 Subsidiaries (continued)

	Country Of Incorporation	Business Carried In	Percentage Of Paid-Up Capital Held By				Cost Of Bank's Investment	
			The Bank		Subsidiaries		2000	1999
			2000 %	1999 %	2000 %	1999 %	\$'000	\$'000
<b>Trustee/Investment Management (continued)</b>								
*** UOB Global Capital LLC	United States of America	United States of America	–	–	70	70	–	–
** UOB Global Capital SARL	France	France	–	–	100	100	–	–
** UOB Global Capital (Dublin) Ltd	Ireland	Ireland	–	–	70	70	–	–
UOB Venture Management Private Limited	Singapore	Singapore	100	100	–	–	250	250
* UOB-OSK Asset Management Sdn Bhd	Malaysia	Malaysia	–	–	70	70	–	–
* UOB Investment Advisor (Taiwan) Ltd	Taiwan	Taiwan	–	–	100	100	–	–
<b>Nominee Services</b>								
United Overseas Bank Nominees (Private) Limited	Singapore	Singapore	100	100	–	–	10	10
ICB Nominees (Private) Limited	Singapore	Singapore	–	–	100	100	–	–
Chung Khiaw Bank Nominees (Private) Limited	Singapore	Singapore	100	100	–	–	10	10
Far Eastern Bank Nominees (Private) Limited	Singapore	Singapore	–	–	100	100	–	–
Lee Wah Nominees (S) Pte Ltd	Singapore	Singapore	100	100	–	–	#	#
Tye Hua Nominees Private Limited	Singapore	Singapore	100	100	–	–	10	10
UOF Nominees (Private) Limited	Singapore	Inactive	100	–	–	100	#	–
United Merchant Bank Nominees (Pte) Ltd	Singapore	Singapore	–	–	100	100	–	–
* UOBM Nominees (Tempatan) Sdn Bhd	Malaysia	Malaysia	–	–	100	100	–	–
* UOBM Nominees (Asing) Sdn Bhd	Malaysia	Malaysia	–	–	100	100	–	–
* UOB Nominees (Tempatan) Sdn Bhd	Malaysia	Malaysia	–	–	100	100	–	–
* UOB Nominees (Asing) Sdn Bhd	Malaysia	Malaysia	–	–	100	100	–	–
* United Overseas Bank Nominees (H.K.) Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	100	100	–	–	4	4
* Chung Khiaw Nominees (H.K.) Limited [formerly known as Chung Khiaw Bank Nominees (H.K.) Limited]	Hong Kong S.A.R.	Hong Kong S.A.R.	100	100	–	–	2	2

	Country Of Incorporation	Business Carried In	Percentage Of Paid-Up Capital Held By				Cost Of Bank's Investment	
			The Bank		Subsidiaries		2000	1999
			2000 %	1999 %	2000 %	1999 %	\$'000	\$'000
* Singapore UMB (Hong Kong) Limited	Hong Kong S.A.R.	Inactive	–	–	100	100	–	–
*** UOB Nominees (UK) Limited	United Kingdom	United Kingdom	100	100	–	–	2	2
UOB Securities Nominees Pte Ltd (disposed of during the year)	Singapore	Singapore	–	–	–	100	–	–
* UOB Nominees (Australia) Limited	Australia	Australia	–	–	100	100	–	–
* UMYK Nominees Limited	Hong Kong S.A.R.	Hong Kong S.A.R.	–	–	100	100	–	–
<b>Gold/Futures Dealing</b>								
UOB Bullion and Futures Limited	Singapore	Singapore	100	100	–	–	9,000	9,000
<b>Leasing/Rental</b>								
Ubin Private Limited (in members' voluntary liquidation)	Singapore	Inactive	–	–	100	100	–	–
<b>Computer Services</b>								
Unicom Databank Private Limited	Singapore	Singapore	100	100	–	–	#	#
* UOB InfoTech Sdn Bhd	Malaysia	Inactive	–	–	100	100	–	–
<b>Management Services</b>								
UOB Management Services Pte Ltd	Singapore	Inactive	100	100	–	–	#	#
ICB Management Pte Ltd	Singapore	Inactive	–	–	100	100	–	–
A.I.M. Services Pte Ltd	Singapore	Inactive	–	–	100	100	–	–
<b>General Services</b>								
United General Services (Pte) Ltd	Singapore	Singapore	100	100	–	–	#	#
<b>Consultancy and Research Services</b>								
UOBS Research (M) Sdn Bhd (disposed of during the year)	Malaysia	Malaysia	–	–	–	100	–	–
UOB Investment Research Pte Ltd	Singapore	Singapore	100	100	–	–	500	500

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2000

## 41 Subsidiaries (continued)

	Country Of Incorporation	Business Carried In	Percentage Of Paid-Up Capital Held By				Cost Of Bank's Investment	
			The Bank		Subsidiaries		2000	1999
			2000 %	1999 %	2000 %	1999 %	\$'000	\$'000
<b>Property</b>								
UOB Warehouse Private Limited	Singapore	Singapore	100	100	—	—	88,000	88,000
Chung Khiaw Realty, Limited	Singapore	Singapore/ Malaysia	99	99	—	—	60,448	60,448
Industrial & Commercial Realty Limited ( <i>in members' voluntary liquidation</i> )	Singapore	Inactive	—	—	100	100	—	—
FEB Realty Company Pte Ltd	Singapore	Inactive	—	—	100	100	—	—
ICB Enterprises (Private) Limited Industrial & Commercial Property (S) Pte Ltd	Singapore	Inactive	100	—	—	100	495	—
** UOB Realty (USA) Inc	Singapore	Singapore	—	—	100	100	—	—
** UOB Realty (USA) Ltd Partnership	United States of America	United States of America	100	100	—	—	346	332
****Dahua Xiamen Development Ltd	United States of America	United States of America	99	99	1	1	17,147	16,498
	People's Republic of China	People's Republic of China	50	50	—	—	12,333	11,867
<b>Property Management</b>								
UOB Property Management Pte Ltd	Singapore	Singapore	100	100	—	—	#	#
<b>Granite Trading/Quarrying</b>								
G H Carriers Private Limited ( <i>in members' voluntary liquidation</i> )	Singapore	Inactive	—	—	100	100	—	—
Gim Huat Private Limited ( <i>in members' voluntary liquidation</i> )	Singapore	Inactive	—	—	100	100	—	—
<b>Travel</b>								
UOB Travel Planners Pte Ltd	Singapore	Singapore	100	100	—	—	3,987	3,987
UOB Travel (General Sales Agent) Pte Ltd	Singapore	Singapore	55	55	—	—	268	268
							<b>1,418,405</b>	1,814,868
							<b>(207,848)</b>	(98,159)
							<b>1,210,557</b>	<b>1,716,709</b>

### Notes:

\* Companies audited by member firms of PricewaterhouseCoopers.

\*\* Not required to be audited in country of incorporation.

\*\*\* Companies not audited by PricewaterhouseCoopers, Singapore or a member firm of PricewaterhouseCoopers.

+ Subsidiary by virtue of the Bank's control of more than half of its voting power or control of the composition of the board of directors.

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

## 42 Major Associates

	Principal Activities	Country Of Incorporation And Business	Effective Interest Held By The Group	
			2000	1999
			%	%
<b>Associates (Quoted)</b>				
United Overseas Land Limited	Property/hotel	Singapore	45	44
United International Securities Limited	Investment	Singapore	42	40
Haw Par Corporation Limited	Conglomerate	Singapore	42	42
UOB-Kay Hian Holdings Limited	Stockbroking	Singapore	39	—
<b>Associates (Unquoted)</b>				
Affin-UOB Securities Sdn Bhd	Stockbroking	Malaysia	45	45
OSK-UOB Unit Trust Management Berhad	Investment management	Malaysia	30	30
Walden Asia II Limited	Venture capital investment	United States of America	25	25
UOB Venture Investments Limited	Venture capital investment	Singapore	21	21
Network For Electronic Transfers (Singapore) Pte Ltd	Electronic funds transfer	Singapore	20	20
Novena Square Development Pte Ltd	Property	Singapore	20	20
Novena Square Investment Pte Ltd	Investment	Singapore	20	20
Orix Leasing Singapore Ltd	Leasing/rental	Singapore	20	20
PT Bali Walden UOB Venture Capital	Venture capital investment	Indonesia	20	20
Singapore Consortium Investment Management Ltd	Investment management	Singapore	20	20

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