

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

Table of Contents

Section	Page
I Highlights & Performance Indicators	2 to 3
□ Profit & Loss Items	2
□ Key Indicators	2
□ Other Indicators	3
II <u>Review of Performance</u>	4 to 20
□ Overview of Group's Profit	4
□ Shareholders' Ratios	4
A Profit & Loss Statement & Explanatory Notes	
Profit & Loss Statement	5
Profit & Loss Items - Explanatory Notes	
1) Net Interest Income	6
2) Non Interest Income	7
3) Other Operating Income	8
4) Operating Expenses	8 to 10
5) Operating Profit	11
6) Provisions	11 to 12
B Cumulative Provisions & Non-Performing Loans	
(1) The Group	13
(2) 5 Regional Countries	14
(3) China & Hong Kong	15
C Exposure to 5 Regional Countries, China & Hong Kong	16
D Balance Sheet & Explanatory Notes	
Balance Sheet	17
Balance Sheet Items - Explanatory Notes	
1) Shareholders' Funds	18
2) Total Deposits	18
3) Loans to Non-Bank Customers	19 to 20
III Segmental Analysis	21
IV Additional Information	22 to 23
A Revaluation Surplus (Not incorporated into accounts)	22
B Capital Adequacy Ratio	23

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

I) Highlights & Performance Indicators

	First Half 2000	First Half 1999	1H 2000/1H 1999 Variance (%)	
I <u>Profit & Loss Items (\$'m)</u>				
Net Interest Income (NII)	583	543	+	7.4
Non Interest Income	364	304	+	19.7
Total Income	947	847	+	11.9
Total Expenses	366	265	+	38.1
Operating Profits	581	582	-	0.1
<u>Provisions made:-</u>				
- Specific	68	134	-	49.3
- General	0	18	-	100.0
Total Provisions	68	152	-	55.5
Net Profit After Tax (NPAT)	408	320	+	27.7
I <u>Key Indicators</u>				
❖ <u>Income Mix:-</u>				
- Net Interest Income/Total Income (%)	61.6	64.1	-	2.5 % pt
- Non Interest Income/Total Income (%)	38.4	35.9	+	2.5 % pt
	100.0	100.0		-
❖ <u>Profit Contribution:-</u>				
- Onshore (%)	83.0	85.7	-	2.7 % pt
- Offshore including ACU (%)	17.0	14.3	+	2.7 % pt
	100.0	100.0		-
❖ Annualized Return On Average Shareholders' Funds (ROE) (%)	12.8	10.5	+	2.3 % pt
❖ Annualized Earnings Per Share (EPS) (¢)	77.6	# 61.0	+	27.2
❖ Annualized Return On Average Assets (ROA) (%)	1.4	1.2	+	0.2 % pt
❖ Annualized NII/ Average-Interest-bearing Assets	2.3	2.3		-
❖ Annualized Operating Profit / Average Assets (%)	2.0	2.2	-	0.2 % pt
❖ Annualized Expenses/ Average Assets	1.3	1.0	+	0.3 % pt
❖ Expense / Income ratio (%)	38.6	31.3	+	7.3 % pt

Adjusted for bonus shares issued in November 1999.

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

I) Highlights & Performance Indicators

	First Half 2000	First Half 1999	1H 2000/1H 1999 Variance (%)	
I Other Indicators				
❖ Non-Performing Loans (NPL) (\$'m)	2,946	2,665	+	10.5
❖ Cumulative Provisions (\$'m)	2,018	1,844	+	9.4
❖ Gross Non-Bank Loans (\$'m)	30,473	28,531	+	6.8
❖ Non-Bank Loans, net of provisions (\$'m)	28,628	26,829	+	6.7
❖ Non-Bank Deposits (\$'m)	37,799	35,827	+	5.5
❖ Cumulative Provisions / NPL (%)	68.5	69.2	-	0.7 % pt
❖ NPL / Gross Non-Bank Loans (%)	9.7	9.3	+	0.4 % pt
❖ Loans / Deposits Ratio (%) [@]	75.7	74.9	+	0.8 % pt
<hr/>				
❖ Total Assets (\$'m)	58,462	52,977	+	10.4
❖ Shareholders' Funds (\$'m)	6,563	6,266	+	4.7
❖ Unrealized Surplus from Revaluation (\$'m) *	1,623	1,631	-	0.5
❖ Net Tangible Asset (NTA) Backing Per Share (\$)	6.24	# 5.97	+	\$ 0.27
❖ Capital Adequacy Ratio (CAR) - BIS (%)	20.8	21.9	-	1.1 % pt
❖ Dividend Rates (%)				
■ Interim	15.0	8.0	+	7.0 % pt
❖ Manpower (number)	9,017	6,428	+	2,589 no.

@ Loans refer to net non-bank loans while Deposits refer to non-bank deposits.

* Not incorporated into the accounts and excluded the revaluation surplus/deficit from investment in associates.

Adjusted for bonus shares issued in November 1999.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

Overview of Group's Profit

The Group's net profit after tax for First Half 2000 grew by \$88 million or 27.7% to \$408 million. The growth was mainly due to higher net interest income from higher loan volume and margin, increase in fee and commission from fund management and credit card activities, higher profit recognized from the progress receipts from the sale of the Unity Towers (formerly known as Singapore Exchange Centre), lower provisions and higher profit from associates. These were partially negated by lower income from stockbroking activities, higher operating expenses and losses incurred by the two newly acquired subsidiaries, UOB Radanasin ("UOBR") and UOB Philippines ("UOBP").

Shareholders' Ratios

- 1) Earnings per share increased by 27.2%, from 61.0¢ to 77.6¢. The price over earnings per share (P/E) ratio, based on the Bank's last done share price of \$12.60 on 3 August 2000 was 16.2.
- 2) Return on average shareholders' funds at 12.8%, increased by 2.3% points from 10.5% for First Half of 1999.
- 3) Net tangible asset backing per share increased from \$5.97 as at 30.6.1999 to \$6.24 as at 30.6.2000.
- 4) Interim dividend of 15% [First Half 1999: 8%] was 3.5 times covered by net profit [First Half 1999: 5.4 times covered].

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Statement

GROUP PROFIT & LOSS STATEMENT FOR HALF YEAR ENDED 30.6.2000

	Note	First Half 2000 (S\$m)	First Half 1999 (S\$m)	Increase/ (Decrease) (%)
Interest Income		1,444	1,206	19.7
Less: Interest Expense		861	663	29.8
Net Interest Income	1	<u>583</u>	<u>543</u>	<u>7.4</u>
<u>Non-Interest Income</u>				
Dividends		7	3	114.4
Fee and commission income		173	151	14.6
Rental income		35	42	(16.4)
Other operating income	3	149	108	38.3
Total Non-Interest Income	2	<u>364</u>	<u>304</u>	<u>19.7</u>
Total Income		<u>947</u>	<u>847</u>	<u>11.9</u>
Less: Staff expenses	4(a)	185	135	37.1
Other operating expenses	4(b)	181	130	39.2
Total Operating Expenses	4	<u>366</u>	<u>265</u>	<u>38.1</u>
Operating Profit	5	581	582	(0.1)
Less: Provisions	6	<u>68</u>	<u>152</u>	<u>(55.5)</u>
Profit Before Tax		513	430	19.6
Share of profit of associates		42	29	40.9
Total Profit Before Tax		<u>555</u>	<u>459</u>	<u>21.0</u>
Less: Taxation				
- The Group		140	123	13.7
- Associates		7	9	(21.2)
Profit After Tax		<u>408</u>	<u>327</u>	<u>24.8</u>
Less: Minority Interests		-	7	NM
Net Profit attributable to members		<u>408</u>	<u>320</u>	<u>27.7</u>
Expense / Income ratio (%)		38.6 %	31.3 %	7.3 % pt
Annualized Earnings Per Share (¢)		77.6 ¢	61.0 ¢	27.2

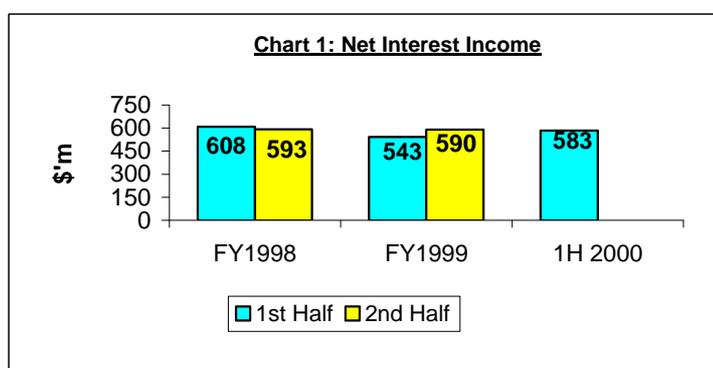
UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

1. Net Interest Income

The Group's net interest income continued to be the major contributor of total income, accounting for about 61.6% (First Half 1999: 64.1%) of total income. Net interest income increased by \$40 million (7.4%) to \$583 million for the First Half 2000. The increase was due mainly to higher average loan volume and better loan spread.



UNITED OVERSEAS BANK LIMITED

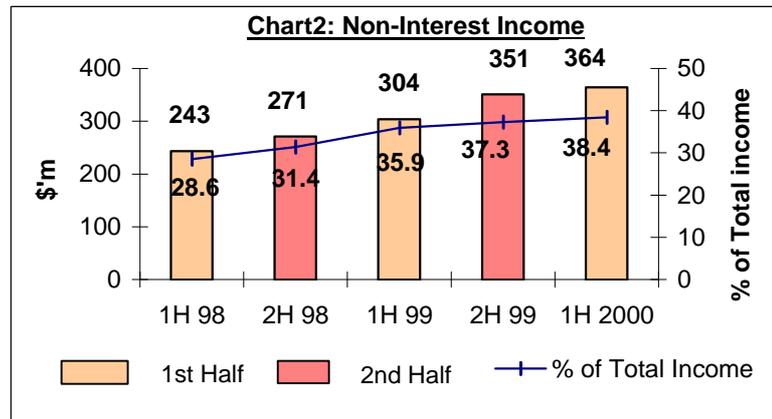
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

2. Non-Interest Income

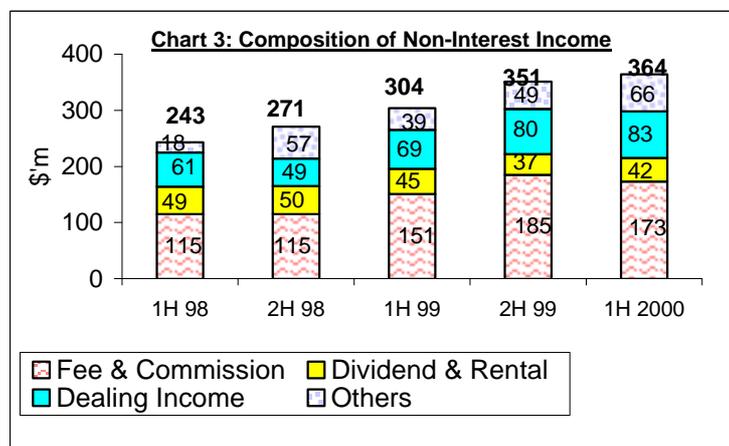
The Group's non-interest income for First Half 2000 made up of 38.4% of total income, which was higher than the 35.9% recorded for First Half 1999. Total non-interest income was \$364 million for First Half 2000, an increase of \$60 million or 19.7% from \$304 million for First Half 1999.



The increase in non-interest income was due to:

- higher other operating income of \$41 million contributed primarily by higher profit from sale of investments and higher profit recognized from the progress receipts from the sale of Unity Towers; and
- higher fees and commission income of \$22 million contributed mainly by higher fees from unit trust activities arising from bigger fund size, as well as higher fees from credit card activities. This was partly offset by lower brokerage fees as a result of lower brokerage rate.

These increases were partly offset by lower rental income which declined from \$42 million for First Half 1999 to \$35 million for First Half 2000, arising from lower rental and occupancy rates.



UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

3. Other Operating Income

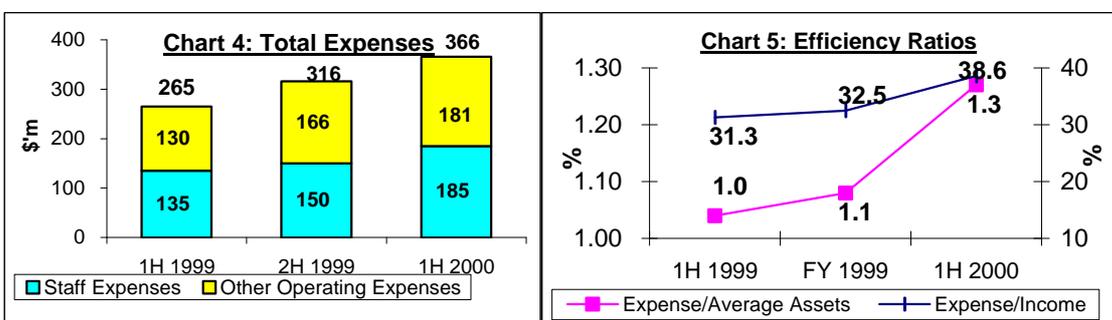
	<u>First Half 2000</u> \$'m	<u>First Half 1999</u> \$'m	<u>Incr/ (Decr)</u> %
Gains/(Losses) from:			
- dealing in securities, government treasury bills & securities and derivatives	37	26	42.3
- dealing in foreign exchange	46	43	7.0
Dealing Income	83	69	20.3
- sale of investment securities	8	(1)	NM
- sale of properties and other fixed assets	21	8	162.5
- others	37	32	15.6
Others	66	39	69.2
	<u>149</u>	<u>108</u>	<u>38.3</u>

4. Operating Expenses

Total Group's operating expenses rose by 38.1% or \$101 million to \$366 million for First Half 2000. This was due to an increase in both staff expenses and other operating expenses.

Efficiency Ratios:

- ◆ Expense/Income ratio increased to 38.6% (First Half 1999: 31.3%).
- ◆ Annualized Expense/Average Assets increased to 1.3% (First Half 1999: 1.0%)



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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

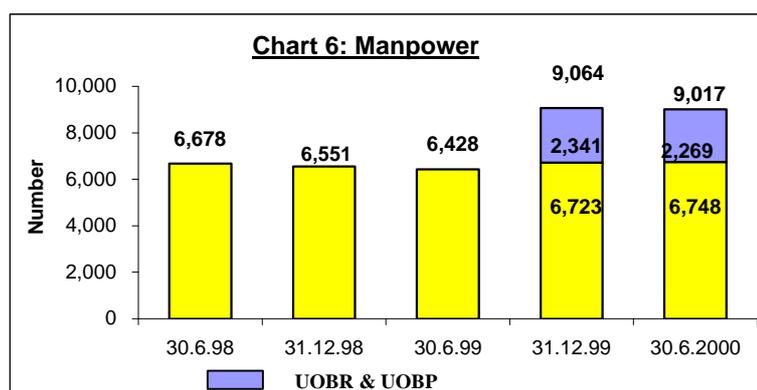
II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

4. Operating Expenses (cont'd)

(a) Staff Expenses

Total staff costs increased 37.1% from \$135 million in First Half 1999 to \$185 million in First Half 2000 due mainly to increase in headcount and increase in staff remuneration, as well as the inclusion of UOBR and UOBP's staff expenses for the first time.



(b) Other Operating Expenses

	First Half 2000 \$'m	First Half 1999 \$'m	Incr/ (Decr) %
Depreciation			
- Land and buildings	9	9	-
- Office equipment, computer, fixtures and other fixed assets	28	23	21.7
	37	32	15.6
Rental of premises and equipment	18	14	28.6
Maintenance of premises and other fixed assets	15	12	25.0
Other expenses	111	72	54.2
Total other operating expenses	181	130	39.2

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

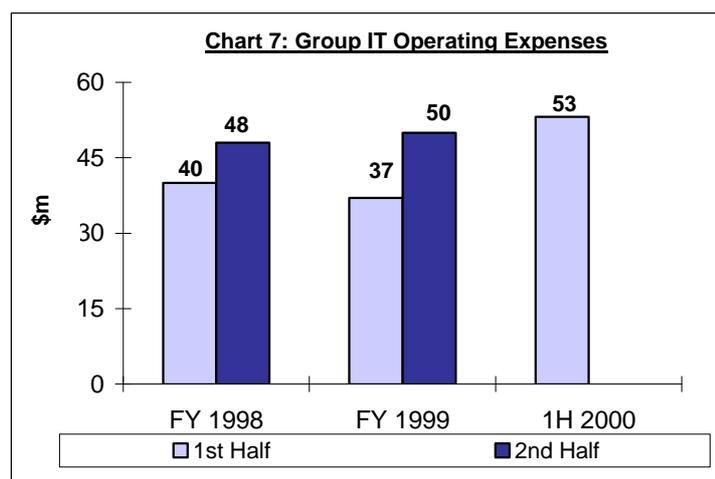
4. Operating Expenses (cont'd)

The increase in other operating expenses by 39.2% to \$181 million for First Half 2000 was mainly attributed to the increase in IT related costs and the inclusion of UOBR and UOBP's operating expenses for the first time.

(c) IT Operating Expenses

Total IT expenses accounted for 14.5% (First Half 1999: 14%) of total Group's expenses. This represented an increase of \$16 million (43.2%) from \$37 million for First Half 1999 to \$53 million for First Half 2000.

Total IT operating expenses for the last 5 half-year periods were as follows:



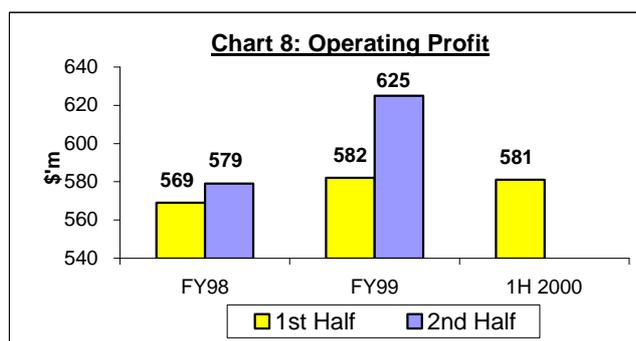
UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

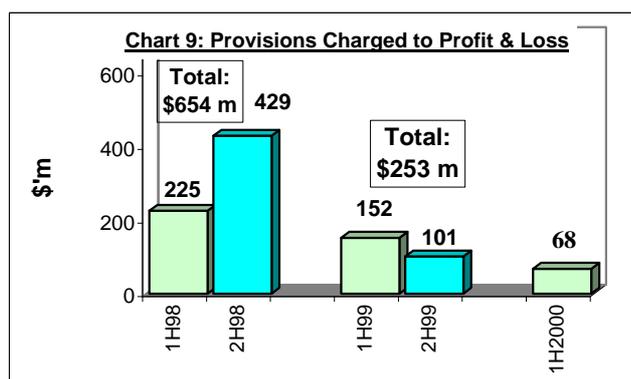
5. Operating Profit

The total operating profit for the Group remained relatively unchanged at \$581 million for the First Half 2000. The increase in both net interest income and non-interest income was offset by higher operating expense, contributed by higher staff expenses and other operating expenses.



6. Provisions

Total provisions made in First Half 2000 amounted to \$68 million. Compared to the charge for provisions of \$152 million in First Half 1999, there was a reduction of \$84 million or 55.5%. The decrease in provisions charged was mainly due to lower specific provisions made for loans, reflecting the improvement in the regional economies.



UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

A) Profit & Loss Items - Explanatory Notes

6. Provisions (cont'd)

	1H 2000	1H 1999	2H 1999	FY 1999
	\$'m	\$'m	\$'m	\$'m
<u>The Group</u>				
- Specific provision for loans	62	144	94	238
- General provision for loans	-	18	1	19
- Specific provision for diminution in value of other assets	6	(10)	6	(4)
Total Provisions	<u>68</u>	<u>152</u>	<u>101</u>	<u>253</u>
<u>Provisions Charged By Major Region:</u>				
<u>Specific Provision</u>				
- 5 Regional Countries *	39	26	44	70
- China & Hong Kong	(2)	55	28	83
- Singapore & other countries	25	63	22	85
	<u>62</u>	<u>144</u>	<u>94</u>	<u>238</u>
<u>General Provision</u>				
- 5 Regional Countries *	-	6	(9)	(3)
- China & Hong Kong	-	-	(1)	(1)
- Singapore & other countries	-	12	11	23
	<u>-</u>	<u>18</u>	<u>1</u>	<u>19</u>
Specific provisions for diminution in value of other assets	6	(10)	6	(4)
Total Provisions	<u>68</u>	<u>152</u>	<u>101</u>	<u>253</u>

* Regional Countries comprise Indonesia, Malaysia, Thailand, The Philippines and South Korea.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

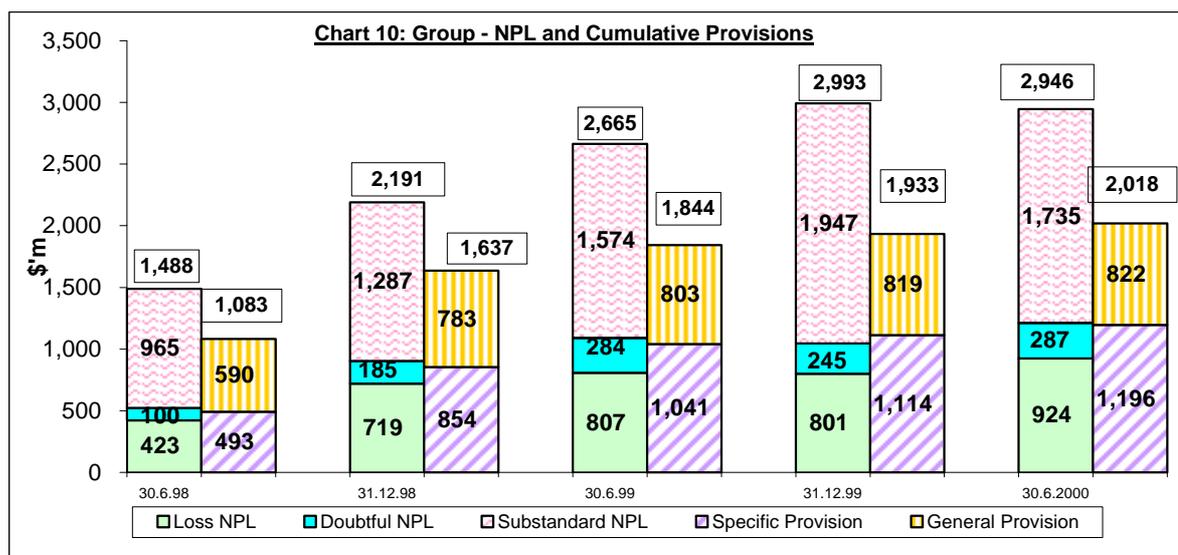
B) Cumulative Provisions & Non Performing Loans

(1) Group's Non-Performing Loans (NPL) and Cumulative Provisions

Group NPL (worldwide) peaked at 31 December 1999 and have since dropped by \$47 million to \$2,946 million as at 30 June 2000. As a percentage of Gross Loans, it has also reduced from 10.3% as at end of 1999 to 9.7%, reflecting an improvement in the loan quality.

Total cumulative specific and general provisions for the Group (worldwide) as at 30 June 2000 amounted to \$2,018 million compared to \$1,933 million as at 31 December 1999 and \$1,844 million as at 30 June 1999. Out of the total cumulative provisions of \$2,018 million, general provision amounted to \$822 million. The total cumulative provisions represented 68.5% of the Group's (worldwide) NPL of \$2,946 million.

Unsecured NPL accounted for 50.1% or \$1,476 million (31.12.1999: 49.6% or \$1,484 million) of the Group's NPL and was 136.7% (31.12.1999: 130.3%) covered by total cumulative provisions.



	30.6.98	31.12.98	30.6.99	31.12.99	30.6.2000
Ratios (%)					
NPL/Gross Non-Bk (NB) Loans	5.0	7.5	9.3	10.3	9.7
Cum Provs/NPL	72.8	74.7	69.2	64.6	68.5
Cum Provs/Doubtful & Loss NPL	207.1	181.1	169.0	184.8	166.6
Cum Provs/Gross NB Loans	3.7	5.6	6.5	6.7	6.6
- Spec Provs/Gross NB Loans	1.7	2.9	3.7	3.9	3.9
- Gen Provs/Gross NB Loans	2.0	2.7	2.8	2.8	2.7
NPL/Total Assets	3.1	4.3	5.0	5.3	5.0

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

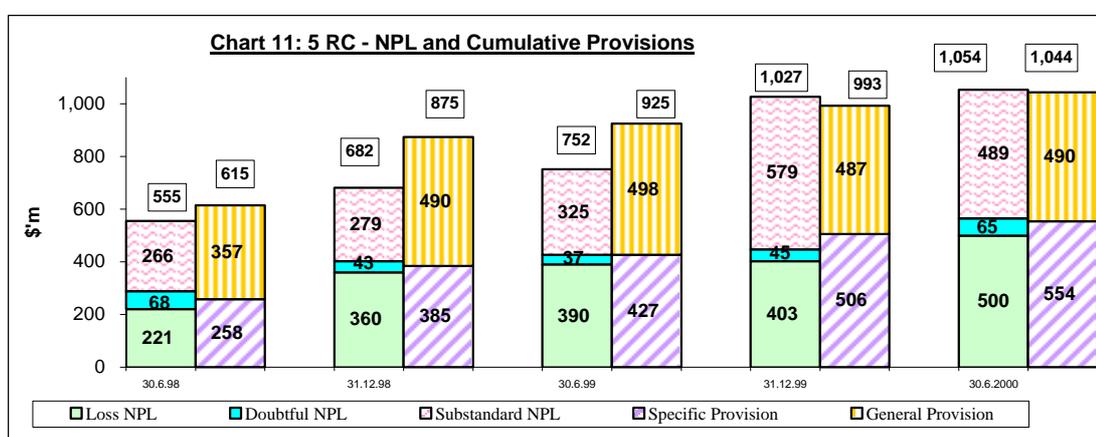
II) Review of Performance

B) Cumulative Provisions & Non Performing Loans

(2) 5 Regional Countries (RC)* NPL and Cumulative Provisions

NPL of the 5 RC stood at \$1,054 million as at 30 June 2000 compared to \$1,027 million as at 31 December 1999 and \$752 million as at 30 June 1999. The increase in NPL have reduced from \$275 million for the second half of 1999 to only \$27 million for First Half 2000.

Total cumulative provisions for 5 RC amounted to \$1,044 million as at 30 June 2000 compared to \$993 million as at 31 December 1999 and \$925 million as at 30 June 1999. Out of the total cumulative provisions of \$1,044 million, general provision accounted for \$490 million. NPL of 5 RC is 99.1% covered by total cumulative provisions.



Ratios (%)

	30.6.98	31.12.98	30.6.99	31.12.99	30.6.2000
NPL/Gross Non-Bk (NB) Loans	16.2	19.1	24.5	28.3	25.6
Cum Provs/NPL	110.8	128.3	123.0	96.7	99.1
Cum Provs/Doubtful & Loss NPL	212.8	217.1	216.6	221.7	184.8
Cum Provs/Gross NB Loans	17.9	24.5	30.1	27.4	25.4
- Spec Provs/Gross NB Loans	7.5	10.8	13.9	14.0	13.5
- Gen Provs/Gross NB Loans	10.4	13.7	16.2	13.4	11.9
NPL/Gross RC Exposure	10.7	11.4	12.1	10.2	9.2

* Regional Countries comprise Indonesia, Malaysia, Thailand, The Philippines and South Korea.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

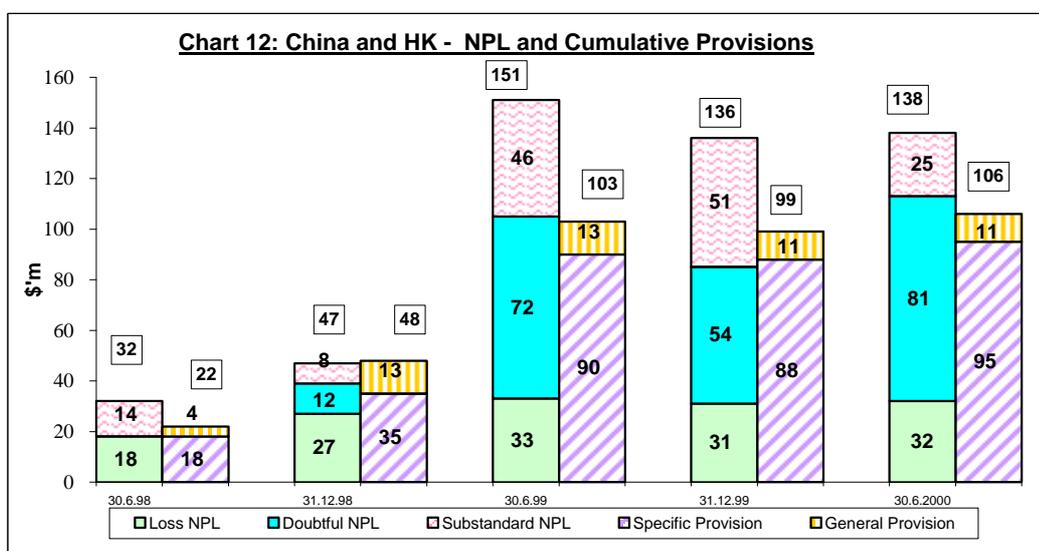
II) Review of Performance

B) Cumulative Provisions & Non Performing Loans

(3) China & HK NPL and Cumulative Provisions

As at 30 June 2000, NPL of China and Hong Kong amounted to \$138 million and cumulative provisions, including general provision, were \$106 million.

These cumulative provisions represented 76.8% of the NPL of China and Hong Kong and 93.8% of the NPL of China and Hong Kong that were classified as Doubtful and Loss.



Ratios (%)

	30.6.98	31.12.98	30.6.99	31.12.99	30.6.2000
NPL/Gross Non-Bk (NB) Loans	3.2	5.2	18.1	15.8	16.0
Cum Provs/NPL	68.8	102.1	68.2	72.8	76.8
Cum Provs/Doubtful & Loss NPL	122.2	123.1	98.1	116.5	93.8
Cum Provs/Gross NB Loans	2.2	5.3	12.4	11.5	12.3
- Spec Provs/Gross NB Loans	1.8	3.9	10.8	10.2	11.0
- Gen Provs/Gross NB Loans	0.4	1.4	1.6	1.3	1.3
NPL/Gross China & HK Exposure	1.0	2.1	8.5	7.8	7.3

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

C) Exposure to Five Regional Countries (5 RC) and China & Hong Kong

The Group's net exposure to the 5 RC amounted to \$10,089 million as at 30 June 2000 compared to \$5,559 million as at 30 June 1999. The increase of \$4,530 million was mainly due to the acquisition of UOBR and UOBP at end of 1999. On a country basis, \$4,988 million or 49.4% of the exposure of \$10,089 million was to Malaysia where the Group has a long standing presence. This represented 8.5% of the Group total assets. Net exposure to Thailand rose to \$2,625 million, representing 4.5% of the Group total assets. The exposure booked in UOB Radanasin amounted to \$2,428 million, out of which \$2,185 million was from exposure to government securities and central bank. The increase in net exposure to Korea of \$1,307 million was mainly from bank risk trade finance and short-dated loans to Korean banks.

The Group's net exposure to China and Hong Kong as at 30 June 2000 amounted to \$1,390 million, or 2.4% of Group total assets. Non-bank loans exposure to China and Hong Kong remained low as at 30 June 2000 standing at \$860 million (31.12.1999: \$861 million).

\$'m

	30 June 2000						Net Exposure			
	Loans			Invest- ments	Total	Less: Loans/ Investments In Our Subsidiaries & Branches	Total		% Of Group Total Assets	% Of Group Total Assets
	Non- Bank	Central Banks, Govt. Securities	Bank				30 June 2000	30 June 1999	30 June 2000	30 June 1999
	(a)	(b)	(c)	(d)	(e)=(a to d)	(f)	(g)=(e-f)			
Malaysia	3,064	* 1,153	934	425	5,576	588	4,988	4,779	8.5	9.0
Indonesia	306	106	93	36	541	35	506	513	0.9	1.0
Thailand	272	2,185	266	232	2,955	330	2,625	143	4.5	0.3
South Korea	18	103	1,390	60	1,571	150	1,421	114	2.4	0.2
The Philippines	296	239	193	66	794	245	549	10	0.9	0.0
Total RC	3,956	3,786	2,876	819	11,437	1,348	10,089	5,559	17.3	10.5
China	82	9	342	4	437	282	155	182	0.3	0.3
Hong Kong	778	41	568	78	1,465	230	1,235	885	2.1	1.7
Total China & HK	860	50	910	82	1,902	512	1,390	1,067	2.4	2.0
Total	4,816	3,836	3,786	901	13,339	1,860	11,479	6,626	19.6	12.5

* Included loans to government which was classified as non-bank loans in the accounts.

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance
D) Balance Sheet

GROUP BALANCE SHEET AS AT 30 JUNE 2000

	30 June 2000	30 June 1999		30 June 2000	30 June 1999	
Note	(\$m)	(\$m)	Note	(\$m)	(\$m)	
SHAREHOLDERS' FUNDS AND TOTAL LIABILITIES			TOTAL ASSETS			
<u>Shareholders' Funds</u>			Cash, balances and place- ments with central banks			
Share Capital	1,052	997		1,717	2,124	
Reserves			Singapore government securities and treasury bills			
Share Premium	782	817		3,070	3,519	
Capital reserve	64	65	Other government securities and treasury bills			
General reserve	2,318	2,039		2,600	339	
Revenue reserve	2,347	2,348	Dealing securities			
	<u>5,511</u>	<u>5,269</u>		404	227	
Shareholders' Funds	1	6,563	6,266	Balances, placements with, and loans & advances to banks		
Minority Interests	216	260		17,610	15,515	
<u>Liabilities</u>			Loans and advances to non-bank customers (incl. trade bills)			
Deposits and other accounts of non-bank customers	37,799	35,827	3	28,628	26,829	
Deposits and balances of banks	11,901	7,994	Other assets			
Total Deposits	2	49,700	43,821	1,516	1,853	
Bills payable	145	413	Investment securities			
Other liabilities	1,838	2,217		480	296	
Total Liabilities	51,683	46,451	Investment in associates			
				1,202	1,102	
Total Shareholders' Funds and Liabilities	58,462	52,977	Fixed assets			
				1,235	1,173	
OFF BALANCE SHEET ITEMS			Total Assets			
Contingent liabilities	4,264	3,644		58,462	52,977	
Off-Balance Sheet						
Financial Instruments	31,414	26,003				
Commitments	17,387	14,093				

UNITED OVERSEAS BANK LIMITED

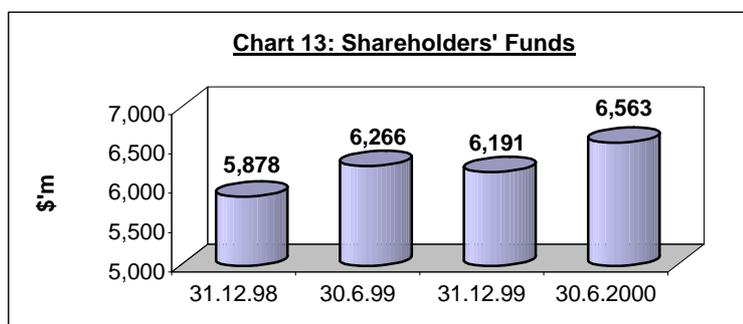
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

D) Balance Sheet Items - Explanatory Notes

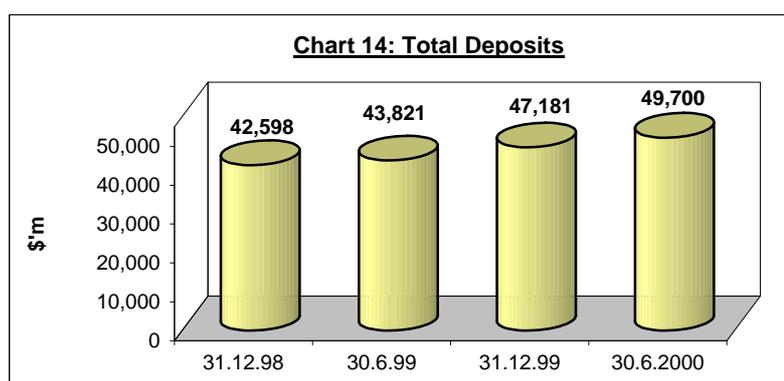
1. Shareholders' Funds

Group shareholders' funds rose by \$372 million from \$6,191 million as at 31 December 1999 to \$6,563 million as at 30 June 2000. The increase was a result of the retention of Group's profits and the issue of shares under options; offset by a decrease in the Group's share of the reserves of associates.



2. Total Deposits

Total Group deposits as at 30 June 2000 amounted to \$49,700 million of which non-bank deposits accounted for \$37,799 million or 76.1%. The increase in non-bank deposits by 5.5% from \$35,827 million as at 30 June 1999 to \$37,799 million was mainly due to the acquisition of UOBR and UOBP as at end of 1999.



	<u>30.6.2000</u>		<u>30.6.1999</u>	
<u>Total Outstandings</u>				
Deposits of non-bank customers	37,799	76.1%	35,827	81.8%
Deposits and balances of banks	11,901	23.9%	7,994	18.2%
Total	49,700	100.0%	43,821	100.0%

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

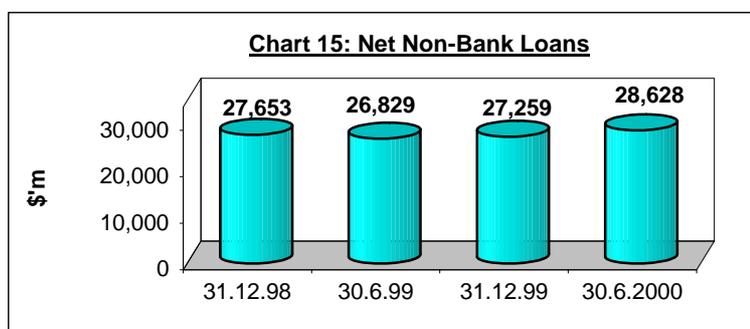
D) Balance Sheet Items - Explanatory Notes

2. (cont'd)

	<u>30.6.2000</u>		<u>30.6.1999</u>	
<u>Deposits Balances Analysed By</u>				
<u>Remaining Maturity</u>				
Within 1 year	49,053	98.7%	43,629	99.6%
Over 1 year but within 3 years	482	1.0%	191	0.4%
Over 3 years but within 5 years	1	0.0%	1	0.0%
Over 5 years	164	0.3%	0	0.0%
Total	49,700	100.0%	43,821	100.0%

3. Loans to Non-Bank Customers

The Group's net loans to non-bank customers increased by 6.7% to \$28,628 million as at 30 June 2000 from \$26,829 million as at 30 June 1999. The increase was mainly contributed by UOB Malaysia and Singapore operations, and the inclusion of UOBR and UOBP.



	<u>30.6.2000</u>	<u>30.6.1999</u>	<u>Incr/ (Decr)</u>
	<u>\$'m</u>	<u>\$'m</u>	<u>(%)</u>
Gross Loans and Advances	30,473	28,531	6.8
Less: Interest-In-Suspense and Provisions	1,845	1,702	8.4
Net Loans and Advances	28,628	26,829	6.7

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

II) Review of Performance

D) Balance Sheet Items - Explanatory Notes

3. (cont'd)

	<u>30.6.2000</u>		<u>30.6.1999</u>		\$'m
<u>Gross Loans and Advances Analysed By</u>					
<u>Remaining Maturity</u>					
Within 1 year	17,954	58.9%	16,969	59.4%	
Over 1 year but within 3 years	3,937	12.9%	3,503	12.3%	
Over 3 years but within 5 years	2,027	6.7%	2,275	8.0%	
Over 5 years	6,555	21.5%	5,784	20.3%	
Total	30,473	100.0%	28,531	100.0%	

The Group's portfolio of loans and advances is widely distributed over the various industries. As in the previous years, the highest concentration comes from Housing Loans which accounted for about a quarter of the total Group's loans and advances.

	<u>30.6.2000</u>		<u>30.6.1999</u>		
<u>Gross Loans and Advances Analysed By</u>					
<u>Industry</u>					
Transport, storage and communication	443	1.5%	365	1.3%	
Building and construction	3,409	11.2%	3,217	11.3%	
Manufacturing	2,746	9.0%	2,425	8.5%	
Financial institutions	4,994	16.4%	4,481	15.7%	
General commerce	3,907	12.8%	4,048	14.2%	
Professional and individuals	4,049	13.3%	3,596	12.6%	
Housing loans	7,552	24.8%	6,547	22.9%	
Others	3,373	11.0%	3,852	13.5%	
Total	30,473	100.0%	28,531	100.0%	
Loans/ Deposits Ratio (%)	75.7%		74.9%		

Loans to non-bank deposits ratio increased by 0.8% point from 74.9% as at 30 June 1999 to 75.7% as at 30 June 2000 as a result of the faster growth in non-bank customer loans than non-bank customer deposits.

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

III) Segmental Analysis

Geographical segmental information is based on the location where the assets or transactions are booked. Profit before tax and total assets are analyzed by the following areas:

30 June 2000:

\$'m

	Profit Before Tax	Distribution %	Total Assets	Distribution %
Singapore *	502	90.4	41,740	71.4
Other ASEAN	21	3.8	8,004	13.7
Other Asia Pacific	27	4.9	4,996	8.5
Rest of the World	5	0.9	3,722	6.4
Total Group	555	100.0	58,462	100.0

30 June 1999:

\$'m

	Profit Before Tax	Distribution %	Total Assets	Distribution %
Singapore *	451	98.2	42,889	81.0
Other ASEAN	37	8.1	5,043	9.5
Other Asia Pacific	(35)	(7.6)	3,142	5.9
Rest of the World	6	1.3	1,903	3.6
Total Group	459	100.0	52,977	100.0

* includes ACU

UNITED OVERSEAS BANK LIMITED

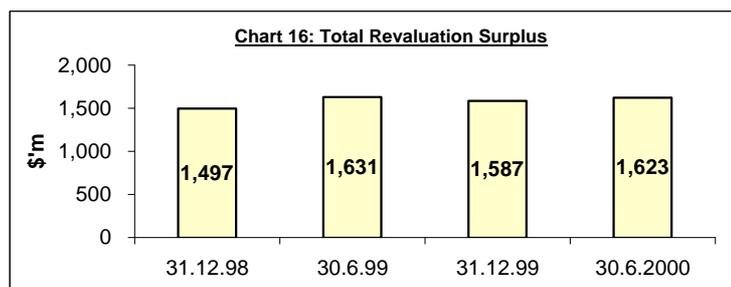
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

IV) Additional Information

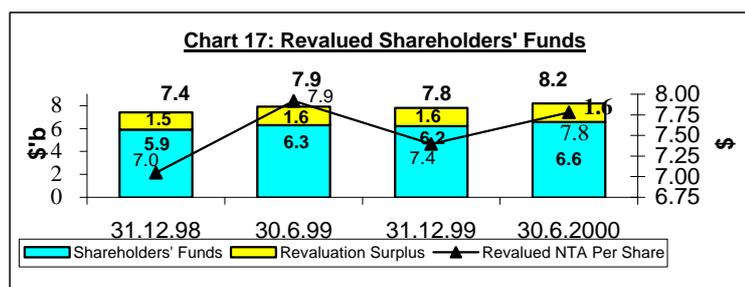
A) Unrealized Surplus from Revaluation

1) Revaluation Surplus

Unrealized revaluation surpluses in long term investments and properties amounted to \$1,623 million for First Half 2000.



2) Shareholders' Funds & Revaluation Reserves



	<u>30.6.2000</u>	<u>30.6.1999</u>
	\$'m	\$'m
Shareholders' Funds per book	6,563	6,266
<u>Add: Surplus on Revaluation (Not incorporated in the accounts)</u>		
- Properties	1,592	1,574
- Long Term Investments **	31	57
Total Surplus on Revaluation	<u>1,623</u>	<u>1,631</u>
Shareholders' Funds including Revaluation Surplus	<u>8,186</u>	<u>7,897</u>
<u>NTA Per Share (In S\$)</u>		
- NTA per book	6.24	5.97
- Revaluation Surplus	1.54	1.55
Total Revalued NTA	<u>7.78</u>	<u># 7.52</u>

** Exclude the revaluation surplus/deficit from investment in associates.

Adjusted for impact of bonus issue in November 1999.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2000

IV) Additional Information

B) Capital Adequacy Ratio (CAR)

As at 30 June 2000, the Group CAR computed under the BIS basis decreased by 1.1% points to 20.8%. Total risk weighted assets increased by 9.2% while overall capital increased by 3.6%. The CAR of 20.8% was more than twice of the minimum BIS requirement.

	<u>30.6.2000</u>	<u>30.6.1999</u>
	\$'m	\$'m
Capital		
Tier 1 - Core Capital	6,529	6,416
Tier 2 - Supplementary Capital	1,026	878
Overall capital	<u>7,555</u>	<u>7,294</u>
Risk Weighted Assets		
Total risk weighted assets adjusted to include market risk	<u>36,365</u>	<u>33,300</u>
Capital Adequacy Ratios		
Tier 1	18.0%	19.3%
Total capital	20.8%	21.9%

Tier 1 - Core Capital of \$6,529 million as at 30 June 2000 primarily comprised the share capital, disclosed reserves and minority interests. The increase of \$113 million was mainly due to the shares issued under the staff options scheme and retained profits which were offset by a lower minority interests and the write-off of goodwill in respect of the two new subsidiary banks acquired at end of 1999.

Tier 2 - Supplementary Capital, consisting of general loan loss reserves and revaluation reserves on investments and properties held for investment purposes, increased by \$148 million to \$1,026 million as at 30 June 2000. The increase was mainly due to the increase in revaluation reserve of properties of associates from the improvement in the property market.

Risk Weighted Assets comprised the credit risks of the On-balance sheet and Off-balance sheet items and market risk charges on the Group's trading portfolio. The increase of \$3,065 million to \$36,365 million as at 30 June 2000 was primarily due to higher On-balance sheet and Off-balance sheet items as well as higher market risk charges on equities and interest rate related instruments.