

UNITED OVERSEAS BANK LIMITED
(Incorporated In The Republic Of Singapore)

To : All Shareholders

The Board of Directors of United Overseas Bank Limited wishes to make the following announcement:

1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

	Group			Bank		
	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %
Interest income	3,053,356	2,458,534	24.2	2,423,956	1,801,047	34.6
Less: Interest expense	1,854,945	1,325,853	39.9	1,564,262	1,075,718	45.4
Net interest income	1,198,411	1,132,681	5.8	859,694	725,329	18.5
Dividend income	8,151	6,565	24.2	230,326	168,378	36.8
Fee and commission income	330,435	335,559	(1.5)	168,159	146,769	14.6
Rental income	70,513	76,315	(7.6)	39,171	40,503	(3.3)
Other operating income	297,951	236,755	25.8	169,231	180,924	(6.5)
Income before operating expenses	1,905,461	1,787,875	6.6	1,466,581	1,261,903	16.2
Less : Staff costs	381,457	285,175	33.8	239,328	187,028	28.0
Other operating expenses	369,749	295,353	25.2	218,812	192,369	13.7
	751,206	580,528	29.4	458,140	379,397	20.8
Operating profit before provisions	1,154,255	1,207,347	(4.4)	1,008,441	882,506	14.3
Less : Provisions	93,411	253,475	(63.1)	153,876	132,251	16.4
Operating profit	1,060,844	953,872	11.2	854,565	750,255	13.9
Share of profit of associates	125,032	72,345	72.8	-	-	-
Profit before taxation	1,185,876	1,026,217	15.6	854,565	750,255	13.9
Less: Taxation						
- The Group/Bank	254,456	231,460	9.9	224,327	208,706	7.5
- Associates	18,960	19,936	(4.9)	-	-	-
Profit after taxation	912,460	774,821	17.8	630,238	541,549	16.4
Less: Minority interests	(435)	14,607	N.M	-	-	-
Net Profit before extraordinary items	912,895	760,214	20.1	630,238	541,549	16.4
Extraordinary items	-	-	-	110,615	772,791	NM
Net Profit attributable to members	912,895	760,214	20.1	740,853	1,314,340	(43.6)

Note: NM = Not Meaningful

2. SELECTED BALANCE SHEET DATA

	Group			Bank		
	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %
(a) Assets						
Total assets	66,324,052	56,773,946	16.8	53,587,296	44,579,335	20.2
Loans and advances including trade bills (non-bank customers)	30,045,283	27,259,114	10.2	23,494,285	20,686,047	13.6
(b) Liabilities						
Deposits (non-bank customers)	43,405,504	40,728,491	6.6	33,937,170	30,587,855	10.9
Total deposits including bankers' deposits	56,836,928	47,207,004	20.4	46,718,044	38,141,516	22.5
(c) Capital and reserves						
Issued and paid-up capital	1,052,451	1,051,862	0.1	1,052,451	1,051,862	0.1
Total shareholders' funds	6,769,523	6,191,047	9.3	5,057,235	4,627,820	9.3

3. OTHER INFORMATION

	Group			Bank		
	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	Incr / (Decr) %
(a) Net profit attributable to members:-						
6 months ended 30 Jun	408,366	319,694	27.7	387,421	199,555	94.1
6 months ended 31Dec	504,529	440,520	14.5	353,432	1,114,785	(68.3)
Total for the year	912,895	760,214	20.1	740,853	1,314,340	(43.6)
(b) Depreciation	74,743	62,905	18.8	40,704	37,979	7.2
(c) Net profit as a percentage of average total shareholders' funds (%)	14.1	12.6		15.3	31.0	
(d) Earnings per share (cents)						
- Basic	86.8	72.4		70.4	125.3	
- Fully diluted	86.7	72.4		70.4	125.3	
(e) Net tangible asset backing per share (S\$)	6.43	5.89		4.81	4.40	

(f) Details of new shares of the Bank are as follows:-

<u>Particulars of Issue</u>	<u>No. of new shares issued between</u>	<u>No. of new shares that would have been issued upon the exercise of all outstanding options</u>	
		<u>At 31.12.00</u>	<u>At 30.6.00</u>
Exercise of : UOB Executive Share Options	250,000	3,807,000	2,520,000

4. REVIEW OF PERFORMANCE

- a. The Group recorded a profit growth of 20.1% for 2000 with net profit after tax reaching \$913 million. The growth in profit was mainly due to higher net interest income from loans, higher profits recognised from sale of Unity Towers which has been completed, lower provisions and higher contribution from associated companies. These were partly offset by higher operating expenses.
- b. The Group operating expenses rose by 29.4% to \$751 million, resulted from the increase in both staff and other operating expenses. Staff costs grew by 33.8% as a result of the increase in manpower, alignment of staff remuneration to market and staff training. Other operating expenses increased by 25.2%, mainly contributed by the increase in information technology related costs. The inclusion of UOB Philippines and UOB Radanasin for the first time in 2000 also contributed to the increases.

Excluding UOB Philippines and UOB Radanasin, the Group operating expenses increased by 14.5%.

- c. The Bank's extraordinary gains of \$111 million comprised the special dividends from United Overseas Finance Limited (UOF) prior to its merger with the Bank. These were fully eliminated at the Group level.
- d. In line with the improved loan quality, total cumulative specific and general provisions for the Group declined by \$121 million or 6.3% from \$1,933 million in 1999 to \$1,812 million in 2000. Non-performing loans (NPLs) also fell 12.8% from \$2,993 million in 1999 to \$2,610 million, attributable to a more buoyant economy, proactive credit reviews and continued caution in the selection of credits. As a result of NPLs declining at a faster rate than cumulative loan provisions, provision coverage improved by 4.8% point from 64.6% to 69.4%.
- e. Despite competitive market conditions, the Group non-bank loans recorded a significant growth of 10.2% to reach \$30,045 million in 2000. The Group total assets grew by 16.8% or \$9,550 million from \$56,774 million in 1999 to \$66,324 million in 2000.

5. DIVIDENDS

The Directors recommend the payment of a final dividend of 25% or 25 cents per share less 24.5% Singapore income tax (1999: 12% or 12 cents per share less 25.5% Singapore income tax and a special bonus dividend (tax exempt) of 25% or 25 cents per share) in respect of the financial year ended 31 December 2000.

Together with the interim payment of 15% or 15 cents per share paid previously, the total dividend for the financial year ended 31 December 2000 would be 40% (1999: 45%) amounting to a total net dividend payment of \$316.3 million (1999: S\$416.0 million). The total net dividend payment may be greater if before the books closure date, options under the UOB Executives' Share Option Scheme are exercised for shares.

All existing holders of options granted under the UOB Executives' Share Option Scheme who exercise their options for shares by the books closure date will be entitled to the final dividend, in accordance with the terms of the UOB Executives' Share Option Scheme.

If approved at the Annual General Meeting, the dividend will be paid on 15 June 2001.

6. CLOSURE OF BOOKS

Notice is hereby given that, subject to shareholders' approval of the payment of the aforementioned dividend at the Annual General Meeting to be held on 24 May 2001, the Share Transfer Books and Registers of Members of the Bank will be closed from 05 June 2001 to 06 June 2001, both dates inclusive. Duly completed transfers received by the Bank's Registrar, Lim Associates Pte Ltd, at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 up to 5.00 p.m. on 04 Jun 2001 will be registered to determine shareholders' entitlement to the proposed ordinary dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd (CDP), the final dividend will be paid by the Bank to CDP which will in turn distribute the dividend entitlements to shareholders.

BY ORDER OF THE BOARD

Mrs Vivien Chan
Secretary

Dated this 09th day of March 2001