

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. UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2000

	Group			Bank		
	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %
Interest Income	1,444,003	1,205,923	19.7	1,118,622	845,748	32.3
Less: Interest Expense	861,023	663,301	29.8	715,591	516,542	38.5
Net Interest Income	582,980	542,622	7.4	403,031	329,206	22.4
Dividends	6,478	3,022	114.4	105,945	51,199	106.9
Fee and Commission income	173,343	151,209	14.6	86,928	64,517	34.7
Rental Income	35,044	41,917	(16.4)	19,626	21,819	(10.1)
Other Operating Income	148,987	107,698	38.3	89,610	81,432	10.0
Income before operating expenses	946,832	846,468	11.9	705,140	548,173	28.6
Less : Staff Expenses	184,849	134,798	37.1	111,107	85,543	29.9
Other Operating expenses	180,680	129,804	39.2	101,567	85,573	18.7
	365,529	264,602	38.1	212,674	171,116	24.3
Operating profit	581,303	581,866	(0.1)	492,466	377,057	30.6
Less : Provisions	67,771	152,457	(55.5)	97,797	80,156	22.0
Profit before taxation	513,532	429,409	19.6	394,669	296,901	32.9
Share of profit before tax of associates	41,722	29,606	40.9	-	-	-
Total profit before tax	555,254	459,015	21.0	394,669	296,901	32.9
Less: Taxation						
- The Group/Bank	140,076	123,219	13.7	117,863	97,346	21.1
- Associates	6,904	8,765	(21.2)	-	-	-
Profit after taxation	408,274	327,031	24.8	276,806	199,555	38.7
Less: Minority Interests	(92)	7,337	NM	-	-	-
Net Profit before extraordinary items	408,366	319,694	27.7	276,806	199,555	38.7
Extraordinary item	-	-	-	110,615	-	NM
Net Profit attributable to members	408,366	319,694	27.7	387,421	199,555	94.1

Note: NM = Not Meaningful

2. SELECTED BALANCE SHEET DATA

	Group			Bank		
	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %
(a) Assets						
Total Assets	58,461,583	52,976,821	10.4	46,896,551	39,193,319	19.7
Loans and advances including trade bills (non-bank customers)	28,627,993	26,828,618	6.7	22,375,336	18,361,850	21.9
(b) Liabilities						
Deposits (non-bank customers)	37,799,144	35,827,303	5.5	28,794,735	25,329,375	13.7
Total deposits including bankers' deposits	49,699,952	43,821,533	13.4	40,719,903	34,213,427	19.0
(c) Capital and Reserves						
Issued and paid-up capital	1,052,201	997,054	5.5	1,052,201	997,054	5.5
Total shareholders' funds	6,562,892	6,265,936	4.7	5,019,416	4,073,344	23.2

3. OTHER INFORMATION

	Group			Bank		
	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %	<u>30.6.00</u> S\$'000	<u>30.6.99</u> S\$'000	<u>Incr /</u> <u>(Decr)</u> %
(a) Depreciation	37,120	31,932	16.2	19,798	18,729	5.7
(b) Annualised net profit as a percentage of average issued capital & reserves (%)	12.8	10.5		16.1	10.1	
(c) Annualised earnings per share (cents):						
<u>Before Extraordinary Item</u>						
- Basic	77.6	61.0 *		52.6	38.1 *	
- Fully Diluted	77.6	61.0 *		52.6	38.1 *	
<u>After Extraordinary Item</u>						
- Basic	77.6	61.0 *		73.6	38.1 *	
- Fully Diluted	77.6	61.0 *		73.6	38.1 *	
(d) Net tangible asset backing per share (S\$)	6.24	5.97 *		4.77	3.88 *	

* Adjusted for bonus shares issued in November 1999.

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

<u>Particulars of Issue</u>	<u>No. of new shares issued between</u> 1.1.00 and 30.06.00	<u>No. of new shares that would have been issued upon the exercise of all outstanding options</u>	
		<u>At 30.6.00</u>	<u>At 1.1.00</u>
Exercise of : UOB Executive Share Options	339,000	2,520,000	2,924,000

4. REVIEW OF PERFORMANCE

- (a) The Group's net profit after tax for first half of 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 cards activities, higher profits recognised from the progress receipts from the sale of the Unity Towers (previously known as Singapore Exchange Centre), lower provisions and higher profits 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 and UOB Philippines.
- (b) The Group's operating expenses rose by 38.1% over the same period last year. This was mainly due to higher headcount and increase in staff remuneration, higher information technology related costs and the inclusion of UOB Radanasin and UOB Philippines' operating expenses for the first time.
- (c) Total cumulative specific and general provisions for the Group as at 30 June 2000 amounted to \$2,018 million as against \$1,933 million at 31 December 1999 and \$1,844 million at 30 June 1999. Out of the total provisions of \$2,018 million, general provision amounted to \$822 million. Total provisions represent 68.5% of the Group's non-performing loans (NPL) of \$2,946 million.
- (d) The Bank's extraordinary gains of \$111 million comprised the special dividend from United Overseas Finance Limited after the transfer of its business to the Bank.

5. DIVIDEND

The Directors are pleased to declare an interim dividend of 15% or 15 cents per share less 25.5% Singapore income tax (1999 interim dividend: 8% or 8 cents per share less 26% Singapore income tax) in respect of the financial year ending 31 December 2000. The increase in dividend is in line with our capital management strategies. The dividend will be paid on 01 September 2000.

6. CLOSURE OF BOOKS

Notice is hereby given that, the Share Transfer Books and Registers of Members of the Bank will be closed from 23 August 2000 to 25 August 2000, both dates inclusive, to determine shareholders' entitlement to the interim dividend. 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 22 August 2000 will be registered to determine shareholders' entitlement to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd (CDP), the interim 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 4th day of August 2000