

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

I) Highlights & Performance Indicators

	First Half 2001	First Half 2000	Increase/ Decrease (%)
● Key Indicators			
Net Interest Income (NII)	588	583	+ 0.9
Non Interest Income	362	364	- (0.5)
Total Income	950	947	+ 0.4
Total Expenses	360	366	- (1.5)
Operating Profit Before Provisions	590	581	+ 1.6
❖ Net Profit After Tax (NPAT) (\$'m)	455	408	+ 11.3
❖ Income Mix:-			
- Net Interest Income/Total Income (%)	61.9	61.6	+ 0.3 % pt
- Non Interest Income/Total Income (%)	38.1	38.4	- 0.3 % pt
	100.0	100.0	-
❖ Profit (Before Tax) Contribution:-			
- Onshore (%)	74.4	85.2	- 10.8 % pt
- Offshore including ACU (%)	25.6	14.8	+ 10.8 % pt
	100.0	100.0	-
❖ Annualized Return On Average Shareholders' Funds (ROE) (%) ⁺	12.8	12.5	+ 0.3 % pt
❖ Annualized Basic Earnings Per Share (EPS) (¢)	86.4	77.6	+ 11.3
❖ Annualized Return On Average Assets (ROA) (%)	1.35	1.42	- 0.07 % pt
❖ Annualized NII / Average Interest-bearing Assets	1.98	2.26	- 0.28 % pt
❖ Expense / Income ratio (%)	37.9	38.6	- 0.7 % pt
● Other Indicators			
❖ Customer Loans (net) (\$'m)	31,249	28,628	+ 9.2
❖ Customer Deposits (\$'m)	44,053	37,799	+ 16.5
❖ Loans / Deposits Ratio (%) [®]	70.9	75.7	- 4.8 % pt
❖ Non-Performing Loans (NPL) (\$'m)	2,507	2,946	- 14.9
❖ Cumulative Provisions (\$'m)	1,674	2,018	- 17.0
❖ NPL / Gross Customer Loans (%)	7.6	9.7	- 2.1 % pt
❖ Cumulative Provisions / NPL (%)	66.8	68.5	- 1.7 % pt
❖ Total Assets (\$'m)	68,432	58,462	+ 17.1
❖ Shareholders' Funds (\$'m)	7,262	6,563	+ 10.7
❖ Unrealised Surplus from Revaluation (\$'m) [*]	1,487	1,623	- 8.4
❖ Net Tangible Asset (NTA) Backing Per Share (\$) ⁺	6.90	6.24	+ 10.6
❖ Revalued Net Tangible Asset (NTA) Backing Per Share (\$)	8.31	7.78	+ 6.8
❖ Capital Adequacy Ratio (CAR) - BIS (%)	20.1	20.8	- 0.7 % pt
❖ Dividend Rates (%)			
■ Interim	15.0	15.0	-

+ Comparative figures have been restated to reflect the effect of adopting new Statement of Accounting Standard (SAS)10: Events after Balance Sheet Date

[®] Loans refer to net customer loans while Deposits refer to customer deposits.

^{*} Not incorporated into the accounts and exclude the revaluation surplus/deficit from investment in associates.

Note: All variances in this report were computed from amounts stated in thousands.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

Group Profits

The Group recorded a profit growth of 11.3% for the first half of 2001, with net profit after tax reaching \$455 million. This represented an increase of about \$47 million over the \$408 million registered in the first half of 2000. The growth was due mainly to a marginally higher net interest income resulting from an increase in loan volume, higher dealing income from sale of government securities and higher profit on foreign exchange, as well as lower operating expenses and a lower provision charge in the first half of 2001. These were partially offset by lower fee and commission income, primarily from stockbroking and fund management activities, as well as lower profit from associates.

Financial Ratios

- ◆ Earnings per share increased by 11.3%, from 77.6 cents to 86.4 cents in first half 2001. The price over earnings per share (P/E) ratio, based on the Bank's last done share price of \$10.70 on 2 August 2001 was 12.4.
- ◆ Return on average shareholders' funds at 12.8%, increased by 0.3% point from 12.5% in first half 2000.
- ◆ Net tangible asset (NTA) backing per share rose by \$0.66 or 10.6% from \$6.24 in first half 2000 to \$6.90 in first half 2001.
- ◆ Interim dividend of 15% (First Half 2000: 15%) was 3.8 times covered by net profit (First Half 2000: 3.5 times)

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

UNAUDITED PROFIT & LOSS STATEMENT FOR HALF YEAR ENDED 30 JUNE 2001

	First Half 2001 \$ million	First Half 2000 \$ million	Increase/ (Decrease) %
Interest income	1,515	1,444	4.9
Less: Interest expense	<u>926</u>	<u>861</u>	<u>7.6</u>
Net interest income	588	583	0.9
Dividends	7	6	3.3
Fee and commission income	145	173	(16.2)
Rental income	38	35	8.1
Other operating income	172	149	15.5
Total Non-Interest Income	362	364	(0.5)
Total income	950	947	0.4
Less: Staff expenses	186	185	0.5
Other operating expenses	174	181	(3.5)
Total operating expenses	360	366	(1.5)
Operating profit before provisions	590	581	1.6
Less: Provisions	<u>11</u>	<u>68</u>	<u>(84.0)</u>
Operating profit	579	513	12.8
Share of profit of associates	<u>25</u>	<u>42</u>	<u>(39.9)</u>
Profit before tax	605	555	8.9
Less: Taxation	151	147	2.6
Profit after tax	<u>454</u>	<u>408</u>	<u>11.1</u>
Less: Minority interests	(1)	(0) *	832.6
Net profit attributable to members	<u><u>455</u></u>	<u><u>408</u></u>	<u><u>11.3</u></u>
Expense / Income ratio (%)	37.9 %	38.6 %	(0.7)% pt
Earnings per share (¢)			
- Basic	86.4 ¢	77.6 ¢	11.3
- Fully diluted	86.4 ¢	77.6 ¢	11.3

* less than (\$500,000)

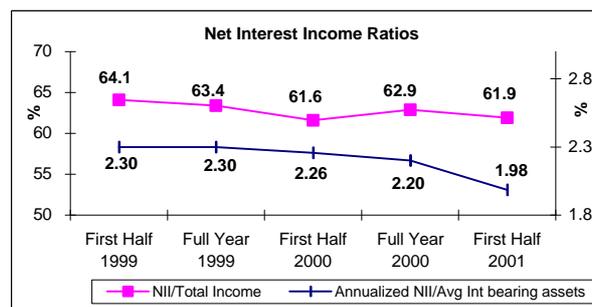
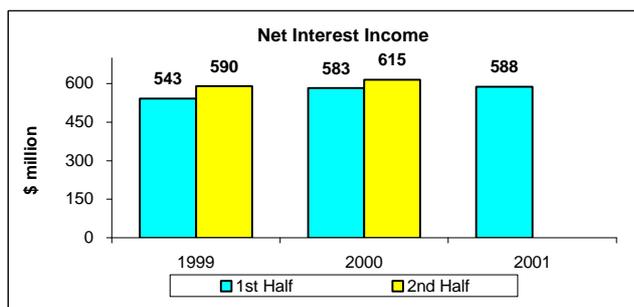
Note: Certain figures may not add up to the relevant totals due to rounding.

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

Net Interest Income

Net interest income for the Group rose by 0.9% from \$583 million in first half 2000 to \$588 million in first half 2001. Net interest income continued to be the major contributor of total income, accounting for about 61.9% (First Half 2000: 61.6%) of total income.



The increase in net interest income was contributed by the growth in loan volume and higher inter-bank money market activities. The average interest margin, however, decreased by 28 basis points from 2.26% in first half 2000 to 1.98% in first half 2001, due primarily to the lower loan spread, particularly from housing loans due to the increasingly competitive pricing during the first half of 2001.

Group Average Interest Margin

	First Half 2001			First Half 2000		
	Average Balance	Annualized Interest	Average Rate	Average Balance	Annualized Interest	Average Rate
	\$ million	\$ million	%	\$ million	\$ million	%
Interest bearing assets	59,340	3,030	5.11	51,652	2,888	5.59
Interest bearing liabilities	55,819	1,852	3.32	48,470	1,722	3.55
Net interest income		1,176			1,166	
Group Average Interest Margin*			1.98			2.26

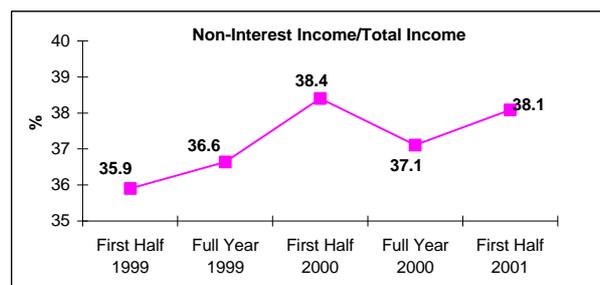
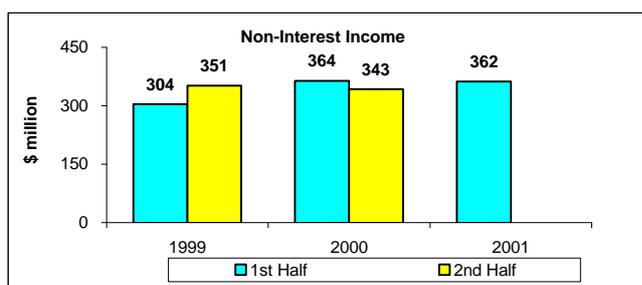
* Interest margin represents net interest income as a percentage of average interest-bearing assets

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

Non-Interest Income

The Group's non-interest income for first half 2001 accounted for 38.1% of total income. Total non-interest income decreased by \$2 million or 0.5% to \$362 million in first half 2001.



The decrease in non-interest income was primarily due to lower fee and commission income from stockbroking and fund management activities. Contributions from the Bank's stockbroking subsidiaries ceased after their mergers with Kay Hian Holdings to form a new associate, UOB-Kay Hian Holdings. Accordingly, contributions from the new associate were reflected as part of the Group's share of profits from associates.

The above decrease was partially offset by higher dealing income from sale of government securities and profit from dealing in foreign exchange.

Composition of Non-Interest Income

	<u>First Half 2001</u>	<u>First Half 2000</u>	<u>Increase/ (Decrease)</u>
	<u>\$ million</u>	<u>\$ million</u>	<u>%</u>
Fee and commission income			
Stockbroking	1	27	(98.1)
Fund management	23	35	(33.5)
Investment related	6	13	(52.2)
Trade-related	35	33	5.9
Loan-related	23	17	32.2
Credit card	28	24	16.8
Others	29	24	21.8
	145	173	(16.2)
Dividend and rental	45	42	7.3
Other operating income			
Dealing income	108	83	29.0
Others	64	66	(1.8)
	172	149	15.5
Total non-interest income	362	364	(0.5)

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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

Other Operating Income

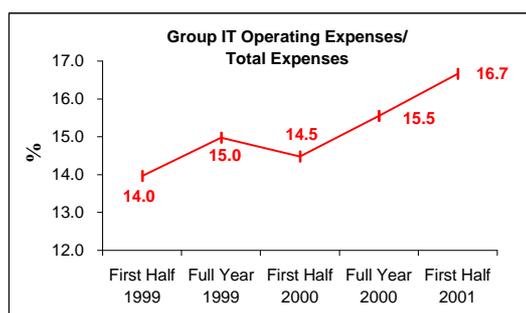
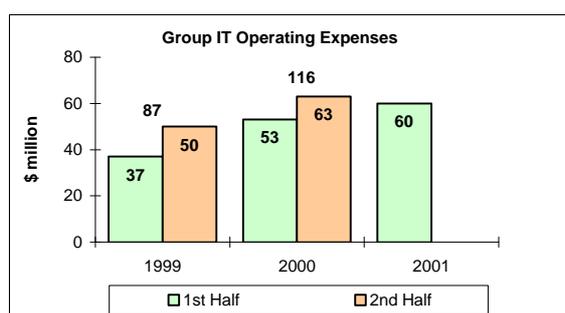
	First Half 2001 \$ million	First Half 2000 \$ million	Increase/ (Decrease) %
Gains/(Losses) from:			
- dealing in securities, government treasury bills & securities and derivatives	48	37	28.8
- dealing in foreign exchange	60	46	29.2
Dealing Income	108	83	29.0
- sale of investment securities	(5)	5	(196.8)
- sale of properties and other fixed assets	37	21	72.3
- others	32	40	(18.0)
Others	64	66	(1.8)
Total other operating income	172	149	15.5

Operating Expenses

Total operating expenses for the first half of 2001 decreased by \$6 million or 1.5% over the same period last year. The merger of the stockbroking subsidiaries with Kay Hian Holdings resulted in a drop in total operating expenses of about \$14 million, as these companies are now part of the new associate, UOB-Kay Hian Holdings. The decrease was partially offset by the increase in information technology (IT) expenditure of \$7 million, largely from Singapore and the ASEAN region as the Group continued with its investments in technology and the IT integration and enhancement initiatives at the regional banks. The expense-to-income ratio improved from 39.4% as at year-end 2000 to 37.9% as at first half 2001, reflecting the effect of the Group's cost control efforts.

	First Half 2001 \$ million	First Half 2000 \$ million	Increase/ (Decrease) %
Staff expenses	186	185	0.5
Other operating expenses	174	181	(3.5)
Total operating expenses	360	366	(1.5)

IT operating expenses for this half year increased by \$7 million over the same period last year to \$60 million and accounted for 16.7% of total Group expenses.



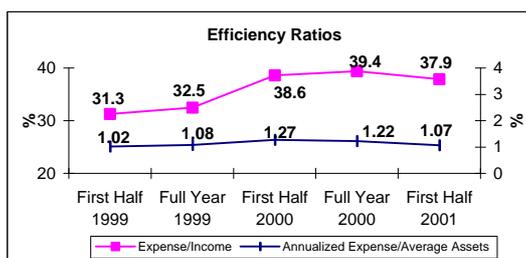
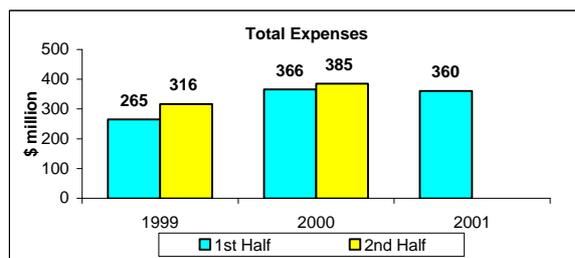
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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

II) Review of Financial Performance

Operating Expenses (cont'd)

Efficiency Ratios:

- Expense to income ratio improved to 37.9% from 39.4% as at year-end 2000 (First Half 2000:38.6%);
- Expense to average assets improved to 1.07% from 1.22% as at year-end 2000 (First Half 2000:1.27%).



Other Operating Expenses

	First Half 2001 \$ million	First Half 2000 \$ million	Incr/ (Decr) %
Depreciation			
- Land and buildings	11	9	13.0
- Office equipment, computer, fixtures and other fixed assets	30	28	8.7
	41	37	9.8
Rental of premises and equipment	16	18	(9.8)
Maintenance of premises and other fixed assets	14	15	(7.7)
Other expenses	103	111	(6.4)
Total other operating expenses	<u>174</u>	<u>181</u>	<u>(3.5)</u>

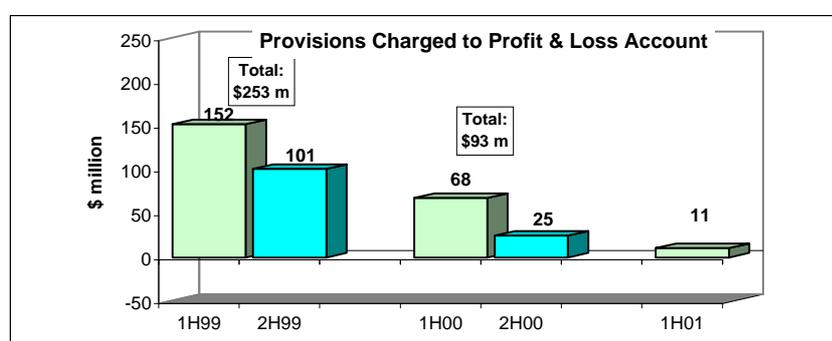
Other operating expenses were \$174 million in first half 2001, down 3.5% from \$181 million in first half 2000, reflecting the effect of the Group's continuous efforts to control costs.

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II) Review of Financial Performance

Provisions Charged To Profit And Loss Account

The provision charge of \$11 million for the first half of 2001 was \$57 million or 84.0% lower than the provision charge of \$68 million for the first half of 2000. The decrease was mainly due to a write-back of \$16 million in general provision, as well as lower specific provision made for loans. Specific provisions for loans was 64.5% lower, from \$62 million in first half 2000 to \$22 million in first half 2001, reflecting lower loan defaults.



	2001	2000		Full year \$ million
	First Half \$ million	First Half \$ million	Second Half \$ million	
The Group				
Specific provision for loans	22	62	10	72
General provision for loans	(16)	-	(53)	(53)
Specific provision for diminution in value of other assets	5	6	68	74
Total Provisions	11	68	25	93
Provisions Charged By Major Region:				
Specific provision for loans				
- Five Regional Countries *	12	39	(6)	33
- Greater China **	(14)	(2)	(2)	(4)
- Singapore & other countries	24	25	18	43
	22	62	10	72
General provision for loans				
- Five Regional Countries *	(22)	-	(52)	(52)
- Greater China **	5	-	-	-
- Singapore & other countries	1	-	(1)	(1)
	(16)	-	(53)	(53)
Specific provision for diminution in value of other assets	5	6	68	74
Total Provisions	11	68	25	93

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

** Greater China comprises Hong Kong S.A.R., China and Taiwan.

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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

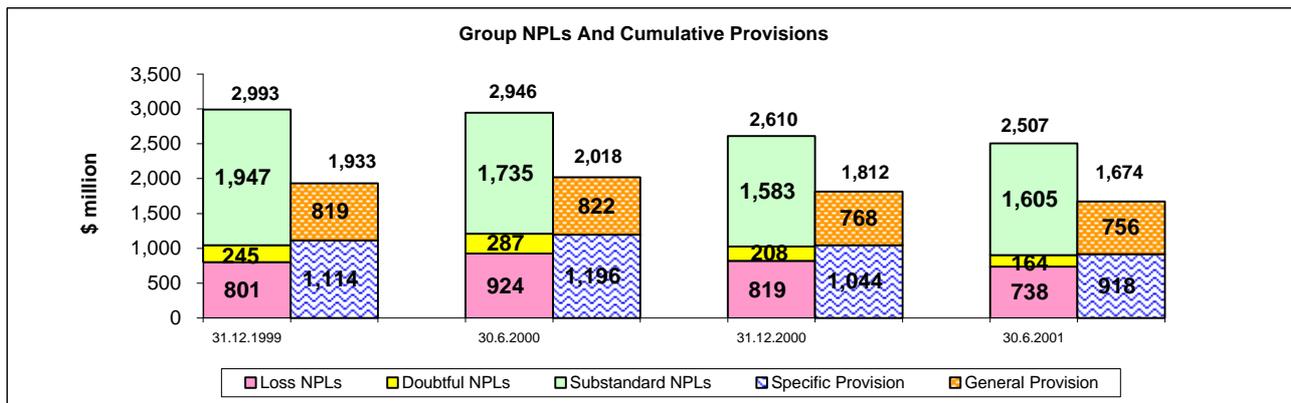
Group's Non-Performing Loans (NPLs) and Cumulative Provisions

Non-Performing Loans are classified as 'Substandard', 'Doubtful' or 'Loss' - in accordance with the MAS Notice 612 - when borrowers are unable to meet payments when due, as demonstrated by their payment records and information on their financial position and income.

Despite the weak domestic and regional economies, the Group's NPLs decreased by 3.9% from \$2,610 million as at 31 December 2000 and 14.9% from \$2,946 million as at 30 June 2000 to \$2,507 million as at 30 June 2001. NPLs as a percentage of gross customer loans improved to 7.6% as at 30 June 2001 from 8.2% as at 31 December 2000 and 9.7% as at 30 June 2000. Out of the total NPLs of \$2,507 million, \$1,605 million or 64.0% were in the substandard category, and \$1,447 million or 57.7% were secured.

The continuous improvement in NPLs is due to active management of NPLs and continued caution in the selection of credits by the Group.

Total cumulative specific and general provisions for the Group as at 30 June 2001 was \$1,674 million against \$1,812 million as at 31 December 2000. As at 30 June 2001, general provision was \$756 million or 45.2% of total cumulative provisions. The total cumulative provisions provided 66.8% cover against total Group NPLs and 157.9% of the Group's unsecured NPLs.



Ratios (%)

NPLs/Gross Customer Loans
 Cumulative Provisions/NPLs
 Cumulative Provisions/Doubtful & Loss NPLs
 Cumulative Provisions/Unsecured NPLs
 Cumulative Provisions/Gross Customer Loans
 - Specific Provision/Gross Customer Loans
 - General Provision/Gross Customer Loans
 NPLs/Total Assets

	30.6.2001	31.12.2000	30.6.2000	31.12.1999
NPLs/Gross Customer Loans	7.6	8.2	9.7	10.3
Cumulative Provisions/NPLs	66.8	69.4	68.5	64.6
Cumulative Provisions/Doubtful & Loss NPLs	185.6	176.4	166.6	184.8
Cumulative Provisions/Unsecured NPLs	157.9	125.0	137.6	130.3
Cumulative Provisions/Gross Customer Loans	5.1	5.7	6.6	6.7
- Specific Provision/Gross Customer Loans	2.8	3.3	3.9	3.9
- General Provision/Gross Customer Loans	2.3	2.4	2.7	2.8
NPLs/Total Assets	3.7	3.9	5.0	5.3

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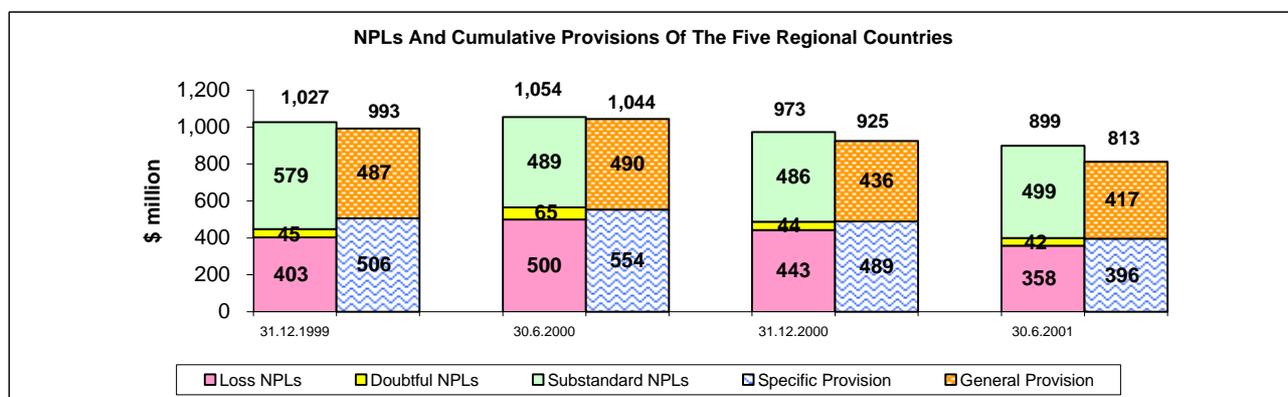
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

NPLs and Cumulative Provisions of the Five Regional Countries

NPLs of the Five Regional Countries fell 7.6% from \$973 million as at 31 December 2000 to \$899 million as at 30 June 2001. NPLs against gross exposure to the region improved from 9.5% as at 31 December 2000 to 8.8% as at 30 June 2001.

Cumulative specific and general provisions for the Five Regional Countries as at 30 June 2001 amounted to \$813 million against \$925 million as at 31 December 2000. These cumulative provisions represented 90.4% of the total NPLs of the Five Regional Countries and 203.3% of the NPLs of the Five Regional Countries that were classified as Doubtful and Loss.



Ratios (%)

NPLs/Gross Customer Loans
 Cumulative Provisions/NPLs
 Cumulative Provisions/Doubtful & Loss NPLs
 Cumulative Provisions/Gross Customer Loans
 - Specific Provision/Gross Customer Loans
 - General Provision/Gross Customer Loans
 NPLs/Gross exposure to the Five Regional Countries

	30.6.2001	31.12.2000	30.6.2000	31.12.1999
NPLs/Gross Customer Loans	20.7	22.4	25.6	28.3
Cumulative Provisions/NPLs	90.4	95.1	99.1	96.7
Cumulative Provisions/Doubtful & Loss NPLs	203.3	189.9	184.8	221.7
Cumulative Provisions/Gross Customer Loans	18.7	21.3	25.4	27.4
- Specific Provision/Gross Customer Loans	9.1	11.3	13.5	14.0
- General Provision/Gross Customer Loans	9.6	10.0	11.9	13.4
NPLs/Gross exposure to the Five Regional Countries	8.8	9.5	9.2	10.2

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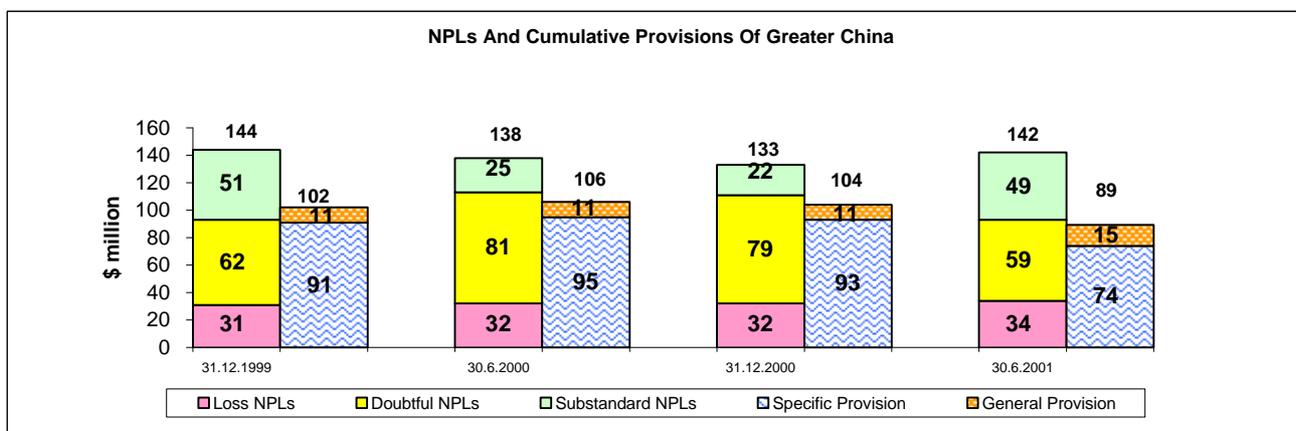
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

NPLs and Cumulative Provisions of Greater China

NPLs of Greater China rose 6.8% from \$133 million as at end 2000 to \$142 million as at 30 June 2001.

The cumulative specific and general provisions for Greater China as at 30 June 2001 decreased to \$89 million as compared to \$104 million as at 31 December 2000. The NPLs of Greater China were 62.7% covered by cumulative provisions. NPLs against gross Greater China exposure as at 30 June 2001 improved to 4.5% compared to 4.9% as at 31 December 2000.



Ratios (%)

NPLs/Gross Customer Loans
 Cumulative Provisions/NPLs
 Cumulative Provisions/Doubtful & Loss NPLs
 Cumulative Provisions/Gross Customer Loans
 - Specific Provision/Gross Customer Loans
 - General Provision/Gross Customer Loans
 NPLs/Gross Greater China Exposure

30.6.2001	31.12.2000	30.6.2000	31.12.1999
11.8	12.6	15.0	16.2
62.7	78.2	76.8	70.8
95.7	93.7	93.8	109.7
7.4	9.8	11.5	11.5
6.2	8.8	10.3	10.3
1.2	1.0	1.2	1.2
4.5	4.9	5.7	7.5

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GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

Group NPLs by Region

The decrease in Group NPLs was mainly due to the lower NPLs of the 5 Regional Countries and OECD countries offset by a slight increase recorded in Greater China and Singapore. NPLs of the Group's Singapore operations and of the Five Regional Countries accounted for 58.2% and 35.9% of Group NPLs respectively.

	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>	<u>31.12.1999</u>
	\$ million			
Singapore	1,460	1,441	1,686	1,768
Malaysia	445	550	607	588
Indonesia	102	128	135	126
Philippines	234	181	157	181
Thailand	118	114	155	132
South Korea	-	-	-	-
Five Regional Countries	899	973	1,054	1,027
Greater China	142	133	138	144
Other OECD	6	63	68	54
Group Total	<u>2,507</u>	<u>2,610</u>	<u>2,946</u>	<u>2,993</u>

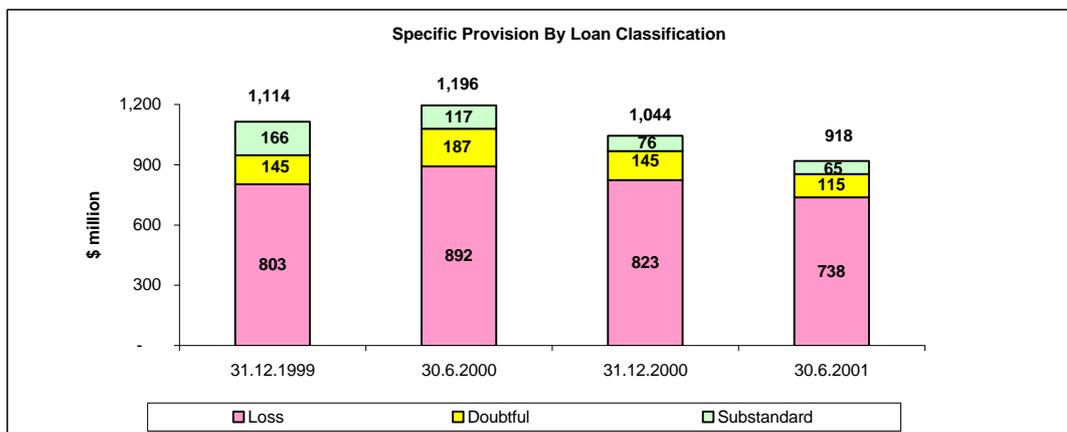
%

NPLs by Industry

	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>
	NPLs		
Transport, storage and communication	3.2	2.4	2.5
Building and construction	9.8	10.7	10.8
Manufacturing	11.9	12.6	14.6
Financial institutions	15.4	17.9	17.4
General commerce	22.6	23.1	21.2
Professionals and private individuals	17.2	14.5	13.8
Housing loans	13.4	11.5	8.2
Others	6.5	7.3	11.5
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Specific Provision by Loan Classification

About three-quarters of specific provision made for expected loan losses are for "Loss" accounts.



UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

Specific Provision by Region

In line with the decrease in NPLs, the Group's specific provision decreased by 12.1% from year-end 2000 to \$918 million as at 30 June 2001. Specific provision for the region decreased by 19.0% from \$489 million as at 31 December 2000 to \$396 million as at 30 June 2000. Against 30 June 2000, the Group's specific provision has decreased by 23.2%.

	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>	<u>31.12.1999</u>
				\$ million
Singapore	445	443	529	509
Malaysia	173	263	297	280
Indonesia	79	96	103	92
Philippines	70	55	62	55
Thailand	74	75	92	79
South Korea	-	-	-	-
Five Regional Countries	396	489	554	506
Greater China	74	93	95	91
Other OECD	3	19	18	8
Specific provision for the Group	918	1,044	1,196	1,114
General provision for the Group	756	768	822	819
Total	<u>1,674</u>	<u>1,812</u>	<u>2,018</u>	<u>1,933</u>

Rescheduled and Restructured Accounts

Rescheduled and restructured accounts that are classified are as follows:

	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>
			\$ million
Singapore	41	57	51
Regional Countries	57	47	31
Greater China	54	33	8
Other Countries	-	-	-
Total	<u>152</u>	<u>137</u>	<u>90</u>

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

III) Non-Performing Loans & Cumulative Provisions

Collateral

NPLs are secured predominantly by properties. Properties are valued at forced sale value or 90% of estimated market value and such valuation are updated semi-annually. As at 30 June 2001, 57.7% of total Group NPLs are secured by collateral as compared to 44.4% as at 31 December 2000.

The secured NPLs of the Group by collateral type based on country of loan booking are as follows:

<u>30 June 2001</u>	\$ million				
	Properties	Market Securities	Cash & Deposits	Others	Total
Singapore	906	43	8	31	988
Five Regional Countries	330	52	1	34	417
Greater China	22	15	-	1	38
Other OECD	4	-	-	-	4
Total	1,262	110	9	66	1,447

<u>31 December 2000</u>	\$ million				
	Properties	Market Securities	Cash & Deposits	Others	Total
Singapore	708	54	6	27	795
Five Regional Countries	313	11	1	16	341
Greater China	10	-	-	1	11
Other OECD	13	-	-	-	13
Total	1,044	65	7	44	1,160

<u>30 June 2000</u>	\$ million				
	Properties	Market Securities	Cash & Deposits	Others	Total
Singapore	914	65	30	48	1,057
Five Regional Countries	316	14	3	66	399
Greater China	8	-	-	1	9
Other OECD	14	-	-	-	14
Total	1,252	79	33	115	1,479

	<u>30.6.2001</u>		<u>31.12.2000</u>		<u>30.6.2000</u>	
	Amount \$ million	% of Total NPLs	Amount \$ million	% of Total NPLs	Amount \$ million	% of Total NPLs
Total Group NPLs						
- secured	1,447	57.7	1,160	44.4	1,479	50.2
- unsecured	1,060	42.3	1,450	55.6	1,467	49.8
	2,507	100.0	2,610	100.0	2,946	100.0
Cumulative provisions/ Unsecured NPLs	157.9%		125.0%		137.6%	

UNITED OVERSEAS BANK LIMITED
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

IV) Segmental Analysis

Geographical Segments

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 are stated after elimination of inter-segment transactions.

30 June 2001

\$ million

	Income before operating expenses	Distribution (%)	Profit before tax	Distribution (%)	Total assets	Distribution (%)
Singapore (including Asian Currency Units)	745	78.4	526	86.9	48,199	70.4
Other ASEAN countries	139	14.6	38	6.3	9,057	13.2
Other Asia Pacific countries	44	4.6	30	4.9	5,731	8.4
Rest of the world	22	2.4	11	1.9	5,445	8.0
	950	100.0	605	100.0	68,432	100.0

31 December 2000

\$ million

	Income before operating expenses	Distribution (%)	Profit before tax	Distribution (%)	Total assets	Distribution (%)
Singapore (including Asian Currency Units)	1,516	79.6	1,059	89.3	50,615	76.3
Other ASEAN countries	260	13.6	62	5.2	8,564	12.9
Other Asia Pacific countries	93	4.9	51	4.3	3,991	6.0
Rest of the world	36	1.9	14	1.2	3,154	4.8
	1,905	100.0	1,186	100.0	66,324	100.0

30 June 2000

\$ million

	Income before operating expenses	Distribution (%)	Profit before tax	Distribution (%)	Total assets	Distribution (%)
Singapore (including Asian Currency Units)	744	78.5	502	90.4	41,740	71.4
Other ASEAN countries	136	14.4	21	3.8	8,004	13.7
Other Asia Pacific countries	50	5.3	27	4.9	4,996	8.5
Rest of the world	17	1.8	5	0.9	3,722	6.4
	947	100.0	555	100.0	58,462	100.0

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

V) Overview Of Balance Sheet

Total Assets

Total assets of the Group grew by 3.2% or \$2,108 million to \$68,432 million as at 30 June 2001 from \$66,324 million as at 31 December 2000. As compared to 30 June 2000, total assets increased by 17.1% or \$9,970 million. The increase came primarily from growth in inter-bank balances and customer loans.

Assets Mix

	<u>30.6.2001</u>		<u>31.12.2000</u>		<u>30.6.2000</u>	
	<u>\$ million</u>	<u>%</u>	<u>\$ million</u>	<u>%</u>	<u>\$ million</u>	<u>%</u>
Cash and balances with central banks	1,706	2.5	1,715	2.6	1,717	2.9
Securities*	6,991	10.2	6,357	9.6	6,554	11.2
Inter-bank balances	23,874	34.9	23,609	35.6	17,740	30.4
Customer loans	31,249	45.7	30,045	45.3	28,628	49.0
Other assets	4,612	6.7	4,598	6.9	3,823	6.5
Total assets	<u>68,432</u>	<u>100.0</u>	<u>66,324</u>	<u>100.0</u>	<u>58,462</u>	<u>100.0</u>

* Comprise Singapore and other government securities and treasury bills, dealing and investment securities.

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

V) Overview Of Balance Sheet

Customer Loans

The Group's net loans and advances to customers increased by 4.0% and 9.2% from 31 December 2000 and 30 June 2000 respectively to reach \$31,249 million as at 30 June 2001.

<u>Customer Loans By Type</u>	<u>30.6.2001</u> \$ million	<u>31.12.2000</u> \$ million	<u>30.6.2000</u> \$ million
Housing loans	7,714	7,541	7,552
Term loans	16,099	15,076	13,552
Trade financing	1,835	1,750	1,846
Overdrafts	7,128	7,343	7,523
Total gross customer loans	32,776	31,710	30,473
Less: Interest-in-suspense & provisions	(1,527)	(1,665)	(1,845)
Net customer loans	31,249	30,045	28,628

<u>Gross Customer Loans Analysed By Remaining Maturity</u>	<u>30.6.2001</u>		<u>31.12.2000</u>		<u>30.6.2000</u>	
	\$ million	%	\$ million	%	\$ million	%
Within 1 year	18,625	56.8	18,833	59.4	17,954	58.9
Over 1 year but within 3 years	3,771	11.5	3,451	10.9	3,937	12.9
Over 3 years but within 5 years	3,369	10.3	2,762	8.7	2,027	6.7
Over 5 years	7,011	21.4	6,664	21.0	6,555	21.5
Total	32,776	100.0	31,710	100.0	30,473	100.0

<u>Gross Customer Loans Analysed By Industry</u>	<u>30.6.2001</u>		<u>31.12.2000</u>		<u>30.6.2000</u>	
	\$ million	%	\$ million	%	\$ million	%
Transport, storage and communication	617	1.9	709	2.2	443	1.5
Building and construction	3,924	12.0	3,569	11.3	3,409	11.2
Manufacturing	2,751	8.4	2,958	9.3	2,746	9.0
Financial institutions	4,882	14.9	4,992	15.7	4,994	16.4
General commerce	4,243	12.9	3,857	12.2	3,907	12.8
Professionals and private individuals	4,698	14.3	4,223	13.3	4,049	13.3
Housing	7,714	23.5	7,541	23.8	7,552	24.8
Others	3,947	12.1	3,861	12.2	3,373	11.1
Total	32,776	100.0	31,710	100.0	30,473	100.0

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

V) Overview Of Balance Sheet

Deposits

As at 30 June 2001, total deposits of the Group stood at \$58,589 million and customer deposits accounted for about 75.2% of total Group deposits. This represented an increase of 3.1% and 17.8% over the balance as at 31 December 2000 and 30 June 2000 respectively. The increase was led by strong performance in customer deposits and higher bankers' deposits arising from the increase in inter-bank money market activities over both periods.

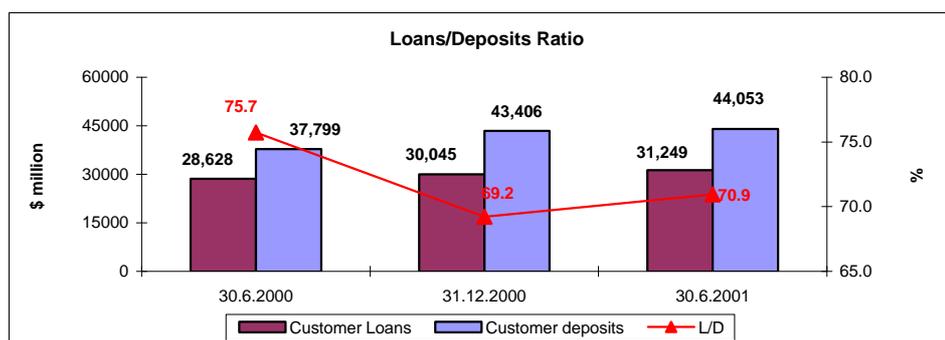
Deposits By Type

	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>
	\$ million	\$ million	\$ million
Bankers' deposits	14,536	13,431	11,933
Customer deposits			
Fixed deposits	32,044	32,421	26,982
Savings & others	12,009	10,985	10,817
	44,053	43,406	37,799
Total deposits	58,589	56,837	49,732

<u>Total Deposits Analysed By</u>	<u>30.6.2001</u>		<u>31.12.2000</u>		<u>30.6.2000</u>	
	\$ million	%	\$ million	%	\$ million	%
<u>Remaining Maturity</u>						
Within 1 year	58,219	99.4	56,462	99.3	49,085	98.7
Over 1 year but within 3 years	178	0.3	178	0.3	482	1.0
Over 3 years but within 5 years	1	0.0	1	0.0	1	0.0
Over 5 years	191	0.3	196	0.4	164	0.3
Total	58,589	100.0	56,837	100.0	49,732	100.0

Loans/Deposits Ratio

The customer loans-to-deposits ratio increased from 69.2% as at 31 December 2000 to 70.9% as at 30 June 2001. This was due to the growth in net customer loans of 4.0% outpacing the 1.5% growth in customer deposits.



UNITED OVERSEAS BANK LIMITED

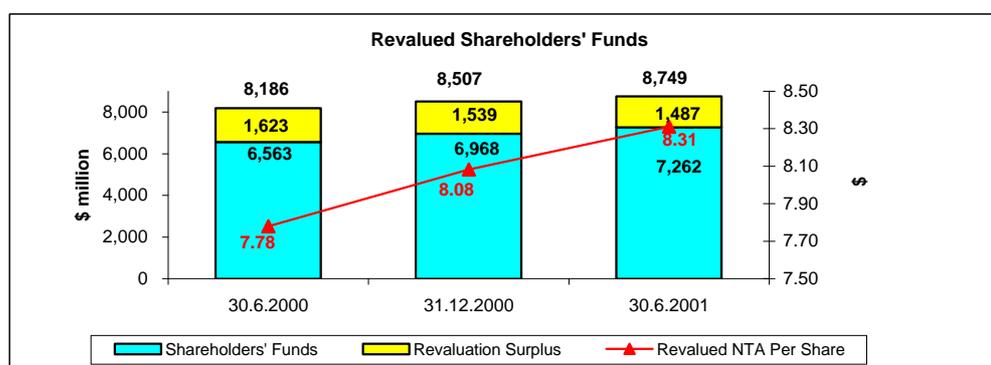
GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

V) Overview Of Balance Sheet

Shareholders' Funds

Group shareholders' funds stood at \$7,262 million as at 30 June 2001. The increase of 10.7% over \$6,563 million as at 30 June 2000 was due primarily to the retention of Group profits and higher share of the reserves of associates.

As at 30 June 2001, unrealised revaluation surpluses in long-term investments and properties amounting to \$1,487 million, were not incorporated into the Group's accounts.



	<u>30.6.2001</u>	<u>31.12.2000</u>	<u>30.6.2000</u>
	<u>\$ million</u>	<u>\$ million</u>	<u>\$ million</u>
Shareholders' Funds per book	7,262	6,968	6,563
<u>Add: Surplus on Revaluation (Not incorporated in the accounts)</u>			
- Properties	1,448	1,485	1,592
- Long Term Investments **	39	54	31
Total Surplus on Revaluation	1,487	1,539	1,623
Shareholders' Funds including Revaluation Surplus	8,749	8,507	8,186
<u>NTA Per Share (in \$)</u>			
- NTA per book	6.90	6.62	6.24
- Revaluation Surplus	1.41	1.46	1.54
Total Revalued NTA	8.31	8.08	7.78

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

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

VI) Capital Adequacy Ratio (CAR)

The Capital Adequacy Ratio (CAR) of the Group was computed in accordance with the guidelines issued by the Basle Committee on Banking Supervision. Tier-1 capital comprises share capital, disclosed reserves and minority interests, while the Tier-2 supplementary capital consists primarily of general loan loss reserves and revaluation reserves on investments and properties held for investment purposes. The general loan loss reserve excludes specific and earmarked provisions, and the revaluation reserves being the difference between the book value and market value are discounted at 55%.

It is the Group's policy to maintain a strong capital position to support growth of the Group both organically and through acquisitions. As at 30 June 2001, the Group maintained a strong CAR of 20.1%, which is more than twice the minimum of 8% set by the Bank for International Settlement (BIS), and well above the minimum of 12% required by the Monetary Authority of Singapore.

	<u>30.6.2001</u> \$ million	<u>31.12.2000</u> \$ million	<u>30.6.2000</u> \$ million
Capital			
Tier 1 - Core Capital			
Share capital	1,052	1,052	1,052
Disclosed reserves	5,890	5,400	5,261
Minority interests	198	207	216
	<u>7,140</u>	<u>6,659</u>	<u>6,529</u>
Tier 2 - Supplementary Capital			
Revaluation reserves	728	735	693
General loan loss reserves	520	333	333
	<u>1,248</u>	<u>1,068</u>	<u>1,026</u>
Less: Investments in collateralised bond obligations	(38)	(23)	-
Overall capital	<u>8,350</u>	<u>7,704</u>	<u>7,555</u>
Risk Weighted Assets			
Total risk weighted assets adjusted to include market risk	<u>41,490</u>	<u>39,003</u>	<u>36,365</u>
Capital Adequacy Ratios			
Tier 1	17.2%	17.1%	18.0%
Total capital	20.1%	19.8%	20.8%

UNITED OVERSEAS BANK LIMITED

GROUP FINANCIAL PERFORMANCE FOR FIRST HALF 2001

VII) Country of Operation Exposure

The Group's total direct exposure to the 15 countries (outside Singapore) in which it has a presence amounted to \$18.4 billion as at 30 June 2001, or 26.9% of Group total assets. Exposure reported are segregated by loans and advances to customers, balances due from banks domiciled or operating in the country, investments and balances due from the government. At a country level, direct exposure to Malaysia where the Group has a long-standing presence, remained the largest at \$4.7 billion or 6.8% of Group total assets, followed by direct exposure to UK at \$2.5 billion or 3.7% of Group total assets.

\$ million

Scale of Operation Exposure	30 June 2001								Exposure (excluding contingent)			
	Loans							less: Loans/Inv'ts in our Subsidiaries & Branches	Total	% of Group Total Assets	% of Group Total Assets	
	Non-Bank		Central Banks & Gov't Securities	Bank		Inv't	Total					
	Direct	Contingent		Direct	Contingent				30.6.2001	30.6.2000	30.6.2001	30.6.2000
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (a+c+d+f)	(h)	(i) = (g-h)			
Malaysia	3,056	808	816	777	28	423	5,072	411	4,661	4,983	6.8	8.5
Indonesia	273	31	108	75	3	35	491	32	459	506	0.7	0.9
Thailand	666	245	1,657	387	22	163	2,873	465	2,408	2,626	3.5	4.5
Philippines	315	15	248	61	6	40	664	85	579	547	0.8	0.9
South Korea	30	3	56	920	448	136	1,442	72	1,070	1,421	1.6	2.4
Total RCs	4,340	1,102	2,885	2,220	507	797	10,242	1,065	9,177	10,083	13.4	17.2
Greater China	1,202	132	112	1,358	150	464	3,136	703	2,433	1,815	3.6	3.1
Other OECD	2,268	98	30	4,535	576	377	7,210	412	6,798	6,202	9.9	10.6
Others	9	1	4	13	44	0	26	3	23	27	0.0	0.0
Sub-total	3,479	231	146	5,906	770	841	10,372	1,118	9,254	8,044	13.5	13.7
Total	7,819	1,333	3,031	8,126	1,277	1,638	20,614	2,183	18,431	18,127	26.9	30.9

\$ million

Scale of Operation Exposure	31 December 2000								Exposure (excluding contingent)			
	Loans							less: Loans/Inv'ts in our Subsidiaries & Branches	Total	% of Group Total Assets	% of Group Total Assets	
	Non-Bank		Central Banks & Gov't Securities	Bank		Inv't	Total					
	Direct	Contingent		Direct	Contingent				31.12.00	31.12.99	31.12.00	31.12.99
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (a+c+d+f)	(h)	(i) = (g-h)			
Malaysia	3,167	468	993	1,118	14	470	5,748	579	5,169	4,175	7.8	7.4
Indonesia	311	38	45	79	2	35	470	34	436	490	0.7	0.9
Thailand	420	223	1,648	66	19	190	2,324	165	2,159	2,696	3.2	4.7
Philippines	275	13	210	102	2	66	653	150	503	598	0.8	1.1
South Korea	18	0	51	832	98	107	1,008	5	1,003	723	1.5	1.3
Total RCs	4,191	742	2,947	2,197	135	868	10,203	933	9,270	8,682	14.0	15.4
Greater China	1,053	85	101	1,328	129	213	2,695	637	2,058	1,252	3.1	2.2
Other OECD	2,207	126	32	6,358	462	138	8,735	262	8,473	5,943	12.8	10.5
Others	7	13	4	19	19	0	30	9	21	23	0.0	0.0
Sub-total	3,267	224	137	7,705	610	351	11,460	908	10,552	7,218	15.9	12.7
Total	7,458	966	3,084	9,902	745	1,219	21,663	1,841	19,822	15,900	29.9	28.1

UOB GROUP
UNAUDITED CONSOLIDATED PROFIT & LOSS STATEMENTS

	First Half 2001 \$ million	2000		
		First Half \$ million	Second Half \$ million	Full Year \$ million
Interest income	1,515	1,444	1,609	3,053
Less: Interest expense	926	861	994	1,855
Net Interest income	588	583	615	1,198
Dividends	7	6	2	8
Fee and commission income	145	173	157	330
Rental income	38	35	36	71
Other operating income	172	149	149	298
Total Non-interest income	362	364	343	707
Total income	950	947	958	1,905
Less: Staff expenses	186	185	196	381
Other operating expenses	174	181	189	370
Total operating expenses	360	366	385	751
Operating profit before provisions	590	581	573	1,154
Less: Provisions	11	68	25	93
Operating profits	579	513	548	1,061
Share of profit of associated companies	25	42	83	125
Profit before tax	605	555	631	1,186
Less: Taxation				
- The Group	138	140	114	254
- Associated companies	13	7	12	19
Profit after tax	454	408	505	913
Less: Minority interests	(1)	0 *	0 *	0 *
Net profit attributable to members	455	408	505	913

* Less than (\$500,000)

Note: Certain figures may not add up to the relevant totals due to rounding.

UOB GROUP
UNAUDITED CONSOLIDATED BALANCE SHEETS

	30 Jun 2001	31 Dec 2000	30 Jun 2000		30 Jun 2001	31 Dec 2000	30 Jun 2000
	\$ million	\$ million	\$ million		\$ million	\$ million	\$ million
SHAREHOLDERS' FUNDS AND TOTAL LIABILITIES				TOTAL ASSETS			
<u>Shareholders' Funds</u>				Cash, balances and place- ments with central banks			
Share Capital	1,053	1,052	1,052		1,706	1,715	1,717
Reserves				Singapore government securities and treasury bills			
Share Premium	786	783	782		3,450	3,224	3,070
Capital reserve	63	63	64	Other government securities and treasury bills			
General reserve	2,715	2,674	2,318		1,906	2,117	2,600
Revenue reserve	2,645	2,396	2,347	Dealing securities			
	<u>6,209</u>	<u>5,916</u>	<u>5,511</u>		481	557	404
Shareholders' Funds	<u>7,262</u>	<u>6,968</u>	<u>6,563</u>	Balances, placements with, and loans & advances to banks			
					23,874	23,609	17,740
Minority Interests	198	207	216	Loans and advances to non-bank customers (incl. trade bills)			
					31,249	30,045	28,628
<u>Liabilities</u>				Other assets			
Deposits and other accounts of non-bank customers	44,053	43,406	37,799		1,905	1,789	1,386
Deposits and balances of banks	14,536	13,431	11,933	Investment securities			
Total Deposits	58,589	56,837	49,732		1,154	459	480
Bills payable	101	129	145	Investment in associates			
Other liabilities	2,282	2,183	1,806		1,557	1,558	1,202
Total Liabilities	<u>60,972</u>	<u>59,149</u>	<u>51,683</u>	Fixed assets			
					1,150	1,251	1,235
Total Shareholders' Funds and Liabilities	<u>68,432</u>	<u>66,324</u>	<u>58,462</u>	Total Assets			
					<u>68,432</u>	<u>66,324</u>	<u>58,462</u>
OFF BALANCE SHEET ITEMS							
Contingent liabilities	4,708	4,042	4,264				
Off-Balance Sheet							
Financial Instruments	63,671	37,455	31,414				
Commitments	19,749	18,586	17,387				

UOB GROUP
UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
For the six months ended 30 June 2001

	<u>30 June 2001</u> \$ million	<u>30 June 2000</u> \$ million
Cash flows from operating activities		
Operating profit after provision	579	513
Adjustments for:		
Depreciation	41	37
Operating profit before working capital changes	<u>620</u>	<u>550</u>
Working capital changes:		
Deposits	1,752	2,525
Bills and drafts payable	(28)	(285)
Other liabilities	106	(399)
Dealing securities	76	(46)
Trade bills and advances to customers	(1,204)	(1,369)
Other government treasury bills and securities not qualifying as cash and cash equivalent	6	17
Other accounts	(139)	507
Cash generated from operations	<u>1,189</u>	<u>1,500</u>
Income taxes paid	(144)	(88)
Net cash from operating activities	<u>1,045</u>	<u>1,412</u>
Cash flows from investing activities		
Increase in investment securities and investments in associates	(688)	(7)
Net dividends received from associates	27	26
Net decrease/(increase) in fixed assets	60	(37)
Change in minority interests of subsidiaries	(1)	(134)
Net cashflow on acquisition of, and increase in investments in, subsidiaries	1	(73)
Net cash used in investing activities	<u>(601)</u>	<u>(225)</u>
Cash flows from financing activities		
Proceeds from issue of shares	3	2
Dividends paid by the Bank	(199)	(357)
Dividends paid by subsidiaries to minority shareholders	(7)	(9)
Net cash used in financing activities	<u>(203)</u>	<u>(364)</u>
Exchange translation adjustment	25	(2)
Net increase in cash and cash equivalents	<u>266</u>	<u>821</u>
Cash and cash equivalents at beginning of the financial period	<u>29,224</u>	<u>22,323</u>
Cash and cash equivalents at end of the financial period (Note A)	<u>29,490</u>	<u>23,144</u>
Note A:		
Cash and cash equivalents		
Cash and balances with central banks	1,706	1,717
Placements and balances with banks and agents	23,874	17,740
Singapore Government treasury bills and securities	3,450	3,070
Other government treasury bills and securities, less non-cash equivalents of \$1,446 million (30.6.2000: \$1,983 million)	460	617
	<u>29,490</u>	<u>23,144</u>