



United Overseas Bank Limited

Incorporated in the Republic of Singapore
Company Registration Number: 193500026Z

GROUP FINANCIAL PERFORMANCE FOR THE NINE MONTHS / THIRD QUARTER 2004

29 OCTOBER 2004

**Contents**

I) Highlights and Performance Indicators	2 to 3
Key Indicators	2
Other Indicators	3
II) Review of Financial Performance	4 to 12
Review of Group Performance	4 - 6
Unaudited Consolidated Income Statement	7 - 8
Net Interest Income	9
Non-Interest Income	10
Operating Expenses	11
Other Operating Expenses	11
Provisions Charged to Income Statement	12
III) Non-Performing Loans and Cumulative Provisions	13 to 14
Non-Performing Loans and Cumulative Provisions of the Group	13
Non-Performing Loans by Region	14
Non-Performing Loans by Industry	14
Secured / Unsecured Non-Performing Loans	14
IV) Segmental Analysis	15
Geographical Segments	15
V) Overview of Balance Sheet	16 to 19
Total Assets	16
Customer Loans	16
Deposits	16
Loans / Deposits Ratio	17
Goodwill	17
Debts Issued	17 - 19
Shareholders' Funds	19
VI) Capital Adequacy Ratio	20
VII) Exposure By Country of Operations	21 to 22

Appendix 1 - Unaudited Consolidated Balance Sheet

Appendix 2 - Unaudited Consolidated Statement of Changes in Shareholders' Equity

Appendix 3 - Unaudited Consolidated Cash Flow Statement

Note: Certain comparative figures have been restated to conform with the current period's presentation.
 Certain figures in this report may not add up to the respective totals due to rounding.


I) Highlights and Performance Indicators

	9 Months 2004	9 Months 2003	9 Mths 04/ 9 Mths 03 (%)	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003	3Q04 / 3Q03 (%)
• Key Indicators							
Net interest income (NII) (\$'m)	1,593	1,531	+ 4.1	537	533	503	+ 6.8
Non-interest income (Non NII) (\$'m)	786	798	- 1.5	270	222	251	+ 7.7
Total income (\$'m)	2,378	2,328	+ 2.1	807	755	754	+ 7.1
Total expenses (\$'m)	863	806	+ 7.1	315	280	269	+ 16.9
Operating profit before goodwill amortisation and provisions (\$'m)	1,515	1,523	- 0.5	493	474	485	+ 1.6
❖ Net profit after tax							
- Including goodwill amortisation (\$'m)	1,076	836	+ 28.7	371	347	335	+ 10.9
- Excluding goodwill amortisation (\$'m)	1,231	988	+ 24.6	426	398	385	+ 10.6
❖ Income mix:							
- NII / Total income (%)	67.0	65.7	+ 1.3 % pt	66.5	70.5	66.7	- 0.2 % pt
- Non NII / Total income (%)	33.0	34.3	- 1.3 % pt	33.5	29.5	33.3	+ 0.2 % pt
	100.0	100.0	-	100.0	100.0	100.0	-
❖ Profit (before tax and goodwill amortisation) contribution:							
- Onshore (including ACU) (%)	79.3	77.2	+ 2.1 % pt	76.9	82.0	79.8	- 2.9 % pt
- Offshore (%)	20.7	22.8	- 2.1 % pt	23.1	18.0	20.2	+ 2.9 % pt
	100.0	100.0	-	100.0	100.0	100.0	-
❖ Annualised return on average shareholders' funds							
- Including goodwill amortisation (%)	10.7	8.7	+ 2.0 % pt	11.0	10.4	10.4	+ 0.6 % pt
- Excluding goodwill amortisation (%)	12.2	10.3	+ 1.9 % pt	12.7	11.9	12.0	+ 0.7 % pt
❖ Annualised basic earnings per share							
- Including goodwill amortisation (¢)	91.3	71.0	+ 28.6	94.5	88.4	85.3	+ 10.8
- Excluding goodwill amortisation (¢)	104.4	83.9	+ 24.4	108.4	101.2	98.0	+ 10.6
❖ Annualised return on average assets							
- Including goodwill amortisation (%)	1.20	1.04	+ 0.16 % pt	1.20	1.18	1.24	- 0.04 % pt
- Excluding goodwill amortisation (%)	1.37	1.22	+ 0.15 % pt	1.37	1.36	1.43	- 0.06 % pt
❖ Annualised NII / Average interest bearing assets (%)	2.11	2.22	- 0.11 % pt	2.05	2.14	2.20	- 0.15 % pt
❖ Expense / Income ratio (%)	36.3	34.6	+ 1.7 % pt	39.0	37.2	35.7	+ 3.3 % pt
❖ Dividend rate - Interim (%)	20.0	20.0	-	-	20.0	-	-



I) Highlights and Performance Indicators

	30-Sep-04	31-Dec-03	Sep-04 / Dec-03 (%)	30-Sep-03	Sep-04 / Sep-03 (%)
• Other Indicators					
❖ Customer loans (net) (\$'m)	64,489	59,297	+ 8.8	59,248	+ 8.8
❖ Customer deposits (\$'m)	77,373	69,863	+ 10.7	66,092	+ 17.1
❖ Loans / Deposits ratio [®] (%)	83.3	84.9	- 1.6 % pt	89.6	- 6.3 % pt
❖ Non-performing loans (NPLs) (\$'m)	5,866	5,160	+ 13.7	5,343	+ 9.8
❖ Cumulative provisions (\$'m)	3,808	3,332	+ 14.3	3,438	+ 10.8
❖ NPLs [^] / Gross customer loans (%)	8.5	8.1	+ 0.4 % pt	8.4	+ 0.1 % pt
❖ Cumulative provisions / NPLs (%)	64.9	64.6	+ 0.3 % pt	64.3	+ 0.6 % pt
❖ Total assets (\$'m)	126,566	113,446	+ 11.6	108,017	+ 17.2
❖ Shareholders' funds (\$'m)	13,566	13,282	+ 2.1	12,924	+ 5.0
❖ Unrealised revaluation surplus * (\$'m)	1,547	1,464	+ 5.7	1,368	+ 13.1
❖ Net asset value (NAV) per share (\$)	8.63	8.45	+ 2.1	8.22	+ 5.0
❖ Revalued NAV per share (\$)	9.61	9.38	+ 2.5	9.10	+ 5.6
❖ Net tangible asset backing per share (\$)	6.12	6.23	- 1.8	5.98	+ 2.3
❖ Capital adequacy ratios (CAR)					
- Tier 1 capital (%)	11.3	13.2	- 1.9 % pt	12.7	- 1.4 % pt
- Total capital (%)	16.1	15.2	+ 0.9 % pt	15.0	+ 1.1 % pt
❖ Manpower (number)	13,593	10,547	+ 3,046 no.	10,575	+ 3,018 no.

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

[^] Excluding debt securities.

* Refers to revaluation surplus on properties and investment securities which was not incorporated into the financial statements.



II) Review of Financial Performance

The financial statements are prepared in accordance with Singapore Financial Reporting Standards and are expressed in Singapore dollars.

Review of Group Performance

Results

Following UOB's acquisition of Bank of Asia Public Company Limited and its subsidiaries ("BOA") on 27 July 2004, BOA's financial results for the two months ended 30 September 2004 and its balance sheet as at 30 September 2004 were consolidated into the Group's financial statements.

9 Months 2004 versus 9 Months 2003

Net profit after tax ("NPAT") increased \$240 million or 28.7% to \$1,076 million for the nine months ended 30 September 2004 ("this year-to-date") from \$836 million for the nine months ended 30 September 2003 ("last year-to-date"). The increase in NPAT was mainly due to lower provision charges, higher fee and commission income, higher share of profit of associates, and higher net interest income. These were partially offset by lower other operating income, higher operating expenses and higher tax expense.

Total income increased 2.1% to \$2,378 million for this year-to-date from \$2,328 million for last year-to-date, mainly due to higher fee and commission income derived largely from investment-related and fund management activities, higher net interest income from inter-bank money market activities and debt securities, as well as higher net profit from disposal of investment securities and associates. These were partially offset by the net loss from dealing securities, government securities and derivatives.

The Group's total operating expenses increased 7.1% to \$863 million for this year-to-date from \$806 million for last year-to-date attributed mainly to the consolidation of BOA. Staff costs increased 7.0% to \$417 million primarily due to increased headcount, while other operating expenses increased 7.2% to \$446 million mainly due to higher commission and brokerage expenses incurred to support business growth, and higher depreciation charges mainly on application software. Consequently, the expense-to-income ratio of the Group increased to 36.3% for this year-to-date from 34.6% for last year-to-date. Excluding BOA's expenses of \$29 million, Group total operating expenses would have shown a lower growth of 3.5% and consequently, the expense-to-income ratio would be reduced to 35.7%.

The Group's provision charges decreased 76.5% to \$75 million for this year-to-date from \$320 million for last year-to-date. The decrease was largely attributable to lower specific provisions for loans and the write-back of general provisions due to improved asset quality and economic conditions in Singapore and the region.

Share of profit of associates (before tax) increased 98.3% to \$123 million for this year-to-date from \$62 million for last year-to-date mainly due to higher contributions from most of the Group's major associates.

3rd Quarter 2004 versus 3rd Quarter 2003

The Group's NPAT of \$371 million recorded in the third quarter of 2004 ("3Q04") was 10.9% higher than the \$335 million registered in the third quarter of 2003 ("3Q03"). The increase was mainly due to lower provision charges, higher fee and commission income, higher net interest income, and higher share of profit of associates, partially offset by higher operating expenses and higher tax expense.

The Group's total income increased 7.1% to \$807 million in 3Q04 from \$754 million in 3Q03 mainly due to higher fee and commission income derived largely from investment-related, loan-related, trade-related and credit card activities, higher net interest income mainly from loans on increased volume and higher contributions from inter-bank money market activities, higher profit on foreign exchange and disposal of investment securities and associates. These were partially offset by the net loss on dealing securities, government securities and derivatives.



II) Review of Financial Performance

3rd Quarter 2004 versus 3rd Quarter 2003 (cont'd)

Group total operating expenses increased by 16.9% to \$315 million in 3Q04 from \$269 million in 3Q03 mainly due to the consolidation of BOA. Staff costs increased 18.6% to \$152 million in 3Q04, mainly attributable to increased headcount, while other operating expenses grew 15.4% to \$163 million in 3Q04 mainly due to higher depreciation charges on application software and higher professional fees. Consequently, expense-to-income ratio increased to 39.0% in 3Q04 from 35.7% in 3Q03. Excluding BOA's expenses of \$29 million, Group total operating expenses would have been \$286 million for 3Q04, representing a lower increase of 6.3% over 3Q03 and the expense-to-income ratio for 3Q04 would be lower at 37.4%.

The net write-back of provisions of \$1 million in 3Q04 compared to a provision charge of \$40 million in 3Q03 was largely attributable to the write-back of general provisions.

3rd Quarter 2004 versus 2nd Quarter 2004

The Group's NPAT increased 6.9% to \$371 million in 3Q04 compared to \$347 million in the second quarter of 2004 ("2Q04"). The increase was mainly due to higher total income, coupled with write-back of provisions as opposed to provisions charged in 2Q04. These were partially offset by higher operating expenses.

Group total income increased 6.9% to \$807 million in 3Q04 compared to \$755 million in 2Q04 mainly attributed to higher profit on foreign exchange dealings, higher fee and commission income mainly from investment-related, loan-related and credit card activities, and higher profit on disposal of investment securities. These were partly offset by the net loss from dealing securities, government securities and derivatives.

Group total operating expenses increased 12.2% to \$315 million in 3Q04 compared to \$280 million in 2Q04 attributed mainly to the consolidation of BOA. Consequently, expense-to-income ratio rose to 39.0% in 3Q04 compared to 37.2% in 2Q04. Excluding BOA, Group total operating expenses would have recorded a lower increase of 2.1% over 2Q04, and the expense-to-income ratio for 3Q04 would be reduced to 37.4%.

The net write-back of provisions of \$1 million in 3Q04 compared to the provision charge of \$16 million in 2Q04 was largely attributed to lower specific provisions for loans, partially offset by a lower write-back of general provisions.

Balance Sheet

The Group's net loans and advances to customers of \$64,489 million as at 30 September 2004 were 8.8% higher than both the \$59,297 million as at 31 December 2003 and the \$59,248 million as at 30 September 2003 mainly contributed by the acquisition of BOA. Excluding BOA's net loans of \$4,168 million, the Group's net loans and advances to customers as at 30 September 2004 would have been \$60,321 million, representing an increase of 1.7% and 1.8% from 31 December 2003 and 30 September 2003 respectively.

Group non-performing loans ("NPLs") increased 13.7% and 9.8% to \$5,866 million as at 30 September 2004 from the \$5,160 million as at 31 December 2003 and the \$5,343 million as at 30 September 2003 respectively attributed mainly to the consolidation of BOA. Consequently, Group NPLs (excluding debt securities) as a percentage of gross customer loans increased to 8.5% as at 30 September 2004 from 8.1% as at 31 December 2003 and 8.4% as at 30 September 2003. Excluding BOA's NPLs of \$1,084 million, Group NPLs would have decreased to \$4,782 million, representing a reduction of 7.3% and 10.5% from 31 December 2003 and 30 September 2003 respectively. Consequently, NPL ratio would have improved to 7.4% as at 30 September 2004. Of the total Group NPLs as at 30 September 2004, \$3,050 million or 52.0% were secured by collateral, and \$3,635 million or 62.0% were in the Substandard category.



II) Review of Financial Performance

Total cumulative specific and general provisions of the Group were \$3,808 million as at 30 September 2004 compared to \$3,332 million as at 31 December 2003 and \$3,438 million as at 30 September 2003. General provisions as at 30 September 2004 were \$1,371 million or 36.0% of total cumulative provisions. The total cumulative provisions as at 30 September 2004 provided coverage of 64.9% against Group NPLs, compared to 64.6% as at 31 December 2003 and 64.3% as at 30 September 2003. As at 30 September 2004, unsecured NPLs were 135.2% covered by total cumulative provisions, compared to 141.4% as at 31 December 2003 and 137.2% as at 30 September 2003. Excluding BOA's provisions of \$617 million, total cumulative specific and general provisions would have been \$3,191 million as at 30 September 2004, providing a coverage of 66.7% against Group NPLs.

Total assets of the Group as at 30 September 2004 were \$126,566 million, of which \$6,674 million arose from the consolidation of BOA. This represents a growth of 11.6% and 17.2% over the \$113,446 million as at 31 December 2003 and the \$108,017 million as at 30 September 2003 respectively. Excluding the assets from BOA, the Group's total assets would have recorded a growth of 5.7% and 11.0% over 31 December 2003 and 30 September 2003 respectively.

Shareholders' funds of the Group as at 30 September 2004 were \$13,566 million, representing an increase of 2.1% and 5.0% over the \$13,282 million as at 31 December 2003 and the \$12,924 million as at 30 September 2003 respectively. Consequently, the Group's net asset value per share increased 18 cents and 41 cents to \$8.63 as at 30 September 2004, from \$8.45 as at 31 December 2003 and \$8.22 as at 30 September 2003 respectively.

As at 30 September 2004, the Group's total Capital Adequacy Ratio ("CAR") of 16.1% computed under the revised capital framework issued by the Monetary Authority of Singapore ("MAS") was 6.1% points higher than the minimum total CAR of 10% set by MAS. Compared to the total CAR of 15.2% as at 31 December 2003 and 15.0% as at 30 September 2003, it had increased 0.9% point and 1.1% points respectively. The increase was mainly attributable to the issue of US\$1 billion and S\$1 billion Subordinated Notes in August 2004, partly offset by the increase in risk-weighted assets due primarily to the consolidation of BOA's financials and higher holdings in investment securities.

II) Review of Financial Performance
UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2004

	9 Months 2004	9 Months 2003	9 Mths 04 / 9 Mths 03
	\$ million	\$ million	%
Interest income	2,616	2,458	6.4
Less: Interest expense	<u>1,023</u>	<u>927</u>	10.3
Net interest income	1,593	1,531	4.1
Dividend income	38	30	27.3
Fee and commission income	502	417	20.4
Rental income	49	56	(12.6)
Other operating income	197	295	(33.3)
Total non-interest income	<u>786</u>	<u>798</u>	(1.5)
Income before operating expenses	2,378	2,328	2.1
Less: Staff costs	417	390	7.0
Other operating expenses	446	416	7.2
Total operating expenses	<u>863</u>	<u>806</u>	7.1
Operating profit before goodwill amortisation and provisions	1,515	1,523	(0.5)
Less: Goodwill amortisation	155	152	2.0
Less: Write-back of general provisions	(112)	-	NM
Specific provisions for loans	154	292	(47.3)
Specific provisions for other assets	33	28	18.6
Total provisions	<u>75</u>	<u>320</u>	(76.5)
Operating profit after goodwill amortisation and provisions	1,285	1,050	22.4
Share of profit of associates	123	62	98.3
Profit from ordinary activities before tax	<u>1,408</u>	<u>1,112</u>	26.6
Less: Tax	320	267	20.0
Profit after tax	<u>1,088</u>	<u>846</u>	28.7
Less: Minority interests	12	9	27.6
Net profit attributable to members	<u><u>1,076</u></u>	<u><u>836</u></u>	28.7
Expense / Income ratio (%)	36.3	34.6	1.7 % pt
Annualised earnings per share (¢)			
- Basic	91.3	71.0	28.6
- Fully diluted	91.3	71.0	28.6

NM denotes "Not Meaningful".

II) Review of Financial Performance
UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2004

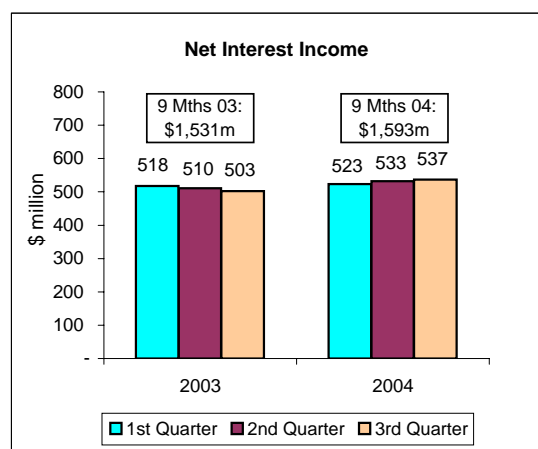
	3rd Quarter 2004	2nd Quarter 2004	3Q04 / 2Q04	3rd Quarter 2003	3Q04 / 3Q03
	\$ million	\$ million	%	\$ million	%
Interest income	937	850	10.3	796	17.7
Less: Interest expense	400	317	26.1	293	36.5
Net interest income	537	533	0.8	503	6.8
Dividend income	10	22	(55.1)	11	(13.5)
Fee and commission income	180	152	18.1	148	21.3
Rental income	16	16	(0.1)	17	(5.0)
Other operating income	64	32	102.5	74	(13.3)
Total non-interest income	270	222	21.6	251	7.7
Income before operating expenses	807	755	6.9	754	7.1
Less: Staff costs	152	135	12.3	128	18.6
Other operating expenses	163	145	12.0	141	15.4
Total operating expenses	315	280	12.2	269	16.9
Operating profit before goodwill amortisation and provisions	493	474	3.8	485	1.6
Less: Goodwill amortisation	55	50	8.3	50	8.5
Less: Write-back of general provisions	(49)	(63)	22.2	-	NM
Specific provisions for loans	41	72	(43.3)	47	(12.8)
Specific provisions for other assets	8	7	9.6	(6)	NM
Total provisions	(1)	16	(105.0)	40	(101.9)
Operating profit after goodwill amortisation and provisions	439	408	7.4	394	11.3
Share of profit of associates	47	47	1.1	32	45.3
Profit from ordinary activities before tax	486	455	6.8	427	13.9
Less: Tax	108	104	4.4	88	23.3
Profit after tax	377	351	7.5	339	11.5
Less: Minority interests	6	4	60.6	4	64.8
Net profit attributable to members	371	347	6.9	335	10.9
Expense / Income ratio (%)	39.0	37.2	1.8 % pt	35.7	3.3 % pt
Annualised earnings per share (¢)					
- Basic	94.5	88.4	6.9	85.3	10.8
- Fully diluted	94.5	88.4	6.9	85.2	10.9

NM denotes "Not Meaningful".



II) Review of Financial Performance

Net Interest Income



Net interest income of the Group increased 4.1% to \$1,593 million for this year-to-date compared to \$1,531 million for last year-to-date. The increase was mainly from inter-bank money market activities and debt securities, partly offset by lower contributions from loans due to lower interest spread. Net interest income continued to be the major contributor of total income, accounting for 67.0% (last year-to-date: 65.7%) of total income.

The increase in net interest income of 6.8% to \$537 million in 3Q04 from \$503 million in 3Q03 was mainly due to higher interest bearing assets, partly offset by narrowed interest spreads.

Average interest margin decreased 11 basis points to 2.11% for this year-to-date from 2.22% for last year-to-date, and decreased 15 basis points to 2.05% in 3Q04 from 2.20% in 3Q03. The contraction in interest margin was mainly due to the increasing market competition and the net interest expense on the recent subordinated notes issued.

Average Interest Margin

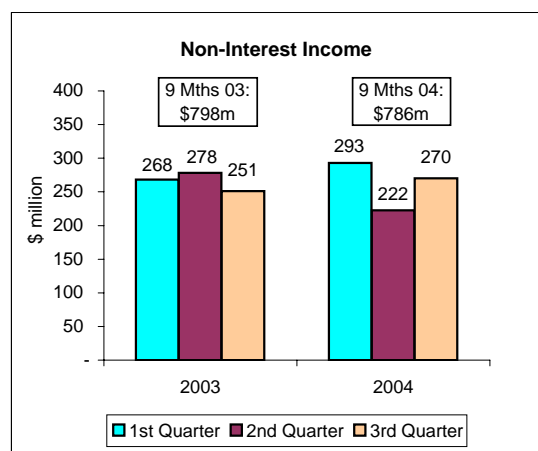
	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Annualised interest income	3,494	3,286	3,726	3,417	3,157
Less: Annualised interest expense	1,366	1,239	1,591	1,275	1,162
Annualised net interest income	2,127	2,047	2,135	2,142	1,995
Average balance of interest bearing assets	100,820	92,190	104,357	100,192	90,592
Average interest margin * (%)	2.11	2.22	2.05	2.14	2.20

* Average interest margin represents net interest income as a percentage of average interest bearing assets.



II) Review of Financial Performance

Non-Interest Income



Non-interest income of the Group decreased 1.5% to \$786 million for this year-to-date compared to \$798 million for last year-to-date. The decrease was primarily due to the net loss on dealing securities, government securities and derivatives. This was partially negated by higher fee and commission income derived largely from investment-related and fund management activities, and higher net profit from disposal of investment securities and associates. The Group's non-interest income for this year-to-date accounted for 33.0% of total income compared to 34.3% for last year-to-date.

Non-interest income increased 7.7% to \$270 million in 3Q04 from \$251 million in 3Q03 due mainly to higher fee and commission income, higher profit from foreign exchange dealings, and higher profit from disposal of investment securities, partly offset by the net loss on dealing securities, government securities and derivatives.

Composition of Non-Interest Income

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Fee and commission income					
Credit card	78	64	31	24	24
Fund management	79	53	25	24	21
Futures broking	26	27	7	10	10
Investment-related	92	51	35	23	23
Loan-related	81	83	30	23	21
Service charges	36	37	11	14	13
Trade-related	98	81	36	32	27
Other	12	21	5	3	10
	502	417	180	152	148
Dividend and rental income	87	86	26	38	29
Other operating income					
Net profit / (loss) from:					
- Dealing securities, government treasury bills and securities, and derivatives	(10)	122	(19)	8	27
- Foreign exchange dealings	78	87	41	(10)	16
- Disposal of investment securities and associates	68	36	26	14	14
- Disposal and liquidation of subsidiaries	(5)	0*	(6)	0*	(0)*
- Disposal of fixed assets	11	9	2	0*	1
- Other	55	41	20	20	16
	197	295	64	32	74
Total non-interest income	786	798	270	222	251

* Less than \$500,000.

**II) Review of Financial Performance****Operating Expenses**

Total operating expenses increased 7.1% to \$863 million for this year-to-date compared to \$806 million in the same period last year attributed mainly to the consolidation of BOA's expenses. Staff costs increased 7.0% to \$417 million primarily due to increased headcount, while other operating expenses increased 7.2% to \$446 million mainly due to higher commission and brokerage expenses incurred to support business growth, and higher depreciation charges mainly on application software. Consequently, the expense-to-income ratio of the Group increased to 36.3% for this year-to-date from 34.6% for last year-to-date. Excluding BOA's expenses of \$29 million, Group total operating expenses would have shown a growth of 3.5% and the expense-to-income ratio would be lower at 35.7%.

In 3Q04, total operating expenses increased by 16.9% to \$315 million from \$269 million in 3Q03. Expense-to-income ratio increased to 39.0% in 3Q04 from 35.7% in 3Q03. The increase was attributed to the consolidation of BOA's expenses. Excluding BOA, the expense-to-income ratio for 3Q04 would be 37.4%.

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Staff costs	417	390	152	135	128
Other operating expenses	446	416	163	145	141
Total operating expenses [@]	863	806	315	280	269

[@] Total operating expenses included:

IT-related expenses	132	149	50	40	49
IT-related expenses / Total operating expenses (%)	15.3	18.5	15.9	14.3	18.2

Other Operating Expenses

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Depreciation					
- Land and buildings	20	20	7	7	7
- Office equipment, computers, fixtures and other fixed assets	70	60	26	22	21
	90	80	32	29	27
Rental of premises and equipment	27	31	9	9	10
Maintenance of premises and other assets	38	41	14	13	13
Other expenses	291	264	107	95	91
Total other operating expenses	446	416	163	145	141

Other operating expenses increased 7.2% to \$446 million for this year-to-date compared to \$416 million for the corresponding period last year. The increase was mainly attributed to the consolidation of BOA, and higher commission and brokerage expenses to support the growth in business volume. Excluding BOA, other operating expenses would have recorded a lower growth of 3.1% over last year-to-date.

In 3Q04, other operating expenses increased 15.4% to \$163 million from \$141 million in 3Q03 due mainly to the consolidation of BOA. Excluding BOA, other operating expenses would have shown a lower increase of 3.5%.

**II) Review of Financial Performance****Provisions Charged to Income Statement**

Provision charges of \$75 million for this year-to-date were 76.5% lower than the \$320 million for last year-to-date. The decrease was mainly due lower specific provisions for loans and the write-back of general provisions as a result of improved asset quality and economic conditions in Singapore and the region. The net write-back of provisions of \$1 million in 3Q04 was largely attributable to the write-back of general provisions as compared to the provision charges of \$40 million in 3Q03.

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Write-back of general provisions	(112)	-	(49)	(63)	-
Specific provisions for loans	154	292	41	72	47
Specific provisions for diminution in value or impairment of investments, fixed assets and other assets	33	28	8	7	(6)
Total provisions	75	320	(1)	16	40

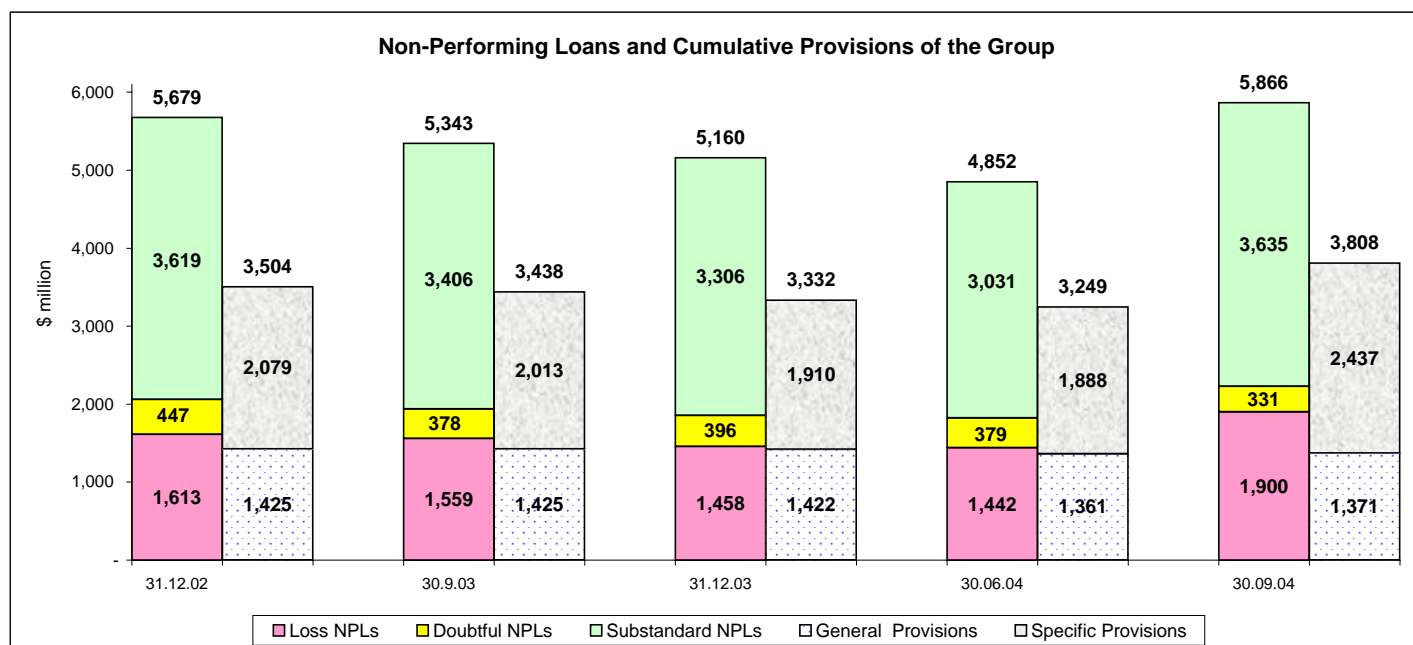


III) Non-Performing Loans (NPLs) and Cumulative Provisions

NPLs and Cumulative Provisions of the Group

NPLs rose by 13.7% and 9.8% to \$5,866 million as at 30 September 2004 from \$5,160 million as at 31 December 2003 and \$5,343 million as at 30 September 2003 respectively due to the acquisition of BOA. Correspondingly, the ratio of NPLs (excluding debt securities) to total gross customer loans increased to 8.5% as at 30 September 2004 from 8.1% as at 31 December 2003 and 8.4% as at 30 September 2003. Excluding BOA's NPLs of \$1,084 million, Group NPLs would have registered a decline of 7.3% and 10.5% to \$4,782 million over 31 December 2003 and 30 September 2003 respectively. The ratio of NPLs (excluding debt securities) to total gross customer loans would have improved to 7.4% as at 30 September 2004. Of the total NPLs, \$3,050 million or 52.0% were secured by collateral, and \$3,635 million or 62.0% were in the Substandard category.

Total cumulative provisions of \$3,808 million as at 30 September 2004 increased by 14.3% and 10.8% compared to \$3,332 million as at 31 December 2003 and \$3,438 million as at 30 September 2003 respectively. Excluding BOA's provisions of \$617 million as at 30 September 2004, the Group's total cumulative provisions would have been \$3,191 million. Total cumulative provisions provided coverage of 64.9% against total NPLs, compared to 64.6% as at 31 December 2003 and 64.3% as at 30 September 2003. Unsecured NPLs as at 30 September 2004 were 135.2% covered by total cumulative provisions, compared to 141.4% as at 31 December 2003 and 137.2% as at 30 September 2003.



30-Sep-04 30-Jun-04 31-Dec-03 30-Sep-03 31-Dec-02

	\$ million				
NPLs					
Substandard	3,635	3,031	3,306	3,406	3,619
Doubtful	331	379	396	378	447
Loss	1,900	1,442	1,458	1,559	1,613
Total NPLs	5,866	4,852	5,160	5,343	5,679

	\$ million				
Cumulative Provisions					
Specific provisions	2,437	1,888	1,910	2,013	2,079
General provisions	1,371	1,361	1,422	1,425	1,425
Total cumulative provisions	3,808	3,249	3,332	3,438	3,504

	%				
Ratios					
NPLs*/Gross customer loans	8.5	7.6	8.1	8.4	9.0
NPLs/Total assets	4.6	4.2	4.5	4.9	5.3
Cumulative provisions/NPLs	64.9	67.0	64.6	64.3	61.7
Cumulative provisions/Doubtful & Loss NPLs	170.7	178.4	179.7	177.5	170.1
Cumulative provisions/Unsecured NPLs	135.2	141.0	141.4	137.2	138.3
Cumulative provisions*/Gross customer loans	5.5	5.1	5.2	5.4	5.5
General provisions/Gross customer loans (net of specific provisions*)	2.1	2.2	2.3	2.3	2.4

* Excluding debt securities.

**III) Non-Performing Loans (NPLs) and Cumulative Provisions****NPLs by Region**

By geographical region, Singapore accounted for \$3,182 million or 54.3% of the total NPLs as at 30 September 2004. NPLs of Singapore decreased \$348 million or 9.9% compared to the \$3,530 million as at 31 December 2003, and decreased \$521 million or 14.1% compared to the \$3,703 million as at 30 September 2003.

As at 30 September 2004, NPLs of the Five Regional Countries were \$2,431 million, showing an increase of 76.4% and 76.9% over 31 December 2003 and 30 September 2003 respectively. The increase was largely from Thailand due to the inclusion of BOA's NPLs of \$1,084 million. Excluding BOA, NPLs for the Five Regional Countries would have been \$1,347 million, representing a decrease of 2.2% and 2.0% over 31 December 2003 and 30 September 2003 respectively.

NPLs of Greater China as at 30 September 2004 were \$172 million, representing an increase of 6.8% over the \$161 million as at 31 December 2003.

	30-Sep-04		31-Dec-03		30-Sep-03	
	\$ million	%	\$ million	%	\$ million	%
Singapore	3,182	54.3	3,530	68.4	3,703	69.3
Five Regional Countries						
Malaysia	935	15.9	930	18.0	924	17.3
Indonesia	99	1.7	119	2.3	107	1.9
Philippines	173	3.0	184	3.6	191	3.6
Thailand	1,223	20.8	140	2.7	137	2.6
South Korea	1	-	5	0.1	15	0.3
	2,431	41.4	1,378	26.7	1,374	25.7
Greater China	172	2.9	161	3.1	172	3.2
Other	81	1.4	91	1.8	94	1.8
Total NPLs	5,866	100.0	5,160	100.0	5,343	100.0

NPLs by Industry

The increase in NPLs as at 30 September 2004 over 31 December 2003 and 30 September 2003 were mainly from the manufacturing and general commerce sectors, arising from the consolidation of BOA's balances.

	30-Sep-04		31-Dec-03		30-Sep-03	
	Amount \$ million	As % of Gross Customer Loans	Amount \$ million	As % of Gross Customer Loans	Amount \$ million	As % of Gross Customer Loans
Transport, storage and communication	116	5.0	105	5.0	104	5.7
Building and construction	903	12.0	756	10.3	810	10.3
Manufacturing	1,221	15.8	745	12.7	796	13.6
Non-bank financial institutions	763	7.4	984	9.5	1,010	9.6
General commerce	1,042	9.7	751	8.1	709	11.4
Professionals and private individuals	933	9.4	926	9.6	972	10.0
Housing loans	557	3.5	632	4.3	657	4.5
Other	252	6.6	182	5.7	222	3.5
Sub-total	5,787	8.5	5,081	8.1	5,280	8.4
Debt securities	79		79		63	
Total NPLs	5,866		5,160		5,343	

Secured / Unsecured NPLs

As at 30 September 2004, 52.0% of the Group's total NPLs was secured by collateral compared to 54.3% as at 31 December 2003 and 53.1% as at 30 September 2003.

	30-Sep-04		31-Dec-03		30-Sep-03	
	\$ million	%	\$ million	%	\$ million	%
Secured	3,050	52.0	2,804	54.3	2,837	53.1
Unsecured	2,816	48.0	2,356	45.7	2,506	46.9
Total NPLs	5,866	100.0	5,160	100.0	5,343	100.0

**IV) Segmental Analysis****Geographical Segments**

The following geographical segment information is based on the location where the transactions and assets are booked. It provides an approximation to geographical segment information that is based on the location of customers and assets. The figures are stated after elimination of inter-segment transactions.

Income before Operating Expenses

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore (including Asian Currency Units)	1,750	1,750	574	559	563
Other ASEAN countries	415	372	162	126	126
Other Asia-Pacific countries	127	129	40	41	42
Rest of the world	86	77	31	29	23
Total	2,378	2,328	807	755	754

Profit before Tax

	9 Months 2004	9 Months 2003	3rd Quarter 2004	2nd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore (including Asian Currency Units)	1,239	976	415	414	381
Other ASEAN countries	177	174	78	47	60
Other Asia-Pacific countries	83	58	24	22	20
Rest of the world	64	56	23	22	16
	1,563	1,264	540	505	477
Goodwill amortisation	(155)	(152)	(54)	(50)	(50)
Total	1,408	1,112	486	455	427

Total Assets

As at 30 September 2004, the total assets for other ASEAN countries recorded an increase of 51.7% to \$23,077 million from \$15,212 million as at 31 December 2003 resulting mainly from the consolidation of BOA's total assets of \$6,674 million.

	30-Sep-04	31-Dec-03	30-Sep-03
	\$ million	\$ million	\$ million
Singapore (including Asian Currency Units)	78,114	75,087	71,845
Other ASEAN countries	23,077	15,212	15,586
Other Asia-Pacific countries	15,398	13,466	11,481
Rest of the world	6,177	6,215	5,589
	122,766	109,980	104,501
Goodwill	3,800	3,466	3,516
Total	126,566	113,446	108,017

**V) Overview of Balance Sheet****Total Assets**

Total assets as at 30 September 2004 were \$126,566 million, representing a growth of 11.6% and 17.2% over the \$113,446 million as at 31 December 2003 and the \$108,017 million as at 30 September 2003 respectively. The increase over both periods was mainly from customer loans largely contributed by the inclusion of BOA, inter-bank placements and balances, and investment securities.

Customer Loans

Net loans and advances to customers of \$64,489 million as at 30 September 2004 were 8.8% higher than both the \$59,297 million as at 31 December 2003 and the \$59,248 million as at 30 September 2003. Loans growth was mainly contributed by the acquisition of BOA.

Customer Loans Analysed by Product Group	30-Sep-04		31-Dec-03		30-Sep-03	
	\$ million	%	\$ million	%	\$ million	%
Housing loans	15,830	23.2	14,789	23.6	14,488	23.1
Term loans	38,543	56.5	35,033	56.0	35,302	56.4
Trade financing	4,408	6.4	3,397	5.4	3,324	5.3
Overdrafts	9,468	13.9	9,362	15.0	9,523	15.2
Total gross customer loans	68,249	100.0	62,581	100.0	62,637	100.0
General provisions	(1,371)		(1,422)		(1,425)	
Specific provisions	(2,389)		(1,862)		(1,965)	
Total net customer loans	64,489		59,297		59,248	

Gross Customer Loans Analysed by Industry	30-Sep-04		31-Dec-03		30-Sep-03	
	\$ million	%	\$ million	%	\$ million	%
Transport, storage and communication	2,301	3.4	2,104	3.4	1,816	2.9
Building and construction	7,526	11.0	7,320	11.7	7,841	12.5
Manufacturing	7,748	11.3	5,846	9.4	5,859	9.4
Non-bank financial institutions	10,352	15.2	10,408	16.6	10,470	16.7
General commerce	10,747	15.7	9,273	14.8	9,562	15.2
Professionals and private individuals	9,932	14.6	9,653	15.4	9,678	15.5
Housing loans	15,830	23.2	14,789	23.6	14,488	23.1
Other	3,813	5.6	3,188	5.1	2,923	4.7
Total gross customer loans	68,249	100.0	62,581	100.0	62,637	100.0

Deposits

Total deposits as at 30 September 2004 amounted to \$100,501 million, representing an increase of 13.3% and 19.4% over the \$88,702 million as at 31 December 2003 and the \$84,189 million as at 30 September 2003 respectively. The growth over the two periods came from both the bankers' deposits and customer deposits.

As at 30 September 2004, customer deposits accounted for 77.0% of total deposits.

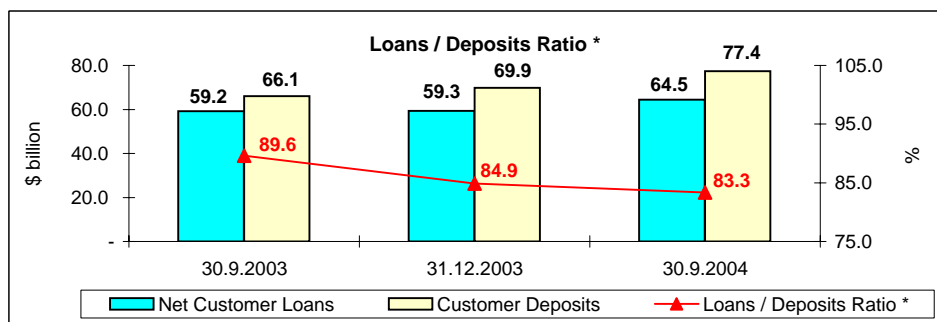
Deposits Analysed by Product Group	30-Sep-04		31-Dec-03		30-Sep-03	
	\$ million	%	\$ million	%	\$ million	%
Bankers' deposits	23,128	23.0	18,839	21.2	18,097	21.5
Customer deposits						
Fixed rate deposits	50,222	50.0	45,801	51.7	42,495	50.5
Savings and other deposits	27,151	27.0	24,062	27.1	23,597	28.0
	77,373	77.0	69,863	78.8	66,092	78.5
Total deposits	100,501	100.0	88,702	100.0	84,189	100.0



V) Overview of Balance Sheet

Loans / Deposits Ratio *

Loans-to-deposits ratio of 83.3% as at 30 September 2004 was 1.6% points and 6.3% points lower than the ratios of 84.9% as at 31 December 2003 and 89.6% as at 30 September 2003 respectively.



* Loans refer to net customer loans while Deposits refer to customer deposits.

Goodwill

The increase in goodwill to \$3,800 million as at 30 September 2004 from \$3,466 million as at 31 December 2003 was primarily due to the acquisition of BOA.

	30-Sep-04 \$ million	31-Dec-03 \$ million	30-Sep-03 \$ million
Balance at 1 January	3,466	3,666	3,666
Goodwill arising from the acquisition of BOA	477	-	-
Goodwill arising from the purchase of UOB Radanasin's rights issue	12	-	-
Net deferred tax liability on fair values of assets and liabilities of OUT acquired in 2002 and adjusted in 2003	-	2	2
	3,955	3,668	3,668
Goodwill written off / amortised	(155)	(202)	(152)
Balance at end of financial period	3,800	3,466	3,516

Debts Issued

	30-Sep-04 \$ million	31-Dec-03 \$ million	30-Sep-03 \$ million
(a) <u>Subordinated Notes</u>			
(i) S\$1.3 billion 4.95% Subordinated Notes due 2016 callable with step-up in 2011, at cost	1,300	1,300	1,300
(ii) US\$1 billion 4.50% Subordinated Notes due 2013, at cost adjusted for discount	1,690	1,700	1,729
(iii) S\$1 billion 4.100% Subordinated Notes due 2019 callable with step-up in 2014, at cost adjusted for discount	998	-	-
(iv) US\$1 billion 5.375% Subordinated Notes due 2019 callable with step-up in 2014, at cost adjusted for discount	1,689	-	-
(v) THB 2 billion Subordinated Debentures due 2008, at cost	82	-	-
	5,759	3,000	3,029
Unamortised expenses incurred in connection with the issue of the subordinated notes	(14)	(9)	(10)
	5,744	2,991	3,018

**V) Overview of Balance Sheet****Debts Issued (cont'd)**

	30-Sep-04	31-Dec-03	30-Sep-03
	\$ million	\$ million	\$ million
(b) <u>Asset Backed Commercial Paper ("ABCP"), at cost adjusted for discount</u>			
S\$ ABCP	771	679	703
US\$ ABCP	201	174	206
	972	852	909
(c) Other	526	353	303
Total debts issued	7,243	4,196	4,231

- (a) (i) The S\$1.3 billion 4.95% subordinated notes were issued by the Bank at par on 30 August 2001 and mature on 30 September 2016. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 30 September 2011 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.95% per annum up to and including 29 September 2011. From and including 30 September 2011, interest is payable semi-annually at a fixed rate equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) as at 30 September 2011 plus 2.25% per annum.
- (ii) The US\$1 billion 4.50% subordinated notes were issued by the Bank at 99.96% on 30 June 2003 and mature on 2 July 2013. The notes may be redeemed at par at the option of the Bank, in whole, on notice, in the event of certain changes in the tax laws of Singapore, subject to the approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.50% per annum beginning 2 January 2004.
- (iii) The S\$1 billion 4.100% subordinated notes were issued by the Bank at 99.755% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.100% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a fixed rate equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) as at 3 September 2014 plus 1.680% per annum.
- (iv) The US\$1 billion 5.375% subordinated notes were issued by the Bank at 99.929% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 5.375% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a floating rate equal to the six-month LIBOR as at 3 September 2014 plus 1.666% per annum.

The Bank has entered into interest rate swaps to manage the interest rate risk arising from the above S\$ and US\$ notes.

All the above S\$ and US\$ notes are unsecured subordinated obligations of the Bank and have been approved by the Monetary Authority of Singapore as qualifying for Upper Tier II capital. They rank equally with all present and future Upper Tier II unsecured subordinated indebtedness of the Bank and rank senior to all ordinary and preference shares of the Bank. At the balance sheet date, all outstanding liabilities of the Bank rank senior to these notes.

- (v) The THB 2 billion subordinated debentures were issued by BOA at par on 15 August 2001 and mature on 15 August 2008. The debentures carry a floating rate calculated based on the average of the deposit rate of one year of four major banks in Thailand and BOA, plus 2.50% per annum with a minimum guaranteed rate of 6.50% per annum.

**V) Overview of Balance Sheet****Debts Issued (cont'd)**

- (b) The ABCP were issued in relation to a \$1 billion ABCP programme carried out by Archer 1 Limited, a special purpose entity ("SPE"). The ABCP have maturity of less than one year, and are secured by a first floating charge in favour of the trustee, Bermuda Trust (Singapore) Limited, on all assets of the SPE.

Interest rates of the S\$ ABCP and US\$ ABCP as at 30 September 2004 range from 1.15% to 1.6% (31 December 2003: 1.1% to 1.25%) per annum and 1.7% to 2.0% (31 December 2003: 1.2% to 1.25%) per annum respectively.

The holders of the ABCP are entitled to receive payment comprising both the principal and interest as contracted in the ABCP but only to the extent that there are available resources in the SPE to meet those payments. The holders of the ABCP have no recourse to the Group.

The SPE intends to issue new ABCP upon the maturity of outstanding ABCP for as long as the SPE intends to carry on its principal activity of investment holding.

- (c) Other debts issued comprise equity linked notes, interest rate linked notes and credit linked notes issued by the Bank.

Shareholders' Funds

Shareholders' funds as at 30 September 2004 were \$13,566 million, representing an increase of 2.1% and 5.0% over the \$13,282 million as at 31 December 2003 and the \$12,924 million as at 30 September 2003 respectively. The increase over both periods was mainly from retained profits.

Unrealised revaluation surplus on properties and investment securities amounted to \$1,547 million as at 30 September 2004. The revaluation surplus was not incorporated into the financial statements.

	30-Sep-04	31-Dec-03	30-Sep-03
	\$ million	\$ million	\$ million
Shareholders' funds	13,566	13,282	12,924
Add: Revaluation surplus *	1,547	1,464	1,368
Shareholders' funds including revaluation surplus	15,113	14,746	14,292
Net asset value (NAV) per share (\$)	8.63	8.45	8.22
Revaluation surplus per share (\$)	0.98	0.93	0.87
Revalued NAV per share (\$)	9.61	9.38	9.09

* Refers to revaluation surplus on properties and investment securities which was not incorporated into the financial statements.



VI) Capital Adequacy Ratio

The Group's capital management policy is to maintain a strong capital position to support its growth, both organically and through acquisitions.

The Group's total Capital Adequacy Ratio ("CAR") is computed under the revised capital framework for Singapore-incorporated banks issued by the Monetary Authority of Singapore ("MAS") with effect from 30 June 2004. The comparative figures as at 31 December 2003 and 30 September 2003 have been restated to conform with the revised framework accordingly.

As at 30 September 2004, the Group's total CAR was 16.1%, which was 6.1% points higher than the minimum total CAR of 10% set by MAS. Compared to the total CAR of 15.2% as at 31 December 2003 and 15.0% as at 30 September 2003, it had increased 0.9% point and 1.1% points respectively. The increase was mainly attributable to the issue of US\$1 billion 5.375% and S\$1 billion 4.100% Subordinated Notes in August 2004, partly offset by the increase in the risk-weighted assets due primarily to the consolidation of BOA's financials and higher holdings in investment securities.

	<u>30-Sep-04</u> \$ million	<u>31-Dec-03</u> \$ million	<u>30-Sep-03</u> \$ million
Capital			
<u>Tier 1 Capital</u>			
Share capital	1,573	1,572	1,572
Disclosed reserves / other	12,073	11,726	11,384
Deduction of goodwill	<u>(3,938)</u>	<u>(3,483)</u>	<u>(3,533)</u>
	<u>9,708</u>	<u>9,815</u>	<u>9,423</u>
<u>Upper Tier 2 Capital</u>			
Cumulative general provisions	1,080	934	932
Subordinated notes	5,663	2,991	3,018
	<u>6,743</u>	<u>3,925</u>	<u>3,950</u>
Deductions from Tier 1 and Upper Tier 2 Capital	(2,590)	(2,410)	(2,243)
Total capital	<u>13,861</u>	<u>11,330</u>	<u>11,130</u>
Risk-weighted assets (including market risk)	<u>85,927</u>	<u>74,353</u>	<u>74,248</u>
Capital adequacy ratios			
Tier 1	11.3%	13.2%	12.7%
Total capital	16.1%	15.2%	15.0%



VII) Exposure by Country of Operations

The Group's total direct net exposure to the countries outside Singapore where it has a presence amounted to \$46.5 billion or 36.7% of Group total assets as at 30 September 2004. This represents an increase of 25.1% over the \$37.1 billion as at 31 December 2003, attributed mainly to the acquisition of BOA.

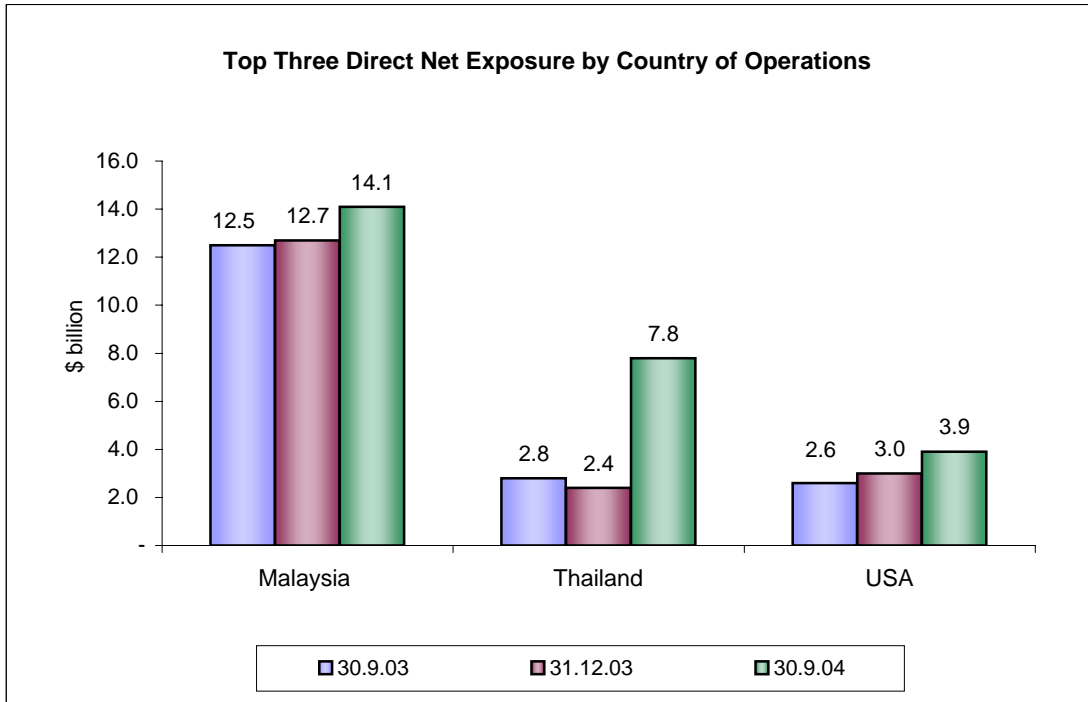
Exposure to the Five Regional Countries, Greater China and Other Countries outside Singapore

\$ million

	Loans to Non-Bank	Balances due from		Investments	Total	Less: Loans to Investments in Subsidiaries & Branches	Net Exposure		Contingent Liabilities
		Government	Bank				Total	% of Group Total Assets	
Malaysia									
30-Sep-04	7,334	3,360	4,979	819	16,492	2,412	14,080	11.1	1,046
31-Dec-03	6,624	3,353	4,307	742	15,026	2,296	12,730	11.2	1,067
30-Sep-03	6,600	3,667	3,975	595	14,837	2,379	12,458	11.5	1,038
Indonesia									
30-Sep-04	477	234	139	263	1,113	146	967	0.8	140
31-Dec-03	491	165	48	79	783	50	733	0.7	132
30-Sep-03	448	160	50	54	712	50	662	0.6	75
Philippines									
30-Sep-04	224	236	50	2	512	40	472	0.4	56
31-Dec-03	241	221	53	12	527	41	486	0.4	60
30-Sep-03	250	245	69	16	580	59	521	0.5	61
Thailand									
30-Sep-04	6,330	998	142	1,759	9,229	1,384	7,845	6.2	939
31-Dec-03	1,642	523	112	244	2,521	156	2,365	2.1	332
30-Sep-03	1,651	908	159	244	2,962	205	2,757	2.6	295
South Korea									
30-Sep-04	38	900	1,289	218	2,445	-	2,445	1.9	180
31-Dec-03	41	596	825	209	1,671	-	1,671	1.5	173
30-Sep-03	50	561	1,095	178	1,884	-	1,884	1.7	55
Total Regional Countries									
30-Sep-04	14,403	5,728	6,599	3,061	29,791	3,982	25,809	20.4	2,361
31-Dec-03	9,039	4,858	5,345	1,286	20,528	2,543	17,985	15.9	1,764
30-Sep-03	8,999	5,541	5,348	1,087	20,975	2,693	18,282	16.9	1,524
Greater China									
30-Sep-04	1,944	1,091	7,838	424	11,297	4,295	7,002	5.5	628
31-Dec-03	1,968	1,038	5,943	352	9,301	3,340	5,961	5.2	639
30-Sep-03	2,107	416	4,875	319	7,717	2,565	5,152	4.8	461
Other OECD									
30-Sep-04	5,136	1,271	5,400	2,283	14,090	685	13,405	10.6	895
31-Dec-03	5,494	3,059	5,355	1,129	15,037	2,076	12,961	11.4	911
30-Sep-03	5,239	810	3,521	859	10,429	985	9,444	8.7	900
Other									
30-Sep-04	193	18	146	-	357	108	249	0.2	49
31-Dec-03	166	17	53	1	237	12	225	0.2	65
30-Sep-03	164	14	42	1	221	9	212	0.2	44
Grand Total									
30-Sep-04	21,676	8,108	19,983	5,768	55,535	9,070	46,465	36.7	3,933
31-Dec-03	16,667	8,972	16,696	2,768	45,103	7,971	37,132	32.7	3,379
30-Sep-03	16,509	6,781	13,786	2,266	39,342	6,252	33,090	30.6	2,929

VII) Exposure by Country of Operations

At the country level, direct net exposure to Malaysia where the Group has a long-standing presence, remained the largest at \$14.1 billion or 11.1% of Group total assets, followed by Thailand at \$7.8 billion and USA at \$3.9 billion.



UNAUDITED CONSOLIDATED BALANCE SHEET

	30-Sep-04 \$ million	30-Jun-04 \$ million	31-Dec-03 \$ million	30-Sep-03 \$ million
<u>Share Capital and Reserves</u>				
Share capital	1,573	1,572	1,572	1,572
Capital reserves	4,215	4,221	4,242	4,265
Statutory reserves	2,860	2,860	2,860	2,801
Revenue reserves	4,793	4,671	4,465	4,149
Share of reserves of associates	126	126	143	136
Total shareholders' funds	13,566	13,450	13,282	12,924
Minority interests	237	169	155	151
<u>Liabilities</u>				
Deposits of non-bank customers	77,373	71,631	69,863	66,092
Deposits and balances of banks and agents	23,128	21,959	18,839	18,097
Total deposits	100,501	93,590	88,702	84,189
Bills and drafts payable	324	158	164	187
Other liabilities	4,695	5,066	6,947	6,336
Debts issued	7,243	4,372	4,196	4,231
Total liabilities	112,763	103,186	100,009	94,943
Total shareholders' funds and liabilities	126,566	116,805	113,446	108,017
<u>Assets</u>				
Cash, balances and placements with central banks	9,062	10,527	9,085	7,516
Singapore Government treasury bills and securities	6,257	6,787	6,311	5,954
Other government treasury bills and securities	2,248	1,721	1,352	1,800
Dealing securities	588	575	525	473
Placements and balances with banks and agents	24,112	19,442	20,072	17,022
Loans and advances including trade bills to non-bank customers	64,489	59,895	59,297	59,248
Other assets	3,958	3,923	4,752	4,186
Investment securities	8,498	7,210	5,423	5,264
Investments in associates	1,689	1,600	1,397	1,270
Fixed assets	1,865	1,747	1,768	1,769
Goodwill	3,800	3,378	3,466	3,516
Total assets	126,566	116,805	113,446	108,017
<u>Off-Balance Sheet Items</u>				
Contingent liabilities	10,076	9,087	8,729	8,416
Derivative financial instruments	278,339	248,076	183,840	208,426
Commitments	43,271	39,404	37,660	37,671

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Balance at 1 January 2004	1,572	4,242	2,860	4,465	143	13,282
Net profit attributable to members	-	-	-	1,076	-	1,076
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	(32)	-	-	-	(32)
Group's share of reserves of associates	-	-	-	-	(16)	(16)
Other adjustments	-	2	-	1	(1)	2
Total recognised gains / (losses) for the financial period	-	(31)	-	1,077	(18)	1,029
Net transfer to revenue reserves	-	(5)	-	5	-	-
Dividends	-	-	-	(755)	-	(755)
Issue of shares to option holders who exercised their rights	1	9	-	-	-	10
Balance at 30 September 2004	1,573	4,215	2,860	4,793	126	13,566
Balance at 1 January 2003	1,572	4,257	2,758	3,893	134	12,613
Net profit attributable to members	-	-	-	836	-	836
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	23	-	-	-	23
Group's share of reserves of associates	-	-	-	-	3	3
Other adjustments	-	-	-	0*	-	0*
Total recognised gains for the financial period	-	23	-	836	3	862
Net transfer from revenue reserves	-	(15)	44	(29)	-	-
Dividends	-	-	-	(552)	-	(552)
Issue of shares to option holders who exercised their rights	0*	0*	-	-	-	0*
Balance at 30 September 2003	1,572	4,265	2,801	4,149	136	12,924

* Less than \$500,000.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Balance at 1 July 2004	1,572	4,221	2,860	4,671	126	13,450
Net profit attributable to members	-	-	-	371	-	371
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	(13)	-	-	-	(13)
Group's share of reserves of associates	-	-	-	-	2	2
Other adjustments	-	2	-	2	(2)	2
Total recognised gains / (losses) for the financial period	-	(12)	-	373	(0)*	361
Dividends	-	-	-	(252)	-	(252)
Issue of shares to option holders who exercised their rights	1	6	-	-	-	6
Balance at 30 September 2004	1,573	4,215	2,860	4,793	126	13,566
Balance at 1 July 2003	1,572	4,281	2,801	4,059	137	12,850
Net profit attributable to members	-	-	-	335	-	335
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	(16)	-	-	-	(16)
Group's share of reserves of associates	-	-	-	-	(1)	(1)
Total recognised gains / (losses) for the financial period	-	(16)	-	335	(1)	318
Dividends	-	-	-	(245)	-	(245)
Issue of shares to option holders who exercised their rights	0*	0*	-	-	-	0*
Balance at 30 September 2003	1,572	4,265	2,801	4,149	136	12,924

* Less than \$500,000.



UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	9 Months 2004	9 Months 2003	3rd Quarter 2004	3rd Quarter 2003
	\$ million	\$ million	\$ million	\$ million
Cash flows from operating activities				
Profit before tax	1,408	1,112	486	427
Adjustments for:				
Depreciation of fixed assets	90	80	32	27
Goodwill amortisation	155	152	55	50
Share of profit of associates	(123)	(62)	(47)	(32)
Operating profit before changes in operating assets and liabilities	<u>1,530</u>	<u>1,282</u>	<u>526</u>	<u>472</u>
Changes in operating assets and liabilities:				
Deposits	5,953	(3,032)	1,065	(1,380)
Bills and drafts payable	82	23	88	8
Other liabilities	(2,338)	1,245	(458)	1,573
Dealing securities	(63)	151	(13)	(58)
Placements and balances with banks and agents	(3,771)	2,404	(4,401)	1,954
Loans and advances including trade bills to non-bank customers	(991)	(364)	(393)	512
Other government treasury bills and securities not qualifying as cash and cash equivalents	20	(55)	11	(26)
Other assets	1,508	(131)	691	(1,034)
Cash generated from / (used in) operations	<u>1,929</u>	<u>1,524</u>	<u>(2,883)</u>	<u>2,020</u>
Income taxes paid	(315)	(302)	(119)	(128)
Net cash provided by / (used in) operating activities	<u>1,614</u>	<u>1,222</u>	<u>(3,003)</u>	<u>1,892</u>
Cash flows from investing activities				
Increase in investment securities and investments in associates	(2,877)	(1,295)	(886)	(896)
Net dividends received from associates	42	31	1	1
Net increase in fixed assets	(47)	(54)	(11)	(11)
Change in / acquisition of minority interests of subsidiaries	(38)	(4)	(49)	1
Net cash flow on acquisition of subsidiaries	(38)	-	(38)	-
Net cash used in investing activities	<u>(2,958)</u>	<u>(1,323)</u>	<u>(982)</u>	<u>(905)</u>
Cash flows from financing activities				
Proceeds from issue of shares	10	0*	6	0*
Net increase / (decrease) in debts issued	2,963	2,084	2,787	(51)
Dividends paid by the Bank	(755)	(552)	(252)	(245)
Dividends paid by subsidiaries to minority shareholders	(3)	(4)	(0)	(1)
Net cash provided by / (used in) financing activities	<u>2,216</u>	<u>1,529</u>	<u>2,542</u>	<u>(297)</u>
Currency translation adjustment	(32)	23	(13)	(16)
Net increase / (decrease) in cash and cash equivalents	<u>840</u>	<u>1,451</u>	<u>(1,457)</u>	<u>674</u>
Cash and cash equivalents at beginning of the financial period	16,362	13,041	18,658	13,818
Cash and cash equivalents at end of the financial period (Note A)	<u>17,202</u>	<u>14,492</u>	<u>17,202</u>	<u>14,492</u>
Note A:				
Cash, balances and placements with central banks	9,062	7,516	9,062	7,516
Singapore Government treasury bills and securities	6,257	5,954	6,257	5,954
Other government treasury bills and securities, less non-cash equivalents of \$365 million (30 September 2003: \$778 million)	1,883	1,022	1,883	1,022
Cash and cash equivalents at end of the financial period	<u>17,202</u>	<u>14,492</u>	<u>17,202</u>	<u>14,492</u>

* Less than \$500,000.