

To: All Shareholders

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

Financial Results

The financial results of the Group for the financial year / fourth quarter of 2010 are enclosed.

Dividends

Ordinary share dividend

The Directors recommend the payment of a final one-tier tax-exempt dividend of 40 cents (2009: 40 cents) and a special one-tier tax-exempt dividend of 10 cents (2009: nil) per ordinary share for the financial year ended 31 December 2010. The final and special dividends are subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 29 April 2011.

Together with the interim one-tier tax-exempt dividend of 20 cents per ordinary share (2009: 20 cents) paid in October 2010, the total net dividend for the financial year ended 31 December 2010 will be 70 cents (2009: 60 cents) per ordinary share amounting to \$1,077 million (2009: \$903 million).

The scrip dividend scheme (the "Scheme") will be applied to the final and special dividends for the financial year ended 31 December 2010. A separate announcement is made today of the books closure and relevant dates for participation in the Scheme.

Preference share dividends

During the financial year, semi-annual dividends at an annual rate of 5.796% totalling USD29 million (2009: USD29 million) were paid on the 5,000 non-cumulative non-convertible guaranteed SPV-A preference shares issued by the Bank's wholly-owned subsidiary, UOB Cayman I Limited.

A semi-annual one-tier tax-exempt dividend of 5.05% per annum will be paid on the Bank's S\$1.32 billion Class E non-cumulative non-convertible preference shares on 15 March 2011 for the dividend period from 15 September 2010 up to, but excluding, 15 March 2011.

BY ORDER OF THE BOARD
UNITED OVERSEAS BANK LIMITED

Mrs Vivien Chan
Secretary

Dated this 25th day of February 2011

The results are also available at uobgroup.com



Group Financial Report

For the Financial Year 2010

United Overseas Bank Limited
Incorporated in the Republic of Singapore
Company Registration Number: 193500026Z

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Attachment: Independent Auditors' Report

Notes:

- 1 The financial statements are presented in Singapore dollars.
 - 2 Certain comparative figures have been restated to conform with the current period's presentation.
 - 3 Certain figures in this report may not add up to the respective totals due to rounding.
 - 4 Amounts less than \$500,000 in absolute term are shown as "0".
- "NM" denotes not meaningful.

Financial Highlights

	2010	2009	+ / (-)	4Q10	3Q10	+ / (-)	4Q09	+ / (-)
			%			%		%
Profit and loss summary (\$m)								
Net interest income	3,532	3,674	(3.9)	865	883	(2.1)	892	(3.0)
Fee and commission income	1,163	976	19.1	310	284	9.2	247	25.5
Other non-interest income	1,105	755	46.3	390	301	29.7	103	>100.0
Total income	5,800	5,405	7.3	1,565	1,468	6.6	1,242	26.0
Less: Total expenses	2,258	2,074	8.8	620	555	11.6	554	12.0
Operating profit	3,542	3,331	6.3	945	912	3.6	688	37.2
Less: Amortisation/impairment charges	485	1,132	(57.2)	183	137	33.5	47	>100.0
Add: Share of profit of associates	139	107	30.5	38	29	33.4	19	95.4
Less: Tax and minority interests	501	404	23.9	94	116	(18.7)	139	(32.1)
Net profit after tax ¹	2,696	1,902	41.8	706	688	2.6	522	35.2
Financial indicators								
Non-interest income/Total income (%)	39.1	32.0	7.1% pt	44.7	39.8	4.9% pt	28.2	16.5% pt
Overseas profit contribution (%)	28.6	31.2	(2.6)% pt	21.8	30.3	(8.5)% pt	19.0	2.8% pt
Earnings per ordinary share (\$) ^{2,3}								
Basic	1.70	1.19	42.9	1.47	1.66	(11.4)	1.31	12.2
Diluted	1.69	1.19	42.0	1.46	1.65	(11.5)	1.31	11.5
Return on average ordinary shareholders' equity (%) ^{2,3}	14.3	11.9	2.4% pt	11.9	13.8	(1.9)% pt	12.1	(0.2)% pt
Return on average total assets (%) ³	1.38	1.06	0.32% pt	1.14	1.35	(0.21)% pt	1.16	(0.02)% pt
Net interest margin (%) ³	2.09	2.36	(0.27)% pt	1.91	2.07	(0.16)% pt	2.28	(0.37)% pt
Expense/Income ratio (%)	38.9	38.4	0.5% pt	39.6	37.8	1.8% pt	44.6	(5.0)% pt
Loan charge off rate (bp) ³								
Exclude collective impairment	18	59	(41)bp	46	16	30bp	50	(4)bp
Include collective impairment	35	76	(41)bp	62	35	27bp	43	19bp
Net dividend per ordinary share (¢)								
Interim	20.0	20.0	-	-	-	-	-	-
Final	40.0	40.0	-	40.0	-	NM	40.0	-
Special	10.0	-	NM	10.0	-	NM	-	NM
Total	70.0	60.0	16.7	50.0	-	NM	40.0	25.0

Notes:

1 Refer to profit attributable to equity holders of the Bank.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.

3 Computed on an annualised basis.

Financial Highlights (cont'd)

	Dec-10	Sep-10	+ / (-)	Dec-09	+ / (-)
			%		%
Financial indicators					
Customer loans (net) (\$m)	112,440	107,100	5.0	99,201	13.3
Customer deposits (\$m)	142,299	132,483	7.4	121,502	17.1
Loans/Deposits ratio (%) ¹	79.0	81.1	(2.1)% pt	81.6	(2.6)% pt
NPL ratio (%) ²	1.8	1.9	(0.1)% pt	2.2	(0.4)% pt
Total assets (\$m)	213,778	202,445	5.6	185,578	15.2
Shareholders' equity (\$m) ³	21,473	20,814	3.2	18,986	13.1
Net asset value ("NAV") per ordinary share (\$) ⁴	12.51	12.19	2.6	11.17	12.0
Revalued NAV per ordinary share (\$) ⁴	14.34	13.80	3.9	12.76	12.4
Capital adequacy ratios (%)					
Tier 1	15.3	15.1	0.2% pt	14.0	1.3% pt
Total	19.8	19.9	(0.1)% pt	19.0	0.8% pt

Notes:

- 1 Refer to net customer loans and customer deposits.
- 2 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 3 Refer to equity attributable to equity holders of the Bank.
- 4 Preference shares are excluded from the computation.

Performance Review

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in the Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning.

The new or amended FRS and Interpretations to FRS ("INT FRS") applicable to the Group with effect from 1 January 2010 are listed below. The adoption of these FRS and INT FRS has no significant impact on the financial statements of the Group.

- FRS27 Consolidated and Separate Financial Statements
- FRS103 Business Combinations
- INT FRS117 Distributions of Non-cash Assets to Owners
- Amendments to FRS32 Financial Instruments: Presentation - Classification of Rights Issues
- Amendments to FRS39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- Amendments to FRS102 Share-based Payment - Group Cash-settled Share-based Payment Transactions

Other than the above changes, the accounting policies and computation methods adopted in the audited financial statements for the financial year ended 31 December 2010 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2009.

2010 versus 2009

Group's net profit after tax ("NPAT") for 2010 grew 41.8% over 2009 to \$2,696 million. The improved performance was driven by higher non-interest income, coupled with lower impairment charges.

Total income increased 7.3% to \$5,800 million, contributed by non-interest income which grew 31.0% to \$2,268 million year-on-year. Net interest income decreased 3.9% to \$3,532 million as the decline in interest spreads outpaced the expanded asset volume.

Fee and commission income grew 19.1% to \$1,163 million across Singapore and the region. Investment-related income was strong with an increase of 39.7%, while contributions from credit card business, loan-related and trade-related activities were robust. Trading and investment income improved significantly to \$666 million in 2010, mainly contributed by higher gain on sale of investment securities as a result of stronger market sentiments. Other income was also higher mainly due to the gain on sale of UOB Life Assurance Limited ("UOB Life").

Total operating expenses increased 8.8% to \$2,258 million in 2010 due mainly to higher staff costs. Expense-to-income ratio remained well controlled at 38.9%.

Impairment charges were reduced by more than half to \$474 million as asset quality improved over the year on the back of the strong economic recovery.

Net customer loans increased 13.3% from a year ago to \$112.4 billion as at 31 December 2010, with increases registered across Singapore and the regional countries. Housing loans was the major sector that contributed to the year-on-year growth, followed by increase in loans to non-bank financial institutions, general commerce sectors and professional and private individuals. Non-performing loans ("NPL") ratio improved to 1.8% from the 2.2% recorded a year ago.

Customer deposits rose 17.1% to \$142.3 billion as at 31 December 2010 as the volume of fixed deposits collected across Singapore and the regional countries increased. Loans-to-deposits ratio stood at 79.0%.

Shareholders' equity grew 13.1% to \$21.5 billion, largely attributed to higher retained earnings and the issuance of new ordinary shares pursuant to the scrip dividend scheme, as well as higher valuation gain on the investment portfolio. Group return on shareholders' equity was higher at 14.3%.

Performance Review (cont'd)

2010 versus 2009 (cont'd)

Group Tier 1 and total capital adequacy ratio ("CAR") were higher at 15.3% and 19.8% respectively as at 31 December 2010. The higher CAR was mainly due to higher retained earnings and issuance of new ordinary shares pursuant to the scrip dividend scheme, partially offset by higher risk-weighted assets.

Fourth quarter 2010 ("4Q10") versus third quarter 2010 ("3Q10")

Group NPAT rose 2.6% over 3Q10 to \$706 million in 4Q10. The better performance was mainly supported by strong fee and commission income and higher investment income.

Net interest income was lower at \$865 million for 4Q10 as the current low interest rate environment continued to compress the loan margins. Non-interest income increased 19.8% to \$700 million quarter-on-quarter. The increase was due to fee and commission income which rose 9.2% to \$310 million, with increases registered across Singapore and the regional countries and from most business areas, particularly in fund management, trade-related, investment-banking and credit card businesses. Higher investment income came mainly from higher gain on sale of investment securities.

Total operating expenses increased 11.6% to \$620 million in 4Q10 on higher staff costs and higher advertising expenses for the festive seasonal promotions. Expense-to-income ratio increased 1.8% points to 39.6%.

Impairment charges were higher at \$180 million over the quarter from higher individual impairment on loans, partly offset by lower collective impairment.

Singapore and the regional countries continued to drive loan volumes, with net customer loans growing a further 5.0% over the quarter to \$112.4 billion as at 31 December 2010. The increase was from higher loans to non-bank financial institutions and housing loans. NPL ratio stood low at 1.8%.

Customer deposits grew 7.4% to \$142.3 billion as at 31 December 2010, mainly led by higher fixed deposits.

Shareholders' equity rose 3.2% over 30 September 2010 to \$21.5 billion as at 31 December 2010. The increase was largely due to profit for the quarter and the issuance of new ordinary shares pursuant to the scrip dividend scheme.

The Group continued to remain well capitalised with Tier 1 and total capital adequacy ratios at 15.3% and 19.8% respectively as at 31 December 2010.

Fourth quarter 2010 ("4Q10") versus fourth quarter 2009 ("4Q09")

Group NPAT increased 35.2% over 4Q09 to \$706 million in 4Q10, largely due to higher non-interest income partly offset by higher impairment charges.

Total income grew 26.0% to \$1,565 million mainly contributed by a significant increase in trading and investment income arising from higher gain on sale of investment securities; and fee and commission income registered strong growth in Singapore and the regional countries as well as across all business activities. The increase was partially offset by lower net interest income.

Total operating expenses increased 12.0% from 4Q09, while expense-to-income ratio improved 5.0% points to 39.6% on the back of higher operating income.

Impairment charges were higher as 4Q09 included writebacks of collective impairment and provision for a long-term investment.

Net Interest Income

Net interest margin

	2010			2009		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	102,303	3,806	3.72	99,118	3,921	3.96
Interbank balances	33,353	417	1.25	24,534	411	1.67
Securities	33,615	770	2.29	32,052	827	2.58
Total	169,270	4,994	2.95	155,704	5,159	3.31
Interest bearing liabilities						
Customer deposits	130,683	1,101	0.84	119,929	1,130	0.94
Interbank balances/other	33,993	361	1.06	31,175	355	1.14
Total	164,677	1,462	0.89	151,104	1,485	0.98
Net interest margin ¹			2.09			2.36

	4Q10			3Q10			4Q09		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Interest bearing assets									
Customer loans	107,835	967	3.56	103,392	965	3.70	98,479	926	3.73
Interbank balances	38,640	120	1.23	32,828	102	1.24	23,306	84	1.43
Securities	33,302	195	2.32	32,733	190	2.30	33,137	194	2.33
Total	179,776	1,282	2.83	168,953	1,257	2.95	154,922	1,204	3.08
Interest bearing liabilities									
Customer deposits	140,069	311	0.88	129,400	282	0.86	119,360	244	0.81
Interbank balances/other	35,231	106	1.19	34,827	92	1.05	30,285	68	0.90
Total	175,300	417	0.94	164,227	374	0.90	149,644	312	0.83
Net interest margin ¹			1.91			2.07			2.28

Note:

¹ Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

Net Interest Income (cont'd)

Volume and rate analysis

	2010 vs 2009			4Q10 vs 3Q10			4Q10 vs 4Q09		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Interest income									
Customer loans	126	(241)	(115)	41	(40)	2	88	(46)	41
Interbank balances	148	(141)	7	18	(1)	18	55	(20)	36
Securities	40	(98)	(57)	3	1	5	1	(1)	0
Total	314	(480)	(166)	63	(39)	24	144	(67)	77
Interest expense									
Customer deposits	101	(131)	(30)	23	5	29	42	25	67
Interbank balances/other	21	(16)	6	1	13	14	9	29	38
Total	123	(147)	(24)	24	18	43	51	53	105
Net interest income	191	(333)	(142)	39	(57)	(19)	93	(120)	(27)

2010 vs 2009

Net interest income for 2010 was \$3,532 million, a decrease of 3.9% from 2009 mainly due to a subdued interest rate environment, coupled with high liquidity and keen competition in the market. The decrease was partly negated by expanded average interest bearing assets, which grew 8.7%. Net interest margin declined to 2.09% for 2010.

4Q10 vs 3Q10

Net interest income declined 2.1% to \$865 million quarter-on-quarter as net interest margin was lower at 1.91% due to competitive pricing in a low interest rate environment. Average interest bearing assets grew 6.4% in the quarter.

4Q10 vs 4Q09

Compared to 4Q09, net interest income retreated 3.0% to \$865 million mainly attributed to margin compression, which brought net interest margin down by 37 basis points to 1.91%.

Non-Interest Income

	2010	2009	+/(-)	4Q10	3Q10	+/(-)	4Q09	+/(-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Fee and commission income								
Credit card	194	157	23.6	52	49	5.7	44	16.1
Fund management	125	118	6.6	37	25	45.1	23	60.4
Investment-related	191	137	39.7	58	54	7.6	37	58.1
Loan-related	285	242	17.6	66	68	(2.0)	56	18.3
Service charges	91	85	7.0	25	22	14.2	22	12.7
Trade-related	210	185	13.3	56	50	10.2	52	6.0
Other	66	52	27.9	16	15	4.8	12	35.1
	1,163	976	19.1	310	284	9.2	247	25.5
Other non-interest income								
Dividend income	79	42	88.7	10	41	(76.7)	4	>100.0
Rental income	119	143	(16.7)	30	29	1.6	36	(17.0)
Trading income/(loss)	71	60	19.9	6	27	(77.3)	1	>100.0
Non-trading income/(loss)								
Financial instruments measured at fair value to profit and loss	173	271	(36.2)	92	44	>100.0	47	94.9
Available-for-sale assets and other	422	123	>100.0	197	103	92.1	(16)	>100.0
	666	453	47.0	295	173	70.0	32	>100.0
Other income	241	118	>100.0	56	57	(1.2)	31	80.7
Other operating income	907	571	59.0	351	230	52.5	63	>100.0
	1,105	755	46.3	390	301	29.7	103	>100.0
Total	2,268	1,732	31.0	700	585	19.8	350	99.9

2010 vs 2009

Non-interest income rose 31.0% to \$2,268 million year-on-year, mainly led by growth in fee and commission income and trading and investment income. Fee and commission income grew 19.1% to \$1,163 million and growth was broad-based across all business activities. Trading and investment income was higher, contributed mainly by higher gain on sale of investment securities as a result of stronger market sentiments. Higher other income was mainly due to the gain on sale of UOB Life.

4Q10 vs 3Q10

Non-interest income grew 19.8% to \$700 million on higher investment income as well as higher fee and commission income. The increase in fee and commission income was across Singapore and the regional countries and from most business activities particularly in fund management, trade-related, investment banking and credit card businesses.

4Q10 vs 4Q09

Compared to 4Q09, non-interest income doubled to \$700 million. Trading and investment income jumped nine-fold to \$295 million over 4Q09 on higher gain on sale of investment securities. Fee and commission income increased 25.5% to \$310 million with increases registered in Singapore and the regional countries as well as across all business activities.

Operating Expenses

	2010	2009	+ / (-)	4Q10	3Q10	+ / (-)	4Q09	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	1,242	1,116	11.3	330	308	7.2	308	7.3
Other operating expenses								
Revenue-related	479	485	(1.3)	133	120	10.4	125	6.4
Occupancy-related	220	206	6.5	57	55	3.6	53	8.0
IT-related	173	160	8.4	41	41	(0.1)	44	(6.0)
Other	144	108	33.6	58	30	91.5	24	>100.0
	1,016	959	5.9	290	247	17.1	246	17.9
Total	2,258	2,074	8.8	620	555	11.6	554	12.0
Of which, depreciation of assets	137	138	(0.3)	34	34	0.7	37	(5.7)
Manpower (number)	21,653	20,431	1,222	21,653	21,080	573	20,431	1,222

2010 vs 2009

Total operating expenses increased 8.8% to \$2,258 million in 2010 mainly from higher staff costs which increased 11.3% to \$1,242 million. Expense-to-income ratio remained well-controlled at 38.9%.

4Q10 vs 3Q10

Total operating expenses increased 11.6% to \$620 million in 4Q10, with expense-to-income ratio increasing 1.8% points to 39.6%. The increase in total expenses came from higher staff costs and higher advertising expenses.

4Q10 vs 4Q09

Total operating expenses increased 12.0% from 4Q09, while expense-to-income ratio improved 5.0% points to 39.6% due to higher operating income.

Impairment Charges

	2010	2009	+ / (-)	4Q10	3Q10	+ / (-)	4Q09	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Individual impairment on loans ¹								
Singapore	36	307	(88.4)	52	10	>100.0	58	(9.2)
Malaysia	16	85	(81.8)	10	1	>100.0	26	(61.1)
Thailand	38	51	(25.1)	14	7	94.6	10	49.3
Indonesia	13	20	(36.5)	1	2	(38.9)	6	(75.1)
Greater China ²	2	17	(87.2)	1	0	>100.0	9	(92.7)
Other	85	123	(30.8)	49	22	>100.0	19	>100.0
	190	604	(68.6)	128	44	>100.0	127	1.2
Individual impairment on securities and other assets	48	11	>100.0	30	10	>100.0	(23)	>100.0
Collective impairment	236	506	(53.4)	22	80	(72.8)	(59)	>100.0
Total	474	1,121	(57.7)	180	134	34.2	44	>100.0

2010 vs 2009

Impairment charges decreased 57.7% to \$474 million in 2010, contributed by lower individual impairment on loans across territories and lower collective impairment being set aside.

4Q10 vs 3Q10

Impairment charges were higher at \$180 million in 4Q10 from higher individual impairment on loans, partly offset by lower collective impairment.

4Q10 vs 4Q09

Compared to 4Q09, impairment charges were higher as 4Q09 included writebacks of collective impairment and provision for a long-term investment.

Notes:

1 Based on the location where the non-performing loans are booked.

2 Comprise China, Hong Kong S.A.R. and Taiwan.

Customer Loans

	Dec-10	Sep-10	Dec-09
	\$m	\$m	\$m
Gross customer loans	115,122	109,716	101,744
Less: Individual impairment	930	900	973
Collective impairment	1,752	1,716	1,570
Net customer loans	112,440	107,100	99,201
By industry			
Transport, storage and communication	6,710	6,072	6,301
Building and construction	11,506	12,208	11,718
Manufacturing	8,617	8,437	8,794
Financial institutions	18,673	15,532	14,741
General commerce	15,094	14,271	12,770
Professionals and private individuals	14,907	14,289	13,346
Housing loans	33,528	32,021	27,444
Other	6,086	6,887	6,630
Total (gross)	115,122	109,716	101,744
By currency			
Singapore dollar	66,915	63,715	59,978
US dollar	13,855	13,388	12,813
Malaysian ringgit	14,282	13,617	11,414
Thai baht	6,841	6,340	5,944
Indonesian rupiah	3,213	3,104	2,890
Other	10,017	9,551	8,705
Total (gross)	115,122	109,716	101,744
By maturity			
Within 1 year	44,983	40,679	37,772
Over 1 year but within 3 years	19,766	20,886	21,087
Over 3 years but within 5 years	12,575	11,993	10,615
Over 5 years	37,798	36,158	32,270
Total (gross)	115,122	109,716	101,744
By geography ¹			
Singapore	75,534	71,938	67,350
Malaysia	15,278	14,425	12,120
Thailand	7,050	6,473	6,077
Indonesia	3,975	3,779	3,499
Greater China	5,295	4,515	4,011
Other	7,990	8,586	8,688
Total (gross)	115,122	109,716	101,744

Net customer loans grew 13.3% year-on-year and 5.0% for the quarter to \$112.4 billion as at 31 December 2010, with increases registered across Singapore and the regional countries. Housing loans was the major sector that contributed to the year-on-year growth, followed by increase in loans to non-bank financial institutions, general commerce sectors and professional and private individuals. The growth in the quarter was mainly attributed to higher loans to non-bank financial institutions and housing loans.

Note:

¹ Based on the location where the loans are booked.

Non-Performing Assets

	Dec-10	Sep-10	Dec-09
	\$m	\$m	\$m
Loans ("NPL")	2,155	2,120	2,260
Debt securities	405	409	462
Non-Performing Assets ("NPA")	2,560	2,529	2,722
By grading			
Substandard	1,478	1,432	1,623
Doubtful	432	471	519
Loss	650	626	580
Total	2,560	2,529	2,722
By security coverage			
Secured	1,153	1,076	1,180
Unsecured	1,407	1,453	1,542
Total	2,560	2,529	2,722
By ageing			
Current	596	445	351
Within 90 days	194	214	489
Over 90 to 180 days	251	232	333
Over 180 days	1,519	1,638	1,549
Total	2,560	2,529	2,722
Cumulative impairment			
Individual	1,157	1,117	1,200
Collective	1,888	1,875	1,657
Total	3,045	2,992	2,857
As a % of NPA	118.9%	118.3%	105.0%
As a % of unsecured NPA	216.4%	205.9%	185.3%

	NPL	NPL	NPL	NPL	NPL
	NPL	ratio ¹	NPL	ratio	NPL
	\$m	%	\$m	%	\$m
NPL by industry					
Transport, storage and communication	361	5.3	138	2.3	78
Building and construction	149	1.1	160	1.1	208
Manufacturing	524	6.1	590	7.0	678
Financial institutions	194	1.0	197	1.3	206
General commerce	353	2.3	384	2.6	385
Professionals and private individuals	197	1.3	202	1.4	228
Housing loans	259	0.8	275	0.9	310
Other	118	1.7	174	2.4	167
Total	2,155	1.8	2,120	1.9	2,260

Note:

1 Debt securities and contingent assets are excluded from the computation.

Non-Performing Assets (cont'd)

	NPL \$m	NPL ratio ¹ %	Total cumulative impairment	
			as a % of NPL %	as a % of unsecured NPL %
NPL by geography²				
Singapore				
Dec 10	845	1.1	213.7	393.5
Sep 10	816	1.1	214.8	370.6
Dec 09	923	1.4	185.5	299.8
Malaysia				
Dec 10	373	2.4	93.6	258.5
Sep 10	402	2.8	86.3	237.7
Dec 09	435	3.5	68.3	225.0
Thailand				
Dec 10	409	5.2	69.4	120.9
Sep 10	415	5.8	71.3	124.9
Dec 09	409	6.1	69.9	120.7
Indonesia				
Dec 10	80	2.0	71.3	814.3
Sep 10	91	2.4	64.8	983.3
Dec 09	106	3.0	63.2	304.5
Greater China				
Dec 10	61	1.2	104.9	376.5
Sep 10	78	1.7	84.6	244.4
Dec 09	105	2.6	83.8	220.0
Other				
Dec 10	387	4.8	31.5	56.2
Sep 10	318	3.7	29.9	42.2
Dec 09	282	3.2	33.0	78.2
Group NPL				
Dec 10	2,155	1.8	124.5	250.7
Sep 10	2,120	1.9	123.4	234.8
Dec 09	2,260	2.2	112.5	226.9

NPL ratios of Singapore and the respective regional countries improved when compared to the comparative periods, with Group NPL ratio improving further to 1.8% as at end 2010. Group NPL remained low at \$2,155 million as at 31 December 2010.

Notes:

- 1 Debt securities and contingent assets are excluded from the computation.
- 2 Based on the location where the non-performing loans are booked.

Customer Deposits

	<u>Dec-10</u>	<u>Sep-10</u>	<u>Dec-09</u>
	\$m	\$m	\$m
By product group			
Fixed deposits	77,310	69,292	64,343
Savings deposits	34,841	34,102	30,121
Current accounts	27,261	26,269	25,200
Other	2,888	2,819	1,838
Total	142,299	132,483	121,502
By maturity			
Within 1 year	139,129	128,979	117,602
Over 1 year but within 3 years	1,784	2,135	2,795
Over 3 years but within 5 years	1,157	1,206	738
Over 5 years	230	163	367
Total	142,299	132,483	121,502
Loans/Deposits ratio (%)	79.0	81.1	81.6

Customer deposits rose 17.1% year-on-year and 7.4% for the quarter to reach \$142.3 billion as at 31 December 2010 as more fixed deposits were collected across Singapore and the regional countries.

Debts Issued

	<u>Dec-10</u>	<u>Sep-10</u>	<u>Dec-09</u>
	\$m	\$m	\$m
Subordinated debts			
Due after one year (unsecured)	5,367	5,524	5,354
Other debts issued			
Due within one year (unsecured)	672	545	576
Due after one year (unsecured)	224	226	114
	896	771	690
Total	6,263	6,296	6,044

Shareholders' Equity

	<u>Dec-10</u>	Sep-10	<u>Dec-09</u>
	\$m	\$m	\$m
Shareholders' equity	21,473	20,814	18,986
Add: Revaluation surplus	2,818	2,458	2,394
Shareholders' equity including revaluation surplus	24,292	23,273	21,380

Shareholders' equity increased 3.2% over 30 September 2010 to \$21.5 billion as at 31 December 2010. The increase was largely due to profit for the quarter and the issuance of new ordinary shares pursuant to the scrip dividend scheme.

Compared to a year ago, shareholders' equity grew 13.1% mainly attributed to higher retained earnings and the issuance of new ordinary shares pursuant to the scrip dividend scheme, as well as higher valuation gain on investment portfolio.

As at 31 December 2010, revaluation surplus of \$2.8 billion on the Group's properties was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	2010	2009	4Q10	4Q09
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,524,194	1,523,931	1,548,546	1,524,084
Issue of shares under scrip dividend scheme	35,945	-	11,593	-
Exercise of share options granted under the UOB 1999 Share Option Scheme	-	263	-	110
Balance at end of period	1,560,139	1,524,194	1,560,139	1,524,194
Treasury shares				
Balance at beginning of period	(18,175)	(18,320)	(18,175)	(18,320)
Issue of shares under share-based compensation plans	660	145	660	145
Balance at end of period	(17,515)	(18,175)	(17,515)	(18,175)
Ordinary shares net of treasury shares	1,542,624	1,506,019	1,542,624	1,506,019
Preference shares				
Class E non-cumulative non-convertible preference shares at beginning/end of period	13,200	13,200	13,200	13,200

As at 31 December 2010 and 31 December 2009, there were no outstanding and exercisable options that would render new shares to be issued.

Performance by Operating Segment

The Group is organised to be segment-led across key markets. Global segment heads are responsible for driving business with decision-making balanced with a geographical perspective. For internal management purposes, the following segments represent the key customer segments and product groups:

Group Retail ("GR")

GR segment covers Consumer, Privilege and Business Banking. Consumer Banking serves the individual customers, while Business Banking serves small enterprises with a wide range of products and services, including deposits, loans, investments, credit and debit cards and insurance products. Privilege Banking provides an extended range of financial services, including wealth management and restricted products such as structured notes, funds of hedge funds, and insurance plans to the wealthy and affluent customers.

Segment profit increased 3.7% to \$976 million in 2010. The increase was mainly due to higher fee and commission income from investment products, credit cards and loan-related fees, coupled with lower impairment charges. Operating expenses grew in line with business volumes.

Group Institutional Financial Services ("GIFS")

GIFS segment encompasses Commercial Banking, Corporate Banking, Corporate Finance, Debt Capital Markets and Private Banking. Commercial Banking serves the medium and large enterprises, while Corporate Banking serves large local corporations, government-linked companies and agencies. Both Commercial Banking and Corporate Banking provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, ship finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and corporate advisory services. Debt Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans for general corporate needs, leveraged buy-outs, project and structured finance, and underwriting and lead managing bond issues. Private Banking caters to the high net worth individuals and accredited investors, offering financial and portfolio planning, including investment management, asset management and estate planning.

Segment profit increased 43.8% to \$1,231 million in 2010. The increase was largely due to lower impairment charges.

Global Markets and Investment Management ("GMIM")

GMIM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, gold products, as well as an array of structured products. It is a dominant player in Singapore dollar treasury instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds.

Segment profit decreased 23.2% to \$796 million in 2010. The decline was mainly attributed to lower income from trading and fixed income investments, partially offset by higher income from treasury sales and fund management activities.

Other

Other segment includes property-related activities, insurance businesses and income and expenses not attributable to other operating segments.

The segment recorded a profit of \$194 million in 2010 compared to a loss of \$528 million in 2009. This was mainly contributed by the gain on sale of UOB Life, higher realised gain on investment securities and lower collective impairment.

Performance by Operating Segment¹ (cont'd)

	GR	GIFS	GMIM	Other	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
2010						
Operating income	2,195	1,886	1,151	693	(125)	5,800
Operating expenses	(1,148)	(472)	(396)	(367)	125	(2,258)
Impairment charges	(68)	(175)	38	(269)	-	(474)
Amortisation of intangible assets	(3)	(8)	-	-	-	(11)
Share of profit of associates	-	-	3	136	-	139
Profit before tax	976	1,231	796	194	-	3,197
Segment assets	51,637	64,640	89,979	7,642	(5,528)	208,370
Intangible assets	1,339	2,123	667	81	-	4,210
Investment in associates	-	-	5	1,193	-	1,198
Total assets	52,976	66,763	90,651	8,916	(5,528)	213,778
Segment liabilities	68,398	66,278	51,192	12,426	(6,169)	192,125
Other information						
Inter-segment operating income	161	(107)	(229)	300	(125)	-
Gross customer loans	51,330	63,400	322	70	-	115,122
Non-performing assets	565	1,681	192	122	-	2,560
Capital expenditure	15	3	4	84	-	106
Depreciation of assets	17	5	3	112	-	137
2009						
Operating income	2,037	1,765	1,425	302	(124)	5,405
Operating expenses	(969)	(409)	(332)	(488)	124	(2,074)
Impairment charges	(124)	(493)	(64)	(440)	-	(1,121)
Amortisation of intangible assets	(3)	(7)	-	-	-	(10)
Share of profit of associates	-	-	8	99	-	107
Profit before tax	941	856	1,037	(528)	-	2,306
Segment assets	42,586	59,962	75,840	4,861	(3,112)	180,137
Intangible assets	1,346	2,135	667	81	-	4,229
Investment in associates	-	-	18	1,194	-	1,212
Total assets	43,932	62,097	76,525	6,136	(3,112)	185,578
Segment liabilities	60,602	57,291	42,943	9,411	(3,824)	166,423
Other information						
Inter-segment operating income	271	(330)	(39)	222	(124)	-
Gross customer loans	42,239	59,188	235	82	-	101,744
Non-performing assets	644	1,656	298	124	-	2,722
Capital expenditure	14	4	3	192	-	213
Depreciation of assets	17	6	3	112	-	138

Notes:

- 1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.
- 2 Certain prior period comparatives have been restated to reflect the re-alignment of the organisation to be more segment focused.

Performance by Geographical Segment ¹

	2010	2009	4Q10	3Q10	4Q09
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore	3,730	3,522	1,035	942	794
Malaysia	706	571	178	180	141
Thailand	408	415	102	102	100
Indonesia	388	361	98	98	89
Greater China	227	201	68	63	40
Other	341	335	85	83	78
Total	5,800	5,405	1,565	1,468	1,242
Profit before tax					
Singapore	2,290	1,594	628	562	537
Malaysia	395	271	78	104	44
Thailand	87	78	19	20	14
Indonesia	175	153	49	46	36
Greater China	105	81	26	36	1
Other	156	139	3	38	32
	3,208	2,316	803	807	664
Intangible assets amortised	(11)	(10)	(3)	(3)	(3)
Total	3,197	2,306	800	804	661

Group's pre-tax profit recorded a year-on-year robust growth of 38.6%, with increases registered across all territories. Singapore's higher pre-tax profit came from strong fee and commission income and improved trading and investment income, coupled with lower impairment charges. Overseas contribution grew 27.1% on the strong performance from Malaysia territory.

	Dec-10	Sep-10	Dec-09
	\$m	\$m	\$m
Total assets			
Singapore	141,970	137,389	121,190
Malaysia	21,620	20,614	17,776
Thailand	10,533	10,211	9,509
Indonesia	5,455	5,050	4,920
Greater China	11,879	9,701	7,132
Other	18,111	15,262	20,822
	209,568	198,226	181,349
Intangible assets	4,210	4,219	4,229
Total	213,778	202,445	185,578

Note:

¹ Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.

Capital Adequacy Ratios

	Dec-10	Sep-10	Dec-09
	\$m	\$m	\$m
Tier 1 capital			
Share capital	2,537	2,319	1,902
Preference shares	2,149	2,149	2,149
Disclosed reserves/other	16,439	15,878	15,189
Deductions from Tier 1 capital	(4,763)	(4,786)	(5,113)
Eligible Tier 1 capital	16,362	15,560	14,127
Tier 2 capital			
Cumulative collective impairment/other	936	964	912
Subordinated notes	4,343	4,461	4,767
Deductions from Tier 2 capital	(435)	(448)	(623)
Eligible total capital	21,206	20,537	19,183
Risk-weighted assets	106,889	103,269	100,908
Capital adequacy ratios ("CAR")			
Tier 1	15.3%	15.1%	14.0%
Total	19.8%	19.9%	19.0%

As at 31 December 2010, Group Tier 1 and total CAR of 15.3% and 19.8% were well above the minimum 6% and 10% required by MAS respectively.

The higher Tier 1 CAR over 30 September 2010 was mainly due to higher retained earnings, partially offset by higher risk-weighted assets.

Compared to 31 December 2009, the higher CAR was mainly due to higher retained earnings and issuance of new ordinary shares pursuant to the scrip dividend scheme, partially offset by higher risk-weighted assets.

Consolidated Profit and Loss Account (Audited)

	2010	2009	+/(-) 1	4Q10 ¹	3Q10 ¹	+/(-) 1	4Q09 ¹	+/(-) 1
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	4,994	5,159	(3.2)	1,282	1,257	1.9	1,204	6.4
Less: Interest expense	1,462	1,485	(1.6)	417	374	11.4	312	33.5
Net interest income	3,532	3,674	(3.9)	865	883	(2.1)	892	(3.0)
Fee and commission income	1,163	976	19.1	310	284	9.2	247	25.5
Dividend income	79	42	88.7	10	41	(76.7)	4	>100.0
Rental income	119	143	(16.7)	30	29	1.6	36	(17.0)
Other operating income	907	571	59.0	351	230	52.5	63	>100.0
Non-interest income	2,268	1,732	31.0	700	585	19.8	350	99.9
Total operating income	5,800	5,405	7.3	1,565	1,468	6.6	1,242	26.0
Less: Staff costs	1,242	1,116	11.3	330	308	7.2	308	7.3
Other operating expenses	1,016	959	5.9	290	247	17.1	246	17.9
Total operating expenses	2,258	2,074	8.8	620	555	11.6	554	12.0
Operating profit before charges	3,542	3,331	6.3	945	912	3.6	688	37.2
Less: Amortisation/impairment charges								
Intangible assets	11	10	6.5	3	3	(3.4)	3	(1.6)
Loans and other assets	474	1,121	(57.7)	180	134	34.2	44	>100.0
Operating profit after charges	3,058	2,200	39.0	762	776	(1.7)	641	18.8
Share of profit of associates	139	107	30.5	38	29	33.4	19	95.4
Profit before tax	3,197	2,306	38.6	800	804	(0.5)	661	21.1
Less: Tax	480	385	24.6	89	111	(20.4)	134	(33.9)
Profit for the financial period	2,717	1,921	41.4	712	693	2.7	527	35.1
Attributable to:								
Equity holders of the Bank	2,696	1,902	41.8	706	688	2.6	522	35.2
Minority interests	21	19	10.0	6	5	22.9	5	18.8
	2,717	1,921	41.4	712	693	2.7	527	35.1
Total operating income								
First half	2,768	2,842	(2.6)					
Second half	3,032	2,564	18.3					
Profit for the financial year attributed to equity holders of the Bank								
First half	1,302	880	48.0					
Second half	1,394	1,022	36.4					

Note:

1 Unaudited.

Consolidated Statement of Comprehensive Income (Audited)

	2010	2009	+ / (-)	4Q10¹	3Q10 ¹	+ / (-)	4Q09¹	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	2,717	1,921	41.4	712	693	2.7	527	35.1
Currency translation adjustments	(112)	114	(>100.0)	(118)	(145)	18.6	16	(>100.0)
Change in available-for-sale reserve								
Change in fair value	502	2,207	(77.2)	46	391	(88.3)	225	(79.6)
Transfer to profit and loss account on disposal/impairment	(149)	359	(>100.0)	(150)	(38)	(>100.0)	2	(>100.0)
Tax on net movement	(40)	(272)	85.4	3	(26)	>100.0	(18)	>100.0
Change in share of other comprehensive income of associates	(37)	105	(>100.0)	(26)	(1)	(>100.0)	27	(>100.0)
Other comprehensive income for the financial period, net of tax	165	2,513	(93.4)	(246)	181	(>100.0)	252	(>100.0)
Total comprehensive income for the financial period, net of tax	2,882	4,434	(35.0)	466	874	(46.7)	779	(40.2)
Attributable to:								
Equity holders of the Bank	2,861	4,404	(35.0)	461	868	(46.9)	773	(40.4)
Minority interests	21	30	(29.9)	5	6	(12.6)	6	(13.7)
	2,882	4,434	(35.0)	466	874	(46.7)	779	(40.2)

Note:

1 Unaudited.

Consolidated Balance Sheet (Audited)

	Dec-10	Sep-10 ¹	Dec-09
	\$m	\$m	\$m
Equity			
Share capital	4,685	4,468	4,051
Retained earnings	7,687	7,311	6,324
Other reserves	9,101	9,036	8,611
Equity attributable to equity holders of the Bank	21,473	20,814	18,986
Minority interests	180	175	169
Total	21,654	20,990	19,155
Liabilities			
Deposits and balances of banks	31,862	29,860	27,751
Deposits and balances of non-bank customers	142,299	132,483	121,502
Bills and drafts payable	1,288	1,561	1,438
Other liabilities	10,412	11,255	9,688
Debts issued	6,263	6,296	6,044
Total	192,125	181,456	166,423
Total equity and liabilities	213,778	202,445	185,578
Assets²			
Cash, balances and placements with central banks	30,743	25,721	18,865
Singapore Government treasury bills and securities	12,814	10,719	12,787
Other government treasury bills and securities	11,575	6,060	7,704
Trading securities	138	118	118
Placements and balances with banks	13,458	19,229	14,116
Loans to non-bank customers	112,440	107,100	99,201
Investment securities	15,926	16,040	16,177
Other assets	9,132	9,898	8,994
Investment in associates	1,198	1,201	1,212
Investment properties	1,125	1,121	1,134
Fixed assets	1,019	1,020	1,040
Intangible assets	4,210	4,219	4,229
Total	213,778	202,445	185,578
Off-balance sheet items			
Contingent liabilities	15,021	13,826	12,388
Financial derivatives	289,011	295,176	269,080
Commitments	48,994	47,299	47,278
Net asset value per ordinary share (\$)	12.51	12.19	11.17

Notes:

1 Unaudited.

2 Assets pledged under repurchase agreements are included in the respective asset items.

Consolidated Statement of Changes in Equity (Audited)

	Attributable to equity holders of the Bank				Minority interests	Total equity
	Share capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
Balance at 1 January 2010	4,051	6,324	8,611	18,986	169	19,155
Profit for the financial year	-	2,696	-	2,696	21	2,717
Other comprehensive income for the financial year	-	-	165	165	(0)	165
Total comprehensive income for the financial year	-	2,696	165	2,861	21	2,882
Transfers	-	(319)	319	-	-	-
Change in minority interests	-	-	0	0	(2)	(2)
Dividends	-	(1,014)	-	(1,014)	(8)	(1,022)
Issue of shares under scrip dividend scheme	621	-	-	621	-	621
Share-based compensation	-	-	19	19	-	19
Issue of treasury shares under share-based compensation plans	13	-	(13)	-	-	-
Balance at 31 December 2010	4,685	7,687	9,101	21,473	180	21,654
Balance at 1 January 2009	4,045	5,724	5,804	15,573	146	15,719
Profit for the financial year	-	1,902	-	1,902	19	1,921
Other comprehensive income for the financial year	-	-	2,502	2,502	11	2,513
Total comprehensive income for the financial year	-	1,902	2,502	4,404	30	4,434
Transfers	-	(290)	290	-	-	-
Change in minority interests	-	-	-	-	(0)	(0)
Difference in consideration paid and minority interests acquired	-	-	(0)	(0)	-	(0)
Dividends	-	(1,012)	-	(1,012)	(7)	(1,019)
Share-based compensation	-	-	18	18	-	18
Issue of shares under share option scheme	4	-	-	4	-	4
Issue of treasury shares under share-based compensation plans	3	-	(3)	-	-	-
Balance at 31 December 2009	4,051	6,324	8,611	18,986	169	19,155

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank				Minority interests	Total equity
	Share capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
Balance at 1 October 2010	4,468	7,311	9,036	20,814	175	20,990
Profit for the financial period	-	706	-	706	6	712
Other comprehensive income for the financial period	-	-	(245)	(245)	(0)	(246)
Total comprehensive income for the financial period	-	706	(245)	461	5	466
Transfers	-	(321)	321	-	-	-
Dividends	-	(9)	-	(9)	(0)	(10)
Issue of shares under scrip dividend scheme	205	-	-	205	-	205
Share-based compensation	-	-	3	3	-	3
Issue of treasury shares under share-based compensation plans	13	-	(13)	-	-	-
Balance at 31 December 2010	4,685	7,687	9,101	21,473	180	21,654
Balance at 1 October 2009	4,047	6,144	8,025	18,215	164	18,380
Profit for the financial period	-	522	-	522	5	527
Other comprehensive income for the financial period	-	-	251	251	1	252
Total comprehensive income for the financial period	-	522	251	773	6	779
Transfers	-	(332)	332	-	-	-
Change in minority interests	-	-	-	-	0	0
Difference in consideration paid and minority interests acquired	-	-	(0)	(0)	-	(0)
Dividends	-	(10)	-	(10)	(2)	(12)
Share-based compensation	-	-	7	7	-	7
Issue of shares under share option scheme	2	-	-	2	-	2
Issue of treasury shares under share-based compensation plans	3	-	(3)	-	-	-
Balance at 31 December 2009	4,051	6,324	8,611	18,986	169	19,155

Consolidated Cash Flow Statement (Audited)

	2010	2009	4Q10 ¹	4Q09 ¹
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Operating profit before amortisation and impairment charges	3,542	3,331	945	688
Adjustments for:				
Depreciation of assets	137	138	34	37
Net (gain)/loss on disposal of assets	(361)	(32)	(190)	4
Share-based compensation	19	18	3	7
Operating profit before working capital changes	3,338	3,454	792	736
Increase/(decrease) in working capital				
Deposits	24,907	2,631	11,818	8,863
Bills and drafts payable	(149)	(111)	(273)	98
Other liabilities	719	(3,226)	(544)	(230)
Restricted balances with central banks	(1,279)	226	(900)	(83)
Government treasury bills and securities	(3,900)	(9,181)	(7,610)	(1,728)
Trading securities	(20)	21	(20)	13
Investment securities	696	1,798	166	605
Placements and balances with banks	656	1,080	5,771	(539)
Loans to non-bank customers	(13,613)	(138)	(5,512)	(972)
Other assets	(459)	3,897	760	534
Cash generated from operations	10,896	452	4,447	7,296
Income tax paid	(488)	(423)	(77)	(60)
Net cash provided by operating activities	10,407	29	4,370	7,235
Cash flows from investing activities				
Acquisition of associates	(2)	(1)	(0)	-
(Increase)/decrease in associates	(1)	27	2	8
Acquisition of properties and other fixed assets	(106)	(213)	(47)	(103)
Proceeds from disposal of properties and other fixed assets	19	1	25	65
Proceeds from disposal of subsidiaries	489	-	25	-
Change in minority interests	(2)	-	-	-
Dividends received from associates	92	54	-	-
Net cash provided by/(used in) investing activities	489	(132)	5	(29)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	-	4	-	2
Increase/(decrease) in debts issued	219	(202)	(32)	(77)
Change in minority interests	(0)	(0)	-	(0)
Dividends paid on ordinary shares	(287)	(903)	(101)	-
Dividends paid on preference shares	(106)	(109)	-	-
Dividends paid to minority interests	(8)	(7)	(0)	(2)
Net cash used in financing activities	(181)	(1,218)	(134)	(77)
Currency translation adjustments	(116)	123	(119)	17
Net increase/(decrease) in cash and cash equivalents	10,599	(1,199)	4,122	7,146
Cash and cash equivalents at beginning of the financial period	16,544	17,743	23,021	9,398
Cash and cash equivalents at end of the financial period	27,143	16,544	27,143	16,544

Note:

1 Unaudited.

Balance Sheet of the Bank (Audited)

	Dec-10	Sep-10 ¹	Dec-09
	\$m	\$m	\$m
Equity			
Share capital	3,854	3,636	3,220
Retained earnings	6,363	6,099	5,337
Other reserves	8,730	8,567	8,136
Total	18,947	18,303	16,693
Liabilities			
Deposits and balances of banks	30,012	28,016	26,482
Deposits and balances of non-bank customers	111,727	104,852	95,930
Deposits and balances of subsidiaries	2,269	2,439	2,513
Bills and drafts payable	183	378	166
Other liabilities	8,357	9,165	7,937
Debts issued	6,165	6,311	6,324
Total	158,714	151,161	139,352
Total equity and liabilities	177,661	169,464	156,046
Assets²			
Cash, balances and placements with central banks	25,112	19,941	12,935
Singapore Government treasury bills and securities	12,694	10,599	12,724
Other government treasury bills and securities	7,332	2,904	4,694
Trading securities	134	114	114
Placements and balances with banks	11,199	16,542	12,821
Loans to non-bank customers	85,538	81,744	76,600
Placements with and advances to subsidiaries	2,869	4,060	2,578
Investment securities	14,487	14,569	15,169
Other assets	7,817	8,516	7,384
Investment in associates	371	371	371
Investment in subsidiaries	4,757	4,759	5,278
Investment properties	1,419	1,414	1,424
Fixed assets	750	749	771
Intangible assets	3,182	3,182	3,182
Total	177,661	169,464	156,046
Off-balance sheet items			
Contingent liabilities	11,910	11,582	9,936
Financial derivatives	254,775	262,714	246,936
Commitments	37,051	35,800	35,897
Net asset value per ordinary share (\$)	11.42	11.10	10.20

Notes:

1 Unaudited.

2 Assets pledged under repurchase agreements are included in the respective asset items.

Statement of Changes in Equity of the Bank (Audited)

	Share capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 January 2010	3,220	5,337	8,136	16,693
Profit for the financial year	-	2,301	-	2,301
Other comprehensive income for the financial year	-	-	288	288
Total comprehensive income for the financial year	-	2,301	288	2,588
Transfers	-	(300)	300	-
Dividends	-	(975)	-	(975)
Issue of shares under scrip dividend scheme	621	-	-	621
Share-based compensation	-	-	19	19
Issue of treasury shares under share-based compensation plans	13	-	(13)	-
Balance at 31 December 2010	3,854	6,363	8,730	18,947
Balance at 1 January 2009	3,213	5,031	5,632	13,876
Profit for the financial year	-	1,577	-	1,577
Other comprehensive income for the financial year	-	-	2,189	2,189
Total comprehensive income for the financial year	-	1,577	2,189	3,765
Transfers	-	(300)	300	-
Dividends	-	(970)	-	(970)
Share-based compensation	-	-	18	18
Issue of shares under share option scheme	4	-	-	4
Issue of treasury shares under share-based compensation plans	3	-	(3)	-
Balance at 31 December 2009	3,220	5,337	8,136	16,693

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 October 2010	3,636	6,099	8,567	18,303
Profit for the financial period	-	564	-	564
Other comprehensive income for the financial period	-	-	(127)	(127)
Total comprehensive income for the financial period	-	564	(127)	437
Transfers	-	(300)	300	-
Issue of shares under scrip dividend scheme	205	-	-	205
Share-based compensation	-	-	3	3
Issue of treasury shares under share-based compensation plans	13	-	(13)	-
Balance at 31 December 2010	3,854	6,363	8,730	18,947
Balance at 1 October 2009	3,215	5,234	7,634	16,083
Profit for the financial period	-	403	-	403
Other comprehensive income for the financial period	-	-	199	199
Total comprehensive income for the financial period	-	403	199	602
Transfers	-	(300)	300	-
Share-based compensation	-	-	7	7
Issue of shares under share option scheme	2	-	-	2
Issue of treasury shares under share-based compensation plans	3	-	(3)	-
Balance at 31 December 2009	3,220	5,337	8,136	16,693

Independent Auditors' Report

To the members of United Overseas Bank Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of United Overseas Bank Limited (the "Bank") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Bank and the Group as at 31 December 2010, the profit and loss accounts, the statements of comprehensive income and the statements of changes in equity of the Bank and the Group and the consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Bank and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by MAS Notice 612 Credit Files, Grading and Provisioning, so as to give a true and fair view of the state of affairs of the Bank and the Group as at 31 December 2010, the results of the Bank and of the Group, the changes in equity of the Bank and the changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG LLP
Public Accountants and Certified Public Accountants
Singapore

25 February 2011