



UNITED OVERSEAS BANK GROUP



大華銀行  
UNITED OVERSEAS BANK

ANNUAL REPORT 1997

UNITED OVERSEAS BANK LIMITED

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*Exchange Conversion: US\$1.00 = S\$1.6765*

*All figures in this Annual Report are in Singapore dollars unless otherwise specified.*

***“A thing of beauty is a joy forever.” – John Keats***

*The UOB Group’s promotion of artistic excellence in Singapore encompasses a wide variety of activities, including our annual Painting Of The Year Competition and Exhibition and our on-going purchase-support programme.*

*The front cover of our Annual Report this year depicts Salvador Dali’s “Homage To Newton” situated at the entrance of our headquarters, the UOB Plaza. “Homage To Newton” is one of the sculptures in the UOB Group Art Collection of more than 1,300 paintings and works of art from Singapore and the Asia-Pacific region.*

*In the following pages of this Annual Report, we showcase selected paintings by local and regional artists that are also in our Art Collection. Our art pieces adorn our offices worldwide.*

The United Overseas Bank (UOB) Group, comprising United Overseas Bank, Chung Khiaw Bank, Far Eastern Bank and Industrial & Commercial Bank, offers the full range of commercial banking services.

Other financial services include private banking, trust services, venture capital investment, merchant banking, stockbroking, insurance, fund management, derivatives trading, precious metals trading, factoring, hire purchase and life assurance. Through our subsidiaries, and associated companies (principally the United Overseas Land Group and Haw Par Group), the UOB Group has diversified interests in travel, leasing, property development, hotel management, healthcare, manufacturing and general trading. The UOB Group is, effectively, a universal banking group.

The UOB Group's 144 bank offices worldwide, including 78 domestic bank branches, represent the largest network among Singapore-incorporated banks.

The UOB Group had Total Assets (excluding contra) of \$49,362 million (US\$29,443 million) and Capital and Reserves of \$5,327 million (US\$3,177 million) as at 31 December 1997 and achieved Net Profit After Tax of \$502 million (US\$299.4 million) for 1997. Except for profits from rentals, and dividends from associated companies, the UOB Group's income is derived almost entirely from the provision of financial services.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B+ for Bank Financial Strength, and Aa2 and Prime-1 for long- and short-term deposits respectively.

We received top rankings from leading financial publications during 1997. For the third time, Euromoney voted us the Best Domestic Bank in Singapore, while Asiamoney named us the Best Commercial Bank in Singapore and hence one of Asia's Best Commercial Banks for the second successive year.

Our two bank subsidiaries in Malaysia merged on 7 June 1997. The merged entity, named United Overseas Bank (Malaysia) Bhd, has 25 strategically located branches in the country.

Our overseas network stood at 66.

We established UOB Investment Advisor (Taiwan) Ltd to offer advisory services on investments in our unit trusts to Taiwanese investors.

Consolidation of our domestic branch network led to greater efficiency and higher productivity. We now have 78 branches islandwide.

UOB Asset Management Ltd, our fund management arm, launched four new unit trusts, raising a total of \$383.2 million. At the end of 1997, the subsidiary remained the industry leader in Singapore, with 15 open-ended unit trust funds and \$825 million under its management.

UOB Bullion and Futures Limited was the top clearing broker for SIMEX (Singapore International Monetary Exchange) contracts in 1997. It is also the only authorised SIMEX broker to clear the

MSCI Taiwan Stock Index Futures contract for Taiwanese investors.

Electronic banking initiatives during the year included UOB CyberBank, our Internet banking service, and E-Banking, our smart card-based PC banking service for businesses. In our commitment to help realise electronic commerce in Singapore, we launched our Secure Electronic Transaction (SET) pilot on our Internet merchant mall, UOB CyberMall.

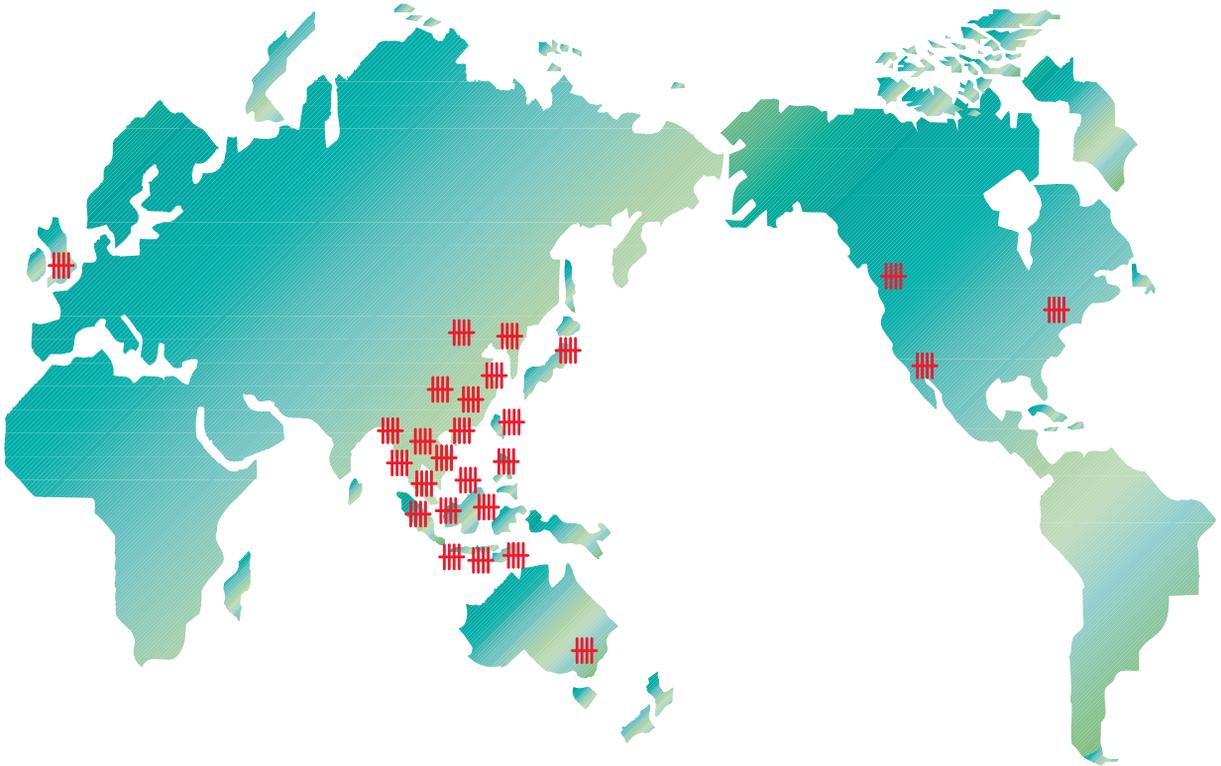
Our custody services in Singapore were commended for the third successive year by the US-based Global Custodian, and received a Star rating from the UK-based GSCS Benchmark for the second year running for overall performance in the Singapore market.

We expanded the merchant acquiring business for our credit cards into China after our success in Vietnam. In 1997, UOB Ho Chi Minh City Branch received the VISA Bank Of The Year Award in Vietnam for its market leadership and quality service.

We started construction work to redevelop our former ICB Building at Shenton Way into a 30-storeyed tower that will form part of the new Singapore Exchange Centre.

We were conferred the National Arts Council's foremost Distinguished Patron Of The Arts Award for our active contributions to the arts in Singapore.

**OUR COMMITMENT**  
Singapore's Leading Bank Group



**144 OFFICES IN**

*SINGAPORE (78)*

*MALAYSIA (29)*

*JAKARTA*

*BANDUNG*

*SURABAYA*

*BATAM*

*BANGKOK*

*AYUDHAYA*

*CHONBURI*

*YANGON*

*HO CHI MINH CITY*

*MANILA*

*HONG KONG*

*TAIPEI*

*GUANGZHOU*

*XIAMEN*

*FUZHOU*

*BEIJING*

*SEOUL*

*TOKYO*

*SYDNEY*

*LONDON*

*NEW YORK*

*LOS ANGELES*

*VANCOUVER*

**GROUP ASSETS**

Group Assets (excluding contra) expanded by 7.8% or \$3,555 million to reach \$49,362 million at the end of 1997. Group assets (including contra) rose by 13.1% or \$8,760 million to \$75,414 million during the year. Loans were the main area of growth.

**Group Assets Excluding Contra**

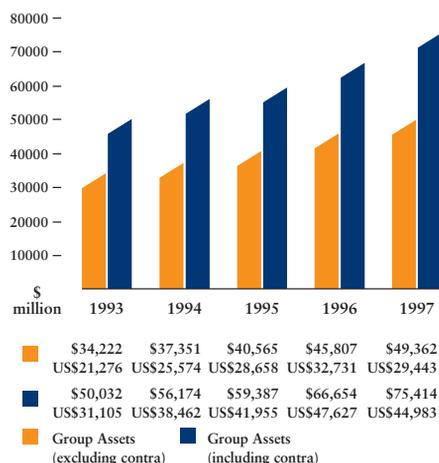
1997: \$49,362 million ■ + 7.8%

1996: \$45,807 million

**Group Assets Including Contra**

1997: \$75,414 million ■ + 13.1%

1996: \$66,654 million

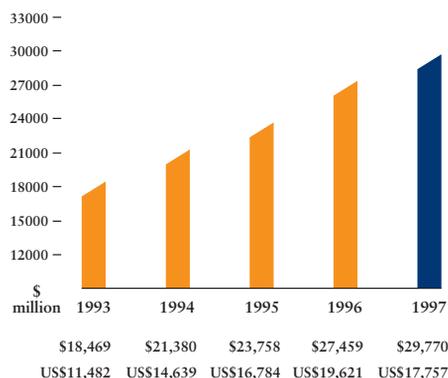


**GROUP LOANS AND ADVANCES INCLUDING TRADE BILLS**

Group Loans and Advances (including trade bills) grew to \$29,770 million in 1997, representing an increase of \$2,311 million or 8.4% over 1996. The growth in 1996 was \$3,701 million or 15.6%.

1997: \$29,770 million ■ + 8.4%

1996: \$27,459 million

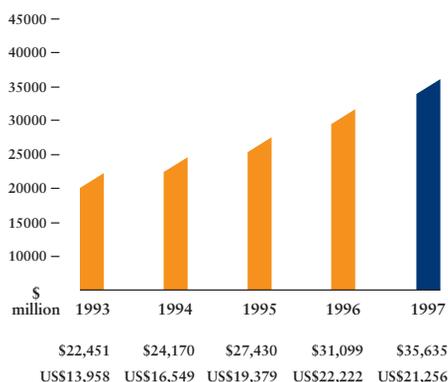


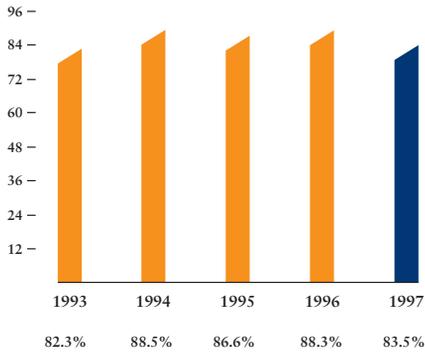
**GROUP NON-BANK DEPOSITS**

Group Non-Bank Deposits in 1997 reached \$35,635 million, reflecting an increase of \$4,536 million or 14.6% over Group Non-Bank Deposits of \$31,099 million achieved in 1996. Non-Bank Deposits accounted for about 86% of Group Deposits.

1997: \$35,635 million ■ + 14.6%

1996: \$31,099 million

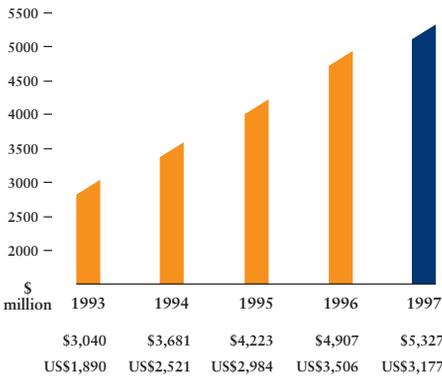




**GROUP LOANS/NON-BANK DEPOSITS RATIO**

With a growth of 8.4% for loans and 14.6% for non-bank deposits as at 31 December 1997, the Group posted a Loans/Non-Bank Deposits Ratio of 83.5% as compared with 88.3% for 1996.

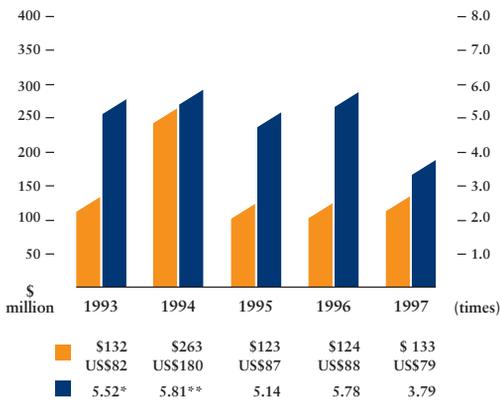
1997: 83.5% ■ - 4.8% points  
 1996: 88.3%



**GROUP CAPITAL AND RESERVES AND CAPITAL ADEQUACY**

Group Capital and Reserves grew to \$5,327 million as at the end of 1997. This represented an increase of 8.6% over the previous year. As at end-1997, the Group's Capital Adequacy Ratio, based on the Bank for International Settlements (BIS) weighted capital guidelines, was 21%.

1997: \$5,327 million ■ + 8.6%  
 1996: \$4,907 million



**DIVIDEND PAYMENT**

A final dividend of 10% less 26% income tax was proposed for 1997. Together with the interim dividend of 8%, the Total Dividend for 1997 amounted to 18%, the same as for 1996. Dividend Cover remained at a healthy 3.79 times.

1997: \$132.5 million ■ + 7.0%  
 1996: \$123.8 million

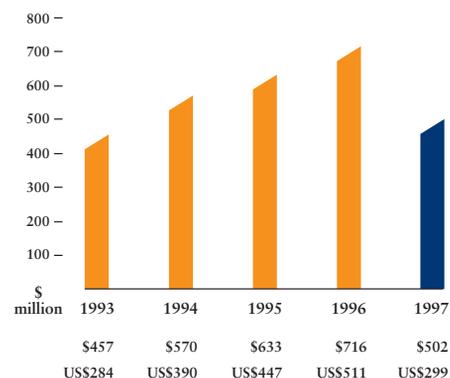
\* Dividend cover is 3.48 times if the special bonus dividend is included.  
 \*\* Dividend cover (excluding extraordinary items) is 2.17 times if the special tax exempt bonus dividend is included.

**GROUP NET PROFIT AFTER TAX**

For the year under review, Group Net Profit After Tax was \$502 million, down by 29.8% from \$715.5 million in 1996. Net interest income continued to be the major contributor of total income, accounting for about 67% of total income.

1997: \$502.0 million ■ - 29.8%

1996: \$715.5 million

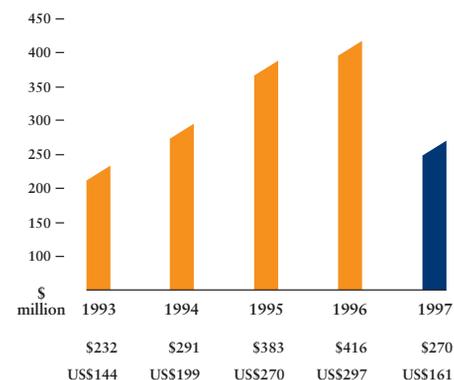


**BANK NET PROFIT AFTER TAX**

For the financial year ended 31 December 1997, Bank Net Profit After Tax reached \$270.2 million, down 35% from 1996.

1997: \$270.2 million ■ - 35.0%

1996: \$415.8 million

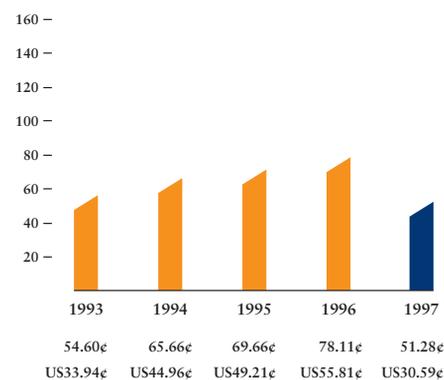


**GROUP ADJUSTED EARNINGS PER SHARE**

Group Adjusted Earnings Per Share decreased from 78.11 cents in 1996 to 51.28 cents in 1997.

1997: 51.28 cents ■ - 34.3%

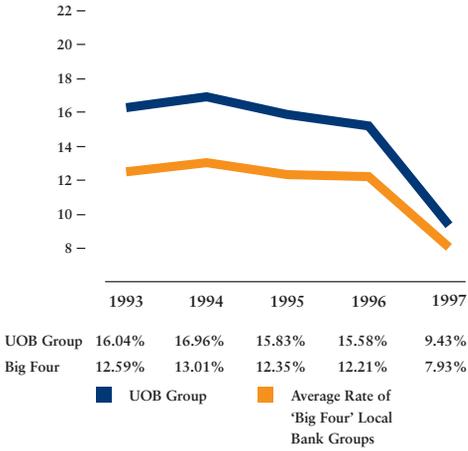
1996: 78.11 cents



**GROUP RETURN ON AVERAGE EQUITY**

Group Return On Average Equity (ROE) decreased from 15.58% in 1996 to 9.43% in 1997.

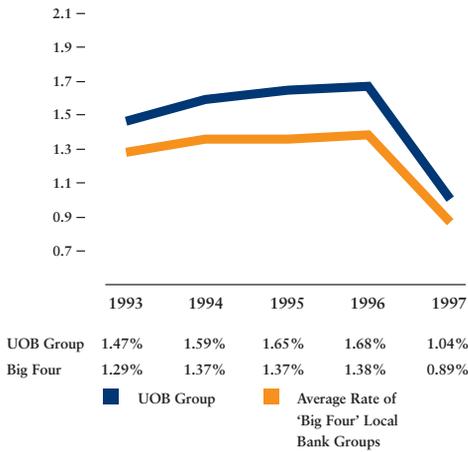
**1997:** 9.43% ■ - 6.15% points  
**1996:** 15.58%



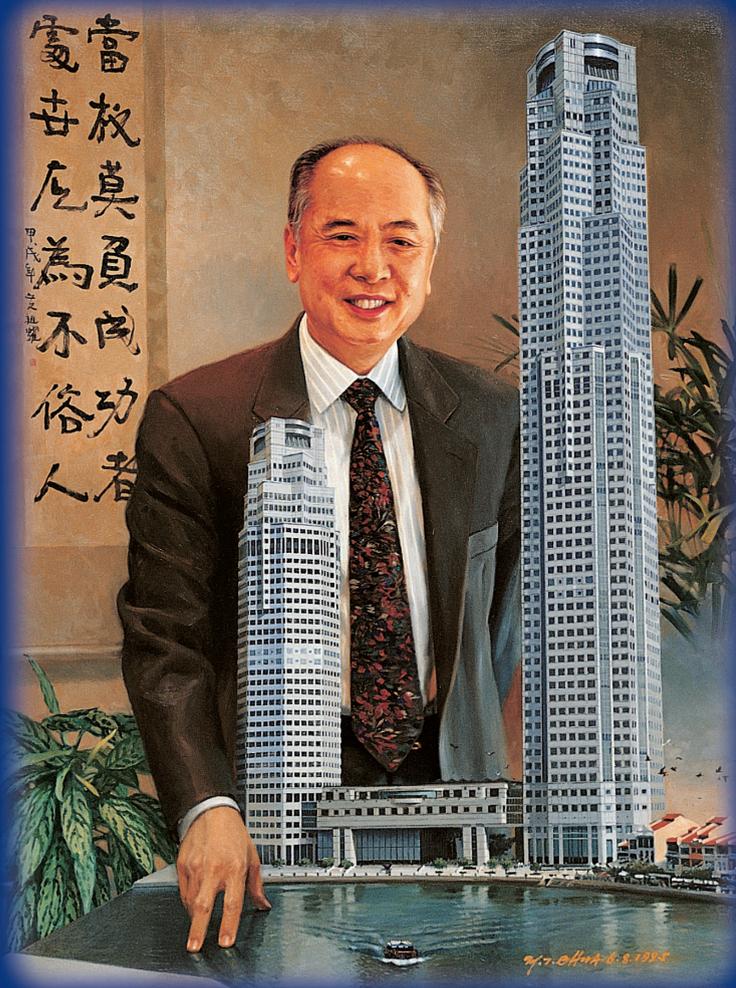
**GROUP RETURN ON AVERAGE TOTAL ASSETS EXCLUDING CONTRA**

Group Return On Average Total Assets (ROA) decreased from 1.68% in 1996 to 1.04% in 1997.

**1997:** 1.04% ■ - 0.64% points  
**1996:** 1.68%



*“The Group views 1998/1999 as a period  
to consolidate and to restructure our business  
for Year 2000 and beyond.”*



WEE CHO YAW

*Chairman & Chief Executive Officer*

This oil portrait of Mr Wee Cho Yaw by renowned artist,  
Chua Mia Tee, was commissioned by senior staff of the UOB Group  
and presented to the Chairman to commemorate  
the Bank's 60th anniversary on 6 August 1995.

In a short space of six months, the booming Asian economies suffered their greatest reversal seen so far. As the regional currencies hit record lows against the greenback in the second half of 1997, the Asian stock markets tumbled in tandem. The whys and the wherefores of Asia's economic woes continue to be fiercely debated; but one thing is certain, the region will require some time to restore confidence and for its economies to recover.

The regional financial crisis virtually negated our strong performance in the first six months of 1997. As a consequence, the Banking Group's After-Tax Profit showed a decline of 29.8%, from \$715.5 million in 1996 to \$502 million in 1997. The Bank's After-Tax Profit dropped from \$415.8 million to \$270.2 million.

The decline in profit is due mainly to specific and general provisions of \$335.3 million made in 1997 compared with \$83 million in 1996. The Group has made adequate specific provisions which take into account all shortfalls in classified loans identified in accordance with MAS guidelines. In addition, a special general provision of \$230 million has been set aside to meet any future need arising from our regional exposure.

The Board of Directors proposes that \$120 million be transferred to General Reserve, and recommends a final dividend of 10% less 26% income tax for the year ended 31 December 1997. Together with the interim dividend of 8%, the Total Dividend for the year is 18%.

## PERFORMANCE OF SUBSIDIARIES

The Group's subsidiaries were also adversely affected by the regional economic upheaval. After-Tax Profit of Chung Khiaw Bank amounted to \$65.6 million (1996: \$74.2 million). Far Eastern Bank achieved After-Tax Profit of \$7.1 million (1996: \$8.4 million) and Industrial & Commercial Bank \$55.5 million (1996: \$84.3 million).

United Overseas Finance's After-Tax Profit dropped from \$13.8 million in 1996 to \$9.7 million in 1997. Dragged down by its investment portfolio, United Overseas Insurance's After-Tax Profit amounted to \$0.3 million (1996: \$7.4 million).

The depreciation of the Malaysian Ringgit and the crash of the Malaysian bourse in the second half of 1997 affected adversely United Overseas Bank (Malaysia) Bhd (UOBM) and United Overseas Finance (Malaysia) Bhd (UOFM). UOBM ended its first financial year as a merged bank with Chung Khiaw Bank (Malaysia) Bhd with an After-Tax Profit of RM108.1 million. Profits would have been much higher if not for the currency turmoil. UOFM's After-Tax Profit was down from RM3.4 million in 1996 to RM2.7 million in 1997.

## 1998 PROSPECTS AND PLANS

The regional outlook for the year is not bright. The volatile currency markets are likely to exact their toll on the quality of loan portfolios in Asia.

Although the Singapore economy was able to achieve growth of 7.8% in 1997, the regional currency turmoil is certain to force the growth rate

down this year. Our export-driven industries will face stiff competition against those of neighbouring countries whose currencies have been severely devalued. Higher interest rates, slower economic growth and poorer demand from regional buyers will further soften the property market. The hotel and retail sectors will be affected by the slowdown of visitor arrivals from Asia. The financial sector will also experience slower growth with sluggish loan demand.

The Government has indicated that it intends to adopt a more pro-active approach, and has announced a series of measures to further enhance Singapore as a premier financial centre and to make Singapore the fund management centre in Asia. These and other liberalisation efforts will provide enormous challenges to financial institutions operating here.

Under the circumstances, the Group views 1998/99 as a period to consolidate and to re-strategise our business for Year 2000 and beyond. The Group will adopt a selective lending policy with tight cost control and wage restraint. This exercise should create a leaner, but more effective organisation, suitably equipped to maximise business opportunities when the economy rebounds.

In the arena of information technology, however, there will be no slowing down. We will continue to devote our resources to provide the necessary infrastructures in readiness for the economic rebound which must eventually come. We will be providing more electronic services through our UOB CyberBank, E-Banking and Bank 121. Banking operations will continue to be upgraded through better and improved systems. We are

currently modifying and replacing our computer systems to ensure that they are Year 2000 compliant. Work on this is on schedule and should be completed by December 1998.

I believe that all these measures will enable the Group to weather the economic difficulties ahead as well as meet the new challenges when the Government decides to liberalise the financial sector. The going will be tough in 1998, but I believe that with the understanding and dedication of our management and staff, the Group will be further strengthened by the current adversity. And when the regional economies recover, as they must because of their strong fundamentals, we will be better geared to expand our business activities.

### ACKNOWLEDGEMENTS

I wish to thank management and staff for their hard work and dedication in the difficult business climate of 1997. Their understanding and acceptance of our wage restraint policy is appreciated. I would also like to thank my fellow Directors for their wise counsel, and our customers and shareholders for their support.

Mr Tan Kong Piat, 85, our Director for the past 28 years, has decided not to seek re-appointment because of his age. The Board Members and I thank him for his invaluable contributions and wish him a healthy and happy retirement.

**Wee Cho Yaw**  
*Chairman & Chief Executive Officer*  
 March 1998

*The United Overseas Bank Group is committed to maintaining our leadership in banking. We believe in a firm commitment to our four core values in all that we do.*

**INTEGRITY** We maintain the highest standards – ethical, moral and legal – in all our dealings with our customers and with each other, without compromise.

**TEAMWORK** We work as a team in which everyone, even the most brilliant, is united to reach our personal and corporate goals through co-operation and mutual loyalty.

**TRUST & RESPECT** We earn the trust and respect of our customers and colleagues by being open, honest and honourable in all we say and do.

**PERFORMANCE EXCELLENCE** We strive to do better every day because we are committed to market leadership throughout our organisation and this will continue to guide our future growth and development.

BOARD OF DIRECTORS



WEE CHO YAW  
CHAIRMAN & CHIEF EXECUTIVE OFFICER  
EXECUTIVE COMMITTEE (CHAIRMAN)



WONG YUEN WENG ERNEST  
PRESIDENT  
EXECUTIVE COMMITTEE  
AUDIT COMMITTEE



WEE EE CHEONG  
DEPUTY PRESIDENT  
EXECUTIVE COMMITTEE



WEE CHONG JIN  
AUDIT COMMITTEE (CHAIRMAN)

BOARD OF DIRECTORS



DR EU KENG MUN RICHARD  
EXECUTIVE COMMITTEE



HO SIM GUAN  
EXECUTIVE COMMITTEE



PROF LIM CHONG YAH  
AUDIT COMMITTEE



TAN KEONG CHOON



TAN KONG PIAT

*The United Overseas Bank Group is committed to maintaining and enhancing our position as Singapore's leading bank group providing the highest level of customer service both locally and internationally.*

This is a commitment we embrace throughout our organisation to guide our future growth and development as Singapore's leading international bank.

We believe leadership means not only providing superior products and quality service to our customers, but also dedicating ourselves to best meeting the current and future needs of our customers in everything that we do.

We will strive to be innovators, by harnessing the latest technologies for the benefit of our customers and fostering creativity and excellence among our employees.

We will invest in the best people and provide an environment which encourages and rewards their superior performance and enterprise.

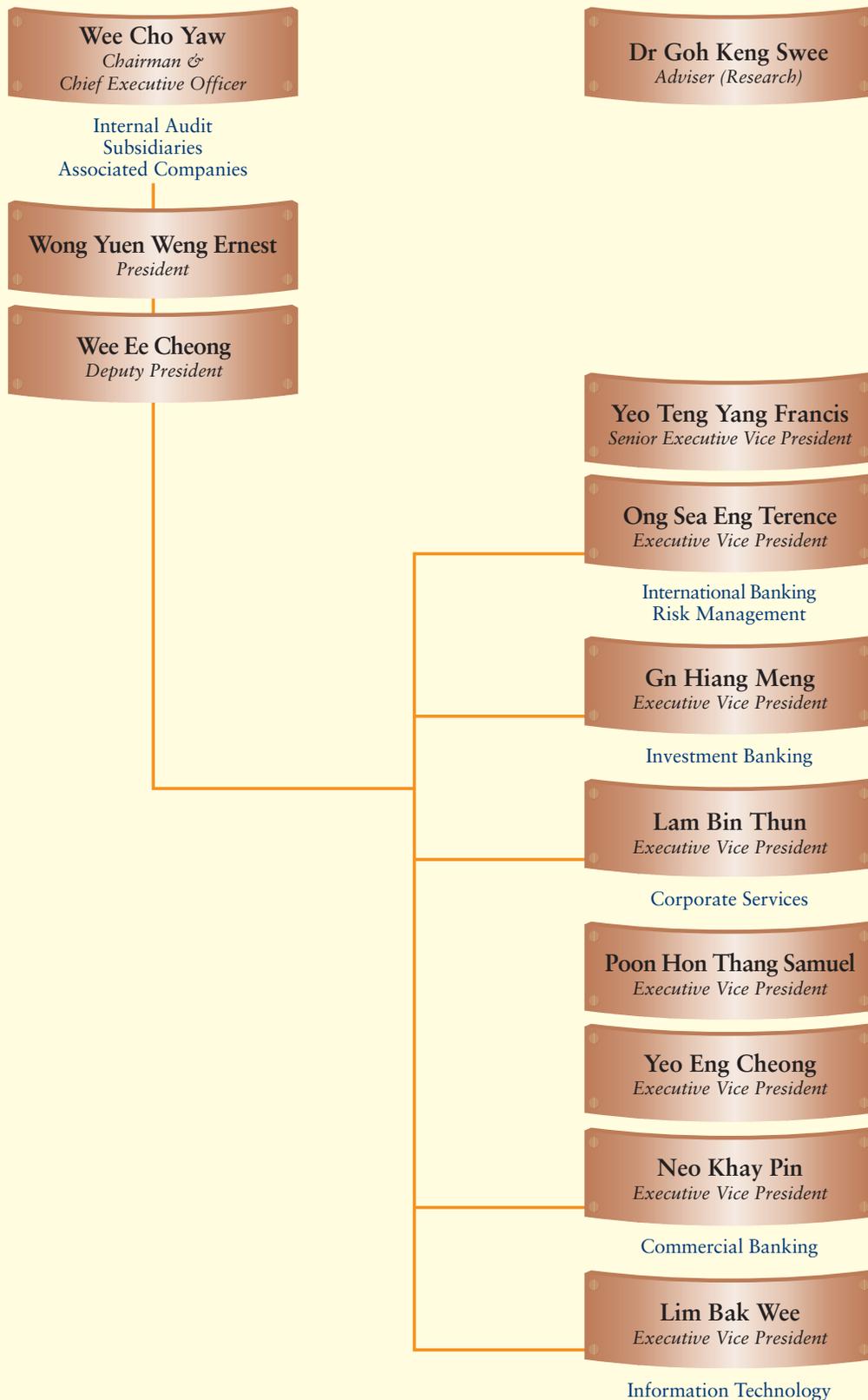
We will maximise the performance of the individual by always encouraging the team, thereby maintaining a united and productive workforce.

We will sustain a strong and well-balanced growth in earnings to maximise our returns to our shareholders.

We will accept the responsibility of leadership, by making a positive contribution to the economic and social well-being of Singapore and of every country in which we operate.

We are committed to market leadership throughout our organisation and this will continue to guide our future growth and development.

General Management



**SECRETARY**

**Chan Vivien (Mrs)**  
Senior Vice President  
Legal & Secretariat

**REGISTERED OFFICE**

80 Raffles Place  
UOB Plaza  
Singapore 048624  
Telephone: 65-5339898  
Facsimile: 65-5342334  
Cable: TYEHUABANK  
Telex: RS 21539 TYEHUA  
SWIFT: UOVBSGSG

**SHARE REGISTRAR**

Lim Associates (Pte) Ltd  
10 Collyer Quay  
#19-08 Ocean Building  
Singapore 049315

**AUDITORS**

Coopers & Lybrand  
9 Penang Road  
#12-00 Park Mall  
Singapore 238459

**SENIOR MANAGEMENT****Chairman's Office**

**Pang Cheng Lian (Ms)**  
First Vice President

**Commercial Banking**

**Sim Puay Suang (Ms)**  
Senior Vice President  
Consumer Services

**Chua Teng Hui**  
Senior Vice President  
International Trade Services  
& Remittances/Custody Services

**Lee Shi Kai Eddie**  
Senior Vice President  
Corporate Banking

**Leong Mun Keong**  
Senior Vice President  
Trade Banking

**Lim Cheng Aun Ronald**  
Senior Vice President  
Branches Operation

**Sng Thian Hock John**  
Senior Vice President  
P T United Overseas Bank Bali

**Chua Hwee Pheng Iris (Ms)**  
First Vice President  
Branches Operation

**Hsu Francis**  
First Vice President  
Consumer Services/  
General Manager  
UOB Travel Planners Pte Ltd

**Teo Gim Choo Wendy (Mrs)**  
First Vice President  
Consumer Services

**Wong Kim Choong**  
First Vice President  
United Overseas Bank  
(Malaysia) Bhd

**Good Lawrence Bradley**  
First Vice President  
Branches Operation

**Lee Mong Seng Patrick**  
First Vice President  
Corporate Banking

**Ng Cher Chye**  
First Vice President  
Branches Operation

**Ngeo Swee Guan Steven**  
First Vice President  
Corporate Banking

**Ong Seng Gee**  
First Vice President  
Industrial & Commercial Bank Limited

**Tan Ket Kiong**  
First Vice President  
Middle Market

**Tan Soek Khim Alice (Ms)**  
First Vice President  
Trade Banking

**Teo Tiat Chye**  
First Vice President  
Branches Operation

**Wong Yen Siang**  
First Vice President  
Branches Operation

**Yeo Lawrence**  
First Vice President  
United Overseas Bank (Malaysia) Bhd

**Corporate Services**

**Kuek Tong Au**  
Senior Vice President  
Finance & Administration

**Lee Wai Fai**  
First Vice President  
Financial Control

**Lim Say Tai**  
First Vice President  
Settlements

**Tan Hee Huan Ronald**  
First Vice President  
Human Resources

**Tey Swee Nai Nancy (Ms)**  
First Vice President  
Tax

**Heng Yan Soon Peter**  
*First Vice President*  
 Public Relations &  
 Advertising/General Services

**Ling Swee Chan**  
*First Vice President*  
 Property

**Information Technology**

**Leong Hon Wha Herbert**  
*First Vice President*  
 Business Solutions

**Sng Chen Kee**  
*First Vice President*  
 Technical Services

**Chan Yew Koy Joseph**  
*First Vice President*  
 Business Solutions

**De Luca Anthony Jeff**  
*First Vice President*  
 Business Solutions

**Poh Sin Hock Robert**  
*First Vice President*  
 Data Security

**Internal Audit**

**Harvey Kenyon Bruce**  
*First Vice President*  
 Technology Audit

**Lam Chi Keung Larry**  
*First Vice President*  
 General Audit

**International Banking**

**Chan Tze Leung Robert**  
*Senior Vice President*  
 International Branches  
 (UOB & CKB Hong Kong  
 Branches)

**Chen Seow Chan Joseph**  
*Senior Vice President*  
 Money & Bond Markets

**Choo Chin Kok Frank**  
*Senior Vice President*  
 Correspondent Banking

**Chan Ghee Soon**  
*First Vice President*  
 Currency Management

**Kou Jian James**  
*First Vice President*  
 Derivatives Trading

**Lee Kim Soon**  
*First Vice President*  
 Forex/Treasury Services

**Tong Yap Seng Francis**  
*First Vice President*  
 International Banking  
 Administration

**Chua Eng Lee**  
*First Vice President*  
 Forex/Treasury Services

**Seah Kok Thye**  
*First Vice President*  
 International Branches  
 (UOB Tokyo Branch)

**Teo Lye Hock**  
*First Vice President*  
 Forex/Treasury Services

**Wang Lian Khee**  
*First Vice President*  
 International Branches  
 (UOB Sydney Branch)

**Investment Banking**

**Sim Khee Lau**  
*Senior Vice President*  
 Investment Management

**Wong Pui Yuen Edmund**  
*Senior Vice President*  
 Strategic Investing

**Heng Cher Joo**  
*First Vice President*  
 Corporate Planning

**Ho Thian Sun Danny**  
*First Vice President*  
 Custody Services

**Risk Management**

**Gwee Choon Guan Paul**  
*Senior Vice President*  
 Risk Management

**Lim Phang Hong**  
*First Vice President*  
 Market Risk Management

**Wong Ai Mui Agnes (Ms)**  
*First Vice President*  
 Credit Risk Management

**Subsidiaries**  
**(Singapore)**

**Chan Choong Seng Daniel**  
*Managing Director*  
 & *Chief Investment Officer*  
 UOB Asset Management Ltd

**Chan Mun Wai David**  
*Managing Director*  
 United Overseas Insurance Limited

**Chan Tai Keong**  
*Senior Vice President*  
 United Overseas Finance Limited

**Kwok Chong See Raymond**  
*Managing Director*  
 UOB Life Assurance Limited

**Neo Chin Sang**  
*Chief Executive Officer*  
 UOB Securities Pte Ltd

**Quek Cher Teck**  
*Managing Director*  
 UOB Venture Management  
 Private Limited

## INTERNATIONAL BANKING

In 1997, we saw an increased contribution from our treasury operations to the Group's profits, as a result of the diversification of our treasury business activities.

Market conditions were difficult due to the turbulence in the regional currencies in the second half of the year. We were, however, able to react positively to the highly volatile market and consequently, to the diminished liquidity. As a result, we achieved substantial increases in business volume and profitability from both currency trading and market making in the regional currencies and customers' businesses.

We continued to be a major player and market maker in Singapore dollar treasury instruments. In the major currencies, we strengthened our funding position and expanded our interest rate gapping activity, capitalising on the steady growth of our foreign currency deposit customer base.

Our wholly-owned UOB Bullion and Futures Limited registered a record year, emerging as the top clearing broker for SIMEX (Singapore International Monetary Exchange) contracts. The subsidiary is also the only authorised SIMEX broker to clear the MSCI Taiwan Stock Index Futures contract for Taiwanese investors and made significant contributions in this area of business.

The focus of our private banking and trust business continued to be the provision of integrated financial services to our top-tier clients in Singapore and the region. We have strengthened our trust and fiduciary services to help protect the cross-border investments of our high networth clients.

In correspondent banking, we are the leading bank in Singapore for Singapore dollar cheque clearing services. We also participated actively, as a member of the MAS-Banks MEPS Working Committee, in the development of MEPS (MAS Electronic Payment System) which is scheduled to be implemented in 1998.

Our position as Singapore's premier correspondent bank received a further boost when we were selected by the leading financial publication, Euromoney, to be a co-publisher of the prestigious International Correspondent Banking Review for the second consecutive year. Singapore was the only Asian country to be featured in the 1997/1998 edition and we were the only participating Asian bank.

Our overseas operations performed satisfactorily in 1997. However, given the expected economic slowdown in Asia, we will continue to adopt a cautious stance in our loan activity.

Looking ahead, we will focus our resources on developing our non-loan and fee-based businesses while, at the same time, streamlining and restructuring our operations for better efficiency.



All the 25 branches of our merged entity in Malaysia, United Overseas Bank (Malaysia) Bhd, now take on a distinctive design that is common in standard with our branch signages in Singapore.

UOB Ho Chi Minh City Branch was conferred the VISA Bank Of The Year Award 1997 in Vietnam in recognition of its market leadership in expanding VISA's merchant network and providing quality service to merchants and cardmembers in the country. We have extended our credit card merchant acquiring business to UOB Guangzhou Branch.

The merger of Chung Khiaw Bank (Malaysia) Bhd with United Overseas Bank (Malaysia) Bhd on 7 June 1997 is set to chart a new era of growth for our operations in Malaysia. The merged entity, named United Overseas Bank (Malaysia) Bhd (UOBM), is now in line for Tier-1 banking status with total shareholders' funds of RM1.1 billion and enlarged assets (excluding contra) of RM12.1 billion as at 31 December 1997. This will allow UOBM to undertake a wider range of banking activities in Malaysia. With 25 strategically located branches, UOBM is also one of the most accessible foreign banks in the country.

**COMMERCIAL BANKING**

In corporate banking, we successfully co-arranged and facilitated a \$800 million refinancing package for the Suntec City project, the largest privately-owned commercial development in Singapore.

Further automation of our remittance system has enhanced our customer service and improved productivity. Remittance applications are now

transmitted electronically from our islandwide branch network to Head Office, leading to speedier processing.

In retail banking, we introduced a range of innovative products and improved our services.

We brought banking into the home of the individual when we launched our Internet banking service, called UOB CyberBank, in October 1997. UOB CyberBank employs the latest encryption and authentication technologies to ensure a high standard of security and integrity for banking over the Internet.

UOB CyberBank customers can perform a range of banking transactions on the Internet, including on-line account applications, real-time account balance and statement enquiries, cheque status enquiries, viewing of share margin trading portfolios, funds transfers, stop cheque payments and UOB Credit Card and bill payments. In the pipeline is the addition of more features that will make UOB CyberBank an even more versatile delivery channel that gives our customers the convenience of banking securely and efficiently anywhere, anytime.

Yet another initiative was the launch of our Secure Electronic Transaction (SET) pilot on our Internet merchant mall, UOB CyberMall, with selected UOB Credit Cardmembers.

When SET is fully implemented, credit cardmembers



We co-arranged and facilitated a \$800 million refinancing package for the Suntec City project, the largest privately-owned commercial development in Singapore.



UOB CyberBank provides our customers with the ability to do their banking securely and efficiently over the Internet anytime, anywhere.

worldwide can shop in UOB CyberMall with peace of mind. Our participation in the SET project, which is led by Singapore's National Computer Board, reflects our commitment to our cardmembers and our merchant partners as well as the government's efforts to make Singapore a global leader in electronic commerce.

During the year, we also launched our Interest Plus US\$ Fixed Deposit which provides customers the opportunity to invest in the Japanese stock market while enjoying the security of a regular fixed deposit, as well as the Campus Account, a savings-cum-current account designed for students studying at local and overseas tertiary institutions.

For businesses, we offered E-Banking, our on-line electronic banking service using the latest smart card technology. E-Banking allows our corporate customers to do their banking transactions, including trade finance and remittances, efficiently and securely from their offices via their personal computers, 24 hours a day, seven days a week.

The SAF Procurement Card was a first for us. Launched jointly with MINDEF, it is a corporate ATM card which also promotes cashless payments at various retail outlets. We have since extended the concept to more ministries, including the Ministry of Home Affairs (HQ Finance) and the Ministry of the Environment.

Products introduced in 1997 by our wholly-owned bank subsidiary in Malaysia, United Overseas Bank (Malaysia) Bhd, included the UOB Savings Certificate. Our all-in-one money management account, the i-ACCOUNT, and our TX Account, a card-based savings account for teenagers between 12 and 17 years of age, were also extended to our customers in Malaysia for the first time.

Four of our branches were consolidated during the year for greater efficiency and productivity. Our domestic branch network now stands at 78.

We set up Business Centres at two of our strategically located branches in the Orchard Road vicinity to meet the growing demands of our increasingly investment savvy customers. These Business Centres also cater to the needs of our Privilege Banking clients.

### INVESTMENT BANKING

In corporate finance, we had a busy year managing both new issues and rights issues.

Of the six initial public offerings (IPOs) that we lead-managed, four were Main Board listings and two were on SESDAQ. We also joint-managed the IPO for Tianjin Zhong Xin Pharmaceutical Group Corporation Ltd, a China-based manufacturer of pharmaceutical products.



Tertiary students studying locally or overseas can count on the Campus Account, a savings-cum-current account, for smart banking.



E-Banking, our smart card-based electronic banking service via the personal computer, allows our corporate customers to do their business banking from their offices.

We were also active in raising funds for five listed clients, including the issues of transferable loan facilities with embedded bond call options and warrants for Stamford Tyres Corporation Limited and Hotel Grand Central Limited, the rights issues of Econ International Limited and IPC Corporation Ltd, as well as the private placement of Aztech Systems Ltd. In corporate advisory services, we provided independent advice on the takeover offer for Auric Pacific Group Limited.

In Hong Kong, our wholly-owned merchant bank subsidiary, UOB Asia Limited, successfully sponsored three IPOs in the Special Administrative Region and, for the first time, was a lead manager for a Hong Kong IPO exercise. UOB Asia Limited also underwrote six IPOs, raising a total of HK\$4 billion.

Our custody services in Singapore were commended for the third successive year in the US-based Global Custodian's Agent Bank Review, an annual survey of the services provided by agent banks. For our overall performance in the Singapore market, we also received a Star rating for the second consecutive year from the UK-based GSCS Benchmark publication.

During the year, our wholly-owned fund management arm, UOB Asset Management Ltd (UOBAM), launched four new unit trusts, raising a total of \$383.2 million and bringing the number of open-ended unit trust funds under its management to 15. UOBAM remains an

industry leader, accounting for about 28% or \$825 million of total unit trust funds in Singapore by the end of 1997.

While the United Greater China Fund brings investment opportunities in China, Taiwan and Hong Kong to investors, the United European Equity Fund is designed to achieve long-term capital growth by investing into companies in the UK and Continental Europe. Another fund, the United Malaysia Fund invests in stocks listed on the Kuala Lumpur Stock Exchange (KLSE). The United Global Technology Fund is the first of its kind in Singapore to invest in the high growth global technology sector.

UOBAM's regional network also continued to grow. It now covers Taiwan, besides Malaysia. UOB Investment Advisor (Taiwan) Ltd was set up in Taipei in April 1997 as a Securities Investment Consulting Enterprise (SICE) to provide advisory services to Taiwanese investors on investments in unit trusts managed by UOBAM as well as to act as a liaison office with our funds distribution agents in Taiwan.

In line with our stockbroking subsidiary's firm commitment to maintaining the highest standards of service and quality, the company reorganised its institutional dealing unit in 1997 in order to achieve a more focused execution of trades. Wholly-owned UOB Securities Pte Ltd also successfully completed its smooth conversion to the KLSE's scripless trading and settlements system



**We lead-managed six initial public offerings during the year. Four were Main Board listings and two were on SESDAQ.**



**In 1997, Global Custodian commended our custody services in Singapore for the third year running, while GSCS Benchmark gave a Star rating for our overall performance in the Singapore market.**

as well as implemented the new T+5 settlements system for KLSE trades.

Our 45%-owned stockbroking joint venture in Malaysia, Affin-UOB Securities Sdn Bhd, is expected to start operations in 1998. With this, we will have stockbroking presence in five countries, namely, Malaysia, Indonesia, the Philippines, Hong Kong and Singapore.

Our wholly-owned subsidiary, UOB Venture Management Private Limited (UOBVM), has two venture capital funds, exceeding \$160 million, under its management – UOB Venture Investments Limited (UOBVI) and UOB Venture Investments II Limited (UOBVI-II).

In 1997, UOBVM invested over \$50 million from both funds into 20 diverse companies in Singapore, the Asia-Pacific and USA. UOBVI is now fully invested while UOBVI-II has already invested about 30% of its \$105 million capital.

### RISK MANAGEMENT

Our risk management philosophy is that all risks taken must be identified and the returns must commensurate with the risks taken.

In line with this philosophy, our risk management system is defined by six principal features:

- There is a strong, centralised and independent risk management governance structure – from overall responsibility by the Board of Directors, reviews and approvals by top management through the Asset Liability Committee, to operational responsibility and control by our risk management and risk control teams.
- There is a formal definition of risk management policies and risk control procedures.
- We centrally manage country and cross-border obligations through a system of country limits which are regularly reviewed to avoid concentrations of transfer, economic or political risks.
- All our trading activities use a risk versus reward measure (Earnings at Risk) to allow for comparison between different product and business types. Market risk is quantified using Value-at-Risk methodologies.
- Transactions undertaken for trading purposes are marked to market and the resulting gains and losses are taken up in the profit and loss accounts. Transactions designated as hedges are accounted for in a manner consistent with the accounting treatment of the hedged items.
- Annual reviews and approvals are performed on all trading risks and loss limits, which reflect the risk appetite of management.

In the daily course of business, we use trading assets and liabilities as well as derivatives to meet the financial needs of our customers,



UOB Asset Management's vast range of open-ended unit trust funds are marketed through a wide network of distribution outlets, including our Invest Shops which are located islandwide.

generate revenue through our four fundamental trading activities of customer sales, wholesale market-making, arbitrage and positioning, as well as to manage our exposure to interest and currency rate fluctuations.

We apply similar types of risk limits and control mechanisms to monitor and manage our derivatives activities as, like non-derivatives treasury transactions, they also involve market, credit, liquidity and operational risks. Our derivatives financial instruments include futures, forwards, swaps and options.

## INFORMATION TECHNOLOGY

**O**ur commitment in harnessing the latest in information technology has allowed us to serve our customers better.

In particular, we capitalised on such new technologies as the Internet, datawarehouse and Java during the year to launch new delivery channels and introduce innovative products. We will continue to constantly exploit leading edge technology to enhance service quality and efficiency and to improve our risk management capability.

Work on our computer systems to ensure that they are Year 2000 compliant is in steady progress and expected to be completed by end-1998.

## HUMAN RESOURCES

**B**uilding and developing our human resources to achieve excellence continues to be a top management priority.

Our corporate belief in training as a strategic tool is reflected by the nearly 12,000 training places attained in 1997. Our training programme during the year focused on service excellence, teamwork and providing the relevant work skills to our staff. Structured training also succeeded in improving their performance capabilities and efficiency.

Strategic manpower planning has helped us to maintain our staff strength at a healthy level of 7,000 despite the expansion in our business volume.

## SUPPORTING THE COMMUNITY

**W**e continued to be an active corporate supporter of cultural, educational and charitable events and organisations.

Our annual Painting Of The Year Competition and Exhibition entered its 16th year in 1997 and, once again, lent colour to the local artistic scene. To encourage talented artists in their artistic efforts, the total prize money was increased from \$37,000 to \$51,000.

We were, for the third consecutive year, the presenter of the Singapore International Film Festival. The 10th



Technology is fundamental to our banking strategy. We will continue to apply new technology that enhances service and improves our risk management capability.



We use a variety of innovative training programmes to help our staff build team spirit and develop work skills.

year of this prestigious film event culminated in the Silver Screen Awards where the first-ever UOB Young Cinema Award, carrying a cash prize of \$10,000, was launched in line with our efforts to encourage excellence among Asian film-makers.

We continued to provide sponsorship to the local theatre company, TheatreWorks, and the Singapore Repertory Theatre, in addition to sponsoring the Festival Of Asian Performing Arts as well as the Singapore Today book, a pictorial on the various facets of Singapore as seen through the eyes of more than 200 well-known Chinese photographers from around the world.

In recognition of our strong support for the arts in Singapore, we were conferred the Distinguished Patron Of The Arts Award by the National Arts Council (NAC). The Award is the foremost among NAC's awards which recognise organisations for their contributions to the arts in Singapore.

In education, substantial contributions were made to the Albert Winsemius Professorship at Nanyang Technological University. This was in addition to our Scholarship To Assist and Reward Talented Students (STARTS) Scheme for local undergraduates.

We also lent a helping hand to various charitable and community organisations, amongst which were the Chinese Development Assistance Council, Singapore International Foundation, Bizlink Centre Singapore, Dover Park Hospice, Muhammadiyah Day Care Centre and Singapore Scout Association.



For our active support of the arts in Singapore, we were conferred the National Arts Council's foremost Distinguished Patron Of The Arts Award.



Construction work on the Singapore Exchange Centre along Shenton Way has started. Our former ICB Building has already been demolished to make way for a new 30-storeyed tower that will form part of the Centre.

## PROPERTY DEVELOPMENTS

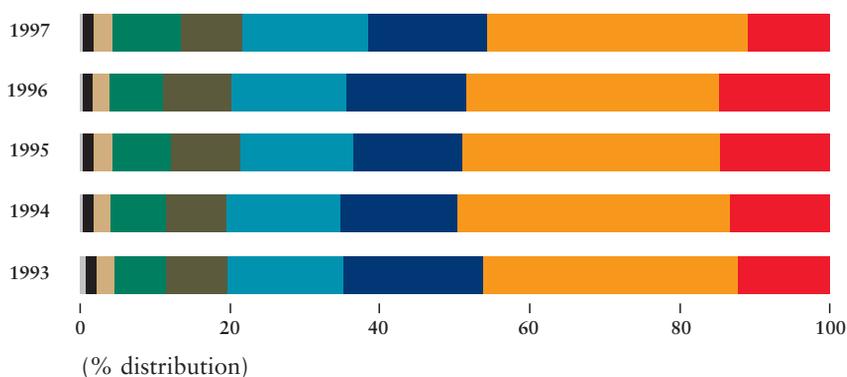
Construction work has started on the redevelopment of ICB Building at Shenton Way into a 30-storeyed tower that will form part of the new Singapore Exchange Centre. The project is expected to be completed in 2001. We have signed an agreement with the Singapore International Monetary Exchange (SIMEX) and the Stock Exchange of Singapore to have their offices as well as the SIMEX trading floor housed in the tower.

During the year, we took a 20% stake in the development of Novena Square, a retail and office complex that will be built above the Novena MRT Station. Piling works have started. Scheduled for completion in 2000, Novena Square will have a three-storeyed shopping complex and two office towers that are 25 and 18 storeys high.

GROUP LOANS & ADVANCES (BY INDUSTRY)

Loans & Advances To: (% distribution)	1993	1994	1995	1996	1997
Agriculture, Mining & Quarrying	0.7	0.3	0.3	0.3	0.3
Transportation, Storage & Communications	1.5	1.5	1.5	1.3	1.4
Construction	2.4	2.2	2.4	2.2	2.6
Real Estate	6.8	7.5	7.9	7.3	9.1
Manufacturing	8.2	8.1	9.2	9.1	8.1
Financial Institutions	15.6	15.1	15.1	15.4	16.8
General Commerce	18.6	15.7	14.6	16.0	16.0
Professionals & Private Individuals	34.0	36.3	34.3	33.6	34.7
Others	12.2	13.3	14.7	14.8	11.0
Total	100.0	100.0	100.0	100.0	100.0

GROUP LOANS & ADVANCES (BY INDUSTRY)



- Agriculture, Mining & Quarrying
- Transportation, Storage & Communications
- Construction
- Real Estate
- Manufacturing
- Financial Institutions
- General Commerce
- Professionals & Private Individuals
- Others

G R O U P ' S   R E G I O N A L   E X P O S U R E

*as at 28 February 1998\**

\$ million

	Loans			Investments	Total	Less: Loans/Investments in our Financial Subsidiaries	Net Exposure	
	Non-Bank	Central Banks & Government Securities	Bank				Total	% of Group Total Assets
	(a)	(b)	(c)	(d)	(e)= (a+b+c+d)	(f)	(g)= (e-f)	(h)
Malaysia	3,500	709	1,718	61	5,988	721	5,267	11.0
Indonesia	377	39	322	7	745	34	711	1.5
Thailand	253	–	64	3	320	–	320	0.7
South Korea	78	–	3	–	81	–	81	0.2
Philippines	1	–	80	3	84	3	81	0.2
<b>Total</b>	<b>4,209</b>	<b>748</b>	<b>2,187</b>	<b>74</b>	<b>7,218</b>	<b>758</b>	<b>6,460</b>	<b>13.6</b>

The UOB Group's exposure, both local and cross-border, to the five regional countries of Malaysia, Indonesia, Thailand, South Korea and the Philippines amounted to \$6,460 million. This represented 13.6% of Group Total Assets. On a country basis, 81.5% of the regional exposure was to Malaysia where we have a long-standing presence. This represented 11% of Group Total Assets. Exposure to Indonesia and the remaining three regional countries accounted for 1.5% and 1.1% of Group Total Assets respectively.

Our country exposures are risk-managed centrally. Country limits are set and reviewed regularly to take into account changes in transfer as well as credit and political risks, and to avoid concentration of these risks.

\* Latest figures as at time of printing.

**SINGAPORE****UNITED OVERSEAS BANK LIMITED**

80 Raffles Place  
 UOB Plaza  
 Singapore 048624  
 Telephone : 65-5339898  
 Facsimile : 65-5342334  
 Cable : TYEHUABANK  
 Telex : RS 21539 TYEHUA  
 SWIFT : UOVBSGSG

**Branches**

Main Branch (UOB Plaza), Aljunied, Ang Mo Kio, Balestier Road, Beach Road, Bedok, Boon Lay, Bukit Batok Central, Bukit Panjang, Bukit Panjang Sub-Branch, Bukit Timah, Changi, Changi Airport, Choa Chu Kang, City Hall MRT, City Plaza, Clementi, Coleman Street, Dhoby Ghaut, Holland Road, Jurong, Jurong Point, MacPherson, Marina Square, Mount Elizabeth, New Bridge Road, Orchard, Parkway Parade, Pasir Ris, Queenstown, Rochor Road, Seletar Hills, Serangoon Garden, Siglap, Springleaf Garden, Suntec City, Tampines, Tampines Mall, Tanjong Pagar, Thomson Road, Tiong Bahru Plaza, Toa Payoh, United Square, Upper Serangoon Road, West Coast, Woodlands, Yishun

**CHUNG KHIAW BANK LIMITED**

10 Anson Road #01-01  
 International Plaza  
 Singapore 079903  
 Telephone : 65-2228622  
 Facsimile : 65-2262848  
 Cable : CHUNGBANK  
 Telex : RS 22027 CKBANK

**Branches**

Main Branch (International Plaza), Alexandra, Bishan, Bukit Timah, Geylang, Kallang Industrial Estate, Katong, MacPherson, North, Orchard Road, Selegie Road, Upper Paya Lebar, World Trade Centre

**FAR EASTERN BANK LIMITED**

156 Cecil Street #01-00  
 Far Eastern Bank Building  
 Singapore 069544  
 Telephone : 65-2219055  
 Facsimile : 65-2242263  
 Cable : FAIRBANK  
 Telex : RS 23029 FEBANK

**Branches**

Main Branch (Far Eastern Bank Building), Ang Mo Kio, Serangoon Road, Upper Serangoon Road

**INDUSTRIAL & COMMERCIAL BANK LIMITED**

80 Robinson Road #01-01  
 Singapore 068898  
 Telephone : 65-2211711  
 Facsimile : 65-2259777  
 Cable : INCOMBANK  
 Telex : RS 21112 ICBANK  
 SWIFT : ICBSSGSG

**Branches**

Main Branch (Robinson Road), Ang Mo Kio, Bedok, Boon Lay, Bukit Merah, Hougang North, Jalan Besar, Jurong East, Middle Road, North, West Coast, Yio Chu Kang, Yishun, Zhujiao

**MALAYSIA****UNITED OVERSEAS BANK LIMITED****Labuan Branch**

Financial Park Labuan Complex  
 Main Office Tower, Level 6A  
 Jalan Merdeka  
 87000 Labuan F T  
 Telephone : 087-424388  
 Facsimile : 087-424389  
 Telex : MA 085096 TYEHUA  
 General Manager : Ng Keok Hu

**UOBS Research (M) Sdn Bhd**

*(a wholly-owned research subsidiary)*  
 Plaza Atrium, Suite 21-02  
 Lot 117, Lorong P Ramlee  
 Off Jalan P Ramlee  
 50250 Kuala Lumpur  
 Telephone : 03-2320986  
 Facsimile : 03-2320987  
 Representative : Low Soon Sim

**UOB-OSK Asset Management Sdn Bhd**

*(a joint venture asset management company)*  
 Menara UOB, Level 13  
 Jalan Raja Laut  
 50350 Kuala Lumpur  
 Telephone : 03-4698181  
 Facsimile : 03-4695100  
 Chief Executive Officer : Tan Kok Kheng

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

Menara UOB  
 Jalan Raja Laut  
 P O Box 11212  
 50738 Kuala Lumpur  
 Telephone : 03-2927722  
 Facsimile : 03-2910281  
 Cable : BANKUOBM KUALALUMPUR  
 Telex : MA 31877 UOBM HO  
 SWIFT : UOVBMKLA  
 Chief Executive Officer : Yoong Yan Pin

**Federal Territory**

**Main Branch**

Menara UOB  
 Level 2  
 Jalan Raja Laut  
 50350 Kuala Lumpur  
 Telephone : 03-2924511  
 Facsimile : 03-2913110  
 Manager : Yap Kok Tee

**Jalan Pudu Branch**

462-464 Jalan Pudu  
 55100 Kuala Lumpur  
 Telephone : 03-2225135  
 Facsimile : 03-2216667  
 Manager : Ng Kum Thong

**Medan Pasar Branch**

10-12 Medan Pasar  
 50050 Kuala Lumpur  
 Telephone : 03-2388344  
 Facsimile : 03-2019387  
 Manager : Yong Yen Ee

**Johor**

**Johor Bahru Branch**

2 Jalan Ah Fook  
 80000 Johor Bahru  
 Telephone : 07-2234150  
 Facsimile : 07-2243706  
 Manager : Khoo Wah Sun

**Kluang Branch**

14-16 Jalan Dato Kapt Ahmad  
 86007 Kluang  
 Telephone : 07-7721967  
 Facsimile : 07-7721977  
 Manager : Tan Ah Ng

**Kulai Branch**

31-1 & 31-2 Jalan Raya  
 Kulai Besar  
 81000 Kulai  
 Telephone : 07-6631232  
 Facsimile : 07-6635287  
 Manager : Chai Mok Nei (Ms)

**Kelantan**

**Kota Bharu Branch**

3999 Jalan Tok Hakim  
 15000 Kota Bharu  
 Telephone : 09-7482699  
 Facsimile : 09-7484307  
 Manager : Wee Hock Kiong

**Malacca**

**Malacca Branch**

33 Lorong Hang Jebat  
 75200 Malacca  
 Telephone : 06-2838840  
 Facsimile : 06-2838868  
 Manager : Siow Chat Ming

**Negeri Sembilan**

**Seremban Branch**

24-26 Jalan Dato Lee Fong Yee  
 70000 Seremban  
 Telephone : 06-7625651  
 Facsimile : 06-7635303  
 Manager : Teo Kang Seng

**Pahang**

**Bentong Branch**

61-62 Jalan Loke Yew  
 28700 Bentong  
 Telephone : 09-2221600  
 Facsimile : 09-2225882  
 Manager (Operations) : Cheong Kok Seng

**Kuantan Branch**

2 Jalan Besar  
 25000 Kuantan  
 Telephone : 09-5144155  
 Facsimile : 09-5138266  
 Manager : Koo Siong Cheng

**Raub Branch**

14 & 16 Jalan Tun Razak  
 27600 Raub  
 Telephone : 09-3551187  
 Facsimile : 09-3555955  
 Manager : Lau Ah Lee

**Penang**

**Butterworth Branch**

4072 Jalan Bagan Luar  
 12700 Butterworth  
 Telephone : 04-3334375  
 Facsimile : 04-3324300  
 Manager : Woon Siong Huai Daniel

**Lebuh Bishop Branch**

64E-H Lebuh Bishop  
10200 Pulau Pinang  
Telephone : 04-2622386  
Facsimile : 04-2610868  
Manager : Tan Yip Hean Tony

**Lebuh Pantai Branch**

62 Lebuh Pantai  
10300 Pulau Pinang  
Telephone : 04-2626146  
Facsimile : 04-2622599  
Manager : Sim Meow Hui (Ms)

**United Overseas Finance (Malaysia) Bhd**

*(a wholly-owned finance subsidiary)*  
234 Penang Road  
10000 Pulau Pinang  
Telephone : 04-2635344  
Facsimile : 04-2638793  
Manager : Khaw Teik Gim

**Perak**

**Ipoh Branch**

1-5 Jalan Sultan Iskandar  
30000 Ipoh  
Telephone : 05-2540008  
Facsimile : 05-2549092  
Manager : Foo Tek Lam

**Sabah**

**Kota Kinabalu Branch**

70 Gaya Street  
88806 Kota Kinabalu  
Telephone : 088-221111  
Facsimile : 088-222438  
Manager : Liang Sie Wey

**Sandakan Branch**

2nd Avenue  
90008 Sandakan  
Telephone : 089-212028  
Facsimile : 089-226577  
Manager : Lee Khoi Min

**Tuaran Branch**

9 & 10 Jalan Datuk Dusing  
89208 Tuaran  
Telephone : 088-788567  
Facsimile : 088-788979  
Manager (Operations) : Hiew Yun Chun Paul

**Sarawak**

**Kuching Branch**

Bangunan Yayasan Sarawak  
Ground Floor  
Jalan Masjid  
93400 Kuching  
Telephone : 082-237900  
Facsimile : 082-237891  
Manager : Chen Fu Kiong Sebastian

**Selangor**

**Jalan Dato Hamzah Branch**

42 Jalan Dato Hamzah  
41000 Klang  
Telephone : 03-3328828  
Facsimile : 03-3314975  
Manager : Kuek Hooi Tong

**Jalan Meru Branch**

2108 Jalan Meru  
41050 Klang  
Telephone : 03-3420712  
Facsimile : 03-3421135  
Manager : Seow Hooi Choon James

**Jalan Othman Branch**

41-45 Jalan Othman  
46000 Petaling Jaya  
Telephone : 03-7929695  
Facsimile : 03-7918541  
Manager : Tan Kian Huat

**Jalan Tengah Branch**

2-6 Jalan Tengah  
46200 Petaling Jaya  
Telephone : 03-7556932  
Facsimile : 03-7559110  
Manager : Tan Kian Huat

**Terengganu**

**Kuala Terengganu Branch**

51 Jalan Sultan Ismail  
20200 Kuala Terengganu  
Telephone : 09-6221644  
Facsimile : 09-6234644  
Manager : Loh Bee Heng Sam

**AUSTRALIA**

**UNITED OVERSEAS BANK LIMITED**

**Sydney Branch**

United Overseas Bank Building  
Level 9, 32 Martin Place  
Sydney, NSW 2000  
Telephone : 61-2-92211924  
Facsimile : 61-2-92211541  
Telex : AA 73507 TYHUA  
SWIFT : UOVBAU2S  
General Manager : Wang Lian Khee

**UOB Australia Limited**

*(a wholly-owned merchant bank subsidiary)*

United Overseas Bank Building  
Level 9, 32 Martin Place  
Sydney, NSW 2000  
Telephone : 61-2-92211924  
Facsimile : 61-2-92211541  
Telex : AA 73507 TYHUA  
SWIFT : UOVBAU2S  
Director & General Manager : Wang Lian Khee

**CANADA**

**UNITED OVERSEAS BANK LIMITED**

**United Overseas Bank (Canada)**

*(a wholly-owned bank subsidiary)*

Vancouver Centre, Suite 310  
650 West Georgia Street  
P O Box 11616  
Vancouver, British Columbia  
Canada V6B 4N9  
Telephone : 1-604-6627055  
Facsimile : 1-604-6623356  
Telex : 04-507520 TYEHUA VCR  
Director & General Manager : Tong Wai Tuck Terence

**CHINA**

**UNITED OVERSEAS BANK LIMITED**

**Guangzhou Branch**

Guangzhou Aether Square, Unit 205  
986 Jie Fang Bei Road  
Guangzhou 510030  
Telephone : 86-20-86676029  
Facsimile : 86-20-86670779  
Telex : 440931 UOBGZ CN  
General Manager : Liao Guan Siang Anthony

**Xiamen Branch**

United Overseas Bank Building  
Unit 01-01  
19 Hubin Bei Road  
Xiamen 361012  
Telephone : 86-592-5081601  
Facsimile : 86-592-5081605  
Telex : 93079 UOBXM CN  
General Manager : Lim Siang Kai

**Beijing Representative Office**

Suite 3618/3619, China World Tower  
China World Trade Centre  
1 Jian Guo Men Wai Avenue  
Beijing 100004  
Telephone : 86-10-65051863  
Facsimile : 86-10-65051862  
Representative : Teo Boon Hwa Jeffrey

**Fuzhou Representative Office**

Minjiang Hotel, Room 1005  
Wu Si Road  
Fuzhou 350001  
Telephone : 86-591-7551244  
Facsimile : 86-591-7551244  
Representative : Zhou Xi Lu

**HONG KONG S.A.R.**

**UNITED OVERSEAS BANK LIMITED**

**Hong Kong Branch**

United Overseas Bank Building  
54-58 Des Voeux Road Central  
GPO Box 668  
Hong Kong  
Telephone : 852-28425666  
Facsimile : 852-28105773  
Telex : 74581 TYHUA HX  
SWIFT : UOVBHKHH  
Chief Executive Officer : Chan Tze Leung Robert  
General Manager : Liew Chan Harn

**Mongkok Branch**

Kowloon Building  
Room 803, 8th Floor  
555 Nathan Road  
Kowloon  
Telephone : 852-27705223/4  
Facsimile : 852-23853392  
Chief Executive Officer : Chan Tze Leung Robert  
General Manager : Liew Chan Harn  
Officer-In-Charge : Law Sin Ming Simmy (Ms)

**UOB Asia Limited**

*(a wholly-owned merchant bank subsidiary)*

Suite 2101, 21st Floor  
 Nine Queen's Road Central  
 Hong Kong  
 Telephone : 852-28682633  
 Facsimile : 852-28400438  
 Chief Executive Officer : Chan Tze Leung Robert  
 Executive Director : Yung Wai Kai Calfred

**United Mok Ying Kie Limited**

*(a joint venture stockbroking company)*

Suite 2102, 21st Floor  
 Nine Queen's Road Central  
 Hong Kong  
 Telephone : 852-25223508  
 Facsimile : 852-28459719  
 Telex : 63813 YKMOK HX  
 Managing Director : Witts A Richard

**CHUNG KHAIAW BANK LIMITED**

**Hong Kong Branch**

Edinburgh Tower  
 Suite 2508, 25th Floor  
 The Landmark  
 15 Queen's Road Central  
 Hong Kong  
 Telephone : 852-25326888  
 Facsimile : 852-28684598  
 Telex : 75103 HKCKB HX  
 Chief Executive Officer : Chan Tze Leung Robert  
 General Manager : Liew Chan Harn  
 Officer-In-Charge : Woo Sau Mei Sharon (Ms)

**Kowloon Branch**

794-796 Nathan Road  
 Ground Floor  
 Kowloon  
 Telephone : 852-23812292  
 Facsimile : 852-23974564  
 Chief Executive Officer : Chan Tze Leung Robert  
 General Manager : Liew Chan Harn  
 Officer-In-Charge : Law Sin Ming Simmy (Ms)

**INDUSTRIAL & COMMERCIAL BANK LIMITED**

**ICB Finance Limited**

*(a wholly-owned subsidiary)*

United Overseas Bank Building  
 8th Floor  
 54-58 Des Voeux Road Central  
 Hong Kong  
 Telephone : 852-28425666  
 Facsimile : 852-28105773  
 Chief Executive Officer : Chan Tze Leung Robert  
 General Manager : Liew Chan Harn

**INDONESIA**

**UNITED OVERSEAS BANK LIMITED**

**Jakarta Representative Office**

Gedung Pelni, Lantai III  
 Jalan Gajah Mada No. 14  
 Jakarta 10130  
 Telephone : 62-21-3852804  
 Facsimile : 62-21-372863  
 Telex : 46776 TYEHUA IA  
 Secretary : Suhadi Dewi Utami (Ms)

**P T United Overseas Bank Bali**

*(a joint venture bank)*

**Head Office**

Gedung Pelni, Lantai II & III  
 Jalan Gajah Mada No. 14  
 Jakarta 10130  
 Telephone : 62-21-3852870  
 Facsimile : 62-21-3852848  
 Telex : 46426 UOBB IA  
 SWIFT : UOBBIDJA  
 President Director : Sng Thian Hock John  
 Deputy President Director : Chua Kim Hay

**Bandung Branch**

Jalan Abdul Rifai No. 2A  
 Bandung 40116  
 West Java  
 Telephone : 62-22-4209980  
 Facsimile : 62-22-4209970  
 Telex : 24239 UOBB IA  
 Manager : Berlian S Joanes

**Batam Branch**

Kompleks New Holiday  
 Blok B No. 14  
 Lubuk Baja  
 Batam  
 Telephone : 011-778-454206  
 Facsimile : 011-778-454205  
 Telex : 58198 UOBB IA  
 Manager : Soh Ek Chor

**Surabaya Branch**

Ekonomi Centre, Lantai V  
 Jalan Embong Malang 61-65  
 Surabaya 60261  
 Telephone : 62-31-5325166  
 Facsimile : 62-31-5325220  
 Telex : 36519 UOBB IA  
 Manager : Chong Desmond

**Pluit Megamal Sub-Branch**

Pluit Megamal No. MG 8-9  
Taman Tirta Loka  
Jalan Pluit Permai Raya  
Jakarta 14450  
Telephone : 62-21-6683682  
Facsimile : 62-21-6683692  
Manager : Djajasaputra Betty (Mrs)

**P T UOBB Securities**

*(a joint venture stockbroking company)*  
Gedung Pelni, Lantai X  
Jalan Gajah Mada No. 14  
Jakarta 10130  
Telephone : 62-21-2310280  
Facsimile : 62-21-3852783  
Director : Cheong Sam

**PT UOB Life – Sun Assurance**

*(a joint venture life assurance company)*

**Head Office**

Wisma BSG  
Jalan Abdul Muis 40 Lt 6  
Jakarta 10160  
Telephone : 62-21-3516566/7/8  
Facsimile : 62-21-3451119  
President Director : Choo Joo Beng Joseph

**Bandung Office (Sales)**

Jalan Dr Abdul Rivai 2B  
Bandung 40116  
Telephone : 62-22-4219891  
Facsimile : 62-22-4219894  
President Director : Choo Joo Beng Joseph

**JAPAN**

**UNITED OVERSEAS BANK LIMITED**

**Tokyo Branch**

Shin Kokusai Building, 3-4-1  
Marunouchi, Chiyoda-ku  
Tokyo 100  
Telephone : 81-3-32164251  
Facsimile : 81-3-32164254  
Cable : TYEHUABANK  
Telex : J22178 TYEHUA J  
SWIFT : UOVBJPJT  
General Manager : Seah Kok Thye

**MYANMAR**

**UNITED OVERSEAS BANK LIMITED**

**Yangon Representative Office**

FMI Centre  
Room 2, Ground Floor  
380 Bogyoke Aung San Road  
Pabedan Township  
Yangon  
Telephone : 95-1-240278  
Facsimile : 95-1-240279  
Representative : U Hla Thaug

**PHILIPPINES**

**UNITED OVERSEAS BANK LIMITED**

**UOB Securities (Philippines), Inc.**

*(a wholly-owned stockbroking subsidiary)*  
Rufino Pacific Tower  
Unit 22C  
6784 Ayala Avenue  
Makati City  
Metro Manila  
Telephone : 63-2-8110447/8  
Facsimile : 63-2-8110449/8110408  
President & Chief Executive Officer : Huang Michael

**SOUTH KOREA**

**UNITED OVERSEAS BANK LIMITED**

**Seoul Branch**

#1508, Kyobo Building 1, 1-Ka  
Chongro, Chongro-ku  
Seoul 110-714  
Telephone : 82-2-7393916  
Facsimile : 82-2-7309570  
Telex : K28978 TYEHUA  
General Manager : Tham Tee Seng Thomas

**TAIWAN**

**UNITED OVERSEAS BANK LIMITED**

**Taipei Branch**

Union Enterprise Plaza, 10F  
109 Minsheng East Road  
Section 3  
Taipei 104  
Telephone : 886-2-27150125  
Facsimile : 886-2-27137456  
Telex : 26147 TYEHUA  
General Manager : Bak Soo Ha

**UOB Bullion and Futures Limited**

*(a wholly-owned gold/futures dealing subsidiary)*

**Taiwan Branch**

Union Enterprise Plaza, 10F  
109 Minsheng East Road  
Section 3  
Taipei 104  
Telephone : 886-2-25456163  
Facsimile : 886-2-27199434  
Manager : Cheng Chih Jung Vincent

**UOB Investment Advisor (Taiwan) Ltd**

*(a wholly-owned investment advisory subsidiary)*

Union Enterprise Plaza, 10F  
109 Minsheng East Road  
Section 3  
Taipei 104  
Telephone : 886-2-27197005  
Facsimile : 886-2-25456591  
General Manager : Cheng Chih Jung Vincent

**THAILAND**

**UNITED OVERSEAS BANK LIMITED**

**Bangkok International Banking Facility**

United Center Building  
Unit 2002, 20th Floor  
323 Silom Road, Bangrak  
Bangkok 10500  
Telephone : 66-2-2311196/7/8  
Facsimile : 66-2-2311321  
Telex : 20509 UOBBIBF TH  
General Manager : Tay Chong Keng

**Provincial International Banking Facility**

**Ayudhaya Branch**

Krungsri River Hotel  
27/2 Moo 11  
Ayudhaya Rojana Road  
Tambol Kamang, Amphur  
Phra Nakhon Sri Ayudhaya  
Phra Nakhon Sri Ayudhaya Province 13000  
Telephone : 66-35-245380/8  
Facsimile : 66-35-245388  
Manager : Tangkakarn Kulaporn (Ms)

**Provincial International Banking Facility**

**Chonburi Branch**

2, 4 Sriracha Nakorn 1 Road  
Tambol Sriracha  
Amphur Sriracha  
Chonburi Province 20110  
Telephone : 66-38-324909/10  
Facsimile : 66-38-324906  
Manager : Angkasirisan Roongthip (Ms)

**UNITED KINGDOM**

**UNITED OVERSEAS BANK LIMITED**

**London Branch**

19 Great Winchester Street  
London EC2N 2BH  
Telephone : 44-171-6283504  
Facsimile : 44-171-6283433  
Cable : TYEHUABANK  
Telex : 8954292 TYEHUA G  
SWIFT : UOVGBG2L  
General Manager : Lee Kang Hai Michael

**UNITED STATES OF AMERICA**

**UNITED OVERSEAS BANK LIMITED**

**New York Agency**

UOB Building  
48th Street, 10th Floor  
592 Fifth Avenue  
New York, NY 10036  
Telephone : 1-212-3820088  
Facsimile : 1-212-3821881  
Cable : TYEHUABANK NEW YORK  
Telex : 232265 TYEHUA  
SWIFT : UOVBUS33  
Agent & General Manager : Wong Kwong Yew

**Los Angeles Agency**

911 Wilshire Boulevard  
Ground Floor, Los Angeles  
California 90017-3478  
Telephone : 1-213-6238042  
Facsimile : 1-213-6233412  
Cable : TYHUABANK LOS ANGELES  
Telex : 6831011 TYHUA  
Agent & General Manager : Teo Lye Soon

**VIETNAM**

**UNITED OVERSEAS BANK LIMITED**

**Ho Chi Minh City Branch**

OSIC Building  
Unit B, 14th Floor  
8 Nguyen Hue Boulevard  
District 1  
Ho Chi Minh City  
Telephone : 84-8-8251424  
Facsimile : 84-8-8251423  
Telex : 813221 UOBHCM VT  
SWIFT : UOVBNVX  
General Manager : Voon Tai Yok Gary

**CORRESPONDENTS**

In all principal cities of the world

**UNITED OVERSEAS BANK LIMITED**

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

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R E P O R T O F T H E D I R E C T O R S

for the year ended 31 December 1997

The directors present their report to the members together with the audited financial statements of the Bank and of the Group for the year ended 31 December 1997, which have been prepared in accordance with the provisions of the Companies Act, Cap. 50 with such modifications and exceptions as have been determined by The Monetary Authority of Singapore.

**Directors**

The directors holding office at the date of this report are:

Mr Wee Cho Yaw  
Mr Wong Yuen Weng Ernest  
Mr Wee Ee Cheong  
Dr Eu Keng Mun Richard  
Mr Ho Sim Guan  
Mr Wee Chong Jin  
Prof Lim Chong Yah  
Mr Tan Keong Choon  
Mr Tan Kong Piat

**Principal Activities**

The Bank is principally engaged in the business of banking in all its aspects. The principal activities of its subsidiaries are shown on pages 79 to 81. There have been no significant changes in the nature of these activities during the financial year.

**Acquisitions and Disposals of Subsidiaries**

(a) During the financial year, the following subsidiary was incorporated:

Name of Subsidiary	Total Share Capital, Issued At Par for Cash	Group's Interest Therein %	Consideration Paid by the Group \$'000
UOB Investment Advisor (Taiwan) Ltd	NT10,000,000	100	514

(b) During the financial year, a 50% owned subsidiary, UOB-Walden Capital Management Pte Ltd, was put into members' voluntary liquidation. The Group's share of the net tangible assets of the subsidiary at the date when it was put into voluntary liquidation was \$348,000.

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

**Results for the Financial Year**

	The Group \$'000	The Bank \$'000
The net profit for the year after providing for taxation amounted to	512,809	270,228
From which is deducted an amount attributable to minority shareholders in subsidiaries of	10,835	–
Giving a net profit for the year attributable to members of the Bank of	501,974	270,228
To which must be added profits unappropriated brought forward from the previous year of	1,459,582	626,936
Giving an amount available for appropriation of	1,961,556	897,164
From which the directors:		
Have transferred to general reserves an amount of	201,970	120,000
Have paid a final dividend in respect of the previous year, representing the excess of the dividend paid over that proposed in that year as a result of the issue of ordinary shares in the Bank upon the exercise of share options	8	8
Have paid an interim dividend of 8% less income tax at 26% amounting to	58,884	58,884
Propose, subject to the approval of members, to pay a final dividend of 10% less income tax at 26% which will amount to	73,608	73,608
Totalling	334,470	252,500
Which leaves an amount of profit unappropriated to be carried forward to next year of	1,627,086	644,664

**Movements in Reserves**

Material movements in reserves were as follows:

	The Group and The Bank \$'000	
(a) Share Premium		
Balance at 1 January 1997		644,894
Premium on issue of shares		128,450
Transfer from Other Capital Reserves in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares		25,022
Balance at 31 December 1997		798,366
	<b>The Group</b> \$'000	<b>The Bank</b> \$'000
(b) Other Capital Reserves		
Balance at 1 January 1997	89,929	25,022
Transfer to Share Premium in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares	(25,022)	(25,022)
Balance at 31 December 1997	64,907	–

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

	The Group \$'000	The Bank \$'000
(c) General Reserves		
Balance at 1 January 1997	1,772,164	1,206,234
Exchange translation adjustment	(132,121)	(6,573)
Amounts transferred from profit and loss accounts	201,970	120,000
Balance at 31 December 1997	1,842,013	1,319,661

**Issue of Shares and Debentures**

(a) During the financial year, the issued ordinary share capital was increased to \$994,702,994 (1996: \$940,066,019) by the issue of the following ordinary shares of \$1 each:

	Subscription Price Per Share, Paid by Cash \$	Number of Ordinary Shares of \$1 each in the Bank
To holders of warrants issued in connection with the Bank's 5% Unsecured Bonds 1992/1997 ("Warrants 1997")	3.34	54,465,975
To holders of share options issued in connection with the UOB Executives' Share Option Scheme	5.08 8.25 9.25	85,000 56,000 30,000
		171,000
		54,636,975

(b) During the financial year, the issued and paid-up share capital of the following subsidiaries was increased by the issue of the following shares which were fully paid in cash to provide for working capital:

Subsidiaries	Number of Shares Issued	Type of Shares	Issue Price Paid in Cash	Par Value of Shares
UOB Life Assurance Limited	410	4% Redeemable Convertible Cumulative Preference	\$100,000	\$1
UOB Realty (USA) Inc	55,688	Ordinary	US\$1	US\$1
UOB Realty (USA) Ltd Partnership	5,000,000	Ordinary	US\$1	US\$1
UOB Insurance (H.K.) Limited	10,000,000	Ordinary	HK\$1	HK\$1
UOB Securities (Philippines), Inc.	250,000	Ordinary	100 Peso	100 Peso
United Investments Limited	1,000,000	Ordinary	\$1	\$1
UOB Asset Management Ltd	1,000,000	Bonus Issue	\$1, credited as fully paid	\$1

(c) There were no debentures issued by the Bank or any corporation in the Group during the financial year.

### Arrangements to Enable Directors to Acquire Shares or Debentures

Neither during nor at the end of the financial year was the Bank a party to any arrangement whose object was to enable the directors of the Bank to acquire benefits through the acquisition of shares in, or debentures of, the Bank or any other body corporate save as disclosed under the heading “Share Options” in this report.

### Directors’ Interests in Shares, Loan Stocks, Warrants and Share Options

(a) According to the register of directors’ shareholdings, the following directors who held office at 31 December 1997 had interests in the share capital of the Bank and related corporations as detailed below:

	Number of Ordinary Shares of \$1 each (unless otherwise stated)			
	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At 31.12.1997	At 1.1.1997	At 31.12.1997	At 1.1.1997
<b>The Bank</b>				
Mr Wee Cho Yaw	15,743,380	13,997,956	137,987,028	137,706,609
Mr Wong Yuen Weng Ernest	103,000	102,960	203,000	203,040
Mr Wee Ee Cheong	2,642,762	2,404,194	135,691,390	135,654,321
Dr Eu Keng Mun Richard	18,620	18,620	4,476,451	4,476,451
Mr Ho Sim Guan	5,395,374	5,395,374	67,769,523	67,743,741
Mr Tan Keong Choon	939	846	1,191,055	1,071,470
Mr Tan Kong Piat	163,350	163,350	1,340,704	1,340,704
<b>Far Eastern Bank Limited</b>				
Mr Wee Cho Yaw	–	–	18,057,168	17,055,547
<b>Industrial &amp; Commercial Bank Limited</b>				
Mr Wee Cho Yaw	–	–	147,173,247	147,173,247
Mr Wee Ee Cheong	–	–	303,000	–
Mr Ho Sim Guan	–	–	50,000	–
<b>United Overseas Finance Limited</b>				
Mr Wee Cho Yaw	27,500	27,500	44,246,185	44,246,185
Mr Wee Ee Cheong	–	–	3,750	3,750
Dr Eu Keng Mun Richard	7,500	7,500	–	–
Mr Ho Sim Guan	5,000	5,000	–	–
Mr Tan Kong Piat	75,000	75,000	–	–
<b>United Overseas Insurance Limited</b>				
Mr Wee Cho Yaw	25,400	25,400	20,790,000	20,790,000
Mr Ho Sim Guan	9,300	9,300	–	–
Mr Tan Kong Piat	60,000	60,000	–	–

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

	Number of Ordinary Shares of \$1 each (unless otherwise stated)			
	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At 31.12.1997	At 1.1.1997	At 31.12.1997	At 1.1.1997
<b>Industrial &amp; Commercial Insurance Limited</b>				
Mr Wee Cho Yaw	–	–	3,629,500	3,629,500
<b>Chung Khiaw Realty, Limited</b>				
Mr Wee Cho Yaw	–	–	59,700,000	59,700,000
<b>P T United Overseas Bank Bali</b> (Ordinary shares of Rp1,000,000 each)				
Mr Wee Cho Yaw	–	–	39,950	39,950
<b>United Overseas Bank Trustee Limited</b> (Ordinary shares of \$10 each of which \$5 has been called and paid up)				
Mr Wee Cho Yaw	–	–	100,000	100,000
<b>UOB Life Assurance Limited</b> (Ordinary shares of \$1 each)				
Mr Wee Cho Yaw	–	–	40,500,000	40,500,000
(Redeemable convertible cumulative preference shares of \$1 each)				
Mr Wee Cho Yaw	–	–	410	–
<b>P T UOBB Securities</b> (Ordinary shares of Rp1,000,000 each)				
Mr Wee Cho Yaw	–	–	9,350	9,350
<b>PT UOB Life - Sun Assurance</b> (Ordinary shares of Rp1,000 each)				
Mr Wee Cho Yaw	–	–	5,250,000	5,250,000
<b>UOB-OSK Asset Management Sdn Bhd</b> (Ordinary shares of RM1 each)				
Mr Wee Cho Yaw	–	–	1,400,000	1,400,000
<b>UOB Travel (General Sales Agent) Pte Ltd</b>				
Mr Wee Cho Yaw	–	–	150,000	150,000
<b>UOB-Walden Capital Management Pte Ltd</b> (In members' voluntary liquidation)				
Mr Wee Cho Yaw	–	–	125,000	125,000
<b>Dahua Xiamen Development Ltd</b> (Paid-up capital stated in US dollars)				
Mr Wee Cho Yaw	–	–	US\$7,100,000	US\$7,100,000

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

- (b) The directors who held office at 31 December 1997 and who had interests in the warrants of the Bank, as recorded in the register of directors' shareholdings, were as follows:

	Number of Warrants registered in the name of directors		Number of Warrants in which directors are deemed to have an interest	
	At	At	At	At
	31.12.1997	1.1.1997	31.12.1997	1.1.1997
<b>United Overseas Bank Limited</b>				
<b>Warrants 1997</b>				
Mr Wee Cho Yaw	–	1,745,424	–	300,419
Mr Wee Ee Cheong	–	255,568	–	20,069
Mr Ho Sim Guan	–	–	–	25,782
Mr Tan Keong Choon	–	93	–	119,585

- (c) No director held any share options (issued in connection with the UOB Executives' Share Option Scheme) in the Bank as at 31 December 1997 and 1 January 1997, except for Mr Wong Yuen Weng Ernest who held 312,000 share options as at 31 December 1997 and 234,000 share options as at 1 January 1997.
- (d) Mr Wee Cho Yaw's deemed interests in the above-related corporations of United Overseas Bank Limited is by virtue of his having an interest of not less than 15% in the issued share capital of the Bank.
- (e) There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 1998 (being the 21st day after the end of the financial year).

**Dividends**

Dividends paid, declared or proposed since the end of the Bank's last financial year were as follows:

- (a) A final dividend of 10%, less tax at 26%, totalling \$69.6 million paid on 26 June 1997 in respect of the year ended 31 December 1996, as proposed in the Report of the Directors for that year.
- (b) An interim dividend of 8%, less tax at 26%, totalling \$58.9 million paid on 8 September 1997 in respect of the year ended 31 December 1997.
- (c) A proposed final dividend, recommended by the directors, of 10% less tax at 26%, totalling \$73.6 million in respect of the year ended 31 December 1997.

**Bad and Doubtful Debts**

- (a) Before the financial statements of the Bank were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of and providing for bad and doubtful debts and have satisfied themselves that all known bad debts of the Bank have been written off and that adequate provision has been made for doubtful debts.

- (b) At the date of this report, the directors are not aware of any circumstances which would render the amounts written off or provided for bad and doubtful debts in the Group of companies inadequate to any substantial extent.

#### **Current Assets**

- (a) Before the financial statements of the Bank were made out, the directors took reasonable steps to ascertain that current assets of the Bank which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provisions have been made for the diminution in values of such current assets.
- (b) At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

#### **Charges and Contingent Liabilities**

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Bank or any corporation in the Group which secure the liability of any other person nor have any contingent liabilities arisen since the end of the financial year in the Bank or in any corporation in the Group other than those normally undertaken in the course of the activities of the Bank and the Group.

#### **Ability to Meet Obligations**

No contingent or other liability of the Bank or any corporation in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank and the Group to meet their obligations as and when they fall due.

#### **Other Circumstances Affecting Financial Statements**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Bank and the consolidated financial statements misleading.

#### **Unusual Items**

In the opinion of the directors, the results of the operations of the Bank and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### **Unusual Items after Year-End Date**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Bank and of the Group for the financial year in which this report is made.

#### **Directors' Contractual Benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in this report or in the consolidated financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

### Share Options

- (a) Since 1990, share options have been granted by the Bank pursuant to the UOB Executives' Share Option Scheme ("the Scheme") in respect of unissued ordinary shares of \$1 each to officers of the Bank and its subsidiaries who are of Vice President rank and above and are not substantial shareholders of the Bank. Particulars of the share options granted under this Scheme in 1993, 1994, 1995 and 1996 (hereinafter called "Options 1993", "Options 1994", "Options 1995" and "Options 1996" respectively) have been set out in the Reports of the Directors for the years ended 31 December 1993, 1994, 1995 and 1996 respectively.
- (b) During the year, options were granted pursuant to the Scheme in respect of 1,949,000 unissued ordinary shares of \$1 each of the Bank ("Options 1997").
- (c) Statutory and other information regarding the Options are as follows:

(i) Options	Option Period	Offer Price \$
1993	16 April 1994 to 15 January 1998	5.08
1994	15 April 1995 to 14 January 1999	8.25
1995	5 May 1996 to 4 February 2000	9.25
1996	9 May 1997 to 8 February 2001	9.65
1997	5 May 1998 to 4 February 2002	8.68

- (ii) The Options expire at the end of the respective option periods unless such options cease by reason of Clause 13 of the Scheme which relates to death or employment termination of a grantee, and in the event of the liquidation of the Bank.

Further details of the Scheme are set out in the circular to shareholders dated 18 January 1990.

- (d) Save as disclosed in this report, no shares of the Bank were issued during the year to which this report relates by virtue of the exercise of Warrants 1997 or options granted pursuant to the UOB Executives' Share Option Scheme, whether granted before or during the financial year.

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

(e) Unissued shares under option at 31 December 1997 comprise the following:

Options Granted To	Price Per Share Payable in Full Upon Application \$	Date of Expiration of Option	Number of Ordinary Shares of \$1 each in the Bank
Executives in connection with the			
UOB Executives' Share Option Scheme, granted in			
1993	5.08	15.1.1998	39,000
1994	8.25	14.1.1999	784,000
1995	9.25	4.2.2000	1,757,000
1996	9.65	8.2.2001	1,805,000
1997	8.68	4.2.2002	1,894,000
			6,279,000

The holders of the Bank's options have no right to participate, by virtue of the options, in any share issue of any other company.

**Audit Committee**

The Audit Committee comprises three members, two of whom are non-executive independent directors. The members of the Audit Committee are:

Mr Wee Chong Jin (*Chairman*)  
 Mr Wong Yuen Weng Ernest  
 Prof Lim Chong Yah

In its report to the Board of Directors, the Audit Committee reports that it has reviewed with the Bank's internal auditors their audit plan and the scope and results of the Bank's internal audit procedures. The Audit Committee has also reviewed with the Bank's auditors, Coopers & Lybrand, their audit plan, their evaluation of the system of internal accounting controls, their management letter and the response of management thereto as well as their audit report on the financial statements of the Bank and the consolidated financial statements of the Group for the year ended 31 December 1997. The financial statements of the Bank and the consolidated financial statements of the Group for the year ended 31 December 1997 have been reviewed by the Committee prior to their submission to the Board of Directors. The Audit Committee has also reviewed interested person transactions and the assistance given by the Bank's officers, in particular the Bank's internal auditors and financial controller, to Coopers & Lybrand.

R E P O R T O F T H E D I R E C T O R S

*for the year ended 31 December 1997*

The Audit Committee has nominated Coopers & Lybrand for re-appointment by shareholders as auditors at the next Annual General Meeting.

**Auditors**

The auditors, Coopers & Lybrand, have expressed their willingness to accept re-appointment.

On behalf of the directors

**Wee Cho Yaw**  
Chairman

**Wong Yuen Weng Ernest**  
Director

Signed on 9 March 1998

S T A T E M E N T   B Y   D I R E C T O R S

*for the year ended 31 December 1997*

We state that, in the opinion of the directors:

- (a) the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the statement of significant accounting policies and the notes thereon, are drawn up with such modifications and exceptions as have been determined by The Monetary Authority of Singapore so as to exhibit, on such basis, a true and fair view of the state of affairs of the Bank and of the Group at 31 December 1997, the results of the business of the Bank and of the Group and the cash flows of the Group for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the directors

**Wee Cho Yaw**  
Chairman

**Wong Yuen Weng Ernest**  
Director

Signed on 9 March 1998

We have audited the financial statements of the Bank and the consolidated financial statements of the Group set out on pages 54 to 65. The financial statements are the responsibility of the Bank's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, Cap. 50 and Statements of Accounting Standard with such modifications and exceptions as have been determined by The Monetary Authority of Singapore and on such basis so as to give a true and fair view of:
  - (i) the state of affairs of the Bank and of the Group as at 31 December 1997, the profit of the Bank and of the Group and the cash flows of the Group for the year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and in the consolidated financial statements;
- (b) the accounting and other records, and the registers 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.

Without qualifying our opinion, we draw attention to Note 17 to the financial statements which sets out the basis on which exposures to certain countries in the Asia-Pacific region are dealt with in the financial statements.

We have considered the financial statements and auditors' reports of all subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiaries are stated on pages 79 to 81.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Bank are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

**Coopers & Lybrand**  
Certified Public Accountants

Partner: Dr Chew Kia Ngee

Singapore, 9 March 1998

B A L A N C E S H E E T S

as at 31 December 1997

	Notes	The Group		The Bank	
		1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
<b>SHARE CAPITAL</b>					
Ordinary shares of \$1 each					
Authorised		<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Issued and Fully Paid	3	994,703	940,066	994,703	940,066
<b>CAPITAL RESERVES</b>					
Share Premium	4	798,366	644,894	798,366	644,894
Others	5	64,907	89,929	–	25,022
<b>REVENUE RESERVES</b>					
General	6	1,842,013	1,772,164	1,319,661	1,206,234
Profits Unappropriated		<u>1,627,086</u>	<u>1,459,582</u>	<u>644,664</u>	<u>626,936</u>
Total Capital and Reserves		5,327,075	4,906,635	3,757,394	3,443,152
<b>INTERESTS OF MINORITY SHAREHOLDERS</b>					
		259,971	264,847	–	–
<b>CURRENT LIABILITIES</b>					
Current, fixed, savings accounts and other deposits of customers		35,635,104	31,099,394	25,110,474	20,860,884
Deposits and balances of bankers and agents		5,952,654	7,119,359	5,117,965	6,158,678
Deposits from subsidiaries		–	–	750,028	466,403
		<u>41,587,758</u>	<u>38,218,753</u>	<u>30,978,467</u>	<u>27,485,965</u>
Bills and drafts payable		375,603	425,032	77,964	114,248
5% Unsecured Bonds 1992/1997	7	–	199,467	–	199,467
Other liabilities, including provisions and other reserves		1,737,575	1,722,512	893,609	849,392
Proposed dividend		73,608	69,565	73,608	69,565
		<u>43,774,544</u>	<u>40,635,329</u>	<u>32,023,648</u>	<u>28,718,637</u>
		49,361,590	45,806,811	35,781,042	32,161,789
<b>ACCEPTANCES, GUARANTEES, EXCHANGE CONTRACTS AND OTHER OBLIGATIONS PER CONTRA</b>					
	11	26,052,859	20,847,365	22,527,723	16,727,799
		<u>75,414,449</u>	<u>66,654,176</u>	<u>58,308,765</u>	<u>48,889,588</u>

B A L A N C E S H E E T S

as at 31 December 1997

	Notes	The Group		The Bank	
		1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
<b>CURRENT ASSETS</b>					
Cash, gold bullion and balances with bankers and agents		4,275,863	5,274,421	2,366,841	2,796,540
Placements with banks and other financial institutions		9,196,706	6,853,206	8,263,483	5,880,083
Singapore Government treasury bills and securities		2,506,544	2,460,767	1,723,879	1,747,341
Other Government treasury bills and securities		425,072	449,727	48,566	43,999
Quoted investments		306,658	497,782	170,330	323,421
Unquoted investments		120,803	73,703	46,079	35,442
Trade bills	8	1,161,428	1,425,485	717,768	1,005,399
Advances to customers	8	28,608,334	26,033,795	18,795,250	16,335,166
Other accounts		865,208	897,407	468,122	576,478
		<u>47,466,616</u>	<u>43,966,293</u>	<u>32,600,318</u>	<u>28,743,869</u>
<b>ASSOCIATED COMPANIES</b>					
Quoted investments	9	641,765	693,242	513,327	528,090
Unquoted investments		62,349	3,704	1,051	3,194
		<u>704,114</u>	<u>696,946</u>	<u>514,378</u>	<u>531,284</u>
<b>SUBSIDIARIES</b>					
Quoted investments	9	–	–	406,675	406,675
Unquoted investments	9	–	–	634,912	616,037
Amounts owing		–	–	1,002,935	1,228,422
				<u>2,044,522</u>	<u>2,251,134</u>
<b>FIXED ASSETS</b>					
Bank premises and other properties, office equipment, computers, fixtures and other assets	10	1,190,860	1,143,572	621,824	635,502
		<u>49,361,590</u>	<u>45,806,811</u>	<u>35,781,042</u>	<u>32,161,789</u>
<b>ACCEPTANCES, GUARANTEES, EXCHANGE CONTRACTS AND OTHER OBLIGATIONS PER CONTRA</b>					
	11	26,052,859	20,847,365	22,527,723	16,727,799
		<u>75,414,449</u>	<u>66,654,176</u>	<u>58,308,765</u>	<u>48,889,588</u>

The accompanying statement of significant accounting policies and notes form part of these financial statements.  
The auditors' report is on page 53.

P R O F I T   A N D   L O S S   A C C O U N T S

*for the year ended 31 December 1997*

	Notes	The Group		The Bank	
		1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Interest income		2,778,460	2,404,237	1,948,549	1,541,529
<i>Less:</i>					
Interest expense		<u>1,670,475</u>	<u>1,334,456</u>	<u>1,332,505</u>	<u>987,149</u>
Net interest income		1,107,985	1,069,781	616,044	554,380
Dividends		54,029	38,952	103,317	105,679
Fee and commission income		286,892	255,045	146,656	130,336
Rental income		89,418	82,027	47,944	45,100
Other operating income		<u>122,392</u>	<u>188,087</u>	<u>79,707</u>	<u>144,194</u>
		1,660,716	1,633,892	993,668	979,689
<i>Less:</i>					
Staff expenses		<u>309,315</u>	<u>292,401</u>	<u>198,577</u>	<u>186,812</u>
Other operating expenses		<u>286,662</u>	<u>264,753</u>	<u>202,389</u>	<u>183,166</u>
Provisions		<u>335,270</u>	<u>82,961</u>	<u>203,848</u>	<u>61,348</u>
		931,247	640,115	604,814	431,326
<b>PROFIT BEFORE TAXATION</b>	12	<u>729,469</u>	<u>993,777</u>	<u>388,854</u>	<u>548,363</u>
<i>Less:</i>					
<b>TAXATION</b>		<u>216,660</u>	<u>255,107</u>	<u>118,626</u>	<u>132,573</u>
<b>PROFIT AFTER TAXATION</b>		<u>512,809</u>	<u>738,670</u>	<u>270,228</u>	<u>415,790</u>
<i>Less:</i>					
<b>MINORITY INTERESTS</b>		<u>10,835</u>	<u>23,152</u>	-	-
<b>PROFIT ATTRIBUTABLE TO MEMBERS</b>		<u>501,974</u>	<u>715,518</u>	<u>270,228</u>	<u>415,790</u>
<b>RETAINED PROFITS AT</b>					
<b>BEGINNING OF THE YEAR</b>		<u>1,459,582</u>	<u>1,135,096</u>	<u>626,936</u>	<u>484,963</u>
<b>PROFITS AVAILABLE FOR</b>					
<b>APPROPRIATION</b>		<u>1,961,556</u>	<u>1,850,614</u>	<u>897,164</u>	<u>900,753</u>
<b>TRANSFER TO GENERAL RESERVES</b>	6	<u>(201,970)</u>	<u>(267,215)</u>	<u>(120,000)</u>	<u>(150,000)</u>
<b>DIVIDENDS</b>	14	<u>(132,500)</u>	<u>(123,817)</u>	<u>(132,500)</u>	<u>(123,817)</u>
<b>RETAINED PROFITS</b>					
<b>AT END OF THE YEAR</b>		<u>1,627,086</u>	<u>1,459,582</u>	<u>644,664</u>	<u>626,936</u>

*The accompanying statement of significant accounting policies and notes form part of these financial statements.  
The auditors' report is on page 53.*

C O N S O L I D A T E D C A S H F L O W S T A T E M E N T

*for the year ended 31 December 1997*

	1997 \$'000	1996 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation and minority interests	729,469	993,777
Adjustments for:		
Depreciation	56,223	54,679
Amortisation of discount on issue of Bonds 1992/1997	533	1,658
Operating profit before working capital changes	786,225	1,050,114
Increase in deposits	3,369,005	4,460,187
(Decrease)/increase in bills and drafts payable	(49,429)	39,126
Increase/(decrease) in other liabilities	61,473	(11,506)
Decrease/(increase) in quoted and unquoted investments included in current assets	144,024	(139,733)
Increase in trade bills and advances	(2,310,482)	(3,700,909)
Decrease/(increase) in other accounts	32,199	(135,651)
Cash generated from operations	2,033,015	1,561,628
Income taxes paid	(263,070)	(212,706)
<b>Net Cash From Operating Activities</b>	<b>1,769,945</b>	<b>1,348,922</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investments in associated companies	(7,168)	(57,347)
Net increase in fixed assets	(103,511)	(41,544)
Change in minority interests of subsidiaries	(10,369)	6,435
<b>Net Cash Used In Investing Activities</b>	<b>(121,048)</b>	<b>(92,456)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	183,087	96,116
Redemption of 5% Unsecured Bonds 1992/1997	(200,000)	-
Dividends paid by the Bank	(128,457)	(121,715)
Dividends paid by subsidiaries to minority shareholders	(5,342)	(5,356)
<b>Net Cash Used In Financing Activities</b>	<b>(150,712)</b>	<b>(30,955)</b>
Exchange translation adjustment	(132,121)	(4,631)
<b>Net Increase In Cash And Cash Equivalents</b>	<b>1,366,064</b>	<b>1,220,880</b>
<b>Cash And Cash Equivalents At Beginning Of The Year</b>	<b>15,038,121</b>	<b>13,817,241</b>
<b>Cash And Cash Equivalents At End Of The Year</b> <i>(see Note)</i>	<b>16,404,185</b>	<b>15,038,121</b>

**Note:** Cash and cash equivalents consist of cash, gold bullion and balances with bankers and agents, placements with banks and other financial institutions, and Government treasury bills and securities.

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

Cash, gold bullion and balances with bankers and agents	4,275,863	5,274,421
Placements with banks and other financial institutions	9,196,706	6,853,206
Singapore Government treasury bills and securities	2,506,544	2,460,767
Other Government treasury bills and securities	425,072	449,727
	<b>16,404,185</b>	<b>15,038,121</b>

*The accompanying statement of significant accounting policies and notes form part of these financial statements.  
The auditors' report is on page 53.*

This statement forms an integral part of and should be read in conjunction with the accompanying financial statements.

**Accounting Convention**

The financial statements are prepared in accordance with the historical cost convention, modified to include certain freehold and leasehold land and buildings at valuation.

**Basis of Consolidation**

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year. In consolidating the life insurance subsidiaries, the consolidated financial statements include only the assets and liabilities belonging to the shareholders. The assets and liabilities of the Life Funds accrue to insurance policyholders and are not consolidated. These are disclosed under Note 9(b) to the financial statements. The results of subsidiaries acquired or disposed of during the year are included in or excluded from the dates of their acquisition or disposal. Inter-company balances and transactions and resulting unrealised profits and losses are eliminated in full on consolidation.

**Associated Companies**

The Group regards as associated companies those companies in which a long-term equity interest of between 20 to 50 percent is held and where there is management participation through Board representation. The share of results of associated companies is not included in the profit and loss accounts, except insofar as dividends have been received. Investments held in associated companies are included in the balance sheets at cost and provision is made for any diminution in value, other than temporary, of such investments determined on an individual basis.

**Trade Bills and Advances to Customers**

Trade bills and advances to customers are stated after deduction of provisions for possible losses. These provisions comprise specific provisions made for any debts considered to be doubtful of collection and a general provision maintained to cover losses which, although not specifically identified, are inherent in any portfolio of loans and advances. Known bad debts are written off.

**Investments**

- (a) Treasury bills are stated at the lower of face value less unearned interest and market value determined on an individual basis.
- (b) Government securities are stated at the lower of cost and market value determined on an individual basis.
- (c) Quoted investments included in current assets are stated at the lower of cost and market value determined on an individual basis.
- (d) Unquoted investments included in current assets are stated at the lower of cost and estimated net realisable value determined on an individual basis.
- (e) Long-term investments and investments in subsidiaries and associated companies are stated at cost and provision is made for any diminution in value, other than temporary, of the investments determined on an individual basis.

**Revenue Recognition**

Interest income is accrued on a day-to-day basis.

Dividend income from subsidiaries is included gross in the profit and loss account of the accounting period in which the dividend is proposed. Other dividend income is taken up gross in the profit and loss accounts of the accounting period in which the dividend is received. Profits or losses on disposal of investments are taken to the profit and loss accounts.

Fee and commission income and rental income are recognised on an accrual basis.

**Depreciation**

Fixed assets, other than land and buildings, are depreciated on a straight-line basis over 5 or 10 years. Freehold land and leasehold land exceeding 99 years tenure are not depreciated. Other leasehold land is depreciated on a straight-line basis over the period of the lease. Buildings are depreciated on a straight-line basis over 50 years or, where applicable, over the period of the respective leases, whichever is shorter.

**Taxation**

Tax expense for the year is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items except where it can be demonstrated with reasonable probability that the tax deferral will continue for the foreseeable future. In accounting for timing differences, deferred tax debits are not accounted for unless there is reasonable expectation of their realisation.

**Foreign Currencies**

Foreign currency monetary assets and liabilities are translated to Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign currency transactions during the year are converted to Singapore dollars at the rates of exchange ruling on the transaction dates. All exchange differences are taken up in the profit and loss accounts.

For the purpose of consolidation, the balance sheets and results of foreign subsidiaries and branches are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. All exchange adjustments arising on translation into Singapore dollars are taken directly to general reserves.

**Off-Balance Sheet Financial Instruments**

Off-balance sheet financial instruments comprise futures, forward, swap and option transactions undertaken by the Bank and the Group in the foreign exchange, interest rate and equity markets.

Transactions undertaken for trading purposes are marked to market and the resulting profits and losses are taken up in the profit and loss accounts.

Transactions designated as hedges are accounted for in a manner consistent with the accounting treatment of the hedged items.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1 General**

The Bank is incorporated in Singapore and the financial statements are expressed in Singapore dollars.

**2 Principal Activities**

The Bank is principally engaged in the business of banking in all its aspects. The principal activities of its subsidiaries are shown on pages 79 to 81.

**3 Share Capital**

(a)

**The Bank**

	1997	1996
	\$'000	\$'000

Issued and fully paid ordinary shares of \$1 each:

Balance at 1 January	940,066	911,658
Shares issued to holders of warrants and options who exercised their rights	54,637	28,408
Balance at 31 December	994,703	940,066

(b) During the year, the Bank issued 54,636,975 (1996: 28,407,987) ordinary shares of \$1 each to warrant and option holders. The details of the issues are set out under the heading "Issue of Shares and Debentures" in the Report of the Directors.

Details of the unissued shares of the Bank and of the Group under option at the end of the financial year are set out under the heading "Share Options" in the Report of the Directors.

**4 Share Premium**

**The Group and The Bank**

	1997	1996
	\$'000	\$'000

Balance at 1 January	644,894	564,445
Share premium arising from the issue of shares to holders of warrants and options who exercised their rights	128,450	67,708
Transfer from Other Capital Reserves in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares	25,022	12,741
Balance at 31 December	798,366	644,894

NOTES TO THE FINANCIAL STATEMENTS

*for the year ended 31 December 1997*

**5 Other Capital Reserves**

	The Group		The Bank	
	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Balance at 1 January	89,929	102,670	25,022	37,763
Transfer to Share Premium in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares	(25,022)	(12,741)	(25,022)	(12,741)
Balance at 31 December	<u>64,907</u>	<u>89,929</u>	<u>-</u>	<u>25,022</u>

**6 General Reserves**

(a)	The Group		The Bank	
	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Balance at 1 January	1,772,164	1,509,580	1,206,234	1,057,070
Exchange translation adjustment	(132,121)	(4,631)	(6,573)	(836)
Amounts transferred from profit and loss accounts	201,970	267,215	120,000	150,000
Balance at 31 December	<u>1,842,013</u>	<u>1,772,164</u>	<u>1,319,661</u>	<u>1,206,234</u>

(b) General reserves include exchange differences arising on consolidation and non-distributable reserves, being amounts transferred to reserve funds in accordance with the provisions of the Banking Act, Cap. 19, the Finance Companies Act, Cap. 108, the Malaysian Banking and Financial Institutions Act, 1989, the Securities Industry Regulations, 1986 and SIMEX Regulations.

**7 5% Unsecured Bonds 1992/1997**

(a)	The Group and The Bank	
	1997 \$'000	1996 \$'000
Nominal value of loan stock	-	200,000
Less: Discount on the issue less amortisation	-	533
	<u>-</u>	<u>199,467</u>

- (b) The Bank's 5% Unsecured Bonds 1992/1997 were issued with detachable warrants to subscribe for new ordinary shares of \$1 each in the capital of the Bank.
- (c) The discount on the issue price of the bonds was amortised over the period from the issue of the bonds to their maturity, using the interest method.
- (d) Interest on the bonds was accrued and payable in arrears on the 13 May of each year at a fixed rate of 5% per annum.
- (e) The bonds were fully redeemed at their nominal amount of \$200 million on 13 May 1997.
- (f) The proceeds from the issue of the warrants were initially credited to Other Capital Reserves and subsequently transferred to Share Premium as and when the warrants were exercised.

### 8 Advances to Customers and Trade Bills

The gross advances to customers and trade bills which fall due after 12 months after the balance sheet date, expressed as a percentage of the gross advances to customers and trade bills are as follows:

	The Group		The Bank	
	1997 %	1996 %	1997 %	1996 %
Amounts due after 12 months	<u>37</u>	<u>37</u>	<u>38</u>	<u>39</u>

### 9 Subsidiaries and Associated Companies

(a) The subsidiaries and major associated companies of the Group as at 31 December 1997 are set out on pages 79 to 81.

(b) At the balance sheet date, the assets and liabilities belonging to the Life Funds of the subsidiaries, UOB Life Assurance Limited and PT UOB Life - Sun Assurance, are as follows:

	1997 \$'000	1996 \$'000
<b>Assets</b>		
Fixed assets	596	785
Quoted investments	141,456	182,980
Unquoted investments	24,413	23,576
Deposits and balances with holding and related companies	32,825	23,402
Other accounts	42,654	8,452
Fixed deposits	26,674	9,321
Cash and bank balances	<u>174</u>	<u>340</u>
	268,792	248,856
<b>Liabilities</b>		
Amounts due to holding and related companies	-	3
Amount owing to Shareholders' Fund	375	500
Other liabilities	4,074	7,603
	(4,449)	(8,106)
	<u>264,343</u>	<u>240,750</u>
Represented by Life Fund	<u>264,343</u>	<u>240,750</u>

NOTES TO THE FINANCIAL STATEMENTS

*for the year ended 31 December 1997*

(c) The Group and the Bank hold the following warrants in its associated companies at the balance sheet date:

	Number of Shares in Associated Company which can be subscribed for				Subscription Price		Expiry Date
	The Group		The Bank		1997 1996	1996 1997	
	1997 '000	1996 '000	1997 '000	1996 '000			
<b>United Overseas Land Limited</b>							
Warrants 1997	-	18,410	-	18,410	-	1.45	9.6.1997
Warrants 2001	19,015	19,015	15,233	15,233	1.60	1.60	28.5.2001
<b>Haw Par Corporation Limited</b>							
Warrants 1998	13,859	13,679	13,128	12,948	1.91	1.91	30.6.1998
Warrants 2001	7,053	7,053	6,688	6,688	1.84	1.84	18.7.2001

#### 10 Fixed Assets

Fixed assets are shown at cost or valuation less accumulated depreciation and provision for diminution in value. Certain freehold and leasehold properties of the Group and of the Bank are included on the basis of valuations made by independent valuers with subsequent additions at cost. The dates of these valuations are as follows:

- |   |               |
|---|---------------|
| (i) The leasehold land at Bonham Street on which UOB Plaza 2 is sited         | April 1970    |
| (ii) Certain freehold and leasehold properties of Chung Khiaw Realty, Limited | December 1969 |
| (iii) Certain freehold properties of United Overseas Bank (Malaysia) Bhd      | November 1965 |

#### 11 Acceptances, Guarantees, Exchange Contracts and Other Obligations Per Contra

	The Group		The Bank	
	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
The amounts outstanding at 31 December comprise the following:				
Forward contracts	21,297,266	16,685,893	19,323,938	14,195,931
Acceptances on account of customers	74,084	78,133	1,764	1,564
Guarantees on account of customers	1,916,340	1,481,395	1,435,988	908,150
Endorsements and other obligations on account of customers	1,653,640	1,712,335	972,441	1,101,807
Other contingent items	1,111,529	889,609	793,592	520,347
	<u>26,052,859</u>	<u>20,847,365</u>	<u>22,527,723</u>	<u>16,727,799</u>

## 12 Profit Before Taxation

	The Group		The Bank	
	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Profit before taxation is stated after charging:				
Remuneration of Bank's directors	9,465	11,937	9,043	11,473
Auditors' remuneration	1,708	1,673	664	631
Fees payable for non-audit services rendered by the auditors of the Bank	64	262	39	192
Depreciation of fixed assets	56,223	54,679	33,790	32,057
and after crediting:				
Gross dividends from subsidiaries				
Quoted	-	-	16,325	16,325
Unquoted	-	-	44,369	57,992
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 13 Directors' Remuneration

The number of directors of the Bank whose total remuneration from the Group falls into the following bands is:

	1997	1996
\$500,000 and above	3	3
\$250,000 to \$499,999	-	-
Below \$250,000	7	7
Total	<u>10</u>	<u>10</u>

## 14 Dividends

	The Group and The Bank	
	1997 \$'000	1996 \$'000
Final dividend paid in respect of previous year, representing the excess of the dividend paid over that proposed in that year as a result of the issue of ordinary shares in the Bank upon the exercise of share options	(8)	(17)
Interim dividend paid of 8% (1996: 8%) less income tax at 26% (1996: 26%)	(58,884)	(54,235)
Proposed final dividend of 10% (1996: 10%) less income tax at 26% (1996: 26%)	(73,608)	(69,565)
	<u>(132,500)</u>	<u>(123,817)</u>

**15 Commitments**

Outstanding capital commitments contracted but not provided for in the financial statements at the end of the year are in respect of the following:

	The Group		The Bank	
	1997	1996	1997	1996
	\$'000	\$'000	\$'000	\$'000
Development of property and purchase of fixed assets	140,944	31,978	12,228	20,763

**16 Unsecured Contingent Liability**

The Bank and certain of its subsidiaries (“the Companies”) operate a fund under the “Company Welfarism Through Employer’s Central Provident Fund (CPF) Contributions” (“COWEC”) Scheme known as the UOB Group COWEC Fund to provide retirement and other benefits for participating employees (“the Members”). Under the Trust Deed created on 21 August 1984 for this purpose, the Companies jointly undertake to indemnify the Trustees to the extent that:

- (a) If upon termination of the Scheme, it is found that the amount of the Fund is less than the total amount which the Members of the Fund are entitled to under the Scheme, the Companies shall contribute pro-rata to the Fund such amounts as are sufficient to make up for the deficiency; and
- (b) If in any year the Trustees find that, even after drawing from reserves, they are unable to declare a Scheme Interest Rate which is at least equal to the prevailing CPF interest rate, the Companies shall contribute pro-rata to the Fund such amounts as shall enable the Trustees to declare a Scheme Interest Rate equivalent to the prevailing CPF interest rate.

**17 Exposures to Malaysia, Indonesia, Thailand, South Korea and the Philippines**

The Group has exposures to certain countries in the Asia-Pacific region which are currently experiencing problems because of the regional stock market and currency turmoil. The valuation and recoverability of these exposures as at 31 December 1997 are based on conditions prevailing and information available at the date of these financial statements.

As at 31 December 1997, the Group has exposures to Malaysia, Indonesia, Thailand, South Korea and the Philippines, amounting to \$8,453 million. Of this amount, 37.2% is government and bank risk. As at 31 December 1997, the Group’s total non-performing assets relating to the above five countries amounted to \$332 million. Non-performing assets are loans and debt instruments classified as Substandard, Doubtful and Loss in accordance with MAS Notice 612.

**18 Comparative Figures**

Certain comparative figures have been reclassified to conform with the presentation of the current year.

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1 1 - Y E A R   G R O U P   F I N A N C I A L   S U M M A R Y

(Figures in millions of Singapore dollars)

	1997	1996	1995	1994
Net Profit After Tax	502.0	715.5	632.7	570.1 <sup>+</sup>
Dividends	132.5	123.8	123.1	262.9 <sup>#</sup>
Cash, placements and balances with bankers and agents, and Government treasury bills and securities	16,404.2	15,038.1	13,817.2	13,420.4
Investments including associated companies	1,131.6	1,268.4	1,071.3	891.2
Loans (advances & trade bills)	29,769.8	27,459.3	23,758.4	21,379.6
Fixed and other assets	2,056.0	2,041.0	1,918.5	1,660.2
	<b>49,361.6</b>	<b>45,806.8</b>	<b>40,565.4</b>	<b>37,351.4</b>
Acceptances, guarantees, exchange contracts and other obligations per contra	26,052.8	20,847.4	18,821.5	18,823.1
<b>Total Assets</b>	<b>75,414.4</b>	<b>66,654.2</b>	<b>59,386.9</b>	<b>56,174.5</b>
Represented by:				
Deposits	41,587.8	38,218.8	33,758.6	31,255.2
Bills and drafts payable, other liabilities including provisions and reserves and minority interests	2,446.7	2,481.9	2,385.6	2,218.7
Debentures, certificates of deposits, unsecured loan stock and bonds	-	199.5	197.8	196.2
Shareholders' funds	5,327.1	4,906.6	4,223.4	3,681.3
	<b>49,361.6</b>	<b>45,806.8</b>	<b>40,565.4</b>	<b>37,351.4</b>
Acceptances, guarantees, exchange contracts and other obligations per contra	26,052.8	20,847.4	18,821.5	18,823.1
<b>Total Liabilities and Shareholders' Funds</b>	<b>75,414.4</b>	<b>66,654.2</b>	<b>59,386.9</b>	<b>56,174.5</b>

<sup>+</sup> Excludes extraordinary item.

<sup>#</sup> Includes special tax exempt bonus dividend of 22% amounting to \$164,768,000.

<sup>##</sup> Includes special bonus dividend of 10% less 27% income tax amounting to \$48,406,000.

11 - YEAR GROUP FINANCIAL SUMMARY

(Figures in millions of Singapore dollars)

1993	1992	1991	1990	1989	1988	1987
456.6 131.2 <sup>##</sup>	300.8 74.2	261.6 70.1	226.0 69.3	239.6 62.2	172.2 48.4	139.4 45.6
12,063.0 853.6	11,108.6 713.4	10,135.5 641.1	9,677.3 626.0	7,460.1 643.4	6,520.1 552.8	6,091.6 520.3
18,469.5 2,836.0	14,717.7 1,336.0	13,299.1 1,145.6	12,179.2 951.4	9,152.1 846.7	6,872.2 602.1	6,256.7 717.7
34,222.1	27,875.7	25,221.3	23,433.9	18,102.3	14,547.2	13,586.3
15,810.3	13,946.4	9,376.5	8,596.9	7,021.8	5,757.5	5,312.1
50,032.4	41,822.1	34,597.8	32,030.8	25,124.1	20,304.7	18,898.4
27,654.7	23,063.2	20,984.7	19,127.2	14,446.3	11,672.0	10,450.4
3,154.6	1,788.2	1,632.9	1,902.1	1,420.6	994.9	1,441.7
372.3 3,040.5	371.0 2,653.3	277.6 2,326.1	277.5 2,127.1	277.6 1,957.8	100.0 1,780.3	100.0 1,594.2
34,222.1	27,875.7	25,221.3	23,433.9	18,102.3	14,547.2	13,586.3
15,810.3	13,946.4	9,376.5	8,596.9	7,021.8	5,757.5	5,312.1
50,032.4	41,822.1	34,597.8	32,030.8	25,124.1	20,304.7	18,898.4

1 1 - Y E A R   B A N K   F I N A N C I A L   S U M M A R Y

(Figures in millions of Singapore dollars)

	1997	1996	1995	1994
Net Profit After Tax	270.2	415.8	382.6	291.0 <sup>+</sup>
Dividends	132.5	123.8	123.1	262.9 <sup>#</sup>
Cash, placements, balances with bankers and agents, including group companies, Government treasury bills and securities	13,405.7	11,696.4	11,130.0	11,298.2
Investments including subsidiaries and associated companies	1,772.4	1,912.8	1,723.3	1,588.6
Loans (advances & trade bills)	19,513.0	17,340.6	14,609.5	12,922.3
Fixed and other assets	1,090.0	1,212.0	1,048.3	975.4
	35,781.1	32,161.8	28,511.1	26,784.5
Acceptances, guarantees, exchange contracts and other obligations per contra	22,527.7	16,727.8	16,166.0	17,087.8
<b>Total Assets</b>	<b>58,308.8</b>	<b>48,889.6</b>	<b>44,677.1</b>	<b>43,872.3</b>
Represented by:				
Deposits	30,978.5	27,486.0	24,317.8	22,825.2
Bills and drafts payable, other liabilities including provisions and other reserves	1,045.2	1,033.2	939.6	1,011.5
Debentures, certificates of deposits, unsecured loan stock and bonds	-	199.4	197.8	196.2
Shareholders' funds	3,757.4	3,443.2	3,055.9	2,751.6
	35,781.1	32,161.8	28,511.1	26,784.5
Acceptances, guarantees, exchange contracts and other obligations per contra	22,527.7	16,727.8	16,166.0	17,087.8
<b>Total Liabilities and Shareholders' Funds</b>	<b>58,308.8</b>	<b>48,889.6</b>	<b>44,677.1</b>	<b>43,872.3</b>

<sup>+</sup> Excludes extraordinary items.

<sup>#</sup> Includes special tax exempt bonus dividend of 22% amounting to \$164,768,000.

<sup>##</sup> Includes special bonus dividend of 10% less 27% income tax amounting to \$48,406,000.

11 - YEAR BANK FINANCIAL SUMMARY

(Figures in millions of Singapore dollars)

1993	1992	1991	1990	1989	1988	1987
232.5	169.2	156.4	147.3	139.5	122.2	100.2
131.2##	74.2	70.1	69.3	62.2	48.4	45.6
9,536.5	9,060.7	7,481.5	7,080.2	5,673.6	5,112.5	4,697.8
1,451.0	1,155.6	1,141.4	1,145.7	1,060.7	918.4	806.1
10,619.0	8,249.9	8,038.3	7,888.4	5,610.5	4,112.8	3,502.0
802.0	687.4	611.9	552.9	381.3	293.6	309.0
22,408.5	19,153.6	17,273.1	16,667.2	12,726.1	10,437.3	9,314.9
12,689.1	11,305.4	8,233.9	7,467.9	6,393.1	4,961.9	4,510.2
35,097.6	30,459.0	25,507.0	24,135.1	19,119.2	15,399.2	13,825.1
19,049.7	16,209.7	14,632.5	13,946.6	10,405.9	8,458.9	7,048.7
874.5	713.2	699.4	875.0	565.0	468.6	891.3
362.8	361.4	268.0	268.0	268.0	100.0	100.0
2,121.5	1,869.3	1,673.2	1,577.6	1,487.2	1,409.8	1,274.9
22,408.5	19,153.6	17,273.1	16,667.2	12,726.1	10,437.3	9,314.9
12,689.1	11,305.4	8,233.9	7,467.9	6,393.1	4,961.9	4,510.2
35,097.6	30,459.0	25,507.0	24,135.1	19,119.2	15,399.2	13,825.1

(Figures in millions of United States dollars)

THE GROUP	1997	1996	1995	1994
Net Profit After Tax	299.4	511.3	447.0	390.4 <sup>+</sup>
Dividends	79.0	88.5	87.0	180.0 <sup>#</sup>
Balances with banks, Government treasury bills and securities	9,784.8	10,745.3	9,761.4	9,188.9
Investments	675.0	906.3	756.9	610.2
Loans (advances & trade bills)	17,757.1	19,620.8	16,784.4	14,638.6
Fixed and other assets	1,226.4	1,458.4	1,355.3	1,136.7
	29,443.3	32,730.8	28,658.0	25,574.4
Acceptances, guarantees, exchange contracts and other obligations per contra	15,540.0	14,896.3	13,296.7	12,888.1
<b>Total Assets</b>	<b>44,983.3</b>	<b>47,627.1</b>	<b>41,954.7</b>	<b>38,462.5</b>
Represented by:				
Deposits	24,806.3	27,308.8	23,849.2	21,400.3
Bills, drafts payable and other liabilities	1,459.5	1,916.0	1,825.1	1,653.5
Shareholders' funds	3,177.5	3,506.0	2,983.7	2,520.6
	29,443.3	32,730.8	28,658.0	25,574.4
Acceptances, guarantees, exchange contracts and other obligations per contra	15,540.0	14,896.3	13,296.7	12,888.1
<b>Total Liabilities and Shareholders' Funds</b>	<b>44,983.3</b>	<b>47,627.1</b>	<b>41,954.7</b>	<b>38,462.5</b>
<b>THE BANK</b>				
Net Profit After Tax	161.2	297.1	270.3	199.2 <sup>+</sup>
Dividends	79.0	88.5	87.0	180.0 <sup>#</sup>
Balances with banks and group companies, Government treasury bills and securities	7,996.3	8,357.6	7,862.9	7,735.8
Investments	1,057.2	1,366.8	1,217.5	1,087.7
Loans (advances & trade bills)	11,639.1	12,390.5	10,321.0	8,847.9
Fixed and other assets	650.1	866.0	740.6	667.8
	21,342.7	22,980.9	20,142.0	18,339.2
Acceptances, guarantees, exchange contracts and other obligations per contra	13,437.4	11,952.7	11,420.7	11,700.0
<b>Total Assets</b>	<b>34,780.1</b>	<b>34,933.6</b>	<b>31,562.7</b>	<b>30,039.2</b>
Represented by:				
Deposits	18,478.1	19,639.8	17,179.6	15,628.3
Bills, drafts payable and other liabilities	623.4	880.8	803.5	826.9
Shareholders' funds	2,241.2	2,460.3	2,158.9	1,884.0
	21,342.7	22,980.9	20,142.0	18,339.2
Acceptances, guarantees, exchange contracts and other obligations per contra	13,437.4	11,952.7	11,420.7	11,700.0
<b>Total Liabilities and Shareholders' Funds</b>	<b>34,780.1</b>	<b>34,933.6</b>	<b>31,562.7</b>	<b>30,039.2</b>
Exchange Conversion of US\$1.00	S\$1.6765	S\$1.3995	S\$1.4155	S\$1.4605

<sup>+</sup> Excludes extraordinary item(s).

<sup>#</sup> Includes special tax exempt bonus dividend of 22% amounting to US\$112,816,159.

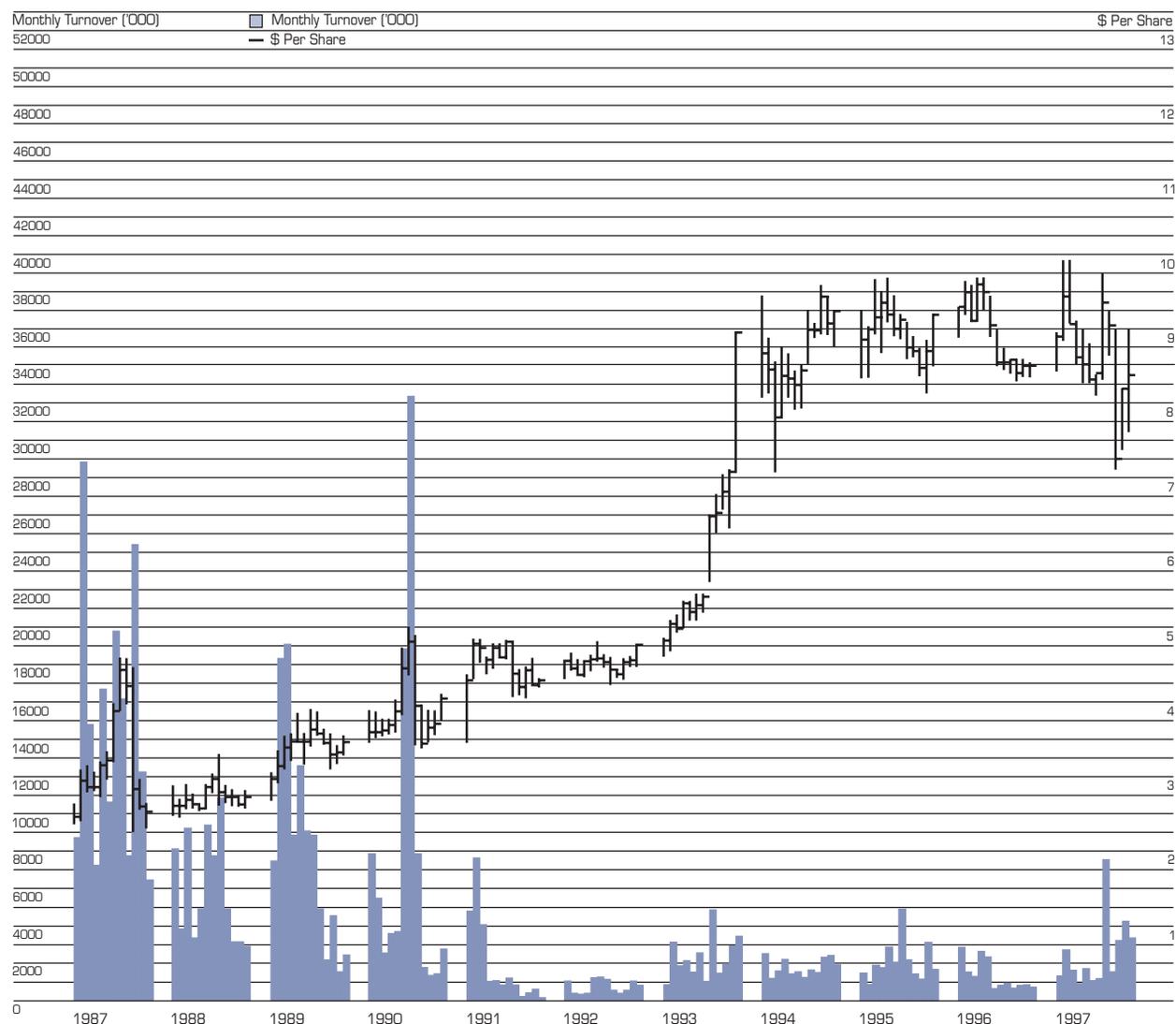
<sup>##</sup> Includes special bonus dividend of 10% less 27% income tax amounting to US\$30,094,000.

1 1 - Y E A R G R O U P & B A N K F I N A N C I A L S U M M A R Y

(Figures in millions of United States dollars)

1993	1992	1991	1990	1989	1988	1987
283.9	183.2	160.7	130.0	126.1	88.6	69.7
81.5##	45.2	43.1	39.8	32.7	24.9	22.8
7,499.5	6,765.3	6,223.9	5,568.0	3,926.4	3,355.7	3,046.6
530.7	434.4	393.7	360.2	338.6	284.5	260.2
11,482.4	8,963.3	8,166.4	7,007.6	4,816.9	3,536.9	3,129.2
1,763.2	813.7	703.4	547.4	445.6	309.9	358.9
21,275.8	16,976.7	15,487.4	13,483.2	9,527.5	7,487.0	6,794.9
9,829.2	8,493.5	5,757.8	4,946.5	3,695.7	2,963.2	2,656.7
31,105.0	25,470.2	21,245.2	18,429.7	13,223.2	10,450.2	9,451.6
17,192.9	14,045.8	12,885.9	11,005.3	7,603.3	6,007.2	5,226.5
2,192.7	1,315.0	1,173.1	1,254.0	893.8	563.5	771.1
1,890.2	1,615.9	1,428.4	1,223.9	1,030.4	916.3	797.3
21,275.8	16,976.7	15,487.4	13,483.2	9,527.5	7,487.0	6,794.9
9,829.2	8,493.5	5,757.8	4,946.5	3,695.7	2,963.2	2,656.7
31,105.0	25,470.2	21,245.2	18,429.7	13,223.2	10,450.2	9,451.6
144.5	103.0	96.1	84.8	73.4	62.9	50.1
81.5##	45.2	43.1	39.8	32.7	24.9	22.8
5,928.8	5,518.1	4,594.1	4,073.7	2,986.1	2,631.3	2,349.5
902.1	703.8	700.9	659.2	558.3	472.7	403.2
6,601.8	5,024.3	4,936.0	4,538.8	2,952.9	2,116.7	1,751.4
498.6	418.6	375.8	318.1	200.7	151.1	154.5
13,931.3	11,664.8	10,606.8	9,589.8	6,698.0	5,371.8	4,658.6
7,888.8	6,885.2	5,056.1	4,296.9	3,364.7	2,553.7	2,255.7
21,820.1	18,550.0	15,662.9	13,886.7	10,062.7	7,925.5	6,914.3
11,843.1	9,871.9	8,985.3	8,024.5	5,476.8	4,353.6	3,525.2
769.2	654.4	594.0	657.6	438.4	292.6	495.8
1,319.0	1,138.5	1,027.5	907.7	782.8	725.6	637.6
13,931.3	11,664.8	10,606.8	9,589.8	6,698.0	5,371.8	4,658.6
7,888.8	6,885.2	5,056.1	4,296.9	3,364.7	2,553.7	2,255.7
21,820.1	18,550.0	15,662.9	13,886.7	10,062.7	7,925.5	6,914.3
S\$1.6085	S\$1.6420	S\$1.6285	S\$1.7380	S\$1.9000	S\$1.9430	S\$1.9995

U O B S H A R E P R I C E A N D T U R N O V E R



Share Price <sup>+</sup>	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Highest (\$)	4.58	3.29	3.89	5.00	4.86	4.80	8.99	9.58	9.70	9.70	9.90
Lowest (\$)	2.25	2.46	2.70	3.41	3.47	4.24	4.59	7.04	8.15	8.30	7.15
Average (\$)	3.42	2.88	3.30	4.21	4.17	4.52	6.79	8.31	8.93	9.00	8.53
Last Done (\$)	2.52	2.74	3.47	4.07	4.31	4.76	8.99	9.25	9.20	8.50	8.35
Ratios											
Dividend Cover (no. of times)	3.06	3.56	3.85	3.26	3.73	4.05	5.52 <sup>#</sup>	5.81 <sup>#</sup>	5.14	5.78	3.79
Adjusted Net Tangible Asset Backing Per Share (\$)*	2.21	2.38	2.62	2.83	3.08	3.42	3.82	4.10	4.63	5.22	5.36
Adjusted Earnings Per Share (cents)**	19.37	21.65	30.03	28.24	32.46	36.69	54.60	65.66	69.66	78.11	51.28
Dividends Per Share (cents)											
- Taxable	8.00	16.00	18.00	18.00	18.00	18.00	28.00	18.00	18.00	18.00	18.00
- Tax Exempt	5.00	-	-	-	-	-	-	22.00	-	-	-
Net Dividend Yield (%) <sup>++</sup>	3.03	3.75	3.74	2.95	3.00	2.85	3.01	4.23	1.48	1.48	1.56
Price Earning Ratio <sup>++</sup>	17.66	13.30	10.99	14.91	12.85	12.32	12.44	12.66	12.82	11.52	16.63

# Dividend cover is 3.48 times for 1993 if the special bonus dividend of 10% less 27% income tax is included, and 2.17 times (excluding extraordinary items) for 1994 if the special tax exempt bonus dividend of 22% is included.

\* Net tangible asset backing per share has been adjusted for bonus issues in 1989, 1990, 1993 and 1995.

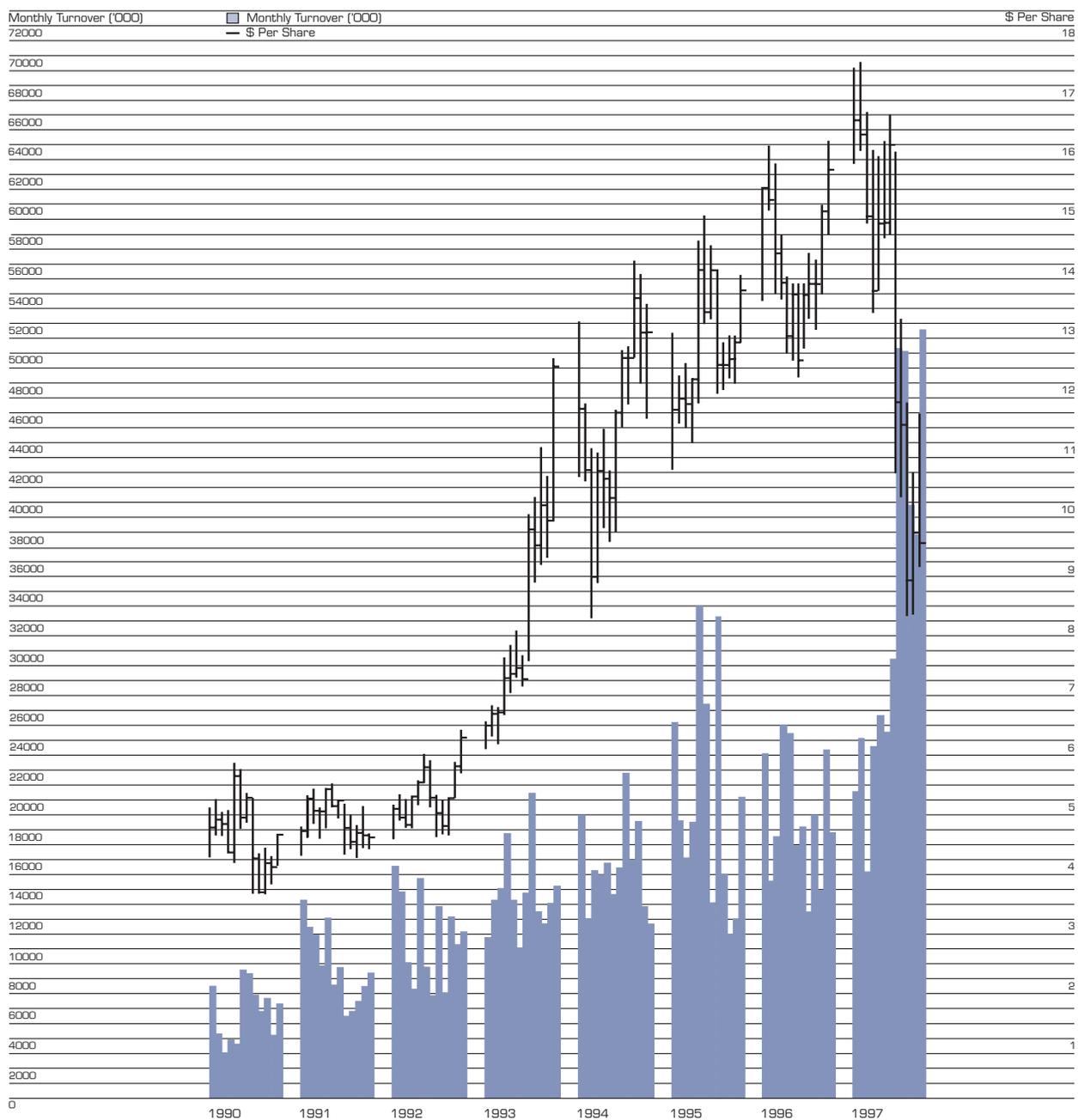
\*\* Earnings per share has been adjusted for bonus issues in 1989, 1990, 1993 and 1995, and rights issue in 1994.

+ Share prices have been adjusted for bonus and/or rights issues.

++ Adjusted average share prices have been used in computing net dividend yield and price earning ratio.

Note: Share prices and turnover reflect transactions recorded on the Stock Exchange of Singapore.

# U O B ( F O R E I G N ) S H A R E P R I C E A N D T U R N O V E R



Share Price (1997)		Ratios (1997)		Foreign Shareholding (as at 31 December)	
Highest (\$)	17.40	Dividend Cover (no. of times)	3.79	1987	18.43%
Lowest (\$)	8.10	Net Tangible Asset Backing Per Share (\$)	5.36	1988	14.38%
Average (\$)	12.75	Earnings Per Share (cents)	51.28	1989	20.00%
Last Done (\$)	9.35	Dividends Per Share (cents) – Taxable	18.00	1990	35.53%
		– Tax Exempt	–	1991	39.72%
		Net Dividend Yield (%)	1.04	1992	40.00%
		Price Earning Ratio	24.86	1993	40.00%
				1994	39.96%
				1995	40.00%
				1996	38.99%
				1997	39.51%

*Note: Share prices and turnover reflect transactions recorded on the Stock Exchange of Singapore.*

C H A N G E S   I N   S H A R E   C A P I T A L

The following table sets out the changes in the issued share capital of the Bank from 11 July 1970 (when a public quotation was first obtained for the Bank's ordinary shares) to 31 December 1997:

Date	No. of Ordinary Shares Issued	Source of Increase	Resultant Total Issued Share Capital (\$)	No. of Warrants Converted	Resultant Total No. of Issued Warrants 1994	Resultant Total No. of Issued Warrants 1997
11-7-1970	2,500,000	Public Issue at par	25,000,000	–	–	–
6-4-1972	5,000,000	Bonus Issue of 1 for 5	30,000,000	–	–	–
29-4-1972	5,000,000	Rights Issue of 1 for 5 at par	35,000,000	–	–	–
17-12-1972	3,000,000	Placement in Hong Kong	38,000,000	–	–	–
12-4-1973	1,401,405	Acquisition of 54.6% of Lee Wah Bank Limited	39,401,405	–	–	–
23-5-1973	39,401,405	Rights Issue of 1 for 1 at par	78,802,810	–	–	–
30-7-1973 & 31-8-1973	8,073,080	Acquisition of further 28.7% of Chung Khiaw Bank Limited and remaining 45.4% of Lee Wah Bank Limited	86,875,890	–	–	–
21-8-1975	21,718,973	Rights Issue of 1 for 4 at \$2.50 per share	108,594,863	–	–	–
13-11-1976	10,859,487	Bonus Issue of 1 for 10	119,454,350	–	–	–
13-12-1976	36,198,288	Rights Issue of 1 for 3 at \$3.00 per share	155,652,638	–	–	–
12-5-1978	15,565,264	Bonus Issue of 1 for 10	171,217,902	–	–	–
24-1-1979	4,362,950	Share exchange pursuant to a takeover offer made to the shareholders of Singapore Finance Limited	175,580,852	–	–	–
27-2-1979	111,500	Share exchange pursuant to a takeover offer made to the shareholders of Singapore Finance Limited	175,692,352	–	–	–
19-10-1979	17,569,236	Bonus Issue of 1 for 10	193,261,588	–	–	–
12-5-1980	19,326,159	Bonus Issue of 1 for 10	212,587,747	–	–	–
6-11-1980	42,517,550	Rights Issue of 1 for 5 at \$3.00 per share	255,105,297	–	–	–
12-12-1980 to 12-8-1981	7,889,399	Conversion of Bonds	262,994,696	–	–	–
12-10-1981	65,748,674	Bonus Issue of 1 for 4	328,743,370	–	–	–
26-11-1981	65,748,674	Rights Issue of 1 for 4 at \$3.00 per share	394,492,044	–	–	–
17-8-1987 to 22-10-1987	38,156,025	Share exchange pursuant to a takeover offer made to the shareholders of Industrial & Commercial Bank Limited	432,648,069	–	–	–
20-2-1988	15,230,903	Share exchange issued to Chung Khiaw Bank Limited shareholders pursuant to the scheme of arrangement dated 21 December 1987	447,878,972	–	–	–
27-5-1989	55,984,871	Bonus Issue of 1 for 8	503,863,843	–	–	–
6-12-1989	–	Warrants issued in connection with the 1.5% Unsecured Loan Stock 1989/1994	503,863,843	–	41,988,653	–
30-12-1989	16,211	Exercise of Warrants 1994	503,880,054	16,211	41,972,442	–

C H A N G E S I N S H A R E C A P I T A L

Date	No. of Ordinary Shares Issued	Source of Increase	Resultant Total Issued Share Capital (\$)	No. of Warrants Converted	Resultant Total No. of Issued Warrants 1994	Resultant Total No. of Issued Warrants 1997
13-1-1990 to 15-5-1990	470,963	Exercise of Warrants 1994	504,351,017	470,963	41,501,479	–
28-5-1990	50,435,102	Bonus Issue of 1 for 10	554,786,119	–	41,501,479	–
8-6-1990 to 31-12-1990	2,870,183	Exercise of Warrants 1994	557,656,302	2,870,183	38,631,296	–
15-1-1991 to 31-12-1991	2,101,829 308,000	Exercise of Warrants 1994 Exercise of Executives' Share Options	559,758,131 560,066,131	2,101,829 –	36,529,467 36,529,467	– –
15-1-1992 to 26-6-1992	12,805,838 427,000	Exercise of Warrants 1994 Exercise of Executives' Share Options	572,871,969 573,298,969	12,805,838 –	23,723,629 23,723,629	– –
26-6-1992	–	Warrants issued in connection with the 5% Unsecured Bond 1992/1997	573,298,969	–	23,723,629	71,542,884
17-7-1992 to 31-12-1992	893,597 808,926 33,000	Exercise of Warrants 1994 Exercise of Warrants 1997 Exercise of Executives' Share Options	574,192,566 575,001,492 575,034,492	893,597 808,926 –	22,830,032 22,830,032 22,830,032	71,542,884 70,733,958 70,733,958
21-1-1993 to 17-9-1993	8,530,904 550,762 3,321,000	Exercise of Warrants 1994 Exercise of Warrants 1997 Exercise of Executives' Share Options	583,565,396 584,116,158 587,437,158	8,530,904 550,762 –	14,299,128 14,299,128 14,299,128	70,733,958 70,183,196 70,183,196
28-9-1993	73,429,644	Bonus Issue of 1 for 8	660,866,802	–	–	78,956,095
5-10-1993 to 31-12-1993	1,891,445 181,105 147,000	Exercise of Warrants 1994 Exercise of Warrants 1997 Exercise of Executives' Share Options	662,758,247 662,939,352 663,086,352	1,891,445 181,105 –	12,407,683 12,407,683 12,407,683	78,956,095 78,774,990 78,774,990
13-1-1994 to 9-6-1994	3,100,493 1,460,531 1,654,000	Exercise of Warrants 1994 Exercise of Warrants 1997 Exercise of Executives' Share Options	666,186,845 667,647,376 669,301,376	3,100,493 1,460,531 –	9,307,190 9,307,190 9,307,190	78,774,990 77,314,459 77,314,459
28-6-1994	66,915,064	Rights Issue of 1 for 10 at \$3.50 per share (local) and \$4.12 per share (foreign)	736,216,440	–	9,307,190	82,034,979
30-6-1994 to 31-12-1994	8,952,267 3,612,759 166,000	Exercise of Warrants 1994 Exercise of Warrants 1997 Exercise of Executives' Share Options	745,168,707 748,781,466 748,947,466	8,952,267 3,612,759 –	354,923 – –	82,034,979 78,422,220 78,422,220
16-1-1995 to 12-5-1995	9,027,269 1,497,000	Exercise of Warrants 1997 Exercise of Executives' Share Options	757,974,735 759,471,735	9,027,269 –	– –	69,394,951 69,394,951
3-6-1995	151,894,347	Bonus Issue of 1 for 5	911,366,082	–	–	83,273,941
3-7-1995 to 29-12-1995	247,950 44,000	Exercise of Warrants 1997 Exercise of Executives' Share Options	911,614,032 911,658,032	247,950 –	– –	83,025,991 83,025,991
15-1-1996 to 31-12-1996	28,081,987 326,000	Exercise of Warrants 1997 Exercise of Executives' Share Options	939,740,019 940,066,019	28,081,987 –	– –	54,944,004 54,944,004
16-1-1997 to 29-12-1997	54,465,975 171,000	Exercise of Warrants 1997 Exercise of Executives' Share Options	994,531,994 994,702,994	54,465,975 –	– –	478,029 –

Note: The Warrants 1997 carry the right to subscribe for new ordinary shares of \$1.00 each at \$3.34 per share by 16 June 1997.

S T A T I S T I C S   O F   S H A R E H O L D I N G S

*as at 9 April 1998*

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1 – 1,000	7,415	39.37	3,232,416	0.32
1,001 – 10,000	8,835	46.91	31,626,441	3.18
10,001 – 1,000,000	2,524	13.40	135,369,068	13.61
1,000,001 and above	59	0.32	824,508,069	82.89
<b>Total</b>	<b>18,833</b>	<b>100.00</b>	<b>994,735,994</b>	<b>100.00</b>

Twenty Largest Shareholders	No. of Shares	Percentage
United Overseas Bank Nominees (Private) Limited	158,151,717	15.90
Wee Investments Private Ltd	104,552,604	10.51
DBS Nominees Pte Ltd	99,683,577	10.02
Raffles Nominees Pte Ltd	81,818,762	8.23
HSBC (Singapore) Nominees Pte Ltd	68,627,294	6.90
Tai Tak Estates Sdn Bhd	64,234,038	6.46
Oversea-Chinese Bank Nominees Private Limited	34,924,053	3.51
C Y Wee & Co Pte Ltd	30,138,718	3.03
Citibank Nominees Singapore Pte Ltd	27,757,485	2.79
Wee Cho Yaw	15,743,380	1.58
DB Nominees (S) Pte Ltd	9,161,030	0.92
Kwan Tee Holdings Pte Ltd	8,822,945	0.89
Post Office Savings Bank of Singapore	8,687,339	0.87
Overseas Union Bank Nominees (Private) Limited	6,832,108	0.69
Ko Teck Siang	6,585,891	0.66
ABN AMRO Nominees Singapore Pte Ltd	6,099,507	0.61
NTUC Income Insurance Co-operative Limited	5,461,401	0.55
Ho Sim Guan	5,395,374	0.54
The Great Eastern Life Assurance Co Ltd	5,155,800	0.52
Chew How Teck and Company (Pte) Limited	4,810,910	0.48
<b>Total</b>	<b>752,643,933</b>	<b>75.66</b>

Substantial Shareholders	Shareholdings registered in the name of Substantial Shareholders	Other Shareholdings in which the Substantial Shareholders are deemed to have an interest
Haw Par Corporation Limited	–	60,031,256
Ho Sim Guan	5,395,374	67,353,561**
Tai Tak Estates Sdn Bhd	64,234,038	–
United Overseas Land Limited	–	62,767,026
Wee Cho Yaw	15,743,380	135,369,327*
Wee Ee Cheong	2,642,762	135,659,275*
Wee Ee Chao	134,442	108,372,326*
Wee Ee Lim	2,507,521	134,873,259*
Wee Investments Private Ltd	104,552,449	162,878

\* Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim are deemed to have an interest in 104,715,327 shares held by Wee Investments Private Ltd.

\*\* Ho Sim Guan is deemed to have an interest in 64,234,038 shares held by Tai Tak Estates Sdn Bhd.

S U B S I D I A R I E S & M A J O R A S S O C I A T E D C O M P A N I E S

as at 31 December 1997

Activity	Subsidiaries / Associated Companies	Country of Incorporation	Business Carried On In	Percentage of Paid-Up Capital Held		Cost of Bank's Investment	
				By UOB	By Subsidiaries	1997 \$'000	1996 \$'000
				%	%		
<b>Subsidiaries</b>							
Commercial Banking	Chung Khiaw Bank Limited	Singapore	Singapore/ Hong Kong	100	–	194,767	194,767
	Industrial & Commercial Bank Limited	Singapore	Singapore	87	–	384,286	384,286
	Far Eastern Bank Limited	Singapore	Singapore	74	–	34,259	30,302
	# United Overseas Bank (Malaysia) Bhd	Malaysia	Malaysia	45	55	123,731	123,731
	# P T United Overseas Bank Bali	Indonesia	Indonesia	80	–	30,562	30,562
	# United Overseas Bank (Canada)	Canada	Canada	100	–	18,155	18,155
	LWB (1995) Limited ( <i>Inactive</i> )	Singapore	Inactive	100	–	–	–
Merchant Banking	United Merchant Bank Limited	Singapore	Singapore	100	–	15,250	15,250
	# UOB Australia Limited	Australia	Australia	100	–	10,865	10,865
	# UOB Asia Limited	Hong Kong	Hong Kong	50	50	11,687	11,687
Finance Companies	United Overseas Finance Limited	Singapore	Singapore	45	16	24,690	24,690
	# United Overseas Finance (Malaysia) Bhd	Malaysia	Malaysia	–	100	–	–
Insurance	United Overseas Insurance Limited	Singapore	Singapore	51	–	7,700	7,700
	Industrial & Commercial Insurance Limited	Singapore	Singapore	–	73	–	–
	# UOB Insurance (H.K.) Limited	Hong Kong	Hong Kong	–	100	–	–
	UOB Life Assurance Limited	Singapore	Singapore	94	6	76,500	35,500
	# PT UOB Life - Sun Assurance	Indonesia	Indonesia	–	70	–	–
Investment Companies	# Chung Khiaw Bank (Malaysia) Bhd	Malaysia	Malaysia	–	100	–	–
	United Overseas Securities Limited ( <i>in members' voluntary liquidation</i> )	Singapore	Inactive	100	–	–	–
	UOB Equity Holdings (Pte) Ltd	Singapore	Singapore	100	–	9,600	9,600
	United Investments Limited	Singapore	Singapore	100	–	26,100	25,100
	# UOB Finance (H.K.) Limited	Hong Kong	Hong Kong	100	–	21,638	18,091
	# UOB Realty (H.K.) Limited	Hong Kong	Hong Kong	–	100	–	–
	ICB Pte Ltd ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
	# ICB Finance Limited	Hong Kong	Hong Kong	–	100	–	–
	## UOB Holdings (USA) Inc	United States of America	United States of America	100	–	10,059	8,396
Stockbroking	UOB Securities Pte Ltd	Singapore	Singapore	–	100	–	–
	# UOB Securities (Philippines), Inc.	Philippines	Philippines	–	100	–	–
	# United Mok Ying Kie Limited	Hong Kong	Hong Kong	–	55	–	–
	# P T UOBB Securities	Indonesia	Indonesia	–	85	–	–
Trustee/ Investment Management	United Overseas Bank Trustee Limited	Singapore	Singapore	20	80	100	100
	UOB Asset Management Ltd	Singapore	Singapore	–	100	–	–
	UOB Venture Management Private Limited	Singapore	Singapore	100	–	250	250
	+ UOB-Walden Capital Management Pte Ltd ( <i>in members' voluntary liquidation</i> )	Singapore	Singapore	50	–	–	125
	# UOB-OSK Asset Management Sdn Bhd	Malaysia	Malaysia	–	70	–	–

S U B S I D I A R I E S & M A J O R A S S O C I A T E D C O M P A N I E S

as at 31 December 1997

Activity	Subsidiaries / Associated Companies	Country of Incorporation	Business Carried On In	Percentage of Paid-Up Capital Held		Cost of Bank's Investment	
				By UOB %	By Subsidiaries %	1997 \$'000	1996 \$'000
Trustee/ Investment Management	# UOB Investment Advisor (Taiwan) Ltd	Republic of China	Republic of China	–	100	–	–
Nominee Services	United Overseas Bank Nominees (Private) Limited	Singapore	Singapore	100	–	10	10
	Chung Khiaw Bank Nominees (Private) Limited	Singapore	Singapore	–	100	–	–
	ICB Nominees (Private) Limited	Singapore	Singapore	–	100	–	–
	Far Eastern Bank Nominees (Private) Limited	Singapore	Singapore	–	100	–	–
	Lee Wah Nominees (S) Pte Ltd	Singapore	Singapore	100	–	*	*
	Tye Hua Nominees Private Limited	Singapore	Singapore	100	–	10	10
	UOF Nominees (Private) Limited	Singapore	Singapore	–	100	–	–
	United Merchant Bank Nominees (Pte) Ltd	Singapore	Singapore	–	100	–	–
	# Chung Khiaw Nominees (Tempatan) Sdn Bhd	Malaysia	Malaysia	–	100	–	–
	# Chung Khiaw Nominees (Asing) Sdn Bhd	Malaysia	Malaysia	–	100	–	–
	# UOB Nominees (Tempatan) Sdn Bhd	Malaysia	Malaysia	–	100	–	–
	# UOB Nominees (Asing) Sdn Bhd	Malaysia	Malaysia	–	100	–	–
	# United Overseas Bank Nominees (H.K.) Limited	Hong Kong	Hong Kong	100	–	4	4
	# Chung Khiaw Bank Nominees (H.K.) Limited	Hong Kong	Hong Kong	–	100	–	–
	# Singapore UMB (Hong Kong) Limited ( <i>Inactive</i> )	Hong Kong	Inactive	–	100	–	–
	# UOB Nominees (UK) Limited	United Kingdom	United Kingdom	100	–	2	2
	UOB Securities Nominees Pte Ltd	Singapore	Singapore	–	100	–	–
	# UOB Nominees (Australia) Limited	Australia	Australia	–	100	–	–
	# UMYK Nominees Limited	Hong Kong	Hong Kong	–	100	–	–
Gold/Futures Dealing	UOB Bullion and Futures Limited	Singapore	Singapore	100	–	9,000	9,000
Leasing/Rental	Ubin Private Limited ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
Computer Services	Unicom Databank Private Limited	Singapore	Singapore	100	–	*	*
	# UOB InfoTech Sdn Bhd	Malaysia	Malaysia	–	100	–	–
Management Services	UOB Management Services Pte Ltd ( <i>Inactive</i> )	Singapore	Inactive	100	–	*	*
	ICB Management Pte Ltd ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
	A.I.M. Services Pte Ltd ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
General Services	United General Services (Pte) Ltd	Singapore	Singapore	100	–	*	*
Consultancy and Research Services	# UOBS Research (M) Sdn Bhd	Malaysia	Malaysia	–	100	–	–
	UOB Investment Research Pte Ltd	Singapore	Singapore	100	–	500	500

S U B S I D I A R I E S & M A J O R A S S O C I A T E D C O M P A N I E S

as at 31 December 1997

Activity	Subsidiaries / Associated Companies	Country of Incorporation	Business Carried On In	Percentage of Paid-Up Capital Held		Cost of Bank's Investment	
				By UOB	By Subsidiaries	1997 \$'000	1996 \$'000
				%	%		
Property/Hotel	UOB Warehouse Private Limited	Singapore	Singapore	100	–	88,000	88,000
	Chung Khiaw Realty, Limited	Singapore	Singapore/ Malaysia	–	99	–	–
	Industrial & Commercial Realty Limited	Singapore	Singapore	–	100	–	–
	FEB Realty Company Pte Ltd ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
	ICB Enterprises (Private) Limited ( <i>Inactive</i> )	Singapore	Inactive	–	100	–	–
	Industrial & Commercial Property (S) Pte Ltd	Singapore	Singapore	–	100	–	–
	## UOB Realty (USA) Inc	United States of America	United States of America	100	–	188	79
	## UOB Realty (USA) Ltd Partnership	United States of America	United States of America	99	1	16,597	6,928
#### Dahua Xiamen Development Ltd	People's Republic of China	People's Republic of China	50	–	11,938	9,965	
Property Management	UOB Property Management Pte Ltd	Singapore	Singapore	100	–	*	*
Granite Trading/ Quarrying	G H Carriers Private Limited	Singapore	Indonesia/ Singapore	–	100	–	–
	Gim Huat Private Limited	Singapore	Singapore	–	100	–	–
	Industrial Imex Pte Ltd	Singapore	Indonesia/ Singapore	–	51	–	–
Travel	UOB Travel Planners Pte Ltd	Singapore	Singapore	100	–	3,987	3,987
	UOB Travel (General Sales Agent) Pte Ltd	Singapore	Singapore	55	–	268	268
						<u>1,130,703</u>	<u>1,067,910</u>
			<i>Less: Provision</i>			<u>(89,116)</u>	<u>(45,198)</u>
						<u>1,041,587</u>	<u>1,022,712</u>

**Notes:**

\* Companies audited by other members of Coopers & Lybrand International.

## Not required to be audited in country of incorporation.

### Company not audited by Coopers & Lybrand, Singapore or another member of Coopers & Lybrand International.

+ Subsidiary by virtue of UOB's control of more than half of its voting power or control of the composition of the board of directors.

\* Investment cost is less than \$1,000.

**Major Associated Companies**

Investment Company	United International Securities Limited	Singapore	Singapore	23	19		
Leasing/Rental	Orix Leasing Singapore Ltd	Singapore	Singapore	20	–		
Property/Hotel	United Overseas Land Limited	Singapore	Asia	30	10		
Conglomerate	Haw Par Corporation Limited	Singapore	Asia	39	2		

Note: Subsidiaries of associated companies are not included in this list.

Notice is hereby given that the **Fifty-Sixth Annual General Meeting** of members of the Company will be held at the Penthouse of the Company, 80 Raffles Place, 61st Storey, UOB Plaza 1, Singapore 048624 on Saturday, 30 May 1998 at 12.00 noon to transact the following business:

**As Ordinary Business**

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- Resolution 1**      To receive the Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 1997.
- Resolution 2**      To declare a Final Dividend of 10% less income tax for the year ended 31 December 1997.
- Resolution 3**      To approve Directors' fees of \$270,000 for 1997 (1996: \$285,000).
- Resolution 4**      To re-appoint Messrs Coopers & Lybrand as Auditors of the Company and authorise the Directors to fix their remuneration.
- Resolution 5**      To re-elect Wee Ee Cheong as Director.
- To pass the following resolution under Section 153(6) of the Companies Act, Cap. 50:  
 "THAT pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. \_\_\_\_\_ be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company."  
 in respect of:
- Resolution 6**      Dr Eu Keng Mun Richard.
- Resolution 7**      Ho Sim Guan.
- Resolution 8**      Wee Chong Jin.
- Resolution 9**      Tan Keong Choon.

**As Special Business**

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To consider and, if thought fit, pass the following ordinary resolutions:

- Resolution 10**    (a) "THAT pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to offer and grant options in accordance with the Regulations of The UOB Executives' Share Option Scheme ("the Scheme") and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme, provided that the aggregate number of shares to be issued pursuant to this resolution shall not exceed 5 per cent of the issued share capital of the Company from time to time."
- Resolution 11**    (b) "THAT pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution shall not exceed 10 per cent of the issued share capital of the Company for the time being."

### Notes to Resolutions 8, 10 and 11

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**Resolution 8** is to re-appoint Wee Chong Jin who is an independent member and chairman of the Audit Committee.

**Resolution 10** is to allow the Directors to issue shares pursuant to The UOB Executives' Share Option Scheme ("the Scheme") which was approved at the Extraordinary General Meeting of the Company on 10 February 1990. A copy of the Regulations of the Scheme is available for inspection by shareholders during normal office hours at the Office of the Company Secretary at 80 Raffles Place, 4th Storey, UOB Plaza 1, Singapore 048624.

**Resolution 11** is to enable the Directors to issue shares in the Company (other than on a bonus or rights issue) up to an amount not exceeding 10 per cent of the issued share capital of the Company for the time being. This approval will expire at the conclusion of the next Annual General Meeting. The Directors would only issue shares under this resolution where they consider it appropriate and in the interests of the Company to do so.

By Order of the Board

**Vivien Chan**  
Secretary  
Singapore, 6 May 1998

### Notes

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- (1) *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.*
- (2) *To be effective, the instrument appointing a proxy must be deposited at the Office of the Company Secretary at 80 Raffles Place, 4th Storey, UOB Plaza 1, Singapore 048624, not less than 48 hours before the time set for holding the meeting.*



**UNITED OVERSEAS BANK GROUP**

**UNITED OVERSEAS BANK LIMITED**

**HEAD OFFICE:**

80 Raffles Place UOB Plaza

Singapore 048624

Telephone 65-5339898

Facsimile 65-5342334

Internet <http://www.uob.com.sg>

Cable TYEHUABANK

Telex RS 21539 TYEHUA

SWIFT UOVBSGSG

