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
FINANCIAL SUMMARY

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
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
FINANCIAL SUMMARY

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 re-strategise 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 1996.
CHAIRMAN’S STATEMENT

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).


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
CHAIRMAN’S STATEMENT

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 restrategise 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

DR EU KENG MUN RICHARD
EXECUTIVE COMMITTEE

HO SIM GUAN
EXECUTIVE COMMITTEE

PROF LIM CHONG YAH
AUDIT COMMITTEE

TAN KEONG CHOON

TAN KONG PIAT

UNITED OVERSEAS BANK | 15
OUR COMMITMENT TO THE FUTURE

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.
CORPORATE INFORMATION

General Management

Wee Cho Yaw
Chairman &
Chief Executive Officer

Internal Audit
Subsidiaries
Associated Companies

Wong Yuen Weng Ernest
President

Wee Ee Cheong
Deputy President

Dr Goh Keng Swee
Adviser (Research)

Yeo Teng Yang Francis
Senior Executive Vice President

Ong Sea Eng Terence
Executive Vice President

International Banking
Risk Management

Gn Hiang Meng
Executive Vice President

Investment Banking

Lam Bin Thun
Executive Vice President

Corporate Services

Poon Hon Thang Samuel
Executive Vice President

Yeo Eng Cheong
Executive Vice President

Neo Khay Pin
Executive Vice President

Commercial Banking

Lim Bak Wee
Executive Vice President

Information Technology

UNITED OVERSEAS BANK | 15
SECRETARY
Chan Vivien (Mrs)
Senior Vice President
Legal & Secretariat

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80 Raffles Place
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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 Sock 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)

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 Kiong
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

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
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.
OPERATIONS REVIEW

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
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.
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.
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 (UOBI) and UOB Venture Investments II Limited (UOBI-II).

In 1997, UOBVM invested over $50 million from both funds into 20 diverse companies in Singapore, the Asia-Pacific and USA. UOBI is now fully invested while UOBI-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,
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.

HUMAN RESOURCES

Building 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.

INFORMATION TECHNOLOGY

Our 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.

SUPPORTING THE COMMUNITY

We 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
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.

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)

---|---|---|---|---|---
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

(%) distribution
## GROUP’S REGIONAL EXPOSURE

**as at 28 February 1998**

<table>
<thead>
<tr>
<th>Non-Bank</th>
<th>Central Banks &amp; Government Securities</th>
<th>Bank</th>
<th>Investments</th>
<th>Total</th>
<th>Loans/Investments in our Financial Subsidiaries</th>
<th>Total</th>
<th>% of Group Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>3,500</td>
<td>709</td>
<td>1,718</td>
<td>61</td>
<td>5,988</td>
<td>721</td>
<td>5,267</td>
</tr>
<tr>
<td>Indonesia</td>
<td>377</td>
<td>39</td>
<td>322</td>
<td>7</td>
<td>745</td>
<td>34</td>
<td>711</td>
</tr>
<tr>
<td>Thailand</td>
<td>253</td>
<td>–</td>
<td>64</td>
<td>3</td>
<td>320</td>
<td>–</td>
<td>320</td>
</tr>
<tr>
<td>South Korea</td>
<td>78</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>81</td>
<td>–</td>
<td>81</td>
</tr>
<tr>
<td>Philippines</td>
<td>1</td>
<td>–</td>
<td>80</td>
<td>3</td>
<td>84</td>
<td>3</td>
<td>81</td>
</tr>
<tr>
<td>Total</td>
<td>4,209</td>
<td>748</td>
<td>2,187</td>
<td>74</td>
<td>7,218</td>
<td>758</td>
<td>6,460</td>
</tr>
</tbody>
</table>

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.

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*Latest figures as at time of printing.*
OUR INTERNATIONAL NETWORK

SINGAPORE

UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza
Singapore 048624
Telephone : 65-5339898
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Cable : TYEHUABANK
Telex : RS 21539 TYEHU
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 KHIW 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, Bohan,
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 : 65-2219035
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
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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
Main Office Tower, Level 6A
Jalan Merdeka
Labuan F T
Telephone : 087-424388
Facsimile : 087-424389
Telex : MA 085096 TYEHU
General Manager : Ng Keok Hu

UOBS Research (M) Sdn Bhd
(a wholly-owned research subsidiary)
Lot 117, Lorong P Ramlee
50250 Kuala Lumpur
Telephone : 03-2320986
Facsimile : 03-2320987
Representative : Low Soon Sim

UOBS-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
OUR INTERNATIONAL NETWORK

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 : UOVBMYKL
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 Kim Thong

Medan Pasar Branch
10-12 Medan Pasar
50050 Kuala Lumpur
Telephone : 03-2383844
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 : 09-5135955
Manager : Lau Ah Lee

Raub Branch
14 & 16 Jalan Tun Razak
27600 Raub
Telephone : 09-3551187
Facsimile : 09-3555955
Manager : Woon Siong Huai Daniel

Penang

Butterworth Branch
4072 Jalan Bagan Luar
12700 Butterworth
Telephone : 04-3334875
Facsimile : 04-3324300
Manager : Chai Mok Nei (Ms)
OUR INTERNATIONAL NETWORK

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
1-3 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
OUR INTERNATIONAL NETWORK

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 : UOVBNU6S
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 : UOVBNU6S
Director & General Manager : Wang Lian Khee

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 : Liau 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 TYHUAX HK
SWIFT : UOVBHKHH
Chief Executive Officer : Chan Tze Leung Robert
General Manager : Liew Chan Harn

Mongkok Branch
Kowloon Branch
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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)
OUR INTERNATIONAL NETWORK

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 KHIAW 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
34-38 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
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: 62-31-3325166
Facsimile: 62-31-3325220
Telex: 36519 UOBB IA
Manager: Chong Desmond
Pluit Megamal Sub-Branch
Pluit Megamal No. MG 8-9
Taman Tirta Loka
Jalan Pluit Permata Raya
Jakarta 14450
Telephone : 62-21-6683682
Facsimile : 62-21-6683692
Manager : Djajasaputra Betty (Mrs)

PT 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 Thaung

PHILIPPINES
UNITED OVERSEAS BANK LIMITED
UOB Securities (Philippines), Inc.
(a wholly-owned stockbroking subsidiary)
Rufino Pacific Tower
Unir 22C
6784 Ayala Avenue
Makati City
Metro Manila
Telephone : 63-2-81010447/8
Facsimile : 63-2-8101449/8110408
President & Chief Executive Officer : Huang Michael

SOUTH KOREA
UNITED OVERSEAS BANK LIMITED
Seoul Branch
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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 : 886-2-2737546
Telex : 26147 TYEHUA
General Manager : Bak Soo Ha
OUR INTERNATIONAL NETWORK

UOB Bullion and Futures Limited
(a wholly-owned gold/futures dealing subsidiary)
Taiwan Branch
Union Enterprise Plaza, 10F
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Taipei 104
Telephone : 886-2-27197005
Facsimile : 886-2-25456591
Manager : Cheng Chih Jung Vincent

UOB Investment Advisor (Taiwan) Ltd
(a wholly-owned investment advisory subsidiary)
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Section 3
Taipei 104
Telephone : 886-2-25456163
Facsimile : 886-2-27199434
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
Ayutthaya Branch
Krungsri River Hotel
272/2 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)

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
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London EC2N 2BH
Telephone : 44-171-6283504
Facsimile : 44-171-6283433
Cable : TYEHUABANK
Telex : 8954292 TYEHUA G
SWIFT : UOVBGB2L
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 UOBBHCM VT
SWIFT : UOVBVNVX
General Manager : Voon Tai Yok Gary

CORRESPONDENTS
In all principal cities of the world
UNITED OVERSEAS BANK LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

Report Of The Directors 42
Statement By Directors 52
Auditors’ Report To The Members 53
Balance Sheets 54
Profit And Loss Accounts 56
Consolidated Cash Flow Statement 57
Statement Of Significant Accounting Policies 58
Notes To The Financial Statements 60
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:

<table>
<thead>
<tr>
<th>Name of Subsidiary</th>
<th>Total Share Capital, Issued At Par for Cash</th>
<th>Group’s Interest Therein %</th>
<th>Consideration Paid by the Group S’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOB Investment Advisor (Taiwan) Ltd</td>
<td>NT10,000,000</td>
<td>100</td>
<td>514</td>
</tr>
</tbody>
</table>

(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.
REPORT OF THE DIRECTORS
for the year ended 31 December 1997

Results for the Financial Year

The Group The Bank

The net profit for the year after providing for taxation $'000 $'000
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 8 8
proposed in that year as a result of the issue of ordinary
shares in the Bank upon the exercise of share options
Have paid an interim dividend of 8% less income tax 58,884 58,884
at 26% amounting to
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

<table>
<thead>
<tr>
<th>Description</th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Share Premium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 1997</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium on issue of shares</td>
<td>128,450</td>
<td></td>
</tr>
<tr>
<td>Transfer from Other Capital Reserves in respect of the exercise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Warrants 1997 to subscribe for new ordinary shares</td>
<td>25,022</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 1997</td>
<td>798,366</td>
<td></td>
</tr>
</tbody>
</table>

(b) Other Capital Reserves

Balance at 1 January 1997 89,929 25,022
Transfer to Share Premium in respect of the exercise 25,022 25,022
of Warrants 1997 to subscribe for new ordinary shares
Balance at 31 December 1997 64,907 -
(c) General Reserves

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 1997</td>
<td>1,772,164</td>
<td>1,206,234</td>
</tr>
<tr>
<td>Exchange translation adjustment</td>
<td>(132,121)</td>
<td>(6,573)</td>
</tr>
<tr>
<td>Amounts transferred from profit and loss accounts</td>
<td>201,970</td>
<td>120,000</td>
</tr>
<tr>
<td>Balance at 31 December 1997</td>
<td>1,842,013</td>
<td>1,319,661</td>
</tr>
</tbody>
</table>

**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:

<table>
<thead>
<tr>
<th>Subscription Price Per Share, Paid by Cash</th>
<th>Number of Ordinary Shares of $1 each in the Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td></td>
</tr>
<tr>
<td>To holders of warrants issued in connection with the Bank’s 5% Unsecured Bonds 1992/1997 (“Warrants 1997”)</td>
<td>54,465,975</td>
</tr>
<tr>
<td>3.34</td>
<td></td>
</tr>
</tbody>
</table>

(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:

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

(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:

<table>
<thead>
<tr>
<th>Number of Ordinary Shares of $1 each</th>
</tr>
</thead>
<tbody>
<tr>
<td>(unless otherwise stated)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholdings registered in the name of directors</th>
<th>Shareholdings in which directors are deemed to have an interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>The Bank</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>15,743,380</td>
</tr>
<tr>
<td>Mr Wong Yuen Weng Ernest</td>
<td>103,000</td>
</tr>
<tr>
<td>Mr Wee Ee Cheong</td>
<td>2,642,762</td>
</tr>
<tr>
<td>Dr Eu Keng Mun Richard</td>
<td>18,620</td>
</tr>
<tr>
<td>Mr Ho Sim Guan</td>
<td>5,395,374</td>
</tr>
<tr>
<td>Mr Tan Keong Choon</td>
<td>939</td>
</tr>
<tr>
<td>Mr Tan Kong Piat</td>
<td>163,350</td>
</tr>
<tr>
<td>Far Eastern Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td></td>
</tr>
<tr>
<td>Industrial &amp; Commercial Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Ee Cheong</td>
<td></td>
</tr>
<tr>
<td>Mr Ho Sim Guan</td>
<td></td>
</tr>
<tr>
<td>United Overseas Finance Limited</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>27,500</td>
</tr>
<tr>
<td>Mr Wee Ee Cheong</td>
<td></td>
</tr>
<tr>
<td>Dr Eu Keng Mun Richard</td>
<td>7,500</td>
</tr>
<tr>
<td>Mr Ho Sim Guan</td>
<td>5,000</td>
</tr>
<tr>
<td>Mr Tan Kong Piat</td>
<td>75,000</td>
</tr>
<tr>
<td>United Overseas Insurance Limited</td>
<td></td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>25,400</td>
</tr>
<tr>
<td>Mr Ho Sim Guan</td>
<td>9,300</td>
</tr>
<tr>
<td>Mr Tan Kong Piat</td>
<td>60,000</td>
</tr>
</tbody>
</table>
## Shareholdings in the name of directors

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Shareholdings in the name of directors</th>
<th>Shareholdings in which directors are deemed to have an interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial &amp; Commercial Insurance Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Chung Khiaw Realty, Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>P T United Overseas Bank Bali</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of Rp1,000,000 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>United Overseas Bank Trustee Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of $1 each of which $5 has been called and paid up)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>UOB Life Assurance Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of $1 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Redeemable convertible cumulative preference shares of $1 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>P T UOBB Securities</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of Rp1,000,000 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>PT UOB Life - Sun Assurance</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of Rp1,000 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>UOB-OSK Asset Management Sdn Bhd</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Ordinary shares of RM1 each)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>UOB Travel (General Sales Agent) Pte Ltd</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>UOB-Walden Capital Management Pte Ltd</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(In members’ voluntary liquidation)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dahua Xiamen Development Ltd</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(Paid-up capital stated in US dollars)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
(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:

<table>
<thead>
<tr>
<th>Name of directors</th>
<th>Number of Warrants registered in the name of directors</th>
<th>Number of Warrants in which directors are deemed to have an interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Wee Cho Yaw</td>
<td>–</td>
<td>1,745,424</td>
</tr>
<tr>
<td>Mr Wee Ee Cheong</td>
<td>–</td>
<td>255,568</td>
</tr>
<tr>
<td>Mr Ho Sim Guan</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Tan Keong Choon</td>
<td>–</td>
<td>93</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Option Period</th>
<th>Offer Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>16 April 1994 to 15 January 1998</td>
<td>5.08</td>
</tr>
<tr>
<td>1994</td>
<td>15 April 1995 to 14 January 1999</td>
<td>8.25</td>
</tr>
<tr>
<td>1995</td>
<td>5 May 1996 to 4 February 2000</td>
<td>9.25</td>
</tr>
<tr>
<td>1996</td>
<td>9 May 1997 to 8 February 2001</td>
<td>9.65</td>
</tr>
<tr>
<td>1997</td>
<td>5 May 1998 to 4 February 2002</td>
<td>8.68</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Options Granted To</th>
<th>Price Per Share Payable in Full $</th>
<th>Date of Expiration of Option</th>
<th>Number of Ordinary Shares of $1 each in the Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives in connection with the UOB Executives’ Share Option Scheme, granted in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>5.08</td>
<td>15.1.1998</td>
<td>39,000</td>
</tr>
<tr>
<td>1994</td>
<td>8.25</td>
<td>14.1.1999</td>
<td>784,000</td>
</tr>
<tr>
<td>1995</td>
<td>9.25</td>
<td>4.2.2000</td>
<td>1,757,000</td>
</tr>
<tr>
<td>1996</td>
<td>9.65</td>
<td>8.2.2001</td>
<td>1,805,000</td>
</tr>
<tr>
<td>1997</td>
<td>8.68</td>
<td>4.2.2002</td>
<td>1,894,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,279,000</td>
</tr>
</tbody>
</table>

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.
REPORT OF THE DIRECTORS
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
STATEMENT BY DIRECTORS
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
AUDITORS’ REPORT TO THE MEMBERS
for the year ended 31 December 1997

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.

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
### BALANCE SHEETS

*as at 31 December 1997*

<table>
<thead>
<tr>
<th>Notes</th>
<th>The Group 1997</th>
<th>The Bank 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

#### SHARE CAPITAL

Ordinary shares of $1 each

| Authorised | 2,000,000 |
| Issued and Fully Paid | 994,703 | 940,066 |

#### CAPITAL RESERVES

| Share Premium | 798,366 | 644,894 | 798,366 | 644,894 |
| Others | 64,907 | 89,929 | – | 25,022 |

#### REVENUE RESERVES

| General | 1,842,013 | 1,772,164 | 1,319,661 | 1,206,234 |
| Profits Unappropriated | 1,627,086 | 1,459,582 | 644,664 | 626,936 |
| Total Capital and Reserves | 5,327,075 | 4,906,635 | 3,757,394 | 3,443,152 |

#### INTERESTS OF MINORITY SHAREHOLDERS

| 259,971 | 264,847 | – | – |

#### CURRENT LIABILITIES

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 |
| Bills and drafts payable | 41,587,758 | 38,218,753 | 30,978,467 | 27,485,965 |
| Other liabilities, including provisions and other reserves | 375,603 | 425,032 | 77,964 | 114,248 |
| 5% Unsecured Bonds 1992/1997 | 1,737,575 | 1,722,512 | 893,609 | 849,392 |
| Proposed dividend | 73,608 | 69,567 | 73,608 | 69,567 |
| 43,774,544 | 40,633,329 | 32,023,648 | 28,718,637 |
| 49,361,590 | 45,806,811 | 35,781,042 | 32,161,789 |

#### ACCEPTANCES, GUARANTEES, EXCHANGE CONTRACTS AND OTHER OBLIGATIONS PER CONTRA

| 11 | 26,052,859 | 20,847,365 | 22,527,723 | 16,727,799 |
| 75,414,449 | 66,654,176 | 58,308,765 | 48,889,588 |
### Balance Sheets

**as at 31 December 1997**

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, gold bullion and balances with bankers and agents</td>
<td>4,275,863</td>
<td>5,274,421</td>
</tr>
<tr>
<td>Placements with banks and other financial institutions</td>
<td>9,196,706</td>
<td>6,853,206</td>
</tr>
<tr>
<td>Singapore Government treasury bills and securities</td>
<td>2,506,544</td>
<td>2,460,767</td>
</tr>
<tr>
<td>Other Government treasury bills and securities</td>
<td>425,072</td>
<td>449,727</td>
</tr>
<tr>
<td>Quoted investments</td>
<td>306,658</td>
<td>497,782</td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>120,803</td>
<td>73,703</td>
</tr>
<tr>
<td>Trade bills 8</td>
<td>1,161,428</td>
<td>1,425,485</td>
</tr>
<tr>
<td>Advances to customers</td>
<td>28,608,334</td>
<td>26,033,795</td>
</tr>
<tr>
<td>Other accounts</td>
<td>865,208</td>
<td>897,407</td>
</tr>
<tr>
<td></td>
<td>47,466,616</td>
<td>43,966,293</td>
</tr>
<tr>
<td>ASSOCIATED COMPANIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted investments</td>
<td>641,765</td>
<td>693,242</td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>62,349</td>
<td>3,704</td>
</tr>
<tr>
<td></td>
<td>704,114</td>
<td>696,946</td>
</tr>
<tr>
<td>SUBSIDIARIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted investments</td>
<td>9</td>
<td>–</td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>9</td>
<td>–</td>
</tr>
<tr>
<td>Amounts owing</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank premises and other properties, office equipment, computers, fixtures and other assets</td>
<td>1,190,860</td>
<td>1,143,572</td>
</tr>
<tr>
<td></td>
<td>49,361,590</td>
<td>45,806,811</td>
</tr>
<tr>
<td>ACCEPTANCES, GUARANTEES, EXCHANGE CONTRACTS AND OTHER OBLIGATIONS PER CONTRA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>26,052,859</td>
<td>20,847,365</td>
</tr>
<tr>
<td></td>
<td>75,414,449</td>
<td>66,654,176</td>
</tr>
</tbody>
</table>

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

**United Overseas Bank | 55**
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

The Group The Bank

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

The accompanying statement of significant accounting policies and notes form part of these financial statements. The auditors’ report is on page 53.
## CONSOLIDATED CASH FLOW STATEMENT

*for the year ended 31 December 1997*

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit before taxation and minority interests</td>
<td>729,469</td>
<td>993,777</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>56,223</td>
<td>54,679</td>
</tr>
<tr>
<td>Amortisation of discount on issue of Bonds 1992/1997</td>
<td>533</td>
<td>1,658</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>786,225</td>
<td>1,050,114</td>
</tr>
<tr>
<td>Increase in deposits</td>
<td>3,369,005</td>
<td>4,460,187</td>
</tr>
<tr>
<td>(Decrease)/increase in bills and drafts payable</td>
<td>(49,429)</td>
<td>39,126</td>
</tr>
<tr>
<td>Increase/(decrease) in other liabilities</td>
<td>61,473</td>
<td>(11,506)</td>
</tr>
<tr>
<td>Decrease/(increase) in quoted and unquoted investments included in current assets</td>
<td>144,024</td>
<td>(139,733)</td>
</tr>
<tr>
<td>Increase in trade bills and advances</td>
<td>(2,310,482)</td>
<td>(3,700,909)</td>
</tr>
<tr>
<td>Decrease/(increase) in other accounts</td>
<td>32,199</td>
<td>(135,651)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>2,033,015</td>
<td>1,561,628</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(263,070)</td>
<td>(212,706)</td>
</tr>
<tr>
<td><strong>Net Cash From Operating Activities</strong></td>
<td>1,769,945</td>
<td>1,348,922</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in investments in associated companies</td>
<td>(7,168)</td>
<td>(57,347)</td>
</tr>
<tr>
<td>Net increase in fixed assets</td>
<td>(103,511)</td>
<td>(41,544)</td>
</tr>
<tr>
<td>Change in minority interests of subsidiaries</td>
<td>(10,369)</td>
<td>6,435</td>
</tr>
<tr>
<td><strong>Net Cash Used In Investing Activities</strong></td>
<td>(121,048)</td>
<td>(92,456)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issue of shares</td>
<td>183,087</td>
</tr>
<tr>
<td>Redemption of 5% Unsecured Bonds 1992/1997</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Dividends paid by the Bank</td>
<td>(128,457)</td>
</tr>
<tr>
<td>Dividends paid by subsidiaries to minority shareholders</td>
<td>(5,342)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Financing Activities</strong></td>
<td>(150,712)</td>
</tr>
<tr>
<td>Exchange translation adjustment</td>
<td>(132,121)</td>
</tr>
<tr>
<td><strong>Net Increase In Cash And Cash Equivalents</strong></td>
<td>1,366,064</td>
</tr>
<tr>
<td>Cash And Cash Equivalents At Beginning Of The Year</td>
<td>15,038,121</td>
</tr>
<tr>
<td>Cash And Cash Equivalents At End Of The Year <em>(see Note)</em></td>
<td>16,404,185</td>
</tr>
</tbody>
</table>

**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:

<table>
<thead>
<tr>
<th>Description</th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, gold bullion and balances with bankers and agents</td>
<td>4,275,863</td>
<td>5,274,421</td>
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<td>Placements with banks and other financial institutions</td>
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<td>6,853,206</td>
</tr>
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<td>Singapore Government treasury bills and securities</td>
<td>2,506,544</td>
<td>2,460,767</td>
</tr>
<tr>
<td>Other Government treasury bills and securities</td>
<td>425,072</td>
<td>449,727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,404,185</td>
<td>15,038,121</td>
</tr>
</tbody>
</table>

*The accompanying statement of significant accounting policies and notes form part of these financial statements.*

*The auditors’ report is on page 53.*

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**UNITED OVERSEAS BANK | 57**
for the year ended 31 December 1997

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.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1997

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

<table>
<thead>
<tr>
<th></th>
<th>1997 $'000</th>
<th>1996 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued and fully paid ordinary shares of $1 each:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>940,066</td>
<td>911,658</td>
</tr>
<tr>
<td>Shares issued to holders of warrants and options who exercised their rights</td>
<td>54,637</td>
<td>28,408</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>994,703</td>
<td>940,066</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th></th>
<th>1997 $'000</th>
<th>1996 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>644,894</td>
<td>564,445</td>
</tr>
<tr>
<td>Share premium arising from the issue of shares to holders of warrants and options who exercised their rights</td>
<td>128,450</td>
<td>67,708</td>
</tr>
<tr>
<td>Transfer from Other Capital Reserves in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares</td>
<td>25,022</td>
<td>12,741</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>798,366</td>
<td>644,894</td>
</tr>
</tbody>
</table>
5 Other Capital Reserves

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>89,929</td>
<td>102,670</td>
</tr>
<tr>
<td>Transfer to Share Premium in respect of the exercise of Warrants 1997 to subscribe for new ordinary shares</td>
<td>(25,022)</td>
<td>(12,741)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td><strong>64,907</strong></td>
<td><strong>89,929</strong></td>
</tr>
</tbody>
</table>

6 General Reserves

(a) 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.

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>1,772,164</td>
<td>1,509,580</td>
</tr>
<tr>
<td>Exchange translation adjustment</td>
<td>(132,121)</td>
<td>(4,631)</td>
</tr>
<tr>
<td>Amounts transferred from profit and loss accounts</td>
<td>201,970</td>
<td>267,215</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td><strong>1,842,013</strong></td>
<td><strong>1,772,164</strong></td>
</tr>
</tbody>
</table>

7 5% Unsecured Bonds 1992/1997

(a) Nominal value of loan stock

<table>
<thead>
<tr>
<th></th>
<th>The Group and The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td>Nominal value of loan stock</td>
<td>–</td>
</tr>
<tr>
<td>Less: Discount on the issue less amortisation</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>
(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:

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Amounts due after 12 months</td>
<td>37</td>
<td>37</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>596</td>
<td>785</td>
</tr>
<tr>
<td>Quoted investments</td>
<td>141,456</td>
<td>182,980</td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>24,413</td>
<td>23,576</td>
</tr>
<tr>
<td>Deposits and balances with holding and related companies</td>
<td>32,825</td>
<td>23,402</td>
</tr>
<tr>
<td>Other accounts</td>
<td>42,654</td>
<td>8,452</td>
</tr>
<tr>
<td>Fixed deposits</td>
<td>26,674</td>
<td>9,321</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>174</td>
<td>340</td>
</tr>
<tr>
<td>Total Assets</td>
<td>268,792</td>
<td>248,856</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due to holding and related companies</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Amount owing to Shareholders’ Fund</td>
<td>375</td>
<td>500</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,074</td>
<td>7,603</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>(4,449)</td>
<td>(8,106)</td>
</tr>
<tr>
<td>Represented by Life Fund</td>
<td>264,343</td>
<td>240,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1997

UNITED OVERSEAS BANK | 62
(c) The Group and the Bank hold the following warrants in its associated companies at the balance sheet date:

<table>
<thead>
<tr>
<th>Number of Shares in Associated Company which can be subscribed for</th>
<th>Subscription Price</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>'000</td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>United Overseas Land Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warrants 2001</td>
<td>19,015</td>
<td>19,015</td>
</tr>
<tr>
<td>Haw Par Corporation Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warrants 1998</td>
<td>13,859</td>
<td>13,679</td>
</tr>
<tr>
<td>Warrants 2001</td>
<td>7,053</td>
<td>7,053</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

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 |
| **Total** | **26,052,859** | **20,847,365** | **22,527,723** | **16,727,799** |
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1997

12 Profit Before Taxation

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>The Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation is stated after charging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remuneration of Bank’s directors</td>
<td>9,465</td>
<td>11,937</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td>1,708</td>
<td>1,673</td>
</tr>
<tr>
<td>Fees payable for non-audit services rendered by the auditors of the Bank</td>
<td>64</td>
<td>262</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>56,223</td>
<td>54,679</td>
</tr>
<tr>
<td>and after crediting:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross dividends from subsidiaries</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Quoted</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Unquoted</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

13 Directors’ Remuneration

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

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000 and above</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Below $250,000</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

14 Dividends

The Group and The Bank

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>(8)</td>
<td>(17)</td>
</tr>
<tr>
<td>Interim dividend paid of 8% (1996: 8%) less income tax at 26% (1996: 26%)</td>
<td>(58,884)</td>
<td>(54,235)</td>
</tr>
<tr>
<td>Proposed final dividend of 10% (1996: 10%) less income tax at 26% (1996: 26%)</td>
<td>(73,608)</td>
<td>(69,565)</td>
</tr>
<tr>
<td>Total</td>
<td>(132,500)</td>
<td>(123,817)</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Development of property and purchase of fixed assets</td>
<td>140,944</td>
<td>31,978</td>
<td>12,228</td>
<td>20,763</td>
</tr>
</tbody>
</table>

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.

The auditors’ report is on page 53.
# INVESTOR REFERENCE

<table>
<thead>
<tr>
<th>Category</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Summary</td>
<td>4</td>
</tr>
<tr>
<td>11-Year Group Financial Summary (S$)</td>
<td>68</td>
</tr>
<tr>
<td>11-Year Bank Financial Summary (S$)</td>
<td>70</td>
</tr>
<tr>
<td>11-Year Group &amp; Bank Financial Summary (US$)</td>
<td>72</td>
</tr>
<tr>
<td>UOB Share Price And Turnover</td>
<td>74</td>
</tr>
<tr>
<td>UOB (Foreign) Share Price And Turnover</td>
<td>75</td>
</tr>
<tr>
<td>Changes In Share Capital</td>
<td>76</td>
</tr>
<tr>
<td>Statistics Of Shareholdings</td>
<td>78</td>
</tr>
<tr>
<td>Subsidiaries &amp; Major Associated Companies</td>
<td>79</td>
</tr>
<tr>
<td>Notice Of Annual General Meeting</td>
<td>82</td>
</tr>
</tbody>
</table>
11-YEAR GROUP FINANCIAL SUMMARY

(Figures in millions of Singapore dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit After Tax</td>
<td>502.0</td>
<td>715.5</td>
<td>632.7</td>
<td>570.1</td>
</tr>
<tr>
<td>Dividends</td>
<td>132.5</td>
<td>123.8</td>
<td>123.1</td>
<td>262.9</td>
</tr>
<tr>
<td>Cash, placements and balances with bankers and agents, and Government treasury bills and securities</td>
<td>16,404.2</td>
<td>15,038.1</td>
<td>13,817.2</td>
<td>13,420.4</td>
</tr>
<tr>
<td>Investments including associated companies</td>
<td>1,131.6</td>
<td>1,268.4</td>
<td>1,071.3</td>
<td>891.2</td>
</tr>
<tr>
<td>Loans (advances &amp; trade bills)</td>
<td>29,769.8</td>
<td>27,459.3</td>
<td>23,758.4</td>
<td>21,379.6</td>
</tr>
<tr>
<td>Fixed and other assets</td>
<td>2,056.0</td>
<td>2,041.0</td>
<td>1,918.5</td>
<td>1,660.2</td>
</tr>
<tr>
<td>Total Assets</td>
<td>49,361.6</td>
<td>45,806.8</td>
<td>40,563.4</td>
<td>37,351.4</td>
</tr>
<tr>
<td>Acceptances, guarantees, exchange contracts and other obligations per contra</td>
<td>26,052.8</td>
<td>20,847.4</td>
<td>18,821.5</td>
<td>18,823.1</td>
</tr>
<tr>
<td>Total Liabilities and Shareholders’ Funds</td>
<td>75,414.4</td>
<td>66,654.2</td>
<td>59,386.9</td>
<td>56,174.5</td>
</tr>
</tbody>
</table>

Represented by:

- Deposits
- Bills and drafts payable, other liabilities including provisions and reserves and minority interests
- Debentures, certificates of deposits, unsecured loan stock and bonds
- Shareholders’ funds

Acceptances, guarantees, exchange contracts and other obligations per contra

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities and Shareholders’ Funds</td>
<td>75,414.4</td>
<td>66,654.2</td>
<td>59,386.9</td>
<td>56,174.5</td>
</tr>
</tbody>
</table>

+ Excludes extraordinary item.
* Includes special tax exempt bonus dividend of 22% amounting to $164,768,000.
** 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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>456.6</td>
<td>300.8</td>
<td>261.6</td>
<td>226.0</td>
<td>239.6</td>
<td>172.2</td>
<td>139.4</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>131.2**</td>
<td>74.2</td>
<td>70.1</td>
<td>69.3</td>
<td>62.2</td>
<td>48.4</td>
<td>45.6</td>
</tr>
<tr>
<td>Expense</td>
<td>12,063.0</td>
<td>11,108.6</td>
<td>10,135.5</td>
<td>9,677.3</td>
<td>7,460.1</td>
<td>6,520.1</td>
<td>6,091.6</td>
</tr>
<tr>
<td>Interest Income</td>
<td>853.6</td>
<td>713.4</td>
<td>641.1</td>
<td>626.0</td>
<td>643.4</td>
<td>552.8</td>
<td>520.3</td>
</tr>
<tr>
<td>Total Income</td>
<td>18,469.5</td>
<td>14,717.7</td>
<td>13,299.1</td>
<td>12,179.2</td>
<td>9,152.1</td>
<td>6,872.2</td>
<td>6,256.7</td>
</tr>
<tr>
<td>Total Expense</td>
<td>2,836.0</td>
<td>1,336.0</td>
<td>1,145.6</td>
<td>951.4</td>
<td>846.7</td>
<td>602.1</td>
<td>717.7</td>
</tr>
<tr>
<td>Net Income Before Tax</td>
<td>34,222.1</td>
<td>27,875.7</td>
<td>25,221.3</td>
<td>23,433.9</td>
<td>18,102.3</td>
<td>14,547.2</td>
<td>13,586.3</td>
</tr>
<tr>
<td>Tax</td>
<td>15,810.3</td>
<td>13,946.4</td>
<td>9,376.5</td>
<td>8,596.9</td>
<td>7,021.8</td>
<td>5,757.5</td>
<td>5,312.1</td>
</tr>
<tr>
<td>Net Income After Tax</td>
<td>50,032.4</td>
<td>41,822.1</td>
<td>34,597.8</td>
<td>32,030.8</td>
<td>25,124.1</td>
<td>20,304.7</td>
<td>18,898.4</td>
</tr>
</tbody>
</table>

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**United Overseas Bank | 69**
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit After Tax</td>
<td>270.2</td>
<td>415.8</td>
<td>382.6</td>
<td>291.0*</td>
</tr>
<tr>
<td>Dividends</td>
<td>132.5</td>
<td>123.8</td>
<td>123.1</td>
<td>262.9*</td>
</tr>
<tr>
<td>Cash, placements, balances</td>
<td>13,405.7</td>
<td>11,696.4</td>
<td>11,130.0</td>
<td>11,298.2</td>
</tr>
<tr>
<td>with bankers and agents,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>including group companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government treasury bills</td>
<td>1,772.4</td>
<td>1,912.8</td>
<td>1,723.3</td>
<td>1,588.6</td>
</tr>
<tr>
<td>and securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments including</td>
<td>19,513.0</td>
<td>17,340.6</td>
<td>14,609.5</td>
<td>12,922.3</td>
</tr>
<tr>
<td>subsidiaries and associated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans (advances &amp; trade bills)</td>
<td>1,090.0</td>
<td>1,212.0</td>
<td>1,048.3</td>
<td>975.4</td>
</tr>
<tr>
<td>Fixed and other assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>35,781.1</td>
<td>32,161.8</td>
<td>28,511.1</td>
<td>26,784.5</td>
</tr>
<tr>
<td>Acceptances, guarantees,</td>
<td>22,527.7</td>
<td>16,727.8</td>
<td>16,166.0</td>
<td>17,087.8</td>
</tr>
<tr>
<td>exchange contracts and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>obligations per contra</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>58,308.8</td>
<td>48,889.6</td>
<td>44,677.1</td>
<td>43,872.3</td>
</tr>
</tbody>
</table>

Represented by:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
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* Excludes extraordinary items.

# Includes special tax exempt bonus dividend of 22% amounting to $164,768,000.

## 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)

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### 11-Year Group & Bank Financial Summary

(Figures in millions of United States dollars)

#### THE GROUP

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<td>12,888.1</td>
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<tr>
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#### THE BANK

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<td>31,562.7</td>
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<td>11,952.7</td>
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<td>31,562.7</td>
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Exchange Conversion of US$1.00

|        | $1.6765 | $1.3995 | $1.4155 | $1.4605 |

* Excludes extraordinary item(s).
# Includes special tax exempt bonus dividend of 22% amounting to US$112,816,159.
** Includes special bonus dividend of 10% less 27% income tax amounting to US$30,094,000.
## 11-Year Group & Bank Financial Summary

(Figures in millions of United States dollars)

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<td>81.5**</td>
<td>45.2</td>
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<td>32.7</td>
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|       | 17,192.9| 14,045.8| 12,885.9| 11,005.3| 7,603.3| 6,007.2| 5,226.5|
| 1993   | 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|
| 1992   | 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  |
| 1993   | 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|
| 1992   | 902.1  | 703.8  | 709.9  | 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|
| 1991   | 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|
| 1990   | 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|
| 1993   | 769.2  | 654.4  | 594.0  | 657.6  | 438.4  | 292.6  | 495.8  |
|       | 1,319.0| 1,338.5| 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|
| 1992   | 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$1.9995|
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<tr>
<td>Last Done ($)</td>
<td>2.52</td>
<td>2.74</td>
<td>3.47</td>
<td>4.07</td>
<td>4.31</td>
<td>4.76</td>
<td>8.99</td>
<td>9.25</td>
<td>9.20</td>
<td>8.50</td>
<td>8.35</td>
</tr>
</tbody>
</table>

Ratios

<table>
<thead>
<tr>
<th>Dividend Cover (no. of times)</th>
<th>3.06</th>
<th>3.56</th>
<th>3.85</th>
<th>3.26</th>
<th>3.73</th>
<th>4.05</th>
<th>5.32</th>
<th>5.81</th>
<th>5.14</th>
<th>5.78</th>
<th>3.79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Net Tangible Asset Backing Per Share ($)*</td>
<td>2.21</td>
<td>2.38</td>
<td>2.62</td>
<td>2.83</td>
<td>3.08</td>
<td>3.42</td>
<td>3.82</td>
<td>4.10</td>
<td>4.63</td>
<td>5.22</td>
<td>5.36</td>
</tr>
<tr>
<td>Dividends Per Share (cents)** – Taxable</td>
<td>19.37</td>
<td>21.65</td>
<td>30.03</td>
<td>28.24</td>
<td>32.46</td>
<td>36.69</td>
<td>54.60</td>
<td>65.66</td>
<td>69.66</td>
<td>78.11</td>
<td>51.28</td>
</tr>
<tr>
<td>– Tax Exempt</td>
<td>8.00</td>
<td>16.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
<td>18.00</td>
</tr>
<tr>
<td>Net Dividend Yield (%)**</td>
<td>3.03</td>
<td>3.75</td>
<td>3.74</td>
<td>2.91</td>
<td>3.00</td>
<td>2.85</td>
<td>3.01</td>
<td>4.23</td>
<td>1.48</td>
<td>1.48</td>
<td>1.56</td>
</tr>
</tbody>
</table>

# 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 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 N I T E D O V E R S I N E S B A N K | 7 4

- 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.
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:

<table>
<thead>
<tr>
<th>Date</th>
<th>No. of Ordinary Shares Issued</th>
<th>Source of Increase</th>
<th>Resultant Total Issued Share Capital ($)</th>
<th>Resultant No. of Issued Warrants 1994</th>
<th>Resultant No. of Issued Warrants 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-7-1970</td>
<td>2,500,000</td>
<td>Public Issue at par</td>
<td>25,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>6-4-1972</td>
<td>5,000,000</td>
<td>Bonus Issue of 1 for 5</td>
<td>30,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>29-4-1972</td>
<td>5,000,000</td>
<td>Rights Issue of 1 for 5 at par</td>
<td>35,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>17-12-1972</td>
<td>3,000,000</td>
<td>Placement in Hong Kong</td>
<td>38,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>12-4-1973</td>
<td>1,401,405</td>
<td>Acquisition of 54.6% of Lee Wah Bank Limited</td>
<td>39,401,405</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>23-5-1973</td>
<td>39,401,405</td>
<td>Rights Issue of 1 for 1 at par</td>
<td>78,802,810</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>30-7-1973 &amp; 31-8-1973</td>
<td>8,073,080</td>
<td>Acquisition of further 28.7% of Chung Khiaw Bank Limited and remaining 45.4% of Lee Wah Bank Limited</td>
<td>86,875,890</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>21-8-1975</td>
<td>21,718,973</td>
<td>Rights Issue of 1 for 4 at $2.50 per share</td>
<td>108,594,863</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>13-11-1976</td>
<td>10,859,487</td>
<td>Bonus Issue of 1 for 10</td>
<td>119,454,350</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>13-12-1976</td>
<td>36,198,288</td>
<td>Rights Issue of 1 for 3 at $3.00 per share</td>
<td>155,652,638</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>12-5-1978</td>
<td>15,565,264</td>
<td>Bonus Issue of 1 for 10</td>
<td>171,217,902</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>24-1-1979</td>
<td>4,362,950</td>
<td>Share exchange pursuant to a takeover offer made to the shareholders of Singapore Finance Limited</td>
<td>175,580,852</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>27-2-1979</td>
<td>111,500</td>
<td>Share exchange pursuant to a takeover offer made to the shareholders of Singapore Finance Limited</td>
<td>175,692,352</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>19-10-1979</td>
<td>17,569,236</td>
<td>Bonus Issue of 1 for 10</td>
<td>193,261,588</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>12-5-1980</td>
<td>19,326,159</td>
<td>Bonus Issue of 1 for 10</td>
<td>212,587,747</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>6-11-1980</td>
<td>42,517,550</td>
<td>Rights Issue of 1 for 5 at $3.00 per share</td>
<td>255,105,297</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>12-12-1980 to 12-8-1981</td>
<td>7,889,599</td>
<td>Conversion of Bonds</td>
<td>262,994,696</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>12-10-1981</td>
<td>65,748,674</td>
<td>Bonus Issue of 1 for 4</td>
<td>328,743,370</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>26-11-1981</td>
<td>65,748,674</td>
<td>Rights Issue of 1 for 4 at $3.00 per share</td>
<td>394,492,044</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>17-8-1987 to 22-10-1987</td>
<td>38,156,025</td>
<td>Share exchange pursuant to a takeover offer made to the shareholders of Industrial &amp; Commercial Bank Limited</td>
<td>432,648,069</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>27-5-1989</td>
<td>55,984,871</td>
<td>Bonus Issue of 1 for 8</td>
<td>503,863,843</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>6-12-1989</td>
<td>–</td>
<td>Warrants issued in connection with the 1.5% Unsecured Loan Stock 1989/1994</td>
<td>503,863,843</td>
<td>41,988,653</td>
<td>–</td>
</tr>
<tr>
<td>30-12-1989</td>
<td>16,211</td>
<td>Exercise of Warrants 1994</td>
<td>503,880,054</td>
<td>16,211</td>
<td>41,972,442</td>
</tr>
</tbody>
</table>
### CHANGES IN SHARE CAPITAL

<table>
<thead>
<tr>
<th>Date</th>
<th>No. of Ordinary Shares Issued</th>
<th>Source of Increase</th>
<th>Resultant Total Issued Share Capital ($)</th>
<th>No. of Warrants Converted</th>
<th>Resultant Total No. of Issued Warrants 1994</th>
<th>Resultant Total No. of Issued Warrants 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-1-1990 to 15-3-1990</td>
<td>470,963</td>
<td>Exercise of Warrants 1994</td>
<td>504,351,017</td>
<td>470,963</td>
<td>41,501,479</td>
<td>–</td>
</tr>
<tr>
<td>28-5-1990 to 31-12-1990</td>
<td>50,435,102</td>
<td>Bonus Issue of 1 for 10</td>
<td>554,786,119</td>
<td>–</td>
<td>41,501,479</td>
<td>–</td>
</tr>
<tr>
<td>17-7-1992 to 31-12-1992</td>
<td>893,597</td>
<td>Exercise of Warrants 1994</td>
<td>574,192,566</td>
<td>893,597</td>
<td>22,830,032</td>
<td>70,733,958</td>
</tr>
<tr>
<td>21-1-1993 to 17-9-1993</td>
<td>8,530,904</td>
<td>Exercise of Executives’ Share Options</td>
<td>582,565,396</td>
<td>8,530,904</td>
<td>14,299,128</td>
<td>70,733,958</td>
</tr>
<tr>
<td>13-1-1994 to 9-6-1994</td>
<td>3,100,493,000</td>
<td>Exercise of Warrants 1994</td>
<td>666,186,845</td>
<td>3,100,493</td>
<td>9,307,190</td>
<td>77,314,459</td>
</tr>
<tr>
<td>17-7-1994 to 31-12-1994</td>
<td>808,926</td>
<td>Exercise of Executives’ Share Options</td>
<td>662,758,247</td>
<td>808,926</td>
<td>12,407,683</td>
<td>78,774,990</td>
</tr>
<tr>
<td>21-1-1995 to 15-1-1996</td>
<td>3,321,000</td>
<td>Exercise of Executives’ Share Options</td>
<td>682,086,352</td>
<td>3,321,000</td>
<td>14,299,128</td>
<td>70,733,958</td>
</tr>
<tr>
<td>16-1-1997 to 31-12-1997</td>
<td>1,479,000</td>
<td>Exercise of Executives’ Share Options</td>
<td>748,781,466</td>
<td>1,479,000</td>
<td>–</td>
<td>78,422,220</td>
</tr>
<tr>
<td>3-7-1999 to 29-12-1999</td>
<td>247,950</td>
<td>Exercise of Warrants 1997</td>
<td>911,614,032</td>
<td>247,950</td>
<td>83,025,991</td>
<td>–</td>
</tr>
<tr>
<td>15-1-1999 to 31-12-1999</td>
<td>326,000</td>
<td>Exercise of Executives’ Share Options</td>
<td>939,740,019</td>
<td>326,000</td>
<td>54,444,004</td>
<td>–</td>
</tr>
<tr>
<td>16-1-1999 to 15-1-1999</td>
<td>171,000</td>
<td>Exercise of Executives’ Share Options</td>
<td>994,702,994</td>
<td>171,000</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

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.
### STATISTICS OF SHAREHOLDINGS

**as at 9 April 1998**

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

#### Twenty Largest Shareholders

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

#### Shareholdings registered in the name of Substantial Shareholders

- **Haw Par Corporation Limited** - 60,031,256
- **Ho Sim Guan** - 67,353,561*
- **Tai Tak Estates Sdn Bhd** - 135,369,327*
- **United Overseas Land Limited** - 62,767,026
- **Wee Cho Yaw** - 135,659,275*
- **Wee Ee Cheong** - 135,659,275*
- **Wee Ee Chao** - 108,372,326*
- **Wee Ee Lim** - 134,873,259*
- **Wee Investments Private Ltd** - 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.

**as at 31 December 1997**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Subsidiaries / Associated Companies</th>
<th>Country of Incorporation</th>
<th>Business Carried On In</th>
<th>Percentage of Paid-Up Capital Held By Subsidiaries</th>
<th>Cost of Bank's Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1997</td>
<td>1996</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Commercial</td>
<td>Chung Khiaw Bank Limited</td>
<td>Singapore</td>
<td>Singapore / Hong Kong</td>
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<td>–</td>
</tr>
<tr>
<td>Banking</td>
<td>Industrial &amp; Commercial Bank Limited</td>
<td>Singapore</td>
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<td>87</td>
<td>–</td>
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<tr>
<td></td>
<td>Far Eastern Bank Limited</td>
<td>Singapore</td>
<td>Singapore</td>
<td>74</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>United Overseas Bank (Malaysia) Bhd</td>
<td>Malaysia</td>
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<td>55</td>
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<tr>
<td></td>
<td>P T United Overseas Bank Bali</td>
<td>Indonesia</td>
<td>Indonesia</td>
<td>80</td>
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</tr>
<tr>
<td></td>
<td>United Overseas Bank (Canada)</td>
<td>Canada</td>
<td>Canada</td>
<td>100</td>
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</tr>
<tr>
<td></td>
<td>LWB (1995) Limited (Inactive)</td>
<td>Singapore</td>
<td>Inactive</td>
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</tr>
<tr>
<td></td>
<td>United Merchant Bank Limited</td>
<td>Singapore</td>
<td>Singapore</td>
<td>100</td>
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</tr>
<tr>
<td>Merchant Banking</td>
<td>UOB Australia Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>100</td>
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</tr>
<tr>
<td></td>
<td>UOB Asia Limited</td>
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<td>Hong Kong</td>
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<tr>
<td>Finance Companies</td>
<td>United Overseas Finance Limited</td>
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<tr>
<td></td>
<td>United Overseas Finance (Malaysia) Bhd</td>
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<td>Malaysia</td>
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<td>100</td>
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<td>Insurance</td>
<td>United Overseas Insurance Limited</td>
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<tr>
<td></td>
<td>Industrial &amp; Commercial Insurance Limited</td>
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<tr>
<td></td>
<td>United Overseas Life Assurance Limited</td>
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<td>6</td>
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<tr>
<td></td>
<td>PT UOB Life - Sun Assurance</td>
<td>Indonesia</td>
<td>Indonesia</td>
<td>–</td>
<td>70</td>
</tr>
<tr>
<td>Investment Companies</td>
<td>Chung Khiaw Bank (Malaysia) Bhd (in members' compulsory liquidation)</td>
<td>Singapore</td>
<td>Inactive</td>
<td>100</td>
<td>–</td>
</tr>
<tr>
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<td>Hong Kong</td>
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<tr>
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<td>ICB Pte Ltd (Inactive)</td>
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<td>UOB Holdings (USA) Inc (in members' compulsory liquidation)</td>
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<td>Trustee/Investment Management</td>
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<td>UOB Asset Management Ltd</td>
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## SUBSIDIARIES & MAJOR ASSOCIATED COMPANIES

**as at 31 December 1997**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Subsidiaries / Associated Companies</th>
<th>Country of Incorporation</th>
<th>Business Carried On In</th>
<th>Percentage of Paid-Up Capital Held By UOB Subsidiaries</th>
<th>Cost of Bank's Investment 1997 $’000</th>
<th>Cost of Bank's Investment 1996 $’000</th>
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</thead>
<tbody>
<tr>
<td>Trustee/ Investment Management</td>
<td>* UOB Investment Advisor (Taiwan) Ltd</td>
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<td>* Chung Khiaw Nominees (Tempatan) Sdn Bhd</td>
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<td>United Overseas Bank Nominees (H.K.) Limited</td>
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<td>* Singapore UMB (Hong Kong) Limited (Inactive)</td>
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<td>* UOB Nominees (UK) Limited</td>
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<td>UOB Securities Nominees Pte Ltd</td>
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<td>* UMYK Nominees Limited</td>
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<td>Gold/Futures Dealing</td>
<td>UOB Bullion and Futures Limited</td>
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<tr>
<td>Leasing/Rental Services</td>
<td>Ubin Private Limited (Inactive)</td>
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<td>Computer Services</td>
<td>Unicom Databank Private Limited</td>
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<tr>
<td>* UOB InfoTech Sdn Bhd</td>
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<td>Management Services</td>
<td>UOB Management Services Pte Ltd (Inactive)</td>
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<td>ICB Management Pte Ltd (Inactive)</td>
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<td>A.I.M. Services Pte Ltd (Inactive)</td>
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<td>General Services</td>
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<td>Consultancy and Research Services</td>
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<td>UOB Investment Research Pte Ltd</td>
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**UNITED OVERSEAS BANK | 80**
### UOB Realty (USA) Inc
United States
United States
100
188
79

### UOB Realty (USA) Ltd Partnership
United States
United States
100
99
1
16,597
6,928

### Dahua Xiamen Development Ltd
People’s Republic of China
People’s Republic of China
50
50
–
11,938
9,965

### UOB Property Management Pte Ltd
Singapore
Singapore
100
–
–

### Orix Leasing Singapore Ltd
Singapore
Indonesia
–
100
–

### UOB Travel Planners Pte Ltd
Singapore
Singapore
100
–
3,987
3,987

### UOB Travel (General Sales Agent) Pte Ltd
Singapore
Singapore
55
–
268
268

**Less:** Provision

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<th>Year</th>
<th>UOB Subsidiaries</th>
<th>Total</th>
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<tr>
<td>1997</td>
<td>1,130,703</td>
<td>1,067,910</td>
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<tr>
<td>1996</td>
<td>1,041,587</td>
<td>1,022,712</td>
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#### 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

<table>
<thead>
<tr>
<th>Investment Company</th>
<th>Singapore</th>
<th>Singapore</th>
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<tbody>
<tr>
<td>United International Securities Limited</td>
<td>23</td>
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<table>
<thead>
<tr>
<th>Leasing/Rental</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orix Leasing Singapore Ltd</td>
<td>Singapore</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property/Hotel</th>
<th>Singapore</th>
<th>Asia</th>
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</thead>
<tbody>
<tr>
<td>United Overseas Land Limited</td>
<td>30</td>
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<table>
<thead>
<tr>
<th>Conglomerate</th>
<th>Singapore</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haw Par Corporation Limited</td>
<td>39</td>
<td>2</td>
</tr>
</tbody>
</table>

**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

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 reappoint 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

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

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

(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.