



United Overseas Bank Limited

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

GROUP FINANCIAL PERFORMANCE FOR THE NINE MONTHS / THIRD QUARTER 2005

28 OCTOBER 2005



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Note:

- ◆ The financial statements are presented in Singapore dollars.
- ◆ Certain comparative figures have been restated to conform with the current period's presentation.
- ◆ Certain figures in this report may not add up to the respective totals due to rounding.


I) Highlights and Performance Indicators

	9 Months 2005	9 Months 2004	9 Mths 05 / 9 Mths 04 %	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004	3Q05 / 3Q04 %
• Key Indicators							
Net interest income (NII) (\$'m)	1,734	1,593	+ 8.9	578	574	537	+ 7.6
Non-interest income (Non NII) (\$'m)	1,000	806	+ 24.0	350	334	270	+ 29.3
Total income (\$'m)	2,734	2,399	+ 14.0	927	908	807	+ 14.9
Total expenses (\$'m)	1,020	863	+ 18.2	353	347	315	+ 12.3
Operating profit before goodwill and other impairment (\$'m)	1,714	1,536	+ 11.6	574	560	493	+ 16.5
❖ Net profit after tax							
- Including goodwill impairment (\$'m)	1,277	1,076	+ 18.7	463	409	371	+ 24.6
- Excluding goodwill impairment (\$'m)	1,335	1,231	+ 8.5	463	465	426	+ 8.6
❖ Income mix:							
- NII / Total income (%)	63.4	66.4	- 3.0 % pt	62.3	63.2	66.5	- 4.2 % pt
- Non NII / Total income (%)	36.6	33.6	+ 3.0 % pt	37.7	36.8	33.5	+ 4.2 % pt
	100.0	100.0	-	100.0	100.0	100.0	-
❖ Profit contribution (before tax and goodwill impairment):							
- Onshore (including ACU) (%)	76.6	79.3	- 2.7 % pt	77.3	74.2	76.9	+ 0.4 % pt
- Offshore (%)	23.4	20.7	+ 2.7 % pt	22.7	25.8	23.1	- 0.4 % pt
	100.0	100.0	-	100.0	100.0	100.0	-
❖ Annualised return on average shareholders' equity							
- Including goodwill impairment (%)	12.5	10.7	+ 1.8 % pt	13.7	12.0	11.0	+ 2.7 % pt
- Excluding goodwill impairment (%)	13.1	12.2	+ 0.9 % pt	13.7	13.6	12.7	+ 1.0 % pt
❖ Annualised basic earnings per share							
- Including goodwill impairment (¢)	110.8	91.3	+ 21.4	120.4	106.4	94.5	+ 27.4
- Excluding goodwill impairment (¢)	115.8	104.4	+ 10.9	120.4	121.0	108.4	+ 11.1
❖ Annualised return on average assets							
- Including goodwill impairment (%)	1.25	1.20	+ 0.05 % pt	1.35	1.21	1.20	+ 0.15 % pt
- Excluding goodwill impairment (%)	1.31	1.37	- 0.06 % pt	1.35	1.38	1.37	- 0.02 % pt
❖ Annualised NII / Average interest bearing assets (%)	1.99	2.11	- 0.12 % pt	1.93	1.97	2.05	- 0.12 % pt
❖ Expense / Income ratio (%)	37.3	36.0	+ 1.3 % pt	38.1	38.3	39.0	- 0.9 % pt
❖ Dividend rates							
- Interim (%)	20.0	20.0	-	-	20.0	-	-
- Special dividend in specie (%)	28.5	-	+ 28.5 % pt	-	28.5	-	-

I) Highlights and Performance Indicators

	30-Sep-05	Restated 31-Dec-04	Sep-05 / Restated Dec-04 (%)	30-Sep-04	Sep-05 / Sep-04 (%)
• <u>Other Indicators</u>					
❖ Customer loans (net) (\$'m)	65,739	64,188	+ 2.4	64,489	+ 1.9
❖ Customer deposits (\$'m)	83,341	78,951	+ 5.6	77,373	+ 7.7
❖ Loans / Deposits ratio [@] (%)	78.9	81.3	- 2.4 % pt	83.3	- 4.4 % pt
❖ Non-performing loans (NPLs) (\$'m)	4,290	5,199	- 17.5	5,866	- 26.9
❖ Cumulative impairment (\$'m)	2,946	3,573	- 17.5	3,808	- 22.6
❖ NPL ratio [^] (%)	6.2	7.6	- 1.4 % pt	8.5	- 2.3 % pt
❖ Cumulative impairment / NPLs (%)	68.7	68.7	-	64.9	+ 3.8 % pt
❖ Total assets (\$'m)	139,792	134,776	+ 3.7	126,566	+ 10.5
❖ Shareholders' equity (\$'m)	13,735	13,456	+ 2.1	13,566	+ 1.2
❖ Unrealised revaluation surplus [#] (\$'m)	1,436	1,235	+ 16.3	1,547	- 7.2
❖ Net asset value (NAV) per share (\$)	8.93	8.76	+ 1.9	8.63	+ 3.5
❖ Revalued NAV per share (\$)	9.86	9.56	+ 3.1	9.61	+ 2.6
❖ Net tangible asset backing per share (\$)	6.31	6.15	+ 2.6	6.12	+ 3.1
❖ Capital adequacy ratios					
- Tier 1 capital (%)	9.9	10.8	- 0.9 % pt	11.3	- 1.4 % pt
- Total capital (%)	15.0	15.5	- 0.5 % pt	16.1	- 1.1 % pt
❖ Manpower (number)	13,583	13,574	+ 9 no.	13,593	- 10 no.

[@] "Loans" refers to net customer loans while "Deposits" refers to customer deposits.

[^] NPL ratio represents NPLs (excluding debt securities) as a percentage of gross customer loans.

[#] Refer to unrealised revaluation surplus on properties and securities which was not incorporated into the financial statements.

II) Review of Financial Performance

New / Revised Financial Reporting Standards

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The new and revised FRS that are applicable to the Group with effect from 1 January 2005 and that have impact on the Group's financials are as follows:

- (a) FRS39 Financial Instruments: Recognition and Measurement
- (b) FRS103 Business Combinations / FRS36 Impairment of Assets / FRS38 Intangible Assets
- (c) FRS102 Share-based Payment
- (d) FRS105 Non-current Assets Held for Sale and Discontinued Operations

FRS39 requires prospective application with the opening balances of the affected financial assets and financial liabilities as at 1 January 2005 to be restated and the resulting changes adjusted to the shareholders' equity. The restated 31 December 2004 balances in this report refer to the adjusted opening balances as at 1 January 2005 and are presented to facilitate comparison with the current period's balances.

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first nine months of 2005 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2004.

Review of Group Performance

Results

The Group acquired Bank of Asia Public Company Limited and its subsidiaries ("BOA") on 27 July 2004. Accordingly, only two months of BOA's results were included in the Group's profit and loss account for the first nine months / third quarter of 2004.

9 Months 2005 versus 9 Months 2004

The Group's net profit after tax ("NPAT") of \$1,277 million recorded for the first nine months of 2005 ("this year-to-date") was an increase of \$201 million or 18.7% over the \$1,076 million registered in the first nine months of 2004 ("last year-to-date"). The increase was mainly due to higher net interest income, higher fee and commission income, discontinuation of goodwill amortisation, and higher other operating income. These were partly offset by higher operating expenses, write-off of goodwill in respect of United Overseas Bank Philippines, and lower share of profit of associates. Excluding BOA's profit contribution, the Group's NPAT would have shown an increase of 16.2% over that of last year-to-date.

Total income increased \$335 million or 14.0% to \$2,734 million for this year-to-date from \$2,399 million for last year-to-date, primarily due to higher net interest income mainly from customer loans, higher fee and commission income mainly from fund management and investment-related activities, and net gain on trading securities, government securities and derivatives as against losses for last year-to-date. BOA contributed \$214 million to the Group's total income for this year-to-date, mainly on net interest income and fee and commission income. Excluding BOA's income, the Group's total income for this year-to-date would have increased 6.9% over that of last year-to-date.



II) Review of Financial Performance

9 Months 2005 versus 9 Months 2004 (cont'd)

The Group's total operating expenses increased 18.2% to \$1,020 million for this year-to-date from \$863 million for last year-to-date attributed mainly to the acquisition of BOA. Staff costs increased 16.1% to \$484 million while other operating expenses increased 20.1% to \$536 million. Consequently, the expense-to-income ratio of the Group increased to 37.3% from 36.0% a year ago. Excluding BOA's operating expenses, the Group's total operating expenses would have shown a lower increase of 5.2% and the expense-to-income ratio would be lower at 34.8%.

Total impairment charges increased \$4 million or 4.3% to \$100 million for this year-to-date, mainly due to lower write-back of collective impairment, partially offset by lower impairment charges on investment securities and loans.

Share of pre-tax profit of associates decreased 37.6% to \$77 million for this year-to-date compared to the \$123 million for last year-to-date. The decrease was mainly due to the cessation of equity accounting for United Overseas Land Limited with effect from 1 January 2005 following the divestment exercise.

3Q05 versus 3Q04

The Group's NPAT increased 24.6% to \$463 million in the third quarter of 2005 ("3Q05") from \$371 million in the third quarter of 2004 ("3Q04"). The increase was mainly due to higher fee and commission income, discontinuation of goodwill amortisation, higher net interest income and higher other operating income. These were partially offset by higher operating expenses and impairment charges in 3Q05.

Total income increased 14.9% to \$927 million in 3Q05 from \$807 million in 3Q04, mainly due to higher fee and commission income largely from investment-related and fund management activities, net gain on trading securities, government securities and derivatives as against losses in 3Q04, and higher net interest income mainly from customer loans.

The Group's total operating expenses increased 12.3% to \$353 million in 3Q05 compared to \$315 million in 3Q04. Staff cost increased 11.0% to \$169 million while other operating expenses increased 13.5% to \$185 million. Expense-to-income ratio improved to 38.1% in 3Q05 from 39.0% in 3Q04.

Total impairment charges was \$19 million in 3Q05 as compared to a write-back of \$1 million in 3Q04, mainly due to the write-back of collective impairment in 3Q04, partially offset by lower impairment charges on loans in 3Q05.

3Q05 versus 2Q05

The Group's NPAT of \$463 million recorded in 3Q05 was 13.1% higher than the \$409 million registered in the second quarter of 2005 ("2Q05"). The increase was mainly due to lower impairment charges on loans, and higher fee and commission income, partially offset by lower dividend income.

The Group's total income increased 2.2% to \$927 million in 3Q05 from \$908 million in 2Q05, while total expenses increased 1.6% to \$353 million from \$347 million in 2Q05. Consequently, expense-to-income ratio improved to 38.1% in 3Q05 from 38.3% in 2Q05.

Total impairment charges increased \$5 million or 33.4% to \$19 million in 3Q05 from \$14 million in 2Q05, largely due to the write-back of collective impairment in 2Q05, partially offset by lower impairment charges on loans.



II) Review of Financial Performance

Balance Sheet

The Group's net loans and advances to customers of \$65,739 million as at 30 September 2005 were 2.4% higher than the \$64,188 million as at 31 December 2004 (restated) and 1.9% higher than the \$64,489 million as at 30 September 2004. Group non-performing loans ("NPLs") decreased 17.5% to \$4,290 million as at 30 September 2005 from \$5,199 million as at 31 December 2004 (restated). Consequently, Group NPL ratio improved to 6.2% as at 30 September 2005 from 7.6% as at 31 December 2004 (restated). Of the total Group NPLs as at 30 September 2005, \$2,432 million or 56.7% were secured by collateral, and \$2,769 million or 64.5% were in the Substandard category.

Total cumulative impairment of the Group was \$2,946 million as at 30 September 2005 compared to the \$3,573 million as at 31 December 2004 (restated). Collective impairment as at 30 September 2005 was \$1,318 million or 44.7% of total cumulative impairment. The total cumulative impairment as at 30 September 2005 and 31 December 2004 (restated) provided coverage of 68.7% against Group NPLs. As at 30 September 2005, unsecured NPLs were 158.6% covered by total cumulative impairment, compared to the 133.1% as at 31 December 2004 (restated).

Total assets of the Group as at 30 September 2005 were \$139,792 million, representing a growth of 3.7% and 10.5% over the \$134,776 million as at 31 December 2004 (restated) and \$126,566 million as at 30 September 2004 respectively. Shareholders' equity of the Group as at 30 September 2005 was \$13,735 million, representing an increase of 2.1% and 1.2% over the \$13,456 million as at 31 December 2004 (restated) and \$13,566 million as at 30 September 2004 respectively. This resulted in the increase in the Group's net asset value per share to \$8.93 as at 30 September 2005, from \$8.76 as at 31 December 2004 (restated) and \$8.63 as at 30 September 2004.

As at 30 September 2005, the Group's total Capital Adequacy Ratio ("CAR") of 15.0% was 5.0% points above the minimum of 10% set by Monetary Authority of Singapore. It was 0.5% point and 1.1% points lower than the total CAR of 15.5% as at 31 December 2004 (restated) and 16.1% as at 30 September 2004 respectively mainly attributed to higher risk-weighted assets.

II) Review of Financial Performance
UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2005

	9 Months 2005	9 Months 2004	9 Mths 05 / 9 Mths 04
	\$ million	\$ million	%
Interest income	3,494	2,616	33.6
Less: Interest expense	1,760	1,023	72.1
Net interest income	1,734	1,593	8.9
Dividend income	56	38	46.4
Fee and commission income	606	502	20.8
Rental income	48	49	(1.2)
Other operating income	290	218	33.1
Total non-interest income	1,000	806	24.0
Income before operating expenses	2,734	2,399	14.0
Less:			
Staff costs	484	417	16.1
Other operating expenses	536	446	20.1
Total operating expenses	1,020	863	18.2
Operating profit before goodwill and other impairment	1,714	1,536	11.6
Less: Goodwill written-off / amortised	58	155	(62.7)
Less: Impairment charges	100	96	4.3
Operating profit after goodwill and other impairment	1,556	1,285	21.1
Share of profit of associates	77	123	(37.6)
Profit before tax	1,633	1,408	16.0
Less: Tax	338	320	5.6
Profit after tax	1,295	1,088	19.0
Less:			
Net profit attributable to minority interests	17	12	44.3
Net profit attributable to members	1,277	1,076	18.7
Expense / Income ratio (%)	37.3	36.0	1.3 % pt
Annualised earnings per share (¢)			
- Basic	110.8	91.3	21.4
- Diluted	110.8	91.3	21.4

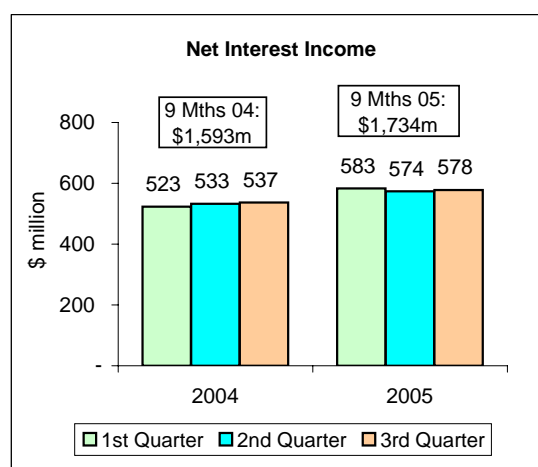
**II) Review of Financial Performance****UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005**

	3rd Quarter 2005	2nd Quarter 2005	3Q05 / 2Q05	3rd Quarter 2004	3Q05 / 3Q04
	\$ million	\$ million	%	\$ million	%
Interest income	1,229	1,169	5.1	937	31.2
Less: Interest expense	651	596	9.3	400	62.8
Net interest income	578	574	0.7	537	7.6
Dividend income	11	42	(73.1)	10	14.3
Fee and commission income	234	186	26.1	180	30.4
Rental income	16	16	(2.5)	16	(3.6)
Other operating income	88	90	(2.0)	64	36.8
Total non-interest income	350	334	4.7	270	29.3
Income before operating expenses	927	908	2.2	807	14.9
Less:					
Staff costs	169	163	3.7	152	11.0
Other operating expenses	185	185	(0.1)	163	13.5
Total operating expenses	353	347	1.6	315	12.3
Operating profit before goodwill and other impairment	574	560	2.5	493	16.5
Less: Goodwill written-off / amortised	-	56	(100.0)	55	(100.0)
Less: Impairment charges	19	14	33.4	(1)	NM
Operating profit after goodwill and other impairment	555	489	13.3	439	26.4
Share of profit of associates	31	32	(5.5)	47	(35.2)
Profit before tax	585	522	12.2	486	20.4
Less: Tax	116	106	9.1	108	6.6
Profit after tax	470	416	13.0	377	24.4
Less:					
Net profit attributable to minority interests	7	7	2.3	6	13.8
Net profit attributable to members	463	409	13.1	371	24.6
Expense / Income ratio (%)	38.1	38.3	(0.2)% pt	39.0	(0.9)% pt
Annualised earnings per share (¢)					
- Basic	120.4	106.4	13.2	94.5	27.4
- Diluted	120.4	106.4	13.2	94.5	27.4

NM denotes "Not Meaningful".

II) Review of Financial Performance

Net Interest Income



Net interest income of the Group increased 8.9% to \$1,734 million for this year-to-date compared to \$1,593 million for last year-to-date. The growth was mainly from increased average loan volume contributed by the acquisition of BOA and improved loan yields. These were partially offset by the increase in average cost of funds. Net interest income continued to be the major contributor of total income, accounting for 63.4% (last year-to-date: 66.4%) of total income.

Average interest margin was lower at 1.99% for this year-to-date as compared to 2.11% a year ago. The decrease was mainly due to higher cost of funds in a rising interest rate environment, coupled with lower contributions from interbank money market activities due to the flat yield curve. These were partially offset by improved loan yields.

In 3Q05, net interest income increased 7.6% to \$578 million from \$537 million in 3Q04. The increase was mainly from higher average loan volume largely contributed by the acquisition of BOA and improved loan yields, partially offset by the higher average cost of funds. Average interest margin was 1.93% in 3Q05 as compared to 2.05% in 3Q04 mainly due to the narrowing of interest spread.

Average Interest Rates and Margin

	9 Months 2005			9 Months 2004		
	Average Annualised Balance \$ million	Average Annualised Interest \$ million	Average Annualised Rate %	Average Balance \$ million	Annualised Interest \$ million	Average Rate %
Customer loans	63,799	3,023	4.74	60,191	2,501	4.16
Inter-bank balances / balances with central banks	34,736	1,050	3.02	26,475	482	1.82
Securities	18,245	598	3.28	14,154	425	3.01
Total interest bearing assets	116,780	4,672	4.00	100,820	3,408	3.38
Customer deposits	81,430	1,311	1.61	73,696	851	1.16
Inter-bank balances / other	33,387	1,043	3.12	25,944	430	1.66
Total interest bearing liabilities	114,817	2,354	2.05	99,640	1,281	1.29
Net interest income		2,318			2,127	
Average interest margin ^			1.99			2.11

^ Average interest margin represents annualised net interest income as a percentage of total interest bearing assets.

II) Review of Financial Performance
Net Interest Income (cont'd)
Average Interest Rates and Margin (cont'd)

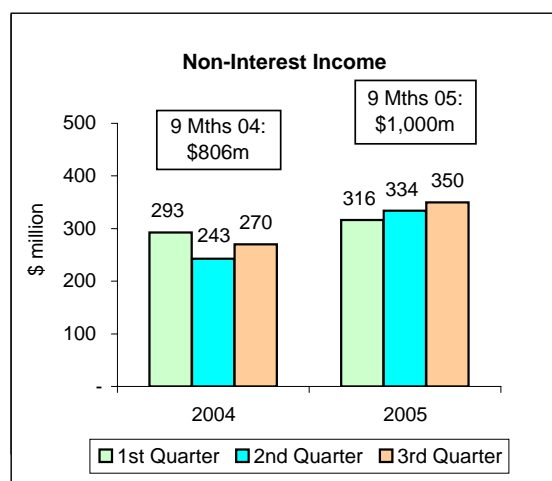
	3rd Quarter 2005			2nd Quarter 2005			3rd Quarter 2004		
	Average Balance \$ million	Annualised Interest \$ million	Average Rate %	Average Balance \$ million	Annualised Interest \$ million	Average Rate %	Average Balance \$ million	Annualised Interest \$ million	Average Rate %
Customer loans	63,728	3,051	4.79	63,404	3,080	4.86	61,640	2,579	4.18
Inter-bank balances / balances with central banks	35,857	1,181	3.29	35,018	1,004	2.87	27,131	574	2.12
Securities	19,159	642	3.35	18,444	607	3.29	15,586	476	3.06
Total interest bearing assets	118,744	4,874	4.10	116,866	4,691	4.01	104,357	3,629	3.48
Customer deposits	82,435	1,407	1.71	81,501	1,342	1.65	76,117	955	1.25
Inter-bank balances / other	34,105	1,176	3.45	33,306	1,048	3.15	27,956	539	1.93
Total interest bearing liabilities	116,540	2,583	2.22	114,807	2,390	2.08	104,073	1,494	1.44
Net interest income		2,291			2,301			2,135	
Average interest margin ^			1.93			1.97			2.05

^ Average interest margin represents annualised net interest income as a percentage of total interest bearing assets.



II) Review of Financial Performance

Non-Interest Income



Non-interest income of the Group increased 24.0% to \$1,000 million for this year-to-date compared to \$806 million for last year-to-date. The growth, contributed partly by BOA, was primarily from higher fee and commission income mainly from fund management and investment-related activities, and net gain on trading securities, government securities and derivatives as against losses for last year-to-date. The Group's non-interest income for this year-to-date accounted for 36.6% of total income, up 3.0% points from 33.6% for last year-to-date.

In 3Q05, non-interest income increased 29.3% to \$350 million from \$270 million in 3Q04. The increase was mainly from higher fee and commission income mainly from investment-related and fund management activities, and net gain on trading securities, government securities and derivatives as against losses in 3Q04. These were partially offset by losses on investment securities in 3Q05.

Composition of Non-Interest Income

	9 Months 2005 \$ million	9 Months 2004 \$ million	3rd Quarter 2005 \$ million	2nd Quarter 2005 \$ million	3rd Quarter 2004 \$ million
Fee and commission income					
Credit card	86	78	30	28	31
Fund management	117	79	50	36	25
Futures broking	15	26	5	5	7
Investment-related	124	92	65	24	35
Loan-related	95	81	28	37	30
Service charges	43	36	14	14	11
Trade-related	105	98	36	35	36
Other	21	12	7	7	5
	606	502	234	186	180
Dividend and rental income	104	87	27	58	26
Other operating income					
Net gain / (loss) on:					
- Trading securities, government securities and derivatives	39	(10)	27	(34)	(19)
- Foreign exchange	81	78	32	20	41
- Investment securities	63	62	(4)	93	25
- Deposits and other	14	-	6	(28)	-
Other *	93	87	27	39	17
	290	218	88	90	64
Total non-interest income	1,000	806	350	334	270
Fee and commission income / Total income (%)	22.2	20.9	25.3	20.5	22.3
Non-interest income / Total income (%)	36.6	33.6	37.7	36.8	33.5

* Include gain of \$15 million on distribution in specie of shares in United Overseas Land Limited recognised on 30 June 2005.



II) Review of Financial Performance

Operating Expenses

Total operating expenses increased 18.2% to \$1,020 million for this year-to-date compared to \$863 million for last year-to-date, attributed mainly to the acquisition of BOA. Consequently, the expense-to-income ratio of the Group increased to 37.3% for this year-to-date from 36.0% for last year-to-date. Excluding BOA's operating expenses, the Group's total operating expenses would have shown a lower increase of 5.2% and the expense-to-income ratio would have reduced to 34.8% for this year-to-date.

In 3Q05, total operating expenses increased 12.3% to \$353 million from \$315 million in 3Q04. As the growth in total income outpaced that of operating expenses, the expense-to-income ratio improved to 38.1% in 3Q05 from 39.0% in 3Q04.

	9 Months 2005	9 Months 2004	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004
	\$ million	\$ million	\$ million	\$ million	\$ million
Staff costs	484	417	169	163	152
Other operating expenses	536	446	185	185	163
Total operating expenses	1,020	863	353	347	315
Expense / Income ratio (%)	37.3	36.0	38.1	38.3	39.0
Manpower (number)	13,583	13,593	13,583	13,328	13,593

Total operating expenses included:

IT-related expenses	163	132	55	56	50
IT-related expenses / Total operating expenses (%)	15.9	15.3	15.4	16.1	15.9

Other Operating Expenses

Other operating expenses increased 20.1% to \$536 million for this year-to-date compared to \$446 million for last year-to-date. The increase was mainly attributed to the acquisition of BOA. Excluding BOA's expenses, the Group's other operating expenses would have recorded a lower increase of 3.4%.

In 3Q05, other operating expenses increased 13.5% to \$185 million from \$163 million in 3Q04.

	9 Months 2005	9 Months 2004	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004
	\$ million	\$ million	\$ million	\$ million	\$ million
Depreciation					
- Land and buildings	20	20	6	7	7
- Office equipment, computers, fixtures and other fixed assets	85	70	28	28	26
	105	90	35	35	32
Rental of premises and equipment	35	27	12	12	9
Maintenance of premises and other assets	46	38	15	18	14
Other expenses	350	291	124	121	107
Total other operating expenses	536	446	185	185	163

II) Review of Financial Performance

Impairment Charges

Total impairment charges of \$100 million for this year-to-date was 4.3% higher than the \$96 million for last year-to-date. The increase was mainly due to lower write-back of collective impairment, partially offset by lower impairment charges on investment securities and loans.

Total impairment charges was \$19 million in 3Q05 as compared to a write-back of \$1 million in 3Q04, mainly due to the write-back of collective impairment in 3Q04, partially offset by lower impairment charges on loans in 3Q05.

	9 Months 2005	9 Months 2004	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004
	\$ million	\$ million	\$ million	\$ million	\$ million
Individual impairment on loans					
Singapore	51	139	(41)	54	41
Regional countries ^	96	35	51	18	2
Greater China ^^	(5)	(10)	4	(2)	1
Other	3	(11)	1	0*	(3)
	145	154	16	70	41
Individual impairment on other assets	11	54	4	1	8
Collective impairment	(56)	(112)	-	(56)	(49)
Total impairment charges	100	96	19	14	(1)

^ Regional countries comprise Malaysia, Indonesia, the Philippines and Thailand.

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

* Less than \$500,000.

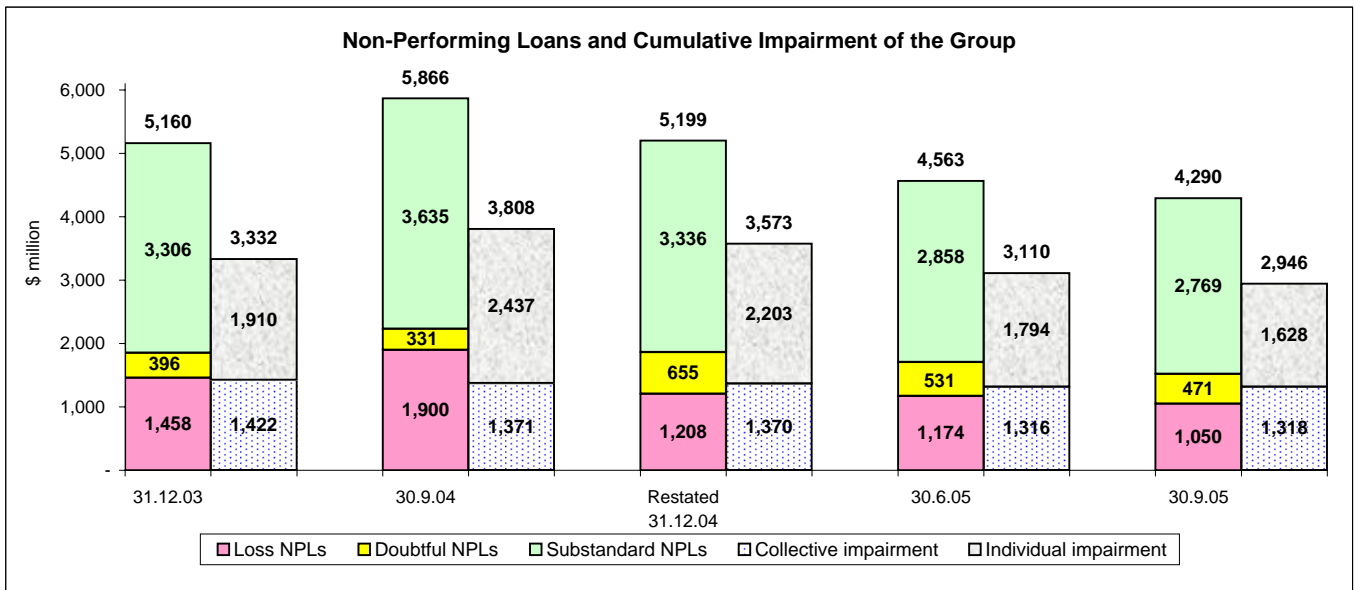


III) Non-Performing Loans (NPLs) and Cumulative Impairment

NPLs and Cumulative Impairment of the Group

NPLs as at 30 September 2005 declined 17.5% to \$4,290 million from \$5,199 million as at 31 December 2004 (restated), leading to an improvement in the NPL ratio from 7.6% as at 31 December 2004 (restated) to 6.2% as at 30 September 2005. Of the total NPLs, \$2,769 million or 64.5% were in the Substandard category and \$2,432 million or 56.7% were secured by collateral.

In line with the lower NPLs, cumulative impairment decreased 17.5% from \$3,573 million as at 31 December 2004 (restated) to \$2,946 million as at 30 September 2005. Impairment coverage of 68.7% as at 30 September 2005 remained the same as that at 31 December 2004 (restated). The coverage for unsecured NPL increased 25.5% points from 133.1% as at 31 December 2004 (restated) to 158.6% as at 30 September 2005.



	30-Sep-05	30-Jun-05	Restated 31-Dec-04	30-Sep-04	31-Dec-03
\$ million					
NPLs					
Substandard	2,769	2,858	3,336	3,635	3,306
Doubtful	471	531	655	331	396
Loss	1,050	1,174	1,208	1,900	1,458
Total NPLs	4,290	4,563	5,199	5,866	5,160
\$ million					
Cumulative Impairment					
Individual impairment	1,628	1,794	2,203	2,437	1,910
Collective impairment	1,318	1,316	1,370	1,371	1,422
Total cumulative impairment	2,946	3,110	3,573	3,808	3,332
%					
Ratios					
NPL ratio*	6.2	6.7	7.6	8.5	8.1
NPLs / Total assets	3.1	3.3	3.9	4.6	4.5
Cumulative impairment / NPLs	68.7	68.2	68.7	64.9	64.6
Cumulative impairment / Doubtful & Loss NPLs	193.7	182.4	191.8	170.7	179.7
Cumulative impairment / Unsecured NPLs	158.6	153.4	133.1	135.2	141.4
Cumulative impairment ^ / Gross customer loans	4.3	4.5	5.2	5.5	5.2
Collective impairment / Gross customer loans (net of individual impairment ^)	2.0	2.0	2.1	2.1	2.3

* NPL ratio represents NPLs (excluding debt securities) as a percentage of gross customer loans.

^ Excluding debt securities.

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

NPLs by Region

Singapore's NPLs accounted for 51.9% of the Group's NPL as at 30 September 2005. It decreased 20.1% to \$2,228 million as at 30 September 2005 from the \$2,788 million as at 31 December 2004 (restated).

NPLs of Regional Countries accounted for 44.7% of the Group's NPL as at 30 September 2005. It reduced 11.9% to \$1,918 million as at 30 September 2005 from \$2,177 million as at 31 December 2004 (restated).

	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Singapore	2,228	51.9	2,788	53.6	3,182	54.3
Regional Countries						
Malaysia	717	16.7	760	14.6	935	15.9
Indonesia	64	1.5	88	1.7	99	1.7
Philippines	164	3.8	160	3.1	173	3.0
Thailand	973	22.7	1,169	22.5	1,223	20.8
	1,918	44.7	2,177	41.9	2,430	41.4
Greater China	67	1.6	161	3.1	172	2.9
Other	77	1.8	73	1.4	82	1.4
Total NPLs	4,290	100.0	5,199	100.0	5,866	100.0

NPLs by Industry

As at 30 September 2005, lower NPLs were registered across all the industries compared to those as at 31 December 2004 (restated). The major reduction was from building and construction, manufacturing, general commerce, and professionals and private individuals sectors.

	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	Amount \$ million	As % of Gross Customer Loans	Amount \$ million	As % of Gross Customer Loans	Amount \$ million	As % of Gross Customer Loans
Transport, storage and communication	86	3.6	113	5.4	116	5.0
Building and construction	587	7.4	801	10.8	903	12.0
Manufacturing	889	11.7	1,092	14.1	1,221	15.8
Non-bank financial institutions	577	5.7	619	6.1	763	7.4
General commerce	789	7.1	948	8.7	1,042	9.7
Professionals and private individuals	681	6.7	826	8.2	933	9.4
Housing loans	446	2.8	492	3.1	557	3.5
Other	198	6.1	229	6.6	252	6.6
Sub-total	4,253	6.2	5,120	7.6	5,787	8.5
Debt securities	37		79		79	
Total NPLs	4,290		5,199		5,866	

Secured / Unsecured NPLs

As at 30 September 2005, 56.7% of the Group's total NPLs was secured by collateral compared to the 48.4% as at 31 December 2004 (restated).

	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Secured	2,432	56.7	2,515	48.4	3,050	52.0
Unsecured	1,858	43.3	2,684	51.6	2,816	48.0
Total NPLs	4,290	100.0	5,199	100.0	5,866	100.0

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

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

Income before Operating Expenses

	9 Months 2005	9 Months 2004	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004
	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore (including Asian Currency Unit)	1,828	1,771	614	593	574
Other ASEAN countries	643	415	230	210	162
Other Asia-Pacific countries	123	127	35	50	40
Rest of the world	140	86	48	55	31
Total	2,734	2,399	927	908	807

Profit before Tax

	9 Months 2005	9 Months 2004	3rd Quarter 2005	2nd Quarter 2005	3rd Quarter 2004
	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore (including Asian Currency Unit)	1,295	1,239	452	429	415
Other ASEAN countries	201	177	66	72	78
Other Asia-Pacific countries	87	83	30	33	24
Rest of the world	108	64	37	44	23
	1,691	1,563	585	578	540
Goodwill written-off / amortised	(58)	(155)	-	(56)	(55)
Total	1,633	1,408	585	522	486

Total Assets

	30 Sep 05	Restated 31-Dec-04	30-Sep-04
	\$ million	\$ million	\$ million
Singapore (including Asian Currency Unit)	87,286	84,517	78,114
Other ASEAN countries	24,701	23,398	23,077
Other Asia-Pacific countries	17,700	15,789	15,398
Rest of the world	6,209	7,196	6,177
	135,896	130,900	122,766
Goodwill	3,896	3,876	3,800
Total	139,792	134,776	126,566

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

Total assets as at 30 September 2005 were \$139,792 million, representing a growth of 3.7% over the \$134,776 million as at 31 December 2004 (restated). The increase was mainly from placements with banks and customer loans. Compared to the total assets of \$126,566 million as at 30 September 2004, it had increased 10.5% mainly attributed to placements with banks and central banks, government securities, and customer loans.

Customer Loans

Net loans and advances to customers of \$65,739 million as at 30 September 2005 was 2.4% higher than the \$64,188 million as at 31 December 2004 (restated), and 1.9% higher than the \$64,489 million as at 30 September 2004.

<u>Customer Loans Analysed by</u> <u>Product Group</u>	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Housing loans	16,021	23.3	15,863	23.4	15,830	23.2
Term loans	39,678	57.8	38,390	56.7	38,543	56.4
Trade financing	4,843	7.1	4,503	6.7	4,408	6.5
Overdrafts	8,122	11.8	8,942	13.2	9,468	13.9
Total gross customer loans	68,664	100.0	67,698	100.0	68,249	100.0
Individual impairment	(1,607)		(2,140)		(2,389)	
Collective impairment	(1,318)		(1,370)		(1,371)	
Total net customer loans	65,739		64,188		64,489	

<u>Gross Customer Loans Analysed by</u> <u>Industry</u>	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Transport, storage and communication	2,409	3.5	2,099	3.1	2,301	3.4
Building and construction	7,914	11.5	7,440	11.0	7,526	11.0
Manufacturing	7,586	11.1	7,745	11.5	7,748	11.3
Non-bank financial institutions	10,153	14.8	10,171	15.0	10,352	15.2
General commerce	11,122	16.2	10,852	16.0	10,747	15.7
Professionals and private individuals	10,222	14.9	10,082	14.9	9,932	14.6
Housing loans	16,021	23.3	15,863	23.4	15,830	23.2
Other	3,239	4.7	3,446	5.1	3,813	5.6
Total gross customer loans	68,664	100.0	67,698	100.0	68,249	100.0

<u>Gross Customer Loans Analysed by</u> <u>Remaining Maturity</u>	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Within 1 year	33,292	48.5	33,288	49.2	32,751	48.0
Over 1 year but within 3 years	8,893	12.9	9,293	13.7	9,815	14.4
Over 3 years but within 5 years	6,454	9.4	5,898	8.7	6,214	9.1
Over 5 years	20,026	29.2	19,220	28.4	19,469	28.5
Total gross customer loans	68,664	100.0	67,698	100.0	68,249	100.0

**V) Overview of Balance Sheet****Deposits**

Total deposits of \$111,290 million as at 30 September 2005 increased 3.9% over the \$107,145 million as at 31 December 2004 (restated) as a result of higher customer deposits. Compared to the total deposits of \$100,501 million as at 30 September 2004, it had increased 10.7%, contributed by both banker deposits and customer deposits.

As at 30 September 2005, customer deposits accounted for 74.9% of total deposits and the loans-to-deposits ratio was 78.9%.

<u>Deposits Analysed by Product Group</u>	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Banker deposits	27,949	25.1	28,194	26.3	23,128	23.0
Customer deposits						
Fixed rate deposits	54,138	48.7	50,865	47.5	50,222	50.0
Current, savings and other deposits	29,203	26.2	28,086	26.2	27,151	27.0
	83,341	74.9	78,951	73.7	77,373	77.0
Total deposits	111,290	100.0	107,145	100.0	100,501	100.0
Loans / Deposits ratio * (%)		78.9		81.3		83.3

<u>Deposits Analysed by Remaining Maturity</u>	30-Sep-05		Restated 31-Dec-04		30-Sep-04	
	\$ million	%	\$ million	%	\$ million	%
Within 1 year	108,595	97.6	104,729	97.7	98,232	97.7
Over 1 year but within 3 years	1,190	1.1	1,400	1.3	1,292	1.3
Over 3 years but within 5 years	840	0.7	840	0.8	862	0.9
Over 5 years	665	0.6	176	0.2	115	0.1
Total deposits	111,290	100.0	107,145	100.0	100,501	100.0

* "Loans" refers to net customer loans while "Deposits" refers to customer deposits.

Debts Issued

	30-Sep-05	Restated 31-Dec-04	30-Sep-04
	\$ million	\$ million	\$ million
(a) <u>Subordinated Notes</u>			
(i) S\$1.3 billion 4.95% subordinated notes due 2016 callable with step-up in 2011	1,356	1,395	1,300
(ii) US\$1 billion 4.50% subordinated notes due 2013	1,585	1,541	1,690
(iii) S\$1 billion 4.100% subordinated notes due 2019 callable with step-up in 2014	1,027	1,031	998
(iv) US\$1 billion 5.375% subordinated notes due 2019 callable with step-up in 2014	1,689	1,640	1,689
(v) THB2 billion subordinated debentures due 2008	82	84	82
	5,739	5,691	5,759
Unamortised expenses incurred in connection with the issue of the subordinated notes	(13)	(14)	(14)
	5,726	5,677	5,744

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

	30-Sep-05	Restated	
	\$ million	31-Dec-04	30-Sep-04
		\$ million	\$ million
(b) <u>Asset Backed Commercial Paper ("ABCP")</u>			
(i) S\$ ABCP	616	724	771
(ii) US\$ ABCP	261	201	201
	877	925	972
(c) Other	743	534	526
Total debts issued	7,346	7,136	7,243

(a) (i) The S\$1.3 billion 4.95% subordinated notes were issued by the Bank at par on 30 August 2001 and mature on 30 September 2016. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 30 September 2011 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.95% per annum up to and including 29 September 2011. From and including 30 September 2011, interest is payable semi-annually at a fixed rate equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) as at 30 September 2011 plus 2.25% per annum.

(ii) The US\$1 billion 4.50% subordinated notes were issued by the Bank at 99.96% on 30 June 2003 and mature on 2 July 2013. The notes may be redeemed at par at the option of the Bank, in whole, on notice, in the event of certain changes in the tax laws of Singapore, subject to the approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.50% per annum beginning 2 January 2004.

(iii) The S\$1 billion 4.100% subordinated notes were issued by the Bank at 99.755% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 4.100% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a fixed rate per annum equal to the five-year Singapore Dollar Interest Rate Swap (Offer Rate) plus 1.680%.

(iv) The US\$1 billion 5.375% subordinated notes were issued by the Bank at 99.929% on 24 August 2004 and mature on 3 September 2019. The notes may be redeemed at par at the option of the Bank, in whole but not in part, on 3 September 2014 or at any interest payment date in the event of certain changes in the tax laws of Singapore, subject to the prior approval of the Monetary Authority of Singapore and certain other conditions. Interest is payable semi-annually at 5.375% per annum beginning 3 March 2005. From and including 3 September 2014, interest is payable semi-annually at a floating rate per annum equal to the six-month LIBOR plus 1.666%.

The capitalised expenses incurred in connection with the issue of the subordinated notes are amortised over 10 years from the date of issue of the subordinated notes.

All the S\$ and US\$ notes are unsecured subordinated obligations of the Bank and have been approved by the Monetary Authority of Singapore as qualifying for Upper Tier 2 capital. They rank equally with all present and future Upper Tier 2 unsecured subordinated indebtedness of the Bank and rank senior to all ordinary and preference shares of the Bank. At the balance sheet date, all outstanding liabilities of the Bank rank senior to these notes.

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

(v) The THB2 billion subordinated debentures were issued by BOA at par on 15 August 2001 and mature on 15 August 2008. The debentures carry a floating rate calculated based on the average of the deposit rate of one year of four major banks in Thailand and BOA, plus 2.50% per annum with a minimum guaranteed rate of 6.50% per annum. Interest rate of the debentures for the nine months ended 30 September 2005 was 6.5% (2004: 6.5%) per annum.



V) Overview of Balance Sheet

Debts Issued (cont'd)

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

Interest rates of the S\$ ABCP and US\$ ABCP as at 30 September 2005 range from 2.20% to 2.45% (31 December 2004: 1.25% to 1.60%) per annum and 3.52% to 3.95% (31 December 2004: 2.00% to 2.48%) per annum respectively.

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

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

- (c) Other debts issued comprise the S\$276,250,000 Zero Coupon Exchangeable Notes due January 2006, equity linked notes, interest rate linked notes and credit linked notes issued by the Bank.

Shareholders' Equity

Shareholders' equity as at 30 September 2005 were \$13,735 million, representing an increase of 2.1% and 1.2% over the \$13,456 million as at 31 December 2004 (restated) and \$13,566 million as at 30 September 2004 respectively.

As at 30 September 2005, the Group's unrealised revaluation surplus on properties and securities was \$1,436 million which was not incorporated into the financial statements.

	30-Sep-05	Restated	30-Sep-04
	\$ million	31-Dec-04	\$ million
		\$ million	\$ million
Shareholders' equity	13,735	13,456	13,566
Add: Unrealised revaluation surplus			
- Properties	1,171	1,098	1,174
- Securities	265	137	373
	1,436	1,235	1,547
Shareholders' equity including revaluation surplus	15,171	14,691	15,113
Net asset value (NAV) per share (\$)	8.93	8.76	8.63
Revaluation surplus per share (\$)	0.93	0.80	0.98
Revalued NAV per share (\$)	9.86	9.56	9.61

VI) Capital Adequacy Ratios

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

As at 30 September 2005, the Group's total Capital Adequacy Ratio ("CAR") of 15.0% was 5.0% points above the minimum of 10% set by Monetary Authority of Singapore ("MAS"). It was 0.5% point and 1.1% points lower than the 15.5% as at 31 December 2004 (restated) and 16.1% as at 30 September 2004 respectively mainly attributed to higher risk-weighted assets.

The Group's tier 1 CAR of 9.9% as at 30 September 2005 was 2.9% points higher than the minimum of 7% set by MAS. Compared to the tier 1 CAR of 10.8% as at 31 December 2004 (restated) and 11.3% as at 30 September 2004, it had decreased 0.9% point and 1.4% points respectively mainly due to the enlarged risk-weighted assets.

	30-Sep-05 \$ million	Restated 31-Dec-04 \$ million	30-Sep-04 \$ million
Capital			
<u>Tier 1 Capital</u>			
Share capital	1,538	1,536	1,573
Disclosed reserves / other	11,897	11,751	12,073
Deduction of goodwill	<u>(4,029)</u>	<u>(4,008)</u>	<u>(3,938)</u>
	<u>9,406</u>	<u>9,279</u>	<u>9,708</u>
<u>Upper Tier 2 Capital</u>			
Cumulative collective impairment / other	1,191	1,077	1,080
Subordinated notes	<u>5,643</u>	<u>5,593</u>	<u>5,663</u>
	<u>6,834</u>	<u>6,670</u>	<u>6,743</u>
Deductions from Tier 1 and Upper Tier 2 Capital	(2,032)	(2,623)	(2,590)
Total capital	<u><u>14,208</u></u>	<u><u>13,326</u></u>	<u><u>13,861</u></u>
Risk-weighted assets (including market risk)	<u><u>94,574</u></u>	<u><u>85,700</u></u>	<u><u>85,927</u></u>
Capital adequacy ratios			
Tier 1 capital	9.9%	10.8%	11.3%
Total capital	15.0%	15.5%	16.1%


VII) Exposure by Country of Operations

The Group's total direct net exposure to the countries outside Singapore where it has a presence amounted to \$52.6 billion or 37.7% of Group assets as at 30 September 2005. This represents an increase of 7.2% over the \$49.1 billion as at 31 December 2004 (restated) and 13.3% over the \$46.5 billion as at 30 September 2004.

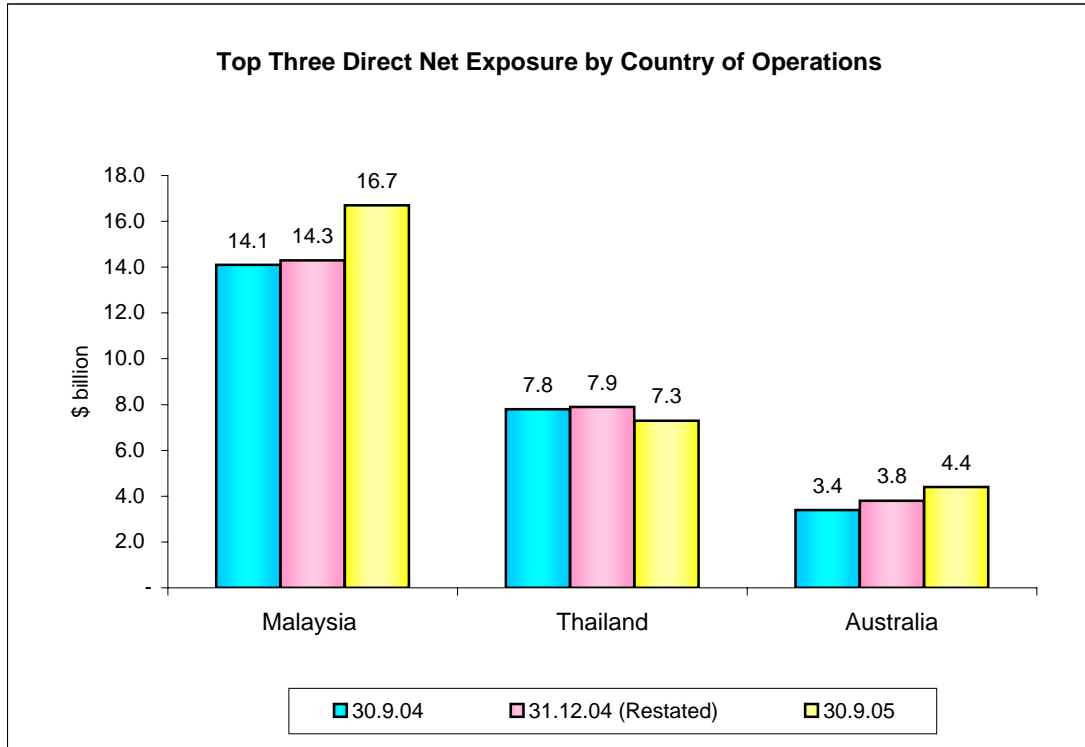
Exposure to countries outside Singapore (where UOB Group has a presence)

\$ million

	Loans to		Government	Investments	Total	Less: Loans to / Investments in Subsidiaries & Branches	Net Exposure		Contingent Liabilities
	Non-Bank	Bank					Total	% of Group Assets	
Malaysia									
30-Sep-05	7,638	7,937	3,321	1,127	20,023	3,367	16,656	11.9	1,057
31-Dec-04 (restated)	6,939	5,014	3,383	1,056	16,392	2,137	14,255	10.6	1,066
30-Sep-04	7,334	4,979	3,360	819	16,492	2,412	14,080	11.1	1,046
Indonesia									
30-Sep-05	662	277	234	342	1,515	50	1,465	1.1	276
31-Dec-04 (restated)	448	127	234	288	1,097	109	988	0.7	240
30-Sep-04	477	139	234	263	1,113	146	967	0.8	140
Philippines									
30-Sep-05	187	67	92	2	348	64	284	0.2	36
31-Dec-04 (restated)	197	59	217	2	475	50	425	0.3	46
30-Sep-04	224	50	236	2	512	40	472	0.4	56
Thailand									
30-Sep-05	6,498	173	630	1,760	9,061	1,721	7,340	5.3	899
31-Dec-04 (restated)	6,564	165	1,092	1,704	9,525	1,580	7,945	5.9	993
30-Sep-04	6,330	142	1,257	1,500	9,229	1,384	7,845	6.2	939
Greater China									
30-Sep-05	2,278	7,083	1,362	492	11,215	3,054	8,161	5.8	698
31-Dec-04 (restated)	2,013	7,007	1,384	461	10,865	3,907	6,958	5.1	571
30-Sep-04	1,944	7,838	1,091	424	11,297	4,295	7,002	5.5	628
Other OECD									
30-Sep-05	4,343	10,371	2,649	3,876	21,239	2,917	18,322	13.1	1,250
31-Dec-04 (restated)	4,919	8,580	3,018	2,717	19,234	943	18,291	13.6	1,015
30-Sep-04	5,174	6,689	2,171	2,501	16,535	685	15,850	12.5	1,075
Other									
30-Sep-05	334	234	19	-	587	176	411	0.3	85
31-Dec-04 (restated)	183	121	19	5	328	68	260	0.2	74
30-Sep-04	193	146	18	-	357	108	249	0.2	49
Grand Total									
30-Sep-05	21,940	26,142	8,307	7,599	63,988	11,349	52,639	37.7	4,301
31-Dec-04 (restated)	21,263	21,073	9,347	6,233	57,916	8,794	49,122	36.4	4,005
30-Sep-04	21,676	19,983	8,367	5,509	55,535	9,070	46,465	36.7	3,933

VII) Exposure by Country of Operations

At the country level, direct net exposure to Malaysia where the Group has a long-standing presence, remained the largest at \$16.7 billion or 11.9% of Group assets, followed by Thailand at \$7.3 billion and Australia at \$4.4 billion.





UNAUDITED CONSOLIDATED BALANCE SHEET

	30-Sep-05	30-Jun-05	Restated 31-Dec-04	31-Dec-04	30-Sep-04
	\$ million	\$ million	\$ million	\$ million	\$ million
<u>Share Capital and Reserves</u>					
Share capital	1,538	1,538	1,536	1,536	1,573
Capital reserves	4,398	4,404	4,421	4,250	4,215
Statutory reserves	2,922	2,922	2,922	2,922	2,860
Revenue reserves	4,667	4,451	4,453	4,607	4,793
Share of reserves of associates	210	202	123	123	126
Shareholders' equity	<u>13,735</u>	<u>13,517</u>	<u>13,456</u>	<u>13,439</u>	<u>13,566</u>
Minority interests	118	161	156	148	237
Total equity	<u>13,852</u>	<u>13,678</u>	<u>13,612</u>	<u>13,587</u>	<u>13,803</u>
<u>Liabilities</u>					
Deposits of non-bank customers	83,341	80,475	78,951	79,019	77,373
Deposits and balances of banks and agents	27,949	28,415	28,194	28,194	23,128
Total deposits	<u>111,290</u>	<u>108,890</u>	<u>107,145</u>	<u>107,213</u>	<u>100,501</u>
Bills and drafts payable	294	486	256	256	324
Other liabilities	7,011	6,385	6,626	6,733	4,695
Debts issued	7,346	7,417	7,136	7,089	7,243
Total liabilities	<u>125,940</u>	<u>123,179</u>	<u>121,163</u>	<u>121,292</u>	<u>112,763</u>
Total equity and liabilities	<u>139,792</u>	<u>136,856</u>	<u>134,776</u>	<u>134,879</u>	<u>126,566</u>
<u>Assets</u>					
Cash, balances and placements with central banks	11,059	12,417	11,653	11,653	9,062
Singapore Government treasury bills and securities	7,671	7,039	7,793	7,772	6,257
Other government treasury bills and securities	2,339	2,003	1,984	1,975	2,248
Trading securities	464	408	431	439	588
Placements and balances with banks and agents	29,281	26,965	26,726	26,726	24,112
Loans and advances including trade bills to non-bank customers	65,739	64,623	64,188	64,300	64,489
Other assets	6,269	5,560	5,699	5,964	3,958
Investment securities	9,112	10,069	8,861	8,609	8,498
Assets held for sale	817	819	-	-	-
Investments in associates	1,348	1,313	1,702	1,702	1,689
Fixed assets	1,797	1,817	1,862	1,862	1,865
Goodwill	3,896	3,822	3,876	3,876	3,800
Total assets	<u>139,792</u>	<u>136,856</u>	<u>134,776</u>	<u>134,879</u>	<u>126,566</u>
<u>Off-Balance Sheet Items</u>					
Contingent liabilities	11,071	10,650	10,001	10,001	10,076
Derivative financial instruments	629,169	555,901	278,086	278,086	278,339
Commitments	43,811	41,556	39,276	39,276	43,271


UNITED OVERSEAS BANK GROUP
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total Shareholders' Equity	Minority Interest	Total Equity
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Balance at 1 January 2005								
As previously reported	1,536	4,250	2,922	4,607	123	13,439	148	13,587
Adjustments due to FRS39	-	171	-	(154)	-	17	8	25
As restated	1,536	4,421	2,922	4,453	123	13,456	156	13,612
Net profit for the financial period	-	-	-	1,277	-	1,277	17	1,295
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	20	-	-	-	20	(1)	19
Group's share of reserves of associates	-	-	-	26	86	112	-	112
Other adjustments	-	(60)	-	0*	-	(60)	0*	(59)
Total recognised gains / (losses) for the financial period	-	(39)	-	1,303	86	1,350	16	1,366
Change in minority interests	-	-	-	-	-	-	(50)	(50)
Dividends	-	-	-	(1,089)	-	(1,089)	(4)	(1,093)
Issue of shares upon exercise of options	1	16	-	-	-	17	-	17
Balance at 30 September 2005	1,538	4,398	2,922	4,667	210	13,735	118	13,852
Balance at 1 January 2004	1,572	4,242	2,860	4,465	143	13,282	155	13,437
Net profit for the financial period	-	-	-	1,076	-	1,076	12	1,088
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	(32)	-	-	-	(32)	(2)	(34)
Group's share of reserves of associates	-	-	-	-	(16)	(16)	-	(16)
Other adjustments	-	2	-	1	(1)	2	0*	2
Total recognised gains / (losses) for the financial period	-	(31)	-	1,077	(18)	1,029	10	1,039
Net transfer to revenue reserves	-	(5)	-	5	-	-	-	-
Change in minority interests	-	-	-	-	-	-	75	75
Dividends	-	-	-	(755)	-	(755)	(3)	(758)
Issue of shares upon exercise of options	1	9	-	-	-	10	-	10
Balance at 30 September 2004	1,573	4,215	2,860	4,793	126	13,566	237	13,803

* Less than \$500,000.

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total Shareholders' Equity	Minority Interest	Total Equity
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Balance at 1 July 2005	1,538	4,404	2,922	4,451	202	13,517	161	13,678
Net profit for the financial period	-	-	-	463	-	463	7	470
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	14	-	-	-	14	0*	14
Group's share of reserves of associates	-	-	-	0*	7	7	-	7
Other adjustments	-	(20)	-	(0)*	-	(20)	0*	(20)
Total recognised gains / (losses) for the financial period	-	(6)	-	463	7	464	7	471
Change in minority interests	-	-	-	-	-	-	(50)	(50)
Dividends	-	-	-	(246)	-	(246)	(1)	(247)
Issue of shares upon exercise of options	0*	0*	-	-	-	0*	-	0*
Balance at 30 September 2005	1,538	4,398	2,922	4,667	210	13,735	118	13,852
Balance at 1 July 2004	1,572	4,221	2,860	4,671	126	13,450	169	13,619
Net profit for the financial period	-	-	-	371	-	371	6	377
Differences arising from currency translation of financial statements of foreign branches, subsidiaries and associates	-	(13)	-	-	-	(13)	(1)	(14)
Group's share of reserves of associates	-	-	-	-	2	2	-	2
Other adjustments	-	2	-	2	(2)	2	-	2
Total recognised gains / (losses) for the financial period	-	(12)	-	373	(0)*	361	5	367
Change in minority interests	-	-	-	-	-	-	63	63
Dividends	-	-	-	(252)	-	(252)	(0)*	(252)
Issue of shares upon exercise of options	1	6	-	-	-	6	-	6
Balance at 30 September 2004	1,573	4,215	2,860	4,793	126	13,566	237	13,803

* Less than \$500,000.



UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	9 months 2005 \$ million	9 months 2004 \$ million	3rd Quarter 2005 \$ million	3rd Quarter 2004 \$ million
Cash flows from operating activities				
Profit before tax	1,633	1,408	585	486
Adjustments for:				
Depreciation of fixed assets	105	90	35	32
Goodwill written-off and amortised	58	155	-	55
Share of profit of associates	(77)	(123)	(31)	(47)
Operating profit before working capital changes	1,719	1,530	589	526
Changes in working capital:				
Increase in deposits	4,145	5,953	2,400	1,065
Increase / (decrease) in bills and drafts payable	38	82	(192)	88
Increase / (decrease) in other liabilities	385	(2,338)	642	(458)
Increase in trading securities	(34)	(63)	(56)	(13)
Increase in placements and balances with banks and agents	(2,556)	(3,771)	(2,316)	(4,401)
Increase in trade bills and advances to non-bank customers	(1,551)	(991)	(1,116)	(393)
Decrease in other government treasury bills and securities not qualifying as cash and cash equivalents	-	20	-	11
(Increase) / decrease in other assets	(1,524)	1,508	(801)	691
Cash generated from / (used in) operations	622	1,929	(849)	(2,883)
Income tax paid	(319)	(315)	(126)	(119)
Net cash provided by / (used in) operating activities	303	1,614	(976)	(3,003)
Cash flows from investing activities				
Decrease / (increase) in investment securities and investments in associates	240	(2,877)	952	(886)
Net dividends received from associates	33	42	2	1
Net increase in fixed assets	(39)	(47)	(14)	(11)
Change in / acquisition of minority interests of subsidiaries	(51)	(38)	(49)	(49)
Net cashflow on acquisition of subsidiaries	-	(38)	-	(38)
Net cash provided by / (used in) investing activities	182	(2,958)	890	(982)
Cash flows from financing activities				
Proceeds from issue of shares	17	10	0*	6
Net increase / (decrease) in debts issued	210	2,963	(72)	2,787
Dividends paid by the Bank	(1,089)	(755)	(246)	(252)*
Dividends paid by subsidiaries to minority shareholders	(4)	(3)	(1)	(0)
Net cash (used in) / provided by financing activities	(866)	2,216	(318)	2,542
Currency translation adjustment	20	(32)	14	(13)
Net (decrease) / increase in cash and cash equivalents for the financial period	(361)	840	(390)	(1,457)
Cash and cash equivalents at beginning of the financial period	21,430	16,362	21,459	18,658
Cash and cash equivalents at end of the financial period (Note A)	21,069	17,202	21,069	17,202
Note A:				
Cash, balances and placements with central banks	11,059	9,062	11,059	9,062
Singapore Government treasury bills and securities	7,671	6,257	7,671	6,257
Other government treasury bills and securities less non-cash equivalents of \$Nil (30 September 2004: \$365 million)	2,339	1,883	2,339	1,883
Cash and cash equivalents at end of the financial period	21,069	17,202	21,069	17,202

* Less than \$500,000.