

KEPPEL TATLEE BANK LIMITED
(Incorporated in the Republic of Singapore)

The Board of Directors of Keppel TatLee Bank Limited is pleased to announce the following:-

1 Unaudited Results For The Half Year Ended 30 June 2000

	The Group			The Bank		
	<u>2000</u>	<u>1999</u>	<u>Incr/ (Decr)</u>	<u>2000</u>	<u>1999</u>	<u>Incr/ (Decr)</u>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	588,730	492,441	19.6	530,802	428,779	23.8
Less: Interest expense	335,638	270,959	23.9	316,646	246,738	28.3
Net interest income	253,092	221,482	14.3	214,156	182,041	17.6
Fee and commission income	41,050	50,228	(18.3)	17,742	13,335	33.0
Dividend income	1,643	1,797	(8.6)	17,508	1,508	1,061.0
Rental income	3,400	2,594	31.1	2,858	2,176	31.3
Other operating income	32,395	19,081	69.8	22,923	9,219	148.6
Total non-interest income	78,488	73,700	6.5	61,031	26,238	132.6
Income before operating	331,580	295,182	12.3	275,187	208,279	32.1

expenses							
Less : Staff costs	58,124	49,855	16.6		43,736	36,234	20.7
Other operating expenses	57,707	48,758	18.4		46,042	37,621	22.4
Total operating expenses	115,831	98,613	17.5		89,778	73,855	21.6
Operating Profit	215,749	196,569	9.8		185,409	134,424	37.9
Less : Provision for possible loan losses and diminution in value of other assets	24,690	66,318	(62.8)		24,776	52,492	(52.8)
	191,059	130,251	46.7		160,633	81,932	96.1
Share of results of associates	7,689	3,696	108.0		-	-	-
Net Profit before taxation	198,748	133,947	48.4		160,633	81,932	96.1
Less : Taxation	54,944	14,801	271.2		47,425	-	n.m.
Net Profit after taxation	143,804	119,146	20.7		113,208	81,932	38.2
Less : Minority interests	7,407	5,321	39.2		-	-	-
Net profit attributable to members	136,397	113,825	19.8		113,208	81,932	38.2

n.m. : not meaningful

2 Other Information

		The Group			The Bank		
		<u>2000</u>	<u>1999</u>	<u>Incr/</u> <u>(Decr)</u>	<u>2000</u>	<u>1999</u>	<u>Incr/</u> <u>(Decr)</u>
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a)	Other operating income						
	• Net gain from trading in	32,395	19,081	69.8	22,923	9,219	148.6
	• foreign excha	8,383	6,128	36.8	5,040	3,850	30.9
(b)	Depreciation	10,814	10,503	3.0	9,081	8,910	1.9

(e)	Annualised Earnings per share (cents)							
	- based on existing share capital	24.9	21.0	18.5		20.6	15.1	36.4
	- on a fully diluted basis	24.6	20.9	17.7		20.4	15.0	36.0
(f)	Net tangible asset backing per share (\$)	2.45	2.33	5.2		2.10	2.04	2.9
(g)	Issued and paid-up capital	1,098,570	1,084,421	1.3		1,098,570	1,084,421	1.3
(h)	Shareholders' funds	2,689,332	2,531,060	6.3		2,302,515	2,210,432	4.2
(i)	Total loans and advances to non-bank customers (net of provisions)	13,457,596	11,410,433	17.9		11,954,982	10,001,704	19.5
(j)	Total deposits	20,363,541	17,340,234	17.4		19,147,356	16,115,747	18.8
	- Bank deposits	6,505,732	4,506,640	44.4		6,493,598	4,431,333	46.5
	- Non-bank customers	13,857,809	12,833,594	8.0		12,653,758	11,684,414	8.3
(k)	Total assets	25,361,831	22,371,560	13.4		23,378,832	19,684,917	18.8

3 First Half Performance

Group net profit attributable to members rose by 19.8% to \$136.4 million. Healthy growth in net interest and non-interest income as well as significant reduction in loan provisions contributed to the stronger profit. Return on average shareholders' funds improved from 9.1% to 10.3%. Annualised earnings per share rose from 21.0 cents to 24.9 cents.

Group operating profit rose by 9.8% to \$215.7 million. Net interest income grew 14.3% underpinned by strong loan growth. Total non-interest income improved by 6.5% to \$78.5 million due to higher fee-based activities and rise in foreign exchange and securities dealing revenues. However, this was partially offset by the substantially lower contribution from stockbroking operations as a result of the decline in stock market volume. Group operating expenses increased by 17.5% to \$115.8 million as a result of investments in new business initiatives and technology development.

Total provisions were down by a significant 62.8% as bad and doubtful debt provisions continue to ease with the recovery in the Singapore and regional economies. Loan loss provision fell 83% or \$60 million to \$12.6 million mainly due to declines in specific provisions for loans to the regional countries (Malaysia, Indonesia, Thailand, Korea and Philippines), Singapore and other countries. Total cumulative specific and general loan provisions amounted to \$1,159 million at end of June 2000, reflecting a prudent provision coverage of 67% of total non-performing loans.

Tax rate for the period was 27%. It was 11% in the first half of 1999 due to the one-time tax credit arising from the merger between Keppel Bank and Tat Lee Bank. Excluding these tax benefits, profit after tax in the first half of 2000 would have increased by 48% instead of 19.8%.

Loans and advances including bills receivable (net of provisions) increased by 17.9% to \$13.5 billion while total deposits grew by 17.4% to \$20.4 billion.

Total assets rose by 13.4% to \$25.4 billion. Shareholders' funds increased by 6.3% to \$2.7 billion and capital adequacy ratio based on Bank for International Settlements (BIS) guidelines was 18.1%.

4 Dividend

The Directors are pleased to declare an interim dividend of 4% or 4 cents per share less 25.5% tax (First Half 1999: Nil) amounting to \$32,737,399 in respect of the financial year ending 31 December 2000. The dividend is payable on 4 September 2000.

5 Closure of Books

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Bank will be closed from 22 August 2000 to 24 August 2000, both dates inclusive, for the preparation of dividend warrants. Registrable transfers received by the Share Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315, up to 5 pm on 21 August 2000 will be registered to determine members' entitlement to the interim dividend.

Notice of Suspension of subscription rights in:

- i. 135,976,477 WARRANTS 2000 EXPIRING 31 AUGUST 2000;
- ii. 40,273,893 WARRANTS 02 EXPIRING 30 JULY 2002; AND
- iii. 351,000,000 WARRANTS 2002 EXPIRING 5 AUGUST 2002

("Warrants")

NOTICE IS HEREBY GIVEN that the Registers of Warrants will be closed during the period from 22 August 2000 to 24 August 2000, both dates inclusive, being the period during which the Share Transfer Books and Register of Members of the Bank will be closed for the purpose of determining members' entitlements to the interim dividend. The subscription rights in the Warrants will not be exercisable during the closure of the Registers of Warrants.

6 Share Issue

From 1 January 2000 to 30 June 2000 (both dates inclusive), the Bank issued :

- (i) 898,125 ordinary shares of \$1.00 each upon the exercise of share options;
 - (ii) 91,200 ordinary shares of \$1.00 each upon the exercise of subscription rights in 91,200 Warrants 2000;
- i. 2,579,848 ordinary shares of \$1.00 each upon the exercise of subscription rights in 2,579,848 Warrants 00;
- (iv) 8,592 ordinary shares of \$1.00 each upon the exercise of subscription rights in 8,592 Warrants 02;

As at 30 June 2000, there were 574,952,438 shares (31 December 1999 : 576,553,955) that can be issued upon the exercise of subscription rights in all the outstanding warrants and share options.

However, 27,948,152 outstanding Warrants 00 which had expired on 21 July 2000 had lapsed and ceased to be valid. Another 135,822,398 outstanding Warrants 2000 will be expiring on 31 August 2000 and, if not exercised before expiry, would also cease to be valid after the expiry date.

BY ORDER OF THE BOARD

LYNETTE TAN / ANNA YU
Secretaries
Singapore, 3 August 2000