

Announcement

To: All Shareholders

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

Unaudited Financial Results for the First Half/Second Quarter Ended 30 June 2017

Details of the financial results are in the accompanying Group Financial Report.

Dividends and Distributions for the second quarter ended 30 June 2017

Ordinary share dividend

An interim one-tier tax-exempt dividend of 35 cents (2Q16: 35 cents) per ordinary share has been declared in respect of the financial year ending 31 December 2017. The scrip dividend scheme (the "Scheme") will be applied to the interim dividend. A separate announcement will be made of the books closure and relevant dates for participation in the Scheme.

Distributions on perpetual capital securities

On 18 May 2017, a semi-annual distribution at an annual rate of 4.00% totalling S\$15 million was paid on the Bank's S\$750 million 4.00% non-cumulative non-convertible perpetual capital securities for the period from 18 November 2016 up to, but excluding, 18 May 2017.

On 19 May 2017, a semi-annual distribution at an annual rate of 4.75% totalling S\$12 million was paid on the Bank's S\$500 million 4.75% non-cumulative non-convertible perpetual capital securities for the period from 19 November 2016 up to, but excluding, 19 May 2017.

Interested Person Transactions

The Bank has not obtained a general mandate from shareholders for Interested Person Transactions.

Confirmation by Directors

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first half/second quarter ended 30 June 2017 to be false or misleading in any material aspect.

Undertakings from Directors and Executive Officers

The Bank has procured undertakings in the form set out in Appendix 7.7 of the Listing Manual from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD
UNITED OVERSEAS BANK LIMITED**

Ms Joyce Sia
Secretary

Dated this 28th day of July 2017

The results are also available at www.uobgroup.com



Group Financial Report

For the First Half/Second Quarter 2017

United Overseas Bank Limited
Incorporated in the Republic of Singapore



Contents

Page

2	Financial Highlights
4	Performance Review
6	Net Interest Income
8	Non-Interest Income
9	Operating Expenses
10	Allowance for Credit and Other Losses
11	Customer Loans
12	Non-Performing Assets
14	Customer Deposits
14	Debts Issued
15	Shareholders' Equity
15	Changes in Issued Shares of the Bank
16	Performance by Business Segment
20	Performance by Geographical Segment
21	Capital Adequacy and Leverage Ratios

Appendix

1	Consolidated Income Statement
2	Consolidated Statement of Comprehensive Income
3	Consolidated Balance Sheet
4	Consolidated Statement of Changes in Equity
5	Consolidated Cash Flow Statement
6	Balance Sheet of the Bank
7	Statement of Changes in Equity of the Bank
8	Capital Adequacy Ratios of Major Bank Subsidiaries

Notes:

- 1 The financial statements are presented in Singapore dollars.
- 2 Certain comparative figures have been restated to conform with the current period's presentation.
- 3 Certain figures in this report may not add up to the respective totals due to rounding.
- 4 Amounts less than \$500,000 in absolute term are shown as "0".
"1H17" and "1H16" denote to the first half of 2017 and 2016 respectively.
"2Q17" and "2Q16" denote to second quarter of 2017 and 2016 respectively.
"1Q17" denotes to first quarter of 2017.
"NM" denotes not meaningful.
"NA" denotes not applicable.

Financial Highlights

	1H17	1H16	+ / (-) %	2Q17	2Q16	+ / (-) %	1Q17	+ / (-) %
Selected income statement items (\$m)								
Net interest income	2,659	2,485	7.0	1,356	1,211	12.0	1,303	4.0
Fee and commission income	1,026	907	13.1	517	475	9.0	508	1.7
Other non-interest income	621	600	3.5	310	338	(8.3)	311	(0.1)
Total income	4,306	3,993	7.8	2,183	2,024	7.9	2,123	2.9
Less: Total expenses	1,952	1,821	7.2	995	927	7.3	957	4.0
Operating profit	2,355	2,172	8.4	1,189	1,097	8.4	1,166	2.0
Less: Total allowance	366	278	31.7	180	161	11.9	186	(3.4)
Add: Share of profit of associates and joint ventures	59	2	>100.0	24	32	(24.3)	34	(28.9)
Net profit before tax	2,047	1,895	8.0	1,033	968	6.7	1,014	1.9
Less: Tax and non-controlling interests	395	329	20.0	188	167	12.6	206	(8.7)
Net profit after tax ¹	1,652	1,566	5.5	845	801	5.5	807	4.6

Selected balance sheet items (\$m)

Net customer loans	223,792	208,444	7.4	223,792	208,444	7.4	225,107	(0.6)
Customer deposits	259,920	248,153	4.7	259,920	248,153	4.7	259,672	0.1
Total assets	344,414	321,632	7.1	344,414	321,632	7.1	342,574	0.5
Shareholders' equity ¹	34,652	31,279	10.8	34,652	31,279	10.8	33,739	2.7

Key financial ratios (%)

Net interest margin ²	1.74	1.73		1.75	1.68		1.73	
Non-interest income/Total income	38.2	37.8		37.9	40.2		38.6	
Expense/Income ratio	45.3	45.6		45.6	45.8		45.1	
Overseas profit before tax contribution	43.9	35.6		42.2	42.3		45.6	
Credit costs (bp) ²								
Exclude general allowance	39	24		30	23		49	
Include general allowance	32	32		32	32		32	
NPL ratio ³	1.5	1.4		1.5	1.4		1.5	

Notes:

- 1 Relate to amount attributable to equity holders of the Bank.
- 2 Computed on an annualised basis.
- 3 Refer to non-performing loans as a percentage of gross customer loans.

Financial Highlights (cont'd)

	1H17	1H16	2Q17	2Q16	1Q17
Key financial ratios (%) (cont'd)					
Return on average total assets ¹	0.97	0.97	0.99	0.99	0.95
Return on average ordinary shareholders' equity ^{1,2}	10.2	10.5	10.3	10.7	10.0
Loan/Deposit ratio ³	86.1	84.0	86.1	84.0	86.7
Liquidity coverage ratios ("LCR") ⁴					
All-currency	156	153	157	167	154
Singapore dollar	218	197	203	224	232
Capital adequacy ratios					
Common Equity Tier 1	13.8	13.1	13.8	13.1	13.2
Tier 1	14.3	13.2	14.3	13.2	13.8
Total	17.8	15.9	17.8	15.9	17.3
Leverage ratio ⁵	7.8	7.4	7.8	7.4	7.6
Earnings per ordinary share (\$) ^{1,2}					
Basic	1.96	1.89	2.00	1.94	1.92
Diluted	1.95	1.89	1.99	1.93	1.91
Net asset value ("NAV") per ordinary share (\$) ⁶	19.63	18.16	19.63	18.16	19.35
Revalued NAV per ordinary share (\$) ⁶	22.35	20.87	22.35	20.87	22.11

Notes:

- 1 Computed on an annualised basis.
- 2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.
- 3 Refer to net customer loans and customer deposits.
- 4 Figures reported are based on average LCR for the respective period. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 60% shall be maintained at all times with effect from 1 January 2015, with all-currency LCR increasing by 10% each year to 100% by 2019. Public disclosure required under MAS Notice 651 is available in the UOB website at www.UOBGroup.com/investor/financial/overview.html.
- 5 Leverage ratio is calculated based on the MAS Notice 637.
- 6 Preference shares and capital securities are excluded from the computation.

Performance Review

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

The revised FRS applicable to the Group with effect from 1 January 2017 are listed below. The adoption of these FRS is not expected to have a significant impact on the financial statements of the Group.

- Amendments to FRS 7 - Disclosure Initiative
- Amendments to FRS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first half of 2017 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2016.

1H17 versus 1H16

The Group registered net earnings of \$1.65 billion, 5.5% higher than a year ago.

Net interest income grew 7.0% to \$2.66 billion, led by loan growth across most territories and industries. Net interest margin increased one basis point to 1.74%.

Non-interest income increased 9.3% to \$1.65 billion. Fee and commission income rose 13% to \$1.03 billion, driven by stronger performance from credit card, fund and wealth management products. Other non-interest income increased 3.5% to \$621 million from higher net trading income.

Total expenses at \$1.95 billion were 7.2% higher than a year ago, attributed mainly to increases in staff, revenue-related and IT-related expenses as the Group continues to invest in technology and infrastructure to enhance its capabilities. The expense-to-income ratio remained stable at 45.3%.

Total allowances for loans and other assets at \$366 million were 32% higher than a year ago. This was mainly due to higher specific allowance on loans and a release of general allowances in 1H16 that were no longer required on other assets relating to debt securities. Specific allowance on loans increased \$196 million to \$449 million, largely from the oil and gas and shipping industries. Together with a release in general allowance on loans, total credit costs on loans were maintained at 32 basis points. Total general allowance remained robust at \$2.62 billion and the ratio of general allowance to gross loans was 1.2% as at 30 June 2017. While the environment has improved over the past year, the Group is monitoring and managing specific oil and gas related exposures closely amid a backdrop of muted oil prices. Given the prudent levels of coverage, the Group remains comfortable that sufficient buffers are in place to navigate through continued challenges in the industry.

Contribution from associated companies in the period rose from \$2 million to \$59 million, mainly due to investment losses in an associated company in 1H16.

2Q17 versus 2Q16

The Group reported net earnings of \$845 million in 2Q17, 5.5% higher as compared with 2Q16.

Net interest income increased 12% to \$1.36 billion, driven by gross loan growth of 7.3% and an improvement in net interest margin of seven basis points to 1.75%.

Non-interest income increased 1.8% to \$828 million. Fee and commission income grew 9.0% to \$517 million on higher credit card, fund and wealth management fees. Other non-interest income declined 8.3% driven mainly by lower net trading income.

Total expenses rose 7.3% from a year ago to \$995 million due to higher staff and IT-related expenses.

Total allowances increased 12% to \$180 million. Specific allowance on loans increased 42% to \$172 million mainly due to NPL recoveries last year.

Performance Review (cont'd)

2Q17 versus 1Q17

Compared with the previous quarter, net earnings were 4.6% higher at \$845 million.

Net interest income increased 4.0% to \$1.36 billion on higher net interest margin, increasing two basis points to 1.75%.

Non-interest income was stable at \$828 million. Fee and commission income increased 1.7% to \$517 million on higher credit card, fund and wealth management fees. Other non-interest income was relatively flat from a quarter ago.

Total expenses increased 4.0% to \$995 million mainly on higher staff and IT-related expenses as the Group continues to invest in technology and infrastructure to enhance its capabilities. Expense-to-income ratio was stable at 45.6%.

Total allowances were 3.4% lower this quarter at \$180 million. Specific allowance on loans decreased 38% to \$172 million which translated to 30 basis points. Total credit costs on loans were maintained at 32 basis points given the Group's approach in building up reserves during periods when specific allowance is low.

Balance sheet and capital position

The Group continues to maintain a strong funding position. The loan-to-deposit ratio stayed healthy at 86.1%. Customer deposits increased 4.7% from a year ago to \$260 billion, led by growth in Singapore dollar and US dollar deposits. Gross loans also rose to \$228 billion at 1H17, with a year-on-year increase of 7.3% that was broad-based across most territories and industries.

In the first half of this year, the Group had issued \$2.54 billion in debt and capital securities to diversify its funding mix and to refinance debts due for redemption this year.

The average Singapore dollar and all-currency liquidity coverage ratios during the second quarter were 203% and 157% respectively, well above the corresponding regulatory requirements of 100% and 80%.

NPL ratio was stable at 1.5% as at 30 June 2017. NPL coverage remained strong at 113.9%, or 241.1% after taking collateral into account.

Shareholders' equity increased by 11% from a year ago and 2.7% quarter-on-quarter to \$34.7 billion due to higher retained earnings and strong scrip dividend participation. Return on equity improved to 10.3% in 2Q17 from 10.0% in 1Q17.

As at 30 June 2017, the Group's Common Equity Tier 1 and Total CAR remained strong at 13.8% and 17.8% respectively. On a fully-loaded basis, the Common Equity Tier 1 CAR stood at 13.3%. The Group's leverage ratio was 7.8%, well above Basel's minimum requirement of 3%.

Net Interest Income

Net interest margin

	1H17			1H16		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	225,751	3,642	3.25	208,255	3,575	3.45
Interbank balances	54,853	430	1.58	52,242	313	1.21
Securities	27,260	298	2.21	28,357	256	1.81
Total	307,864	4,370	2.86	288,853	4,144	2.89
Interest bearing liabilities						
Customer deposits	261,146	1,447	1.12	251,945	1,452	1.16
Interbank balances/others	36,814	263	1.44	30,357	207	1.37
Total	297,960	1,711	1.16	282,303	1,659	1.18
Net interest margin ¹			1.74			1.73

	2Q17			2Q16			1Q17		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Interest bearing assets									
Customer loans	226,216	1,839	3.26	209,333	1,766	3.39	225,282	1,803	3.25
Interbank balances	58,278	237	1.63	53,010	156	1.19	51,390	193	1.52
Securities	25,376	150	2.37	28,101	125	1.78	29,165	149	2.07
Total	309,870	2,225	2.88	290,445	2,047	2.83	305,836	2,144	2.84
Interest bearing liabilities									
Customer deposits	263,238	736	1.12	255,187	738	1.16	259,030	712	1.11
Interbank balances/others	35,899	134	1.50	27,733	99	1.43	37,738	129	1.39
Total	299,138	870	1.17	282,920	837	1.19	296,768	841	1.15
Net interest margin ¹			1.75			1.68			1.73

Note:

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

Net Interest Income (cont'd)

Volume and rate analysis

	1H17 vs 1H16			2Q17 vs 2Q16			2Q17 vs 1Q17		
	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m
Interest income									
Customer loans	300	(223)	77	142	(75)	68	7	9	16
Interbank balances	16	102	117	16	64	80	26	15	41
Securities	(10)	53	43	(12)	37	25	(19)	19	(1)
Total	306	(68)	238	146	26	172	14	43	57
Interest expense									
Customer deposits	53	(53)	(0)	23	(28)	(4)	12	4	16
Interbank balances/others	52	6	57	31	4	35	(5)	9	3
Total	105	(48)	57	54	(23)	31	6	13	19
Change in number of days	-	-	(7)	-	-	4	-	-	15
Net interest income	202	(20)	174	92	50	145	8	30	52

Net interest income grew 7.0% from a year ago to \$2.66 billion, led by loan growth across most territories and industries. Net interest margin increased one basis point to 1.74%.

Against same quarter last year, net interest income for 2Q17 increased 12% to \$1.36 billion, driven by gross loan growth of 7.3% and an improvement in net interest margin of seven basis points to 1.75%.

Compared to last quarter, net interest income increased 4.0% to \$1.36 billion on higher net interest margin, increasing two basis points to 1.75%.

Non-Interest Income

	1H17	1H16	+ / (-)	2Q17	2Q16	+ / (-)	1Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Fee and commission income								
Credit card	189	172	9.8	100	90	10.3	90	11.2
Fund management	111	81	36.0	57	43	32.8	54	7.0
Wealth management	262	191	37.5	136	110	23.8	126	7.4
Loan-related ¹	216	225	(4.1)	102	114	(11.0)	114	(10.5)
Service charges	72	62	17.2	36	31	16.2	37	(2.2)
Trade-related ²	132	129	2.7	66	66	1.2	66	0.6
Others	44	48	(8.8)	21	21	0.6	23	(8.5)
	1,026	907	13.1	517	475	9.0	508	1.7
Other non-interest income								
Net trading income	426	381	11.7	164	216	(24.0)	261	(37.1)
Net gain/(loss) from investment securities	57	76	(24.9)	76	39	92.6	(19)	>100.0
Dividend income	18	25	(27.3)	18	24	(27.5)	1	>100.0
Rental income	60	58	3.6	30	29	3.4	30	(0.4)
Other income	60	60	0.3	23	29	(23.3)	37	(39.3)
	621	600	3.5	310	338	(8.3)	311	(0.1)
Total	1,647	1,507	9.3	828	813	1.8	819	1.0

Non-interest income increased 9.3% to \$1.65 billion in 1H17. Fee and commission income rose 13% to \$1.03 billion, driven by stronger performance from credit card, fund and wealth management products. Other non-interest income increased 3.5% to \$621 million on higher net trading income.

Against same quarter last year, non-interest income increased 1.8% to \$828 million. Fee and commission income grew 9.0% to \$517 million on higher credit card, fund and wealth management fees. Other non-interest income declined 8.3% driven mainly by lower net trading income.

Quarter-on-quarter, non-interest income was stable at \$828 million. Fee and commission income increased 1.7% on higher credit card, wealth and fund management fees. Other non-interest income was relatively flat from a quarter ago.

Notes:

1 Loan-related fees include fees earned from corporate finance activities.

2 Trade-related fees include trade, remittance and guarantees related fees.

Operating Expenses

	1H17	1H16	+ / (-)	2Q17	2Q16	+ / (-)	1Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	1,073	1,027	4.5	547	521	4.9	526	3.8
Other operating expenses								
Revenue-related	423	390	8.5	209	196	6.8	214	(2.1)
Occupancy-related	164	165	(0.6)	77	84	(7.9)	87	(10.8)
IT-related	177	148	20.1	99	76	29.8	78	27.1
Others	114	91	24.6	62	49	26.7	52	20.1
	878	794	10.6	448	405	10.5	430	4.1
Total	1,952	1,821	7.2	995	927	7.3	957	4.0
Of which,								
Depreciation of assets	125	108	15.4	59	54	8.2	66	(10.9)
Manpower (number)	24,680	24,646	34	24,680	24,646	34	25,033	(353)

Total expenses at \$1.95 billion were 7.2% higher than a year ago, largely from increases in staff, revenue-related and IT-related expenses as the Group continues to invest in technology and infrastructure to enhance its capabilities. The expense-to-income ratio remained stable at 45.3%.

As compared to same quarter last year, total expenses rose 7.3% from a year ago to \$995 million due to higher staff and IT-related expenses.

Quarter-on-quarter, total expenses increased 4.0% mainly on higher staff and IT-related expenses as the Group continues to invest in technology and infrastructure to enhance its capabilities. Expense-to-income ratio was stable at 45.6%.

Allowance for Credit and Other Losses

	1H17	1H16	+/(-) ¹	2Q17	2Q16	+/(-) ¹	1Q17	+/(-) ¹
	\$m	\$m	%	\$m	\$m	%	\$m	%
Specific allowance on loans ¹								
Singapore	268	129	>100.0	90	96	(6.6)	178	(49.5)
Malaysia	77	20	>100.0	16	14	14.7	61	(73.9)
Thailand	53	32	67.3	33	9	>100.0	21	58.8
Indonesia	51	57	(11.2)	32	27	21.9	18	78.1
Greater China ²	(2)	24	(>100.0)	(2)	15	(>100.0)	0	(>100.0)
Others	3	(8)	>100.0	3	(39)	>100.0	(0)	>100.0
	449	253	77.1	172	121	42.0	277	(38.1)
Specific allowance on securities and others	(2)	(1)	(55.7)	(4)	(8)	52.5	2	(>100.0)
General allowance	(81)	26	(>100.0)	12	49	(74.3)	(93)	>100.0
Total	366	278	31.7	180	161	11.9	186	(3.4)

Total allowances for loans and other assets at \$366 million were 32% higher than a year ago. This was mainly due to higher specific allowance on loans and a release of general allowances in 1H16 that were no longer required on other assets relating to debt securities. Specific allowance on loans increased \$196 million to \$449 million, largely from the oil and gas and shipping industries. Together with a release in general allowance on loans, total credit costs on loans were maintained at 32 basis points.

Total general allowance remained robust at \$2.62 billion and the ratio of general allowance to gross loans was 1.2% as at 30 June 2017. While the environment has improved over the past year, the Group is monitoring and managing specific oil and gas related exposures closely amid a backdrop of muted oil prices. Given the prudent levels of coverage, the Group remains comfortable that sufficient buffers are in place to navigate through continued challenges in the industry.

Against same quarter last year, total allowances increased 12% to \$180 million. Specific allowance on loans increased 42% to \$172 million mainly due to NPL recoveries last year.

Compared to last quarter, total allowances were 3.4% lower this quarter at \$180 million. Specific allowance on loans decreased 38% to \$172 million which translated to 30 basis points. Total credit costs on loans were maintained at 32 basis points given the Group's approach in building up reserves during periods when specific allowance is low.

Notes:

- 1 Specific allowance on loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).
- 2 Comprise China, Hong Kong and Taiwan.

Customer Loans

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Gross customer loans	227,740	229,120	225,662	212,281
Less: Specific allowance	1,327	1,409	1,219	770
General allowance	2,620	2,604	2,709	3,067
Net customer loans	223,792	225,107	221,734	208,444
By industry				
Transport, storage and communication	9,487	9,698	9,780	8,897
Building and construction	53,063	52,795	52,281	48,761
Manufacturing	16,794	17,018	15,747	16,703
Financial institutions, investment and holding companies	16,328	16,726	15,519	11,778
General commerce	30,145	30,972	30,269	27,857
Professionals and private individuals	27,314	26,815	26,950	26,599
Housing loans	62,922	62,038	61,451	59,272
Others	11,687	13,057	13,665	12,414
Total (gross)	227,740	229,120	225,662	212,281
By currency				
Singapore dollar	113,610	113,098	112,160	111,119
US dollar	42,330	46,885	45,079	37,589
Malaysian ringgit	23,270	22,673	22,993	23,240
Thai baht	12,946	12,758	12,423	11,146
Indonesian rupiah	5,363	5,305	5,401	5,101
Others	30,220	28,401	27,606	24,085
Total (gross)	227,740	229,120	225,662	212,281
By maturity ¹				
Within 1 year	86,002	85,807	80,940	71,590
Over 1 year but within 3 years	40,648	42,398	43,665	41,482
Over 3 years but within 5 years	28,317	27,554	27,655	27,471
Over 5 years	72,773	73,361	73,402	71,737
Total (gross)	227,740	229,120	225,662	212,281
By geography ²				
Singapore	125,441	125,081	125,529	119,891
Malaysia	26,143	25,584	25,767	25,400
Thailand	13,895	13,681	13,226	11,643
Indonesia	11,533	11,415	11,857	11,389
Greater China	27,903	29,889	27,232	24,376
Others	22,825	23,470	22,051	19,582
Total (gross)	227,740	229,120	225,662	212,281

Gross loans as at 30 June 2017 was \$228 billion, with a year-on-year increase of 7.3% that was broad-based across most territories and industries. Quarter-on-quarter, gross loans remained stable.

Singapore loans grew 4.6% from a year ago to \$125 billion as at 30 June 2017 while little changed over the previous quarter. Regional countries contributed a strong growth of 9.2% year-on-year.

Notes:

1 Certain comparative figures have been restated to conform with the current period's presentation.

2 Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

Non-Performing Assets

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Loans ("NPL")	3,466	3,399	3,328	3,056
Debt securities and others	121	144	152	108
Non-Performing Assets ("NPA")	3,587	3,543	3,480	3,164

By grading

Substandard	2,154	2,031	2,185	2,284
Doubtful	254	318	270	350
Loss	1,179	1,194	1,025	530
Total	3,587	3,543	3,480	3,164

By security

Secured by collateral type:

Properties	1,357	1,252	1,177	1,179
Shares and debentures	38	39	39	10
Fixed deposits	6	11	11	6
Others ¹	434	460	613	713
	1,835	1,762	1,840	1,908
Unsecured	1,752	1,781	1,640	1,256
Total	3,587	3,543	3,480	3,164

By ageing

Current	518	377	343	497
Within 90 days	239	306	285	289
Over 90 to 180 days	351	596	646	813
Over 180 days	2,479	2,264	2,206	1,565
Total	3,587	3,543	3,480	3,164

Total allowance

Specific	1,427	1,513	1,322	849
General	2,635	2,619	2,724	3,096
Total	4,062	4,132	4,046	3,945

NPL by industry

	NPL	NPL	NPL	NPL	NPL	NPL	NPL	
	\$m	ratio	\$m	ratio	\$m	ratio	ratio	
		%		%		%	%	
Transport, storage and communication	1,000	10.5	996	10.3	965	9.9	917	10.3
Building and construction	242	0.5	216	0.4	210	0.4	209	0.4
Manufacturing	358	2.1	321	1.9	316	2.0	288	1.7
Financial institutions, investment and holding companies	74	0.5	73	0.4	76	0.5	73	0.6
General commerce	594	2.0	513	1.7	451	1.5	610	2.2
Professionals and private individuals	283	1.0	276	1.0	284	1.1	286	1.1
Housing loans	666	1.1	637	1.0	618	1.0	563	0.9
Others	249	2.1	367	2.8	408	3.0	110	0.9
Total	3,466	1.5	3,399	1.5	3,328	1.5	3,056	1.4

Note:

1 Comprise mainly of marine vessels.

Non-Performing Assets (cont'd)

	NPA/NPL \$m	NPL ratio %	Specific allowance \$m	Total allowance	
				as a % of NPA/NPL %	as a % of unsecured NPA/NPL %
NPL by geography ¹					
Singapore					
Jun-17	1,369	1.1	608	172.3	347.9
Mar-17	1,358	1.1	605	172.1	342.2
Dec-16	1,291	1.0	468	179.6	387.0
Jun-16	1,395	1.2	297	180.9	479.8
Malaysia					
Jun-17	518	2.0	145	106.4	281.1
Mar-17	487	1.9	134	112.1	295.1
Dec-16	487	1.9	82	103.7	376.9
Jun-16	451	1.8	61	114.6	497.1
Thailand					
Jun-17	392	2.8	145	104.1	261.5
Mar-17	370	2.7	138	107.3	268.2
Dec-16	360	2.7	134	106.4	267.8
Jun-16	264	2.3	93	121.2	323.2
Indonesia					
Jun-17	641	5.6	230	49.5	117.4
Mar-17	623	5.5	216	48.5	119.4
Dec-16	638	5.4	208	44.8	134.3
Jun-16	564	5.0	173	40.6	119.9
Greater China					
Jun-17	261	0.9	106	80.5	108.8
Mar-17	304	1.0	223	106.9	141.3
Dec-16	307	1.1	230	106.5	140.3
Jun-16	176	0.7	76	97.7	167.0
Others					
Jun-17	285	1.2	93	35.8	70.8
Mar-17	257	1.1	93	41.2	73.6
Dec-16	245	1.1	97	44.5	62.3
Jun-16	206	1.1	70	36.4	57.3
Group NPL					
Jun-17	3,466	1.5	1,327	113.9	241.1
Mar-17	3,399	1.5	1,409	118.1	244.2
Dec-16	3,328	1.5	1,219	118.0	262.4
Jun-16	3,056	1.4	770	125.6	332.5
Debt securities and others					
Jun-17	121		100	95.0	99.9
Mar-17	144		104	82.6	86.2
Dec-16	152		103	77.6	82.4
Jun-16	108		79	99.5	105.4
Group NPA					
Jun-17	3,587		1,427	113.2	231.8
Mar-17	3,543		1,513	116.6	232.0
Dec-16	3,480		1,322	116.3	246.7
Jun-16	3,164		849	124.7	314.1

NPL ratio was stable at 1.5% as at 30 June 2017. NPL coverage remained strong at 113.9%, or 241.1% after taking collateral into account.

Group NPL increased 13% from a year ago to \$3.5 billion attributable to new NPLs from the oil and gas and shipping industries. As compared to the previous quarter, Group NPL increased by \$67 million or 2.0% mainly due to new NPLs in Malaysia and other countries.

Note:

¹ Non-performing loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

Customer Deposits

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
By product				
Fixed deposits	136,817	134,638	133,966	130,953
Savings deposits	63,059	62,684	61,951	57,756
Current accounts	51,945	53,953	51,690	49,778
Others	8,099	8,398	7,707	9,665
Total	259,920	259,672	255,314	248,153
By maturity				
Within 1 year	254,452	253,504	249,750	239,917
Over 1 year but within 3 years	3,180	3,939	3,589	5,984
Over 3 years but within 5 years	1,145	1,087	978	1,015
Over 5 years	1,142	1,143	997	1,237
Total	259,920	259,672	255,314	248,153
By currency				
Singapore dollar	124,141	126,542	122,736	118,386
US dollar	62,530	60,750	59,425	58,948
Malaysian ringgit	25,526	25,000	25,295	25,328
Thai baht	13,881	13,497	13,049	11,986
Indonesian rupiah	5,432	5,568	5,741	5,160
Others	28,411	28,316	29,068	28,345
Total	259,920	259,672	255,314	248,153
Group Loan/Deposit ratio (%)	86.1	86.7	86.8	84.0
Singapore dollar Loan/Deposit ratio (%)	89.9	87.8	89.7	91.9
US dollar Loan/Deposit ratio (%)	66.5	75.7	74.6	63.1

Customer deposits increased 4.7% from a year ago to \$260 billion, led by growth in Singapore dollar and US dollar deposits. As compared to last quarter, customer deposits remained stable.

As at 30 June 2017, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 86.1% and 89.9% respectively.

Debts Issued

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Unsecured				
Subordinated debts	6,534	6,540	5,926	4,806
Commercial papers	13,721	13,646	14,364	8,230
Fixed and floating rate notes	2,294	2,099	3,408	3,559
Others	1,830	1,653	1,687	1,536
Secured				
Covered bonds	2,245	2,177	758	747
Total	26,625	26,115	26,143	18,878
Due within 1 year	14,286	14,159	16,172	10,560
Due after 1 year	12,338	11,956	9,971	8,318
Total	26,625	26,115	26,143	18,878

Shareholders' Equity

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Shareholders' equity	34,652	33,739	32,873	31,279
Add: Revaluation surplus	4,528	4,517	4,456	4,359
Shareholders' equity including revaluation surplus	39,181	38,256	37,329	35,637

Shareholders' equity increased 10.8% from a year ago and 2.7% over the previous quarter to \$34.7 billion as at 30 June 2017 due to higher retained earnings and strong shareholders' participation in the scrip dividend scheme.

As at 30 June 2017, revaluation surplus of \$4.53 billion relating to the Group's properties, is not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	1H17	1H16	2Q17	2Q16
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,646,966	1,614,544	1,646,966	1,619,570
Shares issued under scrip dividend scheme	22,450	5,026	22,450	-
Balance at end of period	1,669,416	1,619,570	1,669,416	1,619,570
Treasury shares				
Balance at beginning of period	(11,274)	(12,281)	(11,195)	(12,279)
Shares issued under share-based compensation plans	844	4	765	2
Balance at end of period	(10,430)	(12,277)	(10,430)	(12,277)
Ordinary shares net of treasury shares	1,658,986	1,607,293	1,658,986	1,607,293

Performance by Business Segment

Segmental reporting is prepared based on the Group's internal organisational structure. The Banking Group is organised into three major business segments – Group Retail, Group Wholesale Banking and Global Markets. Others segment includes non-banking activities and corporate functions.

Group Retail ("GR")

GR segment covers personal and small enterprise customers.

Customers have access to a diverse range of products and services, including deposits, insurance, card, wealth management, investment, loan and trade financing products which are available across the Group's global branch network.

Profit before tax was \$891 million in 1H17, 12% higher than a year ago. Net interest income rose 6% from healthy loan and deposit growth. Non-interest income grew 19% driven by strong growth in fee income from wealth management and credit card products. This was partly offset by higher staff and revenue related expenses.

Compared to the same quarter last year, profit before tax improved by 7% to \$445 million, led by higher operating income. Expenses increased from headcount growth to support regional expansion and higher business volume. Profit before tax was relatively flat against the previous quarter.

Group Wholesale Banking ("GWB")

GWB encompasses corporate and institutional client segments which include medium and large enterprises, local corporations, multi-national corporations, financial institutions, government-linked entities, financial sponsors and property funds.

GWB provides customers with a broad range of products and services, including financing, trade services, cash management, capital markets solutions and advisory, treasury products and banknotes.

Profit before tax declined 17% to \$980 million in 1H17, primarily from higher allowances for credit and other losses relating to oil and gas sectors. Total income was relatively flat, as volume growth and improvement in transaction banking were negated by a decline in loan margin, attributable to widening SOR against SIBOR. Expenses increased 3% to \$409 million on continued investment in technology and product capabilities.

As compared to last quarter and same quarter last year, operating income declined marginally to \$855 million from lower loan-related fees and treasury customer income. Allowances for credit and other losses moderated to \$111 million this quarter from \$246 million in 1Q17.

Global Markets ("GM")

GM provides a comprehensive suite of treasury products and services across multi asset classes which includes foreign exchange, interest rate, credit, commodities, equities and structured investment products to help customers manage market risks and volatility. GM also engages in market making activities and management of funding and liquidity.

Income from products and services offered to customers of Group Retail and Group Wholesale Banking are reflected in the respective client segments.

Profit before tax was \$132 million in 1H17, 11% lower than a year ago. Net interest income increased \$62 million to \$128 million on the back of higher interest from interbank balances and securities, but was more than offset by lower profit on trading securities and unfavourable foreign exchange movement.

Profit before tax declined \$9 million to \$66 million against the corresponding quarter last year, largely from unfavourable foreign exchange movement and lower gain on sale of securities. Profit before tax was higher by 5% than the previous quarter, supported by higher net interest income.

Others

Others segment includes corporate support functions and decisions not attributable to business segments mentioned above and other activities, which comprises property, insurance and investment management.

Other segment recorded a gain of \$45 million in 1H17 as compared to a loss of \$235 million a year ago, led by higher income from fund management, central treasury activities, improvement in share of associates' profits and write-back of general allowances.

Net loss narrowed to \$17 million in 2Q17 from \$119 million in the same quarter last year, on the back of higher investment income and central treasury activities. 2Q17 recorded a loss as compared to a gain of \$60 million in 1Q17, mainly due to write-back of general allowances in the previous quarter.

Performance by Business Segment^{1,2} (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
1H17					
Net interest income	1,262	1,217	128	52	2,659
Non-interest income	686	528	145	288	1,647
Operating income	1,948	1,745	273	340	4,306
Operating expenses	(956)	(409)	(141)	(446)	(1,952)
Allowances for credit and other losses	(101)	(357)	-	92	(366)
Share of profit of associates and joint ventures	-	-	-	59	59
Profit before tax	891	980	132	45	2,047
Tax					(387)
Profit for the financial period					1,660
Other information:					
Capital expenditure	21	12	5	129	167
Depreciation of assets	11	6	3	106	125
1H16					
Net interest income	1,193	1,224	66	2	2,485
Non-interest income	575	524	233	175	1,507
Operating income	1,768	1,748	299	178	3,993
Operating expenses	(886)	(395)	(151)	(389)	(1,821)
Allowances for credit and other losses	(85)	(169)	-	(24)	(278)
Share of profit of associates and joint ventures	-	1	-	1	2
Profit before tax	798	1,185	148	(235)	1,895
Tax					(323)
Profit for the financial period					1,572
Other information:					
Capital expenditure	11	10	6	151	179
Depreciation of assets	9	4	2	93	108

Notes:

- Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.
- Comparative segment information for prior periods will be adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment^{1,2} (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
2Q17					
Net interest income	637	610	76	33	1,356
Non-interest income	354	246	66	162	828
Operating income	991	855	142	195	2,183
Operating expenses	(489)	(206)	(76)	(224)	(995)
Allowance for credit and other losses	(57)	(111)	-	(12)	(180)
Share of profit of associates and joint ventures	-	1	-	23	24
Profit before tax	445	539	66	(17)	1,033
Tax					(184)
Profit for the financial period					849
Other information:					
Capital expenditure	12	7	2	65	86
Depreciation of assets	6	3	2	48	59
1Q17					
Net interest income	626	609	51	17	1,303
Non-interest income	333	284	79	124	819
Operating income	959	893	130	141	2,123
Operating expenses	(466)	(203)	(67)	(221)	(957)
Allowance for credit and other losses	(44)	(246)	-	104	(186)
Share of profit of associates and joint ventures	-	(1)	-	35	34
Profit before tax	449	443	63	60	1,014
Tax					(203)
Profit for the financial period					811
Other information:					
Capital expenditure	10	6	2	63	81
Depreciation of assets	5	3	1	57	66
2Q16					
Net interest income	597	604	43	(33)	1,211
Non-interest income	310	260	108	134	813
Operating income	907	864	151	101	2,024
Operating expenses	(448)	(194)	(76)	(208)	(927)
Allowance for credit and other losses	(42)	(77)	-	(42)	(161)
Share of profit of associates and joint ventures	-	2	-	30	32
Profit before tax	417	595	75	(119)	968
Tax					(165)
Profit for the financial period					803
Other information:					
Capital expenditure	6	6	3	88	103
Depreciation of assets	4	2	1	47	54

Notes:

1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

2 Comparative segment information for prior periods will be adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment^{1,2} (cont'd)

Selected balance sheet items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
At 30 June 2017					
Segment assets	100,017	152,691	50,397	36,009	339,114
Intangible assets	1,318	2,088	660	81	4,147
Investment in associates and joint ventures	-	93	-	1,061	1,154
Total assets	101,334	154,872	51,057	37,150	344,414
Segment liabilities	130,601	135,271	30,316	13,396	309,584
Other information:					
Gross customer loans	99,841	127,742	157	(0)	227,740
Non-performing assets	1,132	2,439	16	-	3,587
At 31 March 2017					
Segment assets	98,522	156,401	45,395	36,962	337,281
Intangible assets	1,318	2,089	660	81	4,148
Investment in associates and joint ventures	-	86	-	1,058	1,145
Total assets	99,841	158,577	46,056	38,101	342,574
Segment liabilities	128,961	137,279	25,222	17,199	308,660
Other information:					
Gross customer loans	98,330	130,689	101	(0)	229,120
Non-performing assets	1,075	2,453	16	-	3,543
At 30 June 2016					
Segment assets	94,395	136,518	46,448	39,047	316,408
Intangible assets	1,317	2,086	659	81	4,143
Investment in associates and joint ventures	-	42	-	1,039	1,081
Total assets	95,711	138,647	47,108	40,166	321,632
Segment liabilities	120,949	126,283	24,507	18,454	290,193
Other information:					
Gross customer loans	94,248	117,988	37	8	212,281
Non-performing assets	987	2,156	17	5	3,164

Notes:

1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

2 Comparative segment information for prior periods will be adjusted for changes in organisational structure and management reporting methodology.

Performance by Geographical Segment ¹

	1H17	1H16	2Q17	2Q16	1Q17
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore	2,476	2,323	1,272	1,182	1,203
Malaysia	496	491	248	241	247
Thailand	441	396	231	203	210
Indonesia	238	232	121	121	118
Greater China	370	305	173	151	196
Others	286	245	138	126	148
Total	4,306	3,993	2,183	2,024	2,123
Profit before tax					
Singapore	1,148	1,220	597	558	551
Malaysia	308	262	154	125	154
Thailand	97	96	57	58	40
Indonesia	44	39	21	20	23
Greater China	214	133	98	66	115
Others	235	146	107	141	129
Total	2,047	1,895	1,033	968	1,014

Compared to 1H16 and 2Q16, the Group's total operating income rose 7.8% and 7.9% respectively, led by growth in Singapore, Thailand and Greater China. Against 1Q17, total operating income growth for the Group was 2.9%.

The Group's profit before tax for 1H17 grew 8.0% to \$2.05 billion mainly due to higher contribution from banking operations in overseas and associated companies. Singapore contribution was lower due to higher total allowances. Profit before tax for 2Q17 was \$1.03 billion, 6.7% higher than 2Q16 and 1.9% quarter-on-quarter mainly from Singapore.

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Total assets				
Singapore	211,025	210,603	210,937	201,209
Malaysia	35,335	33,969	33,845	34,123
Thailand	18,595	17,766	18,031	16,933
Indonesia	9,546	9,528	9,840	8,652
Greater China	39,816	40,623	40,233	35,707
Others	25,950	25,938	22,991	20,865
	340,268	338,426	335,877	317,489
Intangible assets	4,147	4,148	4,151	4,143
Total	344,414	342,574	340,028	321,632

Note:

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

Capital Adequacy and Leverage Ratios ^{1,2,3}

	Jun-17	Mar-17	Dec-16	Jun-16
	\$m	\$m	\$m	\$m
Share capital	4,711	4,258	4,257	3,803
Disclosed reserves/others	27,696	27,239	26,384	25,251
Regulatory adjustments	(3,586)	(3,570)	(2,685)	(2,677)
Common Equity Tier 1 Capital ("CET1")	28,821	27,927	27,956	26,378
Perpetual capital securities/others	2,096	2,096	2,096	2,096
Regulatory adjustments	(891)	(892)	(1,772)	(1,765)
Additional Tier 1 Capital ("AT1")	1,205	1,204	324	331
Tier 1 Capital	30,026	29,131	28,280	26,708
Subordinated notes	6,158	6,168	5,546	4,425
Provisions/others	1,113	1,125	1,122	1,045
Regulatory adjustments	(5)	(0)	(22)	(23)
Tier 2 Capital	7,266	7,293	6,646	5,446
Eligible Total Capital	37,292	36,424	34,926	32,155
Risk-Weighted Assets ("RWA")	209,276	211,139	215,559	201,723
Capital Adequacy Ratios ("CAR")				
CET1	13.8%	13.2%	13.0%	13.1%
Tier 1	14.3%	13.8%	13.1%	13.2%
Total	17.8%	17.3%	16.2%	15.9%
Fully-loaded CET1 (based on final rules effective 1 Jan 2018)	13.3%	12.8%	12.1%	12.2%
Leverage Exposure	385,816	384,439	380,238	361,877
Leverage Ratio	7.8%	7.6%	7.4%	7.4%

The Group's CET1, Tier 1 and Total CAR as at 30 June 2017 were well above the regulatory minimum requirements.

Compared to a year ago, total capital was higher mainly from retained earnings, issuance of shares pursuant to the scrip dividend scheme and issuance of capital instruments. RWA was higher year-on-year largely due to asset growth.

Total capital increased quarter-on-quarter, mainly from retained earnings and issuance of shares pursuant to the scrip dividend scheme.

The Group's leverage ratio was 7.8% as at 30 June 2017 compared to 7.6% and 7.4% at 31 March 2017 and 30 June 2016 respectively, primarily from higher Tier 1 Capital.

Notes:

- For the year 2017, Singapore-incorporated banks are required to maintain minimum CAR as follows: CET1 at 6.5%, Tier 1 at 8% and Total at 10%. In addition, with the phased-in implementation of the capital conservation buffer (CCB) and the countercyclical capital buffer (CCyB) with effect from 1 January 2016, the Group is required to maintain CET1 capital to meet CCB of 1.25% and CCyB (computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures) of up to 1.25%.
- Leverage ratio is calculated based on the MAS Notice 637.
- More information on regulatory disclosure is available on the UOB website at www.UOBGroup.com/investor/financial/overview.html.

Consolidated Income Statement (Unaudited)

	1H17	1H16	+ / (-)	2Q17	2Q16	+ / (-)	1Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	4,370	4,144	5.4	2,225	2,047	8.7	2,144	3.8
Less: Interest expense	1,711	1,659	3.1	870	837	4.0	841	3.4
Net interest income	2,659	2,485	7.0	1,356	1,211	12.0	1,303	4.0
Fee and commission income	1,026	907	13.1	517	475	9.0	508	1.7
Dividend income	18	25	(27.3)	18	24	(27.5)	1	>100.0
Rental income	60	58	3.6	30	29	3.4	30	(0.4)
Net trading income	426	381	11.7	164	216	(24.0)	261	(37.1)
Net gain/(loss) from investment securities	57	76	(24.9)	76	39	92.6	(19)	>100.0
Other income	60	60	0.3	23	29	(23.3)	37	(39.3)
Non-interest income	1,647	1,507	9.3	828	813	1.8	819	1.0
Total operating income	4,306	3,993	7.8	2,183	2,024	7.9	2,123	2.9
Less: Staff costs	1,073	1,027	4.5	547	521	4.9	526	3.8
Other operating expenses	878	794	10.6	448	405	10.5	430	4.1
Total operating expenses	1,952	1,821	7.2	995	927	7.3	957	4.0
Operating profit before allowance	2,355	2,172	8.4	1,189	1,097	8.4	1,166	2.0
Less: Allowance for credit and other losses	366	278	31.7	180	161	11.9	186	(3.4)
Operating profit after allowance	1,988	1,893	5.0	1,009	936	7.8	979	3.0
Share of profit of associates and joint ventures	59	2	>100.0	24	32	(24.3)	34	(28.9)
Profit before tax	2,047	1,895	8.0	1,033	968	6.7	1,014	1.9
Less: Tax	387	323	19.8	184	165	11.8	203	(9.2)
Profit for the financial period	1,660	1,572	5.6	849	803	5.7	811	4.7
Attributable to:								
Equity holders of the Bank	1,652	1,566	5.5	845	801	5.5	807	4.6
Non-controlling interests	8	6	30.1	4	3	56.9	3	23.9
	1,660	1,572	5.6	849	803	5.7	811	4.7

Consolidated Statement of Comprehensive Income (Unaudited)

	1H17	1H16	+ / (-)	2Q17	2Q16	+ / (-)	1Q17	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	1,660	1,572	5.6	849	803	5.7	811	4.7
Other comprehensive income ¹								
Currency translation adjustments	(119)	(45)	(>100.0)	12	(119)	>100.0	(131)	>100.0
Change in available-for-sale/other reserves								
Change in fair value	461	(308)	>100.0	282	(170)	>100.0	179	57.2
Transfer to income statement on disposal/impairment	(26)	(120)	78.1	(59)	(37)	(61.0)	33	(>100.0)
Tax relating to available-for-sale reserve	(26)	22	(>100.0)	(15)	6	(>100.0)	(11)	(32.3)
Change in shares of other comprehensive income of associates and joint ventures	3	(20)	>100.0	1	(12)	>100.0	2	(46.1)
Remeasurement of defined benefit obligation	(0)	(4)	99.2	(0)	(4)	99.2	-	NM
Other comprehensive income for the financial period, net of tax	293	(475)	>100.0	221	(335)	>100.0	72	>100.0
Total comprehensive income for the financial period, net of tax	1,952	1,097	78.0	1,069	468	>100.0	883	21.1
Attributable to:								
Equity holders of the Bank	1,938	1,090	77.9	1,062	464	>100.0	876	21.3
Non-controlling interests	14	7	88.2	7	4	60.7	7	1.9
	1,952	1,097	78.0	1,069	468	>100.0	883	21.1

Note:

1 Other comprehensive income will be reclassified subsequently to Income Statement when specific conditions are met, except for the remeasurement of defined benefit obligation.

Consolidated Balance Sheet (Unaudited)

	Jun-17	Mar-17	Dec-16 ¹	Jun-16
	\$m	\$m	\$m	\$m
Equity				
Share capital and other capital	6,805	6,353	6,351	5,898
Retained earnings	18,367	18,120	17,334	16,412
Other reserves	9,480	9,266	9,189	8,969
Equity attributable to equity holders of the Bank	34,652	33,739	32,873	31,279
Non-controlling interests	178	175	169	160
Total	34,830	33,914	33,042	31,439
Liabilities				
Deposits and balances of banks	11,660	11,227	11,855	10,298
Deposits and balances of customers	259,920	259,672	255,314	248,153
Bills and drafts payable	796	521	522	564
Other liabilities	10,583	11,125	13,152	12,299
Debts issued	26,625	26,115	26,143	18,878
Total	309,584	308,660	306,986	290,193
Total equity and liabilities	344,414	342,574	340,028	321,632
Assets				
Cash, balances and placements with central banks	27,387	25,644	24,322	26,444
Singapore Government treasury bills and securities	3,527	6,848	6,877	6,542
Other government treasury bills and securities	10,290	10,222	10,638	11,601
Trading securities	1,741	2,561	3,127	2,904
Placements and balances with banks	48,032	42,849	40,033	33,138
Loans to customers	223,792	225,107	221,734	208,444
Investment securities	11,448	11,113	11,640	10,562
Other assets	9,884	9,952	13,407	13,893
Investment in associates and joint ventures	1,154	1,145	1,109	1,081
Investment properties	1,051	1,099	1,105	1,117
Fixed assets	1,962	1,886	1,885	1,764
Intangible assets	4,147	4,148	4,151	4,143
Total	344,414	342,574	340,028	321,632
Off-balance sheet items				
Contingent liabilities	23,130	25,198	24,617	20,895
Financial derivatives	910,246	883,551	814,650	675,156
Commitments	137,264	134,831	136,348	136,045
Net asset value per ordinary share (\$)	19.63	19.35	18.82	18.16

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	1,652	-	1,652	8	1,660
Other comprehensive income for the financial period	-	(0)	286	286	6	293
Total comprehensive income for the financial period	-	1,652	286	1,938	14	1,952
Transfers	-	2	(2)	-	-	-
Dividends	-	(620)	-	(620)	(4)	(625)
Shares issued under scrip dividend scheme	438	-	-	438	-	438
Share-based compensation	-	-	23	23	-	23
Shares issued under share-based compensation plans	17	-	(17)	-	-	-
Balance at 30 June 2017	6,805	18,367	9,480	34,652	178	34,830
Balance at 1 January 2016	5,881	15,463	9,424	30,768	155	30,924
Profit for the financial period	-	1,566	-	1,566	6	1,572
Other comprehensive income for the financial period	-	(11)	(466)	(477)	1	(475)
Total comprehensive income for the financial period	-	1,556	(466)	1,090	7	1,097
Transfers	-	9	(9)	-	-	-
Change in non-controlling interests	-	-	-	-	2	2
Dividends	-	(616)	-	(616)	(4)	(620)
Shares issued under scrip dividend scheme	99	-	-	99	-	99
Share-based compensation	-	-	20	20	-	20
Shares issued under share-based compensation plans	0	-	(0)	-	-	-
Perpetual capital securities issued	748	-	-	748	-	748
Redemption of preference shares	(832)	-	-	(832)	-	(832)
Balance at 30 June 2016	5,898	16,412	8,969	31,279	160	31,439

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 April 2017	6,353	18,120	9,266	33,739	175	33,914
Profit for the financial period	-	845	-	845	4	849
Other comprehensive income for the financial period	-	(0)	218	218	3	221
Total comprehensive income for the financial period	-	845	218	1,062	7	1,069
Transfers	-	2	(2)	-	-	-
Dividends	-	(599)	-	(599)	(4)	(603)
Issue of shares under scrip dividend scheme	438	-	-	438	-	438
Share-based compensation	-	-	13	13	-	13
Shares issued under share-based compensation plans	15	-	(15)	-	-	-
Balance at 30 June 2017	6,805	18,367	9,480	34,652	178	34,830
Balance at 1 April 2016	5,149	16,188	9,292	30,629	159	30,788
Profit for the financial period	-	801	-	801	3	803
Other comprehensive income for the financial period	-	(11)	(326)	(337)	2	(335)
Total comprehensive income for the financial period	-	790	(326)	464	4	468
Transfers	-	9	(9)	-	-	-
Change in non-controlling interests	-	-	-	-	0	0
Dividends	-	(574)	-	(574)	(4)	(578)
Share-based compensation	-	-	12	12	-	12
Shares issued under share-based compensation plans	0	-	(0)	-	-	-
Perpetual capital securities issued	748	-	-	748	-	748
Balance at 30 June 2016	5,898	16,412	8,969	31,279	160	31,439

Consolidated Cash Flow Statement (Unaudited)

	1H17	1H16	2Q17	2Q16
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Profit for the financial period	1,660	1,572	849	803
Adjustments for:				
Allowance for credit and other losses	366	278	180	161
Share of profit of associates and joint ventures	(59)	(2)	(24)	(32)
Tax	387	323	184	165
Depreciation of assets	125	108	59	54
Net gain on disposal of assets	(108)	(129)	(93)	(79)
Share-based compensation	23	20	13	12
Operating profit before working capital changes	2,394	2,171	1,167	1,084
Change in working capital:				
Deposits and balances of banks	(195)	(1,688)	434	(692)
Deposits and balances of customers	4,606	7,628	247	(6,626)
Bills and drafts payable	274	130	275	72
Other liabilities	(2,542)	756	(363)	449
Restricted balances with central banks	20	(392)	(257)	229
Government treasury bills and securities	3,682	1,410	3,265	1,847
Trading securities	1,434	(1,582)	839	(723)
Placements and balances with banks	(7,999)	(4,492)	(5,184)	105
Loans to customers	(2,426)	(5,170)	1,131	(3,037)
Investment securities	694	(335)	(49)	165
Other assets	3,423	(1,893)	(36)	(847)
Cash generated from/(used in) operations	3,365	(3,458)	1,469	(7,975)
Income tax paid	(324)	(275)	(263)	(227)
Net cash provided by/(used in) operating activities	3,041	(3,734)	1,206	(8,201)
Cash flows from investing activities				
Capital injection into associates and joint ventures	(15)	(2)	(6)	(2)
Acquisition of associates and joint ventures	(0)	(44)	(0)	-
Distribution from associates and joint ventures	19	37	18	29
Acquisition of properties and other fixed assets	(167)	(179)	(86)	(103)
Proceeds from disposal of properties and other fixed assets	11	2	-	2
Net cash used in investing activities	(153)	(186)	(74)	(74)
Cash flows from financing activities				
Perpetual capital securities issued	-	748	-	748
Redemption of preference shares	-	(689)	-	-
Issuance of debts issued	22,931	13,113	11,206	4,191
Redemption of debts issued	(22,212)	(14,972)	(10,711)	(6,682)
Change in non-controlling interests	-	2	-	0
Dividends paid on ordinary shares	(135)	(784)	(135)	(563)
Dividends paid on preference shares	-	(20)	-	-
Distribution for perpetual capital securities	(48)	(33)	(27)	(12)
Dividends paid to non-controlling interests	(4)	(4)	(4)	(4)
Net cash provided by/(used in) financing activities	532	(2,638)	330	(2,320)
Currency translation adjustments	(335)	304	24	605
Net increase/(decrease) in cash and cash equivalents	3,085	(6,254)	1,486	(9,990)
Cash and cash equivalents at beginning of the financial period	18,401	27,228	20,000	30,964
Cash and cash equivalents at end of the financial period	21,486	20,974	21,486	20,974

Balance Sheet of the Bank (Unaudited)

	Jun-17	Mar-17	Dec-16 ¹	Jun-16
	\$m	\$m	\$m	\$m
Equity				
Share capital and other capital	6,805	6,353	6,351	5,898
Retained earnings	13,849	13,664	13,031	12,546
Other reserves	9,970	9,804	9,625	9,507
Total	30,624	29,820	29,007	27,951
Liabilities				
Deposits and balances of banks	10,524	10,050	10,618	9,635
Deposits and balances of customers	202,584	203,643	199,665	195,483
Deposits and balances of subsidiaries	9,420	8,085	7,239	7,744
Bills and drafts payable	578	305	324	325
Other liabilities	7,295	7,353	8,995	8,798
Debts issued	25,602	24,999	25,015	17,905
Total	256,004	254,435	251,856	239,891
Total equity and liabilities	286,628	284,255	280,863	267,842
Assets				
Cash, balances and placements with central banks	21,406	18,781	16,573	18,090
Singapore Government treasury bills and securities	3,527	6,848	6,877	6,542
Other government treasury bills and securities	4,202	4,662	5,257	6,635
Trading securities	1,539	2,428	2,977	2,762
Placements and balances with banks	39,020	36,455	33,731	26,693
Loans to customers	173,632	175,666	172,656	162,195
Placements with and advances to subsidiaries	13,293	9,845	9,440	11,827
Investment securities	10,775	10,504	10,992	9,750
Other assets	7,426	7,281	10,588	11,494
Investment in associates and joint ventures	335	332	333	389
Investment in subsidiaries	5,791	5,784	5,786	5,846
Investment properties	1,146	1,155	1,162	1,169
Fixed assets	1,355	1,333	1,310	1,268
Intangible assets	3,182	3,182	3,182	3,182
Total	286,628	284,255	280,863	267,842
Off-balance sheet items				
Contingent liabilities	14,719	16,751	17,550	14,440
Financial derivatives	805,422	787,426	725,617	594,939
Commitments	114,812	115,298	116,251	116,825
Net asset value per ordinary share (\$)	17.20	16.95	16.45	16.09

Note:

1 Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	1,436	-	1,436
Other comprehensive income for the financial period	-	-	340	340
Total comprehensive income for the financial period	-	1,436	340	1,776
Transfers	-	2	(2)	-
Dividends	-	(620)	-	(620)
Shares issued under scrip dividend scheme	438	-	-	438
Share-based compensation	-	-	23	23
Shares issued under share-based compensation plans	17	-	(17)	-
Balance at 30 June 2017	6,805	13,849	9,970	30,624
Balance at 1 January 2016	5,050	11,735	9,971	26,756
Profit for the financial period	-	1,392	-	1,392
Other comprehensive income for the financial period	-	-	(470)	(470)
Total comprehensive income for the financial period	-	1,392	(470)	923
Transfers	-	15	(15)	-
Dividends	-	(595)	-	(595)
Shares issued under scrip dividend scheme	99	-	-	99
Share-based compensation	-	-	20	20
Shares issued under share-based compensation plans	0	-	(0)	-
Perpetual capital securities issued	748	-	-	748
Balance at 30 June 2016	5,898	12,546	9,507	27,951

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 April 2017	6,353	13,664	9,804	29,820
Profit for the financial period	-	781	-	781
Other comprehensive income for the financial period	-	-	171	171
Total comprehensive income for the financial period	-	781	171	953
Transfers	-	2	(2)	-
Dividends	-	(599)	-	(599)
Shares issued under scrip dividend scheme	438	-	-	438
Share-based compensation	-	-	13	13
Shares issued under share-based compensation plans	15	-	(15)	-
Balance at 30 June 2017	6,805	13,849	9,970	30,624
Balance at 1 April 2016	5,149	12,383	9,729	27,261
Profit for the financial period	-	728	-	728
Other comprehensive income for the financial period	-	-	(225)	(225)
Total comprehensive income for the financial period	-	728	(225)	504
Transfers	-	9	(9)	-
Dividends	-	(574)	-	(574)
Share-based compensation	-	-	12	12
Shares issued under share-based compensation plans	0	-	(0)	-
Perpetual capital securities issued	748	-	-	748
Balance at 30 June 2016	5,898	12,546	9,507	27,951

Capital Adequacy Ratios of Major Bank Subsidiaries

The information below is prepared on solo basis under the capital adequacy framework of the respective countries.

	Jun-17			
	Total Risk-Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
\$m	%	%	%	
United Overseas Bank (Malaysia) Bhd	17,506	14.5	14.5	17.8
United Overseas Bank (Thai) Public Company Limited	12,157	15.8	15.8	18.0
PT Bank UOB Indonesia	8,196	14.0	14.0	16.0
United Overseas Bank (China) Limited	7,686	17.5	17.5	18.2