

To: All Shareholders

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

Financial Results

The unaudited financial results of the Group for the first half / second quarter of 2012 are enclosed.

Dividends

Ordinary share dividend

An interim one-tier tax-exempt dividend of 20 cents (2Q11: 20 cents) per ordinary share has been declared in respect of the financial year ending 31 December 2012. The dividend will be paid in cash on 13 September 2012. The UOB scrip dividend scheme will not be applied to the interim dividend.

Notice is hereby given that the Share Transfer Books and Register of Members of the Bank will be closed from 4 September 2012 to 5 September 2012, both dates inclusive, for the preparation of dividend warrants. Registrable transfers received by the Bank's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 pm on 3 September 2012 will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the interim dividend will be paid by the Bank to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

Preference share dividends

A dividend of 5.05% per annum on the Bank's S\$1.32 billion Class E non-cumulative non-convertible preference shares has been declared for the period from 15 March 2012 up to, but excluding, 15 September 2012. The dividend will be paid on 17 September 2012. The record date for the dividend is 5 September 2012 at 5.00 pm.

No dividend (2Q11: Nil) was paid on the 5,000 non-cumulative non-convertible guaranteed SPV-A preference shares issued by the Bank's wholly-owned subsidiary, UOB Cayman I Limited, during the second quarter of 2012 as dividends are payable semi-annually in March and September.

Event Subsequent to the Balance Sheet Date

On 11 July 2012, the Bank issued S\$1.2 billion 3.15% fixed rate subordinated notes due 2022 callable in 2017 (the "Fixed Rate Notes") pursuant to the S\$5 billion euro-medium term note programme established on 8 June 2010. The Bank has outstanding Upper Tier 2 subordinated notes which are due for maturity in 2013. The Bank intends to use the net proceeds from the issue of the Fixed Rate Notes to partially finance the maturity of such subordinated notes.

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 of 2012 to be false or misleading.

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

Mrs Vivien Chan
Secretary

Dated this 7th day of August 2012

The results are also available at uobgroup.com



Group Financial Report

For the First Half / Second Quarter 2012

United Overseas Bank Limited
Incorporated in the Republic of Singapore
Company Registration Number: 193500026Z

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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".
"NM" denotes not meaningful.

Financial Highlights

	1H12	1H11	+ / (-) %	2Q12	1Q12	+ / (-) %	2Q11	+ / (-) %
Summarised income statement (\$m)								
Net interest income	1,980	1,785	10.9	981	998	(1.7)	913	7.4
Fee and commission income	748	668	12.0	386	362	6.7	338	14.3
Other non-interest income	511	407	25.5	243	268	(9.5)	186	30.3
Total income	3,239	2,860	13.2	1,610	1,629	(1.1)	1,437	12.0
Less: Total expenses	1,341	1,195	12.3	666	676	(1.5)	612	8.8
Operating profit	1,897	1,665	13.9	944	953	(0.9)	825	14.4
Less: Amortisation/impairment charges	213	204	4.7	107	106	0.7	98	8.9
Add: Share of profit of associates	49	73	(32.8)	31	18	71.1	48	(35.0)
Less: Tax and non-controlling interests	333	287	15.8	156	177	(11.7)	140	11.8
Net profit after tax ¹	1,401	1,248	12.3	713	688	3.6	636	12.1

Financial indicators

Non-interest income/Total income (%)	38.9	37.6	1.3% pt	39.1	38.7	0.4% pt	36.5	2.6% pt
Overseas profit before tax contribution (%)	37.3	33.9	3.4% pt	39.9	34.6	5.3% pt	34.7	5.2% pt
Earnings per ordinary share (\$) ^{2,3}								
Basic	1.71	1.55	10.3	1.79	1.64	9.1	1.57	14.0
Diluted	1.71	1.54	11.0	1.78	1.64	8.5	1.57	13.4
Return on average ordinary shareholders' equity (%) ^{2,3}	12.7	12.2	0.5% pt	13.1	12.1	1.0% pt	12.3	0.8% pt
Return on average total assets (%) ³	1.20	1.16	0.04% pt	1.22	1.18	0.04% pt	1.16	0.06% pt
Net interest margin (%) ³	1.95	1.91	0.04% pt	1.92	1.98	(0.06)% pt	1.92	-
Expense/Income ratio (%)	41.4	41.8	(0.4)% pt	41.3	41.5	(0.2)% pt	42.6	(1.3)% pt
Loan charge off rate (bp) ³								
Exclude collective impairment	24	9	15bp	21	26	(5)bp	7	14bp
Include collective impairment	30	31	(1)bp	30	30	-	30	-
Net dividend per ordinary share (¢)								
Interim	20.0	20.0	-	20.0	-	NM	20.0	-

Notes:

1 Refer to profit attributable to equity holders of the Bank.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.

3 Computed on an annualised basis.

Financial Highlights (cont'd)

	Jun-12	Mar-12	+ / (-)	Dec-11	+ / (-)	Jun-11	+ / (-)
			%		%		%
Financial indicators							
Customer loans (net) (\$m)	146,942	144,878	1.4	141,191	4.1	128,532	14.3
Customer deposits (\$m)	168,792	168,495	0.2	169,460	(0.4)	148,358	13.8
Loans/Deposits ratio (%) ¹	87.1	86.0	1.1% pt	83.3	3.8% pt	86.6	0.5% pt
NPL ratio (%) ²	1.4	1.4	-	1.4	-	1.5	(0.1)% pt
Total assets (\$m)	235,414	234,837	0.2	236,958	(0.7)	218,921	7.5
Shareholders' equity (\$m) ³	23,765	23,773	-	22,967	3.5	22,438	5.9
Net asset value ("NAV") per ordinary share (\$) ⁴	13.74	13.74	-	13.23	3.9	12.89	6.6
Revalued NAV per ordinary share (\$) ⁴	15.82	15.81	0.1	15.28	3.5	14.70	7.6
Capital adequacy ratios (%)							
Core Tier 1	12.3	12.3	-	11.9	0.4% pt	12.6	(0.3)% pt
Tier 1	13.9	13.9	-	13.5	0.4% pt	14.5	(0.6)% pt
Total	17.0	17.1	(0.1)% pt	16.7	0.3% pt	19.2	(2.2)% pt

Notes:

- 1 Refer to net customer loans and customer deposits.
- 2 Refer to non-performing loans as a percentage of gross customer loans.
- 3 Refer to equity attributable to equity holders of the Bank.
- 4 Preference shares 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 amended FRS applicable to the Group with effect from 1 January 2012 are listed below. The adoption of these FRS has no significant impact on the financial statements of the Group.

- Amendments to FRS12 Deferred Tax – Recovery of Underlying Assets
- Amendments to FRS107 Disclosures – Transfers of Financial Assets

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first half 2012 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2011.

First half 2012 ("1H12") versus first half 2011 ("1H11")

Group net profit after tax ("NPAT") for 1H12 was \$1.40 billion, 12.3% increase compared to 1H11. The increase was contributed by double digit increases in net interest income, fee and commission income and other non-interest income.

Net interest income rose 10.9% to \$1.98 billion from higher loans volume. Net interest margin was 1.95% in 1H12, higher by 4 basis points compared to 1H11 as interest yields rose faster than the cost of funds. The shift in mix to higher yielding loans resulted in the improved interest yields.

Fee and commission income grew 12.0% to \$748 million in 1H12 across all business activities. Significant increases in income were registered in corporate finance, wealth management, trade and loan-related activities. Other non-interest income rose 25.5% to \$511 million mainly due to trading and investment income. The latter was \$354 million in 1H12 contributed by gains on sale of investment securities.

Total operating expenses increased 12.3% to \$1.34 billion in 1H12. Staff costs were higher as the Group continued to invest in talent across Singapore and the regional countries. Revenue-related expenses were higher in line with growth in business volumes. Expense-to-income ratio improved 0.4% point to 41.4% with higher income growth.

Total impairment charges for 1H12 was \$208 million mainly for individual impairment on loans. Compared to 1H11, total loans charge off rate improved 1 basis point to 30 basis points, whilst non-performing loans ("NPL") coverage was strong at 136.6%. NPL ratio was 0.1% point lower at 1.4%.

Compared to 1H11, net customer loans expanded 14.3% to reach \$147 billion as at 30 June 2012. The growth was in Singapore and the regional countries and across most industries. The regional countries loans rose 22.8%, faster than Singapore's growth of 12.6%. Loans from regional countries contributed 29.9% of total Group loans as at 30 June 2012 compared to 27.8% as at June 2011.

The Group's funding position remained strong. Loans-to-deposits ratio stood at 87.1% while the US\$ loans-to-deposits ratio improved 9.2% points to 95.2%. The Group's robust deposits franchise continued to bring in customer deposits. The latter grew 13.8% to \$169 billion across territories. Singapore rose 7.3% whilst the regional countries recorded a significant increase of 31.1%. To further strengthen the Group's funding position, US\$750 million fixed rate senior notes and US\$95 million floating rate senior notes were raised under the Euro Medium Term Note Programme in 1H12.

Shareholders' equity rose 5.9% to \$23.8 billion, largely due to higher retained earnings. Return on shareholders' equity grew 0.5% point to 12.7% for 1H12.

The Group remained well capitalised with core Tier 1, Tier 1 and total capital adequacy ratios ("CAR") at 12.3%, 13.9% and 17.0% respectively as at 30 June 2012.

Performance Review (cont'd)**Second quarter 2012 ("2Q12") versus first quarter 2012 ("1Q12")**

Net profit after tax for the Group rose 3.6% to \$713 million compared to 1Q12. The increase came from higher fee and commission income, as well as lower operating expenses and improved performance from the associates.

Net interest income for 2Q12 declined 1.7% to \$981 million due to lower interest yields which more than offset the increased income from expanded loans volume. Net interest margin declined 6 basis points to 1.92% amidst high liquidity and keen competition in the market.

Fee and commission income rose 6.7% to a new quarter high of \$386 million, with strong loans processing and corporate finance activities. Trading and investment income was \$151 million in 2Q12 compared to \$203 million in 1Q12. In 1Q12, higher profits were made from sale of investments.

Total operating expenses for 2Q12 decreased 1.5% to \$666 million. The Group remained vigilant in its cost management with lower costs in both staff costs and revenue-related expenses. Expense-to-income ratio improved 0.2% point to 41.3% in 2Q12.

Total impairment charges for 2Q12 was \$105 million, similar to 1Q12. Individual impairment on loans was \$79 million while collective impairment was \$32 million. NPL ratio remained unchanged at 1.4% while total loans charge off rate stayed at 30 basis points.

Net customer loans registered a 1.4% increase for the quarter to reach \$147 billion as at 30 June 2012. The growth was broad based across Singapore and the regional countries. Singapore loans expanded 1.3% while the regional countries loans rose faster at 3.0%.

Customer deposits rose 0.2% to \$169 billion as at 30 June 2012. The Group's liquidity position continued to be strong. Loans-to-deposits ratio in 2Q12 was 87.1% compared to 86.0% in 1Q12.

Shareholders' equity was \$23.8 billion as at 30 June 2012, same level as 31 March 2012. Return on shareholders' equity was 13.1% for 2Q12.

The Group's capital adequacy ratios remained relatively unchanged quarter-on-quarter with core Tier 1, Tier 1 and total CAR at 12.3%, 13.9% and 17.0% respectively.

Second quarter 2012 ("2Q12") versus second quarter 2011 ("2Q11")

Compared with 2Q11, Group net profit rose 12.1% to \$713 million while operating profit grew 14.4% to \$944 million.

Net interest income increased 7.4% to \$981 million on the back of higher loans volume. Net interest margin was maintained at 1.92%.

Non-interest income grew 20.0% to \$629 million. Fee and commission income rose 14.3%, with increases registered in Singapore and the region. The growth was contributed by increased volume in corporate finance, wealth management, trade and loan-related businesses. Trading and investment income was higher at \$151 million as market sentiments improved.

Total operating expenses increased 8.8% to \$666 million. Expense-to-income ratio improved 1.3% points to 41.3% as income growth outpaced the increase in total expenses.

Total impairment charges was higher than 2Q11, mainly on higher individual impairment on loans in Singapore.

Net Interest Income

Net interest margin

	1H12			1H11		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	143,316	2,462	3.45	118,303	2,030	3.46
Interbank balances	30,770	311	2.03	34,361	256	1.50
Securities	29,981	326	2.19	35,879	400	2.25
Total	204,067	3,099	3.05	188,542	2,686	2.87
Interest bearing liabilities						
Customer deposits	166,707	924	1.11	145,754	685	0.95
Interbank balances/others	31,561	195	1.24	38,236	217	1.14
Total	198,268	1,119	1.14	183,990	902	0.99
Net interest margin ¹			1.95			1.91

	2Q12			1Q12			2Q11		
	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	145,268	1,229	3.40	141,364	1,233	3.51	122,339	1,048	3.44
Interbank balances	30,643	155	2.04	30,896	155	2.02	34,591	136	1.57
Securities	29,336	158	2.17	30,626	168	2.20	34,002	199	2.35
Total	205,247	1,542	3.02	202,887	1,557	3.09	190,931	1,382	2.90
Interest bearing liabilities									
Customer deposits	168,082	466	1.11	165,332	458	1.11	147,982	358	0.97
Interbank balances/others	30,979	95	1.24	32,143	100	1.25	38,247	111	1.17
Total	199,061	561	1.13	197,475	558	1.14	186,229	469	1.01
Net interest margin ¹			1.92			1.98			1.92

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

	1H12 vs 1H11			2Q12 vs 1Q12			2Q12 vs 2Q11		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Interest income									
Customer loans	429	(4)	425	34	(39)	(5)	196	(12)	184
Interbank balances	(27)	80	54	(1)	1	(0)	(15)	36	20
Securities	(66)	(9)	(75)	(7)	(3)	(10)	(27)	(13)	(40)
Total	337	67	404	26	(40)	(14)	154	11	164
Interest expense									
Customer deposits	98	138	237	8	0	8	49	61	109
Interbank balances/others	(18)	(4)	(22)	(3)	(2)	(5)	(12)	(4)	(16)
Total	81	134	215	5	(2)	3	37	57	94
Change in number of days	-	-	5	-	-	-	-	-	(3)
Net interest income	256	(67)	195	21	(38)	(17)	117	(46)	68

Net interest income for 1H12 increased 10.9% compared to 1H11 to \$1.98 billion mainly on enlarged loans volume that outweighed higher borrowing costs. Net interest margin rose 4 basis points to 1.95% as interest yields rose faster than the cost of funds. The shift in mix to higher yielding loans resulted in the improved interest yields.

In 2Q12, net interest income declined 1.7% to \$981 million against 1Q12 due to lower interest yields which more than offset the increased income from expanded loans volume. Net interest margin declined 6 basis points to 1.92% amidst high liquidity and keen competition in the market. Compared with 2Q11, net interest income grew 7.4% while net interest margin remained the same at 1.92%.

Non-Interest Income

	1H12	1H11	+/(-)	2Q12	1Q12	+/(-)	2Q11	+/(-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Fee and commission income								
Credit card	114	110	3.7	59	55	6.4	60	(2.0)
Fund management	54	52	2.6	24	30	(21.1)	26	(7.4)
Investment-related	145	101	43.8	78	67	16.7	52	51.5
Loan-related	218	207	5.0	114	104	9.5	102	11.2
Service charges	51	46	11.4	27	25	7.0	22	20.8
Trade-related	131	120	9.4	68	64	6.6	61	11.3
Others	35	32	11.0	18	18	(0.3)	15	13.4
	748	668	12.0	386	362	6.7	338	14.3
Other non-interest income								
Dividend income	43	57	(25.6)	34	9	>100.0	55	(38.3)
Rental income	54	56	(2.6)	27	27	(0.9)	28	(1.7)
Trading income/(loss)	59	45	31.6	11	49	(77.9)	13	(17.1)
Non-trading income/(loss)								
Financial instruments at fair value through profit or loss	7	93	(92.5)	9	(2)	>100.0	8	13.7
Available-for-sale assets and others	288	108	>100.0	131	157	(16.4)	61	>100.0
	354	247	43.5	151	203	(25.4)	82	84.7
Other income	60	48	26.7	31	29	6.0	22	37.8
Other operating income	414	294	40.8	182	232	(21.5)	104	74.6
	511	407	25.5	243	268	(9.5)	186	30.3
Total	1,259	1,075	17.1	629	630	(0.2)	524	20.0

Total non-interest income was \$1.26 billion for 1H12, 17.1% higher compared to 1H11. Fee and commission income grew 12.0% to \$748 million in 1H12 across all business activities. Significant increases in income were registered in corporate finance, wealth management, trade and loan-related activities. Other non-interest income rose 25.5% to \$511 million mainly due to trading and investment income. The latter was \$354 million in 1H12 contributed by gains on sale of investment securities.

In 2Q12, fee and commission income rose 6.7% to a new quarter high of \$386 million with strong loans processing and corporate finance activities. Trading and investment income was \$151 million in 2Q12 compared to \$203 million in 1Q12. In 1Q12, higher profits were made from sale of investments. Compared to 2Q11, total non-interest income grew 20.0% to \$629 million. Fee and commission income rose 14.3%, with increases registered in Singapore and the region. The growth was contributed by increased volume in corporate finance, wealth management, trade and loan-related businesses. Trading and investment income was higher at \$151 million as market sentiments improved.

Operating Expenses

	1H12	1H11	+ / (-)	2Q12	1Q12	+ / (-)	2Q11	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	762	693	9.9	380	382	(0.7)	355	7.0
Other operating expenses								
Revenue-related	301	249	20.6	143	158	(9.9)	130	9.3
Occupancy-related	131	114	15.3	66	65	2.4	57	16.5
IT-related	87	72	20.8	44	43	3.6	35	25.6
Others	60	66	(8.2)	33	28	19.0	34	(4.2)
	580	501	15.6	286	293	(2.5)	257	11.4
Total	1,341	1,195	12.3	666	676	(1.5)	612	8.8
Of which, depreciation of assets	60	57	5.4	30	30	1.1	25	20.1
Manpower (number)	23,045	22,609	436	23,045	23,312	(267)	22,609	436

Total operating expenses increased 12.3% to \$1.34 billion in 1H12. Staff costs were higher as the Group continued to invest in talent across Singapore and the regional countries. Revenue-related expenses grew in tandem with the increase in business volumes. Expense-to-income ratio improved 0.4% point to 41.4% with higher income growth.

Compared to 1Q12, total operating expenses decreased 1.5% to \$666 million. The Group remained vigilant in its cost management. Revenue-related expenses declined due to lower business promotion expenses in 2Q12. Expense-to-income ratio improved 0.2% point to 41.3%.

Against 2Q11, total operating expenses rose 8.8%. Expense-to-income ratio improved 1.3% points to 41.3% as income growth outpaced the increase in total expenses.

Impairment Charges

	1H12	1H11	+ / (-)	2Q12	1Q12	+ / (-)	2Q11	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Individual impairment on loans ¹								
Singapore	96	21	>100.0	61	35	73.4	3	>100.0
Malaysia	25	1	>100.0	9	16	(46.7)	3	>100.0
Thailand	15	13	21.7	6	10	(38.4)	6	(7.4)
Indonesia	3	16	(82.6)	3	(0)	>100.0	8	(65.3)
Greater China ²	2	(7)	>100.0	1	1	(26.6)	(7)	>100.0
Others	33	13	>100.0	(0)	33	(>100.0)	9	(>100.0)
	174	56	>100.0	79	95	(17.2)	22	>100.0
Individual impairment on securities and others	(14)	8	(>100.0)	(7)	(7)	5.5	(1)	(>100.0)
Collective impairment	48	134	(64.2)	32	16	>100.0	74	(56.4)
Total	208	198	5.0	105	104	0.8	96	9.4

Total impairment charges for 1H12 was \$208 million, mainly due to individual impairment on loans. Total loans charge off rate improved 1 basis point to 30 basis points, while non-performing loans ratio improved 0.1% point to 1.4%.

Total impairment charges for 2Q12 was the same level as 1Q12. Individual impairment on loans was lower at \$79 million while collective impairment of \$32 million was set aside. Non-performing loans ratio was unchanged at 1.4%.

Compared to 2Q11, total impairment charges was higher mainly on higher individual impairment on loans in Singapore.

Notes:

1 Based on the location where the non-performing loans are booked.

2 Comprise China, Hong Kong and Taiwan.

Customer Loans

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Gross customer loans	149,829	147,707	143,943	131,244
Less: Individual impairment	873	835	770	837
Collective impairment	2,014	1,993	1,982	1,874
Net customer loans	146,942	144,878	141,191	128,532
By industry				
Transport, storage and communication	7,642	7,617	7,041	6,814
Building and construction	18,939	18,339	17,515	14,257
Manufacturing	11,534	11,575	11,336	9,589
Financial institutions	23,210	23,337	23,966	22,262
General commerce	18,131	17,316	17,597	17,604
Professionals and private individuals	20,262	19,443	18,629	16,237
Housing loans	42,997	41,962	40,615	36,638
Others	7,114	8,116	7,244	7,841
Total (gross)	149,829	147,707	143,943	131,244
By currency				
Singapore dollar	82,942	81,636	78,557	73,258
US dollar	19,190	19,374	19,791	17,637
Malaysian ringgit	20,426	19,937	18,832	16,144
Thai baht	7,546	7,394	7,530	6,690
Indonesian rupiah	4,603	4,370	4,488	3,818
Others	15,122	14,995	14,743	13,697
Total (gross)	149,829	147,707	143,943	131,244
By maturity				
Within 1 year	48,796	50,332	50,384	49,821
Over 1 year but within 3 years	26,156	24,526	23,170	20,273
Over 3 years but within 5 years	21,033	20,828	20,484	17,917
Over 5 years	53,844	52,021	49,904	43,232
Total (gross)	149,829	147,707	143,943	131,244
By geography ¹				
Singapore	96,443	95,230	92,268	85,619
Malaysia	22,226	21,762	20,712	17,332
Thailand	7,851	7,653	7,818	7,006
Indonesia	5,763	5,538	5,765	4,929
Greater China	9,008	8,598	8,430	7,260
Others	8,538	8,926	8,949	9,097
Total (gross)	149,829	147,707	143,943	131,244

Net customer loans grew 1.4% for the quarter, bringing year-to-date loans growth to 4.1% to reach \$147 billion as at 30 June 2012. Loans growth was largely recorded in Singapore and the regional countries.

Compared to 30 June 2011, net customer loans rose 14.3% mainly from Singapore and the regional countries and across most industries. The regional countries loans rose 22.8%, faster than Singapore's growth of 12.6%. Loans from regional countries contributed 29.9% of total Group loans as at 30 June 2012 compared to 27.8% as at 30 June 2011.

Note:

¹ Based on the location where the loans are booked.

Non-Performing Assets

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Loans ("NPL")	2,113	2,071	2,020	1,930
Debt securities and others	376	423	560	512
Non-Performing Assets ("NPA")	2,489	2,494	2,580	2,442

By grading

Substandard	1,458	1,467	1,652	1,466
Doubtful	332	393	426	420
Loss	699	634	502	556
Total	2,489	2,494	2,580	2,442

By security coverage

Secured	929	954	998	943
Unsecured	1,560	1,540	1,582	1,499
Total	2,489	2,494	2,580	2,442

By ageing

Current	344	377	605	333
Within 90 days	184	138	190	187
Over 90 to 180 days	224	225	141	196
Over 180 days	1,737	1,754	1,644	1,726
Total	2,489	2,494	2,580	2,442

Cumulative impairment

Individual	1,097	1,086	1,049	1,068
Collective	2,191	2,170	2,158	2,010
Total	3,288	3,256	3,207	3,078
As a % of NPA	132.1%	130.6%	124.3%	126.0%
As a % of unsecured NPA	210.8%	211.4%	202.7%	205.3%

	NPL	NPL	NPL	NPL	NPL	NPL	NPL
	NPL	ratio	NPL	ratio	NPL	ratio	NPL
	\$m	%	\$m	%	\$m	%	\$m
NPL by industry							
Transport, storage and communication	556	7.3	553	7.3	534	7.6	364
Building and construction	106	0.6	118	0.6	108	0.6	87
Manufacturing	469	4.1	454	3.9	401	3.5	554
Financial institutions	163	0.7	159	0.7	194	0.8	175
General commerce	288	1.6	259	1.5	259	1.5	275
Professionals and private individuals	145	0.7	141	0.7	144	0.8	179
Housing loans	244	0.6	241	0.6	228	0.6	223
Others	142	2.0	146	1.8	152	2.1	73
Total	2,113	1.4	2,071	1.4	2,020	1.4	1,930

Non-Performing Assets (cont'd)

	NPL \$m	NPL ratio %	Total cumulative impairment	
			as a % of NPL %	as a % of unsecured NPL %
NPL by geography ¹				
Singapore				
Jun 12	763	0.8	242.3	440.2
Mar 12	721	0.8	248.3	494.5
Dec 11	714	0.8	250.1	542.9
Jun 11	817	1.0	229.9	403.0
Malaysia				
Jun 12	374	1.7	112.6	339.5
Mar 12	370	1.7	115.7	339.7
Dec 11	346	1.7	114.7	336.4
Jun 11	336	1.9	111.9	303.2
Thailand				
Jun 12	312	4.0	89.7	148.1
Mar 12	315	4.1	85.1	144.1
Dec 11	309	4.0	81.9	141.3
Jun 11	293	4.2	76.1	131.2
Indonesia				
Jun 12	85	1.5	78.8	1,340.0
Mar 12	83	1.5	84.3	1,400.0
Dec 11	83	1.4	83.1	1,150.0
Jun 11	98	2.0	63.3	885.7
Greater China				
Jun 12	41	0.5	173.2	186.8
Mar 12	32	0.4	209.4	209.4
Dec 11	31	0.4	222.6	222.6
Jun 11	30	0.4	183.3	196.4
Others				
Jun 12	538	6.3	37.0	40.1
Mar 12	550	6.2	37.3	41.0
Dec 11	537	6.0	33.1	36.3
Jun 11	356	3.9	32.9	39.0
Group NPL				
Jun 12	2,113	1.4	136.6	227.0
Mar 12	2,071	1.4	136.6	233.5
Dec 11	2,020	1.4	136.2	238.5
Jun 11	1,930	1.5	140.5	247.6

Group NPL was \$2.11 billion as at 30 June 2012 while Group NPL ratio remained at 1.4%. Impairment coverage against NPL was unchanged at 136.6%.

Compared to June 2011, Group NPL ratio showed an improvement of 0.1% point.

Note:

¹ Based on the location where the non-performing loans are booked.

Customer Deposits

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
By product				
Fixed deposits	92,223	89,408	95,168	80,967
Savings deposits	40,719	40,840	39,945	37,689
Current accounts	28,474	28,951	27,993	25,945
Others	7,376	9,296	6,355	3,757
Total	168,792	168,495	169,460	148,358
By maturity				
Within 1 year	164,687	162,881	162,887	141,069
Over 1 year but within 3 years	2,956	4,387	5,185	4,734
Over 3 years but within 5 years	988	960	1,126	1,746
Over 5 years	160	267	263	809
Total	168,792	168,495	169,460	148,358
By currency				
Singapore dollar	92,357	94,522	95,720	88,481
US dollar	19,898	21,656	19,818	16,617
Malaysian ringgit	22,994	22,214	20,890	17,282
Thai baht	6,677	6,205	6,874	5,576
Indonesian rupiah	4,551	4,191	4,774	3,683
Others	22,315	19,707	21,384	16,720
Total	168,792	168,495	169,460	148,358
Loans/Deposits ratio (%)	87.1	86.0	83.3	86.6

Customer deposits increased 0.2% to \$169 billion in 2Q12. Compared to 30 June 2011, customer deposits grew 13.8%. The increase was broad based across territories and products.

Debts Issued

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Subordinated debts				
Due after one year (unsecured)	4,990	4,980	5,084	6,258
Other debts issued				
Due within one year (unsecured)	4,238	4,222	5,118	2,744
Due after one year (unsecured)	2,788	2,661	1,584	737
	7,026	6,884	6,702	3,481
Total	12,016	11,864	11,786	9,739

To further enhance the Group's funding position, US\$95 million floating rate senior notes were raised under the Euro Medium Term Note Programme in 2Q12.

Shareholders' Equity

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Shareholders' equity	23,765	23,773	22,967	22,438
Add: Revaluation surplus	3,273	3,254	3,225	2,858
Shareholders' equity including revaluation surplus	27,038	27,027	26,192	25,297

Shareholders' equity was stable at \$23.8 billion in 2Q12. Compared to 30 June 2011, shareholders' equity rose 5.9%, mainly contributed by higher retained earnings.

As at 30 June 2012, revaluation surplus of \$3.3 billion on the Group's properties was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	1H12	1H11	2Q12	2Q11
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,590,494	1,560,139	1,590,494	1,560,139
Issue of shares under scrip dividend scheme	-	30,347	-	30,347
Balance at end of period	1,590,494	1,590,487	1,590,494	1,590,487
Treasury shares				
Balance at beginning of period	(16,570)	(17,515)	(17,167)	(17,503)
Share buyback - held in treasury	(684)	-	-	-
Issue of shares under share-based compensation plans	229	34	141	22
Balance at end of period	(17,026)	(17,481)	(17,026)	(17,481)
Ordinary shares net of treasury shares	1,573,468	1,573,006	1,573,468	1,573,006
Preference shares				
Class E non-cumulative non-convertible preference shares at beginning/end of period	13,200	13,200	13,200	13,200

Performance by Operating Segment

The Group is organised to be segment-led across key markets. Global segment heads are responsible for driving business, with decision-making balanced with a geographical perspective. For internal management purposes, the following segments represent the key customer segments and product groups:

Group Retail ("GR")

GR segment covers Consumer, Privilege, Business and Private Banking. Consumer Banking serves the individual customers, while Business Banking serves small enterprises with a wide range of products and services, including deposits, loans, investments, credit and debit cards and insurance products. Privilege Banking provides an extended range of financial services, including wealth management, and restricted products such as structured notes, funds of hedge funds, and insurance plans to the wealthy and affluent customers. Private Banking caters to the high net worth individuals and accredited investors, offering financial and portfolio planning, including investment management, asset management and estate planning.

Segment profit increased 11.3% to \$521 million in 1H12. Net interest income grew on strong loans growth while higher fee and commission income came mainly from investment-related activities. The increase was partly negated by higher business volume-related costs and impairment charges.

Group Wholesale ("GW")

GW segment encompasses Commercial Banking, Corporate Banking, Financial Institutions Group ("FIG"), Corporate Finance and Debt Capital Markets. Commercial Banking serves the medium and large enterprises, while Corporate Banking serves large local corporations, government-linked companies and agencies, and FIG serves financial institutions. Commercial Banking, Corporate Banking and FIG provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, ship finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and corporate advisory services. Debt Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans for general corporate needs, leveraged buy-outs, project and structured finance, and underwriting and lead managing bond issues.

Segment profit grew 14.1% to \$921 million in 1H12, with increases registered in net interest income as well as loan-related and trade-related fee income driven by strong loans growth. This was partly negated by higher impairment charges and operating expenses.

Global Markets and Investment Management ("GMIM")

GMIM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, gold products, as well as an array of structured products. It is a dominant player in Singapore dollar treasury instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds.

Segment profit increased 8.1% to \$321 million in 1H12, mainly attributed to higher income from trading and interest rate management activities, partly offset by increased operating expenses from higher business volumes and higher impairment charges.

Others

Others include property-related activities, insurance businesses and income and expenses not attributable to other operating segments mentioned above.

The segment profit increased to \$37 million in 1H12 was mainly from the gain on sale of investment securities and lower collective impairment. This was partly offset by increased operating expenses and lower share of profits of associates.

Performance by Operating Segment¹ (cont'd)

	GR	GW	GMIM	Others	Elimination ²	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1H12						
Operating income	1,251	1,274	612	337	(235)	3,239
Operating expenses	(676)	(253)	(275)	(305)	168	(1,341)
Impairment charges	(52)	(97)	(17)	(42)	-	(208)
Amortisation of intangible assets	(2)	(3)	-	-	-	(5)
Share of profit of associates	-	-	1	48	-	49
Profit before tax	521	921	321	37	(67)	1,733
Segment assets	69,460	86,431	75,096	3,975	(4,799)	230,163
Intangible assets	1,336	2,114	666	65	-	4,181
Investment in associates	-	-	19	1,051	-	1,070
Total assets	70,796	88,545	75,781	5,091	(4,799)	235,414
Segment liabilities	87,025	73,112	47,939	8,760	(5,370)	211,466
Other information						
Inter-segment operating income	177	(117)	(1)	176	(235)	-
Gross customer loans	69,083	80,410	285	51	-	149,829
Non-performing assets	499	1,785	106	99	-	2,489
Capital expenditure	10	1	2	101	-	114
Depreciation of assets	4	3	1	52	-	60
1H11						
Operating income	1,141	1,069	545	294	(189)	2,860
Operating expenses	(636)	(228)	(251)	(215)	135	(1,195)
Impairment charges	(35)	(31)	6	(138)	-	(198)
Amortisation of intangible assets	(2)	(3)	-	-	-	(5)
Share of profit of associates	-	-	(3)	76	-	73
Profit before tax	468	807	297	17	(54)	1,535
Segment assets	58,088	76,716	81,705	2,725	(5,648)	213,586
Intangible assets	1,337	2,118	666	81	-	4,202
Investment in associates	-	-	20	1,113	-	1,133
Total assets	59,425	78,834	82,391	3,919	(5,648)	218,921
Segment liabilities	79,851	64,802	48,219	9,721	(6,290)	196,303
Other information						
Inter-segment operating income	199	(97)	(102)	189	(189)	-
Gross customer loans	57,810	72,983	390	61	-	131,244
Non-performing assets	499	1,636	168	139	-	2,442
Capital expenditure	6	2	4	59	-	71
Depreciation of assets	4	3	1	49	-	57

Notes:

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

2 This includes joint income and expenses allocated to business segments in respect of cross-sell activities.

Performance by Geographical Segment¹

	1H12	1H11	2Q12	1Q12	2Q11
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore	1,892	1,722	943	948	857
Malaysia	447	388	229	217	198
Thailand	257	202	128	129	99
Indonesia	240	214	122	118	110
Greater China	203	150	92	111	86
Others	201	184	95	105	87
Total	3,239	2,860	1,610	1,629	1,437
Profit before tax					
Singapore	1,090	1,017	523	567	508
Malaysia	270	219	154	116	110
Thailand	52	37	26	27	17
Indonesia	99	75	53	47	40
Greater China	113	77	46	67	51
Others	113	116	70	44	52
	1,738	1,540	871	867	778
Intangible assets amortised	(5)	(5)	(2)	(3)	(3)
Total	1,733	1,535	869	865	775

Compared with 1H11, the Group recorded a 13.2% increase in total operating income, with increases registered across all territories. Singapore grew 9.8% while growth in the regional countries was faster at 20.2%. At the pre-tax profit level, the Group rose 12.9%, Singapore grew 7.2% while the regional countries rose 31.3%.

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Total assets				
Singapore	143,283	145,048	144,739	139,788
Malaysia	31,977	30,706	29,308	25,011
Thailand	12,314	11,100	11,996	11,854
Indonesia	7,624	7,008	7,767	6,231
Greater China	18,370	18,656	19,133	16,121
Others	17,665	18,131	19,819	15,713
	231,233	230,649	232,762	214,719
Intangible assets	4,181	4,188	4,196	4,202
Total	235,414	234,837	236,958	218,921

Note:

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

Capital Adequacy Ratios

	Jun-12	Mar-12	Dec-11	Jun-11
	\$m	\$m	\$m	\$m
Tier 1 capital				
Share capital	3,098	3,095	3,104	3,084
Preference shares	2,149	2,149	2,149	2,149
Disclosed reserves/others	18,096	18,143	17,511	16,617
Deductions from Tier 1 capital	(4,734)	(4,763)	(4,750)	(4,747)
Eligible Tier 1 capital	18,609	18,624	18,014	17,103
Tier 2 capital				
Cumulative collective impairment/others	1,024	1,026	950	987
Subordinated notes	3,483	3,747	3,794	5,014
Deductions from Tier 2 capital	(385)	(410)	(421)	(413)
Eligible total capital	22,731	22,987	22,337	22,691
Risk-weighted assets ("RWA")	133,961	134,063	133,578	118,298
Capital adequacy ratios ("CAR")				
Core Tier 1	12.3%	12.3%	11.9%	12.6%
Tier 1	13.9%	13.9%	13.5%	14.5%
Total	17.0%	17.1%	16.7%	19.2%

The Group remained well capitalised with Tier 1 and Total CAR of 13.9% and 17.0% well above the regulatory minimums of 6% and 10% respectively.

The ratios remained relatively unchanged quarter-on-quarter. Compared to the same period last year, the Tier 1 and Total CAR were lower due to increased risk-weighted assets mainly arising from strong loans growth.

Consolidated Income Statement (Unaudited)

	1H12	1H11	+ / (-)	2Q12	1Q12	+ / (-)	2Q11	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	3,099	2,686	15.4	1,542	1,557	(0.9)	1,382	11.6
Less: Interest expense	1,119	902	24.2	561	558	0.5	469	19.6
Net interest income	1,980	1,785	10.9	981	998	(1.7)	913	7.4
Fee and commission income	748	668	12.0	386	362	6.7	338	14.3
Dividend income	43	57	(25.6)	34	9	>100.0	55	(38.3)
Rental income	54	56	(2.6)	27	27	(0.9)	28	(1.7)
Other operating income	414	294	40.8	182	232	(21.5)	104	74.6
Non-interest income	1,259	1,075	17.1	629	630	(0.2)	524	20.0
Total operating income	3,239	2,860	13.2	1,610	1,629	(1.1)	1,437	12.0
Less: Staff costs	762	693	9.9	380	382	(0.7)	355	7.0
Other operating expenses	580	501	15.6	286	293	(2.5)	257	11.4
Total operating expenses	1,341	1,195	12.3	666	676	(1.5)	612	8.8
Operating profit before charges	1,897	1,665	13.9	944	953	(0.9)	825	14.4
Less: Amortisation/impairment charges								
Intangible assets	5	5	(5.2)	2	3	(2.5)	3	(6.3)
Loans and other assets	208	198	5.0	105	104	0.8	96	9.4
Operating profit after charges	1,684	1,462	15.2	837	847	(1.1)	727	15.2
Share of profit of associates	49	73	(32.8)	31	18	71.1	48	(35.0)
Profit before tax	1,733	1,535	12.9	869	865	0.4	775	12.1
Less: Tax	323	278	16.0	151	172	(12.5)	135	11.5
Profit for the financial period	1,410	1,257	12.2	718	693	3.7	640	12.2
Attributable to:								
Equity holders of the Bank	1,401	1,248	12.3	713	688	3.6	636	12.1
Non-controlling interests	10	9	8.8	5	4	22.3	5	20.7
	1,410	1,257	12.2	718	693	3.7	640	12.2

Consolidated Statement of Comprehensive Income (Unaudited)

	1H12	1H11	+ / (-)	2Q12	1Q12	+ / (-)	2Q11	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	1,410	1,257	12.2	718	693	3.7	640	12.2
Currency translation adjustments	(198)	(170)	(16.1)	(95)	(103)	7.9	(137)	30.9
Change in available-for-sale reserve								
Change in fair value	505	216	>100.0	108	397	(72.8)	104	3.9
Transfer to income statement on disposal/impairment	(230)	(54)	(>100.0)	(115)	(114)	(0.9)	(38)	(>100.0)
Tax relating to available-for-sale reserve	(23)	4	(>100.0)	14	(37)	>100.0	0	>100.0
Change in share of other comprehensive income of associates	19	(23)	>100.0	(5)	24	(>100.0)	(17)	71.7
Other comprehensive income for the financial period, net of tax	75	(28)	>100.0	(93)	168	(>100.0)	(87)	(6.3)
Total comprehensive income for the financial period, net of tax	1,485	1,229	20.9	625	860	(27.3)	553	13.1
Attributable to:								
Equity holders of the Bank	1,475	1,223	20.6	623	851	(26.8)	550	13.2
Non-controlling interests	11	6	88.8	2	9	(76.4)	2	(9.5)
	1,485	1,229	20.9	625	860	(27.3)	553	13.1

Consolidated Balance Sheet (Unaudited)

	Jun-12	Mar-12	Dec-11 ¹	Jun-11
	\$m	\$m	\$m	\$m
Equity				
Share capital	5,247	5,244	5,253	5,233
Retained earnings	9,219	9,145	8,499	8,111
Other reserves	9,300	9,384	9,215	9,094
Equity attributable to equity holders of the Bank	23,765	23,773	22,967	22,438
Non-controlling interests	183	185	177	179
Total	23,949	23,958	23,144	22,617
Liabilities				
Deposits and balances of banks	18,731	19,243	19,750	26,470
Deposits and balances of non-bank customers	168,792	168,495	169,460	148,358
Bills and drafts payable	1,695	1,546	1,730	1,754
Other liabilities	10,232	9,730	11,087	9,983
Debts issued	12,016	11,864	11,786	9,739
Total	211,466	210,878	213,814	196,303
Total equity and liabilities	235,414	234,837	236,958	218,921
Assets				
Cash, balances and placements with central banks	26,125	25,848	26,786	26,948
Singapore Government treasury bills and securities	8,398	8,021	9,710	11,306
Other government treasury bills and securities	8,489	9,940	8,253	6,562
Trading securities	354	230	271	233
Placements and balances with banks	16,151	15,594	18,770	13,356
Loans to non-bank customers	146,942	144,878	141,191	128,532
Investment securities	11,556	13,223	14,354	15,446
Other assets	9,929	9,595	10,157	9,061
Investment in associates	1,070	1,130	1,092	1,133
Investment properties	1,056	1,116	1,126	1,104
Fixed assets	1,162	1,074	1,050	1,037
Intangible assets	4,181	4,188	4,196	4,202
Total	235,414	234,837	236,958	218,921
Off-balance sheet items				
Contingent liabilities	17,243	17,154	15,821	17,495
Financial derivatives	356,895	358,979	351,224	323,541
Commitments	56,801	53,198	54,022	51,094
Net asset value per ordinary share (\$)	13.74	13.74	13.23	12.89

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank				Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
Balance at 1 January 2012	5,253	8,499	9,215	22,967	177	23,144
Profit for the financial period	-	1,401	-	1,401	10	1,410
Other comprehensive income for the financial period	-	-	74	74	1	75
Total comprehensive income for the financial period	-	1,401	74	1,475	11	1,485
Transfers	-	0	(0)	-	-	-
Dividends	-	(681)	-	(681)	(5)	(685)
Share buyback - held in treasury	(11)	-	-	(11)	-	(11)
Share-based compensation	-	-	15	15	-	15
Issue of treasury shares under share-based compensation plans	4	-	(4)	-	-	-
Balance at 30 June 2012	5,247	9,219	9,300	23,765	183	23,949
Balance at 1 January 2011	4,685	7,687	9,101	21,473	180	21,654
Profit for the financial period	-	1,248	-	1,248	9	1,257
Other comprehensive income for the financial period	-	-	(25)	(25)	(3)	(28)
Total comprehensive income for the financial period	-	1,248	(25)	1,223	6	1,229
Transfers	-	(0)	0	-	-	-
Change in non-controlling interests	-	-	0	0	(1)	(1)
Dividends	-	(822)	-	(822)	(5)	(828)
Issue of shares under scrip dividend scheme	547	-	-	547	-	547
Share-based compensation	-	-	17	17	-	17
Increase in statutory reserves	-	-	1	1	-	1
Issue of treasury shares under share-based compensation plans	1	-	(1)	-	-	-
Balance at 30 June 2011	5,233	8,111	9,094	22,438	179	22,617

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank				Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
Balance at 1 April 2012	5,244	9,145	9,384	23,773	185	23,958
Profit for the financial period	-	713	-	713	5	718
Other comprehensive income for the financial period	-	-	(89)	(89)	(3)	(93)
Total comprehensive income for the financial period	-	713	(89)	623	2	625
Transfers	-	(0)	0	-	-	-
Dividends	-	(639)	-	(639)	(4)	(643)
Share-based compensation	-	-	8	8	-	8
Issue of treasury shares under share-based compensation plans	3	-	(3)	-	-	-
Balance at 30 June 2012	5,247	9,219	9,300	23,765	183	23,949
Balance at 1 April 2011	4,686	8,256	9,172	22,114	181	22,295
Profit for the financial period	-	636	-	636	5	640
Other comprehensive income for the financial period	-	-	(85)	(85)	(2)	(87)
Total comprehensive income for the financial period	-	636	(85)	550	2	553
Transfers	-	(0)	0	-	-	-
Dividends	-	(780)	-	(780)	(4)	(784)
Issue of shares under scrip dividend scheme	547	-	-	547	-	547
Share-based compensation	-	-	8	8	-	8
Issue of treasury shares under share-based compensation plans	0	-	(0)	-	-	-
Balance at 30 June 2011	5,233	8,111	9,094	22,438	179	22,617

Consolidated Cash Flow Statement (Unaudited)

	1H12	1H11	2Q12	2Q11
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Operating profit before amortisation and impairment charges	1,897	1,665	944	825
Adjustments for:				
Depreciation of assets	60	57	30	25
Net gain on disposal of assets	(318)	(142)	(147)	(80)
Share-based compensation	15	17	7	8
Operating profit before working capital changes	1,654	1,597	835	778
Increase/(decrease) in working capital				
Deposits and balances of banks	(1,019)	(5,392)	(512)	(5,563)
Deposits and balances of non-bank customers	(668)	6,059	297	1,784
Bills and drafts payable	(35)	465	149	(13)
Other liabilities	(783)	(407)	634	(543)
Restricted balances with central banks	(56)	(50)	(19)	21
Government treasury bills and securities	1,202	6,565	1,142	8,301
Trading securities	(60)	(61)	(112)	(34)
Investment securities	3,241	716	1,725	768
Placements and balances with banks	2,619	102	(557)	(1,077)
Loans to non-bank customers	(5,971)	(16,281)	(2,175)	(8,453)
Other assets	161	85	(355)	1,020
Cash used in operations	285	(6,602)	1,052	(3,010)
Income tax paid	(321)	(314)	(244)	(258)
Net cash provided by/(used in) operating activities	(36)	(6,916)	808	(3,268)
Cash flows from investing activities				
Net cash flow on disposal/(acquisition) of:				
Associates	-	(14)	-	0
Properties and other fixed assets	(102)	(54)	(58)	(25)
Dividends received from associates	81	115	81	115
Net cash provided by/(used in) investing activities	(20)	46	23	89
Cash flows from financing activities				
Increase in debts issued	230	3,475	152	3,066
Share buyback	(11)	-	-	-
Change in non-controlling interests	-	(1)	-	-
Dividends paid on ordinary shares	(629)	(225)	(629)	(225)
Dividends paid on preference shares	(51)	(51)	-	-
Dividends paid to non-controlling interests	(5)	(5)	(4)	(4)
Net cash provided by/(used in) financing activities	(466)	3,193	(481)	2,837
Currency translation adjustments	(194)	(168)	(92)	(135)
Net increase/(decrease) in cash and cash equivalents	(717)	(3,845)	259	(476)
Cash and cash equivalents at beginning of the financial period	22,396	27,143	21,420	23,774
Cash and cash equivalents at end of the financial period	21,679	23,298	21,679	23,298

Balance Sheet of the Bank (Unaudited)

	Jun-12	Mar-12	Dec-11 ¹	Jun-11
	\$m	\$m	\$m	\$m
Equity				
Share capital	4,415	4,413	4,422	4,401
Retained earnings	7,426	7,363	6,895	6,712
Other reserves	9,213	9,201	8,965	8,949
Total	21,054	20,977	20,282	20,062
Liabilities				
Deposits and balances of banks	17,149	17,519	18,427	24,605
Deposits and balances of non-bank customers	125,761	127,925	128,907	115,274
Deposits and balances of subsidiaries	5,814	6,134	6,873	3,938
Bills and drafts payable	441	238	273	390
Other liabilities	7,803	7,329	8,639	7,796
Debts issued	7,740	7,534	6,424	7,641
Total	164,707	166,679	169,543	159,646
Total equity and liabilities	185,762	187,656	189,825	179,708
Assets				
Cash, balances and placements with central banks	14,846	14,972	16,278	16,649
Singapore Government treasury bills and securities	8,234	7,958	9,649	11,235
Other government treasury bills and securities	4,473	7,537	4,205	3,240
Trading securities	133	134	168	151
Placements and balances with banks	13,041	12,530	15,989	11,149
Loans to non-bank customers	109,960	108,909	105,850	98,365
Placements with and advances to subsidiaries	5,902	5,165	5,693	6,607
Investment securities	10,298	11,735	12,803	13,966
Other assets	8,342	8,163	8,656	7,850
Investment in associates	329	369	369	372
Investment in subsidiaries	4,760	4,762	4,763	4,761
Investment properties	1,381	1,448	1,458	1,356
Fixed assets	881	791	761	825
Intangible assets	3,182	3,182	3,182	3,182
Total	185,762	187,656	189,825	179,708
Off-balance sheet items				
Contingent liabilities	12,650	13,097	12,160	14,253
Financial derivatives	305,114	308,003	304,180	279,509
Commitments	43,715	40,226	41,174	39,131
Net asset value per ordinary share (\$)	12.54	12.49	12.04	11.90

Note:

1 Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 January 2012	4,422	6,895	8,965	20,282
Profit for the financial period	-	1,194	-	1,194
Other comprehensive income for the financial period	-	-	237	237
Total comprehensive income for the financial period	-	1,194	237	1,430
Dividends	-	(663)	-	(663)
Share buyback - held in treasury	(11)	-	-	(11)
Share-based compensation	-	-	15	15
Issue of treasury shares under share-based compensation plans	4	-	(4)	-
Balance at 30 June 2012	4,415	7,426	9,213	21,054
Balance at 1 January 2011	3,854	6,363	8,730	18,947
Profit for the financial period	-	1,153	-	1,153
Other comprehensive income for the financial period	-	-	202	202
Total comprehensive income for the financial period	-	1,153	202	1,355
Dividends	-	(804)	-	(804)
Issue of shares under scrip dividend scheme	547	-	-	547
Share-based compensation	-	-	17	17
Issue of treasury shares under share-based compensation plans	1	-	(1)	-
Balance at 30 June 2011	4,401	6,712	8,949	20,062

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 April 2012	4,413	7,363	9,201	20,977
Profit for the financial period	-	693	-	693
Other comprehensive income for the financial period	-	-	7	7
Total comprehensive income for the financial period	-	693	7	700
Dividends	-	(629)	-	(629)
Share-based compensation	-	-	8	8
Issue of treasury shares under share-based compensation plans	3	-	(3)	-
Balance at 30 June 2012	4,415	7,426	9,213	21,054
Balance at 1 April 2011	3,854	6,805	8,875	19,534
Profit for the financial period	-	678	-	678
Other comprehensive income for the financial period	-	-	67	67
Total comprehensive income for the financial period	-	678	67	745
Dividends	-	(771)	-	(771)
Issue of shares under scrip dividend scheme	547	-	-	547
Share-based compensation	-	-	8	8
Issue of treasury shares under share-based compensation plans	0	-	(0)	-
Balance at 30 June 2011	4,401	6,712	8,949	20,062