

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 2011 are enclosed.

Dividends

Ordinary share dividend

The Directors are pleased to declare an interim one-tier tax-exempt dividend of 20 cents (2Q10: 20 cents) per ordinary share in respect of the financial year ending 31 December 2011. The dividend will be paid in cash on 15 September 2011. 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 6 September 2011 to 7 September 2011, 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 5 September 2011 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

The Directors are also pleased to declare a dividend of 5.05% per annum on the Bank's S\$1.32 billion Class E non-cumulative non-convertible preference shares for the period from 15 March 2011 up to, but excluding, 15 September 2011. The dividend will be paid on 15 September 2011. The record date for the dividend is 5 September 2011 at 5.00 pm.

No dividend (2Q10: 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 2011.

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 2011 to be false or misleading.

BY ORDER OF THE BOARD
UNITED OVERSEAS BANK LIMITED

Mrs Vivien Chan
Secretary

Dated this 12th day of August 2011

The results are also available at uobgroup.com



Group Financial Report

For the First Half / Second Quarter 2011

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

	1H11	1H10	+ / (-) %	2Q11	1Q11	+ / (-) %	2Q10	+ / (-) %
Profit and loss summary (\$m)								
Net interest income	1,785	1,784	-	913	871	4.8	884	3.3
Fee and commission income	668	570	17.3	338	330	2.2	285	18.3
Other non-interest income	407	332	22.6	186	221	(15.6)	96	93.5
Total income	2,860	2,686	6.5	1,437	1,423	1.0	1,266	13.6
Less: Total expenses	1,195	1,082	10.4	612	583	4.9	540	13.2
Operating profit	1,665	1,604	3.8	825	840	(1.7)	725	13.8
Less: Amortisation/impairment charges	204	166	23.0	98	105	(6.9)	54	80.4
Add: Share of profit of associates	73	73	1.2	48	25	88.0	48	0.8
Less: Tax and minority interests	287	290	(1.1)	140	148	(5.5)	117	19.5
Core net profit after tax	1,248	1,220	2.3	636	612	3.8	602	5.6
Add: One-time gain ¹	-	82	NM	-	-	-	-	-
Net profit after tax ²	1,248	1,302	(4.2)	636	612	3.8	602	5.6

Financial indicators (based on core earnings)

Non-interest income/Total income (%)	37.6	33.6	4.0% pt	36.5	38.7	(2.2)% pt	30.2	6.3% pt
Overseas profit contribution (%)	33.9	32.9	1.0% pt	34.7	33.2	1.5% pt	31.5	3.2% pt
Earnings per ordinary share (\$) ^{3, 4}								
Basic	1.55	1.55	-	1.57	1.52	3.3	1.52	3.3
Diluted	1.54	1.54	-	1.57	1.52	3.3	1.51	4.0
Return on average ordinary shareholders' equity (%) ^{3, 4}	12.2	13.4	(1.2)% pt	12.3	12.0	0.3% pt	13.0	(0.7)% pt
Return on average total assets (%) ⁴	1.16	1.30	(0.14)% pt	1.16	1.15	0.01% pt	1.26	(0.10)% pt
Net interest margin (%) ⁴	1.91	2.19	(0.28)% pt	1.92	1.90	0.02% pt	2.14	(0.22)% pt
Expense/Income ratio (%)	41.8	40.3	1.5% pt	42.6	41.0	1.6% pt	42.7	(0.1)% pt
Loan charge off rate (bp) ⁴								
Exclude collective impairment	9	4	5bp	7	11	(4)bp	3	4bp
Include collective impairment	31	21	10bp	30	31	(1)bp	18	12bp
Net dividend per ordinary share (¢)								
Interim	20.0	20.0	-	20.0	-	NM	20.0	-

Notes:

1 Refer to the gain from sale of UOB Life Assurance Limited.

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

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

4 Computed on an annualised basis.

Financial Highlights (cont'd)

	Jun-11	Mar-11	+ / (-) %	Jun-10	+ / (-) %
Financial indicators					
Customer loans (net) (\$m)	128,532	120,176	7.0	103,759	23.9
Customer deposits (\$m)	148,358	146,574	1.2	125,722	18.0
Loans/Deposits ratio (%) ¹	86.6	82.1	4.5% pt	82.5	4.1% pt
NPL ratio (%) ²	1.5	1.6	(0.1)% pt	1.9	(0.4)% pt
Total assets (\$m)	218,921	219,970	(0.5)	191,200	14.5
Shareholders' equity (\$m) ³	22,438	22,114	1.5	20,296	10.6
Net asset value ("NAV") per ordinary share (\$) ⁴	12.89	12.94	(0.4)	11.85	8.8
Revalued NAV per ordinary share (\$) ⁴	14.70	14.77	(0.5)	13.45	9.3
Capital adequacy ratios (%)					
Tier 1	14.5	14.9	(0.4)% pt	15.1	(0.6)% pt
Total	19.2	19.2	-	20.1	(0.9)% 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 new or amended FRS and Interpretations to FRS ("INT FRS") applicable to the Group with effect from 1 January 2011 are listed below. The adoption of these FRS and INT FRS has no significant impact on the financial statements of the Group.

- Revised FRS24 Related Party Disclosures
- INT FRS119 Extinguishing Financial Liabilities with Equity Instruments
- Improvements to FRSs 2010

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first half of 2011 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2010.

First half 2011 ("1H11") versus first half 2010 ("1H10")

The Group recorded \$1,248 million net profit after tax ("NPAT") in 1H11, 2.3% higher than 1H10. The improved performance was driven by higher non-interest income, partly offset by higher operating expenses and impairment charges.

Total income increased 6.5% to \$2,860 million. Net interest income was \$1,785 million, the same level as 1H10. This was due to the increase in interest income arising from higher loan volume being offset by lower interest income from compression in interest margins. Fee and commission income rose 17.3% to \$668 million in most business areas and across Singapore and the regional countries. Loan-related fees rose 37.3% to reach \$207 million in 1H11. Investment-related income, credit card and trade-related fee income also registered increases, as the Group's cross-sell efforts gained further momentum. Trading and investment income grew 24.4% from a year ago to reach \$247 million.

Total operating expenses increased 10.4% to \$1,195 million. Staff costs were higher as the Group continued to invest and compete for talents in Singapore and the regional countries to complement its regional growth plans. Expense-to-income ratio increased 1.5% points to 41.8% as the Group continued to manage and pace expenses to support future growth.

Total impairment charges for 1H11 was \$198 million, \$38 million higher due to write-backs for individual impairment on loans from Singapore in 1H10. Two-thirds of the total impairment charges for 1H11 was for collective impairment which was built up in tandem with the expansion in loan volume.

Net customer loans grew 23.9% to \$128.5 billion as at 30 June 2011, with increases registered in all industries and across geographies. Group NPL ratio declined further to 1.5% as at 30 June 2011 as asset quality continued to improve.

Customer deposits increased 18.0% to \$148.4 billion as at 30 June 2011. The Group's deposit franchise enabled higher deposit volume to be garnered to support loan growth. Loans-to-deposits ratio stood at 86.6%.

Shareholders' equity grew 10.6% to \$22.4 billion, largely attributed to higher retained earnings and the issuance of new ordinary shares pursuant to the scrip dividend scheme, as well as improved valuation on the investment portfolio.

Group Tier 1 and total capital adequacy ratios as at 30 June 2011 were 14.5% and 19.2% respectively, well above the regulatory requirements.

Performance Review (cont'd)**Second quarter 2011 ("2Q11") versus first quarter 2011 ("1Q11")**

Group NPAT increased 3.8% to \$636 million in 2Q11, mainly on higher net interest income and lower impairment charges.

Net interest income registered positive growth for a second consecutive quarter, rising 4.8% to reach \$913 million on higher loan volume. This was contributed by Singapore and the regional countries. Net interest margin improved to 1.92% due to the change in assets mix from excess funds deployment. With strong loan growth that came onstream, deposits collected ahead of loans in previous quarter were re-deployed to fund higher-yielding customer loans. Fee and commission income grew 2.2% to \$338 million mainly from the regional countries. The increase was largely on higher credit card income which rose 20.1% quarter-on-quarter. Fee income from investment-related and trade-related activities also rose. Loan fee income remained high at \$102 million for 2Q11. Trading and investment income declined due to less favourable market conditions.

Total operating expenses increased 4.9% to \$612 million on higher staff costs and business related expenses as the Group continued to pace its investment in people and build infrastructure to support business growth. Expense-to-income ratio was managed at 42.6%.

Total impairment charges were \$96 million. This was contributed mainly by collective impairment following from the expansion in loan volume.

After 1Q11's increase of 7%, net customer loans grew another 7.0% in 2Q11 to reach \$128.5 billion. With the support of a strong integrated regional platform, the Group continued to deliver on execution. The growth was broad based across geographies (excluding translation effects) and over most industries. Group NPL ratio improved to 1.5% whilst NPL coverage was higher at 140.5%.

Customer deposits rose another \$1.8 billion in 2Q11 to reach \$148.4 billion as at 30 June 2011 on higher fixed deposits and savings deposits.

Shareholders' equity increased in 2Q11 to \$22.4 billion as at 30 June 2011. This was due to higher profit for the period and the issuance of new ordinary shares pursuant to the scrip dividend scheme, partly offset by 2010 final dividend payment.

Second quarter 2011 ("2Q11") versus second quarter 2010 ("2Q10")

Group NPAT was 5.6% higher compared to 2Q10 as the operating performance improved 13.8%, partly offset by higher impairment charges.

Net interest income improved 3.3% on expanded loan volume. Non-interest income increased 37.3% to \$524 million. Fee and commission income rose 18.3% to \$338 million across Singapore and the regional countries and in most business areas. There was significant increase in fee income for credit card, investment-related, loan and trade businesses. Trading and investment income increased to \$82 million mainly on higher gain on sale of investment securities.

Total operating expenses increased 13.2% from 2Q10. Staff costs and operating expenses grew with the expansion of the Group's businesses in Singapore and the regional countries.

Total impairment charges increased on higher collective impairment attributed to higher loan volume.

Net Interest Income

Net interest margin

	1H11			1H10		
	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	118,303	2,030	3.46	98,937	1,874	3.82
Interbank balances	34,361	256	1.50	30,932	195	1.27
Securities	35,879	400	2.25	34,222	385	2.27
Total	188,542	2,686	2.87	164,091	2,455	3.02
Interest bearing liabilities						
Customer deposits	145,754	685	0.95	126,565	508	0.81
Interbank balances/others	38,236	217	1.14	32,940	163	1.00
Total	183,990	902	0.99	159,506	671	0.85
Net interest margin ¹			1.91			2.19

	2Q11			1Q11			2Q10		
	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Interest bearing assets									
Customer loans	122,339	1,048	3.44	114,221	982	3.49	99,706	946	3.81
Interbank balances	34,591	136	1.57	34,128	121	1.43	32,502	98	1.21
Securities	34,002	199	2.35	37,777	201	2.16	33,381	187	2.24
Total	190,931	1,382	2.90	186,126	1,304	2.84	165,589	1,231	2.98
Interest bearing liabilities									
Customer deposits	147,982	358	0.97	143,502	327	0.92	127,867	260	0.82
Interbank balances/others	38,247	111	1.17	38,224	105	1.12	32,809	87	1.06
Total	186,229	469	1.01	181,726	432	0.96	160,676	347	0.87
Net interest margin ¹			1.92			1.90			2.14

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

	1H11 vs 1H10			2Q11 vs 1Q11			2Q11 vs 2Q10		
	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	367	(211)	156	70	(15)	54	215	(113)	102
Interbank balances	22	39	61	2	12	13	6	31	37
Securities	19	(4)	15	(20)	15	(5)	3	9	12
Total	407	(176)	231	51	12	63	225	(73)	151
Interest expense									
Customer deposits	77	100	177	10	16	27	41	57	98
Interbank balances/others	31	22	54	4	0	5	21	4	24
Total	108	122	231	15	17	32	62	60	122
Change in number of days	-	-	-	-	-	10	-	-	-
Net interest income	299	(298)	1	37	(5)	42	163	(134)	29

1H11 vs 1H10

Net interest income was \$1,785 million, the same level as 1H10. The increase in interest income contributed by higher loan volume was offset by lower interest income from compression in interest margins. Net interest margin was lower at 1.91%.

2Q11 vs 1Q11

Net interest income registered positive growth for a second consecutive quarter, rising 4.8% to reach \$913 million on higher loan volume. Singapore and the regional countries contributed to the quarter-on-quarter growth. Net interest margin improved to 1.92% due to the change in assets mix from excess funds deployment. With strong loan growth that came onstream, deposits collected ahead of loans in previous quarter were re-deployed to fund higher-yielding customer loans.

2Q11 vs 2Q10

Compared to 2Q10, net interest income rose 3.3% on expanded loan volume. Average loans grew 22.7% and more than offset the impact of a lower net interest margin.

Non-Interest Income

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)	2Q10	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Fee and commission income								
Credit card	110	94	16.8	60	50	20.1	49	22.2
Fund management	52	63	(17.0)	26	27	(4.5)	29	(10.8)
Investment-related	101	79	27.9	52	49	4.7	41	25.7
Loan-related	207	151	37.3	102	105	(2.6)	74	39.0
Service charges	46	44	4.4	22	24	(8.9)	22	2.1
Trade-related	120	104	15.8	61	59	2.8	53	14.1
Others	32	35	(9.1)	15	16	(4.4)	18	(15.1)
	668	570	17.3	338	330	2.2	285	18.3
Other non-interest income								
Dividend income	57	28	>100.0	55	3	>100.0	25	>100.0
Rental income	56	60	(6.7)	28	28	(2.6)	30	(9.0)
Trading income/(loss)	45	38	18.6	13	32	(59.7)	7	83.3
Non-trading income/(loss)								
Financial instruments measured at fair value to profit and loss	93	38	>100.0	8	85	(90.3)	(18)	>100.0
Available-for-sale assets and others	108	122	(11.5)	61	48	27.5	22	>100.0
	247	198	24.4	82	165	(50.3)	12	>100.0
Other income	48	46	2.4	22	25	(10.2)	30	(24.6)
Other operating income	294	245	20.2	104	190	(45.0)	42	>100.0
	407	332	22.6	186	221	(15.6)	96	93.5
Core non-interest income	1,075	902	19.3	524	551	(4.9)	382	37.3
Add: One-time gain	-	82	NM	-	-	-	-	-
Total	1,075	984	9.3	524	551	(4.9)	382	37.3

1H11 vs 1H10

Fee and commission income rose 17.3% to \$668 million from 1H10 in most business areas and across Singapore and the regional countries. Loan-related fees rose 37.3% to \$207 million. Investment-related income, credit card and trade-related fee income also registered increases, as the Group's cross-sell efforts gained further momentum. Trading and investment income grew 24.4% from a year ago to reach \$247 million.

2Q11 vs 1Q11

Fee and commission income grew 2.2% to \$338 million mainly from the regional countries. The increase was largely on higher credit card income which rose 20.1% quarter-on-quarter. Fee income from investment-related and trade-related activities also rose. Trading and investment income declined during the quarter due to less favourable market conditions.

2Q11 vs 2Q10

Compared to 2Q10, non-interest income increased 37.3% to \$524 million. Fee and commission income rose 18.3% to \$338 million across Singapore and the regional countries and in most business areas. There was significant increase in fee income for credit card business, investment-related, loan business and trade activities. Trading and investment income increased to \$82 million mainly on higher gain on sale of investment securities.

Operating Expenses

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)	2Q10	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	693	604	14.8	355	339	4.8	302	17.3
Other operating expenses								
Revenue-related	249	226	10.6	130	119	9.5	114	14.5
Occupancy-related	114	107	6.7	57	57	0.2	54	5.3
IT-related	72	91	(20.4)	35	37	(4.2)	40	(11.2)
Others	66	56	18.2	34	32	8.4	30	14.1
	501	479	4.8	257	244	5.1	238	8.1
Total	1,195	1,082	10.4	612	583	4.9	540	13.2
Of which, depreciation of assets	57	68	(16.8)	25	32	(21.1)	34	(26.6)
Manpower (number)	22,609	20,551	2,058	22,609	22,287	322	20,551	2,058

1H11 vs 1H10

Total operating expenses increased 10.4% to \$1,195 million, mainly on higher staff costs as the Group continued to invest and compete for talents in Singapore and across the regional countries. Revenue-related expenses increased 10.6% to \$249 million. Expense-to-income ratio increased 1.5% points to 41.8% as the Group continued to manage and pace expenses to support future growth.

2Q11 vs 1Q11

Total operating expenses increased 4.9% to \$612 million on higher staff costs and business related expenses as the Group continued to pace its investment in people and build infrastructure to support business growth. Expense-to-income ratio was managed at 42.6%.

2Q11 vs 2Q10

Total operating expenses increased 13.2% from 2Q10. Staff costs and operating expenses grew with the expansion of the Group's businesses in Singapore and the regional countries.

Impairment Charges

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)	2Q10	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Individual impairment on loans ¹								
Singapore	21	(27)	>100.0	3	18	(83.0)	(16)	>100.0
Malaysia	1	4	(84.4)	3	(3)	>100.0	(10)	>100.0
Thailand	13	17	(23.7)	6	6	0.4	4	76.8
Indonesia	16	9	73.2	8	8	4.9	6	46.0
Greater China ²	(7)	1	(>100.0)	(7)	(0)	(>100.0)	2	(>100.0)
Others	13	14	(8.7)	9	4	>100.0	23	(61.9)
	56	18	>100.0	22	34	(33.8)	8	>100.0
Individual impairment on securities and others	8	8	5.7	(1)	9	(>100.0)	(14)	92.8
Collective impairment	134	134	(0.1)	74	60	24.6	57	29.7
Total	198	160	24.0	96	103	(7.0)	52	85.1

1H11 vs 1H10

Total impairment charges for 1H11 was \$198 million comprised mainly collective impairment of \$134 million. Individual impairment on loans was \$56 million, higher than 1H10 due to higher write-backs from Singapore in 1H10.

2Q11 vs 1Q11

Total impairment charges were \$96 million, \$7 million lower due to lower individual impairment on loans and other assets. Collective impairment was higher following from the increase in loan volume.

2Q11 vs 2Q10

Total impairment charges increased on higher collective impairment attributed to higher loan volume. Individual impairment on loans for 2Q11 was \$22 million compared to \$8 million in 2Q10.

Notes:

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

2 Comprise China, Hong Kong and Taiwan.

Customer Loans

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Gross customer loans	131,244	122,851	115,122	106,339
Less: Individual impairment	837	866	930	909
Collective impairment	1,874	1,809	1,752	1,671
Net customer loans	128,532	120,176	112,440	103,759
By industry				
Transport, storage and communication	6,814	7,119	6,710	6,017
Building and construction	14,257	13,180	11,506	11,862
Manufacturing	9,589	8,606	8,617	8,425
Financial institutions	22,262	20,063	18,673	14,574
General commerce	17,604	16,542	15,094	14,096
Professionals and private individuals	16,237	15,374	14,907	13,922
Housing loans	36,638	35,141	33,528	30,488
Others	7,841	6,828	6,086	6,955
Total (gross)	131,244	122,851	115,122	106,339
By currency				
Singapore dollar	73,258	70,244	66,915	60,943
US dollar	17,637	15,277	13,855	13,946
Malaysian ringgit	16,144	15,437	14,282	12,902
Thai baht	6,690	6,781	6,841	6,188
Indonesian rupiah	3,818	3,465	3,213	3,167
Others	13,697	11,647	10,017	9,193
Total (gross)	131,244	122,851	115,122	106,339
By maturity				
Within 1 year	49,821	47,274	44,983	40,524
Over 1 year but within 3 years	20,273	19,614	19,766	20,019
Over 3 years but within 5 years	17,917	15,156	12,575	11,347
Over 5 years	43,232	40,808	37,798	34,449
Total (gross)	131,244	122,851	115,122	106,339
By geography ¹				
Singapore	85,619	80,153	75,534	69,170
Malaysia	17,332	16,495	15,278	13,716
Thailand	7,006	7,064	7,050	6,352
Indonesia	4,929	4,417	3,975	3,842
Greater China	7,260	6,098	5,295	4,795
Others	9,097	8,624	7,990	8,464
Total (gross)	131,244	122,851	115,122	106,339

Net customer loans grew another 7.0% for the quarter, bringing year-to-date loan growth to 14.3%, to reach \$128.5 billion as at 30 June 2011. Loan growth for the quarter was broad based across geographies (excluding translation effects), and over most industries. Compared to the same period last year, net loans rose 23.9% with increases registered in all industries and across geographies.

Efforts to develop the Group's business in the regional countries yielded results. Loans from the regional countries grew 15.6% from last year end, at a rate faster than that in Singapore. Contributions from these countries to the Group's total loan base continued to trend up from 27.0% a year ago to 27.8% as at end June 2011. Singapore being the Group's core market, continued to show strong increases in loans, growing 13.4% from end December 2010.

Note:

¹ Based on the location where the loans are booked.

Non-Performing Assets

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Loans ("NPL")	1,930	2,002	2,155	2,075
Debt securities and others ¹	512	497	405	418
Non-Performing Assets ("NPA")	2,442	2,499	2,560	2,493

By grading

Substandard	1,466	1,474	1,478	1,434
Doubtful	420	432	432	429
Loss	556	593	650	630
Total	2,442	2,499	2,560	2,493

By security coverage

Secured	943	973	1,153	1,097
Unsecured	1,499	1,526	1,407	1,396
Total	2,442	2,499	2,560	2,493

By ageing

Current	333	400	596	404
Within 90 days	187	348	194	228
Over 90 to 180 days	196	217	251	244
Over 180 days	1,726	1,534	1,519	1,617
Total	2,442	2,499	2,560	2,493

Cumulative impairment

Individual	1,068	1,104	1,157	1,123
Collective	2,010	1,945	1,888	1,802
Total	3,078	3,049	3,045	2,925
As a % of NPA	126.0%	122.0%	118.9%	117.3%
As a % of unsecured NPA	205.3%	199.8%	216.4%	209.5%

	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	364	5.3	412	5.8	361	5.3	79
Building and construction	87	0.6	120	0.9	149	1.1	166
Manufacturing	554	5.8	535	6.2	524	6.1	611
Financial institutions	175	0.8	187	0.9	194	1.0	186
General commerce	275	1.6	290	1.8	353	2.3	363
Professionals and private individuals	179	1.1	180	1.2	197	1.3	207
Housing loans	223	0.6	225	0.6	259	0.8	288
Others	73	0.9	53	0.8	118	1.7	175
Total	1,930	1.5	2,002	1.6	2,155	1.8	2,075

Note:

1 Included contingent liabilities with effect from March 2011.

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 11	817	1.0	229.9	403.0
Mar 11	816	1.0	225.5	377.0
Dec 10	845	1.1	213.7	393.5
Jun 10	804	1.2	215.2	345.3
Malaysia				
Jun 11	336	1.9	111.9	303.2
Mar 11	355	2.2	103.1	283.7
Dec 10	373	2.4	93.6	258.5
Jun 10	418	3.0	78.9	237.4
Thailand				
Jun 11	293	4.2	76.1	131.2
Mar 11	311	4.4	75.2	137.6
Dec 10	409	5.2	69.4	120.9
Jun 10	413	5.9	70.7	123.7
Indonesia				
Jun 11	98	2.0	63.3	885.7
Mar 11	106	2.4	55.7	842.9
Dec 10	80	2.0	71.3	814.3
Jun 10	99	2.6	66.7	314.3
Greater China				
Jun 11	30	0.4	183.3	196.4
Mar 11	60	1.0	105.0	196.9
Dec 10	61	1.2	104.9	376.5
Jun 10	83	1.7	84.3	233.3
Others				
Jun 11	356	3.9	32.9	39.0
Mar 11	354	4.1	31.9	36.3
Dec 10	387	4.8	31.5	56.2
Jun 10	258	3.0	35.7	76.7
Group NPL				
Jun 11	1,930	1.5	140.5	247.6
Mar 11	2,002	1.6	133.6	235.3
Dec 10	2,155	1.8	124.5	250.7
Jun 10	2,075	1.9	124.3	246.4

Group NPL declined further over the comparative periods to \$1,930 million as at 30 June 2011, with Group NPL ratio improving further to 1.5%. NPL coverage for the Group was higher at 140.5% and 247.6% if collaterals were considered.

Note:

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

Customer Deposits

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
By product group				
Fixed deposits	80,967	79,313	77,310	67,289
Savings deposits	37,689	36,667	34,841	31,548
Current accounts	25,945	26,658	27,261	24,655
Others	3,757	3,937	2,888	2,231
Total	148,358	146,574	142,299	125,722
By maturity				
Within 1 year	141,069	143,608	139,129	122,412
Over 1 year but within 3 years	4,734	1,523	1,784	2,045
Over 3 years but within 5 years	1,746	1,238	1,157	871
Over 5 years	809	204	230	393
Total	148,358	146,574	142,299	125,722
Loans/Deposits ratio (%)	86.6	82.1	79.0	82.5

The Group's deposit franchise enabled sufficient deposits to be garnered to support growth in the Group's lending business. Customer deposits rose another \$1.8 billion for the quarter to reach \$148.4 billion as at 30 June 2011. The regional countries garnered more fixed deposits while Singapore collected more savings deposits. Current accounts was lower for Singapore. Against the same period last year, customer deposits grew 18.0% broad based across the product groups.

Debts Issued

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Subordinated debts				
Due after one year (unsecured)	6,258	5,293	5,367	5,660
Other debts issued				
Due within one year (unsecured)	2,744	1,129	672	423
Due after one year (unsecured)	737	250	224	218
	3,481	1,379	896	641
Total	9,739	6,672	6,263	6,301

Shareholders' Equity

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Shareholders' equity	22,438	22,114	21,473	20,296
Add: Revaluation surplus	2,858	2,828	2,818	2,457
Shareholders' equity including revaluation surplus	25,297	24,942	24,292	22,753

Shareholders' equity increased over last quarter to \$22.4 billion as at 30 June 2011. This was mainly due to profit for the period and the issuance of new ordinary shares pursuant to the scrip dividend scheme, partly offset by 2010 final dividend payment.

Compared to a year ago, shareholders' equity grew 10.6% mainly contributed by higher retained earnings, the issuance of new ordinary shares, as well as improved valuation of the investment portfolio.

As at 30 June 2011, revaluation surplus of \$2.9 billion on the Group's properties was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	1H11	1H10	2Q11	2Q10
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,560,139	1,524,194	1,560,139	1,524,194
Issue of shares under scrip dividend scheme	30,347	24,352	30,347	24,352
Balance at beginning/end of period	1,590,487	1,548,546	1,590,487	1,548,546
Treasury shares				
Balance at beginning of period	(17,515)	(18,175)	(17,503)	(18,175)
Issue of shares under share-based compensation plans	34	-	22	-
Balance at end of period	(17,481)	(18,175)	(17,481)	(18,175)
Ordinary shares net of treasury shares	1,573,006	1,530,371	1,573,006	1,530,371
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 organized 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 decreased by 2.3% to \$508 million in 1H11. Higher fee and commission income came mainly from treasury, investment and credit cards products. The increase in income was, however, negated by higher business volume-related costs and higher 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 increased 16.3% to \$812 million in 1H11. The increase was mainly due to higher net interest income and loan-related fee income driven by strong loan growth. This was partly negated by higher impairment charges.

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 decreased 30.0% to \$250 million in 1H11. The decline was mainly attributed to lower net interest income, partly negated by higher trading and investment income. Staff and other operating expenses grew in line with business volume.

Other

Other segment includes property-related activities, insurance businesses and income and expenses not attributable to other operating segments.

Segment profit recorded a profit of \$18 million in 1H11 as compared to a loss of \$20 million in 1H10. This was mainly due to the lower collective impairment.

Performance by Operating Segment¹ (cont'd)

	GR	GW	GMIM	Other ²	Elimination ³	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1H11						
Operating income	1,172	1,072	509	295	(188)	2,860
Operating expenses	(628)	(226)	(262)	(214)	135	(1,195)
Impairment charges	(34)	(31)	6	(139)	-	(198)
Amortisation of intangible assets	(2)	(3)	-	-	-	(5)
Share of profit of associates	-	-	(3)	76	-	73
Profit before tax	508	812	250	18	(53)	1,535
Segment assets	57,869	75,541	81,003	4,848	(5,675)	213,586
Intangible assets	1,337	2,118	666	81	-	4,202
Investment in associates	-	-	21	1,112	-	1,133
Total assets	59,206	77,659	81,690	6,041	(5,675)	218,921
Segment liabilities	79,851	64,754	48,140	9,847	(6,289)	196,303
Other information						
Inter-segment operating income	194	(94)	(104)	192	(188)	-
Gross customer loans	57,810	72,983	389	62	-	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
1H10						
Operating income	1,096	925	528	292	(155)	2,686
Operating expenses	(545)	(211)	(209)	(228)	111	(1,082)
Impairment charges	(29)	(12)	36	(155)	-	(160)
Amortisation of intangible assets	(2)	(4)	-	-	-	(6)
Share of profit of associates	-	-	2	71	-	73
Profit before tax	520	698	357	(20)	(45)	1,510
Segment assets	48,438	60,080	75,424	4,108	(2,268)	185,782
Intangible assets	1,347	2,134	668	81	-	4,230
Investment in associates	-	-	28	1,160	-	1,188
Total assets	49,785	62,214	76,120	5,349	(2,268)	191,200
Segment liabilities	71,988	52,343	39,861	9,518	(2,977)	170,733
Other information						
Inter-segment operating income	102	(76)	(16)	145	(155)	-
Gross customer loans	48,403	57,758	101	77	-	106,339
Non-performing assets	610	1,557	201	125	-	2,493
Capital expenditure	4	1	1	32	-	38
Depreciation of assets	5	3	1	59	-	68

Notes:

- 1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties
- 2 Excluded one-time gain on sale of UOB Life Assurance Limited in 1H10
- 3 This includes joint income and expenses allocated to business segments in respect of cross-sell activities
- 4 Certain prior period comparatives have been restated to reflect the re-alignment of the organisation to be more segment focused.

Performance by Geographical Segment¹

	1H11	1H10	2Q11	1Q11	2Q10
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore ²	1,722	1,671	857	866	774
Malaysia	388	348	198	190	172
Thailand	202	204	99	103	96
Indonesia	214	192	110	103	95
Greater China	150	96	86	64	49
Others	184	174	87	96	80
Total	2,860	2,686	1,437	1,423	1,266
Profit before tax					
Singapore ²	1,017	1,017	508	509	494
Malaysia	219	214	110	109	116
Thailand	37	48	17	19	22
Indonesia	75	80	40	35	34
Greater China	77	43	51	26	20
Others	116	114	52	64	35
	1,540	1,516	778	762	721
Intangible assets amortised	(5)	(6)	(3)	(3)	(3)
Total	1,535	1,510	775	760	719

In 1H11, the Group's operating income increased 6.5% with growth registered in Singapore and the regional countries. The concerted efforts to develop the Group's business in the regional countries resulted in improved performance. Operating income in these countries rose 13.4% in 1H11. At net profit before tax level, the increase was 5.8%.

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Total assets				
Singapore	139,788	145,098	141,970	129,582
Malaysia	25,011	23,604	21,620	18,383
Thailand	11,854	10,786	10,533	9,429
Indonesia	6,231	6,116	5,455	5,068
Greater China	16,121	13,432	11,879	8,720
Others	15,713	16,724	18,111	15,787
	214,719	215,762	209,568	186,970
Intangible assets	4,202	4,208	4,210	4,230
Total	218,921	219,970	213,778	191,200

Notes:

- 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.
- 2 Excluded one-time gain on sale of UOB Life Assurance Limited in 1H10.

Capital Adequacy Ratios

	Jun-11	Mar-11	Dec-10	Jun-10
	\$m	\$m	\$m	\$m
Tier 1 capital				
Share capital	3,084	2,537	2,537	2,319
Preference shares	2,149	2,149	2,149	2,149
Disclosed reserves/others	16,617	16,912	16,439	15,656
Deductions from Tier 1 capital	(4,747)	(4,773)	(4,763)	(4,800)
Eligible Tier 1 capital	17,103	16,825	16,362	15,324
Tier 2 capital				
Cumulative collective impairment/others	987	954	936	873
Subordinated notes	5,014	4,288	4,343	4,549
Deductions from Tier 2 capital	(413)	(432)	(435)	(451)
Eligible total capital	22,691	21,635	21,206	20,295
Risk-weighted assets	118,298	112,791	106,889	101,174
Capital adequacy ratios ("CAR")				
Tier 1	14.5%	14.9%	15.3%	15.1%
Total	19.2%	19.2%	19.8%	20.1%

As at 30 June 2011, Group Tier 1 and total CAR of 14.5% and 19.2% were well above the regulatory minimums of 6% and 10% respectively.

The lower Tier 1 CAR over 31 March 2011 was primarily attributed to higher risk-weighted assets, partly offset by issuance of new ordinary shares pursuant to the scrip dividend scheme. Total CAR remained unchanged at 19.2%.

The lower Tier 1 and total CAR over 30 June 2010 were largely due to higher risk-weighted assets, partly offset by higher retained earnings and issuance of new ordinary shares.

Consolidated Profit and Loss Account (Unaudited)

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)	2Q10	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	2,686	2,455	9.4	1,382	1,304	6.0	1,231	12.3
Less: Interest expense	902	671	34.4	469	432	8.5	347	35.2
Net interest income	1,785	1,784	-	913	871	4.8	884	3.3
Fee and commission income	668	570	17.3	338	330	2.2	285	18.3
Dividend income	57	28	>100.0	55	3	>100.0	25	>100.0
Rental income	56	60	(6.7)	28	28	(2.6)	30	(9.0)
Other operating income	294	327	(10.0)	104	190	(45.0)	42	>100.0
Non-interest income	1,075	984	9.3	524	551	(4.9)	382	37.3
Total operating income	2,860	2,768	3.3	1,437	1,423	1.0	1,266	13.6
Less: Staff costs	693	604	14.8	355	339	4.8	302	17.3
Other operating expenses	501	479	4.8	257	244	5.1	238	8.1
Total operating expenses	1,195	1,082	10.4	612	583	4.9	540	13.2
Operating profit before charges	1,665	1,686	(1.2)	825	840	(1.7)	725	13.8
Less: Amortisation/impairment charges								
Intangible assets	5	6	(5.6)	3	3	(0.2)	3	(6.0)
Loans and others	198	160	24.0	96	103	(7.0)	52	85.1
Operating profit after charges	1,462	1,520	(3.8)	727	734	(1.0)	671	8.4
Share of profit of associates	73	73	1.2	48	25	88.0	48	0.8
Profit before tax	1,535	1,592	(3.6)	775	760	2.0	719	7.9
Less: Tax	278	280	(0.5)	135	143	(5.6)	113	19.6
Profit for the financial period	1,257	1,313	(4.3)	640	617	3.8	606	5.7
Attributable to:								
Equity holders of the Bank	1,248	1,302	(4.2)	636	612	3.8	602	5.6
Minority interests	9	11	(16.0)	5	5	(1.6)	4	16.1
	1,257	1,313	(4.3)	640	617	3.8	606	5.7

Consolidated Statement of Comprehensive Income (Unaudited)

	1H11	1H10	+ / (-)	2Q11	1Q11	+ / (-)	2Q10	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	1,257	1,313	(4.3)	640	617	3.8	606	5.7
Currency translation adjustments	(170)	151	(>100.0)	(137)	(33)	(>100.0)	(1)	(>100.0)
Change in available-for-sale reserve								
Change in fair value	216	65	>100.0	104	112	(7.5)	(74)	>100.0
Transfer to profit and loss account on disposal/impairment	(54)	39	(>100.0)	(38)	(17)	(>100.0)	28	(>100.0)
Tax on net movement	4	(16)	>100.0	0	3	(89.7)	8	(95.4)
Change in share of other comprehensive income of associates	(23)	(9)	(>100.0)	(17)	(6)	(>100.0)	(6)	(>100.0)
Other comprehensive income for the financial period, net of tax	(28)	229	(>100.0)	(87)	59	(>100.0)	(45)	(92.5)
Total comprehensive income for the financial period, net of tax	1,229	1,542	(20.3)	553	676	(18.2)	560	(1.3)
Attributable to:								
Equity holders of the Bank	1,223	1,532	(20.2)	550	672	(18.1)	558	(1.4)
Minority interests	6	10	(40.3)	2	3	(33.6)	2	14.9
	1,229	1,542	(20.3)	553	676	(18.2)	560	(1.3)

Consolidated Balance Sheet (Unaudited)

	Jun-11	Mar-11	Dec-10 ¹	Jun-10
	\$m	\$m	\$m	\$m
Equity				
Share capital	5,233	4,686	4,685	4,468
Retained earnings	8,111	8,256	7,687	6,971
Other reserves	9,094	9,172	9,101	8,857
Equity attributable to equity holders of the Bank	22,438	22,114	21,473	20,296
Minority interests	179	181	180	171
Total	22,617	22,295	21,654	20,467
Liabilities				
Deposits and balances of banks	26,470	32,033	31,862	27,483
Deposits and balances of non-bank customers	148,358	146,574	142,299	125,722
Bills and drafts payable	1,754	1,767	1,288	1,226
Other liabilities	9,983	10,629	10,412	10,002
Debts issued	9,739	6,672	6,263	6,301
Total	196,303	197,675	192,125	170,733
Total equity and liabilities	218,921	219,970	213,778	191,200
Assets				
Cash, balances and placements with central banks	26,948	27,445	30,743	21,222
Singapore Government treasury bills and securities	11,306	11,961	12,814	11,603
Other government treasury bills and securities	6,562	14,181	11,575	6,899
Trading securities	233	179	138	90
Placements and balances with banks	13,356	12,280	13,458	15,948
Loans to non-bank customers	128,532	120,176	112,440	103,759
Investment securities	15,446	16,105	15,926	15,342
Other assets	9,061	10,065	9,132	8,755
Investment in associates	1,133	1,228	1,198	1,188
Investment properties	1,104	1,124	1,125	1,130
Fixed assets	1,037	1,018	1,019	1,035
Intangible assets	4,202	4,208	4,210	4,230
Total	218,921	219,970	213,778	191,200
Off-balance sheet items				
Contingent liabilities	17,495	17,457	15,021	13,581
Financial derivatives	323,541	324,459	289,011	284,864
Commitments	51,094	50,534	48,994	53,952
Net asset value per ordinary share (\$)	12.89	12.94	12.51	11.85

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank				Minority interests	Total equity
	Share capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
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 minority interests	-	-	-	-	(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
Balance at 1 January 2010	4,051	6,324	8,611	18,986	169	19,155
Profit for the financial period	-	1,302	-	1,302	11	1,313
Other comprehensive income for the financial period	-	-	230	230	(1)	229
Total comprehensive income for the financial period	-	1,302	230	1,532	10	1,542
Transfers	-	1	(1)	-	-	-
Change in minority interests	-	-	0	0	(2)	(2)
Dividends	-	(656)	-	(656)	(5)	(661)
Issue of shares under scrip dividend scheme	417	-	-	417	-	417
Share-based compensation	-	-	16	16	-	16
Balance at 30 June 2010	4,468	6,971	8,857	20,296	171	20,467

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank			Total	Minority interests	Total equity
	Share capital	Retained earnings	Other reserves			
	\$m	\$m	\$m			
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
Balance at 1 April 2010	4,051	6,981	8,894	19,926	173	20,099
Profit for the financial period	-	602	-	602	4	606
Other comprehensive income for the financial period	-	-	(43)	(43)	(2)	(45)
Total comprehensive income for the financial period	-	602	(43)	558	2	560
Transfers	-	1	(1)	-	-	-
Dividends	-	(612)	-	(612)	(4)	(616)
Issue of shares under scrip dividend scheme	417	-	-	417	-	417
Share-based compensation	-	-	8	8	-	8
Balance at 30 June 2010	4,468	6,971	8,857	20,296	171	20,467

Consolidated Cash Flow Statement (Unaudited)

	1H11	1H10	2Q11	2Q10
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Operating profit before amortisation and impairment charges	1,665	1,686	825	725
Adjustments for:				
Depreciation of assets	57	68	25	34
Net (gain)/loss on disposal of assets	(65)	(121)	(33)	13
Share-based compensation	17	16	8	8
Operating profit before working capital changes	1,674	1,649	825	780
Increase/(decrease) in working capital				
Deposits	667	3,951	(3,779)	(1,275)
Bills and drafts payable	465	(212)	(13)	(57)
Other liabilities	(407)	295	(543)	480
Restricted balances with central banks	(50)	(168)	21	(59)
Government treasury bills and securities	6,521	1,987	8,274	5,974
Trading securities	(95)	28	(53)	37
Investment securities	716	895	768	403
Placements and balances with banks	102	(1,833)	(1,077)	(2,817)
Loans to non-bank customers	(16,281)	(4,666)	(8,453)	(3,228)
Other assets	85	(63)	1,020	(100)
Cash generated from/(used in) operations	(6,602)	1,864	(3,010)	138
Income tax paid	(314)	(282)	(258)	(233)
Net cash provided by/(used in) operating activities	(6,916)	1,582	(3,268)	(95)
Cash flows from investing activities				
Net cash flow on disposal/(acquisition) of:				
Associates	(14)	(5)	0	(2)
Properties and other fixed assets	(54)	(54)	(25)	(31)
Proceeds from disposal of subsidiaries	-	428	-	-
Change in minority interests	-	(2)	-	-
Dividends received from associates	115	82	115	82
Net cash provided by investing activities	46	449	89	49
Cash flows from financing activities				
Increase in debts issued	3,475	257	3,066	179
Change in minority interests	(1)	-	-	-
Dividends paid on ordinary shares	(225)	(185)	(225)	(185)
Dividends paid on preference shares	(51)	(53)	-	-
Dividends paid to minority interests	(5)	(5)	(4)	(4)
Net cash provided by/(used in) financing activities	3,193	13	2,837	(10)
Currency translation adjustments	(168)	146	(135)	(1)
Net increase/(decrease) in cash and cash equivalents	(3,845)	2,190	(476)	(58)
Cash and cash equivalents at beginning of the financial period	27,143	16,544	23,774	18,792
Cash and cash equivalents at end of the financial period	23,298	18,734	23,298	18,734

Balance Sheet of the Bank (Unaudited)

	Jun-11	Mar-11	Dec-10 ¹	Jun-10
	\$m	\$m	\$m	\$m
Equity				
Share capital	4,401	3,854	3,854	3,636
Retained earnings	6,712	6,805	6,363	5,909
Other reserves	8,949	8,875	8,730	8,268
Total	20,062	19,534	18,947	17,813
Liabilities				
Deposits and balances of banks	24,605	30,221	30,012	26,265
Deposits and balances of non-bank customers	115,274	115,451	111,727	99,867
Deposits and balances of subsidiaries	3,938	2,013	2,269	2,233
Bills and drafts payable	390	372	183	380
Other liabilities	7,796	8,586	8,357	7,985
Debts issued	7,641	6,146	6,165	6,476
Total	159,646	162,789	158,714	143,206
Total equity and liabilities	179,708	182,323	177,661	161,020
Assets				
Cash, balances and placements with central banks	16,649	20,386	25,112	17,898
Singapore Government treasury bills and securities	11,235	11,849	12,694	11,477
Other government treasury bills and securities	3,240	10,407	7,332	3,809
Trading securities	151	179	134	90
Placements and balances with banks	11,149	9,799	11,199	13,466
Loans to non-bank customers	98,365	91,460	85,538	79,049
Placements with and advances to subsidiaries	6,607	4,379	2,869	3,186
Investment securities	13,966	14,671	14,487	14,055
Other assets	7,850	8,709	7,817	7,499
Investment in associates	372	371	371	371
Investment in subsidiaries	4,761	4,757	4,757	4,764
Investment properties	1,356	1,423	1,419	1,400
Fixed assets	825	750	750	773
Intangible assets	3,182	3,182	3,182	3,182
Total	179,708	182,323	177,661	161,020
Off-balance sheet items				
Contingent liabilities	14,253	14,272	11,910	11,142
Financial derivatives	279,509	281,295	254,775	256,401
Commitments	39,131	38,803	37,051	40,690
Net asset value per ordinary share (\$)	11.90	11.81	11.42	10.77

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 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
Balance at 1 January 2010	3,220	5,337	8,136	16,693
Profit for the financial period	-	1,207	-	1,207
Other comprehensive income for the financial period	-	-	115	115
Total comprehensive income for the financial period	-	1,207	115	1,322
Dividends	-	(635)	-	(635)
Issue of shares under scrip dividend scheme	417	-	-	417
Share-based compensation	-	-	16	16
Balance at 30 June 2010	3,636	5,909	8,268	17,813

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 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
Balance at 1 April 2010	3,220	5,932	8,299	17,450
Profit for the financial period	-	580	-	580
Other comprehensive income for the financial period	-	-	(39)	(39)
Total comprehensive income for the financial period	-	580	(39)	541
Dividends	-	(602)	-	(602)
Issue of shares under scrip dividend scheme	417	-	-	417
Share-based compensation	-	-	8	8
Balance at 30 June 2010	3,636	5,909	8,268	17,813