

To: All Shareholders

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

Unaudited Financial Results for the First Half/Second Quarter Ended 30 June 2014

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

Dividends and Distributions

Ordinary share dividend

An interim one-tier tax-exempt dividend of 20 cents (2Q13: 20 cents) per ordinary share has been declared in respect of the financial year ending 31 December 2014. The dividend will be paid in cash on 28 August 2014. 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 21 August 2014 to 22 August 2014, 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 21 August 2014 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 dividend

No dividend (2Q13: 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 2014 as dividends are payable semi-annually in March and September.

Capital securities distributions

On 19 May 2014, a semi-annual distribution at an annual rate of 4.75% totalling S\$12 million was paid on the Bank's S\$500 million 4.75% non-cumulative non-convertible perpetual capital securities for the period from 19 November 2013 up to, but excluding, 19 May 2014.

Interested Person Transactions

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

Confirmation by Directors

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first half/second quarter ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

UNITED OVERSEAS BANK LIMITED

Mrs Vivien Chan
Secretary

Dated this 31st day of July 2014

The results are also available at www.uobgroup.com



Group Financial Report

For the First Half/Second Quarter 2014

**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.
"NA" denotes not applicable.

Financial Highlights

	1H14	1H13	+ / (-) %	2Q14	2Q13	+ / (-) %	1Q14	+ / (-) %
Selected income statement items (\$m)								
Net interest income	2,234	1,979	12.9	1,124	1,016	10.7	1,110	1.3
Fee and commission income	824	889	(7.3)	410	436	(6.0)	414	(0.9)
Other non-interest income	578	446	29.5	350	191	83.0	228	53.3
Total income	3,636	3,315	9.7	1,884	1,643	14.7	1,752	7.6
Less: Total expenses	1,542	1,421	8.5	787	726	8.4	755	4.2
Operating profit	2,094	1,894	10.6	1,098	917	19.7	997	10.1
Less: Impairment charges	307	205	49.7	150	75	>100.0	157	(4.7)
Add: Share of profit of associates and joint ventures	69	125	(44.7)	26	101	(74.0)	43	(38.8)
Net profit before tax	1,857	1,813	2.4	974	944	3.2	882	10.4
Less: Tax and non-controlling interests	260	308	(15.6)	166	161	3.3	94	76.3
Net profit after tax ¹	1,596	1,505	6.1	808	783	3.2	788	2.5

Selected balance sheet items (\$m)

Net customer loans	189,695	169,909	11.6	189,695	169,909	11.6	185,270	2.4
Customer deposits	216,128	199,273	8.5	216,128	199,273	8.5	216,617	(0.2)
Total assets	296,983	274,000	8.4	296,983	274,000	8.4	295,999	0.3
Shareholders' equity ¹	28,091	25,581	9.8	28,091	25,581	9.8	27,253	3.1

Key financial ratios (%)

Net interest margin ²	1.72	1.71		1.71	1.71		1.73	
Non-interest income/Total income	38.6	40.3		40.3	38.2		36.7	
Expense/Income ratio	42.4	42.9		41.7	44.2		43.1	
Overseas profit before tax contribution	38.2	37.5		31.0	37.0		46.2	
Loan charge off rate (bp) ²								
Exclude collective impairment	9	9		19	10		(0)	
Include collective impairment	32	30		32	30		32	
NPL ratio ³	1.2	1.2		1.2	1.2		1.1	

Notes:

1 Relate to amount attributable to equity holders of the Bank.

2 Computed on an annualised basis.

3 Refer to non-performing loans as a percentage of gross customer loans.

Financial Highlights (cont'd)

	1H14	1H13	2Q14	2Q13	1Q14
Key financial ratios (%) (cont'd)					
Return on average total assets ¹	1.10	1.15	1.10	1.17	1.10
Return on average ordinary shareholders' equity ^{1,2}	12.4	12.4	12.5	13.1	12.4
Loan/Deposit ratio ³	87.8	85.3	87.8	85.3	85.5
Capital adequacy ratios					
Common Equity Tier 1	13.9	13.6	13.9	13.6	14.0
Tier 1	13.9	13.6	13.9	13.6	14.0
Total	17.8	17.2	17.8	17.2	17.7
Earnings per ordinary share (\$) ^{1,2}					
Basic	1.96	1.85	1.98	1.97	1.94
Diluted	1.95	1.84	1.97	1.96	1.93
Net asset value ("NAV") per ordinary share (\$) ⁴	16.18	14.88	16.18	14.88	15.90
Revalued NAV per ordinary share (\$) ⁴	18.80	17.23	18.80	17.23	18.57

Notes:

1 Computed on an annualised basis.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.

3 Refer to net customer loans and customer deposits.

4 Preference shares and capital securities are excluded from the computation.

Performance Review

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

The new/revised FRS applicable to the Group with effect from 1 January 2014 are listed below. The adoption of these FRS has no significant impact on the financial statements of the Group.

- FRS27 Separate Financial Statements
- FRS28 Investments in Associates and Joint Ventures
- FRS110 Consolidated Financial Statements
- FRS111 Joint Arrangements
- FRS112 Disclosure of Interests in Other Entities
- Amendments to FRS32 – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS36 – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS39 – Novation of Derivatives and Continuation of Hedge Accounting

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the first half of 2014 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2013.

First half 2014 ("1H14") performance

The Group's 1H14 net earnings rose 6.1% over 1H13 to \$1.60 billion. Operating profit crossed the \$2 billion mark, achieving an increase of 10.6% to \$2.10 billion. This was led by strong loan growth and increased investment income.

Total income increased 9.7% from a year ago to \$3.64 billion in 1H14. Net interest income recorded a double-digit growth of 12.9% to reach \$2.23 billion. Net interest margin improved 1 basis point to 1.72%.

Total non-interest income grew 5.0% year-on-year to \$1.40 billion. Net gain from investment securities were higher, compared to 1H13 due to a combination of improving market sentiment post initial concerns over US QE tapering as well as a one-off gain from investments and revaluation. Fee and commission income was 7.3% lower at \$824 million. The decrease was attributed to lower loan-related, corporate finance and fund management fees as 1H13 included some large deals.

Operating expenses increased 8.5% year-on-year to \$1.54 billion in 1H14. Staff costs rose 8.6% to \$911 million as the Group continued to invest in talent across Singapore and the region to support its business franchise. Other operating expenses increased 8.3% mainly due to higher revenue-related expenses. With income growth outpacing expense growth, expense-to-income ratio improved to 42.4% in 1H14 from 42.9% in 1H13.

Total impairment charges rose 49.7% over 1H13 to \$307 million due to higher individual impairment as well as collective impairment set aside for loan growth. Total loan charge off rate was maintained at 32 basis points.

Share of associates' profits for 1H14 were 44.7% lower than 1H13 at \$69 million as some associates realised higher gains on investments in 1H13.

Second quarter 2014 ("2Q14") performance

The Group delivered net earnings of \$808 million for 2Q14, a 3.2% increase over 2Q13 and 2.5% higher from 1Q14.

Total income for 2Q14 improved to \$1.88 billion, a 14.7% increase over 2Q13 and 7.6% higher than 1Q14. Net interest income saw an increase of 1.3% quarter-on-quarter and 10.7% over 2Q13 on the back of higher loan volume. Non-interest income registered double-digit growth of 21.1% over 2Q13 and 18.3% over 1Q14 with increased contribution from investment income.

Fee and commission income for 2Q14 was relatively flat at \$410 million when compared with 1Q14. It was 6.0% lower from a year ago due to lower wealth management, fund management and loan-related fees.

Performance Review (cont'd)

Second quarter 2014 ("2Q14") performance (cont'd)

Expenses increased 8.4% to \$787 million from a year ago on increased staff and revenue-related expenses. Compared to 1Q14, it was 4.2% higher. Expense-to-income ratio improved to 41.7% with income growth exceeding expense growth.

Total impairment charges increased to \$150 million in 2Q14 as individual impairment rose from a low level in 2Q13. This was due to a few non-performing accounts in Thailand and Singapore. Collective impairment charges of \$59 million were set aside in line with the Group's larger loan portfolio. The total loan charge off rate was maintained at 32 basis points.

Share of associates' profits for 2Q14 was \$26 million, 74.0% lower as 2Q13 recorded higher realised gains from investments. Compared with the previous quarter, it was 38.8% lower due to gain on divestment of an associate.

Tax expenses normalised to \$161 million, an increase of \$73 million quarter-on-quarter due to a write-back of prior years' provision in 1Q14.

Gross customer loans grew 11.7% year-on-year and 2.4% over the previous quarter to \$193 billion as at 30 June 2014. The steady loan growth was broad-based across territories and industries.

Customer deposits registered a broad-based growth of 8.5% from a year ago to \$216 billion as at 30 June 2014. Compared with the previous quarter, customer deposits remained stable. The Group's loan-to-deposit ratio as at 30 June 2014 stood at 87.8%.

During the quarter, the Group issued S\$500 million 3.50% fixed rate subordinated notes under its Euro Medium Term Note programme to strengthen its funding sources.

Non-performing loans ("NPL") increased 7.3% over a year ago and 11.2% over previous quarter to \$2.31 billion, while NPL ratio was stabilised at 1.2% in 2Q14. NPL coverage remained adequate at 149.2%.

Shareholders' equity was 3.1% higher than 1Q14 to reach \$28.1 billion as at 30 June 2014 on net profit for the quarter and higher available-for-sale reserves arising mainly from the recognition of fair value gain on equity investments previously carried at cost.

The Group's capital position remained strong and well above the MAS minimum requirements with Common Equity Tier 1 ("CET1"), Tier 1 and Total CAR at 13.9%, 13.9% and 17.8% respectively as at 30 June 2014.

Net Interest Income

Net interest margin

	1H14			1H13		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	187,027	2,856	3.08	162,573	2,562	3.18
Interbank balances	47,223	356	1.52	40,258	313	1.57
Securities	27,773	294	2.14	31,176	283	1.83
Total	262,023	3,506	2.70	234,008	3,158	2.72
Interest bearing liabilities						
Customer deposits	213,089	1,077	1.02	196,897	1,005	1.03
Interbank balances/others	40,775	195	0.96	29,947	174	1.17
Total	253,864	1,271	1.01	226,843	1,179	1.05
Net interest margin ¹			1.72			1.71

	2Q14			2Q13			1Q14		
	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	188,962	1,444	3.06	166,811	1,308	3.15	185,228	1,412	3.09
Interbank balances	46,854	164	1.41	40,238	160	1.59	47,597	191	1.63
Securities	28,376	153	2.16	30,741	138	1.80	27,164	141	2.11
Total	264,191	1,761	2.67	237,790	1,606	2.71	259,989	1,745	2.72
Interest bearing liabilities									
Customer deposits	212,341	537	1.01	199,285	505	1.02	213,325	540	1.03
Interbank balances/others	43,390	100	0.92	31,127	86	1.11	38,651	95	1.00
Total	255,731	637	1.00	230,412	591	1.03	251,976	635	1.02
Net interest margin ¹			1.71			1.71			1.73

Note:

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

Net Interest Income (cont'd)
Volume and rate analysis

	1H14 vs 1H13			2Q14 vs 2Q13			2Q14 vs 1Q14		
	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	385	(91)	294	174	(38)	135	28	(12)	16
Interbank balances	54	(12)	42	26	(22)	4	(3)	(26)	(29)
Securities	(31)	42	11	(11)	26	15	6	4	10
Total	409	(61)	348	189	(35)	155	32	(35)	(3)
Interest expense									
Customer deposits	83	(11)	72	33	(1)	32	(2)	(6)	(9)
Interbank balances/others	72	(51)	21	37	(23)	14	12	(8)	4
Total	154	(62)	93	70	(24)	46	9	(14)	(5)
Change in number of days	-	-	-	-	-	-	-	-	12
Net interest income	254	1	255	119	(10)	109	23	(20)	15

Net interest income grew 12.9% year-on-year to \$2.23 billion in 1H14, mainly supported by strong loan growth across the territories and industries. Net interest margin improved 1 basis point from 1.71% from a year ago to 1.72% in 1H14.

Net interest income increased 10.7% from 2Q13 and 1.3% over the previous quarter to \$1.12 billion for 2Q14. The increase was led by higher average loan volume across the territories, which mitigated the lower margins. Net interest margin for 2Q14 was 1.71%.

Non-Interest Income

	1H14	1H13	+ / (-)	2Q14	2Q13	+ / (-)	1Q14	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Fee and commission income								
Credit card	133	124	7.0	71	66	6.5	62	13.5
Fund management	70	96	(27.5)	38	43	(13.4)	32	17.6
Investment-related	211	218	(3.2)	97	112	(13.4)	114	(14.7)
Loan-related	200	236	(15.5)	99	103	(4.5)	101	(2.1)
Service charges	53	54	(0.9)	26	26	3.0	27	(1.2)
Trade-related	134	126	6.6	69	68	0.7	66	4.3
Others	23	34	(34.3)	11	17	(36.8)	12	(12.3)
	824	889	(7.3)	410	436	(6.0)	414	(0.9)
Other non-interest income								
Net trading income	258	255	1.2	132	154	(14.6)	127	4.1
Net gain/(loss) from investment securities	141	2	>100.0	118	(55)	>100.0	22	>100.0
Dividend income	31	38	(19.3)	27	29	(7.8)	4	>100.0
Rental income	59	57	4.0	30	29	3.0	29	0.5
Other income	89	94	(5.8)	43	34	27.4	46	(5.4)
	578	446	29.5	350	191	83.0	228	53.3
Total	1,402	1,336	5.0	760	628	21.1	642	18.3

Total non-interest income increased 5.0% from 1H13 to \$1.40 billion in 1H14. Net gain from investment securities were higher as compared to 1H13 due to a combination of improving market sentiment and a one-off gain from investments and revaluation. Fee and commission income, on the other hand, was 7.3% lower at \$824 million. The decrease came mainly from lower loan-related, corporate finance and fund management fees as 1H13 included some large deals.

Non-interest income registered double-digit growth of 21.1% over 2Q13 and 18.3% over 1Q14 with increased contribution from investment income. Fee and commission income for 2Q14 was relatively flat quarter-on-quarter, and 6.0% lower from a year ago.

Operating Expenses

	1H14	1H13	+ / (-)	2Q14	2Q13	+ / (-)	1Q14	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	911	838	8.6	456	423	7.9	454	0.4
Other operating expenses								
Revenue-related	322	281	14.8	171	147	16.4	151	13.5
Occupancy-related	147	146	0.2	75	70	7.1	72	4.1
IT-related	89	80	11.4	46	40	14.5	43	5.7
Others	74	76	(3.2)	39	46	(15.4)	35	11.1
	631	583	8.3	331	303	9.2	301	9.9
Total	1,542	1,421	8.5	787	726	8.4	755	4.2
Of which, depreciation of assets	71	64	12.0	36	32	11.5	35	2.8
Manpower (number)	24,595	23,852	743	24,595	23,852	743	24,775	(180)

Total operating expenses was \$1.54 billion in 1H14, an increase of 8.5% from 1H13. Staff costs rose 8.6% year-on-year to \$911 million as the Group continued to invest in talent across Singapore and the region to support its business franchise. Other operating expenses were 8.3% higher at \$631 million, mainly due to higher revenue-related expenses. With income growth outpacing expense growth, expense-to-income ratio improved to 42.4% in 1H14 from 42.9% in 1H13.

For 2Q14, total expenses increased 8.4% from 2Q13 to \$787 million. Compared to 1Q14, total expenses was 4.2% higher mainly on higher revenue-related expenses.

Impairment Charges

	1H14	1H13	+ / (-)	2Q14	2Q13	+ / (-)	1Q14	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Individual impairment on loans ¹								
Singapore	25	(22)	>100.0	25	(1)	>100.0	0	>100.0
Malaysia	11	3	>100.0	6	4	33.2	5	21.0
Thailand	35	10	>100.0	41	4	>100.0	(6)	>100.0
Indonesia	23	12	99.2	18	10	84.3	5	>100.0
Greater China ²	0	1	(55.5)	1	(1)	>100.0	(1)	>100.0
Others	(4)	71	(>100.0)	2	24	(93.4)	(6)	>100.0
	91	73	23.7	93	41	>100.0	(2)	>100.0
Individual impairment on securities and others	33	(46)	>100.0	(2)	(52)	96.3	35	(>100.0)
Collective impairment	183	177	3.3	59	86	(31.8)	124	(52.9)
Total	307	205	49.7	150	75	>100.0	157	(4.7)

Total impairment charges for 1H14 was \$307 million, 49.7% higher than 1H13. Individual impairment charges were higher while collective impairment continued to be set aside for loan growth. Total loan charge off rate increased 2 basis points to 32 basis points in 1H14.

For 2Q14, total impairment charges increased from 2Q13 to \$150 million due to higher individual impairment for a few non-performing accounts in Thailand and Singapore. Compared to 1Q14, it was \$7 million lower as increase in individual impairment was negated by lower collective impairment. Total loan charge off rate for 2Q14 remained at the previous quarter's level of 32 basis points.

Notes:

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

2 Comprise China, Hong Kong and Taiwan.

Customer Loans

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Gross customer loans	193,140	188,597	181,978	172,909
Less: Individual impairment	834	779	798	855
Collective impairment	2,611	2,548	2,323	2,145
Net customer loans	189,695	185,270	178,857	169,909
By industry				
Transport, storage and communication	9,219	8,178	7,983	7,611
Building and construction	24,478	23,949	23,845	21,467
Manufacturing	16,936	16,879	15,999	16,096
Financial institutions	30,937	30,375	29,173	26,181
General commerce	25,098	23,556	22,159	21,169
Professionals and private individuals	25,369	24,626	24,611	24,158
Housing loans	52,800	51,602	50,487	48,953
Others	8,304	9,431	7,722	7,273
Total (gross)	193,140	188,597	181,978	172,909
By currency				
Singapore dollar	105,765	104,373	101,538	97,832
US dollar	30,290	29,018	26,923	22,482
Malaysian ringgit	24,373	23,634	23,308	22,820
Thai baht	9,447	9,369	9,148	8,607
Indonesian rupiah	4,547	4,742	4,242	4,845
Others	18,718	17,462	16,819	16,324
Total (gross)	193,140	188,597	181,978	172,909
By maturity				
Within 1 year	65,812	63,523	59,256	56,994
Over 1 year but within 3 years	37,864	38,583	37,508	33,964
Over 3 years but within 5 years	21,531	20,699	20,620	19,406
Over 5 years	67,932	65,793	64,595	62,543
Total (gross)	193,140	188,597	181,978	172,909
By geography ¹				
Singapore	126,094	123,065	119,028	113,719
Malaysia	26,536	25,861	25,215	24,440
Thailand	10,008	9,948	9,837	9,153
Indonesia	5,736	5,933	5,393	5,888
Greater China	14,389	13,343	12,259	9,960
Others	10,375	10,447	10,246	9,749
Total (gross)	193,140	188,597	181,978	172,909

Gross customer loans grew 11.7% year-on-year and 2.4% over the quarter to \$193 billion as at 30 June 2014. The steady loan growth was broad-based across territories and industries.

In Singapore, loans increased 10.9% and 2.5% respectively over 2Q13 and 1Q14 to reach \$126 billion. Regional countries continued to register a strong loan growth of 14.6% over a year ago and 2.9% quarter-on-quarter to \$56.7 billion as at 30 June 2014. Compared with 1Q14, US dollar loans increased 4.4% to \$30.3 billion with US dollar loan-to-deposit ratio at 70.5% as at 30 June 2014.

Note:

¹ Based on the location where the loans are booked.

Non-Performing Assets

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Loans ("NPL")	2,309	2,077	2,074	2,152
Debt securities and others	231	284	240	326
Non-Performing Assets ("NPA")	2,540	2,361	2,314	2,478

By grading

Substandard	1,429	1,289	1,265	1,287
Doubtful	541	474	462	597
Loss	570	598	587	594
Total	2,540	2,361	2,314	2,478

By security coverage

Secured	1,211	1,083	1,088	1,074
Unsecured	1,329	1,278	1,226	1,404
Total	2,540	2,361	2,314	2,478

By ageing

Current	321	324	295	263
Within 90 days	215	140	197	218
Over 90 to 180 days	464	245	241	310
Over 180 days	1,540	1,652	1,581	1,687
Total	2,540	2,361	2,314	2,478

Cumulative impairment

Individual	977	940	958	1,067
Collective	2,738	2,675	2,450	2,315
Total	3,715	3,615	3,408	3,382
As a % of NPA	146.3%	153.1%	147.3%	136.5%
As a % of unsecured NPA	279.5%	282.9%	278.0%	240.9%

	NPL		NPL		NPL		NPL	
	\$m	ratio %	\$m	ratio %	\$m	ratio %	\$m	ratio %
NPL by industry								
Transport, storage and communication	833	9.0	823	10.1	819	10.3	900	11.8
Building and construction	141	0.6	133	0.6	123	0.5	120	0.6
Manufacturing	262	1.5	227	1.3	223	1.4	267	1.7
Financial institutions	111	0.4	97	0.3	102	0.3	122	0.5
General commerce	300	1.2	259	1.1	265	1.2	252	1.2
Professionals and private individuals	176	0.7	170	0.7	192	0.8	141	0.6
Housing loans	447	0.8	333	0.6	311	0.6	302	0.6
Others	39	0.5	35	0.4	39	0.5	48	0.7
Total	2,309	1.2	2,077	1.1	2,074	1.1	2,152	1.2

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-14	919	0.7	228.7	719.9
Mar-14	781	0.6	271.7	768.8
Dec-13	812	0.7	237.3	688.2
Jun-13	748	0.7	240.6	610.2
Malaysia				
Jun-14	431	1.6	119.0	470.6
Mar-14	414	1.6	119.8	459.3
Dec-13	411	1.6	119.5	423.3
Jun-13	397	1.6	117.1	387.5
Thailand				
Jun-14	256	2.6	119.9	220.9
Mar-14	211	2.1	134.1	255.0
Dec-13	203	2.1	140.4	285.0
Jun-13	210	2.3	128.1	263.7
Indonesia				
Jun-14	149	2.6	85.9	185.5
Mar-14	105	1.8	41.9	133.3
Dec-13	88	1.6	40.9	128.6
Jun-13	141	2.4	43.3	871.4
Greater China				
Jun-14	30	0.2	303.3	478.9
Mar-14	29	0.2	272.4	415.8
Dec-13	29	0.2	269.0	390.0
Jun-13	43	0.4	186.0	235.3
Others				
Jun-14	524	5.1	58.0	60.7
Mar-14	537	5.1	56.4	60.0
Dec-13	531	5.2	57.3	60.8
Jun-13	613	6.3	53.0	56.3
Group NPL				
Jun-14	2,309	1.2	149.2	305.1
Mar-14	2,077	1.1	160.2	316.3
Dec-13	2,074	1.1	150.5	298.9
Jun-13	2,152	1.2	139.4	264.3

Group NPL increased 11.2% over the previous quarter to \$2.31 billion as at 30 June 2014. NPL ratio was slightly higher at 1.2%, while NPL coverage remained adequate at 149.2%.

Compared with 30 June 2013, Group NPL increased 7.3% while NPL ratio was unchanged at 1.2%.

Note:

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

Customer Deposits

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
By product				
Fixed deposits	119,416	115,235	120,773	111,530
Savings deposits	48,971	47,753	45,492	45,617
Current accounts	40,740	46,412	40,289	34,698
Others	7,001	7,218	7,993	7,428
Total	216,128	216,617	214,548	199,273
By maturity				
Within 1 year	207,837	210,581	210,750	193,891
Over 1 year but within 3 years	7,069	4,759	2,488	4,262
Over 3 years but within 5 years	325	431	488	569
Over 5 years	897	847	822	552
Total	216,128	216,617	214,548	199,273
By currency				
Singapore dollar	105,701	109,366	106,573	103,033
US dollar	42,639	40,987	40,902	32,144
Malaysian ringgit	26,797	26,683	26,521	26,007
Thai baht	9,116	9,153	9,235	8,962
Indonesian rupiah	4,473	4,634	4,320	4,602
Others	27,401	25,796	26,997	24,526
Total	216,128	216,617	214,548	199,273
 Loan/Deposit ratio (%)	 87.8	 85.5	 83.4	 85.3

Customer deposits rose 8.5% year-on-year to \$216 billion as at 30 June 2014, with broad-based contribution across the territories. US dollar deposits accounted for 60% of the deposit growth.

Compared with 1Q14, customer deposits was stable at \$216 billion. Group's loan-to-deposit ratio as at 30 June 2014 stood at 87.8%.

Debts Issued (Unsecured)

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Subordinated debts	6,836	6,317	5,357	6,649
Commercial papers	12,019	12,174	9,734	6,544
Fixed and floating rate notes	3,152	2,523	2,080	1,743
Others	2,053	1,983	1,810	1,679
Total	24,060	22,997	18,981	16,615
 Due within 1 year	 14,650	 14,315	 11,507	 8,668
Due after 1 year	9,409	8,682	7,474	7,947
Total	24,060	22,997	18,981	16,615

During the quarter, the Group issued S\$500 million 3.50% fixed rate subordinated notes under its Euro Medium Term Note programme as well as floating rate notes to further diversify its funding sources.

Shareholders' Equity

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Shareholders' equity	28,091	27,253	26,388	25,581
Add: Revaluation surplus	4,181	4,196	4,098	3,709
Shareholders' equity including revaluation surplus	32,273	31,449	30,486	29,291

Shareholders' equity grew 9.8% year-on-year to \$28.1 billion as at 30 June 2014, contributed by higher retained earnings, improved valuation on the available-for-sale investment portfolio as well as the issuance of new ordinary shares pursuant to the scrip dividend scheme. Compared with 1Q14, shareholders' equity rose 3.1%.

As at 30 June 2014, revaluation surplus of \$4.18 billion on the Group's properties was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	1H14	1H13	2Q14	2Q13
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,590,494	1,590,494	1,590,494	1,590,494
Issue of shares under scrip dividend scheme	24,050	-	24,050	-
Balance at end of period	1,614,544	1,590,494	1,614,544	1,590,494
Treasury shares				
Balance at beginning of period	(14,069)	(15,733)	(13,878)	(15,613)
Issue of shares under share-based compensation plans	706	403	515	282
Balance at end of period	(13,363)	(15,331)	(13,363)	(15,331)
Ordinary shares net of treasury shares	1,601,181	1,575,163	1,601,181	1,575,163
Preference shares				
Class E non-cumulative non-convertible preference shares at beginning/end of period	-	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 business activities:

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 6.7% to \$609 million in 1H14, mainly driven by higher net interest income as well as higher non-interest income from credit cards. The increase was partly negated by higher business volume-related costs.

Group Wholesale Banking ("GWB")

GWB 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 2.0% to \$1,063 million in 1H14, supported by higher net interest income. The growth was partly negated by lower fee and commission income from loan-related activities, higher impairment charges and higher operating expenses. Higher operating expenses were resulted from the continued investment in product capabilities and hiring of new talents as the business expanded regionally.

Global Markets and Investment Management ("GMIM")

GMIM segment provides a comprehensive range of global markets products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, precious metals products, as well as an array of structured products. It is a dominant player in Singapore dollar 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. Income from global markets products and services offered to customers of other operating segments, such as Group Retail and Group Wholesale Banking, is reflected in the respective customer segments.

Segment profit increased 7.0% to \$243 million in 1H14, mainly attributed to higher gain on investment securities. The increase was partly negated by lower income from Global Markets activities, lower fee income from fund management activities and higher impairment charges on investment securities.

Others

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

Other segment recorded a loss of \$58 million in 1H14, as compared to a loss of \$27 million in 1H13, mainly due to lower associates' profits.

Performance by Operating Segment¹ (cont'd)

	GR	GWB	GMIM	Others	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1H14						
Operating income	1,463	1,446	469	344	(86)	3,636
Operating expenses	(790)	(331)	(192)	(315)	86	(1,542)
Impairment charges	(64)	(52)	(36)	(155)	-	(307)
Share of profit of associates and joint ventures	-	-	2	67	-	69
Profit before tax	609	1,063	243	(58)	-	1,857
Segment assets	85,804	128,921	77,059	3,673	(3,778)	291,679
Intangible assets	1,317	2,087	659	82	-	4,145
Investment in associates and joint ventures	-	-	305	854	-	1,159
Total assets	87,121	131,008	78,023	4,609	(3,778)	296,983
Segment liabilities	104,486	89,188	69,010	10,412	(4,402)	268,694
Other information						
Inter-segment operating income	155	(171)	(170)	272	(86)	-
Gross customer loans	85,643	107,288	195	14	-	193,140
Non-performing assets	708	1,746	6	80	-	2,540
Capital expenditure	8	2	8	114	-	132
Depreciation of assets	5	2	2	62	-	71
1H13						
Operating income	1,365	1,339	455	262	(106)	3,315
Operating expenses	(747)	(294)	(221)	(265)	106	(1,421)
Impairment charges	(47)	(3)	(8)	(147)	-	(205)
Share of profit of associates and joint ventures	-	-	2	123	-	125
Profit before tax	571	1,042	227	(27)	-	1,813
Segment assets	80,439	104,486	84,385	3,917	(4,518)	268,709
Intangible assets	1,327	2,101	663	80	-	4,171
Investment in associates and joint ventures	-	-	18	1,102	-	1,120
Total assets	81,766	106,587	85,066	5,099	(4,518)	274,000
Segment liabilities	99,498	83,104	60,633	10,140	(5,149)	248,226
Other information						
Inter-segment operating income	212	(127)	(141)	162	(106)	-
Gross customer loans	79,864	92,627	394	24	-	172,909
Non-performing assets	550	1,751	91	86	-	2,478
Capital expenditure	4	2	2	70	-	78
Depreciation of assets	4	2	1	57	-	64

Note:

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

Performance by Geographical Segment¹

	1H14	1H13	2Q14	2Q13	1Q14
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore	2,134	1,856	1,130	919	1,004
Malaysia	497	470	254	245	242
Thailand	321	312	163	155	158
Indonesia	201	221	102	109	99
Greater China	304	264	144	113	160
Others	180	191	91	101	89
Total	3,636	3,315	1,884	1,643	1,752

Profit before tax

Singapore	1,147	1,133	672	595	475
Malaysia	297	272	136	144	160
Thailand	73	77	16	35	57
Indonesia	40	82	16	38	24
Greater China	171	160	71	61	101
Others	129	88	63	71	66
Total	1,857	1,813	974	944	882

The Group's total income rose 9.7% to \$3.64 billion in 1H14. Singapore grew 14.9% to \$2.13 billion driven by strong net interest income and gains from investment securities. Regional countries mainly Malaysia, Thailand and Greater China, increased 4.4% to \$1.32 billion on higher core income.

At a pre-tax profit level, the Group increased 2.4% to \$1.86 billion in 1H14. Overseas before tax contribution formed 38.2% of total pre-tax profits, up 0.7% point from a year ago.

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Total assets				
Singapore	183,040	182,002	176,590	169,840
Malaysia	36,733	36,969	35,647	35,191
Thailand	15,114	15,448	15,608	16,152
Indonesia	7,567	7,810	7,173	7,737
Greater China	29,141	29,189	27,395	21,591
Others	21,242	20,428	17,672	19,317
	292,838	291,847	280,085	269,828
Intangible assets	4,145	4,152	4,144	4,171
Total	296,983	295,999	284,229	274,000

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^{1,2}

	Jun-14	Mar-14	Dec-13	Jun-13
	\$m	\$m	\$m	\$m
Share capital	3,685	3,159	3,155	3,131
Disclosed reserves/others	22,145	21,835	20,981	20,240
Regulatory adjustments ³	(2,395)	(2,387)	(2,348)	(2,723)
Common Equity Tier 1 Capital ("CET1")	23,435	22,607	21,788	20,648
Preference shares/others	2,180	2,180	2,180	1,936
Regulatory adjustments - capped ³	(2,180)	(2,180)	(2,180)	(1,936)
Additional Tier 1 Capital ("AT1")	-	-	-	-
Tier 1 Capital	23,435	22,607	21,788	20,648
Subordinated notes	5,668	5,167	4,692	4,692
Provisions/others	860	837	867	826
Regulatory adjustments	(22)	(13)	(37)	(88)
Tier 2 Capital	6,506	5,991	5,522	5,430
Eligible Total Capital	29,941	28,598	27,310	26,078
Risk-Weighted Assets ("RWA")	168,054	161,498	164,911	151,975
Capital Adequacy Ratios ("CAR")				
CET1	13.9%	14.0%	13.2%	13.6%
Tier 1	13.9%	14.0%	13.2%	13.6%
Total	17.8%	17.7%	16.6%	17.2%

The Group's CET1, Tier 1 and Total CAR as at 30 June 2014 were well above the regulatory minimum requirements.

Compared to the previous quarter, the Total CAR was slightly higher, largely attributed to second quarter's net profit and the issuance of S\$500 million subordinated notes in May 2014, partially offset by the higher credit RWA arising from loan growth.

Compared to a year ago, the improvement in capital ratios was mainly attributed to retained earnings and the issuance of Basel III-compliant instruments, partially offset by higher RWA resulting from asset growth.

Notes:

1 For year 2014, banks incorporated in Singapore are to maintain minimum CAR of CET1 at 5.5% (2013: 4.5%), Tier 1 at 7% (2013: 6%) and Total at 10%. By year 2019, including the capital conservation buffer of 2.5%, the minimum CAR will be CET1 at 9%, Tier 1 at 10.5% and Total at 12.5%.

2 More regulatory disclosure is available in the UOB website at www.uobgroup.com/investor/financial/overview.html.

3 This includes goodwill, other intangible assets and deferred tax assets for which MAS has allowed a progressive phase-in deduction against CET1 capital at 0% in 2013 and reaching 100% in 2018, with the remaining against AT1 and capped at available AT1.

Consolidated Income Statement (Unaudited)

	1H14	1H13	+ / (-)	2Q14	2Q13	+ / (-)	1Q14	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	3,506	3,158	11.0	1,761	1,606	9.6	1,745	0.9
Less: Interest expense	1,271	1,179	7.9	637	591	7.8	635	0.2
Net interest income	2,234	1,979	12.9	1,124	1,016	10.7	1,110	1.3
Fee and commission income	824	889	(7.3)	410	436	(6.0)	414	(0.9)
Dividend income	31	38	(19.3)	27	29	(7.8)	4	>100.0
Rental income	59	57	4.0	30	29	3.0	29	0.5
Other operating income	488	351	38.9	293	133	>100.0	195	50.6
Non-interest income	1,402	1,336	5.0	760	628	21.1	642	18.3
Total operating income	3,636	3,315	9.7	1,884	1,643	14.7	1,752	7.6
Less: Staff costs	911	838	8.6	456	423	7.9	454	0.4
Other operating expenses	631	583	8.3	331	303	9.2	301	9.9
Total operating expenses	1,542	1,421	8.5	787	726	8.4	755	4.2
Operating profit before impairment charges	2,094	1,894	10.6	1,098	917	19.7	997	10.1
Less: Impairment charges	307	205	49.7	150	75	>100.0	157	(4.7)
Operating profit after impairment charges	1,788	1,689	5.9	948	843	12.5	840	12.9
Share of profit of associates and joint ventures	69	125	(44.7)	26	101	(74.0)	43	(38.8)
Profit before tax	1,857	1,813	2.4	974	944	3.2	882	10.4
Less: Tax	250	299	(16.3)	161	156	3.2	89	81.7
Profit for the financial period	1,606	1,514	6.1	813	787	3.2	794	2.4
Attributable to:								
Equity holders of the Bank	1,596	1,505	6.1	808	783	3.2	788	2.5
Non-controlling interests	10	9	7.7	5	4	5.3	5	(13.0)
	1,606	1,514	6.1	813	787	3.2	794	2.4

Consolidated Statement of Comprehensive Income (Unaudited)

	1H14	1H13	+/(-)	2Q14	2Q13	+/(-)	1Q14	+/(-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	1,606	1,514	6.1	813	787	3.2	794	2.4
Currency translation adjustments	(10)	100 (>100.0)		(67)	(58)	(15.1)	58 (>100.0)	
Change in available-for-sale reserve								
Change in fair value	574	(267) >100.0		504	(446)	>100.0	69 >100.0	
Transfer to income statement								
on disposal/impairment	(46)	46 (>100.0)		(9)	70 (>100.0)		(37) 74.6	
Tax relating to available-for-sale reserve	(30)	0 (>100.0)		(36)	22 (>100.0)		6 (>100.0)	
Change in share of other comprehensive income of associates and joint ventures	(2)	(61) 96.7		(5)	(67) 93.2		3 (>100.0)	
Remeasurement of defined benefit obligation ¹	(0)	0 (>100.0)		(0)	0 (>100.0)		- NM	
Other comprehensive income for the financial period, net of tax	486	(182) >100.0		387	(479) >100.0		99 >100.0	
Total comprehensive income for the financial period, net of tax	2,092	1,333 57.0		1,200	308 >100.0		892 34.5	
Attributable to:								
Equity holders of the Bank	2,078	1,327 56.6		1,194	310 >100.0		884 35.0	
Non-controlling interests	14	6 >100.0		6	(2) >100.0		8 (22.5)	
	2,092	1,333 57.0		1,200	308 >100.0		892 34.5	

Note:

1 Refer to item that will not be reclassified subsequently to Income Statement.

Consolidated Balance Sheet (Unaudited)

	Jun-14	Mar-14	Dec-13 ¹	Jun-13
	\$m	\$m	\$m	\$m
Equity				
Share capital and other capital	5,863	5,336	5,333	5,280
Retained earnings	12,813	12,760	12,003	10,885
Other reserves	9,416	9,156	9,053	9,417
Equity attributable to equity holders of the Bank	28,091	27,253	26,388	25,581
Non-controlling interests	198	199	189	193
Total	28,289	27,452	26,577	25,774
Liabilities				
Deposits and balances of banks	18,362	19,900	13,706	20,304
Deposits and balances of customers	216,128	216,617	214,548	199,273
Bills and drafts payable	1,698	985	1,035	1,826
Other liabilities	8,448	8,048	9,382	10,206
Debts issued	24,060	22,997	18,981	16,615
Total	268,694	268,547	257,652	248,226
Total equity and liabilities	296,983	295,999	284,229	274,000
Assets				
Cash, balances and placements with central banks	29,279	31,338	26,881	30,331
Singapore Government treasury bills and securities	8,070	8,842	9,655	12,243
Other government treasury bills and securities	11,036	10,456	7,943	9,982
Trading securities	900	812	628	409
Placements and balances with banks	30,457	31,447	31,412	21,980
Loans to customers	189,695	185,270	178,857	169,909
Investment securities	11,860	12,047	12,140	11,991
Other assets	8,037	8,315	9,280	9,593
Investment in associates and joint ventures	1,159	996	997	1,120
Investment properties	968	988	985	1,009
Fixed assets	1,377	1,335	1,308	1,262
Intangible assets	4,145	4,152	4,144	4,171
Total	296,983	295,999	284,229	274,000
Off-balance sheet items				
Contingent liabilities	20,059	22,450	24,098	20,002
Financial derivatives	569,231	514,849	451,573	446,557
Commitments	87,880	75,911	69,757	66,172
Net asset value per ordinary share (\$)	16.18	15.90	15.36	14.88

Note:

1 Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					
	Share capital and other capital	Retained earnings	Other reserves	Total	Non- controlling interests	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2014	5,333	12,003	9,053	26,388	189	26,577
Profit for the financial period	-	1,596	-	1,596	10	1,606
Other comprehensive income for the financial period	-	(0)	482	482	4	486
Total comprehensive income for the financial period	-	1,596	482	2,078	14	2,092
Transfers	-	121	(120)	1	(1)	-
Change in non-controlling interests	-	-	0	0	0	1
Dividends	-	(908)	-	(908)	(5)	(912)
Issue of shares under scrip dividend scheme	517	-	-	517	-	517
Share-based compensation	-	-	15	15	-	15
Issue of shares under share-based compensation plans	14	-	(14)	-	-	-
Balance at 30 June 2014	5,863	12,813	9,416	28,091	198	28,289
Balance at 1 January 2013	5,272	10,222	9,586	25,080	192	25,272
Profit for the financial period	-	1,505	-	1,505	9	1,514
Other comprehensive income for the financial period	-	0	(178)	(178)	(3)	(182)
Total comprehensive income for the financial period	-	1,505	(178)	1,327	6	1,333
Transfers	-	(3)	3	-	-	-
Dividends	-	(839)	-	(839)	(6)	(844)
Share-based compensation	-	-	13	13	-	13
Increase in statutory reserves	-	-	1	1	-	1
Issue of shares under share-based compensation plans	8	-	(8)	-	-	-
Balance at 30 June 2013	5,280	10,885	9,417	25,581	193	25,774

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total			
	\$m	\$m	\$m	\$m	\$m		
Balance at 1 April 2014	5,336	12,760	9,156	27,253	199	27,452	
Profit for the financial period	-	808	-	808	5	813	
Other comprehensive income for the financial period	-	(0)	386	386	1	387	
Total comprehensive income for the financial period	-	808	386	1,194	6	1,200	
Transfers	-	123	(123)	-	-	-	
Change in non-controlling interests	-	-	-	-	(3)	(3)	
Dividends	-	(879)	-	(879)	(4)	(883)	
Issue of shares under scrip dividend scheme	517	-	-	517	-	517	
Share-based compensation	-	-	7	7	-	7	
Issue of treasury shares under share-based compensation plans	10	-	(10)	-	-	-	
Balance at 30 June 2014	5,863	12,813	9,416	28,091	198	28,289	
Balance at 1 April 2013	5,274	10,902	9,886	26,062	199	26,261	
Profit for the financial period	-	783	-	783	4	787	
Other comprehensive income for the financial period	-	0	(473)	(473)	(6)	(479)	
Total comprehensive income for the financial period	-	783	(473)	310	(2)	308	
Transfers	-	(3)	3	-	-	-	
Dividends	-	(797)	-	(797)	(5)	(801)	
Share-based compensation	-	-	6	6	-	6	
Issue of treasury shares under share-based compensation plans	5	-	(5)	-	-	-	
Balance at 30 June 2013	5,280	10,885	9,417	25,581	193	25,774	

Consolidated Cash Flow Statement (Unaudited)

	1H14	1H13	2Q14	2Q13
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Operating profit before impairment charges	2,094	1,894	1,098	917
Adjustments for:				
Depreciation of assets	71	64	36	32
Net (gain)/loss on disposal of assets	(167)	(40)	(139)	52
Share-based compensation	15	13	7	7
Operating profit before working capital changes	2,014	1,931	1,002	1,009
Increase/(decrease) in working capital				
Deposits and balances of banks	4,655	9,034	(1,538)	4,271
Deposits and balances of customers	1,580	6,977	(490)	730
Bills and drafts payable	662	254	712	(105)
Other liabilities	(888)	548	490	1,148
Restricted balances with central banks	(166)	(1,144)	(112)	(1,001)
Government treasury bills and securities	(1,504)	415	195	83
Trading securities	(262)	(141)	(84)	(26)
Placements and balances with banks	954	(5,989)	990	(2,595)
Loans to customers	(11,145)	(17,230)	(4,579)	(5,689)
Investment securities	648	(1,054)	509	473
Other assets	1,211	(249)	255	(503)
Cash used in operations	(2,241)	(6,649)	(2,650)	(2,207)
Income tax paid	(293)	(278)	(250)	(217)
Net cash used in operating activities	(2,534)	(6,927)	(2,900)	(2,425)
Cash flows from investing activities				
Net cash flow on disposal/(acquisition) of:				
Properties and other fixed assets	(111)	(47)	(48)	(30)
Change in non-controlling interests	(3)	-	(3)	-
Dividends received from associates and joint ventures	212	37	151	37
Net cash provided by/(used in) investing activities	98	(11)	101	7
Cash flows from financing activities				
Net increase in debts issued	5,078	3,815	1,063	1,815
Change in non-controlling interests	4	-	-	-
Dividends paid on ordinary shares	(351)	(788)	(351)	(788)
Dividends paid on preference shares	(18)	(51)	-	-
Distribution for perpetual capital securities	(33)	-	(12)	-
Dividends paid to non-controlling interests	(5)	(6)	(4)	(5)
Net cash provided by financing activities	4,676	2,971	696	1,022
Currency translation adjustments	(7)	98	(66)	(57)
Net increase/(decrease) in cash and cash equivalents	2,232	(3,869)	(2,170)	(1,453)
Cash and cash equivalents at beginning of the financial period	21,244	28,293	25,647	25,877
Cash and cash equivalents at end of the financial period	23,476	24,424	23,476	24,424

Balance Sheet of the Bank (Unaudited)

	Jun-14	Mar-14	Dec-13 ¹	Jun-13
	\$m	\$m	\$m	\$m
Equity				
Share capital and other capital	5,031	4,505	4,501	4,448
Retained earnings	9,909	9,812	9,255	8,512
Other reserves	9,733	9,448	9,446	9,410
Total	24,673	23,764	23,202	22,370
Liabilities				
Deposits and balances of banks	17,621	18,892	13,131	19,409
Deposits and balances of customers	163,713	165,114	163,492	150,442
Deposits and balances of subsidiaries	2,629	2,812	2,630	6,895
Bills and drafts payable	271	214	254	372
Other liabilities	6,491	6,175	7,290	8,050
Debts issued	23,370	22,562	18,546	11,514
Total	214,096	215,769	205,344	196,682
Total equity and liabilities	238,769	239,533	228,546	219,052
Assets				
Cash, balances and placements with central banks	18,017	19,793	13,854	16,713
Singapore Government treasury bills and securities	7,942	8,713	9,526	12,115
Other government treasury bills and securities	4,923	4,880	3,628	5,191
Trading securities	640	611	566	297
Placements and balances with banks	27,570	27,363	28,032	18,775
Loans to customers	145,030	141,412	136,538	128,932
Placements with and advances to subsidiaries	6,935	8,685	7,691	8,022
Investment securities	10,573	10,817	10,969	10,684
Other assets	6,352	6,697	7,196	7,755
Investment in associates and joint ventures	506	269	269	329
Investment in subsidiaries	4,740	4,758	4,752	4,756
Investment properties	1,244	1,279	1,281	1,303
Fixed assets	1,117	1,075	1,061	998
Intangible assets	3,182	3,182	3,182	3,182
Total	238,769	239,533	228,546	219,052
Off-balance sheet items				
Contingent liabilities	14,601	15,640	15,860	13,920
Financial derivatives	480,807	421,597	375,040	371,858
Commitments	68,689	57,864	53,984	50,291
Net asset value per ordinary share (\$)	14.57	14.22	13.86	13.37

Note:

1 Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 January 2014	4,501	9,255	9,446	23,202
Profit for the financial period	-	1,442	-	1,442
Other comprehensive income for the financial period	-	-	397	397
Total comprehensive income for the financial period	-	1,442	397	1,840
Transfers	-	112	(112)	-
Dividends	-	(900)	-	(900)
Issue of shares under scrip dividend scheme	517	-	-	517
Share-based compensation	-	-	15	15
Issue of shares under share-based compensation plans	14	-	(14)	-
Balance at 30 June 2014	5,031	9,909	9,733	24,673
Balance at 1 January 2013	4,440	8,120	9,572	22,133
Profit for the financial period	-	1,212	-	1,212
Other comprehensive income for the financial period	-	-	(168)	(168)
Total comprehensive income for the financial period	-	1,212	(168)	1,044
Dividends	-	(821)	-	(821)
Share-based compensation	-	-	13	13
Issue of shares under share-based compensation plans	8	-	(8)	-
Balance at 30 June 2013	4,448	8,512	9,410	22,370

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 April 2014	4,505	9,812	9,448	23,764
Profit for the financial period	-	865	-	865
Other comprehensive income for the financial period	-	-	400	400
Total comprehensive income for the financial period	-	865	400	1,264
Transfers	-	112	(112)	-
Dividends	-	(879)	-	(879)
Issue of shares under scrip dividend scheme	517	-	-	517
Share-based compensation	-	-	7	7
Issue of shares under share-based compensation plans	10	-	(10)	-
Balance at 30 June 2014	5,031	9,909	9,733	24,673
Balance at 1 April 2013	4,443	8,607	9,715	22,765
Profit for the financial period	-	692	-	692
Other comprehensive income for the financial period	-	-	(306)	(306)
Total comprehensive income for the financial period	-	692	(306)	386
Dividends	-	(788)	-	(788)
Share-based compensation	-	-	6	6
Issue of shares under share-based compensation plans	5	-	(5)	-
Balance at 30 June 2013	4,448	8,512	9,410	22,370

Capital Adequacy Ratios of Major Bank Subsidiaries

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

	Jun-14			
	Total Risk- Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
	\$m	%	%	%
United Overseas Bank (Malaysia) Bhd	16,180	13.3	13.3	15.8
United Overseas Bank (Thai) Public Company Limited	9,377	14.7	14.7	17.5
PT Bank UOB Indonesia	6,572	NA	14.5	17.1
United Overseas Bank (China) Limited	5,529	14.4	14.4	15.4