

Announcement

To: All Shareholders

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

Unaudited Financial Results for the First Half/Second Quarter Ended 30 June 2019

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

Dividends and Distributions for the Second Quarter Ended 30 June 2019

Ordinary share dividend

An interim one-tier tax-exempt dividend of 55 cents (2Q18: 50 cents) per ordinary share has been declared in respect of the financial year ending 31 December 2019. The dividend will be paid in cash on 27 August 2019. The UOB scrip dividend scheme will be suspended.

Notice is hereby given that the Share Transfer Books and Register of Members of the Bank will be closed on 19 August 2019, for determining shareholders' entitlements to the interim dividend. 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 16 August 2019 will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), entitlements to the interim dividend will be computed based on the shareholdings position after settlement of all trades on 16 August 2019 ("Record Date"). The interim dividend will be paid by the Bank to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

Distributions on perpetual capital securities

On 23 April 2019, a semi-annual distribution at an annual rate of 3.875% totalling US\$13 million was paid on the Bank's US\$650 million 3.875% non-cumulative non-convertible perpetual capital securities for the period from 19 October 2018 up to, but excluding 19 April 2019.

On 21 May 2019, a semi-annual distribution at an annual rate of 4.00% totalling S\$15 million was paid on the Bank's S\$750 million 4.00% non-cumulative non-convertible perpetual capital securities for the period from 18 November 2018 up to, but excluding 18 May 2019.

On 21 May 2019, 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 2018 up to, but excluding 19 May 2019.

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 2019 to be false or misleading in any material aspect.

Undertakings from Directors and Executive Officers

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

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

Ms Joyce Sia
Secretary

Dated this 2nd day of August 2019

The results are also available at www.UOBgroup.com



Group Financial Report

For the First Half/Second Quarter ended 30 June 2019

United Overseas Bank Limited
Incorporated in the Republic of Singapore



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Notes

- 1 The financial statements are presented in Singapore Dollars.
- 2 Certain comparative figures have been restated to conform with 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".
- 5 Non-impaired assets refer to Stage 1 and Stage 2 assets under SFRS(I) 9.
- 6 Impaired assets refer to Stage 3 and purchased or originated credit-impaired assets under SFRS(I) 9.

Abbreviation

- "1H19" and "1H18" denote first half of 2019 and 2018 respectively.
"1Q19" denotes first quarter of 2019.
"2Q19" and "2Q18" denote second quarter of 2019 and 2018 respectively.
"NM" denotes not meaningful.
"NA" denotes not applicable.

Financial Highlights

	1H19	1H18	+ / (-) %	2Q19	2Q18	+ / (-) %	1Q19	+ / (-) %
Selected income statement items (\$m)								
Net interest income	3,241	3,012	8	1,653	1,542	7	1,587	4
Net fee and commission income	1,005	1,015	(1)	527	498	6	479	10
Other non-interest income	743	546	36	403	302	33	340	18
Total income	4,989	4,573	9	2,583	2,342	10	2,406	7
Less: Operating expenses	2,203	2,009	10	1,129	1,022	11	1,073	5
Operating profit	2,787	2,564	9	1,453	1,320	10	1,333	9
Less: Allowances for credit and other losses	144	170	(15)	51	90	(44)	93	(45)
Add: Share of profit of associates and joint ventures	17	81	(79)	(0)	52	(>100)	17	(>100)
Net profit before tax	2,660	2,476	7	1,403	1,282	9	1,257	12
Less: Tax and non-controlling interests	440	421	5	235	205	14	205	14
Net profit after tax ¹	2,219	2,055	8	1,168	1,077	8	1,052	11

Selected balance sheet items (\$m)

Net customer loans	269,820	246,392	10	269,820	246,392	10	266,515	1
Customer deposits	304,792	287,515	6	304,792	287,515	6	307,701	(1)
Total assets	406,382	384,263	6	406,382	384,263	6	400,467	1
Shareholders' equity ¹	39,033	37,660	4	39,033	37,660	4	38,989	0

Key financial ratios (%)

Net interest margin ²	1.80	1.83		1.81	1.83		1.79	
Non-interest income/Total income	35.0	34.1		36.0	34.2		34.0	
Cost/Income ratio	44.1	43.9		43.7	43.6		44.6	
Overseas profit before tax contribution	39.1	41.5		37.5	40.0		40.9	
Credit costs on loans (bp) ²								
Non-impaired	1	1		(3)	3		6	
Impaired	12	11		11	11		13	
Total	13	12		8	13		19	
NPL ratio ³	1.5	1.7		1.5	1.7		1.5	

Notes:

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

Financial Highlights (cont'd)

	1H19	1H18	2Q19	2Q18	1Q19
Key financial ratios (%) (cont'd)					
Return on average ordinary shareholders' equity ^{1,2}	12.0	11.6	12.5	12.1	11.4
Return on average total assets ¹	1.12	1.12	1.17	1.16	1.07
Return on average risk-weighted assets ¹	1.95	2.04	2.02	2.13	1.88
Loan/Deposit ratio ³	88.5	85.7	88.5	85.7	86.6
Liquidity coverage ratios ("LCR") ⁴					
All-currency	147	135	147	142	146
Singapore Dollar	282	191	312	206	251
Net stable funding ratio ("NSFR") ⁵	108	110	108	110	109
Capital adequacy ratios					
Common Equity Tier 1	13.9	14.5	13.9	14.5	13.9
Tier 1	14.9	16.0	14.9	16.0	14.9
Total	17.2	18.4	17.2	18.4	17.0
Leverage ratio ⁶	7.5	7.7	7.5	7.7	7.6
Earnings per ordinary share (\$) ^{1,2}					
Basic	2.61	2.39	2.75	2.51	2.47
Diluted	2.60	2.38	2.74	2.50	2.46
Net asset value ("NAV") per ordinary share (\$) ⁷	22.12	20.77	22.12	20.77	22.13
Revalued NAV per ordinary share (\$) ⁷	25.00	23.63	25.00	23.63	25.01

Notes:

- 1 Computed on an annualised basis.
- 2 Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.
- 3 Refer to net customer loans and customer deposits.
- 4 Figures reported are based on average LCR for the respective periods. A minimum requirement of Singapore Dollar LCR of 100% and all-currency LCR of 100% shall be maintained at all times with effect from 1 January 2019 (2018: 90%). Public disclosure required under MAS Notice 651 is available in the UOB website at www.UOBgroup.com/investor/financial/overview.html.
- 5 NSFR is calculated based on MAS Notice 652 which requires a minimum of 100% to be maintained. Public disclosure required under MAS Notice 653 is available in the UOB website at www.UOBgroup.com/investor/financial/overview.html.
- 6 Leverage ratio is calculated based on MAS Notice 637 which requires a minimum ratio of 3%.
- 7 Perpetual capital securities are excluded from the computation.

Performance Review

Changes in Accounting Policies

The Group adopted the following changes with effect from 1 January 2019:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Amendments to SFRS(I) 9: Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-28: Long-term Interests in Associates and Joint Ventures
- Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement

The adoption of the above changes did not have a significant impact on the Group's financial statements.

Other than the above changes, the accounting policies and computation methods applied in the financial statements for the first half of 2019 are the same as those applied in the audited financial statements for the financial year ended 31 December 2018.

1H19 versus 1H18

The Group achieved net earnings of \$2.22 billion for 1H19, up 8% from a year ago.

Net interest income grew 8% to \$3.24 billion led by strong loan growth of 9%.

Net fee and commission income was largely flat at \$1.01 billion, as higher fees from loan-related and credit cards were partly moderated by lower fund management fees. Other non-interest income rose 36% to \$743 million, with stronger gains in trading income and investments as the rebound in financial markets since the start of 2019 was largely sustained.

All business segments delivered healthy income growth compared with a year ago. Group Retail registered 7% income growth to \$2.07 billion. Group Wholesale Banking's income rose 9% to \$2.06 billion, led by volume growth and stronger contribution from the investment banking and treasury businesses. Global Markets income grew 4% to \$283 million, mainly from higher trading and investment income.

Total expenses increased 10% to \$2.20 billion due to higher staff, revenue-related and IT-related expenses, in line with the Group's continued commitment to investing in talent and technology to enhance customer experience, product capabilities and productivity. Cost-to-income ratio increased marginally to 44.1%.

Total allowances decreased 15% to \$144 million from a year ago as allowances for non-impaired assets ended lower, reflecting the stabilising credit environment. Credit costs on impaired loans were stable at 12 basis points.

Contributions from associated companies declined to \$17 million mainly due to the reduction of interest in associated companies.

2Q19 versus 2Q18

The Group reported net earnings of \$1.17 billion in 2Q19, 8% higher than the same quarter last year.

Net interest income increased 7% to \$1.65 billion as gross loans grew 9% year on year.

Net fee and commission income increased 6% to \$527 million as wealth management saw strong flows, coupled with higher volume in credit cards and loan-related fees. Other non-interest income rose 33% to \$403 million, driven by higher trading income and gains from investment securities.

Total expenses increased 11% to \$1.13 billion in line with operating income growth while cost-to-income ratio was maintained at 43.7%.

Total allowances decreased 44% to \$51 million, due to a write-back in allowances on non-impaired assets.

Performance Review (cont'd)

2Q19 versus 1Q19

Net earnings recorded strong momentum growth of 11%, compared with the previous quarter.

Net interest income increased 4% to \$1.65 billion, boosted by an improvement in net interest margin of two basis points to 1.81%, on the back of loan repricing.

Net fee and commission income rose 10% to \$527 million, led by double-digit growth in wealth management, credit cards and fund management fees, coupled with higher loan-related fees. Other non-interest income grew 18% to \$403 million, due to higher dividend income and net gains from investment securities.

Total operating expenses increased 5%, slower than the 7% increase in total income resulting in 0.9% point improvement to cost-to-income ratio.

Total allowances declined 45% from a write-back in allowances for non-impaired assets, coupled with recoveries from impaired assets.

Balance sheet and capital position

As at 30 June 2019, loan-to-deposit ratio was healthy at 88.5%. The Group's funding position remained stable in 2Q19 with the average Singapore dollar and all-currency liquidity coverage ratios at 312% and 147% respectively while the net stable funding ratio was 108%.

The non-performing loan ratio stayed at 1.5% with coverage for non-performing assets stable at 84%, or 191% after taking collateral into account. Total allowances for non-impaired assets stood at \$1.98 billion as at 30 June 2019.

As at 30 June 2019, the Group's Common Equity Tier 1 capital adequacy ratio remained strong at 13.9% and leverage ratio at 7.5% was well above the regulatory requirement. The Group remains well capitalised to navigate the macro uncertainties ahead.

Net Interest Income

Net interest margin

	1H19			1H18		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	264,839	5,050	3.85	237,490	4,132	3.51
Interbank balances	66,307	815	2.48	67,101	692	2.08
Securities	32,434	430	2.67	26,640	359	2.72
Total	363,580	6,295	3.49	331,231	5,183	3.16
Interest bearing liabilities						
Customer deposits	306,439	2,542	1.67	278,671	1,808	1.31
Interbank balances/others	41,408	512	2.50	38,047	363	1.92
Total	347,846	3,054	1.77	316,718	2,171	1.38
Net interest margin ¹			1.80			1.83

	2Q19			2Q18			1Q19		
	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	268,507	2,581	3.86	240,568	2,162	3.61	261,131	2,469	3.84
Interbank balances	64,634	391	2.43	69,710	381	2.19	67,999	423	2.52
Securities	33,619	222	2.65	27,463	186	2.71	31,235	208	2.70
Total	366,759	3,194	3.49	337,741	2,729	3.24	360,365	3,101	3.49
Interest bearing liabilities									
Customer deposits	306,943	1,276	1.67	283,545	980	1.39	305,929	1,266	1.68
Interbank balances/others	43,045	266	2.48	39,035	207	2.12	39,752	247	2.52
Total	349,988	1,541	1.77	322,580	1,186	1.48	345,681	1,513	1.78
Net interest margin ¹			1.81			1.83			1.79

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

	1H19 vs 1H18			2Q19 vs 2Q18			2Q19 vs 1Q19		
	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m	Volume change \$m	Rate change \$m	Net change \$m
Interest income									
Customer loans	476	442	918	251	168	419	70	13	83
Interbank balances	(8)	131	123	(28)	38	11	(21)	(15)	(36)
Securities	78	(7)	71	42	(5)	36	16	(4)	12
Total	546	566	1,112	265	201	466	65	(6)	59
Interest expense									
Customer deposits	180	554	734	81	215	296	4	(9)	(5)
Interbank balances/others	32	117	150	21	38	59	20	(4)	16
Total	212	672	884	102	253	355	25	(14)	11
Change in number of days	-	-	-	-	-	-	-	-	18
Net interest income	334	(105)	228	163	(52)	111	40	8	66

Net interest income grew 8% to \$3.24 billion year on year, led by strong loan growth of 9%.

Against the same quarter last year, net interest income increased 7% to \$1.65 billion as gross loans grew 9% year on year.

Compared with last quarter, net interest income increased 4%, boosted by an improvement in net interest margin of two basis points to 1.81%, on the back of loan repricing.

Non-Interest Income

	1H19	1H18	+ / (-)	2Q19	2Q18	+ / (-)	1Q19	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Net fee and commission income								
Credit card ¹	227	207	9	121	108	12	106	15
Fund management	111	136	(18)	59	68	(13)	52	13
Wealth management	295	296	(0)	160	132	21	136	18
Loan-related ²	316	290	9	162	148	9	154	5
Service charges	77	73	5	38	37	2	39	(4)
Trade-related ³	142	146	(3)	72	74	(2)	70	3
Others	23	35	(34)	11	15	(29)	12	(13)
	1,190	1,183	1	621	581	7	569	9
Less: Fee and commission expenses	(185)	(168)	(10)	(95)	(83)	(14)	(90)	(5)
	1,005	1,015	(1)	527	498	6	479	10
Other non-interest income								
Net trading income	487	390	25	245	215	14	243	1
Net gain from investment securities	95	13	>100	67	1	>100	28	>100
Dividend income	41	21	93	40	20	>100	1	>100
Rental income	56	60	(8)	28	30	(7)	28	1
Other income	65	61	6	24	36	(34)	41	(42)
	743	546	36	403	302	33	340	18
Total	1,749	1,561	12	930	800	16	819	13

Net fee and commission income was largely flat at \$1.01 billion, as higher fees from loan-related and credit cards were partly moderated by lower fund management fees. Other non-interest income rose 36% to \$743 million, with stronger gains in trading income and investments as the rebound in financial markets since the start of 2019 was largely sustained.

Against the same quarter last year, net fee and commission income increased 6% to \$527 million as wealth management saw strong flows, coupled with higher volume in credit cards and loan-related fees. Other non-interest income rose 33% to \$403 million, driven by higher trading income and gains from investment securities.

Quarter on quarter, net fee and commission income rose 10% led by double-digit growth in wealth management, credit cards and fund management fees, coupled with higher loan-related fees. Other non-interest income grew 18% to \$403 million due to higher dividend income and net gains from investment securities.

Notes:

- 1 Credit card fees are net of interchange fees paid.
- 2 Loan-related fees include fees earned from corporate finance activities.
- 3 Trade-related fees include trade, remittance and guarantees related fees.

Operating Expenses

	1H19	1H18	+ / (-)	2Q19	2Q18	+ / (-)	1Q19	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	1,335	1,224	9	675	619	9	660	2
Other operating expenses								
Revenue-related	332	292	13	173	149	16	159	9
Occupancy-related	163	161	1	85	81	4	78	8
IT-related	253	215	18	134	112	20	119	13
Others	120	116	3	63	61	3	57	10
	868	785	11	455	403	13	413	10
Total	2,203	2,009	10	1,129	1,022	11	1,073	5
Of which, Depreciation of assets	188	131	43	98	68	45	91	8
Manpower (number)	26,867	25,424	6	26,867	25,424	6	26,651	1

Total expenses increased 10% to \$2.20 billion on higher staff, revenue and IT-related expenses, in line with the Group's continued commitment to investing in talent and technology to enhance customer experience, product capabilities and productivity. Cost-to-income ratio increased marginally to 44.1%.

Compared with the same quarter last year and last quarter, total expenses increased 11% and 5% respectively to \$1.13 billion, in line with operating income growth while cost-to-income ratio was maintained at 43.7%.

Allowances for Credit and Other Losses

	1H19	1H18	+ / (-)	2Q19	2Q18	+ / (-)	1Q19	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Allowances for non-impaired assets	(15)	18	(>100)	(21)	27	(>100)	6	(>100)
Allowances for impaired loans ¹	158	136	17	75	64	16	84	(11)
Singapore	64	19	>100	8	12	(34)	56	(86)
Malaysia	26	1	>100	13	(1)	>100	13	3
Thailand	55	55	0	34	19	79	21	61
Indonesia	17	59	(71)	10	27	(62)	7	51
Greater China ²	(4)	1	(>100)	8	(0)	>100	(12)	>100
Others	(0)	1	(>100)	1	7	(91)	(1)	>100
Allowances for impaired securities and others	0	17	(97)	(3)	(1)	(>100)	3	(>100)
Total	144	170	(15)	51	90	(44)	93	(45)

Total allowances decreased 15% to \$144 million from a year ago as allowances for non-impaired assets ended lower, reflecting the stabilising credit environment. Credit costs on impaired loans were stable at 12 basis points.

Against the same quarter last year and the previous quarter, total allowances decreased 44% and 45% respectively to \$51 million due to a write-back in allowances on non-impaired assets and recoveries from impaired assets.

Notes:

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

Customer Loans

	Jun-19	Mar-19	Dec-18	Jun-18
	\$m	\$m	\$m	\$m
Gross customer loans	272,881	269,683	261,707	249,739
Less: Allowances for non-impaired loans	1,697	1,618	1,571	1,581
Allowances for impaired loans	1,364	1,549	1,508	1,766
Net customer loans	269,820	266,515	258,627	246,392
By industry				
Transport, storage and communication	10,682	10,795	10,185	9,575
Building and construction	68,087	67,102	63,139	57,861
Manufacturing	22,478	23,440	21,112	21,809
Financial institutions, investment and holding companies	26,750	23,138	23,199	21,558
General commerce	33,662	33,658	32,928	31,470
Professionals and private individuals	29,225	29,230	29,288	28,851
Housing loans	68,498	68,740	68,387	66,983
Others	13,498	13,580	13,469	11,633
Total (gross)	272,881	269,683	261,707	249,739
By currency				
Singapore Dollar	127,395	124,326	123,347	118,168
US Dollar	52,278	52,632	50,674	49,367
Malaysian Ringgit	25,438	25,532	25,328	25,100
Thai Baht	16,974	16,441	15,600	14,487
Indonesian Rupiah	5,414	5,445	5,288	5,044
Others	45,381	45,306	41,471	37,572
Total (gross)	272,881	269,683	261,707	249,739
By maturity				
Within 1 year	108,350	106,134	104,686	104,084
Over 1 year but within 3 years	52,094	50,756	48,826	43,553
Over 3 years but within 5 years	33,634	33,045	30,452	26,626
Over 5 years	78,802	79,748	77,744	75,476
Total (gross)	272,881	269,683	261,707	249,739
By geography ¹				
Singapore	141,696	139,199	137,176	130,503
Malaysia	29,010	29,287	29,315	29,009
Thailand	18,084	17,600	16,813	15,685
Indonesia	11,363	11,372	11,289	10,892
Greater China	42,737	42,830	40,081	38,190
Others	29,991	29,395	27,033	25,460
Total (gross)	272,881	269,683	261,707	249,739

As at 30 June 2019, gross loans rose 9% year on year and 1% quarter on quarter to \$273 billion. The growth over last year was led by broad-based increase across all territories and industries. During the quarter, the growth was mainly contributed by Singapore.

Singapore loans continue to grow 9% year on year and 2% quarter on quarter to \$142 billion, while overseas contributed a strong growth of 10% in the same period last year.

Note:

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

Non-Performing Assets

	Jun-19	Mar-19	Dec-18	Jun-18
	\$m	\$m	\$m	\$m
Loans ("NPL")	4,030	4,055	3,994	4,208
Debt securities and others	155	160	172	196
Non-performing assets ("NPA")	4,185	4,215	4,166	4,404

By grading

Substandard	2,716	2,548	2,512	2,467
Doubtful	146	169	230	260
Loss	1,323	1,498	1,424	1,677
Total	4,185	4,215	4,166	4,404

By security

Secured by collateral type:

Properties	1,896	1,926	1,897	1,896
Shares and debentures	6	7	6	7
Fixed deposits	16	15	13	15
Others ¹	418	433	453	416
	2,336	2,381	2,369	2,334
Unsecured	1,849	1,834	1,797	2,070
Total	4,185	4,215	4,166	4,404

By ageing

Current	1,000	905	885	713
Within 90 days	419	392	581	400
Over 90 to 180 days	432	475	379	422
Over 180 days	2,334	2,443	2,321	2,869
Total	4,185	4,215	4,166	4,404

Total allowances

Non-impaired	1,980	2,001	1,984	1,998
Impaired	1,494	1,684	1,651	1,937
Total	3,474	3,685	3,636	3,935

	NPL	NPL	NPL	NPL	NPL	NPL	NPL
	\$m	ratio	\$m	ratio	\$m	ratio	ratio
	\$m	%	\$m	%	\$m	%	%
NPL by industry							
Transport, storage and communication	685	6.4	814	7.5	813	8.0	1,131
Building and construction	733	1.1	517	0.8	497	0.8	474
Manufacturing	697	3.1	730	3.1	709	3.4	589
Financial institutions, investment and holding companies	39	0.1	41	0.2	41	0.2	66
General commerce	487	1.4	559	1.7	511	1.6	586
Professionals and private individuals	273	0.9	295	1.0	320	1.1	296
Housing loans	766	1.1	740	1.1	739	1.1	736
Others	350	2.6	359	2.6	364	2.7	330
Total	4,030	1.5	4,055	1.5	3,994	1.5	4,208

Note:

1 Comprise mainly marine vessels.

Non-Performing Assets (cont'd)

NPL by geography ¹	NPL/NPA	NPL ratio	Allowances for impaired assets	Allowances for impaired assets as a % of NPL/NPA
	\$m	%	\$m	%
Singapore				
Jun-19	1,963	1.4	681	35
Mar-19	2,138	1.5	852	40
Dec-18	2,085	1.5	818	39
Jun-18	1,943	1.5	821	42
Malaysia				
Jun-19	553	1.9	167	30
Mar-19	571	1.9	166	29
Dec-18	558	1.9	161	29
Jun-18	623	2.1	202	32
Thailand				
Jun-19	495	2.7	172	35
Mar-19	485	2.8	164	34
Dec-18	456	2.7	153	34
Jun-18	482	3.1	159	33
Indonesia				
Jun-19	497	4.4	205	41
Mar-19	531	4.7	230	43
Dec-18	545	4.8	221	41
Jun-18	721	6.6	351	49
Greater China				
Jun-19	106	0.2	41	39
Mar-19	107	0.2	39	36
Dec-18	120	0.3	53	44
Jun-18	139	0.4	79	57
Others				
Jun-19	416	1.4	98	24
Mar-19	223	0.8	98	44
Dec-18	230	0.9	102	44
Jun-18	300	1.2	154	51
Group NPL				
Jun-19	4,030	1.5	1,364	34
Mar-19	4,055	1.5	1,549	38
Dec-18	3,994	1.5	1,508	38
Jun-18	4,208	1.7	1,766	42
Group NPA				
Jun-19	4,185		1,494	36
Mar-19	4,215		1,684	40
Dec-18	4,166		1,651	40
Jun-18	4,404		1,937	44
	Total allowances			
	as a % of NPA²		as a % of unsecured NPA²	
Group	%		%	
Jun-19	84		191	
Mar-19	89		203	
Dec-18	87		202	
Jun-18	89		190	

The Group's overall loan portfolio remained sound. Total NPA decreased 1% from last quarter to \$4.18 billion.

NPL ratio was stable at 1.5% as at 30 June 2019. The coverage for non-performing assets remained adequate at 84%, or 191% after taking collateral into account.

Notes:

- NPL by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation/ operation for non-individuals and residence for individuals.
- Includes regulatory loss allowance reserves (RLAR) as part of total allowances.

Customer Deposits

	Jun-19	Mar-19	Dec-18	Jun-18
	\$m	\$m	\$m	\$m
By product				
Fixed deposits	159,707	162,700	150,071	148,755
Savings deposits	75,158	72,729	71,601	69,513
Current accounts	56,245	58,696	58,858	56,817
Others	13,682	13,576	12,656	12,430
Total	304,792	307,701	293,186	287,515
By maturity				
Within 1 year	299,678	303,464	289,448	282,021
Over 1 year but within 3 years	3,689	2,684	2,085	3,692
Over 3 years but within 5 years	736	766	833	1,094
Over 5 years	689	787	819	708
Total	304,792	307,701	293,186	287,515
By currency				
Singapore Dollar	136,656	136,661	130,981	123,671
US Dollar	73,506	78,645	71,704	75,874
Malaysian Ringgit	28,727	28,504	28,312	28,649
Thai Baht	19,423	17,387	17,148	16,383
Indonesian Rupiah	5,183	5,214	5,148	5,151
Others	41,297	41,289	39,894	37,787
Total	304,792	307,701	293,186	287,515
Group Loan/Deposit ratio (%)	88.5	86.6	88.2	85.7
Singapore Dollar Loan/Deposit ratio (%)	92.5	90.3	93.5	94.8
US Dollar Loan/Deposit ratio (%)	70.1	65.8	69.5	63.5

Customer deposits grew in tandem with loan growth by 6% from a year ago and decreased marginally during the quarter to \$305 billion as at 30 June 2019.

As at 30 June 2019, the Group's loan-to-deposit ratio and Singapore Dollar loan-to-deposit ratio remained stable at 88.5% and 92.5% respectively.

Debts Issued

	Jun-19	Mar-19	Dec-18	Jun-18
	\$m	\$m	\$m	\$m
Unsecured				
Subordinated debts	5,946	5,076	5,062	4,833
Commercial papers	13,975	5,821	13,974	12,788
Fixed and floating rate notes	5,183	5,517	5,586	4,869
Others	1,830	1,690	1,583	1,602
Secured				
Covered bonds	4,404	4,357	4,401	3,664
Total	31,338	22,461	30,606	27,756
Due within 1 year	16,369	7,744	15,680	14,499
Due after 1 year	14,970	14,717	14,926	13,257
Total	31,338	22,461	30,606	27,756

Shareholders' Equity

	Jun-19	Mar-19	Dec-18	Jun-18
	\$m	\$m	\$m	\$m
Shareholders' equity	39,033	38,989	37,623	37,660
Add: Revaluation surplus	4,801	4,798	4,802	4,775
Shareholders' equity including revaluation surplus	43,834	43,787	42,425	42,434

Shareholders' equity increased 4% year on year to \$39.0 billion mainly driven by higher retained earnings.

As at 30 June 2019, the revaluation surplus of \$4.80 billion relating to the Group's properties, was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	1H19	1H18	2Q19	2Q18
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning and at end of period	1,680,541	1,671,534	1,680,541	1,671,534
Shares issued under scrip dividend scheme	-	9,007	-	9,007
Balance at end of period	1,680,541	1,680,541	1,680,541	1,680,541
Treasury shares				
Balance at beginning of period	(14,834)	(8,879)	(14,819)	(10,177)
Shares re-purchased - held in treasury	-	(3,731)	-	(2,354)
Shares issued under share-based compensation plans	2,493	1,833	2,478	1,754
Balance at end of period	(12,341)	(10,777)	(12,341)	(10,777)
Ordinary shares net of treasury shares	1,668,200	1,669,764	1,668,200	1,669,764

Performance by Business Segment ¹

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
1H19					
Net interest income	1,460	1,479	13	288	3,241
Non-interest income	611	583	270	285	1,749
Operating income	2,071	2,062	283	573	4,989
Operating expenses	(1,010)	(493)	(123)	(577)	(2,203)
Allowances for credit and other losses	(91)	(98)	4	41	(144)
Share of profit of associates and joint ventures	-	1	-	16	17
Profit before tax	970	1,472	165	53	2,660
Tax					(432)
Profit for the financial period					2,228
Other information:					
Capital expenditure	27	26	12	205	270
Depreciation of assets	28	12	5	143	188
1H18					
Net interest income	1,314	1,352	69	277	3,012
Non-interest income	629	532	202	198	1,561
Operating income	1,943	1,884	271	475	4,573
Operating expenses	(922)	(408)	(126)	(553)	(2,009)
Allowances for credit and other losses	(93)	(43)	(12)	(22)	(170)
Share of profit of associates and joint ventures	-	20	-	61	81
Profit before tax	928	1,453	133	(38)	2,476
Tax					(414)
Profit for the financial period					2,061
Other information:					
Capital expenditure	27	14	11	182	234
Depreciation of assets	11	5	3	112	131

Notes:

1 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment¹ (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
2Q19					
Net interest income	744	745	10	154	1,653
Non-interest income	327	296	130	177	930
Operating income	1,071	1,041	140	331	2,583
Operating expenses	(518)	(252)	(63)	(296)	(1,129)
Allowances for credit and other losses	(56)	8	8	(11)	(51)
Share of profit of associates and joint ventures	-	(5)	-	5	(0)
Profit before tax	497	792	85	29	1,403
Tax					(231)
Profit for the financial period					1,171
Other information:					
Capital expenditure	11	14	7	108	140
Depreciation of assets	15	7	2	74	98

1Q19					
Net interest income	717	734	4	132	1,587
Non-interest income	284	286	140	109	819
Operating income	1,001	1,020	144	241	2,406
Operating expenses	(492)	(241)	(60)	(280)	(1,073)
Allowances for credit and other losses	(36)	(106)	(4)	53	(93)
Share of profit of associates and joint ventures	-	6	-	11	17
Profit before tax	473	679	80	25	1,257
Tax					(200)
Profit for the financial period					1,057
Other information:					
Capital expenditure	16	12	4	98	130
Depreciation of assets	13	6	2	70	91

2Q18					
Net interest income	676	716	22	128	1,542
Non-interest income	305	273	107	115	800
Operating income	981	989	129	243	2,342
Operating expenses	(471)	(214)	(63)	(274)	(1,022)
Allowances for credit and other losses	(49)	(48)	7	1	(90)
Share of profit of associates and joint ventures	-	19	-	33	52
Profit before tax	461	746	73	3	1,282
Tax					(202)
Profit for the financial period					1,080
Other information:					
Capital expenditure	17	10	7	117	151
Depreciation of assets	6	3	2	57	68

Note:

1 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment ¹ (cont'd)

Selected balance sheet items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
At 30 June 2019					
Segment assets	108,505	189,521	66,814	36,221	401,061
Intangible assets	1,316	2,086	660	81	4,143
Investment in associates and joint ventures	-	182	-	996	1,178
Total assets	109,821	191,789	67,474	37,298	406,382
Segment liabilities	148,344	162,939	41,717	14,147	367,147
Other information:					
Gross customer loans	108,408	163,603	851	19	272,881
Non-performing assets	1,229	2,932	8	16	4,185
At 31 March 2019					
Segment assets	108,747	186,233	62,177	37,987	395,144
Intangible assets	1,315	2,085	659	81	4,140
Investment in associates and joint ventures	-	179	-	1,004	1,183
Total assets	110,062	188,497	62,836	39,072	400,467
Segment liabilities	145,697	169,264	32,578	13,740	361,279
Other information:					
Gross customer loans	108,659	160,370	635	19	269,683
Non-performing assets	1,228	2,965	7	15	4,215
At 30 June 2018					
Segment assets	105,832	176,191	66,116	30,734	378,873
Intangible assets	1,315	2,084	659	81	4,138
Investment in associates and joint ventures	-	163	-	1,089	1,252
Total assets	107,147	178,438	66,775	31,903	384,263
Segment liabilities	138,456	154,412	42,951	10,594	346,413
Other information:					
Gross customer loans	105,875	143,238	605	21	249,739
Non-performing assets	1,215	3,160	8	21	4,404

Note:

1 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment (cont'd)

Business segment performance reporting is prepared based on the Group's internal organisation structure and the methodologies adopted in the management reporting framework. Business segments' results include all applicable revenue, expenses, internal fund transfer price and cost allocations associated with the activities of the business. Transactions between business segments are operated on an arm's length basis in a manner similar to third party transactions and they are eliminated on consolidation.

The Banking Group is organised into three major business segments - Group Retail, Group Wholesale Banking and Global Markets. Others include non-banking activities and corporate functions.

Group Retail ("GR")

GR segment covers personal and small enterprise customers.

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

For the first half of 2019, profit before tax was \$970 million, 5% higher than a year ago. Total income grew 7% to \$2.07 billion from higher loan and deposit balances, coupled with improvement in deposit margin. Expenses increased 10% to \$1.01 billion primarily from investments in digital capabilities and headcount for franchise growth. Total allowances for credit and other losses at \$91 million, relatively flat against last year.

Against the same quarter last year, profit before tax rose 8% to \$497 million. Total income grew 9% to \$1.07 billion, driven by increase in deposit margin and wealth management fees. Expenses were 10% higher at \$518 million while total allowances at \$56 million. Profit before tax increased 5% against the previous quarter largely supported by growth in wealth management, credit card and net interest income.

Group Wholesale Banking ("GWB")

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

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

Compared to a year ago, operating profit in 1H19 increased over 6% to \$1.57 billion. Net interest income grew 9% to \$1.48 billion from loan growth while non-interest income improved 10% to \$583 million from investment banking and treasury customer income. Expenses were higher at \$493 million, mainly from performance-related bonus provision, investment in people and technology to support strategic initiatives. Profit before tax marginally higher at \$1.47 billion, as last year included write-back in total allowances.

Against same quarter last year and the previous quarter, profit before tax grew 6% and 17% respectively to \$792 million, on the back of strong loans growth, higher fee based income and lower allowances for credit and other losses.

Global Markets ("GM")

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

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

Profit before tax grew 24% to \$165 million in 1H19 from a year ago. Total income rose 4% to \$283 million largely from higher trading and investment income. Expenses declined marginally to \$123 million, coupled with allowances for credit and other losses recorded last year not repeated.

As compared to the same quarter last year, profit before tax increased 17% to \$85 million mainly from higher income. Profit before tax was higher by 6% than the previous quarter, supported by write-back in total allowances.

Others

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

Profit before tax improved to \$53 million in 1H19 as compared to a loss of \$38 million a year ago, led by higher income from central treasury activities, dividend income and gain on sale of investment securities while total allowances decreased. This was partially offset by higher operating expenses and lower share of associates' profits.

Compared to the same quarter last year and previous quarter, profit before tax was higher at \$29 million from central treasury and investment activities, offset by increase in operating expenses and lower contribution from associates.

Performance by Geographical Segment ¹

	Singapore \$m	Malaysia \$m	Thailand \$m	Indonesia \$m	Greater China \$m	Others \$m	Total \$m
1H19							
Net interest income	1,887	357	373	162	198	264	3,241
Non-interest income	1,014	156	138	74	283	84	1,749
Operating income	2,901	513	511	236	481	348	4,989
Operating expenses	(1,251)	(205)	(318)	(165)	(191)	(73)	(2,203)
Allowances for credit and other losses	(52)	(28)	(33)	(34)	14	(11)	(144)
Share of profit of associates and joint ventures	22	-	-	-	-	(5)	17
Profit before tax	1,620	280	160	37	304	259	2,660
Tax	(192)	(65)	(25)	(13)	(51)	(86)	(432)
Profit for the financial period	1,428	215	135	24	253	173	2,228
Total assets before intangible assets	236,811	40,521	24,470	9,866	56,288	34,284	402,239
Intangible assets	3,182	-	728	233	-	-	4,143
Total assets	239,993	40,521	25,198	10,099	56,288	34,284	406,382
1H18							
Net interest income	1,719	361	345	160	207	220	3,012
Non-interest income	877	167	123	57	235	102	1,561
Operating income	2,596	528	468	217	442	322	4,573
Operating expenses	(1,138)	(196)	(272)	(147)	(184)	(72)	(2,009)
Allowances for credit and other losses	(47)	(28)	(59)	(19)	(37)	20	(170)
Share of profit of associates and joint ventures	38	-	-	-	21	22	81
Profit before tax	1,449	304	137	51	242	292	2,476
Tax	(199)	(70)	(21)	(10)	(42)	(72)	(414)
Profit for the financial period	1,250	234	116	41	200	220	2,061
Total assets before intangible assets	225,965	40,110	21,365	8,666	55,229	28,790	380,125
Intangible assets	3,182	-	724	232	-	-	4,138
Total assets	229,147	40,110	22,089	8,898	55,229	28,790	384,263

Note:

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

Performance by Geographical Segment ¹ (cont'd)

	Singapore	Malaysia	Thailand	Indonesia	Greater China	Others	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2Q19							
Net interest income	970	177	189	79	106	132	1,653
Non-interest income	533	80	72	38	150	57	930
Operating income	1,503	257	261	117	256	189	2,583
Operating expenses	(645)	(105)	(161)	(83)	(99)	(36)	(1,129)
Allowances for credit and other losses	9	(26)	(38)	(17)	27	(6)	(51)
Share of profit of associates and joint ventures	9	-	-	-	-	(9)	-
Profit before tax	876	126	62	17	184	138	1,403
Tax	(108)	(28)	(13)	(5)	(31)	(46)	(231)
Profit for the financial period	768	98	49	12	153	91	1,171
Total assets before intangible assets	236,811	40,521	24,470	9,866	56,288	34,284	402,239
Intangible assets	3,182	-	728	233	-	-	4,143
Total assets	239,993	40,521	25,198	10,099	56,288	34,284	406,382
1Q19							
Net interest income	918	180	184	82	92	131	1,587
Non-interest income	482	76	66	36	134	25	819
Operating income	1,400	256	250	118	226	156	2,406
Operating expenses	(608)	(100)	(156)	(82)	(92)	(35)	(1,073)
Allowances for credit and other losses	(61)	(2)	4	(17)	(13)	(4)	(93)
Share of profit of associates and joint ventures	13	-	-	-	-	4	17
Profit before tax	744	154	98	19	121	121	1,257
Tax	(84)	(36)	(12)	(8)	(20)	(40)	(200)
Profit for the financial period	660	118	86	11	101	81	1,057
Total assets before intangible assets	235,366	39,415	22,656	9,946	58,220	30,723	396,327
Intangible assets	3,182	-	726	232	-	-	4,140
Total assets	238,548	39,415	23,382	10,178	58,220	30,723	400,467
2Q18							
Net interest income	887	183	174	82	103	113	1,542
Non-interest income	455	75	60	28	128	54	800
Operating income	1,342	258	234	110	231	167	2,342
Operating expenses	(580)	(98)	(139)	(75)	(92)	(38)	(1,022)
Allowances for credit and other losses	(11)	(15)	(35)	(24)	(26)	21	(90)
Share of profit of associates and joint ventures	19	-	-	-	11	22	52
Profit before tax	770	145	60	11	124	172	1,282
Tax	(94)	(33)	(11)	(4)	(22)	(38)	(202)
Profit for the financial period	676	112	49	7	102	134	1,080
Total assets before intangible assets	225,965	40,110	21,365	8,666	55,229	28,790	380,125
Intangible assets	3,182	-	724	232	-	-	4,138
Total assets	229,147	40,110	22,089	8,898	55,229	28,790	384,263

Note:

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

Performance by Geographical Segment (cont'd)

Geographical segment performance reporting is prepared based on the location where the transaction or assets are booked. All results are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The information is stated after elimination of inter-segment transactions.

Singapore

Net profit increased 14% to \$1.43 billion from a year ago, supported by double-digit growth in income. Net interest income rose 10% to \$1.89 billion from loan growth and higher net interest margin. Non-interest income increased 16% to \$1.01 billion from higher trading and investment income. Expenses were 10% higher at \$1.25 billion, primarily from investment in talent and technology to support franchise growth.

Compared to the same quarter last year and previous quarter, net profit increased 14% and 16% respectively to \$768 million on the back of stronger income growth, coupled with lower allowances for credit losses amid relatively benign credit environment.

Malaysia

Net profit in 1H19 declined 8% to \$215 million against the previous year, partly from unfavourable foreign exchange translation. Total income fell 3% to \$513 million, as net interest income from loan growth was partly offset by lower net interest margin following the reduction in interest rate environment, while the decline in non-interest income was attributable to loan-related, trade and wealth management products. Expenses increased 5% to \$205 million and allowances were relatively flat from a year ago.

Against the same quarter last year and the previous quarter, net profit declined by 13% and 17% respectively to \$98 million due to higher allowances for credit and other losses.

Thailand

Compared to a year ago, net profit registered a strong growth of 16% to \$135 million, primarily driven by higher income, lower allowances for credit and other losses coupled with favourable foreign exchange translation. Income rose 9% to \$511 million, led by loan growth and broad-based increase in fee income. Expenses increased 17% to \$318 million, largely from investment in digital bank and staff costs.

Net profit of \$49 million in 2Q19 was flat against the similar period last year and lower by \$37 million against the previous quarter which benefited from a write-back in allowances for credit and other losses.

Indonesia

Net profit decreased by \$17 million to \$24 million from a year ago. Income grew by 9% to \$236 million from higher trading income and increased fee from wealth and credit cards. This was more than offset by higher revenue-related expenses and investment in people, while credit costs normalised.

Compared to the same quarter last year, net profit increased \$5 million to \$12 million on the back of higher trading and investment income and lower allowances. Net profit were relatively flat quarter on quarter.

Greater China

Net profit registered a strong growth of 27% to \$253 million from a year ago boosted by higher treasury income and loan-related fee, coupled with a write-back of allowances for credit and other losses. This was partially offset by a dilution of interest in associated companies.

Net profit of \$153 million in 2Q19 represented 50% growth from a year ago and 51% against last quarter, largely driven by improved net interest margin, higher loan-related fee and treasury income while total allowances benefited from payment recoveries.

Others

Net profit in 1H19 declined by 21% to \$173 million from a year ago, as income growth was more than offset by increase in allowances and lower contribution from associates.

Against the corresponding quarter last year, net profit decreased 32% to \$91 million mainly due to write-back in allowances in 2018 not repeated and reduction in share of associates' profits. Total income rose 13% to \$189 million while expenses declined marginally.

Compared to the previous quarter, net profit increased 12% to \$91 million as income continued to grow by double digits, partially offset by lower share of associates' profits.

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

	Jun-19 \$m	Mar-19 \$m	Dec-18 \$m	Jun-18 \$m
Share capital	4,946	4,888	4,888	4,993
Disclosed reserves/others	31,734	31,754	30,445	29,530
Regulatory adjustments	(4,613)	(4,629)	(4,583)	(4,602)
Common Equity Tier 1 Capital ("CET1")	32,067	32,013	30,750	29,921
Perpetual capital securities/others	2,129	2,129	2,129	2,976
Additional Tier 1 Capital ("AT1")	2,129	2,129	2,129	2,976
Tier 1 Capital	34,196	34,142	32,879	32,897
Subordinated notes	5,056	4,190	4,186	4,150
Provisions/others	378	582	477	755
Tier 2 Capital	5,434	4,772	4,663	4,905
Eligible Total Capital	39,630	38,914	37,542	37,803
Risk-Weighted Assets ("RWA")	230,032	229,515	220,568	205,704
Capital Adequacy Ratios ("CAR")				
CET1	13.9%	13.9%	13.9%	14.5%
Tier 1	14.9%	14.9%	14.9%	16.0%
Total	17.2%	17.0%	17.0%	18.4%
Leverage Exposure	454,152	448,511	434,732	428,845
Leverage Ratio	7.5%	7.6%	7.6%	7.7%

The Group's CET1, Tier 1 and Total CAR as at 30 June 2019 were well above the regulatory minimum requirements.

Year on year, total capital was higher mainly from retained earnings and issuance of US\$600 million subordinated notes, partly offset by redemption of S\$850 million perpetual capital securities and lower eligible provisions. RWA was higher largely due to asset growth.

Total capital was higher quarter on quarter mainly from issuance of US\$600 million subordinated notes, partly offset by lower eligible provisions.

As at 30 June 2019, the Group's leverage ratio was 7.5%, comfortably above the regulatory minimum requirement of 3%.

Notes:

- 1 Singapore-incorporated banks are required to maintain minimum CAR as follows: CET1 at 6.5%, Tier 1 at 8% and Total at 10%. In addition, the Group is required to maintain CET1 capital to meet the capital conservation buffer of 2.5% and the countercyclical capital buffer (CCyB) of up to 2.5% effective 1 January 2019. The Group's CCyB is computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures.
- 2 Leverage ratio is calculated in accordance with MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.
- 3 Disclosures required under MAS Notice 637 are published on our website: www.UOBgroup.com/investor-relations/financial/index.html.

Consolidated Income Statement (Unaudited)

	1H19	1H18	+ / (-)	2Q19	2Q18	+ / (-)	1Q19	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	6,295	5,183	21	3,194	2,729	17	3,101	3
Less: Interest expense	3,054	2,171	41	1,541	1,186	30	1,513	2
Net interest income	3,241	3,012	8	1,653	1,542	7	1,587	4
Net fee and commission income	1,005	1,015	(1)	527	498	6	479	10
Dividend income	41	21	93	40	20	>100	1	>100
Rental income	56	60	(8)	28	30	(7)	28	1
Net trading income	487	390	25	245	215	14	243	1
Net gain from investment securities	95	13	>100	67	1	>100	28	>100
Other income	65	61	6	24	36	(34)	41	(42)
Non-interest income	1,749	1,561	12	930	800	16	819	13
Total operating income	4,989	4,573	9	2,583	2,342	10	2,406	7
Less: Staff costs	1,335	1,224	9	675	619	9	660	2
Other operating expenses	868	785	11	455	403	13	413	10
Total operating expenses	2,203	2,009	10	1,129	1,022	11	1,073	5
Operating profit before allowance	2,787	2,564	9	1,453	1,320	10	1,333	9
Less: Allowances for credit and other losses	144	170	(15)	51	90	(44)	93	(45)
Operating profit after allowance	2,643	2,394	10	1,403	1,230	14	1,240	13
Share of profit of associates and joint ventures	17	81	(79)	(0)	52	(>100)	17	(>100)
Profit before tax	2,660	2,476	7	1,403	1,282	9	1,257	12
Less: Tax	432	414	4	231	202	15	200	16
Profit for the financial period	2,228	2,061	8	1,171	1,080	8	1,057	11
Attributable to:								
Equity holders of the Bank	2,219	2,055	8	1,168	1,077	8	1,052	11
Non-controlling interests	9	7	30	4	4	5	5	(28)
	2,228	2,061	8	1,171	1,080	8	1,057	11

Consolidated Statement of Comprehensive Income (Unaudited)

	1H19	1H18	+ / (-)	2Q19	2Q18	+ / (-)	1Q19	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	2,228	2,061	8	1,171	1,080	8	1,057	11
Other comprehensive income that will not be reclassified to income statement								
Net gains/(losses) on equity instruments at fair value through other comprehensive income	131	(137)	>100	21	(244)	>100	110	(81)
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	(38)	49	(>100)	(12)	24	(>100)	(26)	54
Remeasurement of defined benefit obligation	0	0	>100	0	0	>100	0	>100
Related tax on items fair value through other comprehensive income	(51)	(15)	(>100)	(67)	5	(>100)	16	(>100)
	43	(103)	>100	(57)	(215)	74	100	(>100)
Other comprehensive income that may be subsequently reclassified to income statement								
Currency translation adjustments	89	52	72	(9)	(84)	89	98	(>100)
Debt instruments at fair value through other comprehensive income								
Change in fair value	300	(264)	>100	124	(97)	>100	176	(30)
Transfer to income statement on disposal	(53)	21	(>100)	(41)	4	(>100)	(12)	(>100)
Changes in allowance for expected credit losses	(50)	1	(>100)	(3)	3	(>100)	(48)	94
Related tax	49	15	>100	53	10	>100	(4)	>100
	335	(176)	>100	124	(164)	>100	211	(41)
Change in shares of other comprehensive income of associates and joint ventures	6	(8)	>100	11	(0)	>100	(5)	>100
Other comprehensive income for the financial period, net of tax	384	(286)	>100	78	(380)	>100	306	(75)
Total comprehensive income for the financial period, net of tax	2,612	1,775	47	1,249	700	78	1,363	(8)
Attributable to:								
Equity holders of the Bank	2,596	1,769	47	1,242	697	78	1,354	(8)
Non-controlling interests	16	6	>100	7	4	>100	9	(22)
	2,612	1,775	47	1,249	700	78	1,363	(8)

Consolidated Balance Sheet (Unaudited)

	Jun-19	Mar-19	Dec-18 ¹	Jun-18
	\$m	\$m	\$m	\$m
Equity				
Share capital and other capital	7,072	7,014	7,014	7,967
Retained earnings	22,681	22,725	21,716	20,681
Other reserves	9,280	9,250	8,893	9,011
Equity attributable to equity holders of the Bank	39,033	38,989	37,623	37,660
Non-controlling interests	202	199	190	190
Total equity	39,235	39,188	37,813	37,850
Liabilities				
Deposits and balances of banks	18,157	18,959	13,801	17,161
Deposits and balances of customers	304,792	307,701	293,186	287,515
Bills and drafts payable	743	727	638	873
Derivative financial liabilities	5,874	5,054	5,840	6,834
Other liabilities	5,431	5,477	5,417	5,483
Tax payable	542	637	514	651
Deferred tax liabilities	270	264	279	139
Debts issued	31,338	22,461	30,606	27,756
Total liabilities	367,147	361,279	350,280	346,413
Total equity and liabilities	406,382	400,467	388,092	384,263
Assets				
Cash, balances and placements with central banks	26,742	30,058	25,252	29,450
Singapore Government treasury bills and securities	5,542	6,030	5,615	5,864
Other government treasury bills and securities	14,733	12,882	13,201	11,066
Trading securities	2,193	2,014	1,929	2,174
Placements and balances with banks	53,103	48,893	50,800	57,929
Loans to customers	269,820	266,515	258,627	246,392
Derivative financial assets	5,832	4,987	5,730	7,213
Investment securities	14,722	15,161	13,553	11,784
Other assets	4,536	4,808	4,516	3,672
Deferred tax assets	260	270	284	169
Investment in associates and joint ventures	1,178	1,183	1,170	1,252
Investment properties	984	1,004	1,012	1,046
Fixed assets	2,593	2,522	2,266	2,114
Intangible assets	4,143	4,140	4,138	4,138
Total assets	406,382	400,467	388,092	384,263
Off-balance sheet items				
Contingent liabilities	32,175	29,471	31,003	30,998
Financial derivatives	939,828	959,526	922,170	1,001,268
Commitments	153,946	155,078	151,494	140,924
Net asset value per ordinary share (\$)	22.12	22.13	21.31	20.77

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 2019	7,014	21,716	8,893	37,623	190	37,813
Profit for the financial period	-	2,219	-	2,219	9	2,228
Other comprehensive income for the financial period	-	(0)	376	376	7	384
Total comprehensive income for the financial period	-	2,219	376	2,596	16	2,612
Transfers	-	(43)	43	-	-	-
Dividends	-	(1,211)	-	(1,211)	(4)	(1,215)
Share-based compensation	-	-	26	26	-	26
Shares issued under share-based compensation plans	58	-	(58)	-	-	-
Balance at 30 June 2019	7,072	22,681	9,280	39,033	202	39,235
Balance at 1 January 2018	7,766	19,707	9,377	36,850	187	37,037
Impact of adopting SFRS(I) 9	-	62	(59)	3	(1)	2
Restated opening balance under SFRS(I) 9	7,766	19,769	9,318	36,853	185	37,039
Profit for the financial period	-	2,055	-	2,055	7	2,061
Other comprehensive income for the financial period	-	0	(286)	(285)	(0)	(286)
Total comprehensive income for the financial period	-	2,055	(286)	1,769	6	1,775
Transfers	-	1	(1)	-	-	-
Change in non-controlling interests	-	-	-	-	4	4
Dividends	-	(1,144)	-	(1,144)	(6)	(1,150)
Shares re-purchased - held in treasury	(105)	-	-	(105)	-	(105)
Shares issued under scrip dividend scheme	267	-	-	267	-	267
Share-based compensation	-	-	19	19	-	19
Shares issued under share-based compensation plans	39	-	(39)	-	-	-
Balance at 30 June 2018	7,967	20,681	9,011	37,660	190	37,850

Consolidated Statement of Changes in Equity (Unaudited)

	<u>Attributable to equity holders of the Bank</u>					Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 April 2019	7,014	22,725	9,250	38,989	199	39,188
Profit for the financial period	-	1,168	-	1,168	4	1,171
Other comprehensive income for the financial period	-	0	74	74	3	78
Total comprehensive income for the financial period	-	1,168	74	1,242	7	1,249
Transfers	-	0	(0)	-	-	-
Dividends	-	(1,211)	-	(1,211)	(4)	(1,215)
Share-based compensation	-	-	13	13	-	13
Shares issued under share-based compensation plans	58	-	(58)	-	-	-
Balance at 30 June 2019	7,072	22,681	9,280	39,033	202	39,235
Balance at 1 April 2018	7,729	20,726	9,423	37,877	188	38,065
Profit for the financial period	-	1,077	-	1,077	4	1,080
Other comprehensive income for the financial period	-	1	(381)	(380)	0	(380)
Total comprehensive income for the financial period	-	1,077	(381)	697	4	700
Transfers	-	1	(1)	-	-	-
Change in non-controlling interests	-	-	-	-	4	4
Dividends	-	(1,123)	-	(1,123)	(5)	(1,128)
Shares re-purchased - held in treasury	(66)	-	-	(66)	-	(66)
Shares issued under scrip dividend scheme	267	-	-	267	-	267
Share-based compensation	-	-	7	7	-	7
Shares issued under share-based compensation plans	37	-	(37)	-	-	-
Balance at 30 June 2018	7,967	20,681	9,011	37,660	190	37,850

Consolidated Cash Flow Statement (Unaudited)

	1H19	1H18	2Q19	2Q18
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Profit for the financial period	2,228	2,061	1,171	1,080
Adjustments for:				
Allowances for credit and other losses	144	170	51	90
Share of profit of associates and joint ventures	(17)	(81)	0	(52)
Tax	432	414	231	202
Depreciation of assets	188	131	98	68
Net (gain)/loss on disposal of assets	(151)	7	(110)	2
Share-based compensation	26	19	14	7
Operating profit before working capital changes	2,850	2,722	1,454	1,398
Change in working capital:				
Deposits and balances of banks	4,420	5,705	(751)	3,065
Deposits and balances of customers	11,110	14,177	(2,777)	13,747
Bills and drafts payable	98	166	13	(275)
Other liabilities	279	1,174	821	(628)
Restricted balances with central banks	(260)	129	(36)	161
Government treasury bills and securities	(1,393)	(931)	(1,358)	(328)
Trading securities	(247)	(396)	(159)	(225)
Placements and balances with banks	(2,284)	(5,602)	(4,195)	(8,175)
Loans to customers	(11,125)	(13,512)	(3,433)	(8,467)
Investment securities	(808)	(844)	535	(646)
Other assets	(208)	(947)	(699)	476
Cash generated from/(used in) operations	2,431	1,841	(10,583)	103
Income tax paid	(390)	(318)	(328)	(299)
Net cash provided by/(used in) operating activities	2,041	1,523	(10,911)	(196)
Cash flows from investing activities				
Capital injection into associates and joint ventures	(22)	(19)	(14)	(11)
Distribution from associates and joint ventures	31	31	27	23
Acquisition of properties and other fixed assets	(270)	(234)	(140)	(151)
Proceeds from disposal of properties and other fixed assets	22	12	7	12
Change in non-controlling interests	-	4	-	4
Net cash used in investing activities	(239)	(205)	(120)	(123)
Cash flows from financing activities				
Issuance of debts issued	17,604	23,866	14,884	11,269
Redemption of debts issued	(17,119)	(21,247)	(6,123)	(8,164)
Shares re-purchased - held in treasury	-	(105)	-	(66)
Dividends paid on ordinary shares	(1,167)	(812)	(1,167)	(812)
Distribution for perpetual capital securities	(44)	(64)	(44)	(43)
Dividends paid to non-controlling interests	(4)	(6)	(4)	(5)
Lease payments	(38)	-	(21)	-
Net cash (used in)/provided by financing activities	(768)	1,632	7,525	2,177
Currency translation adjustments	197	(28)	178	363
Net increase/(decrease) in cash and cash equivalents	1,232	2,923	(3,327)	2,222
Cash and cash equivalents at beginning of the financial period	19,617	20,975	24,176	21,676
Cash and cash equivalents at end of the financial period	20,849	23,898	20,849	23,898

Balance Sheet of the Bank (Unaudited)

	Jun-19 \$m	Mar-19 \$m	Dec-18 ¹ \$m	Jun-18 \$m
Equity				
Share capital and other capital	7,072	7,014	7,014	7,967
Retained earnings	16,944	16,905	16,118	15,489
Other reserves	9,822	9,808	9,598	9,685
Total	33,838	33,728	32,729	33,140
Liabilities				
Deposits and balances of banks	15,513	16,287	12,071	16,107
Deposits and balances of customers	236,998	242,704	227,259	224,804
Deposits and balances of subsidiaries	11,071	11,071	13,562	11,159
Bills and drafts payable	492	403	359	564
Derivative financial liabilities	4,759	3,896	4,487	5,279
Other liabilities	3,462	3,448	3,105	2,995
Tax payable	491	561	435	572
Deferred tax liabilities	191	185	206	105
Debts issued	29,894	20,942	28,905	26,248
Total	302,871	299,498	290,389	287,834
Total equity and liabilities	336,709	333,226	323,118	320,974
Assets				
Cash, balances and placements with central banks	22,229	25,501	20,783	24,445
Singapore Government treasury bills and securities	5,542	6,013	5,609	5,864
Other government treasury bills and securities	6,177	5,817	5,668	5,105
Trading securities	2,103	1,940	1,795	1,951
Placements and balances with banks	41,845	38,182	39,812	45,767
Loans to customers	211,203	208,408	201,789	191,934
Placements with and advances to subsidiaries	14,831	14,716	16,363	15,652
Derivative financial assets	4,741	3,788	4,344	5,545
Investment securities	12,491	13,212	11,668	10,575
Other assets	2,885	3,039	2,870	1,964
Deferred tax assets	87	87	87	65
Investment in associates and joint ventures	374	368	363	345
Investment in subsidiaries	6,026	6,026	6,014	5,912
Investment properties	1,050	1,077	1,079	1,102
Fixed assets	1,943	1,872	1,692	1,565
Intangible assets	3,182	3,182	3,182	3,182
Total	336,709	333,226	323,118	320,974
Off-balance sheet items				
Contingent liabilities	20,442	17,757	19,377	20,467
Financial derivatives	762,745	773,214	754,822	826,681
Commitments	125,858	127,051	123,815	115,270
Net asset value per ordinary share (\$)	19.01	18.97	18.37	18.07

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 2019	7,014	16,118	9,598	32,729
Profit for the financial period	-	2,083	-	2,083
Other comprehensive income for the financial period	-	(0)	212	212
Total comprehensive income for the financial period	-	2,082	212	2,294
Transfers	-	(45)	45	-
Dividends	-	(1,211)	-	(1,211)
Share-based compensation	-	-	26	26
Shares issued under share-based compensation plans	58	-	(58)	-
Balance at 30 June 2019	7,072	16,944	9,822	33,838
Balance at 1 January 2018	7,766	14,701	10,045	32,512
Impact of adopting SFRS(I) 9	-	93	(34)	59
Restated opening balance under SFRS(I) 9	7,766	14,794	10,011	32,571
Profit for the financial period	-	1,837	-	1,837
Other comprehensive income for the financial period	-	0	(305)	(305)
Total comprehensive income for the financial period	-	1,838	(305)	1,532
Transfers	-	1	(1)	-
Dividends	-	(1,144)	-	(1,144)
Shares re-purchased - held in treasury	(105)	-	-	(105)
Shares issued under scrip dividend scheme	267	-	-	267
Share-based compensation	-	-	19	19
Shares issued under share-based compensation plans	39	-	(39)	-
Balance at 30 June 2018	7,967	15,489	9,685	33,140

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 2019	7,014	16,905	9,808	33,728
Profit for the financial period	-	1,248	-	1,248
Other comprehensive income for the financial period	-	(0)	60	60
Total comprehensive income for the financial period	-	1,248	60	1,308
Transfers	-	1	(1)	-
Dividends	-	(1,211)	-	(1,211)
Share-based compensation	-	-	13	13
Shares issued under share-based compensation plans	58	-	(58)	-
Balance at 30 June 2019	7,072	16,944	9,822	33,838
Balance at 1 April 2018	7,729	15,545	9,977	33,251
Profit for the financial period	-	1,065	-	1,065
Other comprehensive income for the financial period	-	0	(261)	(261)
Total comprehensive income for the financial period	-	1,065	(261)	804
Transfers	-	1	(1)	-
Dividends	-	(1,123)	-	(1,123)
Shares re-purchased - held in treasury	(66)	-	-	(66)
Share-based compensation	-	-	7	7
Shares issued under scrip dividend scheme	267	-	-	267
Shares issued under share-based compensation plans	37	-	(37)	-
Balance at 30 June 2018	7,967	15,489	9,685	33,140