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Reg. No. 193500026Z

Our ref: ANN2008/UOB2008/UOB-A13/sc/at

5 August 2008



**File No. 82-2947**

Securities & Exchange Commission  
Division of Corporate Finance  
Room 3094(3-6)  
450 Fifth Street, N.W.  
Washington, DC 20549  
USA

**SUPPL**

*Handwritten notes:*  
11/11/2008  
11/11/2008

Dear Sir

**UNAUDITED RESULTS FOR THE FIRST HALF/SECOND QUARTER  
ENDED 30 JUNE 2008**

We enclose a copy of our announcement dated 5 August 2008 in regard to the above matter for your information.

Yours faithfully  
for UNITED OVERSEAS BANK LIMITED

Leo Hee Wui  
Assistant Secretary

**PROCESSED**

**SEP 02 2008**

**THOMSON REUTERS**

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**UNITED OVERSEAS BANK LIMITED**

*Incorporated in the Republic of Singapore*  
Company Registration Number: 193500026Z

To : All Shareholders

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

**Financial Results**

The unaudited financial results of the Group for the first half / second quarter of 2008 are enclosed.

**Ordinary Share Dividend**

The Directors are pleased to declare an interim one-tier tax-exempt dividend of 20 cents per ordinary share (2Q07: interim dividend of 20 cents and special interim dividend of 15 cents, per ordinary share less 18% Singapore income tax) in respect of the financial year ending 31 December 2008. The dividend will be paid in cash on 1 September 2008.

All existing holders of options under the UOB 1999 Share Option Scheme who exercise their options for shares by the books closure date will be entitled to the dividend, in accordance with the terms of the scheme.

**Subsidiary Preference Share Dividend**

During the second quarter of 2008, no dividend (2Q07: 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.

**Closure of Books**

Notice is hereby given that the Share Transfer Books and Register of Members of the Bank will be closed from 21 August 2008 to 22 August 2008, both dates inclusive, for the preparation of dividend warrants. Registrable transfers received by the Bank's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street #08-01 Samsung Hub, Singapore 049483 up to 5.00 pm on 20 August 2008 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.

**Confirmation by Directors**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first half / second quarter of 2008 to be false or misleading.

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



Mrs Vivien Chan  
Secretary

Dated this 5<sup>th</sup> day of August 2008

The results are also available at the Bank's website at [www.uobgroup.com](http://www.uobgroup.com)



# United Overseas Bank Limited

Incorporated in the Republic of Singapore  
Company Registration Number: 193500026Z

## Group Financial Report for the First Half / Second Quarter 2008

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**Notes:**

- 1 The financial statements are presented in Singapore dollars.
  - 2 Certain comparative figures have been restated to conform with the current period's presentation.
  - 3 Certain figures in this report may not add up to the respective totals due to rounding.
  - 4 Amounts less than \$500,000 in absolute term are shown as "0".
- \*NM" denotes not meaningful.

## Financial Highlights

	1H08	1H07	+ / (-) %	2Q08	1Q08	+ / (-) %	2Q07	+ / (-) %
<b>Profit and Loss Summary (\$m)</b>								
Net interest income	1,725	1,523	13.3	873	852	2.5	761	14.7
Non-interest income	964	968	(0.3)	550	414	32.9	536	2.7
Total income	2,690	2,490	8.0	1,424	1,266	12.4	1,297	9.8
Less: Total expenses	1,015	976	4.0	518	496	4.4	504	2.9
Operating profit	1,675	1,515	10.6	905	770	17.6	793	14.2
Less: Intangible assets	5	6	(13.0)	3	3	(3.0)	3	(15.9)
Less: Impairment charges	269	168	59.8	180	89	102.2	81	122.5
Add: Share of profit of associates	56	112	(50.0)	34	22	54.3	65	(47.8)
Less: Tax and minority interests	327	350	(6.6)	156	171	(8.6)	190	(17.7)
Net profit after tax <sup>1</sup>	1,130	1,103	2.5	601	529	13.5	585	2.7

## Financial Indicators

<b>Income mix (%)</b>								
Net interest income	64.1	61.1	3.0% pt	61.3	67.3	(6.0)% pt	58.7	2.6% pt
Non-interest income	35.9	38.9	(3.0)% pt	38.7	32.7	6.0% pt	41.3	(2.6)% pt
<b>Profit distribution (%)</b>								
Singapore	74.4	73.5	0.9% pt	79.3	69.0	10.3% pt	74.5	4.8% pt
Overseas	25.6	26.5	(0.9)% pt	20.7	31.0	(10.3)% pt	25.5	(4.8)% pt
Basic earnings per ordinary share (\$) <sup>2,3</sup>	1.47	1.42	3.5	1.57	1.38	13.8	1.51	4.0
Return on average ordinary shareholders' equity (%) <sup>2,3</sup>	13.8	13.2	0.6% pt	14.8	12.7	2.1% pt	13.9	0.9% pt
Return on average total assets (%) <sup>3</sup>	1.25	1.32	(0.07)% pt	1.32	1.17	0.15% pt	1.38	(0.06)% pt
Net interest margin (%) <sup>3</sup>	2.22	2.10	0.12% pt	2.23	2.20	0.03% pt	2.04	0.19% pt
Expense / Income ratio (%)	37.7	39.2	(1.5)% pt	36.4	39.2	(2.8)% pt	38.9	(2.5)% pt
<b>Net dividend per ordinary share (¢)</b>								
Interim	20.0	16.4	22.0	20.0	-	NM	16.4	22.0
Special interim	-	12.3	(100.0)	-	-	NM	12.3	(100.0)
Total	20.0	28.7	(30.3)	20.0	-	NM	28.7	(30.3)

### Notes:

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

2 Calculated based on profit attributable to equity holders of the Bank net of subsidiary preference share dividend incurred for the financial period.

3 Computed on an annualised basis.

**Financial Highlights (cont'd)**

	Jun-08	Mar-08	+ / (-) %	Jun-07	+ / (-) %
<b>Financial Indicators (cont'd)</b>					
Customer loans (net) (\$m)	97,395	94,373	3.2	82,461	18.1
Customer deposits (\$m)	109,004	109,580	(0.5)	104,469	4.3
Loans / Deposits ratio (%) <sup>1</sup>	89.3	86.1	3.2% pt	78.9	10.4% pt
NPL ratio (%) <sup>2</sup>	1.5	1.6	(0.1)% pt	2.8	(1.3)% pt
Total assets (\$m)	180,797	185,784	(2.7)	170,063	6.3
Shareholders' equity (\$m) <sup>3</sup>	16,583	16,992	(2.4)	17,511	(5.3)
Revaluation surplus (\$m) <sup>4</sup>	3,270	3,273	(0.1)	1,896	72.5
Net asset value ("NAV") per ordinary share (\$) <sup>5</sup>	10.46	10.73	(2.5)	10.95	(4.5)
Revalued NAV per ordinary share (\$) <sup>5</sup>	12.63	12.91	(2.2)	12.20	3.5
Net tangible asset per ordinary share (\$) <sup>5</sup>	7.66	7.92	(3.3)	8.15	(6.0)
<b>Capital adequacy ratios (%)</b>					
Tier 1	10.2	10.7	(0.5)% pt	10.8	(0.6)% pt
Total	14.4	15.6	(1.2)% pt	15.7	(1.3)% pt

**Notes:**

- 1 Refer to net customer loans and customer deposits.
- 2 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 3 Refer to equity attributable to equity holders of the Bank.
- 4 Refer to revaluation surplus on properties not recognised in the financial statements.
- 5 Subsidiary preference shares were excluded from the computation.

## **Performance Review**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by Monetary Authority of Singapore ("MAS"). The accounting policies and computation methods adopted in the financial statements for the first half of 2008 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2007.

### **First Half 2008 ("1H08") versus First Half 2007 ("1H07")**

The Group's net profit after tax ("NPAT") was \$1,130 million in 1H08, an increase of 2.5% from \$1,103 million recorded in 1H07. The growth was mainly attributed to higher net interest income, partially offset by higher impairment charges, lower contributions from associates and higher operating expenses.

Total operating income rose 8.0% to \$2,690 million. Net interest income grew 13.3% to \$1,725 million, driven by expanded loan volume and higher contributions from interbank money market activities. Non-interest income was flat at \$964 million as higher investment income and rental income were offset by lower other income.

Total operating expenses increased 4.0% to \$1,015 million. Staff costs increased 6.4% to \$545 million largely due to higher headcount. Other operating expenses rose 1.3% to \$469 million mainly on occupancy-related expenses, partly offset by lower IT-related expenses. Expense-to-income ratio improved 1.5% points to 37.7%.

Impairment charges increased 59.8% to \$269 million largely due to collective impairment provision for loans and collateralised debt obligations ("CDO") and individual impairment charges on CDO. These were partially offset by lower individual impairment charges on loans.

Share of pre-tax profit of associates decreased 50.0% to \$56 million mainly due to lower profits recorded by the major associates.

Net customer loans increased 18.1% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (30 June 2007: 2.8%) of gross customer loans.

### **Second Quarter 2008 ("2Q08") versus First Quarter 2008 ("1Q08")**

Group NPAT increased 13.5% to \$601 million in 2Q08, with operating profit grew 17.6% to \$905 million.

Operating income increased 12.4% to \$1,424 million. Net interest income rose 2.5% to \$873 million, mainly from securities and money market activities, due to lower funding costs. Non-interest income grew 32.9% to \$550 million, largely due to higher investment income and dividend income, partly offset by lower other income and fee and commission income.

Total operating expenses increased 4.4% to \$518 million. The increase was mainly on staff costs, occupancy-related and revenue-related expenses. Expense-to-income ratio improved 2.8% points to 36.4%.

Impairment charges were \$180 million in 2Q08 compared to \$89 million in 1Q08. The increase was largely due to higher individual impairment charges on loans and CDO, coupled with higher collective impairment provision for loans.

Net customer loans increased 3.2% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (31 March 2008: 1.6%) of gross customer loans.

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**Performance Review (cont'd)****Second Quarter 2008 ("2Q08") versus Second Quarter 2007 ("2Q07")**

Group NPAT increased 2.7% to \$601 million for 2Q08, with operating profit grew 14.2% to \$905 million.

Net interest income rose 14.7% to \$873 million, mainly attributed to increased loan volume and higher contributions from money market activities. Non-interest income increased 2.7% to \$550 million, mainly due to higher investment income, partly offset by lower fee and commission income and other income.

Total operating expenses increased 2.9% to \$518 million, primarily due to higher staff costs and occupancy-related expenses. Expense-to-income ratio improved 2.5% points to 36.4%.

Impairment charges increased 122.5% to \$180 million largely due to higher collective and individual impairment charges on loans.

Net customer loans increased 18.1% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (30 June 2007: 2.8%) of gross customer loans.

## Net Interest Income

### Net Interest Margin

	1H08			1H07		
	Average Balance	Annualised Interest	Average Rate	Average Balance	Annualised Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>						
Customer loans	94,392	4,651	4.93	79,434	4,701	5.92
Interbank balances	31,570	1,133	3.59	38,998	1,692	4.34
Securities	30,344	1,187	3.91	27,708	1,245	4.49
<b>Total</b>	<b>156,306</b>	<b>6,970</b>	<b>4.46</b>	<b>146,140</b>	<b>7,638</b>	<b>5.23</b>
<b>Interest bearing liabilities</b>						
Customer deposits	108,711	1,990	1.83	101,646	2,657	2.61
Interbank balances / other	42,519	1,511	3.55	39,731	1,910	4.81
<b>Total</b>	<b>151,230</b>	<b>3,501</b>	<b>2.32</b>	<b>141,377</b>	<b>4,567</b>	<b>3.23</b>
<b>Loan margin</b>			<b>3.10</b>			<b>3.31</b>
<b>Net interest income / margin<sup>1</sup></b>		<b>3,469</b>	<b>2.22</b>		<b>3,071</b>	<b>2.10</b>

	2Q08			1Q08			2Q07		
	Average Balance	Annualised Interest	Average Rate	Average Balance	Annualised Interest	Average Rate	Average Balance	Annualised Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>									
Customer loans	95,613	4,537	4.75	93,128	4,765	5.12	80,184	4,682	5.84
Interbank balances	31,880	1,057	3.32	31,834	1,209	3.80	40,302	1,711	4.25
Securities	29,836	1,129	3.78	30,766	1,244	4.04	28,818	1,267	4.40
<b>Total</b>	<b>157,328</b>	<b>6,723</b>	<b>4.27</b>	<b>155,728</b>	<b>7,218</b>	<b>4.63</b>	<b>149,304</b>	<b>7,660</b>	<b>5.13</b>
<b>Interest bearing liabilities</b>									
Customer deposits	110,444	1,846	1.67	108,417	2,134	1.97	103,959	2,663	2.56
Interbank balances / other	42,091	1,365	3.24	42,763	1,658	3.88	40,770	1,944	4.77
<b>Total</b>	<b>152,536</b>	<b>3,211</b>	<b>2.10</b>	<b>151,181</b>	<b>3,791</b>	<b>2.51</b>	<b>144,729</b>	<b>4,607</b>	<b>3.18</b>
<b>Loan margin</b>			<b>3.08</b>			<b>3.15</b>			<b>3.28</b>
<b>Net interest income / margin<sup>1</sup></b>		<b>3,512</b>	<b>2.23</b>		<b>3,426</b>	<b>2.20</b>		<b>3,053</b>	<b>2.04</b>

**Note:**

<sup>1</sup> 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

	1H08 vs 1H07			2Q08 vs 1Q08			2Q08 vs 2Q07		
	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
<b>Interest income</b>									
Customer loans	439	(464)	(25)	32	(88)	(57)	225	(261)	(36)
Interbank balances	(160)	(118)	(277)	0	(38)	(38)	(89)	(74)	(163)
Securities	59	(87)	(29)	(9)	(19)	(29)	11	(46)	(35)
<b>Total</b>	<b>338</b>	<b>(669)</b>	<b>(331)</b>	<b>23</b>	<b>(146)</b>	<b>(123)</b>	<b>147</b>	<b>(380)</b>	<b>(234)</b>
<b>Interest expense</b>									
Customer deposits	92	(422)	(331)	10	(81)	(72)	41	(245)	(204)
Interbank balances / other	59	(257)	(198)	(7)	(66)	(73)	13	(158)	(144)
<b>Total</b>	<b>151</b>	<b>(679)</b>	<b>(528)</b>	<b>3</b>	<b>(148)</b>	<b>(144)</b>	<b>55</b>	<b>(403)</b>	<b>(348)</b>
Change in number of days	-	-	5	-	-	-	-	-	(2)
<b>Net interest income</b>	<b>187</b>	<b>11</b>	<b>202</b>	<b>19</b>	<b>2</b>	<b>21</b>	<b>92</b>	<b>22</b>	<b>112</b>

#### 1H08 vs 1H07

Net interest income rose 13.3% to \$1,725 million, driven by expanded loan volume and higher contributions from interbank money market activities. Net interest margin increased 12 basis points to 2.22% mainly due to improved asset mix. The decrease in loan margin by 21 basis points to 3.10% was partly due to higher interest recovery on non-performing loans in 1H07.

#### 2Q08 vs 1Q08

Net interest income grew 2.5% to \$873 million, mainly from securities and interbank money market activities. Net interest margin increased 3 basis points to 2.23% as a result of lower funding costs. The decrease in loan margin by 7 basis points to 3.08% was due to lower loan yield.

#### 2Q08 vs 2Q07

Net interest income increased 14.7% to \$873 million. The growth was attributed to increased loan volume and higher contributions from interbank money market activities. Net interest margin increased 19 basis points to 2.23%, mainly contributed by improved asset mix and lower funding costs. The decrease in loan margin by 20 basis points to 3.08% was mainly due to lower loan yield.

## Non-Interest Income

	1H08	1H07	+ / (-)	2Q08	1Q08	+ / (-)	2Q07	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Fee and commission income</b>								
Credit card	90	80	13.2	47	44	7.5	42	11.7
Fund management	101	161	(37.3)	46	55	(17.0)	99	(53.9)
Futures broking	18	17	5.0	8	9	(6.4)	8	11.3
Investment-related	65	95	(30.9)	36	30	19.3	55	(35.5)
Loan-related	143	89	62.0	69	74	(7.4)	45	54.3
Service charges	40	41	(2.2)	19	21	(8.0)	23	(16.4)
Trade-related	105	92	13.4	51	53	(3.8)	50	2.2
Other	30	15	98.4	13	17	(23.4)	8	59.4
	<b>592</b>	<b>589</b>	<b>0.6</b>	<b>289</b>	<b>303</b>	<b>(4.7)</b>	<b>330</b>	<b>(12.4)</b>
<b>Dividend income</b>	<b>43</b>	<b>38</b>	<b>13.7</b>	<b>41</b>	<b>3</b>	<b>NM</b>	<b>35</b>	<b>16.9</b>
<b>Rental income</b>	<b>51</b>	<b>33</b>	<b>54.0</b>	<b>27</b>	<b>24</b>	<b>10.8</b>	<b>17</b>	<b>57.8</b>
<b>Other operating income</b>								
Net gain / (loss) from:								
Trading activities	(29)	72	(139.8)	(35)	6	(678.1)	43	(181.2)
Non-trading activities								
Financial instruments measured at fair value to profit and loss	(41)	38	(207.7)	12	(53)	NM	22	(45.3)
Available-for-sale assets and other	261	55	375.0	181	79	128.0	22	715.5
	191	165	15.8	159	32	391.7	87	81.7
Other income	86	142	(39.3)	35	51	(32.4)	67	(47.8)
	<b>277</b>	<b>307</b>	<b>(9.7)</b>	<b>194</b>	<b>84</b>	<b>131.2</b>	<b>154</b>	<b>25.7</b>
<b>Total</b>	<b>964</b>	<b>968</b>	<b>(0.3)</b>	<b>550</b>	<b>414</b>	<b>32.9</b>	<b>536</b>	<b>2.7</b>
<b>Fee and commission income /</b>								
Total income (%)	22.0	23.7	(1.7)% pt	20.3	24.0	(3.7)% pt	25.4	(5.1)% pt
<b>Non-interest income /</b>								
Total income (%)	35.9	38.9	(3.0)% pt	38.7	32.7	6.0 % pt	41.3	(2.6)% pt

### 1H08 vs 1H07

Non-interest income was flat at \$964 million, as higher investment income and rental income were offset by lower other income.

### 2Q08 vs 1Q08

Non-interest income grew 32.9% to \$550 million. The increase was mainly due to higher investment income and dividend income, partly offset by lower other income and fee and commission income.

### 2Q08 vs 2Q07

Non-interest income increased 2.7% to \$550 million. The increase was largely contributed by higher investment income, partially offset by lower fee and commission income and other income.

## Operating Expenses

	1H08	1H07	+ / (-)	2Q08	1Q08	+ / (-)	2Q07	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Staff costs</b>	<b>545</b>	513	6.4	<b>279</b>	267	4.5	272	2.7
<b>Other operating expenses</b>								
Revenue-related	234	232	1.1	119	116	2.7	117	1.2
Occupancy-related	96	82	16.9	51	45	13.3	42	20.2
IT-related	76	84	(9.3)	39	37	4.0	42	(7.2)
Other	63	65	(3.8)	31	32	(2.0)	31	1.1
	<b>469</b>	463	1.3	<b>240</b>	230	4.3	232	3.1
<b>Total</b>	<b>1,015</b>	976	4.0	<b>518</b>	496	4.4	504	2.9
<b>Of which:</b>								
Depreciation of assets	67	70	(4.2)	34	33	0.9	35	(3.0)
Total IT costs <sup>1</sup>	137	141	(2.3)	71	67	6.0	71	(0.2)
Total IT costs /								
Total operating expenses (%)	13.5	14.4	(0.9)% pt	13.6	13.4	0.2 % pt	14.1	(0.5)% pt
Expense / Income ratio (%)	37.7	39.2	(1.5)% pt	36.4	39.2	(2.8)% pt	38.9	(2.5)% pt
Manpower (number)	22,149	20,752	1,397 no.	22,149	21,818	331 no.	20,752	1,397 no.

### 1H08 vs 1H07

Total operating expenses increased 4.0% to \$1,015 million. Staff costs increased 6.4% to \$545 million mainly due to higher headcount to support business expansion. Other operating expenses increased 1.3% to \$469 million largely due to higher occupancy-related expenses, partly offset by lower IT-related expenses. Expense-to-income ratio improved 1.5% points to 37.7%.

### 2Q08 vs 1Q08

Total operating expenses increased 4.4% to \$518 million. The increase was mainly due to higher staff costs, occupancy-related and revenue-related expenses. Expense-to-income ratio improved 2.8% points to 36.4%.

### 2Q08 vs 2Q07

Total operating expenses increased 2.9% to \$518 million, mainly on higher staff costs and occupancy-related expenses. Expense-to-income ratio improved 2.5% points to 36.4%.

#### Note:

<sup>1</sup> Comprise IT staff costs and other IT-related expenses.

## Impairment Charges

	1H08	1H07	+/(-)	2Q08	1Q08	+/(-)	2Q07	+/(-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Individual impairment on loans								
Singapore	(12)	31	(139.4)	(9)	(3)	(193.1)	2	(493.8)
Malaysia	58	35	65.2	51	7	638.5	12	326.0
Thailand	30	58	(48.1)	24	6	344.6	22	9.4
Indonesia	(1)	(4)	67.9	(1)	(0)	NM	(6)	76.3
Greater China <sup>1</sup>	2	(2)	NM	0	2	(97.5)	2	(97.9)
Other	(1)	1	(222.6)	(0)	(1)	80.3	0	NM
	75	119	(36.8)	65	10	563.4	33	99.4
Individual impairment on securities and other assets	82	50	65.9	51	32	60.6	48	5.2
Collective impairment	112	-	NM	64	48	34.7	-	NM
<b>Total</b>	<b>269</b>	<b>168</b>	<b>59.8</b>	<b>180</b>	<b>89</b>	<b>102.2</b>	<b>81</b>	<b>122.5</b>

### 1H08 vs 1H07

Impairment charges increased 59.8% to \$269 million. The increase was largely due to collective impairment provision for loans and CDO, individual impairment charges on CDO, partly offset by lower individual impairment on loans.

### 2Q08 vs 1Q08

Impairment charges increased 102.2% to \$180 million. The increase was largely due to higher individual impairment charges on loans and CDO, coupled with higher collective impairment provision for loans.

### 2Q08 vs 2Q07

Impairment charges increased 122.5% to \$180 million, largely due to higher collective and individual impairment charges on loans.

#### Note:

<sup>1</sup> Comprise China, Hong Kong S.A.R. and Taiwan.

## Customer Loans

	Jun-08	Mar-08	Dec-07	Jun-07
	\$m	\$m	\$m	\$m
Gross customer loans	99,369	96,257	94,583	84,571
Less: Individual impairment	625	597	645	834
Collective impairment	1,350	1,286	1,270	1,276
Net customer loans	97,395	94,373	92,669	82,461

### **By Industry**

Transport, storage and communication	5,809	5,508	5,312	4,720
Building and construction	12,644	12,297	11,024	8,517
Manufacturing	10,152	10,029	9,840	9,477
Non-bank financial institutions	16,695	15,893	16,277	13,694
General commerce	13,624	12,742	12,825	11,985
Professionals and private individuals	11,996	11,391	11,222	10,452
Housing loans	22,976	22,879	22,598	20,724
Other	5,473	5,518	5,487	5,003
Total (gross)	99,369	96,257	94,583	84,571

### **By Currency**

Singapore dollar	53,427	52,002	50,361	43,723
US dollar	16,032	14,559	14,146	12,789
Malaysian ringgit	11,019	11,141	10,821	9,839
Thai baht	6,246	6,370	6,967	6,724
Indonesian rupiah	2,501	2,443	2,332	2,274
Other	10,144	9,741	9,956	9,221
Total (gross)	99,369	96,257	94,583	84,571

### **By Maturity**

Within 1 year	38,614	37,244	38,499	35,132
Over 1 year but within 3 years	17,589	16,414	13,764	11,295
Over 3 years but within 5 years	13,839	13,650	14,324	11,879
Over 5 years	29,326	28,949	27,996	26,265
Total (gross)	99,369	96,257	94,583	84,571

Net customer loans grew 3.2% and 18.1% over 31 March 2008 and 30 June 2007 respectively to \$97,395 million as at 30 June 2008. The increase was broad-based across most industries.

## Total Deposits

	<u>Jun-08</u>	<u>Mar-08</u>	<u>Dec-07</u>	<u>Jun-07</u>
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>
Banker deposits	36,455	39,531	32,091	31,738
Customer deposits	109,004	109,580	106,967	104,469
<b>Total</b>	<b>145,459</b>	<b>149,111</b>	<b>139,059</b>	<b>136,207</b>
Loans / Deposits ratio (%)	89.3	86.1	86.6	78.9
<b>By Maturity</b>				
Within 1 year	141,802	145,542	135,332	132,507
Over 1 year but within 3 years	1,829	1,583	1,564	1,552
Over 3 years but within 5 years	1,298	1,539	1,707	1,669
Over 5 years	530	448	456	479
<b>Total</b>	<b>145,459</b>	<b>149,111</b>	<b>139,059</b>	<b>136,207</b>
<b>Customer Deposits by Product Group</b>				
Fixed deposits	67,481	68,614	68,738	69,048
Savings deposits	22,753	22,523	19,044	17,980
Current accounts	15,915	15,261	15,369	13,336
Other	2,856	3,183	3,817	4,105
<b>Total</b>	<b>109,004</b>	<b>109,580</b>	<b>106,967</b>	<b>104,469</b>

Customer deposits was flat at \$109,004 million as at 30 June 2008 compared to 31 March 2008. Against 30 June 2007, customer deposits grew 4.3% largely contributed by higher savings deposits.

### Debts Issued

	Jun-08	Mar-08	Dec-07	Jun-07
	\$m	\$m	\$m	\$m
<b>Subordinated debts</b>				
Due after one year (unsecured)	5,027	5,294	5,242	5,213
<b>Other debts issued</b>				
Due within one year (secured)	-	-	-	773
Due within one year (unsecured)	852	469	923	920
Due after one year (unsecured)	457	443	502	432
	<u>1,309</u>	<u>912</u>	<u>1,425</u>	<u>2,125</u>
<b>Total</b>	<u>6,337</u>	<u>6,206</u>	<u>6,666</u>	<u>7,338</u>

### Shareholders' Equity

Shareholders' equity	16,583	16,992	17,329	17,511
Add: Revaluation surplus	3,270	3,273	3,263	1,896
Shareholders' equity including revaluation surplus	<u>19,853</u>	<u>20,265</u>	<u>20,592</u>	<u>19,407</u>

Shareholders' equity decreased 2.4% over 31 March 2008 to \$16,583 million as at 30 June 2008. The decrease was largely due to dividend payment, foreign exchange translation and higher revaluation loss on available-for-sale assets, partly offset by higher retained profits. Against 30 June 2007, shareholders' equity was 5.3% lower, attributed mainly to revaluation loss on available-for-sale assets, foreign exchange translation and purchase of treasury shares, partially offset by higher retained profits.

As at 30 June 2008, revaluation surplus of \$3,270 million on the Group's properties was not recognised in the financial statements.

### Changes in Ordinary Shares of the Bank

	Number of shares ('000)			
	1H08	1H07	2Q08	2Q07
<b>Issued ordinary shares</b>				
Balance at beginning of period	1,523,760	1,523,276	1,523,806	1,523,512
Exercise of share options granted under the UOB 1999 Share Option Scheme	139	426	93	190
Balance at end of period	<u>1,523,899</u>	<u>1,523,702</u>	<u>1,523,899</u>	<u>1,523,702</u>
<b>Treasury shares</b>				
Balance at beginning of period	(11,597)	-	(18,320)	-
Share buyback	(6,723)	(601)	-	(601)
Balance at end of period	<u>(18,320)</u>	<u>(601)</u>	<u>(18,320)</u>	<u>(601)</u>
<b>Total</b>	<u>1,505,579</u>	<u>1,523,101</u>	<u>1,505,579</u>	<u>1,523,101</u>
	<u>Jun-08</u>	<u>Mar-08</u>	<u>Dec-07</u>	<u>Jun-07</u>
	'000	'000	'000	'000
Number of new shares that would have been issued upon exercise of all outstanding options under the UOB 1999 Share Option Scheme	301	407	453	526

## Non-Performing Assets

	Jun-08	Mar-08	Dec-07	Jun-07
<b>Non-Performing Assets ("NPA") (\$m)</b>				
Loans ("NPL")	1,547	1,602	1,713	2,380
Debt securities	292	284	2	2
<b>Total</b>	<b>1,839</b>	<b>1,886</b>	<b>1,715</b>	<b>2,382</b>
<b>Cumulative Impairment (\$m)</b>				
Individual	881	832	647	836
Collective	1,366	1,312	1,270	1,276
<b>Total</b>	<b>2,247</b>	<b>2,144</b>	<b>1,917</b>	<b>2,112</b>
<b>Ratios (%)</b>				
NPL ratio <sup>1</sup>	1.5	1.6	1.8	2.8
NPA ratio <sup>2</sup>	1.0	1.0	1.0	1.4
Cumulative impairment as % of gross customer loans <sup>3</sup>	2.0	2.0	2.0	2.5
Cumulative impairment as % of total assets	1.2	1.2	1.1	1.2
Collective impairment as % of gross customer loans net of individual impairment <sup>3</sup>	1.4	1.3	1.4	1.5

Group NPA of \$1,839 million as at 30 June 2008 constituted 1.0% (31 March 2008: 1.0% and 30 June 2007: 1.4%) of total assets.

Group NPL continued to manage down to \$1,547 million as at 30 June 2008. NPL ratio improved to 1.5% from 1.6% and 2.8% as at 31 March 2008 and 30 June 2007 respectively.

### Notes:

- 1 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 2 Refer to non-performing assets (excluding contingent assets) as a percentage of total assets.
- 3 Debt securities and contingent assets were excluded from the computation.

### Non-Performing Assets (cont'd)

	Jun-08	Mar-08	Dec-07	Jun-07
	\$m	\$m	\$m	\$m
<b>NPA by Grading</b>				
Substandard	957	1,040	1,106	1,642
Doubtful	234	326	76	171
Loss	648	520	533	569
<b>Total</b>	<b>1,839</b>	<b>1,886</b>	<b>1,715</b>	<b>2,382</b>
<b>Secured NPA</b>				
Secured	852	928	1,001	1,367
Unsecured	987	958	714	1,015
<b>Total</b>	<b>1,839</b>	<b>1,886</b>	<b>1,715</b>	<b>2,382</b>
<b>Ageing of NPA<sup>1</sup></b>				
Current	535	529	203	285
≤ 90 days	170	151	216	154
91 to 180 days	187	161	202	327
≥ 181 days	947	1,045	1,094	1,616
<b>Total</b>	<b>1,839</b>	<b>1,886</b>	<b>1,715</b>	<b>2,382</b>

	Jun-08		Mar-08		Dec-07		Jun-07	
	Individual NPL	Individual Impairment						
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Restructured NPL for the quarter</b>								
Substandard	15	3	6	1	16	1	22	1
Doubtful	1	1	-	-	3	2	-	-
Loss	15	15	15	15	5	5	5	5
<b>Total</b>	<b>31</b>	<b>19</b>	<b>21</b>	<b>16</b>	<b>24</b>	<b>8</b>	<b>27</b>	<b>6</b>
<b>NPL by Industry</b>								
Transport, storage and communication	19	14	18	12	20	12	65	14
Building and construction	129	46	132	44	145	46	261	80
Manufacturing	405	208	424	202	418	206	573	268
Non-bank financial institutions	137	29	164	31	179	33	277	63
General commerce	299	150	313	152	347	171	436	190
Professionals and private individuals	238	100	251	104	272	111	381	159
Housing loans	239	30	245	31	263	35	311	25
Other	81	48	55	21	69	31	76	35
<b>Total</b>	<b>1,547</b>	<b>625</b>	<b>1,602</b>	<b>597</b>	<b>1,713</b>	<b>645</b>	<b>2,380</b>	<b>834</b>

**Note:**

1 Where payment of interest or principal of an account is overdue, all outstanding balances of that account are deemed non-current and aged accordingly.

**Non-Performing Assets (cont'd)**

	NPL	Cumulative	NPL	Secured	Cumulative
	\$m	Impairment	Ratio	NPL	Impairment
				as % of	as % of
				respective	respective
				NPL	NPL
	\$m	\$m	%	%	%
<b>NPL by Region</b>					
<b>Singapore</b>					
Jun 08	512	798	0.8	59.6	155.9
Mar 08	555	754	0.9	59.3	135.9
Dec 07	628	726	1.1	60.2	115.6
Jun 07	1,005	842	2.0	57.7	83.8
<b>Malaysia</b>					
Jun 08	522	398	4.3	55.6	76.2
Mar 08	504	362	4.1	61.5	71.8
Dec 07	495	368	4.2	61.8	74.3
Jun 07	585	376	5.5	62.6	64.3
<b>Thailand</b>					
Jun 08	367	318	5.3	40.6	86.6
Mar 08	393	315	5.6	45.5	80.2
Dec 07	436	348	6.5	45.6	79.8
Jun 07	403	330	6.3	45.7	81.9
<b>Indonesia</b>					
Jun 08	64	98	1.7	73.4	153.1
Mar 08	68	98	1.8	73.5	144.1
Dec 07	73	103	2.0	74.0	141.1
Jun 07	94	123	2.7	59.6	130.9
<b>Greater China</b>					
Jun 08	16	70	0.4	75.0	437.5
Mar 08	16	65	0.5	75.0	406.3
Dec 07	18	66	0.6	94.4	366.7
Jun 07	10	50	0.4	80.0	500.0
<b>Other</b>					
Jun 08	66	293	0.6	74.2	443.9
Mar 08	66	289	0.6	72.7	437.9
Dec 07	63	304	0.6	73.0	482.5
Jun 07	283	389	2.6	60.8	137.5
<b>Group NPL</b>					
Jun 08	1,547	1,975	1.5	55.1	127.7
Mar 08	1,602	1,883	1.6	57.9	117.5
Dec 07	1,713	1,915	1.8	58.4	111.8
Jun 07	2,380	2,110	2.8	57.4	88.7

## Performance by Business Segment

					\$m
	PFS	IFS	GMIM	Other	Total
<b>1H08</b>					
Operating income	939	1,050	542	159	2,690
Operating expenses	(443)	(336)	(191)	(5)	(975)
Impairment charges	(18)	(66)	(68)	(117)	(269)
Amortisation of intangible assets	(2)	(3)	-	-	(5)
<b>Segment profit</b>	<b>476</b>	<b>645</b>	<b>283</b>	<b>37</b>	<b>1,441</b>
Unallocated corporate expenses					(40)
Share of profit of associates					56
Profit before tax					<u>1,457</u>
<b>Segment assets</b>	<b>35,766</b>	<b>66,122</b>	<b>71,886</b>	<b>1,470</b>	<b>175,244</b>
Intangible assets	1,186	2,308	667	80	4,241
Investment in associates					1,183
Unallocated assets					129
Total assets					<u>180,797</u>
<b>Segment liabilities</b>	<b>59,175</b>	<b>48,110</b>	<b>54,923</b>	<b>820</b>	<b>163,028</b>
Unallocated liabilities					822
Total liabilities					<u>163,850</u>
<b>Other information</b>					
Gross customer loans	34,972	64,397	-	-	99,369
Non-performing loans	477	1,070	-	-	1,547
Individual impairment on loans	130	495	-	-	625
Capital expenditure	26	28	5	11	70
Depreciation of assets	23	23	5	16	67
<b>1H07</b>					
Operating income	843	1,048	656	(57)	2,490
Operating expenses	(387)	(307)	(204)	(23)	(921)
Impairment charges	(44)	(77)	(1)	(46)	(168)
Amortisation of intangible assets	(2)	(4)	-	-	(6)
<b>Segment profit</b>	<b>410</b>	<b>660</b>	<b>451</b>	<b>(126)</b>	<b>1,395</b>
Unallocated corporate expenses					(55)
Share of profit of associates					112
Profit before tax					<u>1,453</u>
<b>Segment assets</b>	<b>31,592</b>	<b>55,356</b>	<b>76,190</b>	<b>1,280</b>	<b>164,418</b>
Intangible assets	1,197	2,347	672	80	4,296
Investment in associates					1,280
Unallocated assets					69
Total assets					<u>170,063</u>
<b>Segment liabilities</b>	<b>57,502</b>	<b>44,500</b>	<b>48,350</b>	<b>929</b>	<b>151,281</b>
Unallocated liabilities					875
Total liabilities					<u>152,156</u>
<b>Other information</b>					
Gross customer loans	31,176	53,395	-	-	84,571
Non-performing loans	692	1,688	-	-	2,380
Individual impairment on loans	184	650	-	-	834
Capital expenditure	22	24	4	291	341
Depreciation of assets	25	26	5	14	70

## **Performance by Business Segment (cont'd)**

The Group's businesses are organised into four segments based on the types of products and services that it provides. These segments are Personal Financial Services ("PFS"), Institutional Financial Services ("IFS"), Global Markets and Investment Management ("GMIM") and Other.

### **Personal Financial Services**

PFS segment covers Consumer, Privilege and Private Banking. Consumer Banking serves the mass individual customers with a wide range of products and services, including deposits, loans, investments, credit and debit cards and life assurance products. Privilege Banking provides an extended range of financial services, including wealth management, offshore and restricted products such as structured notes, funds of hedge funds, and high networth insurance plans to the wealthy and affluent customers. For the accredited investors and high networth individuals, Private Banking provides an elevated level of personal services and consultation.

Segment profit rose 16.1% to \$476 million in 1H08. The increase was mainly from higher net interest income driven by loan growth, higher non-interest income from structured products and credit cards, and lower impairment charges on loans. These were partly negated by higher revenue-related expenses to support increased business activities.

### **Institutional Financial Services**

IFS segment encompasses Commercial Banking, Corporate Banking, Corporate Finance and Capital Markets. Commercial Banking serves the small and medium-sized enterprises. Corporate Banking serves large local corporations, government-linked companies and agencies, including non-bank financial institutions. Both Commercial Banking and Corporate Banking provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and providing corporate advisory services. Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans, project finance and structured finance, and underwriting and lead managing bond issues.

Segment profit reduced 2.3% to \$645 million in 1H08. The decrease was mainly due to lower contribution from overseas operations, lower gain on foreclosed securities and lower fee income on investment-related activities resulting from the unfavourable market conditions. These were partly negated by higher net interest income on strong loan growth and higher fee income on loan-related activities from Singapore operations.

### **Global Markets and Investment Management**

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

Segment profit decreased 37.3% to \$283 million in 1H08 as performance was partly affected by the continuing deterioration of the global equity and credit markets. The decrease was mainly attributed to mark-to-market losses from trading activities and securities, and lower fee income from asset management activities. These were partly offset by higher realised gain on investment securities.

### **Other**

Other segment includes property-related activities and insurance businesses.

The segment recorded a profit of \$37 million in 1H08 compared to a loss of \$126 million in 1H07, mainly due to higher realised gain on investment securities and higher rental income on properties. These were partly offset by provision for a long-term investment and higher collective impairment provision for the expanded loan portfolio.

**Performance by Geographical Segment<sup>1</sup>**

	1H08	1H07	2Q08	1Q08	2Q07
	\$m	\$m	\$m	\$m	\$m
<b>Total Operating Income</b>					
Singapore	1,739	1,540	948	792	800
Malaysia	281	287	137	144	146
Thailand	230	220	116	114	113
Indonesia	132	143	66	65	73
Greater China	77	82	48	29	46
Other	231	218	109	122	119
<b>Total</b>	<b>2,690</b>	<b>2,490</b>	<b>1,424</b>	<b>1,266</b>	<b>1,297</b>
<b>Profit before Tax</b>					
Singapore	1,087	1,073	602	485	579
Malaysia	109	144	29	80	75
Thailand	41	(25)	9	31	(22)
Indonesia	49	77	22	27	40
Greater China <sup>2</sup>	17	50	21	(4)	27
Other	159	140	76	83	78
	1,462	1,459	759	703	777
Intangible assets amortised	(5)	(6)	(3)	(3)	(3)
<b>Total</b>	<b>1,457</b>	<b>1,453</b>	<b>757</b>	<b>700</b>	<b>774</b>

	Jun-08	Mar-08	Dec-07	Jun-07
	\$m	\$m	\$m	\$m
<b>Total Assets</b>				
Singapore	116,544	118,591	111,305	105,456
Malaysia	17,756	17,680	15,771	16,026
Thailand	8,800	9,724	9,740	10,084
Indonesia	4,040	3,960	3,943	4,096
Greater China	7,613	7,947	7,644	7,863
Other	21,803	23,632	22,282	22,242
	176,557	181,534	170,685	165,767
Intangible assets	4,241	4,250	4,265	4,296
<b>Total</b>	<b>180,797</b>	<b>185,784</b>	<b>174,950</b>	<b>170,063</b>

**Notes:**

- 1 Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.
- 2 Revaluation loss on the USD capital injected in China was \$11m for 2Q08 (1Q08: \$30m). This was offset by a corresponding revaluation gain in Singapore where the USD exposure was hedged back-to-back. Excluding the revaluation loss, Greater China would have recorded a pre-tax profit of \$32m for 2Q08 (1Q08: \$26m).

## Capital Adequacy Ratios

	Jun-08	Mar-08	Dec-07	Jun-07
	\$m	\$m	\$m	\$m
<b>Tier 1 capital</b>				
Share capital	1,895	1,894	2,014	2,239
Subsidiary preference shares	832	832	832	832
Disclosed reserves / other	13,762	14,134	13,894	13,620
Capital deductions				
Intangible assets	(4,253)	(4,264)	(4,279)	(4,309)
Other	(606)	(585)	-	-
	<b>11,630</b>	<b>12,011</b>	<b>12,461</b>	<b>12,382</b>
<b>Upper Tier 2 capital</b>				
Cumulative collective impairment / other	730	724	1,511	1,557
Subordinated notes	4,718	5,249	5,196	5,163
Capital deductions	(606)	(585)	-	-
	<b>4,842</b>	<b>5,388</b>	<b>6,707</b>	<b>6,720</b>
Capital deductions	-	-	(1,086)	(1,128)
<b>Total capital</b>	<b>16,472</b>	<b>17,399</b>	<b>18,082</b>	<b>17,974</b>
<b>Risk-weighted assets <sup>1</sup></b>	<b>114,368</b>	<b>111,850</b>	<b>124,772</b>	<b>114,842</b>
<b>Capital adequacy ratios ("CAR")</b>				
Tier 1	10.2%	10.7%	10.0%	10.8%
Total	14.4%	15.6%	14.5%	15.7%

The Group adopted Basel II framework for its CAR computation in accordance with the revised MAS Notice 637 with effect from January 2008.

Group tier 1 CAR reduced 0.5% point over 31 March 2008 to 10.2% as at 30 June 2008 largely due to dividend payment in the quarter. Group total CAR decreased 1.2% points to 14.4% as at 30 June 2008. The decrease was due mainly to amortisation of, and fair value adjustment attributable to interest rate risk on subordinated debts, as well as dividend payment.

Group tier 1 CAR and total CAR as at 30 June 2008 were 4.2% points and 4.4% points above the minimum 6% and 10% required by MAS respectively.

**Note:**

<sup>1</sup> Include operational risk (with effect from January 2008) and market risk.

**Consolidated Profit and Loss Account (Unaudited)**

	1H08	1H07	+/(-) %	2Q08	1Q08	+/(-) %	2Q07	+/(-) %
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	3,466	3,787	(8.5)	1,672	1,795	(6.9)	1,910	(12.5)
Less: Interest expense	1,741	2,265	(23.1)	798	943	(15.3)	1,149	(30.5)
<b>Net interest income</b>	<b>1,725</b>	<b>1,523</b>	<b>13.3</b>	<b>873</b>	<b>852</b>	<b>2.5</b>	<b>761</b>	<b>14.7</b>
Dividend income	43	38	13.7	41	3	NM	35	16.9
Fee and commission income	592	589	0.6	289	303	(4.7)	330	(12.4)
Rental income	51	33	54.0	27	24	10.8	17	57.8
Other operating income	277	307	(9.7)	194	84	131.2	154	25.7
<b>Total non-interest income</b>	<b>964</b>	<b>968</b>	<b>(0.3)</b>	<b>550</b>	<b>414</b>	<b>32.9</b>	<b>536</b>	<b>2.7</b>
<b>Total operating income</b>	<b>2,690</b>	<b>2,490</b>	<b>8.0</b>	<b>1,424</b>	<b>1,266</b>	<b>12.4</b>	<b>1,297</b>	<b>9.8</b>
Less: Staff costs	545	513	6.4	279	267	4.5	272	2.7
Other operating expenses	469	463	1.3	240	230	4.3	232	3.1
<b>Total operating expenses</b>	<b>1,015</b>	<b>976</b>	<b>4.0</b>	<b>518</b>	<b>496</b>	<b>4.4</b>	<b>504</b>	<b>2.9</b>
<b>Operating profit before amortisation and impairment charges</b>	<b>1,675</b>	<b>1,515</b>	<b>10.6</b>	<b>905</b>	<b>770</b>	<b>17.6</b>	<b>793</b>	<b>14.2</b>
Less: Intangible assets amortised	5	6	(13.0)	3	3	(3.0)	3	(15.9)
Impairment charges	269	168	59.8	180	89	102.2	81	122.5
<b>Operating profit after amortisation and impairment charges</b>	<b>1,401</b>	<b>1,340</b>	<b>4.5</b>	<b>723</b>	<b>678</b>	<b>6.6</b>	<b>709</b>	<b>1.9</b>
Share of profit of associates	56	112	(50.0)	34	22	54.3	65	(47.8)
<b>Profit before tax</b>	<b>1,457</b>	<b>1,453</b>	<b>0.3</b>	<b>757</b>	<b>700</b>	<b>8.1</b>	<b>774</b>	<b>(2.3)</b>
Less: Tax	315	315	(0.0)	152	163	(7.0)	170	(11.0)
<b>Profit for the financial period</b>	<b>1,142</b>	<b>1,138</b>	<b>0.4</b>	<b>605</b>	<b>537</b>	<b>12.6</b>	<b>604</b>	<b>0.2</b>
Attributable to:								
<b>Equity holders of the Bank</b>	<b>1,130</b>	<b>1,103</b>	<b>2.5</b>	<b>601</b>	<b>529</b>	<b>13.5</b>	<b>585</b>	<b>2.7</b>
Minority interests	12	35	(65.6)	4	8	(43.5)	19	(77.5)
	<b>1,142</b>	<b>1,138</b>	<b>0.4</b>	<b>605</b>	<b>537</b>	<b>12.6</b>	<b>604</b>	<b>0.2</b>
<b>Earnings per ordinary share (\$) <sup>1</sup></b>								
Basic	1.47	1.42	3.5	1.57	1.38	13.8	1.51	4.0
Diluted	1.47	1.42	3.5	1.57	1.38	13.8	1.51	4.0

Note:

1 Annualised

**Consolidated Balance Sheet (Unaudited)**

	Jun-08	Mar-08	Dec-07 <sup>1</sup>	Jun-07
	\$m	\$m	\$m	\$m
<b>Equity</b>				
Share capital	1,895	1,894	2,014	2,239
Subsidiary preference shares	832	832	832	832
Capital reserves	2,720	3,024	3,714	4,215
Statutory reserves	3,132	3,132	3,132	3,130
Revenue reserves	7,760	7,847	7,328	6,778
Share of reserves of associates	244	263	310	317
Equity attributable to equity holders of the Bank	16,583	16,992	17,329	17,511
Minority interests	364	384	398	396
<b>Total</b>	<b>16,947</b>	<b>17,375</b>	<b>17,726</b>	<b>17,908</b>
<b>Liabilities</b>				
Deposits and balances of banks and agents	36,455	39,531	32,091	31,738
Deposits and balances of non-bank customers	109,004	109,580	106,967	104,469
Bills and drafts payable	1,970	1,971	1,824	479
Other liabilities	10,084	11,120	9,675	8,132
Debts issued	6,337	6,206	6,666	7,338
<b>Total</b>	<b>163,850</b>	<b>168,408</b>	<b>157,224</b>	<b>152,156</b>
<b>Total equity and liabilities</b>	<b>180,797</b>	<b>185,784</b>	<b>174,950</b>	<b>170,063</b>
<b>Assets</b>				
Cash, balances and placements with central banks	18,607	21,222	17,667	20,434
Singapore Government treasury bills and securities	9,173	8,690	9,134	9,623
Other government treasury bills and securities	3,745	4,650	3,482	3,266
Trading securities	411	525	410	561
Placements and balances with banks and agents	15,625	18,940	15,207	19,595
Loans to non-bank customers	97,395	94,373	92,669	82,461
Investment securities	18,316	18,625	19,417	18,714
Other assets	10,055	11,229	9,359	7,734
Investment in associates	1,183	1,229	1,261	1,280
Properties and other fixed assets	2,047	2,051	2,081	2,099
Intangible assets	4,241	4,250	4,265	4,296
<b>Total</b>	<b>180,797</b>	<b>185,784</b>	<b>174,950</b>	<b>170,063</b>
<b>Off-Balance Sheet Items</b>				
Contingent liabilities	13,819	12,810	13,082	11,013
Financial derivatives	447,758	399,869	388,058	437,557
Commitments	48,872	48,988	48,359	47,149
<b>Net asset value per ordinary share (\$)</b>	<b>10.46</b>	<b>10.73</b>	<b>10.91</b>	<b>10.95</b>

**Note:**

1 Audited.

## Consolidated Statement of Changes in Equity (Unaudited)

	Equity Attributable to Equity Holders of the Bank								
	Share Capital	Subsidiary Preference Shares	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total	Minority Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2008	2,014	832	3,714	3,132	7,328	310	17,329	398	17,726
Currency translation adjustments	-	-	(316)	-	-	-	(316)	(18)	(335)
Change in available-for-sale reserve									
Net change in fair value	-	-	(678)	-	-	-	(678)	(5)	(684)
Transferred to profit and loss account on disposal / impairment	-	-	(6)	-	-	-	(6)	(0)	(6)
Change in share of associates' reserves	-	-	-	-	-	(66)	(66)	-	(66)
Total losses recognised directly in equity	-	-	(1,001)	-	-	(66)	(1,067)	(24)	(1,091)
Profit for the financial period	-	-	-	-	1,130	-	1,130	12	1,142
Total gains / (losses) recognised for the financial period	-	-	(1,001)	-	1,130	(66)	63	(12)	51
Transfer from / (to) revenue reserves	-	-	(0)	1	(1)	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	(0)	(0)
Dividends	-	-	-	-	(697)	-	(697)	(21)	(718)
Share buyback - held in treasury	(120)	-	-	-	-	-	(120)	-	(120)
Share-based payment	-	-	7	-	-	-	7	-	7
Issue of shares under share option scheme	2	-	-	-	-	-	2	-	2
Balance at 30 June 2008	1,895	832	2,720	3,132	7,760	244	16,583	364	16,947
Balance at 1 January 2007	2,247	832	3,969	3,130	6,356	257	16,791	385	17,176
Currency translation adjustments	-	-	135	-	-	-	135	1	136
Change in available-for-sale reserve									
Net change in fair value	-	-	280	-	-	-	280	3	283
Transferred to profit and loss account on disposal / impairment	-	-	(73)	-	-	-	(73)	(0)	(73)
Change in share of associates' reserves	-	-	-	-	-	55	55	-	55
Transfer to revenue reserves upon disposal of associates	-	-	-	-	(5)	5	-	-	-
Total gains / (losses) recognised directly in equity	-	-	342	-	(5)	60	398	4	401
Profit for the financial period	-	-	-	-	1,103	-	1,103	35	1,138
Total gains recognised for the financial period	-	-	342	-	1,098	60	1,500	39	1,539
Transfer from / (to) revenue reserves	-	-	(96)	0	96	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	(1)	(1)
Dividends	-	-	-	-	(772)	-	(772)	(27)	(799)
Share buyback - held in treasury	(14)	-	-	-	-	-	(14)	-	(14)
Issue of shares under share option scheme	6	-	-	-	-	-	6	-	6
Balance at 30 June 2007	2,239	832	4,215	3,130	6,778	317	17,511	396	17,908

## Consolidated Statement of Changes in Equity (Unaudited)

	Equity Attributable to Equity Holders of the Bank								
	Share Capital	Subsidiary Preference Shares	Capital Reserves	Statutory Reserves	Revenue Reserves	Share of Reserves of Associates	Total	Minority Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 April 2008	1,894	832	3,024	3,132	7,847	263	16,992	384	17,375
Currency translation adjustments	-	-	(190)	-	-	-	(190)	(12)	(202)
Change in available-for-sale reserve									
Net change in fair value	-	-	(129)	-	-	-	(129)	(11)	(141)
Transferred to profit and loss account on disposal / impairment	-	-	12	-	-	-	12	9	21
Change in share of associates' reserves	-	-	-	-	-	(20)	(20)	-	(20)
Total losses recognised directly in equity	-	-	(307)	-	-	(20)	(327)	(15)	(342)
Profit for the financial period	-	-	-	-	601	-	601	4	605
Total gains / (losses) recognised for the financial period	-	-	(307)	-	601	(20)	274	(11)	263
Transfer from revenue reserves	-	-	-	0	(0)	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	0	0
Dividends	-	-	-	-	(687)	-	(687)	(8)	(696)
Share-based payment	-	-	3	-	-	-	3	-	3
Issue of shares under share option scheme	1	-	-	-	-	-	1	-	1
Balance at 30 June 2008	1,895	832	2,720	3,132	7,760	244	16,583	364	16,947
Balance at 1 April 2007	2,250	832	4,148	3,130	6,858	288	17,507	386	17,893
Currency translation adjustments	-	-	75	-	-	-	75	6	81
Change in available-for-sale reserve									
Net change in fair value	-	-	118	-	-	-	118	2	120
Transferred to profit and loss account on disposal / impairment	-	-	(30)	-	-	-	(30)	(0)	(30)
Change in share of associates' reserves	-	-	-	-	-	29	29	-	29
Total gains recognised directly in equity	-	-	163	-	-	29	191	8	199
Profit for the financial period	-	-	-	-	585	-	585	19	604
Total gains recognised for the financial period	-	-	163	-	585	29	776	27	803
Transfer from / (to) revenue reserves	-	-	(96)	0	96	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	(0)	(0)
Dividends	-	-	-	-	(761)	-	(761)	(17)	(778)
Share buyback - held in treasury	(14)	-	-	-	-	-	(14)	-	(14)
Issue of shares under share option scheme	3	-	-	-	-	-	3	-	3
Balance at 30 June 2007	2,239	832	4,215	3,130	6,778	317	17,511	396	17,908

**Consolidated Cash Flow Statement (Unaudited)**

	1H08	1H07	2Q08	2Q07
	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>				
Operating profit before amortisation and impairment charges	1,675	1,515	905	793
Adjustments for:				
Depreciation of assets	67	70	34	35
Net gain on disposal of assets	(157)	(64)	(154)	(30)
Share-based payment	7	-	3	-
Operating profit before working capital changes	1,592	1,521	789	798
Changes in working capital				
Increase / (decrease) in deposits	6,400	7,207	(3,652)	2,823
Increase / (decrease) in bills and drafts payable	146	91	(1)	48
Increase / (decrease) in other liabilities	473	(73)	(1,008)	(313)
(Increase) / decrease in trading securities	(1)	(78)	114	(75)
(Increase) / decrease in placements and balances with banks and agents	(418)	4,937	3,316	4,419
Increase in loans to non-bank customers	(4,897)	(5,706)	(3,161)	(3,452)
(Increase) / decrease in other assets	(718)	397	1,159	421
Cash generated from operations	2,578	8,296	(2,445)	4,669
Income tax paid	(363)	(255)	(183)	(198)
Net cash provided by / (used in) operating activities	2,215	8,041	(2,628)	4,470
<b>Cash flows from investing activities</b>				
Net cash flow on disposal / (acquisition) of:				
Investment securities and associates	501	(848)	319	(346)
Properties and other fixed assets	(25)	(299)	(23)	(272)
Change in minority interests	(24)	3	(15)	8
Dividends received from associates	55	55	54	48
Net cash provided by / (used in) investing activities	507	(1,089)	335	(562)
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	2	6	1	3
Net (decrease) / increase in debts issued	(330)	742	131	782
Share buyback	(120)	(14)	-	(14)
Dividends paid on ordinary shares	(678)	(750)	(678)	(750)
Dividends paid on subsidiary preference shares	(20)	(22)	-	-
Dividends paid to minority interests	(21)	(19)	(8)	(9)
Net cash (used in) / provided by financing activities	(1,166)	(57)	(554)	12
Currency translation adjustments	(313)	137	(189)	74
<b>Net increase / (decrease) in cash and cash equivalents for the financial period</b>	<b>1,242</b>	<b>7,031</b>	<b>(3,036)</b>	<b>3,995</b>
Cash and cash equivalents at beginning of the financial period	30,283	26,292	34,561	29,328
<b>Cash and cash equivalents at end of the financial period</b>	<b>31,525</b>	<b>33,323</b>	<b>31,525</b>	<b>33,323</b>
Represented by:				
Cash, balances and placements with central banks	18,607	20,434	18,607	20,434
Singapore Government treasury bills and securities	9,173	9,623	9,173	9,623
Other government treasury bills and securities	3,745	3,266	3,745	3,266
<b>Cash and cash equivalents at end of the financial period</b>	<b>31,525</b>	<b>33,323</b>	<b>31,525</b>	<b>33,323</b>

**Balance Sheet of the Bank (Unaudited)**

	Jun-08	Mar-08	Dec-07 <sup>1</sup>	Jun-07
	\$m	\$m	\$m	\$m
<b>Equity</b>				
Share capital	1,895	1,894	2,014	2,239
Capital reserves	3,060	3,060	3,597	3,972
Statutory reserves	2,753	2,753	2,753	2,753
Revenue reserves	5,996	6,061	5,623	5,435
<b>Total</b>	<b>13,703</b>	<b>13,768</b>	<b>13,987</b>	<b>14,399</b>
<b>Liabilities</b>				
Deposits and balances of banks and agents	33,101	37,073	30,142	27,695
Deposits and balances of non-bank customers	87,687	86,498	84,312	81,268
Deposits and balances of subsidiaries	3,742	3,461	4,047	4,072
<b>Total deposits and balances</b>	<b>124,531</b>	<b>127,032</b>	<b>118,502</b>	<b>113,035</b>
Bills and drafts payable	217	161	372	299
Other liabilities	7,382	8,156	7,013	5,667
Debts issued	6,418	6,688	6,665	6,480
<b>Total</b>	<b>138,547</b>	<b>142,036</b>	<b>132,551</b>	<b>125,480</b>
<b>Total equity and liabilities</b>	<b>152,251</b>	<b>155,805</b>	<b>146,538</b>	<b>139,879</b>
<b>Assets</b>				
Cash, balances and placements with central banks	14,628	16,838	14,976	17,006
Singapore Government treasury bills and securities	9,054	8,598	9,052	9,530
Other government treasury bills and securities	2,266	2,848	1,878	2,293
Tracing securities	314	333	110	239
Placements and balances with banks and agents	12,314	16,268	13,220	15,251
Loans to non-bank customers	74,883	71,793	71,994	63,073
Placements with and advances to subsidiaries	3,487	2,946	646	795
Investment securities	17,278	17,362	18,205	16,913
Other assets	8,522	9,320	7,687	6,030
Investment in associates	372	373	373	373
Investment in subsidiaries	4,604	4,602	3,859	3,820
Properties and other fixed assets	1,345	1,340	1,357	1,374
Intangible assets	3,182	3,182	3,182	3,182
<b>Total</b>	<b>152,251</b>	<b>155,805</b>	<b>146,538</b>	<b>139,879</b>
<b>Off-Balance Sheet Items</b>				
Contingent liabilities	11,345	10,444	11,089	8,801
Financial derivatives	428,460	381,893	377,779	430,463
Commitments	40,365	39,661	39,872	38,442
<b>Net asset value per ordinary share (\$)</b>	<b>9.10</b>	<b>9.15</b>	<b>9.25</b>	<b>9.45</b>

**Note:**

1 Audited.

**Statement of Changes in Equity of the Bank (Unaudited)**

	Share Capital \$m	Capital Reserves \$m	Statutory Reserves \$m	Revenue Reserves \$m	Total Equity \$m
Balance at 1 January 2008	2,014	3,597	2,753	5,623	13,987
Currency translation adjustments	-	(3)	-	-	(3)
Change in available-for-sale reserve					
Net change in fair value	-	(536)	-	-	(536)
Transferred to profit and loss account on disposal / impairment	-	(5)	-	-	(5)
Total losses recognised directly in equity	-	(544)	-	-	(544)
Profit for the financial period	-	-	-	1,050	1,050
Total gains / (losses) recognised for the financial period	-	(544)	-	1,050	506
Dividends	-	-	-	(678)	(678)
Share buyback - held in treasury	(120)	-	-	-	(120)
Share-based payment	-	7	-	-	7
Issue of shares under share option scheme	2	-	-	-	2
Balance at 30 June 2008	1,895	3,060	2,753	5,996	13,703
Balance at 1 January 2007	2,247	3,818	2,753	4,989	13,807
Currency translation adjustments	-	2	-	-	2
Change in available-for-sale reserve					
Net change in fair value	-	272	-	-	272
Transferred to profit and loss account on disposal / impairment	-	(72)	-	-	(72)
Total gains recognised directly in equity	-	202	-	-	202
Profit for the financial period	-	-	-	1,147	1,147
Total gains recognised for the financial period	-	202	-	1,147	1,349
Transfer to revenue reserves	-	(48)	-	48	-
Dividends	-	-	-	(750)	(750)
Share buyback - held in treasury	(14)	-	-	-	(14)
Issue of shares under share option scheme	6	-	-	-	6
Balance at 30 June 2007	2,239	3,972	2,753	5,435	14,399

**Statement of Changes in Equity of the Bank (Unaudited)**

	Share Capital \$m	Capital Reserves \$m	Statutory Reserves \$m	Revenue Reserves \$m	Total Equity \$m
Balance at 1 April 2008	1,894	3,060	2,753	6,061	13,768
Currency translation adjustments	-	(6)	-	-	(6)
Change in available-for-sale reserve					
Net change in fair value	-	3	-	-	3
Transferred to profit and loss account on disposal / impairment	-	(1)	-	-	(1)
Total losses recognised directly in equity	-	(4)	-	-	(4)
Profit for the financial period	-	-	-	612	612
Total gains / (losses) recognised for the financial period	-	(4)	-	612	608
Dividends	-	-	-	(678)	(678)
Share-based payment	-	3	-	-	3
Issue of shares under share option scheme	1	-	-	-	1
Balance at 30 June 2008	1,895	3,060	2,753	5,996	13,703
Balance at 1 April 2007	2,250	3,951	2,753	5,366	14,320
Currency translation adjustments	-	4	-	-	4
Change in available-for-sale reserve					
Net change in fair value	-	95	-	-	95
Transferred to profit and loss account on disposal / impairment	-	(30)	-	-	(30)
Total gains recognised directly in equity	-	69	-	-	69
Profit for the financial period	-	-	-	770	770
Total gains recognised for the financial period	-	69	-	770	839
Transfer to revenue reserves	-	(48)	-	48	-
Dividends	-	-	-	(750)	(750)
Share buy back - held in treasury	(14)	-	-	-	(14)
Issue of shares under share option scheme	3	-	-	-	3
Balance at 30 June 2007	2,239	3,972	2,753	5,435	14,399

**Collateralised Debt Obligations ("CDO")**

	Jun-08 \$m	Mar-08 \$m	Dec-07 \$m	Jun-07 \$m
<b>ABS CDO</b>				
Exposure	81	82	86	92
Allowance	81	82	40	-
<b>Corporate CDO</b>				
Exposure	183	186	229	304
Allowance	76	54	59	34
<b>Total</b>				
Exposure	264	268	315	396
Allowance	157	136	99	34

As at 30 June 2008, 67% of the corporate CDO portfolio were rated by FITCH or Standard & Poor's with 56% rated A and above. The underlying assets of the ABS CDO were dominantly in residential mortgages.

The information is provided with reference to the disclosure guidelines of the Financial Stability Forum ("FSF"). In the context of the FSF, the Group had no exposure to special purpose entities as at 30 June 2008.

**END**