United Overseas Bank Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 193500026Z

SELECTED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

IMPORTANT

The following financial information contains only a summary of the information in the financial statements of the Bank and the Group for the financial year ended 31 December 2023 (the full financial statements). The financial information does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Bank and of the Group. For further information, the full audited financial statements and the Independent Auditor's Report on the full audited financial statements should be consulted. These are available on the Bank's website at https://www.uobgroup.com/investor-relations/financial/group-annual-reports.html.

Independent Auditor's Report
for the financial year ended 31 December 2023

To the Shareholders of United Overseas Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Overseas Bank Limited (the Bank) and its subsidiaries (collectively, the Group), set out on pages #[1] to #, which comprise the balance sheets of the Bank and the Group as at 31 December 2023, the income statements, the statements of comprehensive income, and the statements of changes in equity of the Bank and the Group and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Bank, are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Bank as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and of the financial performance and changes in equity of the Bank for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

(1) The page numbers are as stated in the Independent Auditor's Report dated 21 February 2024 in the UOB Annual Report 2023 .

Areas of focus	How our audit addressed the risk factors
Purchase Price Allocation arising from acquisition of Citigroup's consumer banking franchise in Thailand and Malaysia *Refer to Notes 37 and 47 to the consolidated financial statements.* On 1 November 2022, the Group completed the acquisition of Citigroup's consumer banking businesses comprising its unsecured and secured lending portfolios, wealth management and retail deposit businesses in Thailand and Malaysia. The Group engaged an independent professional valuer to complete the identification and valuation of intangible assets acquired at their respective fair values for the Purchase Price Allocation (PPA) exercise, which led to the resultant recognition of goodwill after taking into consideration the fair value of the other assets and liabilities acquired. As at 31 December 2023, the PPA exercise had been completed. The identification of such intangible assets and their measurement at fair value is inherently judgemental, thus we considered this area to be a key audit matter.	We focused our work on the identification and valuation of the intangible assets and the other assets and liabilities acquired from Citigroup's consumer banking businesses on 1 November 2022 for Thailand and Malaysia. We involved our internal valuation specialists to assist us in performing the following procedures: • assessed the competence, capabilities and objectivity of the independent professional valuer engaged by the Group; • obtained an understanding of the valuation performed by the independent professional valuer; • assessed the intangible assets identified and valued in accordance with the identification and recognition criteria set out in SFRS(I) 1-38 - *Intangible Assets*; • verified the underlying inputs used in the valuation models to derive the valuation of intangible assets identified; and • assessed the valuation methodologies used by management in the fair valuation and the key assumptions used, such as: (i) useful life of intangible assets; (ii) corporate tax rate; (iii) discount rate; (iv) contributory asset charges; (v) equity charges; and (vi) comparable companies. We also performed the following: • read the Business Transfer Agreements (BTA) and identified critical terms with accounting impact, including the purchase consideration; • assessed the Group's identification and determination of the fair value of the other assets and liabilities having regard to the completeness of assets and liabilities identified, including contingent liabilities and the reasonableness of any underlying assumptions in their respective valuations and the consideration given; • checked that the accounting treatment is in accordance with SFRS(I) 3: *Business Combinations*; and • reviewed the financial statement disclosures in relation to the acquisition. Based on the results of our audit procedures, the key assumptions and methodologies used for the intangible assets identified, the fair value of the intangible assets as well as other assets and liabilities acquired were within a reasonable range of expectations.

Areas of focus	How our audit addressed the risk factors
Expected credit losses *Refer to Notes 2(d)(vi), 3(i), 12, 21(b), 25, 27(b), 28(d), 30(b) and 31 to the consolidated financial statements.* The Group applies SFRS(I) 9: *Financial Instruments* requirements to calculate the expected credit loss (ECL) for its credit exposures. The credit exposures are categorised into non-impaired credit exposures and impaired credit exposures. *a) Non-impaired credit exposures* The ECL calculation for non-impaired credit exposures involves significant judgements and estimates. Areas we have identified which have greater levels of management judgement are: • the economic scenarios used, and the probability weightages applied to them to measure ECLs on a forward-looking basis, reflecting management's view of potential future economic scenarios; • the significant increase in credit risk (SICR) criteria; • the model assumptions; and • the adjustments to the model-driven ECL results to address model limitations or emerging trends.	*a) Non-impaired credit exposures* We assessed the design and evaluated the operating effectiveness of the key controls over the Group's ECL on non-impaired credit exposures computation processes with a focus on: • the completeness and accuracy of the data inputs into the ECL calculation system; • the validation of models; • the selection and implementation of economic scenarios and probabilities; • the staging of credit exposures based on the Group's SICR criteria and early warning indicators; and • the governance over post-model adjustments, including the effect of the acquired Citigroup's consumer banking businesses. We involved our internal modelling specialists to assist us in performing the following procedures on a sampling basis: • independently reviewed the appropriateness of ECL model methodologies; • assessed the reasonableness of the probabilities of default (PD), loss given default (LGD) and exposure at default (EAD) models by performing sensitivity analyses, benchmarking or back-testing; and • reviewed the Group's assessment of its SICR criteria. We also reviewed the Group's approach for the selection of economic scenario to assess the reasonableness of the economic scenarios and corresponding weightages applied by the Group, as well as inspected the Group's SFRS(I) 9 Working Group decisions to assess the appropriateness of management's rationale over the post model adjustments and performed a recalculation, where applicable.

Areas of focus	How our audit addressed the risk factors
b) *Impaired credit exposures* As at 31 December 2023, the Stage 3 ECL for impaired credit exposures of the Group was $1,590 million, out of which 76% pertained to the Group Wholesale Banking (GWB) portfolio. We focused on the Stage 3 ECL for the GWB portfolio as the identification and estimation of impairment within this portfolio can be inherently subjective and requires significant judgements.	b) *Impaired credit exposures* We assessed the design and evaluated the operating effectiveness of the key controls over the Stage 3 ECL estimation process for the GWB portfolio. These controls included: • collateral valuation and monitoring; • identification of impairment indicators; and • MAS Notice 612 credit grading. We considered the magnitude of the credit exposures, macroeconomic factors and industry trends in our audit sampling to focus on customers that were assessed to be of higher risk and for our selected sample of impaired loans, we performed the following procedures: • assessed management's forecast of recoverable cash flows, including the basis for the amounts and timing of recoveries. Where possible, we compared key assumptions to external evidence, e.g. independent valuation reports of the collaterals; considered and corroborated the borrowers' latest developments through adverse news search and/or publicly available information; • checked that underlying data was accurate by agreeing to source documents such as loan agreements; and • assessed the reasonableness and tested the calculation of the Stage 3 ECL. Overall, the results of our evaluation of the Group's ECL were within a reasonable range of expectations.

<table>
<tr><th>Areas of focus</th><th>How our audit addressed the risk factors</th></tr>
<tr><td>Valuation of illiquid or complex financial instruments

Refer to Notes 2(d)(ii), 3(ii) and 19(b) to the consolidated financial statements.

At 31 December 2023, 4% ($5 billion) of the Group's total financial instruments that were carried at fair value were classified as Level 3.

The Level 3 instruments mainly comprised unquoted equity investments and funds, long dated equity derivatives, callable interest rate swaps and debt securities.

We focused on the financial instruments that are measured at fair value using valuation techniques based on inputs which involve a higher degree of complexity and estimates made by management. The determination of certain Level 3 prices is considerably more subjective as it may require the exercise of judgement by management or the use of complex models and assumptions given the lack of availability of market-based data.</td><td>We assessed the design and evaluated the operating effectiveness of the key controls over the Group's Level 3 financial instruments valuation processes. These controls included:

• model validation and approval;

• observability, completeness and accuracy of pricing inputs;

• independent price verification, including stale price checks; and

• monitoring of collateral disputes.

In addition, with the assistance of our internal valuation specialists, we assessed the reasonableness of the valuation methodologies, assumptions and inputs used by management for a sample of financial instruments with significant unobservable inputs.

The results of our assessment of the Group's valuation of illiquid or complex financial instruments were within the range of expected outcomes.</td></tr>
<tr><td>Impairment of goodwill

Refer to Notes 2(i), 3(iii) and 37 to the consolidated financial statements.

As at 31 December 2023, the Group's balance sheet included goodwill of $5 billion. The goodwill is allocated to the respective CGUs defined by the Group's operating segments.

This was a key area of focus for our audit because the goodwill impairment test relies on the calculation of the value-in-use (VIU) of each CGU, which involves significant management judgement and assumptions about the future cash flows of the CGUs and the discount rates applied.</td><td>We focused on material CGUs with a low headroom or significantly reduced headroom. Our work included the following:

• reviewed the appropriateness of the CGU segmentation and goodwill allocation to the CGUs;

• evaluated the forecasting process by reviewing historical achievement of projections;

• assessed the reasonableness of key assumptions used in the forecasts, including the continued uncertainty of the future macroeconomic environment;

• compared the long-term growth rates and discount rates used by management to our ranges, which were determined using external market data and calculations performed by our internal valuation specialists; and

• performed sensitivity analyses to determine the impact of a reasonably possible change in the key assumptions to the VIU calculations to identify any CGU with a risk of impairment.

Based on the results of our audit procedures, the assumptions used by management in its goodwill impairment tests were within a reasonable range of expectations.</td></tr>
</table>

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report (Other Sections), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bank and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Woo Siew Wah.

ERNST & YOUNG LLP
Public Accountants and Chartered Accountants
Singapore

21 February 2024

Income Statements

for the financial year ended 31 December 2023

In $ millions	The Group 2023	The Group 2022	The Bank 2023	The Bank 2022
Interest income	**22,242**	12,862	**17,740**	9,494
Less: Interest expense	**12,563**	4,519	**10,907**	3,610
Net interest income	**9,679**	8,343	**6,833**	5,884
Net fee and commission income	**2,235**	2,143	**1,525**	1,538
Dividend income	**50**	40	**121**	110
Rental income	**99**	110	**73**	85
Net trading income	**1,600**	1,064	**1,203**	781
Net gain/(loss) from investment securities	**90**	(235)	**(18)**	(85)
Other income	**179**	110	**414**	308
Non-interest income	**4,253**	3,232	**3,318**	2,737
Total operating income	**13,932**	11,575	**10,151**	8,621
Less: Staff costs	**3,553**	3,001	**2,267**	1,969
Other operating expenses	**2,664**	2,280	**1,633**	1,399
Total operating expenses	**6,217**	5,281	**3,900**	3,368
Operating profit before allowance and amortisation	**7,715**	6,294	**6,251**	5,253
Less: Amortisation of intangible assets	**24**	3	**–**	–
Allowance for credit and other losses	**921**	603	**362**	360
Operating profit after allowance and amortisation	**6,770**	5,688	**5,889**	4,893
Share of profit of associates and joint ventures	**93**	97	**–**	–
Profit before tax	**6,863**	5,785	**5,889**	4,893
Less: Tax	**1,138**	1,202	**912**	856
Profit for the financial year	**5,725**	4,583	**4,977**	4,037
Attributable to:				
Equity holders of the Bank	**5,711**	4,573	**4,977**	4,037
Non-controlling interests	**14**	10	**–**	–
	5,725	4,583	**4,977**	4,037
Earnings per share ($)				
Basic	**3.34**	2.69		
Diluted	**3.33**	2.68		

Statements of Comprehensive Income

for the financial year ended 31 December 2023

In $ millions	The Group 2023	The Group 2022	The Bank 2023	The Bank 2022
Profit for the financial year	**5,725**	4,583	**4,977**	4,037
Other comprehensive income that will not be reclassified to income statement				
Net loss on equity instruments at fair value through other comprehensive income	**(165)**	(263)	**(194)**	(252)
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	**(14)**	(3)	**(15)**	#
Remeasurement of defined benefit obligation	**(3)**	5	**#**	#
Related tax on items at fair value through other comprehensive income	**#**	11	**3**	8
	(182)	(250)	**(206)**	(244)
Other comprehensive income that may be subsequently reclassified to income statement				
Currency translation adjustments	**(380)**	(798)	**9**	(75)
Net gain/(loss) on debt instruments classified at fair value through other comprehensive income and cash flow hedge:				
Net valuation taken to equity	**730**	(1,338)	**558**	(1,196)
Transferred to income statement	**(78)**	98	**(29)**	124
Change in allowance for expected credit losses	**15**	(16)	**12**	(13)
Related tax	**(41)**	66	**(15)**	33
	246	(1,988)	**535**	(1,127)
Change in share of other comprehensive income of associates and joint ventures	**(19)**	1	**–**	–
Other comprehensive income for the financial year, net of tax	**45**	(2,237)	**329**	(1,371)
Total comprehensive income for the financial year, net of tax	**5,770**	2,346	**5,306**	2,666
Attributable to:				
Equity holders of the Bank	**5,753**	2,352	**5,306**	2,666
Non-controlling interests	**17**	(6)	**–**	–
	5,770	2,346	**5,306**	2,666

Amount less than $500,000

Balance Sheets
as at 31 December 2023

In $ millions	The Group 2023	The Group 2022	The Bank 2023	The Bank 2022
Equity				
Share capital and other capital	**7,752**	7,855	**7,752**	7,855
Retained earnings	**31,800**	28,925	**23,363**	21,192
Other reserves	**6,674**	6,586	**8,429**	8,084
Equity attributable to equity holders of the Bank	**46,226**	43,366	**39,544**	37,131
Non-controlling interests	**242**	240	**–**	–
Total equity	**46,468**	43,606	**39,544**	37,131
Liabilities				
Deposits and balances of:				
Banks	**32,371**	24,537	**27,385**	20,572
Customers	**385,469**	368,553	**303,300**	289,024
Subsidiaries	**–**	–	**13,590**	17,130
Bills and drafts payable	**900**	788	**702**	622
Derivative financial liabilities	**11,768**	16,218	**10,433**	14,669
Other liabilities	**8,842**	8,803	**6,570**	5,948
Tax payable	**909**	802	**825**	650
Deferred tax liabilities	**513**	360	**284**	239
Debts issued	**36,280**	40,593	**34,146**	38,320
Total liabilities	**477,052**	460,654	**397,235**	387,174
Total equity and liabilities	**523,520**	504,260	**436,779**	424,305
Assets				
Cash, balances and placements with central banks	**52,350**	49,419	**46,044**	43,549
Singapore government treasury bills and securities	**13,322**	12,056	**13,322**	12,056
Other government treasury bills and securities	**24,958**	19,822	**11,144**	7,802
Trading securities	**4,260**	4,606	**2,913**	3,642
Placements and balances with banks	**35,093**	35,410	**27,230**	24,917
Loans to customers	**317,005**	315,355	**246,336**	245,859
Placements with and advances to subsidiaries	**–**	–	**17,765**	22,985
Derivative financial assets	**9,707**	13,802	**8,412**	12,463
Investment securities	**46,533**	35,183	**43,043**	32,163
Other assets	**8,782**	7,690	**6,419**	5,246
Deferred tax assets	**752**	560	**154**	121
Investment in associates and joint ventures	**1,266**	1,258	**308**	309
Investment in subsidiaries	**–**	–	**6,980**	6,671
Investment properties	**726**	746	**804**	749
Fixed assets	**3,782**	3,453	**2,723**	2,591
Intangible assets	**4,984**	4,900	**3,182**	3,182
Total assets	**523,520**	504,260	**436,779**	424,305

Capital Adequacy Ratios

The Group is subject to the Basel III capital adequacy standards, as prescribed in the MAS Notice 637.

	The Group	
In $ millions	**2023**	2022
Common Equity Tier 1 capital (CET1)	**37,076**	34,405
Additional Tier 1 capital	**2,751**	2,780
Tier 1 capital	**39,827**	37,185
Tier 2 capital	**5,840**	6,179
Eligible total capital	**45,667**	43,364
Risk-weighted assets (RWA)	**275,930**	259,098
Capital adequacy ratios (CAR) (%)		
CET1	**13.4**	13.3
Tier 1	**14.4**	14.4
Total	**16.6**	16.7

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