

SELECTED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2024 (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 2024

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 2024, 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 2024 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 18 February 2025 in the UOB Annual Report 2024 .

Areas of focus	How our audit addressed the risk factors
<p>Expected credit losses Refer to Notes 2(d)(vi), 3(i), 12, 21(b), 24, 25, 27(b), 28(d), 30(b) and 31 to the consolidated financial statements.</p> <p>The Group applies SFRS(I) 9: <i>Financial Instruments</i> 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.</p> <p>a) <u>Non-impaired credit exposures</u></p> <p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>a) <u>Non-impaired credit exposures</u></p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>We involved our internal modelling specialists to assist us in performing the following procedures on a sampling basis:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

Areas of focus	How our audit addressed the risk factors
<p data-bbox="131 346 464 378"><i>b) Impaired credit exposures</i></p> <p data-bbox="131 412 618 570">As at 31 December 2024, the Stage 3 ECL for impaired credit exposures of the Group was \$1,567 million, out of which 69% pertained to the Group Wholesale Banking (GWB) portfolio.</p> <p data-bbox="131 604 618 761">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.</p>	<p data-bbox="634 346 967 378"><i>b) Impaired credit exposures</i></p> <p data-bbox="634 412 1495 506">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:</p> <ul data-bbox="634 540 1179 697" style="list-style-type: none"> <li data-bbox="634 540 1089 572">• collateral valuation and monitoring; <li data-bbox="634 604 1179 636">• identification of impairment indicators; and <li data-bbox="634 668 1032 700">• MAS Notice 612 credit grading. <p data-bbox="634 732 1495 857">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:</p> <ul data-bbox="634 891 1495 1272" style="list-style-type: none"> <li data-bbox="634 891 1495 1081">• 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; <li data-bbox="634 1115 1495 1176">• checked that underlying data was accurate by agreeing to source documents such as loan agreements; and <li data-bbox="634 1210 1495 1272">• assessed the reasonableness and tested the calculation of the Stage 3 ECL. <p data-bbox="634 1306 1495 1368">Overall, the results of our evaluation of the Group’s ECL were within a reasonable range of expectations.</p>

Areas of focus	How our audit addressed the risk factors
<p>Valuation of illiquid or complex financial instruments Refer to Notes 2(d)(ii), 3(ii) and 19(b) to the consolidated financial statements.</p> <p>At 31 December 2024, 4% (\$5 billion) of the Group's total financial instruments that were carried at fair value were classified as Level 3.</p> <p>The Level 3 instruments mainly comprised unquoted equity investments and funds, callable interest rate swaps and debt securities.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • model validation and approval; • observability, completeness and accuracy of pricing inputs; • independent price verification, including stale price checks; and • monitoring of collateral disputes. <p>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.</p> <p>The results of our assessment of the Group's valuation of illiquid or complex financial instruments were within the range of expected outcomes.</p>

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, actions taken to eliminate threats or safeguards applied.

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

18 February 2025

Income Statements

for the financial year ended 31 December 2024

In \$ millions	The Group		The Bank	
	2024	2023	2024	2023
Interest income	23,259	22,242	18,634	17,740
Less: Interest expense	13,585	12,563	11,815	10,907
Net interest income	9,674	9,679	6,819	6,833
Net fee and commission income	2,395	2,235	1,679	1,525
Rental income	101	99	74	73
Net trading income	1,689	1,607	1,231	1,210
Net gain from investment securities	314	133	260	10
Other income	121	179	1,387	500
Non-interest income	4,620	4,253	4,631	3,318
Total operating income	14,294	13,932	11,450	10,151
Less: Staff costs	3,699	3,553	2,310	2,267
Other operating expenses	2,611	2,664	1,689	1,633
Total operating expenses	6,310	6,217	3,999	3,900
Operating profit before allowance and amortisation	7,984	7,715	7,451	6,251
Less: Amortisation of intangible assets	28	24	-	-
Allowance for credit and other losses	926	921	383	362
Operating profit after allowance and amortisation	7,030	6,770	7,068	5,889
Share of profit of associates and joint ventures	121	93	-	-
Profit before tax	7,151	6,863	7,068	5,889
Less: Tax	1,092	1,138	875	912
Profit for the financial year	6,059	5,725	6,193	4,977
Attributable to:				
Equity holders of the Bank	6,045	5,711	6,193	4,977
Non-controlling interests	14	14	-	-
	6,059	5,725	6,193	4,977
Earnings per share (\$)				
Basic	3.56	3.34		
Diluted	3.54	3.33		

Statements of Comprehensive Income

for the financial year ended 31 December 2024

In \$ millions	The Group		The Bank	
	2024	2023	2024	2023
Profit for the financial year	6,059	5,725	6,193	4,977
Other comprehensive income that will not be reclassified to income statement				
Net gain/(loss) on equity instruments at fair value through other comprehensive income	23	(165)	21	(194)
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	5	(14)	4	(15)
Remeasurement of defined benefit obligation	(6)	(3)	#	#
Related tax on items at fair value through other comprehensive income	1	#	(1)	3
	23	(182)	24	(206)
Other comprehensive income that may be subsequently reclassified to income statement				
Currency translation adjustments	264	(380)	(44)	9
Net gain/(loss) on debt instruments classified at fair value through other comprehensive income and cash flow hedge:				
Net valuation taken to equity	508	730	315	558
Transferred to income statement	(293)	(78)	(226)	(29)
Change in allowance for expected credit losses	1	15	7	12
Related tax	(32)	(41)	(7)	(15)
	448	246	45	535
Change in share of other comprehensive income of associates and joint ventures	4	(19)	-	-
Other comprehensive income for the financial year, net of tax	475	45	69	329
Total comprehensive income for the financial year, net of tax	6,534	5,770	6,262	5,306
Attributable to:				
Equity holders of the Bank	6,515	5,753	6,262	5,306
Non-controlling interests	19	17	-	-
	6,534	5,770	6,262	5,306

Amount less than \$500,000

Balance Sheets

as at 31 December 2024

In \$ millions	The Group		The Bank	
	2024	2023	2024	2023
Equity				
Share capital and other capital	7,709	7,752	7,709	7,752
Retained earnings	34,834	31,800	26,561	23,363
Other reserves	7,190	6,674	8,528	8,429
Equity attributable to equity holders of the Bank	49,733	46,226	42,798	39,544
Non-controlling interests	224	242	–	–
Total equity	49,957	46,468	42,798	39,544
Liabilities				
Deposits and balances of:				
Banks	19,735	32,371	16,047	27,385
Customers	403,978	385,469	314,153	303,300
Subsidiaries	–	–	20,606	13,590
Bills and drafts payable	665	900	562	702
Derivative financial liabilities	12,514	11,768	10,178	10,433
Other liabilities	8,377	8,842	6,481	6,570
Tax payable	751	909	681	825
Deferred tax liabilities	320	513	303	284
Debts issued	41,367	36,280	39,316	34,146
Total liabilities	487,707	477,052	408,327	397,235
Total equity and liabilities	537,664	523,520	451,125	436,779
Assets				
Cash, balances and placements with central banks	38,577	52,350	33,690	46,044
Singapore government treasury bills and securities	13,281	13,322	13,260	13,322
Other government treasury bills and securities	33,570	24,958	17,790	11,144
Trading securities	3,792	4,260	2,377	2,913
Placements and balances with banks	37,432	35,093	29,698	27,230
Loans to customers	333,930	317,005	258,570	246,336
Placements with and advances to subsidiaries	–	–	22,637	17,765
Derivative financial assets	12,132	9,707	10,090	8,412
Investment securities	44,680	46,533	41,905	43,043
Other assets	8,480	8,782	5,855	6,419
Deferred tax assets	657	752	239	154
Investment in associates and joint ventures	1,302	1,266	301	308
Investment in subsidiaries	–	–	8,067	6,980
Investment properties	683	726	550	804
Fixed assets	4,169	3,782	2,914	2,723
Intangible assets	4,979	4,984	3,182	3,182
Total assets	537,664	523,520	451,125	436,779

Capital Adequacy Ratios

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

In \$ millions	The Group	
	2024	2023
Common Equity Tier 1 capital (CET1)	40,275	37,076
Additional Tier 1 capital	2,750	2,751
Tier 1 capital	43,025	39,827
Tier 2 capital	4,360	5,840
Eligible total capital	47,385	45,667
Risk-weighted assets (RWA)	259,835	275,930
Capital adequacy ratios (CAR) (%)		
CET1	15.5	13.4
Tier 1	16.6	14.4
Total	18.2	16.6



Right By You