

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019
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 2019 (the full financial statements) and the Directors' Statement of the Bank. 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, the Independent Auditor's Report on the full audited financial statements and the Directors' Statement (including the list of directors) should be consulted. These are available on the Bank's website at www.UOBgroup.com.

**INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	The Group		The Bank	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest income	12,556,828	11,140,963	8,828,720	7,622,840
Less: Interest expense	5,994,467	4,920,998	4,293,147	3,379,746
Net interest income	6,562,361	6,219,965	4,535,573	4,243,094
Net fee and commission income	2,032,142	1,966,692	1,391,539	1,361,748
Dividend income	50,592	27,327	289,461	252,309
Rental income	110,135	118,918	95,315	100,174
Net trading income	874,493	682,758	621,682	501,888
Net gain/(loss) from investment securities	241,566	(35,488)	143,188	(46,932)
Other income	158,475	136,152	192,918	159,240
Non-interest income	3,467,403	2,896,359	2,734,103	2,328,427
Total operating income	10,029,764	9,116,324	7,269,676	6,571,521
Less: Staff costs	2,715,505	2,447,043	1,643,817	1,462,204
Other operating expenses	1,756,693	1,556,272	1,135,178	1,018,418
Total operating expenses	4,472,198	4,003,315	2,778,995	2,480,622
Operating profit before allowance	5,557,566	5,113,009	4,490,681	4,090,899
Less: Allowance for credit and other losses	434,745	392,671	173,789	159,564
Operating profit after allowance	5,122,821	4,720,338	4,316,892	3,931,335
Share of profit of associates and joint ventures	51,402	105,881	-	-
Profit before tax	5,174,223	4,826,219	4,316,892	3,931,335
Less: Tax	812,538	805,325	587,122	568,427
Profit for the financial year	4,361,685	4,020,894	3,729,770	3,362,908
Attributable to:				
Equity holders of the Bank	4,343,346	4,008,001	3,729,770	3,362,908
Non-controlling interests	18,339	12,893	-	-
	4,361,685	4,020,894	3,729,770	3,362,908
Earnings per share (\$)				
Basic	2.55	2.34		
Diluted	2.54	2.33		

BALANCE SHEETS AS AT 31 DECEMBER 2019

	The Group		The Bank	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Equity				
Share capital and other capital	7,325,262	7,014,072	7,325,262	7,014,072
Retained earnings	23,404,523	21,716,025	17,197,325	16,117,580
Other reserves	8,906,725	8,892,999	9,350,793	9,597,535
Equity attributable to equity holders of the Bank	39,636,510	37,623,096	33,873,380	32,729,187
Non-controlling interests	227,415	189,696	-	-
Total equity	39,863,925	37,812,792	33,873,380	32,729,187
Liabilities				
Deposits and balances of:				
Banks	15,301,333	13,800,639	13,404,212	12,070,866
Customers	310,726,074	293,185,822	241,462,427	227,258,692
Subsidiaries	-	-	13,418,713	13,562,166
Bills and drafts payable	645,520	637,675	464,526	359,074
Derivative financial liabilities	6,695,435	5,839,999	5,695,187	4,487,314
Other liabilities	5,178,800	5,416,881	3,666,549	3,104,691
Tax payable	488,927	514,023	409,788	435,122
Deferred tax liabilities	299,185	278,913	201,679	206,342
Debts issued	25,209,381	30,605,611	23,557,413	28,905,041
Total liabilities	364,544,655	350,279,563	302,280,494	290,389,308
Total equity and liabilities	404,408,580	388,092,355	336,153,874	323,118,495
Assets				
Cash, balances and placements with central banks	25,864,406	25,252,497	22,319,392	20,782,510
Singapore Government treasury bills and securities	6,198,736	5,614,577	6,198,736	5,609,110
Other government treasury bills and securities	15,165,628	13,200,867	5,120,085	5,668,411
Trading securities	2,788,997	1,928,520	2,506,040	1,794,810
Placements and balances with banks	52,839,952	50,799,513	42,456,080	39,812,157
Loans to customers	265,457,911	258,627,271	205,228,870	201,788,882
Placements with and advances to subsidiaries	-	-	17,971,517	16,362,702
Derivative financial assets	6,407,875	5,730,057	5,393,618	4,343,866
Investment securities	15,453,691	13,553,103	12,722,508	11,668,369
Other assets	4,906,136	4,516,306	3,528,370	2,870,042
Deferred tax assets	299,542	283,688	95,764	87,392
Investment in associates and joint ventures	1,182,491	1,169,608	349,988	363,105
Investment in subsidiaries	-	-	6,004,823	6,014,213
Investment properties	935,698	1,012,332	969,984	1,078,735
Fixed assets	2,759,717	2,265,624	2,106,280	1,692,372
Intangible assets	4,147,800	4,138,392	3,181,819	3,181,819
Total assets	404,408,580	388,092,355	336,153,874	323,118,495

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	The Group		The Bank	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Profit for the financial year	4,361,685	4,020,894	3,729,770	3,362,908
Other comprehensive income that will not be reclassified to income statement				
Net losses on equity instruments at fair value through other comprehensive income	(845,199)	(308,380)	(870,370)	(298,823)
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	(61,946)	13,223	(61,946)	13,222
Remeasurement of defined benefit obligation	349	7,957	29	(74)
Related tax on items at fair value through other comprehensive income	(13,696)	9,156	(11,145)	6,840
	(920,492)	(278,044)	(943,432)	(278,835)
Other comprehensive income that may be subsequently reclassified to income statement				
Currency translation adjustments	145,043	(69,238)	(10,283)	(10,609)
Debt instruments at fair value through other comprehensive income				
Change in fair value	445,709	(192,383)	338,129	(178,177)
Transfer to income statement on disposal	(116,828)	39,991	(104,019)	41,762
Changes in allowance for expected credit losses	(51,765)	4,391	(54,925)	9,068
Related tax	38,440	2,996	60,769	2,208
	460,599	(214,243)	229,671	(135,748)
Change in shares of other comprehensive income of associates and joint ventures	8,703	(7,590)	-	-
Other comprehensive income for the financial year, net of tax	(451,190)	(499,877)	(713,761)	(414,583)
Total comprehensive income for the financial year, net of tax	3,910,495	3,521,017	3,016,009	2,948,325
Attributable to:				
Equity holders of the Bank	3,885,230	3,511,104	3,016,009	2,948,325
Non-controlling interests	25,265	9,913	-	-
	3,910,495	3,521,017	3,016,009	2,948,325

CAPITAL ADEQUACY RATIOS

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

	The Group	
	2019	2018
	\$ million	\$ million
Share capital	4,949	4,888
Disclosed reserves/others	32,012	30,445
Regulatory adjustments	(4,595)	(4,583)
Common Equity Tier 1 capital	32,366	30,750
Perpetual capital securities/others	2,379	2,129
Additional Tier 1 capital	2,379	2,129
Tier 1 capital	34,745	32,879
Subordinated notes	3,969	4,186
Provisions/others	638	477
Tier 2 capital	4,607	4,663
Eligible total capital	39,352	37,542
Risk-weighted assets	226,318	220,568
Capital adequacy ratios (%)		
Common Equity Tier 1	14.3	13.9
Tier 1	15.4	14.9
Total	17.4	17.0

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 195^a to 280 which comprise the balance sheets of the Bank and the Group as at 31 December 2019, 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 a summary of significant accounting policies.

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, Chapter 50 (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 2019 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.