UOB Annual Report 2022

Building the Future of ASEAN

Tree
Karina Delicia Simon

About This Report

United Overseas Bank Limited (UOB) has been committed to creating long-term value for our customers, our colleagues and our communities since 1935. In building a sustainable business over time and across borders, we engage our stakeholders constructively and regularly. This enables us to align our strategies with what is important to them and for them to have a deeper appreciation of how we contribute to enterprise, innovation and economic growth across the region.

Through the reporting of our financial and non-financial performance in the UOB Annual Report 2022, we explain our business approach, objectives and achievements in the context of the year's operating environment. We also share how we create value for our stakeholders over the short, medium and long term to enable them to make informed decisions.

This report covers the period from 1 January to 31 December 2022 and is published on 23 March 2023. It is available online at www.UOBgroup.com/annualreport. Print copies, which are available only on request, are printed on sustainably-sourced Forest Stewardship Council-certified paper.

Please scan the QR codes to view:

UOB Annual Report 2022

UOB Sustainability Report 2022

All figures in this Annual Report are in Singapore dollars unless otherwise specified.
Certain figures in this report may not add up to the respective totals due to rounding.

Tree

Karina Delicia Simon
Coloured pencil on paper
90 x 80 cm

Tree, a Highly Commended artwork of the 2022 UOB Painting of the Year (Singapore) competition, Established Artist Category, is the design inspiration for this year's Annual Report. The artwork is inspired by the spontaneity and playfulness of a child where the future is filled with possibilities.

Using a specialised photorealistic coloured pencil technique, the artist achieved a realistic impression of a healthy tree growing tall and wide. As a bank with a strong Asian heritage and deep Southeast Asian roots, UOB is committed to our Purpose of 'Building the Future of ASEAN', and in doing Right By You as we continue to support the success of our customers. Embodying strength and resilience, the blossomed tree also reflects the sustainability impact we hope to make for the long term.

As the leading patron of the arts in Asia, UOB believes in the vital role of art in connecting communities. The UOB Painting of the Year competition, the Bank's flagship art programme now in its 41st year, is currently held across four Southeast Asian markets where UOB has a deep presence.

Contents

2022 UOB Financial Highlights

Core Net Profit[1]
$4.8 billion
+18%

Core Operating Profit[1]
$6.6 billion
+20%

Gross Customer Loans
$320 billion
+3%

Customer Deposits
$369 billion
+5%

Total Assets
$504 billion
+10%

Non-Performing Loan Ratio
1.6%
unchanged

Net Stable Funding Ratio
116%
unchanged

Common Equity Tier 1 Ratio
13.3%
-0.2% pt

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[1] Excluding one-off expenses

Building the Future of ASEAN

For the people and businesses within, and connecting with, ASEAN.

Our Purpose statement above underscores UOB's brand promise to do right by our stakeholders, including customers, colleagues and the community. It reflects our long-term strategy, signalling the Bank's intent to intensify investment in the region to help realise the potential of the people and businesses in ASEAN. It also reinforces UOB's commitment to facilitate economic flows within and with ASEAN to support businesses across generations.

Bangkok, Thailand

About UOB

UOB is a leading bank in Asia. Operating through our head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, we have a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America.

Since our incorporation in 1935, we have grown organically and through a series of strategic acquisitions. Today, we are rated among the world's top banks: 'Aa1' by Moody's Investors Service and 'AA-' by both S&P Global Ratings and Fitch Ratings.

For nearly nine decades, we have adopted a customer-centric approach to create long-term value by staying relevant through our enterprising spirit and doing right by our customers. We are focused on building the future of ASEAN – for the people and businesses within, and connecting with, ASEAN.

We connect businesses to opportunities in the region with our unparalleled regional footprint and leverage data and insights to innovate and to create personalised banking experiences and solutions catering to each customer's unique needs and evolving preferences.

We are also committed to help businesses forge a sustainable future, by fostering social inclusiveness, creating positive environmental impact and pursuing economic progress. We believe in being a responsible financial services provider. We are steadfast in our support of art, children and education, and doing right by our communities and stakeholders.

What We Do

UOB provides a wide range of financial services globally through our three core business segments – Group Retail, Group Wholesale Banking and Group Global Markets. Our offering includes consumer banking, private banking, commercial banking, transaction banking, investment banking and treasury services. Through our subsidiaries, we also provide asset management, private equity fund management and insurance services, among others.

About UOB

Where We Operate

~500

branches and offices in Asia Pacific, Europe and North America.

Asia

Brunei	2	Myanmar	2
Hong Kong	3	Philippines	1
India	2	Singapore	70
Indonesia	134	South Korea	1
Japan	2	Taiwan	2
Mainland China	21	Thailand	152
Malaysia	59	Vietnam	8

Australia	Canada	France	United Kingdom	USA
2	3	1	1	3

Our Corporate Milestones

Since 1935, our entrepreneurial spirit, focus on long-term value creation and unwavering commitment to do what is right for our customers have made UOB a leading bank in Asia. Our timeline captures the corporate milestones of our 87-year storied history.

1935 ▶▶ 1950s

1935
Amid the uncertainties of the Great Depression, a group of seven businessmen led by Datuk Wee Kheng Chiang (first row, centre) founded a bank to serve the merchant community in Singapore.

1935 (6 August)
United Chinese Bank (UCB) is incorporated

1935 (1 October)
UCB begins operations at Bonham Building

1959
Opens 1st UCB branch at Beach Road

1960s ▶▶ 1990s

1962
1st bank to focus on women as customers

1965
UCB is renamed United Overseas Bank

Opens 1st overseas branch in Hong Kong

1971
Acquires majority stake in Chung Khiaw Bank (CKB) in Singapore

Opens Tokyo branch

Reveals iconic five-bar logo

1973
Acquires Lee Wah Bank in Singapore

1974
Dr Wee Cho Yaw succeeds Datuk Wee as Chairman and CEO

Begins operating from the new 30-storey building which stood on the same site as Bonham Building (the current UOB Plaza 2)

1975
Opens London branch

1977
Opens New York agency

1980
Introduces Singapore's 1st ATM offering 24-hour banking

Opens Los Angeles agency

1982
Holds inaugural UOB Painting of the Year competition

1983
Opens Seoul representative office

1984
Opens Beijing representative office

Acquires majority interest in Far Eastern Bank in Singapore

1985
Expands into Sydney and Xiamen

1986
Expands into Vancouver

1987
Acquires majority interest in Industrial & Commercial Bank in Singapore

1988
1st Singapore bank to launch Visa cards

1st bank to launch Singapore's only credit card for women

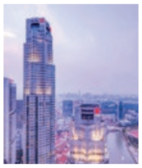
1992
1st Singapore bank to set up representative office in Vietnam

Opens Taipei representative office

1993
1st bank in Singapore to launch automated cash deposit machine

1994
Expands into Yangon

1995
Celebrates 60th anniversary and official opening of UOB Plaza 1



1997
UOB Malaysia merges with CKB Malaysia

1998
Opens Shanghai branch

1999
Acquires Westmont Bank in the Philippines
Acquires Radanasin Bank in Thailand

2000s ▶▶ 2020s

2000
Mr Wee Ee Cheong is appointed Deputy Chairman

2001
Acquires Overseas Union Bank in Singapore

2004
Acquires 96.1% in Bank of Asia Public Company in Thailand

2005
Increases controlling stake of PT Bank Buana in Indonesia to 61.1%

2007
Mr Wee Ee Cheong succeeds Dr Wee Cho Yaw as CEO

Launches 1st UOB Heartbeat Run/Walk

2009
Opens Mumbai branch

2010
Merges PT Bank UOB Indonesia with PT Bank UOB Buana

2011
1st bank in Singapore to establish a Foreign Direct Investment Advisory Unit to support our clients' regional expansion

2013
Dr Wee Cho Yaw becomes Chairman Emeritus and Adviser

2014
Named Most Admired ASEAN Enterprise for ASEAN Centricity by ASEAN Business Advisory Council

2015
Celebrates 80th anniversary, introduces refreshed logo and a corporate seal.

Opens Yangon branch

Completes full acquisition of Far Eastern Bank

Introduces Mighty, the first banking app which enables customers to make contactless payments

2016
1st in the world to launch instant digital card issuance

1st in Southeast Asia to enable smartphones for contactless transactions at UOB ATMs

2017
Launches UOB Art in Ink Awards in Hong Kong

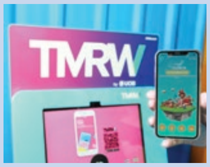
2018
1st Singapore bank to establish a subsidiary in Vietnam

Officially opens new China head office building in Shanghai's Lujiazui Financial District

Sets up Singapore's largest car ecosystem and unites Singapore's largest property ecosystem under one roof

Dr Wee Cho Yaw retires from the Board

2019
Launches TMRW, ASEAN's first mobile-only digital bank, in Thailand



Expands into Hanoi, northern Vietnam

Launches U-Solar, Asia's first solar ecosystem to power the region's development and adoption of renewable energy

2020
Supports more than 1.4 million individuals and businesses, and contributes more than $2.7 million for the community under the #UnitedForYou COVID-19 Relief Programme

Donates more than one million pieces of personal protective equipment to healthcare workers and vulnerable communities around the world

Extends TMRW to Indonesia

Launches UOB Infinity, a new digital banking experience for businesses

2021
Launches UOB TMRW, a unified digital banking platform, and UOB Rewards+, Singapore's largest cards rewards programme

Sets up a dedicated Corporate Sustainability Office and appoints the first Chief Sustainability Officer

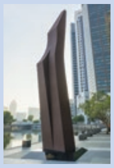
Rolls out U-Energy, the first integrated financing platform for energy efficient projects in Asia, across four markets

Celebrates 40th milestone of UOB Painting of the Year competition

2022

Acquires Citigroup's consumer banking business in Indonesia, Malaysia, Thailand and Vietnam

Launches sharpened Purpose, a new Seal Mark, *Vitalita* sculpture and refreshes the UOB brand and apparel



Opens new head office buildings in Malaysia and Thailand

UOB Plaza
Malaysia (KL)

UOB Plaza
Thailand (Bangkok)

Launches UOB SME app, an industry-first all-in-one digital banking platform, to meet the banking needs of SMEs

Our Purpose and Strategic Priorities

Building the future of ASEAN - for the people and businesses within, and connecting with, ASEAN.

Guided by our values and supported by our fundamental strengths, we focus on supporting our customers as we drive performance across our franchise.

Our approach to supporting our customers is based on a long-term mindset to stay prudent and disciplined in balancing growth with responsibility.

Our Strategic Focus

Create financial solutions that are personalised to every individual to help our customers achieve their personal and business financial goals through our omni-channel approach.

Help customers grow sustainably and integrate sustainability into our business and operations to drive responsible growth for positive and meaningful impact to the economy, society and environment.

Connect our customers across ASEAN, and with Greater China and the rest of the world, through our sector specialisation, ecosystem partnerships and integrated digital platform, using a One Bank approach.

Build employee pride through fostering a culture of care, growth and trust, as we attract and grow our own timber.

Our Fundamental Strengths

Robust governance and risk management; strong capital and funding base

Established and integrated network

Diverse pool of talent and expertise

Asian heritage and Southeast Asian roots

Our Values

Honourable

Enterprising

United

Committed

Board of Directors

As at 22 February 2023

Wong Kan Seng, 76

Chairman
Independent

Appointed as a director: 27 July 2017
Last re-elected as a director: 30 April 2021
Appointed as Chairman: 15 February 2018

Board Committee positions

- Board Risk Management Committee (Member)
- Executive Committee (Chairman)
- Nominating Committee (Member)
- Remuneration and Human Capital Committee (Member)

Current directorships in other listed companies

- Nil

Other principal commitments

- CapitaLand Group (Chairman)
- CLA Real Estate Holdings (Chairman)
- Bo'ao Forum for Asia (Director)
- Kwong Wai Shiu Hospital (Patron)

Past directorships in listed companies held over the preceding three years

- Nil

Past major appointments

- Prime Minister's Office (Deputy Prime Minister and Co-ordinating Minister for National Security)
- Ministry of Home Affairs (Minister)
- Ministry of Foreign Affairs (Minister)
- Ministry of Community Development (Minister)
- Singbridge Holdings (Chairman)

Education/professional qualifications and achievements

- Master of Science (Business Studies), London Business School, University of London
- Bachelor of Arts (Hons), University of Singapore
- London Business School Alumni Achievement Award (2004)
- National Trades Union Congress Medal of Honour (1998)
- Public Administration Medal (Silver) (1976)

Wee Ee Cheong, 70

Deputy Chairman and Chief Executive Officer

Appointed as a director: 3 January 1990
Last re-elected as a director: 5 June 2020
Appointed as Chief Executive Officer: 27 April 2007
Appointed as Deputy Chairman: 24 March 2000

Board Committee positions

- Board Risk Management Committee (Member)
- Executive Committee (Member)
- Nominating Committee (Member)

Current directorships in other listed companies

- United Overseas Insurance (Director)

Other principal commitments

- PT Bank UOB Indonesia (President Commissioner)
- United Overseas Bank (China) (Chairman)
- United Overseas Bank (Thai) Public Company (Chairman)
- United Overseas Bank (Malaysia) (Deputy Chairman)
- The Association of Banks in Singapore (Chairman)
- The Institute of Banking and Finance (Vice Chairman)
- ASEAN Bankers Association (Director)
- Indonesia-Singapore Business Council (Member)
- Singapore-China Foundation (Member, Board of Governors)
- Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member)
- Nanyang Academy of Fine Arts (Patron)
- Wee Foundation (Director)

Past directorships in listed companies held over the preceding three years

- Nil

Past major appointments

- Far Eastern Bank (Director)
- Pan Pacific Hotels Group (Director)
- United International Securities (Director)
- UOL Group (Director)
- Housing & Development Board (Deputy Chairman)
- Port of Singapore Authority (Director)
- Visa AP Senior Client Council (Member)

Education/professional qualifications and achievements

- Master of Arts (Applied Economics), American University, Washington, DC
- Bachelor of Science (Business Administration), American University, Washington, DC
- Singapore Corporate Awards, Best CEO (large cap listed companies) (2022)
- The Asian Banker CEO Leadership Achievement for Singapore Award (2022)
- *The Business Times* Businessman of the Year (2021/2022)
- Public Service Star (2013)

Michael Lien Jown Leam, 59

Non-executive and Non-independent

Appointed as a director: 27 July 2017
Last re-elected as a director: 21 April 2022

Board Committee positions
- Executive Committee (Member)
- Nominating Committee (Member)

Current directorships in other listed companies
- Nil

Other principal commitments
- Wah Hin and Company (Executive Chairman)
- Sandstone Capital (Director and Chief Investment Officer)
- Leap Philanthropy (Founder and Chairman)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- National University of Singapore (Trustee)
- Temasek Holdings (Director)

Education/professional qualifications and achievements
- Bachelor of Economics (First Class Hons) in Finance and Econometrics, Monash University, Australia

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Wee Ee Lim, 61

Non-executive and Non-independent

Appointed as a director: 1 July 2018
Last re-elected as a director: 21 April 2022

Board Committee positions
- Board Risk Management Committee (Member)
- Remuneration and Human Capital Committee (Member)

Current directorships in other listed companies
- Haw Par Corporation (Director, President & Chief Executive Officer)
- UOL Group (Deputy Chairman)
- Singapore Land Group (Director)

Other principal commitments
- Wee Foundation (Director)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- Nil

Education/professional qualifications and achievements
- Bachelor of Arts (Economics), Clark University, USA

Board of Directors

As at 22 February 2023

Steven Phan Swee Kim, 64
Independent

Appointed as a director: 1 July 2019
Last re-elected as a director: 5 June 2020

Board Committee positions
- Audit Committee (Chairman)
- Executive Committee (Member)
- Nominating Committee (Chairman)
- Remuneration and Human Capital Committee (Member)

Current directorships in other listed companies
- Jardine Cycle & Carriage (Director)

Other principal commitments
- Advanced MedTech Holdings (Director)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- Ernst & Young (Chairman and Area Managing Partner for Asia Pacific and Member of Global Executive Board)

Education/professional qualifications and achievements
- Bachelor of Science (Managerial and Administrative Studies), University of Aston, United Kingdom
- Institute of Singapore Chartered Accountants (Fellow)

Chia Tai Tee, 60
Independent

Appointed as a director: 1 October 2020
Last re-elected as a director: 30 April 2021

Board Committee positions
- Audit Committee (Member)
- Board Risk Management Committee (Chairman)
- Nominating Committee (Member)

Current directorships in other listed companies
- Nil

Other principal commitments
- Eastspring Investments Group (Director)
- Inland Revenue Authority of Singapore (Director)
- Ministry of Home Affairs Uniformed Services Invest Plan Board of Trustees (Member)
- Singapore Institute of Technology Board of Trustees (Member)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- GIC (Chief Risk Officer)

Education/professional qualifications and achievements
- Advanced Management Programme, Harvard Business School
- PhD in Economics, Australian National University
- Bachelor of Economics (Hons), University of Adelaide
- Public Service Medal (2017)

Tracey Woon Kim Hong, 66

Independent

Appointed as a director: 1 September 2021
Last re-elected as a director: 21 April 2022

Board Committee positions
- Audit Committee (Member)
- Board Risk Management Committee (Member)
- Remuneration and Human Capital Committee (Chairman)

Current directorships in other listed companies
- Nil

Other principal commitments
- GIC - Investment Board (Member)
- MOH Holdings - Investment Committee (Member)
- National University Health System (Director)
- Securities Industry Council (Member)
- Singapore Exchange - Listing Advisory Committee (Member)
- Singapore Red Cross (Council Member)
- SPH Foundation (Director)

Past directorships in listed companies held over the preceding three years
- Singapore Press Holdings (Director)

Past major appointments
- Citigroup Global Markets Singapore, ASEAN Corporate and Investment Banking (Vice Chairman)
- UBS AG, Asia Pacific Global Wealth Management (Vice Chairman)

Education/professional qualifications and achievements
- Bachelor of Law (Hons), National University of Singapore
- IBF Distinguished Fellow Award (2016)

Dinh Ba Thanh, 65

Independent

Appointed as a director: 1 December 2021
Last re-elected as a director: 21 April 2022

Board Committee positions
- Nil

Current directorships in other listed companies
- Nil

Other principal commitments
- DatVietVAC Group Holdings (Chairman and CEO)
- DatVietVAC Media Entertainment Group (Chairman and CEO)
- Eastspring Investments Vietnam Navigator Fund - Representative Board (Chairman)
- Asia Business Council (Trustee)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- Nil

Education/professional qualifications and achievements
- Bachelor of Architecture, Ho Chi Minh City University
- Eminent Leaders in Asia Award (2018)

Board of Directors

As at 22 February 2023

Teo Lay Lim, 59

Independent

Appointed as a director: 1 January 2022
Last re-elected as a director: 21 April 2022

Board Committee positions
- Audit Committee (Member)
- Executive Committee (Member)

Current directorships in other listed companies
- Nil

Other principal commitments
- SPH Media Holdings (Deputy Chairman and Chief Executive Officer)
- SPH Media (Director and Chief Executive Officer)
- SPH Media Trust (Director)
- Poly-ITE Quality Assurance Framework External Review Panel (Chairperson)
- Future Economy Council Modern Services Sub-committee (Co-chairperson)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- Accenture Singapore (Chairman)

Education/professional qualifications and achievements
- Bachelor of Business Administration, National University of Singapore

Ong Chong Tee, 61

Independent

Appointed as a director: 1 January 2023

Board Committee positions
- Board Risk Management Committee (Member)
- Executive Committee (Member)

Current directorships in other listed companies
- Nil

Other principal commitments
- Accounting and Corporate Regulatory Authority (Chairman)
- Arab Regional Payments Clearing and Settlement Organization (Director)
- Bedrock Trust (Director)
- ChainUp Technology (Director)
- GIC – Risk Committee (Member)

Past directorships in listed companies held over the preceding three years
- Nil

Past major appointments
- Monetary Authority of Singapore (Deputy Managing Director)

Education/professional qualifications and achievements
- Bachelor of Engineering (Hons), National University of Singapore
- Public Administration Medal (Gold) (Bar) (2021)

Dr Wee Cho Yaw
Chairman Emeritus and Honorary Adviser

> **"Honour and integrity must never be compromised in a banker. These values have guided us since our founding in 1935."**

Dr Wee Cho Yaw, visionary, banker extraordinaire, community pillar and celebrated pioneer, is highly regarded in Singapore and internationally.

He retired from the UOB Board in 2018 following more than 60 years at the helm of the UOB Group. Under his leadership and guidance, UOB became one of the leading banks in Asia. The Bank's regional network grew from 75 to more than 500 branches and offices and through disciplined and sustainable growth, assets increased from $2.8 billion to more than $253 billion.

Dr Wee has received many accolades for his business achievements and support of education, community welfare and the business community. Among the awards conferred on him are the Distinguished Service Order, Singapore's highest National Day Award, ASEAN Business Advisory Council Legacy Award for Singapore and Honorary Degrees of Doctor of Letters from the National University of Singapore and Nanyang Technological University.

In recognition of his contributions and given his wealth of experience and insight, he remains as Chairman Emeritus and an Honorary Adviser to the Board.

While Dr Wee was at the helm, UOB:

1965	Opened 1st overseas branch, in Hong Kong
1971	Acquired majority stake in Chung Khiaw Bank (CKB) Opened Tokyo branch
1973	Acquired Lee Wah Bank
1975	Opened London branch
1977	Opened New York agency
1980	Opened Los Angeles agency
1983	Opened Seoul representative office
1984	Opened Beijing representative office
1985	Expanded into Sydney and Xiamen
1986	Expanded into Vancouver
1987	Acquired majority interest in Industrial & Commercial Bank in Singapore
1992	Set up representative office in Vietnam Set up Taipei representative office
1994	Expanded into Yangon
1997	Subsidiary UOB Malaysia merged with subsidiary CKB Malaysia
1998	Opened Shanghai branch
1999	Acquired Westmont Bank in the Philippines Acquired Radanasin Bank in Thailand
2001	Acquired Overseas Union Bank in Singapore
2004	Acquired 96.1% in Bank of Asia Public Company in Thailand
2005	Increased controlling stake of PT Bank Buana in Indonesia to 61.1%
2009	Opened Mumbai branch
2010	Merged PT Bank UOB Indonesia with PT Bank UOB Buana
2015	Completed full acquisition of Far Eastern Bank in Singapore Officially opened Yangon branch, adding to UOB's unparalled Southeast Asian network

Group Management Committee

As at 1 March 2023

Management Executive Committee

Wee Ee Cheong

Deputy Chairman and Chief Executive Officer (CEO)

Federico Burgoni

Head, Group Strategy and Transformation

Federico joined UOB in 2019 as Head of Group Strategy and Transformation. He holds a Master of Business Administration from INSEAD and graduated in engineering from Bologna University. Federico has more than 15 years' experience in consulting, during which he supported global, regional and local financial institutions in Southeast Asia on projects ranging from strategy to transformation. His core expertise is in digital, retail and wholesale banking.

Chan Kok Seong

Group Chief Risk Officer

Kok Seong joined UOB in 1998. He is the Head of Group Governance, Risk and Compliance. Prior to his appointment in Singapore in 2012, Kok Seong was the CEO of UOB (Malaysia). He holds a Bachelor of Accounting from the University of Malaya, Malaysia and is a member of the Malaysian Institute of Certified Public Accountants. Kok Seong has more than 35 years' experience in banking and banking regulation.

Frederick Chin Voon Fat

Head, Group Wholesale Banking and Markets

Frederick joined UOB in 2013. He oversees the Group's Wholesale Banking and Markets businesses comprising business banking, commercial banking, corporate banking, transaction banking, structured trade and commodity finance, sector solutions group, product development, special asset-based finance, financial institutions, investment banking, treasury and global markets. He holds a Bachelor of Commerce from the University of Melbourne. Frederick has more than 35 years' experience in banking.

Leslie Foo Chek Shen
Head, Group Global Markets

Leslie joined UOB in 2019 as Head of Group Global Markets. He holds a Master of Business Administration from the University of Western Ontario, Canada and a Bachelor of Science (Hons) in Land Management (valuation specialisation) from the University of Reading, England. Leslie has more than 30 years' experience in treasury and capital markets.

Susan Hwee Wai Cheng
Head, Group Technology and Operations

Susan joined UOB in 2001. She is the Head of Group Technology and Operations, overseeing the global technology infrastructure and banking operations for the Group. She holds a Bachelor of Science from the National University of Singapore. Susan has more than 35 years' experience in banking technology and operations.

Eddie Khoo Boo Jin
Head, Group Retail

Eddie joined UOB in 2005. He heads the Group Retail business. He holds a Bachelor of Business Administration in Finance and Management from the University of Oregon. Eddie has more than 35 years' experience in consumer banking.

Lee Wai Fai
Group Chief Financial Officer

Wai Fai joined UOB in 1989. He leads the Group Finance, Investor Relations, Central Treasury, Data Management, Corporate Investments, Group Research, Corporate Real Estate Services and Asset Management functions. He holds a Bachelor of Accountancy (Hons) from the National University of Singapore and a Master of Business Administration in Banking and Finance from the Nanyang Technological University, Singapore. Wai Fai has more than 35 years' experience in banking.

Group Management Committee

As at 1 March 2023

Management Committee

Vincent Cheong Kok Hong

Head, Group Audit

Vincent joined UOB in 2012 and was appointed Head of Group Audit in 2022. Prior to that, he was responsible for managing various internal audit areas, including overseas branches, centralised operations, and finance and corporate functions. He holds a Bachelor of Science from the National University of Singapore. Vincent has more than 25 years' experience in the banking industry.

Peter Foo Moo Tan

President and Chief Executive Officer,
United Overseas Bank (China) Limited

Peter joined UOB in 2011. He was appointed President and CEO of UOB (China) in 2016. Prior to that, he served as President and CEO of UOB (Thai) from 2012. He was also previously the Head of the Group's Treasury and Global Markets business for its overseas subsidiaries and branches. Peter holds a Bachelor of Estate Management (Hons) from the National University of Singapore and is a Chartered Financial Analyst. He has more than 35 years of banking and financial markets experience across several Asian markets.

Hendra Gunawan

President Director, PT Bank UOB Indonesia

Hendra joined UOB in 2011. He was appointed President Director of UOB Indonesia in 2020 and was previously the Deputy President Director of UOB Indonesia and Deputy CEO of UOB (Malaysia). Prior to that, he was Managing Director, Head of Centre of Excellence for the Agri Business and Food and Beverage sector solutions within Group Wholesale Banking in Singapore. Hendra holds a Bachelor of Science in Finance from the Wharton School of Finance and Commerce and a Bachelor of Science in Electrical Engineering from the Moore School of Electrical Engineering, University of Pennsylvania. He has more than 25 years of experience in banking and finance.

Eric Lim Jin Huei

Group Chief Sustainability Officer

Eric joined UOB in 2013 and was appointed UOB's first Group Chief Sustainability Officer in 2021. Prior to his current appointment, he headed the Group Finance function. Eric holds a Bachelor of Accountancy (Hons) from the Nanyang Technological University, Singapore and an Executive Master of Business Administration from the J.L. Kellogg School of Management, USA. He has more than 20 years of experience in finance.

Ng Wei Wei

Chief Executive Officer,
United Overseas Bank (Malaysia) Berhad

Wei Wei was appointed CEO of UOB (Malaysia) in 2022 and was previously its Deputy CEO from 2021. Prior to that, she served as the Managing Director and Country Head of Wholesale Banking from 2019 where she was responsible for growing the wholesale business. Wei Wei holds a Bachelor of Commerce with double majors in Accounting and Management from Monash University, Australia. She is a career banker with more than 20 years' experience, having held various senior leadership roles at global financial institutions in Malaysia and Hong Kong.

Victor Ngo Vinh Tri

Chief Executive Officer,
United Overseas Bank (Vietnam) Limited

Victor joined UOB in 2004 and was appointed CEO of UOB (Vietnam) in 2022. Prior to that, he served as Head of Group Compliance from 2017 and Head of Group Audit from 2006. He is a Fellow of the Australian Society of Certified Practising Accountants and the Institute of Singapore Chartered Accountants. Victor holds a Bachelor of Applied Science in Computer Science and Operations Management from the University of Technology Sydney and a Master of Business Administration from Deakin University, Australia. He also has a Master of Science in Finance from the City University of New York, where he was elected to the Beta Gamma Sigma Honor Society, and a Professional Certificate in Machine Learning and Artificial Intelligence from Massachusetts Institute of Technology, USA. Victor has more than 30 years' experience in the banking industry.

Tan Choon Hin

President and Chief Executive Officer,
United Overseas Bank (Thai) Public Company Limited

Choon Hin joined UOB in 2012 as Head of Group Retail Credit and was appointed President and CEO of UOB (Thai) in 2016. Prior to his present appointment, he was Head of Group Business Banking. He holds a Bachelor of Business (Hons) from the Nanyang Technological University, Singapore. Choon Hin has more than 25 years' experience in retail banking, credit and risk management across several Asian markets.

Dean Tong Chee Kion

Head, Group Human Resources

Dean joined UOB in 2018 as Head of Group Human Resources. He currently champions the people transformation across the Group, spanning the areas of upskilling, talent development and nurturing of a supportive work culture. Dean holds a Master of Business Administration from the Wharton School, University of Pennsylvania. He has more than 20 years of leadership, talent and transformation project experience across Asia, Europe and the Americas in the financial services, consumer goods and telecommunications industries.

Ian Wong Wah Yan

Head, Group International Management

Ian joined UOB in 2012. He heads Group International Management where he oversees the performance and governance of the Group's overseas banking subsidiaries, branches and agencies. Ian is also responsible for the development of the Group's foreign direct investment advisory business and venture management/global capital business. He holds a Bachelor of Business Administration from the National University of Singapore and a Master of Business Administration from the J.L. Kellogg School of Management, USA and Hong Kong University of Science and Technology. He has more than 30 years' experience in corporate, institutional and investment banking.

Christine Yeung See Ming (Mrs Christine Ip)

Chief Executive Officer,
UOB Greater China and UOB Hong Kong Branch

Christine joined UOB in 2011 and was appointed CEO of UOB Hong Kong Branch in 2012 and CEO of UOB Greater China in 2016. She holds a Master of Business Administration from the Hong Kong University of Science and Technology and a Bachelor of Arts from the University of Hong Kong. Christine has more than 35 years' experience in consumer and corporate banking.

Janet Young Yoke Mun

Head, Group Channels and Digitalisation,
Strategic Communications and Brand

Janet joined UOB in 2014 and heads Group Channels and Digitalisation, Strategic Communications and Brand. She is responsible for delivery channels serving customers across branches, self-service banking, websites, customer experience and advocacy, financial technology and ecosystem partnership initiatives, as well as communications, brand management and community stewardship. She holds a Bachelor of Business Administration from the National University of Singapore and a Master of Business Administration from the Nanyang Technological University, Singapore. Janet has more than 35 years' experience in banking and treasury.

Balancing Growth with Stability for the Long Term

Mu Cang Chai, Vietnam

Chairman's Statement

> "... the Board and Management examined the Group's progress against its business plan and transformation initiatives. A key outcome of the review was a sharpened focus on building capabilities to support three key growth drivers in the region, namely connectivity, personalisation and sustainability."

The reopening of economies brought hope to many in 2022. But external headwinds continued to gather strength in a deglobalising world.

Geopolitical tensions worsened, stalling supply chains and resulting in volatile commodity prices. In particular, the ongoing Russia-Ukraine war and US-China tensions have fuelled global economic insecurity. Food and energy prices soared, driving inflation. These pressures, combined with interest rates hitting a 15-year high and tightened financial conditions, have increased concerns of a recession in the near-term, especially in developed markets.

However, our part of the world has remained resilient. ASEAN has experienced strong post-pandemic growth and foreign direct investment. Shifting supply chains have also favoured the region. As borders open and travel returns, consumption is picking up. ASEAN is well-positioned for growth, especially with China's reopening of borders in early 2023.

Navigating these opportunities, challenges and ongoing uncertainty, UOB achieved a record high core net profit of $4.8 billion, up 18 per cent. Including one-off expenses relating to the acquisition of Citigroup's Malaysia and Thailand consumer businesses, net profit was also a record high at $4.6 billion. Given our robust performance, the Board recommends a final dividend of 75 cents. This takes the total dividend for 2022 to $1.35 per ordinary share.

Sharpening our strategic focus

During UOB's annual strategy review, the Board and Management examined the Group's progress against its business plan and transformation initiatives. A key outcome of the review was a sharpened focus on building capabilities to support three key growth drivers in the region, namely connectivity, personalisation and sustainability.

The Board approved the Group's sharpened Purpose and a regional brand refresh campaign, launched in September. The initiatives focus on UOB's reason for being, which is to help build the future for our customers, colleagues and community stakeholders across the region.

In scaling up our regional business, a key focus of the Board and Management in 2022 was the acquisition of Citigroup's consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam. The acquisition will double UOB's retail customer base in ASEAN, accelerating our growth by five years. The full integration will be a multi-year effort and the Board will continue to maintain clear oversight to ensure its success.

The Board also guided Management on its people strategies as businesses compete in a new norm. In today's world, the market for talent is tight. Flexibility and well-being are now baseline standards. A company's purpose attracts talent and drives engagement, retention and productivity. The development of The UOB Way, our employee compact that builds belief and belonging, positions the Group well as we chart our next phase of growth.

The Board resumed its first in-country retreat after more than two years of COVID 19-related restrictions. The Board and Management participated in an intensive programme of market and business line reviews and leadership dialogues in Thailand. We also celebrated the official opening of our new purpose-built building with the local team, key stakeholders and our customers. Built during the pandemic, the building symbolises our long-term commitment to Thailand and its strategic importance as a key ASEAN market.

Guiding the Group to adopt a progressive and pragmatic approach to sustainability remains a central focus for the Board and Management. We achieved carbon neutrality in our operations in 2021. In 2022, we went a step further to commit to net zero carbon emissions by 2050. We have laid out net zero targets for six sectors that make up about 60 per cent of our corporate lending portfolio.

To stay abreast of other growth opportunities, the Board paid particular attention to blockchain and digital asset developments. We supported Management on key digital transformation initiatives, resulting in new services being launched across the region in 2022. As with the adoption of any innovation and technology, we remain guided by our fiduciary duty as a long-term, trusted financial steward and continue to adhere strictly to regulatory frameworks.

Maintaining a strong risk culture

UOB's success over the last eight decades has been anchored by our values of Honour, Enterprise, Unity and Commitment, which continue to guide us.

As part of maintaining a strong values-based risk culture, the Board continues to emphasise leadership and personal accountability through setting the tone from the top and reinforcing it throughout the organisation. As the pandemic entered a new phase and governments scaled back support measures, the Board and Management monitored the situation closely, paying particular attention to asset quality across the Group. We regularly stress-tested various scenarios, given the ongoing and emerging economic, political and environmental uncertainties.

Board acknowledgements

It was with deep sorrow that in July 2022, the Board shared its condolences at the passing of Mr Alvin Yeo Khirn Hai. Mr Yeo had been an invaluable contributor to Board discussions over the last five years, sharing his practical wisdom and experience in corporate governance and risk management matters.

The Board welcomed Mr Ong Chong Tee as an independent director on 1 January 2023. He brings a wealth of experience in strategic and regulatory matters.

As we now turn our attention to the year ahead, on behalf of the Board, I would like to express our appreciation to Management and the UOB team for their efforts in 2022. The Bank's resilient set of results is the result of hard work, commitment and desire to do right by our stakeholders. We also thank our shareholders, customers, partners and the community for the trust they continue to place in UOB.

Wong Kan Seng
Chairman
February 2023

Deputy Chairman and CEO's Report

> "2022 was a milestone year for UOB. We took a bold move, in the middle of the pandemic, to acquire Citigroup's consumer banking businesses in four ASEAN markets. ...It will help us diversify earnings across products and countries, creating cross-sell opportunities, which will strengthen our regional franchise."

The cover of this year's Annual Report depicts a painting titled "*Tree*", that is growing strong, full of life and vitality. At UOB, we are constantly looking for ways to grow, not just our business, but also our people and the communities around us. And we want our stakeholders, colleagues and communities to reach their full potential and to fulfil their ambitions as we grow together.

An exciting Southeast Asia

2022 has been an intense year and the changes brought about by the pandemic continue to impact businesses and our personal lives.

It was a year where COVID-19 restrictions have finally been lifted in many parts of the world. However, supply chain disruptions and geopolitical tensions have also driven up food and energy prices. As a result, inflation remains stubbornly high and central banks around the world have raised interest rates at unprecedented speed.

This year, the global economy is poised to slow down. Nearer to home, however, we are expecting a more vibrant Southeast Asia. The young population, rising middle class and rapid digitalisation in the region will continue to drive demand for goods and services.

We see a clear regionalisation trend in Southeast Asia, and UOB is in a sweet spot to provide connectivity for customers. Investors from both the East and the West are attracted to our region as they look to diversify their supply sources in this new multi-polar world. These are exciting times for our region, which will continue to be a magnet for global trade and investment flows in the next decade.

With regional economies, including China, ending COVID-19 restrictions, our part of the world will be a bright spot in 2023. As evident from our Retail and Wholesale Banking businesses, consumption and investments are restarting and picking up speed.

A transformational year for UOB

Amid these extraordinary times, UOB seized the moment to transform ourselves in 2022:

- We sharpened our Purpose and launched a brand refresh campaign.
- We acquired Citigroup's consumer business in Indonesia, Malaysia, Thailand and Vietnam, which accelerated our growth by five years.
- Our new growth engines in both Wholesale and Retail banking are ready to start firing.
- We committed to net zero targets to support sustainable growth across the region's diverse economies.

Our Purpose, ambition and key differentiators

We affirmed our commitment to the ASEAN region for the long term with a sharpened Purpose – To build the future of ASEAN, for the people and businesses within, and connecting with, ASEAN.

- For our Wholesale Banking business, our ambition is to be the number one trade bank in ASEAN, with our strength in connectivity and sector specialisation as our key differentiators.
- On the Retail front, we want to be the bank of choice for all aspiring individuals in ASEAN. To do that, we offer them personalised services and solutions.
- Cutting across all segments, we embrace sustainability, embedding Environmental, Social and Governance initiatives in everything that we do, focusing on delivering real impact for our customers, stakeholders and colleagues.
- Above all, we will continue to build upon our values-based culture that has helped our people to flourish. We want employee pride to be our most important differentiator.

In 2022, we launched a brand refresh campaign to communicate our sharpened Purpose, ambition and key differentiators. It has been well-received internally by our colleagues and externally by our customers and stakeholders.

Game-changing acquisition

2022 was a milestone year for UOB. We took a bold move, in the middle of the pandemic, to acquire Citigroup's consumer banking businesses in four ASEAN markets – Indonesia, Malaysia, Thailand and Vietnam. The business has proven to be robust and it will help us diversify earnings across products and countries while creating cross-sell opportunities.

Over the last 40 years, the Group bought and integrated five banks in Singapore and five banks in the region. This has given us the scale, expertise and connectivity to support our customers' aspirations in ASEAN. This latest acquisition further strengthens our position, accelerating our growth ambition by five years. By acquiring businesses in four markets at one go, we have turbocharged our scale in the region and lifted our market position swiftly.

The deal was funded with capital buffers that we set aside over the years, patiently waiting for the right opportunity. The timing was opportune as it allowed UOB to ride on the momentum as markets reopen. Through this transformational deal, we generated higher risk-adjusted returns. We ended the year with a strong balance sheet, and healthy capital and liquidity positions.

Deputy Chairman and CEO's Report

Last November, we completed our acquisition in Malaysia and Thailand, adding more than one million customers to our Retail base. Importantly, all 3,700 of our new colleagues are settling well in the UOB family. We aim to complete the acquisition in Indonesia and Vietnam this year. By then, our combined Retail customer base in the region should cross the eight million mark.

In this fast-changing world, it is important to be nimble and ever-ready to disrupt to move forward. This decisive move was made possible as we had opted to play the long game. We had stayed disciplined in managing our balance sheet and operations through the years. It enabled us to execute the deal when it came - with our capital buffer, integrated regional IT infrastructure and a strong bench of talents.

Supporting customers to seize regional opportunities

As companies reconfigure their supply chains to reshore and to onshore their businesses, UOB, with our extensive regional footprint, is well-placed to help link them to opportunities in Southeast Asia. Our wholesale banking teams have supported many clients and we see an increase in regional business activities.

Our sector specialisation and ground expertise also enable us to support customers in their green transition in the face of a stronger sustainability push across the supply chain.

Our investments in capabilities to support clients in doing cross-border business and expanding to new markets are showing results. Our cross-border income rose 12 per cent in 2022, which accounted for about one-third of our Wholesale Banking income. Transaction banking business expanded significantly, contributing 35 per cent to Wholesale Banking income. We have set our sights on becoming the number one cross-border trade bank in ASEAN.

In 2022, we doubled down on building our business for high net-worth wealth management. We combined our Private Bank and Privilege Reserve businesses to create a Private Wealth Group. Despite challenging market conditions, we attracted net inflows of more than $8 billion, reflecting customers' confidence and trust in us.

Within the banking industry, the competitive landscape is also changing. Amid global banks' withdrawal from the region and heightened regulation of FinTech players, we see immense opportunities for UOB to expand our market share in a region with growing affluence.

Providing customers with digital solutions to grow

The long-drawn pandemic has accelerated digital adoption for everyone - from big corporates to individuals. At UOB, we have invested heavily in our digital banking platforms to support our customers on this journey. And we will continue to do so.

Our approach to digitalisation has always been anchored by our omni-channel strategy. Customers can access banking anytime, anywhere and through any channel – be it via our physical branches, digital platforms or a combination of both.

In August 2022, our award-winning digital platform UOB TMRW hit a milestone of having digitally acquired one million retail customers since launch.

Meanwhile, more than half of the 800,000 new-to-bank Retail customers acquired organically in 2022, were through digital channels. Now, about 70 per cent of our seven million Retail customers across our entire franchise are digitally-enabled.

For our small business clients, we launched an industry-first banking app – UOB SME, so they can bank on-the-go, wherever they are, whenever they want. They can analyse their cashflow via a comprehensive dashboard in the app and tap data-driven insights.

In 2022, we extended UOB Infinity, a powerful digital banking platform supporting cash management transactions, digital payments and trade tools – to eight markets. In the new year, we aim to complete the roll-out to another two more markets. In the year, we also introduced a comprehensive Financial Supply Chain Management platform in Singapore and will expand it to our key ASEAN markets and Greater China in 2023. Our investments are making an impact. In a regional survey by consultancy firm Coalition Greenwich, large Asian companies said UOB is their most preferred financial institution for cash management services in the region.

Creating sustainable impact with our customers

Sustainability is another major driver of business change today. Southeast Asian countries, including Singapore, have declared their commitment to net zero carbon emissions in the next few decades. UOB, too, is doing our part.

In October 2022, we laid out a comprehensive roadmap for the Bank to reach net zero carbon emissions by 2050. As a start, our plans cover six sectors: power, automotive, oil and gas, real estate, construction and steel, which make up 60 per cent of our corporate lending portfolio.

We want to be a responsible financial steward to help individuals, companies and communities to build the future of ASEAN. Our net zero commitment forms an important part of our Purpose.

In our pursuit of decarbonisation, we are also mindful that Southeast Asian economies are diverse, each with their different economic and social needs. Our approach is to support our customers and communities to transition in a just and orderly manner so that lives and livelihoods can continue to improve.

Growing our timber, The UOB Way

A hallmark of our long-term mindset is about striking the right balance - between growth and stability, innovation and risk, preserving our heritage and transforming for the future.

The Bank started almost 90 years ago in Singapore to serve local merchants. Our founders had a strong desire to help businesses grow and expand. Our history and legacy, backed by our core values, have set a solid foundation for us to build a trust-based culture among our people.

At UOB, we believe that people are our greatest asset.

Growing our own timber, anchored on our values of Honour, Enterprise, Unity and Commitment, ensures that we have the right culture and talent pool to work together as one team for our shared vision. Being honourable and building trust among our people is critical. This ensures that we are constantly doing right by our customers, stakeholders and colleagues, not just for today but also for the future.

As an organisation, we care for the well-being of our people while empowering them to make a difference. Above all, we want our colleagues to be able to realise their full potential in whatever they do. Some 17,000 colleagues have attended our specially-designed training programmes such as Better U and related pathway courses.

To strengthen our people culture and to build employee pride, we introduced The UOB Way in 2022. It is an embodiment of how we work at UOB, which is built upon our values, and how our employee experience is focused on care, growth and trust. In the new year, we will do more to infuse The UOB Way into our people programmes and policies.

In the year, the Bank rolled out industry-leading programmes such as Flexible Work Arrangements, Gig+U Women and a Technology Academy to develop tech talents. In 2022, we celebrated the 10th anniversary of our Scan Hub, where nearly 40 per cent of the workforce are colleagues with special needs. Through The Unlimited programme, we also encourage our business clients to adopt inclusive hiring.

Our drive to create a conducive environment of care, growth and trust is beginning to bear fruit, evident by the record-high employee engagement score in our annual survey.

We will continue to find new ways to nurture our talents through giving our people opportunities within their own specialisation, or across functions and markets. UOB is here for the long-term, including how we build and nurture our team.

Creating long-term value for our community

Our commitment for the long term extends to our support for local communities, especially in the areas of art, children and education.

Through the UOB Global Heartbeat Run/Walk, our annual flagship volunteerism and fundraising programme, our people raised a record of almost $2.3 million for 26 charities around the world. Our people also volunteered close to 45,000 hours to community building in 2022.

To bridge the digital divide for disadvantaged children, we equipped more than 7,300 young people across seven markets with digital learning tools and skills through the award-winning UOB My Digital Space programme.

We believe in the power of art to inspire and to connect people across cultures. Through our 41st UOB Painting of the Year annual competition, we uncovered promising artists from around the region and encouraged an appreciation of Southeast Asian art among a wider audience. We also launched the first immersive art theme park in the metaverse - SkyArtverse by UOB in Decentraland. To strengthen the arts ecosystem in Singapore, we signed a Memorandum of Understanding with the National Arts Council Singapore last year.

For our community efforts, we received eight industry awards and accolades across the region, including the Community Chest's highest accolade, the Pinnacle Award presented by Singapore President Halimah Yacob.

Strong financial performance

2022 was a strong year financially for UOB. The Group posted a total income of $11.6 billion and a record net profit of $4.6 billion for the financial year ended 31 December 2022. Without the one-off costs from integrating Citigroup's Malaysia and Thailand consumer business, core net profit was a record high of $4.8 billion, up 18 per cent from a year ago.

The Group's results were boosted by a 31 per cent surge in net interest income to $8.3 billion. This was driven mainly by loan growth of three per cent and higher net interest margin, which expanded 30 basis points to 1.86 percent. As wealth and fund management fees were impacted by muted investor sentiments amid market volatility, net fee and commission income declined nine per cent to $2.1 billion. Other non-interest income grew four per cent to $1.1 billion, driven by customer-related treasury income.

Total core operating expenses rose 16 per cent to $5 billion in tandem with income growth. Core cost-to-income ratio improved 0.8 percentage points to 43.3 per cent.

Total allowance declined eight per cent to $0.6 billion with total credit costs on loans flat at 20 basis points.

The Group's asset quality remained resilient, with non-performing loan ratio steady at 1.6 per cent as of 31 December 2022. The non-performing assets coverage remained strong at 98 per cent or 207 per cent after taking collateral into account. The Group continued to take a prudent approach to maintain performing loan coverage at one per cent.

The Group's capital, liquidity and funding positions strengthened in the fourth quarter and were well above the minimum regulatory requirements. The average all-currency liquidity coverage ratio stood at 140 per cent and net stable funding ratio was stable at 116 per cent, while the loan-to-deposit ratio was at 85.6 per cent. Post Citigroup acquisition, the Group's Common Equity Tier 1 Capital Adequacy Ratio remained strong at 13.3 per cent as at 31 December 2022.

Acknowledgements

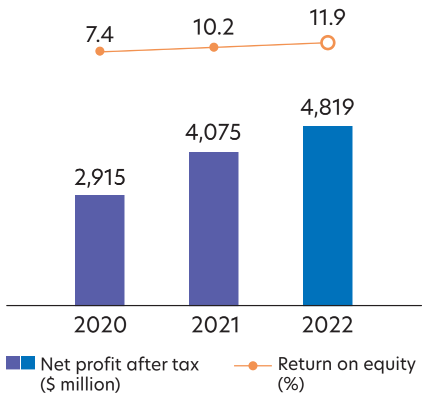
Our achievements in 2022 were made possible by the dedication of our people across all our offices globally. I am grateful for their commitment to standing by one another, as well as our customers and community in this fast-changing world. I would also like to thank the Board for its support and guidance as we stay on target to becoming the most preferred bank for consumers and businesses in ASEAN.

Finally, a big thank you to our customers and shareholders, for your support all these years. I look forward to another strong year ahead as we honour our promise of doing right by our customers and stakeholders.

Wee Ee Cheong
Deputy Chairman and Chief Executive Officer
February 2023

Financial Highlights

Robust performance in core franchise and resilient asset quality



Net Profit After Tax[1] and Return on Equity[1]

Core net profit for FY22 grew 18% to a new high of $4.8 billion from a year ago, boosted by strong net interest income and stable asset quality. Correspondingly, return on equity increased to 11.9% for the year.

Net Profit After Tax

$4.8 billion

+ 18%

Return on Equity

11.9%

+ 1.7% pt

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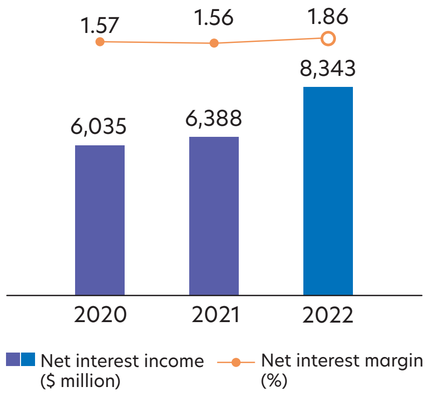
[1] Excluding one-off expenses



Net Interest Income and Margin

Net interest income increased 31% to $8.3 billion against last year. This was led by robust net interest margin expansion of 30 basis points to 1.86% on rising interest rates and loan growth of 3%.

Net Interest Income

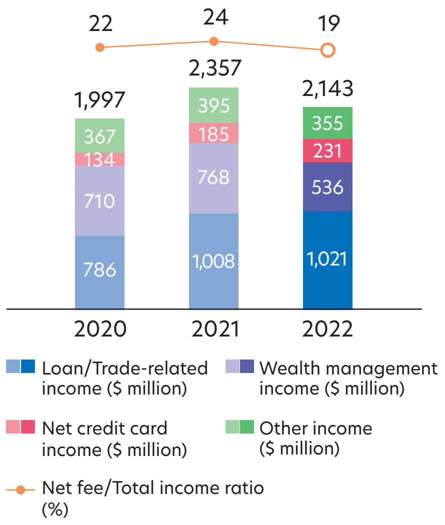
$8.3 billion

+ 31%

Net Interest Margin

1.86%

+ 0.30% pt



Net Fee and Commission Income

Despite credit card fees registering a double-digit growth from higher customer spending and the consolidation of Citigroup's credit card business, net fee income declined 9% to $2.1 billion as muted investor sentiments weighed on wealth and fund management fees.

Fee Income

$2.1 billion

- 9%

Net Fee/Total Income Ratio

19%

- 5% pt

Trading and Investment Income

Trading and investment income increased 6% to $0.8 billion. Customer-related treasury income grew 20% year-on-year driven by hedging demands and higher investment activities amid market volatility. This was partly offset by impact on proprietary hedges and lower valuation on investments.

Trading and Investment Income

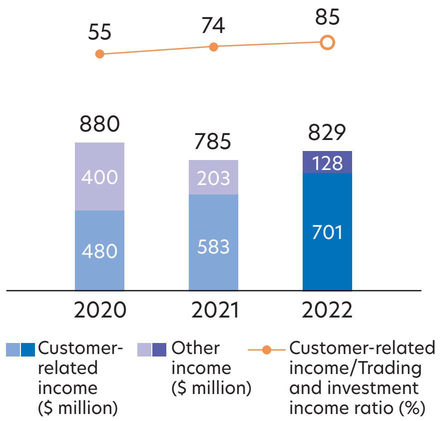
$0.8 billion

+ 6%

Customer-related Income/Trading and Investment Income Ratio

85%

+ 11% pt



Operating Expenses[1]

Total core operating expenses rose 16% to $5.0 billion. With strong income growth and cost discipline, the core cost-to-income ratio improved 0.8% points to 43.3% for the year.

Operating Expenses

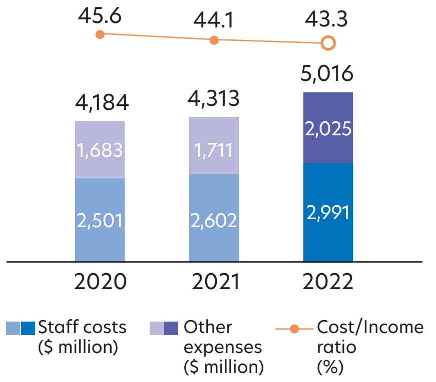
$5.0 billion

+ 16%

Cost/Income Ratio

43.3%

- 0.8% pt



[1] Excluding one-off expenses

Impairment Charge on Loans

Total allowance on loans increased 5% to $0.6 billion, due mainly to higher specific allowance on a few non-systemic accounts cushioned by the release of pre-emptive general allowance.

Total credit costs on loans maintained at 20 basis points.

Impairment Charge on Loans

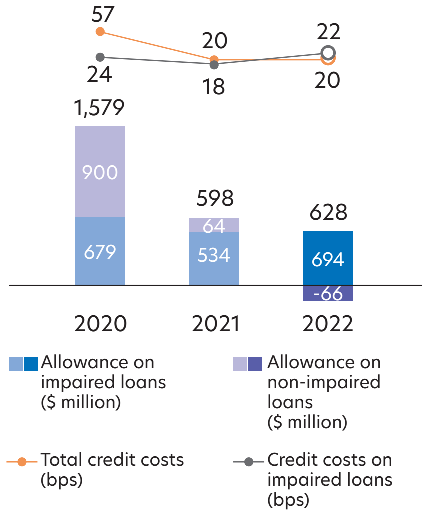
$0.6 billion

+ 5%

Total Credit Costs

20 bps

unchanged



Financial Highlights

Staying focused on our regional strategy and customer centricity

	Group Retail	Group Wholesale Banking	Global Markets
Key Growth Drivers	**Omni-channel approach** **Wealth management franchise**	**Deep cross-border connectivity** **Sector specialisation**	**Treasury management** **Regional trading infrastructure**
Focus Areas	Meeting consumer needs in their preferred manner Capitalising on the wealth potential of the rising middle class	Tapping ASEAN and Greater China business flows Offering businesses industry insights and sector expertise	Strengthening funding and liquidity management solutions Enhancing people and system capabilities
Performance	$4.1 billion **Total income** ▲ 16%	$6.2 billion **Total income** ▲ 23%	$560 million **Total income** ▼ 7%
	$154 billion **Assets under management for wealth management** ▲ 11%	▲ 12% **Cross-border income**	▲ 15% **Foreign exchange (FX) customer revenue** with deepening of e-FX capabilities
	▲ 14% **Deposits,** on the back of strong customer acquisition and deeper customer engagement	▲ 9% **Average current and savings accounts balances,** backed by superior regional cash management platform	▲ 16% **Customer treasury flow*,** supported by treasury solution capabilities and higher hedging demand amid market volatility
	$1.8 billion **Operating profit** ▲ 7%	$4.7 billion **Operating profit** ▲ 27%	$301 million **Operating profit** ▼ 20%

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* Income derived from the treasury flow from Group Retail and Group Wholesale Banking customers is reflected in the income of the respective business segments.

Operating profit by business segment

Group Retail

Compared with a year ago, operating profit grew 7% to $1.8 billion. Excluding one-off costs associated with the Citigroup acquisition, core operating profit would have registered a 23% growth. Income advanced 16% to cross the $4 billion mark, buoyed by wider margin and campaign-led deposit growth, along with stronger card activities fuelled by consumer spending and travel surge across the region, coupled with the maiden inclusion of Citigroup's consumer businesses in Malaysia and Thailand since November 2022. These were partly tempered by softer wealth income as global uncertainties clouded investor appetite. Core operating expenses climbed 10% largely from revenue-related costs and continued investments in technology, with the one-off costs contributing another 15%.

Group Wholesale Banking

Operating profit reached $4.7 billion in 2022, representing a strong growth of 27% compared with 2021, boosted by broad-based revenue streams. Income growth of 23% to $6.2 billion was powered by margin expansion and higher client activities across investment banking, transaction banking and treasury customer flows. Expenses increased 13% to $1.5 billion, backed by ongoing investments in people, technology and product capabilities.

Global Markets

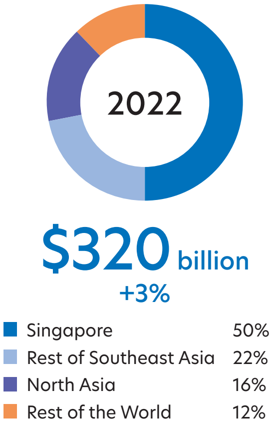
Operating profit in 2022 stood at $301 million, 20% down from a year ago. This reflected the impact of funding costs rising faster and steeper than yields on securities, alongside higher expenses primarily from staff and technology. Partly countering this was the doubling of non-interest income, fuelled by stronger performance in foreign exchange and commodity trading on the back of financial market volatility.

Operating Profit[1] by Geographical Segment

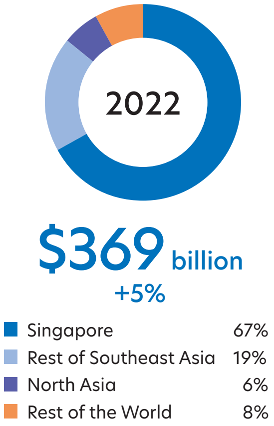
Overseas franchise provided diversification and cross-border connectivity

$ million	FY2022	FY2021	YoY (%)
Singapore	**3,824**	2,805	36
Rest of Southeast Asia	**1,427**	1,327	8
Malaysia	**744**	689	8
Thailand	**425**	407	5
Indonesia	**233**	221	5
Others	**25**	10	(57)
North Asia	**670**	605	11
Rest of the World	**637**	740	(14)
Total	**6,559**	5,476	20

Customer Loans[2]



Customer Deposits



Singapore

Operating profit surged 36% against last year to $3.8 billion, exhibiting franchise strength as one of Singapore's incumbent banks in delivering wider margins amid rising interest rates, coupled with healthy asset growth.

Rest of Southeast Asia

The Rest of Southeast Asia franchise showed a strong growth of 8% against last year, benefitting from wider margins from Malaysia, Indonesia and Thailand.

North Asia

Operating profit grew 11% against last year, driven by higher investment activities and stronger trading results from Greater China.

Rest of the World

Operating profit narrowed 14% to $0.6 billion, mainly from lower valuation on investments.

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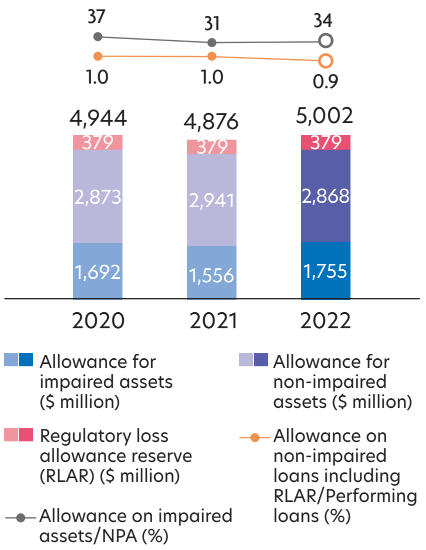
[1] Excluding one-off expenses

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

Financial Highlights

Strong balance sheet with stable credit outlook



Asset Quality

The Group's overall loan portfolio remained stable with non-performing loan (NPL) ratio steady at 1.6%.

Total allowance for non-impaired assets remained adequate at $2.9 billion with prudent coverage for performing loans maintained at 0.9%.

Total Allowance on Assets

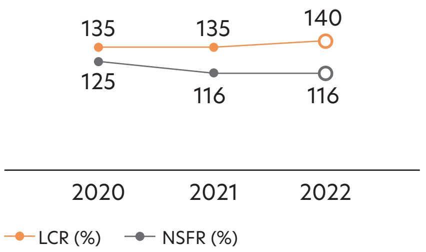
$5.0 billion

+ 3%

NPL Ratio

1.6%

unchanged



Funding and Liquidity Ratios

The Group's liquidity and funding positions strengthened with the average all-currency liquidity coverage ratio (LCR) at 140% and net stable funding ratio (NSFR) at 116%, well above the minimum regulatory requirements.

LCR

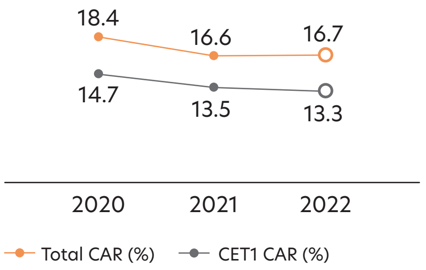
140%

+ 5% pt

NSFR

116%

unchanged



Capital Adequacy Ratio (CAR)

Post Citigroup acquisition, the Group's capital position remained healthy with Common Equity Tier 1 Capital (CET1) ratio and Total CAR at 13.3% and 16.7% respectively, well above the Monetary Authority of Singapore's minimum requirement.

CET1 CAR

13.3%

- 0.2% pt

Total CAR

16.7%

+ 0.1% pt

Investor Highlights

Positive market reaction to acquisition of Citigroup's consumer business in Indonesia, Malaysia, Thailand and Vietnam (ASEAN-4)

We announced the proposed acquisition of Citigroup's ASEAN-4 consumer banking business in January. This is a transformational deal that scales up our ASEAN franchise by:

- doubling our ASEAN-4 retail customer base; and
- accelerating our growth targets by five years.

We organised a briefing for media, analysts and investors on 14 January and conducted a deal roadshow to engage credit rating agencies and our top institutional investors.

Throughout the year, senior management and the investor relations team gave regular updates on the integration progress through one-on-one meetings, conferences, roadshows and financial results briefings.

We completed the acquisitions in Malaysia and Thailand on 1 November and are on track to complete the acquisitions in Indonesia and Vietnam in 2023.

Investors and other market participants reacted positively to the deal while analysts viewed it as a strategic fit for UOB. On the back of the news, our share price surged past the $30-mark for the first time. As a result, our market capitalisation reached more than $50 billion in the year. In 2022, our share price climbed 19 per cent, outperforming the Straits Times Index which was up eight per cent over the same period.

UOB Deputy Chairman and Chief Executive Officer (CEO), Mr Wee Ee Cheong (left) and UOB Group Chief Financial Officer (CFO), Mr Lee Wai Fai at the analyst and investor briefing announcing the proposed acquisition of Citigroup's ASEAN-4 consumer business.

> "The likely strengthening of UOB's ASEAN franchise and ROE outlook through the Citi acquisition only reinforces UOB's status as our top pick in the sector."
>
> Daiwa Capital Markets Hong Kong Limited

> "This acquisition will greatly enhance UOB's footprint in the ASEAN-4 countries, driving a doubling of retail customers, and propelling them into the top retail banks by asset size in these markets (ex-Vietnam). Citi's portfolio is also complementary given its strength in the unsecured segment and UOB's strength in the secured segment. We view this acquisition positively..."
>
> UBS Securities Pte. Ltd.

> "...the deal is in one of UOB's core businesses, commercial banking, and in geographies where UOB is already present. This ensures a reasonably clear path to integration, with a relatively flat learning curve. Essentially, the deal deepens the market presence, rather than opening new markets or segments for the bank."
>
> J.P. Morgan Securities Singapore Private Limited

Investor Highlights

Regular and transparent engagement

Regular and transparent communications is key to maintaining investors' trust and confidence.

In 2022, we continued to showcase thought leadership across various themes, such as digitalisation and sustainability.

As COVID-19 restrictions eased in the second half of the year, we resumed face-to-face investor meetings. We conducted more than 450 meetings during the year, both virtual and in-person, to keep investors updated on our strategy, performance and business outlook.

These meetings included:

- Quarterly financial results briefings and post-results investor calls and luncheons;
- Investor roadshows, conferences and meetings with North American, European and Asian institutional investors;
- Securities Investors Association (Singapore) Corporate Connect Webinar with retail investors;
- Engagement with credit rating agencies; and
- UOB's annual general meeting.

For our investor engagement efforts, we were awarded Best Investor Relations – Silver award – at the Singapore Corporate Awards 2022. Our CEO, Mr Wee Ee Cheong, was also honoured as Best CEO.

UOB Group CFO, Mr Lee Wai Fai (second from the right), receiving the Silver award for Best Investor Relations during the 17th annual Singapore Corporate Awards.

Committed to regional and global capital markets

Despite challenging market conditions in 2022, UOB was active in issuing bonds in our core funding markets. We conducted a series of well-timed transactions across the Australian dollar, United States dollar, euro and Singapore dollar markets in the first half of 2022. These were well-received by global investors, reflecting their continued confidence in UOB.

$900 million five-year senior bond

- Strong orderbook amid ongoing geopolitical risk and huge competing supply.
- The transaction was the most tightly priced five-year foreign bank print.
- It was also the largest ever single-tranche AUD print from Asia ex-Japan to date.

> **"… the largest for a South-East Asian issuer… and bankers said the strategic and flexible approach adopted by UOB allowed the bank to focus on the deepest pool of liquidity and achieve one of their strongest Australian dollar offerings in the face of an increasing volatile market backdrop."**

"UOB breaks Australian record", *IFR*, 18 February 2022

€1.5 billion three-year covered bond

- The first Singapore covered bond issuance in 2022.
- Despite challenging geopolitical conditions and volatile interest rates, UOB took advantage of strong demand for front-end covered bonds driven by flight to quality.
- It was the largest covered bond to date from Singapore.

> **"Singapore lender United Overseas Bank (UOB) returned to the euro covered bond market… representing the largest-ever euro-denominated covered bond out of Singapore and bankers said the result reflected the strength of UOB's credit quality and its ability to move swiftly…"**

"UOB prints Singapore's largest euro covered bond", *The Asset*, 10 March 2022

US dollar multi-tranche offering - US$1 billion 10.5NC5.5 Tier 2 and US$1.1 billion three-year Senior comprising US$350 million Floating Rate Note and US$750 million Fixed Rate tranche

- Took advantage of constructive market conditions and chose an intraday window to access the Reg S/144A US dollar market.
- Reopened the bank capital sector as soon as a month after the start of the Russia-Ukraine conflict in March.
- Largest print from Singapore since 2008.
- Well-balanced multi-tranche transaction comprising a very diverse high quality global investor base.

> **"Singaporean lender timed the offerings well even as volatility persists. The transactions scored a number of firsts. The combined trades are not only the largest dollar deal from UOB, but also the largest from a Singaporean bank since 2008. The Secured Overnight Financing Rate tranche is also the largest such trade from Singapore. With its tier two trade, UOB became the first lender from Southeast Asia to tap this market in 2022. The bank capital bonds are also the first after Russia's attacks on Ukraine began over a month ago, thereby reopening the sector."**

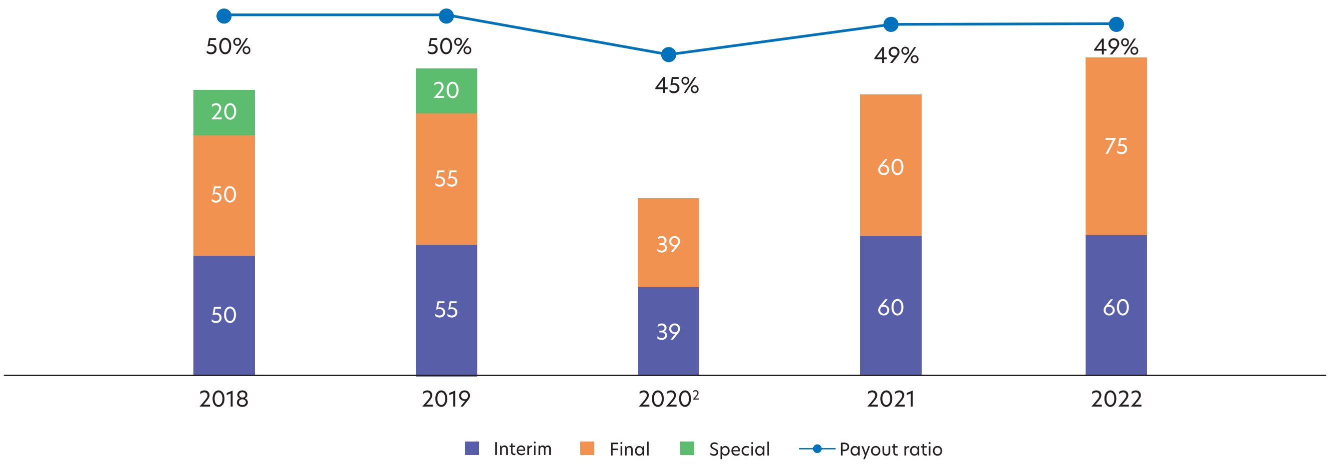
"UOB bags $2.1 billion from senior/tier two combo", *Global Capital Asia*, 1 April 2022

Investor Highlights

Delivering long-term and sustainable returns

- 18 per cent year-on-year growth in core net profit (excluding one-time expenses) to $4.8 billion, on rising income amid higher interest rates;
- Balance sheet remained robust, with Common Equity Tier 1 ratio of 13.3 per cent;
- Full-year dividend of $1.35 per share rising from $1.20 per share in 2022;
- Total annualised shareholder return of 6.6 per cent from 2018 to 2022, outperforming Singapore's stock market average of 2.9 per cent[1].

Dividend per share (cents) and payout ratio (%) for 2018 to 2022



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1 Sources: UOB, Bloomberg

2 2020 dividend was in-line with MAS' call for banks to cap total dividend per share (DPS) at 60% of 2019 DPS

Selected investment metrics

	2018	2019	2020	2021	**2022**
Share price ($)					
Highest	30.37	27.97	27.00	28.17	**33.33**
Lowest	23.80	23.39	17.28	22.41	**25.91**
Average	26.91	25.79	21.43	25.81	**28.98**
Last done	24.57	26.41	22.59	26.90	**30.70**
Market capitalisation ($ billion)[a]	40.93	44.06	37.79	44.98	**51.41**
Price-to-earnings ratio (x)[b]	11.50	10.11	12.68	10.80	**10.77**
Price-to-book ratio (x)[b]	1.26	1.16	0.93	1.07	**1.20**
Net dividend yield (%)[b]	4.46	5.04	3.64	4.65	**4.66**
Total annualised shareholder return from 2018 to 2022 (%)					**6.6**

a The year-end closing share prices are used in computing the market capitalisation.

b The daily-average share prices are used in computing these three ratios.

Five-year financial summary

	2018	2019	2020	2021	**2022**
Selected income statement items ($ million)					
Total income	9,116	10,030	9,176	9,789	**11,575**
Total expenses[a]	4,003	4,472	4,184	4,313	**5,016**
Operating profit[a]	5,113	5,558	4,992	5,476	**6,559**
Net profit after tax[a, b]	4,008	4,343	2,915	4,075	**4,819**
Selected balance sheet items ($ billion)					
Gross customer loans	262	269	281	311	**320**
Customer deposits	293	311	325	353	**369**
Total assets	388	404	432	459	**504**
Shareholders' equity[b]	38	40	41	43	**43**
Financial indicators (%)					
Cost/Income ratio[a]	43.9	44.6	45.6	44.1	**43.3**
Non-performing loan ratio	1.5	1.5	1.6	1.6	**1.6**
Return on average ordinary shareholders' equity[a]	11.3	11.6	7.4	10.2	**11.9**
Return on average total assets[a]	1.07	1.08	0.69	0.92	**0.99**
Return on average risk-weighted assets[a]	1.93	1.90	1.27	1.68	**1.83**
Capital adequacy ratios (%)					
Common Equity Tier 1	13.9	14.3	14.7	13.5	**13.3**
Tier 1	14.9	15.4	15.8	14.4	**14.4**
Total	17.0	17.4	18.4	16.6	**16.7**
Per ordinary share					
Basic earnings ($)	2.34	2.55	1.69	2.39	**2.69**
Net asset value ($)	21.31	22.33	23.03	24.08	**24.24**
Net dividend (cents)[c]	120	130	78	120	**135**

[a] Excluding one-off expenses.
[b] Relates to the amount attributable to equity holders of the Bank.
[c] Included a special dividend of 20 cents in 2018 and 2019.

Investor Highlights

Strong credit ratings

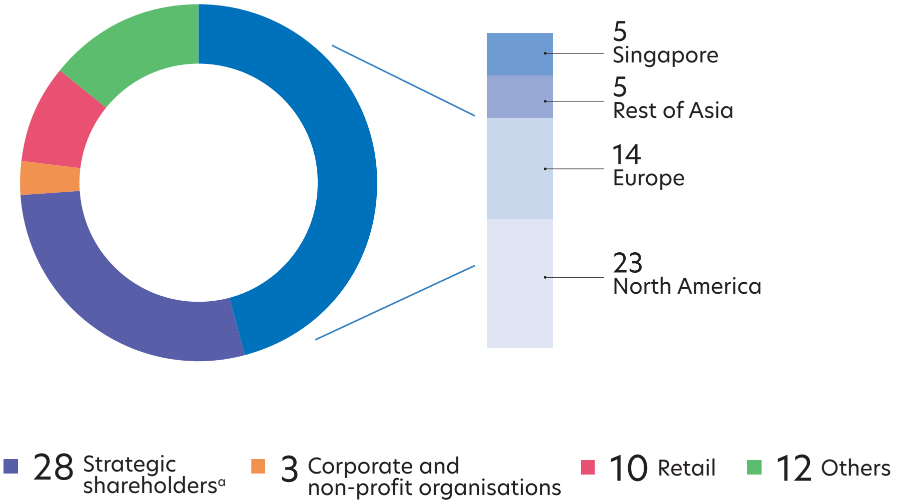
- One of the few highly-rated banks globally with strong investment-grade credit ratings of 'Aa1' by Moody's Investors Service and 'AA-' by both S&P Global Ratings and Fitch Ratings

> **"UOB's a1 BCA is among the highest assigned to banks globally, and reflects its very robust credit metrics and conservative risk profile, underpinned by its well-established banking presence in Singapore, Malaysia and Thailand."**
>
> Moody's Investors Service's report dated 29 July 2022

> **"The ratings on UOB reflect the bank's strong market position in ASEAN, adequate capital position and risk underwriting, as well as sound funding and liquidity."**
>
> S&P Global Ratings' report dated 12 July 2022

Diversified shareholder base

Shareholders as at 31 December 2022 (%)



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a Strategic Shareholders include Members of the Wee Family, including UOB's Chairman Emeritus, Dr Wee Cho Yaw, and Deputy Chairman and CEO, Mr Wee Ee Cheong.

Sources: UOB, NASDAQ OMX

For more information

General information on UOB, including our annual reports, quarterly financial results and trading updates, recorded webcasts of results briefings, news releases and presentation slides, investor relations calendar of events and dividend payouts, as well as our approach to sustainability are available on our corporate website www.UOBgroup.com.

Our corporate website also contains interactive share price charts, historical price data and an investment calculator for our investors to determine their returns and capital gains. All financial results, material news releases, dividends recommended or declared for payment and other ad-hoc announcements are also available on the SGX website.

Or please contact:

Mr Stephen Lin
Investor Relations
80 Raffles Place
#05-00 UOB Plaza 2
Singapore 048624
Email: Stephen.LinST@UOBgroup.com
InvestorRelations@UOBgroup.com

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Ave
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360
Website: www.boardroomlimited.com

Sustainability Highlights

2022 snapshot

Drive Growth Sustainably

Net zero by 2050
commitment made for six sectors

$25 billion
in total sustainable financing to corporates

UOB Transition Finance Framework
established to support companies in decarbonisation

UOB Sustainability Compass
rolled out to help SMEs kickstart their sustainability journey

$10 billion
in total assets under management in ESG-focused investments

Keep Customers at the Centre

91%
of customer complaints resolved within established standards

Zero
material issues in relation to data confidentiality and privacy

75%
digitally-enabled individual customers with monthly active rate of 38%

UOB SME app
launched for SMEs to transact and gain personalised insights on an interactive dashboard

The Greentech Accelerator
launched to connect SMEs and corporates to green innovations

Develop Professionals of Principle*

37%
of our senior management are women

94%
of our colleagues hired locally

$26 million
invested in employee training and development

790,000 square feet
of total office space transformed into high-performance workplaces

SG Clean certification
achieved for all our buildings and branches in Singapore

Uphold Corporate Responsibility

Best Risk Management - Gold
received at the Singapore Corporate Awards 2022

Zero
cases of significant non-compliance in relation to bribery, corruption or fraud

Zero
material information security incidents

Carbon neutrality
maintained for our operational footprint

$9 million
in monetary and in-kind contributions raised for the community

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* Excludes employees from Citigroup in Malaysia and Thailand, where relevant

Our sustainability strategy

At UOB, our sustainability strategy is underpinned by our corporate purpose and mirrors our business approach of balancing growth with responsibility. Our strategy takes into account the influence and impact our decisions and actions may have on our stakeholders and the environment. It also ensures that we remain economically relevant through managing environmental, social and governance (ESG) risks and opportunities practically and in line with market realities.

Promote United Nations Sustainable Development Goals with our stakeholders

Drive Growth Sustainably

- Contribute economically to the progress of our communities
- Embed environmental, social and governance risk in our approach to risk management
- Integrate social and environmental considerations into our credit evaluation and approval processes
- Adopt and promote climate-resilient practices to support our customers in their transition to a low carbon economy
- Develop and provide sustainable financing and sustainable investment solutions

Keep Customers at the Centre

- Protect customer data and privacy through secure and robust systems and practices
- Ensure Fair Dealing
- Create intuitive and impactful customer experiences
- Make banking simpler, smarter and safer through ethical use of technology and data
- Make banking more accessible and inclusive
- Support businesses across all stages of growth

Develop Professionals of Principle

- Develop high-performing teams and future-focused individuals
- Promote work-life harmony
- Encourage volunteerism and advocacy for social and environmental causes
- Ensure employee engagement and satisfaction
- Ensure workplace health, safety and well-being
- Embrace diverse abilities and strengths

Uphold Corporate Responsibility

- Maintain highest standards of governance and risk culture
- Ensure regulatory compliance
- Protect the financial system against abuse
- Incorporate sustainability principles into our procurement practices
- Manage direct environmental impact and encourage environmental stewardship
- Champion social development in art, children and education

Rooted in our values of Honour, Enterprise, Unity and Commitment

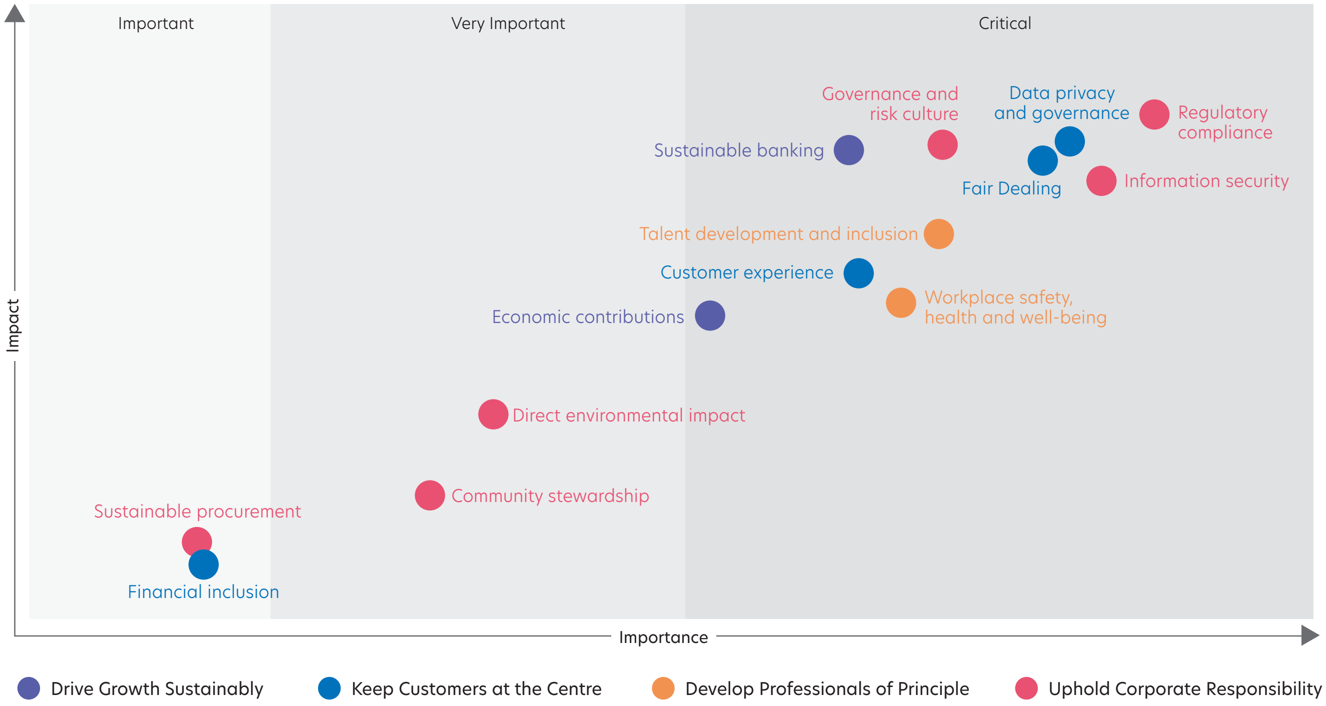
Sustainability Highlights

Our material ESG factors

UOB's most significant impacts on the economy, environment and society are reflected in our material ESG factors. We conduct materiality assessments and stakeholder consultations on a continual basis to ensure that these material factors are in context of our operating environment, business and operations, as well as regulatory and stakeholder expectations.

In 2022, we embarked on a materiality assessment exercise with our key stakeholder groups, both internal and external, to gather their feedback on the ESG factors most important to UOB and that have the greatest impact on them. We adopted an integrated approach of analysing both quantitative and qualitative research to gain a holistic overview of stakeholder expectations. Through surveys and one-on-one interviews, we prioritised factors that are critical to the continued success of our business and sustainable development of the wider community. Increasingly interconnected, our material ESG factors inform our strategic decision making and guide us in our practices, stakeholder engagement and reporting.

Materiality matrix



Our commitment to net zero

Asia, particularly Southeast Asia, is one of the areas most vulnerable to climate change. As a leading financial institution operating in this region, UOB is steadfast in being a positive force in the fight against climate change. Our commitment to net zero by 2050 is grounded in the need for a just transition that continues to support socioeconomic growth and improve energy access across the diverse economies in the region, in tandem with decarbonisation.

Energy

Power
Reduce emissions intensity by 61% by 2030 and 98% by 2050

Automotive
Reduce emissions intensity by 58% by 2030 and net zero by 2050

Oil and gas
No new project financing for upstream oil and gas projects approved for development after 2022

Built Environment

Real Estate
Reduce emissions intensity by 36% by 2030 and 97% by 2050

Construction
Reduce emissions intensity by 31% by 2030 and 85% by 2050

Steel
Reduce emissions intensity by 20% by 2030 and 92% by 2050

As a start, we have covered two key carbon-emitting ecosystems, namely energy and the built environment. These span six focus sectors that are material contributors to greenhouse gas (GHG) emissions regionally and account for about 60 per cent of UOB's corporate lending portfolio.

The six sectors are among the most important for decarbonisation. In particular, oil, gas and coal, which are the supply of fossil fuels, are responsible for 73 per cent of direct emissions globally. The power, automotive, real estate and steel sectors, through downstream usage of electricity, passenger cars, iron, steel and buildings, account for 67 per cent of emissions arising from fossil fuel combustion. Our targets in these sectors reflect our ambition to facilitate this change end to end.

Our principles for prioritising sectors

1. **Emissions materiality**
Focus on 'brown' sectors with highest GHG emissions and criticality for achieving climate goals

2. **Sector abatement horizon**
Focus on sectors with largest expected decline in GHG emissions in coming years

3. **Portfolio materiality**
Cover sectors representing a significant portion of UOB's corporate loan book, where we have the greatest potential to effect change

We are guided by the science in setting our net zero targets and have based our targets on internationally-recognised climate models. In consideration of structural differences across the region, we have extracted regional pathways for some targets that represent fair contributions of our key markets.

Our approach is in line with the guidance from the Glasgow Financial Alliance for Net Zero (GFANZ) on how financial institutions should set targets and use sectoral pathways in alignment with the Paris Agreement and the 1.5°C global warming trajectory outlined by the Intergovernmental Panel on Climate Change.

As a commercial bank, we see our role as a catalyst and enabler to influence the real economy towards net zero. We are embedding our net zero targets in our business strategies and operations as we actively engage our clients across the region, to support them on setting their net zero plans or on making their existing net zero plans more ambitious, as well as through transition financing. We will also direct more financing towards green projects and activities, and away from those that emit the most carbon.

We seek to expand the scope of our targets to include new sectors and sub-sectors as data and climate scenarios become available.

For more information on UOB's sustainability strategy and initiatives, please refer to the UOB Sustainability Report 2022.

Award Highlights

Recognition from the Industry

In 2022, we received multiple top accolades across the Bank.

Each award recognises our commitment to building the future of ASEAN through providing progressive and sustainable solutions across our regional network.

We continue to collaborate with our customers, colleagues and communities for a better tomorrow.

Scan to view the full list of award wins, or visit www.UOBgroup.com/awards.

Leading in banking excellence

Asiamoney
Best Domestic Bank in Singapore

Asian Banking & Finance
Mergers and Acquisitions Deal of the Year (Singapore)
Domestic Retail Bank of the Year (Singapore)

ASEAN Corporate Governance Scorecard*
Ranked 2nd among Top Publicly-listed Companies (Singapore)
ASEAN Top 20 Publicly-listed Companies
ASEAN Asset Class

* The ASEAN Corporate Governance Scorecard is held once every two years. The results of the 2021 assessment were released in 2022.

Euromoney
Best Bank in Singapore

Euromoney Market Leaders
Corporate Banking (Market Leader)
SME Banking (Market Leader)
Investment Banking (Highly Regarded)

Retail Banker International
Best Retail Bank (Singapore)

Singapore Business Awards
Businessman of the Year 2021/2022
Wee Ee Cheong

Singapore Corporate Awards
Best CEO Award for SG listed companies in Large Market Cap category
Best Risk Management Award for SG listed companies in Large Market Cap category (Gold)
Best Investor Relations Award for SG listed companies in Large Market Cap category (Silver)

Singapore Governance and Transparency Index (SGTI) 2022
Ranked 4th (joint) of 489 Singapore-listed companies (General Category)

The Asian Banker
Best CEO in Singapore
Best Managed Bank in Singapore
Best Retail Bank in Singapore
Best SME Bank in Singapore and Asia Pacific
Best Foreign Retail Bank (Thailand)

The Asset
Best Wealth Manager for Impact Investing (Asia and Singapore)
Transaction Banker of the Year
Best Bond Advisor (ASEAN)

Building sustainable cities across Asia

Asiamoney
Best Bank for CSR in Indonesia

Asian Banking & Finance
ESG Program of the Year (Silver)

Community Chest
Pinnacle Award

Euromoney Market Leaders
CSR (Market Leader)
Diversity & Inclusion (Highly Regarded)
ESG (Highly Regarded)

National Arts Council
Distinguished Patron of the Arts Award

National Volunteerism & Philanthropy Centre
Champion of Good

Stewardship Asia Centre
Steward Leadership 25 - Collaborating to drive a sustainable ASEAN

The Asset
Jade Award
Best Initiative in Social Responsibility (My Digital Space)

Innovating for tomorrow

Euromoney Market Leaders
Digital Solutions (Market Leader)

Finovate
Best Digital Bank
Best Financial Mobile App

Global Finance
Most Innovative Digital Bank (Asia Pacific)

International Finance
Most Innovative Digital Bank (Singapore, Thailand and Indonesia)
Best New Mobile Banking App (Singapore, Thailand and Indonesia)

Retail Banker International
Excellence in Internet Banking

The Digital Banker
Best Hybrid Customer Experience - Branch
Trailblazer of the Year
Best Digital Bank (Singapore, Thailand and Southeast Asia)
Best Bank for Millennials (TMRW by UOB Indonesia)

Shaping our future workforce

HR Asia Media
Best Companies to Work For in Asia (Singapore Edition)

Retail Banker International
Excellence in Talent Management
Best Training and Development Course

The Digital Banker
Outstanding Staff Training, Learning and Development Program

World HRD Congress
Global Best Employee Brand

Building and Deepening Long-term Relationships

Connecting Businesses to New Frontiers in ASEAN and Beyond

As the one bank for ASEAN, we partner companies as they seize the region's immense growth opportunities. Through us, businesses make the right connections, open up new frontiers of trade, increase their distribution channels and explore new avenues for expansion.

Southeast Asia is a hub of robust trade activity – data from the ASEAN Secretariat shows that trade in goods and services amounted to US$4.1 trillion in 2021. Economic growth and cross-border trade flows are expected to remain strong in the decades to come, underpinned by consistent incoming foreign direct investments (FDI), which hit US$179 billion in 2021.

With an extensive network of around 500 offices in 19 countries and territories, we seamlessly support businesses that wish to expand in the region. Our wide range of services are informed by our deep sector expertise and complemented by our strong local market knowledge. Our clients can tap our products and solutions from any single point of entry across our global network.

In 2022, our cross-border revenue grew 12 per cent.

To achieve our target of being the number one bank for cross-border trade needs in ASEAN, we are investing $500 million in cash management, financial supply chain management and payments capabilities.

Supporting businesses' regional ambitions

With our deep understanding of ASEAN, we provide strategic expertise to local businesses and markets. In 2022, we supported the expansion of clients across a wide range of key growth industries including real estate, consumer staples and discretionary, industrials and technology.

Fostering links between ASEAN and Greater China is also a key part of our strategy, as we seize new opportunities that will arise with Greater China playing an increasingly significant role as the economic engine of Southeast Asia.

Due to rising labour costs and supply chain issues, companies are starting to adopt a 'China Plus One' strategy to base their operations in an ASEAN market in addition to those in Greater China. We are well-positioned to partner them, facilitating investment flows by providing efficient, customised and sustainable cross-border financial services.

Our cross-border revenue

+12%

year-on-year

Income from cash management and trade finance mandates

+26%

year-on-year

Revenue from sector-specific solutions

+21%

year-on-year

Discussions at our Gateway to ASEAN conference in October 2022 covered trade, sustainability and other business topics.

Connecting Businesses to New Frontiers in ASEAN and Beyond

Catalysing cross-border financing

In January 2022, we signed a Memorandum of Understanding (MOU) with China Railway Construction Corporation (CRCC), one of the world's largest construction groups, to explore deeper collaboration in cross-border financing and investments. With CRCC expanding its ASEAN footprint, we are connecting the company to local business communities to facilitate its expansion.

We also partnered Korea Housing Finance Corporation (KHFC) to help the state-owned company expand its footprint in ASEAN. Our MOU with KHFC, signed in May 2022, covers three main areas: investment banking; treasury services; and environmental, social and governance financing.

> "UOB China is a trusted partner for CRCC. We appreciate the Bank's commitment to supporting us every step of the way as we expand our business across the border. To further our collaboration, we will carry out more strategic dialogue and communication at our headquarters and work seamlessly in each market to ensure our projects are rolled out smoothly."
>
> **Mr Wang Xiuming**
> **Standing Committee Member of the Party Committee and Chief Accountant, CRCC**

We partnered the KHFC to help the state-owned company expand its footprint in ASEAN.

Opening new doors for trade and investment

With 10 dedicated centres across Asia, our FDI Advisory Unit has been strengthening its strategic collaborations with government agency partners, business associations and professional service providers. These links serve to support our clients in navigating the complexities of venturing abroad.

Since 2011, our FDI Advisory Unit has supported more than

3,800

companies with their cross-border expansion into Asia.

Companies we have supported since 2014 are projected to invest more than

$41 billion

and to enable the creation of more than

176,000

job opportunities, largely across ASEAN and Greater China.

Mr Nurul Ichwan, Indonesia's Deputy Minister for Investment Planning (second from left), highlighted his country's investment opportunities to interested companies.

> **"Thank you UOB for organising such a meaningful dialogue with BKPM. We plan to expand our business in ASEAN, including Indonesia. The local contacts and ground knowledge in this exciting market definitely benefit companies like us and we would like to stay in touch with UOB to explore regional opportunities."**
>
> **Mr Wallace Chen**
> **Finance Director, CDNetworks Global**

In March 2022, we co-organised the sixth edition of our flagship ASEAN Conference, which was held as part of the Singapore Apex Business Summit. More than 800 participants attended the conference physically and virtually, with the majority from the Asia Pacific region.

During the conference, we facilitated a closed-door dialogue session for companies from Greater China and Singapore with Mr Nurul Ichwan, Deputy Minister for Investment Planning, Republic of Indonesia, as well as officials from Indonesia's Ministry of Investment (BKPM).

Leveraging sector expertise and facilitating transactions

We provide trade financing, financial supply chain management, cash management as well as sector-specific solutions.

The sectors we focus on are:

- Industrials;
- Consumer Goods;
- Construction and Infrastructure;
- Real Estate and Hospitality;
- Technology, Media and Telecommunications
- Oil, Gas and Chemicals;
- Healthcare; and
- Financial Institutions.

We provide companies with the capital and liquidity for their operations and growth, while helping them manage collections and counterparty risks. We also create bespoke solutions targeted at the entire ecosystems and value chains of these sectors.

UOB sector experts are regularly invited to trade and association events as speakers or panellists to share deep sector insights and sector outlooks.

In 2022, income from cash management and trade finance mandates grew by 26 per cent, while revenue from sector-specific solutions increased by 21 per cent.

Connecting Businesses to New Frontiers in ASEAN and Beyond

Expansion into Malaysia

We supported KOSDAQ-listed semiconductor part manufacturer Simmtech Group as their banking partner in ASEAN. We connected the company's local partners and supply chains, paving the way for a manufacturing facility at Batu Kawan Industrial Park, Penang. The facility, opened in May 2022, employs more than 1,200 people.

Simmtech announced expansion plans for this plant in early December 2022, creating potentially 400 new jobs.

The opening of Simmtech's facility at Batu Kawan Industrial Park, Penang.

Simmtech's facility employs more than 1,200 people, and its expansion will help create another 400 jobs.

> "Simmtech Group has benefitted from the tremendous support offered by UOB, which has an extensive network in Southeast Asia as well as local insights and expertise. We look forward to working closely with UOB as we localise supply chains and grow our manufacturing footprint in the region."
>
> Mr Jeffery Chun
>
> **Managing Director, Simmtech Southeast Asia**

Expansion into Indonesia

We assisted Linaco Group, a leading producer of coconut-based products in Malaysia, as it expanded into Indonesia through the acquisition of a new factory in 2021. In the process, we helped Linaco streamline its financial operations across both markets.

Linaco's factory became fully operational in 2022, creating 1,000 jobs in West Kalimantan.

> "When we shared our plans for expansion in Indonesia, the UOB team did the verification of a partner (a processing plant in Kalimantan) and they paved the way for Linaco's new factory. ... Banking with UOB for almost three decades, we know that they are not 'sunshine bankers'. They have seen us through good times and bad times, and with them, our finances are in good hands."
>
> Mr Joe Ling
>
> **Group Executive Director, Linaco**

Expansion into ASEAN and China

In August 2022, we signed an MOU with China Mobile International to explore providing financial and digital connectivity for companies expanding into ASEAN or China. We will also cooperate in consumer digital financial services.

This MOU will enable our clients to tap both UOB and China Mobile International's key network strengths and resources, including cross-border connectivity, regional networks, big data, cloud computing, blockchain and other technologies.

Our MOU with China Mobile International will provide financial and digital services to support companies' expansion plans.

Expansion in Singapore

We financed Singapore steel company Toptip Holding's acquisition of NatSteel Holdings in 2021. We have been supporting Singapore-based NatSteel in its business of producing steel more sustainably, growing Singapore's strength as a distribution hub for ASEAN.

> **"UOB has a deep understanding of the steel and construction industry and over the past decade, they have tapped their industrial expertise to support both Toptip and NatSteel with a full range of financial services. Therefore, we looked to UOB in financing this acquisition. Simply put, without the involvement of UOB, we would not have completed this merger so smoothly."**
>
> Mr Liu Bin
>
> **Director, Toptip Holding and NatSteel Holdings**

Connecting Businesses to New Frontiers in ASEAN and Beyond

Powering businesses for the future economy

We continually drive the adoption of digital banking and solutions, which help our clients increase efficiency and grow their businesses.

In 2022, we made a significant push to grow our digital solutions to support businesses, especially with the launch of the UOB SME app in August. With our wide range of digital offerings such as UOB Infinity, UOB BizSmart, UOB eBusiness Account and PayNow Corporate, we partner companies to accelerate their digitalisation.

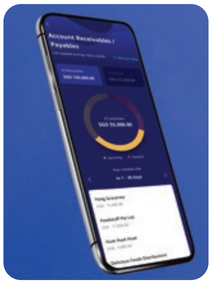
Banking-on-the-go for SMEs

Between August and November 2022, the UOB SME app was launched in Singapore, Malaysia and Vietnam.

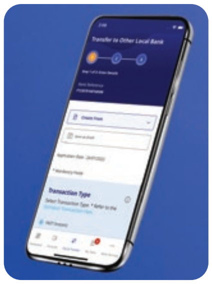
Within the first three months of its launch, 55,800 clients had started using the UOB SME app. Continued momentum is expected through 2023 and beyond.

The app is a pioneer in bringing many diverse functions together. The app enables companies to:

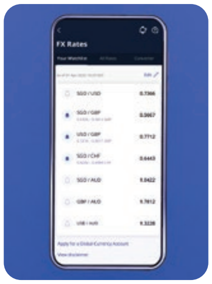
View their cash flow via an interactive dashboard



Connect to their business accounting data seamlessly



Transact on-the-go securely



Book their preferred FX rates instantly through personalised alerts

Access customised insights and events based on their industry

> "Being in the retail industry means that my business is more susceptible to movement restrictions and border closures, as we have seen in the pandemic in the last two years. I am always on the go, managing multiple shop outlets. With the UOB SME app, I can view my cash flow on an interactive dashboard that shows the last six months of my business' performance. Having my cash flow position readily available provides me with greater control, and therefore confidence, in making decisions for my business."

Mr Kelvyn Chee
CEO and Founder, Decks

Expanding UOB Infinity to eight more markets

We ramped up our online banking platform for companies, UOB Infinity, significantly in 2022. It was launched for corporate clients in eight more markets, rapidly expanding its reach from two previously.

UOB Infinity enables clients to manage their banking needs in a simpler, smarter and more personalised manner. They can access customised dashboards with the financial information they want and perform a range of domestic and cross-border banking activities on a single platform.

UOB Infinity

2020

- Singapore

2021

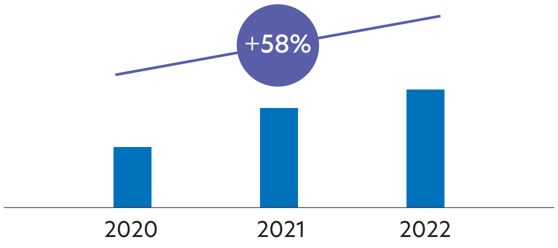
- Mainland China

2022

- Brunei
- Hong Kong
- Indonesia
- Malaysia
- Myanmar
- Philippines
- Taiwan
- Vietnam

Penetration rate

Digital transactions



In 2022, we rolled out Financial Supply Chain Management (FSCM) capabilities on UOB Infinity for clients in Singapore and Hong Kong.

Our corporate clients can now connect digitally with their suppliers, buyers and distributors to exchange and validate trade documents, as well as obtain financing quickly and smoothly. The FSCM capabilities on UOB Infinity are being progressively rolled out to clients in other markets.

> "We can now make payments more conveniently and much faster through bulk submissions. Payment processing time has also been further reduced, making the experience fast and seamless. Separately, the interface for salary payments enables easy file uploads without compromising the security and confidentiality of our data. ... All of these have helped us to save time and be more cost-efficient."

Ms Nattaporn Udommahalarp
General Manager, TTCL

> "FSCM on UOB Infinity has empowered us to undertake a series of transactions seamlessly. It has also digitalised our financial management processes, enabling faster input and exchange of information. The automated processing of our invoices and requests has led to faster turnaround time. We look to achieve further digitalisation in the future."

Ms Michelle Fang
Finance Director, CR Construction Company

Connecting Businesses to New Frontiers in ASEAN and Beyond

We thanked clients at an appreciation event for enrolling onto SGTraDex and being early adopters of digitalisation.

Digitalising trade and supply chains

We are a founding member of SGTraDex, which is a data exchange to facilitate the digitalisation of supply chains.

Launched in June 2022, SGTraDex enables clients to create a digitalised end-to-end workflow that eliminates manual data entry and automates the transmission of verified bunker transaction data. The bunkering industry benefits from enhanced data security, consistency and process efficiency through the use of electronic bunker delivery notes.

As the largest financier of local bunker suppliers, we played a major role in increasing the use of SGTraDex.

We engaged all of our local bunker suppliers and they are at various stages of enrollment onto the platform.

> **"UOB's partnership and active engagement have accelerated Equatorial's digitalisation journey. Equatorial is honoured to be one of the early participants of SGTraDex and at the forefront of the bunker digitalisation initiative. Through this, we hope to further raise transparency in the industry, and enhance Singapore's position as a major bunkering hub."**
>
> Mr Choong Kien Siong
> **President, Equatorial**

Accelerating innovation and transformation

We continually seek ways to help small and medium-sized enterprises (SMEs) grow and transform, including through our innovation accelerator The FinLab. Some highlights in 2022 included:

Singapore

- Conducting a five-week Sustainability Innovation Programme for SMEs to gain key insights on sustainability, green financing and green technologies.
- Launching our inaugural Greentech Accelerator to nurture startups that create greentech solutions such as energy efficiency products, zero-waste supply chains, carbon management systems and reporting software.
- Organising a Digital Spotlight workshop series to help SMEs learn digital strategies and harness digital tools.
- Running a four-week Digital Mumpreneurs Programme to help women start and grow their business.

In May 2022, we launched our inaugural Greentech Accelerator and started our Sustainability Innovation Programme.

In collaboration with the Federation of Malaysia Freight Forwarders and SealNet, we established a platform supporting logistics SMEs to respond to disruptions by improving their business efficiency and processes.

Malaysia

- Running the JOM Transform Programme Womenpreneurs Edition to support women entrepreneurs on their entrepreneurial and digitalisation journey.
- Establishing a strategic collaboration with the Federation of Malaysia Freight Forwarders and SealNet. We also conducted three webinars as part of the UOB Smart Logistics Series, which attracted more than 400 SMEs.

Thailand

- Holding six webinars on topics such as the metaverse and digital transformation as part of the Smart Business Transformation programme.

> **"We embarked on a Sustainability Innovation Programme led by The FinLab to provide direction on how to grow our business sustainably and work towards achieving Singapore's 2030 goals. We found the discussions on energy efficiency, clean energy and electric vehicles especially useful."**
>
> Mr Francis Ang
>
> **Group Sustainability Officer, Chasen Holdings**

Connecting Businesses to New Frontiers in ASEAN and Beyond

Forging our net zero future

We are committed to balancing opportunity with responsibility and to partnering businesses in their transition journeys by making sustainable financing more accessible.

We provided $8.2 billion in sustainable financing in 2022. This includes green loans, sustainability-linked loans and loans for green-certified buildings.

In October 2022, we announced our plans to reach net zero by 2050 for our corporate lending portfolio with commitments across six sectors to support a just transition that advances economic growth in tandem with decarbonisation.

Our net zero plans are integrated into our business strategies and we are working closely with clients and other stakeholders towards decarbonisation.

In the same month, we joined the Net-Zero Banking Alliance and the Glasgow Financial Alliance for Net Zero, two groups of financial institutions worldwide that are committed to aligning their lending and investment portfolios with net zero emissions by 2050.

We also launched the Transition Finance Framework in September 2022. It outlines solutions for clients in carbon-intensive, fossil fuel-based and hard-to-abate sectors that may have difficulties accessing green financing. As these clients transition towards greener business models, they can access financing for four main categories of business activities:

1. Operational efficiency;
2. Business pivots;
3. Climate change mitigation; and
4. Voluntary carbon credits.

The Transition Finance Framework is the fifth sustainable finance framework that we have developed to help companies transform their business models. They can apply for funding without having to develop their own frameworks.

The other four sustainable finance frameworks provide financing for:

1. Smart Cities;
2. Green Building Developers and Owners;
3. The Circular Economy; and
4. Sustainable Trade Finance.

Providing deposits, loans and fundraising solutions

In 2022, we developed the Green and Sustainable Deposits solution for corporate and institutional clients that want their deposits channelled to sustainable causes. Deposits are deployed to green loans under our sustainable finance frameworks and depositors receive an annual report on the environmental impacts of their funds. The solution was piloted with GIC.

Throughout the year, we supported 122 new clients who wanted to raise funds for their green transition or sustainability projects. We provided them with green loans and helped them to tap the capital markets via sustainable financing deals. Some key transactions in 2022 included:

- Acting as joint lead manager and joint bookrunner for Hong Kong Mortgage Corporation's inaugural social bond issuance – the world's first social bond issuance denominated in both Hong Kong dollars and offshore Chinese yuan. The dual-tranche offering comprises HK$8 billion two-year and CNH 3 billion three-year social bonds;
- Working with the Agricultural Bank of China, Bank of China and Industrial and Commercial Bank of China on a series of green bonds as a joint lead manager and joint bookrunner. These issuances were worth more than US$4 billion, and were in USD, SGD and CNH;
- Partnering Singtel in its successful pricing of Singapore's largest foreign currency digital bond – a US$100 million five-year digital sustainability-linked bond;
- Successfully closing a two-year US$150 million sustainability-linked loan to Formosa Ha Tinh, marking the Bank's largest sustainable development deal in Taiwan to date. The loan will be used to support innovative technologies to improve Formosa Ha Tinh's sustainability operations; and
- Helping Kimly Construction pilot its first sustainable trade transaction using Doxa's online procurement-to-pay platform Doxa Connex. Leveraging the digital data available on Doxa Connex, Kimly Construction was able to access sustainable trade finance from UOB without additional paper documents. The successful transaction paves the way for more companies in the building and construction sector to access sustainable financing.

Showcasing our leadership in sustainability, we brought together business leaders and key decision makers at a forum on 'Innovating for a Sustainable Tomorrow' in May 2022. The event discussed the impact of global and regional trends on decarbonisation within the real economy.

UOB and Doxa worked with Kimly Construction for the execution of the trio's first green trade finance transaction together.

Our forum on `Innovating for a Sustainable Tomorrow' discussed global and regional trends on decarbonisation.

Connecting Businesses to New Frontiers in ASEAN and Beyond

Developing ASEAN's solar (eco)system

U-Solar 2.0, an expansion to the U-Solar programme, will scale up the development of the solar industry in ASEAN.

We launched U-Solar 2.0 in October 2022 to support the entire value-chain of ASEAN's solar industry. This builds on our successful U-Solar programme and simplifies access to sustainable financing for solar project developers, engineering, procurement and construction contractors, and leading equipment suppliers.

By connecting these players, U-Solar 2.0 helps ensure a smooth flow of financing for them to meet the growing demand for solar energy.

Our U-Solar programme has benefitted more than 230 companies and 1,800 homeowners since its launch in October 2019. It has helped contribute to the reduction of more than 359,000 tonnes of greenhouse gas emissions, equivalent to over 77,448 passenger cars taken off the road for a year.

Creating green roadmaps for SMEs

The UOB Sustainability Compass, launched at our Gateway to ASEAN Conference, helps SMEs on their sustainability journey.

We launched the UOB Sustainability Compass at our Gateway to ASEAN Conference in October 2022. This industry-first tool provides a step-by-step guide for SMEs to kickstart their sustainability journey.

In addition to a roadmap that provides clear actionable next steps for their businesses, SMEs are also introduced to the regulations, standards and certifications that impact their sectors. They are provided with recommendations for sustainable financing solutions.

> **"As one of the largest transportation providers in Singapore, we are aware of the urgent need to address carbon emission levels and evolve our business strategies to achieve sustainability goals. ... Through the UOB Sustainability Compass, we have generated our company's sustainability report in under five minutes, with comprehensive insights on our ESG journey."**
>
> Ms Voo Choon Ling
> **Deputy Managing Director, Woodlands Transport**

Connecting Businesses to New Frontiers in ASEAN and Beyond

One Bank for ASEAN – Building connections, building businesses

In September 2022, we refreshed our Brand with our Purpose to 'Build the Future of ASEAN'. Through our extensive network and suite of capabilities, we are uniquely positioned to offer financial solutions to the people living in, as well as businesses that connect with and operate within the region.

The Wholesale Banking campaign was anchored on the theme of 'One Bank for ASEAN', reflecting our unparalleled network and One Bank approach that connects businesses to opportunities in ASEAN.

The campaign was executed on broadcast, print, outdoor and social media, resulting in an uplift in brand preference during the year, indicating that the connectivity strategy resonated positively.

In Singapore: Brand preference

2021: 45%

2022: 49%

* Results are based on annual brand health survey conducted by Ipsos, a global market research agency, on more than 2,300 SME and Corporate Banking decision makers in Singapore.

Strengthened our ASEAN positioning through strategic regional airport branding and inflight presence

Our brand campaign has created a consistent regional presence in our key markets of Singapore, Malaysia, Indonesia, Thailand and Vietnam, which are the major regional gateways in Southeast Asia. This has achieved strong visibility with the business and consumer travellers, reinforcing UOB's key message of connectivity.

Singapore

Arrival hall, Singapore Changi Airport

Baggage carousel, arrival hall, Singapore Changi Airport

Malaysia

Arrival hall, Kuala Lumpur International Airport

Indonesia

Baggage carousel, arrival hall,
Jakarta Soekarno-Hatta International Airport

Thailand

Arrival hall, Bangkok Suvarnabhumi Airport

Vietnam

Arrival hall, Ho Chi Minh Tan Son Nhat International Airport

Personalising Banking for Every Customer

At UOB, our ambition is to be the bank of choice for aspiring individuals within, and connecting with, ASEAN.

We do right by our customers by understanding and serving their financial and lifestyle needs across the wealth continuum, from personal, wealth and privilege banking through to private banking. At every life stage, we offer our customers personalised solutions to help with their savings, spending, borrowing, investing, protection and legacy planning needs.

Through our strong home base in Singapore and our deepening presence across the region, we are able to support our customers across geographies through our unparalleled regional network. We personalise customers' banking experiences through continuous innovation and enhancements across our physical and digital platforms to enable customers to bank with us wherever they are, whenever they want.

Our franchise at a glance

Unique customers
7 million
+35% year-on-year

Digitally-engaged customers^
58%
of UOB's customer base
(Up from 50% in 2021)

Customer loans
+9%
year-on-year

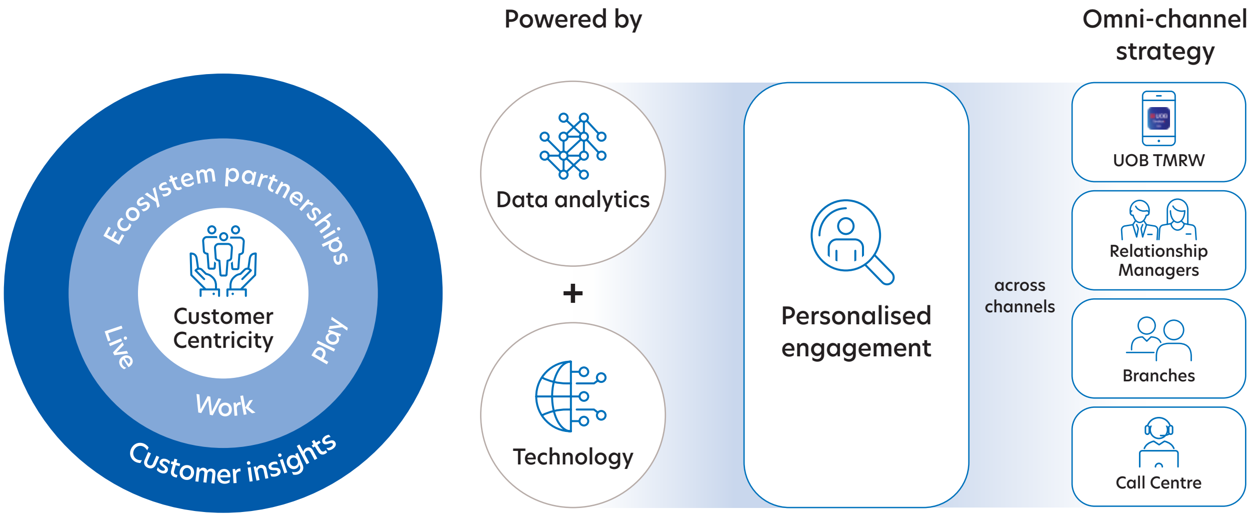
Customer deposits
+11%
year-on-year

Assets under management (AUM)*
+11%
year-on-year

^ Digitally-engaged customers refer to omni-channel or digital-only customers, which are further defined by their channel activities (if customer is channel-active) or source of acquisition (if customer is channel-inactive).
* Refers to AUM from high affluent customers from Privilege Banking, Privilege Reserve and Private Bank.

Placing customers at the centre

Personalisation captures our commitment to understand and to anticipate the unique needs of each customer. Using data gathered through our customer engagements and leveraging analytics and technology, we glean meaningful insights to create solutions that anticipate customers' needs, delivered via their preferred service channels which helps them achieve their financial aspirations.



Personalising Banking for Every Customer

You Are Unique – it's what drives us to do Right By You

In September 2022, we launched an integrated regional brand campaign 'Doing Right By You' as part of the Bank's brand refresh.

Our campaign was focused on the theme 'You Are Unique', which highlights our belief that everyone is different in their needs, preferences and aspirations. This is why we personalise our customers' banking experience with us, delivering customised solutions to suit their different life stages and lifestyles.

The campaign comprises short films that highlight how each individual can be unique in different circumstances.

There was a significant uplift in brand preference^ in Singapore during the year, a testament to our branding efforts and consistent execution of our personalisation strategy.

2021: 30% ▷ **2022: 33%**

^ Based on an annual brand health survey conducted by Ipsos, a global market research agency, on 3,000 retail consumers in Singapore. Preference tracks the percentage of respondents who indicate that they would consider banking only with UOB or consider UOB over other banks as one of several they would transact with.

Connecting with customers through an omni-channel approach

Our global network seamlessly melds our physical presence with our digital channels to enable our customers to interact and to engage with us at their convenience.

Ultimately, we aim to make banking simpler, more seamless and personalised, through a combination of our online and offline touchpoints.

Physical network:
- Around 400 branches; and
- More than 1.1 million automated teller machines (ATMs[1]).

Digital channels:
- Online banking; and
- UOB TMRW app.

2022 in review

1 in 5

UOB customers are omni-channel customers.

- On average, an omni-channel customer:
  - held 1.78 products; and
  - performed 566 transactions a year (+31% year-on-year).

- Omni-channel customers:
  - remain the most engaged, holding more products and transacting up to 20X more[2]; and
  - drive 51% of total revenue (Up from 47% in 2021)

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[1] Includes both owned and shared ATMs.

[2] Compares the number of transactions of omni-channel customers and traditional customers.
Traditional customers are customers who use only physical channels such as branches and call centres, while omni-channel customers are customers who use a combination of physical and digital channels, including online banking and our mobile app.

Personalising Banking for Every Customer

Delivering personalisation at scale through UOB TMRW

UOB TMRW is the Bank's all-in-one app built around customer needs to enable them to bank, to pay and to play with ease. We are constantly enhancing the app's capabilities with the latest technologies, including using a range of innovative solutions from FinTech providers as well as proprietary in-house artificial intelligence (AI)/machine learning (ML) models, to cleanse data and to analyse customer behaviours and transactions, as well as deliver personalised and actionable insights for our digital customers across ASEAN.

Adoption and interaction rates on the app have been rising.

2022 in review

8%
of our customers moved from transacting through traditional channels to digital channels.

577 million
transactions analysed to generate relevant customer insights (+7% year-on-year).

22
awards won in 2022.

Digitally-enabled customers[3]
+18%
year-on-year; and
75%
of our customer base in ASEAN.

New-to-bank customers acquired digitally through UOB TMRW
+62%
year-on-year; and
>50%
of our total acquired customer base in ASEAN.

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[3] Digitally-enabled customers refer to customers with user ID and password for UOB TMRW and/or Personal Internet Banking account.

Driving personalisation with >200 types of insights + Transparent and smarter banking + Simple and engaging

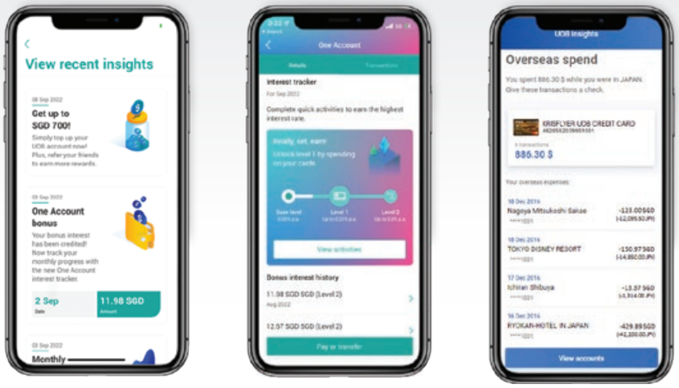
113 million

insights served during the year (+55% year-on-year)

Insights presented to

>2.5 million

unique customers



Innovating for TMRW

Launch of UOB TMRW in Thailand

- Follows the successful rollout of UOB TMRW in Singapore in 2021;
- Combines ASEAN's first mobile-only bank, TMRW, and the Bank's mobile app UOB Mighty;
- Offers a wider suite of products and solutions; and
- Will be rolled out across ASEAN in the next two years.

Launch of Auto-Save, an AI-driven automated savings feature on TMRW in Indonesia

- First-of-its-kind in ASEAN, this feature uses technology to analyse and to predict each customer's past, current and future spending patterns, income and everyday transactions to find surplus cash; and
- Automatically sweeps surplus cash into the savings account to earn higher interest, while ensuring sufficient balances in current accounts for any required transactions.

Launch of multi-theme capability on UOB TMRW in Singapore

- Introduce refreshing and personalised new themes and looks on the app interface; and
- Provides customers with easier navigation and a dynamic login screen.

Personalising Banking for Every Customer

Transforming our branch network to meet changing customer needs

While the majority of our customers have adopted digital, some still prefer a hybrid digital and physical engagement model with face-to-face interactions at a branch.

To that end, we have been transforming our branch network, creating spaces where customers can obtain financial advice and participate in various activities centred around their interests. Going beyond banking, our redesigned branches have more advisory and customer engagement areas to facilitate deeper conversations with customers.

Since we started transforming our branches in 2017, we have refreshed more than two-thirds of them in Singapore and more than one-third across our regional network. In 2022, we reconfigured 20 branches across Indonesia, Malaysia, Singapore and Thailand, to serve individual customers and small- and medium-sized enterprises.

Blending banking with holistic wellness

Singapore

Launched
6
wellness concept branches.

Served
10,000
people at wellness booths.

Our revitalised **UOB Upper Bukit Timah** branch focuses on customers' holistic wellness. Designed with nature in mind, coupled with an exclusive scent, the branch simulates an experience that is closer to nature.

Other designated wellness branches are **UOB Jem, Orchard, Suntec City, Tampines** and **UOB Privilege Banking Centre Orchard.**

We organise regular wellness events and activities including:

- basic health screenings, an industry-first;
- tea blending and essential oil mixing; and
- monthly wellness workshops such as art jamming, yoga and financial planning.

Customers who participated in our wellness activities showed a 25 per cent uplift in product sign-up rate and a 10 per cent increase in the average number of new product sign-ups per customer.[4]

Bank employees are trained and appointed as Wellness Advocates to provide guidance on wellness programmes. Sixteen employees have been upskilled and appointed as Wellness Advocates since July 2022.

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[4] Based on an analysis done on customers who visited our branches from July to December 2022.

Engaged with

1,000

participants at wellness events.

Product sign-up rate rose

25%

through wellness engagements.

At **UOB Privilege Banking Centre Orchard**, clients can enjoy unique wellness offerings which are refreshed periodically, such as an AI-powered skin analysis and a 3D body scan.

We organise a variety of wellness activities for our clients, including succession planning talks, wellness retreats and art workshops.

Hangout@UOB – located at Singapore Polytechnic and Ngee Ann Polytechnic – continues to provide a welcoming space for young adults to explore entrepreneurship, to discover their passions and to talk about finances.

Through both offline and online events, we have engaged with more than 2,500 participants in 2022.

Thailand

UOB Plaza Bangkok, our recently-completed head office and main branch in Thailand, is located right in the heart of Bangkok's business district on Sukhumvit Road.

Focusing on financial and lifestyle services, **70 per cent** of the branch's floor space is set aside for customer engagement activities such as economic outlook seminars and lifestyle workshops, while the remaining **30 per cent** is for financial advisory services. Customers can enjoy a cup of premium coffee from % Arabica while waiting to be served.

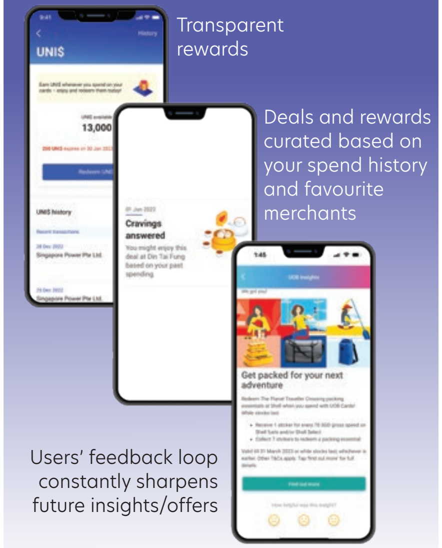
We piloted a new **mobile branch concept** to bring the Bank closer to retail customers. The mobile branches offer account opening, cashless transactions and personal financial advisory services. They will be set up at major community, residential and workplace areas in and around Bangkok, and rotated every few months.

Personalising Banking for Every Customer

Shaping customers' lifestyle and wealth management decisions

A card for every unique lifestyle

Personalised rewards for every preference

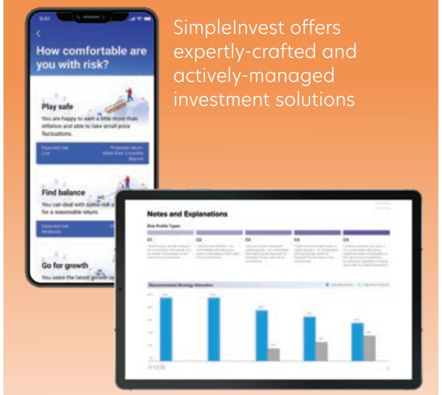


Transparent rewards

Deals and rewards curated based on your spend history and favourite merchants

Users' feedback loop constantly sharpens future insights/offers

Wealth solutions for every life stage



SimpleInvest offers expertly-crafted and actively-managed investment solutions

UOB Portfolio Advisory Tools to help monitor, manage and optimise wealth portfolios

A card for everyone

UOB has more than 15 different credit cards with benefits ranging from travel, cashback, rewards and lifestyle privileges.

2022 in review (Singapore)

- **Number one issuer** for Visa commercial credit cards and Mastercard commercial credit and debit cards;
- **Number one issuer** for Visa personal credit cards;
- **Number one acquirer** for Visa and Mastercard;
- **One out of two** cardholders in Singapore holds a UOB card; and
- Approximately **1.3 million** UOB credit cards in use today.

Rewards galore

We work together with our wide ecosystem of partners to curate the best deals, cashback and rewards for our customers.

UOB Rewards+:
- Singapore's largest deals, cashback and rewards programme, with more than 50,000 deals, cashback and rewards at more than 60,000 merchant locations, served through UOB TMRW;
- Deals are recommended based on each customer's transactions and reward redemption patterns; and
- Instant cashback all year round on UOB$ programme with market leader partners including Crystal Jade, Starbucks and more.

Exclusive regional tie-ups and deals:
- Partnered established regional names such as Singapore Airlines, The MICHELIN Guide, COMO Group and Shopee, to augment our regional rewards programme;
- Offer cross-border discounts, attractive rewards and unique experiences to cardholders in the region;
- The Bank's total billings in the region grew 26 per cent in 2022, and is 19 per cent higher compared with pre-COVID levels in 2019; and
- Cross-border billings in 2022 also increased more than 72 per cent year-on-year.

Growing customers' wealth

Tapping data analytics and technology, we help customers maximise the potential of their savings and accelerate their journey towards their financial aspirations.

Wealth and Privilege Banking

We use technology, such as AI/ML, to identify our affluent customers then engage and upgrade them to our wealth management platforms to better serve them with a wider range of wealth advisory services and solutions. Our advisors are allocated with an optimal number of client portfolios to ensure that each customer is served in a timely manner.

Through understanding customers' aspirations and leveraging data-driven insights, we provide financial advice centred around their priorities. We help our customers optimise their portfolio through our proprietary Risk-First approach to ensure alignment with clients' risk profile, life stage and wealth goals. Discussions and decisions are enabled by technology, such as our UOB Portfolio Advisory Tools (PAT) and self-serve digital investing platform SimpleInvest.

We have also integrated deposits and investment data from SGFinDex[5] into PAT. Customers in Singapore can monitor, manage and optimise their wealth portfolios with a holistic view during wealth reviews with our advisors.

2022 in review

Wealth customer acquisition powered by AL/ML models

PAT enhanced to include SGFinDex

Smarter and personalised digital customer engagement

Digital wealth self-serve options through SimpleInvest

RM-assisted ·································· Digital

6X
Response lift on wealth upgrades

3X
Lift in wealth cross-sold

>90%
Sales advisory digital adoption of PAT

60%
Response rate to customised electronic digital mail

81%
New to unit trust customers

41%
Online unit trust transactions

37%
Regular investing

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[5] Singapore Financial Data Exchange (SGFinDex) is a public digital infrastructure which uses a national digital identity and centrally-managed online consent system to enable individuals to access, through applications, their financial information held across different government agencies and financial institutions.

Personalising Banking for Every Customer

Private Banking

In 2022, we implemented a proprietary analytics model, which considers factors including customers' personal preferences and traits, such as investment and language preferences, to identify the most suitable relationship manager for each customer.

Through our 'One Bank' approach, we also stepped-up efforts to tap our retail and commercial banking strengths across the region to offer solutions to meet our customers' personal and corporate wealth management needs.

2022 in review (Private Wealth[6])

AUM

8%

growth year-on-year despite volatile market conditions.

Discretionary Portfolio Management (DPM)

Revenue grew

26%

year-on-year.

Net New Assets (NNA)

Record net inflows

>$8 billion

20%

of NNA was generated from our 'One Bank' ecosystem.

3X

year-on-year increase in NNA from referrals from other business units and regional offices within the Bank.

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[6] Includes Privilege Reserve and Private Bank

Walking the green journey with customers

We help our customers cut their carbon footprint through their everyday choices.

UOB Sustainable Future
Home Loan

Financing a home with the BCA Green Mark Gold and above.

Go Green Home Loans made up almost 10 per cent of total home loan sales in 2022.

UOB Sustainable Future
Car Loan

Financing the purchase of Electric Vehicles (EVs).

In 2022, we:

- collaborated with SP Group to offer new customers three months of free charging (capped at 500kWh) at SP Mobility's public charging points; and
- expanded Go Green Car Loans, which made up 15 per cent of our total car loan sales volume.

During the year, we also launched our first Personal Financial Services (PFS) Secured Loans Green Product Framework - Eligibility Guide. The framework leverages insights from Morningstar Sustainalytics, a leading global provider of ESG research, ratings, and data.

UOB Sustainable Future
Payments

Enjoying cashback and privileges at eco-conscious merchants with ASEAN's first bio-sourced card – UOB EVOL Card.

In 2022, we were first in Singapore to partner SP Group to offer customers complimentary My Green Credits when they use their UOB EVOL Card to make utilities payment. This enables customers to potentially offset 100 per cent or more of their household electricity carbon emissions.

UOB Sustainable Future
Investment

Investing in sustainable themes and companies.

In 2022,

- >$800 million AUM across our regional markets;
- Of the customers who bought into ESG funds, 15 per cent are Gen Y[7] and 50 per cent are women; and
- UOB was awarded Asia's Best Wealth Manager for Impact Investing, by *The Asset Triple A Private Capital Awards*.

Our PFS Sustainability programme was also recognised by The Institute of Banking and Finance as the Environmental, Social and Governance (ESG) program of the year – Silver recipient.

In November 2022, we launched a feature on UOB TMRW app to enable customers to easily access green deals, investments and banking products. Through our app, customers will receive eco-friendly tips for greener lifestyle choices.

Our Private Bank's investment and research processes also incorporate ESG considerations into stock, bond, fund and ETF recommendations. We maintain a list of ESG ratings and considerations for all our asset classes and products, enabling customers to construct ESG focused portfolios. As part of our DPM solution, we also offer customised ESG portfolios for customers.

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[7] Ages 24 to 39 (both inclusive).

Personalising Banking for Every Customer

Safeguarding customers' interests

Scams and fraud come in various forms and are constantly evolving. In 2022, we continued to enhance our anti-scam measures, stepped up our educational efforts and shared security tips to protect our customers. We proactively updated customers through social media, in-app push notifications, emails, UOB websites, online banking login alerts, UOB TMRW app pre-login alerts, branch posters and educational brochures.

Some anti-scam measures that we have rolled out to protect our customers include:

- the removal of clickable links on text messages and emails;
- an extra level of authentication to complete selected high-risk transactions via online banking and the UOB TMRW app; and
- an emergency self-service kill switch feature, which enables our customers to disable access to their digital banking channels in case of need.

We conducted targeted scam education workshops to raise our customers' awareness on common scam types. We also introduced a no-queue policy at the branches to give immediate assistance to customers, blocking their accounts, cards or online banking services if they suspect that their accounts have been compromised. Our branch staff are trained to recognise red flags from potential scam cases while handling customer transactions and they receive monthly updates on the latest scam typologies.

Thwarting scams

In 2022, our branch teams prevented a record number of scams in Singapore.

2021

$0.46 million

prevented loss from 19 cases.

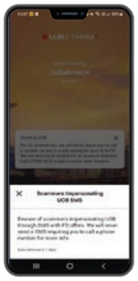
2022

$6.5 million

prevented loss from 90 cases.

Social media
Alerted customers of scams via social media.

Educational videos
Shared videos on scam awareness with customers regularly.



Push notifications
Sent periodically to alert customers of new scams and security measures.

Community workshops
Held UOB scam awareness and prevention drive for senior citizens at Ang Mo Kio Community Centre.

Innovating to make fund investments more accessible

A wholly-owned subsidiary of UOB, UOB Asset Management (UOBAM) develops and offers an extensive suite of wealth management investment products, ranging from unit trusts and exchange-traded funds (ETFs) to customised portfolio management services.

2022 in review

Launched UOBAM Ping An ChiNext:

- The first ETF to be launched via the ETF link collaboration between Singapore Exchange and Shenzhen Stock Exchange; and
- Offers access to innovative, fast-growing companies listed on China's ChiNext market.

Enhanced the UOBAM Invest mobile app for retail investors:

- Enables customers to customise up to 10 portfolios and offers multiple investment mode options, including guided robo-advisory, do-it-yourself, or both; and
- Launched a new thematic portfolio that enables customers to invest in key megatrends such as changing demographics, the digital economy and the green economy.

Celebrated multiple award wins across the region:

- Global Retail Banking Innovation Awards 2022: Best Robo Advisory Initiative and Outstanding Machine Learning Initiative; and
- Energy Risk Asia Awards 2022: Environmental Products House of the Year – UOB APAC Green REIT ETF.

Personalising Banking for Every Customer

Scaling up in the region through acquisition

In January 2022, we announced plans to acquire Citigroup's consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam. This helps us scale up our ASEAN retail business outside Singapore, solidifying our position as a leading ASEAN bank, well-placed to serve the lifestyle, payments and wealth management needs of our regional customers.

On 1 November 2022, we completed the acquisition in Malaysia and Thailand. By the end of 2023, we will complete the acquisition in Indonesia and Vietnam.

The acquisition is set to double the Bank's retail customer base, strengthen our team with 5,000 more colleagues and add 24 more branches and almost 150 self-service machines to our regional network.

It will fast-track our regional growth plans by five years and enable the Bank to capture payments and wealth flows within ASEAN. Together with our broadened partner ecosystem, we are well-positioned to serve our enlarged customer base across ASEAN.

UOB buys Citi's consumer banking assets in 4 Asean markets for almost S$5b

The deal will double lender's existing retail base in these countries from about 2.9m to 5.3m

"Seeing that this is UOB's first major acquisition in 16 years, we think this acquisition demonstrates that UOB is really looking for strategic and complementary fits for its Asean-focused business."
Andrea Choong,
CGS-CIMB analyst

UOB's Citi deal set to accelerate its growth plans by five years

Move will double its retail customers in 4 markets, boost card business in region

The acquired business, together with UOB's regional consumer franchise, will form a powerful combination that will scale up UOB group's business and advance our position as a leading regional bank.

大华银行49亿收购花旗四国消费业务

UOB beli niaga perbankan pengguna Citigroup di 4 negara Asean

Landmark deal widely covered in the media[8].

Making our mark in Malaysia and Thailand on the completion of the acquisition in these markets.

> "The move will potentially put its capital to good use as the pandemic wanes and regional economic activity recovers over the next few years. It could also reposition UOB in the eyes of investors as a potent regional consumer banking play, and boost the performance of its shares over the next few years."

'UOB's acquisition a big performance driver even as it caps immediate dividend surprises,' *The Business Times*, 17 January 2022

[8] Source: © SPH Media Limited. Reprinted with permission.

14 January 2022

- Entered into agreements to acquire Citigroup's consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam.

1 November 2022

- Completed the acquisition of Citigroup's consumer banking businesses in Malaysia and Thailand, which contributed 1.3 million customers, bringing our retail customer base in ASEAN to close to seven million;
- All of Citigroup's retail banking and consumer credit card business in these two countries have been transferred to UOB, including 13 branches and 95 self-service machines; and
- More than 90 per cent and 80 per cent of related Citigroup consumer bank employees, including 100 per cent of the leadership team, have transferred to UOB in Malaysia and Thailand respectively.

Ongoing

- Integration of Citigroup and UOB consumer banking portfolios in Malaysia and Thailand to be completed within the next 12 months; and
- 17 workstreams covering areas of products and solutions, people, processes and systems, to ensure a seamless integration.

Post-acquisition, our expanded touchpoints and partner ecosystem network will enable us to provide a wider range of products, services and benefits such as loyalty programmes to our enlarged customer base.

We continue to partner with leading regional brands to bolster the already-attractive rewards programme by giving customers access to cross-border benefits.

Customers can also experience UOB's unique advisory model, investment solutions and a diversified range of wealth management products, including insurance and investment solutions. They will also enjoy our exclusive regional privileges, including access to our wealth management centers and concierge services.

The acquisition further boosts our regional network, enabling us to offer cross-border services and solutions to our customers, helping them to connect with and to capture opportunities within ASEAN.

Senior management teams from UOB Group, UOB Malaysia and UOB Thailand toasting to the successful completion of the acquisition on Legal Day 1.

UOB Thailand celebrating a new chapter with in-scope Citigroup employees at induction sessions.

Colleagues from UOB Malaysia capturing the joyous moment on Legal Day 1.

Fostering Employee Pride through Care, Growth and Trust

> **"Ultimately, my vision is to build a culture and mindset that is progressive, anchored on our values. We want to grow our own timber and attract people who believe in our Purpose and our Promise. We want to build on our legacy to create value for our stakeholders, for generations to come."**
>
> Mr Wee Ee Cheong
> **Deputy Chairman and CEO, UOB**

At UOB, our people are not only our greatest asset but are also cared for as valued members of our family. Our people philosophy centres on three key pillars:

Care	Growth	Trust
We care for your well-being	**We develop you personally and professionally**	**We empower you to make a positive difference**
We treat each other like family	We help our people to realise their potential	Trust is at the core of all we do

To this end, our high-performing, family-friendly culture is anchored on our time-tested values of Honour, Enterprise, Unity and Commitment. Our values guide our decisions and actions as we aim to do what is right for our stakeholders, always.

We invest in the well-being of our workforce and focus on creating an environment where each employee is engaged and empowered to make a difference.

Our workforce at a glance

Our workforce has grown through the acquisition of Citigroup employees in Malaysia and Thailand and our talent expansion plans in sales and service, compliance, as well as technology. We augmented our hiring capacity and have onboarded more than 3,300 employees in 2022 to support our planned growth.

Total headcount

28,659

+17.7% year-on-year

Permanent employees

97%

Gender

63% female

37% male

Median length of service

5.7 years

Voluntary attrition rate

17.7%

Voluntary attrition rate of high performers

7.1%

Fostering Employee Pride through Care, Growth and Trust

Strengthening our Purpose-driven, Values-based culture

In 2022, we unveiled two strategic initiatives designed to strengthen our culture and to build employee pride – our sharpened Purpose and The UOB Way.

Sharpening our Purpose

As our footprint and family continue to grow, it is important that all colleagues are united by a common and shared purpose. In September, we held a hybrid global town hall to unveil our sharpened Purpose and to recommit to our Promise to be Right by You.

Our sharpened Purpose has struck a chord with our people whether they are in our front, middle or back office.

97%

are inspired by our sharpened Purpose.

Inspiring colleagues around the world with Our Purpose and Our Promise.

The UOB Way

The UOB Way is our commitment to nurturing an environment where our people feel recognised and valued. Put simply, it is the way we work at UOB.

The UOB Way guides the people programmes and policies we create, such as learning and development, career planning and progression, engagement and culture, flexible work arrangements, well-being, compensation and rewards.

Why

Building the future of ASEAN

How

Honourable
Enterprising
United
Committed

People Philosophy

Care
Growth
Trust

We launched The UOB Way at a global hybrid town hall titled 'Our Purpose, Our Promise' in September 2022. We have subsequently rolled out workshops with our top 140 senior leaders where they tested The UOB Way based on real-life scenarios. In 2023, we will continue to embed The UOB Way through our programmes and policies, as well as through a cultural refresh initiative.

Values-based leadership and decision making are key outcomes of The UOB Way.

Fostering Employee Pride through Care, Growth and Trust

Caring for the well-being of our people

The unprecedented changes and challenges created by COVID-19 prompted both employers and employees to reassess the future of work. Similarly, we have reviewed our policies and programmes to ensure they remain relevant to the needs of our people, while also enabling the Group to achieve its business objectives.

Balancing professional and personal responsibilities

We have been at the forefront of providing different work options for our people, including being the first bank in Singapore to commit to a permanent flexible remote work policy once COVID-19 restrictions were lifted. Our holistic approach includes:

- **Hybrid working** – offering flexibility for colleagues in eligible roles to work from home or at a location other than the assigned workplace within the city of their work location. More than half our colleagues opted for this and their engagement levels in our annual engagement survey were four points higher on average.
- **Flexi2** – providing full-time employees with two hours of paid time-off from work every month to attend to their personal matters.
- **Staggered work hours** – adjusting the start- and end-of-day work times for full-time employees.

In 2022, we also introduced **shortened working hours** on Friday for all employees to begin their weekend one hour earlier, providing better work-life harmony.

"2022 was a challenging year for me. After losing my mother the year before, I became the primary caregiver for my father who had undergone an operation. On top of that, I was supporting my daughter for her exams.

"I am fortunate for the support from my manager to work part-time for six months. This arrangement enabled me to balance my work and family needs, and gave me the space needed to look after my physical and mental health while attaining job satisfaction."

Ms Tang Shi Min
Group Technology and Operations

Taking care of the total well-being of our people

The care we have for our people is demonstrated through our total employee wellness approach:

Employee wellness

Physical wellness

We invest in the physical wellness of our colleagues by providing avenues for them to maintain a healthy lifestyle. The support we provide includes comprehensive medical and lifestyle benefits for our colleagues and their dependents, as well as partnerships with leading healthcare and lifestyle providers.

Mental wellness

We believe in creating a workplace environment where there is open dialogue and support to foster a positive state of mental health. Our frequent and regular Mental Wellness Days provide our colleagues with various tools and skills to manage their own mental health.

Financial wellness

We seek to equip our colleagues with financial management fundamentals and strategies through financial literacy talks and workshops.

Intellectual wellness

We provide avenues for our colleagues to explore potential hobbies to stimulate their mind and self-enhancement activities to improve their personal life.

Fostering Employee Pride through Care, Growth and Trust

Helping our people own their own home

In 2022, we upped the ante on our employee banking benefits. To help our people secure a home for their family, we enhanced our staff housing loan for colleagues in Singapore by offering one of the most competitive staff housing loans in the industry.

Continuing to provide care during COVID-19

While COVID-19 restrictions were lifted in many markets and many borders reopened in 2022, we remained vigilant and continued to protect our people.

For example, during the lockdown in Shanghai, many colleagues were not allowed to leave their homes or neighbourhoods, while others stayed at UOB Plaza round the clock for two months to ensure the continuity of our Bank's operations.

To help our colleagues through these times, we invited professional coaches and therapists to conduct various wellness courses for colleagues, including sound healing, meditation, breathing exercises and flow yoga.

We provided a range of recorded and live-streamed wellness courses for colleagues to experience in the comfort of their homes during ongoing COVID-19 lockdowns.

> "I am truly grateful for having the opportunity to participate in the Bank's COVID-19 care courses. I feel empowered and the courses are effective in managing stress, reducing anxiety and bringing peace of mind. For some courses, colleagues across functions even gathered during their lunchtime to share, learn, reflect and appreciate how to focus on 'here and now' while preparing for 'far and future'."

Ms Susan Shi Wei

Wholesale Banking Business Management, UOB China

Growing our own timber

As a future-oriented and employee-centric organisation, UOB proactively prepares and enables our colleagues to develop themselves and their career to the fullest potential.

Our flagship people programme Better U, which was launched in 2019, kick-starts employees' journeys to stay relevant in the digital age, regardless of their seniority, function or educational background.

Better U comprises three components:

1. A 12-week foundation course covering five core competencies:
   - **Growth Mindset**
   - **Problem Solving**
   - **Digital Awareness**
   - **Human-centred Design**
   - **Data Storytelling**
2. Optional pathway programmes in areas including artificial intelligence, data analytics and project management. These pathways range from basic/intermediate levels to more advanced levels to train existing practitioners; and
3. A week-long annual Better U festival, which celebrates the Bank's commitment to creating a #better workplace, workforce and work-life.

Some 17,000 employees have attended our Better U foundation and/or pathway programmes.

2022 Better U Festival highlights

The Better U Festival was launched by (from left) Mr Wee Ee Cheong, Deputy Chairman and CEO; Guest-of-Honour Singapore Deputy Prime Minister Mr Heng Swee Keat; and Mr Dean Tong, Head of Group Human Resources.

The 'Paving the way for women in UOB' panel was high on the agenda of many attendees.

Keeping fit for work through simple stretching and strengthening exercises.

Fostering Employee Pride through Care, Growth and Trust

Deepening our bench strength

> **"Our people are our greatest asset. We have put in place a wide range of training programmes geared towards future trends and skill sets so that they will thrive in the new banking landscape."**
>
> **Mr Dean Tong**
> **Head of Group Human Resources**

UOB has several core learning and development programmes to help our people develop the technical and leaderships skills they will need for successful and sustainable careers. These include:

The UOB Leadership Academy

Since 2013, we have collaborated with leading global business schools such as Columbia, Massachusetts Institute of Technology and Tuck to deliver a blend of experiential and application-based learning for the Bank's high-performing talents. More than 2,000 colleagues have successfully completed courses through the UOB Leadership Academy, including 335 in 2022.

Leadership Right By You

Since launching our flagship leadership and managerial skills programme Leadership Right By You (LRBY) programme in 2017, more than 7,000 UOB leaders from around the world have enrolled in the suite of three programmes targeted at individual contributors, first line managers and managers of managers. More than 90 per cent of LRBY participants rated the programmes positively for course and trainer effectiveness.

Leadership Acceleration Programme

As part of our determination to build a pipeline of leadership talent, the Leadership Acceleration Programme provides high performers with high potential with leadership development and executive coaching, job rotations and strategic project assignments, senior management exposure and opportunities to accelerate them through the organisation to then take on leadership roles.

Management Associate Programme

In 2022, UOB received more than 30,000 applications for its prestigious Management Associate (MA) Programme. Some 60 top talents in the region were chosen for our 2022 intake.

The 18-month programme design develops MAs through four main components:

1. Six job rotations;
2. Training in areas including financial management, leadership, personal effectiveness and risk management and controls;
3. Regional exposure to deepen cross-border collaboration; and
4. Mentoring and buddy programme to support MAs in understanding UOB and career advisory.

Our 18-month Management Associate Programme gives the region's brightest talents an opportunity to gain invaluable experience at the start of their career.

Group Technology and Operations (GTO) Academy

Launched during the 2022 Better U Festival, the UOB GTO Academy will enable our 5,000-strong technology and operations workforce to be upskilled and certified. Fresh graduates and budding professionals can also apply for internship opportunities, as well as programmes encompassing structured classroom sessions and on-the-job training.

Helping our tech talent remain relevant through our GTO Academy.

Through a relentless focus on growing our own timber, **two out of three Managing Directors** have been promoted from within.

Technology Development Programme

In 2022, the Bank launched a 12-month programme for 75 fresh graduates and young professionals to gain skills in areas such as cybersecurity, software and IT infrastructure. The programme, conducted in partnership with the Infocomm Media Development Authority, combines practical on-the-job training with formal classroom studies.

Career Conversion Programmes

As part of promoting life-long learning, UOB offers a Career Conversion Programme (CCP), renamed from Professional Conversion Programme. To date, close to 1,500 colleagues have participated in our CCP.

Pivot Programme

In addition to our CCP, we also offer reskilling opportunities for colleagues in at-risk roles to move to in-demand or future relevant roles as well as promote and support career mobility within the organisation. The 12-month programme enables participants to undergo comprehensive reskilling through on-the-job and structured training to facilitate a successful transition to a new role.

All colleagues also have access to more than 8,000 online courses through our collaboration with LinkedIn Learning and other course providers. In 2022, we also embarked on a six-month pilot of a new Learning Experience Platform that we aim to launch Group-wide. More than 3,000 colleagues are participating in the pilot to help improve the effectiveness of our digital learning capabilities.

Redesigned roles

Since 2017, of the more than 1,000 branch colleagues in Singapore who have been reskilled, 130 have assumed new roles such as Total Service Managers, Wellness Advocates, Branch Analysts and Client Experience Managers, to complement our branch network transformation.

Fostering Employee Pride through Care, Growth and Trust

Helping more people return to work through Gig+U

In 2021, UOB was the first bank in Singapore to offer a gig employment model to enable retirees to return to the workforce. In 2022, UOB expanded its Gig+U programme to open up 200 jobs in Singapore for women who require more flexibility at work due to family responsibilities.

In a collaboration with Mums@Work, a career portal that pairs women looking for flexi-work with potential employers, Gig+U Women offers full- and part-time jobs as well as gig work at UOB.

Employees hired under Gig+U receive equal pay and enjoy the same benefits as their peers with similar roles in the Bank, subject to their employment status.

> "It takes an organisation like UOB to invest, to trust and to provide a platform for women like me to catapult back into the workforce. The support extended by the hiring teams, the flexibility in policy and the confidence-building through training and coaching has helped me hit the ground running. Personally, as a mum returning to work, it has not only made me dream big but I also know that I can achieve my dream."

Ms Felicia Fernandes

UOB Thomson Road Branch

Trusting and empowering our people to give their best

Core to UOB's people philosophy is building trust in the workplace. This involves all colleagues acting with honour and maintaining the highest professional standards, demonstrating initiative and drive and striving to be good team players.

In return, our commitment as an employer is to provide an environment where our people can succeed, empowering them to work with greater impact and achieve success through collaboration.

As part of monitoring the sentiment of UOB colleagues, the Bank conducts an annual engagement survey. In an overwhelmingly positive sign, the Bank achieved its strongest engagement scores since measurement began in 2017.

Our focus on care, growth and trust has seen the Bank achieve its highest engagement score ever.

Appreciating what matters most

Each year, we hold a UOB Global Appreciation Month to celebrate and to honour the contributions of our people through a series of events and activities.

In 2022, we introduced 'Thankful Tuesdays' to our Appreciation Month line up. Colleagues in Singapore were able to gather through a variety of carnival-like games at our employee clubhouse 28BQ.

The spirit of appreciation runs deep among UOB colleagues.

Wearing the symbols of trust every day

In 2022, the Bank introduced an extensive new range of UOB apparel to coincide with our Brand refresh.

The new apparel is made from sustainable materials such as recycled polyester and manufactured by ethically-certified suppliers.

In support of a circular economy, the Bank is upcycling our old uniforms into useful merchandise for charity sales. A social enterprise will be engaged to produce these items, creating job opportunities for those in need.

Enabling our branches team to choose what they wear is taking personalisation to the next level.

Championing inclusive hiring

The UOB Scan Hub is a symbol of our care, growth and trust culture. It is a testament to how a good job fit can build community and connection, increase productivity and reduce attrition.

When we launched the UOB Scan Hub 10 years ago, it was the first time a bank in Singapore had set out to create meaningful employment opportunities for people with autism. Since then, UOB continues to be a beacon for inclusive hiring.

On the 10th anniversary of the UOB Scan Hub in December 2022, more than 100 senior leaders and community stakeholders gathered to celebrate the success of the team and to encourage more companies to create more inclusive hiring opportunities.

10 years on and the UOB Scan Hub remains a positive example of inclusive employment.

Fostering Employee Pride through Care, Growth and Trust

Strengthening community bonds

Giving back to the community runs deep at UOB. The UOB Global Heartbeat Run/Walk is our annual flagship volunteering and fundraising programme held globally across 18 markets. In 2022, more than 15,000 UOB colleagues, customers and beneficiaries rallied together to raise a record amount of more than $2.3 million for disadvantaged children and families from 26 beneficiaries.

In conjunction with the event, numerous fundraising activities were organised. These include a concert, fitness challenge and charity food and artwork sales, as well as volunteering for food donation drives to beneficiaries.

The UOB Heartbeat Run/Walk is part of the Bank's Corporate Social Responsibility programme.

Colleagues from around the world came together for the annual UOB Heartbeat Run/Walk to #keepthegoodgoing.

United Overseas Bank Limited
(Incorporated in Singapore)
and its subsidiaries
31 December 2022

Governance

Corporate Governance

Built upon our values of Honour, Enterprise, Unity and Commitment, our corporate governance is upheld by the strong leadership of our Board and Management. This is underscored by our robust system of risk management and internal controls, our continual engagement with our shareholders and other stakeholders, and our culture of accountability and responsibility.

Our corporate governance principles and practices also take into account the expectations of our regulators and other stakeholders. We have complied with the principles of the Code of Corporate Governance issued in 2018 (2018 Code) and the 2021 MAS Guidelines (defined below), and substantially with the provisions and guidelines of the 2018 Code and 2021 MAS Guidelines, as seen on pages 122 and 123. Where there is any deviation from the provisions or guidelines, we have explained our practices and philosophy. Our corporate governance is guided by:

- the Banking (Corporate Governance) Regulations 2005 (Banking Regulations);
- the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST Listing Rules); and
- the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued in 2021 (2021 MAS Guidelines), which comprise the 2018 Code and Additional Guidelines of the Monetary Authority of Singapore.

In 2022, we received the following recognition for our corporate governance:

2022 Singapore Governance and Transparency Index

- Ranked **4th** (joint) of 489 Singapore listed companies (General Category)

2021 ASEAN Corporate Governance Awards*

- ASEAN Asset Class – Singapore
- ASEAN Top 20 Publicly-listed Companies
- 2nd – Publicly-listed Companies in Singapore

* The ASEAN Corporate Governance Awards are held once in every two years. The results of the 2021 assessment were released in 2022.

Leadership of Board and Management

Board of Directors (from 1 January 2023)

Seven out of 10 Directors are independent

Nine out of 10 Directors are non-executive

Two out of 10 Directors are female

Independent Chairman

Separation of Chairman and Chief Executive Officer (CEO) roles

Board duties

Our Board is responsible for:

- providing entrepreneurial leadership, approving and overseeing the implementation of the Bank's strategic direction and overall business objectives;
- approving business plans, annual budgets, capital and debt structures, material investments, acquisitions and disposals;
- setting the tone from the top, desired organisational culture, standards of ethical behaviour and values of the Bank and ensuring accountability;
- promoting a strong system of risk management and internal controls;
- determining the overall Group risk profile and appetite;
- approving financial statements;
- overseeing Management's performance;
- establishing a remuneration framework for key management appointment holders, which is consistent with the Bank's long-term strategic objectives and does not create incentives for excessive risk-taking;
- establishing a remuneration framework for the Board;
- considering sustainability issues, and overseeing the monitoring and management of the material environmental, social and governance (ESG) factors;
- performing succession planning for the Board and Management; and
- promoting regular and effective communications with shareholders and overseeing relationships with material stakeholders.

The key matters requiring the Board's approval are set out in its Terms of Reference and communicated to Management. These include:

- setting long-term strategic goals for the Group;
- undertaking mergers and acquisitions, and investments and divestments exceeding specified thresholds;
- commencement of business in new markets;
- setting the dividend policy; and
- determining the material ESG factors and targets.

Highlights from 2022

Strategy

Our Board guided Management on the prioritisation and focus of various ongoing transformation projects and those in the pipeline, taking into consideration the changes in market behaviour, market disruption, availability of resources, risk management measures and regulatory developments.

During its Annual Strategy Review, our Board approved the Bank's strategy driven by connectivity, personalisation and sustainability. Through the Brand refresh campaign, we sharpened our Purpose and signalled our strategy to focus on our commitment to ASEAN.

A key project that our Board monitored closely was the acquisition of Citigroup's consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam. The acquisition is part of our strategy to scale up our ASEAN retail business outside Singapore and is expected to double the Group's retail customers base in the four markets, accelerating our customer base target by five years. We have since completed the acquisitions in Malaysia, Thailand and Vietnam. Our Board guided Management through the acquisition process and continues to advise on the integration of the business and helping our new colleagues to settle in. Regular progress reports were provided to the Board. The acquisition was also an opportunity for our Board to assess our market position and to chart our direction in those markets.

Our Board reviewed the progress made by our digital banking app TMRW in bringing banking services and solutions to our customers, including those who have no access to physical branches and tech-savvy, mobile and time-pressed customers.

Our Directors also kept pace with developments in digital assets, and reviewed our wealth management solutions and other offerings for our customers' needs through various stages in their lives.

Corporate Governance

Succession planning and human capital
Board succession planning continues to be a key focus area for our Board. In 2022, our Board reviewed each Director's skills and experience, and identified certain skill sets that should be enhanced and will focus on in its ongoing Board renewal initiatives. The review was done with the help of a skills map, which is used to ensure that our Board comprises directors with diverse skill sets, expertise and experience relevant to the evolving needs of the Bank.

Through the year, our Board guided Management on human resource strategies amid stiff competition for talent and changing expectations of the workforce. It also tracked the development of our talents and guided Management on maintaining a pipeline of future leaders, and building a strong and cohesive leadership team.

Our colleagues benefitted from various skills upgrading and development opportunities to ensure they are well-prepared to take on the challenges in the current and future economies, in their professional and personal lives. The development programmes include life skills, well-being and retirement planning, among others. The programmes were implemented with the support of our Board, which is committed to futureproofing our workforce.

Remuneration
Assisted by the Remuneration and Human Capital Committee (RHCC), the Board reviewed and provided guidance on our remuneration philosophy and design of our remuneration structure to ensure that the Group remains competitive and is able to attract, to retain and to motivate talent. Details on our remuneration approach and structure can be found on pages 104 to 111.

The RHCC guided Management on a number of initiatives in the year, including our total compensation review and employee benefit enhancements.

Risk management and internal controls
With the rise in complexity of scams and other threats to the financial system, it has become even more important for us to protect the interests of customers. In 2022, our Board oversaw the enhancement and implementation of various initiatives to combat financial crime, fraud and money laundering activities, with a view to making banking safer for our customers and contributing towards the integrity of the financial systems in the markets we operate in. Consumer fraud escalated during the COVID-19 pandemic. Our Board has been observing the trend and guiding Management on helping consumers to protect themselves against such fraud.

Cybersecurity remained an area of focus through 2022. Our Board was updated on various initiatives, including the ongoing efforts to raise awareness of cyber health and hygiene among our colleagues and customers.

As COVID-19 related border restrictions eased and economies reopened, government support for businesses tapered off. Our Board continued to monitor our asset quality across different markets closely, ensuring that we adhere to our risk appetite while providing appropriate support to our customers and other stakeholders.

Sustainability
Amid the growing call for companies to demonstrate their prudent management of climate risk and their commitment to net zero emissions by 2050, we announced our net zero commitment in October 2022 with endorsement from our Board. As part of this process, our Board reviewed and approved the principles for sector prioritisation, including emissions materiality, abatement horizon and portfolio materiality for each of the six sectors, namely power, automotive, oil and gas, real estate, construction and steel.

Our Board reviewed and approved the material ESG factors, as well as other sustainability initiatives, such as the rollout of mandatory sustainability training to all employees across the Group. It will continue to support Management towards achieving our sustainability goals.

During the year, all our Directors completed their training on Environmental, Social and Governance Essentials under the Singapore Institute of Directors' Listed Entity Directors Programme, and received briefings on topics such as climate change issues and net zero.

Find out more about our sustainability strategy and initiatives, and how we support our customers in their sustainability journey in our Sustainability Report at www.UOBgroup.com/investor-relations/financial/group-annual-reports.html.

Delegation to Board Committees and Management

Our Board is supported by five Board Committees, namely, the Audit Committee (AC), Board Risk Management Committee (BRMC), Executive Committee (Exco), Nominating Committee (NC) and RHCC. Annually, our Board reviews and approves the terms of reference of the respective Board Committees to ensure that they remain relevant and appropriate. The overlapping composition of the Board Committees facilitates the coordination of work among the Board Committees.

The minutes and summary reports of all Board Committee meetings are circulated to all Directors except where there is a conflict. At Board meetings, the chairs of the Board Committees also provide updates on the key matters reviewed and considered, and decisions made by the Board Committees.

Under the leadership of our CEO, Management is responsible for the day-to-day operations of the Bank and implementing the decisions of our Board. Where a matter has been reserved for the approval of our Board or a Board Committee in its terms of reference, its approval must be obtained before the matter is acted upon.

Our CEO is supported by several management-level committees, namely, the Asset and Liability Committee, Credit Committee, Group Sustainability Committee, Human Resources Committee, Information and Technology Committee, Investment Committee, Management Committee, Management Executive Committee, Operational Risk Management Committee, and Risk and Capital Committee.

Executive Committee

The Exco supports the Board in providing strategic direction to the Bank and in overseeing Management's implementation of approved strategic plans. The key responsibilities of the Exco include:

- providing strategic direction and overseeing the implementation of strategies approved by our Board;
- reviewing our business plans, budget, and capital and debt structures;
- reviewing our financial, business and operational performance against the approved strategies and budget;
- considering sustainability issues and determining the material ESG factors; and
- reviewing strategic initiatives (including in human capital and technology initiatives) and transactions.

Highlights of the Exco's activities in 2022:

- Guided Management on refinements and implementation of the strategies approved by our Board, as well as the approach to challenges encountered;
- Guided Management on the acquisition of the Citigroup consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam;
- Reviewed the progress of our digital transformation, including the rollout of UOB TMRW across our ASEAN markets;
- Monitored the progress of our sustainability strategy;
- Reviewed the focus and progress of specific business lines;
- Reviewed our funding strategy and initiatives;
- Guided Management on communications with, and management of, our stakeholders; and
- Reviewed our dividend strategy.

Key processes

Our Board and Board Committee meetings and Annual General Meeting (AGM) are scheduled well before the start of each year. Additional meetings may be convened when necessary.

A Director who is unable to attend a meeting due to exigencies may convey his[1] views through another Director or the company secretaries.

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[1] A reference to one gender includes other genders.

Corporate Governance

Decisions of our Board and Board Committees are made by consensus. In the event of a divergence in views, decisions are made by a majority vote and any dissenting views are recorded. Decisions may also be made by way of resolutions in writing. These are reserved mainly for administrative or routine matters, or to document decisions on matters previously deliberated on.

All meeting materials are delivered to our Directors well in advance of each meeting via a secure portal accessible from tablet devices provided by the Bank. Where appropriate, Directors' input may be solicited ahead of the meeting for more focused discussion. Subject-matter specialists and professional advisers may also be invited to attend meetings. Time is set aside at Board meetings for Directors to meet in the absence of Management. In between meetings, Management updates our Board or Board Committees on matters of interest to them or those that require their attention on an ongoing basis, to help them in making informed decisions when discharging their duties and responsibilities.

During the year, Board meetings and the annual strategy review were held in-person, virtually or in hybrid form, subject to prevailing government health advisories and internal guidance. Our Board resumed its in-country retreat, in Thailand, following the relaxation of travel restrictions. It also continued to receive regular briefings from the markets and our subsidiaries. These ensured that our regional operations and subsidiaries remain aligned with the Group's strategy and are well-placed to support one another and our customers.

Board attendance

The Directors' attendance at formal meetings in 2022 is set out in the table below.

		Number of meetings attended in 2022						
Name of Director	**Membership**	**AGM**	**Board**	**AC**	**BRMC**	**EXCO**	**NC**	**RHCC**
Wong Kan Seng	Independent	1	•5	–	4	•4	4	5
Wee Ee Cheong	Executive	1	5	–	4	4	4	–
Michael Lien Jown Leam	Non-independent, Non-executive	1	5	–	–	4	4	–
Alvin Yeo Khirn Hai[1]	Independent	1	3	3	2	–	1	–
Wee Ee Lim[2]	Non-independent, Non-executive	1	4	–	4	–	–	5
Steven Phan Swee Kim[3]	Independent	1	5	•5	–	4	•4	5
Chia Tai Tee[4]	Independent	1	5	5	•4	–	1	–
Tracey Woon Kim Hong	Independent	1	5	5	4	–	–	•5
Dinh Ba Thanh	Independent	1	5	–	–	–	–	–
Teo Lay Lim[5]	Independent	1	5	–	–	3	–	–
Number of meetings held in 2022		1	5	5	4	4	4	5

- Denotes chairman.

[1] Mr Alvin Yeo was absent from the Board, AC, BRMC and NC meetings held in July 2022 as he was on medical leave. He ceased to be a Director upon his demise on 30 July 2022.

[2] Mr Wee Ee Lim was absent from one Board meeting as he was on medical leave.

[3] Mr Steven Phan was appointed as AC chair on 12 August 2022.

[4] Dr Chia Tai Tee was appointed as an NC member on 19 September 2022. Only one NC meeting was held after his appointment to the NC.

[5] Ms Teo Lay Lim was absent from one Exco meeting due to an urgent matter that occurred unexpectedly.

Managing potential conflicts of interests

A Director who has an interest in a matter that may conflict with his duties to UOB must disclose his interests, recuse himself from the discussion and abstain from voting on the matter. Our Directors refresh their disclosures at least quarterly.

Access to Management, advisers and information

Our Directors have independent and unfettered access to Management, the company secretaries and the internal and external auditors. Our Board and Board Committee chairs meet separately with the relevant function heads in preparation for Board and Board Committee meetings.

Our Chairman also meets with Management monthly and with relevant function heads regularly to keep abreast of developments.

Directors may also seek independent professional advice or engage subject-matter experts at the Bank's expense in the course of discharging their duties.

Company secretaries

Two company secretaries support our Directors in discharging their responsibilities and in monitoring the implementation of decisions made by the Board and Board Committees. They also advise the Board on governance matters, update them on applicable laws and regulations and facilitate communications between our Board and Management, and between the Bank and its stakeholders. The secretaries also facilitate the induction for new Directors and existing Directors appointed to new Board Committees, support our Board's professional development and facilitate the engagement of subject matter experts, where necessary.

The appointment and removal of the company secretaries are subject to our Board's approval. Both company secretaries are legally trained.

Board Composition and Directors

Chairman and Chief Executive Officer

Mr Wong Kan Seng, an independent Director, is our Chairman. He leads our Board, sets the Board meeting agenda and promotes a culture of openness and debate. He facilitates the effective contribution of all Directors, sets the right ethical and behavioural tone and facilitates information flow between our Board and Management. In addition, he oversees corporate governance matters, guides the engagement with stakeholders and chairs our general meetings. Mr Wong is a member of all Board Committees except the AC. Nevertheless, he attends all AC meetings. This gives him a good overview of all Board Committees' activities.

Our CEO, Mr Wee Ee Cheong, leads the management team and implements the strategies and plans approved by our Board. He also seeks regional business opportunities, ensures regional operations are aligned to the Group strategy, and drives strategic initiatives. In addition to promoting a risk-focused and inclusive culture and practices that are consistent with our values, he also fosters an environment that is conducive for our colleagues to achieve our organisational and their personal goals. He is supported by management committees that help to ensure that the system of risk management and internal controls is adequate and effective and that we have a safe and healthy work environment. These management-level committees are further supported by specialist committees with domain expert representation to manage specific areas.

Lead independent director

Our Board has not appointed a lead independent director as our Chairman is independent, has no familial or other close ties with our CEO and is not a substantial shareholder. Further, the Board comprises a majority of independent Directors. If the Chairman is conflicted on any matter, our NC chair will fulfil the role, on a case-by-case basis.

Nominating Committee

Our NC supports our Board in:

- assessing the independence of Directors;
- recommending the appointment and re-election of Directors;
- reviewing the size and composition of our Board and Board Committees;
- assessing the performance of our Board, Board Committees and each Director, including recommending the process and criteria for evaluation;
- establishing a board diversity policy and monitoring compliance with the policy;
- implementing a programme for the continual development of our Directors;
- reviewing the nominations and reasons for resignations of our key management appointment holders; and
- performing succession planning for our Directors, our CEO and other key management appointment holders.

The NC's main activities are described on pages 100 to 104.

Board independence

Our Board adopts the criteria for independence of a director under the Banking Regulations, SGX-ST Listing Rules and MAS Guidelines, summarised as follows:

- he has no relationship with the bank, its related corporations, substantial shareholders or officers that could interfere or reasonably be perceived to interfere with the exercise of the director's independent business judgement in the best interests of the bank;
- he is not or has not been employed by the bank or any of its related corporations in the current or any of the past three financial years;
- he does not have an immediate family member who is or has been employed by the bank or any of its related corporations in the current or past three financial years and whose remuneration is or was determined by the remuneration committee; and
- he has not served on the board for nine years or longer, in aggregate.

Each year, our NC assists our Board to assess the independence of each Director based on the above criteria, the disclosure of his other appointments and commitments, interests, personal circumstances and his conduct in the discharge of his duties.

Our NC's assessment of our Directors' independence and the bases of its assessment are as follows:

Independent Directors

Wong Kan Seng
Steven Phan Swee Kim
Chia Tai Tee
Tracey Woon Kim Hong
Dinh Ba Thanh
Teo Lay Lim
Ong Chong Tee

- Meet all independence criteria

Non-independent, non-executive Directors

Michael Lien Jown Leam

- Closely connected to a substantial shareholder

Wee Ee Lim

- A substantial shareholder
- Father, Wee Cho Yaw, and brothers, Wee Ee Cheong and Wee Ee Chao, are substantial shareholders.
- Brother, Wee Ee Cheong, is a Director and the CEO.

Executive Director

Wee Ee Cheong

- CEO
- A substantial shareholder
- Father, Wee Cho Yaw, and brothers, Wee Ee Chao and Wee Ee Lim, are substantial shareholders.
- Brother, Wee Ee Lim, is a Director.

Fitness for office

Our NC assesses if our Directors remain fit and proper for office based on the MAS Guidelines on Fit and Proper Criteria and any other relevant information that comes to its attention. Each Director is required to make an annual declaration based on these guidelines. In addition, our NC reviews the performance of each director every year. Our NC has determined that all Directors remain fit and proper for office. None of our Directors has appointed an alternate director.

Board diversity, size and composition

Our Board Diversity Policy sets out the Bank's approach to ensuring diversity of our Board. Its objectives are to achieve a range of insights from a broader perspective in decision-making, to avoid groupthink, to share country/industry peculiarities and to ensure continuity in Board succession. The dimensions of diversity considered by our Board include functional and domain skills, regional experience, industry experience, age, gender, ethnicity and culture, tenure and independence.

Our NC reviews the Board's size, composition and skill sets regularly to ensure it has the appropriate mix and balance of skills, experience, independence and knowledge and that collectively, the expertise of our Board members is appropriate having regard to the strategies and aspirations of the Group, and developments in the markets in which we operate.

Our Board is satisfied that the current board size of 10 directors is appropriate and sufficiently diverse to meet the needs of the Group, and to ensure the effective oversight of the Group's affairs. Collectively, our Directors' skills, expertise and experience span different industries, markets, professions and the public and private sectors. Their core competencies include banking and other financial services, strategic planning, development, transformation, accounting and finance, audit, human resources, risk management, policy and regulatory matters, consumer services, marketing, media and corporate governance, which are essential to the business of the Bank. Our NC maintains a board skills map that charts the skills and experience of the incumbent directors.

To ensure that the composition of our Board remains appropriately diverse, our Board has set targets to maintain a majority independent board and to ensure at least one female director on our Board at all times. Our current Board composition meets our independence target and exceeds our gender target. A director search will take into account any gap that is identified or anticipated, the time horizon of those gaps and our diversity targets.

Board Committee composition

At least annually, our NC reviews the composition of each Board Committee to ensure that the composition of each Board Committee and collective expertise of the Board Committee members are appropriate for the strategies and aspirations of the Group, and developments in the markets in which we operate. Our NC recommends the distribution of the workload among Directors, taking into consideration their respective expertise and time availability. New Directors bring fresh perspectives while Directors with longer tenure ensure stability and continuity. This balanced approach of having Directors of different tenures at all times has kept our Board renewal process smooth.

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The current composition of our Board Committees is set out below:

Audit Committee	● Four members. ● All members are independent. ● All members have recent and relevant accounting or related financial experience or expertise: o AC chair, Mr Steven Phan, is an accountant and auditor by training and has more than 35 years of experience in audit and advisory roles. o Dr Chia Tai Tee was the chief risk officer of a state-owned investment company, where his responsibilities included reviewing financial performance of portfolio assets. o Ms Tracey Woon was an investment banker for more than 40 years, advising on corporate finance, debt finance and wealth management transactions, including on financial strategy and impact. She has also held regional leadership roles in an international bank, where her duties included reviewing financial performance. o Ms Teo Lay Lim has held professional leadership roles, including as the chief executive officer and chairman of several large organisations, where her responsibilities included overseeing financial performance. She currently also serves on the Board of the Singapore Accountancy Commission. ● None of the AC members has served as a partner or director of our current external auditor within the two years prior to their appointments to the AC, or holds any financial interests in the external auditor.
Board Risk Management Committee	● Six members. ● Majority of the members, including the chair, are independent. ● BRMC chair, Dr Chia Tai Tee, was the chief risk officer of a state-owned investment company from 2011 to 2020.
Executive Committee	● Six members. ● Majority of the members, including the chair, are independent.
Nominating Committee	● Five members. ● Majority of the members, including the chair, are independent.
Remuneration and Human Capital Committee	● Four members. ● Majority of the members, including the chair, are independent. ● All the members are non-executive.

Board performance and time commitment

Each year, each Director performs a self-assessment and an assessment on our Board and each Board Committee of which he is a member. The format and structure of the assessments are approved by our Board. The responses are collated by the secretaries and the masked results are submitted for our NC's review. Each Board Committee also receives the results of its members' assessments. In addition, our NC also assesses the performance of each Director during the year. No Director is involved in his own assessment. Our Board had not engaged an external facilitator for the evaluation process as the Directors have been open and frank in their feedback on the performance of our Board and Board Committees. Time is set aside for Directors' discussion in the absence of Management at every Board meeting and our Directors also meet regularly outside formal board meetings. In addition, Directors may also meet privately with the Chairman and/or NC chair.

In evaluating our Board's performance, our NC considers qualitative and quantitative factors including:

- the Bank's performance; and
- the Board's organisation and responsibility for the Bank's strategy, ongoing succession planning, sustainability, risk management and internal controls, corporate governance and regulatory compliance.

Our NC also considers the number of directorships and principal commitments in evaluating the time commitment of Directors, as guided by our Policy on Time Commitment of Directors, which includes guidelines for Directors with or without full-time employment. Before accepting a new appointment, Directors inform our NC chair of the proposed appointment and the NC chair may provide advice or feedback, where appropriate. In the NC's opinion, our Directors have devoted sufficient attention to matters of the Group in the discharge of their responsibilities.

Appointment and re-election of Directors

The selection of our Directors is based primarily on merit, with due and conscious consideration for the needs of our Board in terms of skills and diversity.

When appointing or re-electing a Director, our NC:

- reviews our strategic objectives and identifies the skill sets that will help us achieve those objectives;
- reviews candidates' skill sets and experience, independence, qualification for office, personal attributes such as integrity and financial soundness, and ability to commit time to the Bank's affairs;
- conducts due diligence on candidates to ensure they are fit and proper for office and to ascertain their independence;
- takes into account the operating environment, emerging trends and potential developments in the market; and
- considers the pipeline for ongoing succession planning.

All Directors are invited to nominate candidates from time to time. In order to access a wider range of skill sets, experience, expertise and aspects of diversity, our Board may, where appropriate, engage an external consultant to help broaden the search for directors. In 2022, an independent international firm was engaged to conduct a search for potential candidates.

Our NC reviews each candidate before making its recommendation to our Board. Suitable candidates with the required or desired skill sets are monitored for their availability and time commitments. With our Board's concurrence, our NC chair initiates discussions with the candidates as appropriate and updates our Board regularly on the progress. When appropriate, Directors will meet candidates to assess their suitability. All Board appointments are subject to the approval of the MAS.

New Directors must submit themselves for re-election at the first AGM following their appointment, and all Directors retire by rotation at least once in every three years. When evaluating a Director for re-election, our NC also reviews that Director's performance and whether his skills, expertise and experience remain relevant to the evolving needs of the Bank. Directors are put up for re-election at the AGM individually.

Induction of new Directors

A newly-appointed Director receives an induction package, which includes the Articles of Directorship, terms of reference of the Board and Board Committees, guidance on directors' duties and relevant company policies. He also receives briefings from senior executives on key areas of our business, system of risk management and internal controls, support functions and sustainability initiatives.

When a Director is appointed to serve on a Board Committee, he is also briefed on matters relevant to the responsibilities of that Board Committee, as needed.

New Directors who have no prior experience as directors of public listed companies also attend the training programmes stipulated by SGX-ST.

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Directors' Development Programme

Under this programme, our Directors receive briefings which cover topics specific to our business, the banking industry and other topics such as technological development and socio-economic, political or regulatory matters. At least half a day is set aside each quarter for the programme, during which training may be conducted by internal or external subject-matter experts. The programme also includes updates from our regional operations.

In 2022, our Directors received training on anti-money laundering, distributed ledger technology, artificial intelligence (AI) and machine learning (ML), cyber security, the post COVID-19 pandemic macro-economy, sustainability including climate change issues and net zero, wealth management and digital banks. Senior leaders from our local and regional network also briefed our Directors on business and country strategies, and significant projects such as the rollout of TMRW across our ASEAN markets and the refreshment of the UOB Brand. Such briefings help to ensure alignment across the Group and timely and appropriate response to local developments.

Leadership succession

Our NC also performs succession planning for our CEO and key management appointment holders. We believe in growing our own timber by developing a pipeline of leaders from among our colleagues to support our long-term strategy and growth. Colleagues with the right values and who have the requisite competency and leadership potential, are nurtured through structured development programmes including functional and leadership skills training, mentorship and participation in significant projects. Cross-functional training, regional exposure and networking opportunities are also provided. The training and exposure are planned and implemented at a pace agreed between the colleague and the Bank. Our Board monitors the progress of our talents closely and meets with them regularly.

At the same time, we appreciate fresh perspectives and insights of external candidates and welcome those who can augment our collective skill sets and experience.

We have established frameworks and policies for managing our talents, succession planning for senior executives and our key management appointment holders, including our Head of Group Audit (GA).

Remuneration and Human Capital

Our RHCC seeks to ensure that our compensation and benefits strategies support the creation of long-term value and strengthening of our franchise, and are aligned with the long-term interests of shareholders and other stakeholders. It determines the total compensation for our Group taking into consideration various factors including underlying business risks, business outlook, performance, investments in building infrastructure and capabilities and market trends for comparable positions. Our BRMC provides input to our RHCC to ensure that our remuneration and incentive practices do not incentivise inappropriate risk-taking.

Remuneration and Human Capital Committee

The main responsibilities of our RHCC are:

- determining a remuneration structure and framework for our Directors;
- determining a remuneration framework for employees that is appropriate and proportionate for sustained performance and value creation, for long-term success and linked to performance and risk management;
- reviewing frameworks and policies for human capital development and management; and
- overseeing performance assessment of key management appointment holders.

Highlights of our RHCC's activities in 2022:

- Reviewed our employee remuneration structure in relation to our long- and short-term strategies, to build and to strengthen our human capital for continued relevance and sustainability, having regard to the keen competition for talent in the market;
- Guided Management on our workforce strategy, including skills development and upskilling for our colleagues;
- Reviewed the size, shape and skills of our workforce and strategies for recruitment and retention bearing in mind the long-term strategic objectives of our Bank;

- Monitored our progress in nurturing our talent at different levels, providing opportunities for all suitable candidates and the building of a pipeline of regional leaders of the future;

- Advised Management on employee engagement, communications and culture; and

- Guided Management on an enhanced employee value proposition, which included career mobility, family-friendly work arrangements, and healthcare and well-being benefits.

Directors' remuneration

The proposed fee structure for Directors for the financial year ended 31 December 2022 is as follows:

Office	Chair	Member
Basic fee	$1,100,000	$110,000
Audit Committee	$110,000	$70,000
Board Risk Management Committee	$110,000	$70,000
Executive Committee	$110,000	$70,000
Nominating Committee	$65,000	$45,000
Remuneration and Human Capital Committee	$65,000	$45,000

Details of the proposed total fees and other remuneration paid/payable to our Directors for the financial year ended 31 December 2022 are set out in the table below. Save for the remuneration disclosed below, our Directors do not receive any other remuneration. The directors' fees payable to Directors who have served less than a year are pro-rated.

	Directors' Fees $	Fees from subsidiaries $	Salary $	Bonus $	Benefits-in-kind and others[1] $	Total $
Wong Kan Seng	1,370,000	–	–	–	–	1,370,000
Wee Ee Cheong[2]	–	–	1,200,000	13,000,000	37,577	14,237,577
Ong Yew Huat[3, 8]	986					986
Michael Lien Jown Leam	225,000	–	–	–	–	225,000
Alvin Yeo Khirn Hai[4, 8]	193,658					193,658
Wee Ee Lim	225,000	–	–	–	–	225,000
Steven Phan Swee Kim[5]	375,562	–	–	–	–	375,562
Chia Tai Tee[6]	302,822	–	–	–	–	302,822
Tracey Woon Kim Hong[7]	315,000	–	–	–	–	315,000
Dinh Ba Thanh	110,000	–	–	–	–	110,000
Teo Lay Lim[9]	180,000	–	–	–	–	180,000

1. Transport-related benefits, including the provision of a driver for Mr Wee Ee Cheong.
2. 60% of the variable pay to Mr Wee Ee Cheong is deferred and will vest over the next three years. Of the deferred variable pay, 40% will be issued in deferred cash, while the remaining 60% will be in the form of share-linked units.
3. Mr Ong Yew Huat retired on 1 January 2022.
4. Mr Alvin Yeo was appointed as AC chair on 1 January 2022. He ceased to be a Director upon his demise on 30 July 2022.
5. Mr Steven Phan was appointed as AC chair on 12 August 2022.
6. Dr Chia Tai Tee was appointed as BRMC chair on 1 January 2022 and as a member of the NC on 19 September 2022.
7. Mrs Tracey Woon was appointed as RHCC chair on 1 January 2022.
8. The fees payable to retiring, retired eligible or deceased Directors will be paid wholly in cash. Accordingly, the directors' fees payable to Messrs Ong Yew Huat and Alvin Yeo will be paid wholly in cash.
9. Ms Teo Lay Lim was appointed to the Board and as a member of the Exco on 1 January 2022.

At the 2022 AGM, shareholders approved amendments to the UOB Share Plan, paving the way for eligible non-executive Directors to receive part of their directors' fees in the form of shares in lieu of cash. From financial year 2022, approximately 30 per cent of eligible non-executive Directors' fees were paid in fully paid ordinary shares (share awards) in lieu of cash. As the shares will be drawn from the pool of treasury shares, there will be no dilutive impact on shareholders. The actual number of shares to be awarded to eligible non-executive Directors will be determined by reference to the volume-weighted average price of the ordinary shares over the 10 trading days immediately following from the date of the Bank's AGM. The number of ordinary shares to be awarded will be rounded up to the nearest 100 shares and the cash amount representing the additional number of ordinary

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shares delivered as a result of the rounding up exercise will be correspondingly deducted from the cash component of the Directors' fees.

Mr Michael Lien is closely associated with a substantial shareholder while Mr Wee Ee Lim is a substantial shareholder. Hence, they do not participate in the UOB Share Plan and directors' fees payable to them will be paid wholly in cash. Mr Wee Ee Cheong, an executive Director, is remunerated as an employee and does not receive any directors' fees for serving on the Board and Board Committees. As a substantial shareholder, he is also not eligible to participate in the UOB Share Plan.

The fees payable to retiring, retired eligible or deceased Directors will be paid wholly in cash.

No Director was involved in the determination of his own remuneration.

Employees' remuneration

Our meritocratic compensation practices support the Group's long-term business and people strategies and objectives and provide a fair total compensation that reflects each employee's contribution and performance for the year and their upholding of the UOB values in their decision-making and actions.

Our remuneration policy for employees sets out the principles and philosophies that guide the design, operation and management of our remuneration programmes. It takes into account the principles and standards set by the Financial Stability Board (FSB P&S), 2021 MAS Guidelines and the G30 Recommendations on Banking Conduct and Culture. The policy covers the remuneration of all employees and is reviewed by our RHCC regularly to ensure our compensation practices and programmes are appropriate to attract, to retain and to motivate a highly-skilled workforce, while also meeting applicable regulatory requirements.

Our RHCC seeks to ensure that remuneration for the Group is able to create long-term value and to strengthen the franchise, and is aligned with the long-term interests of shareholders and other stakeholders. It considers key aspects of employee remuneration, including the termination provisions in service contracts, and reviews and approves the overall performance bonus, share-based incentive plans and key management appointment holders' remuneration based on the total compensation structure approved by our Board.

Ensuring fair compensation for every employee

Total Compensation

Pay for position

- Benchmarked against comparable positions in the market.
- Benchmarked against salary surveys by established external independent compensation consultants, such as McLagan, Willis Towers Watson and Mercer.

Pay for performance

- Variable pay based on the performance of the Group and the employee's business unit (BU) and the employee's individual achievement of performance targets.
- Total compensation that is competitive and is differentiated by performance.

Pay for person

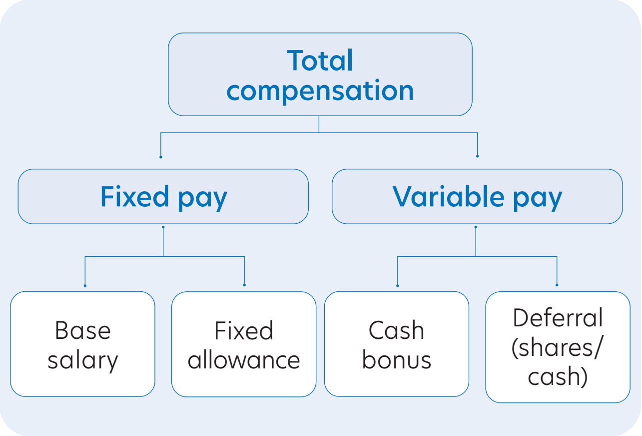
- Employee's personal attributes such as skills and experience.
- Base salary that is commensurate with personal attributes.

Living the UOB values

- Employee's demonstration of our values of Honour, Enterprise, Unity and Commitment.

Our total compensation structure

Our total compensation structure comprises two main components, namely, fixed pay and variable pay. Under our Group's total compensation framework, the total compensation paid to employees is a function of net profit before tax.



Fixed pay
Fixed pay consists of a base salary and fixed allowances that are pegged to the market value of the job.

Variable pay
Variable pay (cash bonus and deferrals in the form of cash or shares, where applicable) rewards employees based on the performance of our Group and their BUs, as well as the employees' individual performance and contributions, including behaviour aligned to our values. An employee's variable pay is determined through the process shown on the right:

Determining the variable pay pool

- Determine variable pay pool based on the performance against the Group's Balanced Scorecard (BSC).
- Where applicable, adjust based on outcomes of the Group Risk Appetite Statement (GRAS).
- In the event of poor performance, the RHCC has the discretion to adjust the variable pay pool downwards.

Allocating the variable pay pool to BUs

- Allocate to BUs based on the achievements of cascaded targets in the BSC, taking into account productivity.
- Country heads are consulted on the variable pay pools allocated to BUs.

Distribute variable pay to individuals

- BUs determine their rewards based on, *inter alia*, the achievement of performance objectives, competencies and behaviours with respect to the UOB values.
- Balance between the achievement of key performance indicators and behaviour.
- Employees who have exceeded performance expectations receive higher variable pay.

Corporate Governance

Group Balanced Scorecard

Our Group's BSC includes metrics for financial outcomes, as well as strategic and business drivers. To align with our strategic focus on sustainability, sustainability related metrics are included in our Group BSC (under Transformation programmes) and the Group Risk Appetite Statement (GRAS).

Financial outcomes	Strategic and business drivers	GRAS outcomes
Growth	Customers	Risk
Profitability	Connectivity	People
Asset quality	Funding	Reputation
Productivity	Employee engagement	
	Transformation programmes	

Key management appointment holders – Key management appointment holders refer to the Chief Executive Officer and members of the Group Management Committee who have the authority and responsibility for their respective Group functions. The variable pay pool for our key management appointment holders is determined based on net profit before tax with reference to the Group BSC and risk-weighted metrics. The usage of risk-weighted metrics emphasises our prudent capital usage and risk management approach across the Group.

Control functions – Employees in control functions, namely Risk Management, Credit, Compliance and Audit, are compensated independently of the performance of any business line or BU that they oversee or audit. This is to avoid any potential conflict of interest. The compensation of control function employees is determined based on the overall performance of the Group, the achievement of operational key performance indicators of the control function and the performance of the individual employee. Our BRMC and AC approve the remuneration for our Chief Risk Officer (CRO) and Head of GA, respectively, based on the Group's remuneration approach, and with the concurrence of our RHCC.

In 2022, our RHCC endorsed the engagement of an external management consulting firm, Oliver Wyman, to provide an independent review of the Group's total compensation model and the key management appointment holders' variable pay pool. Oliver Wyman and all other consultants we engaged in 2022 are independent and unrelated to UOB or any of our Directors. Following the review, our RHCC agreed that no significant change was required.

Variable pay deferrals

Our Group variable pay deferral policy applies to senior executives, material risk takers (MRTs) and material risk personnel (MRP). MRTs are employees with significant organisational responsibilities that have a material impact on our Group's performance and risk profile, and employees with high-risk mandates in the form of risk-weighted assets, trading limits and trading sales budgets. MRP refers to employees who have the authority to make decisions or conduct activities that can significantly impact the Bank's safety and soundness, or cause harm to a significant segment of the Bank's customers or other stakeholders, as defined in our Policy on Individual Accountability and Conduct.

The objectives and details of our deferral policy are as follows:

Objectives	Details
• To align compensation payment schedules with the time horizon of risks. • To align the interests of employees with the long-term interests of shareholders and the Group. • To retain employees whose contributions are essential to the long-term growth and profitability of the Group. • To deliver compensation in a manner that drives the long-term performance of the Group.	• 20 per cent to 60 per cent[1] of variable pay is subject to deferral, with the proportion of deferral increasing with the amount of variable pay received. • Deferred variable pay may be in the form of deferred cash or shares under the UOB Share Plan[2]. • Deferred cash vests equally over three years while 30 per cent and 70 per cent of the deferred shares vest in the second and third years respectively. • Vesting schedules may differ for MRP who are on sales incentive plans, and in countries where local regulations are stricter. • Deferred compensation is subject to *malus* and clawback[3] within a period of up to seven years from the grant dates. • Unvested portions of the deferred cash and shares may be eligible for interest and dividends respectively.

1. Except for the CEO, 40% of the remuneration for key management appointment holders is deferred, in line with the requirements of the 2021 MAS Guidelines and FSB P&S. Please see page 105 for the details of our CEO's remuneration. The amount of our MRTs' variable remuneration subject to deferral arrangements ranges from 20% to 50%. As our current pay mix has a comparatively larger variable component, strict adherence to the MAS Guidelines and FSB P&S would affect the cashflow of our employees more than the market. This will impair the Bank's ability to compete fairly to attract and to retain talent.
2. Details of awards under the UOB Share Plan can be found at Note 42 of the Financial Statement.
3. *Malus* of unvested deferred compensation and/or clawback of paid deferred compensation will be triggered by conduct constituting, causing or contributing to, *inter alia*:
   - material violation of risk limits;
   - financial losses or adverse change in risk profile;
   - restatement of financial results; or
   - misconduct, malfeasance or fraud.

   The RHCC reserves the discretionary powers to enforce *malus* and the clawback of any deferred compensation.

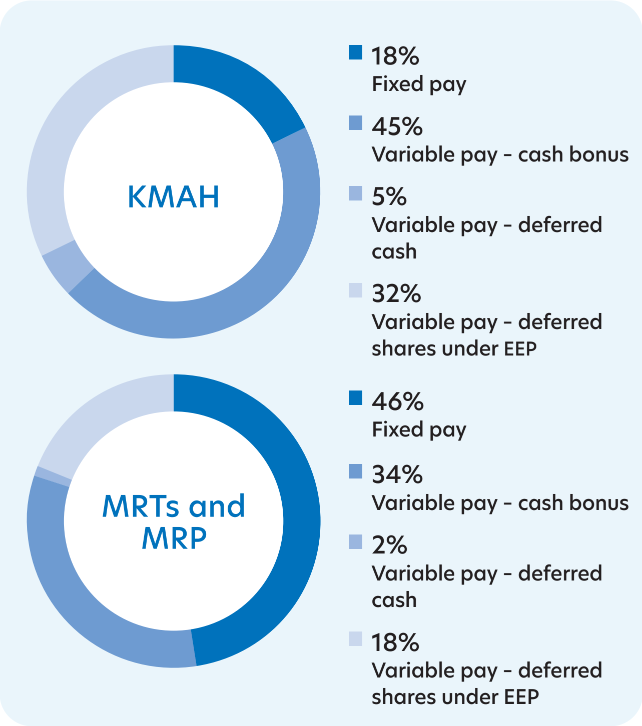
The deferral guidelines and vesting conditions apply consistently to all senior executives, MRTs and MRP, as well as retiring, retired and retrenched employees. There is no accelerated payment of deferred compensation for employees leaving the Group other than in exceptional cases, such as death in service. There is also no special retirement plan, golden parachute or special severance package for any employee. Employees who have resigned or whose services are terminated will forfeit any unvested deferred variable pay, save in exceptional circumstances.

Remuneration outcomes in 2022

Our Group registered a record net profit for 2022, backed by our enlarged customer franchise and improvement in returns while asset quality remained stable. Total income jumped 18 per cent to $11.6 billion, supported by rising interest rates and pick-up in client activities with the reopening of economies across the region. Wholesale cross-border income grew 12 per cent, leveraging our regional footprint, local expertise and sector-specific capabilities. Retail business performance was augmented by the maiden inclusion of the Citigroup consumer franchise in Malaysia and Thailand. Excluding one-time expenses in relation to the Citigroup retail business acquisition, cost-to-income ratio improved to 43.3 per cent, even with ongoing investments in people and technology. With healthy reserve levels as well as robust capitalisation and funding positions, our Group is well-placed to pursue long term growth opportunities in a sustainable manner.

In line with our Group's improved performance, our Group's variable pay pool increased. Our RHCC also took into account the GRAS and BSC outcomes when determining our Group's compensation. The level and structure of remuneration are aligned with our long-term interests and our risk management policies.

Breakdown of remuneration awarded to key management appointment holders (KMAH), MRTs and MRP in 2022



Breakdown of deferred remuneration in 2022

Deferred and retained remuneration	Total outstanding deferred remuneration	Total outstanding deferred and retained remuneration exposed to *ex post* explicit and/or implicit adjustments	Total amendments during the year due to *ex post* explicit adjustments[1]	Total amendments during the year due to *ex post* implicit adjustments[2]	Total deferred remuneration paid out in the financial year
Key management appointment holders	100%	100%	0%	0%	36%
Cash	11%	11%	0%	0%	6%
Shares and share-linked instruments	89%	89%	0%	0%	30%
Other forms of remuneration	0%	0%	0%	0%	0%
MRTs and MRP	100%	100%	0%	0%	42%
Cash	8%	8%	0%	0%	7%
Shares and share-linked instruments	92%	92%	0%	0%	35%
Other forms of remuneration	0%	0%	0%	0%	0%

1. Examples of *ex post* explicit adjustments include *malus*, clawbacks or similar reversals or downward revaluations of awards.
2. Examples of *ex post* implicit adjustments include fluctuations in the value of shares or performance units.

Guaranteed bonuses, sign-on awards and severance payments in 2022

Category of Remuneration	KMAH	MRTs & MRP
Number of guaranteed bonuses	0	5
Total guaranteed bonuses ($'000)	0	1,412
Number of sign-on awards		7
Total sign-on awards ($'000)	0	1,473
Number of severance payments	0	0
Total severance payments ($'000)	0	0
Total amounts of above payments made for the financial year ($'000)	**0**	**2,885**
Number of employees	16	359
Number of employees that received variable pay	16	348

Top five non-director executives

Our Board has deliberated and decided not to disclose the remuneration of our top five non-director executives as it would be disadvantageous for us to do so given the highly competitive market for talent. Employee remuneration matters should remain confidential to support the Group's efforts to attract and to retain highly-skilled individuals. Disclosure would impair our ability to compete fairly with many other banks operating in Singapore (including digital banks) that are not obliged to disclose remuneration details of their employees, giving them an unfair advantage in the competition for talent. Nevertheless, our RHCC is satisfied that our remuneration structure complies substantially with the FSB P&S, and that the level and structure of remuneration are aligned with our long-term interests and risk management policies. Our BRMC is further satisfied that the remuneration structure does not incentivise excessive risk-taking.

Remuneration of immediate family members of Director, CEO or substantial shareholder

Ms Wee Jing En, the daughter of Mr Wee Ee Lim, is an employee of our TMRW Digital Group. Her remuneration for 2022 was between $100,001 and $200,000. Our RHCC was not involved in determining her remuneration.

Particulars of the remuneration of our CEO, Mr Wee Ee Cheong, can be found on page 105.

Except as disclosed in this statement, no employee in the UOB Group was a substantial shareholder of UOB or an immediate family member of a Director or our CEO, and whose remuneration in 2022 exceeded $100,000.

Human capital management

Our people are our greatest asset. We place great emphasis on ensuring that our workforce is well-prepared to meet the challenges that lie ahead, both skill-wise and mentally.

Our RHCC ensures that talent acquisition, development and management strategy and approach are aligned to the strategies of our Bank. We understand the skills and expertise that are required to achieve the targets and goals, and the time horizon over which the needs will arise.

Our RHCC also places great importance on training and equipping our workforce to remain relevant. Training, reskilling and upskilling programmes are arranged, often with specialists in various fields, and are available through the year. Employees are also encouraged to avail themselves of the carefully curated self-directed training programmes available on our learning portal. From among our colleagues, those with the requisite competency and leadership potential are nurtured as potential future leaders. Please refer to Leadership succession on page 104. The internal talent pool is supplemented by externally acquired candidates, who help to accelerate knowledge as well as skill acquisition and transfer.

Our RHCC also reviews the schemes and benefits put in place to ensure that they are supportive of the well-being and professional and personal lives of our colleagues. The schemes and benefits cater to the diverse circumstances and needs of our colleagues. We have policies to provide a safe and healthy work environment, so that we can deliver the results expected by our stakeholders.

Corporate Governance

System of risk management and internal controls

Risk management and internal controls

Our system of risk management and internal controls consists of the following components:

- Management oversight and control: Management is responsible for ensuring that our frameworks, policies, methodologies, tools and processes for internal controls and risk management remain relevant, and are adequate and effective. We have management-level committees to address specific risk types;
- Three Lines Model: the roles of risk owners, risk oversight and independent audit are clearly demarcated. Please refer to the details in the Risk Management section; and
- an integrated governance, risk and compliance system, which facilitates information sharing, coordination and collaboration among the GA, Group Risk Management (GRM) and Group Compliance functions for more effective governance oversight and response to issues identified.

Please refer to the Risk Management section for a detailed discussion of the risk governance, material risk types and risk management structure and approach.

Our business and support units conduct regular self-assessments on their compliance with internal controls, risk management processes and applicable regulations. The results are reviewed by our management committees and where deficiencies are identified, these committees monitor the progress made in rectification works. Our AC and our Head of GA review internal controls while our BRMC and our CRO review risk management processes.

Our Board, AC and BRMC have received assurance from our CEO, Chief Financial Officer (CFO) and CRO, who have in turn received corresponding assurances from the respective function heads, that the system of risk management and internal controls is adequate and effective in areas including credit, market, liquidity, operational, conduct, strategic and business, model and ESG risks. At UOB, operational risk includes banking operations, technology, regulatory compliance, legal, reputational, outsourcing, third-party non-outsourcing and fraud risks.

Based on our Board's review and with the concurrence of our AC and BRMC, our Board is of the view that our system of risk management and internal controls, including financial, operational, compliance and information technology controls, was adequate and effective as of 31 December 2022. As no system of risk management and internal controls can provide absolute assurance against error, loss or fraud, our system of risk management and internal controls provides reasonable but not absolute assurance that we will not be affected by any adverse event which may be reasonably foreseen.

Board Risk Management Committee

The key responsibilities of our BRMC are:

- overseeing the establishment and operation of a sound and independent risk management system to identify, to measure, to monitor, to control and to report risks on an enterprise-wide basis;
- approving the risk and capital strategies and frameworks of our Group;
- overseeing our risk culture and conduct as well as risk appetite;
- overseeing the establishment of risk measurement models and approaches;
- reviewing the adequacy of our risk management function's resources;
- reviewing related party transactions and interested person transactions;
- reviewing material credit policies, credit limits and exposure to large credits;
- guiding our Management in ensuring that our remuneration and incentive structure does not incentivise inappropriate risk-taking; and
- approving the appointment and remuneration of our CRO (subject to Group remuneration structure) and reviewing his performance.

Our CRO is responsible for the day-to-day operations of the governance, risk management and compliance functions in the Group. As preparation for each BRMC meeting, he provides a detailed briefing to the BRMC chair prior to each meeting.

Highlights of our BRMC's activities in 2022:

- Reviewed our approach to specific risks;
- Endorsed our risk appetite and the delegation of risk limits including credit limits;
- Reviewed our credit portfolio and monitored our Bank's capital and liquidity positions closely to ensure they remained healthy as we supported our customers in their post-pandemic restructuring and recovery efforts;
- Reviewed various stress test scenarios, the impact of various stress factors on our Bank and our response to those scenarios, our business continuity plans and recovery plans;
- Ensured that individual accountability is embedded in our risk management system;
- Monitored risk conduct and culture risk, with particular focus on consumer fraud management and fair dealing;
- Reviewed measures to enhance our Bank's AML/CFT capabilities, including through the use of data analytics (DA), machine learning and technology, and guided on the identification of risks relating to sanctions;
- Supported our Bank's environmental risk initiatives, which are geared towards helping customers in their transition towards more sustainable practices;
- Reviewed and approved related party transactions;
- Reviewed customer satisfaction levels in terms of complaints and compliments; and
- Reviewed the performance of our CRO and approved his remuneration.

Group Risk Management

GRM is responsible for managing the risks arising from the business activities of our Group and ensuring that these risks remain within the overall risk appetite established by our Board and senior management. In 2022, GRM's key initiatives were:

- further strengthening of our knowledge and capacity in environmental and climate risk management;
- enhancement of all relevant systems and processes ahead of the Interbank Offered Rate transition; and
- improvement of consumer fraud risk management via our community outreach programmes.

Please refer to the Risk Management section for more information of the risk management initiatives introduced and implemented during the year.

Audit Committee

Our AC's main responsibilities are:

- reviewing our financial statements and any significant change in accounting policies and practices;
- reviewing at least annually, the adequacy and effectiveness of our internal accounting control systems and material internal controls;
- approving the appointment, reappointment and removal (if necessary) of our external auditor, its audit fees and terms of appointment, reviewing the audit plans and reports and evaluating the external auditor's performance and independence;
- approving the appointment, resignation, dismissal, evaluation and remuneration of our Head of GA (subject to Group remuneration structure);
- reviewing annually, the adequacy, effectiveness and independence of our internal audit function, its audit plans, reports and results, and the budget and resources of our internal audit function;
- reviewing policies and procedures for handling fraud and whistle-blowing cases and overseeing related investigations;
- reviewing policies for detecting fraud and whistle-blowing, and arrangements by which our colleagues may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; and
- reviewing interested person transactions.

Our AC reviews the half-year and full-year financial statements and the voluntary financial updates of the first and third quarters. These are supported by the assurances from our CEO and CFO that the financial records have been properly drawn up in accordance with the Banking Act 1970, Companies Act 1967, relevant laws, regulations and regulatory requirements, and the Singapore Financial Reporting Standards (International). Changes in accounting standards and policies are reviewed by our AC with our Finance team and external auditor. Technical sessions, for example, to discuss new accounting standards, may be arranged, if necessary.

Before each AC meeting, the AC chair is briefed by the internal and external auditors, who report directly to our AC. The AC also ensures good coordination between the internal and external auditors in their work. Every quarter, our AC meets the auditors in the absence of Management, and among themselves. Our AC is authorised to investigate any matter within its terms of reference and has the full cooperation of and access to Management for this purpose.

GA discusses whistle-blowing reports received with the AC. Please refer to page 119 for more information on our whistle-blowing policy, which is administered by GA.

Highlights of our AC's activities in 2022:

- Reviewed our provisions to ensure they are adequate with regard to our loan portfolio and assessed whether our asset quality remained healthy;
- Guided Management on assurance related matters in connection with our acquisition of the consumer banking businesses of Citigroup in Indonesia, Malaysia, Thailand and Vietnam;
- Reviewed audit reports submitted by internal and external auditors, and monitored the progress made on remedial works;
- Monitored progress made by GA in its strategic workforce plan and initiatives implemented, including the increased adoption of DA and enhancements to its audit methodology;
- Guided GA on its oversight of our regional internal audit function in light of the disruption caused by the COVID-19 pandemic; and
- Reviewed the adequacy and effectiveness of our audit resources across the Group and guided GA on the regional internal audit resource strategy.

External auditor

Our AC recommends the appointment or reappointment of our external auditor and approves the terms of engagement of the external auditor and its audit fees.

Our external auditor, Ernst & Young LLP, is registered with the Accounting and Corporate Regulatory Authority (ACRA). The audit partner is rotated at least once every five years.

In evaluating our external auditor for reappointment, our AC was guided by the Audit Quality Indicators Disclosure Framework published by ACRA, the External Audits of Banks issued by the Basel Committee on Banking Supervision and the Audit Committee Guide published by the Singapore Institute of Directors.

Our AC has evaluated our external auditor's work and considered the feedback from our internal auditor and Group Finance. It is of the view that the external auditor has the requisite expertise and resources to perform its duties, and a good understanding of our business, risk profile and operational issues.

To ensure the continued independence of the external audit, our AC reviews the non-audit services provided by our external auditor and the fees paid for such services every quarter. The AC is satisfied that the independence of the external auditor was not compromised by the non-audit fees received. In 2022, the non-audit fees paid or payable to the external auditor was 39 per cent of the audit fees paid to the external auditor and its affiliates. Please see Note 11 (Other Operating Expenses) to the Financial Statements for more information on the non-audit fees. Our external auditor also affirms its independence to the AC quarterly.

Having satisfied itself that our external auditor was independent, objective and effective in its audit of the Bank in 2022, our AC has recommended Ernst & Young LLP for reappointment at the 2023 AGM. Ernst & Young LLP is also the appointed external auditor of the subsidiaries and an overseas branch of our Group except for several small overseas subsidiaries who engage the services of other auditors due to local regulations and exceptional circumstances. Therefore, Rules 712 and 715 of the SGX-ST Listing Rules have been complied with.

Key Audit Matters

The table below sets out the key audit matters (KAMs) identified by our external auditor for the year under review, and our AC's comments on the KAMs. More information on the KAMs can be found in the Independent Auditor's report on pages 151 to 156.

Area of Focus	AC's comments
Expected credit losses (ECL) on non-impaired credit exposures	Management updates the AC quarterly on significant changes in ECL. This includes macroeconomic developments and overlays necessary to compensate for model imperfections. The AC was apprised by both the internal auditor and the external auditor of Management's credit monitoring processes, controls and governance over model methodologies and assumptions and judgment applied in estimating ECL. The external auditor's audit testing results on ECL were presented at AC meetings. The AC has assessed and reviewed these results and findings.
ECL on impaired credit exposures	The processes, controls and governance over impaired credit exposures were tested by the external auditor, who has reported their results to the AC. The external auditor's findings on significant non-performing loans, including the timeliness and appropriateness of classification and the adequacy of allowance made, were presented at AC meetings. The AC has discussed and reviewed the external auditor's findings and results.
Valuation of illiquid or complex financial instruments	The valuation processes, controls and governance were tested by internal and the external auditor, who have reported their findings to the AC. The external auditor's specialist independent validation of fair values of these financial instruments was presented to the AC. The AC has discussed and reviewed the external auditor's testing results on the fair value of illiquid or complex financial instruments. Where material differences have been highlighted by the external auditor, the AC has reviewed the valuation techniques and unobservable inputs used to determine the fair value of these instruments.
Impairment of goodwill	The external auditor has reviewed the goodwill impairment methodology and presented the test results, including comments from its valuation specialists and sensitivity analyses performed, to the AC. The AC was apprised of the cash flow forecasts, discount rates and growth rates used in the goodwill impairment testing, and has reviewed the test results with Management and the external auditor.

Our AC was satisfied that these KAMs were appropriately addressed in the Group's financial statements.

Corporate Governance

Internal auditor

The Internal Audit Charter, which sets out the authority and responsibilities of GA, is reviewed by our AC every year. Our AC approves the risk-based internal audit plan at the start of each year. Through the year, our AC reviews the internal audit reports, results of the internal audits and remedial steps taken to address the findings. It also ensures that our audit resources are adequate and effective.

The Head of GA reports functionally to our AC, and administratively to our CEO. He is a member of our Management Committee, which oversees the overall performance of our Group, country corporate functions and business segments. This gives him a good view of the material initiatives and activities of the Bank, allowing him to perform his role effectively.

GA, which is independent from the units and activities it audits, is our Third Line. It has unfettered access to all the records, documents, property and personnel to perform its audits. GA complies with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and The Internal Audit Function in Banks issued by the Basel Committee on Banking Supervision. These guidelines provide the mission and objectives of an internal audit function and the performance standards expected of internal audit activities.

To ensure it maintains its high performance standards, GA performs an internal quality assurance review and conducts a self-assessment against these standards and guidelines annually. In addition, an external quality assurance review of our internal audit function is conducted at least once every five years. The last review was conducted in 2019.

The internal audit report rating in GA's methodology consists of an audit rating and a Management Governance and Oversight Rating (MGOR). The audit rating reflects the current state of the audited entity's control environment, while the MGOR provides an indicative measure of its management team in terms of:

- the effectiveness of its governance structure;
- the overall risk awareness and control consciousness; and
- the competence and willingness of its leaders when discharging their supervisory duties.

Entities with a strong MGOR and a good control environment may be subject to less frequent and/or intense audits. Conversely, a poor MGOR or a weak control environment may lead to more frequent and/or intense audits.

GA undertook the following key initiatives and activities in 2022:

- Broadened and deepened the use of advanced DA including predictive auditing in targeted areas, and employed more DA in its audits;
- Expanded its continuous auditing adoption across business functions and our overseas banking subsidiaries;
- Continued to deepen capabilities in six key digital areas, namely, Robotic Process Automation, Cloud, Application Programming Interface, AI/ML, Data models and Blockchain, and implemented a sustainable GA digital competency operating model;
- Supported Management in the acquisition of Citigroup's consumer banking businesses by reviewing policies and data for alignment with our strategy and to ensure a smooth transition of customers and colleagues;
- Continued to deepen engagement with internal stakeholders towards a more effective audit process; and
- Continued to upgrade the technical and non-technical skill sets of auditors.

Our AC has reviewed the scope of internal audit for the financial year, the progress and results of the audits and the audited entities' responses to audit findings, and is satisfied that GA is independent, adequately resourced and effective in discharging its responsibilities.

Shareholder rights and engagement

Shareholder rights and conduct of general meetings

We usually hold our AGM within four months from our financial year-end of 31 December each year. With the easing of COVID-19 pandemic measures on group sizes and safe distancing, the 2023 AGM will be held in person again. We encourage and support shareholders' attendance at our general meetings and their participation in decision-making concerning key corporate changes, such as the repurchase of shares, amendment to our Constitution and the authority to issue ordinary shares.

All shareholders are entitled to attend and to vote at general meetings. We currently do not practise absentia voting due to the difficulties in authenticating shareholders. Shareholders who are not able to attend the meetings in person may elect to vote by proxy. The rules for the appointment of proxies are set out in the notice of general meeting and proxy form. Shareholders who are not relevant intermediaries as defined in the Companies Act 1967 may appoint up to two proxies to attend and to vote on their behalf, and nominee companies and custodian banks which are relevant intermediaries may appoint more than two proxies. Investors who hold shares through nominee companies or custodian banks may attend and vote as proxies of the nominee companies or custodian banks.

Duly completed proxy forms must be deposited at the place specified in the notice of general meeting at least 72 hours before the time set for holding the general meeting. Shareholders may submit their proxy forms online to avoid any delay or risk of loss by post.

We table each proposal as a separate and distinct resolution and do not bundle or make them conditional on other resolutions. Relevant information relating to each resolution is provided in the notice of AGM.

We have achieved operational neutrality in our carbon emissions. In our continuing efforts to reduce our carbon footprint, we serve our notices of general meetings electronically in accordance with the provisions of our Constitution and applicable laws and regulations. The notice of general meeting, proxy form, registration process for attending the 2023 AGM and other relevant information will be published on our website (www.UOBgroup.com) and the SGX website (www.sgx.com/securities/company-announcements). Shareholders will be informed of the publication of these documents by way of a postcard or other forms of written communication.

Since the onset of the COVID-19 pandemic, we have been inviting shareholders to submit their questions for the Board ahead of the AGM. The responses to these questions are published ahead of the deadline for the submission of proxy forms. This is so that shareholders (including investors investing with monies from their Central Provident Fund and and/or under the Supplementary Retirement Scheme) have the benefit of the responses from our Board and Management before they cast their votes. For the 2023 AGM, we will continue to invite shareholders to submit their questions by email or post, and we will respond to the relevant and substantial questions prior to the deadline for the submission of proxy forms. Any relevant and substantial question not answered before the proxy submission deadline will be answered during the AGM.

At our AGMs, our CEO makes a presentation on our performance in the year under review before the resolutions are put to the vote. Our Directors, Management and external auditor will also be in attendance to address shareholders' questions and feedback. Our Chairman ensures that adequate time is allocated for shareholders to ask questions or to provide their feedback on substantial Bank-related matters and the resolutions to be passed.

Shareholders and proxies are briefed on the polling procedures before the commencement of voting. Voting is conducted via electronic devices or web-based systems provided by independent service providers. After the close of votes on a resolution, the votes cast are counted and presented immediately to shareholders. Each ordinary share carries one vote. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on the SGX website on the same day, after the general meeting.

At the close of general meetings, our Directors also take the opportunity to mingle with shareholders. Interaction with shareholders after the 2023 AGM will be subject to the prevailing health advisory from the relevant authorities.

The minutes of the AGM, together with the responses to the queries raised by shareholders during the meeting and voting outcomes of the resolutions, are published on our website after the AGM.

Engagement with shareholders

Besides updates to our shareholders at general meetings, we publish our voluntary financial updates (first and third quarters) and half-year financial reports within 45 days from the end of each of the first, second and third financial quarters, and our full-year financial statements within 60 days from the financial year-end.

Corporate Governance

Our annual report is available on our website and the SGX website. We inform shareholders and other stakeholders of the publication of our annual report on our website and the SGX website at least 14 days before our AGM. Apart from the AGM, our stakeholders may also contact our Investor Relations unit. The contact details can be found in the Corporate Information and Investor Highlights of this report and on our website.

Our investor relations policy governs our engagement with our stakeholders, including our shareholders, institutional and retail investors, shareholder proxy advisory agencies, equity and fixed income analysts and credit rating agencies. All pertinent information is published on our website and the SGX website. The Investor Relations webpage on our website (www.UOBgroup.com/investor-relations/index.html) hosts relevant investor-related information, including financial results, annual and sustainability reports, upcoming events and share and dividend information. Interested parties may subscribe to email alerts of substantive news and information released by us.

Managing stakeholder relationships

Engagement with other stakeholders

Our other material stakeholder groups are our customers, colleagues, governments and regulators, other financial institutions and industry and trade associations, suppliers, the media, the community, our investors and analysts, the communities we operate in and non-governmental organisations. Our sustainability governance structure, and the key strategies and channels for managing the relationships with our material stakeholders can be found in the Sustainability Report.

We engage the investment community through various avenues including briefings to the media, analysts and investors following the release of the quarterly financial results. Corporate Day events are organised periodically to provide the investment community with insights into our businesses and key markets. Through investor meetings, conferences and roadshows, our Management shares our corporate strategy, operational performance and business outlook. We also collaborate with other agencies such as the Securities Investors' Association of Singapore to reach out to retail investors on a regular basis. Thematic showcases on sustainability and digitalisation were also held in 2022 to demonstrate our thought leadership in these fields. All materials presented at such events are published on our website and the SGX website on the same day. Please refer to the Investor Highlights for more information on our engagement activities with the investment community.

Information of interest to our shareholders and stakeholders, including but not limited to our announcements on the SGX website, financial results and highlights, research on global economics and research, sustainability updates and new releases, are available on our corporate website.

Information on how we manage our stakeholder relationships and engage with our stakeholders can be found in the Sustainability Report, which is available on our website.

Culture of accountability, responsibility and ethical behaviour

Dividends

We aim to provide sustainable returns to our shareholders as we balance our long-term strategic growth opportunities and proactive management of capital. Our dividend policy is based on our net profit after tax to reward our shareholders in a consistent and sustainable manner. We aim to deliver a dividend payout ratio of 50 per cent of our net profit after tax, taking into consideration our assessment of the macroeconomic outlook and business environment across the region.

Interim dividends are paid within 30 days after they are declared and final dividends are paid within 30 days after they are approved by shareholders at our AGM. If the UOB Scrip Dividend Scheme is applied to any dividend, the payment date will not be later than 35 market days after the record date, in compliance with the SGX-ST Listing Rules. The details of dividends recommended or declared are announced on the SGX website.

Articles of Directorship

Our Articles of Directorship lay down the principles of conduct and ethics expected of our Directors. They are reviewed for relevance every year. These Articles are similar to the Code of Conduct applicable to our colleagues, including part-timers and temporary employees, trainees and interns.

Code of Conduct

Our Code of Conduct (Code) is based on our values of Honour, Enterprise, Unity and Commitment. It lays down the principles of personal, professional and ethical conduct expected of our colleagues, including the following:

- Fair dealing in the conduct of business;
- Protection of personal data and customer information in accordance with applicable policies on privacy of customer information, and data security laws and regulations;
- Equal opportunity for employees based on merit;
- Non-tolerance of discrimination, bullying or harassment on the basis of gender, race, age, religion, disability or any other legally-protected characteristic that improperly interferes with an employee's work performance or creates an intimidating, hostile, demeaning or offensive working environment;
- Maintenance of a conducive and healthy environment that contributes to the safety and well-being of our colleagues and other stakeholders;
- Compliance with applicable laws and regulations, including competition and anti-trust law;
- Zero tolerance of bribery, corruption and illegal or unethical dealings, including insider trading and facilitation payments; and
- Whistle-blowing.

New colleagues are introduced to the Code as part of their induction. All colleagues refresh their knowledge annually as part of our self-learning programme and are assessed on how well their behaviour is aligned to our values in their annual performance appraisal. Any colleague who does not comply with the Code may be subject to disciplinary action. Investigations are conducted in accordance with neutral fact-finding processes, carried out with utmost objectivity and based on the principles of fairness and natural justice.

Individual Accountability and Conduct

The Bank has established a Policy on Individual Accountability and Conduct to foster a strong culture of responsibility and ethical behaviour to safeguard the interests of our customers and the Bank. The policy seeks to promote the individual accountability of senior managers, strengthen oversight of MRP and reinforce standards of proper conduct among all our colleagues. It sets out the guiding principles on the importance of the roles of senior managers, MRP and colleagues from a risk perspective, the identification criteria for senior managers and MRP and the governance structure and standards of conduct for all colleagues.

Whistle-blowing

Our whistle-blowing policy is designed to foster a culture of openness, accountability and transparency, and is guided by best practices and regulatory guidelines. It provides for any person to report, anonymously or otherwise, any suspected or actual wrongdoing (such as fraud and breaches of the law, regulations or our policies) in confidence to our Head of GA, AC chair, CEO or Chairman. All reports received are accorded confidentiality. Our GA investigates all reports independently and submits its reports directly to our AC. Reprisal in any form against whistle-blowers who have acted in good faith is forbidden and will be subject to disciplinary actions.

The details relating to the making of whistle-blowing reports are available on our website (www.UOBgroup.com/investor-relations/corporate-governance/index.html).

Fair Dealing

The core elements of Fair Dealing – integrity, trust and respect – are deeply entrenched in our organisational culture. All colleagues have a role to play in ensuring that Fair Dealing is at the heart of everything we do, from the way we design our investment products and services, to our marketing and sales strategies and approaches, to our after-sales care. To this end, we have established policies, guidelines and best practices to guide our colleagues in our daily activities. We also refresh our understanding of Fair Dealing through online training annually. Our customers and the general public may provide their feedback on our products and services via the customer service hotline or feedback form and both

Corporate Governance

channels are available on our website. Our independent customer complaint review process ensures that complaints are reviewed and investigated independently, effectively and promptly. An independent compensation review panel reviews claims and its decisions are communicated to customers on a timely basis.

Our Customer Experience and Advocacy team champions our customer-centric approach, which fosters trust from our customers. As part of its role, the team gathers customer insights and data, and overlays that with artificial intelligence and DA based approaches to understand the needs of customers. To help provide customer service excellence, the team also designs best-in-class experiences for customers and monitors key performance indicators and metrics relating to customer experience across different customer segments against industry standards.

More information on our commitment to Fair Dealing can be found in the Sustainability Report.

Securities dealing

Our Directors and colleagues are guided by a code on dealing in securities, which requires them to comply with applicable laws on insider dealings at all times. Under the code, Directors and colleagues may not deal in our securities:

- on short-term considerations;
- whenever they are in possession of price-sensitive information; and
- during the period commencing two weeks before the announcement of our financial results for each of the first, second and third quarters of the financial year and one month before the announcement of the full-year financial statements. We do not deal in our securities during the prohibited dealing periods and we inform our Directors and colleagues of such blackout periods.

Colleagues with access to price-sensitive information in the course of their duties must seek clearance before they trade in securities listed on a stock exchange. Failure to do so may result in disciplinary action.

Our Directors and CEO must notify us of their interests in the securities of UOB and its related corporations within two business days after they acquire or dispose of such interests or become aware of any change in their interests. We will announce the changes on the SGX website in compliance with the applicable regulations.

Related party transactions and interested person transactions

We have established policies, processes and guidelines for the approval and entry into of related party and interested person transactions. These policies, processes and guidelines are based on regulatory requirements including the Banking Act 1970, MAS guidelines and notices, and the SGX-ST Listing Rules.

Our BRMC assesses whether the transactions are undertaken in the ordinary course of business, on normal commercial terms and at arm's length. Our AC will also review and provide its opinion on interested person transactions where required under the SGX-ST Listing Rules.

The particulars of all interested person transactions entered into in 2022 are set out on the next page.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Haw Par Corporation Limited and its subsidiaries (Haw Par Group)	Associates of Controlling Shareholder, Wee Cho Yaw	UOB Travel Planners Pte Ltd sold travel products and services to the Haw Par Group. The total value of these transactions was $114,263.	
UIC Asian Computer Services Pte Ltd	Associate of Controlling Shareholder, Wee Cho Yaw	UOB and its subsidiaries purchased hardware and software from UIC Asian Computer Services Pte Ltd valued at approximately $64.17 million.	Nil
UOL Group and its subsidiaries	Associates of Controlling Shareholder, Wee Cho Yaw	UOB Travel Planners Pte Ltd sold travel products and services to and acted as a hotel service agent for the UOL Group. The total value of these transactions was $541,371. The Bank leased UOB Plaza 1 #60-01 (part), #37 (part) and basement 2 (store) to Dou Hua Restaurant Pte Ltd for 60 months from 22 June 2022 at $3.39 million. The Bank also rented: (a) 238A Thomson Road #10-01 to 05 Novena Square Tower A from Novena Square Investments Pte Ltd for 36 months from 17 Aug 2022 at $2.57 million; and (b) 101 Thomson Road #11-01A/02/03/05, #15-01A/01/02 and #20-01 of United Square from UOL Property Investments Pte Ltd for 36 months from 1 February 2023 at $3.83 million with a security deposit of $177,863 furnished via corporate guarantee by Pan Pacific Hotels Group Limited.	Nil

Material contracts

Save as may be disclosed on the SGX website or in this Report, neither UOB nor our subsidiaries has entered into any material contract involving the interest of our CEO, any of our Directors or Controlling Shareholder since the end of the previous financial year and no such contract subsisted as of 31 December 2022.

Corporate Governance

Summary of disclosures

– Express disclosure requirements in the MAS Guidelines

Provisions and Additional Guidelines – Express disclosure requirements	Page reference
Provision 1.2 The induction, training and development provided to new and existing directors.	103
Provision 1.3 Matters that require board approval.	95
Provision 1.4 Names of the members of the board committees, terms of reference, any delegation of the board's authority to make decisions, and a summary of each board committee's activities.	95 to 115, inside back cover
Provision 1.5 The number of meeting of the Board and board committees held in the year, as well as the attendance of every director at these meetings.	98
Additional Guideline 1.17 How the induction, orientation and training provided to new and existing directors meet the requirements as set out by the NC to equip the board and respective board committees with relevant knowledge and skills in order to perform their roles effectively.	103 and 104
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	100 and 101
Provision 4.3 Process for the selection, appointment and re-appointment of directors to the board, including criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	103
Provision 4.4 Where the board considers a director to be independent notwithstanding the existence of a relationship between the director with the company, its related corporation, its substantial shareholders or its officers, which may affect his or her independence, such relationship and the reasons for considering him/her as independent.	not applicable
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	12 to 16, 102 and 103
Additional Guideline 4.11 Resignation or dismissal of key appointment holders.	not applicable
Additional Guideline 4.12 Identification of all directors, including their designations (i.e., independent, non-executive, executive, etc.) and roles (as members or chairmen of the board or board committees).	12 to 16, 98, 100
Provision 5.2 How the assessment of the board, its board committees and each director has been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	100 to 103
Provision 6.4 The engagement of any remuneration consultants and their independence.	106, 108

Provisions and Additional Guidelines – Express disclosure requirements	Page reference
Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least top five key management personnel (who are not directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.	105 to 111
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000. The disclosure should state clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	111
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, including the details of employee share schemes.	105 to 111, 228
Provision 9.2 Whether the Board has received assurance from: (a) the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	112 to 114
Additional Guideline 9.9 Whether a non-director member has been appointed to the BRMC.	not applicable
Additional Guideline 9.11 The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems) and a statement on whether the AC concurs with the Board's comment. Where material weaknesses are identified by the Board or AC, they are disclosed together with the steps taken to address them.	112
Provision 10.1(f) Whether the existence of a whistle-blowing policy and procedures for raising concerns has been publicly disclosed, and clearly communicated to employees.	119
Additional Guideline 10.19 The Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced.	116
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	98
Provision 12.1 The steps to solicit and understand the views of shareholders.	117 and 118
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	118
Additional Guideline 14.5 Material related party transactions.	120

Risk Management

Managing risk is an integral part of our business strategy. Our risk management approach focuses on ensuring continued financial soundness and safeguarding the interests of our stakeholders, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. We are committed to upholding high standards of corporate governance, sound risk management principles and robust business practices to achieve sustainable, long-term growth. We continually strengthen our risk management practices in support of our strategic objectives.

2022 Highlights

- Further strengthened our knowledge in and capacity for environmental and climate risk management:
    - Announced our net zero commitment and targets for six sectors, which make up approximately 60 per cent of UOB's corporate lending portfolio. We also ceased new project financing for upstream oil and gas projects approved after 2022 and committed to exit financing for the thermal coal sector by 2039;
    - Enhanced our climate risk scenario analysis methodology to incorporate multiple risk drivers. We also completed a thematic climate stress test referencing three scenarios under the Network for Greening the Financial System as part of the MAS 2022 Industry-Wide Stress Test;
    - Stepped up our capacity-building efforts focusing on climate risk management and adopted The Association of Banks in Singapore's (ABS) Environmental Risk Questionnaire (ERQ) to further strengthen our approach on climate risk assessment and client engagement;
    - Collaborated with the Taskforce on Nature-related Financial Disclosures (TNFD) to conduct a pilot research on the impact of biodiversity risk in the palm oil sector, with findings used for the further development of the TNFD Framework; and
    - Remained actively involved in various initiatives of the Monetary Authority of Singapore's (MAS) Green Finance Industry Taskforce, including co-leading the development of ABS ERQ and supporting the development of a series of sustainable financing e-learning courses by the Asia Sustainable Finance Initiative Academy;
- Successfully completed the enhancement of all relevant systems and processes ahead of the Interbank Offered Rate (IBOR) transition:
    - Established detailed plans and procedures for the transition of Swap Offer Rate (SOR), Singapore Interbank Offered Rate (SIBOR), USD London Interbank Offered Rate (LIBOR) and other relevant benchmarks to Singapore Overnight Rate Average (SORA), Secured Overnight Financing Rate and other relevant alternative reference rates in accordance with regulatory guidelines;
    - Facilitated the transition of all remaining retail SOR customers to SORA by end-2022 according to guidance set by the industry committee;
    - Continued to monitor and to drive active transition of legacy wholesale SOR and USD LIBOR contracts;
    - Participated actively in industry discussions for the transition of SIBOR to SORA; and
    - Maintained oversight and governance of the various local IBOR transitions across the Group;
- Strengthened our third-party and outsourcing risk management practices and controls:
    - Set up a management-level committee to manage third-party and outsourcing risks, so as to enhance and strengthen oversight of the end-to-end management of both third-party and outsourcing risks;
    - Established a specialist team to strengthen oversight and challenge the First Line;
    - Introduced a register of third-party non-outsourcing arrangements. This register complements our outsourcing register and helps to improve our third-party risk management by providing a Group-wide view of all outsourcing and third-party non-outsourcing arrangements; and
    - Enhanced management reporting of third-party and outsourcing risks to reinforce more effective management oversight and governance;

2022 Highlights

- Improved Consumer Fraud Risk Management:
  - Enhanced measures to prevent, to detect, and to respond to phishing scams. A real-time fraud surveillance system with transaction blocking capabilities was implemented as part of the measures;
  - Established an internal Anti-Scam Taskforce in January 2022 to facilitate timely responses to measures mandated by MAS and to explore longer term measures;
  - Developed a UOB Scam Attack Playbook to provide guidance on the escalation protocol and actions during a scam attack;
  - Established multiple communication channels with stakeholders to share and to disseminate scam-related information on a timely basis;
  - Partnered the Anti-Scam Command of the Singapore Police Force and peer banks to strengthen scam prevention, funds tracing and recovery as well as sharing of emerging scam trends;
  - Heightened customer awareness of scams through education communication plans; and
  - Enhanced measures in Personal Internet Banking/UOB TMRW to create friction in a fraudulent transaction journey and to protect customers;
- Active involvement in various Fundamental Review of Trading Book (FRTB) implementation initiatives:
  - Augmented our capability to report FRTB Standardised Approach results in local currencies in anticipation of local regulatory reporting requirements. This enables us to report results internally ahead of the relevant FRTB regulatory compliance timeline, with ongoing fine-tuning where appropriate; and
  - Planned for capability enhancements to report the FRTB Internal Model Approach results to facilitate local regulatory reporting requirements where applicable;
- Introduced initiatives to further automate and to enhance profit and loss (P&L) reporting capabilities, with a planned new system enhancement catering to risk-based P&L attribution to enhance the robustness of the daily P&L reporting process;
- Enhanced our Trade Surveillance monitoring capabilities:
  - Increased the product scope coverage for the wash trades monitoring process; and
  - Implemented a best execution price monitoring process for relevant products;
- Continued to invest in our people, processes and technology to combat financial crime:
  - Enhanced our tools and processes regularly and adopted advanced data analytics to ensure our risk surveillance systems are effective in detecting, deterring and preventing money laundering and terrorism financing activities; and
  - Developed a multi-year technology roadmap;

Risk Management

2022 Highlights

- Developed a Risk Culture and Conduct e-Handbook to help our colleagues understand their individual and collective responsibilities to our stakeholders and the Bank. The e-Handbook also outlines the behavioural standards expected of our people as we continue to deepen our risk culture;
- Became the first bank in Singapore to be awarded the APEC Cross-border Rules certification, in recognition of our strong data protection practices; and
- Continued to strengthen management of data protection risks:
  - Incorporated Data Protection by Design into our system development methodology process;
  - Implemented a centralised online portal for personal data breach reporting, assessment and monitoring;
  - Enhanced how we maintain our personal data inventory;
  - Enhanced our breach reporting process to ensure that data leakage incidents are highlighted; and
  - Conducted Bank-wide briefings on mandatory reporting for data breaches to raise awareness of escalation protocols for data breaches.

Maintaining a sound risk culture

A strong risk culture is vital to the long-term sustainability of the Bank's business franchise. Specifically, risk culture refers to the norms, attitudes and behaviours related to risk awareness, risk-taking and risk management, and controls that shape decisions on risks*. At UOB, our risk culture is based on our values. A strong risk culture ensures that our decisions and actions are considered and focused on our stakeholders, and that we are not distracted by short-term gains.

UOB's Risk Culture Statement

Managing risk is integral to how we create long-term value for our customers and other stakeholders. Our risk culture is built on four principles:

- Enforcing robust risk governance;
- Balancing growth with stability;
- Ensuring accountability for all our risk-based decisions and actions; and
- Encouraging awareness, engagement and consistent behaviour in every employee.

Each of these principles is based on our distinctive set of values that guides every action we take. In entrenching our risk culture further across our franchise, we uphold our commitment to financial safety and soundness, fair outcomes and appropriate support for our stakeholders, sustainable and prudent business approach, and performance based on integrity, ethics and discipline.

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* *Basel Committee on Banking Supervision: Guidelines on Corporate Governance Principles for Banks (July 2015).*

UOB's Risk Culture Statement

Safeguarding our reputation in creating long-term value for our stakeholders

Our Risk Culture Impact	Financial safety and soundness	Fair outcomes and appropriate support for all stakeholders	Sustainable and prudent approach to business	Performance based on integrity, ethics and discipline

Maintaining a sound risk culture across our franchise

Our Risk Culture Principles	GOVERNANCE Enforce robust governance of risk	BALANCE Balance growth with stability in taking risk	ACCOUNTABILITY Ensure accountability for risk	CONSISTENCY Encourage consistent risk-focused behaviour
Our Risk Culture Components	• Comprehensive risk management frameworks, policies and processes • Well-defined risk appetite • Pre-emptive supervision • Independent control functions	• Open communication and collaboration • Regular risk reviews and continual improvements	• Clear ownership and escalation through the Three Lines Model • Balanced risk-reward remuneration • Established consequences • Individual accountability	• Tone from above • Leadership oversight and responsibility • Clear articulation of principles and desired outcomes • Frequent and regular sharing • Ongoing training

Demonstrating our unique set of values through consistent behaviour

Our Values	Honourable	Enterprising	United	Committed

Our risk culture is embedded in our risk management strategy across the Group, so as to facilitate ongoing effective discovery, management and mitigation of risks arising from external factors and our business activities, and to use capital efficiently to address these risks. Risks are managed within levels established by the senior management committees and approved by the Board and its committees. We have put in place frameworks, policies, methodologies, tools and processes that help us to identify, to measure, to monitor and to manage the material risks faced by the Group. These enable us to focus on the fundamentals of banking and to create long-term value for all our stakeholders.

Risk Management

Risk governance

Our risk frameworks, policies and appetite provide the principles and guidance for the Group's risk management activities. They guide our key decisions for capital management, strategic planning and budgeting, and performance management to ensure that the risk dimension is appropriately and adequately considered. Risk reports are submitted regularly to senior management committees and the Board to keep them apprised of the Group's risk profile.

We adopt the Basel Framework and observe MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore. Please refer to the "Pillar 3 Disclosure" section for more information. We take a prudent and proactive approach in navigating the evolving regulatory landscape, with emphasis on sound risk management principles in delivering sustainable returns. We also adopt the Internal Capital Adequacy Assessment Process (ICAAP) to assess, on an ongoing basis, the amount of capital necessary to support our activities. We review the ICAAP periodically to ensure that the Bank remains well-capitalised, taking into account all material risks. Stress-testing is conducted to determine capital adequacy under stressed conditions.

Responsibility for risk management starts with Board oversight of UOB's governance structure, which ensures that the Group's business activities are:

- conducted in a safe and sound manner and in line with the highest standards of professionalism;
- consistent with the Group's overall business strategy and risk appetite; and
- subject to adequate risk management and internal controls.

Our Board is assisted primarily by the Board Risk Management Committee (BRMC), which reviews the overall risk appetite and level of risk capital to be maintained for the Group.

Our Chief Executive Officer (CEO) has established senior management committees to assist him in making business decisions with due consideration for risks and returns. The main senior management committees involved are the Management Executive Committee (MEC), Risk and Capital Committee (RCC), Asset and Liability Committee (ALCO), Credit Committee (CC) and Operational Risk Management Committee (ORMC). These committees also assist the Board Committees in specific risk areas.

Management and the senior management committees are authorised to delegate risk appetite limits by location, business units and/or broad product lines.

Risk management is the responsibility of every employee in the Group. We strive to instill awareness of the risks created by their actions and the accountability for the consequences of those actions in our employees. We have established frameworks to ensure appropriate oversight, accountability and management of all risk types encountered in the course of our business. The Group's governance framework also provides oversight of our overseas banking subsidiaries through a matrix reporting structure. These subsidiaries, in consultation with Group Risk Management, adapt the risk management governance structure, frameworks and policies to comply with local regulatory requirements. This ensures that the approach across the Group is consistent and sufficiently flexible to suit local operating environments.

Our organisational control structure is based on the Three Lines Model as follows:

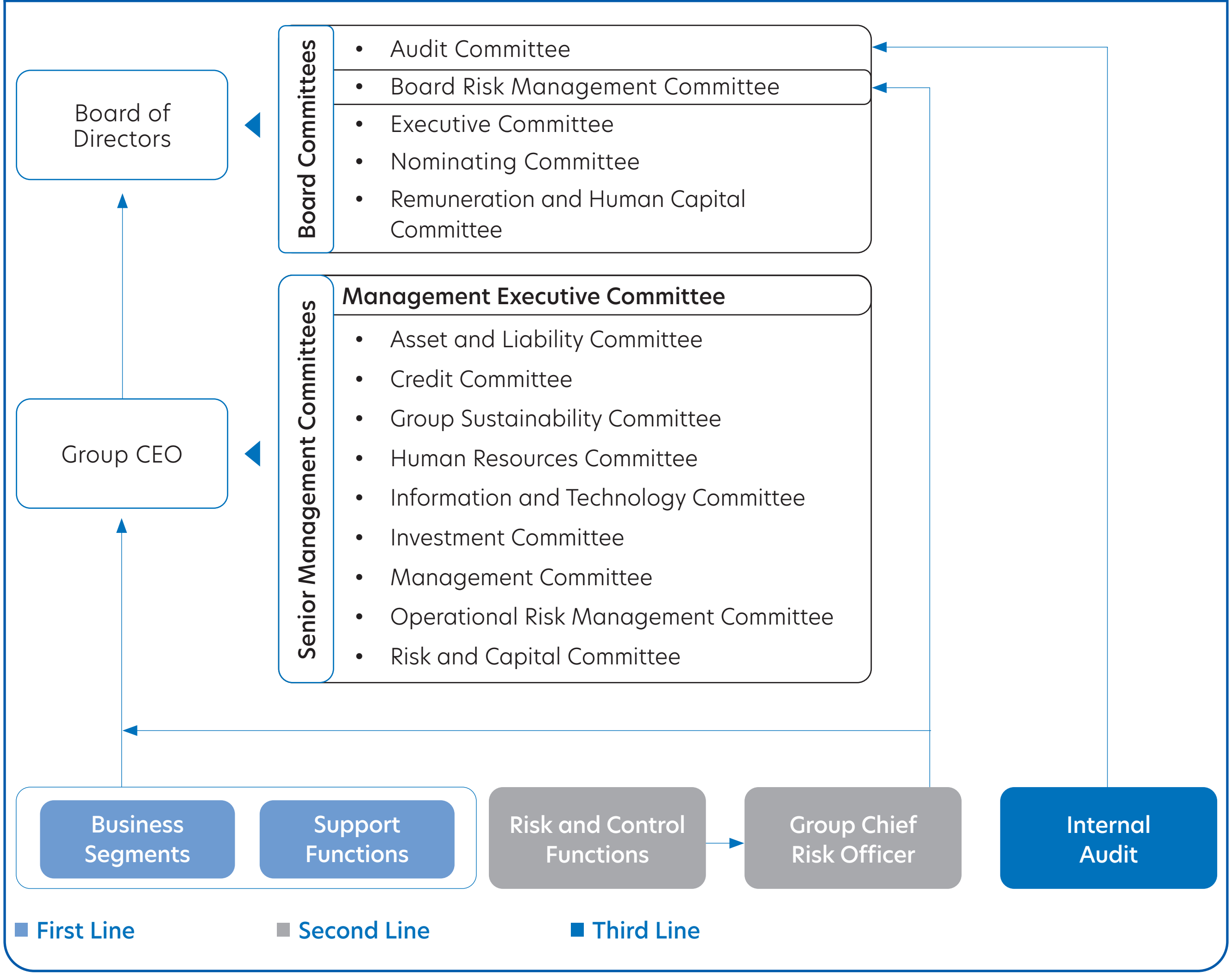
***First Line – The Risk Owner*:** The business and support units own and have primary responsibility for implementing and executing effective controls to manage the risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with risk policies, appetite, limits and controls and to highlight control breakdowns, inadequacy of processes and unexpected risk events.

***Second Line – Risk Oversight*:** The risk and control oversight functions (i.e., Group Risk Management and Group Compliance) and the Chief Risk Officer, as the Second Line, support the Group's strategy of balancing growth with stability by establishing risk frameworks, policies, appetite and limits which the business functions must adhere to and comply with in their operations. They are also responsible for the independent review and monitoring of the Group's risk profile and for highlighting any significant vulnerabilities and risk issues to the respective senior management committees.

The independence of risk and control oversight functions from business functions ensures that the necessary checks and balances are in place.

***Third Line – Independent Audit*:** Internal auditors conduct risk-based audits covering all aspects of the First and Second Lines to provide independent assurance to the CEO, the Audit Committee (AC) and the Board on the adequacy and effectiveness of our system of risk management and internal controls. The internal auditor's overall opinion of the internal controls and risk management system is provided to the AC and the Board annually.

Governance Structure



Risk appetite

Our risk appetite framework defines the amount of risk we are able and willing to take in the pursuit of our business objectives. It ensures that the Group's risk profile remains within well-defined and tolerable boundaries. The framework has been formulated based on the following key criteria:

- alignment to the Group's key business strategy;
- relevance to the respective stakeholders, with appropriate levels of granularity;
- practical, consistent and comprehensible metrics for communication and implementation; and
- analytically-substantiated and measurable metrics.

Our risk appetite defines suitable thresholds and limits across key areas of credit risk, country risk, market risk, liquidity risk, operational risk and conduct risk.

Risk Management

Our risk-taking approach is focused on businesses which we understand and whose risks we are well-equipped to manage. This approach helps us to minimise earnings volatility and to ensure that our high credit ratings, strong capital and stable funding base remain intact. This way, we will remain a steadfast partner to our customers through changing economic conditions and cycles.

Our risk appetite framework and risk appetite are reviewed and approved annually by the Board. Management monitors and reports the risk profiles and compliance with the Group's risk appetite to the Board on a regular basis.

Material risks

Our business strategies, products, customer profiles and operating environment expose us to a number of financial and non-financial risks. Identifying and monitoring key risks are integral to the Group's approach to risk management, enabling us to make proper assessments of these risks and to mitigate them proactively across the Group.

The table below summarises the key risks that could impact the achievement of the Group's strategic objectives. Details of these key risks can be found in the pages that follow.

Material risk	Definition	How risk is managed
Credit risk	The risk of loss arising from failure by a borrower or counterparty to meet its financial obligations when they are due.	Through our credit risk management framework, policies, models and limits.
Market risk	The risk of loss from movements in the market rates or prices (such as changes in interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads) of the underlying asset. It includes interest rate risk in the banking book which is the potential loss of capital or reduction in earnings due to changes in the interest rates environment.	Through our market risk management framework, policies, Value-at-Risk (VaR) models and limits. Interest rate risk in the banking book is managed through the Group's balance sheet risk management framework and interest rate risk in the banking book management policies and limits.
Liquidity risk	The risk that arises from our inability to meet our obligations, or to fund increases in assets as they fall due.	Through our balance sheet risk management framework, liquidity risk management policies, ratios and limits.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Such loss may be in the form of financial loss or other damage, for example, loss of reputation and public confidence that will impact our creditability and/or ability to transact, to maintain liquidity and/or to obtain new business. Operational risk includes banking operations risk, technology risk, regulatory compliance risk, legal risk, reputational risk, outsourcing risk, third-party non-outsourcing risk and fraud risk but excludes strategic and business risk.	Through the respective risk management frameworks, policies and operational risk management programmes, including Key Risk and Control Self-assessments, Key Operational Risk Indicators, Incident Reporting, Management Risk Awareness, Outsourcing Risk Assessment, Third-Party Non-outsourcing Risk Assessment and Scenario Analysis.
Conduct risk	The risk of improper employee behaviour or action that results in unfair stakeholder outcomes, negative impact on market integrity and other issues that damage the reputation of the Group.	Through a multi-faceted approach leveraging the frameworks, policies and procedures on operational risk management, internal fraud management, whistle-blowing, employee discipline, individual accountability, code of conduct, remuneration, fair dealing and anti-money laundering.

Material risk	Definition	How risk is managed
Strategic and Business risks	Strategic risk refers to the current or prospective negative impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry, economic or technological changes. Business risk refers to adverse impact on earnings or capital arising from changes in business parameters such as volume, margin and cost.	Through our strategic and business risk management policy.
Model risk	The risk arising from: • the use of an inappropriate model that cannot accurately evaluate market prices or that is not a mainstream model in the market (such as pricing models); or • inaccurately estimating the probability or magnitude of future losses (such as risk measurement models) and the use of those estimates.	Through the model risk governance framework and managed under the respective material risk types for which there is a quantitative model.
Environmental, Social and Governance (ESG) risk	ESG risk refers to financial risks, i.e., credit risk, market risk, liquidity risk and operational risk; and non-financial risks, such as reputational damage, arising from ESG issues, including climate change. While a key component of ESG risk arises indirectly from the financial services we provide to our customers, it can also result directly from our own operations.	The different aspects of ESG risk are managed through the relevant frameworks, policies and guidelines, including the Environment Risk Management Framework and Responsible Financing Policy.

Credit risk

Credit risk is the risk of loss arising from any failure by a borrower or counterparty to meet its financial obligations when they are due. It is the single largest risk that we face in our core business as a commercial bank, arising primarily from loans and other lending-related commitments to retail, corporate and institutional borrowers. Treasury and capital market operations and investments also expose the Group to counterparty and issuer credit risks.

We adopt a holistic approach towards assessing credit risk and ensure that managing credit risk is part of an integrated approach to enterprise risk management. Integral to the management of credit risk is a framework that clearly defines policies and processes relating to the identification, measurement and management of credit risk. We continually monitor the operating environment to identify emerging risks and to formulate appropriate mitigating actions.

Credit risk governance and organisation

The CC supports the CEO and BRMC in managing the Group's overall credit risk exposures and serves as an executive forum for discussions on all credit-related matters. The CC also reviews and assesses the Group's credit portfolios and credit risk profiles.

The Country and Credit Risk Management division develops Group-wide credit policies and guidelines and facilitates business development within a framework that results in prudent, consistent and efficient credit risk management. It is responsible for the analysis, management and reporting of credit risk to the CC and the BRMC. The comprehensive credit risk reports cover business segments at the overall portfolio level by various dimensions including industry, product, country and banking subsidiaries.

Risk Management

Credit risk policies and processes

We have established credit policies and processes to manage credit risk in the following key areas:

Credit approval process

Credit origination and approval functions are segregated to maintain the independence and integrity of the credit approval process. Credit approval authority is delegated to officers based on their experience, seniority and track record. All credit approval officers are guided by credit policies and credit acceptance guidelines that are reviewed periodically to ensure their continued relevance to our business strategy and the business environment.

Counterparty credit risk

Unlike normal lending risk where the notional amount at risk can be determined with a high degree of certainty during the contractual period, counterparty credit risk exposure fluctuates with market variables. Counterparty credit risk is measured as the sum of current mark-to-market value and an appropriate add-on factor for potential future exposure (PFE). The PFE factor is an estimate of the maximum credit exposure over the remaining life of a foreign exchange (FX)/derivative transaction and it is used for limit-setting and internal risk management.

We have also established policies and processes to manage wrong-way risk, i.e., where the counterparty credit exposure is positively correlated with its default risk. Transactions that exhibit such characteristics are identified and reported to the CC regularly. Separately, transactions with specific wrong-way risk are rejected at the underwriting stage.

Exposures arising from FX, derivatives and securities financing transactions are typically mitigated through agreements such as the International Swaps and Derivatives Association Master Agreements, the Credit Support Annex and the Global Master Repurchase Agreements. Such agreements help to minimise credit exposure by allowing us to offset what we owe to a counterparty against what is due from that counterparty in the event of a default.

In addition, derivative transactions are cleared through Central Counterparties, where possible, to reduce counterparty credit exposure further through multilateral netting and the daily margining process.

Our FX-related settlement risk is significantly reduced through our participation in the Continuous Linked Settlement system. This system enables transactions to be settled irrevocably on a payment-versus-payment basis.

As at 31 December 2022, UOB would have been required to post additional collateral of US$5 million if our credit rating had been downgraded by two notches.

Credit concentration risk

Credit concentration risk may arise from a single large exposure or from multiple exposures that are closely correlated. We manage such risks by setting exposure limits on borrowers, obligor groups, portfolios, industries and countries, generally expressed as a percentage of the Group's eligible capital base.

We manage our credit risk exposures through a robust credit underwriting, structuring and monitoring process. While we proactively minimise undue concentration of exposure in our portfolio, our credit portfolio remains concentrated in Singapore and Malaysia. The Group's cross-border exposure to China has increased over the years, in line with rising trade flows between China and Southeast Asia. We manage our country risk exposures within an established framework that involves setting country limits. Such limits are based on the country's risk rating, economic potential measured by its gross domestic product and the Group's business strategy.

Our credit exposures are well-diversified across industries, except for the Singapore real estate sector due mainly to the high home ownership rate. We remain vigilant about risks in the sector and actively take steps to manage our exposure while staying prudent in approving real estate-related loans.

We perform regular assessments of emerging risks and in-depth reviews on industry trends to provide a forward-looking view on developments that could impact the Group's portfolio. We also conduct frequent stress-testing to assess the resilience of our portfolio in the event of a marked deterioration in operating conditions.

Credit stress tests

Credit stress-testing is a core component of our credit portfolio management process. Its objectives are:

- to assess the profit and loss as well as balance sheet impact of business strategies;
- to quantify the sensitivity of performance drivers under various macroeconomic and business planning scenarios; and
- to evaluate the impact of Management's decisions on capital, funding and leverage.

We conduct stress tests to assess if our capital can withstand credit portfolio losses resulting from stress scenarios, and their impact on our profitability and balance sheet quality. Stress tests also help us to identify the vulnerability of various business units and enable us to formulate appropriate mitigating measures.

Our stress test scenarios consider potential and plausible macroeconomic and geopolitical events in varying degrees of likelihood and severity. We also consider varying strategic planning scenarios and assess the impact of different business scenarios and propose managerial actions. These are developed in consultation with relevant business units and approved by senior management committees.

Credit risk mitigation

Our potential credit losses are mitigated through a variety of instruments such as collaterals, derivatives, guarantees and netting arrangements. We would generally not grant credit facilities solely on the basis of the collateral provided. All requests for credit facilities are assessed based on the credit standing, source of repayment and debt servicing ability of the borrower.

We take collateral whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically and the frequency of such valuation depends on the type, liquidity and volatility of the collateral value. The collaterals are mostly in the form of properties. Cash, marketable securities, equipment, inventories and receivables may also be accepted. The collaterals have to fulfill certain criteria (such as legal certainty across relevant jurisdictions) in order to be eligible for the Internal Ratings-based Approach (IRBA) purposes. We have policies and processes to monitor collateral concentration. Haircuts that reflect the underlying nature, quality, volatility and liquidity of the collaterals would be applied to the market value of collaterals as appropriate.

When extending credit facilities to small- and medium-sized enterprises (SMEs), we often take personal guarantees to secure the moral commitment from the principal shareholders and directors. For IRBA purposes, we do not recognise personal guarantees as eligible credit risk protection. Corporate guarantees are often obtained when the borrower's creditworthiness is not sufficient to justify an extension of credit. To recognise the effects of guarantees under the Foundation Internal Ratings-based (FIRB) Approach, we adopt the Probability of Default (PD) substitution approach whereby the PD of an eligible guarantor of an exposure is used for calculating the capital requirement.

Credit monitoring and remedial management

We regularly monitor credit exposures, portfolio performance and emerging risks that may impact our credit risk profile. The Board and senior management committees are updated on credit trends through internal risk reports. The reports also provide alerts on key economic, political and environmental developments across major portfolios and countries, so that the necessary mitigating measures can be implemented promptly.

Delinquency monitoring

We closely monitor the delinquency of borrowing accounts, which is a key indicator of credit quality. An account is considered delinquent when payment has not been received by the payment due date. All delinquent accounts, including revolving credit facilities (such as an overdraft) with limit excesses, are closely tracked and managed through a disciplined process by officers from the business units and the risk management function. Where appropriate, such accounts are also subject to more frequent credit reviews.

Risk Management

Classification and loan loss impairment

We classify our credit portfolios according to the borrowers' ability to repay the credit facilities from their normal source of income. There is an independent credit review process to ensure that the loan grading and classification are appropriate and in accordance with MAS Notice 612 on Credit Files, Grading and Provisioning.

All borrowing accounts are categorised as "Pass", "Special Mention" or "Non-performing". "Non-performing" or impaired accounts are further sub-divided into "Substandard", "Doubtful" or "Loss" in accordance with MAS Notice 612. Any account that is delinquent or past due (or in excess of the approval limit for a revolving credit facility such as an overdraft) for more than 90 days will automatically be categorised as "Non-performing". In addition, any account that exhibits weaknesses which are likely to affect repayment on existing terms adversely may be categorised as "Non-performing". The accounting definition of impaired and the regulatory definition of default are generally aligned.

Upgrading and de-classification of a "Non-performing" account to "Pass" or "Special Mention" must be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrower. We must also be satisfied that once the account is de-classified, the account is unlikely to be classified again in the near future.

A credit facility is restructured when a bank grants concessions (usually non-commercial) to a borrower because of a deterioration in the financial position of the borrower or the inability of the borrower to meet the original repayment schedule.

A restructured account is categorised as "Non-performing" and placed on the appropriate classified grade based on our assessment of the financial condition of the borrower and the ability of the borrower to repay under the restructured terms. A restructured account must comply fully with the requirements of MAS Notice 612 before it can be de-classified.

We provide for impairment of our overseas operations based on local reporting requirements. Where necessary, additional impairment is provided to comply with our impairment policy and the MAS' requirements.

Group Special Asset Management

Group Special Asset Management is an independent division that manages the restructuring, workout and recovery of our wholesale/institutional Non-performing Asset (NPA) portfolios. Its primary objectives are:

- to restructure/nurse the NPA back to financial health whenever possible for transfer back to the business unit for management; and
- to maximise recovery of the NPA that we intend to exit.

Write-off policy

A non-performing account is written off when the prospect of a recovery is considered poor or when all feasible avenues of recovery have been exhausted.

Internal credit rating system

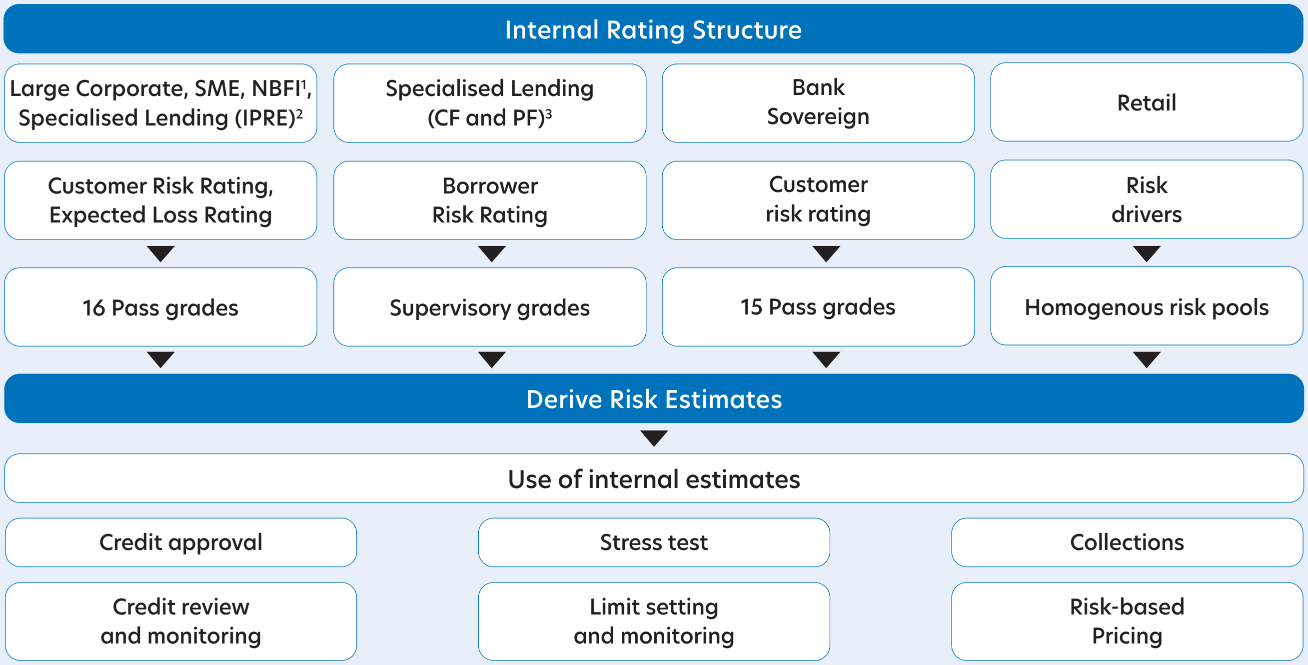
We employ internal rating models to support the assessment of credit risk and the assignment of exposures to rating grades or pools. Internal ratings are used pervasively by the Group in the areas of credit approval, credit review and monitoring, credit stress-testing, limits setting, pricing and collections.

We have defined the roles and responsibilities of the various stakeholders in the credit rating process, including model development and review, model performance monitoring, annual model validation and independent reviews by Group Audit in order to ensure the reliable and consistent performance of our rating systems.

Credit risk models are independently validated before they are implemented to ensure that they are fit for purpose. We monitor the robustness of these rating models on an ongoing basis and all models are subject to annual reviews by model owners to ascertain that the chosen risk factors and assumptions continue to remain relevant for the respective portfolios. All new models, model changes and annual reviews are approved by the CC or the BRMC, depending on the materiality of the portfolio.

The Group's internal rating structure is illustrated as follows:

Internal credit rating structure



Internal Rating Structure

Large Corporate, SME, NBFI[1], Specialised Lending (IPRE)[2]	Specialised Lending (CF and PF)[3]	Bank Sovereign	Retail
Customer Risk Rating, Expected Loss Rating	Borrower Risk Rating	Customer risk rating	Risk drivers
16 Pass grades	Supervisory grades	15 Pass grades	Homogenous risk pools

Derive Risk Estimates

Use of internal estimates

Credit approval	Stress test	Collections
Credit review and monitoring	Limit setting and monitoring	Risk-based Pricing

1 NBFI: Non-bank Financial Institution

2 We apply a 16-rating grade structure to the Group's Income Producing Real Estate (IPRE) exposures, with the exception of our banking subsidiary in Thailand, which maps the internal risk grades to four prescribed supervisory grades.

3 CF: Commodities Finance; PF: Project Finance.

Non-retail exposures

We have adopted the FIRB Approach for our non-retail exposures. Under this approach, the internal models estimate a PD or supervisory slot for each borrower. These models cover 71.9 per cent of the Total Credit risk-weighted assets (RWA) and employ qualitative and quantitative factors to provide an assessment of the borrower's ability to meet their financial obligations. The models are calibrated to provide an estimate of the likelihood of default over a one-year time horizon. A default is considered to have occurred if:

- the obligor is unlikely to pay its credit obligations in full to the Group, without recourse by the Group to actions such as realising the security; or
- the obligor is past due for more than 90 days on any credit obligation to the Group.

Supervisory loss given default (LGD) and exposure at default (EAD) parameters prescribed by the MAS are used together with the internal credit ratings to calculate risk weights and regulatory capital requirements.

While our internal risk rating grades may show some correlation with the rating grades of External Credit Assessment Institutions (ECAIs), they are not directly comparable with or equivalent to the ECAI ratings.

Corporate portfolio

We have developed corporate models to rate Non-bank Financial Institution (NBFI), Large Corporate (LC) and SME portfolios. Credit risk factors used to derive a borrower's risk rating include the borrower's financial strength, quality of management, business risks and the industry in which it operates. The borrower risk-rating process is augmented by facility risk ratings, which take into account the type and structure of the facility, availability and type of collateral and seniority of the exposure.

Our internal rating grade structure for the NBFI, LC and SME models consists of 16 pass grades. The models are mapped to the rating scale by calibration that takes into account the respective portfolios' long-term average default rate.

Risk Management

Specialised lending portfolio

We have also developed models for three Specialised Lending portfolios, namely:

- Income Producing Real Estate (IPRE);
- Commodities Finance (CF); and
- Project Finance (PF).

These models produce internal risk grades that are derived based on a comprehensive assessment of financial and non-financial risk factors.

Risk grades derived for the CF and PF portfolios are mapped to four prescribed supervisory categories by MAS Notice 637, which determines the risk weights to be applied to such exposures.

The rating grade structure for the IPRE portfolio, like our corporate models, has 16 pass grades, with the exception of our banking subsidiary in Thailand, which maps the internal risk grades to the four prescribed supervisory categories.

Sovereign portfolio

Exposures in our Sovereign portfolio are rated by our internal Sovereign model, which considers public debt levels, balance of payments, fiscal budgets and other macroeconomic, stability and political risk factors to assess sovereign credit risk in a structured and holistic manner. The model has an internal rating grade structure consisting of 15 pass grades.

Bank portfolio

Exposures in our Bank portfolio are rated by our internal Bank model, which takes into account asset quality, capital adequacy, liquidity, management, regulatory environment and robustness of the overall banking system. The model has an internal rating grade structure consisting of 15 pass grades.

Retail exposures

We have adopted the Advanced Internal Ratings-Based (AIRB) Approach for our retail exposures, which consist of residential mortgages, qualifying revolving retail exposures and other retail exposures. Exposures within each of these asset classes are not managed individually, but as part of a pool of similar exposures that are segmented based on borrower and transaction characteristics. As loss characteristics of retail exposures are geography and product specific, bespoke PD, LGD and EAD segmentation models are developed using empirical loss data for the respective exposures across the Group. Where internal loss data is insufficient to provide robust risk estimates, the segmentation models may incorporate internal and/or external proxies. Where necessary, the model is augmented with appropriate margins of conservatism. These models cover 7.4 per cent of the Total Credit RWA and they are regularly validated.

Retail Probability of Default Models

Retail PD models are based on pools of homogeneous exposures segmented by a combination of application scores, behavioural scores and other risk drivers reflecting borrower, facility and delinquency characteristics. PD pools are calibrated through-the-cycle using at least five years of historical data that covers a full economic cycle. For low default portfolios, internal and/or external proxies that are highly correlated with internal defaults are used to estimate the long-run average PD. A regulatory floor of 0.03 per cent is applied to all PD pools.

In general, the long-run observed default rates are largely lower than the PD estimates due to the model's calibration philosophy and the application of conservative overlays to account for model risk.

Retail Loss Given Default Models

Retail LGD are estimated using historical default data and the recovery experience from such defaulted cases. LGD models are segmented using material pre-default risk drivers such as facility and collateral characteristics.

LGD models are calibrated to reflect a portfolio's economic downturn experience. In addition, for residential mortgages, a LGD floor of 10.0 per cent is applied at the segment level.

Retail Exposure at Default Models

For revolving products, EAD is computed based on the current outstanding balance and the estimated potential drawdown of undrawn commitments, which is determined based on historical data. For closed-end products, the EAD is the current outstanding balance. EAD models are generally segmented by material pre-default risk drivers such as facility type, limit and utilisation. EAD models are calibrated to reflect the portfolio long-run averages, except for portfolios that exhibit positive correlation between LGD and PD values, in which case, these portfolios' EAD models are calibrated to reflect their economic downturn conditions. EADs must be at least equal to the current outstanding balances.

Securitisation exposures

From time to time, we arrange or invest in securitisation transactions. Any decision to invest in such transactions is subject to independent risk assessment and approval. Processes, which are used to monitor the credit risk of the securitisation exposures, are subject to regular review. The special purpose entities involved in these transactions are established and managed by third parties and are not controlled by the Group. In these transactions, we may also act as a liquidity facility provider, working capital facility provider or swap counterparty. Our securitisation positions are recognised as financial assets or undrawn credit facilities pursuant to our accounting policies and measured accordingly.

Risk weights for securitisation exposures in the banking book are computed using a hierarchy of approaches prescribed by the MAS Notice 637. A majority of the exposures are subject to the Securitisation-External Ratings-Based Approach, where ECAI ratings from Fitch Ratings, Moody's Investors Service and/or S&P Global Ratings are available; or subject to Securitisation-Standardised Approach, where applicable.

Credit Exposures subject to Standardised Approach

We have obtained the MAS' approval to adopt the IRBA for the majority of our portfolios, with 21 per cent of our exposures treated under AIRB and 66 per cent under FIRB. We apply the Standardised Approach (SA) for the remaining portfolios which are immaterial in terms of size and risk profile and for transitioning portfolios. Portfolios on SA for Credit Risk and SA for Equity Exposures account for 9.3 per cent and 0.3 per cent respectively. We will progressively migrate our transitioning portfolios, such as UOB Indonesia's exposures to IRBA, subject to the approval from the MAS.

For exposures subject to the SA, we use approved ECAI ratings and prescribed risk weights based on asset class to compute regulatory capital.

The ECAIs used are Fitch Ratings, Moody's Investors Service and S&P Global Ratings. They are mainly in the Bank asset class. We adhere to the process prescribed in MAS Notice 637 to map ECAI ratings to the relevant risk weights.

Market risk

Market risk refers to the risk of loss from movements in the market rates or prices (such as changes in interest rates, FX rates, equity prices, commodity prices and credit spreads) of the underlying asset.

Market risk is governed by the ALCO, which meets monthly to review and to provide direction on market risk matters. The Market Risk Management and Balance Sheet Risk Management (BSRM) divisions support the BRMC, RCC and ALCO with independent assessment of the market risk profile of the Group.

The Group's market risk framework comprises market risk policies, practices and the control structure with appropriate delegation of authority and market risk limits. We employ valuation methodologies that are in line with sound market practices and validate valuation and risk models independently. In addition, the Group Product/Service Programme process ensures that different risks, including market risk issues, are identified and adequately addressed prior to launch.

One of our main objectives of undertaking trading activities is to provide customer-centric products and services to support our customers' business and hedging needs. We continually review and enhance our management of derivative risks to ensure that the complexities of the Group's business are appropriately controlled.

Our overall market risk appetite is balanced with targeted revenue at the Group, Bank and business unit levels and takes into account the capital positions of the Group and the Bank. This ensures that the Group and the Bank remain well-capitalised, even under stress conditions. The risk appetite is translated into risk limits that are delegated to business units. These risk limits are set based on expected returns that are commensurate with the risks taken.

Market risk appetite is provided for all trading exposures within the Group and the Group's non-trading FX exposures. The majority of the non-trading FX exposures arises from our investments in overseas subsidiaries in Asia.

The Group currently adopts the SA for the calculation of regulatory market risk capital.

Risk Management

The Internal Models Approach is used to measure and to control trading market risks. The financial products which are warehoused, measured and controlled with internal models include:

- FX and FX options;
- plain vanilla interest rate contracts and interest rate options;
- government and corporate bonds;
- equities and equity options; and
- commodity contracts and commodity options.

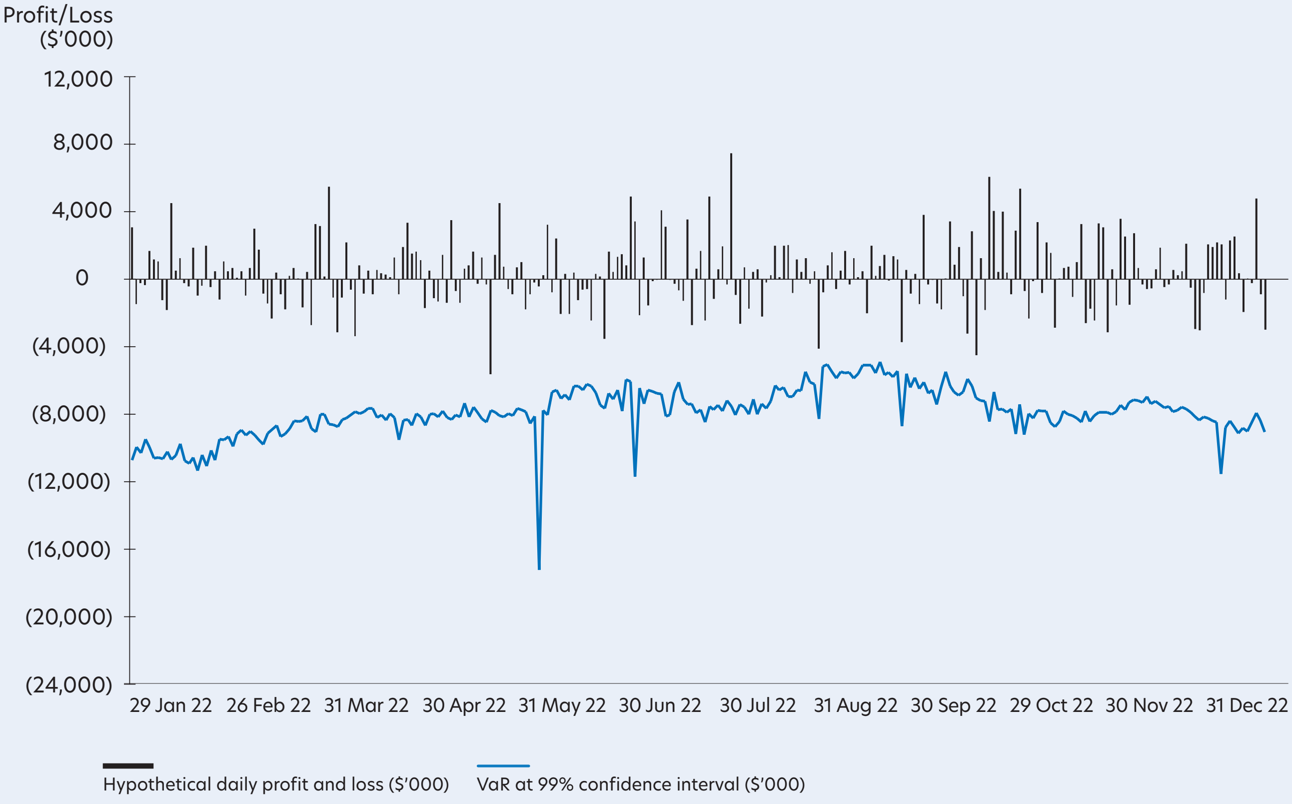
The Group estimates a daily Expected Shortfall (ES) within a 97.5 per cent confidence interval over a one-day holding period, using the historical VaR simulation method, as a control for market risk. This method assumes observed historical market movements can be used to imply possible future changes in market rates. ES is the average of the worst losses in the distribution, assuming that the losses exceed the specified percentile.

To complement the ES measure, we perform stress and scenario tests to identify the Group's vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses.

The Group's daily ES on 31 December 2022 was $9.07 million. Please refer to Note 45(f) to the Financial Statements on page 250 for the ES by risk class.

Comparison of VaR estimates* with gains or losses

(Hypothetical daily profit and loss versus VaR at 99% confidence interval)



* VaR estimates includes jump-to-default risk component (refers to the risk that a financial instrument's mark-to-market value depends on the credit quality of its reference underlying, may experience sudden price changes due to an unexpected default of one reference underlying).

For backtesting purposes, the Group uses daily VaR within a 99 per cent confidence interval over a one-day holding period. VaR uses the same loss distribution as ES. The backtesting process analyses whether the exceptions are due to model deficiencies or market volatility. All backtesting exceptions are tabled to the ALCO with recommended actions and resolutions.

Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book (IRRBB) is defined as the risk of potential loss of capital or reduction in earnings due to changes in the interest rate environment.

We strive to meet customers' demands and preferences for products with various interest rate structures and maturities. Mismatches in repricing and other characteristics of assets and liabilities give rise to sensitivity to interest rate movements. As interest rates and yield curves change over time, these mismatches may result in a change in the Group's economic net worth and/or a decline in earnings. Our primary objective of managing IRRBB is to protect and to enhance capital or economic net worth through adequate, stable and reliable growth in net interest earnings under a broad range of possible economic conditions.

The ALCO oversees the effectiveness of the interest rate risk management structure including approval of policies, controls and limits. The BSRM division supports the ALCO in monitoring the interest rate risk profile of the banking book. Behavioural models used are independently validated and governed by approved policies. The management and mitigation of IRRBB through hedging instruments and activities are governed by the Group's IRRBB policies which are subject to regular review. Potential risks are controlled with the help of alerts provided by the monitoring of positions against mandates, limits and triggers approved by relevant committees and delegated to relevant business units.

Our banking book interest rate risk exposure is quantified on a monthly basis using dynamic simulation techniques. We employ a holistic approach towards balance sheet risk management, using an in-house enterprise risk management system to integrate liquidity risk and IRRBB into a single platform to facilitate the Group's reporting across entities in a timely manner.

Interest rate risk varies with different repricing periods, currencies, embedded options and interest rate basis. Embedded options may be in the form of loan prepayment and time deposit early withdrawal. In Economic Value of Equity (EVE) sensitivity simulations, we compute the present value for repricing cash flows, with the focus on changes in EVE under different interest rate scenarios. This economic perspective measures interest rate risks across the full maturity profile of the balance sheet, including off-balance sheet items. We estimate the potential effects of interest rate changes on Net Interest Income (NII) by simulating the possible future course of interest rates and expected changes in business activities over time. Mismatches in the longer tenor would result in greater change in EVE than similar positions in the shorter tenor while mismatches in the shorter tenor would have a greater impact on NII. Interest rate scenarios used in simulations include the six standard scenarios prescribed by the Basel Committee on Banking Supervision as well as internal scenarios covering changes in the shape of the yield curve, including positive and negative tilt scenarios.

We also perform stress tests regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

The risks arising from the trading book, such as interest rates, FX rates and equity prices are managed and controlled by the market risk framework.

Liquidity risk

Liquidity risk is the risk that arises from the Group's inability to meet its obligations, or to fund increases in assets as they fall due. We maintain sufficient liquidity to fund our day-to-day operations, to meet deposit withdrawals and loan disbursements, to participate in new investments and to repay borrowings. Hence, liquidity is managed in a manner that addresses known as well as unanticipated cash funding needs.

Risk Management

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by the ALCO. These policies, controls and limits enable us to monitor and to manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. This is done by:

- minimising excessive funding concentration by diversifying the sources and terms of funding; and
- maintaining a portfolio of high quality and marketable debt securities.

We take a conservative stance on the Group's liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that there are adequate liquid assets to meet potential cash shortfall.

The distribution of deposits is actively managed to ensure a balance between cost-effectiveness, continued accessibility to funds and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of the Group's core deposits and the maintenance of customer confidence.

Our liquidity risk is aligned with the regulatory liquidity risk management framework and is measured and managed on a projected cash flow basis. The Group is monitored under business-as-usual and stress scenarios. Cash flow mismatch limits are established to limit the Group's liquidity exposure. We also employ liquidity early warning indicators and trigger points to signal possible contingency situations. Our liquidity ratios, Liquidity Coverage Ratio (LCR)* and Net Stable Funding Ratio (NSFR)*, are above the regulatory requirement.

We have contingency funding plans in place to identify potential liquidity crises using a series of warning indicators. Crisis management processes and various strategies including funding and communication plans have been developed to minimise the impact of any liquidity crunch.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes banking operations risk, technology risk, regulatory compliance risk, legal risk, reputational risk, outsourcing risk, third-party non-outsourcing risk and fraud risk but excludes strategic and business risk.

Our primary objective is to foster a sound reputation and operating environment. Operational risk is managed through a framework of policies and procedures to help business and support units properly identify, assess, monitor, mitigate and report their risks. The ORMC meets monthly to provide oversight of operational risk matters across the Group.

The Operational Risk Governance structure adopts the Three Lines Model. The Operational Risk Management division, as part of the Second Line, provides overarching governance of operational risk through relevant frameworks, policies, programmes and systems. The division also monitors operational risk incidents, key risk and control self-assessment results, outsourcing and third-party non-outsourcing matters, key operational risk indicator breaches, product and services programme matters and operational risks identified by the First Line. Any material risks are then reported to the relevant senior management committees and the Board to ensure they are promptly escalated and addressed.

Two key components of the Operational Risk Management Framework are risk identification and control self-assessments. These are achieved through the Group-wide implementation of a set of operational risk programmes. Several risk mitigation policies and programmes are also in place to maintain a sound operating environment.

Our business continuity and crisis management programmes ensure prompt recovery of critical business and support units should there be unforeseen events. An annual attestation is provided to the Board on the current state of business continuity readiness of the Group.

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* Key monitoring tools defined under Basel III Liquidity Risk Framework on LCR quarterly updates and NSFR semi-annual updates are available on our website at www.UOBgroup.com/investor-relations/financial/index.html

Our insurance programme covers crime and civil liability, cyber liability, property damage, terrorism, public liability, as well as directors' and officers' liability. The programme reduces operational losses through adequate insurance coverage.

We adopt the SA for the calculation of operational risk capital.

The subject-specific key risks that we focus on include but are not limited to the risks discussed below.

Technology risk

Technology risk is defined as any potential adverse outcome, damage, loss, violation, failure or disruption arising from the use of or reliance on information and communication technologies. The governance of technology risk rests with the ORMC, which facilitates a holistic oversight of operational risk matters across the Group. Our Technology Risk Management Framework ensures that technology and cyber risks are managed in a systematic and consistent manner. The scope of technology risk management covers many aspects, including technology asset management, technology resiliency and the service continuity aspects of business continuity management, cybersecurity management and information security management.

The Technology Risk Management division, as part of the Second Line, has governance and oversight of technology risk management across the Group. The team works with business and support units, including the technology and information security teams, to oversee, to review and to strengthen their current practices in technology risk management. We adopt a risk-based approach in assessing and managing technology and cyber risks. The Board, senior management and the ORMC are briefed regularly on technology risk appetite and technology risk matters.

Regulatory compliance risk

Regulatory compliance risk refers to the risk of financial loss, damage to reputation or franchise value of the Group when it fails to comply with laws, regulations, rules, standards or industry codes of conduct applicable to the Group's business activities and operations. A change in laws and regulations can increase the cost of operations and the cost of capital for the Group, thereby impacting the Group's earnings or returns. To mitigate such risks, we identify, monitor and manage risk via the Regulatory Compliance Risk Governance Framework, supported by policies, procedures and guidelines.

Sanctions risk

Sanctions risk refers to the risk of potential threats or vulnerabilities that, if ignored or not properly handled, can lead to violations of sanctions regulations and negatively affect an organisation's reputation and business. The UOB Group is committed to complying with the sanctions laws and regulations in the jurisdictions in which UOB Group entities operate. UOB Group entities do not engage in any activity involving sanctioned individuals, entities, countries or territories, subject to the extent permissible by sanctions laws or if these activities fall outside UOB's risk appetite. There is no material change in UOB's risk of being subject to any sanctions laws.

Legal risk

Legal risk arises from unenforceable, unfavourable, defective or unintended contracts or transactions, lawsuits or claims, developments in laws and regulations, or non-compliance with applicable laws and regulations. Business and support units work with both internal and external legal counsels to ensure that legal risks are effectively managed.

Reputational risk

Reputational risk is the risk of adverse impact on earnings, liquidity or capital arising from negative stakeholder perception or opinion of the Group's business practices, activities and financial condition. We recognise the impact of reputational risk and manage the risk through the Group Reputational Risk Management Policy, which sets the guiding principles for risk identification, monitoring, reporting and mitigation of risk exposure, and communication with our stakeholders.

Outsourcing risk

Outsourcing risk is the risk of adverse financial, operational, reputational, legal and compliance impact arising from the failure of a service provider to provide the outsourced service or to comply with legal and regulatory requirements, or a service provider's breaches of security. We manage this risk through the Group Outsourcing Risk Management Framework, policy, procedures and guidelines, supported by the outsourcing module in the Governance, Risk and Compliance (GRC) system.

Risk Management

Third-party non-outsourcing risk

Third-party non-outsourcing risk arises from arrangements where a third party provides a product or service to us or our customers. This risk could result in adverse financial, operational, reputational, legal and compliance impact arising from the failure of a third party to provide the product or service, or the third party's breaches of security, including data leakages. We manage this risk through the Group Third-Party Non-outsourcing Risk Management Policy and Guidelines, supported by the GRC system.

Conduct risk

Conduct risk is the risk of improper employee behaviour or action that results in unfair stakeholder outcomes, negative impact on market integrity and other issues that damage the reputation of the Group. We manage conduct risk through a multi-faceted approach leveraging the frameworks, policies and procedures on operational risk management, internal fraud management, whistle-blowing, employee discipline, individual accountability, code of conduct, remuneration, fair dealing and anti-money laundering. The corporate governance oversight of conduct risk is provided by the BRMC and is supported by the ORMC.

Fraud risk

Fraud is defined as an act with an element to deceive or to conceal facts, and it is not restricted to the gain of monetary or material benefits.

We manage fraud risk actively. The corporate governance oversight of fraud risk is provided by the BRMC at the Board level and primarily by the ORMC at the senior management level. The Fraud Risk Management Committee, a Tier 3 committee, acts as a forum for senior management to discuss and to oversee matters relating to fraud risk management in the Group, covering the Group's people, processes and systems.

The Integrated Fraud Management (IFM) division, as part of the Second Line, drives strategy and governance, and oversees the framework and policy of fraud risk management across the Group. All employees are required to comply with the UOB Code of Conduct, which has anti-bribery and anti-corruption provisions. The internal fraud reporting hotline managed by IFM provides a safe channel to report suspected fraud. IFM conducts independent fraud investigations and develops fraud awareness training and fraud advisories. The division also works closely with business and support units to strengthen its practices across the six pillars of prevention, detection, response, resolution, remediation and reporting.

Environmental, Social and Governance Risk

ESG risk includes both financial risks, i.e., credit risk, market risk, liquidity risk and operational risk, and non-financial risks, such as reputation damage, arising from ESG issues such as climate change. While a key component of ESG risk arises indirectly from the financial services we provide to our customers, it can also result directly from our own operations. The Group Sustainability Committee identifies and reviews ESG factors material to the Group, and ensures that sustainability factors are considered in all aspects of our operations (including day-to-day decision-making processes). The specific risk associated with each factor is monitored and managed in accordance with the respective frameworks, policies or guidelines.

Specific to our wholesale financing and capital market underwriting activities, we ensure that ESG considerations are integrated into our credit evaluation and approval processes. To this end, we have incorporated the Responsible Financing Policy (approved by the CC) as part of the Group Corporate Credit Policy.

Account officers are required to conduct due diligence on all new and existing customers during the onboarding process and annual credit review. Under the Responsible Financing Policy, customers are assessed for material ESG risk, including alignment with the Bank's responsible financing exclusion list, as well as their capacity for, commitment to and track record in ESG risk management. Customers in the ESG-sensitive industries, defined by the ABS' Responsible Financing Guidelines, are subject to enhanced due diligence with sector-specific guidelines. All customers are classified based on the level of ESG risk in their business and are monitored on an ongoing basis for any adverse ESG-related news. Those with any known material ESG-related incidents would trigger an immediate review to address the ESG risk appropriately.

Please refer to the UOB Sustainability Report 2022 for more information.

Strategic and Business Risks

Strategic risk refers to the current or prospective negative impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry, economic or technological changes. It is the risk of not achieving our strategic goals.

Business risk refers to the adverse impact on earnings or capital arising from changes in business parameters such as volumes, margins and costs. The sources of business risk include uncompetitive products or pricing, internal inefficiencies and changes in general business conditions such as market contraction or changes in customers' expectations and demand. It is the risk of not achieving our short-term business objectives.

The Board of Directors and senior management committees are responsible for managing risks associated with the Group's business. The BRMC and Executive Committee assist the Board in relation to the management of strategic and business risks. The CEO, supported by senior management committees, oversees the day-to-day management of the Group and makes business decisions within the Group's risk appetite. The Group's strategy is translated into annual financial targets, taking into account the macroeconomic environment and cascaded to specific business units for development and implementation.

Capital Management

Our capital management objectives

Our capital management objectives are:

- to maintain an optimal level of capital to support our business growth strategies and investment opportunities, and to meet regulatory requirements;
- to maintain an efficient capital structure, keeping our overall cost of capital low and delivering sustainable dividend returns to our shareholders; and
- to maintain the strong credit ratings that our stakeholders, including our depositors and investors, expect of us.

Our approach

We adopt a proactive approach in the management of our capital position over the medium term through the Group's Internal Capital Adequacy Assessment Process (ICAAP). This comprehensive assessment includes:

- setting capital targets for the Group, taking into account foreseeable regulatory changes and stakeholder expectations;
- forecasting capital consumption for material risks based on the Group's risk appetite. The forecast is evaluated across all business segments and banking entities against projected capital levels, taking into consideration the impact of mitigating actions under adverse economic conditions; and
- determining capital issuance requirements and reviewing the maturity profile of existing capital securities.

Our capital planning and assessment process is governed by two committees. The Board Risk Management Committee (BRMC) assists the Board in the oversight of the management of risks arising from the businesses of the Group, while the Risk and Capital Committee (RCC), comprising senior management, manages the Group's ICAAP, overall risk profile and capital adequacy. The BRMC and RCC are kept apprised of the Group's capital positions on a quarterly basis, while our capital management and contingency capital plans are reviewed annually. Material capital management decisions are also approved by the Board.

We are the primary provider of capital to the entities in the Group. Investments in these entities are substantially funded by our internally generated capital, comprising retained earnings, and externally-raised capital issuances. Our banking subsidiaries outside Singapore are expected to manage their own capital positions to support their planned business growth and are also required to comply with their local regulatory requirements. Capital generated by our subsidiaries in excess of planned requirements is returned to us by way of dividends, subject to local regulations. There was no significant impediment to the payment of dividends by our subsidiaries during the year.

Regulatory requirements

We are one of the Domestic Systemically Important Banks (D-SIBs) in Singapore, which subjects us to stricter regulatory measures imposed by the Monetary Authority of Singapore (MAS). As a D-SIB, we are required to maintain, at a minimum, Common Equity Tier 1 (CET1), Tier 1 and Total Capital Adequacy Ratio (CAR) of 6.5 per cent, 8 per cent and 10 per cent respectively at the Bank and Group levels.

The CAR requirements include the following capital-related buffers:

- Capital conservation buffer (CCB) of 2.5 per cent, to be maintained in the form of CET1 capital. This is to ensure adequate capital buffer is accumulated outside periods of stress. Taking into account the full CCB requirement, the regulatory CET1, Tier 1 and Total CAR will increase to 9 per cent, 10.5 per cent and 12.5 per cent respectively; and
- Countercyclical buffer (CCyB) of up to 2.5 per cent, to be maintained in the form of CET1 capital. The CCyB is applied on a discretionary basis by banking regulators in the respective jurisdictions to limit excessive credit growth in their economies. The Group will be subjected to CCyB requirements when we have credit exposures to the private sectors in these jurisdictions.

In December 2022, the MAS announced that the implementation of the final Basel III reforms in Singapore would take place between 1 January 2024 and 1 January 2025. Other major jurisdictions have indicated similar implementation timelines.

Capital transactions

- We redeemed our US$600 million 2.88% Subordinated Notes in March 2022.
- We issued CNH650 million 4.5% fixed rate Subordinated Notes and US$1,000 million 3.863% fixed-rate Subordinated Notes in April 2022, and $400 million 4.25% Perpetual Capital Securities in July 2022.

The table below shows the consolidated capital position of the Group as at 31 December 2022 and 31 December 2021.

	2022 **$ million**	2021 $ million
Common Equity Tier 1 Capital		
Share capital	**5,077**	5,014
Disclosed reserves/others	**34,951**	34,663
Regulatory adjustments	**(5,623)**	(4,742)
Common Equity Tier 1 Capital	**34,405**	34,935
Additional Tier 1 Capital		
Perpetual capital securities/others	**2,780**	2,379
Tier 1 Capital	**37,185**	37,314
Tier 2 Capital		
Subordinated notes	**4,621**	4,320
Provisions/others	**1,558**	1,441
Eligible Total Capital	**43,364**	43,075
Risk-weighted Assets (RWA)		
Credit risk	**233,045**	232,521
Market risk	**7,824**	10,133
Operational risk	**18,229**	16,413
Total RWA	**259,098**	259,067
Capital Adequacy Ratios (%)		
CET1	**13.3**	13.5
Tier 1	**14.4**	14.4
Total	**16.7**	16.6
Leverage exposure	**563,583**	517,243
Leverage Ratio (%)	**6.6**	7.2

Pillar 3 Disclosure

In compliance with the requirements under Basel Pillar 3 and the Monetary Authority of Singapore (MAS) Notice 637 on Public Disclosure, various additional quantitative and qualitative disclosures have been included in the Annual Report under the sections on Capital Management, Risk Management, Remuneration, Pillar 3 Disclosure, and Notes to the Financial Statements. The disclosures are to facilitate the understanding of the UOB Group's risk profile and assessment of its capital adequacy.

Scope of Application

In accordance with the accounting standards for financial reporting, all subsidiaries in the Group are fully consolidated from the date the Group obtains control until the date such control ceases. The Group's investments in associates and joint ventures are accounted for using the equity method from the date the Group obtains significant or joint influence over these investments until the date such influence ceases. For the purpose of regulatory capital computation at the Group level, the investment in an insurance subsidiary is excluded from the consolidated financial statements of the Group in accordance with MAS Notice 637.

The transfer of funds or regulatory capital within the Group is generally subject to regulatory approval.

Please refer to UOB's website at www.UOBgroup.com/investor-relations/financial/index.html for the Pillar 3 Disclosure Report as at 31 December 2022.

United Overseas Bank Limited
(Incorporated in Singapore)
and its subsidiaries
31 December 2022

Financial Report

Directors' Statement

for the financial year ended 31 December 2022

The directors are pleased to present their statement to the members together with the audited financial statements of United Overseas Bank Limited (the Bank) and its subsidiaries (collectively, the Group) for the financial year ended 31 December 2022.

In the opinion of the directors,

(a) the accompanying balance sheets, income statements, statements of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2022, the results of the business and changes in equity of the Bank and the Group and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

Directors

The directors of the Bank in office are:

Wong Kan Seng *(Chairman)*
Wee Ee Cheong *(Deputy Chairman and Chief Executive Officer)*
Michael Lien Jown Leam
Wee Ee Lim
Steven Phan Swee Kim
Chia Tai Tee
Tracey Woon Kim Hong
Dinh Ba Thanh
Teo Lay Lim
Ong Chong Tee *(appointed on 1 January 2023)*

Arrangements to Enable Directors to Acquire Shares or Debentures

The UOB Share Plan (previously known as the UOB Restricted Share Plan) (Plan) commenced on 7 August 2007 and was initially set to expire on 6 August 2017. On 21 April 2016 at the Bank's Annual General Meeting (AGM), shareholders approved the extension of the expiry to 6 August 2027. At the Bank's AGM on 21 April 2022, shareholders approved amendments to the Rules of the Plan. This included an amendment to allow non-executive directors to participate in the Plan such that grants of fully paid shares could be made to eligible non-executive directors as part payment of their directors' fees in lieu of cash. The Plan only allows for the delivery of shares which are held by the Bank as treasury shares pursuant to the vesting of awards granted under the Plan and does not involve the issuance of new shares.

Other than as disclosed in this Statement, neither at the end of nor at any time during the financial year was the Bank a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Bank to acquire benefits by means of the acquisition of shares or debentures of the Bank or any other body corporate.

Directors' Interests in Shares or Debentures

The following directors, who held office at the end of the financial year, had interests in shares and debentures of the Bank or its related corporations as stated below:

	Direct interest		Deemed interest	
	At 31.12.2022	At 1.1.2022 or date of appointment	**At 31.12.2022**	At 1.1.2022 or date of appointment
The Bank				
Ordinary shares				
Wong Kan Seng	**31,800**	–	**670**	–
Wee Ee Cheong	**3,181,455**	3,081,455	**173,701,487**	173,701,487
Wee Ee Lim	**1,831,903**	1,831,903	**173,280,943**	173,280,943
Steven Phan Swee Kim	**–**	–	**3,500**	–
Chia Tai Tee	**2,600**	–	**–**	–
Tracey Woon Kim Hong	**1,000**	–	**–**	–
Dinh Ba Thanh	**100**	–	**–**	–
Teo Lay Lim	**–**	–	**1,263**	1,263
3.58% perpetual capital securities				
Wong Kan Seng	**$1,000,000**	$1,000,000	**–**	–
4.25% perpetual capital securities				
Chia Tai Tee	**$500,000**	–	**–**	–

There was no change in any of the above interests between the end of the financial year and 21 January 2023.

Audit Committee

The Audit Committee comprises four members, all of whom are independent directors. The members of the Audit Committee are:

Steven Phan Swee Kim *(Chairman, effective 12 August 2022)*
Chia Tai Tee
Tracey Woon Kim Hong
Teo Lay Lim *(appointed on 1 January 2023)*

The Audit Committee has reviewed the financial statements, the internal and external audit plans and audit reports, the external auditor's evaluation of the system of internal accounting controls, the scope and results of the internal and external audit procedures, the adequacy of internal audit resources, the cost effectiveness, independence and objectivity of the external auditor and the significant findings of internal audit investigations. The reviews were made with the internal and external auditors, the Chief Financial Officer and/or other senior management staff, as appropriate.

Directors' Statement

for the financial year ended 31 December 2022

Auditor

The Audit Committee has nominated Ernst & Young LLP for reappointment as auditor of the Bank and Ernst & Young LLP has expressed its willingness to be reappointed.

On behalf of the Board of Directors,

Wong Kan Seng
Chairman

Wee Ee Cheong
Deputy Chairman and Chief Executive Officer

Singapore
22 February 2023

Independent Auditor's Report

for the financial year ended 31 December 2022

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 157 to 252, which comprise the balance sheets of the Bank and the Group as at 31 December 2022, 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 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 2022 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.

Independent Auditor's Report

for the financial year ended 31 December 2022

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) <u>Non-impaired credit exposures</u>* 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) <u>Non-impaired credit exposures</u>* 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 Citibank 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) <u>Impaired credit exposures</u> As at 31 December 2022, the Stage 3 ECL for impaired credit exposures of the Group was $1,755 million, out of which 80% 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) <u>Impaired credit exposures</u>* 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 • tested the calculations. Overall, the results of our evaluation of the Group's ECL were within a reasonable range of expectations.

Independent Auditor's Report

for the financial year ended 31 December 2022

Areas of focus	How our audit addressed the risk factors
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 2022, 4% ($4 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 unquoted debt securities. The valuation of Level 3 financial instruments was a key area of focus of our audit due to their financial significance to the Group as well as its susceptibility to a higher degree of estimation uncertainty. 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.	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; 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.
Impairment of goodwill *Refer to Notes 2(i), 3(iii) and 37 to the consolidated financial statements.* As at 31 December 2022, 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.	We focused on 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.

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.

Independent Auditor's Report

for the financial year ended 31 December 2022

- 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 Wilson Woo Siew Wah.

ERNST & YOUNG LLP
Public Accountants and Chartered Accountants
Singapore

22 February 2023

Income Statements

for the financial year ended 31 December 2022

In $ millions	Note	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Interest income	4	**12,862**	8,204	**9,494**	5,106
Less: Interest expense	5	**4,519**	1,816	**3,610**	938
Net interest income		**8,343**	6,388	**5,884**	4,168
Net fee and commission income	6	**2,143**	2,357	**1,538**	1,730
Dividend income		**40**	40	**110**	262
Rental income		**110**	105	**85**	81
Net trading income	7	**1,064**	569	**781**	364
Net (loss)/gain from investment securities	8	**(235)**	216	**(85)**	77
Other income	9	**110**	114	**308**	267
Non-interest income		**3,232**	3,401	**2,737**	2,781
Total operating income		**11,575**	9,789	**8,621**	6,949
Less: Staff costs	10	**3,001**	2,602	**1,969**	1,641
Other operating expenses	11	**2,280**	1,711	**1,399**	1,118
Total operating expenses		**5,281**	4,313	**3,368**	2,759
Operating profit before allowance and amortisation		**6,294**	5,476	**5,253**	4,190
Less: Amortisation of intangible assets	37	**3**	–	**–**	–
Allowance for credit and other losses	12	**603**	657	**360**	121
Operating profit after allowance and amortisation		**5,688**	4,819	**4,893**	4,069
Share of profit of associates and joint ventures		**97**	118	**–**	–
Profit before tax		**5,785**	4,937	**4,893**	4,069
Less: Tax	13	**1,202**	850	**856**	615
Profit for the financial year		**4,583**	4,087	**4,037**	3,454
Attributable to:					
Equity holders of the Bank		**4,573**	4,075	**4,037**	3,454
Non-controlling interests		**10**	12	**–**	–
		4,583	4,087	**4,037**	3,454
Earnings per share ($)	14				
Basic		**2.69**	2.39		
Diluted		**2.68**	2.38		

The accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the financial year ended 31 December 2022

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Profit for the financial year	**4,583**	4,087	**4,037**	3,454
Other comprehensive income that will not be reclassified to income statement				
Net (loss)/gain on equity instruments at fair value through other comprehensive income	**(263)**	101	**(252)**	54
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	**(3)**	3	**#**	3
Remeasurement of defined benefit obligation	**5**	5	**#**	#
Related tax on items at fair value through other comprehensive income	**11**	(9)	**8**	(7)
	(250)	100	**(244)**	50
Other comprehensive income that may be subsequently reclassified to income statement				
Currency translation adjustments	**(798)**	(170)	**(75)**	(8)
Net (loss)/gain on debt instruments classified at fair value through other comprehensive income and cashflow hedge:				
Net valuation taken to equity	**(1,338)**	(535)	**(1,196)**	(346)
Transferred to income statement	**98**	(53)	**124**	(47)
Change in allowance for expected credit losses	**(16)**	8	**(13)**	8
Related tax	**66**	53	**33**	9
	(1,988)	(697)	**(1,127)**	(384)
Change in share of other comprehensive income of associates and joint ventures	**1**	10	**–**	–
Other comprehensive income for the financial year, net of tax	**(2,237)**	(587)	**(1,371)**	(334)
Total comprehensive income for the financial year, net of tax	**2,346**	3,500	**2,666**	3,120
Attributable to:				
Equity holders of the Bank	**2,352**	3,485	**2,666**	3,120
Non-controlling interests	**(6)**	15	**–**	–
	2,346	3,500	**2,666**	3,120

\# *Amount less than $500,000*

The accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

as at 31 December 2022

		The Group		The Bank	
In $ millions	Note	**2022**	2021	**2022**	2021
Equity					
Share capital and other capital	15	**7,855**	7,391	**7,855**	7,391
Retained earnings	16	**28,925**	26,431	**21,192**	19,224
Other reserves	17	**6,586**	8,811	**8,084**	9,468
Equity attributable to equity holders of the Bank		**43,366**	42,633	**37,131**	36,083
Non-controlling interests		**240**	228	**–**	–
Total equity		**43,606**	42,861	**37,131**	36,083
Liabilities					
Deposits and balances of:					
Banks		**24,537**	15,561	**20,572**	13,169
Customers	20	**368,553**	352,633	**289,024**	277,193
Subsidiaries		**–**	–	**17,130**	16,070
Bills and drafts payable		**788**	977	**622**	799
Derivative financial liabilities	40	**16,218**	5,172	**14,669**	4,161
Other liabilities	21	**8,803**	7,069	**5,948**	5,547
Tax payable		**802**	563	**650**	444
Deferred tax liabilities	22	**360**	431	**239**	269
Debts issued	23	**40,593**	34,056	**38,320**	32,781
Total liabilities		**460,654**	416,462	**387,174**	350,433
Total equity and liabilities		**504,260**	459,323	**424,305**	386,516
Assets					
Cash, balances and placements with central banks	24	**49,419**	36,558	**43,549**	28,356
Singapore government treasury bills and securities		**12,056**	7,426	**12,056**	7,424
Other government treasury bills and securities	25	**19,822**	14,898	**7,802**	5,147
Trading securities	26	**4,606**	5,788	**3,642**	4,990
Placements and balances with banks	27	**35,410**	38,916	**24,917**	28,176
Loans to customers	28	**315,355**	306,713	**245,859**	243,608
Placements with and advances to subsidiaries		**–**	–	**22,985**	23,948
Derivative financial assets	40	**13,802**	5,362	**12,463**	4,251
Investment securities	30	**35,183**	29,068	**32,163**	24,556
Other assets	31	**7,690**	4,683	**5,246**	2,963
Deferred tax assets	22	**560**	510	**121**	126
Investment in associates and joint ventures	32	**1,258**	1,245	**309**	309
Investment in subsidiaries	33	**–**	–	**6,671**	6,291
Investment properties	35	**746**	829	**749**	902
Fixed assets	36	**3,453**	3,182	**2,591**	2,287
Intangible assets	37	**4,900**	4,145	**3,182**	3,182
Total assets		**504,260**	459,323	**424,305**	386,516

The accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 December 2022

	The Group					
	Attributable to equity holders of the Bank					
In $ millions	**Share capital and other capital**	**Retained earnings**	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
2022						
Balance at 1 January	**7,391**	**26,431**	**8,811**	**42,633**	**228**	**42,861**
Profit for the financial year	**–**	**4,573**	**–**	**4,573**	**10**	**4,583**
Other comprehensive income for the financial year	**–**	**19**	**(2,240)**	**(2,221)**	**(16)**	**(2,237)**
Total comprehensive income for the financial year	**–**	**4,592**	**(2,240)**	**2,352**	**(6)**	**2,346**
Transfers	**–**	**(18)**	**18**	**–**	**–**	**–**
Change in non-controlling interests	**–**	**(1)**	**–**	**(1)**	**28**	**27**
Dividends	**–**	**(2,079)**	**–**	**(2,079)**	**(10)**	**(2,089)**
Share-based compensation	**–**	**–**	**60**	**60**	**–**	**60**
Shares issued under share-based compensation plan	**64**	**–**	**(63)**	**1**	**–**	**1**
Perpetual capital securities issued	**400**	**–**	**–**	**400**	**–**	**400**
Balance at 31 December	**7,855**	**28,925**	**6,586**	**43,366**	**240**	**43,606**
2021						
Balance at 1 January	7,420	24,103	9,378	40,901	230	41,131
Profit for the financial year	–	4,075	–	4,075	12	4,087
Other comprehensive income for the financial year	–	12	(602)	(590)	3	(587)
Total comprehensive income for the financial year	–	4,087	(602)	3,485	15	3,500
Transfers	–	(24)	24	–	–	–
Change in non-controlling interests	–	–	–	–	(9)	(9)
Dividends	–	(1,733)	–	(1,733)	(8)	(1,741)
Shares re-purchased – held in treasury	(130)	–	–	(130)	–	(130)
Shares issued under scrip dividend scheme	52	–	–	52	–	52
Share-based compensation	–	–	59	59	–	59
Shares issued under share-based compensation plan	48	–	(48)	–	–	–
Perpetual capital securities issued	749	–	–	749	–	749
Redemption of perpetual capital securities	(748)	(2)	–	(750)	–	(750)
Balance at 31 December	7,391	26,431	8,811	42,633	228	42,861
Note	15	16	17			

The accounting policies and explanatory notes form an integral part of the financial statements.

	The Bank			
In $ millions	Share capital and other capital	Retained earnings	Other reserves	Total equity
2022				
Balance at 1 January	**7,391**	**19,224**	**9,468**	**36,083**
Profit for the financial year	**–**	**4,037**	**–**	**4,037**
Other comprehensive income for the financial year	**–**	**9**	**(1,380)**	**(1,371)**
Total comprehensive income for the financial year	**–**	**4,046**	**(1,380)**	**2,666**
Transfers	**–**	**1**	**(1)**	**–**
Dividends	**–**	**(2,079)**	**–**	**(2,079)**
Share-based compensation	**–**	**–**	**60**	**60**
Shares issued under share-based compensation plan	**64**	**–**	**(63)**	**1**
Perpetual capital securities issued	**400**	**–**	**–**	**400**
Balance at 31 December	**7,855**	**21,192**	**8,084**	**37,131**
2021				
Balance at 1 January	7,420	17,504	9,792	34,716
Profit for the financial year	–	3,454	–	3,454
Other comprehensive income for the financial year	–	#	(334)	(334)
Total comprehensive income for the financial year	–	3,454	(334)	3,120
Transfers	–	1	(1)	–
Dividends	–	(1,733)	–	(1,733)
Shares re-purchased – held in treasury	(130)	–	–	(130)
Shares issued under scrip dividend scheme	52	–	–	52
Share-based compensation	–	–	59	59
Shares issued under share-based compensation plan	48	–	(48)	–
Perpetual capital securities issued	749	–	–	749
Redemption of perpetual capital securities	(748)	(2)	–	(750)
Balance at 31 December	7,391	19,224	9,468	36,083
Note	15	16	17	

Amount less than $500,000

The accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the financial year ended 31 December 2022

In $ millions	2022	2021
Cash flows from operating activities		
Profit for the financial year	**4,583**	4,087
Adjustments for:		
Allowance for credit and other losses	**603**	657
Amortisation of intangible assets	**3**	–
Fair value change in other debts issued	**(301)**	(81)
Share of profit of associates and joint ventures	**(97)**	(118)
Tax	**1,202**	850
Depreciation of assets	**534**	489
Net gain on disposal of assets	**(7)**	(193)
Share-based compensation	**61**	59
Operating profit before working capital changes	**6,581**	5,750
Change in working capital:		
Deposits and balances of banks	**9,643**	(236)
Deposits and balances of customers	**18,868**	29,752
Bills and drafts payable	**(180)**	196
Other liabilities	**13,347**	(7,374)
Restricted balances with central banks	**(680)**	(155)
Government treasury bills and securities	**(10,471)**	(410)
Trading securities	**1,062**	(1,493)
Placements and balances with banks	**2,724**	1,257
Loans to customers	**(8,609)**	(31,573)
Investment securities	**(8,519)**	(4,618)
Other assets	**(12,685)**	6,442
Cash generated from/(used in) operations	**11,081**	(2,462)
Income tax paid	**(977)**	(675)
Net cash provided by/(used in) operating activities	**10,104**	(3,137)
Cash flows from investing activities		
Capital injection into associates and joint ventures	**(4)**	(3)
Distribution from associates and joint ventures	**54**	76
Acquisition of consumer business, net of cash acquired (Note 47)	**(3,093)**	–
Purchase of properties and other fixed assets	**(704)**	(550)
Disposal of properties and other fixed assets	**35**	37
Net cash used in investing activities	**(3,712)**	(440)
Cash flows from financing activities		
Perpetual capital securities issued	**400**	749
Redemption of perpetual capital securities	**–**	(750)
Issuance of debts issued (Note 23)	**45,691**	29,648
Redemption of debts issued (Note 23)	**(38,181)**	(24,699)
Shares re-purchased – held in treasury	**–**	(130)
Change in non-controlling interests	**28**	(9)
Dividends paid on ordinary shares	**(2,010)**	(1,607)
Distribution for perpetual capital securities	**(81)**	(85)
Dividends paid to non-controlling interests	**(10)**	(8)
Lease payments	**(100)**	(87)
Net cash provided by financing activities	**5,737**	3,022
Currency translation adjustments	**164**	163
Net increase/(decrease) in cash and cash equivalents	**12,293**	(392)
Cash and cash equivalents at beginning of the financial year	**30,972**	31,364
Cash and cash equivalents at end of the financial year (Note 24)	**43,265**	30,972

The accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate Information

United Overseas Bank Limited (the Bank) is a limited liability company incorporated and domiciled in Singapore and listed on the Singapore Exchange. The registered office of the Bank is at 80 Raffles Place, UOB Plaza, Singapore 048624.

The Bank is principally engaged in the business of banking in all its aspects. The principal activities of its major subsidiaries are set out in Note 33 to the financial statements.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Bank and its subsidiaries (collectively, the Group) have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s) as required by the Singapore Companies Act.

Except as otherwise stated, the financial statements have been prepared under the historical cost convention and are presented to the nearest million in Singapore Dollars.

(b) Changes in Accounting Policies

(i) Changes During the Financial Year

The Group adopted the following financial reporting standards during the financial year which had no significant effect on the financial statements of the Group:

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract

Other than the above, the accounting policies applied by the Group in the financial year were consistent with those adopted in the previous financial year.

(ii) Changes Subsequent to the Financial Year

The following SFRS(I)s that are in issue will apply to the Group for the financial years as indicated:

Effective for the financial year beginning on or after 1 January 2023:

- Amendments to SFRS(I) 1-1: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for the financial year beginning on or after 1 January 2024:

- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

2. Summary of Significant Accounting Policies (continued)

(b) Changes in Accounting Policies (continued)

(ii) Changes Subsequent to the Financial Year (continued)
Effective for a financial year beginning on or after a date to be determined:

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Application of the SFRS(I)s listed above is not expected to have a significant impact on the Group's financial statements.

(c) Interests in Other Entities

(i) Subsidiaries
Subsidiaries are entities over which the Group has control. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group applies the acquisition method to account for business acquisitions. Consideration for an acquisition includes the fair value of the assets transferred, liabilities incurred, equity interests issued and any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed are, with limited exceptions, measured at their fair values at the acquisition date. Non-controlling interests are measured at fair value or the proportionate share of the acquiree's net identifiable assets at the acquisition date, determined on a case-by-case basis. Acquisition-related costs are expensed off when incurred. Goodwill is determined and accounted for in accordance with Note 2(i).

Subsidiaries are consolidated from the date the Group obtains control until the date such control ceases. Intra-group balances and income and expenses are eliminated on consolidation. Adjustments are made to align the accounting policies of the subsidiaries to those of the Group. The portion of profit or loss and net assets of subsidiaries that belong to the non-controlling interests is disclosed separately in the consolidated financial statements. Gain or loss arising from changes of the Bank's interest in subsidiaries is recognised in the income statement if they result in loss of control in the subsidiaries, otherwise, in equity.

In the Bank's separate financial statements, investment in subsidiaries is stated at cost less allowance for impairment, if any, determined on an individual basis.

(ii) Associates and Joint Ventures
Associates are entities in which the Group has significant influence but not control or joint control. This generally coincides with the Group having 20% or more of the voting power of the investees. Joint ventures are entities in which the Group and its joint venturers have joint control and rights to the net assets of the investees.

The Group's investment in associates and joint ventures is accounted for using the equity method from the date the Group obtains significant influence or joint control over the entities until the date such significant influence or joint control ceases. Unrealised gains on transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless they relate to impairment of the assets transferred. Adjustments are made to align the accounting policies of the associates and joint ventures to those of the Group.

2. Summary of Significant Accounting Policies (continued)

(c) Interests in Other Entities (continued)

(ii) Associates and Joint Ventures (continued)

Under the equity method, the Group's investment in associates and joint ventures is carried in the balance sheet at cost (including goodwill on acquisition), plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures, less allowance for impairment, if any, determined on an individual basis. The Group recognises its share of the results of operations and changes in other comprehensive income of the associates and joint ventures in the consolidated income statement and in equity respectively. Where the share of losses of an associate or joint venture exceeds the Group's interest in the associate or joint venture, such excess is not recognised in the consolidated income statement.

Upon loss of significant influence over the associates or joint control over the joint ventures, any resulting gain or loss is recognised in the income statement and the related share of reserves is accounted for in the same manner as if the associates or joint ventures have directly disposed of the related assets and liabilities. Any retained investment is measured at its fair value.

In the Bank's separate financial statements, investment in associates and joint ventures is stated at cost less allowance for impairment, if any, determined on an individual basis.

(iii) Joint Operations

Joint operations are arrangements over which the Group and its joint operators have joint control and rights to the assets, and obligations for the liabilities, relating to the arrangements.

The Bank and the Group account for joint operations by taking their share of the relevant assets, liabilities, income and expenses of the joint operations accordingly.

(d) Financial Instruments

(i) Classification

Financial assets and financial liabilities are classified as follows:

Held for Trading

Financial instruments within a held for trading (HFT) business model are classified and measured at fair value through profit or loss (FVPL). Derivatives are classified as held for trading unless they are designated as effective hedging instruments.

Non-Trading Debt Assets

Non-trading debt assets with contractual cash flows that represent solely payments of principal and interest are classified and measured as follows:

- at amortised cost (AC) if they are held within a business model whose objective is to collect contractual cash flows from the assets;
- at fair value through other comprehensive income (FVOCI) if the objective of the business model is both for collection of contractual cash flows and for sale; or
- at fair value through profit or loss (FVPL – designated) if so designated to eliminate or reduce accounting inconsistency.

All other non-trading debt assets are mandatorily classified and measured at fair value through profit or loss (FVPL – mandatory).

2. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Classification (continued)

Non-Trading Equity Instruments

Non-trading equity instruments are classified and measured at FVPL unless elected at inception to be classified and measured at FVOCI.

Non-Trading Financial Liabilities

Non-trading financial liabilities are classified and measured at AC. They may be classified as FVPL – designated at initial recognition if they meet the following criteria:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities on a different basis;
- the assets and liabilities are managed on a fair value basis in accordance with a documented risk management or investment strategy; or
- the financial instrument contains an embedded derivative that would otherwise require bifurcation.

For financial liabilities with embedded derivatives, if the economic characteristics and risks of the embedded derivative is not closely related to the host, the embedded derivative is bifurcated and accounted for separately unless the entire instrument is measured at FVPL. If the embedded derivative is closely related to the host, the financial liability is accounted for in its entirety based on the host's classification.

(ii) Measurement

Initial Measurement

Financial instruments are recognised initially at their fair value which is generally the transaction price, reduced by loss allowance for financial assets at amortised cost. Directly attributable transaction costs are included as part of the initial cost for financial instruments that are not measured at FVPL.

Subsequent Measurement

Held for trading financial instruments and those FVPL – designated and FVPL – mandatory are remeasured at fair value with fair value changes recognised in the income statement; as an exception fair value changes attributable to own credit risk of financial liabilities that are FVPL – designated are taken into other comprehensive income unless this would create an accounting mismatch, in which case such fair value changes are taken to the income statement. Any such gains or losses on own credit risk recognised in other comprehensive income are not reclassified to the income statement upon derecognition, but are transferred to retained earnings.

Financial instruments classified as FVOCI are remeasured at fair value with fair value changes taken to the fair value reserve. For debt assets, the fair value change in the fair value reserve is taken to the income statement upon disposal or impairment of the assets. For equity instruments elected to be classified as FVOCI, only dividend income is recognised in the income statement. Gains or losses recognised in the fair value reserve are not reclassified to the income statement upon derecognition, but are transferred to retained earnings.

2. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Measurement (continued)

Subsequent Measurement (continued)

All other financial instruments are measured at AC using the effective interest method, and for financial assets, less allowance for impairment. Any gain or loss on derecognition is recognised in the income statement.

Interest and dividend income on all non-derivative financial instruments at FVPL are recognised separately from fair value changes, except for interest expense on structured liabilities at FVPL which is included with other fair value changes in trading income. The effective interest rate applied to performing financial assets is on their gross carrying amount. For non-performing financial assets the effective interest rate is applied to the net carrying amount.

Fair Value Determination

Fair values of financial assets and financial liabilities with active markets are determined based on the market bid and ask prices respectively at the balance sheet date. For financial instruments with no active markets, fair values are established using valuation techniques such as making reference to recent transactions or other comparable financial instruments, discounted cash flow method and option pricing models. Valuation inputs include spot and forward prices, volatilities, correlations and credit spreads.

(iii) Recognition and Derecognition

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognised on the settlement date.

Financial instruments are derecognised when the contractual rights to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset and presented net in the balance sheet if there is a current, unconditional and legally enforceable right and intention to settle them simultaneously or on a net basis.

(v) Modification

A financial instrument may be exchanged for another, or the terms of its contractual cash flows may be modified. Where the terms are substantially different, the existing instrument is derecognised and the new one recognised. In all other cases, the existing instrument continues to be recognised and its carrying amount is adjusted to reflect the present value of the cash flows of the modified instrument, discounted at the original effective interest rate.

2. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(vi) Impairment

Loans, debt assets, undrawn loan commitments and financial guarantees that are not measured at FVPL are subject to credit loss provisioning which is made on an expected loss basis, point-in-time, forward-looking and probability-weighted. Where there is no significant increase in credit risk since initial recognition, expected credit loss (ECL) representing possible default for the next 12 months is required (Stage 1). Lifetime ECL is required for non-credit-impaired financial assets with significant increase in credit risk since initial recognition (Stage 2) and credit-impaired financial assets (Stage 3).

The Group considers a range of qualitative and quantitative parameters to assess whether a significant increase in credit risk since initial recognition has occurred. Parameters such as changes in credit risk ratings, delinquency, special mention, behavioural scores and non-investment grade status are considered where available and relevant. Exposures are considered credit-impaired if they are past due for 90 days or more or exhibit weaknesses which are likely to jeopardise repayments on existing terms. The definition of default is consistent with that used for risk management purposes.

Exposures with significant increase in credit risk are transferred from Stage 1 to Stage 2. Exposures are transferred back to Stage 1 when they no longer meet the criteria for a significant increase in credit risk. Exposures that are credit-impaired are classified as Stage 3 and could be upgraded to Stage 1 or Stage 2 if supported by repayment capability, cash flows and financial position of the borrower and when it is unlikely that the exposure will be classified again as credit-impaired in the future.

Although the Group leverages its Basel credit risk models and systems, modifications are required to ensure that outcomes are in line with SFRS(I) 9 ECL requirements. Such modifications include transforming regulatory probabilities of default (PD), loss given default (LGD) and exposure at default (EAD), considering forward-looking information, discount rate and discounting period. Macro-economic variables considered include interest rates, property price indices, unemployment rates, consumer price indices, gross domestic products and equity price indices.

The Group determines ECL using macro-economic probability-weighted scenarios which are derived from internal economic risk models. Scenarios to be used and probability-weighting assigned is determined by the Group's SFRS(I) 9 Working Group and, where judged to be appropriate, use of a management overlay.

ECL is computed by discounting the product of PD, LGD and EAD to the reporting date at the original effective interest rate or an approximation thereof. The ECL is adjusted with a management overlay where considered appropriate.

Financial assets in Stage 1 and Stage 2 are assessed for impairment collectively while exposures in Stage 3 are individually assessed. Those collectively assessed are grouped based on similar credit risks and assessed on a portfolio basis. ECL is recognised in the income statement.

Financial assets are written off when the prospect of recovery is considered poor or when all avenues of recovery have been exhausted.

2. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(vi) Impairment (continued)

Minimum Regulatory Loss Allowance

Monetary Authority of Singapore (MAS) Notice 612 Credit Files, Grading and Provisioning requires Singapore-incorporated Domestic Systemically Important Banks to maintain a Minimum Regulatory Loss Allowance (MRLA) equivalent to 1% of the gross carrying amount of the selected credit exposures net of collaterals. Where the loss allowance provided for under SFRS(I) 9 for the selected credit exposures falls below the MRLA, an additional loss allowance is required to be maintained in a non-distributable Regulatory Loss Allowance Reserve (RLAR) through an appropriation of retained earnings.

(e) Financial Derivatives

Financial derivatives are recognised and measured at fair value initially and subsequently. Derivatives with positive and negative fair values are presented under assets and liabilities in the balance sheet respectively. Fair value changes of derivatives are recognised in the income statement unless they are designated as hedging instruments and accounted for in accordance with Note 2(f).

Financial derivatives embedded in non-financial host contracts are bifurcated and accounted for separately if their economic characteristics and risks are not closely related to those of the host contracts and the combined contracts are not carried at FVPL.

(f) Hedge Accounting

The Group applies the requirements of SFRS(I) 9 for hedge accounting.

(i) Fair Value Hedge

A fair value hedge is a hedge of changes in the fair value of an asset, liability or a firm commitment.

For a fair value hedge of an equity instrument designated at FVOCI, fair value changes of the hedging instrument are recognised in other comprehensive income and transferred to retained earnings when the hedge is terminated.

For other fair value hedges, fair value changes of the hedging instrument are recognised in the income statement, together with fair value changes of the hedged item attributable to the hedged risk. The adjustment made to the carrying amount of the hedged item is amortised over the expected life of the hedged item when the hedge is terminated and taken to income statement upon disposal of the hedged item.

2. Summary of Significant Accounting Policies (continued)

(f) Hedge Accounting (continued)

(ii) *Cash Flow Hedge*

A cash flow hedge is a hedge of the variability in the cash flows of an asset, liability or highly probable forecast transaction.

Fair value changes of the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and taken to the hedge reserve under equity while those relating to the ineffective portion are recognised in the income statement. If the hedge transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedge reserve is transferred and included in the initial carrying amount of the hedged item.

For other cash flow hedges, the amount in the hedge reserve is transferred to the income statement at the same time the cash flow of the hedged item is recognised in the income statement or immediately when the forecasted hedged item is no longer expected to occur.

(iii) *Hedge of Net Investment in a Foreign Operation*

A hedge of a net investment in a foreign operation is a hedge of foreign exchange rate fluctuation on the net assets of a foreign operation.

Fair value changes of the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and taken to the foreign currency translation reserve under equity while those relating to the ineffective portion are recognised in the income statement. The amount taken to the reserve is transferred to the income statement upon disposal of the foreign operation.

(iv) *Economic Relationship and Hedge Ineffectiveness*

For the purpose of the prospective effectiveness assessment, the economic relationship between the hedging instrument and hedged item may be assessed qualitatively, by comparing that critical terms match or closely match, or by quantitative methods. The hedge ratio is determined by aligning the principal amount of the hedging instrument with that of the hedged item.

The hedge ineffectiveness of a hedging relationship is derived by comparing the fair value change of the hedging instrument with the fair value change of the hedged item. The sources of hedge ineffectiveness include differences in the timing of cash flows of the hedging instrument and the hedged item, and the change in fair value due to the credit risk of the hedging instrument.

2. Summary of Significant Accounting Policies (continued)

(g) Investment Properties and Fixed Assets

Investment properties and fixed assets are stated at cost less accumulated depreciation and impairment allowance.

Investment properties are properties held for rental income and/or capital appreciation while owner-occupied properties are for office use.

Freehold land and leasehold land with remaining leases of 100 years or more are not depreciated. Other leasehold land is depreciated on a straight-line basis over the lease period. Buildings are depreciated on a straight-line basis over 50 years or the lease period, whichever is shorter. Other fixed assets are depreciated on a straight-line basis over their expected useful lives of three to ten years. The expected useful life, depreciation method and residual value of investment properties and fixed assets are reviewed annually.

Investment properties and fixed assets are reviewed for impairment when events or changes in circumstances indicate that their recoverable amounts, being the higher of fair value less cost to sell and value in use, may be below their carrying amounts.

Investment properties and fixed assets are derecognised upon disposal and the resulting gain or loss is recognised in the income statement.

(h) Leases as a Lessee

As a lessee, at the commencement date of a lease contract a right-of-use asset (representing the right to use the underlying leased asset) and a lease liability (representing the obligation to make lease payment) is recognised for all leases unless they are short-term or of low value. Leases payments of short-term leases and leases of low-value assets are recognised in the income statement on a straight-line basis over the lease term.

Right-of-use assets are stated at cost less accumulated depreciation and impairment allowance, and adjusted for any remeasurement of lease liabilities.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amount of lease liabilities is remeasured for modifications to the lease contract or changes in expected lease obligations.

2. Summary of Significant Accounting Policies (continued)

(i) Intangible Assets

(i) Goodwill

Goodwill in a business combination represents the excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over (b) the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. Where (b) exceeds (a) and the measurement of all amounts has been reviewed, the gain is recognised in the income statement. Goodwill is measured at cost less accumulated impairment allowance, if any.

Goodwill is reviewed for impairment annually or more frequently if the circumstances indicate that its carrying amount may be impaired. At the date of acquisition, goodwill is allocated to the cash-generating units (CGU) expected to benefit from the synergies of the business combination. The Group's CGU correspond with the business segments reported in Note 44(a). Where the recoverable amount, being the higher of fair value less cost to sell and value in use, of a CGU is below its carrying amount, the impairment allowance is recognised in the income statement and subsequent reversal is not allowed.

(ii) Other Intangible Assets

Intangible assets of the Group include separately identifiable intangible items with finite useful lives that are acquired in business combinations and are stated at cost, being their fair value at the date of acquisition less accumulated amortisation and impairment allowance. These intangible assets are amortised on a straight-line basis over their estimated useful lives of ten years. The estimated useful life, amortisation method and residual value of intangible assets are reviewed annually.

Intangible assets are reviewed for impairment when events or changes in circumstances indicate that their recoverable amounts, being the higher of fair value less cost to sell and value in use, may be below their carrying amounts. Impairment allowance is recognised in the income statement and subsequent reversal is permitted when there is indication that the impairment loss recognised in prior periods no longer exist or may have decreased.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. The resulting gain or loss upon derecognition is recognised in the income statement.

(j) Foreign Currencies

(i) Foreign Currency Transactions

On initial recognition, transactions in foreign currencies are recorded in the respective functional currencies of the Bank and its subsidiaries at the exchange rate at the transaction date. Subsequent to initial recognition, monetary assets and monetary liabilities denominated in foreign currencies are translated at the closing rate of exchange at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at balance sheet date are recognised in the income statement. Exchange differences arising from monetary items that form part of the net investment in foreign operations, or on foreign currency borrowings that provide a hedge against a net investment in a foreign operation, are recognised initially in the foreign currency translation reserve in the consolidated balance sheet, and subsequently in the consolidated income statement on disposal of the foreign operation.

2. Summary of Significant Accounting Policies (continued)

(j) Foreign Currencies (continued)

(ii) Foreign Operations

Income and expenses of foreign operations are translated into Singapore Dollars at the exchange rate prevailing at each respective month-end which approximates the exchange rate at the transaction date. Foreign operations' assets and liabilities are translated at the exchange rate as at the balance sheet date. All resultant exchange differences are recognised in the foreign currency translation reserve, and subsequently to the consolidated income statement upon disposal of the foreign operations. In the case of a partial disposal without loss of control of a subsidiary, the proportionate share of the accumulated exchange differences is not recognised in the income statement but re-attributed to the non-controlling interests. For partial disposal of an associate or joint venture, the proportionate share of the accumulated exchange differences is reclassified to income statement.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are recorded in the functional currency of the foreign operations and translated at the exchange rate at the balance sheet date. For acquisitions prior to 1 January 2005, goodwill and fair value adjustments were recorded in Singapore Dollars at the exchange rate prevailing at the date of acquisition.

(k) Tax

(i) Current Tax

Current tax is measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax law applied are those that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred Tax

Deferred tax is provided on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax is measured at the tax rate that is expected to apply when the assets are realised or the liabilities are settled, based on the tax rate and tax law that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not provided for temporary differences arising from (a) initial recognition of goodwill, (b) initial recognition of an asset or liability in a transaction that is not a business combination and that does not affect accounting or taxable profit at the time of the transaction and (c) taxable temporary differences related to investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Where gains and losses are recognised directly in equity, the related deferred tax is also taken to equity.

(iii) Offsetting

Current and deferred tax assets are offset with current and deferred tax liabilities respectively if (a) there is a legally enforceable right and intention to settle them simultaneously or on a net basis, (b) they are of the same tax reporting entity or group and (c) they relate to the same tax authority.

Notes to the Financial Statements

for the financial year ended 31 December 2022

2. Summary of Significant Accounting Policies (continued)

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and an outflow of resources to settle the obligation is probable and can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation. When an outflow of resources to settle the obligation is no longer probable, the provision is reversed.

(m) Financial Guarantees

Financial guarantees are recognised initially at their fair value which is generally the fees received. The fees are recognised on a straight-line basis over the contractual terms. Subsequent to initial recognition, the financial guarantees are measured at the higher of: (a) their carrying amount, being the amount initially recognised less the cumulative amount amortised to profit or loss, and (b) the loss allowance determined in accordance with Note 2(d)(vi) under SFRS(I) 9.

(n) Undrawn Credit Facilities

Undrawn credit facilities (both revocable and irrevocable) are recorded under commitments and the amount is adjusted for subsequent drawdowns.

(o) Contingent Liabilities

Contingent liabilities are (a) possible obligations arising from past events, whose existence will be confirmed only by uncertain future events or (b) present obligations arising from past events where no provision is recognised either because an outflow of economic benefits is not probable or the amount required to fulfil the obligation cannot be reliably measured.

(p) Revenue Recognition

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive it is established.

Fee and commission income is recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer. For services that are provided over a period of time, fee and commission income is recognised over the service period.

Rental income is recognised on a time proportion basis.

(q) Employee Compensation/Benefits

Base salaries, cash bonuses, allowances, commissions and defined contributions under regulations are recognised in the income statement when incurred. Leave entitlements are recognised when they accrue to employees based on contractual terms of employment.

Cost of share-based compensation, being the fair value of the equity instrument at grant date, is expensed to the income statement over the vesting period with a corresponding adjustment to the share-based compensation reserve. The cost is reviewed and adjusted accordingly at each balance sheet date to reflect the number of equity instruments expected to vest ultimately.

2. Summary of Significant Accounting Policies (continued)

(r) Government Grants

Government grants are recognised when the Group has complied with the specified conditions and there is reasonable assurance that the grants will be received.

Government grants relating to assets are deducted against the carrying amount of the assets and those relating to expenses are deducted against the related expenses.

(s) Dividend Payment

Dividends are accounted for as an appropriation of retained earnings. Interim dividends on ordinary shares and dividends on preference shares are recorded when declared payable while final dividends on ordinary shares are recognised upon approval of equity holders.

(t) Treasury Shares

Ordinary shares of the Bank reacquired are accounted for as treasury shares. Consideration paid, including directly attributable costs, is presented as a deduction from equity. Subsequent cancellation, sale or reissuance of treasury shares is recognised as changes in equity.

3. Critical Accounting Estimates and Judgements

Preparation of the financial statements involves making certain assumptions and estimates. This often requires management's judgement for the appropriate policies, assumptions, inputs and methodologies to be used. As judgements are made based on information available at the time the financial statements are prepared, the ultimate results could differ from those disclosed in the statements due to subsequent changes in the information. The following are the Group's critical accounting estimates that involve judgement:

(i) Allowance for Impairment of Financial Assets

Allowance for impairment of financial assets is determined in accordance with Note 2(d)(vi). This requires management's experience and significant judgement. The process involves assessing various factors such as economic indicators, business prospects, timing and amount of future cash flows and liquidation proceeds from collateral.

(ii) Fair Valuation of Financial Instruments

Fair value of financial instruments is determined in accordance with Notes 2(d)(ii) and 19(a). Valuation of financial instruments that are not quoted in the market or with complex structures requires considerable judgement of management in selecting the appropriate valuation models and data inputs.

(iii) Goodwill and Other Intangible Assets

The fair value of other intangible assets acquired is determined using valuation methodologies that include (a) discounted cash flow model and management's best estimate of future cash flows, and (b) multi-period excess earnings method for customer relationships. Useful lives of these intangible assets are based on management's best estimates of periods over which value from the intangible assets will be realised.

Management reassesses the estimated useful lives at each financial year end, taking into account the period over which the intangible assets are expected to generate future economic benefit.

Goodwill and other intangible assets are reviewed for impairment in accordance with Notes 2(i) and 37(c). The process requires management's assessment of key factors such as future economic growth, business forecasts and discount rates.

3. Critical Accounting Estimates and Judgements (continued)

(iv) Income Taxes

Income taxes are provided in accordance with Note 2(k). The Group is subject to income taxes in various jurisdictions. Provision for these taxes involves interpretation of the tax regulations on certain transactions and computations. In cases of uncertainty, provision is estimated based on the technical merits of the situation.

4. Interest Income

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Loans to customers	**10,150**	6,917	**7,373**	4,352
Placements and balances with banks	**1,367**	467	**1,200**	341
Government treasury bills and securities	**624**	414	**303**	131
Trading and investment securities	**721**	406	**618**	282
	12,862	8,204	**9,494**	5,106
Of which, interest income on:				
Financial assets measured at amortised cost	**11,575**	7,369	**8,626**	4,722
Financial assets measured at FVPL	**330**	185	**260**	116
Financial assets measured at FVOCI	**957**	650	**608**	268

5. Interest Expense

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Deposits of customers	**3,447**	1,566	**2,634**	763
Deposits and balances of banks and debts issued	**1,069**	247	**974**	173
Lease payables	**3**	3	**2**	2
	4,519	1,816	**3,610**	938
Of which, interest expense on:				
Financial liabilities measured at amortised cost	**4,487**	1,812	**3,580**	938
Financial liabilities measured at FVPL	**32**	4	**30**	#

\# *Amount less than $500,000*

6. Net Fee and Commission Income

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Credit card (1)	**628**	447	**456**	335
Fund management	**245**	325	**23**	19
Wealth management (2)	**536**	768	**404**	641
Loan-related (3)	**695**	698	**587**	598
Service charges	**143**	139	**128**	123
Trade-related (4)	**326**	310	**211**	203
Others	**22**	19	**26**	21
Fee and commission income	**2,595**	2,706	**1,835**	1,940
Fee and commission expenses	**(452)**	(349)	**(297)**	(210)
	2,143	2,357	**1,538**	1,730
Of which, fee and commission from:				
Financial assets not measured at FVPL	**551**	550	**475**	490
Provision of trust and other fiduciary services	**12**	13	**12**	12

(1) Credit card fees are net of interchange fees paid.
(2) Effective from 1 January 2022, customer-related income from treasury products has been reclassified from fee income to trading income. Comparatives have been restated.
(3) Loan-related fees include fees earned from corporate finance activities.
(4) Trade-related fees include trade, remittance and guarantees related fees.

7. Net Trading Income

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Net gain/(loss) from:				
Foreign exchange	**821**	409	**619**	275
Interest rate and others (1)	**68**	153	**(14)**	82
Financial liabilities designated at FVPL	**175**	7	**176**	7
	1,064	569	**781**	364

(1) Effective from 1 January 2022, customer-related income from treasury products has been reclassified from fee income to trading income. Comparatives have been restated.

Notes to the Financial Statements

for the financial year ended 31 December 2022

8. Net (Loss)/Gain from Investment Securities

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
FVOCI	**(64)**	88	**(89)**	48
Amortised cost	**2**	3	**2**	10
FVPL – mandatory	**(173)**	125	**2**	19
	(235)	216	**(85)**	77

9. Other Income

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Net gain/(loss) from:				
Disposal of investment properties	**13**	17	**13**	17
Disposal of fixed assets	**2**	2	**#**	#
Disposal/Liquidation of subsidiaries, associates or joint ventures	**(4)**	(3)	**(3)**	13
Intra-group service recovery income	**–**	–	**249**	183
Others	**99**	98	**49**	54
	110	114	**308**	267

\# *Amount less than $500,000*

10. Staff Costs

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Salaries, bonuses and allowances	**2,388**	2,062	**1,566**	1,286
Employer's contribution to defined contribution plans	**201**	176	**129**	110
Share-based compensation	**62**	61	**50**	48
Others	**350**	303	**224**	197
	3,001	2,602	**1,969**	1,641
Of which:				
The Bank's directors' remuneration	**14**	11	**14**	11

11. Other Operating Expenses

In $ millions	The Group **2022**	The Group 2021	The Bank **2022**	The Bank 2021
Revenue-related	**729**	561	**384**	294
Occupancy-related	**319**	314	**204**	195
IT-related	**770**	638	**651**	520
Others	**462**	198	**160**	109
	2,280	1,711	**1,399**	1,118
Of which:				
Directors' fees	**5**	5	**3**	4
Depreciation of fixed assets and investment properties	**444**	405	**338**	301
Depreciation of right-of-use assets	**89**	83	**63**	54
Auditors' remuneration paid/payable to:				
Auditors of the Bank	**4**	3	**3**	3
Affiliates of auditors of the Bank	**3**	3	**1**	1
Other auditors	**#**	#	**#**	#
Non-audit fees paid/payable to:				
Auditors of the Bank	**1**	1	**1**	1
Affiliates of auditors of the Bank	**1**	1	**1**	1
Other auditors	**#**	#	**#**	#
Expenses on investment properties	**47**	60	**33**	40
Fee expenses arising from financial liabilities not at FVPL	**92**	70	**27**	18
One-off expenses related to acquisition of consumer business (1)	**255**	–	**–**	–

Amount less than $500,000

(1) Includes stamp duty of $176 million.

12. Allowance for Credit and Other Losses

In $ millions	The Group **2022**	The Group 2021	The Bank **2022**	The Bank 2021
Stage 1 and 2 ECL (write-back)/allowance	**(154)**	95	**(83)**	(28)
Stage 3 ECL allowance/(write-back) for:				
Loans (Note 28(d))	**694**	534	**365**	129
Others	**15**	26	**2**	(1)
Allowance for other losses	**48**	2	**76**	21
	603	657	**360**	121

Notes to the Financial Statements

for the financial year ended 31 December 2022

13. Tax

The tax charge to the income statements comprises the following:

In $ millions	The Group 2022	2021	The Bank 2022	2021
On profit for the financial year				
Current tax	**1,268**	889	**861**	626
Deferred tax	**(60)**	(52)	**11**	(9)
	1,208	837	**872**	617
(Over)/Under-provision of prior years				
Current tax	**(26)**	(8)	**(15)**	(3)
Deferred tax	**1**	5	**(1)**	1
Share of tax of associates and joint ventures	**19**	16	**–**	–
	1,202	850	**856**	615

The tax charge on profit for the financial year differs from the theoretical amount computed using Singapore corporate tax rate due to the following factors:

In $ millions	The Group 2022	2021	The Bank 2022	2021
Operating profit after allowance	**5,688**	4,819	**4,893**	4,069
Prima facie tax calculated at tax rate of 17% (2021: 17%)	**967**	819	**832**	692
Effects of:				
Income taxed at concessionary rates	**(88)**	(106)	**(87)**	(106)
Different tax rates in other countries	**262**	118	**113**	74
Income not subject to tax	**(22)**	(40)	**(30)**	(66)
Expenses not deductible for tax	**94**	52	**45**	30
Others	**(5)**	(6)	**(1)**	(7)
Tax expense on profit for the financial year	**1,208**	837	**872**	617

14. Earnings Per Share

Basic and diluted earnings per share (EPS) are determined as follows:

In $ millions	The Group 2022	2021
Profit attributable to equity holders of the Bank	**4,573**	4,075
Distribution on perpetual capital securities	**(76)**	(72)
Adjusted profit	**4,497**	4,003
Weighted average number of ordinary shares ('000)		
In issue	**1,673,952**	1,674,312
Adjustment for potential ordinary shares under share-based compensation plan	**6,629**	7,074
Diluted	**1,680,581**	1,681,386
EPS ($)		
Basic	**2.69**	2.39
Diluted	**2.68**	2.38

15. Share Capital and Other Capital

(a)

	2022		2021	
	Number of shares '000	**Amount $ million**	Number of shares '000	Amount $ million
Ordinary shares				
Balance at 1 January	**1,685,923**	**5,351**	1,683,916	5,299
Shares issued under scrip dividend scheme	**–**	**–**	2,007	52
Balance at 31 December	**1,685,923**	**5,351**	1,685,923	5,351
Treasury shares				
Balance at 1 January	**(13,933)**	**(337)**	(11,101)	(255)
Shares re-purchased – held in treasury	**–**	**–**	(4,900)	(130)
Shares issued under share-based compensation plan	**2,619**	**64**	2,068	48
Balance at 31 December	**(11,314)**	**(273)**	(13,933)	(337)
Ordinary share capital	**1,674,609**	**5,078**	1,671,990	5,014
3.875% non-cumulative non-convertible perpetual capital securities issued on 19 October 2017		**879**		879
3.58% non-cumulative non-convertible perpetual capital securities issued on 17 July 2019		**749**		749
2.25% non-cumulative non-convertible perpetual capital securities issued on 15 January 2021		**150**		150
2.55% non-cumulative non-convertible perpetual capital securities issued on 22 June 2021		**599**		599
4.25% non-cumulative non-convertible perpetual capital securities issued on 4 July 2022		**400**		–
Share capital and other capital of the Bank and the Group		**7,855**		7,391

(b) The ordinary shares have no par value and are fully paid. The holders of ordinary shares (excluding treasury shares) have unrestricted rights to dividends, return of capital and voting.

(c) During the financial year, the Bank issued 2,619,000 (2021: 2,068,000) treasury shares to participants of the share-based compensation plan.

15. Share Capital and Other Capital (continued)

(d) The 3.875% non-cumulative non-convertible perpetual capital securities were issued by the Bank on 19 October 2017. The capital securities are perpetual securities but may be redeemed at the option of the Bank on 19 October 2023 or any distribution payment date thereafter or upon the occurrence of a tax event or certain redemption events. As a Basel III capital instrument, the principal of the capital securities can be written down in full or in part upon notification of non-viability by the MAS.

The capital securities bear a fixed distribution rate of 3.875% per annum, subject to a reset on 19 October 2023 (and every five years thereafter) to a rate equal to the prevailing five-year United States Dollar Swap Rate plus the initial spread of 1.794%. Distributions are payable semi-annually on 19 April and 19 October of each year, unless cancelled by the Bank at its sole discretion or unless the Bank has no obligation to pay the distributions.

The capital securities constitute direct, unsecured and subordinated obligations of the Bank and rank pari passu without preference among themselves.

(e) The 3.58% non-cumulative non-convertible perpetual capital securities were issued by the Bank on 17 July 2019**.** The capital securities are perpetual securities but may be redeemed at the option of the Bank on 17 July 2026 or any distribution payment date thereafter or upon the occurrence of a tax event or certain redemption events. As a Basel III capital instrument, the principal of the capital securities can be written down in full or in part upon notification of non-viability by the MAS.

The capital securities bear a fixed distribution rate of 3.58% per annum, subject to a reset on 17 July 2026 (and every seven years thereafter) to a rate equal to the prevailing seven-year Singapore Dollar Swap Offer Rate (SOR) plus the initial margin of 1.795%. Distributions are payable semi-annually on 17 January and 17 July of each year, unless cancelled by the Bank at its sole discretion or unless the Bank has no obligation to pay the distributions.

The capital securities constitute direct, unsecured and subordinated obligations of the Bank and rank pari passu without preference among themselves.

(f) The 2.25% non-cumulative non-convertible perpetual capital securities were issued by the Bank on 15 January 2021. The capital securities are perpetual securities but may be redeemed at the option of the Bank on 15 January 2026 or any distribution payment date thereafter or upon the occurrence of a tax event or certain redemption events. As a Basel III capital instrument, the principal of the capital securities can be written down in full or in part upon notification of non-viability by the MAS.

The capital securities bear a fixed distribution rate of 2.25% per annum, subject to a reset on 15 January 2026 (and every five years thereafter) to a rate equal to the prevailing five-year Singapore Overnight Rate Average Overnight Indexed Swap (SORA OIS) plus the initial margin of 1.81%. Distributions are payable semi-annually on 15 January and 15 July of each year, unless cancelled by the Bank at its sole discretion or unless the Bank has no obligation to pay the distributions.

The capital securities constitute direct, unsecured and subordinated obligations of the Bank and rank pari passu without preference among themselves.

15. Share Capital and Other Capital (continued)

(g) The 2.55% non-cumulative non-convertible perpetual capital securities were issued by the Bank on 22 June 2021. The capital securities are perpetual securities but may be redeemed at the option of the Bank on 22 June 2028 or any distribution payment date thereafter or upon the occurrence of a tax event or certain redemption events. As a Basel III capital instrument, the principal of the capital securities can be written down in full or in part upon notification of non-viability by the MAS.

The capital securities bear a fixed distribution rate of 2.55% per annum, subject to a reset on 22 June 2028 (and every seven years thereafter) to a rate equal to the prevailing seven-year SORA OIS plus the initial margin of 1.551%. Distributions are payable semi-annually on 22 June and 22 December of each year, unless cancelled by the Bank at its sole discretion or unless the Bank has no obligation to pay the distributions.

The capital securities constitute direct, unsecured and subordinated obligations of the Bank and rank pari passu without preference among themselves.

(h) The 4.25% non-cumulative non-convertible perpetual capital securities were issued by the Bank on 4 July 2022. The capital securities are perpetual securities but may be redeemed at the option of the Bank on 4 October 2027 or any distribution payment date thereafter or upon the occurrence of a tax event or certain redemption events. As a Basel III capital instrument, the principal of the capital securities can be written down in full or in part upon notification of non-viability by the MAS.

The capital securities bear a fixed distribution rate of 4.25% per annum, subject to a reset on 4 October 2027 (and every five years thereafter) to a rate equal to the prevailing five-year SORA OIS plus the initial margin of 1.47%. Distributions are payable semi-annually on 4 January and 4 July of each year, unless cancelled by the Bank at its sole discretion or unless the Bank has no obligation to pay the distributions.

The capital securities constitute direct, unsecured and subordinated obligations of the Bank and rank pari passu without preference among themselves.

16. Retained Earnings

(a)

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Balance at 1 January	**26,431**	24,103	**19,224**	17,504
Profit for the financial year attributable to equity holders of the Bank	**4,573**	4,075	**4,037**	3,454
Net gain on equity instruments at FVOCI	**14**	7	**9**	–
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	**#**	#	**#**	#
Redemption of perpetual capital securities	**–**	(2)	**–**	(2)
Remeasurement of defined benefit obligation	**5**	5	**#**	#
Transfer (to)/from other reserves	**(18)**	(24)	**1**	1
Change in non-controlling interests	**(1)**	–	**–**	–
Dividends				
Ordinary shares				
Final dividend of 60 cents (2021: 39 cents) tax-exempt per share paid in respect of prior financial year	**(1,005)**	(653)	**(1,005)**	(653)
Interim dividend of 60 cents (2021: 60 cents) tax-exempt per share paid in respect of the financial year	**(1,005)**	(1,006)	**(1,005)**	(1,006)
4.00% non-cumulative non-convertible perpetual capital securities issued on 18 May 2016	**–**	(13)	**–**	(13)
3.875% non-cumulative non-convertible perpetual capital securities issued on 19 October 2017	**(30)**	(29)	**(30)**	(29)
3.58% non-cumulative non-convertible perpetual capital securities issued on 17 July 2019	**(23)**	(23)	**(23)**	(23)
2.25% non-cumulative non-convertible perpetual capital securities issued on 15 January 2021	**(3)**	(2)	**(3)**	(2)
2.55% non-cumulative non-convertible perpetual capital securities issued on 22 June 2021	**(13)**	(7)	**(13)**	(7)
	(2,079)	(1,733)	**(2,079)**	(1,733)
Balance at 31 December	**28,925**	26,431	**21,192**	19,224

Amount less than $500,000

(b) The retained earnings are distributable reserves except for an amount of $688 million (2021: $659 million), being the Group's share of revenue reserves of associates and joint ventures which is distributable only upon realisation by way of dividend from or disposal of investment in the associates and joint ventures.

(c) In respect of the financial year ended 31 December 2022, the directors have proposed a final tax-exempt dividend of 75 cents per ordinary share amounting to a total dividend of $1,256 million. The proposed dividend will be accounted for in Year 2023 financial statements upon approval of the equity holders of the Bank.

17. Other Reserves

(a)

	The Group									
In $ millions	Fair value reserve	Cash flow hedge reserve	Foreign currency translation reserve	Share-based compensation reserve	Merger reserve	Statutory reserve	General reserve	Share of reserves of associates and joint ventures	Others	Total
2022										
Balance at 1 January	**533**	**–**	**(1,500)**	**93**	**3,057**	**735**	**6,213**	**84**	**(404)**	**8,811**
Other comprehensive income for the financial year	**(1,436)**	**(4)**	**(787)**	**–**	**–**	**–**	**–**	**(13)**	**–**	**(2,240)**
Transfers	**–**	**–**	**–**	**–**	**(1)**	**20**	**–**	**–**	**(1)**	**18**
Share-based compensation	**–**	**–**	**–**	**60**	**–**	**–**	**–**	**–**	**–**	**60**
Shares issued under share-based compensation plan	**–**	**–**	**–**	**(58)**	**–**	**–**	**–**	**–**	**(5)**	**(63)**
Balance at 31 December	**(903)**	**(4)**	**(2,287)**	**95**	**3,056**	**755**	**6,213**	**71**	**(410)**	**6,586**
2021										
Balance at 1 January	982	–	(1,338)	88	3,058	710	6,213	75	(410)	9,378
Other comprehensive income for the financial year	(449)	–	(162)	–	–	–	–	9	–	(602)
Transfers	–	–	–	–	(1)	25	–	–	–	24
Share-based compensation	–	–	–	59	–	–	–	–	#	59
Shares issued under share-based compensation plan	–	–	–	(54)	–	–	–	–	6	(48)
Balance at 31 December	533	–	(1,500)	93	3,057	735	6,213	84	(404)	8,811

Notes to the Financial Statements

for the financial year ended 31 December 2022

17. Other Reserves

(a) (continued)

	The Bank								
In $ millions	Fair value reserve	Cash flow hedge reserve	Foreign currency translation reserve	Share-based compensation reserve	Merger reserve	Statutory reserve	General reserve	Others	Total
2022									
Balance at 1 January	**435**	**–**	**(95)**	**93**	**3,057**	**328**	**5,720**	**(70)**	**9,468**
Other comprehensive income for the financial year	**(1,301)**	**(4)**	**(75)**	**–**	**–**	**–**	**–**	**–**	**(1,380)**
Transfers	**–**	**–**	**–**	**–**	**(1)**	**–**	**–**	**–**	**(1)**
Share-based compensation	**–**	**–**	**–**	**60**	**–**	**–**	**–**	**–**	**60**
Shares issued under share-based compensation plan	**–**	**–**	**–**	**(58)**	**–**	**–**	**–**	**(5)**	**(63)**
Balance at 31 December	**(866)**	**(4)**	**(170)**	**95**	**3,056**	**328**	**5,720**	**(75)**	**8,084**
2021									
Balance at 1 January	763	–	(89)	88	3,058	328	5,720	(76)	9,792
Other comprehensive income for the financial year	(328)	–	(6)	–	–	–	–	–	(334)
Transfers	–	–	–	–	(1)	–	–	–	(1)
Share-based compensation	–	–	–	59	–	–	–	#	59
Shares issued under share-based compensation plan	–	–	–	(54)	–	–	–	6	(48)
Balance at 31 December	435	–	(95)	93	3,057	328	5,720	(70)	9,468

Amount less than $500,000

(b) Fair value reserve contains cumulative fair value changes of FVOCI financial assets and changes attributable to own credit risk. The cumulative amount attributable to own credit risk is an unrealised loss of $2 million (2021: unrealised gain of $1 million) for the Group and unrealised gain of $1 million (2021: $1 million) for the Bank.

(c) Cash flow hedge reserve represents the effective portion of the change in fair value of derivatives designated as hedging instruments in cash flow hedges. The amount in reserve is reclassified to the income statement when the underlying hedged item affects profit or loss or when a forecast transaction is no longer expected to occur.

(d) Foreign currency translation reserve represents differences arising from the use of year end exchange rates versus historical rates in translating the net assets of foreign operations, net of the effective portion of the fair value changes of related hedging instruments.

(e) Share-based compensation reserve reflects the Bank's and the Group's commitments under the share-based compensation plan.

(f) Merger reserve represents the premium on shares issued in connection with the acquisition of Overseas Union Bank Limited.

(g) Statutory reserve includes regulatory loss allowance reserve and reserve maintained in accordance with the provisions of applicable laws and regulations.

(h) General reserve has not been earmarked for any specific purpose.

17. Other Reserves (continued)

(i) Share of reserves of associates and joint ventures comprises the Group's share of associates' and joint ventures' reserves, other than retained earnings. These reserves are non-distributable until they are realised by way of dividend from or disposal of investment in the associates and joint ventures.

(j) Other reserves are maintained for capital related transactions such as transactions associated with non-controlling interests, business combination and bonus share issuance by subsidiaries.

18. Classification of Financial Assets and Financial Liabilities

(a)

	The Group					
In $ millions	**HFT**	**FVPL – mandatory**	**FVPL – designated**	**FVOCI**	**AC**	**Total**
2022						
Cash, balances and placements with central banks	**1,660**	**–**	**–**	**2,450**	**45,309**	**49,419**
Singapore government treasury bills and securities	**307**	**–**	**–**	**6,447**	**5,302**	**12,056**
Other government treasury bills and securities	**1,252**	**–**	**–**	**13,605**	**4,965**	**19,822**
Trading securities	**4,606**	**–**	**–**	**–**	**–**	**4,606**
Placements and balances with banks	**8,638**	**–**	**–**	**3,509**	**23,263**	**35,410**
Loans to customers	**2,778**	**–**	**–**	**20**	**312,557**	**315,355**
Derivative financial assets	**13,802**	**–**	**–**	**–**	**–**	**13,802**
Investment securities						
Debt	**–**	**46**	**–**	**21,707**	**10,669**	**32,422**
Equity	**–**	**932**	**–**	**1,829**	**–**	**2,761**
Other assets	**2,770**	**–**	**–**	**2**	**4,770**	**7,542**
Total financial assets	**35,813**	**978**	**–**	**49,569**	**406,835**	**493,195**
Non-financial assets						**11,065**
Total assets						**504,260**
Deposits and balances of banks and customers	**2,273**	**–**	**1,690**	**–**	**389,127**	**393,090**
Bills and drafts payable	**–**	**–**	**–**	**–**	**788**	**788**
Derivative financial liabilities	**16,218**	**–**	**–**	**–**	**–**	**16,218**
Other liabilities	**1,828**	**–**	**931**	**–**	**4,705**	**7,464**
Debts issued	**–**	**–**	**2,461**	**–**	**38,132**	**40,593**
Total financial liabilities	**20,319**	**–**	**5,082**	**–**	**432,752**	**458,153**
Non-financial liabilities						**2,501**
Total liabilities						**460,654**

18. Classification of Financial Assets and Financial Liabilities (continued)

(a) (continued)

	The Group					
In $ millions	**HFT**	**FVPL – mandatory**	**FVPL – designated**	**FVOCI**	**AC**	**Total**
2021						
Cash, balances and placements with central banks	3,078	–	–	5,316	28,164	36,558
Singapore government treasury bills and securities	334	–	–	6,738	354	7,426
Other government treasury bills and securities	1,424	–	–	13,317	157	14,898
Trading securities	5,788	–	–	–	–	5,788
Placements and balances with banks	12,215	–	–	5,655	21,046	38,916
Loans to customers	3,772	–	–	80	302,861	306,713
Derivative financial assets	5,362	–	–	–	–	5,362
Investment securities						
Debt	–	45	–	18,627	6,946	25,618
Equity	–	1,174	–	2,276	–	3,450
Other assets	1,912	–	–	2	2,644	4,558
Total financial assets	33,885	1,219	–	52,011	362,172	449,287
Non-financial assets						10,036
Total assets						459,323
Deposits and balances of banks and customers	1,206	–	877	–	366,111	368,194
Bills and drafts payable	–	–	–	–	977	977
Derivative financial liabilities	5,172	–	–	–	–	5,172
Other liabilities	2,443	–	268	1	3,099	5,811
Debts issued	–	–	1,229	–	32,827	34,056
Total financial liabilities	8,821	–	2,374	1	403,014	414,210
Non-financial liabilities						2,252
Total liabilities						416,462

18. Classification of Financial Assets and Financial Liabilities (continued)

(a) (continued)

In $ millions	HFT	FVPL – mandatory	FVPL – designated	FVOCI	AC	Total
	The Bank					
2022						
Cash, balances and placements with central banks	**1,660**	**–**	**–**	**1,607**	**40,282**	**43,549**
Singapore government treasury bills and securities	**307**	**–**	**–**	**6,447**	**5,302**	**12,056**
Other government treasury bills and securities	**763**	**–**	**–**	**6,033**	**1,006**	**7,802**
Trading securities	**3,642**	**–**	**–**	**–**	**–**	**3,642**
Placements and balances with banks	**7,040**	**–**	**–**	**2,304**	**15,573**	**24,917**
Loans to customers	**2,537**	**–**	**–**	**–**	**243,322**	**245,859**
Placements with and advances to subsidiaries	**1,180**	**–**	**–**	**–**	**21,805**	**22,985**
Derivative financial assets	**12,463**	**–**	**–**	**–**	**–**	**12,463**
Investment securities						
Debt	**–**	**36**	**–**	**19,855**	**10,442**	**30,333**
Equity	**–**	**337**	**–**	**1,493**	**–**	**1,830**
Other assets	**1,681**	**–**	**–**	**–**	**3,500**	**5,181**
Total financial assets	**31,273**	**373**	**–**	**37,739**	**341,232**	**410,617**
Non-financial assets						**13,688**
Total assets						**424,305**
Deposits and balances of banks, customers and subsidiaries	**2,072**	**–**	**1,477**	**–**	**323,177**	**326,726**
Bills and drafts payable	**–**	**–**	**–**	**–**	**622**	**622**
Derivative financial liabilities	**14,669**	**–**	**–**	**–**	**–**	**14,669**
Other liabilities	**1,723**	**–**	**168**	**–**	**2,932**	**4,823**
Debts issued	**–**	**–**	**2,459**	**–**	**35,861**	**38,320**
Total financial liabilities	**18,464**	**–**	**4,104**	**–**	**362,592**	**385,160**
Non-financial liabilities						**2,014**
Total liabilities						**387,174**

18. Classification of Financial Assets and Financial Liabilities (continued)

(a) (continued)

	The Bank					
In $ millions	**HFT**	**FVPL – mandatory**	**FVPL – designated**	**FVOCI**	**AC**	**Total**
2021						
Cash, balances and placements with central banks	3,078	–	–	3,896	21,382	28,356
Singapore government treasury bills and securities	334	–	–	6,736	354	7,424
Other government treasury bills and securities	765	–	–	4,371	11	5,147
Trading securities	4,990	–	–	–	–	4,990
Placements and balances with banks	11,010	–	–	3,530	13,636	28,176
Loans to customers	3,640	–	–	–	239,968	243,608
Placements with and advances to subsidiaries	1,423	–	–	–	22,525	23,948
Derivative financial assets	4,251	–	–	–	–	4,251
Investment securities						
Debt	–	35	–	15,481	6,721	22,237
Equity	–	436	–	1,883	–	2,319
Other assets	1,205	–	–	–	1,693	2,898
Total financial assets	30,696	471	–	35,897	306,290	373,354
Non-financial assets						13,162
Total assets						386,516
Deposits and balances of banks, customers and subsidiaries	1,168	–	877	–	304,387	306,432
Bills and drafts payable	–	–	–	–	799	799
Derivative financial liabilities	4,161	–	–	–	–	4,161
Other liabilities	2,335	–	195	1	1,816	4,347
Debts issued	–	–	1,229	–	31,552	32,781
Total financial liabilities	7,664	–	2,301	1	338,554	348,520
Non-financial liabilities						1,913
Total liabilities						350,433

(b) Certain financial derivatives were designated as hedging instruments for fair value hedges and cash flow hedges as set out in Note 41.

18. Classification of Financial Assets and Financial Liabilities (continued)

(c) For the financial instruments designated as FVPL, the amounts payable at maturity are as follows:

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Financial liabilities				
Deposits and balances of banks and customers	**1,736**	878	**1,493**	878
Debts issued	**2,877**	1,345	**2,875**	1,345
Other liabilities	**951**	273	**168**	195
	5,564	2,496	**4,536**	2,418

19. Fair Values of Financial Instruments

(a) The valuation process adopted by the Group is governed by the valuation, market data, and valuation adjustment policies. These policies set the methodologies and controls for the valuation of financial assets and liabilities where mark-to-market or mark-to-model is required. These policies apply to all assets and liabilities classified as FVPL and FVOCI. The valuation processes incorporating the market rates, the methodologies and models, including the analysis of the valuation are regularly reviewed by Group Risk Management. Processes and controls are also subject to periodic reviews by internal auditors.

The valuation inputs are independently verified by checking against information from market sources. These are applicable to products or instruments with liquid markets or those traded on an exchange. Where market prices are not liquid, additional techniques will be used such as historical estimation or available proxies as additional reasonableness checks. Where products or instruments are complex, the Group utilises approved valuation models. All valuation models are independently validated by Group Risk Management.

Fair value for instruments classified as Level 2 use inputs such as yield curves, volatilities and market prices which are observable and of high reliability.

When unobservable inputs are used in the valuation models for Level 3 financial assets or liabilities, apart from utilising market proxies, other valuation techniques such as cash flow, profit and loss or net asset value in financial statements are used as a reasonableness check.

The valuation process is supplemented by valuation adjustments for valuation uncertainties. Valuation adjustment methodologies and adjustments are approved by the Group Asset and Liability Committee (ALCO).

The valuation adjustments or reserves set aside include bid/offer rate adjustments, illiquidity adjustments and other adjustments such as Day 1 profit reserves, where applicable. Adjustments are also considered for use of proxies, models or estimated parameters.

For financial instruments carried at amortised cost, their fair values are expected to approximate the carrying amounts and determined as follows:

- For cash, balances, placements and deposits of central banks, banks and subsidiaries, deposits of customers with short-term or no stated maturity, as well as interest and other short-term receivables and payables, fair values are estimated using the discounted cash flow method;

- For loans and deposits of customers, fair values are estimated using the discounted cash flow method;

- For non-subordinated debts issued and investment debt securities, fair values are estimated based on independent broker quotes; and

- For subordinated notes issued, fair values are determined based on quoted market prices.

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for the financial year ended 31 December 2022

19. Fair Values of Financial Instruments (continued)

(b) The Group classifies financial instruments carried at fair value by level following the fair value measurement hierarchy:

- Level 1 – Unadjusted quoted prices in active markets for identical financial instruments
- Level 2 – Inputs other than quoted prices that are observable either directly or indirectly
- Level 3 – Inputs that are not based on observable market data

	The Group					
	2022			2021		
In $ millions	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Cash, balances and placements with central banks	**1,615**	**2,495**	**–**	3,576	4,818	–
Singapore government treasury bills and securities	**6,754**	**–**	**–**	7,072	–	–
Other government treasury bills and securities	**13,049**	**1,808**	**–**	12,845	1,896	–
Trading securities	**1,075**	**3,502**	**29**	1,581	4,006	201
Placements and balances with banks	**–**	**12,147**	**–**	–	17,870	–
Loans to customers	**–**	**2,798**	**–**	–	3,852	–
Derivative financial assets	**227**	**13,131**	**444**	250	5,017	95
Investment securities						
Debt	**2,618**	**17,515**	**1,620**	1,247	16,243	1,182
Equity	**985**	**–**	**1,776**	1,370	–	2,080
Other assets	**2,305**	**467**	**–**	1,556	358	–
	28,628	**53,863**	**3,869**	29,497	54,060	3,558
Total financial assets carried at fair value			**86,360**			87,115
Deposits and balances of banks and customers	**–**	**3,963**	**–**	–	2,083	–
Derivative financial liabilities	**223**	**15,761**	**234**	205	4,916	51
Other liabilities	**196**	**2,563**	**–**	458	2,254	–
Debts issued	**–**	**2,461**	**–**	–	1,229	–
	419	**24,748**	**234**	663	10,482	51
Total financial liabilities carried at fair value			**25,401**			11,196

19. Fair Values of Financial Instruments (continued)

(b) (continued)

	The Bank					
	2022			2021		
In $ millions	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Cash, balances and placements with central banks	**772**	**2,495**	**–**	2,156	4,818	–
Singapore government treasury bills and securities	**6,754**	**–**	**–**	7,070	–	–
Other government treasury bills and securities	**6,455**	**341**	**–**	4,673	463	–
Trading securities	**1,075**	**2,563**	**4**	1,576	3,261	153
Placements and balances with banks	**–**	**9,344**	**–**	–	14,540	–
Loans to customers	**–**	**2,537**	**–**	–	3,640	–
Placements with and advances to subsidiaries	**–**	**1,180**	**–**	–	1,423	–
Derivative financial assets	**54**	**11,965**	**444**	133	4,020	98
Investment securities						
Debt	**2,618**	**16,025**	**1,248**	113	14,746	657
Equity	**814**	**–**	**1,016**	1,137	–	1,182
Other assets	**1,658**	**23**	**–**	1,183	22	–
	20,200	**46,473**	**2,712**	18,041	46,933	2,090
Total financial assets carried at fair value			**69,385**			67,064
Deposits and balances of banks, customers and subsidiaries	**–**	**3,549**	**–**	–	2,045	–
Derivative financial liabilities	**174**	**14,261**	**234**	150	3,960	51
Other liabilities	**197**	**1,694**	**–**	458	2,073	–
Debts issued	**–**	**2,459**	**–**	–	1,229	–
	371	**21,963**	**234**	608	9,307	51
Total financial liabilities carried at fair value			**22,568**			9,966

19. Fair Values of Financial Instruments (continued)

(c) The following table presents the changes in Level 3 instruments for the financial year ended:

	The Group							
		Fair value gains or losses						
In $ millions	Balance at 1 January	Income statement	Other comprehensive income	Purchases	Settlements	Transfer in/(out)	Balance at 31 December	Unrealised gains or losses included in income statement
2022								
Assets								
Trading securities	**201**	**–**	**–**	**16**	**(192)**	**4**	**29**	**–**
Derivative financial assets	**95**	**349**	**–**	**–**	**–**	**–**	**444**	**349**
Investment securities – debt	**1,182**	**(1)**	**(38)**	**1,245**	**(30)**	**(738)(1)**	**1,620**	**(1)**
Investment securities – equity	**2,080**	**(64)**	**(127)**	**140**	**(145)**	**(108)(2)**	**1,776**	**(64)**
Liabilities								
Derivative financial liabilities	**51**	**183**	**–**	**–**	**–**	**–**	**234**	**183**
2021								
Assets								
Trading securities	976	#	–	201	(976)	#	201	#
Derivative financial assets	120	(25)	–	–	–	–	95	(25)
Investment securities – debt	2,221	(7)	#	660	(1,534)	(158)(1)	1,182	(7)
Investment securities – equity	1,911	105	11	151	(70)	(28)	2,080	105
Liabilities								
Derivative financial liabilities	190	(139)	–	–	–	–	51	(139)

\# *Amount less than $500,000*

(1) Investment securities – debt were transferred out from Level 3 during the year due to an increased contribution of observable inputs to their valuation.

(2) Investment securities – equity were transferred out from Level 3 during the year as unquoted securities were listed on an exchange.

19. Fair Values of Financial Instruments (continued)

(c) (continued)

	The Bank							
		Fair value gains or losses						
In $ millions	**Balance at 1 January**	**Income statement**	**Other comprehensive income**	**Purchases**	**Settlements**	**Transfer out**	**Balance at 31 December**	**Unrealised gains or losses included in income statement**
2022								
Assets								
Trading securities	**153**	**–**	**–**	**–**	**(149)**	**–**	**4**	**–**
Derivative financial assets	**98**	**346**	**–**	**–**	**–**	**–**	**444**	**346**
Investment securities – debt	**657**	**–**	**(28)**	**1,023**	**–**	**(404)**(1)	**1,248**	**–**
Investment securities – equity	**1,182**	**(6)**	**(128)**	**56**	**(88)**	**–**	**1,016**	**(6)**
Liabilities								
Derivative financial liabilities	**51**	**183**	**–**	**–**	**–**	**–**	**234**	**183**
2021								
Assets								
Trading securities	518	#	–	153	(518)	#	153	#
Derivative financial assets	120	(22)	–	–	–	–	98	(22)
Investment securities – debt	1,289	(7)	1	385	(732)	(279)(1)	657	(7)
Investment securities – equity	1,145	31	(18)	52	(28)	–	1,182	31
Liabilities								
Derivative financial liabilities	190	(139)	–	–	–	–	51	(139)

\# *Amount less than $500,000*

(1) Investment securities – debt were transferred out from Level 3 during the year due to an increased contribution of observable inputs to their valuation.

19. Fair Values of Financial Instruments (continued)

(d) *Effect of changes in significant unobservable inputs*

At 31 December 2022, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) included unquoted equity investments and funds, unquoted debt securities, long dated equity derivatives, equity derivatives with basket underlying and callable interest rate swaps with multiple calls, summarised as follows:

	The Group				
In $ millions	**2022**	2021	**Classification**	**Valuation technique**	**Unobservable inputs**
Assets					
Trading securities – debt	**29**	201	FVPL	Discounted Cash Flow	Credit Spreads
Derivative financial assets	**444**	95	FVPL	Option Pricing Model	Volatilities and Correlations
Investment securities – debt	**1,620**	1,182	FVOCI/FVPL	Discounted Cash Flow and Option Pricing Model	Credit Spreads, Volatilities and Correlations
Investment securities – equity	**1,776**	2,080	FVOCI/FVPL	Multiples, Net Asset Value and Recent Transaction Price	Net Asset Value, Earnings and Financial Ratio Multiples
Liabilities					
Derivative financial liabilities	**234**	51	FVPL	Option Pricing Model	Volatilities and Correlations

In estimating significance, the Group performed sensitivity analyses based on methodologies applied for fair value adjustments. These adjustments reflect the values which the Group estimates to be appropriate to reflect uncertainties in the inputs used (e.g. based on stress testing methodologies on the unobservable inputs). The methodologies used can be statistical or based on other relevant approved techniques.

The effect on fair value arising from reasonably possible changes to the significant unobservable inputs is assessed to be insignificant.

20. Deposits and Balances of Customers

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Fixed deposits	**175,965**	137,079	**140,525**	102,676
Savings deposits	**88,979**	99,703	**61,977**	75,429
Current accounts	**86,152**	98,624	**69,648**	82,448
Others	**17,457**	17,227	**16,874**	16,640
	368,553	352,633	**289,024**	277,193

21. Other Liabilities

(a)

In $ millions	The Group **2022**	 2021	The Bank **2022**	 2021
Accrued interest payable	**1,173**	320	**1,009**	193
Accrued operating expenses	**1,675**	1,106	**930**	689
ECL allowance (Note 21(b))	**222**	293	**117**	162
Lease liabilities (Note 21(c))	**254**	178	**189**	122
Sundry creditors	**4,363**	4,005	**2,825**	3,292
Others	**1,116**	1,167	**878**	1,089
	8,803	7,069	**5,948**	5,547

(b) *Movements in ECL allowance for commitments and contingent liabilities*

	The Group			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Balance at 1 January	**203**	**78**	**12**	**293**
Transfers between Stages	**27**	**(27)**	**#**	**–**
Remeasurement (1)	**(18)**	**14**	**7**	**3**
Changes in models (2)	**(30)**	**(5)**	**–**	**(35)**
Write-back to income statement	**(19)**	**(10)**	**(2)**	**(31)**
Currency translation adjustments	**(7)**	**(2)**	**1**	**(8)**
Balance at 31 December	**156**	**48**	**18**	**222**
2021				
Balance at 1 January	200	57	8	265
Transfers between Stages	12	(12)	#	–
Remeasurement (1)	(6)	19	3	16
Changes in models (2)	(41)	20	–	(21)
Charge/(Write-back) to income statement	40	(6)	1	35
Currency translation adjustments	(2)	#	#	(2)
Balance at 31 December	203	78	12	293

\# *Amount less than $500,000*

(1) Remeasurement relates to the changes in ECL following a transfer between Stages.

(2) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

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21. Other Liabilities (continued)

(b) *Movements in ECL allowance for commitments and contingent liabilities (continued)*

	The Bank			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Balance at 1 January	**133**	**28**	**1**	**162**
Transfers between Stages	**2**	**(2)**	**#**	**–**
Remeasurement (1)	**(2)**	**6**	**#**	**4**
Changes in models (2)	**(24)**	**(2)**	**–**	**(26)**
(Write-back)/Charge to income statement	**(21)**	**(4)**	**2**	**(23)**
Currency translation adjustments	**(1)**	**#**	**1**	**–**
Balance at 31 December	**87**	**26**	**4**	**117**
2021				
Balance at 1 January	118	36	4	158
Transfers between Stages	7	(7)	#	–
Remeasurement (1)	(3)	11	#	8
Changes in models (2)	(16)	(5)	–	(21)
Charge/(Write-back) to income statement	27	(7)	(3)	17
Balance at 31 December	133	28	1	162

\# *Amount less than $500,000*

(1) Remeasurement relates to the changes in ECL following a transfer between Stages.

(2) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

(c) *Contractual maturity for lease liabilities*

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Maturity for lease liabilities				
Within 1 year	**68**	61	**51**	48
Over 1 to 5 years	**169**	102	**134**	68
Over 5 years	**17**	15	**4**	6
	254	178	**189**	122

22. Deferred Tax

(a) Deferred tax comprises the following:

In $ millions	The Group 2022	 2021	The Bank 2022	 2021
Deferred tax liabilities on:				
Unrealised gain on FVOCI financial assets	**8**	26	**11**	9
Accelerated tax depreciation	**245**	227	**234**	219
Unrealised gain on financial instruments at FVPL	**106**	130	**–**	–
Depreciable assets acquired in business combination	**36**	21	**21**	21
Others	**42**	57	**47**	54
	437	461	**313**	303
Amount offset against deferred tax assets	**(77)**	(30)	**(74)**	(34)
	360	431	**239**	269
Deferred tax assets on:				
Allowance for impairment	**296**	261	**107**	103
Unrealised loss on FVOCI financial assets	**40**	–	**32**	–
Unrealised loss on financial instruments at FVPL	**104**	115	**–**	–
Others	**197**	164	**56**	57
	637	540	**195**	160
Amount offset against deferred tax liabilities	**(77)**	(30)	**(74)**	(34)
	560	510	**121**	126
Net deferred tax assets/(liabilities)	**200**	79	**(118)**	(143)

(b) Movements in deferred tax during the financial year are as follows:

In $ millions	The Group 2022	 2021	The Bank 2022	 2021
Balance at 1 January	**79**	(7)	**(143)**	(154)
Currency translation adjustments	**(19)**	(2)	**(6)**	1
Depreciable assets acquired in business combination	**5**	–	**–**	–
Credit/(Charge) to income statement	**59**	47	**(10)**	8
Credit to equity	**76**	41	**41**	2
Balance at 31 December	**200**	79	**(118)**	(143)

The Group has not recognised deferred tax assets in respect of tax losses of $27 million (2021: $27 million) which can be carried forward to offset against future taxable income, subject to meeting certain statutory requirements of the relevant tax authorities. These tax losses have no expiry date except for an amount of $11 million (2021: $11 million) which will expire between the years 2024 and 2030 (2021: 2022 and 2030).

23. Debts Issued

(a)

In $ millions		Issue/ Maturity date	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Subordinated notes	**Note (b)**					
HKD700 million 3.19% notes callable in 2023	(i)	26 Aug 2016/ 26 Aug 2028	**118**	122	**118**	122
USD600 million 2.88% notes callable in 2022	(ii)	8 Sep 2016/ 8 Mar 2027	**–**	813	**–**	813
SGD750 million 3.50% notes callable in 2024	(iii)	27 Feb 2017/ 27 Feb 2029	**734**	770	**734**	770
USD600 million 3.75% notes callable in 2024	(iv)	15 Apr 2019/ 15 Apr 2029	**779**	833	**779**	833
USD600 million 1.75% notes callable in 2026	(v)	16 Sep 2020/ 16 Mar 2031	**724**	795	**724**	795
USD750 million 2.00% notes callable in 2026	(vi)	14 Apr 2021/ 14 Oct 2031	**891**	987	**891**	987
CNH650 million 4.50% notes callable in 2027	(vii)	6 Apr 2022/ 6 Apr 2032	**125**	–	**125**	–
USD1 billion 3.863% notes callable in 2027	(viii)	7 Apr 2022/ 7 Oct 2032	**1,250**	–	**1,250**	–
RM600 million 4.80% notes callable in 2023	(ix)	25 Jul 2018/ 25 Jul 2028	**182**	199	**–**	–
RM750 million 3.00% notes callable in 2025	(x)	3 Aug 2020/ 2 Aug 2030	**228**	243	**–**	–
RM1 billion 4.91% notes callable in 2027	(xi)	27 Oct 2022/ 27 Oct 2032	**305**	–	**–**	–
THB6 billion 3.56% notes callable in 2022	(xii)	20 Sep 2017/ 20 Sep 2027	**–**	244	**–**	–
THB13.735 billion 4.07% notes callable in 2027	(xiii)	7 Jun 2022/ 7 Jun 2032	**538**	–	**–**	–
THB5 billion 4.00% notes callable in 2029	(xiv)	19 Sep 2022/ 19 Sep 2034	**39**	–	**–**	–
IDR100 billion 9.40% notes	(xv)	25 Nov 2016/ 25 Nov 2023	**9**	9	**–**	–
IDR500 billion 9.25% notes	(xvi)	17 Oct 2017/ 17 Oct 2024	**43**	47	**–**	–
IDR100 billion 9.85% notes	(xvii)	5 Jul 2019/ 5 Jul 2026	**9**	9	**–**	–
IDR650 billion 9.25% notes	(xviii)	13 Nov 2019/ 13 Nov 2026	**56**	61	**–**	–
IDR100 billion 8.00% notes	(xix)	8 Mar 2022/ 8 Mar 2029	**8**	–	**–**	–
CNY1 billion 4.80% notes callable in 2024	(xx)	15 Nov 2019/ 19 Nov 2029	**183**	201	**–**	–
Total subordinated notes			**6,221**	5,333	**4,621**	4,320

23. Debts Issued (continued)

(a) (continued)

In $ millions		The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Other debts	**Note (c)**				
Commercial papers	(i)	**17,078**	13,618	**17,078**	13,618
Covered bonds	(ii)	**7,456**	7,855	**7,456**	7,855
Equity-linked notes	(iii)	**60**	219	**60**	219
Fixed rate notes	(iv)	**3,288**	2,250	**2,617**	2,033
Floating rate notes	(v)	**4,089**	3,766	**4,089**	3,725
Interest rate-linked notes	(vi)	**834**	1,008	**834**	1,008
Others	(vii)	**1,567**	7	**1,565**	3
Total other debts		**34,372**	28,723	**33,699**	28,461
Total debts issued		**40,593**	34,056	**38,320**	32,781
Of which, fair value hedge (gain)/loss:					
Subordinated notes		**(328)**	17	**(328)**	17
Other debts		**(775)**	(46)	**(775)**	(46)

(b) *Subordinated notes*

Subordinated notes are redeemable at par at the option of the issuers, in whole but not in part, or at the occurrence of a tax event or change of qualification event, subject to the prior approval of the relevant regulators and other redemption conditions. As a Basel III capital instrument, the subordinated notes can be written off in whole or in part if the issuer was determined by the regulators to be non-viable.

(i) Issued by the Bank with interest payable quarterly at a fixed rate of 3.19% per annum up to but excluding 26 August 2023. From and including 26 August 2023, the interest rate shall be reset to a fixed rate equal to the prevailing five-year Hong Kong Dollar Swap Rate plus 1.95%.

(ii) Issued by the Bank with interest payable semi-annually at a fixed rate of 2.88% per annum up to but excluding 8 March 2022. From and including 8 March 2022, the interest rate shall be reset to a fixed rate equal to the prevailing five-year United States Dollar Mid Swap Rate plus 1.654%. The notes were redeemed on 8 March 2022.

(iii) Issued by the Bank with interest payable semi-annually at a fixed rate of 3.50% per annum up to but excluding 27 February 2024. From and including 27 February 2024, the interest rate shall be reset to a fixed rate equal to the prevailing five-year Singapore Dollar SOR plus 1.08%.

(iv) Issued by the Bank with interest payable semi-annually at a fixed rate of 3.75% per annum up to but excluding 15 April 2024. From and including 15 April 2024, the interest rate shall be reset to a fixed rate equal to the prevailing five-year United States Treasury Rate plus the Initial Spread of 1.50%.

(v) Issued by the Bank with interest payable semi-annually at a fixed rate of 1.75% per annum up to but excluding 16 March 2026. From and including 16 March 2026, the interest rate shall be reset to a fixed rate equal to the prevailing five-year United States Treasury Rate plus the Initial Spread of 1.52%.

23. Debts Issued (continued)

(b) *Subordinated notes (continued)*

(vi) Issued by the Bank with interest payable semi-annually at a fixed rate of 2.00% per annum up to but excluding 14 October 2026. From and including 14 October 2026, the interest rate shall be reset to a fixed rate equal to the prevailing five-year United States Treasury Rate plus the Initial Spread of 1.23%.

(vii) Issued by the Bank with interest payable semi-annually at a fixed rate of 4.50% per annum.

(viii) Issued by the Bank with interest payable semi-annually at a fixed rate of 3.863% per annum up to but excluding 7 October 2027. From and including 7 October 2027, the interest rate shall be reset to a fixed rate equal to the prevailing five-year United States Treasury Rate plus the Reset Spread of 1.455%.

(ix) Issued by United Overseas Bank (Malaysia) Bhd with interest payable semi-annually at 4.80% per annum. The notes are redeemable on 25 July 2023 or at any interest payment date thereafter.

(x) Issued by United Overseas Bank (Malaysia) Bhd with interest payable semi-annually at 3.00% per annum. The notes are redeemable on 1 August 2025 or at any interest payment date thereafter.

(xi) Issued by United Overseas Bank (Malaysia) Bhd with interest payable semi-annually at 4.91% per annum. The notes are redeemable on 27 October 2027 or at any interest payment date thereafter.

(xii) Issued by United Overseas Bank (Thai) Public Company Limited with interest payable semi-annually at a fixed rate of 3.56% per annum. The notes were redeemed on 20 September 2022.

(xiii) Issued by United Overseas Bank (Thai) Public Company Limited with interest payable quarterly at a fixed rate of 4.07% per annum. The notes are redeemable on 7 June 2027 or at any interest payment date thereafter.

(xiv) Issued by United Overseas Bank (Thai) Public Company Limited with interest payable quarterly at a fixed rate of 4.00% per annum. The notes are redeemable on 19 September 2029 or at any interest payment date thereafter.

(xv) Issued by PT Bank UOB Indonesia with interest payable quarterly at a fixed rate of 9.40% per annum.

(xvi) Issued by PT Bank UOB Indonesia with interest payable quarterly at a fixed rate of 9.25% per annum.

(xvii) Issued by PT Bank UOB Indonesia with interest payable quarterly at a fixed rate of 9.85% per annum.

(xviii) Issued by PT Bank UOB Indonesia with interest payable quarterly at a fixed rate of 9.25% per annum.

(xix) Issued by PT Bank UOB Indonesia with interest payable quarterly at a fixed rate of 8.00% per annum.

(xx) Issued by United Overseas Bank (China) Limited with interest payable annually at a fixed rate of 4.80% per annum.

23. Debts Issued (continued)

(c) *Other debts*

(i) The commercial papers were issued by the Bank between 12 May 2022 and 21 December 2022 and mature between 3 January 2023 and 21 June 2023. Interest rates of the papers ranged from 4.04% to 5.06% per annum (2021: 0.11% to 0.28% per annum).

(ii) As at 31 December 2022, there were 7 covered bonds outstanding comprising:

EUR500 million fixed rate covered bonds issued by the Bank on 16 January 2018 at 99.412 with maturity on 16 January 2025. Interest is payable annually at a fixed rate of 0.50% per annum.

GBP350 million floating rate covered bonds issued by the Bank on 28 February 2018 at par value with maturity on 28 February 2023. Interest is payable quarterly at a compounded daily Sterling Overnight Index Average (SONIA) plus 0.3242% per annum.

EUR500 million fixed rate covered bonds issued by the Bank on 11 September 2018 at 99.52 with maturity on 11 September 2023. Interest is payable annually at a fixed rate of 0.25% per annum.

EUR1 billion fixed rate covered bonds issued by the Bank on 1 December 2020 at 101.553 with maturity on 1 December 2027. Interest is payable annually at a fixed rate of 0.01% per annum.

EUR750 million fixed rate covered bonds issued by the Bank on 25 May 2021 at 99.809 with maturity on 25 May 2029. Interest is payable annually at a fixed rate of 0.10% per annum.

GBP850 million floating rate covered bonds issued by the Bank on 21 September 2021 at 103.52 with maturity on 21 September 2026. Interest is payable quarterly at a compounded daily SONIA plus 1.00% per annum.

EUR1,500 million fixed rate covered bonds issued by the Bank on 17 March 2022 at par value with maturity on 17 March 2025. Interest is payable annually at a fixed rate of 0.387% per annum.

(iii) The equity-linked notes, with embedded equity derivatives, were issued at par with maturities ranging from 5 January 2023 to 21 December 2023. The periodic payments and payouts of the notes at maturity are linked to the closing value of certain underlying equities or equity indices.

(iv) The fixed rate notes comprise mainly notes issued by the Bank with maturities ranging from 23 May 2023 to 2 June 2026. Interest is payable semi-annually and annually at a fixed rate as follows:

Currency notes	Interest rate
CNY	2.88% to 3.49% per annum
HKD	0.64% to 5.03% per annum
IDR	5.65% to 8.25% per annum
THB	0.97% to 2.36% per annum
USD	1.21% to 3.06% per annum

(v) The floating rate notes comprise mainly notes issued at par with maturities ranging from 16 October 2023 to 24 February 2027. Interest is payable quarterly at a floating rate.

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23. Debts Issued (continued)

(c) *Other debts (continued)*

(vi) The interest rate-linked notes, with embedded interest rate derivatives, were issued at par with maturities ranging from 9 October 2023 to 16 September 2052. The periodic payouts and redemptions of the notes are linked to the interest rate indices.

(vii) Others comprise currency-linked notes issued by the Group.

(d) *Changes in liabilities arising from financing activities*

	The Group				
		Cash flows		Non-cash changes	
In $ millions	Balance at 1 January	Issuance	Redemption	Foreign exchange movement/Others	Balance at 31 December
2022					
Debts issued	**34,056**	**45,691**	**(38,181)**	**(973)**	**40,593**
2021					
Debts issued	29,608	29,648	(24,699)	(501)	34,056

24. Cash, Balances and Placements with Central Banks

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Cash on hand	**995**	794	**690**	553
Non-restricted balances with central banks	**42,270**	30,178	**38,237**	23,416
Cash and cash equivalents	**43,265**	30,972	**38,927**	23,969
Restricted balances with central banks	**6,157**	5,590	**4,623**	4,388
ECL allowance	**(3)**	(4)	**(1)**	(1)
	49,419	36,558	**43,549**	28,356

25. Other Government Treasury Bills and Securities

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Other government treasury bills and securities (1)	**19,823**	14,898	**7,802**	5,147
ECL allowance	**(1)**	#	**#**	#
	19,822	14,898	**7,802**	5,147

\# *Amount less than $500,000*

(1) Includes ECL allowance on other government treasury bills and securities at FVOCI of $6 million (2021: $6 million) for the Group and $1 million (2021: $1 million) for the Bank.

26. Trading Securities

In $ millions	The Group 2022	 2021	The Bank 2022	 2021
Quoted securities				
Debt	**955**	2,078	**739**	1,805
Equity	**948**	1,338	**948**	1,338
Unquoted securities				
Debt	**2,703**	2,372	**1,955**	1,847
	4,606	5,788	**3,642**	4,990

27. Placements and Balances with Banks

(a)

In $ millions	The Group 2022	 2021	The Bank 2022	 2021
Placements and balances with banks	**35,429**	38,944	**24,930**	28,188
ECL allowance (Note 27(b))	**(19)**	(28)	**(13)**	(12)
	35,410	38,916	**24,917**	28,176

(b) *Movements in ECL allowance for placements and balances with banks*

In $ millions	The Group Stage 1	 Stage 2	 Total
2022			
Balance at 1 January	**25**	**3**	**28**
Write-back to income statement	**(6)**	**(2)**	**(8)**
Currency translation adjustments	**(1)**	**#**	**(1)**
Balance at 31 December	**18**	**1**	**19**
2021			
Balance at 1 January	26	10	36
Changes in models (1)	(2)	#	(2)
Write-back to income statement	#	(6)	(6)
Currency translation adjustments	1	(1)	#
Balance at 31 December	25	3	28

In $ millions	The Bank Stage 1	 Stage 2	 Total
2022			
Balance at 1 January	**12**	**#**	**12**
(Write-back)/Charge to income statement	**(1)**	**1**	**#**
Currency translation adjustments	**1**	**#**	**1**
Balance at 31 December	**12**	**1**	**13**
2021			
Balance at 1 January	9	2	11
Charge/(Write-back) to income statement	3	(2)	1
Balance at 31 December	12	#	12

Amount less than $500,000

(1) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

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28. Loans to Customers

(a)

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Gross loans to customers	**319,663**	310,800	**248,186**	245,859
ECL allowance (Note 28(d))	**(4,308)**	(4,087)	**(2,327)**	(2,251)
	315,355	306,713	**245,859**	243,608
Comprising:				
Trade bills	**4,327**	4,599	**1,885**	2,259
Advances to customers	**311,028**	302,114	**243,974**	241,349
	315,355	306,713	**245,859**	243,608

(b) *Gross loans to customers analysed by industry*

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Transport, storage and communication	**14,482**	13,291	**12,176**	11,291
Building and construction	**87,178**	83,351	**80,169**	75,502
Manufacturing	**22,123**	22,589	**13,396**	13,605
Financial institutions, investment and holding companies	**37,949**	40,828	**34,605**	38,192
General commerce	**36,530**	37,305	**25,019**	26,144
Professionals and private individuals	**28,970**	25,132	**17,037**	18,425
Housing loans	**76,807**	72,069	**53,754**	50,707
Others	**15,624**	16,235	**12,030**	11,993
	319,663	310,800	**248,186**	245,859

(c) *Gross loans to customers analysed by currency*

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Singapore Dollar	**138,553**	137,685	**138,362**	137,592
United States Dollar	**62,212**	62,800	**57,793**	57,201
Malaysian Ringgit	**30,645**	27,022	**–**	–
Thai Baht	**22,223**	18,956	**–**	#
Indonesian Rupiah	**5,653**	5,419	**–**	–
Others	**60,377**	58,918	**52,031**	51,066
	319,663	310,800	**248,186**	245,859

Amount less than $500,000

28. Loans to Customers (continued)

(d) *Movements in ECL allowance for loans to customers*

	The Group			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Balance at 1 January	1,416	1,146	1,525	4,087
New loans originated or purchased	306	–	–	306
Loans derecognised or repaid	(87)	(39)	(298)	(424)
Transfers to Stage 1	134	(122)	(12)	–
Transfers to Stage 2	(119)	132	(13)	–
Transfers to Stage 3	(5)	(65)	70	–
Remeasurement ⁽¹⁾	(176)	(25)	350	149
Changes in models ⁽²⁾	(119)	(44)	–	(163)
(Write-back)/Charge for existing loans	(1)	164	750	913
Bad debts recovery	–	–	(153)	(153)
Net (write-back)/charge to income statement	(67)	1	694	628
Unwind of discounts	–	–	(81)	(81)
Net write-off	–	–	(433)	(433)
Currency translation and other adjustments ⁽³⁾	42	50	15	107
Balance at 31 December	1,391	1,197	1,720	4,308
2021				
Balance at 1 January	1,410	1,111	1,665	4,186
New loans originated or purchased	231	–	–	231
Loans derecognised or repaid	(85)	(115)	(346)	(546)
Transfers to Stage 1	106	(100)	(6)	–
Transfers to Stage 2	(33)	44	(11)	–
Transfers to Stage 3	(7)	(49)	56	–
Remeasurement ⁽¹⁾	(70)	139	244	313
Changes in models ⁽²⁾	(125)	23	–	(102)
Charge for existing loans	4	101	745	850
Bad debts recovery	–	–	(148)	(148)
Net charge to income statement	21	43	534	598
Unwind of discounts	–	–	(62)	(62)
Net write-off	–	–	(604)	(604)
Currency translation adjustments	(15)	(8)	(8)	(31)
Balance at 31 December	1,416	1,146	1,525	4,087

(1) Remeasurement relates to the changes in ECL following a transfer between Stages.

(2) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

(3) Includes the impact on allowance from acquisition of consumer business.

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28. Loans to Customers (continued)

(d) *Movements in ECL allowance for loans to customers (continued)*

	The Bank			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Balance at 1 January	849	457	945	2,251
New loans originated or purchased	68	–	–	68
Loans derecognised or repaid	(64)	(19)	(87)	(170)
Transfers to Stage 1	36	(35)	(1)	–
Transfers to Stage 2	(11)	12	(1)	–
Transfers to Stage 3	(1)	(34)	35	–
Remeasurements (1)	(23)	28	235	240
Changes in models (2)	(92)	(18)	–	(110)
(Write-back)/Charge for existing loans	(14)	153	206	345
Bad debts recovery	–	–	(22)	(22)
Net (write-back)/charge to income statement	(101)	87	365	351
Unwind of discounts	–	–	(57)	(57)
Net write-off	–	–	(203)	(203)
Currency translation adjustments	(6)	(3)	(6)	(15)
Balance at 31 December	742	541	1,044	2,327
2021				
Balance at 1 January	775	515	1,118	2,408
New loans originated or purchased	170	–	–	170
Loans derecognised or repaid	(54)	(66)	(146)	(266)
Transfers to Stage 1	49	(48)	(1)	–
Transfers to Stage 2	(10)	11	(1)	–
Transfers to Stage 3	(2)	(11)	13	–
Remeasurements (1)	(33)	65	78	110
Changes in models (2)	(45)	(51)	–	(96)
(Write-back)/Charge for existing loans	(2)	41	243	282
Bad debts recovery	–	–	(57)	(57)
Net charge/(write-back) to income statement	73	(59)	129	143
Unwind of discounts	–	–	(40)	(40)
Net write-off	–	–	(275)	(275)
Currency translation adjustments	1	1	13	15
Balance at 31 December	849	457	945	2,251

(1) Remeasurement relates to the changes in ECL following a transfer between Stages.
(2) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

29. Financial Assets Transferred

The Group transfers financial assets to third parties in the ordinary course of business. Transferred assets where the Group retains substantially all the risks and rewards of the transferred assets continue to be recognised on the Group's balance sheet.

(a) *Assets pledged or transferred*

Assets transferred under repurchase agreements (repo) are conducted under terms and conditions that are usual market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them. Assets pledged or transferred are summarised below:

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Singapore government and central bank treasury bills and securities	**1,451**	811	**1,451**	811
Other government treasury bills and securities	**2,684**	638	**2,238**	175
Placements and balances with banks – negotiable certificates of deposit	**–**	18	**–**	18
Investment securities	**6,872**	3,103	**6,821**	3,103
	11,007	4,570	**10,510**	4,107

The amount of the associated liabilities approximates the carrying amount of the assets pledged.

(b) *Collateral received*

Assets the Group received as collateral for reverse repurchase agreements (reverse repo) are summarised below:

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Assets received for reverse repo transactions, at fair value	**12,180**	15,843	**7,548**	11,456
Of which, sold or re-pledged	**1,695**	424	**1,695**	424

(c) *Repo and reverse repo transactions subject to netting agreements*

The Bank and the Group enter into global master repurchase agreements with counterparties where it is appropriate and practicable to mitigate counterparty credit risk. Such agreements allow the Bank and the Group to settle outstanding amounts with the counterparty on a net basis in the event of default. These agreements also allow the Bank and the Group to further reduce its credit risk by requiring periodic mark-to-market of outstanding positions and posting of collateral when pre-established thresholds are exceeded. The counterparty that receives non-cash collateral is typically allowed to sell or re-pledge such collateral in accordance with the terms of these agreements.

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29. Financial Assets Transferred (continued)

(c) *Repo and reverse repo transactions subject to netting agreements (continued)*

The table below shows the Bank's and the Group's repo and reverse repo transactions that are not offset in the balance sheet but are subject to enforceable netting agreements:

In $ millions	2022 Reverse repo	2022 Repo	2021 Reverse repo	2021 Repo
The Group				
Carrying amount on the balance sheet subject to netting agreements ⁽¹⁾	**11,826**	**9,732**	16,636	4,112
Amount nettable ⁽²⁾	**(1,791)**	**(1,791)**	(1,066)	(1,066)
Financial collateral	**(10,021)**	**(7,938)**	(15,559)	(3,045)
Net amounts	**14**	**3**	11	1
The Bank				
Carrying amount on the balance sheet subject to netting agreements ⁽¹⁾	**7,244**	**9,248**	10,837	3,677
Amount nettable ⁽²⁾	**(1,791)**	**(1,791)**	(1,066)	(1,066)
Financial collateral	**(5,439)**	**(7,454)**	(9,763)	(2,609)
Net amounts	**14**	**3**	8	2

(1) The carrying amount of reverse repo is presented under "Cash, balances and placements with central banks", "Placements and balances with banks" and "Loans to customers" while repo is under "Deposits and balances of banks and customers" on the balance sheet.
(2) Amount that could be netted under the netting agreements.

(d) *Covered bonds*

Pursuant to the Bank's USD15 billion Global Covered Bond Programme, selected pools of residential mortgages that were originated by the Bank have been assigned to a bankruptcy-remote structured entity, Glacier Eighty Pte Ltd. These residential mortgages continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2022, there were seven (2021: eight) covered bonds outstanding comprising five EUR fixed rate covered bonds and two GBP floating rate covered bonds, with assigned residential mortgages of approximately $15,541 million (2021: $12,989 million).

30. Investment Securities

(a)

In $ millions	The Group **2022**	The Group 2021	The Bank **2022**	The Bank 2021
Quoted securities				
Debt ⁽¹⁾	**13,836**	11,814	**13,056**	9,920
Equity	**985**	1,386	**814**	1,138
Unquoted securities				
Debt ⁽²⁾	**18,609**	13,825	**17,292**	12,337
Equity	**1,776**	2,064	**1,016**	1,181
ECL allowance (Note 30(b))	**(23)**	(21)	**(15)**	(20)
	35,183	29,068	**32,163**	24,556

(1) Includes ECL allowance on quoted debt securities at FVOCI of $7 million (2021: $16 million) for the Group and $6 million (2021: $15 million) for the Bank.
(2) Includes ECL allowance on unquoted debt securities at FVOCI of $21 million (2021: $29 million) for the Group and $9 million (2021: $14 million) for the Bank.

30. Investment Securities (continued)

(b) *Movements in ECL allowance for investment securities*

	The Group		
In $ millions	**Stage 1**	**Stage 2**	**Total**
2022			
Balance at 1 January	**17**	**4**	**21**
Transfers between Stages	**#**	**#**	**–**
Remeasurement ⁽¹⁾	**–**	**3**	**3**
Changes in models ⁽²⁾	**(2)**	**#**	**(2)**
(Write-back)/Charge to income statement	**(1)**	**3**	**2**
Currency translation adjustments	**(1)**	**#**	**(1)**
Balance at 31 December	**13**	**10**	**23**
2021			
Balance at 1 January	12	6	18
Transfers between Stages	2	(2)	–
Remeasurement ⁽¹⁾	(1)	–	(1)
Changes in models ⁽²⁾	(3)	#	(3)
Charge to income statement	7	#	7
Balance at 31 December	17	4	21

	The Bank		
In $ millions	**Stage 1**	**Stage 2**	**Total**
2022			
Balance at 1 January	**16**	**4**	**20**
Changes in models ⁽²⁾	**(2)**	**–**	**(2)**
Write-back to income statement	**(3)**	**#**	**(3)**
Balance at 31 December	**11**	**4**	**15**
2021			
Balance at 1 January	10	6	16
Transfers between Stages	2	(2)	–
Remeasurement ⁽¹⁾	(1)	–	(1)
Changes in models ⁽²⁾	(2)	#	(2)
Charge to income statement	7	#	7
Balance at 31 December	16	4	20

Amount less than $500,000

(1) Remeasurement relates to the changes in ECL following a transfer between Stages.
(2) Changes in models include the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables.

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30. Investment Securities (continued)

(c) *Investment securities analysed by industry*

In $ millions	The Group		The Bank	
	2022	2021	**2022**	2021
Transport, storage and communication	**1,984**	2,099	**1,578**	1,637
Building and construction	**1,521**	1,424	**1,341**	1,359
Manufacturing	**1,227**	1,642	**1,224**	1,631
Financial institutions, investment and holding companies	**17,374**	14,173	**15,619**	11,039
General commerce	**1,111**	1,396	**990**	1,226
Others	**11,966**	8,334	**11,411**	7,664
	35,183	29,068	**32,163**	24,556

(d) *Equity investments designated at FVOCI*

Equity investments designated at FVOCI comprise ordinary shares, mainly held for yield enhancement or strategic purposes.

In 2022, the related dividend income was $27 million (2021: $25 million) at the Group and $22 million (2021: $21 million) at the Bank.

During the year, equity investments of $337 million (2021: $132 million) at the Group and $209 million (2021: $nil) at the Bank were realised. Related net gain recognised within equity was $9 million (2021: $8 million) at the Group and $10 million (2021: $nil) at the Bank.

31. Other Assets

In $ millions	The Group		The Bank	
	2022	2021	**2022**	2021
Sundry debtors	**2,881**	1,703	**1,726**	862
Interest receivable	**2,077**	1,061	**1,509**	608
Foreclosed properties	**94**	101	**–**	–
Allowance for impairment	**(76)**	(86)	**#**	#
ECL allowance	**(43)**	(12)	**(3)**	(2)
Others	**2,757**	1,916	**2,014**	1,495
	7,690	4,683	**5,246**	2,963

\# *Amount less than $500,000*

32. Investment in Associates and Joint Ventures

(a)

In $ millions	The Group 2022	The Group 2021	The Bank 2022	The Bank 2021
Material associate:				
UOB-Kay Hian Holdings Limited	**639**	639	**67**	67
Other associates and joint ventures	**634**	624	**385**	382
	1,273	1,263	**452**	449
Allowance for impairment (Note 34)	**(15)**	(18)	**(143)**	(140)
	1,258	1,245	**309**	309
Fair value of quoted investments at 31 December	**432**	498	**432**	498

Name of associate	Principal activities	Country of incorporation	Effective equity interest of the Group 2022 %	Effective equity interest of the Group 2021 %
Quoted				
UOB-Kay Hian Holdings Limited	Stockbroking	Singapore	**35**	36

(b) Aggregate information about the Group's share of investments in associates and joint ventures that were not individually material is as follows:

In $ millions	The Group 2022	The Group 2021
Profit for the financial year	**47**	45
Other comprehensive income	**(15)**	9
Total comprehensive income	**32**	54

(c) The summarised financial information in respect of UOB-Kay Hian Holdings Limited, based on its financial statements, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

In $ millions	2022	2021
Statement of comprehensive income		
Operating income	**486**	509
Profit for the financial year	**86**	154
Other comprehensive income	**6**	(2)
Total comprehensive income	**92**	152

32. Investment in Associates and Joint Ventures (continued)

(c) (continued)

In $ millions	2022	2021
Balance sheet		
Current assets	**7,463**	9,213
Non-current assets	**84**	572
Total assets	**7,547**	9,785
Current liabilities	**5,731**	7,733
Non-current liabilities	**6**	293
Total liabilities	**5,737**	8,026
Net assets	**1,810**	1,759
Group's ownership interest	**35%**	36%
Group's share of net assets	**639**	639

Dividends of $28 million (2021: $30 million) were received from UOB-Kay Hian Holdings Limited.

33. Investment in Subsidiaries

(a)

	The Bank	
In $ millions	2022	2021
Quoted investments	**45**	45
Unquoted investments	**6,926**	6,486
	6,971	6,531
Allowance for impairment (Note 34)	**(300)**	(240)
	6,671	6,291
Fair value of quoted investments at 31 December	**230**	241

33. Investment in Subsidiaries (continued)

(b) Major subsidiaries of the Group as at the balance sheet date are as follows:

Name of subsidiary	Country of incorporation	Effective equity interest of the Group **2022** **%**	 2021 %
Commercial Banking			
United Overseas Bank (Malaysia) Bhd	Malaysia	**100**	100
United Overseas Bank (Thai) Public Company Limited	Thailand	**99.7**	99.7
PT Bank UOB Indonesia	Indonesia	**99**	99
United Overseas Bank (China) Limited	China	**100**	100
United Overseas Bank (Vietnam) Limited	Vietnam	**100**	100
Financial Services			
United Overseas Insurance Limited	Singapore	**58**	58
Asset Management/Investment Management			
UOB Asset Management Ltd	Singapore	**100**	100
UOB Asset Management (Malaysia) Berhad	Malaysia	**70**	70
UOB Asset Management (Thailand) Co., Ltd	Thailand	**100**	100
UOB Capital Management Pte Ltd	Singapore	**100**	100
UOB Global Capital LLC (1)	United States	**70**	70
UOB Holdings (USA) Inc. (2)	United States	**100**	100
UOB Venture Management (Shanghai) Co., Ltd	China	**100**	100
UOB Venture Management Private Limited	Singapore	**100**	100
United Private Equity Investments (Cayman) Limited (2)	Cayman Islands	**100**	100
Property Investment Holding			
Industrial & Commercial Property (S) Pte Ltd	Singapore	**100**	100
PT UOB Property	Indonesia	**100**	100
UOB Property Investments China Pte Ltd	Singapore	**100**	100
UOB Property Investments Pte Ltd	Singapore	**100**	100
UOB Realty (USA) Ltd Partnership (2)	United States	**100**	100
Others			
UOB International Investment Private Limited	Singapore	**100**	100
UOB Travel Planners Pte Ltd	Singapore	**100**	100

Except as indicated, all subsidiaries incorporated in Singapore are audited by Ernst & Young LLP, Singapore and those incorporated overseas are audited by member firms of Ernst & Young Global Limited.

(1) Audited by other auditors.

(2) Not required to be audited.

33. Investment in Subsidiaries (continued)

(c) *Interest in subsidiaries with material non-controlling interest (NCI)*

Only United Overseas Insurance Limited has NCI that is material to the Group:

Principal place of business	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period $ million	Accumulated NCI at the end of reporting period $ million	Dividends paid to NCI $ million
2022				
Singapore	**42**	**7**	**172**	**6**
2021				
Singapore	42	10	185	5

(d) *Summarised financial information[1] about United Overseas Insurance Limited*

In $ millions	**2022**	2021
Statement of comprehensive income		
Operating income	**42**	48
Profit before tax	**22**	30
Less: Tax	**5**	5
Profit for the financial year	**17**	25
Other comprehensive income	**(31)**	(2)
Total comprehensive income	**(14)**	23
Balance sheet		
Total assets	**616**	646
Total liabilities	**202**	200
Net assets	**414**	446
Other information		
Net cash flows from operations	**5**	10
Acquisition of property, plant and equipment	**5**	6

(1) Including consolidation adjustments but before inter-company eliminations.

(e) *Consolidated structured entities*

The Group has established a USD15 billion Global Covered Bond Programme to augment its funding programmes. Under the Programme, the Bank may from time to time issue covered bonds (the Covered Bonds). The payments of interest and principal under the Covered Bonds are guaranteed by the Covered Bond Guarantor (the CBG), Glacier Eighty Pte Ltd. The Covered Bonds issued under the Programme will be backed by a portfolio of Singapore residential mortgages transferred by the Bank to the CBG when certain conditions are met.

33. Investment in Subsidiaries (continued)

(f) *Interests in unconsolidated structured entities*

The Group has interests in certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily financed by the investors. The table below summarises the Group's involvement in the funds.

	The Group	
In $ millions	**2022**	2021
Total assets of structured entities (1)	**17,766**	23,236
Maximum exposure to loss – Investment in funds	**328**	406
Fee income	**189**	210
Net (loss)/gain from investment securities	**(52)**	73

(1) Based on the latest available financial reports of the structured entities.

34. Movements in Allowance for Impairment on Investment in Associates, Joint Ventures and Subsidiaries

	The Group	
	Investment in associates and joint ventures	
In $ millions	**2022**	2021
Balance at 1 January	**18**	18
Amounts written off	**(3)**	–
Balance at 31 December	**15**	18

	The Bank			
	Investment in associates and joint ventures		Investment in subsidiaries	
In $ millions	**2022**	2021	**2022**	2021
Balance at 1 January	**140**	138	**240**	226
Charge to income statement	**3**	2	**60**	14
Balance at 31 December	**143**	140	**300**	240

35. Investment Properties

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Balance at 1 January	**829**	964	**902**	979
Currency translation adjustments	**(17)**	6	**(1)**	#
Additions	**3**	52	**1**	#
Disposals	**(2)**	(9)	**(1)**	(9)
Depreciation charge	**(14)**	(20)	**(14)**	(14)
(Allowance for)/Write-back of impairment	**(2)**	1	**(1)**	–
Transfers	**(51)**	(165)	**(137)**	(54)
Balance at 31 December	**746**	829	**749**	902
Represented by :				
Cost	**1,068**	1,173	**988**	1,161
Accumulated depreciation	**(320)**	(344)	**(238)**	(259)
Allowance for impairment	**(2)**	–	**(1)**	–
Net carrying amount	**746**	829	**749**	902
Freehold property	**387**	451	**429**	565
Leasehold property	**359**	378	**320**	337
	746	829	**749**	902
Fair value hierarchy				
Level 2	**240**	240	**236**	240
Level 3	**2,486**	2,772	**1,946**	2,193
	2,726	3,012	**2,182**	2,433

Amount less than $500,000

The valuations of investment properties were performed by external valuers with professional qualifications and experience, taking into account market prices and rentals of comparable properties using a market comparison approach or using a combination of comparable sales and investment approaches.

Fair values for properties under Level 2 of the fair value hierarchy are determined based on a market comparison approach using comparable price transactions as significant observable inputs. Fair values for properties under Level 3 of the fair value hierarchy are determined using a combination of market comparison and investment methods. The key unobservable inputs used in these valuations are the capitalisation rates and rental yields.

36. Fixed Assets

	2022				2021			
In $ millions	Owner-occupied properties	Others	Right-of-use assets	Total	Owner-occupied properties	Others	Right-of-use assets	Total
The Group								
Balance at 1 January	**1,242**	**1,764**	**176**	**3,182**	1,079	1,687	193	2,959
Currency translation adjustments	**(44)**	**(28)**	**(4)**	**(76)**	(11)	(10)	#	(21)
Additions	**55**	**646**	**198**	**899**	42	456	67	565
Disposals	**(17)**	**(6)**	**(30)**	**(53)**	(8)	(9)	#	(17)
Depreciation charge	**(26)**	**(404)**	**(90)**	**(520)**	(25)	(360)	(84)	(469)
Allowance for impairment	**(30)**	**–**	**–**	**(30)**	–	–	–	–
Transfers	**51**	**–**	**–**	**51**	165	–	–	165
Balance at 31 December	**1,231**	**1,972**	**250**	**3,453**	1,242	1,764	176	3,182
Represented by:								
Cost	**1,752**	**4,498**	**449**	**6,699**	1,688	3,998	343	6,029
Accumulated depreciation	**(488)**	**(2,526)**	**(199)**	**(3,213)**	(443)	(2,234)	(167)	(2,844)
Allowance for impairment	**(33)**	**–**	**–**	**(33)**	(3)	–	–	(3)
Net carrying amount	**1,231**	**1,972**	**250**	**3,453**	1,242	1,764	176	3,182
Freehold property	**979**				999			
Leasehold property	**252**				243			
	1,231				1,242			
Fair value hierarchy								
Level 2	**1,231**				544			
Level 3	**3,292**				3,668			
	4,523				4,212			

Amount less than $500,000

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36. Fixed Assets (continued)

In $ millions	**2022** **Owner-occupied properties**	**Others**	**Right-of-use assets**	**Total**	2021 Owner-occupied properties	Others	Right-of-use assets	Total
The Bank								
Balance at 1 January	**833**	**1,336**	**118**	**2,287**	790	1,283	128	2,201
Currency translation adjustments	**#**	**#**	**(2)**	**(2)**	(1)	#	1	–
Additions	**8**	**421**	**133**	**562**	4	334	43	381
Disposals	**–**	**(3)**	**(3)**	**(6)**	–	(8)	#	(8)
Depreciation charge	**(15)**	**(309)**	**(63)**	**(387)**	(14)	(273)	(54)	(341)
Transfers	**137**	**–**	**–**	**137**	54	–	–	54
Balance at 31 December	**963**	**1,445**	**183**	**2,591**	833	1,336	118	2,287
Represented by:								
Cost	**1,266**	**3,302**	**323**	**4,891**	1,089	2,919	228	4,236
Accumulated depreciation	**(303)**	**(1,857)**	**(140)**	**(2,300)**	(256)	(1,583)	(110)	(1,949)
Net carrying amount	**963**	**1,445**	**183**	**2,591**	833	1,336	118	2,287
Freehold property	**810**				692			
Leasehold property	**153**				141			
	963				833			
Fair value hierarchy								
Level 2	**280**				265			
Level 3	**2,644**				2,251			
	2,924				2,516			

Amount less than $500,000

The valuations of owner-occupied properties were performed by external valuers with professional qualifications and experience, taking into account market prices and rentals of comparable properties using a market comparison approach or using a combination of comparable sales and investment approaches.

Fair values for properties under Level 2 of the fair value hierarchy are determined based on a market comparison approach using comparable price transactions as significant observable inputs. Fair values for properties under Level 3 of the fair value hierarchy are determined using a combination of market comparison and investment methods. The key unobservable inputs used in these valuations are the capitalisation rates and rental yields.

Fixed assets-others comprise mainly computer equipment, software and furniture and fittings.

Right-of-use assets comprise mainly properties, computer equipment and motor vehicles.

37. Intangible Assets

(a)

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Goodwill	**4,703**	4,145	**3,182**	3,182
Other intangible assets [1]	**197**	–	**–**	–
	4,900	4,145	**3,182**	3,182
Represented by:				
Goodwill	**4,703**	4,145	**3,182**	3,182
Intangible assets, at cost	**200**	–	**–**	–
Accumulated amortisation for intangible assets	**(3)**	–	**–**	–
Net carrying amount	**4,900**	4,145	**3,182**	3,182

(1) Other intangible assets relate to Citigroup Inc.'s consumer business customer relationships and core deposits.

(b) *Movements in goodwill*

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Balance at 1 January	**4,145**	4,143	**3,182**	3,182
Addition [1]	**570**	6	**–**	–
Currency translation adjustments	**(12)**	(4)	**–**	–
Balance at 31 December	**4,703**	4,145	**3,182**	3,182

(1) Goodwill from acquisition of Citigroup Inc.'s consumer businesses of $570 million has been recognised on a provisional basis. Refer to Note 47 for further details.

(c) *Impairment tests for goodwill*

Goodwill was allocated on the date of acquisition to the reportable business segments expected to benefit from the synergies of business combination. The recoverable amount of the business segments is based on their value in use, computed by discounting the expected future cash flows of the segments. The key assumptions in computing the value in use include the discount rates and growth rates applied. Discount rates are estimated based on current market assessments of time value of money and risks specific to the Group as a whole and to individual countries such as Thailand and Indonesia. The growth rates used do not exceed the historical long-term average growth rate of the major countries. Cash flow projections are based on the most recent five-year financial forecasts provided by key business segments and approved by management. These cash flows are derived based on the outlook of macroeconomic conditions from external sources, in particular, interest rates and foreign exchange rates, taking into account management's past experience on the impact of such changes to the cash flows of the Group. Long-term growth rate is imputed on fifth-year cash flow and then discounted to determine the terminal value. Key assumptions are as follows:

	Discount rate		Growth rate	
	2022	2021	**2022**	2021
Singapore	**7.71**	6.99	**2.94**	3.01
Thailand	**9.62**	8.14	**1.93**	2.27
Indonesia	**12.23**	9.29	**4.24**	4.32

37. Intangible Assets (continued)

(c) *Impairment tests for goodwill (continued)*

Impairment is recognised in the income statement when the carrying amount of a business segment exceeds its recoverable amount. Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the business segments to exceed their recoverable amount.

38. Contingent Liabilities

In the normal course of business, the Bank and the Group conduct businesses involving guarantees, performance bonds and indemnities. The bulk of these liabilities are backed by the corresponding obligations of the customers. No assets of the Bank and the Group were pledged as security for these contingent liabilities at the balance sheet date.

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Direct credit substitutes	**4,618**	3,688	**3,225**	2,641
Transaction-related contingencies	**15,028**	14,671	**10,386**	10,238
Trade-related contingencies	**11,715**	12,721	**9,640**	10,147
Others	**213**	223	**3**	3
	31,574	31,303	**23,254**	23,029

39. Commitments

(a)

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Undrawn credit facilities	**195,755**	169,994	**152,532**	131,999
Spot/Forward contracts	**541**	1,506	**1,053**	1,529
Trade commitments	**2,944**	3,022	**1,656**	1,864
Capital commitments	**518**	310	**483**	211
Lease commitments	**23**	19	**3**	1
Others	**451**	418	**328**	313
	200,232	175,269	**156,055**	135,917

(b) *Minimum lease receivable*

The Group leases out investment properties typically on three-year leases based on market rental rates. These leases may contain options to renew at prevailing market rates.

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Within 1 year	**75**	83	**54**	61
Over 1 to 5 years	**166**	109	**104**	53
Over 5 years	**40**	37	**13**	#
	281	229	**171**	114

\# *Amount less than $500,000*

40. Financial Derivatives

Financial derivatives, such as forwards, swaps, futures and options, are instruments whose values change in response to the change in prices of the underlying instruments.

In the normal course of business, the Bank and the Group transact in customised derivatives to meet specific needs of their customers. The Bank and the Group also transact in these derivatives for proprietary trading purposes, as well as to manage their assets, liabilities and structural positions. Risks associated with the use of derivatives and policies for managing these risks are set out in Note 45.

(a) The table below shows the Bank's and the Group's financial derivatives and their fair values at the balance sheet date. These amounts do not necessarily represent future cash flows and amounts at risk of the derivatives.

	2022			2021		
In $ millions	**Notional amount**	**Positive fair value**	**Negative fair value**	Notional amount	Positive fair value	Negative fair value
The Group						
Foreign exchange contracts						
Forwards	**81,517**	**1,164**	**1,157**	59,980	410	450
Swaps	**269,915**	**2,840**	**3,503**	256,326	1,461	1,125
Options purchased	**8,189**	**120**	**–**	5,537	68	–
Options written	**7,494**	**–**	**117**	8,191	–	63
Interest rate contracts						
Swaps	**551,568**	**9,106**	**10,674**	380,183	2,832	2,839
Futures	**2,408**	**4**	**2**	1,205	1	2
Options purchased	**2,715**	**66**	**–**	2,229	7	–
Options written	**5,829**	**–**	**138**	4,219	–	9
Equity-related contracts						
Swaps	**677**	**2**	**5**	854	4	11
Options purchased	**1,205**	**60**	**–**	1,797	82	–
Options written	**1,247**	**–**	**64**	1,549	–	105
Credit-related contracts						
Swaps	**815**	**52**	**2**	772	4	5
Others						
Forwards	**1,587**	**86**	**75**	1,892	19	14
Swaps	**12,459**	**78**	**261**	11,238	224	362
Futures	**6,222**	**222**	**219**	7,345	248	187
Options purchased	**56**	**2**	**–**	68	2	–
Options written	**50**	**–**	**1**	115	–	#
	953,953	**13,802**	**16,218**	743,500	5,362	5,172

Amount less than $500,000

Notes to the Financial Statements

for the financial year ended 31 December 2022

40. Financial Derivatives (continued)

(a) (continued)

	2022			2021		
In $ millions	**Notional amount**	**Positive fair value**	**Negative fair value**	Notional amount	Positive fair value	Negative fair value
The Bank						
Foreign exchange contracts						
Forwards	**76,878**	**1,064**	**1,178**	54,121	357	419
Swaps	**208,876**	**2,190**	**2,529**	187,108	995	653
Options purchased	**5,319**	**65**	**–**	3,963	49	–
Options written	**4,743**	**–**	**78**	6,000	–	42
Interest rate contracts						
Swaps	**507,046**	**8,767**	**10,304**	327,168	2,411	2,447
Futures	**2,408**	**4**	**2**	1,056	1	1
Options purchased	**2,465**	**68**	**–**	2,184	6	–
Options written	**5,616**	**–**	**138**	4,173	–	9
Equity-related contracts						
Swaps	**677**	**2**	**5**	854	4	11
Options purchased	**1,208**	**60**	**–**	1,805	85	–
Options written	**1,309**	**–**	**64**	1,544	–	105
Credit-related contracts						
Swaps	**804**	**51**	**2**	759	4	5
Others						
Forwards	**1,541**	**119**	**75**	1,783	19	14
Swaps	**11,896**	**53**	**258**	9,637	208	361
Futures	**1,469**	**19**	**35**	3,224	112	94
Options purchased	**47**	**1**	**–**	98	#	–
Options written	**46**	**–**	**1**	113	–	#
	832,348	**12,463**	**14,669**	605,590	4,251	4,161

Amount less than $500,000

40. Financial Derivatives (continued)

(b) *Financial derivatives subject to netting agreements*

The Bank and the Group enter into derivative master netting agreements (such as the International Swaps and Derivatives Association Master Agreement) with counterparties where it is appropriate and practicable to mitigate counterparty credit risk. Such agreements allow the Bank and the Group to settle outstanding derivative contracts' amounts with the counterparty on a net basis in the event of default. These agreements also allow the Bank and the Group to further reduce its credit risk by requiring periodic mark-to-market of outstanding positions and posting of collateral when pre-established thresholds are exceeded. The counterparty that receives non-cash collateral is typically allowed to sell or re-pledge such collateral in accordance with the terms of these agreements.

The table below shows the Bank's and the Group's financial derivatives that are not offset in the balance sheet but are subject to enforceable netting agreements.

	2022		2021	
In $ millions	**Positive fair value**	**Negative fair value**	Positive fair value	Negative fair value
The Group				
Carrying amount on the balance sheet	**13,802**	**16,218**	5,362	5,172
Amount not subject to netting agreements	**(1,488)**	**(2,492)**	(683)	(544)
Amount subject to netting agreements	**12,314**	**13,726**	4,679	4,628
Amount nettable [1]	**(10,663)**	**(10,663)**	(3,457)	(3,457)
Financial collateral	**(1,077)**	**(1,395)**	(395)	(403)
Net amounts	**574**	**1,668**	827	768
The Bank				
Carrying amount on the balance sheet	**12,463**	**14,669**	4,251	4,161
Amount not subject to netting agreements	**(1,616)**	**(2,556)**	(822)	(601)
Amount subject to netting agreements	**10,847**	**12,113**	3,429	3,560
Amount nettable [1]	**(9,848)**	**(9,848)**	(2,671)	(2,671)
Financial collateral	**(806)**	**(1,250)**	(336)	(254)
Net amounts	**193**	**1,015**	422	635

(1) Amount that could be netted under the netting agreements.

41. Hedge Accounting

The impact of the hedging instruments and hedged items on the balance sheet as at 31 December is as follows:

	The Group					
	Carrying amount		Changes in fair value			
In $ millions	Assets	Liabilities		Type of risk hedged	Notional amount	Maturity profile of hedging instruments
2022						
Hedging instruments						
Fair value hedge						
Derivatives – Interest rate swaps	**308**	**1,152**	**(873)**	Interest rate	**20,067**	Less than 10 years
Customer deposits	**–**	**67**	**3**	Foreign exchange	**–**	Within 1 year
Cash flow hedge						
Derivatives – Interest rate swaps	**–**	**4**	**(4)**	Interest rate	**200**	Less than 5 years
Derivatives – Currency swaps	**–**	**72**	**(70)**	Interest rate and foreign exchange	**1,860**	Less than 5 years
Net investment hedge						
Customer deposits	**–**	**4,787**	**141**	Foreign exchange	**–**	
Hedged items relating to fair value hedges						
Assets						
Debt securities	**5,182**	**–**	**(289)**			
Equity securities at FVOCI	**67**	**–**	**(3)**			
Liabilities						
Customer deposits	**–**	**–**	**#**			
Certificates of deposit	**–**	**34**	**1**			
Subordinated debts	**–**	**5,143**	**358**			
Other debts issued	**–**	**8,890**	**768**			
2021						
Hedging instruments						
Fair value hedge						
Derivatives – Interest rate swaps	125	121	(200)	Interest rate risk	13,056	Less than 10 years
Customer deposits	–	221	(1)	Foreign exchange risk	–	Within 1 year
Net investment hedge						
Customer deposits	–	4,159	(33)	Foreign exchange risk	–	
Hedged items relating to fair value hedges						
Assets						
Loans to customers	–	–	(8)			
Debt securities	1,352	–	(40)			
Equity securities at FVOCI	221	–	1			
Liabilities						
Customer deposits	–	35	1			
Subordinated debts	–	4,519	118			
Other debts issued	–	7,129	126			

\# *Amount less than $500,000*

41. Hedge Accounting (continued)

	The Bank					
	Carrying amount		Changes in fair value			
In $ millions	Assets	Liabilities		Type of risk hedged	Notional amount	Maturity profile of hedging instruments
2022						
Hedging instruments						
Fair value hedge						
Derivatives – Interest rate swaps	**301**	**1,152**	**(871)**	**Interest rate**	**19,228**	**Less than 10 years**
Customer deposits	**–**	**67**	**3**	**Foreign exchange**	**–**	**Within 1 year**
Cash flow hedge						
Derivatives – Interest rate swaps	**–**	**4**	**(4)**	**Interest rate**	**200**	**Less than 5 years**
Derivatives – Currency swaps	**–**	**72**	**(70)**	**Interest rate and foreign exchange**	**1,860**	**Less than 5 years**
Net investment hedge						
Customer deposits	**–**	**4,778**	**141**	**Foreign exchange**	**–**	
Hedged items relating to fair value hedges						
Assets						
Debt securities	**5,182**	**–**	**(289)**			
Equity securities at FVOCI	**67**	**–**	**(3)**			
Liabilities						
Customer deposits	**–**	**–**	**#**			
Certificates of deposit	**–**	**34**	**1**			
Subordinated debts	**–**	**4,496**	**357**			
Other debts issued	**–**	**8,696**	**767**			
2021						
Hedging instruments						
Fair value hedge						
Derivatives – Interest rate swaps	121	121	(195)	Interest rate	12,862	Less than 10 years
Customer deposits	–	221	(1)	Foreign exchange	–	Within 1 year
Net investment hedge						
Customer deposits	–	4,150	(33)	Foreign exchange	–	
Hedged items relating to fair value hedges						
Assets						
Loans to customers	–	–	(8)			
Debt securities	1,352	–	(40)			
Equity securities at FVOCI	221	–	1			
Liabilities						
Customer deposits	–	35	1			
Subordinated debts	–	4,320	114			
Other debts issued	–	7,129	126			

\# *Amount less than $500,000*

The ineffectiveness arising from these hedges was insignificant.

42. Share-Based Compensation Plan

As approved by shareholders at the Annual General Meeting on 21 April 2016, the UOB Restricted Share Plan shall be in force for a further duration of ten years up to (and including) 6 August 2027. The UOB Restricted Share Plan only allows the delivery of UOB ordinary shares held in treasury by the Bank.

In 2018, following a review of the total compensation model, the Remuneration and Human Capital Committee (RHCC) approved, inter alia, a revised variable pay deferral framework for senior employees and Material Risk Takers. Under this framework, a portion of variable pay is deferred as restricted shares (RS) under the UOB Restricted Share Plan. Such deferred RS will vest over a minimum three-year period, subject to local regulatory requirements, and the fair value of the RS were estimated at grant date using the Trinomial valuation methodology. Following the approval from the RHCC in 2020, the fair value of RS awarded from 2021 are computed using market value instead and with it, dividends on unvested RS awards are accrued to participating employees at the same rate as those declared on ordinary shares.

Participating employees who leave the Group before the RS vest will forfeit their rights unless otherwise decided by the RHCC.

At the Annual General Meeting on 21 April 2022, the UOB Restricted Share Plan was approved by shareholders to be renamed as UOB Share Plan and to allow for eligible non-executive directors to be granted share awards in the form of UOB ordinary shares under the UOB Share Plan.

Movements and outstanding balances of the plan are as follows:

	The Group	
	Number of Restricted shares	
	2022 ’000	2021 ’000
Balance at 1 January	**7,074**	7,187
Granted	**2,115**	2,141
Dividend on unvested awards	**179**	80
Forfeited/Cancelled	**(144)**	(266)
Vested	**(2,595)**	(2,068)
Balance at 31 December	**6,629**	7,074

Year granted	**Expiry date**	**Fair value per grant at grant date $**	**Number of outstanding grants 2022 ’000**	**Number of outstanding grants** 2021 ’000
2019	23 Apr 2021 and 23 Apr 2022	24.68	**–**	1,628
2020	15 Apr 2022, 15 Apr 2023 and 15 Apr 2024	18.88 and 18.05	**2,250**	3,289
2021	15 Mar 2023, 15 Mar 2024 and 15 Mar 2025	25.41	**2,199**	2,157
2022	15 Mar 2024, 15 Mar 2025 and 15 Mar 2026	29.60	**2,180**	–
			6,629	7,074

Prior to 2021, fair values of the RS were estimated at the grant date using the Trinomial valuation methodology. From 2021, fair values of the RS are estimated using market value.

43. Related Party Transactions

Related parties cover the Group's subsidiaries, associates, joint ventures and their subsidiaries, and key management personnel and their related parties.

Key management personnel refers to the Bank's directors and members of its Management Executive Committee.

All related party transactions of the Group were done in the ordinary course of business and at arm's length. In addition to the information disclosed elsewhere in the financial statements, other related party transactions include the following:

(a)

	The Group		The Bank	
In $ millions	**2022**	2021	**2022**	2021
Interest income				
Subsidiaries	**–**	–	**359**	230
Associates and joint ventures	**9**	8	**9**	8
Interest expense				
Subsidiaries	**–**	–	**285**	200
Associates and joint ventures	**31**	8	**28**	5
Dividend income				
Subsidiaries	**–**	–	**27**	181
Associates and joint ventures	**–**	–	**51**	51
Rental and other expenses				
Subsidiaries	**–**	–	**69**	43
Associates and joint ventures	**31**	20	**19**	18
Fee and commission and other income				
Subsidiaries	**–**	–	**290**	238
Associates and joint ventures	**3**	3	**#**	1
Placements, securities, loans and advances				
Subsidiaries	**–**	–	**23,140**	23,948
Associates and joint ventures	**423**	579	**423**	579
Deposits				
Subsidiaries	**–**	–	**17,130**	16,070
Associates and joint ventures	**2,281**	2,668	**2,062**	2,365
Off-balance sheet credit facilities (1)				
Subsidiaries	**–**	–	**55**	154
Associates and joint ventures	**406**	258	**406**	258

Amount less than $500,000

(1) Includes guarantees issued by the Group of $4 million (2021: $3 million) and the Bank of $24 million (2021: $20 million).

During the financial year, the Group had banking transactions with key management personnel-related entities and personnel of the Group. These transactions were not material.

43. Related Party Transactions (continued)

(b)

In $ millions	The Bank 2022	The Bank 2021
Compensation of key management personnel		
Short-term employee benefits	**27**	22
Long-term employee benefits	**3**	2
Share-based payment	**22**	17
	52	41

44. Segment Information

(a) *Business segments*

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

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

Group Retail (GR)

GR segment covers individual customers.

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

Group Wholesale Banking (GWB)

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

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

Global Markets (GM)

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

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

Others

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

44. Segment Information (continued)

(a) *Business segments (continued)*

Selected income statement items

			The Group		
In $ millions	**GR**	**GWB**	**GM**	**Others**	**Total**
2022					
Net interest income	2,918	4,662	150	613	8,343
Non-interest income	1,135	1,550	410	137	3,232
Operating income	4,053	6,212	560	750	11,575
Operating expenses	(2,233)	(1,539)	(259)	(1,250)	(5,281)
Amortisation of intangible assets	(3)	–	–	–	(3)
(Allowance for)/Write-back of credit and other losses	(79)	(140)	10	(394)	(603)
Share of profit of associates and joint ventures	–	26	–	71	97
Profit/(Loss) before tax	1,738	4,559	311	(823)	5,785
Tax					(1,202)
Profit for the financial year					4,583
Other information:					
Capital expenditure	40	48	1	615	704
Depreciation of assets	64	45	12	413	534
2021(1)					
Net interest income	2,150	3,526	397	315	6,388
Non-interest income	1,341	1,521	208	331	3,401
Operating income	3,491	5,047	605	646	9,789
Operating expenses	(1,793)	(1,357)	(231)	(932)	(4,313)
(Allowance for)/Write-back of credit and other losses	(131)	(411)	11	(126)	(657)
Share of profit of associates and joint ventures	–	25	–	93	118
Profit/(Loss) before tax	1,567	3,304	385	(319)	4,937
Tax					(850)
Profit for the financial year					4,087
Other information:					
Capital expenditure	32	35	2	481	550
Depreciation of assets	62	37	13	377	489

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

44. Segment Information (continued)

(a) *Business segments (continued)*

Selected balance sheet items

	The Group				
In $ millions	GR	GWB	GM	Others	Total
2022					
Segment assets	**108,397**	**230,398**	**158,322**	**985**	**498,102**
Intangible assets	**1,934**	**2,222**	**657**	**87**	**4,900**
Investment in associates and joint ventures	**8**	**206**	**–**	**1,044**	**1,258**
Total assets	**110,339**	**232,826**	**158,979**	**2,116**	**504,260**
Total liabilities	**173,161**	**203,225**	**68,309**	**15,959**	**460,654**
Other information:					
Gross customer loans	**108,241**	**210,650**	**736**	**36**	**319,663**
Non-performing assets	**1,165**	**3,685**	**25**	**252**	**5,127**
2021(1)					
Segment assets	99,311	234,472	83,615	36,535	453,933
Intangible assets	1,167	2,231	659	88	4,145
Investment in associates and joint ventures	5	193	–	1,047	1,245
Total assets	100,483	236,896	84,274	37,670	459,323
Total liabilities	150,314	211,314	36,538	18,296	416,462
Other information:					
Gross customer loans	99,379	210,437	962	22	310,800
Non-performing assets	1,128	3,563	26	360	5,077

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

44. Segment Information (continued)

(b) *Geographical segments*

The following geographical segment performance reporting is prepared based on the location where the transactions or assets are booked. The information is stated after elimination of inter-segment transactions.

	The Group						
In $ millions	**Singapore**	**Malaysia**	**Thailand**	**Indonesia**	**Other Asia Pacific**	**Rest of the world**	**Total**
2022							
Net interest income	**4,737**	**900**	**814**	**450**	**997**	**445**	**8,343**
Non-interest income	**1,921**	**382**	**263**	**153**	**524**	**(11)**	**3,232**
Operating income	**6,658**	**1,282**	**1,077**	**603**	**1,521**	**434**	**11,575**
Operating expenses	**(2,841)**	**(745)**	**(690)**	**(377)**	**(564)**	**(64)**	**(5,281)**
Amortisation of intangible assets	**–**	**(1)**	**(2)**	**–**	**–**	**–**	**(3)**
Allowance for credit and other losses	**(99)**	**(223)**	**(111)**	**(115)**	**(61)**	**6**	**(603)**
Share of profit of associates and joint ventures	**103**	**(#)**	**–**	**–**	**(2)**	**(4)**	**97**
Profit before tax	**3,821**	**313**	**274**	**111**	**894**	**372**	**5,785**
Total assets before intangible assets	**295,494**	**48,603**	**31,570**	**11,597**	**90,409**	**21,687**	**499,360**
Intangible assets	**3,182**	**146**	**1,342**	**225**	**5**	**–**	**4,900**
Total assets	**298,676**	**48,749**	**32,912**	**11,822**	**90,414**	**21,687**	**504,260**
2021							
Net interest income	3,161	837	736	393	932	329	6,388
Non-interest income	1,994	309	256	181	412	249	3,401
Operating income	5,155	1,146	992	574	1,344	578	9,789
Operating expenses	(2,350)	(457)	(585)	(353)	(510)	(58)	(4,313)
Allowance for credit and other losses	(108)	(137)	(136)	(145)	(118)	(13)	(657)
Share of profit of associates and joint ventures	125	#	–	–	2	(9)	118
Profit before tax	2,822	552	271	76	718	498	4,937
Total assets before intangible assets	258,059	43,596	29,220	11,255	91,963	21,085	455,178
Intangible assets	3,182	–	723	234	6	–	4,145
Total assets	261,241	43,596	29,943	11,489	91,969	21,085	459,323

\# *Amount less than $500,000*

45. Financial Risk Management

The Group's business activities involve the use of financial instruments, including derivatives. These activities expose the Group to a variety of financial risks, mainly credit risk, foreign exchange risk, interest rate risk, equity risk, commodity risk and liquidity risk.

The Group's financial risks are centrally managed by the various specialist committees within the authority delegated by the Board of Directors. These various specialist committees formulate, review and approve policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to further review by the Group Board Risk Management Committee (BRMC).

The Group Risk Management Sector assumes the independent oversight of risks undertaken by the Group, and takes the lead in the formulation and approval of risk policies, controls and processes. The Group Market Risk and Product Control within the Group Risk Management Sector monitor Global Markets's compliance with trading policies and limits. This is further enhanced by the periodic risk assessment audit carried out by Group Audit.

The main financial risks that the Group is exposed to and how they are managed are set out below:

(a) Credit risk

Credit risk is the risk of loss arising from any failure by a borrower or counterparty to meet its financial obligations when they are due.

The Group Credit Committee (CC) supports the CEO and BRMC in managing the Group's overall credit risk exposures and serves as an executive forum for discussions on all credit-related matters. The CC also reviews and assesses the Group's credit portfolios and credit risk profiles.

Credit risk exposures are managed through a robust credit underwriting, structuring and monitoring process. The process includes monthly review of all non-performing and special mention loans, ensuring credit quality and the timely recognition of asset impairment. In addition, past due amounts and credit limit excesses are tracked and analysed by business and product lines.

Country risk is the risk of loss due to specific events in a country that the Group has exposure to. These events include political and economic events, social unrest, nationalisation and expropriation of assets, government repudiation of external indebtedness, and currency depreciation or devaluation.

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(i) Credit exposure

The Group's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements, is shown in the table below:

	The Group	
In $ millions	**2022**	2021
Balances and placements with central banks	**48,424**	35,764
Singapore government treasury bills and securities	**12,056**	7,426
Other government treasury bills and securities	**19,822**	14,898
Trading debt securities	**3,658**	4,450
Placements and balances with banks	**35,410**	38,916
Loans to customers	**315,355**	306,713
Derivative financial assets	**13,802**	5,362
Investment debt securities	**32,422**	25,618
Others	**4,959**	2,764
	485,908	441,911
Contingent liabilities	**31,571**	31,300
Commitments (excluding lease and capital commitments)	**199,691**	174,940
	717,170	648,151

As a fundamental credit principle, the Group generally does not grant credit facilities solely on the basis of the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. Our collaterals are mostly properties while other types of collateral taken by the Group include cash, marketable securities, equipment, inventories and receivables. We have in place policies and processes to monitor collateral concentration.

In extending credit facilities to small- and medium-enterprises, personal guarantees are often taken as a form of moral support to ensure moral commitment from the principal shareholders and directors.

Corporate guarantees are often obtained when the borrower's creditworthiness is not sufficient to justify an extension of credit.

Exposures arising from foreign exchange, derivatives and securities financing transactions are typically mitigated through agreements such as the International Swaps and Derivatives Association Master Agreements, the Credit Support Annex and the Global Master Repurchase Agreements. Such agreements help to minimise credit exposure by allowing the Bank to offset what is owed to a counterparty against what is due from that counterparty in the event of a default.

In addition, derivative transactions are cleared through Central Counterparties, where possible, to reduce counterparty credit exposure further through multilateral netting and the daily margining processes.

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(ii) Major on-balance sheet credit exposures

The exposures are determined based on country of incorporation/operation for non-individuals and residence for individuals.

	The Group				
In $ millions	Loans to customers (gross)	Government treasury bills and securities	Placements and balances with banks	Debt securities	Total
Analysed by geography					
2022					
Singapore	**160,426**	**12,066**	**953**	**7,564**	**181,009**
Malaysia	**33,274**	**8,553**	**3,994**	**2,926**	**48,747**
Thailand	**23,488**	**2,332**	**4,113**	**255**	**30,188**
Indonesia	**10,043**	**2,312**	**1,957**	**190**	**14,502**
Greater China	**48,623**	**2,163**	**10,838**	**7,584**	**69,208**
Others	**43,809**	**4,452**	**13,555**	**17,561**	**79,377**
Total	**319,663**	**31,878**	**35,410**	**36,080**	**423,031**
2021					
Singapore	157,543	7,441	976	5,736	171,696
Malaysia	29,836	5,479	2,762	3,072	41,149
Thailand	20,857	1,629	4,251	1,215	27,952
Indonesia	10,162	1,714	2,038	165	14,079
Greater China	48,779	3,942	16,504	6,874	76,099
Others	43,623	2,119	12,385	13,006	71,133
Total	310,800	22,324	38,916	30,068	402,108

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(ii) Major on-balance sheet credit exposures (continued)

	The Group				
In $ millions	**Loans to customers (gross)**	**Government treasury bills and securities**	**Placements and balances with banks**	**Debt securities**	**Total**
Analysed by industry					
2022					
Transport, storage and communication	**14,482**	**–**	**–**	**2,228**	**16,710**
Building and construction	**87,178**	**–**	**–**	**1,312**	**88,490**
Manufacturing	**22,123**	**–**	**–**	**1,630**	**23,753**
Financial institutions, investment and holding companies	**37,949**	**–**	**35,410**	**18,681**	**92,040**
General commerce	**36,530**	**–**	**–**	**997**	**37,527**
Professionals and private individuals	**28,970**	**–**	**–**	**–**	**28,970**
Housing loans	**76,807**	**–**	**–**	**–**	**76,807**
Government	**–**	**31,878**	**–**	**–**	**31,878**
Others	**15,624**	**–**	**–**	**11,232**	**26,856**
Total	**319,663**	**31,878**	**35,410**	**36,080**	**423,031**
2021					
Transport, storage and communication	13,291	–	–	2,055	15,346
Building and construction	83,351	–	–	1,056	84,407
Manufacturing	22,589	–	–	1,731	24,320
Financial institutions, investment and holding companies	40,828	–	38,916	13,143	92,887
General commerce	37,305	–	–	1,232	38,537
Professionals and private individuals	25,132	–	–	–	25,132
Housing loans	72,069	–	–	–	72,069
Government	–	22,324	–	–	22,324
Others	16,235	–	–	10,851	27,086
Total	310,800	22,324	38,916	30,068	402,108

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for the financial year ended 31 December 2022

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(iii) Major off-balance sheet credit exposures

The exposures are determined based on country of incorporation/operation for non-individuals and residence for individuals.

	The Group			
	2022		2021	
In $ millions	**Contingent liabilities**	**Commitments [1]**	Contingent liabilities	Commitments [1]
Analysed by geography				
Singapore	**14,489**	**88,901**	14,912	84,079
Malaysia	**3,248**	**20,930**	2,857	13,761
Thailand	**1,891**	**24,414**	1,771	14,033
Indonesia	**1,851**	**6,680**	1,648	6,137
Greater China	**5,698**	**35,085**	5,579	34,490
Others	**4,394**	**23,681**	4,533	22,440
Total	**31,571**	**199,691**	31,300	174,940
Analysed by industry				
Transport, storage and communication	**1,999**	**8,227**	1,722	7,816
Building and construction	**10,196**	**31,894**	9,334	31,071
Manufacturing	**4,217**	**27,774**	4,608	24,742
Financial institutions, investment and holding companies	**3,102**	**28,401**	2,993	30,238
General commerce	**8,959**	**43,651**	9,467	40,040
Professionals and private individuals	**228**	**39,983**	233	24,429
Housing loans	**–**	**6,839**	–	6,136
Others	**2,870**	**12,922**	2,943	10,468
Total	**31,571**	**199,691**	31,300	174,940

(1) Excluding lease and capital commitments.

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(iv) Credit quality

i. Non-trading gross loans are graded in accordance with MAS Notice 612 as follows:

	The Group			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Pass	**300,955**	**7,597**	**–**	**308,552**
Special mention	**–**	**3,273**	**–**	**3,273**
Substandard	**–**	**–**	**3,185**	**3,185**
Doubtful	**–**	**–**	**796**	**796**
Loss	**–**	**–**	**1,079**	**1,079**
Total	**300,955**	**10,870**	**5,060**	**316,885**
2021				
Pass	287,269	11,414	–	298,683
Special mention	–	3,314	–	3,314
Substandard	–	–	3,516	3,516
Doubtful	–	–	404	404
Loss	–	–	1,110	1,110
Total	287,269	14,728	5,030	307,027

ii. Non-trading government treasury bills and securities and debt securities

The table below presents an analysis of non-trading government treasury bills and securities and debt securities that are neither past due nor impaired for the Group by rating agency designation as at 31 December:

	The Group			
	Singapore government treasury bills and securities	**Other government treasury bills and securities**	**Debt securities**	
In $ millions	**Stage 1**	**Stage 1**	**Stage 1**	**Stage 2**
2022				
External rating:				
Investment grade (AAA to BBB-)	**11,749**	**18,403**	**19,321**	**56**
Non-investment grade (BB+ to C)	**–**	**6**	**–**	**–**
Unrated	**–**	**168**	**12,841**	**193**
Total	**11,749**	**18,577**	**32,162**	**249**
2021				
External rating:				
Investment grade (AAA to BBB-)	7,092	12,811	18,404	26
Non-investment grade (BB+ to C)	–	22	26	–
Unrated	–	647	6,995	171
Total	7,092	13,480	25,425	197

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for the financial year ended 31 December 2022

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(iv) Credit quality (continued)

iii. Non-trading other assets

	The Group		
In $ millions	**Stage 1**	**Stage 2**	**Total**
2022			
Cash, balances and placements with central banks	**47,718**	**44**	**47,762**
Placements and balances with banks	**26,478**	**313**	**26,791**
Other assets	**4,542**	**230**	**4,772**
Total	**78,738**	**587**	**79,325**
2021			
Cash, balances and placements with central banks	33,445	39	33,484
Placements and balances with banks	26,542	189	26,731
Other assets	2,491	155	2,646
Total	62,478	383	62,861

iv. Loan commitments and contingents, excluding non-financial guarantees

	The Group			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2022				
Pass	**211,360**	**3,405**	**–**	**214,765**
Special mention	**1**	**396**	**–**	**397**
Substandard	**–**	**–**	**27**	**27**
Doubtful	**–**	**–**	**1**	**1**
Loss	**–**	**–**	**14**	**14**
Total	**211,361**	**3,801**	**42**	**215,204**
2021				
Pass	186,374	3,346	–	189,720
Special mention	–	487	–	487
Substandard	–	–	8	8
Doubtful	–	–	1	1
Loss	–	–	11	11
Total	186,374	3,833	20	190,227

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(v) Ageing analysis of past due but not impaired loans

In $ millions	The Group < 30 days	30 - 59 days	60 - 90 days	Total
Analysed by geography [(1)]				
2022				
Singapore	**1,258**	**328**	**87**	**1,673**
Malaysia	**688**	**289**	**146**	**1,123**
Thailand	**614**	**159**	**71**	**844**
Indonesia	**63**	**24**	**15**	**102**
Greater China	**242**	**33**	**182**	**457**
Others	**396**	**9**	**36**	**441**
Total	**3,261**	**842**	**537**	**4,640**
2021				
Singapore	1,211	324	66	1,601
Malaysia	79	20	4	103
Thailand	555	108	67	730
Indonesia	42	28	19	89
Greater China	253	23	49	325
Others	476	15	7	498
Total	2,616	518	212	3,346

(1) By borrower's country of incorporation/operation for non-individuals and residence for individuals.

In $ millions	The Group < 30 days	30 - 59 days	60 - 90 days	Total
Analysed by industry				
2022				
Transport, storage and communication	**209**	**4**	**3**	**216**
Building and construction	**390**	**37**	**215**	**642**
Manufacturing	**300**	**85**	**16**	**401**
Financial institutions, investment and holding companies	**541**	**1**	**–**	**542**
General commerce	**372**	**67**	**34**	**473**
Professionals and private individuals	**582**	**236**	**100**	**918**
Housing loans	**752**	**392**	**159**	**1,303**
Others	**115**	**20**	**10**	**145**
Total	**3,261**	**842**	**537**	**4,640**

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(v) Ageing analysis of past due but not impaired loans (continued)

	The Group			
In $ millions	**< 30 days**	**30 - 59 days**	**60 - 90 days**	**Total**
Analysed by industry (continued)				
2021				
Transport, storage and communication	45	28	1	74
Building and construction	865	20	5	890
Manufacturing	221	38	5	264
Financial institutions, investment and holding companies	319	5	–	324
General commerce	261	82	29	372
Professionals and private individuals	381	96	70	547
Housing loans	460	225	99	784
Others	64	24	3	91
Total	2,616	518	212	3,346

(vi) Ageing analysis of non-performing assets

	The Group					
In $ millions	**Current**	**< 90 days**	**90 - 180 days**	**> 180 days**	**Total**	**Stage 3 ECL**
Analysed by geography (1)						
2022						
Singapore	**274**	**205**	**64**	**1,027**	**1,570**	**492**
Malaysia	**225**	**123**	**76**	**804**	**1,228**	**427**
Thailand	**201**	**154**	**151**	**324**	**830**	**281**
Indonesia	**221**	**127**	**30**	**236**	**614**	**227**
Greater China	**7**	**14**	**154**	**281**	**456**	**200**
Others	**11**	**175**	**1**	**175**	**362**	**93**
Non-performing loans	**939**	**798**	**476**	**2,847**	**5,060**	**1,720**
Debt securities, contingent items and others	**39**	**19**	**–**	**9**	**67**	**35**
Total	**978**	**817**	**476**	**2,856**	**5,127**	**1,755**
2021						
Singapore	533	235	98	1,304	2,170	642
Malaysia	305	51	20	453	829	226
Thailand	257	122	75	297	751	237
Indonesia	344	93	40	284	761	214
Greater China	26	1	6	240	273	117
Others	2	49	5	190	246	89
Non-performing loans	1,467	551	244	2,768	5,030	1,525
Debt securities, contingent items and others	38	4	–	5	47	31
Total	1,505	555	244	2,773	5,077	1,556

(1) By borrower's country of incorporation/operation for non-individuals and residence for individuals.

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(vi) Ageing analysis of non-performing assets (continued)

	The Group					
In $ millions	Current	< 90 days	90 - 180 days	> 180 days	Total	Stage 3 ECL
Analysed by industry						
2022						
Transport, storage and communication	**56**	**120**	**18**	**208**	**402**	**131**
Building and construction	**174**	**236**	**140**	**595**	**1,145**	**299**
Manufacturing	**286**	**136**	**37**	**381**	**840**	**356**
Financial institutions, investment and holding companies	**13**	**4**	**–**	**34**	**51**	**20**
General commerce	**101**	**69**	**57**	**649**	**876**	**352**
Professionals and private individuals	**99**	**35**	**126**	**88**	**348**	**115**
Housing loans	**180**	**189**	**94**	**459**	**922**	**209**
Others	**30**	**9**	**4**	**433**	**476**	**238**
Non-performing loans	**939**	**798**	**476**	**2,847**	**5,060**	**1,720**
Debt securities, contingent items and others	**39**	**19**	**–**	**9**	**67**	**35**
Total	**978**	**817**	**476**	**2,856**	**5,127**	**1,755**
2021						
Transport, storage and communication	172	9	15	292	488	160
Building and construction	282	25	5	617	929	233
Manufacturing	432	43	41	364	880	300
Financial institutions, investment and holding companies	20	185	–	27	232	20
General commerce	155	86	42	719	1,002	445
Professionals and private individuals	159	21	40	116	336	82
Housing loans	198	102	93	573	966	213
Others	49	80	8	60	197	72
Non-performing loans	1,467	551	244	2,768	5,030	1,525
Debt securities, contingent items and others	38	4	–	5	47	31
Total	1,505	555	244	2,773	5,077	1,556

45. Financial Risk Management (continued)

(a) Credit risk (continued)

(vii) Security coverage of non-performing assets

In $ millions	Collateral/Credit enhancement Properties	 Fixed deposits	 Others	Unsecured credit exposure	Total
The Group					
2022					
Loans to customers	**2,532**	**5**	**165**	**2,358**	**5,060**
Debts securities	**–**	**–**	**–**	**15**	**15**
Others (including commitments and contingents)	**11**	**3**	**–**	**38**	**52**
Of which:					
Credit impaired assets with nil ECL due to collateral/credit enhancement	**703**	**2**	**17**	**–**	**722**
2021					
Loans to customers	2,816	9	200	2,005	5,030
Debts securities	–	–	–	16	16
Others (including commitments and contingents)	8	3	–	20	31
Of which:					
Credit impaired assets with nil ECL due to collateral/credit enhancement	1,111	3	11	–	1,125

Collaterals possessed to settle outstanding loans were immaterial.

45. Financial Risk Management (continued)

(b) Foreign exchange risk and equity risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuations in foreign exchange rates.

The Group's foreign exchange exposures comprise trading and banking (non-trading and structural) foreign exchange exposures. Non-trading foreign exchange exposures are principally derived from investments and funding activities and customer businesses. Structural foreign currency exposures are represented by the net asset values of overseas branches and subsidiaries, share of the net asset values of overseas associates and joint ventures, intangible assets attributable to overseas subsidiaries, and long-term investment in overseas properties used for banking purposes, which are strategic in nature. The Group utilises foreign currency contracts and foreign exchange derivatives to hedge its foreign exchange exposures.

Foreign exchange risk is managed through policies and market risk limits approved by the Group Asset and Liability Committee (ALCO). The limits are independently monitored by Group Market Risk and Product Control.

At 31 December 2022, banking book foreign currency Expected Shortfall (ES) inclusive of structural foreign currency ES was $27.5 million (2021: $17.2 million).

Equity risk in the banking book arises from equity investments held for long-term strategic reasons. At the end of the reporting period, if the equity prices of these investments had been 1% higher/lower with all other variables held constant, the Group's other comprehensive income would have been $37.9 million (2021: $45.6 million) higher/lower as a result of an increase/decrease in the fair value of equity investments classified as FVOCI.

(c) Interest rate risk in the banking book

Interest rate risk is the impact to earnings and economic value of the Group due to fluctuations in interest rates. Interest rate exposure arises from differences in the maturity and repricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Group's policies as approved by the ALCO.

The Group's interest rate risk sensitivity is measured as changes in economic value of equity (EVE) or net interest income (NII) based on Basel Interest Rate Risk in the Banking Book requirements. At 100 and 200 basis points parallel interest rate shocks, worst case results were negative $845 million and $1,988 million (2021: negative $1,051 million and $2,008 million) respectively, driven mainly by the Group's SGD position.

EVE is the present value of assets less present value of liabilities of the Group. NII is the simulated change in the Group's net interest income. The repricing profile of loans is generally based on the earliest possible repricing dates, taking into account the notice period to be served to the customers. Interest rate flooring effects according to revised MAS637 requirements are taken into consideration. Loan prepayment and time deposit early withdrawal rates are estimated based on past statistics and trends where possible and material. Behavioural assumptions based on historical trends are applied where appropriate. The average repricing maturity of core non-maturity deposits is determined through empirical models taking into account asset duration. Risk-free zero coupon curves are used for EVE discounting. Currencies are aggregated by scenarios. There may be some differences in the assumptions across geographical locations due to variation in local conditions.

45. Financial Risk Management (continued)

(d) Interest rate benchmark reform

The Group has established a Project Steering Committee (PSC) with taskforces and business unit program managers in order to manage, monitor and address the impact of the replacement of various interest rate benchmarks globally. The key risks being managed arise from pricing risk on amending existing contracts; operational risk from updating systems and processes; and conduct risk – ensuring we treat our clients fairly when we update existing contracts.

The PSC is co-chaired by Group Chief Risk Officer (CRO) and Head of Group Global Markets and comprises senior representatives from functions across the Bank including the client facing teams, Finance, Operations and Technology, Data Management Office and Group International Management. The PSC provides regular updates to the BRMC.

The Group has in place detailed plans, processes and procedures to support the transition of SOR, Singapore Interbank Offered Rate (SIBOR), USD London Interbank Offered Rate (LIBOR), Thai Baht Interest Rate Fixing (THBFIX) and other benchmarks in accordance with regulatory timelines.

The table below shows the Group and Bank's exposure as at 31 December 2022 to significant interest rate benchmarks subject to reform. This includes only those contracts with maturity dates beyond the currently announced regulatory cessation date of the applicable benchmark.

	Non-derivative financial assets (Carrying amount)		Non-derivative financial liabilities (Carrying amount)		Derivatives (Notional amount)	
In $ millions	**2022**	2021	**2022**	2021	**2022**	2021
The Group						
USD LIBOR	**10,741**	11,633	**1,213**	1,090	**76,907**	78,726
SIBOR	**7,443**	14,561	**–**	–	**–**	–
SOR	**6,249**	13,778	**–**	–	**20,413**	25,901
THBFIX	**–**	–	**–**	–	**1,094**	1,815
CDOR	**130**	–	**–**	–	**408**	–
Total	**24,563**	39,972	**1,213**	1,090	**98,822**	106,442
The Bank						
USD LIBOR	**10,349**	10,940	**1,213**	1,090	**75,173**	77,034
SIBOR	**7,443**	14,561	**–**	–	**–**	–
SOR	**6,249**	13,778	**–**	–	**20,413**	25,901
THBFIX	**–**	–	**–**	–	**164**	171
CDOR	**130**	–	**–**	–	**408**	–
Total	**24,171**	39,279	**1,213**	1,090	**96,158**	103,106

45. Financial Risk Management (continued)

(d) Interest rate benchmark reform (continued)

Impact of interest rate benchmark reform on hedge accounting relationships

A number of the Group's hedge accounting relationships are affected by interest rate benchmark reform. The hedge accounting relationships that are affected are primarily those in which financial instruments that are designated as hedging instruments reference SOR and USD LIBOR. A significant number of these hedge accounting relationships will mature prior to cessation of benchmark rates under the reform. As permitted by the amendments to SFRS(I) 9, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform. Application of this relief permits hedge accounting to continue for the remaining affected hedge accounting relationships.

The table below shows the Group and Bank's exposure in hedging relationship as at 31 December 2022. This includes only those contracts with maturity dates beyond the currently announced regulatory cessation date of the applicable benchmark.

	The Group and Bank	
In $ millions	**2022**	2021
Derivatives – notional amount		
Fair value hedge		
USD LIBOR	**4,202**	4,351
SOR	**–**	80
Total	**4,202**	4,431

(e) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as and when they fall due, such as upon maturity of deposits and draw-down of loans.

The Group manages liquidity risk in accordance with the liquidity framework approved by the ALCO. This framework comprises policies, controls and limits. These controls and policies include setting of cash flow mismatch limits, monitoring of liquidity early warning indicators, stress-test analysis of cash flows in liquidity crisis scenarios and establishment of a comprehensive contingency funding plan. The Group is also required by the respective local regulators to maintain a certain percentage of its liability base in the form of cash and other liquid assets as a buffer against unforeseen liquidity requirements. The main objectives are honouring all cash outflow commitments on an ongoing basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

The following table shows the cash flow analysis of the Group's assets and liabilities by remaining contractual maturities on an undiscounted basis. Actual maturity dates may differ from contractual maturity dates due to behavioural patterns such as prepayment of loans. In particular, the Group has a significant amount of "core deposits" of customers which are contractually at call (included in the "Up to 7 days" time band) but historically have been a stable source of long-term funding for the Group.

45. Financial Risk Management (continued)

(e) Liquidity risk (continued)

	The Group							
In $ millions	Up to 7 days	Over 7 days to 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 3 years	Over 3 years	No specific maturity	Total
2022								
Cash, balances and placements with central banks	9,964	12,712	15,999	3,792	450	1,139	5,713	49,769
Securities	330	1,016	3,914	9,551	22,457	43,238	2,388	82,894
Placements and balances with banks	10,675	5,932	7,424	6,225	860	4,513	114	35,743
Loans to customers	17,068	37,384	27,228	51,770	84,375	162,325	2,412	382,562
Investment in associates and joint ventures	–	–	–	–	–	–	1,258	1,258
Goodwill and intangible assets	–	–	–	–	–	–	4,900	4,900
Derivative financial assets	–	–	–	–	–	–	13,802	13,802
Others	84	208	372	1,112	160	6,484	3,061	11,481
Total assets	38,121	57,252	54,937	72,450	108,302	217,699	33,648	582,409
Deposits and balances of customers	183,574	37,063	59,808	84,436	6,747	410	(84)	371,954
Deposits and balances of banks, and bills and drafts payable	10,177	5,908	5,900	1,156	2,255	144	(19)	25,521
Debts issued	1,089	2,676	10,331	8,248	10,234	11,388	(1,552)	42,414
Derivative financial liabilities	–	–	–	–	–	–	16,218	16,218
Others	4,359	23	14	226	234	805	3,194	8,855
Total liabilities	199,199	45,670	76,053	94,066	19,470	12,747	17,757	464,962
Equity attributable to:								
Equity holders of the Bank	–	15	–	956	125	4,190	38,402	43,688
Non-controlling interests	–	–	–	–	–	–	240	240
Total equity	–	15	–	956	125	4,190	38,642	43,928
Net on-balance sheet position	(161,078)	11,567	(21,116)	(22,572)	88,707	200,762	(22,751)	
Net off-balance sheet position	(66,098)	(1,596)	(913)	(915)	(729)	(2,880)	(83)	
Net maturity mismatch	(227,176)	9,971	(22,029)	(23,487)	87,978	197,882	(22,834)	

45. Financial Risk Management (continued)

(e) Liquidity risk (continued)

	The Group							
In $ millions	Up to 7 days	Over 7 days to 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 3 years	Over 3 years	No specific maturity	Total
2021								
Cash, balances and placements with central banks	13,362	5,584	7,719	3,930	–	797	5,195	36,587
Securities	561	1,426	3,483	10,971	16,136	23,491	5,599	61,667
Placements and balances with banks	9,510	5,870	9,886	9,811	807	3,121	7	39,012
Loans to customers	14,342	35,354	24,940	48,593	79,791	135,885	2,923	341,828
Investment in associates and joint ventures	–	–	–	–	–	–	1,245	1,245
Intangible assets	–	–	–	–	–	–	4,145	4,145
Derivative financial assets	–	–	–	–	–	–	5,362	5,362
Others	34	12	32	176	6	3,170	4,242	7,672
Total assets	37,809	48,246	46,060	73,481	96,740	166,464	28,718	497,518
Deposits and balances of customers	205,763	32,138	51,808	60,628	2,292	684	(1)	353,312
Deposits and balances of banks, and bills and drafts payable	8,235	2,703	2,521	979	2,085	61	(30)	16,554
Debts issued	245	2,672	7,596	8,106	6,089	10,195	(85)	34,818
Derivative financial liabilities	–	–	–	–	–	–	5,172	5,172
Others	4,450	27	33	246	32	230	2,847	7,865
Total liabilities	218,693	37,540	61,958	69,959	10,498	11,170	7,903	417,721
Equity attributable to:								
Equity holders of the Bank	–	15	–	64	1,003	7,135	34,733	42,950
Non-controlling interests	–	–	–	–	–	–	228	228
Total equity	–	15	–	64	1,003	7,135	34,961	43,178
Net on-balance sheet position	(180,884)	10,691	(15,898)	3,458	85,239	148,159	(14,146)	
Net off-balance sheet position	(76,268)	(511)	(1,160)	(971)	201	(1,841)	–	
Net maturity mismatch	(257,152)	10,180	(17,058)	2,487	85,440	146,318	(14,146)	

45. Financial Risk Management (continued)

(e) Liquidity risk (continued)

The Group is subject to liquidity requirements to support calls under outstanding contingent liabilities and undrawn credit facility commitments as disclosed in Notes 38 and 39(a) respectively. These have been incorporated in the net off-balance sheet position for financial years ended 31 December 2022 and 2021. The total outstanding contractual amounts of these items do not represent future cash requirements since the Group expects many of these contingent liabilities and commitments (such as direct credit substitutes and undrawn credit facilities) to expire without being called or drawn upon, and many of the contingent liabilities (such as letters of credit) are reimbursable by customers.

(f) Expected Shortfall

The Group adopts a daily Expected Shortfall (ES) to estimate market risk within a 97.5% confidence interval over a one-day holding period, using the historical simulation method for its trading book. This entails the estimation of tail loss based on the most recent historical data. This methodology does not make assumptions on the distribution of returns and the correlations between risk classes. It assumes that possible future changes in market rates may be implied by observed historical market movements. ES is the average portfolio loss, assuming that the loss is greater than the specified percentile of the loss distribution.

The table below shows the trading book ES profile by risk classes.

	The Group			
In $ millions	**Year end**	**High**	**Low**	**Average**
2022				
Interest rate	**3.63**	**6.56**	**1.76**	**2.75**
Foreign exchange	**3.68**	**6.26**	**0.56**	**2.49**
Equity	**0.27**	**1.09**	**0.13**	**0.57**
Commodity	**0.53**	**11.71**	**0.19**	**0.55**
Total ES (1)	**9.07**	**16.92**	**5.00**	**8.37**
2021				
Interest rate	3.80	10.09	3.13	4.79
Foreign exchange	3.39	5.33	1.37	2.55
Equity	0.42	1.56	0.05	0.28
Commodity	0.36	5.14	0.13	1.04
Total ES (1)	10.17	17.99	8.37	11.09

(1) Total ES includes jump-to-default risk component (refers to the risk that a financial instrument where the mark-to-market value directly depends on the credit quality of one or more reference underlying, may experience sudden price changes due to an unexpected default of one of these reference underlying).

46. Capital Management

The Group seeks to maintain an optimal level of capital to support its business growth strategies and investment opportunities, while meeting regulatory requirements and maintaining a strong credit rating. The Group's capital position is proactively managed over the medium term through the Internal Capital Adequacy Assessment Process which includes setting capital targets, forecasting capital consumption for material risks and determining capital issuance requirements. The Group, including the Bank and its overseas banking entities, have complied with all externally-imposed regulatory capital requirements throughout the financial year.

The Group is subject to the Basel III capital adequacy standards, as prescribed in the MAS Notice 637. The Group's Common Equity Tier 1 capital comprises mainly paid-up ordinary share capital and disclosed reserves. Additional Tier 1 capital includes eligible non-cumulative non-convertible perpetual securities while Tier 2 capital comprises subordinated notes and excess of accounting provisions over MAS Notice 637 expected loss. Risk-weighted assets include both on-balance sheet and off-balance sheet exposures adjusted for credit, market and operational risks.

	The Group	
In $ millions	**2022**	2021
Common Equity Tier 1 capital (CET1)	**34,405**	34,935
Additional Tier 1 capital	**2,780**	2,379
Tier 1 capital	**37,185**	37,314
Tier 2 capital	**6,179**	5,761
Eligible total capital	**43,364**	43,075
Risk-weighted assets (RWA)	**259,098**	259,067
Capital adequacy ratios (CAR) (%)		
CET1	**13.3**	13.5
Tier 1	**14.4**	14.4
Total	**16.7**	16.6

47. Acquisition of Consumer Business

On 14 January 2022, the Group proposed acquisition of Citigroup Inc.'s consumer banking businesses comprising its unsecured and secured lending portfolios, wealth management and retail deposit businesses (Consumer Business) in Indonesia, Malaysia, Thailand and Vietnam.

On 1 November 2022, the Group completed the acquisition of the Consumer Business for Malaysia and Thailand. The initial accounting and disclosures below have been prepared on a provisional basis based on a draft purchase price allocation prepared at the end of the reporting period. The completion accounts are still subject to review and agreement.

Goodwill of $570 million has been recognised on a provisional basis, pending the finalisation of the completion accounts and purchase price allocation and intangible asset valuations, by first half of 2023. Goodwill is mainly attributable to the synergies expected to arise within the Group after acquisition. Other intangible assets relate to Citigroup Inc.'s consumer business customer relationships and core deposits.

47. Acquisition of Consumer Business (continued)

The provisional goodwill as at the acquisition date has been allocated to Group Retail CGU (refer to Note 44(a)) and was determined as follows:

In $ millions	The Group 2022
Loans to customers	**7,514**
Other assets	**476**
Total assets	**7,990**
Deposits and balances of customers	**4,297**
Other liabilities	**1,078**
Total liabilities	**5,375**
Net assets acquired	**2,615**
Goodwill and other intangible assets	**770**
Cost of acquisition	**3,385**
Less: Cash and cash equivalents acquired	**292**
Acquisition of consumer business, net of cash acquired	**3,093**

The contribution to the Group's revenue and net profit from the consolidation of the acquired Consumer Business from 1 November 2022 to 31 December 2022 was not material.

Once the completion accounts are agreed, the completion adjustment amount will be paid. The purchase price allocation, the intangible asset valuations and goodwill relating to the acquisition, will be finalised.

The completion of acquisition in Indonesia and Vietnam is conditional on obtaining regulatory approvals relevant to each country and in Singapore. It is estimated that completion will take place in 2023, depending on the progress and outcome of the regulatory approval process.

48. Authorisation of Financial Statements

The financial statements were authorised for issue by the Board of Directors on 22 February 2023.

United Overseas Bank Limited

(Incorporated in Singapore)

and its subsidiaries

31 December 2022

Additional Information

International Network

as at 1 March 2023

Banking

Singapore

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SWIFT: UOVBSGSG
Website: www.UOBgroup.com

United Overseas Bank Limited has 59 branches in Singapore.

Australia

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Melbourne VIC 3000, Australia
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Fax: (61)(3) 9642 4877
Chief Executive Officer, Australia and New Zealand: John Liles

UOB Sydney Branch
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United Overseas Bank Building
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Phone: (61)(2) 9221 1924
Fax: (61)(2) 9221 1541
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Email: UOB.Sydney@UOBgroup.com
Chief Executive Officer, Australia and New Zealand: John Liles

Brunei

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Kampung Kiulap, Gadong B
Bandar Seri Begawan BE1518, Brunei
Phone: (673) 222 5477/222 2210/
222 0380
Fax: (673) 224 0792
SWIFT: UOVBBNBB
Email: UOB.Brunei@UOBgroup.com
Country Manager:
Howard Low Boon Keng

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Fax: (1)(403) 716 3637
Country Manager: Robert Dyck

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Canada M5H 1T1
Phone: (1)(416) 644 1208
Fax: (1)(416) 367 1954
Country Manager: Robert Dyck

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Fax: (1)(604) 662 3356
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Email: UOB.Vancouver@UOBgroup.com
Country Manager: Robert Dyck

Hong Kong

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Email: UOB.HongKong@UOBgroup.com
Chief Executive Officer:
Christine Yeung See Ming
(Mrs Christine Ip)

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Chief Executive Officer:
Christine Yeung See Ming
(Mrs Christine Ip)

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Fax: (852) 3970 7798/3970 7799
Email: UOB.HongKong@UOBgroup.com
Chief Executive Officer:
Christine Yeung See Ming
(Mrs Christine Ip)

India

UOB Mumbai Branch
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Maker Maxity Bandra (East)
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'C' Wing Bandra – Kurla Complex
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Fax: (91)(22) 2659 1022
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Email: UOB.Mumbai@UOBgroup.com
Country Manager: PV Ananthakrishnan

Indonesia

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(a subsidiary)
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Jakarta Pusat 10230, Indonesia
Phone: (62)(21) 2350 6000
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SWIFT: BBIJIDJA
Website: www.UOB.co.id
President Director: Hendra Gunawan

PT Bank UOB Indonesia has 130 branches.

Japan

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13F, Sanno Park Tower
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Fax: (81)(3) 3596 7201
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Email: UOB.Tokyo@UOBgroup.com
Country Manager: Ho Chai Seng

Mainland China

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Shanghai 200120, China
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Fax: (86)(21) 6886 0908
SWIFT: UOVBCNSH
Email: CustomerExperience.UOBC@UOBgroup.com
Website: www.UOBChina.com.cn
President and Chief Executive Officer:
Peter Foo Moo Tan

United Overseas Bank (China) Limited has 16 branches/sub-branches.

Malaysia

United Overseas Bank Limited Labuan Branch

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Email: my2icom@UOBgroup.com
Branch Manager:
Conrad Ng Swee Seng

United Overseas Bank (Malaysia) Bhd

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50350 Kuala Lumpur, Malaysia
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Fax: (60)(3) 2691 0281
SWIFT: UOVBMYKL
Email: UOBcustomerservice@UOB.com.my
Website: www.UOB.com.my
Chief Executive Officer: Ng Wei Wei

United Overseas Bank (Malaysia) Bhd has 55 branches.

Myanmar

UOB Yangon Branch

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Bogyoke Aung San Road
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Fax: (95)(1) 9253 770
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Email: UOB.Yangon@UOBgroup.com
Country Manager: Loi Kai Cheow

Philippines

UOB Manila Branch

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Fax: (63)(2) 8811 5603
SWIFT: UOVBPHMM
Email: UOB.Manila@UOBgroup.com
Country Manager:
Arthur Vincent D. Chung

South Korea

UOB Seoul Branch

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3(A)F, Seoul Finance Center
Jung-gu, Seoul 04520
South Korea
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Fax: (82)(2) 730 9570
SWIFT: UOVBKRSE
Email: UOB.Seoul@UOBgroup.com
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Taiwan

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Fax: (886)(2) 2722 2322
Email: UOB.Taipei@UOBgroup.com
Country Manager:
Grace Wang Chih-Hua

Thailand

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(a subsidiary)
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Sathon, Bangkok 10120, Thailand
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Fax: (66)(2) 287 2973/287 2974
SWIFT: UOVBTHBK
Website: www.UOB.co.th
President and Chief Executive
Officer: Tan Choon Hin

United Overseas Bank (Thai) Public Company Limited has 151 branches.

United Kingdom

UOB London Branch

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Fax: (44)(20) 7628 3433
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Email: UOB.London@UOBgroup.com
Country Manager: Michael Liu

United States of America

UOB Los Angeles Agency

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Fax: (1)(213) 623 3412
Email: UOB.LosAngeles@UOBgroup.com
Country Manager and Agent/
General Manager: Bert De Guzman

UOB New York Agency

48th Street, 592 Fifth Avenue
10th Floor, UOB Building
New York, NY 10036
United States of America
Phone: (1)(212) 382 0088
Fax: (1)(212) 382 1881
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Country Manager and Agent/
General Manager: Bert De Guzman

International Network

as at 1 March 2023

Vietnam

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Vietnam
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Fax: (84)(28) 3825 1423
SWIFT: UOVBVNVX
Email: UOBV.CustomerService@UOBgroup.com
Website: www.UOB.com.vn
Chief Executive Officer: Victor Ngo

United Overseas Bank (Vietnam) Limited has 5 branches.

Correspondents

In all principal cities of the world

Related financial services

E-commerce

Vietnam

VUI Vietnam Trading LLC

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Vietnam
Phone: (84)(28) 3820 8664
Fax: (84)(28) 3820 8665
Email: info@taptap.com.vn
Website: www.taptap.com.vn
Chief Executive Officer:
Doan Hoang Lan

Financial Leasing

Singapore

ORIX Leasing Singapore Limited

(an associated company)
331 North Bridge Road
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Singapore 188720
Phone: (65) 6339 3622
Fax: (65) 6339 3966
Email: genenquiries@ols.com.sg
Website: www.ols.com.sg
Managing Director: Joanne Liau

FinTech

Singapore

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Email: info@avatec.ai
Chief Executive Officer: Daniel Yan

Indonesia

PT Avatec Services Indonesia

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Email: info@avatec.ai
Chief Executive Officer: Daniel Yan

PT Saat Keuangan Indonesia

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Chief Executive Officer: Daniel Yan

Malaysia

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Email: info@avatec.ai
Chief Executive Officer: Daniel Yan

Mainland China

Avatec (Beijing) Co Ltd

(a subsidiary)
28 Guandongdian
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Beijing, China
Email: info@avatec.ai
Chief Executive Officer: Daniel Yan

Vietnam

Avatec.AI Vietnam Limited Liability Company

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Innovation Lab

Singapore

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Insurance

Singapore

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Website: www.UOI.com.sg
Managing Director and Chief Executive: David Chan Mun Wai

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Fax: (95)(1) 8392 916
Representative:
Myat Myat Lwin @ Jessie

Investment Management

Singapore

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Fax: (65) 6223 0377
Website: www.uhreit.com
Chief Executive Officer: Rob Schmitt

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Executive Director: Han Kuan Yuan

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Email: UOBAM@UOBgroup.com
Website: www.UOBAM.com.sg
Managing Director and Chief Executive Officer: Thio Boon Kiat

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Managing Director and Chief Executive Officer: Seah Kian Wee

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(an associated company)
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Brunei

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Fax: (673) 242 4805
General Manager:
Kamal Haji Muhammad

France

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Email: mlandau@UOBGlobal.com
Managing Director: Michael Landau

Indonesia

PT UOB Asset Management Indonesia
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UOB Plaza, 42nd Floor, Unit 2
Jalan M.H. Thamrin No. 10
Jakarta Pusat 10230, Indonesia
Phone: (62)(21) 2929 0889
Fax: (62)(21) 2929 0809
President Director: Ari Adil

UOB Venture Management Private Limited Representative Office
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Jalan M.H. Thamrin No. 1
Jakarta Pusat 10310, Indonesia
Phone: (62)(21) 2358 5754/2358 5753
Email: InvestorRelations.UOBVM@UOBgroup.com
Chief Representative:
Patria Adhi Pradana

International Network

as at 1 March 2023

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UOB Asset Management (Japan) Ltd

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13F, Sanno Park Tower
Tokyo 100-6113, Japan
Phone: (81)(3) 3500 5981
Fax: (81)(3) 3500 5985
Chief Executive Officer:
Hideaki Mochizuki

Malaysia

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(a subsidiary)
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50350 Kuala Lumpur, Malaysia
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Chief Executive Officer: Lim Suet Ling

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50350 Kuala Lumpur, Malaysia
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Chief Executive Officer:
Suhazi Reza bin Selamat

Mainland China

SZVC-UOB Venture Management Co., Ltd

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Managing Director and Chief
Executive Officer: Seah Kian Wee

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Website: www.UOBAM.com.tw
Greater China Chief Executive Officer:
William Wang

Thailand

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Website: www.UOBAM.co.th
Chief Executive Officer: Vana Bulbon

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Managing Director: David Goss

Vietnam

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Phone: (84)(28) 3910 3757
Fax: (84)(28) 3910 3794
Email: uobamv@vietnamam.com
Website: www.UOBAM.com.vn
Chief Executive Officer:
Thieu Thi Nhat Le

Stockbroking

Singapore

UOB-Kay Hian Holdings Limited

(an associated company)
8 Anthony Road #01-01
Singapore 229957
Phone: (65) 6535 6868
Fax: (65) 6532 6919
Website: www.uobkayhian.com
Managing Director: Wee Ee Chao

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[1] *effective as of 20 March 2023*

Venture Debt

Singapore

Innoven Capital SEA Pte. Ltd.
(an associated company)
3 Fraser Street
#20-28 DUO Tower
Singapore 180352
Phone: (65) 6532 2416
Email: contact_sg@innovencapital.com
Partners: Ben Cheah
Paul Ong

India

Innoven Triple Blue Capital Advisors LLP
(an associated company)
805-A, 8th Floor, The Capital
G-Block, Bandra Kurla Complex
Mumbai 400 051, India
Phone: (91)(22) 6744 6500
Email: contact@innovencapital.com
Managing Partner: Ashish Sharma

Mainland China

Shanghai Innoven Private Fund Management Co. Ltd
(an associated company)
1 Guanghua Road
Beijing Kerry Centre
29/F North Tower
Chaoyang District, Beijing, China
Phone: (86)(10) 6506 1883
Email: contact-cn@innovencapital.com
Managing Partner: Cao Yingxue

Statistics of Shareholdings

as at 3 March 2023

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares and subsidiary holdings)	%
1 – 99	5,471	9.58	169,441	0.01
100 – 1,000	25,360	44.41	13,609,707	0.81
1,001 – 10,000	22,668	39.70	70,043,824	4.18
10,001 – 1,000,000	3,554	6.23	144,852,760	8.65
1,000,001 and above	47	0.08	1,445,933,486	86.35
Total	**57,100**	**100.00**	**1,674,609,218**	**100.00**

Treasury shares, subsidiary holdings and public float

As at 3 March 2023, the Company had 11,314,073 treasury shares, constituting 0.68 per cent of the total number of issued shares in the capital of the Company, and no subsidiary holdings. Based on information available to the Company as at 3 March 2023, approximately 76 per cent of the issued shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual had been complied with.

Twenty largest shareholders *(as shown in the Register of Members and Depository Register)*

Name of shareholders	No. of shares	%*
Citibank Nominees Singapore Pte Ltd	301,628,337	18.01
DBSN Services Pte. Ltd.	191,659,139	11.45
HSBC (Singapore) Nominees Pte Ltd	161,379,651	9.64
Raffles Nominees (Pte.) Limited	154,471,232	9.22
Wee Investments (Pte) Limited	133,278,368	7.96
Wah Hin and Company Private Limited	86,676,076	5.18
Tai Tak Estates Sendirian Berhad	68,800,000	4.11
DBS Nominees (Private) Limited	66,665,756	3.98
UOB Kay Hian Private Limited	42,780,834	2.55
C Y Wee & Co Pte Ltd	37,781,750	2.26
Haw Par Investment Holdings Private Limited	22,832,059	1.36
Wee Cho Yaw	21,599,798	1.29
Pickwick Securities Private Limited	20,469,962	1.22
Straits Maritime Leasing Private Limited	16,696,298	1.00
BPSS Nominees Singapore (Pte.) Ltd.	12,739,566	0.76
UOB Nominees (2006) Private Limited	9,519,375	0.57
Tee Teh Sdn Berhad	8,000,487	0.48
Haw Par Equities Pte Ltd	7,541,628	0.45
CGS-CIMB Securities (Singapore) Pte. Ltd.	7,194,735	0.43
United Overseas Bank Nominees (Private) Limited	7,021,787	0.42
Total	**1,378,736,838**	**82.34**

* Percentage was calculated based on the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company.

Ordinary shares

Substantial shareholders *(as shown in the Register of Substantial Shareholders)*

	Shareholdings registered in the name of substantial shareholders	Other shareholdings in which substantial shareholders were deemed to have an interest	Total interest	
Substantial shareholder	No. of shares	No. of shares	No. of shares	%*
Lien Ying Chow Private Limited	–	86,686,453(1)	86,686,453	5.18
Wah Hin and Company Private Limited	86,676,076	10,377	86,686,453	5.18
Wee Cho Yaw	21,599,798	287,113,587(2)	308,713,385	18.43
Wee Ee Cheong	3,281,455	173,663,415(2)	176,944,870	10.57
Wee Ee Chao	160,231	137,847,174(2)	138,007,405	8.24
Wee Ee Lim	1,831,903	173,266,519(2)	175,098,422	10.46
Wee Investments (Pte) Limited	133,278,205	194,119	133,472,324	7.97

* Percentage was calculated based on 1,674,609,218 issued shares, being the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

Notes:

(1) Lien Ying Chow Private Limited was deemed to have an interest in the 86,686,453 UOB shares in which Wah Hin and Company Private Limited has an interest.

(2) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim were each deemed to have an interest in Wee Investments (Pte) Limited's total direct and deemed interests of 133,472,324 UOB shares.

Five-Year Ordinary Share Capital Summary

		Number of ordinary shares		
Year	Particulars	Issued	Held in treasury	In circulation
2018	Balance at beginning of year	1,671,534,273	(8,879,191)	1,662,655,082
	Shares issued under scrip dividend scheme	9,007,195		
	Shares issued under share-based compensation plans		1,947,117	
	Shares re-purchased and held in treasury		(7,901,990)	
	Balance at end of year	1,680,541,468	(14,834,064)	1,665,707,404
2019	Shares issued under share-based compensation plans		2,626,791	
	Balance at end of year	1,680,541,468	(12,207,273)	1,668,334,195
2020	Shares issued under scrip dividend scheme	3,374,391		
	Shares issued under share-based compensation plans		2,099,495	
	Shares re-purchased and held in treasury		(993,300)	
	Balance at end of year	1,683,915,859	(11,101,078)	1,672,814,781
2021	Shares issued under scrip dividend scheme	2,007,432		
	Shares issued under share-based compensation plans		2,068,240	
	Shares re-purchased and held in treasury		(4,900,000)	
	Balance at end of year	1,685,923,291	(13,932,838)	1,671,990,453
2022	**Shares issued under share-based compensation plans**		**2,618,765**	
	Balance at end of year	**1,685,923,291**	**(11,314,073)**	**1,674,609,218**

Corporate Information

Board of Directors
Wong Kan Seng *(Chairman)*
Wee Ee Cheong *(Deputy Chairman and Chief Executive Officer)*
Michael Lien Jown Leam
Wee Ee Lim
Steven Phan Swee Kim
Chia Tai Tee
Tracey Woon Kim Hong
Dinh Ba Thanh
Teo Lay Lim
Ong Chong Tee

Audit Committee
Steven Phan Swee Kim *(Chairman)*
Chia Tai Tee
Tracey Woon Kim Hong
Teo Lay Lim

Board Risk Management Committee
Chia Tai Tee *(Chairman)*
Wong Kan Seng
Wee Ee Cheong
Wee Ee Lim
Tracey Woon Kim Hong
Ong Chong Tee

Executive Committee
Wong Kan Seng *(Chairman)*
Wee Ee Cheong
Michael Lien Jown Leam
Steven Phan Swee Kim
Teo Lay Lim
Ong Chong Tee

Nominating Committee
Steven Phan Swee Kim *(Chairman)*
Wong Kan Seng
Wee Ee Cheong
Michael Lien Jown Leam
Chia Tai Tee

Remuneration and Human Capital Committee
Tracey Woon Kim Hong *(Chairman)*
Wong Kan Seng
Wee Ee Lim
Steven Phan Swee Kim

Chairman Emeritus and Honorary Adviser
Wee Cho Yaw

Secretaries
Beh Ean Lim
Theresa Sim Kwee Soik

Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Ave
Keppel Bay Tower #14-07
Singapore 098632
Phone: (65) 6536 5355
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Internal Auditor
Vincent Cheong
Head, Group Audit
United Overseas Bank Limited
One Raffles Place
Tower 1 #15-02
Singapore 048616

External Auditor
Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Wilson Woo Siew Wah
(appointed on 5 June 2020)

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80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration Number: 193500026Z
Phone: (65) 6222 2121 *(calling from overseas)*
1800 222 2121 *(within Singapore)*
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Right By You

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Company Registration No.: 193500026Z

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