



UOB Group Financial Updates

Lee Wai Fai
Group Chief Financial Officer

For the Nine Months / Third Quarter Ended 30 September 2024

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Key Highlights

- **Third-quarter core net profit grew 10% to record \$1.6b**, with core ROE at 14.3%
- **NIM was stable at 2.05%**, as loan margin widened on proactive deposit cost management. **Loans grew 2% or \$5b QoQ**, contributed by broad-based wholesale growth and mortgages
- **Fee income at new high of \$630m**, supported by healthy trade and wealth demand, as well as pick up in card fees. **Stellar trading and investment income at \$709m**, bolstered by all-time high customer flow treasury income alongside exceptional performance from trading and liquidity management activities
- **Stable credit quality** with NPL ratio unchanged at 1.5%. Higher specific allowance mainly from Thailand operational merger issues which will normalise in the next two quarters. Total credit costs on loans increased to 34 basis points
- **Resilient capital and funding positions maintained**, with CET1 ratio at 15.5% and NSFR at 116%.

(1) Excluding one-off expenses



Core net profit after tax ¹

\$1.6b + 10% QoQ
+ 11% YoY

Net Interest Margin

2.05% unchanged QoQ
- 0.04%pt YoY

Fee Income

\$630m + 2% QoQ
+ 7% YoY

Trading & Investment Income

\$709m + 77% QoQ
+ 82% YoY

NPL ratio

1.5% unchanged QoQ
- 0.1%pt YoY

CET 1 ratio

15.5% + 2.1%pt QoQ
+ 2.5%pt YoY

3Q24 Core net profit rose 10% QoQ to \$1.6 billion

Driven by broad-based revenue growth and healthy client franchise



	9M24	9M23	YoY	3Q24	2Q24	QoQ	3Q23	YoY
	\$m	\$m	+/(-)%	\$m	\$m	+/(-)%	\$m	+/(-)%
Net interest income	7,223	7,275	(1)	2,460	2,401	2	2,429	1
Net fee income	1,828	1,666	10	630	618	2	591	7
Other non-interest income	1,782	1,581	13	744	457	63	436	70
Total income	10,832	10,522	3	3,834	3,476	10	3,457	11
Less: Total expenses	4,516	4,305	5	1,590	1,452	9	1,416	12
Operating profit	6,316	6,217	2	2,244	2,024	11	2,041	10
Less: Amortisation of intangible assets	20	17	20	7	7	4	7	0
Less: Allowance for credit and other losses	699	769	(9)	304	232	31	235	29
Add: Associate & Joint Ventures	81	71	15	25	31	(20)	20	26
Core net profit	4,693	4,563	3	1,639	1,489	10	1,479	11
Less: One-off expenses								
- Citi integration costs (net of tax)	171	255	(33)	28	64	(56)	97	(71)
Net profit (including one-off expenses)	4,522	4,308	5	1,610	1,425	13	1,382	16

Healthy growth across business franchise



Income by business segment

	9M24 \$'m	9M23 \$'m	YoY
Group Retail	4,119	4,102	0%
Group Wholesale Banking	5,135	5,379	(5%)

Group Retail

Tapping on rising affluence in Southeast Asia on enlarged franchise



+17%

increase¹ in **CASA** balance



+12%

pickup¹ in **card billings** across ASEAN markets



+32%

growth¹ in **wealth management** income², with AUM at \$185b

Group Wholesale Banking

Strong IB performance and strategic pivot towards CASA, trade & higher quality assets amid a competitive landscape



+16%

YoY growth¹ in **CASA**



+22%

YoY growth¹ in **trade** loans

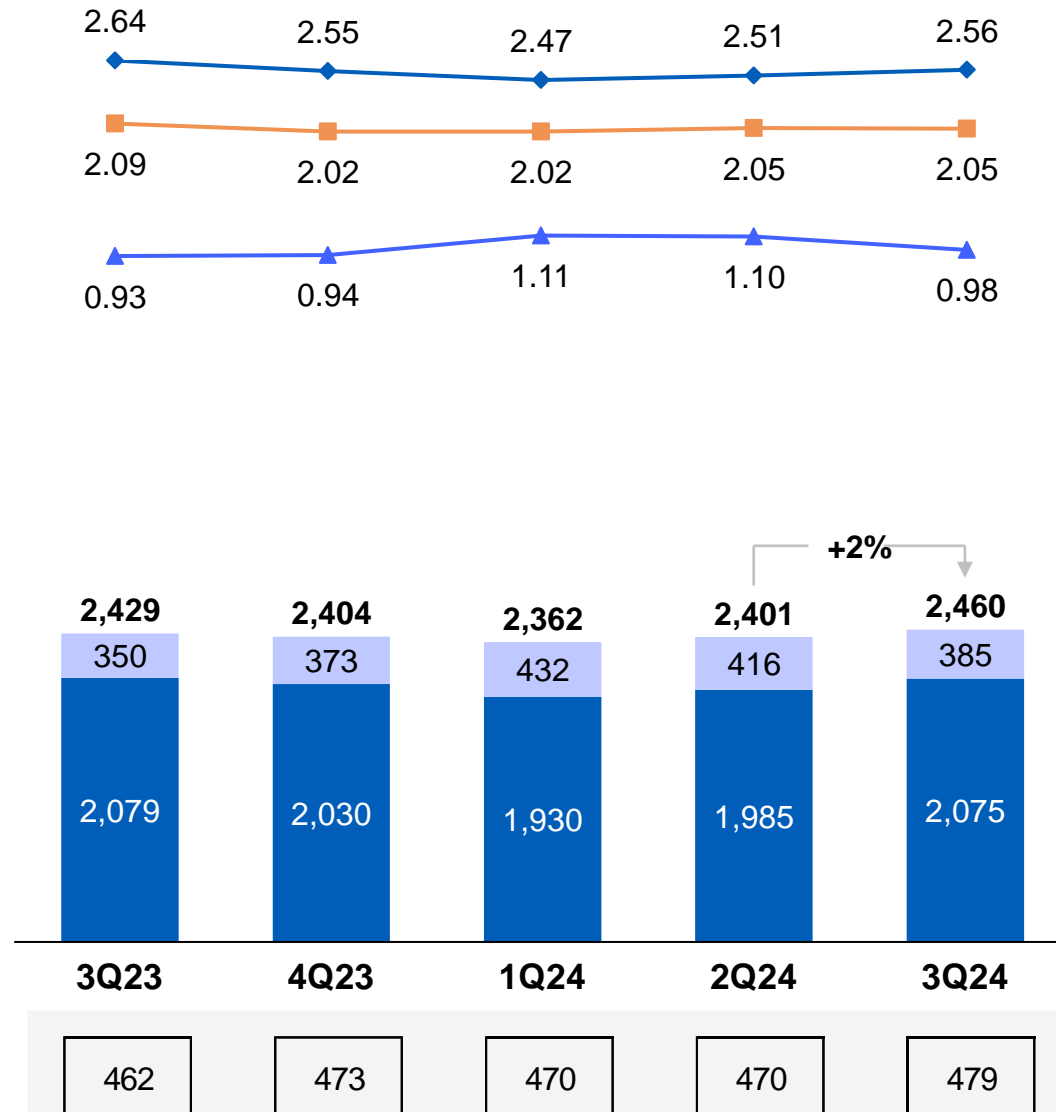
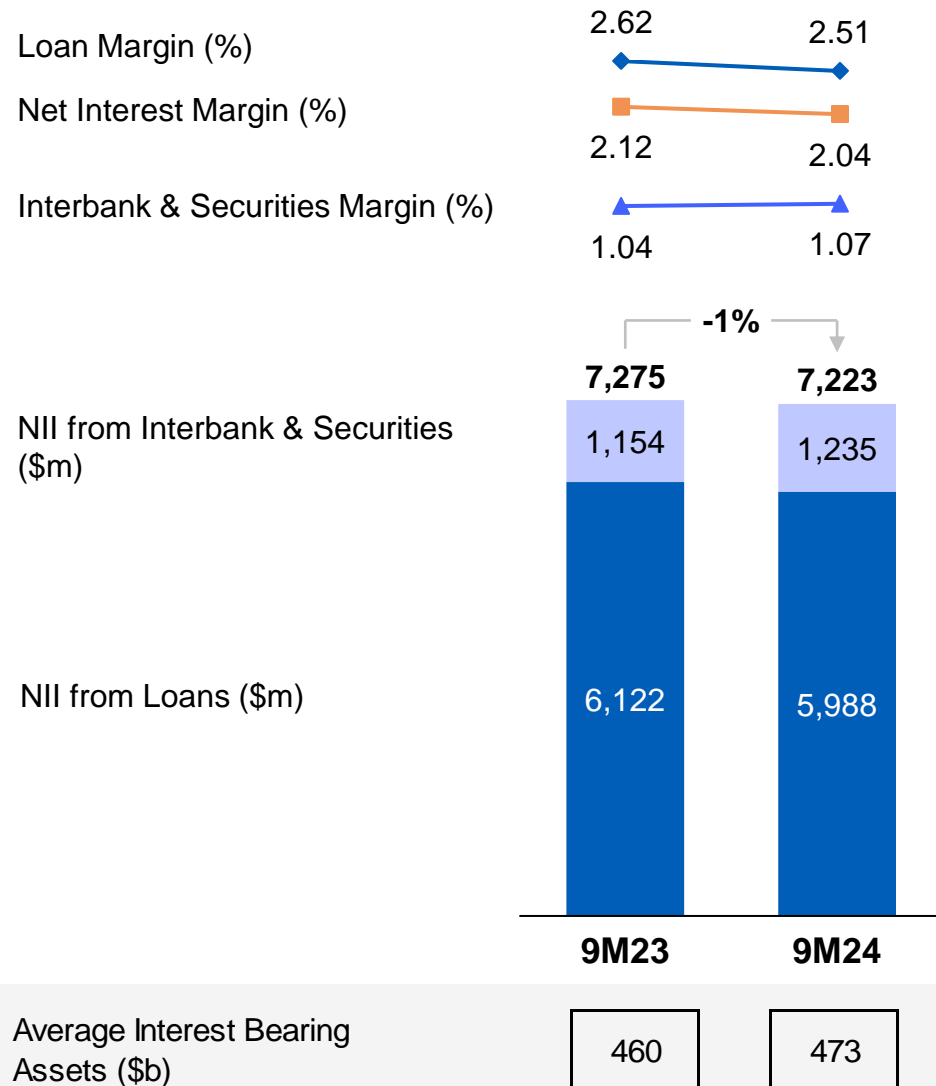


66%⁴

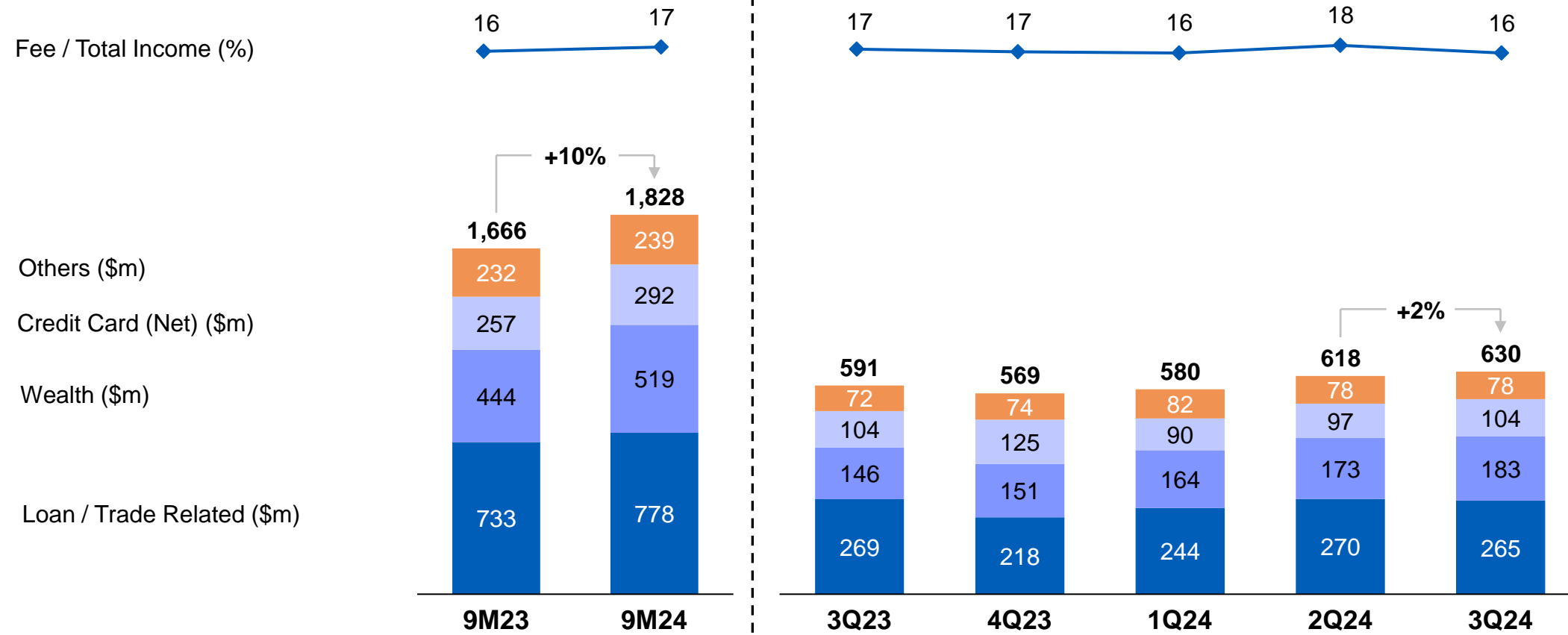
income contribution to **GWB from non-real estate sectors**, with ASEAN-4³ at 84%⁴

1. Represents year-on-year growth for 9M24
2. Comprises wealth management fees and income jointly recognised with Global Markets
3. ASEAN-4 comprises Indonesia, Malaysia, Thailand and Vietnam
4. Based on YTD Aug 2024; excludes Business Banking

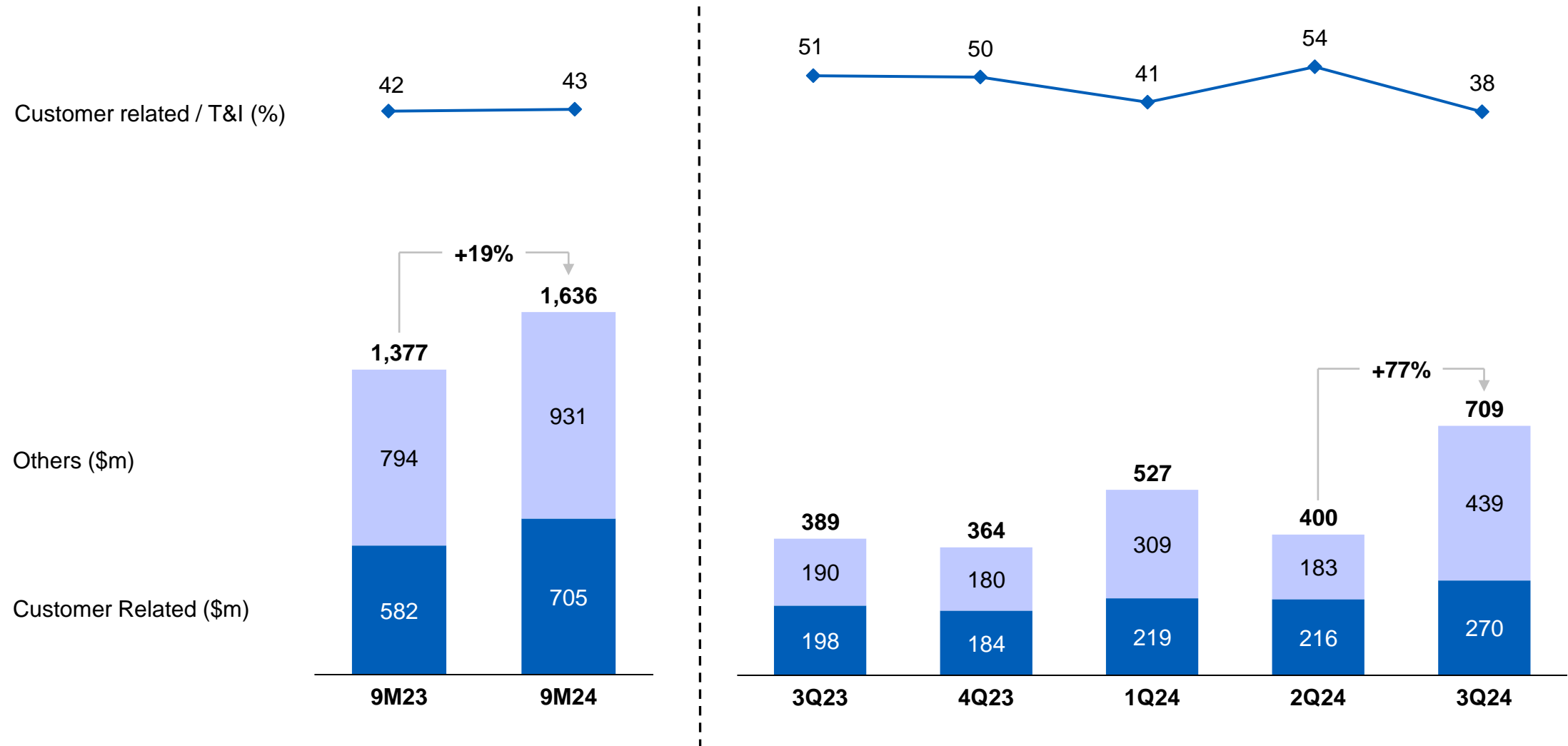
NIM stable at 2.05%; proactive deposit cost management to mitigate interest rate headwinds



3Q24 fees rose to a new-high, bolstered by healthy trade and wealth demand and pick-up in card fees



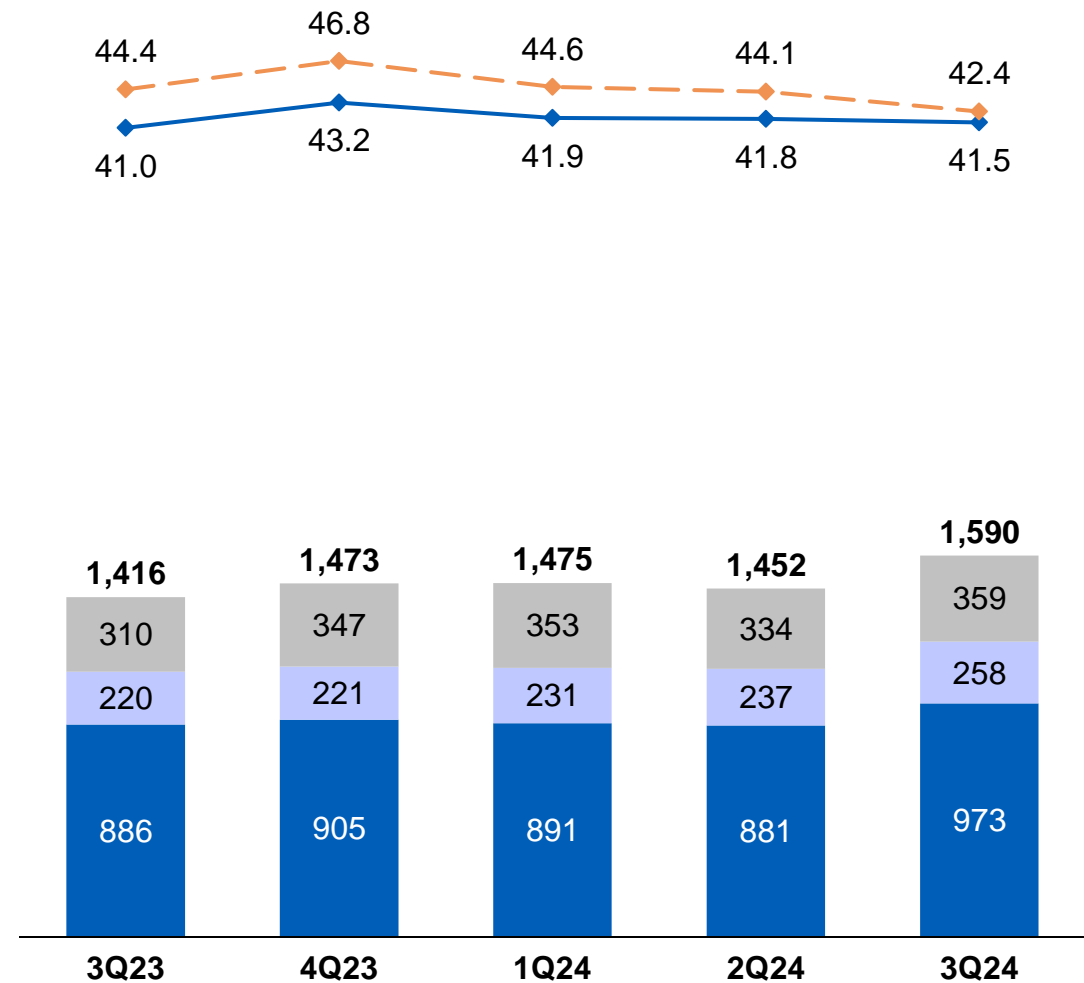
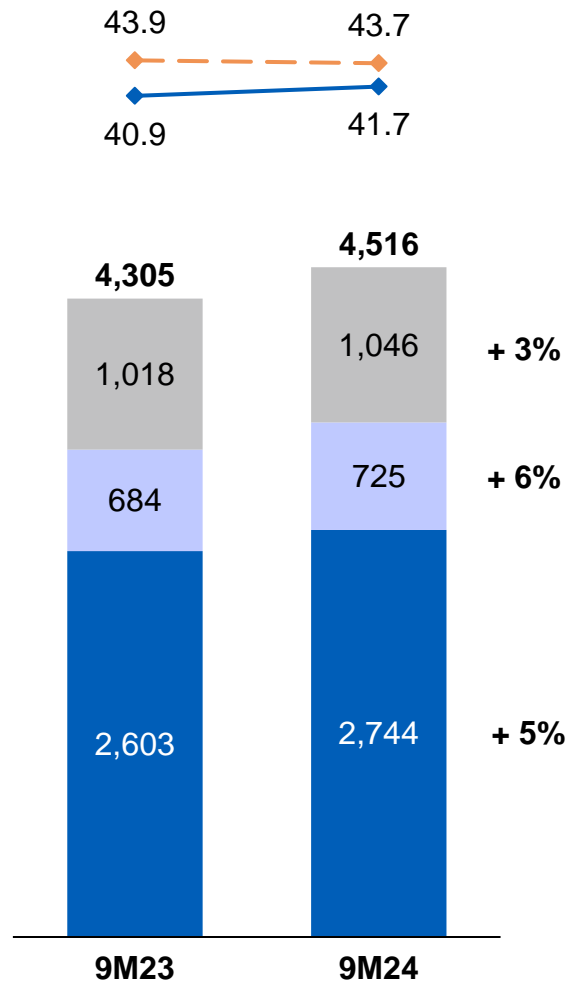
All-time high customer-related treasury supported by strong hedging demands, trading and liquidity performance more than doubled



Core CIR steady on enlarged income base and continued cost discipline



Cost-to-income Ratio (%)
 - incl one-off Citi
 - excl one-off Citi

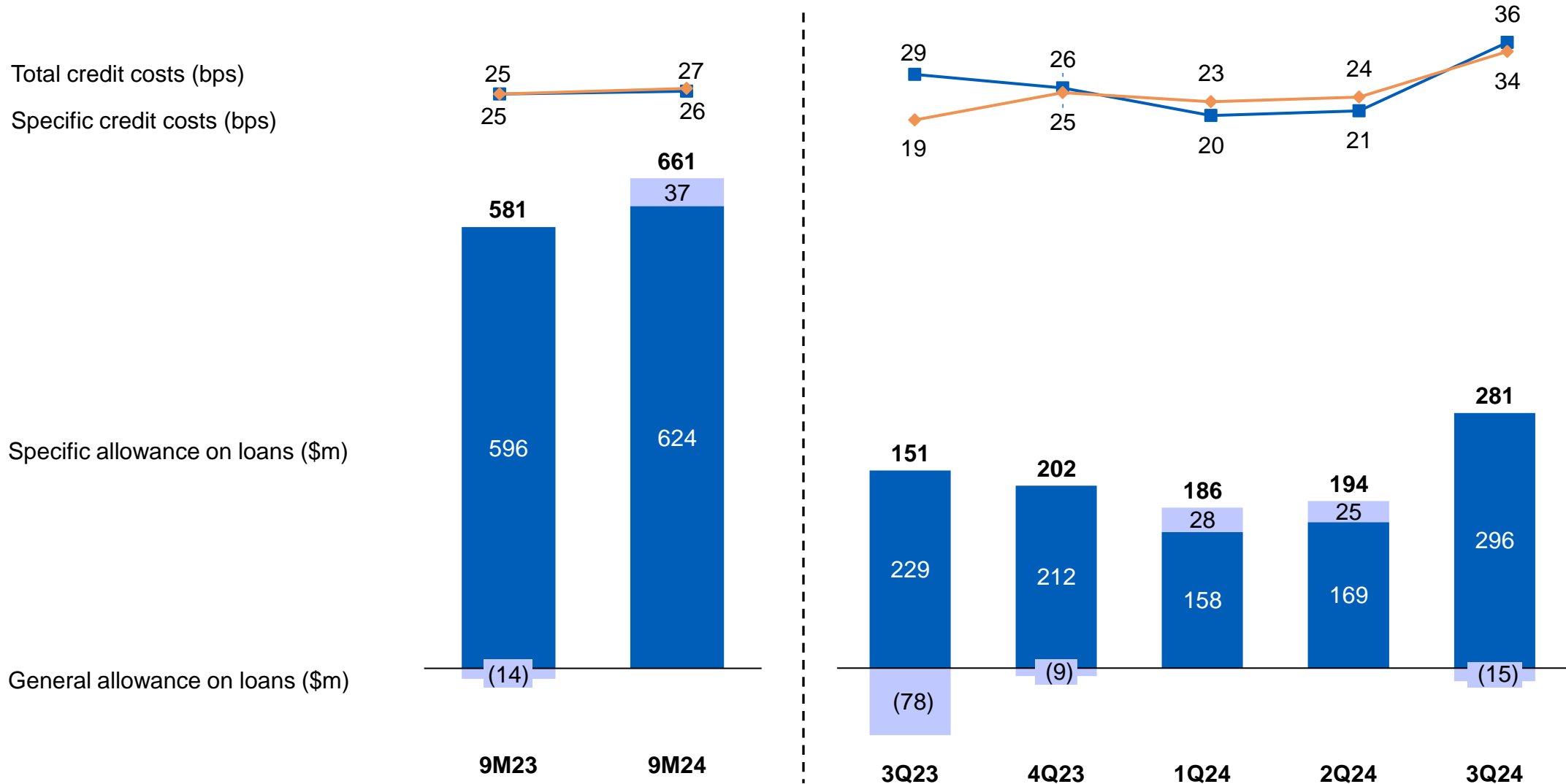


Asset quality stable with NPL ratio unchanged at 1.5%

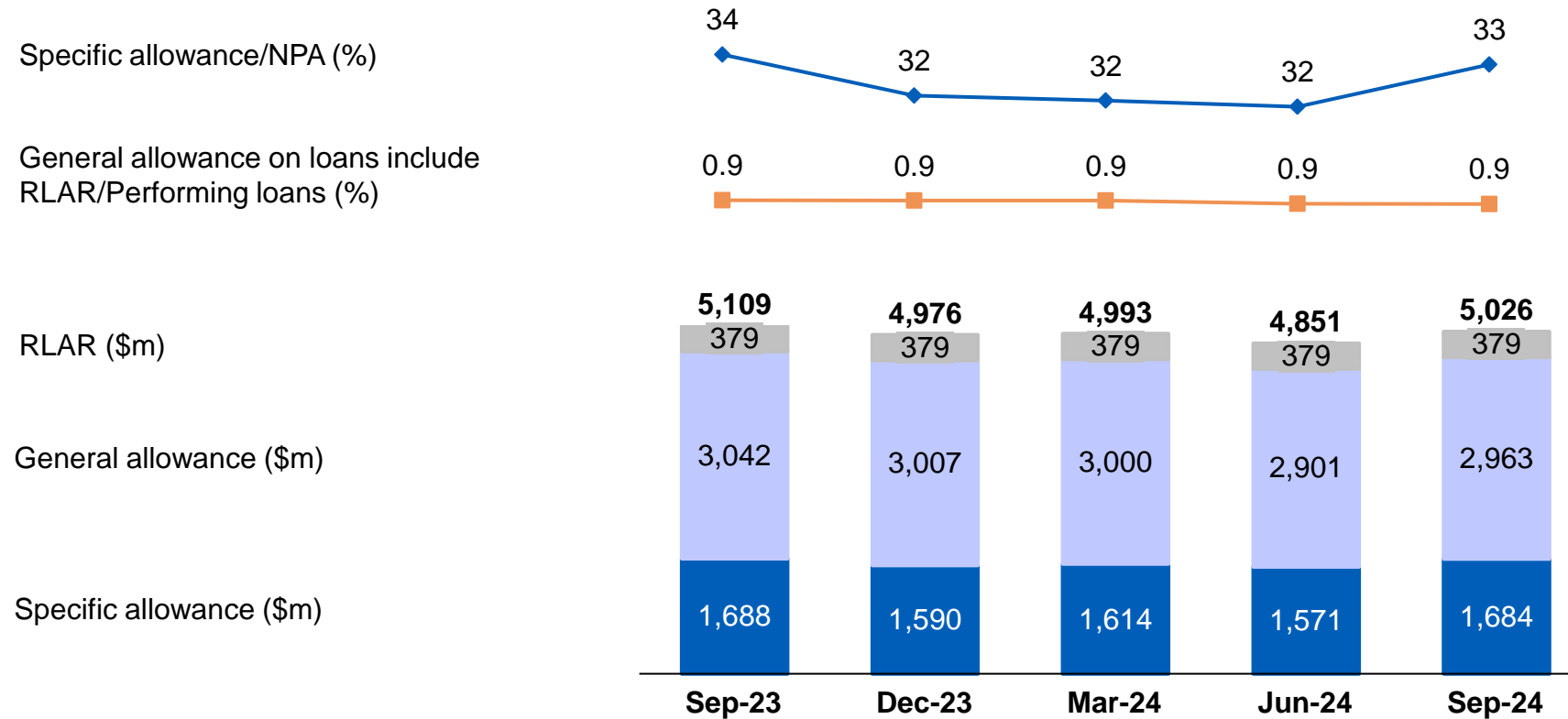


(\$m)	3Q23	4Q23	1Q24	2Q24	3Q24
NPAs at start of period	5,192	5,011	4,946	5,051	4,952
<u>Non-individuals</u>					
New NPAs	267	389	249	438	212
Less:					
Upgrades and recoveries	298	288	183	289	190
Write-offs	150	218	34	238	71
	5,011	4,894	4,979	4,962	4,903
Individuals	0	38	72	(10)	152
NPAs at end of period	5,011	4,932	5,051	4,952	5,055
Add: Citi acquisition		14			
NPAs at end of period including Citi	5,011	4,946	5,051	4,952	5,055
NPL Ratio (%)	1.6	1.5	1.5	1.5	1.5

Higher specific allowance mainly from Thailand operational merger issues, expect to normalise in the next two quarters



Provision coverage remains stable



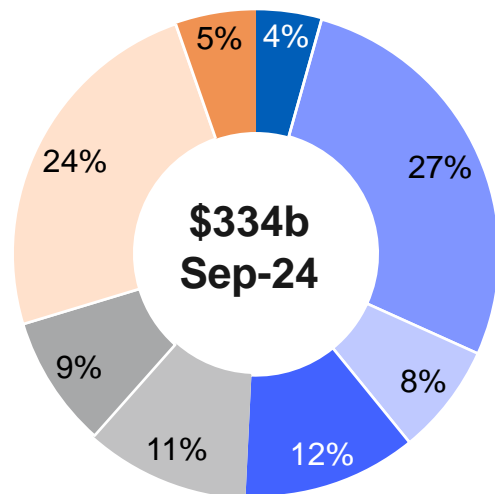
NPA coverage (%) ¹	102	101	99	98	99
Unsecured NPA coverage (%) ¹	205	209	204	214	210

(1) Includes RLAR (Regulatory loss allowance reserve) as part of total allowance

Loans grew 2% QoQ from broad-based wholesale growth and mortgages

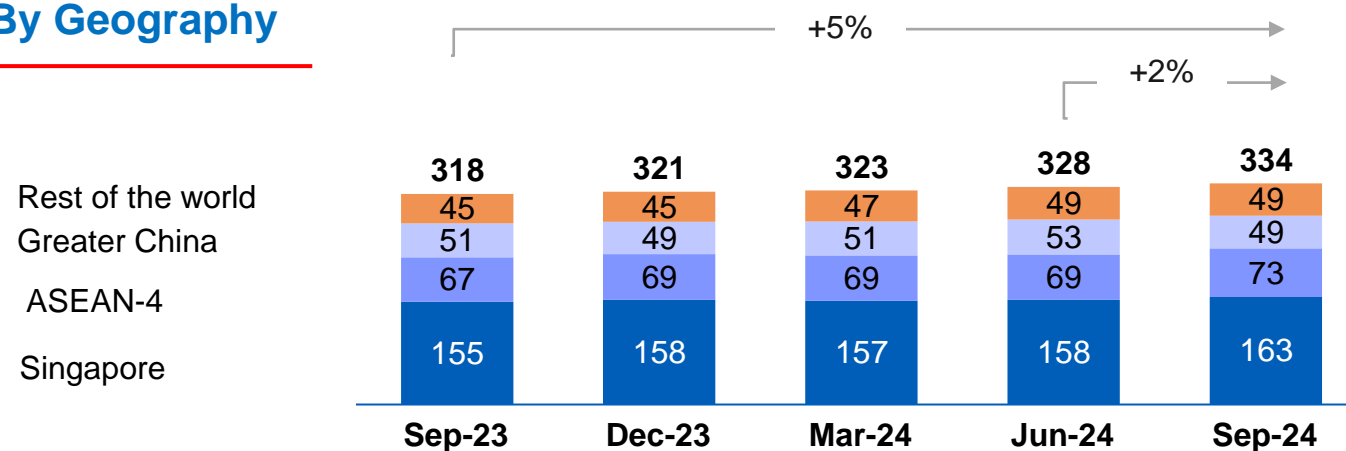


By Industry



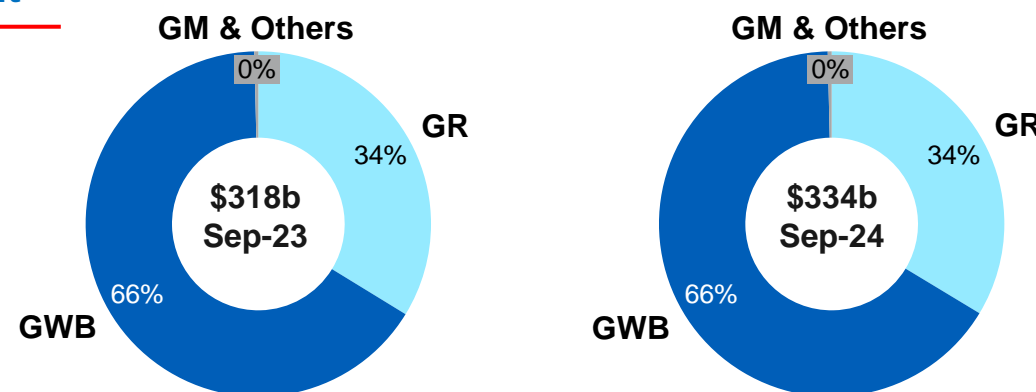
- Transport, storage and communication
- Building and construction
- Manufacturing
- FIs, investment and holding companies
- General commerce
- Professionals and private individuals
- Housing loans
- Others

By Geography

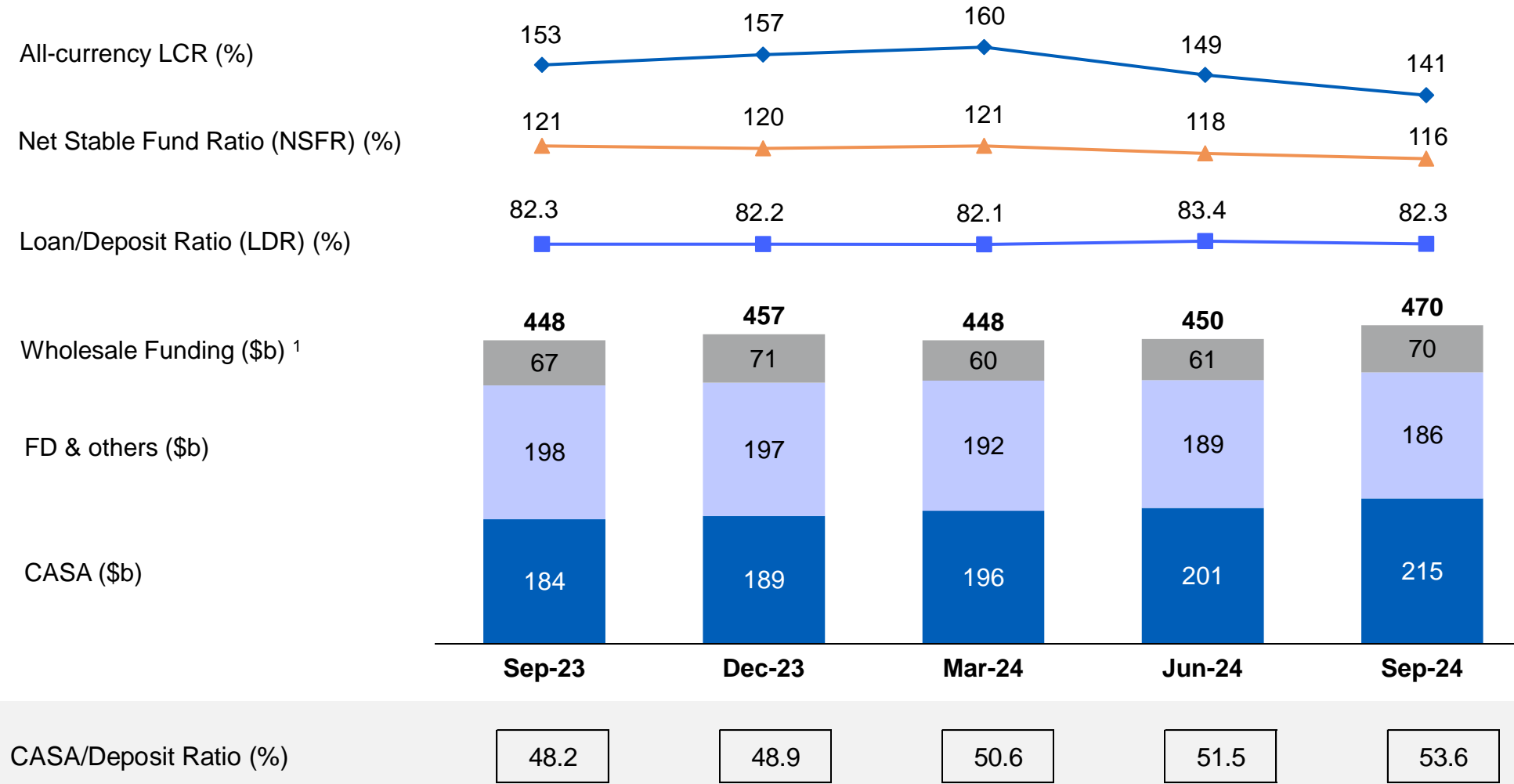


Note: Loans are classified based on where credit risks reside, represented by country of incorporation/operation for non-individuals and residence for individuals.

By Segment

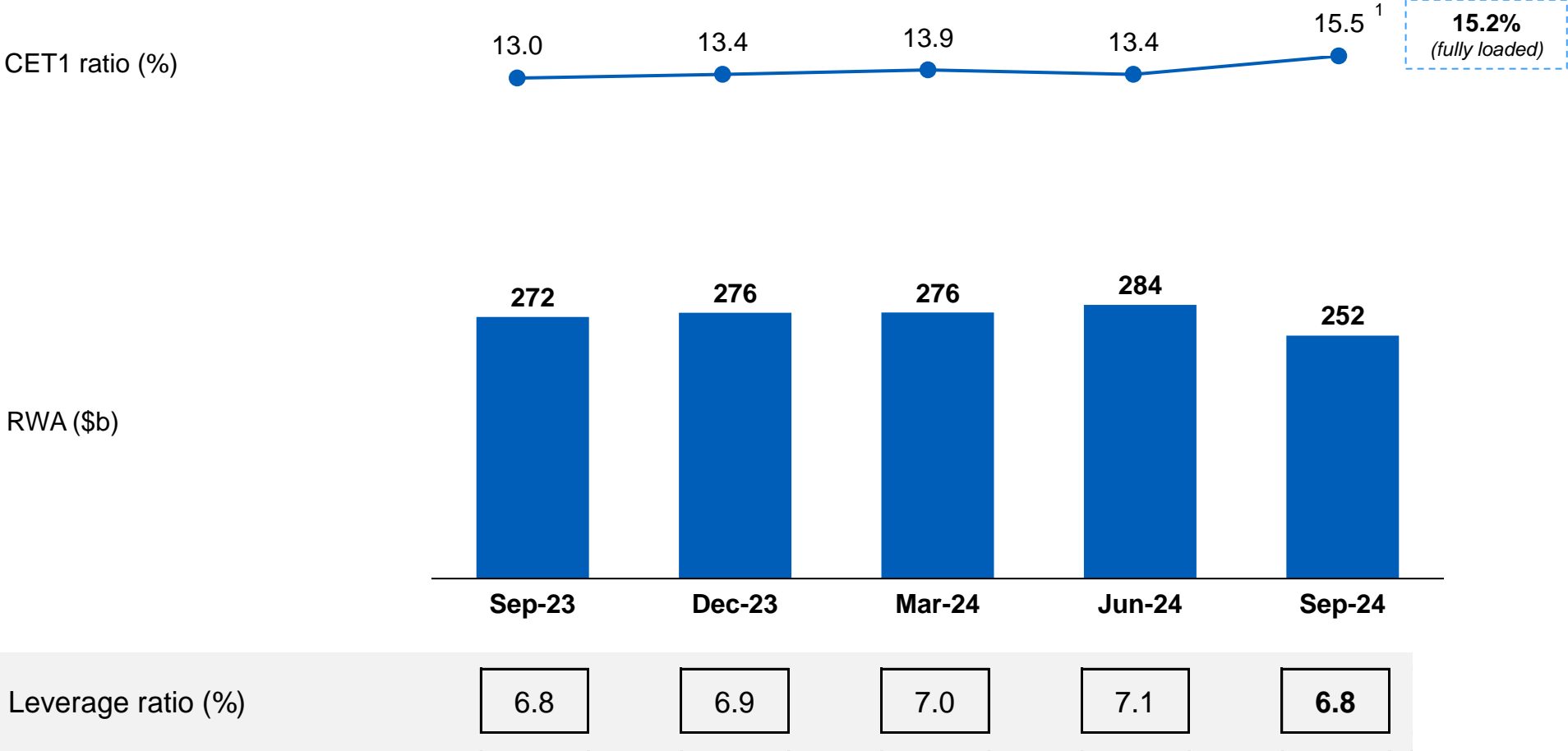


Strong funding position, with healthy CASA growth and improved CASA mix



(1) Comprising debt issuances, perpetual capital securities and interbank liabilities.

Resilient capital position with CET1 ratio at 15.5%

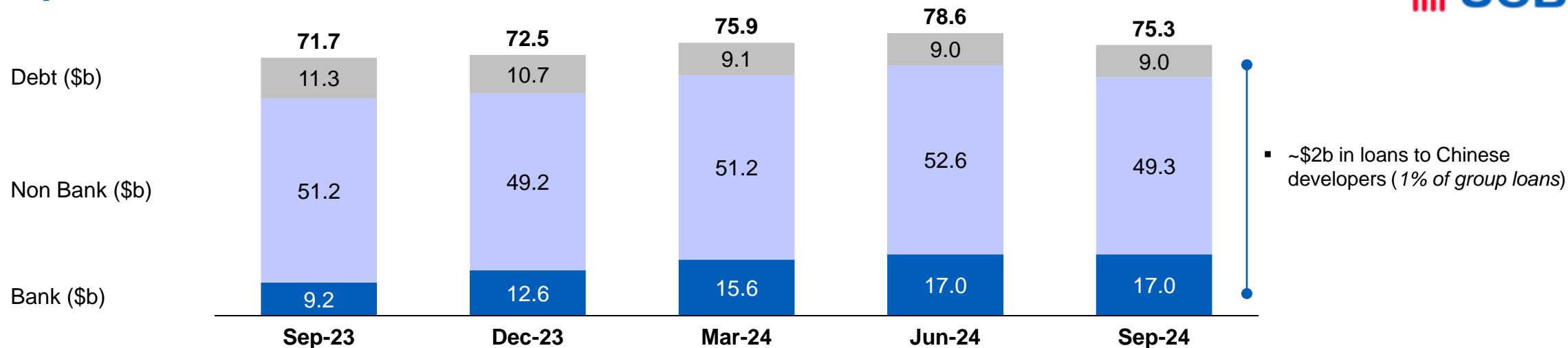


(1) Based on MAS Notice 637 issued on 20 September 2023, with effect from 1 July 2024

Appendix

- **Exposure to Greater China**
- **Exposure to Commercial Real Estate - Office**

Exposure to Greater China



Mainland China

Bank exposure (\$13.3b)

- ~ 50% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~ 75% of total bank exposure
- ~ 100% with <1 year tenor; trade accounts for ~5% of total bank exposure

Non-bank exposure (\$11.3b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~70% denominated in RMB and ~60% with <1 year tenor
- NPL ratio at 2.8%

Hong Kong SAR

Bank exposure (\$1.7b)

- ~80% are to foreign banks

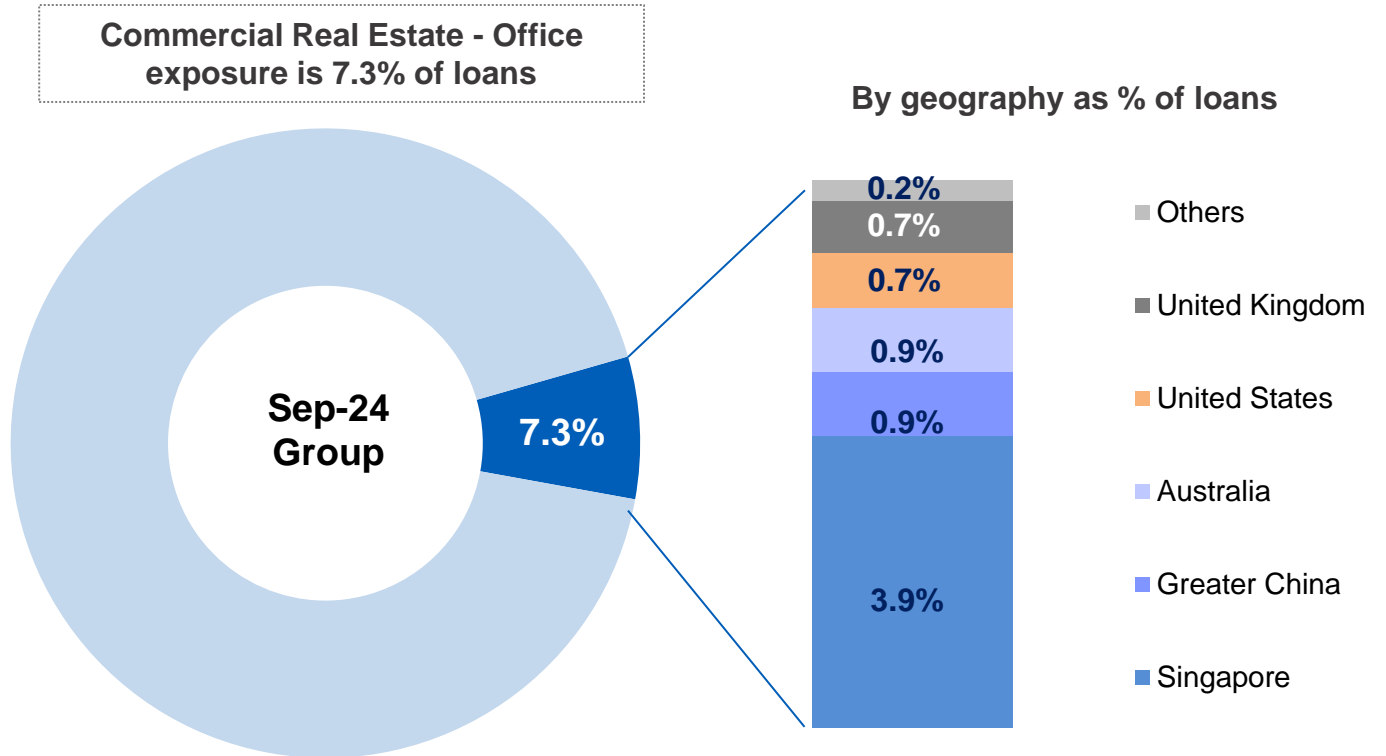
Non-bank exposure (\$34.6b)

- Exposure mainly to corporate and institutional clients
- ~70% with <1 year tenor
- NPL ratio at 1.9%

Note: Classification is according to where credit risks reside, largely represented by the borrower's country of incorporation/operation for non-individuals and residence for individuals

Exposure to Commercial Real Estate - Office

- More than half of office exposure is in Singapore
- Overseas exposure backed by strong sponsors
- Largely secured by class-A office properties
- Average LTV around 50%



Thank You



Right By You