

## UOB's 1Q24 core net profit<sup>1</sup> up 5% QoQ to S\$1.6 billion

*Resilient earnings supported by healthy balance sheet and franchise growth*

UOB Group (UOB) posted S\$1.6 billion in core net profit for the first quarter of 2024 (1Q24), up 5% quarter on quarter, driven by higher net fee income and record trading and investment income.

Core net profit remained stable year on year (YoY). The Group's resilient 1Q24 performance was achieved through our diversified growth engines across the wholesale, global markets and retail businesses. Net fee income grew 5% YoY to S\$580 million, driven by loan-related, wealth management and credit card fees.

Net interest income eased 2% from lower net interest margin compared with a year ago.

Other non-interest income rose 3% YoY to S\$581 million, led by record trading and investment income, as customer-related treasury income hit a new high from increased retail bond sales and strong hedging demands.

Credit costs in 1Q24 improved 2 basis points from last quarter and from the year before to 23 basis points, with non-performing loan (NPL) ratio stable at 1.5%. The Group's balance sheet stayed robust with healthy liquidity and Common Equity Tier 1 (CET1) ratio at 13.9%.

### 1Q24 key financial indicators

Core operating profit <sup>1</sup> <b>S\$2.0b</b> + 6% QoQ - 2% YoY	Core net profit <sup>1</sup> <b>S\$1.6b</b> + 5% QoQ - 1% YoY
Core return on equity <sup>1</sup> <b>14.0%</b> + 0.2%pt QoQ - 0.9%pt YoY	Core cost/Income ratio <sup>1</sup> <b>41.9%</b> - 1.3%pt QoQ + 1.0%pt YoY
NPL ratio <b>1.5%</b> unchanged QoQ - 0.1% pt YoY	Credit costs <b>23bps</b> - 2bps QoQ - 2bps YoY
NSFR ratio <b>121%</b> + 1%pt QoQ unchanged YoY	CET 1 ratio <b>13.9%</b> + 0.5%pt QoQ - 0.1%pt YoY

## Resilient performance supported by strong fundamentals



Mr. Wee Ee Cheong,  
Deputy Chairman and  
Chief Executive Officer, UOB

“Amid an uncertain global environment, UOB delivered a stable set of results for the first quarter backed by our strong balance sheet and liquidity position. Our core business franchise performed well, with higher fee income and record trading and investment income.

Despite heightened geopolitical tensions, our home region of Southeast Asia is relatively resilient. We continued to see ongoing shifts in global supply chains and sustained tourism activities. Our extensive regional footprint, enlarged customer franchise and enhanced capabilities put us in a good position to ride on the region's economic growth.

Our Citigroup integration is progressing well. We recently successfully migrated customers in Thailand to our UOB platform following the smooth transition in Malaysia and Indonesia last year. Next year, we will complete the integration in Vietnam. So far, our focus on cross-sell synergies is starting to gain good traction. With our stronger customer base and regional value proposition, we will continue to expand our offerings and deepen our capabilities to meet the needs and aspirations of our customers.”



<sup>1</sup> Excluded the one-off expenses related to the acquisition of Citigroup's Malaysia, Thailand, Vietnam and Indonesia consumer banking business.

## Financial performance

	1Q24	4Q23	QoQ	1Q23	YoY
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net interest income	2,362	2,404	(2)	2,409	(2)
Net fee income	580	569	2	552	5
Other non-interest income	581	438	32	563	3
<b>Total income</b>	<b>3,523</b>	<b>3,410</b>	<b>3</b>	<b>3,524</b>	<b>(0)</b>
Less: Total expenses	1,475	1,473	0	1,440	2
<b>Operating profit</b>	<b>2,048</b>	<b>1,937</b>	<b>6</b>	<b>2,083</b>	<b>(2)</b>
Less: Amortisation of intangible assets	7	7	0	5	37
Allowance for credit and other losses	163	152	7	169	(4)
Add: Associate and joint ventures	26	22	16	25	1
<b>Core net profit</b>	<b>1,566</b>	<b>1,498</b>	<b>5</b>	<b>1,577</b>	<b>(1)</b>
Less: One-off expenses					
Citi integration costs (net of tax)	79	94	(16)	67	18
<b>Net profit (including one-off expenses)</b>	<b>1,487</b>	<b>1,403</b>	<b>6</b>	<b>1,511</b>	<b>(2)</b>

### 1Q24 versus 4Q23

Core net profit for 1Q24 grew 5% from last quarter to S\$1.6 billion, contributed by record trading and investment income and higher net fee income. Including the one-off expenses, net profit increased 6% to S\$1.5 billion.

Net interest income eased 2% to S\$2.4 billion due to a shorter quarter with NIM stable at 2.02%. Net fee income increased to S\$580 million, driven by good loan-related fees and pickup in wealth as investor confidence gradually returned, while credit card fees normalised from last quarter's seasonal high.

Other non-interest income surged 32% to S\$581 million, as customer-related treasury income reached record levels from increased retail bond sales and strong hedging demands. This, coupled with robust performance from trading and liquidity management activities, boosted trading and investment income to an all-time high.

Total core operating expenses were relatively unchanged at S\$1.5 billion. Core cost-to-income ratio improved from 43.2% to 41.9% on the back of an enlarged income base and continued cost discipline.

Specific allowance declined from lower new non-performing loans this quarter, but total allowance increased to S\$163 million mainly due to the release of general allowance in the previous quarter.

### 1Q24 versus 1Q23

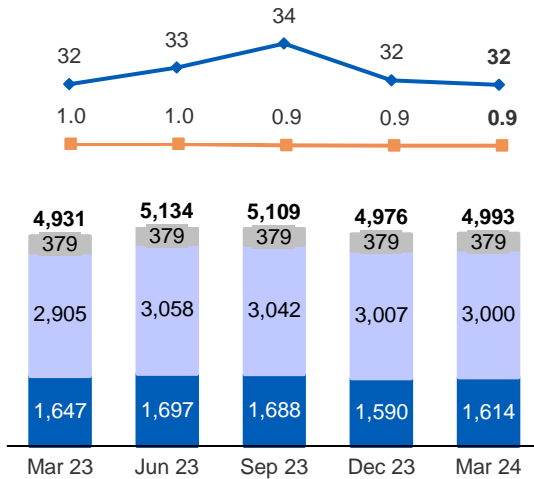
Net interest income decreased 2% from lower net interest margin. Net fee income rose 5% to S\$580 million across loan-related, card and wealth activities. Other non-interest income was also up from stronger trading and investment income.

Total core operating expenses increased 2% largely on staff costs, while total allowance decreased 4% due to lower specific allowance.



## Asset quality

### Allowance coverage



Asset quality remained stable with non-performing loan (NPL) ratio at 1.5%.

The Group maintained prudent levels of general allowance on loans, with performing loans coverage at 0.9%.

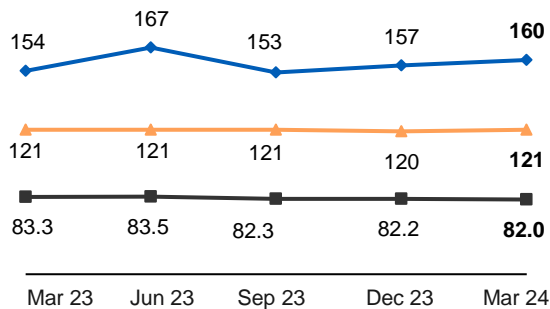
The non-performing assets coverage stood at 99% or 204% after taking collateral into account.

<b>NPL ratio (%)</b>	1.6	1.6	1.6	1.5	<b>1.5</b>
<b>Total credit costs on loans (bps)</b>	25	30	19	25	<b>23</b>

■ Specific allowance (\$m)   
 ■ General allowance (\$m)   
 ■ RLAR (\$m)  
◆ Specific allowance/NPA (%)   
 ◆ General allowance on loans include RLAR/Performing loans (%)

## Capital, funding and liquidity positions

### Liquidity and capital ratios



The Group's capital position strengthened as Common Equity Tier 1 (CET1) Capital Adequacy Ratio rose 50 basis points from previous quarter to 13.9%.

Liquidity and funding positions remained healthy with the average all-currency liquidity coverage ratio (LCR) at 160% and net stable funding ratio (NSFR) at 121%.

<b>CET1 ratio (%)</b>	14.0	13.6	13.0	13.4	<b>13.9</b>
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◆ All-currency LCR (%)   
 ◆ NSFR (%)   
 ◆ LDR (%)

For more information about UOB, please visit [www.UOBGroup.com](http://www.UOBGroup.com).

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Singapore Company Registration Number: 193500026Z



**Financial Highlights 1Q24**

	1Q24	4Q23	+/(-) %	1Q23	+/(-) %
<b>Selected income statement items (\$m)</b>					
Net interest income	2,362	2,404	(2)	2,409	(2)
Net fee income	580	569	2	552	5
Other non-interest income	581	438	32	563	3
Total income	3,523	3,410	3	3,524	(0)
Less: Total expenses	1,475	1,473	0	1,440	2
Operating profit	2,048	1,937	6	2,083	(2)
Less: Amortisation of intangible assets	7	7	0	5	37
Allowance for credit and other losses	163	152	7	169	(4)
Add: Share of profit of associates and joint ventures	26	22	16	25	1
Net profit before tax	1,904	1,801	6	1,935	(2)
Less: Tax and non-controlling interests	339	303	12	358	(5)
<b>Core net profit after tax<sup>1</sup></b>	<b>1,566</b>	<b>1,498</b>	<b>5</b>	<b>1,577</b>	<b>(1)</b>
Less: One-off expenses					
Citi integration cost (net of tax)	79	94	(16)	67	18
<b>Net profit (including one-off expenses)<sup>1</sup></b>	<b>1,487</b>	<b>1,403</b>	<b>6</b>	<b>1,511</b>	<b>(2)</b>
<b>Selected balance sheet items (\$m)</b>					
Gross customer loans	322,634	321,150	0	315,999	2
Customer deposits	388,472	385,469	1	374,121	4
Total assets	515,340	523,520	(2)	501,909	3
Shareholders' equity <sup>1</sup>	47,482	46,226	3	45,961	3
Risk-weighted assets	276,367	275,930	0	258,138	7
<b>Key financial ratios (%)</b>					
Net interest margin <sup>2</sup>	2.02	2.02		2.14	
Cost/Income ratio <sup>3</sup>	41.9	43.2		40.9	
Credit costs on loans (bp) <sup>2</sup>					
General	3	(1)		4	
Specific	20	26		21	
Total	23	25		25	
NPA coverage ratio	99	101		96	
NPL ratio <sup>4</sup>	1.5	1.5		1.6	
Return on average ordinary shareholders' equity <sup>2,3,5</sup>	14.0	13.8		14.9	
Return on average total assets <sup>2,3</sup>	1.22	1.16		1.25	
Loan/Deposit ratio <sup>6</sup>	82.0	82.2		83.3	
Liquidity coverage ratios ("LCR") <sup>7,11</sup>					
All-currency	160	157		154	
Singapore Dollar	471	530		280	
Net stable funding ratio ("NSFR") <sup>8,11</sup>	121	120		121	
Capital adequacy ratios					
Common Equity Tier 1	13.9	13.4		14.0	
Tier 1	14.9	14.4		15.4	
Total	16.7	16.6		17.7	
Leverage ratio <sup>9</sup>	7.0	6.9		7.0	
Earnings per ordinary share (\$) <sup>2,5</sup>					
Basic	3.50	3.30		3.54	
Diluted	3.48	3.28		3.52	
Net asset value ("NAV") per ordinary share (\$) <sup>10</sup>	26.71	26.00		25.27	

Notes:

- 1 Relate to amount attributable to equity holders of the Bank.
- 2 Computed on an annualised basis.
- 3 Excluding one-off expenses.
- 4 Refer to non-performing loans as a percentage of gross customer loans.
- 5 Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.
- 6 Refer to net customer loans and customer deposits.
- 7 Figures reported are based on average LCR for the respective periods, calculated based on MAS Notice 651. A minimum requirement of Singapore Dollar LCR of 100% and all-currency LCR of 100% shall be maintained at all times.
- 8 NSFR is calculated based on MAS Notice 652 which requires a minimum of 100% to be maintained.
- 9 Leverage ratio is calculated based on MAS Notice 637 which requires a minimum ratio of 3%.
- 10 Perpetual capital securities are excluded from the computation.
- 11 Public disclosure required under MAS Notice 651 and 653 are available in the UOB website at [www.UOBgroup.com/investor-relations/financial/index.html](http://www.UOBgroup.com/investor-relations/financial/index.html).

