



UOB Group Financial Updates

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For the Nine Months / Third Quarter Ended 30 September 2023

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Financial Highlights

3Q23 key financial indicators

Core operating profit ⁽¹⁾

\$2.0b

- 3% QoQ
+ 12% YoY

Core net profit after tax ⁽¹⁾

\$1.5b

- 2% QoQ
+ 5% YoY

Core return on equity ⁽¹⁾

13.9%

- 0.2%pt QoQ
- 0.1%pt YoY

Core cost/Income ratio ⁽¹⁾

41.0%

+ 0.1%pt QoQ
- 1.6%pt YoY

NPL ratio

1.6%

no change QoQ
+ 0.1%pt YoY

Credit costs

19bps

- 11bps QoQ
+ 2bps YoY

NSFR ratio

121%

no change QoQ
+ 7%pt YoY

CET 1 ratio

13.0%

- 0.6%pt QoQ
+ 0.2%pt YoY

3Q23 Core Net Profit at \$1.5b, Sustained momentum in fees and treasury customer flows

- Core net profit at \$1.5b, with Core return on equity at 13.9%
- Net interest income was unchanged from last quarter, as the wider loan margin was weighed down by lower margin on excess liquidity. NIM eased to 2.09%
- 3Q23 fee income was near all-time high, powered by strong loan-related fees and credit card fees which hit a new record
- Customer-related treasury income sustained momentum
- 3Q23 Core Cost/Income ratio stable at 41.0% as spending kept pace with income growth
- Lower credit costs at 19 basis points for the quarter as the release of general allowance reserves more than offset the higher specific allowances
- Asset quality remained stable with NPL ratio unchanged at 1.6%
- Strong capital and funding positions maintained, with CET1 ratio at 13.0% and NSFR at 121%

Performance by Segment

- Retail augmented by Citi, alongside higher rates, record card fees and wealth rebound
- Wholesale driven by wider margin and sustained treasury customer flows
- Global Markets seized opportunities in commodities and rates, offset by funding cost pressures



Operating Profit ⁽¹⁾

Group Retail ⁽¹⁾

Group Wholesale Banking

Global Markets

| | 9M23 \$m | 9M22 \$m | YoY +/(-) % | 3Q23 \$m | 2Q23 \$m | QoQ +/(-) % |
|-----------------------------|--------------|-------------|----------------|--------------|-------------|----------------|
| Group Retail ⁽¹⁾ | 2,287 | 1,393 | 64 | 758 | 735 | 3 |
| Group Wholesale Banking | 4,167 | 3,454 | 21 | 1,379 | 1,368 | 1 |
| Global Markets | 161 | 319 | (50) | 17 | 48 | (65) |

(1) Excluding one-off expenses

Consumers

- Tapping on rising affluence and growing digitalisation in Southeast Asia



Scale Acquisition with Digital

Scale UOB TMRW across ASEAN to digitally acquire at low cost

>7.5m

Retail customers, 77% are digitally enabled

+28%

Year-on-year increase of new-to-bank customers acquired vs 9M22, 54% digitally acquired



Deepen Engagement with Eco-system Partnerships

Leverage combined regional franchise in growing the number of multi-markets partnerships to drive customer engagement and lifetime value

45

Strategic multi-markets partnerships to cater for our customers growing lifestyle needs

\$S104m

Record-high quarterly net credit card fees in 3Q23, +89% year on year



Leverage data insights to drive Omni-channel Offerings

Embrace data insights to digitalise customer experiences & processes; repurpose branches for more advisory needs

\$S170b

Assets under management (AUM)^{1,2} ▲ 21% YoY

~2x

Higher average revenue generation by omni-channel customers vs other customers

1. Of which 59% are from customers overseas. 2. Refers to Privilege Banking, Privilege Reserve and Private Bank.

Wholesale customers

- Growing regional franchise, capturing cross-border opportunities



Strengthening Connectivity

Across our ASEAN footprint and global network



+14%

Cross border income¹;
Formed 24% of GWB income



+35%

Suppliers and distributors² within
Financial Supply Chain
Management (FSCM) solution



Sector Specialisation

Building capabilities for
greater diversification
and risk mitigation



+21%

Global Financial Institutions
Group (FIG) income¹



+17%

Income from Non-Real Estate &
Hospitality and Non-FIG sectors¹



Deepening Digitalisation

For secure and
efficient transactions



+100%

Cashless payments to
businesses in the region³



+12%

Digital banking transactions by
businesses across the Group⁴

1. Year-on-year growth for Aug-23 YTD. 2. Estimates as of Sep-23. 3. Refers to payments made on Corporate PayNow, DuitNow and PromptPay in Singapore, Malaysia and Thailand. 4. Refers to digital banking transactions via UOB Infinity/BIBPlus

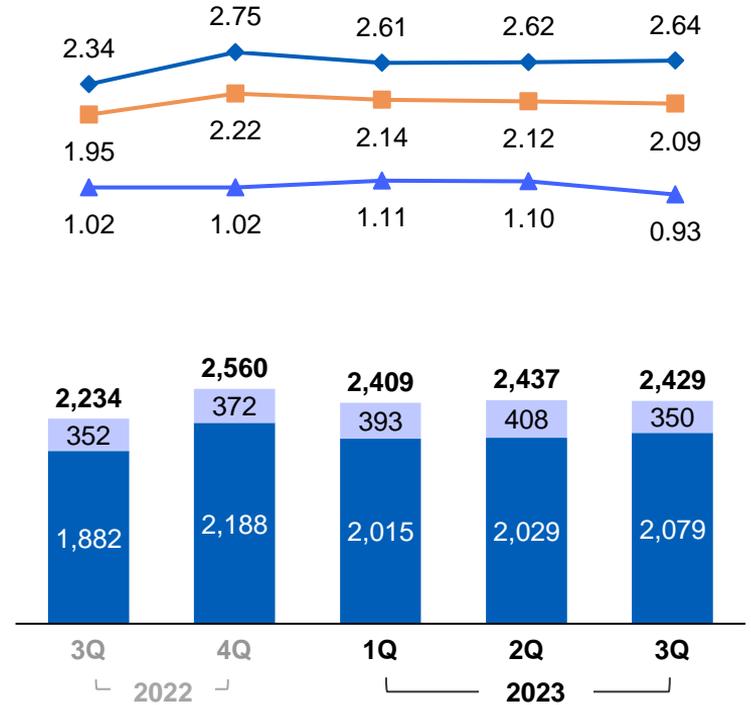
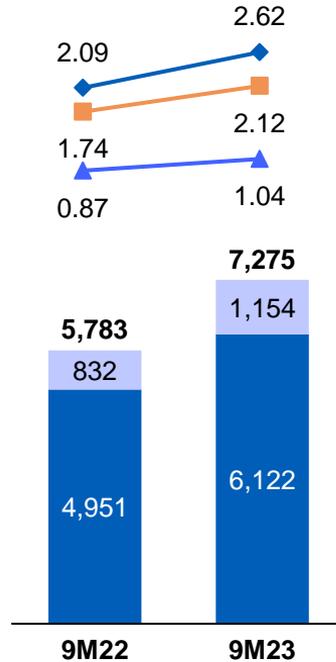
Financial Highlights

- 9M23 Core net profit up 33%, driven by strong NII and trading and investment income
- 3Q23 core net profit of \$1.5b supported by near all-time high fee income and lower credit loss allowance

| | 9M23 \$m | 9M22 \$m | YoY +/(-)% | 3Q23 \$m | 2Q23 \$m | QoQ +/(-)% | 3Q22 \$m | YoY +/(-)% |
|--|---------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
| Net interest income | 7,275 | 5,783 | 26 | 2,429 | 2,437 | (0) | 2,234 | 9 |
| Net fee income | 1,666 | 1,658 | 0 | 591 | 524 | 13 | 519 | 14 |
| Other non-interest income | 1,581 | 804 | 97 | 436 | 581 | (25) | 431 | 1 |
| Total income | 10,522 | 8,245 | 28 | 3,457 | 3,542 | (2) | 3,184 | 9 |
| Less: Total expenses | 4,305 | 3,598 | 20 | 1,416 | 1,448 | (2) | 1,357 | 4 |
| Operating profit | 6,217 | 4,647 | 34 | 2,041 | 2,093 | (3) | 1,827 | 12 |
| Less: Amortisation of intangible assets | 17 | - | NM | 7 | 5 | 37 | - | NM |
| Less: Allowance for credit and other losses | 769 | 419 | 84 | 235 | 365 | (35) | 104 | >100 |
| Add: Associate & Joint Venture | 71 | 69 | 2 | 20 | 26 | (23) | 18 | 12 |
| Core net profit | 4,563 | 3,421 | 33 | 1,479 | 1,507 | (2) | 1,403 | 5 |
| Less: One-off expenses | | | | | | | | |
| - Citi integration costs (net of tax) | 255 | - | NM | 97 | 92 | 5 | - | NM |
| Net profit (including one-off expenses) | 4,308 | 3,421 | 26 | 1,382 | 1,415 | (2) | 1,403 | (1) |

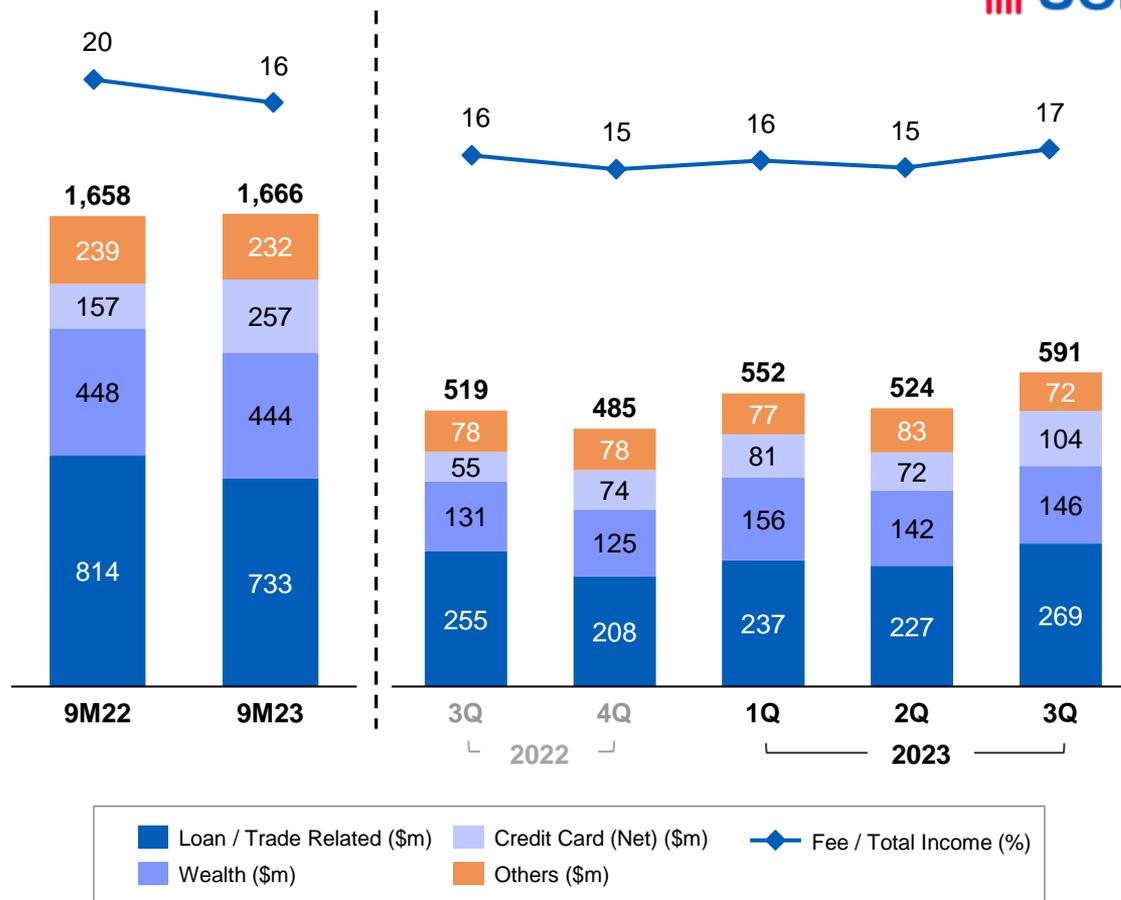
Net Interest Income and Margin

- Higher NII and NIM YoY from higher interest rate environment
- 3Q23 core franchise loan margin expanded to 2.64%, while NIM moderated to 2.09% from lower margin on excess liquidity



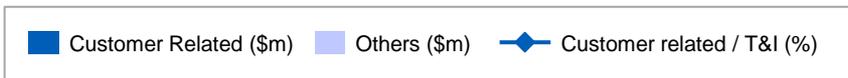
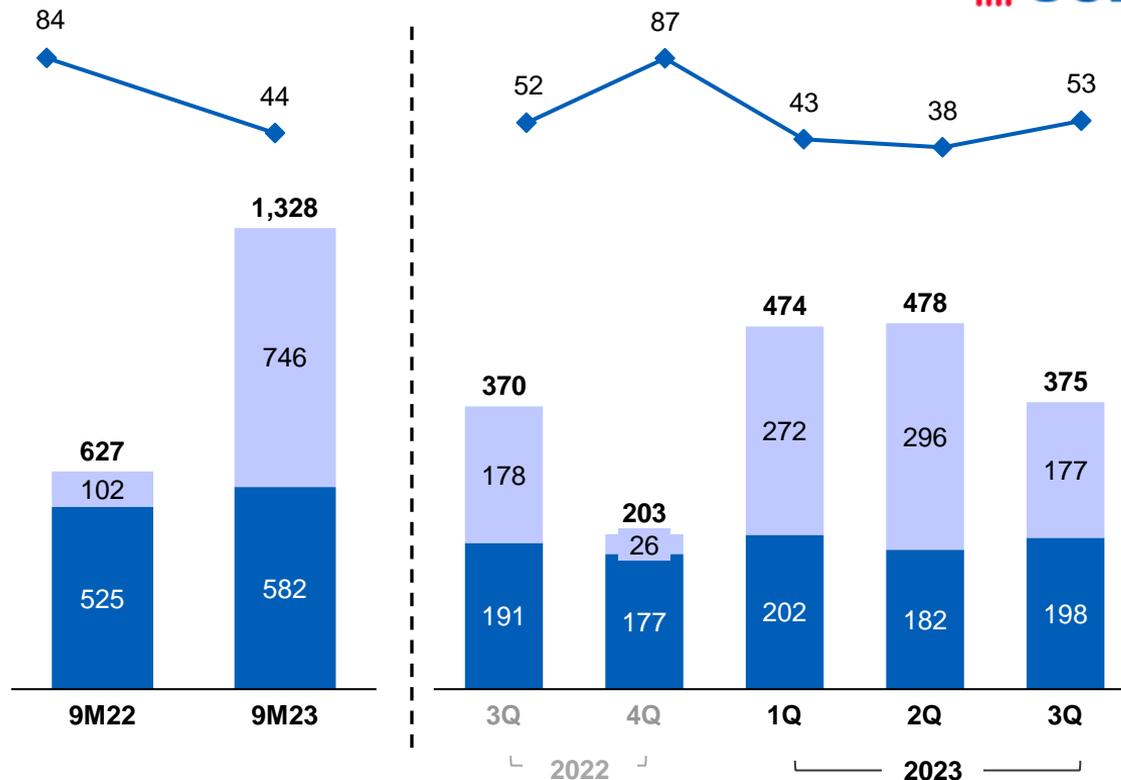
Fee Income

- 3Q23 Net fee income near all-time high
- Credit card fees hit new record while loan-related fees rebounded
- Modest wealth fees recovery amid cautious investor sentiments



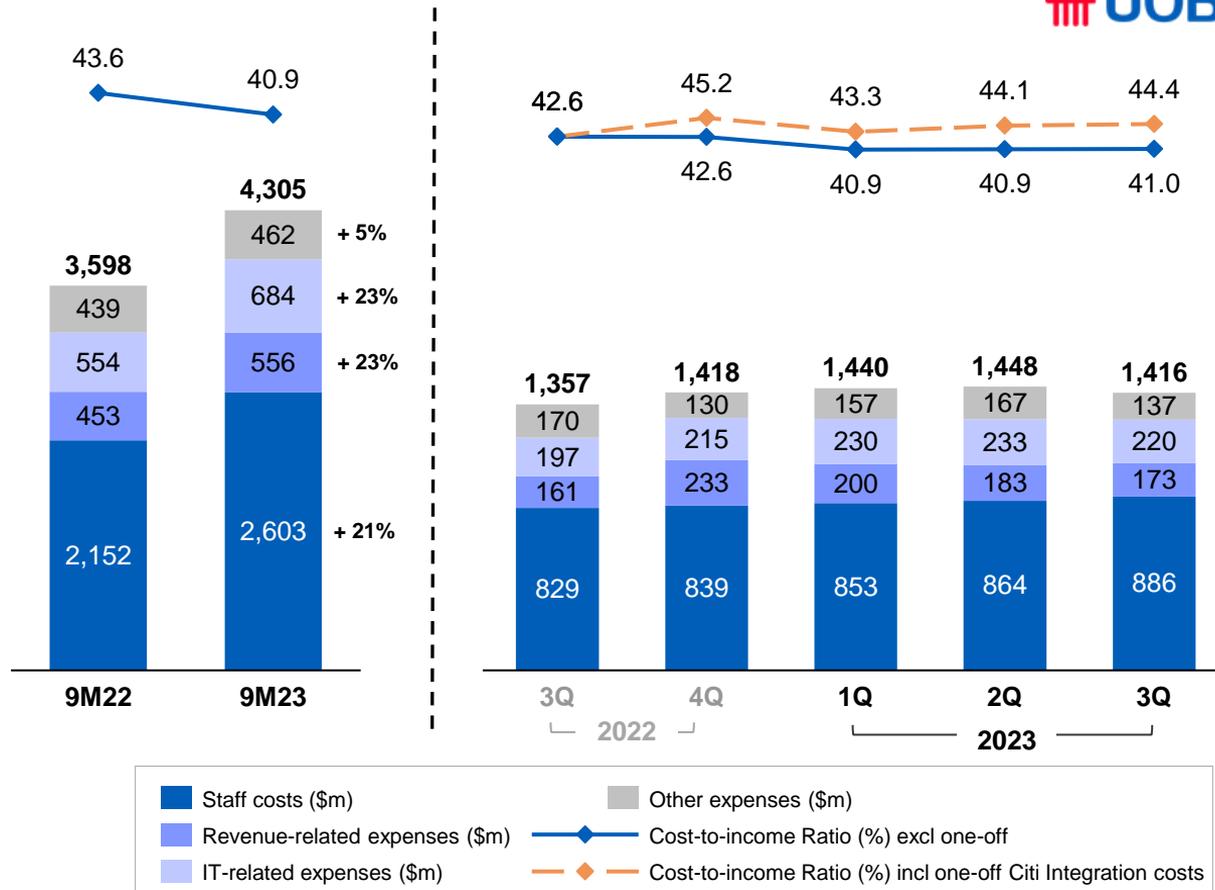
Trading & Investment Income

- Customer-related treasury income sustained momentum
- Trading and liquidity management activities continued to deliver good performance
- Other T&I income affected by valuation volatility on investments



Core Expenses and Cost / Income Ratio (1)

- CIR stable at 41.0%, as expenses kept pace with income growth
- Continued discipline in spending to support strategic investments



(1) Excluding one-off expenses

Non-Performing Assets

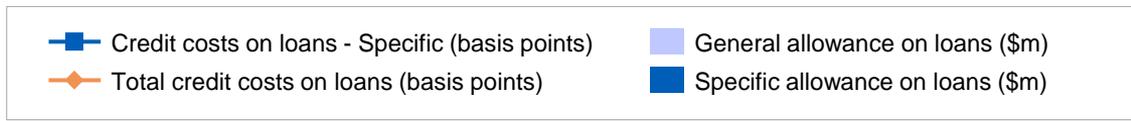
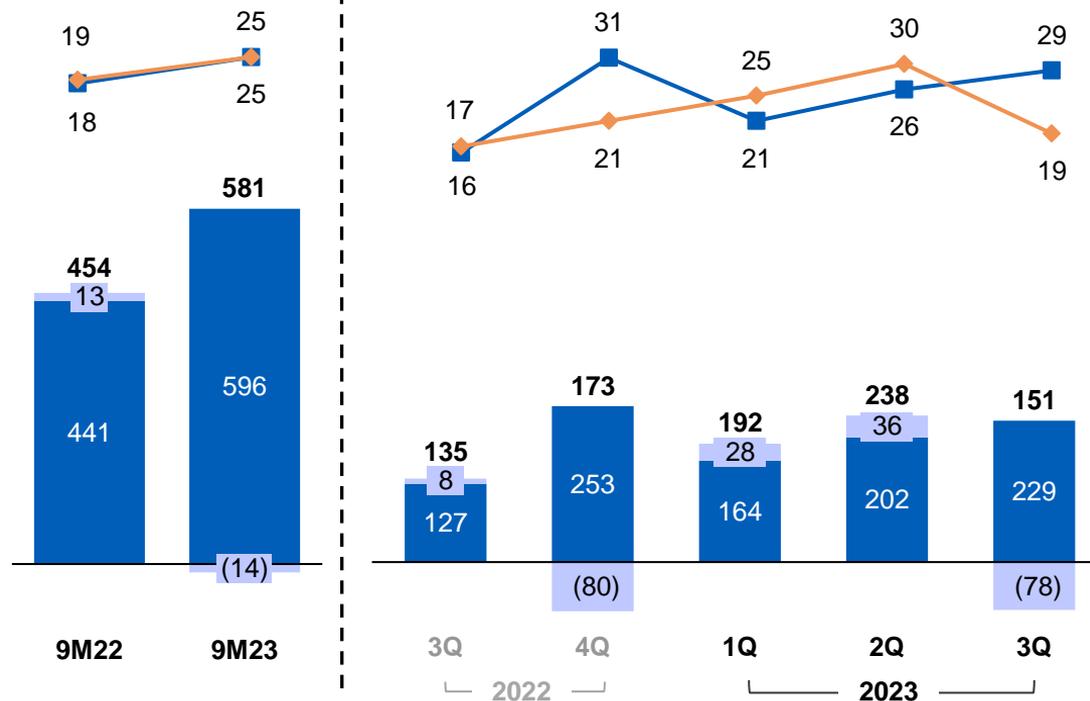
- Resilient asset quality with lower NPA formation and NPL unchanged at 1.6%
- Credit portfolio well-collateralised with SP/NPA stable at 34%

| (\$m) | 2022 | | 2023 | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 3Q | 4Q | 1Q | 2Q | 3Q |
| NPAs at start of period | 5,422 | 5,037 | 5,127 | 5,150 | 5,192 |
| <u>Non-individuals</u> | | | | | |
| New NPAs | 214 | 395 | 301 | 364 | 267 |
| Less: | | | | | |
| Upgrades and recoveries | 448 | 322 | 80 | 137 | 298 |
| Write-offs | 60 | 121 | 218 | 65 | 150 |
| | <u>5,128</u> | <u>4,989</u> | <u>5,130</u> | <u>5,312</u> | <u>5,011</u> |
| Individuals | (91) | (27) | 13 | (120) | 0 |
| NPAs at end of period | <u>5,037</u> | <u>4,962</u> | <u>5,143</u> | <u>5,192</u> | <u>5,011</u> |
| Add: Citi acquisition | | 165 | 7 | | |
| NPAs at end of period including Citi | <u>5,037</u> | <u>5,127</u> | <u>5,150</u> | <u>5,192</u> | <u>5,011</u> |

| | | | | | |
|-----------------------------------|-----|-----|-----|-----|------------|
| NPL Ratio (%) | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 |
| Specific allowance/NPA (%) | 33 | 34 | 32 | 33 | 34 |

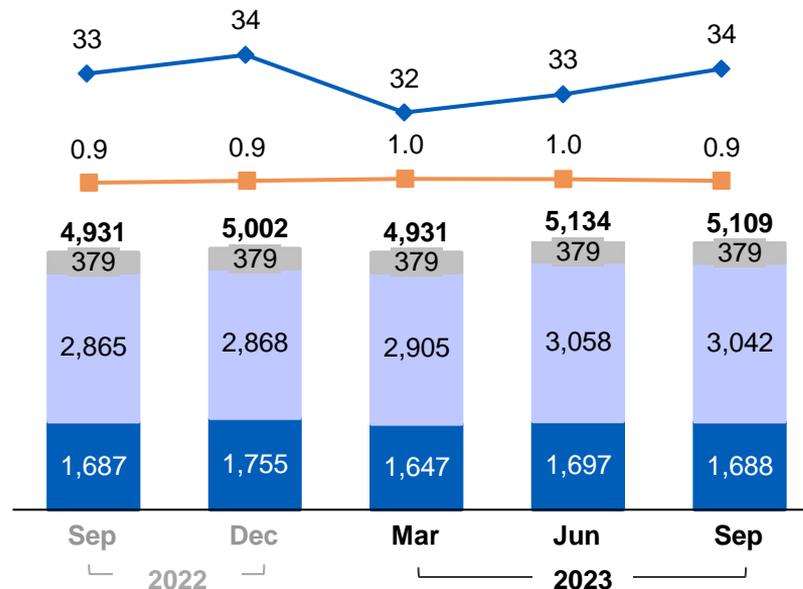
Total Allowance on Loans

- Increase in 3Q23 net credit costs within expectation
- Total credit costs improved to 19 bps from release of general allowance reserves

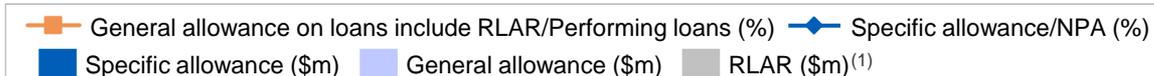


Allowance Coverage

- Adequate reserve buffer with prudent coverage for performing loans at 0.9%
- NPA coverage remained adequate at 102% or 205% taking collateral into account



| | | | | | |
|--|-----|-----|-----|-----|------------|
| NPA coverage (%) ⁽²⁾ | 98 | 98 | 96 | 99 | 102 |
| Unsecured NPA coverage (%) ⁽²⁾ | 207 | 207 | 212 | 209 | 205 |



Notes:

- (1) Regulatory loss allowance reserve (RLAR) is a non-distributable reserve appropriated through retained earnings to meet MAS Notice No. 612 Credit Files, Grading and Provisioning requirements.
- (2) Includes RLAR as part of total allowance.

Performance by Geography

- 9M23 Core operating profit surged to \$6.2b
- ASEAN-4 benefitted from Citi consolidation
- Overseas contribution at 42% to Group operating profit

| | 9M23 \$m | 9M22 \$m | YoY +/(-)% | 3Q23 \$m | 2Q23 \$m | QoQ +/(-)% |
|---|--------------|-------------|---------------|--------------|-------------|---------------|
| Core operating profit ⁽¹⁾ | | | | | | |
| Singapore | 3,605 | 2,621 | 38 | 1,188 | 1,184 | 0 |
| ASEAN-4 | 1,300 | 1,018 | 28 | 389 | 446 | (13) |
| Malaysia | 596 | 549 | 8 | 184 | 188 | (2) |
| Thailand | 537 | 291 | 84 | 173 | 193 | (10) |
| Indonesia | 155 | 166 | (6) | 34 | 57 | (41) |
| Vietnam | 12 | 12 | 4 | (2) | 8 | (>100) |
| North Asia | 554 | 500 | 11 | 211 | 190 | 11 |
| Greater China | 496 | 465 | 7 | 186 | 172 | 8 |
| Others | 58 | 36 | 62 | 25 | 17 | 45 |
| Rest of the world | 758 | 508 | 49 | 253 | 273 | (8) |
| Total | 6,217 | 4,647 | 34 | 2,041 | 2,093 | (3) |
| Overseas contribution (%) ⁽¹⁾ | 42.0 | 43.6 | (1.6) | 41.8 | 43.4 | (1.6) |

(1) Excluding one-off expenses

Gross Loans

- Loans relatively unchanged QoQ and YoY on constant currency basis

| | Sep-23 \$b | Jun-23 \$b | Sep-22 \$b | QoQ +/(-)% | YoY +/(-)% |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Singapore | 155 | 156 | 165 | (1) | (6) |
| ASEAN-4 | 67 | 68 | 62 | (1) | 9 |
| Malaysia | 32 | 32 | 29 | (0) | 9 |
| Thailand | 24 | 24 | 20 | (0) | 21 |
| Indonesia | 10 | 10 | 11 | (2) | (13) |
| Vietnam | 2 | 2 | 2 | (3) | 14 |
| North Asia | 56 | 55 | 57 | 1 | (2) |
| Greater China | 51 | 52 | 54 | (1) | (5) |
| Others | 4 | 4 | 3 | 20 | 42 |
| Rest of the world | 40 | 40 | 40 | 0 | 1 |
| Total | 318 | 319 | 323 | (0) | (2) |
| <i>At constant FX basis</i> | <i>318</i> | <i>318</i> | <i>318</i> | <i>0</i> | <i>0</i> |

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

Total Funding

- Customer deposits up 1% QoQ, alongside improved CASA ratio at 48.2%

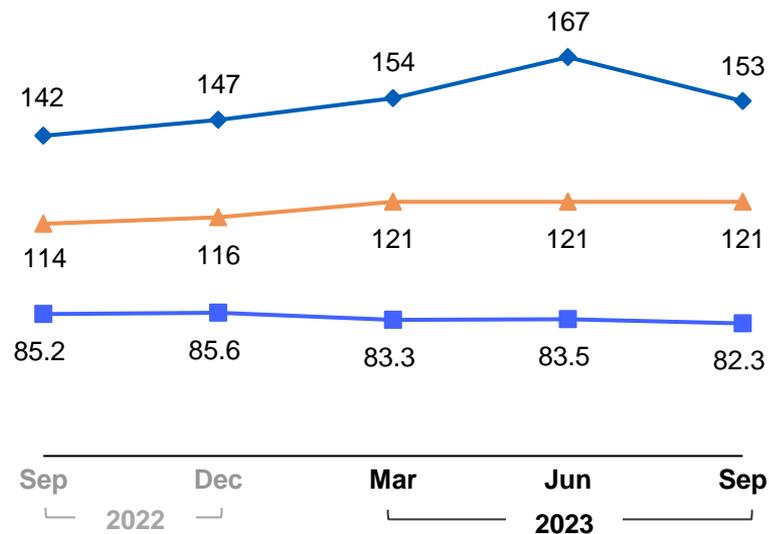
| | Sep-23 \$b | Jun-23 \$b | Sep-22 \$b | QoQ +/(-)% | YoY +/(-)% |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Singapore | 262 | 261 | 256 | 0 | 2 |
| ASEAN-4 | 72 | 70 | 67 | 2 | 7 |
| Malaysia | 34 | 34 | 31 | 1 | 9 |
| Thailand | 26 | 25 | 22 | 3 | 14 |
| Indonesia | 10 | 10 | 11 | 3 | (12) |
| Vietnam | 2 | 2 | 2 | 8 | 7 |
| North Asia | 25 | 22 | 23 | 12 | 8 |
| Greater China | 24 | 22 | 23 | 12 | 7 |
| Others | 0 | 0 | 0 | 22 | >100 |
| Rest of the world | 24 | 24 | 29 | 1 | (17) |
| Total Customer Deposits | 382 | 377 | 375 | 1 | 2 |
| Wholesale funding ⁽¹⁾ | 67 | 61 | 68 | 10 | (2) |
| Total funding | 448 | 437 | 443 | 2 | 1 |
| CASA/Deposit Ratio (%) | 48.2 | 47.6 | 49.8 | 0.6 | (1.6) |

Note:

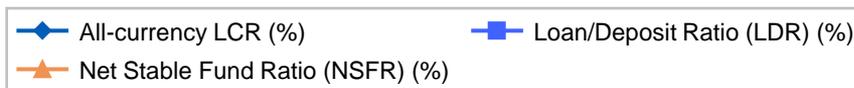
(1) Comprising debt issuances, perpetual capital securities and interbank liabilities.

Liquidity Ratios

- Funding and liquidity positions remained strong with LCR at 153% and NSFR at 121%

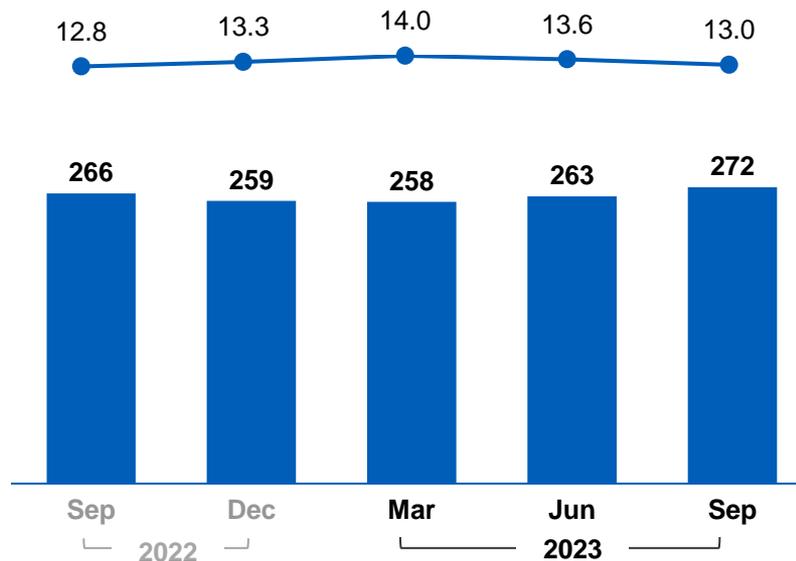


| USD LDR (%) | 64.2 | 60.0 | 60.7 | 62.9 | 60.7 |
|-------------|------|------|------|------|------|
|-------------|------|------|------|------|------|



Capital

- Healthy CET1 ratio at 13.0%, post FY23 interim dividend payout



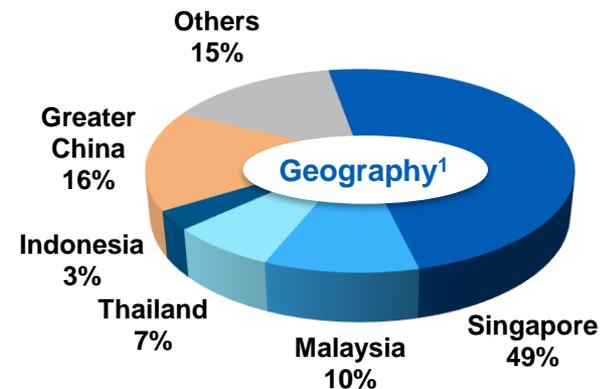
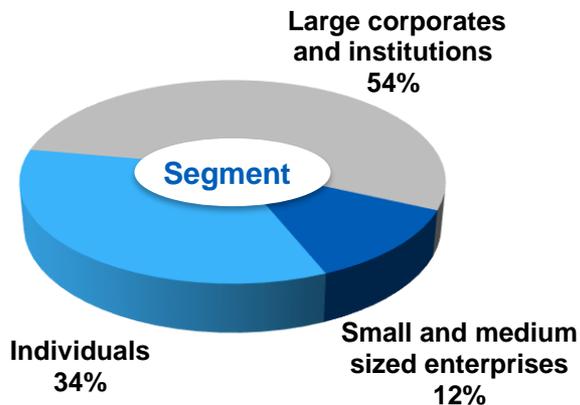
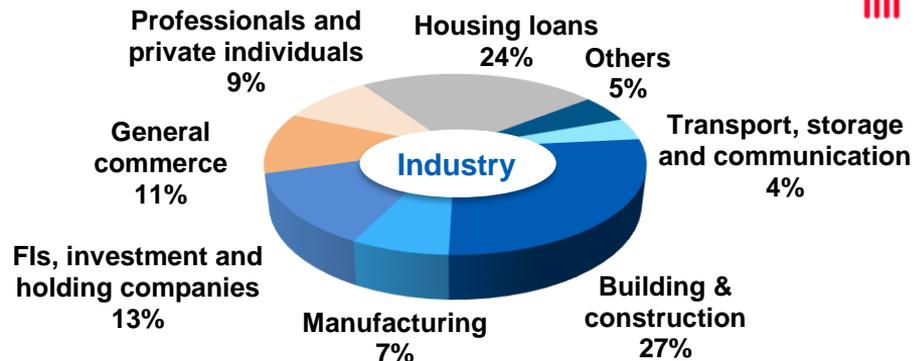
| Leverage ratio (%) | 6.4 | 6.6 | 7.0 | 7.0 | 6.8 |
|--------------------|-----|-----|-----|-----|-----|
| | | | | | |



Appendix

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

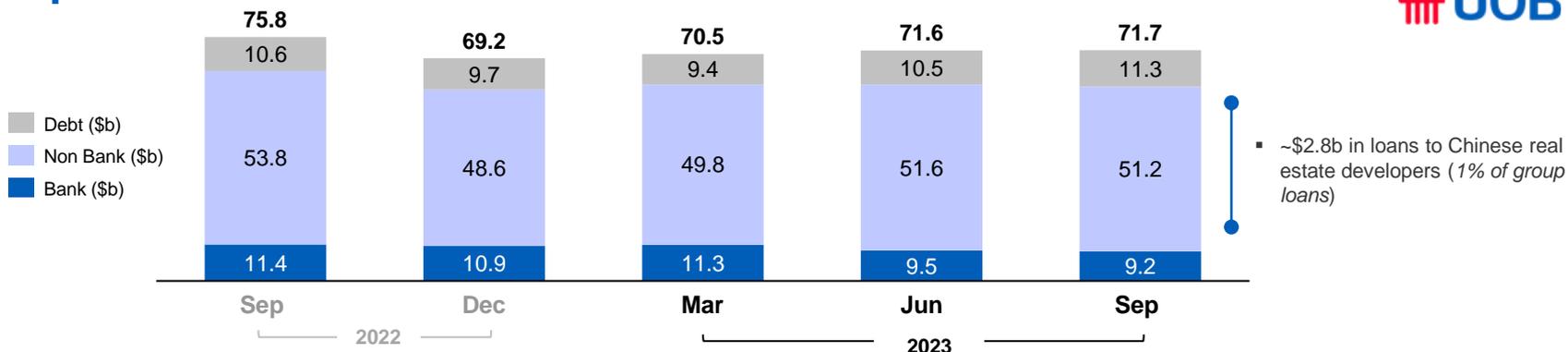
Diversified Loan Portfolio



Note: Financial statistics as at 30 September 2023

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

Exposure to Greater China



As at 30 Sep 2023:

Mainland China exposure

(\$23.4b or 5% of total assets)

Bank exposure (\$6.8b)

- ~30% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~70% of total bank exposure
- ~99% with <1 year tenor; trade accounts for ~15% of total bank exposure

Non-bank exposure (\$12.2b)

- 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 0.7%

Hong Kong SAR exposure

(\$43.5b or 8% of total assets)

Bank exposure (\$0.7b)

- ~90% are to foreign banks

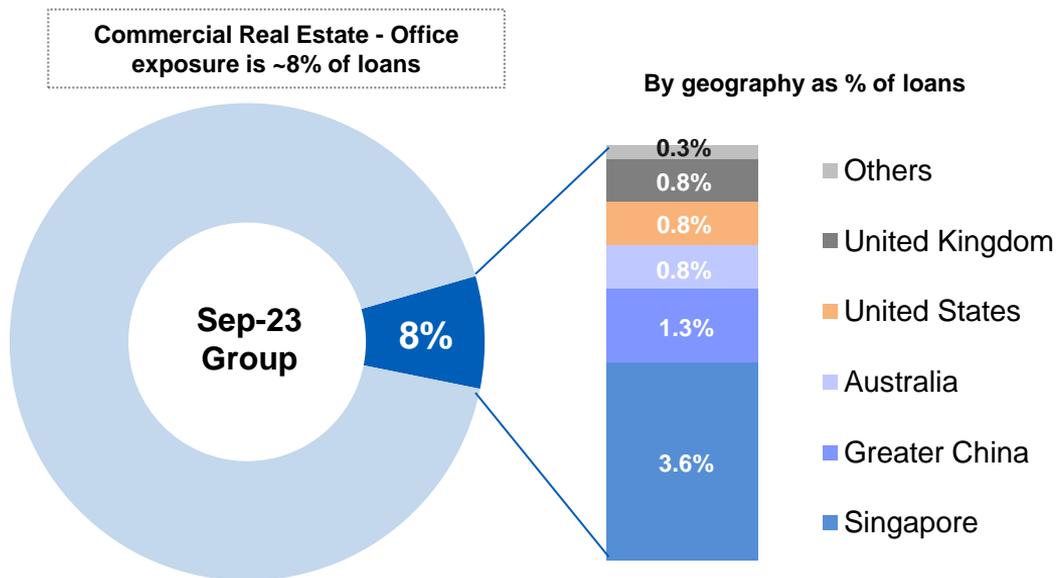
Non-bank exposure (\$36.8b)

- Exposure mainly to corporate and institutional clients
- ~55% with <1 year tenor
- NPL ratio at 1.4%

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

- Almost half of office exposure is in Singapore
- Overseas exposure backed by strong sponsors
- Largely secured by class-A office properties
- Average LTV around 50-60%



Thank You



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