



# UOB Group Financial Updates

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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 <sup>1</sup>

**\$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
<b>Total income</b>	<b>10,832</b>	<b>10,522</b>	<b>3</b>	<b>3,834</b>	<b>3,476</b>	<b>10</b>	<b>3,457</b>	<b>11</b>
Less: Total expenses	4,516	4,305	5	1,590	1,452	9	1,416	12
<b>Operating profit</b>	<b>6,316</b>	<b>6,217</b>	<b>2</b>	<b>2,244</b>	<b>2,024</b>	<b>11</b>	<b>2,041</b>	<b>10</b>
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
<b>Core net profit</b>	<b>4,693</b>	<b>4,563</b>	<b>3</b>	<b>1,639</b>	<b>1,489</b>	<b>10</b>	<b>1,479</b>	<b>11</b>
Less: One-off expenses								
- Citi integration costs (net of tax)	171	255	(33)	28	64	(56)	97	(71)
<b>Net profit (including one-off expenses)</b>	<b>4,522</b>	<b>4,308</b>	<b>5</b>	<b>1,610</b>	<b>1,425</b>	<b>13</b>	<b>1,382</b>	<b>16</b>

# 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%**

increase<sup>1</sup> in **CASA** balance



**+12%**

pickup<sup>1</sup> in **card billings** across ASEAN markets



**+32%**

growth<sup>1</sup> in **wealth management** income<sup>2</sup>, 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 growth<sup>1</sup> in **CASA**



**+22%**

YoY growth<sup>1</sup> in **trade** loans

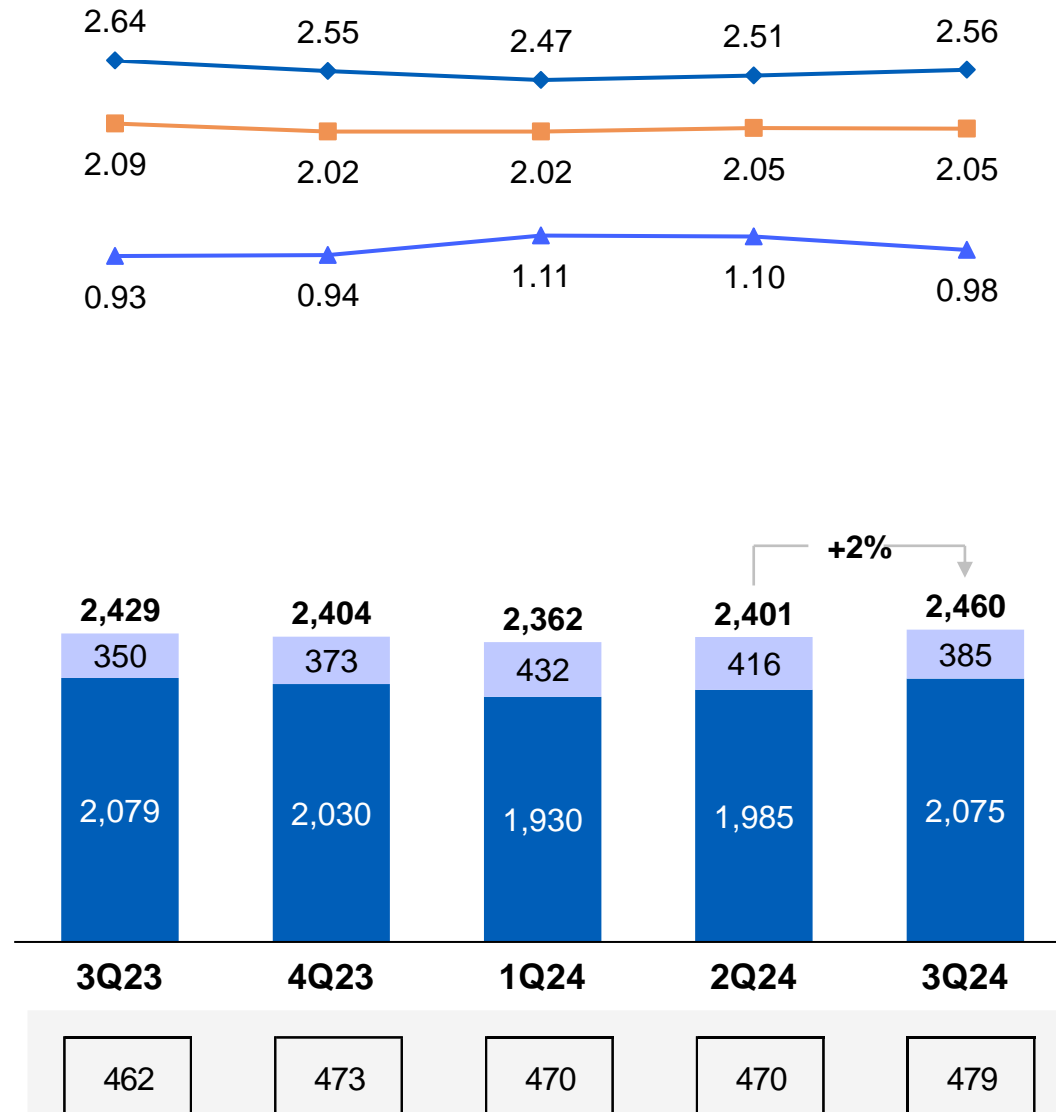
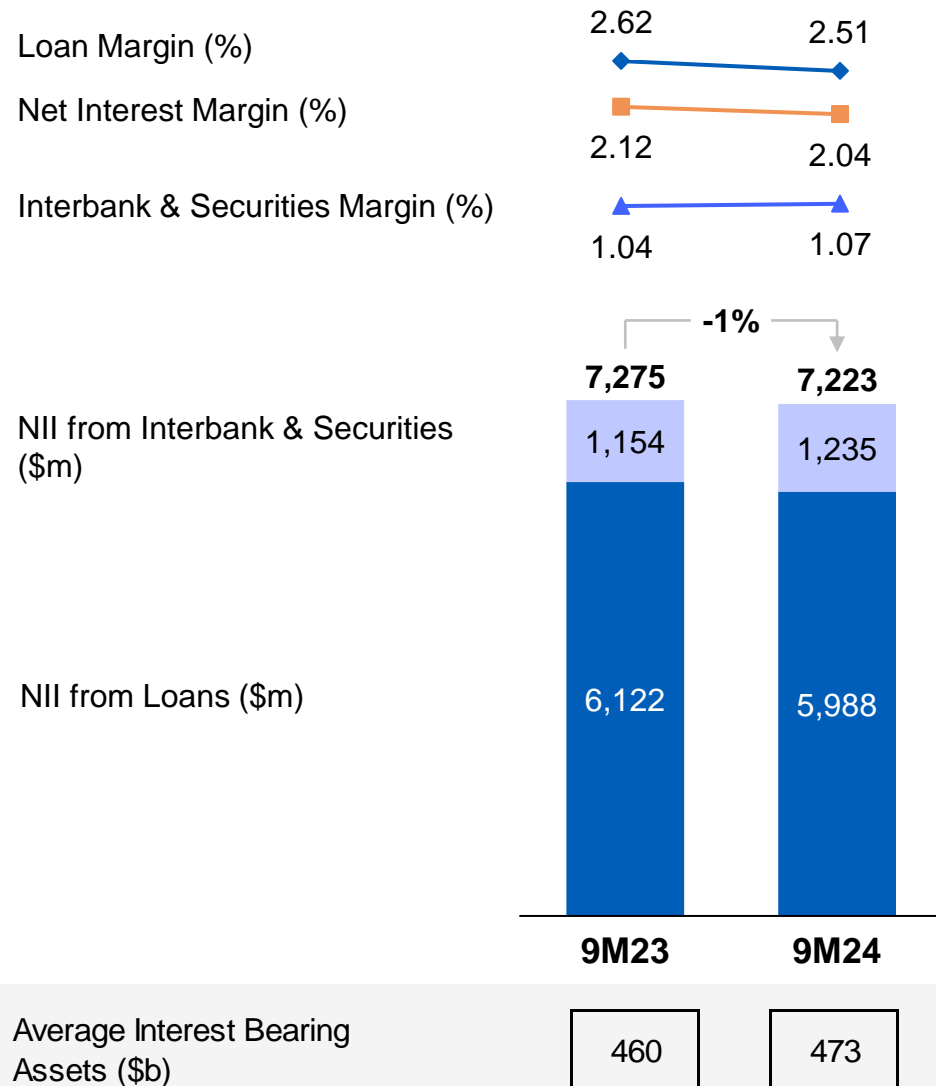


**66%**<sup>4</sup>

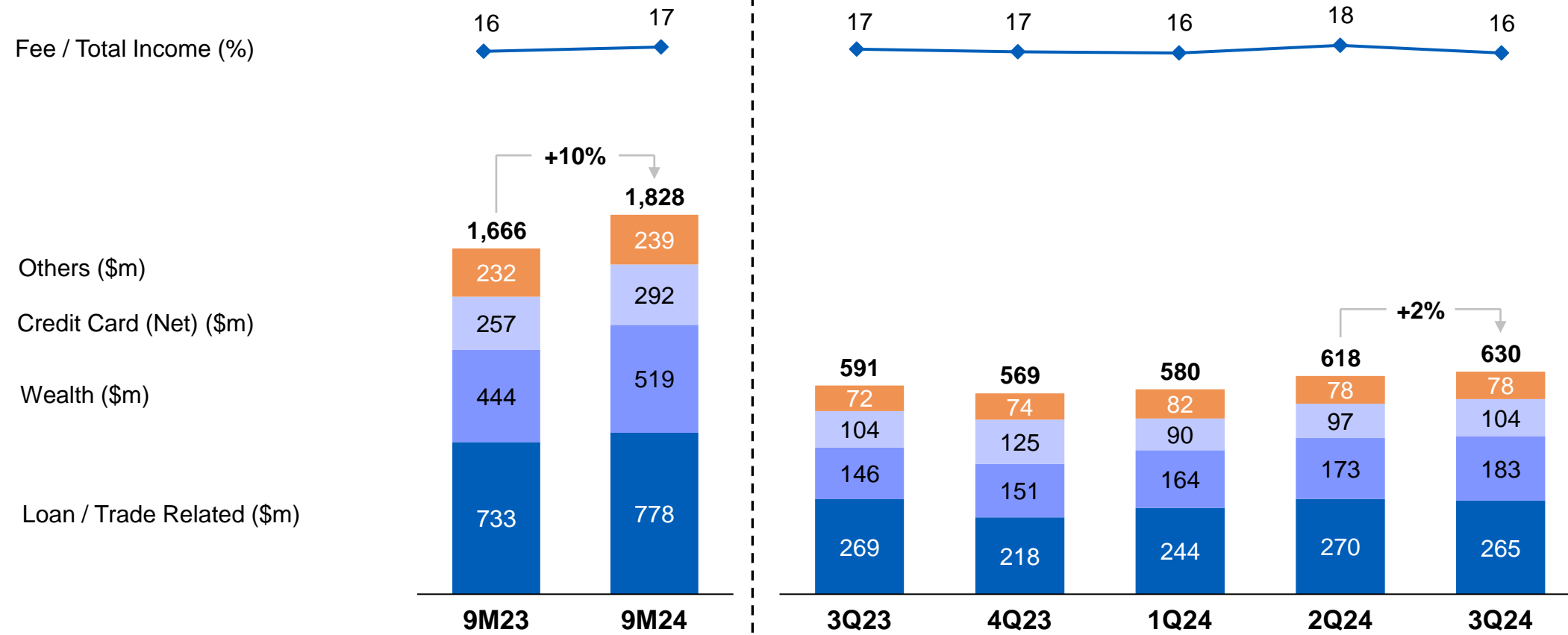
income contribution to **GWB from non-real estate sectors**, with ASEAN-4<sup>3</sup> at 84%<sup>4</sup>

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

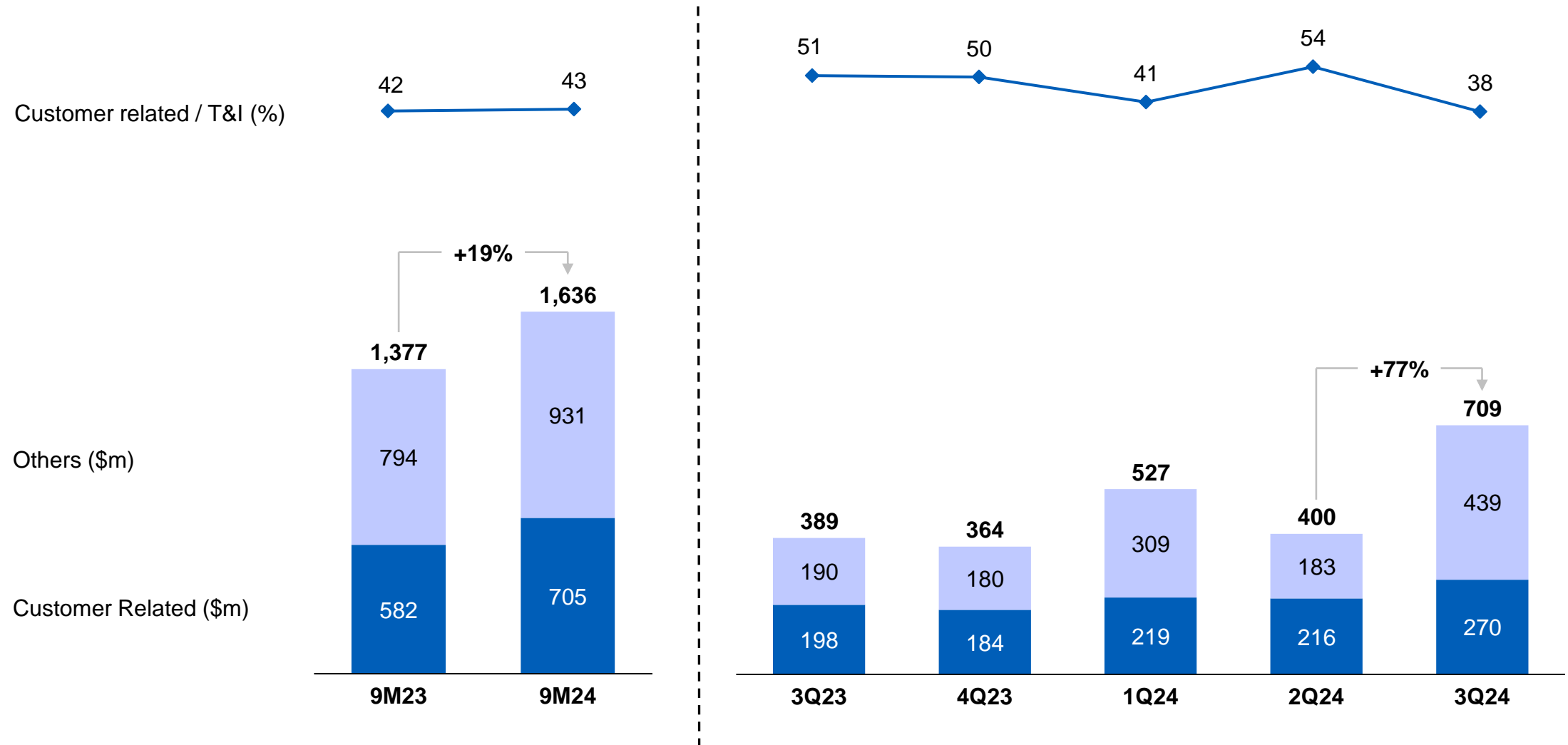
# NIM stable at 2.05%; proactive deposit cost management to mitigate interest rate headwinds



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



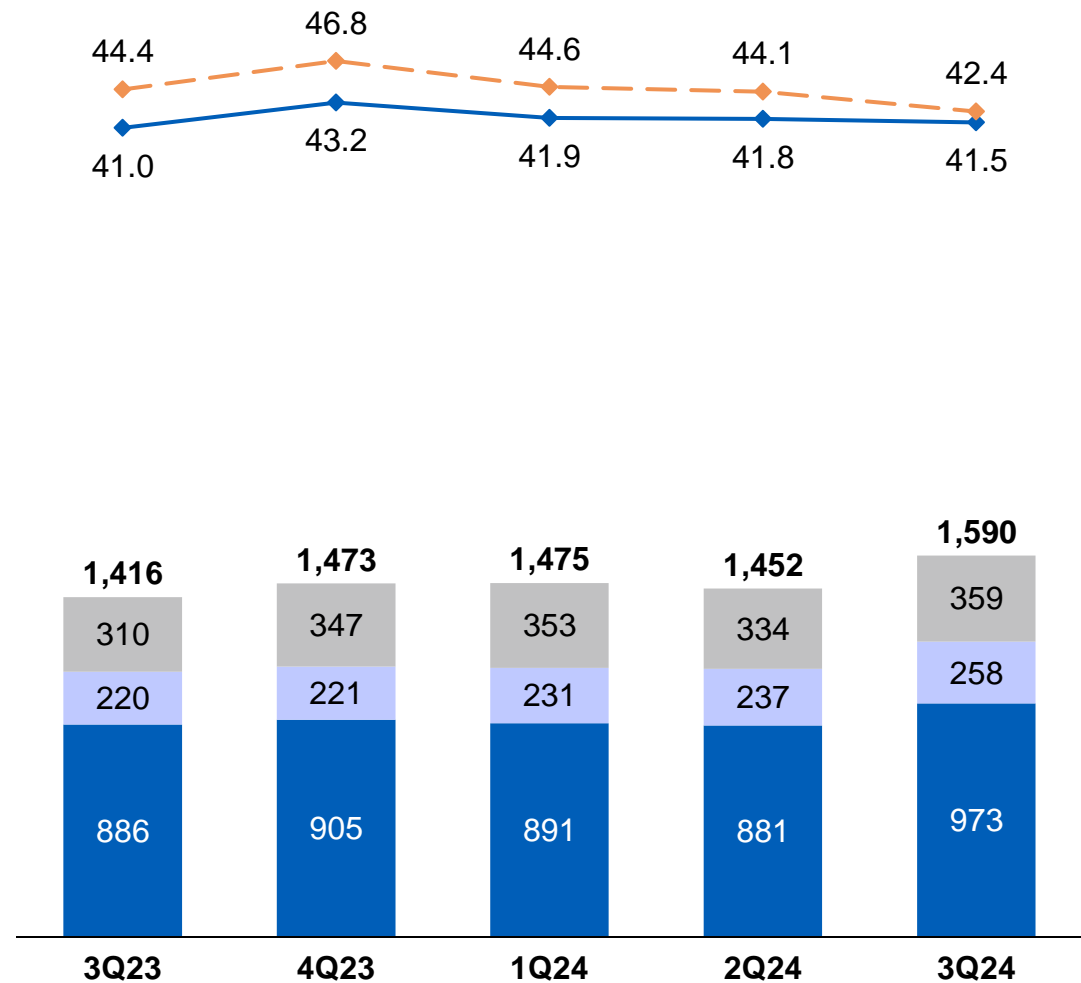
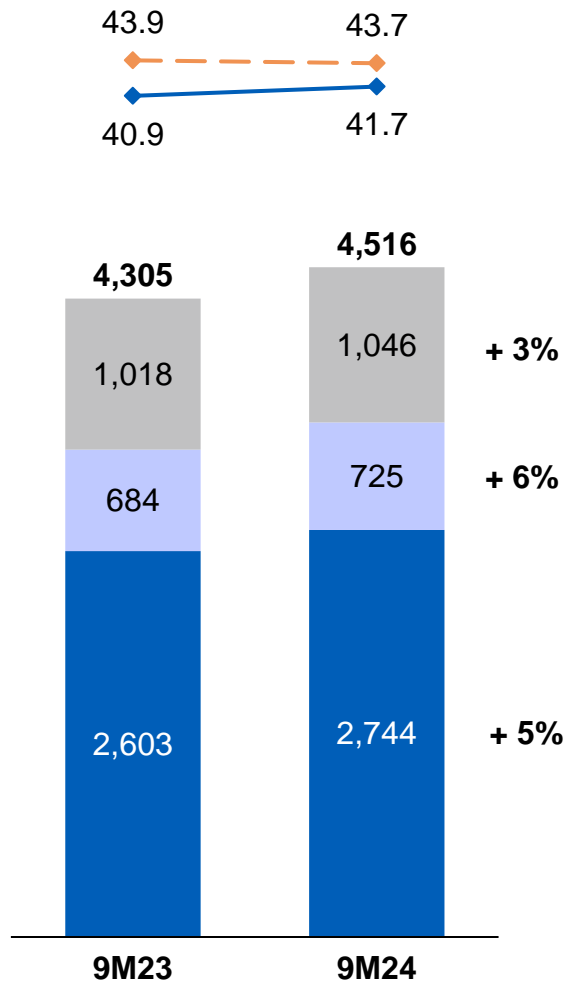
# All-time high customer-related treasury supported by strong hedging demands, trading and liquidity performance more than doubled



# Core CIR steady on enlarged income base and continued cost discipline



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



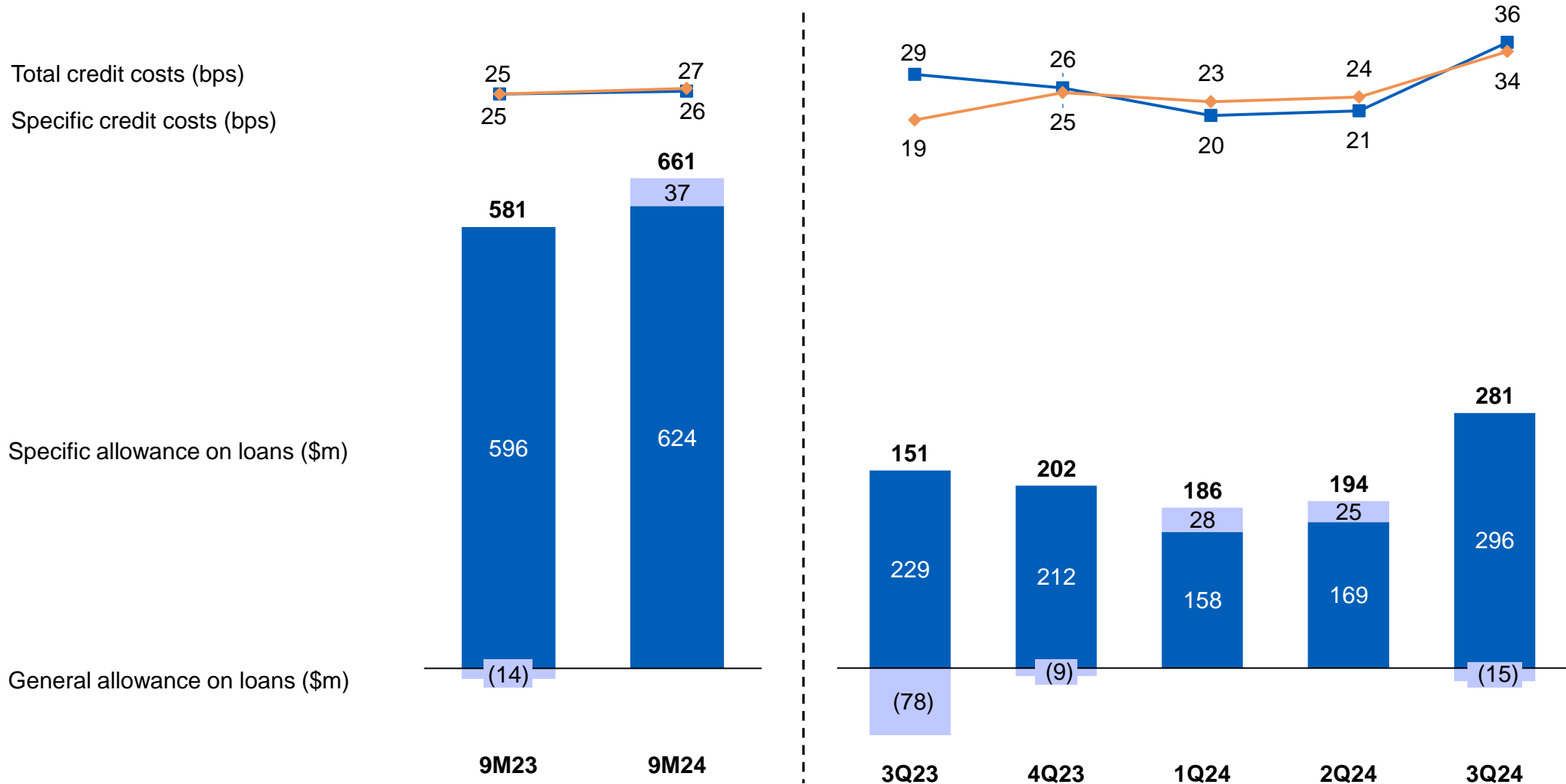


## Asset quality stable with NPL ratio unchanged at 1.5%

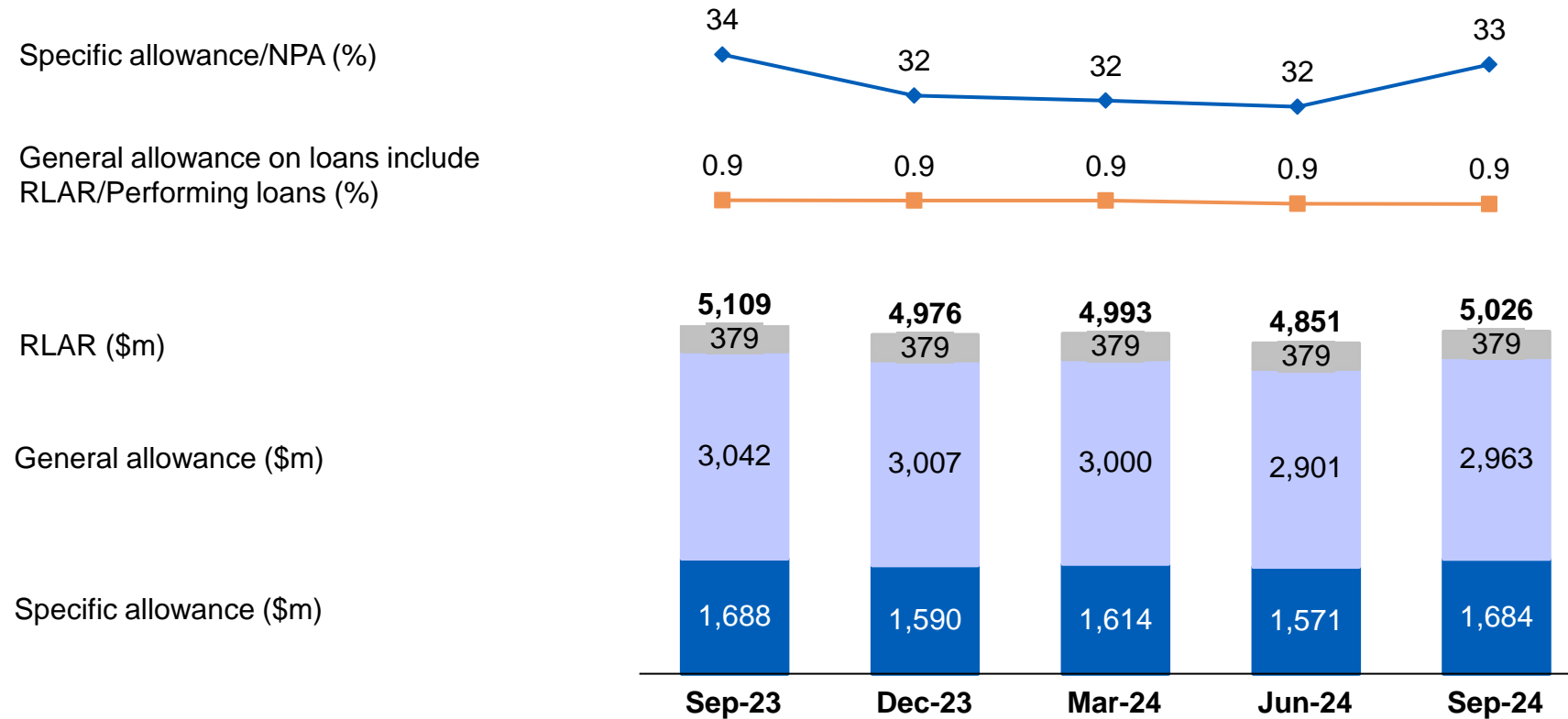


(\$m)	3Q23	4Q23	1Q24	2Q24	3Q24
<b>NPAs at start of period</b>	5,192	5,011	4,946	5,051	4,952
<u>Non-individuals</u>					
New NPAs	267	389	249	438	212
Less:					
Upgrades and recoveries	298	288	183	289	190
Write-offs	150	218	34	238	71
	5,011	4,894	4,979	4,962	4,903
Individuals	0	38	72	(10)	152
<b>NPAs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



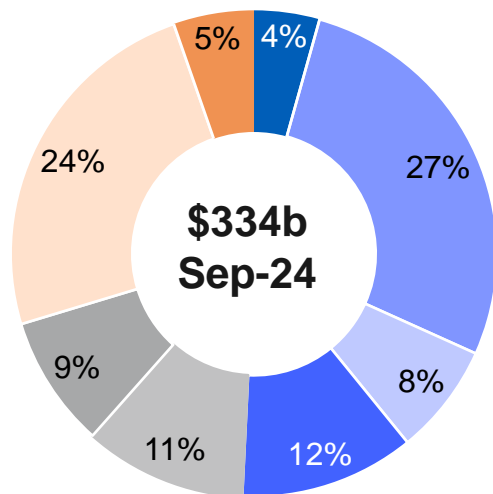
NPA coverage (%) <sup>1</sup>	102	101	99	98	<b>99</b>
Unsecured NPA coverage (%) <sup>1</sup>	205	209	204	214	<b>210</b>

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

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

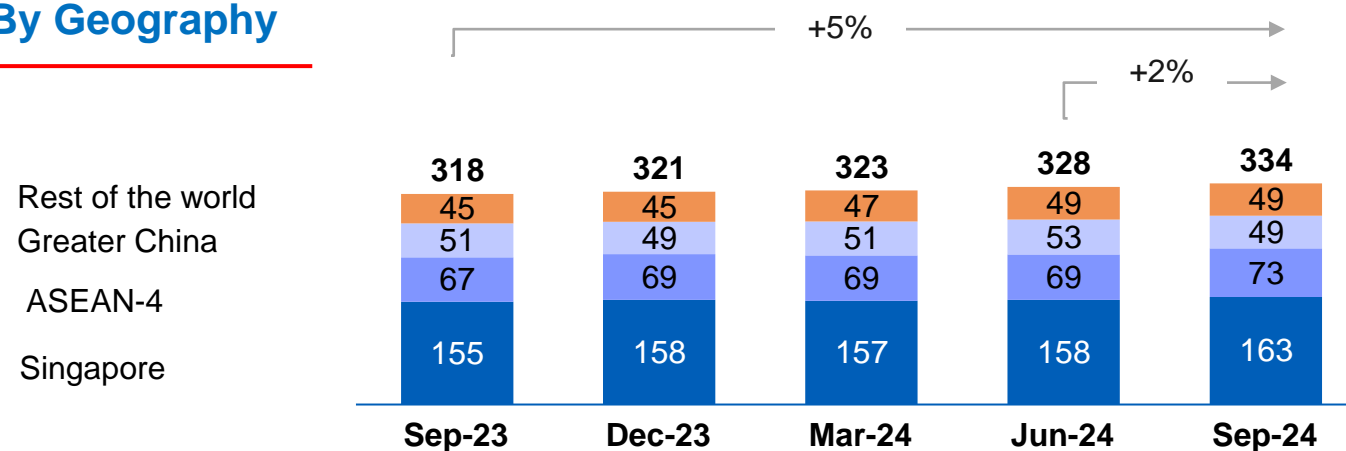


## By Industry



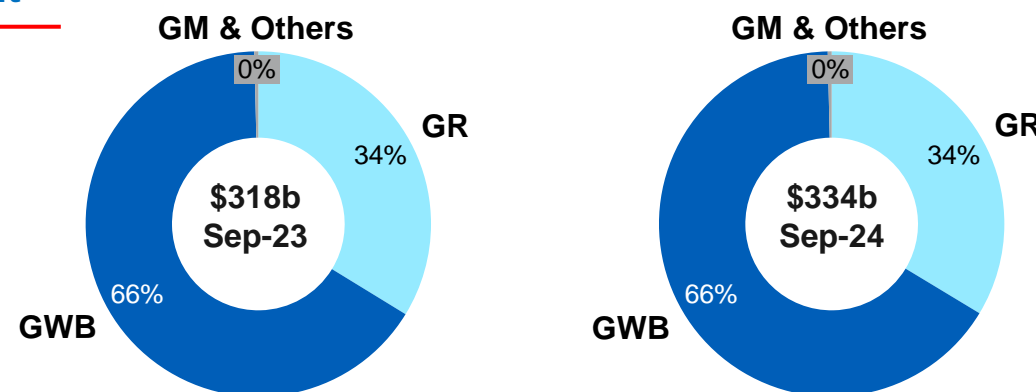
- Transport, storage and communication
- Building and construction
- Manufacturing
- FIs, investment and holding companies
- General commerce
- Professionals and private individuals
- Housing loans
- Others

## By Geography

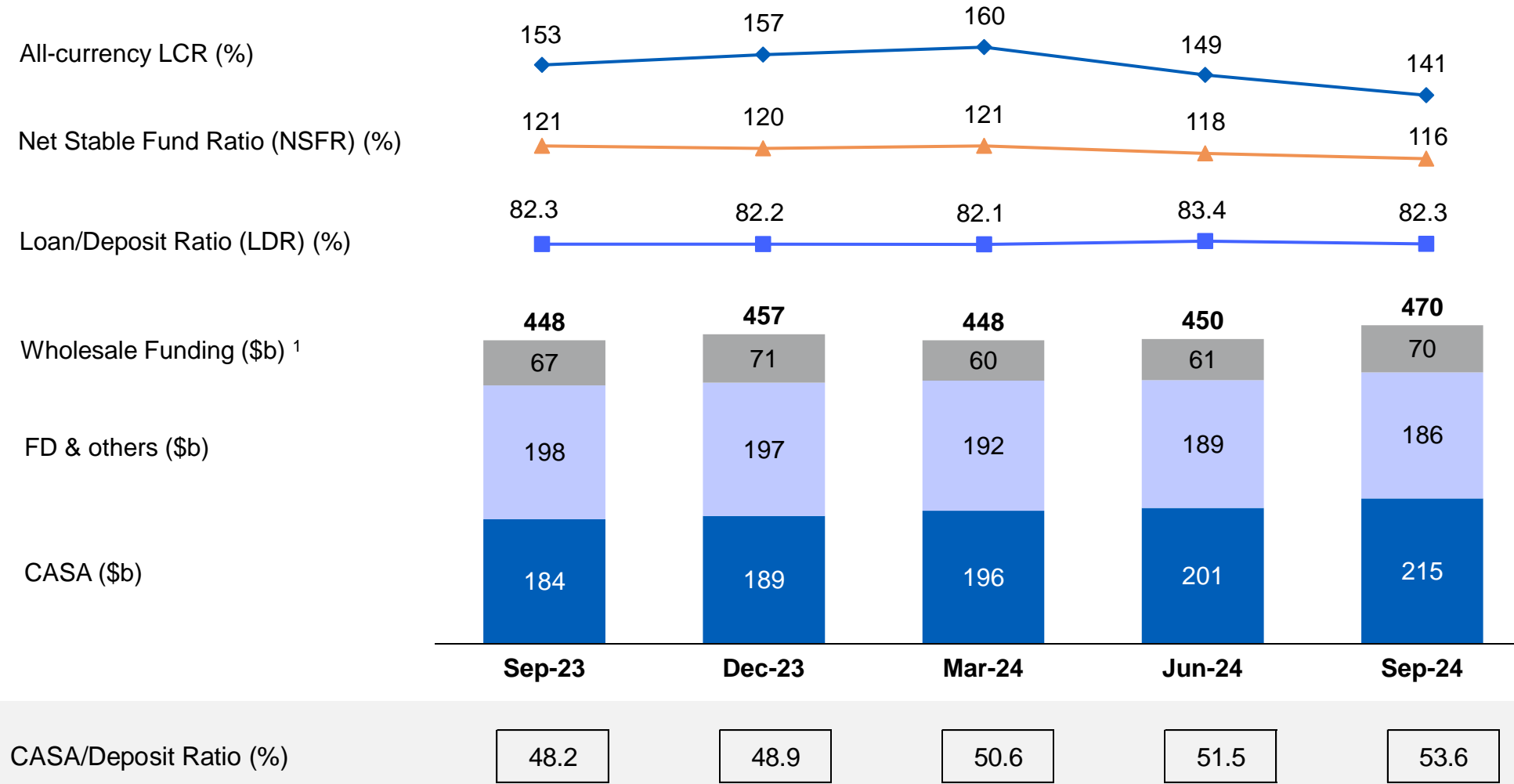


Note: Loans are classified based on where credit risks reside, represented by country of incorporation/operation for non-individuals and residence for individuals.

## By Segment

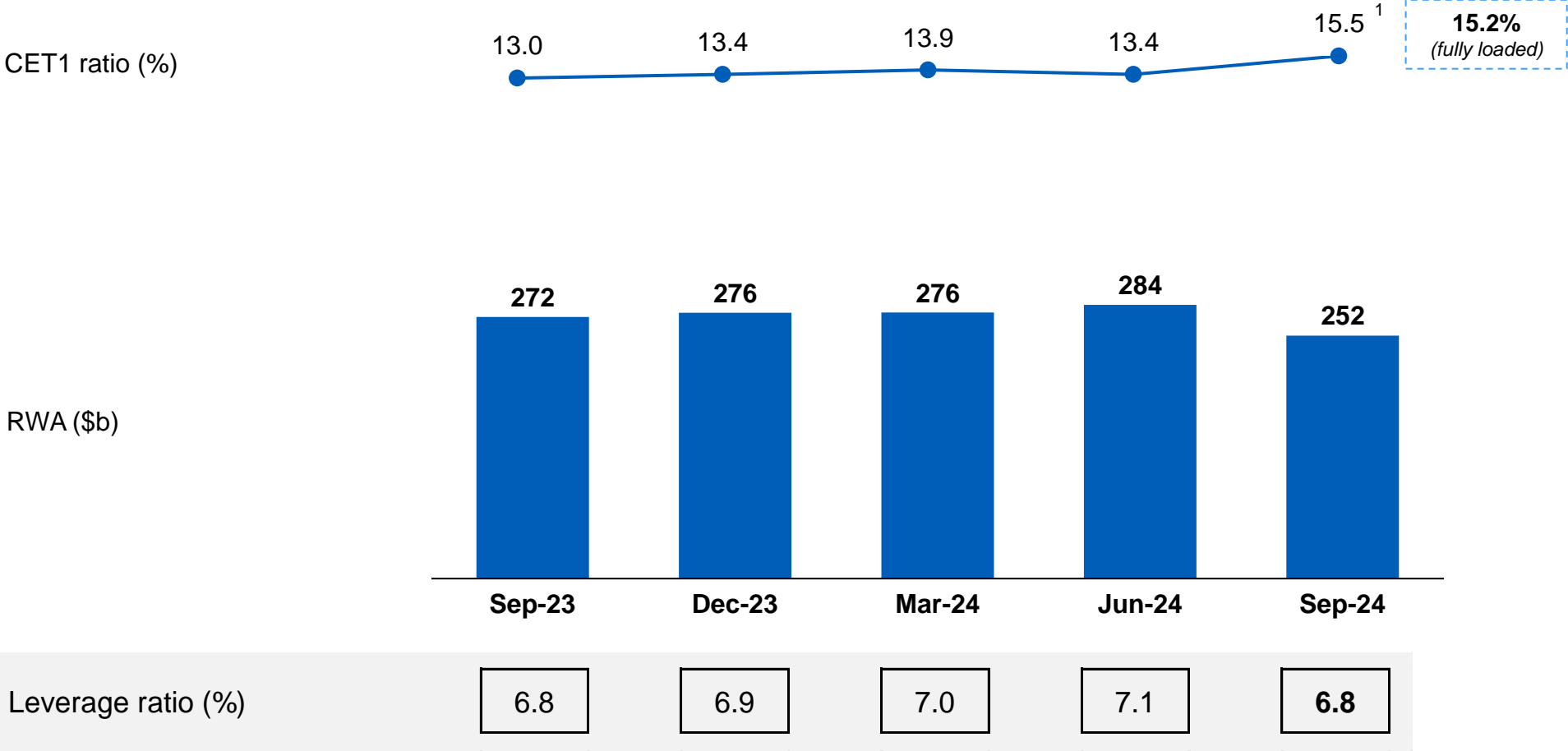


# Strong funding position, with healthy CASA growth and improved CASA mix



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

# Resilient capital position with CET1 ratio at 15.5%

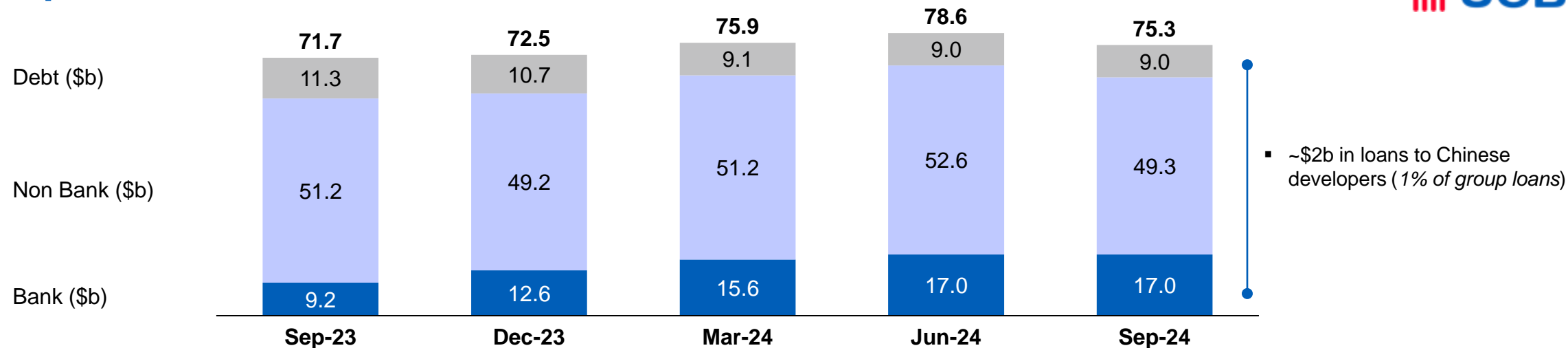


(1) Based on MAS Notice 637 issued on 20 September 2023, with effect from 1 July 2024

# 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)

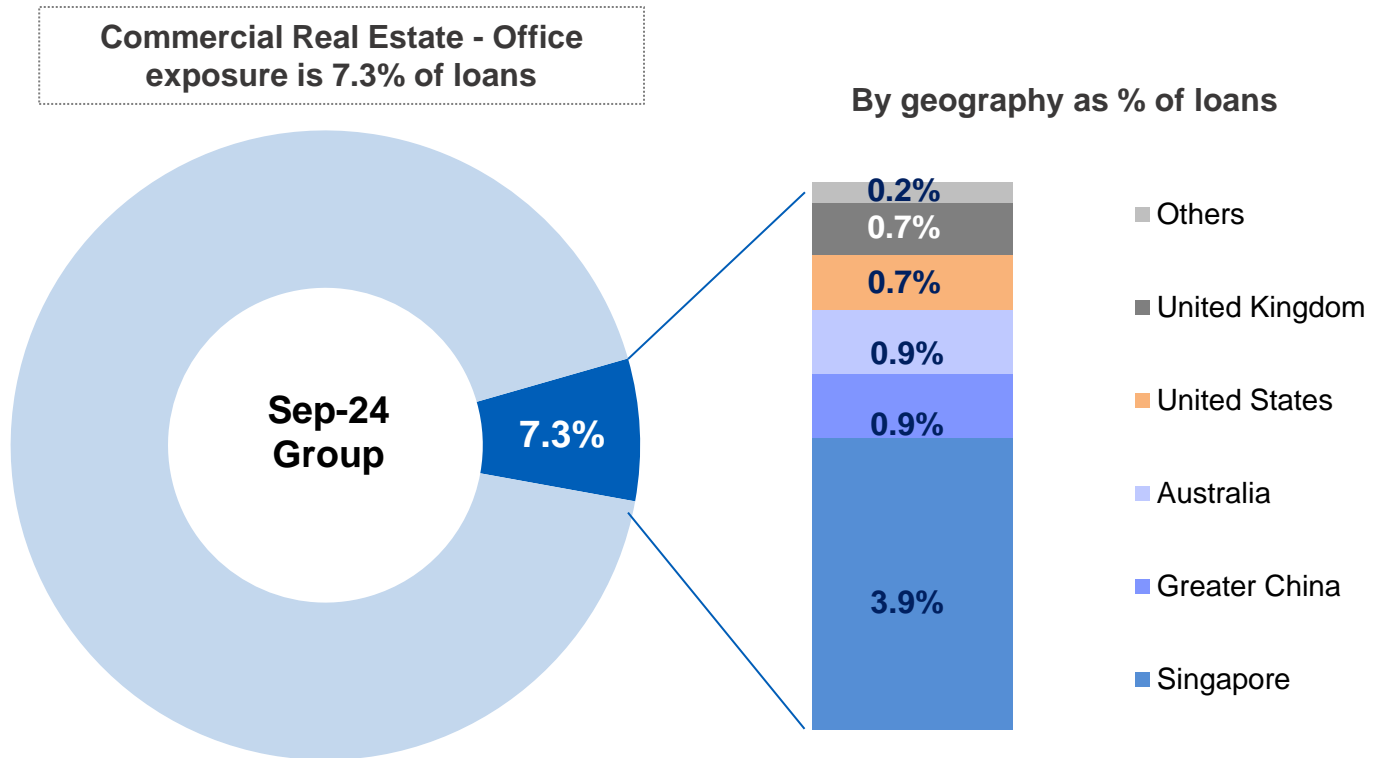
- Exposure mainly to corporate and institutional clients
- ~70% with <1 year tenor
- NPL ratio at 1.9%

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**