

UOB's 3Q24 core net profit¹ up 11% YoY to S\$1.6 billion
Driven by broad-based revenue growth and healthy client franchise

UOB Group (UOB) posted a record S\$1.6 billion in core net profit for the third quarter of 2024 (3Q24), up 11% year on year (YoY), driven by new record highs in net fee income and trading and investment income.

The Group's 3Q24 performance was achieved through our diversified core franchise across wholesale, global markets and retail businesses.

Net fee income grew 7% from the year before to a record-high level of S\$630 million, driven by growth in wealth management fees. Net interest income increased 1% YoY to S\$2.5 billion, led by healthy loan growth of 5%. Other non-interest income rose 70% YoY to S\$744 million, boosted by record-high trading and investment income, as customer-related treasury income grew strongly.

3Q24 credit costs increased to 34 basis points due to the Thailand retail portfolio, following the Citi integration last quarter. Credit costs for the full year will remain within our guidance of 25 to 30 basis points. Asset quality remained resilient with non-performing loan ratio stable at 1.5%. The Group's balance sheet stayed robust with ample liquidity and Common Equity Tier 1 ratio strengthening to 15.5%.

3Q24 key financial indicators

<p>Core operating profit¹ S\$2.2b + 11% QoQ + 10% YoY</p>	<p>Core net profit¹ S\$1.6b + 10% QoQ + 11% YoY</p>
<p>Core return on equity¹ 14.3% + 1.0%pt QoQ + 0.4%pt YoY</p>	<p>Core cost/Income ratio¹ 41.5% - 0.3%pt QoQ + 0.5%pt YoY</p>
<p>NPL ratio 1.5% unchanged QoQ - 0.1% pt YoY</p>	<p>Credit costs 34bps + 10 bps QoQ + 15 bps YoY</p>
<p>NSFR ratio 116% - 2% pt QoQ - 5% pt YoY</p>	<p>CET 1 ratio 15.5% + 2.1%pt QoQ + 2.5%pt YoY</p>

Resilient performance supported by strong fundamentals



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

“The Group achieved a strong quarter with record net profit, driven by broad-based growth across all business segments and our key markets in ASEAN. Backed by our strong balance sheet and core franchise, we are well-positioned to maintain the momentum of revenue growth.

Amid a volatile global economy, Southeast Asia stands out as a bright spot. We are confident of ASEAN's long-term potential, bolstered by strong economic fundamentals and a surge in foreign direct investment inflows with shifting supply chains. Our strength in connectivity, coupled with strong tailwinds, has propelled growth in our wholesale banking business.

Our successful integration of the Citigroup portfolio in Malaysia, Thailand and Indonesia marks a significant milestone. Our cross-sell synergies from the expanded portfolio are delivering promising results, and we are committed to intensifying our efforts to build capabilities in our key ASEAN markets. We are primed to seize emerging opportunities and drive further growth. ”



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

Financial performance

	9M24	9M23	YoY	3Q24	2Q24	QoQ	3Q23	YoY
	S\$m	S\$m	+/(-)%	S\$m	S\$m	+/(-)%	S\$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
Allowance for credit and other losses	699	769	(9)	304	232	31	235	29
Add: Associate and 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 cost (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

9M24 versus 9M23

Core net profit grew 3% to S\$4.7 billion on the back of strong fees and trading and investment income, while credit allowance declined. After accounting for the reduction in one-off Citi integration expenses, net profit increased 5% to S\$4.5 billion.

Net interest income eased 1% from a year ago to S\$7.2 billion from lower net interest margin, cushioned by loan growth of 5%. Net fee income rose 10% to S\$1.8 billion, driven by wealth, loan-related and credit card fees.

Other non-interest income grew 13% to S\$1.8 billion, boosted by strong customer-related treasury income from increased bond sales and hedging demands, coupled with robust performance from trading and liquidity management activities.

Total core expenses rose 5% to S\$4.5 billion as the Group continued to invest in building regional capabilities while maintaining cost discipline. Total allowance declined 9% mainly due to pre-emptive general allowance set aside a year ago.

3Q24 versus 2Q24

Core net profit increased 10% to S\$1.6 billion. Net interest income grew 2% with net interest margin stable at 2.05%. Net fee income rose to a new high of S\$630 million, supported by healthy trade and wealth demand, as well as pick up in card fees. Other non-interest income surged 63% to S\$744 million, bolstered by all-time high customer flow treasury income alongside stellar performance from trading and liquidity management activities.

Core cost-to-income ratio was steady at 41.5% on enlarged income base and continued cost discipline. Total allowance increased 31% to S\$304 million on higher specific allowance mainly due to Thailand retail customer friction issues following operational merger of Citi last quarter. This is expected to normalise in the next two quarters.

3Q24 versus 3Q23

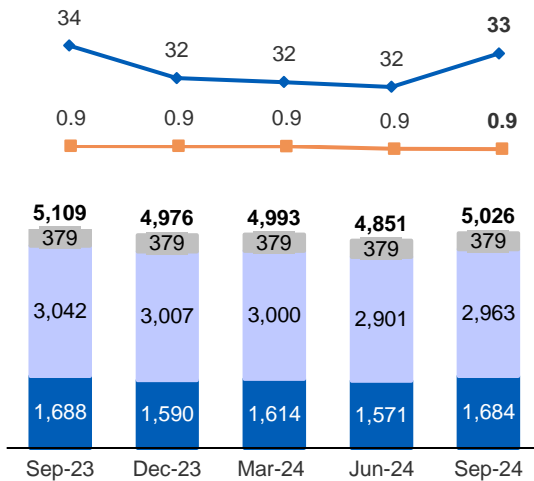
Net interest income was up 1%, supported by healthy loan growth of 5%. Fee income grew 7%, led by strong wealth fees recovery, while other non-interest income surged on record high trading and investment income.

Core operating expenses increased from investment in franchise growth, with core cost-to-income at 41.5%. Total allowance increased 29% on higher specific allowance.



Asset quality

Allowance coverage



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

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

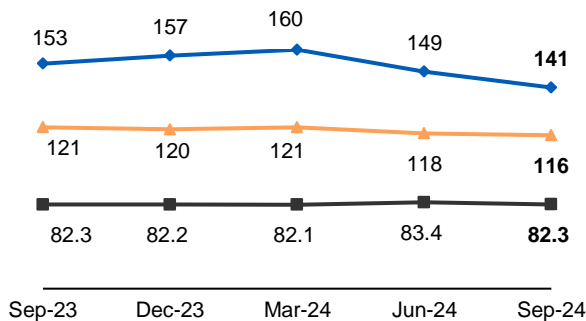
Allowance coverage remained adequate with non-performing assets (NPA) coverage at 99% or 210% after taking collateral into account.

NPL ratio (%)	1.6	1.5	1.5	1.5	1.5
Total credit costs on loans (bps)	19	25	23	24	34

■ 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, funding and liquidity positions remained resilient.

The Group's capital position strengthened significantly with Common Equity Tier 1 (CET1) ratio at 15.5% post Basel III reforms implementation.

Liquidity remained healthy with the average all-currency liquidity coverage ratio (LCR) at 141% and net stable funding ratio (NSFR) at 116%.

CET1 ratio (%)	13.0	13.4	13.9	13.4	15.5
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◆ All-currency LCR (%)
 ◆ NSFR (%)
 ■ LDR (%)

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Singapore Company Registration Number: 193500026Z



Financial Highlights 3Q24

	9M24	9M23	+ / (-) %	3Q24	2Q24	+ / (-) %	3Q23	+ / (-) %
Selected income statement items (\$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
Allowance for credit and other losses	699	769	(9)	304	232	31	235	29
Add: Share of profit of associates and joint ventures	81	71	15	25	31	(20)	20	26
Net profit before tax	5,679	5,502	3	1,959	1,816	8	1,818	8
Less: Tax and non-controlling interests	986	939	5	320	327	(2)	339	(6)
Core net profit after tax ¹	4,693	4,563	3	1,639	1,489	10	1,479	11
Less: One-off expenses								
Citi integration cost (net of tax)	171	255	(33)	28	64	(56)	97	(71)
Net profit (including one-off expenses) ¹	4,522	4,308	5	1,610	1,425	13	1,382	16
Selected balance sheet items (\$m)								
Gross customer loans	333,998	318,164	5	333,998	328,453	2	318,164	5
Customer deposits	400,784	381,611	5	400,784	389,157	3	381,611	5
Total assets	541,885	515,887	5	541,885	516,743	5	515,887	5
Shareholders' equity ¹	48,596	45,248	7	48,596	47,343	3	45,248	7
Risk-weighted assets	252,220	271,558	(7)	252,220	284,097	(11)	271,558	(7)
Key financial ratios (%)								
Net interest margin ²	2.04	2.12		2.05	2.05		2.09	
Cost/Income ratio ³	41.7	40.9		41.5	41.8		41.0	
Credit costs on loans (bp) ²								
General	1	-		(2)	3		(10)	
Specific	26	25		36	21		29	
Total	27	25		34	24		19	
NPA coverage ratio	99	102		99	98		102	
NPL ratio ⁴	1.5	1.6		1.5	1.5		1.6	
Return on average ordinary shareholders' equity ^{2,3,5}	13.9	14.3		14.3	13.3		13.9	
Return on average total assets ^{2,3}	1.21	1.20		1.25	1.16		1.16	
Loan/Deposit ratio ⁶	82.3	82.3		82.3	83.4		82.3	
Liquidity coverage ratios ("LCR") ^{7,11}								
All-currency	150	158		141	149		153	
Singapore Dollar	488	357		458	534		398	
Net stable funding ratio ("NSFR") ^{8,11}	116	121		116	118		121	
Capital adequacy ratios								
Common Equity Tier 1	15.5	13.0		15.5	13.4		13.0	
Tier 1	16.6	14.4		16.6	14.4		14.4	
Total	18.4	16.6		18.4	15.9		16.6	
Leverage ratio ⁹	6.8	6.8		6.8	7.1		6.8	
Earnings per ordinary share (\$) ^{2,5}								
Basic	3.55	3.36		3.79	3.35		3.23	
Diluted	3.53	3.34		3.78	3.33		3.22	
Net asset value ("NAV") per ordinary share (\$) ¹⁰	27.42	24.89		27.42	26.64		24.89	

Notes:

- Relates to amount attributable to equity holders of the Bank.
- Computed on an annualised basis.
- Excluding one-off expenses.
- Refers to non-performing loans ("NPL") as a percentage of gross customer loans.
- Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.
- Refers to net customer loans and customer deposits.
- 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.
- NSFR is calculated based on MAS Notice 652 which requires a minimum of 100% to be maintained.
- Leverage ratio is calculated based on MAS Notice 637 which requires a minimum ratio of 3%.
- Perpetual capital securities are excluded from the computation.
- Public disclosure required under MAS Notice 651 and 653 are available in the UOB website at www.UOBgroup.com/investor-relations/financial/index.html.

