



# UOB Group

## Strong performance with stable balance sheet

Aug 2024

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# Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials

# Overview of UOB Group

# UOB Overview



## Founding

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong.

## Expansion

UOB has grown over the decades organically and through a series of strategic acquisitions. It is today a leading bank in Asia with an established presence in the Southeast Asia region. The Group has a global network of around 500 branches and offices in 19 countries and territories.

Note: Financial statistics as at 30 June 2024

1. USD 1 = SGD 1.357 as at 30 June 2024

2. Average for 2Q24

3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

4. Excluding one-off expenses

## Key Statistics for 1H24

■ Gross loans	: SGD328b	(USD241b <sup>1</sup> )
■ Customer deposits	: SGD389b	(USD287b <sup>1</sup> )
■ Loan / Deposit ratio	: 83.2%	
■ Net stable funding ratio	: 118%	
■ All-currency liquidity coverage ratio	: 149% <sup>2</sup>	
■ Common Equity Tier 1 ratio	: 13.4%	
■ Leverage ratio	: 7.1%	
■ Return on equity <sup>3 4</sup>	: 13.7%	
■ Return on assets <sup>4</sup>	: 1.19%	
■ Net interest margin	: 2.04%	
■ Non-interest income / Total income	: 31.9%	
■ Cost / Income <sup>4</sup>	: 41.8%	
■ Non-performing loan ratio	: 1.5%	
■ Credit Ratings		

	Moody's	S&P	Fitch
Issuer rating (Senior unsecured)	Aa1	AA-	AA-
Outlook	Stable	Stable	Stable
Short-term rating	P-1	A-1+	F1+

# A leading Singapore bank; Established franchise in core market segments



## Group Retail

- Best Retail Bank in Singapore
- Strong player in credit cards and private residential home loan business

## Group Wholesale Banking

- Best SME Bank in Singapore
- Seamless access to regional network for our corporate clients

## Global Markets

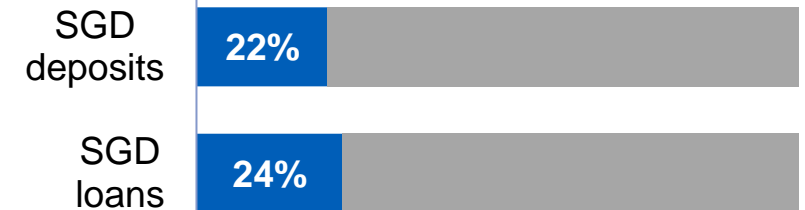
- Strong player in Singapore dollar treasury instruments

## UOB Group's recognition in the industry



Source: Company reports

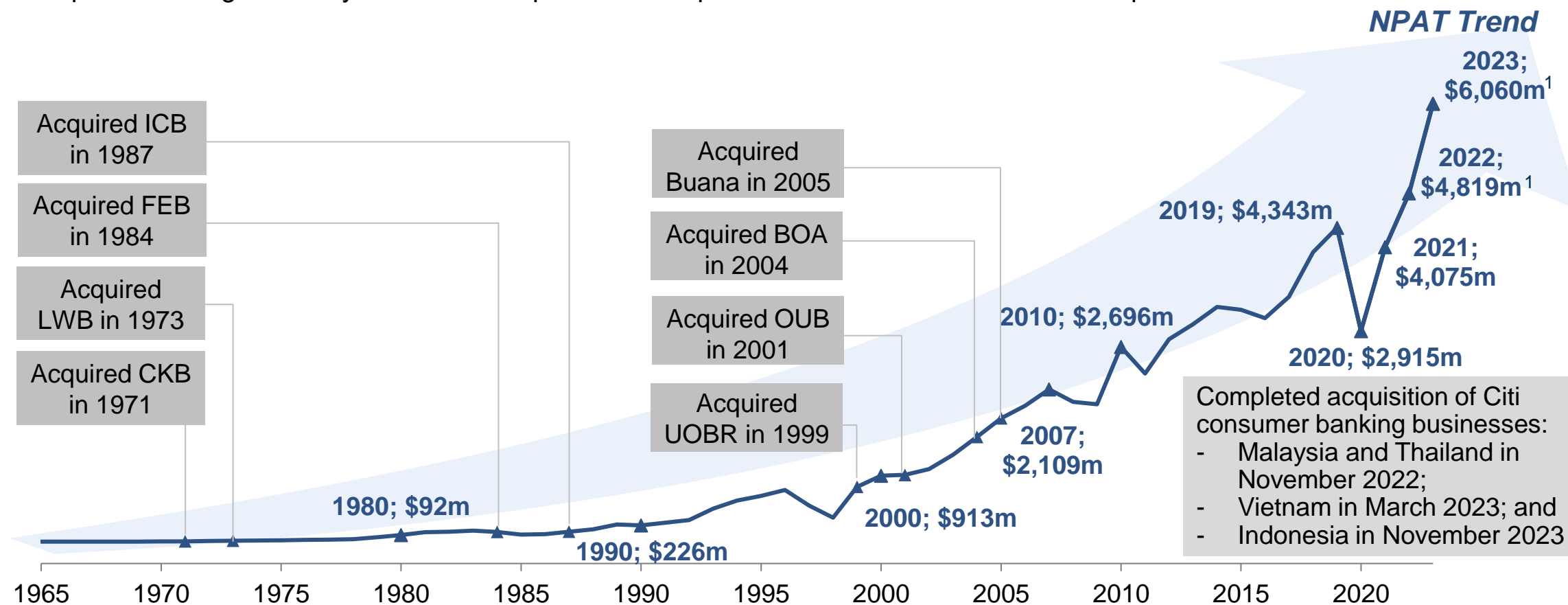
## Sizeable domestic market share



Source: UOB, MAS (data as of 30 Jun 2024)

# Proven track record of execution

- UOB Group’s management has a proven track record in steering the Group through various global events and crises
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group’s overall resilience and sustained performance



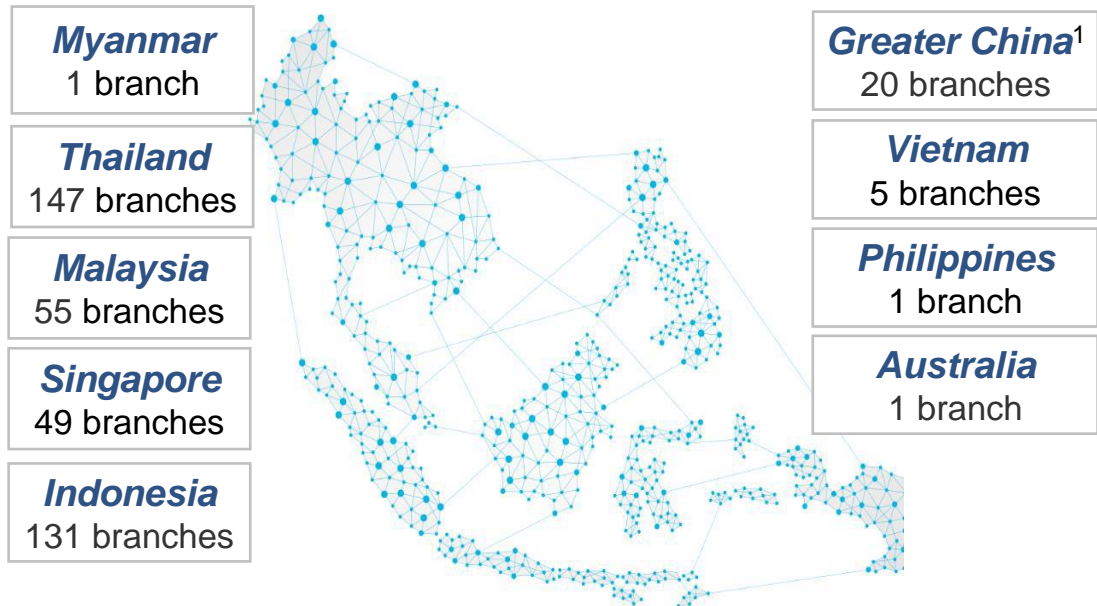
1. Excluding one-off expenses

Note: Bank of Asia Public Company Limited (“BOA”), Chung Khiaw Bank Limited (“CKB”), Far Eastern Bank Limited (“FEB”), Industrial & Commercial Bank Limited (“ICB”), Lee Wah Bank Limited (“LWB”), Overseas Union Bank Limited (“OUB”), Radanasin Bank Thailand (“UOBR”)

# Comprehensive regional banking franchise

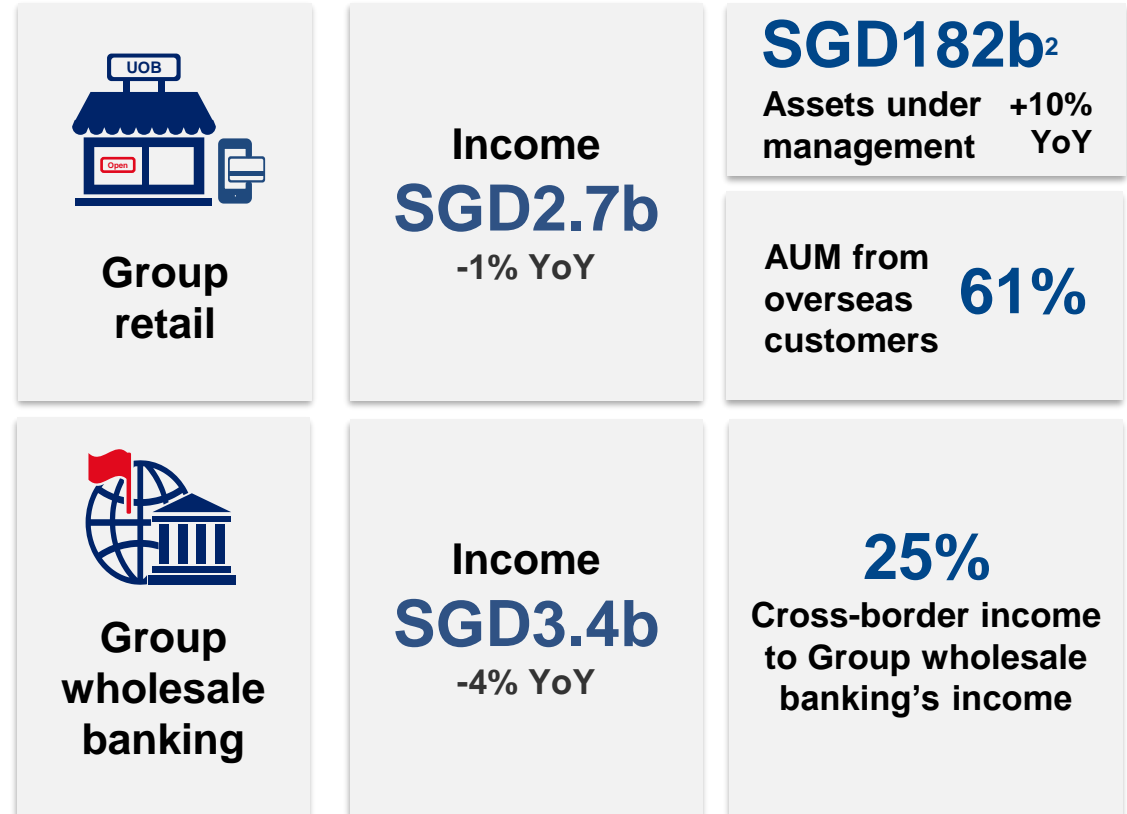


## Extensive regional footprint



- Most diverse regional franchise among Singapore banks; effectively full control of regional subsidiaries
- Integrated regional platform improves operational efficiencies, enhances risk management and provides faster time-to-market and seamless customer service
- Organic growth strategies in emerging / new markets of China and Indo-China

## 1H24 performance by segment



1. Comprise Mainland China, Hong Kong SAR and Taiwan  
 2. Refers to Privilege Banking, Privilege Reserve and Private Bank – including acquisition of Citigroup Malaysia, Indonesia, Thailand and Vietnam

# Why UOB?

## Stable management



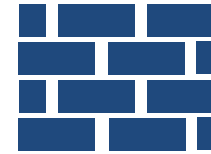
- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

## Integrated regional platform



- Truly regional bank with full ownership and control of regional subsidiaries
- Entrenched domestic presence and deep local knowledge to address the needs of our targeted segments
- Continued investment in talent and technology to build capabilities in a disciplined manner

## Strong fundamentals



- Strong Common Equity Tier 1 capital adequacy ratio of 13.4% as at 30 Jun 2024
- Diversified funding and sound liquidity, with 83.2% loan/deposit ratio
- Strengthened coverage, with general allowance on loans (including RLAR) covering 0.9% of performing loans

## Balance growth with stability

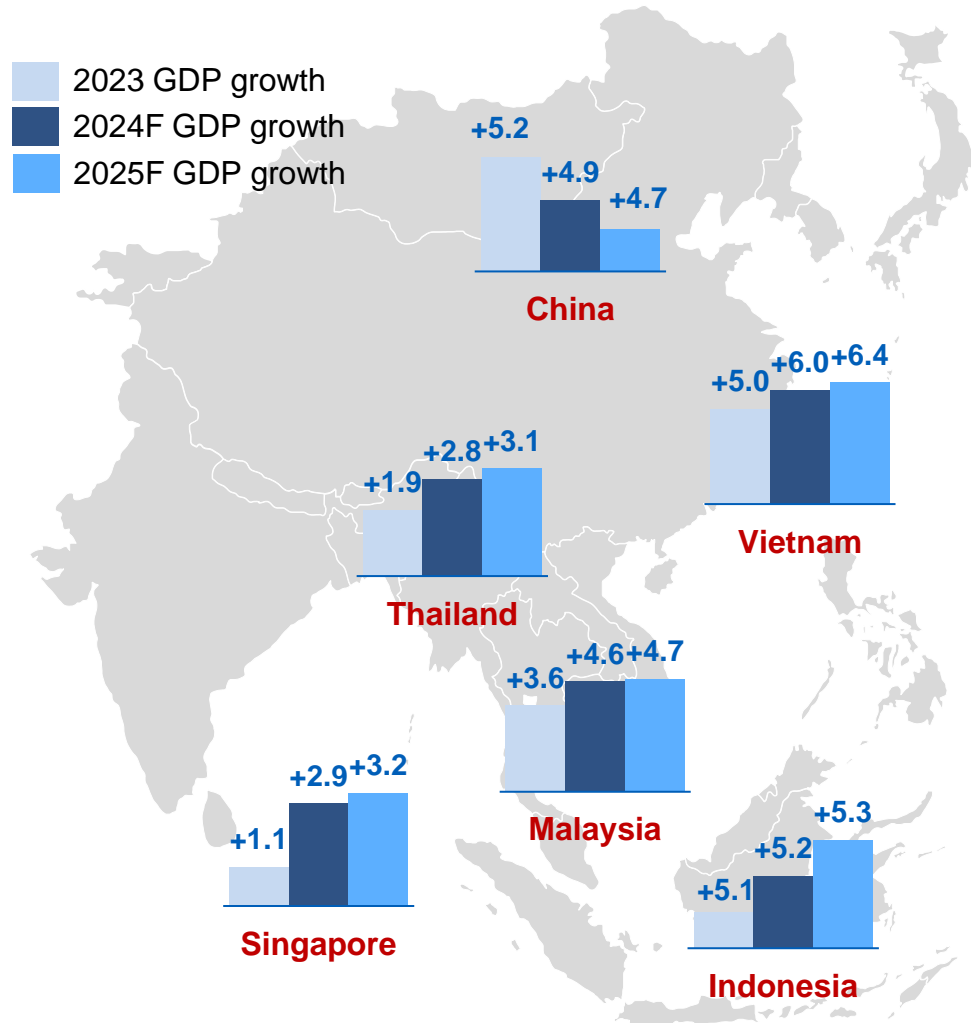


- Over 50% of Group's earnings from home market of Singapore (AAA sovereign rating)
- Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future
- Maintain long-term perspective to growth for sustainable shareholder returns



# Macroeconomic Outlook

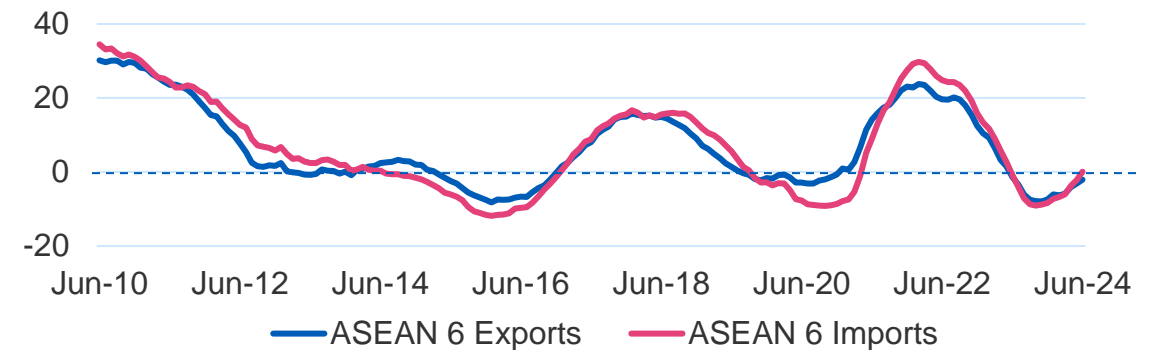
# ASEAN Economic Growth To Stay Resilient As External Trade Cycle Bottomed



Source: UOB Global Economics & Markets Research forecasts

## External Trade Cycle Has Started to Turn

ASEAN6: Trade Performance (12-month moving average)



Source: Macrobond, UOB Global Economics & Markets Research

## Tourism Rebound in Asia To Continue In 2024

	Asia: Inbound Visitor Arrivals, Annual													
	Persons, million													
	0	4	8	12	16	20	24	28	32	2023	2022	2021	2020	2019
						mn pax	mn pax	mn pax	mn pax	mn pax	mn pax	mn pax	mn pax	mn pax
Hong Kong						34.00	0.6	0.1	3.6	55.9				
Thailand						28.15	11.1	0.4	6.7	39.9				
Japan						25.07	3.8	0.2	4.1	31.9				
Malaysia						20.14	10.1	0.1	4.3	26.1				
Singapore						13.61	6.3	0.3	2.7	19.1				
Vietnam						12.60	3.7	0.2	3.8	18.0				
Indonesia						11.68	5.9	1.6	4.1	16.1				
South Korea						11.03	3.2	1.0	2.5	17.5				
Taiwan region						6.49	0.9	0.1	1.4	11.9				

Source: UOB Global Economics & Markets Research

# Maintaining Our Call For Fed To Cut Rates In Late 3Q



	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24F	4Q24F	1Q25F	2Q25F
US 10-Year Treasury	3.83	3.87	3.47	3.84	4.57	3.88	4.20	4.40	4.10	4.00	3.90	3.80
US Fed Funds	3.25	4.50	5.00	5.25	5.50	5.50	5.50	5.50	5.25	5.00	4.75	4.50
SG 3M SIBOR	3.17	4.25	4.19	4.09	4.06							
SG 3M SOR	3.28	4.21	4.09	4.23								
SG 3M SORA	1.97	3.10	3.54	3.64	3.71	3.71	3.68	3.64	3.34	3.14	2.94	2.74
MY Overnight Policy Rate	2.50	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
TH 1-Day Repo	1.00	1.25	1.75	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00
ID 7-Day Reverse Repo	4.25	5.50	5.75	5.75	5.75	6.00	6.00	6.25	6.25	6.25	5.75	5.50
CH 1-Year Loan Prime Rate	3.65	3.65	3.65	3.55	3.45	3.45	3.45	3.45	3.20	3.20	3.20	3.20

A confluence of factors including Bank of Japan’s surprise rate hike, a troubling US nonfarm payroll Jul report and rising tensions in the Middle East triggered bouts of panic selling and risk aversion in the global markets in early Aug. Current data and financial stress indicators suggest that the US economy is not at the brink of “hard landing”, although it remains to be seen how far the negative sentiment and panic mode in markets will last. In the absence of evidence of substantial declines in fundamentals, we reiterate our call for 2x of 25bps Fed rate cuts in 2024 and 4x of 25bps through 2025, though we acknowledge there remains the risk of the US Fed “doing more and earlier”.

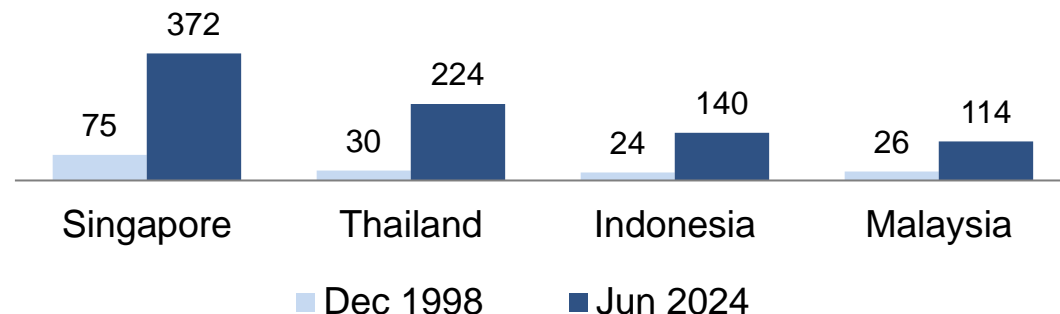
Most Asian central banks may continue to keep a wait-and-see approach to rate cuts and calibrate their monetary policy response to the pace of interest rate normalization in US and Japan, global growth outlook and adjustments in the FX market, in addition to domestic considerations, although the policy direction is likely bias towards loosening. Leading the monetary policy cycle in Asia is PBOC, which resumed interest rate cuts in July to support growth. The 1Y LPR and 5Y LPR have dropped by 10 bps and 35 bps to 3.35% and 3.85%, respectively, year-to-date. We expect 1Y LPR to further fall to 3.20% by end-4Q24.

In Singapore, the recent uptick in imported and external inflation requires close monitoring. It may be prudent for MAS to maintain the current restrictive slope settings slightly longer, with policy normalisation expected to begin in the Oct 2024 MPS via a slight S\$NEER slope reduction.

# Macro resilience across key Southeast Asian markets

## Significantly Higher Foreign Reserves

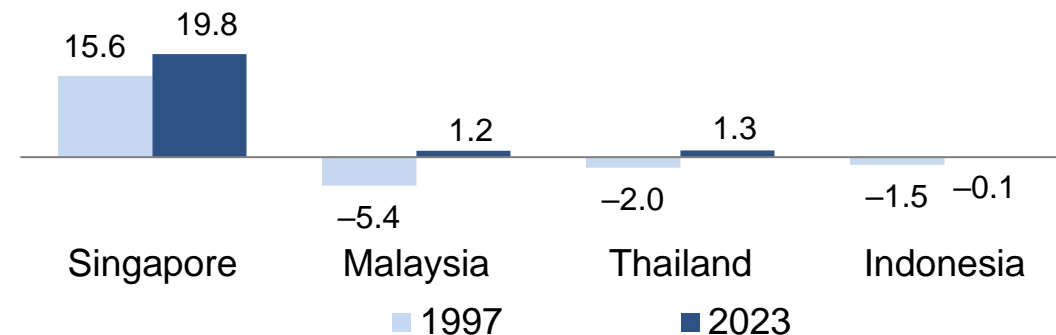
(USD billion)



Sources: World Bank, International Monetary Fund

## Improved Current Account Balances

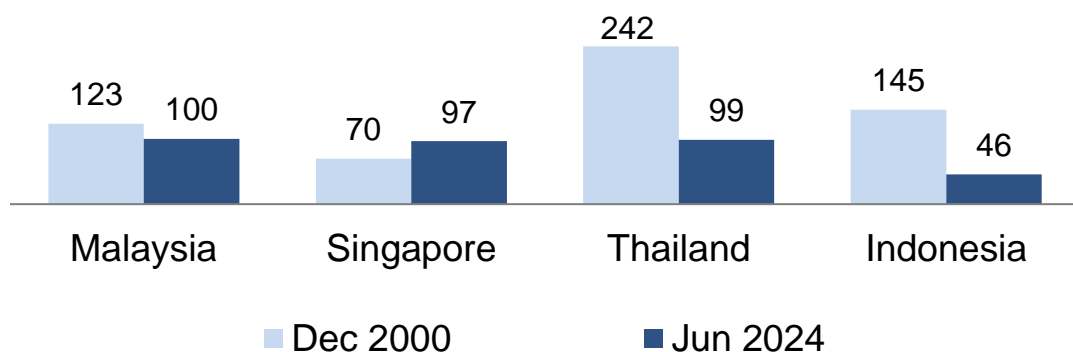
(% of GDP)



Source: International Monetary Fund

## Lower Debt to Equity Ratio

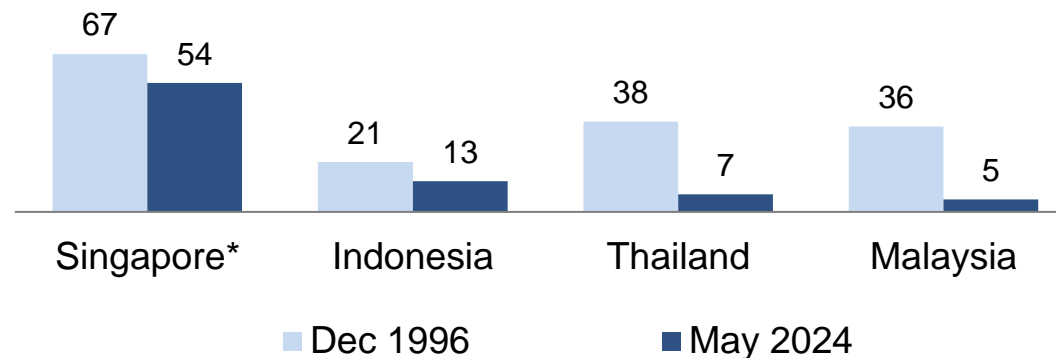
(%)



Total debt to equity ratio = total ST and LT borrowings divided by total equity, multiplied by 100; sources: MSCI data from Bloomberg

## Lower Foreign Currency Loan Mix

(%)

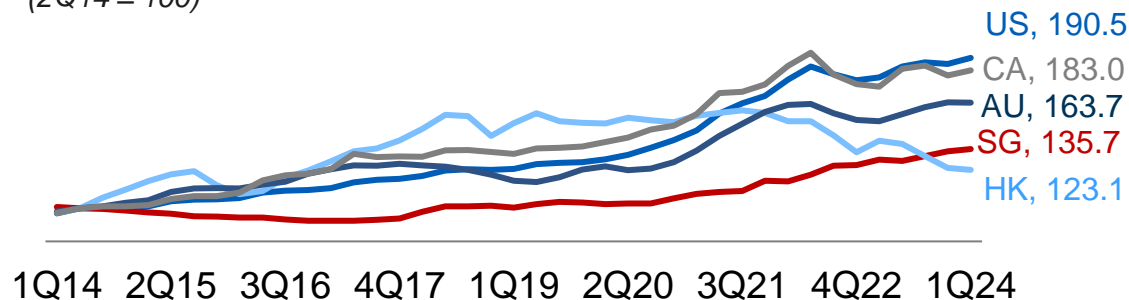


\* Foreign currency loans in 1996 approximated by using total loans of Asia Currency Units; sources: Central banks

# Singapore mortgages remain a low-risk asset class

## Low risk of housing bubble due to cooling measures

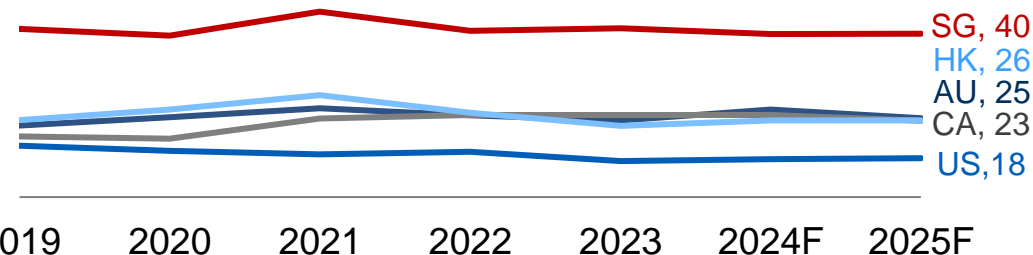
(2Q14 = 100)



1Q14 2Q15 3Q16 4Q17 1Q19 2Q20 3Q21 4Q22 1Q24  
Based on latest property price data as of 1Q24, except for AU (as of 4Q23)  
Sources: CEIC, UOB Economic-Treasury Research

## High national savings rate

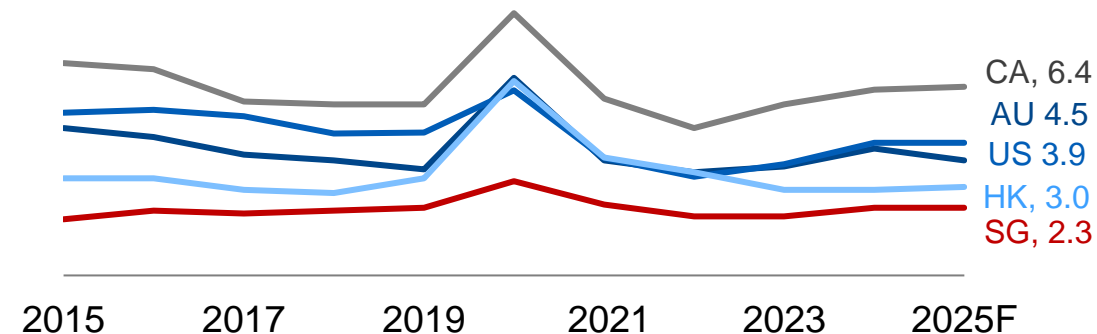
(% of GDP)



2019 2020 2021 2022 2023 2024F 2025F  
Sources: IMF, UOB Economic-Treasury Research

## Low unemployment underscores housing affordability and support for mortgage servicing

(Unemployment, %)

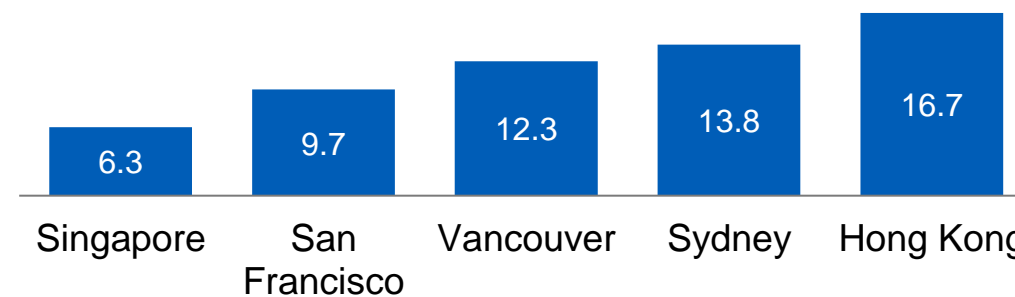


2015 2017 2019 2021 2023 2025F  
Sources: Macrobond, UOB Economic-Treasury Research

Note: AU: Australia; CA: Canada; HK: Hong Kong; SG: Singapore; US: United States

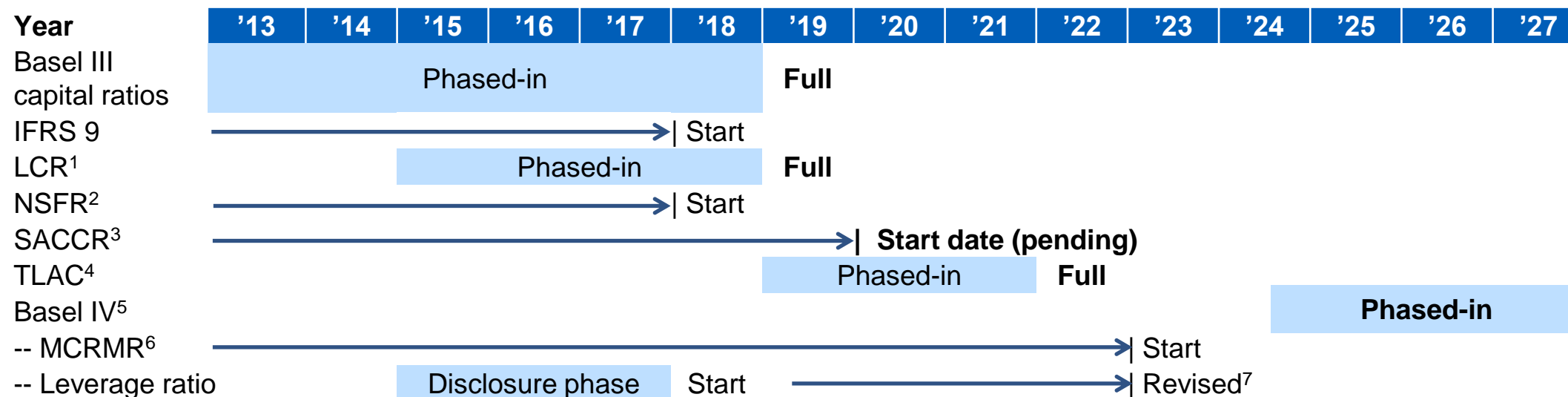
## Singapore private residential housing stays affordable as median price-to-income ratio remains low

(Median price-to-income ratio (PIR))



As of 3Q23, based on 2024 edition of Urban Reform Institute report  
Singapore's PIR calculated based on condominium price of S\$1.41m and medium monthly household income of S\$18.5k.  
Sources: Singapore Statistics, Urban Reform Institute, Frontier Centre for Public Policy, UOB Economic-Treasury Research

# Singapore has implemented Basel IV<sup>5</sup>



“ Retained earnings are one of the major sources of ... highest quality capital that banks hold. They have to earn a decent return for intermediating credit, otherwise they will do less of it. ”

– Mr Ravi Menon, Managing Director, Monetary Authority of Singapore, 20 April 2017

“ While the reforms are necessary to strengthen the banking system over the long term, they will require banks to make considerable operational adjustments which they would be hard pressed to make under current challenging conditions. ”

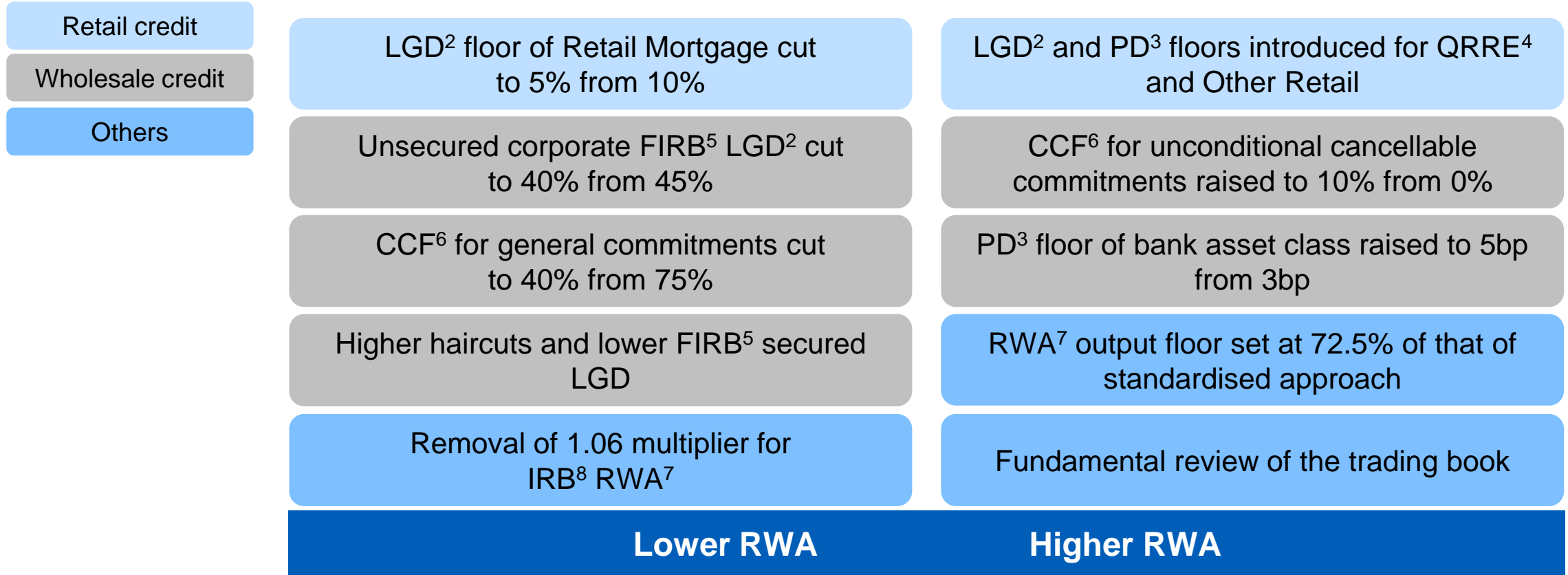
– Media Release, Monetary Authority of Singapore, 7 April 2020

Source: BCBS

1. Liquidity Coverage Ratio
2. Net Stable Funding Ratio
3. Standardised Approach for measuring Counterparty Credit Risk exposure (MAS has not announced implementation date)
4. Total Loss Absorbing Capacity (not applicable to Singapore banks)

5. Basel IV (Final Basel III reforms): Revised standards for credit risk, market risk, operational risk, leverage ratio, output floor and related disclosure requirements
6. Minimum Capital Requirements for Market Risk replaced Fundamental Review of the Trading Book
7. Revised definition on exposure measure

# Impact of Basel IV<sup>1</sup> likely to be manageable



Source: BCBS

- 1. Basel IV: Reducing variation in risk-weighted assets
- 2. Loss given default
- 3. Probability of default
- 4. Qualifying revolving retail exposures

- 5. Foundation internal rating-based approach
- 6. Credit conversion factor
- 7. Risk weighted assets
- 8. Internal rating-based approach

## Basel III across the region

	BCBS	Singapore	Malaysia	Thailand	Indonesia
Minimum CET1 CAR	4.5%	6.5% <sup>1</sup>	4.5%	4.5%	4.5%
Minimum Tier 1 CAR	6.0%	8.0% <sup>1</sup>	6.0%	6.0%	6.0%
Minimum Total CAR	8.0%	10.0% <sup>1</sup>	8.0%	8.5%	8.0%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical Buffer <sup>2</sup>	n/a	0%	0%	0%	0%
D-SIB Buffer	n/a	2.0%	1.0%	1.0%	1.0%–2.5% <sup>3</sup>
Minimum Leverage Ratio	3.0%	3.0%	3.0%	3.0%	3.0%
Minimum LCR	100%	100%	100%	100%	100%
Minimum NSFR	100%	100%	100%	100%	100%

Source: Regulatory notifications

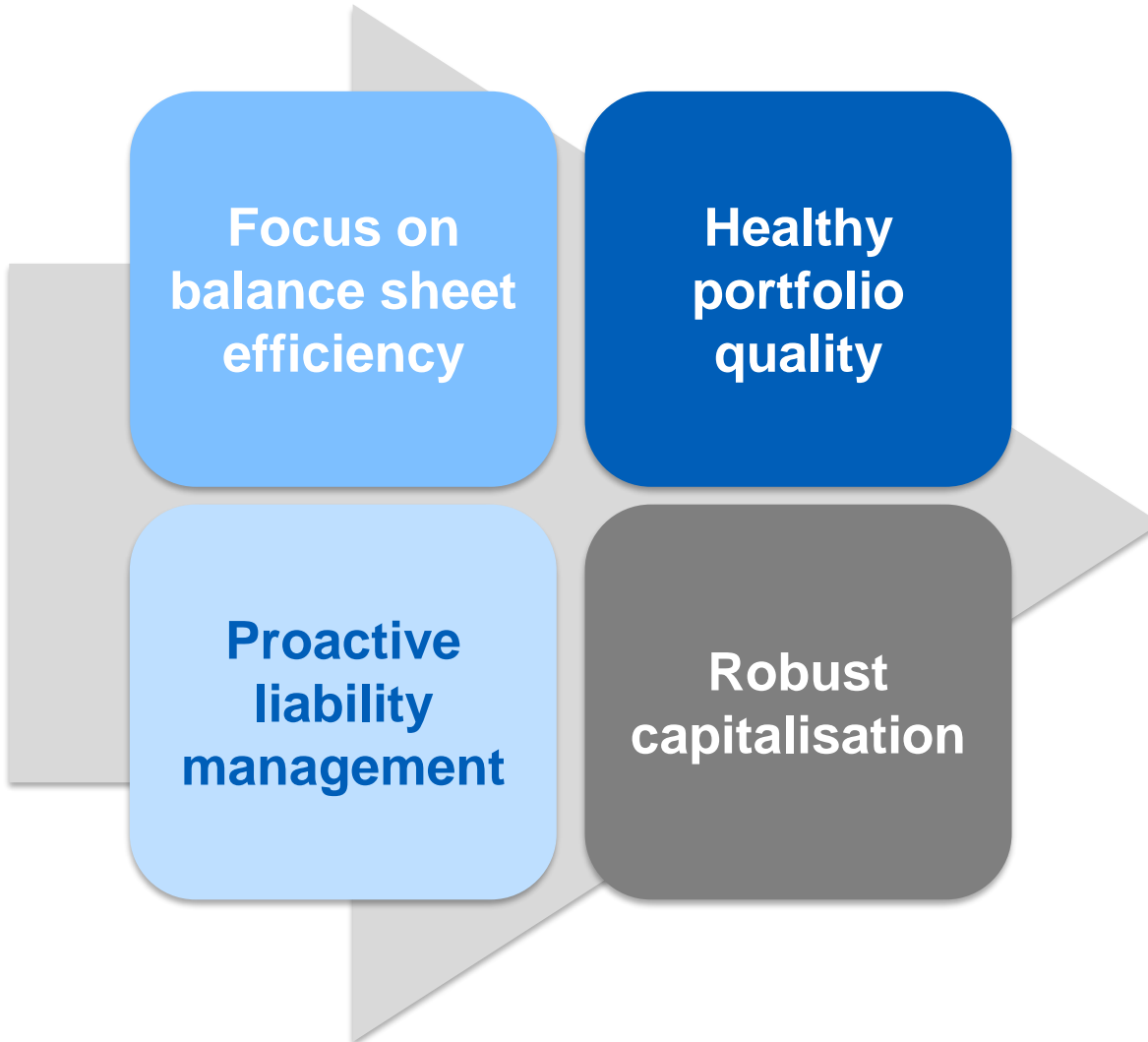
1. Includes 2% for D-SIB (domestic-systemically important banks) buffer for the three Singapore banks
2. Each regulator determines its own level of countercyclical capital buffer

3. According to the regulations, capital surcharge for Indonesia D-SIBs are classified into four buckets based on the tier 1 capital (Bucket 1 – 1%, Bucket 2 – 1.5%, Bucket 3 – 2%, Bucket 4 – 2.5%)

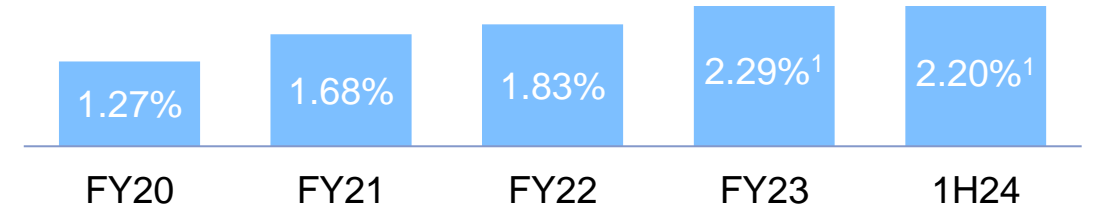


# Strong UOB Fundamentals

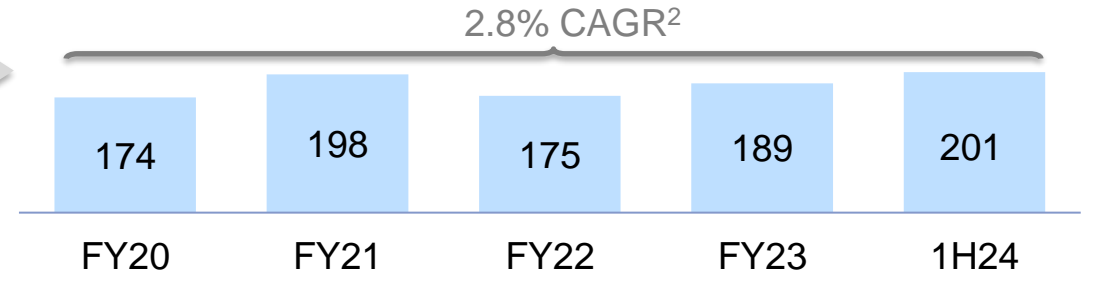
# Disciplined balance sheet management



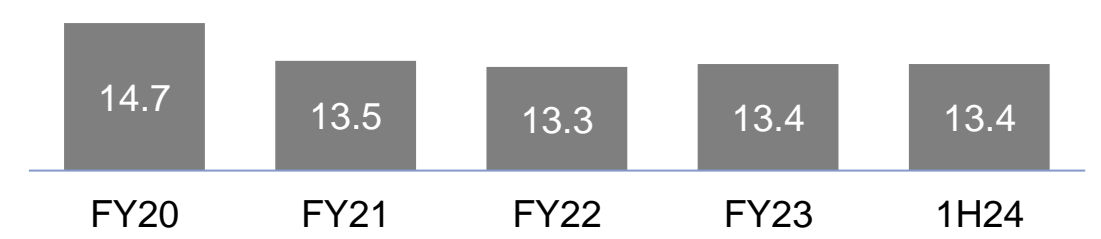
## Return on risk-weighted assets



## Current Account Saving Account Balances (SGD b)



## Common Equity Tier 1 ratio (%)



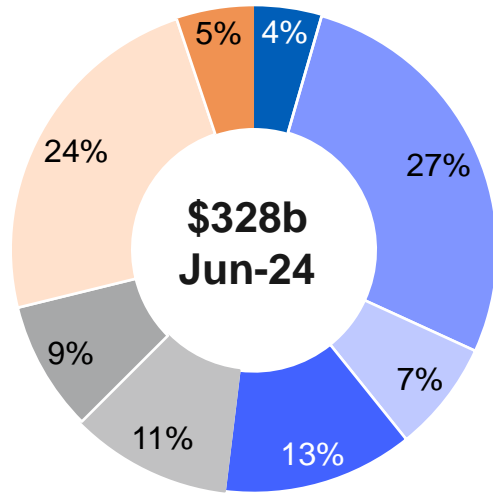
Notes

- 1. Excluding one-off expenses
- 2. Compound annual growth rate over 3 years (FY20 to FY23)

# Continued signs of recovery in loan demand, driven by both trade and mortgages

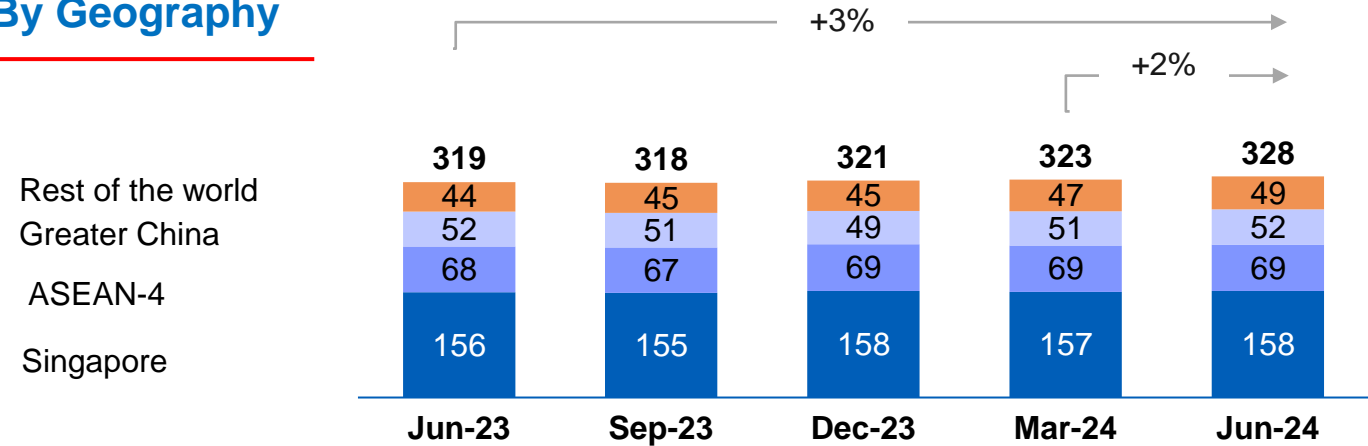


## By Industry



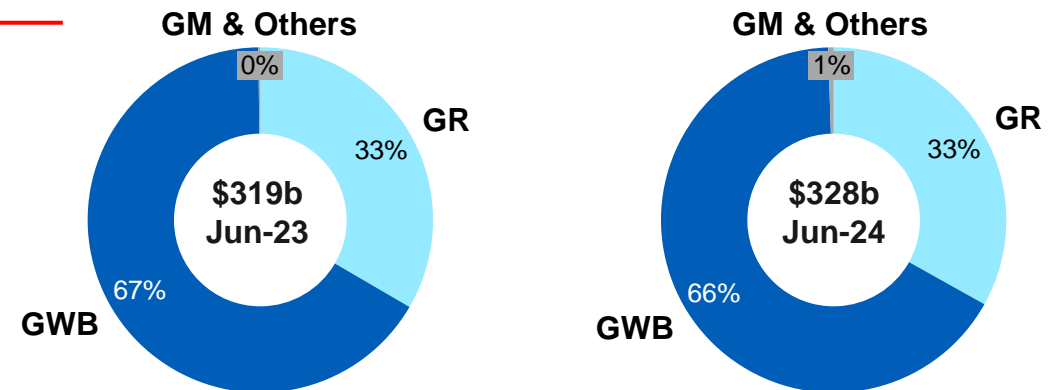
- Transport, storage and communication
- Building and construction
- Manufacturing
- FIs, investment and holding companies
- General commerce
- Professionals and private individuals
- Housing loans
- Others

## By Geography



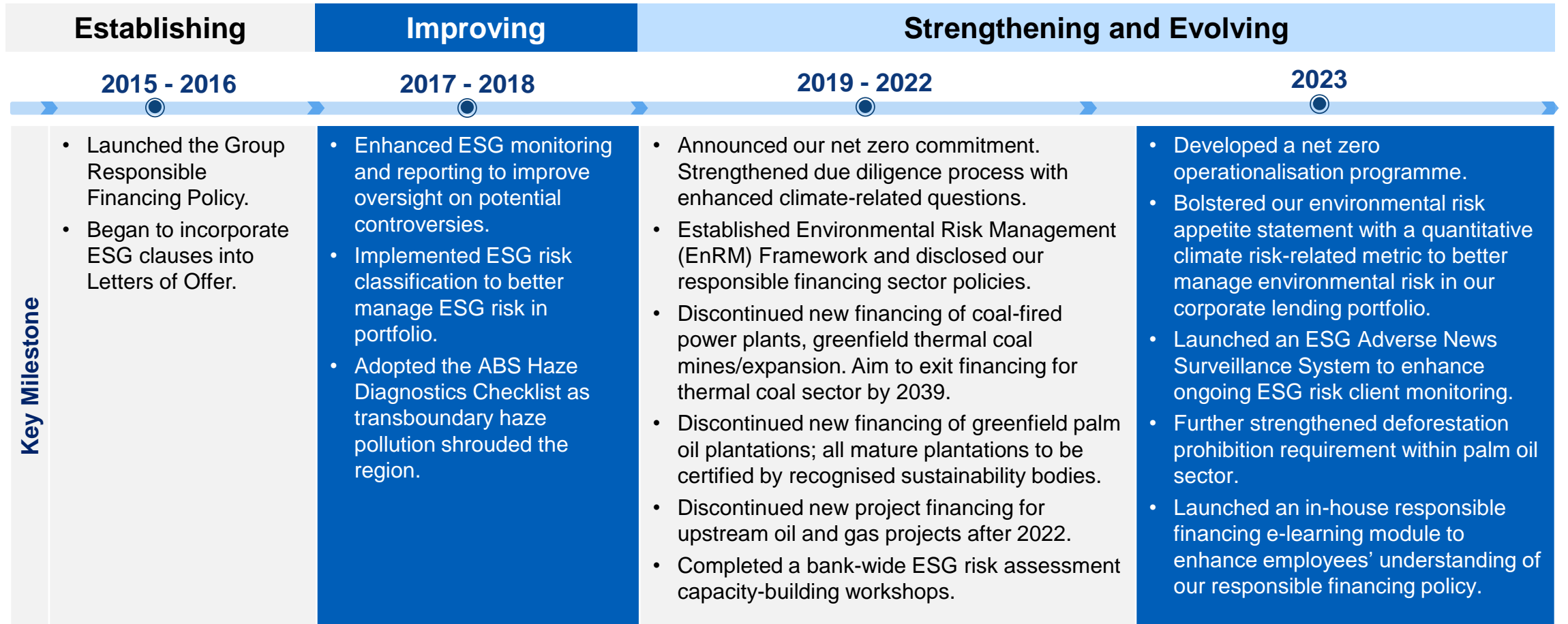
Note: Loans are classified based on where credit risks reside, represented by country of incorporation/operation for non-individuals and residence for individuals.

## By Segment



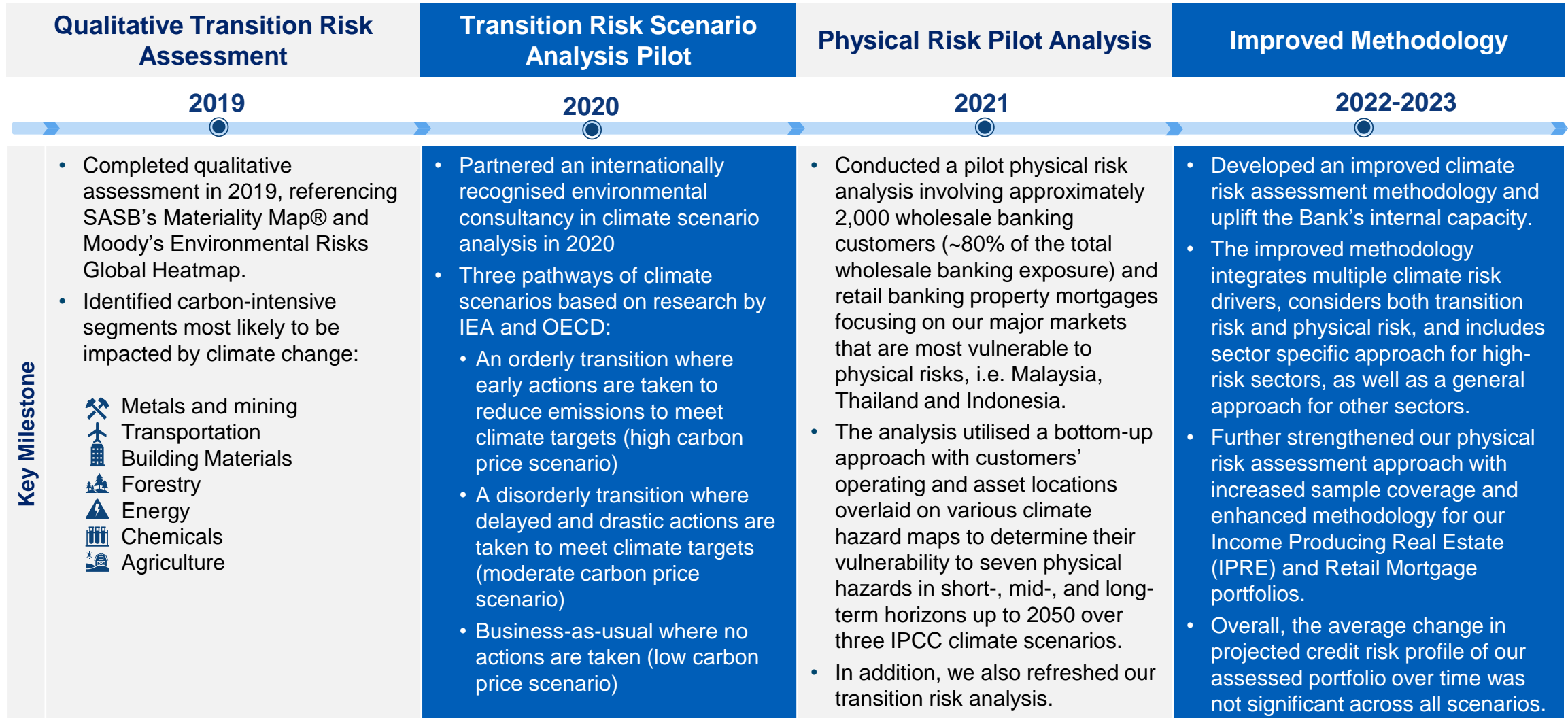
# UOB's responsible financing journey: pragmatic and progressive

## Overview of UOB Group's Responsible Financing Journey



\* Green Finance Industry Taskforce

# TCFD Implementation - Climate Scenario Analysis

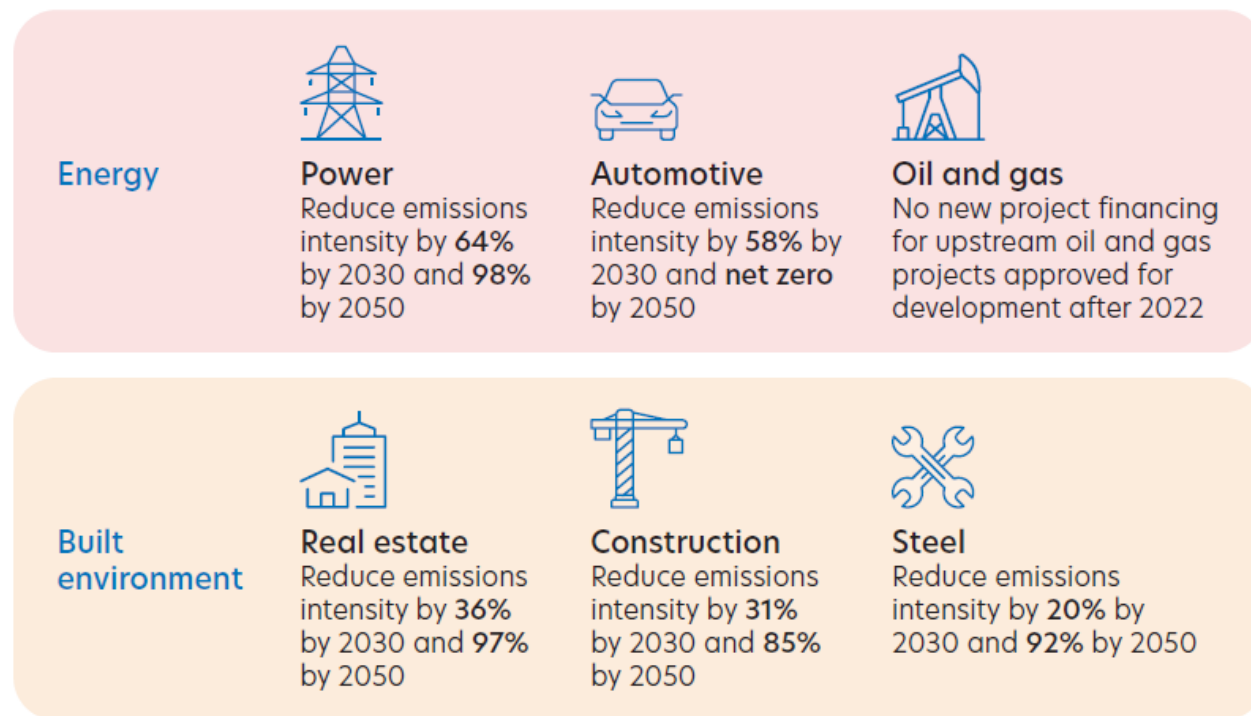


# In October 2022, we announced our commitment to achieving net zero by 2050, with a focus on 6 priority sectors



● Energy ● Built environment

## Net zero targets and commitments for six sectors



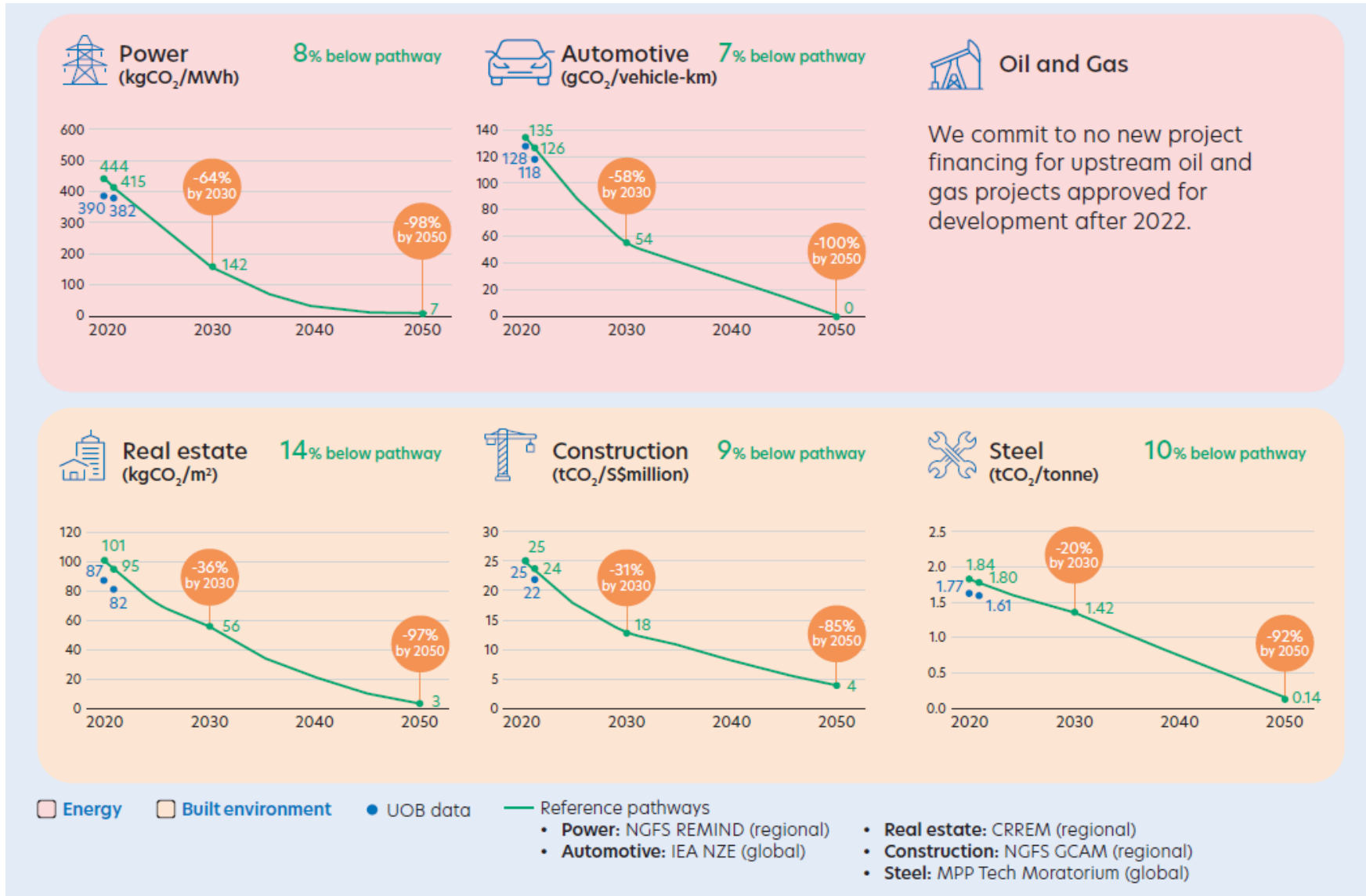
Covers ~60% of our corporate lending portfolio

We focused on two significant, high-emitting ecosystems, **energy** and **built environment**, spanning 6 sectors based on:

- Significant contributors to GHG emissions regionally: ~73% of global emissions<sup>1</sup>
- Material to UOB's corporate lending portfolio: ~60% of total corporate lending portfolio

Our commitments were defined in line with guidance by the Net Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ)

# One year on, we are progressing across all priority sectors, and are at least 7% below the reference pathways



# Comparison against peers



			Standalone Strength	Cost Management	Returns	Liquidity	
Moody's	S&P	Fitch		Moody's baseline credit assessment	Costs/income ratio	Return on average assets (annualised)	Loan/deposit ratio
Aa1	AA-	AA-	<b>UOB</b>	a1	42% <sup>1</sup>	1.2% <sup>1</sup>	83%
Aa1	AA-	AA-	<b>OCBC</b>	a1	38%	1.6%	81%
Aa1	AA-	AA-	<b>DBS</b>	a1	39% <sup>1</sup>	1.5% <sup>1</sup>	77%
A3	A-	A+	<b>HSBC</b>	a3	44%	1.2%	59%
A3	BBB+	A	<b>SCB</b>	baa1	57%	0.6%	53%
A1	A-	AA-	<b>BOA</b>	a2	66%	0.8%	55%
A3	BBB+	A	<b>Citi</b>	baa1	67%	0.5%	52%
Aa2	AA-	AA-	<b>CBA</b>	a1	44%	0.8%	106%
Aa2	AA-	AA-	<b>NAB</b>	a2	46%	0.7%	121%
Aa1	AA-	AA-	<b>RBC</b>	a2	60%	0.7%	72%
Aa2	AA-	AA-	<b>TD</b>	a1	57%	0.8%	79%
A3	A-	n.r.	<b>CIMB</b>	baa1	45%	1.0%	87%
A3	A-	n.r.	<b>MBB</b>	a3	48%	1.0%	93%

1. Excluding one-off expenses

Source: Company reports, Credit rating agencies (updated as of 1 Aug 2024)

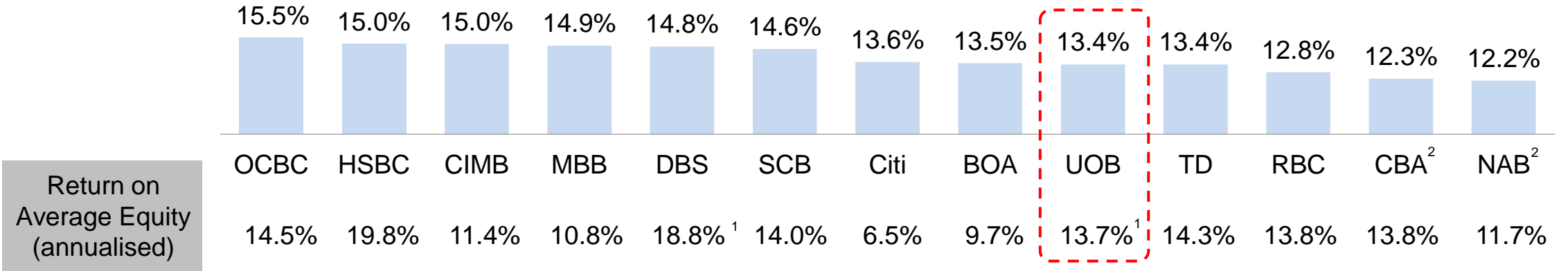
Financial data based on period ended 30 Jun 24, except for RBC/TD (30 Apr 24), NAB, CIMB, Maybank (31 Mar 24) and CBA (31 Dec 23)



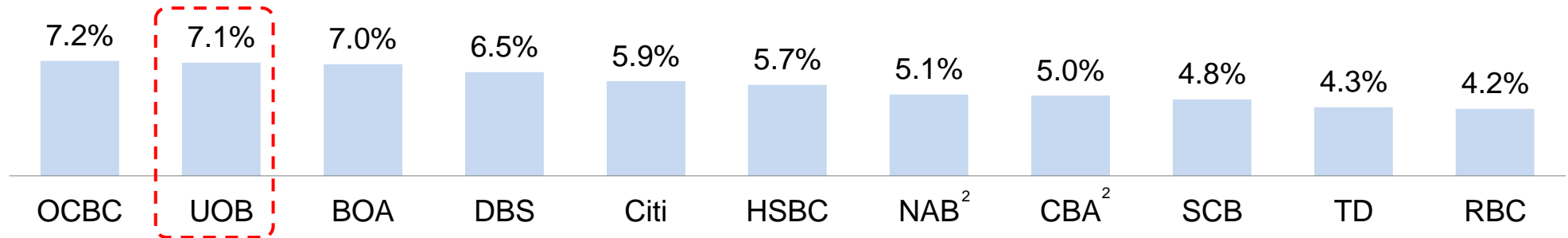
# Capital and leverage ratios



## Reported Common Equity Tier 1 CAR



## Reported Leverage Ratio



1. Excluding one-off expenses

2. CBA's and NAB's common equity Tier 1 CARs based on APRA's standards; their respective internationally comparable ratio was 19.0% (31 Dec 23) and 17.5% (31 Mar 24)

Source: Company reports

Financial data based on period ended 30 Jun 24, except for RBC/TD (30 Apr 24), NAB, CIMB, Maybank (31 Mar 24) and CBA (31 Dec 23)

# Strong investment grade credit ratings

## A regular issuer in key debt capital markets globally

**MOODY'S**  
INVESTORS SERVICE

**Aa1 / P-1**

- Capital good by global standards
- Deposit-funded and liquid balance sheet
- Traditional banking presence in Singapore, Malaysia and other markets

**S&P Global**  
Ratings

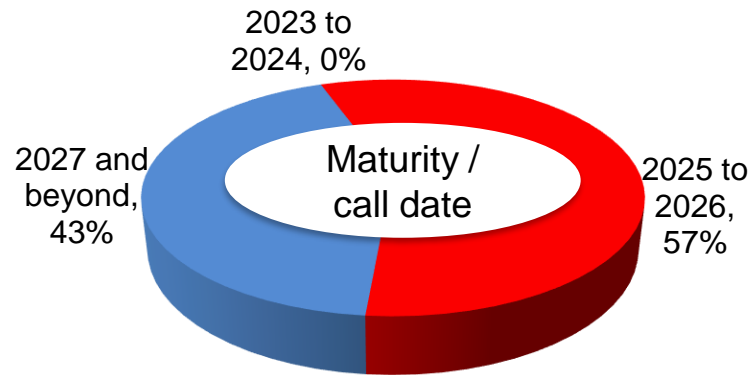
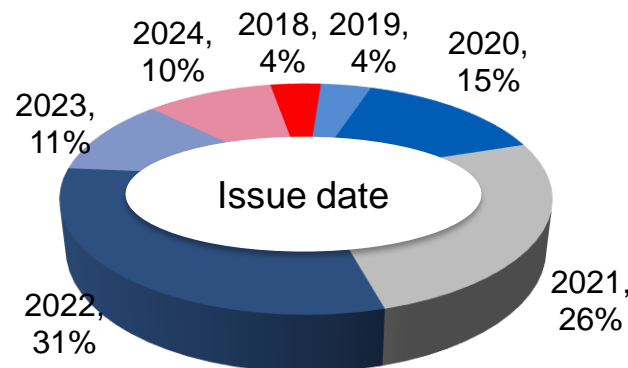
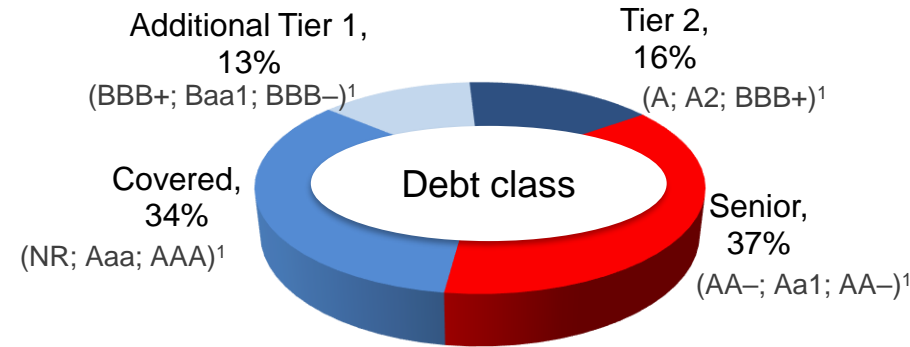
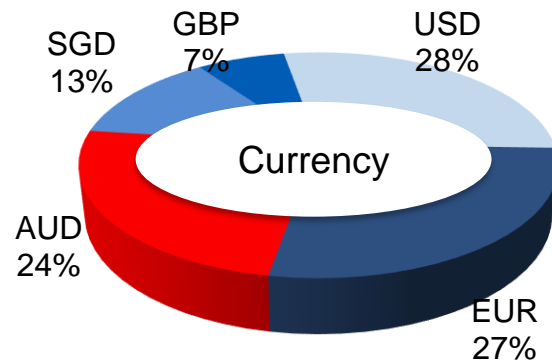
**AA- / A-1+**

- Well-established market position, strong funding and prudent management record
- Will maintain its capitalisation and asset quality while pursuing regional growth

**FitchRatings**

**AA- / F1+**

- Sound capital and high loan-loss buffers
- Disciplined funding strategy, supported by its strong domestic franchise



Source: Credit rating agencies

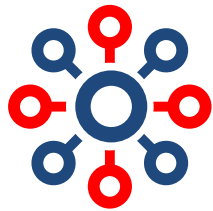
**Note:** The pie charts represent outstanding UOB's public rated issuances as of 13 Aug 24; for more details, please refer to <https://www.uobgroup.com/investor-relations/capital-and-funding-information/group-securities.html>

1. The issuance ratings are by Fitch Ratings, Moody's Investors Service and S&P Global Ratings, respectively

# Our Growth Drivers

# Our growth drivers

Realise full potential of our integrated platform	Sharpen regional focus	Reinforce fee income growth	Long-term growth perspective
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- Provides us with ability to serve expanding regional needs of our customers
- Improves operational efficiency, enhances risk management, seamless customer experience and faster time to market



- Global macro environment remains uncertain but the region's long-term fundamentals continue to remain strong
- Region is our growth engine in view of growing intra-regional flows and rising consumer affluence, leveraging digitalisation and partnerships



- Grow fee income to offset competitive pressures on loans and improve return on risk weighted assets
- Increase client wallet share size by intensifying cross-selling efforts, focusing on service quality and expanding range of products and services

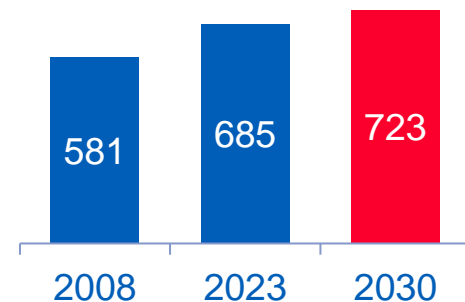


- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength and robust capital through economic cycles

# Southeast Asia's immense long-term potential

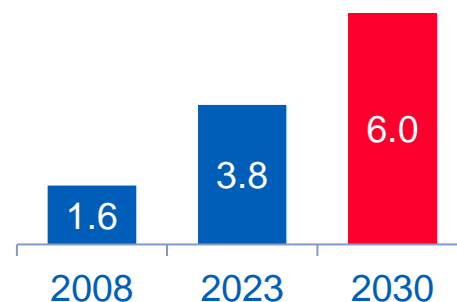
## Population

(Million persons)



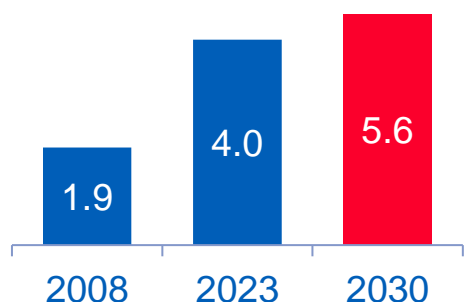
## GDP<sup>1</sup>

(USD trillion)



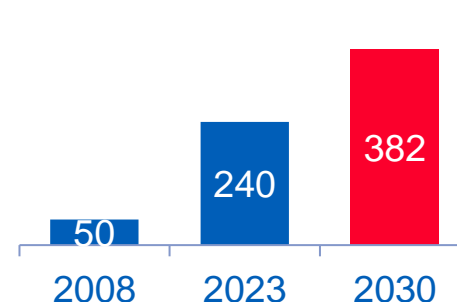
## Trade<sup>2</sup>

(USD trillion)



## FDI<sup>3</sup>

(USD billion)

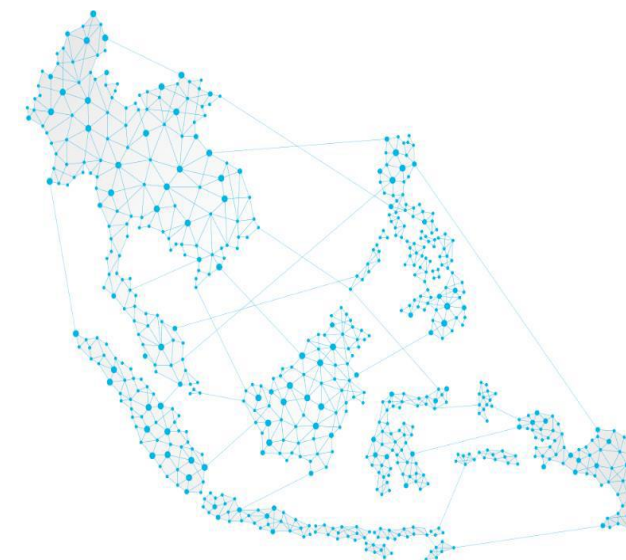


## Southeast Asia's immense growth prospects...

- Third largest population globally, after China and India
- Young demographics, with 382 million below 35 years old
- Fifth largest economic bloc globally by GDP<sup>1</sup>
- Fourth largest trading group globally
- Third largest recipient of inward FDI<sup>3</sup> globally

## ... that UOB is uniquely placed to capture

- Most diverse regional franchise among Singapore banks
- Full effective control of regional subsidiaries and integrated platform



1. Gross domestic product 2. Comprises exports and imports 3. Foreign direct investments  
Source: Macrobond, UOB Global Economics and Markets Research

# Strong retail presence in high potential regional markets



2022 retail banking pool sizes



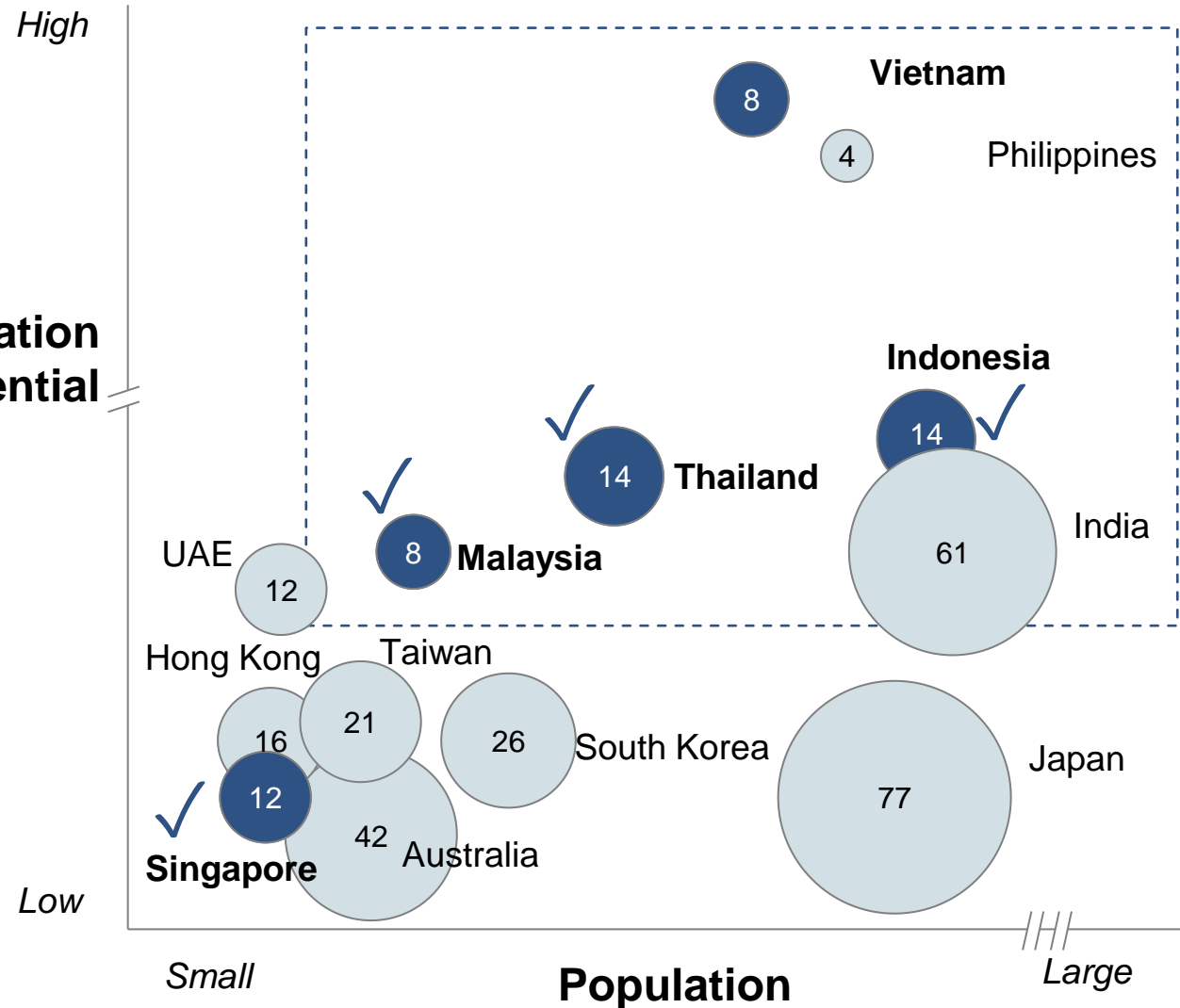
USD b



Denotes UOB's core markets in Southeast Asia

✓ **TMRW** by UOB was launched in Thailand, Indonesia, Singapore and Malaysia.

**Banking penetration growth potential**

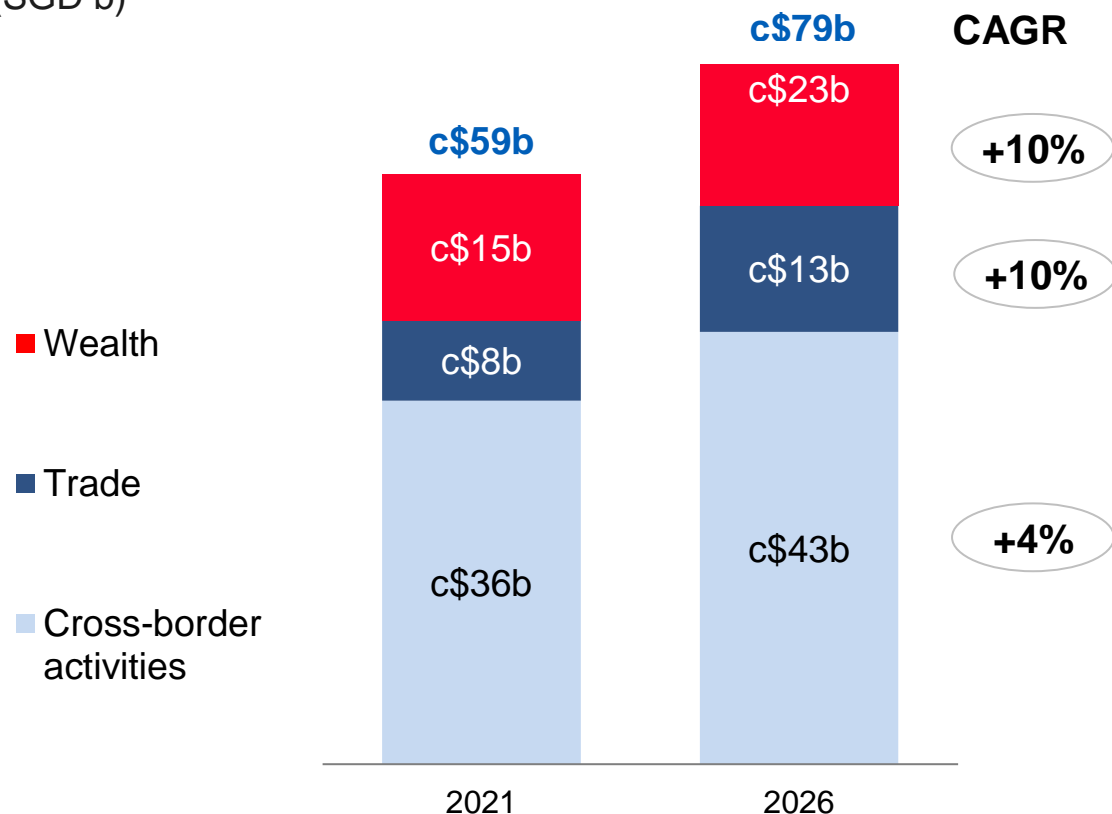


Source: BCG banking pools (2022), World Bank (2022)

# Revenue potential from 'connecting the dots' in the region

## Industry's potential connectivity revenue

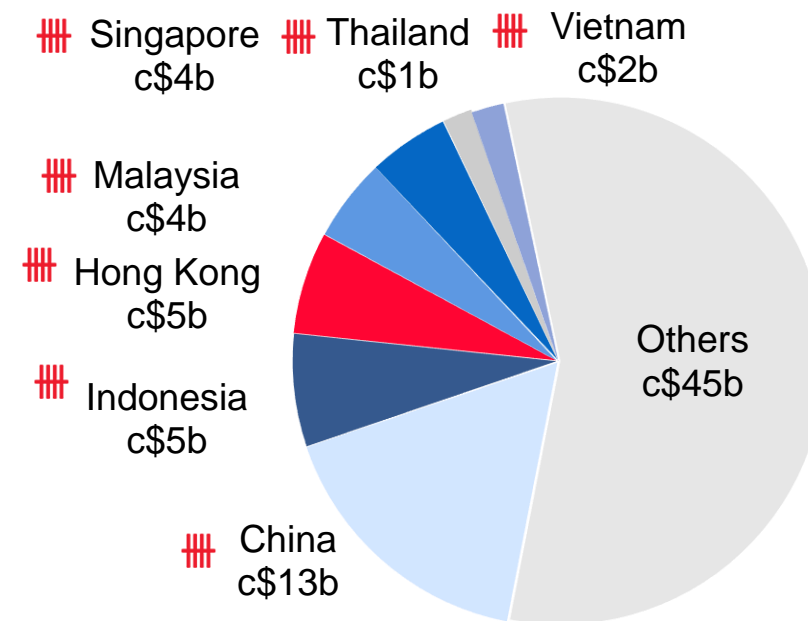
(SGD b)



## Industry's potential connectivity revenue (2026)

(SGD b)

Markets where UOB has a presence



Note: 'Trade' and 'cross-border activities' capture both inbound and outbound flows of Southeast Asia, with 'trade' comprising exports and imports while 'cross-border activities' comprising foreign direct investments and M&A. 'Wealth' captures offshore and onshore assets booked in Singapore as a wealth hub. Incorporating BCG analysis, these are converted into banking revenue potential

Source: Boston Consulting Group's analysis, Boston Consulting Group Global Banking Revenue pool

# Healthy growth across business franchise



## Income by business segment

	1H24	1H23	YoY
	\$'m	\$'m	
Group Retail	2,695	2,711	(1%)
Group Wholesale Banking	3,415	3,570	(4%)

## Group Retail

Tapping on rising affluence in Southeast Asia on enlarged franchise



**+18%**

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



**+11%**

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



**+27%**

growth<sup>1</sup> in **wealth management** income<sup>4</sup>, with AUM at \$182b

## Group Wholesale Banking

Amid intense competition for quality assets, underlying franchise delivered growth backed by roll-out of regional platforms



**+7%**

YoY growth in **CASA**, with ASEAN-4<sup>2</sup> growing at 13%<sup>3</sup>



**+9%**

YoY growth in **trade** loans, with ASEAN-4<sup>2</sup> growing at 16%<sup>3</sup>



**65%**<sup>5</sup>

income contribution to **GWB** from **non-real estate sectors**, with ASEAN-4 at 83%<sup>5</sup>

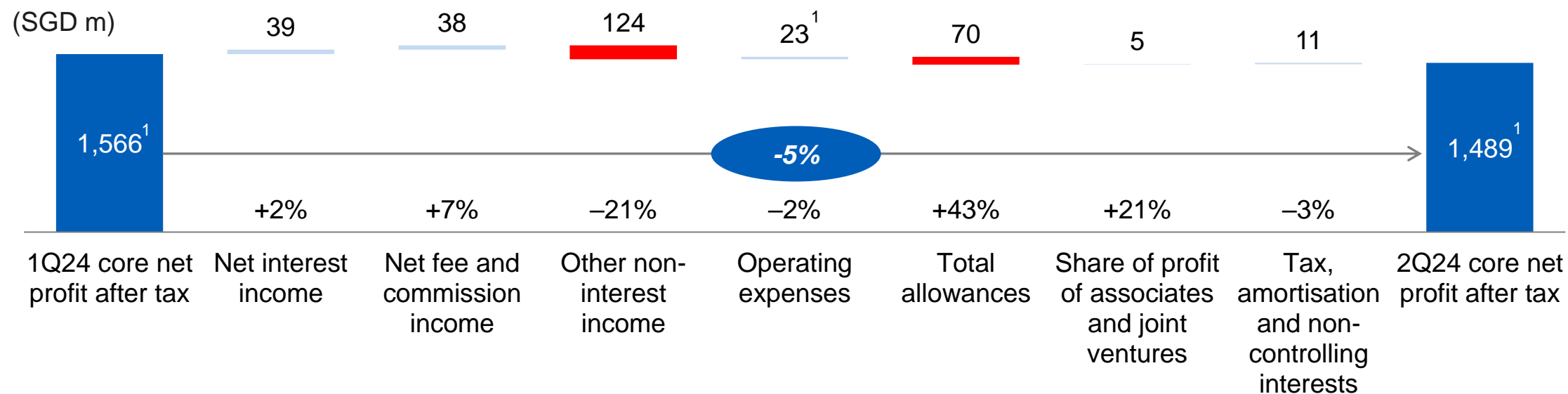
1. Represents year-on-year growth for 1H24
2. ASEAN-4 comprises Indonesia, Malaysia, Thailand and Vietnam
3. Constant-currency growth rate
4. Comprises wealth management fees and income jointly recognised with Global Markets
5. Based on YTD May 2024; excludes Business Banking



# Latest Financials

## 2Q24 financial overview

### Core Net Profit After Tax Movement, 2Q24 vs 1Q24



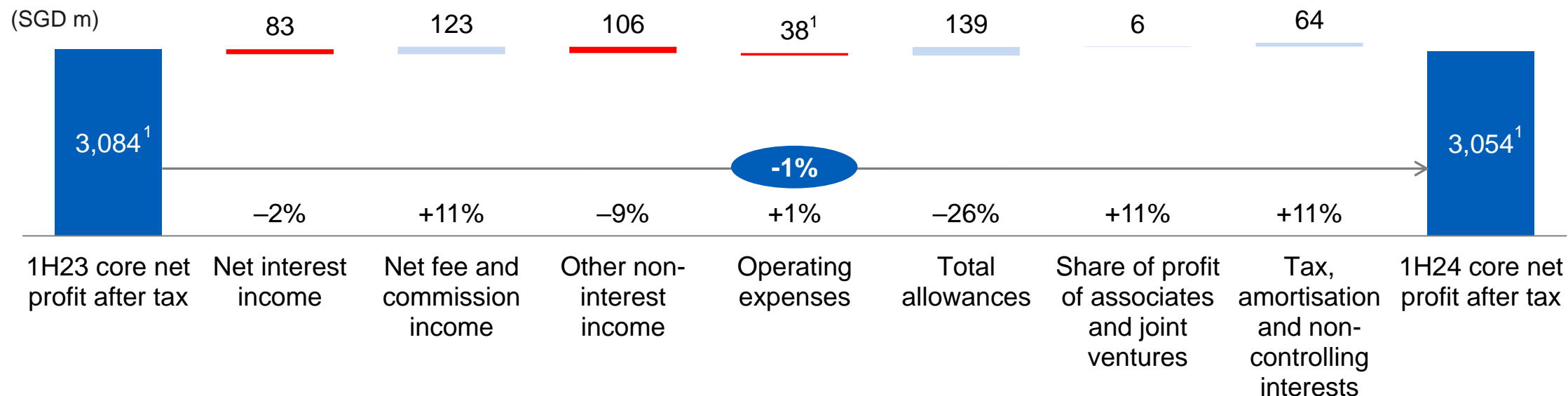
Key Indicators	2Q24	1Q24	QoQ Change	2Q23	YoY Change
Net interest margin (%) <sup>1</sup>	2.05	2.02	+0.03% pt	2.12	-0.07% pt
Non-interest income / Income (%)	30.9	32.9	-2.0% pt	31.2	-0.3% pt
Cost / Income ratio (%) <sup>2</sup>	41.8	41.9	-0.1% pt	40.9	+0.9% pt
Return on equity (%) <sup>1, 2, 3</sup>	13.3	14.0	-0.7% pt	14.1	-0.8% pt

1. Excluding one-off expenses  
 2. Computed on an annualised basis

3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

# 1H24 financial overview

## Core Net Profit After Tax Movement, 1H24 vs 1H23



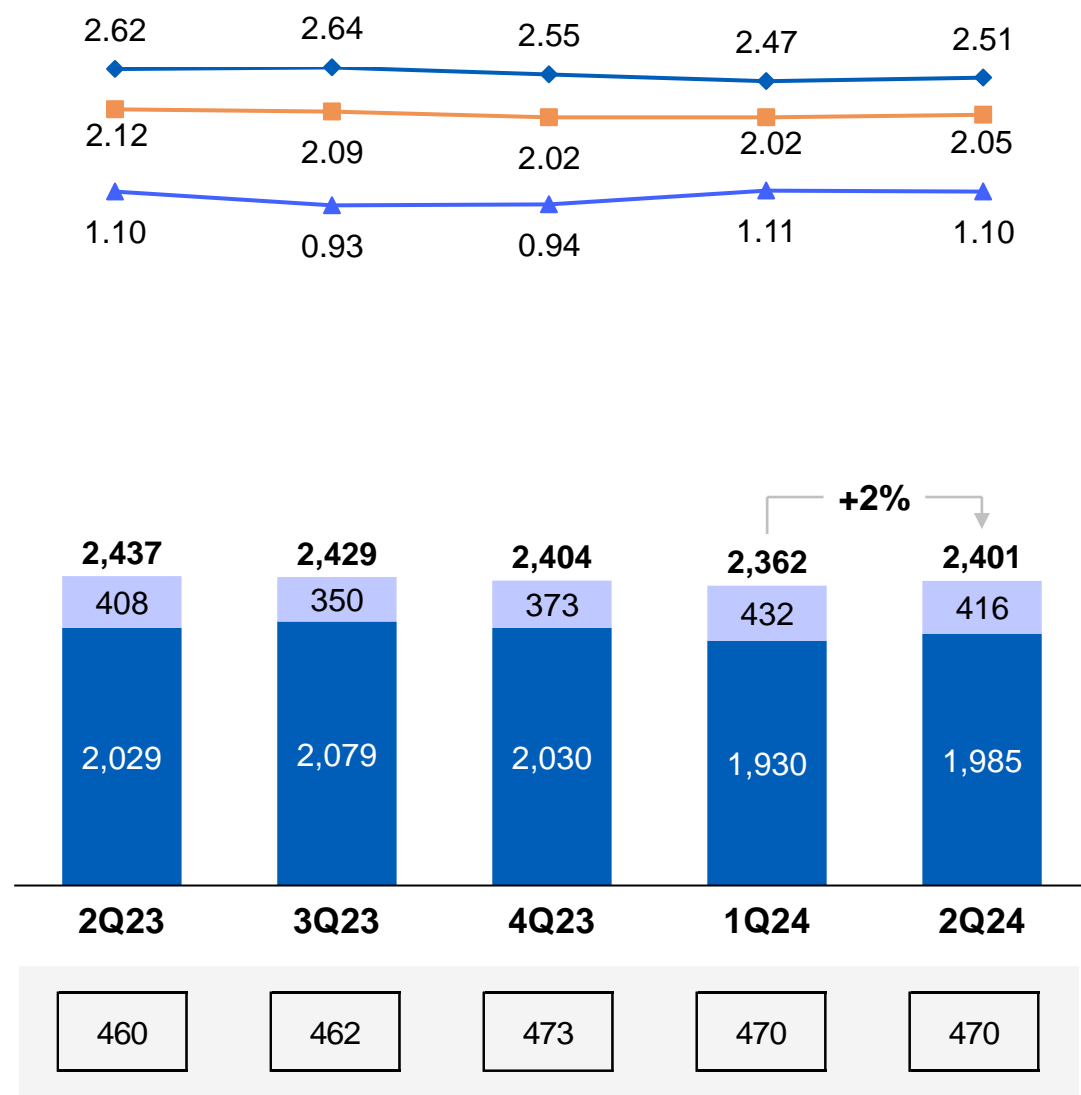
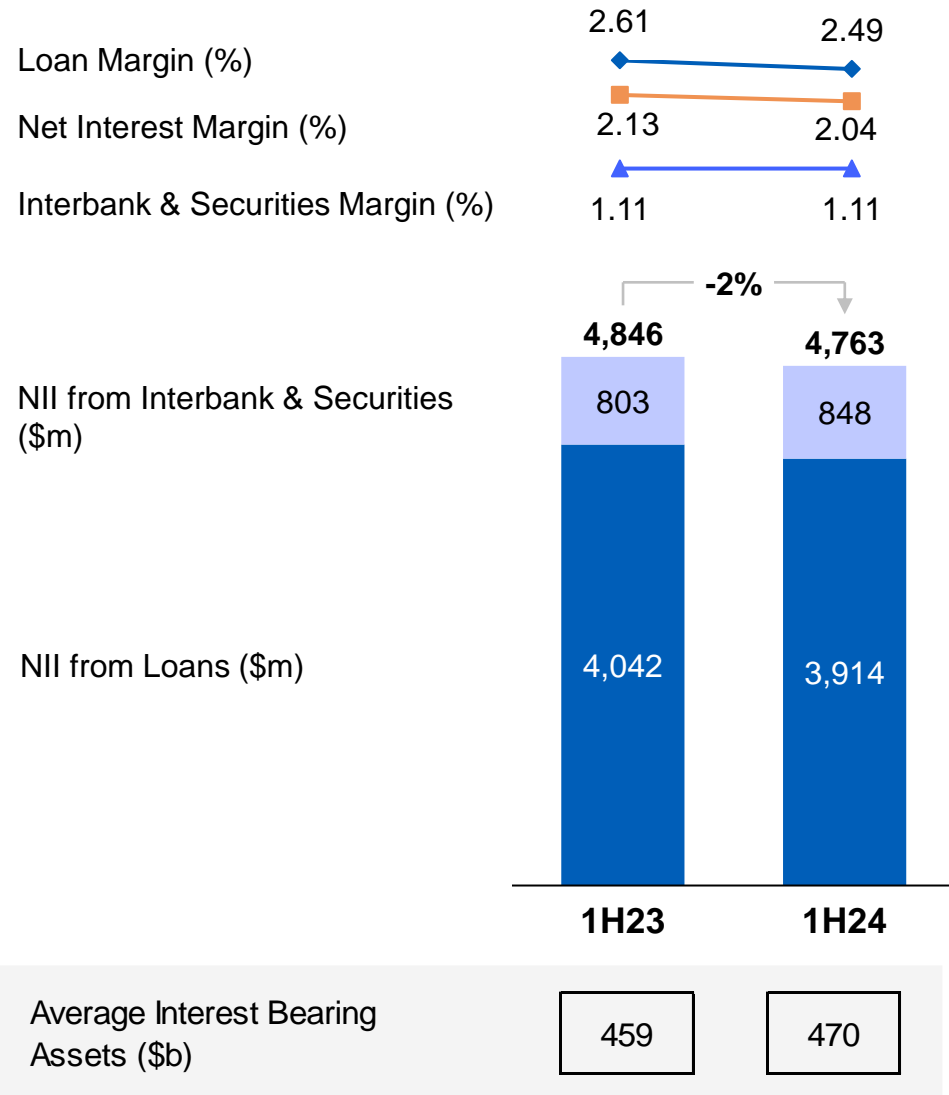
Key Indicators	1H24	1H23	YoY Change
Net interest margin (%) <sup>2</sup>	2.04	2.13	-0.09% pt
Non-interest income / Income (%)	31.9	31.4	+0.5% pt
Cost / Income ratio (%) <sup>1</sup>	41.8	40.9	+0.9% pt
Return on equity (%) <sup>1, 2, 3</sup>	13.7	14.5	-0.8% pt

1. Excluding one-off expenses

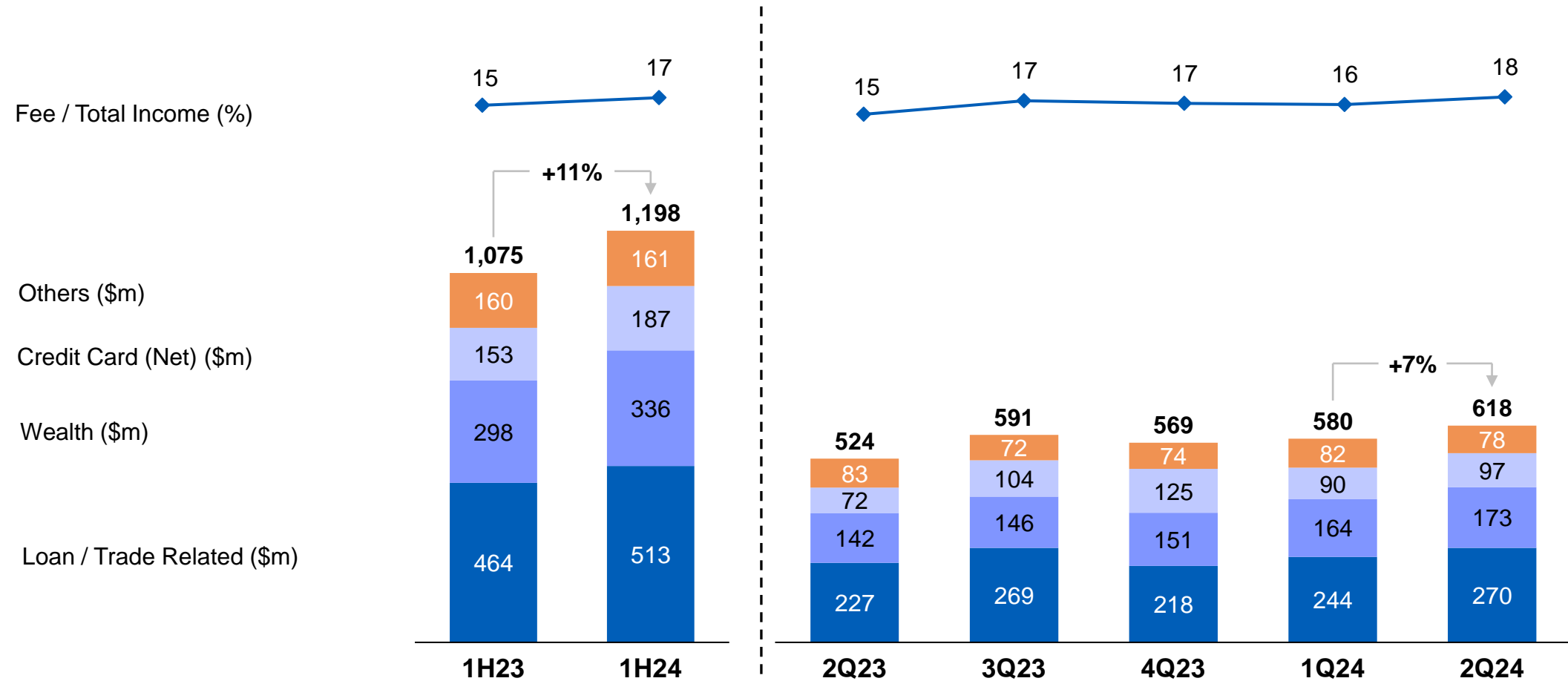
2. Computed on an annualised basis

3. Calculated based on profit attributable to equity holders of the Bank, net of perpetual capital securities distributions

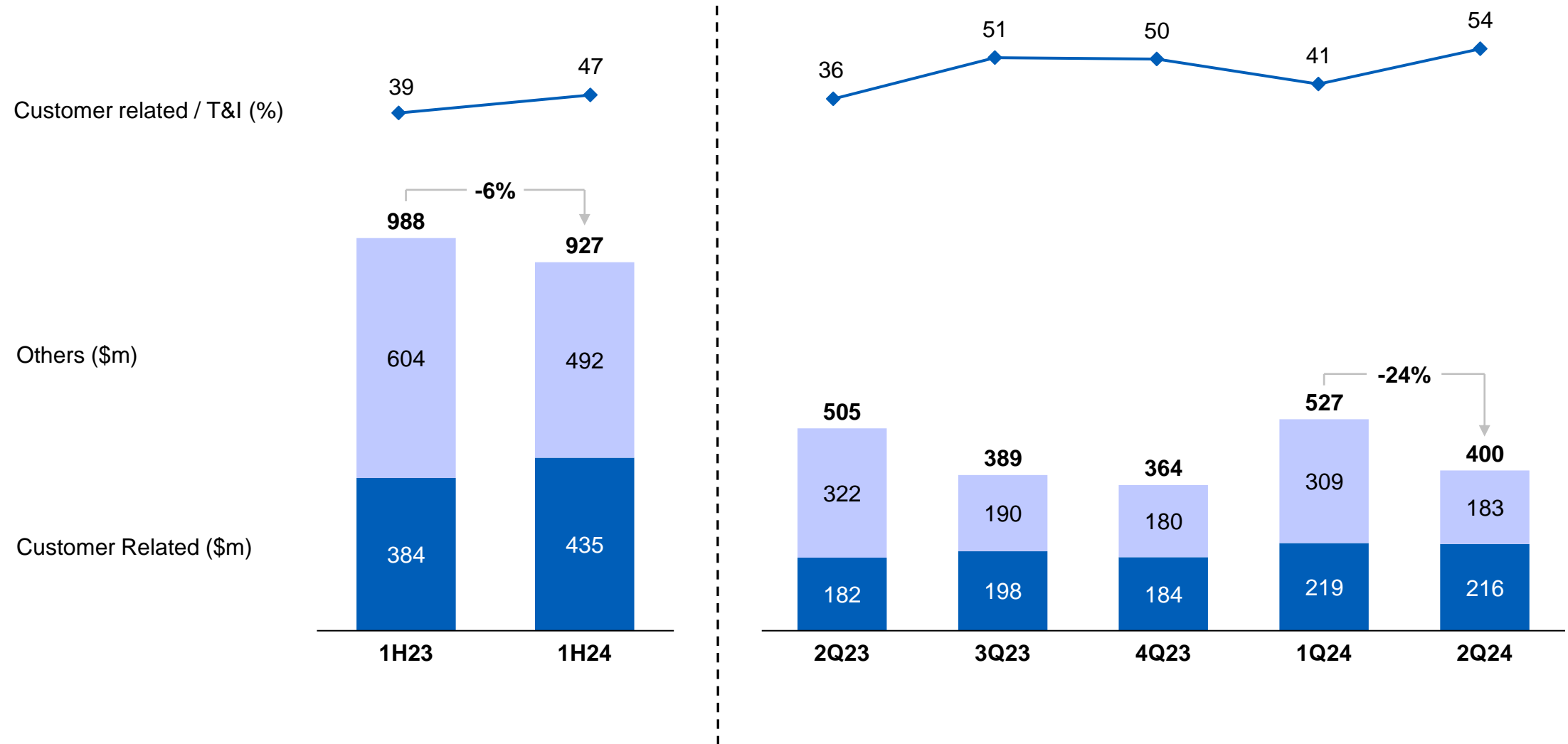
# NIM improved 3bps to 2.05% as loan margin widened



# 2Q24 fees near record high, backed by strong pick up in loan and wealth



# Customer-related treasury income sustained momentum, while non-customer T&I eased from last quarter all-time high

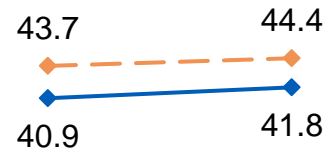


# Marginal increase in 1H24 core expenses on tight cost discipline

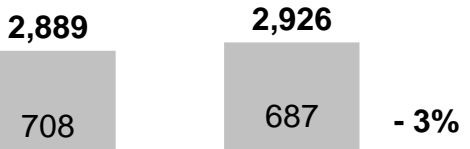


Cost-to-income Ratio (%)

- incl one-off Citi
- excl one-off Citi



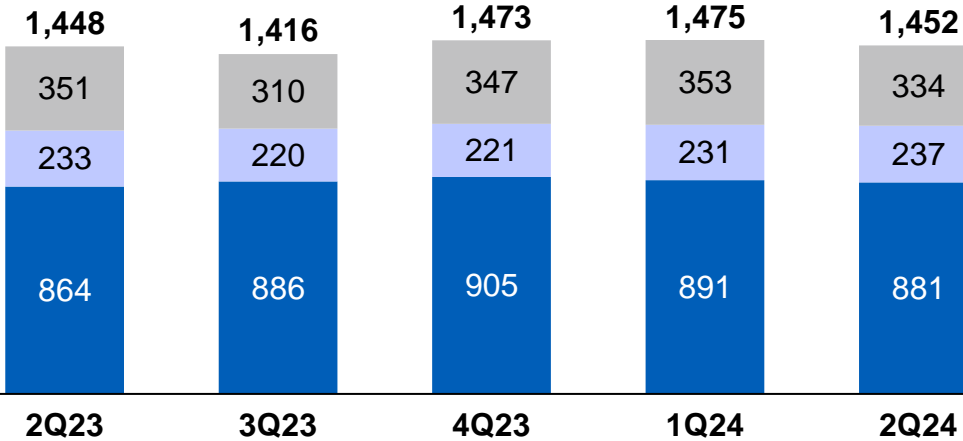
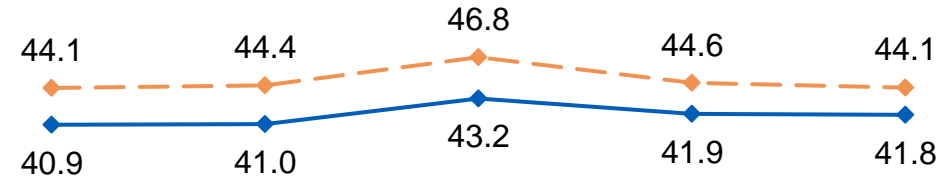
Other expenses (\$m)



IT-related expenses (\$m)



Staff costs (\$m)



(1) Excluding one-off expenses

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



(\$m)	2Q23	3Q23	4Q23	1Q24	2Q24
<b>NPAs at start of period</b>	5,150	5,192	5,011	4,946	5,051
<u>Non-individuals</u>					
New NPAs	364	267	389	249	438
Less:					
Upgrades and recoveries	137	298	288	183	289
Write-offs	65	150	218	34	238
	5,312	5,011	4,894	4,979	4,962
Individuals	(120)	0	38	72	(10)
<b>NPAs at end of period</b>	5,192	5,011	4,932	5,051	4,952
Add: Citi acquisition			14		
<b>NPAs at end of period including Citi</b>	5,192	5,011	4,946	5,051	4,952
<b>NPL Ratio (%)</b>	1.6	1.6	1.5	1.5	1.5



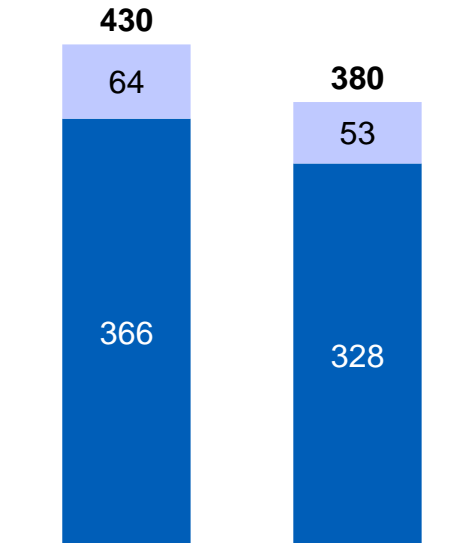
# Prudent reserve build with total credit costs at 24bps



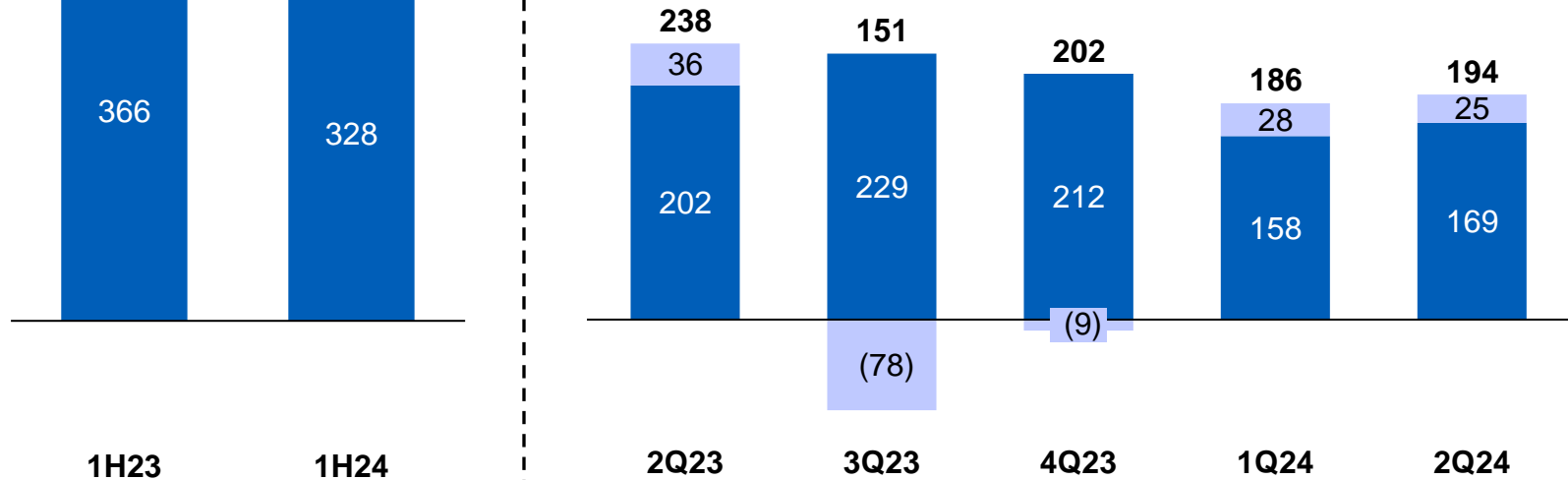
Total credit costs (bps)  
Specific credit costs (bps)



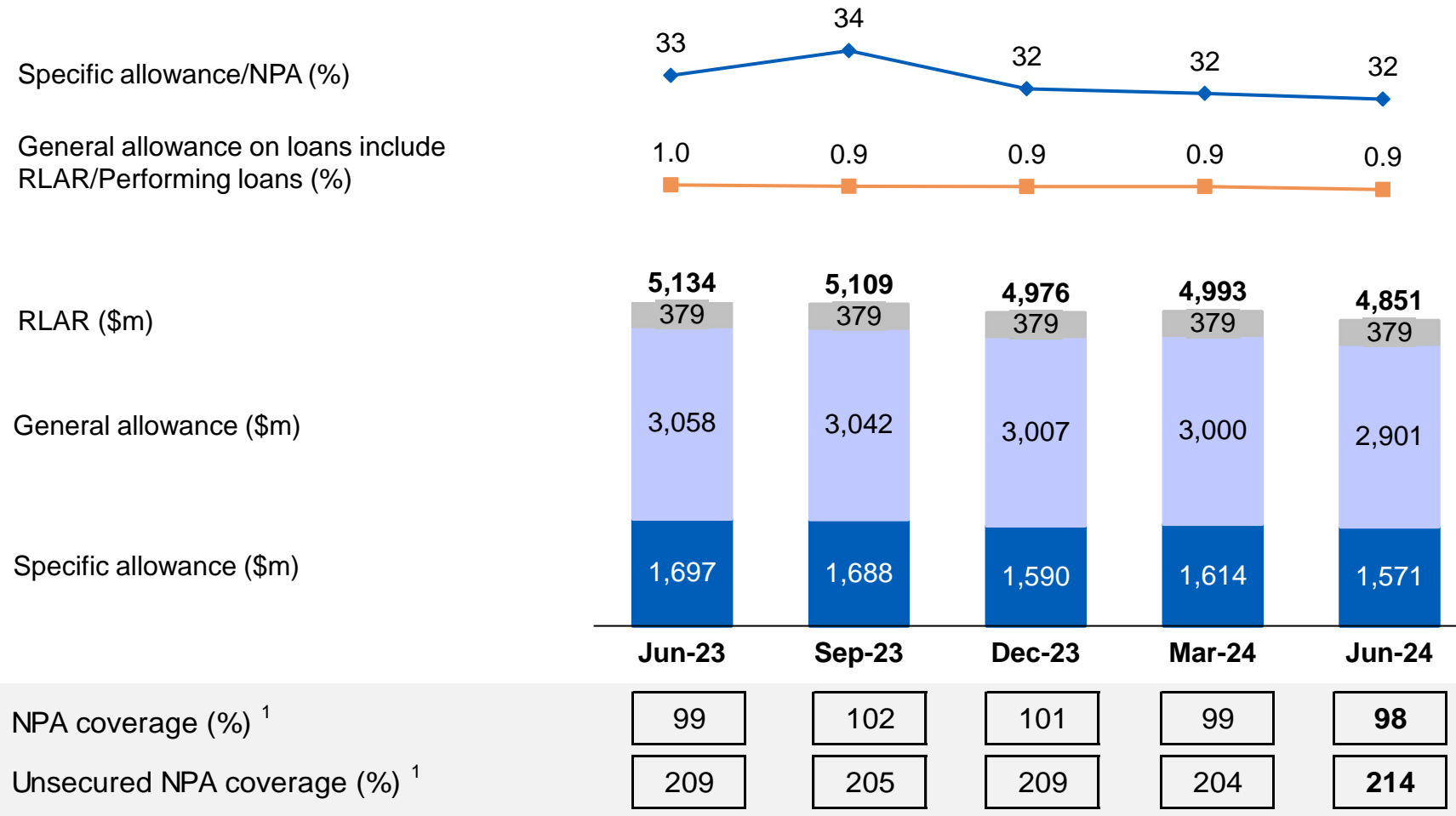
General allowance on loans (\$m)



Specific allowance on loans (\$m)

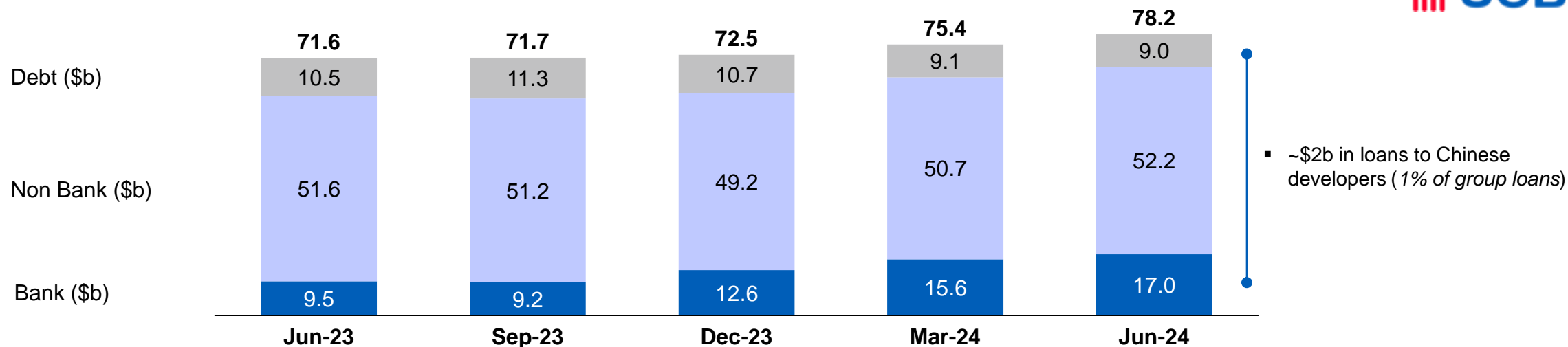


# Provision coverage remains healthy



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

# Exposure to Greater China



## Mainland China

### Bank exposure (\$13.1b)

- ~ 45% of total exposure to Mainland China, with top 5 domestic banks and 3 policy banks accounting for ~ 80% of total bank exposure
- ~ 100% with <1 year tenor; trade accounts for ~5% of total bank exposure

### Non-bank exposure (\$11.7b)

- Client base include top-tier state-owned enterprises, large local corporates and foreign investment enterprises
- ~65% denominated in RMB and ~60% with <1 year tenor
- NPL ratio at 3.0%

## Hong Kong SAR

### Bank exposure (\$1.8b)

- ~80% are to foreign banks

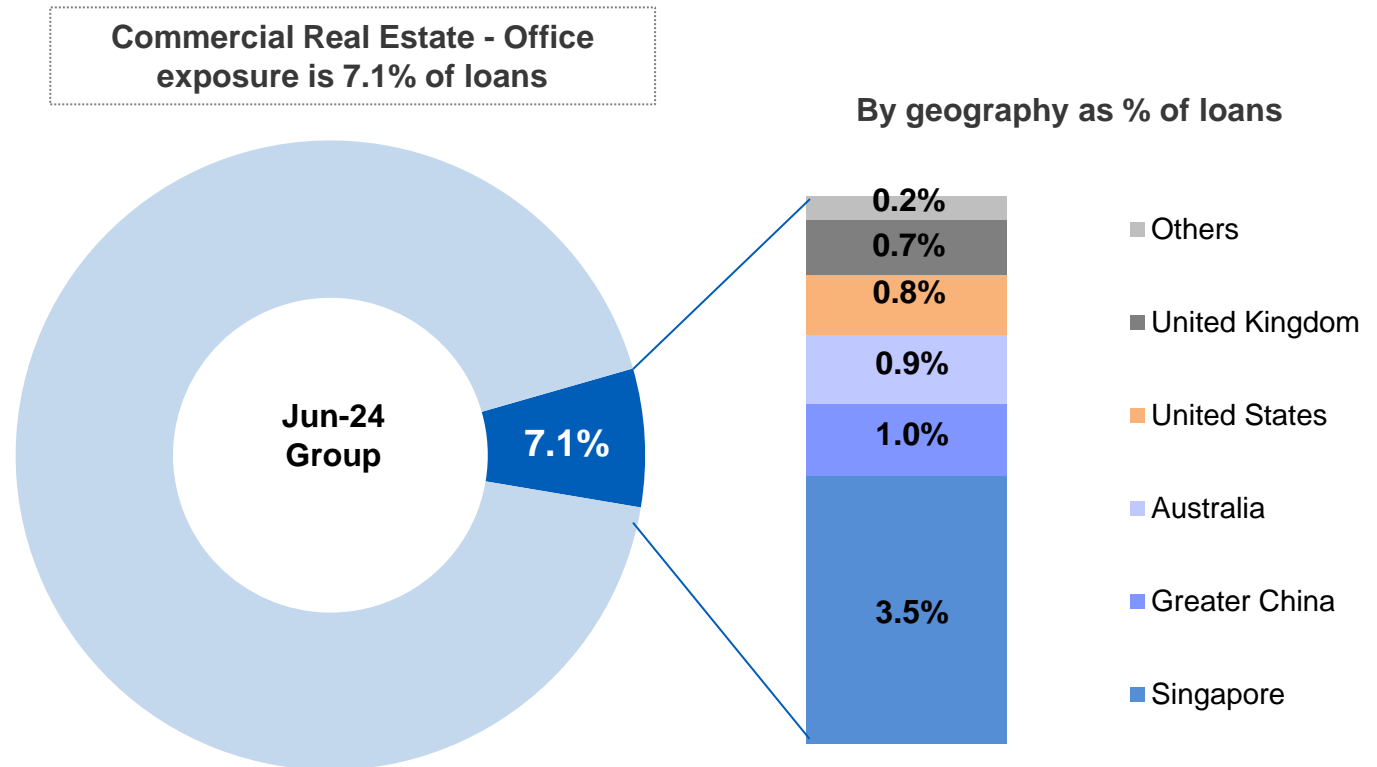
### Non-bank exposure (\$36.3b)

- Exposure mainly to corporate and institutional clients
- ~60% with <1 year tenor
- NPL ratio at 1.9%

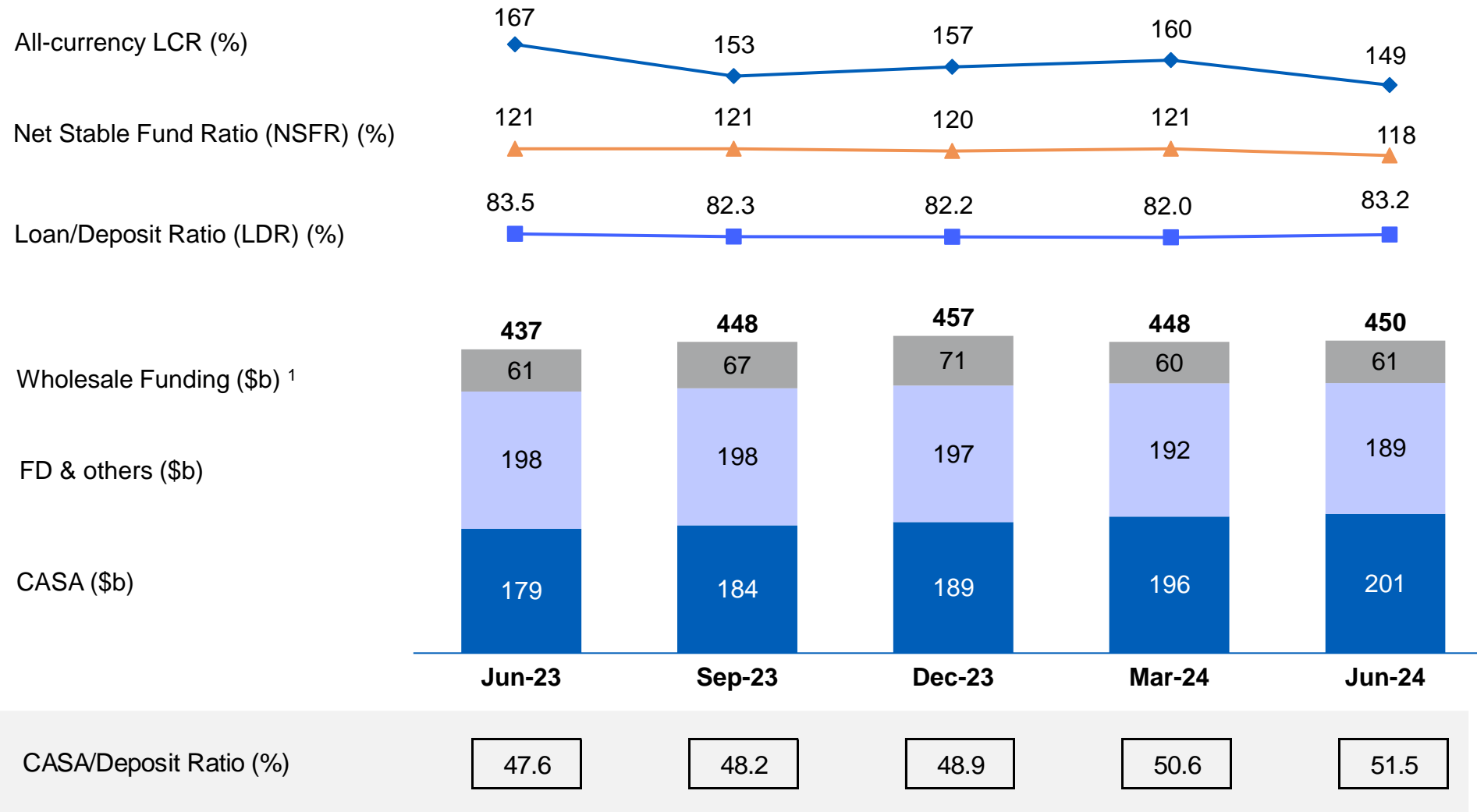
Note: Classification is according to where credit risks reside, largely represented by the borrower's country of incorporation/operation for non-individuals and residence for individuals

## Exposure to Commercial Real Estate - Office

- 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%

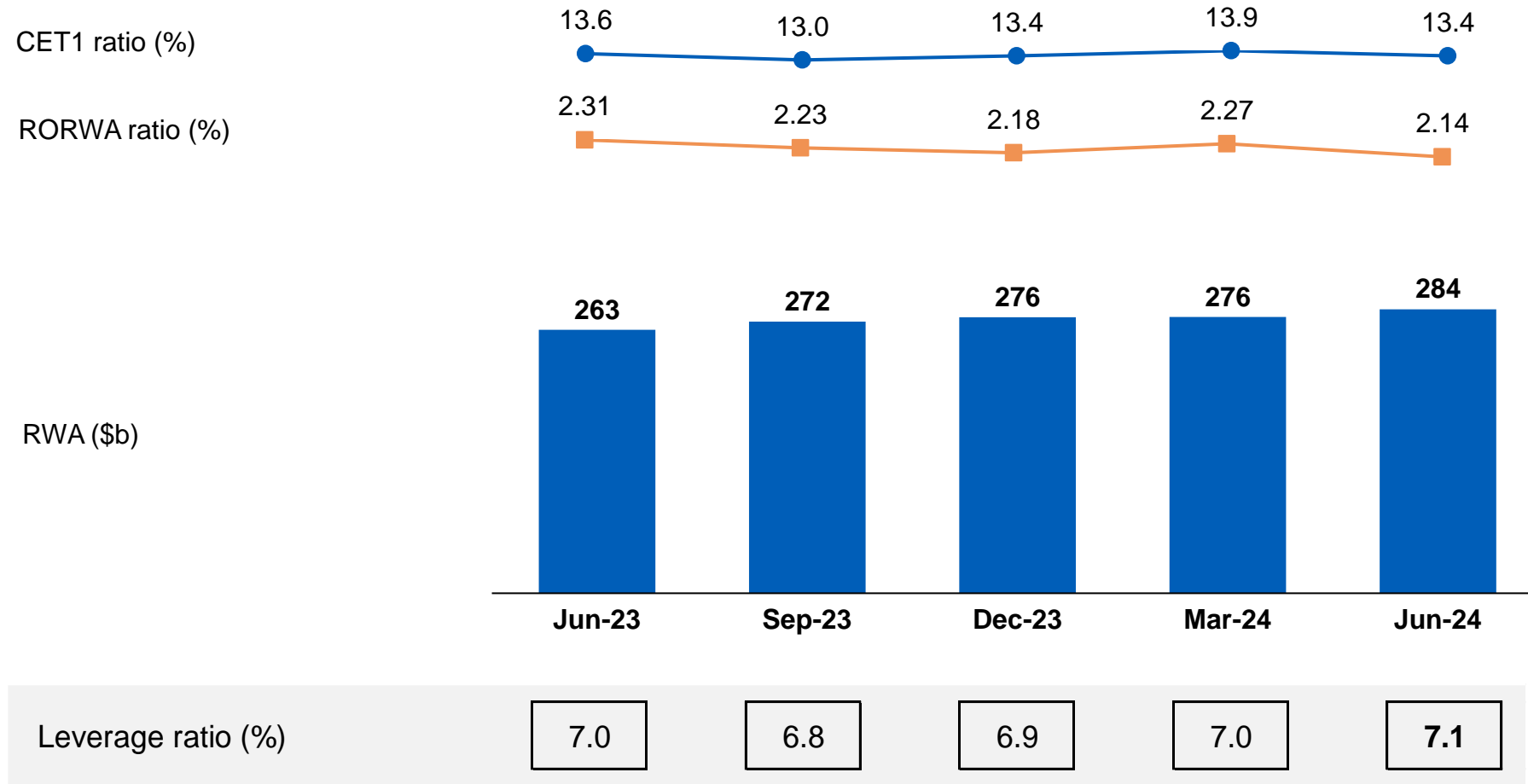


# Sound liquidity and funding base with CASA growth supported by successful promotional campaigns



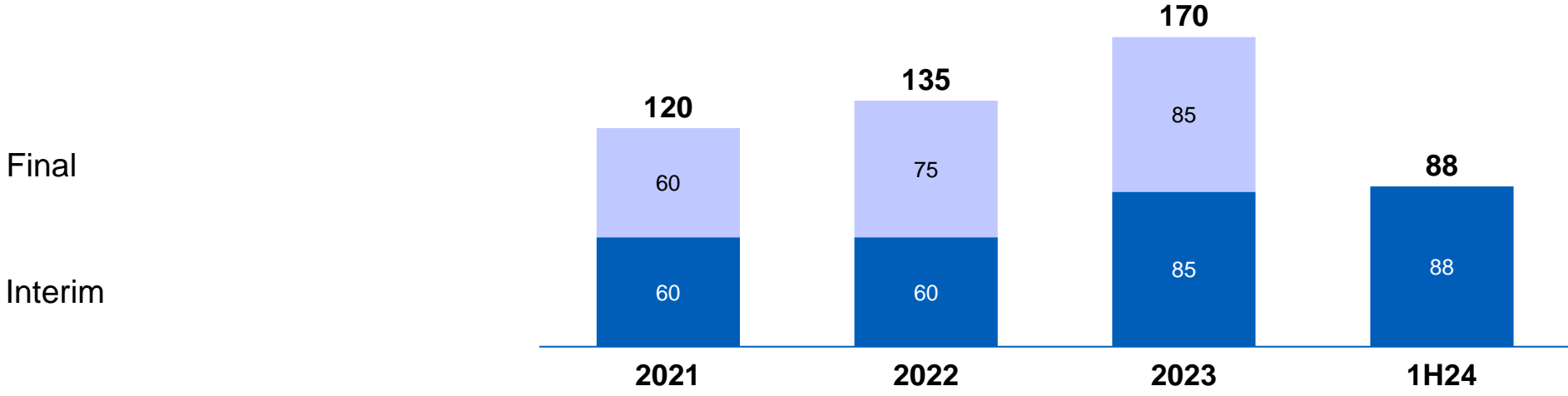
(1) Comprising debt issuances, perpetual capital securities and interbank liabilities.

# CET1 ratio remains healthy at 13.4%



# Interim dividend increased to 88 cents per share

Net dividend  
Per ordinary share (¢)



Payout amount (\$m)	2,011	2,263	2,846	1,473
Payout ratio (%)	49	49	50	51



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