

# Overview

**Wong Kim Choong**  
**Chief Executive Officer**

**UOBM Corporate Day**  
**4 - 5 September 2014**

*Disclaimer: This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.*

# Agenda

1

**INTRODUCTION TO UOBM**

2





FINANCIAL HIGHLIGHTS

3

GROWTH DRIVERS

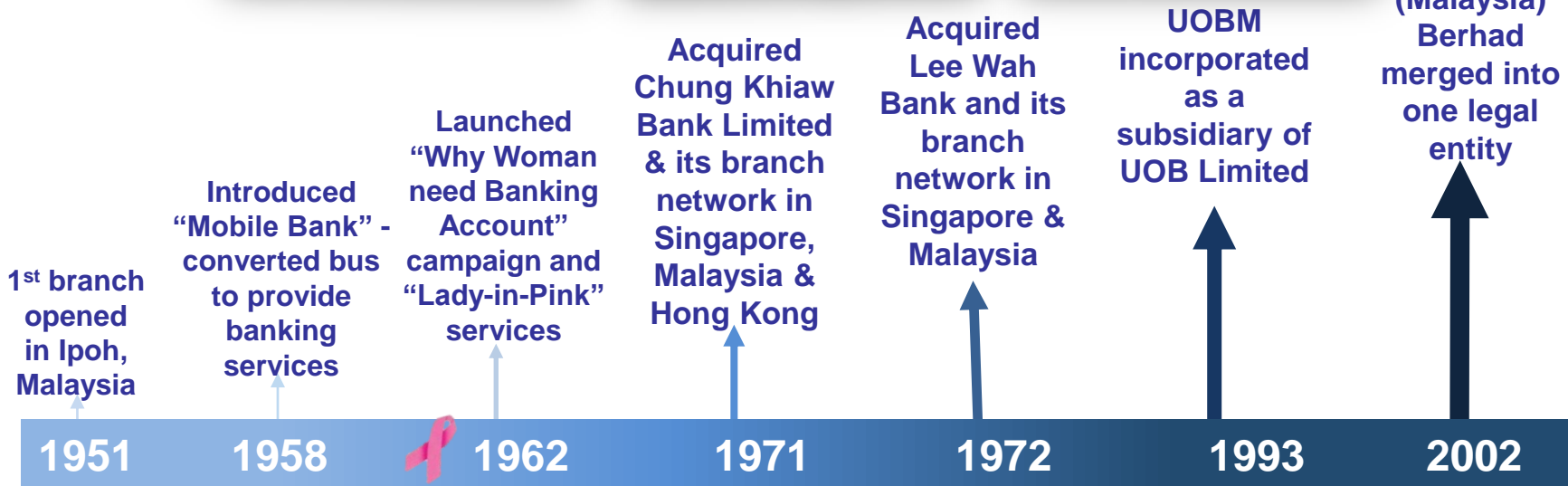
# Long and Stable Presence in Malaysia – 63 Years UOB 大華銀行

## We've Been Here Since 1951

|   |   |   |  |
|---|---|---|--|
| <p><b>BUSINESS NEWS</b></p> <p><b>Innovation: "Mobile Bank" Service</b></p> <p>...van that brings banking services to those in need,...</p>  | <p><b>BUSINESS NEWS</b></p> <p><b>"Lady-in-Pink" service</b></p> <p>...started a special "Lady in Pink" service whereby female staff dressed in pink cheongsam would attend to women customers...</p>  | <p><b>BUSINESS NEWS</b></p> <p><b>Lee Wah Bank Limited was acquired by UOB</b></p> <p>...Lee Wah Bank operations are merged into UOB</p> <p>... Lee Wah Bank building in Kuala Lumpur. Now houses the UOB Bank Medan Pasar branch</p>  | <p><b>BUSINESS NEWS</b></p> <p><b>UOB acquired OUB</b></p> <p>Sep 2001</p> <p>...UOB announced that it had won over 90% in shareholder acceptances for its bid...</p> <p>..... OUB was acquired by United Overseas Bank (UOB) in a S\$10 billion takeover deal</p>  |
|---|---|---|--|

|   |   |  |
|---|---|--|
| <p><b>BUSINESS NEWS</b></p> <p><b>Why Woman Need Banking Account?</b></p> <p>.....ladies need to learn to save and manage their own finances. We have simple and easy ...</p>  <p>UNG KHIAW BANK, LTD.</p> | <p><b>BUSINESS NEWS</b></p> <p><b>UOB acquires Chung Khiaw Bank</b></p> <p>...UOB acquired a majority interest in Chung Khiaw Bank Limited ...</p> <p>...known as the bank that served the rich and mass...</p>  | <p><b>BUSINESS NEWS</b></p> <p><b>United Overseas Bank Ltd announces incorporation of subsidiary company</b></p> <p>1993</p> <p>..... has incorporated a subsidiary called United Overseas Bank (Malaysia)</p>  |
|---|---|--|

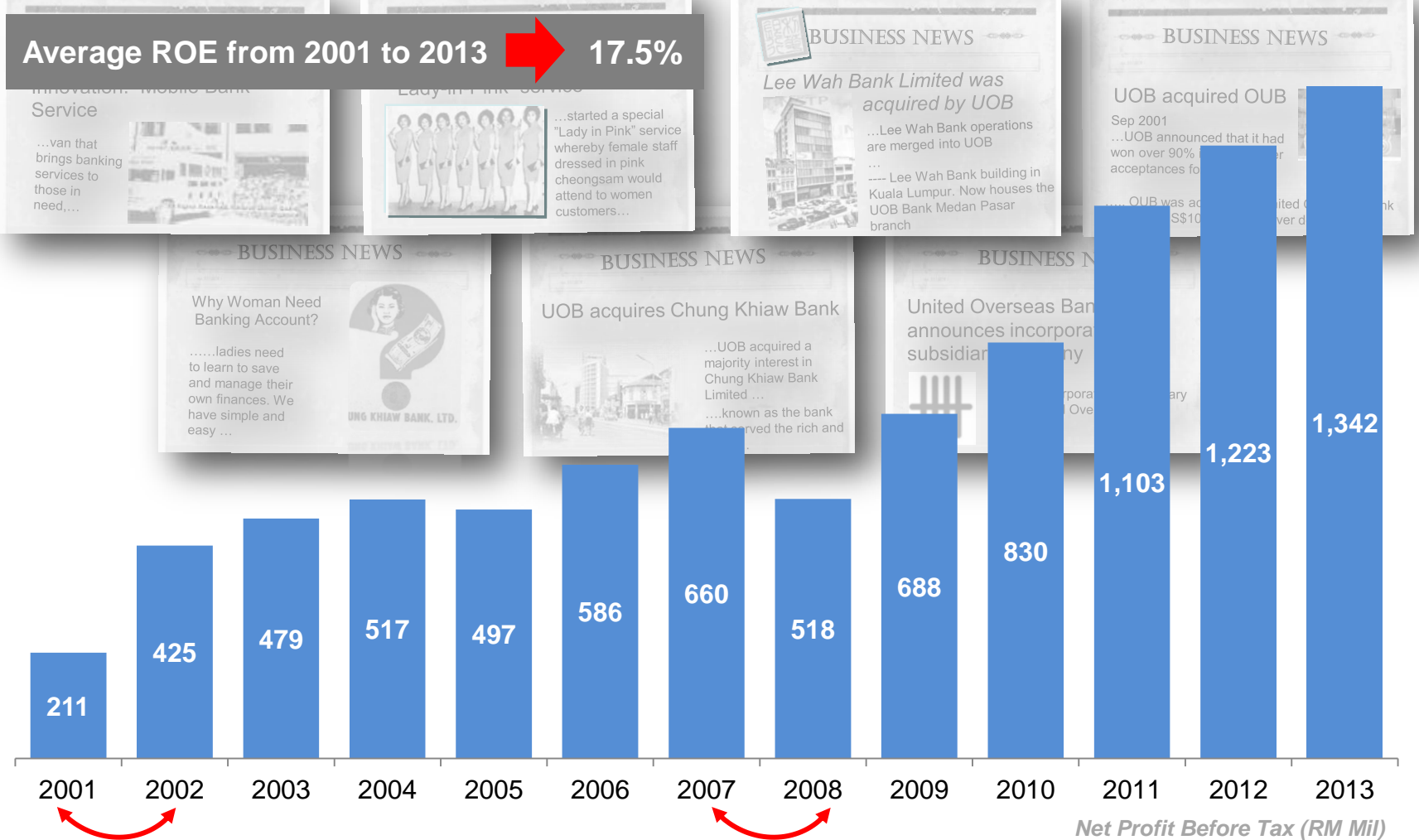
**UOBM and OUB (Malaysia) Berhad merged into one legal entity**



# Long and Stable Presence in Malaysia – 63 Years UOB 大華銀行

## Stellar Track Record Over the Years

Average ROE from 2001 to 2013  17.5%



**2002: Merger with Overseas Union Bank (M) Berhad**

**2007-2008: Global Financial Crisis**



# Largest Network for Foreign Banks in Malaysia

Branches are Strategically Positioned In Line with the Distribution of Economy

| State        | GDP (%) | Branches |
|--------------|---------|----------|
| Selangor     | 24      | 11       |
| Kuala Lumpur | 15      | 6        |
| Sarawak      | 10      | 4        |
| Johor        | 9       | 6        |
| Pulau Pinang | 7       | 4        |
| Sabah        | 6       | 3        |
| Perak        | 5       | 1        |
| Pahang       | 4       | 3        |
| Others       | 20      | 7        |

>70%



Mobile Sales Force



Self-Service Kiosk



Reaching out to customers through our multi-channels

Internet Banking




Phone Banking




# Extensive and Customised Retail Product Suites

## 1 Tailored products for affluent segment

- Affluent segment propositions including tailored banking products plus wealth management and bancassurance


  
**High Yield Account**  
 Enjoy up to 3.38% p.a. With UOB High Yield Account  
 \*Terms and Conditions apply


  
 Enjoy brokerage fee as low as **0.08%** with UOB Kay Hian.  
 Plus **3 free trades** from 21 July to 31 December 2014.  
 Terms and Conditions Apply [Find out more](#)


Leveraging on strategic partners to provide insurance & investment solutions



## 2 Strong in consumer finance products

- Easy and instant property financing process
- Attractive reward program and extensive merchant campaigns

**Property Financing**  
 Structured financial solutions



The flexible financing package

Experience true flexibility with **UOB Home Loan**

### UOB Lady's Card



The men don't get it

### VOX



### One Card



## 3 Simple & convenient products for businesses

- Easy application, fast approval process and 24/7 online banking services for your business needs



Take the leap when opportunity comes.  
 Do it smart with BizMoney.  
 UOB BizCA+  
 The only Business Current Account that lets you enjoy more benefits.

**FX 88 CHAMPAGNE DEAL**  
 1ST JANUARY 2014 - 31ST DECEMBER 2014

**MADAM HUA'S HOMEMADE CHILLI SAUCE**

# Building Commendable Traction in the Wholesale Banking Space

## Local Deals

## Regional Deals



Sapura Kencana Petroleum Berhad

**USD 5,000 Million**  
MULTI-CURRENCY FACILITIES

Mandated Lead Arranger  
March 2014



Boustead Holdings Berhad

**RM1,200 Million**  
JUNIOR SUKUK PROGRAMME  
TRANCHE 1 of RM340,000,000  
TRANCHE 2 of RM343,000,000

Joint Lead Manager  
December 2013



Indera Persada Sdn Bhd

**RM280 Million**  
Fixed Rate Serial Bond

September 2013



**Links Bidco S.A.R.L.**  
(A consortium comprising  
EPF, Och-Ziff fund and  
Moon Park Capital Partners)

**GBP 405 Million**  
SYNDICATED FACILITY

September 2013

Logistics Holdings Berhad

**RM176.3 Million**  
TO FINANCE ACQUISITION OF  
ASSET

Lead Adviser  
December 2013



BUMIARMADA  
Armada Balnaves Pte Ltd

**US\$ 198 Million**  
SYNDICATED FACILITY

Mandated Lead Arranger  
April 2013



Quill Retail Mall Sdn. Bhd.

**RM 850 Million**  
NOMINAL VALUE  
COMMERCIAL PAPER/MEDIUM  
TERM NOTE PROGRAMME

**RM700 Million**  
FINANCIAL GUARANTEE

March 2013



**Malaysian Conglomerate**  
Development of Hotels  
in Thailand

**THB 1,500 Million**  
TERM LOAN FACILITY

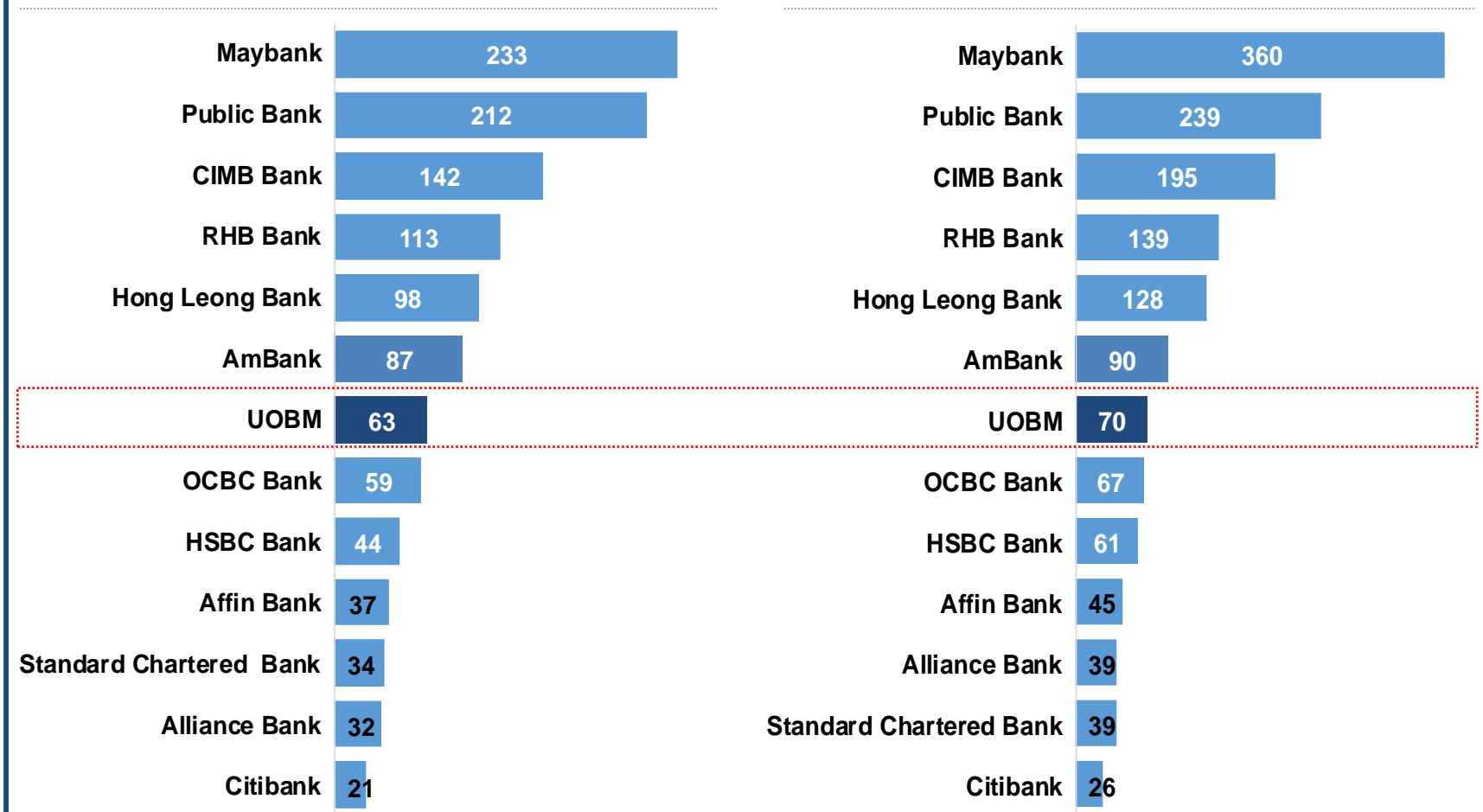
Mandated Adviser  
March 2014

# Top Foreign Bank in Loans and Deposits

**Staying Ahead of Other Foreign Peers with  
>5% market share in loans and >4% market share in deposits**

**Gross Loan as of 1Q2014**  
RM billion

**Non Bank Deposit as of 1Q2014**  
RM billion





# Notable Awards And Recognition

## Wholesale Bank



### GLOBAL BANKING & FINANCE REVIEW AWARDS

- Best Commercial Bank Malaysia (2013)



**ASIAMONEY**

### CASH MANAGEMENT AWARDS

- Best Foreign Cash Mgmt Bank (2013 & 2014)
- Best Foreign Domestic Cash Mgmt Services (2013 & 2014)
- Best Foreign Cross-Border Cash Mgmt Services (2013 & 2014)



### MALAYSIA BANK AWARDS

- Highest Payment Volume Growth – Total Credit (2014)
- Highest Payment Volume Growth – UOB Visa Classic (2013 & 2014)
- Best VISA Credit Card Launch for UOB Infinite Card (2013)



### SAHABAT SME NEGARA AWARD

- Sahabat SME Negara Award 2013 by SMI Association of Malaysia

**RAM**

### AWARD OF DISTINCTION

- Lead Manager Award by Number of Issues – 3rd (2014)
- BluePrint Award for New Structured Finance Benchmark Deal (2013)



### ASSET ASIAN AWARDS

- Rising Star Cash Management Bank, Malaysia (2012)
- Rising Star Trade Finance Bank, Malaysia (2012)



### EDGE-LIPPER MALAYSIA FUND AWARDS

- Best Fund over 5 Years – Equity Malaysia (2012) For AMB Value Trust Fund
- Best Fund over 10 Years – Mixed Asset MYR Balanced Malaysia (2012) For OSK-UOB KidSave



### FUND AWARDS

- MYR Allocation (2013)
- OSK-UOB KidSave Trust (2013)

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# Strong Fundamentals

## PROVEN TRACK RECORD

- Strong profit track record through various global events and crisis
- Delivered record Net Profit Before Tax of RM1,342m for FY2013
- Key contributor to UOB Group - 15% of UOB Group's NPBT for FY2013
- Top foreign bank in Customer Loans and Non Bank Deposits

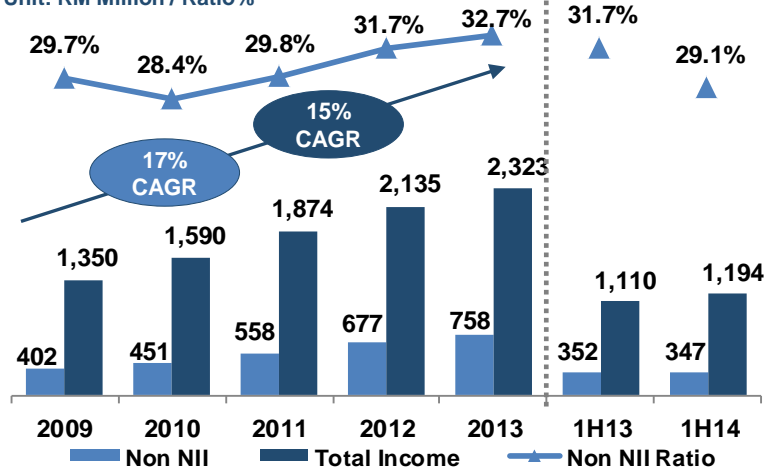
## PRUDENT MANAGEMENT OF CAPITAL, LIQUIDITY & BALANCE SHEET

- Asset quality remained sound with Gross NPL ratio stable at 1.7%
- Collective impairment to loans coverage at 1.23%, above regulatory requirement
- LDR at 89% and LCR comfortably above regulatory guidance
- CASA mix grew from 25% in 2013 to 28% in 1H14
- Long term RAM Rating for UOBM – AAA since 2012
- Strong capital ratios with CET1 CAR at 13.4% and Total CAR ratio of 16.0%

# Consistent Track Record

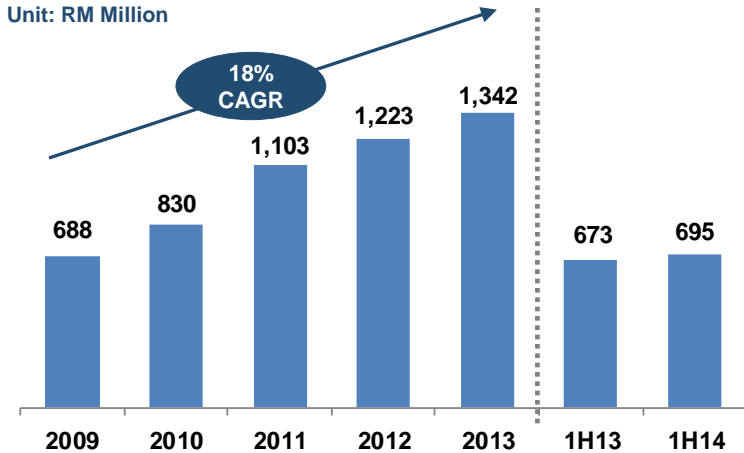
## Income

Unit: RM Million / Ratio%



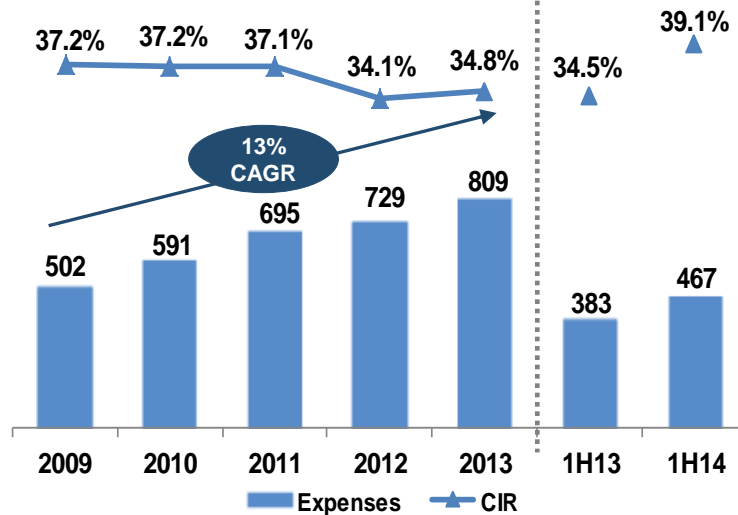
## Net Profit Before Tax

Unit: RM Million



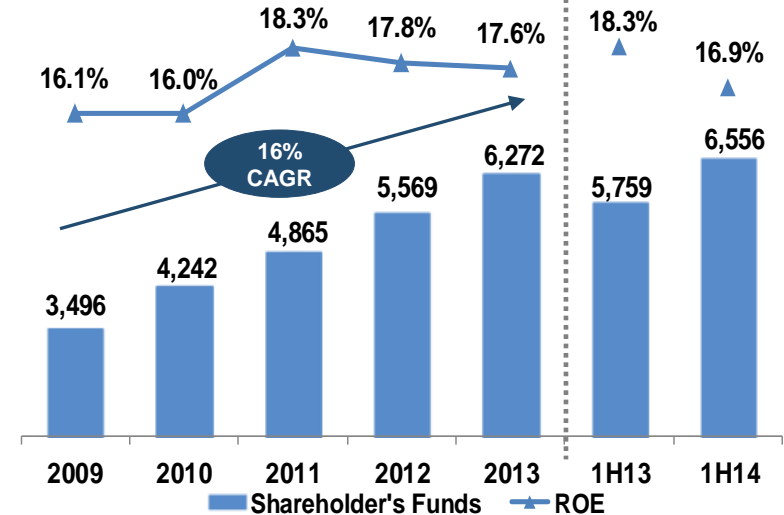
## Expenses and Cost to Income Ratio

Unit: RM Million / Ratio%



## Shareholder's Funds and ROE

Unit: RM Million / Ratio%

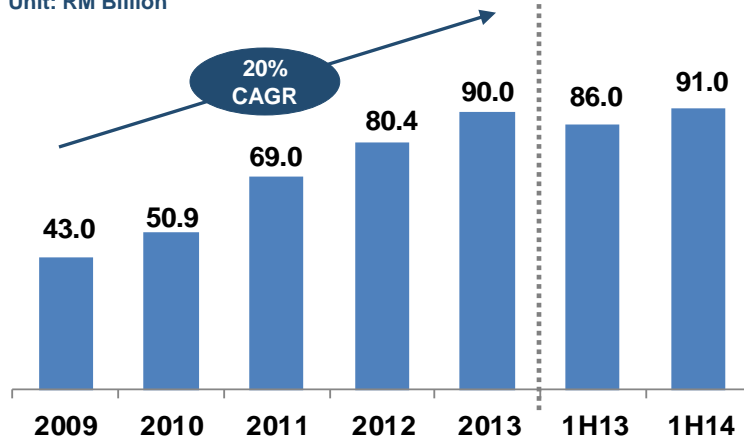


Source: Annual reports and financial statements

# Strong Growth in Loans

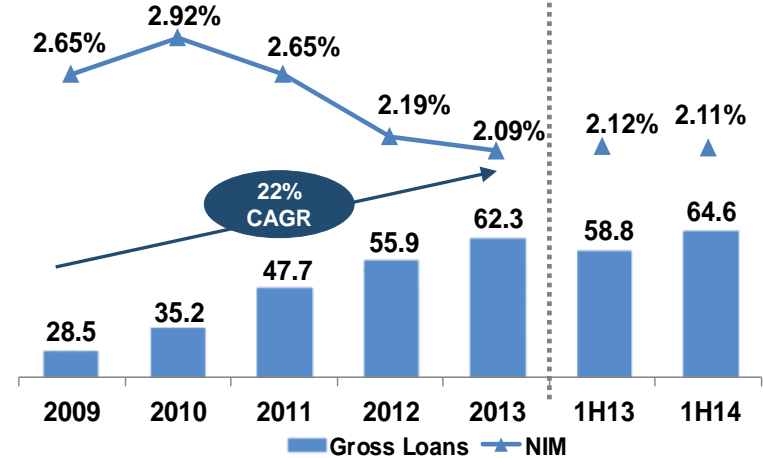
## Total Assets

Unit: RM Billion



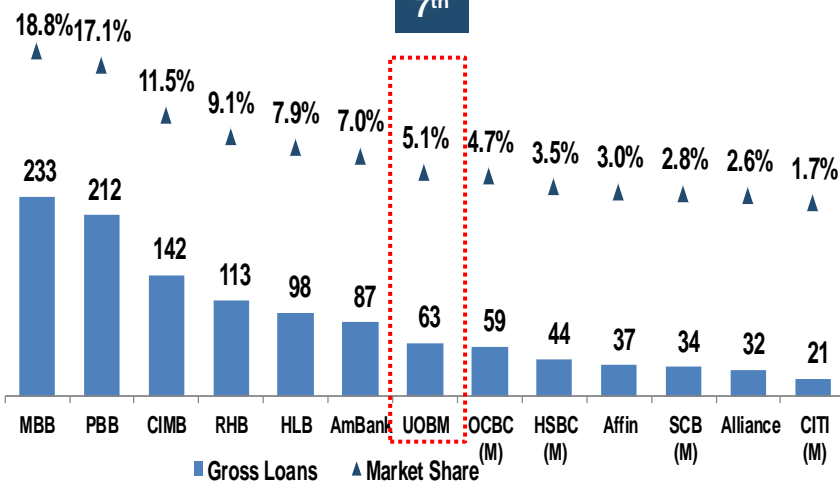
## Gross Loans and NIM

Unit: RM Billion / Ratio%



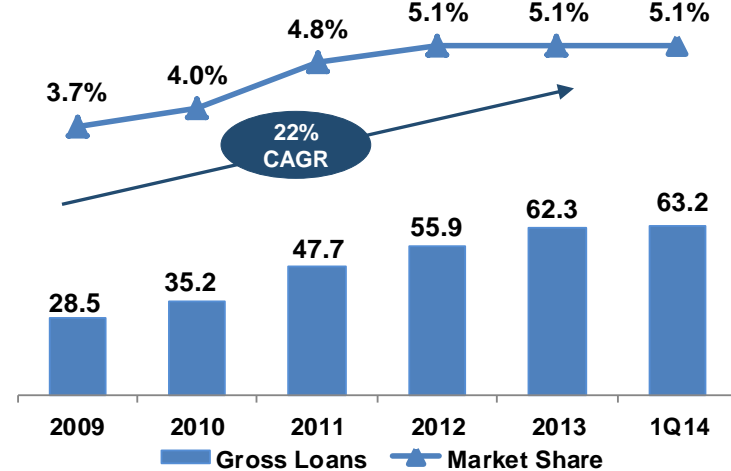
## Gross Loans and Market Share – 1Q14

Unit: RM Billion / Ratio%



## Gross Loans and Market Share Trend

Unit: RM Billion / Ratio%



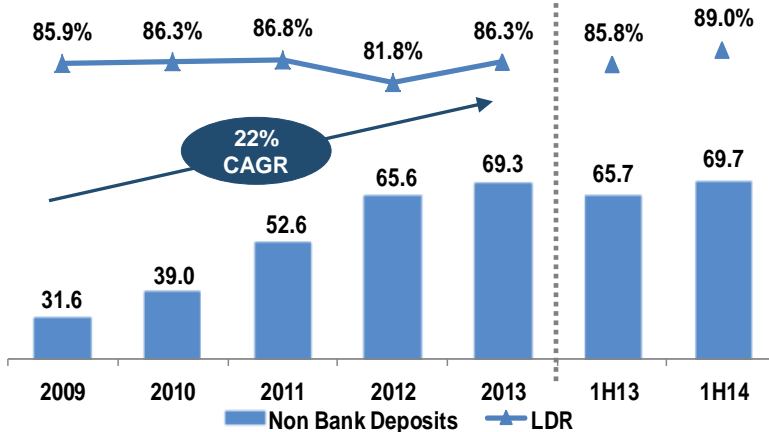
■ Includes Commercial banks and Islamic banks where applicable  
 ■ Source: Bank Negara Malaysia monthly statistical bulletin and banks' financial statements



# Pacing Deposit Growth with Loan Growth

## Non Bank Deposits and LDR % \*

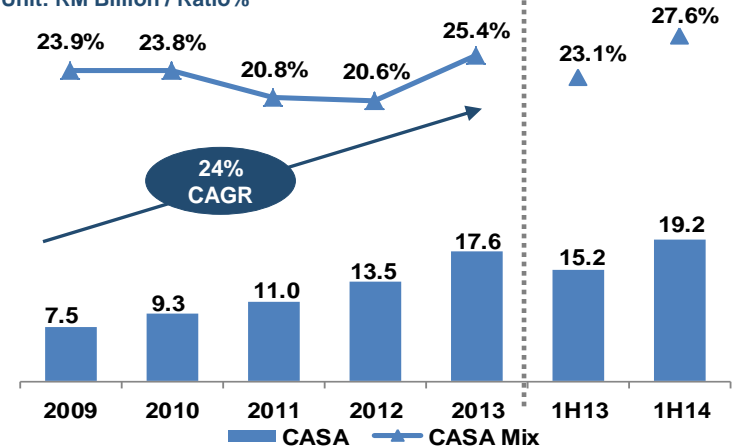
Unit: RM Billion / Ratio%



\* LDR % include Fund for Small and Medium Industries (FSMI) deposits

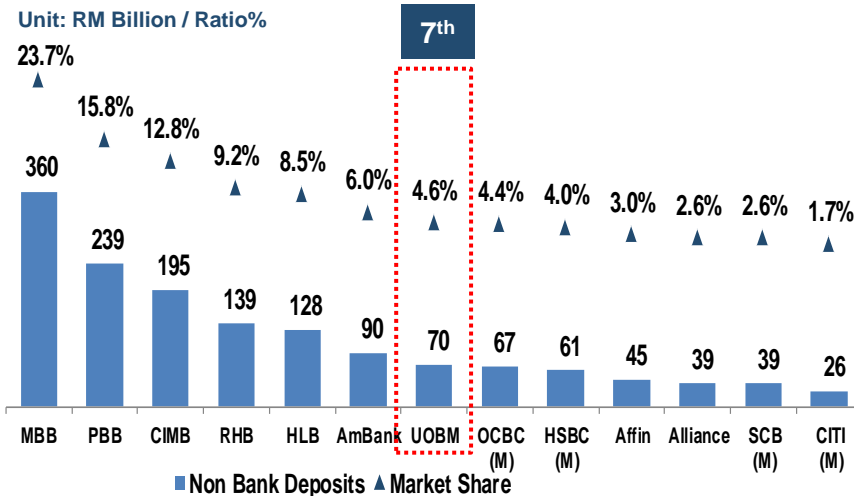
## CASA Mix

Unit: RM Billion / Ratio%



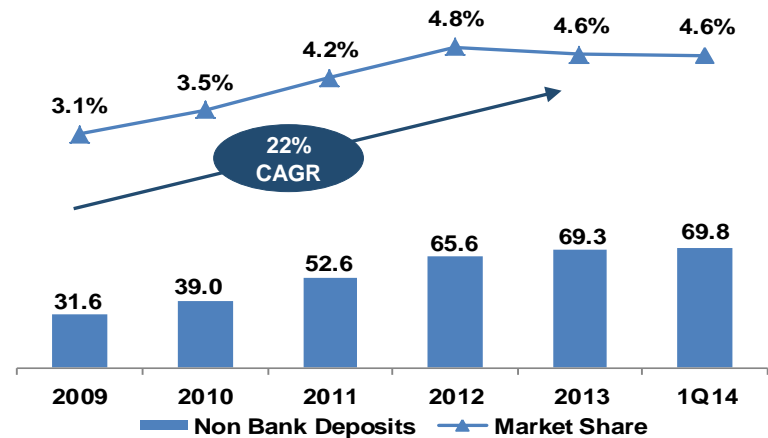
## Non Bank Deposits and Market Share – 1Q14

Unit: RM Billion / Ratio%



## Non Bank Deposits and Market Share Trend

Unit: RM Billion / Ratio%



- Includes Commercial banks and Islamic banks where applicable
- Source: Bank Negara Malaysia monthly statistical bulletin and banks' financial statements

# Consistent Asset and Funding Mix in the Last 5 Years

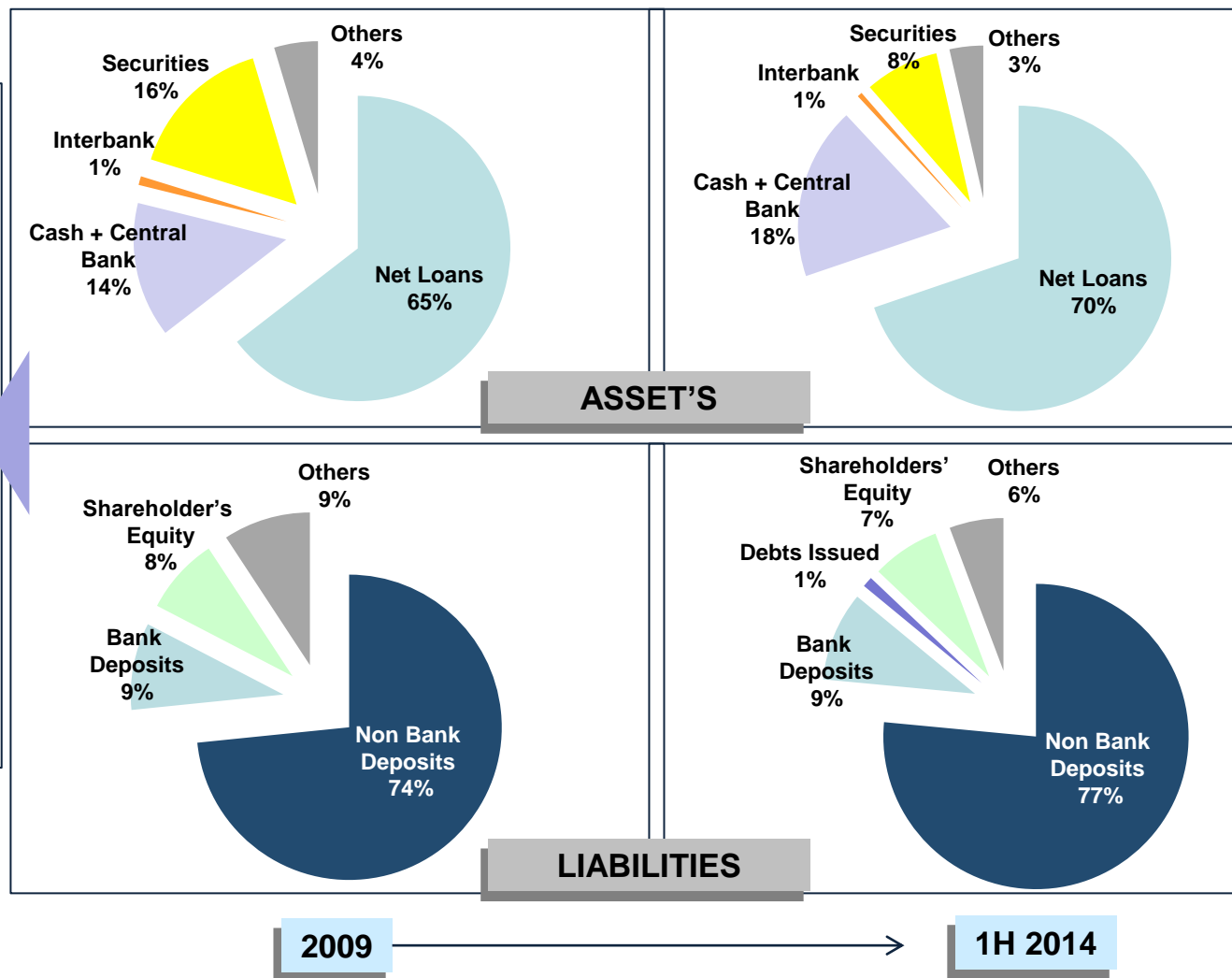
## Strengthening our Balance Sheet

### BUILDING CUSTOMER FRANCHISE

- Disciplined approach to credit growth in target segments

### STABLE FUNDING BASE

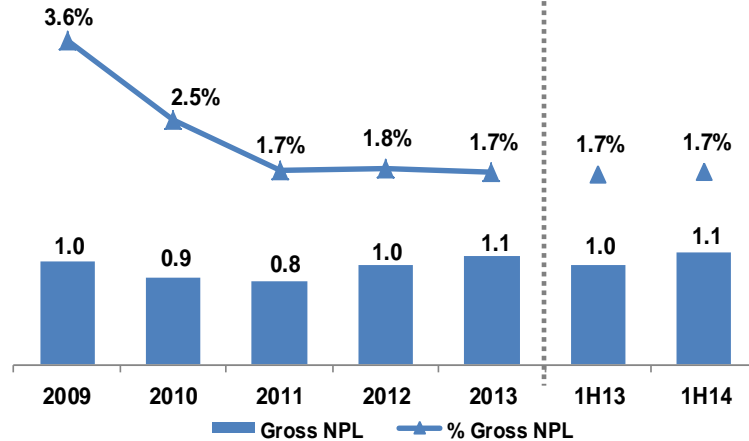
- Focus on stable deposits
- CASA mix has improved to 28%, above industry 26%
- LDR at 89%\* as at 1H14



# Resilient Asset Quality and Strong Capital Position

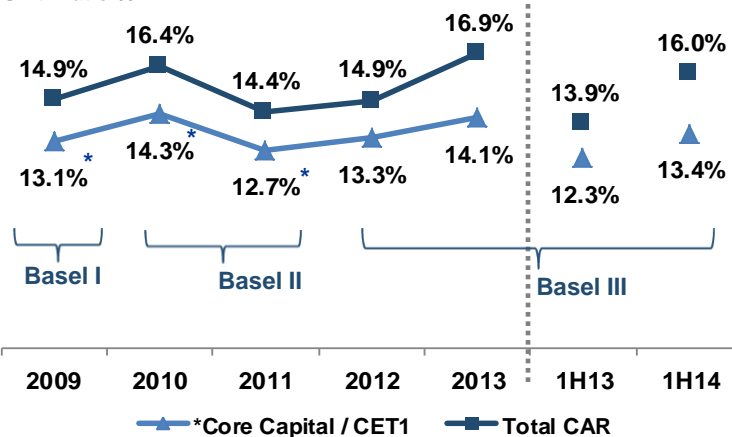
## Gross NPL

Unit: RM Billion / Ratio%



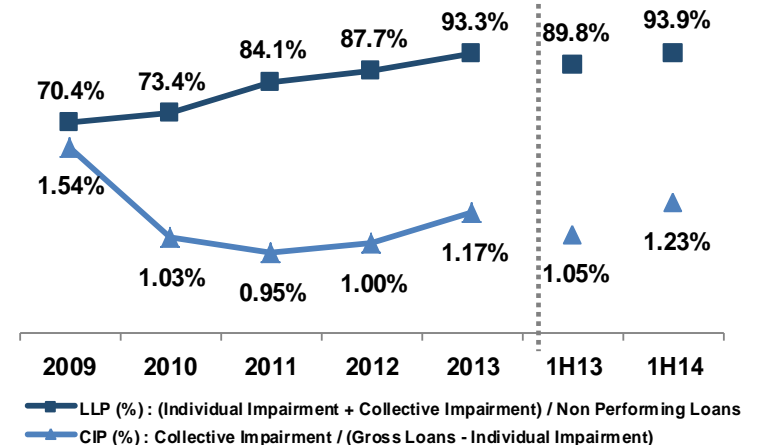
## CET1 and Total CAR

Unit: Ratio %



## Loan Loss Provision to NPL Coverage and Collective Impairment to Loans Coverage

Unit: Ratio %



## Risk-weighted Assets (RWA) Distribution

Unit: Percentage

| RWA              | 2009        | 2010        | 2011        | 2012        | 2013        | 1H13        | 1H14        |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Credit risk      | 97%         | 85%         | 88%         | 87%         | 88%         | 88%         | 88%         |
| Operational risk | 0%          | 9%          | 9%          | 9%          | 10%         | 9%          | 10%         |
| Market risk      | 2%          | 2%          | 2%          | 2%          | 2%          | 3%          | 2%          |
| Others *         | 0%          | 4%          | 1%          | 1%          | 0%          | 0%          | 0%          |
| <b>Total</b>     | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

\* Others consists of large exposure for equity holdings RWA and additional RWA due to capital floor

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**GROWTH DRIVERS**

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# Major Trends Shaping Malaysia's Banking Landscape

## 1 MALAYSIA- ON A STEADY GROWTH PATH

- Given the promising 1H growth and robust outlook ahead, FY real 2014 GDP growth is still healthy estimated between 5.5% to 6% by various analysts
- Private investment ramping momentum driven by ETP stimulus; primarily in the Oil & Gas, Infrastructure, Manufacturing sectors, etc

## 2 RESILIENT FINANCIAL SYSTEM

- Responsible financing guidelines tighten; coupled with RPGT, removal of DIBS and raising of ceiling for property ownerships to preserve household sector resilience
- More stringent capital requirements under Basel III

## 3 RISING COSTS OF LIVING

- The reality on the ground is that prices are rising, largely due subsidy rationalization effort - fuel price hike in Sept 13, abolishment of sugar subsidies in Oct 13, electricity tariff hike in Jan 14. GST implementation by April 2015
- Inflation rate is recorded at 3.3% in June 2014

VS

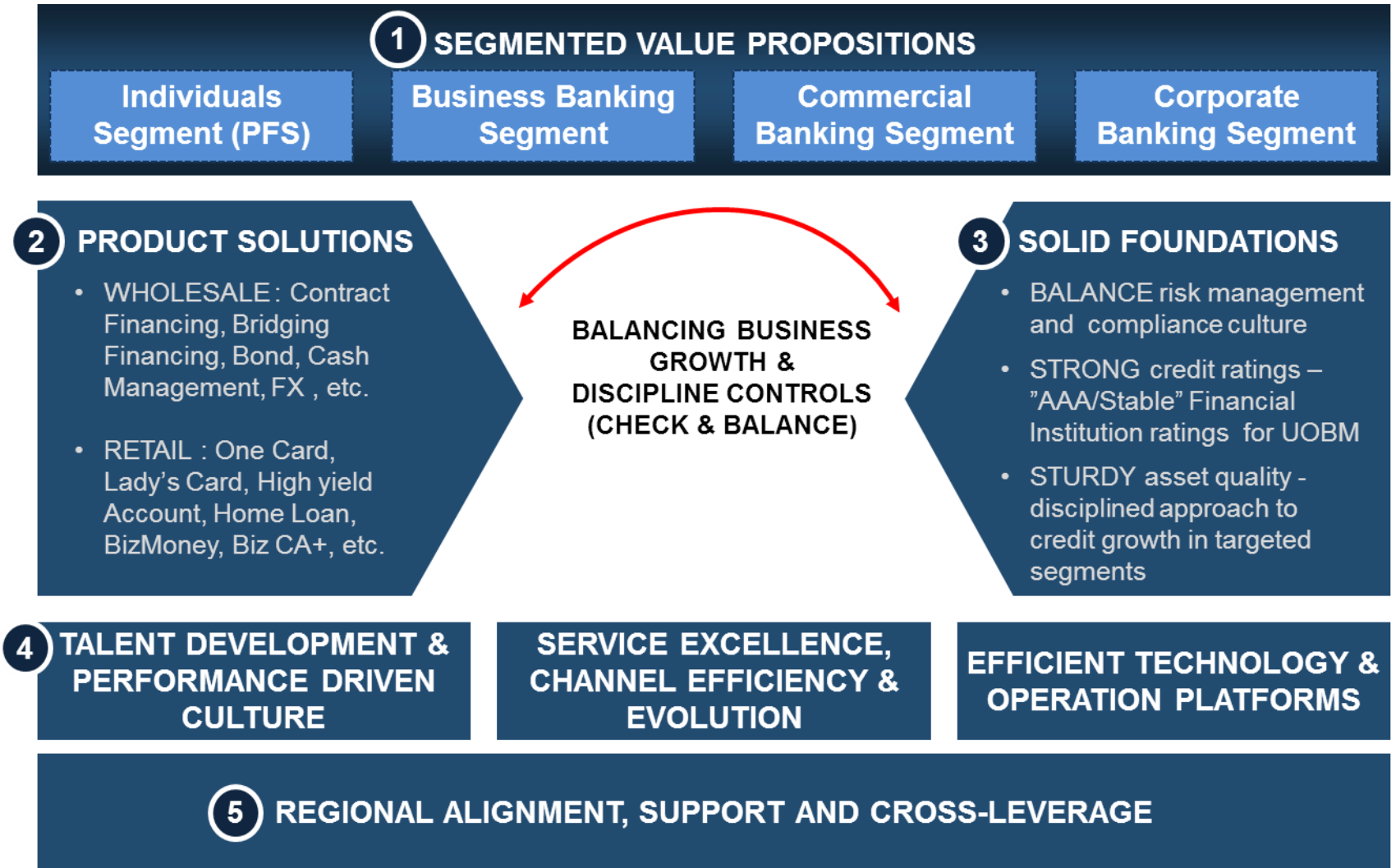
## 4 STABLE EMPLOYMENT & INCOME RATE

- Despite rising cost of living, consumer spending remains stable attributed by:
  - Low unemployment rate of 2.9%
  - Private sector average wage growth of 6.6% in 2013 (6% in 2012)
  - Average mean household income growth of 7.7% between 2009 to 2012
  - Wealth factor from rising asset price

## 5 YOUNG & GROWING DEMOGRAPHIC

- Increasing working population with higher propensity to spend (~51% in 2009 to ~56% in 2013). The urban population is also rising from 71% in 2009 to 74% in 2013
- 61% of the working aged population is Gen X and Y. Consumer habits of these age groups will increasingly become the mainstay of Malaysia's household spending

# UOBM Growth Drivers



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**THANK YOU**