

Wholesale Banking

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Deputy Chief Executive Officer

UOBM Corporate Day
4 - 5 September 2014

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BUSINESS STRATEGY

2

MARKET LANDSCAPE IN MALAYSIA

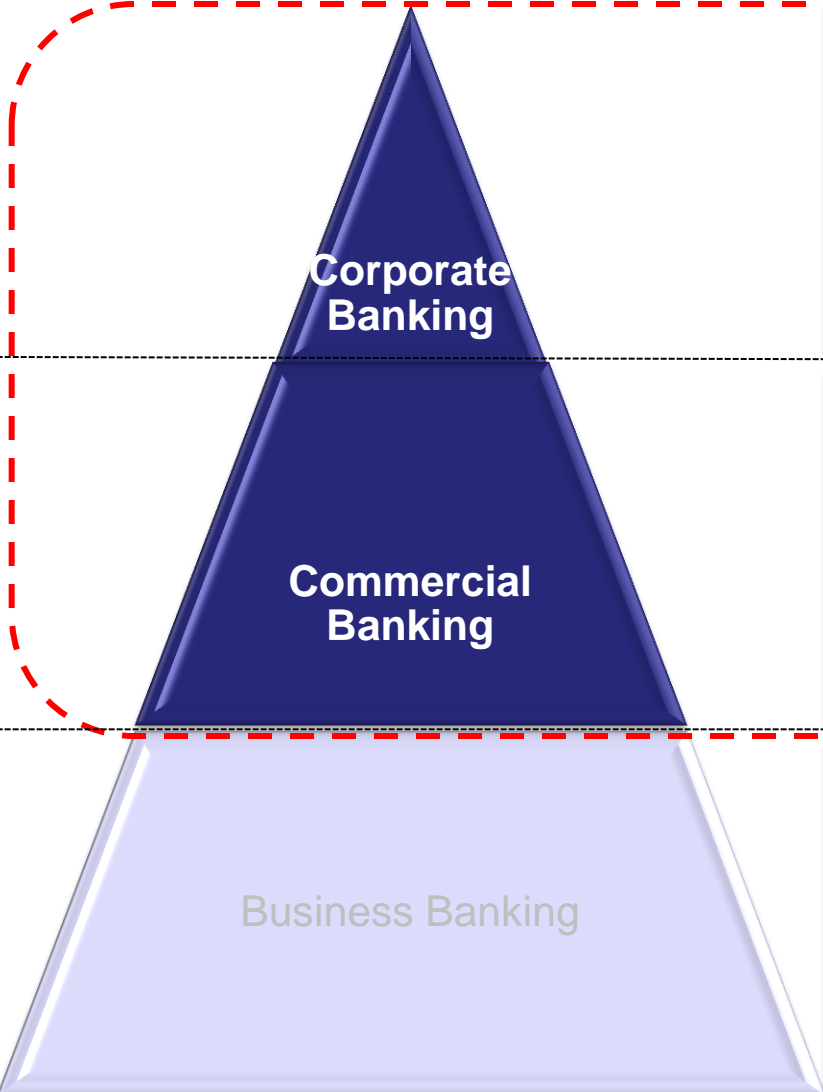
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FINANCIAL HIGHLIGHTS

4

CONCLUSIONS

Business Strategy: Client Segments

Market Segment	Sales Turnover	Typical Profile
 <p>Corporate Banking</p>	<ul style="list-style-type: none"> • Groups with consolidated turnover >RM200m; • For listed companies, market capitalization >RM300m; or • For non-listed companies, net worth >RM150m 	<ul style="list-style-type: none"> • Large local corporates • Government & government-linked companies • Multi-national companies
<p>Commercial Banking</p>	<ul style="list-style-type: none"> • Total facility Limit >MYR4m • Annual turnover >MYR20m 	<ul style="list-style-type: none"> • Mid-corporations • Large SMEs
<p>Business Banking</p>	<ul style="list-style-type: none"> • Total Facility Limit ≤ MYR4m • Annual Turnover of up to MYR40m 	<ul style="list-style-type: none"> • Small businesses • Sole proprietorships • Partnerships • Simple business requirements

Business Strategy: Delivering an Integrated UOB Solution to our Clients



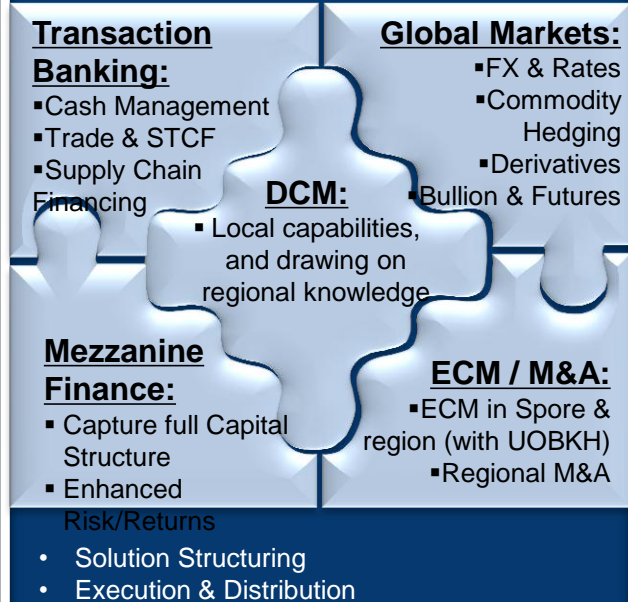
COVERAGE : INDUSTRY SPECIALIZATION & GEOGRAPHICAL FOCUS

“SHARPENED BUSINESS FOCUS & COVERAGE”

- Real Estate & Hospitality
- Construction & Commerce
- Agribusiness
- Resource Based (O&G)
- Transportation & Logistics
- Telecom, Media & Technology
- Geographical coverage (KL Klang Valley, Northern Penang, Southern Johor/Malacca, Eastern KK/Kuching)
- Business Origination & Account Management
- Leverage lending for wider and deeper client relationships
- Integrate & sharpen customer focus for a seamless customer solution experience

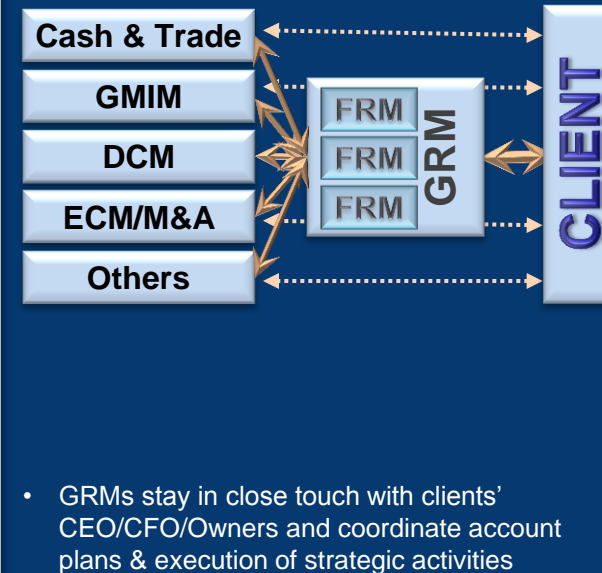
PRODUCT SOLUTIONING

“PRODUCT PARTNERSHIP”



GRM MODEL

“COORDINATED CROSS BORDER TEAMWORK & BUSINESS ORIGINATION”



- CREDIT RISK MANAGEMENT
- CAPITAL
- TALENT & INFRASTRUCTURE

Business Strategy: Coverage & Product Capabilities across the Region

LEVERAGING OUR CLIENT BASE AND SIGNIFICANT NETWORK ACROSS MAJOR RELEVANT MARKETS

COVERAGE

BANKERS

- Industry Specialist Client Coverage
- Product Neutral
- Business Origination & Account Mgmt

GRM

FRM

PRODUCT

DCM

CF / ECM

GMIM

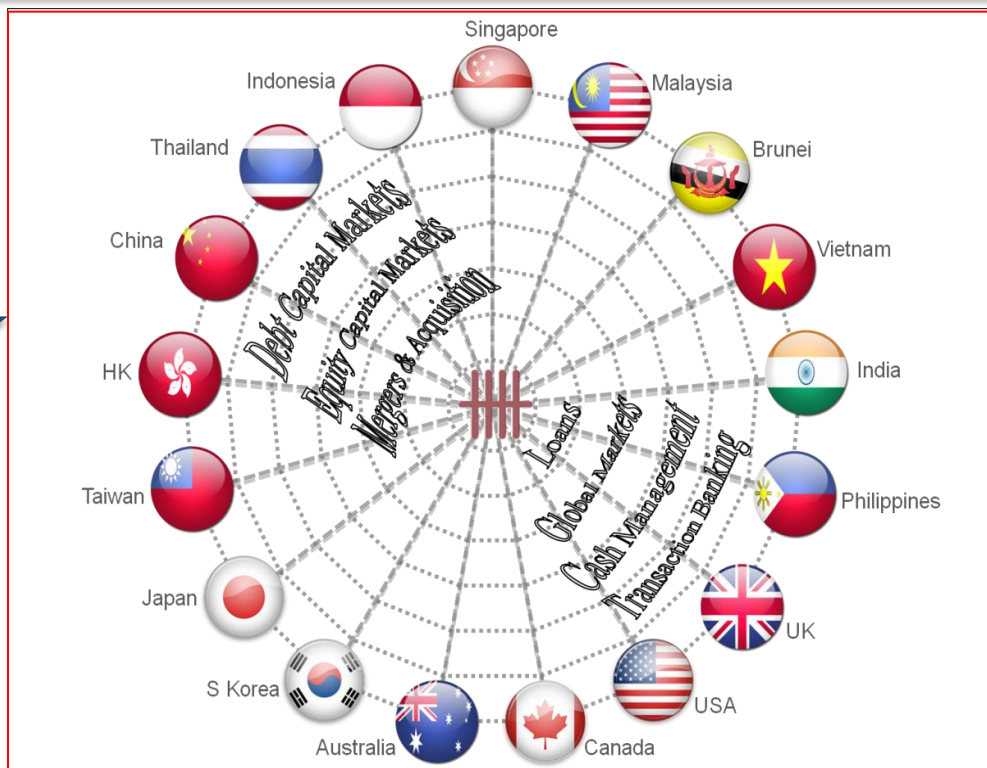
TB

M&A

STCF

PRODUCT SPECIALISTS

- Solution Structuring
- Execution & Distribution



① CUSTOMER

Strong and long vintage wholesale bank customer base in Malaysia

② PRODUCT SOLUTIONING

Building up product capabilities in-country and leveraging the region

③ CREDIT RISK MANAGEMENT

Disciplined and regionally-integrated credit risk management culture & process

④ CAPITAL

Optimise funding sources & capital usage across UOB network

⑤ TALENT & INFRASTRUCTURE

Develop regional talent pool; standardise UOB group systems & infrastructure

Agenda

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Market Landscape in Malaysia: Wholesale Banking Riding on Growth Momentum

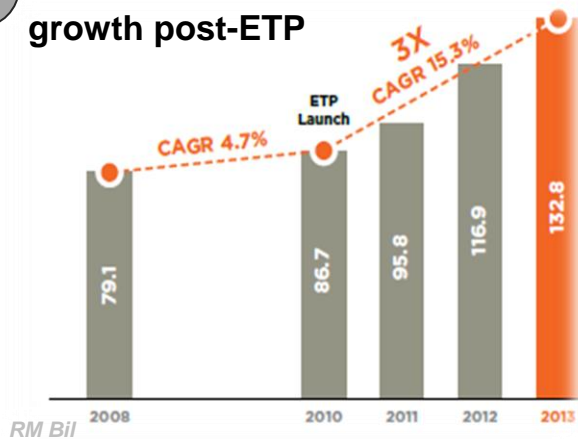
1 Private investment expected to support economy



2 Recovery in the advanced economies and intra regional trade flows



3 Accelerated investment growth post-ETP



4 Global Recognition boost Malaysia's Attractiveness



For two consecutive years, Malaysia has been ranked among the top 10 of the World Bank's Ease of Doing Business Index

Building traction in the O&G market - Syndicated one of the largest ever loans for a Malaysian Company

Established franchise especially in the mid-corporation segment, with one third of the vintage over a decade

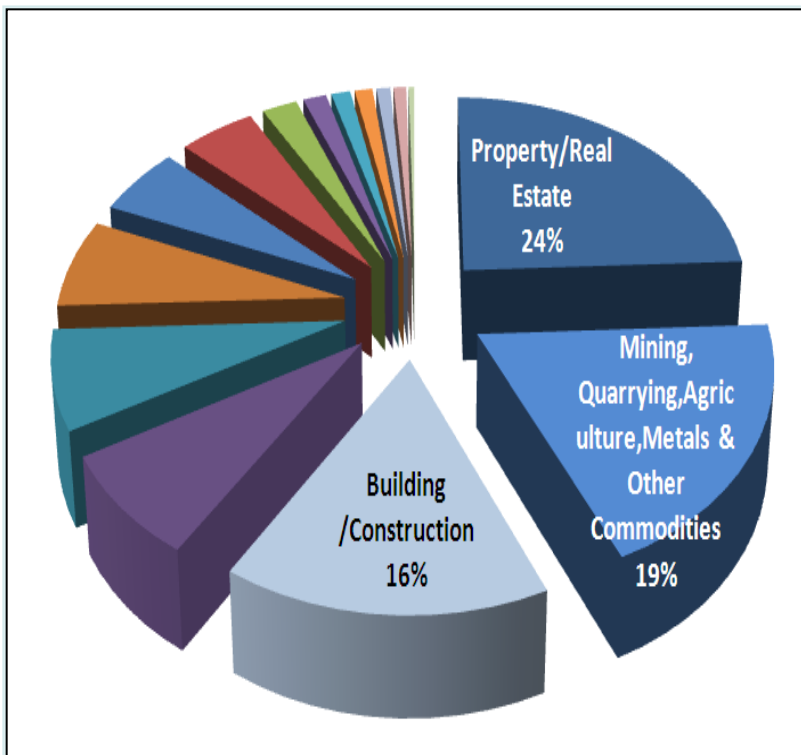
Facilitate >700 clients' cross border financing & business expansion plans

Enabling >90 SMEs relocating to Iskandar, Malaysia

UOB poised to capture Opportunities in Major Industries

UOBM CBO top 3 industries constitute ~70% of the loan base¹

Note 1 – Data as of 1H14



Top 10 Fastest Growing Companies (market cap of RM500m and above)

Sector	Companies Listing
P	1) Tropicana Corporation
P	2) KSL Holdings
T/S	3) Pantech Group Holdings
P	4) Naim Holdings
T/S	5) UZMA Oil & Gas
P	6) Iskandar Waterfront City
IP	7) Scientex
F	8) Malaysia Building Society
T/S	9) Dayang Enterprise Oil & Gas
T/S	10) Dialog Group Oil & Gas

P = Properties

T/S = Trading/Services (including Oil & Gas)

IP = Industrial Products

F = Finance

Source: Bloomberg, Bursa and FocusM (26 Aug 2014)

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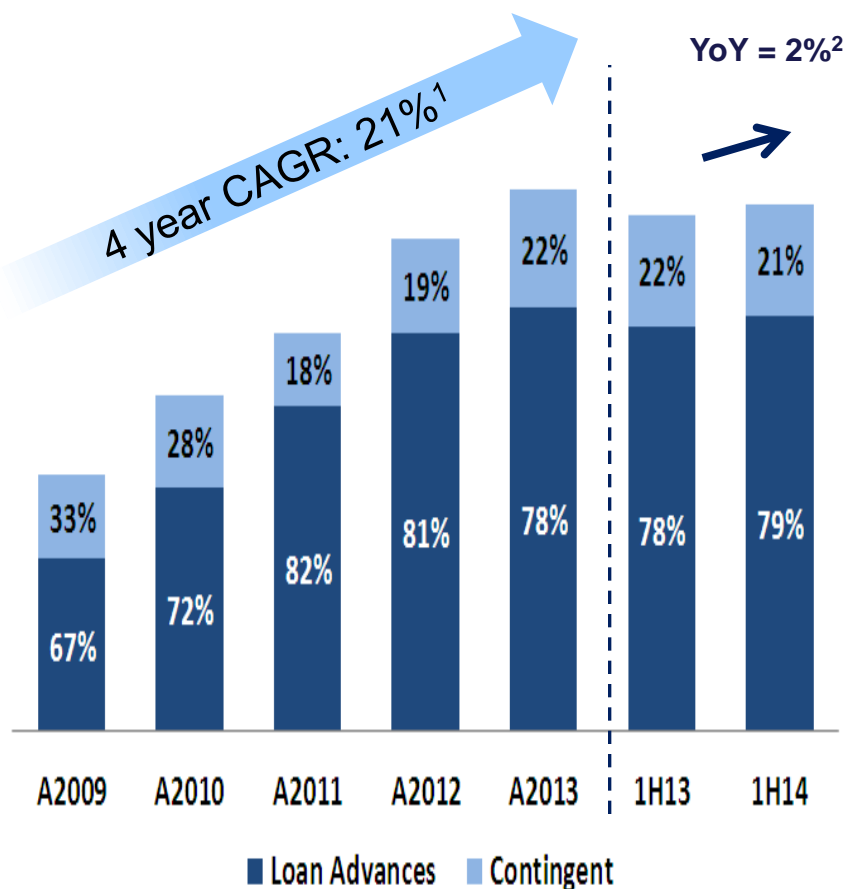
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Corporate Banking Loans Portfolio

Loans Trend (2009 – 1H14)

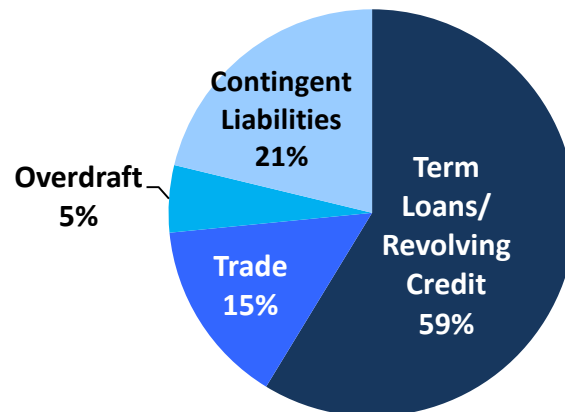


Note:

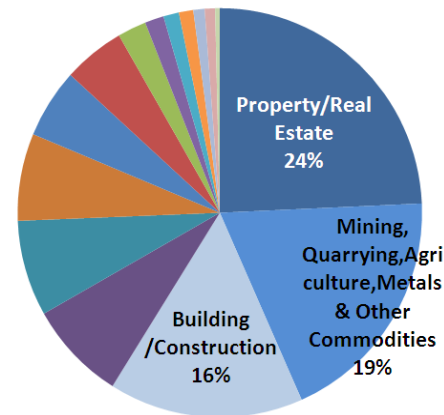
¹ 4-year CAGR = 23% if including UOB Labuan

² YoY growth between 1H14 and 1H13 = 14% if including UOB Labuan

Loans Portfolio by Product as at 1H14

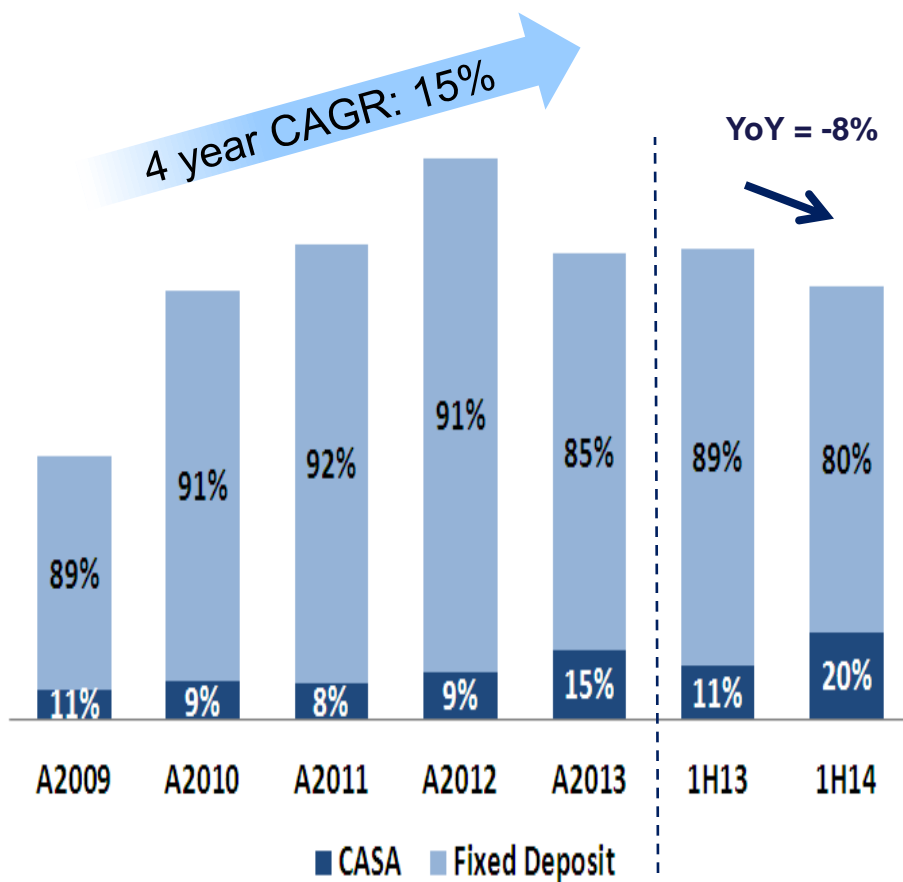


Loans Portfolio by Industry Group as at 1H14

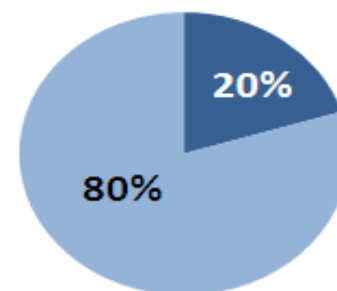


Corporate Banking Deposits Portfolio

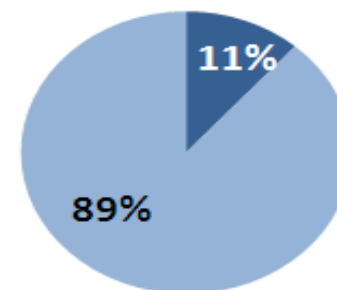
Deposits Trend (2009 – 1H14)



1H14

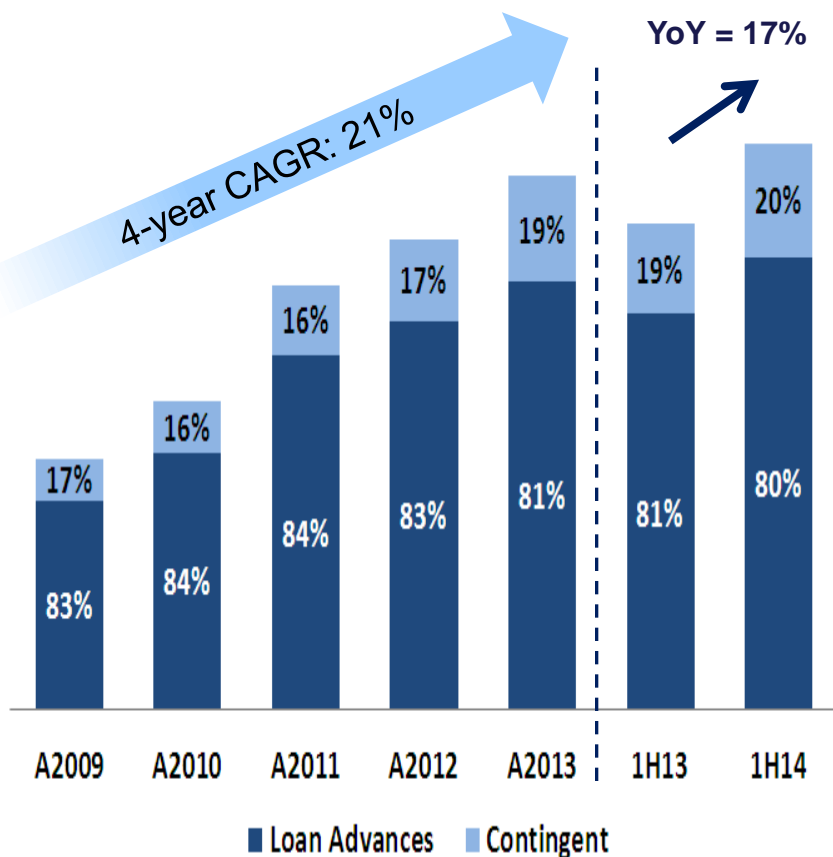


1H13

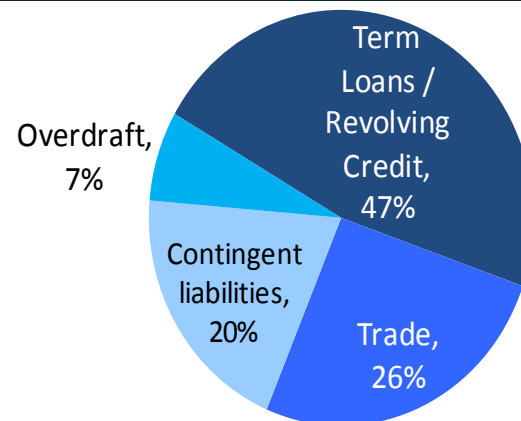


Commercial Banking Loans Portfolio

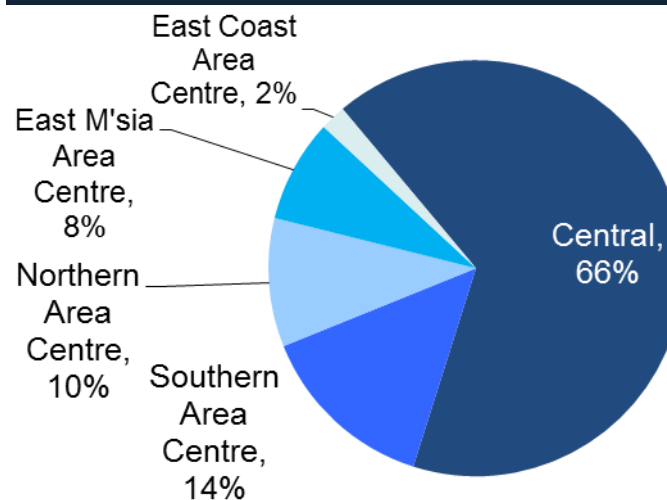
Loans Trend (2009 – 1H14)



Loans Portfolio by Product as at 1H14

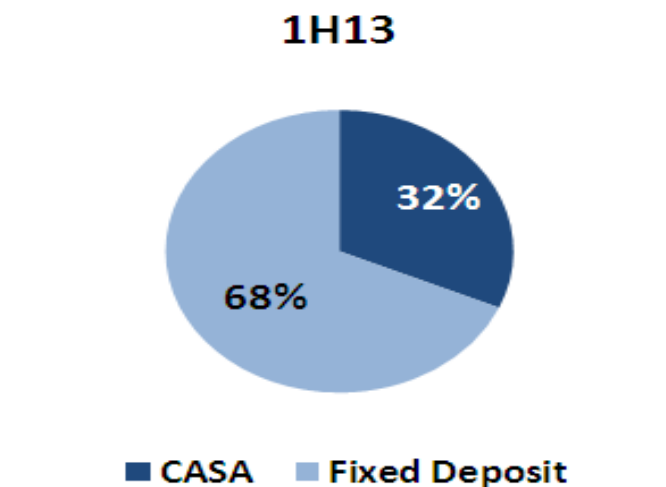
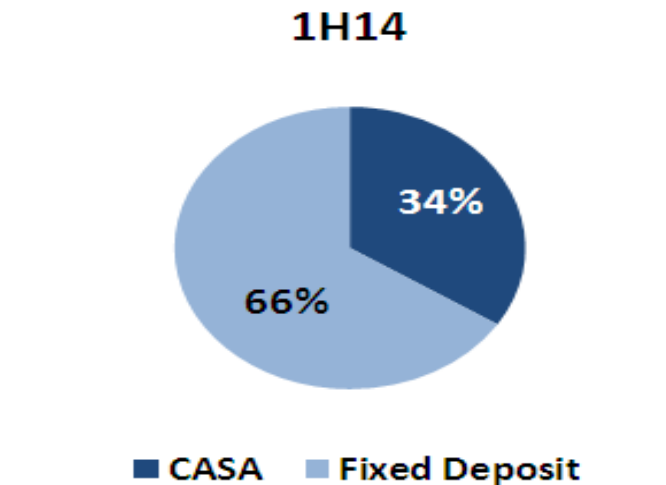
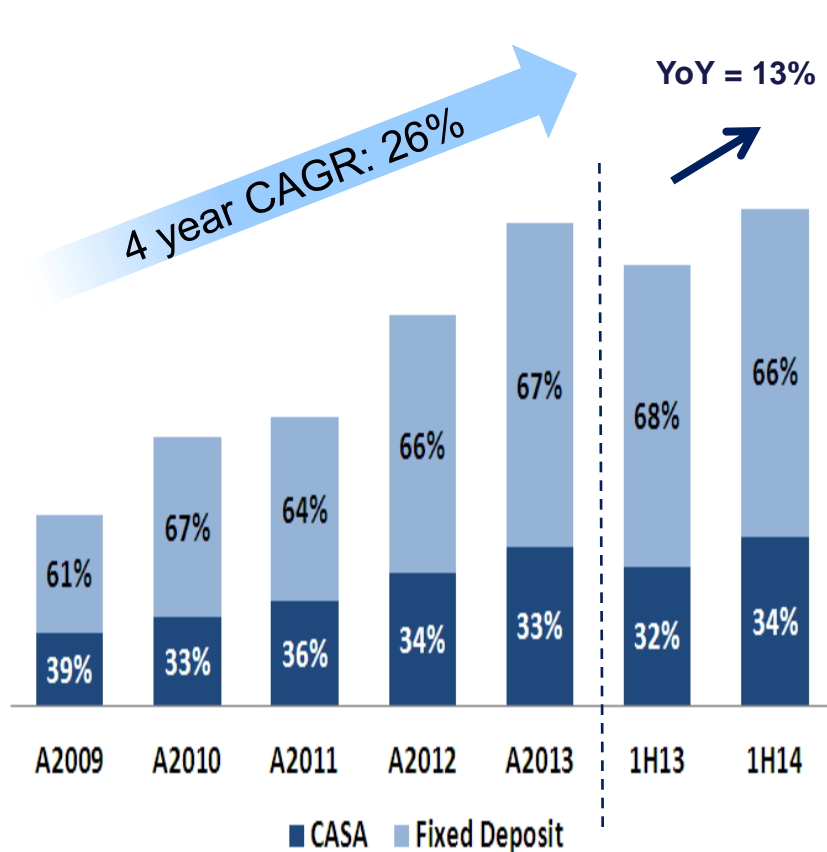


Loans Portfolio by Region as at 1H14



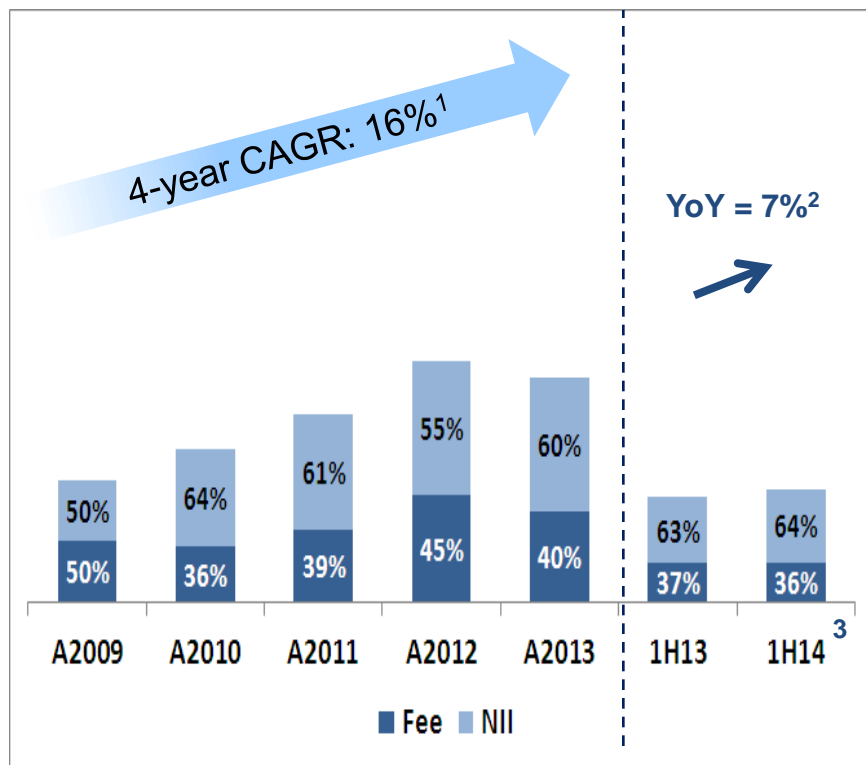
Commercial Banking Deposits Portfolio

Deposits Trend (2009 – 1H14)

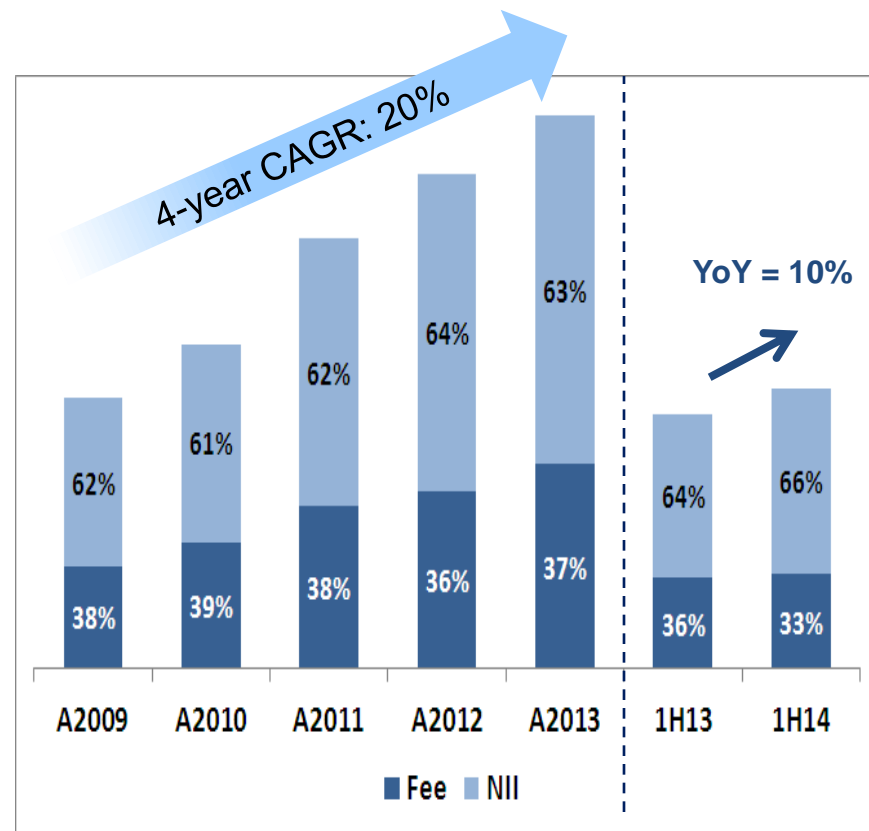


Income Trend (2009 - 1H14)

CORPORATE BANKING



COMMERCIAL BANKING



Note:

¹ 4-year CAGR = 19% if including UOB Labuan

² YoY growth between 1H14 and 1H13 = 29% if including UOB Labuan

³ Fee : NII ratio = 40:60 if including UOB Labuan

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Conclusion: 4 P's of Wholesale Banking

PEOPLE

- On-the-ground; Strong customer relationships and deep franchise
- Industry Specialists; Value-adding

PRODUCTS

- Anchored regionally; localized where critical
- “AA” international credit ratings; “AAA”-rated in Malaysia
- Customization capabilities in providing solutions

PLATFORM

- Broadest footprint; Deepest access
- 19 countries and >500 offices
- Origination & distribution

PROCESSES

- Standardized – time-efficient, cost-effective
- Proactive credit risk management
- Disciplined Account Planning and Cross-border KPIs

Thank You