



# Corporate Day 2024

## Building the Future of ASEAN

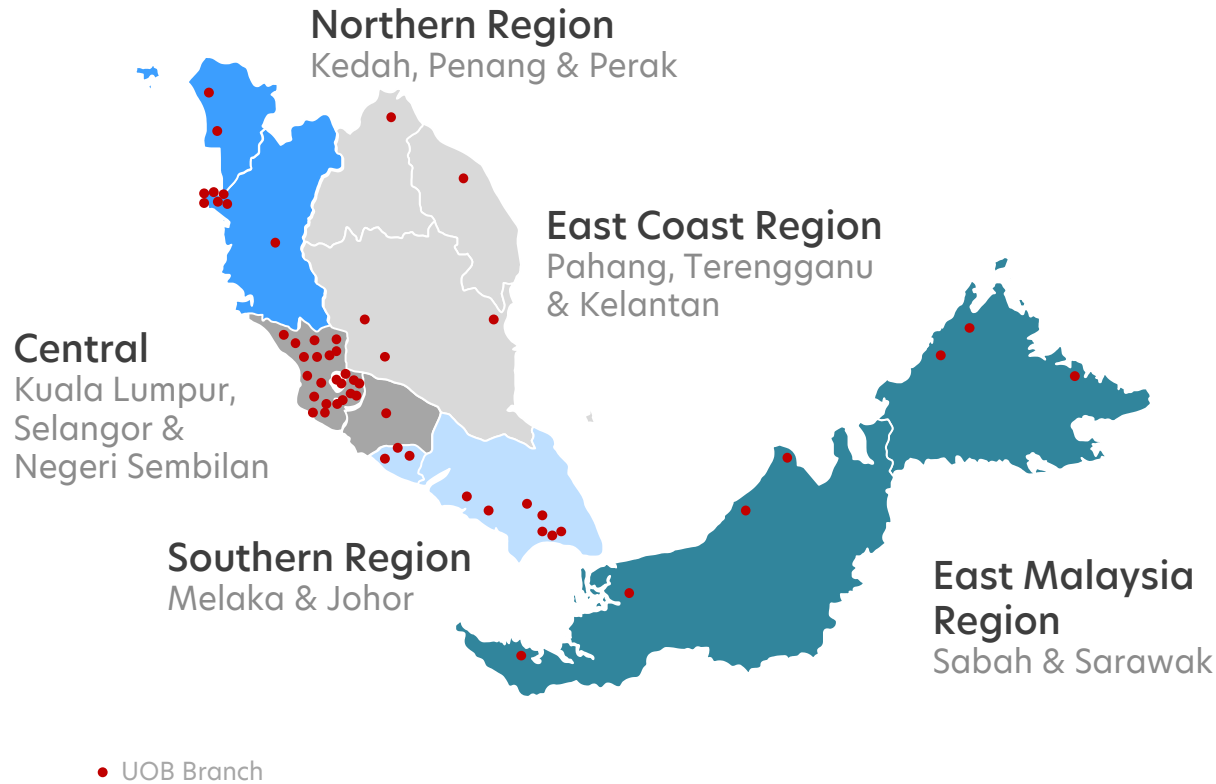
### Continued Success in the Region - UOB Malaysia

14 August 2024  
Kuala Lumpur, Malaysia

# About UOB Malaysia (UOBM)



UOB Malaysia is the leading foreign bank in the country, with 73 years of heritage and 55 branches across Central and the Regions in Malaysia



- UOBM is the largest subsidiary of UOB Group by profit contribution.
- We are the leading foreign bank, and ranked 6<sup>th</sup> largest commercial bank in Malaysia, by income and profit measures.
- Fully-licensed commercial bank in Malaysia with Islamic Banking capabilities.
- UOBM is rated long-term 'AAA' by Rating Agency Malaysia since 2012.
- Strong focus on building ASEAN - UOBM supported more than 500 foreign companies with cross-border expansion into Malaysia and facilitated ~230 Malaysian companies' expansion into ASEAN and beyond.
- Continuous investment for long-term growth in Malaysia with ~RM800m investment in UOB Plaza-1 KL and occupying ~1.75m square feet of office space across the country. 1<sup>st</sup> Platinum green certified bank building in Malaysia by GreenRE and BCA Green Mark.

# We are the Leading Foreign Bank in Malaysia

1<sup>st</sup> among foreign peers



Total  
Income



Net Profit  
Before Tax



Loans



Deposits

6<sup>th</sup> among commercial banks  
(7<sup>th</sup> in 2022)

7<sup>th</sup> among commercial banks

2<sup>nd</sup> largest  
credit card player<sup>#</sup>

2<sup>nd</sup> largest Banca  
distributor<sup>\*</sup>

Fee income growth  
+30% in 2023

Note: Ranking among peers are based on UOBM financials as of December 2023, excluding one-off integration costs.

<sup>#</sup>By End Net Receivable (ENR)

<sup>\*</sup>By Annual Premium Equivalent (APE)



Malaysia's 2<sup>nd</sup>  
economic takeoff  
with long-term  
growth potential

# Progressive national masterplans well underway in execution, supported by quality FDI and megatrends



## Ongoing Infrastructure Investments

Continued investments in strategic infrastructures:

- MRT3 & Penang LRT
- East Coast Rail Link
- Johor - Singapore Rapid Transit System
- 5G connectivity



## Drive Towards High Impact & Green Economy

Progressive Industrial and Green Energy masterplans:

- **NIMP2030**  
increasing economic complexity, high-value jobs, SMEs' participation
- **NETR**  
10 key catalyst projects e.g. renewable energy, hydrogen, green mobility



## Shift in Global Supply Chain

Increasing FDIs from ASEAN, Europe and North Asia due to:

- **Pro-business landscape**
- **Competitive business cost**

Government takes proactive actions to attract investments:

- **High-value front-end E&E**
- **Digital Economy**
- **Manufacturing incentives to capture shift in supply chain opportunities**



## Growing Affluent and Digital Savvy Population

Favourable demographics:

~ 60% population are <35 years old, high digital adoption rate

**Healthy, growing job market:**  
70% labour force participation rate

**On-track for high-income nation by 2030:**  
rising middle-income and affluent segments

# Growing Together with Malaysia



# Regional development to achieve balanced economic growth



Growth corridors attracting foreign investment flows

Legend

Focused sectors of the corridor

**Greater Penang:**  
Silicon Valley of the East

Industrials TMT

**Central - Klang Valley:**  
The Capital of the Nation

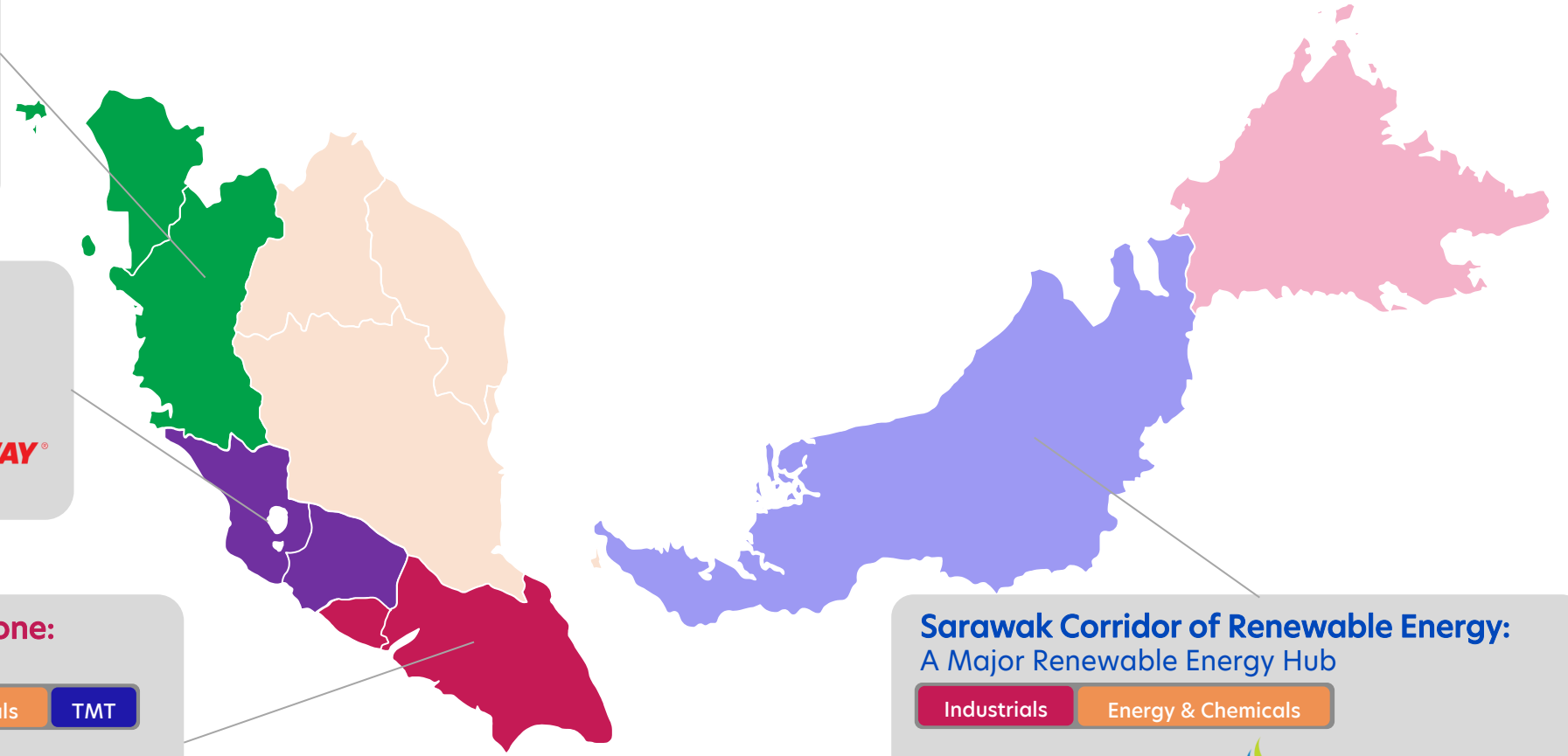
Industrials Energy & Chemicals TMT

**Johor-Singapore Special Economic Zone:**  
Southern Jewel of Malaysia

Data Centres Industrials Energy & Chemicals TMT

**Sarawak Corridor of Renewable Energy:**  
A Major Renewable Energy Hub

Industrials Energy & Chemicals



# Regional development to achieve balanced economic growth



Growth corridors attracting foreign investment flows

**Greater Penang:**  
Silicon Valley of the East

Industrials | TMT

AMD, PLEXUS, BOSCH, infineon, amtek, OSRAM, rapid MANUFACTURING

**Central - Klang Valley:**  
The Capital of the Nation

Industrials | Energy & Chemicals | TMT

Sime Darby, YTL, IJM, ERICSSON, PETRON, SUNWAY

**Johor-Singapore Special Economic Zone:**  
Southern Jewel of Malaysia

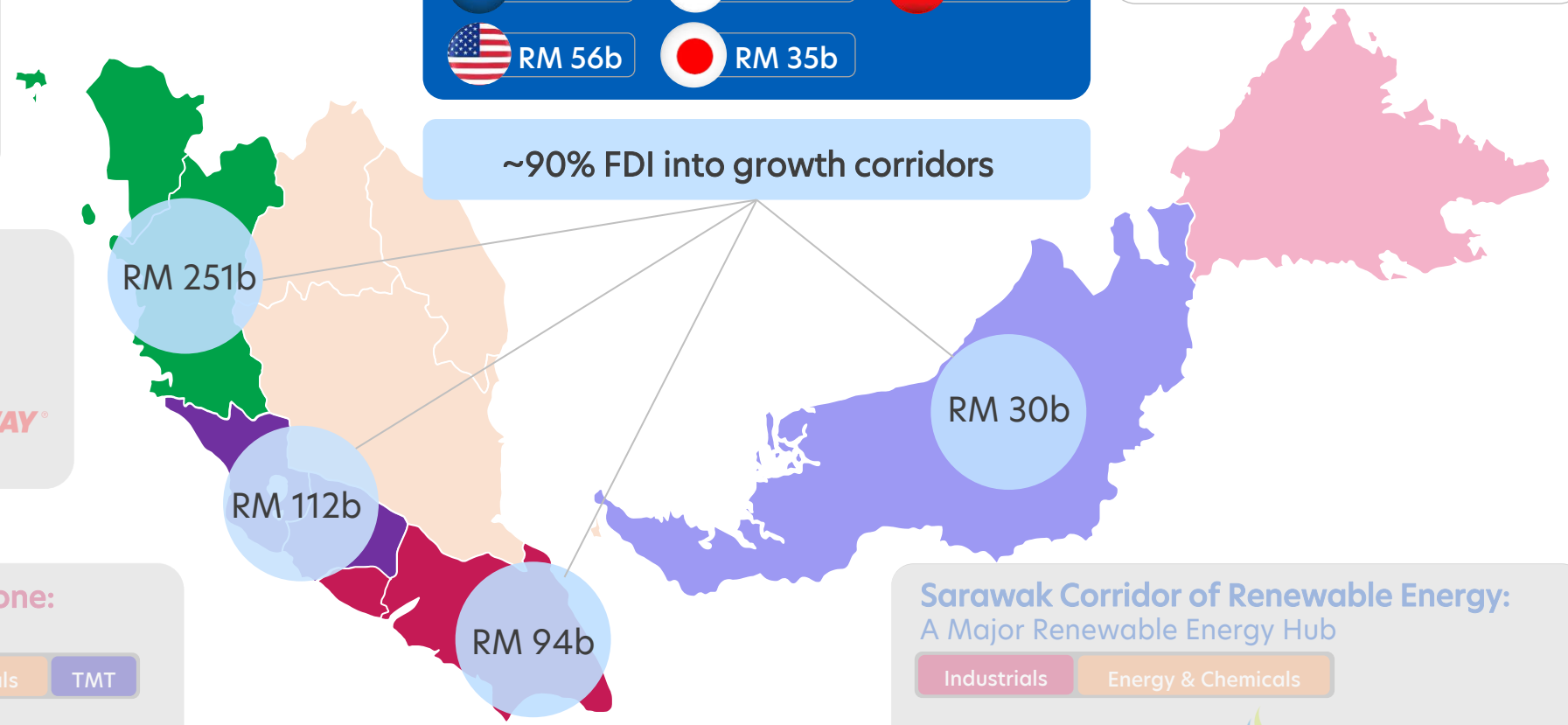
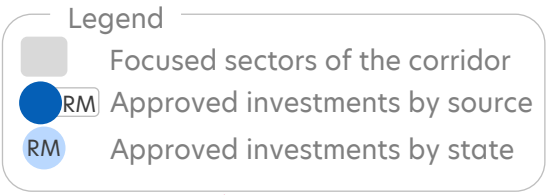
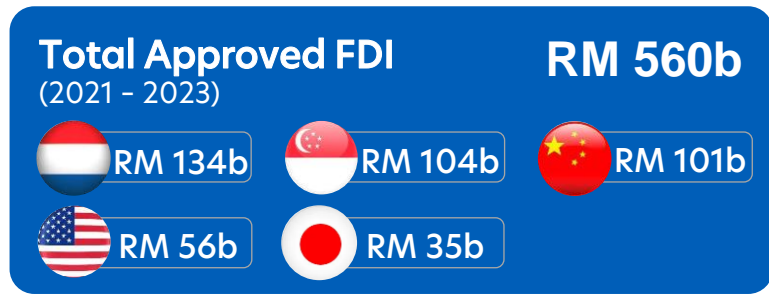
Data Centres | Industrials | Energy & Chemicals | TMT

NVIDIA, GDS 万国数据, Princeton Digital Group, PETRONAS, Microsoft, Saudi Aramco

**Sarawak Corridor of Renewable Energy:**  
A Major Renewable Energy Hub

Industrials | Energy & Chemicals

PETROS, sarawak energy, SEDC ENERGY, Pertamina, PRESS METAL, OCIM

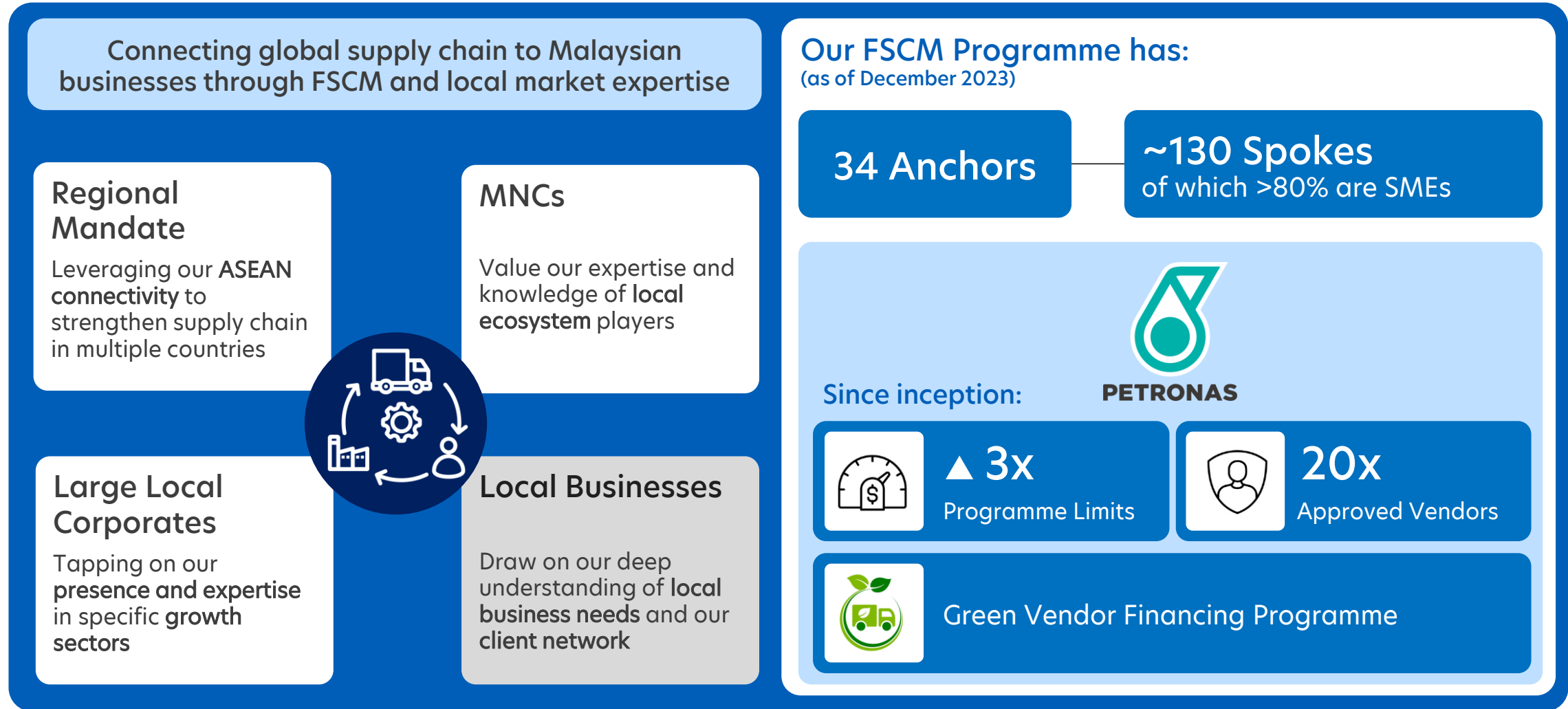




# Deepening connectivity and enhancing supply chain resilience



Solutions for Local and Foreign corporates to strengthen the ecosystem value chains in key growth sectors





# Powering the Supply Chain Ecosystem

**BUILDING ASIA**  
WITH  **UOB**

Presented by



# Building a sustainable Malaysia together



UOBM catalysing the transition towards a low carbon & sustainable economy



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA



Joint Committee  
on Climate Change

## UOBM Co-Chairs the JC3 SME Focus Group with BNM

Increase Malaysian SMEs' sustainability awareness and adoption - ESG Jumpstart Portal, BNM-funded schemes and capacity building



Jom Transform  
Sustainability Accelerator



UOB  
Sustainability  
Compass



Launched a series of bespoke sustainability programmes to help our client transition e.g. our award-winning Sustainability Accelerator Programme, CBAM masterclass. Collaborate with CMM and MGTC on ESG disclosures / certifications

~RM8.5 billion approved sustainability loans,  
>30% to SMEs and >3x growth in recent years

## Supporting clients' net zero ambitions



Greening ecosystem value chains (MOU)



RM1.5b ASEAN Green SRI Sukuk programme



**MOBILUS**  
Global Rail

Southeast Asia 1<sup>st</sup> Hydrogen-Powered  
Autonomous Rapid Transit in Sarawak

## Strong traction on U-Solar in line with Malaysia's NETR (as of December 2023)



340  
GWh

of solar power generated in  
Malaysia



228k  
tonnes

▼ CO<sub>2</sub> equivalent

# Wholesale Banking:



Growing emerging sectors and trade in line with Country's New Industrial and Green Masterplans

## Defend Core sectors



▲11%

Construction & Infrastructure

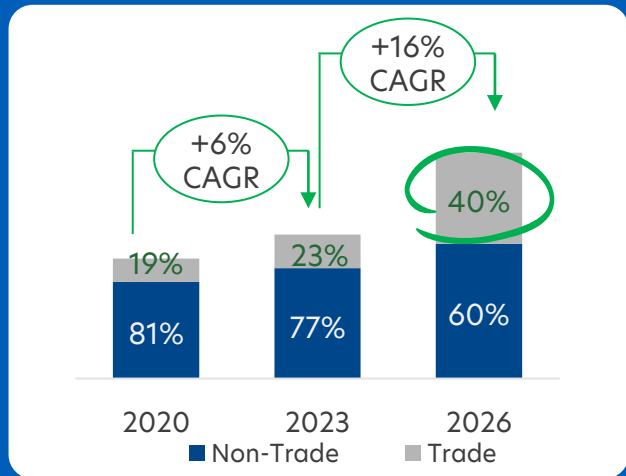


▲3%

Real Estate

## Pivot to Trade

WB Loan Mix



x% Sector loan growth (CAGR 23-26, %)

## Leverage Sector Solutions and Sustainability product capabilities to be at the forefront of Emerging sectors



▲30%

Industrials



▲17%

Energy and Chemicals



▲22%

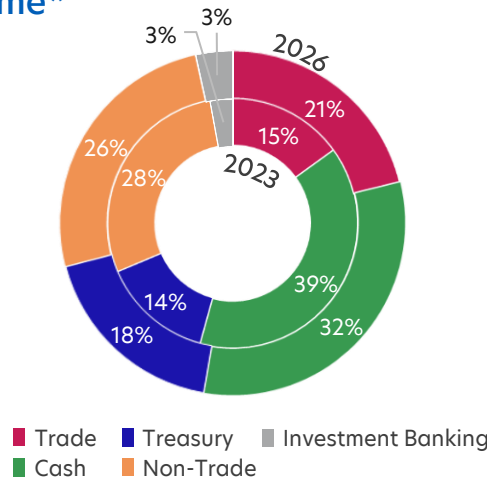
Consumer Goods



▲24%

Technology, Media and Telecommunications

## WB income mix shifting towards Cash, Trade and Treasury flow income\*



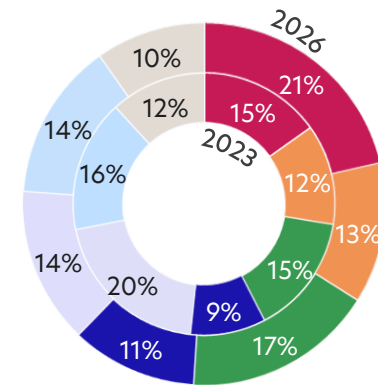
## WB loan mix shifting towards growth sectors

### Defend

- Construction and Infrastructure
- Real Estate
- Others

### Grow

- Industrials
- Energy and Chemicals
- Consumer Goods
- Technology, Media and Telecommunications



\*Cash, Trade and Treasury to lead flow income growth. Overall cash income % is expected to normalize in line with expectation of Fed's rate cut. Total Cash, Trade and Treasury income to contribute 70% of WB income.

# Retail Banking:

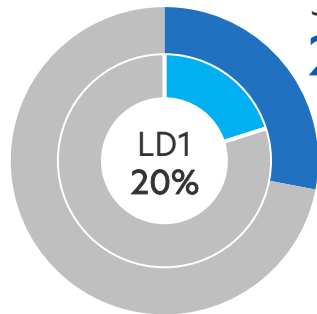


Synergies from Citi acquisition - successfully completed migration in < 9 months. Good progress on cross-sell riding on our enlarged key strengths

## Achieved Operational Day 1 in July 2023 (Legal Day 1 in Nov 2022)

### Cross-sell **CASA** to migrated base

#### CASA Penetration



>55%

Digitally onboarded

Cross-sell accounts registered higher funding rate

>90%

and average balance vs NTB customers

### Accelerated **Wealth** conversion with wider solutions

#### Affluent Customer Base

Average Asset Under Management (AUM) >150k



▲ 26%

#### Wealth Solutions Penetration

- ✓ Retail Bond 18% → 25%
- ✓ Bancassurance 27% → 37%

### Reverse synergies on **Credit Card** portfolio

\*excluding migrated base

#### Early Card Engagement

Activation rate at Month 1



Pre-LD1 56%

→ 82%

#### Card Spend

▲ 20%  
per annum

#### Card Balance

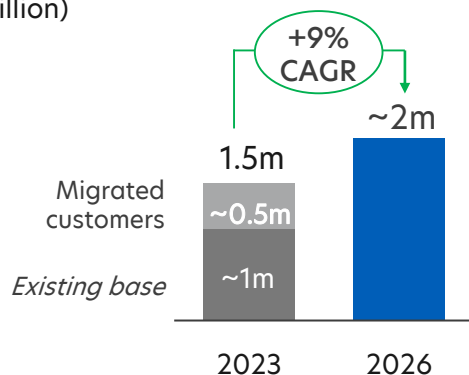
▲ 14%  
per annum

# Retail Banking:

Leveraging enlarged retail portfolio to capture rising affluent consumer spending and wealth

Serving the broader affluent and aspiring population

Retail Customer Base (million)



Acquire broader affluent base through UOB's progressive branding and customer-centric offerings

Capture digital opportunities by leveraging UOB TMRW digital platform



Customer-centric balance between digital and personalised engagement



Acquire & engage digitally

Revenue Quantum **1x**



Advisory via Branch

**1.3x**

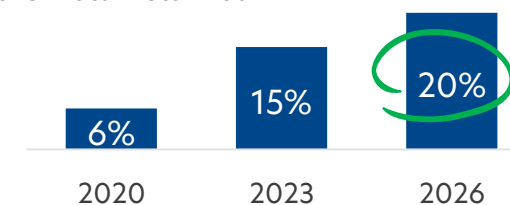


Scale with Omni-Channel

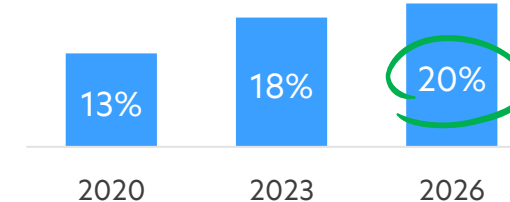
**2x**

Diversify income growth through fee-based and higher margin products

Improve Unsecured Loan Mix over Total Retail Loan

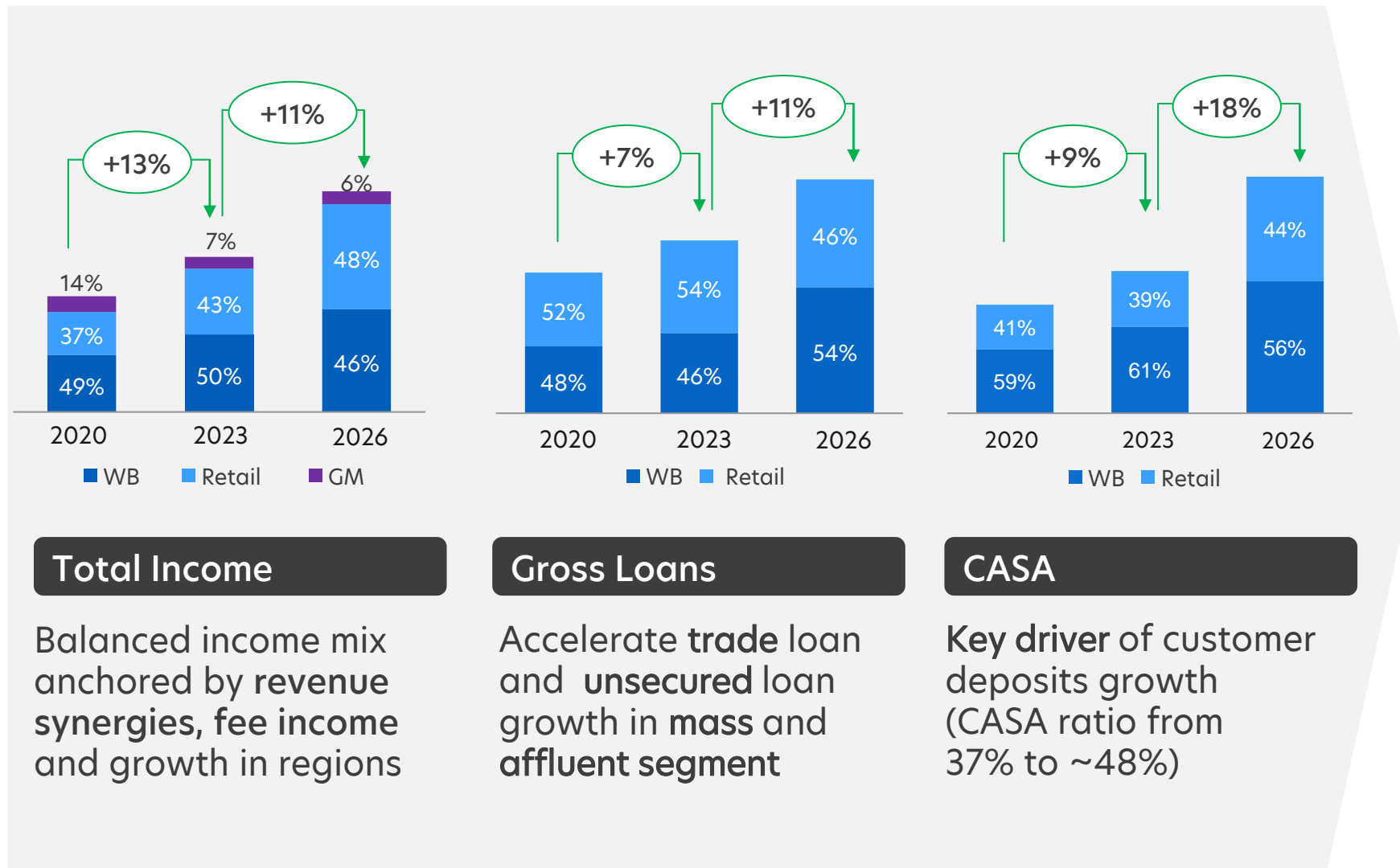


Wealth AUM Mix over Total Retail AUM



Deepen customer engagement with lifestyle offerings. Tailored rewards and personalised financial solutions for every life stage.

# Building on record performance in 2023 to deliver 2026 aspiration



## Total Income

Balanced income mix anchored by revenue synergies, fee income and growth in regions

## Gross Loans

Accelerate trade loan and unsecured loan growth in mass and affluent segment

## CASA

Key driver of customer deposits growth (CASA ratio from 37% to ~48%)

**From 2023 to 2026:**

- Return On Equity**  
12% to ~14%  
Industry Average: 10.6%<sup>1</sup>
- CAGR ~14%**  
Fee Income Growth  
Industry Average: 6%<sup>1</sup>
- 48% to ~45%**  
Cost-Income Ratio  
Industry Average: 47%<sup>1</sup>

<sup>x%</sup> 3-year CAGR <sup>1</sup>Key commercial banks' average as of December 2023  
Note: Financials include Labuan and exclude one-off integration costs



**Right By You**



# Glossary

<b>APE</b>	Annual Premium Equivalent
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>AUM</b>	Asset Under Management
<b>b</b>	Billion
<b>BNM</b>	Bank Negara Malaysia
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CASA</b>	Current Accounts and Savings Accounts
<b>CBAM</b>	Carbon Border Adjustment Mechanism
<b>CMM</b>	Capital Markets Malaysia
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>E&amp;E</b>	Electrical and Electronics Products
<b>ESG</b>	Environmental, Social and Governance
<b>ENR</b>	End Net Receivable
<b>Fed</b>	United States Federal Reserve
<b>FDI</b>	Foreign Direct Investment
<b>FSCM</b>	Financial Supply Chain Management
<b>GM</b>	Global Markets
<b>GWh</b>	Gigawatt Hours
<b>JC3</b>	Joint Committee on Climate Change
<b>HQ</b>	Headquarters
<b>k</b>	Thousand
<b>KL</b>	Kuala Lumpur
<b>LD1</b>	Legal Day 1
<b>LRT</b>	Light Rail Transit
<b>m</b>	Million
<b>MGTC</b>	Malaysia Green Technology and Climate Change Corporation
<b>MNC</b>	Multinational Corporation
<b>MOU</b>	Memorandum of Understanding
<b>MRT3</b>	Mass Rapid Transit Line 3
<b>NETR</b>	National Energy Transition Roadmap
<b>NIMP</b>	New Industrial Master Plan 2030
<b>NTB</b>	New-to-Bank
<b>SME</b>	Small and Medium Enterprise
<b>SRI</b>	Sustainable and Responsible Investment
<b>TMT</b>	Technology, Media & Telecommunications
<b>UOB</b>	United Overseas Bank
<b>UOBM</b>	UOB Malaysia
<b>WB</b>	Wholesale Banking

