

Overview

Wong Kim Choong
Chief Executive Officer

UOBM Corporate Day
4 - 5 September 2014

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Agenda

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INTRODUCTION TO UOBM

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FINANCIAL HIGHLIGHTS

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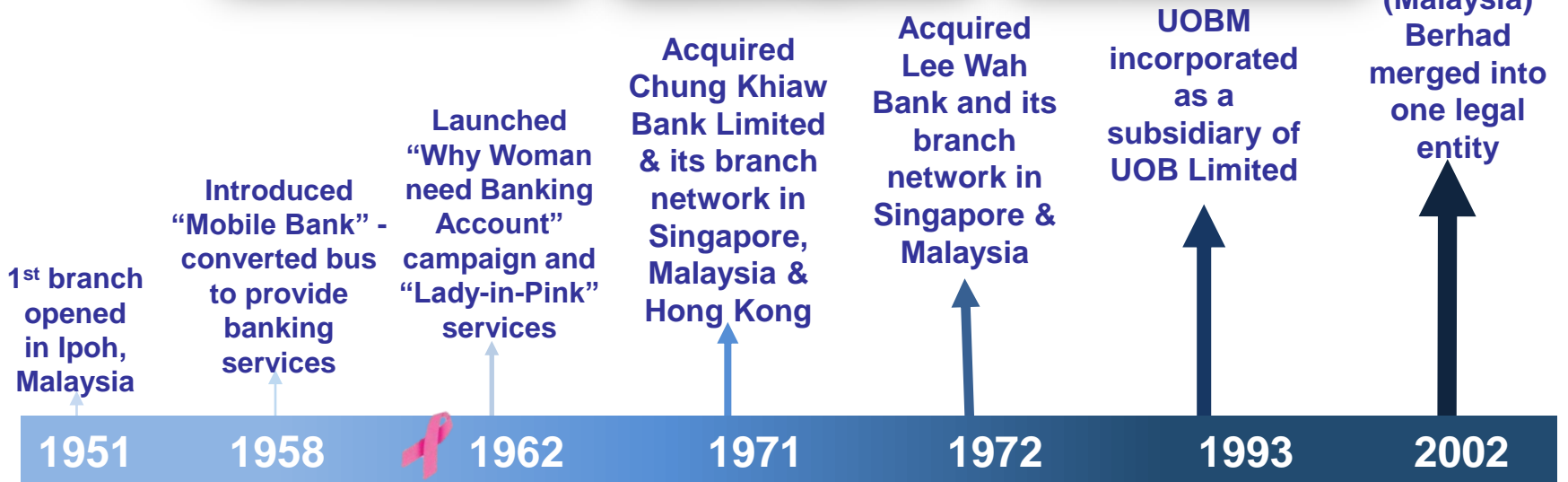
GROWTH DRIVERS

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

We've Been Here Since 1951

<p>BUSINESS NEWS</p> <p>Innovation: "Mobile Bank" Service</p> <p>...van that brings banking services to those in need,...</p> 	<p>BUSINESS NEWS</p> <p>"Lady-in-Pink" service</p> <p>...started a special "Lady in Pink" service whereby female staff dressed in pink cheongsam would attend to women customers...</p> 	<p>BUSINESS NEWS</p> <p>Lee Wah Bank Limited was acquired by UOB</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>BUSINESS NEWS</p> <p>UOB acquired OUB</p> <p>Sep 2001 ...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> 
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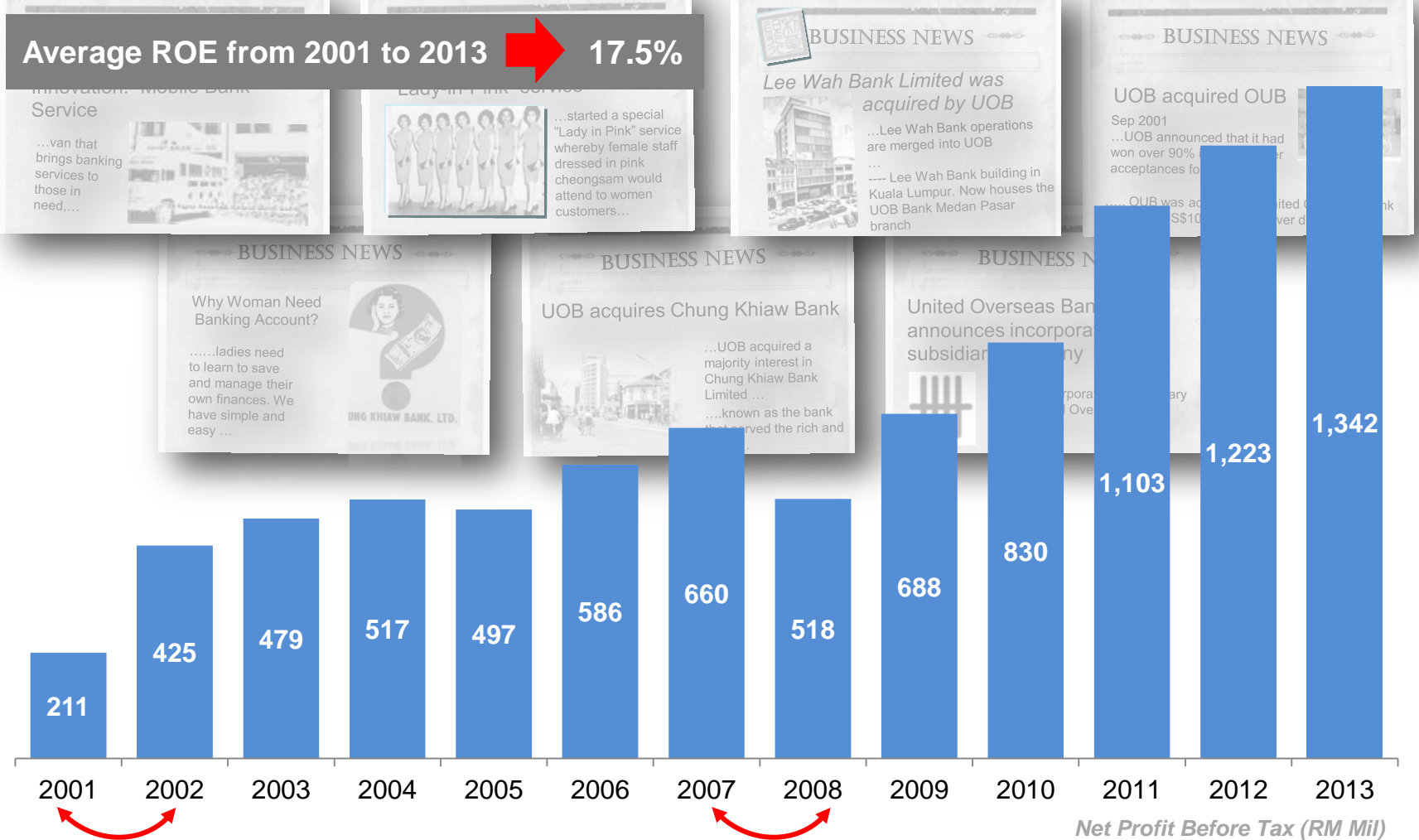
<p>BUSINESS NEWS</p> <p>Why Woman Need Banking Account?</p> <p>.....ladies need to learn to save and manage their own finances. We have simple and easy ...</p>  <p>UNG KHIAW BANK, LTD.</p>	<p>BUSINESS NEWS</p> <p>UOB acquires Chung Khiaw Bank</p> <p>...UOB acquired a majority interest in Chung Khiaw Bank Limited ...</p> <p>...known as the bank that served the rich and mass...</p> 	<p>BUSINESS NEWS</p> <p>United Overseas Bank Ltd announces incorporation of subsidiary company</p> <p>1993 .</p> <p>..... has incorporated a subsidiary called United Overseas Bank (Malaysia)</p> 
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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

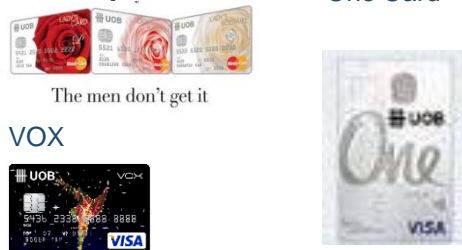


The flexible financing package


Experience true flexibility with **UOB Home Loan**

UOB Lady's Card One Card

The men don't get it



VOX



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

LAUNCHING OF BUSINESS BANKING **FX 88 CHAMPAGNE DEAL**

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

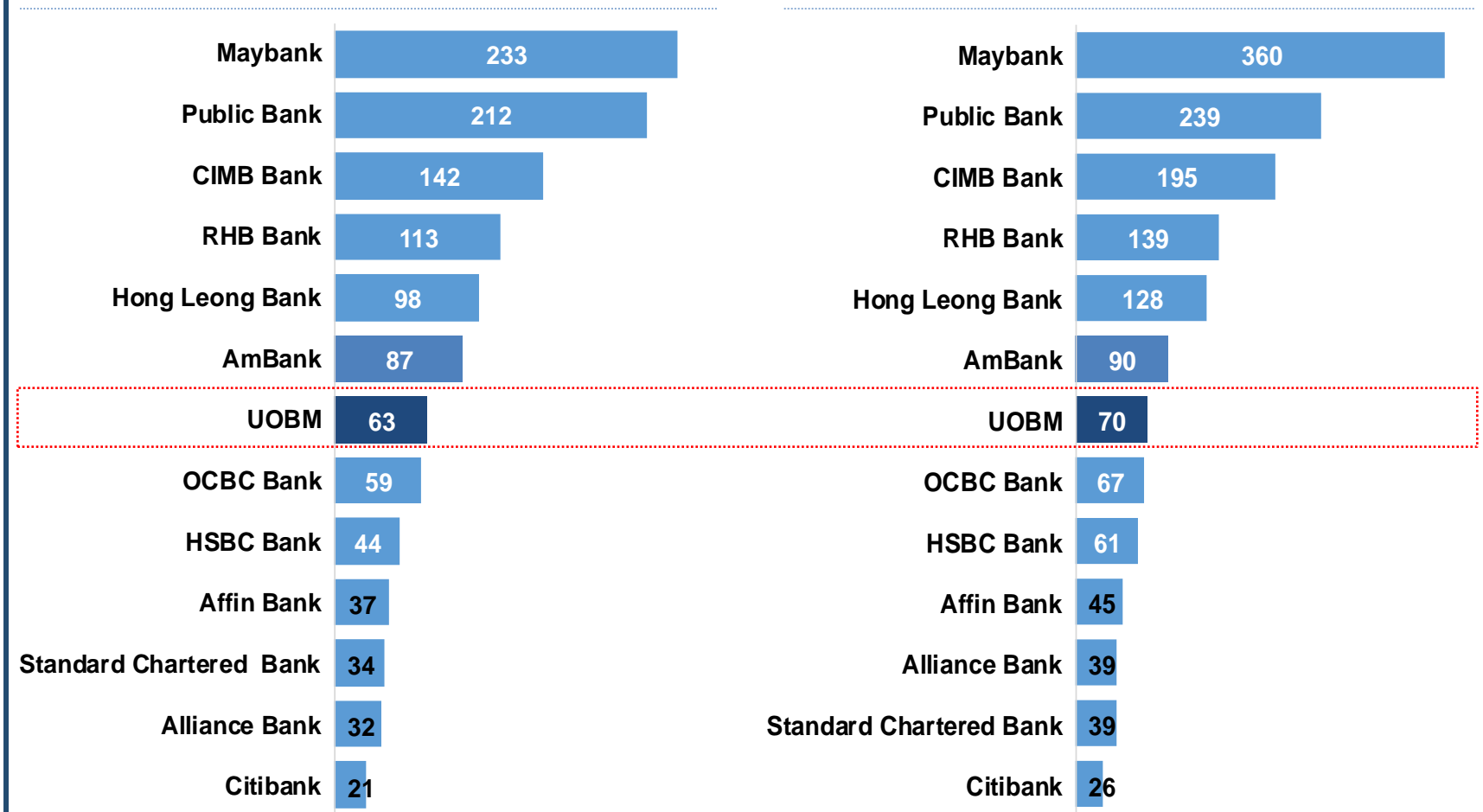
Mandated Adviser
March 2014

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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GROWTH DRIVERS

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

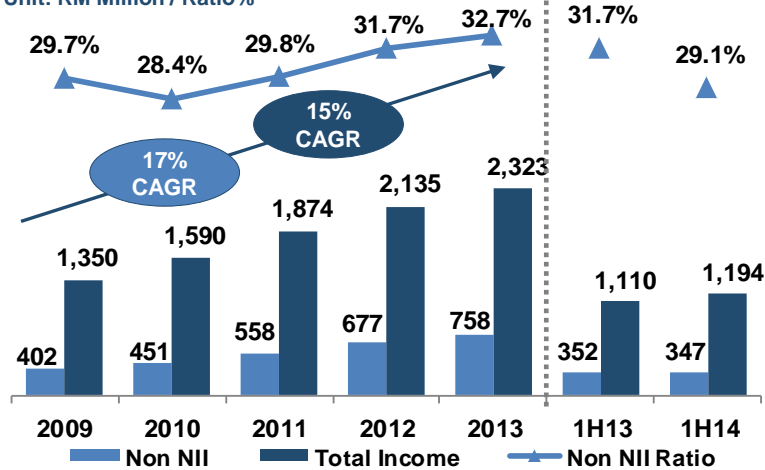
PRUDENT MANAGEMENT OF CAPITAL, LIQUIDITY & BALANCE SHEET

- 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

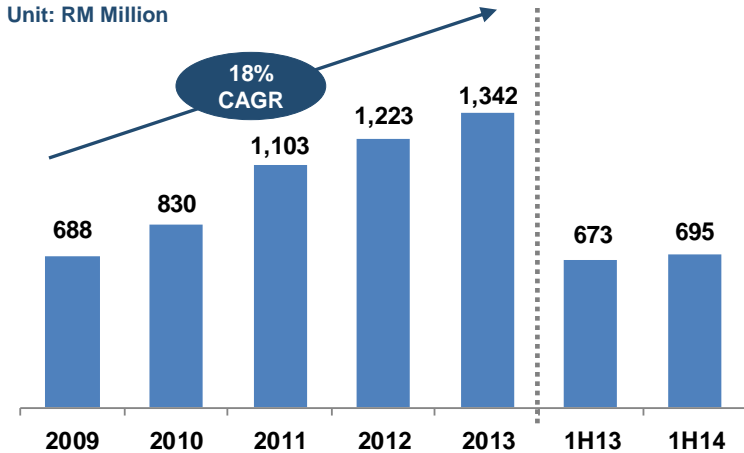
Income

Unit: RM Million / Ratio%



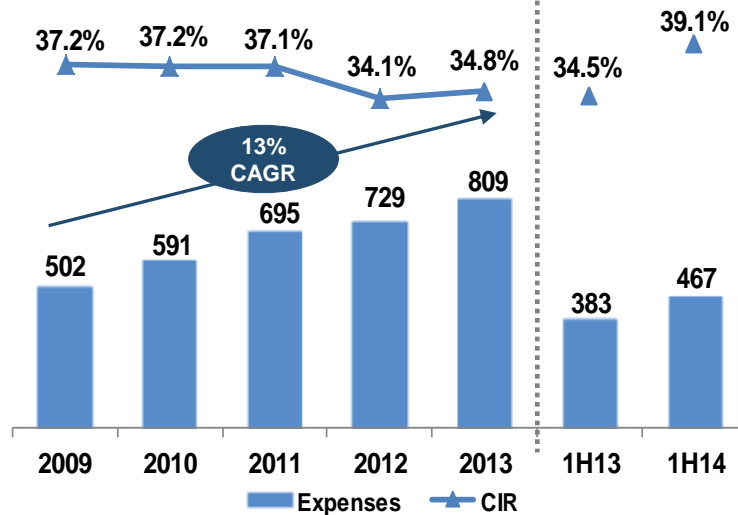
Net Profit Before Tax

Unit: RM Million



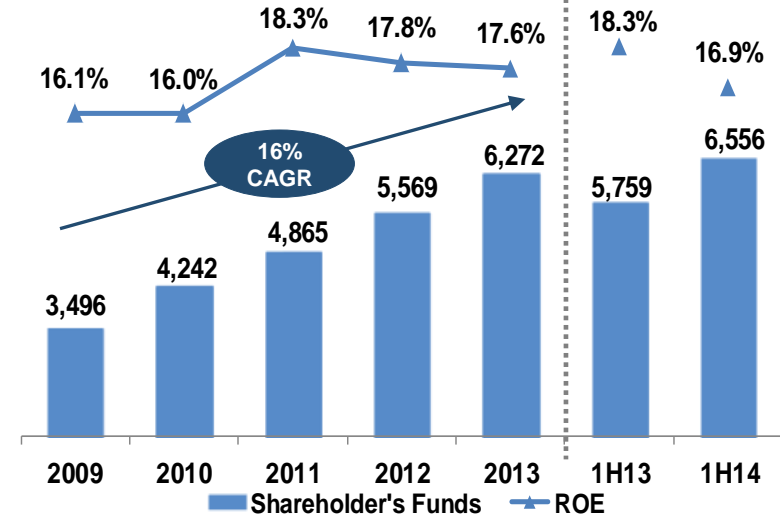
Expenses and Cost to Income Ratio

Unit: RM Million / Ratio%



Shareholder's Funds and ROE

Unit: RM Million / Ratio%

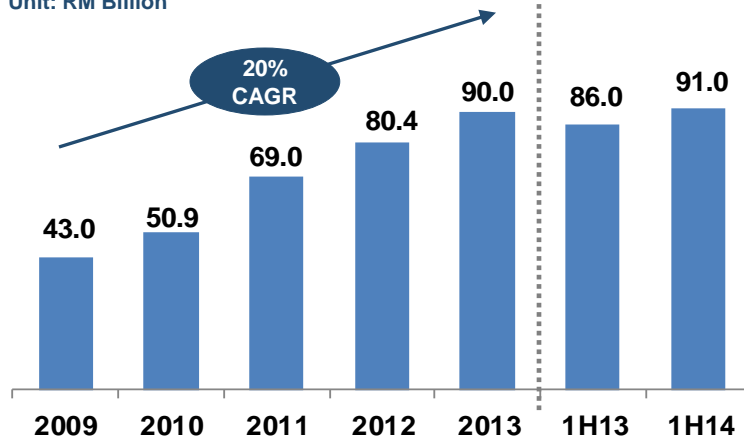


Source: Annual reports and financial statements

Strong Growth in Loans

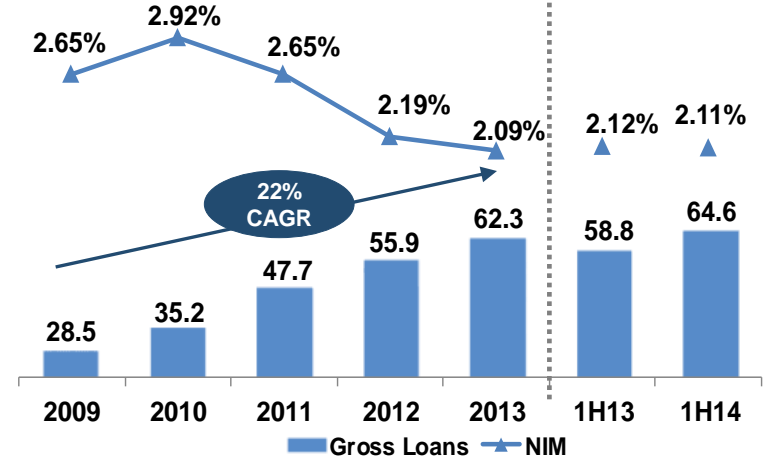
Total Assets

Unit: RM Billion



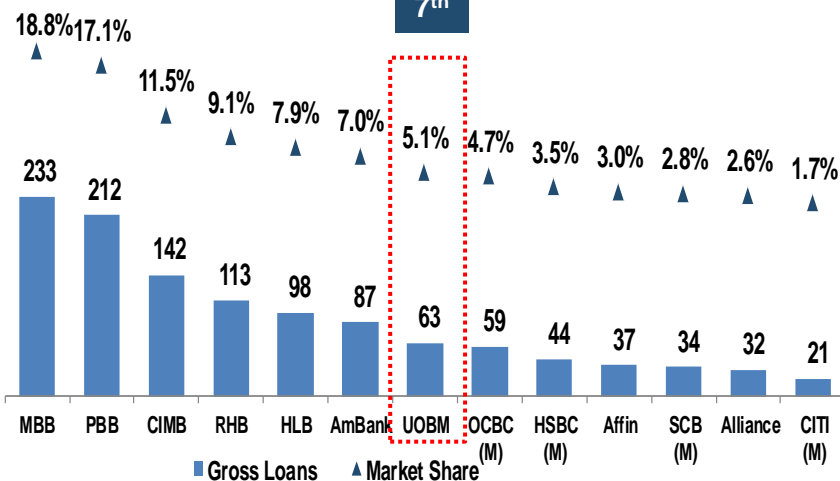
Gross Loans and NIM

Unit: RM Billion / Ratio%



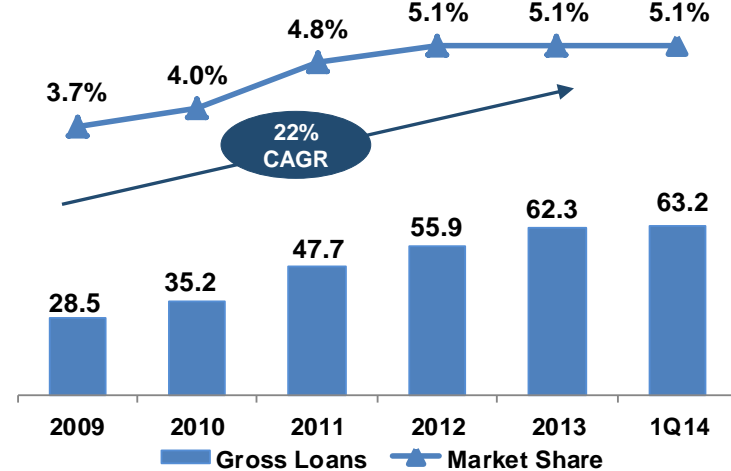
Gross Loans and Market Share – 1Q14

Unit: RM Billion / Ratio%



Gross Loans and Market Share Trend

Unit: RM Billion / Ratio%

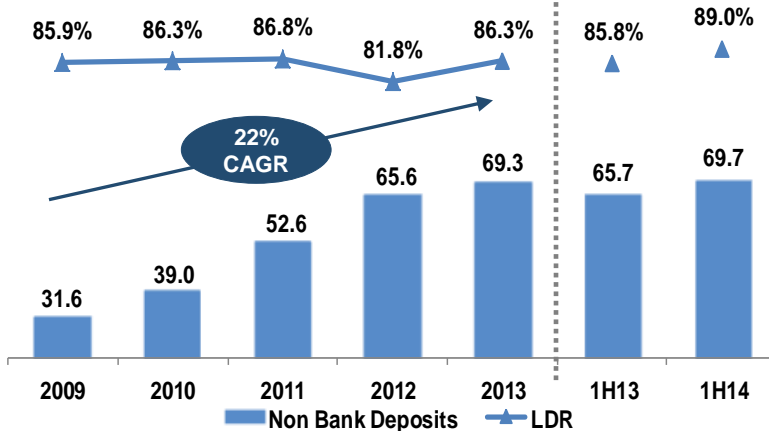


▪ Includes Commercial banks and Islamic banks where applicable
 ▪ Source: Bank Negara Malaysia monthly statistical bulletin and banks' financial statements

Pacing Deposit Growth with Loan Growth

Non Bank Deposits and LDR % *

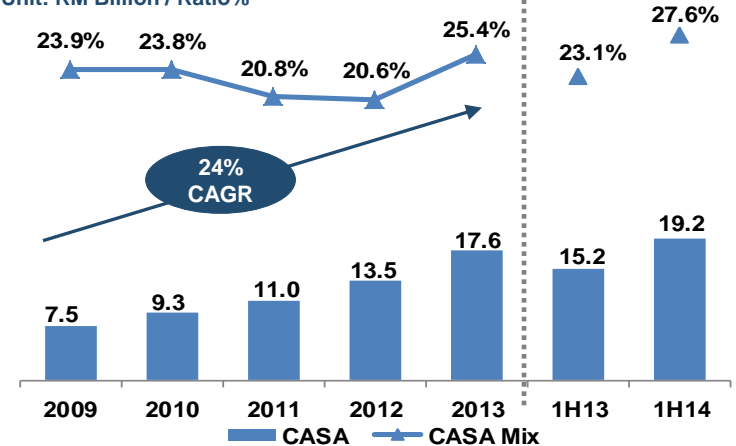
Unit: RM Billion / Ratio%



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

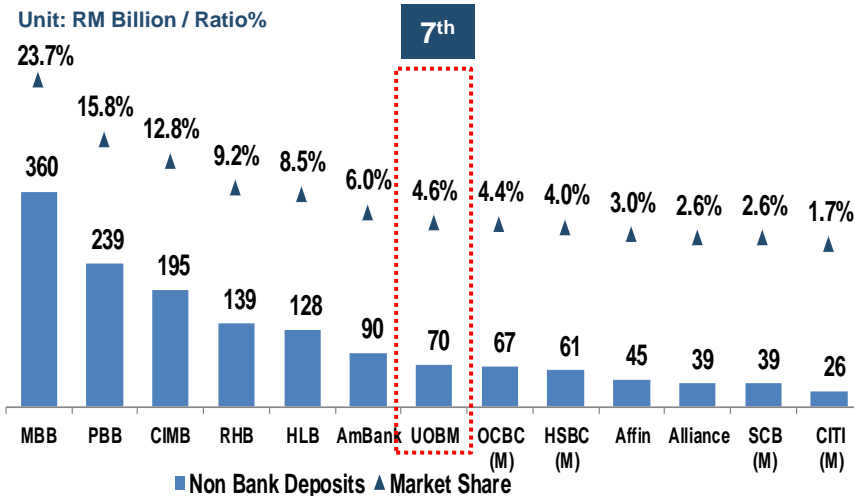
CASA Mix

Unit: RM Billion / Ratio%



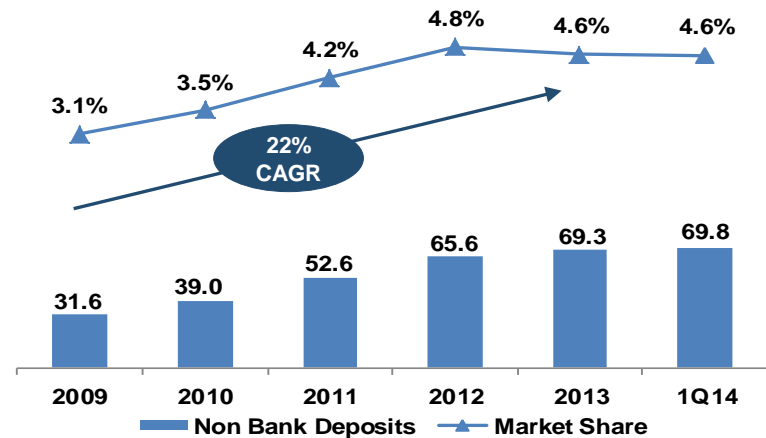
Non Bank Deposits and Market Share – 1Q14

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

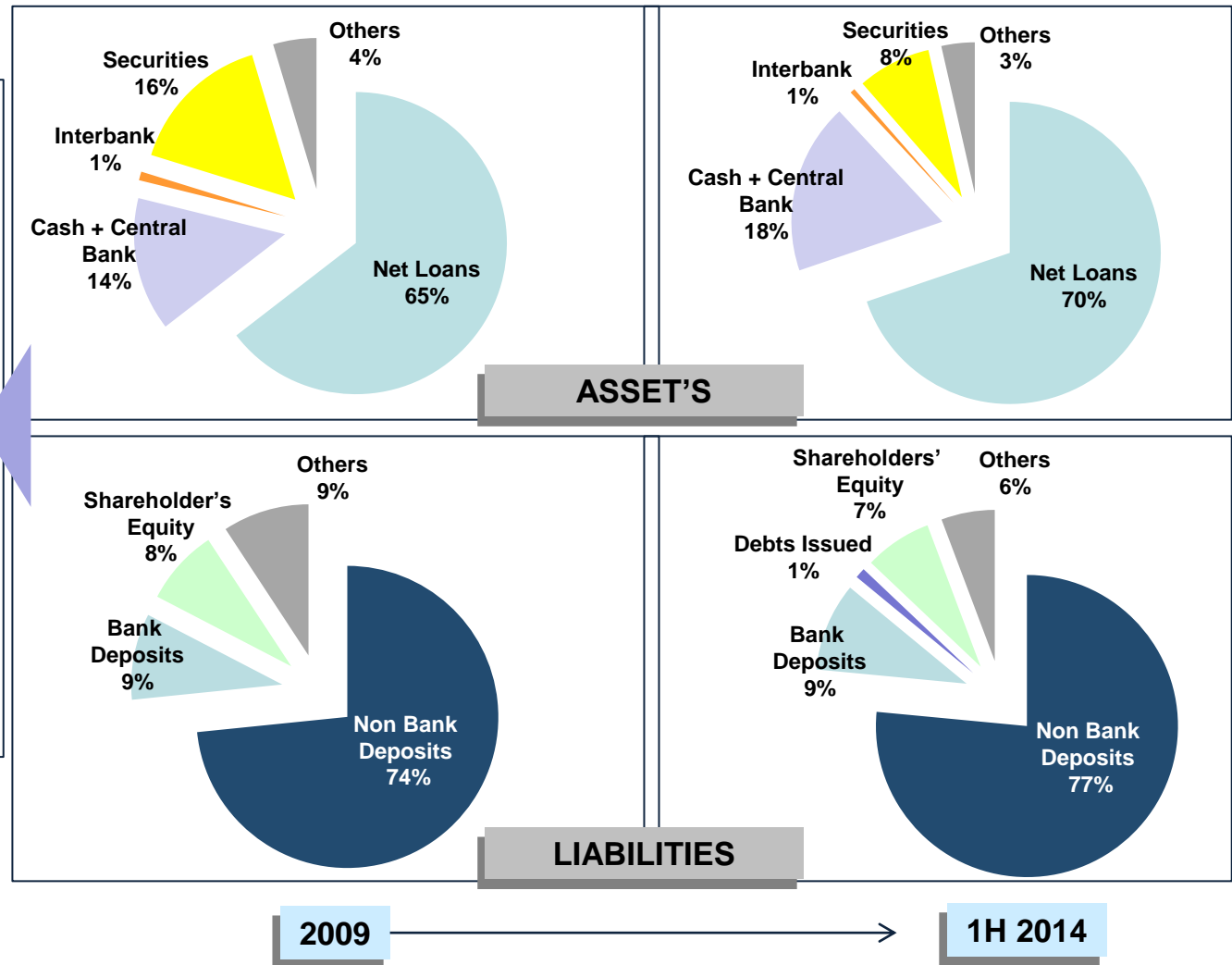
Strengthening our Balance Sheet

BUILDING CUSTOMER FRANCHISE

- Disciplined approach to credit growth in target segments

STABLE FUNDING BASE

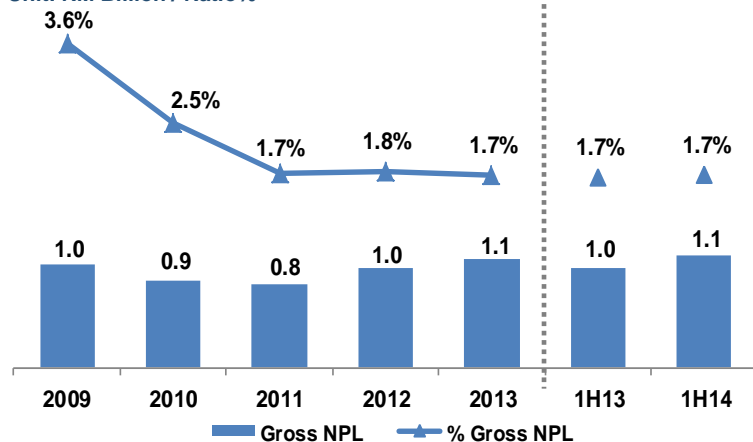
- Focus on stable deposits
- CASA mix has improved to 28%, above industry 26%
- LDR at 89%* as at 1H14



Resilient Asset Quality and Strong Capital Position

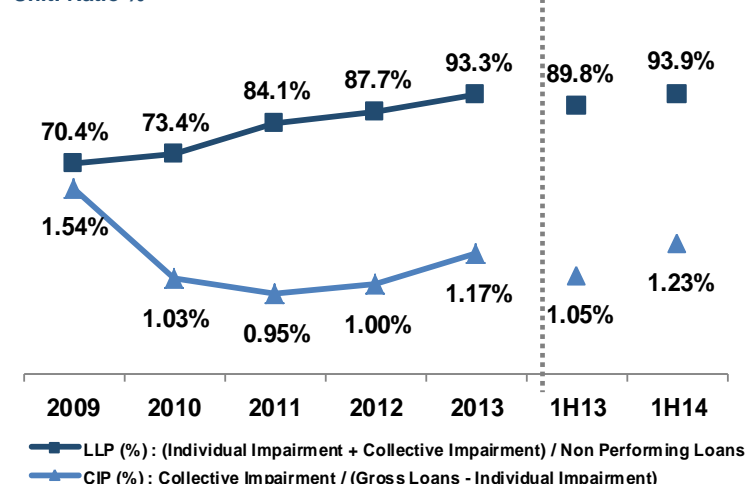
Gross NPL

Unit: RM Billion / Ratio%



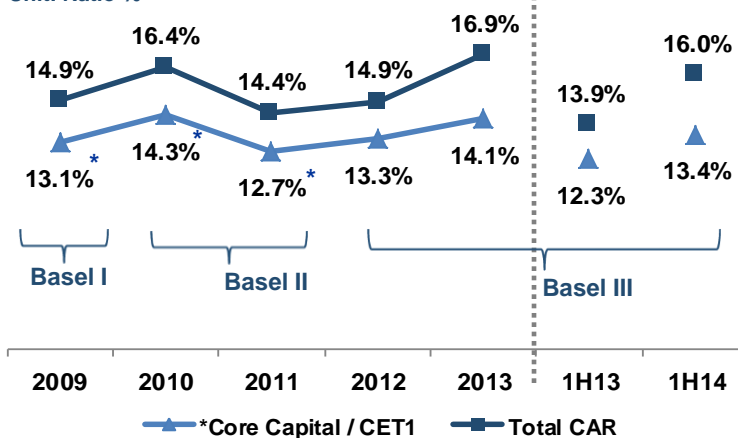
Loan Loss Provision to NPL Coverage and Collective Impairment to Loans Coverage

Unit: Ratio %



CET1 and Total CAR

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%
Total	100%	100%	100%	100%	100%	100%	100%

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

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GROWTH DRIVERS

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

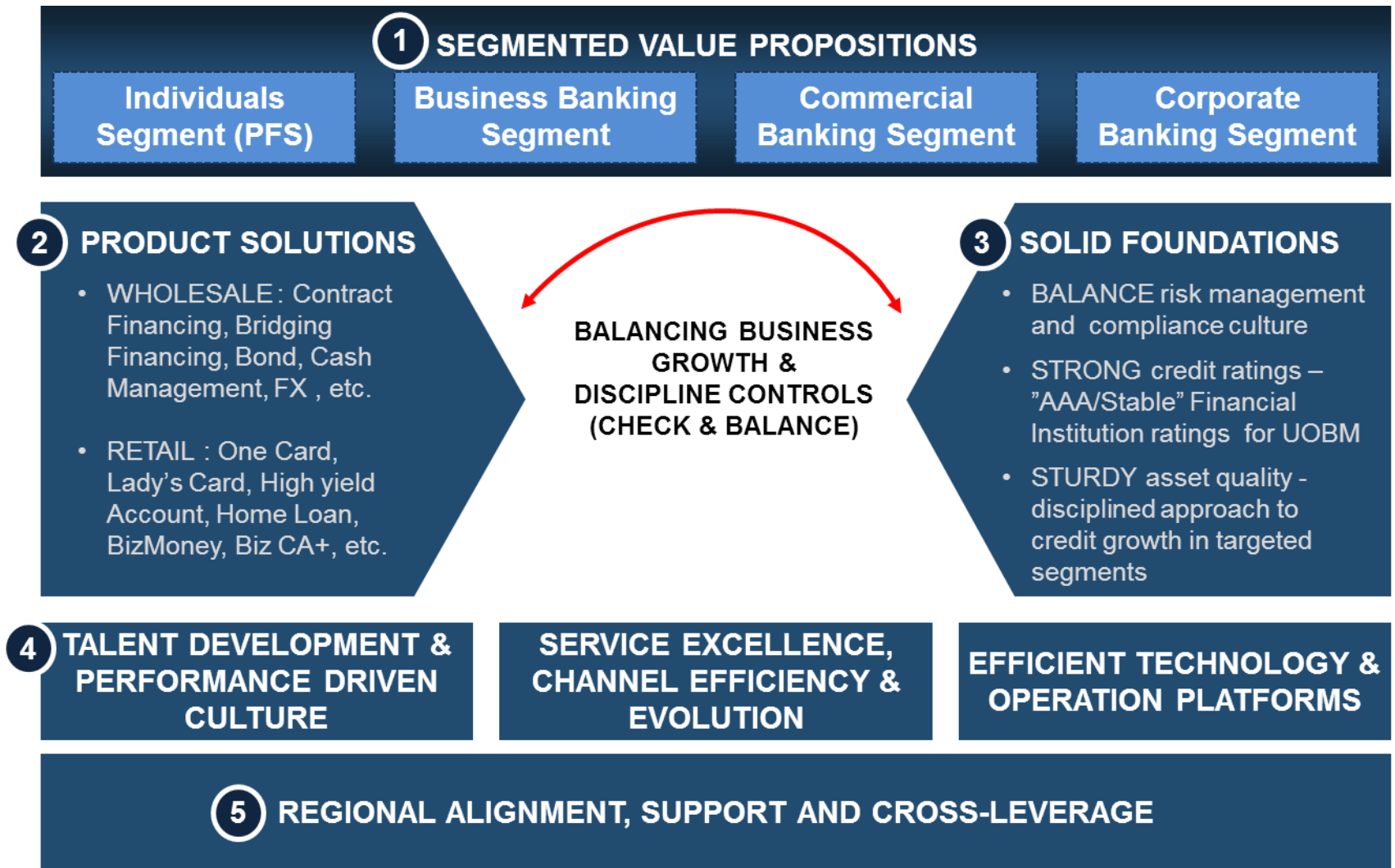
4 STABLE EMPLOYMENT & INCOME RATE

- 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



THANK YOU