

Global Financial Institutions Group

Lim Lay Wah
**Head, Group Financial
Institutions**

**UOB Greater China
Corporate Day**
31 August – 1 September 2015

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 accepts no liability whatsoever with respect to the use of this document or its content.



Agenda

1

KEY TRENDS

2

4-YEAR STRATEGY: WHERE TO PLAY & HOW TO WIN

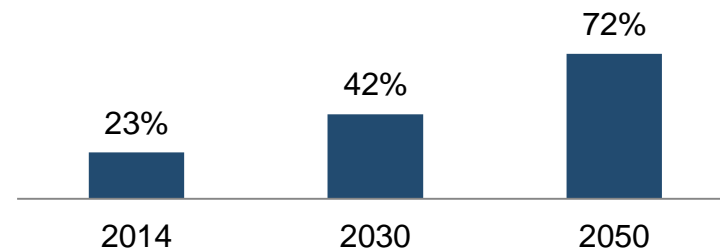
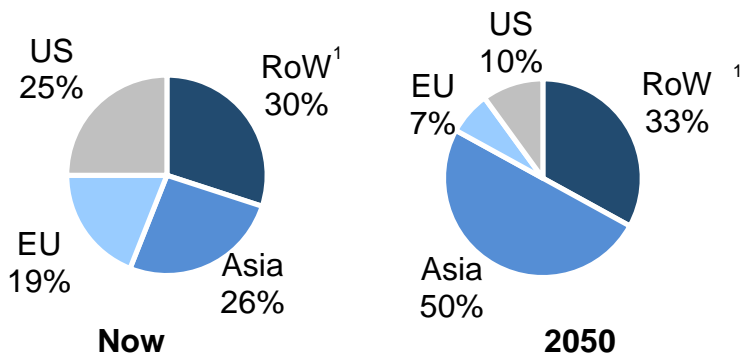
3

STRATEGY BY CLIENT SEGMENTS

4

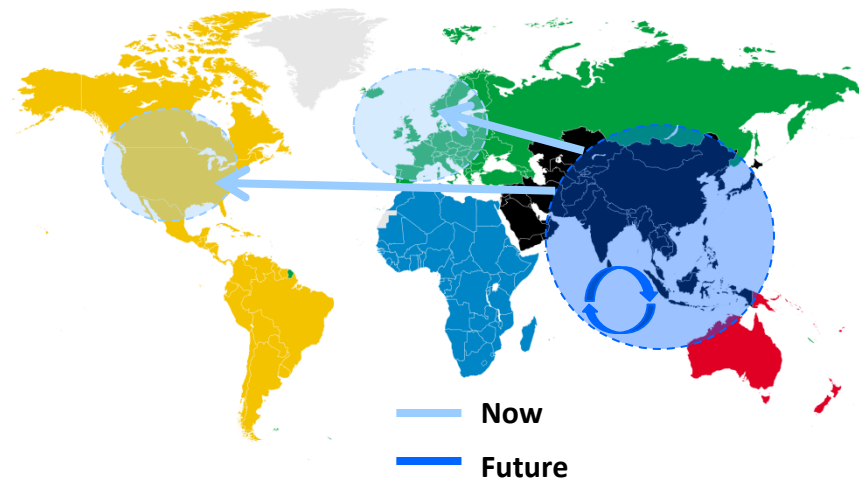
OUR JOURNEY SINCE OCT 2014 .. AND MOVING FORWARD

Overview of Asian Financial System: Asia to Dominate International Financial Markets by 2050



Asian GDP will be larger than the US and Europe combined by 2030 and represent over half of global economy by 2050.

Asian equity markets will represent c.42% of global market capitalisation by 2030, and 72% by 2050.



Asia will be home to many global financial centres (Shanghai, Seoul, Singapore, Hong Kong), rivalling New York and London.

Asian capital flows will increasingly remain within the region, while US and Europe are likely to receive a smaller share in the future.

Sources: IMF, ADB

1. RoW: Rest of the World

Key Trends are Reshaping Banking and Presenting Opportunities



Customer segment specialisation

Customers' buying behaviour rapidly shifting to banks who can provide solutions (rather than products) and service cross-border needs

Trade/FDI¹/Wealth Flows

Trade is increasingly driven by intra-Asia flows. Banks have to service their clients in their main trade corridors

Regulations driving business changes

Plain-vanilla lending rapidly becoming less profitable on a risk-adjusted basis, due to higher costs of capital and operational expenses

Huge rise in assets and shift in investor base

The expansion and emergence of institutional investors (for e.g., sovereign wealth funds and real money funds), with diverse investment mandates and investment goals

Agenda

1

MARKET LANDSCAPE

2

4-YEAR STRATEGY: WHERE TO PLAY & HOW TO WIN

3

STRATEGY BY CLIENT SEGMENTS

4

OUR JOURNEY SINCE OCT 2014 .. AND MOVING FORWARD

UOB GFIG as a Strategic Client Segment

Enhanced Revenue with Efficient Deployment of Capital and Credit	“Connecting” the dots for corporate and commercial clients	Strengthens UOB’s Liquidity and Credit Position
<ul style="list-style-type: none">▪ Multi-solution client-driven coverage team with disciplined focus and clear business strategy▪ Client segment specialisation<ul style="list-style-type: none">• Banks• Non-Banks Financial Institutions (NBFIs)• Funds / Financial Sponsors	<ul style="list-style-type: none">▪ GFIG coordinates with relevant business units within UOB to better meet clients’ needs and deepen customer relationships, for example, leveraging credit relationships with GFIG banks and NBFIs to support corporate and commercial clients’ trade and investment flows in this region	<ul style="list-style-type: none">▪ Improved funding position with deposits and CASA from deep-pocket clients; for e.g., sovereign wealth funds, insurers and central banks▪ Access to high-quality assets from top-tier GFIG names▪ Stable funding allows UOB to have enhanced capacity to build quality assets, without straining UOB’s liquidity position

To Build Significant Relationship Depth and Network Connectivity, Leveraging Our Regional Footprint and “AA” Rating to Become a Trusted Partner for GFIC Clients in Asia Pacific

Right People

- Sector specialists in both relationship and product partners, to develop strong origination and execution capabilities for our targeted client segments

Right Client

- Focused and clear strategy in targeted three client segments leveraging our strong regional footprint in ASEAN and Greater China
- Client tiering: Platinum, Gold and Franchise

Right Solution

- Working with product partners to invest and develop an integrated value-adding solutions in Transaction Banking, Investment Banking and Global Markets

Agenda

1

MARKET LANDSCAPE

2

4-YEAR STRATEGY: WHERE TO PLAY & HOW TO WIN

3

STRATEGY BY CLIENT SEGMENTS

4

OUR JOURNEY SINCE OCT 2014 .. AND MOVING FORWARD

Trends and Opportunities

Significant deleveraging by global banks to improve ROE, capital and liquidity. This presents an opportunity for UOB to expand in Southeast Asia and Greater China.

Intra-Asia trade flows will surpass intra-Europe flows to become the largest in the world by 2016¹. In 2013, 53% of Asian trade was within Asia.

¹ Source: McKinsey analysis

Target Clients

Top-tier regional banks

Top-tier local banks in targeted countries

Private banks and foreign banks with an Asian focus

Strategies

- Deepening and tiering
- Diversify solution offerings for cross-border needs in trade finance, hedging solutions capital management and clearing
- Our footprint and priority markets in Southeast Asia and Greater China are well-aligned to the growth opportunities in Asia, for reciprocity and partnerships to provide local insights to our clients.

An Indonesian Policy Bank

- MLA syndicated term loan, one of the biggest tranches in Indonesia this year; USD1 billion total syndication loan for 3 and 5 years
- Established our core bank status
- Cross-sell opportunities for hedging and capital raising (Bonds)
- Teams are leveraging trade finance opportunities

Trends and Opportunities

Prominent role for SWFs¹ in global capital markets. SWFs assets to grow by 70% to USD8.9 trillion from 2012-2020.

Annualised insurance premium growth for APAC was 6.5% (gross written premium was USD262 billion in 2013), highest globally.

Diverse agendas and investment goals – looking for yields and investment in other asset classes (fixed income, real estate, PE²).

Target Clients

Public sector, SWFs¹, central banks

Investors: insurers, asset managers, funds

Diversified financials

Strategies

- Build new relationships and step up client acquisitions
- Cross-sell asset-liability management, market risks hedging and yield enhancement solutions
- Leverage our strong “AA” rating, and drive investor-driven origination in loan and DCM in local currencies and Asian USD

A Leading Global Logistic Fund

- Client is a leading global provider of modern logistics facilities with assets located across more than 50 global cities
- Supported clients with modest working capital facilities at both fund & asset level
- Expanded our relationship into FX & interest rate hedging solutions and liability management.
- Cross-sell opportunities to assist in market risks hedging and capital raising solutions

1. SWFs: Sovereign wealth funds

2. PE: Private equity

How and Where to Play: Funds and Financial Sponsors

Trends and Opportunities

Global retirement assets rose from USD21 trillion in 2004 to USD34 trillion in 2012, and will grow to USD56.5 trillion by 2020¹.

Global institutional investors directed more capital to the real estate asset class in recent years for healthy yields, steady income and portfolio diversification. Total AUM of the 100 largest investment managers in real estate reached USD2.48 trillion in 2014¹.

¹ Source: PWC and Institutional Real Estate, Inc.

Target Clients

Funds / Financial sponsors with established track record in real estate and private equity management in Asia

Strategies

- **Fund raising / Acquisition / Investment period:** uncalled capital facility; market risks hedging; and cash management solution
- **Refinancing period:** acquisition financing; structuring advisory; market risks hedging; and cash management solution
- **Divestment period:** advisory on efficient exit and capital restructuring; linking corporates up with asset purchase/sellers; package debt solutions/ hedging /cash management solution

One of the World's Largest Real Estate Investment Managers

- Property acquisition financing for a project in Singapore
- Packaged with market risks hedging solutions and cash management solutions
- Established deeper partnership with client in Asia and US with client's senior management teams in Singapore, Hong Kong and New York.
- Enable UOB to elevate its standing with one of the world's largest private equity funds

Agenda

1

MARKET LANDSCAPE

2

4-YEAR STRATEGY: WHERE TO PLAY & HOW TO WIN

3

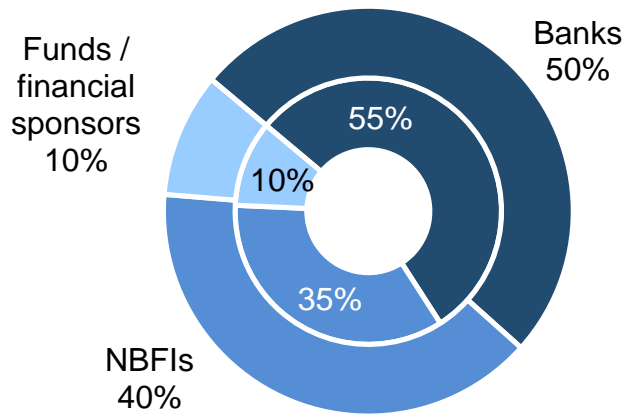
STRATEGY BY CLIENT SEGMENTS

4

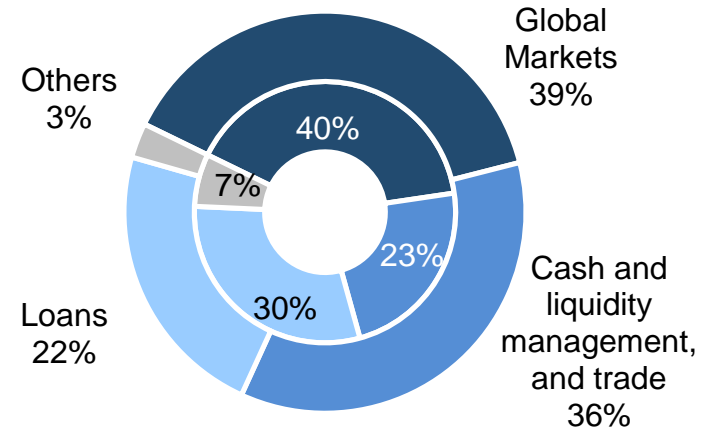
OUR JOURNEY SINCE OCT 2014 .. AND MOVING FORWARD

GFIG Transformation led by Client Origination Team

GFIG Revenue by Client Segments

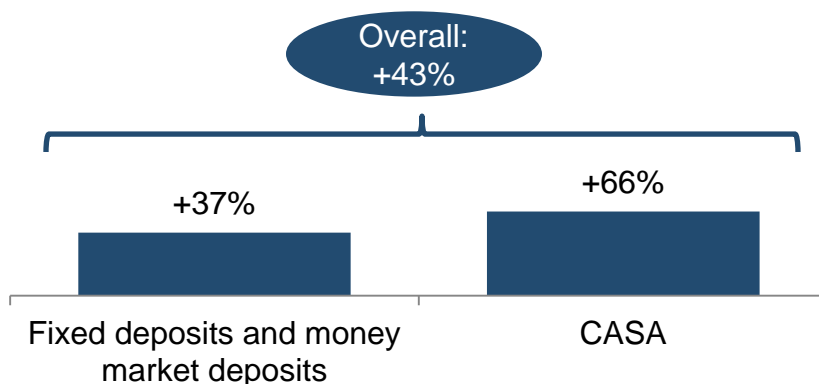


GFIG Revenue by Product



GFIG Liability Profile (Average Balance)

Growth rate since October 2014



Early successes:

- Improved specialisation in coverage team and better alignment with product partners
- Diversified revenue base from banks, NBFIs and funds/financial sponsors
- Improved liability profile and client diversity
- Maintained very healthy loan/deposit ratio, and built quality assets from targeted clients (via syndication)

Looking Ahead: The Next Leap...

	Today	Near Term	Future
Right People	<ul style="list-style-type: none">• Build bench strength and specialisation in coverage, product and capabilities• Up-skilling existing people capabilities	<ul style="list-style-type: none">• Continue to hire/build “fit for purpose” teams to develop sector specialist in coverage, products and capabilities	<ul style="list-style-type: none">• Sector specialisation model fully integrated into end-to-end client serving model• Retention of talents
Right Client	<ul style="list-style-type: none">• Disciplined client onboarding and deepen existing relationships	<ul style="list-style-type: none">• Establish “core bank” status with differentiated value proposition	<ul style="list-style-type: none">• Offering the “entire bank to core clients” with client segment tailored coverage model
Right Solution	<ul style="list-style-type: none">• Intra-Asia flows focusing on Southeast Asia and Greater China connectivity• Invest and develop integrated value-added solutions in various product groups	<ul style="list-style-type: none">• Continue to invest and build sustainable flow and value-added solutions in various product groups	<ul style="list-style-type: none">• Continue upgrade of infrastructure and develop end-to-end scalable infrastructure and operating models in various product groups

Questions & Answers

THANK YOU