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UOB Malaysia to double its corporate loans to foreign companies investing in Malaysia within three years

New unit set up to help Singaporean mid-sized SMEs¹ expand into Iskandar Malaysia

Singapore, 4 March 2013 – United Overseas Bank (Malaysia) Bhd (UOB Malaysia) aims to double its corporate loans to foreign companies investing in Malaysia in the next three years.

The Bank has based its projections on the fast-growing volume of foreign direct investments (FDI) and increased intra-regional trade flows coming into Malaysia. Currently, Malaysia attracts 10 per cent of the total FDI inflows from intra-regional trade in the Southeast Asian region².

To tap these trends, UOB Malaysia has set up an FDI Advisory Unit to help foreign companies expanding their business into Malaysia.

The unit will provide assistance ranging from company incorporation or further expansion into Malaysia, access to UOB's full suite of corporate and personal banking products to borderless financial services through the Bank's long established regional network.

UOB Malaysia's FDI Advisory Unit's first priority will be to focus on Singapore mid-sized SMEs expanding their businesses across the causeway into Iskandar Malaysia.

Mr Wong Kim Choong, Chief Executive Officer of UOB Malaysia said, "Iskandar Malaysia's lower cost of land, skilled labour resources and special tax incentives are attracting Singaporean companies."

"As there is growing interest from Singapore companies requiring financing needs overseas, the launch of this FDI Advisory Unit is timely as it allows customers to tap into the Bank's ecosystem of financing, legal advice and contacts with trade bodies."

¹ UOB views Singapore's mid-sized SMEs as companies with a turnover of S\$100million and below

² World Investment Report 2012

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Today, Malaysia's competitive cost of doing business and open policies such as the allowance of 100 per cent foreign equity holdings and funds repatriation to the base country makes it an attractive business expansion destination.

Singapore companies find Iskandar Malaysia attractive for business expansion plans

Last week, close to 200 mid-sized SMEs from Singapore took part in UOB Group's first customer seminar to explore the growth potential and business opportunities available in Iskandar Malaysia.

Because of overwhelming customer response, the new FDI Advisory Unit will continue working with the Malaysia Investment Development Authority, Iskandar Region Development Authority, Iskandar Investment Berhad and the Singapore Business Federation to organise these customer seminars on a regular basis.

Mr Wong noted that there has been keen interest from Singapore companies wanting to establish a presence or expand their business into Iskandar Malaysia, Johor. "The close proximity to Singapore, as well as familiarity with the language and culture, are major considerations as they allow Singaporean companies to comfortably manage their businesses closer to home from across the causeway."

According to the UOB SME Survey 2013³, Malaysia is the second most-preferred country by Singapore businesses, after Indonesia, for expansion purposes.

Over the past three years, UOB Malaysia has facilitated financing needs for a broad range of foreign companies setting up business in Johor, including those from the manufacturing, property, food and beverage, logistics and retail sectors.

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³The UOB SME Survey 2013 was conducted among 200 Singaporean small and medium-sized enterprises (SMEs) across multiple sectors to seek their views on business and economic sentiment, and how the SMEs develop their relationship with their customers. The survey was done across five markets – Singapore, Malaysia, Indonesia, Thailand and China in November – December 2012. Close to 800 SMEs were interviewed.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is one of the leading banks in Asia. It provides a wide range of financial services through its global network of over 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America, including banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and China. UOB plays an active role in the community, focusing on children, education and the arts. Its staff volunteerism programme was initiated in 2007. Through the UOB Heartbeat Run/Walk, UOB has raised funds for its named beneficiaries. UOB has also organised the prestigious Painting Of The Year Competition and Exhibition since 1982. In recognition of its contributions to the arts, UOB has been conferred the National Arts Council's Distinguished Patron of the Arts Award for the eighth consecutive year.

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