

National Success Story

IN CHANGING THE MIND SET OF MALAYSIANS

IN THE AREAS OF SAVINGS, INVESTMENT & FINANCIAL PLANNING

KUALA LUMPUR 29 October 2015

ASEAN-UNESCO SENIOR OFFICIAL FORUM

ON SOCIAL INCLUSIVENESS IN INNOVATION FOR SUSTAINABLE DEVELOPMENT

PNB as one of the instruments of the NEP

TRUSTEE /
FOUNDATION

YPB

1978: YAYASAN PELABURAN BUMIPUTERA (YPB)

Leading the development of a Bumiputera investment fund towards increasing equity participation and ownership in the corporate sector

INVESTMENT
HOLDING /
FUND
MANAGER

PNB

1978: PERMODALAN NASIONAL BERHAD (PNB)

Evaluating & acquiring sound portfolios in companies with good potential to be held in trust for subsequent sale to Bumiputera

UNIT TRUST
MANAGEMENT
COMPANY

ASNB

1979: AMANAH SAHAM NASIONAL BERHAD (ASNB)

Educating & mobilizing the savings of Bumiputera individuals through the marketing and selling of national unit trust schemes

UNIT TRUST
PRODUCT



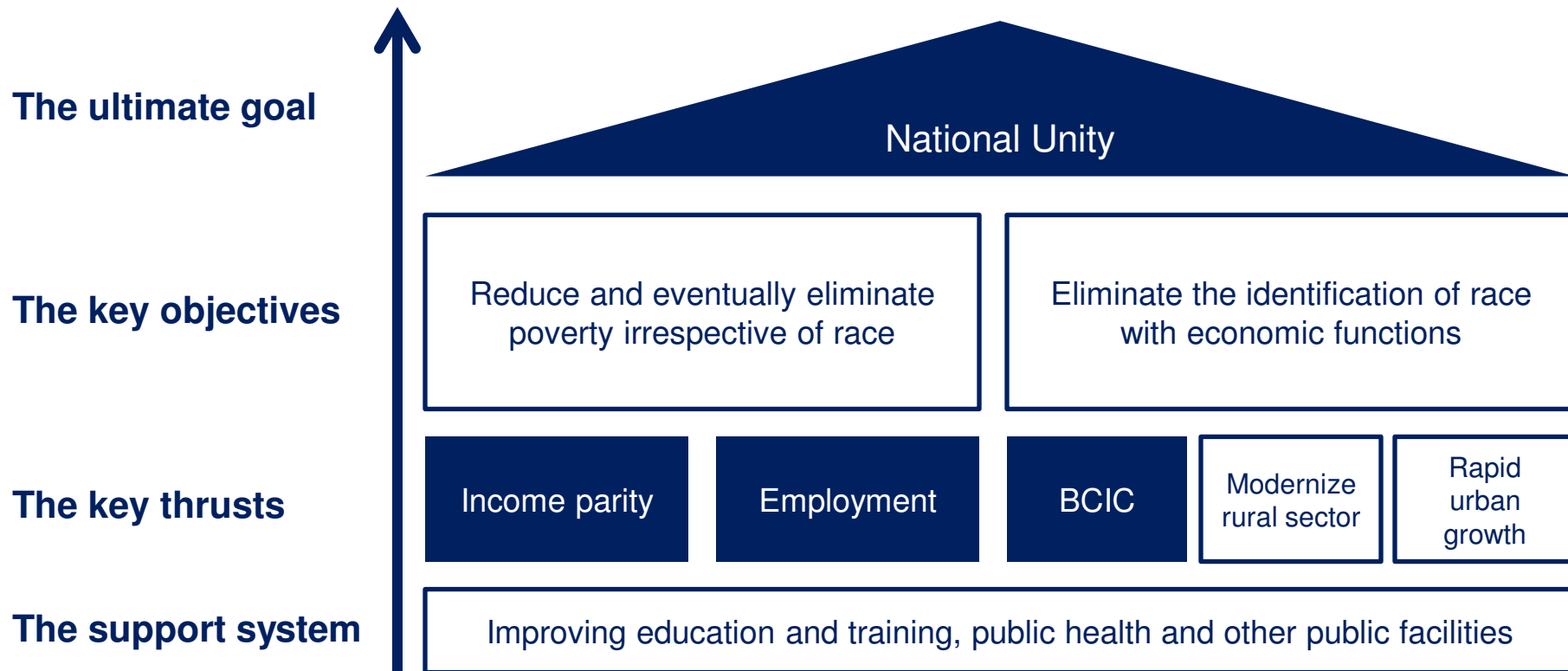
1981: AMANAH SAHAM NASIONAL (SEKIM ASN)

PNB's first product was launched and received overwhelming response with 540M units subscribed between April-December 1981

PNB

Permodalan Nasional Berhad

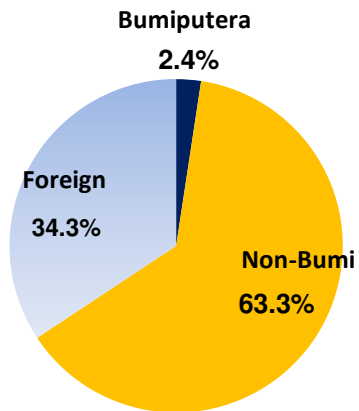
National unity - the ultimate objective of the NEP



Socioeconomic status before NEP interventions

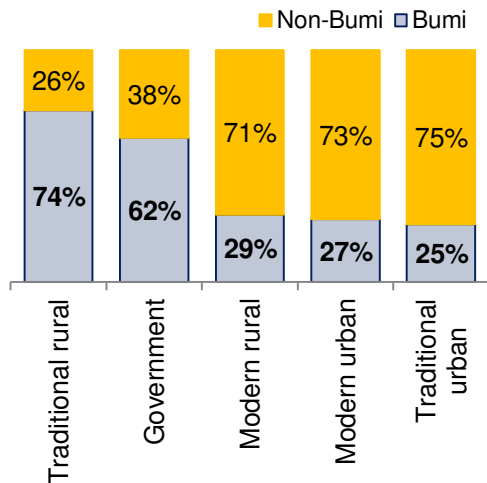
Equity

Ownership of the corporate sector



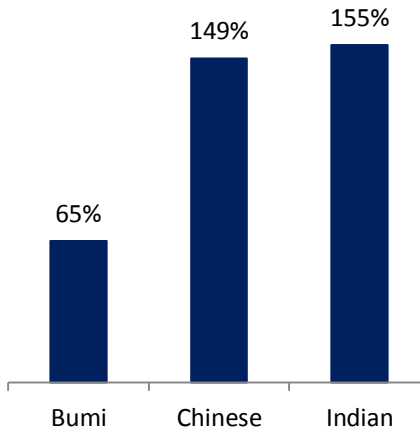
Employment

Employment by sector



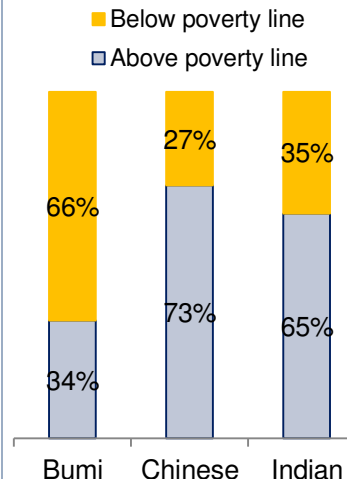
Income

Household income
(% of mean household income)

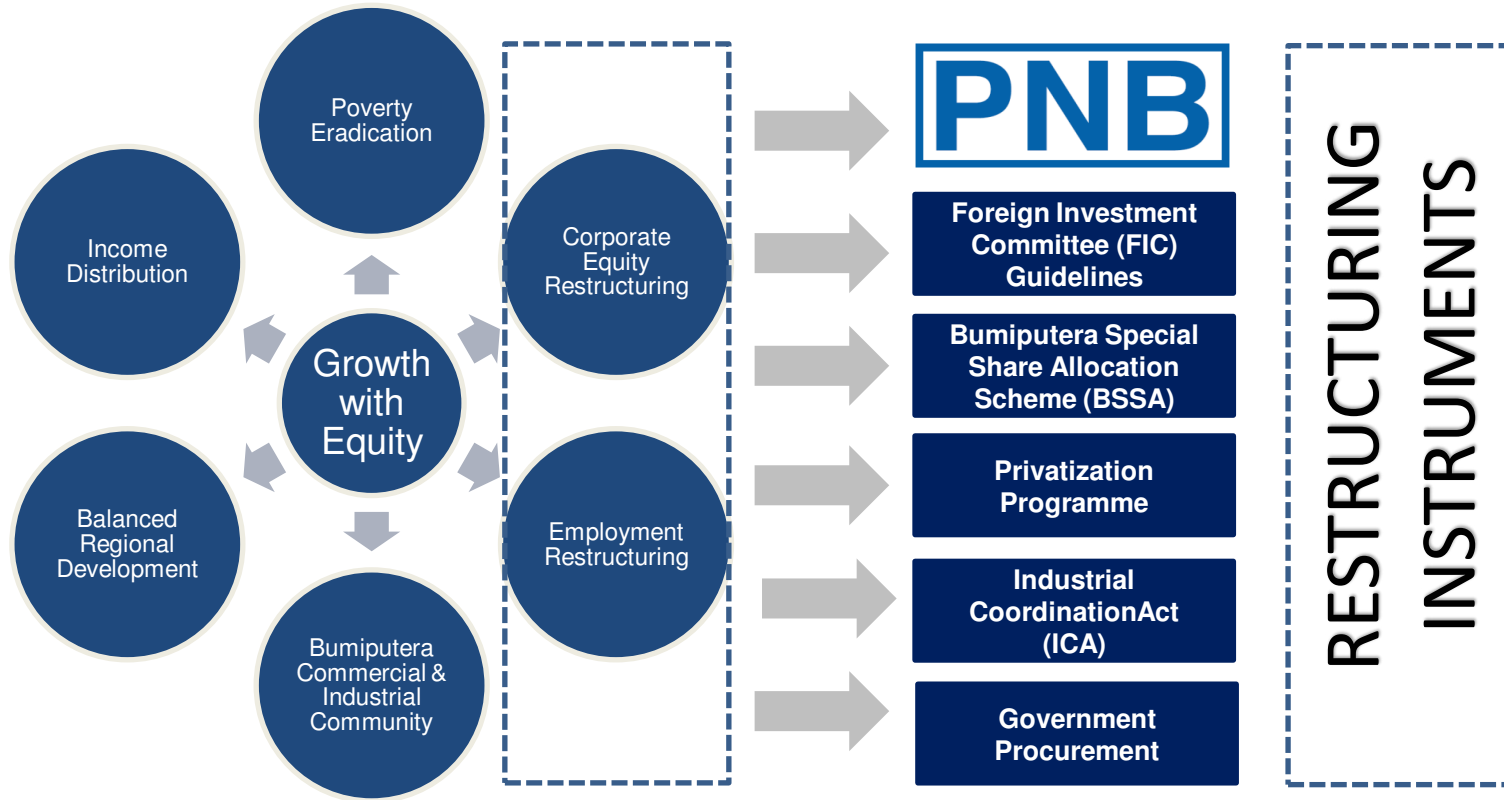


Poverty

Poverty status within each ethnic group



Focused role of PNB in the NEP



Socioeconomic disparity could not be corrected by market forces

1

Lack of capital

2

Lack of knowledge, skills and experience

3

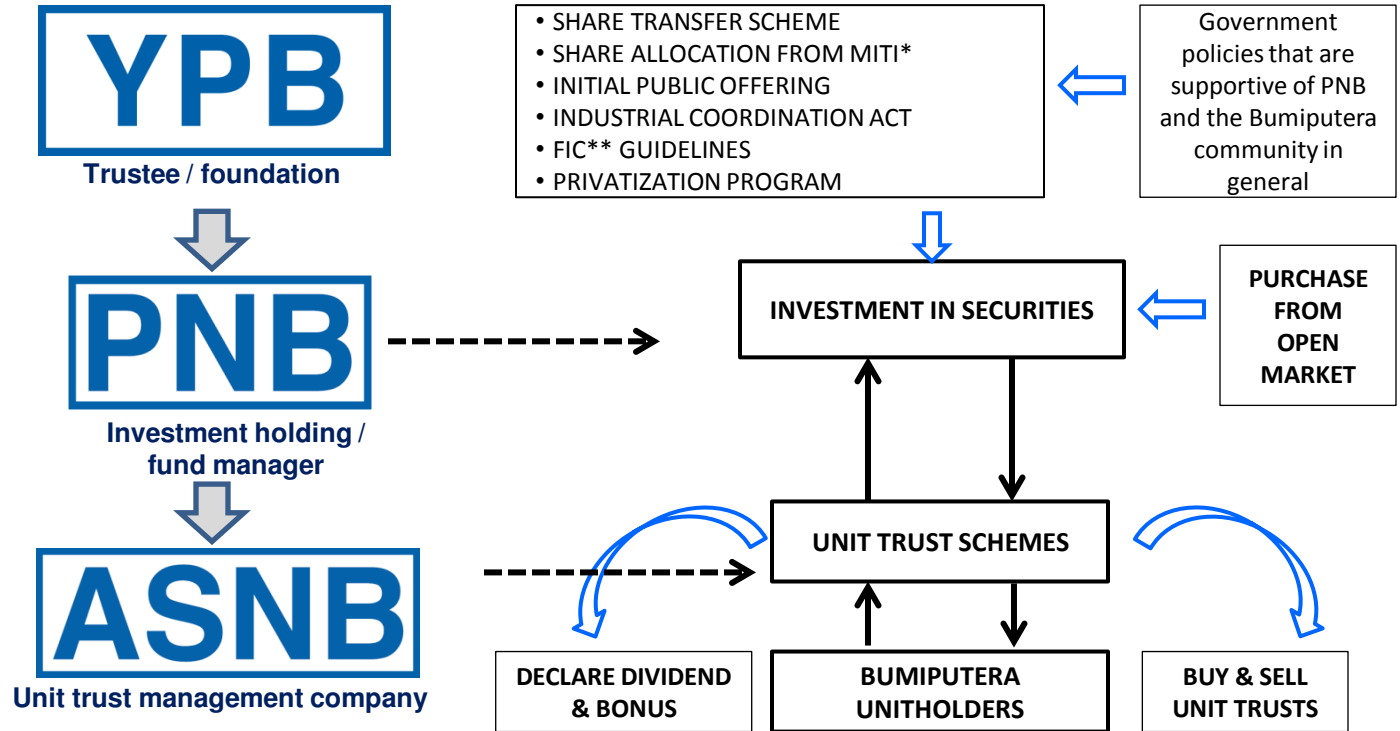
Lack of networks/ “uncontestable” market

Clear mandate, unique structure & mechanism

Mandate

- ❑ To promote share ownership in the corporate sector among the Bumiputera community
- ❑ To create opportunities for Bumiputera professionals to participate in the creation and management of wealth

Unique Structure & Mechanism



A unique & accommodative hybrid product

NORMAL UNIT TRUST + CONVENTIONAL SAVINGS DEPOSIT = INNOVATIVE ASN SCHEME

Bumiputera profile/mind set

Working in traditional sectors

Little knowledge of investment

Low level of income and savings

Risk averse to stock market

Largely in rural areas



Unique product features

Simple and attractive

High level of liquidity

Minimum investment of 10 units

Fixed price equity-link

Strategic agency network

Over 1,700 agents' branches located nationwide



maybank2u.com
MALAYSIA



CIMB Clicks



RHB Now
Internet & Mobile Banking



affinOnline.com

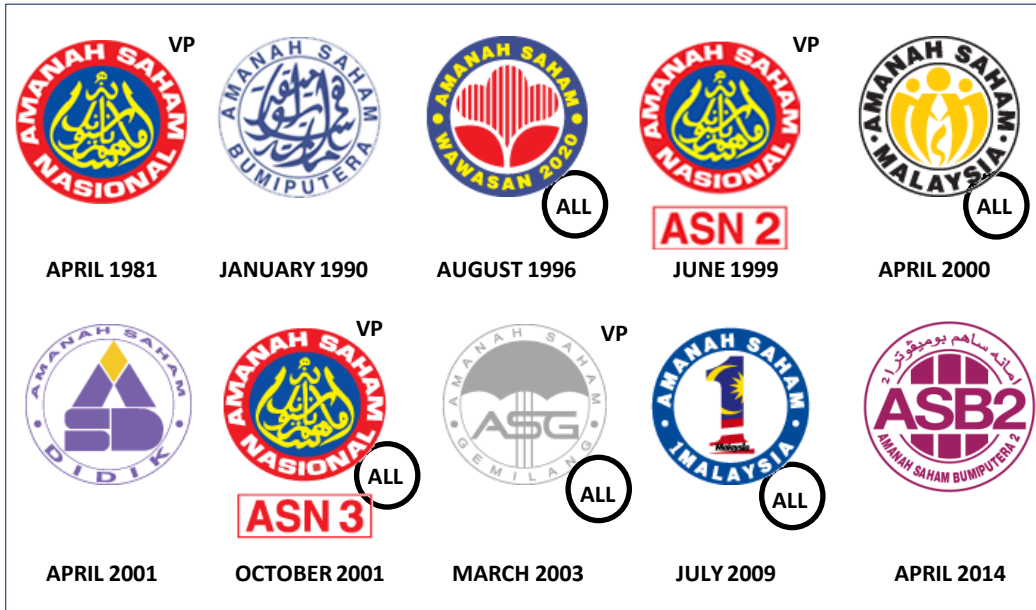


ALLIANCE BANK online

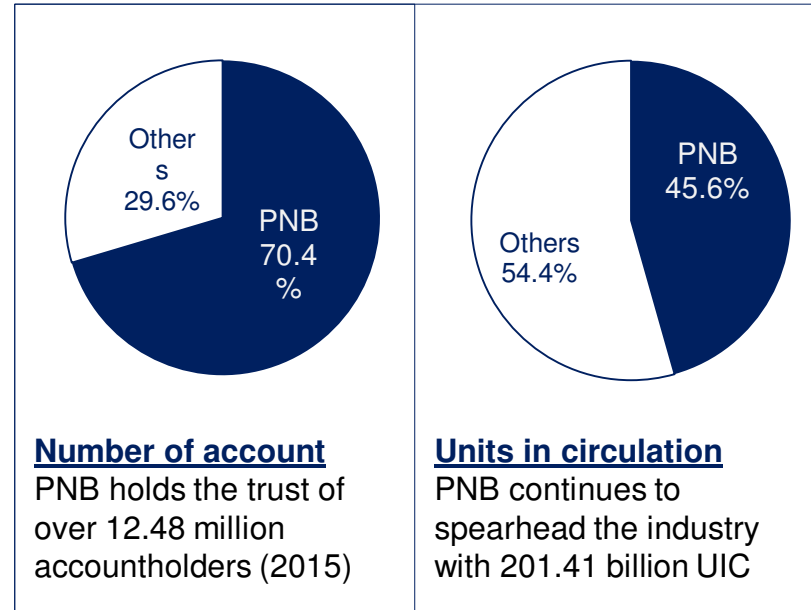


Financial inclusion the PNB way

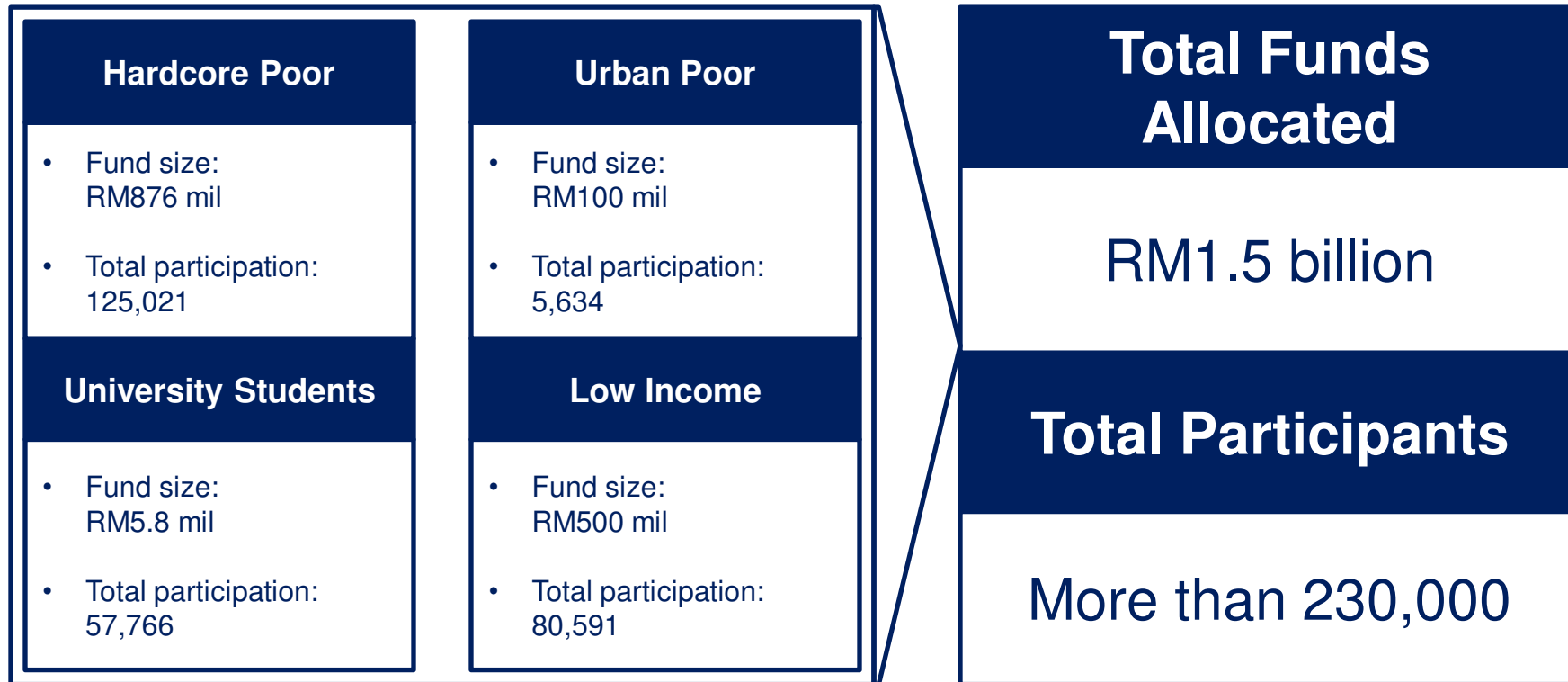
PNB products symbolizes inclusiveness



PNB remains the dominant player

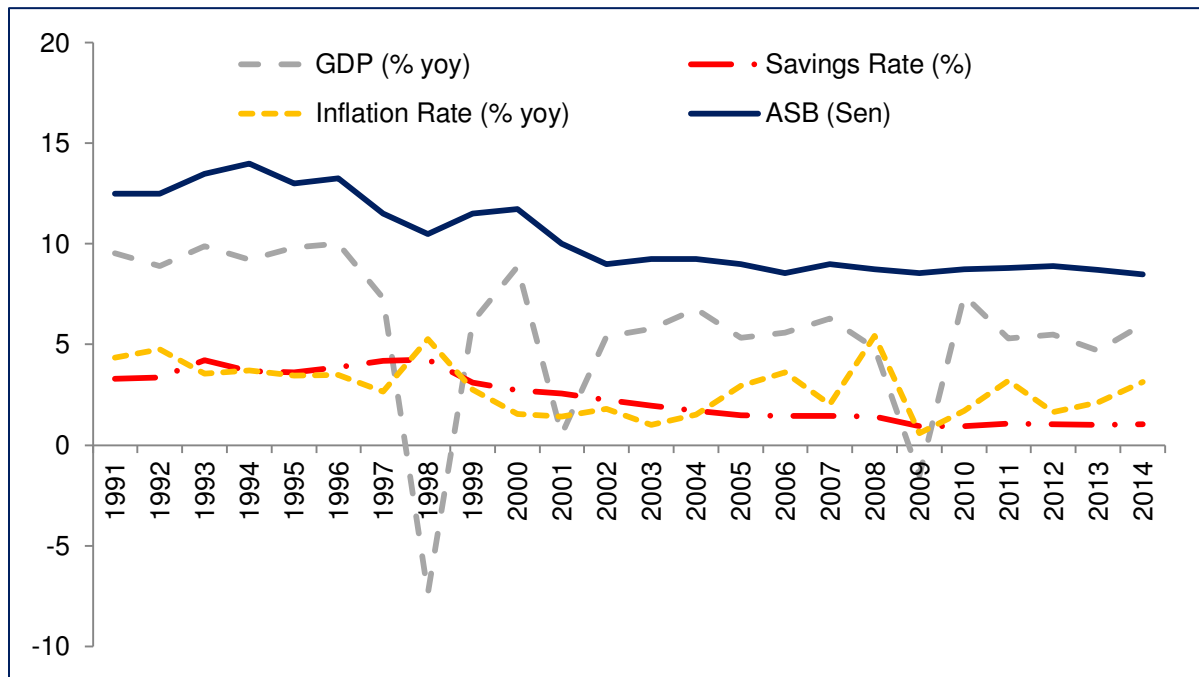


Special schemes for even the poor and uninitiated



Trust has to be earned ...

... and would come only after the passage of time

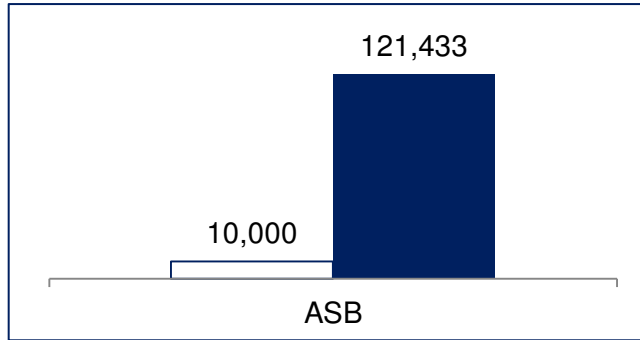


1990-2014 Performance

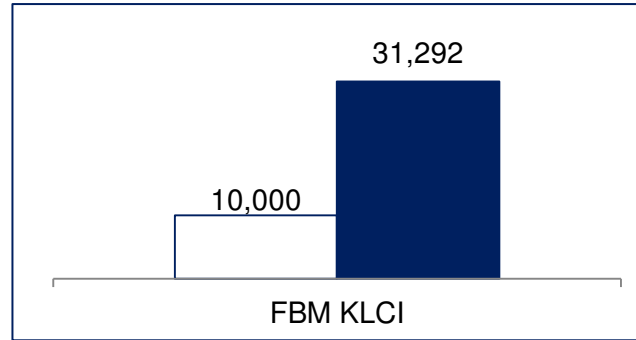
Economic growth	5.8%
Inflation rate	2.4%
Savings deposit rate	2.82%
ASB dividend (sen/unit)	10.38

Competitive yield & sustainable wealth creation

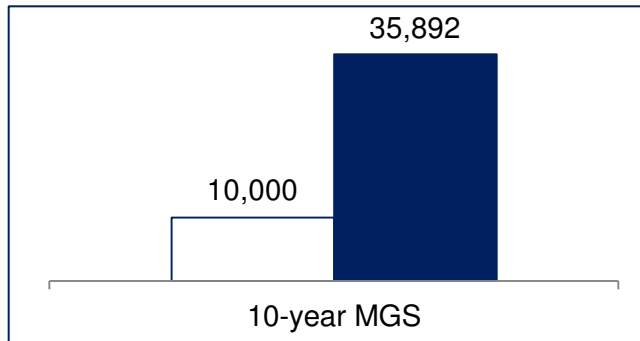
Amanah Saham Bumiputera (ASB)



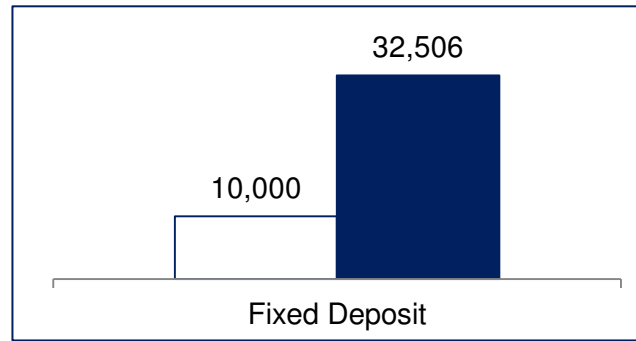
FBM KLCI Index



10-Year MGS



12-Month Fixed Deposit



□ Initial Investment
RM10,000 in 1990

■ End value (RM)
in 2014

Managing assets worth more than RM260b (USD62b)

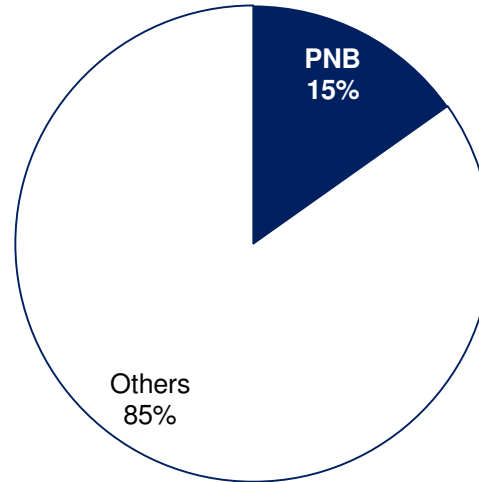
Investments in more than

200

companies

**Strategic holdings in
many Malaysia's
flagship / blue chip
companies**

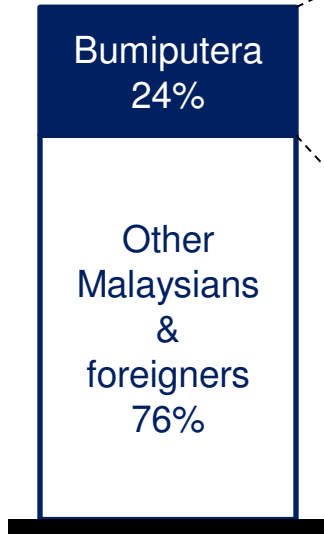
**PNB's asset under management as a %
of Bursa market capitalization**



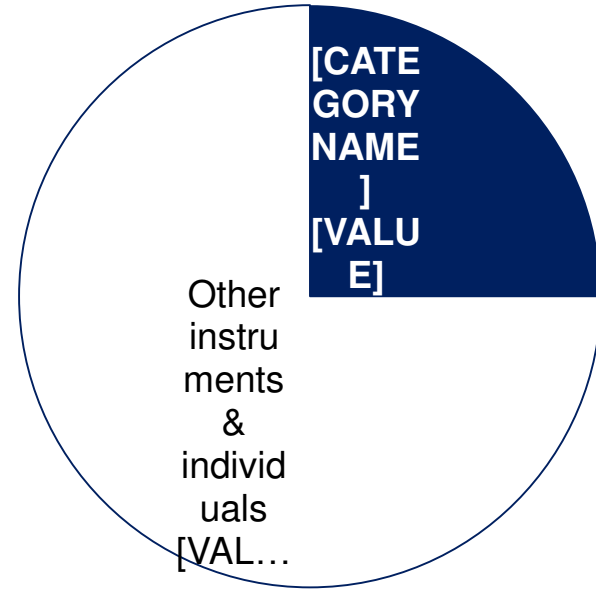
Meaningful contribution by PNB

Equity ownership at par value (2011)

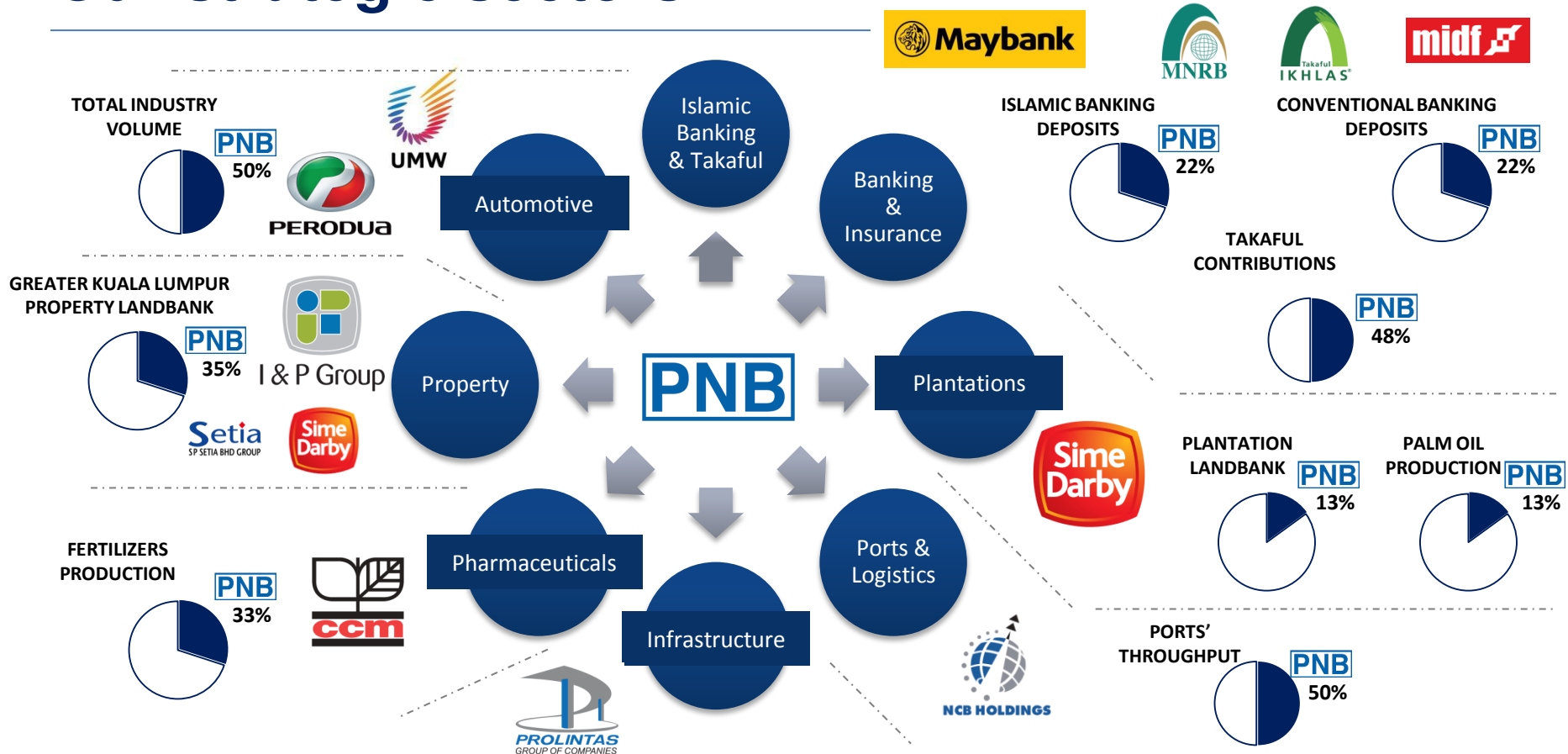
100% = RM900 billion



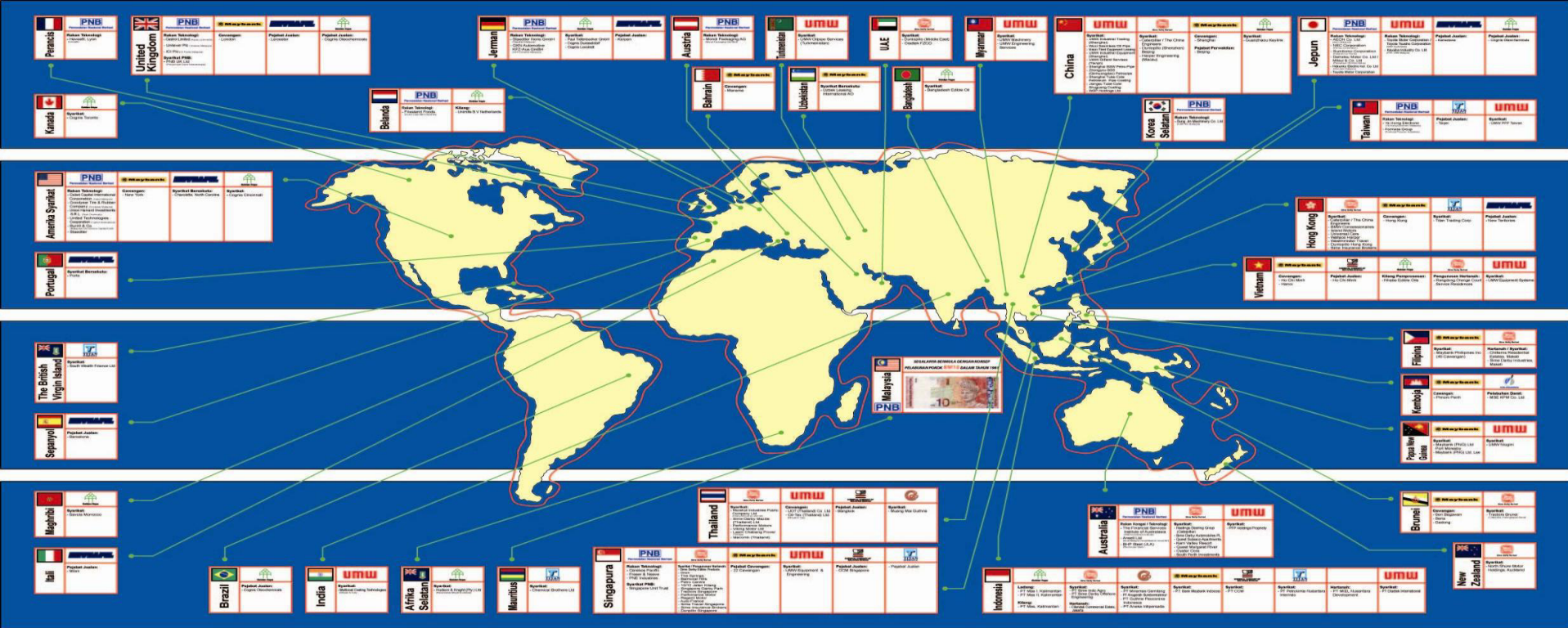
Breakdown by equity acquisition method (2011)



Our strategic sectors



Presence in 40 countries, employing more than 200k



Our little success ...

... a ten ringgit story

Objective

Equity holding

Outcome

- PNB unit trusts managed to sustain shareholding over its investee companies through pooling of funds and institutionalization of shareholdings

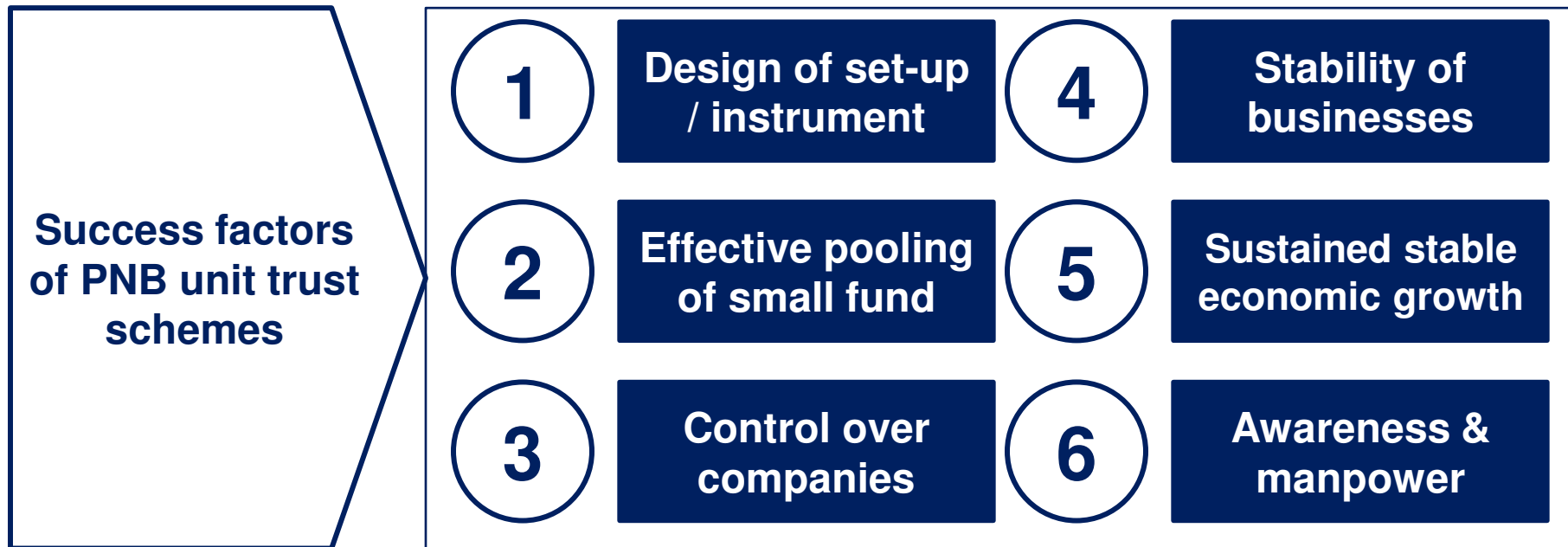
Employment restructuring

- PNB instrument demonstrated clear restructuring – whereby roles previously held by foreigners / non-Bumiputera party were taken over by Bumiputera upon PNB acquiring control of the company

Wealth creation

- PNB provided Bumiputera with better returns compared to comparable financial instruments

Success factors



**Success factors
of PNB unit trust
schemes**

1

**Design of set-up
/ instrument**

4

**Stability of
businesses**

2

**Effective pooling
of small fund**

5

**Sustained stable
economic growth**

3

**Control over
companies**

6

**Awareness &
manpower**

Issues & challenges



THANK YOU