

# Overview

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**UOB Greater China**  
**Corporate Day**  
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*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.*



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CHINA'S 'ONE BELT, ONE ROAD' INITIATIVE

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# 30 Years in China

## UOB China's Profile

- A wholly-owned subsidiary of UOB Group
- Incorporated in 2007 and headquartered in Shanghai
- Registered capital: RMB5.5 billion; total equity base: RMB6.6 billion as at June 2015
- Full wholesale banking and selected retail banking



Artist's impression

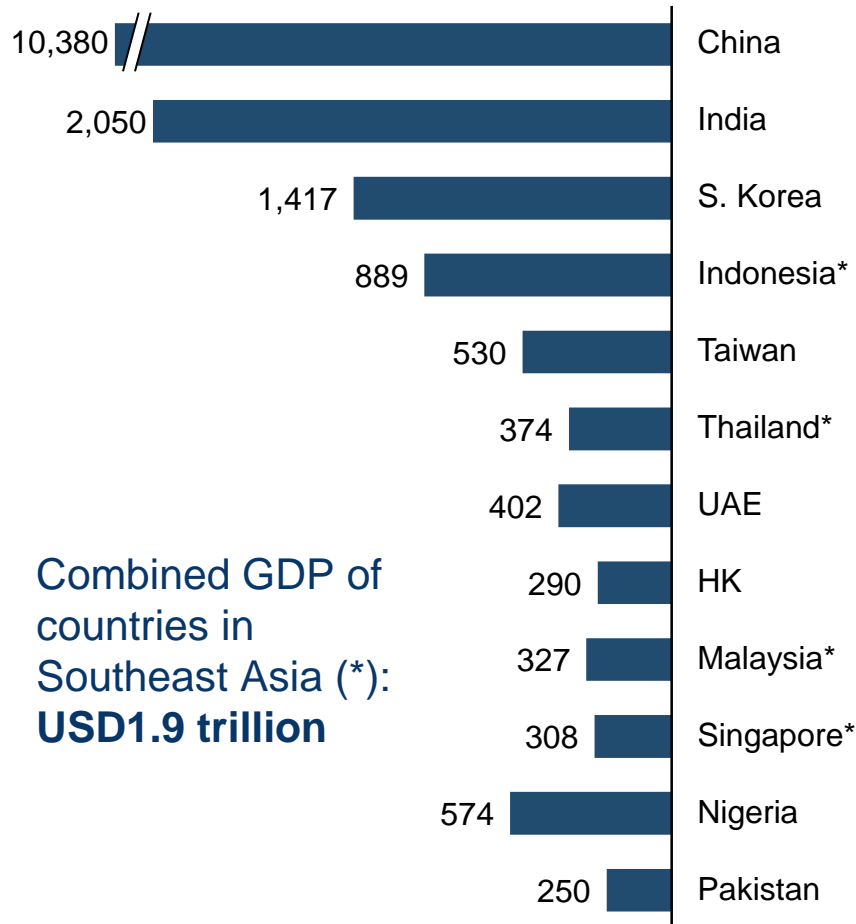
## Highlights

- Established in **1984**
- Covering **17** outlets across **11** cities
- Rated **A+** by Fitch
- Over **1,000** staff
- Shanghai Gold Membership in **2011**
- Local unit trust license in **2013**
- Shanghai Gold Export & Import license in **2015**

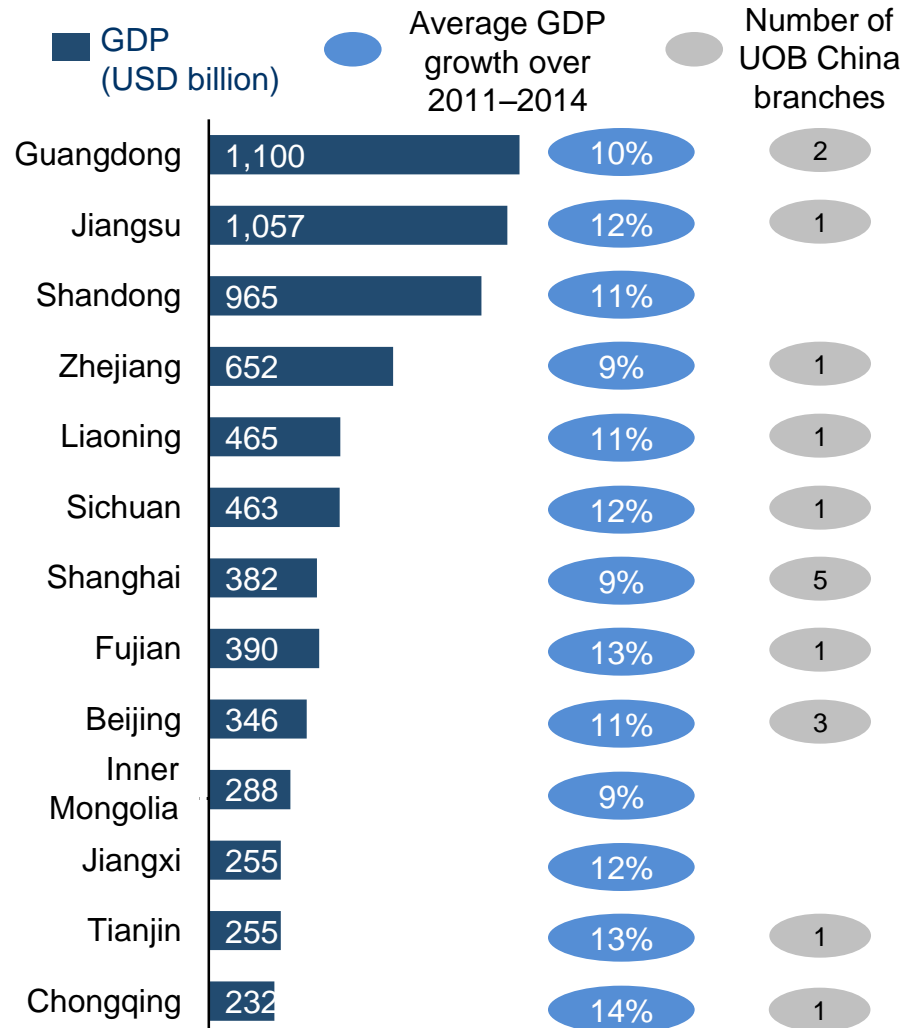
# World's 2<sup>nd</sup> Largest and Fastest Growing Economy

## 2014 GDP of Selected Countries

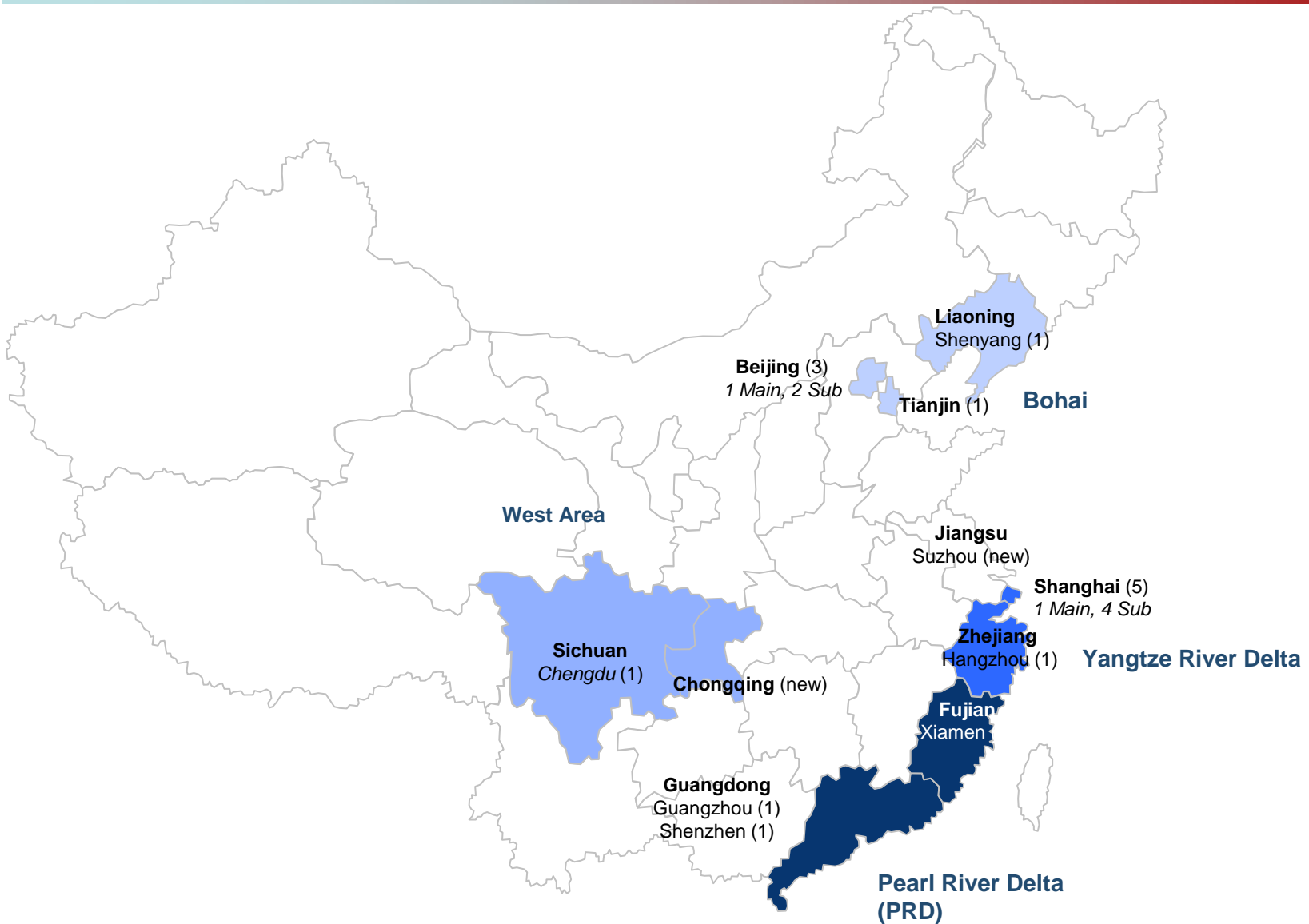
(USD billion)



## 2014 GDP of Selected Chinese Provinces and Cities



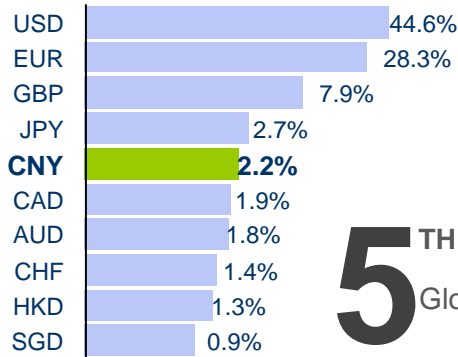
# UOB is Well-Represented Throughout China



# China's Key Drivers of Growth

## RMB

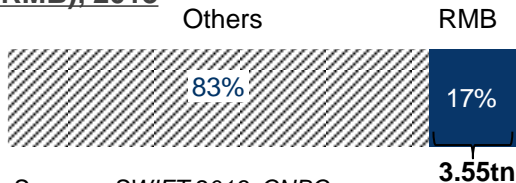
### World Payment Currency by Value



**5<sup>TH</sup>**  
Globally

Source: SWIFT, Dec 2014 report

### China Trade Settlement Currency (RMB), 2013



Sources: SWIFT 2013, CNBC



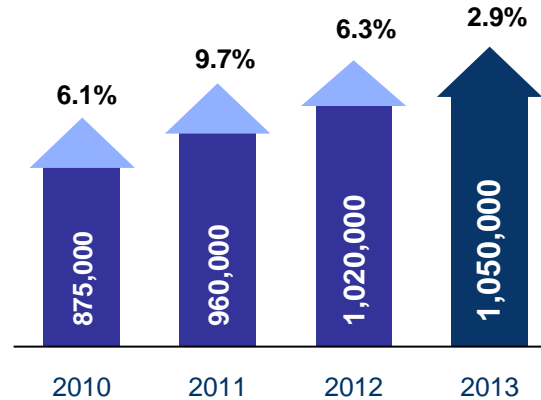
### Reserve Currency

a possibility for RMB in the near future

Huge treasury opportunities in RMB, with increasing use of RMB in payments and international trade

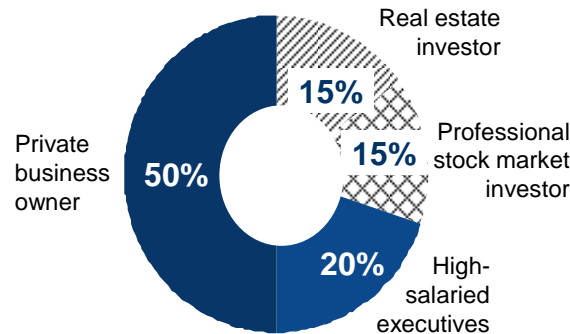
## Growing Wealth

### Number of Millionaires in China



Source: Hurun, 2013

### Categories of Millionaires

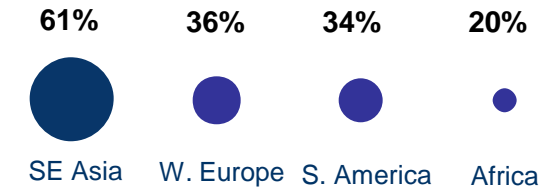


Source: Hurun, 2013

Opportunities abound in "wholesale-originated" wealth banking, with an increasing number of millionaires and around 70% of them with a business/executive background

## Trade/ Investment Corridor

### Destination of Chinese Firms' Global Expansion in 2014



Sources: WEF, Strategy& (formerly Booz & Co.)

### China Outbound FDI (USD billion) by Region, 2012



Sources: WEF, Strategy& (formerly Booz & Co.)

While HK accounted for 79% of Asia-bound FDI, Asia ex-HK was still the biggest destination for outbound FDI

Asia is still the preferred destination of China's outbound trade and investments, presenting huge opportunities for a regional bank like UOB

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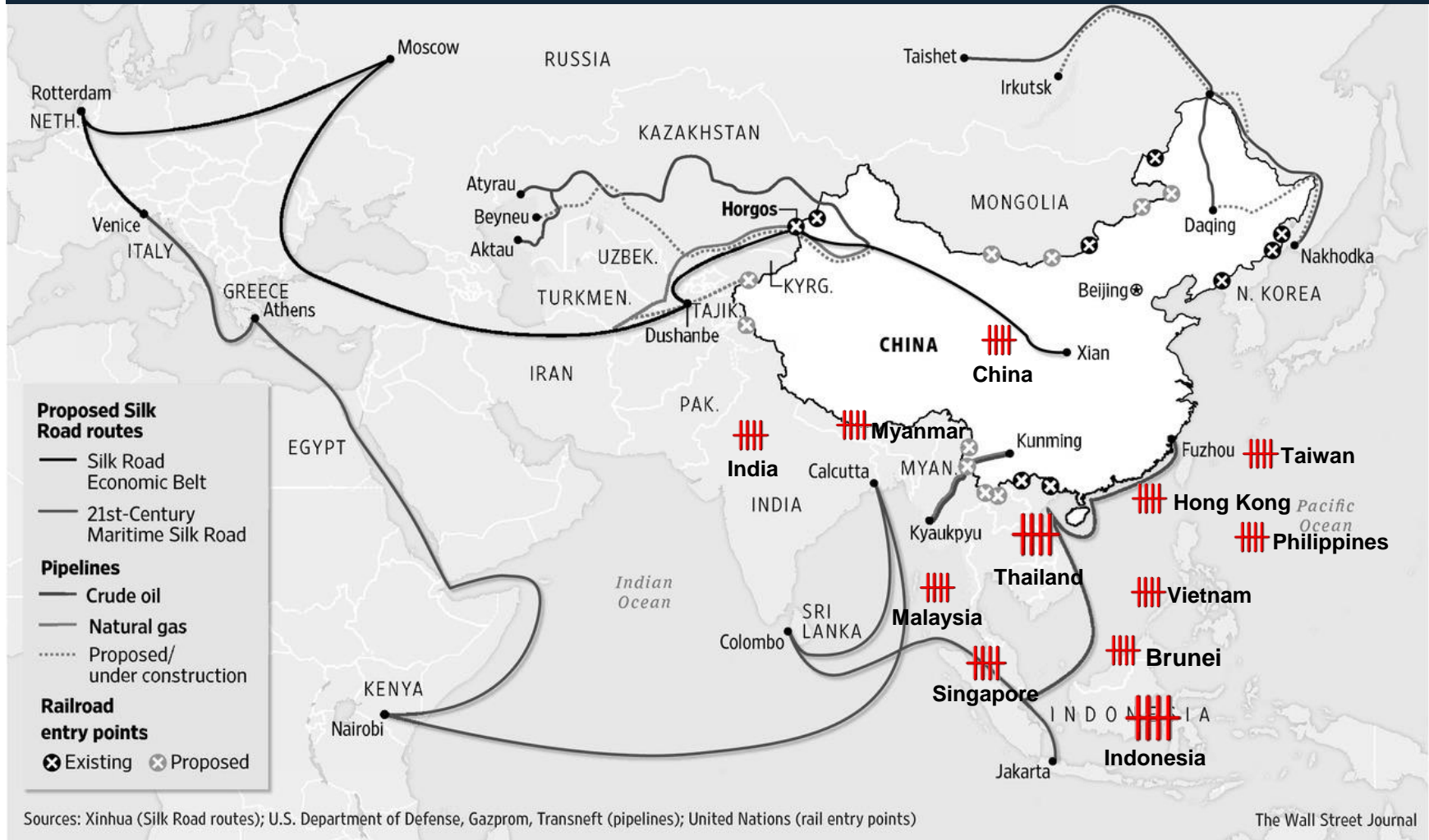
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# China's 'One Belt, One Road' Initiative

UOB has around 500 branches in Asia, covering >10 countries and regions along "One Belt, One Road"; ASEAN a key bloc along the 21<sup>st</sup> Century Maritime Silk Road





# Our Value Propositions

	Strategy	Focus Industries	Geographies	Products
<b>State-owned enterprises &amp; large local corporates</b>	<ul style="list-style-type: none"> <li>Internationalisation</li> </ul>	<ul style="list-style-type: none"> <li>Construction</li> <li>Transportation</li> <li>Power</li> <li>Heavy machinery</li> <li>Port and logistics</li> <li>Industrial</li> <li>Financial leasing</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia</li> <li>Malaysia</li> <li>Thailand</li> <li>India</li> <li>Vietnam</li> <li>Myanmar</li> <li>Laos</li> <li>Cambodia</li> </ul>	<ul style="list-style-type: none"> <li>FDI advisory</li> <li>Project financing</li> <li>Syndication loans</li> <li>M&amp;A loans</li> <li>Bond issuance</li> <li>RMB cross-border trade settlement and financing</li> <li>RMB cross-border two-way pool</li> <li>FX hedging</li> </ul>
<b>Local corporates and network clients</b>	<ul style="list-style-type: none"> <li>Public-private partnerships (PPP)</li> </ul>	<ul style="list-style-type: none"> <li>Transport</li> <li>Modern logistics</li> <li>Info communications</li> <li>Medical</li> <li>Tourism</li> <li>Education</li> <li>Financial service</li> <li>Financial leasing</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia</li> <li>Thailand</li> <li>Malaysia</li> <li>Vietnam</li> <li>Myanmar</li> </ul>	<ul style="list-style-type: none"> <li>RMB cross-border trade settlement &amp; financing</li> <li>RMB cross-border two-way pool</li> <li>FX hedging</li> <li>FDI advisory</li> <li>Project Financing</li> <li>Syndication loans</li> </ul>

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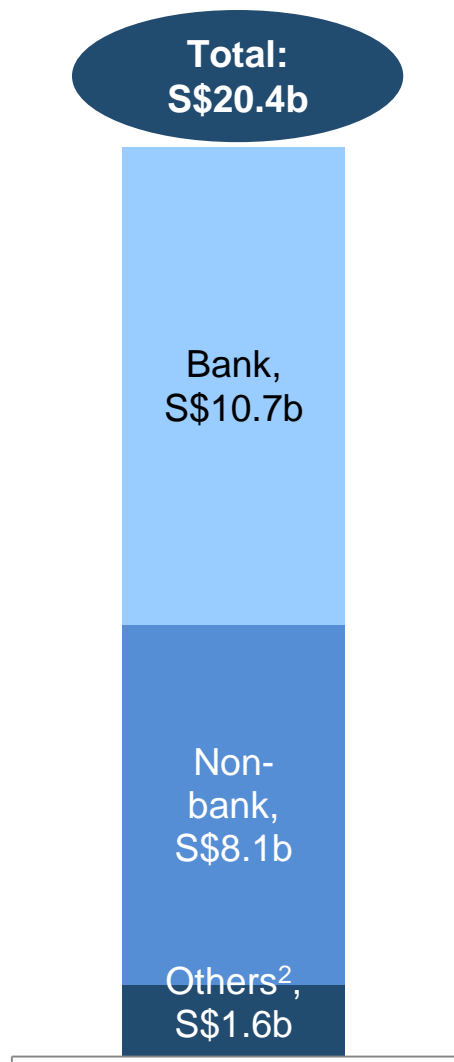
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# Exposure to Mainland China<sup>1</sup>

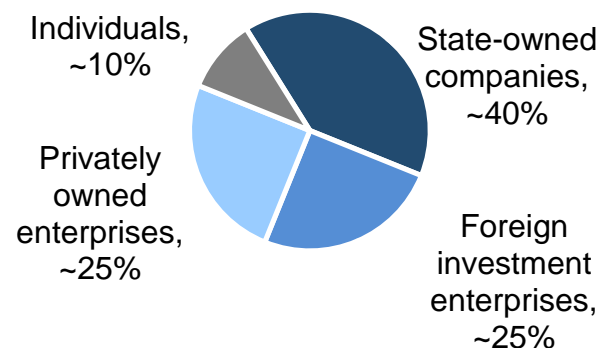


## Bank exposure in China

- 99% with <1 year tenor
- Top 5 domestic banks accounted for c.70% of bank exposures

## Non-bank exposure in China

- Breakdown by customer type:
- Well-diversified by industry – with top 3 industry exposures in manufacturing, real estate and housing loans (each at 20-30% of total loans)
- No exposure to Qingdao fraud and local government financing vehicles (LGFV)
- c.70% of loans denominated in RMB
- Tenor of loans:
  - c.40% less than 1 year
  - c.60% more than 1 year, of which roughly a quarter fully cash-backed and another half secured by legal mortgage
- Proactive and disciplined risk management: Early alert process
- Stress test and industry trigger
- Portfolio underwriting standards



1. Exposure as of 30 June 2015  
2. 'Others' comprise mainly debt securities

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# Increasing Business Flows Between Greater China and Southeast Asia



# Greater China: Where to Play?

## Client:

*Wholesale Banking  
Segment*

- Focus on wholesale banking strategy in the first phase

## Product:

*Role Specialisation*

- Hong Kong is UOB's product and solutions hub; China and Taiwan focus on deal origination

## Geography:

*Greater China intra-  
region & inter-region*

- Drive cross-border business intra-region within Greater China, as well as inter-region amongst Greater China, Southeast Asia and the rest of UOB franchise

# Greater China: How to Win?

## Global Network with Unrivaled ASEAN Footprint

- International network of c.500 offices in 19 countries and territories
- Largest ASEAN footprint among the three Singapore banks; operating through key banking subsidiaries in Malaysia, Thailand and Indonesia
- Well-positioned to capture inter-regional flows

## Execution Excellence

- Nimble and agile in terms of execution; speed of delivery with innovative solutions to support
- Comprehensive product and solution teams based in Hong Kong hub to support client requirements for Greater China

## Strong Local Leadership

- Established local leadership teams who understand Asian clients and build stronger banking relationships with them

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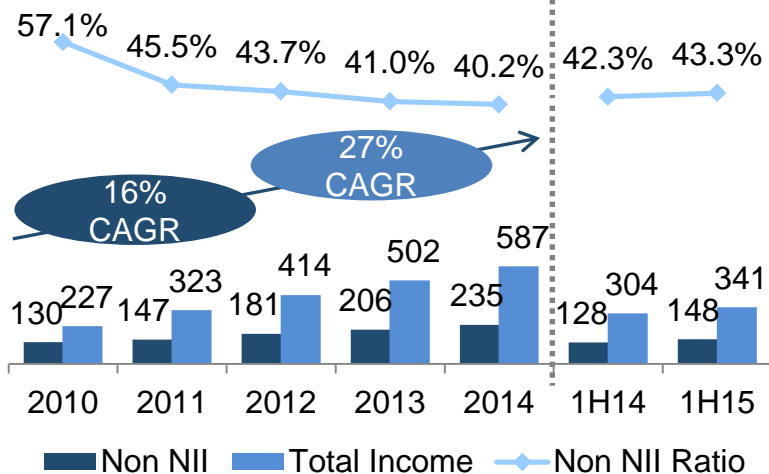
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# Rising Contributions to Group's Income and NPBT

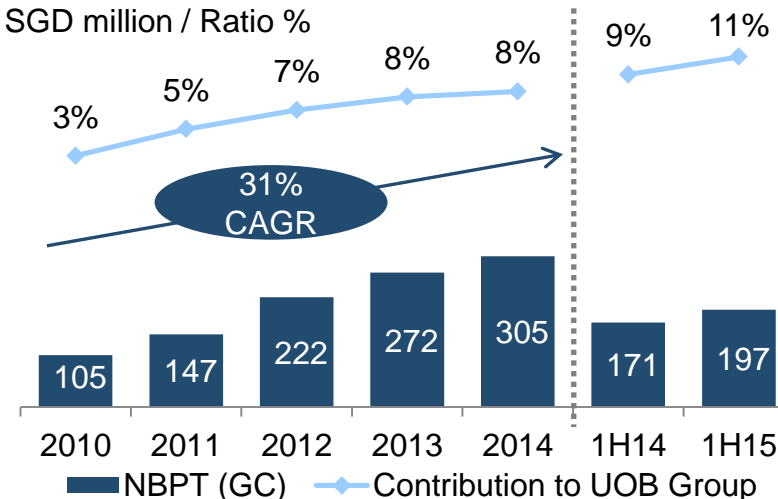
## Income

SGD million / Ratio %



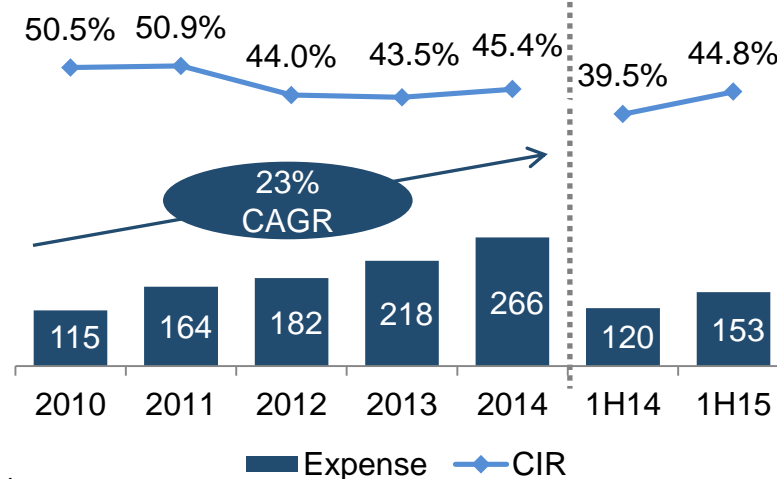
## Net Profit Before Tax (NPBT)

SGD million / Ratio %



## Expenses and Cost-to-Income Ratio (CIR)

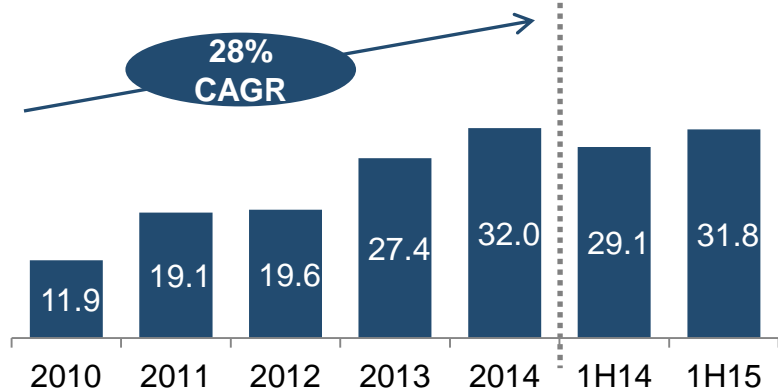
SGD million / Ratio %



# Healthy Growth in Loans and Deposits

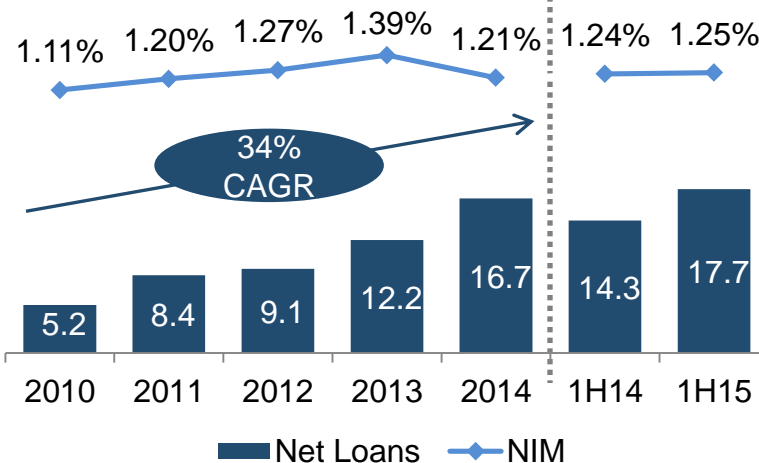
## Total Assets

SGD billion



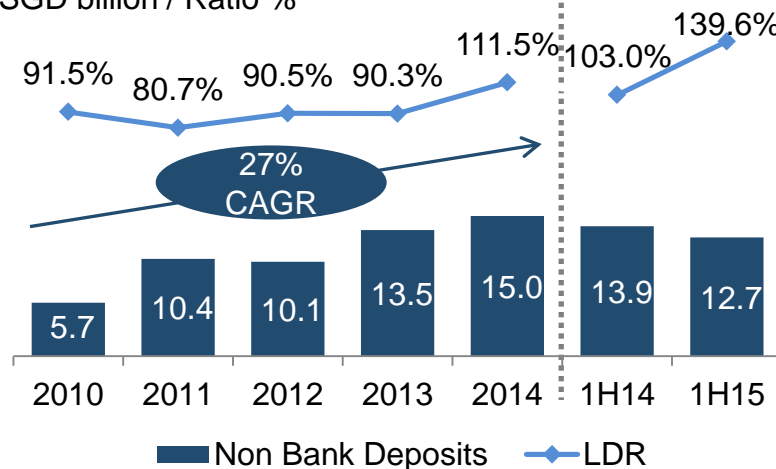
## Net Loans and NIM

SGD billion / Ratio %



## Non-Bank Deposits and LDR

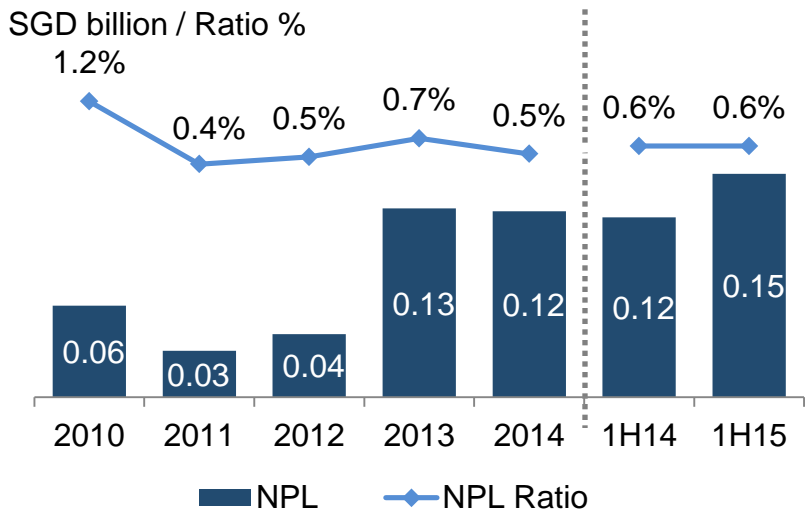
SGD billion / Ratio %



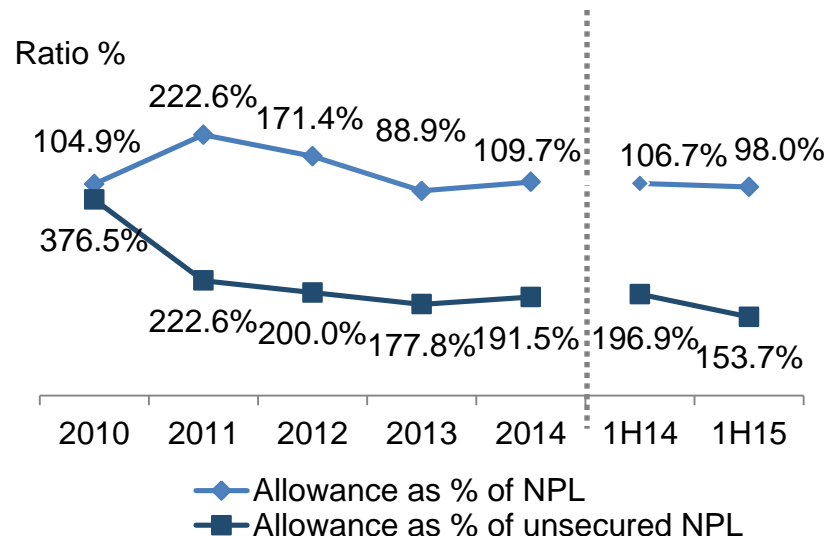
# Resilient Asset Quality; Strong Capital Position



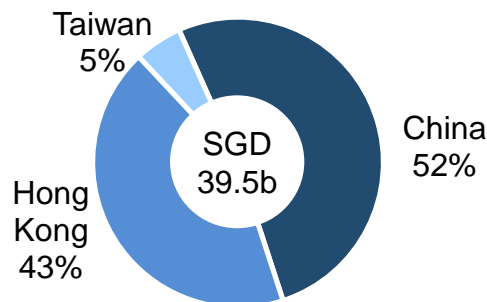
## NPL / NPL Ratio<sup>1</sup>



## Allowances Coverage<sup>1</sup>



## Greater China Exposure<sup>2</sup>



Sources: Annual reports and financial statements

1. Financial data from 2010-2012 based on booking centre; financial data from 2013 onwards based on where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).
2. Exposure based on where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

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# Questions & Answers

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**THANK YOU**