UNITED OVERSEAS BANK

Opportunity in the East

The leading banking group strengthens its cross-border product and service capabilities to help the customers unlock their business potential in Asia, as told by CEO CHRISTINE IP.

Christine Ip, United Overseas Bank CEO.

United Overseas Bank (UOB) opened its first overseas branch in Hong Kong in 1965 with a business focus on trade financing and corporate banking. Its activities in the territory have expanded to include wholesale banking and personal financial services.

UOB was incorporated on 6 August 1935 as the United Chinese Bank. Founded by Datuk Wee Kheng Chiang, the bank catered mainly to the Fujian community in its early years. UOB has since grown organically through a series of strategic acquisitions. It is now a leading bank in Asia with a global network exceeding 500 offices in 19 countries in Asia Pacific, Western Europe and North America.

Retail to Wholesale

UOB HK started as an operating arm for corporate banking focused on term loans and trade financing, and operated a few retail branches. Now, it is a full-fledged wholesale bank serving corporate and commercial clients across different products and services from transaction banking, treasury, debt capital markets and various investment banking services.

"After I relocated back to Hong Kong in 2012, I shifted our business focus to wholesale banking," says Christine Ip, Chief Executive Officer. "I believed the branch could be enhanced on product capacity riding on strong customer relationships. We therefore built the product teams of transaction banking, investment banking, global markets, and investment management treasury sales."

Hong Kong also serves as the group's regional treasury hub for CNH products.

"On the customer segment side, we have extended our scope to serve commercial banking customers and financial institutions. Moreover, we had acquired many new talents from different international banks to further enhance bench strength, and facilitate the expansion.

"All in all, we aim to be a premier wholesale bank with chosen customers, through delivery of flexible and effective solutions to our business partners. Hence, we are not fighting on price but more on tailor-making products as solutions to our customers."

To China

"In 2015, we would put further emphasis on attracting non-lending fee based income by strengthening product coverage and enhancing core deposit franchise. We also act as the RMB solution hub for the group and lead Greater China business development," says Ip.

"In view of China as the second largest world economy with a faster pace and bigger market pool in terms of GDP growth, trade and investment flows, we consider Greater China as the next land of opportunity. We are driving Greater China as one united front. With RMB internationalisation being an inevitable trend, a Group RMB Solution Team has been formed for capturing cross product and cross-geographic opportunities.

"Focusing initially on wholesale banking strategy, our target customer segments are state-owned enterprises, local large corporate and foreign investment enterprises in China as well as multinationals. With our strong ASEAN footprint and unique global network, we can capture the cross-border business within Greater China and between Greater China and ASEAN regions, and other UOB franchises. We continue to diversify our customer segments in a quality manner and enhance our product capabilities and solutions including supply chain, trade, cash, and global markets, as well as debt capital markets to meet the regional needs of our target customer segments.

"We have faced fierce competition on deposit pricing and a slowdown in Mainland China's economic growth. Despite the economic downturn in the mainland, our scale of business is relatively small in terms of total market size, therefore we still have room to cautiously select the types of businesses and customer segments to engage with. The Chinese government is committed and determined to rebalance and restructure the Chinese economy. We will continue to observe the economic situation and market trends in Mainland China." ■

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