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UOB is first foreign bank to offer an onshore loan in Myanmar

Bank to finance the refurbishment of a new hotel in Yangon

Singapore, 06 May 2015 – United Overseas Bank Group (UOB) today announced that it is offering onshore financing to Rangoon Excelsior Company Limited, a French-Myanmar joint venture, for it to refurbish a new hotel in Yangon.

This is the first onshore loan announced by a foreign bank in Myanmar since the country awarded foreign bank licences to nine international banks in October 2014.

UOB, which opens its Yangon branch this week, will focus on providing corporate loans, trade and project financing and cash management solutions to its regional and global companies expanding into Myanmar. The Bank will support clients investing in industries that will help the long-term economic growth of the country.

Mr Ian Wong, Managing Director and Head of Strategy and International Management, UOB Group said the hospitality sector has been identified by UOB as one of the key industries the Bank will focus on as it expands its business in Myanmar.

“The financing of a new hotel in Yangon is in line with our approach of supporting businesses that are helping to drive the development of Myanmar. As tourism is expected to be a main contributor of new jobs in Myanmar over the next decade, we are keen to partner companies such as Rangoon Excelsior in helping to build the necessary tourism infrastructure to support the growth of this sector,” Mr Wong said.

According to the McKinsey Global Institute, the hospitality sector is expected to contribute US\$14.1 billion to Myanmar’s Gross Domestic Product by 2030, up from US\$0.6 billion in 2010, making it one of the fastest-growing sectors in the country.

The loan for Rangoon Excelsior will help the company finance the refurbishment of a former colonial building in downtown Yangon into a five-storey hotel. Ms Su Su Tin, Managing Director of Rangoon Excelsior said the new hotel will cater to the increasing number of international tourists in Myanmar who are attracted by the country’s rich cultural heritage and natural attractions.

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“This is a significant milestone for us and UOB has been instrumental to this project. As Myanmar transforms economically, we hope this hotel project can help preserve a piece of Yangon’s history for the tourists and the people of Myanmar. For us, Myanmar is a long-term investment and we hope to be able to work closely with UOB as we expand our business in the country,” Ms Su Su Tin said.

Supporting strong foreign direct investment into Myanmar

UOB expects to provide several more onshore loans within the first month of its Yangon branch opening for its regional and multinational clients from across the Bank’s network in sectors such as manufacturing, hospitality and infrastructure. These loans will help finance the set-up of factories, retail shops and hotels.

Mr Wong said the strongest interest in Myanmar is coming from its clients in Hong Kong, Singapore and Thailand. This is in line with findings from the *UOB Asian Enterprise Report 2014*¹ which shows that businesses from Hong Kong are the keenest to expand into Myanmar (31 per cent), followed by those in Thailand (28 per cent), mainland China (26 per cent), and Singapore (21 per cent).

“Since the opening up of Myanmar’s economy two years ago, we are seeing many of our clients’ interests in Myanmar turning into real investment. In our pipeline of deals, we have foreign direct investment coming from various regions, from Asia to Europe. This shows that Myanmar is becoming part of the expansion and investment plans of Asian and global companies,” Mr Wong said.

Companies that are interested to expand into Myanmar can draw on the strengths of UOB’s Foreign Direct Investment (FDI) Advisory Unit which provides companies with access to UOB’s full suite of corporate banking products and long-established regional network.

UOB is the only bank in Asia to have established nine dedicated FDI Advisory Units across the region to help companies realise their regional ambitions across markets. In 2013, UOB became the first foreign bank to establish a Foreign Direct Investment Advisory Unit in Myanmar to help its clients explore business opportunities in the country.

¹ The *UOB Asian Enterprise Survey 2014* was completed in late 2014. A total of 1,024 Asian enterprises from mainland China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand were surveyed to understand how they viewed challenges and opportunities in the region as well as their plans for growth.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically through a series of strategic acquisitions. UOB is rated among the world's top banks: AA1 by Moody's and AA- by Standard & Poor's and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and the Philippines, as well as branches and representative offices.

UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council's Distinguished Patron of the Arts Award for the tenth consecutive year in 2014. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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