



Live more,  
Bank less



# How can Taiwanese and Singaporean Businesses Best Utilize International Capital?

Prepared for:  
The 15<sup>th</sup> Joint Meeting between  
Chinese International Economic Cooperation Association (CIECA) &  
Singapore Business Federation (SBF)

# Table of Contents

---

- | Brief Introduction to DBS Group
- | Global Macro – Opportunities amidst Vulnerabilities
- | Regional Insights – Diving into Taiwan, Singapore, and Southeast Asia
- | Business Application – Asking the Right Questions
- | Close of Presentation



# Introduction to DBS

---



# DBS Group

Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. We help our clients build their businesses across Asia with our award-winning capabilities in transaction banking, treasury and markets, equity and debt fund raising and securities brokerage.

Total Assets (SGD)

**551 billion**

Net Profit (SGD)

**5.65 billion**

Over

**200,000**

Institutional Banking  
Customers

Over

**8.8 million**

Consumer Banking /  
Wealth Management  
Customers

**Safest Bank In  
Asia, "AA-"  
Rating**

**Best Bank In the  
World**

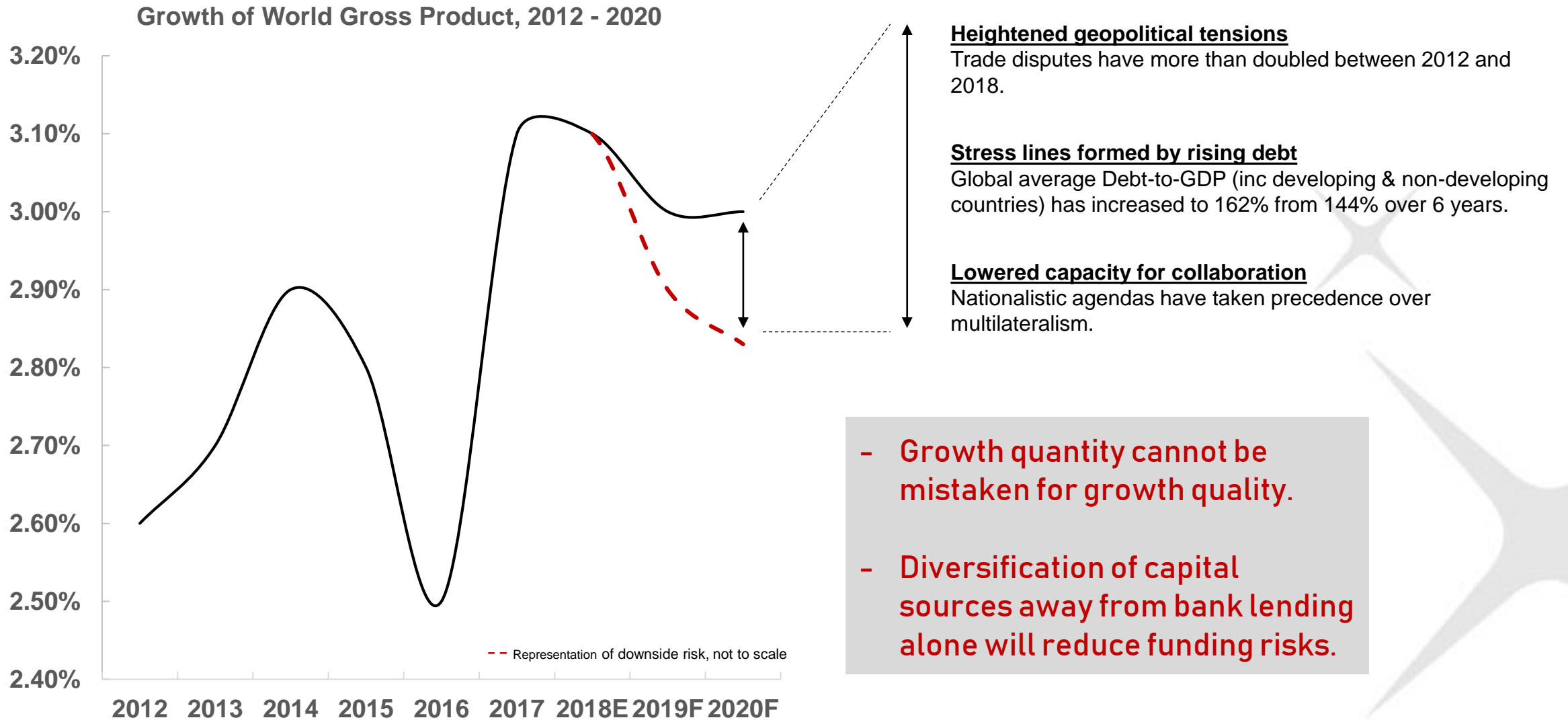
Global Finance, 2018

As of 31 December 2018

# Global Macro

Opportunities amidst Vulnerabilities

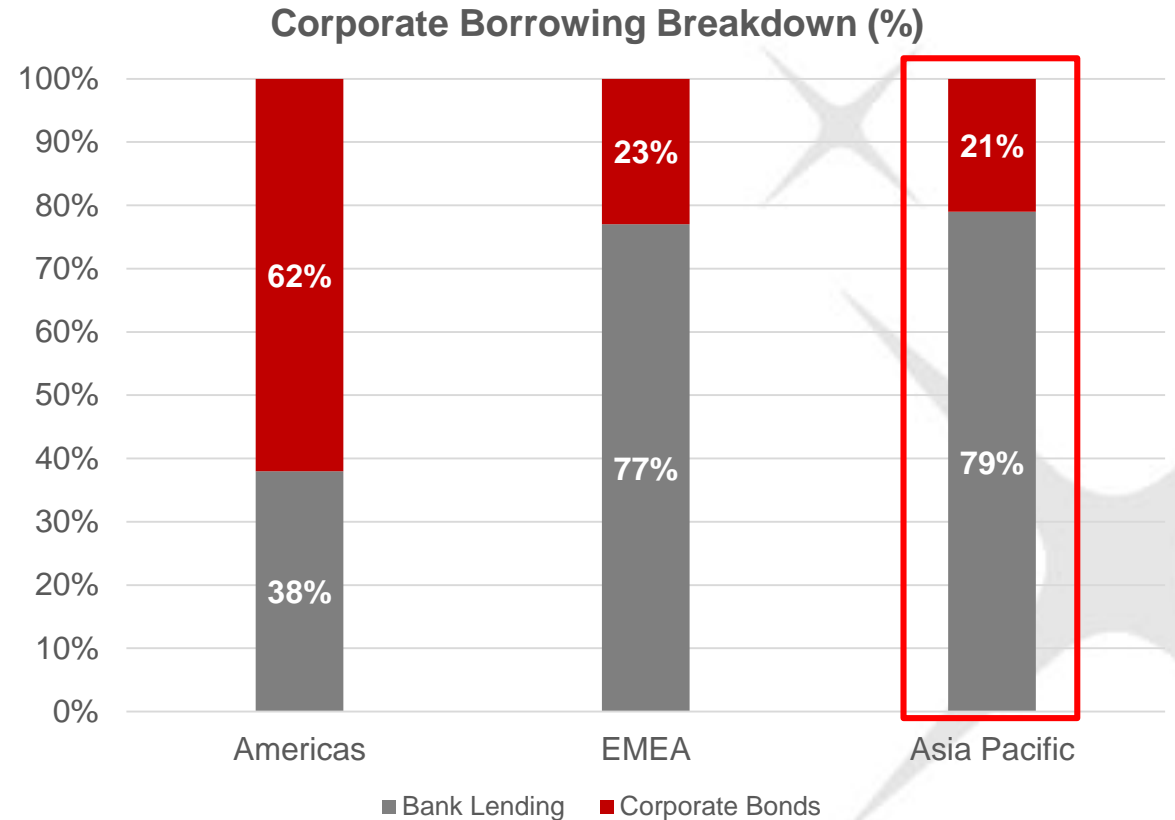
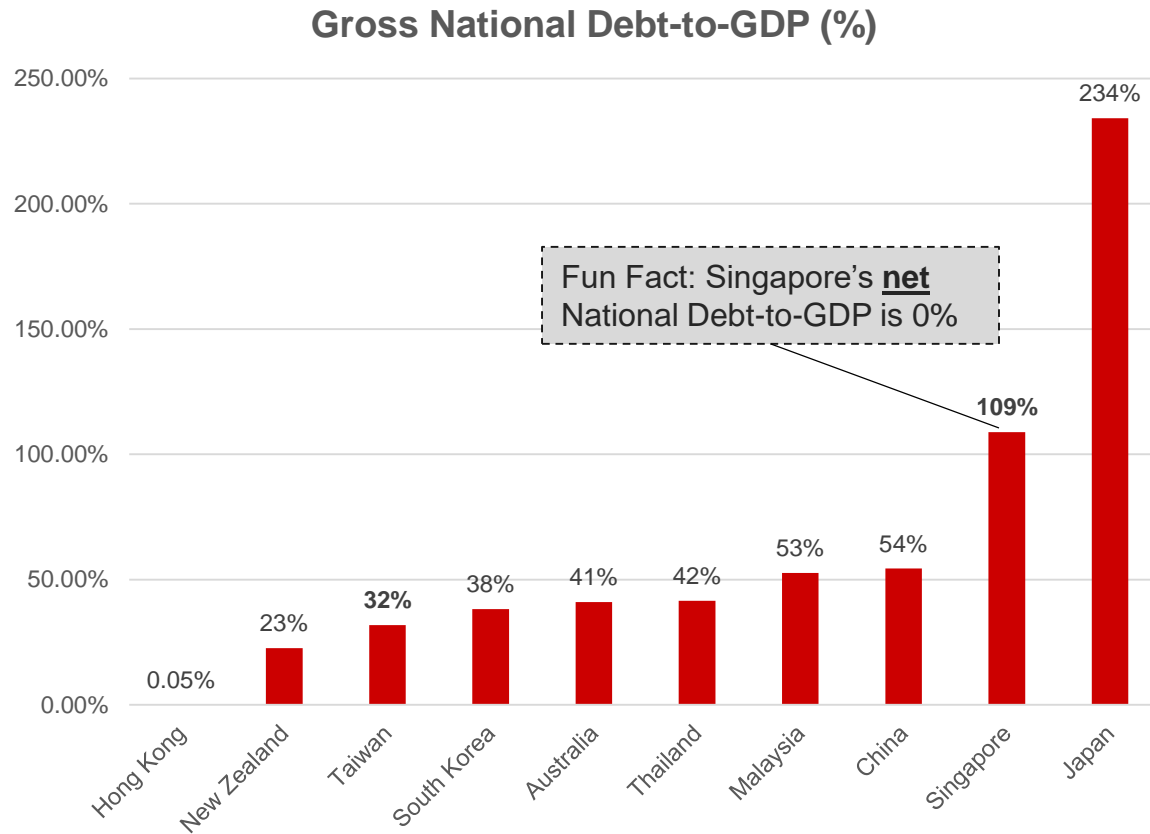
# Businesses must seek to avoid structural vulnerabilities veiled by global economic growth



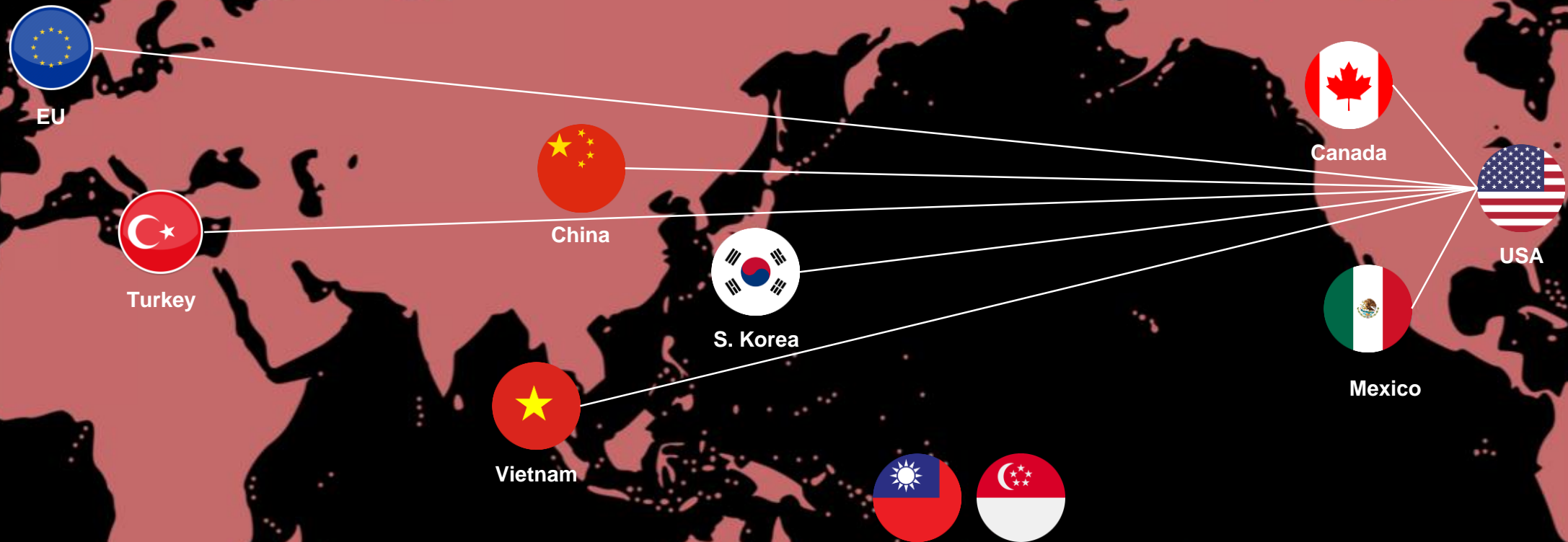
# Corporate Borrowing: TW & SG are safe harbours, but more can be done to diversify debt

**1** TW & SG's National Debt-to-GDP ratios illustrate the countries' relative safety; SG's net National Debt-to-GDP is in fact 0%

**2** APAC corporates still rely heavily on bank lending which may be more dynamic than bonds in a credit crunch



# FDI: The US-China Trade War can be seen as a catalyst for business opportunities



—— Key countries with tariffs currently / previously levied on by the USA

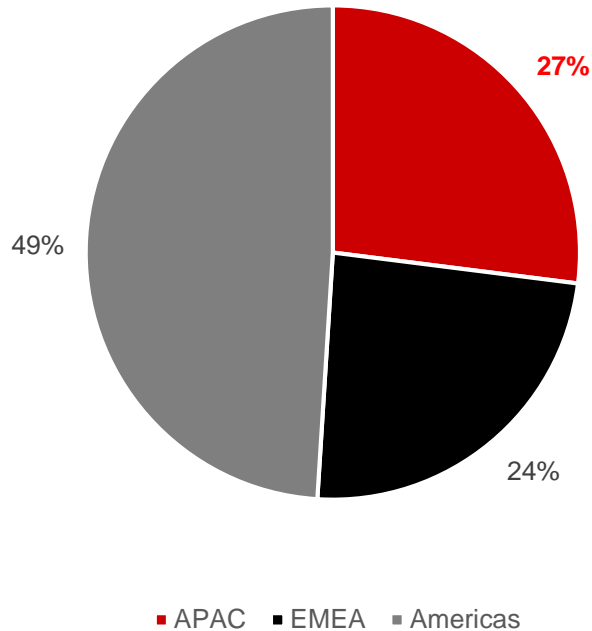
Taiwan, Singapore, and other Southeast Asian countries stand to gain from the redirection of foreign direct investments (FDI) as businesses shift operations away from affected countries.

Benefits include capital growth, widened customer base, access to new technologies, and cross-pollination of best practices.



# Capital Markets: Asia Pacific is poised to provide even greater access to funding

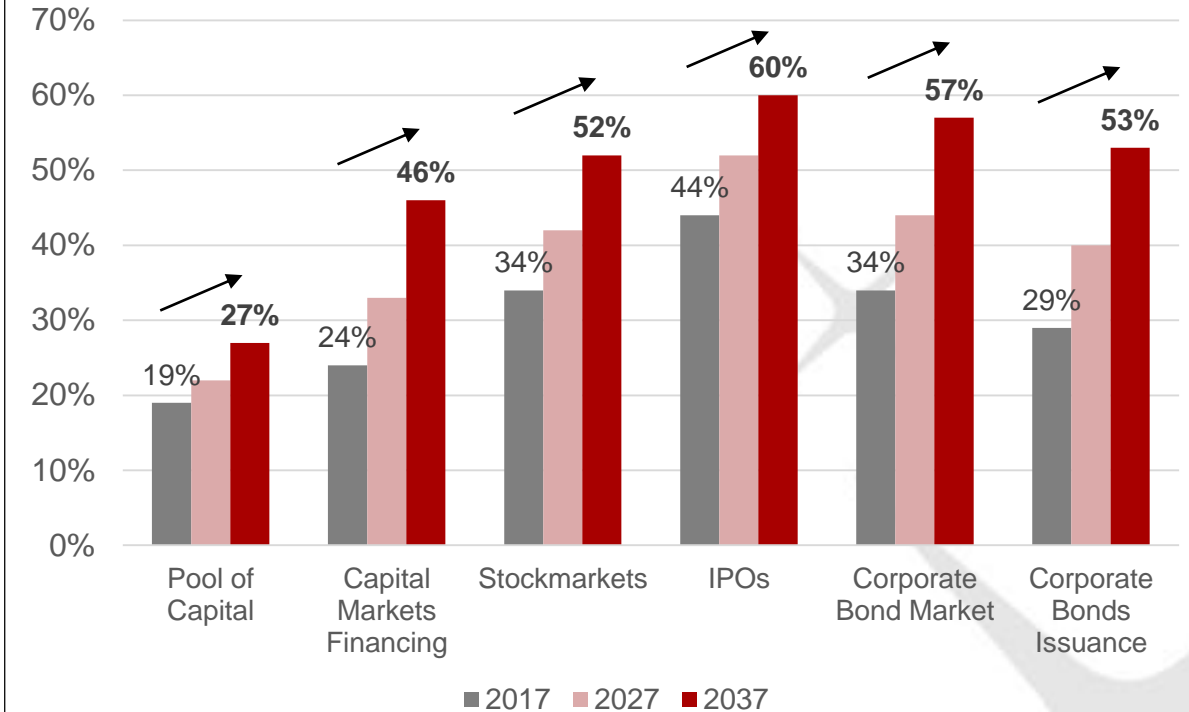
1 Proportion of Global Capital Markets Activity



## 1. APAC has surpassed EMEA in global capital markets activity:

- 5 out of the top 10 capital markets around the world are from Asia, including China, Japan, Hong Kong, India, and South Korea.
- When measured relative to GDP, Singapore comes in 2<sup>nd</sup> globally while Hong Kong came in 1<sup>st</sup>.

2 Asia Pacific's Expected Share of Global Capital Markets



## 2. APAC's leadership in IPOs is to expand to overall leadership in global capital markets activity in two decades:

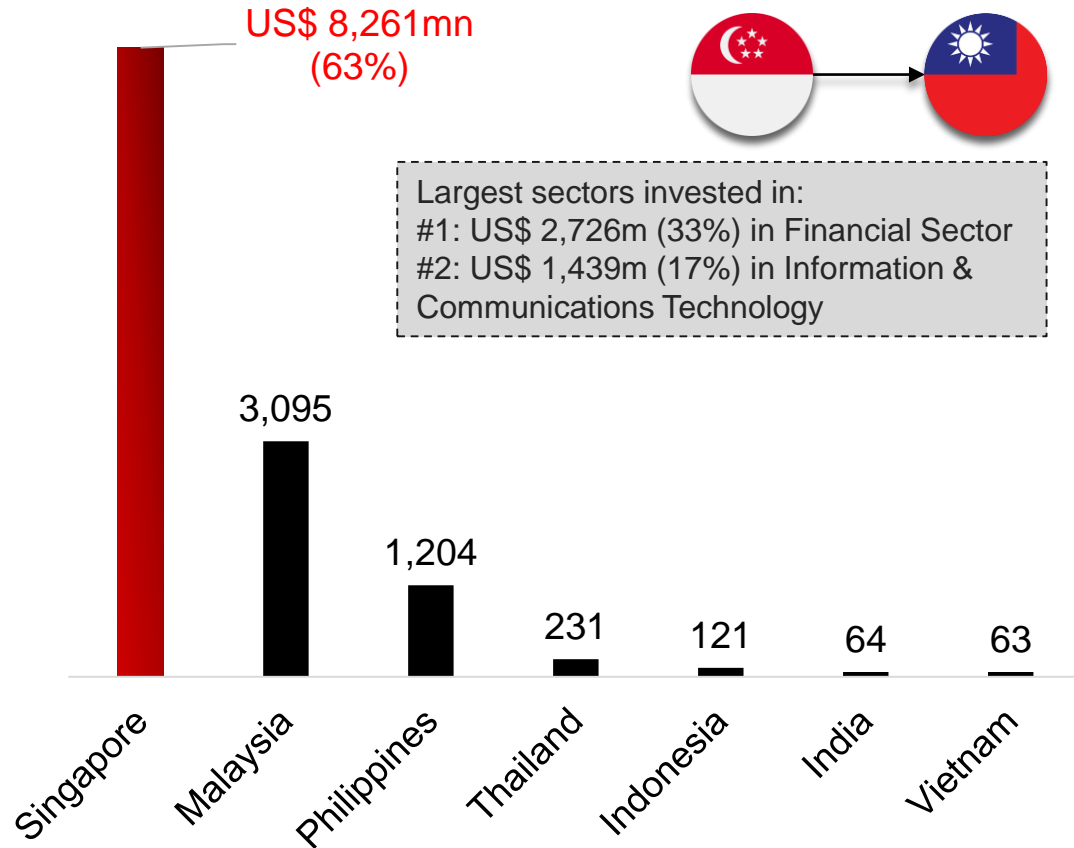
- IPOs remains Asia Pacific's key capital markets activity with a total issuance of US\$87bn in 2017.
- Untapped capital pools remain large as APAC households are still allocating 42% of their financial assets in bank savings and deposits.

# Regional Insights

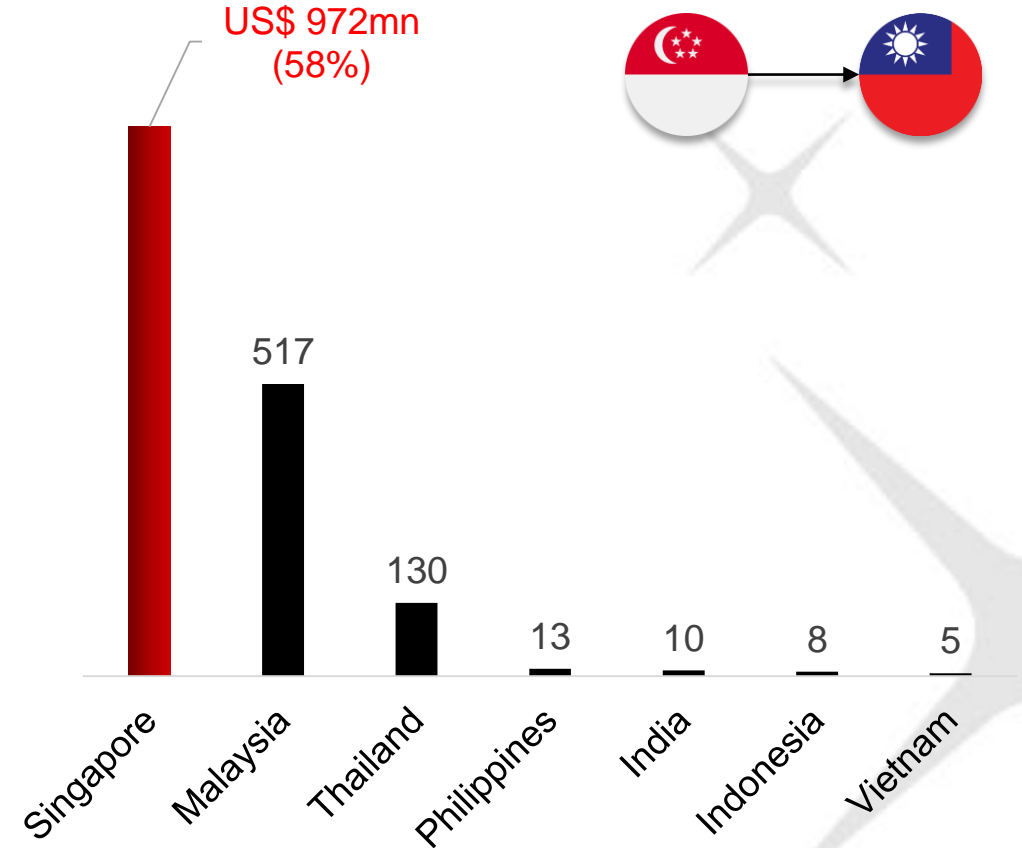
Diving into Taiwan, Singapore, and the Region

# Singapore remains the top and most committed Southeast Asian investor in Taiwan

Southeast Asia investments in Taiwan (1952 – 2018)  
(Cumulative, US\$'mn)



Southeast Asia investments in Taiwan (2014 – 2018)  
(Cumulative, US\$'mn)



Source: National Statistic R.O.C.

# Examples of Singapore's investments in Taiwan

## Taoyuan Taimall



- **Significant FDI into Taiwan: Singapore's sovereign wealth fund acquired the shopping centre in 2008 for US\$206 million, making it one of Taiwan's biggest property deals that year.**
- In 2018, GIC divested the Tai Mall in Taoyuan City, Taiwan for about US\$450 million (approx. S\$615.83 million), demonstrating the enhanced value it has created.
- This case represented not only the financing and growth FDI can bring – it also shows how **FDI leads to the cross-pollination of ideas and best practices to bring out untapped value.**
- Arch Capital Property shared it as “a rare opportunity to acquire an established premium retail asset offering stable income and sustained revenue growth potential over the longer term” in the Taiwan deal.

## DBS Ramps up Wealth Management in Taiwan

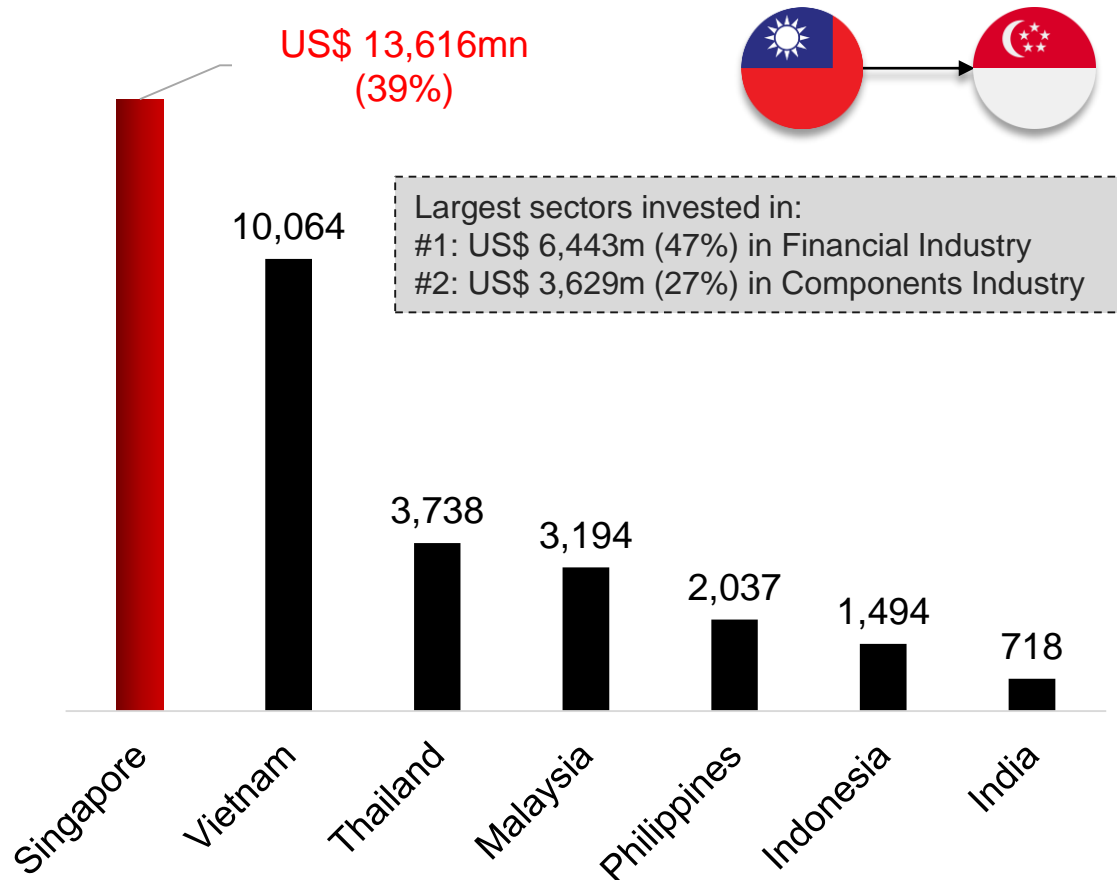
- **In 2019, DBS inaugurated a new Treasures Private Client branch in Taipei, an exclusive segment for Wealth Management clients.**
- DBS' Wealth Management has grown following its acquisition of ANZ's Asian retail and wealth management businesses in 2017. Following Singapore and Hong Kong, Taiwan is the third market in which DBS offers Treasures Private Client services.
- **This expansion also fuels a continued growth in distribution channels for capital markets investments as connectedness between Taiwan and the region expands.**
- The acquisition connected a large customer franchise to DBS in Taiwan, where the bank added close to 520,000 customers, expanding its base by 2.5 times.

Sources: Commercialguru and DBS

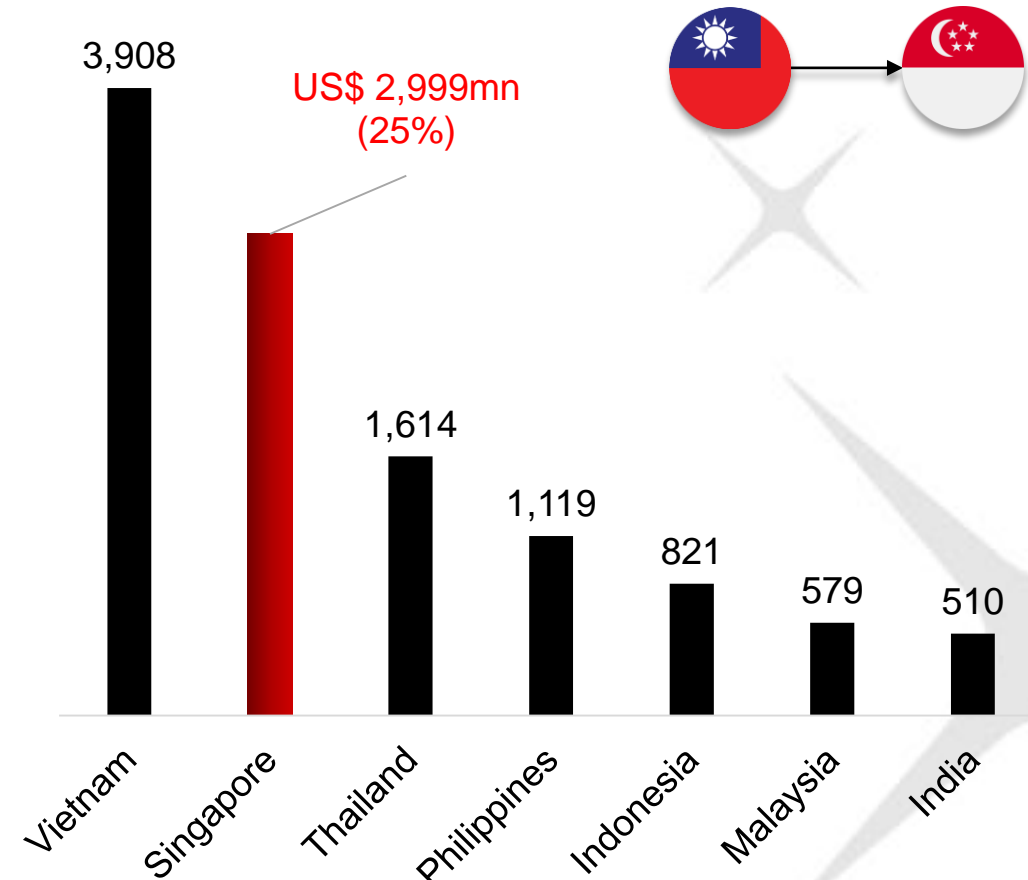


# Taiwan's investments in Southeast Asia have also been largely directed at Singapore

Taiwan invested in Southeast Asia (1952 – 2018)  
(Cumulative, US\$'mn)



Taiwan invested in Southeast Asia (2014 – 2018)  
(Cumulative, US\$'mn)

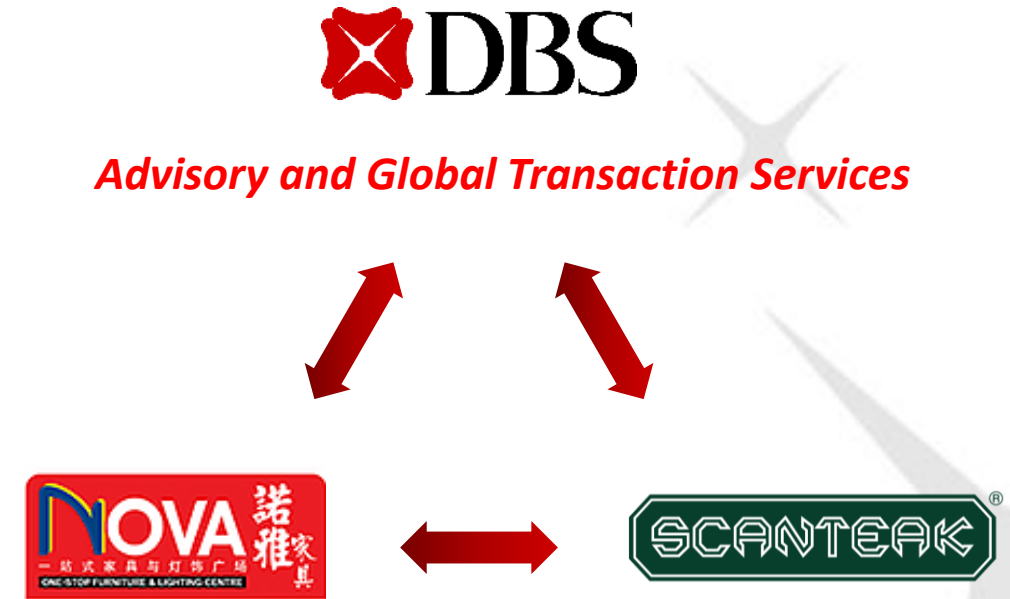


Source: National Statistic R.O.C.

# Example of Taiwan's investments in Singapore

## Scan-D (詩肯) to buy out Singaporean retailer, Nova Furnishing

- **Significant FDI into Singapore:** Scan-D Corp (詩肯), which designs and sells teak furniture under the Scanteak brand, acquired 100 percent of Nova Furnishing Holdings Pte Ltd's (諾雅家具), Singapore's second-largest furniture retailer, with a total consideration of NT\$228 million (US\$7.39 million).
- This is the first cross-border acquisition made by Scan-D in the past 26 years. It aims to leverage on this to break into the Southeast Asian market to capture the rapid market growth and create a regional sales platform.
- **DBS helped Scan-D to facilitate the acquisition process within 1-week.** Scan-D's CEO, Mr. Lin, said that the partnership with DBS and its high quality banking services in Taiwan and Singapore is essential for the transaction process and post-acquisition integration.



Source: 天下雜誌 and DBS

**Business Application**

**Asking the Right Questions**

# Questions to answer before determining how to best utilize International Capital

What is my company's strategic intent?

What are the right tools for my company?

Who is the right partner and advisor for my company?





# DBS Group

Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. We help our clients build their businesses across Asia with our award-winning capabilities in transaction banking, treasury and markets, equity and debt fund raising and securities brokerage.

Total Assets (SGD)

**551 billion**

Net Profit (SGD)

**5.65 billion**

Over

**200,000**

Institutional Banking  
Customers

Over

**8.8 million**

Consumer Banking /  
Wealth Management  
Customers

**Safest Bank In  
Asia, "AA-"  
Rating**

**Best Bank In the  
World**

Global Finance, 2018

As of 31 December 2018

# DBS Group's Financial Stability is a cornerstone to our growth and ever-expanding network

**Safest bank in Asia for  
10 consecutive years**

## Credit Rating

	<u>Moody's</u>	<u>S&amp;P</u>
<b>DBS</b>	<b>Aa1</b>	<b>AA-</b>
HSBC	Aa3	AA-
BNP Paribas	Aa3	A
Standard Chartered	A1	A
Barclays	A2	A
JPMorgan Chase	Aa3	A+
Bank of America	Aa3	A+
Citibank	A1	A+

As of 31 December 2018

**Strong capital position on the back of a resilient  
franchise**

## Key Financials

Key Financials (\$bn)	2018	2017	2016
Market Capitalisation	<b>S\$60</b>	<b>S\$64</b>	S\$44
Total Assets	<b>S\$551</b>	<b>S\$518</b>	S\$482

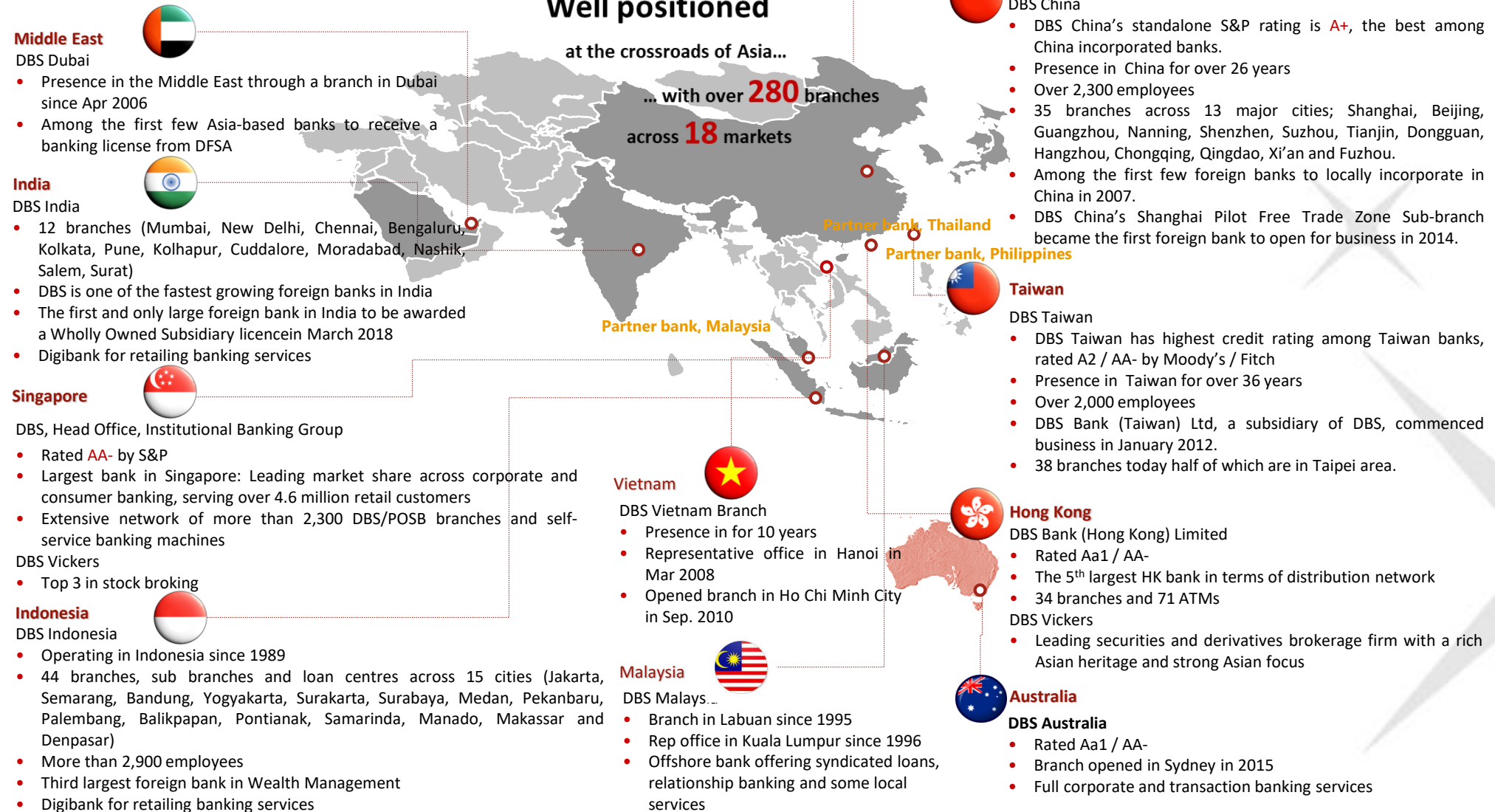
Key Financial Ratios	2018	2017	2016
Tier 1 Capital Ratio	<b>15.1%</b>	<b>15.1%</b>	14.7%
Total Capital Ratio	<b>16.9%</b>	<b>15.9%</b>	16.2%
Return on Assets	<b>1.05%</b>	<b>0.89%</b>	0.92%
Return on Equity	<b>12.1%</b>	<b>9.7%</b>	10.1%

**Key Business Advantages**

- ✓ **Focused on Asia**, the fastest growing region in the world.
- ✓ An Asian bank with **insights and a deep understanding** of the ins and outs of doing business with and in Asia.
- ✓ **Connected to the major growth hubs** in Northeast Asia, Southeast Asia and South Asia.
- ✓ Products include Corporate Banking Services; **Global Financial Services**, and Consumer Banking, including Treasures.

# DBS Group's Connectivity allows our customers to be supported globally

Core markets: **Singapore, Hong Kong, China, India, Indonesia, and Taiwan**



# DBS Group's wide product suite provides ready access to international capital

## Global Transaction Services

Cash Management  
Trade Services  
Security & Fiduciary Services



## Credit Products

Working Capital & Long Term Lending  
Structured Financing  
Syndicated Finance Lending



## Treasury Services

Foreign Exchange Services  
Money Market & Fixed Income Activities  
Derivatives and Structured Products

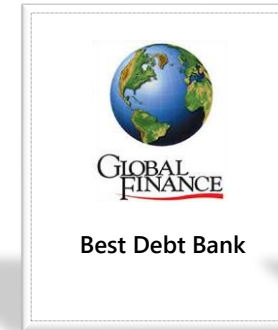


## Capital Markets

Debt Capital Markets Services  
Equity Capital Markets Services  
Strategic Advisory for M&A

# DBS Group's Awards and Accolades are a testament to our capabilities

Making our mark  
globally



And across the  
region



**Thank you**