

D Exercise 1 (Track 13)

Good morning ladies and gentlemen. I am here to give you an update on the activities of our investment banking arm in China.

As time is a little tight, I'd be grateful if you could keep any questions till the end – we'll have about 10 minutes to deal with them then. I see that some of you are prepared to take notes. Well, my assistant John has prepared quite detailed handout packages and you can collect one from the table by the door as you leave at the end of the presentation.

Before I give you a short overview of the current situation, I'd like to show you a photograph of our building in Shanghai. I think you will agree with me that it is an imposing building, even futuristic, and does a good job of promoting our corporate image. Turning to the overview, as you know, our major competitors are buying stakes in Chinese banks to expand their businesses, whereas we are mainly relying on organic growth. So far it looks as if our strategy is working well. Let me show you some figures to support that view. Although we only moved into China last June, as this graph shows you we got off to a very good start, with growth of 30%, well exceeding our 20% target and 2% higher than growth in Asia generally. This next chart shows the breakdown of our major clients. As you can see, they are financial institutions and enterprises that are expanding overseas for future growth. This is a very satisfactory situation for us, given the explosive growth and influence of the Chinese market.

I said that we are “mainly” relying on organic growth. This does not mean that we are not open to other possibilities. As you have no doubt read, our MD has been quoted in the press as saying that we will not miss any merger or acquisition opportunities if the right occasion arises.

Looking to the future, and encouraged by our very promising start, as you can see from this slide we are planning to open several more branches in China as well as an office in the next three to five years. Our major challenge, given the huge size and rapid growth of the Chinese market, will be to stay focused on our goals and our client needs.

Summing up, the situation for Eastern Tide Capital is very buoyant and we are optimistic that the next few years will see us grow into one of the major players in the region.

That brings me to the end of this short presentation, and I hope that it has given you a clear, if brief, overview of our activities.

Thank you very much indeed for your time and now I shall be pleased to answer any questions you may have.