

UOB U.S. Resolution Plan

Public Section

I. Introduction

United Overseas Bank Limited (“**UOB**”) is, for purposes of U.S. banking law, a “foreign banking organization” with operations in the United States and more than US\$50 billion in total consolidated assets. As a result, UOB is deemed to be a “covered company” in accordance with the final rule implementing Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such final rule, the “**Regulation**”) issued by the Board of Governors of the Federal Reserve System (“**FRB**”) and the Federal Deposit Insurance Corporation (“**FDIC**”). The Regulation requires each bank holding company (including a foreign banking organization such as UOB) with total consolidated assets of US\$50 billion or more, and each nonbank financial company supervised by the FRB (each, a “**covered company**”) to periodically prepare and submit a plan for such company's rapid and orderly resolution in the event of material financial distress or failure, referred to as a “resolution plan.” Inasmuch as UOB has global consolidated assets in excess of US\$50 billion, UOB is considered a “covered company” for purposes of the Regulation. Accordingly, UOB has submitted this U.S. Resolution Plan (the “**Plan**”) as required by the Regulation and related guidance.

As UOB is a foreign-based covered company, the Plan is required to be responsive to the informational requirements of the Regulation as they relate to only those UOB subsidiaries, branches and agencies, as well as any “critical operations” and “core business lines,” as applicable, that are domiciled in the United States or conducted in whole or material part in the United States. This Plan addresses how such U.S. operations can be reorganized, liquidated or otherwise resolved under applicable insolvency law in a reasonable period of time, without any extraordinary support from the U.S. government, and in an organized manner that substantially minimizes the risk that the failure of these entities, businesses or operations would have a serious adverse effect on U.S. financial stability. Additionally, to the extent applicable, the Plan identifies, describes in detail, and maps to legal entity the interconnections and interdependences among the U.S. subsidiaries, branches and agencies of UOB and its foreign-based affiliates.

As required by the Regulation, the Plan has been divided into a public section and a confidential section and is submitted in two parts. This document constitutes the public section of the Plan.

Overview

UOB is incorporated and headquartered in the Republic of Singapore, and has a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. It is a leading bank in Asia, where it operates through its Head Office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and offices. UOB provides a wide range of financial services including:

- Personal Financial Services
- Private Banking
- Business Banking
- Commercial and Corporate Banking
- Transaction Banking
- Investment Banking
- Corporate Finance
- Capital Market Activities
- Treasury Services
- Brokerage and Clearing Services
- Asset Management
- Venture Capital Management
- Insurance

As of 31 December 2015, UOB's total global assets, inclusive of its non-banking subsidiaries, was US\$223.1 billion as reported on its Form FR Y-7.

U.S. Operations

UOB maintains a very small presence in the United States, consisting of merely two agency offices and a handful of non-banking subsidiaries, including two broker-dealers, a fund manager, a premises holding company, and several non-operating companies (collectively, the "U.S. Entities"). As of 31 December 2015, UOB New York and Los Angeles agency offices held US\$4.7 billion and US\$2.1 billion in assets (which consisted primarily of interests in commercial loans) respectively. The remaining U.S.-based subsidiaries collectively held US\$133.8 million in assets. UOB employs only 59 people within the United States across its two agency offices and various non-banking subsidiaries.

II. Material Entities

A "material entity" is defined in the Regulation as "a subsidiary or foreign office of the covered company that is *significant* to the activities of a *critical operation* or *core business*

line." UOB has no "critical operations" as that term is defined in the Regulation.¹ As explained in the next paragraph, UOB's U.S. Entities do not comprise a "core business line" of UOB, and UOB's U.S. Entities do not engage in any activities or provide any services that are significant to any of those core business lines conducted outside the United States. Based on these criteria, none of UOB's U.S. entities are "material entities" for purposes of the Plan.

III. Core Business Lines

"Core business lines" are defined in the Regulation as "those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value." Although UOB conducts a limited amount of commercial lending, broker-dealer, investment management and other activities through its U.S. Entities, the potential cessation of these activities, or the failure of one or more of the U.S. Entities, would not materially impact UOB's business operations as a whole, and would not result in a material loss of revenue, profit, or franchise value to UOB. As a result, UOB does not believe that any of its core business lines are conducted in whole or in material part in the United States.

IV. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources

The summary financial information in this section was prepared in accordance with Singapore Financial Reporting Standards and the provisions of Chapter 50 of the Singapore Companies Act, and appears as it is set forth in UOB's 2015 Annual Report. Unless otherwise indicated, all amounts are denominated in Singapore Dollars. The balance sheet contains columns showing information for both United Overseas Bank Limited itself (the column labeled "**Bank**") and together with its global subsidiaries (the "**Group**"), and reflects UOB's financial condition as of 31 December 2015.

Unless otherwise indicated, the following information pertains to UOB's global operations as a whole.

¹ The Regulation defines "critical operations" as those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and the FDIC, would pose a threat to the financial stability of the United States. UOB has not been notified by the FRB or the FDIC that it engages in critical operations.

Balance Sheets

as at 31 December 2015

	The Group		The Bank	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Equity				
Share capital and other capital	5,881,252	5,892,165	5,049,702	5,060,615
Retained earnings	15,463,194	14,064,092	11,734,720	10,808,566
Other reserves	9,423,960	9,613,093	9,971,362	9,780,486
Equity attributable to equity holders of the Bank	30,768,406	29,569,350	26,755,784	25,649,667
Non-controlling interests	155,367	202,655	–	–
Total equity	30,923,773	29,772,005	26,755,784	25,649,667
Liabilities				
Deposits and balances of:				
Banks	11,986,337	11,226,347	10,538,390	10,665,592
Customers	240,524,473	233,749,644	190,377,876	179,122,889
Subsidiaries	–	–	2,411,844	2,767,302
Bills and drafts payable	434,541	950,727	236,649	190,704
Derivative financial liabilities	5,969,076	6,383,979	5,427,808	5,928,255
Other liabilities	5,262,453	3,157,723	2,580,158	1,472,185
Tax payable	430,678	381,926	346,417	359,715
Deferred tax liabilities	191,586	160,489	101,096	83,188
Debts issued	20,288,288	20,953,303	20,210,640	21,138,545
Total liabilities	285,087,432	276,964,138	232,230,878	221,728,375
Total equity and liabilities	316,011,205	306,736,143	258,986,662	247,378,042
Assets				
Cash, balances and placements with central banks	32,305,515	35,082,908	24,248,826	24,807,369
Singapore Government treasury bills and securities	6,865,052	7,756,709	6,865,052	7,627,828
Other government treasury bills and securities	12,643,728	10,140,942	7,268,093	3,982,141
Trading securities	1,276,574	738,262	1,009,768	738,262
Placements and balances with banks	28,646,058	28,692,051	24,280,039	24,332,571
Loans to customers	203,610,907	195,902,563	158,230,240	149,529,653
Placements with and advances to subsidiaries	–	–	5,943,534	7,726,981
Derivative financial assets	6,422,161	6,305,928	5,695,663	5,710,358
Investment securities	10,562,494	11,439,549	9,857,070	10,294,346
Other assets	5,354,853	2,718,439	3,685,887	1,465,432
Deferred tax assets	227,035	231,636	65,853	101,736
Investment in associates and joint ventures	1,105,946	1,189,449	407,006	523,138
Investment in subsidiaries	–	–	5,841,051	4,980,738
Investment properties	1,108,450	960,292	1,174,084	1,229,216
Fixed assets	1,738,607	1,428,135	1,232,677	1,146,454
Intangible assets	4,143,825	4,149,280	3,181,819	3,181,819
Total assets	316,011,205	306,736,143	258,986,662	247,378,042

Major Funding Sources and Liquidity

UOB's overall global funding position remained strong throughout 2015, with loans-to-deposits ratio at 84.7% as of 31 December 2015.

UOB maintains sufficient liquidity to fund its day-to-day operations, to meet deposit withdrawals and loan disbursements, to participate in new investments and to repay borrowings. Hence, liquidity is managed in a manner to address known as well as unanticipated cash funding needs.

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by the Asset and Liability Committee ("ALCO"). These policies, controls and limits enable UOB to monitor and manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. These include minimising excessive funding concentrations by diversifying the sources and terms of funding as well as maintaining a portfolio of high quality and marketable debt securities.

UOB takes a conservative stance in its liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that there are adequate liquid assets to meet cash shortfall.

The distribution of deposits is managed actively to ensure a balance between cost effectiveness, continued accessibility to funds and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of UOB's core deposits and the maintenance of customer confidence.

Liquidity risk is aligned with the regulatory liquidity risk management framework and is measured and managed on a projected cash flow basis. UOB is monitored under business as usual and stress scenarios. Cash flow mismatch limits are established to limit UOB's liquidity exposure. UOB also employs liquidity early warning indicators and trigger points to signal possible contingency situations. With regard to the regulatory requirements on Liquidity Coverage Ratio (LCR) which were effective from 1 January 2015, UOB ratios were above 100% for both the All Currencies LCR and the Singapore Dollar LCR as of 31 December 2015.

Contingency funding plans are in place to identify potential liquidity crises using a series of warning indicators. Crisis management processes and various strategies including funding and communication have been developed to minimise the impact of any liquidity crunch.

UOB's overseas banking branches and subsidiaries are required to comply with their local regulatory requirements. In the event that they are unable to source sufficient funds to meet the financial obligation of their operations, UOB's Head Office in Singapore would meet such requirements.

Capital

As a group, UOB's capital position remained well above the Monetary Authority of Singapore (MAS) minimum requirements with Common Equity Tier 1, Tier 1 and Total Capital Adequacy Ratios of 13.0%, 13.0% and 15.6% respectively as of 31 December 2015.

V. Derivative and Hedging Activities

In the normal course of business, UOB transacts in customized derivatives to meet specific needs of its customers. UOB also transacts in these derivatives for proprietary trading purposes, as well as to manage its assets, liabilities and structural positions. The table below shows UOB's financial derivatives and their fair values as of 31 December 2015:

	2015			2014		
	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000
The Group						
Foreign exchange contracts						
Forwards	38,697,181	919,044	654,629	39,133,210	817,848	439,200
Swaps	166,100,766	1,586,750	1,264,271	158,348,409	1,280,803	1,483,875
Futures	–	–	–	15,911	–	–
Options purchased	8,751,550	152,323	–	9,150,276	131,611	–
Options written	18,630,354	–	157,126	11,134,020	–	134,744
Interest rate contracts						
Swaps	425,260,412	3,133,133	3,263,844	367,004,380	3,518,624	3,711,277
Futures	388,256	253	136	496,609	744	439
Options purchased	783,388	4,820	–	878,576	6,705	–
Options written	1,303,002	–	8,660	3,418,000	–	11,458
Equity-related contracts						
Swaps	1,075,974	58,754	64,083	1,735,206	16,219	27,639
Options purchased	5,302,111	324,623	–	5,439,584	442,827	–
Options written	5,888,554	–	324,541	5,442,300	–	442,717
Credit-related contracts						
Swaps	1,041,943	10,988	6,588	1,242,421	2,022	40,942
Others						
Forwards	1,287,996	4,950	4,834	793,871	960	711
Swaps	1,766,722	213,613	122,302	950,169	75,269	79,275
Futures	1,120,047	12,267	97,573	286,104	11,575	10,757
Options purchased	42,727	643	–	8,797	721	–
Options written	34,310	–	489	8,816	–	945
	677,475,293	6,422,161	5,969,076	605,486,659	6,305,928	6,383,979

	2015			2014		
	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000
The Bank						
Foreign exchange contracts						
Forwards	32,898,659	557,332	355,173	32,095,309	471,659	210,789
Swaps	132,022,997	1,416,629	1,108,871	119,675,217	1,194,382	1,395,838
Futures	–	–	–	15,911	–	–
Options purchased	7,528,395	125,535	–	8,704,603	116,004	–
Options written	7,205,110	–	308,006	8,570,345	–	163,094
Interest rate contracts						
Swaps	389,215,206	3,017,945	3,097,180	325,575,251	3,403,366	3,583,906
Futures	63,172	148	136	496,609	744	439
Options purchased	783,388	4,820	–	6,531,449	6,705	–
Options written	1,303,002	–	8,660	4,270,352	–	11,458
Equity-related contracts						
Swaps	653,529	3,187	7,368	715,945	7,154	10,759
Options purchased	5,274,495	324,602	–	5,331,486	439,969	–
Options written	5,861,464	–	324,477	5,334,634	–	442,667
Credit-related contracts						
Swaps	1,041,943	10,988	6,588	1,242,421	2,022	40,942
Others						
Forwards	1,132,060	4,831	4,813	573,134	1,083	914
Swaps	1,751,489	217,154	108,921	818,539	62,353	62,331
Futures	1,030,383	12,258	97,381	200,468	4,542	4,743
Options purchased	1,379	234	–	5,807	375	–
Options written	1,379	–	234	5,807	–	375
	587,768,050	5,695,663	5,427,808	520,163,287	5,710,358	5,928,255

UOB engages in very limited derivatives activity in the U.S., generally confined to interest rate swaps in connection with its commercial lending operations in its two agency offices.

VI. Memberships in Material Payment, Clearing, and Settlement Systems

UOB maintains the following memberships in material payment, clearing and settlement systems: (i) SWIFT for international payment, (ii) Federal Reserve for banknotes (ECI – Extended Custodial Inventory).

VII. Foreign Operations

The vast portion of UOB's operations are in Asia, where it operates through its Head Office in Singapore and banking subsidiaries in China (United Overseas Bank (China) Limited), Indonesia (PT Bank UOB Indonesia), Malaysia (United Overseas (Malaysia) Berhad), Thailand (United Overseas Bank (Thai) Public Company Limited), as well as branches and offices. UOB provides a wide range of financial services including personal financial services, private banking, business banking, commercial and corporate banking, transaction banking, investment banking, corporate finance, capital market activities, treasury services, brokerage and clearing services, asset management, venture capital management and insurance.

UOB's global network consists of over 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. The following list provides a breakdown of the number of offices UOB maintains in each country and territory:

Asia Pacific

Australia	4
Brunei	2
China	22
Hong Kong	3
India	2
Indonesia	190
Japan	2
Malaysia	47
Myanmar	2
Philippines	1
Singapore	74
South Korea	1
Taiwan	4
Thailand	157
Vietnam	1

North America

Canada	3
USA	3

Western Europe

France	1
United Kingdom	1

The following table provides an overview of UOB's performance by geographical segment:

	The Group					
	Total operating income		Profit before tax		Total assets	
	2015	2014	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore	4,658	4,313	2,363	2,345	197,929	187,529
Malaysia	1,006	1,047	537	593	32,669	37,269
Thailand	790	691	175	159	16,643	15,915
Indonesia	410	410	61	99	8,550	8,143
Greater China	706	587	366	305	32,982	31,977
Others	478	409	367	324	23,094	21,754
	8,048	7,457	3,869	3,825	311,867	302,587
Intangible assets	–	–	–	–	4,144	4,149
	8,048	7,457	3,869	3,825	316,011	306,736

VIII. Material Supervisory Authorities

UOB is regulated in Singapore by the MAS. As a foreign banking organization in the United States, UOB is regulated by the FRB pursuant to the International Banking Act of 1978. The following table identifies the other primary regulatory agencies, where applicable, for UOB's major U.S. Entities.

UOB Entity	Primary Supervisory Agency
UOB New York Agency	New York State Department of Financial Services (“NYSDFS”) and the FRB
UOB Los Angeles Agency	California Department of Business Oversight (“DBO”) and the FRB

IX. Principal Officers

The following table lists UOB's Board of Directors:

Name	Role/Title
Wee Cho Yaw	Chairman Emeritus and Adviser Non-executive and non-independent director
Hsieh Fu Hua	Chairman Non-executive and independent director
Wee Ee Cheong	Deputy Chairman and Chief Executive Officer Executive and non-independent director
Wong Meng Meng	Non-executive and non-independent director
Franklin Leo Lavin	Non-executive and independent director
Willie Cheng Jue Hiang	Non-executive and independent director
James Koh Cher Siang	Non-executive and independent director
Ong Yew Huat	Non-executive and independent director
Lim Hwee Hua	Non-executive and independent director

The following table lists the members of UOB's Management Committee:

Name	Role/Title
Wee Ee Cheong	Group Deputy Chairman and Chief Executive Officer
Chan Kok Seong	Group Chief Risk Officer
Frederick Chin Voon Fat	Head, Group Wholesale Banking
Susan Hwee Wai Cheng	Head, Group Technology and Operations
Francis Lee Chin Yong	Head, Group Retail
Lee Wai Fai	Group Chief Financial Offer
Terence Ong Sea Eng	Head, Global Markets and Investment Management
Armand B. Arief (till 31 December 2015)	President Director, PT Bank UOB Indonesia
Cheo Chai Hong	Head, Group Credit (Middle Market)
Chew Mei Lee	Head, Group Compliance
Peter Foo Moo Tan	President and Chief Executive Officer, United Overseas Bank (Thai) Public Company Limited
Christine Ip	Chief Executive Officer, UOB Hong Kong Branch
Eric Lian Voon Fui	President and Chief Executive Officer, United Overseas Bank (China) Limited
Wong Kim Choong	Chief Executive Officer, United Overseas Bank (Malaysia) Berhad
Jenny Wong Mei Leng	Head, Group Human Resources
Ian Wong Wah Yan	Head, Group Strategy and International Management
Janet Young Yoke Mun	Head, Group Channels and Digitalisation

X. Resolution Planning Corporate Governance Structure

Ultimate responsibility for governance of UOB and its operations lies with the UOB Board of Directors. To enable the Board to carry out its responsibilities, authority is delegated to committees of the Board. The Chief Executive Officer, in turn, is assisted by senior management committees.

The UOB U.S. resolution plans are reviewed and approved by the Risk and Capital Committee (RCC), a senior management committee, acting under express authority of the Board Risk Management Committee (BRMC).

XI. Material management information systems

UOB New York and UOB Los Angeles agencies use the Head Office hubbed system applications to support their business activities. The application systems supporting the business operations are credit lending, treasury, retail/deposit, trade, and financial accounting systems.

XII. High-level Resolution Strategy Summary

Overview

Consistent with the requirements in the Regulation, UOB has prepared a strategic analysis consisting of a resolution strategy for its U.S. Entities that would allow such entities to be resolved in a rapid and orderly manner that would not create serious adverse effects on U.S. financial stability. There are no material changes since the 2015 Plan.

In the event that a U.S. Entity experiences material financial distress or failure, UOB would engage in the following steps:

- 1) Perform a separability analysis for the entity, or its assets / properties / portfolios, or business lines, where appropriate.
- 2) Activate UOB's M&A steering committee, notify and seek approval from appropriate parties, and explore options for a third-party sale of the entity, or its assets / properties / portfolios, or business lines, where appropriate, with follow-through as appropriate.
- 3) If a timely sale of the entity is not possible, UOB's U.S. Entities would be resolved in the following manner:
 - a) UOB's New York agency would be placed into receivership with the NYSDFS, which would then commence a receivership or liquidation proceeding pursuant to the New York Banking Law.

- b) UOB's Los Angeles agency would be placed into receivership with the California Department of Business Oversight, which would then commence a receivership or liquidation proceeding pursuant to Division 1, Chapter 7 of the Financial Code.
- c) In the event of material financial distress or failure with respect to any of UOB's other U.S. entities, the affected entity would cease operations and file bankruptcy petitions under Chapter 7 or Chapter 11 of the U.S. Bankruptcy Code, as appropriate.

Inasmuch as the U.S. Entities do not comprise "material entities," "core business lines," or "critical operations," and given further that the U.S. Entities do not, collectively or individually, comprise a material portion of the assets or revenues of UOB, UOB believes that the above approach is reasonable.

Relationship to UOB's Overall Resolution Strategy

At the group level, UOB has submitted certain required information to the MAS for the purpose of resolution planning.

UOB has determined that the separation or failure of the U.S. Entities, as described above, would not have a material impact on UOB's other operations or on the financial stability in any jurisdiction, including the U.S. As a result, resolution planning for the U.S. entities has not been integrated into UOB's overall information submission to the MAS for resolution planning. UOB's U.S. Entities will be resolved as set forth in this Plan.