

## UOB U.S. Resolution Plan

### Public Section

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#### 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 \$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 \$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 \$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 an international network of more than 500 offices located throughout 19 countries and territories in the Asia Pacific, Western Europe and North America. It is a leading bank in Asia, where it operates through its branches and representative offices as well as through banking subsidiaries in Singapore, Malaysia, Thailand, Indonesia, China, and the Philippines. UOB provides a wide range of financial services including:

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

As of December 31, 2013, UOB's total global assets, inclusive of its non-banking subsidiaries, was \$225.2 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 December 31, 2013, UOB New York and Los Angeles agency offices held \$3.4 billion and \$2.03 billion in assets (which consisted primarily of interests in commercial loans) respectively. The remaining U.S.-based subsidiaries, including UOB Funding LLC,<sup>1</sup> collectively held \$123 million in assets. UOB employs only 62 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*"

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<sup>1</sup> UOB Funding LLC is a special purposes vehicle that formerly issued commercial paper in the U.S. in order to fund the operations of the UOB New York agency office. UOB Funding LLC is now dormant and in the process of being closed.

*line.*" UOB has no "critical operations" as that term is defined in the Regulation.<sup>2</sup> 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 2013 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 December 31, 2013.

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

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<sup>2</sup> 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 2013

	Note	The Group		The Bank	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Equity</b>					
Share capital and other capital	12	5,332,735	5,271,932	4,501,185	4,440,382
Retained earnings	13	12,002,525	10,221,670	9,255,114	8,120,482
Other reserves	14	9,052,656	9,586,005	9,445,651	9,572,245
<b>Equity attributable to equity holders of the Bank</b>		<b>26,387,916</b>	<b>25,079,607</b>	<b>23,201,950</b>	<b>22,133,109</b>
Non-controlling interests		189,346	192,214	–	–
<b>Total equity</b>		<b>26,577,262</b>	<b>25,271,821</b>	<b>23,201,950</b>	<b>22,133,109</b>
<b>Liabilities</b>					
Deposits and balances of:					
Banks		26,247,399	21,537,916	24,998,782	20,313,747
Non-bank customers	16	202,006,296	182,028,907	151,624,863	135,420,211
Subsidiaries		–	–	2,630,069	5,760,363
Bills and drafts payable		1,035,208	1,571,841	254,462	347,932
Derivative financial liabilities	34	5,877,773	5,506,069	5,196,506	5,226,062
Other liabilities	17	2,928,495	3,579,059	1,640,851	1,401,563
Tax payable		488,929	581,808	452,570	501,714
Deferred tax liabilities	18	86,385	21,658	–	–
Debts issued	19	18,981,322	12,800,434	18,546,107	9,239,604
<b>Total liabilities</b>		<b>257,651,807</b>	<b>227,627,692</b>	<b>205,344,210</b>	<b>178,211,196</b>
<b>Total equity and liabilities</b>		<b>284,229,069</b>	<b>252,899,513</b>	<b>228,546,160</b>	<b>200,344,305</b>
<b>Assets</b>					
Cash, balances and placements with central banks	20	26,880,581	33,056,247	13,853,975	21,032,530
Singapore Government treasury bills and securities		9,207,377	10,837,937	9,078,394	10,696,976
Other government treasury bills and securities		6,992,782	10,628,888	2,911,501	6,328,674
Trading securities	21	628,131	259,559	566,338	151,305
Placements and balances with banks	22	30,188,761	14,254,272	26,809,318	11,710,269
Loans to non-bank customers	23	178,856,863	152,929,817	136,538,266	114,013,150
Placements with and advances to subsidiaries		–	–	7,690,587	5,263,143
Derivative financial assets	34	5,779,497	5,455,567	5,030,302	5,231,725
Assets pledged	24	2,655,106	2,988,005	2,421,337	2,935,561
Investment securities	25	12,106,028	11,090,754	10,935,376	9,760,202
Other assets	26	3,212,523	3,581,684	2,099,375	2,566,004
Deferred tax assets	18	287,710	296,682	66,396	94,001
Investment in associates and joint ventures	27	996,605	1,102,150	269,233	328,721
Investment in subsidiaries	28	–	–	4,752,499	4,759,449
Investment properties	30	984,905	1,015,858	1,280,779	1,289,807
Fixed assets	31	1,308,390	1,233,761	1,060,665	1,000,969
Intangible assets	32	4,143,810	4,168,332	3,181,819	3,181,819
<b>Total assets</b>		<b>284,229,069</b>	<b>252,899,513</b>	<b>228,546,160</b>	<b>200,344,305</b>
<b>Off-Balance Sheet Items</b>					
Contingent liabilities	33	24,097,852	18,437,040	15,860,231	13,435,759
Financial derivatives	34	451,573,062	349,452,349	375,040,281	297,789,046
Commitments	36	69,756,557	60,911,356	53,983,741	47,464,233

The accounting policies and explanatory notes form an integral part of the financial statements.

### Major Funding Sources and Liquidity

UOB's overall global funding position remained strong throughout 2013, with loans-to-deposits ratio at 88.5% as at 31 December 2013. The Group's funding base was further diversified with the issuance of \$9.73 billion commercial papers under the US\$10 billion US commercial paper programme in 2013.

UOB maintains sufficient liquidity to fund its day-to-day operations, meet deposit withdrawals and loan disbursements, participate in new investments and 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 minimizing 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. Contingency funding plans are in place to identify potential liquidity crises using a series of warning indicators. Crisis escalation processes and various strategies including funding and communication have been developed to minimize 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

UOB is required by the Monetary Authority of Singapore ("MAS") to maintain Tier 1 and total capital adequacy ratios of 6% and 10%, respectively. Banking operations outside of Singapore are required to comply with the regulatory requirements in their country of operations. As a group, UOB is well-capitalized, with Core Tier 1, Tier 1 and Total Capital Adequacy Ratios of 13.2%, 13.2% and 16.6% respectively as of December 31, 2013.

## 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 December 31, 2013:

	2013			2012		
	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000
<b>The Group</b>						
<b>Foreign Exchange Contracts</b>						
Forwards	29,025,186	481,150	332,853	19,192,178	150,134	147,890
Swaps	141,205,352	1,145,522	1,172,207	97,275,979	774,591	480,507
Options purchased	7,725,440	102,358	–	4,867,238	55,428	–
Options written	7,437,378	–	103,433	5,478,516	–	55,109
<b>Interest Rate Contracts</b>						
Swaps	244,357,862	3,484,324	3,705,365	208,338,595	3,997,714	4,326,471
Futures	4,600,007	20,105	957	511,623	374	723
Options purchased	819,897	12,680	–	784,144	9,330	–
Options written	3,909,749	–	18,857	6,691,592	–	17,456
<b>Equity-Related Contracts</b>						
Swaps	2,385,025	152,554	162,845	3,039,142	260,729	268,969
Futures	–	–	–	10,980	502	–
Options purchased	4,152,367	375,130	–	925,295	203,832	–
Options written	4,150,024	–	375,240	902,828	–	204,625
<b>Credit-Related Contracts</b>						
Swaps	437,804	1,300	688	105,572	995	732
<b>Others</b>						
Forwards	697,416	613	1,061	850,049	379	485
Swaps	221,327	2,427	2,787	419,589	1,356	2,979
Futures	125,209	136	282	53,208	114	34
Options purchased	161,498	1,198	–	2,907	89	–
Options written	161,521	–	1,198	2,914	–	89
	<b>451,573,062</b>	<b>5,779,497</b>	<b>5,877,773</b>	<b>349,452,349</b>	<b>5,455,567</b>	<b>5,506,069</b>

	2013			2012		
	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000	Contract/ notional amount \$'000	Positive fair value \$'000	Negative fair value \$'000
<b>The Bank</b>						
<b>Foreign Exchange Contracts</b>						
Forwards	23,286,983	285,129	165,860	15,853,382	125,095	121,003
Swaps	112,329,287	905,033	998,836	86,995,636	737,040	414,460
Options purchased	7,195,472	80,281	–	4,513,420	47,992	–
Options written	6,862,781	–	86,129	5,000,658	–	45,011
<b>Interest Rate Contracts</b>						
Swaps	205,739,833	3,222,741	3,422,556	172,461,231	3,862,572	4,177,754
Futures	4,582,769	20,105	839	495,428	374	662
Options purchased	819,897	12,680	–	784,144	9,330	–
Options written	3,663,357	–	18,857	6,648,790	–	17,456
<b>Equity-Related Contracts</b>						
Swaps	1,132,084	125,101	124,863	1,827,296	244,447	243,719
Futures	–	–	–	10,980	502	–
Options purchased	4,040,004	374,504	–	886,302	201,873	–
Options written	4,037,354	–	374,587	877,603	–	202,797
<b>Credit-Related Contracts</b>						
Swaps	437,804	1,300	688	105,572	995	732
<b>Others</b>						
Forwards	238,450	1,237	1,169	587,895	384	608
Swaps	248,216	865	657	702,846	985	1,803
Futures	107,438	128	267	36,349	113	34
Options purchased	159,276	1,198	–	757	23	–
Options written	159,276	–	1,198	757	–	23
	<b>375,040,281</b>	<b>5,030,302</b>	<b>5,196,506</b>	<b>297,789,046</b>	<b>5,231,725</b>	<b>5,226,062</b>

UOB engages in very limited derivatives activity in the U.S., generally confined to interest rate and currency 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 branches and representative offices as well as through banking subsidiaries in Singapore (Far Eastern Bank Limited), Malaysia (United Overseas (Malaysia) Bhd), Thailand (United Overseas Bank (Thai) Public Company Limited), Indonesia (PT Bank UOB Indonesia), China (United Overseas Bank

(China) Limited), and Philippines (United Overseas Bank Philippines). UOB provides a wide range of financial services including personal financial services, private banking, commercial and corporate banking, transaction banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management and insurance. In Singapore, UOB is a leader in the credit and debit cards business and the private home loans business. UOB is also a key player in loans to small and medium enterprises.

UOB's global network consists of over 500 offices spread across 19 countries and territories in the Asia Pacific, Western 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 .....	3
China .....	17
Hong Kong .....	2
India .....	1
Indonesia .....	211
Japan .....	2
Malaysia .....	47
Myanmar .....	2
Philippines .....	1
Singapore .....	77
South Korea .....	1
Taiwan .....	3
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:

	<b>The Group</b>					
	<b>Total operating income</b>		<b>Profit before tax</b>		<b>Total assets</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$ million</b>	<b>\$ million</b>	<b>\$ million</b>	<b>\$ million</b>	<b>\$ million</b>	<b>\$ million</b>
Singapore	3,775	3,790	2,181	2,256	176,590	157,593
Malaysia	969	915	555	557	35,647	33,091
Thailand	632	530	146	118	15,608	14,135
Indonesia	436	454	178	184	7,173	7,156
Greater China	502	414	272	222	27,395	19,569
Others	406	392	252	21	17,672	17,188
	<b>6,720</b>	<b>6,495</b>	<b>3,584</b>	<b>3,358</b>	<b>280,085</b>	<b>248,732</b>
Intangible assets	-	-	-	(7)	<b>4,144</b>	4,168
	<b>6,720</b>	<b>6,495</b>	<b>3,584</b>	<b>3,351</b>	<b>284,229</b>	<b>252,900</b>

### 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.

<b>UOB Entity</b>	<b>Primary Supervisory Agency</b>
UOB New York Agency	New York Department of Financial Services ("NYDFS") and the FRB
UOB Los Angeles Agency	California Department of Business Oversight and the FRB

## IX. Principal Officers

The following table lists UOB's Board of Directors:

<b>Name</b>	<b>Role/Title</b>
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
Cham Tao Soon	Non-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
Tan Lip-Bu	Non-executive and independent director
James Koh Cher Siang	Non-executive and independent director
Ong Yew Huat	Non-executive and independent director

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

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

## **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 by the senior management committee, the Risk and Capital Committee (RCC), and approved by 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. 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 NYDFS, 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," of "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 provided certain required resolution information ("**UOB RSP**") to the MAS.

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 MAS resolution planning information process. UOB's U.S. Entities will be resolved as set forth in this Plan.