

# 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 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 across the region. 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
- Clearing Services
- Asset Management
- Venture Capital Management
- Insurance Services

As of 31 December 2017, UOB's total global assets, inclusive of its non-banking subsidiaries, was US\$268.35 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 2017, UOB New York and Los Angeles agency offices held US\$6.0 billion and US\$2.4 billion in assets (which consisted primarily of interests in commercial loans) respectively. The remaining U.S.-based subsidiaries collectively held US\$220.6 million in assets. UOB employs only 56 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.<sup>1</sup>

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<sup>1</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.

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 2017 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 2017.

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

## Balance Sheets

as at 31 December 2017

	The Group		The Bank	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Equity</b>				
Share capital and other capital	7,765,643	6,351,013	7,765,643	6,351,013
Retained earnings	19,707,178	17,333,616	14,700,659	13,030,819
Other reserves	9,377,113	9,188,560	10,045,371	9,625,481
<b>Equity attributable to equity holders of the Bank</b>	<b>36,849,934</b>	<b>32,873,189</b>	<b>32,511,673</b>	<b>29,007,313</b>
Non-controlling interests	186,661	168,599	–	–
<b>Total equity</b>	<b>37,036,595</b>	<b>33,041,788</b>	<b>32,511,673</b>	<b>29,007,313</b>
<b>Liabilities</b>				
Deposits and balances of:				
Banks	11,440,486	11,855,222	10,870,278	10,618,314
Customers	272,765,121	255,313,873	215,212,366	199,665,008
Subsidiaries	–	–	6,505,068	7,239,191
Bills and drafts payable	702,330	521,720	492,388	323,813
Derivative financial liabilities	5,530,748	6,837,108	4,042,662	5,961,059
Other liabilities	5,210,274	5,665,659	2,805,526	2,590,168
Tax payable	550,424	417,406	471,813	354,586
Deferred tax liabilities	177,984	231,908	114,103	89,214
Debts issued	25,178,401	26,142,949	23,889,753	25,014,644
<b>Total liabilities</b>	<b>321,555,768</b>	<b>306,985,845</b>	<b>264,403,957</b>	<b>251,855,997</b>
<b>Total equity and liabilities</b>	<b>358,592,363</b>	<b>340,027,633</b>	<b>296,915,630</b>	<b>280,863,310</b>
<b>Assets</b>				
Cash, balances and placements with central banks	26,624,969	24,322,115	19,960,207	16,572,831
Singapore Government treasury bills and securities	4,267,179	6,876,831	4,267,179	6,876,831
Other government treasury bills and securities	11,708,818	10,638,470	6,236,365	5,257,286
Trading securities	1,765,963	3,127,350	1,502,318	2,977,205
Placements and balances with banks	52,181,025	40,032,875	42,771,530	33,730,816
Loans to customers	232,211,746	221,733,669	180,520,561	172,655,915
Placements with and advances to subsidiaries	–	–	12,485,109	9,440,101
Derivative financial assets	5,780,915	6,981,546	4,283,098	6,184,579
Investment securities	11,272,880	11,639,689	10,495,021	10,991,626
Other assets	4,190,098	6,174,231	2,547,325	4,361,437
Deferred tax assets	193,257	251,094	47,299	42,375
Investment in associates and joint ventures	1,194,440	1,108,925	337,985	332,639
Investment in subsidiaries	–	–	5,743,730	5,785,706
Investment properties	1,088,309	1,104,910	1,118,762	1,161,937
Fixed assets	1,970,845	1,884,883	1,417,322	1,310,207
Intangible assets	4,141,919	4,151,045	3,181,819	3,181,819
<b>Total assets</b>	<b>358,592,363</b>	<b>340,027,633</b>	<b>296,915,630</b>	<b>280,863,310</b>

### Major Funding Sources and Liquidity

UOB's overall global funding position continues to be strong in 2017, with loans-to-deposits ratio at 85.1% as of 31 December 2017.

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, and 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.

UOB's 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 are 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 2017.

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

UOB's strong 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 15.1%, 13.0% and 18.7% respectively as of 31 December 2017.

## V. Derivative and Hedging Activities

In the normal course of business, UOB transacts in customised 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 2017:

	2017			2016		
	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	57,089,144	1,692,362	1,585,292	48,811,188	984,186	1,038,627
Swaps	295,707,799	1,311,145	1,377,091	186,619,939	2,387,083	1,971,593
Options purchased	7,453,209	108,866	–	10,534,271	182,131	–
Options written	12,731,137	–	69,346	13,122,827	–	224,038
<b>Interest rate contracts</b>						
Swaps	559,022,084	2,383,806	2,234,337	533,198,638	2,977,150	3,225,694
Futures	7,184,895	3,966	285	1,267,163	1,154	2,903
Options purchased	979,639	2,465	–	695,377	4,987	–
Options written	1,026,906	–	1,023	752,119	–	4,923
<b>Equity-related contracts</b>						
Swaps	659,941	5,451	7,029	512,863	17,875	16,747
Options purchased	4,998,588	67,363	–	5,130,036	139,445	–
Options written	5,983,383	–	72,079	5,932,079	–	135,892
<b>Credit-related contracts</b>						
Swaps	2,013,033	32,550	9,127	1,187,594	31,416	13,881
<b>Others</b>						
Forwards	101,811	249	40	889,816	7,634	7,262
Swaps	5,111,805	91,781	136,650	3,612,048	172,938	109,615
Futures	1,604,518	78,780	38,190	2,262,598	74,777	85,748
Options purchased	95,476	2,131	–	85,735	770	–
Options written	117,020	–	259	35,500	–	185
	<b>961,880,388</b>	<b>5,780,915</b>	<b>5,530,748</b>	<b>814,649,791</b>	<b>6,981,546</b>	<b>6,837,108</b>

	2017			2016		
	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	45,886,801	476,966	357,813	44,415,096	544,775	631,013
Swaps	177,004,517	1,209,692	1,247,648	145,370,380	2,297,201	1,850,786
Options purchased	4,789,311	100,535	–	7,643,433	163,881	–
Options written	4,738,057	–	92,019	8,905,657	–	147,561
<b>Interest rate contracts</b>						
Swaps	526,959,865	2,219,569	2,097,392	498,163,783	2,755,677	2,980,221
Futures	6,873,526	3,912	285	985,109	1,074	2,898
Options purchased	979,639	2,465	–	695,377	4,987	–
Options written	1,026,906	–	1,023	752,119	–	4,923
<b>Equity-related contracts</b>						
Swaps	635,849	4,707	5,548	445,659	4,001	3,719
Options purchased	4,986,543	67,391	–	5,103,435	138,690	–
Options written	6,007,061	–	71,014	5,904,768	–	136,263
<b>Credit-related contracts</b>						
Swaps	2,013,033	32,550	9,127	1,187,594	31,416	13,881
<b>Others</b>						
Forwards	26,648	42	53	581,694	6,906	6,816
Swaps	4,541,727	86,029	120,701	3,389,082	161,244	97,376
Futures	1,402,426	77,335	38,135	2,024,052	74,499	85,417
Options purchased	56,095	1,905	–	46,647	228	–
Options written	73,912	–	1,904	3,257	–	185
	<b>788,001,916</b>	<b>4,283,098</b>	<b>4,042,662</b>	<b>725,617,142</b>	<b>6,184,579</b>	<b>5,961,059</b>

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) and Thailand (United Overseas Bank (Thai) Public Company Limited), as well as branches and offices across the region. 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, clearing services, asset management, venture capital management and insurance services.

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 .....	180
Japan .....	2
Malaysia .....	48
Myanmar .....	2
Philippines .....	1
Singapore .....	69
South Korea .....	2
Taiwan .....	3
Thailand .....	154
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	
	2017	2016	2017	2016	2017	2016
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Singapore	5,090	4,590	2,491	2,364	217,979	210,937
Malaysia	1,014	986	581	548	35,373	33,845
Thailand	933	830	218	193	20,988	18,031
Indonesia	468	476	29	71	9,105	9,840
Greater China	757	648	419	300	46,298	40,233
Others	589	531	469	301	24,707	22,991
	8,851	8,061	4,207	3,777	354,450	335,877
Intangible assets	-	-	-	-	4,142	4,151
	8,851	8,061	4,207	3,777	358,592	340,028

### 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:

<b>Name</b>	<b>Role/Title</b>
Wee Cho Yaw	Chairman Emeritus and Adviser (retired 20 April 2018) Non-executive and non-independent director
Hsieh Fu Hua	Chairman (retired 14 February 2018) Non-executive and independent director
Wong Kan Seng	Chairman (appointed 15 February 2018) Non-executive and independent director (appointed 27 July 2017)
Wee Ee Cheong	Deputy Chairman and Chief Executive Officer 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
Michael Lien Jown Leam	Non-executive and non-independent director (appointed 27 July 2017)
Alvin Yeo Khirn Hai	Non-executive and independent director (appointed 27 July 2017)

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 Chief Risk Officer
Frederick Chin Voon Fat	Head, Group Wholesale Banking
Susan Hwee Wai Cheng	Head, Group Technology and Operations
Lee Chee Pin	Head, Group Global Markets
Francis Lee Chin Yong	Head, Group Retail
Lee Wai Fai	Group Chief Financial Offer
Chew Mei Lee	Head, Group Compliance (till 31 March 2017)
Peter Foo Moo Tan	President and Chief Executive Officer, United Overseas Bank (China) Limited
Eddie Khoo Boo Jin	Head, Group Personal Financial Services, Private Banking and Bancassurance, Group Retail
Kevin Lam Sai Yoke	President Director, PT Bank UOB Indonesia
Victor Ngo	Head, Group Compliance (from 1 April 2017)
Tan Choon Hin	President and Chief Executive Officer, United Overseas Bank (Thai) Public Company 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
Christine Yeung See Ming (Mrs Christine Ip)	Chief Executive Officer, UOB Hong Kong Branch
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 2016 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.