

NEWS RELEASE

UOB launches *yuan* products for investors to participate in China's growth

New Renminbi deposit and fund products benefit from an appreciating Renminbi and its increasing internationalisation

SINGAPORE, 8 March 2011 – United Overseas Bank Limited (UOB) has unveiled two Renminbi deposit accounts in response to increasing investor appetite for the appreciating Chinese currency. In addition, the United Renminbi Bond Fund (the Fund), the first of its kind offered to retail investors in Singapore will also be offered by the end of March.

The UOB Foreign Currency Fixed Deposit pays interest rates ranging from 0.9 percent for a one-month deposit of at least Chinese Renminbi (Offshore) (CNH) 250,000, to 1.45 percent for a 12-month deposit of at least CNH 5 million. The Global Currency Premium Account, offered exclusively to UOB Privilege Banking clients, pays interest of 0.7 percent per annum for a minimum deposit of CNH 250,000.

The United Renminbi Bond Fund will provide retail investors in Singapore access to the CNH bond market as well as the offshore Renminbi market in Hong Kong, which is also known as the “dim sum” bond market. The CNH bond market has experienced stellar growth since it started in 2007. Further growth of the CNH bond market is expected, driven by a number of structural factors such as growing participation in Renminbi cross-border trade settlement and the large amount of Renminbi sitting as CNH deposits in Hong Kong, rather than being repatriated back to Mainland China.

The Fund is launched by UOB Asset Management (UOBAM), the Bank's asset management arm. It invests primarily into the CNH bond market. The CNH bonds are typically issued by large corporations or Chinese government agencies.

Ms Gemma Tay, UOB's Regional Head of Deposits, Investments and Insurance Strategy, said, "We have observed a rising demand among retail investors for Renminbi deposit and investment products riding on the potential growth of the Chinese economy and currency. With the Chinese Renminbi (Offshore) Deposits and the United Renminbi Bond Fund designed especially for retail investors, anyone can participate in China's growth."

Mr Chong Jiun Yeh, UOBAM's Deputy Chief Investment Officer, Fixed Income & Structured Investments, observed that there has been talk about China internationalising the Renminbi into a globally-traded currency. China has also introduced programmes to boost the use of the Renminbi for Chinese trade and investment, as well as the development of its foreign exchange market. Companies with businesses in China have also started issuing Renminbi-denominated bonds.

He said, "Investing in CNH bonds lets investors gain exposure to the potential Renminbi appreciation. Based on forward market indicators, the market is expecting about 2 percent appreciation of Renminbi versus the US and Singapore Dollar over the next 12 months¹. We are pleased to be the first fund house in Singapore to enable retail investors to access this exciting growth story."

The Fund aims to generate fixed income returns and benefit from the potential appreciation of the Renminbi over the medium term by investing primarily in Renminbi denominated debt securities (RMB Debt Instruments)² issued or distributed outside mainland China. It will be an open-ended fund, distributed by UOB and selected distributors. The minimum investment amount is S\$5,000 or US\$5,000.

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¹ Source : Bloomberg, 3 March 2011

² As at the inception date of the Fund, approximately 10-20% of the assets of the Fund will be invested in RMB Debt Instruments. The Managers intend to gradually increase investment in RMB Debt Instruments to approximately 60-70 percent of the assets of the Fund a month after inception. Investors may obtain more up-to-date information on the percentage of assets invested in RMB Debt Instruments from the latest available monthly factsheet relating to the Fund (or the applicable Class of Units of the Fund) which can be obtained from www.uobam.com.sg.

About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia. It provides a wide range of financial services through its global network of over 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America, including banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and mainland China.

In Singapore, UOB is a market leader in the credit and debit cards business, and the private residential home loan business. It is also a key player in loans to small and medium enterprises. Its fund management arm, UOB Asset Management, is one of Singapore's most awarded fund managers.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B for financial strength, and Aa1 and Prime-1 for long-term and short-term bank deposits respectively.

UOB also plays an active role in the community, focusing on children, education and the arts. It has organised the prestigious Painting Of The Year Competition and Exhibition since 1982, and supports Very Special Arts Singapore which provides art programmes for the disabled. In recognition of its contributions to the arts, UOB has been conferred the National Arts Council's Distinguished Patron of the Arts Award for the fifth consecutive year. UOB has also established the annual UOB Heartbeat Run to raise funds for charity.

For more information about UOB, visit uobgroup.com.

About UOB Asset Management Ltd

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 25 years and as of 31 December 2010 manages about S\$15.59 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 December 2010, UOBAM manages 52 unit trusts in Singapore, with total assets of about

S\$3.46 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

In terms of market coverage, UOBAM has acquired specialist skills in equity investment in Asian, Australian, European and US markets and in major global sectors. In the bond markets, UOBAM covers the Organisation of Economic Co-operation and Development (OECD) countries to emerging markets. UOBAM is headquartered in Singapore, with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan.

UOBAM has been offering investment solutions into the China markets for our investors since 1997 with the launch of the United Greater China Fund.

In November 2009, UOBAM listed the first China A-Shares ETF on the Singapore Exchange, “United SSE 50 China ETF”, which provided investors with access to China’s popular A-Shares market via exposure to the 50 largest A-shares listed on the Shanghai Stock Exchange. It is also the first China A-Shares ETF to be denominated and traded in Singapore dollars. The ETF is currently amongst the top five most actively traded ETFs on the Singapore Exchange in terms of volume and value.

In January 2010, UOBAM worked with UTI International (Singapore) Private Limited (UTIIS) to launch the United China-India Dynamic Growth Fund that invests into China- and India-related equities, offering investors the opportunity to access two rising economies in one dynamic investment.

UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 110 awards for investments in local, regional and global markets, and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

For two consecutive years since 2008, UOBAM has been named the Best Fund Group (Overall) in Singapore at The Edge-Lipper Singapore Fund Awards 2008 & 2009. This award recognises consistent risk-adjusted performance across three main asset classes – Equities, Bonds and Mixed Assets.

Notably, UOBAM was twice awarded Best Retail House (Singapore) at the Asia Asset Management Best of the Best Awards for 2009 and 2010. UOBAM won the Best Onshore Fund House (Singapore) at the AsianInvestor 2010 Investment Performance Awards.

For more information, please visit UOBAM website: uobam.com.sg.

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