

Overview

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UOB Greater China
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CHINA'S 'ONE BELT, ONE ROAD' INITIATIVE

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UOB GREATER CHINA'S FINANCIALS

30 Years in China

UOB China's Profile

- A wholly-owned subsidiary of UOB Group
- Incorporated in 2007 and headquartered in Shanghai
- Registered capital: RMB5.5 billion; total equity base: RMB6.6 billion as at June 2015
- Full wholesale banking and selected retail banking



Artist's impression

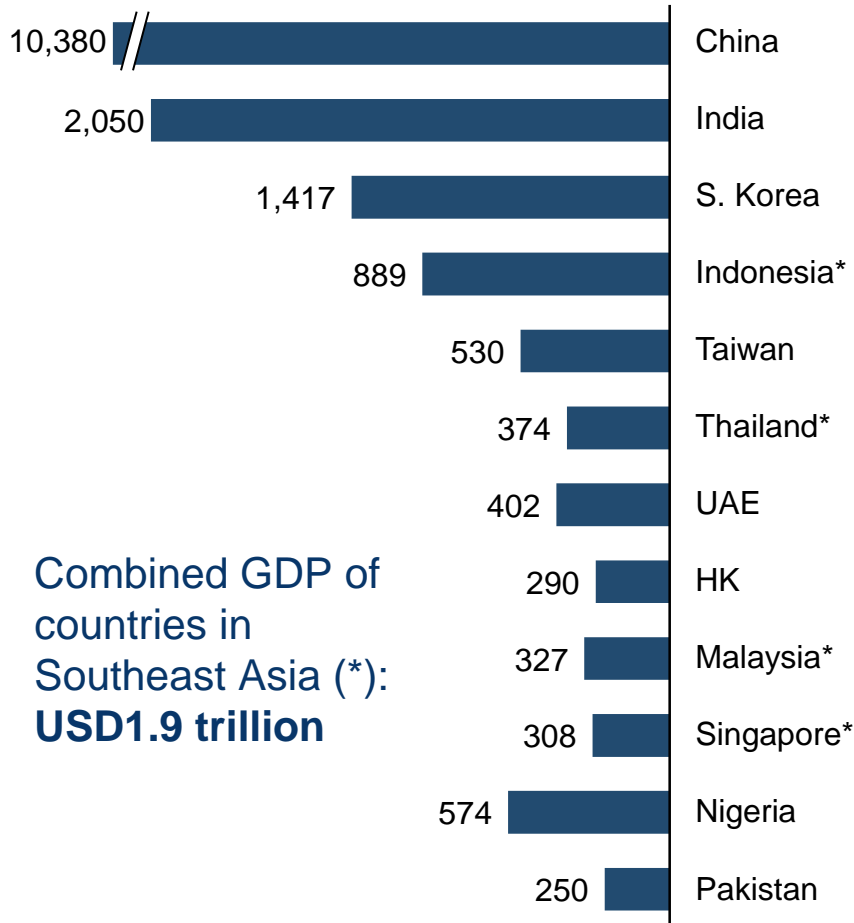
Highlights

- Established in **1984**
- Covering **17** outlets across **11** cities
- Rated **A+** by Fitch
- Over **1,000** staff
- Shanghai Gold Membership in **2011**
- Local unit trust license in **2013**
- Shanghai Gold Export & Import license in **2015**

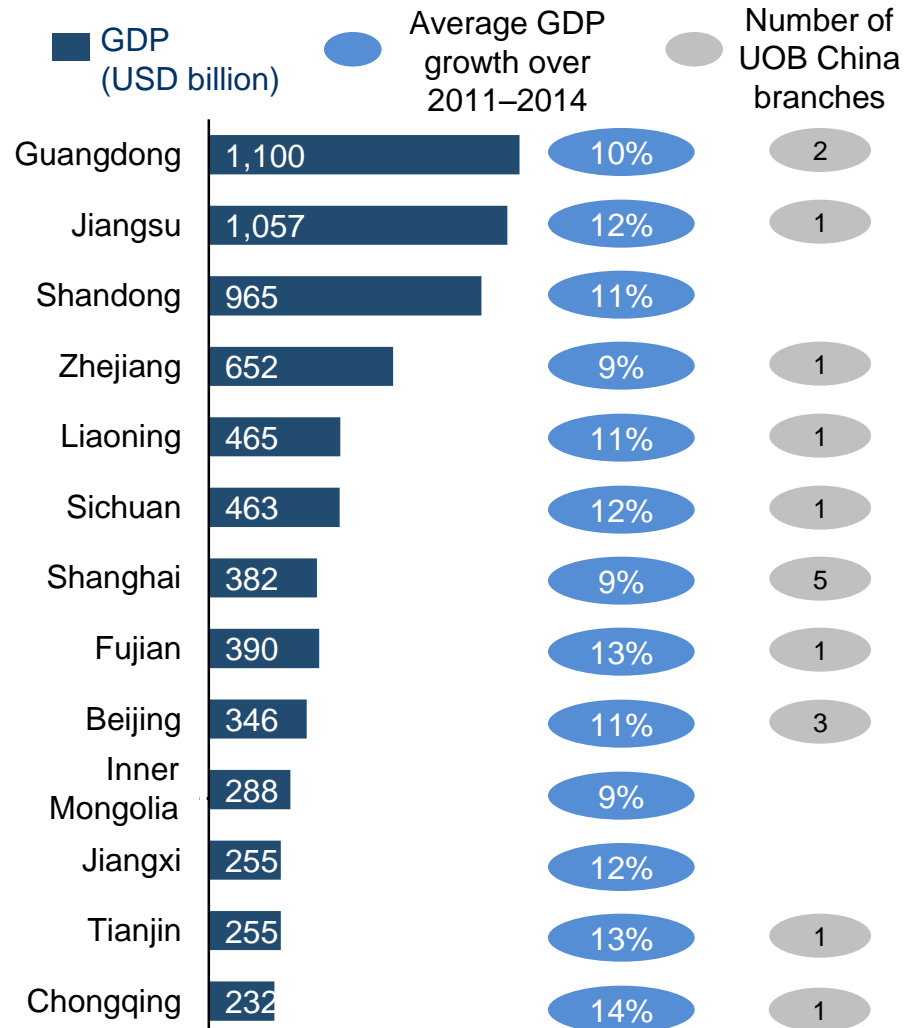
World's 2nd Largest and Fastest Growing Economy

2014 GDP of Selected Countries

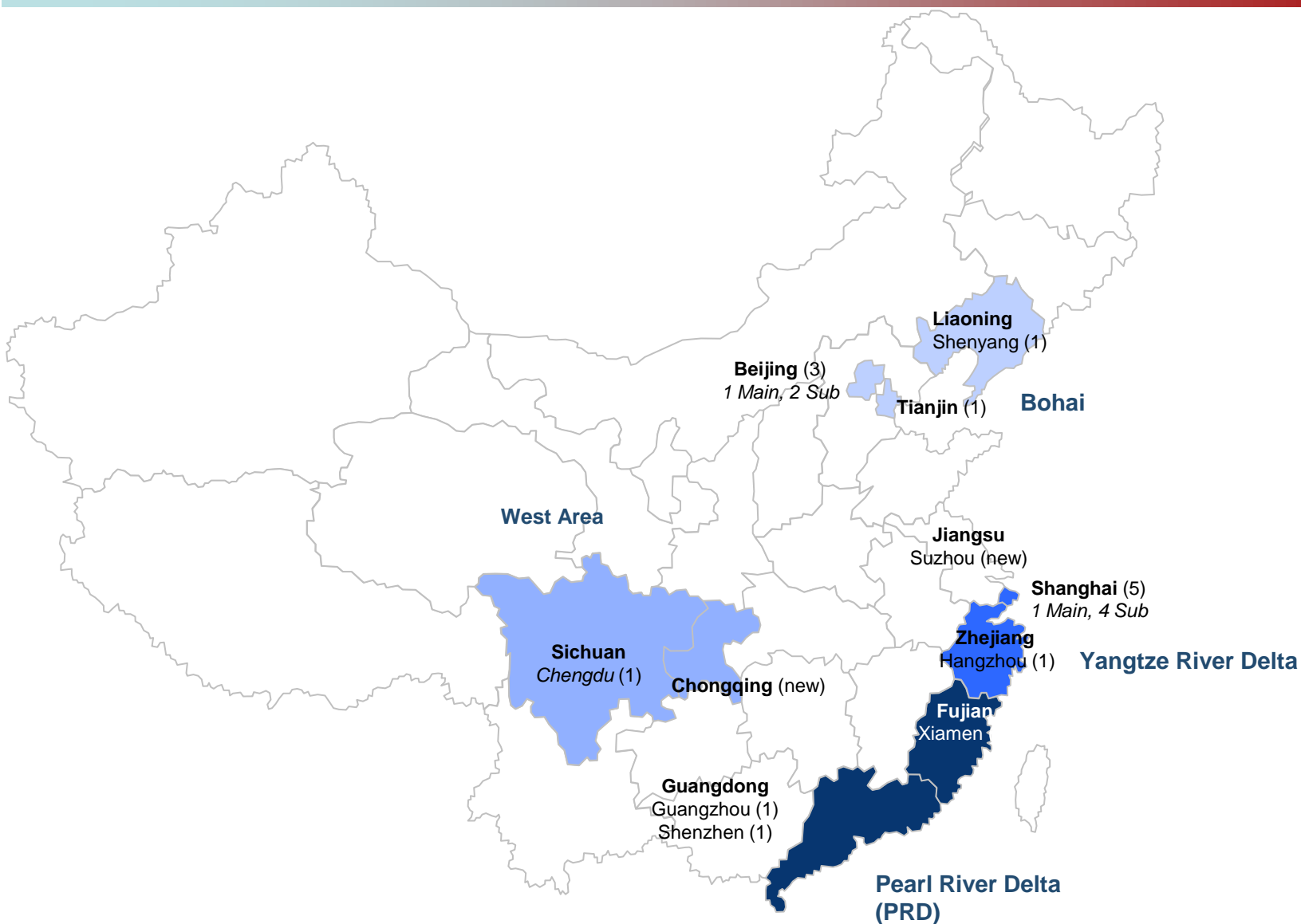
(USD billion)



2014 GDP of Selected Chinese Provinces and Cities



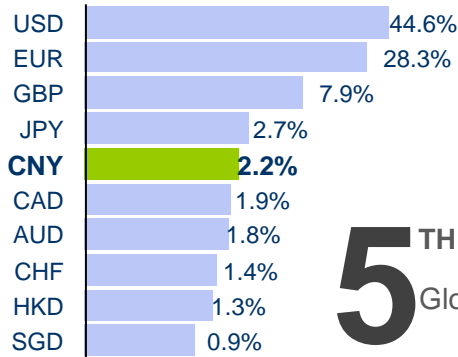
UOB is Well-Represented Throughout China



China's Key Drivers of Growth

RMB

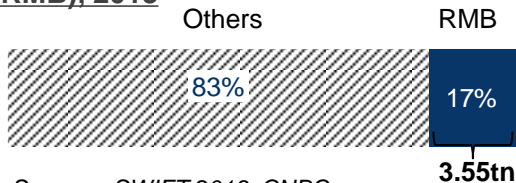
World Payment Currency by Value



5TH
Globally

Source: SWIFT, Dec 2014 report

China Trade Settlement Currency (RMB), 2013



Sources: SWIFT 2013, CNBC



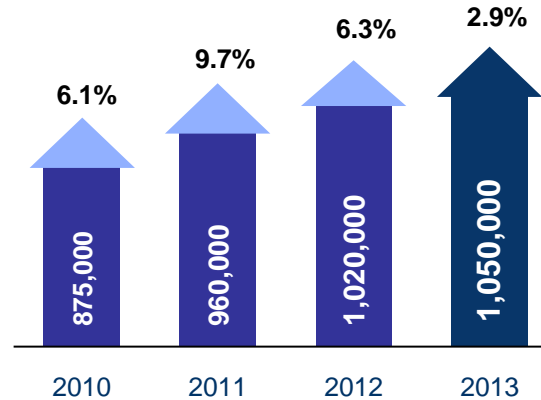
Reserve Currency

a possibility for RMB in the near future

Huge treasury opportunities in RMB, with increasing use of RMB in payments and international trade

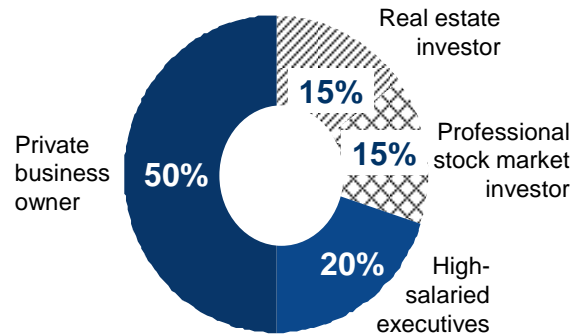
Growing Wealth

Number of Millionaires in China



Source: Hurun, 2013

Categories of Millionaires

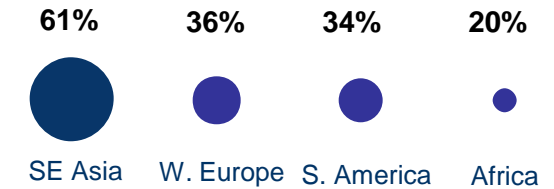


Source: Hurun, 2013

Opportunities abound in "wholesale-originated" wealth banking, with an increasing number of millionaires and around 70% of them with a business/executive background

Trade/ Investment Corridor

Destination of Chinese Firms' Global Expansion in 2014



Sources: WEF, Strategy& (formerly Booz & Co.)

China Outbound FDI (USD billion) by Region, 2012



Sources: WEF, Strategy& (formerly Booz & Co.)

While HK accounted for 79% of Asia-bound FDI, Asia ex-HK was still the biggest destination for outbound FDI

Asia is still the preferred destination of China's outbound trade and investments, presenting huge opportunities for a regional bank like UOB

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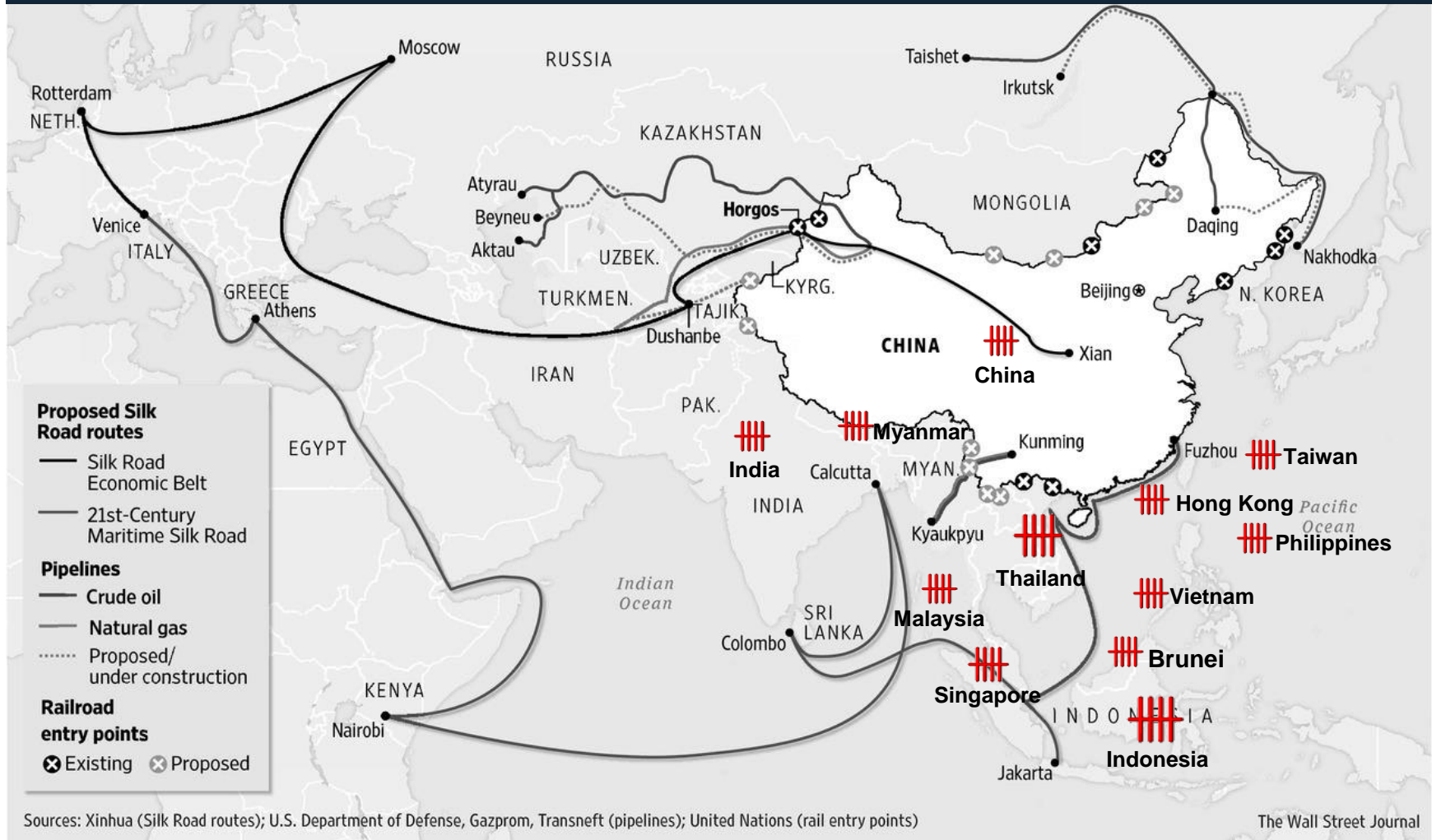
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UOB GREATER CHINA'S FINANCIALS

China's 'One Belt, One Road' Initiative

UOB has around 500 branches in Asia, covering >10 countries and regions along "One Belt, One Road"; ASEAN a key bloc along the 21st Century Maritime Silk Road



Our Value Propositions

	Strategy	Focus Industries	Geographies	Products
State-owned enterprises & large local corporates	<ul style="list-style-type: none"> Internationalisation 	<ul style="list-style-type: none"> Construction Transportation Power Heavy machinery Port and logistics Industrial Financial leasing 	<ul style="list-style-type: none"> Indonesia Malaysia Thailand India Vietnam Myanmar Laos Cambodia 	<ul style="list-style-type: none"> FDI advisory Project financing Syndication loans M&A loans Bond issuance RMB cross-border trade settlement and financing RMB cross-border two-way pool FX hedging
Local corporates and network clients	<ul style="list-style-type: none"> Public-private partnerships (PPP) 	<ul style="list-style-type: none"> Transport Modern logistics Info communications Medical Tourism Education Financial service Financial leasing 	<ul style="list-style-type: none"> Indonesia Thailand Malaysia Vietnam Myanmar 	<ul style="list-style-type: none"> RMB cross-border trade settlement & financing RMB cross-border two-way pool FX hedging FDI advisory Project Financing Syndication loans

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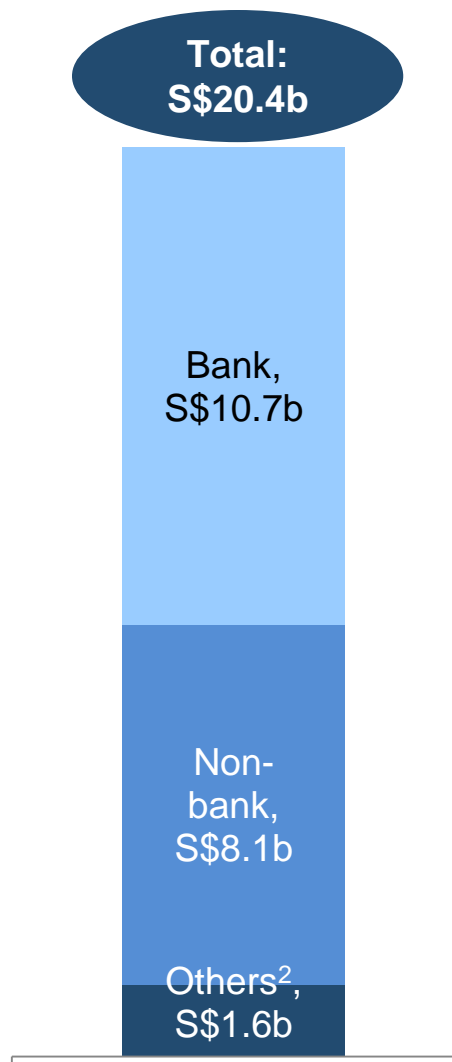
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UOB GREATER CHINA'S FINANCIALS

Exposure to Mainland China¹

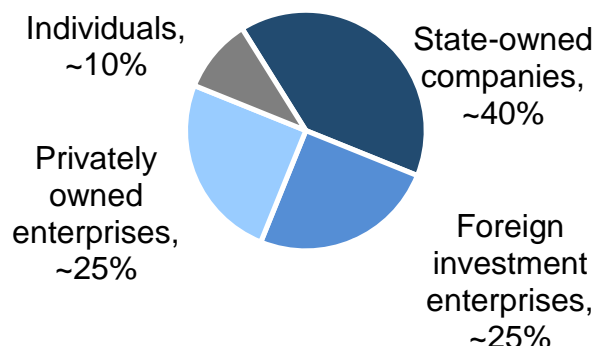


Bank exposure in China

- 99% with <1 year tenor
- Top 5 domestic banks accounted for c.70% of bank exposures

Non-bank exposure in China

- Breakdown by customer type:
- Well-diversified by industry – with top 3 industry exposures in manufacturing, real estate and housing loans (each at 20-30% of total loans)
- No exposure to Qingdao fraud and local government financing vehicles (LGFV)
- c.70% of loans denominated in RMB
- Tenor of loans:
 - c.40% less than 1 year
 - c.60% more than 1 year, of which roughly a quarter fully cash-backed and another half secured by legal mortgage
- Proactive and disciplined risk management: Early alert process
- Stress test and industry trigger
- Portfolio underwriting standards



1. Exposure as of 30 June 2015
2. 'Others' comprise mainly debt securities

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Increasing Business Flows Between Greater China and Southeast Asia



Greater China: Where to Play?

Client:

*Wholesale Banking
Segment*

- Focus on wholesale banking strategy in the first phase

Product:

Role Specialisation

- Hong Kong is UOB's product and solutions hub; China and Taiwan focus on deal origination

Geography:

*Greater China intra-
region & inter-region*

- Drive cross-border business intra-region within Greater China, as well as inter-region amongst Greater China, Southeast Asia and the rest of UOB franchise

Greater China: How to Win?

Global Network with Unrivaled ASEAN Footprint

- International network of c.500 offices in 19 countries and territories
- Largest ASEAN footprint among the three Singapore banks; operating through key banking subsidiaries in Malaysia, Thailand and Indonesia
- Well-positioned to capture inter-regional flows

Execution Excellence

- Nimble and agile in terms of execution; speed of delivery with innovative solutions to support
- Comprehensive product and solution teams based in Hong Kong hub to support client requirements for Greater China

Strong Local Leadership

- Established local leadership teams who understand Asian clients and build stronger banking relationships with them

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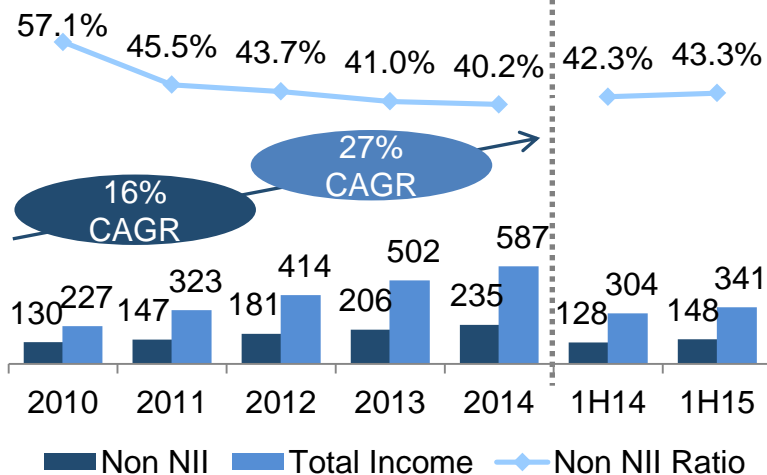
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UOB GREATER CHINA'S FINANCIALS

Rising Contributions to Group's Income and NPBT

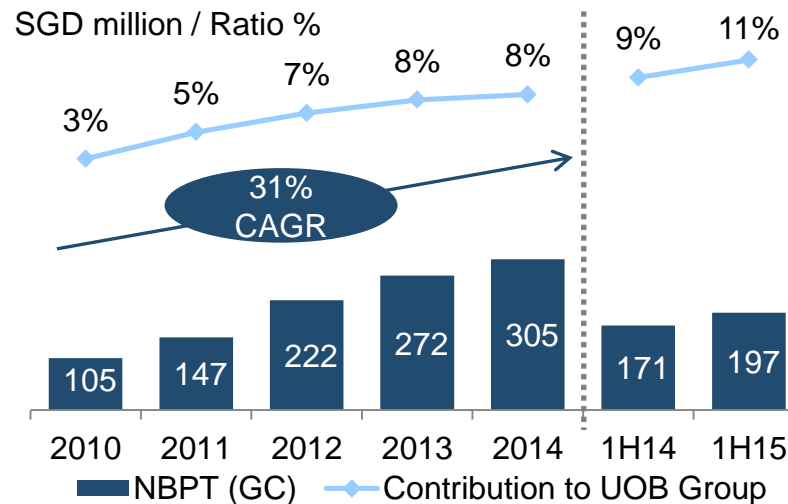
Income

SGD million / Ratio %



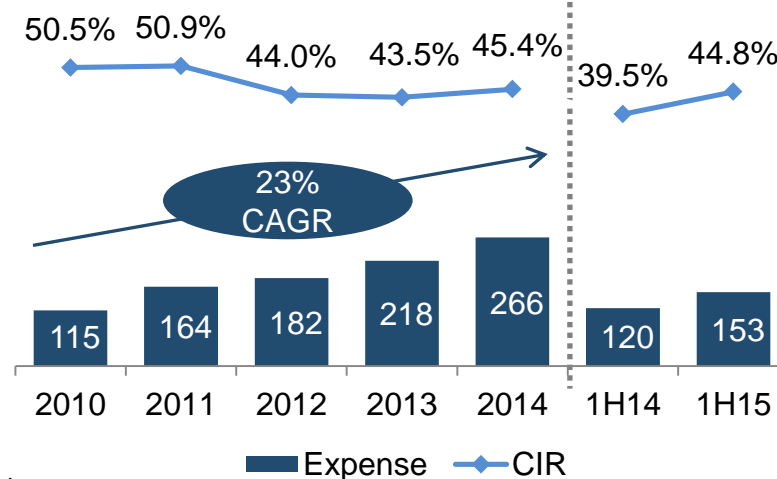
Net Profit Before Tax (NPBT)

SGD million / Ratio %



Expenses and Cost-to-Income Ratio (CIR)

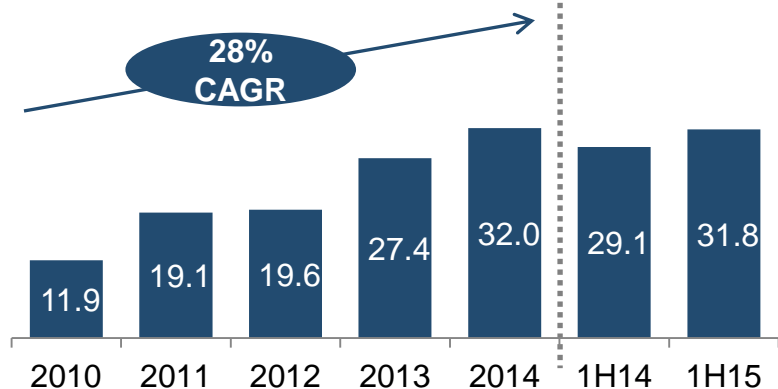
SGD million / Ratio %



Healthy Growth in Loans and Deposits

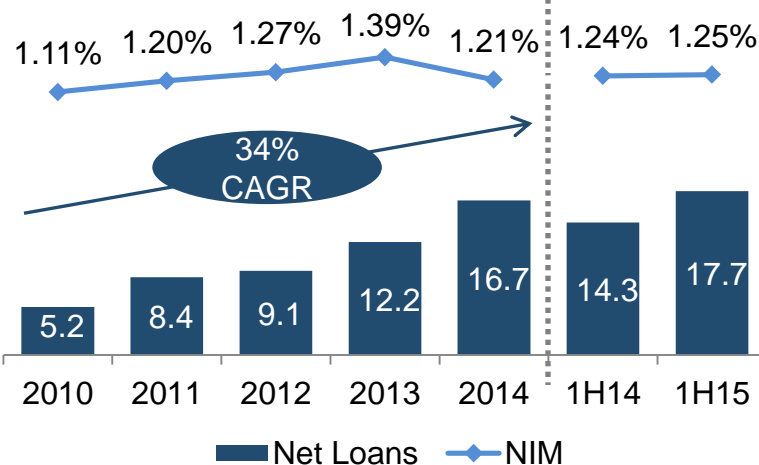
Total Assets

SGD billion



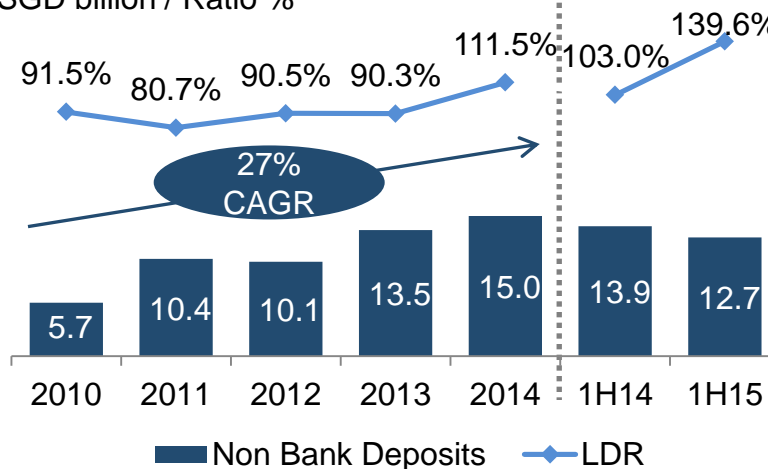
Net Loans and NIM

SGD billion / Ratio %



Non-Bank Deposits and LDR

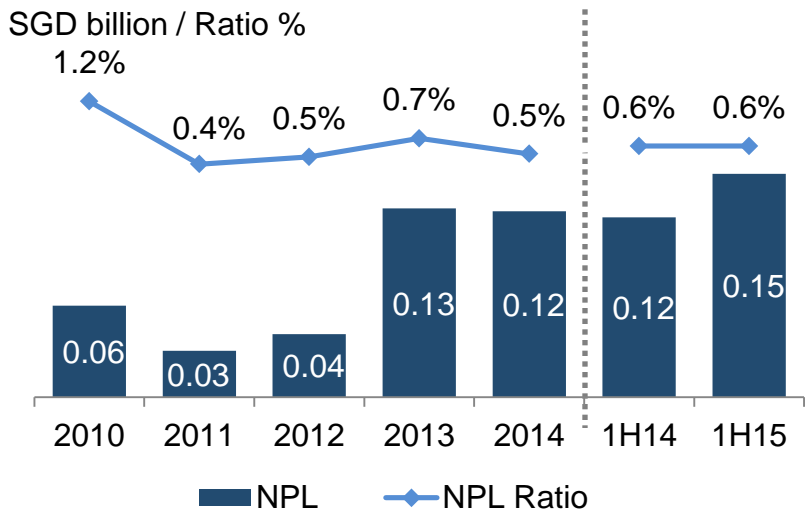
SGD billion / Ratio %



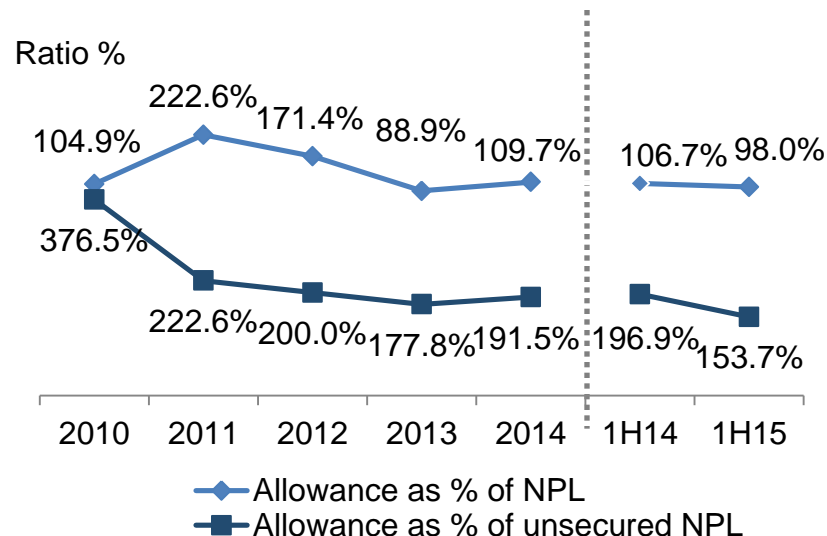
Resilient Asset Quality; Strong Capital Position



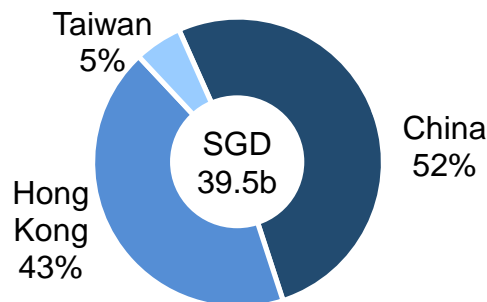
NPL / NPL Ratio¹



Allowances Coverage¹



Greater China Exposure²



Sources: Annual reports and financial statements

1. Financial data from 2010-2012 based on booking centre; financial data from 2013 onwards based on where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).
2. Exposure based on where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

Questions & Answers

THANK YOU