

UOB strengthens its position as a catalyst for Japanese investment into Southeast Asia

Sets up dedicated team for Japanese companies tapping into the region's economic growth

Singapore, 30 May 2016 – United Overseas Bank (UOB) has expanded its Foreign Direct Investment (FDI) Advisory Unit in response to the rising trend of Japanese companies investing into and expanding within Southeast Asia. It has set up a dedicated team to help Japanese businesses seize new opportunities and expand in the region.

Having observed the increased inter- and intra-regional trade flows and the opportunities the trends opened up for businesses, UOB was the first bank in Singapore to establish an FDI Advisory Unit in 2011. Since the newest team was set up at the end of last year to serve Japanese companies, the deposit flow from UOB's Japanese clients in the first quarter of 2016 was more than 80 per cent of that from all its Japanese clients in 2015.

Mr Sam Cheong, Head of Group FDI Advisory Unit, UOB, said Japanese companies seeking to grow their businesses are turning in the direction of Southeast Asia. They are largely driven by the constraints in their own domestic market – a muted economy, rising business costs and an ageing population. These contrast almost starkly with the pull of Southeast Asia's growing economies and a young, rising middle class that is driving up consumption.

“While large Japanese companies have traditionally been one of Southeast Asia's largest investors¹, over the past few months, we have been seeing increasing interest in the region's markets from

¹ According to ASEAN Secretariat, Japan was the top contributor to Southeast Asia's total FDI inflow from 2012 to 2014. Source: ASEAN Statistics, “Top ten sources of foreign direct investment inflows in ASEAN”. According to Japan External Trade Organization, in 2015, Japan's FDI into Southeast Asia reached US\$19.9 billion, contributing to 15 per cent of its total

small- and medium-sized Japanese enterprises (Japanese SMEs). Southeast Asian countries too have also been keen to attract Japanese SMEs for their innovation and research and development expertise,” said

Mr Cheong.

The Japanese SMEs that the FDI Advisory Unit has assisted in expanding into the region and within the region are mainly in the automotive, food and beverage, electronics, professional services and information technology sectors.

Collaboration with partners in Japan to provide more help for Japanese SMEs

UOB has strengthened its collaboration with its partners in Japan as part of its efforts to boost its support of Japanese SMEs.

The Bank received approval in 2015 from Japan’s Foreign Bank Agency Business to offer its range of regional financial products and services in the country. This regulatory approval allows UOB to extend its regional FDI advisory services to assist Japanese companies venturing out of Japan. It also works closely with Japan Finance Corporation² and other strategic partners³ in the country to help Japanese SMEs explore business and investment opportunities in Southeast Asia.

Mr Jun Miyoshi, Head of Japan Finance Corporation’s International Operations Department, said, “In order to enhance our support for Japanese companies expanding into Southeast Asia, it is important for us to work with reliable partners, who can provide the necessary services and financial assistance

outward direct investments. Of the FDI into the region, Singapore accounted for 32.6 per cent, followed by Thailand (18.0 per cent), Indonesia (17.8 per cent) and Malaysia (14.1 per cent).

² JFC is a public organisation that provides financing and business support to Japanese companies. UOB is the largest Southeast Asian banking partner in JFC’s SME programme aimed at helping Japanese SMEs expand beyond their borders by providing them with financing solutions.

³ UOB works with various tax, legal and logistics firms, business associations and government agencies to help companies with their overseas expansion plans.

to help these companies succeed. Through our partnership with UOB's FDI Advisory Unit in Singapore, we have been able to address the diverse yet precise needs of Japanese investments.”

UOB's longstanding relationship with Japan dates back more than 40 years when the Bank established a branch in Tokyo to provide its clients with onshore and cross-border banking services.

-End-

About United Overseas Bank (China)

United Overseas Bank (China) Limited (UOB (China)) is a wholly-owned subsidiary of the United Overseas Bank Limited (UOB), a leading bank in Asia. Headquartered in Shanghai, UOB (China) was incorporated in the People's Republic of China on 18 December 2007 and commenced operations on 2 January 2008.

With a stable and far-sighted approach, UOB (China) has grown its network to over 10 branches and sub-branches in the major cities across China. UOB (China) is rated 'A+' with stable outlook by Fitch Ratings.

As UOB (China) continues to grow its business, it is also committed to its people and the community. Since 2012, UOB (China) has participated in the annual UOB Heartbeat Run/Walk to raise funds for underprivileged children and various education initiatives in China.

For more information about UOB (China), please visit www.UOBChina.com.cn

For media queries, please contact:

Chloe Yao

Strategic Communications and Customer Advocacy

Email: Chloe.YaoLJ@UOBgroup.com

Tel: 86 21 6061 8646

