

Risk Factors

Unlike traditional deposits, the UOB Structured Deposit – 168 Deposit has risk and investment elements, and returns may vary.

The Deposit Amount is guaranteed only if the Deposit Amount is held to the Deposit Maturity Date or upon early redemption by the Bank. Unless the Bank otherwise agrees, the Deposit Amount cannot be withdrawn, whether partially or in whole, prior to its maturity. In the event the Bank allows early withdrawal, the Bank shall be entitled to deduct from the Deposit Amount, any loss, costs, charges and/or expenses referable to such Early Termination as incurred by the Bank (including those in relation to the Bank’s unwinding or termination of its hedging and/or funding position) and such other administrative and other charges as the Bank may impose. In such instances, you may receive less than the Deposit Amount. The Deposit Amount is guaranteed in the currency in which it is denominated only. Any conversion of the Deposit Amount from the denominated currency to another currency will involve foreign exchange risk.

The Fixed Interest for the 1st year is guaranteed only if the Deposit Amount is held with the Bank until the end of the 1st year of the Tenor. The interest from the 2nd year of the Tenor to maturity is variable and will depend on, among other things, the number of Shares under-performing the Underlying Index by more than the downside buffer⁺⁺, and could accordingly be zero. There is no guarantee of early redemption as this will depend on, among other things, the Variable Interest paid, the performance of the Underlying Basket and the performance of the Underlying Index.

In view of the risk factors, you may wish to seek advice from a licensed or an exempt financial adviser before making a commitment to purchase the UOB Structured Deposit – 168 Deposit (in particular, if you need to withdraw the Deposit Amount prior to the Deposit Maturity Date). In the event that you choose not to seek advice from a licensed or an exempt financial adviser, you should carefully consider whether the UOB Structured Deposit – 168 Deposit is suitable for you.

IMPORTANT – Please note:

The above is not to be used or considered as an offer to sell or to buy the above product or any of the securities or other investment products referred to herein, and does not constitute a recommendation by the Bank to enter into any transaction. The Bank has not taken any steps to ensure that the product is suitable for any particular investor and unless the Bank otherwise agrees, the Bank is not acting as your adviser or in any fiduciary capacity in respect of any proposed transaction in relation to the above product, or any other transaction. Nothing herein constitutes investment, legal, accounting or tax advice, or a representation that any investment is suitable for or appropriate to your investment objectives, financial situation and particular needs, or otherwise constitutes a personal recommendation to you. As such, it is recommended that before entering into any transaction, you should take steps to ensure that you have a full understanding of the terms, conditions and risks thereof and are capable of and willing to assume those risks in the light of your own investment objectives, financial situation and particular needs. If you are in doubt as to any aspect of any transaction in respect of the above product, please consult your own legal, regulatory, tax, business, investment, financial and accounting advisers. The Bank does not make any representation or warranty as to the accuracy or completeness of the information contained in this document.

The Bank and its affiliates, connected or related companies, directors, employees or clients may have an interest in the above product or its related products or other financial instruments, or derivatives (collectively, the “Products”) including, in relation to the Products, marketing, dealing, holding, acting as market-makers, performing financial or advisory services, acting as a manager or co-manager of a public offering. The Bank, its affiliates, connected or related companies, directors or employees may also have alliances, contractual agreements, broking, investment banking or other relationships for the provision of financial services, with any product provider mentioned in this document.

Please note the following in relation to the Underlying Index:

Dow Jones Global Titans 50 IndexSM:

The UOB Structured Deposit – 168 Deposit is not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones makes no representation or warranty, expressed or implied, to the owners of the UOB Structured Deposit – 168 Deposit or any member of the public regarding the advisability of investing in securities generally or in the UOB Structured Deposit – 168 Deposit particularly.

Dow Jones’ only relationship to the Bank is the licensing of certain trademarks, trade names and service marks of Dow Jones and of the Dow Jones Global Titans 50 IndexSM, which is determined, composed and calculated by Dow Jones without regard to the Bank or the UOB Structured Deposit – 168 Deposit. Dow Jones has no obligation to take the needs of the Bank or the owners of the UOB Structured Deposit – 168 Deposit into consideration in determining, composing or calculating the Dow Jones Global Titans 50 IndexSM. Dow Jones is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the UOB Structured Deposit – 168 Deposit to be issued or in the determination or calculation of the equation by which the UOB Structured Deposit – 168 Deposit are to be converted into cash. Dow Jones has no obligation or liability in connection with the administration, marketing or trading of the UOB Structured Deposit – 168 Deposit.

Dow Jones does not guarantee the accuracy and/or the completeness of the Dow Jones Global Titans 50 IndexSM or any data included therein and Dow Jones shall have no liability for any errors, omissions, or interruptions therein. Dow Jones makes no warranty, expressed or implied, as to results to be obtained by the bank, owners of the UOB Structured Deposit – 168 Deposit, or any other person or entity from the use of the Dow Jones Global Titans 50 IndexSM or any data included therein. Dow Jones makes no expressed or implied warranties, and expressly disclaims all warranties, of merchantability or fitness for a particular purpose or use with respect to the Dow Jones Global Titans 50 IndexSM or any data included therein. Without limiting any of the foregoing, in no event shall Dow Jones have any liability for any lost profits or indirect, punitive, special or consequential damages or losses, even if notified of the possibility thereof. There are no third party beneficiaries of any agreements or arrangements between Dow Jones and the Bank.

Structured deposits are not insured deposits for the purposes of Deposit Insurance Act 2005 (No.31 Of 2005).

Underlying Basket Of Global Shares

Bloomberg Ticker	Name	Buy/Hold% Rating [#]
1) AIG UN	AMERICAN INTERNATIONAL GROUP	100.0%
2) BARC LN	BARCLAYS PLC	86.21%
3) BP/ LN	BP PLC	89.47%
4) FP FP	TOTAL SA	94.44%
5) MS UN	MORGAN STANLEY	95.00%
6) COP UN	CONOCOPHILLIPS	100.00%
7) INTC UQ	INTEL CORP	93.18%
8) JPM UN	JPMORGAN CHASE & CO	95.65%
9) C UN	CITIGROUP INC	95.45%
10) 7203 JT	TOYOTA MOTOR CORP	95.00%
11) AZN LN	ASTRAZENECA PLC	78.05%
12) WYE UN	WYETH	95.45%
13) PFE UN	PFIZER INC	91.67%
14) ROG VX	ROCHE HOLDING AG-GENUSSCHEIN	90.70%
15) NESN VX	NESTLE SA-REG	97.14%
16) RDSA NA	ROYAL DUTCH SHELL PLC-A SHS	80.65%
17) IBM UN	INTL BUSINESS MACHINES CORP	91.67%
18) CSCO UQ	CISCO SYSTEMS INC	94.29%

[#] Buy/Hold% ratings are based on analyst ratings as published on Bloomberg as of 13 September 2006.



deposit gives you over



% p.a.

interest guaranteed* for the 1st year and up to



% p.a.

variable interest from 2nd year onwards with semi-annual early redemption possibility.

UOB STRUCTURED DEPOSIT

168 DEPOSIT

Choose between our SGD, USD and AUD deposits*, and see how you can really make it count with UOB Structured Deposit – 168 Deposit.

- 100% principal guarantee at deposit Maturity Date or upon Early Redemption by UOB.
- Receive attractive Guaranteed Interest* above 6% p.a. for the first year and thereafter, semi-annual Variable Interest (if any) up to 4% (or 8% p.a.).
- Variable Interest depends on number of Shares under-performing the Dow Jones Global Titans 50 IndexSM (DJGT) by more than the downside buffer⁺⁺.
- Features are designed to enhance the possibility of Early Redemption and to achieve potentially higher Variable Interest:
 - **High quality portfolio** initially comprising only DJGT component shares with buy/hold analyst ratings of 75% and above[#].
 - **Large downside buffer⁺⁺**: between 10% and 25% (depending on currency of deposit).
 - **Only 2 quarterly Observation Dates** in each 6-month period are used to determine the number of shares under-performing DJGT. This lowers the risk of unfavourable daily fluctuation compared to daily observation frequency.
 - **Auto-correction feature**: every 6 months, the worst performing share is automatically removed for subsequent observations **IF** it under-performs DJGT by 50% or more on the 2nd Observation Date of the same period.
- No annual management fee.

SGD Deposit		USD Deposit	AUD Deposit
Guaranteed fixed interest payable at the end of the 1 st year	6.28% of Deposit Amount	6.5% of Deposit Amount	7% of Deposit Amount
Tenor (depending on whether Early Redemption by UOB occurs)	1½ to 4 years 11 months & 2 weeks	1½ to 4 years	1½ to 4 years
N	N is the number of different Shares under-performing DJGT by more than the downside buffer* ⁺ on any of the 2 Observation Dates of each 6-month period. (There is no double counting of the same share even if it has under-performed DJGT by more than the downside buffer ⁺⁺ on both Observation Dates.)		
Semi-annual Variable Interest payable from the 18th month to maturity	4 % if N = 0, 2 % if N = 1, 0.5 % if N = 2, 0 % if N > 2.	4 % if N = 0, 3 % if N = 1, 1 % if N = 2, 0 % if N > 2.	5 % if N = 0, 4 % if N = 1, 2 % if N = 2, 0 % if N > 2.
Downside buffer ⁺⁺	10% to 17%	18% to 25%	20% to 25%
Early Redemption Event	Early Redemption Event is deemed to occur when the maximum Variable Interest is paid in any 6-month period. (i.e. 4% for SGD deposit and USD deposit, 5% for AUD deposit.)		
Minimum effective interest rate (if no Variable Interest until maturity and there is no Early Redemption by UOB)	1.2975% p.a.	1.6644% p.a.	1.7958% p.a.

Note: All undefined capitalised terms shall have the meaning given to them in the term sheet.

The following are purely illustrative examples and are not indicative of the future or likely performance of the UOB Structured Deposit – 168 Deposit. Please note that the prices of the Shares and the level of the index may fluctuate depending on the economic conditions, interest

Example 1 (Best Case Scenario):

	Shares Under-performing DJGT by more than 15% on 1 st Observation Date of each interest period	Shares Under-performing DJGT by more than 15% on 2 nd Observation Date of each interest period	N = Total Number of Shares Under-performing DJGT by more than 15% in each interest period	% of Deposit Amount	Early Redemption
From inception to Month 12	NA	NA	NA	6.28%	NA
From Month 12 to Month 18	0	0	0	4%	Yes

For the 1st year, the Fixed Interest is guaranteed at 6.28% of Deposit Amount regardless of the performance of the Underlying Basket. Fixed Interest for the 1st year = 6.28% x SGD10,000 = SGD628

For the next 6 months, assuming that 0 Share has under-performed DJGT by more than 15%, Variable Interest payable at the end of 18 months = 4% x SGD10,000 = SGD400

rates, currency fluctuations and market’s perception of the shares/companies.

Assuming a Deposit Amount of SGD10,000 is held till Deposit Maturity Date and the downside buffer⁺⁺ is specified by UOB as 15%.

Since the Variable Interest paid at the end of the 18th month equals 4% of the Deposit Amount, an Early Redemption Event will occur and the Structured Deposit will be redeemed at the end of 18th month.

In this Example 1, for a Deposit Amount of SGD10,000, the depositor will get SGD628 + SGD400 = SGD1,028 total interest for 1 year and 6 months.

Example 2:

	Shares Under-performing DJGT by more than 15% on 1 st Observation Date of each interest period	Shares Under-performing DJGT by more than 15% on 2 nd Observation Date of each interest period	N = Total Number of Shares Under-performing DJGT by more than 15% in each interest period	% of Deposit Amount	Early Redemption
From inception to Month 12	NA	NA	NA	6.28%	NA
From Month 12 to Month 18	1	0	1	2%	No
From Month 18 to Month 24	1	1	2	0.5%	No
From Month 24 to Month 30	0	0	0	4%	Yes

For the 1st year, the Fixed Interest is guaranteed at 6.28% of Deposit Amount regardless of the performance of the Underlying Basket. Fixed Interest for the 1st year = 6.28% x SGD10,000 = SGD628

For the next 6 months, assuming that 1 Share has under-performed DJGT by more than 15%, Variable Interest payable at the end of 18 months = 2% x SGD10,000 = SGD200

For the next 6 months, assuming that 2 Shares have under-performed DJGT by more than 15%, Variable Interest payable at the end of 24 months = 0.5% x SGD10,000 = SGD50

For the next 6 months, assuming that 0 Share has under-performed DJGT by more than 15%, Variable Interest payable at the end of the 30th month = 4% x SGD10,000 = SGD400

Since the Variable Interest paid at the end of the 30th month equals 4% of the Deposit Amount, an Early Redemption Event will occur and the Structured Deposit will be redeemed at the end of the 30th month.

In this Example 2, for a Deposit Amount of SGD10,000, the depositor will get SGD628 + SGD200 + SGD50 + SGD400 = SGD1,278 total interest for 2 year and 6 months.

Example 3 (Worst Case Scenario):

What if 3 or more Shares under-perform the Underlying Index by more than 15% every 6-month period?

For the 1st year, the Fixed Interest is guaranteed at 6.28% of Deposit Amount regardless of the performance of the Underlying Basket. Fixed Interest for the 1st year = 6.28% x SGD10,000 = SGD628

From the 2nd year to maturity, since 3 or more Shares under-perform the Underlying Index by more than 15% every 6-month period, the Variable Interest would be 0.

In this Example 3, for a Deposit Amount of SGD10,000, the depositor will get SGD628 total interest for 4 years 11 months and 2 weeks.

With UOB Structured Deposit – 168 Deposit, you’ll enjoy a guaranteed interest payout of 6.28%* of Deposit Amount at the end of the first year, with 100% principal guarantee on your money at maturity or upon early redemption by UOB.

It all begins right here. Right now.

To see how it all adds up, simply place a minimum amount of SGD5,000 in SGD deposit, USD5,000 in USD deposit or AUD5,000 in AUD deposit. Also, you will receive SGD20 Isetan vouchers^ with a minimum deposit of \$20,000. Available for a limited period only. For more information, visit us at any branch, call us at 1800 2222 121 or log on to www.uobgroup.com

* The Fixed Interest of 6.28% of Deposit Amount for SGD deposit, 6.5% of Deposit Amount for USD deposit or 7% of Deposit Amount for AUD deposit will be paid out at the end of the first year, provided the Structured Deposit is held until then. If no Variable Interest is paid for the whole tenor, the minimum effective interest rates are 1.2975% p.a. for SGD deposit, 1.6644% p.a. for USD deposit and 1.7958% p.a. for AUD deposit.

^ SGD20 Isetan voucher for every \$20,000 placed, regardless of currency of deposit.

+ Product terms and conditions apply. For each currency, please refer to the respective term sheet for more details.

++ Downside buffer will be determined by the Bank on the Deposit Start Date and you will be informed via a confirmation letter. This will be sent to you within 14 business days after the Deposit Start Date.