

UOB Structured Deposit – Vic3 Deposit (Term Sheet)

SGD Principal Guaranteed Structured Deposit Linked to a Basket of Equity, Commodity & Currency

Product Description

This 100% principal guaranteed structured deposit offers the depositor a guaranteed interest payment¹ of 6.18% of the principal amount at the end of the first year of the Tenor and an opportunity to participate into the growth of the equity markets of China and Central and Eastern Europe (specifically Hungary, Poland and Czech Republic), currencies of Hungary, Poland and Czech Republic and a basket of commodities (zinc, copper and aluminium). This structured deposit provides depositors with the opportunity to participate in 3 Investment Style Portfolios²: **Aggressive Equity Portfolio** (which allocates 60% weightage to the equity basket), **Balanced Portfolio** (which allocates equal weightage to all baskets) and **Commodity-Biased Portfolio** (which allocates 70% weightage to the commodity basket). These Investment Style Portfolios provide depositors with asset diversification and 3 different ways of asset allocation.

Every year, starting from the end of the 2nd year, the Bank will pay a Trigger Bonus Interest of 6% to 10% on the principal amount and redeem all outstanding UOB Vic3 Deposit IF a Trigger Event has occurred. A Trigger Event is deemed to have occurred if, on certain pre-specified dates, the average performance of all 3 Investment Style Portfolios equals or exceeds the Trigger Level. Such early redemption by the Bank and the Trigger Bonus Interest payment will take place on the Trigger Date.

If a Trigger Event does not occur for this structured deposit, the full Tenor is 4 years 11 months. Provided that a Trigger Event does not occur during the Tenor, depositors will receive the Maturity Bonus (if any) on maturity. The Maturity Bonus is calculated based on the best performing portfolio amongst the 3 Investment Style Portfolios.

This structured deposit allows depositors to benefit from multiple asset allocations among the different Asset Classes without the costs of dynamic asset allocation. At the same time, the principal amount of their deposit is guaranteed if held to maturity and depositors get to receive at least a fixed interest payment¹ of 6.18% on their principal at the end of the first year of the Tenor.

Key Selling Points

- **Protection first.** 100% of principal guaranteed by United Overseas Bank Limited (the “Bank”) if the UOB Structured Deposit – Vic3 Deposit (“UOB Vic3 Deposit”) is held until maturity or early redemption by the Bank.
- **Guaranteed interest rate in first year¹.** Guaranteed interest of 6.18% on the principal will be paid at the end of the first year of the Tenor, if the UOB Vic3 Deposit is held with the Bank until the first Interest Payment Date.
- **Advantage of diversification with investments in 3 different Asset Classes (Equity, Currency and Commodity).**
- **Participation in 3 Investment Style Portfolios with different asset allocation:** Aggressive Equity Portfolio (60% in Equity), Balanced Portfolio (1/3 in each Asset Class) and Commodity-Biased Portfolio (70% in Commodity).
- **Possibility of Trigger Event occurring and Trigger Bonus Interest starting from the end of 2nd year.** The UOB Vic3 Deposit will be redeemed by the Bank before the Final Maturity Date upon the occurrence of a Trigger Event, i.e. when the average performance of the 3 Investment Style Portfolios at the end of any year, starting from the 2nd year, equals or exceeds the Trigger Level. In such an event, depositors will receive a Trigger Bonus Interest upon redemption by the Bank.
- **Potential Maturity Bonus if Trigger Event has not occurred.** On the Final Maturity Date, provided that no Trigger Event has occurred during the Tenor, depositors can look forward to the Maturity Bonus Interest (if any) which is linked to the best performing of the Aggressive Equity Portfolio, Balanced Portfolio and Commodity-Biased Portfolio.
- **No cap on the Maturity Bonus Interest.**
- **No currency risk on the assets’ performance.** The Assets are not converted to SGD to calculate their returns.
- **No sales fee and no annual management fee.**

PLEASE NOTE

The above is a summary of the principal features of UOB Vic3 Deposit and is therefore qualified in its entirety by the more detailed terms and conditions set out below. Capitalized terms used above are as defined by the more detailed terms and conditions set out below.

Structured deposit is not an insured deposit for the purposes of the Deposit Insurance Act 2005 (No. 31 of 2005).

¹ Equivalent to an effective interest rate of 1.2877% per annum assuming no other interest is paid until maturity.

² The performance of each Investment Style Portfolio is calculated using the average semi-annual performance of the underlying assets since the Initial Valuation Date.

Deposit Details

Deposit Name	UOB Structured Deposit – Vic3 Deposit								
Deposit Currency	Singapore Dollars (“SGD”) or (“S\$”)								
Minimum Deposit Amount	SGD 5,000								
Placement Multiples	SGD 1,000								
Deposit Amount	The principal amount deposited by the depositor, and accepted by the Bank as a deposit, under the UOB Structured Deposit – Vic3 Deposit. For the avoidance of doubt, the Deposit Amount shall exclude all and any interest paid on the principal amount deposited by the depositor.								
Offer Period	05 June to 05 July 2006								
Initial Valuation Date	06 July 2006								
Deposit Start Date	14 July 2006								
Deposit Maturity Date	<p>14 June 2011 (the “Final Maturity Date”) or the Trigger Date (as defined below), whichever is earlier.</p> <p>In the event the Final Maturity Date or Trigger Date falls on a non-Business Day, the Final Maturity Date or Trigger Date will be postponed to the next Business Day. For the avoidance of doubt, no interest or other payment shall be payable to the depositor in respect of such postponement.</p> <p>The Bank shall pay to the depositor on the Deposit Maturity Date, the Deposit Amount and the unpaid Interest Payment(s) (if any) to the account instructed by the depositor in the UOB Structured Deposit - Vic3 Deposit application form or otherwise in writing. Upon such payment, the Bank shall have no further obligations to the depositor in respect of the UOB Structured Deposit - Vic3 Deposit. To the extent that the depositor has specifically instructed the Bank in writing to place any such payments in any fixed deposit or other account with the Bank, such account shall be governed by such other terms and conditions as the Bank may prescribe.</p>								
Tenor	From the Deposit Start Date to the Deposit Maturity Date.								
Interest Payment Date(s)	<p>16 July 2007 (the “1st Interest Payment Date”) and the Trigger Date OR the Final Maturity Date.</p> <p>In the event any Interest Payment Date falls on a non-Business Day, that Interest Payment Date will then be postponed to the next Business Day. For the avoidance of doubt, no interest or other payment shall be payable to the depositor in respect of such postponement.</p>								
Interest Payments	<p>Provided that the Deposit Amount is held with the Bank until the relevant Interest Payment Date(s), the following shall be payable to you:</p> <ul style="list-style-type: none"> • <u>Guaranteed Interest</u> of 6.18% of the Deposit Amount on the 1st Interest Payment Date. (The Guaranteed Interest is equivalent to a minimum effective interest rate of 1.2877% per annum assuming that no other interest is paid up to the Final Maturity Date.) • <u>Trigger Bonus Interest</u> on the Trigger Date, PROVIDED THAT a Trigger Event has occurred prior to such date. • <u>Maturity Bonus Interest</u> (if any) on the Final Maturity Date, PROVIDED THAT a Trigger Event has NOT occurred prior to such date. 								
Guaranteed Amount	<p>Deposit Amount + Guaranteed Interest, subject to the following:</p> <ol style="list-style-type: none"> 1. The Deposit Amount shall be guaranteed and payable by the Bank to the depositor on the Deposit Maturity Date, provided the whole amount of the Deposit Amount has been held with the Bank up to the Deposit Maturity Date. 2. The Guaranteed Interest shall be payable by the Bank to the depositor on the 1st Interest Payment Date provided none of the Deposit Amount has been withdrawn on or before the 1st Interest Payment Date. 								
Trigger Bonus Interest	<p>Upon the occurrence of a Trigger Event, the Bank will pay a Trigger Bonus Interest, on the Trigger Date, equivalent to the relevant Trigger Bonus Rate multiplied by the Deposit Amount:</p> <table> <thead> <tr> <th><u>Trigger Event Occurs on</u></th><th><u>Trigger Bonus Rate</u></th></tr> </thead> <tbody> <tr> <td>Valuation Date(4)</td><td>6%</td></tr> <tr> <td>Valuation Date(6)</td><td>8%</td></tr> <tr> <td>Valuation Date(8)</td><td>10%</td></tr> </tbody> </table>	<u>Trigger Event Occurs on</u>	<u>Trigger Bonus Rate</u>	Valuation Date(4)	6%	Valuation Date(6)	8%	Valuation Date(8)	10%
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Underlying Basket	<p>The Underlying Basket is made up of 8 Assets (each being a “Asset”, collectively “Assets”) as shown in the table below.</p> <table><tr><th>No.</th><th>Asset</th><th>Bloomberg Ticker*</th></tr><tr><td colspan="3">Equity</td></tr><tr><td>1</td><td>Central Europe Composite Equity EUR Index (“CECEEUR”)</td><td>CECEEUR [Index]</td></tr><tr><td>2</td><td>Hang Seng China Enterprises Index (“HSCEI”)</td><td>HSCEI [Index]</td></tr><tr><td colspan="3">Currency</td></tr><tr><td>3</td><td>HUF/EUR</td><td>HUFEUR [Curncy]</td></tr><tr><td>4</td><td>PLN/EUR</td><td>PLNEUR [Curncy]</td></tr><tr><td>5</td><td>CZK/EUR</td><td>CZKEUR [Curncy]</td></tr><tr><td colspan="3">Commodity</td></tr><tr><td>6</td><td>Zinc</td><td>LOZSDY [Comdty]</td></tr><tr><td>7</td><td>Copper</td><td>LOCADY [Comdty]</td></tr><tr><td>8</td><td>Aluminium</td><td>LOAHDY [Comdty]</td></tr></table> <p>The above is subject to such adjustments, corrections and changes as may be made by the Calculation Agent from time to time in accordance with the provisions under the heading “Adjustments, Corrections and Changes to the Underlying Basket” below.</p> <p><i>*Bloomberg Ticker is provided for reference only.</i></p>	No.	Asset	Bloomberg Ticker*	Equity			1	Central Europe Composite Equity EUR Index (“CECEEUR”)	CECEEUR [Index]	2	Hang Seng China Enterprises Index (“HSCEI”)	HSCEI [Index]	Currency			3	HUF/EUR	HUFEUR [Curncy]	4	PLN/EUR	PLNEUR [Curncy]	5	CZK/EUR	CZKEUR [Curncy]	Commodity			6	Zinc	LOZSDY [Comdty]	7	Copper	LOCADY [Comdty]	8	Aluminium	LOAHDY [Comdty]
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Asset Classes	<p>The Assets are organised into 3 Asset Classes (each an “Asset Class”) with the following weightages:</p> <div><div>3 Asset Classes</div><div><div>Equity (“Equity Basket”)</div><div>50% CECEEUR</div><div>50% HSCEI</div></div><div><div>Currency (“Currency Basket”)</div><div>40% HUF/EUR</div><div>40% PLN/EUR</div><div>20% CZK/EUR</div></div><div><div>Commodity (“Commodity Basket”)</div><div>40% Zinc</div><div>40% Copper</div><div>20% Aluminium</div></div></div>																																				
Investment Style Portfolios	<p>There are 3 Investment Style Portfolios, each a “Portfolio”, with differing asset allocations in each Asset Class as shown in the diagram below:</p> <div><div>3 Investment Style Portfolios</div><div><div>Aggressive Equity Portfolio</div><div>60% Equity</div><div>10% Currency</div><div>30% Commodity</div></div><div><div>Balanced Portfolio</div><div>1/3 Equity</div><div>1/3 Currency</div><div>1/3 Commodity</div></div><div><div>Commodity Biased Portfolio</div><div>15% Equity</div><div>15% Currency</div><div>70% Commodity</div></div></div>																																				

Trigger Event	<p>A Trigger Event shall be deemed to have occurred IF, on Valuation Date(4), Valuation Date(6), or Valuation Date(8), the Average Performance of the 3 Investment Style Portfolios calculated on such Valuation Date is equal to or exceeds the Trigger Level.</p> <p>Average Performance of the 3 Investment Style Portfolios on Valuation Date(y) =</p> $\frac{\text{Return(y) of Aggressive Equity Portfolio} + \text{Return(y) of Balanced Portfolio} + \text{Return(y) of Commodity Biased Portfolio}}{3}$ <p>Where:</p> <p>y = 4, 6 or 8, and</p> <p>Return(y) of any Portfolio means the Return of that Portfolio on Valuation Date(y).</p> <p>Upon the occurrence of a Trigger Event, the Bank shall give notice to the depositor that the UOB Structured Deposit - Vic3 Deposit will mature early, and be terminated on the Trigger Date.</p>								
Trigger Level	20% to 45%, to be determined by the Bank in its absolute discretion on the Initial Valuation Date.								
Trigger Date	<p>Upon the occurrence of a Trigger Event on Valuation Date(4), Valuation Date (6) or Valuation Date(8), the applicable Trigger Date shall be the date appearing next to the relevant Valuation Date in the table below:</p> <table border="1"> <thead> <tr> <th>Trigger Event Occurs on</th><th>Trigger Date</th></tr> </thead> <tbody> <tr> <td>Valuation Date(4)</td><td>14 July 2008</td></tr> <tr> <td>Valuation Date(6)</td><td>14 July 2009</td></tr> <tr> <td>Valuation Date(8)</td><td>14 July 2010</td></tr> </tbody> </table>	Trigger Event Occurs on	Trigger Date	Valuation Date(4)	14 July 2008	Valuation Date(6)	14 July 2009	Valuation Date(8)	14 July 2010
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Maturity Bonus Interest	<p>Provided that no Trigger Event has occurred prior to the Final Maturity Date, the Bank shall pay a Maturity Bonus Interest on the Final Maturity Date equivalent to the Maturity Bonus multiplied by the Deposit Amount.</p> <p>Maturity Bonus = Participation Rate x Final Return of Best-of 3 Portfolios</p> <p>Where:</p> <p>Participation Rate = 30%;</p> <p>Best-of 3 Portfolios means the Portfolio amongst the 3 Investment Style Portfolios, with the highest Final Return;</p> <p>Final Return of any Portfolio means the Return of that Portfolio on the last Valuation Date i.e. Valuation Date(10). If the Final Return of Best-of 3 Portfolios is negative, it will be set to 0.</p>								
Return of a Portfolio	<p>On any Valuation Date ("Valuation Date(t)"), the Return ("Return(t)") of any Portfolio is the average of the Return of each Asset on all Valuation Dates up to and including Valuation Date(t) multiplied by the weight allocated to such Asset in its Asset Class and to such Asset Class in that Portfolio. Mathematically,</p> <p>1) Return(t) of Aggressive Equity Portfolio = 60% x Average Return(t) of Equity Basket + 10% x Average Return(t) of Currency Basket + 30% x Average Return(t) of Commodity Basket</p> <p>2) Return(t) of Balanced Portfolio = $\frac{1}{3}$ x Average Return(t) of Equity Basket + $\frac{1}{3}$ x Average Return(t) of Currency Basket + $\frac{1}{3}$ x Average Return(t) of Commodity Basket</p> <p>3) Return(t) of Commodity Biased Portfolio = 15% x Average Return(t) of Equity Basket + 15% x Average Return(t) of Currency Basket + 70% x Average Return(t) of Commodity Basket</p> <p>Where:</p> <p>Average Return(t) of Equity Basket = $\frac{\text{Equity Return}(1) + \text{Equity Return}(2) + \dots + \text{Equity Return}(t)}{t}$</p> <p>Average Return(t) of Currency Basket = $\frac{\text{Currency Return}(1) + \text{Currency Return}(2) + \dots + \text{Currency Return}(t)}{t}$</p> <p>Average Return(t) of Commodity Basket = $\frac{\text{Commodity Return}(1) + \text{Commodity Return}(2) + \dots + \text{Commodity Return}(t)}{t}$</p> <p>Equity Return(t) = $0.5 \times \frac{\text{CECEUR}(t) - \text{CECEUR}(o)}{\text{CECEUR}(o)} + 0.5 \times \frac{\text{HSCEI}(t) - \text{HSCEI}(o)}{\text{HSCEI}(o)}$</p> <p>Currency Return(t) = $0.4 \times \frac{\text{HUF/EUR}(t) - \text{HUF/EUR}(o)}{\text{HUF/EUR}(o)} + 0.4 \times \frac{\text{PLN/EUR}(t) - \text{PLN/EUR}(o)}{\text{PLN/EUR}(o)} + 0.2 \times \frac{\text{CZK/EUR}(t) - \text{CZK/EUR}(o)}{\text{CZK/EUR}(o)}$</p>								

	$\text{Commodity Return}(t) = 0.4 \times \frac{\text{Zinc}(t) - \text{Zinc}(o)}{\text{Zinc}(o)} + 0.4 \times \frac{\text{Copper}(t) - \text{Copper}(o)}{\text{Copper}(o)} + 0.2 \times \frac{\text{Aluminium}(t) - \text{Aluminium}(o)}{\text{Aluminium}(o)}$ <p>For any Asset (such as CECEUR, HUF/EUR, Zinc, etc), Asset(t) means the Fixing Value of that Asset on Valuation Date(t);</p> <p>For any Asset (such as CECEUR, HUF/EUR, Zinc, etc), Asset(o) means the Fixing Value of that Asset on Initial Valuation Date;</p> <p>“t” is any integer from 1 to 10 (both inclusive).</p>																						
Valuation Date(t) (t =1 to 10)	<p>“Valuation Dates” means collectively, all of the 10 Valuation Dates, each a Valuation Date, shown below. Valuation Date(t) means the tth Valuation Date.</p> <table> <tr> <th>t</th><th>Valuation Date(t)</th></tr> <tr> <td>1</td><td>05 January 2007</td></tr> <tr> <td>2</td><td>06 July 2007</td></tr> <tr> <td>3</td><td>07 January 2008</td></tr> <tr> <td>4</td><td>07 July 2008</td></tr> <tr> <td>5</td><td>06 January 2009</td></tr> <tr> <td>6</td><td>06 July 2009</td></tr> <tr> <td>7</td><td>06 January 2010</td></tr> <tr> <td>8</td><td>06 July 2010</td></tr> <tr> <td>9</td><td>06 January 2011</td></tr> <tr> <td>10</td><td>06 June 2011</td></tr> </table> <p>In the event, in relation to any Asset, any of the above Valuation Dates is not a Scheduled Trading Day and/or there exists a Market Disruption Event on such day, such Valuation Date for that Asset only shall then be the immediately following Scheduled Trading Day on which there is no Market Disruption Event, unless there is a Market Disruption Event relating to such Asset on each of the three Scheduled Trading Days (such third Trading Day, the “Reference Trading Day”), immediately following the original date which, but for the Market Disruption Event, would have been the relevant Valuation Date relating to such Asset, in which case the Reference Trading Day shall be deemed to be the Valuation Date for the relevant Asset notwithstanding the Market Disruption Event.</p>	t	Valuation Date(t)	1	05 January 2007	2	06 July 2007	3	07 January 2008	4	07 July 2008	5	06 January 2009	6	06 July 2009	7	06 January 2010	8	06 July 2010	9	06 January 2011	10	06 June 2011
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Fixing Value	<p>The Calculation Agent shall determine the Fixing Value of the Assets on any Valuation Date as follows:</p> <ol style="list-style-type: none"> for CECEUR, the official closing level for such day as published by the relevant index sponsor; for HSCEI, the official closing level for such day as published by the relevant index sponsor; for HUF/EUR, the spot value (in # of EUR per 100 HUF) at 10:00 a.m. New York time on such day for PLN/EUR, the spot value (in # of EUR per PLN) at 10:00 a.m. New York time on such day for CZK/EUR, the spot value (in # of EUR per CZK) at 10:00 a.m. New York time on such day for Zinc, the official settlement price of Zinc stated in USD per tonne, for delivery two Scheduled Trading Days after such day, as determined by the relevant Exchange; for Copper, the official settlement price of Copper-Grade A stated in USD per tonne, for delivery two Scheduled Trading Days after such day, as determined by the relevant Exchange; for Aluminium, the official settlement price of High grade primary Aluminium stated in USD per tonne, for delivery two Scheduled Trading Days after such day, as determined by the relevant Exchange; <p>PROVIDED HOWEVER, that where the Valuation Date for any Asset is a Reference Trading Day and there is a Market Disruption Event relating to such Asset on such date, the Calculation Agent shall determine the Fixing Value for the relevant Asset on the basis of its good faith estimate of the bid price that would have prevailed on the Reference Trading Day but for the Market Disruption Event.</p>																						
Bank	United Overseas Bank Limited, Singapore head office																						

Exchange	<p>In relation to:</p> <ol style="list-style-type: none"> 1. CEECEUR Index, the principal stock exchange(s) on which the component stocks of the index are principally traded; 2. Hang Seng China Enterprise Index, Hong Kong Stock Exchange or its successor; 3. Zinc, Copper and Aluminium, the London Metal Exchange ("LME") or its successor.
Scheduled Trading Day	<p>In respect of any Asset which is</p> <ol style="list-style-type: none"> (1) an Equity, any day on which the closing level is published by the relevant index sponsor; (2) a Currency, any day on which the foreign exchange rate can be determined; (3) a Commodity, any day on which the Exchange is scheduled to be open for trading during its normal trading hours.
Market Disruption Event	<p>In respect of any Asset on any Scheduled Trading Day, any event that disrupts or impairs (as determined by the Calculation Agent), the ability of market participants in general to effect transactions in, or obtain market values in the Asset or any securities included in the Asset as the case may be. Additionally, in respect of an Asset which is an Equity, Market Disruption Event shall include, without limitation, the occurrence of the unavailability of the securities comprising at least 20% of the level of such Asset for trading on the relevant Exchange(s) on a Scheduled Trading Day.</p>
Adjustments, Corrections and Changes to the Underlying Basket	<p>If, during the Tenor, there is any adjustment, correction or other change made to any Asset in the Equity Basket (or to its sponsor or the method of fixing the Asset) or, in the case of the Commodity, there is any material change in (1) the formula used in computation of settlement price, and/or (2) the content, composition or constitution of the contracts, or in the case of an Asset in the Currency Basket, the replacement or substitution of HUF, PLN, CZK or EUR or its replacement currency with Euro or another currency, as the case may be, as legal tender, the Calculation Agent shall be entitled, at its absolute and sole discretion, to determine and make any adjustments or take any actions necessary in relation to the UOB Structured Deposit - Vic3 Deposit (including but not limited to changing, replacing or substituting any Asset comprised in the Underlying Basket). Provided the Calculation Agent makes such adjustments or undertakes such action in good faith, any such adjustment or action shall be binding on the depositor.</p>
Calculation Agent	<p>The Bank, which shall make all calculations and determinations for the purposes of the UOB Structured Deposit - Vic3 Deposit, and make such adjustments and take such actions in relation to the UOB Structured Deposit - Vic3 Deposit, as it deems fit which, in the absence of fraud or manifest error, shall be binding on all parties to the UOB Structured Deposit - Vic3 Deposit. The Bank hereby reserves for itself the right to correct any error(s) in respect of any or all of such calculations and determinations.</p>
Fees	<p>There are no sales or management fees.</p>
Early Termination	<p>The depositor may not terminate the UOB Structured Deposit - Vic3 Deposit, withdraw, or make a request for the withdrawal of the whole or any part of the UOB Structured Deposit - Vic3 Deposit before the Deposit Maturity Date except with the Bank's consent and on such terms as the Bank may in its sole and absolute discretion impose.</p> <p>Without prejudice to the generality of the foregoing, if the Bank allows the depositor to terminate the UOB Structured Deposit - Vic3 Deposit or withdraw the whole of the UOB Structured Deposit - Vic3 Deposit prior to the Deposit Maturity Date, the depositor shall indemnify the Bank against all loss, damages, costs, charges and/or expenses referable to such termination/withdrawal, including legal costs on a full indemnity basis, cost of funding and loss or cost incurred as a result of the termination, liquidation or re-establishment of any hedge or related trading position, and shall pay such other administrative and other charges as the Bank may impose (collectively, the "Early Termination Cost"). Upon Early Termination, the depositor shall only be entitled to receive an amount equivalent to the Deposit Amount less the Early Termination Cost. For the avoidance of doubt, upon the Bank's consent to the Early Termination, the depositor shall not be entitled to withdraw his request for Early Termination or to receive any other interest or payment after the date of such consent, regardless of the performance of the Underlying Basket.</p> <p>No partial withdrawal of the Deposit Amount or partial Early Termination of the UOB Structured Deposit - Vic3 Deposit will be permitted. Any such attempt shall be treated as a request for Early Termination or withdrawal of the entire UOB Structured Deposit - Vic3 Deposit.</p> <p>Except in the event of fraud or manifest error, a certificate issued by an officer of the Bank as to the Early Termination Cost shall be conclusive and binding on the depositor who shall not be entitled to dispute the same. The records of the Bank shall be prima facie evidence against the depositor. Notwithstanding the foregoing, the Bank hereby reserves the right to correct any errors in any such certificate.</p>

Bank's right not to proceed	<p>Notwithstanding any acceptance of the depositor's funds or approval of the depositor's application for the UOB Structured Deposit – Vic3 Deposit, the Bank reserves the right not to and nothing herein obliges the Bank to proceed with the UOB Structured Deposit - Vic3 Deposit or any other transaction with the depositor. Accordingly, the Bank may refuse to apply the terms and conditions of the UOB Structured Deposit – Vic3 Deposit to any funds deposited by the depositor with the Bank or otherwise act on any of the depositor's instructions without giving any reason.</p> <p>In the event the Bank decides not to proceed with the UOB Structured Deposit - Vic3 Deposit with the depositor, it shall, as soon as practicable, notify the depositor accordingly and refund (in the same currency) any funds intended for the UOB Structured Deposit - Vic3 Deposit received from the depositor. The depositor shall not be entitled to any interest or other payment on such funds.</p>
Business Day	A day, excluding Saturday, Sunday and public holidays, when the Bank is open for business in Singapore.
Documentation	<p>The UOB Structured Deposit - Vic3 Deposit shall be governed by the Bank's Terms and Conditions Governing Accounts and Services and the Bank's Additional Terms and Conditions Governing Accounts and Services, as amended and supplemented from time to time, (collectively, the "General Terms"), and any other terms and conditions governing the UOB Structured Deposit - Vic3 Deposit (including but not limited to those set out in this term sheet and the UOB Structured Deposit - Vic3 Deposit application form) (the "Specific Terms"). In the event of an inconsistency between the Specific Terms and the General Terms, the Specific Terms shall prevail to the extent of inconsistency.</p> <p>The Bank will, as soon as practicable after the Deposit Start Date, issue and send to the depositor a confirmation setting out further details pertaining to the UOB Structured Deposit - Vic3 Deposit (the "Confirmation"). In the event of an inconsistency between the Confirmation and the Specific Terms, the Confirmation shall prevail to the extent of the inconsistency. The Bank shall also, as soon as practicable after placement of the Deposit Amount, send to the depositor a statement confirming the Deposit Amount.</p> <p>If any of the terms governing the UOB Structured Deposit - Vic3 Deposit are translated into a language other than English, and there are any differences in meaning between the English version and any translated version, the English version shall prevail.</p> <p>The depositor shall verify all statements, confirmations and advices sent in accordance with the Bank's standard practice by post and/or other forms of electronic communication to the depositor. If no objection is raised by the depositor within 7 Business Days of the date of such statement, confirmation or advice, such statement, confirmation or advice shall be deemed conclusive and binding against the depositor and the depositor shall not be entitled to object thereto. However, the Bank may at any time, rectify any error on any entry, statement, confirmation or advice which has been proven to its satisfaction.</p> <p>The depositor shall immediately notify the Bank if a statement, confirmation or advice is not received by the depositor in the ordinary course.</p>
Governing Law	Singapore law.
Bank's liabilities	All liabilities and obligations of the Bank in respect of the UOB Structured Deposit - Vic3 Deposit are limited exclusively to offices of the Bank in Singapore and instructions in respect of the UOB Structured Deposit - Vic3 Deposit is payable exclusively by offices of the Bank in Singapore and in its stated currency.

The following are purely illustrative examples and are not indicative of the future or likely performance of the UOB Structured Deposit - Vic3 Deposit.

Assuming a Deposit Amount of SGD10,000 which is held till Deposit Maturity Date and Trigger Level is 20%.

Please note that the performance of the Assets may fluctuate depending on the economic conditions, interest rates, currency fluctuations and market's perception of such Assets.

How to Calculate Average Return of Equity Basket on a Valuation Date

	(A) (weight=0.5)	(B) (weight=0.5)	(C) = 0.5 x (A) + 0.5 x (B)	(D)
Valuation Date(t)	%change of CEECEUR	%change of HSCEI	Equity Return(t)	Average Return(t) of Equity Basket
t = 1	20%	35%	27.5%	27.5%
t = 2	50%	48%	49%	$(27.5\% + 49\%)/2 = 38.25\%$
t = 3	66%	75%	70.5%	$(27.5\% + 49\% + 70.5\%)/3 = 49\%$
t = 4	120%	150%	135%	$(27.5\% + 49\% + 70.5\% + 135\%)/4 = 70.5\%$

How to Calculate Average Return of Currency Basket on a Valuation Date

	(A) (weight=0.4)	(B) (weight=0.4)	(C) (weight=0.2)	(D) = $0.4 \times (A) + 0.4 \times (B) + 0.2 \times (C)$	(E)
Valuation Date(t)	%change of HUF/EUR	%change of PLN/EUR	%change of CZK/EUR	Currency Return(t)	Average Return(t) of Currency Basket
t = 1	-3%	-4%	0%	-2.8%	-2.8%
t = 2	-1%	-7%	-1%	-3.4%	$(-2.8\% - 3.4\%)/2 = -3.1\%$
t = 3	0%	1%	1%	0.6%	$(-2.8\% - 3.4\% + 0.6\%)/3 = -1.86\%$
t = 4	0.5%	8%	6.7%	4.74%	$(-2.8\% - 3.4\% + 0.6\% + 4.74\%)/4 = -0.215\%$

How to Calculate Average Return of Commodity Basket on a Valuation Date

	(A) (weight=0.4)	(B) (weight=0.4)	(C) (weight=0.2)	(D) = $0.4 \times (A) + 0.4 \times (B) + 0.2 \times (C)$	(E)
Valuation Date(t)	%change of Zinc	%change of Copper	%change of Aluminium	Commodity Return(t)	Average Return(t) of Commodity Basket
t = 1	10%	13%	4%	10%	10%
t = 2	20%	45%	25%	31%	$(10\% + 31\%)/2 = 20.5\%$
t = 3	40%	40%	35%	39%	$(10\% + 31\% + 39\%)/3 = 26.667\%$
t = 4	28%	30%	46%	32.4%	$(10\% + 31\% + 39\% + 32.4\%)/4 = 28.1\%$

Example 1 (Trigger Event occurs at the end of Year 2, i.e. Valuation Date(4)):

For the 1st year, the Guaranteed Interest is 6.18% of the Deposit Amount, regardless of the performance of the Assets.

➤ Guaranteed Interest for Year 1 = $6.18\% \times \text{SGD } 10,000 = \text{SGD } 618$

For the 2nd year, assuming that the Average Return of Equity Basket, Average Return of Currency Basket and Average Return of Commodity Basket on Valuation Date(4) are as follows:

Average Return(4) of Equity Basket = 20%, Average Return(4) of Currency Basket = 12% and Average Return(4) of Commodity Basket = 25%

The Return of each Portfolio on Valuation Date(4) is thus calculated as follows:

Return(4) of Aggressive Equity Portfolio = $(0.6 \times 20\%) + (0.1 \times 12\%) + (0.3 \times 25\%) = \underline{20.70\%}$

Return(4) of Balanced Portfolio = $(20\% + 12\% + 25\%) / 3 = \underline{19.00\%}$

Return(4) of Commodity-Biased Portfolio = $(0.15 \times 20\%) + (0.15 \times 12\%) + (0.7 \times 25\%) = \underline{22.30\%}$

Average Performance of 3 Investment Style Portfolios on Valuation Date(4) = $(20.70\% + 19\% + 22.30\%) / 3 = \underline{20.67\%}$

Since the Average Performance of the 3 Investment Style Portfolios at the end of 2nd year is above the Trigger Level of 20%, a Trigger Event will occur.

As a result, the Bank will redeem the structured deposit and pay a Trigger Bonus Rate of 6% at the end of Year 2.

➤ Trigger Bonus Interest for Year 2 = $6\% \times \text{SGD } 10,000 = \text{SGD } 600$

In this Example 1, for a Deposit Amount of SGD 10,000, the depositor will get total interest of SGD 618 + SGD 600 = SGD 1,218 for 2 years.

Example 2 (Trigger Event occurs at the end of Year 3, i.e. Valuation Date(6)):

For the 1st year, the Guaranteed Interest is 6.18% of the Deposit Amount, regardless of the performance of the Assets.

➤ Guaranteed Interest for Year 1 = $6.18\% \times \text{SGD } 10,000 = \text{SGD } 618$

For the 2nd year, assuming that the Average Performance of the 3 Investment Style Portfolios at the end of 2nd year is below the Trigger Level of 20%, a Trigger Event will not occur. Hence, there will be no interest for the 2nd year.

For the 3rd year, assuming that the Average Return of Equity Basket, Average Return of Currency Basket and Average Return of Commodity Basket on Valuation Date(6) are as follows:

Average Return(6) of Equity Basket = 25%, Average Return(6) of Currency Basket = 18% and Average Return(6) of Commodity Basket = 20%

The Return of each Portfolio on Valuation Date(6) is thus calculated as follows:

Return(6) of Aggressive Equity Portfolio = $(0.6 \times 25\%) + (0.1 \times 18\%) + (0.3 \times 20\%) = 22.80\%$

Return(6) of Balanced Portfolio = $(25\% + 18\% + 20\%) / 3 = 21.00\%$

Return(6) of Commodity-Biased Portfolio = $(0.15 \times 25\%) + (0.15 \times 18\%) + (0.7 \times 20\%) = 20.45\%$

Average Performance of the 3 Investment Style Portfolios on Valuation Date (6) = $(22.80\% + 21.00\% + 20.45\%) / 3 = 21.42\%$

Since the Average Performance of the 3 Investment Style Portfolios at the end of 3rd year is above the Trigger Level of 20%, a Trigger Event will occur.

As a result, the Bank will redeem the structured deposit and pay a Trigger Bonus Rate of 8% at the end of Year 3.

➤ Trigger Bonus Interest for Year 3 = $8\% \times \text{SGD } 10,000 = \text{SGD } 800$

In this Example 2, for a Deposit Amount of SGD 10,000, the depositor will get total interest of SGD 618 + SGD 800 = SGD 1,418 for 3 years.

Example 3 (No Trigger Event occurs):

For the 1st year, the Guaranteed Interest is 6.18% of the Deposit Amount, regardless of the performance of the Assets.

➤ Guaranteed Interest for Year 1 = $6.18\% \times \text{SGD } 10,000 = \text{SGD } 618$

From the 2nd year to the 4th year, assuming that the Average Performance of the 3 Investment Style Portfolios on the relevant Valuation Dates is below the Trigger Level of 20%, a Trigger Event will not occur. Hence, there will be no interest for the 2nd year to the 4th year.

Upon maturity, assuming that the Average Return of Equity Basket, Average Return of Currency Basket and Average Return of Commodity Basket on the final Valuation Date are as follows:

Average Return(10) of Equity Basket = 80%, Average Return(10) of Currency Basket = 20% and Average Return(10) of Commodity Basket = -25%

The Final Return of each Portfolio or the Return on Valuation Date(10) is thus calculated as follows:

Final Return of Aggressive Equity Portfolio = $(0.6 \times 80\%) + (0.1 \times 20\%) + (0.3 \times -25\%) = 42.5\%$

Final Return of Balanced Portfolio = $(80\% + 20\% - 25\%) / 3 = 25\%$

Final Return of Commodity-Biased Portfolio = $(0.15 \times 80\%) + (0.15 \times 20\%) + (0.7 \times -25\%) = -2.5\%$

From the above, the best performing Portfolio is the Aggressive Equity Portfolio. Hence, the Final Return of the Best-of 3 Portfolios is 42.5%.

Maturity Bonus = Participation Rate x Final Return of Best-of 3 Portfolios = $0.3 \times 42.50\% = 12.75\%$

➤ Maturity Bonus Interest = $12.75\% \times \text{SGD } 10,000 = \text{SGD } 1,275$

In this Example 3, for a Deposit Amount of SGD 10,000, the depositor will get total interest of SGD 618 + SGD 1,275 = SGD 1,893 for 4 years and 11 months.

Example 4 (Worst Case Scenario):

From the 2nd year to the 4th year, assuming that the Average Performance of the 3 Investment Style Portfolios on the relevant Valuation Dates is below the Trigger Level of 20%, a Trigger Event will not occur. Hence, there will be no interest for the 2nd year to the 4th year.

On maturity, assuming that the Final Return of Best-of 3 Portfolios is negative, there will be no Maturity Bonus.

The depositor will only receive the Guaranteed Interest of 6.18% for Year 1.

In this Example 4, for a Deposit Amount of SGD 10,000, the depositor will get total interest of SGD 618 for 4 years and 11 months.

Risk Factors

Unlike traditional deposits, the UOB Structured Deposit - Vic3 Deposit has risk and investment elements, and returns may vary.

The Deposit Amount is guaranteed only if the whole Deposit Amount is held to the Deposit Maturity Date. 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 Deposit Currency only. Any conversion of the Deposit Amount from the Deposit Currency to another currency will involve foreign exchange risk.

The Guaranteed Interest for the 1st year is guaranteed only if the whole Deposit Amount is held to the 1st Interest Payment Date. The Maturity Bonus Interest upon maturity is variable and will depend on, among other things, performance of the Underlying Basket, and could accordingly be zero. There is no guarantee of early redemption as this will depend on, among other things, the performance of the Underlying Basket.

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 - Vic3 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 - Vic3 Deposit is suitable for you.

IMPORTANT - Please note:

The above is not to be used or considered as an offer, or invitation to 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 or any form of commitment 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. This term sheet does not purport to identify or suggest all the risks or material considerations which may be associated with the proposed product. As such, it is recommended that before entering into any transaction, you should take steps to ensure, without reference to the Bank, 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. While based on information believed to be reliable, this document and its contents are provided on an "as is" basis. The Bank does not make any representation or warranty as to the accuracy, timeliness or completeness of the information contained in this document.

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Description of Assets:

<p>CECEEUR Index (Bloomberg: CECEEUR)</p> <p>The CECEEUR Index is a capitalization weighted index for the CEE (Central and Eastern Europe) region consisting of all shares included in the Czech Traded Index, the Hungarian Traded Index, the Polish Traded Index. The index is EUR-denominated and calculated in real time by Wiener Boerse. The base value was set to 746.46 as of 4 January 1999.</p>	<p>Hang Seng China Enterprise Index (Bloomberg: HSCEI)</p> <p>The Hang Seng China Enterprises Index is a capitalization-weighted index comprised of state-owned Chinese companies (H-Shares) listed on the Hong Kong Stock Exchange and included in HSMLCI index. The base value of this index is 2000 as of 3 January 2000. This index replaced the old HSCE index on 3 October 2001.</p>
<p>HUF/EUR (Bloomberg: HUREUR)</p> <p>The Hungarian forint (HUF) is the official currency of the Republic of Hungary. The euro (EUR) is the official currency of the European Economic & Monetary Union. HUF/EUR is the foreign exchange rate expressed in number of EUR per 100 HUF. As of 18 May 2006, HUF/EUR is 0.3793</p>	<p>PLN/EUR (Bloomberg: PLNEUR)</p> <p>The Polish zloty (PLN) is the official currency of the Republic of Poland. The euro (EUR) is the official currency of the European Economic & Monetary Union. PLN/EUR is the foreign exchange rate expressed in number of EUR per PLN. As of 18 May 2006, PLN/EUR is 0.25284</p>
<p>CZK/EUR (Bloomberg: CZKEUR)</p> <p>The Czech Koruna (CZK) is the official currency of the Czech Republic. The euro (EUR) is the official currency of the European Economic & Monetary Union. CZK/EUR is the foreign exchange rate expressed in number of EUR per CZK. As of 18 May 2006, CZK/EUR is 0.0353</p>	<p>Aluminium (Bloomberg: LOASDY)</p> <p>Aluminium is the most heavily produced and consumed non-ferrous metal in the world. Its low density and malleability has been recognised and championed by the industrial world.</p> <p>Aluminium has many diverse applications, ranging from beverage cans to cars. In 2001, world primary refined production alone totalled over 24 million tonnes. The price of Aluminium is quoted in USD per metric tonne.</p>
<p>Copper (Bloomberg: LOCADY)</p> <p>Copper was the first mineral that man extracted from the earth and along with tin gave rise to the Bronze Age. As the ages and technology progressed the uses for copper increased. With the increased demand, exploration for the metal was extended throughout the world laying down the foundations for the industry as we know it today. Copper is an excellent conductor of electricity, as such one of its main industrial usage is for the production of cable, wire and electrical products for both the electrical and building industries. The construction industry also accounts for copper's second largest usage in such areas as pipes for plumbing, heating and ventilating as well as building wire and sheet metal facings. In 2001, world production of copper totalled over 15 million tonnes.</p> <p>The price of Copper Grade A is quoted in USD per metric tonne.</p>	<p>Zinc (Bloomberg: LOZSDY)</p> <p>Zinc is the fourth most widely used metal in the world. Zinc is commonly mined as a co-product with standard lead and both metals have growing core markets for their consumption. Its resistance to non-acidic atmospheric corrosion means that zinc is instrumental in prolonging the life of buildings, vehicles, ships and steel goods and structures of every kind. For zinc, the main market is galvanising, which accounts for almost half its modern-day demand. Zinc's electropositive nature enables metals to be readily galvanised, which gives added protection against corrosion to building structures, vehicles, machinery and household equipment. In 2001, world production of zinc totalled over 9 million tonnes. The price of Zinc is quoted in USD per metric tonne.</p>

Source: Bloomberg and London Metals Exchange