

UNITED OVERSEAS BANK GROUP

PERSONAL TREASURY SERVICES

GLOBAL TREASURY

80 Raffles Place, #05-00, UOB Plaza 1, Singapore 048624

Tel: (65)-233-6046 Fax: (65) 536-8522 / 534-3028

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USD Gold Linked Deposit

Product Description

The USD Gold Linked Deposit is a **structured product** that yields a higher-than-market interest rate through an enhancement feature. To obtain the higher interest rate, the bank has a right to sell Gold to the customer at a price lower than the current market price. This product is targeted more at customers with an interest in GOLD. Typically, the potential customer has an idea of what level he wants to buy into Gold. He then sets the strike price of the option to be sold to the bank accordingly. Normal tenures are 1-month and 3-months.

The Option will normally expire two business days before the deposit maturity date, with the price based on London Bullion Market Association (LBMA) fixing price on that day.

If the Gold Spot price closes above the strike price, then the customer will receive the enhanced interest along with his principal. If the Gold Spot price closes below the strike price, then GOLD will be delivered to the customer. As there is no physical delivery in Singapore, the customer has to open an account with UOB Bullion and Futures for the gold stock to be credits. The interest portion will be paid in USD to the customer.

Deposit details :

Instrument	Gold Linked Deposit
Deposit Taker	UOB Bank
Deposit Guarantor	UOB Bank
Minimum Deposit Amount	USD {minimum of 1,500 * (Strike Price of Gold)}
Initial Fixing Date	To Be Determined
Deposit Start Date	To Be Determined
Deposit Maturity Date	To Be Determined
Strike Price	To Be Determined
Interest Payment Date	To Be Determined
Tenor	1 Month / 3 Months
Fixing Date	2 days before Deposit Maturity Date
Reference Price _t	The price fixed by the London Bullion Market Association on the Fixing Date (two business days before maturity) at 10:30 am London local time, at the calculation agent's discretion.

The above proposal contains indicative terms for discussion purposes only. It does not constitute an offer to enter into any transaction on such indicative terms. Acceptance will be dependant on market conditions at the time the price is requested. You should be aware of the risks involved in trading over-the-counter (OTC). These risks require a detailed analysis by you as Counterparty to United Overseas Bank (UOB LTD) of all financial, legal, accounting and tax issues raised by the particular transaction you are contemplating. In particular, UOB LTD does not act as an adviser and at no time should you rely on any communication of UOB LTD, whether written or oral, as investment advice as to the merits or suitability of any transaction. You and your affiliates (together, the "Client") alone shall be deemed responsible for making your own independent investigation and appraisal of the risks, benefits and suitability of the proposed structure to and for the Client. UOB LTD, or any persons acting on her behalf, shall not incur any responsibility or liability whatsoever to the Client or to any other person in respect thereof for the financial consequences of your trading in derivative instruments. This proposed transaction does not include the right for either counterpart to terminate the structure prior to maturity, unless specified in the term-sheet. However, it is the current market practice, but not the obligation, for UOB LTD to quote termination values on structures originated by UOB LTD. The secondary market value of this structure is influenced by several factors other than the price of any reference asset, interest rate index or indices introduced above. Thus, the secondary market value of this proposed transaction may be less than the value of the transaction implied by any asset, interest rate index or indices introduced above. The information contained herein is provided to you by UOB LTD on a strictly confidential basis and you agree that it may not be copied, reproduced or otherwise distributed by you without our prior written consent.

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Settlement	(a) if the reference price of the LBMA Gold fixing (as determined by the Calculation Agent) is higher than the Strike Price, then the Bank shall not be entitled to exercise the Option; or (b) if the reference price of the LBMA Gold fixing (as determined by the Calculation Agent) is lower than or equal to the Strike Price, then the Bank shall have the right to exercise the Option. Thus, delivering the total amount of gold ounces to the customer.
Calculation Agent	United Overseas Bank Limited
Delivery of Physical Gold	An account is to be opened with UOB Bullion & Futures, with the Gold stock credited in the customer's name.

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