

UOB Preference Shares Offering - August 2008

| Key Terms | | | | | | | | | |
|--|---|-----------------------|----------------------------|--|-------------------|-------------------------------|-------------------|------------------------|-------------------|
| Issuer | United Overseas Bank Limited ("UOB" or "the "Bank") | | | | | | | | |
| Offering | <p>10 million Class E non-cumulative, non-convertible preference shares in the capital of UOB ("Preference Shares") by way of:</p> <p>a) Placement: Eight million Preference Shares. Minimum application is S\$50,000 or 500 Preference Shares and in multiples of S\$10,000 or 100 Preference Shares thereafter</p> <p>b) ATM Offer: Two million Preference Shares. Minimum application is S\$10,000 or 100 Preference Shares and in multiples of \$10,000 or 100 Preference Shares thereafter</p> <p>(subject to the upside option of up to an additional five million Preference Shares). The Preference Shares may be re-allocated between the Placement and the ATM Offer at the sole discretion of UOB.</p> <p>UOB may decide not to proceed with the Offering if the subscription is less than two million Preference Shares. Multiple applications are allowed for Placement only. No joint applications are allowed.</p> | | | | | | | | |
| Optional Redemption | On the fifth anniversary of the 15 September 2008 ("Issue Date"), on the tenth anniversary of the Issue Date, and each Dividend Date thereafter at the option of UOB. | | | | | | | | |
| Issue Price | S\$100 per Preference Share | | | | | | | | |
| Purpose | For UOB's general corporate funding purposes. | | | | | | | | |
| Dividend Rate | Fixed rate of 5.05 % p.a., payable semi-annually in arrear on 15 March and 15 September each year ("Dividend Date"). The first dividend, if declared, will be paid on 15 March 2009. | | | | | | | | |
| Listing | To be listed and traded on the Main Board of SGX-ST in board lots of 100 Preference Shares | | | | | | | | |
| Credit Rating of the Preference Shares: | Aa3 by Moody's, A- by Standard & Poor's, and A+ by Fitch's. | | | | | | | | |
| Offering Period | 28 August to 12 September 2008. UOB may change this at its discretion. | | | | | | | | |
| Expected Timetable of other Key Events | <table> <tbody> <tr> <td>Closing date and time</td> <td>12 September 2008, 12 noon</td> </tr> <tr> <td>Balloting of applications under ATM Offer:</td> <td>15 September 2008</td> </tr> <tr> <td>Preference Shares Issue Date:</td> <td>15 September 2008</td> </tr> <tr> <td>Expected Listing Date:</td> <td>16 September 2008</td> </tr> </tbody> </table> <p>The above dates are subject to change at the sole discretion of UOB.</p> | Closing date and time | 12 September 2008, 12 noon | Balloting of applications under ATM Offer: | 15 September 2008 | Preference Shares Issue Date: | 15 September 2008 | Expected Listing Date: | 16 September 2008 |
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| Preference Shares Issue Date: | 15 September 2008 | | | | | | | | |
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Frequently Asked Questions (“FAQ”)

[Offer Related Questions:](#)

1. Is the dividend of 5.05 % guaranteed?

The payment of dividends on the Preference Shares is subject to declaration by UOB’s Board of Directors. If the Preference Shares dividend is not paid, under the terms of the Preference Shares, UOB is not allowed to declare dividends on, repurchase or redeem its the ordinary shares. The dividend rate of 5.05% p.a. is fixed and not subject to change.

2. Is the dividend of 5.05 % calculated based on issue price of S\$100?

The dividend of 5.05% p.a., if declared, will be paid semi-annually, calculated based on the liquidation preference of S\$100 per Preference Share. The dividend amount is not dependent on the prevailing market price of the Preference Shares.

For illustration, if dividends are declared payable on a holding of 100 Preference Shares, you can expect to receive dividends of approximately S\$252.50 on 15 March and 15 September of each calendar year, which comes up to a total of S\$505 per year on 100 Preference Shares.

3. When is the first dividend payment date and how will I receive it?

If declared, the first dividend payment will be on 15 March 2009. Dividends will be credited via your arrangements with The Central Depository (Pte) Limited (“CDP”).

4. Do I need to pay tax on the dividend received?

With effect from 1 January 2008, all Singapore-resident companies including UOB are under the one-tier corporate tax system (“one-tier system”). Under this new corporate tax system, there will be no withholding or other income tax on dividends paid by UOB to a Singapore resident or non-Singapore resident shareholder. Accordingly, under the one-tier system, dividends declared and paid by UOB in respect of the preference shares should not be subject to Singapore tax. You will receive the dividend without any tax deduction.

For tax consequences outside Singapore, we recommend that you seek your own tax advice.

5. What are the potential risks involved in this investment?

The potential risks include:

- Dividend payment is not cumulative. If UOB for whatever reasons does not pay dividend on any Dividend Date, the amount not paid will not be payable on the next Dividend Date.
- UOB has the right (subject to regulatory approval) but not the obligation to redeem the Preference Shares, and Preference Shareholders have no right to call for their redemption. Preference Shareholders are however free to sell their Preference Shares in the market.
- In a liquidation scenario, the Preference Shares will rank in priority to the ordinary shares of UOB but junior to all depositors and other creditors (including holders of subordinated debt) of UOB.
- The market for the Preference Shares may not be liquid or active. In addition, the Preference Shares may trade below the S\$100 issue price. The price of the Preference Shares may be affected depending on factors such as the interest rate environment and the ratings of UOB.

Please refer to the OIS for further details.

6. Will UOB redeem the Preference Shares? Will there be any change in the dividend rate in the future?

Although UOB is not obliged to do so, it may redeem the Preference Shares under the following circumstances, subject to, amongst other things, approval of the regulatory authority:

- on the date falling five years after the Issue Date;
- on the date falling ten years after the Issue Date;
- thereafter, on each Dividend Date;
- if the dividends become subject to tax, due to changes in the Singapore tax laws; or
- if there is a risk that the Preference Shares may no longer qualify as Tier 1 capital of UOB.

If UOB decides to redeem the Preference Shares, it will pay the liquidation price of S\$100 for each Preference Share, plus any accrued dividend payable up to the redemption date.

The dividend rate of 5.05% p.a. is fixed and not subject to change.

7. Will the Preference Shares be traded in the market?

Yes, you will be able to trade the Preference Shares once they are listed on the Main Board of the SGX-ST on or about 16 September 2008. They will be traded in board lot size of 100 Preference Shares. Please note that the listing of the Preference Shares on the SGX-ST does not guarantee a liquid market for the Preference Shares and that the market price of the Preference Shares may be above or below the S\$100 issue price.

Application Related Questions

1. How do I apply for the Preference Shares?

Applications under the Placement can be made via the Placement Preference Shares application forms. If you are an existing UOB customer, please feel free to approach your relationship manager or personal banker for assistance.

Applications under the ATM Offer may be made via ATMs of UOB, DBS Bank (including POSB) and OCBC Bank in Singapore. Please refer to Appendix G of the OIS for the steps required in the ATM application.

2. Can I apply in joint names?

No, only single-name applications are allowed under CDP rules.

3. Can I use CPF or SRS to apply for the Preference Shares?

No, only applications using cash in the form of cashiers' order or bankers' draft are allowed.

4. Is there any restriction on ATM applications?

The minimum subscription amount for an application under the ATM Offer is S\$10,000 or 100 Preference Shares. No multiple applications are allowed under the ATM Offer. However, ATM applicants may separately apply for Preference Shares under the Placement.

5. Is there any restriction on Placement applications?

The minimum subscription amount for an application under the Placement is S\$50,000 or 500 Preference Shares. Multiple applications under the Placement are allowed.

6. When are the opening and closing dates and times for the submission of an application?

The Offering will open on 28 August 2008 at 9am and will close on 12 September 2008 at 12 noon. UOB reserves the right to change these dates.

7. How will I know if my application is successful?

Following the closing of the Offering, CDP will send a notification letter to each successful applicant stating the number of Preference Shares credited to his Securities Account. Alternatively, you will be able to check the provisional results of your application by the evening of the balloting day for the ATM Offer. Please refer to the OIS for further details.

8. Where can I find more information on the Preference Shares?

You should read the OIS for more information on the Preference Shares. The OIS may be obtained on request, subject to availability during office hours from:

United Overseas Bank Limited
Main Branch
80 Raffles Place
UOB Plaza 1,
Singapore 048624

and from selected branches (list of centres under Annex 1) of UOB in Singapore, and where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Offer Information Statement is also available on the Authority's OPERA website at <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>

You may also contact our Call Centre dedicated for the Preference Share issue at 1800-CALL-UOB (1800 225 5862).

This document is qualified in its entirety by, and should be read in conjunction with, the full text of the offer information statement dated 27 August 2008 ("**OIS**") lodged with the Monetary Authority of Singapore (the "**Authority**"). A printed copy of the OIS may be obtained on request, subject to availability, during operating hours from United Overseas Bank Limited, Main Branch, 80 Raffles Place, UOB Plaza 1, Singapore 048624 and from selected branches of UOB in Singapore, and where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of the OIS is also available on the Authority's OPERA website <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>. Anyone wishing to subscribe for the Preference Shares should read the OIS in full and must make an application in the manner set out in the OIS.

This brochure is not intended to be legal, financial, or tax advice or an investment recommendation and may not be relied upon to evaluate the merits of investing in the Preference Shares. It does not take into account the specific investment objectives, financial situation or particular needs of any particular person. It is recommended that you seek professional advice from your legal, financial, tax or other professional adviser before deciding whether to subscribe for the Preference Shares. An investment in the Preference Shares is subject to investment risks, including the possible loss of the principal amount invested. It is intended that holders of the Preference Shares may only deal in their Preference Shares through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Preference Shares on the SGX-ST does not guarantee a liquid market for the Preference Shares.

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. The past performance of

UOB is not indicative of its future performance. Any reference to any specific performance is used for illustrative purposes only and does not constitute a recommendation on the same.

UOB and its related companies, their directors and/or employees (collectively, the “**Related Persons**”) may have positions in, and may effect transactions in, the Preference Shares. UOB and the Related Persons may also perform or seek to perform broking and other financial services for the Preference Shares.

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Capitalised terms not otherwise defined in this brochure shall have the same meanings given in the OIS.

The selected UOB Branches where UOB Class E Preference Shares OIS are available:

UOB Branches

| | |
|----------------------------|---|
| Ang Mo Kio Branch | Main Branch |
| Anson Road Branch | Marina Square Branch |
| Bedok Branch | Orchard Branch |
| Bishan Branch | Parkway Parade Branch |
| Bukit Batok Central Branch | Raffles City Branch |
| Bukit Panjang Branch | Serangoon Garden Branch |
| Coleman Street Branch | Siglap Branch |
| Great World City Branch | Tampines Branch |
| Holland Road Branch | Thomson Road Branch |
| Hougang Branch | Tiong Bahru Plaza Branch |
| Jurong East Central Branch | Toa Payoh Branch |
| Jurong Point Branch | Upper Bukit Timah Branch (West Regional Centre) |
| MacPherson Branch | Vivo City Branch |
| | Yishun Branch |

Privilege Banking Centres

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|---------------------------------------|---|
| Bukit Timah Privilege Banking Centre | Parkway Parade Privilege Banking Centre |
| Mt Elizabeth Privilege Banking Centre | Raffles Place Privilege Banking Centre |
| Orchard Privilege Banking Centre | Serangoon Garden Privilege Banking Centre |
